

Appendix A



BUDGET ORDINANCE

ORDINANCE NO. 2505**AN URGENCY ORDINANCE OF THE CITY OF DAVIS APPROVING AND ADOPTING FINAL BUDGET OF THE CITY OF DAVIS AND THE FORMER DAVIS REDEVELOPMENT AGENCY FOR THE FISCAL YEAR 2017-2018, PROVIDING FOR THE POST-AUDITING OF PAID DEMANDS CERTIFIED OR APPROVED AS CONFORMING TO SUCH APPROVED BUDGET AND DETERMINING THE APPROPRIATIONS LIMIT OF THE CITY OF DAVIS PURSUANT TO ARTICLE XIII-B OF THE STATE CONSTITUTION**

THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The summary of the Total Appropriation Budget for All Funds for the fiscal year 2017-2018, attached hereto as Exhibit A, the Operating Budget of the City of Davis for the fiscal year 2017-2018, attached hereto as Exhibit B, the Capital Improvement Budget of the City of Davis for the fiscal year 2017-2018, attached hereto as Exhibit C, as reviewed and approved by the Planning Commission for finding of General Plan consistency, the Debt Service Budget of the City of Davis for the fiscal year 2017-2018, attached hereto as Exhibit D, the former Redevelopment Agency Budget for the fiscal year 2017-2018, attached hereto as Exhibit E, the Summary of Citywide Adjustments and Fund Transfers for the fiscal year 2017-2018, attached hereto as Exhibit F, the Schedule of Changes and Additions to the Budget of the City of Davis for the fiscal year 2017-2018, attached hereto as Exhibit G, the Schedule of Authorized Positions of the City of Davis for fiscal year 2017-2018, attached hereto as Exhibit H, and the rollover of prior year unspent encumbrances and appropriation carryovers, and made parts hereof, are hereby adopted and approved, subject to the Planning Commission's review and finding of General Plan consistency of the proposed Capital Improvement Program.

SECTION 2. City, acting for the City and as the successor to the Davis Redevelopment Agency has determined that the expenditures from the former Redevelopment Agency's Low and Moderate Income Housing Fund (Fund 896) for planning and administrative activities are necessary for the production, improvement, or preservation of low- and moderate-income housing. The former Redevelopment Agency administrative costs are within the range of reasonable administrative costs used for state and federal programs and are proportionate to the number of affordable units produced, on average.

SECTION 3. Pursuant to Section 37208 of the Government Code of the State of California, budgeted payrolls and demands against the City shall be audited by the Finance Administrator, and thereafter submitted by the City Manager to the City Council for approval in an audited comprehensive annual financial report.

SECTION 4. Except as specified in Section 5, total expenditures and additions to reserve for any fund during fiscal year 2016-2017 may not exceed the total appropriations from that fund as set forth in the attached budget documents without specific additional appropriation by the City Council.

SECTION 5. Notwithstanding the limitations in Section 4, appropriations from any fund may be increased by an amount not to exceed \$50,000 for each appropriation action upon approval by the City Manager and City Treasurer. The amount and purpose of each such additional appropriation must be included in a report to the City Council at least quarterly. Within any specific fund appropriation set

forth in the attached budget documents, sums may be transferred from one department to another in the Operating Budget, and a maximum sum of \$175,000 may be transferred from one project to another project in the Capital Improvement Budget, upon approval by the City Manager and the City Treasurer.

SECTION 6. The City Treasurer is hereby authorized and directed to cause to be transferred, at such times as are appropriate, those amounts designated as transfers in the budget, in consideration of the balances of funds affected and the fact of services furnished or expenses incurred. The City Treasurer is further authorized to make transfers of money from the funds approved in the budget as sources of revenues for programs to the Capital Improvement Clearing Fund and the Encumbrances Fund, and is further authorized to make temporary transfers of money from and to other funds as necessary to provide a cash flow to meet requirements for disbursements.

SECTION 7. The City Council of the City of Davis does hereby find the appropriations limits of the City for Fiscal Years 2016-2017 and 2017-2018 as defined by Article XIII-B of the State Constitution to be \$70,149,218 and \$73,881,156 respectively, as shown on the computation attached hereto as Exhibit I. These are temporary findings pending the receipt of more specific assessed value information regarding non-residential property in the City of Davis. Growth in such assessed value is an optional factor in computing the growth in the City's appropriation limit and is not currently available from the Yolo County Auditor. In the absence of such information, the City has chosen to calculate growth based on the change in California Per Capita Income and the percent change in population for Yolo County. When more specific information is received, the City Council may adopt revised findings. Based on these provisional findings the approved Budget is within the City's 2016-2017 and 2017-2018 Article XIII-B appropriations limit.

SECTION 8. This urgency ordinance, being an ordinance relating to taxes for the usual and current expenses of the City, shall take effect immediately upon adoption, and shall be published once in the "Davis Enterprise," a newspaper of general circulation, printed, published and circulated in said City of Davis.

PASSED AND ADOPTED by the City Council of the City of Davis acting as the Successor Agency to the former Davis Redevelopment Agency on this 20th day of June, 2017, by the following vote:

AYES: Arnold, Frerichs, Lee, Davis

NOES: None

ABSENT: Swanson

Robb Davis
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

Exhibit "A"

CITY OF DAVIS
TOTAL APPROPRIATION BUDGET ALL FUNDS
Fiscal Year 2017-2018

Fund	Fund Description	Adjustments		
		Proposed Budget 17/18	to Proposed Budget	Adopted Budget 17/18
001	GENERAL FUND-UNRESERVED	\$ 63,927,003	\$ 38,399	\$ 63,965,402
007	UNALLOC INVESTMENT ERNGS	\$ 109,061	\$ -	\$ 109,061
109	GAS TAX 2105	\$ 911,799	\$ -	\$ 911,799
110	GAS TAX 2106	\$ 305,053	\$ -	\$ 305,053
111	GAS TAX 2107	\$ 440,485	\$ -	\$ 440,485
112	GAS TAX 2107.5	\$ 9,053	\$ -	\$ 9,053
115	TDA NON-TRANSIT USE	\$ 501,148	\$ -	\$ 501,148
135	OPEN SPACE FUND	\$ 261,192	\$ -	\$ 261,192
140	PARKS MAINTENANCE TAX	\$ 1,452,842	\$ -	\$ 1,452,842
150	CABLE TV	\$ 907,590	\$ -	\$ 907,590
151	CABLE TV CAPITAL	\$ 132,271	\$ -	\$ 132,271
155	PUBLIC SAFETY	\$ 3,273,509	\$ -	\$ 3,273,509
160	HOUSING IN-LIEU	\$ 447,050	\$ -	\$ 447,050
161	FEDERAL HOUSING GRANTS	\$ 366,841	\$ -	\$ 366,841
165	MUNICIPAL ARTS	\$ 19,908	\$ -	\$ 19,908
170	CHILD CARE	\$ 73,282	\$ -	\$ 73,282
190	AGRICULTURE LAND ACQUISITION	\$ 53,700	\$ -	\$ 53,700
195	BUILDING FEES/PERMITS	\$ 2,407,396	\$ -	\$ 2,407,396
200	CONSTRUCTION TAX	\$ 1,831,670	\$ -	\$ 1,831,670
205	SUBDIVISION IN-LIEU PARK FEES	\$ 492	\$ -	\$ 492
209	PARKING REVENUE FUND	\$ 61,004	\$ -	\$ 61,004
210	FEDERAL/STATE HIGHWAY GRANTS	\$ 3,049,522	\$ -	\$ 3,049,522
215	HUD/CDBG	\$ 515,896	\$ -	\$ 515,896
216	OPERATIONAL GRANTS FUND	\$ 271,252	\$ -	\$ 271,252
337	PUBLIC FACIL FINANCING AUTHORITY	\$ 1,541,067	\$ -	\$ 1,541,067
338	MACE RANCH MELLO ROOS BOND	\$ 1,534,964	\$ -	\$ 1,534,964
340	CANNERY CFD	\$ 441,988	\$ -	\$ 441,988
358	UNIV RESEARCH PARK ASSMT DIST	\$ 183,920	\$ -	\$ 183,920
465	CAPITAL GRANTS FUND	\$ 240,000	\$ -	\$ 240,000
480	DEVELOPMENT DEFERRED IMPROV	\$ 95,607	\$ -	\$ 95,607
481	DEV DEFER IMPROV - GENERAL FACILITIES	\$ 420,574	\$ -	\$ 420,574
482	DEV DEFER IMPROV - OPEN SPACE	\$ 38,657	\$ -	\$ 38,657
483	DEV DEFER IMPROV - PARKS	\$ 80,578	\$ 126,500	\$ 207,078
484	DEV DEFER IMPROV - PUBLIC SAFETY	\$ 97,500	\$ -	\$ 97,500
485	DEV DEFER IMPROV - ROADWAY	\$ 4,110,688	\$ -	\$ 4,110,688
570	PUBLIC TRANSIT	\$ 3,213,188	\$ -	\$ 3,213,188
571	TRANSPORATION - NON TDA	\$ 4,000,000	\$ -	\$ 4,000,000

Exhibit "A"

CITY OF DAVIS
TOTAL APPROPRIATION BUDGET ALL FUNDS
Fiscal Year 2017-2018

Fund	Fund Description	Adjustments		
		Proposed Budget 17/18	to Proposed Budget	Adopted Budget 17/18
511	WATER - MAINT & OPERATION	\$ 16,635,037	\$ -	\$ 16,635,037
512	WATER - CAP REPLCMNT RESRV	\$ 2,396,502	\$ -	\$ 2,396,502
513	WATER - CAPITAL EXPAN RESRV	\$ 170,137	\$ -	\$ 170,137
520	SANITATION FUND	\$ 13,096,025	\$ -	\$ 13,096,025
531	SEWER - MAINT & OPERATION	\$ 13,638,933	\$ -	\$ 13,638,933
532	SEWER - CAP REPLCMNT RESRV	\$ 9,379,669	\$ 3,624,462	\$ 13,004,131
533	SEWER - CAPITAL EXPAN RESRV	\$ 2,845	\$ -	\$ 2,845
541	STORM SWR/DRN - MAINT & OPER	\$ 1,248,568	\$ -	\$ 1,248,568
542	STORM SWR/DRN - CAP REPL RESRV	\$ 194,522	\$ -	\$ 194,522
543	STORM SWR/DRN - CAP EXP RESRV	\$ 65,222	\$ -	\$ 65,222
544	STORM SEWER - QUALITY	\$ 886,590	\$ -	\$ 886,590
020	EMPLOYEE BENEFITS FUND	\$ 3,030,000	\$ -	\$ 3,030,000
620	GENERAL SERVICES/STORES SERVICES	\$ 313,581	\$ -	\$ 313,581
621	EQUIPMENT REPLACEMENT	\$ 1,477,676	\$ -	\$ 1,477,676
622	FLEET SERVICES FUND	\$ 1,743,399	\$ -	\$ 1,743,399
623	IS REPLACEMENT FUND	\$ 595,000	\$ -	\$ 595,000
624	IS SERVICES FUND	\$ 2,362,688	\$ -	\$ 2,362,688
625	BUILDING MAINTENANCE	\$ 1,932,847	\$ -	\$ 1,932,847
626	FACILITY MAINTENANCE	\$ 2,391,639	\$ -	\$ 2,391,639
628	EQUIPMENT MAINTENANCE FUND	\$ 195,490	\$ -	\$ 195,490
629	DUPLICATING/POSTAL SERVICES	\$ 150,387	\$ -	\$ 150,387
630	CITY SELF-INSURANCE	\$ 15,661,814	\$ -	\$ 15,661,814
	TOTAL ALL FUNDS	\$ 184,896,321	\$ 3,789,361	\$ 188,685,682
891	RDA RETIREMENT OBLIGATION FUND	\$ 3,492,508	\$ -	\$ 3,492,508
893	RDA RETIREMENT OBLIGATION - TE BONDS	\$ -	\$ -	\$ -
895	RDA RETIREMENT OBLIGATION - DEBT SVC	\$ -	\$ -	\$ -
896	RDA RETIREMENT OBLIGATION - HOUSING	\$ 179,592	\$ -	\$ 179,592
	TOTAL RED SUCCESSOR AGENCY FUNDS	\$ 3,672,100	\$ -	\$ 3,672,100
		\$ 188,568,421	\$ 3,789,361	\$ 192,357,782

Exhibit "B"

**CITY OF DAVIS
OPERATING BUDGET
Fiscal Year 2017-2018**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption		
CITY COUNCIL					<u>\$ 213,838</u>
General Fund	\$ 213,838	\$ -	\$ 213,838	\$ 213,838	
CITY ATTORNEY					<u>\$ 512,967</u>
General Fund	\$ 362,967	\$ -	\$ 362,967	\$ 512,967	
Internal Service Funds	\$ 150,000	\$ -	\$ 150,000		
CITY MANAGER'S OFFICE					<u>\$ 5,586,929</u>
<u>General Management</u>				\$ 2,800,672	
General Fund	\$ 2,539,774	\$ 10,000	\$ 2,549,774		
Construction Tax	\$ 10,000	\$ -	\$ 10,000		
Enterprise Funds	\$ 15,000	\$ -	\$ 15,000		
Gen Fund Grants/Designated Revenue	\$ 24,000	\$ -	\$ 24,000		
Internal Service Funds	\$ 150,387	\$ -	\$ 150,387		
Special Revenue Funds	\$ 51,511	\$ -	\$ 51,511		
<u>City Clerk</u>				\$ 534,927	
General Fund	\$ 432,912	\$ -	\$ 432,912		
General Fund Fees and Charges	\$ 75,000	\$ -	\$ 75,000		
Special Revenue Funds	\$ 27,015	\$ -	\$ 27,015		
<u>Cable & Media Services</u>				\$ 955,883	
Internal Service Funds	\$ 11,074	\$ -	\$ 11,074		
Special Revenue Funds	\$ 944,809	\$ -	\$ 944,809		
<u>CDBG & Housing</u>				\$ 1,295,447	
General Fund	\$ 100,660	\$ -	\$ 100,660		
Special Revenue Funds	\$ 1,194,787	\$ -	\$ 1,194,787		
ADMINISTRATIVE SERVICES DEPT.					<u>\$ 23,126,805</u>
<u>HR and Risk Management</u>				\$ 16,332,369	
General Fund	\$ 821,112	\$ -	\$ 821,112		
Internal Service Funds	\$ 15,511,257	\$ -	\$ 15,511,257		
<u>IS & Communications</u>				\$ 3,185,941	
General Fund	\$ 160,270	\$ -	\$ 160,270		
Internal Service Funds	\$ 2,957,688	\$ -	\$ 2,957,688		
Special Revenue Funds	\$ 67,983	\$ -	\$ 67,983		
<u>Budget & Financial Planning</u>				\$ 612,646	
General Fund	\$ 469,991	\$ -	\$ 469,991		
Development Impact Fees	\$ 94,701	\$ -	\$ 94,701		
Enterprise Funds	\$ 47,954	\$ -	\$ 47,954		
<u>Fiscal Services</u>				\$ 2,995,849	
General Fund	\$ 1,153,631	\$ -	\$ 1,153,631		
Debt Service Funds	\$ 70,000	\$ -	\$ 70,000		
Development Impact Fees	\$ 132	\$ -	\$ 132		
Enterprise Funds	\$ 1,075,089	\$ -	\$ 1,075,089		
General Fund Fees and Charges	\$ 7,150	\$ -	\$ 7,150		
Gen Fund Grants/Designated Revenue	\$ 522,100	\$ -	\$ 522,100		
Public Safety Service Fee	\$ 58,686	\$ -	\$ 58,686		
Special Revenue Funds	\$ 109,061	\$ -	\$ 109,061		

Exhibit "B"

**CITY OF DAVIS
OPERATING BUDGET
Fiscal Year 2017-2018**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption	
DEPT OF COMMUNITY DEVELOPMENT & SUSTAINABILITY				<u>\$ 6,268,460</u>
<u>Administration</u>				\$ 334,514
General Fund	\$ 188,840	\$ -	\$ 188,840	
Gen Fund Grants/Designated Revenue	\$ 1,200	\$ -	\$ 1,200	
Special Revenue Funds	\$ 144,474	\$ -	\$ 144,474	
 <u>Planning</u>				\$ 3,647,077
General Fund	\$ 1,397,072	\$ -	\$ 1,397,072	
Construction Tax	\$ 437,811	\$ -	\$ 437,811	
Development Impact Fees	\$ 268,626	\$ -	\$ 268,626	
Enterprise Funds	\$ 314,001	\$ -	\$ 314,001	
General Fund Fees and Charges	\$ 922,265	\$ -	\$ 922,265	
Gen Fund Grants/Designated Revenue	\$ 1,500	\$ -	\$ 1,500	
Park Maintenance Tax	\$ 50,000	\$ -	\$ 50,000	
Special Revenue Funds	\$ 255,802	\$ -	\$ 255,802	
 <u>Building</u>				\$ 2,286,869
General Fund	\$ 23,947	\$ -	\$ 23,947	
Special Revenue Funds	\$ 2,262,922	\$ -	\$ 2,262,922	
 PARKS & COMMUNITY SERVICES				<u>\$ 14,798,021</u>
<u>Child Care Services</u>				\$ 73,282
Child Care Funds	\$ 73,282	\$ -	\$ 73,282	
 <u>Parks and Open Space</u>				\$ 7,730,845
General Fund	\$ 5,721,840	\$ -	\$ 5,721,840	
Enterprise Funds	\$ 81,296	\$ -	\$ 81,296	
General Fund Fees and Charges	\$ 356,000	\$ -	\$ 356,000	
Internal Service Funds	\$ 320,000	\$ -	\$ 320,000	
Park Maintenance Tax	\$ 1,250,000	\$ -	\$ 1,250,000	
Special Revenue Funds	\$ 1,709	\$ -	\$ 1,709	
 <u>Aquatics</u>				\$ 1,763,202
General Fund	\$ 434,168	\$ -	\$ 434,168	
General Fund Fees and Charges	\$ 573,500	\$ -	\$ 573,500	
Internal Service Funds	\$ 602,692	\$ -	\$ 602,692	
Park Maintenance Tax	\$ 152,842	\$ -	\$ 152,842	
 <u>Community Services</u>				\$ 5,230,692
General Fund	\$ 2,307,717	\$ -	\$ 2,307,717	
Enterprise Funds	\$ 663,660	\$ -	\$ 663,660	
General Fund Fees and Charges	\$ 1,648,399	\$ -	\$ 1,648,399	
Internal Service Funds	\$ 610,916	\$ -	\$ 610,916	
 FIRE DEPARTMENT				<u>\$ 10,939,556</u>
<u>Emergency Services Management</u>				\$ 591,343
General Fund	\$ 590,843	\$ -	\$ 590,843	
Gen Fund Grants/Designated Revenue	\$ 500	\$ -	\$ 500	

Exhibit "B"

**CITY OF DAVIS
OPERATING BUDGET
Fiscal Year 2017-2018**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption	
<u>Operations</u>				\$ 9,535,900
General Fund	\$ 6,907,517	\$ -	\$ 6,907,517	
Enterprise Funds	\$ 120,703	\$ -	\$ 120,703	
General Fund Fees and Charges	\$ 864,535	\$ -	\$ 864,535	
Internal Service Funds	\$ 80,734	\$ -	\$ 80,734	
Public Safety Service Fees	\$ 1,562,411	\$ -	\$ 1,562,411	
 <u>Prevention</u>				 \$ 519,885
General Fund	\$ 350,035	\$ -	\$ 350,035	
General Fund Fees and Charges	\$ 169,850	\$ -	\$ 169,850	
 <u>Training</u>				 \$ 292,428
General Fund	\$ 292,428	\$ -	\$ 292,428	
 POLICE DEPARTMENT				 \$ 20,578,192
<u>Operations</u>				\$ 14,735,073
General Fund	\$ 13,002,611	\$ (50,521)	\$ 12,952,090	
General Fund Fees and Charges	\$ 23,120	\$ -	\$ 23,120	
Gen Fund Grants/Designated Revenue	\$ 40,093	\$ -	\$ 40,093	
Internal Service Funds	\$ 24,245	\$ -	\$ 24,245	
Pub. Safety Svc. Fees/Tax	\$ 1,652,412	\$ -	\$ 1,652,412	
Special Revenue Funds	\$ 43,113	\$ -	\$ 43,113	
 <u>Investigations</u>				 \$ 2,711,597
General Fund	\$ 2,605,428	\$ 78,920	\$ 2,684,348	
General Fund Fees and Charges	\$ 2,900	\$ -	\$ 2,900	
Gen Fund Grants/Designated Revenue	\$ 24,349	\$ -	\$ 24,349	
 <u>Records & Communications</u>				 \$ 2,605,903
General Fund	\$ 2,201,540	\$ -	\$ 2,201,540	
General Fund Fees and Charges	\$ 400,830	\$ -	\$ 400,830	
Internal Service Funds	3,533	\$ -	\$ 3,533	
 <u>Parking Enforcement</u>				 \$ 525,619
General Fund	\$ 508,019	\$ -	\$ 508,019	
General Fund Fees and Charges	\$ 12,600	\$ -	\$ 12,600	
Special Revenue Funds	\$ 5,000	\$ -	\$ 5,000	
 PUBLIC WORKS DEPARTMENT				 \$ 52,827,759
<u>Administration</u>				\$ 1,520,546
General Fund	\$ 357,314	\$ -	\$ 357,314	
Enterprise Funds	\$ 720,798	\$ -	\$ 720,798	
Internal Service Funds	\$ 428,376	\$ -	\$ 428,376	
Special Revenue Funds	\$ 14,058	\$ -	\$ 14,058	
 <u>Transportation</u>				 \$ 11,633,631
General Fund	\$ 1,961,456	\$ -	\$ 1,961,456	
Construction Tax	\$ 21,747	\$ -	\$ 21,747	
Development Impact Fees	\$ 6,624	\$ -	\$ 6,624	
Enterprise Funds	\$ 7,579,811	\$ -	\$ 7,579,811	
General Fund Fees and Charges	\$ 8,608	\$ -	\$ 8,608	
Gen Fund Grants/Designated Revenue	\$ 84,478	\$ -	\$ 84,478	
Internal Service Funds	\$ 143,730	\$ -	\$ 143,730	
Special Revenue Funds	\$ 1,827,177	\$ -	\$ 1,827,177	

Exhibit "B"

**CITY OF DAVIS
OPERATING BUDGET
Fiscal Year 2017-2018**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption	
<u>Wastewater</u>				\$ 6,793,008
Enterprise Funds	\$ 6,793,008	\$ -	\$ 6,793,008	
<u>Storm Water</u>				\$ 1,313,837
Enterprise Funds	\$ 1,313,837	\$ -	\$ 1,313,837	
<u>Water Division</u>				\$ 9,751,105
Enterprise Funds	\$ 9,751,105	\$ -	\$ 9,751,105	
<u>Engineering Services</u>				\$ 1,326,406
General Fund	\$ 229,633	\$ -	\$ 229,633	
Enterprise Funds	\$ 271,951	\$ -	\$ 271,951	
General Fund Fees and Charges	\$ 766,000	\$ -	\$ 766,000	
Special Revenue Funds	\$ 58,822	\$ -	\$ 58,822	
<u>Environmental Resources</u>				\$ 13,905,755
General Fund	\$ 127,539	\$ -	\$ 127,539	
Enterprise Funds	\$ 13,761,077	\$ -	\$ 13,761,077	
Special Revenue Funds	\$ 17,139	\$ -	\$ 17,139	
<u>Fleet Services</u>				\$ 3,032,856
Internal Service Funds	\$ 3,032,856	\$ -	\$ 3,032,856	
<u>Asset Management Division</u>				\$ 3,550,615
General Fund	\$ 658,857	\$ -	\$ 658,857	
Construction Tax	\$ 182,042	\$ -	\$ 182,042	
Develop Impact Fees	\$ 6,537	\$ -	\$ 6,537	
General Fund Fees and Charges	\$ 271,584	\$ -	\$ 271,584	
Internal Service Funds	\$ 2,431,595	\$ -	\$ 2,431,595	
<u>SUB-TOTAL OPERATING BUDGET</u>				<u>\$ 134,852,527</u>
 				<u>\$ 1,369,237</u>
Plus Citywide Contingency				\$ 1,369,237
General Fund	\$ (1,660,763)	\$ -	\$ (1,660,763)	
Internal Service Funds	\$ 3,030,000	\$ -	\$ 3,030,000	
<u>TOTAL OPERATING BUDGET</u>				<u>\$ 136,221,764</u>

Exhibit "C"

CITY OF DAVIS
CAPITAL IMPROVEMENT BUDGET
Fiscal Year 2017-2018

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption
General Fund Support (001)	\$ 8,371,213	\$ -	\$ 8,371,213
General Fund Fees (001)	\$ 250,000	\$ -	\$ 250,000
General Fund Grants/Other (001)	\$ 3,799,428	\$ -	\$ 3,799,428
LTF/STA Non-Transit (115)	\$ 478,481	\$ -	\$ 478,481
Open Space Fund (135)	\$ 77,312	\$ -	\$ 77,312
Cable TV Fund (150)	\$ 54	\$ -	\$ 54
Construction Tax (200)	\$ 1,180,070	\$ -	\$ 1,180,070
S/D In Lieu Park Fees (205)	\$ 492	\$ -	\$ 492
Parking Revenue Fund (209)	\$ 4,470	\$ -	\$ 4,470
Federal/State Hwy Grant (210)	\$ 851,333	\$ -	\$ 851,333
RSTP (210)	\$ 2,198,189	\$ -	\$ 2,198,189
CDBG Fund (215)	\$ 135,000	\$ -	\$ 135,000
Capital Grants Fund (465)	\$ 240,000	\$ -	\$ 240,000
Development Deferred Improv (480)	\$ 656	\$ -	\$ 656
Dev Impact Fee - General Facilities (481)	\$ 152,066	\$ -	\$ 152,066
Dev Impact Fee - Open Space (482)	\$ 38,657	\$ -	\$ 38,657
Dev Impact Fee - Parks (483)	\$ 74,041	\$ 126,500	\$ 200,541
Dev Impact Fee - Public Safety (484)	\$ 97,500	\$ -	\$ 97,500
Dev Impact Fee - Roads (485)	\$ 4,104,064	\$ -	\$ 4,104,064
Water-Cap Repl Fund(512)	\$ 2,946,440	\$ -	\$ 2,946,440
Surface Water Project Financing (512)	\$ 1,328,008	\$ -	\$ 1,328,008
Sewer Fund (531)	\$ 41,452	\$ -	\$ 41,452
Sewer Cap Replacement Fund (532)	\$ 4,350,163	\$ 3,624,462	\$ 7,974,625
WWTP SRF Financing (532)	\$ 9,979,761	\$ -	\$ 9,979,761
Sewer Cap Expan Fund (533)	\$ 2,845	\$ -	\$ 2,845
Storm Sewer/Drainage Fund (541)	\$ 42,250	\$ -	\$ 42,250
Storm Sewer/Drainage Cap Repl (542)	\$ 366,465	\$ -	\$ 366,465
Storm Sewer/Drainage Quality (544)	\$ 410	\$ -	\$ 410
Fleet Replacement Fund (621)	\$ 50,675	\$ -	\$ 50,675
Building Maintenance Fund (625)	\$ 24	\$ -	\$ 24
Facility Replacement (626)	\$ 314,182	\$ -	\$ 314,182
Damage Reimbursement (630)	\$ 557	\$ -	\$ 557
<u>TOTAL CAPITAL IMPROVEMENTS</u>	\$ 41,476,258	\$ 3,750,962	\$ 45,227,220

Exhibit "D"

**CITY OF DAVIS
DEBT SERVICE BUDGET
Fiscal Year 2017-2018**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption
<u>2003 PFFA Bond</u>			
1990 Public Finance Authority Bond Funds	\$ 550,735	\$ -	\$ 550,735
<u>2007 Community Facilities Dist - Mace Ranch I</u>			
Community Facil Dist-Mace Ranch Funds	\$ 1,208,850	\$ -	\$ 1,208,850
<u>2007-2 Community Facilities Dist - Mace Ranch II</u>			
Community Facil Dist-Mace Ranch Funds	\$ 301,114	\$ -	\$ 301,114
<u>2009 PFFA Bond</u>			
1990 Public Finance Authority Bond Funds	\$ 945,332	\$ -	\$ 945,332
<u>Cal I-Bank CIEDB-B08-093</u>			
Water-Capital Replacement Funds	\$ 617,990	\$ -	\$ 617,990
<u>Wells Fargo - Water LOC</u>			
Water - Capital Replacement Funds	\$ -	\$ -	\$ -
<u>Wells Fargo Water Bonds</u>			
Water - Capital Replacement Funds	\$ 1,295,734	\$ -	\$ 1,295,734
<u>Cannery CFD 2015 Special Tax</u>			
Cannery Special Tax Fund	\$ 441,988	\$ -	\$ 441,988
<u>WDCWA 2015 Water Revenue Bond</u>			
Water - Capital Repl Fund	\$ 1,126,944	\$ -	\$ 1,126,944
<u>University Research Park Assessment District</u>			
University Research Park Assessment Funds	\$ 183,920	\$ -	\$ 183,920
<u>Interfund Loan - Sewer</u>			
Sewer Fund	\$ 65,222	\$ -	\$ 65,222
<u>Interfund Loan - Drainage</u>			
Storm Sewer/Drng Capital Expansion Fund	\$ 65,222	\$ -	\$ 65,222
<u>Interfund Loan - Sewer</u>			
Water - Capital Expansion Fund	\$ 170,137	\$ -	\$ 170,137
Water - Capital Replacement Fund	\$ 18,905	\$ -	\$ 18,905
<u>Streetlight Conversion Financing</u>			
General Fund	\$ 244,605	\$ -	\$ 244,605
<u>TOTAL DEBT SERVICE</u>	<u>\$ 7,236,698</u>	<u>\$ -</u>	<u>\$ 7,236,698</u>

Exhibit "E"

CITY OF DAVIS
REDEVELOPMENT SUCCESSOR AGENCY OPERATING BUDGET
Fiscal Year 2017-2018

REDEV SUCCESSOR AGENCY OPERATING BUDGET - DIVISION 91

Redevelopment Obligation Retirement Operations	\$	234,706
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SUBTOTAL REDEVELOPMENT SUCCESSOR OPERATIONS	\$	234,706
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REDEV SUCCESSOR AGENCY DEBT SERVICE

<u>2011 RDA Tax Allocation Bonds - Series A</u>		
Redev Obligation Retirement - Debt Service	\$	922,726

<u>2011 RDA Taxable Tax Allocation Bonds - Series B</u>		
Redev Obligation Retirement - Debt Service	\$	569,400

<u>2003 TAB Refunding Bond</u>		
Redev Obligation Retirement - Debt Service	\$	557,402

<u>2007 Davis Redevelopment Agency Tax Allocation Bonds</u>		
Redev Obligation Retirement - Debt Service	\$	810,700

<u>2007 Taxable Housing Bond</u>		
Redev Obligation Retirement - Debt Service	\$	577,166

SUBTOTAL REDEV SUCCESSOR AGENCY DEBT SERVICE	\$	3,437,394
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<u>TOTAL REDEV SUCCESSOR AGENCY</u>	\$	<u>3,672,100</u>
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Exhibit "F"

**FY 2017-2018 CHANGE SUMMARY
CITYWIDE ADJUSTMENTS / FUND TRANSFERS**

Action	Impacts Programmatic/Service Change	Adjustment Amount
Transfer	Annual Contribution of Enterprise Funds to Capital Replacement	
	Water - Maint & Operations (511)	\$ 4,937,519
	Water - Cap Replacement (512)	\$ (4,937,519)
	Sewer - Maint & Operations (531)	\$ 5,761,364
	Sewer - Cap Replacement (532)	\$ (5,761,364)
	Storm Sewer - Drainage/Maint & Oper (541)	\$ 171,943
	Storm Sewer - Cap Replacement (542)	\$ (171,943)
Transfer	Redevelopment Obligation Retirement Fund Transfers to TE Bonds & Debt	
	Redev Obligation Retirement Fund (891)	\$ 3,257,802
	Redev Obligation Retirement Fund - Debt Svc (895)	\$ (3,437,394)
	Redev Obligation Retirement Fund - Housing (896)	\$ 179,592
	TOTAL ADJUSTMENTS/TRANSFERS	0

Exhibit "G"

**FY 2017-2018 CHANGE SUMMARY
ADDITION, DELETION & CORRECTION ITEMS**

Action	Div	Dept	Request	Funding	Amount
Addition	11	CMO	Downtown cleaning and beautification projects	General Fund (001)	\$ 10,000
Addition	26	ASD	Bike Pump Track	Park Impact Fees (483)	\$ 126,500
Correction	56/57	PD	Police Service Specialist to Police Service Specialist Supervisor - Homelsss outreach	General Fund (001)	\$ 28,399
Correction	82	CIP	WWTP Facilities Improvements	Sewer Fund Capital Repl (532) This is offeset with Loan Revenue from the State Revolving Fund	\$ 3,624,462
TOTAL CHANGE SUMMARY					\$ 3,789,361

Exhibit "H"

CITY OF DAVIS
SCHEDULE OF POSITIONS
Fiscal Year 2017-2018

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
ACCOUNTANT II	1.00	-	1.00
ACCOUNTING ASST	7.00	-	7.00
ACCOUNTING & FISCAL ANALYST I *	1.00	-	1.00
ACCOUNTING & FISCAL ANALYST I	2.00	-	2.00
ADMINISTRATIVE AIDE	5.00	-	5.00
ADMINISTRATIVE AIDE - CONF	1.00	-	1.00
ADMINISTRATIVE ANALYST I	2.00	-	2.00
ADMINISTRATIVE ANALYST II	4.00	-	4.00
ADMINISTRATIVE OPERATIONS SUPV	1.00	-	1.00
ASSISTANT CHIEF BLDG OFFICIAL	1.00	-	1.00
ASSISTANT CITY ENGINEER TRAFFIC	1.00	-	1.00
ASSISTANT CITY MANAGER	2.00	-	2.00
ASSISTANT COMMUNITY DEV DIRECTOR	2.00	-	2.00
ASSISTANT DIRECTOR PARKS & COMM SVCS	1.00	-	1.00
ASSISTANT PUBLIC WORKS DIR.	1.00	-	1.00
ASSOCIATE CIVIL ENGINEER	3.00	-	3.00
BICYCLE/PEDESTRIAN COORDINATOR	1.00	-	1.00
BUDGET MANAGER	1.00	-	1.00
BUILDING INSPECTOR I	3.00	-	3.00
BUILDING INSPECTOR II	2.00	-	2.00
BUILDING MAINT CREW SUPV	1.00	-	1.00
BUILDING MAINT WORKER II	2.00	-	2.00
BUILDING/PLANNING TECH I	1.00	-	1.00
BUILDING/PLANNING TECH II	2.00	-	2.00
CHIEF INNOVATION OFFICER	1.00	-	1.00
CITY CLERK	1.00	-	1.00
CITY ENGINEER	1.00	-	1.00
CITY MANAGER	1.00	-	1.00
COLLECTIONS SYSTEM SUPERVISOR	2.00	-	2.00
COLLECTIONS SYSTEMS TECHNICIAN	3.00	-	3.00
COLLECTIONS SYSTEM WORKER	2.00	-	2.00
COMM SERVICES PRGM COORD	4.00	-	4.00
COMMUNITY DEVELOPMENT ADMINISTRATOR	1.00	-	1.00
COMMUNITY SERVICES SUPERVISOR	3.00	-	3.00
COMPUTER SUPPORT TECH II	2.00	-	2.00
CONSERVATION COORDINATOR	2.00	-	2.00
CONSTRUCTION MANAGER	1.00	-	1.00
CUSTODIAN II	2.00	-	2.00
DEPARTMENT SR SYSTEMS ANALYST	1.00	-	1.00
DEPUTY CITY CLERK I	1.00	-	1.00
DEPUTY INNOVATION OFFICER	1.00	-	1.00
DEPUTY POLICE CHIEF	2.00	-	2.00
ELECTRICIAN	4.00	-	4.00

Exhibit "H"

CITY OF DAVIS
SCHEDULE OF POSITIONS
Fiscal Year 2017-2018

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
ENVIRONMENTAL LAB SUPERVISOR	1.00	-	1.00
ENVIRONMENTAL PROGRAM SPECIALIST	3.00	-	3.00
ENVIRONMENTAL RESOURCES MANAGER	1.00	-	1.00
EQUIPMENT MECHANIC II	2.00	-	2.00
EXECUTIVE ASSISTANT - CONF	1.00	-	1.00
FACILITIES MANAGER	1.00	-	1.00
FINANCE ADMINISTRATOR	1.00	-	1.00
FINANCIAL SERVICES MANAGER	1.00	-	1.00
FIRE CAPTAIN	9.00	-	9.00
FIRE CHIEF	1.00	-	1.00
FIRE DIVISION CHIEF	4.00	-	4.00
FIRE INSPECTION SPECIALIST	1.00	-	1.00
FIREFIGHTER I	7.00	-	7.00
FIREFIGHTER II	20.00	-	20.00
FLEET MANAGER	1.00	-	1.00
GIS SYSTEMS ANALYST	1.00	-	1.00
HUMAN RESOURCES ANALYST II	1.00	-	1.00
HUMAN RESOURCES ASST - CONF	1.00	-	1.00
HUMAN RESOURCES DIRECTOR	1.00	-	1.00
HUMAN RESOURCES TECH - CONF	2.00	-	2.00
INFORMATION TECH ADMIN	1.00	-	1.00
IPM SPECIALIST	1.00	-	1.00
IRRIGATION SPECIALIST	2.00	-	2.00
MEDIA & COMMUNICATIONS OFFICER	1.00	-	1.00
MEDIA SERVICES SPECIALIST	1.00	-	1.00
MIS SENIOR SYSTEM ANALYST	1.00	-	1.00
MIS SYSTEM ANALYST	2.00	-	2.00
OFFICE ASSISTANT II	8.00	-	8.00
OFFICE ASSISTANT II *	1.00	-	1.00
OFFICE ASSISTANT II - CONF	1.00	-	1.00
OPEN SPACE LANDS MANAGER	1.00	-	1.00
PARK MAINT CREW SUPERVISOR	2.00	-	2.00
PARK MAINT WORKER II	8.00	-	8.00
PARKS & COMMUNITY SERVICES DIRECTOR	1.00	-	1.00
PARKS SUPERINTENDENT	1.00	-	1.00
PARKS SUPERVISOR	2.00	-	2.00
PAYROLL TECHNICIAN II	1.00	-	1.00
PD INTELLIGENCE/RESOURCE MANAGER	1.00	-	1.00
PLANNER	3.00	-	3.00
POLICE CHIEF	1.00	-	1.00
POLICE CORPORAL	6.00	-	6.00
POLICE LIEUTENANT	3.00	-	3.00
POLICE OFFICER	40.00	-	40.00
POLICE RECORDS SPECIALIST II	4.00	-	4.00

Exhibit "H"

CITY OF DAVIS
SCHEDULE OF POSITIONS
Fiscal Year 2017-2018

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
POLICE SERGEANT	9.00	-	9.00
POLICE SERVICE SPECIALIST	11.00	(1.00)	10.00
POLICE SERVICE SPECIALIST SUPERVISOR	1.00	1.00	2.00
POOL MAINTENANCE CREW SUPRVR	1.00	-	1.00
POOL MAINTENANCE WORKER II	1.00	-	1.00
PRINCIPAL CIVIL ENGINEER	1.00	-	1.00
PRINCIPAL PLANNER	1.00	-	1.00
PROJECT MANAGER	1.00	-	1.00
PROPERTY MANAGEMENT COORD	1.00	-	1.00
PUBLIC RELATIONS MANAGER II	1.00	-	1.00
PUBLIC SAFETY DISPATCH SUPERV	1.00	-	1.00
PUBLIC SAFETY DISPATCHER I	1.00	-	1.00
PUBLIC SAFETY DISPATCHER II	11.00	-	11.00
PUBLIC WORKS ADMINISTRATION MANAGER	1.00	-	1.00
PUBLIC WORKS DIRECTOR	1.00	-	1.00
PUBLIC WORKS INSP I	1.00	-	1.00
PUBLIC WORKS INSP II	1.00	-	1.00
PUBLIC WORKS INSPECTION SUPV	1.00	-	1.00
PUBLIC WORKS MAINT WKR I	2.00	-	2.00
PUBLIC WORKS MAINT WKR II	5.00	-	5.00
PUBLIC WORKS SUPERVISOR	1.00	-	1.00
RECORDS & COMMUNICATIONS MANAGER	1.00	-	1.00
RECORDS SUPERVISOR	1.00	-	1.00
SENIOR BUILDING INSPECTOR	1.00	-	1.00
SENIOR CIVIL ENGINEER	1.00	-	1.00
SENIOR COMMUNITY SERVICES SUPV	1.00	-	1.00
SENIOR ELECTRICIAN	2.00	-	2.00
SENIOR ENGINEERING ASSISTANT	3.00	-	3.00
SENIOR OFFICE ASSISTANT	3.00	-	3.00
SENIOR PARKS SUPERVISOR	1.00	-	1.00
SENIOR PUBLIC WORKS SUPVR	1.00	-	1.00
SR ACCOUNTING ASSISTANT	2.00	-	2.00
SR PW COLLECTIONS SUPERVISOR	1.00	-	1.00
SR TRANSPORTATION PLANNER	1.00	-	1.00
STOREKEEPER	1.00	-	1.00
SUSTAINABILITY PROG COORD	1.00	-	1.00
TECHNICAL SERVICES MANAGER	2.00	-	2.00
URBAN FOREST MANAGER	1.00	-	1.00
URBAN FOREST SUPERVISOR	1.00	-	1.00
URBAN FOREST TECHNICIAN	1.00	-	1.00
UTILITY PROGRAM COORDINATOR	1.00	-	1.00
UTILITY/SCADA CONTROL SYS TECH	2.00	-	2.00
WATER DISTRIBUTION CREW SUPV	1.00	-	1.00
WATER DISTRIBUTION OPERATOR I	3.00	-	3.00

Exhibit "H"

**CITY OF DAVIS
SCHEDULE OF POSITIONS
Fiscal Year 2017-2018**

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
WATER DISTRIBUTION OPERATOR II	3.00	-	3.00
WATER DISTRIBUTION PRGM SUPV	1.00	-	1.00
WATER DIVISION MANAGER	1.00	-	1.00
WATER PRODUCTION SYSTEM OPER	2.00	-	2.00
WATER QUALITY COORDINATOR	2.00	-	2.00
WATER PRODUCTION SYSTEM SUPV	1.00	-	1.00
WATER SYSTEM MAINT WORKER	2.00	-	2.00
WILDLIFE RES SPECIALIST	1.00	-	1.00
WWTP DIVISION MANAGER	1.00	-	1.00
WWTP LABORATORY ANALYST	1.00	-	1.00
WWTP LEAD OPERATOR	4.00	-	4.00
WWTP MAINTENANCE TECHNICIAN II	3.00	-	3.00
WWTP SENIOR OPERATOR	1.00	-	1.00
WWTP SR MAINTENANCE TECHNICIAN	2.00	-	2.00
YOUTH INTERVENTION SPECIALIST	1.00	-	1.00
TOTAL REGULAR FULL-TIME FTE'S	349.00	-	349.00
ADMINISTRATIVE AIDE	0.50	-	0.50
COMM SERVICES PRGM COORD - 75%	2.25	-	2.25
CUSTODIAN II	0.75	-	0.75
IRRIGATION SPECIALIST 75%	0.75	-	0.75
TOTAL REGULAR PART-TIME FTE'S	4.25	-	4.25
PARATRANSIT COORDINATOR	1.00	-	1.00
PARATRANSIT SPECIALIST	1.00	-	1.00
PARATRANSIT SUPERVISOR	1.00	-	1.00
TOTAL SP FUNDED REG FULL-TIME FTE'S	3.00	-	3.00
BUILDING INSPECTOR I	3.44	-	3.44
COMM SVCS SPEC III (BUDGET)	0.30	-	0.30
COMM SVCS SPEC IV (BUDGET)	44.08	-	44.08
COMM SVCS SPEC V (BUDGET)	0.48	-	0.48
COMM SVCS SPEC VI (BUDGET)	0.22	-	0.22
COMM SVCS SPEC X	0.10	-	0.10
COMM SVCS SPEC XI	0.48	-	0.48
COMMUNITY SRVC OFFCR (BUDGET)	2.55	-	2.55
CONSERVATION COORDINATOR	1.29	-	1.29
CUSTODIAN AIDE II (BUDGET)	0.20	-	0.20
ELECTRICIAN	0.24	-	0.24
ENGINEERING INTERN (BUDGET)	1.80	-	1.80

Exhibit "H"

**CITY OF DAVIS
SCHEDULE OF POSITIONS
Fiscal Year 2017-2018**

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
MAINTENANCE AIDE II (BUDGET)	7.35	-	7.35
MIS INTERN	0.16	-	0.16
OFFICE ASSISTANT I	2.06	-	2.06
OFFICE ASSISTANT II	0.48	-	0.48
PARATRANSIT VEHICLE OPERATOR	6.87	-	6.87
PARK MAINT WORKER I	0.63	-	0.63
PARK MAINT WORKER II	0.56	-	0.56
POLICE OFFICER TRAINEE	1.22	-	1.22
PROGRAM ASSISTANT	0.48	-	0.48
PUBLIC SAFETY DISPATCHER II	0.17	-	0.17
PUBLIC WORKS MAINT WKR I	6.59	-	6.59
WWTP OPERATOR IN TRAINING	0.98	-	0.98
TOTAL TEMPORARY PART-TIME FTE'S	82.73	-	82.73
TOTAL CITYWIDE FTE's	438.98	-	438.98

Exhibit "I"

GANN APPROPRIATIONS LIMITATION COMPUTATION FY 2017-2018 ADOPTED BUDGET		
<u>APPROPRIATIONS LIMIT:</u>		
2016-2017 APPROPRIATIONS LIMIT		\$70,149,218
2017-2018 ADJUSTMENT FACTORS		
Population	1.01570	
Inflation	x 1.03690	
Total	<u>1.0532</u>	
ANNUAL ADJUSTMENT		3,731,938
TRANSFER OF RESPONSIBILITY ADJUSTMENT		0
2017-2018 APPROPRIATIONS LIMIT		<u><u>\$73,881,156</u></u>
 <u>APPROPRIATIONS SUBJECT TO LIMITATION/ESTIMATED PROCEEDS OF TAXES:</u>		
ACTUAL PROCEEDS OF TAXES		\$50,716,417
LESS: QUALIFIED CAPITAL OUTLAY		
DEBT SERVICE APPROPRIATIONS		0
CIP CONST TAX APPROPRIATIONS		<u>(\$1,180,070)</u>
APPROPRIATIONS SUBJECT TO LIMITATION		\$49,536,347
PERCENTAGE OF APPROPRIATIONS LIMIT USED:		67.05%

Appendix B



INVESTMENT POLICY

INVESTMENT POLICY

1. Purpose

The purpose of the investment management policy is to establish strategies, practices, and procedures to be used in administering the City of Davis portfolio. The goal is to establish guidelines to manage City funds to maximize security and liquidity while also complying with this investment policy and California Government Code Sections 53600 through 53659, which governs investments for municipal governments.

2. Investment Objectives

The City's primary investment objective is to achieve a reasonable rate of return on public funds while minimizing the potential for capital losses arising from market changes or issuer default. Although pursuit of interest earnings on investment is an appropriate City goal, the primary consideration is preservation of capital resources. Thus, the City's yield objective is to achieve a reasonable rate of return rather than the maximum generation of income that might expose the City to unacceptable levels of risk.

In determining individual investment placements, the following factors shall be considered in priority order: safety, liquidity, and yield.

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk as summarized below.

Credit Risk – This is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

- Limiting investment to the safest types of securities;
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the City will do business;
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk – This is the risk that the market value of securities in the portfolio will fall due to changes in the general interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio such that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with the cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

C. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout the budgetary and economic cycles, taking into account the investment risk of constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A declining credit security which could be sold early to minimize loss of principal;
- A security swap which would improve the quality, yield, or target duration of the portfolio;
- Liquidity needs of the portfolio that require the security be sold;
- A capital gain that would be realized to better position the overall portfolio to achieve investment policy goals.

3. Standards Of Care

A. Prudence. The City shall operate its pooled idle cash investments under the "Prudent Person Rule" which obligates a fiduciary to ensure that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and this investment policy and excising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism worthy of the public trust.

B. Government Code. Government Code Sections 16481.2, 53601, 53635, and 53646 of the State of California regulate the investment policies of jurisdictions within the State. The City of Davis will adhere to these provisions in developing and implementing the City's investment policies and practices.

C. Ethics and Conflict Of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or could impair their ability to make impartial investment decisions. City employees involved in the investment process shall disclose to the City Manager any material financial interest in financial institutions that conduct business within the jurisdiction. They shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Officers shall refrain from undertaking any large personal investment transactions with the same individual with whom business is conducted on behalf of the City.

D. Delegation of Authority. Authority to manage the investment program is granted to the City Treasurer. Under the oversight of the City Treasurer, responsibility of the operation of the investment program may be delegated to the Financial Analyst or other staff who shall act in accordance with established written procedures and internal controls consistent with the investment policy.

E. Internal Control. The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall encourage review of investment policies and procedures. In addition, the city will require the auditors to perform cash and investment testing as part of the audit of the city's financial statements.

4. Scope

This investment policy shall apply to all financial assets of the City of Davis as accounted for in the Comprehensive Annual Financial Report, including, but not limited to:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds including the Woodland-Davis Clean Water Authority
- Redevelopment Successor Agency Funds
- Public Financing Authority Funds
- Any new fund created by the City Council unless specifically exempted with the exception of the following:
 - The City's Deferred Compensation Plan which is controlled by federal law, specific provisions of the City's adopted Plan, and individual employee decisions.
 - The City Employee Retirement Plan which is subject to regulation by federal and state laws.

Any funds held by third-party trustees subject to prior written consent and approval by the City Treasurer and City Manager. Should these funds be exempted from this policy the trustee is still subject to regulations established by the State of California pertaining to the investments by local agencies as well as the related bond indentures.

5. Safekeeping and Custody

A. Selection of Eligible Financial Institutions

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statement (annually);
- Proof of National Association of Securities Dealers (NASD) certification;
- Proof of state registration;
- Completed broker/dealer questionnaire;
- Certification of having read and understood and agreeing to comply with the City's investment policy.

These documents shall be provided annually as appropriate. In selecting financial institutions for deposit or investment of funds, the authorized Investment Officers shall consider the credit-worthiness of the institution.

B. Broker/Dealers

Investments must be purchased directly from the issuer, from an institution licensed by the State as a broker/dealer, from a member of a federally regulated securities exchange, or from a brokerage firm designed as a primary government dealer by the Federal Reserve Bank. Broker/dealers shall be selected by creditworthiness (e.g. a minimum capital requirement of \$10,000,000 and at least five years of operation).

The City Treasurer will maintain a file of broker/dealers with which the City is currently doing business which will include (at minimum) the firm name, contact person, telephone number, fax number, e-mail address, and annual audited financial statements.

C. Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment to ensure that securities are deposited prior to the release of funds. To protect against potential losses by collapse of individual securities dealers, all securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under terms of a custody agreement executed between the bank and the City.

D. Collateralization

Collateral is required for investments in non-negotiable certificates of deposit and repurchase agreements. In order to reduce market risk, the collateral level shall be at least 102% of market value of principal and interest and marked to market weekly. Securities acceptable as collateral shall be the direct obligations of, or are fully guaranteed as to principal and interest, by the United States or any agency of the United States.

6. Authorized Investments

Investment of City funds is governed by the California Government Code Sections 53600 et seq. Within the context of such limitations, the following investments are authorized:

United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category.

Federal Agency Obligations – Obligations issued by the Federal Government agencies or government sponsored agencies such as Government National Mortgage Association (GNMA), the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Corporation (FHLMC). There is no percentage limitation of the portfolio which can be invested in this category. Investment in mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds may not exceed 20 percent of the agency's surplus money that may be invested.

Banker' Acceptances – These are bills of exchange or time drafts drawn on and accepted by commercial banks. Purchase of banker's acceptances may not exceed 180 days maturity and 40% of the cost value of the portfolio. Furthermore, no more than \$5 million or 10% of the cost value of the portfolio, whichever is less, may be invested in the banker's acceptances of any one commercial bank.

Commercial Paper – Commercial paper must be rated P1 by Moody's Investor's Service and A1 by Standard and Poor's, issued by domestic corporations having assets in excess of \$500,000,000 and having a AA or better rating on its long term debentures as provided by Moody's and Standard and Poor's. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio.

Negotiable Certificates of Deposit – These are issued by nationally or state chartered banks, state or federal savings institutions, or state licensed branches of foreign banks. Purchases of negotiable certificates of deposit may not exceed 30% of the cost value of the portfolio. A maturity limitation of two years is applicable.

Local Agency Investment Fund (LAIF) – As authorized in Government Code Section 16429.1, local agencies may invest in the Local Agency Investment Fund, a money market fund which allows local agencies to pool their investment resources. Current policies of LAIF set minimum and maximum amounts of monies that may be invested as well as maximum numbers of transactions that are allowed per month.

California Asset Management Program (CAMP) – As authorized in Government Code Section 6509.7, public agencies are authorized to invest any funds not required for its immediate use in a joint powers authority such as California Asset Management Program.

Certificate of Deposit (CD) - Purchased through a bank or savings and loan association for a specified period of time at a specified rate of interest. Currently the first \$250,000 of a certificate of deposit is guaranteed by the Federal Deposit Insurance Corporation (FDIC). CD's with a face value in excess of the FDIC limit will be collateralized by U.S. Treasury Department securities, which must be at least 110% of the face value of the CD. No other collateralization will be accepted. Certificate of Deposit Account Registry Service (CDARS) CDs do not have to be collateralized as long as FDIC insurance covers the entire amount.

Medium Term Corporate Notes with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated AA or better by Moody's and Standard & Poor's rating services. Purchase of medium term notes may not exceed 30% of the cost value of the portfolio and no more than 10% of the cost value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the 10% limitation.

Money Market Mutual Funds - Mutual funds invested in U.S. Government securities are permitted under this policy and under the California Government Code Section 53601. In order to be eligible for investment under this section, an investment objective of such a fund must be the maintenance of a price per share of \$1.00. The following criteria must also be met:

- The fund shall have a minimum of \$500 million in total portfolio value.
- The fund shall be registered with the Securities and Exchange Commission, and shall have achieved a rating of Aaa by Moody's and AAA by S&P.
- The fund shall have retained an advisor which is registered with the SEC, or which is exempt from such registration, and has at least 5 years experience managing money market funds, including those in excess of \$500 million.
- Investment in such funds shall not exceed 20% of the City's total portfolio.
- No more than 10% of the City's total portfolio may be invested in any one mutual fund.

Repurchase Agreements (REPOs) - A contractual arrangement between a financial institution, or dealer, and an investor. This agreement normally can run for one or more days. The investor puts up his funds for a certain number of days at a stated yield. In return, he takes a given block of securities as collateral. At maturity, the securities are repurchased and the funds repaid plus interest. The market value of the securities used as collateral for the repurchase agreement shall be monitored and not allowed to fall below 102% of the value of the repurchase agreement. A Master Repurchase agreement is required between the City and the financial institution for all repurchase agreements transacted. Maximum maturity is one year.

Security Swaps - The City may take advantage of security swap opportunities to improve the overall quality, yield or target duration of the portfolio. A swap which improves the portfolio yield may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in the City's permanent investment file documents.

Ineligible Investments - Ineligible investments are those that are not described herein, including but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, or any security that could result in zero interest accrual.

7. Investment Parameters

A. Diversification

Investments shall be diversified by:

- Limiting investments to avoid concentration in securities from a specific issuer or business center (excluding Local Agency Investment Fund and U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LAIF), or money market funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

B. Maximum Maturities

In order to minimize the impact of market risk, it is intended that all investments will be held to maturity. Investments may be sold prior to maturity for cash flow, appreciation purposes or in order to limit losses, however, no investment shall be made based solely on earnings anticipated from capital gains.

The City will adopt a practice of keeping an amount equal to three times the necessary cash flow in investments with a duration of under thirty days and an additional amount equal to one time the necessary cash flow in investments having a duration of under twelve months. Necessary cash flow is defined as an amount equal to the lowest revenue and the highest expenditures based on a prior 48 month past history. These amounts may adjusted by the Treasurer based upon anticipated changes in future cash needs.

To the extent possible, the City shall attempt to match its investments to anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than 5 years from the date of purchase or in accordance with state and local statutes and ordinances. The City shall adopt weighted average maturity target consistent with cash flow and investment objectives.

8. Social Responsibility

City funds should be guided by the following provisions when investing in securities of non-governmental entities:

- Priority shall be given to investments in entities that support community well-being through safe and environmentally sound practices and fair labor practices.
- Priority shall be given to investments in entities that promote equality of rights regardless of race, religion, color, ancestry, age, national origin, gender, marital status, sexual orientation, disability or place of birth.
- Priority shall be given to investments in entities that promote community economic development.

In addition the direct investment of City funds is restricted as follows:

- No investments are to be made in tobacco or tobacco-related products.
- No investments are to be made to support the production of weapons or military systems.

The City Treasurer shall periodically verify compliance with the guidelines either through direct contact with company or with Investors Responsibility Center.

9. Reporting**A. Methods**

The City Treasurer shall prepare at least quarterly investment reports to the City Manager and City Council which shall include the:

- par amount of the investment,
- classification of the investment,
- percentage of the total portfolio which each type of investment represents, name of the institution or entity,
- rate of interest,
- maturity date,
- current market value,
- source of the market value, and
- weighted average maturity of the portfolio.

Reports shall also include a statement that the projected cash flow is adequate to meet expected obligations over the next six months, and that the portfolio is in compliance with this policy. The report shall be due within 30 days of the end of the quarter. Reports may be rendered more frequently at the discretion of the City Manager or City Treasurer.

Annually there shall be provided to the City Manager and the City Council a report on the performance of the investment program and an update to this policy. The report shall include a narrative discussion of the performance of the investment portfolio and shall include comparisons with appropriate benchmarks to facilitate this evaluation.

B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. An appropriate benchmark would be a twelve month rolling average of the two-year U.S. Treasury Bill.

C. Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly with the investment report.



**PROPOSITION 4,
GANN APPROPRIATIONS LIMITATIONS**

PROPOSITION 4, GANN APPROPRIATION LIMIT

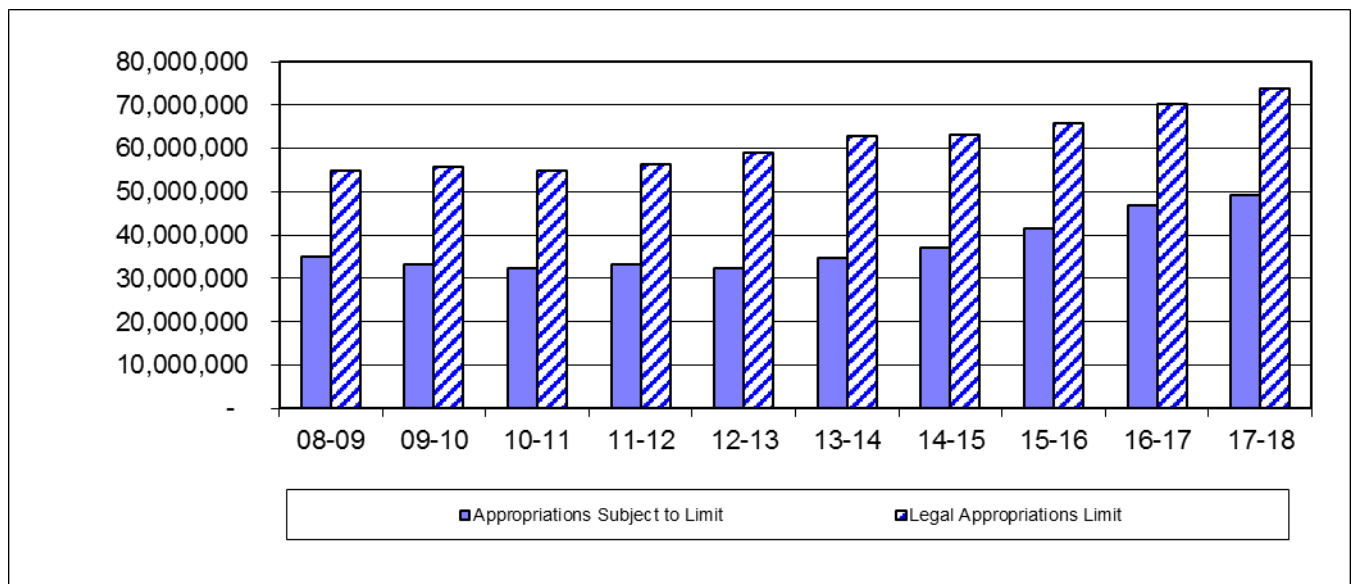
Article XIII B of the California State Constitution, was approved by California voters in November 1979, and modified by Proposition 111 in 1990. This article more commonly referred to as the Gann Initiative or Gann Limit, placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and spend each year.

The appropriations limit is different for each agency and the limit changes each year. Each year’s limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, and modified for changes in inflation and population in each subsequent year.

Each year the City Council must adopt, by resolution, an appropriations limit for the following year. Using cost of living data provided by the State of California, and population and per capita personal income data provided by the State Department of Finance, the City’s Appropriation Limit for 2017/18 has been computed to be \$73,881,156. Appropriations subject to the limitation in the 2017/18 budget total \$49,536,347 which is \$24,344,809 less than the computed allowable limit.

Additional appropriations to the budget funded by non-tax sources, such as charges for service, restricted revenues, grants or beginning fund balances, would not be affected by the Appropriations Limit.

The graph below shows a history of the City of Davis’ Appropriations Limits.



**GANN APPROPRIATIONS LIMITATION COMPUTATION
FY 2017-2018 ADOPTED BUDGET**

APPROPRIATIONS LIMIT:

2016-2017 APPROPRIATIONS LIMIT \$70,149,218

2017-2018 ADJUSTMENT FACTORS

Population 1.01570
Inflation x 1.03690

Total 1.0532

ANNUAL ADJUSTMENT 3,731,938

TRANSFER OF RESPONSIBILITY ADJUSTMENT 0

2017-2018 APPROPRIATIONS LIMIT \$73,881,156

APPROPRIATIONS SUBJECT TO LIMITATION/ESTIMATED PROCEEDS OF TAXES:

ACTUAL PROCEEDS OF TAXES \$50,716,417

LESS: QUALIFIED CAPITAL OUTLAY

DEBT SERVICE APPROPRIATIONS 0
CIP CONST TAX APPROPRIATIONS (\$1,180,070)

APPROPRIATIONS SUBJECT TO LIMITATION \$49,536,347

PERCENTAGE OF APPROPRIATIONS LIMIT USED: 67.05%

