

## Appendix A



## BUDGET RESOLUTION

## RESOLUTION NO. 19-103, SERIES 2019

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS ADOPTING THE FISCAL YEAR 2019-2020 ANNUAL BUDGET AND THE FISCAL YEAR 2020-2021 FINANCIAL PLAN

WHEREAS, a balanced annual budget for the City of Davis has been prepared for fiscal year 2019-2020 and financial plan for fiscal year 2020-21 presented to the City Council and reviewed at a public meeting on May 21, 2019, and June 4, 2019; and

WHEREAS, the proposed budget includes the Total Appropriation Budget for All Funds for the fiscal year 2019-2020, attached hereto as Exhibit A, the Operating Budget of the City of Davis for the fiscal year 2019-2020, attached hereto as Exhibit B, the Capital Improvement Budget of the City of Davis for the fiscal year 2019-2020, 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 2019-2020, attached hereto as Exhibit D, the Former Redevelopment Agency Budget for the fiscal year 2019-2020, attached hereto as Exhibit E, the Summary of Citywide Adjustments and Fund Transfers for the fiscal year 2019-2020, attached hereto as Exhibit F, the Schedule of Changes and Additions to the Budget of the City of Davis for the fiscal year 2019-2020, attached hereto as Exhibit G, the Schedule of Authorized Positions of the City of Davis for fiscal year 2019-2020, attached hereto as Exhibit H, and the rollover of prior year unspent encumbrances and appropriation carryovers, and made parts hereof; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Davis resolves as follows:

Section 1. The 2019-2020 Annual Budget is hereby adopted for the following funds (detail shown as Exhibit A):

General Fund	\$59,631,775
General Fund – Capital Projects	8,738,837
Enterprise Funds	90,753,190
Special Revenue Funds	28,004,257
Internal Service Funds	31,249,144
Capital Funds	8,591,040
Debt Service Funds	3,135,909
Successor Agency	8,762,252
Total	\$238,866,404

Section 2. All appropriations for the prior fiscal year shall lapse at the end of fiscal year 2019-2020 and any remaining amounts shall be credited against their respective fund balances, except for:

- a. Any unexpended but encumbered amounts for specific orders outstanding at the end of the Fiscal Year, and
- b. Any appropriations for incomplete capital projects at the end of fiscal year 2019-2020; and



- c. Any appropriations approved by City Council for contractual obligations or specific projects that will cross into fiscal year 2019-20.

For these exceptions, such carry-overs may be made without further City Council action,

Section 3. The financial plan for fiscal year 2020-21 shall be presented in mid fiscal year 2019-20, with updated revenues and expenditures.

Section 4. Except as specified in Section 5, appropriations are hereby made at the individual fund level. The City Manager and Finance Director/Treasurer are authorized to make budgetary transfers within an individual fund, so long as total appropriations for such fund remain unchanged. Interfund loans and/or transfers necessary to support fund level appropriations are hereby approved and authorized. Any changes to total fund level appropriations require further Council action.

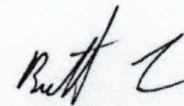
Section 5. Notwithstanding the limitations in Section 4, appropriations from any fund may be increased by an amount not to exceed \$50,000 for each appropriation action upon approval by the City Manager and Finance Director/Treasurer. The amount and purpose of each such additional appropriation must 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 Finance Director/Treasurer.

Section 6. The City Manager and Finance Director/Treasurer are each hereby authorized to implement this resolution, including issuing the 2019-20 Budget and making any non-substantive corrections to the 2019-20 Budget.

PASSED AND ADOPTED by the City Council of the City of Davis on this 18th day of June, 2019, by the following vote:

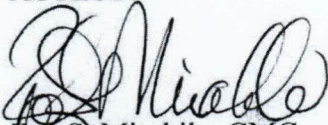
AYES: Arnold, Carson, Frerichs, Partida, Lee

NOES: None



Brett Lee  
Mayor

ATTEST:



Joe S. Mirabile, CMC  
City Clerk

## Exhibit "A"

**CITY OF DAVIS**  
**TOTAL APPROPRIATION BUDGET ALL FUNDS**  
**Fiscal Year 2019-2020**

Fund	Fund Description	Adjustments			Adopted Budget 19/20
		Proposed Budget 19/20	to Proposed Budget		
001	GENERAL FUND-UNRESERVED	\$ 59,583,524	\$ 48,251	\$	59,631,775
007	UNALLOC INVESTMENT ERNGS	\$ 109,061	\$ -	\$	109,061
012	GENERAL FUND - CIP	\$ 8,738,837	\$ -	\$	8,738,837
109	GAS TAX 2105	\$ 922,776	\$ -	\$	922,776
110	GAS TAX 2106	\$ 268,558	\$ -	\$	268,558
111	GAS TAX 2107	\$ 547,802	\$ -	\$	547,802
112	GAS TAX 2107.5	\$ 6,676	\$ -	\$	6,676
113	SB1 GAS TAX	\$ 1,176,992	\$ (37,089)	\$	1,139,903
115	TDA NON-TRANSIT USE	\$ 2,411	\$ -	\$	2,411
135	OPEN SPACE FUND	\$ 405,445	\$ -	\$	405,445
140	PARKS MAINTENANCE TAX	\$ 1,405,529	\$ -	\$	1,405,529
150	CABLE TV	\$ 1,013,480	\$ -	\$	1,013,480
151	CABLE TV CAPITAL	\$ 120,493	\$ -	\$	120,493
155	PUBLIC SAFETY	\$ 3,522,856	\$ -	\$	3,522,856
160	HOUSING IN-LIEU	\$ 242,056	\$ -	\$	242,056
161	FEDERAL HOUSING GRANTS	\$ 818,462	\$ (99,570)	\$	718,892
165	MUNICIPAL ARTS	\$ 20,029	\$ -	\$	20,029
190	AGRICULTURE LAND ACQUISITION	\$ 13,000	\$ -	\$	13,000
195	BUILDING FEES/PERMITS	\$ 2,827,358	\$ -	\$	2,827,358
200	CONSTRUCTION TAX	\$ 3,519,666	\$ -	\$	3,519,666
205	SUBDIVISION IN-LIEU PARK FEES	\$ 629,406	\$ -	\$	629,406
209	PARKING REVENUE FUND	\$ 209,004	\$ -	\$	209,004
210	FEDERAL/STATE HIGHWAY GRANTS	\$ 9,472,989	\$ -	\$	9,472,989
215	HUD/CDBG	\$ 602,204	\$ -	\$	602,204
216	OPERATIONAL GRANTS FUND	\$ 393,724	\$ -	\$	393,724
337	PUBLIC FACIL FINANCING AUTHORITY	\$ 986,149	\$ -	\$	986,149
338	MACE RANCH MELLO ROOS BOND	\$ 1,402,705	\$ -	\$	1,402,705
340	CANNERY CFD	\$ 582,488	\$ -	\$	582,488
353	OXFORD CIRCLE ASSESSMENT DIST	\$ 112	\$ -	\$	112
362	PARKING DISTRICT #3 REDEMPTION	\$ 55,394	\$ -	\$	55,394
465	CAPITAL GRANTS FUND	\$ 240,000	\$ -	\$	240,000
468	LAND ACQUISITION FUND	\$ 15,132	\$ -	\$	15,132
476	DOWNTOWN AREA CAP REVITAL	\$ (404,979)	\$ 404,979	\$	-
480	DEVELOPMENT DEFERRED IMPROV	\$ 27,587	\$ -	\$	27,587
481	DEV DEFER IMPROV - GENERAL FACILITIES	\$ 552,475	\$ -	\$	552,475
482	DEV DEFER IMPROV - OPEN SPACE	\$ 121,187	\$ -	\$	121,187



## Exhibit "A"

**CITY OF DAVIS**  
**TOTAL APPROPRIATION BUDGET ALL FUNDS**  
**Fiscal Year 2019-2020**

Fund	Fund Description	Adjustments			Adopted Budget 19/20
		Proposed Budget 19/20	to Proposed Budget		
483	DEV DEFER IMPROV - PARKS	\$ 942,485	\$ -	\$	942,485
484	DEV DEFER IMPROV - PUBLIC SAFETY	\$ 337	\$ -	\$	337
485	DEV DEFER IMPROV - ROADWAY	\$ 6,691,837	\$ -	\$	6,691,837
570	PUBLIC TRANSIT	\$ 3,359,747	\$ -	\$	3,359,747
571	TRANSPORATION - NON TDA	\$ 4,000,000	\$ -	\$	4,000,000
511	WATER - MAINT & OPERATION	\$ 15,337,810	\$ 7,634,573	\$	22,972,383
512	WATER - CAP REPLCMNT RESRV	\$ 12,289,171	\$ 263,907	\$	12,553,078
513	WATER - CAP EXPANSION	\$ 225	\$ (225)	\$	-
520	SANITATION FUND	\$ 13,735,915	\$ -	\$	13,735,915
531	SEWER - MAINT & OPERATION	\$ 10,932,666	\$ 3,051,400	\$	13,984,066
532	SEWER - CAP REPLCMNT RESRV	\$ 19,556,764	\$ (3,051,400)	\$	16,505,364
533	SEWER - CAPITAL EXPAN RESRV	\$ -	\$ -	\$	-
541	STORM SWR/DRN - MAINT & OPER	\$ 1,104,471	\$ 280,443	\$	1,384,914
542	STORM SWR/DRN - CAP REPL RESRV	\$ 1,387,262	\$ (280,443)	\$	1,106,819
543	STORM SWR/DRN - CAP EXP RESRV	\$ 65,794	\$ -	\$	65,794
544	STORM SEWER - QUALITY	\$ 975,724	\$ -	\$	975,724
020	EMPLOYEE BENEFITS FUND	\$ 3,030,000	\$ -	\$	3,030,000
620	GENERAL SERVICES/STORES SERVICES	\$ 298,384	\$ -	\$	298,384
621	FLEET REPLACEMENT	\$ 1,455,001	\$ -	\$	1,455,001
622	FLEET SERVICES FUND	\$ 1,838,003	\$ -	\$	1,838,003
623	IS REPLACEMENT FUND	\$ 620,366	\$ -	\$	620,366
624	IS SERVICES FUND	\$ 2,550,807	\$ -	\$	2,550,807
625	BUILDING MAINTENANCE	\$ 1,858,941	\$ -	\$	1,858,941
626	FACILITY MAINTENANCE	\$ 3,164,393	\$ -	\$	3,164,393
628	EQUIPMENT MAINTENANCE FUND	\$ 890,300	\$ -	\$	890,300
629	DUPLICATING/POSTAL SERVICES	\$ 178,212	\$ -	\$	178,212
630	CITY SELF-INSURANCE	\$ 15,364,737	\$ -	\$	15,364,737
<b>TOTAL CITY FUNDS</b>		<b>\$ 221,779,940</b>	<b>\$ 8,214,826</b>	<b>\$</b>	<b>229,994,766</b>
891	RDA RETIREMENT OBLIGATION FUND	\$ 248,551	\$ -	\$	3,667,231
895	RDA RETIREMENT DEBT SERVICE	\$ 8,918,680	\$ -	\$	5,095,021
<b>TOTAL RDA SUCCESSOR AGENCY FUNDS</b>		<b>\$ 9,167,231</b>	<b>\$ -</b>	<b>\$</b>	<b>8,762,252</b>
<b>TOTAL ALL FUNDS</b>		<b>\$ 231,056,557</b>	<b>\$ 8,214,826</b>	<b>\$</b>	<b>238,866,404</b>

## Exhibit "B"

**CITY OF DAVIS**  
**OPERATING BUDGET**  
**Fiscal Year 2019/2020**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption		
<b>CITY COUNCIL</b>				\$	239,105
General Fund	\$ 239,105	\$ -	\$ 239,105	\$ 239,105	
<b>CITY ATTORNEY</b>				\$	320,217
General Fund	\$ 170,217	\$ -	\$ 170,217	\$ 320,217	
Internal Service Funds	\$ 150,000	\$ -	\$ 150,000		
<b>CITY MANAGER'S OFFICE</b>				\$	6,724,988
<u>General Management</u>				\$ 3,180,230	
General Fund	\$ 2,661,828	\$ 251,925	\$ 2,913,753		
Enterprise Funds	\$ 15,000	\$ -	\$ 15,000		
Internal Service Funds	\$ 178,212	\$ 8,000	\$ 186,212		
Special Revenue Funds	\$ 65,265	\$ -	\$ 65,265		
<u>City Clerk</u>				\$ 704,486	
General Fund	\$ 747,471	\$ (70,000)	\$ 677,471		
Special Revenue Funds	\$ 27,015	\$ -	\$ 27,015		
<u>Cable &amp; Media Services</u>				\$ 975,666	
Internal Service Funds	\$ 38,000	\$ -	\$ 38,000		
Special Revenue Funds	\$ 937,666	\$ -	\$ 937,666		
<u>CDBG &amp; Housing</u>				\$ 1,864,606	
General Fund	\$ 720,463	\$ (170,000)	\$ 550,463		
Special Revenue Funds	\$ 1,413,713	\$ (99,570)	\$ 1,314,143		
<b>ADMINISTRATIVE SERVICES DEPT.</b>				\$	24,040,809
<u>HR and Risk Management</u>				\$ 16,012,108	
General Fund	\$ 798,349	\$ -	\$ 798,349		
Internal Service Funds	\$ 15,213,759	\$ -	\$ 15,213,759		
<u>IS &amp; Communications</u>				\$ 4,250,729	
General Fund	\$ 210,270	\$ -	\$ 210,270		
Internal Service Funds	\$ 3,871,173	\$ -	\$ 3,871,173		
Special Revenue Funds	\$ 169,286	\$ -	\$ 169,286		
<u>Budget &amp; Financial Planning</u>				\$ 628,248	
General Fund	\$ 554,816	\$ -	\$ 554,816		
Development Impact Fees	\$ 26,492	\$ -	\$ 26,492		
Enterprise Funds	\$ 46,940	\$ -	\$ 46,940		
<u>Fiscal Services</u>				\$ 3,149,724	
General Fund	\$ 1,765,913	\$ -	\$ 1,765,913		
Debt Service Funds	\$ 73,609	\$ -	\$ 73,609		
Development Impact Fees	\$ 54,336	\$ -	\$ 54,336		
Enterprise Funds	\$ 1,087,401	\$ -	\$ 1,087,401		
Special Revenue Funds	\$ 168,465	\$ -	\$ 168,465		
<b>DEPT OF COMMUNITY DEVELOPMENT &amp; SUSTAINABILITY</b>				\$	7,311,694
<u>Administration</u>				\$ 421,859	
General Fund	\$ 269,788	\$ -	\$ 269,788		
Special Revenue Funds	\$ 152,071	\$ -	\$ 152,071		
<u>Planning</u>				\$ 4,189,202	



## Exhibit "B"

**CITY OF DAVIS**  
**OPERATING BUDGET**  
**Fiscal Year 2019/2020**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption	
General Fund	\$ 2,875,951	\$ -	\$ 2,875,951	
Development Impact Fees	\$ 224,059	\$ -	\$ 224,059	
Enterprise Funds	\$ 282,154	\$ -	\$ 282,154	
Special Revenue Funds	\$ 807,038	\$ -	\$ 807,038	
<u>Building</u>				\$ 2,700,633
General Fund	\$ 25,346	\$ -	\$ 25,346	
Special Revenue Funds	\$ 2,675,287	\$ -	\$ 2,675,287	
<b>PARKS &amp; COMMUNITY SERVICES</b>				<u>\$ 14,765,258</u>
<u>Parks and Urban Forestry</u>				\$ 8,032,970
General Fund	\$ 6,685,153	\$ -	\$ 6,685,153	
Enterprise Funds	\$ 48,776	\$ -	\$ 48,776	
Development Impact Fees	\$ 541	\$ -	\$ 541	
Internal Service Funds	\$ 42,500	\$ -	\$ 42,500	
Special Revenue Funds	\$ 1,256,000	\$ -	\$ 1,256,000	
<u>Aquatics</u>				\$ 1,378,108
General Fund	\$ 1,242,979	\$ -	\$ 1,242,979	
Internal Service Funds	\$ 35,600	\$ -	\$ 35,600	
Special Revenue Funds	\$ 99,529	\$ -	\$ 99,529	
<u>Rec and Community Services</u>				\$ 5,354,180
General Fund	\$ 4,668,064	\$ (153,938)	\$ 4,514,126	
Enterprise Funds	\$ 726,913	\$ -	\$ 726,913	
Internal Service Funds	\$ 121,141	\$ (8,000)	\$ 113,141	
<b>FIRE DEPARTMENT</b>				<u>\$ 13,075,582</u>
<u>Emergency Services Management</u>				\$ 956,698
General Fund	\$ 956,698	\$ -	\$ 956,698	
<u>Operations</u>				\$ 11,214,746
General Fund	\$ 9,354,951	\$ -	\$ 9,354,951	
Enterprise Funds	\$ 130,576	\$ -	\$ 130,576	
Internal Service Funds	\$ 44,000	\$ -	\$ 44,000	
Special Revenue Funds	\$ 1,685,219	\$ -	\$ 1,685,219	
<u>Prevention</u>				\$ 567,352
General Fund	\$ 567,352	\$ -	\$ 567,352	
<u>Training</u>				\$ 336,786
General Fund	\$ 336,786	\$ -	\$ 336,786	
<b>POLICE DEPARTMENT</b>				<u>\$ 21,777,592</u>
<u>Operations</u>				\$ 16,651,273
General Fund	\$ 14,639,663	\$ 190,264	\$ 14,829,927	
Special Revenue Funds	\$ 1,821,346	\$ -	\$ 1,821,346	
<u>Investigations</u>				\$ 1,740,830
General Fund	\$ 1,740,830	\$ -	\$ 1,740,830	
<u>Records &amp; Communications</u>				\$ 2,823,390
General Fund	\$ 2,823,390	\$ -	\$ 2,823,390	
<u>Parking Enforcement</u>				\$ 562,099

**CITY OF DAVIS**  
**OPERATING BUDGET**  
**Fiscal Year 2019/2020**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption
General Fund	\$ 551,394	\$ -	\$ 551,394
Special Revenue Funds	\$ 10,705	\$ -	\$ 10,705
<b>PUBLIC WORKS DEPT - ENGINEERING &amp; TRANSPORTATION</b>			<b>\$ 9,869,177</b>
<u>Administration</u>			\$ 542,952
General Fund	\$ 523,834	\$ -	\$ 523,834
Special Revenue Funds	\$ 3,198	\$ -	\$ 3,198
Enterprise Funds	\$ 15,920	\$ -	\$ 15,920
<u>Transportation</u>			\$ 7,887,208
General Fund	\$ 982,186	\$ -	\$ 982,186
Enterprise Funds	\$ 6,632,834	\$ -	\$ 6,632,834
Special Revenue Funds	\$ 272,188	\$ -	\$ 272,188
<u>Engineering</u>			\$ 1,439,017
General Fund	\$ 1,018,887	\$ 12,200	\$ 1,031,087
Enterprise Funds	\$ 321,878	\$ 4,741	\$ 326,619
Special Revenue Funds	\$ 74,348	\$ 6,963	\$ 81,311
<b>PUBLIC WORKS DEPT - OPERATIONS &amp; UTILITIES</b>			<b>\$ 45,643,859</b>
<u>Administrative Division</u>			\$ 1,511,137
General Fund	\$ 234,619	\$ -	\$ 234,619
Internal Service Funds	\$ 430,612	\$ -	\$ 430,612
Enterprise Funds	\$ 845,906	\$ -	\$ 845,906
<u>Transportation</u>			\$ 3,692,776
General Fund	\$ 1,712,229	\$ -	\$ 1,712,229
Enterprise Funds	\$ 894,326	\$ -	\$ 894,326
Development Impact Fees	\$ 1,193	\$ -	\$ 1,193
Internal Service Funds	\$ 157,782	\$ -	\$ 157,782
Special Revenue Funds	\$ 927,246	\$ -	\$ 927,246
<u>Wastewater</u>			\$ 7,429,594
Enterprise Funds	\$ 7,428,950	\$ 644	\$ 7,429,594
<u>Storm Water</u>			\$ 1,335,372
Enterprise Funds	\$ 1,335,372	\$ -	\$ 1,335,372
<u>Engineering</u>			\$ -
General Fund	\$ 12,200	\$ (12,200)	\$ -
Enterprise Funds	\$ 4,741	\$ (4,741)	\$ -
Special Revenue Funds	\$ 6,963	\$ (6,963)	\$ -
<u>Water Division</u>			\$ 10,179,514
Enterprise Funds	\$ 10,179,514	\$ -	\$ 10,179,514
<u>Environmental Resources</u>			\$ 14,640,207
General Fund	\$ 317,283	\$ -	\$ 317,283
Enterprise Funds	\$ 14,322,924	\$ -	\$ 14,322,924
<u>Fleet Services</u>			\$ 3,108,592
Internal Service Funds	\$ 3,108,592	\$ -	\$ 3,108,592
<u>Asset Management Division</u>			\$ 3,746,667
General Fund	\$ 629,302	\$ -	\$ 629,302



CITY OF DAVIS  
OPERATING BUDGET  
Fiscal Year 2019/2020

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption	
Special Revenue Funds	\$ 182,631	\$ -	\$ 182,631	
Develop Impact Fees	\$ 661	\$ -	\$ 661	
Internal Service Funds	\$ 2,934,073	\$ -	\$ 2,934,073	
<b><u>SUB-TOTAL OPERATING BUDGET</u></b>				<b><u>\$ 143,768,281</u></b>
				<b><u>\$ 2,202,761</u></b>
Plus Citywide Contingency				\$ 2,202,761
General Fund	\$ (827,239)	\$ -	\$ (827,239)	
Internal Service Funds	\$ 3,030,000	\$ -	\$ 3,030,000	
<b><u>TOTAL OPERATING BUDGET</u></b>				<b><u>\$ 145,971,042</u></b>

Exhibit "C"

**CITY OF DAVIS**  
**CAPITAL IMPROVEMENT BUDGET**  
**Fiscal Year 2019-2020**

	<b>Budget Proposal</b>	<b>Adjustments/ Balancing Plan</b>	<b>Final Adoption</b>
General Fund Support (001)	\$ 159,425	\$ -	\$ 159,425
General Fund Capital Improvements (012)	\$ 8,738,837	\$ -	\$ 8,738,837
General Fund Grants/Other (001)	\$ -	\$ -	\$ -
2105 Gas Tax Fund (109)	\$ 283,075	\$ -	\$ 283,075
2107 Gas Tax Fund (111)	\$ 180,056	\$ -	\$ 180,056
SB1 Gas Tax Fund (113)	\$ 1,176,992	\$ (37,089)	\$ 1,139,903
LTF/STA Non-Transit (115)	\$ 1	\$ -	\$ 1
Open Space Fund (135)	\$ 142,596	\$ -	\$ 142,596
Cable TV Fund (150)	\$ 6	\$ -	\$ 6
Construction Tax (200)	\$ 3,204,591	\$ -	\$ 3,204,591
S/D In Lieu Park Fees (205)	\$ 629,406	\$ -	\$ 629,406
Parking Revenue Fund (209)	\$ 144,676	\$ -	\$ 144,676
Federal/State Highway Fund (210)	\$ 9,472,989	\$ -	\$ 9,472,989
HUD/CDBG Fund (215)	\$ 258,000	\$ -	\$ 258,000
Oxford Circle Assessment District (353)	\$ 112	\$ -	\$ 112
Parking District #3 Redemption (361)	\$ 55,394	\$ -	\$ 55,394
Capital Grants Fund (465)	\$ 240,000	\$ -	\$ 240,000
Downtown Area Cap Revitalization (476)	\$ 5,095,021	\$ -	\$ 5,095,021
Dev Impact Fee - General Facilities (481)	\$ 488,807	\$ -	\$ 488,807
Dev Impact Fee - Open Space (482)	\$ 82,687	\$ -	\$ 82,687
Dev Impact Fee - Parks (483)	\$ 941,283	\$ -	\$ 941,283
Dev Impact Fee - Public Safety (484)	\$ 337	\$ -	\$ 337
Dev Impact Fee - Roads (485)	\$ 6,530,644	\$ -	\$ 6,530,644
Water Fund Maint & Operations (511)	\$ 60,357	\$ -	\$ 60,357
Water-Cap Repl Fund(512)	\$ 7,209,763	\$ -	\$ 7,209,763
Solid Waste Fund (520)	\$ 15,000	\$ -	\$ 15,000
Sewer Fund (531)	\$ 691,182	\$ -	\$ 691,182
Sewer Cap Replacement Fund (532)	\$ 16,721,796	\$ -	\$ 16,721,796
Storm Sewer/Drainage Fund (541)	\$ 14,749	\$ -	\$ 14,749
Storm Sewer/Drainage Cap Repl (542)	\$ 1,500,444	\$ -	\$ 1,500,444
Storm Sewer/Drainage Cap Expan (543)	\$ 568	\$ -	\$ 568
Building Maintenance Fund (625)	\$ -	\$ -	\$ -
Fleet Replacement (621)	\$ 75,000	\$ -	\$ 75,000
Facility Replacement (626)	\$ 1,818,700	\$ -	\$ 1,818,700
<b><u>TOTAL CAPITAL IMPROVEMENTS</u></b>	<b>\$ 66,041,880</b>	<b>\$ (37,089)</b>	<b>\$ 66,004,791</b>

66,041,880

0

66,004,791



## Exhibit "D"

**CITY OF DAVIS**  
**DEBT SERVICE BUDGET**  
**Fiscal Year 2019-2020**

	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption
<u>Community Facilities District 2007-2</u>			
Community Facilities District - Mace Ranch	\$ 306,039	\$ -	\$ 306,039
<u>2009 PFFA Bond</u>			
1990 Public Finance Authority Bond Funds	\$ 939,169	\$ -	\$ 939,169
<u>Cal I-Bank CIEDB-B08-093</u>			
Water-Capital Replacement Funds	\$ 614,408	\$ 7,898,255	\$ 8,512,663
<u>Wells Fargo Water Bonds</u>			
Water - Capital Replacement Funds	\$ -	\$ -	\$ -
<u>Cannery CFD 2015 Special Tax</u>			
Cannery Special Tax Fund	\$ 582,488	\$ -	\$ 582,488
<u>WDCWA 2015 Water Revenue Bond</u>			
Water - Capital Repl Fund	\$ 1,294,403	\$ -	\$ 1,294,403
<u>SRF C-06-7973-110 WDCWA</u>			
Water Quality Improvement Project - Local Facility	\$ 3,373,669	\$ 4,170	\$ 3,377,839
<u>SRF C-06-8010-110</u>			
Sewer - Capital Repl Fund	\$ 3,830,092	\$ -	\$ 3,830,092
<u>SRF LOCAL C-06-8019-110</u>			
Sewer Fund - Maint & Operations	\$ 1,491,982	\$ -	\$ 1,491,982
<u>1991-2 2017 Tax Refinance Bond</u>			
Public Facilities Financing Authority	\$ 1,070,037	\$ -	\$ 1,070,037
<u>Water Rev Refunding 2018</u>			
University Research Park Assessment Funds	\$ 1,479,381	\$ -	\$ 1,479,381
<u>Interfund Loan Sewer 2014</u>			
Water Fund - Cap Repl & Cap Expan	\$ 4,170	\$ (4,170)	\$ -
<u>Interfund Loan - Sewer Fund Maint &amp; Operations</u>			
Sewer Fund - Maint & Operations	\$ 644	\$ (644)	\$ -
<u>Interfund Loan - Drainage</u>			
Storm Sewer/Drng Capital Expansion Fund	\$ 65,226	\$ -	\$ 65,226
<u>Streetlight Conversion Financing</u>			
General Fund	\$ 214,021	\$ -	\$ 214,021
<u>Interfund Loan from Sewer Fund to Solid Waste Fund</u>			
Solid Waste Fund	\$ 60,000	\$ -	\$ 60,000
<b><u>TOTAL DEBT SERVICE</u></b>	<b>\$ 15,325,729</b>	<b>\$ 7,897,611</b>	<b>\$ 23,223,340</b>

## Exhibit "E"

CITY OF DAVIS  
REDEVELOPMENT SUCCESSOR AGENCY OPERATING BUDGET  
Fiscal Year 2019-2020

<u>REDEV SUCCESSOR AGENCY OPERATING BUDGET - DIVISION 91</u>	Budget Proposal	Adjustments/ Balancing Plan	Final Adoption
Redevelopment Obligation Retirement Operations	\$ 248,551	\$ -	\$ 248,551
<b>SUBTOTAL REDEVELOPMENT SUCCESSOR OPERATIONS</b>	<b>\$ 248,551</b>	<b>\$ -</b>	<b>\$ 248,551</b>
<u>REDEV SUCCESSOR AGENCY DEBT SERVICE</u>			
<u>2011 RDA Tax Allocation Bonds - Series A</u>			
Redev Obligation Retirement - Debt Service	\$ 921,726	\$ -	\$ 921,726
<u>2011 RDA Taxable Tax Allocation Bonds - Series B</u>			
Redev Obligation Retirement - Debt Service	\$ 563,600	\$ -	\$ 563,600
<u>2003 TAB Refunding Bond</u>			
Redev Obligation Retirement - Debt Service	\$ 558,734	\$ -	\$ 558,734
<u>2007 Davis Redevelopment Agency Tax Allocation Bonds</u>			
Redev Obligation Retirement - Debt Service	\$ 798,500	\$ -	\$ 798,500
<u>2007 Taxable Housing Bond</u>			
Redev Obligation Retirement - Debt Service	\$ 576,120	\$ -	\$ 576,120
<b>SUBTOTAL REDEV SUCCESSOR AGENCY DEBT SERVICE</b>	<b>\$ 3,418,680</b>	<b>\$ -</b>	<b>\$ 3,418,680</b>
<u><b>TOTAL REDEV SUCCESSOR AGENCY</b></u>	<u><b>\$ 3,667,231</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 3,667,231</b></u>



Exhibit "F"

**FY 2019-2020 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)	\$ 10,812,953
	Water - Cap Replacement (512)	\$ (10,812,953)
	Sewer - Maint & Operations (531)	\$ 4,807,650
	Sewer - Cap Replacement (532)	\$ (4,807,650)
	Storm Sewer - Drainage/Maint & Oper (541)	\$ 393,625
	Storm Sewer - Cap Replacement (542)	\$ (393,625)
Transfer	Redevelopment Obligation Retirement Fund Transfers to TE Bonds & Debt	
	Redev Obligation Retirement Fund (891)	\$ 3,418,680
	Redev Obligation Retirement Fund - Debt Svc (895)	\$ 1,676,341
	Downtown Area Cap Revitalization	\$ (5,095,021)
<b>TOTAL ADJUSTMENTS/TRANSFERS</b>		<u>0</u>

Exhibit "G"

**FY 2019-2020 CHANGE SUMMARY  
ADDITION, DELETION & CORRECTION ITEMS**

Action	Division	Department	Request	Funding	Amount
Correction	13	City Manager's Office	Reduce Election Cost	General Fund (001)	\$ (70,000)
Correction	56	Police	Police Service Specialist to Full Time & Vehicle Purchase and Maintenance	General Fund (001)	\$ 140,264
Addition	56	Police	Recruitment/Academy Costs	General Fund (001)	\$ 50,000
Correction	11	City Manager's Office	Move Veteran's Memorial Theatre from Parks & Community Svcs	General Fund (001)	\$ 161,941
Addition	88	Debt Service	Cal I-Bank CIEDB-B08-093	Water Fund - Capital Repl	\$ 7,898,255
Correction	16	CDBG/Housing	Balancing Annual Grant Awards	Federal Housing Grants (161)	\$ (99,570)
Correction	16	CDBG/Housing	Balancing Annual Grant Awards	General Fund (001)	\$ (170,000)
Correction	82	CIP	Move Pole Line & 5th Street funding to Pavement Rehab	General Fund - Capital (012)	\$ (88,000)
Correction	82	CIP	Move Bike Pump Track funding to Pavement Rehab	General Fund - Capital (012)	\$ (120,667)
Correction	82	CIP	MoveE. Covell Bike Path funding to Pavement Rehab	General Fund - Capital (012)	\$ (229,000)
Correction	82	CIP	MoveBike Wayfinding funding to Pavement Rehab	General Fund - Capital (012)	\$ (68,000)
Correction	82	CIP	Move H Street funding to Pavement Rehab	General Fund - Capital (012)	\$ (255,145)
Correction	87	CIP	Reduce Traffic Safety Measures, move funding to Pavement Rehab	General Fund - Capital (012)	\$ (201,881)
Correction	82	CIP	Park Infrastructure CIP duplicated, delete and move funding to Pavement Rehab	General Fund - Capital (012)	\$ (176,625)
Addition	82	CIP	Add funding from various CIP's to Pavement Rehab	General Fund - Capital (012)	\$ 1,139,318
TOTAL CHANGE SUMMARY					<u>\$ 7,910,890</u>



## Exhibit "H"

**CITY OF DAVIS**  
**SCHEDULE OF POSITIONS**  
**Fiscal Year 2019-2020**

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
ACCOUNTANT I	2.00	-	2.00
ACCOUNTING & FISCAL ANALYST I *	1.00	-	1.00
ACCOUNTING & FISCAL ANALYST II	1.00	-	1.00
ACCOUNTING ASST	6.00	-	6.00
ADMINISTRATIVE AIDE	5.00	-	5.00
ADMINISTRATIVE AIDE - CONF	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	1.00	-	1.00
ASSISTANT DIRECTOR PARKS & COMM SVC	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
BUILDING INSPECTOR I	2.00	-	2.00
BUILDING INSPECTOR II	3.00	-	3.00
BUILDING MAINT CREW SUPV	1.00	-	1.00
BUILDING MAINT WORKER I	1.00	-	1.00
BUILDING MAINT WORKER II	1.00	-	1.00
BUILDING/PLANNING TECH II	3.00	-	3.00
BUSINESS & COMMUNITY ENGAGEMENT DIF	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	1.00	-	1.00
COLLECTIONS SYSTEM WORKER	2.00	-	2.00
COLLECTIONS SYSTEMS TECHNICIAN	3.00	-	3.00
COMM SERVICES PRGM COORD	4.00	-	4.00
COMMUNICATIONS & CUST SVC MGR	2.00	-	2.00
COMMUNITY DEVELOPMENT ADMINISTRATC	1.00	-	1.00
COMMUNITY SERVICES SUPERVISOR	4.00	-	4.00
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	1.00	-	1.00
ELECTRICIAN	5.00	-	5.00
ENVIRONMENTAL LAB SUPERVISOR	1.00	-	1.00

## Exhibit "H"

**CITY OF DAVIS**  
**SCHEDULE OF POSITIONS**  
**Fiscal Year 2019-2020**

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
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 DIRECTOR	1.00	-	1.00
FINANCIAL ANALYST II	1.00	-	1.00
FINANCIAL SERVICES MANAGER	1.00	-	1.00
FINANCIAL SUPERVISOR	1.00	-	1.00
FIRE ASSISTANT CHIEF	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	11.00	-	11.00
FIREFIGHTER II	19.00	-	19.00
FLEET MANAGER	1.00	-	1.00
GIS SYSTEMS ANALYST	1.00	-	1.00
HUMAN RESOURCES ANALYST I	1.00	-	1.00
HUMAN RESOURCES DIRECTOR	1.00	-	1.00
HUMAN RESOURCES TECH - CONF	3.00	-	3.00
INFORMATION TECH ADMIN	1.00	-	1.00
IPM SPECIALIST	1.00	-	1.00
IRRIGATION SPECIALIST	3.00	-	3.00
MANAGEMENT ANALYST I	1.00	-	1.00
MANAGEMENT ANALYST II	6.00	-	6.00
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 - CONF	1.00	-	1.00
OPEN SPACE LANDS MANAGER	1.00	-	1.00
PARK MAINT CREW SUPERVISOR	1.00	-	1.00
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 I	1.00	-	1.00
PLANNER	3.00	-	3.00
POLICE CHIEF	1.00	-	1.00
POLICE CORPORAL	6.00	-	6.00



## Exhibit "H"

**CITY OF DAVIS**  
**SCHEDULE OF POSITIONS**  
**Fiscal Year 2019-2020**

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
POLICE LIEUTENANT	4.00	-	4.00
POLICE OFFICER	40.00	-	40.00
POLICE RECORDS SPECIALIST II	4.00	-	4.00
POLICE SERGEANT	9.00	-	9.00
POLICE SERVICE SPECIALIST	10.00	1.00	11.00
POLICE SERVICE SPECIALIST SUPERVISOR	2.00	-	2.00
POOL MAINTENANCE CREW SUPVR	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
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	3.00	-	3.00
PUBLIC SAFETY DISPATCHER II	9.00	-	9.00
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	2.00	-	2.00
PUBLIC WORKS MAINT WKR I	3.00	-	3.00
PUBLIC WORKS MAINT WKR II	4.00	-	4.00
PUBLIC WORKS SUPERVISOR	2.00	-	2.00
RECORDS & COMMUNICATIONS MANAGER	1.00	-	1.00
RECORDS SUPERVISOR	1.00	-	1.00
SENIOR BUILDING INSPECTOR	1.00	-	1.00
SENIOR CIVIL ENGINEER	2.00	-	2.00
SENIOR COMMUNITY SERVICES SUPV	1.00	-	1.00
SENIOR ELECTRICIAN	1.00	-	1.00
SENIOR ENGINEERING ASSISTANT	3.00	-	3.00
SENIOR OFFICE ASSISTANT	2.00	-	2.00
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
SUPPORT SERVICES MANAGER	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



## Exhibit "H"

CITY OF DAVIS  
SCHEDULE OF POSITIONS  
Fiscal Year 2019-2020

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
URBAN FOREST TECHNICIAN	1.00	-	1.00
UTILITY/SCADA CONTROL SYS TECH	2.00	-	2.00
WASTEWATER DIVISION MANAGER	1.00	-	1.00
WATER DISTRIBUTION CREW SUPV	1.00	-	1.00
WATER DISTRIBUTION OPERATOR I	4.00	-	4.00
WATER DISTRIBUTION OPERATOR II	2.00	-	2.00
WATER DISTRIBUTION PRGM SUPV	1.00	-	1.00
WATER DIVISION MANAGER	1.00	-	1.00
WATER PRODUCTION SYSTEM OPER	2.00	-	2.00
WATER PRODUCTION SYSTEM SUPV	1.00	-	1.00
WATER QUALITY COORDINATOR	2.00	-	2.00
WATER SYSTEM MAINT WORKER	2.00	-	2.00
WILDLIFE RES SPECIALIST	1.00	-	1.00
WWTP LABORATORY ANALYST	2.00	-	2.00
WWTP LEAD OPERATOR	4.00	-	4.00
WWTP MAINTENANCE TECHNICIAN I	1.00	-	1.00
WWTP MAINTENANCE TECHNICIAN II	2.00	-	2.00
WWTP SENIOR OPERATOR	1.00	-	1.00
WWTP SR MAINTENANCE TECHNICIAN	2.00	-	2.00
		-	-
<b>TOTAL REGULAR FULL-TIME FTE'S</b>	<b>351.00</b>	<b>1.00</b>	<b>352.00</b>
		-	-
		-	-
ADMINISTRATIVE AIDE	0.50		0.50
COMM SERVICES PRGM COORD - 75%	3.00	-	3.00
CUSTODIAN II	0.75		0.75
IRRIGATION SPECIALIST 75%	0.75	-	0.75
OFFICE ASSISTANT II	1.25	-	1.25
STOCK CLERK	0.50	-	0.50
		-	-
<b>TOTAL REGULAR PART-TIME FTE'S</b>	<b>6.75</b>	<b>-</b>	<b>6.75</b>
		-	-
PARATRANSIT COORDINATOR	2.00		2.00
PARATRANSIT SUPERVISOR	1.00	-	1.00
		-	-
<b>TOTAL SP FUNDED REG FULL-TIME FTE'S</b>	<b>3.00</b>	<b>-</b>	<b>3.00</b>
		-	-
BUILDING INSPECTOR I	3.44	-	3.44
BUILDING INSPECTOR II	1.97		1.97
COMM SVCS SPEC III (BUDGET)	0.30	-	0.30
COMM SVCS SPEC IV (BUDGET)	40.63		40.63



## Exhibit "H"

**CITY OF DAVIS**  
**SCHEDULE OF POSITIONS**  
**Fiscal Year 2019-2020**

Position Title	Proposed FTE's	Adjustments/ Balancing Plan	Final FTE's
COMM SVCS SPEC VI (BUDGET)	0.22	-	0.22
COMM SVCS SPEC X	0.08	-	0.08
COMMUNITY SRVC OFFCR (BUDGET)	3.71	-	3.71
CONSERVATION COORDINATOR	1.32	-	1.32
CUSTODIAN AIDE II (BUDGET)	0.20	-	0.20
ELECTRICIAN	0.24	-	0.24
ENGINEERING INTERN (BUDGET)	1.80	-	1.80
MAINTENANCE AIDE II (BUDGET)	6.22	-	6.22
MIS INTERN	0.16	-	0.16
OFFICE ASSISTANT I	0.94	-	0.94
OFFICE ASSISTANT II	1.51	-	1.51
PARATRANSIT VEHICLE OPERATOR	5.70	-	5.70
PARK MAINT WORKER I	0.63	-	0.63
PARK MAINT WORKER II	0.18	-	0.18
POLICE OFFICER TRAINEE	1.22	-	1.22
POLICE SERVICE SPECIALIST	0.50	(0.50)	-
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
		-	-
<b>TOTAL TEMPORARY PART-TIME FTE'S</b>	<b>79.19</b>	<b>(0.50)</b>	<b>78.69</b>
		-	-
		-	-
<b>TOTAL CITYWIDE FTE's</b>	<b>439.94</b>	<b>0.50</b>	<b>440.44</b>
	<b>439.94</b>	<b>(0.50)</b>	<b>551.48</b>
		<b>(0.50)</b>	<b>555.78</b>

**GANN APPROPRIATIONS LIMITATION COMPUTATION  
FY 2019-2020 PROPOSED BUDGET**

APPROPRIATIONS LIMIT:

2018-2019 APPROPRIATIONS LIMIT \$77,501,333

2019-2020 ADJUSTMENT FACTORS

Population 1.01100

Inflation x 1.03850

Total 1.0499

ANNUAL ADJUSTMENT 3,867,317

TRANSFER OF RESPONSIBILITY ADJUSTMENT 0

2018-2019 APPROPRIATIONS LIMIT \$81,368,650

APPROPRIATIONS SUBJECT TO LIMITATION/ESTIMATED PROCEEDS OF TAXES:

ACTUAL PROCEEDS OF TAXES \$0

LESS: QUALIFIED CAPITAL OUTLAY

DEBT SERVICE APPROPRIATIONS (1,764,668)

CIP CONST TAX APPROPRIATIONS \$0

APPROPRIATIONS SUBJECT TO LIMITATION (\$1,764,668)

PERCENTAGE OF APPROPRIATIONS LIMIT USED: -2.17%



## Appendix B



### GENERAL FUND RESERVE POLICY

**CITY OF DAVIS**  
**GENERAL FUND RESERVE POLICY**  
(Resolution No. 16-060, Series 2016)

**Purpose**

The City of Davis establishes its General Fund Reserve policy as additional insurance against disasters, emergencies and unforeseen expenditures.

**Reserve Level**

The City Council hereby establishes the following minimum General Fund reserve targets:

- The City shall strive to maintain a General Fund reserve equal to 15% of General Fund expenditures, with up to 5% allocated to special capital projects for roads/paths, facilities and parks. The unallocated reserve funds are set-aside to address potential needs in the following areas:
  - A Reserve for Economic Uncertainty- funds designated to mitigate periodic revenue shortfalls due to downturn in economic cycles, thereby avoiding the need for service-level reductions within the fiscal year.
  - An Emergency Reserve - funds designated to mitigate costs of unforeseeable emergencies and natural disasters.
- The appropriate level of General Fund reserves shall be reviewed annually.

**Use of Reserve Funds**

Reserve for Economic Uncertainty- General Fund reserve intended to offset quantifiable revenue uncertainty in the multi-year forecast. The long-term funding level for this reserve is determined by measuring the level of financial risk associated with the following areas of uncertainty:

- Revenue risks: Revenues falling short of budget projections may cause shortfalls. Transitional funding is also necessary to respond to reductions in major revenues due to local, regional and national economic downturns, as well as reductions in revenues caused by actions by State/Federal governments.
- Uncontrollable costs: There may be cost increases that are beyond the City's control (e.g. various fuel and utility charges). In addition, the City requires a source of supplemental funding for further increases in CalPERS retirement rates that result from CalPERS investment performance that falls short of actuarial assumptions.

Any reserve funds expended within this category that result in year-end reserves below the established policy level shall be restored in no more than three budget cycles. However, if the reserve level falls to below 5%, the Council may restore funds over a multi-year period.



Emergency Reserve - Funds reserved under this category shall be used to mitigate costs associated with unforeseen emergencies, including natural disasters. Should unforeseen and unavoidable events occur that require expenditure of City resources beyond those provided for in the annual budget, the City Manager shall have the authority to approve appropriation of Emergency Reserve Funds. The City Manager shall then present to the City Council -no later than its first regularly scheduled meeting - a resolution confirming the nature of the emergency and formally authorizing the appropriation of reserve funds.

**Excess Fund Balance**

At the end of each fiscal year, the Finance Department will report on the audited year-end budgetary fiscal results. Should actual General Fund revenues exceed expenditures and encumbrances, a year-end operating surplus shall be reported. Any year-end operating surplus which results in the General Fund balance exceeding the level required by the reserve policy shall be deemed available for allocation for the following, subject to Council approval:

- Transfer to other funds, as appropriate, to offset year-end deficits within those funds,
- Transfer to the Capital Program Fund (Fund TBD) for appropriation within the Capital Improvement Program Budget and/or Deferred Maintenance for non-recurring needs,
- Re-appropriation within the subsequent year's operating budget to provide for one-time, non-recurring needs.

It is the intent of the City Council to limit use of fund balances in the General Fund to address unanticipated one-time needs. Fund Balances shall not be applied to recurring annual operating expenditures.

**Other Funds**

In conjunction with approving the General Fund Reserve Policy, the City Council expresses its intent to evaluate other Special Revenue, Enterprise and Internal Service funds to establish appropriateness of developing formal fund-specific reserve policies.

## Appendix C



## INVESTMENT POLICY



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## 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's 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

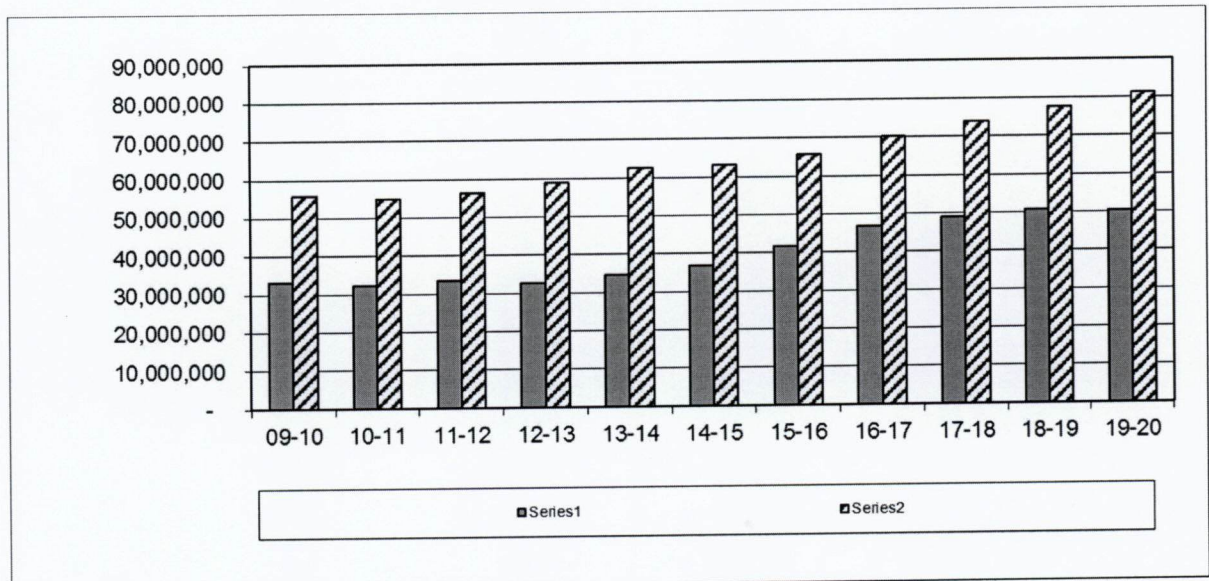
Article XIII B of the California State Constitution, was approved by California voters in November 1979, and modified by Proposition 111 in 1990. This article more commonly referred to as the Gann Initiative or Gann Limit, placed limits on the amount of proceeds of taxes that state and local governmental 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 2019-20 has been computed to be \$81,368,650. Appropriations subject to the limitation in the 2018-19 budget total \$50,467,374 which is \$30,90,276 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 2019-2020 PROPOSED  
BUDGET

APPROPRIATIONS LIMIT:

	ONS LIMIT	\$77,501,333
2018-2019 APPROPRIATIONS LIMIT	ONS LIMIT	\$77,501,333

2019-2020 ADJUSTMENT FACTORS

Population	1.01100
Inflation	x 1.03850
Total	<u>1.0499</u>

ANNUAL ADJUSTMENT	3,867,317
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TRANSFER OF RESPONSIBILITY ADJUSTMENT	0
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2018-2019 APPROPRIATIONS LIMIT	<u>\$81,368,650</u>
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APPROPRIATIONS SUBJECT TO LIMITATION/ESTIMATED PROCEEDS OF TAXES:

ACTUAL PROCEEDS OF TAXES	\$53,671,965
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LESS: QUALIFIED CAPITAL OUTLAY	
DEBT SERVICE APPROPRIATIONS	
CIP CONST TAX APPROPRIATIONS	<u>(\$3,204,591)</u>

APPROPRIATIONS SUBJECT TO LIMITATION	\$50,467,374
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PERCENTAGE OF APPROPRIATIONS LIMIT USED:	62.02%
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