### **BUDGET INFORMATION**

The budget process is the allocation of limited resources to attain specific goals and objectives as defined by the City Council. The process is dynamic and constantly changing in tune with the public interest and needs.

All departments are involved in a detailed analysis of current operating budgets, along with goals and objectives. Beginning in February, departmental fiscal staff, through a series of meetings with the Finance Department and the City Manager develop the preliminary budget.

Finance Staff and the City Manager prepare a budget calendar which is presented to Department Directors and their respective budget personnel, along with the City Manager's budget guidance. Every department proceeds to develop their personnel requirements, along with their services, supply, equipment and training needs. Each department meets separately with Finance and the City Manager to review their proposals. The City Manager makes recommendations during those meetings based on revenue projections. In May, the Department Directors meet with the City Manager and the City Council. Council makes decisions during this review. The preliminary budget document is finalized and presented to Council in June for approval.

The Capital Budget is developed, reviewed and approved by Council in a different time frame. However, if the documentation is available at the time of printing the preliminary budget, it would be included. If not, then those project budgets will be included in the Final Budget document.

#### Special Revenue Funds – Revenues & Expenses

This section contains funds that provide Special Revenue activities. In most cases, these funds represent activities that are provided by specific user fees, charges, taxes or grants. These revenues are usually legally restricted to expenditures for specific purposes. Special Revenue funds included within this budget are:

Streets & Roads Funds

- Traffic Safety Fund
- Lighting and Landscaping Funds
- Community Development Block Grant (CDBG) Fund
- HOME Fund
- Law Enforcement grants

# <u>Internal Service Funds – Revenues and Expenses</u>

This section allows for the accumulation of resources for equipment replacement, ease in costing and pricing of services, and the ability to accumulate the total cost of each activity. This section contains the City's four internal service funds:

- Equipment Services and Replacement (010)
- Medical Benefits Fund (013)
- Information Systems Fund (015)
- Self-Insurance Workers Compensation and General Liability (091)

#### **Enterprise Funds**

The Enterprise Funds account for operations that are financed and operated as proprietary businesses. The revenues collected by fees for services support the operation of the activities associated with the enterprise. The City of Woodland has nine Enterprise funds which operate and maintain these critical areas: Fund 210 - the water treatment facility and water wells; Fund 220 -wastewater treatment plant and Fund 222 - the wastewater pretreatment process, Fund 221-the storm drain operations; Fund 240 - City Cemetery, Fund 241 - Dubach sports park; Fund 250 -the Recycling program; Fund 252 - the construction and demolition program; Fund 260 -the Fire Department training operation; and Fund 280- Transit Services.

## **BUDGET INFORMATION**

#### Redevelopment Agency

This section contains the City's Redevelopment Agency activities. The purpose for redevelopment is to eliminate economic blight; revitalize depressed sections of the City; expand the supply of low and moderate income housing; expand employment opportunities for jobless and low income persons; and, to provide a quality environment for the well being of all citizens. The City Council develops and oversees the policies of the Redevelopment Agency.

Redevelopment has two major funds. Fund 520 is Redevelopment and as such receives 80% of the property tax RDA increment. Fund 521 is the Low-to Moderate Housing fund which receives, by law, 20% of that increment.

#### Glossary

These are budget terms provided to better familiarize the reader with some of the budgetary and financial vocabulary found throughout this document. It also contains a description of all fund types and a brief explanation of accounts used.

#### Trust Fund

The Trust Funds account for assets held by the City in a trustee capacity or as an agent for private organizations. The City currently has three Trust Funds:

915 – Contract Recreation

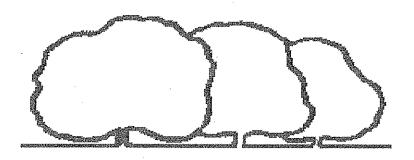
917 – Library Trust Fund.

940 - Parks and Recreation Foundation.

#### Department Budgets

The departmental sections represent the main body of the budget document. Each section has the following:

- Department Organization Chart with Departmental Goals.
- Divisions with their Goals/Objectives
- Total Expenses by Department
- Total Division Expenses
- List of Department Programs
- Individual Programs with narratives and FY 06 Actual Expenses, FY 07 Budget and FY 08 Budget.



#### CITY OVERVIEW

The City of Woodland is located in what continues to be one of the most prosperous and fastest growing areas of the State. The City is eighty-five miles northeast of San Francisco, and, thus, feels the impact of growth in suburban areas of the Greater Bay Area.

Even more importantly, Woodland is only eighteen miles northwest of Sacramento and shares in the economic trends of the Sacramento Valley Region. A pleasant, mild climate coupled with excellent access to rail and highway transportation continue to make Woodland a leading location for residential, commercial and industrial development.

The City's diversified economic basis includes agriculture, manufacturing, warehousing and retail. Such businesses as Walgreen's and Payless have located large distribution centers in the City. Over the next few years, retail growth is expected with projected residential growth in the area, particularly the Spring Lake Specific Plan, which assumes build-out of over 4,000 new single family and multi-family units over a 12-15 year period.

#### **GOVERNANCE**

The City of Woodland, first incorporated in 1871, is a general law City under the provisions of the State of California. A directly elected five-member City Council represents citizens in determining services and regulations to be provided by the City. From among its members, the Council elects the City's Vice-Major every two years. That individual holds office for two years and is then confirmed as Mayor. The Council appoints a full time City Manager whose job is to carry out the Council's policy directives and coordinate, control and direct City operations, functions and projects. In making its policy determinations, the Council works with advisory committees and receives other citizen input from the public at its regular and special meetings. The Council's business meetings are scheduled for the first and third Tuesday of each month in the Council Chambers of City Hall. Other special or study session meetings are scheduled as needed and are open to the public. The public is always invited and is encouraged to attend.

#### **CITY MANAGEMENT**

City Manager - Under the Council/Manager form of government, the City Manager is appointed by and responsible to the City Council to serve as the administrative head of the municipal organization and to direct the overall performance and coordination of all City services and programs. Pursuant to the City Code, the City Manager is responsible for the enforcement of all City ordinances and the implementation of City policies. The City Manager prepares and administers the City's budgets, appoints and evaluates department heads, and keeps the City Council advised as to the needs of the City. This division contains the expenditures for the City Manager's Office. This City Manager's Office is comprised of the City Manager, Assistant City Manager, City Clerk, City Attorney and the Human Resources Department.

Human Resources - This is a support department to the seven departments in the City organization and is primarily responsible for recruitment, testing and selection; records management, position control, classification and compensation, benefit and retirement administration, employee and labor relations, centralized training; development monitoring of the City's personnel rules and policies; enforcement of labor related federal/state laws and regulations, monitoring performance City-wide evaluations: coordination of worker's compensation claims; and, promotion of safety in the workplace.

Finance Department - This department reports to the City Manager and its operations include responsibility for overall department management, debt service and assessment district management, development of financial

reports and analysis, and special projects related to City financial issues. This department provides oversight for all City fiscal operations, including the Redevelopment Agency. Also included in this department is the City Treasurer function, which is responsible for administration of the City's investment program.

Police Department – This department is responsible for law enforcement services in the community. The department is committed to maintaining a safe and healthy environment for all Woodland residents, businesses and guests, which is free from violence, property damage or loss, and injuries resulting from criminal acts.

Fire Department – This department provides emergency responses for fires, medical emergencies, rescue services and hazardous material releases. The Department also provides non-emergency services including – plan checking, inspections, hazard abatement and fire safety education programs.

Parks, Recreation & Community Services – This department through its volunteer, donated and fiscal resources provides facilities, programs and services to meet the recreational and park needs of the community through planning, plan implementation, effective and efficient use of resources, and the collaborative efforts of public-private, non-profit and joint intergovernmental partnerships.

Community Development Department - This department is composed of five divisions; Administration, Planning, Building Inspection, Redevelopment and Economic Development. This department is responsible for the overall management and coordination of all activities concerning environmental review, building inspections, stimulation of redevelopment within the City and focuses on specific actions that are under the control of the city government and that provide the engine to stimulate private business and industry retention. expansion development.

Public Works Department – This department plans, programs, designs, constructs and maintains the public works facility and utility infrastructure in Woodland. Public Works facility and utility infrastructure includes the transportation system (pavements, parking,

traffic signals/signage, street lighting), utility systems (water supply and treatment, sanitary sewer treatment and disposal, storm drainage/flood protection), and City Buildings and parks. Public Works also manages the City's tree program, vehicle and equipment fleet and environmental compliance and conservation program.

#### **AUTHORIZED POSITIONS**

The fiscal year 2008 Budget includes 373 positions, 98.7% are full-time permanent personnel and 1.3% are part-time personnel. The following table provides a comparison of authorized positions for the fiscal years 2006 2007 and 2008.

Туре	Actual Budget FY 05/06	Actual Budget FY 06/07	Proposed FY 07/08
Full-time	359	368 .	375
Part-time	7	5	5

## DEPARTMENTAL BREAKDOWN SUMMARIES

Department	FY 06 Authorized Positions	FY 07 Authorized Positions	FY 08  Authorized  Positions
City Manager*	. 7	7	8
Community Development	21	27	-27
Finance	21	21	23
Parks, Recreation & Comm. Svcs.	39	42	42
Police .	94	97	97
Fire	62	59	59
Library	14	14	15
Public Works	106	106	109
TOTAL:	364	373	380

## **Financial Policies**

#### **SUMMARY**

- 1. The City's goal is to maintain a minimum General Fund balance reserve equal to 12 15% of its operating budget.
- 2. The City will strive to maintain a balanced operating budget in each fund. Appropriations of available fund balance will only be permitted for "one-time" non-recurring expenditures.
- 3. Recurring revenue growth (inflation) will be used to pay for recurring expenditures. Recurring expenditure increases should not be approved which exceed recurring revenue growth. Any new or expanded programs will be required to identify new funding sources and/or offsetting reductions in expenditures.
- 4. The Water and Sewer Enterprise Funds will have revenues (customer charges, interest income and all other income) sufficient to meet all cash operating expenses, capital expenses, prescribed cash reserves and debt service coverage requirements set forth in related bond covenants.
- 5. All Internal Service Funds will have revenues (intra-City user charges, interest income and other income) sufficient to meet all cash operating expenses and capital expenses. Such revenues shall also be sufficient to maintain cash reserves, which approximate the balance in accumulated depreciation.
- 6. The City will maintain appropriate reserves in the Employee Health Benefits Fund, and General Liability/Workers Compensation Insurance Fund to meet statutory requirements and actuarially projected needs.
- 7. The City will strive to establish a minimum cash working capital reserve equal to 10% of each of the Water and Sewer Enterprise

- Funds' operating budgets. In addition, a cash capital improvement reserve will be maintained for capital improvement projects.
- 8. The City will maintain a long-range fiscal perspective through the use of an Annual Operating Budget, two-year Capital Improvement Program and six-year revenue and expenditure forecasting.
- 9. Major capital improvement projects will be funded using the most financially prudent method available. Such methods include:
  - Traditional long-term financing (bond issues)
  - "Pay As You Go" financing (using recurring revenues only)
  - Combination of debt financing and "Pay As You Go" financing
  - Using cash accumulated in excess of policy requirements
- A Fiscal Impact Statement will be provided with each staff report submitted to the City Council as part of the City Council agenda process.
- 11. The City will comply with all the requirements of "Generally Accepted Accounting Principles."
- 12. The City will annually review and adopt a formal set of Investment Policies.

#### INVESTMENT POLICY

It is the policy of the City of Woodland to invest public funds in a prudent manner which will provide maximum security while meeting daily cash flow demands and conforming to all statutes governing the investment of public

## Financial Policies

funds. Within these parameters, funds will be invested to optimize investment return.

The purpose of this document is to set forth the City's policies guiding prudent investment of temporarily idle funds and to establish guidelines and objectives for suitable investments including delegation of authority, prudence, monitoring and reporting, policy review, diversification, eligible securities, safekeeping, collateralization, selection of depositories, brokers/dealers and glossary of terms.

A copy of the City of Woodland Investment Policy is available upon request from City Hall.