



CITY OF MENDOTA

"Cantaloupe Center Of The World"

ROBERT SILVA
Mayor
SERGIO VALDEZ
Mayor Pro Tempore
JOSEPH AMADOR
ROLANDO CASTRO
JOSEPH RIOFRIO

AGENDA
MENDOTA CITY COUNCIL
Special City Council Meeting
CITY COUNCIL CHAMBERS
643 QUINCE STREET
May 31, 2016
3:00 PM

VINCE DiMAGGIO
City Manager
JOHN KINSEY
City Attorney

The Mendota City Council welcomes you to its meetings; Regular meetings are scheduled for the 2nd and 4th Tuesday of every month. Your interest and participation are encouraged and appreciated. Notice is hereby given that Council may discuss and/or take action on any or all of the items listed on this agenda. Please turn your cell phones on vibrate/off while in the council chambers.

Any public writings distributed by the City of Mendota to at least a majority of the City Council regarding any item on this regular meeting agenda will be made available at the front counter at City Hall located at 643 Quince Street Mendota, CA 93640, during normal business hours 8 AM – 5 PM.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

FINALIZE THE AGENDA

1. Adjustments to Agenda.
2. Adoption of final Agenda.

CITIZENS ORAL AND WRITTEN PRESENTATIONS

At this time members of the public may address the City Council on any matter not listed on the agenda involving matters within the jurisdiction of the City Council. Please complete a "request to speak" form and limit your comments to THREE (3) MINUTES. Please give the completed form to City Clerk prior to the start of the meeting. All speakers shall observe proper decorum. The Mendota Municipal Code prohibits the use of boisterous, slanderous, or profane language. All speakers must step to the podium, state their names and addresses for the record. Please watch the time.

BUSINESS

1. Introduction of **Ordinance No. 16-06**: An Ordinance Authorizing a Contract between the City Council of the City of Mendota and the Board of Administration of the California Public Employees' Retirement System, and Give First Reading, by Title only, with Second Reading waived.
 - a. *Receive report from Administrative Services Director Johnson*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide any input and motion to waive the first reading of Ordinance No. 16-06*


2. Proposed adoption of **Resolution No. 16-36**, approving a contract between the Board of Administration of the California Public Employees' Retirement System and the City of Mendota.
 - a. *Receive report from Administrative Services Director Johnson*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide any input and adopt Resolution No. 16-36*

3. Fiscal Year 2016/2017 Budget Workshop.
 - a. *Receive report from City Manager DiMaggio*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide direction to staff as appropriate*

ADJOURNMENT

CERTIFICATION OF POSTING

I, Celeste Cabrera, Deputy City Clerk of the City of Mendota, do hereby declare that the foregoing agenda for the Mendota City Council Special meeting of May 31, 2016, was posted on the outside bulletin board located at City Hall, 643 Quince Street on Friday, May 27, 2016 at 12:15 p.m.



Celeste Cabrera, Deputy City Clerk

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CHARLES W. JOHNSON, DIRECTOR OF ADMINISTRATIVE SERVICES
VIA: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: ADDITIONAL INFORMATION REQUESTED ON CALPERS
DATE: MAY 31, 2016

ISSUE

None

BACKGROUND

None

ANALYSIS

Per City Council's request staff has researched the historical information pertaining to the annual trend for PEPRA Miscellaneous employers' contribution rate for comparable size cities to Mendota. The following data is listed below:

City of Kerman		
<u>Year</u>	<u>Annual Employer Rate</u>	<u>Misc. Increase (Decrease)</u>
2014-2015	6.25%	-
2015-2016	6.24%	-0.01%
2016-2017	6.56%	0.32%

City of Firebaugh		
<u>Year</u>	<u>Annual Employer Rate</u>	<u>Misc. Increase (Decrease)</u>
2014-2015	6.25%	-
2015-2016	6.23%	-0.23%
2016-2017	6.55%	0.32%

As represented in the data above neighboring cities trends from FY 2014 through 2016 are almost identical in expected rate percentages on a year-to-year basis with an overall marginal increase. This expected consistency is the cause of the Public Employees' Pension Reform Act of 2014 (PEPRA). Additionally, since the City of Mendota has less than 100 active employees, our proposed plan would be required to participate in a risk pool which benefits smaller agencies like Mendota and other agencies mentioned above.

Please find attached my Staff Report from the May 24th Council Meeting covering more intricate information for member participation and cost for employer and employees.

FISCAL IMPACT

Based on the researched trend the City is expected to experience a slight increase of about 1/3% per year..

RECOMMENDATION

Staff recommends the following:

1. Adopt the Resolution of Intention approving the contract between the City and the Board of Administration of the California Public Employees' Retirement System (CalPERS); and
2. Introduce the first reading of the Ordinance, by title only, authorizing the contact between the City Council of the City of Mendota and CalPERS and authorizing the City Manager to execute the contract.

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CHARLES W. JOHNSON, DIRECTOR OF ADMINISTRATIVE SERVICES
VIA: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: CONSIDER THE ADOPTION OF A RESOLUTION TO APPROVE THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA EMPLOYEES' RETIREMENT SYSTEM (CALPERS) AND THE CITY OF MENDOTA, AND INTRODUCE AND WAVIE THE FIRST READING, BY SUBSTITUTION OF TITLE ONLY, AN ORDINANCE OF THE CITY COUNCIL OF MENDOTA TO APPROVE THE CONTRACT
DATE: MAY 24, 2016

ISSUE

Should the City Council adopt and approve the Resolution of Intention to approve a contract between the California Public Employees Retirement System (CalPERS) and the City of Mendota and introduce the first reading of ordinance by title only?

BACKGROUND

CalPERS is the State-wide Public Employees' Retirement System, which provides retirement benefits for all State employees as well as local government agencies that choose to join. CalPERS is the largest of a number of pension and benefit funds in the United States. As of June 30, 2015, a total of sixty-six percent of public agencies in California are members of CalPERS. Each agency chooses benefit formulas from a list of those offered by CalPERS. However, for employees hired after January 1, 2013, they would be covered under the Public Employees' Pension Reform Act of 2013 (PEPRA), which will be discussed in more detail later in the report. Implementation of Public Employee Pension Reform Act (PEPRA) established an entirely new objective for retirement pensions for municipal agencies.

CalPERS provides set monthly benefits that are guaranteed for the life of the retiree, which is also known as a defined benefit program. This lifetime benefit differs greatly compared to the City's defined contribution program, which is our 401(K) Plan and will be also examined in more detail.

CalPERS categorized employees into one of three categories: Police Safety, Fire Safety (non applicable) or Miscellaneous. All non-sworn police are grouped into the miscellaneous category, regardless of whether they are represented by a police bargaining union.

CalPERS is funded by two contributions, an employee share and an employer share. Both are typically expressed as a percentage of the employee's earnings. The employee share is set by the legislature and varies depending on the benefit formula. The employer share is calculated annually by CalPERS actuaries and is the difference between the amounts that must be contributed in order to pay benefits less the employee share. The employer must pay the required contribution and the contribution amount can potentially change from year to year, depending upon a number of factors. For the City's employees, this 2% at age 57 Supplemental formula for public safety employees and 2% at age 62 Supplemental for miscellaneous employees.

ANALYSIS

As discussed during the Goal Setting Session for FY 14/15 City Council established a priority goal for staff to analyze the fiscal impact for city employees to join CalPERS to provide an equitable retirement pension for city employees.

During the analysis staff researched the various steps needed to contract with CalPERS and evaluate the actuarial valuation to determine the contributions necessary should the City elect to participate in CalPERS and adopt the attached plan for employees. The proposed plan for miscellaneous members consisted of 2% at age 62 Supplemental formula with 3-year final average compensation for employees. The estimated employer contribution rate for FY 16/17 is 6.55%, which the employee contribution rate is 6.25%. The Police Safety plan consisted of 2% at age 57 Supplemental formula with 3-year final average compensation. The estimated employer contribution for FY16/17 is 9.4%, which the employee contribution is 9.5%. Both proposed plans are based on a retirement benefit formula. This formula is calculated by using years of service credit, age at retirement, and final compensation. Final compensation is the highest average full-time monthly pay rate for a 3-year period, per contract. The illustration below outlines how to determine retirement benefits for employees:

$$\begin{aligned} & \text{Service Credit (years) x} \\ & \text{Benefit Factor (percent per year) x} \\ & \text{Final Compensation (monthly, dollars) =} \\ & \text{Unmodified Allowance (pension)} \end{aligned}$$

By law, before the City can adopt the proposed contract the City must negotiate with members of American Federation of State, County and Municipal Employees (AFSCME) and the Mendota Police Officer's Association (MPOA) the changes which will impact each employee organization. The City conducted multiple workshops and meeting with all union employees and non-union members of the City to educate them on CalPERS benefits and employee/employer contribution. After all employees were educated on the benefits and rates CalPERS requires for Police Safety and Miscellaneous employees to conduct an election by ballot for their approval or disapproval of the retirement proposal.

During the meeting with Police Safety employees union members expressed tremendous concern regarding employee contributions and its respective benefit factor of 9.5% at 2% of age 57. Due to the high employee contribution rate as established by CalPERS the City presented the union members with two additional options to help make the rate equitable for miscellaneous employees and minimize the full financial impact. The City proposed for members to consider a phased contribution approach by starting with 9.5% employee contribution for the first year (FY 16/17) and each subsequent year for a period of four year to decrease the employee contribution rate to reach 6.25% within its final year. The last option was to automatically start all members with a 6.25% employee contribution rate comparable to miscellaneous employees. After all police union members casted their ballots for each of the proposal mentioned previously, they reported a unanimous vote to decline all proposals presented by the City and CalPERS proposed plan.

Members of AFSCME were presented with their proposed plan and employee benefit formula of 2% at age 62 Supplemental, and members were very enthusiastic to hear that the City was considering membership into CalPERS. During the meeting members inquired a number of questions about member participation and member contribution. Due to members of AFSCME and all other non-safety employees being classified into the same proposed contract, all remaining employees (management, AFSCME, and part-time) casted a election to participate into CalPERS, which was subsequently approved based on a majority of its employees willingness to participate.

FISCAL IMPACT

The estimated impact to provide a lifetime annuity for miscellaneous employees for FY 16-17 is approximately \$87,418 (General Fund, Water, Sewer, Gas Tax, LTF, Measure C, and Airport). The City's budget allocation for 401(K) contributions was estimated at approximately \$57,890 for FY 15/16. If the City were to approve the proposed contract for miscellaneous members only (due to public safety disapproval of plan) the fiscal impact for FY 16/17 would be a total of \$87,418, which is a \$29,528 increase compared to the previous year. The City will stop its 5% contribution for miscellaneous employees 401(K) Plan and transfer this contribution to the employer contribution to offset the cost. All other non-CalPERS participates will continue to receive their 5% contribution from the City (per MOU), and miscellaneous employees can elect to contribute to their 401(K) Plan on their own discretion.

RECOMMENDATION

Staff recommends the following:

1. Adopt the Resolution of Intention approving the contract between the City and the Board of Administration of the California Public Employees' Retirement System (CalPERS); and

2. Introduce the first reading of the Ordinance, by title only, authorizing the contact between the City Council of the City of Mendota and CalPERS and authorizing the City Manager to execute the contract.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MENDOTA AUTHORIZING
A CONTRACT BETWEEN THE CITY COUNCIL
OF THE CITY OF MENDOTA AND THE BOARD
OF ADMINISTRATION OF THE CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

ORDINANCE NO. 16-06

The City Council of the City of Mendota does ordain as follows:

SECTION 1. That the Contract Between the Board of Administration, California Public Employees' Retirement System and the City Council, City of Mendota, is hereby authorized and approved, a copy of said contract being attached hereto and marked as Exhibit "A," and such reference made a part hereof as though herein set out in full.

SECTION 2. The City Manager of the City of Mendota is hereby authorized, empowered, and directed to execute said contract for and on behalf of the City of Mendota.

SECTION 3. If any section, subsection, sentence, clause, phrase, or word of this ordinance is for any reason held to be unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Mendota City Council hereby declares that it would have passed and adopted this ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions be declared unconstitutional.

SECTION 4. Within fifteen (15) days of the adoption of this Ordinance, a summary thereof, including the names of the City Council Members voting for and against it, shall be prepared by the City Attorney for publication in the *Firebaugh-Mendota Journal*, and a certified copy of the Ordinance shall be posted in the office of the City Clerk.

SECTION 5. This ordinance shall become effective and in full force at 12:00 midnight on the 31st day following its adoption.

* * * * *

The foregoing ordinance was introduced on the 31st day of May, 2016 and duly passed and adopted by the City Council of the City of Mendota at a regular meeting thereof held on the 14th day of June, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Robert Silva, Mayor

ATTEST:

Matt Flood, City Clerk

APPROVED AS TO FORM:

John Kinsey, City Attorney



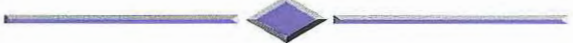
EXHIBIT

California
Public Employees' Retirement System



CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Mendota



In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 62 for local miscellaneous members and age 57 for local safety members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after _____ making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Police Officers (herein referred to as local safety members);
 - b. Employees other than local safety members (herein referred to as local miscellaneous members).
5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

a. FIRE EMPLOYEES AND

b. MEMBERS OF THE GOVERNING BODY.

6. The percentage of final compensation to be provided for new local miscellaneous members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).
7. The percentage of final compensation to be provided for new local safety members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.25(b) of said Retirement Law (2% at age 57 Supplemental to Federal Social Security).
8. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and safety members of said Retirement System.
9. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
10. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

11. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MENDOTA

BY _____
RENEE OSTRANDER CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA APPROVING
A CONTRACT BETWEEN THE BOARD OF
ADMINISTRATION CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM AND
THE CITY OF MENDOTA**

RESOLUTION NO. 16-36

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies in the Public Employees' Retirement System, making their employees members of said System, and sets forth the procedure by which participation may be accomplished; and

WHEREAS, one of the steps required in the procedure is the adoption by the governing body of the public agency of a resolution giving notice of intention to approve a contract for such participation of said agency in the Public Employees' Retirement System, which resolution shall contain a summary of the major provisions of the proposed retirement plan; and

WHEREAS, attached is a summary of the major provisions of the proposed plan; and

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency gives, and it does hereby give notice of intention to approve a contract between said governing body and the Board of Administration of the Public Employees' Retirement System, providing for participation of said agency in said retirement system, a copy of said contract and a copy of the summary of the major provisions of the proposed plan being attached hereto as Exhibit "A," and by this reference made a part hereof.

Robert Silva, Mayor

ATTEST:

I, Matt Flood, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 31st day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Matt Flood, City Clerk



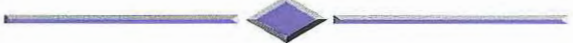
EXHIBIT

California
Public Employees' Retirement System



CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Mendota



In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 62 for local miscellaneous members and age 57 for local safety members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after _____ making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Police Officers (herein referred to as local safety members);
 - b. Employees other than local safety members (herein referred to as local miscellaneous members).
5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

a. FIRE EMPLOYEES AND

b. MEMBERS OF THE GOVERNING BODY.

6. The percentage of final compensation to be provided for new local miscellaneous members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).
7. The percentage of final compensation to be provided for new local safety members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.25(b) of said Retirement Law (2% at age 57 Supplemental to Federal Social Security).
8. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and safety members of said Retirement System.
9. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
10. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

11. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MENDOTA

BY _____
RENEE OSTRANDER CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: FISCAL YEAR 2016-2017 BUDGET MESSAGE – PART I (ENTERPRISE FUNDS)
DATE: MAY 31, 2016

BACKGROUND

In past years, I've introduced the entire budget at once. In order to facilitate more Council discussion on items the Council may be interested in, I've divided the budget into two parts. This first part, to be discussed at the May 31, 2016 meeting is focused exclusively on the Enterprise Funds.

As you know, the City maintains ten separate Enterprise Funds. The most well known of these funds are the Sewer Operation Fund and the Water Operation Fund and this report and meeting will focus mainly on these two funds. Unlike the General Fund, which operates on tax revenues, the Sewer and Water Operations Funds rely exclusively on customer rates for their revenues and uses said revenues to fund all operations. As the Council experienced at the hearings on the water and sewer rates, when rates are not set in proportion with the cost of operations, a deficit occurs and in extreme cases, possibly insolvency.

It is sometimes difficult for the public to understand why rates need to increase and that often leads to a belief that the majority of revenues funds increases in staff salary. This is incorrect. In the Water Operations Fund, salaries account for only 18% of the overall fund's budget (*See* 02-7220-5010). The same holds true for the Sewer Operations Fund where salaries account for 25% of that fund's budget (*See* 01-7210-5010). Both funds focus primarily on debt service, utilities (gas and electric), and capital improvements. Another large expenditure is the lease payment to the property owner on which the City's water wells lie. The remainder of the budget for both funds focuses on the daily operations and maintenance (non-capital) of the water and sewer service.

Other enterprise funds (Measure C, LTF, and Gas Tax) are funded through County-wide taxes. The Refuse Fund is essentially a "pass thru" fund whereby the City collects the fees for the service (garbage pick-up) and passes most of the revenue through to the third party contractor (Mid-Valley Disposal). The Mendota Community Facilities District is a public safety assessment district that solely funds police operations. The "COPS" fund is a federal grant, as is the Aviation Fund.

The City funds all road improvements through monies received through the Measure C, Gas Tax, and LTF funds. The Council, at its discretion, can contribute to road improvements using General Fund dollars if sufficient funds are available.

ANALYSIS

Water Operations Fund

As you can see, over the course of the last three years, the Water Fund has operated with a significant deficit of over \$195,000 (*See* bottom page 22). This deficit was the result of static water rates over an extended period of years, combined with higher costs to operate the utility. This, in turn, resulted in a critical shortfall in the fund balance – at one point there was an unencumbered fund balance of only approximately \$80,000. This meant that the City was unable to leverage any funding in order to make key improvements to the system because there was no way to fund debt. In November 2015, the Council made the difficult, but necessary, decision to increase water rates. Although the City is still not at the point to sustain leveraged financing, the fund has begun to stabilize, with a current fund balance of \$171,000.

The improved “health” of the fund can be seen in the proposed budget where revenues are projected to increase by approximately \$300,000 over last year’s revenue and staff projects a \$197,000 surplus. Page 23 (and below) details all of the anticipated “critical path” improvements necessary for the upcoming year.

However, there is still one major unknown – the City’s financial liability for the bridge leading to the well sites. The bridge has been substantially damaged and is now closed to all vehicle traffic on the BB Ranch property. This is a technical violation of the contract with BB Ranch. The cost to replace the bridge has been estimated by a study conducted by structural engineers at approximately \$2.7 million. The associated environmental studies will likely cost an additional \$1 million. Given this, while the projected \$197,000 surplus appears as a welcome change to the deficit situation, it is possible that that surplus will be absorbed, either in whole or in part, by debt service necessary to construct a new bridge. Another way of viewing this situation is to say that, had the Council not raised water rates, making debt financing possible if necessary, the new bridge would have consumed the entire emergency reserve fund of the City – and that still would have not been sufficient to cover the cost of the bridge. This is not counting any legal liability that could or would have resulted.

Additionally, while staff has proposed funding for maintenance of the exchange wells, (known colloquially as “the Fordell wells”), these wells have been neglected for many years and problems continue to persist and materialize with their reliability and operation. These wells play a vital role in the “exchange” with the BB Ranch – the City provides agricultural water from these wells in *exchange* for pumping domestic water from BB Ranch. Staff continues to work on finding funding sources to address the situation,

however, because the problems result from lack of comprehensive maintenance over a period of many years, grant funding under these conditions is scarce or unavailable.

Community Development Block Grant (CDBG) funds will be used to complete a major project that staff has been working on for two years – the enclosure for the water treatment plant apparatus. This project will cost approximately \$326,000 and is noted in line item 02-4000-4650 (the grant shown as revenue) and again in line item 02-7220-6500 (the funds being expended as a capital item, along with other minor capital improvements).

In sum, the increase in water rates was necessary to prevent insolvency of the fund. It is important that both in this fiscal year and future fiscal years a fund surplus be maintained to fund the Capital Improvement Program either directly or through debt financing, as well as unanticipated expenditures.

Major Projects

- Water Storage Tank Epoxy Repairs - \$10,000
- Booster Pumps - \$5,500
- Exchange Wells Electrical Upgrade - \$10,000
- Filter System Upgrades - \$11,000
- SCADA System - \$25,000
- CDBG Water Plant Structure - \$326,000

Staffing

Proposed addition of one full time entry-level position. (½ booked to the Water Fund, ½ booked to Sewer Fund).

Sewer Operations Fund

Over the course of the last three years, the Sewer Fund has hovered around a break-even point of revenues versus expenditures. While on the surface, this would appear to be a positive development, the fund was in the same situation as the Water Fund – there was no ability to use leveraged financing to pay for critical improvements. The fund was merely covering daily operations and existing debt, and not preventative maintenance or any type of investment in new large scale capital equipment.

The decision of the Council to raise sewer rates a modest \$4.00/month has improved the situation. Note the projected increased revenues shown immediately below line item 10-4300-4300 on page 20. As one can see, the primary expenditures being made from this fund deal with debt service (over \$370,000) and utilities to operate the waste water treatment plant machinery and lift station.

You will note that total expenditures exceed total revenue, however, this is *not* due to a revenue shortfall, but rather due to a major capital improvement project, identified in the Capital Improvement Program and funded through the unencumbered fund balance. The reconstruction of the Lozano Lift Station is a project that is estimated to cost approximately \$225,000. Approximately \$210,000 is being moved from the fund balance (\$777,000) into the Capital Outlay line item (*See* 10-7210-6500) and is the reason for expenditures *appearing* to exceed revenue. Another way to see this is if the Lozano Lift Station project was not necessary, the difference between the Capital Outlay line item and the fund balance line represents the operating fiscal year surplus (about \$58,000).

Major Projects

- Lozano Lift Station Reconstruction - \$225,000
- Repair and Maintenance of WWTP Aerators - \$11,000

Staffing

See Water Fund staffing above.

Water/Sewer Department Organization

The departure of the Public Utilities Director and the achievement of water distribution certifications by the Public Utilities Superintendent have allowed for a reexamination of the structure of the Public Utilities Department. Namely, the question becomes, does the City need a separate, free-standing Public Utilities Department or would a combined Public Works Department be operationally superior? Staff has concluded that the latter option is the superior alternative. As is reflected in the budget, contract services has been cut by 40% in both the Water and Sewer funds because the certifications obtained by the Department's Superintendent make a full time contract distribution specialist redundant. This results in a savings of approximately \$54,000. Consolidating the Public Utilities and Public Works Departments eliminates the Public Utilities Director position and thus results in a salary and benefits savings of approximately \$120,000. This provides ample funding to add one full time entry-level, or intermediate-level staff member to the water/sewer operations – as proposed above.

It is anticipated that at some point in the upcoming fiscal year, the Public Utilities Superintendent will obtain certifications that will qualify for consideration for promotion to Chief Plant Operator and thus will allow further reduction on the reliance of outside contract services. To plan for this, staff is going to include an updated salary schedule for the Chief Plant Operator position with the final budget for Council's consideration.

Beginning on July 1, 2016, the Public Utilities Department will be officially integrated into a combined Public Works Department.

Measure C/LTF/Gas Tax

The City's principal way of funding all road improvements in the City is through a series of local taxes: Measure C, Local Transportation Funds (LTF), and Gas Tax. Generally speaking each year the City receives approximately \$300,000 from Measure C, \$280,000 from Gas Tax and \$300,000 from LTF. From these funds, the City can plan for one major street reconstruction project (such as the entire length of 6th Street) and one smaller project (such as the two block portion of Quince), along with some associated street repairs.

In 2014, the staff conducted a street survey in the central city area and identified streets and street sections in greatest need of reconstruction. The Council approved the multi-year plan presented and staff has been implementing this plan, using these funds, in the last two budget cycles.

In the 2016-2017 budget year, staff is proposing to spend \$1.4 million on street projects; the most ever spent on streets in any single year. The proposed projects are shown below:

Major Street Projects

- 7th Street and Derrick Realignment and Reconstruction - \$600,000
- 8th Street Reconstruction (Pucheu to Riofrio) - \$445,000
- Stamoules Street Reconstruction (7th to 9th) - \$361,000

It is at the Council's discretion as to which streets or street projects receive funding. The above listed projects are recommended by staff based on adherence to the Council adopted street improvement plan from 2014 and which projects would benefit the largest number of residents. In the case of the 7th and Derrick project, this project has been submitted several times for various grant funding opportunities in the last four years and has not been selected. Because of its relative low cost, but high beneficial impact to the community, staff is proposing to use our local funds to complete the project, rather than to continue to wait for annual grant opportunities that have so far, only delayed the project's completion.

FISCAL SUMMARY

Despite the unpopularity of the water and sewer rate increase, Council should be applauded for this difficult decision. We are beginning to see a recovery in both the water and sewer funds; we are able to begin investment in key capital upgrades to the system; and are properly positioned to use leveraged financing in the future. As we examine the CIP, we note that over the next five years, the water and sewer utilities require over \$9 million in capital investment. With the beginning of the recovery of these funds, we will be in a position to explore a number of different funding opportunities from grants with matching requirements to standard loans as mechanisms to fund these improvements and guarantee the long term operational stability of the City's utilities.

However, we do remain exposed to unknown costs associated with the BB Ranch bridge and the exchange wells, and this could change the complexion of the Water and Sewer Funds budget mid-year. Council should be prepared to examine difficult and different options pertaining to these outstanding obligations.

In terms of the utilization of the Measure C, Gas Tax, and LTF funds, Council can consider completing the projects put forth by staff or direct the examination of costs of other road improvement projects. Regardless, staff can responsibly recommend that \$1.4 million is available for road improvement projects in the 2016-2017 fiscal year.

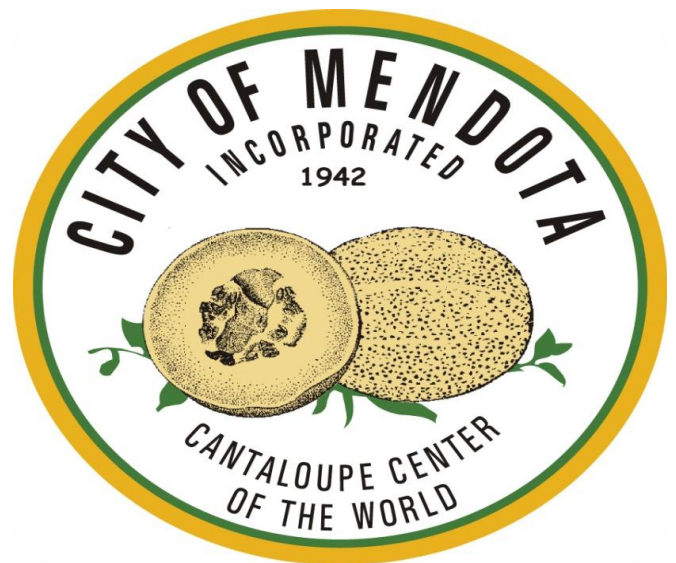
The remaining enterprise funds, (COPS, CFD, Refuse, and Aviation) are operating as planned in terms of revenues versus expenditures and are very stable funds.

RECOMMENDATION

Staff recommends that Council provide appropriate direction to staff on funding initiatives and policy priorities for the Enterprise Funds.

Enterprise Fund Budgets

- 1) Refuse Operation Fund
- 2) Sewer Operation Fund
- 3) Water Operation Fund
- 4) Gas Tax - Street Fund
- 5) Measure "C" - Street Fund
- 6) "LTF" - Street Fund
- 7) Mendota Community Facilities District Fund
- 8) Aviation
- 9) "COPS"
- 10) Donation Fund



REFUSE OPERATION FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
13-4400	Refuse Service	661,137	654,252	531,963	664,845	713,604
13-4000-4650	Misc Income	730	-	-	-	
13-3592-3890	State Grant	4,743	5,000	5,000	-	5,000
13-3400-3410	Interest Income	3,326	500	-	500	500
13-3903-3903	Transfer- In	-	-	-	-	-
	TOTAL REVENUES	669,936	659,752	536,963	665,345	719,104
Expenditures						
13-7240-5010	Salaries, Regular	68,990	54,768	29,692	35,895	40,109
13-7240-5060	Overtime	3,363	500	12	500	500
13-7240-5374	State Grant	2,839	5,000	-	-	5,000
13-7240-5800	Special Department Supplies	1,964	1,000	398	572	500
13-7240-5840	Audit	622	700	828	828	828
13-7240-5850	Contract Services	582,191	576,000	470,623	588,292	589,000
13-7240-6050	Retirement	3,656	2,038	675	1,795	2,627
13-7240-6060	Health & Life Insurance	12,288	7,425	5,063	7,698	13,659
13-7240-6070	F.I.C.A./Medicare	5,088	3,157	2,268	2,784	3,069
13-7240-6080	Workers Compensation	9,417	3,877	3,854	3,931	5,259
13-7240-6100	Disability Insurance	660	446	267	392	433
	Total Expenditures	691,079	654,911	513,680	642,687	660,984
	Excess of Revenues over Expenditures	(21,143)	4,841	23,283	22,658	58,120

- State Grant - \$5,000.00 Purchase Multi-Recyclable Containers for Parks/Grounds.

SEWER OPERATION FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
10-3900-3903	Interfund Transfer	-		-	-	
10-3400-3410	Interest Income	1,093	250	(93)	1,000	100
10-4000-4650	Misc Revenue	144,644	-	36,867	-	26,667
10-4300-4200	Sewer Service	1,170,932	1,081,847	928,224	1,192,751	1,358,487
10-4300-4300	Connection Fee	9,658	4,000	14,907	4,500	9,500
	TOTAL REVENUES	1,326,327	1,086,097	979,905	1,198,251	1,394,754
Expenditures						
10-7210-5010	Salaries, Regular	223,239	312,533	236,033	323,164	353,689
10-7210-5060	Overtime	8,696	10,000	5,250	10,000	6,000
10-7210-5150	Utilities	161,997	147,847	100,626	196,760	134,122
10-7210-5200	Telephone	6,785	5,750	6,327	6,811	7,000
10-7210-5300	Advertising & Publication	1,538	1,500	819	1,500	1,000
10-7210-5350	Office Supplies	4,763	4,500	3,302	4,500	3,000
10-7210-5360	Postage	5,820	6,500	10,660	4,000	7,500
10-7210-5400	Lab Analysis	6,441	5,390	2,787	5,000	5,000
10-7210-5410	Chemicals	6,211	9,678	5,653	6,500	6,500
10-7210-5450	Vehicle Maintenance/Operations	11,816	11,500	11,648	13,488	18,000
10-7210-5460	Facility Repair / Maint.	27,990	25,667	11,627	20,000	16,000
10-7210-5500	Fuel	11,382	11,000	11,327	14,667	10,000
10-7210-5550	Plant Equipment	148	-	-	-	-
10-7210-5600	Office Equipment Maintenance	1,667	1,700	1,783	1,500	1,500
10-7210-5700	Depreciation	262,363	-	-	-	-
10-7210-5800	Special Department Supplies	12,952	11,500	16,968	15,500	15,000
10-7210-5820	Legal Services	21,441	18,000	21,574	18,000	34,000
10-7210-5821	Engineering Services	15,991	15,000	13,500	15,000	18,000
10-7210-5840	Audit	13,959	12,500	16,938	12,836	12,900
10-7210-5850	Contract Services	66,416	57,490	78,406	70,000	43,000
10-7210-5900	Uniform	1,904	1,800	3,191	1,700	2,700
10-7210-5950	Lease Payment	3,287	3,000	7,410	7,438	11,750
10-7210-6050	Retirement	7,723	14,492	6,010	14,666	22,839
10-7210-6060	Health & Life Insurance	55,222	76,333	49,542	51,562	100,309
10-7210-6070	F.I.C.A./Medicare	17,677	24,674	19,103	25,487	26,675
10-7210-6080	Workers Compensation	32,310	17,958	31,331	46,643	45,721
10-7210-6090	Unemployment Insurance	6,945	4,000	4,212	24,500	10,000
10-7210-6100	Disability Insurance	2,273	3,483	2,219	3,597	3,766
10-7210-6110	P & GL Insurance	2,403	2,000	1,783	1,900	1,800
10-7210-6200	Bond / Principle	-	133,000	71,520	139,000	150,000
10-7210-6210	Bond / Interest	244,598	241,560	116,374	235,743	227,199
10-7210-6250	Memberships & Dues	32,549	34,250	34,137	48,529	40,000
10-7210-6300	Meetings/Travel/Training	1,388	2,000	1,129	1,200	1,200
10-7210-6400	Taxes & Assessment	644	660	783	879	783
10-7210-6500	Capital Outlay	47,434	25,383	34,791	33,680	268,719
10-7210-8003	Special Project WWTP	-	-	32,660		-
	Total Expenditures	1,327,972	1,252,648	971,423	1,375,750	1,605,672
	FUND BALANCE:		166,551		177,499	210,918
	Excess of Revenues over Expenditures	(1,645)	-	8,482	-	-

- Fund Balance: \$777,362.00
- Facility Repair/Maintenance - \$10,749.00 for Aerators @ WWTP (5460)
- Capital Outlay - \$225,000.00 for the Lozano Lift Station Upgrade & \$37,052.22 for (2) CNG Ford Trucks & \$6,666.67 for the GEM (6500)
- Reimbursable - \$20,000.00 for (2) CNG Ford Trucks & \$6,666.67 for the GEM

LONG-TERM LIABILITIES - SEWER

Mendota Joint Powers Financing Authority Wastewater Certificates of Participation Series 2010-1			
Year Ended June 30	Principal	Interest	Total
2016	29,000	84,455	113,455
2017	30,000	83,505	113,505
2018	31,000	82,055	113,055
2019	32,000	80,795	112,795
2020-2024	184,000	383,186	567,186
2025-2029	222,000	342,823	564,823
2030-2034	271,000	293,493	564,493
2035-2039	329,000	233,578	562,578
2040-2044	401,000	160,815	561,815
2045-2049	487,000	72,189	559,189
2050	110,000	8,688	118,688
Total	2,126,000	1,825,582	3,951,582
Mendota Joint Powers Financing Authority Wastewater Revenue Bonds Series 2005			
Year Ended June 30	Principal	Interest	Total
2016	110,000	151,288	261,288
2017	115,000	146,280	261,280
2018	120,000	140,933	260,933
2019	125,000	135,266	260,266
2019-2023	720,000	578,486	1,298,486
2024-2028	685,000	396,555	1,081,555
2029-2033	815,000	209,734	1,024,734
2034-2037	390,000	20,343	410,343
Subtotal	3,080,000	1,778,885	4,858,885
Less: unamortized discount	(98,296)	-	(98,296)
Total	2,981,704	1,778,885	4,760,589

- Mendota Joint Powers Financing Authority Wastewater Certificates of Participation Series 2010-1 debt service will terminate 2028.
- Mendota Joint Powers Financing Authority Wastewater Revenues Bonds, Series 2005 debt service will terminate 2037.

WATER OPERATION FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
02-3400-3410	Interest Income	384	100	(14)	500	100
02-3900-3903	Interfund Transfer	-	-	-	-	88,000
02-4000-4650	Misc Income	37,601	-	9,355	-	326,867
02-4200-4201	Water Service	1,263,267	1,284,807	1,008,474	1,397,539	1,478,785
02-4200-4300	Connection Fee	6,894	8,500	28,418	12,372	12,500
02-4200-4330	Penalty/Shut-Off	67,291	56,600	70,758	65,000	68,300
	TOTAL REVENUES	1,375,436	1,350,007	1,116,991	1,475,411	1,974,552
02-7220-5010	Salaries, Regular	267,895	312,533	258,632	324,503	359,501
02-7220-5060	Overtime	10,619	10,000	7,038	10,000	10,000
02-7220-5150	Utilities	340,512	315,540	222,161	399,600	300,000
02-7220-5200	Telephone	11,357	9,724	10,779	11,089	12,400
02-7220-5300	Advertising & Publication	1,711	1,500	891	1,500	1,100
02-7220-5350	Office Supplies	4,898	4,500	3,361	4,500	4,000
02-7220-5360	Postage	5,820	6,900	9,770	7,000	7,500
02-7220-5400	Lab Analysis	13,008	11,250	14,064	20,000	15,000
02-7220-5410	Chemicals	25,937	29,650	23,131	33,000	28,000
02-7220-5450	Vehicle Maintenance/Operations	8,425	9,500	9,501	9,500	9,500
02-7220-5460	Facility Repair / Maint.	89,928	52,167	35,985	45,000	50,000
02-7220-5500	Fuel	11,164	10,250	7,709	13,500	13,500
02-7220-5550	Plant Equipment	720	1,000	-	-	-
02-7220-5600	Office Equipment Maintenance	1,765	1,800	1,872	1,500	1,500
02-7220-5700	Depreciation	268,564	-	-	-	-
02-7220-5800	Special Department Supplies	41,823	50,000	50,808	55,000	65,000
02-7220-5820	Legal Services	21,751	18,000	28,556	18,000	40,000
02-7220-5821	Engineering Services	24,231	20,000	29,010	25,000	25,000
02-7220-5840	Audit	13,959	16,500	17,166	12,837	12,900
02-7220-5850	Contract Services	53,120	66,715	84,026	75,000	39,000
02-7220-5900	Uniform	1,877	1,750	3,191	1,700	2,700
02-7220-5950	Lease Payment	129,627	132,000	75,157	90,713	147,500
02-7220-6050	Retirement	9,636	14,492	6,727	14,733	23,220
02-7220-6060	Health & Life Insurance	71,586	76,333	53,708	51,943	100,584
02-7220-6070	F.I.C.A./Medicare	21,194	24,674	21,058	25,589	22,119
02-7220-6080	Workers Compensation	38,428	17,623	34,230	40,140	39,965
02-7220-6090	Unemployment Insurance	6,844	15,000	4,213	24,500	10,000
02-7220-6100	Disability Insurance	2,734	3,483	2,449	3,613	3,829
02-7220-6110	P & GL Insurance	2,563	2,000	1,783	1,900	1,900
02-7220-6200	Bond / Principle	-	36,000	38,000	38,000	40,000
02-7220-6210	Bond / Interest	30,990	30,195	28,530	28,530	26,775
02-7220-6250	Memberships & Dues	16,957	13,378	15,305	15,000	15,000
02-7220-6300	Meetings/Travel/Training	4,815	15,617	1,483	10,000	5,000
02-7220-6400	Taxes & Assessment	201	206	317	275	320
02-7220-6500	Capital Outlay	15,811	41,000	29,605	40,638	343,919
	Total Expenditures	1,570,470	1,371,280	1,130,216	1,453,803	1,776,732
	FUND BALANCE:	-	21,273	-	-	-
	Excess of Revenues over Expenditures	(195,034)	-	(13,225)	21,608	197,820

- Fund Balance: \$171,961.00

- Facility Maintenance - \$10,000.00 for the Tank Epoxy Repairs (Filter System) & \$5,518.00 for the Booster Pumps & \$10,000.00 for the Exchange Wells Electrical Upgrade & \$10,975.00 for the Filter System (Valves, Actuators, Backwash Pump, Air System) (5460)
- Special Department Supplies - \$35,000.00 for Meters & \$8,300.00 for Distribution System (Repair Clamps, Repair Couplers, Service Line Parts, Voltmeter) & \$6,000.00 for Meter Boxes/Lids (5800)
- Capital Outlay - \$25,000.00 for the SCADA System & \$37,052.22 for (2) CNG Ford Trucks & \$6,666.67 for the GEM & \$300,200.00 for the CDBG Shade Structure (6500)
- Reimbursable - \$20,000.00 for (2) CNG Ford Trucks & \$6,666.67 for the GEM & \$300,200.00 for the CDBG Shade Structure
- Inter-fund Transfer - \$88,000.00 Loan from the General Reserve (Emergency Fund)

LONG-TERM LIABILITIES - WATER

USDA Water Improvement Loan			
Year Ended June 30	Principal	Interest	Totals
2016	38,000	28,530	66,530
2017	40,000	26,775	66,775
2018	42,000	24,930	66,930
2019	44,000	22,995	66,995
2020-2024	250,000	82,800	332,800
2025-2028	239,000	21,758	260,758
Total	653,000	207,788	860,788

- USDA Water Improvement Loan debt service will terminate 2028.

GAS TAX - STREET FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
07-3500-3529	State Allocation - 2103	115,342	116,737	33,861	116,737	116,737
07-3500-3530	State Allocation - 2105	61,493	53,648	41,284	53,648	53,648
07-3500-3531	State Allocation - 2106	34,817	46,550	24,015	46,550	46,550
07-3500-3532	State Allocation - 2107	79,204	65,918	52,337	65,918	65,918
07-3500-3533	State Allocation - 2107.5	3,000	2,000	-	2,000	2,000
07-3400-3410	Interest Income	658	500	(69)	500	100
07-3900-3903	Interfund Transfer					
07-4000-4650	Misc. Revenue (Grants)	507,211	-	130,326	-	
	Total Revenues	801,724	285,353	281,754	285,353	284,953
Expenditures						
07-7190-5010	Salaries, Regular	23,288	60,038	45,744	65,071	35,551
07-7190-5060	Overtime	11	500	94	500	500
07-7190-5150	Utilities- Street Lights	56,586	50,000	46,992	55,000	61,865
07-7190-5450	Vehicle Maintenance / Operations	40	500	249	500	1,115
07-7190-5470	Street Repair / Maintenance	7,132	-	-	9,000	8,074
07-7190-5800	Special Department Supplies	1,257	2,500	698	1,500	1,500
07-7190-5821	Engineering Services	-	-	-	-	-
07-7190-5840	Audit Fees	1,000	1,000	1,243	1,000	1,300
07-7190-5850	Contract Services	-	-	-	-	-
07-7190-6050	Retirement	789	3,002	1,702	3,254	2,361
07-7190-6060	Health & Life Insurance	4,074	14,254	6,489	12,236	7,813
07-7190-6070	F.I.C.A./Medicare	1,698	4,631	3,457	5,016	2,758
07-7190-6080	Workers Compensation	3,207	2,137	5,973	6,557	4,727
07-7190-6100	Disability Insurance	216	654	391	708	389
07-7190-6500	Capital Outlay	641,166	140,000	434,145	400,975	505,319
	Total Expenditures	740,464	279,216	547,178	561,317	633,272
	FUND BALANCE:	-			275,964	348,319
	Excess of Revenues over Expenditures	61,260	6,137	(265,424)	-	-

- The \$348,319.00 in Fund Balance will be used for the Reconstruction Project of 8th Street (Pucheu to Riofrio) & 7th Street/Derrick Reconstruction & Stamoules Street Reconstruction (7th Street to 9th Street). Measure C and “LTF” Street Fund will share the expenditures of all projects.
- Fund Balance: \$153,724.00

Project for 2016-17 Budget	
1 8th Street Reconstruction (Pucheu to Riofrio)	\$ 445,495.00
2 7th Street & Derrick Reconstruction	\$ 600,000.00
3 Stamoules Street Reconstruction (7th to 9th)	\$ 361,316.00
	\$ 1,406,811.00

MEASURE “C” STREET FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
14-3100-3175	County Allocation	147,545	151,488	128,767	151,488	151,488
14-3100-3180	County Allocation (ADA)	5,055	5,302	4,344	5,302	5,302
14-3100-3190	County Allocation (Flexible)	171,174	175,960	148,131	175,960	175,960
14-3400-3410	Interest Income	1,041	-	(123)	-	-
14-4000-4650	Misc. Revenue (Grants)	680,023	-	78,929	-	-
	Total Revenues	1,004,839	332,750	360,048	332,750	332,750
Expenditures						
14-7190-5010	Salaries, Regular	58,456	64,018	86,784	115,199	147,892
14-7190-5060	Overtime	416	2,000	104	500	500
14-7190-5420	Street ADA Projects	-	-	-	-	-
14-7190-5450	Vehicle Maintenance/Operations	11,962	2,419	2,204	8,000	1,308
14-7190-5470	Street Repair / Maint.	4,270	49,519	622	50,000	17,386
14-7190-5800	Special Department Supplies	1,083	5,000	3,442	2,557	4,589
14-7190-5480	Sidewalk / Curb / Gutter-Maint.	63	10,000	-	-	-
14-7190-5821	Engineering Services	-	-	-	-	-
14-7190-5840	Audit	1,000	1,000	1,243	1,000	1,657
14-7190-5850	Contract Services	80,619	92,710	38,106	75,000	30,000
14-7190-6050	Retirement	2,183	3,201	3,592	5,760	9,720
14-7190-6060	Health & Life Insurance	18,592	14,525	18,151	25,056	54,759
14-7190-6070	F.I.C.A./Medicare	4,542	4,936	6,729	8,850	11,352
14-7190-6080	Workers Compensation	8,528	4,407	11,438	11,570	19,457
14-7190-6100	Disability Compensation	583	697	775	1,250	1,603
14-7190-6500	Capital Outlay	342,964	76,910	424,100	303,972	632,000
14-7190-7500	Transfer Out	-	-	-	-	-
	Total Expenditures	535,260	331,342	597,290	608,714	932,222
	FUND BALANCE:	-	-	-	275,964	599,472
	Excess of Revenues over Expenditures	469,578	1,408	(237,242)	-	-

- The \$599,472.00 in Fund Balance will be used for the Reconstruction Project of 8th Street (Pucheu to Riofrio) & 7th Street/Derrick Reconstruction & Stamoules Street Reconstruction (7th Street to 9th Street). Measure C and “LTF” Street Fund will share the expenditures of all projects.
- Fund Balance: \$371,475.00

Project for 2016-17 Budget	
1 8th Street Reconstruction (Pucheu to Riofrio)	\$ 445,495.00
2 7th Street & Derrick Reconstruction	\$ 600,000.00
3 Stamoules Street Reconstruction (7th to 9th)	\$ 361,316.00
	\$ 1,406,811.00

“LTF” STREET FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
12-3100-3160	Article III	6,695	7,020	7,356	7,429	7,429
12-3100-3170	Article VIII	311,045	316,989	187,531	332,168	332,168
12-3100-3410	Interest Income	524	-	(62)	-	-
12-4000-4650	Misc. Revenue (Grants)	2,435	-	31,000	-	-
	Total Revenues	320,699	324,009	225,825	339,597	339,597
Expenditures						
12-7190-5010	Salaries, Regular	57,945	64,815	71,843	84,165	109,741
12-7190-5060	Overtime	207	500	675	500	500
12-7190-5440	Street Painting	-	-	-	-	-
12-7190-5450	Veh. Maint/Operations	9,785	10,000	7,408	7,000	9,000
12-7190-5470	Street Repair	17,756	50,000	14,259	50,000	14,977
12-7190-5480	Sidewalk / Curb	-	5,000	-	10,000	5,000
12-7190-5500	Fuel	3,765	4,000	3,857	5,000	4,000
12-7190-5800	Special Department Supplies	10,545	70,000	6,615	15,000	8,500
12-7190-5821	Engineering Services	1,083	2,000	-	2,000	2,000
12-7190-5840	Audit Fees	944	1,500	1,606	1,500	2,000
12-7190-5850	Contract Services	612	1,500	1,924	75,000	2,500
12-7190-6050	Retirement	2,354	3,241	2,730	4,208	7,221
12-7190-6060	Health & life Insurance	16,500	14,579	10,014	14,234	27,403
12-7190-6070	F.I.C.A./Medicare	4,472	4,997	5,547	6,478	8,433
12-7190-6080	Workers Compensation	8,454	4,457	9,399	12,700	14,455
12-7190-6100	Disability Insurance	571	705	636	914	1,191
12-7190-6500	Capital Outlay	103,679	79,695	431,984	326,862	272,676
12-7195-5470	Streets (ART 3) Repairs	-	7,020	-	-	-
	Total Expenditures	238,673	324,009	568,497	615,561	489,597
	FUND BALANCE:	-	-	-	275,964	150,000
	Excess of Revenues over Expenditures	82,027	-	(342,672)	-	-

- The \$150,000.00 in Fund Balance will be used for the Reconstruction Project of 8th Street (Pucheu to Riofrio) & 7th Street/Derrick Reconstruction & Stamoules Street Reconstruction (7th Street to 9th Street). Measure C and “LTF” Street Fund will share the expenditures of all projects.
- Fund Balance: \$126,871.00

Project for 2016-17 Budget	
1	8th Street Reconstruction (Pucheu to Riofrio) \$ 445,495.00
2	7th Street & Derrick Reconstruction \$ 600,000.00
3	Stamoules Street Reconstruction (7th to 9th) \$ 361,316.00
	\$ 1,406,811.00

MENDOTA CFD FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
61-3000-3015	Mendota CFD / 2006 - 01	148,828	148,908	84,592	148,908	160,000
61-3400-3410	Interest Income	481	-	(3)	50	-
	Total Revenues	149,310	148,908	84,589	148,958	160,000
Expenditures						
61-6150-5010	Salaries, Regular	74,679	107,677	106,857	119,935	146,700
61-6150-5060	Overtime	3,963	6,000	7,387	6,000	6,000
61-6150-5850	Contract Services	4,015	3,000	3,112	3,000	3,000
61-6150-6050	Retirement	145	2,054	-	-	-
61-6150-6060	Health & life Insurance	22,250	16,950	15,650	22,407	33,386
61-6150-6070	F.I.C.A./Medicare	6,151	8,926	9,741	9,634	11,681
61-6150-6080	Workers Compensation	9,268	3,000	14,011	13,588	20,022
61-6150-6100	Disability Insurance	790	1,260	1,146	1,360	1,649
	Total Expenditures	121,261	148,867	157,904	175,924	222,438
	FUND BALANCE:	-	-	-	26,966	62,438
	Excess of Revenues over Expenditures	28,049	41	(73,315)	-	-

- Fund Balance: \$33,983.00

AVIATION

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
05-3500-3600	State Allocation	6,667	10,000	-	10,000	10,000
05-3400-3410	Interest Income	-	-	-	-	-
05-3903-3903	Transfer In - General Fund	-	-	-	-	-
	Total Revenues	6,667	10,000	-	10,000	10,000
Expenditures						
05-7230-5010	Salaries, Regular	1,474	1,697	145	1,768	1,768
05-7230-5060	Overtime	144	196	-	200	-
05-7230-5150	Utilities	963	750	918	800	800
05-7230-5460	Facility Repair/Maintenance	422	634	-	501	501
05-7230-5800	Special Department Supplies	-	-	-	-	-
05-7230-5821	Engineering	-	-	-	-	-
05-7230-5850	Contract Services	597	-	-	-	-
05-7230-6050	Retirement	49	100	6	88	116
05-7230-6060	Health & Life Insurance	432	310	72	594	385
05-7230-6070	F.I.C.A./Medicare	117	146	10	151	136
05-7230-6080	Workers Compensation	204	116	17	98	232
05-7230-6100	Disability Compensation	15	20	1	21	19
05-7230-6150	Airport Insurance	5,585	5,490	5,490	5,490	5,490
05-7230-6400	Taxes & Assesments	282	289	296	289	289
05-7230-6500	Capital Outlay	-	-	-	-	-
	Total Expenditures	10,284	9,748	6,955	10,000	9,736
Excess of Revenues over Expenditures		(3,617)	252	(6,955)	-	264

“COPS”

Working Budget for Fiscal Year 2016-17

Fund	Description	Average Past 3 Years	Approved Budget FY 14/15	FY 15/16 Actual as of Apr-16	Approved Budget FY 15/16	Working Budget FY 16/17
Revenues						
23-3500-3560	COPS	104,748	100,000	54,612	100,000	100,000
23-3400-3410	Interest Income	107	-	-	-	-
	Total Revenues	104,855	100,000	54,612	100,000	100,000
Expenditures						
23-6150-5010	Salaries, Regular	77,120	57,478	67,445	72,161	78,861
23-6150-5060	Overtime	11,075	13,000	4,033	13,000	13,000
23-6150-5300	Advertisement & Publication	-	-	-	-	-
23-6150-6050	Retirement	452	-	-	2,447	-
23-6150-5850	Contract Service	-	-	-	-	-
23-6150-6060	Health & life Insurance	21,478	15,083	19,032	13,668	19,357
23-6150-6070	F.I.C.A./Medicare	6,916	5,392	5,853	6,515	7,027
23-6150-6080	Workers Compensation	10,234	3,546	8,829	8,516	14,386
23-6150-6100	Disability Insurance	892	761	689	920	992
	Total Expenditures	128,166	95,260	105,881	117,227	133,623
	FUND BALANCE:	9,422			17,227	33,623
	Excess of Revenues over Expenditures		4,740	(51,269)	-	-

- Fund Balance \$17,482.00

DONATION FUND

Working Budget for Fiscal Year 2016-17

Fund	Description	Working Budget FY 16/17
Donation Fund		
Revenues		
24-4000-4650	Donation Fund	1,188
	Total Revenues	1,188
Expenditures		
24-5090-5800	Special Department Supplies	1,188
	Total Expenditures	1,188
	Excess of Revenues over Expenditures	(0)

- National Night Out Event

City of Mendota

Organizational Chart

