

**FISCAL YEAR**  
**2018-2019**



**CITY OF COTATI, CA**

**ADOPTED BUDGET**

**DAMIEN O'BID, City Manager**

**NORM VELOSO, Director of Admin Services**

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# MEET THE COTATI CITY COUNCIL



**Mark Landman**

**Mayor**

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(ext. 195)

Elected Term:(2014-2018)



**Wendy Skillman**

**Council Member**

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Elected Term:(2016-2020)



**John Dell'Osso**

**Vice Mayor**

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Elected Term:(2016-2020)



**John Moore**

**Council Member**

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Elected Term:(2014-2018)



**Susan Harvey**

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Elected Term:(2016-2020)

## Other Commissions or Committees:

Planning Commission

Design Review Committee

Measure G Citizen Oversight Committee

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# MEET THE COTATI CITY STAFF



**Damien O' Bid**  
**City Manager**  
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**Norm Veloso**  
**Director of Administrative Services**  
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**Michael Parish**  
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**Lauren Berges**  
**Deputy City Clerk**  
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Cotati  
California**

For the Fiscal Year Beginning

**July 1, 2017**

*Christopher P. Morrill*

Executive Director

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# California Society of Municipal Finance Officers

*Certificate of Award*

## **Operating Budget Excellence Award Fiscal Year 2017-2018**

*Presented to the*

**City of Cotati**

For meeting the criteria established to achieve the Operating Budget Excellence Award.

*February 7, 2018*



A handwritten signature in blue ink, appearing to read "Drew Corbett".

*Drew Corbett*  
CSMFO President

A handwritten signature in blue ink, appearing to read "Craig Boyer".

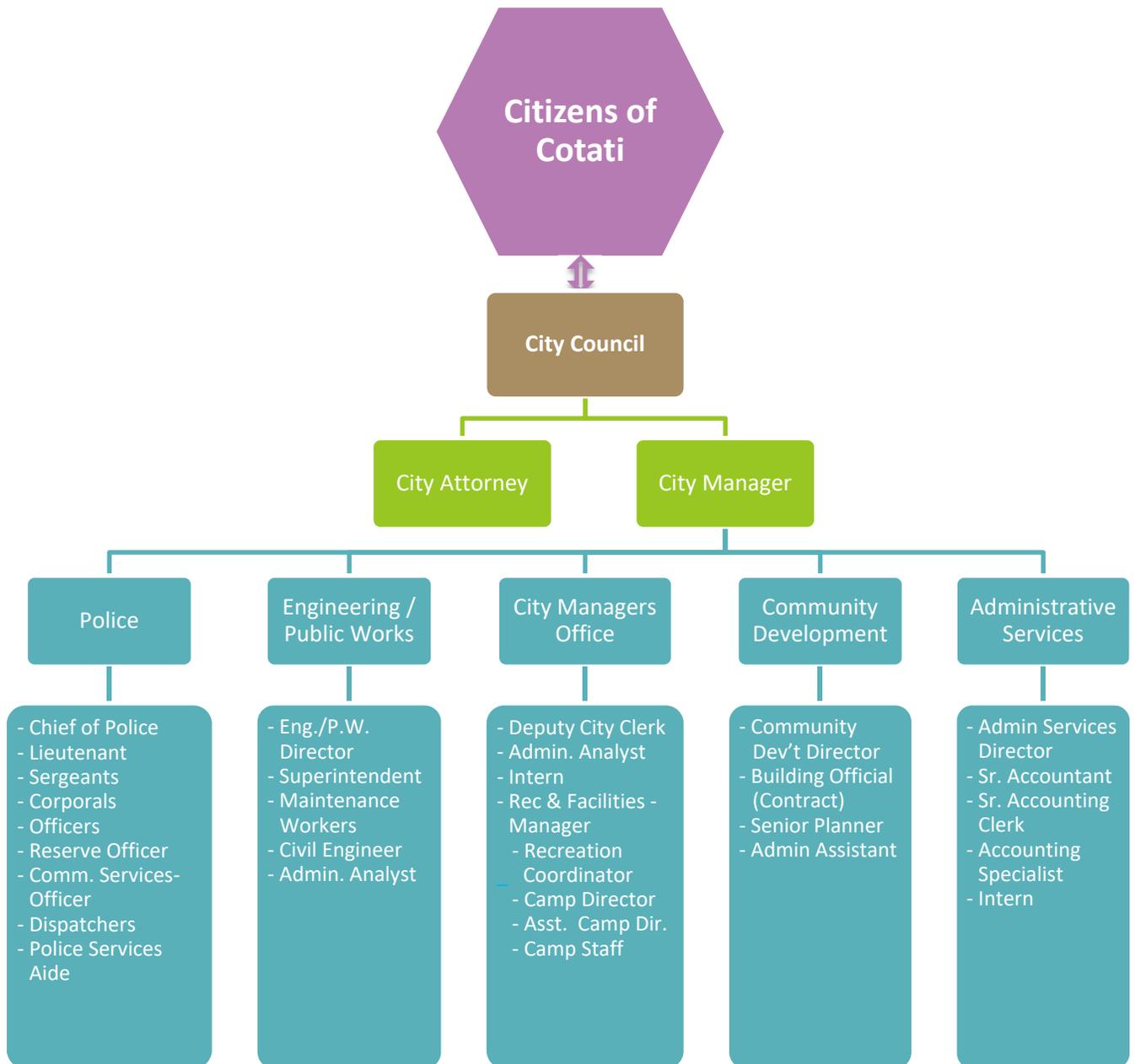
*Craig Boyer, Chair*  
Professional Standards and  
Recognition Committee

*Dedicated Excellence in Municipal Financial Reporting*

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# ORGANIZATIONAL CHART



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# INTRODUCTION AND OVERVIEW



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## **CITY MANAGER'S MESSAGE**

June 12, 2018

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

Attached is the City of Cotati's fiscal year 2018/19 adopted budget. This budget is developed in accordance with the City's financial management policies and guidelines and reflects the community's priorities, which are set out through the annual strategic planning workshops and the annual City Council's goals and objectives. Therefore, the budget becomes the primary policy document adopted by the City Council each year that allocates the City resources to further the community's priorities. In addition, the budget serves as the annual financial plan, an operational guide and a communication tool. Although adjustments are expected as needs arise, the budget ultimately maps out the City's activities over the course of the next fiscal year. Among the City Council goals and objectives are to develop an annual budget that ensures the City operates within its means while allowing for the continuation of existing services, enhanced service delivery, and greater transparency.

The adopted fiscal year 2018/19 General Fund budget was prepared using a conservative approach to forecasting revenue and expenditures. This budget recognizes the need for a conservative approach for managing expenditures while providing a balance to maintaining existing high-quality programs, services and infrastructure, and funding enhancements and new initiatives to best meet the goals and priorities of the community. Highlights of the FY 2018/19 budget include:

- Strategic investments to ensure the long-term vitality of the City
- Maintenance and enhancement of core services to meet the needs of the community, including expanding Recreation programming
- Pursuing opportunities to increase efficiencies and transparency
- Continuing to meet General Fund reserves at Council policy of 25% or more
- Funding of significant Capital Improvement Projects including utilities infrastructure projects, street paving, park/building updates and continued road safety improvements

We present a balanced budget in conformance with California Constitution Section 18 of Article XVI that requires that anticipated revenues plus any use of fund balance do not exceed appropriations for expenditures. As an integral part of the annual budget development process, the City Management performs an annual assessment of long-term financial issues. This longer-term vision assists in providing year-to-year financial stability and a clear path forward to improve the City's core programs.

The City Council goals and objectives from the annual strategic planning and budget workshops, long-term planning and departmental needs have guided the City staff in their recommendations for the fiscal year 2018/19 budget. The discussion of significant revenues and expenditure items that informed this year's plan is as follows:

## **Economic Outlook & Intergovernmental Considerations**

The national economy continues to grow. According to the Federal Open Market Committee in March 2018, the U.S. GDP during 2018 is expected to continue to grow at approximately 2.7%, after which it may slow slightly to 2.4% in 2019 and then slow again down to a possible 2.0% in 2020.

Like the national economy, the State economy is expected to continue to show a modest improvement over the next year and then possibly slow down. In December 2017, California's unemployment rate was 5% compared to national unemployment rate of 4.1%. Comparatively, the unemployment rate for Sonoma County as of December 31, 2017 was estimated at 2.8%, which is significantly lower than 3.7%, which is where it was at the same time last year.

Consumer demand for food/drugs, fuel/service stations as well as restaurant receipts exhibited steady and consistent gains but are expected to generate minimal growth in the next year. During FY 18-19, it is expected that the City will see an increase in cannabis revenue as new cannabis business come on-line and the City begins receiving additional cannabis business taxes.

The acceleration in online shopping for merchandise has also impacted the City's sales tax receipts, although likely less than other jurisdictions that are more reliant on the sale of consumer goods. Sales tax receipts from on-line sales are deposited in State and County pools, which are allocated to cities and counties by ratio of sales rather than to the point of sale.

Housing sales and median prices, as well as portions of the commercial real estate market, remain strong and are expected to continue the recent trend over the next few years. Overall, home sales continue to rebound in many parts of the State but at a slower pace than last year. The slower pace is mainly due to inventory and affordability constraints in California, which is also the case in Cotati

## **Short-term City-Wide Factors Influencing Decisions**

Although revenue estimates show slight increases, the City continues to be cautious and responsible in developing a budget that strives to improve service levels, while continuing to fund critical infrastructure maintenance and strategic investments to grow the City's economy. A strong local economy will produce the needed revenue to improve City services and the maintenance of key infrastructure such as roads and parks.

In preparing departmental budgets for the new fiscal year, department directors were instructed to once again analyze their department expenditures for potential savings. Each department went through a detailed budget review focusing on the Council's goals and priorities and evaluated departmental need assessments. This process includes an evaluation of each department for possible cost savings, cost sharing, or possibilities for grants/donations. The Administrative Services Department assisted each department with calculations for key factors that were assumed to affect each individual department's budget including but not limited to:

- Assist in revenue estimations based on known or anticipated developments and economic factors.
- Human Resources adjustments due to MOU negotiations, pension payments, employee turnover due to retirements and growth in employment opportunities.
- New or ongoing contract services and proper application of either allocating the contract costs using an anticipated full time equivalent (FTE) basis, department specific application, or as a direct charge to the department.
- Estimating expenditures for utilities, general insurance, or legal counsel.
- Any debt and investment payments.

## Priorities & Issues

The City continues to meet the goal of City Council, which calls for an unassigned fund balance within the range of not less than 25% of annual operating expenditures for the fiscal year. The adopted FY 18-19 budget calls for a reserve level that exceeds the 25% minimum goal set by City Council, with a budgeted reserve of 72%. Although the City has met the City Council reserve policy and shows adequate reserve funds, the City still faces longer term challenges that can affect the future outlook of the City and the ability to provide the services the community expects and the desired level of infrastructure maintenance, including:

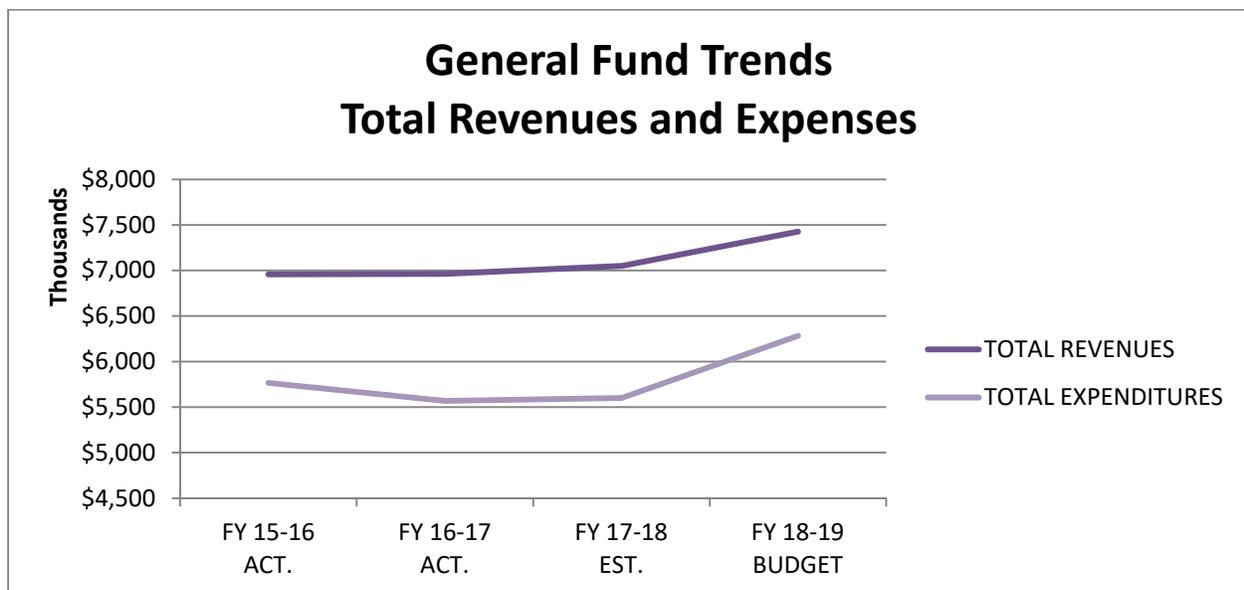
- **Economic Development Opportunities:** The City is focused on diversifying the current sources of revenue to provide a more stable and resilient general fund and promote increased economic activity in Cotati. This includes developing local lodging options to generate a new general fund revenue stream (transient occupancy taxes) and encourage visitation to the City to generate new economic activity for local businesses; developing a local cannabis industry to generate new general fund revenue (cannabis business tax) and encourage visitation to the City and business to business transactions that will generate new economic activity for our local businesses; and preservation and diversification of existing sources of sales and property taxes. Additionally, the City is looking to increase the General Fund Reserve fund balance to increase the buffer to changes in economic conditions as the City continues on the path of revenue diversification. General fund budgetary reserves provide financial stability, and demonstrate the City of Cotati's ability to respond to changes in revenue projections, expenditure needs, and unforeseen economic threats and opportunities.
- **Measure G** (1 cent Sales Tax) is set to sunset in March 2023. Measure G, as demonstrated in the annual reporting to the Measure Oversight Board, has been critical to the improved level of services generally, and is the primary reason the City has been able to retain our local Police Department, restore Recreation Services, and improve our roads and parks. However, the City must begin planning for the sunset of Measure G to develop contingency plans.
- **Measure M** (1/4 cent Sales Tax) is a county-wide sales tax that is set to sunset in November 2024. These funds are used to maintain local streets, fix potholes, accelerate the widening of Highway 101 for High Occupancy Vehicle (HOV) lanes, improve local street operations, restore and enhance transit services, support the development of passenger rail service, and build safe bicycle and pedestrian route. While currently a minor source of revenue for the City, future discussions on reauthorization of this county-wide tax, including the related funding mix, could have a material effect on the City's ability to pave and repair our roadways. The future ability to continue to fund road rehabilitation and improvement projects would become more difficult if this funding source is not renewed by the voters.
- **CalPERS unfunded liability:** The CalPERS pension program continues to be an area of attention for the City. CalPERS continued the stepped lowering of their discount rate, which is projected to be fully implemented in 2025. Unfunded liability simply is a mismatch between a pension plans' estimated future obligations and estimated assets. Defined benefit pension plans such as CalPERS are pre-funded, meaning regular contributions for each worker are made into the retirement fund during the course of the worker's career. When investment markets drop or if benefits are improved, many pensions find themselves facing a funding gap, or "unfunded liability"; because the benefits owed to current and future retirees exceed the amount of money the plan has accumulated to meet the obligations. Staff is working with CalPERS and outside experts to further study and address the City's portion of unfunded liability.

The City of Cotati continues its tradition of communicating with our constituents about City government using multiple media forums, and will continue the City’s goal of providing open and responsive municipal government leadership. Currently the City regularly communicates through inserts in the utility billings, Facebook posts, Nixle alerts, Nextdoor posts, updates to the City’s website, direct emails for water and sewer usage, and community meetings. The City also live streams City meetings. The City will continue to explore new methods to make it even easier for residents and the business community to communicate and interact with the City of Cotati City government through various social media outlets.

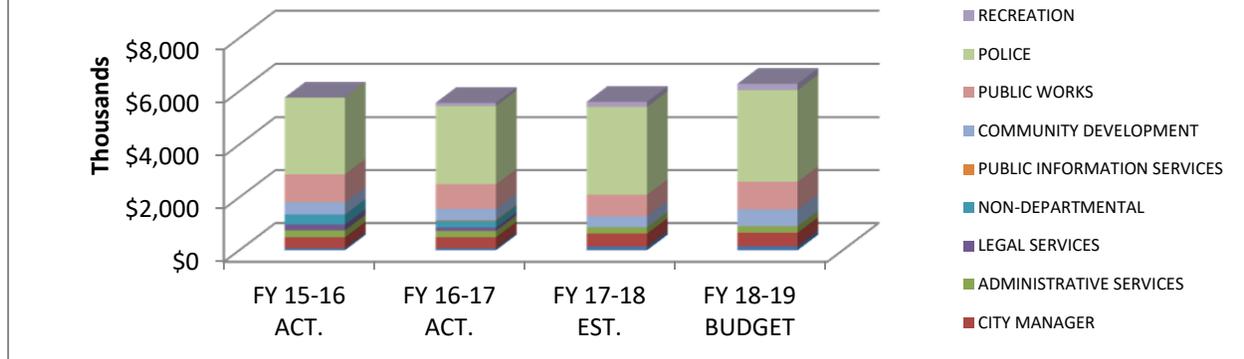
## Budget Overview

### General Fund Highlights and Trends

- Total Operating Revenues are budgeted at \$7.4M, which is a 6.8% increase over the adopted 17/18 budget.
- Total Operating Expenses are budgeted at \$6.3M, which is an 10.2% increase over the adopted 17/18 budget.
- Estimated revenues exceed the proposed expenditures, which is consistent with current 17/18 and prior 16/17 and 15/16 fiscal years.
- Fiscal Year 17/18 Estimated Net Operating Surplus of \$1.4M represents an increase of 4.0% or \$56,000 over the actual balance for fiscal year 16/17.
- Estimated Ending General Fund Balance of \$4.6M or 72% of total operating expenditures. This estimated reserve far exceeds the required budgetary 25% reserve. This increase is primarily due to the City’s ability to efficiently manage costs while continuing to improve the services provided to our residents.



## General Fund Trends Expenditures by Department



### **General Fund Department Summary for Causes in Changes in Expenditures**

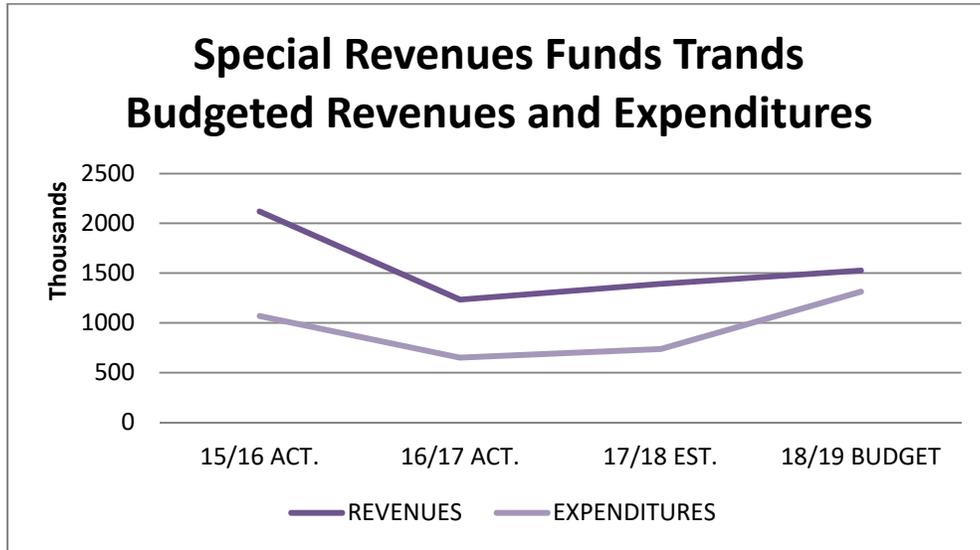
- Recreation Department – The change in expenditure is primarily due to program expansions, including additional programming and personnel changes to increase department capacity with a related increase in shared indirect costs.
- Police Department – Increase is primarily due to higher personnel costs, with a related increase in the allocation of shared indirect costs as well as budgeted contract services for communications improvements and new technology to assist in solving crime.
- Public Works Department – Primary increase is due to shared allocated and direct contract increases for work order management and increased utilities costs from PG&E.
- Community Development Department – Personnel costs are lower than historical averages, in part due to the elimination of the building official position. However, there are corresponding increases due to the use of professional contracting services for building official and code enforcement services, including a one-time update to streamline the code enforcement program moving forward. Significant portions of these contract expenses are offset by building permit fees and code violation fines, which are received by the General Fund.
- Administrative Services Department – Overall expenditures are lower than historical averages, with higher contract services costs prior year’s budget with a slight increase due to allocated contract services.
- City Manager Department – Expenditures include a minor increase in administrative support for city wide records and filing, as well as continued support of economic development work, public information, labor negotiations, public information, and minor office improvement expenses.
- City Council – Expenditures have remained consistent with prior year’s budget with a slight increase due to increased benefits costs within Personnel Services as well as increase other expenses related to insurance.

### **Capital Project Highlights**

- Federal, State and Local Grant Funded Project Summary
  - School Street Pathway (CDBG)
  - Wayfinding Program Signage (MTC)
  - E. Cotati Street Paving Project (OBAG)
- Equipment Summary:
  - Vehicle purchases from general fund
  - Additional vehicle purchased from vehicle replacement fund
- Capital Project Summary:
  - PARKS
    - Veronda/Falletti Building Improvements
    - Park Master Planning
  - STREETS
    - Road Paving/Maintenance/Repair
    - City-wide Traffic Safety Improvements
    - Mosaic Wall Benches
  - BUILDING
    - Civic Center Roof and Refurbishments
    - City Hall HVAC Replacement

### **Special Revenue Fund Highlights and Trends**

- CDBG (Community Development Block Grant)
  - On-going School Street Pathway Phase 2 project with estimated cost of \$193K fully funded by CDBG
- Gas Tax
  - Estimated revenue has slight increase in 2103 Gas Tax
  - \$300K to be transferred to Fund 605 for Street Construction & Improvements Projects
- MTC Street
  - Estimated revenue has slight increase from Measure M
  - Transfer of \$200K to Fund 605 for Street Construction & Improvements Projects
- Traffic Mitigation
  - Increase in estimated impact fee revenues of approximately \$215K due to new developments.
  - Transfer of \$22K to Fund 605 for Citywide Traffic Safety Improvements
- Park-In Lieu
  - Estimated impact fee revenues decreased over prior year's budget to approximately \$30K
  - \$125K to be transferred to Fund 605 for Falletti Building Improvements
- PEG Grant
  - Consistent revenues and expenditures from prior year.
- Public Safety
  - Consistent revenues and expenditures from prior year.
  - Transfer of \$160K to General Fund to partially offset police service costs.
- Inclusionary Housing
  - Revenues considered consistent with prior year's budget
- Excess Bond Proceeds Fund
  - Consistent with prior year's budget.
- Road Maintenance
  - New SB-1 funding introduced by Governor Brown is estimated to bring in an additional \$41K.

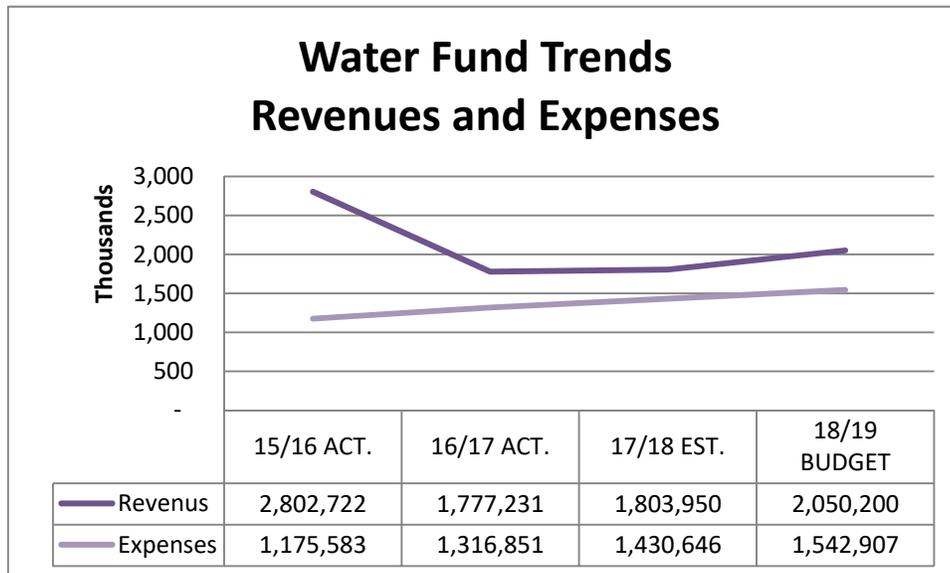


**Internal Service Fund Highlights**

- Vehicle Replacement Fund
  - Planned purchase of Vehicle in 2018/19
  - Receive General Fund Transfer of \$150K
  - Established for budget year 2018/19
  - Initial funding expected at \$200K

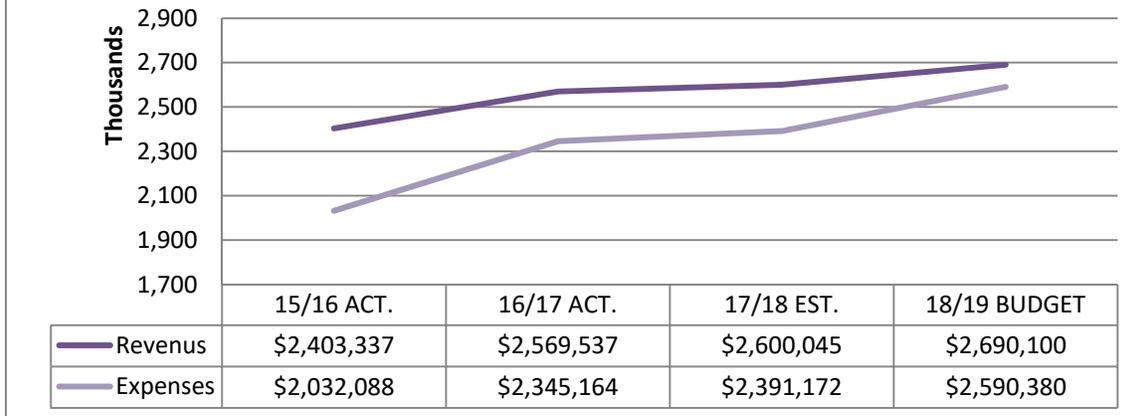
- Deferred Compensation Fund

**Enterprise Funds Highlights and Trends**



- Water Fund
  - Water rate adjustment in 2018/19 is consistent with adopted rate study
  - Proposed Capital Project Improvements:
    - Cypress Tank Replacement - \$150,000
    - SCADA System - \$30,000
  - Increase in Operating Expense due to the indirect cost allocation charges

## Sewer Funds Trends Revenues and Expenses



- Sewer Fund
  - Sewer rate adjustment in 2018/19 is consistent with adopted rate study
  - Proposed Capital Improvement Projects:
    - P-1 Sewer Pipeline (Laguna Bypass) - \$2,825,000
    - SCADA System - \$5,000
  - Increase in Operating Expense due to the indirect cost allocation charge

### Overview of funds with Fund Balance Changes greater than 10% or \$20,000

- The following funds are anticipated to have a change greater than 10% or \$20,000 due to investments being made in streets infrastructure investments budgeted for 2018/19
  - General Capital Outlay Fund 604 is anticipated to decrease approximately 50%
  - Gas Tax Fund 203 is anticipated to change approximately 74%
  - MTC Street Fund 204 is anticipated to decrease approximately 86%
  - RMRA Fund 221 is anticipated to decrease approximately 71%
- Traffic Mitigation Fund 205 is anticipated to increase approximately 96% as we are anticipating significant funding in traffic mitigation through development impact fees received, but are budgeted for use in the FY 2018/19 budget.
- Park-In-Lieu Fund 206 is anticipated to decrease 52% due to required transfers of funds to capital projects scheduled at City parks, primarily the Veronda-Falletti Ranch repairs
- Vehicle Replacement Fund 501 is anticipated to increase by 48% with the continued funding for future vehicle replacements.
- Water Funds 401-403 are anticipated to increase approximately \$225K or 14% over the prior year due to revenues earned in the Water Capital Fund 402 related to development impact fees.
- Sewer Funds 404-405 are anticipated to decrease approximately \$2.7M or 44%, primarily due to the investment being made in infrastructure related to the P-1 Pipeline Project.

## **FISCAL YEAR COMPARISONS**

### ***Economic Development***

For fiscal year 2018/19, the City continues to focus on Economic Development, Infrastructure, and Community. During fiscal year 2017/18, the City established much of the groundwork for economic development, including voter approval of a cannabis business tax, approval of cannabis land-use regulations, and approval of the first round of cannabis business permits; entering into a sale agreement for a hotel at the City's Northern Gateway; and completing design on the P-1 Sewer that will relieve existing sewer capacity issues, and allow for Cotati to continue to grow in accordance with the City's General Plan. For fiscal year 2018/2019, the City will continue to build on these foundations for economic development, with a particular geographic focus on the Northern Gateway area of downtown, and along the Highway 116 corridor.

### ***Infrastructure***

In fiscal year 2017/18, the City continued to focus on the refurbishment and updating of existing infrastructure, including replacing the sewer line in St. Joseph Way, re-landscaping downtown, resurfacing the Sunflower tennis courts and refurbishing the restrooms, replacing a critical storm drain on Redwood Drive, and a variety of street safety projects. In fiscal year 2018/19, the City will continue to refurbish existing infrastructure, including the farm house at Veronda-Falletti Ranch, City Hall, and the Community Center, as well as beginning park maintenance projects following completion of the Park Master Plan and continuing to heavily invest in maintenance of our roads. However, we are also looking to begin investing in the future, including tackling critical new infrastructure projects, such as construction of the La Plaza Park and key connector safety lighting, construction of the P-1 sewer to relieve existing and future capacity issues, finalizing design of the replacement Cypress Tank, and installation of new wayfinding signage around town.,

### ***Community***

The City continues to improve its operations and government transparency through a host of initiatives that the community will immediately notice. In fiscal year 2017/18, the City developed a new budget format that won awards from both GFOA and CSFMO; developed the City's first ever Comprehensive Annual Financial Report (CAFR); completely updated the City website; started a Police Facebook page, as well as a host of new recreation events for the community. In fiscal year 2018/19, the City will continue to further develop existing community events and public information channels, but will also begin regular community meetings and newspaper updates. In fiscal year 2017/18, the City Council improved safety services to the community by hiring a new police officer and part-time dispatcher, and in fiscal year 2018/19, will hire a full time Recreation Coordinator to add even more Recreation programming.

Moving forward, the City is continuing to focus on the core goals of supporting a beautiful, safe City with a transparent and stable city government that delivers excellent service to the community, invests in the maintenance of public infrastructure, and supports economic development to ensure the future viability of the City.

## **CONCLUSION**

Though the City will continue to study the potential impacts of the lowered CalPERS discount rates and the impact on the unfunded liability, the FY 2018/19 budgets is a responsible financial plan that will enable the City to continue to provide the community with a full scope of high quality municipal services, programs, and special events that enhance the quality of life of all residents. We are committed to finding creative and impactful solutions to improve services to our residents and businesses and encourage economic growth in the City. This adopted budget is a reflection of the City of Cotati's commitment to continue to meet our fiscal challenges, while maintaining responsive service levels.

I would like to take this opportunity to recognize all of the City's employees for their hard work and continued efforts, which allows Cotati to move into a positive direction for continued growth. Also, special thanks and acknowledgement to Norm Veloso, Administrative Services Director, for his extraordinary work on this budget. This budget is a true reflection of what is possible when dedicated people and ideas come together for the benefit of the residents and businesses of Cotati. The dedication and efforts are visible and make our City a better place to work and live.

Sincerely,

A handwritten signature in black ink, appearing to read "Damien O'Bid". The signature is fluid and cursive, with a large initial "D" and "O".

Damien O'Bid

City Manager

# STRATEGIC GOALS/OBJECTIVES



Objective of Vision Defined Action Task Under Vision	Fiscal Year			Responsible Department	Milestones Progress Comments
	2017-18	2018-19	2019-20		

## Vision 1 - QUALITY OF LIFE

To preserve Cotati's rural heritage and small town atmosphere while ensuring new development reinforce both the quality and economic vitality of the community. To maintain Cotati's urban growth boundaries.

1.1 Create Economic, Cultural and Recreational Opportunities to Maintain the Small Town Character of Cotati						
1.1.1	Foster a Sense of Community by Providing and Encouraging Community Events, Volunteering, and working with Non Profits to Support Local Events				All Departments	On going
1.1.2	Initiate and finalize appropriate housing developments.	X	X		Community Development	On going - Part of every housing development projects is the inclusion of low and moderate income housing programs.

## Vision 2 - ECONOMIC DEVELOPMENT

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

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

## Vision 3 - FINANCIAL STABILITY

To become a self-reliant community with a sound economic base. To have a balanced city budget that prudently manages the city's financial resources and provides for appropriate reserves.

3.1 Develop and Implement Sound Financial Management Policies						
3.1.1	Review and update as needed the City Council Financial Polices to ensure they meet the needs of the City		X		Administrative Services	On going - City Financial Policies including Investments were revised through adoption by the council during the fiscal year 2017/2018. These will continue to be evaluated and updated as needed each fiscal year.
3.1.2	Evaluate methods to ensure City revenues meets current and future revenue needs to provide core services		X		All Departments	On going - Will continue as an on going review to identify additional sources or revisions that should be made to revenues.
3.2 Provide high quality financial reports to Council and Citizens						
3.2.1	Provide timely financial reports that are clear and concise			X	Administrative Services	On going
3.2.2	Apply for GFOA award for budgeting		X	X	Administrative Services	On going - The City was the proud recipient of a GFOA Budget award for budget year 17/18 and will continue to apply for this award and improve reporting into the future.
3.2.3	Generate 10 year financial projections			X	Administrative Services	On going
3.2.4	Evaluation of impacts on Measure G sunset and CalPERS unfunded liability.			X	Administrative Services	On going

# STRATEGIC GOALS/OBJECTIVES



Objective of Vision Defined Action Task Under Vision	Fiscal Year			Responsible Department	Milestones Progress Comments
	2017-18	2018-19	2019-20		

## Vision 4 - COMMUNITY SAFETY

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

4.1 Create a Safe, Healthy Environment for Residents and Visitors						
4.1.1	Evaluate staffing needs within police department.				Police Department	On going
4.1.2	Improve pedestrian and bike safety by improving walkways, lanes, landscaping and lighting in both parks and general community areas.				Public Works Department & Community Development	On going - During fiscal year 17/18 the City was awarded grants funds from the Metropolitan Transportation Commission (MTC). We will continue to look to additional funding sources.
4.1.3	Reinvest as needed in replacement police vehicles and technological upgrades.	X	X		Police Department	On going - We continue to replace aging vehicles as well as support the up fit of new technology to be added to all vehicles. During the current year we have budgeted for an additional new police vehicle to be purchased through the vehicle replacement fund. We will continue to evaluate needs on an on going basis for future years.
4.1.4	Partner with Sonoma State University to fulfill their dispatching needs.	X	X		Police Department	On going - Completed transition in June 2018 and continue to evolve to meet both the City and Sonoma State needs as required and under the indefinite contract.
4.1.5	Initiate continuing community policing improvements	X	X		Police Department	On going

## Vision 5 - INFRASTRUCTURE

To provide adequate streets, sidewalks, sewer and water systems, parks, bike paths, and public buildings and ensure they are maintained at the highest possible level.

5.1 Infrastructure						
5.1.1	Pursue other financial participation from Federal, State and Local agencies such as grants or matching programs.		X	X	All Departments	On going - During fiscal year 17/18 the City Continued to apply for both Federal, State and Local grants earning us a grant to be utilized during budget year 18/19 for \$675,000 in Federal Grants to repave East Cotati Avenue from the railroad crossing east to the City limits at Sunflower Drive. City Staff will continue to look for opportunities for grants.
5.1.2	Review the City's Pavement Management Plan and develop long term rehabilitation plans based on expected funded levels.	X	X	X	Public Works Department	On going - For budget year 18/19 the City has budgeted over \$1.6M in streets improvements. We will continue to apply the pavement management plan and revise plans as needed in the future.
5.1.3	Develop building maintenance plans for each City Building			X	Public Works Department	On going - Items scheduled for various components of the plan such as roof replacements, and exterior and interior painting.

## Vision 6 - CITY BEAUTIFICATION

To enhance City Gateways and remove blighted conditions. To encourage development which reflects the city's commitment to quality design, preservation of trees and generous use of landscaping.

6.1 Create an Attractive Environment for Residents and Visitors						
6.1.1	Improve and beautify the downtown plaza to create a people centric space for community events and gatherings	X	X		Public Works Department	On going - During fiscal year 17/18 La Plaza park was evaluated along with the Master Park Plan in order to meet these community needs. During the budget year 18/19 we anticipate rolling out plans for possible changes to these central public spaces.
6.1.2	Evaluate public parks and land and identify opportunities to enhance benefits to the community	X	X		Public Works Department	On going - During fiscal year 17/18 the City initiated the Master Parks Plan which incorporated the public discussion on what they desire for our local parks. Using the public input the City intends to develop a master plan to revitalize these areas for the public. Additionally in 18/19 City intends to invest in mosaic benches at the Cotati gateway.

# STRATEGIC GOALS/OBJECTIVES



Objective of Vision Defined Action Task Under Vision	Fiscal Year			Responsible Department	Milestones Progress Comments
	2017-18	2018-19	2019-20		

## Vision 7 - ENVIRONMENTAL CONCERNS

To work with developers and citizens to incorporate environmentally "friendly" materials and "green" building techniques in all new construction as well as renovation projects. To continue to encourage the community to reduce, reuse and recycle.

7.1 Create a Safe, Healthy Environment for Residents and Visitors						
7.1.1	Continue to provide safe quality water to the public	X	X	X	Water	On going - We actively participate in meetings with the N. Regional Water Board, Russian River Water Association and Sonoma County Water Agency. This is an item that city staff continue to actively engage on an ongoing basis.
7.1.2	Promote use of leak alerts through the water smart systems.	X			Administrative Services and Water	On going - Initiated a door tag program for residents with indicated leaks informing them of the leak as well as instructions on how to sign up for leak alerts. Will continue to identify areas for promotion on an ongoing basis.
7.1.3	Protect the community water system by following required testing and reporting of backflow devices within City limits.	X	X		Administrative Services and Water	On going - This is an annual process as required by the State. During fiscal year 17/18 we had 100% testing of 515 backflow devices. During fiscal year 18/19 we anticipate the number to increase to more than 540 devices and we will continue to have 100% testing.
7.1.4	Eliminate and replace damaged or diseased trees that pose a threat to the community or environment.	X	X		Public Works	On going - During the fiscal year 17/18 the City collaborated with PG&E in order to remove diseased trees from around the Veterans Building. We will continue to identify areas to improve safety going forward.
7.1.5	Revise investment policy to guide financial decisions to include environmental impacts into considerations when investing in the open market.	X			Administrative Services	On going - Completed investment policy July 2017. Will review and update as needed consistent with all city policies.

## Vision 8 - CITIZEN PARTICIPATION

To encourage citizens to become actively involved in the decision making process and serve on city boards and commissions. To include the participation of volunteers in our community festivals and events.

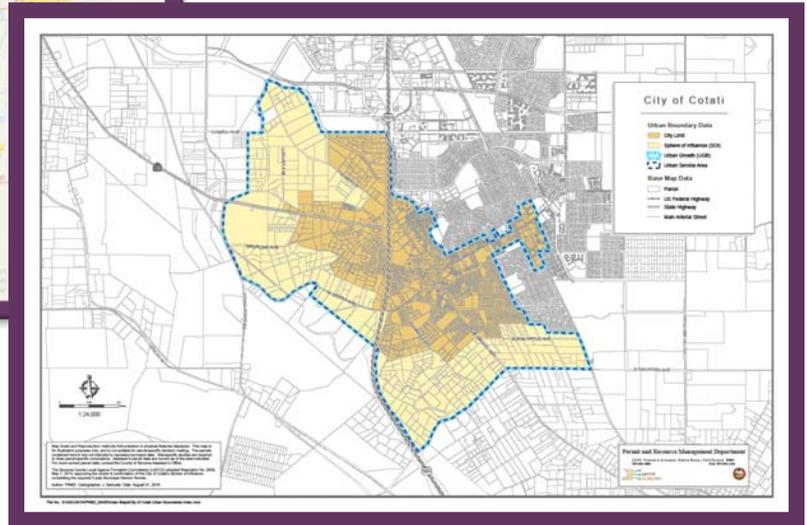
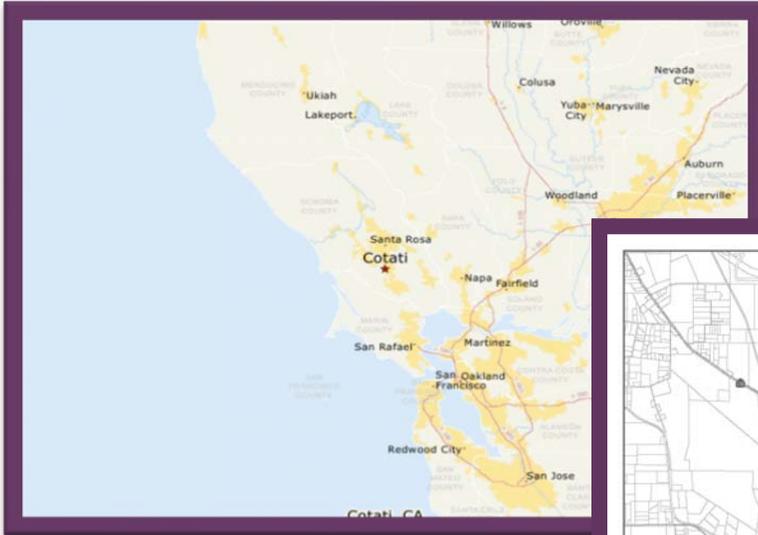
8.1 Expand and Encourage Community Involvement in the Government Process by Increasing the Public's Understanding of local Government Operations and Increasing						
8.1.1	Continued enhancement of the City Website that encourages communication with the City in a user friendly format, and include potential additional on- line services	X	X		All Departments	On going - During the fiscal year 17/18 both the recreation and police departments created Facebook pages to communicate directly with the public on a more intimate level. Additionally during the Sonoma County Fires the Police Department was actively updating the public on the status of fire activity around Cotati with the use of Nixle alerts.
8.1.2	Create easy to read documents that educate the public and community on City Finances, operations, and projects.	X	X		All Departments	On going - During the fiscal year 17/18 the City created both a GFOA awarded budget as well as a Comprehensive Annual Financial Report (CAFR). During fiscal year 2018/2019 the City will continue to develop award winning and easy to read documents as well as strive towards drafting the City's first Popular Annual Financial Report (PAFR).
8.1.3	Conduct Town Hall Meetings on Matters of Interest to the Community as needed.				City Council	On going
8.2 Develop and Implement a Program to evaluate delivery of City Services to Community						
8.2.1	Evaluate internal process and procedures to analyze for areas of efficiencies to deliver the best possible results for community satisfaction.				All Departments	On going
8.2.2	Encourage and increase public awareness of City Policies, decisions, programs and all public processes and meetings, by investigating effective methods of communication and obtaining feedback from the community.				All Departments	On going

# COTATI THEN AND NOW



# COTATI AT A GLANCE

## Statistical Demographic & Economic Characteristics



### Date of Incorporation - July 16, 1963

Form of Government- General Law - Council-Manager

### Miles of Streets:

Lane Miles (2014) 22.52  
 Pavement Condition Index (2017) 55 "Fair" rating

### Fire Protection:

Rancho-Adobe Fire District

### Police Protection:

Number of Vehicles 16  
 Number of Sworn Personnel 11

### Public Education:

Cotati-Rohnert Park Unified School District  
 Thomas Page Elementary

### Parks:

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

### Museums & Landmarks:

Cotati Historical Society  
 Cotati Downtown Plaza (Hexagonal Town Plan)

### Transportation:

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

### Community Facilities:

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

### Annual Events:

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

# COMMUNITY PROFILE

## City and County Vital Statistics



### GEOGRAPHY



#### Persons/Square Miles

**Cotati: 3,864.4**

**County: 307.1**

#### Land in Square Miles

**Cotati: 1.88**

**County: 1,575.85**

### POPULATION

**Cotati: 7,455**

**County: 503,070**

### AGE

**Cotati**

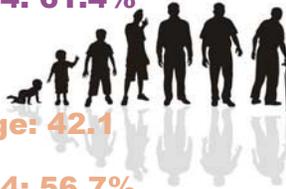
**Median Age: 36.4**

**Aged 18-64: 61.4%**

**County**

**Median Age: 42.1**

**Aged 18-64: 56.7%**



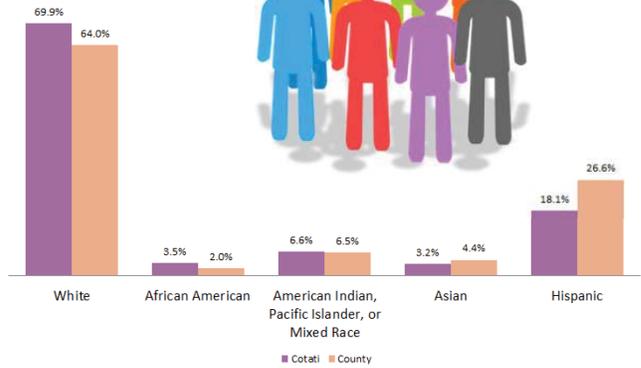
### FOREIGN BORN

**Cotati: 14.6%**

**County: 16.8%**



### DIVERSITY



### MEDIAN FAMILY INCOME

**Cotati: \$64,754**

**County: \$66,833**

### EDUCATION

#### High School Graduate or Higher

**Cotati: 89.2%**

**County: 87.2%**

#### Bachelor's Degree or Higher

**Cotati: 36.1%**

**County: 33.1%**



### FOREIGN BORN

### LABOR MARKET

#### Employment Rate Over Age 15

**Cotati: 71.2%**

**County: 64.5%**



# JURISDICTIONAL COMPARISON



	<b>Cotati</b>	<b>Sebastopol</b>	<b>Sonoma</b>	<b>Rohnert Park</b>	<b>Santa Rosa</b>	<b>Petaluma</b>
Year of Incorporation	1963	1902	1883	1962	1868	1858
Form of Government	Council / Manager					
Physical Area (Land, Miles <sup>2</sup> )	1.88	1.85	2.74	7.00	41.30	14.40
Population	7,716	7,786	11,390	43,598	178,488	62,708
<b>City Staffing</b>						
Total Full-Time Equivalents (FTE)	48	100	77	229	1,284	354
Population Per FTE	160	78	148	190	139	177
Total Police Services FTE	20	35	17	82	265	109
Population Per Police Services FTE	386	224	670	531	675	575
<b>Demographics</b>						
Number of Housing Units	3,038	3,637	5,571	16,496	67,526	22,931
Number of Households	2,532	3,250	5,046	6,562	79,849	22,095
Median Age	36.4	48.3	51.4	33.6	38.7	41.6
Number of Registered Voters	4,547	5,204	7,018	21,516	90,382	34,680
<i>Party Affiliation</i>						
Democratic	2,233	3,343	3,688	10,830	48,230	18,507
Republican	1,018	531	1,352	4,133	16,101	6,249
Other/Decline to state	1,296	1,330	1,978	6,553	26,051	9,924
Median Household Income	\$ 64,754	\$ 58,036	\$ 71,209	\$ 60,333	\$ 62,705	\$ 80,907
Unemployment Rate	3.1%	6.5%	6.4%	4.3%	4.6%	3.8%
<b>Budget Comparison</b>						
General Fund Revenue Budget	\$ 6,922,245	\$ 8,272,220	\$ 17,509,088	\$ 33,550,170	\$ 153,070,545	\$ 44,519,896
General Fund Expenditure Budget	\$ 5,819,691	\$ 8,225,899	\$ 17,509,088	\$ 36,071,133	\$ 154,341,813	\$ 43,412,353
Expenditures Per Capita	\$ 754	\$ 1,056	\$ 1,537	\$ 827	\$ 865	\$ 692

NOTE: Data was compiled based on the City Budgets for Fiscal Year 17/18 for each of the noted Cities as well as the following public informational sources: California Department of Finance, California Secretary of State, California Employment Development, American Community Survey.

# A HISTORY OF COTATI

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

## 19<sup>th</sup> CENTURY

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

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



Dr. Thomas Stokes Page

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

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



Page Ranch - Hexagonal Barn

By 1895, the county road was built between Santa Rosa and Petaluma, passing directly through the hexagonally laid-out heart of the new town. In 1909 this road would be incorporated into what was then called California Route One, running from San Francisco to Crescent City. It was this road, along with the train station, which opened up the new town of Cotati as a convenient place to stop for travelers. The construction of the center of the town in the hexagonal motif allowed the Page family to name each of the six peripheral streets after one of the seven Page sons. Wilfred, who supervised the project, named a train station and another street to the north after himself.

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

## EARLY 20<sup>th</sup> CENTURY

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

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



Cotati Hotel

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

During the 20's Cotatians had banded together to fight their own fires or else relied on the Santa Rosa department. The combination of high winds and tinder-dry summertime grasses helped to make parts of Cotati subject to frequent grass-fires. In an area where everyone knew, or knew of everyone else, it was natural to join together in saving one another's property and, in some cases, lives. By 1927 the number of structures and the size of the area needing fire protection necessitated the organization of the Cotati Volunteer Fire Department. The area the men protected was even larger than the current North Bay Fire Authority. In fact the need was so great and their performance so effective, that in 1935 the Volunteer Fire Department entered into a contract with the state, forming the Fire Protection District which still exists.



Cotati Volunteer Fire Dept.

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

## BIRTH OF A CITY

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



The Cotatian Newspaper – Thursday July 4 1963

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

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

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

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

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

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

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

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

One of the Council's first actions, on August 1, was to refuse salaries, stating that Cotati had been planned as a low-budget city with volunteer workers, and the councilmen were sticking by their plans.

"None of us wanted public office," Mayor Houser told a newspaper reporter. "We just wanted to keep Cotati the way it was."

## THE SIXTIES

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



The Inn of the Beginning

### Hotbeds of Dissent

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

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

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

### The Freestore

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



The Free Store

### Cotati Company No. 2

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

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

### The Bandstand and the Rebirth of La Plaza Park

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

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

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

### The George and Arthur Streets Barricade

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

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

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

## **COTATI TODAY**

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

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

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

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

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

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



**Cotati City Hall**

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

# BUDGET PROCESS, STRUCTURE, & POLICY APPLICATION



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**RESOLUTION NO. 2018 - 48**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI ADOPTING**  
**THE FISCAL YEAR 2018-19 BUDGET**

**WHEREAS**, on June 12, 2018 the City Manager and the Director of Administrative Services presented the Proposed Budget for Fiscal Year 2018-19, including estimated revenues and recommended appropriations for operations, special programs, capital improvements and reserves; and

**WHEREAS**, the City Council had previously held duly noticed study sessions on April 17 and May 1, 2018 and provided the opportunity for and received public comments on the Fiscal Year 2018-19 Proposed Budget; and

**WHEREAS**, adoption of a budget prior to the beginning of the new fiscal year is required to insure the uninterrupted operation necessary for City services.

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

1. The Proposed Budget for Fiscal Year 2018-19 is hereby approved and adopted effective July 1, 2018.
2. The City Manager is authorized to make expenditures and enter into agreements conforming to this Budget and to make adjustments between various accounts within each budget department and fund, limited to the total amount budgeted for said department and/or fund.
3. Unexpended appropriations from the Fiscal Year 2017-2018 Budget may be carried forward to the next fiscal year provided the funds have been previously encumbered for a specific purpose, or apply to authorized, but uncompleted capital projects.
4. The Proposed Budget for Fiscal Year 2018-19 also includes previously agreed certain salary and benefit changes and hereby adopts the salary schedules as those currently effective for employees of the City of Cotati.
5. This Resolution shall take effect immediately upon adoption.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the 12th day of June, 2018, by the following vote, to wit:

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Susan Harvey, Councilmember  
**SECONDER:** Wendy Skillman, Councilmember  
**AYES:** Landman, Dell'Osso, Skillman, Moore, Harvey

Approved: \_\_\_\_\_  
Mayor

Attest:   
Lauren Berges, Deputy City Clerk

Approved as to form:

  
City Attorney

Attachments:  
Proposed Combined 18-19 Budget (PDF)

**RESOLUTION NO. 2018 - 34**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI**  
**ESTABLISHING THE "GANN" APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018-**  
**2019**

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

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

**WHEREAS**, the appropriations limit to be applied to the "proceeds of taxes" as defined by Section 7910 of the Government Code for Fiscal Year 2018-2019 has been calculated to be \$15,631,769; and

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

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

1. The appropriations limit for the City of Cotati for Fiscal year 2018-2019 is \$15,631,769.
2. The Resolution shall take effect July 1st.
3. The City Clerk shall certify to the adoption of this resolution.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the 12th day of June, 2018, by the following vote, to wit:

**RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]**

**MOVER:** Susan Harvey, Councilmember

**SECONDER:** John A. Dell'Osso, Vice Mayor

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

Approved: \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

Lauren Berges, Deputy City Clerk

Approved as to form:

*Robin Paige Donoghue*

City Attorney

Attachments:

Appropriations Limit FY18-19-NV Final (PDF)

# APPROPRIATIONS LIMIT



## What is it?

Proposition 4, approved by the voters in November 1979, added California Constitution, Article XIII B. Article XIII B limits the level of most appropriations from tax sources that the state and most local government entities are permitted to make in any given year. The limit for each year is equal to the limit for the prior year, adjusted for changes in the cost-of-living and population plus other various adjustments as required. The first year in which appropriations limits applied to state and local governments in California was fiscal year (FY) 1980-81.

## Calculation for City of Cotati

Per Capita Personal Income	
Fiscal Year	Percentage Change over Prior
2018-19	3.67%

Population Change - County of Sonoma	
Fiscal Year	Percentage Change over Prior
2018-19	-0.22%

$$\text{Per Capita Cost of Living Converted to Ratio: } \frac{3.67+100}{100} = 1.0367$$

$$\text{Population Converted to Ratio } \frac{-0.22+100}{100} = 0.9978$$

$$\text{Calculation Factor for FY 2018-2019 } 1.0367 \times 0.9978 = 1.0344$$

Fiscal Year 2017-2018 Appropriations Limit	\$	15,111,919
Fiscal Year 2018-2019 Factor		1.0344
<b>Fiscal Year 2018-2019 Appropriations Limit</b>	<b>\$</b>	<b>15,631,769</b>

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

## Tax Appropriations Subject to the Tax Appropriations Limit

<u>Tax Appropriations</u>	<u>Total Budget for 18/19</u>
Property Tax	\$ 1,591,000
Sales Tax	4,382,000
Other Tax	282,250
<b>Total Appropriations Subject to Limit</b>	<b>\$ 6,255,250</b>
Appropriations Subject to Limit	\$ 6,255,250
Fiscal Year 2018-2019 Appropriations Limit	15,631,769
<b>Over/(Under) Appropriations Limit</b>	<b>\$ (9,376,519)</b>
<b>Percentage Over/(Under) Limit</b>	<b>-60%</b>

(1) Department of Finance-Budgeting Resource Price and Population Factors Used For Appropriations Limit at: <http://www.dof.ca.gov/Forecasting/Demographics/Estimates/documents/PriceandPopulation2018.pdf>

# APPROPRIATIONS LIMIT



## Establishing Appropriations Limits

The City's limitation is calculated every year and is established by resolution of the City Council as part of the Annual Operating Budget. Resolution No. XX-18 was approved June 12, 2018 establishing the City of Cotati's appropriations limit.

The City's appropriations subject to the Gann Limit totals \$6,255,250, which is well below the authorized spending limit of \$15,631,769. Additional appropriations to the budget funded by non-tax sources such as beginning fund balances, grants or service charges are unaffected by the appropriations limit. Historically, the City's Annual Appropriations Limit has exceeded annual appropriations and the City projects the trend to continue.

## Historical and Estimated Future Limits

Fiscal Year	Personal Income Change	Population Change	Growth Factor	Annual Adjustment	Appropriations Limit
<b>Historical Appropriations Limits</b>					
2017-18	1.0369	1.0050	1.0421	\$ 610,295	\$ 15,111,919
2016-17	1.0537	1.0053	1.0593	\$ 811,606	\$ 14,501,625
2015-16	1.0382	1.0084	1.0469	\$ 613,560	\$ 13,690,018
2014-15	0.9977	1.0039	1.0016	\$ 20,771	\$ 13,076,459
2013-14	1.0512	1.0057	1.0572	\$ 706,285	\$ 13,055,688
2012-13	1.0377	1.0041	1.0420	\$ 497,252	\$ 12,349,402
2011-12	1.0251	1.0087	1.0340	\$ 389,926	\$ 11,852,151
2010-11	0.9746	1.0124	0.9867	\$ (154,679)	\$ 11,462,224
2009-10	1.0062	1.0091	1.0154	\$ 175,696	\$ 11,616,903
<b>Future Year Estimates Appropriations Limit (2)</b>					
2019-20	1.0326	1.0041	1.0369	\$ 576,080	\$ 16,207,849
2020-21	1.0396	1.0041	1.0439	\$ 711,640	\$ 16,919,489

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

# BUDGET PROCESS AND DOCUMENT

## Basis for Budget Development

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

The budget is also developed based on the following:

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

## City Council Top Three Priorities

On an ongoing basis, the City is committed to providing high quality, cost effective services that reflect the City's core values and strategic goals. In addition, each year the City Council establishes top priorities, which are topics or service areas that will receive significant focus during the year. The top priorities guide both budget development and department priority-setting. The following are the City Council's top priorities for 2018-2019:

- ❖ Community
- ❖ Infrastructure
- ❖ Economic Development

## Responsibilities

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



## Budgeting FAQs

### **WHAT METHODOLOGY IS USED TO PREPARE THE CITY BUDGET?**

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

### **WHAT IS A MUNICIPAL BUDGET?**

A municipal budget is a legally required management and planning tool to forecast expenditures and revenues the City will incur in the upcoming fiscal year. It is neither actual revenue nor actual expenditures, but a tool to plan for the desired level of expenditures with the expected level of revenue. The budget is constantly monitored throughout the year to make adjustments so that at the end of the year the budget is in balance.

### **WHO DEVELOPS THE CITY BUDGET?**

Each year the City Council and City staff work together to develop an Annual Budget with public input through a series of public strategic planning and budget workshops in the spring. While the Budget is being created, all parties must make decisions on how to utilize the finite amount of revenues that the City receives in order to produce the greatest benefits for the citizens.

### **WHAT DOES THE CITY BUDGET DO?**

The Budget serves as a guide and an outline for how the funds should be spent to provide, maintain and improve services to the City. The City Council, City staff, and public all serve as participants in its creation and execution.

Because the City is limited by the amount of resources available, the Budget aids officials in determining which objectives have the highest priority and will produce the greatest positive impact in the community. Budgets are also created for linking near-term goals with available resources, while keeping in mind long-term goals and resources.

### **HOW IS THE BUDGET CREATED?**

The budget is created by first establishing the goals and priorities for the City as determined by the Council during annual strategic planning meetings with City staff and the public. Once these goals are determined, a draft is created to accomplish those goals and priorities. Actual expenses and revenues from past years are also analyzed and reviewed to aid in forecasting expenses and revenues. The draft Budget is then discussed in a series of public workshops to receive additional input by the City Council and the public. The Budget must be formally adopted by the City Council by July 1st each year. Once the City’s budget is adopted by the Council, the budget becomes an essential oversight tool in the city’s operations

### **WHAT IS A CAPITAL IMPROVEMENT PLAN?**

A capital improvement plan is a plan created by the City to identify needed construction projects and equipment purchases. This plan provides a timetable for construction phases as well as requirements of funding sources. The capital improvement plan includes city projects such as park improvements, street pavement maintenance, sewer and water system improvements, traffic signal and street lighting installations, and City facility construction or improvement.

## Detailed Budget Development Process

### Preparing the Budget

The budget development process is the formal method through which the City establishes its program priorities, goals and service levels for the upcoming fiscal year. Through the budget development process, programs are established, service levels are expressed, performance measures are articulated, and resources are identified.

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

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

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

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

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

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

### Continuous Budget Monitoring

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

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

### Budget Process Flow



# Budget Calendar

Budget Year 2018-2019			
<b>Oct.-Dec.</b>	Internal	Planning Budget Calendar Meetings with Analysis of Financial Performance	City Manager / Admin. Services Director
<b>January</b>	Internal	Internal - Financial Performance Review	Administrative Services
<b>January</b>	Public	Public Session - Mid-Year Report	City Manager / Admin. Services Director
<b>January</b>	Public	Public Session - Long Range Financial Projections to Council/Public	City Manager / Admin. Services Director
<b>February</b>	Internal	Budget Strategy for upcoming Fiscal Year	City Manager / Admin. Services Director
<b>March</b>	Internal	Budget Guidelines Provided to Departments	City Manager / Department Heads
<b>March</b>	Internal	Strategic/Long-Term Planning	Department Heads
<b>March</b>	Public	Strategic/Long-Term Planning	City Council
<b>March - April</b>	Internal	Departmental Review of Proposed Budget	Department Heads / City Manager / Admin. Services Director
<b>April</b>	Public	Budget Study Session – General Fund	City Council
<b>May</b>	Public	Budget Study Session - Enterprise	City Council
<b>May</b>	Internal	Budget Revisions for Public/Council Comments	City Manager / Admin. Services Director
<b>June</b>	Public	Budget Adoption	City Council
<b>June – July</b>	Public	Adopted Budget Publication and Distribution	Public and City Website
<b>June – July</b>	Internal	Upload Adopted Budget to Financial System	Administrative Services



# FINANCIAL STRUCTURE & POLICIES

## Descriptions & Structure of City Funds

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

### General Fund

One of the most commonly heard terms in municipal budget discussions is the General Fund. The General Fund is the largest fund that the City of Cotati maintains. The two major revenue sources for the General Fund are Property Tax and Sales Tax. These revenue sources are dependent on the economic environment and can fluctuate from year to year.

#### Sales Tax

Cities and counties administered local sales tax ordinances with varying tax rates and exemptions until 1955 when the California Legislature passed the Bradley-Burns Uniform Local Sales and Use Tax Law. This law laid the groundwork for a sales tax system that authorizes the State Board of Equalization to collect all sales and use taxes and distribute 1% of the sales tax to cities and counties.

Cotati voters also approved Measure G, a temporary 1% transactions and use tax, for nine years that will expire in 2023. With Measure G, the total sales tax rate in the city of Cotati is 9.125%. Therefore, the city receives a total of 2% of the 9.125% in sales tax, with Bradley Burns and Measure G.

#### Property Tax

State statutes provide that the property tax rate be limited generally to 1% of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Sonoma collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The City receives property taxes pursuant to an arrangement with the

County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues in the fiscal year in which they are due to the City.

#### Other Revenue

Other General Fund revenue sources are impacted by the economic environment, but not to the same degree as sales, property, and transaction and use taxes. These other sources include; Business License Tax, Permits and Franchises, Rents; Revenue from Other Agencies, Charges for Services, Transfers from Other Funds, and Other Revenues.

### Enterprise Funds

Enterprise Funds are for specific services that are funded directly through user fees. As the second largest fund type in the City, the Enterprise Funds are fully self-supporting and are not subsidized by tax money from the General Fund. Cotati's Enterprise Funds include Water Operating and Capital Funds (401 & 402) and Sewer Operating and Capital funds (404 & 405).

### Special Revenue Funds

Special revenues are monies received for a specifically identified purpose. Examples are Community Development Block Grants (202), Gas Tax (203), and MTC Streets (204) funds.

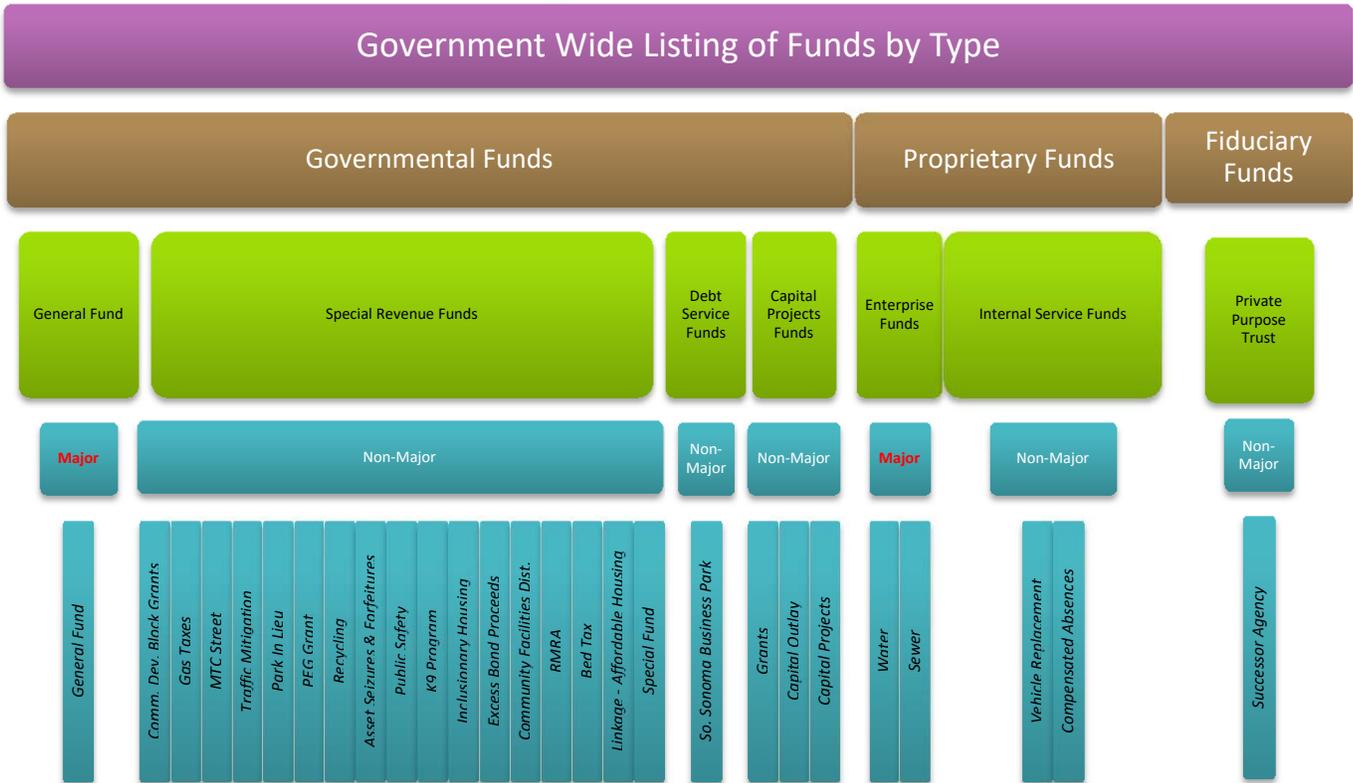
### Capital Projects

Capital project funds are financial accounts that are used to track the building, renovating, or purchase of equipment, property, facilities, including buildings, parks, and other infrastructure or information technology systems which are to be used as a public asset or to benefit the public. Examples of these funds for the City are Grants Fund (201), Capital Outlay (604), and Capital Projects (605).

### Internal Service Funds

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

# Fund Structure & Accounting Basis



Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the costs of providing services, administration costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

## Identification of Major Funds:

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

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following **major** proprietary funds:

The **Water Fund** accounts for the operations of the City's water treatment and distribution system.

The **Sewer Fund** accounts for the operation of the City's wastewater collection activities.

## Guiding Financial Policies

Financial policies are essential and central to a strategic, long-term approach to financial management of the City by the elected officials and staff. Financial policies also create and define a shared understanding of how the City will develop its financial practices and manage its resources to provide the best value to the community and provide structure, boundaries and limits on the actions City staff may take. The formal adoption of financial principles and policies promote public confidence, enhance transparency and provide continuity over time.

The financial policies provide a structured, central repository for a variety of fiscal policies and are organized into the following categories including; General Financial Principles, Annual Operating Budget Policy, Capital Improvement Program, Revenues, Expenditures, Cash Management, Debt Management, Fund Balances, Financial Reporting, and Review and Updates. Additional financial policies that are approved separately from the financial policies include; the Reserve Policy, Investment Policy, Purchasing Policy and Capital Asset Policy.

### Reserve Policy

The Government Finance Officers Association (GFOA) recommends that city governments maintain an unrestricted General Fund balance of no less than 2 months of regular General Fund operating revenues or regular General Fund operating expenditures. This amounts to 16.7% of either General Fund operating revenues or regular General Fund operating expenditures. The reserve policy adopted by the Cotati City Council maintains a minimum of 25% of the annual operating expenses, thus exceeding the GFOA recommendations. This policy ensures there are funds available for significant, unanticipated events since these reserve funds can only be used with a majority vote of the City Council, and for specific circumstances. (See Appendix A Page A.15 and City wide Financial Principals and Policies Section VIII.C. Fund Balance Policy Levels Appendix A, page A.11).

### Investment Policy

The Investment Policy of the City guides investment of public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City, while conforming to all state and local statues governing the investment of public funds (see Appendix A pages A.18-A.22).

### Purchasing Policy

The City Purchasing Policy outlines the purchasing procedures that apply to all City purchases including proper procurement, competitive bidding, contract services, recycled products and local vendor preference, credit card management, and emergency exemptions (see Appendix A pages A.24-A.48).

### Capital Asset Policy

The Capital Asset Policy conveys the proper and approved financial treatment of expenditures for assets, and establishes thresholds in financial reporting. In addition, the asset policy defines specific controls over the safeguarding and maintenance of all assets in order to reduce the risks of loss through theft or mismanagement (see Appendix A pages A.50-A.61).

### Summary

These policies will be updated periodically, but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter. A fiscal policy supports long-term planning and enhances the City's effectiveness in implementing long-term strategies to deliver efficient services to the public. See the attached Appendix A for copies of the adopted financial policies and financial procedures in place for the City of Cotati as of June 12, 2018.

# FINANCIAL SUMMARIES



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# CONSOLIDATED BUDGET SUMMARY BY FUND



Fund	No.	Projected Beginning Balance 7/01/2018	Estimated Revenue	Fiscal Year 18-19 Changes*				Projected Ending Balance 6/30/2019	
				Appropriations			Operating Transfers		
				Operating Expense	Other (Sources) / Uses	Capital Imp.	In		Out
<b>General Fund</b>	<b>101</b>	<b>\$ 5,160,646</b>	<b>\$ 7,394,845</b>	<b>\$ 6,388,795</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 160,000</b>	<b>\$ (1,695,700)</b>	<b>\$ 4,630,995</b>
<b>Governmental Funds</b>									
<b>Capital Projects Funds</b>									
Grants	201	-	726,250	-	-	912,250	186,000	-	-
General Capital Outlay	604	524,790	150,240	-	-	-	-	(350,000)	325,030
Capital Projects Fund	605	-	-	-	-	2,356,700	2,356,700	-	-
<b>Special Revenue &amp; Other Funds</b>									
Comm. Dev. Block Grants	202	-	183,000	-	-	183,000	-	-	-
Gas Taxes	203	155,510	165,100	4,500	-	-	-	(300,000)	16,110
MTC Street	204	164,657	61,200	-	-	-	-	(200,000)	25,857
Traffic Mitigation	205	444,825	291,000	-	-	-	-	(22,000)	713,825
Park In-Lieu	206	183,621	33,000	-	-	-	-	(125,000)	91,621
PEG Grant	208	15,788	19,100	14,000	-	-	-	-	20,888
Recycling	209	-	-	-	-	-	-	-	-
Asset Seizures & Forfeitures	210	4,224	-	-	-	-	-	-	4,224
Public Safety	211	65,564	150,000	5,000	-	-	-	(160,000)	50,564
K9 Program	212	7,019	5,000	6,500	-	-	-	-	5,519
So. Sonoma Business Park	215	328,118	460,000	460,000	-	-	-	-	328,118
In-Lieu-Inclusionary Housing	216	3,162,190	25,000	-	-	-	-	-	3,187,190
Excess Bond Proceeds	219	626,184	-	626,184	-	-	-	-	-
Community Facilities Dist.	220	-	-	-	-	-	-	-	-
RMRA	221	42,463	121,675	-	-	-	-	(150,000)	14,138
Bed Tax	222	9,550	12,880	-	-	-	-	-	22,430
Linkage - Affordable Housing	223	94,600	-	4,000	-	-	-	-	90,600
Special Fund	250	2,500	2,500	-	-	-	-	-	5,000
<b>Total Governmental Funds</b>		<b>10,992,249</b>	<b>9,800,790</b>	<b>7,508,979</b>	<b>-</b>	<b>3,451,950</b>	<b>2,702,700</b>	<b>(3,002,700)</b>	<b>9,532,110</b>
<b>Proprietary</b>									
<b>Internal Service Funds</b>									
Vehicle Replacement	501	104,424	-	50,000	-	-	100,000	-	154,424
Compensated Absences	502	-	-	-	-	-	200,000	-	200,000
<b>Subtotal Internal Service Fund</b>		<b>104,424</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>354,424</b>
<b>Enterprise Funds</b>									
<b>Water Funds</b>									
Water Operating	401	942,854	1,706,000	1,544,517	104,600	-	-	(180,000)	819,737
Water Capital	402	592,419	266,800	-	(2,000)	180,000	180,000	-	861,219
Recycled Water Line	403	-	-	-	-	-	-	-	-
<b>Subtotal Water Fund</b>		<b>1,535,273</b>	<b>1,972,800</b>	<b>1,544,517</b>	<b>102,600</b>	<b>180,000</b>	<b>180,000</b>	<b>(180,000)</b>	<b>1,680,956</b>
<b>Sewer Funds</b>									
Sewer Operating	404	2,460,876	2,166,900	2,591,990	(15,000)	-	-	-	2,050,786
Sewer Capital	405	3,702,673	496,000	-	(106,600)	2,830,000	-	-	1,475,273
<b>Subtotal Sewer Fund</b>		<b>6,163,549</b>	<b>2,662,900</b>	<b>2,591,990</b>	<b>(121,600)</b>	<b>2,830,000</b>	<b>-</b>	<b>-</b>	<b>3,526,059</b>
<b>Total Enterprise Funds</b>		<b>7,803,246</b>	<b>4,635,700</b>	<b>4,186,507</b>	<b>(19,000)</b>	<b>3,010,000</b>	<b>480,000</b>	<b>(180,000)</b>	<b>5,561,439</b>
<b>Total City Funds</b>		<b>\$ 18,795,495</b>	<b>14,436,490</b>	<b>11,695,486</b>	<b>(19,000)</b>	<b>6,461,950</b>	<b>3,182,700</b>	<b>(3,182,700)</b>	<b>\$ 15,093,549</b>
<b>Fiduciary Funds</b>									
Successor Agency	301	35,000	1,148,865	1,183,865	-	-	-	-	-
<b>Total City &amp; Fiduciary Funds</b>		<b>\$ 18,830,495</b>	<b>\$15,585,355</b>	<b>\$12,879,351</b>	<b>\$ (19,000)</b>	<b>\$6,461,950</b>	<b>\$3,182,700</b>	<b>\$ (3,182,700)</b>	<b>\$ 15,093,549</b>

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

# GENERAL FUND

## What is the General Fund?

The General Fund is the City's unrestricted source of revenues and expenditures; it is the largest government-type fund with a FY 17-18 year end reserve estimated at almost \$5 million. The General Fund supports all non-enterprise departments and more than 50% of the City's total personnel services costs. Elected and appointed officials, Recreation and Facilities, Planning and Community Development, Public Works (except water and sewer), and the Police Department are all dependent on the General Fund for their operations. General Funds can be used for any municipal purpose, including the general operations of the City and to fund basic City services such as police, park and street maintenance, and recreational services. Examples of revenue sources for General Funds include: property taxes, sales taxes, licenses and permits, rents, services charges, investment earnings, and payments received from other governmental agencies.



# GENERAL FUND CONSOLIDATED FINANCIAL SCHEDULE

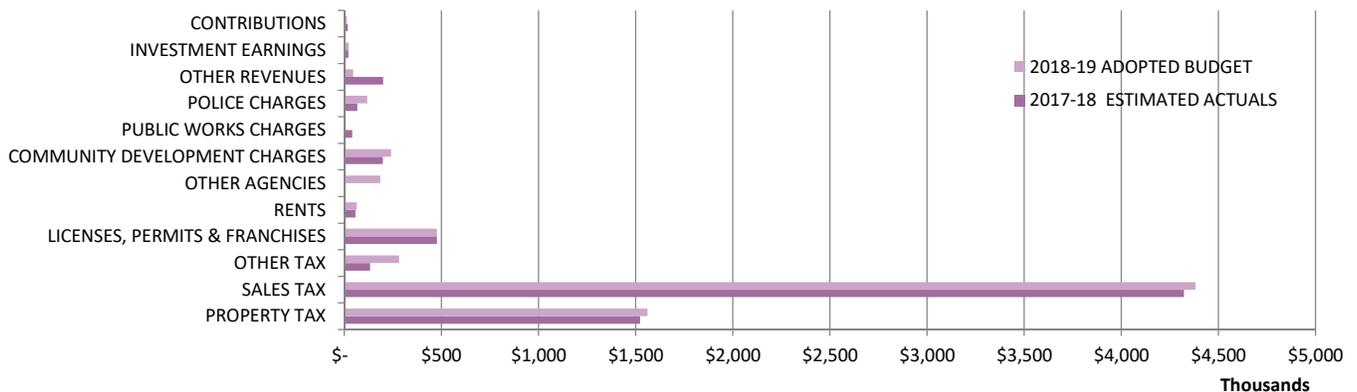
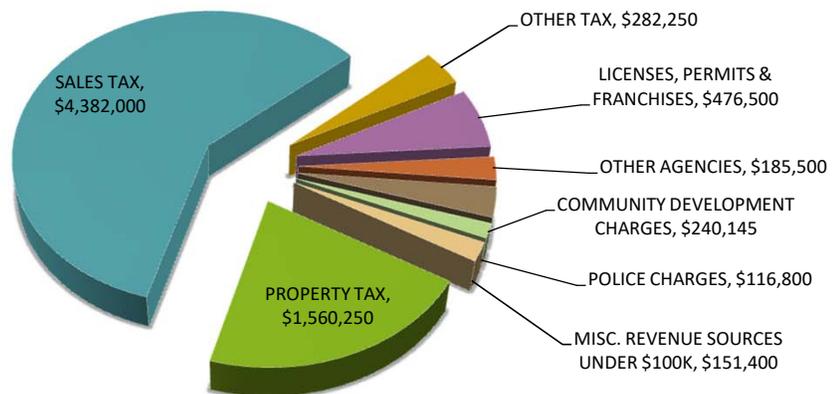


DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>OPERATING REVENUE</b>					
PROPERTY TAX	\$ 1,652,877	\$ 1,472,627	\$ 1,491,000	\$ 1,522,000	\$ 1,560,250
SALES TAX	4,075,204	4,222,473	4,055,000	4,323,000	4,382,000
OTHER TAXES	46,314	44,041	32,250	132,250	282,250
LICENSES AND PERMITS	502,033	521,507	483,000	476,500	476,500
RENTS	38,653	57,505	56,500	56,500	63,400
OTHER AGENCIES	82,680	5,473	186,000	5,800	185,500
COMMUNITY DEVELOPMENT CHARGES	292,676	320,137	362,320	198,160	240,145
PUBLIC WORKS CHARGES	28,277	32,714	16,500	40,200	7,500
POLICE CHARGES	121,093	120,841	129,175	67,205	116,800
OTHER REVENUES	97,545	126,513	95,500	199,415	45,800
INVESTMENT EARNINGS	19,962	18,619	15,000	21,000	22,000
CONTRIBUTIONS	10	18,811	-	17,462	12,700
<b>Total</b>	<b>6,957,325</b>	<b>6,961,261</b>	<b>6,922,245</b>	<b>7,059,492</b>	<b>7,394,845</b>
<b>OPERATING EXPENDITURE</b>					
CITY COUNCIL	78,575	80,818	149,062	138,582	153,213
CITY MANAGER	410,771	410,690	470,768	491,358	522,897
ADMINISTRATIVE SERVICES	261,718	241,854	248,600	238,415	207,702
LEGAL SERVICES	216,983	123,103	-	-	-
NON-DEPARTMENTAL	385,253	255,487	240,000	-	-
PUBLIC INFORMATION SERVICES	1,200	30,890	-	-	-
COMMUNITY DEVELOPMENT	458,671	417,202	287,319	412,988	638,572
PUBLIC WORKS	1,056,584	932,687	865,551	811,606	1,005,298
POLICE	2,896,268	2,950,972	3,310,847	3,321,362	3,564,393
RECREATION	-	123,774	224,544	186,703	296,720
<b>Total</b>	<b>5,766,023</b>	<b>5,567,477</b>	<b>5,796,691</b>	<b>5,601,014</b>	<b>6,388,795</b>
<b>OTHER SOURCES/(USES)</b>					
DEBT PAYMENT	(39,636)	(23,962)	(23,000)	(256,626)	-
OTHER USES	(26,430)	(13,002)	-	-	-
<b>Total</b>	<b>(66,066)</b>	<b>(36,964)</b>	<b>(23,000)</b>	<b>(256,626)</b>	<b>-</b>
<b>TRANSFERS IN/(OUT)</b>					
TRANSFERS IN	318,000	162,627	160,000	160,000	160,000
TRANSFERS OUT	(449,839)	(925,137)	(927,400)	(753,100)	(1,695,700)
<b>Total</b>	<b>(131,839)</b>	<b>(762,510)</b>	<b>(767,400)</b>	<b>(593,100)</b>	<b>(1,535,700)</b>
<b>NET FUND SURPLUS</b>	<b>993,397</b>	<b>594,309</b>	<b>335,154</b>	<b>608,751</b>	<b>(529,650)</b>
<b>BEG. FUND BALANCE</b>	<b>2,964,188</b>	<b>3,957,585</b>	<b>3,872,974</b>	<b>4,551,895</b>	<b>5,160,646</b>
<b>END. FUND BALANCE</b>	<b>3,957,585</b>	<b>4,551,895</b>	<b>4,208,128</b>	<b>5,160,646</b>	<b>4,630,995</b>
<b>RESERVE</b>					
REQUIRED RESERVE	989,396	1,137,974	1,052,032	1,290,161	1,157,749
GENERAL OPERATING	2,968,189	3,413,921	3,156,096	3,870,484	3,473,247
<b>TOTAL RESERVE (\$)</b>	<b>3,957,585</b>	<b>4,551,895</b>	<b>4,208,128</b>	<b>5,160,646</b>	<b>4,630,995</b>
<b>TOTAL RESERVE (%)</b>	<b>69%</b>	<b>82%</b>	<b>73%</b>	<b>92%</b>	<b>72%</b>

# GENERAL FUND REVENUE SUMMARY



OPERATING REVENUE SOURCE BY TYPE	2017-18 ESTIMATE	2018-19 ADOPTED BUDGET	INCREASE/ (DECREASE)	% CHANGE
<b>PROPERTY TAX</b>	\$ 1,522,000	\$ 1,560,250	\$ 38,250	2%
<b>SALES TAX</b>	4,323,000	4,382,000	59,000	1%
<b>OTHER TAX</b>	132,250	282,250	150,000	53%
<b>LICENSES, PERMITS &amp; FRANCHISES</b>	476,500	476,500	-	0%
<b>RENTS</b>	56,500	63,400	6,900	11%
<b>OTHER AGENCIES</b>	5,800	185,500	179,700	97%
<b>COMMUNITY DEVELOPMENT CHARGES</b>	198,160	240,145	41,985	17%
<b>PUBLIC WORKS CHARGES</b>	40,200	7,500	(32,700)	-436%
<b>POLICE CHARGES</b>	67,205	116,800	49,595	42%
<b>OTHER REVENUES</b>	199,415	45,800	(153,615)	-335%
<b>INVESTMENT EARNINGS</b>	21,000	22,000	1,000	5%
<b>CONTRIBUTIONS</b>	17,462	12,700	(4,762)	-37%
<b>TOTAL GENERAL FUND REVENUE/SOURCES</b>	<b>\$ 7,059,492</b>	<b>\$ 7,394,845</b>	<b>\$ 335,353</b>	<b>5%</b>



# GENERAL FUND

## DETAIL OF BUDGET SOURCES



ACCOUNT NUMBER AND DESCRIPTION					FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>PROPERTY TAX</b>									
101 00 60100 000000	PROPERTY TAXES	\$ 1,094,408	\$ 878,994	\$ 870,000	\$ 890,000	\$ 912,450			
101 00 60105 000000	IN-LIEU OF VLF	558,469	593,633	621,000	632,000	647,800			
		<b>1,652,877</b>	<b>1,472,627</b>	<b>1,491,000</b>	<b>1,522,000</b>	<b>1,560,250</b>			
<b>SALES TAX</b>									
101 00 60300 000000	SALES TAX	1,713,182	2,101,915	2,020,000	2,143,000	2,167,000			
101 00 60302 000000	SALES TAX IN-LIEU	347,864	-	-	-	-			
101 00 60304 000000	MEASURE A - TRANS. & USE TAX	32,873	-	-	-	-			
101 00 60306 000000	MEASURE G - TRANS. & USE TAX	1,981,285	2,120,557	2,035,000	2,180,000	2,215,000			
		<b>4,075,204</b>	<b>4,222,473</b>	<b>4,055,000</b>	<b>4,323,000</b>	<b>4,382,000</b>			
<b>OTHER TAX</b>									
101 00 60400 000000	TRANSIENT OCCUPANCY TAX	227	2,847	250	250	250			
101 00 60402 000000	TRANSFER TAX	46,087	41,194	32,000	32,000	32,000			
101 00 60500 000000	CANNABIS BUSINESS TAX	-	-	-	100,000	250,000			
		<b>46,314</b>	<b>44,041</b>	<b>32,250</b>	<b>132,250</b>	<b>282,250</b>			
<b>LICENSES, PERMITS &amp; FRANCHISES</b>									
101 00 60600 000000	BUSINESS LICENSE	75,393	77,323	75,000	75,000	75,000			
101 00 60602 000000	BUSINESS LICENSE LATE CHARGES	2,247	3,033	2,000	1,500	1,500			
101 00 60640 000000	ELECTRIC FRANCHISE	45,739	61,022	55,000	55,000	55,000			
101 00 60641 000000	GAS FRANCHISE	22,966	16,599	15,000	15,000	15,000			
101 00 60642 000000	CABLE TV FRANCHISE	93,240	96,186	90,000	90,000	90,000			
101 00 60643 000000	VIDEO SERVICE FRANCHISE	16,969	11,691	16,000	10,000	10,000			
101 00 60644 000000	GARBAGE FRANCHISE	245,478	255,652	230,000	230,000	230,000			
		<b>502,033</b>	<b>521,507</b>	<b>483,000</b>	<b>476,500</b>	<b>476,500</b>			
<b>RENTS</b>									
101 00 60700 000000	GEN'L FACILITIES ROOM RENT	14,521	12,640	12,500	16,500	23,400			
101 00 60704 000000	RENTS - OTHER	24,132	24,865	24,000	20,000	20,000			
101 00 60705 000000	SMART TRAIN RENT	-	20,000	20,000	20,000	20,000			
		<b>38,653</b>	<b>57,505</b>	<b>56,500</b>	<b>56,500</b>	<b>63,400</b>			
<b>OTHER AGENCIES</b>									
101 00 60800 000000	DEPT OF TRANS HIGHWAY RENTAL	2,069	2,190	3,000	2,000	2,000			
101 00 60802 000000	PSAF PROP. 172	52,481	-	-	-	-			
101 00 60804 000000	MOTOR VEHICLE IN-LIEU	2,964	3,255	3,000	3,800	3,500			
101 00 60806 000000	STATE MANDATED COSTS SB90	25,166	28	-	-	-			
101 00 60807 000000	SSU SAFETY CONTRACT SVCS.	-	-	180,000	-	180,000			
		<b>82,680</b>	<b>5,473</b>	<b>186,000</b>	<b>5,800</b>	<b>185,500</b>			
<b>COMMUNITY DEVELOPMENT CHARGES</b>									
101 17 62001 000000	BLUEPRINT / MAP REPRODUCTION	-	1	200	10	20			
101 17 62004 000000	BUILDING INSPECTION	83,188	155,389	195,000	125,000	160,000			
101 17 62005 000000	BUILDING PLAN CHECK	23,882	10,582	115,000	20,000	30,000			
101 17 62006 000000	BUS LIC-CASP-CERT AC*	584	594	250	-	-			
101 17 62007 000000	CBSC BUILDING STDS SB 147	269	140	100	100	25			
101 17 62008 000000	CERTIFICATE OF COMPLIANCE	-	100	-	-	-			
101 17 62009 000000	CITY COUNCIL APPEAL PROC.	3,294	-	-	-	-			
101 17 62012 000000	ENERGY / TITLE 24 FEE	-	13,077	12,000	12,000	19,600			
101 17 62016 000000	ENVIRONMENTAL IMPACT REPORT REVIEW	-	210	-	-	-			
101 17 62020 000000	GROWTH MANAGEMENT REVIEW	575	350	150	500	1,000			
101 17 62022 000000	INCREMENTAL FEE	3,871	8,320	10,000	7,000	6,000			
101 17 62026 000000	MISCELLANEOUS FEES	75	1,040	75	-	-			
101 17 62029 000000	OUTSIDE PLAN REVIEW	1,110	2,495	-	3,200	-			
101 17 62032 000000	PRE/FINAL DESIGN REVIEW	2,074	1,330	-	1,000	1,400			
101 17 62035 000000	SIGN PERMIT	100	140	100	750	100			
101 17 62037 000000	STRONG MOTION FEE	(156)	116	200	-	-			
101 17 62038 000000	TECHNOLOGY FEE	3,613	8,013	8,000	8,000	6,000			
101 17 62042 000000	TIME EXTENSION REVIEW	675	2,085	695	600	-			
101 17 62043 000000	TREE REPLACEMENT FEE	270	545	250	-	-			
101 17 62049 000000	ZONING RESEARCH LETTER	-	160	300	-	-			
101 17 62999 99999V	REIMB-ADMIN COSTS	169,253	115,451	20,000	20,000	16,000			
		<b>292,676</b>	<b>320,137</b>	<b>362,320</b>	<b>198,160</b>	<b>240,145</b>			

\* Moved to Special Revenue FUND 250

# GENERAL FUND

## DETAIL OF BUDGET SOURCES



ACCOUNT NUMBER AND DESCRIPTION				FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED	
<b>PUBLIC WORKS</b>									
101 18 63001 000000	ENG PLN CHK - BLDG PERMIT	\$	1,566	\$	-	\$	-	\$	-
101 18 63004 000000	FINAL MINOR SUB IMP REVIEW		-		1,745		-		-
101 18 63006 000000	GRADING PLAN CHECK		-		-		300		-
101 18 63999 9999RV	REIMB - ADMIN COSTS		2,577		11,672		20,000		-
101 19 63009 000000	MAJOR ENCROACHMENT PERMIT		-		-		1,500		-
101 19 63010 000000	MINOR ENC - NON-CONST.		20,790		9,227		10,000		1,000
101 19 63011 000000	MINOR ENC - CONST.		1,595		8,470		16,000		5,000
101 19 63800 0000AD	REIMB - ADMIN COSTS		1,750		1,600		2,400		1,500
				<b>28,277</b>	<b>32,714</b>	<b>16,500</b>	<b>40,200</b>		<b>7,500</b>
<b>POLICE CHARGES</b>									
101 23 64012 000000	POST REIMBURSEMENT		3,001		988		1,500		3,200
101 23 64020 000000	ALARM PERMIT		2,610		2,630		3,000		2,500
101 23 64021 000000	CONCEALED WEAPON PERMIT		25		-		25		-
101 23 64022 000000	PERMIT OTHER		300		445		500		500
101 23 64030 000000	ANIMAL CONTROL REGISTRATION		6,165		4,970		5,500		5,000
101 23 64040 000000	IMPOUND/ABATEMENT/RELEASE		8,228		6,950		7,500		7,500
101 23 64050 000000	REPOSESSION FEE		180		105		150		180
101 23 64051 000000	SUBPOENA FEES		180		825		1,000		250
101 23 64062 000000	DOC RETRIEVAL / REPRODUCTION		4,810		5,174		5,000		5,000
101 23 64063 000000	FINGERPRINT REQUEST		-		-		-		-
101 23 64070 000000	PARKING ENFORCEMENT		15,159		19,983		30,000		18,000
101 23 64071 000000	NOISE DISTURBANCE		1,100		2,100		5,000		1,800
101 23 64073 000000	TRAFFIC / CRIMINAL CODE FINES		79,320		76,656		70,000		25,000
101 23 64074 000000	VIN VERIFICATION		15		15		-		50
101 23 64080 000000	OTHER FINES & FORFEITURES		-		-		-		-
				<b>121,093</b>	<b>120,841</b>	<b>129,175</b>	<b>67,205</b>		<b>116,800</b>
<b>OTHER REVENUES</b>									
101 00 60900 000000	MISC REVENUE		4		(15,933)		750		1,000
101 00 60910 000000	REIMB		5,548		(427)		1,300		1,000
101 00 60910 0000AD	REIMB - ADMIN COSTS		-		-		-		-
101 00 60910 0000NS	REIMB - RETURNED CHECK		25		50		-		-
101 00 60910 00REMF	REIMB - REMIF		3,010		(10)		-		-
101 00 60920 000000	OTHER REVENUES		2,889		54,463		137,000		-
101 00 60922 000000	BAD DEBT RECOVERY		390		-		-		-
101 00 60924 000000	DAMAGE TO CITY PROPERTY		6,434		1,284		2,715		-
101 00 60925 000000	DOC RETRIEVAL / REPRODUCTION		164		213		-		-
101 00 60928 000000	PUBLIC SERVICE FEE		30,000		30,000		22,500		-
101 00 60932 000000	GRATON MITIGATION		12,808		18,086		12,000		12,000
101 00 60929 000000	SALE OF FIXED ASSETS		13,935		-		-		-
101 00 60934 000000	REV. OTHER - REBATE		17,850		546		3,600		-
101 00 60936 000000	REV. OTHER - EV CHARGING STATIONS		-		-		1,300		2,500
101 10 60910 1REIMB	EVENT REIMBURSEMENT		-		3,680		100		-
101 14 60910 0000AD	REIMBURSMTS - ADMIN		-		-		-		-
101 17 60910 0000AD	REIMBURSMTS - ADMIN		150		-		-		-
101 17 61302 000000	LCL-COUNTY - GRNHSE RED IMPL		4,138		730		-		-
101 23 60910 0000AD	REIMBURSMTS - ADMIN		200		150		150		-
101 23 60910 00BSCC	REIMB-BSCC GRANT CHARGES		-		(2,498)		-		-
101 24 60920 000000	OTHER RECREATION REVENUE		-		-		53,500		-
101 24 68610 000000	CONTRACT CLASS REVENUE		-		36,180		18,000		29,300
				<b>97,545</b>	<b>126,513</b>	<b>95,500</b>	<b>199,415</b>		<b>45,800</b>
<b>INVESTMENT EARNINGS</b>									
101 00 65010 000000	INVESTMENT EARNINGS		13,223		23,113		15,000		22,000
101 00 65010 999999	INVESTMENT EARNINGS-FMV		6,739		(7,074)		-		-
101 00 65100 000000	OTHER INTEREST		-		2,580		-		-
				<b>19,962</b>	<b>18,619</b>	<b>15,000</b>	<b>21,000</b>		<b>22,000</b>

**GENERAL FUND  
DETAIL OF BUDGET SOURCES**



ACCOUNT NUMBER AND DESCRIPTION				FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>CONTRIBUTIONS</b>								
101	00	66010	000000 CONTRIBUTIONS	10	250	-	955	1,000
101	24	66010	000000 CONTRIBUTIONS	-	14,400	-	13,550	4,000
101	24	66090	000000 SCHOLARSHIP FUNDING	-	433	-	200	200
101	24	66091	000000 SPECIAL EVENTS REVENUE	-	3,728	-	2,757	7,500
				<b>10</b>	<b>18,811</b>	<b>-</b>	<b>17,462</b>	<b>12,700</b>
<b>TOTAL GENL FUND OPERATING REVENUES</b>				<b>\$ 6,957,325</b>	<b>\$ 6,961,261</b>	<b>\$ 6,922,245</b>	<b>\$ 7,059,492</b>	<b>\$ 7,394,845</b>

## Property Tax Dollar Distribution

A property tax is a levy on the assessed value of a property. The general property tax is levied by the county, equal to 1% of the assessed value, often called the 1 percent general tax levy or countywide rate. Under Proposition 13, a law approved by California voters in 1978, general property taxes (not including those collected for special purposes) are limited to 1% of a property's market value and increases in assessed value are restricted to 2% per year.

For example, for a home with an assessed value of \$500,000, the property owner would be assessed approximately \$5,000 a year in property taxes (1% of assessed value). Of the \$5,000, the city would only receive a total of \$532.50 (10.65% of the 1% assessed value) from the County.

California property taxes are collected by the County Tax Collector and are then transferred to the County Auditor for distribution to the local multiple governments. The graph below shows where each property tax dollar paid by City property owners is allocated:

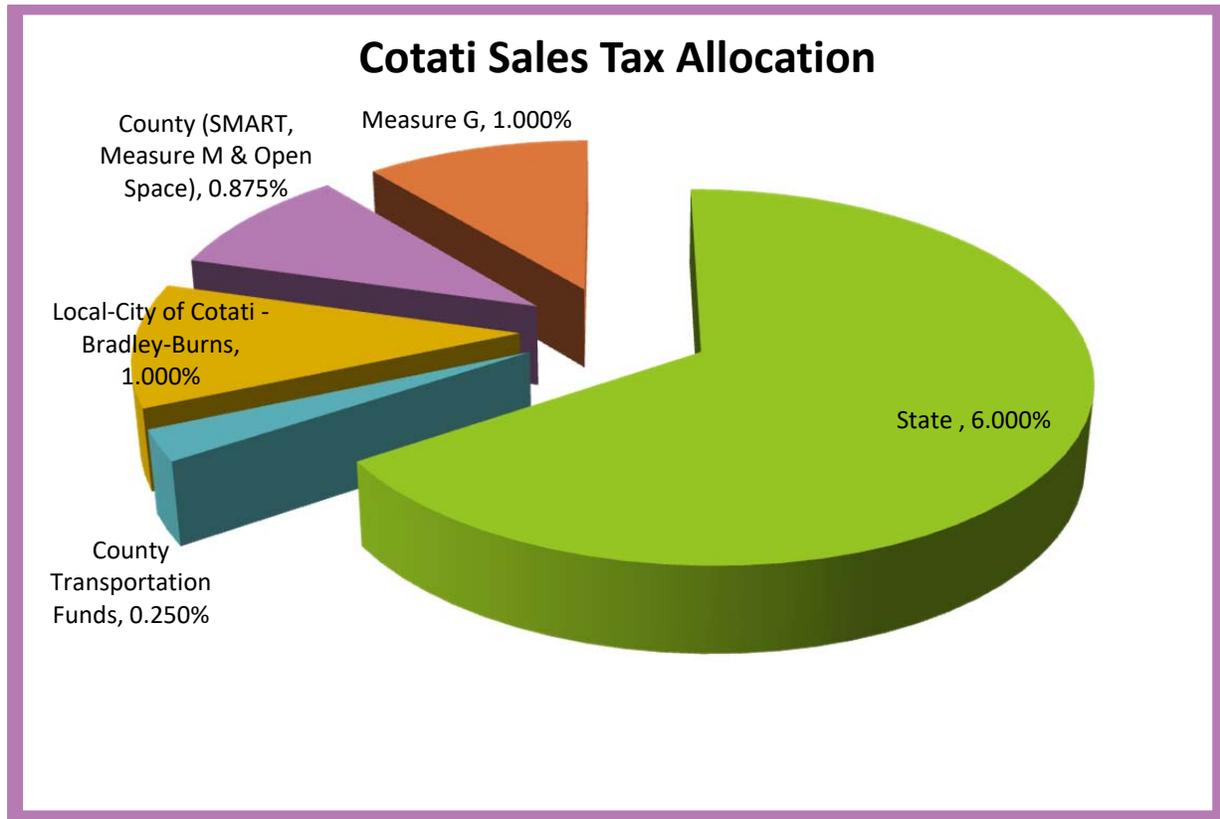


## Sales Tax Dollar Distribution

Sales tax is a tax paid on the sales of certain goods and services. Currently, the total sales tax rate in the City of Cotati is 9.125%. The City receives 2% in sales tax, with 1% Bradley-Burns and 1% Measure G.

Sales tax from the Bradley-Burns levy is allocated back to the City where the sale was negotiated or the order was taken. On the other hand, the transactions and use tax, or Measure G, is allocated to the City where the goods are delivered or placed into use. The graph below shows the breakdown of the City's sales tax:

CALIFORNIA SALES AND USE TAX RATES	
State	6.000%
County Transportation Funds	0.250%
Local-City of Cotati (Bradley Burns)	1.000%
<b>Total State-Wide Sales and Use Tax Rate</b>	<b>7.250%</b>
County (SMART, Measures M and Y, & Open Space)	0.875%
Measure G	1.000%
<b>Total Sales Tax Rate in Cotati</b>	<b>9.125%</b>



## Other Revenues

Other revenues contribute approximately 10% of the total General Fund revenues available to the City and are made up of the following:

### Other Taxes

Transfer tax is a transaction fee imposed on the transfer of land or real property from one person (or entity) to another. The total transfer tax for the County and City is \$1.10 (\$0.55 County / \$0.55 City) per \$1,000 of property value, minus any loans assumed in the sale.

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

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

### Licenses, Permits and Franchises

A business license is a tax payment to the city for doing business in that city. Cities collect fees from the business license applicants and place the majority of the fees into its general fund for the administration of city services, such as police, road work, parks and recreation and other community services that benefit citizens and businesses.

A utility franchise is a contract between a city and a utility or garbage company that outlines certain requirements for the utility to use the city's public rights of way and for the garbage company to have exclusive rights to provide garbage service. The establishment of franchise agreements between cities and utilities or garbage companies is a customary business practice and legal process outlined by the state constitution.

### Rent

Revenue received from the rental of city owned facilities.

### Revenue from Other Agencies

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

## Revenues - Trends and Outlooks

The major revenue sources to the City General Fund are Property Taxes and Sales Taxes. These revenue sources make up approximately 80% of the total proposed revenues for the budget year 2018-19. These projected revenues are estimated to change based on the following factors.

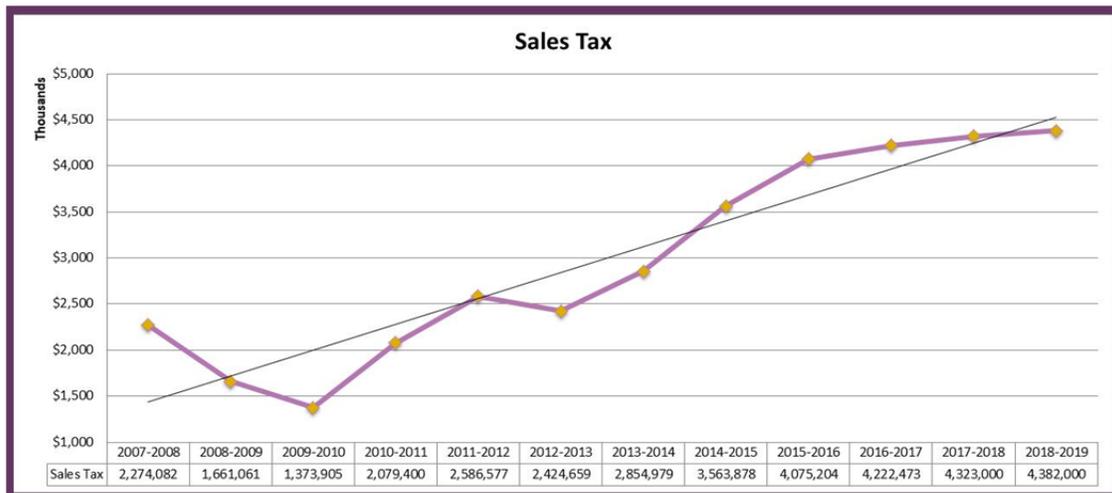
### Property Taxes:

- 2% Assessor's applied CPI.
- Change in the assessed value due to transfer of ownership (\$12M)
- Prop 8 Recapture
- Total change of around 4%



### Sales Taxes:

- Remain steady with minor growth
- Major industries are Construction & Fuel Stations
- Expected growth in Food and Drug
- Volatility due to consumer behavior and internet sales



## Expectations for Other Non-Major Revenues

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

### Other Taxes

- Implementation of the Cannabis Business Tax

### Licenses, Permits & Franchises

- Slight decrease in Garbage Franchise Fees based on new contract amounts.

### Rents

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

### Other agencies

- Final implementation of the public safety contract services totaling \$180,000

### Community development charges

- Based on expected developments of Cotati Station and Kessing Ranch.

### Public works

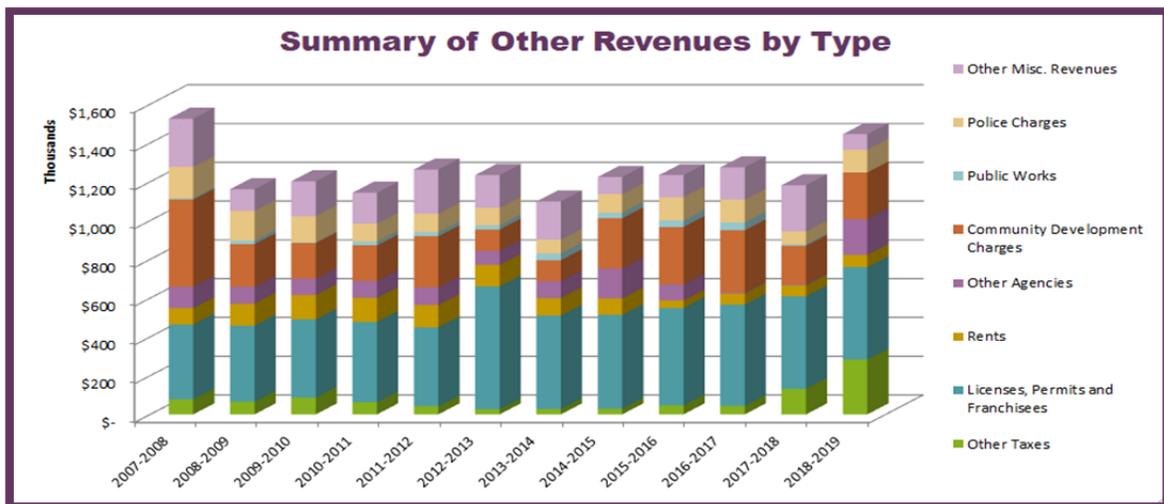
- Conservatively projecting minimum charges for encroachment fees as demand for permits are highly variable.

### Police charges

- Conservatively projecting minimum fees and fines
- Increased traffic and criminal code fines based on community desire to continue to improve traffic safety

### Other Misc. Revenues

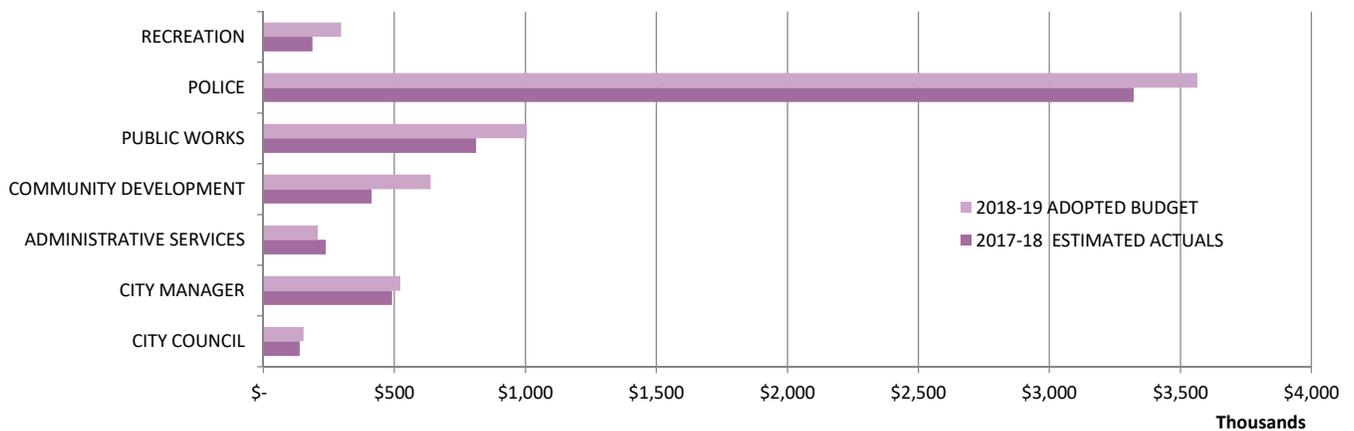
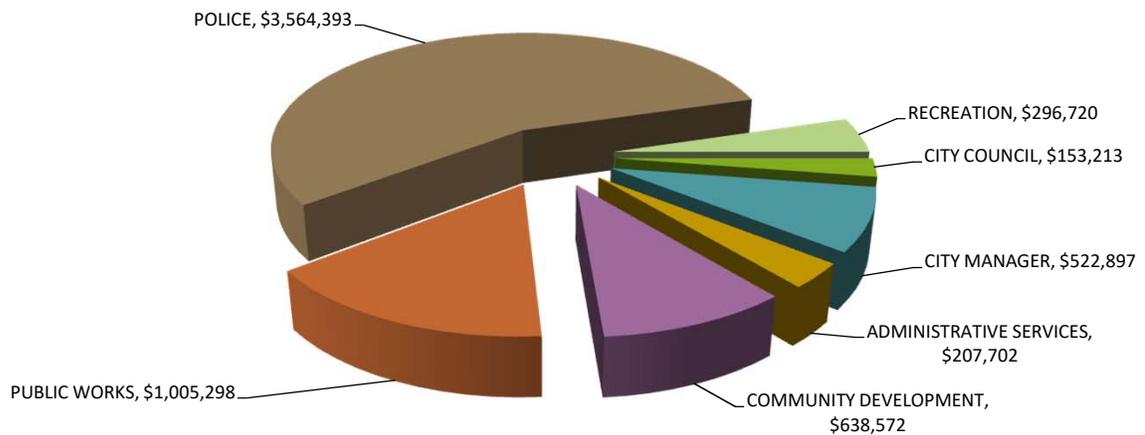
- Expecting increase contract class revenue for recreation as more programs roll out
- Continued receipts for Graton Mitigation of approximately \$12,000
- Reduced public service fees of approximately \$30,000 due to new cannabis tax implementation



# GENERAL FUND EXPENDITURE SUMMARY



EXPENDITURES SUMMARY BY DEPARTMENT	2017-18 ESTIMATE	2018-19 ADOPTED BUDGET	INCREASE/ (DECREASE)	% CHANGE
<b>CITY COUNCIL</b>	\$ 138,582	\$ 153,213	\$ 14,631	10%
<b>CITY MANAGER</b>	491,358	522,897	31,539	6%
<b>ADMINISTRATIVE SERVICES</b>	238,415	207,702	(30,713)	-15%
<b>COMMUNITY DEVELOPMENT</b>	412,988	638,572	225,584	35%
<b>PUBLIC WORKS</b>	811,606	1,005,298	193,692	19%
<b>POLICE</b>	3,321,362	3,564,393	243,031	7%
<b>RECREATION</b>	186,703	296,720	110,017	37%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 5,601,014</b>	<b>\$ 6,388,795</b>	<b>\$ 787,781</b>	<b>14%</b>



# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 10 - CITY COUNCIL</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600
Benefits	39,458	38,928	39,229	37,519	44,880
<b>Total</b>	<b>52,058</b>	<b>51,528</b>	<b>51,829</b>	<b>50,119</b>	<b>57,480</b>
<b>PAYOUTS</b>					
	-	-	-	-	-
<b>MATERIALS AND SUPPLIES</b>					
	480	186	400	1,200	1,000
<b>CONTRACT SERVICES - ALLOCATED</b>					
	-	239	42,603	42,603	34,084
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	-	18	-	-	-
Special Project Consultants	-	-	-	-	-
General Services	-	-	-	-	-
<b>Total Contract Services</b>	<b>-</b>	<b>257</b>	<b>42,603</b>	<b>42,603</b>	<b>34,084</b>
<b>UTILITIES</b>					
	1,836	2,022	16,530	5,490	5,500
<b>INFORMATION TECHNOLOGY</b>					
	-	212	-	-	-
<b>REPAIRS AND MAINTENANCE</b>					
	-	-	-	-	-
<b>OTHER EXPENSES</b>					
	9,201	11,613	11,700	24,170	30,150
<b>CAPITAL OUTLAY</b>					
	-	-	1,000	-	-
<b>CONTRIBUTIONS</b>					
	15,000	15,000	25,000	15,000	25,000
<b>FISCAL FEES</b>					
	-	-	-	-	-
<b>ECONOMIC DEVELOPMENT</b>					
	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 78,575</b>	<b>\$ 80,818</b>	<b>\$ 149,062</b>	<b>\$ 138,582</b>	<b>\$ 153,213</b>

# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 11 - CITY MANAGER</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 180,819	\$ 176,268	\$ 218,454	\$ 240,063	\$ 248,342
Benefits	113,455	68,719	85,263	108,108	106,834
<b>Total</b>	<b>294,274</b>	<b>244,987</b>	<b>303,717</b>	<b>348,171</b>	<b>355,176</b>
<b>PAYOUTS</b>	4,942	1,130	-	-	-
<b>MATERIALS AND SUPPLIES</b>	1,625	2,661	4,500	3,620	4,100
<b>CONTRACT SERVICES - ALLOCATED</b>	-	13	31,647	31,647	46,866
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	-	110	8,250	12,750	8,250
Special Project Consultants	-	-	34,000	29,500	10,000
General Services	-	(769)	10,000	10,000	20,000
<b>Total Contract Services</b>	<b>-</b>	<b>(646)</b>	<b>83,897</b>	<b>83,897</b>	<b>85,116</b>
<b>UTILITIES</b>	2,408	2,295	13,429	5,400	5,650
<b>INFORMATION TECHNOLOGY</b>	-	746	-	-	-
<b>REPAIRS AND MAINTENANCE</b>	11	798	1,065	20	454
<b>OTHER EXPENSES</b>	27,099	38,887	63,160	50,250	47,402
<b>CAPITAL OUTLAY</b>	-	-	1,000	-	25,000
<b>CONTRIBUTIONS</b>	-	-	-	-	-
<b>FISCAL FEES</b>	-	-	-	-	-
<b>ECONOMIC DEVELOPMENT</b>	80,412	119,832	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 410,771</b>	<b>\$ 410,690</b>	<b>\$ 470,768</b>	<b>\$ 491,358</b>	<b>\$ 522,897</b>

# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 12 - ADMIN SERVICES</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 136,355	\$ 138,396	\$ 128,291	\$ 115,461	\$ 91,142
Benefits	42,938	36,345	26,691	33,756	20,147
<b>Total</b>	<b>179,293</b>	<b>174,741</b>	<b>154,982</b>	<b>149,217</b>	<b>111,289</b>
<b>PAYOUTS</b>	660	903	-	-	-
<b>MATERIALS AND SUPPLIES</b>	1,624	624	4,000	4,000	4,000
<b>CONTRACT SERVICES - ALLOCATED</b>	-	9	20,698	20,698	25,563
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	59,310	41,736	12,200	12,200	20,700
Special Project Consultants	-	-	20,000	20,000	20,000
General Services	-	-	-	-	-
<b>Total Contract Services</b>	<b>59,310</b>	<b>41,745</b>	<b>52,898</b>	<b>52,898</b>	<b>66,263</b>
<b>UTILITIES</b>	494	918	8,670	2,900	4,150
<b>INFORMATION TECHNOLOGY</b>	3,825	1,581	-	-	-
<b>REPAIRS AND MAINTENANCE</b>	-	-	-	-	-
<b>OTHER EXPENSES</b>	16,512	14,689	28,050	28,500	22,000
<b>CAPITAL OUTLAY</b>	-	6,653	-	900	-
<b>CONTRIBUTIONS</b>	-	-	-	-	-
<b>FISCAL FEES</b>	-	-	-	-	-
<b>ECONOMIC DEVELOPMENT</b>	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 261,718</b>	<b>\$ 241,854</b>	<b>\$ 248,600</b>	<b>\$ 238,415</b>	<b>\$ 207,702</b>

# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 14 - NON-DEPARTMENTAL</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	12,427	12,668	-	-	-
<b>Total</b>	<b>12,427</b>	<b>12,668</b>	-	-	-
<b>PAYOUTS</b>					
	-	-	-	-	-
<b>MATERIALS AND SUPPLIES</b>	3,855	2,246	-	-	-
<b>CONTRACT SERVICES - ALLOCATED</b>	-	-	-	-	-
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	-	-	-	-	-
Special Project Consultants	-	-	-	-	-
General Services	34,665	87,032	-	-	-
<b>Total Contract Services</b>	<b>34,665</b>	<b>87,032</b>	-	-	-
<b>UTILITIES</b>	2,467	2,626	-	-	-
<b>INFORMATION TECHNOLOGY</b>	125,096	4,427	-	-	-
<b>REPAIRS AND MAINTENANCE</b>	-	27	-	-	-
<b>OTHER EXPENSES</b>	134,416	106,948	240,000	-	-
<b>CAPITAL OUTLAY</b>	7,304	-	-	-	-
<b>CONTRIBUTIONS</b>	-	-	-	-	-
<b>FISCAL FEES</b>	49,547	39,513	-	-	-
<b>MISC. PAYROLL</b>	7,901	-	-	-	-
<b>DEBT SERVICE</b>	7,575	-	-	-	-
<b>ECONOMIC DEVELOPMENT</b>	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 385,253</b>	<b>\$ 255,487</b>	<b>\$ 240,000</b>	<b>\$ -</b>	<b>\$ -</b>

# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 17 - COMMUNITY DEVELOPMENT</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 215,419	\$ 297,840	\$ 169,843	\$ 220,752	\$ 251,635
Benefits	134,795	90,749	32,283	84,208	89,565
<b>Total</b>	<b>350,214</b>	<b>388,589</b>	<b>202,126</b>	<b>304,960</b>	<b>341,200</b>
<b>PAYOUTS</b>	275	2,090	-	-	-
<b>MATERIALS AND SUPPLIES</b>	2,140	1,251	2,000	1,530	2,000
<b>CONTRACT SERVICES - ALLOCATED</b>	-	17	40,173	40,173	59,647
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	-	-	3,000	23,000	145,000
Legal and General Council	-	-	-	-	5,000
Special Project Consultants	-	-	10,000	-	-
General Services	(5,422)	2,460	-	4,300	-
<b>Total Contract Services</b>	<b>(5,422)</b>	<b>2,477</b>	<b>53,173</b>	<b>67,473</b>	<b>209,647</b>
<b>UTILITIES</b>	1,600	2,174	9,720	6,350	7,525
<b>INFORMATION TECHNOLOGY</b>	1,055	2,047	-	1,575	-
<b>REPAIRS AND MAINTENANCE</b>	441	183	500	-	-
<b>OTHER EXPENSES</b>	108,368	18,293	19,800	30,500	78,200
<b>CAPITAL OUTLAY</b>	-	-	-	600	-
<b>CONTRIBUTIONS</b>	-	98	-	-	-
<b>FISCAL FEES</b>	-	-	-	-	-
<b>ECONOMIC DEVELOPMENT</b>	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 458,671</b>	<b>\$ 417,202</b>	<b>\$ 287,319</b>	<b>\$ 412,988</b>	<b>\$ 638,572</b>

# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 18-22 - PUBLIC WORKS</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 215,041	\$ 300,707	\$ 280,245	\$ 246,517	\$ 276,806
Benefits	132,407	143,704	109,416	120,088	116,554
<b>Total</b>	<b>347,448</b>	<b>444,411</b>	<b>389,661</b>	<b>366,605</b>	<b>393,360</b>
<b>PAYOUTS</b>	10,012	29,504	-	-	-
<b>MATERIALS AND SUPPLIES</b>	16,842	23,319	22,065	19,495	20,800
<b>CONTRACT SERVICES - ALLOCATED</b>	-	17	41,390	41,390	59,647
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	-	-	47,000	16,000	47,000
Special Project Consultants	-	-	50,000	30,000	95,000
Tech and Data Management	-	-	-	-	11,000
General Engineering	-	-	5,000	1,000	-
General Streets	-	-	100,000	74,000	85,000
General Storm Water Management	-	-	8,000	6,615	-
General Government Buildings	-	-	8,000	14,851	6,000
General Parks	-	-	2,000	2,000	53,500
General Contracts	98,647	64,452	-	-	-
<b>Total Contract Services</b>	<b>98,647</b>	<b>64,469</b>	<b>261,390</b>	<b>185,856</b>	<b>357,147</b>
<b>UTILITIES</b>	154,492	165,261	104,325	157,890	164,500
<b>INFORMATION TECHNOLOGY</b>	1,426	1,375	-	-	-
<b>REPAIRS AND MAINTENANCE</b>	60,769	155,441	19,765	27,000	6,980
<b>OTHER EXPENSES</b>	107,236	47,376	67,345	54,150	61,511
<b>CAPITAL OUTLAY</b>	15,652	-	1,000	610	1,000
<b>CONTRIBUTIONS</b>	-	-	-	-	-
<b>INTERGOVERNMENTAL PROJECTS</b>	244,060	-	-	-	-
<b>FISCAL FEES</b>	-	-	-	-	-
<b>DEBT SERVICE</b>	-	1,531	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 1,056,584</b>	<b>\$ 932,687</b>	<b>\$ 865,551</b>	<b>\$ 811,606</b>	<b>\$ 1,005,298</b>

# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 23 - POLICE DEPARTMENT</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 1,498,102	\$ 1,494,130	\$ 1,683,385	\$ 1,564,099	\$ 1,791,638
Benefits	948,501	921,801	978,508	1,034,522	1,016,561
<b>Total</b>	<b>2,446,603</b>	<b>2,415,931</b>	<b>2,661,893</b>	<b>2,598,621</b>	<b>2,808,199</b>
<b>PAYOUTS</b>	69,997	111,727	-	-	-
<b>MATERIALS AND SUPPLIES</b>	15,066	15,729	10,650	10,925	15,000
<b>CONTRACT SERVICES - ALLOCATED</b>	-	102	243,465	243,465	340,840
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	11,601	1,375	33,400	39,061	30,200
Tech and Data Management	-	-	132,880	132,880	147,500
General Services	73,917	45,584	16,000	16,000	13,000
<b>Total Contract Services</b>	<b>85,518</b>	<b>47,061</b>	<b>425,745</b>	<b>431,406</b>	<b>531,540</b>
<b>UTILITIES</b>	39,233	54,214	53,264	48,000	58,640
<b>INFORMATION TECHNOLOGY</b>	65,683	97,768	-	23,600	-
<b>REPAIRS AND MAINTENANCE</b>	48,962	62,825	56,000	34,625	31,980
<b>OTHER EXPENSES</b>	76,317	127,634	103,295	172,060	119,034
<b>CAPITAL OUTLAY</b>	44,023	-	-	-	-
<b>CONTRIBUTIONS</b>	-	-	-	2,125	-
<b>FISCAL FEES</b>	4,866	18,083	-	-	-
<b>ECONOMIC DEVELOPMENT</b>	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 2,896,268</b>	<b>\$ 2,950,972</b>	<b>\$ 3,310,847</b>	<b>\$ 3,321,362</b>	<b>\$ 3,564,393</b>

# GENERAL FUND EXPENSE BY DEPARTMENT



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>DEPARTMENT 24 - RECREATION DEPT</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	\$ -	\$ 60,608	\$ 115,766	\$ 89,557	\$ 159,382
Benefits	-	9,182	10,359	14,837	24,151
<b>Total</b>	<b>-</b>	<b>69,790</b>	<b>126,125</b>	<b>104,394</b>	<b>183,533</b>
<b>PAYOUTS</b>	-	880	-	-	-
<b>MATERIALS AND SUPPLIES</b>	-	1,962	4,000	2,500	6,000
<b>CONTRACT SERVICES - ALLOCATED</b>	-	11	27,509	27,509	55,387
<b>CONTRACT SERVICES - NON-ALLOCATED</b>					
Professional Services	-	-	-	-	-
Special Project Consultants	-	-	-	-	-
General Services	-	38,574	29,030	29,030	34,500
<b>Total Contract Services</b>	<b>-</b>	<b>38,585</b>	<b>56,539</b>	<b>56,539</b>	<b>89,887</b>
<b>UTILITIES</b>	-	593	11,730	3,445	3,550
<b>INFORMATION TECHNOLOGY</b>	-	945	1,000	-	-
<b>REPAIRS AND MAINTENANCE</b>	-	16	250	-	-
<b>OTHER EXPENSES</b>	-	11,003	24,900	19,825	13,750
<b>CAPITAL OUTLAY</b>	-	-	-	-	-
<b>CONTRIBUTIONS</b>	-	-	-	-	-
<b>FISCAL FEES</b>	-	-	-	-	-
<b>ECONOMIC DEVELOPMENT</b>	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ -</b>	<b>\$ 123,774</b>	<b>\$ 224,544</b>	<b>\$ 186,703</b>	<b>\$ 296,720</b>

# GENERAL FUND TRANSFERS DETAIL



DESCRIPTION		FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>TRANSFERS IN FROM OTHER FUNDS</b>						
Public Safety Fund	211	\$ 100,000	\$ 155,000	\$ 160,000	\$ 160,000	\$ 160,000
Gas Tax	203	108,000	-	-	-	-
MTC Streets	204	-	-	-	-	-
Other funds		110,000	7,627	-	-	-
<b>Subtotal Transfer In</b>		<b>318,000</b>	<b>162,627</b>	<b>160,000</b>	<b>160,000</b>	<b>160,000</b>
<b>TRANSFERS OUT TO OTHER FUNDS</b>						
Grants Fund	201	\$ (379,553)	\$ (658,365)	\$ (87,500)	\$ (63,475)	\$ (186,000)
Capital Projects Fund	605	(6,770)	(227,338)	(589,900)	(475,360)	(1,209,700)
CDBG	202	(63,515)	(39,434)	(100,000)	(64,265)	-
Compensated Absences	502	-	-	-	-	(200,000)
Vehicle Replacement	501	-	-	(150,000)	(150,000)	(100,000)
<b>Subtotal Transfer Out</b>		<b>(449,838)</b>	<b>(925,137)</b>	<b>(927,400)</b>	<b>(753,100)</b>	<b>(1,695,700)</b>
<b>Net All Transfers</b>		<b>\$ (131,838)</b>	<b>\$ (762,510)</b>	<b>\$ (767,400)</b>	<b>\$ (593,100)</b>	<b>\$ (1,535,700)</b>

# GENERAL FUND

## DEPARTMENT PURPOSE & OBJECTIVES

### Hierarchy of Departmental Reporting:



### Allocated Departmental Expenditures:

Historically, the Legal Services and Non-Departmental expenses were reported within separate departments within the general fund. However, as these services are utilized by all departments, the budget and actual costs in fiscal year 17/18 and budget for fiscal year 18/19 have been reallocated to all departments using a reasonable basis. As such, there is no budgetary schedule provided herein.

### General Fund Transfers Detail:

There are various types of transfers related to revenues and sources of funds, e.g. reallocating or transferring revenue actuals and budgets, intrafund transfers within the same fund, interfund transfers between funds, and contribution or subsidy transfers from the City’s General Fund to Enterprise Funds. Intrafund transfers are not reported in the financial statements because reporting of transfers is performed at the fund level.

## City Council (Department 10)



### Purpose

The City Council is the five member policy and legislative body of the City. The City Council of Cotati operates under the Council-Manager form of government, with five Council members elected at-large for staggered four year terms. The City Council, through the administrative authority of the City Manager, is responsible for the operation of the City, by setting policies and adopting City wide goals and priorities. The City Council formulates policies in the form of motions, resolutions, and ordinances, which reflect the best interests, needs, and priorities for the citizens and businesses of Cotati, as well as the visitors to the City of Cotati. The City Council budget reflects the costs associated with supporting the Council's activities and providing for the operations of the City. The City Council appoints the City Manager and the City Attorney, who report directly to the City Council. The City Council also appoints the members of the City's advisory commissions and committees. The City Council meets twice a month in regular session, conducts special meetings and study sessions as needed, and attends regional coordination meetings with other local government agencies.

### Strategic Planning Summary Goals and Objectives

- Community
- Infrastructure
- Economic Development



## City Manager's Office (Department 11)



Brittany Bober, Lauren Berges, and Katie Duran

### Purpose

The City Manager / City Clerk Office provides for the efficient and effective administration of the affairs of the City of Cotati including the following; support to the City Council including implementation and enforcement of the policies of the City Council, supervises all City Departments, manages human resources, maintains official City files including records of Council proceedings, disseminates public information, conducts municipal elections in accordance with California State Government Codes, negotiates and manages franchise agreements, administers the City's mobile home rent stabilization ordinance, and oversees Economic Development, Recreation and Successor Agency.

### Fiscal Year 2017/2018 Accomplishments

- Cannabis Business License Tax approved by voters
- Licensed Operations at Veronda-Falletti Ranch
- Comprehensive Personnel Rules Update
- Complete City Website Update
- Internal Financial Reporting Improvements
- Interim Cannabis Ordinances Approval and Repeal
- CalPERS Reporting Audit and Information Requests
- Assignment of Garbage Franchise to Recology
- Update and Consolidate City Fee Schedules
- Negotiate Sonoma State University entry into Sonoma County Public Safety Consortium
- Initiate Adopt a Landscape for US 101/116 Interchange

### Fiscal Year 2018/2019 Objectives

- Expanding Public Outreach, including newspaper and neighborhood meetings
- Focus on Community Art Project
- Customer service improvements
- Veronda-Falletti Ranch Operations Start-Up
- Corporation Yard Development
- Continued Financial Reporting Improvements
- City-Wide document filing system deployment
- Labor MOU Negotiations
- CM Office Lobby Reconfiguration
- Extended Producer Liability (Pharma)
- Styrofoam Reduction Initiative

## Administrative Services (Department 12)



Angela Schoenthal, Neil Tomlinson, and Angela Courter

### Purpose

The Administrative Services Department serves to support the financial management and reporting of the City, including: collection and disbursement of all City funds; processing payroll disbursements as well as related reporting, withholding and payroll benefits management; accounts payable processing; billing and collection of water, sewer, business license, and developmental user fees; maintenance of general ledgers and journals; investments of the City's idle funds; purchasing; information systems oversight and support; development and maintenance of long term economic impact analyses; budget preparation and administration; financial reporting; audit liaison and coordination, and oversight of the City Risk Management Program.

### Fiscal Year 2017/2018 Accomplishments

- Implement Purchase Order Requisition Module
- Implementing CAFR
- Financing Support (Sewer P-1)
- PERS And Investment Planning
- Develop Cannabis Business Tax Administrative Procedures
- Business License Form Online
- Received City's First CSFMO and GOFA Distinguished Budget Award

### Fiscal Year 2018/2019 Objectives

- Project Accounting System Implementation
- Cannabis Procedures Finalization
- New Auditor Selection
- Popular Annual Financial Report (PAFR)
- Business License Form, Active Submission Online
- Investment Planning
- Evaluate Pension Section 115 for PERS
- Implement Budget Module/Software
- Implement CAFR Software
- Automate Tracking of City Capital Assets
- Utility Cost Audit
- Utility Paperless Billing

## Community Development (Department 17)



Jon-Paul Harries, Keri Pajon, and Vicki Parker

### **Purpose**

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

### **Fiscal Year 2017/2018 Accomplishments**

- Establish Affordable Unit Buyer Qualification Process (Village Walk)
- Wayfinding Program Design Development, Public Process
- St. Joseph Park and Ride Property Sale Agreement for Hotel
- Develop Cannabis Licensing/Taxation Program
- Develop and Conduct Initial Round of Cannabis Business Permit Issuances
- Initiate Planning for Economic Development Strategy

### **Fiscal Year 2018/2019 Objectives**

- Wayfinding Program Implementation
- General Plan Amendment, Zone Change & CEQA for Veronda-Falletti Operations
- Completion of ED Strategy Implementation Plan
- ADU Plus New Housing Program Development
- Develop RFP for affordable housing project at Ryan Lane
- Neighborhood & Environmental Quality (Code Enforcement) Program & Initiation of Services
- Vacation Rental Ordinance
- Support Engineering Department development of CIP
- CAP Implementation
- Develop CEQA thresholds and process guidance for property owners (CTS)
- Develop holiday lights storefront contest

## Public Works (Departments 18-22)



Allan Martinoni Jennifer O’Hagan, Ralph Beltz, Trevor Brown, Grant Comini, Susan Wise, Anwar Mirza, and Craig Scott

### Purpose

The Public Works department provides engineering, street, storm drains, parks and building operations maintenance services. Engineering provides technical support to the various City departments, responds to citizen’s inquiries and requests regarding public infrastructure, performs development review and plan check under cost recovery, performs engineering and construction management of capital improvement projects and provides mapping and engineering records support.

### Fiscal Year 2017/2018 Accomplishments

- Cator Field Sidewalk ADA (2015/16 CDBG)
- City Wide Street Safety Projects
- SMART Quiet Zone Establishment
- City Wide Community Facility District Formation
- City Hall Main Conference Room Repainting
- Downtown Re-Landscaping
- Refurbish and Open Sunflower Park Restrooms
- Resurface Sunflower Park Tennis and Pickleball Courts
- Upgrade Sewer Main on St. Joseph Way
- CD/Engineering Office Remodel
- Well 1A Improvements
- Redwood Drive Storm Drain Replacement
- Water & Sewer Rate Study Update

### Fiscal Year 2018/2019 Objectives

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>● Update Engineering Standards</li><li>● Falletti Ranch Building Safety Improvements - Construction</li><li>● Cypress Tank Final Design</li><li>● Park Maintenance Projects</li><li>● City-wide Street Safety Projects</li><li>● Street Landscape Improvements</li><li>● La Plaza Park, School Street Tunnel, and McGinnis-Marsh Pathway Lighting Construction</li><li>● School Street Pathway (2016/17 CDBG)</li><li>● SCADA (Water/Sewer Control System), Phase II</li><li>● Wayfinding Sign Installation</li><li>● Bench Installation at Mosaic Wall Downtown</li></ul> | <ul style="list-style-type: none"><li>● Capital Improvement Program Update</li><li>● Manhole and Lateral Repairs</li><li>● P-1 Sewer (Laguna Bypass Sewer, Phase 1) - Construction</li><li>● New Sewer Meter Billing</li><li>● 2018/19 Pavement Preservation Program - Design &amp; Construction</li><li>● East Cotati Avenue Paving (OBAG2)</li><li>● Community Center &amp; City Hall Refurbishment</li><li>● St. Joseph Park and Ride In-Lieu Replacement Design</li></ul> |
|--|---|

## Police (Department 23)



**Top Row:** Cristina Montoya, Renee Harris, Christopher Kaupe, Cpl. Baudelia Gallo Macias, Bennet Knight, Carrie Peoples, Tyler Wardle, Brandon Mitchell, Kimberly Petersen, Katie Huldermann, and Kirsten Ott.

**Bottom Row:** Sgt. Craig Guydan, Lt. Bill French, Chief Michael Parish, Cpl. Paul Goodin, Brian Deaton, and K9 Remo.

### Purpose

The Police Department provides around the clock law enforcement services to the community 365 days a year. The Department is committed to the protection of life and property and to the prevention of criminal activity. To accomplish this, the Department strives to have a highly visible police presence while vigorously enforcing State laws and local ordinances. Police Officers are Peace Officers, working to maintain the public peace and to provide safety and security to the community. The Police Department is dedicated to maintaining a viable, proactive operation that recognizes and effectively responds to community needs and makes maximum use of available resources, personnel and technology.

### Fiscal Year 2017/2018 Accomplishments

- Assist with Cannabis Licensing/Taxation Program
- On-going Community Outreach: Initiated patrol beats, National Night Out, Coffee with a Cop, Nixle Community Updates, and Thomas Page Elementary School visits.
- Continue Enhanced Traffic/Pedestrian Safety and use of Bicycle Patrol
- Updated Bail Schedule (Fines Associated with Municipal Codes)
- Begin Dispatch Services for Sonoma State University
- Installed new Dispatch Radio Consoles
- Mutual Aid during 2017 Wildfires
- New Community Outreach: Parent Project, Initiated Police Facebook Page

### Fiscal Year 2018/2019 Objectives

- Evaluate License Plate Readers (LPR)
- Secure UASI Grant (new portable radios)
- Emergency Operation Plan Update (City/Regional)
- Cannabis Business Inspections (Start Up)
- Continue Existing Community Outreach: Patrol beats, National Night Out, Coffee With A Cop, Nixle Community Updates, Thomas Page Elementary School visits, Parent Project, Police Facebook Page
- Initiate new Community Outreach: Neighborhood meetings, Theft Awareness Cards
- Website: Make forms available online such as Dog License and Alarm Permits

## Recreation (Department 24)



Christian Delagnes and Ashley Wilson

### Purpose

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

### Fiscal Year 2017/2018 Accomplishments

- Implementation of Rec Desk for Online Registration/Payments
- Updated Facility Policy and Separate Park/Special Event Policy
- Updated Fees for Facilities and Park Rentals
- Community Yard Sale – Fundraiser
- Purchase outdoor movie screen
- Increased programming capacity with additional staffing
- Provided New City Events Including:
  - Bunny Brunch
  - Sweethearts Fairy Tale Dance
  - City Hall-oween
- Provided additional Sports and Educational Camps & Classes Including
  - Pilates, Youth Soccer, Gymnastics
  - Summer and School Break Camps

### Fiscal Year 2018/2019 Objectives

- Increase Scholarship Funding from Contributions
- Complete Park Master Plan
- Falletti Ranch Operator Joint Programing Collaboration
- Expand Movies in the Park Night
- Increase Programming Options
- Partnership Building with Sonoma State University and Other Local Schools

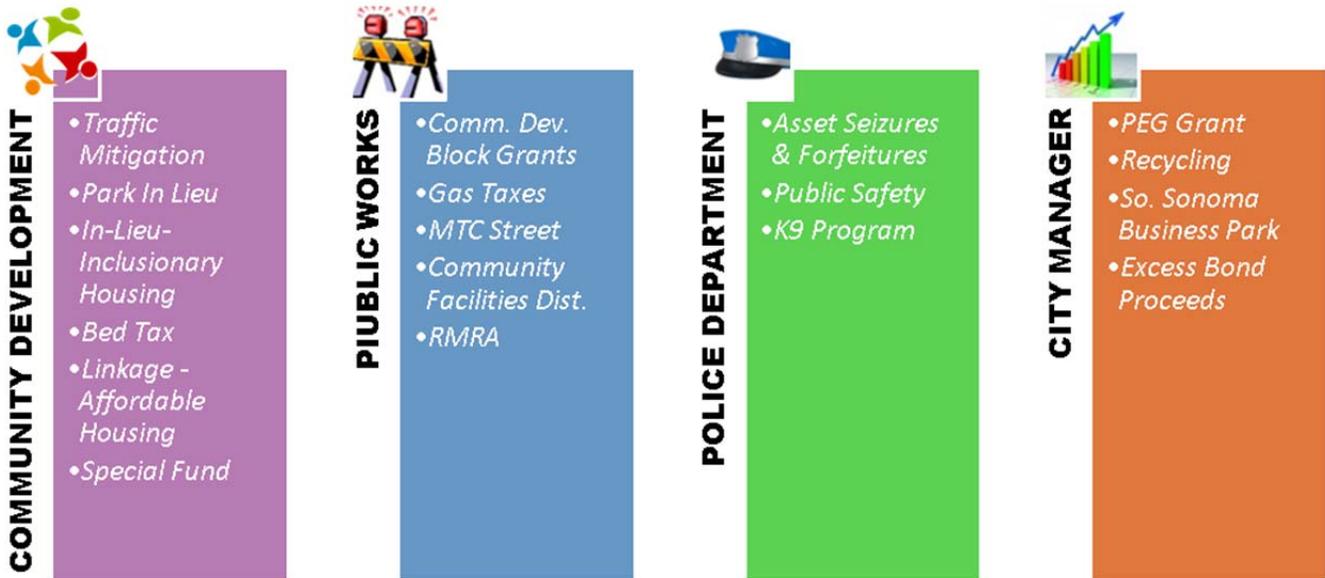
# SPECIAL REVENUE FUNDS

## What are Special Revenue Funds?

Special Revenue Funds are a group of accounts established by a government for restricted use to ensure that certain revenue sources are used or earmarked only for their specific purpose. This Special Revenue Fund type may be used to account for the proceeds of specific revenue sources that are legally restricted or restricted by City Council policy for a specified purpose.



## Departmental Oversight of Special Revenue Funds



## Special Revenue Funds Purpose & Objectives

### CDBG - Fund 202

Community Development Block Grant funds are administered by the County and may be used for projects that benefit low and moderate income residents or increase accessibility. The funding is used to improve accessibility or remove barriers to accessibility in public facilities, streets, and parks.

### Gas Taxes - Fund 203

Funds are received from City of Cotati's share of the Highway User Tax collected by the State from gasoline sales. The Highway Users Tax is also known as the "Motor Vehicle Fuel Tax" and "Gasoline Excise Tax". Proceeds are restricted to the operation and maintenance of city streets.

### MTC Street - Fund 204

This fund is utilized for revenues received for transportation and streets programs and funded by the Metropolitan Transportation Commission (MTC) or the Sonoma County Transportation Authority (SCTA). The MTC is the transportation planning, financing and coordinating agency for the nine-county San Francisco Bay Area. In November of 2004, Sonoma County passed the Traffic Relief Act (Measure M) which provides 0.25% sales tax that is used to maintain local streets, accelerate the widening of Hwy 101, restore and enhance transit services, support the development of passenger rail service and build safe bicycle and pedestrian routes. The Sonoma County Transportation Authority (SCTA) administers the sales tax receipts and distributions of the Sonoma County Measure M revenues.

### Traffic Mitigation - Fund 205

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

### Park In-Lieu - Fund 206

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

### PEG Grant - Fund 208

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

**Recycling - Fund 209**

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

**Asset Seizures & Forfeitures - Fund 210**

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

**Public Safety - Fund 211**

The Citizens Option for Public Safety (COPS) program provides funding to local agencies for the purpose of public safety. The funds are to supplement and not supplant existing funding for front line services. This fund also includes other Public Safety related grants.

**Inclusionary Housing - Fund 216**

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

**Excess Bond Proceeds Fund - Fund 219**

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

**Community Facilities District Fund - Fund 220**

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

**RMRA - Fund 221**

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

**Bed Tax - Fund 222**

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

**Linkage - Affordable Housing - Fund 223**

Non-Residential Affordable housing linkage fee.

**Special Fund - Fund 250**

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

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 202 - CDBG</b>					
<b>REVENUES</b>					
CDBG Grant	\$ 285,420	\$ 17,690	\$ 146,365	\$ 56,035	\$ 183,000
<b>Total Revenue</b>	<b>285,420</b>	<b>17,690</b>	<b>146,365</b>	<b>56,035</b>	<b>183,000</b>
<b>EXPENSES</b>					
Capital Projects					
School Street Pathway	42,381	10,484	-	-	-
School Street Pathway Phase 2	-	-	113,000	20,000	183,000
La Plaza North Sidewalk	159,022	11,959	-	-	-
ADA Sidewalk Improvements	147,866	8,388	-	-	-
Cator Field Access Improvements	1,170	27,602	133,365	100,300	-
<b>Total Expenses</b>	<b>350,439</b>	<b>58,433</b>	<b>246,365</b>	<b>120,300</b>	<b>183,000</b>
<b>TRANSFERS</b>					
Transfers In	63,515	40,743	100,000	64,265	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	<b>(1,504)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BEGINNING FUND BALANCE</b>	<b>1,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 203 - GAS TAXES FUND</b>					
<b>REVENUES</b>					
2103 Gas Tax	\$ 37,736	\$ 19,391	\$ 29,087	\$ 29,592	\$ 27,830
2105 Gas Tax	41,244	40,821	42,226	42,464	42,551
2106 Gas Tax	31,452	30,997	30,303	31,575	31,630
2107 Gas Tax	53,705	51,755	54,550	52,711	52,822
2107.5 Gas Tax	2,000	2,000	2,000	2,000	2,000
Loan Repayment	-	-	8,313	8,267	8,267
Road Maint./Rehab 2017 Act*	-	-	41,895	-	-
Interest	231	473	-	-	-
<b>Total Revenue</b>	<b>166,368</b>	<b>145,437</b>	<b>208,374</b>	<b>166,609</b>	<b>165,100</b>
<b>EXPENSES</b>					
SCTA Contributions	-	4,429	4,500	4,500	4,500
Other	-	-	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>4,429</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out - General Fund 101	(108,000)	-	-	-	-
Transfers Out - Grants Fund 201	(30,000)	(172,000)	-	-	-
Transfers Out - Capital Proj. Fund 605	-	-	(200,000)	(29,000)	(300,000)
<b>NET FUND SURPLUS</b>	<b>28,368</b>	<b>(30,992)</b>	<b>3,874</b>	<b>133,109</b>	<b>(139,400)</b>
<b>BEGINNING FUND BALANCE</b>	<b>25,025</b>	<b>53,393</b>	<b>26,682</b>	<b>22,401</b>	<b>155,510</b>
<b>ENDING BALANCE</b>	<b>\$ 53,393</b>	<b>\$ 22,401</b>	<b>\$ 30,556</b>	<b>\$ 155,510</b>	<b>\$ 16,110</b>

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

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 204 - MTC STREET FUND</b>					
<b>REVENUES</b>					
Sales Tax - Measure M	\$ 53,296	\$ 56,095	\$ 55,000	\$ 55,000	\$ 60,000
Interest	224	660	300	1,200	1,200
<b>Total Revenue</b>	<b>53,520</b>	<b>56,755</b>	<b>55,300</b>	<b>56,200</b>	<b>61,200</b>
<b>EXPENSES</b>					
Program Expense	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out - Capital Proj. Fund 605	-	-	(150,000)	(14,500)	(200,000)
<b>NET FUND SURPLUS</b>	<b>53,520</b>	<b>56,755</b>	<b>(94,700)</b>	<b>41,700</b>	<b>(138,800)</b>
<b>BEGINNING FUND BALANCE</b>	<b>12,682</b>	<b>66,202</b>	<b>123,821</b>	<b>122,957</b>	<b>164,657</b>
<b>ENDING BALANCE</b>	<b>\$ 66,202</b>	<b>\$ 122,957</b>	<b>\$ 29,121</b>	<b>\$ 164,657</b>	<b>\$ 25,857</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 205 - TRAFFIC MITIGATION FUND</b>					
<b>REVENUES</b>					
Traffic Mitigation	\$ 19,219	\$ 160,378	\$ 789,902	\$ 240,000	\$ 288,000
Interest	659	952	1,000	3,000	3,000
<b>Total Revenue</b>	<b>19,878</b>	<b>161,330</b>	<b>790,902</b>	<b>243,000</b>	<b>291,000</b>
<b>EXPENSES</b>					
Contract Services	3,830	3,650	-	-	-
Other	-	-	-	-	-
<b>Total Expenses</b>	<b>3,830</b>	<b>3,650</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out - Grants Fund 201	(140,000)	-	-	-	-
Transfers Out - Capital Proj. Fund 605	-	-	(27,000)	-	(22,000)
<b>NET FUND SURPLUS</b>	<b>(123,952)</b>	<b>157,680</b>	<b>763,902</b>	<b>243,000</b>	<b>269,000</b>
<b>BEGINNING FUND BALANCE</b>	<b>168,097</b>	<b>44,145</b>	<b>130,916</b>	<b>201,825</b>	<b>444,825</b>
<b>ENDING BALANCE</b>	<b>\$ 44,145</b>	<b>\$ 201,825</b>	<b>\$ 894,818</b>	<b>\$ 444,825</b>	<b>\$ 713,825</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 206 - PARK IN-LIEU FUND</b>					
<b>REVENUES</b>					
Park In-Lieu	\$ 69,940	\$ 15,689	\$ 72,879	\$ 6,500	\$ 30,500
Bed Tax - Parks*	-	10,700	47,050	-	-
Interest	2,861	2,586	-	2,500	2,500
Other Revenues	-	160	-	-	-
<b>Total Revenue</b>	<b>72,801</b>	<b>29,135</b>	<b>119,929</b>	<b>9,000</b>	<b>33,000</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out - Capital Proj. Fund 605	(269,156)	(154,176)	(215,240)	(140,240)	(125,000)
<b>NET FUND SURPLUS</b>	<b>(196,355)</b>	<b>(125,041)</b>	<b>(95,311)</b>	<b>(131,240)</b>	<b>(92,000)</b>
<b>BEGINNING FUND BALANCE</b>	<b>636,257</b>	<b>439,902</b>	<b>313,223</b>	<b>314,861</b>	<b>183,621</b>
<b>ENDING BALANCE</b>	<b>\$ 439,902</b>	<b>\$ 314,861</b>	<b>\$ 217,912</b>	<b>\$ 183,621</b>	<b>\$ 91,621</b>

\* Moved to Special Revenue FUND 222-BED TAX.

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 208 - PEG GRANT</b>					
<b>REVENUES</b>					
PEG Franchise Fees	\$ 18,697	\$ 20,351	\$ 19,000	\$ 19,000	\$ 19,000
Interest	10	55	-	125	100
<b>Total Revenue</b>	<b>18,707</b>	<b>20,406</b>	<b>19,000</b>	<b>19,125</b>	<b>19,100</b>
<b>EXPENSES</b>					
Dues and Subscriptions	10,692	11,956	14,000	14,000	14,000
Small Tools and Equipment	36	-	-	5,000	-
Fixed Assets-Equipment	3,097	-	-	-	-
<b>Total Expenses</b>	<b>13,825</b>	<b>11,956</b>	<b>14,000</b>	<b>19,000</b>	<b>14,000</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	<b>4,882</b>	<b>8,450</b>	<b>5,000</b>	<b>125</b>	<b>5,100</b>
<b>BEGINNING FUND BALANCE</b>	<b>2,331</b>	<b>7,213</b>	<b>15,982</b>	<b>15,663</b>	<b>15,788</b>
<b>ENDING BALANCE</b>	<b>\$ 7,213</b>	<b>\$ 15,663</b>	<b>\$ 20,982</b>	<b>\$ 15,788</b>	<b>\$ 20,888</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 209 - RECYCLING</b>					
<b>REVENUES</b>					
Garbage Franchise	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	27	-	-	-	-
CCPP Recycling	5,000	-	-	-	-
<b>Total Revenue</b>	<b>5,027</b>	-	-	-	-
<b>EXPENSES</b>					
Contract Services	5,000	-	-	-	-
<b>Total Expenses</b>	<b>5,000</b>	-	-	-	-
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	(110,000)	(5,310)	-	-	-
<b>NET FUND SURPLUS</b>	(109,973)	(5,310)	-	-	-
<b>BEGINNING FUND BALANCE</b>	115,283	5,310	5,283	-	-
<b>ENDING BALANCE</b>	<b>\$ 5,310</b>	<b>\$ -</b>	<b>\$ 5,283</b>	<b>\$ -</b>	<b>\$ -</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 210 - ASSET SEIZURE AND FORFEITURE</b>					
<b>REVENUES</b>					
Asset Forfeiture AB114	\$ 114,259	\$ 4,839	\$ 5,000	\$ -	\$ -
Interest	823	717	700	400	-
<b>Total Revenue</b>	<b>115,082</b>	<b>5,556</b>	<b>5,700</b>	<b>400</b>	<b>-</b>
<b>EXPENSES</b>					
Materials and Supplies	126	710	-	-	-
Fixed Assets-Equipment	27,024	5,428	-	55,563	-
Interest Expense	218	661	-	-	-
Dues and Subscriptions	900	5,183	-	-	-
Meeting and Training	3,850	-	-	-	-
Small Tools and Equipment	510	12,806	-	-	-
<b>Total Expenses</b>	<b>32,628</b>	<b>24,788</b>	<b>-</b>	<b>55,563</b>	<b>-</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	<b>82,454</b>	<b>(19,232)</b>	<b>5,700</b>	<b>(55,163)</b>	<b>-</b>
<b>BEGINNING FUND BALANCE</b>	<b>(3,835)</b>	<b>78,619</b>	<b>60,258</b>	<b>59,387</b>	<b>4,224</b>
<b>ENDING BALANCE</b>	<b>\$ 78,619</b>	<b>\$ 59,387</b>	<b>\$ 65,958</b>	<b>\$ 4,224</b>	<b>\$ 4,224</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 211 - PUBLIC SAFETY</b>					
<b>REVENUES</b>					
PSAF Prop 172	\$ -	\$ 54,058	\$ 45,000	\$ 45,000	\$ 45,000
State COPS Grant - SLESA	103,280	120,208	100,000	100,000	100,000
Avoid the 13 Grant	8,782	2,106	-	-	-
BSCC Operations	-	10,068	15,000	15,000	5,000
Interest	109	563	-	-	-
<b>Total Revenue</b>	<b>112,171</b>	<b>187,003</b>	<b>160,000</b>	<b>160,000</b>	<b>150,000</b>
<b>EXPENSES</b>					
Program Expense	-	-	-	15,000	5,000
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>5,000</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out - General Fund 101	(100,000)	(155,000)	(160,000)	(160,000)	(160,000)
<b>NET FUND SURPLUS</b>	<b>12,171</b>	<b>32,003</b>	<b>-</b>	<b>(15,000)</b>	<b>(15,000)</b>
<b>BEGINNING FUND BALANCE</b>	<b>36,390</b>	<b>48,561</b>	<b>48,560</b>	<b>80,564</b>	<b>65,564</b>
<b>ENDING BALANCE</b>	<b>\$ 48,561</b>	<b>\$ 80,564</b>	<b>\$ 48,560</b>	<b>\$ 65,564</b>	<b>\$ 50,564</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 212 - K9 PROGRAM</b>					
<b>REVENUES</b>					
Contributions	\$ 5,423	\$ 4,395	\$ 4,000	\$ 4,000	\$ 5,000
Interest	56	75	50	-	-
<b>Total Revenue</b>	<b>5,479</b>	<b>4,470</b>	<b>4,050</b>	<b>4,000</b>	<b>5,000</b>
<b>EXPENSES</b>					
Materials and Supplies	116	800	1,000	1,000	1,000
Contract Services	541	531	1,500	1,500	1,500
R&M - Vehicle	120	-	-	-	-
Meeting and Training	2,160	3,780	3,000	4,000	4,000
Small Tools and Equipment	41	-	-	-	-
<b>Total Expenses</b>	<b>2,978</b>	<b>5,111</b>	<b>5,500</b>	<b>6,500</b>	<b>6,500</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	2,501	(641)	(1,450)	(2,500)	(1,500)
<b>BEGINNING FUND BALANCE</b>	7,659	10,160	10,440	9,519	7,019
<b>ENDING BALANCE</b>	<b>\$ 10,160</b>	<b>\$ 9,519</b>	<b>\$ 8,990</b>	<b>\$ 7,019</b>	<b>\$ 5,519</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 215 - SOUTH SONOMA BUSINESS PARK</b>					
<b>REVENUES</b>					
Special Assessments	\$ 460,911	\$ 461,997	\$ 461,000	\$ 461,000	\$ 460,000
Penalties/Delinquencies	71,442	-	-	-	-
Interest	1,099	3,560	-	2,000	-
Other Penalties	28,209	-	-	-	-
Other Revenues	58	-	-	-	-
<b>Total Revenue</b>	<b>561,719</b>	<b>465,557</b>	<b>461,000</b>	<b>463,000</b>	<b>460,000</b>
<b>EXPENSES</b>					
Services - Legal	880	-	-	-	-
Services - Special Legal	41,585	-	5,000	-	3,000
Bank and Merchant Fees	-	736	-	-	-
Administrative Services	-	3,500	4,000	4,000	5,000
Contract Services	2,000	2,000	3,000	3,000	3,000
Bond Principal	135,000	145,000	155,000	155,000	165,000
Interest Expense	309,238	300,138	290,387	290,388	280,000
Trust and Agency Fees	4,135	3,367	4,000	4,000	4,000
<b>Total Expenses</b>	<b>492,838</b>	<b>454,741</b>	<b>461,387</b>	<b>456,388</b>	<b>460,000</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	68,881	10,816	(387)	6,612	-
<b>BEGINNING FUND BALANCE</b>	241,809	310,690	278,049	321,506	328,118
<b>ENDING BALANCE</b>	<b>\$ 310,690</b>	<b>\$ 321,506</b>	<b>\$ 277,662</b>	<b>\$ 328,118</b>	<b>\$ 328,118</b>
<b>ENDING FUND BALANCE ALLOCATION</b>					
Cash Held for Future Debt Payment	310,690	321,506	277,662	328,118	328,118
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 216 - IN-LIEU - INCLUSIONARY HOUSING</b>					
<b>REVENUES</b>					
Inclusionary Housing Fees	\$ -	\$ 110,930	\$ -	\$ -	\$ -
Interest	15,661	22,517	15,000	27,000	25,000
Public Benefit Monitoring	-	-	-	400	-
<b>Total Revenue</b>	<b>15,661</b>	<b>133,447</b>	<b>15,000</b>	<b>27,400</b>	<b>25,000</b>
<b>EXPENSES</b>					
Legal Fees	1,001	4,304	5,000	-	-
Housing Subsidy Costs	165,986	82,993	100,000	-	-
<b>Total Expenses</b>	<b>166,987</b>	<b>87,297</b>	<b>105,000</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	<b>(151,326)</b>	<b>46,150</b>	<b>(90,000)</b>	<b>27,400</b>	<b>25,000</b>
<b>BEGINNING FUND BALANCE</b>	<b>3,239,966</b>	<b>3,088,640</b>	<b>3,128,640</b>	<b>3,134,790</b>	<b>3,162,190</b>
<b>ENDING BALANCE</b>	<b>\$ 3,088,640</b>	<b>\$ 3,134,790</b>	<b>\$ 3,038,640</b>	<b>\$ 3,162,190</b>	<b>\$ 3,187,190</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 219 - EXCESS BOND PROCEEDS</b>					
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	-	-	-	-	-
<b>EXPENSES</b>					
Strategic Investment Expense	-	-	701,184	-	218,684
Park and Ride Lot Advance	-	-	-	75,000	407,500
<b>Total Expenses</b>	-	-	<b>701,184</b>	<b>75,000</b>	<b>626,184</b>
<b>TRANSFERS</b>					
Transfers In - Successor Agency 301	701,184	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	701,184	-	(701,184)	(75,000)	(626,184)
<b>BEGINNING FUND BALANCE</b>	-	701,184	701,184	701,184	626,184
<b>ENDING BALANCE</b>	<b>\$ 701,184</b>	<b>\$ 701,184</b>	<b>\$ -</b>	<b>\$ 626,184</b>	<b>\$ -</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 220 - COMMUNITY FACILITIES DISTRICT</b>					
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	-	-	-	-	-
<b>EXPENSES</b>					
Community Facilities Maintenance	-	-	-	-	-
<b>Total Expenses</b>	-	-	-	-	-
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	-	-	-	-	-
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	-
<b>ENDING BALANCE</b>	\$ -	\$ -	\$ -	\$ -	\$ -

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 221 - ROAD MAINTENANCE REHABILITATION ADMINISTRATION</b>					
<b>REVENUES</b>					
Road Maint./Rehab 2017 Act	\$ -	\$ -	\$ -	\$ 42,463	\$ 121,675
Interest	-	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>42,463</b>	<b>121,675</b>
<b>EXPENSES</b>					
Strategic Investment Expense	-	-	-	-	-
<b>Total Expenses</b>	-	-	-	-	-
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(150,000)
<b>NET FUND SURPLUS</b>	-	-	-	42,463	(28,325)
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	42,463
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,463</b>	<b>\$ 14,138</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 222 - BED TAX</b>					
<b>REVENUES</b>					
Bed Tax - Parks	\$ -	\$ -	\$ -	\$ 9,550	\$ 12,880
Interest	-	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>9,550</b>	<b>12,880</b>
<b>EXPENSES</b>					
Strategic Investment Expense	-	-	-	-	-
<b>Total Expenses</b>	-	-	-	-	-
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	-	-	-	9,550	12,880
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	9,550
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,550</b>	<b>\$ 22,430</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 223 - LINKAGE - AFFORDABLE HOUSING</b>					
<b>REVENUES</b>					
Linkage Fees	\$ -	\$ -	\$ -	\$ 94,600	\$ -
Interest	-	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>94,600</b>	-
<b>EXPENSES</b>					
Affordable Housing Expenses	-	-	-	-	4,000
<b>Total Expenses</b>	-	-	-	-	<b>4,000</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	-	-	-	94,600	(4,000)
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	94,600
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,600</b>	<b>\$ 90,600</b>

# CITY OF COTATI

## SPECIAL REVENUE FUNDS

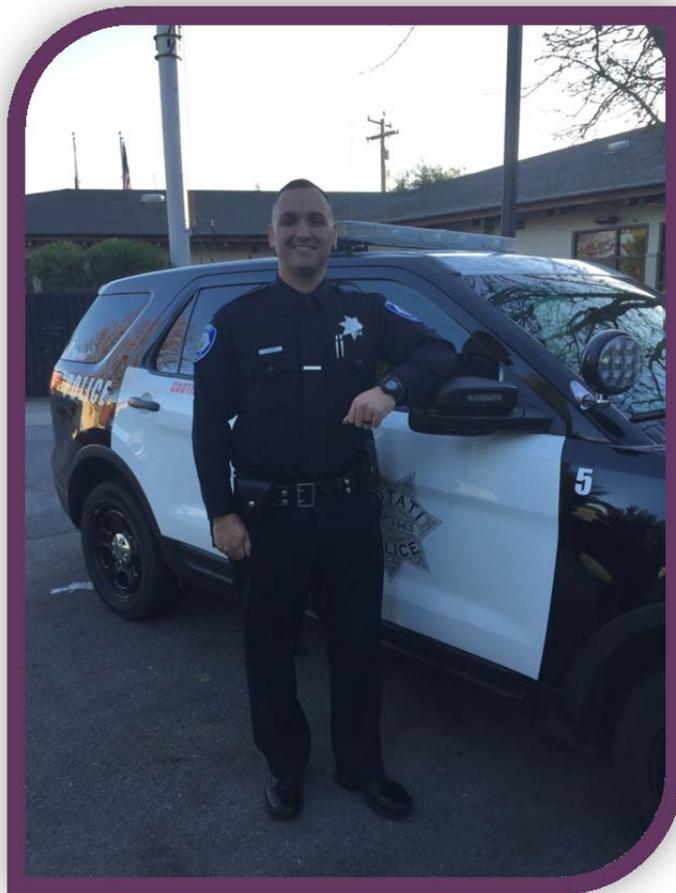


DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 250 - SPECIAL FUND</b>					
<b>REVENUES</b>					
Bus Lic CAsp-Cert Access	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
Interest	-	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>2,500</b>	<b>2,500</b>
<b>EXPENSES</b>					
CAsp Program Expenditures	-	-	-	-	-
<b>Total Expenses</b>	-	-	-	-	-
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	-	-	-	2,500	2,500
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	2,500
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>\$ 5,000</b>

# INTERNAL SERVICE FUNDS

## What is an Internal Service Fund?

According to the GFOA, an internal service fund is any fund that is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. Currently the City utilizes a Vehicle Replacement Fund and a newly created Compensated Absences Fund for these purposes.



## Internal Service Funds Purpose & Objectives

### Vehicle Replacement - Fund 501

This is a City established fund to provide an ongoing funding source for scheduled replacement of City vehicles. It is funded from transfers from funds responsible for contributing.

### Compensated Absences - Fund 502

This new fund for the budget year 18/19 was established to account for funding of compensated absences.

# CITY OF COTATI

## INTERNAL SERVICE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 501 - VEHICLE REPLACEMENT</b>					
<b>REVENUES</b>					
Interest	\$ 240	\$ 263	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>240</b>	<b>263</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>					
Replacement	8,379	-	-	-	-
Police Vehicle	-	43,409	45,000	50,000	50,000
<b>Total Expenses</b>	<b>8,379</b>	<b>43,409</b>	<b>45,000</b>	<b>50,000</b>	<b>50,000</b>
<b>TRANSFERS</b>					
Transfers In - General Fund 101	-	-	150,000	150,000	100,000
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	<b>(8,139)</b>	<b>(43,146)</b>	<b>105,000</b>	<b>100,000</b>	<b>50,000</b>
<b>BEGINNING FUND BALANCE</b>	<b>55,709</b>	<b>47,570</b>	<b>4,500</b>	<b>4,424</b>	<b>104,424</b>
<b>ENDING BALANCE</b>	<b>\$ 47,570</b>	<b>\$ 4,424</b>	<b>\$ 109,500</b>	<b>\$ 104,424</b>	<b>\$ 154,424</b>

# CITY OF COTATI

## INTERNAL SERVICE FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 502 - COMPENSATED ABSENCES</b>					
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	-	-	-	-	-
<b>EXPENSES</b>					
Other Expenses	-	-	-	-	-
<b>Total Expenses</b>	-	-	-	-	-
<b>TRANSFERS</b>					
Transfers In - General Fund 101	-	-	-	-	200,000
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	-	-	-	-	200,000
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	-
<b>ENDING BALANCE</b>	\$ -	\$ -	\$ -	\$ -	\$ 200,000

# ENTERPRISE FUNDS

## What are Enterprise Funds?

These funds are used for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

For the City of Cotati, these funds establish a separate account and financial reporting mechanism for municipal services (Water and Sewer) for which a fee is charged in exchange for goods or services.

The Water and Sewer Enterprise funds are wholly supported by customer rates and new connection fees.



## Enterprise Funds Purpose & Objectives

### Water - Funds 401-403

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

### Sewer - Funds 404-405

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

## Enterprise Funds Budget Assumptions

### WATER FUND:

- Water rates are determined by the cost of maintaining, operating, distributing and treating water. Currently the city is completing a new rate study to evaluate the appropriateness of the current billings to customers
- Proposed Capital Project Improvements totaling \$180,000
- Increase in Operating Expense due to the indirect cost allocation charge and purchased water

### Sewer Fund:

- Sewer Usage is calculated based on the average water usage for the two lowest billed periods. This method provides that the customer is only charged based on indoor usage, and not for usage associated with summer irrigation.
- Proposed Capital Improvement Projects totaling approximately \$2,800,000
- Increase in Operating Expense due to the indirect cost allocation charge and increasing cost of wastewater treatment charges.

# WATER COMBINED REPORTING FUNDS 401-403



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>REVENUES</b>					
Charges for Services	\$ 1,363,731	\$ 1,540,192	\$ 1,870,020	\$ 1,638,400	\$ 1,712,800
Connection Fees	38,075	237,040	415,800	123,800	260,000
Other Revenues	1,400,916	-	1,500	-	-
<b>Total Revenues</b>	<b>2,802,722</b>	<b>1,777,231</b>	<b>2,287,320</b>	<b>1,762,200</b>	<b>1,972,800</b>
<b>OPERATING EXPENSES</b>					
Operations Fund 401	1,173,333	1,313,577	1,370,721	1,430,511	1,544,517
Capital Fund 402	2,250	3,274	3,250	135	-
<b>Total Expenses</b>	<b>1,175,583</b>	<b>1,316,851</b>	<b>1,373,971</b>	<b>1,430,646</b>	<b>1,544,517</b>
<b>NET OPERATING SURPLUS</b>	1,627,139	460,380	913,349	331,554	428,283
<b>NET OTHER SOURCES /(USES)</b>	(1,964,406)	(682,155)	(234,219)	(196,169)	(282,600)
<b>NET TRANSFERS</b>	-	301,019	(40,670)	(80,246)	-
<b>NET SURPLUS/(DEFICIT)</b>	<b>(337,267)</b>	<b>79,244</b>	<b>638,460</b>	<b>55,139</b>	<b>145,683</b>
<b>BEGINNING FUND BALANCE</b>	<b>1,738,157</b>	<b>1,400,890</b>	<b>1,521,959</b>	<b>1,480,134</b>	<b>1,535,273</b>
<b>ENDING BALANCE</b>	<b>1,400,890</b>	<b>1,480,134</b>	<b>2,160,419</b>	<b>1,535,273</b>	<b>1,680,956</b>

# SEWER COMBINED REPORTING

## FUNDS 404-405



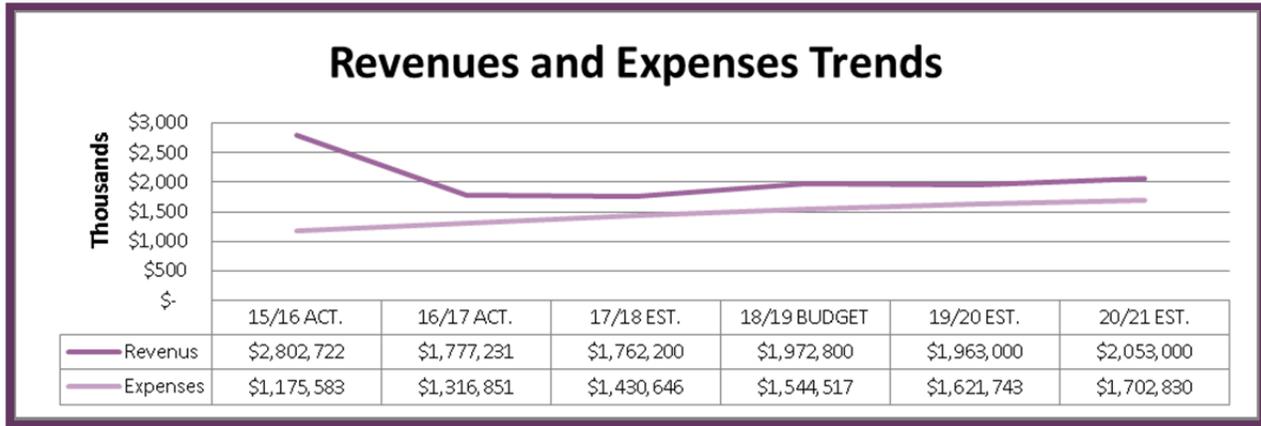
DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>REVENUES</b>					
Charges for Services	\$ 1,982,263	\$ 1,934,262	\$ 1,825,650	\$ 1,990,000	\$ 2,089,500
Connection Fees	397,974	503,940	929,306	248,200	496,000
Connection Fee - Subregional	-	-	220,363	-	-
Special Assessment Fee	-	1,761	2,000	750	-
Debt Proceeds	-	129,573	104,469	361,095	104,600
Other Reimbursements	23,100	-	-	-	-
Other Revenues	-	-	-	41,750	77,400
<b>Total Revenues</b>	<b>2,403,337</b>	<b>2,569,537</b>	<b>3,081,788</b>	<b>2,641,795</b>	<b>2,767,500</b>
<b>OPERATING EXPENSES</b>					
Operations Fund 404	430,517	659,570	724,821	709,523	794,114
Wastewater Treatment					
Operations	1,198,930	831,022	907,699	907,699	971,842
Capital-Subregional	402,641	854,572	773,950	773,950	826,034
<b>Total Expenses</b>	<b>2,032,088</b>	<b>2,345,164</b>	<b>2,406,470</b>	<b>2,391,172</b>	<b>2,591,990</b>
<b>NET OPERATING SURPLUS</b>	371,249	224,373	675,318	250,623	175,510
<b>NET OTHER SOURCES /(USES)</b>	2,850	(53,820)	(3,083,750)	(558,800)	(2,813,000)
<b>NET TRANSFERS</b>	(1,400,916)	(363,981)	(40,670)	(80,246)	-
<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,026,817)</b>	<b>(193,428)</b>	<b>(2,449,102)</b>	<b>(388,423)</b>	<b>(2,637,490)</b>
<b>BEGINNING FUND BALANCE</b>	<b>7,772,217</b>	<b>6,745,400</b>	<b>6,441,005</b>	<b>6,551,972</b>	<b>6,163,549</b>
<b>ENDING BALANCE</b>	<b>6,745,400</b>	<b>6,551,972</b>	<b>3,991,903</b>	<b>6,163,549</b>	<b>3,526,059</b>

**WATER FUNDS**

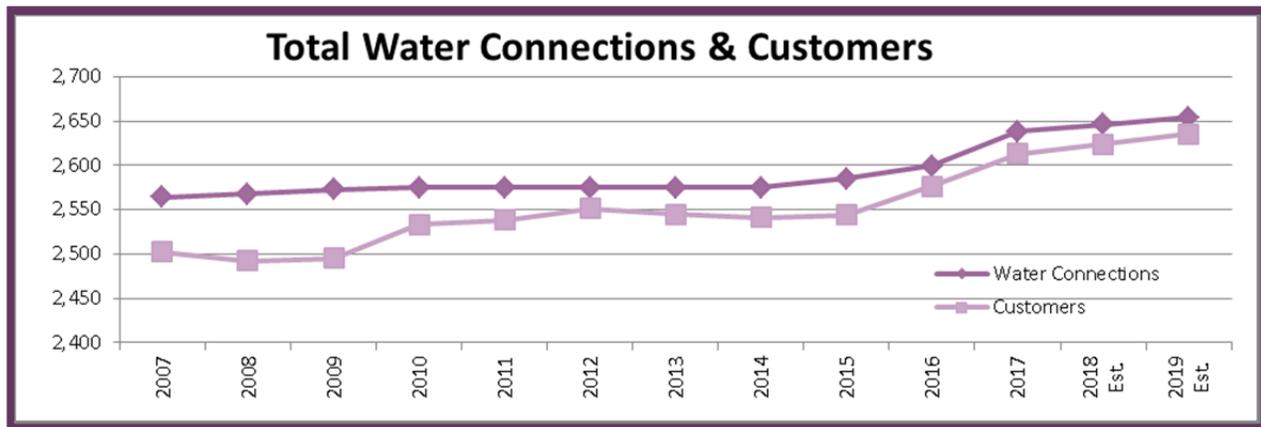
**401-403**



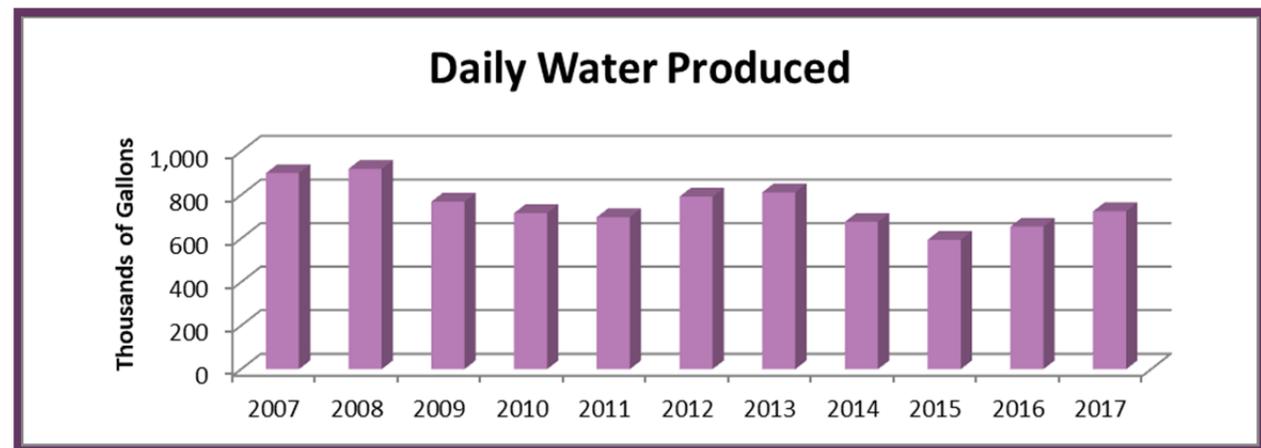
## Water Fund Statistics, Expectations, and Trends



Revenues for estimated years 19/20 and 20/21 were calculated assuming (1) Charges for Services have a 5% increase each year and expected increase in customers due to new home construction (2) Connection Fees follow the change consistent with the historical average. Expenditures for Operating the Water Fund are estimated to follow the same 5% increase in both 19/20 & 20/21.



Total number of Connections and Customers are expected to increase using the Average historical change for the last 10 years.



# CITY OF COTATI

## ENTERPRISE WATER FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 401 - WATER OPERATING</b>					
<b>OPERATING REVENUES</b>					
Charges for Services					
Sale of Water - Usage	\$ 680,041	\$ 755,544	\$ 825,000	\$ 950,000	\$ 997,500
Sale of Water - Fixed	634,367	602,806	667,199	650,000	682,500
Customer Fees	-	69,908	38,520	20,600	25,000
Other Reimbursements	475	411	1	-	-
Special Assessment Backflow	819	565	3,000	1,000	1,000
Charges for Services	<b>1,315,702</b>	<b>1,429,234</b>	<b>1,533,720</b>	<b>1,621,600</b>	<b>1,706,000</b>
Other Revenues	-	-	1,500	-	-
<b>Total Operating Revenues</b>	<b>1,315,702</b>	<b>1,429,234</b>	<b>1,535,220</b>	<b>1,621,600</b>	<b>1,706,000</b>
<b>OPERATING EXPENSES</b>					
<b>Water Operations</b>					
Personnel Services	526,785	547,854	557,022	556,797	623,610
Services and Supplies	267,728	400,254	431,699	443,459	472,907
Purchased Water	378,820	365,469	382,000	430,255	448,000
<b>Total Operating Expenses</b>	<b>1,173,333</b>	<b>1,313,577</b>	<b>1,370,721</b>	<b>1,430,511</b>	<b>1,544,517</b>
<b>NET OPERATING SURPLUS</b>	142,369	115,657	164,499	191,089	161,483
<b>OTHER SOURCES</b>					
Grants from Other Agencies	-	30,000	-	-	-
Loan From Sewer	1,400,916	-	-	-	-
Interest Earnings	4,115	4,540	3,000	-	-
<b>Total Other Sources</b>	<b>1,405,031</b>	<b>34,540</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
<b>OTHER USES</b>					
Capital Improvements	-	(1,142)	-	-	-
Debt Service	-	-	-	-	-
Principal	(43,927)	(84,874)	(86,154)	(86,154)	(87,500)
Interest	(18,158)	(19,595)	(18,315)	(18,315)	(17,100)
<b>Total Other Uses</b>	<b>(62,085)</b>	<b>(105,611)</b>	<b>(104,469)</b>	<b>(104,469)</b>	<b>(104,600)</b>
<b>Net Other Sources/(Uses)</b>	<b>1,342,946</b>	<b>(71,071)</b>	<b>(101,469)</b>	<b>(104,469)</b>	<b>(104,600)</b>
<b>NET OTHER ADJUSTMENTS/TRANSFERS</b>					
Water Recycling	-	709,233	-	-	-
Sewer Capital Fund	-	332,500	-	-	-
Water Capital Fund	(1,910,450)	(622,800)	(174,420)	(175,246)	(180,000)
Compensated Absences	-	-	-	-	-
<b>Net All Transfers</b>	<b>(1,910,450)</b>	<b>418,933</b>	<b>(174,420)</b>	<b>(175,246)</b>	<b>(180,000)</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(425,135)</b>	<b>463,519</b>	<b>(111,390)</b>	<b>(88,626)</b>	<b>(123,117)</b>
<b>BEGINNING FUND BALANCE</b>	<b>993,096</b>	<b>567,961</b>	<b>1,152,077</b>	<b>1,031,480</b>	<b>942,854</b>
<b>ENDING BALANCE</b>	<b>567,961</b>	<b>1,031,480</b>	<b>1,040,687</b>	<b>942,854</b>	<b>819,737</b>
<b>OPERATING RESERVE (33% PER POLICY)</b>	<b>387,200</b>	<b>433,480</b>	<b>452,338</b>	<b>472,069</b>	<b>509,691</b>
<b>GENERAL RESERVE</b>	<b>180,761</b>	<b>598,000</b>	<b>588,349</b>	<b>470,785</b>	<b>310,047</b>
<b>TOTAL RESERVE</b>	<b>567,961</b>	<b>1,031,480</b>	<b>1,040,687</b>	<b>942,854</b>	<b>819,737</b>

# CITY OF COTATI

## ENTERPRISE WATER FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 402 - WATER CAPITAL</b>					
<b>OPERATING REVENUES</b>					
Charges for Services					
Collection System	\$ 10,500	\$ 26,250	\$ 75,600	\$ -	\$ -
Meter	1,815	13,280	40,400	16,400	6,800
Fire Sprinklers	35,714	71,428	220,300	400	-
Charges for Services	<b>48,029</b>	<b>110,958</b>	<b>336,300</b>	<b>16,800</b>	<b>6,800</b>
Connection Fees	38,075	237,040	415,800	123,800	260,000
<b>Total Operating Revenues</b>	<b>86,104</b>	<b>347,997</b>	<b>752,100</b>	<b>140,600</b>	<b>266,800</b>
<b>OPERATING EXPENSES</b>					
<b>Water Capital</b>					
Engineering Fee	-	-	-	-	-
Other Contract Services	-	-	-	-	-
<b>Water Capital</b>	-	-	-	-	-
Other Expenses	2,250	3,274	3,250	135	-
<b>Total Operating Expenses</b>	<b>2,250</b>	<b>3,274</b>	<b>3,250</b>	<b>135</b>	<b>-</b>
<b>NET OPERATING SURPLUS</b>	<b>83,854</b>	<b>344,723</b>	<b>748,850</b>	<b>140,465</b>	<b>266,800</b>
<b>OTHER SOURCES</b>					
Interest Earnings	439	2,168	1,000	3,300	2,000
<b>Total Other Sources</b>	<b>439</b>	<b>2,168</b>	<b>1,000</b>	<b>3,300</b>	<b>2,000</b>
<b>OTHER USES</b>					
Equipment	-	-	(8,750)	-	-
Capital Improvements					
Cypress Tank	(53,939)	-	-	-	(150,000)
Sierra Tank	(95,638)	-	-	-	-
Scada System	(15,095)	(38,248)	(40,000)	(10,000)	(30,000)
SCEIF AMR METER	(1,738,218)	(29,470)	-	-	-
W. Cotati Water Main	(7,561)	(501,339)	-	-	-
Well 1A	-	(47,959)	(85,000)	(85,000)	-
Special Capital Projects	-	-	-	-	-
<b>Total Other Uses</b>	<b>(1,910,450)</b>	<b>(617,016)</b>	<b>(133,750)</b>	<b>(95,000)</b>	<b>(180,000)</b>
<b>Net Other Sources/(Uses)</b>	<b>(1,910,011)</b>	<b>(614,848)</b>	<b>(132,750)</b>	<b>(91,700)</b>	<b>(178,000)</b>
<b>NET OTHER ADJUSTMENTS/TRANSFERS</b>					
Exp. Reimb. Fund 605	-	(31,481)	(40,670)	(80,246)	-
Water Operating Fund 401		290,300	174,420	175,246	180,000
Sewer Capital Fund 405	1,910,450	332,500	-	-	-
<b>Net All Transfers</b>	<b>1,910,450</b>	<b>591,319</b>	<b>133,750</b>	<b>95,000</b>	<b>180,000</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>84,293</b>	<b>321,194</b>	<b>749,850</b>	<b>143,765</b>	<b>268,800</b>
<b>BEGINNING FUND BALANCE</b>	<b>43,167</b>	<b>127,460</b>	<b>369,882</b>	<b>448,654</b>	<b>592,419</b>
<b>ENDING BALANCE</b>	<b>127,460</b>	<b>448,654</b>	<b>1,119,732</b>	<b>592,419</b>	<b>861,219</b>

# CITY OF COTATI

## ENTERPRISE WATER FUNDS



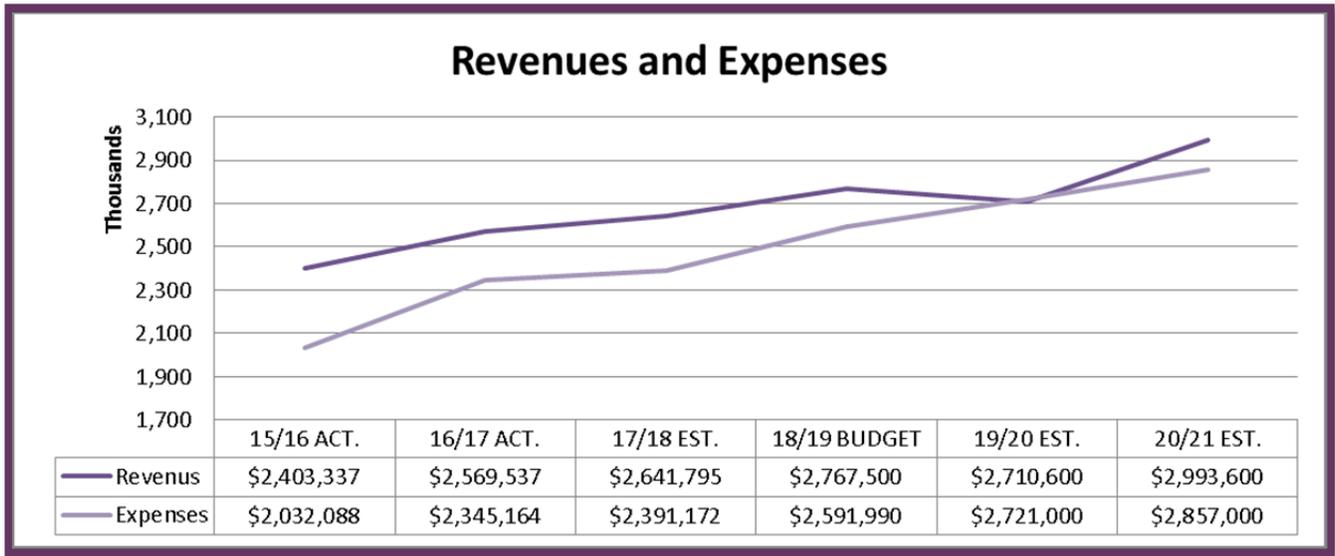
DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 403 - WATER RECYCLE</b>					
<b>OPERATING REVENUES</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	3,575	3,764	-	-	-
Other Revenues	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>3,575</b>	<b>3,764</b>	-	-	-
<b>OPERATING EXPENSES</b>					
<b>Water Recycle</b>					
Special Engineering Services	-	-	-	-	-
<b>Water Recycle</b>	-	-	-	-	-
Other Expenses	-	-	-	-	-
<b>Total Operating Expenses</b>	-	-	-	-	-
<b>NET OPERATING SURPLUS</b>	<b>3,575</b>	<b>3,764</b>	-	-	-
<b>OTHER SOURCES</b>					
Interest Earnings	-	-	-	-	-
<b>Total Other Sources</b>	-	-	-	-	-
<b>OTHER USES</b>					
Equipment	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Special Capital Projects	-	-	-	-	-
<b>Total Other Uses</b>	-	-	-	-	-
<b>Net Other Sources/(Uses)</b>	-	-	-	-	-
<b>NET OTHER ADJUSTMENTS/TRANSFERS</b>					
Water Operating Fund 401	-	(709,233)	-	-	-
<b>Net All Transfers</b>	-	<b>(709,233)</b>	-	-	-
<b>NET SURPLUS/(DEFICIT)</b>	<b>3,575</b>	<b>(705,469)</b>	-	-	-
<b>BEGINNING FUND BALANCE</b>	<b>701,894</b>	<b>705,469</b>	-	-	-
<b>ENDING BALANCE</b>	<b>705,469</b>	-	-	-	-

SEWER FUNDS

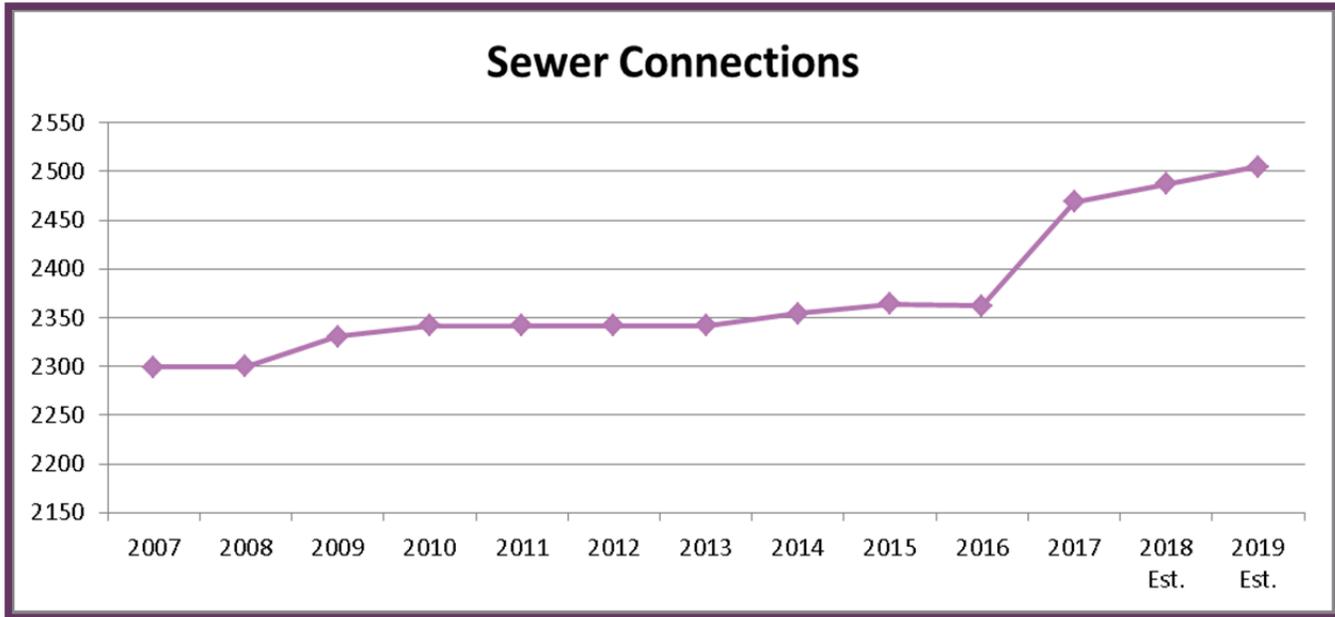
404-405



## Sewer Fund Statistics, Expectations, and Trends



Revenues for estimated years 19/20 and 20/21 were calculated assuming (1) Charges for Services have a 5% increase each year and (2) Connection Fees follow the change consistent with the historical average (3) Debt proceeds are consistent with no early payments received. Operating and capital expenditures for sub-regional debt are estimated to follow the same 5% increase in both 19/20 & 20/21.



The total number of Connections and Customers are expected to increase using the Average historical change for the last 10 years.

# CITY OF COTATI

## ENTERPRISE SEWER FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 404 - SEWER OPERATING</b>					
<b>OPERATING REVENUES</b>					
<b>Charges for Services</b>					
Usage	\$ 1,014,622	\$ 963,660	\$ 867,650	\$ 1,000,000	\$ 1,050,000
Base	965,518	970,602	958,000	990,000	1,039,500
Reimbursements	332	-	-	-	-
Special Assessment	1,791	-	-	-	-
<b>Total Charges for Services</b>	<b>1,982,263</b>	<b>1,934,262</b>	<b>1,825,650</b>	<b>1,990,000</b>	<b>2,089,500</b>
Connection Fee - Subreg Debt Service	-	-	220,363	-	-
Special Assessment - Sewer	-	1,761	2,000	750	-
Other Reimbursements	-	-	-	-	-
Other Revenues	-	-	-	41,750	77,400
<b>Total Operating Revenues</b>	<b>1,982,263</b>	<b>1,936,023</b>	<b>2,048,013</b>	<b>2,032,500</b>	<b>2,166,900</b>
<b>OPERATING EXPENSES</b>					
<b>Sewer Operations</b>					
Personnel Services	358,124	485,374	537,414	533,355	604,859
Services and Supplies	72,393	162,928	187,407	176,167	189,256
<b>Sewer Operations</b>	<b>430,517</b>	<b>648,302</b>	<b>724,821</b>	<b>709,523</b>	<b>794,114</b>
<b>Wastewater Treatment</b>					
Capital - Subreg Debt Service	-	-	773,950	773,950	826,034
Operations	1,198,930	831,022	907,699	907,699	971,842
<b>Total Operating Expenses</b>	<b>1,629,447</b>	<b>1,479,324</b>	<b>2,406,470</b>	<b>2,391,172</b>	<b>2,591,990</b>
<b>NET OPERATING SURPLUS</b>	<b>352,816</b>	<b>456,699</b>	<b>(358,457)</b>	<b>(358,672)</b>	<b>(425,090)</b>
<b>OTHER SOURCES</b>					
Interest Earnings	13,887	22,801	15,000	15,000	15,000
<b>Total Other Sources</b>	<b>13,887</b>	<b>22,801</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>OTHER USES</b>					
Equipment	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>Total Other Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Other Sources/(Uses)</b>	<b>13,887</b>	<b>22,801</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>NET OTHER ADJUSTMENTS/TRANSFERS</b>					
Sewer Capital Fund 405	(5,581)	(399,500)	-	-	-
Compensated Absences	-	-	-	-	-
<b>Net All Transfers</b>	<b>(5,581)</b>	<b>(399,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>361,122</b>	<b>80,000</b>	<b>(343,457)</b>	<b>(343,672)</b>	<b>(410,090)</b>
<b>BEGINNING FUND BALANCE</b>	<b>2,363,426</b>	<b>2,724,548</b>	<b>2,868,047</b>	<b>2,804,548</b>	<b>2,460,876</b>
<b>ENDING BALANCE</b>	<b>2,724,548</b>	<b>2,804,548</b>	<b>2,524,590</b>	<b>2,460,876</b>	<b>2,050,786</b>
<b>OPERATING RESERVE (33% PER POLICY)</b>	<b>537,718</b>	<b>488,177</b>	<b>794,135</b>	<b>789,087</b>	<b>855,357</b>
<b>GENERAL RESERVE</b>	<b>2,186,830</b>	<b>2,316,371</b>	<b>1,730,455</b>	<b>1,671,790</b>	<b>1,195,429</b>
<b>TOTAL RESERVE</b>	<b>2,724,548</b>	<b>2,804,548</b>	<b>2,524,590</b>	<b>2,460,876</b>	<b>2,050,786</b>

# CITY OF COTATI

## ENTERPRISE SEWER FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 405 - SEWER CAPITAL</b>					
<b>OPERATING REVENUES</b>					
Charges for Services					
Collection System	\$ 323,134	\$ 36,567	\$ -	\$ 37,000	\$ 30,000
Sewer Connection Fees	74,840	466,077	929,306	210,000	465,000
Sewer Application Fees	-	1,296	-	1,200	1,000
Other Reimbursements	23,100	-	-	-	-
<b>Total Operating Revenues</b>	<b>421,074</b>	<b>503,940</b>	<b>929,306</b>	<b>248,200</b>	<b>496,000</b>
<b>OPERATING EXPENSES</b>					
<b>Wastewater Treatment</b>					
Contract Services	-	11,268	-	-	-
Capital	402,641	854,572	-	-	-
<b>Total Operating Expenses</b>	<b>402,641</b>	<b>865,840</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET OPERATING SURPLUS</b>	<b>18,433</b>	<b>(361,899)</b>	<b>929,306</b>	<b>248,200</b>	<b>496,000</b>
<b>OTHER SOURCES</b>					
Loan Payments – from General Fund	-	23,962	-	256,626	-
Loan Payments – from Water Fund	-	105,611	104,469	104,469	104,600
Interest Earnings	18,519	-	20,000	29,800	2,000
<b>Total Other Sources</b>	<b>18,519</b>	<b>129,573</b>	<b>124,469</b>	<b>390,895</b>	<b>106,600</b>
<b>OTHER USES</b>					
Equipment	-	-	(8,750)	-	-
Capital Improvements					
St. Joseph	(29,556)	-	-	-	-
SCADA Phase 2	-	(2,329)	(20,000)	(20,000)	(5,000)
Sewer Billing Meter	-	-	(40,000)	-	-
St. Joseph Way Main Replacement	-	(7,975)	(100,000)	(183,600)	-
Manhole Lateral Repair/Improvement	-	-	(50,000)	-	-
P1 Pipeline/Laguna Sewer Bypass	-	(66,317)	(2,900,000)	(400,000)	(2,825,000)
Special Capital Projects	-	-	-	-	-
<b>Total Other Uses</b>	<b>(29,556)</b>	<b>(76,621)</b>	<b>(3,118,750)</b>	<b>(603,600)</b>	<b>(2,830,000)</b>
<b>Net Other Sources/(Uses)</b>	<b>(11,037)</b>	<b>52,952</b>	<b>(2,994,281)</b>	<b>(212,705)</b>	<b>(2,723,400)</b>
<b>NET OTHER ADJUSTMENTS/TRANSFERS</b>					
Water Loan	(1,400,916)	-	-	-	-
Sewer Operating	5,581	399,500	-	-	-
Sewer's Cost Portion - AMI	-	-	-	-	-
Water Operating Fund 401	-	(332,500)	-	-	-
Exp. Reimb. Fund 605	-	(31,481)	(40,670)	(80,246)	-
<b>Net All Transfers</b>	<b>(1,395,335)</b>	<b>35,519</b>	<b>(40,670)</b>	<b>(80,246)</b>	<b>-</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,387,939)</b>	<b>(273,428)</b>	<b>(2,105,645)</b>	<b>(44,751)</b>	<b>(2,227,400)</b>
<b>BEGINNING FUND BALANCE</b>	<b>5,408,791</b>	<b>4,020,852</b>	<b>3,572,958</b>	<b>3,747,424</b>	<b>3,702,673</b>
<b>ENDING BALANCE</b>	<b>4,020,852</b>	<b>3,747,424</b>	<b>1,467,313</b>	<b>3,702,673</b>	<b>1,475,273</b>

# FIDUCIARY FUNDS

## What are Fiduciary Funds?

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

## Fiduciary Funds Purpose & Objectives

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



# FIDUCIARY FUND SUCCESSOR AGENCY



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 301 - SUCCESSOR AGENCY</b>					
<b>ADDITIONS</b>					
RPTTF - Tax Allocation Bonds	\$ 817,505	\$ 812,231	\$ 820,927	\$ 820,927	\$ 833,123
ROPS RPTTF - Admin	250,000	250,000	250,000	250,000	250,000
Long Range Property Mgmt Plan Implementation & Development	76,000	-	-	-	-
Pass Through Payment Requirements	47,130	49,454	51,824	51,824	54,242
Other Fiscal Fees	8,900	10,050	8,000	8,000	11,500
DOF Adjustments	(629,529)	(106,461)	-	-	-
<b>TOTAL ROPS ADDITIONS</b>	<b>570,006</b>	<b>1,015,274</b>	<b>1,130,751</b>	<b>1,130,751</b>	<b>1,148,865</b>
<b>DEDUCTIONS</b>					
Debt obligations	817,505	812,231	820,927	820,927	833,123
<b>ADMINISTRATIVE</b>					
<b>PERSONNEL SERVICES</b>					
Salaries	150,998	145,851	139,474	139,474	145,856
Benefits	61,826	53,357	52,653	52,653	61,757
<b>Total personnel services</b>	<b>212,824</b>	<b>199,208</b>	<b>192,127</b>	<b>192,127</b>	<b>207,613</b>
Other administrative	37,176	50,792	57,873	57,873	42,387
<b>TOTAL ADMINISTRATIVE</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
Long Range Property Management Plan Implementation	41,000	-	35,000	-	35,000
Payments on pass-through agreement	47,130	49,454	51,824	51,824	54,242
<b>FISCAL FEES</b>					
Bond Disclosure/Arbitrage Reports	4,900	2,500	2,500	2,500	2,500
Bond Trustee Services	4,000	7,840	5,500	5,500	9,000
<b>Total Deductions</b>	<b>1,164,535</b>	<b>1,122,025</b>	<b>1,165,751</b>	<b>1,130,751</b>	<b>1,183,865</b>
<b>OTHER SOURCES/(USES)</b>					
Reimbursements From Other Funds	596,600	106,751	-	-	-
<b>Total Other Sources/(Uses)</b>	<b>596,600</b>	<b>106,751</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCREASE/(DECREASE) NET POSITION</b>	<b>2,071</b>	<b>-</b>	<b>(35,000)</b>	<b>-</b>	<b>(35,000)</b>
<b>BEGINNING NET POSITION</b>	<b>32,929</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>
<b>ENDING NET POSITION</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>

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# CAPITAL AND DEBT



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# CAPITAL PROJECTS FUNDS

Capital Project Funds are established by a government to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds.) Not all government's capital acquisitions need to be accounted for in that fund, such as police vehicles or copiers.

## Impact of Capital Investments on Operating Budget

The City reviews possible capital projects and the cost and benefit of each in order to identify which projects to pursue and which should be held off for future years. During this process, specific significant financial and non-financial impacts to both current and future years are also identified. Some examples of significant financial impacts are those which; require new revenue streams, would result in a reduction in spending elsewhere in the budget, or would require additional staffing.

For the capital projects included in the current year budget, no significant financial impacts were identified. Significant non-financial impacts include items such as improved safety, upgraded accessibility, beautification of core business/community centers, or correcting deferred maintenance. Each project was identified as meeting key criteria of these non-financial impacts and City wide goals.

## Capital Project Funds Purpose & Objectives

### Grants – Fund 201

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

### Capital Outlay – Fund 604

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

### Capital Projects – Fund 605

The Capital Projects fund consists of various types of financial resources that are utilized to build, renovate or purchase equipment, property, or facilities, including buildings, parks, and non-water/sewer infrastructure and information technology systems which are to be used to benefit the public.



# CITY OF COTATI

## CAPITAL PROJECT FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 201 - GRANTS</b>					
<b>REVENUES</b>					
Grants					
Fed-Downtown Specific Plan	\$ 677,649	\$ 421,487	\$ -	\$ -	\$ -
Fed-ORH South Rehab	-	248,223	-	-	-
Fed - One Bay Area Grant	-	-	-	-	675,000
TDA Article 3	-	-	90,000	38,750	51,250
Regional-SR 116	22,648	27,352	-	-	-
Investment Earnings	1,973	-	-	-	-
<b>Total Revenue</b>	<b>702,270</b>	<b>697,062</b>	<b>90,000</b>	<b>38,750</b>	<b>726,250</b>
<b>EXPENSES</b>					
Capital Improvement Projects					
Intermodal Transit Facility	2,077	-	-	-	-
ORH South Rehab	11,365	641,867	-	-	-
Downtown Specific Plan	1,619,509	1,418,827	-	-	-
SR 116 Landscaping	22,648	37,566	-	-	-
E Cotati Ave Paving - OBAG	-	-	87,500	40,000	811,000
Wayfinding Signage Program TDA 3	-	-	90,000	38,750	101,250
Other Expenses	1,251	-	-	-	-
<b>Total Expenses</b>	<b>1,656,850</b>	<b>2,098,260</b>	<b>177,500</b>	<b>78,750</b>	<b>912,250</b>
<b>TRANSFERS</b>					
Transfers In	956,553	990,230	87,500	63,475	186,000
Transfers Out	-	-	-	-	-
<b>NET FUND SURPLUS</b>	1,973	(410,968)	-	23,475	-
<b>BEGINNING FUND BALANCE</b>	385,520	387,493	385,520	(23,475)	-
<b>ENDING BALANCE</b>	<b>\$ 387,493</b>	<b>\$ (23,475)</b>	<b>\$ 385,520</b>	<b>\$ -</b>	<b>\$ -</b>

Note: See details of capital projects at budget pages 105-106.

# CITY OF COTATI

## CAPITAL PROJECT FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 604 - GENERAL CAPITAL OUTLAY</b>					
<b>REVENUES</b>					
Road Impact Fee - Garbage	\$ 150,240	\$ 150,240	\$ 150,240	\$ 150,240	\$ 150,240
Interest	2,991	2,404	2,000	2,000	-
<b>Total Revenue</b>	<b>153,231</b>	<b>152,644</b>	<b>152,240</b>	<b>152,240</b>	<b>150,240</b>
<b>EXPENSES</b>					
Other Expenses	-	-	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out					
Grants Fund 201	(407,000)	(190,000)	-	-	-
Capital Projects 605	-	-	(150,000)	(21,750)	(350,000)
<b>NET FUND SURPLUS</b>	<b>(253,769)</b>	<b>(37,356)</b>	<b>2,240</b>	<b>130,490</b>	<b>(199,760)</b>
<b>BEGINNING FUND BALANCE</b>	<b>685,425</b>	<b>431,656</b>	<b>394,300</b>	<b>394,300</b>	<b>524,790</b>
<b>ENDING BALANCE</b>	<b>\$ 431,656</b>	<b>\$ 394,300</b>	<b>\$ 396,540</b>	<b>\$ 524,790</b>	<b>\$ 325,030</b>
<b>ENDING FUND BALANCE ALLOCATION</b>					
Gravenstein Highway Improvements	196,788	196,788	-	-	-
E. Cotati Storm Drain	107,254	107,254	-	-	-
Street Maintenance	42,454	-	-	-	-
Undesignated	85,160	90,258	396,540	524,790	325,030
<b>\$ 431,656</b>	<b>\$ 394,300</b>	<b>\$ 396,540</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CITY OF COTATI

## CAPITAL PROJECT FUNDS



DESCRIPTION	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>FUND 605 - CAPITAL PROJECTS</b>					
<b>REVENUES</b>					
Interest	\$ 264	\$ 65	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-
<b>Total Revenue</b>	<b>264</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
Equipment	-	129,306	35,000	37,152	50,000
Parks	270,078	191,445	347,280	127,240	386,700
Streets	-	62,450	630,000	107,000	1,560,000
Landscaping & Lighting	5,850	39,727	180,000	408,750	-
Building	-	21,877	221,200	191,200	360,000
<b>Total Expenses</b>	<b>275,928</b>	<b>444,805</b>	<b>1,413,480</b>	<b>871,342</b>	<b>2,356,700</b>
<b>TRANSFERS</b>					
Transfers In					
General Fund 101	6,770	179,476	589,900	475,360	1,209,700
Gas Tax Fund 203	-	-	200,000	29,000	300,000
MTC Street Fund 204	-	-	150,000	14,500	200,000
Traffic Mitigation Fund 205	-	-	27,000	-	22,000
Park In-lieu Fund 206	269,156	245,000	215,240	140,240	125,000
Water Capital Fund 402	-	10,000	40,670	80,246	-
Sewer Capital Fund 405	-	10,000	40,670	80,246	-
Capital Outlay Fund 604	-	-	150,000	21,750	350,000
Enterprise Funds 401 & 404	-	-	-	-	-
L&L Assessment Dist. Fund 218	-	-	-	30,000	-
RMRA - SB 1 Fund 221	-	-	-	-	150,000
Transfers Out	-	-	-	2	-
<b>NET FUND SURPLUS</b>	<b>262</b>	<b>(264)</b>	<b>-</b>	<b>2</b>	<b>-</b>
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>262</b>	<b>-</b>	<b>(2)</b>	<b>-</b>
<b>ENDING BALANCE</b>	<b>\$ 262</b>	<b>\$ (2)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: See details of capital projects at budget pages 107-118.

# DEBT SERVICE

The City records and disburses monies used to repay annual principal and interest, fees, anticipated new debt, and administrative fees on City issued debt through debt service types of funds. The General Long Term Debt accounts for the payment of debt service on the City’s General Obligation. The Utility funds account for all debt associated with the Water and Sewer utilities activity. These debts account for the accumulation of resources and payment of general long-term debt principal.

## Debt Limits

The City Council has approved a debt policy contained in the appendix of the City's adopted budget, which includes parameters for entering into debt obligations. State law sets the bonded debt limit for General Obligation bonds at 15% of the total assessed valuation of all the real and personal property within the City. As of June 30, 2017, the City's total debt limit capacity was \$7.0 million, of which the City has no General Obligation bonds.

## Long-term Obligations

### Special Assessment Bonds with Governmental Commitment - South Sonoma Business Park

The special assessment bonds were issued in an original amount of \$5,875,000 for the purpose of facilitating a wetlands mitigation project. The bonds are secured solely by assessments levied against property owners within the assessment district and from monies on deposit in a reserve fund. The City has no obligation to advance funds for payment of bond debt service.

The City may, at its own option and in its sole discretion, elect to advance funds to pay bond debt service to the extent of delinquencies. The bonds consist of 6.50 percent term bonds due September 2, 2033. The term bonds are subject to mandatory redemption prior to maturity commencing September 2, 2004.

#### Future Debt Service Schedule

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	155,000	292,699	447,699
2019	165,000	279,988	444,988
2020	175,000	268,938	443,938
2021	185,000	257,238	442,238
2022-2026	1,130,000	1,081,600	2,211,600
2027-2031	1,550,000	650,005	2,200,005
2032-2034	1,185,000	118,788	1,303,788
<b>TOTAL</b>	<b>\$ 4,690,000</b>	<b>\$ 3,249,394</b>	<b>\$ 7,939,394</b>

## Other Significant Debt Obligations

### Compensated Absences

As of June 30, 2017, approximately \$576,000 was owed to government employees for vacation leave and other compensated absences. These benefits are recorded as a liability to the City as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. For the 2018-2019 fiscal years the City anticipates consistent draw downs and additions as incurred during the prior fiscal year which created a net decrease in liability of approximately \$10,000. Payouts are to be made when time is used, as such this liability is considered short term.

### Net Pension Liability

GASB Statement No. 68 significantly revamped the accounting and financial reporting for government employers that provide pension benefits and requiring a "net pension liability" on the statement of net position. A net pension liability of \$9.7 million is reported as of June 30, 2017.

#### Schedule of Pension Contributions

CONTRIBUTIONS FOR THE FISCAL YEAR ENDING	2016	2017	EST. 2018
Contractually required contribution	\$ 1,004,742	\$ 1,069,601	\$ 830,504
Contributions in relation to the contractually required contribution	(1,004,742)	(1,069,601)	(830,504)
Contribution deficiency (excess)	\$ - .	\$ - .	\$ - .
City's covered employee payroll	\$ 2,935,345	\$ 2,921,800	\$ 2,942,337
Contributions as a percentage of covered employee payroll	34.23%	36.61%	28.22%

### Inter-Government Loans

In October 2014, the City initiated an inter-fund loan between the General Fund and the Sewer Capital Fund to finance Phase 1 of the Clean Energy Performance contract with Siemens Industry Inc. to upgrade to efficient lighting throughout the city. There is no outstanding balance due as of June 30, 2018 as it is scheduled to be paid off in full in the current fiscal year with a onetime lump sum payment of approximately \$234,000.

Additionally there is an outstanding loan from the Sewer Fund to the Water Fund which was used to finance the Phase 2 meter replacement project. The total outstanding balance due as of June 30, 2018 is approximately \$1,253,000 and bears annual interest at a rate of 1.5%. Principal and interest payments budgeted during the 2018-2019 year are approximately \$104,000.

# CITY CAPITAL PROJECTS DETAIL



# CITY OF COTATI CDBG FUND 202



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>SCHOOL STREET PATHWAY - PHASE II</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ 10,000	\$ 10,000	\$ -
CDBG	-	103,000	10,000	183,000
<b>Total Revenue</b>	-	<b>113,000</b>	<b>20,000</b>	<b>183,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 25,000	\$ 20,000	\$ 15,000
Construction Cost	-	88,000	-	168,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	-	<b>113,000</b>	<b>20,000</b>	<b>183,000</b>

**PROJECT DESCRIPTION :**

Extend pathway along West School Street in segments from Clifford Street to the end of Richardson Lane.

**PROJECT ACCOUNT NUMBER:**

**202-00-91100-11PWGL**

**GOAL:**

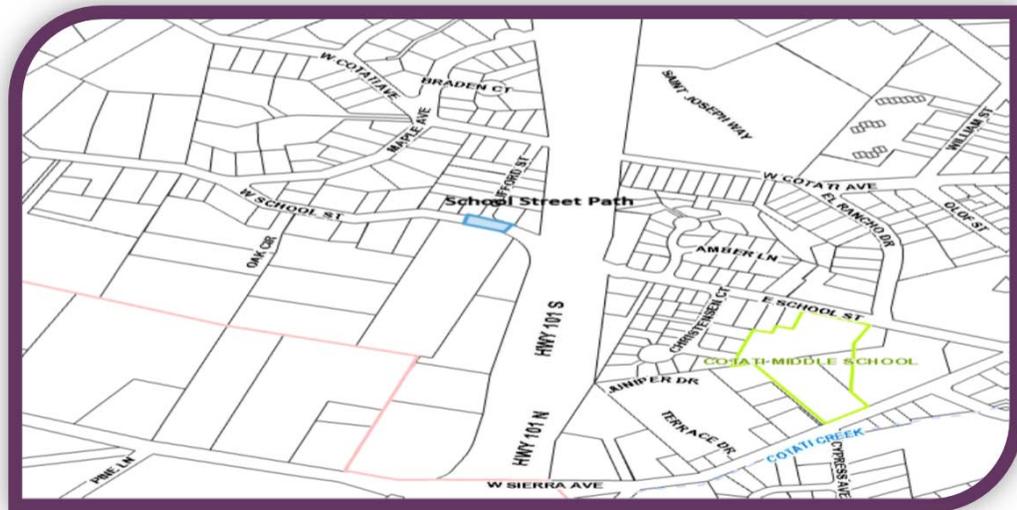
**Infrastructure, Community Safety**

**ESTIMATED COMPLETION DATE:**

**June 30, 2019**

**ESTIMATED PROJECT COST TO COMPLETE:**

**\$ 203,000**



# CITY OF COTATI CDBG FUND 202



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>CATOR FIELD ACCESS IMPROVEMENTS</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ 8,742	\$ 90,000	\$ 54,265	\$ -
CDBG	18,860	43,365	46,035	-
<b>Total Revenue</b>	<b>27,602</b>	<b>133,365</b>	<b>100,300</b>	-
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	27,602	133,365	100,300	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>27,602</b>	<b>133,365</b>	<b>100,300</b>	-

**PROJECT DESCRIPTION :**

Install ADA improvements along the street side of the Cator Field basketball courts including sidewalks, ADA ramps and an ADA parking space.

**PROJECT ACCOUNT NUMBER:**

202 00-91100-10PWGL

**GOAL:**

Community Safety

**ESTIMATED COMPLETION DATE:**

June 30, 2018

**ESTIMATED PROJECT COST TO COMPLETE:**

\$ 127,902



# CITY OF COTATI

## WATER CAPITAL FUND 402



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>CYPRESS TANK</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
Water Enterprise Capital Fund	-	-	-	150,000
<b>Total Revenue</b>	-	-	-	<b>150,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ 150,000
Construction Cost	-	-	-	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	-	-	-	<b>150,000</b>

**PROJECT DESCRIPTION :**

Replace aging 100,000 gallon water storage tank at the Cypress site with new 400,000 gallon tank.

**PROJECT ACCOUNT NUMBER:**

402-00-92200-XXPWGL

**GOAL:**

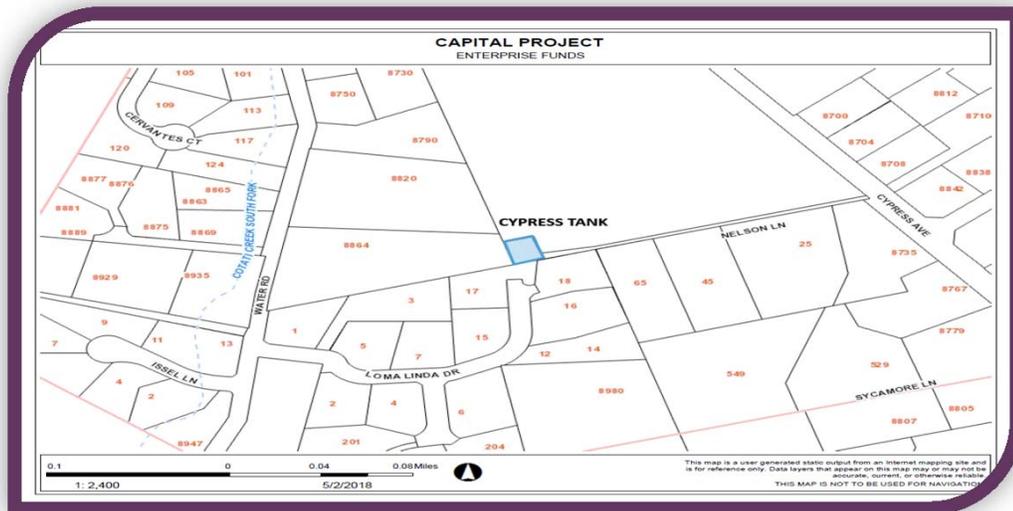
Infrastructure

**ESTIMATED COMPLETION DATE:**

October 31, 2019

**ESTIMATED PROJECT COST TO COMPLETE:**

\$ 1,850,000



# CITY OF COTATI

## WATER CAPITAL FUND 402



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>WELL 1A TANK AND VFD</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
Water Fund	-	85,000	85,000	-
<b>Total Revenue</b>	-	<b>85,000</b>	<b>85,000</b>	-
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 15,000	\$ 15,000	\$ -
Construction Cost	-	70,000	70,000	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	-	<b>85,000</b>	<b>85,000</b>	-

**PROJECT DESCRIPTION :**

Replaces flat bottom 10,000 gallon treatment tank at the Well 1A site with a conical bottomed tank to facilitate sand removal. Project also replaces a fixed speed well pump with a variable speed pump to regulate pumped flow to the tank and maintain a constant tank level.

**PROJECT ACCOUNT NUMBER:**

402-00-92200-63PWGL

**GOAL:**

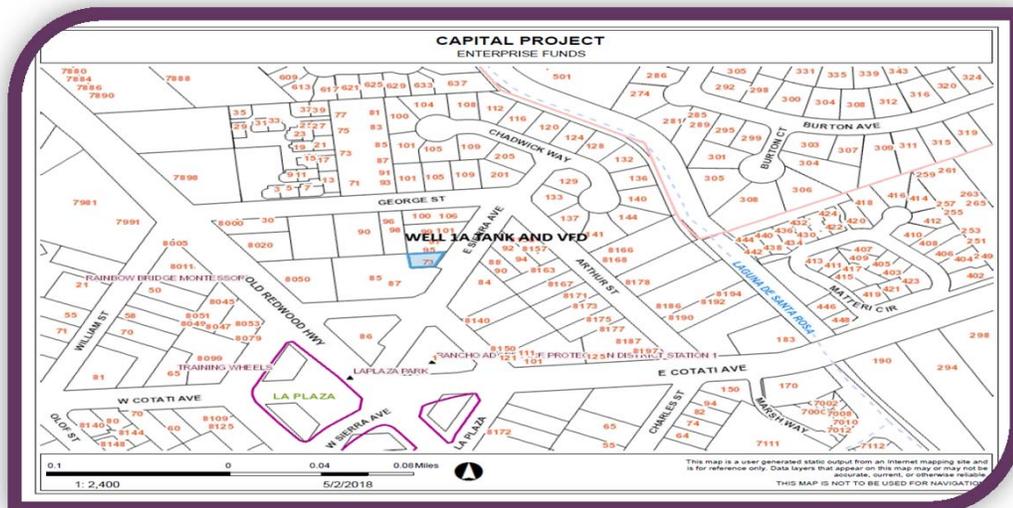
Infrastructure

**ESTIMATED COMPLETION DATE:**

March 21, 2018

**ESTIMATED PROJECT COST TO COMPLETE:**

\$ 85,000



# CITY OF COTATI WATER CAPITAL FUND 402



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>SCADA WATER</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
Water Capital Fund	38,248	40,000	10,000	30,000
<b>Total Revenue</b>	<b>\$ 38,248</b>	<b>\$ 40,000</b>	<b>\$ 10,000</b>	<b>\$ 30,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	38,248	40,000	10,000	30,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ 38,248</b>	<b>\$ 40,000</b>	<b>\$ 10,000</b>	<b>\$ 30,000</b>

**PROJECT DESCRIPTION :**

Install historian database system, backup server, purchase and configure remote laptop, install & configure chlorine analyzers at each well site, and purchase critical backup components at the water sites.

**PROJECT ACCOUNT NUMBER:**

**402-00-92200-53PWGL**

**GOAL:**

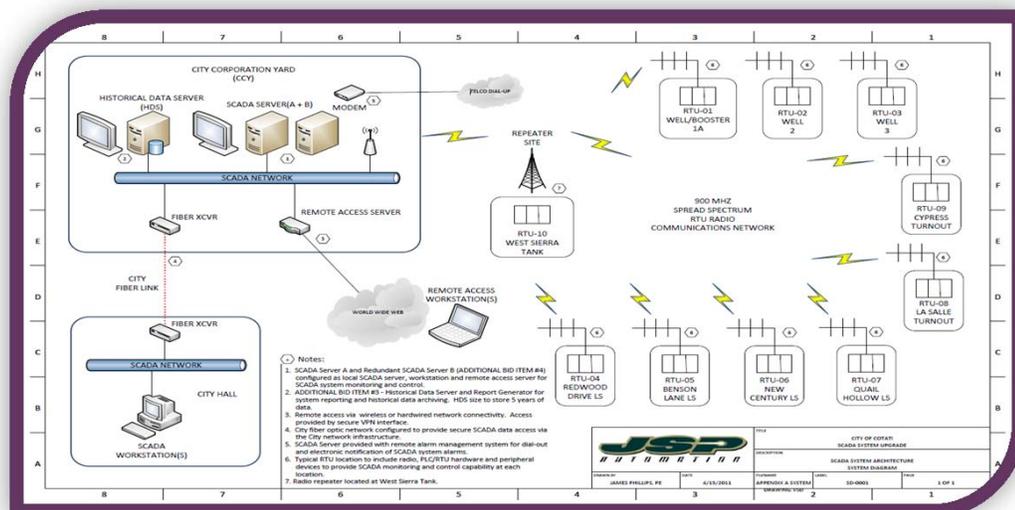
**Environmental Concerns**

**ESTIMATED COMPLETION DATE:**

**June 30, 2019**

**ESTIMATED PROJECT COST TO COMPLETE:**

**\$ 78,248**



# CITY OF COTATI

## SEWER CAPITAL FUND 405



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>P-1 SEWER PIPELINE (LAGUNA BYPASS)</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
Sewer Capital Fund	66,317	2,900,000	400,000	2,825,000
<b>Total Revenue</b>	<b>66,317</b>	<b>2,900,000</b>	<b>400,000</b>	<b>2,825,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 70,000		\$ -
Construction Cost	66,317	2,830,000	400,000	2,825,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>66,317</b>	<b>2,900,000</b>	<b>400,000</b>	<b>2,825,000</b>

**PROJECT DESCRIPTION :**

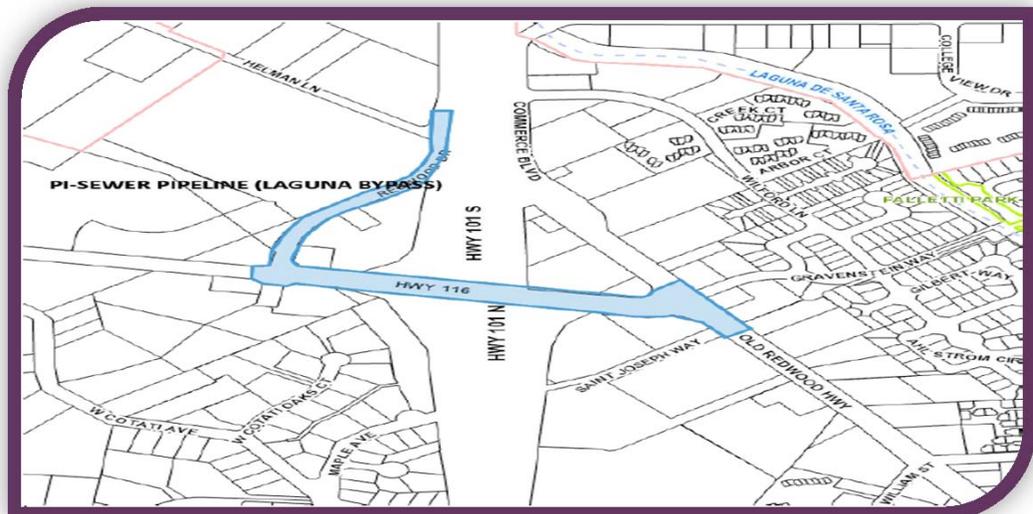
Installs a 21 inch diameter sewer in Highway 116 under the Highway 101 overpass extending along Redwood Drive and connecting to the City's trunk sewer on Helman Lane. The sewer corrects an existing sewer capacity deficiency.

**PROJECT ACCOUNT NUMBER:** 405-00-92200-62PWGL

**GOAL:** Infrastructure

**ESTIMATED COMPLETION DATE:** 11/1/2018

**ESTIMATED PROJECT COST TO COMPLETE:** \$ 3,291,317



# CITY OF COTATI

## SEWER CAPITAL FUND 405



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>ST. JOSEPHS WAY MAIN REPLACEMENT</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
Sewer Capital Fund	3,802	100,000	183,600	-
<b>Total Revenue</b>	<b>3,802</b>	<b>100,000</b>	<b>183,600</b>	<b>-</b>
<b>EXPENSES</b>				
Design and Engineering	\$ 3,802	\$ -	\$ -	\$ -
Construction Cost	-	100,000	183,600	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>3,802</b>	<b>100,000</b>	<b>183,600</b>	<b>-</b>

**PROJECT DESCRIPTION :**

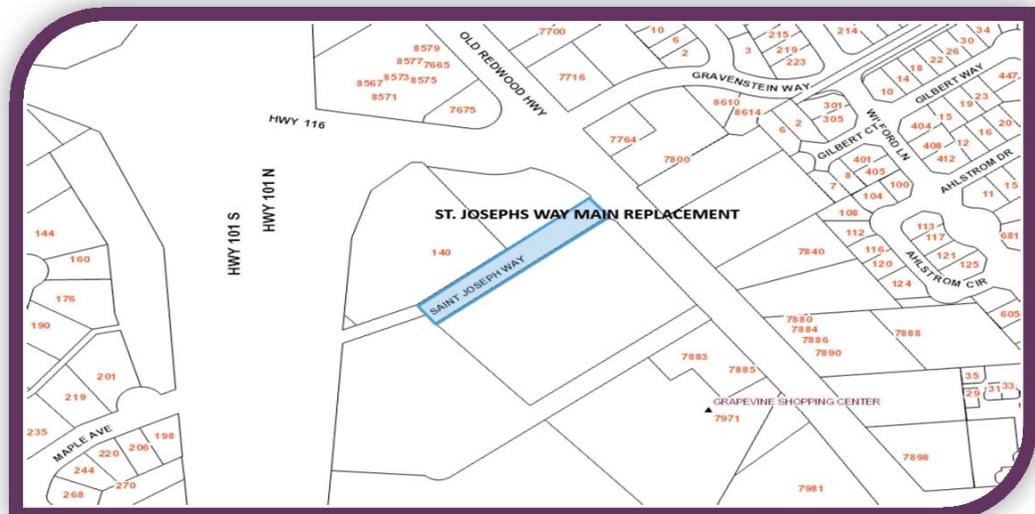
The City's 2011 Sewer Collection System Master Plan identifies the need to enlarge 656 feet of the 6 inch diameter existing sewer main on St. Joseph Way to an 8 inch diameter pipeline to serve future development.

**PROJECT ACCOUNT NUMBER:** 405-00-92300-38PWGL

**GOAL:** Infrastructure

**ESTIMATED COMPLETION DATE:** June 30, 2018

**ESTIMATED PROJECT COST TO COMPLETE:** \$ 187,402



# CITY OF COTATI

## SEWER CAPITAL FUND 405



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>SCADA SEWER PHASE II</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
Sewer Capital Fund	-	20,000	20,000	5,000
<b>Total Revenue</b>	-	<b>20,000</b>	<b>20,000</b>	<b>5,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	-	20,000	20,000	5,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	-	<b>20,000</b>	<b>20,000</b>	<b>5,000</b>

**PROJECT DESCRIPTION :**

Install historian database system, backup server, purchase and configure remote laptop, and install PLC at the City's sewer metering site.

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

**GOAL:** Infrastructure

**ESTIMATED COMPLETION DATE:** June 30, 2019

**ESTIMATED PROJECT COST TO COMPLETE:** \$ 25,000



# CITY OF COTATI GRANTS FUND 201



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>E. COTATI AVE PAVING - (OBAG)</b>				
<b>REVENUES</b>				
General Fund	\$ -	\$ 87,500	\$ 40,000	\$ 136,000
Federal Grants	-	-	-	675,000
County Grants	-	-	-	-
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ 87,500</b>	<b>\$ 40,000</b>	<b>\$ 811,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 87,500	\$ 40,000	\$ 48,000
Construction Cost	-	-	-	763,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 87,500</b>	<b>\$ 40,000</b>	<b>\$ 811,000</b>

**PROJECT DESCRIPTION :**

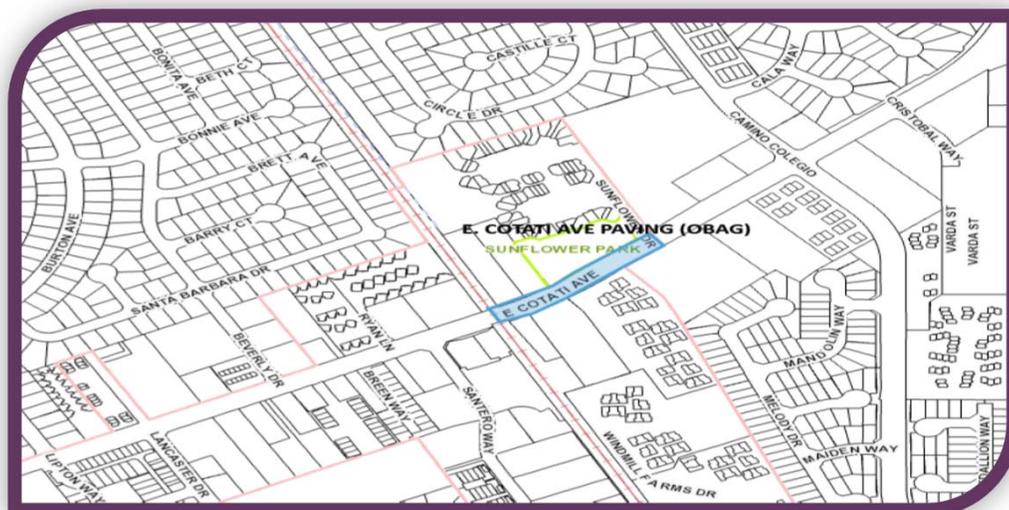
Repave East Cotati Avenue from the east side of the SMART railroad tracks to the City limits, to landscape the existing median, to update traffic signs, to repair and restore to ADA compliance various cracked and lifted sections of tree root damaged sidewalk, to remove & replace trees causing sidewalk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

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

**GOAL:** Infrastructure

**ESTIMATED COMPLETION DATE:** June 30, 2018

**ESTIMATED CONSTRUCTION COST:** \$ 851,000



# CITY OF COTATI GRANTS FUND 201



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>WAYFINDING SIGNAGE PROGRAM - (MTC)</b>				
<b>REVENUES</b>				
General Fund	\$ -	\$ -	\$ -	\$ 50,000
Federal Grants	-	-	-	-
County Passthrough Grants	-	90,000	38,750	51,250
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 38,750</b>	<b>\$ 101,250</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	-	90,000	38,750	101,250
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 38,750</b>	<b>\$ 101,250</b>

**PROJECT DESCRIPTION :**

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

**PROJECT ACCOUNT NUMBER:**

**201-00-91100-52CDGL**

**GOAL:**

**Community Safety**

**ESTIMATED COMPLETION DATE:**

**June 30, 2019**

**ESTIMATED CONSTRUCTION COST:**

**\$ 140,000**



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b><u>EQUIPMENT - CITY VEHICLE</u></b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ 17,500	\$ 17,500	\$ 50,000
Water Fund	-	8,750	9,826	-
Sewer Fund	-	8,750	9,826	-
<b>Total Revenue</b>	<b>-</b>	<b>35,000</b>	<b>37,152</b>	<b>50,000</b>
<b>EXPENSES</b>				
Purchase	\$ -	\$ 35,000	\$ 37,152	\$ 50,000
<b>Total Expenses</b>	<b>-</b>	<b>35,000</b>	<b>37,152</b>	<b>50,000</b>

**PROJECT DESCRIPTION :**

This account is used to purchase vehicles for city use. During fiscal year 17/18 the City purchased a Chevy Bolt leveraging a local clean vehicle rebate. During the fiscal year 18/19 we anticipate purchasing an additional vehicle for City usage in order to replace aging vehicles currently in service.

**PROJECT ACCOUNT NUMBER:**

605-00-80900-000000

**GOAL:**

Environmental Concerns

**ESTIMATED COMPLETION DATE:**

June 30, 2018

**ESTIMATED CONSTRUCTION COST:**

N/A



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b><u>PARKS - SUNFLOWER PARK</u></b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ 26,769	\$ 2,000	\$ 2,000	\$ -
Park In Lieu	-	50,240	50,240	-
<b>Total Revenue</b>	<b>26,769</b>	<b>52,240</b>	<b>52,240</b>	<b>-</b>
<b>EXPENSES</b>				
Design and Engineering	-	-	-	-
Construction Cost	24,176	52,240	52,240	-
Project Management	-	-	-	-
Other Project Costs	2,593	-	-	-
<b>Total Expenses</b>	<b>26,769</b>	<b>52,240</b>	<b>52,240</b>	<b>-</b>

**PROJECT DESCRIPTION :**

Resurface Tennis Courts located at Sunflower Park on East Cotati Avenue and refurbish restrooms, including new door with control locks, lighting and replace broken plumbing.

**PROJECT ACCOUNT NUMBER:**

605-00-91300-22PWGL

**GOAL:**

Community Safety, City Beautification

**ESTIMATED COMPLETION DATE:**

September 1, 2017

**ESTIMATED TOTAL PROJECT COST:**

\$ 79,009



# CITY OF COTATI CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>PARKS - FALLETTI BUILDING IMPROVEMENTS</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ 160,040	\$ 25,000	\$ 261,700
Park In Lieu	-	75,000	-	125,000
<b>Total Revenue</b>	<b>-</b>	<b>235,040</b>	<b>25,000</b>	<b>386,700</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 18,000	\$ 25,000	\$ -
Construction Cost	-	217,040	-	386,700
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>235,040</b>	<b>25,000</b>	<b>386,700</b>

**PROJECT DESCRIPTION :**

Project includes remediation and repairs to the water tower and house to preserve the structures.

**PROJECT ACCOUNT NUMBER:**

605-00-91300-21PWGL

**GOAL:**

Infrastructure, City Beautification

**ESTIMATED COMPLETION DATE:**

June 30, 2018

**ESTIMATED CONSTRUCTION COST:**

\$ 411,700



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b><u>PARKS - PARK MASTERPLAN</u></b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ 40,000	\$ 30,000	\$ -
Park In Lieu	-	20,000	20,000	-
<b>Total Revenue</b>	<b>-</b>	<b>60,000</b>	<b>50,000</b>	<b>-</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 20,000	\$ 50,000	\$ -
Construction Cost	-	40,000	-	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>

**PROJECT DESCRIPTION :**

Review of existing park facilities, existing amenities and suggestions of specific upgrades or improvements focusing on the following parks: La Plaza, Civic Center, Helen Putnam, Kotate, Veterans Memorial, Falletti, Draper, Delano, Sunflower, Santero Way and Laguna Trail.

**PROJECT ACCOUNT NUMBER:**

**605-00-91300-29PWGL**

**GOAL:**

**Community Safety, City Beautification**

**ESTIMATED COMPLETION DATE:**

**June 30, 2018**

**ESTIMATED CONSTRUCTION COST:**

**\$ 50,000**



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>STREETS - STREET CONSTRUCTION &amp; IMPROVEMENTS</b>				
<b>FUNDING SOURCE</b>				
General Fund	\$ -	\$ 150,000	\$ 21,750	\$ 500,000
Park In Lieu	-	-	-	-
Gas Tax	-	200,000	29,000	300,000
MTC Street	-	100,000	14,500	200,000
RMRA SB1	-	-	-	150,000
Capital Outlay	-	150,000	21,750	350,000
<b>Total Revenue</b>	<b>-</b>	<b>\$ 600,000</b>	<b>87,000</b>	<b>\$ 1,500,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 50,000	\$ 87,000	\$ 70,000
Construction Cost	-	550,000	-	1,400,000
Project Management	-	-	-	30,000
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ 87,000</b>	<b>\$ 1,500,000</b>

**PROJECT DESCRIPTION :**

Street maintenance with paving and striping.

**PROJECT ACCOUNT NUMBER:**

605-00-91300-49PWGL

**GOAL:**

Community Safety, Infrastructure

**ESTIMATED COMPLETION DATE:**

May 1, 2020

**ESTIMATED CONSTRUCTION COST:**

\$ 2,357,000



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>STREETS - CITYWIDE TRAFFIC SAFETY IMPROVEMENTS</b>				
<b>REVENUES</b>				
General Fund	\$ 16,665	\$ 3,000	\$ 20,000	\$ 3,000
Park In Lieu	-	-	-	-
Gas Tax	-	-	-	-
MTC Street	-	-	-	-
Traffic Mitigation	-	27,000	-	22,000
Capital Outlay	-	-	-	-
<b>Total Revenue</b>	<b>16,665</b>	<b>30,000</b>	<b>20,000</b>	<b>25,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	16,665	30,000	20,000	25,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>16,665</b>	<b>30,000</b>	<b>20,000</b>	<b>25,000</b>

**PROJECT DESCRIPTION :**

Installation of bicycle and pedestrian safety improvements as brought to the City’s attention throughout the year by the public and observation of City staff, to be completed by City Public Works staff or through minor construction contracts.

**PROJECT ACCOUNT NUMBER:**

605-00-91200-60PWGL

**GOAL:**

Community Safety

**ESTIMATED COMPLETION DATE:**

6/30/2018 - ongoing investments made annually

**ESTIMATED CONSTRUCTION COST:**

\$ 86,665



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b><u>STREETS - MOSAIC WALL BENCHES</u></b>				
<b>REVENUES</b>				
General Fund	\$ -	\$ -	\$ -	\$ 35,000
Park In Lieu	-	-	-	-
Gas Tax	-	-	-	-
MTC Street	-	-	-	-
Traffic Mitigation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>35,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	-	-	-	35,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	\$ -	\$ -	\$ -	<b>\$ 35,000</b>

**PROJECT DESCRIPTION :**

Install benches in the pedestrian plazas at the intersection of Highway 116 and Old Redwood Highway.

**PROJECT ACCOUNT NUMBER:**

605-00-91200-62PWGL

**GOAL:**

City Beautification

**ESTIMATED COMPLETION DATE:**

June 30, 2019

**ESTIMATED CONSTRUCTION COST:**

\$ 35,000



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>LANDSCAPING AND LIGHTING - LIGHTING PROJECT</b>				
<b>REVENUES</b>				
General Fund	\$ 16,235	\$ 110,000	\$ 308,750	\$ -
Park In Lieu	-	70,000	70,000	-
LLMD	-	-	30,000	-
MTC Street	-	-	-	-
Traffic Mitigation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Revenue</b>	<b>16,235</b>	<b>180,000</b>	<b>408,750</b>	<b>-</b>
<b>EXPENSES</b>				
Design and Engineering	\$ 16,235	\$ 10,000	\$ 20,200	\$ -
Construction Cost	-	160,000	388,550	-
Project Management	-	10,000	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ 16,235</b>	<b>\$ 180,000</b>	<b>\$ 408,750</b>	<b>\$ -</b>

**PROJECT DESCRIPTION :**

Enhance lighting in La Plaza Park, the Park Meadows Subdivision (McGinnis Circle), and the W. School Street tunnel.

**PROJECT ACCOUNT NUMBER:**

605-00-91200-23PWGL

**GOAL:**

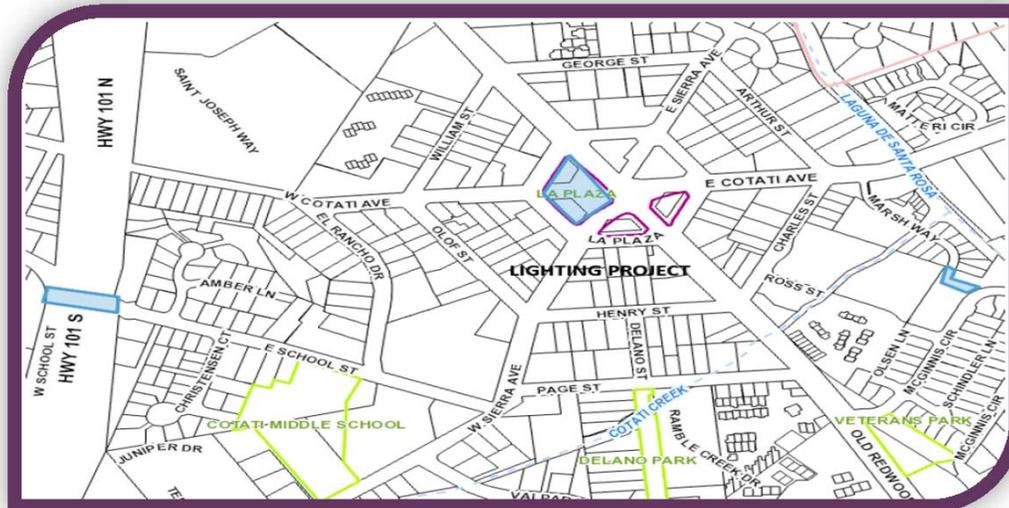
Community Safety

**ESTIMATED COMPLETION DATE:**

June 1, 2018

**ESTIMATED CONSTRUCTION COST:**

\$ 424,985



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>BUILDING - REMODEL PLANNING &amp; ENGINEERING</b>				
<b>REVENUES</b>				
General Fund	\$ 17,990	\$ 27,360	\$ 50,360	\$ -
Water Fund	-	31,920	70,420	-
Sewer Fund	-	31,920	70,420	-
<b>Total Revenue</b>	<b>\$ 17,990</b>	<b>\$ 91,200</b>	<b>\$ 191,200</b>	<b>\$ -</b>
<b>EXPENSES</b>				
Design and Engineering	\$ 17,990	\$ 20,000	\$ 5,000	\$ -
Construction Cost	-	71,200	186,200	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ 17,990</b>	<b>\$ 91,200</b>	<b>\$ 191,200</b>	<b>\$ -</b>

**PROJECT DESCRIPTION :**

Complete remodel and update of the City Hall Engineering and Community Development Department.

**PROJECT ACCOUNT NUMBER:**

**605-00-91200-25PWGL**

**GOAL:**

**Infrastructure**

**ESTIMATED COMPLETION DATE:**

**June 30, 2018**

**ESTIMATED CONSTRUCTION COST:**

**\$ 209,190**



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>BUILDING - CIVIC CENTER ROOF AND REFURBISHMENTS</b>				
<b>REVENUES</b>				
General Fund	\$ -	\$ 130,000	\$ -	\$ 145,000
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ 130,000</b>	<b>\$ -</b>	<b>\$ 145,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ 2,000	\$ -	\$ 15,000
Construction Cost	-	128,000	-	125,000
Project Management	-	-	-	5,000
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 130,000</b>	<b>\$ -</b>	<b>\$ 145,000</b>

**PROJECT DESCRIPTION :**

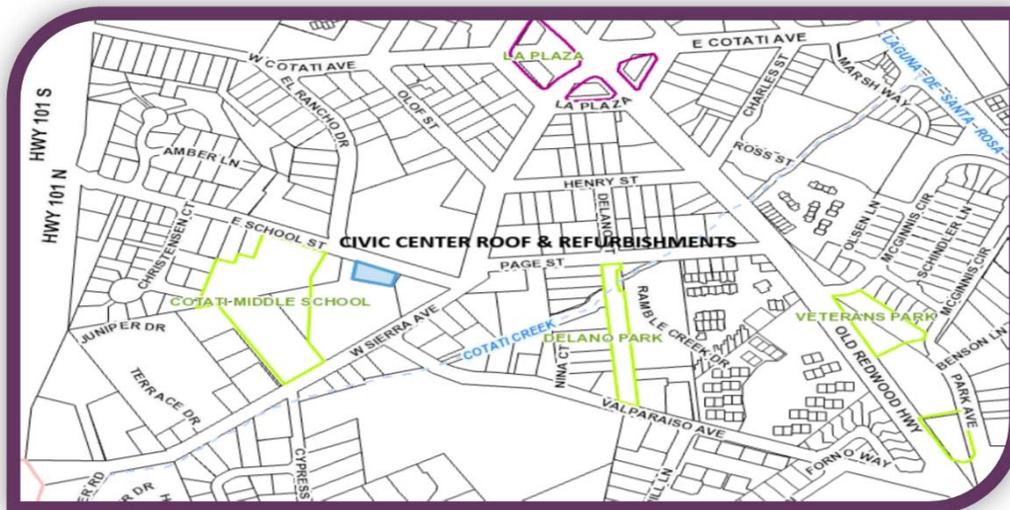
The Community Center’s roof has exceeded its useful life span and needs to be replaced. Project removes the existing roof and solar, provides structural improvements to the roof, and installs a new roof complete with new gutters and reinstalls the existing solar panels.

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

**GOAL:** Infrastructure

**ESTIMATED COMPLETION DATE:** June 30, 2018

**ESTIMATED CONSTRUCTION COST:** \$ 145,000



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b><u>BUILDING - CITY HALL HVAC REPLACEMENT</u></b>				
<b>REVENUES</b>				
General Fund	\$ -	\$ -	\$ -	\$ 15,000
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>15,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	-	-	-	15,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	-	-	-	<b>15,000</b>

**PROJECT DESCRIPTION :**

Old HVAC units serving the Council Chambers have reached their useful life and need to be replaced.

**PROJECT ACCOUNT NUMBER:**

605-00-91200-63PWGL

**GOAL:**

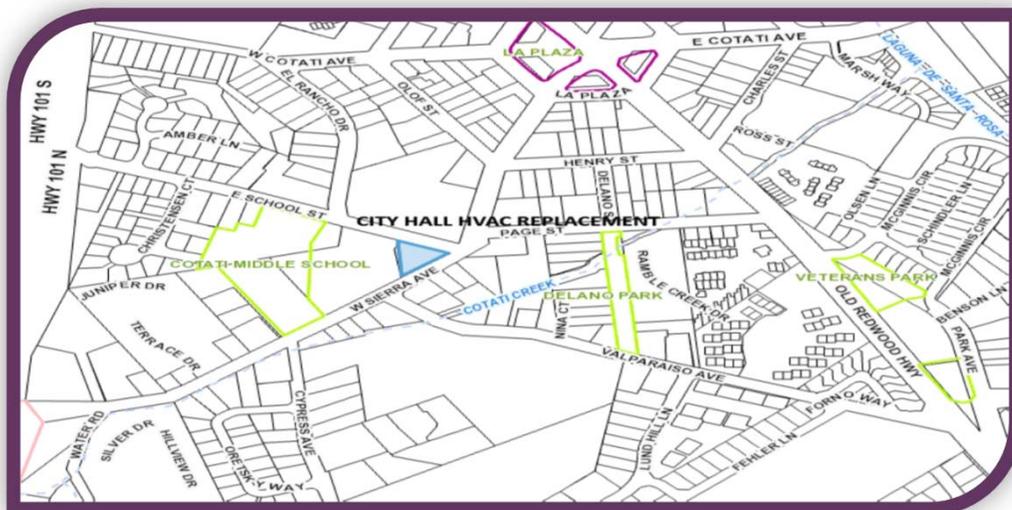
Infrastructure

**ESTIMATED COMPLETION DATE:**

June 30, 2019

**ESTIMATED CONSTRUCTION COST:**

\$ 15,000



# CITY OF COTATI

## CAPITAL PROJECTS FUND 605



DESCRIPTION	EXPENSE TO DATE	FY 17-18 ADOPTED	FY 17-18 ESTIMATE	FY 18-19 ADOPTED
<b>BUILDING - CIVIC CENTER MISC. IMPROVEMENTS</b>				
<b>REVENUES</b>				
General Fund	\$ -	\$ -	\$ -	\$ 200,000
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>200,000</b>
<b>EXPENSES</b>				
Design and Engineering	\$ -	-	\$ -	\$ 20,000
Construction Cost	-	-	-	180,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
<b>Total Expenses</b>	-	-	-	<b>200,000</b>

**PROJECT DESCRIPTION :**

Refurbishing Civic Center building exteriors and landscaping.

**PROJECT ACCOUNT NUMBER:**

605-00-91300-XXPWGL

**GOAL:**

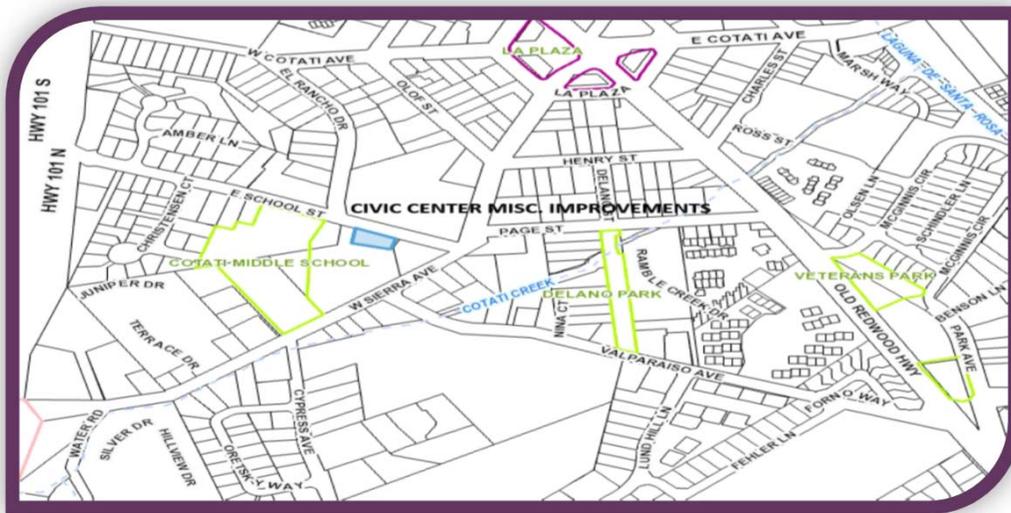
Infrastructure

**ESTIMATED COMPLETION DATE:**

June 30, 2019

**ESTIMATED CONSTRUCTION COST:**

\$ 200,000



# CABINET LEVEL INFORMATION



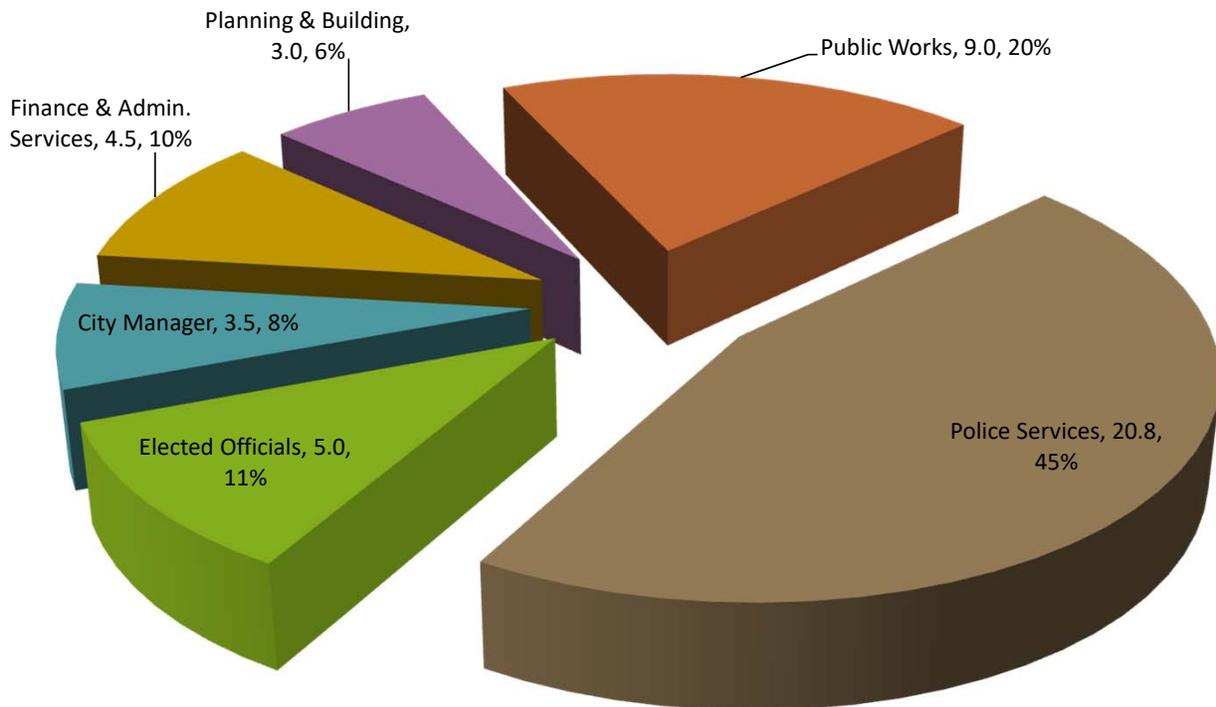
i♥cotati

# COMPARATIVE STAFFING SUMMARY



FUNCTION / DEPARTMENTS	FY 15-16	FY 16-17	FY 17-18	FY 17-18	FY 18-19
	BUDGET	BUDGET	ADOPTED	ESTIMATED ACTUALS	ADOPTED
Elected Officials	5.0	5.0	5.0	5.0	5.0
Staff Positions					
City Manager	3.5	3.5	3.5	3.5	3.5
Finance & Admin. Services	4.5	4.5	4.5	4.0	4.5
Planning & Building	4.0	4.0	4.0	3.0	3.0
Public Works	9.0	9.0	9.0	8.0	9.0
Police Services	19.0	19.0	20.0	17.5	20.8
Recreation	1.5	2.5	2.3	3.2	2.5
<b>Total Staff</b>	<b>41.5</b>	<b>42.5</b>	<b>43.3</b>	<b>39.2</b>	<b>43.3</b>
<b>Total City Officials and Staff</b>	<b>46.5</b>	<b>47.5</b>	<b>48.3</b>	<b>44.2</b>	<b>48.3</b>

**Staffing Summary**



# STAFFING DETAIL BY DEPARTMENT



FUNCTION / DEPARTMENT	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 ADOPTED	FY 17-18 ESTIMATED ACTUALS	FY 18-19 ADOPTED
<b>Elected Officials *</b>					
Mayor	1.0	1.0	1.0	1.0	1.0
Vice Mayor	1.0	1.0	1.0	1.0	1.0
Council Members	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
<b>Staff</b>					
<b>City Manager *</b>					
City Manager	1.0	1.0	1.0	1.0	1.0
Deputy City Clerk	1.0	1.0	1.0	1.0	1.0
Admin. Analyst	1.0	1.0	1.0	1.0	1.0
Intern	0.5	0.5	0.5	0.5	0.5
<b>Total</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>
<b>Finance &amp; Admin. Services *</b>					
Director of Admin. Services	1.0	1.0	1.0	1.0	1.0
Accounting Supervisor	1.0	0.0	0.0	0.0	0.0
Senior Accountant	0.0	1.0	1.0	1.0	1.0
Accounting Clerk-Senior	1.0	1.0	1.0	1.0	1.0
Accounting Specialist	1.0	1.0	1.0	1.0	1.0
Intern	0.5	0.5	0.5	0.0	0.5
<b>Total</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.0</b>	<b>4.5</b>
<b>Planning &amp; Building *</b>					
Community Development Director	1.0	1.0	1.0	1.0	1.0
Senior Planner	0.0	0.0	1.0	1.0	1.0
Associate Planner	1.0	1.0	0.0	0.0	0.0
Building Official	1.0	1.0	1.0	0.0	0.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Public Works *</b>					
Director of Public Works	1.0	1.0	1.0	1.0	1.0
Civil Engineer	1.0	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0	1.0
Public Works Superintendent	1.0	1.0	1.0	1.0	1.0
Maintenance Worker I	1.0	2.0	3.0	2.0	3.0
Maintenance Worker II	4.0	3.0	2.0	2.0	2.0
<b>Total</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>8.0</b>	<b>9.0</b>

# STAFFING DETAIL BY DEPARTMENT



FUNCTION / DEPARTMENT	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 ADOPTED	FY 17-18 ESTIMATED ACTUALS	FY 18-19 ADOPTED
<b>Staff, continued:</b>					
<b>Police Services</b>					
Chief of Police	1.0	1.0	1.0	1.0	1.0
Lieutenant	1.0	1.0	1.0	1.0	1.0
Sergeant	2.0	2.0	2.0	1.0	2.0
Corporal	2.0	0.0	1.0	2.0	2.0
Officer	5.0	7.0	7.0	6.0	6.0
Community Services Officer	1.0	1.0	1.0	1.0	1.0
Police Service Aide	0.5	0.5	0.5	0.5	0.8
Dispatcher/Clerk	5.0	5.0	5.0	5.0	5.5
Reserve Officer I	1.5	1.5	1.5	0.0	1.5
<b>Total</b>	<b>19.0</b>	<b>19.0</b>	<b>20.0</b>	<b>17.5</b>	<b>20.8</b>
<b>Recreation</b>					
Facilities/Recreation Manager	0.0	0.0	0.0	0.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0	1.0
Recreation Specialist	0.0	0.0	0.0	1.0	0.0
<i>Part Time</i>					
Recreation Assistant	0.5	0.6	0.5	0.5	0.5
Camp Director	0.0	0.2	0.3	0.2	0.2
Assistant Camp Director	0.0	0.2	0.3	0.2	0.2
Camp Staff	0.0	0.5	0.3	0.3	0.6
<b>Total</b>	<b>1.5</b>	<b>2.5</b>	<b>2.3</b>	<b>3.2</b>	<b>2.5</b>
<b>Total City Staff</b>	<b>41.5</b>	<b>42.5</b>	<b>43.3</b>	<b>39.2</b>	<b>43.3</b>
<b>Total City Officials and Staff</b>	<b>46.5</b>	<b>47.5</b>	<b>48.3</b>	<b>44.2</b>	<b>48.3</b>

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

# SALARY SCHEDULE AS OF JULY 2018



POSITION TITLE	BARGAINING UNIT	PAY RATE	STEP A	STEP B	STEP C	STEP D	STEP E
Accounting Clerk-Senior	CEA	Hourly	27.99	29.39	30.86	32.41	34.03
	CEA	Per Pay Period	2,239	2,351	2,469	2,592	2,722
	CEA	Monthly	4,852	5,095	5,349	5,617	5,898
	CEA	Annually	58,225	61,136	64,193	67,403	70,773
Accounting Specialist	CEA	Hourly	31.67	33.26	34.92	36.66	38.50
	CEA	Per Pay Period	2,534	2,660	2,794	2,933	3,080
	CEA	Monthly	5,490	5,764	6,053	6,355	6,673
	CEA	Annually	65,879	69,173	72,631	76,263	80,076
Senior Accountant	CEA	Hourly	33.72	35.41	37.18	39.04	40.99
	CEA	Per Pay Period	2,698	2,833	2,974	3,123	3,279
	CEA	Monthly	5,845	6,137	6,444	6,767	7,105
	CEA	Annually	70,143	73,650	77,332	81,199	85,259
Administrative Analyst	Non-Rep / CEA	Hourly	32.76	34.40	36.12	37.92	39.82
	Non-Rep / CEA	Per Pay Period	2,621	2,752	2,889	3,034	3,186
	Non-Rep / CEA	Monthly	5,678	5,962	6,260	6,573	6,902
	Non-Rep / CEA	Annually	68,139	71,546	75,123	78,879	82,823
Administrative Assistant	CEA	Hourly	26.22	27.53	28.91	30.35	31.87
	CEA	Per Pay Period	2,098	2,202	2,313	2,428	2,550
	CEA	Monthly	4,545	4,772	5,011	5,261	5,524
	CEA	Annually	54,537	57,263	60,127	63,133	66,290
Senior Planner	CEA	Hourly	40.31	42.33	44.45	46.67	49.00
	CEA	Per Pay Period	3,225	3,386	3,556	3,733	3,920
	CEA	Monthly	6,988	7,337	7,704	8,089	8,494
	CEA	Annually	83,852	88,044	92,446	97,069	101,922
Building Official	Non-Rep	Hourly	49.63	52.11	54.72	57.45	60.33
	Non-Rep	Per Pay Period	3,970	4,169	4,377	4,596	4,826
	Non-Rep	Monthly	8,603	9,033	9,484	9,959	10,457
	Non-Rep	Annually	103,231	108,393	113,813	119,503	125,478
Chief of Police	Non-Rep	Hourly	61.64	64.73	67.96	71.36	74.93
	Non-Rep	Per Pay Period	4,931	5,178	5,437	5,709	5,994
	Non-Rep	Monthly	10,685	11,219	11,780	12,369	12,987
	Non-Rep	Annually	128,218	134,628	141,360	148,428	155,849
City Clerk	Non-Rep	Hourly	42.97	45.12	47.37	49.74	52.23
	Non-Rep	Per Pay Period	3,437	3,609	3,790	3,979	4,178
	Non-Rep	Monthly	7,448	7,820	8,211	8,622	9,053
	Non-Rep	Annually	89,373	93,842	98,534	103,461	108,634
Civil Engineer	CEA	Hourly	40.31	42.33	44.45	46.67	49.00
	CEA	Per Pay Period	3,225	3,386	3,556	3,733	3,920
	CEA	Monthly	6,988	7,337	7,704	8,089	8,494
	CEA	Annually	83,852	88,044	92,446	97,069	101,922
Community Services Officer	CPOA	Hourly	25.64	26.92	28.27	29.68	31.17
	CPOA	Per Pay Period	2,051	2,154	2,262	2,374	2,494
	CPOA	Monthly	4,444	4,666	4,900	5,145	5,403
	CPOA	Annually	53,331	55,994	58,802	61,734	64,834
Deputy City Clerk	Non-Rep	Hourly	30.32	31.84	33.43	35.10	36.85
	Non-Rep	Per Pay Period	2,426	2,547	2,674	2,808	2,948
	Non-Rep	Monthly	5,255	5,518	5,794	6,084	6,388
	Non-Rep	Annually	63,065	66,218	69,529	73,005	76,655
Director of Administrative Services	Non-Rep	Hourly	60.60	63.63	66.81	70.15	73.66
	Non-Rep	Per Pay Period	4,848	5,090	5,345	5,612	5,893
	Non-Rep	Monthly	10,504	11,029	11,580	12,159	12,767
	Non-Rep	Annually	126,043	132,345	138,962	145,910	153,206

# SALARY SCHEDULE AS OF JULY 2018



POSITION TITLE	BARGAINING UNIT	PAY RATE	STEP A	STEP B	STEP C	STEP D	STEP E
Director of Community Development	Non-Rep	Hourly	64.19	67.40	70.77	74.31	78.02
	Non-Rep	Per Pay Period	5,135	5,392	5,662	5,945	6,242
	Non-Rep	Monthly	11,126	11,683	12,267	12,880	13,524
	Non-Rep	Annually	133,515	140,190	147,200	154,560	162,288
Director of Public Works/City Engineer	Non-Rep	Hourly	68.47	71.89	75.48	79.26	83.22
	Non-Rep	Per Pay Period	5,477	5,751	6,039	6,341	6,658
	Non-Rep	Monthly	11,867	12,461	13,084	13,738	14,425
	Non-Rep	Annually	142,407	149,528	157,004	164,854	173,097
Engineering Technician	CEA	Hourly	27.95	29.35	30.82	32.36	33.98
	CEA	Per Pay Period	2,236	2,348	2,465	2,589	2,718
	CEA	Monthly	4,845	5,087	5,342	5,609	5,889
	CEA	Annually	58,140	61,047	64,099	67,304	70,669
Facility/Recreation Manager	Non-Rep	Hourly	36.90	38.75	40.68	42.72	44.85
	Non-Rep	Per Pay Period	2,952	3,100	3,255	3,417	3,588
	Non-Rep	Monthly	6,396	6,716	7,052	7,404	7,774
	Non-Rep	Annually	76,752	80,590	84,619	88,850	93,293
Recreation Coordinator	CEA	Hourly	21.08	22.13	23.24	24.40	25.62
	CEA	Per Pay Period	1,686	1,771	1,859	1,952	2,050
	CEA	Monthly	3,654	3,837	4,028	4,230	4,441
	CEA	Annually	43,846	46,039	48,341	50,758	53,296
Intern	Part Time	Hourly	12.00	-	13.00	-	14.00
	Part Time	Per Pay Period	480	-	520	-	560
	Part Time	Monthly	1,040	-	1,127	-	1,213
	Part Time	Annually	12,480	-	13,520	-	14,560
Maintenance Worker I	CEA	Hourly	24.49	25.71	27.00	28.35	29.76
	CEA	Per Pay Period	1,959	2,057	2,160	2,268	2,381
	CEA	Monthly	4,244	4,457	4,680	4,913	5,159
	CEA	Annually	50,933	53,480	56,154	58,962	61,910
Maintenance Worker II	CEA	Hourly	27.99	29.39	30.86	32.41	34.03
	CEA	Per Pay Period	2,239	2,351	2,469	2,592	2,722
	CEA	Monthly	4,852	5,095	5,349	5,617	5,898
	CEA	Annually	58,225	61,136	64,193	67,403	70,773
Maintenance Worker III	CEA	Hourly	28.64	30.07	31.57	33.15	34.81
	CEA	Per Pay Period	2,291	2,406	2,526	2,652	2,785
	CEA	Monthly	4,964	5,212	5,473	5,746	6,034
	CEA	Annually	59,568	62,546	65,674	68,957	72,405
Police Corporal	CPOA	Hourly	34.60	36.33	38.15	40.06	42.06
	CPOA	Per Pay Period	2,768	2,907	3,052	3,205	3,365
	CPOA	Monthly	5,998	6,298	6,613	6,943	7,291
	CPOA	Annually	71,976	75,575	79,354	83,322	87,488
Police Dispatcher/Clerk	CPOA	Hourly	26.17	27.48	28.85	30.29	31.81
	CPOA	Per Pay Period	2,093	2,198	2,308	2,423	2,545
	CPOA	Monthly	4,536	4,763	5,001	5,251	5,513
	CPOA	Annually	54,430	57,151	60,009	63,009	66,160
Police Lieutenant	Non-Rep	Hourly	49.21	51.67	54.26	56.97	59.82
	Non-Rep	Per Pay Period	3,937	4,134	4,341	4,558	4,786
	Non-Rep	Monthly	8,530	8,957	9,405	9,875	10,369
	Non-Rep	Annually	102,364	107,482	112,856	118,499	124,424
Police Officer	CPOA	Hourly	32.95	34.60	36.33	38.15	40.06
	CPOA	Per Pay Period	2,636	2,768	2,907	3,052	3,204
	CPOA	Monthly	5,712	5,998	6,297	6,612	6,943
	CPOA	Annually	68,544	71,971	75,570	79,348	83,315

# SALARY SCHEDULE AS OF JULY 2018



POSITION TITLE	BARGAINING UNIT	PAY RATE	STEP A	STEP B	STEP C	STEP D	STEP E
<b>Police Sergeant</b>	CPMA	Hourly	38.21	40.12	42.13	44.24	46.45
	CPMA	Per Pay Period	3,057	3,210	3,370	3,539	3,716
	CPMA	Monthly	6,623	6,955	7,302	7,667	8,051
	CPMA	Annually	79,481	83,455	87,628	92,009	96,610
<b>Police Service Aide</b>	Non-Rep	Hourly	24.00	25.20	26.45	27.78	29.17
	Non-Rep	Per Pay Period	1,920	2,016	2,116	2,222	2,333
	Non-Rep	Monthly	5,845	4,367	4,585	4,815	5,056
	Non-Rep	Annually	49,910	52,406	55,026	57,777	60,666
<b>Public Works Superintendent</b>	Non-Rep	Hourly	44.47	46.70	49.03	51.49	54.06
	Non-Rep	Per Pay Period	3,558	3,736	3,923	4,119	4,325
	Non-Rep	Monthly	7,709	8,094	8,499	8,924	9,370
	Non-Rep	Annually	92,507	97,133	101,989	107,089	112,443
<b>Reserve Police Officer</b>	Part Time	Hourly	32.95	34.60	36.33	38.15	40.06
	Part Time	Per Pay Period	2,636	2,768	2,907	3,052	3,204
	Part Time	Monthly	5,712	5,998	6,297	6,612	6,943
	Part Time	Annually	68,544	71,971	75,570	79,348	83,315
<b>Recreation Seasonal Staff</b>							
<b>Camp Director</b>	Part Time	Hourly	14.00		15.00		17.00
<b>Assistant Camp Director</b>	Part Time	Hourly	12.00		13.00		14.00
<b>Recreation Leader</b>	Part Time	Hourly	11.00		13.00		14.00

# DOCUMENT WIDE CRITERIA



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# ACRONYMS TABLE

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

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



# GLOSSARY OF BUDGET TERMS

ACCOUNT: A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues, and expenses.

ACCOUNTING SYSTEM: The set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

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

ADOPTED BUDGET: The City Council approved annual budget establishing the legal authority of the expenditure of funds as set forth in the adopting Council budget resolution.

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

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

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

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

AUDIT: An annual examination and evaluation, done by an independent Certified Public Accountant (CPA), of the City's accounting system to ensure conformity with generally accepted accounting principles. In conjunction with performing an audit, independent auditors normally issue a Management Letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.

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

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

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

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

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

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

BASIS OF ACCOUNTING & BUDGETING: A method used to determine when revenues, expenditures, transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The three bases of accounting for governmental agencies are (1) Cash Basis - when cash is received or paid; (2) Accrual Basis - when the underlying transaction or event takes place; (3) Modified Accrual Basis.

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

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

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

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

CAPITAL EXPENDITURES: An expenditure which either creates an asset or causes a reduction in the liabilities of the government.

CHARGES FOR SERVICE: Revenues collected as reimbursement for services provided to the public or to some other program/fund in the City.

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

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

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

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

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

DEFICIT: An excess of expenditures or expenses over revenues or resources during an accounting period.

DEPARTMENT: An organizational unit of the City government responsible for carrying out specific functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities. In the City's structure, certain "departments" are actually divisions of a multipurpose, such as the Streets or Parks Department within the General Fund.

ENCUMBRANCES: Commitments against an approved budget to pay funds in the future for a service or item. They cease to be encumbrances when the obligations are paid or terminated. The use of encumbrances prevents overspending and provides budgetary control to the organization.

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

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

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

FISCAL YEAR (FY): A twelve month period to which the annual budget applies, and financial transactions are recorded. The City of Cotati fiscal year begins July 1st and ends June 30th.

FULL-TIME EQUIVALENT (FTE): The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Full-time employees are paid for 2,080 hours in a year equating 1.0 FTE. A part-time employee who worked 1,040 hours would equate to 0.5 FTE. Elected positions are budgeted but not included in FTE totals.

FUND: A fiscal and accounting entity with a self-balancing set of accounts used to record all financial transactions related to the specific purpose for which the fund was created.

FUND BALANCE: The excess of a fund's assets over its liabilities.

GANN APPROPRIATIONS LIMIT: Article XIII-B of the California State Constitution provides limits regarding the total amount of appropriations in any fiscal year from tax proceeds. A City's limit in appropriations growth is based on two factors: Changes in population, and either the change in California per capita income or the change in the local assessment roll due to nonresidential new construction

GENERAL FUND: The City's main operating fund that pays for basic City services that use most of the City's sales and property tax revenue. The General Fund is also supported by fees from licenses and permits, fines, and investment earnings.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MUNICIPAL CODE: A document that codifies the City Council approved ordinances currently in effect. The Code defines City laws with respect to areas of municipal jurisdiction and administration.

OPERATING BUDGET: Authorized expenditures for ongoing municipal services (In the general fund this includes operations of the police and fire, street maintenance, parks, and city buildings).

ORDINANCE: A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution and is typically codified in the City's Municipal Code.

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

OTHER POST-EMPLOYMENT BENEFITS (OPEB): Post-employment benefits other than pension benefits. The City's OPEB includes post-employment healthcare benefits for employees that meet the vesting requirements.

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

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

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

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

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

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

**RESERVE:** An account which the City uses to either set aside funds that it does not need to spend in the current fiscal year or to earmark revenues for a specific future purpose.

**RESOLUTION:** A special order of the City Council which has a lower legal standing than an ordinance.

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

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

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

**SALES TAX:** a tax levied on the sale of goods and services that is usually calculated as a percentage of the purchase price and collected by the seller. The current sales tax rate within the City is 9.125%.

**SCHEDULES:** Provide a summary of revenues, expenditures, and positions for operating budgets of all departments and funds and reflect the funding sources and spending areas of the Capital Improvements Program.

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

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

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

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

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

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

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



# APPENDIX A

## CITY OF COTATI FINANCIAL POLICIES



**RESOLUTION NO. 2017 - 36**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI RESCINDING**  
**RESOLUTION 2008-20 AND ESTABLISHING FINANCIAL PRINCIPLES AND**  
**POLICIES**

**WHEREAS**, the City of Cotati desires to establish a Financial Principles and Policies document (the "Document") to guide prudent financial reporting and budgeting for financial stability; and

**WHEREAS**, such Document will establish guiding principles, policies and procedures of the City's overall financial management, budget development, and fiscal administration for the City of Cotati, specifically in regard to Annual Operating Budget Policy, Capital Improvement Program, Revenues, Expenditures, Investment Management, Debt Management, Fund Balances, and Financial Reporting; and

**WHEREAS**, on May 14, 2008, the City Council and the Board of Directors of the Cotati Community Redevelopment Agency adopted Resolution 2008-20 approving and adopting an Investment Policy for idle funds; and

**WHEREAS**, the City has conducted a review of the Investment Policy and found it to be outdated; and

**WHEREAS**, included in the Appendix B of the Document is an updated City Investment Policy; and

**WHEREAS**, the Document will be updated periodically, but is designed with a long-term perspective and provides the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter, as well as support long-term planning and enhance the City's effectiveness in implementing long-term strategies to deliver efficient services to the public; and

**WHEREAS**, the action of adopting Financial Principles and Policies does not constitute a project as defined by California Environmental Quality Act ("CEQA") and CEQA Guidelines Section 15378; therefore, no further environmental review is required.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cotati hereby rescinds Resolution 2008-20 and that the Financial Principles and Policies, including the updated Investment Policy, attached as Exhibit A to this resolution and incorporated herein by reference, is hereby approved and adopted.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the 27th day of June, 2017, by the following vote, to wit:

**RESULT:** ADOPTED [UNANIMOUS]

**MOVER:** John C. Moore, Council Member

**SECONDER:** Mark Landman, Vice Mayor

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

Approved: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_

Lauren Berges, Deputy City C

Approved as to form:

  
City Attorney

Attachments:

City Financial Principals and Policies (DOCX)

APX A Reserve Policy Appendix for City Financial Principals & Policies (PDF)

APX B - Investment Policy (PDF)

APX C Purchasing Policy Appendix for City Financial Principals & Policies (PDF)

APX D Capitalization Policy Appendix for City Financial Principals & Policies (PDF)

# CITY OF COTATI POLICY FOR FINANCIAL PRINCIPLES & POLICIES



# CITY OF COTATI

## Financial Principles and Policies

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**A Summary of the City's Financial Mission  
Statements and Guiding Principles**



**Administrative Services Department**

201 West Sierra Avenue, Cotati, CA 94931-4217 □ TELEPHONE 707 □ 792 □ 4600 □ FAX 795 □ 7067

## **OVERVIEW**

This document establishes policies of overall financial management, budget development, and fiscal administration for the City of Cotati. Included herein are statements and principles designed to guide the City in maintaining its financial stability and delivering high-quality services to the public.

Formally adopted financial policies assist elected officials and city staff in the development of fiscal management practices, save time and provide structure for financial decisions, promote public confidence, enhance transparency and provide continuity over time. These policies will be updated periodically, but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter. Fiscal policies support long-term planning and enhance the City's effectiveness in implementing long-term strategies to deliver efficient services to the public.

This document provides a structured, central repository for a variety of fiscal policies and organized into the following categories

- |                                    |                                    |
|------------------------------------|------------------------------------|
| I. Guiding Financial Principles    | VI. Investment Management Policies |
| II. Annual Operating Budget Policy | VII. Debt Management Policies      |
| III. Capital Improvement Policy    | VIII. Fund Balances Policies       |
| IV. Revenues Policies              | IX. Financial Reporting            |
| V. Expenditures Policies           | X. Review and Update               |

## **I. GUIDING FINANCIAL PRINCIPLES**

The following are the guiding principles to be adhered to and used as a conceptual framework for the City of Cotati:

1. Manage financial resources in a responsible and prudent manner.
2. Provide financial information in a relevant, thorough and timely manner, and in a format that effectively communicates financial status to the Council, citizens and City employees.
3. Establish and maintain prudent fund balance levels as required under Resolution 2009-50 Appendix A.
4. Maintain financial reporting in compliance with current governmental accounting standards.
5. Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.
6. Promote constructive and proactive financial decision making that includes and is responsive to citizens input and guidance.
7. Integrate long-term operating and capital resources planning into the budget process.
8. Allow for uncertainties and maintain a posture of financial flexibility.
9. Develop programs in a manner that supports the City's long-term ability to cover costs and provide the level and quality of service required by its citizens.
10. Manage debt responsibly.
11. Uphold investment policies in accordance with the City code and State law Resolution 2008-20 Appendix B.

## **GENERAL FINANCIAL POLICIES**

Below are the formal financial policies to be followed by City Council, Management, and Staff.

### **II. ANNUAL OPERATING BUDGET POLICY**

#### **II.A. BUDGET PROPOSAL AND ADOPTION**

1. An annual operating budget will be adopted by the City Council no later than June 30 of each fiscal year. The budget will include appropriations that provide expenditure authority to public officials responsible for operating their respective departments to fulfill obligations to provide public services as delegated by the City Council.
2. Funds may not be expended for a new fiscal year until the budget for that fiscal year has been adopted by the City Council.
3. The City Management will develop and present a draft annual budget for consideration by the full City Council and public.
4. Total projected expenditures should not exceed total estimated revenues. In specific situations, such as with significant one-time capital expenditures, the City Council may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.
5. One-time revenue sources are not to be relied upon to fund on-going operations.

#### **II.B. CONTROLLING AND ADJUSTING THE ANNUAL BUDGET:**

1. The City structures and controls its budget by use of funds:
  - a) The general fund is the primary operating fund of the City. It accounts for the receipt of property tax, general sales tax, and other general revenues available to finance city operations. The general fund accounts for revenues and expenditures that do not fit the criteria to be accounted for in other funds with external restrictions imposed by their respective financing sources.
  - b) Special revenue funds account for resources restricted for use by state law or their respective funding sources, such as grant programs financed by the state and federal governments, or impact fees collected to mitigate development impacts.
  - c) Enterprise funds account may be used for fee-based programs if the intention is to recoup almost all city costs through fees or other user charges. Enterprise funds for the city of Cotati consist of water and waste water utilities.
  - d) Internal Service funds account for centralized service costs (i.e. vehicle replacement fund). Charges from the internal service funds appear as expenditures in the user department, and as revenue in the central service department.
2. The City's budget is controlled at the fund level by the City Council.
  - a) The City Council, as representatives of the public, is the sole authority for creating or increasing expenditure appropriations of a general fund department (cost center) or a fund, as approved in the final adopted budget.
3. Department Heads are held responsible and accountable for their respective budgets as originally adopted by the City Council or as thereafter revised in accordance with this policy. The level of expenditure control for departments is at the fund and department level, as approved in the final adopted budget.

4. Departments that operate programs among different departments or funds are limited to the appropriation levels within any department or fund, as approved in the final adopted budget.

#### **II.C. TRANSFERS/REVISIONS TO THE ADOPTED BUDGET - REQUIRED**

##### **APPROVAL LEVEL:**

##### **1. *The City Council approves:***

- a) All increases in appropriations of a department or fund, as approved in the final adopted budget.
- b) All transfers of appropriations between funds.
- c) All decreases in appropriations, with the exception that the City Manager may direct Department Heads to suspend expenditures pending Council consideration of decreases in appropriations, needed to respond to fiscal emergency.

##### **2. *The City Manager approves:***

- a) Transfers of appropriations between expenditure line items within departments, projects and program budgets, up to \$25,000.
- b) The City Manager may make budget transfers between departments, funds and projects as long as those changes do not increase overall appropriations within any one given fund. Transfers between funds, overall increases in fund appropriations, and overall increases in project budgets can only be made through City Council action. Transfers between departments should be reported to the City Council as part of the budget amendment process, either at mid-year or during budget adoption for the new fiscal year.

##### **3. *Administrative Services Department:***

- a) The Administrative Services Department is responsible for providing forms and instructions for requesting appropriation adjustments, and for analyzing and recommending adjustments to the City Manager. The Administrative Services Department will record approved budgets and adjustments into the City's accounting systems.
- b) The Administrative Services Department will ensure that the City's Annual Financial Statements include a comparison of actual expenditures against the final budget, as amended and adjusted under the authorities of this policy.

#### **II.D. EXPENDITURE APPROPRIATIONS BUDGETARY CARRYOVER:**

1. Operating expenditure appropriations not spent during the fiscal year lapse at year-end, except for:
  - a) Encumbrances or commitments, as in the form of finalized purchase orders or agreements, made during the fiscal year that have not been completed at year-end.
  - b) Appropriations for capital improvement projects and ongoing grants with a life cycle beyond one year.

#### **II.E. METHOD OF ACCOUNTING AND APPROPRIATIONS LIMIT COMPLIANCE**

1. Governmental funds (e.g. General Fund) use the modified accrual basis of accounting while proprietary (e.g. Water, Sewer, or Internal Service Funds) and fiduciary fund types (e.g. Successor Agency) are budgeted on a full accrual basis of accounting. The Annual Financial Statements presents City's finances on a Generally Accepted Accounting

Principles (GAAP) basis and the City's budget is prepared in conformance with these standards.

2. City budget must comply with the annual determination of the City's appropriations limit calculated in accordance with Article XIIB of the Constitution of the State of California and adopt an annual resolution to this effect.

### **III. CAPITAL IMPROVEMENT POLICIES**

1. The City will develop and maintain a capital improvement program (CIP) to be updated annually in conjunction with the operating budget. The CIP should reflect the current and changing needs of the community as well as enhance the community's quality of life.
2. All projects within the CIP are to be tracked systematically and timely allowing clear display of budget-to-actual performance by project.
3. Capital improvements that specifically benefit a select group of users and/or are fee-for-service based are to be financed through user fees, service charges, special assessments and taxes, or development impact fees.
4. Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Water or Sewer) are to be financed through the service fees generated within that operation and fund. Such fees should be supported by periodic updates to the related utility master plan and associated rate studies.
5. Transfers of resources into the CIP fund will be evaluated on an annual basis dependent upon the existence of available funds.
6. The City should strive to maximize the use of capital grants, state subventions, and other sources of available revenue in funding capital improvements before tapping general revenue sources.

### **IV. REVENUES POLICIES**

1. The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.
2. The City will seek out, apply for, and effectively administer federal, state, and other grants that address the City's current operating and capital priorities.
3. The City will pursue revenue collection and auditing to assure that funds due to the City are accurately received in a timely manner.
4. The City will seek reimbursements for State mandated costs whenever possible.
5. The City will adopt user fees with appropriate levels of cost recovery.
6. User-fee studies should be performed and updated to ensure the proper balance of costs and service charges. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.
7. Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the City Council as fees are updated to ensure they reflect all direct and reasonable indirect costs of providing such services.
8. Enterprise operations will be self-supporting and shall reimburse the General Fund for all materials and services provided on their behalf.

**V. EXPENDITURES POLICIES:**

1. Expenditures are to be budgeted and controlled to not exceed estimated revenues and the approved and planned use of fund balances accumulated in prior years.
2. The City will conduct a mid-year financial status review to determine if projected revenues and expenditures meet target levels. If an operating deficit is projected, the City should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of essential and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.
3. The City implements a formal purchasing procedure to ensure that expenditure levels are kept in check during the course of any fiscal year (Resolution 08-70 Appendix C).

**VI. INVESTMENT MANAGEMENT POLICIES: (See Appendix B)**

1. The Director of Administrative Services and City Manager will review the City's investment policy periodically and make recommendations to the City Council when appropriate.
2. The responsibility of investing City funds rests with the Director of Administrative Services who is to exercise due diligence to adhere to the investment policy. The Director of Administrative Services will present to the City Council periodic reports presenting a summary of the portfolio status and compliance with the conditions set forth in the investment policy .

**VII. DEBT MANAGEMENT POLICIES:**

1. The City should plan the use of debt in a manner that sustains financing payments at manageable levels.
2. The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.
3. The City will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.
4. The City will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to City Council. The City will diligently monitor its compliance with bond covenants.
5. The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt.
6. The City should use a lease-purchase method of financing for equipment if the lease rates are more favorable than the City's expected overall investment rate of return.
7. The City will not incur general obligation indebtedness for public improvements, which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.

## **VIII. FUND BALANCES POLICIES:**

### **VIII.A. GOVERNMENTAL FUND TYPE DEFINITIONS**

Governmental fund types include the general fund, special revenue funds, capital projects funds, and debt service funds. GASB has defined these funds and the GFOA has further summarized these funds as follows:

#### **1. General Fund**

This is the chief operating fund of a local government. GASB Codification Section 1300.104 states that the general fund is used “to account for all financial resources except those required to be accounted for in another fund.” In other words, all of a government’s financial activities should be accounted for in the general fund unless there is a compelling reason to report them in some other fund type. Government may never report more than one general fund per Codification, Section 1300.106. In practice, typically the general fund is of chief interest to financial statement users.

#### **2. Special Revenue Funds**

Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

#### **3. Capital Projects Funds**

As local governments often undertake significant capital acquisitions and construction projects, they often account for the activities separately from their other general operations. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

#### **4. Debt Service Funds**

Governments set aside monies to meet current and future debt service requirements on general government debt. As such, these funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.

### VIII.B. FUND BALANCE CLASSIFICATIONS

Fund balance is defined as the difference between assets and liabilities. Governmental Accounting Standards Board Statement (GASB) No. 54 classified fund balances into the following categories:

1. **Non-spendable:** This is a portion of fund balance not available for appropriations by its nature or external restriction. Examples are inventories and donations that require intact principal values.
2. **Spendable:** Restricted: The restricted portion of fund balance is subject to externally enforceable legal restrictions. Examples are Gas Tax revenues and grant proceeds.
3. **Committed:** The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed amount.
4. **Assigned:** The Assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use.
5. **Unassigned:** The Unassigned portion of fund balance is that remaining after the non-spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

The City of Cotati will use GASB's definitions of fund balance for the annual financial reports (audits) and for all other financial reporting. For all financial planning purposes, the term Budgetary Fund Balance will be used and will include any portion of the fund balance that is available for appropriation. Portions of the fund balance not available for appropriation will be identified as follows.

The City shall strive to use the most restricted fund balances prior to utilizing those that are less restricted. The following order of use reflects this guideline:

- i. Non-spendable (if funds become spendable)
- ii. Restricted
- iii. Committed
- iv. Assigned
- v. Unassigned

### VIII.C. FUND BALANCE POLICY LEVELS

#### 1. Purpose

Per Resolution 2009-50 (Appendix A), the City of Cotati has enacted the Fund Balance policies in an effort to ensure financial security through the maintenance of a healthy fund contingency balance that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings, which are dependent, in part, on the City's maintenance of a healthy fund balance.

**VIII.C. FUND BALANCE POLICY LEVELS, CONTINUED:**

**2. General Fund**

The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate by limiting expenditure growth to the anticipated revenue growth in order to maintain a balanced budget. In line with the recommendations by the Government Finance Officers Association (GFOA), the Council directed target is to maintain an unrestricted fund balance of 25% or no less than two months of regular general fund operations.

- i) To provide minimum funding to cover approximately three (3) months of operating expenses.
- ii) To provide the liquidity to respond to contingent liabilities.

**3. Contingency Reserve**

These balances are hereby defined as assigned by the City Council to allow the City to weather unpredicted cyclical and rapid downturns in the economy. These funds would be available for use in such conditions to mitigate negative economic fiscal impacts or State takeaways and can be activated within any one-budget cycle through Council action. An economic downturn would entail a projected and/or sudden drop in core revenues (major tax and service revenue loss) of equal to or greater than 10% (including the impact of inflation) and/or a change in economic parameters (such as interest rates, debt service rates, pension and health rates) that cause a material change in expenditures of 10% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances.

**4. Water and Sewer Fund Balances**

The City should maintain the balances in the Water and Sewer Funds at a level sufficient to accommodate operating and capital needs. This reserve is recommended at 33% of annual expenditures, including estimated capital improvements. Multi-year fee studies for these funds should be updated periodically as a basis for defining the revenue sources necessary to maintain system infrastructure and required services levels.

**5. Workers' Compensation and Liability Insurance Funding**

Periodic actuarial studies of self-insured workers' compensation and general liabilities will be conducted to ensure that proper levels of liabilities are accrued for claims and that rates charged to operating departments are appropriate. Currently Redwood Empire Municipal Insurance Fund (REMIF) provides this service to the city.

**6. Infrastructure / Equipment Replacement Funding**

Building and equipment replacement fund should be established and maintained to provide for the timely replacement of vehicles and other operating capital equipment. This fund is to be reviewed on an annual basis and rates charged to the using departments based on the depreciation guidelines.

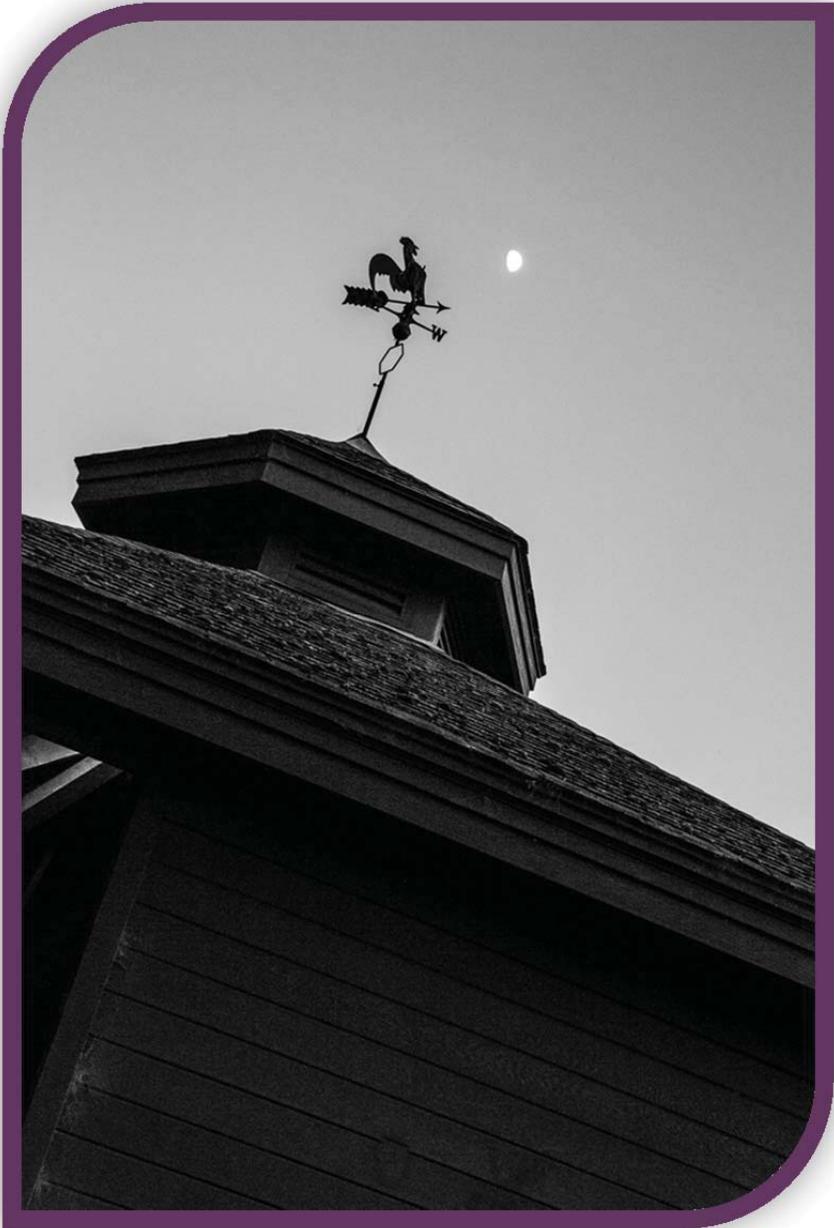
**IX. FINANCIAL REPORTING POLICIES:**

1. The City's accounting and financial reports are to be maintained in conformance with GAAP.
2. An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion to be included in the City's Annual Financial Statements Report. Additionally, the Director of Administrative Services will present the Audited Financial Statements and the Auditors Letter to the City Council, including any audit findings.
3. Internal financial status reports are to be issued on a periodic and timely basis, as needed.
4. The City is to record the depreciation of equipment, buildings and facilities, and infrastructure as follows and in line with internally established capitalization guidelines included within Resolution 2016-76 Appendix D

**X. REVIEW AND UPDATE**

This financial policy will be reviewed periodically and updated, if necessary, to reflect any changing requirements.

# CITY OF COTATI POLICY FOR GENERAL FUND RESERVE POLICY



**RESOLUTION NO. 2009-50**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI  
ESTABLISHING A GENERAL FUND RESERVE**

**RECITALS**

**WHEREAS**, City staff has advised the City Council and the Cotati community that the City's General Fund has been, and is projected to be, significantly out of balance. An unprecedented combination of circumstances has resulted in projected deficits far beyond the City's capacity to absorb them; and

**WHEREAS**, the City has drawn down all of the existing General Fund fund balance and is projecting that the General Fund will run out of money prior to the end of Fiscal Year 09-10; and

**WHEREAS**, the City Council held a noticed public hearing on July 22, 2009 to consider calling a special election to seek voter approval of a proposed general transactions and use tax (or "sales tax"), as authorized by Revenue and Taxation Code section 7285.9; and

**WHEREAS**, at the conclusion of that hearing, the City Council concluded that all of the information presented indicated that an emergency existed in the City, and that the Council should call an election as soon as possible to ask the voters of the City to approve a 5-year increase in the local transactions and use tax ("sales tax"), the revenue from which could be used to support general municipal services. The next regularly scheduled election at which voters could consider a proposed tax is November 3, 2009; and

**WHEREAS**, in connection with asking the City's voters to increase the sales tax temporarily and to further the goal of restoring and maintaining the City's financial stability, the City Council desires to establish a general fund reserve that would provide a source of funding in the event of future emergencies and reduce the possibility of asking the voters to approve additional tax increases; and,

**WHEREAS**, the City Council desires to build a General Fund operating contingency reserve equal to not less than twenty five percent (25%) of the total General Fund operating budget (expenditures) by the beginning of FY 2014 -2015.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cotati that the foregoing Recitals are true and correct and are hereby adopted by the City Council. Based on those Recitals, the Council finds and declares as follows:

1. The City hereby establishes a General Fund operating contingency reserve. The reserve shall be determined to be fully funded when an amount not less than 25% of the General Fund operating budget (total current expenditures) is designated as reserved in the City's general fund financial statements. Until such time, the following amounts shall be set aside by the City each fiscal year as part of the annual budget adoption process:
  - a. If a general transactions and use tax is approved by the voters of the City of Cotati on November 3, 2009:

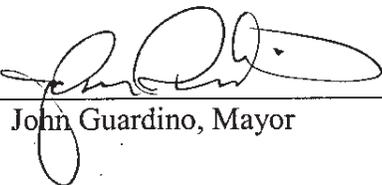
Thirty percent (30%) of the general transactions and use tax.

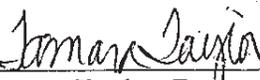
The amount to be reserved will be estimated for FY 09-10. The amount to be reserved for FY 10-11 will be based on the tax revenue received in FY 09-10 adjusted to reflect a full year of revenue. Subsequent years amounts will be based on the prior year's tax revenue.

- b. If a General transactions and use tax is not approved by or presented to the voters of the City of Cotati:  
Seven percent (7%) of the total revenues (excluding operating transfers) received by the City in the previous fiscal year.
- 2. At such time as the general operating reserve is determined to be fully funded, the City Council will determine the amount of reserve contribution for subsequent fiscal years as part of the annual budget process. The reserve amount for the following fiscal year shall be set no later than May 31 of each year.
- 3. Funds designated in the general operating reserve shall not be drawn on except in the face of a major economic crisis of calamitous dimension which threatens the City's financial stability. In such a case, the Council will take formal action by resolution determining that multiple adverse factors exist that warrant the use of the reserve funds and establishing a plan for restoring the reserve fund balance.

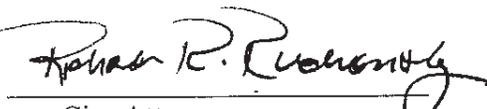
IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a regular meeting of the City Council of the City of Cotati held on the 22nd day of July by the following vote, to wit:

GUARDINO	<u>Yes</u>
COLEMAN-SENGHOR	<u>Yes</u>
BARICH	<u>Yes</u>
GILARDI	<u>Yes</u>
ORCHARD	<u>Yes</u>

Approved:   
John Guardino, Mayor

Attest:   
Tamara Taylor, Deputy City Clerk

Approved as to form:

  
City Attorney

# CITY OF COTATI POLICY FOR INVESTMENTS



# City of Cotati

## Investment Policy

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### **I. POLICY**

It is the policy of the City of Cotati to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City of Cotati and conforming to all state and local statutes governing the investment of public funds.

The City of Cotati shall strive to maintain the level of investment of all idle funds as near 100 percent as possible, through daily and projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the Administrative Services Director or his/her designee.

### **II. SCOPE**

The City of Cotati pools all cash for investment purposes and this policy is applicable to all current City funds or any new funds created. These funds include: the General Fund, capital projects funds, special revenue funds, enterprise funds, fiduciary funds.

Exceptions to pooling of investments are bond fund reserves. Bond fund reserves have conditions imposed by bond indentures which require a segregation of funds. Bond fund reserves accrue investment earnings directly to the reserved funds as required by the bond prospectus. For bond fund reserves, the investment policy is stipulated by the bond indenture.

### **III. PRUDENCE**

Under all circumstances, the "prudent person rule" shall apply. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable investment earnings to be derived.

The City Manager, the Administrative Services Director and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

### **IV. OBJECTIVES**

#### **1. Safety of Principal**

Safety of principal is the foremost objective of the City's investment policy. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by: (1) limiting the average maturity of the City's investment portfolio to three years, (2) limiting the maximum maturity of any one security to five years, and (3) structuring the portfolio based on historic and current cash flow analysis. This policy eliminates the need to sell securities prior to maturity and avoids the purchase of securities for the sole purpose of short-term speculation. It is recognized, however, that in a diversified investment portfolio, occasional measured losses are inevitable and must be considered within the context of the overall investment return and current economic circumstances.

## 2. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements reasonably anticipated. Historical and current cash flow needs are analyzed continually.

## 3. Return on Investment

The City's investment portfolio shall be designed to attain a market-average rate of return through economic cycles.

## 4. Social and Political Considerations

In addition, the City recognizes that it has an equal obligation to be aware of the social and political impacts of its investments, and subsequently to act responsibly in making its financial decisions.

The City shall not knowingly make any investments in any institution, company, corporation, subsidiary or affiliate that practices or supports directly or indirectly through its actions discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference or physical disability.

The City shall strive to make investments that benefit the local area and are consistent with the City's plans and policies. Priority shall be given to investments that promote community economic development, for example, by doing business with local banks provided that the criteria for safety, liquidity and yield are met.

## **V. DELEGATION OF AUTHORITY**

The City Council, by Resolution, assigned the responsibility of investing idle funds to the Administrative Services Director. The Administrative Services Director, or his/her designee, shall have day to day responsibility of the investment program and shall establish procedures for routine operations consistent with this investment policy. In accordance with California Government Code Section 53646, the treasurer or chief fiscal officer of a local agency may file reports on the status of their investment portfolios with their respective legislative body, internal

auditor, and chief executive officer. These reports generally are intended to provide the legislative body the ability to meet its fiduciary obligations as a trustee and to increase the disclosure of the agency’s investment activities to those outside the agency. As such the Administrative Services Director shall provide the required investment reports to the City Manager on a requested basis as well as directly to the City Council on a periodic basis.

## VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or that impairs their ability to make impartial investment decisions. Employees and investment officials shall disclose any material financial interest that could be related to the performance of the City's investment portfolio.

## VII. SAFEKEEPING OF SECURITIES

The City's account with its broker-dealer is insured for \$500,000 by the Security Investor Protection Corporation (SIPC), and for an additional \$9.5 million under a policy maintained by the broker-dealer. This policy picks up where SIPC coverage ends, protecting the City account from loss due to failure of the broker-dealer. The policy provides up to \$9.5 million in coverage per customer.

## VIII. Permitted Investments

The City is authorized by State law to invest in the following types of securities. The following tables include the maximum maturities for and maximum percentage or dollar amounts that may be invested in specific investment types:

Investment Type	Maximum % or \$	Maximum Maturity	Minimum Required Rating
<b>Bank/Time Deposits</b>	None	5 years	N/A
<b>U.S. Treasuries</b>	None	5 years	N/A
<b>U.S. Agencies</b>	75% (25% for one issuer)	5 years	N/A
<b>Money Market Funds</b>	20% (10% with one mutual fund)	N/A	N/A
<b>Bankers Acceptances</b>	30% (5% with one bank)	180 days	A1/P1
<b>Commercial Paper</b>	25% (5% with one firm)	270 days	A1/P1
<b>Negotiable CDs</b>	30% (5% with one bank)	5 years	A < 1 year
<b>LAIF</b>	Per State Statute	N/A	N/A
<b>CAMP/Caltrust</b>	None	N/A	N/A
<b>CDs Non-Negotiable/ CDARS</b>	30% (5% with one bank)	3 years	N/A
<b>Municipal Obligations</b>	5% with one agency	5 years	A
<b>Medium Term Notes</b>	30%	5 years	A
<b>Supranational</b>	2%	5 years	AAA

It is the intent that investments shall be managed in such a way that any market price losses resulting from interest-rate volatility would be offset by coupon income and current income received from the overall portfolio over market cycles. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

## IX. Permitted Investments, Continued

Pursuant to Government Code Section 53601 et seq. the City may only invest in the following security types (See the Glossary section for a detailed description of each of these investment types):

- 1) U.S. Government Treasury Bills and Notes
- 2) U.S. Government Sponsored Enterprise Debt (GSE's) (known as Agencies)
- 3) Certificates of Deposit (non-negotiable) (CDs) – The City is authorized to use of private CD placement services by local agencies. This investment policy allows for the use of a placement service called the Certificate of Deposit Account Registry Service (CDARS), which acts as the master custodian for the placement of CDs. Through the use of this placement service, local banks that work with CDARS place one investment by the City and divide the deposit into individual CDs not to exceed \$250,000, so that each individual CD is fully insured by the FDIC.
- 4) Bankers Acceptances (BA) – with an A1/P1 rating as provided for by a nationally recognized statistical-rating organization (NRSRO)
- 5) Commercial Paper - Prime commercial paper with an A1/P1 rating as provided for by a NRSRO. Purchases must be limited to corporations organized and operating within the United States, and as a practical matter generally only those corporations operating within the State of California, having total assets in excess of \$500 million, and having an "A" or higher rating for the issuer's debentures, other than commercial paper (as-provided by Moody's or Standard and Poor's rating services). In addition, purchases may not represent more than ten percent (10%) of the outstanding paper of an issuing corporation.
- 6) State of California Local Agency Investment Fund (LAIF)
- 7) CalTrust / California Asset Management Program (CAMP)
- 8) Domestic money market mutual funds – These must be registered with the Federal Securities and Exchange Commission (SEC), have over \$500 million in total assets, be rated in the highest rating category by two nationally recognized rating services and only invest in:
  - i) U.S. Government or federal agency securities and repurchase agreements,
  - ii) Tax exempt obligations or other investment instruments specifically included in the local investment policy
- 9) Negotiable Certificates of Deposit - Must be issued by a nationally or state chartered bank or savings and loan association, or by a state licensed branch of a foreign bank.
- 10) Medium Term Corporate Notes - Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the United States or any state and operating within the U.S. Must be rated “A” or better by a NRSRO.

If a corporate note owned by the City is downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such a corporate note in the portfolio.

- i) If a security is downgraded two grades below the level required by the City, the security shall be sold immediately.

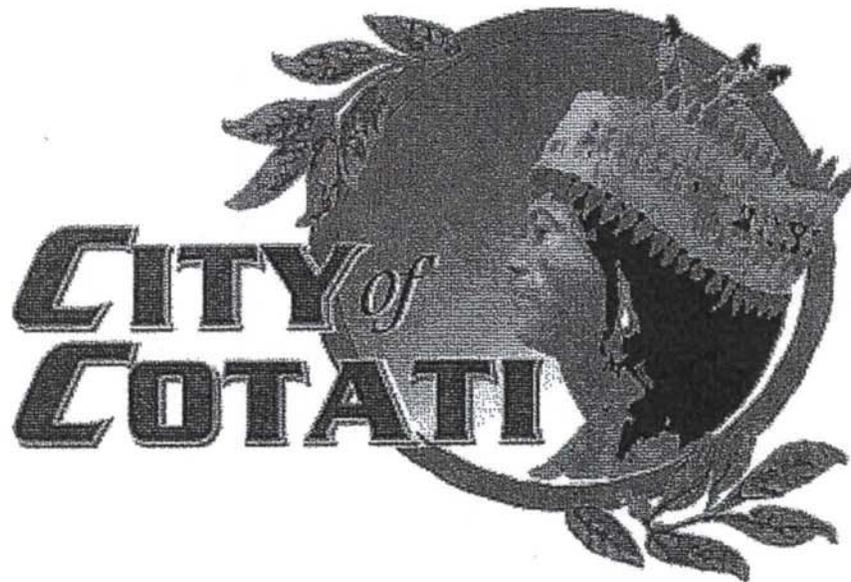
- ii) If a security is downgraded one grade below the level required by this policy and matures within 6 months, the security will be held to maturity. The Director of Administrative Services may determine to sell the security if it is determined that there is a probability of default prior to maturity. If a decision is made to retain the security in the portfolio, its presence in the portfolio will be monitored and reported to the City Council.
- 11) Municipal Obligations – Must be rated “A” or better by a nationally recognized rating agency, except for the City’s own bonds and bonds issued by the City’s former Redevelopment Agency and its Financing Authority, which may have any rating. Municipal Obligations include the following:
- Registered state warrants or treasury notes or bonds of the State of California and bonds, notes, warrants, or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department or agency of the state or local agency.
- Registered treasury notes or bonds of any of the 49 U.S. States in addition to the State of California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 U.S. States, in addition to California.
- 12) Supranational - Must be rated “AAA” or better by a nationally recognized rating agency and is U.S. dollar denominated senior unsecured unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank.

## **X. POLICY REVIEW**

The City's investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives and preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any State of California legislative action that further restricts allowable maturities or percentage allocations will be incorporated into the City's investment policy and supersede any and all previous applicable language. Amendments to the policy shall be forwarded to the City Council for approval.

# CITY OF COTATI POLICY FOR PURCHASING





# Purchasing Policy

Resolution 08-70 and CRA -207

## I. PURPOSE AND SCOPE

This policy provides purchasing guidelines and applies to all City purchases.

## II. POLICY STATEMENT

In accordance with the policy framework set forth in Chapter 3.36 of the municipal code, City purchases and contracts (including rentals and leases) will be made pursuant to these guidelines.

## III. DEFINITIONS

A. "Professional services" means services such as, but not limited to, the services of attorneys, physicians, architects, engineers and other consultants or individuals or organizations possessing a high degree of technical skill.

B. "Public works project" shall be defined in accordance with the Uniform Public Construction Cost Accounting Act (Public Contract Code §22002).

C. "Responsible bidder" means a person or entity who has the capability in all respects to fulfill the contract requirements.

D. "Services" means any and all work performed or service rendered by independent contractors, with or without the furnishing of material, excluding contracts for public works projects or professional services.

E. "Supplies", "materials", and "equipment" mean any and all articles or things which shall be furnished to or used by any department of the City, including those items purchased by the City and furnished to contractors for use in public works projects.

## IV. PROVISIONS / PROCEDURES

### A. GENERAL PURCHASING PROCEDURES

#### 1) Petty Cash

Petty Cash Funds, in an amount not to exceed \$800, will be maintained at City Hall. Petty Cash claims must be approved by the appropriate department head and accompanied by supporting documentation. The maximum amount that can be expended on a petty cash receipt is \$50.00. Petty Cash funds are to be used for reimbursement only.

#### 2) Credit Card

Administrative Services may issue City credit cards as directed by the City Manager only. Issued cards shall be used in accordance with the Policies and Procedures for Use of City Credit Cards (Exhibit 'A' attached). City Of Cotati

credit cards should never be used to circumvent established competitive purchasing procedures.

### 3) Due Diligence

Any official of the City authorized to make purchases shall, before making same, secure accurate and comparative cost information concerning the articles to be purchased, and shall act to procure for the City the needed quality and quantity of supplies, materials and equipment at the least expense to the City.

## B. COMPETITIVE BIDDING GUIDELINES FOR THE PURCHASE OF INVENTORY MATERIALS, SUPPLIES, EQUIPMENT, AND SERVICES

The following guidelines shall be utilized for the purchase of inventory materials, supplies, equipment and services:

1) Purchases of five thousand (\$5,000.00) dollars or less may be authorized by the City Manager or designee(s) and may be made based on informal quotes, either in writing or taken verbally.

2) Purchases greater than five thousand (\$5,000.01) dollars up to twenty-five thousand (\$25,000.00) dollars shall be made based on written quotations from vendors provided a budget appropriation for the purchase has been approved by the City Council. If a budget appropriation for the purchase has not been approved, or if the dollar amount is greater than the approved budget, then the purchase shall require City Council approval.

3) For purchases greater than twenty-five thousand (\$25,000.01) dollars, the purchase shall be approved by the City Council through a sealed competitive bid process as outlined below:

(a) Notice inviting bids shall include a general description of the services and/or articles to be purchased or sold, where bid documents may be obtained (if applicable), the time and place for bid openings, and whether a bid deposit or bond will be required.

(b) Notice inviting bids shall be advertised in a newspaper of general circulation in the City.

(c) The City Manager or designee(s) shall also directly solicit sealed bids from known responsible prospective suppliers and may advertise the notice inviting bids in applicable publications.

(d) When deemed necessary by the City Manager or City Council, any bidder may be required to submit a bid deposit or bond in an amount determined by the City Manager or City Council. Bidders shall be entitled to return of bid security provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award

it to the next lowest bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and the second lowest bid, the surplus, if any, shall be returned to the lowest bidder.

(e) When deemed necessary by the City Manager or City Council, any person or entity entering into a contract with the City may be required to furnish a faithful performance deposit bond in an amount determined by the City Manager or City Council.

(f) Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices.

(g) At its discretion, the City Council may reject all bids presented and re-advertise for bids.

(h) Contracts shall be awarded by the City Council to the lowest responsible bidder, except as otherwise provided herein.

(i) If two (2) or more bids received from responsible bidders are for the same total amount or unit price, quality and service being equal, preference shall be given to the local vendor, or the City Council may accept the lowest bid made by negotiation with the bidders and the City Manager or designee(s) at the time of bid opening.

#### 4) GUIDELINES FOR EVALUATING BIDS SHALL INCLUDE:

(a) The ability, capacity and skill of the bidder to perform the contract or provide the service required.

(b) The ability of the bidder to perform the contract or provide the service promptly, or within the time specified, without delay or interference.

(c) The reputation and experience of the bidder, including the City's previous experience with the bidder.

(d) The quality, availability and adaptability of the supplies, materials or contractual services to the particular use required.

(e) The ability and availability of the bidder to provide future maintenance and service for the use of the subject of the contract.

(f) The conditions attached to the bid by the bidder.

#### C. REQUESTS FOR QUOTATION, REQUESTS FOR PROPOSAL, AND AGREEMENTS FOR PROFESSIONAL SERVICES

Request for Quotations or Proposals and Agreements for Professional Services will be awarded pursuant to the following guidelines:

1) Agreements for Professional Services estimated to cost less than twenty-five thousand dollars (up to \$24,999.99) may be awarded by the City Manager provided a budget appropriation for the service has been approved by the City Council. Although no specific purchasing requirements are established for this level of contract, three proposals should be solicited whenever practical.

2) Requests for Quotation (RFQ) or Requests for Proposal (RFP) for professional services estimated to be twenty five thousand (\$25,000.00) dollars or greater may be issued by the City Manager provided a budget appropriation for the service has been approved by the City Council. If no RFP is issued, three proposals shall be solicited. The award of the contract shall be approved by the City Council.

3) Contracts for Professional Services estimated to cost more than twenty five thousand (\$25,000.00) dollars will generally be awarded pursuant to the following guidelines; however it is recognized that the City's need for consultant services will vary from situation to situation, and accordingly, flexibility will be provided in determining the appropriate evaluation and selection process to be used in each specific circumstance.

4) Cost shall not be the sole criteria in selecting the successful bidder. Consultant proposals will be evaluated based on a combination of factors that result in the best value to the City, including but not limited to:

- (a) Understanding of the work required by the City.
- (b) Quality and responsiveness of the proposal.
- (c) Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by the City.
- (d) Recent experience in successfully performing similar services.
- (e) Proposed methodology for completing the work.
- (f) References.
- (g) Background and related experience of the specific individuals to be assigned to the project.
- (h) Proposed compensation.

#### D. SERVICE CONTRACTS

1) For services which are purchased repeatedly throughout a year, the bidding procedures used shall be consistent with the estimated cumulative expenditures during a twelve (12) month period. All contracted services shall be formalized in a contract, signed by the City Manager or designee(s).

2) For the purchase of contracted services, the City's Competitive Bidding Guidelines (Section B above) are applicable and shall be followed.

#### E. SOLE SOURCE PURCHASES

Commodities and services, which can only be obtained from one vendor, are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area, or a certain product has been proven to be the only product that is acceptable. All sole source purchases shall be supported by written documentation signed by the City Manager or designee(s). An example of sole source is where equipment, supplies or materials are required in order to be compatible with existing equipment or to perform a complex or unique function. Final determination that an item is a valid sole source purchase will be made by the City Manager. Final determination shall not be delegated.

#### G. STATE COOPERATIVE PURCHASING

The City will endeavor to utilize the State Cooperative Purchasing; the League of California Purchasing Pool; and other public agencies operating local pools or allowing piggyback purchasing. When utilizing such pools, bidding requirements set forth herein shall be deemed to be met.

#### H. RECYCLED PRODUCTS

The City Council adopted a Source Reduction and Recycling Procurement Policy on September 9, 1992 which is attached as Exhibit "B".

#### I. LOCAL VENDOR PREFERENCE

In order to promote local business activity which may result in increased jobs and increased revenue, a 5% (five percent) preference shall be granted to local vendors in those City purchases requiring competitive bidding. To qualify for this preference, local vendors must have their principal place of business within the City of Cotati and must have a current City business license.

Guidelines for determination are as follows:

- 1) A five percent (5%) preference to local vendors.
- 2) The total preference amount granted shall not exceed \$5,000 (i.e. 5% of \$100,000). Preferences only apply to the procurement of material, equipment, supplies, and services as set forth in this policy. They do not apply to purchases procured under Federal or State requirements, State Cooperative Purchasing, cooperative purchases with other agencies, or Public Works projects subject to Public Contract Code. For professional services, vendor selection is based primarily on qualifications and project schedule, with cost a secondary concern. Nonetheless, the local preference will be taken into account in reaching a final consultant selection decision.

- 2) Local preference provisions may be waived by the City Manager when the conditions of Federal, State, or private grant monies prohibit such preference or otherwise conflict with this policy.
- 4) Local bidders must bid with same or comparable specifications as required of non-local bidders.
- 5) To qualify for the preference, local bidders must submit proof of the address of their principal place of business and a copy of their current City Business License.

#### J. EMERGENCY EXEMPTION

The City Manager exclusively shall have authority to dispense with the requirements of subsection (B) (1) and (2) of this section if emergency conditions are deemed to exist. An emergency shall be deemed to exist if:

1. There is a great public calamity such as a flood, fire or earthquake;
2. There is an immediate need to prepare for national or local defense;
3. There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies and equipment to provide essential city services;
4. An essential departmental operation affecting the public health, welfare or safety would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of the needed item.

#### K. PUBLIC PROJECT CONTRACTS

See Cotati Municipal Code Chapter 3.4

#### V. RESPONSIBILITIES AND REVIEW

A. *Responsibility for Review:* Director of Administrative Services

B. *Review Period:* 5 Years

**CITY OF COTATI  
POLICIES AND PROCEDURES  
FOR USE OF CITY CREDIT CARDS**

**Purpose of City Credit Card.** A City credit card shall be issued to employees for the purpose of making small-dollar purchases, securing reservations, paying travel expenses, placing phone orders, and doing City business in the most efficient manner. The City credit card is intended to replace the use of petty cash and small open purchase orders. Use of the City credit card is not intended to replace effective procurement planning.

**Acknowledgement and Receipt of Credit Card.** When a City credit card is issued, the Finance Department shall ask the employee to sign a form acknowledging his/her understanding of the policies and procedures for the use of the City credit card and acknowledging the receipt of the credit card.

**Cardholder and Approving Official.** The Cardholder is the employee whose name is on the City credit card. Each Cardholder is assigned to an Approving Official, who is generally a City department head or his/her designee.

The Approving Official authorizes employees to be Cardholders, establishes additional restrictions if any on the use of the City credit card, approves Cardholder purchases, verifies that purchases comply with City policies and include proper documentation, and authorizes payment.

**Restricted Use of City Credit Card.** The following restrictions are placed on all City credit cards:

- a. Credit cards are issued to City employees for the sole purpose of conducting official business of the City. Improper use of a City credit card will be treated as misuse of public funds and will subject the Cardholder to disciplinary action up to and including termination and prosecution.
- b. The City credit card is for the Cardholder's use only.
- c. Cardholders must ensure that sufficient funds are available prior to making purchases. The Approving Official or the Finance Department can assist the Cardholder with the budget review.
- d. Purchases cannot exceed the single transaction limit or the 30-day limit established for the City credit card. Purchases must not be split to circumvent purchasing policies.
- e. Additional restrictions or prohibited uses of the City credit card may be required by the Approving Official.

**Prohibited Uses.** The City credit card shall not be used for the following:

- a. Any personal items and personal services, including massage parlors and escort services.
- b. Cash advances, wire transfers, money orders, etc.
- c. Betting, casino gaming, or related activities.
- d. Political or religious organizations.
- e. Court costs, fines, bail or bonds.

## Exhibit "A"

- f. Rental or lease payments, except for small pieces of equipment to be used for less than a week in duration.
- g. Purchases of items for which the City has purchase discount agreements, unless it is an emergency situation and approved by the Approving Official.
- h. Purchase of telephone services including pagers and calling cards, except for telephone calls charged to a hotel/motel room.
- i. Alcoholic beverages.
- j. Other prohibited/restricted uses required by the Approving Official.

**Safekeeping of City Credit Card.** The Cardholder is responsible for the security of the City credit card. If the City credit card is used infrequently, the Finance Department shall store the credit card while it is not in use. The Finance Department shall maintain a sign in/out sheet for stored credit cards.

**Credit Card Purchase and Statement Procedure.** Cardholders shall complete the following steps with each purchase:

- a. Require the vendor to provide the following information on the sales draft:
  - 1. Imprint of City credit card.
  - 2. Imprint of vendor name and identification.
  - 3. Date of purchase.
  - 4. Amount of sales tax and amount of total purchase.
  - 5. Brief but specific description of items being purchased.
- b. Retain the sales draft with accompanying receipt/invoice.
- c. For telephone orders, record order on a Log of Telephone Credit Card Orders form.
- d. For mail orders, maintain a copy of the order form.

Cardholders shall complete the following steps upon receipt of the credit card statement, which is sent to the Cardholder in care of City Hall at the end of the billing cycle:

- a. Balance all sales drafts, logs and order forms to the statement, which will show all transactions made during the billing cycle. All items must be accounted for on the statement with a supporting sales draft, receipt/invoice, log entry and order form. If the Cardholder had no purchases during the billing cycle, no statement will be generated.
- b. Indicate the account number to be charged for each item by writing it on the statement.
- c. Within three (3) days of receipt of the credit card statement, submit the balanced statement with attached sales drafts, receipts/invoices, logs and order forms to the Approving Official for approval and payment processing.

**Billing Errors and Returned Items.** If a purchased item is billed incorrectly, the Cardholder is responsible for contacting the vendor within ten (10) days after the date of the purchase on items in dispute which appear as transactions on the statement. The Cardholder shall cross out the transaction on the statement, indicating "questioned item", and provide a brief written explanation.

If a purchased item is returned, the Cardholder is responsible for contacting the vendor and requesting a credit transaction. The Cardholder shall cross out the transaction on the statement, indicating "pending credit".

Exhibit "A"

**Replacement of Worn Out/Defective Card.** If a City credit card needs to be replaced, the Cardholder shall notify the Approving Officer who will forward the worn out/defective card to the Finance Department for replacement.

**Lost or Stolen Credit Card.** Should a Cardholder lose or have his/her City credit card stolen, it is his/her responsibility to contact the bank immediately at **(800) 227-6736**. Within one (1) working day, the Cardholder shall also notify the Approving Official and provide the following information: Cardholder's complete name; City credit card number; date reported to police, if stolen; date the bank was notified, and; any purchase(s) made on the day the card was lost or stolen. The Approving Official will forward the information to the Finance Department. A new City credit card will be mailed to the Cardholder within one week from the time the loss or theft is reported to the bank by the Cardholder.

**Cardholder Changes.** Changes to a Cardholder's name or address shall be reported immediately to the Approving Official who will forward the information to the Finance Department. Upon leaving the City or transferring to another City department, the Cardholder shall return the City credit card to the Approving Official who will forward the card to the Finance Department.

CITY OF COTATI

Source Reduction and Recycling Procurement Policy

PURPOSE

To increase the recycled-content products purchased and used by the City of Cotati, its contractors, and its grantees.

To provide guidance to the City staff in evaluating the purchase of products for City uses.

To reduce the amount of solid waste the City generates into local landfills.

To develop a market for the purchasing of recycled-content products.

DEFINITIONS

Recovered material: Waste material and by-products that have been recovered or diverted from solid products generated from and commonly reused within an original manufacturing process.

Post-consumer recovered material: Paper, paperboard and fibrous wastes from retail stores, office buildings, homes, etc. after they have passed through their end usage as a consumer item. Items such as, but not limited to used corrugated boxes, old newspapers, mixed waste paper.

Pre-consumer recovered material: Material or by-products generated during and after manufacturing of a product is completed, but before the product reaches the end use consumer. Examples include, but are not limited to, obsolete inventory of finished goods, rejected unused stock, and other paper waste generated during printing, cutting and other converting operations.

Recycled product: Any product that is at least partially composed of secondary waste. California Public Contracts Code, Section 12200 states that a recycled product shall have "...no less than 50 percent of its weight of which consists of secondary and post-consumer waste with not less than 10 percent of its total weight consisting of post-consumer waste. A recycled product shall include any product which could have been disposed of as solid waste having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of its form."

## BACKGROUND

The California Integrated Waste Act of 1989, AB 939 (Chapter 1095, Stats. 1989), requires cities and counties to divert 25 percent of solid waste from landfills through source reduction, recycling and composting by January 1, 1995. By January 1, 2000, a 50 percent diversion is mandated. To reach these goals, the City of Cotati is committed to continue reducing solid waste and to promote recycling programs through example. The City offices have been recycling paper, and purchasing recyclable materials such as paper cups for 5 years. A City Ordinance #515 was passed on 07-25-89 which banned the use of polystyrene products. For the past two years the City has also purchased Christmas cards on recycled paper.

It doesn't matter how much used paper is collected, or how many bottles and cans are diverted from the garbage truck. A recycling program will fail unless someone is willing to convert those materials to new productive uses and someone is willing to purchase recycled products.

The purchasing of recycled-content products is necessary to close the recycling loop. City leadership in this area is considered essential to promoting such purchasing among private businesses and the general public, and reflects the City's recycling philosophy and commitment of creating markets for recycled products. Not only will this lead to reduction of solid waste into landfills but will also reduce demands on natural resources.

## POLICY

### A. Recycled Content Preference

It is the policy of the City of Cotati to purchase functional products which contain, in order of preference:

- 1) the highest percentage of post-consumer recovered material available in the marketplace; and
- 2) the highest percentage of pre-consumer recovered material available in the marketplace.

### B. Recyclability and Waste Reduction

In addition to the recovered material content of a product (or service, as appropriate) important criteria in selecting products shall also include:

- 1) the ability of the product and its packaging to be reused, reconditioned for use, or recycled through existing collection programs; and

- 2) the volume and toxicity of waste and by-product a given product and its packaging generate in their production, use, recycling and disposal. Products and packaging designed to minimize waste and toxic by-products in their production, use, recycling and disposal shall be selected.

C. Equipment Capability

Equipment purchased or rented by the City shall be compatible with the use of recycled-content products. If deemed impracticable, a specific reason for such a finding must be included in the purchasing record.

D. Purchasing, Specifications and Bid Solicitations

Several items containing recycled materials include paper and paper products, lubricating oils, retread tires, building products, compost, cement and concrete. Guides will be kept on file at City Hall for reference to recycled-content product and vendor listing.

Product specifications and purchasing for products shall conform to the following guidelines:

- 1) specifications and purchasing shall not require the use of products made from virgin materials, nor specifically exclude the use of recycled-content products;
- 2) performance standards must be reasonable and related to function, and shall not be designed to exclude the purchase of recycled-content products;
- 3) the City Manager has the authority to specify a minimum recycled-content standard in bid solicitations to accomplish the purposes of this policy;
- 4) all contractors for the City will recycle all recyclable materials from the job site. Items include wood scraps, compostable materials, etc.
- 5) a 10% price preference may be given to recycled products, reusable products offered or alternatives to disposable products and products designed to be recycled where they are offered as alternatives to non-recycled products. The preference percentage shall be based on the best quality/lowest bid or price quoted by the supplier(s) offering non-recycled products.

E. Promotion

All current and future City vendors and service providers shall be apprised of this policy at the time competitive bids or proposals are solicited and at other appropriate opportunities.

When recycled products are used, reasonable efforts shall be undertaken to label the products to indicate that they contain recycled materials. This includes mast-head stationery and envelopes used by the City.

F. Certification

All product providers shall be required to certify the minimum, if not exact, percentage of post-consumer recovered material and total recovered material contained in products purchased by the City. If no recovered material has been used, then a provider would certify zero recycled-content.

G. Implementation

Implementation will begin on (DATE) or ninety days after the adoption of the policy.

H. Waivers and Exceptions

In the instances where procurement of recycled items is impracticable, or where barriers exist in the procurement of recycled items, a specific justification for waiving this policy shall be included in the Monitoring and Annual Accountability Report.

I. Monitoring and Annual Accountability Report

An annual status report to the City Council and the Environmental Advisory Commission will be prepared and presented by staff on the implementation of this policy. Each department shall submit an annual report of accessibility of recycled products, which products are now purchased, who the vendors are, and the areas for which they need vendor lists. The report shall also identify and discuss:

- 1) instances where this policy is waived or its requirements found impracticable; and
- 2) barriers to the procurement of recycled-content products; and
- 3) the name of the vendor and/or contractor who did not comply with specifications in a contract or agreement, including, but not limited to, those who do not recycle recyclable materials from a job site.

RESOLUTION NO. 92-69

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI  
ADOPTING A SOURCE REDUCTION AND RECYCLING PROCUREMENT POLICY

WHEREAS, the volume of material disposed of at the county landfill has been increasing annually, and

WHEREAS, sanitary landfill space is at a premium and it is becoming increasingly difficult to site new landfills, and

WHEREAS, much of the material that enters the waste stream can be recycled, reused or incorporated in the manufacture of new products, and

WHEREAS, city participation in and promotion of recycling programs can significantly reduce the volume of material entering the waste stream thereby extending county landfill life expectancy and reducing expenses, and

WHEREAS, for recycling programs to be effective, markets must be developed for products that incorporate post-consumer materials in their manufacture, are reusable or are designed to be recycled, and

WHEREAS, California State Law requires that local agencies buy recycled and recyclable products if fitness, quality and price are equal to non-recycled products and allows local agencies to adopt purchasing preferences for these products.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cotati does hereby adopt a source reduction and recycling procurement policy in accordance with the State mandated requirements of AB 939 attached and incorporated by reference.

\* \* \* \* \*

IT IS HEREBY CERTIFIED that the foregoing resolution was duly passed at a regular meeting held on the 9th day of September, 1992, by the following vote to wit:

ELLES:	<u>Yes</u>
CULLINEN:	<u>Yes</u>
BERKEMEIER:	<u>Yes</u>
MILLER:	<u>Yes</u>
WIRT:	<u>Yes</u>

Approved: \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

Deputy City Clerk

**RESOLUTION NO. 08-70 AND CRA-207**

**A RESOLUTION OF THE CITY COUNCIL AND THE BOARD OF  
DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY OF  
THE CITY OF COTATI,  
ESTABLISHING A PURCHASING POLICY**

WHEREAS, on September 23<sup>rd</sup>, 1992 the City Council of the City of Cotati Adopted Ordinance No. 575 Establishing a City Purchasing Procedure and an Alternative Procedure for Public Projects; and,

WHEREAS, on January 13<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance 584 Amending Section 3.40.010 of the Cotati Municipal Code for the Purpose of Defining "Public Project"; and,

WHEREAS, on May 26<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance No. 602 Amending Section 3.36.090 and Adding Section 3.40.070 to the Cotati Municipal Code with Respect to Purchasing Procedures and,

WHEREAS, the City has determined that Ordinance Nos. 575 and 602 are outdated and require revision and expansion to clarify and re-establish the City's purchasing procedures; and,

WHEREAS, the City has determined that Chapter 3.40 of the Cotati Municipal Code should be replaced in its entirety, thereby eliminating the need for Ordinance No. 584; and

WHEREAS, the City has adopted an Ordinance Superseding Ordinance Nos. 575, 584, and 602 Amending the City of Cotati Municipal Code Establishing a City Purchasing Procedure and an Alternative Procedure for Public Projects; and

WHEREAS, the Ordinance requires that the City adopt a purchasing policy by Resolution; and

WHEREAS, said policy is attached to this resolution as Exhibit "A"

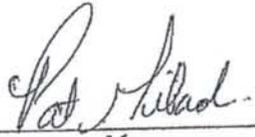
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COTATI DOES RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

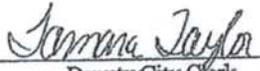
IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a joint meeting of the City Council of the City of Cotati and

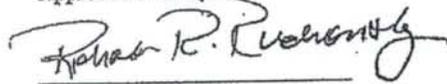
**FILE COPY**

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

GILARDI Yes  
GUARDINO Yes  
FOX Yes  
MINNIS Yes  
ORCHARD Yes

Approved:   
Mayor

Attest:   
Deputy City Clerk

Approved as to form:  
  
City Attorney

ORDINANCE NO. 816

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COTATI,  
SUPERSEDING ORDINANCE NOS. 575, NO. 584 AND NO. 602, AMENDING THE  
CITY OF COTATI MUNICIPAL CODE ESTABLISHING A CITY PURCHASING  
PROCEDURE AND AN ALTERNATIVE PROCEDURE FOR PUBLIC PROJECTS**

WHEREAS, on September 23<sup>rd</sup>, 1992 the City Council of the City of Cotati Adopted Ordinance No. 575 Establishing a City Purchasing Procedure and an Alternative Procedure for Public Projects; and,

WHEREAS, on January 13<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance 584 Amending Section 3.40.010 of the Cotati Municipal Code for the Purpose of Defining "Public Project"; and,

WHEREAS, on May 26<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance No. 602 Amending Section 3.36.090 and Adding Section 3.40.070 to the Cotati Municipal Code with Respect to Purchasing Procedures and,

WHEREAS, the City feels that Ordinance Nos. 575 and 602 are outdated and should be revised and expanded to clarify and re-establish the City's purchasing procedures; and,

WHEREAS, the City feels that Chapter 3.40 of the Cotati Municipal Code should be replaced in its entirety, thereby eliminating the need for Ordinance No. 584;

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

The City Council of the City of Cotati, State of California, does ordain as follows:

**Section 1.**

Chapters 3.36 and 3.40 of the Cotati Municipal Code are hereby amended to read as follows:

**CITY PURCHASING PROCEDURE**

**Sections:**

3.36.010 Expenditures – Compliance Required

3.36.020 Delegated Authority to Purchase

**3.36.010 Expenditures - - Compliance Required**

All expenditures of City funds in connection with purchases must be made strictly in accordance with the duly adopted budget, and in order that budgetary control may be effectively exercised,

must be made in conformance with the City of Cotati purchasing policy. This policy will be adopted by City Council Resolution.

3.36.020 Delegated Authority to Purchase.

- A. The City Manager or designee(s) shall be granted authority to purchase. The City Manager or designee(s) shall develop and maintain a current purchasing policy for all City purchases in accordance with this chapter and any other applicable rules and regulations prescribed by the City Council.
- B. The City Manager or designee(s) shall have the authority to purchase or contract for supplies and equipment required by any department in accordance with:
  - 1. Amounts specified in the currently adopted City budget.
  - 2. City of Cotati purchasing policy.
  - 3. Other rules and regulations as prescribed by the City Council or state law.

**PUBLIC PROJECT CONTRACTS**

Sections:

- 3.40.010. Definition
- 3.40.020. Intent – Compliance with State Policy
- 3.40.030. Force Account and Informal Bidding – When Allowed
- 3.40.040. Formal Bidding – When Required
- 3.40.050. List of Qualified Contractors
- 3.40.060. Informal Bid Invitation
- 3.40.070. Council Approval for Exceptions to Informal and Formal Bidding Procedures

3.40.010 Definition.

"Public project" within the meaning of the ordinance codified in this chapter shall be defined by reference to the Uniform Public Construction Cost Accounting Act (Public Contract Code §22002). All Public Contract Code sections referenced in this section in effect at time of Ordinance adoption are included as Exhibit "A" for referenced only. The PCC section language in effect at the time of bid shall take precedence.

3.40.020 Intent - - Compliance with State Policy.

It is intended by the ordinance codified in this chapter to maintain the City's compliance with the Uniform Public Construction Cost Accounting Act, contained in the Public Contract Code, Section 22010 et seq., and to provide for the letting of all public project contracts in this City subject to, and in accordance with, the act as in effect at the date the project is bid. The City shall comply in all respects with the Public Construction Cost Accounting Policies and procedures as promulgated by the State Controller and shall cooperate with the California

Uniform Construction Cost Accounting Commission in any review of the City's accounting procedures conducted by the commission.

3.40.030 Force Account and Informal Bidding - - When Allowed.

- A. Public projects in the amount specified in Public Contract Code (PCC) section 22032 (a) or less may be performed by City employees by force account or negotiated contract.
- B. Public projects in the amount specified in PCC section 22032 (b) or less may be let to contract by informal procedures as set forth in Article 3 of Chapter 2 of the Public Contract Code commencing with Section 22030.

3.40.040 Formal Bidding - - When Required.

Public projects of more than the amount specified in PCC section 22032 (c) may be let to contract by formal bidding procedures as set forth in the PCC commencing Section 22030, particularly Section 22037.

3.40.050 List of Qualified Contractors.

A list of qualified contractors shall be maintained as per PCC Section 22034 (a)

3.40.060 Informal Bid Invitation.

Shall be in compliance with requirements of the PCC Section 22034 in effect the date the project is bid.

3.40.070 Council Approval for Exceptions.

Informal and Formal Bidding Procedures will be allowed only in accordance with PCC section 22050 in effect at the time.

**Section 2. Severability.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

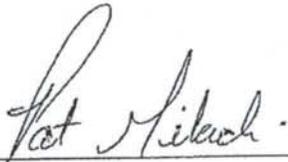
The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases or clauses be declared unconstitutional on their face or as applied.

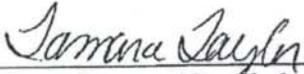
**Section 3. Effective Date.** This ordinance shall become effective 30 days after the date of adoption.

**Section 4. Posting.** The City Clerk shall cause this ordinance to be published and/or posted within 15 days after its adoption.

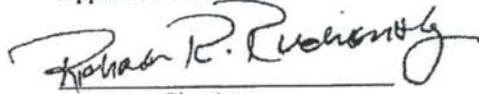
**IT IS HEREBY CERTIFIED** that the foregoing ordinance was duly adopted on the 24th day of September, 2008 at a regular meeting of the Cotati City Council by the following vote, to wit:

GILARDI	<u>Yes</u>
GUARDINO	<u>Yes</u>
FOX	<u>Yes</u>
MINNIS	<u>Yes</u>
ORCHARD	<u>Yes</u>

Approved:   
Mayor

Attest:   
Deputy City Clerk



Approved as to form:  
  
City Attorney

WAIS Document Retrieval

22002. (a) "Public agency," for purposes of this chapter, means a city, county, city and county, including chartered cities and chartered counties, any special district, and any other agency of the state for the local performance of governmental or proprietary functions within limited boundaries. "Public agency" also includes a nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

(b) "Representatives of the construction industry" for purposes of this chapter, means a general contractor, subcontractor, or labor representative with experience in the field of public works construction.

(c) "Public project" means any of the following:

(1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.

(2) Painting or repainting of any publicly owned, leased, or operated facility.

(3) In the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

(d) "Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following:

(1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.

(2) Minor repainting.

(3) Resurfacing of streets and highways at less than one inch.

(4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

(5) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

(e) For purposes of this chapter, "facility" means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3) of subdivision (c), real property, streets and highways, or other public work improvement.

CALIFORNIA CODES  
PUBLIC CONTRACT CODE  
SECTION 22010-22020

22010. There is hereby created the California Uniform Construction Cost Accounting Commission. The commission is comprised of 14 members.

(a) Thirteen of the members shall be appointed by the Controller as follows:

(1) Two members who shall each have at least 10 years of experience with, or providing professional services to, a general contracting firm engaged, during that period, in public works construction in California.

(2) Two members who shall each have at least 10 years of experience with, or providing professional services to, a firm or firms engaged, during that period, in subcontracting for public works construction in California.

(3) Two members who shall each be a member in good standing of, or have provided professional services to, an organized labor union with at least 10 years of experience in public works construction in California.

(4) Seven members who shall each be experienced in, and knowledgeable of, public works construction under contracts let by public agencies; two each representing cities, counties, respectively, and two representing school districts (one with an average daily attendance over 25,000 and one with an average daily attendance under 25,000), and one member representing a special district. At least one of the two county representatives shall be a county auditor or his or her designee.

(b) The member of the Contractors' State License Board who is a general engineering contractor as that term is defined in Section 7056 of the Business and Professions Code shall serve as an ex officio voting member.

22011. The Controller, in an effort to select highly qualified commission members, shall solicit from organized representatives of the construction industry and public agencies recommendations for appointments to the commission.

22012. At least one commission member of the seven representing the construction industry and at least one of the seven representing public agencies shall have previous accounting experience.

22013. The commission members shall select a chairperson from among its membership. The chairperson shall serve as chair for a term of one year from the date of selection or February 1, whichever comes first. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies.

22014. (a) The members of the commission shall hold office for

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

terms of three years, and until their successors are appointed, except as otherwise provided for in this section.

(b) In the case of members initially appointed by the Controller, two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1985; two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1986; and three representing the construction industry and three representing public agencies shall be appointed to serve until July 1, 1987.

(c) Members may be reappointed for subsequent terms of three years.

(d) The Controller shall, within 45 days after the expiration of any term, appoint a replacement to fill the vacancy on the commission.

22015. (a) The Controller shall make available for the conduct of the commission's business, such staff and other support as does not conflict with the accomplishment of the other business of the office of the Controller.

(b) Each member of the commission shall serve without compensation, but shall be reimbursed for travel and other expenses necessarily incurred in the performance of the member's duties.

(c) The commission may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this chapter.

22016. The commission shall meet not less than once each year, at a time and place chosen by its membership.

22017. The commission shall do all of the following:

(a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies which elect to utilize the uniform procedures.

As part of its deliberations and review, the commission shall take into consideration relevant provisions of Office of Management and Budget Circular A-76.

(b) After due deliberation and study, recommend for adoption by the Controller cost accounting procedures designed especially for implementation by California cities with a population of less than 75,000. The procedures shall incorporate cost accounting and reporting requirements deemed practicable and applicable to all cities under 75,000 population which elect to utilize the uniform procedures. For purposes of these cost accounting procedures, the following shall apply:

(1) Cities with a population of less than 75,000 shall assume an overhead rate equal to 20 percent of the total costs of a public project, including the costs of material, equipment, and labor.

(2) Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate equal to

30 percent of the total costs of a public project, including the costs of material, equipment, and labor.

(c) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 22032.

(d) The commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations as it deems necessary.

22018. The Controller shall, upon receipt of the commission's recommendations, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission by the commission.

22019. Upon determining that the recommended uniform construction cost accounting procedures will serve the best interests of the state and public agencies, and upon formal adoption by the Controller, the Controller shall promulgate the uniform procedure for all public agencies electing to participate, together with instructions for their adoption and implementation by any public agency.

22020. In accordance with procedures and standards adopted pursuant to Section 22017, every five years the commission shall consider whether there have been material changes in public construction costs and make recommendations to the Controller regarding adjustments in the monetary limits prescribed by Section 22032, but in no case shall the amount, as adjusted, be less than fifteen thousand dollars (\$15,000). Any adjustment shall be effective beginning with the fiscal year which commences not less than 60 days following the Controller's notification to all public agencies of the adjustment. That notification shall also describe the provisions of this chapter and the benefits of using its provisions.

# CITY OF COTATI POLICY FOR CAPITAL ASSETS



**RESOLUTION NO. 2016 - 76**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI ESTABLISHING**  
**A CAPITALIZATION POLICY**

WHEREAS, the City of Cotati desires to establish a written policy for capital assets and depreciation; and

WHEREAS, such policy will establish standard procedures for capitalizing fixed assets to facilitate the identification, reporting, safeguarding of the city assets in compliance with generally accepted financial reporting requirements; and

WHEREAS, such policy will include capitalization thresholds and methods used for estimating historical cost or fair value; and

WHEREAS, such policy strikes an appropriate balance between ensuring that all material capital assets, collectively, are capitalized and the cost of record keeping for capital assets are minimized.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cotati that the Capitalization Policy attached as Exhibit A is hereby adopted.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted at a regular joint meeting of the City Council of the City of Cotati and the Successor Agency to the Former Cotati Community Redevelopment Agency held on the 9th day of November, 2016, by the following vote, to wit:

**RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]**

**MOVER:** Susan Harvey, Vice Mayor

**SECONDER:** Wendy Skillman, Councilmember

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

Approved: \_\_\_\_\_

Mayor/Chair

Attest: \_\_\_\_\_

Lauren Berges, Deputy City Clerk

Approved as to form:

Robin Paige Donoghue

City Attorney

Attachments:

Exhibit A: Proposed Asset Capitalization Policy (PDF)

**City of Cotati**  
**Capital Asset Policy**

**Administrative Services Department**

201 W. Sierra Ave.

Cotati, California 94931

Effective July 1, 2016

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## 1. GENERAL INFORMATION

### Introduction

The City of Cotati's policies for the acquisition, valuation, and disposition of capital assets are contained within this document. These policies are designed to aid City departments, offices, and institutions under the control of the Board of Supervisors by clarifying the City's definition of capital assets. Relevant State Government Codes and Accounting Standards are incorporated within the policies. Proper capital asset accounting provides the City with the data necessary to:

1. Prepare financial reports.
2. Safeguard sizable investments.
3. Identify custodial responsibility.
4. Assist with risk management/insurance activities.
5. Formulate future asset acquisition and retirement policies.
6. Recover costs from Federal and State programs or fee reimbursement programs.

In order to set a the highest possible standard we will continue to compare the asset policy as described herein against the recommended Government Finance Officers Association (GFOA) Best Practices Guide on Capital Asset Procedures. Current recommendations included within the GFOA guide that are included herein include the following:

- Potentially capitalizable items should only be capitalized only if they have an estimated useful life of at least two years following the date of acquisition;
- Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., books of a library district);
- In no case should a government establish a capitalization threshold of less than \$5,000 for any individual item;
- In establishing capitalization thresholds, governments that are recipients of federal awards should be aware of federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts (i.e., currently \$5,000) for purposes of federal reimbursement; and
- Governments should exercise control over potentially capitalizable items that fall under the operative capitalization threshold.

### Administration Services Responsibility

It is the responsibility of the Administrative Services Department to ensure capital assets are properly accounted for by fund and asset category on the Capital Asset List.

### Departmental Responsibility

Departments are responsible for protecting and controlling the use of City assets assigned to their department. Each department shall appoint a representative to work with the Administrative Services Department to maintain accurate and up-to-date capital asset accounting records. This representative will be required to validate their departments fixed asset listing for its accuracy and completeness on a regular basis.

In addition, an annual year-end inventory is required to be completed by July 10 for each fiscal year ended June 30. To facilitate the fulfillment of the requirements of this section and

City of Cotati  
Capital Asset Policy

in order to prepare accurate financial reports, Departments are also responsible for safeguarding assets that are not defined as capital assets by the Policy Guidelines.

**2. OVERVIEW**

Capital assets are broadly defined as financial resources that are tangible or intangible in nature and have a useful life greater than two (2) years. Examples of capital asset categories are Land, Land Improvements, Buildings, Building Improvements, Infrastructure, and Equipment. The Capital Asset Policy defines capital assets under each classification, addresses useful life ranges, sets minimum capitalization thresholds, and gives examples of costs to include in the value of the capital asset. Additionally, the policy discusses the treatment of unique items such as Computer Software, Capital Leases, Self-Constructed Assets, Works of Art, Donated Assets, Construction in Progress, Costs incurred Subsequent to Acquisition, and Transfers of Assets between Funds.

Capital assets are to be accounted for at historical cost, or if cost is not practically determinable, at estimated fair market value at the time acquired or placed into service. Generally, cost includes all expenses associated with the acquisition, construction, and installation of a capital asset. If appropriate, salvage/residual values should be determined prior to recording an asset.

If the funding source of an asset is a grant, or the asset is acquired by gift or donation, the source or donor should be identified. If multiple funding sources apply, all sources should be identified.

For historical assets, if the funding source cannot be determined, the asset shall be recorded under the general fund.

Summary of Capitalization Thresholds

Although the service life of certain buildings, improvements, and equipment, may extend beyond two (2) years, the City has established minimum capitalization thresholds for administrative purposes. All purchases below the applicable class threshold are to be expensed in the current period.

TABLE 3A

Class Capitalization Threshold

Land	\$ 0
Land Improvements	\$100,000
Buildings	\$100,000
Building Improvements	\$ 25,000
Infrastructure	\$ 25,000
Equipment, Furniture, & Vehicles	\$ 5,000
Intangible Assets	\$ 5,000
Capital Leases	\$ 5,000
Leasehold Improvements	\$ 25,000
Works of Art / Historical Treasures	\$ 5,000
Construction in Progress for Year End Reporting Projects expected to exceed \$ 100,000 at completion	

The classes above are further defined below in Section 4.

**3. USEFUL LIFE RANGES**

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Useful lives are determined by suggested useful life tables and professional judgment, since similar capital assets may have different useful lives depending on how and where they are used. Questions about the useful life of a specific asset should be decided upon jointly by department personnel and the Administration Services Department. Items that have useful lives of less than two (2) years are not to be capitalized.

TABLE 3B

Overview of Standard Useful Lives by Asset Type:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Public Domain Infrastructure	50
System Infrastructure	10 - 40
Vehicles and Equipment	5 - 10
Other Assets	2+

Budgetary Control

Annually, the City Council considers capital asset acquisitions as part of the budget process. Please refer to the budgetary policy for further understanding of the procedures performed.

TABLE 3C

Capital Accounts – Governmental Activities

Land	Vehicles
Construction in Progress	Improvements
Buildings	Other Assets
Infrastructure	Intangibles
Machinery and Equipment	Capital Leases

Capital Accounts – Business-Type Activities

Land	Pipelines and Collection
Construction in Progress	Systems
Water wells	Machinery and Equipment
Reservoirs	Other Assets
Buildings and Improvements	Intangibles
	Capital Leases

**4. ACQUISITION OF CAPITAL ASSETS**

Definitions:

*Land and Land Improvements*

**Land** includes all investments in real property other than structures and land improvements.

**Land Improvements** are non-building assets that enhance the quality or facilitate the use of land.

Examples of depreciable land improvements include parking lots, driveways, sidewalks, retaining walls, fencing, outdoor lighting, landscaping, irrigation systems,

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Capital Asset Policy

recreation areas, athletic fields and courts, and fountains. Land improvements such as fill, grading, and excavation that provide permanent benefits and incur limited deterioration with use or the passage of time are to be classified with land as non-depreciable.

**Capitalization:** All Land is to be capitalized. Land Improvements valued at or over the threshold defined in Table 3A above will be capitalized.

**Valuation:** The cost of land includes all expenditures in connection with acquisition and preparation for use such as, but not limited to: Purchase Price Appraisal and negotiation fees Title search and filing/recording fees Relocation costs, costs of consents Clearing, filling, and grading land for use, condemnation costs, demolishing or removing structures, surveying fees, hazardous waste clean-up. (Receipts from the sales of salvage should be credited against the land cost.)

In the case of land and buildings acquired as a single parcel, the value of the land and buildings should be determined individually and recorded separately into their respective capital accounts.

*Construction in Progress*

**Construction in Progress** includes new construction or improvements to land, buildings, or infrastructure that have not been physically completed or have not had all project costs processed by fiscal year-end and the final cost of which is expected to exceed the threshold defined in Table 3A above. Construction in Progress expenditures shall be reported to the Administration Services at the end of each fiscal year as the sum of the expenditures to date by project, to be classified under Construction in Progress account.

*Infrastructure*

**Infrastructure** is categorized as community service assets that are long-lived, generally stationary in nature, and normally preserved for a significantly greater number of years than most capital assets. Examples are pavements, curbs, gutters, and sidewalks associated with roadways, bridges, sewer systems, water distribution systems, and water drainage systems.

**Expansions and Improvements** to infrastructure are those capital outlays that increase the asset's capacity or level of service, such as adding lanes to a road.

**Capitalization:** Infrastructure and infrastructure improvements valued at or over the threshold defined in Table 3A above will be capitalized. Refer to "Treatment of Costs Subsequent to Acquisition" section of this document for more specific information.

**Valuation:** The cost of Infrastructure includes the purchase price, contract prices, internal costs (see Self-Constructed Assets paragraph), and any other expenditures necessary to put the infrastructure into its intended state of operation. Refer to the Buildings paragraph for examples of costs to include.

Land purchased for infrastructure projects shall be capitalized into the Land account.

Preservation costs that significantly extend the useful life of an asset beyond its original estimated useful life, but do not increase the capacity of the asset, are generally capitalized. Examples are seismic retrofitting bridges and reconstructing, recycling, or overlaying pavement.

Maintenance costs allow an infrastructure asset to continue to operate at its intended level of service during its originally established useful life and are not to be capitalized.

*Buildings and Building Improvements*

**Buildings** are structures that are physical property of a permanent nature that enclose people, equipment, services, or functions. Buildings may include major high cost components such as boilers, elevators, HVAC systems, and roofs. If practical, these components should be recorded separately in the capital asset system to simplify future replacement transactions and because their useful lives can differ from buildings.

**Building Improvements** are additions or improvements to buildings that increase the value or extend the useful life of a building. Refer to "Treatment of Costs Subsequent to Acquisition" section of this document for more specific information. Examples include replacing major building components, structural additions to a building, major energy conservation projects, installation of upgraded plumbing or electrical systems, and major renovations of exterior structural deterioration.

Capitalization: Buildings and Building Improvements valued at or over the threshold defined in Table 3A above will be capitalized.

Valuation: The cost of Buildings and Building Improvements includes all expenditures in connection with acquisition or construction, such as:

Purchase price or construction costs, fixtures attached to the structure, filing and other closing costs, inspections and tests, architects' fees, payment of damages, cost of permits and licenses, accident or injury costs, insurance during construction.

The cost shall be reduced for Sale of salvage from materials charged against the construction, discounts, allowances and rebates secured, amounts recovered through surrender of liability and casualty insurance.

For Proprietary Funds only, the actual or imputed interest costs associated with the construction, period shall be capitalized in accordance with Financial Accounting Standards Board (FASB), Statement No. 34, FASB Statement No. 62, and supplemental updates.

*Equipment*

**Equipment** includes physical moveable personal property such as machines, tools, furniture, vehicles, aircraft, mobile home/office trailers, and computer servers. Equipment does not include major systems integrated into a building or structure such as elevators, boilers, roofs, or HVAC. Software capital assets are managed within the Equipment capital account (see Computer Software paragraph).

Capitalization: Individual units valued at or over the threshold defined in Table 3A above .

The group method for capitalization may apply in limited circumstances for equipment. Grouping includes a number of different units purchased at the same time whose defined purpose is to work in conjunction with one another, their independent operation is not feasible, and replacement of which is intended as a whole. Purchase of multiple identical units (e.g. 4 printers @ \$1,850 ea.) rarely represents valid grouping. Examples of valid grouping are:

- Computer systems comprised of hardware and software components designed to work exclusively with one another
- Unique multi-device systems for communications or vehicles

Valuation: The cost of equipment includes all costs necessary to acquire and place the equipment into service, such as:

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Purchase or construction price, less discounts, Installation Costs, Freight or other carriage charges Initial operational training, Sale, use, or transportation taxes

The cost of new equipment should not be reduced by the value of trade-ins. Trade-ins shall be retired from the capital asset and financial systems, and any resultant gain or loss for the asset being traded-in should be recognized on its disposition for Proprietary Funds.

*Intangible Assets*

**Intangible assets** are financial assets that lack physical substance. Common examples of intangible assets are easements, rights-of-way, and computer software.

Software Capitalization: An individual software application or license purchased for City use shall be capitalized if it meets the criteria for capitalization at Section 2. Software Valuation: Software purchased as a component of a system designed to work exclusively with specific hardware shall be capitalized with the hardware using the group method as noted in the equipment paragraph above. Computer software developed or obtained for internal use shall follow the capital asset guidance provided in the AICPA SOP 98-1. Vendor modifications, such as patches and version upgrades, used to keep software in a usable state as opposed to adding significant new capabilities, should be charged as maintenance expense.

*Capital Leases*

**Capital lease** is a lease that transfers substantially all the benefits and risks of ownership of property to the City at the end of the lease term. If the cost of the property exceeds its class's capitalization threshold and the lease meets one of the four requirements listed below, as defined by Financial Accounting Standards Board (FASB) Statement 13, then it shall be considered a capital lease and accounted for as a capital asset:

1. The lease transfers ownership of the property to the City by the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term equals 75% or more of the estimated economic useful life of the leased property.
4. The present value of the minimum lease payments exceeds 90% or more of the fair market value of the lease property at the date of the lease agreement.

(The last two criteria do not apply when the asset is already in the last quarter of its economic life, which includes the asset's economic life prior to the lease.)

For Proprietary Funds only, the actual or imputed interest costs associated with capital leases shall also be capitalized in accordance with FASB Statement No. 34, FASB Statement No. 62, and supplemental updates.

*Leasehold Improvements*

Leasehold Improvements are improvements to buildings or structures that the City leases to be used during the term of that lease. Leasehold improvements are permanent in nature in that they involve physical modifications to a leased property. As such, moveable equipment or office furniture that is not attached to the leased property is not considered a leasehold improvement.

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Leasehold improvements do not have a residual value as they revert to the lessor at the expiration of the lease.

Leasehold improvements are capitalized by the City and are amortized over the shorter of (1) the remaining lease term, or (2) the useful life of the improvement. Improvements made in lieu of rent shall not be capitalized. If the lease contains an option to renew and the likelihood of renewal is uncertain, the leasehold improvement should be written off over the life of the initial lease term or useful life of the improvement, whichever is shorter.

*Eminent Domain*

**Eminent Domain** is the acquisition of private property for public use. The value of a capital asset obtained through eminent domain shall include all direct costs included in reaching a settlement with the seller.

*Works of Art and Historical Treasures*

Works of Art and City Historical Treasures are defined as collections of works of art, historical treasures, and similar assets as one or more items which are considered inexhaustible and held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain.

These types of assets shall be capitalized and recorded at historical cost and are not to be depreciated. Items that require major renovations exceeding the thresholds established in this policy should be depreciated.

*Donated Assets*

**Donated Assets** to the City are to be recorded at their fair market value as of the date of acceptance by the City Council plus any ancillary costs necessary to place those assets into service. The department receiving the donation is responsible for obtaining and providing written information required to create a Capital Asset record. Surplus property purchased at nominal prices far below actual value are in part a donation and shall be valued at the estimated fair market value at the time of acquisition.

**5. ADDITIONAL CAPITAL ASSET ISSUES**

**Treatment of Costs Subsequent to Acquisition**

Major expenditures that increase future benefits from an existing capital asset beyond its previously assessed standard of performance shall be capitalized. After a capital asset has been placed into service, subsequent expenditures are capitalized if they meet the asset's class threshold and:

1. Extend the estimated life or increase the value of the asset as per established thresholds defined in this document, or
2. Increase the future service potential, (capacity, or efficiency) of the asset, or
3. Are for a new major fixture of a building (e.g. elevator, boiler, HVAC, roof), or
4. For depreciated roads, the 'base' has been impacted by a recycle, reconstruction, overlay or other maintenance treatments that extend the life of the asset as per established threshold defined in Table 3A under Infrastructure .

The determination as to whether expenditures meet any of these factors shall be made by an evaluation of engineering design, physical condition, cost, and other relevant factors.

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Alteration or remodeling of buildings, costs to change the physical structure or arrangement of capital assets that do not extend the building's useful life shall not be capitalized.

*Repairs and Maintenance*

**Repairs and Maintenance** are defined as expenditures, which neither materially add to the value of property nor prolong its life, but merely maintain its original level of service or condition. Maintenance costs are not to be capitalized.

*Depreciation*

**Depreciation** is the process of allocating the cost of depreciable capital assets over a period of time, rather than incurring the entire cost as an expense in the year of acquisition. This process recognizes an asset's periodic cost of use and declining usefulness over time. Land, certain land improvements, and certain works of art and historical treasures are inexhaustible and are therefore not depreciated.

As a matter of policy, the City has elected to adopt the straight-line method of depreciation, unless there is clear evidence indicating that the expected consumption of an asset will significantly change as the asset ages.

The calculation of depreciation expense for assets with a straight-line life is as follows:

$$\frac{\text{Asset Cost} - \text{Residual Value}}{\text{Estimated Useful Life in Years}} = \text{Annual Depreciation Expense}$$

**Residual value** is the amount that can be anticipated to be recovered when the asset is no longer useful for its intended purpose. Useful life should approximate the time an asset will provide service to the City.

Capital assets that become fully depreciated and are still in use must remain in the financial capital accounts and identified within a capital asset system until they are disposed of.

*Asset Dispositions, Transfers, and Sales*

Surplus items are those that are no longer required by the asset's custodial department. These assets may be traded in for new assets, transferred to other departments, or transferred to Public Works for classification as surplus and for subsequent redistribution to other departments, sale, or disposal. Any sale, transfer, donation, disposal, or dismantling of a capital asset must receive approval from the City Manager.

All transfers and sales require an update in the capital asset system. This includes transfers and sales between funds, transfers between departments, and site location changes. In addition to a capital asset system update, a financial transaction is necessary for the transfer or sale between funds.

A transfer would remove the asset from the giving fund and record it in the receiving fund at the original acquisition cost with depreciation incurred to date.

A sale would remove the asset from the giving fund and record it in the receiving fund at the agreed upon amount.

Stolen or missing assets must be reported to the Administration Services Department immediately.

*Controlled Capital-Type Assets*

**Capital-Type Assets** are those assets that individually do not meet the capitalization threshold as discussed above, however they meet one of the requirements below and as such require special attention and management oversight.

1. Items that require special attention to ensure legal compliance. Legal or contractual provisions may require a higher than ordinary level of accountability over certain capital-type items (e.g., items acquired through grant contracts);
2. Items that require special attention to protect public safety and avoid potential liability. Some capital-type items by their very nature pose a risk to public safety and could be the source of potential liability (e.g., police weapons);
3. Items that require special attention to compensate for a heightened risk of theft (walk away items). Some capital-type items are both easily transportable and readily marketable or easily diverted to personal use (e.g., sound equipment, tablet or laptop computers, Cell Phones, etc.).

Each department is required to maintain their own listing of their specific types of Capital Type Assets and maintain custody over the assets. The individuals responsible for controlled capital-type items for each department should prepare and maintain a complete list of those items each year within the department. At the close of each fiscal year, every individual assigned responsibility for controlled capital-type items should prepare a report (to be maintained within the department) that provides a complete list of those items, along with an explanation of changes from the previous year.

Departments shall provide each year by June 30 an updated list of controlled Capital Type Assets to Administrative Services. The Administrative Services Department should periodically verify the data on controlled capital-type items in each department. No less than once every five years on a rotating basis (more frequently for particularly sensitive items), Administrative Services should verify the reliability and completeness of the data on file in each department concerning controlled capital-type items.

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# APPENDIX B

## SUPPLEMENTAL STATISTICAL INFORMATION



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# CITY OF COTATI

## PROPERTY TAX STATISTICS



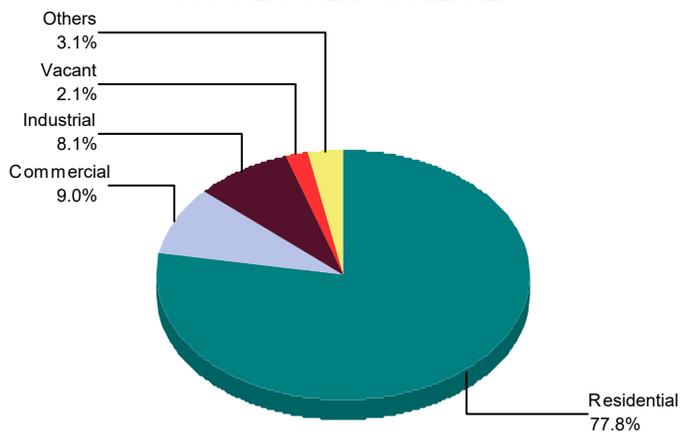
# THE CITY OF COTATI

## 2017/18 USE CATEGORY SUMMARY

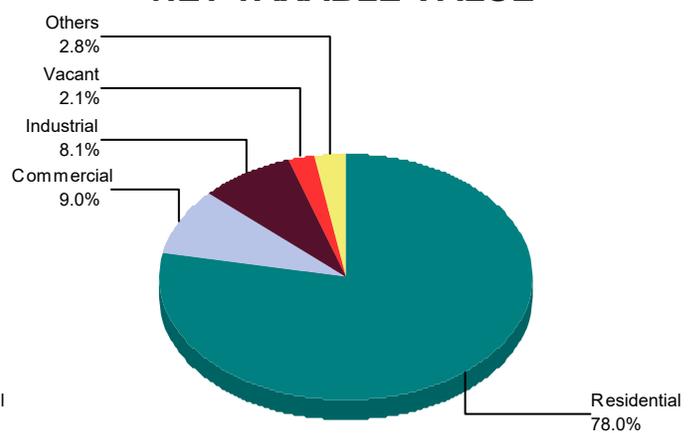
### BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	2,399	\$836,640,343 (77.8%)	\$826,433,803 (78.0%)
Commercial	81	\$96,575,877 (9.0%)	\$95,586,147 (9.0%)
Industrial	86	\$87,587,152 (8.1%)	\$85,606,861 (8.1%)
Govt. Owned	80	\$0 (0.0%)	\$0 (0.0%)
Institutional	15	\$4,672,600 (0.4%)	\$1,839,508 (0.2%)
Miscellaneous	10	\$570,515 (0.1%)	\$570,015 (0.1%)
Recreational	1	\$3,108,774 (0.3%)	\$3,108,774 (0.3%)
Vacant	111	\$22,216,858 (2.1%)	\$22,084,929 (2.1%)
Cross Reference	[72]	\$2,906,413 (0.3%)	\$2,869,097 (0.3%)
Unsecured	[462]	\$21,695,051 (2.0%)	\$21,532,517 (2.0%)
<b>TOTALS</b>	<b>2,783</b>	<b>\$1,075,973,583</b>	<b>\$1,059,631,651</b>

**ASSESSED VALUE**

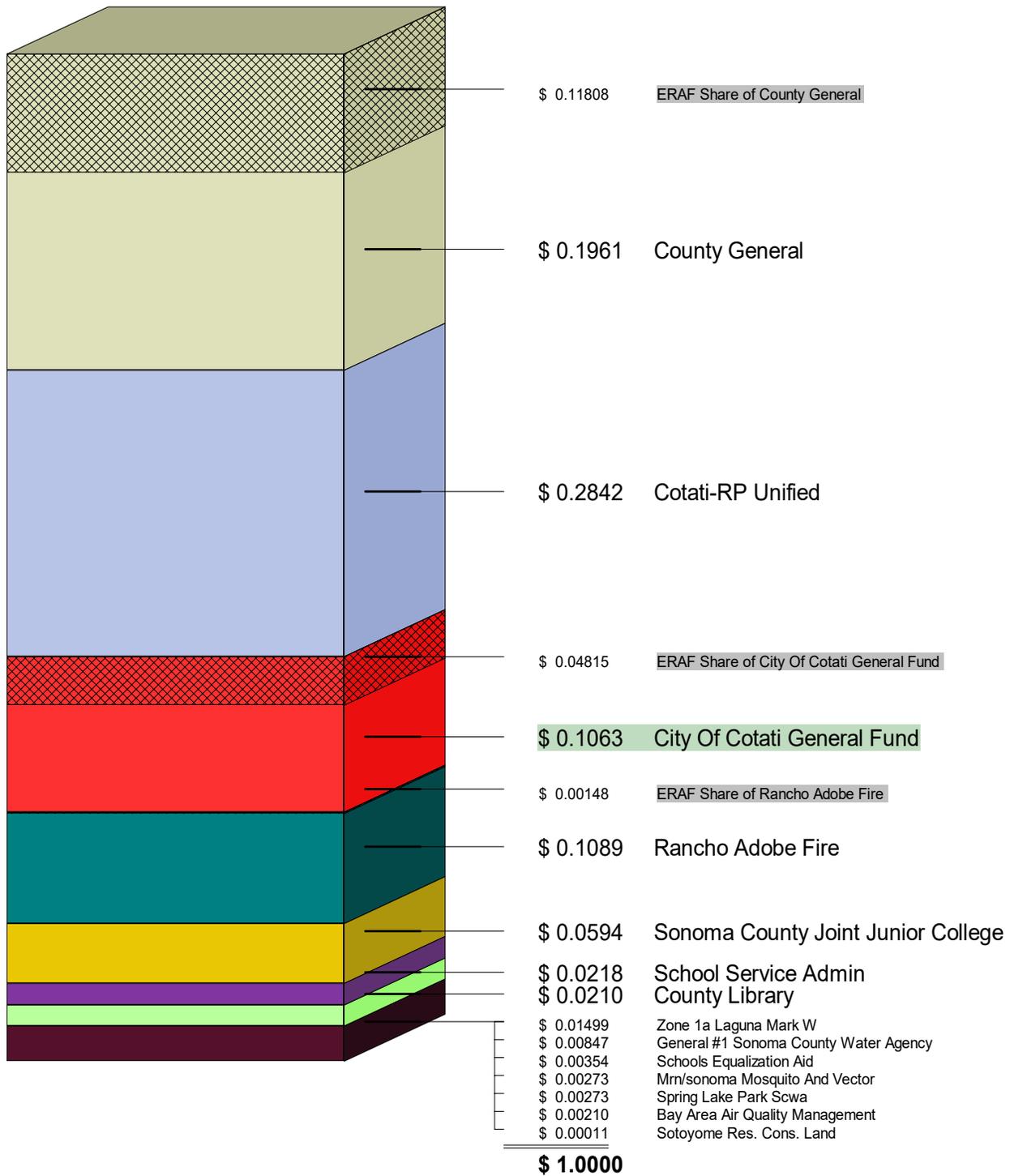


**NET TAXABLE VALUE**



# THE CITY OF COTATI

## PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 008-002, Excluding Redevelopment Factors & Additional Debt Service

Data Source: Sonoma County Assessor 2017/18 Annual Tax Increment Tables

Prepared On 8/21/2018 By KB

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

# THE CITY OF COTATI

## 2017/18 ROLL SUMMARY

### Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	2,783	0	462
TRAs	14	0	14
<b>Values</b>			
Land	409,715,948	0	91,242
Improvements	639,775,175	0	10
Personal Property	3,910,719	0	14,477,278
Fixtures	876,690	0	7,126,521
Aircraft	0	0	0
<b>Total Value</b>	<b>\$1,054,278,532</b>	<b>\$0</b>	<b>\$21,695,051</b>
<b>Exemptions</b>			
Real Estate	15,903,757	0	14
Personal Property	261,586	0	157,842
Fixtures	14,055	0	4,678
Aircraft	0	0	0
Homeowners*	8,932,000	0	0
<b>Total Exemptions*</b>	<b>\$16,179,398</b>	<b>\$0</b>	<b>\$162,534</b>
<b>Total Net Value</b>	<b>\$1,038,099,134</b>	<b>\$0</b>	<b>\$21,532,517</b>

Combined Values	Total
<b>Total Values</b>	<b>\$1,075,973,583</b>
<b>Total Exemptions</b>	<b>\$16,341,932</b>
<b>Net Total Values</b>	<b>\$1,059,631,651</b>
<b>Net Aircraft Values</b>	<b>\$0</b>

\* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not Include Aircraft Values or Exemptions

Data Source: Sonoma County Assessor 2017/18 Combined Tax Rolls  
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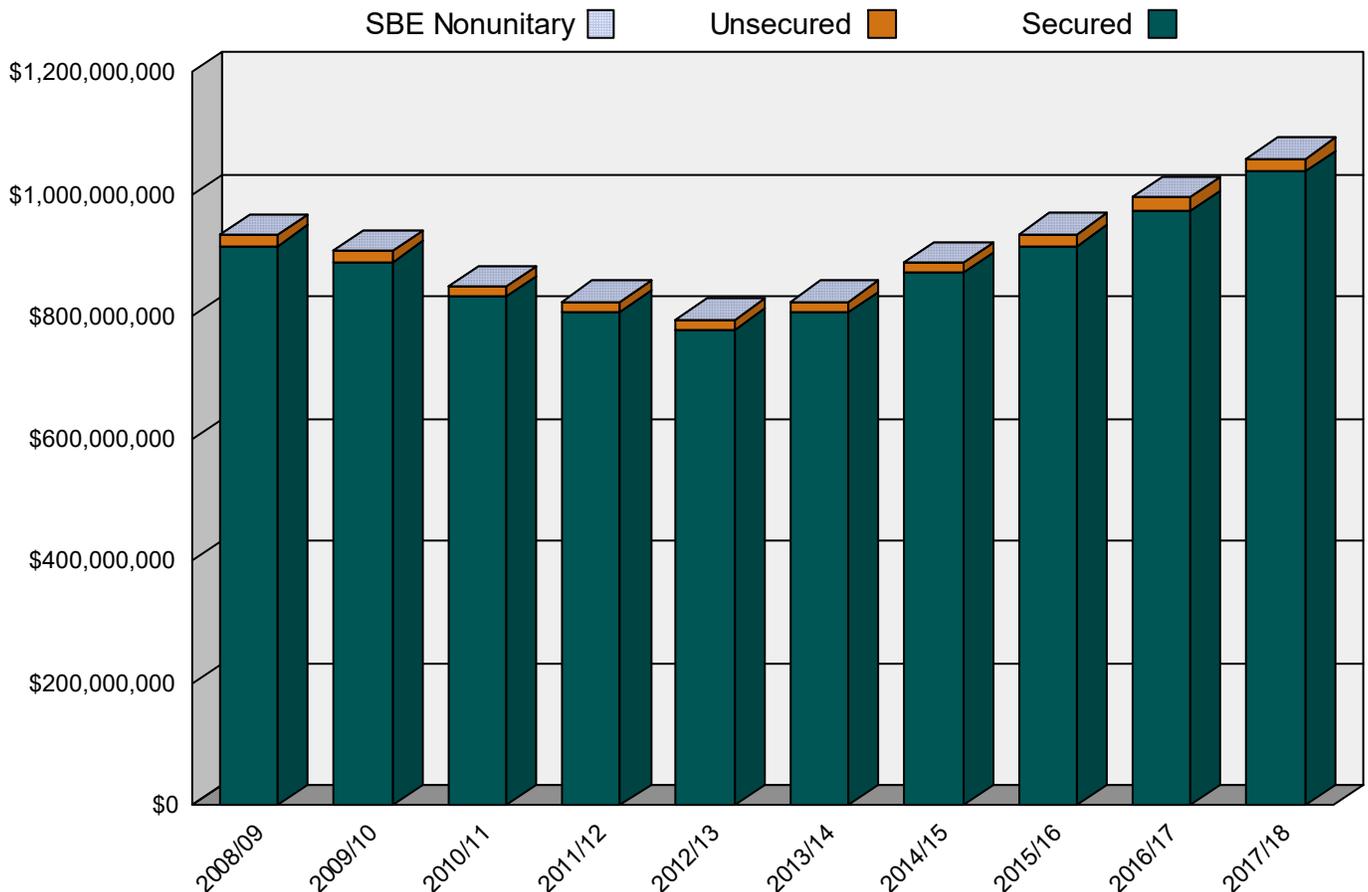
Prepared On 8/21/2018 By KB

# THE CITY OF COTATI

## NET TAXABLE ASSESSED VALUE HISTORY

2008/09 - 2017/18 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2008/09	\$916,320,734	\$17,903,697	\$0	934,224,431	
2009/10	\$889,906,830	\$18,192,462	\$0	908,099,292	-2.80%
2010/11	\$832,214,435	\$18,050,668	\$0	850,265,103	-6.37%
2011/12	\$808,720,683	\$16,491,973	\$0	825,212,656	-2.95%
2012/13	\$779,578,530	\$15,774,279	\$0	795,352,809	-3.62%
2013/14	\$807,650,224	\$17,650,144	\$0	825,300,368	3.77%
2014/15	\$871,460,968	\$17,928,404	\$0	889,389,372	7.77%
2015/16	\$915,555,387	\$19,759,670	\$0	935,315,057	5.16%
2016/17	\$973,074,011	\$21,771,776	\$0	994,845,787	6.36%
2017/18	\$1,038,099,134	\$21,532,517	\$0	1,059,631,651	6.51%



# THE CITY OF COTATI

## 2017/18 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) LOWES HIW INC	1	\$16,000,000	1.54%	1	\$1,854,050	8.61%	<b>\$17,854,050</b>	<b>1.68%</b>	Commercial Successor Agency
2) SUNHILL ENTERPRISES LP	2	\$8,014,580	0.77%				<b>\$8,014,580</b>	<b>0.76%</b>	Commercial Successor Agency
3) GTY-PACIFIC LEASING LLC	2	\$6,686,100	0.64%				<b>\$6,686,100</b>	<b>0.63%</b>	Commercial Successor Agency
4) EMC PROPERTY COMPANY LLC	1	\$5,306,040	0.51%				<b>\$5,306,040</b>	<b>0.50%</b>	Industrial Successor Agency
5) VINEYARD MEADOWS APARTMENTS LP	3	\$4,994,144	0.48%				<b>\$4,994,144</b>	<b>0.47%</b>	Residential City of Cotati General Fund
6) COTATI COMMONS MARKETPLACE LLC	4	\$4,880,700	0.47%				<b>\$4,880,700</b>	<b>0.46%</b>	Vacant Successor Agency
7) REDWOOD SELF STORAGE LLC	1	\$4,870,110	0.47%				<b>\$4,870,110</b>	<b>0.46%</b>	Industrial Successor Agency
8) JEFFRY H WEISMAN TRUST	14	\$4,386,000	0.42%				<b>\$4,386,000</b>	<b>0.41%</b>	Residential Successor Agency
9) STEVE R ORTH TRUST	1	\$4,164,211	0.40%	1	\$7,788	0.04%	<b>\$4,171,999</b>	<b>0.39%</b>	Commercial Successor Agency
10) FRANKLIN ARDEN LLC ET AL	2	\$4,024,442	0.39%				<b>\$4,024,442</b>	<b>0.38%</b>	Commercial Successor Agency
<b>Top Ten Total</b>	31	\$63,326,327	6.10%	2	\$1,861,838	8.65%	<b>\$65,188,165</b>	<b>6.15%</b>	
<b>City Total</b>		\$1,038,912,001			\$21,532,517		<b>\$1,060,444,518*</b>		

\*Value includes Outer TRAs

Top Owners last edited on 7/31/18 by aschwartz using sales through 06/30/18 (Version R.1)

Data Source: Sonoma County Assessor 2017/18 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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# THE CITY OF COTATI

## 2008/09 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) LOWES HIW INC	1	\$25,558,686	2.79%				\$25,558,686	2.73%	Commercial Successor Agency
2) ROBERT J AND CORINNA C NEVE	3	\$9,091,608	0.99%				\$9,091,608	0.97%	Industrial Successor Agency
3) RANCHO COTATI LLC	2	\$7,084,429	0.77%				\$7,084,429	0.76%	Commercial Successor Agency
4) COLVIN GROUP FUND LP	19	\$5,484,637	0.60%				\$5,484,637	0.59%	Industrial Successor Agency
5) NEWMAN DEV GROUP OF COTATI LLC	4	\$5,203,137	0.57%				\$5,203,137	0.56%	Vacant Successor Agency
6) SCOTT P WILSON TRUST	1	\$4,722,375	0.51%				\$4,722,375	0.50%	Commercial Successor Agency
7) VINEYARD MEADOWS APARTMENTS LP	3	\$4,415,156	0.48%				\$4,415,156	0.47%	Residential City of Cotati General Fund
8) MILAN MILTON HOLDORF TRUST	1	\$4,393,915	0.48%				\$4,393,915	0.47%	Industrial Successor Agency
9) STANDARD PACIFIC CORPORATION	51	\$4,063,091	0.44%				\$4,063,091	0.43%	Vacant Successor Agency
10) MICHAEL A AND CHARLEEN L KENNEY	1	\$4,053,929	0.44%				\$4,053,929	0.43%	Industrial Successor Agency
<b>Top Ten Total</b>	86	\$74,070,963	8.07%	0	\$0	0.00%	\$74,070,963	7.92%	
<b>City Total</b>		\$917,415,322			\$17,903,697		\$935,319,019*		

\*Value includes Outer TRAs

Top Owners last edited on 7/25/17 by MaheaV using sales through 06/30/09 (Version R.1)

Data Source: Sonoma County Assessor 2008/09 Combined Tax Rolls and the SBE Non Unitary Tax Roll

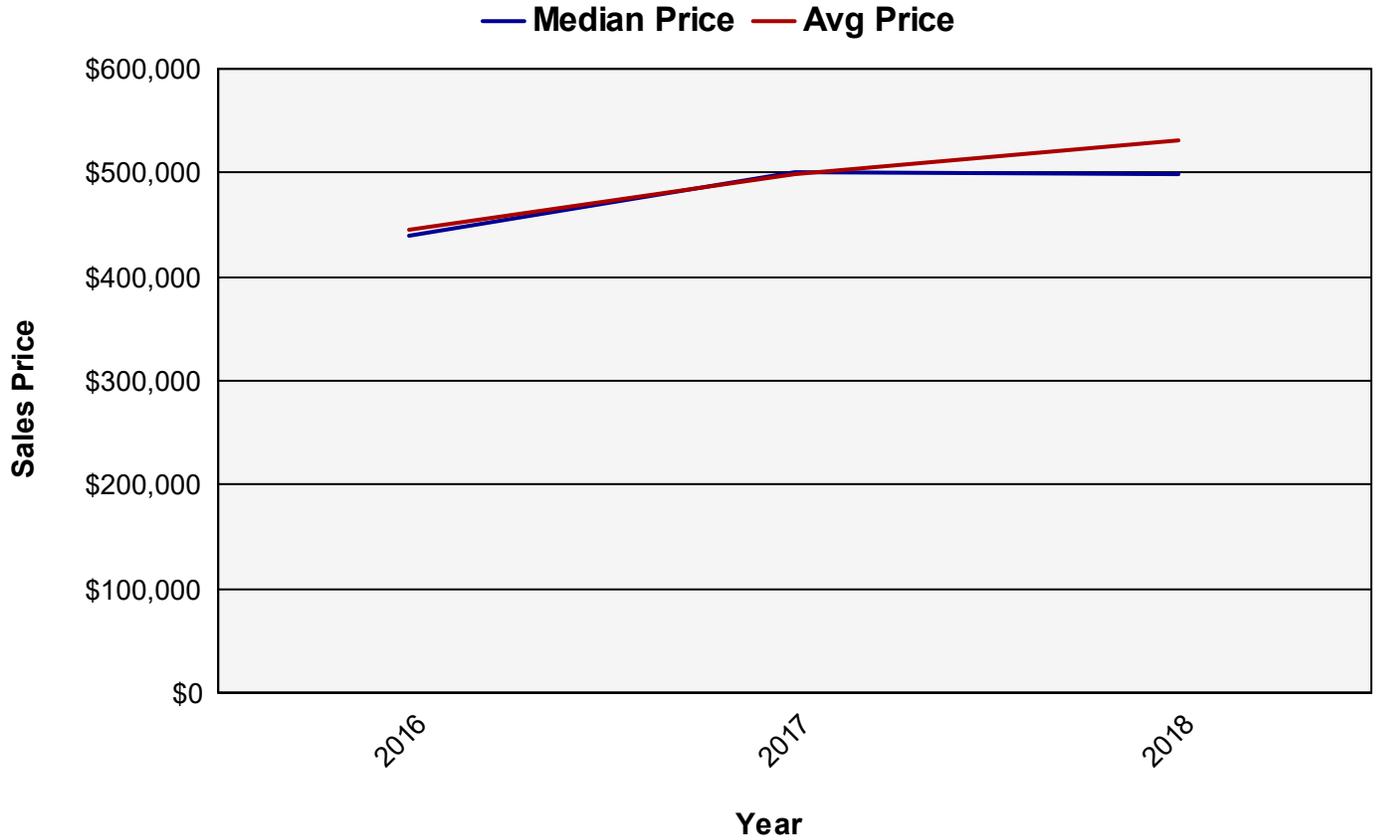
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

# THE CITY OF COTATI

## SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2016 - 6/30/2018)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2016	121	\$444,464	\$439,000	
2017	100	\$498,188	\$500,000	13.90%
2018	44	\$530,502	\$498,000	-0.40%



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

Data Source: Sonoma County Recorder

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# THE CITY OF COTATI

## DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Agency	Last 10 Fiscal Years									
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Cotati-Rohnert Park Unified	0.10500	0.10500	0.10500	0.10000	0.10000	0.10000	0.16400	0.15100	0.13900	0.16700
Sonoma County Junior College	0.02500	0.02500	0.02500	0.02100	0.02100	0.02100	0.01800	0.01600	0.04000	0.03700
West Sonoma Russian River Project	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.13700</b>	<b>1.13700</b>	<b>1.13700</b>	<b>1.12800</b>	<b>1.12800</b>	<b>1.12800</b>	<b>1.18900</b>	<b>1.17400</b>	<b>1.18600</b>	<b>1.21100</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.15445	0.15445	0.15445	0.15445	0.15445	0.15445	0.15445	0.15445	0.15445	0.15445
<b>Voter Approved City Debt Rate</b>										
<b>Redevelopment Rate<sup>4</sup></b>	1.00700	1.00700	1.00700	1.00700						
<b>Total Direct Rate<sup>5</sup></b>	0.51481	0.52149	0.51600	0.50608	0.50168	0.10152	0.10156	0.10120	0.10108	0.10096

**Notes:**

<sup>1</sup>In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>2</sup>Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

<sup>3</sup>City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

<sup>4</sup>Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

# THE CITY OF COTATI

## ASSESSED VALUE OF TAXABLE PROPERTY

2008/09 - 2017/18 Taxable Property Values

Category	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Residential	702,897,577	670,820,088	621,648,644	603,464,386	584,373,933	615,360,303	678,311,562	715,961,764	767,060,996	826,433,803
Commercial	94,964,160	97,869,602	101,572,492	99,453,354	89,147,937	88,689,049	87,654,176	90,746,880	94,066,325	95,586,147
Industrial	81,584,333	83,825,217	77,432,405	77,116,354	78,086,904	76,498,597	78,236,635	81,062,360	83,370,408	85,606,861
Dry Farm	265,084									
Govt. Owned				0	0	0	0	0	0	0
Institutional	1,289,174	1,336,295	1,329,256	1,230,011	1,624,224	1,660,963	1,665,414	1,713,465	1,734,254	1,839,508
Miscellaneous	766,699	782,029	780,174	786,045	801,764	490,255	539,897	550,450	558,841	570,015
Recreational	2,746,822	2,801,757	2,795,116	2,816,162	2,872,484	2,929,933	2,943,234	3,002,039	3,047,819	3,108,774
Vacant	28,924,764	29,672,661	23,963,378	21,320,141	20,285,031	19,793,035	19,926,704	20,298,185	20,714,229	22,084,929
SBE Nonunitary	0									
Cross Reference	2,882,121	2,799,181	2,692,970	2,534,230	2,386,253	2,228,089	2,183,346	2,220,244	2,521,139	2,869,097
Unsecured	17,903,697	18,192,462	18,050,668	16,491,973	15,774,279	17,650,144	17,928,404	19,759,670	21,771,776	21,532,517
Exempt	[0]	[0]	[0]	[0]						
<b>TOTALS</b>	<b>934,224,431</b>	<b>908,099,292</b>	<b>850,265,103</b>	<b>825,212,656</b>	<b>795,352,809</b>	<b>825,300,368</b>	<b>889,389,372</b>	<b>935,315,057</b>	<b>994,845,787</b>	<b>1,059,631,651</b>
<b>Total Direct Rate</b>	<b>0.51481</b>	<b>0.52149</b>	<b>0.51600</b>	<b>0.50608</b>	<b>0.50168</b>	<b>0.10152</b>	<b>0.10156</b>	<b>0.10120</b>	<b>0.10108</b>	<b>0.10096</b>

**Notes:**

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

# CITY OF COTATI

## SALES TAX STATISTICS



**CITY OF COTATI**  
**TOP 25 SALES TAX PRODUCERS**  
**FOR FISCAL YEAR 2017-18**

<b>Business Name</b>	<b>Business Category</b>
76/Circle K	Service Stations
Amerigas Propane	Fuel/Ice Dealers
Chevron	Service Stations
Chouinard & Myhre	Business Services
Cotati Chevron	Service Stations
Cotati Gas Mart	Service Stations
Donahue Truck Sales	New Motor Vehicle Dealers
Instrument Technology	Electrical Equipment
Jaded Toad BBQ & Grill	Casual Dining
Lowe's	Building Materials
McPhail Fuel	Fuel/Ice Dealers
Mercy Wellness Center	Marijuana Related
Mi Pueblo	Casual Dining
Mi Ranchito Restaurant	Casual Dining
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering Co	Leisure/Entertainment
Redwood Cafe	Casual Dining
San FranStitchco	Textiles/Furnishings
Santa Rosa Hardware	Building Materials
Sonoma County Harley Davidson	Boats/Motorcycles
Spa World	Specialty Stores
Stockham Construction	Contractors
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 79.19%

\* Firms Listed Alphabetically  
 Period: April 2017 Thru March 2018

Printed 07/12/2018

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

**CITY OF COTATI**  
**TOP 25 SALES TAX PRODUCERS**  
**FOR FISCAL YEAR 2008-09**

<b>Business Name</b>	<b>Business Category</b>
Backdoor Disc & Tape	Music Stores
Chevron	Service Stations
Chouinard & Myhre	Business Services
Circle K 76	Service Stations
Cotati Gas & Food Mart	Service Stations
Door Tech	Building Materials
Dunn Edwards Paint	Paint/Glass/Wallpaper
Furniture 101	Home Furnishings
Gilmore Chevron	Service Stations
Hahns Window Center	Building Materials
Lowe's	Building Materials
McLea's Tire Service	Automotive Supply Stores
McPhail Fuel	Fuel/Ice Dealers
Michaels Harley Davidson	Boats/Motorcycles
Olivers Market	Grocery Stores
Park Avenue Catering Co	Leisure/Entertainment
Redwood Reliance Sales	Trailers/Auto Parts
Reliance Leasing	Transportation/Rentals
Shamrock Materials	Contractors
Sillada Valero	Service Stations
Spa World	Specialty Stores
True Value Hardware	Building Materials
USA Gas	Service Stations
Walgreens	Drug Stores
Zone Music	Music Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 79.86%

\* Firms Listed Alphabetically  
 Period: April 2008 Thru March 2009

Printed 07/12/2018

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Apparel Stores	\$ 1,097	\$ 1,053	\$ 988	\$ 962	\$ 887	\$ 1,015	\$ 964	\$ 1,126	\$ 767	\$ 803
Eating and Drinking Places	10,323	9,139	9,083	9,179	11,081	11,424	11,522	12,949	16,626	18,439
Auto Dealers and Supplies	2,325	1,916	1,618	1,783	2,262	2,523	3,592	4,050	3,342	2,431
Service Stations	31,224	33,329	26,305	32,347	36,079	37,717	36,400	29,609	28,634	31,764
Other Retail Stores	80,475	74,432	76,811	80,956	81,064	86,760	93,246	97,569	104,544	116,401
All Other Outlets	56,637	36,200	33,700	39,571	37,487	46,348	48,244	46,648	47,322	50,984
<b>Total</b>	<b>\$ 182,080</b>	<b>\$ 156,069</b>	<b>\$ 148,505</b>	<b>\$ 164,798</b>	<b>\$ 168,860</b>	<b>\$ 185,787</b>	<b>\$ 193,968</b>	<b>\$ 191,952</b>	<b>\$ 201,236</b>	<b>\$ 220,822</b>

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

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

# CITY OF COTATI

## DEMOGRAPHIC & ECONOMIC STATISTICS

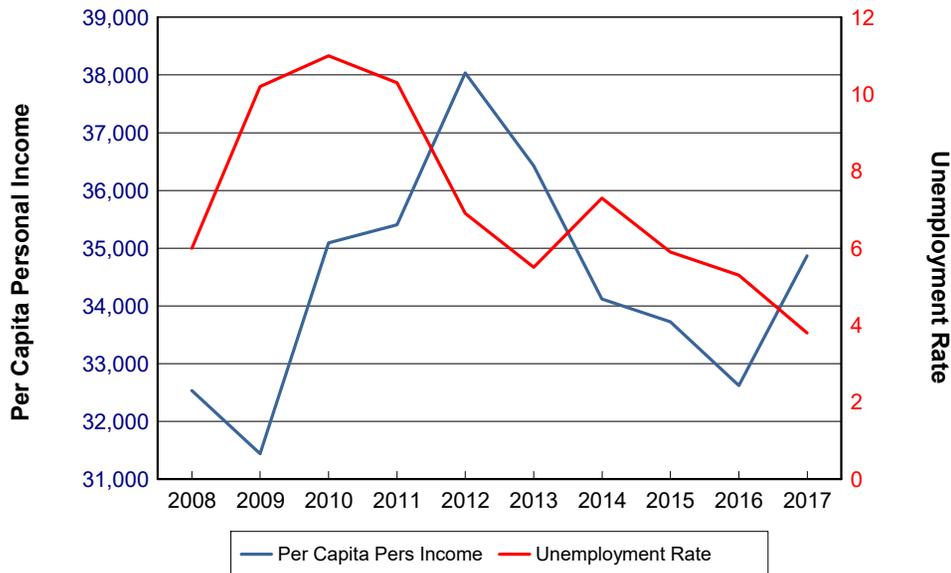


# THE CITY OF COTATI

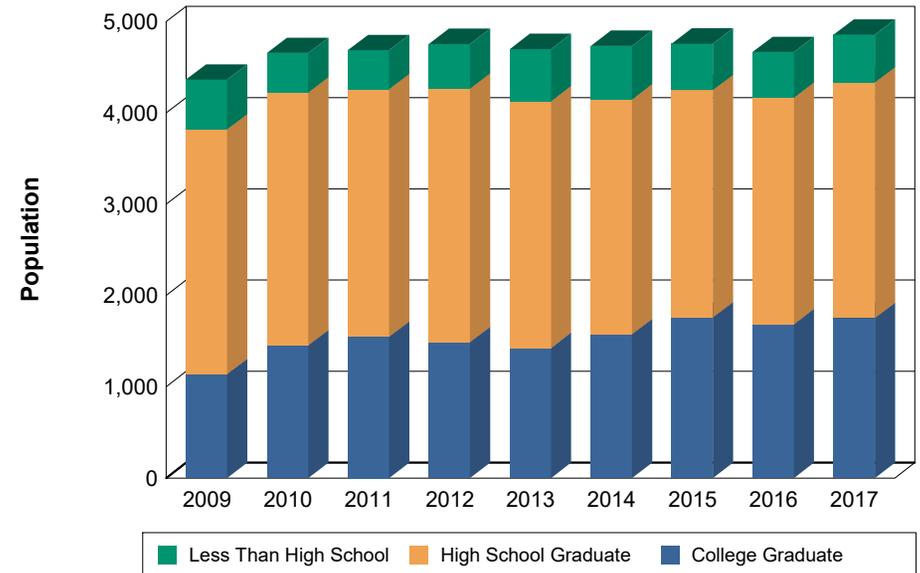
## DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2008	7,388	\$240,341	\$32,531	6.0%			
2009	7,418	\$233,229	\$31,441	10.2%	35.8	87.5%	26.1%
2010	7,476	\$262,355	\$35,093	11.0%	34.6	90.7%	31.2%
2011	7,276	\$257,614	\$35,406	10.3%	36.5	90.9%	33.0%
2012	7,310	\$278,021	\$38,033	6.9%	36.2	89.7%	31.3%
2013	7,288	\$265,458	\$36,424	5.5%	35.1	87.8%	30.3%
2014	7,302	\$249,130	\$34,118	7.3%	36.0	87.6%	33.3%
2015	7,153	\$241,231	\$33,724	5.9%	36.1	89.3%	37.0%
2016	7,272	\$237,228	\$32,622	5.3%	34.2	89.3%	36.1%
2017	7,272	\$253,562	\$34,868	3.8%	36.4	89.2%	36.1%

### Personal Income and Unemployment



### Education Level Attained for Population 25 and Over



**Notes and Data Sources:**

Population: California State Department of Finance. Unemployment Data: California Employment Development Department  
 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries  
 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey