

Appendix A



BUDGET RESOLUTION – ANNUAL BUDGET AND BUDGET RESOLUTION – SUCCESSOR AGENCY

RESOLUTION NO. 20-092A – SERIES 2020

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS ADOPTING
THE FISCAL YEAR 2020/21 ANNUAL BUDGET**

WHEREAS, a balanced annual budget for the City of Davis has been prepared for fiscal year 2020/21 presented to the City Council and reviewed at a public meeting on June 2, 2020; and

WHEREAS, the proposed budget includes:

- estimated revenues for All Funds of the City of Davis for the fiscal year 2020/21, attached hereto as Exhibit A; and
- total appropriation budget for All Funds of the City of Davis for the fiscal year 2020/21, attached hereto as Exhibit B; and
- total appropriations budget for All Funds by Department for the fiscal year 2020/21, attached hereto as Exhibit C; and
- the Capital Improvement Budget of the City of Davis for the fiscal year 2020/21, attached hereto as Exhibit D, as reviewed and approved by the Planning Commission for finding of General Plan consistency; and
- the Schedule of Authorized Positions of the City of Davis for fiscal year 2020/21, attached hereto as Exhibit E;

WHEREAS, the City Council has considered this budget at duly noticed special meetings of the City Council, at which time any and all members of the public were afforded an opportunity to express their views; and

WHEREAS, the City Council has given this budget due consideration as to its projected revenues, anticipated expenditures and available fund balances; and

WHEREAS, the City Manager or his designee shall have ability to assign fund balances used for specific purposes in accordance with Governmental Accounting Standards Board (GASB) pronouncement 54; and

WHEREAS, this budget ensures that the City of Davis, including all funds, entities and component units, has exercised prudent judgment in its fiduciary responsibility as guardians of the public tax dollars.

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

Section 1. The 2020/21 Annual Budget is hereby adopted for the following funds (detail shown as Exhibit A):

General Fund	\$57,237,440
General Fund – Capital Projects	\$7,612,493
Special Revenue Funds	\$33,280,783

Capital Funds	\$8,326,505
Debt Service Funds	\$3,021,084
Enterprise Funds	\$66,111,132
Internal Service Funds	\$32,802,979
Total	\$208,392,416

Section 2. All appropriations for the prior fiscal year shall lapse at the end of fiscal year 2020/21 and any remaining amounts shall be credited against their respective fund balances, except for:

- a. All encumbrances for valid purchase orders and contracts in effect as of June 30, 2020 will remain in effect in the following Fiscal Year 2020-21. The City Manager or his/her designee is authorized to increase the 2020-21 budget appropriations in the amount of the outstanding encumbrances for valid purchase orders and contracts as June 30, 2020, and
- b. The City Manager or his/her designee is authorized to carryover into the following fiscal year the remaining appropriations for uncompleted capital and grant projects.

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

Section 3. Except as specified in Section 4, appropriations are hereby made at the individual fund level. The City Manager and Finance Director/Treasurer are authorized to make budgetary transfers within an individual fund, so long as total appropriations for such fund remain unchanged. Interfund loans and/or transfers necessary to support fund level appropriations are hereby approved and authorized. Any changes to total fund level appropriations require further Council action.

Section 4. Notwithstanding the limitations in Section 3, appropriations from any fund may be increased by an amount not to exceed \$50,000 for each appropriation action upon approval by the City Manager and Finance Director/Treasurer. The amount and purpose of each such additional appropriation must be included in a report to the City Council at least quarterly. Within any specific fund appropriation set forth in the attached budget documents, sums may be transferred from one department to another in the Operating Budget, and a maximum sum of \$175,000 may be transferred from one project to another project in the Capital Improvement Budget, upon approval by the City Manager and the Finance Director/Treasurer.

Section 5. The City Manager and Finance Director/Treasurer is authorized to approve temporary interfund borrowing within the fiscal year, and at the end of the fiscal year ending June 30, 2021, to finance the collection period for tax, grant and other accounts receivable. Any new interfund loans extending beyond these terms must be approved by the City Council. The City Manager and Finance Director/Treasurer is authorized to repay interfund loans when funding becomes available.

Section 6. The City Manager and Finance Director/Treasurer are each hereby authorized to implement this resolution, including issuing the 2020/21 Budget and making any non-substantive corrections to the 2020/21 Budget.

PASSED AND ADOPTED by the City Council of the City of Davis on this 16th day of June, 2020, by the following vote:

AYES:

NOES:

Brett Lee
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

RESOLUTION NO. 20-092B, SERIES 2020

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS, IN
ITS ROLE AS THE GOVERNING BODY OF THE SUCCESSOR
AGENCY, APPROVING AND ADOPTING THE BUDGET FOR FISCAL
YEAR 2020/21**

WHEREAS, the Redevelopment Agency of the City of Davis (the “Former Agency”) was duly created pursuant to the California Community Redevelopment Law (Part 1 [commencing with Section 33000] of Division 24 of the California Health and Safety Code (“HSC”)); and

WHEREAS, Assembly Bill x1 26 was signed by the Governor of California on June 28, 2011, and was held by the California Supreme Court to be largely constitutional on December 29, 2012; and

WHEREAS, as a result of the Supreme Court’s decision, on February 1, 2012, all California redevelopment agencies, including the Former Agency, were dissolved, and the Davis Redevelopment Successor Agency (the “Successor Agency”) was established as successor entity to the Former Agency pursuant to HSC section 34173(a); and

WHEREAS, the Successor Agency is tasked with continuing to make payment due for enforceable obligations and otherwise winding down the affairs of the Former Agency; and

WHEREAS, pursuant to HSC Section 34191.6, the Successor Agency submitted a Last and Final Recognized Obligation Payment Schedule (the “LFROPS”) to the Yolo County County-wide Successor Agency Oversight Board (the “Oversight Board”) and the California State Department of Finance (the “DOF”) for approval; and

WHEREAS, on January 28, 2020, the Oversight Board adopted its Resolution No. 2020-005 approving the LFROPS; and

WHEREAS, per the DOF’s letter, dated April 27, 2020, the DOF has also approved the LFROPS; and

WHEREAS, pursuant to HSC Section 34191.6(c)(1), the LFROPS establishes the maximum amount of moneys from the Successor Agency’s Redevelopment Property Tax Trust Fund that will be distributed to the Successor Agency for each remaining fiscal year until all of the Successor Agency’s obligations have been fully paid, and

WHEREAS, further, pursuant to HSC Section 34191.6(c)(4), the Successor Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the LFROPS; and

WHEREAS, there has been submitted to and filed with the Board of the Successor Agency at this meeting, a budget representing the financial plan for conducting the affairs of the Successor Agency for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021; and

WHEREAS, the Board of the Successor Agency has given this budget due consideration as to its projected revenues, anticipated expenditures and available fund balances, as well as the respective amounts set forth in the LFROPS.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency that said budget as submitted at this meeting is hereby approved and adopted as budget for the Successor Agency for Fiscal Year (FY) 2020/21, and that the expenditures are hereby approved and authorized as the total appropriations for the FY ending June 30, 2021 as follows:

1. The proposed FY 2020/21 Budget as submitted by the Executive Director to the Successor Agency, as set forth below:

Fund Name	FY 2020/21 Budget Appropriations
RDA Retirement Obligation Fund	\$5,900,000
RDA Retirement Obligation – Debt Service	\$5,010,021

2. The Executive Director to the Successor Agency or his/her designee is authorized and directed to take such actions as are necessary and appropriate to comply with HSC Sections 34177 and 34191.6 and carry out the intent of this Resolution.

Passed and adopted by the City Council of the City of Davis, in its role as the governing body of the Successor Agency, on this 16th day of June 2020, by the following vote:

AYES: Arnold, Carson, Frerichs, Partida, Lee

NOES: None

Brett Lee
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

EXHIBIT "A"

ADOPTED BUDGET 2020/21
SUMMARY OF REVENUES BY FUND

FUND NO	TITLE	FY 17/18 ACTUAL	FY 18/19 ACTUAL	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
001	GENERAL FUND	61,229,358	62,698,872	61,230,944	60,669,205
012	GENERAL FUND - CAPITAL IMPROVEMENT	-	610,513	1,064,000	1,110,000
	TOTAL GENERAL FUND	61,229,358	63,309,385	62,294,944	61,779,205
SPECIAL REVENUE FUNDS					
007	UNALLOC INVESTMENT ERNGS	73,527	64,280	112,866	109,061
109	GAS TAX 2105	719,870	691,551	1,047,937	1,098,968
110	GAS TAX 2106	240,352	248,895	248,943	248,088
111	GAS TAX 2107	486,965	483,241	514,466	226,366
112	GAS TAX 2107.5	7,500	7,738	7,848	7,813
113	SB1 GAS TAX	404,098	1,275,011	1,366,479	1,320,120
115	TDA NON-TRANSIT USE	360,423	301,739	752,118	1,477,034
135	OPEN SPACE FUND	700,389	819,209	798,775	790,913
140	PARKS MAINTENANCE TAX	1,388,111	1,412,582	1,469,900	1,475,780
150	CABLE TV	433,685	623,878	559,363	508,427
151	CABLE TV-CAPITAL FUND	63,213	114,714	71,540	70,386
155	PUBLIC SAFETY	3,347,667	3,410,382	3,728,799	3,785,774
160	HOUSING IN-LIEU	438,113	189,722	709,555	331,107
161	FEDERAL HOUSING GRANTS	655,244	236,073	786,165	366,282
162	STATE HOUSING GRANTS	4,531	14,218	11,759	10,583
165	MUNICIPAL ARTS	61,706	701,371	25,168	23,651
190	AGRICULTURE LAND ACQUISITION	3,300	8,192	5,339	4,805
195	BUILDING FEES & PERMITS	2,465,512	2,778,561	2,847,917	2,413,575
200	CONSTRUCTION TAX	983,358	2,139,619	1,718,661	1,357,973
205	SUBDIVISION IN-LIEU PARK FEES	118,107	187,946	138,954	137,559
208	IN-LIEU OF PARKING PAYMENTS	4,305	12,681	9,613	8,652
209	PARKING REVENUE FUND	84,393	86,516	101,016	37,009
210	FEDERAL/STATE HIGHWAY GRANTS	55,995	5,249,994	9,472,989	18,424,989
215	HUD/CDBG	987,176	266,655	666,611	921,957
216	OPERATIONAL GRANTS FUND	363,553	453,409	791,997	41,876
	TOTAL SPECIAL REVENUE FUNDS	14,451,093	21,778,177	27,964,778	35,198,748
DEBT SERVICE/SPECIAL ASSMT FUNDS					
337	PUBLIC FACIL FINANCING AUTHORITY	1,019,173	1,078,317	1,032,755	1,010,428
338	MACE RANCH MELLO ROOS BOND	10,085,086	1,416,506	1,368,413	1,375,723
339	ABAG CERTIFICATE OF PARTICIPATN	-	-	640	640
340	CANNERY CFD	521,959	548,554	593,530	602,949
353	OXFORD CIRCLE ASSMT DIST	330	1,007	735	662
358	UNIV RESEARCH PARK ASSMT DIST	1,185	554	1,200	1,200
359	UNIV RESEARCH PARK RESERVE FUND	1,060	3,124	2,368	2,131
361	PARKING ASSMT DIST #3 REDEMPTION	(15)	5,300	80	80
362	PARKING ASSMT DIST #3 RESERVE FUND	1,101	3,242	2,458	2,212
	TOTAL DEBT SVC/SPEC ASSMT FNDS	11,629,879	3,056,604	3,002,179	2,996,025
CAPITAL PROJECT FUNDS					
456	DAVIS RESEARCH PARK ASSESMNT DIST	7,383	21,750	16,489	14,840
460	ARLINGTON BLVD BENEFIT AREA	3,530	10,400	7,884	7,096
465	CAPITAL GRANTS FUND	133,724	117,104	338,460	283,535
468	DAVIS LAND ACQUISITION FUND	14,553	41,525	28,589	25,730
470	MELLO-ROOS COMM FAC DISTRICT	2,043	6,018	4,562	4,106
480	DEVELOPMENT DEFERRED IMPROV	(45,302)	31,694	29,250	26,525
481	DEVELOPMENT DEFER IMPR-GENERAL FACILITY	394,197	537,265	309,118	124,105
482	DEVELOPMENT DEFER IMPR-OPEN SPACE	148,845	241,518	285,287	131,758
483	DEVELOPMENT DEFER IMPR-PARKS	452,067	879,042	530,358	200,532
484	DEVELOPMENT DEFER IMPR-PUBLIC SAFETY	208,276	254,113	293,496	161,646
485	DEVELOPMENT DEFER IMPR-ROADWAY	1,331,451	1,466,074	1,654,970	639,473
	TOTAL CAPITAL PROJECT FUNDS	2,650,767	3,606,503	3,498,463	1,619,346

EXHIBIT "A"

**ADOPTED BUDGET 2020/21
SUMMARY OF REVENUES BY FUND**

FUND NO	TITLE	FY 17/18 ACTUAL	FY 18/19 ACTUAL	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
TRUST AND AGENCY FUNDS					
716	DAVISVILLE BOOK	19	56	43	39
717	BRINLEY/HATTIE WEBER FUND	120	111	84	76
TOTAL TRUST AND AGENCY FUNDS		139	167	127	115
ENTERPRISE FUNDS					
570	PUBLIC TRANSIT	3,337,953	3,523,231	4,608,000	4,037,700
571	TRANSPORTATION NON-TDA	1,759,644	1,496,232	4,000,316	4,700,284
511	WATER - MAINT & OPERATION	18,526,528	24,270,995	20,898,752	21,861,327
512	WATER - CAP REPLCMNT RESRV	409,947	1,181,418	880,463	841,404
513	WATER - CAPITAL EXPAN RESRV	1,478,019	1,333,639	1,233,171	329,854
520	SANITATION FUND	11,494,502	12,134,418	12,020,919	12,646,348
531	SEWER - MAINT & OPERATION	12,964,456	14,439,674	13,225,780	13,495,860
532	SEWER - CAP REPLCMNT RESRV	314,538	637,064	390,383	354,345
533	SEWER - CAPITAL EXPAN RESRV	617,885	956,386	900,000	200,000
541	STORM SWR/DRN - MAINT & OPERATION	1,207,032	1,235,161	1,311,353	1,249,291
542	STORM SWR/DRN - CAP REPLCMNT RESRV	8,413	35,964	27,067	24,360
543	STORM SWR/DRN - CAP EXPAN RESRV	28,206	78,877	75,469	50,922
544	STORM SWR/DRN - QUALITY	613,458	634,330	623,804	591,924
TOTAL ENTERPRISE FUNDS		52,760,581	61,957,389	60,195,477	60,383,619
INTERNAL SERVICE FUNDS					
020	EMPLOYEE BENEFITS FUND	3,304,717	3,261,250	3,408,158	3,408,158
620	GENERAL SERVICES	353,195	361,359	353,158	353,158
621	FLEET REPLACEMENT	1,728,162	1,870,111	1,392,402	1,346,374
622	FLEET SERVICES	1,644,656	1,748,756	1,761,189	1,754,220
623	IS REPLACEMENT	502,613	610,766	890,452	884,652
624	IS SERVICES	2,498,064	2,423,566	2,616,195	2,613,753
625	BUILDING MAINTENANCE	1,487,519	1,836,106	1,837,216	1,835,705
626	FACILITY MAINTENANCE	995,043	1,131,670	1,143,287	1,064,049
628	EQUIPMENT MAINTENANCE	392,515	447,671	436,055	362,939
629	DUPLICATING/POSTAL SERVICES	196,998	231,171	269,300	269,019
630	CITY SELF-INSURANCE	15,275,026	14,488,674	15,823,764	16,812,055
TOTAL INTERNAL SERVICE FUNDS		28,378,508	28,411,100	29,931,176	30,704,082
TOTAL CITY FUNDS		171,100,325	182,119,325	186,887,144	192,681,140
DAVIS RDA SUCCESSOR AGENCY					
891	RDA RETIREMENT OBLIGATION FUND	6,647,537	3,602,339	3,664,727	2,262,383
895	RDA RETIREMENT OBLIGATION - DEBT SVC	142,921	249,397	5,500,000	5,900,000
TOTAL RDA RETIREMENT OBLIGATION FUNDS		6,790,458	3,851,736	9,164,727	8,162,383
TOTAL ALL FUNDS		177,890,783	185,971,061	196,051,871	200,843,523

EXHIBIT "B"

ADOPTED BUDGET 2020/21
SUMMARY OF EXPENDITURES BY FUND

FUND NO	TITLE	FY 17/18 ACTUAL	FY 18/19 ACTUAL	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
001	GENERAL FUND	58,323,776	57,286,278	64,804,176	57,237,440
012	GENERAL FUND - CAPITAL IMPROVEMENT	0	7,145,435	7,671,060	7,612,493
	TOTAL GENERAL FUND	58,323,776	64,431,713	72,475,236	64,849,933
SPECIAL REVENUE FUNDS					
007	UNALLOC INVESTMENT ERNGS	73,527	64,281	112,866	109,061
109	GAS TAX 2105	860,957	1,055,464	671,384	1,173,937
110	GAS TAX 2106	188,672	0	268,558	605,205
111	GAS TAX 2107	462,688	95,606	370,976	99,029
112	GAS TAX 2107.5	5,926	0	6,676	-
113	SB1 GAS TAX	402,786	1,168,942	1,139,903	1,329,111
115	TDA NON-TRANSIT USE	29,027	56,774	752,411	14,563
135	OPEN SPACE FUND	175,366	279,640	646,115	414,341
140	PARKS MAINTENANCE TAX	1,486,820	1,403,413	1,405,529	1,540,150
150	CABLE TV	673,270	662,552	1,063,556	909,179
151	CABLE TV CAPITAL	84,366	114,119	120,493	141,121
155	PUBLIC SAFETY	3,309,390	3,524,606	3,522,856	3,858,789
160	HOUSING IN-LIEU	472,192	198,746	279,577	245,573
161	FEDERAL HOUSING GRANTS	734,991	99,796	745,867	646,282
165	MUNICIPAL ARTS	2,966	143	20,029	35,143
170	CHILD CARE	116,761	355,992	-	-
190	AGRICULTURE LAND ACQUISITION	40,370	104,046	13,000	13,097
195	BUILDING FEES/PERMITS	2,398,306	2,564,647	2,880,645	2,916,632
200	CONSTRUCTION TAX	1,328,677	1,875,210	3,204,719	3,059,236
205	SUBDIVISION IN-LIEU PARK FEES	180,902	306,739	629,406	444,974
209	PARKING REVENUE FUND	117,579	121,186	241,388	51,478
210	FEDERAL/STATE HIGHWAY GRANTS	2,124,068	4,908,801	9,846,699	14,884,989
215	HUD/CDBG	799,257	439,870	1,062,374	779,473
216	OPERATIONAL GRANTS FUND	517,784	679,449	881,218	9,420
	TOTAL SPECIAL REVENUE FUNDS	16,586,648	20,080,022	29,886,245	33,280,783
DEBT SERVICE/SPECIAL ASSMT FUNDS					
337	PUBLIC FACIL FINANCING AUTHORITY	989,828	1,274,646	986,149	1,005,733
338	MACE RANCH MELLO ROOS BOND	10,356,579	1,394,827	1,402,705	1,421,233
340	CANNERY CFD	449,356	571,560	582,488	593,288
353	OXFORD CIRCLE ASSMT DIST	14,373	-	112	304
358	UNIV RESEARCH PARK ASSMT DIST	183,660	190,920	0	0
361	PARKING ASSMT DIST #3	6,116	13,340	56,214	526
	TOTAL DEBT SVC/SPEC ASSMT FNDS	11,999,912	3,445,293	3,027,668	3,021,084
CAPITAL PROJECT FUNDS					
465	CAPITAL GRANTS FUND	61,069	7,632	525,552	240,000
468	LAND ACQUISITION FUND	10,096	56,254	169,632	-
480	DEVELOPMENT DEFERRED IMPROV	31,767	23,464	275,077	37,891
481	DEVELOPMENT DEFER IMPR-GENERAL FACILITY	279,314	419,825	886,378	944,429
482	DEVELOPMENT DEFER IMPR-OPEN SPACE	37,301	4,598	235,923	36,180
483	DEVELOPMENT DEFER IMPR-PARKS	350,326	672,465	1,734,744	877,793
484	DEVELOPMENT DEFER IMPR-PUBLIC SAFETY	119	3	623,248	375,916
485	DEVELOPMENT DEFER IMPR-ROADWAY	1,507,178	3,390,622	7,740,970	5,814,296
	TOTAL CAPITAL PROJECT FUNDS	2,277,170	4,574,863	12,191,524	8,326,505
ENTERPRISE FUNDS					
570	PUBLIC TRANSPORTATION	3,271,070	3,521,948	3,640,809	3,711,313
571	TRANSPORTATION NON TDA	1,627,712	1,495,947	4,004,624	3,400
511	WATER - MAINT & OPERATION	19,197,361	23,910,087	23,312,384	24,655,116
512	WATER - CAP REPLCMNT RESRV	7,264,758	(1,431,188)	10,289,438	(1,855,683)
513	WATER - CAPITAL EXPAN RESRV	1,132	-	0	0
520	SANITATION FUND	12,495,647	13,030,258	13,763,930	13,632,244
531	SEWER - MAINT & OPERATION	13,237,275	13,042,942	14,684,895	14,861,329
532	SEWER - CAP REPLCMNT RESRV	11,587,013	1,779,885	4,376,651	8,876,135
533	SEWER - CAPITAL EXPAN RESRV	2,845	111	0	0
541	STORM SWR/DRN - MAINT & OPER	1,488,452	1,056,817	1,420,062	1,331,743
542	STORM SWR/DRN - CAP REPL RESRV	1,154,191	9,011	951,737	(189,181)
543	STORM SWR/DRN - CAP EXPN RSRV	105,153	103,506	78,468	84,192
544	STORM SWR/DRN - QUALITY	767,692	837,901	983,774	1,000,524
	TOTAL ENTERPRISE FUNDS	72,200,301	57,357,225	77,506,772	66,111,132

EXHIBIT "B"

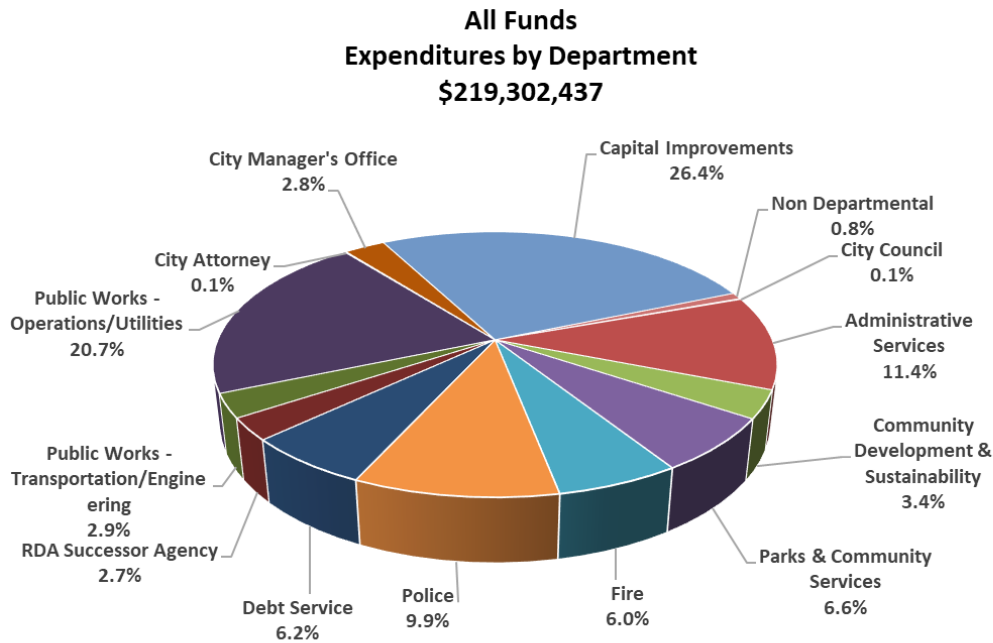
**ADOPTED BUDGET 2020/21
SUMMARY OF EXPENDITURES BY FUND**

FUND NO	TITLE	FY 17/18 ACTUAL	FY 18/19 ACTUAL	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
INTERNAL SERVICE FUNDS					
020	EMPLOYEE BENEFITS FUND	3,111,213	3,176,893	3,030,000	3,030,000
620	GENERAL SERVICES	318,860	303,081	300,271	438,849
621	EQUIPMENT REPLACEMENT	911,152	790,637	1,713,769	1,667,684
622	FLEET SERVICES FUND	1,521,862	1,677,732	1,825,303	1,732,890
623	IS REPLACEMENT FUND	373,988	283,169	620,366	635,450
624	IS SERVICES FUND	2,526,578	2,459,824	2,599,328	2,649,504
625	BUILDING MAINTENANCE	1,668,860	1,727,142	1,877,868	1,897,514
626	FACILITY REPLACEMENT	1,809,880	1,172,409	5,258,936	3,604,122
628	NON-VEHICULAR REPLACEMENT FUND	21,953	258,980	1,439,522	890,300
629	DUPLICATING & POSTAL SERVICES	124,111	139,299	178,858	181,352
630	CITY SELF-INSURANCE	14,856,278	14,579,084	15,389,268	16,075,314
	TOTAL INTERNAL SERVICE FUNDS	27,244,735	26,568,250	34,233,489	32,802,979
	TOTAL CITY FUNDS	188,632,542	176,457,366	229,320,934	208,392,416
DAVIS RDA SUCCESSOR AGENCY					
891	RDA RETIREMENT OBLIGATION FUND	6,803,723	(3,174,775)	3,748,772	5,900,000
892	RDA RETIREMENT OBLIGATION -CAPITAL PROJ	0	0	0	0
893	RDA RETIREMENT OBLIGATION - TE BONDS	0	0	0	0
894	RDA RETIREMENT OBLIGATION - TAX BONDS	0	0	0	0
895	RDA RETIREMENT OBLIGATION - DEBT SVC	(9,845)	6,836,881	5,095,021	5,010,021
896	RDA RETIREMENT OBLIGATION - HOUSING	179,592	0	0	0
	TOTAL RDA RETIREMENT OBLIGATION FUNDS	6,973,470	3,662,106	8,843,793	10,910,021
	TOTAL ALL FUNDS	195,606,008	180,119,475	238,164,727	219,302,437

EXHIBIT "C"

**SUMMARY OF EXPENDITURES BY DEPARTMENT
ALL FUNDS
FY 2020-2021 Adopted**

<i>Expenditures</i>	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Estimate	FY 2020-21 Adopted
City Attorney	682,633	168,069	310,217	320,217
City Council	188,777	186,873	238,444	206,967
City Manager's Office	5,954,378	5,254,658	7,200,239	6,228,746
Administrative Services	22,133,658	22,080,913	25,309,969	24,913,420
Community Development & Sustainability	6,973,143	7,405,319	8,442,742	7,514,137
Parks & Community Services	14,407,831	13,952,175	16,000,250	14,527,498
Fire	12,129,791	13,134,781	14,202,146	13,204,968
Police	21,322,087	21,570,697	21,932,287	21,806,652
Public Works - Transportation/Engineering	-	-	10,216,006	6,275,950
Public Works - Operations/Utilities	47,505,612	47,674,773	49,984,190	45,485,150
Capital Improvements	37,516,985	30,164,339	53,303,248	57,814,217
Debt Service	19,781,672	14,840,385	23,243,724	13,584,095
RDA Successor Agency	6,899,893	3,670,933	3,678,504	5,900,000
Non Departmental	109,548	15,560	4,102,761	1,520,420
Subtotal Expenditures:	<u>\$ 195,606,008</u>	<u>\$ 180,119,475</u>	<u>\$ 238,164,727</u>	<u>\$ 219,302,437</u>





**Capital
Improvement
Projects**

FY 2020-2021

Administration Costs

1	8110	Capital Improvements Projects Program Administration	\$1,300,108
		Total	\$1,300,108

Facilities Projects

1	8277	City Hall Emergency Generators	\$540,596
2	8280	Davis Senior Center Facility Improvements	\$1,312,598
3	8284	Downtown Public Amenities	\$5,000
5	8326	Civic Center Gym Roof Replacement/Repair	\$815,596
6	8340	Varsity Theatre Roof Replacement	\$221,000
7	8341	Electrify Yolo Project	\$2,827,000
8	8512	Public Works Facilities	\$743,000
		Total	\$6,464,790

Parks Projects/Open Space Projects

1	8295	Rosecreek Park/Greenbelt Enhancements	\$279,038
2	8315	Sport Court Rehabilitation & Replacement	\$624,192
3	8331	Aquatic Facilities - Rehabilitation & Replacement	\$560,519
4	8337	Water Slide Replacement	\$7,310
5	8338	Parks/Playground - Minor	\$124,178
6	8339	Parks Playground - Major	\$357,278
7	8747	South Fork Preserve	\$310,000
		Total	\$2,262,515

Water Projects

1	8190	Water Main Replacement	\$799,100
2	8278	Water Well Standby Power Generator	\$1,436,621
3	8290	Replacement of Elevated Eighth Street Water Tank	\$70,000
4	8310	SCADA Master Plan Implementation	\$218,887
5	8329	Aquifer Storage and Recovery (ASR)	\$58,000
		Total	\$2,582,608

Sewer (Wastewater) Projects

1	8166	Sewer Trunk Line Rehabilitation	\$940,860
2	8275	Sewage Lift Stations Rehabilitation	\$9,031,427
3	8312	Recycled Water Improvement	\$1,453,280
4	8334	WWTP Access Road Repair	\$60,000
		Total	\$11,485,567

Information Systems

1	8336	GIS Master Plan	\$300,000
		Total	\$300,000

Transportation Projects

1	8126	Concrete Replacment Project	\$306,824
2	8250	Transportation Infrastructure Rehabilitation	\$7,584,765
3	8252	Downtown Parking Improvements	\$3,582
4	8257	Mace Boulevard Corridor	\$100,000
5	8258	Bicycle and Pedestrian Wayfinding & Data Collection Program	\$200,734
6	8279	City-Wide Signals Upgrade	\$590,000
7	8282	Fourteenth Street/Villanova Drive Improvements	\$2,069,494
8	8286	Russell Boulevard Bike Path	\$1,892,503
9	8289	East Covell Bicycle Path - North Side	\$99,090
10	8313	Pole Line Road - Olive Drive Connection/Montgomery WBAR Improvements	\$4,734,398
11	8323	Tulip & Ponteverde Multi-Use Path Extension & Intersection Improvements	\$119,786
12	8342	Russell Boulevard Corridor Study	\$500,000
13	8730	I-80/ Richards Interchange	\$14,917,453
14	8783	Traffic Calming Program	\$300,000
		Total	\$33,418,629

Grand Total CIP FY 2020-21	\$57,814,217
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EXHIBIT "E"

**CITYWIDE
HUMAN RESOURCES FY 20/21**

Position Title	17/18 FTE's	18/19 FTE's	19/20 FTE's	20/21 FTE's
ACCOUNTANT I	0.00	1.00	2.00	1.00
ACCOUNTANT II	1.00	0.00	0.00	1.00
ACCOUNTING ASST	7.00	7.00	6.00	6.00
ACCOUNTING & FISCAL ANALYST I *	1.00	1.00	1.00	1.00
ACCOUNTING & FISCAL ANALYST I	2.00	0.00	0.00	0.00
ACCOUNTING & FISCAL ANALYST II	0.00	1.00	1.00	1.00
ADMINISTRATIVE AIDE	5.00	5.00	5.00	4.00
ADMINISTRATIVE AIDE - CONF	1.00	1.00	1.00	1.00
ADMINISTRATIVE ANALYST I	2.00	1.00	0.00	0.00
ADMINISTRATIVE ANALYST II	4.00	5.00	0.00	0.00
ADMINISTRATIVE OPERATIONS SUPV	1.00	1.00	0.00	0.00
ASSISTANT CHIEF BLDG OFFICIAL	1.00	1.00	1.00	1.00
ASSISTANT CITY ENGINEER TRAFFIC	1.00	1.00	1.00	1.00
ASSISTANT CITY MANAGER	2.00	2.00	2.00	2.00
ASSISTANT COMMUNITY DEV DIRECTOR	2.00	1.00	1.00	1.00
ASSISTANT DIRECTOR PARKS & COMM SVCS	1.00	1.00	1.00	1.00
ASSISTANT PLANNER I	0.00	1.00	0.00	1.00
ASSISTANT PUBLIC WORKS DIR.	1.00	1.00	1.00	0.00
ASSOCIATE CIVIL ENGINEER	3.00	3.00	3.00	3.00
BICYCLE/PEDESTRIAN COORDINATOR	1.00	1.00	1.00	1.00
BUDGET MANAGER	1.00	1.00	0.00	0.00
BUILDING INSPECTOR I	3.00	3.00	2.00	3.00
BUILDING INSPECTOR II	2.00	2.00	3.00	3.00
BUILDING MAINT CREW SUPV	1.00	1.00	1.00	1.00
BUILDING MAINT WORKER I	0.00	1.00	1.00	1.00
BUILDING MAINT WORKER II	2.00	1.00	1.00	1.00
BUILDING/PLANNING TECH I	1.00	1.00	0.00	0.00
BUILDING/PLANNING TECH II	2.00	2.00	3.00	2.00
BUSINESS & COMMUNITY ENGAGEMENT DIR	0.00	1.00	1.00	1.00
CHIEF INNOVATION OFFICER	1.00	0.00	0.00	0.00
CITY CLERK	1.00	1.00	1.00	1.00
CITY ENGINEER	1.00	1.00	1.00	1.00
CITY MANAGER	1.00	1.00	1.00	1.00
COLLECTIONS SYSTEM SUPERVISOR	2.00	2.00	1.00	1.00
COLLECTIONS SYSTEMS TECHNICIAN	3.00	3.00	3.00	3.00
COLLECTIONS SYSTEM WORKER	2.00	2.00	2.00	2.00
COMMUNICATIONS & CUST SVC MGR	0.00	0.00	2.00	1.00
COMM SERVICES PRGM COORD	4.00	4.00	4.00	6.00
COMMUNITY DEVELOPMENT ADMINISTRATOR	1.00	1.00	1.00	0.00
COMMUNITY SERVICES SUPERVISOR	3.00	3.00	4.00	4.00
COMPUTER SUPPORT TECH II	2.00	2.00	2.00	2.00
CONSERVATION COORDINATOR	2.00	2.00	2.00	2.00
CONSTRUCTION MANAGER	1.00	1.00	1.00	1.00
CUSTODIAN II	2.00	2.00	2.00	2.00
DEPARTMENT SR SYSTEMS ANALYST	1.00	1.00	1.00	1.00
DEPUTY CITY CLERK I	1.00	1.00	1.00	1.00

EXHIBIT "E"

**CITYWIDE
HUMAN RESOURCES FY 20/21**

Position Title	17/18 FTE's	18/19 FTE's	19/20 FTE's	20/21 FTE's
DEPUTY DIRECTOR POLICE SERVICES	0.00	0.00	0.00	1.00
DEPUTY INNOVATION OFFICER	1.00	1.00	1.00	1.00
DEPUTY POLICE CHIEF	2.00	1.00	1.00	1.00
ELECTRICIAN	4.00	5.00	5.00	5.00
ENVIRONMENTAL LAB SUPERVISOR	1.00	1.00	1.00	1.00
ENVIRONMENTAL PROGRAM SPECIALIST	3.00	3.00	3.00	4.00
ENVIRONMENTAL RESOURCES MANAGER	1.00	1.00	1.00	1.00
EQUIPMENT MECHANIC II	2.00	2.00	2.00	2.00
EXECUTIVE ASSISTANT - CONF	1.00	1.00	1.00	1.00
FACILITIES MANAGER	1.00	1.00	1.00	0.00
FINANCE ADMINISTRATOR	1.00	1.00	0.00	0.00
FINANCIAL ANALYST II	0.00	0.00	1.00	1.00
FINANCE DIRECTOR	0.00	0.00	1.00	1.00
FINANCIAL SERVICES MANAGER	1.00	2.00	1.00	1.00
FINANCIAL SUPERVISOR	0.00	1.00	1.00	1.00
FIRE ASSISTANT CHIEF	0.00	1.00	1.00	1.00
FIRE CAPTAIN	9.00	9.00	9.00	9.00
FIRE CHIEF	1.00	1.00	1.00	1.00
FIRE DIVISION CHIEF	4.00	4.00	4.00	4.00
FIRE INSPECTION SPECIALIST	1.00	1.00	1.00	0.00
FIREFIGHTER I	7.00	6.00	11.00	8.00
FIREFIGHTER II	20.00	21.00	19.00	22.00
FLEET MANAGER	1.00	1.00	1.00	1.00
GIS SYSTEMS ANALYST	1.00	1.00	1.00	1.00
HUMAN RESOURCES ANALYST I	0.00	1.00	1.00	0.00
HUMAN RESOURCES ANALYST II	1.00	0.00	0.00	1.00
HUMAN RESOURCES ASST - CONF	1.00	0.00	0.00	0.00
HUMAN RESOURCES DIRECTOR	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH - CONF	2.00	3.00	3.00	3.00
INFORMATION TECH ADMIN	1.00	1.00	1.00	0.00
INFORMATION TECH DIRECTOR	0.00	0.00	0.00	1.00
IPM SPECIALIST	1.00	1.00	1.00	0.00
IRRIGATION SPECIALIST	2.00	2.00	3.00	3.00
MANAGEMENT ANALYST I	0.00	0.00	1.00	1.00
MANAGEMENT ANALYST II	0.00	0.00	6.00	6.00
MEDIA & COMMUNICATIONS OFFICER	1.00	1.00	0.00	0.00
MEDIA SERVICES SPECIALIST	1.00	1.00	1.00	1.00
MIS SENIOR SYSTEM ANALYST	1.00	1.00	1.00	1.00
MIS SYSTEM ANALYST	2.00	2.00	2.00	1.00
OFFICE ASSISTANT II	8.00	8.00	8.00	6.00
OFFICE ASSISTANT II *	1.00	0.00	0.00	0.00
OFFICE ASSISTANT II - CONF	1.00	1.00	1.00	1.00
OPEN SPACE LANDS MANAGER	1.00	1.00	1.00	1.00
PARK MAINT CREW SUPERVISOR	2.00	2.00	1.00	1.00
PARK MAINT WORKER II	8.00	8.00	8.00	8.00

EXHIBIT "E"

**CITYWIDE
HUMAN RESOURCES FY 20/21**

Position Title	17/18 FTE's	18/19 FTE's	19/20 FTE's	20/21 FTE's
PARKING ENFORCEMENT OFFICER	0.00	0.00	0.00	0.00
PARKS & COMMUNITY SERVICES DIRECTOR	1.00	1.00	1.00	1.00
PARKS SUPERINTENDENT	1.00	1.00	1.00	1.00
PARKS SUPERVISOR	2.00	2.00	2.00	2.00
PAYROLL TECHNICIAN I	0.00	1.00	1.00	0.00
PAYROLL TECHNICIAN II	1.00	0.00	0.00	1.00
PD INTELLIGENCE/RESOURCE MANAGER	1.00	0.00	0.00	0.00
PLANNER	3.00	3.00	3.00	2.00
POLICE CHIEF	1.00	1.00	1.00	1.00
POLICE CORPORAL	6.00	6.00	6.00	5.00
POLICE LIEUTENANT	3.00	4.00	4.00	4.00
POLICE OFFICER	40.00	40.00	40.00	38.00
POLICE RECORDS SPECIALIST II	4.00	4.00	4.00	4.00
POLICE SERGEANT	9.00	9.00	9.00	9.00
POLICE SERVICE SPECIALIST	10.00	10.00	11.00	10.00
POLICE SERVICE SPECIALIST SUPERVISOR	2.00	2.00	2.00	2.00
POOL MAINTENANCE CREW SUPRVR	1.00	1.00	1.00	1.00
POOL MAINTENANCE WORKER II	1.00	1.00	1.00	1.00
PRINCIPAL CIVIL ENGINEER	1.00	1.00	1.00	1.00
PRINCIPAL PLANNER	1.00	1.00	1.00	1.00
PROJECT MANAGER	1.00	0.00	0.00	0.00
PROPERTY MANAGEMENT COORD	1.00	1.00	1.00	1.00
PUBLIC RELATIONS MANAGER II	1.00	1.00	1.00	1.00
PUBLIC SAFETY DISPATCH SUPERV	1.00	1.00	1.00	1.00
PUBLIC SAFETY DISPATCHER I	1.00	1.00	3.00	3.00
PUBLIC SAFETY DISPATCHER II	11.00	11.00	9.00	8.00
PUBLIC WORKS ADMINISTRATION MANAGER	1.00	1.00	1.00	1.00
PUBLIC WORKS DIRECTOR	1.00	1.00	1.00	2.00
PUBLIC WORKS INSP I	1.00	0.00	1.00	1.00
PUBLIC WORKS INSP II	1.00	2.00	2.00	2.00
PUBLIC WORKS INSPECTION SUPV	1.00	1.00	0.00	0.00
PUBLIC WORKS MAINT WKR I	2.00	2.00	3.00	2.00
PUBLIC WORKS MAINT WKR II	5.00	5.00	4.00	5.00
PUBLIC WORKS SUPERVISOR	1.00	1.00	2.00	2.00
RECORDS & COMMUNICATIONS MANAGER	1.00	1.00	1.00	1.00
RECORDS SUPERVISOR	1.00	1.00	1.00	1.00
SENIOR BUILDING INSPECTOR	1.00	1.00	1.00	1.00
SENIOR CIVIL ENGINEER	1.00	2.00	2.00	2.00
SENIOR COMMUNITY SERVICES SUPV	1.00	1.00	1.00	1.00
SENIOR ELECTRICIAN	2.00	1.00	1.00	1.00
SENIOR ENGINEERING ASSISTANT	3.00	3.00	3.00	3.00
SENIOR OFFICE ASSISTANT	3.00	3.00	2.00	4.00
SENIOR PARKS SUPERVISOR	1.00	1.00	1.00	0.00
SENIOR PLANNER	0.00	0.00	0.00	1.00
SENIOR PUBLIC WORKS SUPVR	1.00	1.00	1.00	2.00
SR ACCOUNTING ASSISTANT	2.00	2.00	2.00	2.00

EXHIBIT "E"

**CITYWIDE
HUMAN RESOURCES FY 20/21**

Position Title	17/18 FTE's	18/19 FTE's	19/20 FTE's	20/21 FTE's
SR PW COLLECTIONS SUPERVISOR	1.00	1.00	1.00	1.00
SR TRANSPORTATION PLANNER	1.00	1.00	1.00	1.00
STOREKEEPER	1.00	1.00	1.00	1.00
SUPPORT SERVICES MANAGER	0.00	1.00	1.00	0.00
SUSTAINABILITY PROG COORD	1.00	1.00	1.00	1.00
TECHNICAL SERVICES MANAGER	2.00	2.00	2.00	2.00
URBAN FOREST MANAGER	1.00	1.00	1.00	1.00
URBAN FOREST SUPERVISOR	1.00	1.00	1.00	1.00
URBAN FOREST TECHNICIAN	1.00	1.00	1.00	1.00
UTILITY PROGRAM COORDINATOR	1.00	1.00	0.00	0.00
UTILITY/SCADA CONTROL SYS TECH	2.00	2.00	2.00	2.00
VOLUNTEER COORDINATOR	0.00	0.00	0.00	1.00
WASTEWATER DIVISION MANAGER	0.00	1.00	1.00	1.00
WATER DISTRIBUTION CREW SUPV	1.00	1.00	1.00	1.00
WATER DISTRIBUTION OPERATOR I	3.00	3.00	4.00	3.00
WATER DISTRIBUTION OPERATOR II	3.00	3.00	2.00	2.00
WATER DISTRIBUTION PRGM SUPV	1.00	1.00	1.00	1.00
WATER DIVISION MANAGER	1.00	1.00	1.00	1.00
WATER PRODUCTION SYSTEM OPER	2.00	2.00	2.00	2.00
WATER QUALITY COORDINATOR	2.00	2.00	2.00	2.00
WATER PRODUCTION SYSTEM SUPV	1.00	1.00	1.00	1.00
WATER SYSTEM MAINT WORKER	2.00	2.00	2.00	3.00
WEB SYSTEM ANALYST	0.00	0.00	0.00	1.00
WILDLIFE RES SPECIALIST	1.00	1.00	1.00	1.00
WWTP LABORATORY ANALYST	1.00	1.00	2.00	2.00
WWTP LEAD OPERATOR	4.00	4.00	4.00	4.00
WWTP MAINTENANCE TECHNICIAN I	0.00	1.00	1.00	0.00
WWTP MAINTENANCE TECHNICIAN II	3.00	2.00	2.00	3.00
WWTP SENIOR OPERATOR	1.00	1.00	1.00	1.00
WWTP SR MAINTENANCE TECHNICIAN	2.00	2.00	2.00	2.00
WWTP SUPERINTENDENT	1.00	0.00	0.00	0.00
YOUTH INTERVENTION SPECIALIST	1.00	1.00	0.00	0.00
TOTAL REGULAR FULL-TIME FTE'S	349.00	351.00	352.00	346.00
ADMINISTRATIVE AIDE	0.50	0.50	0.50	0.50
COMM SERVICES PRGM COORD - 75%	2.25	2.25	3.00	1.25
CUSTODIAN II	0.75	0.75	0.75	0.75
IRRIGATION SPECIALIST 75%	0.75	0.75	0.75	0.75
OFFICE ASSISTANT II	0.00	0.50	1.25	1.25
STOCK CLERK	0.00	0.50	0.50	0.50
TOTAL REGULAR PART-TIME FTE'S	4.25	5.25	6.75	5.00

EXHIBIT "E"

CITYWIDE
HUMAN RESOURCES FY 20/21

Position Title	17/18 FTE's	18/19 FTE's	19/20 FTE's	20/21 FTE's
PARATRANSIT COORDINATOR	1.00	2.00	2.00	2.00
PARATRANSIT SPECIALIST	1.00	0.00	0.00	0.00
PARATRANSIT SUPERVISOR	1.00	1.00	1.00	1.00
TOTAL SP FUNDED REG FULL-TIME FTE'S	3.00	3.00	3.00	3.00
BUILDING INSPECTOR I	3.44	3.44	3.44	3.44
BUILDING INSPECTOR II	0.00	1.97	1.97	1.97
COMM SVCS SPEC I	0.30	0.30	0.00	0.48
COMM SVCS SPEC III (BUDGET)	0.30	0.30	0.30	0.30
COMM SVCS SPEC IV (BUDGET)	44.08	41.91	40.63	33.80
COMM SVCS SPEC V (BUDGET)	0.48	0.00	0.00	0.00
COMM SVCS SPEC VI (BUDGET)	0.22	0.22	0.22	0.22
COMM SVCS SPEC X	0.10	0.08	0.08	0.08
COMM SVCS SPEC XI	0.48	0.00	0.00	0.00
COMMUNITY SRVC OFFCR (BUDGET)	2.55	3.71	3.71	3.71
CONSERVATION COORDINATOR	1.29	1.32	1.32	1.32
CUSTODIAN AIDE II (BUDGET)	0.20	0.20	0.20	0.20
ELECTRICIAN	0.24	0.24	0.24	0.24
ENGINEERING INTERN (BUDGET)	1.80	1.80	1.80	1.80
MAINTENANCE AIDE II (BUDGET)	7.35	6.94	6.22	5.82
MIS INTERN	0.16	0.16	0.16	0.16
OFFICE ASSISTANT I	2.06	0.89	0.94	0.93
OFFICE ASSISTANT II	0.48	0.48	1.03	0.91
PARATRANSIT SERVICE SPECIALIST	0.00	0.43	0.00	0.43
PARATRANSIT VEHICLE OPERATOR	6.87	6.87	5.70	5.17
PARK MAINT WORKER I	0.63	0.63	0.63	0.63
PARK MAINT WORKER II	0.56	0.19	0.18	1.25
POLICE OFFICER TRAINEE	1.22	0.00	0.00	0.00
PROGRAM ASSISTANT	0.48	0.48	0.48	0.00
PUBLIC SAFETY DISPATCHER II	0.17	0.17	0.17	0.17
PUBLIC WORKS MAINT WKR I	6.59	6.59	6.59	6.59
WWTP OPERATOR IN TRAINING	0.98	0.98	0.98	0.98
TOTAL TEMPORARY PART-TIME FTE'S	83.03	80.30	76.99	70.60
TOTAL CITYWIDE FTE'S	439.28	439.55	438.74	424.60

Appendix B



GENERAL FUND RESERVE POLICY

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

Purpose

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

Reserve Level

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

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

Use of Reserve Funds

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

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

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

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

Excess Fund Balance

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

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

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

Other Funds

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

Appendix C



INVESTMENT POLICY

CITY OF DAVIS INVESTMENT POLICY

1. Purpose

The purpose of this Investment Policy (the “Policy”) is to establish strategies, practices, and procedures to be used in administering the City of Davis (the “City”) portfolio. The goal is to establish guidelines to manage City funds to maximize security and liquidity while also complying with this Investment Policy and California Government Code Sections 53600 through 53686, which governs investments for municipal governments and while meeting the daily cash flow demands of the City.

2. Investment Objectives

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

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

A. Safety

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

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

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

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

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

B. Liquidity

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

market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

C. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout the budgetary and economic cycles, taking into account the investment risk of constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Sales of securities prior to maturity may occur under any of the following circumstances:

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

3. Standards of Care

A. Prudence. The City shall operate its pooled idle cash investments under the “Prudent Investor Standard,” as defined in California Government Code Section 53600.3, which states that “when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

Investment officers acting in accordance with written procedures and this Investment Policy 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 fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy to control adverse developments.

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

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

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

The City Treasurer or other designated City employees are required to file with the City Clerk applicable financial disclosures, as required by the Fair Political Practices Commission.

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

The City Treasurer may also delegate day-to-day investment decision making and execution authority to an external investment advisor. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Investment Policy and such other written instructions as are provided by the City.

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

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

4. Scope

This Investment Policy shall apply to all funds and investment activities of the City of Davis as accounted for in the Comprehensive Annual Financial Report, including, but not limited to:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds, including Davis Redevelopment Successor Agency and Public Facilities Financing Authority
- Any new fund created by the City Council unless specifically exempted.

This Investment Policy does not apply to the following financial assets:

- The City's Deferred Compensation Plans, which are controlled by federal law, specific provisions of the City's adopted Plans, and individual plan participants' decisions.
- The City Employee Retirement Plan, which is subject to regulation by federal and state laws.
- Other Post-Employment Benefits (OPEB) Trust, which is invested pursuant to California Code and the Trust's separate long-term investment policy under the Trust Agreement.
- Proceeds of debt issuance, which are invested in accordance with permitted investment provisions of their specific bond indentures.

5. Safekeeping and Custody

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

6. Authorized Financial Dealers and Institutions

Unless the City has an external investment advisor, the City Treasurer will maintain a file of broker/dealers with which the City is currently doing business, which will include (at minimum) the firm name, contact person, telephone number, fax number, e-mail address, and annual audited financial statements. A review of the financial institutions and brokers/dealers on the City's list will be conducted at least annually.

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

- Audited financial statement (annually);
- Proof of registration from a federally regulated securities exchange;
- Proof of state registration;
- Completed broker/dealer questionnaire;
- Certification of having read and understood and agreeing to comply with the City's Investment Policy.

These documents shall be provided annually as appropriate. In selecting financial institutions, the authorized investment officers shall consider the credit-worthiness of the institution.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City. The advisor will perform all due diligence for the brokers/dealers on its approved list. The advisor will annually provide the City their approved broker/dealer list so that the City Treasurer may conduct its own review.

7. Collateralization

Collateral is required for investments in non-negotiable certificates of deposit and repurchase agreements. In order to reduce market risk, the collateral level shall be at least 110% of market value for Certificates of Deposits and 102% for repurchase agreements of market value of principal and interest and marked to market weekly. Securities acceptable as collateral shall be the direct obligations of, or are fully guaranteed as to principal and interest, by the United States or any agency of the United States. Collateral will always be held by an independent third party with whom the financial institution has a current custodial agreement.

8. Authorized Investments

Investment of City funds is governed by the California Government Code Sections 53600 et seq. Further, no more than 5 percent of the City's portfolio may be invested in any one non-governmental issuer regardless of sector. This limitation does not apply to the following types of securities: U.S. Treasury securities, U.S. Government Agency/GSE securities, obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank, money market funds, and government investment pools. Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only on the date of purchase. Credit criteria listed in

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

Federal Agency Obligations – Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no percentage limitation of the portfolio which can be invested in this category.

Municipal Obligations - Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency, or authority of the state or any local agency.

Registered treasury notes or bonds of any of the other 49 states in addition to 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 states, in addition to California.

Securities in this section must have a short-term rating of “A-1” or the equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) or a long-term rating in the rating category of “A” or the equivalent or better by an NRSRO. No more than 5% of the total value of the City’s portfolio shall be invested in any one municipal issuer, and the aggregate investment in municipal bonds shall not exceed 30% of the total value of the City’s portfolio.

Banker’ Acceptances – These are bills of exchange or time drafts drawn on and accepted by commercial banks. Purchase of banker’s acceptances may not exceed 180 days maturity and 40% of the total value of the portfolio. No more than \$5 million may be invested in the banker’s acceptances of any one commercial bank.

Commercial Paper – Commercial paper must be rated “P-1”/”A-1” or the equivalent better by an NRSRO, issued by domestic corporations having assets in excess of \$500,000,000 and having an “A” category or the equivalent or better rating on its long-term debentures, if any, as provided by an NRSRO. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the total value of the City’s portfolio.

Negotiable Certificates of Deposit – These are issued by nationally or state-chartered banks, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branches of foreign banks. Purchases of negotiable certificates of deposit may not exceed 30% of the total value of the City’s portfolio. Negotiable Certificates of Deposit must be rated “A-1” or the equivalent or better for short-term obligations or a rating category of “A” or the equivalent or better for longer-term obligations by an NRSRO.

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

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

Certificate of Deposit (CD) - Purchased through a bank or savings and loan association for a specified period of time at a specified rate of interest. Currently the first \$250,000 of a certificate of deposit is guaranteed by the Federal Deposit Insurance Corporation (FDIC). CDs with a face value in excess of the FDIC limit will be collateralized by U.S. Treasury securities, which must be at least 110% of the face value of the CD. No other collateralization will be accepted. Certificate of Deposit Account Registry Service (CDARS) CDs do not have to be collateralized as long as FDIC insurance covers the entire amount. Investments in these types of Certificates of Deposit, collectively, may not exceed 30% of the total value of the City's portfolio.

Medium-Term Corporate Notes - Defined as all corporate and depository institution debt securities with a maximum maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Securities eligible for investment shall be rated in a rating category of "A" or the equivalent or better by an NRSRO. Purchase of medium-term notes may not exceed 30% of the total value of the City's portfolio.

Money Market Mutual Funds - Mutual funds invested in U.S. Government securities are permitted under this Policy. In order to be eligible for investment under this section, the money market mutual funds must be registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). Further, the funds must meet the following criteria:

- 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares);
- 2) have a constant daily net asset value per share of \$1.00;
- 3) have a rating of "AAA" or the equivalent by at least two NRSROs OR have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

No more than 10% of the City's total portfolio shall be invested in any one issuer and the aggregate investment in money market funds shall not exceed 20% of the total value of City's total portfolio.

Asset-Backed Securities - This category includes mortgage passthrough securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable passthrough certificates, or consumer receivable-backed bonds. Securities eligible for investment shall be rated in a rating category of "AA" or its equivalent or better by at least one NRSRO and have a maximum remaining maturity of five years or less. Purchases of asset-backed securities may not exceed 20% of the total value of the City's portfolio.

Supranational Obligations - Defined as United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30% of the total value of the City's portfolio.

Repurchase Agreements (REPOs) - The market value of the securities used as collateral for the repurchase agreement shall be monitored and not allowed to fall below 102% of the value of the repurchase agreement. A Master Repurchase agreement is required between the City and the financial institution for all repurchase agreements transacted. Maximum maturity is sixty days.

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

9. Due Diligence: Investment Pools/Money Market Mutual Funds

A thorough investigation of the pool/fund is required prior to investing and on a regular basis. Information should be obtained from the pool/fund regarding the following items:

- Authorized Investments
- Interest Calculations/Distributions
- Fee Schedule/Who May Invest
- Frequency of Statements
- Safeguarding of Investments
- Deposit/Withdrawal Limitations
- Investment Policy and Objectives
- Investment Limitations
- Eligibility for holding Bond Proceeds
- Treatment of Gains and Losses
- Settlement Process
- Utilization of Reserves by Fund

10. Investment Parameters

A. Diversification

Investments shall be diversified by:

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

B. Maximum Maturities

In order to minimize the impact of market risk, all investment purchases will be made with the intention of holding the investments to maturity. However, investments may be sold prior to maturity to meet cash flow needs, to improve the quality, yield, return, or target duration of the portfolio, or to limit losses.

The City and its investment advisor shall perform a cash flow analysis, based on the City's historic spending patterns, in order to determine the appropriate amount of liquidity necessary to meet the City's cash flow needs. The portfolio will then be structured in order to ensure adequate liquidity. The Treasurer and investment advisor will periodically review the structure of the portfolio to ensure adequate liquidity based upon anticipated changes in future cash needs.

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

C. Security Transactions

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

D. Security Downgrades

If securities owned by the City are downgraded 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 securities in the portfolio.

11. Social Responsibility

Investments are to be made that will bear in mind the responsibility of city government to its citizens. Investments that support community well-being, promote equality of rights, and that promote community economic development will be given full consideration.

Further, no investment is to be made in a company that receives more than 51% of gross revenues from the production or manufacture of fossil fuels, weapons manufacturing, cigarettes, alcohol, or gambling products.

12. Reporting

A. Methods

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

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

The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

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

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

B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return throughout budgetary and economic cycles. The City's basic investment strategy is to actively manage its investment portfolio. An appropriate total return benchmark, one with an average maturity/duration in line with the City's portfolio, will be used by the City Treasurer to determine whether the portfolio market return is acceptable and in line with market returns.

C. Marking to Market

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

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments", as of June 30th of each Fiscal Year the City will report all investments in excess of one year at market value in the general ledger. Any change in the value of the investments will be recognized on an annual basis, as a part of interest income.

D. Investment Policy Adoption

The City of Davis Investment Policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Treasurer and any modifications made thereto must be approved by the City Council.

APPENDIX A

Glossary

Accrued Interest: Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

Agencies: Federal agency securities and/or Government-sponsored enterprises. These include securities of government agencies such as, but not limited to: Federal National Mortgage Association (FNMA); Federal Home Loan Bank (FHLB); Government National Mortgage Association (GNMA); Community Development Corporation (CDC), Small Business Association (SBA), Tennessee Valley Authority (TVA), Federal Farm Credit Bank (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe-harbor conditions.

Asked: The price at which securities are offered.

Asset-Backed Securities (ABS): Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

Bank Deposits: To deposit collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

Bank Notes: A senior, unsecured, direct obligation of a bank or U.S. branch of a foreign bank.

Bankers' Acceptance (BA): These are bills of exchange or time drafts drawn on, and accepted by, commercial banks in the top 100 of the world, which are eligible for purchase by the Federal Reserve System. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is secured with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. BAs are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. BAs are sold at a discount from par and the amount and maturity date are fixed.

Basis Point: Refers to the yield on bonds. Each percentage point of yield in bonds equals 100 basis points (1/100% or 0.01%). If a bond yield changes from 7.25% to 7.39% that is an increase of 14 basis points.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bonds: A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of any premium or discount.

Broker: A broker assists in the buying and selling of investments together for a commission.

California Asset Management Program (CAMP): CAMP is a money market portfolio rated AAAM by Standard and Poor's and created for California Public Agencies. Similar to LAIF, CAMP provides daily liquidity, money market returns and unlimited number of deposits and withdrawals. CAMP may hold a broader range of securities that would not be eligible under the City investment criteria. Since CAMP is subject to different statutory investment provisions, any such variances in their holdings are acceptable under this policy

Call Price: The price at which an issuer may redeem a bond before maturity

Callable Bond: A bond issue in which all or a part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions

CALTRUST: A Joint Powers Authority created by public agencies to provide a convenient method for public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and oversees the activities of the investment manager and other agents.

CD Placement Service: A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS (Certificate of Deposit Account Registry System) is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

Certificate of Deposit (CD): See "Non-Negotiable" and "Negotiable" Certificate of Deposit. Large-denomination CDs are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Unsecured promissory notes issued to finance short term credit needs, with maturities ranging from 2 to 270 days. Unsecured promissory notes are issued to finance short term credit needs. The paper must be of "prime" quality of the highest ranking, or of the highest letter and numerical rating as provided by Moody's or Standard & Poor's. Eligible paper is further limited to issuing corporations that are organized and operate within the United States, have total assets in excess of \$500 million, and have an 'A1-P1' rating for its debt from Moody's or Standard & Poor's.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Corporate Notes and Bonds: Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years. Medium term notes (MTN) are unsecured, corporate and depository institution debt obligations. Allowable medium-term notes must be issued by corporations organized and operating within the United States (U.S.) or by depository institutions licensed by the U.S. or any state and operating within the U.S. MTNs must be rated “A” or its equivalent or higher by Moody’s or Standard and Poor’s.

County Pooled Investment Funds: The aggregate of all funds from public agencies placed in the custody of the county treasurer for investment and reinvestment.

Coupon: (a) The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value and (b) a certificate attached to a bond evidencing interest due on a payment date.

Credit Rating: Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor’s and Fitch Ratings use the same system, starting with their highest rating, of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody’s Investors Service uses Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D. Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.

Credit Risk: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market’s perception of a corporation’s credit will cause the market value of a security to fall, even if default is not expected.

CUSIP Number: The Committee on Uniform Security Information Procedures (CUSIP) Number refers to a security’s identification number assigned to each publicly traded security by the CUSIP Service Bureau operated by Standard & Poor’s for the American Bankers Association. The CUSIP Number is a nine-character identifier unique to the issuer, the specific issue and the maturity, if applicable (the first six characters identifying the issuer, the next two identifying the security and the last digit provides a check digit to validate the accuracy of the preceding CUSIP number).

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives: Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or financial contracts based upon amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price after sale is considered sold at a discount.

Diversification: Dividing investment funds among a variety of securities offering independent returns

Discount Securities: Non-interest-bearing money market instruments that are issued a discount and redeemed at maturity for full face value, *e.g.*, U.S. Treasury Bills.

Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

Effective Duration: A measure of the price sensitivity of fixed-income investments, especially for those with embedded option features such as call options. As yields rise, the effective duration of a callable investment rises to reflect the fact that it has become less likely to be called. The more rates rise, the longer the effective duration will become, approaching the duration to maturity. The converse is true in a declining interest rate environment (that is, the more rates fall, the shorter the effective duration will become, approaching the duration to call). For securities without an embedded option, the duration to call, maturity, and effective duration are all the same. The calculation for effective duration involves averaging the duration under a simulation of many possible interest rate scenarios in the future.

Extendable Notes: Securities with maturity dates that can be extended by mutual agreement between the issuer and investor. When investing in these types of securities, the maturity date plus the stated extendable option must not exceed the time frames that are allowed in California Government Code or the investment policy for the investment type.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.*, banks, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, up to \$250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): A United States government sponsored corporation.

Federal National Mortgage Association (FNMA): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation and its purchases include a variety mortgages and second loans. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Fiduciary: A person who holds something in trust for another and bears liability for its safekeeping.

Financial Industry Regulatory Authority (FINRA): A self-regulatory organization (SRO) of brokers and dealers in the over the counter securities business. Its regulatory mandate includes authority over business dealings conducted between dealers, brokers and all public investors.

First Tier Securities: Securities that have received short-term debt ratings in the highest category from the requisite NRSROs, or are comparable unrated securities, or are issued by money market funds, or government securities. [See sec Rules: Paragraph (a)(12) of rule 2a-7]

Government Accounting Standards Board (GASB): A standard-setting body, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest.

Interest: The amount a borrower pays to a lender for the use of his or her money.

Interest Rate Risk: The potential for a decline in bond prices and the market value of bonds in the portfolio, due to rising market interest rates. In general, bond prices vary inversely with interest rates. The change in a bond's price depends on several factors, including its maturity date. In general, bonds with longer maturities are more sensitive to changes in interest rates than bonds with shorter maturities. Similarly, bond funds with longer average portfolio maturities, such as the CalTRUST Medium-Term and Long-Term Accounts, will be more sensitive to interest rate changes than those with shorter average portfolio maturities, such as the CalTRUST Short-Term account.

Investment Agreements: Investment agreements are contracts with respect to funds deposited by an investor. Investment agreements are often separated into those offered by banks and those offered by insurance companies. In the former case, they are sometimes referred to as “bank investment contracts.”

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Liquidity Risk: The chance that a security, sold prior to maturity, will be sold at a loss of value. For a local agency, the liquidity risk of an individual investment may not be as critical as how the overall liquidity of the portfolio allows the agency to meet its cash needs.

Local Agency Investment Fund (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. LAIF was created in the California State Treasury by Section 16429 GC. LAIF holds local government funds in trust in a state investment pool in order to provide safety, liquidity and the benefits of the investment pool yield for local government entities invested in LAIF. LAIF may hold a broader range of securities that would not be eligible under the City investment criteria. Since LAIF is subject to different statutory investment provisions, any such variances in the LAIF pool holdings are appropriate exceptions for City purposes.

Market Risk: The chance that the value of a security will decline as interest rates rise. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk that affects all securities within an asset class similarly.

Market Value: The price at which a security is trading and could presumably be purchased or sold on a specific date.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase and reverse repurchase agreements that establish each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: The date upon which the principal or stated value of an investment becomes payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded. Rule 2a-7 of the Investment Company Act applies to Money Market Funds, which mandates these funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to maintain a constant net asset value of \$1.00.

Mortgage-Backed Securities (MBS): Mortgage-backed securities (MBS) are created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a prorata share of the interest and principal cash flows (net of fees) that are “passed through” from the pool of mortgages. MBS are complex securities whose cash flows are determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

Mortgage Pass-Through Obligations: Securities that are created when residential mortgages (or other mortgages) are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Funds: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

Nationally Recognized Statistical Rating Organizations (NRSROs): Credit rating agencies whose ratings are permitted to be used for regulatory purposes such as Securities and Exchange Commission.

Negotiable Certificate of Deposit (NCD): A large denomination certificate of deposit which can be sold in the open market prior to maturity. Generally, it is a short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs mature within six months, while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). These instruments are supported only by the strength of the institution issuing them.

Net Asset Value (NAV): A term used in the mutual fund industry to determine the average price per share of a pool or mutual fund. How this measure varies over time provides information on whether the pool is stable or variable. NAV is the market value of all securities in a mutual fund, less the value of the fund's liabilities, divided by the number of shares in the fund outstanding. Shares of mutual funds are purchased at the funds' offered NAV.

Net Present Value: An amount that equates future cash flows with their value in the present terms.

Non-Negotiable Certificates of Deposit: Funds deposited in nationally or state-chartered banks or state or federal associations for a specified period of time at a specified rate of interest. The first \$250,000 is guaranteed by the Federal Deposit Insurance Corporation (FDIC) for banks, the Federal Savings and Loan Insurance Corporation (FSLIC) for savings and loan associations and the National Credit Union Share Insurance Fund (NCUSIF) for credit unions. CDs with a face value in excess of \$250,000 must be collateralized at 110% of market value with pledged securities of the banking institution.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see “Medium-Term Note”).

Offer: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Options: A contract that gives the buyer the right to buy or sell an obligation at a specified price for a specified time. Exchange Traded Options are standardized option contracts that are actively traded on the Chicago Board of Exchange on a daily basis, whereas over the counter options are traded directly between the buyer and seller at agreed upon prices and conditions (the former type of option is therefore more liquid than the latter).

Par Amount or Par Value: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the “face amount” of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

Portfolio: Collection of securities held by an investor.

Premium: The amount by which the price paid for a security exceeds the security’s par value. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

Price: Price is the amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include the Securities and Exchange Commission (SEC), registered securities broker-dealers and banks.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer’s business, the proposed use of proceeds, the experience of the issuer’s management, and certain certified financial statements (also known as an “official statement”).

Prudent Person Rule: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking an income and preservation of capital.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return: The yield on a security based on its purchase price or its current market price. This may be the amortized yield to maturity, on a bond it is the current income return.

Repurchase Agreement (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. One exception is when the Federal Reserve is said to be doing RP, it is lending money that is increasing bank reserves.

Reverse Repurchase Agreements: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Risk: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

Rule G-37 of the Municipal Securities Rulemaking Board: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities.

Safety: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

Safekeeping: A service to customers rendered by banks for a fee, whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: See Uniform Net Capital Rule.

Settlement Date: The date when a trade is cleared by delivery of securities against funds

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Supranationals: International financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe.

Swap: A swap is any financial transaction that involves the simultaneous purchase of a security and the sale of another for the purpose of enhancing an investor's portfolio. Swap transactions of interest to California public investors include portfolio swaps and interest rate swaps.

Tax and Revenue Anticipation Notes (TRANS): Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Deposits: Issued by depository institutions against funds deposited for a specified length of time. Time deposits include instruments such as deposit notes. They are distinct from certificates of deposit (CDs) in that interest payments on time deposits are calculated in a manner similar to that of corporate bonds, whereas interest payments on CDs are calculated similar to that of money market instruments.

Treasury Bills: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months to one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Trustee: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter: A dealer that purchases a new issue of municipal securities for resale.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. Treasury Obligations: These are debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds, for which the full faith and credit of the United States are pledged for the payment of principal and interest. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

Yield (Yield to Maturity, Yield to Call or Yield to Worst): The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity or call is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity or call.

Yield Curve: A graphical representation of the yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

Zero Coupon Security: A security that is issued at a discount and makes no periodic interest payments. The rate of return consists of an accretion of the principal and is payable at par upon maturity.

Appendix D



PROPOSITION 4, GANN APPROPRIATIONS LIMITATIONS

PROPOSITION 4, GANN APPROPRIATION LIMIT

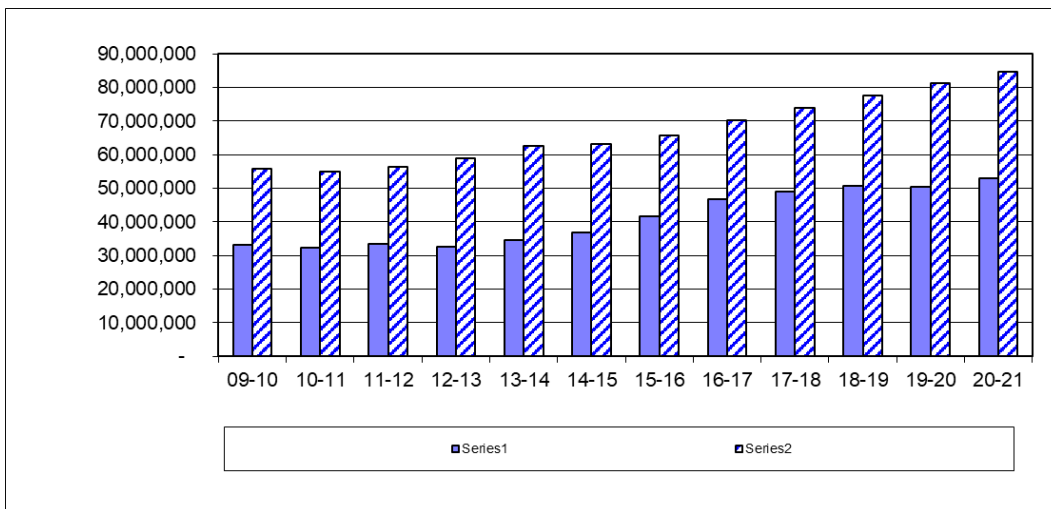
Article XIII B of the California State Constitution, was approved by California voters in November 1979, and modified by Proposition 111 in 1990. This article more commonly referred to as the Gann Initiative or Gann Limit, placed limits on the amount of proceeds of taxes that state and local governmental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

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

Each year the City Council must adopt, by resolution, an appropriations limit for the following year. Using cost of living data provided by the State of California, and population and per capita personal income data provided by the State Department of Finance, the City's Appropriation Limit for 2020-21 has been computed to be \$84,712,902. Appropriations subject to the limitation in the 2019-20 budget total \$53,086,931 which is \$31,625,971 less than the computed allowable limit.

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

The graph below shows a history of the City of Davis' Appropriation Limits.



RESOLUTION NO. 20-099, SERIES 2020

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020/21

WHEREAS, pursuant to Article XIII B of the Constitution of the State of California, the City Council of the City of Davis is required to establish an appropriations limit for Fiscal Year (FY) 2020/21; and

WHEREAS, the voters approved Proposition I I I in June 1990, which allows for new adjustment formulas for the appropriations limit calculation that is responsive to local growth issues; and

WHEREAS, the adjustment factors used to arrive at the FY 2020/21 appropriations limit are as follows:

- County population increase of 0.37%;
- Per capita cost of living increase of 3.73%; and

WHEREAS, as shown in Exhibit A, the City's FY 2020/21 appropriations limit, determined in accordance with the California League of Cities' uniform guidelines, is \$84,712,902;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Davis that said Council hereby establishes the appropriations limit in the amount of \$84,712,902 for FY 2020/21.

Passed and adopted by the Council of the City of Davis on the 30th day of June, 2020 by the following vote:

AYES: Arnold, Carson, Frerichs, Partida, Lee

NOES: None



Brett

Lee Mayor ATTEST:



Zoe S. Mirabile, CMC
City Clerk

City of Davis
Appropriations Limit Calculation
Fiscal Year 2020-21

Calculation of Appropriations Limit:

Fiscal Year 2019-20 Appropriations Limit		\$81,368,650
Adjustment Factors		
a. Population Change (Change in County Population)	1.00370	
b. Cost of Living (Per Capita Cost of Living Change)	1.03730	
Change Factor (a x b)	1.0411	
Annual Adjustment		3,344,252
Fiscal Year 2020-21 Appropriations Limit		\$84,712,902

Calculation of Appropriations Subject to the Appropriations Limit:

Estimated Proceeds of Taxes		\$56,030,959
Less Exclusions:		
Appropriations to Refund Taxes		(338,000)
Qualified Capital Outlay (CIP Construction Tax Appropriations)		(2,606,028)
Total Exclusions		(2,944,028)
Total FY 2020-21 Appropriations Subject to the Appropriations Limit		\$53,086,931
Percentage of Appropriations Limit Used		62.67%

**City of Davis
Proceeds of Taxes Calculation
Proposition 4 Compliance
FY 2020-21 Adopted Budget**

Revenue Source	Total Revenue	Proceeds of Taxes	Non-Proceeds of Taxes
PROPERTY TAXES	\$ 26,554,587	\$ 24,292,404	\$ 2,262,183
OTHER TAXES	31,598,836	30,827,836	771,000
FEDERAL GRANTS & SUBSIDIES	19,618,282		19,618,282
STATE SHARED & IN LIEU			
GAS TAXES	2,878,029		2,878,029
MOTOR VEHICLE IN LIEU	33,000	33,000	
HOPTR	112,500	112,500	
TDA - LTF	4,662,600		4,662,600
MANDATED COSTS REIMB	15,150		15,150
TDA - STA	807,700		807,700
OTHER STATE SHARED	120,000		120,000
STATE GRANTS & SUBSIDIES	5,113,259		5,113,259
OTHER GRANTS & SUBSIDIES	66,000		66,000
CHARGES FOR CURRENT SERVICES	58,131,691		58,131,691
FINES & FORFEITURES	350,000		350,000
INTEREST EARNINGS	2,895,050	765,219	2,129,831
RENTS/LEASES/ROYALTIES	1,706,324		1,706,324
DEVELOPMENT COLLECTIONS	1,645,000		1,645,000
ADMIN FEES & REIMB	459,586		459,586
ASSESSMENT DISTRICT REVENUE	3,712,300		3,712,300
OTHER REVENUE	34,463,629		34,463,629
OTHER FUNDING SOURCES	5,900,000		5,900,000
Total	\$ 200,843,523	\$ 56,030,959	\$ 144,812,564
Interest Earnings Allocation			
Non-Interest Tax Proceeds	\$ 55,265,740		
Less Exclusions	(2,944,028)		
Net Investment	52,321,712		
Total Non-Interest Budget	197,948,473		
% of Budget	26.43%		
Proceeds Interest	\$ 765,219		
Non-Proceeds Interest	2,129,831		
Total Interest Earnings	\$ 2,895,050		
Exclusions			
CIP Budget Construction Tax Appropriation	2,606,028		
Debt Service Property Tax	-		
Total Exclusions	2,606,028		