

RESOLUTION NO. 2017-_____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MERCED, CALIFORNIA,
ADOPTING THE BUDGET AND
APPROPRIATING REVENUE FOR FISCAL
YEAR 2017-2018**

WHEREAS, The City Manager has prepared and submitted to the City Council a Proposed Budget for the fiscal year commencing July 1, 2017, and ending June 30, 2018; and,

WHEREAS, The City Council has reviewed and modified the City Manager's Proposed Budget; and,

WHEREAS, The City Council held a public hearing on the Proposed Budget on June 5, 2017, where all interested persons were heard; and,

WHEREAS, The City Council has considered the Budget and comments thereon, and has determined it is necessary for the efficient management of the City that certain sums of revenue be appropriated to the various departments, officers, and agencies and activities of the City as set forth in said budget, and as amended.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY FIND, DETERMINE, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. The annual Budget for the City of Merced for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018, is hereby adopted.

SECTION 2. Said Budget hereby adopted is the aforementioned Proposed Budget prepared by the City Manager, entitled, "City of Merced 2017-2018 Budget," incorporated herein as though set forth in full.

SECTION 3. The sums of money therein set forth are hereby appropriated from the revenues of the City to the departments, functions, and funds therein set forth for expenditures during the Fiscal Year 2017-2018.

SECTION 4. The recommended ending balance for June 30, 2018, shown in the proposed annual Financial Summary section is an estimate, and the actual ending balance is hereby appropriated as a reserve for unanticipated uses as determined by the City Council.

SECTION 5. Pursuant to Government Finance Officers Association best practice recommendation "Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund" the unassigned portion of the unrestricted General Fund fund balance will at a minimum be the average of two months of revenue and expenditures.

SECTION 6. Pursuant to Government Finance Officers Association best practice recommendation "Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund" the unassigned portion of the unrestricted Measure C Fund fund balance will at a minimum be the average of two months of revenue and expenditures.

SECTION 7. Capital Improvement Projects revenue and unspent appropriation actual carryover budget amounts from 2016-2017 shall be recalculated and updated to reflect actual balances as of June 30, 2017 and are hereby incorporated as part of the 2017-2018 approved Budget.

SECTION 8. Grant Funds received and appropriated and unspent appropriation actual carryover budget amounts from 2016-2017 shall be recalculated and updated to reflect actual balances as of June 30, 2017 and are hereby incorporated as part of the 2017-2018 approved Budget.

SECTION 9. State law requires that an Appropriations Limit be adopted annually by the City Council. Article XIII B of the California Constitution places certain restrictions on appropriations made by local governments and the restrictions are applicable to appropriations that meet the definition of "Proceeds of Taxes". The law allows the option to select the factors to be used to calculate the annual Appropriations Limit. For one of the factors the City must select between: (A) the change in the City of Merced population, or (B) the change in the Merced County population, and the City has selected the change in the County population. For the second adjustment factor the City must select between (A) the change in the State per capita income; or (B) the change in the assessed valuation of local non-residential construction, and the City has selected the change in the State per

capita income. The appropriations subject to limitation in Fiscal Year 2017-2018 shall be as set forth on and as calculated on Exhibit "A" attached hereto and made a part hereof.

SECTION 10. The City Council hereby authorizes the Finance Officer to advance from Pooled Cash funds for which the City has received a reimbursable grant until such time as the grants funds are received by the City.

SECTION 11. Pursuant to Section 1112 of the Merced City Charter, the City Council hereby authorizes the use of the Cash Basis Fund for meeting General Fund expenditures prior to the receipt of the ad valorem tax revenues.

SECTION 12. As the Successor Agency for the housing obligations for the former Redevelopment Agency of the City of Merced, the City Council makes the findings and determinations set forth in Exhibit "B" attached hereto and made a part hereof.

SECTION 13. The City Manager or designee is authorized to make transfers of budget appropriations between classifications and activities within a fund to purchase such items and services needed to accomplish those purposes set forth in the Program Statements of said Budget document and to insure the efficient and effective administration of City services.

SECTION 14. The Finance Officer is authorized to continuously revise revenue budget and appropriation throughout the fiscal year based on actuals received from the Office of Emergency Services (Fire Department).

SECTION 15. The Finance Officer is authorized to continuously revise revenue budget and appropriation throughout the fiscal year if funding is available or up to \$10,000 based on actuals received for Community Facilities Districts and Maintenance Districts.

SECTION 16. The new positions as set forth in Exhibit "C" attached hereto and made a part hereof, are hereby approved and included in the Fiscal Year 2017-2018 Budget.

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PASSED AND ADOPTED by the City Council of the City of Merced
at an adjourned regular meeting held on the ____ day of June 2017, by the
following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

K. Lopez 6.13.17
City Attorney Date

Exhibit "A"

**SUMMARY SCHEDULE
APPROPRIATION LIMIT**

1978-79 Revenue	\$	13,472,352	1978-79 Appropriations- as amended	\$	16,362,969
Less: non-proceeds of taxes		7,236,508	Less: non-proceeds of taxes		7,236,508
debt service		719,175	debt service		
Proceeds of taxes	\$	<u>5,516,669</u>	approp.		<u>719,175</u>
			1978-79 approp. limit (Base Year)	\$	<u>8,407,286</u>

Year of Change	U.S. Con. Price Index	Per Capita Pers. Inc.	Pop.	Ratio of Change	Approp. Amount	Limit Year
78-79	1.1017		1.0440	1.1502	9,670,000	79-80
79-80		1.1211	1.0200	1.1435	11,057,858	80-81
80-81		1.0912	1.0160	1.1087	12,259,396	81-82
81-82	1.0679		1.1080	1.1832	14,505,724	82-83
82-83		1.0235	1.0534	1.0782	15,639,417	83-84
83-84	1.0474		1.0459	1.0955	17,132,601	84-85
84-85	1.0374		1.0514	1.0907	18,686,911	85-86
85-86	1.0230		1.0426	1.0666	19,931,082	86-87
86-87	1.0304		1.0546	1.0867	21,658,306	87-88
87-88	1.0393		1.0568	1.0983	23,788,016	88-89
88-89	1.0498		1.0429	1.0948	26,043,986	89-90
89-90		1.0421	1.0456	1.0896	28,378,042	90-91
90-91		1.0414	1.0366	1.0795	30,634,529	91-92
91-92		0.9936	1.0185	1.0120	31,001,580	92-93
92-93		1.0272	1.0193	1.0470	32,459,428	93-94
93-94		1.0071	1.0154	1.0226	33,193,314	94-95
94-95		1.0472	1.0131	1.0609	35,215,395	95-96
95-96		1.0467	1.0123	1.0596	37,313,331	96-97
96-97		1.0467	1.0127	1.0600	39,551,873	97-98
97-98		1.0415	1.0212	1.0636	42,066,574	98-99
98-99		1.0453	1.0182	1.0643	44,772,483	99-00
99-00		1.0491	1.0215	1.0717	47,980,685	00-01
00-01		1.0782	1.0181	1.0977	52,669,137	01-02
01-02		0.9873	1.0285	1.0154	53,482,246	02-03
02-03		1.0231	1.0203	1.0439	55,828,455	03-04
03-04		1.0328	1.0242	1.0578	59,054,991	04-05
04-05		1.0526	1.0454	1.1004	64,983,406	05-06
05-06		1.0396	1.0299	1.0707	69,576,696	06-07
06-07		1.0442	1.0509	1.0973	76,349,972	07-08
07-08		1.0429	1.0209	1.0647	81,289,556	08-09
08-09		1.0062	1.0123	1.0186	82,799,612	09-10
09-10		0.9746	1.0105	.9848	81,543,815	10-11
10-11		1.0251	1.0102	1.0356	84,443,189	11-12
11-12		1.0377	1.0055	1.0434	88,108,644	12-13
12-13		1.0512	1.0109	1.0627	93,629,362	13-14
13-14		0.9977	1.0096	1.0073	94,310,789	14-15
14-15		1.0382	1.0067	1.0452	98,569,482	15-16
15-16		1.0537	1.0103	1.0646	104,932,448	16-17
16-17		1.0369	1.0115	1.0488	110,055,707	17-18

2017-18 Projected Revenue Subject to Appropriation:

Limit:

Taxes	\$	39,132,280
Other Agencies (State Subventions)		2,403,107
Interest		<u>99,912</u>
Total	\$	<u>41,635,299</u>

Revenues to be received during 2017-18 will not exceed the appropriation limit for 2016-17 in compliance with the State Constitution.

EXHIBIT “B”

FINDINGS AND DETERMINATIONS AS THE HOUSING SUCCESSOR AGENCY

FINDINGS:

1. Pursuant to California Redevelopment Law (Health & Safety Code Section 33000 *et seq.*) the City of Merced, California as the housing successor to the former Redevelopment Agency of the City of Merced (“Successor Agency”) is required to establish a fund for the purpose of increasing, improving, and preserving the community’s supply of low and moderate income housing available at affordable housing cost using Low and Moderate Income funds; and,
2. The Successor Agency has established Low and Moderate Income Housing Funds for the purpose of increasing, improving, and preserving the community’s supply of low and moderate income housing in the City’s former two project areas; and,
3. The City of Merced’s General Plan Housing Element provides substantial evidence that there is a significant need for affordable housing throughout the City of Merced; and,
4. Affordable housing development opportunities are not confined to the Successor Agency’s former two Project Areas but instead are found throughout the entire community of Merced; and,
5. Residential housing development opportunities are particularly limited in the forth Project Area 2 due to the small amount of residentially-zoned land in the former Project Area; and,
6. The California Health and Safety Code provides authority for expending Redevelopment Low-Moderate Income Housing funds throughout the community without limit as to project area boundaries if the use of such funds will of benefit to the project areas.

DETERMINATIONS:

1. Expenditures of Low-Moderate Income Housing funds outside the Successor Agency's former two Project Areas are necessary and reasonable and will be of benefit to the Project Area 2 and Gateways Project Area.

2. The expenditure of the former Project Area 2 and Gateways Project Area Low-Moderate Income Housing funds anywhere in the City of Merced, including areas inside and outside of the former Project Area 2 and Gateways Project Area, is hereby authorized.

Exhibit C
New and Revised Positions

JOB TITLE	GRADE	Step Range	1	2	3	4	5
City Surveyor	818	Hourly	40,9825	43,0317	45,1831	47,4423	49,8145
		Monthly	7,104	7,459	7,832	8,223	8,635
		Annual	85,244	89,506	93,981	98,680	103,614
Cross Connection Control Specialist	192	Hourly	25,4764	26,7502	28,0877	29,4921	30,9667
		Monthly	4,416	4,637	4,869	5,112	5,368
		Annual	52,991	55,640	58,422	61,344	64,411
Fabrication Tech/Store Keeper	155	Hourly	20,9556	22,0034	23,1034	24,2586	25,4715
		Monthly	3,632	3,814	4,005	4,205	4,415
		Annual	43,588	45,767	48,055	50,458	52,981
Finance Liaison	155	Hourly	20,9556	22,0034	23,1034	24,2586	25,4715
		Monthly	3,632	3,814	4,005	4,205	4,415
		Annual	43,588	45,767	48,055	50,458	52,981
Lead Main Sewers/Storm Drain	172	Hourly	24,1558	25,3636	26,6318	27,9634	29,3615
		Monthly	4,187	4,396	4,616	4,847	5,089
		Annual	50,244	52,756	55,394	58,164	61,072
Legislative Director	891	Hourly	49,7807	52,2698	54,8832	57,6274	60,5087
		Monthly	8,629	9,060	9,513	9,989	10,488
		Annual	103,544	108,721	114,157	119,865	125,858
Water Engineer	776	Hourly	35,4062	37,1764	39,0353	40,9871	43,0365
		Monthly	6,137	6,444	6,766	7,104	7,460
		Annual	73,645	77,327	81,193	85,253	89,516
WWTP Maintenance Electrician/Mechanic	162	Hourly	26,8211	28,1621	29,5701	31,0488	32,6012
		Monthly	4,649	4,881	5,125	5,382	5,651
		Annual	55,788	58,577	61,506	64,582	67,810
Chief Deputy City Attorney	902	Hourly	58,0541	60,9568	64,0047	67,2049	70,5651
		Monthly	10,063	10,566	11,094	11,649	12,231
		Annual	120,752	126,790	133,130	139,786	146,775