



# City of Hesperia



## Fiscal Year 2016-17 Budget



9700 Seventh Avenue | Hesperia, CA 92345 | [www.cityofhesperia.us](http://www.cityofhesperia.us)

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# City of Hesperia

Est. 1988

September 15, 2016

To the Honorable Mayor, City Council, and Citizens of the City of Hesperia:

It is a pleasure to present the City of Hesperia's Fiscal Year 2016-17 Adopted Budget for the City of Hesperia, Hesperia Fire Protection District, Hesperia Water District, Hesperia Housing Authority, and Hesperia Community Development Commission. This budget was developed with the guidance provided by the City Council to provide the highest level of service to the residents and business community within the City's fiscal constraints.

The FY 2016-17 General Fund Budget is structurally balanced, with operational revenue funding operational expenditures and the difference between total resources (revenue, budgeted reserves, and transfers), and total expenditures resulting in a surplus. The City Council's prudent fiscal management through the slow recovery from the "Great Recession" has allowed the City to maintain its fiscal health, while minimizing impacts on the delivery of services to the community.

## **Local Economy**

Six years after the "Great Recession" reportedly ended, the local economy has still not fully recovered; however, improvement continues in Hesperia. This improvement has been very slow when compared to prior recoveries. The FY 2016-17 Budget projects resources based upon recently experienced revenue trends in the context of a slowly recovering economy. Development-related revenues in the FY 2016-17 Budget are projected to increase 12% over the prior year, reflecting the continued improvement in the housing market. The dramatic plunge in single family residential (SFR) building permits that followed the City's FY 2005-06 high of 1,645 permits, resulted in a 100% reduction during the seven years that followed. Since that time, SFR permit activity has begun to return, with 63 permits issued in FY 2013-14, 86 permits issued in FY 2014-15, and 116 permits issued in FY 2015-16. The FY 2016-17 Budget projects the issuance of 150 SFR building permits and, through August 2016, 28 SFR permits have been issued.

This rise in building activity is commensurate with the progress being made toward the restoration of assessed valuation to 2008 levels and reflects a limited inventory of homes for sale, with many sales benefiting from multiple offers. Since the downturn in the economy, four of the last seven years resulted in decreases in assessed valuation amounting to more than a 30% decline. More recently, however, the FY 2015-16 assessed valuation resulted in an increase of 7.8%, which was the highest increase among all the cities in San Bernardino County for that year. It appears that Hesperia has moved past the bottom and is clearly on a path toward recovery.

This increase in assessed valuation will translate into an increase in property tax related revenues. Although information on the actual increase was not made available by the



County of San Bernardino until after adoption of the FY 2016-17 Budget, a third-party consultant's report provided an advanced indication that the FY 2016-17 assessed valuations would generate approximately 6% increase in property tax revenue over the FY 2015-16 Revised. However for conservatism, a 5.6% increase over the FY 2015-16 Revised was projected in the FY 2016-17 Budget.

The City also utilizes consultant-provided estimates for Sales Tax, VLF Swap, Property Tax, Gas Tax, and Gas Tax Swap revenues (approximately \$18.3 million). The City receives revenue estimates for the Local Transportation Fund and various grants from other government agencies (approximately \$13.4 million). The remainder of the revenues are estimated by staff using trend analysis, examining development activity, property tax collection rates, ambulance collection rates, water consumption by customer class, franchise fee statements, and hotel occupancy levels, which are then compared to amounts of prior years.

Despite a challenging economy, Hesperia has seen a significant improvement in sales tax revenue in the years that have followed the "Great Recession". As the largest General Fund revenue source, the City has experienced an increase in sales tax revenue of 61% from the economic downturn low of \$5.5 million in FY 2009-10 to \$8.9 million in FY 2015-16 (unaudited). These increases are primarily attributed to fuel sales, as the largest sales tax producing sector in the City, as well as the addition of some large consumer retail stores that have opened in recent years, such as Super Target and Super Wal-Mart. However, the FY 2016-17 Budget of \$8,321,000 reflects a 3% decrease in sales tax revenue from the FY 2015-16 Budget of \$8,612,000 due to the loss of a large sales tax producer. It should be noted that, although a 3% decline from the prior fiscal year, the FY 2016-17 Budget of \$8,321,000 is 5.5% higher than the pre-recession high of \$7,887,031 in FY 2006-07.

### **City Council Priorities**

On February 11, 2014, the City Council hosted an agendaized Goal Setting Workshop where a consultant facilitated the integration of multiple goals into a list of the top six City Council Priorities:

1. Public Safety – Ensure adequate public safety resources are available for our citizens, families, children, businesses, and visitors.
2. Financial Health – Hesperia will assure its financial health by continuing to provide structurally balanced budgets for its operating funds.
3. Future Development – Actively manage growth to ensure cohesive development including Industrial, Commercial, Residential, Freeway, Main Street and Rancho Corridors.
4. Future Vision – Agree on a 'vision' of what Hesperia should be in 5, 15, and 25 years (revisit the 'vision' no sooner than once every 5 years).



## City of Hesperia

5. Organizational Health – Establish and maintain a healthy and efficient organization to provide City services.
6. Capital Improvement – Create Capital Improvement Funding after Redevelopment's elimination.

Each year the City Council works with staff to establish planning goals within the framework of these six City Council Priorities which then, based upon funding availability, are incorporated into the annual budget process. For FY 2016-17, the specific projects noted below received funding in advancement of the City Council's Priorities:

- To further the City Council's Public Safety Priority, the Police Department's Budget will increase by \$0.7 million, or 5% from the FY 2015-16 Budget. This is due in part to the addition of one Sheriff Deputy to complete the staffing for the Crime Free Rental Program and the purchase of automated license plate reader (ALPR) fixed cameras. The cameras are to be installed at intersections such as Main Street/Mariposa Road, Main Street/Key Pointe, Rancho Road/Mariposa Road and Rancho Road/Caliente Road, which will assist with the detection of stolen and wanted vehicles, as well as the prosecution of suspects in those related cases.
- To address the City Council's Future Vision Priority, \$42,000 has been included in the FY 2016-17 Budget for the Hesperia 2034 Visioning Memorandum of Understanding (MOU) with the Hesperia Chamber of Commerce, a joint-agency community visioning project.

More information about the specific priorities for each division, as well as significant changes and expenditure information, can be found in the F Section of this budget document.

### Issues on the Horizon

Leveraging limited resources to derive the greatest benefit for the good of the entire community is at the heart of the City Council's commitment to conservative fiscal management. This prudent management philosophy made it possible for the City to maintain significant General Fund reserves through the "Great Recession" without the need for layoffs or furloughing of staff. With the slow but distinct improvement in the local economy, Hesperia has taken a cautiously optimistic approach in the preparation of the FY 2016-17 Budget. The noted increases in revenues provide optimism that a recovery continues, but the City's optimism is tempered with reasonable caution and fiscal conservatism. While proactive measures have been taken to successfully maintain the City's fiscal health, challenges still remain, such as:

Employee Retirement Costs – The City is a member of the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan for its personnel. Based upon actions by the CalPERS



Board to change its amortization and smoothing policies, significant increases are anticipated for employee retirement costs in future fiscal years.

In anticipation of increased rates, the City Council gradually but purposefully moved away from the City bearing the cost of the full 8% employee contribution, to placing that cost reasonably with employees. Initiated well before the California Public Employees' Pension Reform Act of 2013, this funding shift began in FY 2007-08, when employees began paying 2% of the 8% employee contribution. In July 2010, the employees' contribution increased to 5%. The remaining 3% went into effect in July 2012, which resulted in employees funding the full 8% employee contribution.

While this step was important, CalPERS rates are expected to continue to rise. Therefore, to advance the City Council's Financial Health Priority, the City negotiated with employees to go even further. In addition to paying the full CalPERS member contribution, employees also began paying 1% of reportable earnings as cost sharing of the City's normal costs starting in July 2015.

Other Post-Employment Benefits (OPEB) – Governmental Accounting Standards Board (GASB) Statement No. 45 requires public-sector employers to recognize the cost of post-employment benefits, such as post-employment healthcare, over the active service life of their employees rather than on a pay-as-you-go basis. The resulting unfunded liability is reported in the Comprehensive Annual Financial Report. During FY 2016-17, City staff will work on developing a funding strategy to fund the City's Other Post-Employment Benefits (OPEB) unfunded liabilities, as well as prepare for implementation of GASB 75 which takes effect in FY 2017-18.

Hesperia Fire Protection District – Due primarily to falling property values which resulted in the decline of property tax-related revenues, the Hesperia Fire Protection District (HFPD) has experienced ongoing revenue challenges. Despite efforts to reduce expenditures wherever possible and reorganizing positions to minimize increases in the annual contract for fire protection services with the County of San Bernardino, reserves were depleted. A failed parcel tax measure in November 2011 resulted in the need to reduce the contract with San Bernardino County Fire Department by nine positions, and Fire Station 301 was closed in January 2012.

In April 2013, the HFPD accepted a \$2 million two-year Staffing for Adequate Fire & Emergency Response (SAFER) Grant and added 18 Limited Term Firefighter Paramedics to fill a daily three-shift rotation. Due to the limited nature of the grant, and the continued revenue challenges of the District, City staff reached out to neighboring cities to discover if an interest was present to fund a joint powers authority (JPA) feasibility study for fire and police services, with the hopes of obtaining economies of scale and reducing the costs to provide fire protection services for each agency. In 2014, the results of the study concluded that police services would not be as effectively provided under a JPA, but that fire services could be. Interest from the other cities, however, was insufficient to move forward with a JPA.



In June 2015, the two-year SAFER Grant ended and, in order to sustain a level of service that the HFPD could afford, the FY 2015-16 HFPD Budget reflects a \$1.1 million decrease in contract expenditures related to the positions provided for by the former grant. On August 4, 2015, in an effort to explore an alternative way to streamline fire protection services and provide for orderly growth and development, the Board of Directors of HFPD adopted a resolution to request that the Local Agency Formation Commission (LAFCO) initiate proceedings to analyze the reorganization of HFPD, with San Bernardino County Fire Protection District as the designated successor of a potential annexation. The HFPD Board continues to review the results of the analysis of the reorganization.

### **Significant Events of FY 2015-16**

- In June 2016, the Hesperia City Council approved the FY 2016-17 Budget which provides an additional \$2,200,000 of funding for its annual Residential Road Improvement Program. These funds are used to enhance streets throughout the City and are in addition to the ongoing Street Maintenance Program. Over the last fifteen years, this program has reconstructed over 307 miles of roads, with an additional 88 miles of slurry-sealed roads.
- A specific plan related to a proposed master planned community of up to 16,196 homes, known as Tapestry was approved. Formerly known as Rancho Las Flores, this proposed project is located at the south end of the city.
- In order to best utilize the community's water resources, the Hesperia Water District is working with the Victor Valley Wastewater Reclamation Authority to bring a sub-regional recycled water facility to the community which will deliver tertiary treated water to recycled water customers in Hesperia. The Civic Center, Golf Course, as well as some parks and schools will take advantage of this resource. The District was able to secure a \$2 million Proposition 84 Drought Relief Grant and is in the final stages of obtaining low interest financing through the California State Revolving Fund (SRF) Loan program, along with a \$4.7 million Proposition 1 Grant, to construct the pipeline that will be used to transport recycled water to locations such as local schools, parks, golf course and Civic Plaza. This will lessen the demand for potable water for landscape irrigation purposes, thereby saving financial resources as well as precious water resources.
- In 2004, the existing fixed rate Hesperia Public Financing Authority Revenue Bonds, Series 1993A and 1993B were refinanced into the 2004 Variable Rate Demand Revenue Bonds, which due to the extended low interest rate environment over the following decade, provided an opportunity for principal payments to be made from FY 2005-06 through FY 2007-08. On October 1, 2015, a final principal prepayment was made which retired the debt issue eight years early, saving over \$9 million dollars compared to the original 1993 A&B debt service schedules.



## City of Hesperia

- For the sixth consecutive year, the City continued its Citizen's Academy, an educational outreach program that invites residents to get involved in local government. The Hesperia Citizen's Academy provides a unique opportunity for residents to learn more about their City. This seven-session program is designed to provide the community with insight into the day-to-day operations of the City, as well as an understanding of complex City projects. Academy participants gain a better understanding of the council-manager form of government, as well as the challenges that local governments face. This successful program is also included within the FY 2016-17 Budget.
- Hesperia is pleased to have been selected again as the venue for the Desert Rocks Film and Music Festival, an international film and music event created to cultivate industry-related careers and provide broader exposure to filmmakers and up-and-coming musicians.
- The City hosted its tenth annual Youth in Government Day event for 22 high school seniors with a job shadowing exercise, City facility tours, questions and answers with the Mayor, and a mock City Council meeting, resulting in the funding of a Community Beautification Project.
- Retail attraction efforts lead to 12 new businesses locating in Hesperia (including Petco, Tractor Supply Company, Habit Burger Grill, and Pieology), which constructed over 120,000 square feet of retail development that will generate approximately \$300,000 of annual sales tax and create 185 jobs in Hesperia.

### **Conclusion**

The Fiscal Year 2016-17 Budget continues to support services, maintenance, and infrastructure. Transportation projects remain a priority for Hesperia. Continuing the momentum from the opening of the much anticipated Rancho Road Interchange in FY 2014-15, progress continues with the design and environmental review of the Rancho Road widening project and increased funding has been provided for an enhanced crack seal street maintenance program for the preservation of existing City streets.

Due to the continued strong, responsible leadership and prudent fiscal policy direction of the City Council, the City of Hesperia is well positioned to take advantage of opportunities in the next economic growth cycle, and I'd like to express my sincere appreciation to the Council, as well as the staff members and community partners who have contributed to this process.

Respectfully submitted,

Nils Bentsen  
City Manager

# P R E F A C E

- *Budget Document Overview*
- *Budget Document Sections*
- *Budget Document Financial Information*
- *Summary Budget Process Description and Schedule*
- *Level of Budgetary Control*
- *Basis of Accounting*
- *Hesperia City Council Officials*

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## PREFACE

### BUDGET DOCUMENT OVERVIEW

The budget document is the City of Hesperia's annual financial plan prepared by City Management and approved by the City Council. The financial plan serves as a policy document, operations guide for City Departments, and as a communication device. The audience of the budget document is citizens, local businesses, debt holders and debt rating agencies, other governmental agencies, and the City's independent auditor.

### BUDGET DOCUMENT SECTIONS

The budget document sections and a brief summary of the section's contents are as follows:

#### Financial Policies:

- Financial Policies
- Resolutions adopting the City's Financial Policies

#### A. Introduction

The introduction section includes the "Summary of Significant Department Operating Expenditure and Staffing Changes", the City's Mission Statement and Statement of Values, Directory of Officials, City Organization Chart, and Community Profile Information.

#### B. Resources, Expenditures and Fund Balance Summary

This section indicates how resources and expenditures are reconciled to balance the City's annual financial plan or budget for the City's major operating funds. This section also presents summary level information on fund balances and reserves.

#### C. Revenue

This section contains Information about the City's sources of income and is presented with summaries, graphics, and detailed revenue information by individual revenue accounts with \$10,000 or greater revenue.

#### D. Expenditure Summaries

This section provides a variety of Citywide expenditure summaries and charts.

#### E. City Positions and Salary Ranges

This section includes information and charts about City positions or staff, both full and part-time positions, and also includes salary information.

#### F. City Department and Program Expenditures

The City is organized into the following seven departments. This section provides information for each department and their programs regarding their expenditures and staffing to include Fiscal Year 2015-16 accomplishments and Fiscal Year 2016-17 goals and objectives. Significant expenditure and staffing changes are highlighted:

- City Council
- City Manager
- Management Services
- Economic Development
- Development Services
  - D.S. Community Development
  - D.S. Code Compliance
  - D.S. Public Works
  - D.S. Water
  - D.S. Sewer
- Police
- Fire

## PREFACE

### BUDGET DOCUMENT SECTIONS (Continued)

#### G. Capital Improvement Program (CIP)

This section presents in one section the capital improvement projects included in the Fiscal Year 2016-17 Budget.

#### H. Debt Service

This section summarizes information about the City's external, and in some situations internal, debt obligations.

#### I. Fund Balance Summary

This section presents financial information about each City fund that is planned to have expenditures in Fiscal Year 2016-17.

#### J. Supplemental Information:

- Resolutions adopting the City's budget and related resolutions.
- General and Administrative Allocation Plan and/or Indirect Cost Allocation Plan.
- Significant Accounting Policies.
- List of Acronyms.
- Glossary of budget terms and abbreviations.
- Index.

### BUDGET DOCUMENT FINANCIAL INFORMATION

As mandated by California State Law, the City's fiscal year, or budget time period, is July 1<sup>st</sup> through June 30<sup>th</sup>. For example, Fiscal Year 2016-17 means July 1, 2016 through June 30, 2017. In most sections of the budget document, four years of information is provided, with two columns, or versions of information, reflected for the current year (Fiscal Year 2015-16).

The columns typically presented are as follows:

<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Budget</u>	<u>2015-16</u> <u>Revised</u>	<u>2016-17</u> <u>Budget</u>
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The financial information included in these columns is as follows:

#### 2013-14 Actual

Actual financial information for Fiscal Year 2013-14 as reported in the City's Comprehensive Annual Financial Report. The actual financial information is reported in the budget document on a budgetary basis.

#### 2014-15 Actual

Actual financial information for Fiscal Year 2014-15 as reported in the City's Comprehensive Annual Financial Report. The actual financial information is reported in the budget document on a budgetary basis.

#### 2015-16 Budget

The 2015-16 Budget as adopted by the City Council June 16, 2015.

## PREFACE

### BUDGET DOCUMENT FINANCIAL INFORMATION (Continued)

#### 2015-16 Revised

The 2015-16 Revised column reflects the 2015-16 Budget plus budget amendments approved by the City Council during the fiscal year. The 2015-16 Revised column is also adjusted to reflect City management's estimate of what revenues and expenditures are estimated to be at the end of Fiscal Year 2015-16 and are typically somewhat lower than the budget and amendments.

#### 2016-17 Budget

This column initially reflects the FY 2016-17 Proposed Budget submitted by the City Manager. After the City Council reviews and approves the Fiscal Year 2016-17 Budget, the information in the 2016-17 Budget column is changed, if necessary, to reflect the City Council actions.

#### Major Expenditure Accounts

Major expenditure account categories are presented in the budget document, which summarizes various detailed expenditure accounts under the following seven major expenditure account categories:

- Salaries
- Benefits
- Materials
- Contractual
- Other Operating
- Capital Outlay
- Debt Service

### SUMMARY BUDGET PROCESS DESCRIPTION AND SCHEDULE

On February 16, 2016, the FY 2015-16 Mid-Year Budget Review was presented with current expenditures, revenue trends, updated reserves, as well as amendments to the 2015-16 Budget which were approved by the City Council.

The FY 2016-17 Budget process then commenced as follows:

#### VI. OPERATING BUDGET CALENDAR

Council FY 2015-16 Mid-Year Budget Review	February 16, 2016
FY 2016-17 Budget Instructions Distributed	February 24, 2016
FY 2015-16 Revised Expenditure Estimates, FY 2016-17 Current Level (or Adjusted) Proposed Budget Expenditures and Expenditure Detail Narrative forms due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 8, 2016 March 10, 2016
FY 2016-17 Draft Division and/or Program Narratives due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 22, 2016 March 24, 2016
FY 2016-17 Budget Increments-"Requested Expenditures Above Current Level" due: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 22, 2016 March 24, 2016

PREFACE

<b>VI. <u>OPERATING BUDGET CALENDAR (Continued)</u></b>	
FY 2015-16 Revised Revenue and FY 2016-17 Proposed Budget Revenue Estimates due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 29, 2016 March 31, 2016
Proposed FY 2016-17 CIP presented to Planning Commission	April 14, 2016
Budget Review with Departments/Divisions	April 11 - April 22, 2016
FY 2016-17 Final Proposed Budget Division and/or Program Narratives due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	April 26, 2016 April 28, 2016
2016-17 Proposed Budget completed	May 31, 2016
Council Budget Workshop	June 14, 2016
Council Adopts Budget	June 21, 2016
First Quarter Review of the FY 2016-17 Budget	November 15, 2016
Mid-Year Review of the FY 2016-17 Budget	February 21, 2017
Final Year-End Review of the FY 2016-17 Budget	August 15, 2017
<p><u>KEY:</u> CC=City Council; CM=City Manager; MS=Management Services (UB); P=Police; F=Fire, W2=DS Water/PW (4010, 4040, and PW 3100); CD=DS Community Development; Code=DS Code Compliance; PW=DS Public Works (Street Maintenance and Building Maintenance); W1=DS Water (4020, 4030, 4035, 4050, 4070, 4080); S=DS Sewer; EDD=Economic Development</p>	

On June 21, 2016, the City Council/Board Members/Commission Members are expected to adopt the FY 2016-17 Budget, including the Capital Improvement Plan, for the City of Hesperia, Hesperia Housing Authority, Hesperia Community Development Commission, Hesperia Fire Protection District, and Hesperia Water District. Included with the proposed budget is the GANN Appropriations Limit for the City of Hesperia and the Hesperia Fire Protection District.

**LEVEL OF BUDGETARY CONTROL**

Since the Budget is an estimate, from time to time it is necessary to make adjustments to fine-tune the line items within it. Various levels of budgetary control have been established to maintain the Budget's integrity.

The levels of budgetary control are as follows: The City Manager, or designee, has the authority to make budget transfers within a fund, within capital projects, and within a department's operating budget. Such authority does not include any increase to an operating fund or to the overall adopted budget.

Budget transfers from one City fund to another are submitted to the City Council for formal approval. In addition, budget adjustments, which will increase an operating fund or the overall adopted budget, are submitted to City Council for approval. Additionally, a first quarter, mid-year, and final year-end budget review are submitted to the City Council, which contain any necessary budget amendment request, for review and approval.

## PREFACE

### BASIS OF ACCOUNTING

Expenditures are controlled at the fund level for all budgeted departments within the City. In addition, all funds reported in the Comprehensive Annual Financial Report (CAFR) are included and appropriated in the FY 2016-17 Budget. At the fund level, expenditures cannot legally exceed appropriations. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) as adapted by the Governmental Accounting Standards Board (GASB) and in accordance with standards established by the California Society of Municipal Finance Officers (CSMFO) and Government Finance Officers Association (GFOA), with adjustments made for depreciation, principal debt service payments, and capital outlay expenses for proprietary funds (i.e. the Hesperia Water District). These budgetary basis adjustments are always reconciled to the CAFR and notes are made in the Fund Balance section (I) of the budget document where they occur.

The accounting policies of the City conform to generally accepted accounting principles. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting segregates funds according to their purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

All governmental funds (i.e. General, Special Revenue, Capital Projects and Debt Service Funds) are accounted for on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are recorded in the accounting period when the liability is incurred.

Proprietary funds (i.e. the Hesperia Water District) are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized when the liability is incurred.

PREFACE

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PREFACE

# 2016-17 City Council



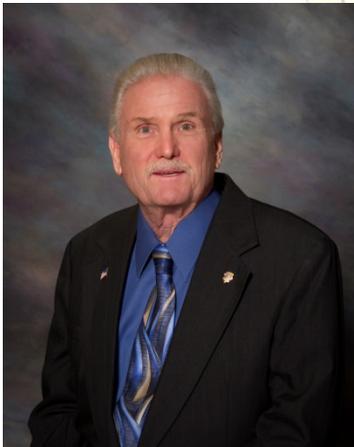
Bill Holland, Mayor



Paul Russ  
Mayor Pro Tem



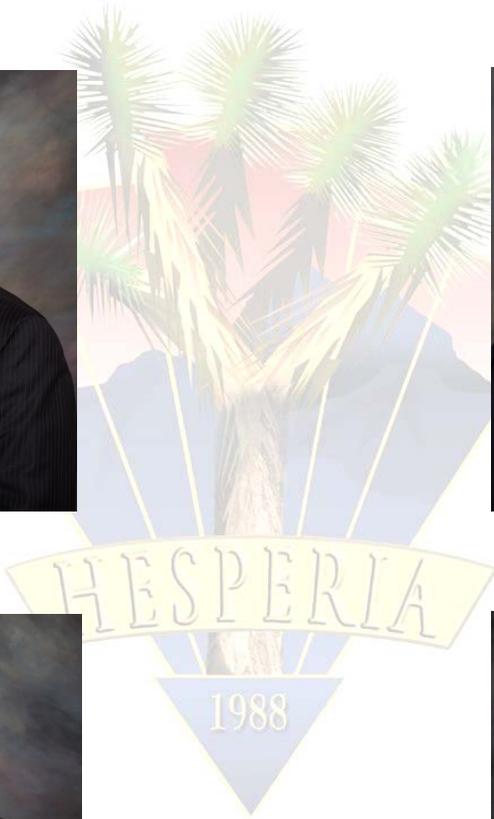
Russell Blewett  
Council Member



Mike Leonard  
Council Member



Eric Schmidt  
Council Member



PREFACE

**FOR THE FISCAL YEAR 2016-2017**

**ELECTED OFFICIALS**

**Bill Holland, Mayor**

**Paul Russ, Mayor Pro Tem**

**Russell Blewett, Council Member**

**Mike Leonard, Council Member**

**Eric Schmidt, Council Member**

*(At Date of Issuance)*

**ADMINISTRATIVE STAFF**

**Nils Bentsen, City Manager**

**Brian D. Johnson, Assistant City Manager/Management Services**

**Melinda Sayre, City Clerk**

**Rod Yahnke, Interim Economic Development Director**

**Mark Faherty, Interim Public Works Director**

**Michael Blay, Director of Development Services**

**Ron Walls, Fire Chief**

**Gregg Wielenga, Police Captain**

**HESPERIA**

**BUDGET PREPARATION TEAM**

**Brian D. Johnson, Assistant City Manager/Management Services**

**Anne M. Duke, Deputy Finance Director**

**George Pirsko, Senior Financial Analyst**

**Casey Brooksher, Senior Financial Analyst**

**Lorraine Mazzuca, Senior Office Assistant**

PREFACE



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Hesperia  
California**

For the Fiscal Year Beginning

**July 1, 2015**

Executive Director

The Government Finance Officers Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award to the City of Hesperia, California for its Annual Budget for the Fiscal Year beginning July 1, 2015.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and will be submitted to GFOA to determine its eligibility for another award.

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# FINANCIAL POLICIES

- *Financial Policies*
- *Financial Policies Resolutions – The following five resolutions were approved by the City Council to adopt the Financial Policies for the City and its subsidiary districts:*
  - ▶ *Joint Resolution No. 2016-014*
    - ▶ *Resolution CDC 2016-06*
    - ▶ *Resolution HHA 2016-07*
    - ▶ *Resolution HFPD 2016-09*
    - ▶ *Resolution HWD 2016-11*

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## FINANCIAL POLICIES

### I. BUDGETING POLICY

- The City will adopt an annual budget for the fiscal year beginning July 1<sup>st</sup> no later than June 30<sup>th</sup> of the same calendar year.
- The adopted budget will be balanced with current year operating expenditures fully funded by current year revenues.
- Fund balance reserves for the General Fund, Water District, and Fire District will be used only for non-recurring expenditures such as capital projects, studies, etc. and not for on-going operations. In the event that fund balance reserves are used for recurring (operational) expenditures, the City Council will be notified prior to adoption of the annual budget.
- The City Manager is authorized to implement programs as approved in the adopted budget.
- A First Quarter and Mid-Year budget review will be conducted for the City Council to determine the status of projected revenues, expenditures, and other financial situations, along with consideration of needed budget amendments. A Third Quarter review is included in the presentation of the upcoming fiscal year's proposed budget. An internal Fourth Quarter appropriation review is conducted and budget amendments are presented to the City Council as needed.

### II. CAPITAL IMPROVEMENT POLICY

- The City will identify the estimated costs and potential funding sources for each capital project prior to its submittal to the City Council for approval.
- Capital projects involve the purchase or construction of major capital assets such as land; equipment; infrastructure; building or permanent improvements including additions, replacements, and major alterations; having a long life expectancy; and costing \$5,000 or more.
- Capital projects are funded by a variety of funding sources, which are often restricted for a specific purpose. Prior to a capital project being included in the annual budget, a determination must be made that the project is an appropriate use of the funds and that there is sufficient funding available.

### III. REVENUE POLICY

Recurring expenditures will be funded by recurring revenue. Recurring expenditure increases that exceed recurring revenue growth should not be approved. Any new or expanded programs should be required to identify new funding sources and/or offsetting reductions in expenditures. In addition:

- The City shall use a conservative approach in projecting revenues.
- One-time revenues may be used for one-time expenditures or enhancement of reserves.
- The City shall update its user fees and charges periodically to recover costs of providing that service for which a fee is charged.
- All potential grants shall be carefully reviewed for matching requirements, maintenance of effort requirements, and on-going future expenditures requirements.
- Intergovernmental grants will be evaluated to determine the long term operating and maintenance costs associated with the grant.
- The City will maintain water and sewer rate structures which are adequate to ensure that these enterprise funds remain firmly and separately self-supporting, including the costs of operation, capital replacement, cost allocation plan, and debt service.

## FINANCIAL POLICIES

### IV. RESERVE POLICY

Adequate reserve levels are a necessary component of the City's overall financial management strategy. It is the responsibility of the City Council to maintain a sufficient level of reserve funds to provide for the orderly provision of services to the citizens of the City of Hesperia. The City Council has the authority to decide the circumstances under which the reserves can be used. The City Manager and the Assistant City Manager-Management Services may, from time to time, make recommendations as to the level of reserve funds necessary for prudent fiscal management. Reserve levels shall be reviewed at least annually during the budget process to ensure that they are consistent with the conditions faced by the City. All uses of reserves require a resolution of the City Council or will be incorporated in the annual adopted budget.

The reserve policies for the General Fund, Hesperia Water District (Enterprise Fund), and Hesperia Fire Protection District (Special Revenue Fund) require that a minimum of ten percent (10%) of current fiscal year operations budget (expenditures) be reserved. Cash reserves is a calculation of the ratio of cash and cash equivalents to the total individual fund balance, as reported in the most recently completed Comprehensive Annual Financial Report (CAFR). The specific purpose of the reserves is to provide funding to meet operational appropriation requirements in the event that either the City, Water District, or Fire District experience shortfalls in the level of anticipated revenues or unanticipated expenses.

### V. TRANSFER AUTHORITY

The following criteria establish the transfer authority for appropriations as set forth in the fiscal year budget.

- Division Managers can make transfers between line items in the same program.
- Department Directors can make transfers between divisions within the same fund.
- Transfers between departments, within the same fund, will require the City Manager approval.
- Transfers between the capital expenditure classification and the operating expenditure classifications will require the City Manager approval.
- Transfers between different funds can only be made with an approved City Council resolution.
- The Finance Division will review all budget transfers and make recommendations to the City Manager.

### VI. FISCAL MANAGEMENT

- An independent firm of certified public accountants will perform an annual financial and compliance audit according to General Accepted Auditing Standards (GAAS) that will be incorporated into the Comprehensive Annual Financial Report (CAFR).
- Annually, the City will seek the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Achievement for Distinguished Budget Presentation Awards.

### VII. INVESTMENTS

- The City will continue to have a written investment policy approved by City Council resolution annually. The policy for investments in priority order is safety, liquidity, and yield.
- The City Council will receive reports on the cash position and performance of City investments on a monthly basis.

### VIII. CAPITAL ASSETS

- Assets exceeding the value of \$5,000 are considered capital assets.
- All assets will be maintained at a level that protects capital investment and minimizes future maintenance costs.

## FINANCIAL POLICIES

### IX. DEBT MANAGEMENT

- The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects or purchases of capital assets, such as water rights, that have a useful life exceeding the term of the financing. In addition, identified revenue sources shall be identified to allow for the principal, interest, and other related payments (debt service) of the long-term debt.
- The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.
- The City will monitor all forms of debt. Annually, the status of all long-term debt will be reported to the City Council in the annual budget.
- The City will diligently monitor its compliance with bond covenants and continuing disclosures.

FINANCIAL POLICIES

JOINT RESOLUTION NO. 2016-014  
RESOLUTION CDC NO. 2016-06  
RESOLUTION HHA NO. 2016-07  
RESOLUTION NO. HFPD 2016-09  
RESOLUTION NO. HWD 2016-11

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, COMMISSIONERS OF THE HESPERIA HOUSING AUTHORITY, COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION, THE BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT, AND THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT ADOPTING FINANCIAL POLICIES.

**WHEREAS**, the City of Hesperia wishes to establish a comprehensive set of financial policies that will serve as a guideline for operational and strategic decision making related to financial matters; and

**WHEREAS**, financial policies are intended to establish guidelines for the City's overall planning and management; and

**WHEREAS**, such policies will allow the City to maintain and enhance a sound fiscal condition; and

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, COMMISSIONERS OF THE HESPERIA HOUSING AUTHORITY, COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION, THE BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT, AND THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICTS AS FOLLOWS:

Section 1. The recitals are true and correct and adopted as findings.

Section 2. That the City Council approves the Financial Policies (Exhibit A).

Section 3. If any section, sub-section, sentence, clause, or word in the Resolution is held to be invalid by decision of any court of competent jurisdiction or action of State legislation, such decision or legislation shall not affect the validity of the remaining portions of this Resolution.

Section 4. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016

  
\_\_\_\_\_  
Bill Holland, Mayor

ATTEST:  
  
\_\_\_\_\_  
Melinda Sayre, City Clerk

# INTRODUCTION

- *Summary of Total City Revenue and Expenditures*
- *Summary of Operating Expenditures and Staffing Changes*
- *Mission Statement and City Council Priorities (Goals)*

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## Summary of Total City Revenue and Expenditures

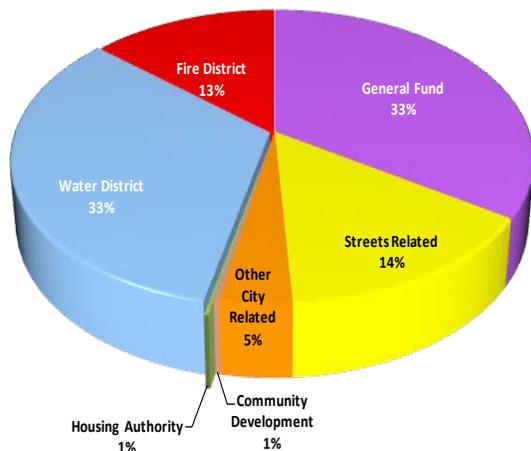
The following information summarizes and highlights the planned major changes in the 2016-17 Budget:

	2015-16 Budget	2016-17 Budget	Change From 2015-16 Amount	Percent
<b>Resources</b>				
Revenue	\$ 72,104,386	\$ 77,967,907	\$ 5,863,521	8%
Loan Proceeds	0	3,772,663		
Budgeted Reserves	11,412,205	12,872,554	1,460,349	13%
Net Transfers	1,980,315	1,996,330	16,015	1%
<b>Total Resources</b>	<b>85,496,906</b>	<b>96,609,454</b>	<b>7,339,885</b>	<b>13%</b>
<b>Expenditures</b>				
Expenditures	\$ 80,556,566	\$ 94,121,814	\$ 13,565,248	17%
<b>Difference</b>	<b>\$ 4,940,340</b>	<b>\$ 2,487,640</b>		

### Revenue:

Revenue is anticipated to increase by 8% (\$6.0 million) overall and a detailed discussion of all budgeted revenues can be located in Section C – Revenue Summaries. With that, the General Fund is increasing by 5% or \$1.2 million, which is due to increased Sales and Use Tax, Vehicle License Fee, and Development-Related Revenue, as 150 building permits are planned to be received during FY 2016-17.

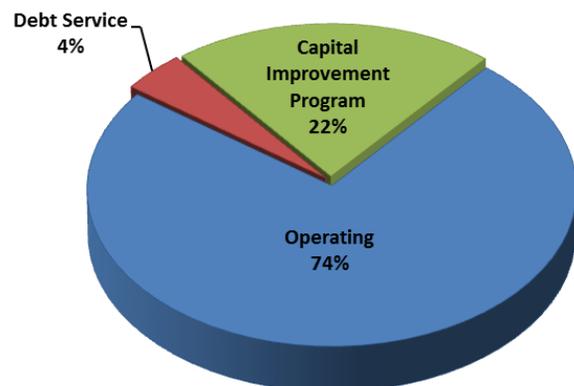
The Water District, which comprises 32% of the overall revenue budget is increasing by 29% or \$5.8 million, which is primarily due to receiving \$1.5 million from the Proposition 84 Drought Relief Grant and \$4.7 million from the Proposition 1 Grant that must be used on the Reclaimed Water Distribution System project. It should be noted that Water Sales is expected to decrease from budget to budget by 7% and is due to water conservation; however, it is anticipated that water consumption will increase by 5% over the FY 2015-16 Revised.



### Expenditures:

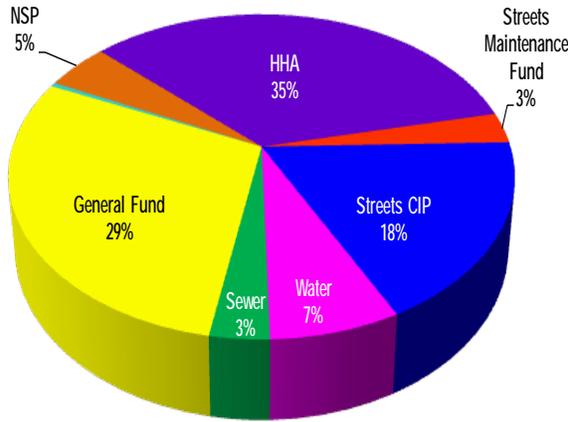
The FY 2016-17 Budget proposes expenditures of \$94,121,814 which represents an increase of 17% or \$13.6 million above the FY 2015-16 Budget of \$80,556,566. The \$94.1 million budget consists of \$20.5 million of Capital Improvement Program (CIP) projects, \$4.0 million of Debt Service, and \$69.5 million of normal operations. The CIP budget is proposed to increase by \$10.2 million due to the Reclaimed Water Distribution System project. This is offset by the Debt Service decrease of \$4.7 million primarily from retiring the 2004 Variable Rate Demand bonds during FY 2015-16.

Finally, the FY 2016-17 operating budget of \$69.6 million is increasing by 15% or \$8.0 million over FY 2015-16. This increase is primarily due to the following expenditures: \$3.8 million Eagle Hesperia 55 Senior Housing Loan Agreement payment, \$1.7 million increase for capital outlay to replace equipment and vehicles, \$0.6 million reimbursement to the Community Development Block Grant (CDBG) fund for the land upon which the County and Police Station were built, and \$0.5 million for Rich Development offsite improvements.



**Budgeted Reserves:**

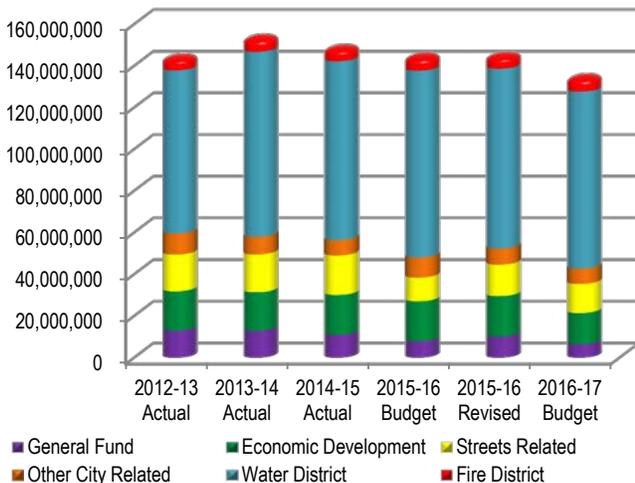
Much like a savings account, Budgeted Reserves are excess resources saved from prior fiscal years. It is the policy of the City to only use these savings for one-time purchases. Budgeted Reserves are not used for on-going operation costs, such as staffing. The FY 2016-17 Budget contains the use of reserves totaling \$12,872,554.



General Fund	\$ 3,737,265
Community Development Commission	51,000
C.D.B.G. (Revolving Loan)	2,823
Neighborhood Stabilization Program (NSP)	613,549
Hesperia Housing Authority	4,442,509
Streets Maintenance Fund	392,000
Streets Capital Improvement Projects Funds	2,311,577
Water District - Water Operations	907,831
Water District - Sewer Operations & Capital	414,000
<b>Total Budgeted Reserves</b>	<b>\$ 12,872,554</b>

**Fund Balance:**

After accounting for all proposed resources and expenditures, the FY 2016-17 fund balance will be approximately \$134.1 million, which is a decrease of 7% or \$10.0 million from the FY 2015-16 Budget of \$144.2 million. With the exception of Streets Related Funds and the Fire District, all major funds are expected to decrease as the reserves are used.



	2015-16 Budget	2016-17 Budget	Amount Difference	Percent Change
General Fund	\$ 7,765,870	\$ 6,300,130	\$ (1,465,740)	-19%
Economic Development	19,223,287	15,008,812	(4,214,475)	-22%
Streets Related	11,329,562	13,953,655	2,624,093	23%
Other City Related	9,707,173	7,340,657	(2,366,516)	-24%
Water District	89,629,543	84,938,090	(4,691,453)	-5%
Fire District	6,523,529	6,570,912	47,383	1%
Ending Fund Balance	\$ 144,178,964	\$ 134,112,256	\$ (10,066,708)	-7%

**Balanced Budget:**

A balanced budget uses operational revenue to fund operational expenditures, which means that one-time revenue is reserved for one-time costs, such as purchasing a large piece of equipment. Of the City operational funds, the Hesperia Housing Authority will be using fund balance reserves, while the Community Development Commission is relying on a transfer from the General Fund to balance. Both funds were created from the Redevelopment Dissolution and have limited funding sources. Management is reviewing and monitoring options amid the post redevelopment atmosphere. Finally, while the Water District as a whole has a balanced budget, individually, Water Operating has expenditures exceeding resources. The Water Operating Fund is being affected with the Governor's water conservation efforts. Additionally, a few funds are projected to have ending fund balance deficits, including certain reimbursable grant funds, which are manageable and will be resolved in future years.

**Cash Reserve Policy:**

Both the City's General Fund and Water District, as a whole, are balanced with a surplus above the 10% reserve level where cash reserve levels exceeding the City Council/Board policy of 10%. As shown, the Fire District is projected to have a negative cash balance of \$245,255. It should be noted that that the Fire Capital Fund (Fund 502) will cover the negative cash in the operating fund.

The City Council's/Board's policy of maintaining 10% cash reserves as a percent of expenditures is illustrated in the table below.

	General Fund	Water District	Fire District Operating Fund
10% Cash Reserve	\$2,987,551 10%	\$3,082,714 10%	\$1,043,352 10%
Cash Exceeding 10%	2,455,761 8%	821,218 3%	(1,297,607) -12%
<b>Total Estimated Cash</b>	<b>\$5,443,312 18%</b>	<b>\$3,903,932 13%</b>	<b>\$ (254,255) -2%</b>

**Capital Improvement Program (CIP) Summary:**

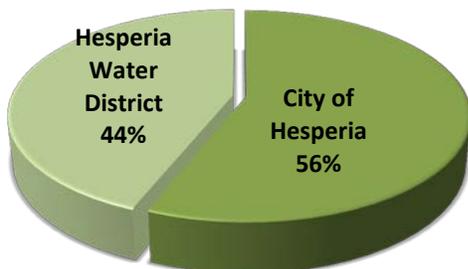
The total allocation for all Capital Projects in all funds in Fiscal Year 2016-2017 is \$20,494,114. These projects include streets, storm drainage, facilities, and water projects. For an in depth review of all CIP projects, refer to Section G – CIP.

**Capital Improvement Program (CIP) Projects**

Streets Projects	
2016-17 Streets Improvement	\$ 2,200,000
Main St - Traffic Synchronization	252,028
2016-17 ADA Improvements	104,614
Ranchero Rd Related Projects	1,419,000
Carryover Streets Related Projects	4,551,706
<b>Total Streets Related Projects</b>	<b>8,527,348</b>
Storm Drainage Projects	1,180,420
Facilities Projects (Park & Ride)	696,346
Reclaimed Water Distribution System	10,090,000
<b>Total CIP Projects</b>	<b>\$ 20,494,114</b>

**Debt Service for FY 2016-17:**

The Debt Service obligation for the City of Hesperia and the Hesperia Water District total \$4,015,407 for FY 2016-17. This represents a decrease of 54% or \$4.6 million from the FY 2015-16 Debt Service budget of \$8.6 million, which included the early repayment of the 2004 Variable Rate Revenue bonds. Of the Debt Service budget, the City's obligation is 56%, while the Water District is 44% of the total obligation.



The following is a synopsis of the FY 2016-17 obligation costs:

*City Total \$2,251,937*

- 2012 Water Rights Lease Revenue Bonds - \$1,446,375
- 2013 Civic Plaza Refunding - \$789,150
- 2014 DIF Loan from General Fund - \$16,412

*Water Total \$1,763,470*

- 1992 B Certificates of Participation - \$140,350
- 1998 A Variable Rate Lease Revenue - \$1,499,070
- 1998 B Variable Rate Lease Revenue - \$124,050

**Positions, Salaries, and Benefits:**

In total, the FY 2016-17 Budgeted salaries and benefits are expected to increase by 1%, or \$0.2 million, over the FY

2015-16 Budget. The FY 2016-17 Budget includes the unfreezing of merit step increases, as well as providing a cost of living adjustment (COLA) of 3.9%. These cost increases are partially offset by the restructuring of positions.

The FY 2016-17 Budget includes a net of 2.86 full-time equivalent (FTE) non-safety position eliminations, which equates to the reduction of seven (7.00 FTE) full-time positions, which is offset by nine part-time positions (4.14 FTE).

**FY 2016-17 Budget:**

Please refer to the subsequent sections for detailed discussions for all items and areas of interest presented in the FY 2016-17 Budget highlights. The following serves as a brief narrative of each section.

- **Financial Policies** – This section includes the financial policies the City must abide by. These policies are adopted by resolution of the City Council.
- **(B) Resource & Expenditure Summary** – Provides an analysis of each of the major operating funds (General Fund, Water District, Fire District, Streets Maintenance Fund, Hesperia Housing Authority, and the Community Development Commission). In addition, a projected cash balance is prepared for the General Fund, Water District, and Fire District.
- **(C) Revenue Summaries** – Detailed discussion and analysis of the budgeted revenue.
- **(D) Expenditure Summaries** – An overview of all expenditures with discussions on major budgeted items.
- **(E) Position Summaries & Salary Range Tables** – Discussion of the position changes, as well as major benefit changes, along with listings of all positions and salaries.
- **(F) Department & Program Summaries** – A detailed account of all operating expenditures by Department, Division, and Program. These sections include goals & accomplishments, as well performance and workload indicators.
- **(G) Capital Improvement Program (CIP)** – This section identifies all CIP costs, as well as detailed descriptions of each individual project.
- **(H) Debt Service** – This section identifies and describes each outstanding long term debt obligation.
- **(I) Fund Balance Summary** – In this section, a calculation is prepared for each fund showing its budgeted financial transactions and identifies the impact of the projected budget on each fund.
- **(J) Supplemental Information** – This section includes supplementary information that enhances the understanding of the prepared budget.

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Summary of Operating Expenditures and Staffing Changes

**CITY COUNCIL**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
City Council	\$ 392,461	\$ 485,835	\$ 93,374	24%
City Attorney	250,000	250,000	0	0%
<b>Total City Council</b>	<b>\$ 642,461</b>	<b>\$ 735,835</b>	<b>\$ 93,374</b>	<b>15%</b>

Significant Department Expenditure and Staffing Changes:

- Funding in the amount of \$35,000 has been included to engage a consultant to explore the transition from at-large elections to by-district voting in response to California Voting Rights Act challenges received at the end of the 2015 calendar year.
- Funding in the amount of \$42,000 has been included in support of the Memorandum of Understanding with the Hesperia Chamber of Commerce for Hesperia 2034, a joint-agency community visioning project.

**CITY MANAGER**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
City Manager	\$ 1,129,749	\$ 1,156,478	\$ 26,729	2%
Information Technology	1,372,790	1,472,835	100,045	7%
<b>Total City Manager</b>	<b>\$ 2,502,539</b>	<b>\$ 2,629,313</b>	<b>\$ 126,774</b>	<b>5%</b>
Full & Part-Time Staff (FTE)	13.60	13.48	-0.12	-1%

Significant Department Expenditure and Staffing Changes:

- Reclassify the Community Relations and Media Coordinator (Range 37) to the Assistant to the City Manager (Range 43) with a distribution of 0.75 FTE in the City Manager Department.
- Eliminate one vacant Senior Office Assistant position and add one Secretary to the City Manager and City Council position.
- Eliminate one vacant Emergency Services Coordinator position with a distribution of 0.50 FTE in City Manager and add one part-time Administrative Analyst position (0.46 FTE) with a distribution of 0.23 FTE in City Manager.
- Funding for the 2016 Municipal Election is added in the amount of \$34,000.
- Funds of \$132,500 has been included for the replacement of antiquated equipment and software in the City Council Chambers that control the City Council electronic voting, streaming of meetings, presentations, sound, and room lighting.

**MANAGEMENT SERVICES**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Finance	\$ 1,939,085	\$ 2,843,666	\$ 904,581	47%
Human Resources/Risk Management	1,173,726	1,205,909	32,183	3%
<b>Total Management Services</b>	<b>\$ 3,112,811</b>	<b>\$ 4,049,575</b>	<b>\$ 936,764</b>	<b>30%</b>
Full & Part-Time Staff (FTE)	16.26	16.26	0.00	0%

Summary of Operating Expenditures and Staffing Changes (Continued)

**MANAGEMENT SERVICES (Continued)**

Significant Department Expenditure and Staffing Changes:

- Funding in the amount of \$500,000 is included for the Rich Development Agreement related to the reimbursement of offsite improvements at the corner of Escondido and Main Street.
- Funding in the amount of \$626,295 is included for the Community Development Block Grant land reimbursement for the San Bernardino County and Police buildings.
- Funding in the amount of \$100,000 has been included for the Hesperia Recreation and Parks District Operating Agreement for the Hesperia Golf Course.
- Funding in the amount of \$30,000 is included for an Indirect Cost Allocation Plan Study.
- Funding in the amount of \$15,000 is included for the maintenance/repair of two booster pumps at the Hesperia Golf Course.
- Eliminate one Senior Financial Analyst (1.00 FTE) position and add one Budget/Finance Manager (1.00 FTE) position.
- Reclassify the Senior Human Resources Analyst (Range 40) to the Human Resources Manager (Range 43).

**ECONOMIC DEVELOPMENT DEPARTMENT**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Community Development Commission	\$ 563,605	\$ 652,981	\$ 89,376	16%
Hesperia Housing Authority				
Hesperia Housing Authority	\$ 639,564	\$ 4,478,820	\$ 3,839,256	600%
VVEDA Housing Authority	180,000	150,000	(30,000)	-17%
Subtotal Hesperia Housing Authority	\$ 819,564	\$ 4,628,820	\$ 3,809,256	465%
CDBG:				
Administration	\$ 1,314,792	\$ 1,655,522	\$ 340,730	26%
Revolving Loans	311,185	5,000	(306,185)	-98%
Neighborhood Stabilization	586,797	713,755	126,958	22%
Subtotal CDBG	\$ 2,212,774	\$ 2,374,277	\$ 161,503	7%
Total Economic Development	\$ 3,595,943	\$ 7,656,078	\$ 4,060,135	113%
Full & Part-Time Staff (FTE)	7.00	5.00	-2.00	-29%

Significant Department Expenditure and Staffing Changes:

- Add one Economic Development Manager (1.00 FTE) position, At-Will classification, and eliminate the vacant Economic Development Director (1.00 FTE) position.
- One vacant Management Analyst (1.00 FTE) position and one vacant Administrative Analyst (1.00 FTE) position will be eliminated for a reduction of 2.00 FTE.
- To reflect the current assigned duties, one Senior Management Analyst position (1.00 FTE), one Management Analyst position (1.00 FTE), and one Administrative Analyst position (1.00 FTE) have been reallocated amongst CDBG, Community Development Commission (CDC), and HHA.

Summary of Operating Expenditures and Staffing Changes (Continued)

**D.S. COMMUNITY DEVELOPMENT**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Planning	\$ 815,730	\$ 860,291	\$ 44,561	5%
Building & Safety	844,076	864,115	20,039	2%
<b>Total Community Development</b>	<b>\$ 1,659,806</b>	<b>\$ 1,724,406</b>	<b>\$ 64,600</b>	<b>4%</b>
Full & Part-Time Staff (FTE)	15.68	15.38	-0.30	-2%

Significant Department Expenditure and Staffing Changes:

- Funding of \$13,340 is included as carry-over to convert an existing map room located near the front counter area into a plan room to store commercial and residential plans. This room will also provide additional customer pick-up bins and provide additional storage for approved commercial plans. This project went to bid and was awarded in Fiscal Year 2015-16 and completion will occur in Fiscal Year 2016-17.
- Eliminate the vacant Building and Safety Supervisor with a distribution of 0.25 FTE in Planning and 0.75 FTE in Building & Safety. During the FY 2015-16 First Quarter Budget Review, the Building and Safety Manager position was reclassified to a Building and Safety Supervisor. Subsequently, the incumbent retired from the position.
- Reclassify the Community Development Coordinator (Range 34) to the Community Development Supervisor (Range 38) and the position will have a distribution of 0.50 FTE in Planning and 0.50 FTE Building & Safety.
- Reclassify the Building Inspection Supervisor (Range 40) to the Building and Safety Manager (Range 43).
- Eliminate one part-time Building Inspector position (0.46 FTE) and add one full-time Building Inspector position (1.00 FTE).
- To more accurately reflect the current workload, the distribution of the Director of Development Services is increased from 0.14 FTE to 0.20 FTE.
- The Administrative Secretary distribution is being increased from 0.10 FTE to 0.20 FTE.

**D.S. CODE COMPLIANCE**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Code Enforcement	\$ 952,627	\$ 987,819	\$ 35,192	4%
Animal Control	1,458,371	1,714,110	255,739	18%
<b>Total D.S.-Code Compliance</b>	<b>\$ 2,410,998</b>	<b>\$ 2,701,929</b>	<b>\$ 290,931</b>	<b>12%</b>
Full & Part-Time Staff (FTE)	23.92	25.28	1.36	6%

Significant Department Expenditure and Staffing Changes:

- During the Mid-Year Budget Review, one Animal Control Services Manager position was added (1.00 FTE), and is continued in the FY 2016-17 Budget.
- Eliminate one Animal Control Supervisor position (1.00 FTE).
- Eliminate one vacant Shelter Supervisor position (1.00 FTE).
- Retitle the Animal Control Technicians (Range 7) to Animal Care Technicians (Range 8).
- Add one new Animal Care Technician (1.00 FTE).
- Add two part-time Animal Care Technician position (0.92 FTE).
- The Director of Development Services FTE distribution will be increased from 0.16 FTE to 0.45 FTE to reflect current duties.

**Summary of Operating Expenditures and Staffing Changes (Continued)**

**D.S. CODE COMPLIANCE (Continued)**

Significant Department Expenditure and Staffing Changes (Continued):

- To accurately reflect current workload, the distribution of the Administrative Secretary is increased from 0.30 FTE to 0.45 FTE.
- The FY 2016-17 Budget includes \$80,000 to replace two Animal Control service trucks, which have become very costly to maintain due to the high mileage of the vehicles. The City will replace the current diesel trucks with gasoline powered as the maintenance costs tend to be less with such motors. Saving additional funds, the specialized truck bed and boxes will be reused on the new vehicles, which is included in the \$80,000 vehicle replacement request.
- Funding in the amount of \$100,000 has been included to start making improvements at the Animal Control facility.

**D.S. PUBLIC WORKS**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Street Maintenance	\$ 621,948	\$ 678,535	\$ 56,587	9%
Engineering	1,072,373	1,262,436	190,063	18%
Building Maintenance	3,325,310	3,683,396	358,086	11%
<b>Total D.S. Public Works</b>	<b>\$ 5,019,631</b>	<b>\$ 5,624,367</b>	<b>\$ 604,736</b>	<b>12%</b>
Full & Part-Time Staff (FTE)	34.36	35.30	0.94	3%

Significant Department Expenditure and Staffing Changes:

Streets Maintenance

- Funding in the amount of \$392,000 has been included for the purchase of a new vactor (\$214,000 half the cost), crack seal machine (\$86,000) and skip loader (\$92,000).
- Eliminate the City Engineer position (0.25 FTE) and add \$50,000 for contractual engineering services.
- Eliminate one vacant Public Works Director (0.50 FTE) position.
- Reclassify the Public Works Supervisor (1.00 FTE) to a Public Works Manager (Range 43) with a distribution of 0.80 FTE in Streets Maintenance.
- Eliminate one vacant Senior Office Assistant (0.30 FTE) position.
- Eliminate one vacant Senior Office Assistant position with a distribution of 0.50 FTE in Streets Maintenance and add one part-time Office Assistant position with a distribution of 0.23 FTE in Streets Maintenance.
- Add six (6) part-time Maintenance Worker positions, each with a distribution of 0.46 FTE, for a total addition of 2.76 FTE have been added to have an enhanced crack seal street maintenance effort to help preserve City streets.
- The Director of Development Services FTE distribution will be decreased to 0.10 FTE from 0.30 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.15 FTE to 0.10 FTE and causes the total FTE allocation to decrease from 0.65 FTE to 0.60 FTE, which is due to having two split funded Administrative Secretary positions coded to this program.
- To more accurately reflect current workload, the distribution of the Management Analyst will now include 0.20 FTE.

Engineering

- Eliminate the City Engineer position (0.25 FTE) and add \$50,000 for contractual engineering services.
- Eliminate one vacant Senior Office Assistant position with a distribution of 0.35 FTE in Public Works Engineering.
- To accurately reflect current workload, the distribution of the Director of Development Services will now include 0.10 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.15 FTE to 0.10 FTE to reflect assigned duties.

**Summary of Operating Expenditures and Staffing Changes (Continued)**

**D.S. PUBLIC WORKS (Continued)**

Significant Department Expenditure and Staffing Changes (Continued):

Engineering (Continued)

- The FTE distribution for the Management Analyst of 0.30 FTE is being added and increases the total FTE allocation from 0.50 FTE to 0.80 FTE, which is due to two split funded Management Analyst positions coded to this program.

Building Maintenance

- Funding in the amount of \$107,800 has been included for various facility maintenance projects, which includes electrical maintenance/repairs at the Civic Park, exterior painting of steel structures at City Hall, maintenance/repair work at the County Library, the fabrication and installation of handrails at Cinema West 12 parking lot, and miscellaneous maintenance.

**D.S. WATER**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Water Operating				
Source of Supply	\$ 2,219,471	\$ 2,272,273	\$ 52,802	2%
Production	3,043,268	3,125,607	82,339	3%
Distribution	1,185,131	1,287,290	102,159	9%
Pipeline Maintenance	1,045,044	1,219,466	174,422	17%
Engineering	971,151	970,628	(523)	0%
Customer Service	1,526,122	1,610,685	84,563	6%
Utility Billing	1,001,544	1,019,650	18,106	2%
Administration	5,006,529	4,659,603	(346,926)	-7%
Property Management	361,369	385,727	24,358	7%
Subtotal Water Operating	\$ 16,359,629	\$ 16,550,929	\$ 191,300	1%
Water Capital	0	10,575,789	10,575,789	100%
Total D.S.-Water	\$ 16,359,629	\$ 27,126,718	\$ 10,767,089	66%
Full & Part-Time Staff (FTE)	68.58	65.84	-2.74	-4%

Significant Department Expenditure and Staffing Changes:

Source of Supply

- Reclassify the Community Relations and Media Coordinator (Range 37, 0.40 FTE) to the Assistant to the City Manager and reallocate 0.25 FTE to the Water Source of Supply program.
- During FY 2016-17, the Water District will lease 4,042 AF from the City of Hesperia at a cost of \$478 per AF for a total lease cost of \$1,932,076. These leased rights will substantially offset the projected overproduction of water totaling 4,456 AF that is due for Water Year (WY) 2015-16 activities.

Distribution

- Funding in the amount of \$60,000 has been included for the purchase of one vacuum excavator.

Pipeline Maintenance

- Funding in the amount of \$130,000 has been included for the purchase of one new backhoe.

Engineering

- Eliminate one vacant Senior Office Assistant (0.35 FTE) position.
- Funding in the amount of \$100,000 has been included for contractual engineering services.
- With the FTE redistribution of the Administrative Secretary position, there is no FTE allocation to this program.

Summary of Operating Expenditures and Staffing Changes (Continued)

**WATER (Continued)**

Significant Department Expenditure and Staffing Changes (Continued):

Customer Service

- Funding in the amount of \$621,573 is included to continue with the implementation of the Advanced Meter Infrastructure (AMI) Program. FY 2016-17 is the second year of a seven year program to install automated meter reading equipment on customer accounts, at 3,785 endpoints per year. The program involves two cost components: 1) the equipment (endpoint) cost of \$550,831 for FY 2016-17 and 2) an ongoing monthly software component for each active endpoint for a FY 2016-17 Budget of \$70,742. This represents an increase of \$30,318 over the prior year, due to the addition of active endpoints.

Administration

- Eliminate one vacant Public Works Director 0.50 FTE position.
- Reclassify the Public Works Supervisor to the Public Works Manager (Range 43) position with a distribution of 0.20 FTE.
- Change the Public Works Supervisor salary range from Range 38 to a Range 40.
- Eliminate one vacant Senior Office Assistant position (0.50 FTE) and add one part-time Office Assistant (0.23 FTE) position.
- Eliminate the City Engineer (0.50 FTE) position, and add \$100,000 for contractual engineering services to the Water Engineering program.
- Eliminate one vacant Emergency Services Coordinator (0.50 FTE) position and add one part-time Administrative Analyst (0.23 FTE) position.
- Reclassify the Community Relations and Media Coordinator to the Assistant to the City Manager and allocate 0.25 FTE to Water Administration.
- To more accurately reflect the current workload, the distribution of the Director of Development Services is decreased from 0.40 FTE to 0.15 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.20 FTE to 0.15 FTE and this change increases the total FTE allocation to a decrease from 0.70 FTE to 0.65 FTE, which is due to having two split funded Administrative Secretary positions coded to this program.
- The Management Analyst FTE distribution is being decreased from 1.00 FTE to 0.50 FTE to reflect assigned duties and workload priorities.

**D.S. SEWER**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Sewer Operations	\$ 3,184,400	\$ 3,500,424	\$ 316,024	10%
Sewer Capital	0	200,000	200,000	100%
<b>Total D.S. Sewer</b>	<b>\$ 3,184,400</b>	<b>\$ 3,700,424</b>	<b>\$ 516,024</b>	<b>16%</b>
Full & Part-Time Staff (FTE)	5.20	5.20	0.00	0%

Significant Department Expenditure and Staffing Changes:

- Half the funding in the amount of \$214,000 is included to purchase a new vector, for a total cost of \$428,000.

**Summary of Operating Expenditures and Staffing Changes (Continued)**

**POLICE DEPARTMENT**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Police	\$ 14,834,551	\$ 15,557,980	\$ 723,429	5%
<b>Total Police</b>	<b>\$ 14,834,551</b>	<b>\$ 15,557,980</b>	<b>\$ 723,429</b>	<b>5%</b>
Full & Part-Time Staff (FTE)	77.00	78.00	1.00	1%

Significant Department Expenditure and Staffing Changes:

- The FY 2015-16 Budget for the police services contract was budgeted at \$14,027,940. It is anticipated that the contract will increase by 1.5% or \$217,280 to continue current level law enforcement services. Included in the budget is the addition of one Deputy Sheriff (1.00 FTE) position, which increases the police services contract by 3.0% or \$414,375 to a projected cost of \$14,442,315. It should be noted that the provided police service contract costs do not include salary increases from the ongoing labor negotiations between the County and safety personnel labor organizations.
- Now that the City's Crime Free Rental Program is in operation, one Deputy Sheriff (1.00 FTE) position is being added (see above) for the Crime Free Rental Program. The deputy will be responsible for contacting property owners and single-family homeowners in the Crime Free Rental Program. The deputy will monitor arrests and criminal reports that occur on rental properties, in addition to having a working relationship with property owners and property managers. This deputy will work closely with Code Enforcement, Animal Control, County Probation, and will assist with inspections when necessary.
- The City receives contract credits from vacant positions or while personnel are on long-term leave. These credits are used to offset any overtime charges. For the FY 2016-17 Budget, it is assumed that vacancy credits will exceed the overtime costs.
- If ALPR fixed cameras are purchased and installed, the total expenditures for equipment installation at all four locations is estimated at \$537,334. If fiber optics are not available at the intersections, total monthly costs are estimated at \$800. The Department currently has approximately \$71,000 in Asset Forfeiture monies that can be utilized to offset expenses of the equipment and installation, which leaves an obligation of \$466,500. The main non-monetary benefit of the system is the agency being able to detect stolen and wanted vehicles and assist with the prosecution of suspects in those related cases. The utilization of the cameras will equate to extra manpower by allowing deputies to focus on other areas of concern.

**FIRE DISTRICT**

Department	2015-16 Budget	2016-17 Budget	Change From 2016-17 Budget	
			Amount	Percent
Operations and Community Safety	\$ 9,419,396	\$ 9,808,986	\$ 389,590	4%
Administration	564,725	624,530	59,805	11%
<b>Total Fire District</b>	<b>\$ 9,984,121</b>	<b>\$ 10,433,516</b>	<b>\$ 449,395</b>	<b>5%</b>
Full & Part-Time Staff (FTE)	58.25	58.33	0.08	0%

Significant Department Expenditure and Staffing Changes:

- For the Hesperia Fire Protection District, the contract with the San Bernardino County Fire Department (County Fire) changed during FY 2015-16 from the adopted budget of \$9,419,396 to a Revised FY 2015-16 of \$9,545,062 reflecting a restructured salary schedule and monthly paramedic stipend. For FY 2016-17, the County Fire contract for the current level of service has increased from \$9,545,062 to \$9,808,986 for an increase of \$263,924, or 2.8%. This increase was due to operating expenses increase of \$282,619; an increase in the contract management fee of \$26,095; and a decrease in personnel costs of \$44,790.

## Summary of Operating Expenditures and Staffing Changes (Continued)

### FIRE DISTRICT (Continued)

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#### Significant Department Expenditure and Staffing Changes (Continued):

- Purchase of one new medic ambulance in FY 2016-17 (Fund 502).
- During FY 2015-16 the Fire District purchased one new medic ambulance and one previously owned medic ladder truck (Fund 502).
- Continue deployment of 15 Ambulance Operator EMT Positions (15.00 FTE) and 15 Ambulance Operator PM Positions (15.00 FTE) to staff 5 Advanced Life Support Ambulances.
- Continue two Advance Support Fire Engines with one Captain, one Engineer, and one Firefighter/Paramedic and partially staff a third County Engine with one Engineer per 24 hour period.
- Due to contract reallocation, the Division Chief has been reclassified as the Assistant Chief position, as well as increasing the FTE allocation by 0.02 FTE for a total 0.45 FTE.
- In addition, the three Battalion Chief positions each increased from 0.43 FTE to 0.45 FTE for a contract total of 1.35 FTE.
- Funding of \$45,000 for a Plymovent for Station 304 and carry-over roof repairs at Station 302 (\$84,000) are to be carried over to City FY 2016-17 Budget and are funded in the Fire Capital Fund 502.
- CalPERS inactive pension plan will increase \$62,435 or 19.8% from \$315,166 to \$377,601 in FY 2016-17 Budget.



## **CITY OF HESPERIA MISSION STATEMENT**

Hesperia is dedicated to enhancing our safe, friendly community, while blending a rural lifestyle with progress and responsible growth.

## **CITY COUNCIL PRIORITIES (GOALS)**

To adhere to the City's Mission Statement, the City Council has adopted the following six goals.

1. Public Safety – Ensure adequate public safety resources are available for our citizens, families, children, businesses, and visitors.
  - Refer to the Police Department (page F-120) and Fire Department (page F-126) budget, as well as the Code Enforcement Program (page F-64) and the Animal Control Program (page F-66) budget for discussion of the Public Safety goal.
2. Financial Health – Hesperia will assure its financial health by continuing to provide structurally balanced budgets for its operating funds.
  - The City Manager Department (page F-8) and Management Services Department, particularly the Finance Division, (page F-22) budget discusses the Financial Health goal.
3. Future Development – Actively manage growth to ensure cohesive development including Industrial, Commercial, Residential, Freeway, Main Street and Rancho Corridors.
  - The Economic Development Department (page F-32) focuses on business attraction component of this goal, while the Development Service Department, particularly the Community Development Division (page F-55 & F-58), focus on the development component of the goal.
4. Future Vision – Agree on a 'vision' of what Hesperia should be in 5, 15, and 25 years (revisit the 'vision' no sooner than once every 5 years).
  - This goal discussion can be found in the City Council narrative found on page F-2.

## CITY COUNCIL PRIORITIES (GOALS) ~ Continued

5. Organizational Health – Establish and maintain a healthy and efficient organization to provide City services.
  - The City Manager Department (page F-8) and Human Resources/Risk Management Division within the Management Services Department (page F-26), ensure that this goal is ascertained.
6. Capital Improvement – Create Capital Improvement Funding after Redevelopment's elimination.
  - The Development Services Department (page F-78), as a whole, oversee capital improvement. Furthermore, refer to the Capital Improvement Program (CIP) section, which starts on page G-3 for a complete discussion of the planned projects.

RESOURCE  
AND  
EXPENDITURE  
SUMMARIES

- *Overview*
- *Summary*
- *General Fund – 2016-17 Budget, Fund Balance, and Reserves*
- *Water District – 2016-17 Budget, Fund Balance, and Reserves*
- *Fire District – 2016-17 Budget, Fund Balance, and Reserves*
- *Streets Maintenance Fund – 2016-17 Budget, Fund Balance, and Reserves*
- *Hesperia Housing Authority – 2016-17 Budget, Fund Balance, and Reserves*
- *Community Development Commission – 2016-17 Budget, Fund Balance, and Reserves*

## OVERVIEW

The Resources and Expenditure Summaries section of the budget document depicts the calculations or methodology for "Balancing the Budget" for the City's six primary operating funds or fund groups, which include the General Fund, Water District, Fire District, Public Works Streets Maintenance, Hesperia Housing Authority, and Community Development Commission.

The two primary factors considered include:

- Resources – Annual Revenues, Budgeted Reserves (i.e. the planned use of savings), and Transfers.
- Expenditures – Annual planned expenditures for operations, capital improvements and debt.

The budget is balanced by matching resources and expenditures which results in a zero or surplus balance (Difference Resources/Expenditures).

This section also shows the Fund Balance and Reserves for the six funds or fund groups. The 2016-17 Budget then updates the fund balance and a calculation is made to estimate the Cash Reserves. The City Council policy of 10% Cash Reserves and the Reserves Above 10% are reported.

Section I, Fund Balance Summaries, provides similar balancing information for all City funds included in the 2016-17 Budget.

## SUMMARY

Both the City's General Fund and Water District are balanced with a surplus above the 10% reserve level where cash reserve levels substantially exceed the City Council/Board policy of 10%. The City Council's/Board's policy of maintaining 10% cash reserves as a percent of expenditures is illustrated on the following table and schedules on the following pages.

The Fire District Operating Fund is anticipated to have a negative cash balance of \$245,255 for FY 2016-17, which is a reduction of \$141,708 from the FY 2014-15 Actual cash deficit of \$395,963. This negative cash deficit is covered by the Fire Capital Fund (Fund 502).

	<u>General Fund</u>		<u>Water District</u>		<u>Fire District Operating Fund</u>	
10% Cash Reserves (Council/Board Policy)	\$2,987,551	10%	\$3,082,714	10%	\$ 1,043,352	10%
Cash Reserves Above 10% Reserve	2,455,761	8%	821,218	3%	(1,297,607)	-12%
Total Estimated Cash Reserves	<u>\$5,443,312</u>	<u>18%</u>	<u>\$ 3,903,932</u>	<u>13%</u>	<u>\$ (254,255)</u>	<u>-2%</u>

**RESOURCES AND EXPENDITURE SUMMARIES**

**GENERAL FUND – 2016-17 BUDGET, FUND BALANCE, AND RESERVES**

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget	
<b>RESOURCES</b>					
Total General Fund Revenue	\$ 25,455,353	\$ 26,201,615	\$ 26,687,773	5%	
<b>Budgeted Reserves</b>					
1. Budgeted Reserves	\$ 1,582,505	\$ 419,288	\$ 3,048,732		
2. Budget Amendment Reserves	0	766,528	0		
3. 2014 Development Impact Fee Loan (DIF-Public Service)	677,584	677,584	688,533		
<b>Total Budgeted Reserves</b>	<b>\$ 2,260,089</b>	<b>\$ 1,863,400</b>	<b>\$ 3,737,265</b>	<b>65%</b>	
<b>Transfers</b>					
1. Fund 255 - AB 3229 COPS Grant	\$ 140,000	\$ 140,000	\$ 140,000		
2. Fund 700 - Indirect Cost Allocation-Water	1,300,000	1,300,000	1,300,000		
3. Fund 710 - Indirect Cost Allocation-Sewer	180,315	180,315	196,330		
4. Fund 700 - Indirect Cost Allocation					
Prior Year Uncharged Water	500,000	500,000	500,000		
Subtotal Transfers In	2,120,315	2,120,315	2,136,330		
5. Fund 403 - 2005 COP Refinance Debt Service	(99,016)	(99,016)	(100,617)		
6. Fund 402 - 2012 Water Rights Acquisition Debt Service	(1,449,550)	(1,441,174)	(1,446,375)		
7. Fund 304 - 2014 DIF Loan (DIF-Public Service)	(677,584)	(677,584)	(688,533)		
8. Fund 170 - T transfer to CDC for Retail Feasibility Study	0	(250,000)	0		
9. Fund 170 - T transfer to CDC	0	0	(410,493)		
Subtotal Transfers Out	(2,226,150)	(2,467,774)	(2,646,018)		
<b>Total Transfers</b>	<b>(105,835)</b>	<b>(347,459)</b>	<b>(509,688)</b>	<b>382%</b>	
<b>TOTAL RESOURCES</b>					
(Revenue, Budgeted Reserves, and T transfers)	27,609,607	27,717,556	29,915,350		
<b>TOTAL GENERAL FUND EXPENDITURES</b>	27,522,987	26,704,502	29,875,509	8%	
<b>DIFFERENCE RESOURCES/EXPENDITURES</b>	\$ 86,620	\$ 1,013,054	\$ 39,841		
<b>Fund Balance</b>					
July 1 Beginning Balance	\$ 9,939,339	\$ 10,847,900	\$ 9,997,554		
Total Budgeted Reserves	(2,260,089)	(1,863,400)	(3,737,265)		
Difference Resources/Expenditures	86,620	1,013,054	39,841		
<b>Estimated June 30 Ending Fund Balance</b>	<b>\$ 7,765,870</b>	<b>\$ 9,997,554</b>	<b>\$ 6,300,130</b>		
<b>General Fund Reserve Amounts</b>					
10% of expenditures	\$ 2,752,299	\$ 2,670,450	\$ 2,987,551		
<b>Cash and Investments</b>					
June 30 Ending Fund Balance	\$ 7,765,870	\$ 7,821,283	\$ 6,300,130		
Estimated Cash and Investment Portion of Fund Balance	x 81.3%	x 86.4%	x 86.4%		
<b>Estimated Cash and Investment Balance</b>	<b>\$ 6,313,652</b>	<b>\$ 6,757,589</b>	<b>\$ 5,443,312</b>		
<b>Reserves</b>	<u>2015-16 Reserve %</u>			<u>2016-17 Reserve %</u>	
10% Cash Reserve (Council Policy)	10%	\$ 2,752,299	\$ 2,670,450	\$ 2,987,551	10%
Reserves Above/(Below) 10% Reserve	13%	3,561,353	4,087,139	2,455,761	8%
<b>Total Estimated Cash Reserves</b>	<b>23%</b>	<b>\$ 6,313,652</b>	<b>\$ 6,757,589</b>	<b>\$ 5,443,312</b>	<b>18%</b>

**RESOURCES AND EXPENDITURE SUMMARIES**

**WATER DISTRICT – 2016-17 BUDGET, FUND BALANCE, AND RESERVES**

	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17</u>	<u>% Change</u>	
	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>	<u>From</u>	
				<u>2015-16</u>	
				<u>Budget</u>	
<b>RESOURCES</b>					
Revenue					
Water Operating and Capital	\$ 16,181,926	\$ 15,604,479	\$ 22,145,822	37%	
Sewer Operating and Capital	3,732,223	3,587,615	3,589,753	-4%	
Total Revenue	<u>\$ 19,914,149</u>	<u>\$ 19,192,094</u>	<u>\$ 25,735,575</u>	29%	
Total Budgeted Reserves	\$ 728,529	\$ 779,744	\$ 1,321,831		
Loan Proceeds-State Revolving Fund (SRF)	<u>0</u>	<u>0</u>	<u>3,772,663</u>		
<b>Total Resources</b>	<b>\$ 20,642,678</b>	<b>\$ 19,971,838</b>	<b>\$ 30,830,069</b>		
<b>EXPENDITURES by Program</b>					
Water Operating and Capital	\$ 16,359,629	\$ 15,733,869	\$ 27,126,718	66%	
Sewer Operating and Capital	3,184,400	3,150,753	3,700,424	16%	
Total Expenditures	<u>19,544,029</u>	<u>18,884,622</u>	<u>30,827,142</u>	58%	
Difference Resources/Expenses	\$ 1,098,649	\$ 1,087,216	\$ 2,927		
<b>Fund Balance</b>					
July 1 Beginning Balance	\$ 89,259,423	\$ 85,879,522	\$ 86,186,994		
Budgeted Reserves	(728,529)	(779,744)	(1,321,831)		
Difference Resources/Expenditures	1,098,649	1,087,216	2,927		
Estimated June 30 Ending Fund Balance	<u>\$ 89,629,543</u>	<u>\$ 86,186,994</u>	<u>\$ 84,868,090</u>		
<b>Water District Reserve Amounts</b>					
10% of expenditures	\$ 1,954,403	\$ 1,888,462	\$ 3,082,714		
<b>Cash and Investments</b>					
June 30 Ending Fund Balance	\$ 89,629,543	\$ 86,186,994	\$ 84,868,090		
Estimated Cash and Investment Portion of Fund Balance	x 5.1%	x 4.6%	x 4.6%		
Estimated Cash and Investment Balance	<u>\$ 4,571,107</u>	<u>\$ 3,964,602</u>	<u>\$ 3,903,932</u>		
<b>Reserves</b>					
	<u>2015-16</u>			<u>2016-17</u>	
	<u>Reserve %</u>			<u>Reserve %</u>	
10% Cash Reserve (Council Policy)	10%	\$ 1,954,403	\$ 1,888,462	\$ 3,082,714	10%
Reserves Above/(Below) 10% Reserve	13%	2,616,704	2,076,140	821,218	3%
Total Estimated Cash Reserves	<u>23%</u>	<u>\$ 4,571,107</u>	<u>\$ 3,964,602</u>	<u>\$ 3,903,932</u>	<u>13%</u>

**RESOURCES AND EXPENDITURE SUMMARIES**

**WATER DISTRICT – WATER OPERATIONS - 2016-17 BUDGET, FUND BALANCE, AND RESERVES**

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>RESOURCES</b>				
Water Operations Revenue	\$ 15,785,926	\$ 15,104,094	\$ 15,503,485	-2%
Budgeted Reserves				
Total Budgeted Reserves	<u>708,529</u>	<u>733,000</u>	<u>907,831</u>	
Total Resources	<u>\$ 16,494,455</u>	<u>\$ 15,837,094</u>	<u>\$ 16,411,316</u>	
<b>EXPENDITURES by Program</b>				
700 4010 Source of Supply	2,219,471	2,221,294	2,272,273	
700 4020 Production	3,043,268	3,034,493	3,125,607	
700 4030 Water Distribution	1,185,131	1,130,265	1,287,290	
700 4035 Water Line Replacement	1,045,044	908,469	1,219,466	
700 4040 Engineering	971,151	814,025	970,628	
700 4050 Customer Service	1,526,122	1,471,276	1,610,685	
700 4060 Utility Billing	1,001,544	990,332	1,019,650	
700 4070 Administration	5,006,529	4,820,607	4,659,603	
700 4080 Property Management	361,369	273,108	385,727	
Total Expenditures	<u>16,359,629</u>	<u>15,663,869</u>	<u>16,550,929</u>	1%
Difference Resources/Expenses	\$ 134,826	\$ 173,225	\$ (139,613)	

**WATER OPERATIONS – FUND BALANCE AND RESERVES**

<b>Fund Balance</b>				
July 1 Beginning Balance		\$ 83,320,998	\$ 80,274,081	\$ 79,714,306
Budgeted Reserves		(708,529)	(733,000)	(907,831)
Difference Resources/Expenditures		134,826	173,225	(139,613)
Estimated June 30 Ending Fund Balance		<u>\$ 82,747,295</u>	<u>\$ 79,714,306</u>	<u>\$ 78,666,862</u>
<b>Water District Reserve Amounts</b>				
10% of expenditures		\$ 1,635,963	\$ 1,566,387	\$ 1,655,093
<b>Cash and Investments</b>				
June 30 Ending Fund Balance		\$ 82,747,295	\$ 79,714,306	\$ 78,666,862
Cash and Investment Portion of Fund Balance		x 8.5%	x 5.8%	x 5.8%
Estimated Cash and Investment Balance		<u>\$ 7,033,520</u>	<u>\$ 4,623,430</u>	<u>\$ 4,562,678</u>
	2015-16			2016-17
Reserves	<u>Reserve %</u>			<u>Reserve %</u>
10% Cash Reserve (Council Policy)	10%	\$ 1,635,963	\$ 1,566,387	\$ 1,655,093
Reserves Above/(Below) 10% Reserve	33%	<u>5,397,557</u>	<u>3,057,043</u>	<u>2,907,585</u>
Total Estimated Cash Reserves	43%	\$ 7,033,520	\$ 4,623,430	\$ 4,562,678

**RESOURCES AND EXPENDITURE SUMMARIES**

**WATER DISTRICT – WATER CAPITAL - 2016-17 BUDGET, FUND BALANCE, AND RESERVES**

	<u>2015-16 Budget</u>	<u>2015-16 Revised</u>	<u>2016-17 Budget</u>	% Change From 2015-16 Budget
<b>RESOURCES</b>				
Water Capital Revenue	\$ 396,000	\$ 500,385	\$ 6,642,337	1577%
Budgeted Reserves	0	30,000	0	
Loan Proceeds-State Revolving Fund (SRF)	0	70,000	3,772,663	
<b>Total Resources</b>	<u>396,000</u>	<u>600,385</u>	<u>10,415,000</u>	
<b>EXPENDITURES by Program</b>				
701 800 Water CIP	0	70,000	10,575,789	
<b>Total Expenditures</b>	<u>0</u>	<u>70,000</u>	<u>10,575,789</u>	N/A
<b>Difference Resources/Expenses</b>	<b>\$ 396,000</b>	<b>\$ 530,385</b>	<b>\$ (160,789)</b>	

**WATER CAPITAL – FUND BALANCE AND RESERVES**

<b>Fund Balance</b>			
July 1 Beginning Balance	\$ (12,290,499)	\$ (12,478,197)	\$ (11,977,812)
Budgeted Reserves	0	(30,000)	0
Difference Resources/Expenditures	396,000	530,385	(160,789)
<b>Estimated June 30 Ending Fund Balance</b>	<u>\$ (11,894,499)</u>	<u>\$ (11,977,812)</u>	<u>\$ (12,138,601)</u>
<b>Water District Reserve Amounts</b>			
10% of expenditures	\$ 0	\$ 7,000	\$ 1,057,579
<b>Cash and Investments</b>			
June 30 Ending Fund Balance	\$ (11,894,499)	\$ (11,977,812)	\$ (12,138,601)
Cash and Investment Portion of Fund Balance	x 106.1%	x 102.0%	x 102.0%
<b>Estimated Cash and Investment Balance</b>	<u>\$ (12,620,063)</u>	<u>\$ (12,217,368)</u>	<u>\$ (12,381,373)</u>

	<u>2015-16 Reserve %</u>			<u>2016-17 Reserve %</u>	
<b>Reserves</b>					
10% Cash Reserve (Council Policy)	-100%	\$ 0	\$ 7,000	\$ 1,057,579	10%
Reserves Above/(Below) 10% Reserve	-4%	(12,620,063)	(12,224,368)	(13,438,952)	-127%
<b>Total Estimated Cash Reserves</b>	<u>-4%</u>	<u>\$ (12,620,063)</u>	<u>\$ (12,217,368)</u>	<u>\$ (12,381,373)</u>	<u>-117%</u>

**RESOURCES AND EXPENDITURE SUMMARIES**

**WATER DISTRICT – SEWER OPERATIONS - 2016-17 BUDGET, FUND BALANCE, AND RESERVES**

	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>	% Change From 2015-16 <u>Budget</u>
<b>RESOURCES</b>				
Sewer Operations Revenue	\$ 3,530,215	\$ 3,482,815	\$ 3,504,653	-1%
Budgeted Reserves	20,000	16,744	214,000	
<b>Total Resources</b>	<u>3,550,215</u>	<u>3,499,559</u>	<u>3,718,653</u>	
<b>EXPENDITURES by Program</b>				
710 4200 Sewer Distribution	<u>3,184,400</u>	<u>3,150,753</u>	<u>3,500,424</u>	
<b>Total Expenditures</b>	<u>3,184,400</u>	<u>3,150,753</u>	<u>3,500,424</u>	10%
Difference Resources/Expenses	\$ 365,815	\$ 348,806	\$ 218,229	

**SEWER OPERATIONS – FUND BALANCE AND RESERVES**

<b>Fund Balance</b>					
July 1 Beginning Balance	\$ 14,235,993	\$ 14,221,991	\$ 14,554,053		
Budgeted Reserves	(20,000)	(16,744)	(214,000)		
Difference Resources/Expenditures	<u>365,815</u>	<u>348,806</u>	<u>218,229</u>		
<b>Estimated June 30 Ending Fund Balance</b>	<u>\$ 14,581,808</u>	<u>\$ 14,554,053</u>	<u>\$ 14,558,282</u>		
<b>Water District Reserve Amounts</b>					
10% of expenditures	\$ 318,440	\$ 315,075	\$ 350,042		
<b>Cash and Investments</b>					
June 30 Ending Fund Balance	\$ 14,581,808	\$ 14,554,053	\$ 14,558,282		
Cash and Investment Portion of Fund Balance	<u>x 59.4%</u>	<u>x 65.6%</u>	<u>x 65.6%</u>		
<b>Estimated Cash and Investment Balance</b>	<u>\$ 8,661,594</u>	<u>\$ 9,547,459</u>	<u>\$ 9,550,233</u>		
<b>Reserves</b>	<u>2015-16 Reserve %</u>			<u>2016-17 Reserve %</u>	
10% Cash Reserve (Council Policy)	10%	\$ 318,440	\$ 315,075	\$ 350,042	10%
Reserves Above/(Below) 10% Reserve	262%	8,343,154	9,232,384	9,200,191	263%
<b>Total Estimated Cash Reserves</b>	<u>272%</u>	<u>\$ 8,661,594</u>	<u>\$ 9,547,459</u>	<u>\$ 9,550,233</u>	<u>273%</u>

## RESOURCES AND EXPENDITURE SUMMARIES

### WATER DISTRICT – SEWER CAPITAL - 2016-17 BUDGET, FUND BALANCE, AND RESERVES

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>RESOURCES</b>				
Sewer Capital Revenue	\$ 202,008	\$ 104,800	\$ 85,100	-58%
Budgeted Reserves	0	0	200,000	
<b>Total Resources</b>	<b>202,008</b>	<b>104,800</b>	<b>285,100</b>	
<b>EXPENDITURES by Program</b>				
711 900 Sewer CIP	0	0	200,000	
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	N/A
<b>Difference Resources/Expenses</b>	<b>\$ 202,008</b>	<b>\$ 104,800</b>	<b>\$ 85,100</b>	

### SEWER CAPITAL – FUND BALANCE AND RESERVES

<b>Fund Balance</b>					
July 1 Beginning Balance	\$ 3,992,931	\$ 3,861,647	\$ 3,966,447		
Budgeted Reserves	0	0	(200,000)		
Difference Resources/Expenditures	202,008	104,800	85,100		
<b>Estimated June 30 Ending Fund Balance</b>	<b>\$ 4,194,939</b>	<b>\$ 3,966,447</b>	<b>\$ 3,851,547</b>		
<b>Water District Reserve Amounts</b>					
10% of expenditures	\$ 0	\$ 0	\$ 20,000		
<b>Cash and Investments</b>					
June 30 Ending Fund Balance	\$ 4,194,939	\$ 3,966,447	\$ 3,851,547		
Cash and Investment Portion of Fund Balance	x 96.5%	x 103.2%	x 103.2%		
<b>Estimated Cash and Investment Balance</b>	<b>\$ 4,048,116</b>	<b>\$ 4,093,373</b>	<b>\$ 3,974,797</b>		
<b>Reserves</b>					
	<b>2015-16</b>			<b>2016-17</b>	
	<b>Reserve %</b>			<b>Reserve %</b>	
10% Cash Reserve (Council Policy)	-100%	\$ 0	\$ 0	\$ 20,000	10%
Reserves Above/(Below) 10% Reserve	26%	4,048,116	4,093,373	3,954,797	1977%
<b>Total Estimated Cash Reserves</b>	<b>24%</b>	<b>\$ 4,048,116</b>	<b>\$ 4,093,373</b>	<b>\$ 3,974,797</b>	<b>1987%</b>

## RESOURCES AND EXPENDITURE SUMMARIES

### FIRE DISTRICT (OPERATIONS & CAPITAL) – 2016-17 BUDGET, FUND BALANCE, AND RESERVES

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change 2015-16 Budget
<b>RESOURCES</b>				
Fire Operating Revenue Fund 200	\$ 9,995,641	\$ 9,848,956	\$ 10,587,933	6%
Fire Capital Revenue Fund 502	674,373	780,725	828,348	
Total Fire District Revenue	<u>10,670,014</u>	<u>10,629,681</u>	<u>11,416,281</u>	7%
Budgeted Reserves	0	222,139	0	
<b>TOTAL RESOURCES</b>	<u>10,670,014</u>	<u>10,851,820</u>	<u>11,416,281</u>	
<b>EXPENDITURES</b>				
Fire Operating Expenditures Fund 200:				
520 Operations & Community Safety	9,419,396	9,545,062	9,808,986	4%
521 Administration	564,725	538,742	624,530	11%
Sub-total Fire Operating Expenditures	<u>9,984,121</u>	<u>10,083,804</u>	<u>10,433,516</u>	5%
Fire Capital Expenditures Fund 502	129,000	544,643	344,000	
Total Fire District Expenditures	<u>10,113,121</u>	<u>10,628,447</u>	<u>10,777,516</u>	
<b>DIFFERENCE RESOURCES/EXPENSES</b>	<b>\$ 556,893</b>	<b>\$ 223,373</b>	<b>\$ 638,765</b>	
<b>Fund Balance</b>				
July 1 Beginning Fund Balance				
Fire Operations Fund 200	\$ 529,360	\$ 486,393	\$ 251,545	
Fire Capital Fund 502	4,468,829	5,444,520	5,680,602	
Total Fire District July 1 Beginning Fund Balance	<u>4,998,189</u>	<u>5,930,913</u>	<u>5,932,147</u>	
Budgeted Reserves	0	(222,139)	0	
Difference Resources/Expenditures	556,893	223,373	638,765	
Estimated June 30 Operating Ending Fund Balance				
June 30 Fire Operating Fund 200 Fund Balance	540,880	251,545	405,962	
June 30 Fire Capital Fund 502 Fund Balance	<u>5,014,202</u>	<u>5,680,602</u>	<u>6,164,950</u>	
Combined June 30 Fire Operations and Capital Fund Balance	<u>\$ 5,555,082</u>	<u>\$ 5,932,147</u>	<u>\$ 6,570,912</u>	

**RESOURCES AND EXPENDITURE SUMMARIES**

**FIRE DISTRICT OPERATING FUND – 2016-17 BUDGET, FUND BALANCE, AND RESERVES**

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change 2015-16 Budget	
<b>RESOURCES</b>					
Fire District Operating Fund Revenue	\$ 9,995,641	\$ 9,848,956	\$ 10,587,933	6%	
Budgeted Reserves					
1. Budgeted Reserves	0	222,139	0		
<b>TOTAL RESOURCES</b>	<b>9,995,641</b>	<b>10,071,095</b>	<b>10,587,933</b>		
<b>EXPENDITURES</b>					
520 Operations & Community Safety	9,419,396	9,545,062	9,808,986	4%	
521 Administration	564,725	538,742	624,530	11%	
<b>Total Expenditures</b>	<b>9,984,121</b>	<b>10,083,804</b>	<b>10,433,516</b>	<b>5%</b>	
<b>DIFFERENCE RESOURCES/EXPENSES</b>	<b>\$ 11,520</b>	<b>\$ (12,709)</b>	<b>\$ 154,417</b>		
<b>Fund Balance</b>					
July 1 Beginning Fund Balance	\$ 529,360	\$ 486,393	\$ 251,545		
Budgeted Reserves	0	(222,139)	0		
Difference Resources/Expenditures	11,520	(12,709)	154,417		
<b>Estimated June 30 Ending Fund Balance</b>	<b>\$ 540,880</b>	<b>\$ 251,545</b>	<b>\$ 405,962</b>		
<b>Fire District Operating Fund Reserve Amounts</b>					
10% of expenditures	\$ 998,412	\$ 1,008,380	\$ 1,043,352		
<b>Cash and Investments</b>					
June 30 Ending Fund Balance	\$ 540,880	\$ 251,545	\$ 405,962		
Estimated Cash and Investment Portion of Fund Balance	x 42.9%	x 0%	x 0%		
<i>Estimated Cash and Investment Balance (Based on Fund Balance)</i>	\$ 232,038	N/A	N/A		
June 30 Ending Cash Balance	N/A	\$ (395,963)	\$ (408,672)	\$(141,708)	
Difference Resources/Expenditures (Assumed to be Cash Difference)	N/A	(12,709)	154,417		
<i>Estimated Cash and Investment Balance (Based on Cash Balance)</i>	N/A	\$ (408,672)	\$ (254,255)		
<b>Reserves</b>	<b>2015-16 Reserve %</b>			<b>2016-17 Reserve %</b>	
10% Cash Reserve (Council Policy)	10%	\$ 998,412	\$ 1,008,380	\$ 1,043,352	10%
Reserves Above/(Below) 10% Reserve	-8%	(766,374)	(1,417,052)	(1,297,607)	-12%
<b>Total Estimated Cash Reserves</b>	<b>2%</b>	<b>\$ 232,038</b>	<b>\$ (408,672)</b>	<b>\$ (254,255)</b>	<b>-2%</b>

Note – The Fire District shows N/A (not applicable) which is due to having negative cash at June 30, 2015. The Fire Operating fund has operated with negative cash from June 30, 2015 through to present.

## RESOURCES AND EXPENDITURE SUMMARIES

### FIRE DISTRICT CAPITAL FUND – 2016-17 BUDGET, FUND BALANCE, AND RESERVES

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change 2015-16 Budget
<b>Resources</b>				
Fire District Capital Fund Revenue	\$ 674,373	\$ 780,725	\$ 828,348	23%
<b>Total Expenditures</b>				
Difference Resources/Expenses	129,000	544,643	344,000	167%
Difference Resources/Expenses	\$ 545,373	\$ 236,082	\$ 484,348	
<b>Fund Balance</b>				
July 1 Beginning Fund Balance	\$ 4,468,829	\$ 5,444,520	\$ 5,680,602	
Budgeted Reserves	0	0	0	
Prop. 1A State 8% Loan Receivable	0	0	0	
Difference Resources/Expenditures	545,373	236,082	484,348	
Estimated June 30 Ending Fund Balance	\$ 5,014,202	\$ 5,680,602	\$ 6,164,950	

RESOURCES AND EXPENDITURE SUMMARIES

STREETS MAINTENANCE FUND – 2016-17 BUDGET, FUND BALANCE, AND RESERVES

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>RESOURCES</b>				
Total Street Maintenance Fund Revenue	\$ 4,006	\$ 5,044	\$ 4,879	22%
<b>Budgeted Reserves</b>				
Budgeted Reserves	71,000	93,500	392,000	
Total Budgeted Reserves	\$ 71,000	\$ 93,500	\$ 392,000	
<b>Transfers</b>				
Fund 204 - Measure I - Renewal	\$ 725,000	\$ 725,000	\$ 170,000	
Fund 205 - Gas Tax Fund	1,300,304	1,300,304	1,630,000	
Fund 206 - Gas Tax Swap	475,000	475,000	180,000	
Fund 207 - Local Transportation Fund (LTF)	750,000	750,000	1,450,000	
Total Transfers	3,250,304	3,250,304	3,430,000	
<b>TOTAL RESOURCES</b>				
(Revenue, Budgeted Reserves, and Transfers)	3,325,310	3,348,848	3,826,879	
<b>TOTAL STREET MAINTENANCE FUND EXPENDITURES</b>	<b>3,325,310</b>	<b>3,213,188</b>	<b>3,683,396</b>	<b>11%</b>
<b>DIFFERENCE RESOURCES/EXPENDITURES</b>	<b>\$ 0</b>	<b>\$ 135,660</b>	<b>\$ 143,483</b>	
<b>Fund Balance</b>				
July 1 Beginning Balance	\$ 438,200	\$ 482,150	\$ 524,310	
Total Budgeted Reserves	(71,000)	(93,500)	(392,000)	
Difference Resources/Expenditures	0	135,660	143,483	
Estimated June 30 Ending Balance	\$ 367,200	\$ 524,310	\$ 275,793	

## RESOURCES AND EXPENDITURE SUMMARIES

### HESPERIA HOUSING AUTHORITY – 2016-17 BUDGET, FUND BALANCE, AND RESERVES

(Includes Funds 370 - Hesperia Housing Authority & 371 - WEDA Housing Authority)

	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>RESOURCES</b>				
Total Housing Authority Revenue	\$ 1,386,241	\$ 897,252	\$ 186,311	-87%
Budgeted Reserves	75,329	0	610,534	710%
Budgeted Reserves for Loan	0	0	3,831,975	
<b>Total Resources</b>	<u>1,461,570</u>	<u>897,252</u>	<u>4,628,820</u>	<u>217%</u>
<b>EXPENDITURES</b>				
370 Hesperia Housing Authority	639,564	276,760	4,478,820	600%
371 WEDA Housing Authority	180,000	0	150,000	-17%
<b>Total Expenditures</b>	<u>819,564</u>	<u>276,760</u>	<u>4,628,820</u>	<u>465%</u>
<b>DIFFERENCE RESOURCES/EXPENSES</b>	<u>\$ 642,006</u>	<u>\$ 620,492</u>	<u>\$ 0</u>	
<b>Fund Balance</b>				
July 1 Beginning Balance	\$ 18,479,895	\$ 19,189,097	\$ 19,809,589	
Budgeted Reserves	(75,329)	0	(4,442,509)	
Difference Resources/Expenditures	642,006	620,492	0	
<b>Estimated June 30 Ending Balance</b>	<u>\$ 19,046,572</u>	<u>\$ 19,809,589</u>	<u>\$ 15,367,080</u>	
Less: Loans/Advances	0	0	0	
Land Held For Resale	(10,269,457)	(10,269,457)	(10,269,457)	
<b>Estimated June 30 Ending Operating Fund Balance</b>	<u>\$ 8,777,115</u>	<u>\$ 9,540,132</u>	<u>\$ 5,097,623</u>	

## RESOURCES AND EXPENDITURE SUMMARIES

### COMMUNITY DEVELOPMENT COMMISSION – 2016-17 BUDGET, FUND BALANCE, AND RESERVES

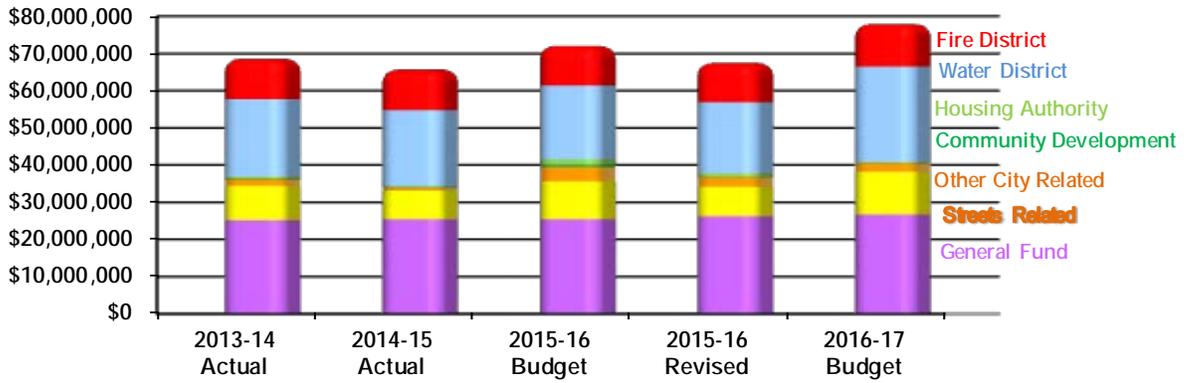
	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>RESOURCES</b>				
Total Community Development Commission Revenue	\$ 621,159	\$ 197,440	\$ 191,488	-69%
Budgeted Reserves	0	0	51,000	N/A
Total Transfers	0	250,000	410,493	N/A
<b>Total Resources</b>	<u>621,159</u>	<u>447,440</u>	<u>652,981</u>	<u>5%</u>
<b>EXPENDITURES</b>				
170 Community Development Commission	563,605	754,907	652,981	16%
<b>Total Expenditures</b>	<u>563,605</u>	<u>754,907</u>	<u>652,981</u>	<u>16%</u>
<b>DIFFERENCE RESOURCES/EXPENSES</b>	<u>\$ 57,554</u>	<u>\$ (307,467)</u>	<u>\$ 0</u>	
<b>Fund Balance</b>				
July 1 Beginning Balance	\$ 119,161	\$ 199	\$ (307,268)	
Budgeted Reserves	0	0	(51,000)	
Difference Resources/Expenditures	57,554	(307,467)	0	
<b>Estimated June 30 Ending Balance</b>	<u>\$ 176,715</u>	<u>\$ (307,268)</u>	<u>\$ (358,268)</u>	

# REVENUE

## SUMMARIES

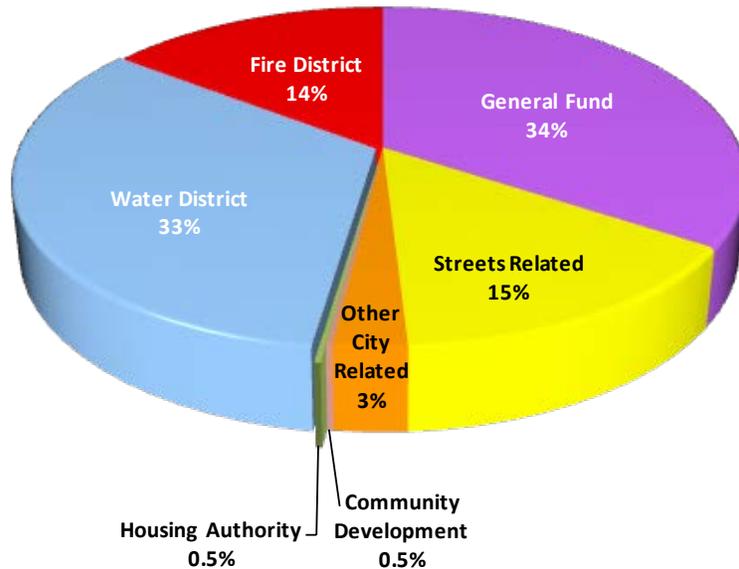
- *Total City Revenue Trend*
- *Summary and Highlights*
- *Total General Fund Revenue*
  - *General Fund Summary of Major Revenues*
  - *Triple Flip Revenue Comparison*
  - *General Fund Development Revenue*
  - *Other General Fund Taxes and Leased Water Rights*
- *Streets and Transportation Related Funds*
- *CDBG, Developer Impact Fee, and Other City Related Funds*
- *Community Development Commission*
- *Hesperia Housing Authority*
- *Water District Revenue Trend*
- *Fire District Revenue Trend*
- *Revenue – Summary by Major Groups*
- *Revenue – Detail by Fund*
- *Revenue – Revenues by Source Type by Blended Component Unit*

**REVENUE**  
**City of Hesperia**  
 Total City Revenue Trend



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	%Change From 2015-16 Budget
General Fund	\$25,174,095	\$25,399,300	\$25,455,353	\$26,201,615	\$26,687,773	5%
Streets Related	9,234,849	7,706,154	10,157,327	8,019,464	11,562,110	14%
Other City Related	1,843,742	892,093	3,900,143	2,411,398	2,188,369	-44%
<b>Total City Funds</b>	<b>36,252,686</b>	<b>33,997,547</b>	<b>39,512,823</b>	<b>36,632,477</b>	<b>40,438,252</b>	<b>2%</b>
Community Development	190,832	144,275	621,159	197,440	191,488	-69%
Housing Authority	456,718	185,213	1,386,241	897,252	186,311	-87%
Water District	20,793,648	20,449,216	19,914,149	19,192,094	25,735,575	29%
Fire District	10,975,313	10,995,809	10,670,014	10,629,681	11,416,281	7%
<b>Total All Funds</b>	<b>\$68,669,197</b>	<b>\$65,772,060</b>	<b>\$72,104,386</b>	<b>\$67,548,944</b>	<b>\$77,967,907</b>	<b>8%</b>

2016-17 Budget Total City Revenue



# REVENUE

## Summary and Highlights

The City of Hesperia maintains the practice of matching each revenue type to a similar expenditure type. There are two basic revenue types: one-time revenue and on-going revenue. The City policy and practice is to have a 'structurally' balanced budget, not using one-time revenue (i.e. bond proceeds and etc.) to pay for on-going expenditures. The total FY 2016-17 Budget compared to the total FY 2015-16 Budget exhibits a revenue increase of \$5.9 million, or 8%. This gain can be primarily attributed to the anticipated increase in Water District Revenue due to the drought related Proposition 1 (\$4.7 million) and Proposition 84 (\$1.5 million) grants and increases to Streets Related revenues from Developer Impact Fees and Local Transportation revenues. These increases offset the declines in the Other City related Community Development Block Grant (CDBG) program income and estimated proceeds from land sales within the Community Development Commission (CDC) and Hesperia Housing Authority (HHA).

When compared to the FY 2013-14 Actual, the overall combined City revenue for the FY 2016-17 Budget is expected to increase to nearly \$78 million, or by 14%, or \$9.3 million. Not accounting for the Proposition 1 and Proposition 84 grants, the FY 2016-17 Budget is anticipated to be \$3.1 million, or 5% higher than the FY 2013-14 Actual, primarily due to anticipated reimbursements for two CIP projects expected to proceed forward in FY 2016-17: the Willow Street Paseo and the H-01 Drainage Facility.

General Fund – General Fund revenue is for the normal operations of, and services provided by, the City that are not specifically accounted for in other funds. The FY 2016-17 Budget for the General Fund is projecting an increase in revenues of 5%, or \$1.2 million over the FY 2015-16 Budget. The following summarizes the projected increase/decrease of four major General Fund revenues from the FY 2015-16 Budget to the FY 2016-17 Budget:

- Sales and Use Tax revenue is projecting a 3%, or \$0.3 million decrease to \$8.3 million.
- Vehicle License Fee revenue is expecting an increase of over \$0.5 million, or 8%, to \$7.5 million.
- Development-Related revenues, including Building Permit Fees, are anticipating a \$0.2 million, or 12% increase, to \$1.6 million.
- Leased Water Rights revenue is \$1.9 million, which primarily pays for the debt service on the 2012 Bonds issued for the purchase of water rights. This revenue is projected to increase \$0.3 million or roughly 18% over the FY 2015-16 Budget of \$1.6 million. The growth is due to lease rates increasing from \$436 per acre-foot (AF) to \$478 per AF. The City purchased 500 AF of permanent water rights during FY 2015-16, which brings the total purchased water rights to 6,736 (AF), with 4,042 available to be leased due to the rampdown.

Streets & Transportation Related Funds – This group is made up of 11 street and transportation related funds budgeted in FY 2016-17. Each of these funds receives revenue that is restricted for specific streets and transportation uses. Some of the major highlights are:

- Developer Impact Fees (DIF) for Streets and Storm Drainage revenues are predicted to increase 23%, or nearly \$0.4 million, from the FY 2015-16 Budget. This increase is due to the anticipated continuation of the recent growth in development activity. The FY 2016-17 Budget anticipates 150 residential permits will pay this DIF along with 87,328 square feet of commercial. In the combined FY 2016-17 DIF (Streets and Storm Drainage) Budget, revenue is reflecting a 49% increase above the FY 2015-16 Revised.
- Measure I 2010 Renewal revenue is expected to increase 5%, or about a \$0.2 million, per SANBAG, to \$2.7 million.
- Local Transportation Fund (LTF) revenue is expected to approach an increase of \$0.8 million, or 56%, to \$2.1 million from the FY 2015-16 Budget of \$1.3 million, and 29% higher than the FY 2013-14 Actual. LTF revenue funds the Victor Valley Transit Authority (VVTA) operations within the City. The LTF revenue remaining, after funding VVTA, is passed thru to the City for Street Maintenance and other streets projects. In FY 2016-17, it is anticipated that the VVTA will need less LTF funding for its operations in Hesperia resulting in an increase in City revenue.

Other City Funds – This group is comprised of 12 other non-street related funds. Each of these funds receives revenue that is restricted for specific uses. Some of the major highlights are:

- Developer Impact Fee (DIF) for Fire, Police, and Public Services revenue is expecting a 57% decrease from the FY 2015-16 Budget, as the City Council extended a temporary reduction until the new DIF fee study rates are approved. The revenue for this group of funds is received at the end of the building process and must be paid before occupancy. Combined, these funds are anticipated to produce revenue of about \$61,473 during FY 2016-17; reflecting estimated commercial square footage of 87,328 and no fees from Single Family Residential (SFR) permits.

## REVENUE

### Summary and Highlights (Continued)

- The CDBG/HOME Housing and Urban Development (HUD) grants are predicted to be \$1.8 million, which is considerably lower than the FY 2015-16 Budget of \$3.5 million. The two principal reasons for this decrease are due to significantly less planned NSP property sales and no expected CDBG program income. In the future, property sales will not be included in budget, however, will be included as revised revenue once the funds are received.

Community Development Commission – This agency was created to carry on the economic development function of the former Hesperia Community Redevelopment Agency (HCRA). The FY 2016-17 Budget approaching \$0.2 million is anticipating a decrease of 69% from the \$0.6 million budget in FY 2015-16. This decline is primarily attributed to the reduction in Proceeds from Land Sales revenue which had an estimated FY 2015-16 Budget of \$433,004 and is not expecting any sales in the FY 2016-17 Budget.

Hesperia Housing Authority – The purpose of this agency is to continue the housing function of the former HCRA. The FY 2016-17 Budget of nearly \$0.2 million shows a \$1.2 million (87%) decrease from the FY 2015-16 Budget. This is attributed fundamentally to the 98% decline in anticipated land sales from \$1.1 million in FY 2015-16 to \$17,000 in FY 2016-17. The Authority's revenues are comprised mainly of loan repayments (51%) and interest (33%).

Water and Sewer Operations – These funds primarily report the City's water and sewer financial operations and are most associated with the functions of a traditional business. The revenues received are to pay for the cost of purchasing and distributing water and for the transmission of sewage that comes from those homes/businesses on the City's sewer system. Some of the major highlights are:

- Overall Water District revenue is expected to increase about \$5.8 million from the FY 2015-16 Budget of \$19.9 million to the FY 2016-17 Budget of \$25.7 million. The Water Sales revenues of the District are projected to decrease \$0.6 million, or 7%, due to ongoing conservation efforts resulting from the state-wide drought. However, these declines are predicted to begin to level off, as consumers are unable to conserve any more than they already have. These decreases in Water Sales, Sewer Capital, and Sewer Operating are offset by the anticipated growth in All Other District revenues for the FY 2016-17 Budget including the \$1.5 million Proposition 84 Drought Relief Grant and \$4.7 million Proposition 1 Grant related to the Reclaimed Water Distribution System project.
- Combined Water and Sewer operating revenue, dominated by Water Sales revenues, are anticipating a decrease, from the FY 2015-16 Budget, primarily from continued customer/consumer reductions following the governor's 28% average mandated reduction of water use. Sewer Operating revenues are expecting a slight decrease for the FY 2016-17 Budget, but 2% higher than the FY 2013-14 Actual.
- Water Capital revenue is expected to increase 5% over the FY 2015-16 Budget, which reflects the increased development activity in the City. Sewer Capital revenue is showing an expected 19% decline for FY 2016-17 from the FY 2015-16 Revised, and a 58% decrease from the FY 2015-16 Budget. This is a result of some commercial projects being delayed for completion and fewer newly constructed housing units connecting to sewer as opposed to septic.

Fire District – The revenues for the FY 2016-17 Budget are projected to be \$11.4 million, which is \$0.7 million, or 7%, more than the FY 2015-16 Budget of \$10.7 million, primarily due to increases in Property Taxes (0.2 million), Redevelopment Pass-Through revenue (\$0.2 million), and Ground Emergency Medical Transportation (GEMT) revenue (\$0.2 million). Some of the major highlights are:

- Property Tax revenue of \$4.4 million is expected to increase by 4% over the FY 2015-16 Budget of \$4.2 million and by 6% over the \$4.1 million FY 2015-16 Revised. This is due to an anticipated 6% assessed valuation increase over the FY 2015-16 assessed valuation based on a study prepared for the Mojave Water Agency.
- Paramedic Ambulance Fee revenue is anticipated to remain unchanged. This revenue represents the cash collections of the ambulance billing activity, with the FY 2016-17 Budget projected to be \$2.5 million as was the FY 2015-16 Budget. However, revenue is expected to be 4% above the FY 2015-16 Revised. See page C-18 for a more detailed explanation.
- Redevelopment Tax Increment Pass-Through for the FY 2016-17 Budget is projecting a 12% gain over the FY 2015-16 Budget, but a 3% increase from the FY 2015-16 Revised. This revenue is received directly from the County of San Bernardino in the wake of the state-wide dissolution of redevelopment agencies. The assessed valuation of the City is anticipated to grow by 6% based on a study commissioned by Mojave Water Agency, and this 6% gain is expected to increase pass-through revenue.

## REVENUE

### Summary and Highlights (Continued)

- Community Facilities District 94-1 revenue is expecting a 5% increase over the FY 2015-16 Budget. The FY 2014-15 levy of \$559,683 was 99% collected in that year, along with an additional \$8,726 of prior years' levies and penalties that were collected. The FY 2015-16 levy is \$569,706. The FY 2016-17 Budget is projecting revenue of \$592,190 which includes \$12,700 of additional assessments approved by the Council during FY 2015-16 and an estimated increase of 1.68% reflecting the Consumer Price Index (CPI) increase.
- Community Facilities District 2005-1. Part of the annual assessment includes a public safety portion to offset some of the costs that residential development places on the City's public safety providers. For the FY 2016-17 Budget, this revenue is expected to increase 2%, which is directed by the CFD's Rate and Method of Apportionment, a document that governs the calculation of the assessment.

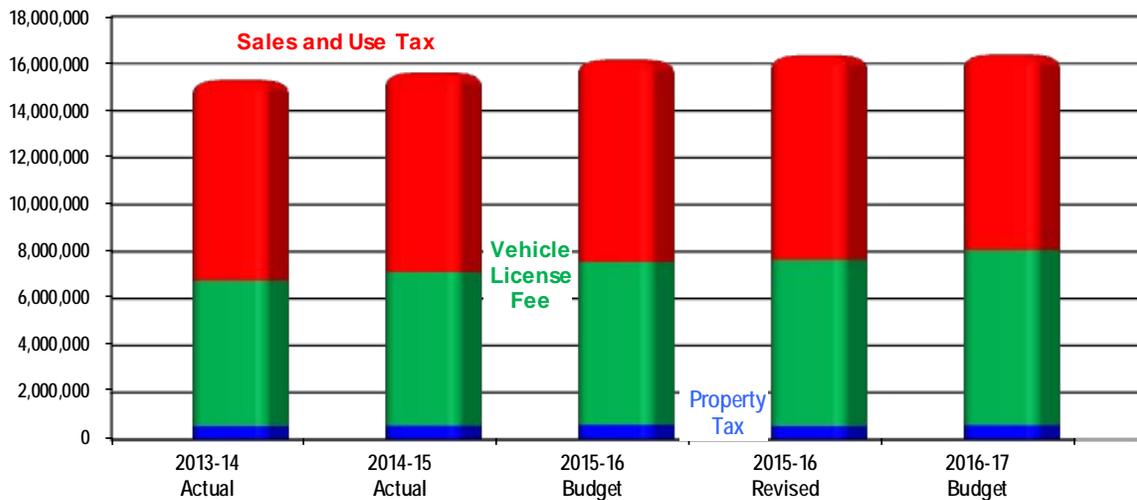
### General Fund Summary of Major Revenues

	2013-14	2014-15	2015-16	2015-16	2016-17	% Change From 2015-16
<u>General Fund Revenues</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>
Sales and Use Tax	\$ 6,357,224	\$ 6,395,850	\$ 7,582,030	\$ 8,124,485	\$ 8,321,000	10%
Sales Tax Triple Flip	2,178,866	2,103,152	1,029,970	581,515	0	-100%
<b>Total Sales and Use Tax</b>	<b>8,536,090</b>	<b>8,499,002</b>	<b>8,612,000</b>	<b>8,706,000</b>	<b>8,321,000</b>	<b>-3%</b>
Vehicle License Fee (MLF)	0	0	0	37,192	0	n/a
VLF Swap Triple Flip	6,194,705	6,534,189	6,926,240	7,044,997	7,467,696	8%
<b>Total Vehicle License</b>	<b>6,194,705</b>	<b>6,534,189</b>	<b>6,926,240</b>	<b>7,082,189</b>	<b>7,467,696</b>	<b>8%</b>
Secured Property Tax	577,223	588,955	633,430	569,598	601,335	-5%
Transient Occupancy Tax	1,040,271	1,163,434	1,200,000	1,200,000	1,200,000	0%
Property Transfer Tax	147,482	231,387	190,000	190,000	200,000	5%
Franchise Fees	2,994,590	3,196,630	3,190,000	3,245,104	3,475,439	9%
Business License	211,495	226,846	215,000	236,646	236,646	10%
<b>Community Facilities</b>						
District 2005-1	399,483	261,730	266,967	266,967	272,306	2%
Leased Water Rights	1,440,522	1,508,026	1,631,512	1,631,512	1,932,554	18%
<b>Development Related</b>						
<b>Revenues:</b>						
Planning	183,553	203,801	189,039	179,179	174,837	-8%
Building & Safety	993,952	1,026,553	1,090,355	1,170,232	1,247,264	14%
Engineering	78,208	118,462	110,060	160,310	137,900	25%
<b>Total Dev. Rel. Revenues</b>	<b>1,255,713</b>	<b>1,348,816</b>	<b>1,389,454</b>	<b>1,509,721</b>	<b>1,560,001</b>	<b>12%</b>
<b>Sub-Total Top 14</b>						
<b>Revenue Sources</b>	<b>22,797,574</b>	<b>23,559,015</b>	<b>24,254,603</b>	<b>24,637,737</b>	<b>25,266,977</b>	<b>4%</b>
<b>All Other General Fund</b>						
<b>Revenues</b>	<b>2,376,521</b>	<b>1,840,285</b>	<b>1,200,750</b>	<b>1,563,878</b>	<b>1,420,796</b>	<b>18%</b>
<b>Total General Fund</b>						
<b>Revenues</b>	<b>\$25,174,095</b>	<b>\$25,399,300</b>	<b>\$25,455,353</b>	<b>\$26,201,615</b>	<b>\$26,687,773</b>	<b>5%</b>

The total General Fund revenue is increasing from the FY 2015-16 Budget of \$25.5 million, to \$26.7 million, for a \$1.2 million, or 5% gain. The General Fund revenue change from the FY 2015-16 Budget to the FY 2015-16 Revised is an increase of \$0.5 million, or 2%, primarily due to the increase in Leased Water Rights of \$0.3 million from the FY 2015-16 Revised to the FY 2016-17 Budget.

# REVENUE

## Triple Flip Revenue Comparison



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>General Fund Revenue</b>						
Sales and Use Tax	\$ 6,357,224	\$ 6,395,850	\$ 7,582,030	\$ 8,124,485	\$ 8,321,000	
Sales and Use Tax Triple Flip	2,178,866	2,103,152	1,029,970	581,515	0	
<b>Sub-Total Sales Tax Revenues</b>	<b>8,536,090</b>	<b>8,499,002</b>	<b>8,612,000</b>	<b>8,706,000</b>	<b>8,321,000</b>	<b>-3%</b>
Vehicle License Fees (VLF)	0	0	0	37,192	0	
Triple Flip - Vehicle License Fees	6,194,705	6,534,189	6,926,240	7,044,997	7,467,696	
<b>Sub-Total VLF Revenues</b>	<b>6,194,705</b>	<b>6,534,189</b>	<b>6,926,240</b>	<b>7,082,189</b>	<b>7,467,696</b>	<b>8%</b>
Secured Property Taxes	577,223	588,955	633,430	569,598	601,335	
<b>Sub-Total Property Tax Revenues</b>	<b>577,223</b>	<b>588,955</b>	<b>633,430</b>	<b>569,598</b>	<b>601,335</b>	<b>-5%</b>
<b>TOTAL TRIPLE-FLIP EFFECTED GENERAL FUND REVENUES</b>	<b>\$15,308,018</b>	<b>\$15,622,146</b>	<b>\$16,171,670</b>	<b>\$16,357,787</b>	<b>\$16,390,031</b>	<b>1%</b>

**Sales and Use Tax** – Sales Tax is currently 8.00% on various taxable items in San Bernardino County. The City's share is 1.00% of the 8.00%, with 6.25% going to the State, 0.50% to Measure I, and 0.25% applied to Local Transportation funding. The combined FY 2016-17 Budget estimate for Sales and Use Tax revenues is \$8.3 million, for a decrease of \$0.4 million from the FY 2015-16 Revised Budget. The \$8.3 million of the 2016-17 Budget reflects a 3% decrease from the FY 2015-16 Budget estimate. This decrease is due to an anticipated loss of fuel tax revenue.

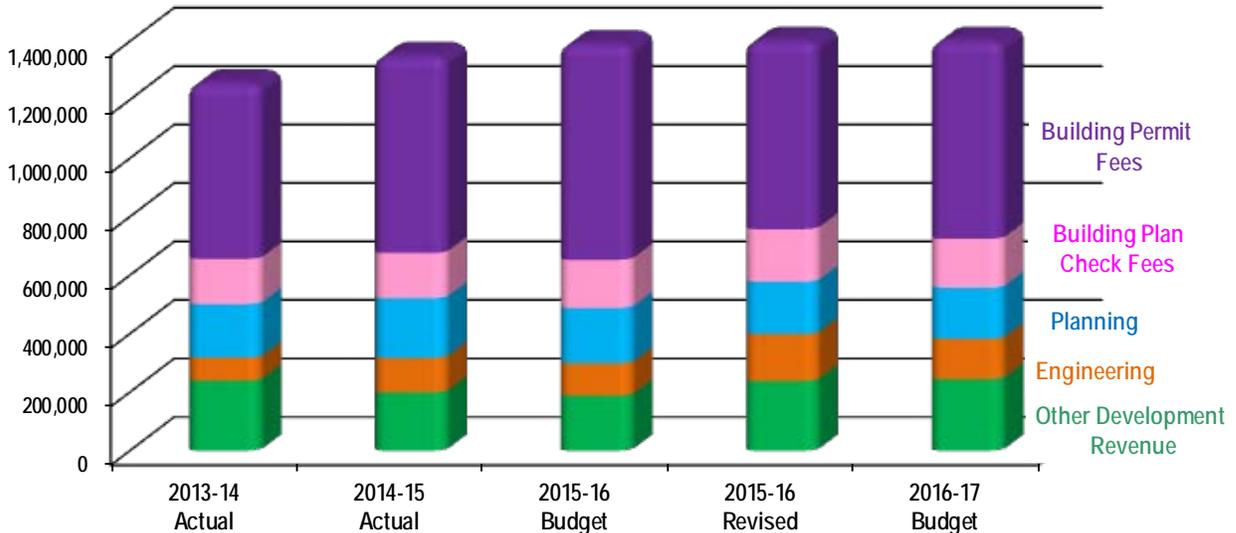
**Vehicle License Fee (VLF)** – The growth of the City's Triple Flip-Vehicle License Fees has been tied to the City's growth of assessed valuation since the first two years of the State's 'Triple Flip' Program which began in FY 2004-05. This revenue grew substantially through the FY 2008-09 Actual as the City's increase in assessed valuation reflected the dynamic growth of the housing boom. However, the assessed valuation moved substantially lower from FY 2009-10 through FY 2012-13 as revenue shrunk at the same pace. Assessed values began to recover starting in FY 2013-14 with a 4.3% increase for FY 2013-14, a 5.5% increase for FY 2014-15 and a 7.8% increase for FY 2015-16. The County Assessor will notify on July 1, 2016, through a press release, what the FY 2016-17 assessed valuation change is. However, it is anticipated to be a 6% increase, based on a study prepared for the Mojave Water Agency. The combined FY 2016-17 Budget for VLF and VLF Swap Triple Flip revenues estimate is \$7.5 million, an increase of approximately \$0.4 million, or 5.4%, from the 2015-16 Revised Budget. The \$7.5 million is \$0.5 million, or 8% more, than the FY 2015-16 Budget, and \$1.3 million, or 21% higher, than the FY 2013-14 Actual.

## REVENUE

### Triple Flip Revenue Comparison (Continued)

Secured Property Tax – Property owners pay a basic tax of 1% of their property's valuation to the County annually. The City's General Fund receives approximately 1.5 cents of every property tax dollar out of this 1% tax levy. The FY 2016-17 Budget of \$0.6 million is 5% less than the FY 2015-16 Budget, however a 6% increase over the 2015-16 Revised and 4% more than the FY 2013-14 Actual. This increase can be attributed to the nearly 21% growth in assessed valuation since FY 2012-13. This revenue source is estimated to be 2.3% of General Fund revenues.

#### General Fund Development Revenue



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>Development Revenues</b>						
Building Permit Fees	\$ 599,840	\$ 673,016	\$ 736,632	\$ 752,170	\$ 835,400	13%
Building Plan Check Fees	154,548	154,415	165,000	179,776	167,375	1%
Planning	183,553	203,801	189,039	179,179	174,837	-8%
Engineering	78,208	118,462	110,060	160,310	137,900	25%
Other Development Revenues	239,564	199,122	188,723	238,286	244,489	30%
<b>Sub-Total Development Related Revenues</b>	<b>1,255,713</b>	<b>1,348,816</b>	<b>1,389,454</b>	<b>1,509,721</b>	<b>1,560,001</b>	<b>12%</b>
Business License	211,495	226,846	215,000	236,646	236,646	10%
<b>Total Development Revenues</b>	<b>\$1,467,208</b>	<b>\$1,575,662</b>	<b>\$1,604,454</b>	<b>\$1,746,367</b>	<b>\$1,796,647</b>	<b>12%</b>

Overall, Development Related revenues, excluding Business License revenue, is projected to gain 12% over the FY 2015-16 Budget and 3% from the FY 2015-16 Revised. Development related revenues comprise 5.8% of the General Fund FY 2016-17 Budget estimates, but were 5.0% in FY 2013-14. Total Development Revenues represent a 22% increase from FY 2013-14 Actual revenues.

**Building Permit Fees** – The City charges permit fees on construction activity in part to provide inspection services to ensure that the structures being built are in compliance with existing building codes in accordance with the California Government Code. Building Permit Fees represent 3.1% of the General Fund FY 2016-17 Budget revenue, which is up from 2.9% of the FY 2015-16 Budget. The FY 2016-17 Budget revenue projection estimates that 150 single family residential building permits will be issued during FY 2016-17. Commercial activity is projected to decrease; however, the FY 2016-17 Budget anticipates 87,328 square feet in new commercial projects.

## REVENUE

### General Fund Development Revenue (Continued)

**Building Plan Check Fees** – The purpose of these fees is to offset the cost of verifying that the proposed structures will be in compliance with existing building codes and zoning requirements. The FY 2016-17 Budget expects revenue approaching \$0.2 million, a 1% increase over the FY 2015-16 Budget, but a 7% decrease from the FY 2015-16 Revised estimate. The FY 2016-17 Budget estimate is based on residential development activity including 150 SFR's and commercial square footage of 87,328.

**Planning** related revenues, excluding Business License Revenue, for the FY 2016-17 Budget is predicting a 2% drop from the FY 2015-16 Revised, along with an 8% decline from the FY 2015-16 Budget. This budget to budget decrease in Planning related revenue is based on the type of projects, a 26% reduction in the square footage of commercial projects requiring review, and the corresponding regulating function of Planning. Planning related revenues for the FY 2016-17 Budget are estimated to be 5% less than the FY 2013-14 Actual.

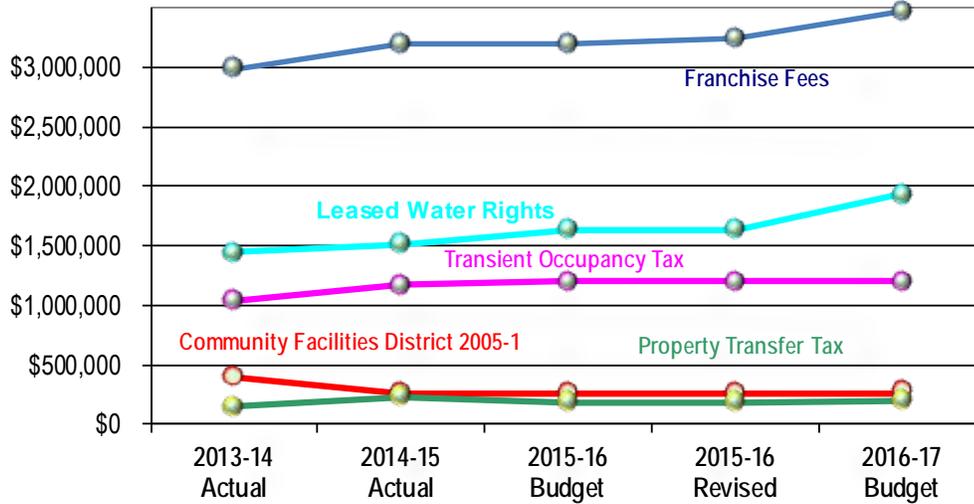
**Engineering** related revenues for the FY 2016-17 Budget are projecting a 14% decrease from the FY 2015-16 Revised but a 25% increase over the FY 2015-16 Budget. This budget to budget increase is based on the anticipated issuance of 150 single family permits (SFR's) and 87,328 square footage of commercial. Engineering is also responsible for processing public infrastructure development projects.

**Other Development Revenues** – This classification captures the remaining development revenues into one group. As a group, these revenues are less than 1% of the total General Fund FY 2016-17 Budget. For the FY 2016-17 Budget, these revenues are expected to increase 30% over the FY 2015-16 Budget. In addition, these reflect an increase of 3% compared to the FY 2015-16 Revised and 2% more than the FY 2013-14 Actual.

**Business License** – This revenue is paid by each business operating within the City. Revenue is projected to be consistent with the FY 2015-16 Revised but increase 10% over the FY 2015-16 Budget. It also exceeds FY 2013-14 Actual by 12%, which can be construed as a reflection of the local economy continuing to improve from the recession. As of June 30, 2015, there were approximately 3,812 active licenses in the City of which 2,896 were renewals from FY 2013-14. Through March 31, 2016, there are 4,041 active business licenses. This represents a 229 license, or 6% increase, over June 30, 2015.

## REVENUE

### Other General Fund Taxes and Leased Water Rights



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Franchise Fees	\$2,994,590	\$3,196,630	\$3,190,000	\$3,245,104	\$3,475,439	9%
Transient Occupancy Tax	1,040,271	1,163,434	1,200,000	1,200,000	1,200,000	0%
Property Transfer Tax	147,482	231,387	190,000	190,000	200,000	5%
Community Facilities District 2005-1	399,483	261,730	266,967	266,967	272,306	2%
Leased Water Rights	1,440,522	1,508,026	1,631,512	1,631,512	1,932,554	18%
<b>Total Other Taxes &amp; Leased Water Rights</b>	<b>\$6,022,348</b>	<b>\$6,361,207</b>	<b>\$6,478,479</b>	<b>\$6,533,583</b>	<b>\$7,080,299</b>	<b>9%</b>

Overall, this group of revenues is anticipated to increase by 8% from the FY 2015-16 Revised and 9% over the FY 2015-16 Budget. The primary reason for this growth is the gains related to Franchise Fees and the Leased Water Rights. This group, *Other General Fund Taxes and Leased Water Rights*, comprises approximately 27% of the total General Fund FY 2016-17 Budgeted revenue estimates, which is slightly higher than the 25% for the FY 2015-16 Budget. By way of comparison, this group was 24% of the FY 2013-14 Actual, when total General Fund revenue was \$25.2 million.

**Franchise Fees** – The City imposes fees on refuse hauling; gas and electric utilities; and cable television companies operating in the City for the use and wear and tear of the City's right-of-ways. The fees range from two to ten percent (2% - 10%) of gross receipts. The FY 2016-17 Budget estimates revenue of \$3.5 million, which is a 7% increase over the FY 2015-16 Revised and 9% over the FY 2015-16 Budget, primarily because of the return of the Article 19 franchise revenue of \$135,202 and an increase for the utility franchises of Edison and Southwest Gas. This revenue source is 13% of the General Fund FY 2016-17 Budget, showing a slight increase from being 12.5% of the FY 2015-16 Budget and 11.9% of the FY 2013-14 Actual General Fund Budget.

**Transient Occupancy Tax (TOT)** – The City's municipal code authorizes the application of a 10% tax to the cost of hotel rooms within the City. This is intended to offset the cost of governmental services (streets and public safety) that the transient population use while temporarily staying in the City. It is expected that the revenue amounts will remain unchanged, reflecting a plateau in revenue as well as hotel occupancy. The FY 2016-17 Budget estimates revenue of \$1.2 million, the same amount as FY 2015-16 Revised and FY 2015-16 Budget. This revenue is 4.5% of the General Fund's FY 2016-17 Budget, an increase from the 4.1% in FY 2013-14.

## REVENUE

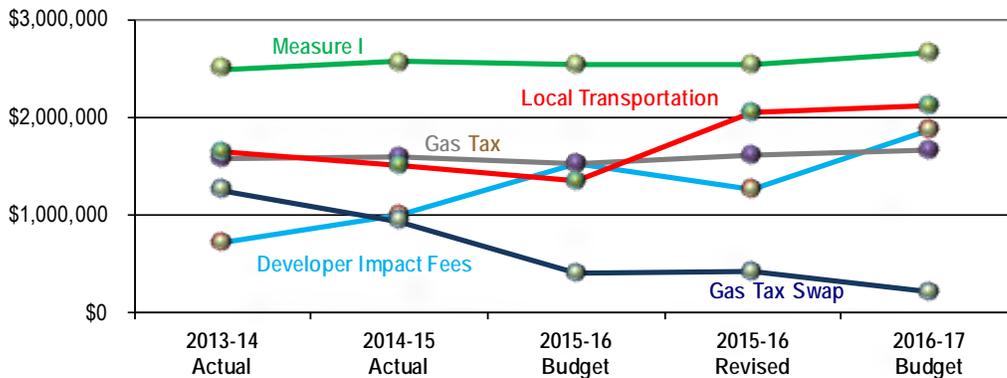
### Other General Fund Taxes and Interest Income (Continued)

**Property Transfer Tax** – This revenue is based on the transfer of ownership of real property within the City. It serves as a barometer of future property tax revenues, as the sales price of a property re-establishes the assessed valuation base that the 1% property tax is applied to. The rate charged on the ownership transfer is \$1.10 per \$1,000 of the sale value, with the City and County splitting the tax equally (\$0.55 per \$1,000 to each). The FY 2016-17 Budget estimate is \$200,000 which equates to a 5% increase over the FY 2015-16 Revised and FY 2015-16 Budget of \$190,000. In addition, revenue has increased 36% from the FY 2013-14 Actual while remaining less than 1% of the General Fund's FY 2016-17 Budget.

**Community Facilities District (CFD) 2005-1** – The special assessment district, generally west of Maple Avenue and south of Main Street, was formed to refinance the bonds of CFD 91-3 and to assess the properties within the district to repay the bonds and includes a public safety portion to offset some of the costs that residential development places on the City's public safety providers. For the 2016-17 Budget, this revenue is estimated to be \$272,306, or 1% of the City's total FY 2016-17 Budget. This reflects a 2% increase from the FY 2015-16 Budget of \$266,967.

**Leased Water Rights** – The City owns 6,736 acre feet of water rights (base annual production) which, after mandated ramp downs, leaves leasable water rights (free production allowance) at 4,042 acre feet. For FY 2016-17 the lease rate is \$478 per acre foot. Compared to the FY 2015-16 Budget, the lease rate was \$436 per acre foot for 3,742 acre feet and for FY 2014-15; the lease rate was \$403 for 3,742 acre feet. In FY 2013-14, the rate was \$382 for 3,771 acre feet.

### Streets and Transportation Related Funds



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Measure I - 2010 Renewal	2,494,976	2,561,187	2,533,470	2,537,377	2,665,406	5%
Gas Tax	1,579,333	1,591,634	1,523,189	1,618,380	1,669,582	10%
Gas Tax Swap	1,262,099	942,609	415,737	430,378	218,057	-48%
Local Transportation	1,641,375	1,505,569	1,352,184	2,053,829	2,113,262	56%
<b>Sub-Total Streets Funds</b>	<b>6,977,783</b>	<b>6,600,999</b>	<b>5,824,580</b>	<b>6,639,964</b>	<b>6,666,307</b>	<b>14%</b>
Developer Impact Fees	723,236	1,007,303	1,527,734	1,264,774	1,880,785	23%
Ranchero Road & Other Street Related Funds	1,533,830	97,852	2,805,013	114,726	3,015,018	7%
<b>Total Streets &amp; Transportation Related Funds</b>	<b>\$ 9,234,849</b>	<b>\$ 7,706,154</b>	<b>\$10,157,327</b>	<b>\$ 8,019,464</b>	<b>\$11,562,110</b>	<b>14%</b>

Overall, this group of revenues at \$11.6 million expects a 14% gain over the FY 2015-16 Budget of \$10.2 million. An increase in the Local Transportation Fund offsets the anticipated decrease in Gas Tax Swap. The combined Streets-State/County funded revenue, which is an important ongoing revenue source, is projected to increase by 14% to approximately \$6.7 million, while Developer Impact Fees are anticipated to experience a 23% gain over the FY 2015-16 Budget.

## REVENUE

### Streets and Transportation Related Funds (Continued)

**Measure I Renewal** – This revenue is funded by the County's 1/2 cent sales tax, as the 2010 Renewal approved by the voters went into effect in April 2010. The money is restricted for street purpose expenditures which will maintain or enhance the capacity of the City's streets, and reflects a similar 5% increase over both the FY 2015-16 Revised and FY 2015-16 Budgets and is 7% higher than the FY 2013-14 Actual. These funds were not used to pay the now retired 2004 Streets bonds.

**Gas Tax** – Gas Tax revenue is derived from a cents per gallon tax collected at the pump. Revenues are allocated by the State on a per capita basis for street maintenance and improvements, as well as contributing toward the retirement of the 2004 Streets bonds which were paid in full in FY 2015-16. The FY 2016-17 Budget projects a 6% increase over the FY 2013-14 Actual, a 10% increase over the FY 2015-16 Budget, and a 3% increase over FY 2015-16 Revised.

**Gas Tax Swap** – This source of revenue is State funded and, beginning with the FY 2011-12 Budget, legislative actions (ABx8 6 and ABx8 9 passed in March 2010) terminated the Proposition 42 Traffic Congestion Relief and 'swapped' it with the new Gas Tax Swap revenue. This revenue is used to fund street maintenance and to pay debt service on the 2004 Streets bonds which were paid off 8 years early in FY 2015-16. The FY 2016-17 Budget reflects a 48% decrease from the FY 2015-16 Budget, 49% less than FY 2015-16 Revised, and an 83% decline from the FY 2013-14 Actual.

This revenue decline over the past several fiscal years is primarily due to lower gasoline consumption and prices, as well as "true ups" under the fuel tax swap system. Under the swap, the State Board of Equalization (BOE) annually adjusts the Section 2103 rate to try to match what fuel tax revenues in the forecast year (2016-17) would have been under Prop 42, had the swap not occurred. Later, when the actual amount of gallons sold and taxable sales are known for a year, the BOE is required to "look back" and "true up" for any over or under collection of revenue compared to what the sales tax rate would have collected. This "true up" is factored into the rate set in subsequent year(s).

**Local Transportation** – This is funded by the County 1/4 cent sales tax. The primary use of this revenue is transportation related, including supporting the operations of Victor Valley Transit Authority (VVTA), appropriate street maintenance and improvements, and to contribute toward the repayment of the 2004 Streets bonds, which were retired in FY 2015-16. The \$2.1 million is a slight decrease from the FY 2015-16 Revised of \$2.1 million, but 56% higher than the \$1.4 million FY 2015-16 Budget. In addition, this revenue is nearly \$0.5 million more than the FY 2013-14 Actual. This increase is a result of VVTA needing less of this revenue for their operations combined with the City's Sales & Use tax growth.

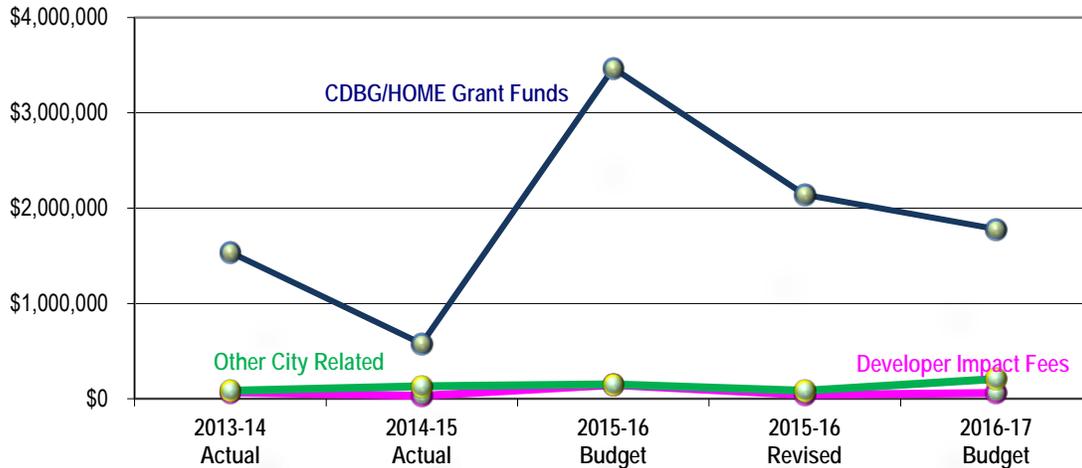
**Sub-Total Streets-State/County Funded** – Overall, this group as detailed above, is projected to increase 14% over the FY 2015-16 Budget, less than 1% over FY 2015-16 Revised, but decline 4% from the FY 2013-14 Actual.

**Developer Impact Fees (DIFs)** – Of the five DIF funds, two are restricted to street-related improvements, the DIF-Streets and the DIF-Storm Drainage, which are excluded from the continuing DIF reduction approved by the City Council in FY 2015-16 and will continue until the new DIF fee study rates are approved. These are locally controlled revenues and reflect the City's current upturn in residential permitting. For the FY 2016-17 Budget, these two DIF's are projected to increase 23% from the FY 2015-16 Budget and by 49% over the FY 2015-16 Revised Budget. The FY 2016-17 Budget anticipates 150 residential permits will pay this DIF along with 87,328 square feet of commercial.

**Ranchero Road Undercrossing and Other Streets Related Funds** – This group comprises five FY 2016-17 budgeted funds, each with special use restrictions related to streets and transportation. The funds included are City Streets CIP, 2004 Streets-Debt Service, Public Works Street Maintenance, AQMD (AB 2766) Transit, and the Township fund. Most notable of this group at 97% of the budget for this category is the City Streets CIP, which tracks grant funded projects and is estimating revenue of nearly \$2.7 million for FY 2016-17.

## REVENUE

### CDBG, Developer Impact Fee, and Other City Related Funds



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
CDBG-Entitlement	\$ 609,485	\$ 516,967	\$ 1,135,361	\$ 1,316,775	\$ 1,655,522	46%
CDBG Program Income	0	0	1,100,000	0	0	-100%
CDBG Loan Repayment	0	0	0	30,854	0	n/a
HOME Grant	14,902	37,819	15,700	20,694	21,344	36%
CDBG Revolving Loan	1,997	1,483	1,562	1,752	2,177	39%
CDBG Neighborhood Stabilization Program	909,796	21,330	1,214,417	769,295	100,206	-92%
<b>CDBG/HOME Funds</b>	<b>1,536,180</b>	<b>577,599</b>	<b>3,467,040</b>	<b>2,139,370</b>	<b>1,779,249</b>	<b>-49%</b>
Developer Impact - Fire	32,700	15,729	70,015	21,365	31,186	-55%
Developer Impact - Police	9,560	4,598	20,564	6,249	9,114	-56%
Developer Impact - Public Services	25,038	10,598	52,720	14,221	21,173	-60%
<b>Developer Impact Fees (DIF)</b>	<b>67,298</b>	<b>30,925</b>	<b>143,299</b>	<b>41,835</b>	<b>61,473</b>	<b>-57%</b>
AB3229 Supplemental Law	156,021	153,762	140,186	144,103	140,141	0%
<b>Other City Related Funds</b>	<b>84,243</b>	<b>129,807</b>	<b>149,618</b>	<b>86,090</b>	<b>207,506</b>	<b>39%</b>
<b>Total City Other Funds</b>	<b>\$ 1,843,742</b>	<b>\$ 892,093</b>	<b>\$ 3,900,143</b>	<b>\$ 2,411,398</b>	<b>\$ 2,188,369</b>	<b>-44%</b>

Overall, this group of 12 funds is projecting a 44% decline in FY 2016-17 from the FY 2015-16 Budget, mainly due to a decrease in expected CDBG/HOME funds revenue. This revenue comprises 81% of the group's total FY 16-17 Budget with the AB3229 Supplemental Law fund is at 26% of the total. Other City Related Funds make up about 10% of the total revenues while non-streets Developer Impact Funds include the remaining 3%.

**CDBG/HOME** – These grants are received from U.S. Department of Housing and Urban Development (HUD) and the State, for the purpose of improving areas of the City and providing housing assistance for low income families. The FY 2016-17 Budget is 23% higher than the FY 2015-16 Revised and 25% lower than the FY 2015-16 Budget. This is primarily due to not anticipating sale/program income for selling the Intergenerational Center (\$0.7 million) and the land under the County Government Center (\$0.4 million) in FY 2016-17. However, if any sale/reimbursement happens in FY 2016-17 and the transaction results in program income, the item will be presented to the Council during the fiscal year.

## REVENUE

### CDBG, Developer Impact Fee and Other City Related Funds (Continued)

CDBG-Neighborhood Stabilization Program (NSP) – This is a grant received from Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP), for the purpose of buying, rehabilitating, and reselling abandoned/foreclosed homes within the City. The FY 2016-17 Budget is 87% lower than the FY 2015-16 Revised and 92% less than the FY 2015-16 Budget primarily due to the large decline in the anticipated property sales in the upcoming fiscal year.

Developer Impact Fees – These non-street related Developer Impact Fees (DIFs) are made up of the Fire, Police, and Public Services DIF funds. During FY 2012-13, the City Council reduced these rates for 18 months for certain qualifying residential development. The reduction was extended in 2014 and again in FY 2015-16 until the new DIF fee study rates are approved. The revenue for the FY 2016-17 Budget is projecting a 47% increase over the FY 2015-16 Revised primarily due to an increase in commercial activity. The 57% decline between the FY 2015-16 Budget and FY 2016-17 Budget is a result of no anticipated residential construction revenue within these funds at this time. The revenue for this group of funds is received at the end of the building process and must be paid before occupancy.

Other City Related Funds – The six funds in this group include: the County High Desert Government Center, the Redevelopment Administration fund, the AB3229 Supplemental Law Enforcement grant fund, the Environmental Programs grant fund, the Reimbursable Grants fund, the Disaster Preparedness grant fund, and the City Debt Service fund. Each of these funds has restrictions limiting how its money can be spent. The largest fund in this revenue group is the Environmental Programs Grant fund, with revenues of \$0.2 million.

#### Community Development Commission

<u>REVENUE DETAIL</u>	2013-14	2014-15	2015-16	2015-16	2016-17	%Change
	Actual	Actual	Budget	Revised	Budget	From 2015-16 Budget
Rents & Leases	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	0%
Reimbursements/Other Agencies	81,879	47,961	112,500	112,500	116,625	4%
Miscellaneous Revenue	39,750	20,817	0	40	0	n/a
Proceeds from Land Sale	8,003	0	433,004	10,000	0	-100%
All Other Revenue	1,200	15,497	15,655	14,900	14,863	-5%
<b>Total Community Development Commission Revenue</b>	<b>\$ 190,832</b>	<b>\$ 144,275</b>	<b>\$ 621,159</b>	<b>\$ 197,440</b>	<b>\$ 191,488</b>	<b>-69%</b>

The FY 2016-17 Budget for the Community Development Commission is \$0.2 million. This is 3% lower than the FY 2015-16 Revised and is 69% less than the FY 2015-16 Budget primarily due to no anticipated land sales. Instead, the FY 2016-17 Budget shows the major revenue to be reimbursements from other agencies (Opportunity High Desert) comprising 61% of the total revenue of the Commission, with rents and leases providing 31% of the total.

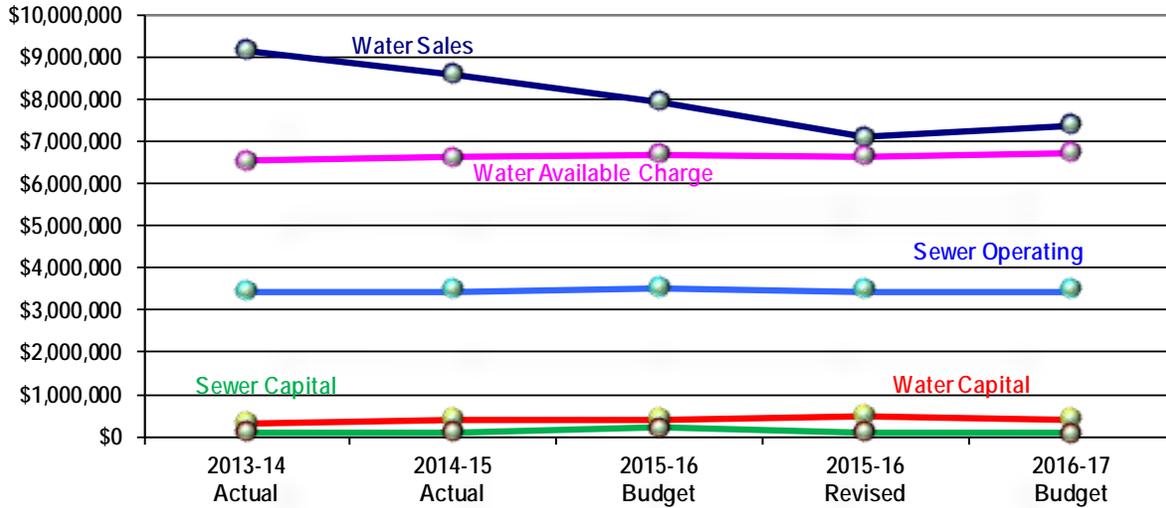
#### Hesperia Housing Authority

<u>REVENUE DETAIL</u>	2013-14	2014-15	2015-16	2015-16	2016-17	%Change
	Actual	Actual	Budget	Revised	Budget	From 2015-16 Budget
Housing Authority - Interest	\$ 61,786	\$ 57,180	\$ 47,434	\$ 59,000	\$ 62,000	31%
Rents & Leases	22,338	29,900	18,000	12,000	12,000	-33%
Taxes	155,489	0	0	0	0	n/a
Proceeds from Land Sales	128,140	0	1,129,848	727,663	17,000	-98%
All Other Revenue	88,965	98,133	190,959	98,589	95,311	-50%
<b>Total Housing Authority Revenue</b>	<b>\$ 456,718</b>	<b>\$ 185,213</b>	<b>\$ 1,386,241</b>	<b>\$ 897,252</b>	<b>\$ 186,311</b>	<b>-87%</b>

The FY 2016-17 Budget for the Hesperia Housing Authority is \$0.2 million. The FY 2016-17 Budget shows the major revenue source to be other revenues comprised mainly of loan repayments which are 51% of the Authority's total revenue. The next largest revenue source, at 33%, is interest. The 2016-17 Budget is 87% less than the prior year's budget and 79% lower than the 2015-16 Revised due to the large expected decrease in anticipated land sales.

## REVENUE

Water District Revenue Trend



REVENUE DETAIL	2013-14	2014-15	2015-16	2015-16	2016-17	%Change
	Actual	Actual	Budget	Revised	Budget	From 2015-16 Budget
Water Sales/Residential	\$7,936,001	\$7,282,238	\$6,772,600	\$5,977,700	\$6,276,585	-7%
Water Sales/Business	432,435	428,124	386,900	402,432	404,505	5%
Water Sales/Public Building	495,161	471,394	444,600	447,758	440,750	-1%
Water Sales/Irrigation	251,083	229,077	217,500	183,588	186,000	-14%
Water Sales/Construction	44,530	190,952	141,800	72,967	75,000	-47%
Water Sales/Industrial	3,888	7,180	2,500	13,584	14,000	460%
Sub-total Water Sales	\$9,163,098	\$8,608,965	\$7,965,900	\$7,098,029	\$7,396,840	-7%
Water Availability Charge	6,542,963	6,620,441	6,700,000	6,657,352	6,723,926	0%
Total Water Sales	15,706,061	15,229,406	14,665,900	13,755,381	14,120,766	-4%
Water Capital	306,762	414,951	396,000	500,000	415,000	5%
Sewer Operating	3,430,885	3,492,978	3,530,215	3,482,815	3,504,653	-1%
Sewer Capital	90,913	123,234	202,008	104,800	85,100	-58%
All Other District Revenue	1,259,027	1,188,647	1,120,026	1,349,098	7,610,056	579%
<b>Total Water District Revenue</b>	<b>\$20,793,648</b>	<b>\$20,449,216</b>	<b>\$19,914,149</b>	<b>\$19,192,094</b>	<b>\$25,735,575</b>	<b>29%</b>

Water District – In January 2008, the Water District enacted the recommendations of a report by Bartle and Wells Associates, a public financial advisory consultant. That report outlined a series of annual rate increases through FY 2011-12. Overall, the FY 2016-17 Budget anticipates growth of 29% from the FY 2015-16 Budget and 34% over the FY 2015-16 Revised.

Water Sales – Water Customers pay for the water use registered by their meter. The FY 2016-17 Budget projects a 7% decrease from the FY 2015-16 Budget but a 5% increase over FY 2015-16 Revised. This decrease from the prior year's budget is primarily based on the continued State mandated 28% usage cutback and customers looking to reduce consumption during the current California drought. The 7% decline from the FY 2015-16 Budget is based on mixed factors. The main reason for the decrease is the expected ongoing conservation efforts of consumers which will be offset, in part, by new customers connecting to the water system from recent development activity. There is no planned consumption rate increase for the overall FY 2016-17 Budget. However, a small increase in water consumption from the 2015-16 Revised is anticipated, as consumers have no further means of continued reduction in future years.

## REVENUE

### Water District Revenue Trend (Continued)

**Water Availability Charge** – This is a standard charge on a customer's bill based on the size of the water meter at the service address. The meters range in size from 5/8 inch to 8 inches. The FY 2016-17 Budget projects a minor increase, due to recent development activity, over the FY 2015-16 Budget and FY 2015-16 Revised, even though no increase in rates is planned for FY 2016-17.

**Water Capital** – This is the charge for new water meter installations based on the set-up of new services. This development impact fee revenue is paid when the building permit is issued, therefore the estimated number of paid permits will differ from the other DIF fees. The FY 2016-17 Budget of \$0.4 million is based on 150 residential permits and is 5% more than the FY 2015-16 Budget but 17% less than the 2015-16 Revised which included 9 commercial permits. Although the fee has been reduced by about 25% due to the Council-approved extension of the reduced DIF fees, which will continue until the new DIF fee study rates are approved, anticipated development activity is forecasting a revenue increase of 35% over the FY 2013-14 Actual.

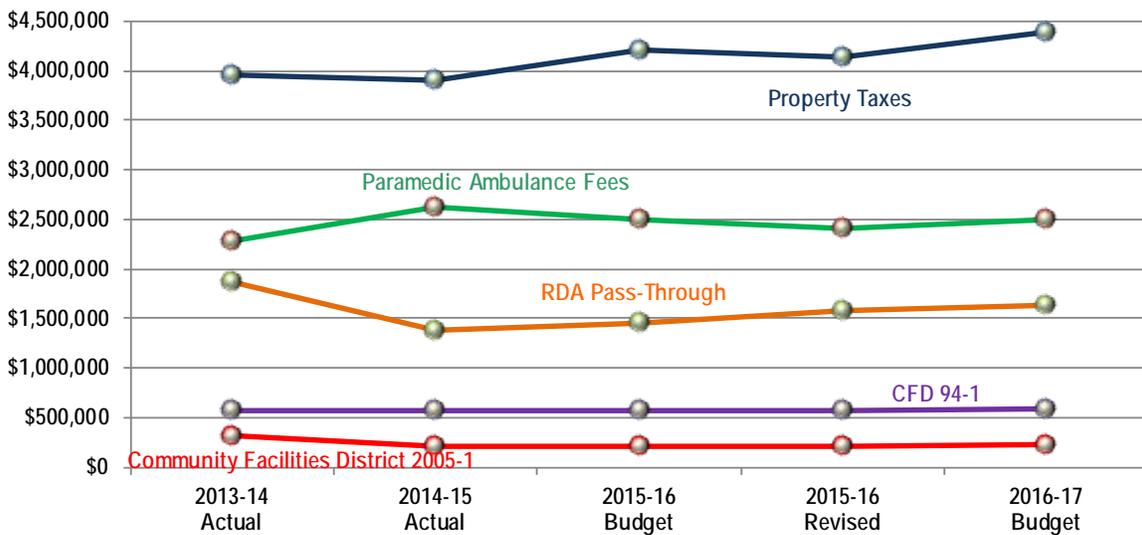
**Sewer Operating** – Sewer services are primarily available along the Main Street corridor and the western portion of the City and comprise about 17% of the District's water customers. Sewer Billing is the primary revenue of this group. Sewer Billing revenue is expected to reach \$3.5 million in the FY 2016-17 Budget, an increase of \$21,838 from the FY 2015-16 Revised amount of \$3.5 million, but a slightly less than 1% decrease from the FY 2015-16 Budget reflecting more new home construction served by septic systems. In addition, this budget to budget decrease is due to more anticipated development activity in the FY 2015-16 Budget than actually has occurred, as shown when compared to the FY 2015-16 Revised.

**Sewer Capital** – Like Water Capital, this revenue group reflects development activity within the City. The majority occurs on the western side of the City where more sewer lines are concentrated. The FY 2016-17 Budget projects a 58% revenue decrease from the FY 2015-16 Budget, despite the increased development activity, primarily due to fewer units connecting to sewer. This is primarily the result of new construction occurring in areas of the City not currently served by sewer.

**All Other District Revenue** – This group of revenues comprise the remaining Water District Operating and Capital revenue (about 30% of total District revenue) of which property rental revenue (\$0.3 million) and property tax revenue (\$0.4 million) are about 8% of this group. This group is projecting a 579% increase over the FY 2015-16 Budget due to the Proposition 84 Drought Relief Grant in the amount of \$1.5 million and Proposition 1 Grant related to the recycled water pipeline for \$4.7 million. Revenue, not including the drought-related grants, is expected to exceed the FY 2015-16 Budget by 126% due to increases in water meter services, reconnection revenues, and Eagle Plaza rent.

## REVENUE

### Fire District Revenue Trend



REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	%Change From 2015-16 Budget
Property Taxes	\$3,952,319	\$3,909,852	\$4,204,291	\$4,144,443	\$4,393,110	4%
Redevelopment (RDA) Pass-Through	1,867,920	1,382,366	1,452,473	1,579,078	1,627,387	12%
RDA Pass-Through - Capital	560,709	625,061	662,327	762,018	807,739	22%
Paramedic Ambulance Fees	2,289,233	2,615,055	2,500,000	2,400,000	2,500,000	0%
Community Facilities District 94-1	565,812	567,094	563,191	569,706	592,190	5%
Community Facilities District 2005-1	326,850	214,143	218,426	218,426	222,795	2%
SAFER Grant	584,151	718,125	0	0	0	n/a
Ground Emergency Medical Transportation (GEMT)	0	173,222	285,375	101,530	450,733	58%
All Other Revenue	828,319	790,891	783,931	854,480	822,327	5%
<b>Total Fire District Revenue</b>	<b>\$10,975,313</b>	<b>\$10,995,809</b>	<b>\$10,670,014</b>	<b>\$10,629,681</b>	<b>\$11,416,281</b>	<b>7%</b>

Fire District – Overall, the FY 2016-17 Budget reflects a 7% increase over the FY 2015-16 Budget, with the primary reason being an increase in Property Taxes revenue. The largest individual revenue source for the Fire District is Property Tax revenue, which is 38% of the District's total revenues, followed by Paramedic Ambulance Fees which are 22%. Property Tax revenues and the former Redevelopment Pass-Through payments make up 60% of the District's revenues, which highlights the sensitivity any changes in the City's assessed valuation has on the Fire District's finances.

**Property Taxes** – Property owners pay a basic tax of 1% of their property's valuation to the County annually. The Fire District receives approximately 15% of every property tax dollar of this 1% levy. Property values have been increasing steadily since FY 2013-14 and are expected to continue. Property Tax revenue, about 41% of the District's total revenue for the 2016-17 Budget, is expected to rise 4%, or \$0.2 million over the FY 2015-16 Budget. However, the FY 2016-17 Budget is nearly \$0.3 million, or 6% higher than the FY 2015-16 Revised, demonstrating the continued increase in property values since the recession.

**Redevelopment Pass-Through** – In the past, this revenue was received from the Hesperia Community Redevelopment Agency (HCRA) as a Pass-Through of property tax increment received by the Redevelopment Agency. Starting February 1, 2012, this revenue has been received from the County of San Bernardino in the wake of the dissolution of all Redevelopment Agencies by the State of California. For the FY 2016-17 Budget, this source of revenue is expected to be about \$0.2 million, or 12%, more than the FY 2015-16 Budget. For the FY 2016-17 Budget, this revenue source is approximately 14% of the District's total revenue.

## REVENUE

### Fire District Revenue Trend (Continued)

**Redevelopment Pass-Through Capital** is expected to receive \$0.8 million from the County in the form of pass through payments calculated from property tax revenue to the Successor Agency of the former Hesperia Community Redevelopment Agency. The FY 2016-17 Budget reflects an anticipated increase of 6% in assessed valuation. This fund's revenue will be used to pay for the Hesperia Fire Protection District's capital expenditures like vehicles and buildings.

**Paramedic Ambulance Fees** – This is revenue received from ambulance transportation billing. The \$2.5 million FY 2016-17 Budget estimates a 4%, or \$0.1 million increase, from the FY 2015-16 Revised and no variance with the FY 2015-16 Budget. Analysis shows that year-to-date FY 2015-16 gross billing (sales) revenue through February 2016, compared to February 2015, is \$0.9 million, or 13%, less. However, while the cash received is 1% less, for the same period, cash collections as a percent of sales are 3% higher. The District will continue to run five ambulances into FY 2016-17. The primary reason for the FY 2016-17 Budget remaining at the level of the FY 2015-16 Budget is cash collections and gross billing revenue are expected to remain at approximately the same level in FY 2016-17.

**Community Facilities District 94-1** – This special assessment district, generally west of Maple Avenue, was formed to assess new development for the increased cost burden on the Fire District for providing services. For the FY 2016-17 Budget, this revenue is projected to increase over FY 2015-16 by 5% primarily due to the Consumer Price Index (CPI) increase from the prior fiscal year, and the annexing of additional new development. This revenue source comprises almost 5% of the District's revenue for the FY 2016-17 Budget.

**Community Facilities District (CFD) 2005-1** – This special assessment district, generally west of Maple Avenue and south of Main Street, was formed to refinance the bonds of CFD 91-3 and assesses the properties within that district to repay the bonds. Part of the annual assessment includes a public safety portion to offset some of the costs the residential development places on the City's public safety providers. For the FY 2016-17 Budget, this revenue is expected to increase by 2% which is the maximum annual increase per the rate method of apportionment.

**SAFER Grant** – The SAFER (Staffing for Adequate Fire and Emergency Response) grant was a two-year Federal Emergency Management Agency (FEMA) grant intended to provide funding to rehire the staff that was reduced during FY 2011-12. The board-approved option added a 5th ambulance to the fleet staffed by Limited-Term Firefighters/Paramedics. This grant ended June 30, 2015.

**Ground Emergency Medical Transportation (GEMT)** – This revenue source is from the State of California to reimburse California fire districts for the portion of the lost Medi-Cal revenue when transporting Medi-Cal patients. For FY 2016-17, the \$450,733 budget consists of the estimated claims for FY 2015-16 and a refile of the FY 2009-10, FY 2010-11, and FY 2014-15 claims in FY 2016-17. Though this revenue will continue into future fiscal years, it will gradually decrease year over year.

**All Other Revenue** – This group of revenues comprises 7% of the District's FY 2016-17 Budget and is projected to increase 4% from the FY 2015-16 Budget. The Non-Transport EMS Charge is the single largest revenue in this group and is expected to be approximately \$198,000. Other group revenues include those related to the household hazardous waste center, fire prevention, fire inspections, and others related to the ambulance function and interest earnings.

**REVENUE  
SUMMARY BY MAJOR GROUP**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>General Fund Revenue</b>						
Taxes	\$ 10,825,604	\$ 10,803,824	\$ 10,962,457	\$ 11,024,120	\$ 10,657,307	-3%
Fines & Forfeitures	305,955	287,059	248,140	222,000	276,720	12%
Interest	20,285	19,731	18,152	17,687	22,039	21%
Intergovernmental	6,194,705	6,534,189	6,926,240	7,082,189	7,467,696	8%
Charges for Services	2,130,128	1,962,906	1,783,817	2,200,107	2,248,959	26%
Licenses & Permits	368,527	297,477	316,044	316,809	330,638	5%
Grants	140,617	68,370	158,870	106,359	111,713	-30%
Other Operating	5,187,007	5,422,612	5,041,133	5,229,944	5,570,701	11%
All Other	1,267	3,132	500	2,400	2,000	300%
Total General Fund Revenue	\$ 25,174,095	\$ 25,399,300	\$ 25,455,353	\$ 26,201,615	\$ 26,687,773	5%
<b>Street, Transportation, and Other Related City Funds</b>						
Streets Related Funds	\$ 9,147,888	\$ 7,608,581	\$ 10,087,819	\$ 7,943,925	\$ 11,243,999	11%
Other Transportation Related Funds	86,961	97,573	69,508	75,539	318,111	358%
Other City Related Funds	1,843,742	892,093	3,900,143	2,411,398	2,188,369	-44%
Total Streets & Other City Revenue	\$ 11,078,591	\$ 8,598,247	\$ 14,057,470	\$ 10,430,862	\$ 13,750,479	-2%
Total City Funds	\$ 36,252,686	\$ 33,997,547	\$ 39,512,823	\$ 36,632,477	\$ 40,438,252	2%
<b>Community Development Comm. Community Development Comm. Fund</b>						
	\$ 190,832	\$ 144,275	\$ 621,159	\$ 197,440	\$ 191,488	-69%
<b>Hesperia Housing Authority Hesperia Housing Authority Funds</b>						
	\$ 456,718	\$ 185,213	\$ 1,386,241	\$ 897,252	\$ 186,311	-87%
<b>Water District Revenue</b>						
700 Water Operating Fund	\$ 16,941,973	\$ 16,418,053	\$ 15,785,926	\$ 15,104,094	\$ 15,503,485	-2%
701 Water Capital Fund	329,877	414,951	396,000	500,385	6,642,337	1577%
Total Water Operating & Capital Funds	\$ 17,271,850	\$ 16,833,004	\$ 16,181,926	\$ 15,604,479	\$ 22,145,822	37%
710 Sewer Operating Fund	\$ 3,430,885	\$ 3,492,978	\$ 3,530,215	\$ 3,482,815	\$ 3,504,653	-1%
711 Sewer Capital Fund	90,913	123,234	202,008	104,800	85,100	-58%
Total Sewer Operating & Capital Funds	\$ 3,521,798	\$ 3,616,212	\$ 3,732,223	\$ 3,587,615	\$ 3,589,753	-4%
Total Water District Revenue	\$ 20,793,648	\$ 20,449,216	\$ 19,914,149	\$ 19,192,094	\$ 25,735,575	29%
200 Fire District Revenue	\$ 10,975,313	\$ 10,995,809	\$ 10,670,014	\$ 10,629,681	\$ 11,416,281	7%
<b>TOTAL ALL FUNDS</b>	<b>\$ 68,669,197</b>	<b>\$ 65,772,060</b>	<b>\$ 72,104,386</b>	<b>\$ 67,548,944</b>	<b>\$ 77,967,907</b>	<b>8%</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>General Fund Revenue</b>						
<b>Taxes</b>						
Secured Property Tax	\$ 449,853	\$ 444,454	\$ 470,000	\$ 474,300	\$ 501,600	7%
100 19 220 0000 4000						
Prior Secured Property Tax	21,437	14,143	25,000	13,000	14,000	-44%
100 19 220 0000 4005						
HOPTR	7,530	7,207	7,430	7,298	7,735	4%
100 19 220 0000 4410						
Current Supplemental Property Tax	64,642	81,164	85,000	34,000	35,000	-59%
100 19 220 0000 4010						
Prior Supplemental Property Tax	33,761	41,987	46,000	41,000	43,000	-7%
100 19 220 0000 4011						
Sub-total Property Tax	<u>\$ 577,223</u>	<u>\$ 588,955</u>	<u>\$ 633,430</u>	<u>\$ 569,598</u>	<u>\$ 601,335</u>	<u>-5%</u>
VVEDA Tax increment	12,749	12,547	11,978	14,415	15,280	28%
100 19 220 0000 4095						
Payment in Lieu of Property Taxes	35,000	35,000	35,000	35,000	35,000	0%
100 19 220 0000 4097						
Sales and Use Tax	6,357,224	6,395,850	7,582,030	8,124,485	8,321,000	10%
100 19 220 0000 4100						
Sales and Use Tax Triple Flip	2,178,866	2,103,152	1,029,970	581,515	0	-100%
100 19 220 0000 4105						
Sub-Total Sales and Use Tax	<u>\$ 8,536,090</u>	<u>\$ 8,499,002</u>	<u>\$ 8,612,000</u>	<u>\$ 8,706,000</u>	<u>\$ 8,321,000</u>	<u>-3%</u>
Community Facilities District #2005-1	399,483	261,730	266,967	266,967	272,306	2%
100 51 510 0000 4031						
Transient Occupancy Tax	1,040,271	1,163,434	1,200,000	1,200,000	1,200,000	0%
100 19 220 0000 4140						
Property Transfer Tax	147,482	231,387	190,000	190,000	200,000	5%
100 19 220 0000 4145						
Other Taxes	77,306	11,769	13,082	42,140	12,386	-5%
Total Taxes	<u>\$ 10,825,604</u>	<u>\$ 10,803,824</u>	<u>\$ 10,962,457</u>	<u>\$ 11,024,120</u>	<u>\$ 10,657,307</u>	<u>-3%</u>
<b>Fines &amp; Forfeitures</b>						
Vehicle Code Fines	\$ 178,557	\$ 185,954	\$ 160,000	\$ 125,000	\$ 180,000	13%
100 51 510 0000 5500						
Booking Fees	0	0	0	80	0	n/a
100 51 510 0000 5540						
DUI Arrest Fees	29,822	35,200	31,200	35,000	30,000	-4%
100 51 510 0000 5530						
Vehicle Tow Fees	29,832	29,450	31,520	22,200	25,000	-21%
100 51 510 0000 5510						
Other Fines & Forfeitures	67,744	36,455	25,420	39,720	41,720	64%
Total Fines & Forfeitures	<u>\$ 305,955</u>	<u>\$ 287,059</u>	<u>\$ 248,140</u>	<u>\$ 222,000</u>	<u>\$ 276,720</u>	<u>12%</u>
<b>Interest</b>						
Interest Income – City	\$ 20,285	\$ 19,731	\$ 18,152	\$ 17,687	\$ 22,039	21%
100 19 220 0000 5600						
Total Interest	<u>\$ 20,285</u>	<u>\$ 19,731</u>	<u>\$ 18,152</u>	<u>\$ 17,687</u>	<u>\$ 22,039</u>	<u>21%</u>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>General Fund Revenue (Continued)</u>						
<b>Intergovernmental</b>						
Vehicle License Fee	\$ 0	\$ 0	\$ 0	\$ 37,192	\$ 0	n/a
100 19 220 0000 4400						
Triple Flip - Motor Vehicle In-Lieu	6,194,705	6,534,189	6,926,240	7,044,997	7,467,696	8%
100 19 220 0000 4405						
<b>Total Intergovernmental</b>	<b>\$ 6,194,705</b>	<b>\$ 6,534,189</b>	<b>\$ 6,926,240</b>	<b>\$ 7,082,189</b>	<b>\$ 7,467,696</b>	<b>8%</b>
<b>Charges for Services</b>						
General Plan Update	\$ 3,617	\$ 4,982	\$ 5,000	\$ 5,000	\$ 5,000	0%
100 29 300 3000 4942						
EIR Fees	8,713	7,362	0	637	0	n/a
100 29 300 3000 4954						
Tentative Tract	13,558	4,203	4,600	12,000	12,000	161%
100 29 300 3000 4990						
Home Occupancy	57,499	61,946	55,000	17,250	17,250	-69%
100 29 300 3000 4960						
Tenant Improvement Plan Review	10,062	4,946	7,000	6,000	6,000	-14%
100 29 300 3000 4963						
Tentative Parcel	2,601	4,097	3,000	7,000	6,000	100%
100 29 300 3000 4995						
Project Extension	1,805	3,191	4,000	4,400	4,200	5%
100 29 300 3000 4957						
Conditional use	22,122	15,552	23,000	30,000	30,000	30%
100 29 300 3000 5015						
Site Plans	6,677	23,408	23,000	30,000	30,000	30%
100 29 300 3000 5005						
Rental Housing Inspection Fee	1,820	0	0	0	0	n/a
100 29 305 3010 5038						
Business License	211,495	226,846	215,000	236,646	236,646	10%
100 29 300 3000 4200						
Administration Fine-Code Enforcement	604,475	216,164	100,000	255,000	260,000	160%
100 29 305 3010 5405						
Municipal Code Fines	103,999	146,305	80,000	107,000	110,000	38%
100 29 305 3010 5420						
Building Plan Check Fees	154,548	154,415	165,000	179,776	167,375	1%
100 29 300 3020 5030						
Building Permit Fees	599,840	673,016	736,632	752,170	835,400	13%
100 29 300 3020 4250						
Automation Fee	89,569	97,445	80,000	113,000	115,000	44%
100 29 300 3020 4930						
Microfilm Fee	1,518	1,782	2,500	3,000	2,895	16%
100 29 300 3020 4935						
Parks & Rec Collection Fees	900	2,050	2,000	2,100	3,125	56%
100 29 300 3020 5027						
Lot Grading Permit Fees	30,379	34,536	30,000	38,000	32,560	9%
100 29 300 3020 4255						

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>General Fund Revenue (Continued)</b>						
<b>Charges for Services (Continued)</b>						
Final Subdivision Processing Fee 100 29 310 3100 5010	\$ 0	\$ 3,134	\$ 5,000	\$ 2,500	\$ 5,000	0%
Final P/M Processing Fee 100 29 310 3100 5012	30	2,780	2,000	5,000	3,000	50%
Construction Permit Fee 100 29 310 3100 4260	5,872	10,006	7,700	12,750	10,000	30%
Engineering Plan Check Fees 100 29 310 3100 5045	8,953	11,871	13,000	14,700	15,000	15%
Grading Plan Review Fees 100 29 310 3100 5050	5,543	14,601	15,000	9,700	10,000	-33%
Construction Inspection Fees 100 29 310 3100 5035	31,881	54,524	38,500	89,000	70,000	82%
Administration Fine-Animal Control 100 29 305 5000 5405	63,870	81,231	70,000	165,000	166,000	137%
Other Charges for Services	88,782	102,513	96,885	102,478	96,508	0%
<b>Total Charges for Services</b>	<b>\$ 2,130,128</b>	<b>\$ 1,962,906</b>	<b>\$ 1,783,817</b>	<b>\$ 2,200,107</b>	<b>\$ 2,248,959</b>	<b>26%</b>
<b>Licenses &amp; Permits</b>						
Animal Licenses 100 29 305 5000 4210	\$ 209,324	\$ 192,354	\$ 187,000	\$ 187,000	\$ 195,000	4%
Animal Impound Fee 100 29 305 5000 5065	49,679	43,160	50,000	50,000	50,000	0%
FOG Annual Inspection 100 29 300 3020 5034	33,538	23,345	36,000	36,724	38,099	6%
Other Licenses & Permits	75,986	38,618	43,044	43,085	47,539	10%
<b>Total Licenses &amp; Permits</b>	<b>\$ 368,527</b>	<b>\$ 297,477</b>	<b>\$ 316,044</b>	<b>\$ 316,809</b>	<b>\$ 330,638</b>	<b>5%</b>
<b>Grants</b>						
CDBG Grant - Environmental 100 07 200 0000 4700	\$ 58,325	\$ 10,658	\$ 95,000	\$ 65,000	\$ 65,000	-32%
Police JAG Grant 100 51 510 0000 4700	0	2,000	0	1,000	1,000	n/a
Police Dept. of Justice LLEBG Grant 100 51 510 0000 4770	21,455	26,008	27,500	25,419	26,008	-5%
Police Off Highway 100 51 510 0000 4790	0	13,579	15,000	14,940	19,705	31%
Police Sobriety Grant 100 51 510 0000 4797	26,779	0	0	0	0	n/a
Police Homeland Security Grant 100 51 510 0000 4811	29,858	16,125	21,370	0	0	-100%
Police ABC Shoulder Tap Grant 100 51 510 0000 4815	4,200	0	0	0	0	n/a
<b>Total Grants</b>	<b>\$ 140,617</b>	<b>\$ 68,370</b>	<b>\$ 158,870</b>	<b>\$ 106,359</b>	<b>\$ 111,713</b>	<b>-30%</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>General Fund Revenue (Continued)</b>						
<b>Other Operating</b>						
Article 19 Landfill Fee	\$ 16,565	\$ 0	\$ 0	\$ 0	\$ 135,202	n/a
100 19 220 0000 4170						
Cable Franchise Fee	666,201	709,406	700,000	705,000	730,000	4%
100 19 220 0000 4150, 4151						
Advance Disposal Franchise Fee	1,064,873	1,185,500	1,180,000	1,185,000	1,207,000	2%
100 19 220 0000 4155						
Utilities Franchise Fee	996,951	1,051,724	1,060,000	1,105,104	1,153,237	9%
100 19 220 0000 4160						
Water Franchise Fee	250,000	250,000	250,000	250,000	250,000	0%
100 19 220 0000 4165						
Sub Total Franchise Fees	<u>\$ 2,994,590</u>	<u>\$ 3,196,630</u>	<u>\$ 3,190,000</u>	<u>\$ 3,245,104</u>	<u>\$ 3,475,439</u>	<u>9%</u>
State Mandated Claims SB90	\$ 51,174	\$ 439,503	\$ 50,000	\$ 183,461	\$ 47,000	-6%
100 19 220 0000 4500						
Assessment Cost Recovery	8,405	5,252	4,303	4,303	4,485	4%
100 19 220 0000 5830						
Leased Water Rights-Other	15,280	64,480	69,324	69,324	219,880	217%
100 19 220 0000 5871						
Leased Water Rights-RLF	1,368,324	1,443,546	1,562,188	1,562,188	1,712,674	10%
100 19 220 0000 5872						
Leased Water Rights-Golf	56,918	0	0	0	0	n/a
100 19 220 0000 5873						
Pet Adoption Charges	58,800	54,879	62,500	56,000	60,000	-4%
100 29 305 5000 4215						
Cell Tower Rent	20,545	20,956	21,375	21,446	21,803	2%
100 19 220 0000 5885						
CSI Grant Reimbursement	11,965	42,840	60,000	15,819	0	-100%
100 29 310 3110 4860						
Library Electricity Reimb	9,721	16,413	10,000	10,000	10,000	0%
100 29 310 3110 5804						
Other Operating	591,285	138,113	11,443	62,299	19,420	70%
Total Other Operating	<u>\$ 5,187,007</u>	<u>\$ 5,422,612</u>	<u>\$ 5,041,133</u>	<u>\$ 5,229,944</u>	<u>\$ 5,570,701</u>	<u>11%</u>
<b>All Other</b>						
Miscellaneous/General Govt.	\$ 1,267	\$ 3,132	\$ 500	\$ 2,400	\$ 2,000	300%
100 19 220 0000 5950						
Total All Other	<u>\$ 1,267</u>	<u>\$ 3,132</u>	<u>\$ 500</u>	<u>\$ 2,400</u>	<u>\$ 2,000</u>	<u>300%</u>
Total General Fund Revenue	<u>\$ 25,174,095</u>	<u>\$ 25,399,300</u>	<u>\$ 25,455,353</u>	<u>\$ 26,201,615</u>	<u>\$ 26,687,773</u>	<u>5%</u>
<b>170 Community Development Commission</b>						
<b>Interest</b>						
CDC - Interest	\$ 1,200	\$ 15,497	\$ 15,655	\$ 14,900	\$ 14,863	-5%
170 25 261 0000 5600						
Total Interest Income	<u>\$ 1,200</u>	<u>\$ 15,497</u>	<u>\$ 15,655</u>	<u>\$ 14,900</u>	<u>\$ 14,863</u>	<u>-5%</u>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>170 Community Development Commission (Continued)</b>						
<b>Other</b>						
Rents & Leases 170 25 261 0000 5700	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	0%
Reimbursements/Other Agencies 170 25 261 0000 5800	81,879	47,961	112,500	112,500	116,625	4%
Proceeds from Land Sale 170 19 220 0000 5900	8,003	0	433,004	10,000	0	-100%
Misc. Revenue 170 25 261 0000 5950	39,750	20,817	0	40	0	n/a
<b>Total CDC Other</b>	<b>\$ 189,632</b>	<b>\$ 128,778</b>	<b>\$ 605,504</b>	<b>\$ 182,540</b>	<b>\$ 176,625</b>	<b>-71%</b>
<b>Total Community Development Commission</b>	<b>\$ 190,832</b>	<b>\$ 144,275</b>	<b>\$ 621,159</b>	<b>\$ 197,440</b>	<b>\$ 191,488</b>	<b>-69%</b>
<b>(370, 371)</b>						
<b>370 Hesperia Housing Authority</b>						
<b>Interest</b>						
Housing Authority - Interest 370 19 220 0000 5600	\$ 61,786	\$ 57,180	\$ 47,434	\$ 59,000	\$ 62,000	31%
<b>Total Interest</b>	<b>\$ 61,786</b>	<b>\$ 57,180</b>	<b>\$ 47,434</b>	<b>\$ 59,000</b>	<b>\$ 62,000</b>	<b>31%</b>
<b>Other</b>						
Loan Repayments 370 25 263 0000 4746	\$ 83,109	\$ 83,944	\$ 84,788	\$ 84,929	\$ 85,639	1%
Rents & Leases 370 25 263 0000 5700	22,338	29,900	18,000	12,000	12,000	-33%
Proceeds from Land Sales 370 25 263 0000 5900	128,140	0	1,129,848	727,663	17,000	-98%
Miscellaneous 370 25 263 0000 5950	1,775	10,000	1,500	7,000	1,500	0%
Other Revenue	0	0	0	487	0	n/a
<b>Total Other</b>	<b>\$ 235,362</b>	<b>\$ 123,844</b>	<b>\$ 1,234,136</b>	<b>\$ 832,079</b>	<b>\$ 116,139</b>	<b>-91%</b>
<b>Total Hesperia Housing</b>	<b>\$ 297,148</b>	<b>\$ 181,024</b>	<b>\$ 1,281,570</b>	<b>\$ 891,079</b>	<b>\$ 178,139</b>	<b>-86%</b>
<b>371 VVEDA Housing</b>						
<b>Taxes</b>						
VVEDA Housing Authority - Tax Increment 371 25 261 0000 4068	\$ 155,489	\$ 0	\$ 0	\$ 0	\$ 0	n/a
<b>Total Taxes</b>	<b>\$ 155,489</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>n/a</b>
<b>Interest</b>						
VVEDA Housing Authority - Interest 371 19 220 0000 5600	\$ 4,081	\$ 4,189	\$ 4,248	\$ 6,173	\$ 8,172	92%
<b>Total Interest</b>	<b>\$ 4,081</b>	<b>\$ 4,189</b>	<b>\$ 4,248</b>	<b>\$ 6,173</b>	<b>\$ 8,172</b>	<b>92%</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>371 VVEDA Housing (Continued)</b>						
<b>Other (Continued)</b>						
Rents & Leases	\$ 0	\$ 0	\$ 100,423	\$ 0	\$ 0	-100%
371 19 220 0000 5700						
<b>Total Other</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 100,423</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>-100%</b>
<b>Total VVEDA Housing</b>	<b>\$ 159,570</b>	<b>\$ 4,189</b>	<b>\$ 104,671</b>	<b>\$ 6,173</b>	<b>\$ 8,172</b>	<b>-92%</b>
<b>Total HHA Funds</b>	<b>\$ 456,718</b>	<b>\$ 185,213</b>	<b>\$ 1,386,241</b>	<b>\$ 897,252</b>	<b>\$ 186,311</b>	<b>-87%</b>
<b><u>Other City Funds</u></b>						
<b>Community Development Block Grant (CDBG) Funds (251, 252, 253, 257)</b>						
<b>251 CDBG Fund</b>						
CDBG Administration Reimbursement	\$ 609,485	\$ 516,967	\$ 1,135,361	\$ 1,316,775	\$ 1,655,522	46%
251 25 270 2700 4730						
CDBG Loan Repayment	0	0	0	30,854	0	n/a
251 25 270 2700 4746						
CDBG Program Income	0	0	1,100,000	0	0	-100%
251 25 270 2700 5903						
<b>Total CDBG Fund 251</b>	<b>\$ 609,485</b>	<b>\$ 516,967</b>	<b>\$ 2,235,361</b>	<b>\$ 1,347,629</b>	<b>\$ 1,655,522</b>	<b>-26%</b>
<b>252 HOME Grant Fund</b>						
<b>Interest</b>						
CDBG HOME Grant Program Interest Income	\$ 14,892	\$ 20,502	\$ 14,000	\$ 18,594	\$ 19,244	37%
252 19 220 0000 5600						
DOIM Income from Home Activites	0	17,317	1,700	2,100	2,100	24%
252 25 264 2700 4758						
<b>Total Interest Income</b>	<b>\$ 14,892</b>	<b>\$ 37,819</b>	<b>\$ 15,700</b>	<b>\$ 20,694</b>	<b>\$ 21,344</b>	<b>36%</b>
<b>Grants</b>						
CDBG HOME Grant 2000	\$ 10	\$ 0	\$ 0	\$ 0	\$ 0	n/a
252 25 264 2700 4750						
<b>Total Grants</b>	<b>\$ 10</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>n/a</b>
<b>Total HOME Fund 252</b>	<b>\$ 14,902</b>	<b>\$ 37,819</b>	<b>\$ 15,700</b>	<b>\$ 20,694</b>	<b>\$ 21,344</b>	<b>36%</b>
<b>253 CDBG-Revolving Loan Fund</b>						
CDBG Revolving Loan Program Interest Income	\$ 1,997	\$ 1,483	\$ 1,562	\$ 1,752	\$ 2,177	39%
253 19 220 0000 5600						
<b>Total CDBG-Revolving Loan Fund 253</b>	<b>\$ 1,997</b>	<b>\$ 1,483</b>	<b>\$ 1,562</b>	<b>\$ 1,752</b>	<b>\$ 2,177</b>	<b>39%</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>Other City Funds (Continued)</b>						
NSP - Interest Income	1,689	3,001	2,966	4,607	5,902	99%
257 19 220 0000 5600						
NSP - Proceeds from Sales	799,104	0	1,079,953	396,518	83,000	-92%
257 25 270 2700 5901						
NSP - Rents/Lease	2,187	7,690	10,172	11,304	11,304	11%
257 25 270 2700 5870						
Program Income from NSP Activities	106,386	0	121,126	356,866	0	-100%
257 25 270 2700 5903						
Gain on Sale of Assets	0	10,599	0	0	0	n/a
257 25 270 2700 5915						
NSP Miscellaneous	430	40	200	0	0	-100%
257 25 270 2700 5950						
<b>Total CDBG-Neighborhood Stabilization Fund 257</b>	<b>\$ 909,796</b>	<b>\$ 21,330</b>	<b>\$ 1,214,417</b>	<b>\$ 769,295</b>	<b>\$ 100,206</b>	<b>-92%</b>
<b>Total CDBG Funds (251, 252, 253, 257)</b>	<b>\$ 1,536,180</b>	<b>\$ 577,599</b>	<b>\$ 3,467,040</b>	<b>\$ 2,139,370</b>	<b>\$ 1,779,249</b>	<b>-49%</b>
<b>150 Redevelopment Administration</b>						
Redevelopment Administration Interest Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a
150 19 220 0000 5600						
<b>Total Redevelopment Administration Fund 150</b>	<b>\$ 0</b>	<b>n/a</b>				
<b>204 Measure I - 2010 Renewal Fund</b>						
Measure I - 2010 Renewal Interest Income	\$ 5,159	\$ 4,930	\$ 4,864	\$ 8,771	\$ 10,370	113%
204 19 220 0000 5600						
Measure I - 2010 Renewal	2,489,817	2,556,257	2,528,606	2,528,606	2,655,036	5%
204 29 310 3150 4126						
<b>Total Measure I - 2010 Renewal Fund 204</b>	<b>\$ 2,494,976</b>	<b>\$ 2,561,187</b>	<b>\$ 2,533,470</b>	<b>\$ 2,537,377</b>	<b>\$ 2,665,406</b>	<b>5%</b>
<b>205 Gas Tax Fund</b>						
Interest						
Gas Tax Fund Interest Income	\$ 694	\$ 1,022	\$ 0	\$ 869	\$ 1,106	n/a
205 19 220 0000 5600						
<b>SubTotal Interest</b>	<b>\$ 694</b>	<b>\$ 1,022</b>	<b>\$ 0</b>	<b>\$ 869</b>	<b>\$ 1,106</b>	<b>n/a</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>Other City Funds (Continued)</u>						
205 Gas Tax Fund (Continued)						
Intergovernmental						
Gas Tax Section 2105 205 29 310 3150 4130	\$ 616,062	\$ 540,854	\$ 522,795	\$ 558,414	\$ 575,707	10%
Gas Tax Section 2106 205 29 310 3150 4132	296,037	339,267	274,303	277,038	285,808	4%
Gas Tax Section 2107 205 29 310 3150 4134	659,040	695,491	718,591	774,559	799,461	11%
Gas Tax Section 2107.5 205 29 310 3150 4135	7,500	15,000	7,500	7,500	7,500	0%
SubTotal Intergovernmental	\$ 1,578,639	\$ 1,590,612	\$ 1,523,189	\$ 1,617,511	\$ 1,668,476	10%
Total Gas Tax Fund 205	\$ 1,579,333	\$ 1,591,634	\$ 1,523,189	\$ 1,618,380	\$ 1,669,582	10%
206 Gas Tax Swap						
Gas Tax Swap Interest Income 206 19 220 0000 5600	\$ 102	\$ 275	\$ 1,254	\$ 524	\$ 647	-48%
Gas Tax Swap 7360 206 29 310 3150 4136	1,261,997	942,334	414,483	429,854	217,410	-48%
Total Gas Tax Swap Fund 206	\$ 1,262,099	\$ 942,609	\$ 415,737	\$ 430,378	\$ 218,057	-48%
207 Local Transportation Fund						
Local Transportation Fund Interest Income 207 19 220 0000 5600	\$ 2,312	\$ 1,212	\$ 2,184	\$ 106	\$ 0	-100%
Local Transportation SB325 - Article 8 207 29 310 3150 4110	1,639,063	1,504,357	1,350,000	2,053,723	2,113,262	57%
Total Local Transportation Fund 207	\$ 1,641,375	\$ 1,505,569	\$ 1,352,184	\$ 2,053,829	\$ 2,113,262	56%
254 AQMD (AB2766 - Transit) Fund						
AQMD Fund Interest Income 254 19 220 0000 5600	\$ 369	\$ 329	\$ 330	\$ 143	\$ 29	-91%
Grant Reimbursement 254 29 700 7133 4700	0	0	0	0	243,800	n/a
AQMD - AB2766 Transit Grant 254 29 310 3150 4875	60,665	62,192	61,000	66,250	65,000	7%
Total AQMD Fund 254	\$ 61,034	\$ 62,521	\$ 61,330	\$ 66,393	\$ 308,829	404%
255 AB3229 Supplemental Law Fund						
AB2339 Supplemental Law Interest Income 255 19 220 0000 5600	\$ 219	\$ 139	\$ 186	\$ 103	\$ 141	-24%
AB3229 COP's Grant 255 51 510 0000 4780	155,802	153,623	140,000	144,000	140,000	0%
Total AB3229 Supplemental Law Fund 255	\$ 156,021	\$ 153,762	\$ 140,186	\$ 144,103	\$ 140,141	0%

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b><u>Other City Funds (Continued)</u></b>						
<b>256 Environmental Programs Grants</b>						
Environmental Programs Grants Fund						
Interest Income	\$ 55	\$ 35	\$ 56	\$ 15	\$ 0	-100%
256 19 220 0000 5600						
Beverage Recycling Grant	24,100	0	23,881	24,272	24,272	2%
256 07 200 0000 4710						
Recycling Revenue	5,205	8,885	9,000	9,000	9,000	0%
256 07 200 0000 5895						
Tire Grant	14,156	12,158	20,494	27,529	25,619	25%
256 07 200 2001 4700						
Illegal Dumping Abatement Grant	0	0	69,200	0	124,141	79%
256 07 200 2002 4700						
Litter Fines	89	79	0	0	0	n/a
256 51 510 0000 5402						
Miscellaneous Revenue	1,000	0	0	0	0	n/a
<b>Total Environmental Programs Grants Fund 256</b>	<b>\$ 44,605</b>	<b>\$ 21,157</b>	<b>\$ 122,631</b>	<b>\$ 60,816</b>	<b>\$ 183,032</b>	<b>49%</b>
<b>260 Disaster Preparedness Grant</b>						
Disaster Preparedness Grant Fund Interest						
Income	\$ 52	\$ 75	\$ 82	\$ 146	\$ 182	122%
260 19 220 0000 5600						
Disaster Preparedness Grant Reimbursement	22,398	38,039	24,036	22,604	22,450	-7%
260 07 200 0000 4700						
Miscellaneous Revenue	2,595	2	2,000	1,600	1,500	-25%
<b>Total Disaster Preparedness Grant Fund 260</b>	<b>\$ 25,045</b>	<b>\$ 38,116</b>	<b>\$ 26,118</b>	<b>\$ 24,350</b>	<b>\$ 24,132</b>	<b>-8%</b>
<b>263 Public Works Street Maintenance</b>						
Public Works Street Maintenance Interest						
Income	\$ 1,576	\$ 1,940	\$ 2,006	\$ 2,257	\$ 2,879	44%
263 19 220 0000 5600						
Public Works Graffiti Miscellaneous Income	21,911	27,256	2,000	2,787	2,000	0%
<b>Total Public Works Street Maintenance 263</b>	<b>\$ 23,487</b>	<b>\$ 29,196</b>	<b>\$ 4,006</b>	<b>\$ 5,044</b>	<b>\$ 4,879</b>	<b>22%</b>
<b>300 Streets Development Impact Fee (DIF) Fund</b>						
Streets DIF Interest Income	\$ 0	\$ 0	\$ 0	\$ 438	\$ 501	n/a
300 19 220 0000 5600						
Streets DIF Fees	634,235	885,609	1,345,528	1,102,268	1,652,285	23%
300 29 310 3150 5060						
Insurance Reimbursement	0	0	0	8,749	0	n/a
300 29 700 7046 5803						
<b>Total Streets DIF Fund 300</b>	<b>\$ 634,235</b>	<b>\$ 885,609</b>	<b>\$ 1,345,528</b>	<b>\$ 1,111,455</b>	<b>\$ 1,652,786</b>	<b>23%</b>

REVENUE  
DETAIL BY FUND

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>Other City Funds (Continued)</u>						
<b>301 Storm Drain Development Impact Fee (DIF) Fund</b>						
Storm Drain DIF Interest Income 301 19 220 0000 5600	\$ 5,038	\$ 5,361	\$ 5,372	\$ 8,519	\$ 10,947	104%
Storm Drain DIF Fees 301 29 310 3150 5088	83,963	116,333	176,834	144,800	217,052	23%
<b>Total Storm Drain DIF 301</b>	<b>\$ 89,001</b>	<b>\$ 121,694</b>	<b>\$ 182,206</b>	<b>\$ 153,319</b>	<b>\$ 227,999</b>	<b>25%</b>
<b>302 Fire Development Impact Fee (DIF) Fund</b>						
Fire DIF Interest Income 302 19 220 0000 5600	\$ 2,025	\$ 2,079	\$ 2,100	\$ 3,208	\$ 4,114	96%
Fire DIF Fees 302 29 310 3150 5062	30,675	13,650	67,915	18,157	27,072	-60%
<b>Total Fire DIF 302</b>	<b>\$ 32,700</b>	<b>\$ 15,729</b>	<b>\$ 70,015</b>	<b>\$ 21,365</b>	<b>\$ 31,186</b>	<b>-55%</b>
<b>303 Police Development Impact Fee (DIF) Fund</b>						
Police DIF Interest Income 303 19 220 0000 5600	\$ 608	\$ 635	\$ 642	\$ 978	\$ 1,254	95%
Police DIF Fees 303 29 310 3150 5063	8,952	3,963	19,922	5,271	7,860	-61%
<b>Total Police DIF 303</b>	<b>\$ 9,560</b>	<b>\$ 4,598</b>	<b>\$ 20,564</b>	<b>\$ 6,249</b>	<b>\$ 9,114</b>	<b>-56%</b>
<b>304 Public Services Development Impact Fee (DIF) Fund</b>						
Public Services DIF Interest Income 304 19 220 0000 5600	\$ 386	\$ 30	\$ 14	\$ 164	\$ 214	1429%
Public Services DIF Fees 304 29 310 3150 5064	24,652	10,568	52,706	14,057	20,959	-60%
<b>Total Public Services DIF 304</b>	<b>\$ 25,038</b>	<b>\$ 10,598</b>	<b>\$ 52,720</b>	<b>\$ 14,221</b>	<b>\$ 21,173</b>	<b>-60%</b>
<b>400 2004 Streets Debt Service Fund</b>						
2004 Streets Debt Service Interest Income 400 19 220 0000 5600	\$ 2,440	\$ 5,856	\$ 4,172	\$ 4,102	\$ 4,403	6%
<b>Total 2004 Streets Debt Service Fund 400</b>	<b>\$ 2,440</b>	<b>\$ 5,856</b>	<b>\$ 4,172</b>	<b>\$ 4,102</b>	<b>\$ 4,403</b>	<b>6%</b>
<b>401 City Debt Service Fund</b>						
City Debt Service Fund Interest Income 401 19 220 0000 5600	\$ 1,101	\$ 0	\$ 0	\$ 0	\$ 0	n/a
<b>Total City Debt Service Fund 401</b>	<b>\$ 1,101</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>n/a</b>

REVENUE  
DETAIL BY FUND

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>Other City Funds (Continued)</u>						
<b>402 2012 Water Rights Debt Service Fund</b>						
2012 Water Rights Debt Service Fund						
Interest Income	\$ 146	\$ 260	\$ 17	\$ 484	\$ 244	1335%
402 19 220 0000 5600						
<b>Total 2012 Water Rights Debt Service Fund 402</b>	<b>\$ 146</b>	<b>\$ 260</b>	<b>\$ 17</b>	<b>\$ 484</b>	<b>\$ 244</b>	<b>1335%</b>
<b>403 2005 COP Debt Service Fund</b>						
2005 Refinance Debt Service Fund Interest						
Income	\$ 668	\$ 790	\$ 852	\$ 440	\$ 98	-88%
403 19 220 0000 5600						
Reimbursement/Other Agencies	0	69,484	0	0	0	n/a
403 19 220 0000 5800						
<b>Total 2005 Refinance Debt Service Fund 403</b>	<b>\$ 668</b>	<b>\$ 70,274</b>	<b>\$ 852</b>	<b>\$ 440</b>	<b>\$ 98</b>	<b>-88%</b>
<b>503 High Desert Government Center</b>						
Reimbursement						
503 29 650 6520 5800	\$ 12,678	\$ 0	\$ 0	\$ 0	\$ 0	n/a
<b>Total High Desert Government Center Fund 503</b>	<b>\$ 12,678</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>n/a</b>
<b>504 City Streets CIP</b>						
FEMA 2010 Grant						
504 29 700 7091 4821	\$ 0	\$ 0	\$ 1,185,537	\$ 5,115	\$ 1,180,420	0%
County Reimbursement-Ranchero Corridor						
Reimbursement	0	0	22,500	22,500	0	-100%
504 29 700 7094 5800						
Park and Ride MDAQMD Grant						
504 29 650 6523 4700	0	0	184,346	0	184,346	0%
Park and Ride CMAQ Grant						
504 29 650 6523 4800	0	0	508,000	0	508,000	0%
2011-12 Street Improvement Proj / SRTS						
Grant	14,794	0	0	0	0	n/a
504 29 700 7121 4700						
Willow Street Paseo SRTS						
504 29 700 7123 4700	0	0	834,900	11,182	823,718	-1%
Bear Valley/Sequoia Bicycle Bypass TDA						
Article 3 Grant	544,556	0	0	0	0	n/a
504 29 700 7124 4700						
2012-13 Street Improvement Proj / VVTA						
Reimbursement	181,506	0	0	0	0	n/a
504 29 700 7125 5800						
Other Miscellaneous						
	77	61	0	60	0	n/a
<b>Total City Streets CIP Fund 504</b>	<b>\$ 740,933</b>	<b>\$ 61</b>	<b>\$ 2,735,283</b>	<b>\$ 38,857</b>	<b>\$ 2,696,484</b>	<b>-1%</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b><u>Other City Funds (Continued)</u></b>						
<b>507 Township</b>						
Township Interest	\$ 216	\$ 218	\$ 222	\$ 330	\$ 423	91%
507 19 220 0000 5600						
<b>Total Township Fund 507</b>	<b>\$ 216</b>	<b>\$ 218</b>	<b>\$ 222</b>	<b>\$ 330</b>	<b>\$ 423</b>	<b>91%</b>
<b>600 Rancho Road Undercrossing Fund</b>						
US DOT-Federal Highway Administration Grant	\$ 183,164	\$ 0	\$ 0	\$ 0	\$ 0	n/a
600 29 700 7046 4700						
NCPDP Grant Reimb	13,536	0	0	0	0	n/a
600 29 700 7046 4835						
SAFETEA-LU Federal Grant	222,185	0	0	0	0	n/a
600 29 700 7046 4833						
SANBAG-STP Grant	224,903	0	0	0	0	n/a
600 29 700 7046 4834						
Prop 1B - SLPP	61,932	0	0	0	0	n/a
600 29 700 7046 4843						
<b>Total Rancho Road Undercrossing Fund 600</b>	<b>\$ 705,720</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>n/a</b>
<b>Streets, Transportation, and Other City Funds Summary</b>						
<b>Streets Capital Improvement Project (CIP) Funds</b>						
204 Measure I - 2010 Renewal	2,494,976	2,561,187	2,533,470	2,537,377	2,665,406	5%
205 Gas Tax	1,579,333	1,591,634	1,523,189	1,618,380	1,669,582	10%
206 Gas Tax Swap	1,262,099	942,609	415,737	430,378	218,057	-48%
207 Local Transportation	1,641,375	1,505,569	1,352,184	2,053,829	2,113,262	56%
300 Street Development Impact Fee	634,235	885,609	1,345,528	1,111,455	1,652,786	23%
301 Storm Drain Development Impact Fee	89,001	121,694	182,206	153,319	227,999	25%
504 City Streets CIP	740,933	61	2,735,283	38,857	2,696,484	-1%
507 Township	216	218	222	330	423	91%
600 Rancho Rd Undercrossing	705,720	0	0	0	0	n/a
<b>Total Streets CIP Related Revenue Funds</b>	<b>\$ 9,147,888</b>	<b>\$ 7,608,581</b>	<b>\$ 10,087,819</b>	<b>\$ 7,943,925</b>	<b>\$ 11,243,999</b>	<b>11%</b>
<b>Other Transportation Related Funds</b>						
254 AQMD (AB2766 Transit)	\$ 61,034	\$ 62,521	\$ 61,330	\$ 66,393	\$ 308,829	404%
263 Public Works Street Maintenance	23,487	29,196	4,006	5,044	4,879	22%
400 2004 Streets Debt Service	2,440	5,856	4,172	4,102	4,403	6%
<b>Total Other Transportation Funds</b>	<b>\$ 86,961</b>	<b>\$ 97,573</b>	<b>\$ 69,508</b>	<b>\$ 75,539</b>	<b>\$ 318,111</b>	<b>358%</b>
<b>Total Streets Capital and Other Transportation Funds</b>	<b>\$ 9,234,849</b>	<b>\$ 7,706,154</b>	<b>\$ 10,157,327</b>	<b>\$ 8,019,464</b>	<b>\$ 11,562,110</b>	<b>14%</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>Other City Funds (Continued)</u>						
Other City Related Funds						
150 Redevelopment Administration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a
251 Community Development						
Block Grant	609,485	516,967	2,235,361	1,347,629	1,655,522	-26%
252 HOME Grant	14,902	37,819	15,700	20,694	21,344	36%
253 CDBG Revolving Loan						
Program	1,997	1,483	1,562	1,752	2,177	39%
255 AB3229 Supplemental Law	156,021	153,762	140,186	144,103	140,141	0%
256 Environmental Programs						
Grants	44,605	21,157	122,631	60,816	183,032	49%
257 Neighborhood Stabilization						
Program	909,796	21,330	1,214,417	769,295	100,206	-92%
260 Disaster Preparedness Grant	25,045	38,116	26,118	24,350	24,132	-8%
302 Fire Development Impact Fee	32,700	15,729	70,015	21,365	31,186	-55%
303 Police Development Impact						
Fee	9,560	4,598	20,564	6,249	9,114	-56%
304 Public Services Development						
Impact Fee	25,038	10,598	52,720	14,221	21,173	-60%
401 City Debt Service Fund	1,101	0	0	0	0	n/a
402 Water Rights Debt Service Fund	146	260	17	484	244	1335%
403 2005 COP Refinance Debt Service Fund	668	70,274	852	440	98	-88%
503 High Desert County						
Government Center	12,678	0	0	0	0	n/a
Total Other City Related Funds	\$ 1,843,742	\$ 892,093	\$ 3,900,143	\$ 2,411,398	\$ 2,188,369	-44%
Total Streets CIP, Other Transportation, and Other City Related Funds	\$ 11,078,591	\$ 8,598,247	\$ 14,057,470	\$ 10,430,862	\$ 13,750,479	-2%

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>Water District</u>						
700 Water Operating Fund						
Taxes						
Secured Property Taxes 700 29 400 4070 4000	\$ 263,813	\$ 271,408	\$ 297,588	\$ 280,743	\$ 297,588	0%
VVEDA Pass-Through 700 29 400 4070 4095	6,552	8,088	6,996	9,291	9,848	41%
Other Taxes	50,358	7,914	7,572	31,014	8,234	9%
Total Taxes	\$ 320,723	\$ 287,410	\$ 312,156	\$ 321,048	\$ 315,670	1%
Interest						
Interest Income 700 29 400 4070 5605	\$ 6,668	\$ 5,898	\$ 4,776	\$ 8,910	\$ 8,910	87%
Total Interest	\$ 6,668	\$ 5,898	\$ 4,776	\$ 8,910	\$ 8,910	87%
Intergovernmental						
City Rent Charge 700 29 400 4070 5880	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	0%
Total Intergovernmental	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	0%
Charges for Services						
Water Sales/Residential 700 29 400 4060 5100	\$ 7,936,001	\$ 7,282,238	\$ 6,772,600	\$ 5,977,700	\$ 6,276,585	-7%
Water Sales/Business 700 29 400 4060 5101	432,435	428,124	386,900	402,432	404,505	5%
Water Sales/Public Building 700 29 400 4060 5102	495,161	471,394	444,600	447,758	440,750	-1%
Water Sales/Irrigation 700 29 400 4060 5103	251,083	229,077	217,500	183,588	186,000	-14%
Water Sales/Construction 700 29 400 4060 5104	44,530	190,952	141,800	72,967	75,000	-47%
Water Sales/Industrial 700 29 400 4060 5105	3,888	7,180	2,500	13,584	14,000	460%
Water Availability Charge 700 29 400 4060 5110	6,542,963	6,620,441	6,700,000	6,657,352	6,723,926	0%
Sub-Total Water Billing Revenue	\$ 15,706,061	\$ 15,229,406	\$ 14,665,900	\$ 13,755,381	\$ 14,120,766	-4%
Water Meter Fees 700 29 400 4070 5140	32,464	44,520	51,200	137,000	175,250	242%
Reconnection Fees 700 29 400 4070 5130	244,343	186,332	145,000	191,500	188,500	30%
Water Inspection 700 29 400 4070 5180	3,652	7,037	4,500	2,500	2,500	-44%
New Account Setup 700 29 400 4060 5191	18,019	118,872	110,000	99,100	113,000	3%
Rent Eagle Plaza 700 29 400 4070 5875	159,672	103,973	105,300	218,209	218,478	107%
Other Charges for Services	86,697	114,003	116,361	123,887	109,450	-6%
Total Charges for Services	\$ 16,250,908	\$ 15,804,143	\$ 15,198,261	\$ 14,527,577	\$ 14,927,944	-2%
Grants						
MWA Toilet Grant 700 29 400 4010 4700	\$ 0	\$ 38,000	\$ 0	\$ 0	\$ 0	n/a
Total Grants	\$ 0	\$ 38,000	\$ 0	\$ 0	\$ 0	n/a

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b><u>Water District (Continued)</u></b>						
<b>Other Operating</b>						
Other Operating	\$ 187,694	\$ 194,086	\$ 192,896	\$ 176,022	\$ 180,424	-6%
Total Other Operating	\$ 187,694	\$ 194,086	\$ 192,896	\$ 176,022	\$ 180,424	-6%
<b>All Other</b>						
All Other	\$ 123,443	\$ 35,979	\$ 25,300	\$ 18,000	\$ 18,000	-29%
Total All Other	\$ 123,443	\$ 35,979	\$ 25,300	\$ 18,000	\$ 18,000	-29%
<b>Total Water Operating Fund 700</b>	<b>\$ 16,941,973</b>	<b>\$ 16,418,053</b>	<b>\$ 15,785,926</b>	<b>\$ 15,104,094</b>	<b>\$ 15,503,485</b>	<b>-2%</b>
<b>701 Water Capital Fund</b>						
<b>Charges for Services</b>						
Capital Facility Charges	\$ 306,762	\$ 414,951	\$ 396,000	\$ 500,000	\$ 415,000	5%
701 29 400 4070 5120						
Prop 84 Drought Relief Grant	0	0	0	0	1,500,000	n/a
701 29 800 8087 4851						
Prop 1 State Water Board	0	0	0	0	4,727,337	n/a
701 29 800 8087 4852						
Other Charges for Services	23,115	0	0	385	0	n/a
<b>Total Water Capital Fund 701</b>	<b>\$ 329,877</b>	<b>\$ 414,951</b>	<b>\$ 396,000</b>	<b>\$ 500,385</b>	<b>\$ 6,642,337</b>	<b>1577%</b>
<b>Total Water Operating and Capital Fund Revenues</b>	<b>\$ 17,271,850</b>	<b>\$ 16,833,004</b>	<b>\$ 16,181,926</b>	<b>\$ 15,604,479</b>	<b>\$ 22,145,822</b>	<b>37%</b>
<b><u>710 Sewer Operating Fund</u></b>						
<b>Interest</b>						
Interest Income	\$ 5,484	\$ 5,428	\$ 6,800	\$ 8,900	\$ 9,000	32%
710 19 220 0000 5600						
Total Interest	\$ 5,484	\$ 5,428	\$ 6,800	\$ 8,900	\$ 9,000	32%
<b>Charges for Services</b>						
Sewer Billing	\$ 3,352,554	\$ 3,412,190	\$ 3,450,000	\$ 3,400,000	\$ 3,422,438	-1%
710 29 420 4200 5200						
Zone J Sewer Billing	69,216	69,216	69,215	69,215	69,215	0%
710 29 420 4200 5210						
Sewer Inspections	3,068	5,200	3,000	3,500	3,000	0%
710 29 420 4200 5260						
Other Charges for Services	563	944	1,200	1,200	1,000	-17%
Total Charges for Service	\$ 3,425,401	\$ 3,487,550	\$ 3,523,415	\$ 3,473,915	\$ 3,495,653	-1%
<b>Total Sewer Operating Fund 710</b>	<b>\$ 3,430,885</b>	<b>\$ 3,492,978</b>	<b>\$ 3,530,215</b>	<b>\$ 3,482,815</b>	<b>\$ 3,504,653</b>	<b>-1%</b>
<b><u>711 Sewer Capital Fund</u></b>						
<b>Charges for Services</b>						
Sewer Connections	\$ 87,592	\$ 120,128	\$ 200,000	\$ 100,000	\$ 80,000	-60%
711 29 420 4200 5220						
Interest Income	2,563	2,417	2,008	4,800	5,100	154%
711 19 220 0000 5600						
Miscellaneous Revenue	758	689	0	0	0	n/a
711 29 420 4200 5950						
<b>Total Sewer Capital Fund 711</b>	<b>\$ 90,913</b>	<b>\$ 123,234</b>	<b>\$ 202,008</b>	<b>\$ 104,800</b>	<b>\$ 85,100</b>	<b>-58%</b>
<b>Total Sewer Operating &amp; Capital</b>	<b>\$ 3,521,798</b>	<b>\$ 3,616,212</b>	<b>\$ 3,732,223</b>	<b>\$ 3,587,615</b>	<b>\$ 3,589,753</b>	<b>-4%</b>
<b>TOTAL WATER DISTRICT (700, 701, 710, 711)</b>	<b>\$ 20,793,648</b>	<b>\$ 20,449,216</b>	<b>\$ 19,914,149</b>	<b>\$ 19,192,094</b>	<b>\$ 25,735,575</b>	<b>29%</b>

**REVENUE  
DETAIL BY FUND**

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b><u>200 Fire District Fund</u></b>						
<b>Taxes</b>						
Secured Property Taxes 200 55 521 0000 4000	\$ 3,952,319	\$ 3,909,852	\$ 4,204,291	\$ 4,144,443	\$ 4,393,110	4%
CFD #94-1 200 55 521 0000 4030	565,812	567,094	563,191	569,706	592,190	5%
CFD #2005-1 200 55 521 0000 4031	326,850	214,143	218,426	218,426	222,795	2%
Redevelopment Agency Pass-Through 200 55 521 0000 4090	1,867,920	1,382,366	1,452,473	1,579,078	1,627,387	12%
Fire Capital Pass-Through 502 19 220 0000 4090	560,709	625,061	662,327	762,018	807,739	22%
VVEDA Pass-Through 200 55 521 0000 4095	97,851	120,797	133,626	140,044	148,447	11%
<b>Total Taxes</b>	<b>\$ 7,371,461</b>	<b>\$ 6,819,313</b>	<b>\$ 7,234,334</b>	<b>\$ 7,413,715</b>	<b>\$ 7,791,668</b>	<b>8%</b>
<b>Interest</b>						
Interest-Fire Operating 200 55 521 0000 5320	\$ 1,037	\$ 178	\$ 356	\$ 0	\$ 0	-100%
Fire Capital Interest Income 502 19 220 0000 5600	10,813	12,281	12,046	18,707	20,609	71%
<b>Total Interest</b>	<b>\$ 11,850</b>	<b>\$ 12,459</b>	<b>\$ 12,402</b>	<b>\$ 18,707</b>	<b>\$ 20,609</b>	<b>66%</b>
<b>Charges for Services</b>						
Fire Hazard Inspection 200 55 523 0000 5335	\$ 149,650	\$ 125,181	\$ 141,464	\$ 134,352	\$ 135,000	-5%
Paramedic Ambulance Fees 200 55 525 0000 5300	2,289,233	2,615,055	2,500,000	2,400,000	2,500,000	0%
Ground Emergency Medical Transportation (GEMT) 200 55 525 0000 5303	0	173,222	285,375	101,530	450,733	58%
Non-Transport EMS Charge 200 55 525 0000 5315	180,920	177,290	169,597	198,000	198,000	17%
Ambulance Membership Service 200 55 525 0000 5305	13,575	12,675	9,200	12,000	10,000	9%
City/County HazMat Contract 200 55 527 0000 5368	152,686	152,686	152,686	152,686	152,686	0%
Other Charges for Services	88,815	98,769	85,688	128,222	110,399	29%
<b>Total Charges for Services</b>	<b>\$ 2,874,879</b>	<b>\$ 3,354,878</b>	<b>\$ 3,344,010</b>	<b>\$ 3,126,790</b>	<b>\$ 3,556,818</b>	<b>6%</b>
<b>Grants</b>						
Thermal Imaging Camera Grant 200 55 521 0000 4762	\$ 0	\$ 0	\$ 0	\$ 1,787	\$ 0	n/a
FEMA SAFER Grant 200 55 528 0000 4816	584,151	718,125	0	0	0	n/a
<b>Total Grants</b>	<b>\$ 584,151</b>	<b>\$ 718,125</b>	<b>\$ 0</b>	<b>\$ 1,787</b>	<b>\$ 0</b>	<b>n/a</b>

REVENUE  
DETAIL BY FUND

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>200 Fire District Fund (Continued)</b>						
<b>Other Operating</b>						
Cell Tower Rent	\$ 55,329	\$ 48,456	\$ 40,924	\$ 40,924	\$ 42,970	5%
200 19 220 0000 5885						
Insurance Reimbursements	0	15,295	30,000	15,295	0	-100%
200 19 220 0000 5803						
Total Other Operating	\$ 55,329	\$ 63,751	\$ 70,924	\$ 56,219	\$ 42,970	-39%
<b>All Other</b>						
All Other	\$ 77,643	\$ 42,578	\$ 8,344	\$ 12,463	\$ 4,216	-49%
Total All Other	\$ 77,643	\$ 42,578	\$ 8,344	\$ 12,463	\$ 4,216	-49%
Total Fire District Fund	\$ 10,975,313	\$ 11,011,104	\$ 10,670,014	\$ 10,629,681	\$ 11,416,281	7%
<b>TOTAL REVENUE ALL FUNDS</b>	<b>\$ 68,669,197</b>	<b>\$ 65,787,355</b>	<b>\$ 72,104,386</b>	<b>\$ 67,548,944</b>	<b>\$ 77,967,907</b>	<b>8%</b>

**REVENUE  
REVENUES BY SOURCE TYPE  
BY BLENDED COMPONENT UNIT**

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	%Change From 2015-16 Budget
<b>City of Hesperia</b>						
<b>Taxes</b>						
Property	\$ 1,249,243	\$ 1,141,388	\$ 1,150,457	\$ 1,118,120	\$ 1,136,307	-1%
Sales	10,175,153	10,003,359	9,962,000	10,759,723	10,434,262	5%
Other Taxes	1,040,271	1,163,434	1,200,000	1,200,000	1,200,000	0%
Fines & Forfeitures	306,044	287,138	248,140	222,000	276,720	12%
Interest	62,029	69,903	61,033	74,237	86,914	42%
Intergovernmental	11,525,158	11,623,392	11,392,518	11,658,160	12,008,618	5%
Charges for Services	2,912,605	2,993,029	3,446,722	3,484,660	4,174,187	21%
Licenses & Permits	368,527	297,477	316,044	316,809	330,638	5%
<b>Grants</b>						
Federal	1,304,586	561,100	3,204,668	1,359,491	3,686,668	15%
State	1,110,898	279,591	1,045,957	299,595	1,357,333	30%
Other Operating	6,195,475	5,574,564	7,484,584	6,128,533	5,744,605	-23%
All Other	2,697	3,172	700	11,149	2,000	186%
Total City of Hesperia	\$ 36,252,686	\$ 33,997,547	\$ 39,512,823	\$ 36,632,477	\$ 40,438,252	2%
<b>Community Development Commission</b>						
Interest	\$ 1,200	\$ 15,497	\$ 15,655	\$ 14,900	\$ 14,863	-5%
Other Operating	189,632	128,778	605,504	182,540	176,625	-71%
Total HCRA	\$ 190,832	\$ 144,275	\$ 621,159	\$ 197,440	\$ 191,488	-69%
<b>Hesperia Housing Authority</b>						
<b>Taxes</b>						
Property	\$ 155,489	\$ 0	\$ 0	\$ 0	\$ 0	n/a
Interest	65,867	61,369	51,682	65,173	70,172	36%
Other Operating	235,362	123,844	1,334,559	832,079	116,139	-91%
Total HCRA	\$ 456,718	\$ 185,213	\$ 1,386,241	\$ 897,252	\$ 186,311	-87%
<b>Hesperia Water District</b>						
<b>Taxes</b>						
Property	\$ 320,723	\$ 287,410	\$ 312,156	\$ 321,048	\$ 315,670	1%
Fines & Forfeitures	0	0	0	0	0	n/a
Interest	14,715	13,743	13,584	22,610	23,010	69%
Intergovernmental	52,537	52,537	52,537	52,537	52,537	0%
Charges for Services	20,093,778	19,826,772	19,317,676	18,601,877	18,918,597	-2%
<b>Grants</b>						
State	0	0	0	0	6,227,337	n/a
Other	0	38,000	0	0	0	n/a
Other Operating	187,694	194,086	192,896	176,022	180,424	-6%
All Other	124,201	36,668	25,300	18,000	18,000	-29%
Total Water District	\$ 20,793,648	\$ 20,449,216	\$ 19,914,149	\$ 19,192,094	\$ 25,735,575	29%

REVENUE  
REVENUES BY SOURCE TYPE  
BY BLENDED COMPONENT UNIT

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	%Change From 2015-16 Budget
<b>Hesperia Fire Protection District</b>						
<b>Taxes</b>						
Property	\$ 7,371,461	\$ 6,819,313	\$ 7,234,334	\$ 7,413,715	\$ 7,791,668	8%
Interest	11,850	12,459	12,402	18,707	20,609	66%
Charges for Services	2,874,879	3,354,878	3,344,010	3,126,790	3,556,818	6%
<b>Grants</b>						
Federal	584,151	718,125	0	1,787	0	n/a
Other Operating	55,329	63,751	70,924	56,219	42,970	-39%
All Other	77,643	42,578	8,344	12,463	4,216	-49%
Total Fire District	\$ 10,975,313	\$ 11,011,104	\$ 10,670,014	\$ 10,629,681	\$ 11,416,281	7%
<b>Combined</b>						
<b>Taxes</b>						
Property	\$ 9,096,916	\$ 8,248,111	\$ 8,696,947	\$ 8,852,883	\$ 9,243,645	6%
Sales	10,175,153	10,003,359	9,962,000	10,759,723	10,434,262	5%
Other Taxes	1,040,271	1,163,434	1,200,000	1,200,000	1,200,000	0%
Fines & Forfeitures	306,044	287,138	248,140	222,000	276,720	12%
Interest	155,661	172,971	154,356	195,627	215,568	40%
Intergovernmental	11,577,695	11,675,929	11,445,055	11,710,697	12,061,155	5%
Charges for Services	25,881,262	26,174,679	26,108,408	25,213,327	26,649,602	2%
Licenses & Permits	368,527	297,477	316,044	316,809	330,638	5%
<b>Grants</b>						
Federal	1,888,737	1,279,225	3,204,668	1,361,278	3,686,668	15%
State	1,110,898	279,591	1,045,957	299,595	7,584,670	625%
Other	0	38,000	0	0	0	n/a
Other Operating	6,863,492	6,085,023	9,688,467	7,375,393	6,260,763	-35%
All Other	204,541	82,418	34,344	41,612	24,216	-29%
Total Combined	\$ 68,669,197	\$ 65,787,355	\$ 72,104,386	\$ 67,548,944	\$ 77,967,907	8%

# EXPENDITURE SUMMARY

- *Overview and Summary*
- *Total Expenditures by Department*
- *Total Expenditures by Major Expenditure Classification*
- *Total General Fund Expenditures by Department*
- *Total General Fund Expenditures by Major Expenditure Account*
- *Total Expenditures by Fund, Department, and Program*
- *Total Expenditures by Department and Programs*
- *Total Expenditures by Account*

## Overview and Summary

### Overview

The following discussion will highlight the major changes to the FY 2016-17 Budget, which should be read in conjunction with the F Section – Department & Program Narratives. The F Section will discuss expenditure changes at a departmental level and will give greater detail than this summary will provide.

Three departments, (City Council, City Manager, and Management Services), expend resources to manage and direct the affairs of the City; two departments, (Police and Fire), expend resources to ensure the safety of the citizens of Hesperia; and the remaining two departments, (Development Services and Economic Development), oversee the development activities of the City, including all Capital Improvements.

The cash basis of accounting is utilized for budgetary reporting purposes. Expenditures or expenses are recorded only when cash is disbursed. In addition, depreciation of vehicles and equipment, the amortization of bond discounts, and deferred charges are not reflected in the budget for the proprietary funds, (700 - Water Operating Fund, 701 - Water Capital Projects Fund, 710 - Sewer Operating Fund, and 711 - Sewer Capital Projects Fund).

Budget controls exist to ensure proper authorization for expenditures. The following schedules present an overview of the proposed expenditures by department and by expenditure classification.

### Summary of Budgeted Expenditures

The FY 2016-17 Budget of \$94,121,814 represents a 17% increase over the FY 2015-16 Budget of \$80,556,566. The \$94.1 million budget consists of \$20.5 million of Capital Improvement Program (CIP) projects, \$4.0 million of Debt Service, and \$69.5 million for normal operations. The FY 2016-17 CIP budget will increase 99% or \$10.2 million, which is primarily due to budgeting the first year of the Reclaimed Water Distribution System project totaling \$10.1 million. Debt Service will decrease by \$4.7 million, which is primarily due to retiring the 2004 Variable Rate Demand bonds. The FY 2016-17 operating budget of \$69.5 million is increasing by 15% or \$7.9 million over the FY 2015-16 operating budget of \$61.6 million. While discussed further in the subsequent sections of the budget, the increase is primarily due to the following expenditures: \$3.8 million Eagle Hesperia 55 Senior Housing Loan Agreement payment; \$1.7 million increase for capital outlay, which includes equipment and vehicle replacement; \$0.6 million reimbursement to the Community Development Block Grant (CDBG) fund for land upon which the County and Police Station were built; and \$0.5 million for Rich Development offsite improvements.

### Overall Expenditures Highlights:

As indicated by the chart and table on the following page, the following is a brief discussion of the substantive changes to the FY 2016-17 Budget:

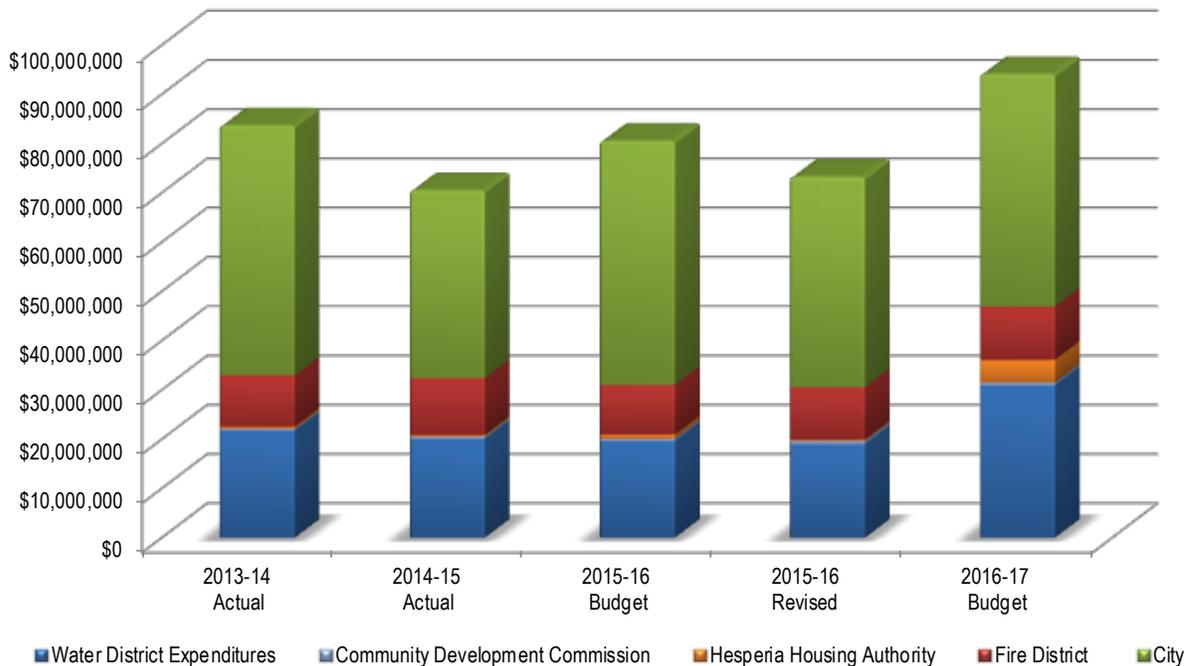
- City – At \$47.2 million, the City related expenditures, which include funding for normal operations and services provided by the City are expected to decrease by \$2.3 million or 4.8% from the FY 2015-16 Budget of \$49.6 million. The primary reason for the overall decrease is due to retiring the 2004 Variable Rate Demand bonds (\$4.6 million) during FY 2015-16. While the overall decrease is 5%, by removing CIP of \$9.7 million and Debt Service expenditures of \$2.3 million, the FY 2016-17 City related expenditures of \$35.3 million, which is a 9% or \$3.0 million increase over FY 2015-16 Budget of \$32.3 million (removing CIP and Debt Service). The primary reason for the increase is due to \$1.7 million increase for capital outlay, which includes equipment and vehicle replacement, \$0.6 million reimbursement to the Community Development Block Grant (CDBG) fund for the land upon which the County and Police Station were built, and \$0.5 million for Rich Development offsite improvements.
- Fire District – Fire District expenditures are expected to increase by approximately \$0.7 million during FY 2016-17. The primary expenditure for the Fire District is the contract for the fire and medical emergency response services provided by the County of San Bernardino Fire Department, which to carryover the same level of services from FY 2015-16, the contract is expected to increase by \$0.4 million. Additionally, Fire Capital is increasing by \$0.2 million for the purchase of an ambulance.
- Hesperia Housing Authority – The Hesperia Housing Authority (HHA) was established with the primary purpose of advancing affordable housing production and preservation. The FY 2016-17 Budget will increase by \$3.8 million, which is related to the \$3.8 million Eagle Hesperia 55 Senior Housing Loan Agreement payment.

## EXPENDITURE SUMMARIES

### Overall Expenditures Highlights (Continued):

- Community Development Commission – Community Development Commission (CDC) is responsible for fostering economic development for the City of Hesperia. With a proposed budget of \$0.6 million, there is only a modest decrease of \$89,376 from the FY 2015-16 Budget. It should be noted that approximately 26% or \$155,500 is related to Opportunity High Desert (OHD), where the CDC will receive reimbursement from the other member agencies (City of Victorville, the Town of Apple Valley, and the City of Barstow).
- Water District – The budgeted expenditures support the District in providing water service and the cost of sewage treatment. The FY 2016-17 Budget is projected to increase by 58% or \$11.3 million from the FY 2015-16 Budget of \$19.5 million. The reason for the drastic increase is primarily due to budgeting \$10.1 million for the Reclaimed Water Distribution System project. By factoring out the Capital Improvement Program (CIP) budget of \$10.8 million and the Debt Service budget of \$1.8 million, the Water District operating budget is \$18.3 million, which is a 3% or \$0.6 million increase over the FY 2015-16 operating budget of \$17.7 million. The increase to the operating budget is primarily due to a \$0.4 million increase for capital outlay, which includes equipment and vehicle replacement, \$0.1 million related to the increased costs of leasing makeup water due to over production, and \$0.1 million for piping material due to an anticipated cost increase for FY 2016-17. It should be noted that the FY 2016-17 Budget assumes that the District must lease 4,456 acre-feet of water pertaining to Water Year (WY) 2015-16 over production, as the production is expected to total 12,680, which is offset by the District’s free production allowance of 8,224 acre-feet of water.

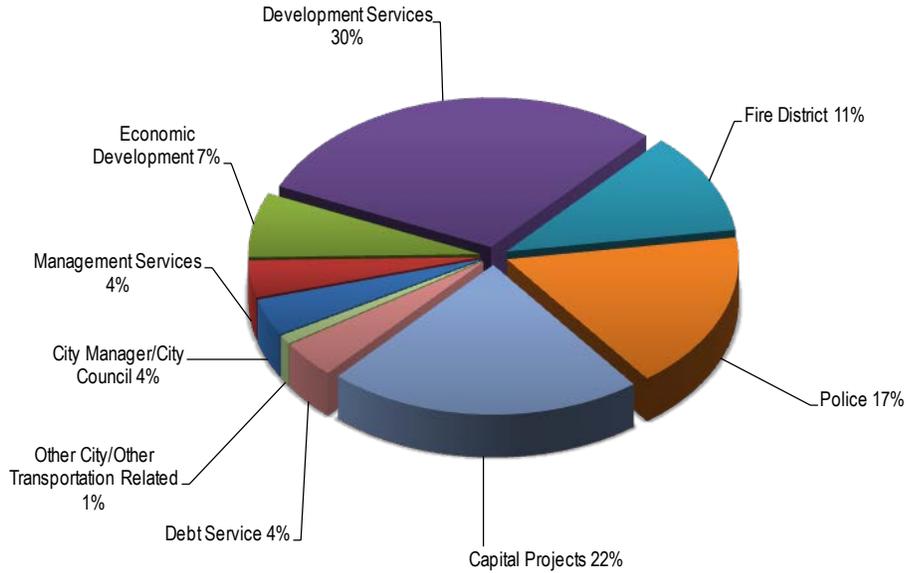
### 2016-17 Budgeted Expenditures Overview



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>Budgeted Expenditures</b>						
City Expenditures	\$ 50,738,041	\$ 38,181,546	\$49,516,247	\$42,695,932	\$ 47,235,355	-5%
Fire District Expenditures	10,364,726	11,462,049	10,113,121	10,628,447	10,777,516	7%
Hesperia Housing Authority	480,619	361,852	819,564	276,760	4,628,820	465%
Community Development Commission	424,634	524,524	563,605	754,907	652,981	16%
Water District Expenditures	21,678,866	19,990,246	19,544,029	18,884,622	30,827,142	58%
<b>Total Budgeted Expenditures</b>	<b>\$ 83,686,886</b>	<b>\$ 70,520,217</b>	<b>\$80,556,566</b>	<b>\$73,240,668</b>	<b>\$ 94,121,814</b>	<b>17%</b>

## EXPENDITURE SUMMARIES

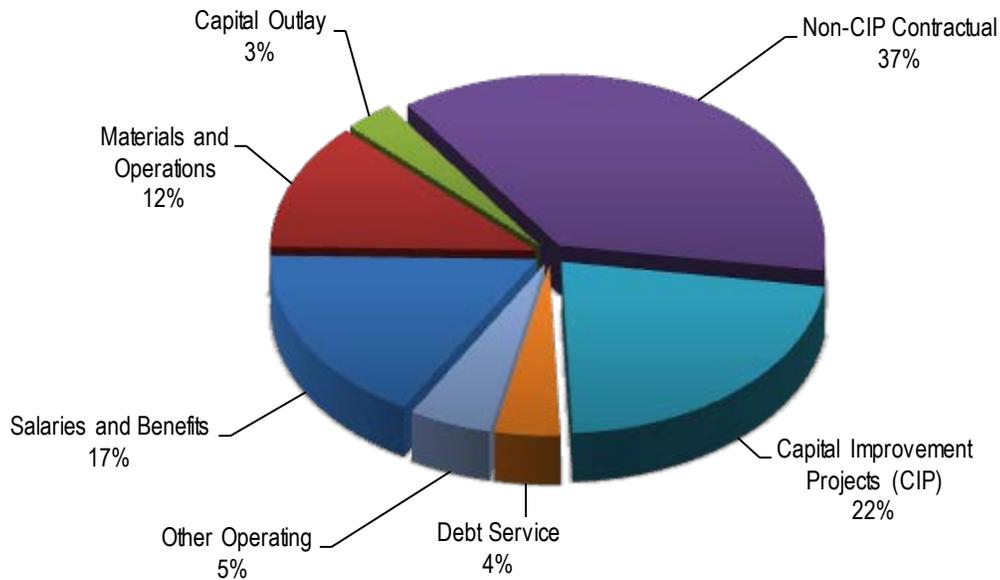
### Total Expenditures by Department 2016-17 Budget



DEPARTMENTS	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
City Council	\$ 773,194	\$ 590,507	\$ 642,461	\$ 671,676	\$ 735,835	15%
City Manager	2,435,761	2,830,477	2,502,539	2,632,830	2,629,313	5%
Management Services	4,192,636	5,483,584	3,112,811	2,800,833	4,049,575	30%
Economic Development						
Community Development Commission	424,634	524,524	563,605	754,907	652,981	16%
Hesperia Housing Authority	480,619	361,852	819,564	276,760	4,628,820	465%
C.D.B.G.	1,102,119	725,874	1,952,774	1,369,488	1,598,163	-18%
Total Economic Development	2,007,372	1,612,250	3,335,943	2,401,155	6,879,964	106%
Development Services						
Community Development	1,657,296	1,676,218	1,659,806	1,582,448	1,724,406	4%
Code Compliance	2,262,457	2,248,376	2,410,998	2,277,731	2,701,929	12%
Public Works	4,658,856	4,902,405	5,019,631	4,761,774	5,624,367	12%
Water Operations	15,124,465	14,113,106	14,546,819	13,889,869	14,787,459	2%
Sewer Operations	2,843,315	2,890,419	3,184,400	3,150,753	3,500,424	10%
Total Development Services	26,546,389	25,830,524	26,821,654	25,662,575	28,338,585	6%
Police	12,994,924	13,542,008	14,834,551	14,803,406	15,557,980	5%
Fire District	10,364,726	11,392,990	10,113,121	10,628,447	10,777,516	7%
Other City/Other Transportation Related	312,585	288,053	214,075	328,296	643,525	201%
Debt Service						
City of Hesperia	14,302,808	1,687,920	5,425,330	5,395,418	805,562	-85%
2012 Water Rights Acquisition	1,339,656	1,447,765	1,449,550	1,447,275	1,446,375	0%
Water District	3,060,627	2,947,767	1,812,810	1,774,000	1,763,470	-3%
Total Debt Service	18,703,091	6,083,452	8,687,690	8,616,693	4,015,407	-54%
Capital Improvement Program						
C I P - Streets	4,678,015	2,688,736	8,234,338	4,232,650	8,527,348	4%
C I P - Storm Drain	13,173	0	1,185,537	5,115	1,180,420	0%
C I P - Facilities	14,561	138,682	871,846	386,992	696,346	-20%
C I P - Water	650,459	38,954	0	70,000	10,090,000	100%
Total Capital Improvement Program	5,356,208	2,866,372	10,291,721	4,694,757	20,494,114	99%
<b>Total City Expenditures</b>	<b>\$ 83,686,886</b>	<b>\$ 70,520,217</b>	<b>\$ 80,556,566</b>	<b>\$ 73,240,668</b>	<b>\$ 94,121,814</b>	<b>17%</b>

## EXPENDITURE SUMMARIES

### Total Expenditures by Major Expenditure Classification 2016-17 Budget



CLASSIFICATION	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% of Budget	% Change From
							2015-16 Budget
<b>Salaries and Benefits</b>							
Salaries	\$ 11,579,067	\$ 11,343,422	\$ 11,420,502	\$ 10,909,755	\$ 11,487,045	12%	1%
Benefits	4,468,026	4,596,752	4,716,208	4,510,341	4,897,499	5%	4%
<b>Total Salaries and Benefits</b>	<b>\$ 16,047,093</b>	<b>\$ 15,940,174</b>	<b>\$ 16,136,710</b>	<b>\$ 15,420,096</b>	<b>\$ 16,384,544</b>	<b>17%</b>	<b>2%</b>
Materials and Operations	10,561,916	9,743,904	10,515,853	10,177,157	10,717,868	12%	2%
Capital Outlay	2,268,451	4,234,060	1,239,500	1,264,567	2,969,342	3%	140%
<b>Non-CIP Contractual</b>							
Contractual	4,838,845	4,773,277	6,068,251	4,935,523	10,634,783	11%	75%
Police Contractual	12,537,834	13,154,934	14,377,940	14,377,940	14,782,603	16%	3%
Fire Contractual	9,867,162	10,487,214	9,419,396	9,545,062	9,808,986	10%	4%
<b>Total Non-CIP Contractual</b>	<b>27,243,841</b>	<b>28,415,425</b>	<b>29,865,587</b>	<b>28,858,525</b>	<b>35,226,372</b>	<b>37%</b>	<b>18%</b>
<b>Capital Improvement Program (CIP)</b>							
CIP - Facilities	14,561	138,682	871,846	386,992	696,346	1%	-20%
CIP - Streets	4,678,015	2,688,736	8,234,338	4,232,650	8,527,348	9%	4%
CIP - Storm Drain	13,173	0	1,185,537	5,115	1,180,420	1%	0%
CIP - Water	650,459	38,954	0	70,000	10,090,000	11%	100%
<b>Total CIP</b>	<b>5,356,208</b>	<b>2,866,372</b>	<b>10,291,721</b>	<b>4,694,757</b>	<b>20,494,114</b>	<b>22%</b>	<b>99%</b>
Other Operating	3,482,951	3,236,830	3,819,505	4,208,873	4,314,167	5%	13%
Debt Service	18,726,426	6,083,452	8,687,690	8,616,693	4,015,407	4%	-54%
<b>Total Expenditures</b>	<b>\$ 83,686,886</b>	<b>\$ 70,520,217</b>	<b>\$ 80,556,566</b>	<b>\$ 73,240,668</b>	<b>\$ 94,121,814</b>	<b>100%</b>	<b>17%</b>

## EXPENDITURE SUMMARIES

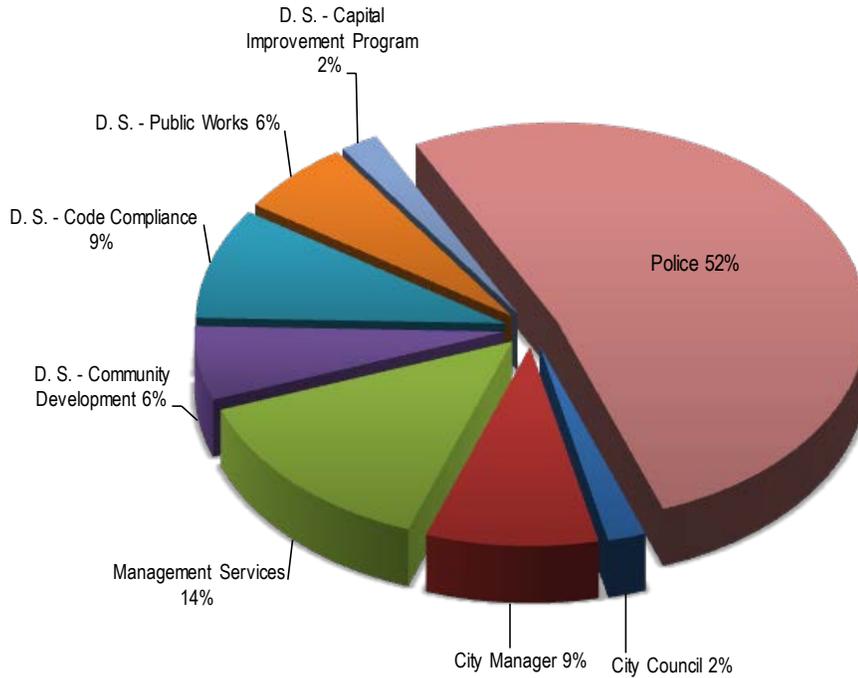
### Total Expenditures by Major Expenditure Classification (Continued)

Overall, budgeted expenditures are expected to increase by 17% over the 2015-16 Budget.

- Salaries and Benefits – In total, Salaries and Benefits, will increase 2% over the FY 2015-16 Budget of \$16.1 million. While The FY 2016-17 Budget includes the unfreezing of merit step increases, as well as providing a cost of living adjustment (COLA) of 3.9%, due to the restructuring of positions, with both addition and eliminations, the total increase to salaries is \$66,543, which effectively shows as no change from the prior fiscal year. Benefits is projected to increase by 4% or \$181,291 and is primarily due to the CalPERS rate increase of \$0.1 million, as it is the first year of a five-year rate restructure.
- Materials & Operations – The proposed budget shows an increase of 2% or \$0.2 million from the FY 2015-16 Materials & Operations amount of \$10.5 million. This increase is primarily in the Water District with the \$0.1 million related to the increased costs of leasing makeup water due to over production.
- Capital Outlay – The Capital Outlay budget, which includes non-CIP related asset purchases exceeding \$5,000, will increase by 140% or \$1.7 million. This is due to replacing aging equipment and vehicles such as a tractor (\$428,000), backhoe (\$130,000), crack seal machine (\$86,000), and skip loader (\$92,000). Capital Outlay expenditures are discussed in greater detail in the F Section – Department & Program Narratives.
- Contractual – Contractual is projected to increase by 75% or \$4.6 million from the FY 2015-16 Budget of \$6.1 million. This is primarily due to the \$3.8 million Eagle Hesperia 55 Senior Housing Loan Agreement payment, which includes equipment and vehicle replacements, \$0.6 million reimbursement to the Community Development Block Grant (CDBG) fund for the land upon which the County and Police Station were built, \$0.5 million for Rich Development offsite improvements, and \$0.5 million deposit in a trust account, as required by the Army Corps of Engineers for habitat mitigation. These increases are offset by reducing the budget for the Housing Rehabilitation Loan Program and Economic Development Loan Program that were included in the FY 2015-16 Budget.
- Police Contractual – As Police Contractual comprises 16% of the overall budget (50% of the General Fund Budget alone), it is proposed to increase by \$0.4 million during FY 2016-17. The increase is due to \$0.2 million to continue the current level of services and \$0.2 million to add one Deputy Sheriff (1.00 FTE) to complete the staffing for the Crime Free Rental Housing Program. It should be noted that the police services contract does not include salary increases from the ongoing labor negotiations between the County and safety personnel labor organizations.
- Fire Contractual – The Fire contract is anticipated to increase by 4% or \$0.4 million to continue the current level of service established in FY 2015-16.
- Capital Improvement Program (CIP) – CIP related contractual of \$20.5 million reflects an increase of \$10.2 million. The significant increase is due to budgeting the first year of the Reclaimed Water Distribution System project totaling \$10.1 million. It is anticipated that the total project will cost \$16.6 million. This project, as well as the entire Capital Improvement Program is discussed in greater detail in the G Section – CIP.
- Other Operating – The increase to Other Operating of \$0.5 million is directly related to grant expenditures for the Americans With Disabilities Act (ADA) improvements identified in the Community Development Block Grant (CDBG) Action Plan. The FY 2015-16 identified \$260,000 for such improvements, whereas the FY 2016-17 Budget consists of \$726,114 of grant expenditures for the ADA improvements.
- Debt Service – Overall Debt Service is expected to decrease by 54% or \$4.7 million. This is due to the \$4.6 million early payoff of the 2004 Variable Rate Demand bonds that occurred during FY 2015-16.

## EXPENDITURE SUMMARIES

### Total General Fund Expenditures by Department 2016-17 Budget



DEPARTMENTS	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% of Budget	% Change From 2015-16 Budget
City Council	\$ 773,194	\$ 590,507	\$ 642,461	\$ 671,676	\$ 735,835	2%	15%
City Manager	2,435,761	2,830,477	2,502,539	2,632,830	2,629,313	9%	5%
Management Services	4,192,636	5,483,584	3,112,811	2,800,833	4,049,575	14%	30%
Development Services							
D. S. - Community Development	1,657,296	1,676,218	1,659,806	1,582,448	1,724,406	6%	4%
D. S. - Code Compliance	2,262,457	2,248,376	2,410,998	2,277,731	2,701,929	9%	12%
D. S. - Public Works	1,519,539	1,604,633	1,694,321	1,548,586	1,940,971	6%	15%
D. S. - Capital Improvement Program	0	68,956	665,500	386,992	535,500	2%	-20%
Development Services Total	5,439,292	5,598,183	6,430,625	5,795,757	6,902,806	23%	7%
Police	12,994,924	13,542,008	14,834,551	14,803,406	15,557,980	52%	5%
<b>Total General Fund Expenditures</b>	<b>\$25,835,807</b>	<b>\$ 28,044,759</b>	<b>\$27,522,987</b>	<b>\$ 26,704,502</b>	<b>\$ 29,875,509</b>	<b>100%</b>	<b>9%</b>

## EXPENDITURE SUMMARIES

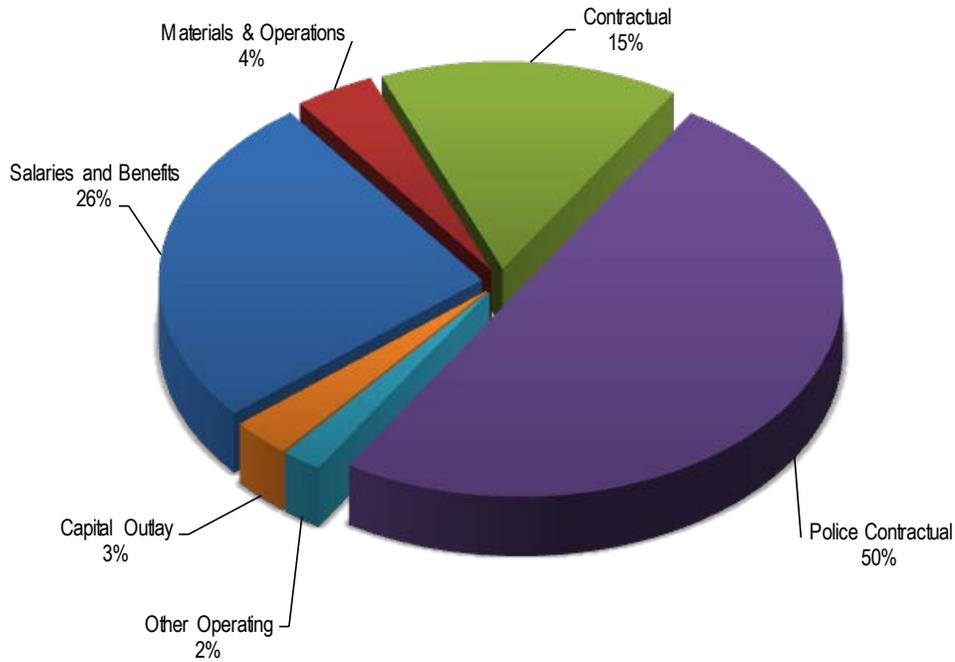
### Total General Fund Expenditures by Department (Continued)

Budgeted expenditures for the General Fund are expected to increase by 8% or \$2.3 million. The following is a discussion of the different General Fund departments:

- City Council – The City Council Department consists of the City Council Division and the City Attorney Division. The department as a whole will increase by \$0.1 million, which is primarily due to \$35,000 for consultant costs to explore the transition from an at-large election system to a by-district voting system, as well as \$42,000 for the Hesperia 2034 Visioning MOU with the Hesperia Chamber of Commerce.
- City Manager – The City Manager Department, comprised of both the City Manager Division and Information Technology (IT) Division, is expected to increase by 5% or \$0.1 million. The increase is due to the projected 2016 election costs of \$34,000, as well as the Capital Outlay net increase of \$32,500.
- Management Services – As a whole, the Management Services Department is reflecting an increase of \$0.9 million or 30% over the FY 2015-16 Budget of \$3.1 million. This is primarily due to budgeting an additional \$0.2 million to reimburse the Community Development Block Grant (CDBG) fund for the land upon which the County and Police Station were built (FY 2015-16 Budget included \$0.4 million, whereas, the FY 2016-17 Budget includes \$0.6 million); \$0.5 million for Rich Development offsite improvements; and \$0.1 million to pay the Successor Agency for the Civic Park as part of the backfill agreement with the Hesperia Recreation and Parks District (HRPD) to cover operating losses with the Hesperia Golf Course.
- Development Services, as a whole, is expected to increase by 7% during FY 2016-17.
  - Community Development – Community Development, which includes Planning and Building & Safety, is expected to increase by a modest \$64,600. It should be noted that this Division has two position reclassification (the Building Inspector Supervisor will become the Building and Safety Manager, while the Community Development Coordinator will become the Community Development Supervisor), one position addition (Building Inspector), and two position eliminations (Building and Safety Supervisor and part-time Building Inspector).
  - Code Compliance – Code Compliance is expected to increase by \$0.3 million. This is primarily due to the restructuring of Animal Control with the addition of the Animal Services Manager and reclassifications of the Animal Control Technicians to the Animal Care Technicians and the addition of two part-time positions, which was offset by the elimination of the Animal Control Supervisor and Shelter Supervisor. In addition, \$0.1 million has been included for improvements to the Animal Control Facility.
  - Public Works – Consisting of Engineering and Building Maintenance, expenditures are expected to increase by \$0.2 million. This increase is primarily due to maintenance costs for the Police Building and City Hall, such as painting, electrical work, and rebuilding access gates (Police).
  - Capital Improvement – The primary expenditure pertains to the \$0.5 million deposit in a trust account, as required by the Army Corps of Engineers for habitat mitigation for the Ranchero Road Undercrossing.
- Police Department – The FY 2016-17 Police Department Budget of \$15.6 million reflects an increase of \$0.7 million or 5% from the FY 2015-16 Budget of \$14.8 million. The police services contract will increase by \$0.4 million with the addition of one Sheriff Deputy to complete the staffing for the Crime Free Rental Program. Additionally, \$0.5 million has been budgeted for fixed point Automated License Plate Reader (ALPR), which will assist with the detection of stolen and wanted vehicles, as well as assist with prosecution of suspects in those related cases.

## EXPENDITURE SUMMARIES

### Total General Fund Expenditures by Major Expenditure Account 2016-17 Budget



CLASSIFICATION	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% of Budget	% Change From 2015-16 Budget
Salaries and Benefits							
Salaries	\$ 5,327,605	\$ 5,133,361	\$ 5,222,341	\$ 4,970,751	\$ 5,540,024	19%	6%
Benefits	1,999,840	1,959,721	2,021,185	2,014,067	2,159,281	7%	7%
Total Salaries and Benefits	\$ 7,327,445	\$ 7,093,082	\$ 7,243,526	\$ 6,984,818	\$ 7,699,305	26%	6%
Materials & Operations	1,184,256	1,168,629	1,243,805	1,315,028	1,235,653	4%	-1%
Contractual	3,139,553	3,035,713	3,630,578	3,125,921	4,439,953	15%	22%
Police Contractual	12,537,834	13,154,934	14,377,940	14,377,940	14,782,603	50%	3%
Other Operating	494,905	464,662	537,438	577,790	697,453	2%	30%
Capital Outlay	1,151,814	3,127,739	489,700	323,005	1,020,542	3%	108%
Total General Fund Expenditures	\$ 25,835,807	\$ 28,044,759	\$ 27,522,987	\$ 26,704,502	\$ 29,875,509	100%	9%

## EXPENDITURE SUMMARIES

### Total General Fund Expenditures by Major Expenditure Account (Continued)

#### GENERAL FUND BY DEPARTMENT CLASSIFICATION HIGHLIGHTS:

Budgeted General Fund expenditures are shown by major account classification.

The following is a brief discussion of the \$29.8 million budgeted for the General Fund:

- Salaries and Benefits – Salaries and Benefits in total will increase by 6% into FY 2016-17. Individually, Salaries will increase by 6% or \$0.3 million, which is due to the unfreezing merit step increase and providing a cost of living adjustment (COLA) of 3.9%, as well restructuring positions throughout the General Fund Departments. In addition, Benefits are expected to increase by \$138,096, which is due to the anticipated rate increases from CALPERS, as well as increasing the City's medical 7.5% or \$59 to \$844 from the prior monthly amount of \$785.
- Materials and Operations – Materials and Operations will remain relatively flat for FY 2016-17.
- Contractual – Contractual will increase by 22% or \$0.8 million over the FY 2015-16 Budget of \$3.6 million. As previously mentioned, this increase is due to the additional \$0.2 million reimbursement to the Community Development Block Grant (CDBG), \$0.5 million for Rich Development offsite improvements, and \$0.1 million to pay the Successor Agency for the Civic Park.
- Police Contractual – Police Contractual, which represents 50% of the overall General Fund budget, is expected to increase by 3%, with increased costs to continue the current level of service and the addition of one Sheriff Deputy position.
- Other Operating – Other Operating related expenditures is proposed to increase by \$160,015 during FY 2016-17. This increase is primarily due to maintenance costs of City owned (General Fund) buildings, such as City Hall and the Police Station.
- Capital Outlay – The Capital Outlay budget of \$1.0 million represents an increase of \$0.5 million. This is primarily due to budgeting \$0.5 million for fixed point Automated License Plate Reader (ALPR), which will assist the Sheriff with investigation efforts.

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM

EXPENDITURES BY FUND	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b><u>General Fund</u></b>						
<b><u>City Council</u></b>						
100 100 City Council	\$ 407,878	\$ 370,326	\$ 392,461	\$ 421,676	\$ 485,835	24%
100 102 City Attorney	365,316	220,181	250,000	250,000	250,000	0%
Total City Council	\$ 773,194	\$ 590,507	\$ 642,461	\$ 671,676	\$ 735,835	15%
<b><u>City Manager</u></b>						
100 200 City Manager	\$ 1,189,833	\$ 1,112,310	\$ 1,129,749	\$ 1,182,453	\$ 1,156,478	2%
100 215 Information Technology	1,245,928	1,718,167	1,372,790	1,450,377	1,472,835	7%
Total City Manager	\$ 2,435,761	\$ 2,830,477	\$ 2,502,539	\$ 2,632,830	\$ 2,629,313	5%
<b><u>Management Services</u></b>						
100 220 Finance	\$ 2,936,926	\$ 4,348,347	\$ 1,939,085	\$ 1,615,904	\$ 2,843,666	47%
100 225 Human Resources/ Risk Mgmt.	1,255,710	1,135,237	1,173,726	1,184,929	1,205,909	3%
Total Management Services	\$ 4,192,636	\$ 5,483,584	\$ 3,112,811	\$ 2,800,833	\$ 4,049,575	30%
<b><u>D. S. - Community Development</u></b>						
100 3000 Planning	\$ 854,100	\$ 826,597	\$ 815,730	\$ 791,242	\$ 860,291	5%
100 3020 Building & Safety	803,196	849,621	844,076	791,206	864,115	2%
Total D. S. Community Development	\$ 1,657,296	\$ 1,676,218	\$ 1,659,806	\$ 1,582,448	\$ 1,724,406	4%
<b><u>D. S. - Code Compliance</u></b>						
100 3010 Code Enforcement	\$ 912,199	\$ 891,279	\$ 952,627	\$ 918,584	\$ 987,819	4%
100 5000 Animal Control	1,350,258	1,357,097	1,458,371	1,359,147	1,714,110	18%
Total D. S. Code Compliance	\$ 2,262,457	\$ 2,248,376	\$ 2,410,998	\$ 2,277,731	\$ 2,701,929	12%
<b><u>D. S. - Public Works</u></b>						
100 3100 Engineering	\$ 584,162	\$ 683,162	\$ 621,948	\$ 558,619	\$ 678,535	9%
100 3110 Building Maintenance	935,377	921,471	1,072,373	989,967	1,262,436	18%
100 Capital Improvement Program	0	68,956	665,500	386,992	535,500	-20%
Total D. S. - Public Works	\$ 1,519,539	\$ 1,673,589	\$ 2,359,821	\$ 1,935,578	\$ 2,476,471	5%
<b><u>100 510 Police</u></b>	<b>\$ 12,994,924</b>	<b>\$ 13,542,008</b>	<b>\$ 14,834,551</b>	<b>\$ 14,803,406</b>	<b>\$ 15,557,980</b>	<b>5%</b>
Total General Fund Expenditures	\$ 25,835,807	\$ 28,044,759	\$ 27,522,987	\$ 26,704,502	\$ 29,875,509	9%
<b><u>Community Development Commission</u></b>						
<b><u>Funds</u></b>						
170 Community Development Commission	\$ 424,634	\$ 524,524	\$ 563,605	\$ 754,907	\$ 652,981	16%
<b><u>Hesperia Housing Authority Funds</u></b>						
370 Hesperia Housing Authority	\$ 480,619	\$ 361,852	\$ 639,564	\$ 276,760	\$ 4,478,820	600%
371 WEDA Housing Authority	0	0	180,000	0	150,000	-17%
Total Hesperia Housing Authority Funds	\$ 480,619	\$ 361,852	\$ 819,564	\$ 276,760	\$ 4,628,820	465%
<b><u>C.D.B.G Funds</u></b>						
251 C.D.B.G Administration	\$ 609,486	\$ 516,967	\$ 1,314,792	\$ 1,340,831	\$ 1,655,522	26%
253 C.D.B.G Revolving Loans	228,923	115,913	311,185	238,690	5,000	-98%
257 Neighborhood Stabilization Program	414,980	243,259	586,797	169,967	713,755	22%
Total C.D.B.G Expenditures	\$ 1,253,389	\$ 876,139	\$ 2,212,774	\$ 1,749,488	\$ 2,374,277	7%

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM

EXPENDITURES BY FUND	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b><u>D. S. - Public Works Funds</u></b>						
263 310 Street Maintenance Fund	\$ 3,139,317	\$ 3,297,772	\$ 3,325,310	\$ 3,213,188	\$ 3,683,396	11%
<b><u>Streets Capital Improvement Projects (CIP) Funds</u></b>						
204 Measure I - 2010 Renewal	\$ 1,925,095	\$ 1,762,584	\$ 4,283,000	\$ 2,724,851	\$ 4,086,939	-5%
205 Gas Tax	0	0	520,438	50,000	470,438	-10%
207 Article 8 Local Transportation Fund	594,308	372,382	1,077,500	639,000	952,450	-12%
300 Streets Development Impact Fee	1,363,414	654,742	750,000	124,313	660,000	-12%
301 Storm Drain Development Impact Fee	0	0	0	47,500	0	0%
504 City Wide Streets Projects	794,543	17	2,735,283	57,865	2,733,034	0%
600 Ranchero Road Undercrossing	27,776	0	0	0	0	0%
<b>Total Streets CIP Funds</b>	<b>\$ 4,705,136</b>	<b>\$ 2,789,725</b>	<b>\$ 9,366,221</b>	<b>\$ 3,643,529</b>	<b>\$ 8,902,861</b>	<b>-5%</b>
<b><u>Other Transportation Related Funds</u></b>						
254 AB 2766 AOMD	\$ 80,000	\$ 80,000	\$ 80,000	\$ 408,117	\$ 76,528	-4%
400 2004 Streets Debt Service	823,343	736,696	4,646,475	4,616,883	0	-100%
<b>Total Other Transportation Related Funds</b>	<b>\$ 903,343</b>	<b>\$ 816,696</b>	<b>\$ 4,726,475</b>	<b>\$ 5,025,000</b>	<b>\$ 76,528</b>	<b>-98%</b>
<b><u>Other City Related Funds</u></b>						
256 Environmental Programs Grant Fund	\$ 69,587	\$ 76,901	\$ 115,892	\$ 115,895	\$ 53,219	-54%
260 Disaster Preparedness Fund	17,066	30,830	18,183	18,520	17,628	-3%
302 Fire Development Impact Fee	146,545	0	0	0	0	0%
304 Public Services Dev. Impact Fee	0	200	2,255	2,210	16,412	628%
401 City Debt Service Fund	12,786,966	0	0	0	0	0%
402 Water Rights Acquisition	1,339,656	1,447,765	1,449,550	1,447,275	1,446,375	0%
403 2013 Refunding Lease Rev Bonds	541,229	800,759	776,600	776,325	789,150	2%
<b>Total Other City Related Funds</b>	<b>\$ 14,901,049</b>	<b>\$ 2,356,455</b>	<b>\$ 2,362,480</b>	<b>\$ 2,360,225</b>	<b>\$ 2,322,784</b>	<b>-2%</b>
<b>Total Streets CIP, Other Transportation, City Facilities, &amp; Other City Related Funds</b>	<b>\$ 20,509,528</b>	<b>\$ 5,962,876</b>	<b>\$ 16,455,176</b>	<b>\$ 11,028,754</b>	<b>\$ 11,302,173</b>	<b>-31%</b>
<b><u>700 Water Operating Fund</u></b>						
4010 Source of Supply	\$ 2,981,865	\$ 2,215,359	\$ 2,219,471	\$ 2,221,294	\$ 2,272,273	2%
4020 Production	3,322,580	3,398,119	3,043,268	3,034,493	3,125,607	3%
4030 Distribution	1,083,095	1,115,346	1,185,131	1,130,265	1,287,290	9%
4035 Pipeline Maintenance	1,237,911	1,107,892	1,045,044	908,469	1,219,466	17%
4040 Engineering	745,728	758,694	971,151	814,025	970,628	0%
4050 Customer Service	1,130,205	971,164	1,526,122	1,471,276	1,610,685	6%
4060 Utility Billing	1,017,465	1,013,482	1,001,544	990,332	1,019,650	2%
4070 Administration	6,371,667	6,190,891	5,006,529	4,820,607	4,659,603	-7%
4080 Property Management	294,576	289,926	361,369	273,108	385,727	7%
<b>Total Water Operating</b>	<b>\$ 18,185,092</b>	<b>\$ 17,060,873</b>	<b>\$ 16,359,629</b>	<b>\$ 15,663,869</b>	<b>\$ 16,550,929</b>	<b>1%</b>
<b><u>701 Water Capital Projects Fund</u></b>	<b>\$ 650,459</b>	<b>\$ 38,954</b>	<b>\$ 0</b>	<b>\$ 70,000</b>	<b>\$ 10,575,789</b>	<b>100%</b>
<b><u>710 Sewer Operating Fund</u></b>	<b>\$ 2,712,565</b>	<b>\$ 2,890,419</b>	<b>\$ 3,184,400</b>	<b>\$ 3,150,753</b>	<b>\$ 3,500,424</b>	<b>10%</b>
<b><u>711 Sewer Capital Fund</u></b>	<b>\$ 130,750</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 200,000</b>	<b>100%</b>

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM

EXPENDITURES BY FUND	2013-14	2014-15	2015-16	2015-16	2016-17	% Change
	Actual	Actual	Budget	Revised	Budget	From 2015-16 Budget
<u>200 Fire Operating Fund</u>						
520 Operations & Community Safety	\$ 8,897,812	\$ 9,449,751	\$ 9,419,396	\$ 9,545,062	\$ 9,808,986	4%
521 Administration	497,564	741,662	564,725	538,742	624,530	11%
528 SAFER Grant	969,350	1,037,463	0	0	0	0%
Total Fire Operating Fund	\$ 10,364,726	\$ 11,228,876	\$ 9,984,121	\$ 10,083,804	\$ 10,433,516	5%
<u>502 Fire Capital Fund</u>	\$ 0	\$ 233,173	\$ 129,000	\$ 544,643	\$ 344,000	167%
Total Expenditures By Fund, Department, and Program	\$ 83,686,886	\$ 70,520,217	\$ 80,556,566	\$ 73,240,668	\$ 94,121,814	17%

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>City Council</u>						
100 100 City Council	\$ 407,878	\$ 370,326	\$ 392,461	\$ 421,676	\$ 485,835	24%
100 102 City Attorney	365,316	220,181	250,000	250,000	250,000	0%
Total City Council	<u>\$ 773,194</u>	<u>\$ 590,507</u>	<u>\$ 642,461</u>	<u>\$ 671,676</u>	<u>\$ 735,835</u>	<u>15%</u>
<u>City Manager</u>						
100 200 City Manager	\$ 1,189,833	\$ 1,112,310	\$ 1,129,749	\$ 1,182,453	\$ 1,156,478	2%
100 215 Information Technology	1,245,928	1,718,167	1,372,790	1,450,377	1,472,835	7%
Total City Manager	<u>\$ 2,435,761</u>	<u>\$ 2,830,477</u>	<u>\$ 2,502,539</u>	<u>\$ 2,632,830</u>	<u>\$ 2,629,313</u>	<u>5%</u>
<u>Management Services</u>						
100 220 Finance	\$ 2,936,926	\$ 4,348,347	\$ 1,939,085	\$ 1,615,904	\$ 2,843,666	47%
100 225 Human Resources/Risk Mgmt.	1,255,710	1,135,237	1,173,726	1,184,929	1,205,909	3%
Total Management Services	<u>\$ 4,192,636</u>	<u>\$ 5,483,584</u>	<u>\$ 3,112,811</u>	<u>\$ 2,800,833</u>	<u>\$ 4,049,575</u>	<u>30%</u>
<u>Economic Development</u>						
<u>Community Development Commission Fund</u>						
170 Community Development Commission	\$ 424,634	\$ 524,524	\$ 563,605	\$ 754,907	\$ 652,981	16%
<u>Hesperia Housing Authority Funds</u>						
370 Hesperia Housing Authority	\$ 480,619	\$ 361,852	\$ 639,564	\$ 276,760	\$ 4,478,820	600%
371 WEDA Housing Authority	0	0	180,000	0	150,000	-17%
Subtotal Hesperia Housing Authority	<u>\$ 480,619</u>	<u>\$ 361,852</u>	<u>\$ 819,564</u>	<u>\$ 276,760</u>	<u>\$ 4,628,820</u>	<u>465%</u>
<u>C.D.B.G</u>						
251 C.D.B.G Administration	\$ 609,486	\$ 516,967	\$ 1,314,792	\$ 1,340,831	\$ 1,655,522	26%
253 C.D.B.G Revolving Loans	228,923	115,913	311,185	238,690	5,000	-98%
257 Neighborhood Stabilization Program	414,980	243,259	586,797	169,967	713,755	22%
Subtotal C.D.B.G	<u>\$ 1,253,389</u>	<u>\$ 876,139</u>	<u>\$ 2,212,774</u>	<u>\$ 1,749,488</u>	<u>\$ 2,374,277</u>	<u>7%</u>
Total Economic Development	<u>\$ 2,158,642</u>	<u>\$ 1,762,515</u>	<u>\$ 3,595,943</u>	<u>\$ 2,781,155</u>	<u>\$ 7,656,078</u>	<u>113%</u>
<u>D. S. - Community Development</u>						
100 3000 Planning	\$ 854,100	\$ 826,597	\$ 815,730	\$ 791,242	\$ 860,291	5%
100 3020 Building & Safety	803,196	849,621	844,076	791,206	864,115	2%
Total D. S. - Community Development	<u>\$ 1,657,296</u>	<u>\$ 1,676,218</u>	<u>\$ 1,659,806</u>	<u>\$ 1,582,448</u>	<u>\$ 1,724,406</u>	<u>4%</u>
<u>D. S. - Code Compliance</u>						
100 3010 Code Enforcement	\$ 912,199	\$ 891,279	\$ 952,627	\$ 918,584	\$ 987,819	4%
100 5000 Animal Control	1,350,258	1,357,097	1,458,371	1,359,147	1,714,110	18%
Total D. S. - Code Compliance	<u>\$ 2,262,457</u>	<u>\$ 2,248,376</u>	<u>\$ 2,410,998</u>	<u>\$ 2,277,731</u>	<u>\$ 2,701,929</u>	<u>12%</u>
<u>D. S. - Public Works</u>						
100 3100 Engineering	\$ 584,162	\$ 683,162	\$ 621,948	\$ 558,619	\$ 678,535	9%
100 3110 Building Maintenance	935,377	921,471	1,072,373	989,967	1,262,436	18%
263 3150 Street Maintenance Fund	3,139,317	3,297,772	3,325,310	3,213,188	3,683,396	11%
Total D. S. - Public Works	<u>\$ 4,658,856</u>	<u>\$ 4,902,405</u>	<u>\$ 5,019,631</u>	<u>\$ 4,761,774</u>	<u>\$ 5,624,367</u>	<u>12%</u>

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>D. S. - Water</u>						
<u>700 Water Operating Fund</u>						
4010 Source of Supply	\$ 2,981,865	\$ 2,215,359	\$ 2,219,471	\$ 2,221,294	\$ 2,272,273	2%
4020 Production	3,322,580	3,398,119	3,043,268	3,034,493	3,125,607	3%
4030 Distribution	1,083,095	1,115,346	1,185,131	1,130,265	1,287,290	9%
4035 Pipeline Maintenance	1,237,911	1,107,892	1,045,044	908,469	1,219,466	17%
4040 Engineering	745,728	758,694	971,151	814,025	970,628	0%
4050 Customer Service	1,130,205	971,164	1,526,122	1,471,276	1,610,685	6%
4060 Utility Billing	1,017,465	1,013,482	1,001,544	990,332	1,019,650	2%
4070 Administration	6,371,667	6,190,891	5,006,529	4,820,607	4,659,603	-7%
4080 Property Management	294,576	289,926	361,369	273,108	385,727	7%
Total Water Operating	\$ 18,185,092	\$ 17,060,873	\$ 16,359,629	\$ 15,663,869	\$ 16,550,929	1%
701 Water Capital Projects	\$ 650,459	\$ 38,954	\$ 0	\$ 70,000	\$ 10,575,789	100%
Total D. S. - Water Operating & Capital	\$ 18,835,551	\$ 17,099,827	\$ 16,359,629	\$ 15,733,869	\$ 27,126,718	66%
<u>D. S. - Sewer</u>						
710 Sewer Operations	\$ 2,712,565	\$ 2,890,419	\$ 3,184,400	\$ 3,150,753	\$ 3,500,424	10%
711 Sewer Capital	130,750	0	0	0	200,000	100%
Total D. S. - Sewer Operating & Capital	\$ 2,843,315	\$ 2,890,419	\$ 3,184,400	\$ 3,150,753	\$ 3,700,424	16%
<u>100 510 Police</u>	\$ 12,994,924	\$ 13,542,008	\$ 14,834,551	\$ 14,803,406	\$ 15,557,980	5%
<u>Fire District</u>						
520 Operations & Community Safety	\$ 8,897,812	\$ 9,449,751	\$ 9,419,396	\$ 9,545,062	\$ 9,808,986	4%
521 Administration	497,564	741,662	564,725	538,742	624,530	11%
528 SAFER Grant	969,350	1,037,463	0	0	0	0%
Total Fire Operating	\$ 10,364,726	\$ 11,228,876	\$ 9,984,121	\$ 10,083,804	\$ 10,433,516	5%
502 Fire Capital	\$ 0	\$ 233,173	\$ 129,000	\$ 544,643	\$ 344,000	167%
Total Fire District	\$ 10,364,726	\$ 11,462,049	\$ 10,113,121	\$ 10,628,447	\$ 10,777,516	7%
<u>Streets Capital Improvement Project (CIP)</u>						
<u>Funds</u>						
100 Capital Improvement Program	\$ 0	\$ 68,956	\$ 665,500	\$ 386,992	\$ 535,500	-20%
204 Measure I - 2010 Renewal	1,925,095	1,762,584	4,283,000	2,724,851	4,086,939	-5%
205 Gas Tax	0	0	520,438	50,000	470,438	-10%
207 Article 8 Local Transportation Fund	594,308	372,382	1,077,500	639,000	952,450	-12%
300 Streets Development Impact Fee	1,363,414	654,742	750,000	124,313	660,000	-12%
301 Storm Drain Development Impact Fee	0	0	0	47,500	0	0%
504 City Streets CIP	794,543	17	2,735,283	57,865	2,733,034	0%
600 Ranchero Road Undercrossing	27,776	0	0	0	0	0%
Total Streets CIP Funds	\$ 4,705,136	\$ 2,858,681	\$ 10,031,721	\$ 4,030,521	\$ 9,438,361	-6%
<u>Other Transportation Related Funds</u>						
254 AB 2766 AQMD	\$ 80,000	\$ 80,000	\$ 80,000	\$ 408,117	\$ 76,528	-4%
400 Streets Debt Service	823,343	736,696	4,646,475	4,616,883	0	-100%
Total Other Transportation Funds	\$ 903,343	\$ 816,696	\$ 4,726,475	\$ 5,025,000	\$ 76,528	-98%

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>Other City Related Funds</u>						
256 Environmental Programs Grant Fund	\$ 69,587	\$ 76,901	\$ 115,892	\$ 115,895	\$ 53,219	-54%
260 Disaster Preparedness Fund	17,066	30,830	18,183	18,520	17,628	-3%
302 Fire Development Impact Fee	146,545	0	0	0	0	0%
304 Public Services Dev. Impact Fee	0	200	2,255	2,210	16,412	628%
401 City Debt Service Fund	12,786,966	0	0	0	0	0%
402 Water Rights Acquisition	1,339,656	1,447,765	1,449,550	1,447,275	1,446,375	0%
403 2013 Refunding Lease Rev Bonds	541,229	800,759	776,600	776,325	789,150	2%
Total Other City Related Funds	<u>\$ 14,901,049</u>	<u>\$ 2,356,455</u>	<u>\$ 2,362,480</u>	<u>\$ 2,360,225</u>	<u>\$ 2,322,784</u>	-2%
Total Streets CIP, Other Transportation, City Facilities, & Other City Related Funds	\$ 20,509,528	\$ 6,031,832	\$ 17,120,676	\$ 11,415,746	\$ 11,837,673	-31%
Total City Expenditures by Department and Program	\$ 83,686,886	\$ 70,520,217	\$ 80,556,566	\$ 73,240,668	\$ 94,121,814	17%

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY ACCOUNT

ACCOUNT EXPENDITURES SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<u>Salaries</u>						
7000 - Salaries & Wages	\$ 11,141,203	\$ 10,872,644	\$ 10,966,679	\$ 10,401,292	\$ 10,831,162	-1%
7010 - Council/Commissioner Wage	49,240	46,424	52,100	45,196	53,100	2%
7030 - Part Time Wages	217,077	223,458	233,641	274,894	418,209	79%
7050 - Overtime Wages	132,928	162,130	129,082	149,373	145,574	13%
7070 - Standby Pay	38,615	38,765	39,000	39,000	39,000	0%
<b>Total Salaries</b>	<b>\$ 11,579,063</b>	<b>\$ 11,343,421</b>	<b>\$ 11,420,502</b>	<b>\$ 10,909,755</b>	<b>\$ 11,487,045</b>	<b>1%</b>
<u>Benefits</u>						
7100 - 401a Pension Plan	\$ 128,514	\$ 122,365	\$ 123,008	\$ 110,735	\$ 107,625	-13%
7110 - PERS	1,993,581	2,125,992	2,107,746	2,062,894	2,217,285	5%
7120 - Health Insurance	1,540,218	1,488,407	1,613,100	1,462,256	1,628,797	1%
7140 - Worker's Compensation	350,145	450,191	555,327	539,543	596,762	7%
7150 - Medicare	163,284	159,208	158,368	156,117	163,905	3%
7160 - Social Security/FICA	16,013	16,288	15,799	19,902	27,263	73%
7170 - Life Insurance	21,751	20,432	18,020	19,585	17,094	-5%
7180 - Auto Allowance	56,970	46,313	44,400	44,231	44,400	0%
7181 - Bilingual Pay	11,758	11,200	10,800	10,440	9,900	-8%
7190 - Unemployment Insurance	36,767	15,297	40,000	53,000	45,000	13%
7195 - Post Employment Benefits	141,858	161,669	29,640	31,638	39,468	33%
7199 - Other Benefit Expense	7,168	(20,614)	0	0	0	0
<b>Total Benefits</b>	<b>\$ 4,468,027</b>	<b>\$ 4,596,748</b>	<b>\$ 4,716,208</b>	<b>\$ 4,510,341</b>	<b>\$ 4,897,499</b>	<b>4%</b>
<u>Material and Operations</u>						
7200 - Div/Program Expenditures	\$ 59,196	\$ 97,315	\$ 177,210	\$ 175,660	\$ 175,618	-1%
7250 - Office Expense	119,576	126,271	111,090	115,246	108,097	-3%
7255 - Computer Supplies	35,515	40,945	65,839	47,545	99,701	51%
7260 - Printing	40,051	29,555	43,150	48,910	43,750	1%
7270 - Postage/Shipping Costs	124,170	117,119	122,475	124,805	123,880	1%
7280 - Publications	10,764	7,264	7,175	5,871	9,995	39%
7290 - Advertising	197,371	119,088	157,550	150,410	92,875	-41%
7300 - Employee Expense	39,112	45,418	39,600	42,600	39,400	-1%
7310 - Council Reimbursement	822	1,067	2,000	1,000	2,000	0%
7320 - Uniform Expense	37,503	49,565	50,673	46,602	52,535	4%
7370 - Reserve Costs	7,117	8,888	9,455	7,500	9,455	0%
7400 - Materials & Operations	1,508,837	1,309,477	1,815,303	1,593,319	1,858,923	2%
7410 - Safety Supplies	18,259	27,136	28,450	26,848	28,335	0%
7420 - Kennel Supplies	71,192	61,468	87,000	85,315	87,000	0%
7430 - Field Expenses	15,926	17,098	19,500	14,685	17,100	-12%
7440 - Fuel	328,459	259,330	336,440	208,989	270,760	-20%
7455 - Small Tools	21,740	24,028	29,850	29,978	29,450	-1%
7460 - Equipment Under Capital	26,639	100,350	63,000	170,031	52,750	-16%
7470 - Utilities-Electric	2,644,166	2,802,180	2,383,112	2,433,962	2,478,912	4%
7473 - Utilities-Gas	60,678	59,197	59,850	58,800	59,500	-1%
7476 - Utilities-Water	2,889,987	2,069,439	2,119,232	2,012,832	2,212,753	4%
7478 - Utilities-Wastewater	2,026,391	2,068,432	2,462,000	2,462,000	2,537,000	3%
7482 - Utilities-Telephone	239,592	260,864	268,705	262,525	274,850	2%
7483 - Utilities-Telecomm Services	962	1,004	1,500	1,500	1,500	0%
7484 - Property Tax/Assessments	9,789	3,467	12,410	5,940	5,945	-52%
7485 - Lease Maintenance	27,624	37,939	43,284	44,284	45,784	6%
7490 - Miscellaneous Expense	480	0	0	0	0	0%
<b>Total Material and Operations</b>	<b>\$ 10,561,918</b>	<b>\$ 9,743,904</b>	<b>\$ 10,515,853</b>	<b>\$ 10,177,157</b>	<b>\$ 10,717,868</b>	<b>2%</b>

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY ACCOUNT

ACCOUNT EXPENDITURES SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b><u>Contractual Services</u></b>						
7500 - Contract Services	\$ 7,097,153	\$ 5,172,843	\$ 12,919,608	\$ 7,050,101	\$ 23,571,118	82%
7520 - Plan Check	1,356	0	1,000	500	1,000	0%
7525 - Inspection	15,451	89,210	10,000	11,660	0	-100%
7550 - Collection Services	124,626	119,462	116,020	81,197	84,500	-27%
7560 - Legal Services	546,697	387,176	384,500	423,352	368,000	-4%
7563 - Litigation Services	80,681	26,722	50,000	57,000	50,000	0%
7565 - Claims/Lawsuits/Settlement	25,525	8,017	50,000	52,000	50,000	0%
7570 - Insurance Services	486,153	476,756	480,740	479,200	458,700	-5%
7580 - Computer Services	72,521	73,927	80,670	86,770	91,730	14%
7585 - Software License	320,302	286,457	360,262	368,152	335,866	-7%
7590 - Service Charges & Fees	76,261	80,983	84,600	90,876	91,724	8%
7605 - Traffic Signal Maintenance	55,876	46,887	65,000	50,000	55,000	-15%
7610 - Striping Contract	105,579	120,148	130,000	130,000	136,500	5%
7615 - Street Sweeping Contract	129,481	136,720	160,000	140,000	140,000	-13%
7650 - Equipment Rental	2,899	1,688	16,000	7,900	18,800	18%
7700 - County Contract	21,435,646	22,604,685	23,797,336	23,923,002	24,601,301	3%
7705 - County Contract Overtime	181,432	126,023	0	0	0	0%
7710 - Cal Id	95,585	95,970	101,572	101,572	107,977	6%
7720 - Franchise Fee	250,000	250,000	250,000	250,000	250,000	0%
7749 - Other Contracts	313,053	121,603	400,000	100,000	1,226,295	207%
7775 - Economic Development	214,424	0	250,000	0	4,081,975	1533%
7780 - Econ Dev Revolving Loan	0	19,066	450,000	150,000	0	-100%
<b>Total Contractual Services</b>	<b>\$ 31,630,701</b>	<b>\$ 30,244,343</b>	<b>\$ 40,157,308</b>	<b>\$ 33,553,282</b>	<b>\$ 55,720,486</b>	<b>39%</b>
<b><u>Other Operating</u></b>						
7800 - Other Operating	\$ 25,399	\$ 89,647	\$ 37,650	\$ 50,203	\$ 44,650	19%
7805 - Dues/Memberships	87,088	79,260	91,861	77,037	77,857	-15%
7820 - Travel & Meetings	14,812	46,068	58,160	65,685	61,040	5%
7825 - Mileage	316	367	400	250	400	0%
7840 - Conferences & Seminars	49,981	54,193	57,494	48,600	67,644	18%
7845 - Training & Education	111,058	108,463	142,195	117,654	149,760	5%
7860 - Education Reimbursement	12,009	12,782	4,408	10,827	6,342	44%
7880 - Community Relations	42,500	35,716	55,100	57,776	57,800	5%
7890 - General & Admin Expense	1,885,714	1,866,363	1,980,315	1,980,315	1,996,330	1%
7950 - Rent Expense	79,869	65,875	64,849	64,849	64,849	0%
8000 - Grant Expense	1,175,679	1,290,132	643,542	958,153	995,703	55%
8001 - Homeland Security Grant	29,858	32,280	0	0	0	0%
8003 - OTS DUI Enforcement Grant	16,934	376	0	0	0	0%
8025 - CALaw Enf Equip (CLEEP)	10,148	4,361	15,000	15,000	19,705	31%
8040 - Beverage Container Recycle	11,066	11,124	23,881	23,641	27,081	13%
8070 - Facilities Maintenance	137,517	178,464	174,950	172,683	288,156	65%
8071 - Vehicle/Equip	409,260	377,913	407,450	538,700	423,850	4%
8072 - Maintenance/Repairs	18,409	15,871	55,000	20,250	25,000	-55%
8090 - Misc Expense	156,706	5,035	7,250	7,250	8,000	10%
<b>Total Other Operating</b>	<b>\$ 4,274,323</b>	<b>\$ 4,274,290</b>	<b>\$ 3,819,505</b>	<b>\$ 4,208,873</b>	<b>\$ 4,314,167</b>	<b>13%</b>
<b><u>Capital Outlay</u></b>						
8400 - Land & Buildings	\$ 545,309	\$ 325,322	\$ 268,200	\$ 47,500	\$ 368,200	37%
8402 - Rehabilitation/Acquisition	184,896	72,362	350,000	0	572,000	63%
8403 - Cost of Sales/Commission	35	0	0	0	100,000	100%
8404 - Appraisal Services	1,500	0	20,300	12,000	26,800	32%
8420 - Vehicles Capital Expend	200,447	405,133	166,000	720,190	295,000	78%
8440 - Equipment Capital Expend	433,587	522,022	218,000	225,814	1,379,842	533%
8460 - Computer Capital Expend	80,153	409,198	217,000	167,063	227,500	5%
8480 - Water Rights Capital Exp	1,000,500	2,500,022	0	92,000	0	0%
<b>Total Capital Outlay</b>	<b>\$ 2,446,427</b>	<b>\$ 4,234,059</b>	<b>\$ 1,239,500</b>	<b>\$ 1,264,567</b>	<b>\$ 2,969,342</b>	<b>140%</b>

## EXPENDITURE SUMMARIES

### TOTAL EXPENDITURES BY ACCOUNT

ACCOUNT	2013-14		2014-15		2015-16		% Change From	
EXPENDITURES SUMMARY	Actual	Actual	Actual	Budget	Revised	Budget	Budget	2015-16 Budget
<u>Debt Service</u>								
8600 - Principal	\$ 15,340,000	\$ 3,050,000	\$ 1,725,000	\$ 1,725,000	\$ 1,725,000	\$ 1,795,000		4%
8620 - Principal-Series A	620,000	645,000	4,590,000	4,590,000	4,590,000	0		-100%
8700 - Interest Expense	1,850,900	2,101,203	2,094,605	2,082,460	2,082,460	2,035,407		-3%
8720 - Interest Expense-Series A	9,010	4,990	11,475	1,525	1,525	0		-100%
8800 - Bond Administration Exp	598,912	282,259	266,610	217,708	217,708	185,000		-31%
8850 - Debt Issuance Costs	193,035	0	0	0	0	0		0%
8860 - Discount on Bond Issue	114,570	0	0	0	0	0		0%
<b>Total Debt Service</b>	<b>\$ 18,726,427</b>	<b>\$ 6,083,452</b>	<b>\$ 8,687,690</b>	<b>\$ 8,616,693</b>	<b>\$ 8,616,693</b>	<b>\$ 4,015,407</b>		<b>-54%</b>
<b>Total City Expenditures by Account Number</b>	<b>\$ 83,686,886</b>	<b>\$ 70,520,217</b>	<b>\$ 80,556,566</b>	<b>\$ 73,240,668</b>	<b>\$ 73,240,668</b>	<b>\$ 94,121,814</b>		<b>17%</b>

Note – The Total Expenditures by Account report provides an additional way to view budget information by presenting the budget by general ledger account number. While the overall expenditure budget total (grand total) will match all other reports, subtotals by the expenditure classification may differ. This is due to the presentation of numbers. For example, amounts shown for the Staffing for Adequate Fire and Emergency Response (SAFER) grant are classified as part of the Fire contract in all other reports; however, the Total Expenditure by Account report shows the expense as a grant expense in the Other Operating classification.

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# CITY POSITION SUMMARIES AND SALARY RANGE TABLES

- *Overview and Summary*
- *2016-17 Budget Full-Time and Part-Time Staff by Department*
- *2016-17 Budget Full-Time Staff by Department*
- *2016-17 Budget General Fund Full-Time Positions*
- *Full-Time and Part-Time Position Listing Summary by Department*
- *Full-Time Position Listing by Department*
- *Part-Time Position Listing by Department*
- *Salary Range Tables*

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## CITY POSITION SUMMARIES AND SALARY RANGE TABLES

### Overview and Summary

#### Overview

The "City Position Summaries and Salary Range Tables" Section includes information on the full-time and part-time positions and salary range tables. This section includes graphics showing positions by department and fund, as well as position listings that indicate the allocation of full-time and part-time positions for each department. Information about the staffing of positions is shown for four fiscal years and the indicated positions are funded and authorized.

All full-time and part-time positions are expressed as full-time equivalents (FTE) to reflect the hours budgeted. A full-time position reflects 2,080 hours of paid time for one year, or 1.00 FTE. A part-time position is budgeted for 960 hours, or approximately half-time for one year, which equates to 0.46 FTE ( $960/2,080=0.46$ ).

The Salary Range Tables show the classification titles and salaries authorized to be paid to employees based upon the City Council approved Memorandum of Understanding; Non-Represented Employees' Salaries, Benefits and Related Policies; and Resolutions effective January 1, 2016.

#### Summary of Position Changes included in the 2016-17 Budget

The 2016-17 Budget decreases City staffing by 1%, which is 1.78 FTE, from 319.85 to 318.07 positions. This is made up of full-time position decreases of 5.92 FTE, which is offset by part-time increases of 4.14 FTE.

#### Position Changes Occurring During FY 2015-16:

During the FY 2015-16 First Quarter Budget Review, one Animal Services Manager position was added to Code Compliance – Animal Control. In addition, the Building and Safety Manager in Community Development was reclassified to the Building and Safety Supervisor. Both changes are reflected in the FY 2016-17 Budget.

#### Public Safety Position Changes:

##### Position Changes to Fire (addition of 0.08 FTE):

The City of Hesperia contracts with the San Bernardino County Fire Department for full-service fire protection and ambulance operations. Due to contract reallocation, the Division Chief has been reclassified as the Assistant Chief position, as well as increasing the FTE allocation by 0.02 FTE for a total 0.45 FTE. In addition, the three Battalion Chief positions each increased from 0.43 FTE to 0.45 FTE for a contract total of 1.35 FTE.

##### Position Changes to Police (addition of 1.00 FTE):

The City contracts with the San Bernardino County Sheriff's Department for law enforcement services. With the second year of the Crime Free Rental Program, one Sheriff Deputy position will be added and will work in conjunction with the Sheriff Service Specialist and Office Specialist positions added in the FY 2015-16 Budget.

##### Non-Safety Position Changes (reduction of 2.86 FTE):

The FY 2016-17 Budget proposes to reduce a net seven (7) full-time positions (7.00 FTE) (addition of 6.00 FTE and the reduction of 13.00 FTE), which is offset by the net addition of net nine (9) part-time positions (4.14 FTE), which equates to 2.86 FTE total reduction. In addition, there were six (6) position reclassifications, one (1) position with only a salary range change, and seven (7) FTE redistributions, all of which resulted in no FTE changes. The following are proposed changes by department:

##### City Manager Department – 0.54 FTE net reductions (addition of 1.46 FTE and the reduction of 2.00 FTE):

- Eliminate one vacant Emergency Services Coordinator (1.00 FTE) that had a distribution of 0.50 FTE in the General Fund-City Manager and 0.50 FTE in the Water Operating Fund-Water Administration.
- Add one Secretary to the City Manager and City Council position (1.00 FTE), while one vacant Senior Office Assistant position (1.00 FTE) will be eliminated.
- Add one part-time Administrative Analyst position (0.46 FTE) with a distribution of 0.23 FTE in the General Fund-City Manager and 0.23 FTE in the Water Operating Fund-Water Administration.

## CITY POSITION SUMMARIES AND SALARY RANGE TABLES

### Non-Safety Position Changes (Continued):

#### Management Services Department – 0.00 FTE net changes (addition of 1.00 FTE and the reduction of 1.00 FTE):

- One Budget/Finance Manager position (1.00 FTE) will be added in the Finance Division, while one Senior Financial Analyst position (1.00 FTE) will be eliminated.

#### Economic Development Department – 2.00 FTE net reductions (addition of 1.00 FTE and the reduction of 3.00 FTE):

- Add one Economic Development Manager position (1.00 FTE), with the At-Will classification, while one vacant Economic Director position (1.00 FTE) will be eliminated.
- Eliminate one Management Analyst position (1.00 FTE).
- Eliminate one Administrative Analyst position (1.00 FTE).

#### Development Services Department – 0.32 FTE net reductions (addition of 7.46 FTE and the reduction of 7.46 FTE):

##### Community Development – 0.46 FTE net reductions (addition of 1.00 FTE and the reduction of 1.46 FTE):

- Eliminate one vacant Building and Safety Supervisor position (1.00 FTE) with a distribution of 0.25 FTE in Planning and 0.75 FTE in Building & Safety.
- Add one Building Inspector position (1.00 FTE) in Building & Safety.
- Eliminate one part-time Building Inspector position (0.46 FTE) in Building & Safety.

##### Code Compliance – 0.92 FTE additions (addition of 2.92 FTE and the reduction of 2.00 FTE):

- Continue the Animal Services Manager position (addition to the 2015-16 Budget – First Quarter)
- Eliminate one Animal Control Supervisor position (1.00 FTE) in Animal Control.
- Eliminate one vacant Shelter Supervisor position (1.00 FTE) in Animal Control.
- Add one Animal Care Technician position (1.00 FTE) in Animal Control.
- Add two part-time Animal Care Technician positions (0.92 FTE) in Animal Control.

##### Public Works – 0.24 FTE net reductions (addition of 2.76 FTE and the reduction of 3.00 FTE):

- Eliminate one City Engineer position (1.00 FTE) in Engineering that had a distribution of 0.25 FTE in the General Fund-Engineering, 0.25 FTE in Streets Maintenance Fund, and 0.50 FTE in the Water Operating Fund-Water Administration.
- Eliminate one vacant Senior Office Assistant position (1.00 FTE) in Engineering that had a distribution of 0.35 FTE in the General Fund-Engineering, 0.30 FTE in Streets Maintenance Fund, and 0.35 FTE in the Water Operating Fund-Water Administration.
- Eliminate one vacant Public Works Director (1.00 FTE) that had a distribution of 0.50 FTE in the Streets Maintenance Fund and 0.50 FTE in the Water Operating Fund-Water Administration.
- Add six (6) part-time Maintenance Worker positions, each with a distribution of 0.46 FTE, for a total addition of 2.76 FTE in Streets Maintenance.

##### Water Operating – 0.54 FTE net reductions (addition of 0.46 FTE and the reduction of 1.00 FTE):

- Eliminate one vacant Senior Office Assistant position (1.00 FTE) in Water Administration that had a distribution 0.50 FTE in the Streets Maintenance Fund and 0.50 FTE in the Water Operating Fund-Water Administration.
- Add one part-time Office Assistant position (0.46 FTE) with a distribution of 0.23 FTE in the Streets Maintenance Fund and 0.23 FTE in the Water Operating Fund-Water Administration.

### Six (6) Position Reclassifications and One (1) Salary Change:

- Reclassify the Community Relations and Media Coordinator to the Assistant to the City Manager with a distribution of 0.75 FTE General Fund-City Manager and 0.25 FTE Water Operating Fund-Source of Supply, as well as increasing the salary to Range 43 from a Range 37.
- Reclassify the Senior Human Resources Analyst to the Human Resources Manager in the Management Services Department with an increase of salary to Range 43 from a Range 40.

**CITY POSITION SUMMARIES AND SALARY RANGE TABLES**

**Non-Safety Position Changes (Continued):**

**Six (6) Position Reclassifications and One (1) Salary Change (Continued):**

- Reclassify the Building Inspection Supervisor to the Building and Safety Manager. In addition, it is proposed to increase the Building and Safety Manager salary from Range 40 to a Range 43.
- Reclassify the Community Development Coordinator to the Community Development Supervisor and increase the salary from Range 34 to a Range 38. This position will have a distribution of 0.50 FTE Planning and 0.50 FTE Building & Safety, within the General Fund.
- Retitle the Animal Control Technician positions to the Animal Care Technician positions and increase the salary from Range 7 to a Range 8 within General Fund-Animal Control.
- Reclassify the Public Works Supervisor-Streets to a Public Works Manager with a distribution of 0.80 FTE in the Streets Maintenance Fund and 0.20 FTE in the Water Operating Fund-Administration, as well as increasing the salary to a Range 43 from a Range 38.
- Increase the salary range for the Public Works Supervisor/Water from a Range 38 to a Range 40.

**Seven (7) Position FTE Redistributions:**

The reallocation resulted in change of FTE. For complete detail of the FTE distribution, refer to Section (F) Department & Program Expenditures.

- The Director of Development Services, Administrative Secretary, and Management Analyst of the Development Services Department FTE redistributions to accurately reflect current duties.
- The FTE allocation for the Senior Management Analyst, Management Analyst, Administrative Analyst, and Administrative Secretary were redistributed within the Economic Development Department.

**Summary of Salary and Benefits Provisions included in the Fiscal Year 2016-17 Budget**

On April 19, 2016, City Council approved by resolution a 2.5% salary increase, along with a 1.4% Cost of Living Adjustment (COLA) for total salary increase of 3.9% effective the first full pay period of FY 2016-17. In addition, effective July 1, 2016, the salary step schedule will be unfrozen. All represented employees (other than those on Step E) are eligible to advance one-step (5%) based on merit on their anniversary date. All non-represented employees are eligible to advance three 2% step increases for a total of 6% until step 11 is reached, which is based on merit on their anniversary date. As for medical benefits, starting July 1, 2016 for the August 2016 insurance premiums, the City shall pay up to \$844 per month, which is an increase of 7.5% or \$59 over the prior monthly amount of \$785.

With the exception of the following two employee benefits, all benefits are calculated at the rates approved in City Resolutions effective July 1, 2016.

**Workers' Compensation**

Workers' Compensation rates are expected to increase overall by 1.49%:

<u>Rating Groups</u>	<u>2015-16 Budget</u>	<u>2016-17 Budget</u>	<u>Change Amount</u>	<u>Percent Change</u>
City of Hesperia	\$315,713	\$329,492	\$13,779	4.36%
Water District	<u>227,887</u>	<u>222,181</u>	<u>-5,706</u>	<u>-2.50%</u>
Total	\$543,600	\$551,673	\$8,073	1.86%

Note: While the Fire District is not charged rates, payments are made on open claims filed prior to June 2004, as costs are incurred until the claims are closed.

**CITY POSITION SUMMARIES AND SALARY RANGE TABLES**

California Public Employees Retirement System (CalPERS)

Recent historical CalPERS retirement rates and the FY 2016-17 Budget rates are indicated below. The City FY 2016-17 Budget rates increased by 5.7% from Fiscal Year 2015-16. The Water District FY 2016-17 rates increased 9.5%. Since July 1, 2012, the employees have been responsible for the full eight percent (8%) employee rate for CalPERS and starting on the first full pay period after July 1, 2015, the employees are required to pay one percent (1%) of reportable earnings by payroll deduction as cost sharing of the City's normal employer costs (employer's share). The table below shows both the full CalPERS rate changes, as well as the City's share with the 1% reduction for the Classic CalPERS plans.

Furthermore, effective January 1, 2013, Assembly Bill (AB) 340, or the Public Employees' Pension Reform Act (PEPRA), required the addition of a second Miscellaneous two percent (2%) at age 62 retirement benefit formula to the City's retirement plan. Employees hired on or after January 1, 2013 who are new to CalPERS, or a CalPERS member with a break in service greater than six months, will participate in the Miscellaneous two percent (2%) at age 62 CalPERS plan.

<u>City CalPERS Plans – Employer Costs</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>	<u>2015-16 Budget</u>	<u>2016-17 Budget</u>
<u>Classic CalPERS Rate</u>				
Full Rate - City Miscellaneous Plan – 2.7% @ 55	19.080	20.408	19.841	20.967
Full Rate - Percent Change	5.2%	7.0%	-2.8%	5.7%
<i>City Share-City Miscellaneous Plan – 2.7% @ 55</i>	<i>19.080</i>	<i>20.408</i>	<i>18.841</i>	<i>19.967</i>
<i>City Share Rate - Percent Change</i>	<i>5.2%</i>	<i>7.0%</i>	<i>-7.7%</i>	<i>6.0%</i>
 Full Rate - Water District Miscellaneous Plan – 2.7% @ 55	 13.624	 14.544	 14.764	 16.168
Percent Change	1.7%	6.8%	1.54%	9.5%
<i>Water District Share-City Miscellaneous Plan – 2.7% @ 55</i>	<i>13.624</i>	<i>14.544</i>	<i>13.764</i>	<i>15.168</i>
<i>Water District Rate - Percent Change</i>	<i>1.7%</i>	<i>6.8%</i>	<i>-5.4%</i>	<i>10.2%</i>
 <u>PEPRA CalPERS Rate</u>				
City Miscellaneous Plan – 2.0% @ 62	6.250	6.250	6.237	6.555
Percent Change	0%	0%	-0.2%	5.1%
 Water District Miscellaneous Plan – 2.0% @ 62	 6.250	 6.250	 6.237	 6.555
Percent Change	0.0%	0%	-0.2%	5.1%

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

10-YEAR HISTORY OF FULL-TIME AND PART-TIME STAFF BY FUND

Comments:

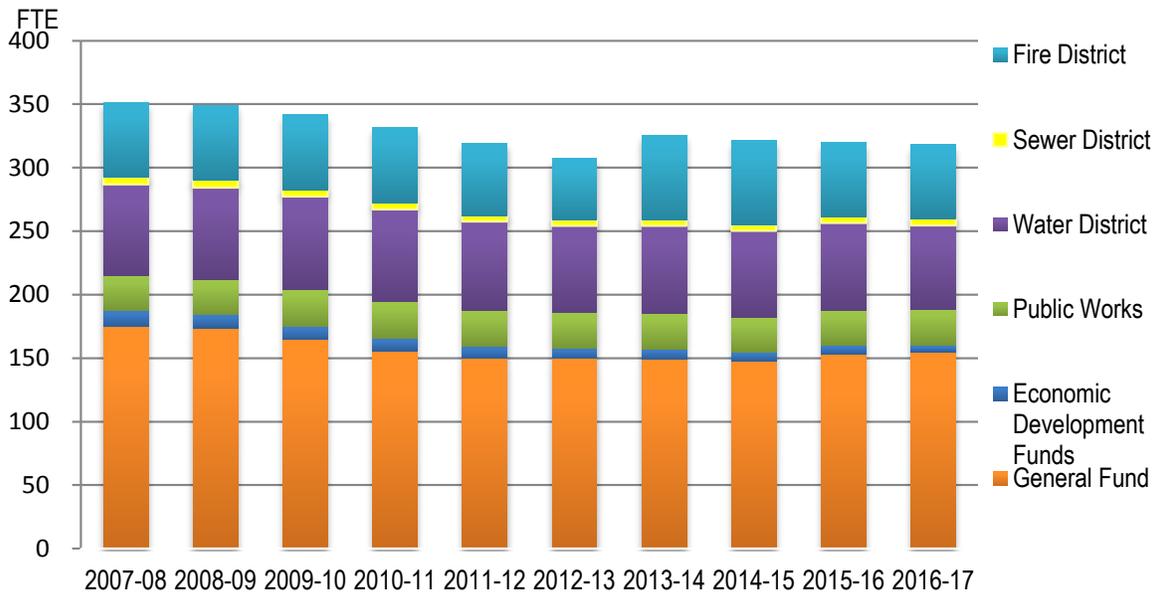
The FY 2016-17 Budget decreases City staffing by 1.78 (FTE) or 0.1% from the FY 2015-16 Budget. By comparing the proposed budget to FY 2007-08, which was the high point in terms of FTE, the City has reduced staffing by 33.35 FTE or 9.0%. Of the total staffing, Police and Fire (Public Safety) represent 43% of the overall FTE count. Furthermore, Police totals 50% of the General Fund FTE count and 25% of the overall FTE count, while Fire totals 18%.

Major Funds	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
General Fund					
City Manager	9.84	9.84	9.03	8.34	12.60
Management Services	27.00	27.00	24.75	23.46	18.26
Development Services:					
Community Development	23.95	22.95	21.49	17.73	17.27
Code Compliance	30.64	28.78	26.78	23.78	23.78
Public Works	9.98	9.75	7.05	6.85	7.11
Police	73.50	75.50	75.50	75.50	70.50
General Fund Total	<u>174.91</u>	<u>173.82</u>	<u>164.60</u>	<u>155.66</u>	<u>149.52</u>
Economic Development Funds	12.33	10.33	10.73	10.33	10.00
Public Works Fund	27.93	27.93	28.85	28.55	28.25
Water District Fund	71.56	72.33	73.06	72.54	69.77
Sewer District Fund	5.69	5.69	5.50	5.50	4.50
Fire District Fund	59.00	59.00	59.33	59.00	57.40
Total Full & Part-Time By Fund	<u>351.42</u>	<u>349.10</u>	<u>342.07</u>	<u>331.58</u>	<u>319.44</u>

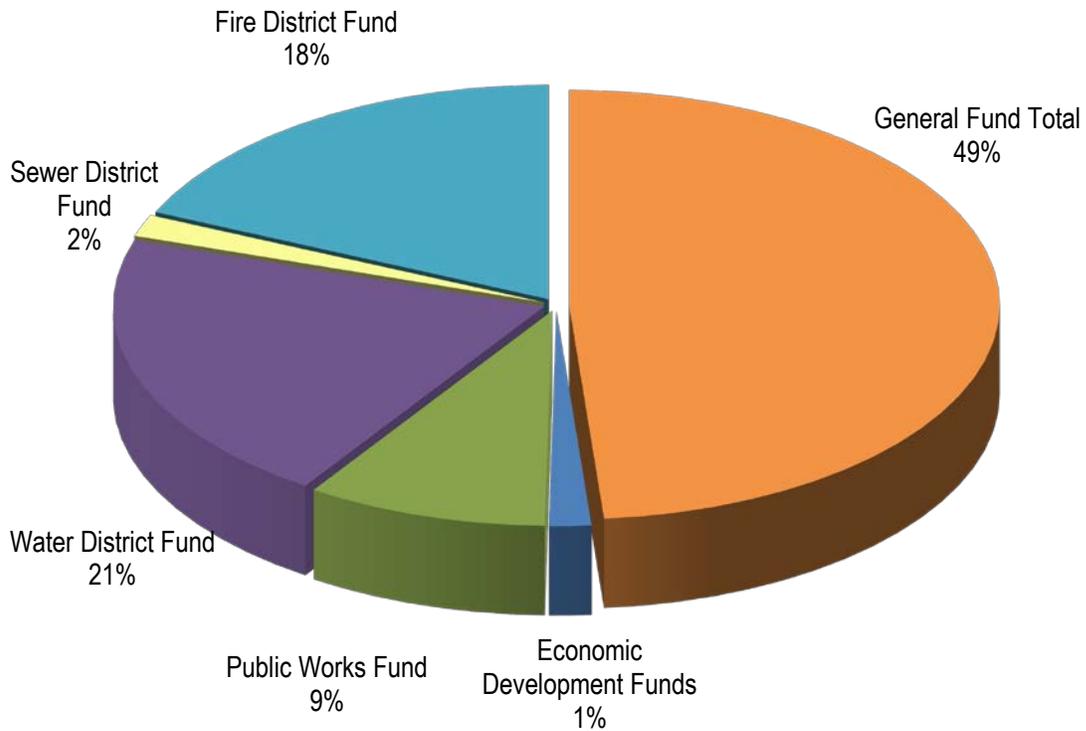
Major Funds	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
General Fund					
City Manager	13.60	13.60	13.60	13.60	13.48
Management Services	17.26	16.26	16.26	16.26	16.26
Development Services:					
Community Development	16.03	15.95	14.76	15.68	15.38
Code Compliance	23.78	23.78	23.92	23.92	25.28
Public Works	6.61	6.61	6.26	6.76	6.51
Police	72.50	73.00	73.00	77.00	78.00
General Fund Total	<u>149.78</u>	<u>149.20</u>	<u>147.80</u>	<u>153.22</u>	<u>154.91</u>
Economic Development Funds	8.00	8.00	7.00	7.00	5.00
Public Works Fund	27.75	27.75	27.40	27.60	28.79
Water District Fund	68.77	69.23	67.98	68.58	65.84
Sewer District Fund	4.50	4.50	4.50	5.20	5.20
Fire District Fund	48.40	66.73	67.10	58.25	58.33
Total Full & Part-Time By Fund	<u>307.20</u>	<u>325.41</u>	<u>321.78</u>	<u>319.85</u>	<u>318.07</u>

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

10 YEAR HISTORY OF FULL-TIME AND PART-TIME STAFF BY FUND

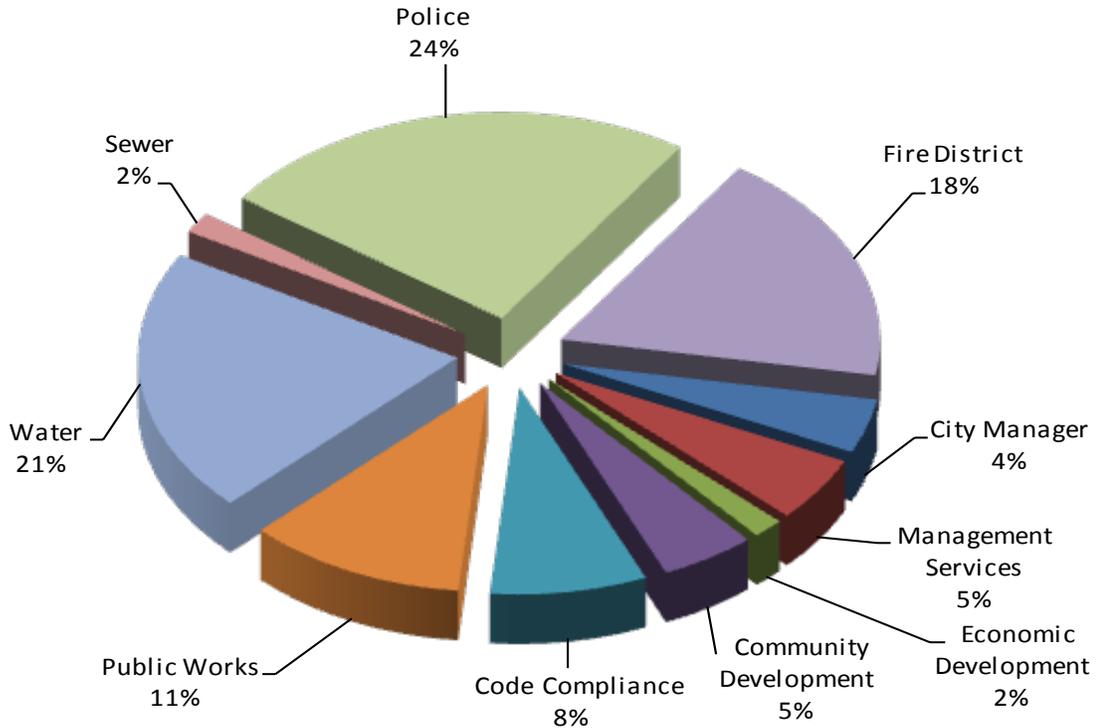


2016-17 FULL-TIME AND PART-TIME STAFF BY FUND



CITY POSITION SUMMARIES AND SALARY RANGE TABLES

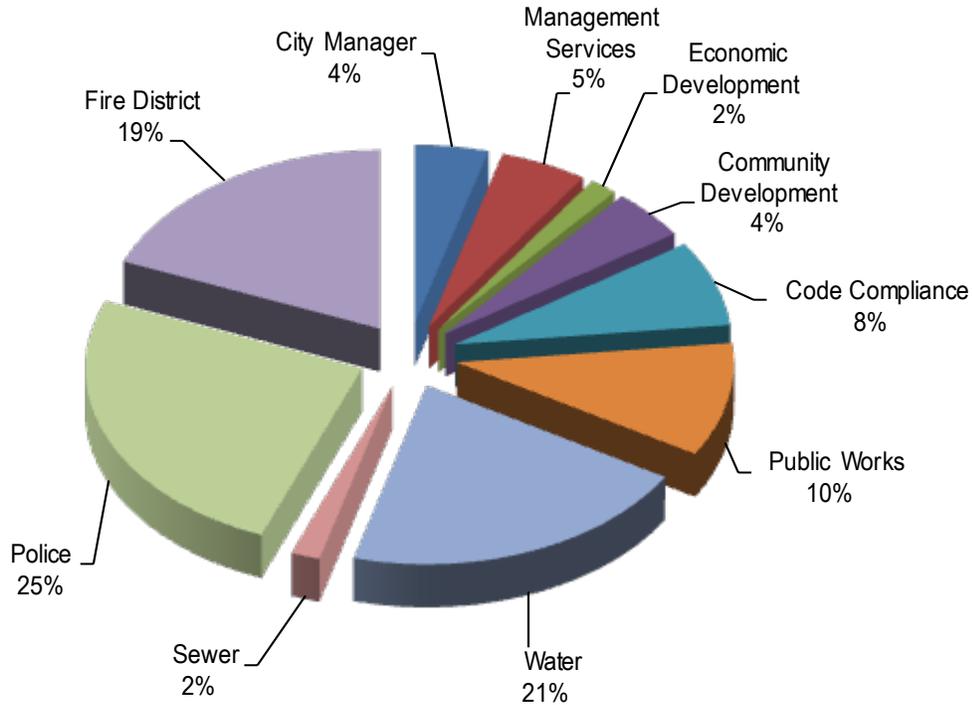
2016-17 BUDGET FULL-TIME AND PART-TIME STAFF BY DEPARTMENT



<u>Departments</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>% Change From 2015-16 Budget</u>
City Manager	13.60	13.60	13.60	13.48	-1%
Management Services	16.26	16.26	16.26	16.26	0%
Economic Development	8.00	7.00	7.00	5.00	-29%
Development Services:					0%
Community Development	15.95	14.76	15.68	15.38	-2%
Code Compliance	23.78	23.92	23.92	25.28	6%
Public Works	34.36	33.66	34.36	35.30	3%
Water	69.23	67.98	68.58	65.84	-4%
Sewer	4.50	4.50	5.20	5.20	0%
Development Services Total	147.82	144.82	147.74	147.00	-1%
Sub-Total Non-Police & Fire District	185.68	181.68	184.60	181.74	-2%
Police	73.00	73.00	77.00	78.00	1%
Fire District	66.73	67.10	58.25	58.33	0%
Sub-Total Police & Fire District	139.73	140.10	135.25	136.33	1%
Total Full & Part-Time Staff	325.41	321.78	319.85	318.07	-1%
Change Amount	n/a	-3.63	-1.93	-1.78	
Percentage	n/a	-1.1%	-0.6%	-0.6%	

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

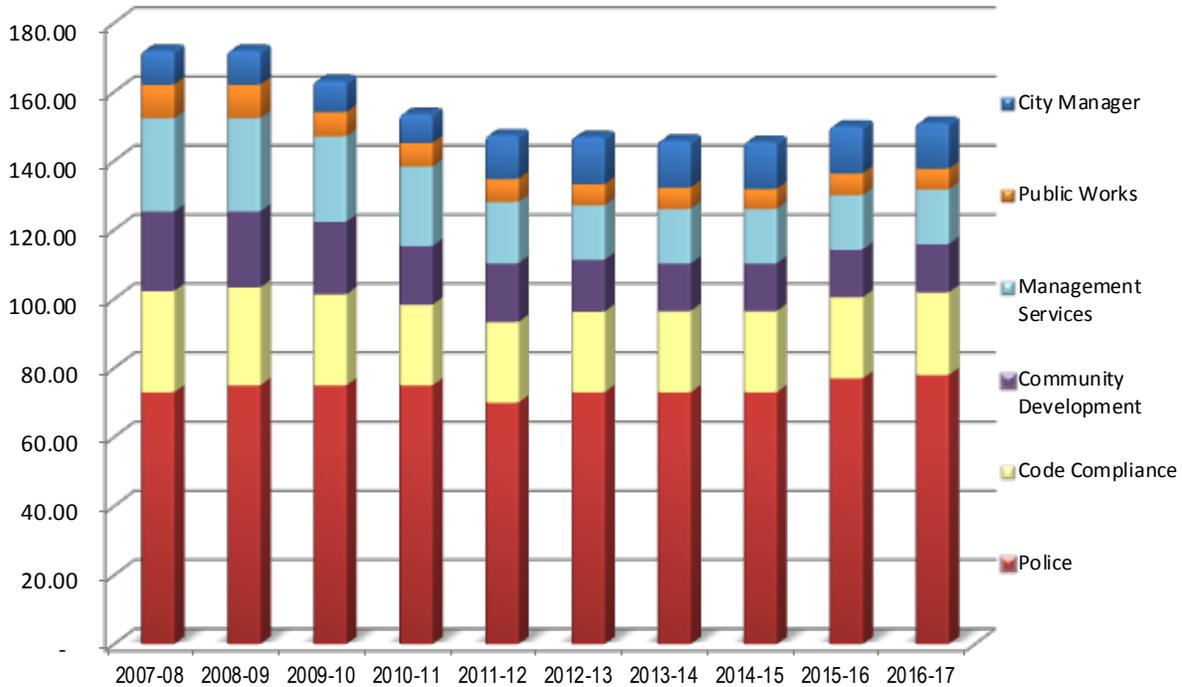
2016-17 BUDGET FULL-TIME STAFF BY DEPARTMENT



Departments	2013-14	2014-15	2015-16	2016-17	% Change From 2015-16 Budget
City Manager	13.60	13.60	13.60	13.25	-3%
Management Services	15.80	15.80	15.80	15.80	0%
Economic Development	8.00	7.00	7.00	5.00	-29%
Development Services:					0%
Community Development	15.03	13.84	13.84	14.00	1%
Code Compliance	23.32	23.46	23.46	23.90	2%
Public Works	33.90	33.20	33.90	31.85	-6%
Water	67.85	66.60	67.20	64.00	-5%
Sewer	4.50	4.50	5.20	5.20	0%
Development Services Total	144.60	141.60	143.60	138.95	3%
Sub-Total Non-Police & Fire District	182.00	178.00	180.00	173.00	-4%
Police	73.00	73.00	77.00	78.00	1%
Fire District	66.73	67.10	58.25	58.33	0%
Sub-Total Police & Fire District	139.73	140.10	135.25	136.33	1%
Total Full-Time Staff	321.73	318.10	315.25	309.33	-2%
Change Amount	n/a	-3.63	-2.85	-5.92	
Percentage	n/a	-1.1%	-0.9%	-1.9%	

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

2016-17 BUDGET GENERAL FUND FULL-TIME POSITIONS



<u>General Fund</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
City Manager	9.84	9.84	9.03	8.34	12.60
Management Services	27.00	27.00	24.75	23.00	17.80
Development Services:					
Community Development	23.03	22.03	21.03	17.03	17.03
Code Compliance	29.32	28.32	26.32	23.32	23.32
Public Works	9.75	9.75	7.05	6.85	6.65
Police	73.00	75.00	75.00	75.00	70.00
<b>General Fund Total</b>	<b>171.94</b>	<b>171.94</b>	<b>163.18</b>	<b>153.54</b>	<b>147.40</b>

<u>General Fund</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
City Manager	13.60	13.60	13.60	13.60	13.25
Management Services	15.80	15.80	15.80	15.80	15.80
Development Services:					
Community Development	15.03	13.84	13.84	13.84	14.00
Code Compliance	23.32	23.46	23.46	23.46	23.90
Public Works	6.15	6.15	5.80	6.30	6.05
Police	73.00	73.00	73.00	77.00	78.00
<b>General Fund Total</b>	<b>146.90</b>	<b>145.85</b>	<b>145.50</b>	<b>150.00</b>	<b>151.00</b>

Comments:

The FY 2016-17 Budget reflects a net increase of 1.00 FTE from the FY 2015-16 Budget. The increase is primarily due to reallocating FTE distributions from other funds to General Fund to reflect current duties. Additionally, one new Sheriff Deputy position (1.00 FTE) is added to monitor the second year of the Crime Free Rental Housing Program. The General Fund increases are offset by the following eliminations: 1. Emergency Coordinator position (0.50 FTE General Fund & 0.50 FTE Water Operating), 2. Senior Office Assistant (0.35 FTE – General Fund, 0.30 FTE- Streets Maintenance, & 0.35 FTE - Water Operating), and 3. City Engineer (0.25 FTE – General Fund, 0.25 FTE- Streets Maintenance, & 0.50 FTE - Water Operating).

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time and Part-Time Position Listing Summary by Department

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>City Manager Department</u>				
Total Full-Time Staff	13.60	13.60	13.60	13.25
Total Part-Time Staff	0.00	0.00	0.00	0.23
Total City Manager Staff	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>	<u>13.48</u>
<u>Management Services Department</u>				
Total Full-Time Staff	15.80	15.80	15.80	15.80
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Management Services Staff	<u>16.26</u>	<u>16.26</u>	<u>16.26</u>	<u>16.26</u>
<u>Economic Development Department</u>				
Total Economic Development Staff	8.00	7.00	7.00	5.00
<u>D.S.-Community Development</u>				
Total Full-Time Staff	15.03	13.84	13.84	14.00
Total Part-Time Staff	0.92	0.92	1.84	1.38
Total D.S.-Community Development Staff	<u>15.95</u>	<u>14.76</u>	<u>15.68</u>	<u>15.38</u>
<u>D.S.-Code Compliance</u>				
Total Full-Time Staff	23.32	23.46	23.46	23.90
Total Part-Time Staff	0.46	0.46	0.46	1.38
Total D.S.-Code Compliance Staff	<u>23.78</u>	<u>23.92</u>	<u>23.92</u>	<u>25.28</u>
<u>D.S.-Public Works Department</u>				
Total Full-Time Staff	33.90	33.20	33.90	31.85
Total Part-Time Staff	0.46	0.46	0.46	3.45
Total D.S.-Public Works Staff	<u>34.36</u>	<u>33.66</u>	<u>34.36</u>	<u>35.30</u>
<u>D.S.-Water</u>				
Total Full-Time Staff	67.85	66.60	67.20	64.00
Total Part-Time Staff	1.38	1.38	1.38	1.84
Total D.S.-Water Staff	<u>69.23</u>	<u>67.98</u>	<u>68.58</u>	<u>65.84</u>
<u>D.S.-Sewer</u>				
Total D.S.-Sewer Staff	<u>4.50</u>	<u>4.50</u>	<u>5.20</u>	<u>5.20</u>
Total Development Services	<u>147.82</u>	<u>144.82</u>	<u>147.74</u>	<u>147.00</u>
<u>Police Department</u>				
Total Full-Time Staff	73.00	73.00	77.00	78.00
Total Part-Time Staff	0.00	0.00	0.00	0.00
Total Police Staff	<u>73.00</u>	<u>73.00</u>	<u>77.00</u>	<u>78.00</u>
<u>Fire District</u>				
Total Fire District Staff (Contract)	66.73	67.10	58.25	58.33
TOTAL FULL-TIME CITY STAFF	321.73	318.10	315.25	309.33
TOTAL PART-TIME CITY STAFF	3.68	3.68	4.60	8.74
TOTAL CITY STAFF	<u>325.41</u>	<u>321.78</u>	<u>319.85</u>	<u>318.07</u>

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b><u>City Manager Department</u></b>				
Assistant City Clerk	1.00	1.00	1.00	1.00
Assistant to the City Manager	0.00	0.00	0.00	0.75
City Clerk	1.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00
Community Relations and Media Coordinator	0.60	0.60	0.60	0.00
Deputy City Manager	1.00	0.00	0.00	0.00
Emergency Services Coordinator	0.50	0.50	0.50	0.00
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Executive Secretary	0.00	1.00	1.00	1.00
Information Systems Manager	0.00	0.00	1.00	1.00
Information Systems Specialist	4.00	4.00	3.00	3.00
Information Systems Technician	1.00	1.00	1.00	1.00
Secretary to the City Manager and City Council	0.00	0.00	0.00	1.00
Management Analyst	2.00	2.00	2.00	2.00
Senior Office Assistant	1.00	1.00	1.00	0.00
<b>Total City Manager Full-Time Staff</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>	<b>13.25</b>
<b><u>Management Services Department</u></b>				
Accountant	2.00	2.00	2.00	2.00
Accounting Technician	1.00	1.00	2.00	2.00
Assistant City Manager/Management Services	0.90	0.90	0.90	0.90
Budget/Finance Manager	0.00	0.00	0.00	1.00
Deputy Finance Director	0.90	0.90	0.90	0.90
Executive Secretary	1.00	1.00	1.00	1.00
Financial Analyst	2.00	2.00	2.00	2.00
Human Resources Manager	0.00	0.00	0.00	1.00
Human Resources Specialist	1.00	1.00	1.00	1.00
Personnel Technician	1.00	1.00	1.00	1.00
Senior Account Clerk	1.00	1.00	0.00	0.00
Senior Accountant	1.00	1.00	1.00	1.00
Senior Financial Analyst	2.00	2.00	2.00	1.00
Senior Human Resources Analyst	1.00	1.00	1.00	0.00
Senior Office Assistant	1.00	1.00	1.00	1.00
<b>Total Management Services Full-Time Staff</b>	<b>15.80</b>	<b>15.80</b>	<b>15.80</b>	<b>15.80</b>

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b><u>Economic Development Department</u></b>				
Administrative Aide	1.00	0.00	0.00	0.00
Administrative Analyst	2.00	2.00	2.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Deputy Economic Development Director	1.00	0.00	0.00	0.00
Economic Development Director	0.00	1.00	1.00	0.00
Economic Development Manager	0.00	0.00	0.00	1.00
Management Analyst	2.00	2.00	2.00	1.00
Senior Management Analyst	1.00	1.00	1.00	1.00
<b>Total Economic Development Full-Time Staff</b>	<b>8.00</b>	<b>7.00</b>	<b>7.00</b>	<b>5.00</b>
<b><u>D.S.-Community Development</u></b>				
Administrative Analyst	0.00	0.85	0.85	0.85
Administrative Secretary	0.00	0.10	0.10	0.20
Assistant Planner	1.00	1.00	0.00	0.00
Associate Planner	0.00	0.00	1.00	1.00
Building and Safety Manager*	0.00	0.00	0.00	1.00
Building and Safety Supervisor*	1.00	1.00	1.00	0.00
Building Inspector	1.00	1.00	1.00	2.00
Building Inspection Supervisor	1.00	1.00	1.00	0.00
Community Development Coordinator	1.00	1.00	1.00	0.00
Community Development Supervisor	0.00	0.00	0.00	1.00
Community Development Technician	0.75	0.75	0.75	0.75
Director of Development Services	0.14	0.14	0.14	0.20
Executive Secretary	0.14	0.00	0.00	0.00
Plans Examiner	2.00	2.00	2.00	2.00
Principal Planner	1.00	1.00	1.00	1.00
Senior Community Development Technician	2.00	1.00	1.00	1.00
Senior Office Assistant	1.00	0.00	0.00	0.00
Senior Office Specialist	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00
<b>Total D.S.-Community Development Full-Time Staff</b>	<b>15.03</b>	<b>13.84</b>	<b>13.84</b>	<b>14.00</b>

\*Note - The position Building & Safety Supervisor was previously shown as the Building & Safety Manager in FY 2013-14, FY 2014-15, and FY 2015-16 Budget documents. The position was reclassified as the Building and Safety Supervisor during the FY 2015-16 First Quarter Budget review. In the FY 2016-17 Budget, the position is being eliminated, as it is vacant due to a retirement.

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b><u>D.S.-Code Compliance</u></b>				
Administrative Secretary	0.00	0.30	0.30	0.45
Animal Care Technician	0.00	0.00	0.00	5.00
Animal Control Officer	3.00	3.00	3.00	3.00
Animal Control Supervisor	1.00	1.00	1.00	0.00
Animal Control Technician	4.00	4.00	4.00	0.00
Animal Services Manager	0.00	0.00	0.00	1.00
Code Enforcement Officer	4.00	4.00	4.00	4.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00
Director of Development Services	0.16	0.16	0.16	0.45
Executive Secretary	0.16	0.00	0.00	0.00
Office Assistant	4.00	4.00	4.00	4.00
Senior Animal Control Officer	1.00	1.00	1.00	1.00
Senior Code Enforcement Officer	2.00	2.00	2.00	2.00
Senior Office Assistant	2.00	2.00	2.00	2.00
Shelter Supervisor	1.00	1.00	1.00	0.00
<b>Total D.S.-Code Compliance Full-Time Staff</b>	<b>23.32</b>	<b>23.46</b>	<b>23.46</b>	<b>23.90</b>
<b><u>D.S.-Public Works</u></b>				
Administrative Analyst	0.50	0.50	0.50	0.50
Administrative Secretary	0.50	0.80	0.80	0.70
Assistant Engineer	0.35	0.35	0.35	0.35
City Engineer	0.50	0.50	0.50	0.00
Community Development Technician	0.25	0.25	0.25	0.25
Construction Inspection Supervisor	0.35	0.35	0.35	0.35
Construction Inspector	1.45	1.15	1.15	1.15
Custodian	1.00	1.00	1.00	1.00
Director of Development Services	0.30	0.30	0.30	0.20
Engineering Technician	0.40	0.40	0.40	0.40
Equipment Operator	4.30	4.30	4.30	4.30
Executive Secretary	0.30	0.00	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Geographical Information Systems Manager	0.30	0.30	0.30	0.30
Geographical Information Systems Technician	0.30	0.30	0.30	0.30
Maintenance Crew Supervisor	2.30	2.30	2.30	2.30
Maintenance Worker	9.10	9.10	9.40	9.40
Management Analyst	0.00	0.00	0.50	1.00
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.75	0.75	0.75	0.75
Public Works Director	0.50	0.50	0.50	0.00
Public Works Manager	0.00	0.00	0.00	0.80
Public Works Supervisor-Streets	1.00	1.00	1.00	0.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Engineering Technician	0.40	0.00	0.00	0.00
Senior Maintenance Worker	5.90	5.90	5.80	5.80
Senior Office Assistant	1.15	1.15	1.15	0.00
<b>Total D.S.-Public Works Full-Time Staff</b>	<b>33.90</b>	<b>33.20</b>	<b>33.90</b>	<b>31.85</b>

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>D.S.-Water</u>				
Assistant to the City Manager	0.00	0.00	0.00	0.25
Administrative Secretary	0.50	0.80	0.80	0.65
Administrative Analyst	0.50	0.65	0.65	0.65
Assistant City Manager/Management Services	0.05	0.05	0.05	0.05
Assistant Engineer	0.65	0.65	0.65	0.65
City Engineer	0.50	0.50	0.50	0.00
Community Development Technician	2.00	2.00	2.00	2.00
Community Relations and Media Coordinator	0.40	0.40	0.40	0.00
Construction Inspection Supervisor	0.65	0.65	0.65	0.65
Construction Inspector	1.55	0.85	0.85	0.85
Custodian	2.00	2.00	2.00	2.00
Customer Service Representative	5.00	5.00	5.00	5.00
Customer Service Supervisor	1.00	1.00	1.00	1.00
Deputy Finance Director	0.10	0.10	0.10	0.10
Director of Development Services	0.40	0.40	0.40	0.15
Emergency Services Coordinator	0.50	0.50	0.50	0.00
Engineering Technician	0.60	0.60	0.60	0.60
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Equipment Operator	2.70	2.70	2.70	2.70
Executive Secretary	0.40	0.00	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Geographical Information Systems Manager	0.70	0.70	0.70	0.70
Geographical Information Systems Technician	0.70	0.70	0.70	0.70
Maintenance Crew Supervisor	4.00	4.00	4.00	4.00
Maintenance Worker	13.00	13.00	13.00	13.00
Management Analyst	1.00	1.00	1.50	1.00
Meter Reader	4.00	4.00	4.00	4.00
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.25	0.25	0.25	0.25
Public Works Director	0.50	0.50	0.50	0.00
Public Works Manager	0.00	0.00	0.00	0.20
Public Works Supervisor-Water	1.00	1.00	1.00	1.00
Pump Maintenance Worker	0.95	0.95	0.00	0.00
Pump Operator	1.95	1.95	1.95	1.95
Senior Account Clerk	2.00	2.00	2.00	2.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Customer Service Representative	2.00	2.00	2.00	2.00
Senior Engineering Technician	0.60	0.00	0.00	0.00
Senior Maintenance Worker	6.40	6.40	6.50	6.50
Senior Office Assistant	0.85	0.85	0.85	0.00
Senior Pump Maintenance Worker	0.00	0.00	0.95	0.95
Senior Pump Operator	0.95	0.95	0.95	0.95
Senior Warehouse Technician	1.00	1.00	1.00	1.00
Utility Line Locator	1.00	1.00	1.00	1.00
Warehouse Technician	1.00	1.00	1.00	1.00
Water Conservation Specialist	1.00	1.00	1.00	1.00
Water Quality Technician	1.00	1.00	1.00	1.00
<b>Total D.S.-Water Full-Time Staff</b>	<b>67.85</b>	<b>66.60</b>	<b>67.20</b>	<b>64.00</b>

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>D.S.-Sewer</u>				
Assistant City Manager-Management Services	0.05	0.05	0.05	0.05
Maintenance Crew Supervisor	0.70	0.70	0.70	0.70
Maintenance Worker	2.90	2.90	3.60	3.60
Pump Maintenance Worker	0.05	0.05	0.00	0.00
Pump Operator	0.05	0.05	0.05	0.05
Senior Maintenance Worker	0.70	0.70	0.70	0.70
Senior Pump Maintenance Worker	0.00	0.00	0.05	0.05
Senior Pump Operator	0.05	0.05	0.05	0.05
<b>Total D.S.-Sewer Full-Time Staff</b>	<b>4.50</b>	<b>4.50</b>	<b>5.20</b>	<b>5.20</b>
<u>Police Department</u>				
<u>Sworn Officers (Contract)</u>				
Captain	1.00	1.00	1.00	1.00
Lieutenant	1.00	1.00	1.00	1.00
Sergeant	7.00	7.00	7.00	7.00
Detective/Corporal	5.00	5.00	5.00	5.00
Sheriff Deputy	41.00	41.00	43.00	44.00
<b>Total Sworn Officers</b>	<b>55.00</b>	<b>55.00</b>	<b>57.00</b>	<b>58.00</b>
<u>Non-Sworn Staff (Contract)</u>				
Sheriff's Service Specialist	8.00	8.00	10.00	10.00
Secretary	1.00	1.00	2.00	2.00
Office Specialist	9.00	9.00	8.00	8.00
<b>Total Non-Sworn Staff</b>	<b>18.00</b>	<b>18.00</b>	<b>20.00</b>	<b>20.00</b>
<b>Total Police Sworn &amp; Non-Sworn Full-Time Staff</b>	<b>73.00</b>	<b>73.00</b>	<b>77.00</b>	<b>78.00</b>
<u>Fire District</u>				
<u>County Safety Staff (Contract)</u>				
Assistant Chief	0.00	0.00	0.00	0.45
Division Chief	0.43	0.39	0.43	0.00
Battalion Chief	1.30	1.18	1.29	1.35
Captain	9.00	9.00	6.00	6.00
Engineer	12.00	12.00	9.00	9.00
Firefighter/Paramedic	9.00	9.00	6.00	6.00
Ambulance Operator/EMT	0.00	0.00	15.00	15.00
Ambulance Operator/PM	0.00	0.00	15.00	15.00
Firefighter/Paramedic - Limited Term	15.00	15.00	0.00	0.00
Firefighter - Limited Term	15.00	15.00	0.00	0.00
<b>Total County Full-Time Safety Staff</b>	<b>61.73</b>	<b>61.57</b>	<b>52.72</b>	<b>52.80</b>
<u>County Non-Safety Staff (Contract)</u>				
Deputy Fire Marshall	0.00	0.03	0.03	0.03
Fire Prevention Supervisor	0.50	0.50	0.50	0.50
Fire Prevention Officer/Arson	0.50	0.50	0.50	0.50
Fire Prevention Specialist	0.50	0.50	0.50	0.50
Front Counter Technician (Account Clerk I)	0.50	0.50	0.50	0.50
Account Representative	2.00	0.00	0.00	0.00
Collection Officer	0.00	2.00	2.00	2.00
Office Assistant III	0.00	0.50	0.50	0.50
Public Service Employee	1.00	1.00	1.00	1.00
<b>Total County Full-Time Non-Safety Staff</b>	<b>5.00</b>	<b>5.53</b>	<b>5.53</b>	<b>5.53</b>
<b>Total Safety &amp; Non-Safety Staff</b>	<b>66.73</b>	<b>67.10</b>	<b>58.25</b>	<b>58.33</b>
<b>TOTAL FULL-TIME CITY STAFF</b>	<b>321.73</b>	<b>318.10</b>	<b>315.25</b>	<b>309.33</b>

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Part-Time Position Listing by Department

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>City Manager Department</u>				
Administrative Analyst	0.00	0.00	0.00	0.23
Total Management Services Department	0.00	0.00	0.00	0.23
<u>Management Services Department</u>				
Office Assistant	0.00	0.00	0.46	0.46
Senior Account Clerk	0.46	0.46	0.00	0.00
Total Management Services Department	0.46	0.46	0.46	0.46
<u>D.S.-Community Development</u>				
Building Inspector	0.00	0.00	0.92	0.46
Receptionist	0.92	0.92	0.92	0.92
Total D.S.-Community Development Part-Time Staff	0.92	0.92	1.84	1.38
<u>D.S.-Code Compliance</u>				
Animal Care Technician	0.00	0.00	0.00	1.38
Animal Control Technician	0.46	0.46	0.46	0.00
Total D.S.-Code Compliance Part-Time Staff	0.46	0.46	0.46	1.38
<u>D.S.-Public Works</u>				
Custodian	0.46	0.46	0.46	0.46
Maintenance Worker	0.00	0.00	0.00	2.76
Office Assistant	0.00	0.00	0.00	0.23
Total D.S.-Public Works Part-Time Staff	0.46	0.46	0.46	3.45
<u>D.S.-Water</u>				
Administrative Analyst	0	0	0	0.23
Custodian	0.46	0.46	0.46	0.46
Customer Service Representative	0.92	0.92	0.92	0.92
Office Assistant	0.00	0.00	0.00	0.23
Total D.S.-Water Part-Time Staff	1.38	1.38	1.38	1.84
Total Part-Time City Staff	3.68	3.68	4.60	8.74

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Salary Range Tables

The following Range Tables for represented and non-represented positions are the basis for calculation of the 2016-17 Budget Salaries.

**REPRESENTED FULL-TIME POSITIONS**

**TEAMSTERS LOCAL 1932**

2016-17 Fiscal Year (Salaries Effective the First Full Pay Period After July 1, 2016)

3.9% Increase (2.5% Increase plus 1.4% COLA)

<u>CLASSIFICATION TITLE</u>	<u>RANGE #</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Account Clerk	9	3271	3435	3607	3787	3976
Animal Care Technician	8	3115	3271	3435	3607	3787
Animal Control Officer	12	3787	3976	4175	4384	4603
Animal Control Technician	7	2967	3115	3271	3435	3607
Building Inspector	17	4833	5075	5329	5596	5876
Code Enforcement Officer	16	4603	4833	5075	5329	5596
Community Development Technician	12	3787	3976	4175	4384	4603
Custodian	8	3115	3271	3435	3607	3787
Customer Service Representative	10	3435	3607	3787	3976	4175
Engineering Aide	11	3607	3787	3976	4175	4384
Engineering Technician	12	3787	3976	4175	4384	4603
Equipment Operator	12	3787	3976	4175	4384	4603
Equipment Operator/Water	12.5	3882	4076	4280	4494	4719
Maintenance Worker	10	3435	3607	3787	3976	4175
Maintenance Worker/Water	10.5	3521	3697	3882	4076	4280
Meter Reader	10	3435	3607	3787	3976	4175
Pump Maintenance Worker	12	3787	3976	4175	4384	4603
Pump Operator	12	3787	3976	4175	4384	4603
Receptionist	6	2826	2967	3115	3271	3435
Registered Veterinary Technician	10	3435	3607	3787	3976	4175
Senior Account Clerk	12	3787	3976	4175	4384	4603
Senior Animal Control Officer	14	4175	4384	4603	4833	5075
Senior Custodian	10	3435	3607	3787	3976	4175
Senior Customer Service Representative	12	3787	3976	4175	4384	4603
Senior Maintenance Worker	13	3976	4175	4384	4603	4833
Senior Maintenance Worker/Water*	13.5	4076	4280	4494	4719	4955
Senior Pump Maintenance Worker	14	4175	4384	4603	4833	5075
Senior Pump Operator	14	4175	4384	4603	4833	5075
Senior Warehouse Technician	12	3787	3976	4175	4384	4603
Utility Line Locator	10	3435	3607	3787	3976	4175
Warehouse Technician	10	3435	3607	3787	3976	4175
Water Conservation Specialist	14	4175	4384	4603	4833	5075
Water Quality Technician	12	3787	3976	4175	4384	4603
Water Resource Specialist	19	5329	5596	5876	6170	6479

**CITY POSITION SUMMARIES AND SALARY RANGE TABLES**

**Salary Range Tables (Continued)**

**NON-REPRESENTED FULL-TIME & PART-TIME POSITIONS**

2016-17 Fiscal Year (Salaries Effective the First Full Pay Period After July 1, 2016)

3.9% Increase (2.5% Increase plus 1.4% COLA)

<u>CLASSIFICATION TITLE</u>	<u>RANGE#</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
<b>GENERAL</b>												
Accountant	33	4668	4761	4856	4953	5052	5153	5256	5361	5468	5577	5689
Accounting Technician	31	4234	4319	4405	4493	4583	4675	4769	4864	4961	5060	5161
Administrative Aide	27	3483	3553	3624	3697	3771	3846	3923	4002	4082	4164	4247
Administrative Secretary	30	4032	4113	4195	4279	4365	4452	4541	4632	4725	4820	4916
Construction Inspector	34	4902	5000	5100	5202	5306	5412	5520	5630	5743	5858	5975
Deputy City Clerk	28	3657	3730	3805	3881	3959	4038	4119	4201	4285	4371	4458
Executive Secretary	33	4668	4761	4856	4953	5052	5153	5256	5361	5468	5577	5689
Geographical Information Systems Technician	31	4234	4319	4405	4493	4583	4675	4769	4864	4961	5060	5161
Information Systems Technician	31	4234	4319	4405	4493	4583	4675	4769	4864	4961	5060	5161
Maintenance Crew Supervisor	36	5405	5513	5623	5736	5851	5968	6087	6209	6333	6460	6589
Office Assistant	24	3008	3068	3129	3192	3256	3321	3387	3455	3524	3595	3667
Payroll Analyst	32	4446	4535	4626	4719	4813	4909	5007	5107	5209	5313	5419
Personnel Technician	32	4446	4535	4626	4719	4813	4909	5007	5107	5209	5313	5419
Purchasing Analyst	33	4668	4761	4856	4953	5052	5153	5256	5361	5468	5577	5689
Senior Code Enforcement Officer	34	4902	5000	5100	5202	5306	5412	5520	5630	5743	5858	5975
Senior Community Development Technician	32	4446	4535	4626	4719	4813	4909	5007	5107	5209	5313	5419
Senior Engineering Technician	34	4902	5000	5100	5202	5306	5412	5520	5630	5743	5858	5975
Senior Office Assistant	28	3657	3730	3805	3881	3959	4038	4119	4201	4285	4371	4458
Senior Office Specialist	28	3657	3730	3805	3881	3959	4038	4119	4201	4285	4371	4458
<b>PROFESSIONAL/SUPERVISORY</b>												
Administrative Analyst	34	4902	5000	5100	5202	5306	5412	5520	5630	5743	5858	5975
Animal Control Supervisor	35	5147	5250	5355	5462	5571	5682	5796	5912	6030	6151	6274
Assistant City Clerk	35	5147	5250	5355	5462	5571	5682	5796	5912	6030	6151	6274
Assistant Engineer	38	5959	6078	6200	6324	6451	6580	6712	6846	6983	7123	7266
Assistant Planner	35	5147	5250	5355	5462	5571	5682	5796	5912	6030	6151	6274
Associate Planner	38	5959	6078	6200	6324	6451	6580	6712	6846	6983	7123	7266
Building Inspection Supervisor	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
Building and Safety Supervisor	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
Code Enforcement Supervisor	36	5405	5513	5623	5736	5851	5968	6087	6209	6333	6460	6589
Community Development Coordinator	34	4902	5000	5100	5202	5306	5412	5520	5630	5743	5858	5975
Community Development Supervisor	38	5959	6078	6200	6324	6451	6580	6712	6846	6983	7123	7266
Construction Inspection Supervisor	39	6257	6382	6510	6640	6773	6909	7047	7188	7332	7479	7629
Customer Service Supervisor	36	5405	5513	5623	5736	5851	5968	6087	6209	6333	6460	6589
Emergency Services Coordinator	38	5959	6078	6200	6324	6451	6580	6712	6846	6983	7123	7266
Environmental Programs Coordinator	34	4902	5000	5100	5202	5306	5412	5520	5630	5743	5858	5975
Facilities Supervisor	36	5405	5513	5623	5736	5851	5968	6087	6209	6333	6460	6589
Financial Analyst	35	5147	5250	5355	5462	5571	5682	5796	5912	6030	6151	6274
Human Resources Analyst	37	5675	5789	5905	6023	6144	6267	6392	6520	6650	6783	6919
Human Resources Specialist	35	5147	5250	5355	5462	5571	5682	5796	5912	6030	6151	6274
Management Analyst	37	5675	5789	5905	6023	6144	6267	6392	6520	6650	6783	6919
Plans Examiner	37	5675	5789	5905	6023	6144	6267	6392	6520	6650	6783	6919
Public Works Supervisor/Streets	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
Public Works Supervisor/Water	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
Secretary to the City Manager	34	4902	5000	5100	5202	5306	5412	5520	5630	5743	5858	5975
Secretary to the City Manager and City Council	35	5147	5250	5355	5462	5571	5682	5796	5912	6030	6151	6274
Shelter Supervisor	35	5147	5250	5355	5462	5571	5682	5796	5912	6030	6151	6274

**CITY POSITION SUMMARIES AND SALARY RANGE TABLES**

**Salary Range Tables (Continued)**

**NON-REPRESENTED FULL-TIME & PART-TIME POSITIONS**

2016-17 Fiscal Year (Salaries Effective the First Full Pay Period After July 1, 2016)

3.9% Increase (2.5% Increase plus 1.4% COLA)

<u>CLASSIFICATION TITLE</u>	<u>RANGE#</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
<b>MANAGEMENT</b>												
Assistant to the City Manager	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Animal Services Manager	41	6898	7036	7177	7321	7467	7616	7768	7923	8082	8244	8409
Budget/Finance Manager	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Building and Safety Manager	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Code Compliance Manager	41	6898	7036	7177	7321	7467	7616	7768	7923	8082	8244	8409
Community Relations and Media Coordinator	37	5675	5789	5905	6023	6144	6267	6392	6520	6650	6783	6919
Geographical Information Systems Manager	41	6898	7036	7177	7321	7467	7616	7768	7923	8082	8244	8409
Human Resources Manager	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Information Systems Manager	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Information Systems Specialist	37	5675	5789	5905	6023	6144	6267	6392	6520	6650	6783	6919
Principal Planner	44	7986	8146	8309	8475	8645	8818	8994	9174	9358	9545	9736
Project Construction Manager	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Public Works Manager	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Purchasing Supervisor	38	5959	6078	6200	6324	6451	6580	6712	6846	6983	7123	7266
Senior Accountant	38	5959	6078	6200	6324	6451	6580	6712	6846	6983	7123	7266
Senior Engineer	43	7606	7758	7913	8071	8232	8397	8565	8736	8911	9089	9271
Senior Financial Analyst	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
Senior Human Resources Analyst	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
Senior Management Analyst	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
Senior Planner	41	6898	7036	7177	7321	7467	7616	7768	7923	8082	8244	8409
Senior Plans Examiner	40	6570	6701	6835	6972	7111	7253	7398	7546	7697	7851	8008
<b>SENIOR MANAGEMENT</b>												
City Engineer	48	9707	9901	10099	10301	10507	10717	10931	11150	11373	11601	11833
Deputy Director of Development Services/Community Development	48	9707	9901	10099	10301	10507	10717	10931	11150	11373	11601	11833
Deputy Director of Economic Development	48	9707	9901	10099	10301	10507	10717	10931	11150	11373	11601	11833
Deputy Finance Director	46	8805	8981	9161	9344	9531	9722	9916	10114	10316	10522	10732
Deputy Human Resources/Risk Management Director	46	8805	8981	9161	9344	9531	9722	9916	10114	10316	10522	10732
Public Works Director	46	8805	8981	9161	9344	9531	9722	9916	10114	10316	10522	10732
<b>AT WILL SENIOR MANAGEMENT</b>												
Assistant City Manager/Management Services	52	11800	12036	12277	12523	12774	13030	13291	13557	13828	14105	14387
City Clerk	45	8385	8553	8724	8899	9077	9259	9444	9633	9826	10023	10224
Deputy City Manager	47	9245	9430	9619	9811	10007	10207	10411	10619	10831	11048	11269
Director of Development Services	51	11238	11463	11692	11926	12165	12408	12656	12909	13167	13430	13699
Director of Economic Development	51	11238	11463	11692	11926	12165	12408	12656	12909	13167	13430	13699
Economic Development Manager	44	7986	8146	8309	8475	8645	8818	8994	9174	9358	9545	9736

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## Department & Program Expenditures

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## Department & Program Expenditures

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FUND: GENERAL FUND 100  
DEPARTMENT: CITY COUNCIL 01

DEPARTMENT EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 43,383	\$ 40,999	\$ 45,600	\$ 40,079	\$ 45,600	0%
Benefits	75,517	71,832	68,953	70,840	71,127	3%
Materials & Operations	6,169	8,334	7,230	18,993	7,430	3%
Contractual	600,580	407,989	437,100	457,000	518,100	19%
Other Operating	47,545	61,353	83,578	84,764	93,578	12%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 773,194</b>	<b>\$ 590,507</b>	<b>\$ 642,461</b>	<b>\$671,676</b>	<b>\$735,835</b>	<b>15%</b>

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
100 City Council	\$ 407,878	\$ 370,326	\$ 392,461	\$421,676	\$485,835	24%
102 City Attorney	365,316	220,181	250,000	250,000	250,000	0%
<b>TOTAL</b>	<b>\$ 773,194</b>	<b>\$ 590,507</b>	<b>\$ 642,461</b>	<b>\$671,676</b>	<b>\$735,835</b>	<b>15%</b>

**DEPARTMENT GOALS FOR 2016-17**

- Continue to provide policy direction on City Council priorities identified at the February 11, 2014, City Council Goal Setting Workshop, which include:
  - Public Safety – Ensure adequate public safety resources are available for citizens, families, children, businesses, and visitors.
  - Financial Health - Assure Hesperia’s financial health by continuing to provide structurally balanced budgets for its operating funds.
  - Future Development – Actively manage growth to ensure cohesive development including industrial, commercial, residential, freeway, Main Street, and Ranchero Corridors.
  - Future Vision – Agree on a ‘vision’ of what Hesperia should be in 5, 15, 25 years.
  - Organizational Health – Establish and maintain a healthy and efficient organization to provide City services.
  - Capital Improvement – Create capital improvement funding after Redevelopment Agency’s elimination.
- Provide direction on City Council created ad hoc committees including the Development Impact Fee Ad Hoc Committee, Tapestry Project Ad Hoc Committee, and the Urban Water Management Plan Committee.

**SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES**

- Funding in the amount of \$35,000 has been included to engage a consultant to explore the transition from at-large elections to by-district voting in response to California Voting Rights Act challenges received at the end of the 2015 calendar year.
- Funding in the amount of \$42,000 has been included in support of the Memorandum of Understanding with the Hesperia Chamber of Commerce for Hesperia 2034, a joint-agency community visioning project.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY COUNCIL 01  
DIVISION: CITY COUNCIL 100

DIVISION EXPENDITURE SUMMARY	2013-14	2014-15	2015-16	2015-16	2016-17	% Change From 2015-16
	Actual	Actual	Budget	Revised	Budget	2015-16 Budget
Salaries	\$ 43,383	\$ 40,999	\$ 45,600	\$ 40,079	\$ 45,600	0%
Benefits	75,517	71,832	68,953	70,840	71,127	3%
Materials & Operations	6,169	8,334	7,230	18,993	7,430	3%
Contractual	235,264	187,808	187,100	207,000	268,100	43%
Other Operating	47,545	61,353	83,578	84,764	93,578	12%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 407,878</b>	<b>\$ 370,326</b>	<b>\$ 392,461</b>	<b>\$421,676</b>	<b>\$485,835</b>	<b>24%</b>

#### DIVISION DESCRIPTION

The City Council is the legislative body of the organization and is comprised of five members elected at-large to four-year overlapping terms of office. The City Council also sits as the Board of Directors of the Hesperia Fire Protection District, Hesperia Water District, Hesperia Housing Authority, Successor Agency for the former Hesperia Redevelopment Agency, Hesperia Community Development Commission, and is responsible for the development and adoption of all City policy. The City Council appoints a City Manager charged with the implementation of adopted policy, as well as a City Attorney that reviews Council actions and policy for legal considerations. The City Council also appoints a variety of commissions and committees, including the Planning Commission.

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Funding in the amount of \$35,000 has been included to engage a consultant to explore the transition from at-large elections to by-district voting in response to California Voting Rights Act challenges received at the end of the 2015 calendar year.
- Funding in the amount of \$42,000 has been included in support of the Memorandum of Understanding with the Hesperia Chamber of Commerce for Hesperia 2034, a joint-agency community visioning project.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Through strong policy leadership, reaffirmed ongoing efforts to bolster the community and organization by strengthening infrastructure; providing vital services; maintaining the City's financial health; providing good working conditions for employees, and increasing citizen satisfaction.
- Continued to work with State and Federal delegates on behalf of Hesperia citizens to obtain funding on a variety of large projects.
- Continued to be available to meet with constituents in order to provide enhanced levels of service to Hesperia residents.
- Continued to seek alternative funding sources via Federal, State, and County grants.
- Successfully recruited new City Manager.
- Adopted a Crime Free Rental Housing Program designed to enhance the safety of neighborhoods throughout Hesperia.
- Extended a Development Impact Fee (DIF) reduction pilot program to encourage residential development in Hesperia; pilot program will be evaluated after the DIF Fee Study
- Commissioned an independent consultant to audit animal shelter and field operations of the Animal Control Division.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY COUNCIL 01  
DIVISION: CITY COUNCIL 100

#### 2015-16 DIVISION ACCOMPLISHMENTS (Continued)

- Held a special meeting to allow for public comment on the Tapestry Project.
- Worked with San Bernardino County Fire, the County of San Bernardino and the Local Agency Formation Commission to explore annexation of the Hesperia Fire Protection District to San Bernardino County Fire.
- Approved the Specific Plan, Environmental Impact Report, and Phase 1 tentative maps for the Tapestry Project.
- Continued to support the Citizen's Academy and Youth in Government Day to encourage involvement between citizens and local government.
- Held a public workshop to address community concerns and gather feedback regarding the sale of alcohol in Hesperia and the parameters of a proposed Deemed Approved Ordinance.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Continue to provide policy direction on City Council priorities identified at the February 11, 2014, City Council Goal Setting Workshop, which include:
  - Public Safety – Ensure adequate public safety resources are available for citizens, families, children, businesses, and visitors.
  - Financial Health - Assure Hesperia's financial health by continuing to provide structurally balanced budgets for its operating funds.
  - Future Development – Actively manage growth to ensure cohesive development including industrial, commercial, residential, freeway, Main Street, and Rancho Corridors.
  - Future Vision – Agree on a 'vision' of what Hesperia should be in 5, 15, 25 years.
  - Organizational Health – Establish and maintain a healthy and efficient organization to provide City services.
  - Capital Improvement – Create capital improvement funding after Redevelopment Agency's elimination.
- Provide direction on City Council created ad hoc committees including the Development Impact Fee Ad Hoc Committee, Tapestry Project Ad Hoc Committee, and the Urban Water Management Plan Committee.
- Continue to provide leadership and policy direction on a variety of issues and projects important to the citizens of the City of Hesperia.
- Demand transparency in government at all levels.
- Work with City staff, the Tapestry developer and financial consultants to develop a Financial Plan and Development Plan for the Tapestry Project.
- Continue to explore Special Funding District's (SFD) for Freeway Corridor Infrastructure and the A-04 Master Plan of Drainage.
- Continue to seek alternative funding sources via Federal, State, and County grants.
- Continue to work with San Bernardino County Fire, the County of San Bernardino, and the Local Agency Formation Commission (LAFCO) to explore annexation of the Hesperia Fire Protection District to San Bernardino County Fire.
- Continue to support the Citizen's Academy and Youth in Government Day to encourage involvement between citizens and local government.
- Coordinate with County of San Bernardino on Phase III of the Rancho Corridor Project, the widening of Rancho Road between Phase I and II; continue to seek funding for this vital project.
- Develop land-use agreement with San Bernardino County for locating commercial use along Phase III of the Rancho Corridor Project.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY COUNCIL 01  
DIVISION: CITY COUNCIL 100

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- Represent the City as a Board Member or Commissioner of the following:
  - League of California Cities Desert/Mountain Division.
  - Southern California Association of Governments (SCAG).
  - San Bernardino Associated Governments (SANBAG).
  - Mojave Desert Air Quality Management Desert (MDAQMD).
  - Victor Valley Wastewater Reclamation Authority (VWRA).
  - San Bernardino County Solid Waste Task Force.
  - Victor Valley Economic Development Authority (VVEDA).
  - Victor Valley Transit Authority (VTA).

FUND: GENERAL FUND 100  
DEPARTMENT: CITY COUNCIL 01  
DIVISION: CITY ATTORNEY 102

DIVISION EXPENDITURE SUMMARY	2013-14	2014-15	2015-16	2015-16	2016-17	% Change From 2015-16
	Actual	Actual	Budget	Revised	Budget	Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials	0	0	0	0	0	0%
Contractual	365,316	220,181	250,000	250,000	250,000	0%
Other Operating	0	0	0	0	0	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 365,316</b>	<b>\$ 220,181</b>	<b>\$ 250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>0%</b>

#### DIVISION DESCRIPTION

The City Attorney is appointed by the City Council and serves as legal counsel to the City, the Water and Fire Districts, the Hesperia Housing Authority, the Successor Agency for the former Hesperia Redevelopment Agency, and the Hesperia Community Development Commission, as well as various commissions and committees. The City Attorney advises elected and appointed officials and staff on legal issues affecting the City, represents the City in litigation and administrative matters, and provides necessary legal review, drafting and negotiation of ordinances, resolutions, agreements, and other documents.

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- City Attorney budget continues to be reduced from prior years to reflect current expenditures and the reduction of litigation expenses.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Provided timely and appropriate legal advice on a variety of issues.
- Continued to minimize litigation and exposure to litigation.
- Assisted in negotiation, drafting, and implementation of agreements to further economic development, capital improvement, and affordable housing programs.
- Provided legal advice on development, regulatory and election issues including the Tapestry project, crime free rental housing, and the California Voting Rights Act.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Provide legal services and advice that will limit the City's exposure to claims for damages, and aggressively represent the City when engaged in litigation.
- Facilitate planning and land use projects and environmental review.
- Provide prompt drafting and review of agreements, ordinances, resolutions, and memoranda in support to the City Council, City Manager, Planning Commission, and City departments.
- Keep the City Council and City Manager informed on new legal developments affecting the City.
- Continue to control costs for legal services where possible.

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FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07

DEPARTMENT EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 1,171,966	\$ 1,097,593	\$ 1,160,072	\$ 1,174,255	\$ 1,194,882	3%
Benefits	404,508	392,409	397,915	422,967	393,484	-1%
Materials & Operations	236,625	283,663	272,250	361,172	268,475	-1%
Contractual	422,993	597,469	430,927	485,117	476,202	11%
Other Operating	102,002	76,670	141,375	139,256	163,770	16%
Capital Outlay	97,667	382,673	100,000	50,063	132,500	33%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 2,435,761</b>	<b>\$ 2,830,477</b>	<b>\$ 2,502,539</b>	<b>\$ 2,632,830</b>	<b>\$ 2,629,313</b>	<b>5%</b>

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
200 City Manager	\$ 1,189,833	\$ 1,112,310	\$ 1,129,749	\$ 1,182,453	\$ 1,156,478	2%
215 Information Technology	1,245,928	1,718,167	1,372,790	1,450,377	1,472,835	7%
<b>TOTAL</b>	<b>\$ 2,435,761</b>	<b>\$ 2,830,477</b>	<b>\$ 2,502,539</b>	<b>\$ 2,632,830</b>	<b>\$ 2,629,313</b>	<b>5%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b><u>DEPARTMENT STAFFING</u></b>				
Total Full-Time Staff	13.60	13.60	13.60	13.25
Total Part-Time Staff	0.00	0.00	0.00	0.23
<b>Total City Manager Staff</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>	<b>13.48</b>

**DEPARTMENT GOALS FOR 2016-17**

- Continue to build local and regional partnerships by working with neighboring cities and agencies including the Hesperia Unified School District, Hesperia Recreation and Parks District, and the Hesperia Chamber of Commerce.
- Continue to work with the Hesperia Recreation and Parks District to develop and conduct activities at the City's Civic Plaza Park such as car shows, pet walks, and other special events at the Downtown Center.
- Continue to provide timely and useful information to residents via City website, social media outlets, Hesperia Horizon Newsletter, and through public outreach programs.
- Continue to work with the Tapestry Project Ad Hoc Committee, staff, and the project developer to create a project financing plan and a development agreement.
- Continue to work to secure financing of Recycled Water Distribution System.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07

DEPARTMENT GOALS FOR 2016-17 (Continued)

- Continue to work with the Local Agency Formation Commission (LAFCO) and the County of San Bernardino on the proposed annexation of the Hesperia Fire Protection District to San Bernardino County Fire.

SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- Reclassify the Community Relations and Media Coordinator (Range 37) to the Assistant to the City Manager (Range 43) with a distribution of 0.75 FTE in the City Manager Department.
- Eliminate one vacant Senior Office Assistant position and add one Secretary to the City Manager and City Council position.
- Eliminate one vacant Emergency Services Coordinator position with a distribution of 0.50 FTE in City Manager and add one part-time Administrative Analyst position (0.46 FTE) with a distribution of 0.23 FTE in City Manager.
- Funding for the 2016 Municipal Election is added in the amount of \$34,000.
- Funds of \$132,500 has been included for the replacement of antiquated equipment and software in the City Council Chambers that control the City Council electronic voting, streaming of meetings, presentations, sound, and room lighting.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Assistant City Clerk	1.00	1.00	1.00	1.00
Assistant to the City Manager	0.00	0.00	0.00	0.75
City Clerk	1.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00
Community Relations and Media Coordinator	0.60	0.60	0.60	0.00
Deputy City Manager	1.00	0.00	0.00	0.00
Emergency Services Coordinator	0.50	0.50	0.50	0.00
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Executive Secretary	0.00	1.00	1.00	1.00
Information Systems Manager	0.00	0.00	1.00	1.00
Information Systems Specialist	4.00	4.00	3.00	3.00
Information Systems Technician	1.00	1.00	1.00	1.00
Management Analyst	2.00	2.00	2.00	2.00
Secretary to the City Manager and City Council	0.00	0.00	0.00	1.00
Senior Office Assistant	1.00	1.00	1.00	0.00
<b>Total Full-Time Staff</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>	<b>13.25</b>
<u>Part-Time Staff</u>				
Administrative Analyst	0.00	0.00	0.00	0.23
<b>Total Part-Time Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.23</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>	<b>13.48</b>

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07  
DIVISION: CITY MANAGER 200

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 770,391	\$ 731,469	\$ 716,084	\$ 734,650	\$ 715,479	0%
Benefits	266,536	259,329	251,440	252,759	229,104	-9%
Materials & Operations	59,941	42,410	48,430	53,968	51,365	6%
Contractual	1,338	25,027	2,750	32,150	36,350	1222%
Other Operating	74,113	54,075	111,045	108,926	124,180	12%
Capital Outlay	17,514	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,189,833</b>	<b>\$ 1,112,310</b>	<b>\$ 1,129,749</b>	<b>\$ 1,182,453</b>	<b>\$ 1,156,478</b>	<b>2%</b>

#### DIVISION DESCRIPTION

The City Manager serves as the Chief Executive Officer of the City and its subsidiary Fire and Water Districts, as well as Executive Director of the Hesperia Housing Authority, Successor Agency for the former Hesperia Redevelopment Agency, and Hesperia Community Development Commission. The City Manager ensures that City Council policies and directions are implemented, and provides executive level staff support to the City Council and staff through a variety of functions (Goal 5 – Organization Health), including public administration, intergovernmental relations, financial oversight of all City funds (Goal 2 – Financial Health), handling of unique challenges/special projects, policy analysis, and other items that are necessary to improve the functions of government. The City Manager is responsible for the efficient and effective operation of all City/District/Agency departments, programs and services including oversight of the City Clerk, Community Relations, and Information Technology Divisions.

**City Clerk** – The City Clerk’s Office administers democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public, and acts as a compliance officer for Federal, State, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act. The City Clerk’s Office manages the preparation of the legislative agenda, publication/posting of legal notices, as well as preparation of meeting minutes, and oversees the City Council’s Commission and Advisory Committee Program. The City Clerk is responsible for the preservation and protection of the public records and maintains the minutes, ordinances, and resolutions adopted by the legislative body, and ensures that other municipal records (contracts, recorded documents, claims, etc.) are readily accessible to the public. The City Clerk also oversees the Citywide Records Retention Program, and is responsible for maintaining archived record storage and destruction of records. As the election official, the City Clerk administers Federal, State, and local procedures and legal requirements to ensure a fair and impartial election, prepares the election handbook, and assists candidates in meeting their legal responsibilities before, during, and after an election (Fair Political Practices Commission and campaign filings).

**Community Relations** – The Community Relations function of the City Manager’s Office is responsible for a variety of programs that support the City’s goals of increasing public participation and awareness of City government and its programs and services. The Community Relations functions is comprised of four concentrations:

1. **Public Information:** Media relations; Webmaster; Horizon Newsletter; public outreach; social media; oversight of Volunteer Network, coordination of staff Leadership Academy, coordination of Citizen’s Academy, oversight of Safety First public awareness campaign, and advertising.
2. **Legislative Advocacy:** Grant application and management; legislative outreach at the Federal and State level; annual legislative priorities; Healthy Community Programs.
3. **Environmental Programs:** Compliance with Federal and State requirements related to solid waste; student programs, and outreach for litter abatement, graffiti prevention, water conservation, storm-water protection, and illegal dumping; Southern California Edison Partnership Energy Champion.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07  
DIVISION: CITY MANAGER 200

DIVISION DESCRIPTION (Continued)

4. Emergency Management: Coordinates Citizen Emergency Response Team (CERT) training for citizens; coordination of the City's Emergency Operation Center during an emergency; coordination of the City's Emergency Operation Plan, and training of staff. Other Community Relations responsibilities include response to citizen concerns, and special events and projects.

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Reclassify the Community Relations and Media Coordinator (Range 37) to the Assistant to the City Manager (Range 43) with a distribution of 0.75 FTE in the City Manager Department.
- Eliminate one vacant Senior Office Assistant position and add one Secretary to the City Manager and City Council position.
- Eliminate one vacant Emergency Services Coordinator position with a distribution of 0.50 FTE in City Manager and add one part-time Administrative Analyst position (0.46 FTE) with a distribution of 0.23 FTE in City Manager.
- Funding for the 2016 Municipal Election is added in the amount of \$34,000.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Assistant City Clerk	1.00	1.00	1.00	1.00
Assistant to the City Manager	0.00	0.00	0.00	0.75
City Clerk	1.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00
Community Relations and Media Coordinator	0.60	0.60	0.60	0.00
Deputy City Manager	0.75	0.00	0.00	0.00
Emergency Services Coordinator	0.50	0.50	0.50	0.00
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Executive Secretary	0.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Secretary to the City Manager and City Council	0.00	0.00	0.00	1.00
Senior Office Assistant	1.00	1.00	1.00	0.00
<b>Total Full-Time Staff</b>	<b>7.35</b>	<b>7.60</b>	<b>7.60</b>	<b>7.25</b>
<u>Part-Time Staff</u>				
Administrative Analyst	0.00	0.00	0.00	0.23
<b>Total Part-Time Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.23</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>7.35</b>	<b>7.60</b>	<b>7.60</b>	<b>7.48</b>

2015-16 DIVISION ACCOMPLISHMENTS

- Continued to work with neighboring cities and numerous agencies such as the California League of Cities, Tri-Agency, San Bernardino Associated Governments, Southern California Association of Governments, Building Industry Association, Hesperia Chamber of Commerce, Hesperia Unified School District, Victor Valley Wastewater Reclamation Authority, Mojave Water Agency, and the Hesperia Recreation and Park District.
- Presented the annual Priority Project requests, working with State and Federal delegates on behalf of Hesperia citizens.

FUND:	GENERAL FUND	100
DEPARTMENT:	CITY MANAGER	07
DIVISION:	CITY MANAGER	200

#### 2015-16 DIVISION ACCOMPLISHMENTS (Continued)

- Produced the annual State of the City Address, which featured the City Council members sharing updates on projects and programs in Hesperia.
- Coordinated the first Mayor's Challenge as part of Healthy Hesperia Program.
- Successfully launched the redesign of the City of Hesperia website, sustaining over one million views per month. City Facebook and Twitter accounts have over 7,000 followers.
- Held two Community Clean-up Events with 1,100 volunteers participating.
- Hosted the tenth annual Youth in Government Day event for 25 high school seniors with a job shadowing exercise, City facility tours, Questions and answers with the Mayor, and a mock City Council meeting, resulting in the funding of a Community Beautification Project.
- Continued to expand the City's Citizen Emergency Response Team training (CERT). CERT members met regularly to coordinate efforts toward a united emergency response. Since 2010, nearly 500 individuals have taken the Hesperia CERT training course.
- Conducted two electronic waste events, held in partnership with the Hesperia Chamber of Commerce.
- Continued promoting Volunteer Network to increase both the number of active agencies and volunteers.
- Continued participation in the Regional Energy Partnership with Southern California Edison, along with the cities of Adelanto, Barstow, Victorville, and the Town of Apple Valley.
- Hosted the fifth annual Volunteer Appreciation Dinner for the City's CERT members, Volunteer Network participants, and Committee Members. Attendees were recognized for their service to the community, and a Volunteer of the Year Award was presented.
- Participated on the committee to organize the regional Healthy High Desert Summit; staff was selected to serve as committee Chair.
- Continued to promote the City of Hesperia mobile app to provide residents with easily accessible information about City projects and programs, and to allow for mobile reporting of graffiti and water conservation concerns.
- Conducted two document destruction events for the community, collecting and recycling 2,500 pounds of paper.
- In compliance with the City's Records Management Program, held four City-document destruction events, shredding 1,260 boxes and recycling 25,200 pounds of paper.
- Implemented Automated Conflict of Interest 700 Form Processing software to increase compliancy and efficiency.
- Implemented a social media archive software program to comply with legal records retention requirements.
- Submitted application for CDBG Grant funding for the Energy Efficiency Rehabilitation Program.
- Submitted grant applications to CalRecycle for City/County Payment Program, Waste Tire Amnesty Event Grant, and Illegal Disposal Abatement Grant.
- Submitted the 2014 CalRecycle Annual Diversion Report, which identifies that Hesperia's total diversion rate as 69%.
- Worked with consultant to explore transitioning from at-large to by-district elections.
- Assisted in the first Victor Valley Bicycle Tour, a regional event focused on raising awareness of safe bicycling in City communities, and promoting cycling as a healthy lifestyle for both recreation and transportation.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Continue to pursue all sources of Federal and State funding for a variety of programs in concert with the City's legislative program.

FUND:	GENERAL FUND	100
DEPARTMENT:	CITY MANAGER	07
DIVISION:	CITY MANAGER	200

#### 2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- Continue to work with neighboring cities and numerous agencies such as the California League of Cities, Tri-Agency, San Bernardino Associated Governments (SANBAG), Southern California Association of Governments (SCAG), Building Industry Association, Hesperia Chamber of Commerce, Hesperia Unified School District, Victor Valley Wastewater Reclamation Authority, Mojave Water Agency, and the Hesperia Recreation and Park District.
- Continue legislative advocacy efforts to monitor and review Federal and State legislation, write letters, and contact legislators to protect and advance the City's interests.
- Plan, develop, and implement a structurally balanced, fiscally conservative City Budget.
- Participate in the Hesperia 2034 Visioning exercise in coordination with the Hesperia Chamber of Commerce, Hesperia Unified School District and Hesperia Recreation and Park District.
- Manage an election for two (2) City Council seats in consolidation with the San Bernardino County Elections Office.
- Continue working with consultant to explore transitioning from at-large to by-district elections.
- Continue partnership with Hesperia Unified School District, Hesperia Police Department, and Hesperia Recreation and Park District for the Student Bicycle and Pedestrian Safety Awareness Campaign.
- Continue to expand the City's environmental programs relating to water conservation, storm water awareness, graffiti abatement, and maintain above 70% for a solid waste diversion rate via education and public outreach.
- Expand the Adopt-a-Street Program to increase participation rate and include regular email updates to participants.
- Continue to work with the Hesperia Recreation and Parks District to develop and conduct activities at the City's Civic Plaza Park such as car shows, pet walks, and other special events at the Downtown Center.
- Continue to increase transparency in government and communication with citizens via the City website and social media such as Facebook and Twitter.
- Support the Volunteer Network to increase the number of volunteers and volunteer opportunities.
- Further develop the City's emergency preparedness plans and procedures to be suitably prepared in case of a disaster, including design of the City's Emergency Operations Center (EOC).
- Continue the Citizen Emergency Response Team (CERT) Training to include quarterly courses for citizens and bi-annual updates for City staff members. Utilize CERT members to hold at least one free flu vaccine immunization clinic annually.
- Expand, enhance, and promote the Healthy Hesperia Program through participation in community workshops, events, and updated information on the City's website.
- Continue to manage and address citizen requests and complaints.
- Expand the City's use of automated Conflict of Interest Form 700 filing to include electronic paper-free filings.
- Expand the City's current Election Program to include voter outreach and an informational video on the City's website.
- Assist in the coordination of Don't Trash Our Desert, a public outreach campaign aimed at combatting illegal dumping.
- Continue to assist City departments in the maintenance of the on-going Records Management Program including training staff and overseeing the indexing, archiving, and/or destruction of eligible records in compliance with State and Federal law and the City's record retention schedule.
- Increase the availability of documents electronically, and maintain efficient management of records.
- Manage the transfer of the City's Record Center from Eagle Plaza to an existing City facility.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07  
DIVISION: CITY MANAGER 200

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- To continue to expand and modify the Energy Efficiency Rehabilitation Program (EERP) to allow for more applicants and increase the level of service for existing program participants.

**PERFORMANCE AND  
WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>City Manager</u>				
Number of community events	8	11	11	11
Number of Twitter followers	1,662	2,100	2,723	3,200
Number of Facebook Likes	2,577	4,900	7,739	8,500
Number of valid website hits	1,639,794	1,631,000	1,209,000	1,300,000
Number of grants submitted	7	6	7	8
Number of legislative letters	16	25	11	15
Number of environmental school programs presented	8	3	5	5
Number of recycling/clean-up events held	65	62	75	75
Number of streets adopted	44	38	42	45
Number of mentoring participants	0	2	2	2
Number of volunteers network users	N/A	N/A	*810	*975
Number of CERT trainings held	5	2	2	3
Number of Energy Efficiency Rehabilitation Program (EERP) Applicants	10	8	20	25
<u>City Clerk</u>				
Annual Number of Ordinances Processed	17	10	12	14
Annual Number of Resolutions Processed	124	99	96	100
Annual Contracts Approved and Processed	140	142	148	156
Annual Claims/Lawsuits Processed	109	72	76	80
Recorded Documents Processed	77	115	120	125
Public Hearing Notices/Postings	33	42	45	50
Records Requests/Pages Provided	240/10,600	490/6,700	480/6,000	500/6,500
Maps Processed	5	10	12	14
Records Requested from Storage	95	56	48	48
Bonds Processed	3	1	0	2
Archived Boxes in Records Storage	2,400	2,400	1,600	1,620
Library Community Room Bookings	384	460	440	460
Conflict of Interest Form 700 Processed	105	170	180	180
Mayoral Proclamations Processed	94	178	180	185
Records Retention Boxes Shredded	N/A	1,510	1,260	600

\*Beginning in 2015, volunteer network users are tracked by total number of users rather than by number of new users.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07  
DIVISION: INFORMATION TECHNOLOGY 215

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 401,575	\$ 366,124	\$ 443,988	\$ 439,605	\$ 479,403	8%
Benefits	137,972	133,080	146,475	170,208	164,380	12%
Materials & Operations	176,684	241,253	223,820	307,204	217,110	-3%
Contractual	421,655	572,442	428,177	452,967	439,852	3%
Other Operating	27,889	22,595	30,330	30,330	39,590	31%
Capital Outlay	80,153	382,673	100,000	50,063	132,500	33%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,245,928</b>	<b>\$ 1,718,167</b>	<b>\$ 1,372,790</b>	<b>\$ 1,450,377</b>	<b>\$ 1,472,835</b>	<b>7%</b>

#### DIVISION DESCRIPTION

The Information Technology (IT) Division is responsible for coordinating the technological needs of all City departments in order to advance the overall mission of the City. The IT Division is responsible for the design, development, administration, and maintenance of a wide variety of telecommunications and computer networks, operating systems, and related services, such as core systems management, equipment installation, coordination of services, and billing and budget requirements. The focus of this Division is to support programs that assist employees in providing the highest level of customer service, as well as allowing citizens easy access to City documents, the website, videos of City Council/Planning Commission Meetings, free wireless internet in the Civic Plaza, and emergency alerts when necessary.

The IT Division supports both computing, internet, and telecommunications for a Wide Area Network comprised of four distinct locations and five Local Area Networks. The computing environment consists of 184 desktops, 255 remote devices, 65 printers/copiers, 129 separate software applications, 6 operating systems, 83 servers, and 85 databases.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Deputy City Manager	0.25	0.00	0.00	0.00
Information Systems Manager	0.00	0.00	1.00	1.00
Information Systems Specialist	4.00	4.00	3.00	3.00
Information Systems Technician	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>6.25</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Funds of \$132,500 has been included for the replacement of antiquated equipment and software in the City Council Chambers that control the City Council electronic voting, streaming of meetings, presentations, sound, and room lighting.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07  
DIVISION: INFORMATION TECHNOLOGY 215

## 2015-16 DIVISION ACCOMPLISHMENTS

- Finalized inventory and barcoding of technology assets.
- Designed and implemented a standardized network node naming convention that has reduced troubleshooting times by allowing support staff to quickly identify the function and location of a node by its name.
- Converted the City's IP scheme to a 10.0.0.0 address scheme in order to follow a better defined IP roadmap.
- Upgraded 83 end-of-life workstations.
- Installed a video wall and voice/network/power drops for the Emergency Operations Center (EOC) area.
- Installed SOPHOS, a new multi-featured firewall. This solution combined web filtering, firewall protection, email filtering and antivirus protection into one solution for a lower annual cost and streamlined manageability.
- Replaced 4 conference room projectors.
- Replaced all desk phones Citywide.
- Implementation of a development/test environment for enterprise applications (to provide a development environment for administrative and end-user testing of program changes and modifications prior to production deployment).
- Implementation of an Animal Control dispatch and shelter management enterprise solution (Chameleon).
- Implementation of a Code Enforcement activities tracking and management solution within TRAKiT (CodeTrak).
- Implementation of LicenseTrak, a Business License activities management solution within TRAKiT.
- Upgraded Laserfiche to Laserfiche Avante to expand the use of this enterprise content management solution throughout the organization.

## 2016-17 DIVISION GOALS AND OBJECTIVES

- Provide the highest level of customer service to all City employees and citizens, reducing response times and improving employee access to cost-effective technology solutions.
- Finalize City intranet redesign.
- Implement a cost effective centralized monitoring standard for internal City technology devices and systems that supports dash boarding, alerting, logging, and reporting. This will allow IT to centrally monitor and receive notifications when systems operate outside recommended thresholds or fail.
- Finalize Active Directory server implementation in order to simplify assigning user permissions and troubleshooting login and permission issues.
- Develop a user accessible knowledge base to answer the most common questions asked via the IT helpdesk system.
- Update and normalize Account Management policy and procedures to accommodate system and application changes since original inception.
- Finalize converting city fire and security panels from analog to Ethernet dialers to reduce infrastructure costs.
- Upgrade email server from Microsoft Exchange 2010 to Microsoft Exchange 2016 or compatible email server. Microsoft Exchange 2010 mainstream support ended October 13, 2015.
- Finalize converting City Hall security cameras from analog to digital so they can be incorporated into the new security recording system.
- Upgrade proximity card server and alarm system server to an operating system that has a longer life cycle to ensure systems continue to receive security patches and updates.

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07  
DIVISION: INFORMATION TECHNOLOGY 215

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- Develop long range organization-wide policy/plan for Enterprise Content Management.
  - Laserfiche - Analyze and implement a process for scanning documents from the Toshiba multi-function printers into the City's file storage system; analyze and implement process for digitizing Animal Services paper documents to improve that department's ability to provide faster and better service, as well as free up space from paper documents; provide disaster preparedness and business continuity; analyze and implement process for digitizing Engineering Department plans; analyze and implement process for document retention policies and best practices to safeguard the City's documents.
- Analyze business processes, expand, and improve the use of enterprise systems with the following initiatives:
  - Cityworks - Explore using the Cityworks portal so that citizens can report incidents to Public Works employees by using the Cityworks workflows, analyze and implement Service Request to Work Order workflow to improve efficiencies, work on implementing dashboards that are relevant to Public Works supervisors to provide them with more information.
  - New World Systems - Implement dashboards to provide departments with information relevant to their areas of responsibility; work with Utility Billing Department on new water meter system; work with the GIS Department to gather and generate data from New World and the GIS System.
  - Chameleon – Analyze and implement process to attach external documents to Chameleon records as well as utilizing Laserfiche for document management, implement dashboards so that supervisory personnel will have information at their fingertips that are relevant to their areas of responsibility; develop GIS maps to provide department information on a spatial level to help personnel make decisions.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
City Sites Serviced	6	6	6	6
Databases Managed	83	80	85	83
Local Area Networks Managed	28	28	28	28
Operating Systems Managed	6	6	6	6
Software Applications Supported	126	128	129	130
Computer Devices Managed	436	440	444	445
▪ Physical Servers	22	23	23	22
▪ Virtual Servers	69	73	60	60
▪ Workstations	57	45	83	85
▪ Virtual Clients	166	200	225	225
▪ Laptops	69	69	45	55
▪ Electronic Tablets	54	55	59	60
Other Devices Managed				
▪ Routers and Switches Managed	33	30	30	30
▪ Printers, Plotters, and Copiers Supported	57	59	58	58
▪ Smart Phones	56	42	75	62

FUND: GENERAL FUND 100  
DEPARTMENT: CITY MANAGER 07  
DIVISION: INFORMATION TECHNOLOGY 215

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Data Storage Devices	6	3	7	6
▪ Data Storage Capacity	29TB	50TB	50TB	90TB
▪ Tape Storage	33TB	33TB	33TB	33TB
Data Processing				
Data Backed Up Nightly (Gigabytes)	7,200	7,500	14,900	15,000
E-mails Processed (Outgoing)	177,868	200,000	195,269	200,000
E-mails Processed (Incoming)	2,190,273	2,800,000	1,536,570	2,000,000
▪ Valid Emails (Incoming)	808,273	780,000	712,935	750,000
▪ Spam Emails (Incoming)	1,382,000	2,000,000	823,635	1,000,000
Help Desk Statistics				
▪ Trouble Calls Processed	7,246	6,000	6,201	6,000
▪ Average Time Per Trouble Call	41 min	35 min	37 min	35 min
User Accounts Managed	1,291	1,292	1,292	1,290
▪ Network Accounts	266	268	215	215
▪ Telephone and Wireless accounts	540	541	560	560
▪ Wireless Network Clients	160	165	179	179
▪ Tyler New World .Net Accounts	134	135	134	175
▪ FIS/Sungard TRAKiT Accounts	86	86	86	120
▪ Azteca CityWorks Accounts	44	44	45	45
▪ ECS Imaging Laserfiche Accounts	43	43	50	50
▪ HLP Chameleon Accounts	n/a	n/a	14	14

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FUND: GENERAL FUND 100  
DEPARTMENT: MANAGEMENT SERVICES 19

DEPARTMENT EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 1,278,900	\$ 1,248,662	\$ 1,226,736	\$ 1,182,341	\$ 1,310,838	7%
Benefits	470,980	449,880	456,927	470,202	502,858	10%
Materials & Operations	171,002	149,145	156,818	161,437	150,345	-4%
Contractual	1,158,071	827,829	1,195,819	890,075	2,018,367	69%
Other Operating	68,279	63,002	51,511	50,928	52,167	1%
Capital Outlay	1,045,404	2,745,066	25,000	45,600	15,000	-40%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 4,192,636</b>	<b>\$ 5,483,584</b>	<b>\$ 3,112,811</b>	<b>\$ 2,800,583</b>	<b>\$ 4,049,575</b>	<b>30%</b>

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
220 Finance	\$ 2,936,926	\$ 4,348,347	\$ 1,939,085	\$ 1,615,654	\$ 2,843,666	47%
225 Human Resources/ Risk Management	1,255,710	1,135,237	1,173,726	1,184,929	1,205,909	3%
<b>TOTAL</b>	<b>\$ 4,192,636</b>	<b>\$ 5,483,584</b>	<b>\$ 3,112,811</b>	<b>\$ 2,800,583</b>	<b>\$ 4,049,575</b>	<b>30%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b>DEPARTMENT STAFFING</b>				
Total Full-Time Staff	15.80	15.80	15.80	15.80
Total Part-Time Staff	0.46	0.00	0.46	0.46
<b>Total Management Services Staff</b>	<b>16.26</b>	<b>15.80</b>	<b>16.26</b>	<b>16.26</b>

**DEPARTMENT GOALS FOR 2016-17**

- Continue to manage the City's resources in a fiscally prudent manner, with a structurally balanced budget during this challenging economic environment.
- Develop a successor Memorandum of Understanding (MOU) with the Teamsters Local 1932 before December 31, 2016.
- Commence work on a Financing Plan for the Tapestry Specific Plan.
- Continue work on the study to update Development Impact Fees (DIF).
- Commence work on the preparation of an Indirect Cost Allocation Plan.
- Continue to provide financial information to the Local Agency Formation Commission (LAFCO) related to the Fire District annexation.
- Coordinate the preparation of a water/sewer/recycled water rate study and supply financial information for the analysis.

FUND: GENERAL FUND 100  
DEPARTMENT: MANAGEMENT SERVICES 19

DEPARTMENT GOALS FOR 2016-17 (Continued)

- Continue the administration of Redevelopment Agency wind-down (in conjunction with the Economic Development Department), including administration of debt obligations, preparation of the Recognized Obligation Payment schedules, and responding to inquiries by the State and the County of San Bernardino.

SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- Funding in the amount of \$500,000 is included for the Rich Development Agreement related to the reimbursement of offsite improvements at the corner of Escondido and Main Street.
- Funding in the amount of \$626,295 is included for the Community Development Block Grant land reimbursement for the San Bernardino County and Police buildings.
- Funding in the amount of \$100,000 has been included for the Hesperia Recreation and Parks District Operating Agreement for the Hesperia Golf Course.
- Funding in the amount of \$30,000 is included for an Indirect Cost Allocation Plan Study.
- Funding in the amount of \$15,000 is included for the maintenance/repair of two booster pumps at the Hesperia Golf Course.
- Eliminate one Senior Financial Analyst (1.00 FTE) position and add one Budget/Finance Manager (1.00 FTE) position.
- Reclassify the Senior Human Resources Analyst (Range 40) to the Human Resources Manager (Range 43).

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Accountant	2.00	2.00	2.00	2.00
Accounting Technician	1.00	2.00	2.00	2.00
Assistant City Manager/Management Services	0.90	0.90	0.90	0.90
Budget/Finance Manager	0.00	0.00	0.00	1.00
Deputy Finance Director	0.90	0.90	0.90	0.90
Executive Secretary	1.00	1.00	1.00	1.00
Financial Analyst	2.00	2.00	2.00	2.00
Human Resources Manager	0.00	0.00	0.00	1.00
Human Resources Specialist	1.00	1.00	1.00	1.00
Personnel Technician	1.00	1.00	1.00	1.00
Senior Account Clerk	1.00	0.00	0.00	0.00
Senior Accountant	1.00	1.00	1.00	1.00
Senior Financial Analyst	2.00	2.00	2.00	1.00
Senior Human Resources Analyst	1.00	1.00	1.00	0.00
Senior Office Assistant	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>15.80</b>	<b>15.80</b>	<b>15.80</b>	<b>15.80</b>
<u>Part-Time Staff</u>				
Office Assistant	0.00	0.00	0.46	0.46
Senior Account Clerk	0.46	0.00	0.00	0.00
<b>Total Part-Time Staff</b>	<b>0.46</b>	<b>0.00</b>	<b>0.46</b>	<b>0.46</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>16.26</b>	<b>15.80</b>	<b>16.26</b>	<b>16.26</b>

FUND: GENERAL FUND 100  
DEPARTMENT: MANAGEMENT SERVICES 19  
DIVISION: FINANCE 220

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 965,838	\$ 939,702	\$ 918,826	\$ 885,309	\$ 974,902	6%
Benefits	322,308	319,467	312,186	317,666	337,800	8%
Materials & Operations	128,070	98,005	111,863	113,042	102,130	-9%
Contractual	418,625	194,158	528,279	212,075	1,371,467	160%
Other Operating	56,681	51,949	42,931	41,962	42,367	-1%
Capital Outlay	1,045,404	2,745,066	25,000	45,600	15,000	-40%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 2,936,926</b>	<b>\$ 4,348,347</b>	<b>\$ 1,939,085</b>	<b>\$ 1,615,654</b>	<b>\$ 2,843,666</b>	<b>47%</b>

**DIVISION DESCRIPTION**

- Financial Management and Analysis – Adhering to the City Council goal of Financial Health (Goal 2), the Finance Division develops the City’s financial management policies and plans and coordinate the preparation of the Annual Budget and Capital Improvement Plan; monitor City revenue and expenditures with periodic reporting to the City Council; perform City debt management functions; provide financial and program analysis for various Citywide projects and initiatives, as well as employee negotiations.
- Revenue Management – Perform City’s treasury management functions to include preparing the City’s investment policy and managing City investments in accordance with the policy, and maintain a comprehensive revenue management information system.
- Accounting Services – Develop and maintain accounting policies and operate the City’s automated financial management and record keeping system, which consists of the general ledger, accounts payable, accounts receivable, payroll, and provide monthly reports; prepare the annual Comprehensive Annual Financial Report (CAFR) for review by the City’s auditors, and prepare various reports for the State and Federal government; maintain the City’s fixed assets inventory system, and provide other support service functions.
- Purchasing System – Perform the City’s central purchasing functions and administer the process.

<u>PROGRAM STAFFING</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Accountant	2.00	2.00	2.00	2.00
Accounting Technician	1.00	2.00	2.00	2.00
Assistant City Manager/Management Services	0.60	0.60	0.60	0.60
Budget/Finance Manager	0.00	0.00	0.00	1.00
Deputy Finance Director	0.90	0.90	0.90	0.90
Executive Secretary	0.65	0.65	0.65	0.65
Financial Analyst	2.00	2.00	2.00	2.00
Senior Account Clerk	1.00	0.00	0.00	0.00
Senior Accountant	1.00	1.00	1.00	1.00
Senior Financial Analyst	2.00	2.00	2.00	1.00
Senior Office Assistant	0.65	0.65	0.65	0.65
<b>Total Full-Time Staff</b>	<b>11.80</b>	<b>11.80</b>	<b>11.80</b>	<b>11.80</b>

FUND: GENERAL FUND 100  
DEPARTMENT: MANAGEMENT SERVICES 19  
DIVISION: FINANCE 220

<u>PROGRAM STAFFING (Continued)</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Part-Time Staff</u>				
Senior Account Clerk	0.46	0.00	0.00	0.00
Total Part-Time Staff	0.46	0.00	0.00	0.00
Total Full & Part-Time Staff	12.26	11.80	11.80	11.80

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES**

- Funding in the amount of \$500,000 is included for the Rich Development Agreement related to the reimbursement of offsite improvements at the corner of Escondido and Main Street.
- Funding in the amount of \$626,295 is included for the Community Development Block Grant land reimbursement for the San Bernardino County and Police buildings.
- Funding in the amount of \$100,000 has been included for the Hesperia Recreation and Parks District Operating Agreement for the Hesperia Golf Course.
- Funding in the amount of \$30,000 is included for an Indirect Cost Allocation Plan Study.
- Funding in the amount of \$15,000 is included for the maintenance/repair of two booster pumps at the Hesperia Golf Course.
- Eliminate one Senior Financial Analyst (1.00 FTE) position and add one Budget/Finance Manager (1.00 FTE) position.

**2015-16 DIVISION ACCOMPLISHMENTS**

- Completed the City’s Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2014-15. The City received notification from the Governmental Finance Officers’ Association (GFOA) that the Fiscal Year 2013-14 CAFR earned the award for Excellence in Financial Reporting. This is the thirteenth consecutive year that the City has earned this recognition.
- Coordinated the Fiscal Year 2015-16 Budget process and received notification from the Governmental Finance Officers’ Association (GFOA) that the Fiscal Year 2015-16 Budget document earned the Distinguished Budget Presentation Award. This is the third time that the City has earned this recognition; the first was for the Fiscal Year 2004-05 Budget document.
- Updated the City and Subsidiary District’s Statement of Investment Policy for Fiscal Year 2015-16, and provided monthly Treasurer’s Reports verifying the City’s cash and investment position.
- Conducted the Fiscal Year 2015-16 First Quarter, Mid-Year, and Fourth Quarter Budget Reviews.
- Retired the 2004 Variable Rate Revenue Bonds (Street Bonds) eight years early with a savings of over \$9 million compared to the original 1993 Series A&B debt service schedules.
- Renewed the Letter of Credit (LOC) for the Water District 1998 A & B bonds.
- Continued administration of the Successor Agency to the former Redevelopment Agency (in conjunction with the Economic Development Department), including administration of debt obligations, preparation of the Recognized Obligation Payment Schedules, and responding to inquiries by the State and the County of San Bernardino.
- Began work on the study to update Development Impact Fees (DIF).
- Prepared financial information to the Local Agency Formation Commission (LAFCO) related to the Fire District annexation.
- Implemented Governmental Accounting Standards Board (GASB) Statement 68 – Accounting and Financial Reporting for Pensions.

FUND:	GENERAL FUND	100
DEPARTMENT:	MANAGEMENT SERVICES	19
DIVISION:	FINANCE	220

#### 2015-16 DIVISION ACCOMPLISHMENTS (Continued)

- Provided Budget-to-Actual, outstanding invoice and payroll leave reports to departments to assist them in the management of their sections.
- Submitted State Controller's Reports for the City, Fire, and Water, as well as the City's Street Report and the State Compensation Report.
- Prepared annual continuing disclosures, financial compliance calculations, and budget and insurance certifications for City and subsidiary district/agency debt issues, as required by the respective bond indentures and applicable letter of credit instruments.
- Provided follow-up documentation in response to an audit conducted by the California State Auditor examining water rates in the local area, wherein it was documented that Hesperia Water District's rates are among the lowest in the area and are, in fact, substantially lower than the "rate-assisted" rates of water utilities examined in the Audit that offer a low income assistance program.
- Continued work on the close-out Assessment District 91-1.
- Continued early phase of special tax analysis (Community Facilities District) for Tapestry Project.
- Prepared financial documentation and responded to inquiries regarding the Water District State Revolving Fund (SRF) Loan for the recycled water pipeline project.
- Provided documentation in response to an audit conducted by the State Controller's Office examining Gas Tax expenditures (along with Traffic Congestion Relief and Proposition 1B) covering the period from July 1, 2005 through June 30, 2014 (9 years).
- Prepared and submitted quarterly Department of Housing and Urban Development (HUD) Federal Financial Report SF-425.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Continue to manage the City's resources in a fiscally prudent manner, with a structurally balanced budget during this challenging economic environment.
- Complete the CAFR for Fiscal Year 2015-16 and submit the CAFR to the Governmental Finance Officers' Association (GFOA) for evaluation and award consideration.
- Coordinate the Fiscal Year 2017-18 Budget Process and submit the Fiscal Year 2016-17 Budget to the Governmental Finance Officers' Association (GFOA) for evaluation and award consideration.
- Review and update the Statement of Investment Policy for the City and subsidiary districts and provide monthly Treasurer's Reports verifying the City's cash and investment position.
- Develop and present the Fiscal Year 2016-17 First Quarter, Mid-Year, and Fourth Quarter Budget Reviews for the City Council's consideration.
- Provide City management and the City Council with financial analytical support on various projects.
- Provide City departments with monthly financial reports in a timely manner.
- Prepare annual continuing disclosures, financial compliance calculations, and budget and insurance certifications for City and subsidiary district/agency debt issues, as required by the respective bond indentures and applicable letter of credit instruments.
- Submit State Controller's Reports for the City, Fire, and Water, as well as the City's Street Report and State Compensation Report.
- Continue work on the study to update Development Impact Fees (DIF).
- Coordinate the preparation of a water/sewer/recycled water rate study and supply financial information for the analysis.

FUND: GENERAL FUND 100  
DEPARTMENT: MANAGEMENT SERVICES 19  
DIVISION: FINANCE 220

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- Continue to provide financial information to the Local Agency Formation Commission (LAFCO) related to the Fire District annexation.
- Continue the work to close-out Assessment District 91-1.
- Continue work on a Financing Plan for the Tapestry Specific Plan.
- Host a “How to Conduct Business with Hesperia” seminar, and distribute the corresponding guidebook to aid local businesses in their efforts to respond to City bids.
- Coordinate the preparation of an Indirect Cost Allocation Plan.
- Continue the administration of the Successor Agency to the former Redevelopment Agency (in conjunction with the Economic Development Department), including administration of debt obligations, preparation of the Recognized Obligation Payment Schedules, and responding to inquiries by the State and the County of San Bernardino.

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Invoices Processed	8,776	8,152	8,000	8,000
Accounts Payable Checks Issued	5,600	5,329	6,000	6,000
Number of Payroll Checks/Direct Deposits Processed	6,624	6,430	6,656	6,523
Average Annual Yield	0.25%	0.27%	0.41%	0.48%
Number of Monthly Financial Reports Issued	141	146	146	146
Number of Requests for Proposal/Qualification	17	19	25	23
Number of Informal Bids Produced	151	120	114	115
Number of Contracts Issued	82	81	90	85
Number of Amendments to Contracts	92	77	95	85
Number of Purchase Orders Issued	671	645	625	635
Number of Contracts Administered	596	579	580	580

FUND: GENERAL FUND 100  
DEPARTMENT: MANAGEMENT SERVICES 19  
DIVISION: HUMAN RESOURCES/RISK MANAGEMENT 225

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 313,062	\$ 308,960	\$ 307,910	\$ 297,032	\$ 335,936	9%
Benefits	148,672	130,413	144,741	152,536	165,058	14%
Materials & Operations	42,932	51,140	44,955	48,395	48,215	7%
Contractual	739,446	633,671	667,540	678,000	646,900	-3%
Other Operating	11,598	11,053	8,580	8,966	9,800	14%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,255,710</b>	<b>\$ 1,135,237</b>	<b>\$ 1,173,726</b>	<b>\$ 1,184,929</b>	<b>\$ 1,205,909</b>	<b>3%</b>

#### DIVISION DESCRIPTION

The Human Resources Division provides the City Council, City Manager, City executive staff, City employees, its subsidiary districts, and the general public with a fair employment recruitment and selection system, which is achieving the City Council goal of Organization Health (Goal 5); maintains centralized City personnel files and records, and administers and implements City personnel policies and procedures. Ensures that the City of Hesperia's hiring and employment policies and practices comply with Federal and State legislation, and assures that the City's approach and efforts to equal employment opportunity are in accordance with adopted law and City Council policy. The Division manages all employee benefit plans as well.

Facilitates and ensures that the City's actions on employer-employee relations are in accordance with Federal and State legislation on the collective bargaining process through negotiations and administration of Memorandums of Understanding (MOU), and related agreements with represented employee groups, to include the Teamsters Local 1932 (Formally San Bernardino Public Employees' Association); and the administration of salaries, benefits, and related policies for non-represented employee groups.

Risk Management strives to protect personnel and the physical assets of the City from injury and loss, respectively, by managing all City insurance policies, processing liability claims, lawsuits, coordinating and providing employee safety training programs, coordinating Occupational Safety and Health Administration (OSHA), and Americans with Disabilities Act Amendment Act (ADAAA) compliance, and workers' compensation claims management.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Assistant City Manager/Management Services	0.30	0.30	0.30	0.30
Executive Secretary	0.35	0.35	0.35	0.35
Human Resources Manager	0.00	0.00	0.00	1.00
Human Resources Specialist	1.00	1.00	1.00	1.00
Personnel Technician	1.00	1.00	1.00	1.00
Senior Human Resources Analyst	1.00	1.00	1.00	0.00
Senior Office Assistant	0.35	0.35	0.35	0.35
<b>Total Full-Time Staff</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<u>Part-Time Staff</u>				
Office Assistant	0.00	0.00	0.46	0.46
<b>Total Part-Time Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>0.46</b>	<b>0.46</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>4.00</b>	<b>4.00</b>	<b>4.46</b>	<b>4.46</b>

FUND:	GENERAL FUND	100
DEPARTMENT:	MANAGEMENT SERVICES	19
DIVISION:	HUMAN RESOURCES/RISK MANAGEMENT	225

## SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Reclassify the Senior Human Resources Analyst (Range 40) to the Human Resources Manager (Range 43).

## 2015-16 DIVISION ACCOMPLISHMENTS

### Human Resources

- Conducted Meet and Confer meetings with the Teamsters Local 1932 representatives in the areas of labor negotiations and employee relations matters, and negotiated a one-year successor Memorandum of Understanding (MOU).
- Coordinated annual open enrollment for benefit insurance coverages and successfully implemented all changes with the assistance of Payroll staff. Managed the administration of the City-sponsored, pre-tax IRS 125 Cafeteria Plan, 457(b) deferred compensation plans, and the 401(a) retirement plan.
- Coordinated and assigned City and County of San Bernardino Work Experience Program volunteers to various City departments.
- Assisted management staff of all City Departments and Divisions to resolve employee labor matters.
- Coordinated and assisted with the implementation of various employee-related programs.
- Coordinated with Finance/Payroll for compliance with the Affordable Care Act reporting provisions to employees and to the Internal Revenue Service.

### Risk Management

- Administered the City's general liability insurance pool programs according to the Joint Powers Agreement (JPA). Coordinated and assisted with the administration of insurance coverage/policies for all City-owned property, fixed assets, and City-sponsored events. Conducted field inspections for damage assessment of general liability claims and lawsuits.
- Monitored, processed, and managed workers' compensation claims with third-party administrators.
- Assisted and responded to legal counsel inquiries regarding liability claims and lawsuit settlements, and prepared workers' compensation reporting and settlement authority.
- Coordinated, administered, and managed the City's employee training programs in compliance with City, State, and Federal mandates.
- Participated in Department of Transportation audit of records, received 'Satisfactory' compliance and updated City Policies and Procedures.

## 2016-17 DIVISION GOALS AND OBJECTIVES

### Human Resources

- Conduct Meet and Confer meetings with the Teamsters Local 1932 to negotiate a successor Memorandum of Understanding (MOU).
- Process, update, and implement City-sponsored comprehensive benefit plans such as medical, dental, optical, life, disability, IRS 125 Cafeteria Plan, 457(b), 401(a), and optional insurance plans, and continue to review plans to determine which are cost-effective to the City.
- Coordinate City and County of San Bernardino Work Experience Program volunteers and assign to various City departments.
- Monitor, update, and implement revisions to policies, procedures, programs, and forms to ensure consistency and compliance with City Rules and Regulations and State and Federal laws.

FUND: GENERAL FUND 100  
DEPARTMENT: MANAGEMENT SERVICES 19  
DIVISION: HUMAN RESOURCES/RISK MANAGEMENT 225

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

Human Resources (Continued)

- Coordinate compliance with the Affordable Care Act reporting provisions and new medical insurance requirements with Finance/Payroll.
- Conduct and coordinate a review of the City's 457(b) and 410(a) plans to determine feasibility to change or add providers.
- Monitor, review, and implement formatting changes to the Personnel Evaluation Report and Performance Appraisal.
- Coordinate with Finance/Payroll to conduct a feasibility review of automated benefits and time and labor tracking systems.

Risk Management

- Continue to manage the administration of the City's general liability in accordance with the Joint Powers Authority (JPA) insurance pool programs. Coordinate and assist with the administration of insurance coverage/policies for all City-owned property and fixed assets.
- Continue to develop, promote, update, and manage employee safety awareness and training.
- Manage, process, and coordinate workers' compensation claims with third party administrator.
- Reactivate the Safety Committee and reevaluate the Safety Committee Program.
- Continue to monitor and implement the Employee Return to Work Program, and coordinate with the City's workers' compensation third party administrator and other legal representative to maintain compliance.
- Continue analyzing events and incidents that include damaged City property within the City to reduce potential liability.

**PERFORMANCE AND  
WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Human Resources</u>				
Advertising/Marketing	22	40	20	20
Background Checks (includes rescinds and hires)	46	50	40	30
Benefit Worksheets Processed	672	620	500	900
Employee Evaluations Processed	100	103	100	120
Employee Promotions Processed	13	19	7	5
Employment Separations/Retirements Processed	22	20	30	10
Employment Applications Reviewed/Processed	1,045	1,272	700	700
Employment Interviews Coordinated and Monitored	56	50	60	30
Employment Testing and Assessments Proctored	4	4	5	3
New Employees (hires) Processed	25	23	40	25
Personnel Action Forms Processed	640	245	260	350
Records Retention Program Processed	10	0	10	10
Recruitments and Selection	23	33	15	10
Staff Professional Development Attended	20	13	20	20
Volunteers Processed	34	20	25	10

FUND:	GENERAL FUND	100
DEPARTMENT:	MANAGEMENT SERVICES	19
DIVISION:	HUMAN RESOURCES/RISK MANAGEMENT	225

**PERFORMANCE AND  
WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Risk Management</u>				
Court Appearances	0	0	0	0
Damaged City Property Claims Recovery	36	25	25	25
Field Inspections	0	0	0	0
Insurance Certificates Received/Processed	1,067	1,228	1,500	1,300
Lawsuits Filed and Monitored	2	5	5	3
Lawsuits Settled	3	2	4	2
Liability Claims	19	29	40	25
Liability Claims Settled	1	2	5	0
Liability Investigations Handled	0	0	1	1
Liability Subrogation Notices Sent	66	25	20	20
Subpoenas Processed	14	26	13	10
Training and Drills Coordinated	22	11	20	20
Workers' Compensation Claims Processed/Monitored	26	31	30	20
Workers' Compensation Claims Settled	16	31	28	15

FUNDS: VARIOUS  
DEPARTMENT: ECONOMIC DEVELOPMENT 25

FUND EXPENDITURE SUMMARY						% Change From 2015-16 Budget
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	
Salaries	\$ 578,140	\$ 592,316	\$ 561,155	\$ 594,438	\$ 408,309	-27%
Benefits	194,375	195,391	192,800	195,946	158,752	-18%
Materials & Operations	260,574	218,774	356,312	319,271	272,060	-24%
Contractual	508,567	293,661	1,508,250	1,029,163	5,156,454	242%
Other Operating	420,258	239,746	607,126	625,737	961,703	58%
Capital Outlay	22,123	72,362	370,300	16,600	698,800	89%
Debt Service	174,605	150,265	0	0	0	0%
<b>TOTAL</b>	<b>\$ 2,158,642</b>	<b>\$ 1,762,515</b>	<b>\$ 3,595,943</b>	<b>\$ 2,781,155</b>	<b>\$ 7,656,078</b>	<b>113%</b>

ECONOMIC DEVELOPMENT DEPARTMENT EXPENDITURE SUMMARY						% Change From 2015-16 Budget
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	
<u>Community Development</u>						
<u>Commission Funds</u>						
170 Community Development Commission	\$ 424,634	\$ 524,524	\$ 563,605	\$ 754,907	\$ 652,981	16%
<u>Hesperia Housing Authority Funds</u>						
370 Hesperia Housing Authority	\$ 480,619	\$ 361,852	\$ 639,564	\$ 276,760	\$ 4,478,820	600%
371 WEDA Housing Authority	0	0	180,000	0	150,000	-17%
Subtotal Hesperia Housing Authority	\$ 480,619	\$ 361,852	\$ 819,564	\$ 276,760	\$ 4,628,820	465%
<u>Community Development Block Grant</u>						
251 CDBG Administration	\$ 609,486	\$ 516,967	\$ 1,314,792	\$ 1,340,831	\$ 1,655,522	26%
252 CDBG HOME Grant	0	0	0	0	0	0%
253 CDBG Revolving Loans	228,923	115,913	311,185	238,690	5,000	-98%
257 CDBG Neighborhood Stabilization Program	414,980	243,259	586,797	169,967	713,755	22%
Sub-Total CDBG	\$ 1,253,389	\$ 876,139	\$ 2,212,774	\$ 1,749,488	\$ 2,374,277	7%
<b>Total Economic Development</b>	<b>\$ 2,158,642</b>	<b>\$ 1,762,515</b>	<b>\$ 3,595,943</b>	<b>\$ 2,781,155</b>	<b>\$ 7,656,078</b>	<b>113%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>DEPARTMENT STAFFING</u>				
Total Full-Time Staff	8.00	7.00	7.00	5.00
Total Economic Development Staff	8.00	7.00	7.00	5.00

**DEPARTMENT GOALS FOR 2016-17**

- Continue retail development efforts along the I-15 corridor and Rancho Road Interchange.
- Pursue a Master Plan concept for 'G' Avenue Industrial Rail Park.
- Prepare Strategic Plan for Hesperia Housing Authority (HHA).
- Develop and launch HomeBuyer Assistance Program (HAP).
- Prepare plan to meet expenditures deadlines for FY 16-17 and future Community Development Block Grant (CDBG) funding allocations.
- Secure contract(s) to begin selling former Redevelopment Agency real properties – housing and non-housing.
- Sell remaining vacant rehabilitated Neighborhood Stabilization Program (NSP) properties.
- Sell owned residential HHA property.

**SIGNIFICANT DEPARTMENT EXPENDITURES AND STAFFING CHANGES**

- Add one Economic Development Manager (1.00 FTE) position, At-Will classification, and eliminate the vacant Economic Development Director (1.00 FTE) position.
- One vacant Management Analyst (1.00 FTE) position and one vacant Administrative Analyst (1.00 FTE) position will be eliminated for a reduction of 2.00 FTE.
- To reflect the current assigned duties, one Senior Management Analyst position (1.00 FTE), one Management Analyst position (1.00 FTE), and one Administrative Analyst position (1.00 FTE) have been reallocated amongst CDBG, Community Development Commission (CDC), and HHA.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Aide	1.00	0.00	0.00	0.00
Administrative Analyst	2.00	2.00	2.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Deputy Economic Development Director	1.00	0.00	0.00	0.00
Economic Development Director	0.00	1.00	1.00	0.00
Economic Development Manager	0.00	0.00	0.00	1.00
Management Analyst	2.00	2.00	2.00	1.00
Senior Management Analyst	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>8.00</b>	<b>7.00</b>	<b>7.00</b>	<b>5.00</b>

FUND: HESPERIA COMMUNITY DEVELOPMENT COMMISSION 170  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: PROJECTS 261

PROGRAM EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 81,685	\$ 182,407	\$ 78,941	\$ 97,214	\$216,916	175%
Benefits	26,806	65,811	26,997	28,243	88,445	228%
Materials & Operations	220,998	192,225	298,917	284,626	231,390	-23%
Contractual	43,237	39,612	103,600	285,713	76,150	-26%
Other Operating	50,918	44,469	47,650	51,011	24,080	-49%
Capital Outlay	0	0	7,500	8,100	16,000	113%
Debt Service	990	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 424,634</b>	<b>\$ 524,524</b>	<b>\$ 563,605</b>	<b>\$754,907</b>	<b>\$ 652,981</b>	<b>16%</b>

#### DIVISION DESCRIPTION

The Hesperia Community Development Commission (CDC) is primarily charged with advancing non-housing programs, projects, and initiatives of the former Hesperia Community Redevelopment Agency (HCRA) and Victor Valley Economic Development Authority (VVEDA), which were abolished with the passage of ABx1 26. Although redevelopment was dissolved statewide, the designated successor agencies are required to discharge and complete certain HCRA projects and programs and ensure retirement of Enforceable Obligations (debts of the former HCRA and VVEDA).

In cooperation with the City's Economic Development Department and the Successor Agency to the former HCRA, the CDC, as a successor to many of the former HCRA's economic development initiatives will administer the City's Recycling Market Development Zone (RMDZ). The program promotes growth of the recycling industry through discounted loans and technical assistance, along with local incentives administered by the City.

The CDC administers all marketing efforts for the City, which works towards accomplishing the City Council Goal of Future Development (Goal 3), and has taken the lead role in managing Opportunity High Desert (OHD), the regional marketing collaborative. Whether with the City or OHD, this Division is the lead point for all commercial real estate, retail, and/or industrial trade shows. Marketing and trade show efforts are geared towards business attraction intended to expand the City's job base, sales, and property taxes.

The HCDC, as the recipient of former HCRA assets, will manage, either directly or through third-party contracts, certain real property including the Hesperia Golf and Country Club and Competitive Edge Motocross Park, plus act as the City's real estate division for all departments with respect to property acquisition, disposition, and leasing.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.25	0.00	0.00	0.00
Administrative Secretary	0.30	0.30	0.30	0.80
Deputy Economic Development Director	0.30	0.00	0.00	0.00
Economic Development Director	0.00	0.30	0.30	0.00
Economic Development Manager	0.00	0.00	0.00	0.80
Management Analyst	0.30	0.30	0.30	1.00
<b>Total Full-Time Staff</b>	<b>1.15</b>	<b>0.90</b>	<b>0.90</b>	<b>2.60</b>

FUND: HESPERIA COMMUNITY DEVELOPMENT COMMISSION 170  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: PROJECTS 261

	2013-14	2014-15	2015-16	2015-16	2016-17	%Change From 2015-16
REVENUE DETAIL	Actual	Actual	Budget	Revised	Budget	Budget
<b>Community Development Commission (170)</b>						
<b>Interest</b>						
CDC–Interest Income 170 25 261 0000 5600	\$ 1,200	\$ 15,497	\$ 15,655	\$ 14,900	\$ 14,863	-5%
<b>Total Interest Income</b>	<b>\$ 1,200</b>	<b>\$ 15,497</b>	<b>\$ 15,655</b>	<b>\$ 14,900</b>	<b>\$ 14,863</b>	<b>-5%</b>
<b>Other</b>						
Rents & Leases 170 25 261 0000 5700	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	0%
Reimbursements/Other Agencies 170 25 261 0000 5800	81,879	47,961	112,500	112,500	116,625	4%
Proceeds from Land Sale 170 19 220 0000 5900	8,003	0	433,004	10,000	0	-100%
Misc. Revenue 170 25 261 0000 5950	39,750	20,817	0	40	0	n/a
<b>Total CDC Other</b>	<b>\$ 189,632</b>	<b>\$ 128,778</b>	<b>\$ 605,504</b>	<b>\$ 182,540</b>	<b>\$ 176,625</b>	<b>-71%</b>
<b>Total Community Development Commission</b>	<b>\$ 190,832</b>	<b>\$ 144,275</b>	<b>\$ 621,159</b>	<b>\$ 197,440</b>	<b>\$ 191,488</b>	<b>-69%</b>

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Overall Community Development Commission (CDC) expenditures are in excess of revenues, resulting in the need for a General Fund transfer in the amount of \$410,493. While non-salary related CDC expenditures are proposed to decrease in FY 2016-17 by 24% compared to the FY 2015-16 Budget, FY 2016-17 combined Salaries & Benefits are projected to increase 188% based upon an update of Economic Development staff assignments.
- The Economic Development Manager, which is a new position, will have a distribution of 0.80 FTE to the CDC.
- The Administrative Secretary FTE distribution in the CDC will be increased from 0.30 FTE to 0.80 FTE to reflect current duties assigned.
- The FTE distribution for the Management Analyst is being increased from 0.30 FTE to 1.00 FTE to reflect assigned duties.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Negotiated lease for 8,473 square feet in Eagle Plaza with Hesperia Unified School District.
- Negotiated work-out of delinquent Assessment District 91-1 assessments facilitating retail development projects.
- Extended Exclusive Negotiating Agreement (ENA) by and between the City and McArthur Bird, LLC for development of a medical campus along Amargosa Road south of the California Aqueduct. Assisted in feasibility study.

FUND:	HESPERIA COMMUNITY DEVELOPMENT COMMISSION	170
DEPARTMENT:	ECONOMIC DEVELOPMENT	25
DIVISION:	PROJECTS	261

#### 2015-16 DIVISION ACCOMPLISHMENTS (Continued)

- Marketed Hesperia Marketplace, anchored by Walmart Supercenter, to Pacific Development who ultimately acquired the southeast corner (SEC) of Main Street and Escondido. The 24,000 square foot, 2.6 acre development is anchored by a 10,000 square foot Petco. Additional shop space (14,000 square feet) is occupied by Pieology Pizza, Habit Burger Grill, Great Clips, Yogurtland, and Metro PCS.
- Facilitated marketing efforts in conjunction with developer to purchase the balance of the property adjacent to Walmart at the southeast corner of Main and Escondido.
- Negotiated and secured Reimbursement Agreement with Rich Development for the construction of a 50,000 square foot shopping center anchored by Aldi.
- Negotiated and secured CDBG Section 108 Agreement for Arco AM/PM located at the northeast corner of Main and Cottonwood.
- Facilitated marketing efforts and entitlements for two hotel projects located adjacent to Marriott.
- Facilitated entitlement of gas and convenience stores at I-15 and Joshua.
- Facilitated locating commercial and gas/convenience commercial projects at the southeast corner of I-15 and Rancho Road.
- Facilitated real property transaction, entitlement, and development of Tractor Supply located at the southeast corner of Main and Cataba.
- Facilitated relocation of Valew Truck Bodies sales office to a new facility on the east side of I-15 north of Main Street.
- Facilitated the site location of Aermerge/RedPak to 'E' Avenue, as well as the subsequent purchase of additional vacant land to the north.
- Negotiated the sale of real property and facilitated entitlement of an Italian restaurant in the City's downtown area.
- Retail attraction efforts lead to 12 new businesses locating in Hesperia which constructed over 120,000 square feet of retail development that will generate approximately \$300,000 of annual sales tax and create 185 jobs in Hesperia.
- Held, attended, or exhibited at 11 trade and industry shows including International Conference of Shopping Centers, Association of Commercial Real Estate (ACRE), National Association of Industrial Office Properties (NAIOP), Team California, Enterprise Funding, and local shows such as High Desert Opportunity and the High Desert Economic Summit.
- Established and engaged in 34 active business attraction and development leads.
- Provided support and secured venue for Desert Rocks Film Festival.
- Organized and hosted 9 ribbon cuttings and grand openings:
- Managed cell tower leases for City and Hesperia Water District.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Continue economic development efforts for major projects (regional retail at Rancho and medical campus).
- Continue business attraction efforts to secure retail and restaurant(s) in the downtown area.
- Produce a marketing piece for industrial sites to be used for distribution at trade shows and requests for information.
- Conduct 100 Feet on the Street surveys.
- Pursue a conceptual plan for 'G' Avenue Industrial Rail Park.
- Secure contract(s) to begin selling former RDA real properties.
- Contemplate producing annual economic development report to council.

FUND: HESPERIA COMMUNITY DEVELOPMENT COMMISSION 170  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: PROJECTS 261

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Properties & Security Interests Managed	85	85	82	84
Grants Applications Submitted	1	1	0	0
Grants Approved	1	1	0	0
EZ Hiring Credit Vouchers Processed*	459	502	0	0
EZ Hiring Credit Vouchers Approved (Calendar Year)*	416	432	0	0
Exclusive Negotiation Agreements Approved	N/A	1	1	1
Active Development Leads	48	45	34	45
Proposals Prepared and RFI Responses	60	18	69	80
Business Recruitments	10	11	10	12
Newsletter Issues	13	6	8	8
Event Sponsorships	8	8	6	7
Groundbreakings and Ribbon Cuttings	9	7	9	9
Ribbon Cuttings	8	5	5	0
Advertising Placements	30	30	46	40
Trade Shows/Exhibitions Attended or sponsored	17	15	11	12
Feet on the Street Business Surveys/Visits	16	100	0	100
Recycling Market Development Zone Commitments Satisfied	80%	80%	80%	N/A
Enterprise Zone MOU Commitments Satisfied (%)*	80%	N/A	N/A	N/A

\*Enterprise Zone (EZ) Program eliminated by Governor in 2013 via AB 93.

FUND: HESPERIA HOUSING AUTHORITY 370  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: RDA-LOW/MODERATE INCOME 263

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 96,312	\$ 193,392	\$ 90,707	\$106,928	\$ 132,051	46%
Benefits	31,295	65,592	30,662	31,455	48,554	58%
Materials & Operations	3,880	2,406	13,695	4,977	16,890	23%
Contractual	314,501	91,617	446,450	116,850	4,224,075	846%
Other Operating	12,251	8,845	47,250	9,550	30,250	-36%
Capital Outlay	35	0	10,800	7,000	27,000	150%
Debt Service	22,345	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 480,619</b>	<b>\$ 361,852</b>	<b>\$ 639,564</b>	<b>\$276,760</b>	<b>\$4,478,820</b>	<b>600%</b>

#### DIVISION DESCRIPTION

The Economic Development Department, through the HHA, develops, manages, and promotes programs and projects that preserve and improve the supply of affordable housing in the City of Hesperia for low and moderate income persons. Staff coordinates several affordable housing programs, including the Housing Rehabilitation Loan Program with Integrated Sewer Connection Program, (Sewer Connection Program), First-Time Homebuyer Down Payment Assistance Program (DAP), the Emergency/Disaster Housing Rehabilitation Loan Program, and the Seller Mortgage Carry-Back Program plus numerous rental housing new construction projects. The (DAP) offers to eligible first-time home buyer families, zero percent interest loans of up to \$125,000, or 45% of the purchase price for use towards down payment and closing costs. The Sewer Connection Program provides for deferred payments for loans of up to \$40,000 for lower income owner-occupied households for repair to basic home systems (water/wastewater, plumbing, electrical, HVAC, and roof), and up to \$50,000 to borrowers improving their properties located within the City's Township Revitalization Program area and connecting to the Water District's sewer via the Sewer Connection Program.

The HHA, as the designated Successor Housing Agency to the HCRA, will continue those applicable affordable housing programs subject to the availability of funding. The HHA is not, at this time, designated a Public Housing Authority by HUD, rather will focus its efforts on the development, preservation, and maintenance of quality affordable housing stock within the City by leveraging its limited capital resources. The HHA intends to partner with experienced affordable housing developers to develop and/or rehabilitate existing housing units to satisfy unmet housing production requirements of the HCRA and address its Regional Housing Needs Assessment obligations. The HHA will support the utilization of Low Income Housing Tax Credits, Home Investment Partnership Programs (HOME), and bond financing to fund these initiatives. In addition, linkages with San Bernardino County provide Hesperia residents with access to a Mortgage Assistance Program, and the Housing Authority of San Bernardino County serves as the designed HUD Public Housing Authority.

The Hesperia Housing Authority administers and implements the State Housing and Community Development Department (HCD) HOME Program and all related activities. The mission of the HOME Program is to expand the supply of affordable housing for very low and low-income families through a variety of eligible strategies including new construction, rehabilitation, and down payment assistance. The purpose of the HOME Program is to encourage home ownership or rehabilitation assistance to residents earning less than 80% of the area median income.

The City received six HOME Grants starting in 1999 through 2005 and was able to utilize the funds for Downpayment Assistance Program (DAP) and Housing Rehabilitation Loan Program (HRLP), as well as provide subsidy layering for three new construction affordable projects; Village at Hesperia I (senior), Sunrise Terrace I and Sunrise Terrace II.

FUND: HESPERIA HOUSING AUTHORITY 370  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: RDA-LOW/MODERATE INCOME 263

All grant funding for the City's HOME programs has been utilized. The City will continue to collect program income from the DAP and HRLP loan repayments and from the residual receipts payments from the new construction affordable projects. The City may contemplate future HOME grants for programs (DAP and HRLP), and projects (construction) should an eligible proposal be submitted, particularly with the loss of redevelopment funding for affordable housing. The program income must be utilized for HOME-eligible projects and programs.

The HOME Program is consistent with the City's Five-Year CDBG Consolidated Plan's Goals of affordable housing opportunities, the City's housing element, and the Council's goal of improving the existing housing stock through home ownership and rehabilitation.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.30	0.00	0.00	0.00
Administrative Analyst	0.15	0.15	0.15	0.68
Administrative Secretary	0.15	0.15	0.15	0.20
Deputy Economic Development Director	0.30	0.00	0.00	0.00
Economic Development Director	0.00	0.30	0.30	0.00
Economic Development Manager	0.00	0.00	0.00	0.12
Senior Management Analyst	0.35	0.35	0.35	0.68
<b>Total Full-Time Staff</b>	<b>1.25</b>	<b>0.95</b>	<b>0.95</b>	<b>1.68</b>

<u>REVENUE DETAIL</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17</u>	<u>%Change</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>	<u>From</u>
						<u>2015-16</u>
						<u>Budget</u>
<b>Hesperia Housing Authority (HHA)</b>						
<b>Funds (370, 371)</b>						
<b>370 Hesperia Housing Authority</b>						
<b>Interest</b>						
Housing Authority - Interest 370 19 220 0000 5600	\$ 61,786	\$ 57,180	\$ 47,434	\$ 59,000	\$ 62,000	31%
<b>Total Interest</b>	<b>\$ 61,786</b>	<b>\$ 57,180</b>	<b>\$ 47,434</b>	<b>\$ 59,000</b>	<b>\$ 62,000</b>	<b>31%</b>
<b>Other</b>						
Loan Repayments 370 25 263 0000 4746	\$ 83,109	\$ 83,944	\$ 84,788	\$ 84,929	\$ 85,639	1%
Rents & Leases 370 25 263 0000 5700	22,338	29,900	18,000	12,000	12,000	-33%
Proceeds from Land Sales 370 25 263 0000 5900	128,140	0	1,129,848	727,663	17,000	-98%
Miscellaneous 370 25 263 0000 5950	1,775	10,000	1,500	7,000	1,500	0%
Other Revenue	0	0	0	487	0	
<b>Total Other</b>	<b>\$ 235,362</b>	<b>\$ 123,844</b>	<b>\$ 1,234,136</b>	<b>\$ 832,079</b>	<b>\$ 116,139</b>	<b>-91%</b>
<b>Total Hesperia Housing</b>	<b>\$ 297,148</b>	<b>\$ 181,024</b>	<b>\$ 1,281,570</b>	<b>\$ 891,079</b>	<b>\$ 178,139</b>	<b>-86%</b>

FUND: HESPERIA HOUSING AUTHORITY 370  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: RDA-LOW/MODERATE INCOME 263

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	%Change From 2015-16 Budget
<b>371 WEDA Housing Authority</b>						
<b>Taxes</b>						
WEDA Housing Authority - Tax Increment 371 25 261 0000 4068	\$ 155,489	\$ 0	\$ 0	\$ 0	\$ 0	n/a
<b>Total Taxes</b>	<b>\$ 155,489</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>n/a</b>
<b>Interest</b>						
WEDA Housing Authority - Interest 371 19 220 0000 5600	\$ 4,081	\$ 4,189	\$ 4,248	\$ 6,173	\$ 8,172	92%
Rents & Leases 371 19 220 0000 5700	0	0	100,423	0	0	-100%
<b>Total Interest</b>	<b>\$ 4,081</b>	<b>\$ 4,189</b>	<b>\$ 104,671</b>	<b>\$ 6,173</b>	<b>\$ 8,172</b>	<b>-92%</b>
<b>Total WEDA Housing</b>	<b>\$ 159,570</b>	<b>\$ 4,189</b>	<b>\$ 104,671</b>	<b>\$ 6,173</b>	<b>\$ 8,172</b>	<b>-92%</b>
<b>Total HHA Funds</b>	<b>\$ 456,718</b>	<b>\$ 185,213</b>	<b>\$ 1,386,241</b>	<b>\$ 897,252</b>	<b>\$ 186,311</b>	<b>-87%</b>

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- \$3.8 million has been included for the Eagle 55 Senior Housing Agreement.
- Eliminate the Economic Development Director position with a distribution of 0.30 FTE and add one Economic Development Manager with a distribution of 0.12 FTE.
- The FTE distribution for the Administrative Secretary is being increased from 0.15 FTE to 0.20 FTE to reflect assigned duties.
- The FTE distribution for the Senior Management Analyst is being increased from 0.35 FTE to 0.68 FTE to reflect assigned duties.
- To reflect current assigned duties, the distribution of one Administrative Analyst position will now include 0.68 FTE in the Hesperia Housing Authority. In addition, one Administrative Analyst position is being eliminated, which had a distribution of 0.15 FTE, as reflected in the FY 2015-16 Budget.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Managed all HHA residential properties.
- Complied with AB 987 requirements, which requires disclosure of affordable units counted.
- Completed annual on-site monitoring of affordable HOME units and HHA units.
- Completed biannual review and monitoring of HOME and HHA unit reports through U.S. Communities Housing Compliance Services software.
- Prepared HHA Annual Report and Audit.
- Continued efforts to identify and provide support to affordable housing developments.
- Implemented affordable housing monitoring guidelines for affordable units restricted by HOME regulations.
- Completed minor repairs to HHA leased residential properties.

FUND:	HESPERIA HOUSING AUTHORITY	370
DEPARTMENT:	ECONOMIC DEVELOPMENT	25
DIVISION:	RDA-LOW/MODERATE INCOME	263

#### 2015-16 DIVISION ACCOMPLISHMENTS (Continued)

- Sold a 10.69 acre parcel.
- Reviewed proposals from family and senior housing developers.
- Assisted in completion of the Housing Element and Annual Report.
- Managed Seller Mortgage CarryBack Program for the HHA, which was originally funded through NSP to assist low income households in purchasing NSP properties.
- Negotiated and funded a 96-unit affordable senior apartment complex project.
- Entered into a Loan Agreement with a developer for the development of a 96-unit affordable senior apartment complex.
- Monitored affordable housing legislation and funding sources.
- Monitored and reviewed potentially new housing programs through grants and incentives.
- Managed all housing programs and projects.
- Provided loan management and loan servicing for all housing related loans.
- Utilized new software to assist with affordable housing underwriting.
- Monitored HOME rents and made quality control inspections of HOME-assisted units to ensure that the units met HUD and housing standards and that owners and participants met mutual obligations under the programs.
- Completed and submitted Annual HOME Monitoring Reports to the State of California, Department of Housing and Community Development (HCD).
- Prepared and submitted required Semi-Annual Labor Standards Enforcement Report and HOME Annual Performance Report to HUD and HCD.
- Received and reported on Program Income from loan pay-offs.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Identify candidate properties wherein HHA could purchase long-term affordability covenants.
- Continue to work with developers in the development of affordable housing.
- Establish revised Downpayment Assistance Program (DAP) Guidelines to provide affordable homeownership opportunities.
- Prepare HHA Annual Report and Audit required by SB 341.
- Monitor affordable housing legislation and funding sources.
- Seek new opportunities to fund housing programs through grants and incentives.
- Manage all housing programs and projects.
- Provide loan management and loan servicing for all housing related loans.
- Utilize new software to assist with affordable housing underwriting.
- Ensure compliance with SB 341 and AB 471 relating to housing successor agencies specifically as they relate to spending of former LMIHF.
- Review bi-annual and monitor HOME and HHA unit reports through U.S. Communities Housing Compliance Services software.
- Complete annual onsite monitoring and desk review of HOME and HHA units and files.

FUND:	HESPERIA HOUSING AUTHORITY	370
DEPARTMENT:	ECONOMIC DEVELOPMENT	25
DIVISION:	RDA-LOW/MODERATE INCOME	263

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- Develop Strategic Plan for HHA, which includes funding mechanisms for long-term viability.
- Comply with AB 987 requirements, which requires disclosure of affordable units counted.
- Collaborate with non-profits to bring needed services to residents.
- Assist in revisions and completion of the Housing Element.
- Obtain a broker to list and sell HHA-owned properties in accordance with the Property Management Plan.
- Manage HHA owned leased properties.
- Award a public bid for a new roof for a HHA owned property.
- Provide oversight and manage the Community Development Block Grant Program.
- Contract for maintenance services including landscaping and emergency repairs for HHA and NSP owned properties.
- Create and administer system for Asset Management of housing loans.
- Monitor HOME rents and quality control inspections of HOME-assisted units (income must be verified annually) to ensure that the units meet HUD and housing standards and that owners and participants meet mutual obligations under this programs.
- Complete and submit Annual HOME Monitoring Reports for HCD.
- Prepare and submit required Semi-Annual Labor Standards Enforcement Report and HOME Annual Performance Report to HUD and HCD.
- Strategically manage receipt of HOME Program Income and Recapture Funds to maximize program performance and operational efficiency.
- Apply for HOME funds to facilitate a new affordable project.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Cumulative Units Constructed	247	247	247	247
DAP Loans Submitted	0	0	0	3
DAP Loans Approved	0	0	0	2
Deed Restricted Units Funded	0	0	0	96
HOME Grant Application	1	0	0	1
HOME Program Funds Remaining	0%*	0%	0%	0%
HOME Asset Portfolio	\$14 Mil	\$14 Mil	\$14 Mil	\$14 Mil
Housing Developer Proposal Reviews	1	0	3	2
HRLP and Sewer Loans Submitted	3	3	0	2
HRLP Loans and Sewer Approved	0	0	0	1
HHA Affordable Units Monitored	625	625	625	625
Projects Monitored	3	3	3	3
Real Property Purchase Contracts Negotiated	0	1	1	3
Real Property Sold	0	0	1	3

FUND: VVEDA-LOW/MOD HOUSING 371  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: RDA-LOW/MODERATE INCOME 263

DEPARTMENT EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials & Operations	0	0	0	0	0	0%
Contractual	0	0	180,000	0	150,000	-17%
Other Operating	0	0	0	0	0	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 180,000</b>	<b>\$ 0</b>	<b>\$ 150,000</b>	<b>-17%</b>

#### DIVISION DESCRIPTION

Fund 371 is the successor to the former Fund 388, which was closed-out with the dissolution of the Victor Valley Economic Development Authority (VVEDA) pursuant to ABx1 26. This Division shall assume the affordable housing functions and assets of the former VVEDA that fell under the auspices of the City of Hesperia. This successor role was approved by Resolution No. 2011-027 on April 5, 2011, wherein the City assumed all affordable VVEDA housing functions and assets, and resolved to transfer those functions and assets to the Hesperia Housing Authority (HHA). For economies of scale and due to the inability to collect future tax increment the former VVEDA, affordable housing functions will be performed by HHA staff (Fund 370). Resources from this Fund 371 will be allocated to accomplish the required obligations of the Successor Housing Agency (City of Hesperia and HHA).

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- FY 2016-17 expenditures related to the maintenance of property (\$20,000) have been reduced, as the related property purchase (Intergenerational Center) was not completed.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Continued efforts to identify and provide financial support to affordable housing developments within the former VVEDA Project Area.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Support and fund the HHA's Downpayment Assistance Program (DAP) and Housing Rehabilitation Loan Program.
- Continue efforts to identify and provide support to affordable housing developments.
- Ensure compliance with SB 341 and AB 471 relating to housing successor agencies specifically as they relate to spending of former LMIHF.
- Support and participate in programs, projects, and initiatives of the HHA including the provision of funding.
- Endeavor to satisfy Inclusionary Housing Obligations of dissolved VVEDA allocated to the City of Hesperia.
- Collect repayment of loans due the VVEDA LMIHF from VVEDA Successor Agency.

FUND: CDBG 251, HOME GRANT 252, CDBG REVOLVING LOAN 253, and NSP 257  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 400,143	\$ 216,517	\$ 391,507	\$ 390,296	\$ 59,342	-85%
Benefits	136,274	63,988	135,141	136,248	21,753	-84%
Materials & Operations	35,696	24,143	43,700	29,668	23,780	-46%
Contractual	150,829	162,432	778,200	626,600	706,229	-9%
Other Operating	357,089	186,432	512,226	565,176	907,373	77%
Capital Outlay	22,088	72,362	352,000	1,500	655,800	86%
Debt Service	151,270	150,265	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,253,389</b>	<b>\$ 876,139</b>	<b>\$ 2,212,774</b>	<b>\$ 1,749,488</b>	<b>\$ 2,374,277</b>	<b>7%</b>

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
<b>Community Development Block Grant</b>						
251 CDBG Administration	\$ 609,486	\$ 516,967	\$ 1,314,792	\$ 1,340,831	\$ 1,655,522	26%
253 CDBG Revolving Loans	228,923	115,913	311,185	238,690	5,000	-98%
257 CDBG Neighborhood Stabilization	414,980	243,259	586,797	169,967	713,755	22%
<b>Total CDBG</b>	<b>\$ 1,253,389</b>	<b>\$ 876,139</b>	<b>\$ 2,212,774</b>	<b>\$ 1,749,488</b>	<b>\$ 2,374,277</b>	<b>7%</b>

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.45	0.00	0.00	0.00
Administrative Analyst	1.85	1.85	1.85	0.32
Administrative Secretary	0.55	0.55	0.55	0.00
Deputy Economic Development Director	0.40	0.00	0.00	0.00
Economic Development Director	0.00	0.40	0.40	0.00
Economic Development Manager	0.00	0.00	0.00	0.08
Management Analyst	1.70	1.70	1.70	0.00
Senior Management Analyst	0.65	0.65	0.65	0.32
<b>Total Full-Time Staff</b>	<b>5.60</b>	<b>5.15</b>	<b>5.15</b>	<b>0.72</b>

FUND: CDBG 251, HOME GRANT 252, CDBG REVOLVING LOAN 253, and NSP 257  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270

REVENUE DETAIL	2013-14	2014-15	2015-16	2015-16	2016-17	% Change
	Actual	Actual	Budget	Revised	Budget	From 2015-16 Budget
<b>Community Development Block Grant (CDBG) Funds (251, 252, 253, 257)</b>						
<b>251 CDBG Fund</b>						
CDBG Administration Reimbursement 251 25 270 2700 4730	\$ 609,485	\$ 516,967	\$ 1,135,361	\$ 1,316,775	\$ 1,655,522	46%
CDBG Loan Repayment 251 25 270 2700 4746	0	0	0	30,854	0	n/a
CDBG Program Income 251 25 270 2700 5903	0	0	1,100,000	0	0	-100%
<b>Total CDBG Fund 251</b>	<b>\$ 609,485</b>	<b>\$ 516,967</b>	<b>\$ 2,235,361</b>	<b>\$ 1,347,629</b>	<b>\$ 1,655,522</b>	<b>-26%</b>
<b>252 HOME Grant Fund</b>						
<b>Interest</b>						
CDBG HOME Grant Program Interest Income 252 19 220 0000 5600	\$ 14,892	\$ 20,502	\$ 14,000	\$ 18,594	\$ 19,244	37%
<b>Total Interest Income</b>	<b>\$ 14,892</b>	<b>\$ 20,502</b>	<b>\$ 14,000</b>	<b>\$ 18,594</b>	<b>\$ 19,244</b>	<b>37%</b>
<b>Grants</b>						
CDBG HOME Grant 2000 252 25 264 2700 4750	\$ 10	\$ 0	\$ 0	\$ 0	\$ 0	n/a
DOIM Income from Home Activities 252 25 264 2700 4758	0	17,317	1,700	2,100	2,100	24%
<b>Total Grants</b>	<b>\$ 10</b>	<b>\$ 17,317</b>	<b>\$ 1,700</b>	<b>\$ 2,100</b>	<b>\$ 2,100</b>	<b>24%</b>
<b>Total HOME Fund 252</b>	<b>\$ 14,902</b>	<b>\$ 37,819</b>	<b>\$ 15,700</b>	<b>\$ 20,694</b>	<b>\$ 21,344</b>	<b>36%</b>
<b>253 CDBG-Revolving Loan Fund</b>						
<b>CDBG Revolving Loan Program</b>						
Interest Income 253 19 220 0000 5600	\$ 1,997	\$ 1,483	\$ 1,562	\$ 1,752	\$ 2,177	39%
<b>Total CDBG-Revolving Loan Fund 253</b>	<b>\$ 1,997</b>	<b>\$ 1,483</b>	<b>\$ 1,562</b>	<b>\$ 1,752</b>	<b>\$ 2,177</b>	<b>39%</b>
<b>257 CDBG-Neighborhood Stabilization Program (NSP) Fund</b>						
NSP Interest Income 257 19 220 0000 5600	\$ 1,689	\$ 3,001	\$ 2,966	\$ 4,607	\$ 5,902	99%
NSP - Proceeds from Sales 257 270 2700 0000 5901	799,104	0	1,079,953	396,518	83,000	-92%
NSP - Rents/Lease 257 270 2700 0000 5870	2,187	7,690	10,172	11,304	11,304	11%
Program Income from NSP Activities 257 25 270 2700 5903	106,386	0	121,126	356,866	0	-100%
Gain on Sale of Asset 257 25 270 2700 5915	0	10,599	0	0	0	n/a
NSP Miscellaneous	430	40	200	0	0	-100%
<b>Total CDBG-Neighborhood Stabilization Fund 257</b>	<b>\$ 909,796</b>	<b>\$ 21,330</b>	<b>\$ 1,214,417</b>	<b>\$ 769,295</b>	<b>\$ 100,206</b>	<b>-92%</b>
<b>Total CDBG Funds (251, 252, 253, 257)</b>	<b>\$ 1,536,180</b>	<b>\$ 577,599</b>	<b>\$ 3,467,040</b>	<b>\$ 2,139,370</b>	<b>\$ 1,779,249</b>	<b>-49%</b>

FUND: CDBG 251  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
PROGRAM: CDBG ADMINISTRATION/ECONOMIC DEVELOPMENT AND HOUSING

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 149,669	\$ 40,273	\$ 219,674	\$ 226,580	\$ 59,342	-73%
Benefits	52,738	5,497	77,467	79,217	21,753	-72%
Materials & Operations	13,540	16,651	12,925	19,958	8,525	-34%
Contractual	61,112	127,690	522,500	464,900	668,529	28%
Other Operating	181,157	176,591	482,226	550,176	897,373	86%
Capital Outlay	0	0	0	0	0	0%
Debt Service	151,270	150,265	0	0	0	0%
<b>TOTAL</b>	<b>\$ 609,486</b>	<b>\$ 516,967</b>	<b>\$ 1,314,792</b>	<b>\$ 1,340,831</b>	<b>\$ 1,655,522</b>	<b>26%</b>

#### DIVISION DESCRIPTION

The Economic Development Department administers the City's Community Development Block Grant (CDBG) Program and related activities. These activities are directed at enticing public and private sector investment within targeted geographic areas of the City. The Department is tasked with implementing existing programs and developing innovative, new initiatives to promote economic and housing development and rehabilitation projects, with an emphasis on activities that create jobs, build or enhance infrastructure, provide affordable housing, primarily benefiting low-to-moderate income persons residing within the City, expanding the tax base, and promoting economic diversity. In Program Year (PY) 2014-15, the City received a CDBG entitlement in the amount of \$895,488 and in PY 2015-16 the CDBG Entitlement was \$958,178. In PY 2016-17 it is anticipated to be \$984,021. Annually, the City adopts an action plan allocating funds to the following: (i) administration and planning (20%); (ii) Public Services activities and programs (15%); (iii) Section 108 debt service (varies); and (iv) other eligible CDBG uses (remainder) that are guided by the City's CDBG Consolidated Plan (Con Plan). The Department annually evaluates its CDBG Program in the context of the required Five-Year Consolidated Plan and reprograms funds, if necessary, to projects, programs, or activities to meet its goals and objectives and meet CDBG timeliness requirements. Substantial amendments to the Con Plan are also pursued when appropriate and in compliance with the City's Citizen Participation Plan. FY 2016-17 represents the second year of the City's 2015-19 Con Plan.

The City's annual CDBG development activities are designed to foster private and public sector investment with Redevelopment Project and CDBG target areas. Federal regulations mandate that programs funded by CDBG meet one or all of the national objectives: (1) elimination of slums or blight; (2) benefit low-to-moderate income individuals; or (3) address other community needs having a particular urgency. Economic Development activities have garnered increased support by HUD, particularly because of the Federal government's welfare reform mandates. Beginning in Fiscal Year 2010-11, the City has allocated greater funds to economic opportunity initiatives and locally-based Microenterprises. This Division also implements housing services and discharges programs including the Housing Rehabilitation Loan Program (HRLP). PY 2016-17 will be the first year of the Housing Assistance Program (HAP which is intended to help first-time home buyers).

For consistency in presenting the CDBG information, all activities of the City's Annual Action Plan are discussed herein and likewise, the accomplishments, staffing, goals and objectives.

FUND: CDBG 251  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
PROGRAM: CDBG ADMINISTRATION/ECONOMIC DEVELOPMENT AND HOUSING

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.45	0.00	0.00	0.00
Administrative Analyst	1.30	1.30	1.30	0.32
Administrative Secretary	0.35	0.35	0.35	0.00
Deputy Economic Development Director	0.25	0.00	0.00	0.00
Economic Development Director	0.00	0.25	0.25	0.00
Economic Development Manager	0.00	0.00	0.00	0.08
Management Analyst	1.15	1.15	1.15	0.00
Senior Management Analyst	0.00	0.00	0.00	0.32
<b>Total Full-Time Staff</b>	<b>3.50</b>	<b>3.05</b>	<b>3.05</b>	<b>0.72</b>

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Eliminate the Economic Development Director (0.25 FTE) position and add one Economic Development Manager (0.08 FTE) position.
- One Senior Management Analyst (0.32 FTE) position is added to assist with the administration of the CDBG program.
- Eliminate one Administrative Analyst position 0.55 FTE and reallocate one Administrative Analyst position from 1.30 FTE to 0.32 FTE.
- The other positions previously included in the CDBG program have been transferred to the CDC or HHA.
- Funding for new and continuing American's with Disabilities Act (ADA) Improvements (\$726,114), as well as the completion of the Fir and Rodeo Street improvements project (\$50,000) are included in the FY 2016-17 Budget.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Completed one Revolving Loan Fund loan to Arco AM/PM on the corner of Main and Cottonwood which created five new low/mod jobs and will help generate sales tax and property tax for the City.
- Successfully funded the CDBG Housing Rehabilitation Loan Program (HRLP), Emergency Repair Program, and Energy Efficiency Program.
- Developed and submitted PY 2014-15 Consolidated Annual Performance and Evaluation Report (CAPER).
- Prepared and submitted required financial and performance reports to HUD, including the Section 3 Report.
- Conducted on-site monitoring and desk monitoring of public service provider programs and contracts to ensure compliance with CDBG and cross-cutting requirements.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Create and administer the Homebuyer Assistance Program (HAP) designed to assist first-time home buyers.
- Streamline administration of the sub-recipient grants.
- Refine and intensify the City's strategy to expand economic opportunities and create/retain jobs through CDBG-funded special economic development and microenterprise assistance activities.

FUND: CDBG 251  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
PROGRAM: CDBG ADMINISTRATION/ECONOMIC DEVELOPMENT AND HOUSING

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- Provide TA workshops to new and existing public service providers to ensure understanding and compliance with CDBG regulations.
- Conduct underwriting for CDBG HRLP in-house utilizing City staff.
- Create and administer system for Asset Management of housing loans.
- Continue funding and support of CDBG Housing Rehabilitation Loan Program (HRLP), Emergency Repair Program, and Energy Efficiency Program.
- Develop and submit PY 2014-15 Consolidated Annual Performance and Evaluation Report (CAPER).
- Prepare and submit required financial and performance reports to HUD, including the Section 3 Report.
- Conduct on-site monitoring and desk monitoring of public service provider programs and contracts to ensure compliance with CDBG and cross-cutting requirements.
- City will contemplate the use of General Funds for Public Service (non-profit entities) and off-setting CDBG funds for other qualifying capital improvement projects. This will eliminate most of the CDBG required administrative work effort and documentation for Public Service providers thereby making it much easier to apply for and receive reimbursements. The off-setting CDBG funds utilized for capital improvement projects will trigger the same administrative work efforts already required for capital projects.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
HAP Loans Submitted	0	0	0	10
HAP Loans Approved	0	0	0	7
HRLP Loans Funded	0	4	7	10
HRLP Loans Submitted	4	12	8	15
Minor Rehabilitation Program Funded	0	1	25	25
Emergency Rehabilitation Loan Program Funded	0	5	10	0
Energy Efficiency Rehabilitation Program Funded	9	3	10	15
Annual IDIS Draw-downs	8	5	7	7
Public Service Agencies Funded	13	10	11	11
Economic Development Loans Funded	n/a	n/a	0	3
Timeliness Test	Pass	Pass	Fail	Pass

FUND: CDBG REVOLVING LOAN 253  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
PROGRAM: CDBG REVOLVING LOANS

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 146,034	\$ 70,089	\$ 68,099	\$ 60,481	\$ 0	-100%
Benefits	49,254	23,929	23,836	23,059	0	-100%
Materials & Operations	0	78	4,250	150	0	-100%
Contractual	29,885	21,817	210,000	155,000	5,000	-98%
Other Operating	3,750	0	5,000	0	0	-100%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 228,923</b>	<b>\$ 115,913</b>	<b>\$ 311,185</b>	<b>\$238,690</b>	<b>\$ 5,000</b>	<b>-98%</b>

#### DIVISION DESCRIPTION

The City was awarded a Department of Housing and Urban Development (HUD) \$3,000,000 Section 108 Loan in Fiscal Year 1996-97. Some of the proceeds were expended on infrastructure projects, with the remainder targeted to fire sprinkler retrofit projects. The Fire Sprinkler Retrofit Program had a pre-determined sunset clause enabling the creation of the Economic Development Revolving Loan Fund (EDRLF). The EDRLF was designed to provide the City with resources to facilitate economic development through business lending activities or the provision of other inducements. The EDRLF serves as an important economic development tool for both business expansion and attraction efforts.

Funds are invested in appropriate projects on a case-by-case basis and approved by City Council. Budget amendments and funding for all related contract expenses will be requested from City Council when the agreement is taken for approval. Fund balance availability for revolving loans is \$402,000 as of March 2016.

<u>DIVISION STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.35	0.35	0.35	0.00
Management Analyst	0.55	0.55	0.55	0.00
<b>Total Full-Time Staff</b>	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>0.00</b>

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- The FY 2015-16 Budget included two Management Analyst positions being partially funded from CDBG Revolving Loan program for a total distribution of 0.55 FTE. One Management Analyst position is eliminated and one is transferred to the CDC.
- One Administrative Analyst (0.35 FTE) position is eliminated.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Completed one Revolving Loan Fund loan to Arco AM/PM on the corner of Main and Cottonwood which created five new low/mod jobs and will help generate sales tax and property tax for the city.

FUND: CDBG REVOLVING LOAN 253  
 DEPARTMENT: ECONOMIC DEVELOPMENT 25  
 DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
 PROGRAM: CDBG REVOLVING LOANS

2016-17 DIVISION GOALS AND OBJECTIVES

None.

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Percentage of Section 108 Loan Encumbered	75%	65%	87%	87%
Inducement Offers Made	0	2	4	0
Job Creation	0	20	5	0

FUND: CDBG NEIGHBORHOOD STABILIZATION PROGRAM 257  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
PROGRAM: CDBG NEIGHBORHOOD STABILIZATION PROGRAM

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 104,440	\$ 106,155	\$ 103,734	\$103,235	\$ 0	-100%
Benefits	34,282	34,562	33,838	33,972	0	-100%
Materials & Operations	22,156	7,414	26,525	9,560	15,255	-42%
Contractual	59,832	12,925	45,700	6,700	32,700	-28%
Other Operating	172,182	9,841	25,000	15,000	10,000	-60%
Capital Outlay	22,088	72,362	352,000	1,500	655,800	86%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 414,980</b>	<b>\$ 243,259</b>	<b>\$ 586,797</b>	<b>\$169,967</b>	<b>\$ 713,755</b>	<b>22%</b>

#### DIVISION DESCRIPTION

In 2008, Congress passed the Housing and Economic Recovery Act which created the Neighborhood Stabilization Program (NSP). The NSP Program allocated \$3.92 Billion to communities and states across the nation to address the growing foreclosure problem and stabilize neighborhoods. Hesperia was allocated \$4.59M in NSP grant funds to address increasing foreclosures. Allocations of the NSP funds were based on (1) the number and percentage of home foreclosures, (2) the number and percentage of homes financed by a subprime mortgage, and (3) the number and percentage of homes in default or delinquency. The NSP provides emergency assistance for the redevelopment of abandoned and foreclosed residential properties. Eligible activities include financing mechanisms for purchase of foreclosed homes, purchase and rehabilitation of foreclosed or abandoned homes, land banks for foreclosed homes, demolition of blighted structures, and redevelopment of demolished or vacant property.

The City completed an NSP Draft Substantial Amendment to its Fiscal Year 2008-09 Consolidated Annual Action Plan. The NSP Substantial Amendment was approved by HUD on January 15, 2009. The City received an executed contract from HUD on March 5, 2009, and was required to obligate all of the grant funds by September 10, 2010. The City was successful in meeting its NSP obligation threshold in advance of the termination date.

Originally, the City had committed \$2,883,967 in NSP funds for acquisition/rehabilitation resale, \$1,147,680 for acquisition/rehabilitation rental, \$100,000 for financing mechanisms, and \$459,072 for administration, for a total of \$4,590,719. On September 15, 2009, the City Council approved Amendment 1 to the NSP Substantial Amendment which allowed the City to include land banking as an activity. Land banking will allow the City to acquire foreclosed, vacant property that can be utilized for housing developments. Amendment 1 also reallocated funds that had been set aside for Financing Mechanisms to the Land Bank activity. After the approval of Amendment 1, the NSP funds were allocated as follows: Acquisition/Rehabilitation and Resale \$1,428,967; Acquisition/Rehabilitation and Rental \$1,147,680; Financing Mechanisms \$0.00; Redevelop Demolished or Vacant Properties \$0.00; Establish Land Banks \$1,555,000 and Administration \$459,072.

On July 19, 2011, the City Council amended the original NSP Substantial Amendment and Amendment No. 1 as follows: 1) transfer \$1.503M program income from Activity No. 5 (Establish Land Bank), shifting \$652,623.00 to Activity No. 1 (Acquisition/Rehabilitation and Resale), \$700,000 to Activity No. 2 (Acquisition/Rehabilitation and Rental), and providing for 10% percent of program income earned to be used for general administration and planning activities as defined in 24 CFR 570.205 and 206. On May 15, 2012, the City Council approved Amendment No. 3 allowing the City to sell homes that had originally been designated for lease.

All NSP funds are to be used to benefit individuals and families whose incomes do not exceed 120% of area median income, and 25% of the NSP funds must be used for housing that is affordable to individuals and families whose incomes do not exceed 50% of area median income. Homes must be purchased at a one (1) percent discount, per NSP requirements. The NSP effort will provide affordable housing opportunities and arrest blighting conditions caused by home vacancy. This effort is intended to transform neighborhoods in the City.

FUND: CDBG NEIGHBORHOOD STABILIZATION PROGRAM 257  
DEPARTMENT: ECONOMIC DEVELOPMENT 25  
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
PROGRAM: CDBG NEIGHBORHOOD STABILIZATION PROGRAM

The City has acquired 23 single family residences and one land bank property. In FY 2014-15, the City completed the rehabilitation phase. The City began selling or leasing the properties in FY 2012-13 once the first round of rehabilitation of the properties was completed. Program income generated from the sale or lease of Neighborhood Stabilization Project (NSP) properties will be re-invested in other approved activities/programs.

<u>DIVISION STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.20	0.20	0.20	0.00
Administrative Secretary	0.20	0.20	0.20	0.00
Deputy Economic Development Director	0.15	0.00	0.00	0.00
Economic Development Director	0.00	0.15	0.15	0.00
Senior Management Analyst	0.65	0.65	0.65	0.00
<b>Total Full-Time Staff</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>0.00</b>

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES**

- The staffing for the NSP program will be provided by staff in the CDBG program and HHA.
- Funds in the amount of \$572,000 are included in the FY 2016-17 Budget for the purchase/rehabilitation of properties through the Seller Mortgage Carryback Program, assisting low-income homebuyers.

**2015-16 DIVISION ACCOMPLISHMENTS**

- Submitted timely quarterly reports on the Disaster Recovery Grant Reporting (DRGR) System.
- Continued management of contracts for landscape maintenance, pest control, security services, and emergency repair services.
- Performed real estate brokerage services for NSP properties in lieu of third-party contractor at direction of City Council.
- Listed and sold one (1) rehabilitated NSP homes.
- Managed two (2) leased NSP rehabilitated home.
- Received and reported on Program Income for future NSP activities.

**2016-17 DIVISION GOALS AND OBJECTIVES**

- Market and sell the remaining eight (8) rehabilitated properties.
- Submit timely quarterly reports on the DRGR Reporting System.
- Complete additional draws on the DRGR System as necessary.
- Contract with broker to market remaining NSP properties for sale.
- Dispose of NSP properties consistent with program regulations including affordability and maintenance covenants.
- Receive and report on Program Income derived from the sale and lease of NSP properties.
- Create and administer system for Asset Management of housing loans.

FUND: CDBG NEIGHBORHOOD STABILIZATION PROGRAM 257  
 DEPARTMENT: ECONOMIC DEVELOPMENT 25  
 DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270  
 PROGRAM: CDBG NEIGHBORHOOD STABILIZATION PROGRAM

2016-17 DIVISION GOALS AND OBJECTIVES (Continued)

- Allocate all Program Income to NSP activities to be utilized for NSP eligible projects including administration and funding the Seller Mortgage Carryback Loan Program which will allow households of 50% Area Median Income to purchase the NSP properties.
- Commence close-out procedures for NSP once national objectives are met; once all properties purchased have been either rented or sold per their original activity designation in the Substantial Amendment the City can commence close-out procedures.
- Utilize Seller Mortgage Carry-Back Program to assist households at 50% AMI purchase an NSP property.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Real Property Escrows Opened	5	7	1	8
Real Property Escrows Closed	6	5	1	8
Real Property Rehabilitation	7	0	0	1
Real Property Sale	6	5	1	8
Real Property Lease	2	1	0	0

# Development Services Department

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<b>DEPARTMENT - DEVELOPMENT SERVICES.....</b>	<b>F-52</b>
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FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: COMMUNITY DEVELOPMENT 300

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 1,159,457	\$ 1,102,849	\$ 1,143,409	\$ 1,050,596	\$ 1,171,568	2%
Benefits	392,440	395,219	394,554	385,517	429,919	9%
Materials & Operations	26,017	24,074	26,010	25,750	37,025	42%
Contractual	55,386	132,155	64,578	95,479	52,365	-19%
Other Operating	23,996	21,921	31,255	25,106	33,529	7%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,657,296</b>	<b>\$ 1,676,218</b>	<b>\$ 1,659,806</b>	<b>\$ 1,582,448</b>	<b>\$ 1,724,406</b>	<b>4%</b>

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Planning	\$ 854,100	\$ 826,597	\$ 815,730	\$ 791,242	\$ 860,291	5%
Building & Safety	803,196	849,621	844,076	791,206	864,115	2%
<b>TOTAL</b>	<b>\$ 1,657,296</b>	<b>\$ 1,676,218</b>	<b>\$ 1,659,806</b>	<b>\$ 1,582,448</b>	<b>\$ 1,724,406</b>	<b>4%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b><u>DEPARTMENT STAFFING</u></b>				
Total Full-Time Staff	15.03	13.84	13.84	14.00
Total Part-Time Staff	0.92	0.92	1.84	1.38
<b>Total D.S. Community Development Staff</b>	<b>15.95</b>	<b>14.76</b>	<b>15.68</b>	<b>15.38</b>

#### DIVISION GOALS FOR 2016-17

- Commence work on the Development Agreement and a Financing Plan for the Tapestry Specific Plan, following completion of litigation.
- Complete Deemed Approved Ordinance for Single-Serve Alcohol sales.
- Review General Plan policies and development regulations, and present updates to City Council and Planning Commission when necessary.
- Complete review of minimum floor areas for multi-family residential projects.
- Implement the Storm Water MS-4 Permitting Program into TrakiT, including all module configuration, custom forms, and reports.
- Complete plan review on four out-pads at Gateway I, including: Famous Footwear, In-Shape Fitness Center, and two multi-tenant suites.
- Launch ETrakiT, the online portal of TrakiT, to allow contractors to manage inspections online.

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: COMMUNITY DEVELOPMENT 300

**DIVISION GOALS FOR 2016-17 (Continued)**

- As part of the Local Agency Management Plan (LAMP), staff will continue to work jointly with consultant Charles Abbott Associates (CAA), Lahontan and Mojave Water Agency activity to ensure that the LAMP, which will establish tier-based standards for allowing the continued use of new and replacement onsite water treatment systems, is in place by the required deadline of May 2016. This plan identified levels of nitrate loading and percability of soils within the region.
- Continue to incorporate the findings of the “On-Site and Facilities” portion of the Self-Evaluation Survey into the City’s Americans with Disabilities Act (ADA) Transition Plan. Collaborate with Engineering and Public Works to determine the overall level of compliance with ADA’s requirement to remove all barriers to access, whether physical, programmatic, or through policy for all City programs and services.

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES**

- Funding of \$13,340 is included as carry-over to convert an existing map room located near the front counter area into a plan room to store commercial and residential plans. This room will also provide additional customer pick-up bins and provide additional storage for approved commercial plans. This project went to bid and was awarded in Fiscal Year 2015-16 and completion will occur in Fiscal Year 2016-17.
- Eliminate the vacant Building and Safety Supervisor with a distribution of 0.25 FTE in Planning and 0.75 FTE in Building & Safety. During the FY 2015-16 First Quarter Budget Review, the Building and Safety Manager position was reclassified to a Building and Safety Supervisor. Subsequently, the incumbent retired from the position.
- Reclassify the Community Development Coordinator (Range 34) to the Community Development Supervisor (Range 38) and the position will have a distribution of 0.50 FTE in Planning and 0.50 FTE Building & Safety.
- Reclassify the Building Inspection Supervisor (Range 40) to the Building and Safety Manager (Range 43).
- Eliminate one part-time Building Inspector position (0.46 FTE) and add one full-time Building Inspector position (1.00 FTE).
- To more accurately reflect the current workload, the distribution of the Director of Development Services is increased from 0.14 FTE to 0.20 FTE.
- The Administrative Secretary distribution is being increased from 0.10 FTE to 0.20 FTE.

<u>DIVISION STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.00	0.85	0.85	0.85
Administrative Secretary	0.00	0.10	0.10	0.20
Assistant Planner	1.00	1.00	0.00	0.00
Associate Planner	0.00	0.00	1.00	1.00
Building and Safety Manager*	0.00	0.00	0.00	1.00
Building and Safety Supervisor*	1.00	1.00	1.00	0.00
Building Inspector	1.00	1.00	1.00	2.00
Building Inspection Supervisor	1.00	1.00	1.00	0.00
Community Development Coordinator	1.00	1.00	1.00	0.00
Community Development Supervisor	0.00	0.00	0.00	1.00
Community Development Technician	0.75	0.75	0.75	0.75
Director of Development Services	0.14	0.14	0.14	0.20

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: COMMUNITY DEVELOPMENT 300

<u>DIVISION STAFFING (Continued)</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff (Continued)</u>				
Executive Secretary	0.14	0.00	0.00	0.00
Plans Examiner	2.00	2.00	2.00	2.00
Principal Planner	1.00	1.00	1.00	1.00
Senior Community Development Technician	2.00	1.00	1.00	1.00
Senior Office Assistant	1.00	0.00	0.00	0.00
Senior Office Specialist	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00
<b>Total Full-Time Staff</b>	<b>15.03</b>	<b>13.84</b>	<b>13.84</b>	<b>14.00</b>
<u>Part-Time Staff</u>				
Building Inspector	0.00	0.00	0.92	0.46
Receptionist	0.92	0.92	0.92	0.92
<b>Total Part-Time Staff</b>	<b>0.92</b>	<b>0.92</b>	<b>1.84</b>	<b>1.38</b>
<b>Total Full and Part-Time Staff</b>	<b>15.95</b>	<b>14.76</b>	<b>15.68</b>	<b>15.38</b>

\*Note - The position Building & Safety Supervisor was previously shown as the Building & Safety Manager in FY 2013-14, FY 2014-15, and FY 2015-16 Budget documents. The position was reclassified as the Building and Safety Supervisor during the FY 2015-16 First Quarter Budget review. In the FY 2016-17 Budget, the position is being eliminated, as it is vacant due to a retirement.

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: COMMUNITY DEVELOPMENT 300  
PROGRAM: PLANNING 3000

PROGRAM EXPENDITURE SUMMARY						% Change From 2015-16
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 612,750	\$ 579,109	\$ 581,347	\$ 544,778	\$ 596,255	3%
Benefits	208,345	211,594	202,820	198,069	224,161	11%
Materials & Operations	4,335	7,183	5,730	5,211	9,135	59%
Contractual	14,019	12,960	11,378	27,928	12,000	5%
Other Operating	14,651	15,751	14,455	15,256	18,740	30%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 854,100</b>	<b>\$ 826,597</b>	<b>\$ 815,730</b>	<b>\$ 791,242</b>	<b>\$ 860,291</b>	<b>5%</b>

#### PROGRAM DESCRIPTION

Planning provides public information, project review, and approvals or recommendations for development proposals to ensure that new development conforms with Hesperia's environment as described in the General Plan (City Council Goal 3 – Future Development), specific plans, and Development Code. This Division assures conformance with the California Environmental Quality Act (CEQA), the Subdivision Map Act, the National Environmental Policy Act, and the Endangered Species Act. The Program also supports the Development Review Committee, the Planning Commission, and the City Council in all planning matters. Planning prepares applications for the annexation of sphere areas, as well as environmental documents for private developments and public developments such as Economic Development and Public Works projects. Planning also recommends changes to the City's Land Use Plan to keep pace with the increase in population, commercial and industrial growth, and the changing regulatory environment to assure Hesperia's future growth and success.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.00	0.35	0.35	0.35
Administrative Secretary	0.00	0.05	0.05	0.10
Assistant Planner	1.00	1.00	0.00	0.00
Associate Planner	0.00	0.00	1.00	1.00
Building and Safety Manager	0.00	0.00	0.00	0.00
Building and Safety Supervisor*	0.25	0.25	0.25	0.00
Community Development Coordinator	0.50	0.50	0.50	0.00
Community Development Supervisor	0.00	0.00	0.00	0.50
Community Development Technician	0.75	0.75	0.75	0.75
Director of Development Services	0.10	0.10	0.10	0.10
Principal Planner	1.00	1.00	1.00	1.00
Senior Community Development Technician	1.00	0.50	0.50	0.50
Senior Office Assistant	0.60	0.00	0.00	0.00

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	COMMUNITY DEVELOPMENT	300
PROGRAM:	PLANNING	3000

<u>PROGRAM STAFFING (Continued)</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff (Continued)</u>				
Senior Office Specialist	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00
<b>Total Full-Time Staff</b>	<b>8.30</b>	<b>7.50</b>	<b>7.50</b>	<b>7.30</b>

\*Note - The position Building & Safety Supervisor was previously shown as the Building & Safety Manager in FY 2013-14, FY 2014-15, and FY 2015-16 Budget documents. The position was reclassified as the Building and Safety Supervisor during the FY 2015-16 First Quarter Budget review. In the FY 2016-17 Budget, the position is being eliminated, as it is vacant due to a retirement.

### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Eliminate the vacant Building and Safety Supervisor with a distribution of 0.25 FTE in Planning. During the FY 2015-16 First Quarter Budget Review, the Building and Safety Manager position was reclassified to a Building and Safety Supervisor. Subsequently, the incumbent retired from the position.
- Reclassify the Community Development Coordinator (Range 34) to the Community Development Supervisor (Range 38) and the position will have a distribution of 0.50 FTE in Planning.
- The FTE distribution for the Administrative Secretary is being increased from 0.05 FTE to 0.10 FTE to reflect assigned duties.

### 2015-16 PROGRAM ACCOMPLISHMENTS

- The Tapestry Specific Plan, as well as the Tentative Maps for Phase 1 (2,104 units), were approved by the City Council, and the Final Environmental Impact Report (FEIR) was certified on February 2, 2016.
- Love's Travel Center Project, including an EIR, was approved and litigation settled in February 2016.
- Completed an ordinance to modify the separation requirements between wireless communication facilities.

### 2016-17 PROGRAM GOALS AND OBJECTIVES

- Complete the environmental review and approval process for the Tapestry Specific Plan to include an EIR certification, development agreement, and subdivisions in the first phase. The conclusions of the City Council Ad Hoc Committee need to be incorporated as part of the Planning Commission's review of the project, prior to their recommendation to the City Council.
- Commence work on the Development Agreement and a Financing Plan for the Tapestry Specific Plan, following completion of litigation.
- Complete Deemed Approved Ordinance for Single-Serve Alcohol sales.
- Review General Plan policies and Development regulations, and present updates to City Council and Planning Commission when necessary.
- Complete review of minimum floor areas for multi-family residential projects.

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	COMMUNITY DEVELOPMENT	300
PROGRAM:	PLANNING	3000

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Conditional Use Permits/Revisions	24	17	12	15
Development Code Amendments	5	0	5	5
Parcel Maps	4	5	11	8
Tentative Tracts	0	3	5	4
Site Plan Reviews/Revised Site Plan Reviews	18	19	9	14
Submit New DRC Items	94	93	77	85
Public Hearings	45	49	47	48
Home Occupation Permits	177	179	150	165
Business Licenses (new and renewal)	3,369	3,632	3,617	3,625
Plan Review	783	520	266	393
Subtotal of New Non DRC Items	4,329	4,331	4,033	4,182
Grand Total of New Items	4,423	4,424	4,110	4,267

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: COMMUNITY DEVELOPMENT 300  
PROGRAM: BUILDING & SAFETY 3020

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 546,707	\$ 523,740	\$ 562,062	\$505,818	\$575,313	2%
Benefits	184,095	183,625	191,734	187,448	205,758	7%
Materials & Operations	21,682	16,891	20,280	20,539	27,890	38%
Contractual	41,367	119,195	53,200	67,551	40,365	-24%
Other Operating	9,345	6,170	16,800	9,850	14,789	-12%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 803,196</b>	<b>\$ 849,621</b>	<b>\$ 844,076</b>	<b>\$791,206</b>	<b>\$864,115</b>	<b>2%</b>

#### PROGRAM DESCRIPTION

Building and Safety is responsible for permitting, plan checking, building inspection, and land grading for compliance with adopted building codes and Federal and State Laws, which assists with achieving the City Council goal on Future Development. Technicians at the public counter process permits and provide public information for a wide variety of development related issues. The program provides consultation for disabled access issues that businesses in the community may have, and also administers the Police Multiple Response Fee Program, which includes billing and fee collection. Annual inspections are also performed for the eleven mobile home parks that lie within the City's boundaries.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.00	0.50	0.50	0.50
Administrative Secretary	0.00	0.05	0.05	0.10
Building and Safety Manager	0.00	0.00	0.00	1.00
Building and Safety Supervisor*	0.75	0.75	0.75	0.00
Building Inspector	1.00	1.00	1.00	2.00
Building Inspection Supervisor	1.00	1.00	1.00	0.00
Community Development Coordinator	0.50	0.50	0.50	0.00
Community Development Supervisor	0.00	0.00	0.00	0.50
Director of Development Services	0.04	0.04	0.04	0.10
Executive Secretary	0.04	0.00	0.00	0.00
Plans Examiner	2.00	2.00	2.00	2.00
Senior Community Development Technician	1.00	0.50	0.50	0.50
Senior Office Assistant	0.40	0.00	0.00	0.00
<b>Total Full-Time Staff</b>	<b>6.73</b>	<b>6.34</b>	<b>6.34</b>	<b>6.70</b>

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	COMMUNITY DEVELOPMENT	300
PROGRAM:	BUILDING & SAFETY	3020

<u>PROGRAM STAFFING (Continued)</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Part-Time Staff</u>				
Building Inspector	0.00	0.00	0.92	0.46
Receptionist	0.92	0.92	0.92	0.92
<b>Total Part-Time Staff</b>	<b>0.92</b>	<b>0.92</b>	<b>1.84</b>	<b>1.38</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>7.65</b>	<b>7.26</b>	<b>8.18</b>	<b>8.08</b>

\*Note - The position Building & Safety Supervisor was previously shown as the Building & Safety Manager in FY 2013-14, FY 2014-15, and FY 2015-16 Budget documents. The position was reclassified as the Building and Safety Supervisor during the FY 2015-16 First Quarter Budget review. In the FY 2016-17 Budget, the position is being eliminated, as it is vacant due to a retirement.

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGE

- Funding of \$13,340 is included as carry-over to convert an existing map room located near the front counter area into a plan room to store commercial and residential plans. This room will also provide additional customer pick-up bins and provide additional storage for approved commercial plans. This project went to bid and was awarded in Fiscal Year 2015-16 and completion will occur in Fiscal Year 2016-17.
- Eliminate the vacant Building and Safety Supervisor with a distribution of 0.75 FTE in Building & Safety. During the FY 2015-16 First Quarter Budget Review, the Building and Safety Manager position was reclassified to a Building and Safety Supervisor. Subsequently, the incumbent retired from the position.
- Reclassify the Community Development Coordinator (Range 34) to the Community Development Supervisor (Range 38) and the position will have a distribution of 0.50 FTE in Building & Safety.
- Reclassify the Building Inspection Supervisor (Range 40) to the Building and Safety Manager (Range 43).
- Eliminate one part-time Building Inspector position (0.46 FTE) and add one full-time Building Inspector position (1.00 FTE).
- The Administrative Secretary FTE distribution will be increased from 0.05 FTE to 0.10 FTE to reflect current duties assigned.
- To more accurately reflect current workload, the distribution of the Director of Development Services is increased from 0.05 FTE to 0.10 FTE.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- The conversion of the Business License Program from New World Systems to TrakiT to complete the suite of development modules in the land management system was completed and went live on September 1, 2015.
- The implementation of the Code Trak module within the TrakiT system was completed and went live on September 1, 2015.
- The conversion and implementation of the Police Multiple Disturbance Program and the Mobile Home Park Permit to Operate Program into TrakiT was completed and went live on September 1, 2015.
- Continued assessment of and augmentation to the initial findings of the "On-Site and Facilities" portion of the Self-Evaluation Survey into the City's Americans with Disabilities Act (ADA) Transition Plan. Collaborated with Engineering and Public Works to determine the overall level of compliance with ADA's requirement to remove all barriers to access, whether physical, programmatic, or through policy for all City programs and services.

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: COMMUNITY DEVELOPMENT 300  
PROGRAM: BUILDING & SAFETY 3020

2015-16 PROGRAM ACCOMPLISHMENTS (Continued)

- Completed the inspection process on projects such as Petco and the multi-tenant building located in the Wal-Mart center.
- Issue Certificates of Occupancy to Tractor Supply, Petco, Speed Wash, and several tenants at the multi-tenant building located in the Wal-Mart center.

2016-17 PROGRAM GOALS AND OBJECTIVES

- Implement the Storm Water MS-4 Permitting Program into TrakiT, including all module configuration, custom forms, and reports.
- Launch ETrakiT, the online portal of TrakiT, to allow contractors to manage inspections online.
- As part of the Local Agency Management Plan (LAMP), staff will continue to work jointly with consultant, Lahontan and Mojave Water Agency activity to ensure that the LAMP, which will establish tier-based standards for allowing the continued use of new and replacement onsite water treatment systems, is in place by the required deadline of May 2016. This plan identified levels of nitrate loading and percability of soils within the region.
- Continue to incorporate the findings of the “On-Site and Facilities” portion of the Self-Evaluation Survey into the City’s Americans with Disabilities Act (ADA) Transition Plan. Also, collaborate with Engineering and Public Works to determine the overall level of compliance with ADA’s requirement to remove all barriers to access, whether physical, programmatic, or through policy for all City programs and services.
- Complete plan review on four out-pads at Gateway I, including: Famous Footwear, In-Shape Fitness Center, and two multi-tenant suites.

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Permits Issued	3,221	2,876	3,587	3,945
New Residential Permits	63	84	100	125
Plans Reviewed	2,612	2,349	2,730	2,866
Inspections	7,071	9,150	9,150	9,350
Inspections Per Day Per Inspector	19.6	16.0	16.26	17
Fats, Oil, Grease (FOG) Program – Inspections Performed	249	190	206	250

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FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: CODE COMPLIANCE 305

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 1,241,629	\$ 1,248,898	\$ 1,213,109	\$ 1,127,475	\$ 1,373,997	13%
Benefits	495,116	496,050	529,341	496,821	583,305	10%
Materials & Operations	184,512	172,012	218,561	200,939	209,912	-4%
Contractual	288,899	284,904	333,958	332,682	297,796	-11%
Other Operating	43,558	46,512	48,529	51,342	56,919	17%
Capital Outlay	8,743	0	67,500	68,472	180,000	167%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 2,262,457</b>	<b>\$ 2,248,376</b>	<b>\$ 2,410,998</b>	<b>\$ 2,277,731</b>	<b>\$ 2,701,929</b>	<b>12%</b>

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Code Enforcement	\$ 912,199	\$ 891,279	\$ 952,627	\$ 918,584	\$ 987,819	4%
Animal Control	1,350,258	1,357,097	1,458,371	1,359,147	1,714,110	18%
<b>TOTAL</b>	<b>\$ 2,262,457</b>	<b>\$ 2,248,376</b>	<b>\$ 2,410,998</b>	<b>\$ 2,277,731</b>	<b>\$ 2,701,929</b>	<b>12%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b>DEPARTMENT STAFFING</b>				
Total Full-Time Staff	23.32	23.46	23.46	23.90
Total Part-Time Staff	0.46	0.46	0.46	1.38
<b>Total D.S. Code Compliance Staff</b>	<b>23.78</b>	<b>23.92</b>	<b>23.92</b>	<b>25.28</b>

**DIVISION GOALS FOR 2016-17**

- Implement improvements recommended by the January 2016 audit, which includes the following:
  - Begin facility improvements and design a more efficient re-modeled facility
  - Improve operational efficiency through staff restructuring
  - Seek additional animal rescue partnerships to increase the live release rate of animals
- Continue to utilize the work release clean-up crew, Restoring the Environment for a Cleaner Hesperia (REACH) Program, thirty-six hours per week to remove weeds, illegally dumped tires, illegally dumped trash, and debris throughout the City of Hesperia, as well as assist in four Tire Amnesty Days.
- Continue the established Volunteer Program to include the County WEX volunteers to assist with shelter operations. Increase volunteer base to include volunteers available for events and shelter operations.
- Update Animal Control Ordinances relating to the hearing process and review Title 1 and Title 6 for inconsistencies regarding animal control ordinances.

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	CODE COMPLIANCE	305

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES**

- During the Mid-Year Budget Review, one Animal Control Services Manager position was added (1.00 FTE), and is continued in the FY 2016-17 Budget.
- Eliminate one Animal Control Supervisor position (1.00 FTE).
- Eliminate one vacant Shelter Supervisor position (1.00 FTE).
- Retitle the Animal Control Technicians (Range 7) to Animal Care Technicians (Range 8).
- Add one new Animal Care Technician (1.00 FTE).
- Add two part-time Animal Care Technician position (0.92 FTE).
- The Director of Development Services FTE distribution will be increased from 0.16 FTE to 0.45 FTE to reflect current duties.
- To accurately reflect current workload, the distribution of the Administrative Secretary is increased from 0.30 FTE to 0.45 FTE.
- The FY 2016-17 Budget includes \$80,000 to replace two Animal Control service trucks, which have become very costly to maintain due to the high mileage of the vehicles. The City will replace the current diesel trucks with gasoline powered as the maintenance costs tend to be less with such motors. Saving additional funds, the specialized truck bed and boxes will be reused on the new vehicles, which is included in the \$80,000 vehicle replacement request.
- Funding in the amount of \$100,000 has been included to start making improvements at the Animal Control facility.

<u>DIVISION STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Secretary	0.00	0.30	0.30	0.45
Animal Care Technician	0.00	0.00	0.00	5.00
Animal Control Officer	3.00	3.00	3.00	3.00
Animal Control Supervisor	1.00	1.00	1.00	0.00
Animal Control Technician	4.00	4.00	4.00	0.00
Animal Services Manager	0.00	0.00	0.00	1.00
Code Enforcement Officer	4.00	4.00	4.00	4.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00
Director of Development Services	0.16	0.16	0.16	0.45
Executive Secretary	0.16	0.00	0.00	0.00
Office Assistant	4.00	4.00	4.00	4.00
Senior Animal Control Officer	1.00	1.00	1.00	1.00
Senior Code Enforcement Officer	2.00	2.00	2.00	2.00
Senior Office Assistant	2.00	2.00	2.00	2.00
Shelter Supervisor	1.00	1.00	1.00	0.00
<b>Total Full-Time Staff</b>	<b>23.32</b>	<b>23.46</b>	<b>23.46</b>	<b>23.90</b>
<u>Part-Time Staff</u>				
Animal Care Technician	0.00	0.00	0.00	1.38
Animal Control Technician	0.46	0.46	0.46	0.00
<b>Total Part-Time Staff</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>	<b>1.38</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>23.78</b>	<b>23.92</b>	<b>23.92</b>	<b>25.28</b>

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: CODE COMPLIANCE 305  
PROGRAM: CODE ENFORCEMENT 3010

PROGRAM EXPENDITURE SUMMARY						% Change
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	From 2015-16 Budget
Salaries	\$ 544,139	\$ 538,068	\$ 532,463	\$514,438	\$587,622	10%
Benefits	202,121	190,859	203,354	206,040	234,273	15%
Materials & Operations	54,698	52,169	63,284	56,539	59,110	-7%
Contractual	103,016	96,216	103,662	88,500	88,500	-15%
Other Operating	8,225	13,967	14,864	18,067	18,314	23%
Capital Outlay	0	0	35,000	35,000	0	-100%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 912,199</b>	<b>\$ 891,279</b>	<b>\$ 952,627</b>	<b>\$918,584</b>	<b>\$987,819</b>	<b>4%</b>

#### PROGRAM DESCRIPTION

Code Enforcement provides enforcement of City health, safety, aesthetics, housing, development, and dangerous building codes, and testifies in support of civil, administrative and criminal court cases. Code Enforcement operates seven days per week, with officers working various hours on special projects and a clean-up crew working Monday through Thursdays. Code Enforcement strives to achieve the City Council goal of Public Safety (Goal 1).

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Secretary	0.00	0.15	0.15	0.20
Code Enforcement Officer	4.00	4.00	4.00	4.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00
Director of Development Services	0.10	0.10	0.10	0.20
Executive Secretary	0.10	0.00	0.00	0.00
Office Assistant	1.00	1.00	1.00	1.00
Senior Code Enforcement Officer	2.00	2.00	2.00	2.00
Senior Office Assistant	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>9.20</b>	<b>9.25</b>	<b>9.25</b>	<b>9.40</b>

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- To accurately reflect current workload, the distribution of the Director of Development Services is increased from 0.10 FTE to 0.20 FTE.
- The FTE distribution for the Administrative Secretary is being increased from 0.15 FTE to 0.20 FTE to reflect assigned duties.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- Continued to utilize the work release clean-up crew, Restoring the Environment for a Cleaner Hesperia (REACH) Program, thirty-six hours per week to remove weeds, illegally dumped tires, and trash and debris throughout the City of Hesperia.

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: CODE COMPLIANCE 305  
PROGRAM: CODE ENFORCEMENT 3010

**2015-16 PROGRAM ACCOMPLISHMENTS (Continued)**

- Officers worked outside of regular business hours for special enforcement, such as commercial vehicle parking, illegal dumping, street vendors and hawkers, and unpermitted yard sales.
- Conducted multi-city Code Enforcement Task Force sweeps dealing with issues of business licenses and residential violations.
- REACH crews took approximately 348 loads to Advanced Disposal for a total of approximately 206.94 tons, collected 1,673 tires, 613 mattresses, 341 couches, 437 bags of trash, 310 shopping carts, 49 televisions, and 50 board ups.
- Conducted enforcement against marijuana grow facilities effectively causing the closure of multiple marijuana dispensaries.
- Conducted four Tire Amnesty Days collecting 2,575 tires.
- Successfully conducted training and implementation of the CRW Code TRAKiT module for Code Enforcement personnel.

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Continue to utilize the work release clean-up crew, Restoring the Environment for a Cleaner Hesperia (REACH) Program, thirty-six hours per week to remove weeds, illegally dumped tires, illegally dumped trash, and debris throughout the City of Hesperia, as well as assist in four Tire Amnesty Days.
- Continue to use weekend Code Enforcement hours to proactively focus on reducing illegal street vendors, illegal signage, unpermitted yard/garage sales, and various other violations in addition to regular complaints on a seven-day service schedule.
- Continue to conduct special enforcement programs, concentrating on illegal dumping and commercial vehicle enforcement outside of regular business hours.
- Continue to conduct multi-city Code Enforcement Task Force sweeps addressing various municipal code violations.
- Conduct Citywide proactive sign ordinance violation enforcement.

<b><u>PERFORMANCE AND WORKLOAD INDICATORS</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>
New Enforcement Cases	2,407	2,631	2,596	2,600
Inspections (New and Recheck)	6,047	6,705	6,790	7,000
Notices Issued	1,226	1,394	1,707	1,800
Citations	1,023	943	1,120	1,200
Warrants	124	92	44	44
Court Hearings	26	52	3	10
Administrative Citations	293	480	267	300
Contracted Abatements	24	16	18	25
City Abatements	94	141	74	100

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: CODE COMPLIANCE 305  
PROGRAM: ANIMAL CONTROL 5000

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 697,490	\$ 710,830	\$ 680,646	\$ 613,037	\$ 786,375	16%
Benefits	292,995	305,191	325,987	290,781	349,032	7%
Materials & Operations	129,814	119,843	155,277	144,400	150,802	-3%
Contractual	185,883	188,688	230,296	244,182	209,296	-9%
Other Operating	35,333	32,545	33,665	33,275	38,605	15%
Capital Outlay	8,743	0	32,500	33,472	180,000	454%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,350,258</b>	<b>\$ 1,357,097</b>	<b>\$ 1,458,371</b>	<b>\$ 1,359,147</b>	<b>\$ 1,714,110</b>	<b>18%</b>

**PROGRAM DESCRIPTION**

Animal Control provides a number of public safety functions including rabies control, dog licensing, stray and dangerous animal abatement, hearings for public nuisance, quarantine, and hearings for dangerous and/or vicious animals. These functions are paramount in achieving the City Council's first goal of Public Safety. Animal Control also provides care, shelter, and treatment for unwanted and abused animals. Animal Control maintains a large population of adoptable animals, and the on-site veterinarian provides weekly vaccination and spay/neuter clinics for High Desert residents.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Secretary	0.00	0.15	0.15	0.25
Animal Care Technician	0.00	0.00	0.00	5.00
Animal Control Officer	3.00	3.00	3.00	3.00
Animal Control Supervisor	1.00	1.00	1.00	0.00
Animal Control Technician	4.00	4.00	4.00	0.00
Animal Services Manager	0.00	0.00	0.00	1.00
Director of Development Services	0.06	0.06	0.06	0.25
Executive Secretary	0.06	0.00	0.00	0.00
Office Assistant	3.00	3.00	3.00	3.00
Senior Animal Control Officer	1.00	1.00	1.00	1.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Shelter Supervisor	1.00	1.00	1.00	0.00
<b>Total Full-Time Staff</b>	<b>14.12</b>	<b>14.21</b>	<b>14.21</b>	<b>14.50</b>
<u>Part-Time Staff</u>				
Animal Care Technician	0.00	0.00	0.00	1.38
Animal Control Technician	0.46	0.46	0.46	0.00
<b>Total Part-Time Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.38</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>14.12</b>	<b>14.21</b>	<b>14.21</b>	<b>15.88</b>

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	CODE COMPLIANCE	305
PROGRAM:	ANIMAL CONTROL	5000

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- During the Mid-Year Budget Review, one Animal Control Services Manager position was added (1.00 FTE), and is continued in the FY 2016-17 Budget.
- Eliminate one Animal Control Supervisor position (1.00 FTE).
- Eliminate one vacant Shelter Supervisor position (1.00 FTE).
- Retitle the Animal Control Technicians (Range 7) to Animal Care Technicians (Range 8).
- Add one new Animal Care Technician (1.00 FTE).
- Add two part-time Animal Care Technician position (0.92 FTE).
- The Director of Development Services FTE distribution in Animal Control will be increased from 0.06 FTE to 0.25 FTE to reflect current duties.
- To accurately reflect current workload, the distribution of the Administrative Secretary is increased from 0.15 FTE to 0.25 FTE.
- The FY 2016-17 Budget includes \$80,000 to replace two Animal Control service trucks, which have become very costly to maintain due to the high mileage of the vehicles. The City will replace the current diesel trucks with gasoline powered as the maintenance costs tend to be less with such motors. Saving additional funds, the specialized truck bed and boxes will be reused on the new vehicles, which is included in the \$80,000 vehicle replacement request.
- Funding in the amount of \$100,000 has been included to start making improvements at the Animal Control facility.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- Continued “Buy One, Get One Free” (BOGO) Program to increase adoptions and decrease euthanasia.
- Staff continued to successfully operate a cat adoption program through PetSmart Adoption Charities in Apple Valley and Victorville PetSmart. Monies paid to the City through the participation in the PetSmart Charities are put back into the Shelter’s Adoption Program. There were 234 cat adoptions from July 2014 through June 2015. There were 98 cat adoptions from July 2015 through December 2015.
- Maintained a Hesperia Animal Shelter Facebook Page.
- Hesperia Animal Control, in cooperation with other High Desert Animal Control Departments, worked together in preparing animal disaster preparedness procedures.
- Participated in the Animal Cruelty Taskforce and Rural Crimes Taskforce.
- Continued the established Volunteer Program to include the County WEX volunteers to assist with shelter operations. Increase volunteer base to include volunteers available for events and shelter operations.
- Continued to train staff on new shelter software program to include impounding of animals and dispatching calls.
- Increased visibility of animal services through media, events, City of Hesperia webpage, PetHarbor.com webpage and Facebook page.
- Reviewed and updated citation and Notice of Violation forms to indicate new ordinances and procedures.
- Continued to provide proactive enforcement on a five-day service, and emergency services on weekends, focusing on animal licensing and public safety.
- Developed relationships with animal rescue groups to increase live release rates of animals.
- Developed reports through the Chameleon Program to facilitate responses to the public for records requests on animal disposition, bite reports, and citations.

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	CODE COMPLIANCE	305
PROGRAM:	ANIMAL CONTROL	5000

## 2016-17 PROGRAM GOALS AND OBJECTIVES

- Continue the established Volunteer Program to include the County WEX volunteers to assist with shelter operations. Increase volunteer base to include volunteers available for events and shelter operations.
- Identify sources and apply for a targeted spay/neuter grant.
- Update Animal Control Ordinances relating to the hearing process and review Title 1 and Title 6 for inconsistencies regarding animal control ordinances.
- Continue to increase visibility of animal services through media, events, webpage, and Facebook page.
- Continue to provide proactive enforcement on a five-day service, and emergency services on weekends, focusing on animal licensing and public safety.
- Review and revise department policies and procedures as necessary.
- Evaluate feasibility of partnering with a 501(c)3 to help with community outreach.
- Re-establish a community outreach education program through the City of Hesperia events, school programs, shelter tours, and community programs.
- Update adoption forms to be used in the Chameleon software program.

## PERFORMANCE AND WORKLOAD INDICATORS

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Officer call response	14,071	7,113	7,700	8,300
Citations & Notice of Violations	561	605	620	*1,800
Hearings	19	19	35	35
Owner Turn-in-Alive	1,232	1,301	1,400	1,400
Owner Turn-in-Deceased	44	108	100	100
Strays Recovered-Alive	4,557	4,547	4,600	4,800
Strays Recovered-Deceased	629	470	450	450
Seized/Abandoned/Agency Assist	80	112	190	175
Return to Owners	644	558	675	725
Animals Adopted/Rescued	2,131	1,921	2,300	2,400
Animals Euthanized	3,258	3,153	2,130	1,650
Transfer to another Agency	14	17	8	10
Animal Licenses Issued	10,304	10,000	10,500	10,500
Number of Animals Processed (Intake)	6,462	6,284	6,500	6,500

\*FY 2016-17 Notice of Violations was added to Citations indicators

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FUNDS: GENERAL FUND 100 AND STREETS MAINTENANCE FUND 263  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: PUBLIC WORKS 310

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 1,990,857	\$ 1,894,344	\$ 1,924,269	\$ 1,793,667	\$ 1,927,193	0%
Benefits	770,836	746,631	783,784	761,394	787,143	0%
Materials & Operations	901,055	874,033	951,237	873,391	967,717	2%
Contractual	638,373	906,282	1,490,864	1,163,943	1,407,234	-6%
Other Operating	310,277	394,215	338,977	484,531	461,238	36%
Capital Outlay	47,458	155,856	196,000	71,840	609,342	211%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 4,658,856</b>	<b>\$ 4,971,361</b>	<b>\$ 5,685,131</b>	<b>\$ 5,148,766</b>	<b>\$ 6,159,867</b>	<b>8%</b>

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
<b>Street Maintenance (263)</b>						
3150 Street Maintenance	3,139,317	3,297,772	3,325,310	3,213,188	3,683,396	11%
<b>Total Fund Street Maintenance (Fund 263)</b>	<b>\$ 3,139,317</b>	<b>\$ 3,297,772</b>	<b>\$ 3,325,310</b>	<b>\$ 3,213,188</b>	<b>\$ 3,683,396</b>	<b>11%</b>
<b>General Fund (100)</b>						
3100 Engineering	\$ 584,162	\$ 683,162	\$ 621,948	\$ 558,619	\$ 678,535	9%
3110 Building Maintenance	935,377	921,471	1,072,373	989,967	1,262,436	18%
CIP	0	68,956	665,500	386,992	535,500	-20%
<b>Total General Fund (100)</b>	<b>\$ 1,519,539</b>	<b>\$ 1,673,589</b>	<b>\$ 2,359,821</b>	<b>\$ 1,935,578</b>	<b>\$ 2,476,471</b>	<b>5%</b>
<b>Total Public Works</b>	<b>\$ 4,658,856</b>	<b>\$ 4,971,361</b>	<b>\$ 5,685,131</b>	<b>\$ 5,148,766</b>	<b>\$ 6,159,867</b>	<b>8%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b>DEPARTMENT STAFFING</b>				
Total Full-Time Staff	33.90	33.20	33.90	31.85
Total Part-Time Staff	0.46	0.46	0.46	3.45
<b>Total D.S. Public Works Staff</b>	<b>34.36</b>	<b>33.66</b>	<b>34.36</b>	<b>35.30</b>

**DIVISION GOALS FOR 2016-17**

- Continue to operate a Graffiti Removal Program to keep the City graffiti free.
- Continue to maintain storm drain facilities, retention basins, and associated dry wells consistent with State and Federal law.

FUNDS:	GENERAL FUND 100 AND STREETS MAINTENANCE FUND	263
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310

#### DIVISION GOALS FOR 2016-17 (Continued)

- Continue to maintain existing roads to provide a safe, reliable road system by:
  - Completing pavement repairs (potholes, shoulder grading, trenches, etc.).
  - Repairing/replacing all damaged or missing regulatory signs, and maintaining legible legends striping and curb markings.
  - Sweeping major roadways on a regular basis.
  - Keep all traffic signals operating as efficiently as possible.

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

##### Streets Maintenance

- Funding in the amount of \$392,000 has been included for the purchase of a new vactor (\$214,000 half the cost), crack seal machine (\$86,000) and skip loader (\$92,000).
- Eliminate the City Engineer position (0.25 FTE) and add \$50,000 for contractual engineering services.
- Eliminate one vacant Public Works Director (0.50 FTE) position.
- Reclassify the Public Works Supervisor (1.00 FTE) to a Public Works Manager (Range 43) with a distribution of 0.80 FTE in Streets Maintenance.
- Eliminate one vacant Senior Office Assistant (0.30 FTE) position.
- Eliminate one vacant Senior Office Assistant position with a distribution of 0.50 FTE in Streets Maintenance and add one part-time Office Assistant position with a distribution of 0.23 FTE in Streets Maintenance.
- Add six (6) part-time Maintenance Worker positions, each with a distribution of 0.46 FTE, for a total addition of 2.76 FTE have been added to have an enhanced crack seal street maintenance effort to help preserve City streets.
- The Director of Development Services FTE distribution will be decreased to 0.10 FTE from 0.30 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.15 FTE to 0.10 FTE and causes the total FTE allocation to decrease from 0.65 FTE to 0.60 FTE, which is due to having two split funded Administrative Secretary positions coded to this program.
- To more accurately reflect current workload, the distribution of the Management Analyst will now include 0.20 FTE.

##### Engineering

- Eliminate the City Engineer position (0.25 FTE) and add \$50,000 for contractual engineering services.
- Eliminate one vacant Senior Office Assistant position with a distribution of 0.35 FTE in Public Works Engineering.
- To accurately reflect current workload, the distribution of the Director of Development Services will now include 0.10 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.15 FTE to 0.10 FTE to reflect assigned duties.
- The FTE distribution for the Management Analyst of 0.30 FTE is being added and increases the total FTE allocation from 0.50 FTE to 0.80 FTE, which is due to two split funded Management Analyst positions coded to this program.

FUNDS: GENERAL FUND 100 AND STREETS MAINTENANCE FUND 263  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: PUBLIC WORKS 310

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES (Continued)**

Building Maintenance

- Funding in the amount of \$107,800 has been included for various facility maintenance projects which includes electrical maintenance/repairs at the Civic Park, exterior painting of steel structures at City Hall, maintenance/repair work at the County Library, the fabrication and installation of handrails at Cinema West 12 parking lot, and miscellaneous maintenance.

<u>DIVISION STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.50	0.50	0.50	0.50
Administrative Secretary	0.50	0.80	0.80	0.70
Assistant Engineer	0.35	0.35	0.35	0.35
City Engineer	0.50	0.50	0.50	0.00
Community Development Technician	0.25	0.25	0.25	0.25
Construction Inspection Supervisor	0.35	0.35	0.35	0.35
Construction Inspector	1.45	1.15	1.15	1.15
Custodian	1.00	1.00	1.00	1.00
Director of Development Services	0.30	0.30	0.30	0.20
Engineering Technician	0.40	0.40	0.40	0.40
Equipment Operator	4.30	4.30	4.30	4.30
Executive Secretary	0.30	0.00	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Geographical Information Systems Manager	0.30	0.30	0.30	0.30
Geographical Information Systems Technician	0.30	0.30	0.30	0.30
Maintenance Crew Supervisor	2.30	2.30	2.30	2.30
Maintenance Worker	9.10	9.10	9.40	9.40
Management Analyst	0.00	0.00	0.50	1.00
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.75	0.75	0.75	0.75
Public Works Director	0.50	0.50	0.50	0.00
Public Works Manager	0.00	0.00	0.00	0.80
Public Works Supervisor-Streets	1.00	1.00	1.00	0.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Engineering Technician	0.40	0.00	0.00	0.00
Senior Maintenance Worker	5.90	5.90	5.80	5.80
Senior Office Assistant	1.15	1.15	1.15	0.00
<b>Total Full-Time Staff</b>	<b>33.90</b>	<b>33.20</b>	<b>33.90</b>	<b>31.85</b>
<u>Part-Time Staff</u>				
Custodian	0.46	0.46	0.46	0.46
Maintenance Worker	0.00	0.00	0.00	2.76
Office Assistant	0.00	0.00	0.00	0.23
<b>Total Part-Time Staff</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>	<b>3.45</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>34.36</b>	<b>33.66</b>	<b>34.36</b>	<b>35.30</b>

FUND: STREETS MAINTENANCE FUND 263  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: PUBLIC WORKS 310  
PROGRAM: STREET MAINTENANCE 3150

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 1,558,587	\$ 1,499,984	\$ 1,490,854	\$ 1,397,662	\$ 1,484,054	0%
Benefits	609,557	592,300	610,289	593,674	608,555	0%
Materials & Operations	394,406	407,731	462,680	388,118	470,740	2%
Contractual	348,710	385,210	467,240	438,347	489,300	5%
Other Operating	180,599	256,691	223,247	323,547	238,747	7%
Capital Outlay	47,458	155,856	71,000	71,840	392,000	452%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 3,139,317</b>	<b>\$ 3,297,772</b>	<b>\$ 3,325,310</b>	<b>\$ 3,213,188</b>	<b>\$ 3,683,396</b>	<b>11%</b>

#### PROGRAM DESCRIPTION

The Street Maintenance Division is responsible for operations and maintenance of the street and right-of-way network within the City. These responsibilities include, but are not limited to, street and shoulder repair, crack sealing, asphalt repair of water trenches, sign maintenance, traffic signal maintenance, striping, street sweeping, weed abatement, graffiti removal, flood control, box culverts, debris removal, ice control, and support of Code Compliance issues and City-sponsored functions. This Division is responsible for ensuring safe traffic flow within the City through the proper use and maintenance of signs and markings, traffic signals, and related traffic control devices, practices, and techniques. This program is also responsible for the maintenance of all storm water inlets and outlets and to ensure that they remain unobstructed for the free flow of storm water runoff.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.25	0.25	0.25	0.25
Administrative Secretary	0.50	0.65	0.65	0.60
Assistant Engineer	0.20	0.20	0.20	0.20
City Engineer	0.25	0.25	0.25	0.00
Construction Inspection Supervisor	0.25	0.25	0.25	0.25
Construction Inspector	0.30	0.30	0.30	0.30
Director of Development Services	0.30	0.30	0.30	0.10
Engineering Technician	0.20	0.20	0.20	0.20
Equipment Operator	4.30	4.30	4.30	4.30
Executive Secretary	0.30	0.00	0.00	0.00
Geographical Information Systems Manager	0.15	0.15	0.15	0.15
Geographical Information Systems Technician	0.15	0.15	0.15	0.15
Maintenance Crew Supervisor	2.30	2.30	2.30	2.30
Maintenance Worker	9.10	9.10	9.40	9.40
Management Analyst	0.00	0.00	0.00	0.20
Office Assistant	0.80	0.80	0.80	0.80

FUND: STREETS MAINTENANCE FUND 263  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: PUBLIC WORKS 310  
PROGRAM: STREET MAINTENANCE 3150

<u>PROGRAM STAFFING (Continued)</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff (Continued)</u>				
Public Works Director	0.50	0.50	0.50	0.00
Public Works Manager	0.00	0.00	0.00	0.80
Public Works Supervisor-Streets	1.00	1.00	1.00	0.00
Senior Engineering Technician	0.20	0.00	0.00	0.00
Senior Maintenance Worker	5.90	5.90	5.80	5.80
Senior Office Assistant	0.80	0.80	0.80	0.00
<b>Total Full-Time Staff</b>	<b>27.75</b>	<b>27.40</b>	<b>27.60</b>	<b>25.80</b>
<u>Part-Time Staff</u>				
Maintenance Worker	0.00	0.00	0.00	2.76
Office Assistant	0.00	0.00	0.00	0.23
<b>Total Part-Time Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.99</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>27.75</b>	<b>27.40</b>	<b>27.60</b>	<b>28.79</b>

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Funding in the amount of \$392,000 has been included for the purchase of a new vactor (\$214,000 half the cost), crack seal machine (\$86,000) and skip loader (\$92,000).
- Eliminate the City Engineer position (0.25 FTE) and add \$50,000 for contractual engineering services.
- Eliminate one vacant Public Works Director (0.50 FTE) position.
- Reclassify the Public Works Supervisor (1.00 FTE) to a Public Works Manager (Range 43) with a distribution of 0.80 FTE in Streets Maintenance.
- Eliminate one vacant Senior Office Assistant (0.30 FTE) position.
- Eliminate one vacant Senior Office Assistant position with a distribution of 0.50 FTE in Streets Maintenance and add one part-time Office Assistant position with a distribution of 0.23 FTE in Streets Maintenance.
- Add six (6) part-time Maintenance Worker positions, each with a distribution of 0.46 FTE, for a total addition of 2.76 FTE have been added to have an enhanced crack seal street maintenance effort to help preserve City streets.
- The Director of Development Services FTE distribution will be decreased to 0.10 FTE from 0.30 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.15 FTE to 0.10 FTE and causes the total FTE allocation to decrease from 0.65 FTE to 0.60 FTE, which is due to having two split funded Administrative Secretary positions coded to this program.
- To more accurately reflect current workload, the distribution of the Management Analyst will now include 0.20 FTE.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- Maintained 3,780 street signs, and replaced 420 street signs due to vandalism, theft, and traffic collisions.
- Completed multi-year project of replacing old county street name signs with new State and Federal approved signs a year ahead of schedule (3 years in lieu of 4 years).
- Painted 1,500 legends and crosswalks throughout the City.
- Removed graffiti from 3,000 public and private locations within the City.

FUND:	STREETS MAINTENANCE FUND	263
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310
PROGRAM:	STREET MAINTENANCE	3150

#### 2015-16 PROGRAM ACCOMPLISHMENTS (Continued)

- Administered service contracts that provide street sweeping to all housing tracts and the following arterials: Main Street, Bear Valley, "I" Avenue, "E" Avenue, Hesperia Road, Seventh Avenue, Rancho Road, and Rancho Road/I-15 overpass area. Quarterly sweeping of bike lanes.
- Provided annual striping services by restriping over 900,000 linear feet of streets and bike lanes to maintain safe guidance for all motorists.
- Provided services for weed abatement to provide a clean appearance to the right-of-way, expanding service to include the Rancho Road/I-15 interchange and Rancho Road underpass.
- Provided improved traffic signal maintenance for 27 intersections by continuing to develop an in-house maintenance program to reduce costs and maintain consistent operation of the entire system. Contract services costs have been reduced from \$133,000 in Fiscal Year (FY) 2007-08 to an anticipated \$15,500 in FY 2015-16 (Republic/Siemens contract).
- Provided weekly bus shelter maintenance ensuring clean shelters for City customers.
- Used 1,200 tons of asphalt to pave 120,000 square feet of roads, trench repairs, and 11,000 linear feet of berm.
- Used 150 tons of cold mix to repair 20,000 potholes.
- Completed 20,000 square feet of trench repair for Water Division.
- Hauled 20,000 yards of material in the process of debris removal, shoulder backfill, and dirt road rebuilding.
- Graded 65 miles of dirt roads.
- Crack-sealed 200,000 linear feet of cracks on 15 miles of road.
- Cleaned and maintained 15 seepage pits located in storm water retention basins.
- Hydro-cleaned and flushed 185 storm drains.

#### 2016-17 PROGRAM GOALS AND OBJECTIVES

- Maintain existing roads to provide a safe, reliable road system:
  - Complete pavement repairs as needed to provide a safe driving surface, including pothole repair, overlays, shoulder paving, crack-sealing, trench repair for Water Division, and other maintenance related to asphalt pavement management. Minimize shoulder erosion and debris from storm by paving berms and shoulders at problem areas.
  - Provide services for weed abatement and tree trimming in City right-of-ways to maintain safe movement of pedestrian and vehicle traffic.
  - Grade dirt roads for an improved ride every 12 to 18 weeks, or as needed.
  - Minimize flood damage on public right-of-ways by removing flood debris from right-of-way, maintain detention ponds owned by the City, and maintain box culverts, including inlet and outlet areas and open concrete channels. Repair shoulders damaged by storms.
  - Street sweeping shall be performed on a weekly and monthly basis so that streets will be free of debris and trash.
  - Keep storm drains free and unobstructed, and proactively clean and flush the storm drain systems.
  - To increase crack sealing by 100,000 linear feet and 10 miles with the addition of six (6) part-time employees for 4 months a year.
- Maintain storm water crossings on roadways by installing concrete "cut off walls" and rip rap.

FUND: STREETS MAINTENANCE FUND 263  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: PUBLIC WORKS 310  
PROGRAM: STREET MAINTENANCE 3150

2016-17 PROGRAM GOALS AND OBJECTIVES (Continued)

- Legends, striping, and curb markings shall be maintained:
  - Continue to maintain legend, striping, and curb markings throughout the City.
  - Stripe City streets on an annual basis (approximately 900,000 lineal feet).
- Provide safe and efficient traffic movement throughout the City:
  - Monitor Traffic Control System and ensure an adequate preventative program is in place and maintained by current employees in place of contract services.
  - Provide adequate training to ensure that personnel properly maintain traffic signal controllers to minimize downtime, as well as contractor call-outs.
  - Inspect traffic control signs identified in the Manual on Uniform Traffic Control Devices every 18 months for reflectivity by utilizing a retroreflectometer.
  - Replace downed stop signs within one hour of notification. Replace all other regulatory signs within one working day. Replace/repair information signs within five working days.
  - Keep the City graffiti free. Respond within twenty-four hours of reporting to eliminate graffiti, and continue to develop strategies to fight graffiti collectively with law enforcement and the community.
  - Work with the Police Department to document and provide information for the potential prosecution of suspects apprehended for painting graffiti.

PERFORMANCE AND

<u>WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Pavement Repaired (Square Feet)	158,819	121,463	120,000	150,000
Pavement Repaired/Water Patches (Sq. Ft.)	29,767	47,164	20,000	30,000
Berms Constructed (Feet)	6,957	9,550	11,000	9,500
Hot Mix (Tons)	1,639	1,900	1,200	1,500
Potholes Repaired	19,086	21,945	20,000	20,000
Cold Mix (Tons)	183	189	150	180
Dirt Roads Graded (Miles)	61	81	65	65
Shoulders Graded (Miles)	22	31	35	30
Debris Removed (Loads)	1,397	1,295	1,500	1,200
Fill Dirt (Loads)	616	723	600	600
Legends Painted	1,116	2,665	1,500	2,500
Signs Maintained	6,602	4,783	4,200	4,800
Graffiti Sites Addressed	4,031	3,400	3,000	3,000
Striping (Feet)	693,500	904,202	900,000	900,000
Street Sweeping (Curb Miles)	1,063	3,650	3,750	3,750

FUND:	STREETS MAINTENANCE FUND	263
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310
PROGRAM:	STREET MAINTENANCE	3150

PERFORMANCE AND

<u>WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Storm Drains Cleaned (Counts)	1,063	94	185	150
Crack-Seal (Feet)	159,203	181,768	200,000	300,000
Roads Crack-Sealed (Miles)	8	13	15	25
Slurry Seal (Miles)	9.3	14.5	4.7	7.61

Hesperia has 628 miles of roads, with 558 paved and 70 unpaved.

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: PUBLIC WORKS 310  
PROGRAM: ENGINEERING 3100

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 310,983	\$ 284,868	\$ 313,445	\$285,692	\$316,653	1%
Benefits	107,089	98,945	112,559	105,932	111,054	-1%
Materials & Operations	21,912	12,777	16,675	18,046	22,698	36%
Contractual	120,637	270,791	151,190	130,370	200,250	32%
Other Operating	23,541	15,781	28,079	18,579	27,880	-1%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 584,162</b>	<b>\$ 683,162</b>	<b>\$ 621,948</b>	<b>\$558,619</b>	<b>\$678,535</b>	<b>9%</b>

#### PROGRAM DESCRIPTION

The Engineering Division is responsible for the planning, design, and construction of the infrastructure of the City to address the needs of the community today, as well as twenty years into the future and beyond (City Council goal 6 – Capital Improvement). The Division also reviews all development proposals to ensure that they conform to City codes and standards, and provides technical input to street, traffic, transit, and wastewater member agencies. The Division also oversees many aspects of the City's Capital Improvement Program, most notably the Annual Paving Program and street, wastewater, potable water, and storm drain related construction projects. The Engineering Division has taken over the traffic engineering responsibilities and works closely with the Public Works Department to respond to these issues. The Program will also be responsible for assisting the Development Services Director with compliance related to the City's Municipal Storm Water MS4 permit in connection with the Federal Clean Water Act.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.25	0.25	0.25	0.25
Administrative Secretary	0.00	0.15	0.15	0.10
Assistant Engineer	0.15	0.15	0.15	0.15
City Engineer	0.25	0.25	0.25	0.00
Community Development Technician	0.25	0.25	0.25	0.25
Construction Inspection Supervisor	0.10	0.10	0.10	0.10
Construction Inspector	1.15	0.85	0.85	0.85
Director of Development Services	0.00	0.00	0.00	0.10
Engineering Technician	0.20	0.20	0.20	0.20
Geographical Information Systems Manager	0.15	0.15	0.15	0.15
Geographical Information Systems Technician	0.15	0.15	0.15	0.15
Management Analyst	0.00	0.00	0.50	0.80
Office Assistant	0.20	0.20	0.20	0.20
Project Construction Manager	0.75	0.75	0.75	0.75
Senior Engineering Technician	0.20	0.00	0.00	0.00
Senior Office Assistant	0.35	0.35	0.35	0.00
<b>Total Full-Time Staff</b>	<b>4.15</b>	<b>3.80</b>	<b>4.30</b>	<b>4.05</b>

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310
PROGRAM:	ENGINEERING	3100

### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Eliminate the City Engineer position (0.25 FTE) and add \$50,000 for contractual engineering services.
- Eliminate one vacant Senior Office Assistant position with a distribution of 0.35 FTE in Public Works Engineering.
- To more accurately reflect current workload, the distribution of the Director of Development Services will now include 0.10 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.15 FTE to 0.10 FTE to reflect assigned duties.
- The FTE distribution for the Management Analyst of 0.30 FTE is being added and increases the total FTE allocation from 0.50 FTE to 0.80 FTE, which is due to two split funded Management Analyst positions coded to this program.

### 2015-16 PROGRAM ACCOMPLISHMENTS

- Updated the City's Capital Improvement Program by adjusting the priorities of projects, based upon the anticipated funding levels that were available.
- Completed the City's FY 2014-15 Annual Street Improvement Program. This project was advertised in June, 2015, with the work being completed in March, 2016. This work included rehabilitation of Main Street from Oakwood Avenue to Balsam Avenue, traffic signal upgrades at the intersection of Main Street and I Avenue, full depth reclamation of Walnut, Pacific and E Avenues, 14.5 miles of slurry maintenance, and traffic signal detection upgrades at the intersection of the Main Street and Cottonwood Avenue.
- The Geographical Information Systems (GIS) staff completed the reconciliation of New World customer account data to improve the interface with the GIS system. GIS staff worked with Building and Safety staff on the CRW Code and Business License implementation. The GIS manager continues to work closely with Engineering and the City's outside consultants on the Hydraulic Models (Water, Sewer, and Recycled Water) to ensure the GIS data and models are consistent and accurate.
- Continued the implementation of the City's Flood Hazard Protection Ordinance through the acquisition of drainage easements where required, and reviewed all development that is potentially impacted by storm water run-off. Recent Federal Legislation has changed the rating of flood policies, and as a result many home owners have seen their rates increase exponentially. Due to training and his recent certification as a Floodplain Manager, the City Engineer was able to assist several property owners with property in FEMA flood zones, saving thousands of dollars on their policies.
- Development Services staff continued to file its Annual Report for compliance with the City's MS4 Stormwater Permit based upon the requirements of its second year under the new General Permit. Staff worked with the Mojave River Watershed Group and the Regional Water Quality Control Board (Lahontan) to develop its implementation plan to meet the requirements of the new General Permit. Consistent with this goal, the City filled the storm water management analyst position.

City staff continues to maintain credentials as required under the General Construction Stormwater Permit. The two categories that City staff maintains certifications in are Qualified Stormwater Pollution Prevention Plan (SWPPP) Developer (QSD), and Qualified SWPPP Practitioner (QSP). The City currently has three staff members with QSP certifications and now has two with QSD certification. These certifications require annual training and bi-annual renewal fees to remain current, which staff has met. It is expected that the State will make continuing education a requirement for these renewals soon.

- Utilizing Community Development Block Grant (CDBG) funds, the City advertised and awarded a construction contract to Match Corporation to pave two existing dirt roads (Fir and Rodeo Streets). The project marked the first time that CDBG funds were utilized to pave dirt roads. The project was completed in May, 2016.

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310
PROGRAM:	ENGINEERING	3100

#### 2015-16 PROGRAM ACCOMPLISHMENTS (Continued)

- City Staff worked with its environmental consultant to obtain the environmental clearance for the mitigation repairs of the H-01 drain line at Third Avenue. This FEMA funded project will extend the double ten-foot diameter storm drain from Fourth Avenue to a culvert at Third Avenue. City staff is working with the City's advocate to determine the level of permitting which will be required by the Army Corps of Engineers and the State Water Quality Control Board. Depending on the conditions and mitigations required as part of the permits, this project may or may not be economically viable.
- Staff continued to work with SANBAG to complete the required Measure I reporting, as well as addressed any issues or questions that arose during the Measure I audit. The new Measure I transportation bill, which was passed by the voters in 2010, has done away with differentiating between arterial and local roadway expenditures, but the frequency and number of reports required has increased. Staff now completes four different reports for Measure I compliance, one of which is due each quarter.
- Engineering staff prepared a site plan to expand the existing Park and Ride located at Joshua Street and Highway 395 using survey generated by a consultant and obtained a land use entitlement through the City's Development Review Committee (DRC). Tom Dodson and Associates was hired to prepare the Preliminary Environmental Assessment, which was submitted to Caltrans for review in March, 2012. Since that time, Caltrans has asked for additional environmental documents and revisions which are being addressed by the consultant. The last round of comments were insignificant, so City staff is expecting to have environmental clearance completed before the end of the fiscal year. Engineering staff completed the entire set of civil engineering plans, including grading, street, lighting, and landscape plans in-house, and the project will be ready to bid once yhe City receives environmental clearance.
- Continued to provide timely and professional plan checking and inspection services to the development community utilizing existing City staff on commercial and smaller residential tracts. Engineering staff has contracted with Hall and Foreman Engineers (now known as David Evans and Associates) to provide engineering plan review services for larger residential developments, and now offers expedited plan check services for Parcel Maps through the County of San Bernardino Surveyor's Office.
- A Categorical Exclusion (CE) environmental clearance was obtained for the Willow Street Paseo project which enabled staff to move into the design phase for the project upon approval by the California Transportation Commission (CTC). This project will construct a pedestrian/bicycle paseo along both sides of Willow Street from Third to Eighth Avenues, connecting with the Eighth Avenue Paseo. Staff circulated a request for proposals (RFP) and awarded the design of the project to Valued Engineering, based on their experience with similar projects. This project, which is being funded through a Federal Safe Routes to School Grant, is expected to begin construction in FY 2016-17.
- In order to conform to the American with Disabilities Act (ADA), the City is required to inventory all its roadway pedestrian paths of travel (sidewalks) to ensure that they meet the latest standards for accessible paths of travel. Although all the improvements do not have to be constructed immediately, a plan describing the necessary improvements and a schedule for their construction needs to be completed. This plan is called a Transition Plan, and the majority of the field inspection work was completed this fiscal year. Significant changes being adopted by Federal Agencies will cause the State to adopt new standards for construction in street rights of way, thus forcing the City to adopt new standards, especially at intersections. This will cause a delay in the completion of the Plan. Some improvements outside of intersections will be completed utilizing Community Development Block Grant (CDBG) funds over the next fiscal year.
- City staff was successful in obtaining two grants through the State's Active Transportation Program (ATP). The first is to extend the Willow Avenue Paseo west past Eleventh Avenue into the Hesperia Junior High School. The second grant received was for the extension of the Bear Valley Road Bicycle Bypass. This Class II bicycle facility will continue the alignment of the facility along Sequoia Street and connect with the Outer Bear Valley Road.

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310
PROGRAM:	ENGINEERING	3100

#### 2015-16 PROGRAM ACCOMPLISHMENTS (Continued)

- Staff continued to work closely with the Victor Valley Transit Agency (VVTA) during the third year implementation of VVTA's most current Comprehensive Operational Analysis. This short and long range planning tool assists VVTA in providing the most efficient transit services practicable, while balancing the economic solvency of its member agencies. The first two years' changes to Hesperia's routes were minor, but one of the third year recommendations is to incorporate a new route to serve the Oak Hills community, along with San Joaquin Valley College on Mariposa Road. This new route would necessitate the relocation of the City's transfer point to City Hall, so staff is working with VVTA to determine the viability of this route.
- City staff was successful in obtaining an Air Quality Grant through the Mojave Desert Air Quality Management District (MDAQMD) for traffic signal coordination along Main Street from I Avenue to Eleventh Avenue. The project will utilize the latest in real time adaptive signal controllers that "sees" traffic in the intersections and adjusts signal phasing and timing based on "real-time" traffic conditions. The City has purchased the equipment and is processing the contract with the installation firm. The intersection at Main Street and E Avenue will be upgraded to provide a protected left turn phase for the north and south bound movements as part of the project.

#### 2016-17 PROGRAM GOALS AND OBJECTIVES

- The FY 2015-16 Annual Street Improvement Program will be completed utilizing Measure I transportation funds to maintain roadways throughout the City. The City will once again perform a crack seal and slurry seal project to maintain many of the roadways that it has rehabilitated over the last fifteen years. Main Street, from La Junta Avenue to Oakwood Avenue, will have a full-depth rehabilitation as will sections of Fourth Avenue and Talisman Street. Traffic Signal upgrades will be performed as part of the traffic signal coordination project along Main Street. The project is expected to be advertised for bid in March and begin construction in May.
- The FY 2016-17 Annual Street Improvement Program will once again concentrate on the maintenance of roadways throughout the City. The City will perform a crack seal and slurry seal project to maintain many of the roadways that it has rehabilitated over the last ten years. As in previous years, full-depth rehabilitation of a section of Main Street will be the highest priority, as well as traffic signal upgrades.
- Continue to implement the City's Flood Hazard Protection Ordinance through the acquisition of drainage easements where required, review all development that is potentially impacted by storm water run-off, and maintain required certifications while staying abreast of the ever-changing FEMA regulations.
- Staff will determine the viability and expected costs associated with the construction of mitigation improvements at the outlet of the H-01 storm drain facility between Fourth and Third Avenues. City staff is trying to obtain a response from Caltrans staff related to the availability of the FEMA funds and will then make a presentation to the City Council for their determination on how to proceed with the project.
- The Geographical Information Systems (GIS) staff is currently working on Cityworks 2014 and ArcGIS 10.3.1 upgrades. The upgrades are scheduled to be completed by June, 2016. GIS staff is working closely with IT and Public Works employees during the Cityworks/GIS updating process and will provide technical support to provide a seamless installation of new software.
- As the City's representative to the Technical Advisory Committee at the Victor Valley Transit Agency (VVTA), the City Engineer will work closely with VVTA during the implementation of the year four recommendations from the Comprehensive Operational Analysis. Included in the recommendations is a carry-over from year three, a new route which will service the freeway corridor, including the San Joaquin Valley College on Mariposa Road. This new Route 24 will provide a direct linkage between the County Route in Phelan, and the City of Hesperia. It is imperative to recommend to the VVTA Board a logical plan for incorporating new services (such as Route 24) that address any unmet transit needs for Hesperia residents, while ensuring a small percentage of Local Transportation Funds (LTF) come back to the City for its roadway maintenance.

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310
PROGRAM:	ENGINEERING	3100

#### 2016-17 PROGRAM GOALS AND OBJECTIVES (Continued)

- Continue to support the various departments and divisions throughout the City through the production of maps, exhibits, and applications through Geoviewer and Cityworks to make the most productive use of the City's GIS Map while meeting the demands of all City staff. Chief among this task is the support for Grants, such as Active Transportation Program and future Article 3 Grants.
- Continue to provide timely and professional plan checking and inspection services to the development community utilizing existing City staff when possible. Due to expected increase in development activity, the City is offering contract plan checking services for parcel maps through the County's Surveyor Office and may utilize contract services for additional plan checking and inspection services if the vacant engineering staff positions are not filled.
- Work with the Mojave River Watershed Group and Development Services staff to implement the year four requirements of the City's MS4 Stormwater Permit. The new permit also has requirements that will require revising City development codes and adding new provisions to meet the permit. The City's new Stormwater Manager will be responsible for this work as well as developing a set of standards and specifications, which can be provided to developers working within the City. The City also received a grant from CASQA to have an engineering firm assist the City with revising its landscape ordinances to include Low Impact Development (LID) standards. This will enable the City to meet the LID component of the permit, which went into place in July, 2015.
- Ensure that the City complies with the State's General Stormwater Construction permit by participating in the required training necessary for its staff members to keep their certifications as Qualified SWPPP Developer (QSD) and Practitioner (QSP) current. At the same time, staff will ensure that all new development meet the requirements under the permit and upload the project on the State's internet based tracking system, called the Stormwater Multi Application Reporting and Tracking System (SMARTS).
- Design of Phase I of the Willow Street Paseo project along both sides of Willow Street from Third to Eighth Avenues will be completed early in this fiscal year, enabling staff to proceed to construction on the project. The City can now be reimbursed for all phases of the project, including the engineering design services, through a Federal Safe Routes to School Grant. Construction is expected to be completed this fiscal year.
- Continue to work toward the completion of the expansion of the Park and Ride facility on Joshua Street at Highway 395. Engineering staff will complete the construction bid package, file a SWPPP for the project with the State, and continue to assist Tom Dodson and Associates with obtaining environmental clearance through Caltrans. Once all these tasks are complete, the project can be bid for construction. State and local air quality grants are being utilized to fund the project, and it is anticipated that the project will be constructed in FY 2016-17.
- Engineering staff will continue to work on a system to prioritize roadways for rehabilitation and maintenance. This system will utilize new templates that operate within the latest version of the Cityworks program and will be completely integrated with the City's GIS Map. The templates will have ratings for all roadways throughout the City based on visual inspections of the streets. Many of these inspections have already been completed by City Construction Inspectors and staff will work on developing the templates.
- Engineering staff will begin work on the two projects which were awarded grant funds in FY 2015-16, Phase II of the Willow Street Paseo (Eighth Avenue to Cypress Avenue), and the Bear Valley Road Bicycle Bypass (BVRBB) along Sequoia Avenue east of Hesperia Road. The first task for both these projects is to complete a Project Study Report (PSR) and submit to Caltrans for review. Once the PSR is approved, the City can proceed to environmental review. The City will contract with a consultant to provide the environmental services.

FUND: GENERAL FUND 100  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: PUBLIC WORKS 310  
PROGRAM: BUILDING MAINTENANCE 3110

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 121,287	\$ 109,492	\$ 119,970	\$ 110,313	\$ 126,486	5%
Benefits	54,190	55,386	60,936	61,788	67,534	11%
Materials & Operations	484,737	453,525	471,882	467,227	474,279	1%
Contractual	169,026	181,325	206,934	208,234	182,184	-12%
Other Operating	106,137	121,743	87,651	142,405	194,611	122%
Capital Outlay	0	0	125,000	0	217,342	74%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 935,377</b>	<b>\$ 921,471</b>	<b>\$ 1,072,373</b>	<b>\$ 989,967</b>	<b>\$ 1,262,436</b>	<b>18%</b>

#### PROGRAM DESCRIPTION

The Building Maintenance Division shall support all City departments and facilities through a Predictive/Preventive Maintenance Program that reduces facility depreciation and equipment/structural failures. The objective of this Program is to reduce the amount of unknown trouble calls that inconvenience customers and escalate maintenance costs.

A Predictive/Preventive Maintenance Program supported by computerized maintenance management software will allow the Building Maintenance Division to better serve customers through planning and scheduling of maintenance activities. Predictive/Preventive Maintenance will provide customers with advanced notification of maintenance that will be conducted in their work areas, while reducing the effects of catastrophic mechanical and structural failures leading to prolonged customer inconvenience and interruption of daily operations.

This Program is responsible for supporting Facility operations and landscape management at City Hall and County Library (9700 and 9650 Seventh Avenue), Animal Control (11011 East Santa Fe Avenue), Police Department (15840 Smoke Tree), Fire Department facilities 301, 302, 304, 305, the City of Hesperia Park and Ride Facility (Joshua at Highway 395), Eighth Street Paseo, and the Township Landscape Management.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Custodian	1.00	1.00	1.00	1.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Senior Custodian	0.50	0.50	0.50	0.50
<b>Total Full-Time Staff</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<u>Part-Time Staff</u>				
Custodian - Part-Time	0.46	0.46	0.46	0.46
<b>Total Part-Time Staff</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>2.46</b>	<b>2.46</b>	<b>2.46</b>	<b>2.46</b>

FUND:	GENERAL FUND	100
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	PUBLIC WORKS	310
PROGRAM:	BUILDING MAINTENANCE	3110

**SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES (Continued)**

- Funding in the amount of \$107,800 has been included for various facility maintenance projects which includes electrical maintenance/repairs at the Civic Park, exterior painting of steel structures at City Hall, maintenance/repair work at the County Library, the fabrication and installation of handrails at Cinema West 12 parking lot, and miscellaneous maintenance.

**2015-16 PROGRAM ACCOMPLISHMENTS**

- Provided guidance to all subcontractors under the direction of Building Maintenance.
- Provided a safe, clean work environment for all employees at City Hall, the County Library, Animal Control, Police Department, and the Park and Ride.
- Reduced the number of unforeseen trouble calls through the use of preventive/predictive maintenance.
- Provided quality climate control to City Hall, County Library, Animal Control, and Police Department.
- Improved custodial cleaning schedule to eliminate disruption of daily operations at facilities.
- Continued to increase the use of green cleaning products for custodial activities.
- Reduced irrigation water used at each facility.
- Provided secure environment at City Hall and County Library through contracted security company.
- Provided landscape management at City Hall, County Library, Police Department, Eighth Street Paseo, Township Project, Park and Ride, and Animal Control facility.

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Provide guidance to all subcontractors under the direction of Building Maintenance.
- Provide a safe, clean work environment for all employees at City Hall, County Library, Animal Control, Police Department, and the Park and Ride.
- Reduce the number of unforeseen trouble calls through the use of preventive/predictive maintenance.
- Provide quality climate control to City Hall, County Library, Animal Control, and Police Department.
- Improve custodial cleaning schedule to eliminate disruption of daily operations at facilities.
- Continue to increase the use of green cleaning products for custodial activities.
- Reduce irrigation water usage.
- Provide secure environment at City Hall and County Library through contracted security company.

**PERFORMANCE AND**

<u>WORKLOAD INDICATORS</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Backlog Work Orders	60	29	71	82
Customer Service Request Orders	211	302	269	250
Contracts Administered	11	14	16	17
Sub Contract Invoices Processed	279	170	114	200
Carpets Deep Cleaned (Square Feet)	21,000	620	9,000	14,000
Painting (Square Feet)	90	300	50	300
Hard Surface Cleaning (Square Feet)	28,882	9,000	10,000	10,000

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FUND: WATER OPERATING 700 AND WATER CAPITAL 701  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 3,864,176	\$ 3,865,805	\$ 3,881,380	\$ 3,701,060	\$ 3,773,153	-3%
Benefits	1,481,457	1,520,150	1,465,413	1,300,205	1,478,390	1%
Materials & Operations	6,592,981	5,808,244	5,908,367	5,614,477	6,111,049	3%
Contractual	1,568,310	835,102	1,052,764	1,016,975	11,610,915	1003%
Other Operating	2,099,200	1,946,163	2,079,395	2,090,717	2,089,741	0%
Capital Outlay	168,800	176,596	159,500	236,435	300,000	88%
Debt Service	3,060,627	2,947,767	1,812,810	1,774,000	1,763,470	-3%
<b>TOTAL</b>	<b>\$ 18,835,551</b>	<b>\$ 17,099,827</b>	<b>\$ 16,359,629</b>	<b>\$ 15,733,869</b>	<b>\$ 27,126,718</b>	<b>66%</b>

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Water Operating (700)						
4010 Source of Supply	\$ 2,981,865	\$ 2,215,359	\$ 2,219,471	\$ 2,221,294	\$ 2,272,273	2%
4020 Production	3,322,580	3,398,119	3,043,268	3,034,493	3,125,607	3%
4030 Distribution	1,083,095	1,115,346	1,185,131	1,130,265	1,287,290	9%
4035 Pipeline Maintenance	1,237,911	1,107,892	1,045,044	908,469	1,219,466	17%
4040 Engineering	745,728	758,694	971,151	814,025	970,628	0%
4050 Customer Service	1,130,205	971,164	1,526,122	1,471,276	1,610,685	6%
4060 Utility Billing	1,017,465	1,013,482	1,001,544	990,332	1,019,650	2%
4070 Administration	6,371,667	6,190,891	5,006,529	4,820,607	4,659,603	-7%
4080 Property Management	294,576	289,926	361,369	273,108	385,727	7%
<b>Total Water Operating</b>	<b>\$ 18,185,092</b>	<b>\$ 17,060,873</b>	<b>\$ 16,359,629</b>	<b>\$ 15,663,869</b>	<b>\$ 16,550,929</b>	<b>1%</b>
Water CIP (701)	\$ 650,459	\$ 38,954	\$ 0	\$ 70,000	\$ 10,575,789	100%
<b>Total Water Operating &amp; Capital Projects</b>	<b>\$ 18,835,551</b>	<b>\$ 17,099,827</b>	<b>\$ 16,359,629</b>	<b>\$ 15,733,869</b>	<b>\$ 27,126,718</b>	<b>66%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b>DEPARTMENT STAFFING</b>				
Total Full-Time Staff	67.85	66.60	67.20	64.00
Total Part-Time Staff	1.38	1.38	1.38	1.84
<b>Total D.S. Water Staff</b>	<b>69.23</b>	<b>67.98</b>	<b>68.58</b>	<b>65.84</b>

FUND: WATER OPERATING 700 AND WATER CAPITAL 701  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400

#### DIVISION GOALS FOR 2016-17

- Continue to meet with the public and perform water audits at problem run-off areas for both residential and commercial properties.
- Continue to provide our customers, contractors, and developers with the highest quality service in regard to the City's water distribution system.
- In March 2016, the SWRCB approved a climate adjustment based on the evapotranspiration zone of the District's service area resulting in a 4% reduction to the District's conservation standard from 32% to 28% going forward. The District will continue with drought reduction efforts consistent with State requirements.
- Continue with the implementation of the new Advanced Metering Infrastructure (AMI) with the installation of 3,785 AMI endpoints.

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

##### Source of Supply

- Reclassify the Community Relations and Media Coordinator (Range 37, 0.40 FTE) to the Assistant to the City Manager and reallocate 0.25 FTE to the Water Source of Supply program.
- During FY 2016-17, the Water District will lease 4,042 AF from the City of Hesperia at a cost of \$478 per AF for a total lease cost of \$1,932,076. These leased rights will substantially offset the projected overproduction of water totaling 4,456 AF that is due for Water Year (WY) 2015-16 activities.

##### Distribution

- Funding in the amount of \$60,000 has been included for the purchase of one vacuum excavator.

##### Pipeline Maintenance

- Funding in the amount of \$130,000 has been included for the purchase of one new backhoe.

##### Engineering

- Eliminate one vacant Senior Office Assistant (0.35 FTE) position.
- Funding in the amount of \$100,000 has been included for contractual engineering services.
- With the FTE redistribution of the Administrative Secretary position, there is no FTE allocation to this program.

##### Customer Service

- Funding in the amount of \$621,573 is included to continue with the implementation of the Advanced Meter Infrastructure (AMI) Program. FY 2016-17 is the second year of a seven year program to install automated meter reading equipment on customer accounts, at 3,785 endpoints per year. The program involves two cost components: 1) the equipment (endpoint) cost of \$550,831 for FY 2016-17 and 2) an ongoing monthly software component for each active endpoint for a FY 2016-17 Budget of \$70,742. This represents an increase of \$30,318 over the prior year, due to the addition of active endpoints.

##### Administration

- Eliminate one vacant Public Works Director 0.50 FTE position.
- Reclassify the Public Works Supervisor to the Public Works Manager (Range 43) position with a distribution of 0.20 FTE.
- Change the Public Works Supervisor salary range from Range 38 to a Range 40.
- Eliminate one vacant Senior Office Assistant position (0.50 FTE) and add one part-time Office Assistant (0.23 FTE) position.

FUND: WATER OPERATING 700 AND WATER CAPITAL 701  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES (Continued)**

Administration (Continued)

- Eliminate the City Engineer (0.50 FTE) position, and add \$100,000 for contractual engineering services to the Water Engineering program.
- Eliminate one vacant Emergency Services Coordinator (0.50 FTE) position and add one part-time Administrative Analyst (0.23 FTE) position.
- Reclassify the Community Relations and Media Coordinator to the Assistant to the City Manager and allocate 0.25 FTE to Water Administration.
- To more accurately reflect the current workload, the distribution of the Director of Development Services is decreased from 0.40 FTE to 0.15 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.20 FTE to 0.15 FTE and this change increases the total FTE allocation to a decrease from 0.70 FTE to 0.65 FTE, which is due to having two split funded Administrative Secretary positions coded to this program.
- The Management Analyst FTE distribution is being decreased from 1.00 FTE to 0.50 FTE to reflect assigned duties and workload priorities.

REVENUE DETAIL	2013-14	2014-15	2015-16	2015-16	2016-17	%Change From 2015-16
	Actual	Actual	Budget	Revised	Budget	Budget
<b>Water Operating Fund (700)</b>						
<b>Taxes</b>						
Secured Property Taxes 700 29 400 4070 4000	\$ 263,813	\$ 271,408	\$ 297,588	\$ 280,743	\$ 297,588	0%
WEDA Pass Through 700 29 400 4070 4095	6,552	8,088	6,996	9,291	9,848	41%
Other Taxes	50,358	7,914	7,572	31,014	8,234	9%
<b>Total Taxes</b>	<b>\$ 320,723</b>	<b>\$ 287,410</b>	<b>\$ 312,156</b>	<b>\$ 321,048</b>	<b>\$ 315,670</b>	<b>1%</b>
<b>Interest</b>						
Interest Income 700 29 400 4070 5605	\$ 6,668	\$ 5,898	\$ 4,776	\$ 8,910	\$ 8,910	87%
<b>Total Interest</b>	<b>\$ 6,668</b>	<b>\$ 5,898</b>	<b>\$ 4,776</b>	<b>\$ 8,910</b>	<b>\$ 8,910</b>	<b>87%</b>
<b>Intergovernmental</b>						
City Rent Charge 700 29 400 4070 5880	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	0%
<b>Total Intergovernmental</b>	<b>\$ 52,537</b>	<b>0%</b>				

FUND: WATER OPERATING 700 AND WATER CAPITAL 701  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400

	2013-14	2014-15	2015-16	2015-16	2016-17	%Change From 2015-16
REVENUE DETAIL	Actual	Actual	Budget	Revised	Budget	Budget
<b>Water Operating Fund (700)</b>						
<b>(Continued)</b>						
<b>Charges for Services</b>						
Water Sales/Residential 700 29 400 4060 5100	\$ 7,936,001	\$ 7,282,238	\$ 6,772,600	\$ 5,977,700	\$ 6,276,585	-7%
Water Sales/Business 700 29 400 4060 5101	432,435	428,124	386,900	402,432	404,505	5%
Water Sales/Public Building 700 29 400 4060 5102	495,161	471,394	444,600	447,758	440,750	-1%
Water Sales/Irrigation 700 29 400 4060 5103	251,083	229,077	217,500	183,588	186,000	-14%
Water Sales/Construction 700 29 400 4060 5104	44,530	190,952	141,800	72,967	75,000	-47%
Water Sales/Industrial 700 29 400 4060 5105	3,888	7,180	2,500	13,584	14,000	460%
Water Availability Charge 700 29 400 4060 5110	6,542,963	6,620,441	6,700,000	6,657,352	6,723,926	0%
Sub-total	15,706,061	15,229,406	14,665,900	13,755,381	14,120,766	-4%
Water Meter Fees 700 29 400 4070 5140	32,464	44,520	51,200	137,000	175,250	242%
Reconnection Fees 700 29 400 4070 5130	244,343	186,332	145,000	191,500	188,500	30%
Water Inspection 700 29 400 4070 5180	3,652	7,037	4,500	2,500	2,500	-44%
New Account Setup 700 29 400 4060 5191	18,019	118,872	110,000	99,100	113,000	3%
Rent Eagle Plaza 700 29 400 4070 5875	159,672	103,973	105,300	218,209	218,478	107%
Other Charges for Services	86,697	114,003	116,361	123,887	109,450	-6%
<b>Total Charges for Services</b>	<b>\$ 16,250,908</b>	<b>\$ 15,804,143</b>	<b>\$ 15,198,261</b>	<b>\$ 14,527,577</b>	<b>\$ 14,927,944</b>	<b>-2%</b>
<b>Grants</b>						
MWA Toilet Grant 700 29 400 4010 4700	\$ 0	\$ 38,000	\$ 0	\$ 0	\$ 0	n/a
	\$ 0	\$ 38,000	\$ 0	\$ 0	\$ 0	n/a
<b>Other Operating</b>						
Other Operating	\$ 187,694	\$ 194,086	\$ 192,896	\$ 176,022	\$ 180,424	-6%
<b>Total Other Operating</b>	<b>\$ 187,694</b>	<b>\$ 194,086</b>	<b>\$ 192,896</b>	<b>\$ 176,022</b>	<b>\$ 180,424</b>	<b>-6%</b>
<b>All Other</b>						
All Other	\$ 123,443	\$ 35,979	\$ 25,300	\$ 18,000	\$ 18,000	-29%
<b>Total All Other</b>	<b>\$ 123,443</b>	<b>\$ 35,979</b>	<b>\$ 25,300</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>-29%</b>
<b>Total Water Operating Fund</b>	<b>\$ 16,941,973</b>	<b>\$ 16,418,053</b>	<b>\$ 15,785,926</b>	<b>\$ 15,104,094</b>	<b>\$ 15,503,485</b>	<b>-2%</b>

FUND: WATER OPERATING 700 AND WATER CAPITAL 701  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400

REVENUE DETAIL	2013-14	2014-15	2015-16	2015-16	2016-17	%Change
	Actual	Actual	Budget	Revised	Budget	From 2015-16 Budget
<b>Water Capital Fund (701)</b>						
<b>Charges for Services</b>						
Capital Facility Charges 701 29 400 4070 5120	\$ 306,762	\$ 414,951	\$ 396,000	\$ 500,000	\$ 415,000	5%
Prop 84 Drought Relief Grant 701 29 800 8087 4851	0	0	0	0	1,500,000	n/a
Prop 1 State Water Board 701 29 800 8087 4852	0	0	0	0	4,727,337	n/a
Other Charges for Services	23,115	0	0	385	0	n/a
<b>Total Water Capital Fund</b>	<b>\$ 329,877</b>	<b>\$ 414,951</b>	<b>\$ 396,000</b>	<b>\$ 500,385</b>	<b>\$ 6,642,337</b>	<b>1577%</b>
<b>Total Water Operating and Capital Fund Revenue</b>	<b>\$ 17,271,850</b>	<b>\$ 16,833,004</b>	<b>\$ 16,181,926</b>	<b>\$ 15,604,479</b>	<b>\$ 22,145,822</b>	<b>37%</b>

**DIVISION STAFFING**

**Full-Time Staff**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Assistant to the City Manager	0.00	0.00	0.00	0.25
Administrative Secretary	0.50	0.80	0.80	0.65
Administrative Analyst	0.50	0.65	0.65	0.65
Assistant City Manager/Management Services	0.05	0.05	0.05	0.05
Assistant Engineer	0.65	0.65	0.65	0.65
City Engineer	0.50	0.50	0.50	0.00
Community Development Technician	2.00	2.00	2.00	2.00
Community Relations and Media Coordinator	0.40	0.40	0.40	0.00
Construction Inspection Supervisor	0.65	0.65	0.65	0.65
Construction Inspector	1.55	0.85	0.85	0.85
Custodian	2.00	2.00	2.00	2.00
Customer Service Representative	5.00	5.00	5.00	5.00
Customer Service Supervisor	1.00	1.00	1.00	1.00
Deputy Finance Director	0.10	0.10	0.10	0.10
Director of Development Services	0.40	0.40	0.40	0.15
Emergency Services Coordinator	0.50	0.50	0.50	0.00
Engineering Technician	0.60	0.60	0.60	0.60
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Equipment Operator	2.70	2.70	2.70	2.70
Executive Secretary	0.40	0.00	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50

FUND: WATER OPERATING 700 AND WATER CAPITAL 701  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400

<u>DIVISION STAFFING (Continued)</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff (Continued)</u>				
Geographical Information Systems Manager	0.70	0.70	0.70	0.70
Geographical Information Systems Technician	0.70	0.70	0.70	0.70
Maintenance Crew Supervisor	4.00	4.00	4.00	4.00
Maintenance Worker	13.00	13.00	13.00	13.00
Management Analyst	1.00	1.00	1.50	1.00
Meter Reader	4.00	4.00	4.00	4.00
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.25	0.25	0.25	0.25
Public Works Director	0.50	0.50	0.50	0.00
Public Works Manager	0.00	0.00	0.00	0.20
Public Works Supervisor/Water	1.00	1.00	1.00	1.00
Pump Maintenance Worker	0.95	0.95	0.00	0.00
Pump Operator	1.95	1.95	1.95	1.95
Senior Account Clerk	2.00	2.00	2.00	2.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Customer Service Representative	2.00	2.00	2.00	2.00
Senior Engineering Technician	0.60	0.00	0.00	0.00
Senior Maintenance Worker	6.40	6.40	6.50	6.50
Senior Office Assistant	0.85	0.85	0.85	0.00
Senior Pump Maintenance Worker	0.00	0.00	0.95	0.95
Senior Pump Operator	0.95	0.95	0.95	0.95
Senior Warehouse Technician	1.00	1.00	1.00	1.00
Utility Line Locator	1.00	1.00	1.00	1.00
Warehouse Technician	1.00	1.00	1.00	1.00
Water Conservation Specialist	1.00	1.00	1.00	1.00
Water Quality Technician	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>67.85</b>	<b>66.60</b>	<b>67.20</b>	<b>64.00</b>
<u>Part-Time Staff</u>				
Administrative Analyst	0.00	0.00	0.00	0.23
Custodian	0.46	0.46	0.46	0.46
Customer Service Representative	0.92	0.92	0.92	0.92
Office Assistant	0.00	0.00	0.00	0.23
<b>Total Part-Time Staff</b>	<b>1.38</b>	<b>1.38</b>	<b>1.38</b>	<b>1.84</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>69.23</b>	<b>67.98</b>	<b>68.58</b>	<b>65.84</b>

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: SOURCE OF SUPPLY 4010

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 118,783	\$ 113,323	\$ 113,581	\$ 111,441	\$ 91,951	-19%
Benefits	40,455	37,481	37,391	34,874	31,144	-17%
Materials & Operations	2,821,396	2,062,182	2,066,149	1,967,211	2,138,628	4%
Contractual	0	0	0	0	0	0%
Other Operating	1,231	2,373	2,350	15,768	10,550	349%
Capital Outlay	0	0	0	92,000	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 2,981,865</b>	<b>\$ 2,215,359</b>	<b>\$ 2,219,471</b>	<b>\$ 2,221,294</b>	<b>\$ 2,272,273</b>	<b>2%</b>

#### PROGRAM DESCRIPTION

Source of Supply is responsible for managing and reporting the annual production of water. Part of the management is complying with the adjudication of the Mojave Basin. The adjudication sought to rectify the overproduction of water that caused a reduction of water flow accessible to producers in the northern portion of the Mojave Basin (downstream towards the City of Barstow). After a series of legal findings, the adjudication of the Mojave Basin Area was made final by a court decision on January 1996.

While the District owns 13,707 acre-feet (AF) of base annual production (BAP), adjudication restricts productions to 8,224 AF or 60% of the BAP. This restricted amount is called the free production allowance (FPA). Water production exceeding the annual FPA must be either replenished from third party water rights owners through annual leases or purchased directly from the Mojave Basin Area Watermaster at a premium cost. In addition, the Program is also responsible for all public information and school education programs pertaining to water conservation and in assisting homeowners and businesses to eliminate water waste.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Community Relations and Media Coordinator	0.40	0.40	0.40	0.00
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Water Conservation Specialist	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>1.90</b>	<b>1.90</b>	<b>1.90</b>	<b>1.50</b>

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- With the reclassification of the Community Relations and Media Coordinator to the Assistant to the City Manager, there is no FTE allocation to this program.

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	SOURCE OF SUPPLY	4010

**SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES (Continued)**

- It is projected that the Water District will produce 12,680 acre feet (AF) of water during Water Year (WY) 2015-16, which spans the time frame of September 2015 through October 2016. The WY 2015-16 production will exceed the Water District's current annual production allowance of 8,224 AF of water by 4,456 AF. To alleviate the over production, the Water District must either secure leased rights from resellers or lease from the Mojave Water Basin Watermaster. The following table identifies the Water District projected makeup obligation plan.

Estimated Production for Water Year 2015-16	(12,680)	AF
Water District Annual Production Allowance	<u>8,224</u>	AF
Anticipated Over Production	(4,456)	AF
Prepurchased Water Offset		
FY 2015-16 Purchase from Helendale CSD	<u>250</u>	AF
Total Water to be Leased During FY 2016-17	(4,206)	AF
FY 2016-17 Make-up Lease Purchases		
City of Hesperia	4,042	AF
Third Party Lease	<u>164</u>	AF
Subtotal FY 2016-17 Lease Purchases	4,206	AF
Remaining Obligation	0	AF

The City of Hesperia is the Water Districts largest provider of leased water rights. The FY 2016-17 projected cost for WY 2015-16 water is \$1,932,076, with 4,042 AF at a cost of \$478 per AF. Should the District be required to lease from the Watermaster, the posted WY 2015-16 rate is \$531 per AF, which is a 9.7% increase from the prior water year rate of \$484 per AF.

**2015-16 PROGRAM ACCOMPLISHMENTS**

- The Water Division participated in several community events including Hesperia Days, High Desert Water Awareness Expo, Fall and Spring Water Expo, Tri-Community Science Fair, Read Across America, Krystal Elementary, Serendipity Days at Topaz Elementary School, the Alliance for Water Awareness (AWAC), and conservation booth at the Home Depot plant sale.
- 300 Water Conservation kits were assembled and distributed to Hesperia residents.
- Partnered with other water districts through the Alliance of Water Awareness and Conservation (AWAC) to provide water conservation workshops to area residents and contractors, such as a weather based irrigation controller class.
- Participated in Project Water Education Training (WET) for facilitators to provide future classroom water conservation programs at local schools.
- Continued to participate in the Cash for Grass Program, which offered customers a rebate cash incentive from the Mojave Water Agency (MWA) for removal of lawn and replaced it with water-efficient landscaping. Performed 88 Cash for Grass pre-inspections.
- Governor Edmund G. Brown Jr. issued Governor's Proclamation No. 1-17-2014 declaring a state of emergency for California in January 2014 due to severe drought conditions. Subsequently, the State Water Resources Control Board adopted Resolution 2015-0032 on May 5, 2015 placing water suppliers in a tiered conservation standard based on residential gallons per capita per day (GPCD) from July-September 2013. The District was designated a reduction standard of 32% to be achieved between June 2015 and February 2016.

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: SOURCE OF SUPPLY 4010

2015-16 PROGRAM ACCOMPLISHMENTS (Continued)

Month	Calendar Year	Fiscal Year	Conservation Goal %	Conservation % Achieved	Cumulative Conservation
	2013	2015-16			
	Water Use *	Water Use *			
June	1,760	1,392	32%	20.91%	20.91%
July	1,848	1,215	32%	34.25%	27.74%
August	1,780	1,421	32%	20.17%	25.25%
September	1,585	1,220	32%	23.03%	24.74%
October	1,211	1,036	32%	14.45%	23.22%
November	984	836	32%	15.04%	22.34%
December	693	728	32%	-5.05%	20.42%
January	746	707	32%	5.23%	19.35%
February	676	723	32%	-6.95%	17.78%
March	1,023	819	32%	19.94%	17.96%

\*Water Use in Acre-Feet

The State mandated to compare calendar year 2013 with the corresponding month in Fiscal Year 2015-16.

In addition to the District's standard water conservation program, drought reduction efforts included deployment of significant public outreach and education by printed advertising, radio advertising, and social media, initiating portions of Stage No. 2, Threatened Water Supply of the Water Conservation Emergency Plan, restricting the number of days outdoor irrigation or ornamental landscape and turf may occur, and educating identified non-compliant water users.

2016-17 PROGRAM GOALS AND OBJECTIVES

- Continue water awareness programs with Hesperia Unified School District and at community events.
- Continue to enforce the City's Landscape Ordinance Program and maintain a file of repeat water wasters.
- Continue to meet with the public and perform water audits at problem run-off areas for both residential and commercial properties.
- Continue to provide water conservation literature to customers to promote conservation.
- Continue to partner with other water districts to provide beginning and advanced conservation workshops and grey water workshops through the AWAC.
- If funding is available, continue to participate in the Cash for Grass Program, which offers rebate cash incentives from MWA to remove grass and replace it with water efficient landscaping.
- In March 2016, the SWRCB approved a climate adjustment based on the evapotranspiration zone of the District's service area resulting in a 4% reduction to the District's conservation standard from 32% to 28% going forward. The District will continue with drought reduction efforts until such time as Governor Brown lifts the state of emergency status.

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	SOURCE OF SUPPLY	4010

**PERFORMANCE AND**

**WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Water Lease Purchases (Acre-Feet)				
Make-up Water for Centro Basin	0	431	426	450
Make-up Water for Alto Basin	6,961	6,214	N/A	N/A
Permanent Water Purchase (Acre-Feet) (Alto)	200	500	19	0
Coloring Contest Participants	100	300	0	0
Community Event Participation	14	14	16	16
School Presentations Made	12	7	5	7
Commercial Water Audits Performed	3	4	6	6
Residential Water Audits Performed	30	25	35	40
Nuisance Water Complaints Addressed	175	69	40	50
Cash for Grass Inspections	100	168	88	0
MWA Final Cash for Grass Inspections	55	72	81	0
Conservation Kits Distributed	300	320	300	300

	<u>WY 2013-14</u> <u>(FY 2014-15)</u>	<u>WY 2014-15</u> <u>(FY 2015-16)</u>	<u>WY 2015-16</u> <u>(FY 2016-17)</u>	<u>WY 2016-17</u> <u>(FY 2017-18)</u>
<b><u>Make-up Water for Alto Basin</u></b>				
Base Annual Production (Acre-Feet)	<u>13,688</u>	<u>13,688</u>	<u>13,707</u>	<u>13,707</u>
Free Production Allowance (60% Ramped Down)	8,213	8,213	8,224	8,224
Production Amount (Pumped)	<u>14,427</u>	<u>12,945</u>	<u>12,680</u>	<u>13,314</u>
Make-up Water for Alto Basin	6,961	6,214	4,456	5,090
Mojave Basin Area Watermaster Lease Rate (Per acre foot)	\$448	\$484	\$531	\$558
Percent Increase	N/A	8.0%	9.7%	5.1%

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: PRODUCTION 4020

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 449,231	\$ 450,280	\$ 452,367	\$ 443,234	\$ 462,532	2%
Benefits	156,889	172,407	170,281	170,388	185,565	9%
Materials & Operations	2,276,213	2,492,348	2,115,720	2,137,721	2,180,860	3%
Contractual	243,504	103,717	148,000	120,000	158,200	7%
Other Operating	27,943	39,963	39,900	46,150	43,450	9%
Capital Outlay	168,800	139,404	117,000	117,000	95,000	-19%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 3,322,580</b>	<b>\$ 3,398,119</b>	<b>\$ 3,043,268</b>	<b>\$ 3,034,493</b>	<b>\$ 3,125,607</b>	<b>3%</b>

#### PROGRAM DESCRIPTION

This Program is responsible for providing safe drinking water for the people of Hesperia and to provide water service during periods of peak demand and fire flow. Water Production maintains all of the wells, motors, pumps, and boosters to ensure adequate water supplies. Water Production is also responsible for all water sampling to ensure system compliance with the State Water Resources Control Board (SWRCB) requirements. Water Production also oversees the cross-connection and backflow prevention programs. Water Production is also responsible for the operation and maintenance of the sewer pumping station on "I" Avenue.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	2.00	2.00	2.00	2.00
Pump Maintenance Worker	0.95	0.95	0.00	0.00
Pump Operator	1.95	1.95	1.95	1.95
Senior Pump Maintenance Worker	0.00	0.00	0.95	0.95
Senior Pump Operator	0.95	0.95	0.95	0.95
Water Quality Technician	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>7.85</b>	<b>7.85</b>	<b>7.85</b>	<b>7.85</b>

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- None.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- Provided positive water pressure and safe drinking water throughout the year, including during power outages and disruptions.
- Maintained 24-hour communications with all Hesperia pumping facilities utilizing System Control and Data Acquisition (SCADA).

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: PRODUCTION 4020

**2015-16 PROGRAM ACCOMPLISHMENTS (Continued)**

- Maintained compliance with SWRCB regulation to the Cross-Connection Control Program. This program has monitored the testing of more than 1,296 backflow assemblies.
- Completed upgrade of four (4) programmable logic controllers (PLCs) within the City's SCADA Program.
- Maintained compliance in regards to the SWRCB Chromium 6 maximum contaminant level (MCL).
- Completed flow meter testing calibration at all City pumping facilities.
- SWRCB performed sanitary survey at all City pumping facilities; found overall system to be well maintained and in good working condition. Found minor deficiencies to be corrected.
- Replaced incandescent recessed light fixtures at all City pumping facilities with LED lighting.

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Comply with all SWRCB regulations.
- Complete upgrade of three (3) PLCs within the City's SCADA Program. This upgrade will be the completion of a 3-year project.
- Continue to replace light fixtures at City pumping facilities with LED lighting.
- Perform exterior painting to booster facility at Hesperia Golf Course.
- Follow up with repairs recommended by the SWRCB during previous years' sanitary survey.

**PERFORMANCE AND**

**WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Water Produced (Acre Feet)	14,427	12,945	N/A	N/A
Water Samples	2,244	1,469	1,600	1,600
Reservoirs	14	14	14	14
Wells	18	18	*17	17
Water Booster Station	6	6	6	6
Test Backflow Assemblies	1,232	1,270	1,302	1,320

\*Well 26 placed into standby status

	<u>WY 2013-14</u> <u>(FY 2014-15)</u>	<u>WY 2014-15</u> <u>(FY 2015-16)</u>	<u>WY 2015-16</u> <u>(FY 2016-17)</u>	<u>WY 2016-17</u> <u>(FY 2017-18)</u>
<b><u>Production of Water</u></b>				
Potable Water Produced (Acre-Feet)	14,294	12,758	12,415	13,036
Non-Potable Water Produced (Hesperia Lakes)	<u>133</u>	<u>187</u>	<u>265</u>	<u>278</u>
Total Water Production	14,427	12,945	12,680	13,314

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: DISTRIBUTION 4030

PROGRAM EXPENDITURE SUMMARY						% Change
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	From 2015-16 Budget
Salaries	\$ 610,060	\$ 628,708	\$ 666,695	\$ 640,593	\$ 692,614	4%
Benefits	226,095	235,588	257,231	228,862	270,550	5%
Materials & Operations	195,239	185,829	206,816	195,065	204,396	-1%
Contractual	373	164	500	500	500	0%
Other Operating	51,328	65,057	53,889	65,245	59,230	10%
Capital Outlay	0	0	0	0	60,000	100%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,083,095</b>	<b>\$ 1,115,346</b>	<b>\$ 1,185,131</b>	<b>\$ 1,130,265</b>	<b>\$ 1,287,290</b>	<b>9%</b>

**PROGRAM DESCRIPTION**

This Program is charged with the responsibility to ensure that the water supplies are distributed throughout the system at the lowest possible cost, while maintaining the health requirements set by the State Water Resources Control Board (SWRCB).

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Equipment Operator	0.70	0.70	0.70	0.70
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	6.00	6.00	6.00	6.00
Senior Maintenance Worker	3.40	3.40	3.50	3.50
Utility Line Locator	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>12.10</b>	<b>12.10</b>	<b>12.20</b>	<b>12.20</b>

**SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES**

- Funding in the amount of \$60,000 has been included for the purchase of one vacuum excavator.

**2015-16 PROGRAM ACCOMPLISHMENTS**

- Installed 100 new service lines and meter sets throughout the City.
- Flushed all 300 blow offs in the distribution system in compliance with SWRCB.
- Repaired 295 water leaks including main lines, service lines, and meters.
- Serviced 440 air release valves located throughout the distribution system.
- Completed 4,200 line locating requests for Underground Service Alerts (USA/DigAlert).
- Completed 20 fire flow tests for new construction.
- Worked in conjunction with other City divisions to efficiently operate and maintain the water distribution system and deliver a high level of service to customers, contractors, and developers.

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	DISTRIBUTION	4030

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Continue efficient operation of the water distribution system.
- Flushing of water lines in compliance with State Water Resources Control Board (SWRCB) directives.
- Maintenance and exercise valves and hydrants throughout the distribution system pursuant to SWRCB guidelines.
- Promptly install new water service lines and meter sets for new construction and development.
- Relocate water service lines on Willow Street from Third Avenue to Fifth Avenue and abandon existing four-inch steel water main in preparation for “Willow Street Paseo Safe Route to School” project funded by the Federal Safe Routes to School Grant.
- Prompt repair of leaks upon notification.
- Continue to inventory and update distribution system assets for Cityworks and Geoviewer Asset Management Programs.
- Continue to provide our customers, contractors, and developers with the highest quality service in regard to the City’s water distribution system.

**PERFORMANCE AND**

**WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Water Main Line Repaired	75	76	75	70
Water Service Line Leaks Repaired	196	204	200	210
Water Meter Leaks Repaired	32	25	20	20
Valves Serviced	2,191	1,266	,000	1,500
Fire Hydrants Serviced (Total of 5,445 Citywide)	1,127	350	450	800
Water Lines Flushed/Blowoffs	501	173	300	300
New Meter Sets	56	63	100	120
Service Replacements	61	99	75	75
Utility Line Locates	4,187	4,054	4,200	4,200
Air release valves serviced	81	242	440	200
Fire Flow Tests	10	11	20	20

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: PIPELINE MAINTENANCE 4035

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 378,772	\$ 374,867	\$ 379,147	\$ 351,168	\$ 390,487	3%
Benefits	133,236	137,364	147,579	132,757	152,923	4%
Materials & Operations	632,185	543,350	445,810	312,907	451,425	1%
Contractual	13,981	1,201	6,500	21,850	38,500	492%
Other Operating	79,737	51,110	66,008	89,787	56,131	-15%
Capital Outlay	0	0	0	0	130,000	100%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,237,911</b>	<b>\$ 1,107,892</b>	<b>\$ 1,045,044</b>	<b>\$ 908,469</b>	<b>\$ 1,219,466</b>	<b>17%</b>

**PROGRAM DESCRIPTION**

This Program was established for the purpose of repairing, maintaining, and replacing water lines and related infrastructure within the water system throughout the City.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Equipment Operator	2.00	2.00	2.00	2.00
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	3.00	3.00	3.00	3.00
Senior Maintenance Worker	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>

**SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES**

- Funding in the amount of \$130,000 has been included for the purchase of one new backhoe.

**2015-16 PROGRAM ACCOMPLISHMENTS**

- Replaced 4.5 miles of pipe (23,884 feet of new 8-inch PVC-Polyvinyl Chloride) this year on CO #3405 in the west side of the City.
- Installed 71 new isolation valves.
- Installed 38 new fire hydrants.
- Installed 6 new air release valves.
- Changed over 195 water services.
- Completed Animal Control sewer line installation.

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: PIPELINE MAINTENANCE 4035

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Start new water line project CO #3406 in the northwest quadrant of the City.
- Replace five (5) miles of old, undersized steel water mains with new 8-inch PVC, including new isolation valves, fire hydrants, and service lines.

**PERFORMANCE AND**

**WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Replace old pipeline with new pipeline (in miles)	4.5	2.7	4.5	5
Hydrant Replacements/Flush points installed (each)	39	21	38	52
Water services changed over (each)	221	138	195	350
Water isolation valves replaced or installed (each)	201	177	71	103

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: ENGINEERING 4040

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 499,543	\$ 490,018	\$ 512,635	\$474,065	\$ 511,923	0%
Benefits	177,015	176,395	189,306	149,853	191,167	1%
Materials & Operations	8,465	19,787	9,980	8,718	12,698	27%
Contractual	47,456	48,488	239,140	164,399	237,750	-1%
Other Operating	13,249	11,057	20,090	16,990	17,090	-15%
Capital Outlay	0	12,949	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 745,728</b>	<b>\$ 758,694</b>	<b>\$ 971,151</b>	<b>\$814,025</b>	<b>\$ 970,628</b>	<b>0%</b>

#### PROGRAM DESCRIPTION

The Engineering Program is responsible for the planning, design, and construction of potable and recycled water, as well as sanitary sewer infrastructure, to address the needs of the community today, as well as twenty years into the future and beyond. The Engineering Program also reviews all development proposals to ensure that they conform to Water District codes and standards, and provides technical input as a member agency to the Victor Valley Wastewater Reclamation Authority (VWRA) and the Mojave Water Agency (MWA). The 2008 Water, Wastewater, and Recycled Water Master Plan Updates will be updated in FY 2015-16 and will remain the guiding plan for the City's Capital Improvement Plan. With the approval of the VWRA Subregional Wastewater Plant in 2017, the City will soon be involved in the sale and distribution of recycled water for irrigation purposes.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.25	0.25	0.25	0.25
Administrative Secretary	0.00	0.10	0.10	0.00
Assistant Engineer	0.65	0.65	0.65	0.65
Community Development Technician	2.00	2.00	2.00	2.00
Construction Inspection Supervisor	0.65	0.65	0.65	0.65
Construction Inspector	1.55	0.85	0.85	0.85
Engineering Technician	0.60	0.60	0.60	0.60
Geographical Information Systems Manager	0.70	0.70	0.70	0.70
Geographical Information Systems Technician	0.70	0.70	0.70	0.70
Management Analyst	0.00	0.00	0.50	0.50
Office Assistant	0.50	0.50	0.50	0.50
Project Construction Manager	0.25	0.25	0.25	0.25
Senior Engineering Technician	0.60	0.00	0.00	0.00
Senior Office Assistant	0.35	0.35	0.35	0.00
<b>Total Full-Time Staff</b>	<b>8.80</b>	<b>7.60</b>	<b>8.10</b>	<b>7.65</b>

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ENGINEERING	4040

## SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Eliminate one vacant Senior Office Assistant (0.35 FTE) position.
- Funding in the amount of \$100,000 has been included for contractual engineering services.
- With the FTE redistribution of the Administrative Secretary position, there is no FTE allocation to this program.

## 2015-16 PROGRAM ACCOMPLISHMENTS

- Designed the City's Waterline Replacement Project in-house with City staff. This project was originally bid out to have a consultant prepare the plans, however the cost of consulting was nearly three times that of the budgeted amount. The plans designed in this fiscal year will keep City's pipeline crew busy until the Fall/Winter of 2017.
- The Engineering Division continued to provide timely project review for new developer projects and continued to provide professional and prompt plan review services on commercial and industrial projects.
- Development Services staff continued to file its Annual Report for compliance with the City's MS4 Stormwater Permit based upon the requirements of its second year under the new General Permit. Staff worked with the Mojave River Watershed Group and the Regional Water Quality Control Board (Lahontan) to develop its implementation plan to meet the requirements of the new General Permit. Consistent with this goal, the City filled the storm water management analyst position.
- City staff continues to maintain credentials as required under the General Construction Stormwater Permit. The two categories that City staff maintains certifications in are Qualified Stormwater Pollution Prevention Plan (SWPPP) Developer (QSD) and Qualified SWPPP Practitioner (QSP). The City currently has three staff members with QSP certifications and two with QSD certification. These certifications require annual training and bi-annual renewal fees to remain current, which staff has met. It is expected that the State will make continuing education a requirement for these renewals soon.
- Engineering and Public Works staff continued to partner with the public outreach firm to help meet the public outreach goals for the City as part of its Municipal Stormwater Program. The public outreach firm that is under contract with the Mojave River Watershed Group, of which the City is a member. The firm visits schools, home improvement stores, and special events to educate the public on the effects that surface pollutants have on potable water sources in the Alto Basin. City staff has assisted the firm at special events such as Hesperia Days and the Home Show.
- Public Works staff continued to utilize the Cityworks Program to generate, track, and execute work orders within the City's GIS Map. Public Works staff continues to work closely with GIS staff to identify attributes of the GIS map (such as hydrants and water valves) that need to be updated to ensure that the map is as accurate as possible. In addition, the GIS map has been updated to include the number and locations of water meters as well as the proposed recycled water pipeline.
- The Engineering GIS staff continued to work with Public Works staff to ensure that the new GIS-based water, sewer and storm drain atlases have the most accurate information possible based on actual field conditions. Continued efforts to verify the location of the storm drain catch basins, mainlines, and culverts throughout the City were instrumental in adding these data points to the map.
- The Geoviewer Program continues to be the main portal for the balance of City staff outside Public Works to access and utilize the GIS map from their desktop computers. The latest version, Geoviewer 8.0, has additional features that make it more powerful, and the new aerial photograph that was flown in early spring 2015 has been uploaded into Geoviewer. In addition, the user may choose aerial photographs taken from 2001 through 2015 for comparisons.
- The Victor Valley Wastewater Reclamation Authority (VWVRA) is continuing on the construction of the City's subregional wastewater reclamation plant. The project broke ground on March 10, 2015, and is expected to be completed in March, 2017. It will take another 3 months to make the plant completely operational.

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ENGINEERING	4040

#### 2015-16 PROGRAM ACCOMPLISHMENTS (Continued)

- Engineering continued to coordinate with Infrastructure Engineering Corporation (IEC), who is the consultant that prepared the City's new water, recycled water, and sewer models utilizing Info software. These new models run within the City's existing GIS map and eliminates the need to maintain several system maps. The fully functional InfoWater (for both potable and non-potable water) and InfoSewer models are the basis for the City's Water, Sewer, and Recycled Water master plan updates which were completed this fiscal year.
- Working with the consultant, staff analyzed the options available to provide water and sanitary sewer services to the interchange area at Ranchero Road and Interstate 15. According to the analysis prepared by the consultant, it will cost approximately \$7 million to provide City water to this area and an additional \$4 to \$6 million to provide a sewer collection system there.
- Engineering staff developed the alignment and completed the pipeline plans for the Recycled Water Distribution System which will deliver recycled water for irrigation purposes to City facilities, including the Hesperia Golf Course and Civic Park, as part of the first phase of the project. The pipeline will connect at VVWRA's Recycled Water Plant and store irrigation water in a reservoir nearby the plant. Staff was able to secure a Proposition 84 Drought Relief State Grant for \$2 million and has been billing against the grant for project design and management. Finance staff continues to work with State staff to procure a low interest State Revolving Fund Loan for the balance of the required funding. The environmental document has been cleared and the project will begin construction in the Summer of 2016 once the funding is secured.
- Continued to support the various departments and divisions within the City through the production of maps, exhibits, standards, and other documents related to water, sanitary sewer, and storm drain facilities located throughout the City.

#### 2016-17 PROGRAM GOALS AND OBJECTIVES

- Continue to provide timely project review for new developer projects, and continue to provide professional and prompt plan review services on commercial, industrial, and residential projects. Due to the large scale of the Tapestry Project and residential subdivisions, consulting services will be utilized to provide plan check review for these types of projects.
- Continue to perform timely and professional Public Works inspection services utilizing only City inspectors. City construction inspectors will continue their roles as Stormwater Construction Inspectors to ensure City compliance with its National Pollutant Discharge Elimination System requirements as Qualified SWPPP Practitioners (QSP) and ensure that there will be minimal impact from construction projects to the City's ground water supply during storm events.
- Continue to improve and update the features of the City's Geographical Information System (GIS) map by maintaining Geoviewer and adding new features requested by other City divisions. GIS staff will continue to work with Public Works staff to ensure that the water system map stays updated by adding the new pipelines being installed by the City pipeline crew, and adding features such as water meters and valves in their actual locations. GIS staff continues to update the paper atlases used by Public Works, and these books allow field crews to make annotations that can then be updated on the GIS map.
- Engineering staff will work closely with the consultant to install the new Water, Sewer, and Recycled Water models onto the City computer servers enabling City staff to run various conditions through the InfoWater and InfoSewer models. With the completion of the master plan updates (completed late in the FY 2015-16), the City now has three fully functioning utility models that will be constantly updated with the City's GIS map, and will be able to be manipulated with model runs.
- Continue to support other City departments and divisions by providing data and mapping services through the GIS system for water, sewer, and storm drain facilities.

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ENGINEERING	4040

#### 2016-17 PROGRAM GOALS AND OBJECTIVES (Continued)

- The construction of the City's subregional water reclamation plant by VVWRA should be completed late in this fiscal year. Staff will work with representatives from VVWRA to train City staff and staff from Recreation and Parks on the proper use of recycled water for irrigation of the golf course and the public areas around the Civic Plaza. It is anticipated recycled water will be used for irrigation early in FY 2017-18.
- Staff will continue to work as part of the Mojave River Watershed Group (MRWG) to meet the new requirements of the latest MS4 Municipal Stormwater Permit designed to protect the City's precious potable water sources. Stormwater monitoring and testing are two new requirements that are part of the new permit, and the MRWG will work closely with the Regional Water Quality Control Agency (Lahontan) to devise methodology that meets the requirements.
- Engineering will oversee and manage the construction project of the Recycled Water Distribution System. The project consists of 8 miles of purple pipeline, a 2.5 million gallon reservoir, and a booster pump to ensure that there is adequate pressure in the system to work with existing irrigation systems. The project will be completed in time to convey recycled water from VVWRA's recycled water plant to the Hesperia Golf Course.
- Engineering will manage a contract for a consultant to design the FY 2016-17 Waterline Replacement Project. This multi-year project consists of replacing approximately 8 miles of old 4" steel waterline in the southwest quadrant of the City. It is expected that the consultant will take a year to complete the survey and design of the project. The plans are expected to be ready for the pipeline crew in the Fall of 2017 and will keep the pipeline crew busy for two years following plan delivery.

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: CUSTOMER SERVICE 4050

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 493,705	\$ 494,426	\$ 459,551	\$ 475,995	\$ 493,851	7%
Benefits	172,203	182,844	186,503	177,152	204,081	9%
Materials & Operations	418,507	245,892	805,643	745,877	864,953	7%
Contractual	13,355	14,176	17,920	17,920	17,920	0%
Other Operating	32,435	33,826	29,005	26,897	29,880	3%
Capital Outlay	0	0	27,500	27,435	0	-100%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,130,205</b>	<b>\$ 971,164</b>	<b>\$ 1,526,122</b>	<b>\$ 1,471,276</b>	<b>\$ 1,610,685</b>	<b>6%</b>

**PROGRAM DESCRIPTION**

Obtains meter reads of domestic and commercial water meters, and reports the reads to the Utility Billing Program. Replaces water meters that do not meet the American Water Works Association's (AWWA) accuracy standards and for the meter rotation program. Completes necessary water meter, water meter assembly, and meter box maintenance. Addresses customer concerns regarding consumption, leaks, and water pressure. Maintains, remove/re-install current Automated Meter Reading units. Installs Advanced Meter Infrastructure (AMI) endpoints for the implementation of an (AMI) fixed metering network. Performs service requests, turn offs/ons, transfer reads, billing and delinquent rechecks, and delinquent lock offs.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	2.00	2.00	2.00	2.00
Meter Reader	4.00	4.00	4.00	4.00
Senior Maintenance Worker	2.00	2.00	2.00	2.00
<b>Total Full-Time Staff</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>

**SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES**

- Funding in the amount of \$621,573 is included to continue with the implementation of the Advanced Meter Infrastructure (AMI) Program. FY 2016-17 is the second year of a seven year program to install automated meter reading equipment on customer accounts, at 3,785 endpoints per year. The program involves two cost components: 1) the equipment (endpoint) cost of \$550,831 for FY 2016-17 and 2) an ongoing monthly software component for each active endpoint for a FY 2016-17 Budget of \$70,742. This represents an increase of \$30,318 over the prior year, due to the addition of active endpoints.

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: CUSTOMER SERVICE 4050

**2015-16 PROGRAM ACCOMPLISHMENTS**

- Replaced a combination of 1,000 domestic, irrigation, and commercial water meters.
- Completed 18,000 various water meter-related maintenance repairs.
- Performed 18,500 field service requests.
- Obtained 158,350 meter reads for billing purposes.
- Installed 3,785 Automated Metering Infrastructure (AMI) endpoints.
- Maintained/re-installed 4,000 Automated Meter Reading (AMR) units.

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Provide accurate meter reading on a scheduled basis.
- Replace 1,000 water meters to improve accuracy of recorded water consumption.
- Provide customers with a properly functioning meter assembly.
- Address customer complaints/concerns in a timely and courteous manner.
- Continue with the implementation of the new Advanced Metering Infrastructure (AMI) with the installation of 3,785 AMI endpoints.
- Maintain/re-install or remove the old Automated Meter Reading (AMR) units to ensure meter reading remains on schedule.

<b>PERFORMANCE AND WORKLOAD INDICATORS</b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>
Customer Service Requests	20,886	19,744	18,500	19,000
Meter Reads	157,408	157,886	158,350	140,000
Maintenance	9,388	17,745	18,000	19,000
Meters Rotated/Replaced	1,018	985	1,000	1,000
AMR maintained/re-installed	2,543	4,059	4,000	4,000
AMI endpoints installed	N/A	N/A	3,785	3,785
New Meter Sets (Tract Homes)	4	22	3	10

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: UTILITY BILLING 4060

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 556,079	\$ 560,836	\$ 542,050	\$ 541,520	\$ 568,348	5%
Benefits	173,159	167,702	171,313	153,787	189,413	11%
Materials & Operations	142,197	143,241	140,054	139,850	143,254	2%
Contractual	141,722	135,272	143,472	150,520	113,875	-21%
Other Operating	4,308	6,431	4,655	4,655	4,760	2%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 1,017,465</b>	<b>\$ 1,013,482</b>	<b>\$ 1,001,544</b>	<b>\$ 990,332</b>	<b>\$ 1,019,650</b>	<b>2%</b>

#### PROGRAM DESCRIPTION

The Utility Billing Section provides customer service to over 26,400 customers of the Hesperia Water District, which provides water and sewer services. Customer service consists of establishing new services, moving customers in and out of existing accounts, shut-offs, inbound and outbound phone calls, email notifications, response to customer service requests, notification to customers of scheduled and emergency maintenance/shut downs, and posting all payments as the City's centralized cashier. Utility Billing also manages all aspects of billing, including scheduling meter reads, calculating bills, and processing delinquent accounts; and manages the on-line customer bill presentment/payment service. This section also processes all bad checks and credit card chargebacks.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Customer Service Representative	5.00	5.00	5.00	5.00
Customer Service Supervisor	1.00	1.00	1.00	1.00
Deputy Finance Director	0.10	0.10	0.10	0.10
Senior Account Clerk	2.00	2.00	2.00	2.00
Senior Customer Service Representative	2.00	2.00	2.00	2.00
<b>Total Full-Time Staff</b>	<b>10.10</b>	<b>10.10</b>	<b>10.10</b>	<b>10.10</b>
<u>Part-Time Staff</u>				
Customer Service Representative	0.92	0.92	0.92	0.92
<b>Total Part-Time Staff</b>	<b>0.92</b>	<b>0.92</b>	<b>0.92</b>	<b>0.92</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>11.02</b>	<b>11.02</b>	<b>11.02</b>	<b>11.02</b>

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- None.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- Processed and mailed over 206,000 bills/notices and 10 inserts.
- Trained two new Customer Service Representatives (CSRs).

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: UTILITY BILLING 4060

**2015-16 PROGRAM ACCOMPLISHMENTS (Continued)**

- Managed the transition of over 5,000 Automated Meter Reading (AMR) changes.
- Developed new processes and procedures for new Automated Meter Infrastructure (AMI).
- Cross-trained CSRs in new payment processing/electronic deposits procedures.
- Assisted customers in complying with drought mandated restrictions.
- Trained staff on Beacon software.
- Implemented new cashiering processes for the new Business License module using TrakIt.
- Revised Utility Billing forms and improved clarity of water bills/notices.
- Compiled and reported monthly statistical data to comply with the new State mandates.
- Added on-line payment options to the City App and via mobile devices.

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Standardize all City invoices to utilize a generic double window envelope.
- Promote customer engagement in utilizing EyeOnWater application.
- Implement new procedures for billing AMI accounts.
- Restructure the billing calendar.
- Analyze outsourcing of water bills to a Print/Mail vendor.
- Implementation of an Auto-Dialer and associated processes.

**PERFORMANCE AND**

**WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Bills Processed	204,465	204,441	205,000	205,500
New Accounts Established (New Meters)	70	88	110	150
Accounts Transferred	4,467	4,372	4,400	4,525
Water Service Accounts	26,253	26,341	26,513	26,663
Sewer Service Accounts	5,415	5,455	5,490	5,540
E-Pay Account Enrollment	9,593	10,356	11,300	12,000
E-Pay Paperless Account Enrollment	2,649	2,926	3,150	3,275
On-line Customer Service Requests	570	690	610	650
Incoming Phone Calls	51,697	50,000	50,500	50,025
Past Due Notices Mailed	58,275	57,533	58,260	58,300
Door Hangers Distributed	2,454	2,199	2,200	2,150
Automated Delinquency Reminder Calls	21,954	22,485	21,995	22,100
Accounts Shut Off for Non-Payment	3,736	3,398	3,500	3,525
Automated Email Notifications (implemented in 2015)	N/A	N/A	15,745	16,500

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: ADMINISTRATION 4070

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 605,436	\$ 604,994	\$ 598,970	\$ 513,718	\$ 395,424	-34%
Benefits	338,726	344,315	229,613	184,669	169,312	-26%
Materials & Operations	66,045	88,054	81,465	87,143	83,625	3%
Contractual	430,879	467,641	464,398	449,026	428,347	-8%
Other Operating	1,869,954	1,713,877	1,819,273	1,812,051	1,819,425	0%
Capital Outlay	0	24,243	0	0	0	0%
Debt Service	3,060,627	2,947,767	1,812,810	1,774,000	1,763,470	-3%
<b>TOTAL</b>	<b>\$ 6,371,667</b>	<b>\$ 6,190,891</b>	<b>\$ 5,006,529</b>	<b>\$ 4,820,607</b>	<b>\$ 4,659,603</b>	<b>-7%</b>

#### PROGRAM DESCRIPTION

This Program of the Water fund pays that portion of supervision for all water-related activities. This Program identifies costs attributable to administrative costs related to the Water District as required by the State of California's Office of the Controller. Other administrative costs are allocated within the specific funds as applicable.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Assistant to the City Manager	0.00	0.00	0.00	0.25
Administrative Analyst	0.25	0.40	0.40	0.40
Administrative Secretary	0.50	0.70	0.70	0.65
Assistant City Manager/Management Services	0.05	0.05	0.05	0.05
City Engineer	0.50	0.50	0.50	0.00
Director of Development Services	0.40	0.40	0.40	0.15
Emergency Services Coordinator	0.50	0.50	0.50	0.00
Executive Secretary	0.40	0.00	0.00	0.00
Management Analyst	1.00	1.00	1.00	0.50
Office Assistant	0.50	0.50	0.50	0.50
Public Works Director	0.50	0.50	0.50	0.00
Public Works Manager	0.00	0.00	0.00	0.20
Public Works Supervisor/Water	1.00	1.00	1.00	1.00
Senior Office Assistant	0.50	0.50	0.50	0.00
Senior Warehouse Technician	1.00	1.00	1.00	1.00
Warehouse Technician	1.00	1.00	1.00	1.00
<b>Total Full-Time Staff</b>	<b>8.10</b>	<b>8.05</b>	<b>8.05</b>	<b>5.45</b>
<u>Part-Time Staff</u>				
Administrative Analyst	0.00	0.00	0.00	0.23
Office Assistant	0.00	0.00	0.00	0.23
<b>Total Part-Time Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.46</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>8.10</b>	<b>8.05</b>	<b>8.05</b>	<b>5.91</b>

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ADMINISTRATION	4070

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Eliminate one vacant Public Works Director 0.50 FTE position.
- Reclassify the Public Works Supervisor to the Public Works Manager (Range 43) position with a distribution of 0.20 FTE.
- Change the Public Works Supervisor salary range from Range 38 to a Range 40.
- Eliminate one vacant Senior Office Assistant position (0.50 FTE) and add one part-time Office Assistant (0.23 FTE) position.
- Eliminate the City Engineer (0.50 FTE) position, and add \$100,000 for contractual engineering services to the Water Engineering program.
- Eliminate one vacant Emergency Services Coordinator (0.50 FTE) position and add one part-time Administrative Analyst (0.23 FTE) position.
- Reclassify the Community Relations and Media Coordinator to the Assistant to the City Manager and allocate 0.25 FTE to Water Administration.
- To more accurately reflect the current workload, the distribution of the Director of Development Services is decreased from 0.40 FTE to 0.15 FTE.
- The FTE distribution for the Administrative Secretary is being decreased from 0.20 FTE to 0.15 FTE and this change increases the total FTE allocation to a decrease from 0.70 FTE to 0.65 FTE, which is due to having two split funded Administrative Secretary positions coded to this program.
- The Management Analyst FTE distribution is being decreased from 1.00 FTE to 0.50 FTE to reflect assigned duties, and workload priorities.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- Continued to promote certification for Water Division staff through sponsorship of continuing education.
- Maintained a presence with Mojave Water Agency (MWA) as a leading producer in the Alto Sub-Basin.
- Represented the Hesperia Water District (HWD) for the Alto Sub-Basin Committee of the wastewater for the Mojave River Basin.
- Continued to maintain a leading presence with the MWA.
- Continued to work with MWA and San Bernardino County Flood Control District in joint projects, such as the Rancho Road Recharge Basin on the Antelope Valley Wash.
- Continued on the Alto Sub-Basin Committee for the Mojave River Basin Watermaster.
- With guidance from the Council created Ad-Hoc Committee, adopted the update to the 2015 Urban Water Management Plan.

#### 2016-17 PROGRAM GOALS AND OBJECTIVES

- To promote certification for Water Division's staff through continuing education.
- To continue to promote and support Cityworks Asset Management Program.
- To continue to provide support to the staff of the Water Division.
- To continue to maintain a leading presence with the MWA.

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: PROPERTY MANAGEMENT 4080

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 152,567	\$ 148,353	\$ 156,384	\$149,326	\$ 166,023	6%
Benefits	63,679	66,054	76,196	67,863	84,235	11%
Materials & Operations	32,734	27,561	36,730	19,985	31,210	-15%
Contractual	26,581	25,489	32,834	22,760	40,034	22%
Other Operating	19,015	22,469	44,225	13,174	49,225	11%
Capital Outlay	0	0	15,000	0	15,000	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 294,576</b>	<b>\$ 289,926</b>	<b>\$ 361,369</b>	<b>\$273,108</b>	<b>\$ 385,727</b>	<b>7%</b>

#### PROGRAM DESCRIPTION

Property Management under Facility Maintenance supports all Water Division and district facilities to include leased property. The objective of this Program is to provide a clean, safe, well-maintained work environment for all employees and tenants located at 17282 Mojave Street, and 15776 Main Street. This will be accomplished through Preventive/Predictive Maintenance Program that will reduce facility depreciation and reduce unforeseen equipment/structural failures. A well-developed Preventive/Predictive Maintenance Program, supported by the Faciliworks computerized maintenance management system, will better serve customers with planned maintenance, while reducing the effects of catastrophic mechanical/structural failures leading to prolonged customer inconvenience and disruptions of daily operations.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Custodian	2.00	2.00	2.00	2.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Senior Custodian	0.50	0.50	0.50	0.50
<b>Total Full-Time Staff</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<u>Part-Time Staff</u>				
Custodian - Part-Time	0.46	0.46	0.46	0.46
<b>Total Part-Time Staff</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>
<b>Total Full &amp; Part-Time Staff</b>	<b>3.46</b>	<b>3.46</b>	<b>3.46</b>	<b>3.46</b>

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- None.

FUND: WATER OPERATING 700  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: WATER 400  
PROGRAM: PROPERTY MANAGEMENT 4080

**2015-16 PROGRAM ACCOMPLISHMENTS**

- Maintained 9393 Santa Fe Avenue landscape through sub-contract activity.
- Provided maintenance, repair and surveillance at 9393 Santa Fe Avenue utilizing in-house staff.
- Provided a clean, safe work environment at all Water Division and District facilities.
- Continued to build the Facilitworks database to provide better work control tracking of facility maintenance.
- Improved cost estimating on all maintenance and repair issues to obtain the best value.

**2016-17 PROGRAM GOALS AND OBJECTIVES**

- Provide a clean, safe, well-maintained work environment for employees and tenants located at 17282 Mojave Street and 15776 Main Street.
- Provide property maintenance and repair at 15776 Main Street with in-house staff and sub-contracted activities.
- Provide guidance and management to all sub-contractors under the direction of Public Works Property Management.
- Provide landscape management based on current planting and irrigation.

**PERFORMANCE AND**

**WORKLOAD INDICATORS**

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Work Orders Processed	32	58	83	83
Service Contracts Administered	12	10	10	10
Soft Floor Deep Cleaning (square feet)	0	500	5,500	800
Hard Floor Deep Cleaning (square feet)	1,228	500	3,000	6,810

FUND: SEWER OPERATING 710 AND SEWER CAPITAL 711  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: SEWER 420

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 250,559	\$ 251,956	\$ 264,772	\$ 245,844	\$ 281,505	6%
Benefits	91,271	82,648	109,873	100,993	113,402	3%
Materials & Operations	2,105,513	2,121,282	2,516,960	2,517,054	2,601,815	3%
Contractual	39,002	43,785	52,300	52,300	252,300	382%
Other Operating	224,470	202,612	220,495	217,818	237,402	8%
Capital Outlay	132,500	188,136	20,000	16,744	214,000	970%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 2,843,315</b>	<b>\$ 2,890,419</b>	<b>\$ 3,184,400</b>	<b>\$ 3,150,753</b>	<b>\$ 3,700,424</b>	<b>16%</b>

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2015-16 Budget	2015-16 Budget
Sewer Operations (710)	\$ 2,712,565	\$ 2,890,419	\$ 3,184,400	\$ 3,150,753	\$ 3,500,424	10%
Sewer Capital (711)	130,750	0	0	0	200,000	100%
<b>Total Sewer</b>	<b>\$ 2,843,315</b>	<b>\$ 2,890,419</b>	<b>\$ 3,184,400</b>	<b>\$ 3,150,753</b>	<b>\$ 3,700,424</b>	<b>16%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b><u>DEPARTMENT STAFFING</u></b>				
Total Full-Time Staff	4.50	4.50	5.20	5.20
Total D.S. Sewer Staff	4.50	4.50	5.20	5.20

**DIVISION GOALS FOR 2016-17**

- Keep the wastewater collection system free and unobstructed.
- Proactively clean and flush the wastewater collection system.
- Proactively inspect and record the wastewater collection system using video equipment.
- Continue coordination with the Victor Valley Wastewater Reclamation Authority (VWRA) on the construction for the sub-regional wastewater reclamation facility.

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES**

- Half the funding in the amount of \$214,000 is included to purchase a new vacor, for a total cost of \$428,000.

FUND: SEWER OPERATING 710 AND SEWER CAPITAL 711  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: SEWER 420

REVENUE DETAIL	2013-14	2014-15	2015-16	2015-16	2016-17	%Change From 2015-16
	Actual	Actual	Budget	Revised	Budget	Budget
<b><u>Sewer Operating Fund (710)</u></b>						
<b>Interest</b>						
Interest Income 710 19 220 0000 5600	\$ 5,484	\$ 5,428	\$ 6,800	\$ 8,900	\$ 9,000	32%
<b>Total Interest</b>	<b>\$ 5,484</b>	<b>\$ 5,428</b>	<b>\$ 6,800</b>	<b>\$ 8,900</b>	<b>\$ 9,000</b>	<b>32%</b>
<b>Charges for Services</b>						
Sewer Billing 710 29 420 4200 5200	\$ 3,352,554	\$ 3,412,190	\$ 3,450,000	\$ 3,400,000	\$ 3,422,438	-1%
Zone J Sewer Billing 710 29 420 4200 5210	69,216	69,216	69,215	69,215	69,215	0%
Sewer Inspections 710 29 420 4200 5260	3,068	5,200	3,000	3,500	3,000	0%
Other Charges for Services	563	944	1,200	1,200	1,000	-17%
<b>Total Charges for Service</b>	<b>\$ 3,425,401</b>	<b>\$ 3,487,550</b>	<b>\$ 3,523,415</b>	<b>\$ 3,473,915</b>	<b>\$ 3,495,653</b>	<b>-1%</b>
<b>Total Sewer Operating Fund</b>	<b>\$ 3,430,885</b>	<b>\$ 3,492,978</b>	<b>\$ 3,530,215</b>	<b>\$ 3,482,815</b>	<b>\$ 3,504,653</b>	<b>-1%</b>
<b><u>Sewer Capital Fund (711)</u></b>						
<b>Charges for Services</b>						
Sewer Connections 711 29 420 4200 5220	\$ 87,592	\$ 120,128	\$ 200,000	\$ 100,000	\$ 80,000	-60%
Interest Income 711 19 220 0000 5600	2,563	2,417	2,008	4,800	5,100	154%
Miscellaneous Revenue 711 29 420 4200 5950	758	689	0	0	0	n/a
<b>Total Sewer Capital Fund</b>	<b>\$ 90,913</b>	<b>\$ 123,234</b>	<b>\$ 202,008</b>	<b>\$ 104,800</b>	<b>\$ 85,100</b>	<b>-58%</b>
<b>Total Sewer Operating &amp; Capital</b>	<b>\$ 3,521,798</b>	<b>\$ 3,616,212</b>	<b>\$ 3,732,223</b>	<b>\$ 3,587,615</b>	<b>\$ 3,589,753</b>	<b>-4%</b>

FUND: SEWER OPERATING 710  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: SEWER 420  
PROGRAM: SEWER OPERATIONS 4200

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 250,559	\$ 251,956	\$ 264,772	\$ 245,844	\$ 281,505	6%
Benefits	91,271	82,648	109,873	100,993	113,402	3%
Materials & Operations	2,105,513	2,121,282	2,516,960	2,517,054	2,601,815	3%
Contractual	39,002	43,785	52,300	52,300	52,300	0%
Other Operating	224,470	202,612	220,495	217,818	237,402	8%
Capital Outlay	1,750	188,136	20,000	16,744	214,000	970%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 2,712,565</b>	<b>\$ 2,890,419</b>	<b>\$ 3,184,400</b>	<b>\$ 3,150,753</b>	<b>\$ 3,500,424</b>	<b>10%</b>

#### PROGRAM DESCRIPTION

Sewer Operations is responsible for 130 miles of sewer and 2,220 manholes and the collecting and delivering of unobstructed flows of sewage to the regional treatment plant. The quality of the effluent must meet the requirements of the Victor Valley Wastewater Reclamation Authority (VWVRA), a Joint Powers Authority (JPA), comprised of Hesperia and other local agencies.

<u>PROGRAM STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Full-Time Staff</u>				
Assistant City Manager/Management Services	0.05	0.05	0.05	0.05
Maintenance Crew Supervisor	0.70	0.70	0.70	0.70
Maintenance Worker	2.90	2.90	3.60	3.60
Pump Maintenance Worker	0.05	0.05	0.00	0.00
Pump Operator	0.05	0.05	0.05	0.05
Senior Maintenance Worker	0.70	0.70	0.70	0.70
Senior Pump Maintenance Worker	0.00	0.00	0.05	0.05
Senior Pump Operator	0.05	0.05	0.05	0.05
<b>Total Full-Time Staff</b>	<b>4.50</b>	<b>4.50</b>	<b>5.20</b>	<b>5.20</b>

#### SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Half the funding in the amount of \$214,000 is included to purchase a new vector, for a total cost of \$428,000.

#### 2015-16 PROGRAM ACCOMPLISHMENTS

- Hydro-cleaned over 35% of the wastewater collection system.
- Completed first year of the three-year proactive maintenance program to have all the wastewater collection lines and manholes cleaned in the City.
- Cleaned and inspected over 41% of the wastewater manholes.

FUND: SEWER OPERATING 710  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: SEWER 420  
PROGRAM: SEWER OPERATIONS 4200

2015-16 PROGRAM ACCOMPLISHMENTS (Continued)

- Maintained operations of the District’s sewer pumping lift station with no overflows.
- The Wastewater/Storm Division videoed 8 miles of laterals of the wastewater collection system.

2016-17 PROGRAM GOALS AND OBJECTIVES

- Keep the wastewater collection system free and unobstructed.
- Continue the three-year proactive maintenance program to have all wastewater collection lines and manholes cleaned in the City.
- Continue the three-year proactive maintenance program to have all the wastewater collection lines in the City inspected and documented with closed circuit television recordings.
- Operate and maintain I Avenue sewage lift station.

PERFORMANCE AND  
WORKLOAD INDICATORS

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Wastewater Lines Cleaned (miles)	38	63	46	46
Manholes Maintained (Total of 2,220 Citywide)	722	1,115	903	903
Wastewater Lines Videotaped (miles)	7	9	40	40
Sewer Lift Stations operated/maintained	1	1	1	1
Wastewater laterals videotaped (miles)	n/a	n/a	8	8

FUND: SEWER CAPITAL 711  
DEPARTMENT: DEVELOPMENT SERVICES 29  
DIVISION: STREETS CAPITAL 700

PROGRAM EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials & Operations	0	0	0	0	0	0%
Contractual	0	0	0	0	200,000	100%
Other Operating	0	0	0	0	0	0%
Capital Outlay	130,750	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>Total</b>	<b>\$ 130,750</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 200,000</b>	<b>100%</b>

Note: See Section G, Capital Improvement Program (CIP), for details on Sewer CIP projects.

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FUND: GENERAL FUND 100  
DEPARTMENT: POLICE 51

DEPARTMENT EXPENDITURE SUMMARY	% Change From					
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials & Operations	53,282	65,099	74,379	60,973	65,489	-12%
Contractual	12,861,795	13,419,229	14,522,512	14,517,912	14,941,792	3%
Other Operating	79,847	57,680	65,460	65,160	74,999	15%
Capital Outlay	0	0	172,200	158,870	475,700	176%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 12,994,924</b>	<b>\$ 13,542,008</b>	<b>\$ 14,834,551</b>	<b>\$ 14,802,915</b>	<b>\$ 15,557,980</b>	<b>5%</b>

#### DEPARTMENT DESCRIPTION

The Police Department of the City of Hesperia provides law enforcement and public safety services to the residents of the City and to all those who come within its jurisdiction, which achieves the City Council's first goal of Public Safety. The Department works in partnership with other governmental agencies and the community to promote individual responsibility, create safer neighborhoods, and to enhance quality of life.

The San Bernardino County Sheriff's Department provides law enforcement services to the City under a service contract since its incorporation in 1988. By virtue of this contract, the City of Hesperia provides its citizens with full-service law enforcement operations; including patrol, traffic, and detective services; a Gang Team; Problem-Oriented Policing and Community Policing services; and the support staff and administration to operate effectively.

Additionally, by virtue of the contract with the Sheriff's Department, the City benefits from resources such as aviation support, specialized investigative teams (homicides, narcotics, crimes against children), and other units including high tech crimes, emergency services, public affairs, Crime Impact Team, and Specialized Enforcement Division (S.W.A.T.).

The City of Hesperia is the third largest contract city in San Bernardino County. On a per-deputy basis, the Hesperia Police Department makes more arrests and handles more calls for service than the majority of Sheriff's Stations in the County.

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b>DEPARTMENT STAFFING</b>				
Total Full-Time Staff	73.00	73.00	77.00	78.00
Total Police Staff	73.00	73.00	77.00	78.00

#### DEPARTMENT GOALS FOR 2016-17

- Continue the successful efforts of the Gang Team, which assists patrol on priority, in-progress calls, in addition to handling gang-related investigations, stepping up proactive and targeted gang-related issues. The six-deputy team supplements the patrol division's efforts to conduct proactive, targeted, and selected enforcement activities. The Gang Team will continue to coordinate with City of Hesperia Code Enforcement and Graffiti Abatement personnel to reduce incidents of property crimes and graffiti within the City. In FY 2016-17, the Gang Team will continue to coordinate and interact with the Sheriff's Departments new Regional High Desert Gang Team, as well as other law enforcement agencies to conduct SMASH enforcement operations that specifically target organized gangs in the High Desert.

FUND: GENERAL FUND 100  
DEPARTMENT: POLICE 51

#### DEPARTMENT GOALS FOR 2016-17 (Continued)

- Continue to move forward with the Crime Free Rental Program in requiring owners of rental units within the City to register and participate in the Crime Free Rental Program. In addition, continue with the citation program and fine schedule to those rental owners who rent to tenants who continually violate the Crime Free Rental mandates. The Department will continue to provide training and informational meetings to the rental owners.
- The City continues to experience a trend in alcohol/drug related traffic collisions, many of which have resulted in fatalities. The Department's Traffic Division will aggressively continue traffic enforcement to assist in reducing traffic collisions.
- Continue on-going efforts in the recruitment of volunteers, and expand the volunteer unit's participation in community events such as the Hesperia Days Parade, the National Night Out, the Jolly Parade, and large events permitted by the City.
- Deploy stationary and trailer-mounted Automated License Plate Readers (ALPR's) and Speed Indicator at specific locations throughout the City to assist in developing investigative leads for criminal activity that occurs in the City of Hesperia. The ALPR's also double as electronic speed indicators to the public operating on the roadway. This will assist in maintaining the flow of traffic at the posted speed limit and hopefully reduce accidents associated with excessive speed.
- The Department is also completing research to install and utilize ALPR fixed cameras at various City intersections to include Main Street/Mariposa Road, Main Street/Key Pointe, Rancho Road/Mariposa Road and Rancho Road/Caliente Road. The purchase of this equipment will enable the Police Department to read vehicle license plates and check them against an installed database for rapid identity verification. The system is used to locate stolen vehicles and vehicles identified as being involved in criminal activities. The information is immediately available and law enforcement staff is alerted when a stolen or wanted vehicle is detected.

#### SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- The FY 2015-16 Budget for the police services contract was budgeted at \$14,027,940. It is anticipated that the contract would increase by 1.5% or \$217,280 to continue current level law enforcement services. Included in the budget is the addition of one Deputy Sheriff (1.00 FTE) position, which increases the police services contract by 3.0% or \$414,375 to a projected cost of \$14,442,315. It should be noted that the provided police service contract costs do not include salary increases from the ongoing labor negotiations between the County and safety personnel labor organizations.
- Now that the City's Crime Free Rental Program is in operation, one Deputy Sheriff (1.00 FTE) position is being added (see above) for the Crime Free Rental Program. The deputy will be responsible for contacting property owners and single-family homeowners in the Crime Free Rental Program. The deputy will monitor arrests and criminal reports that occur on rental properties, in addition to having a working relationship with property owners and property managers. This deputy will work closely with Code Enforcement, Animal Control, County Probation, and will assist with inspections when necessary.
- The City receives contract credits from vacant positions or while personnel are on long-term leave. These credits are used to offset any overtime charges. For the FY 2016-17 Budget, it is assumed that vacancy credits will exceed the overtime costs.
- If ALPR fixed cameras are purchased and installed, the total expenditures for equipment installation at all four locations is estimated at \$537,334. If fiber optics are not available at the intersections, total monthly costs are estimated at \$800. The Department currently has approximately \$71,000 in Asset Forfeiture monies that can be utilized to offset expenses of the equipment and installation, which leaves an obligation of \$466,500. The main non-monetary benefit of the system is the agency being able to detect stolen and wanted vehicles and assist with the prosecution of suspects in those related cases. The utilization of the cameras will equate to extra manpower by allowing deputies to focus on other areas of concern.

FUND: GENERAL FUND 100  
DEPARTMENT: POLICE 51

<u>DEPARTMENT STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>Sworn Officers (Contract)</u>				
Captain	1.00	1.00	1.00	1.00
Lieutenant	1.00	1.00	1.00	1.00
Sergeant	7.00	7.00	7.00	7.00
Detective/Corporal	5.00	5.00	5.00	5.00
Sheriff Deputy	41.00	41.00	43.00	44.00
<b>Total Sworn Full Time Staff</b>	<b>55.00</b>	<b>55.00</b>	<b>57.00</b>	<b>58.00</b>
<u>Non-Sworn Staff (Contract)</u>				
Office Specialist	9.00	9.00	10.00	10.00
Secretary	1.00	1.00	2.00	2.00
Sheriff's Service Specialist	8.00	8.00	8.00	8.00
<b>Total Non Sworn Full-Time Staff</b>	<b>18.00</b>	<b>18.00</b>	<b>20.00</b>	<b>20.00</b>
<b>Total Sworn &amp; Non-Sworn Staff</b>	<b>73.00</b>	<b>73.00</b>	<b>77.00</b>	<b>78.00</b>

#### 2015-16 DEPARTMENT ACCOMPLISHMENTS

- Volunteer units, which consist of Citizens-On-Patrol, Explorers, Reserves, and Equestrian Unit, continued to exceed all other High Desert volunteer units in the total number of hours volunteered to the community. In 2015, Hesperia Police volunteers donated 32,560 hours to the City. For the fifth year in a row, the Citizens-On-Patrol Unit led the County in volunteer hours, donating 19,405 hours. Volunteers consistently supply the needed manpower to staff community events such as the Hesperia Days Parade, National Night Out, Movies at the Park, Tree Lighting Ceremony, Jolly Parade, The Pet Walk, and the City's annual Safety Fair, in addition to other events requiring command post, traffic control, or crime scene security.
- The Hesperia Police Activities League continues to be a widely successful program. As it stands, the program is at full capacity with youth participants and volunteers. The Hesperia Police Activities League Program has continued to build an excellent rapport and mutual understanding between the youth within the community and the Police Department. In order to reduce costs of the building, the Department has structured a rental agreement with Parks and Recreation.
- The Gang Team has successfully investigated numerous high-profile, gang-related incidents and continues to work with the District Attorney's Office to attach enhanced-sentencing requirements to suspects charged with gang-related crimes. This continued success of the Gang Team's efforts has helped thwart a criminal gang expansion and related violent crime that can be found in other communities within the High Desert. The Gang Team also began working closely with the Sheriff's Department's new Regional High Desert Gang Team to target high profile gang cases and follow through with the DA investigations.
- The City Ordinance for the Crime-Free Rental Program has gone into effect and continues to be a worthwhile program. Training has been conducted at the Hesperia Police Department in order to train local multi-unit property owners to increase awareness of the Crime Free Rental Program. Additional personnel have been appointed to oversee the program.
- The Traffic Division has the ability with added traffic enforcement deputies to target peak times for potential traffic-related issues. The Office of Traffic Safety grant is being utilized to target DUI offenders on the weekends and during the evening hours.

FUND: GENERAL FUND 100  
DEPARTMENT: POLICE 51

#### 2015-16 DEPARTMENT ACCOMPLISHMENTS (Continued)

- After an analysis of the increasing number of Child Protection Services/Adult Protection Services referrals, the Department continued to utilize a full-time deputy position to relieve the workload of patrol deputies. This position solely handles investigations related to juveniles and the elderly. This redistribution of work to a specialized investigator has given patrol personnel the ability to respond to high priority calls in a timely manner.

#### DEPARTMENT GOALS AND OBJECTIVES FOR 2016-17

- Increase efforts through enforcement in target problem areas in traffic control to continue the trend of reducing the number of fatal and major injury traffic collisions within the City of Hesperia. Proactive patrols and a visual presence will be more effective with the addition of assigned traffic units. This will help enhance the safety of those operating motor vehicles within the City.
- The Hesperia Gang Team will continue to conduct proactive, targeted, and selected enforcement activities. The Gang Team will continue to coordinate with City of Hesperia Code Enforcement, Graffiti Abatement, and the Sheriff's Regional Gang Team to reduce incidents of gang violence, property crimes, and graffiti within the City.
- Continue efforts to support and expand participation in the Hesperia Police Activities League through the efforts of patrol personnel and station volunteers. This program aids in reducing juvenile crime by providing youth programs that develop discipline, positive self-image, and mutual trust and respect between law enforcement and the youth of the community.
- The Off-Highway Vehicle (OHV) Enforcement Grant funds patrol operations on a regular basis, thereby reducing the number of nuisance and noise complaints related to OHV operation within the City. The goal of proper ownership, lawful operation, and safe riding practices of OHV's by the citizens of Hesperia, through education and proactive enforcement, will improve the overall safety and quality of life for residents.
- Establish a program to educate business owners on panhandling and establish a rapport with clients. Continue to address panhandlers and the effect on quality of life for the citizens.
- Establish training within the Department and with the cooperation of ABC contacts in order to begin the ABC Impact Inspection Program and to educate alcohol vendors of the single serve alcohol beverage deemed approved ordinance and take enforcement action when necessary.
- Implement the use of automated license plate readers at strategic points within the City to assist in establishing investigative leads for use in identifying and prosecuting those responsible for conducting criminal acts within the City. It is anticipated that an additional benefit will be a reduction of speed by motorist in the areas of deployment and a reduction in the number of accidents related to speed.
- Continue to enforce the Crime Free Rental Housing Program Ordinance and ensure property owners have registered their property and are in compliance with the City Ordinance.

FUND: GENERAL FUND 100  
DEPARTMENT: POLICE 51

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>*2016</u>
<u>Part I Offenses</u>				
Homicide	1	3	3	2
Rape	17	18	19	18
Robbery	84	56	83	74
Assaults	675	746	706	709
Burglary	874	821	574	756
Theft	1,060	1,107	1,277	1,148
Theft Motor Vehicle	<u>409</u>	<u>375</u>	<u>379</u>	<u>388</u>
Total Part I Offenses	3,120	3,126	3,041	3,095
<u>Part II Offenses</u>				
	5,965	5,341	4,180	5,162
<u>Arrests</u>				
Adult	2,963	2,861	2,662	2,829
Juvenile	<u>152</u>	<u>128</u>	<u>-112</u>	<u>131</u>
Total Arrests	3,115	2,988	2,774	2,960
<u>Total Calls for Service</u>				
▪ Reactive (Dispatched only)	41,106	41,650	66,931	49,896
▪ Proactive (On-views)	20,612	20,079	17,937	19,543
▪ Others (Info, cancelled, pre-empted)	23,797	24,687	25,463	24,649
<u>Reports</u>	9,905	9,469	9,668	9,681
<u>Traffic Collisions</u>				
Fatal	15	10	11	12
Injury	179	160	336	192
Non-Injury	<u>844</u>	<u>716</u>	<u>884</u>	<u>810</u>
Total Collisions	1,038	886	1,138	1,014
Citations	4,454	3,688	2,755	3,613
DUI Arrests	423	272	270	322
<u>Crime Free Rental Housing**</u>				
<u>Registered Properties</u>				
Single-Family	N/A	N/A	N/A	790
Multi-Family	N/A	N/A	N/A	216
Tenant Screenings	N/A	N/A	N/A	432
Inspections	N/A	N/A	N/A	370
Evictions	N/A	N/A	N/A	10
Reports	N/A	N/A	N/A	180

\*Note: 2016 estimates are based on figures from the 2015 Annual Report and a three-year average.

\*\*Note: Figures are based on 2015 and 2016 statistics. This is to establish a baseline for the program.

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FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55

DEPARTMENT EXPENDITURE SUMMARY						% Change
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	From 2015-16 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	91,526	246,542	316,648	305,456	379,119	20%
Materials & Operations	6,664	3,095	8,146	3,046	7,513	-8%
Contractual	9,202,344	9,657,467	9,622,015	9,754,690	10,009,572	4%
Other Operating	1,001,641	1,072,837	37,312	12,812	37,312	0%
Capital Outlay	62,551	248,935	0	7,800	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 10,364,726</b>	<b>\$ 11,228,876</b>	<b>\$ 9,984,121</b>	<b>\$ 10,083,804</b>	<b>\$ 10,433,516</b>	<b>5%</b>

DEPARTMENT EXPENDITURE SUMMARY						% Change
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	From 2015-16 Budget
520 Operations and Community Safety	\$ 8,897,812	\$ 9,449,751	\$ 9,419,396	\$ 9,545,062	\$ 9,808,986	4%
521 Administration	497,564	741,662	564,725	538,742	624,530	11%
528 SAFER Grant	969,350	1,037,463	0	0	0	0%
<b>Total Fire District</b>	<b>\$ 10,364,726</b>	<b>\$ 11,228,876</b>	<b>\$ 9,984,121</b>	<b>\$ 10,083,804</b>	<b>\$ 10,433,516</b>	<b>5%</b>

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<b>DEPARTMENT STAFFING</b>				
Total Full-Time Staff (Contract)	66.73	67.10	58.25	58.33
Total Full-Time Staff (Non-Contract)	0.00	0.00	0.00	0.00
<b>Total Fire District Staff</b>	<b>66.73</b>	<b>67.10</b>	<b>58.25</b>	<b>58.33</b>

**DEPARTMENT GOALS FOR 2016-17**

- Continue partnership and communication with City staff and Council.
- Increase resource synergy through a regionalized response model.
- Provide an Inmate Crew available to the City for up to thirty (30) work-days.
- Continue working with the City for implementation of a Fleet Replacement Plan and Fire Station Improvement Plan.
- Complete deployment of IOS-based MDC tablets for all Hesperia Suppression and Ambulance apparatus.
- Complete upgrade of VHF "BK" Mobile Radio Systems to meet current and future service needs.
- Procure and deploy a new Medic Ambulance apparatus to shore up an aging fleet.

FUND: HESPERIA FIRE DISTRICT 200  
 DEPARTMENT: FIRE DISTRICT 55

**SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES**

- For the Hesperia Fire Protection District, the contract with the San Bernardino County Fire Department (County Fire) changed during FY 2015-16 from the adopted budget of \$9,419,396 to a Revised FY 2015-16 of \$9,545,062 reflecting a restructured salary schedule and monthly paramedic stipend. For FY 2016-17, the County Fire contract for the current level of service has increased from \$9,545,062 to \$9,808,986 for an increase of \$263,924, or 2.8%. This increase was due to operating expenses increase of \$282,619; an increase in the contract management fee of \$26,095; and a decrease in personnel costs of \$44,790.
- Purchase of one new medic ambulance in FY 2016-17 (Fund 502).
- During FY 2015-16 the Fire District purchased one new medic ambulance and one previously owned medic ladder truck (Fund 502).
- Continue deployment of 15 Ambulance Operator EMT Positions (15.00 FTE) and 15 Ambulance Operator PM Positions (15.00 FTE) to staff 5 Advanced Life Support Ambulances.
- Continue two Advance Support Fire Engines with one Captain, one Engineer, and one Firefighter/Paramedic and partially staff a third County Engine with one Engineer per 24 hour period.
- Due to contract reallocation, the Division Chief has been reclassified as the Assistant Chief position, as well as increasing the FTE allocation by 0.02 FTE for a total 0.45 FTE.
- In addition, the three Battalion Chief positions each increased from 0.43 FTE to 0.45 FTE for a contract total of 1.35 FTE.
- Funding of \$45,000 for a Plymovent for Station 304 and carry-over roof repairs at Station 302 (\$84,000) are to be carried over to City FY 2016-17 Budget and are funded in the Fire Capital Fund 502.
- CalPERS inactive pension plan will increase \$62,435 or 19.8% from \$315,166 to \$377,601 in FY 2016-17 Budget.

	2013-14	2014-15	2015-16	2015-16	2016-17	%Change From 2015-16
REVENUE DETAIL	Actual	Actual	Budget	Revised	Budget	Budget
<b>200 Fire District Fund</b>						
<b>Taxes</b>						
Secured Property Taxes 200 55 521 0000 4000	\$ 3,952,319	\$ 3,909,852	\$ 4,204,291	\$ 4,144,443	\$ 4,393,110	4%
CFD #94-1 200 55 521 0000 4030	565,812	567,094	563,191	569,706	592,190	5%
CFD #2005-1 200 55 521 0000 4031	326,850	214,143	218,426	218,426	222,795	2%
Redevelopment Agency Pass- Through 200 55 521 0000 4090	1,867,920	1,382,366	1,452,473	1,579,078	1,627,387	12%
Fire Capital Pass Through 502 19 220 0000 4090	560,709	625,061	662,327	762,018	807,739	22%
WEDA Pass-Through 200 55 521 0000 4095	97,851	120,797	133,626	140,044	148,447	11%
<b>Total Taxes</b>	<b>\$ 7,371,461</b>	<b>\$ 6,819,313</b>	<b>\$ 7,234,334</b>	<b>\$ 7,413,715</b>	<b>\$ 7,791,668</b>	<b>8%</b>

FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55

REVENUE DETAIL	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	%Change From 2015-16 Budget
<b>200 Fire District Fund (Continued)</b>						
<b>Interest</b>						
Interest-Fire Operating 200 55 521 0000 5320	\$ 1,037	\$ 178	\$ 356	\$ 0	\$ 0	-100%
Interest-Fire Capital 502 19 220 0000 5600	10,813	12,281	12,046	18,707	20,609	71%
<b>Total Interest</b>	<b>\$ 11,850</b>	<b>\$ 12,459</b>	<b>\$ 12,402</b>	<b>\$ 18,707</b>	<b>\$ 20,609</b>	<b>66%</b>
<b>Charges for Services</b>						
Paramedic Ambulance Fees 200 55 525 0000 5300	\$ 2,289,233	\$ 2,615,055	\$ 2,500,000	\$ 2,400,000	\$ 2,500,000	0%
Ground Emergency Medical Transportation (GEMT) 200 55 525 0000 5303	0	173,222	285,375	101,530	450,733	58%
Non-Transport EMS Charge 200 55 525 0000 5315	180,920	177,290	169,597	198,000	198,000	17%
Ambulance Membership Service 200 55 525 0000 5305	13,575	12,675	9,200	12,000	10,000	9%
Fire Hazard Inspection 200 55 523 0000 5335	149,650	125,181	141,464	134,352	135,000	-5%
City/County HazMat Contract 200 55 527 0000 5368	152,686	152,686	152,686	152,686	152,686	0%
Other Charges for Services	88,815	98,769	85,688	128,222	110,399	29%
<b>Total Charges for Services</b>	<b>\$ 2,874,879</b>	<b>\$ 3,354,878</b>	<b>\$ 3,344,010</b>	<b>\$ 3,126,790</b>	<b>\$ 3,556,818</b>	<b>6%</b>
<b>Grants</b>						
Thermal Imaging Camera Grant 200 55 521 0000 4762	\$ 0	\$ 0	\$ 0	\$ 1,787	\$ 0	n/a
FEMA SAFER Grant 200 55 528 0000 4816	584,151	718,125	0	0	0	n/a
<b>Total Grants</b>	<b>\$ 584,151</b>	<b>\$ 718,125</b>	<b>\$ 0</b>	<b>\$ 1,787</b>	<b>\$ 0</b>	<b>n/a</b>
<b>Other Operating</b>						
Cell Tower Rent 200 19 220 0000 5885	\$ 55,329	\$ 48,456	\$ 40,924	\$ 40,924	\$ 42,970	5%
Insurance Reimbursements 200 19 220 0000 5803	0	0	30,000	15,295	0	-100%
<b>Total Other Operating</b>	<b>\$ 55,329</b>	<b>\$ 48,456</b>	<b>\$ 70,924</b>	<b>\$ 56,219</b>	<b>\$ 42,970</b>	<b>-39%</b>
<b>All Other</b>						
All Other	\$ 77,643	\$ 42,578	\$ 8,344	\$ 12,463	\$ 4,216	-49%
<b>Total All Other</b>	<b>\$ 77,643</b>	<b>\$ 42,578</b>	<b>\$ 8,344</b>	<b>\$ 12,463</b>	<b>\$ 4,216</b>	<b>-49%</b>
<b>Total Fire District Fund</b>	<b>\$ 10,975,313</b>	<b>\$ 10,995,809</b>	<b>\$ 10,670,014</b>	<b>\$ 10,629,681</b>	<b>\$ 11,416,281</b>	<b>7%</b>

FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55

<u>DEPARTMENT STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>County Full-Time Safety Staff (Contract)</u>				
Assistant Chief	0.00	0.00	0.00	0.45
Division Chief	0.43	0.39	0.43	0.00
Battalion Chief	1.30	1.18	1.29	1.35
Captain	9.00	9.00	6.00	6.00
Engineer	12.00	12.00	9.00	9.00
Firefighter/Paramedic	9.00	9.00	6.00	6.00
Ambulance Operator/EMT	0.00	0.00	15.00	15.00
Ambulance Operator/PM	0.00	0.00	15.00	15.00
Firefighter/Paramedic - Limited Term	15.00	15.00	0.00	0.00
Firefighter - Limited Term	15.00	15.00	0.00	0.00
<b>Full-Time Safety</b>	<b>61.73</b>	<b>61.57</b>	<b>52.72</b>	<b>52.80</b>
<u>County Full-Time Non-Safety Staff (Contract)</u>				
Account Representative	2.00	0.00	0.00	0.00
Collection Officer	0.00	2.00	2.00	2.00
Office Assistant III	0.00	0.50	0.50	0.50
Public Service Employee	1.00	1.00	1.00	1.00
Subtotal - Office Staff	3.00	3.50	3.50	3.50
Deputy Fire Marshall	0.00	0.03	0.03	0.03
Fire Prevention Supervisor	0.50	0.50	0.50	0.50
Fire Prevention Officer/Arson	0.50	0.50	0.50	0.50
Fire Prevention Specialist	0.50	0.50	0.50	0.50
Front Counter Technician (Account Clerk I)	0.50	0.50	0.50	0.50
Subtotal - Fire Prevention Staff	2.00	2.03	2.03	2.03
<b>Total County Full-Time Non-Safety Staff</b>	<b>5.00</b>	<b>5.53</b>	<b>5.53</b>	<b>5.53</b>
<b>Total County Full-Time Safety and Non-Safety Staff (Contract)</b>	<b>66.73</b>	<b>67.10</b>	<b>58.25</b>	<b>58.33</b>

FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55  
DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

DIVISION EXPENDITURE SUMMARY						% Change From
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	2015-16 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials & Operations	0	0	0	0	0	0%
Contractual	8,897,812	9,449,751	9,419,396	9,545,062	9,808,986	4%
Other Operating	0	0	0	0	0	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 8,897,812</b>	<b>\$ 9,449,751</b>	<b>\$ 9,419,396</b>	<b>\$ 9,545,062</b>	<b>\$ 9,808,986</b>	<b>4%</b>

**DIVISION DESCRIPTION**

The Operations and Community Safety Division of the Hesperia Fire Protection District consists of services delivered to the general public providing for the safety of the community (City Council goal – Public Safety). The San Bernardino County Fire Department provides the services to the District under a service contract that became effective June 1, 2004.

The Hesperia Fire Protection District provides its citizens with full-service fire operations including fire suppression, emergency medical paramedic level care and transportation, rescue and extraction of trapped persons, hazardous materials, and disaster mitigation. The Division also maintains ongoing activities such as in-service training and community service.

Community Safety consists of three units: Fire Protection Planning and Engineering, Fire Prevention, and Fire Investigations, whose purpose is to reduce the frequency, probability and severity of fires along with the resultant deaths, injuries, and property damage through occupancy inspections, education, and training the community to be fire safe.

<u>DIVISION STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>County Full-Time Safety Staff (Contract)</u>				
Ambulance Operator/EMT	0.00	0.00	15.00	15.00
Ambulance Operator/PM	0.00	0.00	15.00	15.00
Assistant Chief	0.00	0.00	0.00	0.45
Battalion Chief	1.30	1.18	1.29	1.35
Captain	9.00	9.00	6.00	6.00
Division Chief	0.43	0.39	0.43	0.00
Engineer	12.00	12.00	9.00	9.00
Firefighter/Paramedic	9.00	9.00	6.00	6.00
Firefighter - Limited Term	12.00	12.00	0.00	0.00
<b>Total County Full-Time Safety Staff</b>	<b>43.73</b>	<b>43.57</b>	<b>52.72</b>	<b>52.80</b>

FUND: HESPERIA FIRE DISTRICT 200  
 DEPARTMENT: FIRE DISTRICT 55  
 DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

<u>DIVISION STAFFING (Continued)</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>County Full-Time Non-Safety Staff (Contract)</u>				
Account Representative	2.00	0.00	0.00	0.00
Collection Officer	0.00	2.00	2.00	2.00
Public Service Employee	1.00	1.00	1.00	1.00
Subtotal - Office Staff	3.00	3.00	3.00	3.00
Deputy Fire Marshall	0.00	0.03	0.03	0.03
Fire Prevention Officer/Arson	0.50	0.50	0.50	0.50
Fire Prevention Specialist	0.50	0.50	0.50	0.50
Fire Prevention Supervisor	0.50	0.50	0.50	0.50
Front Counter Technician (Account Clerk I)	0.50	0.50	0.50	0.50
Office Assistant III	0.00	0.50	0.50	0.50
Subtotal - Fire Prevention Staff	2.00	2.53	2.53	2.53
<b>Total County Full-Time Non-Safety Staff</b>	<b>5.00</b>	<b>5.53</b>	<b>5.53</b>	<b>5.53</b>
<b>Total County Full-Time Safety and Non-Safety Staff (Contract)</b>	<b>48.73</b>	<b>49.10</b>	<b>58.25</b>	<b>58.33</b>

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES**

- For the Hesperia Fire Protection District, the contract with the San Bernardino County Fire Department (County Fire) changed during FY 2015-16 from the adopted budget of \$9,419,396 to a Revised FY 2015-16 of \$9,545,062 reflecting a restructured salary schedule and monthly paramedic stipend. For FY 2016-17, the County Fire contract for the current level of service has increased from \$9,545,062 to \$9,808,986 for an increase of \$263,924, or 2.8%. This increase was due to operating expenses increase of \$282,619; an increase in the contract management fee of \$26,095; and a decrease in personnel costs of \$44,790.
- Continue deployment of 15 Ambulance Operator EMT Positions (15.00 FTE) and 15 Ambulance Operator PM Positions (15.00 FTE) to staff 5 Advanced Life Support Ambulances.
- Continue two Advance Support Fire Engines with one Captain, one Engineer, and one Firefighter/Paramedic and partially staff a third County Engine with one Engineer per 24 hour period.
- Due to contract reallocation, the Division Chief has been reclassified as the Assistant Chief position, as well as increasing the FTE allocation by 0.02 FTE for a total 0.45 FTE.
- In addition, the three Battalion Chief positions each increased from 0.43 FTE to 0.45 FTE for a contract total of 1.35 FTE.

**2015-16 DIVISION ACCOMPLISHMENTS**

- Issued Level 3a (Rifle) ballistic protection to all suppression personnel for use on high risk “escalating threat” or incidents with a higher propensity for violence (i.e. assaults, shootings, stabbings or active shooter events).
- Deployed IOS platform mobile data computers to all Hesperia front line Engines and Ambulances.
- Provided tiered responses to medical emergencies, reducing unit responses overall and increasing the available unit hours of our all-risk suppression apparatus.
- Continued partnership and communication with City staff and Council.
- Increased resource synergy through a regionalized response model.

FUND: HESPERIA FIRE DISTRICT 200  
 DEPARTMENT: FIRE DISTRICT 55  
 DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

**2015-16 DIVISION ACCOMPLISHMENTS (Continued)**

- Provided an Inmate Crew available to the City for up to thirty (30) work-days.
- Implemented Phase 2 of an Engine Company Inspection Program for non-permitted occupancies
- Procured and deployed a new Medic Ambulance apparatus to shore up an aging fleet.
- Continued to work with the City for implementation of a Fleet Replacement Plan and Fire Station Improvement Plan.
- Continued the utilization of non-safety Ambulance Operator positions on District ambulances.

**2016-17 DIVISION GOALS AND OBJECTIVES**

- Continue partnership and communication with City staff and Council.
- Increase resource synergy through a regionalized response model.
- Provide an Inmate Crew available to the City for up to thirty (30) work-days.
- Continue working with the City for implementation of a Fleet Replacement Plan and Fire Station Improvement Plan.
- Complete deployment of IOS-based MDC tablets for all Hesperia Suppression and Ambulance apparatus.
- Complete upgrade of VHF "BK" Mobile Radio Systems to meet current and future service needs.

**PERFORMANCE AND  
WORKLOAD INDICATORS**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Fire Prevention</u></b>				
Classes and Talks	0	0	1	1
Juvenile Fire Setters Counseled	20	10	3	10
Inspections Outside Normal Hours	0	0	2	0
New Business Inspections	n/a	20	51	25
Model Rocket Launching Site Inspection	1	0	0	0
Day Care and Adult Care Facility Inspections	20	10	10	10
State Regulated Inspections-Apartments Under 100 Units	51	40	2	2
State Regulated Inspections-Apartments Over 100 Units	0	0	0	0
School Site Inspections	7	0	1	50
<b><u>Inspections</u></b>				
Assembly (Churches, Assembly Inspections)	89	80	83	83
Auto Wrecking Yards	7	5	10	10
Christmas Tree Lot Inspections/Permits	3	3	5	5
Dust-Producing Inspections/Permits	6	4	11	11
Haunted House Inspections/Permits	0	1	0	0
High-Piles Combustible Storage Inspections	12	12	22	22
Lumber Yard Inspections/Permits	0	0	3	3
Motor Vehicle Fuel Dispensing Station Inspections	13	15	23	23
Tents, Canopies/Temporary Membrane	1	1	4	4
Special Event	10	10	8	10

\*Calendar year, not fiscal year

FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55  
DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

**PERFORMANCE AND  
WORKLOAD INDICATORS (Continued)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Permits</u>				
Assembly (Churches, Assembly Inspections)	60	80	83	1
Auto Wrecking Yards	9	5	10	10
Christmas Tree Lot Inspections/Permits	3	3	5	5
Dust-Producing Inspections/Permits	11	4	11	11
Haunted House Inspections/Permits	0	1	0	0
High-Piles Combustible Storage Inspections	19	12	22	22
Lumber Yard Inspections/Permits	0	0	3	3
Motor Vehicle Fuel Dispensing Station Inspections	9	15	23	23
Tents, Canopies/Temporary Membrane	2	1	5	5
Special Event	15	10	9	10
Battery Systems	0	0	1	1
Compressed Gases	11	12	33	33
Dry Cleaning Plants	1	1	1	1
Flammable/Combustible Liquids	25	20	30	30
Hot Works Operations	68	60	123	123
Ovens, Baking, Drying	4	2	4	4
Pallet Yards	3	3	4	4
Repair Garages	103	90	104	104
Spraying/Dipping	22	20	23	23
Tire Storage	14	14	30	30
ESS Spray Booth/Hood & Duct Systems	70	60	76	76
Refrigeration Equipment	1	1	3	3
<u>Fire Plan Review</u>				
Modification of Sprinklers	18	15	10	15
Parcel Map	7	5	5	10
Plan Review Alarm System	33	30	20	20
Plan Review Spray Booth	0	2	3	5
Plan Review Sprinkler System	13	20	15	15
Site Plan Review	31	30	10	10
Structural Plans Review/Inspection	20	20	36	20
Tenant Improvement Plans Inspection	58	50	70	50
<u>Vegetation Management</u>				
Burn Permits	436	458	301	421
Public Service Station Tours/Public Education	<u>94</u>	<u>96</u>	<u>98</u>	<u>100</u>
Total	530	554	399	521
<u>Emergency Responses:</u>				
Advanced Life Support	7,287	9,964	10,956	8,500
Bomb Threats	0	0	0	0
Fires-Grass	59	80	88	50
Fires-Miscellaneous	79	79	87	60
Fires-Structure	92	259	285	175
Fires-Truck	0	0	0	0
Fires-Vehicle	<u>66</u>	<u>66</u>	<u>73</u>	<u>75</u>
Sub-total Fires	296	484	533	360

\*Calendar year, not fiscal year

FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55  
DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

**PERFORMANCE AND  
WORKLOAD INDICATORS (Continued)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Emergency Responses (Continued):</u></b>				
Hazardous Conditions	84	80	88	28
Hazardous Materials	16	8	9	16
Investigations	606	525	578	550
Mass Casualty Incidents	0	0	0	0
Mutual Aids – Hesperia units provided to other jurisdiction	n/a	100	113	111
Mutual Aids – Other jurisdiction units provided to Hesperia	n/a	1,400	1,491	1,660
Public Service	1,183	170	179	175
Rescues	15	12	13	15
Traffic Collisions	670	920	1,012	900
Traffic Extrications	n/a	81	89	75
<b>Total</b>	<b>10,157</b>	<b>12,244</b>	<b>13,457</b>	<b>10,619</b>
<b><u>Household Collection Center</u></b>				
Number of Participants	2,489	2,517	3,397	3,920
Used Oil Collection (Pounds)	31,854	32,693	60,138	51,000
E-waste Only (Pounds)	53,364	55,149	62,325	73,000
Waste Materials Collected (Pounds-includes oil and E-wastes)	166,763	171,171	188,864	190,000
<b><u>Hazardous Materials</u></b>				
Underground Tank Operation Inspections	47	49	49	32
Hazardous Materials Inspections	107	40	40	84
Certified Unified Program Agency Inspections	151	152	152	104

\*Calendar year, not fiscal year

FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55  
DIVISION: ADMINISTRATION 521

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	91,526	246,542	316,648	305,456	379,119	20%
Materials & Operations	6,664	3,095	8,146	3,046	7,513	-8%
Contractual	304,532	207,716	202,619	209,628	200,586	-1%
Other Operating	32,291	35,374	37,312	12,812	37,312	0%
Capital Outlay	62,551	248,935	0	7,800	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 497,564</b>	<b>\$ 741,662</b>	<b>\$564,725</b>	<b>\$538,742</b>	<b>\$624,530</b>	<b>11%</b>

#### DIVISION DESCRIPTION

Starting in the 2004-05 Budget, this program reflects Fire District initiatives and expenditures that are non-County contract expenditures.

#### SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- CalPERS inactive pension plan will increase \$62,435 or 19.8% from \$315,166 to \$377,601 in FY 2016-17 Budget.
- Purchase of one new medic ambulance in FY 2016-17 (Fund 502).
- During FY 2015-16 the Fire District purchased one new medic ambulance and one previously owned medic ladder truck (Fund 502).
- Funding of \$45,000 for a Plymovent for Station 304 and carry-over roof repairs at Station 302 (\$84,000) are to be carried over to City FY 2016-17 Budget and are funded in the Fire Capital Fund 502.

#### 2015-16 DIVISION ACCOMPLISHMENTS

- Managed the County of San Bernardino Fire services contract issues and expenditures.
- Monitored the Fire District Reserves.
- Managed the Fire District expenditures for non-contract costs and issues related to old workers' compensation claims and CalPERS.

#### 2016-17 DIVISION GOALS AND OBJECTIVES

- Coordinate with LAFCO (Local Agency Formation Commission) and County of San Bernardino Fire to effectuate the transfer of all Hesperia Fire assets and operations to County of San Bernardino Fire.
- Manage the County of San Bernardino Fire services contract issues and expenditures.
- Manage the Hesperia Fire District administrative expenditures for non-contract costs and issues related to old workers' compensation claims and CalPERS.

FUND: HESPERIA FIRE DISTRICT 200  
DEPARTMENT: FIRE DISTRICT 55  
DIVISION: SAFER GRANT 528

DIVISION EXPENDITURE SUMMARY	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget	% Change From 2015-16 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials	0	0	0	0	0	0%
Contractual	0	0	0	0	0	0%
Other Operating	969,350	1,037,463	0	0	0	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$ 969,350</b>	<b>\$ 1,037,463</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0%</b>

**DIVISION DESCRIPTION**

During FY 2012-13 the City of Hesperia secured financing from the SAFER (Staffing for Adequate Fire and Emergency Response) grant from the Federal Emergency Management Agency (FEMA) to add back positions reduced during FY 2011-12. The SAFER grant is funded 18 Limited-Term Firefighters (LT) for fiscal years 2013-14 and 2014-15. The grant ended on June 30, 2015.

<u>DEPARTMENT STAFFING</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
<u>County Full-Time Safety Staff (Contract)</u>				
Firefighter/Paramedic - Limited Term	15.00	15.00	0.00	0.00
Firefighter - Limited Term	3.00	3.00	0.00	0.00
<b>Total Full-Time Safety Staff</b>	<b>18.00</b>	<b>18.00</b>	<b>0.00</b>	<b>0.00</b>

**SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES**

- The County contract portion for the two-year SAFER grant ended on June 30, 2015 and the 18 positions funded by the SAFER grant were discontinued.

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# CAPITAL IMPROVEMENT PROGRAM (CIP)

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- *Overview and Summary*
- *CIP Expenditures by Project*
- *CIP Expenditures By Fund and Project*
- *CIP Project Listing*
- *CIP Project Descriptions*

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## CAPITAL IMPROVEMENT PROGRAM (CIP)

### OVERVIEW

The Capital Improvement Program (CIP) Summary includes new and continued capital projects funded in the Fiscal Year (FY) 2016-17 Budget. Information on capital projects completed in FY 2015-16 and projects temporarily suspended are also included to identify funds spent on recently completed projects as well as those that may resume in future years. Fiscal Year 2013-14 and Fiscal Year 2014-15 CIP projects are also included for historical purposes on the expenditure summaries. Frequently, CIP projects extend beyond one fiscal year.

The City's construction projects and major capital acquisitions that have an extended life are included in the Capital Improvement Program. In some circumstances, studies undertaken related to anticipated future capital projects are also included. Generally, the CIP will include capital replacement projects that repair, replace, or enhance existing facilities, equipment, or infrastructure, and capital facility projects that significantly expand or add capacity to the City's existing fixed assets.

### SUMMARY

The CIP projects are summarized as follows:

<u>CIP Major Categories</u>	<u>Projects Completed in FY 2015-16</u>	<u>Projects Continued in 2016-17 Budget</u>	<u>New Projects Included in 2016-17 Budget</u>	<u>New &amp; Continued Projects Included in 2016-17 Budget</u>
Streets CIP Projects	\$2,719,051	\$ 5,970,706	\$2,556,642	\$ 8,527,348
Storm Drainage	0	1,180,420	0	1,180,420
Facilities	386,992	696,346	0	696,346
Water	0	10,000,000	90,000	10,090,000
Sewer	0	0	0	0
Total CIP Projects	<u>\$3,106,043</u>	<u>\$17,847,472</u>	<u>\$2,646,642</u>	<u>\$20,494,114</u>

#### 1. Streets CIP Projects - \$8,527,348 (2016-17 Budget)

- 2016-17 Street Improvement Project – \$2,200,000 has been included in the FY 2016-17 Budget. The program history is as follows:

	<u>Expenditures</u>	<u>Miles Paved</u>	<u>Slurry Seal Miles</u>
2000-01 Street Improvement Project	\$ 2,226,573	18.0	0
2001-02 Street Improvement Project	\$ 2,148,349	19.4	0
2002-03 Street Improvement Project	\$ 1,993,142	16.5	0
2003-04 Street Improvement Project	\$ 2,033,719	17.1	0
2004-05 Street Improvement Project	\$ 3,166,412	18.2	12.4
2005-06 Street Improvement Project	\$ 6,221,264	51.1	14.2
2006-07 Street Improvement Project	\$10,994,391	57.0	11.0
2007-08 Street Improvement Project	\$19,134,056	57.0	4.0
2008-09 Street Improvement Project	\$ 9,193,091	28.0	0
2009-10 Street Improvement Project	\$ 5,726,868	13.9	0
2010-11 Street Improvement Project	\$ 0	0	0
2011-12 Street Improvement Project	\$ 2,446,984	2.5	7.5
2012-13 Street Improvement Project	\$ 1,705,349	1.0	6.6
2013-14 Street Improvement Project	\$ 1,801,741	1.9	9.3
2014-15 Street Improvement Project*	\$ 3,149,769	3.4	15.0
<u>2015-16 Street Improvement Project</u>	<u>\$ 1,843,600</u>	<u>1.6</u>	<u>7.9</u>
Sixteen Year Total	\$73,785,308	306.6	87.9
<u>2016-17 Street Improvement Project</u>	<u>\$ 2,200,000</u>	<u>2.5</u>	<u>7.6</u>
Seventeen Year Total	\$75,985,308	309.1	95.5

\*Includes Fir and Rodeo paving project [Construction Order (C.O.) # 7134].

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

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- Two Other New Street Projects – 2 Projects \$356,642 – Funding in the amount of \$356,642 has been included in the FY 2016-17 Budget for the following two new street projects:

  - Main Street Traffic Signal Synchronization \$252,028
  - 2016-17 Americans with Disabilities Act (ADA) Improvements 104,614
  - \$356,642**
  
- Ranchero Road Related Projects – 3 Projects \$1,419,000 – Included in the FY 2016-17 Budget are projects related to the Ranchero Road Corridor, with the largest overall project being the Ranchero Road Interchange Project. The three projects are as follows:

  - Ranchero Road Undercrossing (Mitigation) \$ 700,000
  - Ranchero Road I-15 Interchange (Mitigation) 130,000
  - Ranchero Road Aqueduct Widening Improvement (Design) 589,000
  - \$1,419,000**
  
- Eight Other Streets Projects – 8 Projects \$4,551,706 – Included in the FY 2016-17 Budget are eight other continuing street projects. These projects include the carryover of Street Improvement Projects:

  - 2015-16 Street Improvement Project (Construction) \$1,841,800
  - Willow Street Paseo (Construction) 844,156
  - 2015-16 ADA Transition Plan 570,750
  - Traffic Signal at Ranchero Road/Maple Avenue 500,000
  - Aqueduct Crossing Improvements – Widen Bridge at Main Street 400,000
  - Bear Valley Road Reconstruction Cottonwood-Mariposa 250,000
  - 2014-15 ADA Transition Plan (Close-out) 95,000
  - Street Improvements – Fir and Rodeo 50,000
  - \$4,551,706**
  
- 2. Storm Drainage C I P Project - 1 Project \$1,180,420 – Included in the FY 2016-17 Budget is the continuation of one drainage project as shown below:

  - H-01 Drainage Facility – (Section 3A) Third Avenue to Fourth Avenue (Construction) \$1,180,420
  - \$1,180,420**
  
- 3. Facilities C I P Project – 1 Project \$696,346 – The following project, totaling \$696,346, will be continued in Fiscal Year 2016-17 as follows:

  - Park and Ride Facility (Construction) \$696,346
  - \$696,346**
  
- 4. Water C I P Projects – 2 Projects \$10,090,000 – Funding in the amount of \$10,090,000 has been included in the FY 2016-17 Budget for one new project and the continuation of another as shown below:

  - Reclaimed Water Distribution System (Continued) \$10,000,000
  - Appaloosa Reclaimed Water Line (New) 90,000
  - \$10,090,000**

## C I P EXPENDITURES BY PROJECT

Project	2013-14	2014-15	2015-16	2015-16	2016-17
Number Project Title	Actual	Actual	Budget	Revised	Budget
<b><u>New Streets Projects in FY 2016-17</u></b>					
7133 Main Street Traffic Signal Synchronization	\$ 0	\$ 0	\$ 0	\$ 328,117	\$ 252,028
7135 FY 2016-17 Street Improvement Project	0	0	0	0	2,200,000
7402 2016-17 ADA Improvements - Year 3	0	0	0	0	104,614
Sub-Total New 2016-17 Streets CIP Projects	\$ 0	\$ 0	\$ 0	\$ 328,117	\$ 2,556,642
<b><u>Streets CIP Projects Continued in FY 2016-17</u></b>					
7046 Rancho Road Undercrossing	\$ 941,186	\$ 92,359	\$ 200,000	\$ 2,000	\$ 700,000
7086 Rancho Road I-15 Interchange	969,004	462,061	250,000	75,000	130,000
7094 Rancho Road Improvements – Seventh Avenue to Mariposa Road	130,616	185,471	700,000	414,500	589,000
7096 Aqueduct Crossing Improvements – Widen Bridge at Main Street (Design and ROW Acquisition)	0	186,911	400,000	247,000	400,000
7123 Willow Street Paseo**	10,717	0	905,338	61,182	844,156
7130 2015-16 Street Improvement Project**	0	0	2,277,000	1,800	1,841,800
7131 Traffic Signal @ Rancho Road/Maple Avenue	0	0	500,000	0	500,000
7132 Bear Valley Road Reconstruction Cottonwood-Mariposa**	0	0	250,000	0	250,000
7134 Street Improvements - Fir and Rodeo	0	0	0	380,000	50,000
7400 2014-15 ADA Transition Plan - Year 1**	0	2,072	2,000	4,000	95,000
7401 2015-16 ADA Transition Plan - Year 2**	0	0	260,000	0	570,750
Sub-Total CIP Projects Continued in FY 2016-17	\$ 2,051,523	\$ 928,874	\$ 5,744,338	\$ 1,185,482	\$ 5,970,706
<b><u>Streets CIP Projects Completed in FY 2015-16</u></b>					
7129 2014-15 Street Improvement Project**	\$ 0	\$ 718	\$ 2,490,000	\$ 2,719,051	\$ 0
Sub-Total Streets CIP Projects Completed in FY 2015-16	\$ 0	\$ 718	\$ 2,490,000	\$ 2,719,051	\$ 0
<b><u>Streets CIP Projects Completed in FY 2014-15</u></b>					
7128 2013-14 Street Improvement Project	\$ 42,597	\$ 1,759,144	\$ 0	\$ 0	\$ 0
Sub-Total Streets CIP Projects Completed in FY 2014-15	\$ 42,597	\$ 1,759,144	\$ 0	\$ 0	\$ 0
<b><u>Streets CIP Projects Completed in FY 2013-14</u></b>					
7122 Choceana/Talisman Realignment	\$ 205,374	\$ 0	\$ 0	\$ 0	\$ 0
7124 Sequoia Bike Routes & Bus Stop Improvements	555,847	0	0	0	0
7125 2012-13 Street Improvement Project	1,704,674	0	0	0	0
7127 Main Street Overhead Railroad Bridge Rehab	118,000	0	0	0	0
Sub-Total Streets CIP Projects Completed in FY 2013-14	\$ 2,583,895	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Summary Streets CIP Projects</b>	<b>\$ 4,678,015</b>	<b>\$ 2,688,736</b>	<b>\$ 8,234,338</b>	<b>\$ 4,232,650</b>	<b>\$ 8,527,348</b>

\*\*Construction

## C I P EXPENDITURES BY PROJECT

Project	2013-14	2014-15	2015-16	2015-16	2016-17
Number Project Title	Actual	Actual	Budget	Revised	Budget
<b>Storm Drainage CIP Projects</b>					
7091 H-01 Drainage Facility - Section 3A (Fourth Avenue to Third Avenue) **	\$ 13,173	\$ 0	\$ 1,185,537	\$ 5,115	\$ 1,180,420
<b>Total Storm Drainage CIP Projects</b>	<b>\$ 13,173</b>	<b>\$ 0</b>	<b>\$ 1,185,537</b>	<b>\$ 5,115</b>	<b>\$ 1,180,420</b>
<b>Facilities Projects</b>					
6517 Fire Station 301 Construction/Property Acquisition	\$ 613	\$ 69,059	\$ 0	\$ 0	\$ 0
6523 Park and Ride Facility**	13,948	667	696,346	0	696,346
6524 Animal Control Site Improvements**	0	68,956	175,500	386,992	0
<b>Total Facilities Projects</b>	<b>\$ 14,561</b>	<b>\$ 138,682</b>	<b>\$ 871,846</b>	<b>\$ 386,992</b>	<b>\$ 696,346</b>
<b>New Water Projects in FY 2016-17</b>					
8088 Appaloosa Avenue Reclaimed Water Line	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000
<b>Sub-total New Water Projects in FY 2016-17</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 90,000</b>
<b>Water Projects Continued in FY 2016-17</b>					
8087 Reclaimed Water Distribution System	\$ 2,313	\$ 38,954	\$ 0	\$ 70,000	\$ 10,000,000
<b>Sub-total Water Projects Continued in FY 2016-17</b>	<b>\$ 2,313</b>	<b>\$ 38,954</b>	<b>\$ 0</b>	<b>\$ 70,000</b>	<b>\$ 10,000,000</b>
<b>Water CIP Projects Completed in FY 2013-14</b>					
8086 Interstate 15 & Rancho Road: Frontage Road Water Improvements	\$ 648,146	\$ 0	\$ 0	\$ 0	\$ 0
<b>Sub-total Water CIP Projects Completed in FY 2013-14</b>	<b>\$ 648,146</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Water CIP Projects</b>	<b>\$ 650,459</b>	<b>\$ 38,954</b>	<b>\$ 0</b>	<b>\$ 70,000</b>	<b>\$ 10,090,000</b>
<b>Total Summary Streets CIP Projects</b>					
<b>Total Summary Streets CIP Projects</b>	<b>\$ 4,678,015</b>	<b>\$ 2,688,736</b>	<b>\$ 8,234,338</b>	<b>\$ 4,232,650</b>	<b>\$ 8,527,348</b>
<b>Total Storm Drainage CIP Projects</b>	<b>13,173</b>	<b>0</b>	<b>1,185,537</b>	<b>5,115</b>	<b>1,180,420</b>
<b>Total Facilities Projects</b>	<b>14,561</b>	<b>138,682</b>	<b>871,846</b>	<b>386,992</b>	<b>696,346</b>
<b>Total Water CIP Projects</b>	<b>650,459</b>	<b>38,954</b>	<b>0</b>	<b>70,000</b>	<b>10,090,000</b>
<b>Grand Total</b>	<b>\$ 5,356,208</b>	<b>\$ 2,866,372</b>	<b>\$ 10,291,721</b>	<b>\$ 4,694,757</b>	<b>\$ 20,494,114</b>

Note #1 - Water and Sewer funds have been used to partially fund two streets projects and a facilities project. The water and sewer funding is shown with those specific projects.

\*\*Construction

**C I P EXPENDITURES BY FUND AND PROJECT**

Project Number	Project Title	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
<b>100 General Fund</b>						
6524	Animal Control Site Improvements**	\$ 0	\$ 68,956	\$ 175,500	\$ 386,992	\$ 0
7046	Ranchero Road Undercrossing	0	0	0	0	500,000
7129	2014-15 Street Improvement Project**	0	0	490,000	0	0
7133	Main Street Traffic Signal Synchronization	0	0	0	0	35,500
	<b>Total General Fund 100</b>	<b>\$ 0</b>	<b>\$ 68,956</b>	<b>\$ 665,500</b>	<b>\$ 386,992</b>	<b>\$ 535,500</b>
<b>204 Measure I Renewal</b>						
6523	Park and Ride Facility**	\$ 13,948	\$ 650	\$ 4,000	\$ 0	\$ 4,000
7122	Choiceana/Talisman Realignment	205,374	0	0	0	0
7123	Willow Street Paseo**	10,717	0	0	0	0
7124	Sequoia Bike Routes & Bus Stop Improvements	11,291	0	0	0	0
7125	2012-13 Street Improvement Project	1,523,168	0	0	0	0
7127	Main Street Overhead Railroad Bridge Rehab	118,000	0	0	0	0
7128	2013-14 Annual Street Improvement	42,597	1,759,144	0	0	0
7129	2014-15 Street Improvement Project**	0	718	2,000,000	2,719,051	0
7130	2015-16 Street Improvement***	0	0	2,277,000	1,800	1,356,011
7133	Main Street Traffic Signal Synchronization	0	0	0	0	200,000
7135	FY 2016-17 Street Improvement Project	0	0	0	0	2,000,000
7400	2014-15 ADA Transition Plan - Year 1**	0	2,072	2,000	4,000	44,250
	<b>Total Measure I Renewal Fund 204</b>	<b>\$ 1,925,095</b>	<b>\$ 1,762,584</b>	<b>\$ 4,283,000</b>	<b>\$ 2,724,851</b>	<b>\$ 3,604,261</b>
<b>205 Gas Tax Fund</b>						
7123	Willow Street Paseo**	\$ 0	\$ 0	\$ 70,438	\$ 50,000	\$ 20,438
7131	Traffic Signal @ Ranchero Rd/Maple Ave	0	0	200,000	0	200,000
7132	Bear Valley Road Reconstruction Cottonwood-Mariposa**	0	0	250,000	0	250,000
	<b>Total Gas Tax Fund 205</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 520,438</b>	<b>\$ 50,000</b>	<b>\$ 470,438</b>
<b>207 Local Transportation Fund Article 8 (LTF)</b>						
7046	Ranchero Road Undercrossing	\$ 539,000	\$ 0	\$ 0	\$ 0	\$ 0
7094	Ranchero Road Improvements – 7th Avenue to Mariposa Road	55,308	185,471	677,500	392,000	552,450
7096	Aqueduct Crossing Improvements - Widen Bridge at Main Street	0	186,911	400,000	247,000	400,000
	<b>Total Local Transportation Fund 207</b>	<b>\$ 594,308</b>	<b>\$ 372,382</b>	<b>\$ 1,077,500</b>	<b>\$ 639,000</b>	<b>\$ 952,450</b>
<b>251 Community Development Block Grant (CDBG)</b>						
7134	Street Improvements - Fir and Rodeo Street	\$ 0	\$ 0	\$ 0	\$ 380,000	\$ 50,000
7400	2014-15 ADA Transition Plan - Year 1	0	0	0	0	50,750
7401	2015-16 ADA Transition Plan - Year 2**	0	0	260,000	0	570,750
7402	2016-17 ADA Improvements - Year 3	0	0	0	0	104,614
	<b>Total CDBG Fund 251</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 260,000</b>	<b>\$ 380,000</b>	<b>\$ 776,114</b>
<b>254 AB 2766 - Transit</b>						
7133	Main Street Traffic Signal Synchronization	\$ 0	\$ 0	\$ 0	\$ 328,117	\$ 16,528
	<b>Total AB 2766 Transit Fund 254</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 328,117</b>	<b>\$ 16,528</b>
<b>300 Development Impact Fee (DIF)-Streets Fund</b>						
7046	Ranchero Road Undercrossing	\$ 374,410	\$ 92,359	\$ 200,000	\$ 2,000	\$ 200,000
7086	Ranchero Road I-15 Interchange	969,004	462,061	250,000	75,000	130,000
7094	Ranchero Road Improvements - 7th Avenue to Mariposa Road	20,000	0	0	0	0
7131	Traffic Signal @ Ranchero Rd/Maple Ave	0	0	300,000	0	300,000
	<b>Total DIF Fund–Streets 300</b>	<b>\$ 1,363,414</b>	<b>\$ 554,420</b>	<b>\$ 750,000</b>	<b>\$ 77,000</b>	<b>\$ 630,000</b>

\*\*Construction

**C I P EXPENDITURES BY FUND AND PROJECT**

Project Number	Project Title	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
<b>302 Development Impact Fee (DIF) - Fire</b>						
6517	Fire Station 301 Construction/Property Acquisition	\$ 613	\$ 0	\$ 0	\$ 0	\$ 0
	<b>Total DIF-Fire Fund 302</b>	<b>\$ 613</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>502 Fire Capital Fund</b>						
6517	Fire Station 301 Construction/Property Acquisition	\$ 0	\$ 69,059	\$ 0	\$ 0	\$ 0
	<b>Total Fire Capital Fund 502</b>	<b>\$ 0</b>	<b>\$ 69,059</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>504 City Wide Projects</b>						
6523	Park and Ride Facility**	\$ 0	\$ 17	\$ 692,346	\$ 0	\$ 692,346
7091	H-01 Drainage Facility - Section 3A (Fourth Avenue to Third Avenue) **	13,173	0	1,185,537	5,115	1,180,420
7094	Ranchero Road Improvements – 7th Avenue to Mariposa Road	55,308	0	22,500	22,500	36,550
7123	Willow Street Paseo**	0	0	834,900	11,182	823,718
7124	Sequoia Bike Routes & Bus Stop Improvements	544,556	0	0	0	0
7125	2012-13 Street Improvement Project	181,506	0	0	0	0
	<b>Total City Wide Projects Fund 504</b>	<b>\$ 794,543</b>	<b>\$ 17</b>	<b>\$ 2,735,283</b>	<b>\$ 38,797</b>	<b>\$ 2,733,034</b>
<b>600 Ranchero Road Undercrossing Fund</b>						
7046	Ranchero Road Undercrossing	\$ 27,776	\$ 0	\$ 0	\$ 0	\$ 0
	<b>Total Ranchero Road Undercrossing Fund 600</b>	<b>\$ 27,776</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>701 Water Capital Fund</b>						
701	Water CIP Projects (See Water CIP for Project Detail)	\$ 650,459	\$ 38,954	\$ 0	\$ 70,000	\$ 10,090,000
7130	2015-16 Street Improvement Project	0	0	0	0	485,789
	<b>Total Water Capital Fund 701</b>	<b>\$ 650,459</b>	<b>\$ 38,954</b>	<b>\$ 0</b>	<b>\$ 70,000</b>	<b>\$ 10,575,789</b>
<b>711 Sewer Capital Fund</b>						
7135	FY 2016-17 Street Improvement Project	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
	<b>Total Sewer Capital Fund 711*</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 200,000</b>
	<b>TOTAL ALL CIP FUNDS</b>	<b>\$ 5,356,208</b>	<b>\$ 2,866,372</b>	<b>\$ 10,291,721</b>	<b>\$ 4,694,757</b>	<b>\$ 20,494,114</b>

Note: With the use of grants and other types of reimbursements, there may be instances of timing differences between the time when the expenditures were incurred and when the reimbursement is received. These instances have been notated on the applicable individual Construction Order (C.O.) sheets.

\*\*Construction

## C I P EXPENDITURES BY FUND AND PROJECT

Project Number	Project Title	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
<b>Streets and Storm Drain Related</b>						
100	General Fund	\$ 0	\$ 0	\$ 490,000	\$ 0	\$ 535,500
204	Measure I - Renewal Fund	1,911,147	1,761,934	4,279,000	2,724,851	3,600,261
205	Gas Tax Fund	0	0	520,438	50,000	470,438
207	Local Transportation Fund Article 8 (LTF)	594,308	372,382	1,077,500	639,000	952,450
251	Community Development Block Grant Fund	0	0	260,000	380,000	776,114
254	AB 2766 Transit Fund	0	0	0	328,117	16,528
300	Development Impact Fee-Streets Fund	1,363,414	554,420	750,000	77,000	630,000
504	City-wide Projects	794,543	0	2,042,937	38,797	2,040,688
600	Ranchero Road Undercrossing Fund	27,776	0	0	0	0
701	Water Capital	0	0	0	0	485,789
711	Sewer Capital	0	0	0	0	200,000
	<b>Total Streets and Storm Drain Related</b>	<b>\$ 4,691,188</b>	<b>\$ 2,688,736</b>	<b>\$ 9,419,875</b>	<b>\$ 4,237,765</b>	<b>\$ 9,707,768</b>
<b>Facilities Related</b>						
100	General Fund	\$ 0	\$ 68,956	\$ 175,500	\$ 386,992	\$ 0
204	Measure I - Renewal Fund	13,948	650	4,000	0	4,000
302	Development Impact Fee - Fire	613	0	0	0	0
502	Fire Capital Fund	0	69,059	0	0	0
504	Park and Ride Facility	0	17	692,346	0	692,346
711	Sewer Capital Fund	0	0	0	0	0
	<b>Total City Facilities Related</b>	<b>\$ 14,561</b>	<b>\$ 138,682</b>	<b>\$ 871,846</b>	<b>\$ 386,992</b>	<b>\$ 696,346</b>
<b>Water and Sewer Related</b>						
701	Water Capital Fund	\$ 650,459	\$ 38,954	\$ 0	\$ 70,000	\$ 10,090,000
	<b>Total Water and Sewer Related</b>	<b>\$ 650,459</b>	<b>\$ 38,954</b>	<b>\$ 0</b>	<b>\$ 70,000</b>	<b>\$ 10,090,000</b>
	<b>Total City Capital Improvement Program (CIP)</b>	<b>\$ 5,356,208</b>	<b>\$ 2,866,372</b>	<b>\$ 10,291,721</b>	<b>\$ 4,694,757</b>	<b>\$ 20,494,114</b>

Note: With the use of grants and other types of reimbursements, there may be instances of timing differences between the time when the expenditures were incurred and when the reimbursement is received. These instances have been notated on the applicable individual Construction Order (C.O.) sheets.

# CAPITAL IMPROVEMENT PROGRAM (CIP)

## CIP PROJECT LISTING

<u>Streets CIP Projects</u>	<u>Page</u>
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## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Ranchero Road Undercrossing  
Project Number: 7046 – Phase I and II  
Department/Program: Development Services – Streets CIP

### Project Description and Location:

This project involves the installation of a new underpass beneath the Burlington Northern Santa Fe (BNSF) railway's right-of-way at Ranchero Road. The project also includes a new alignment through the Antelope Valley Wash between Santa Fe East and Danbury, with the project limits between Seventh Avenue and Danbury. The BNSF Railroad bisects the City of Hesperia from north to south, with the only street that crosses the railroad being Main Street. This east-west corridor serves the entire City and is under capacity to meet existing traffic needs. The current traffic volume across the Main Street Bridge is 39,000 vehicles per day, and the projected volume in 2015, based on the Victor Valley Comprehensive Transportation Plan, is 69,000 vehicles per day. Most motorists experience gridlock in the early morning and late evening peak hours in the area of Main Street crossing the BNSF Railway. Accidents on either side of, or on the Main Street Bridge, have resulted in total closure of Main Street between Third Street and C Avenue, which not only affects the motoring public, but also severely restrict fire and police response times throughout the City.

### Existing Situation and Work Completed Through Fiscal Year 2015-2016:

David Evans and Associates were retained to finalize plans and specifications to meet the BNSF Railway and City standards and Lilburn Corporation was engaged to prepare the environmental clearances. The California Environmental Quality Act (CEQA) document was completed and adopted in September 2006. The Federal National Environmental Policy Act (NEPA) document was finalized to Caltrans' satisfaction in February 2008, and was cleared by the Federal Highway Administration (FHWA) for public review in March. The NEPA document was completed in August 2008, allowing right-of-way acquisition to begin. Due to the inability of the San Bernardino County Real Estate Division to commit to the project, David Evans and Associates was engaged to subcontract property acquisition with CPSI. Authorization to proceed with right-of-way acquisitions was granted by Caltrans in May 2009, and the purchase of all required right-of-way was completed in December 2010 and certified by Caltrans in January 2011. The application to the Public Utilities Commission was submitted and approved in June 2009. Regulatory permits from the Army Corps of Engineers, Regional Water Quality Control Board - Lahontan, California Department of Fish and Game, and the San Bernardino County Flood Control District were applied for and were approved. The easements and construction agreement for permission to work within the BNSF right-of-way were granted and fully executed by January 2011. The Request for Authorization to Proceed with Construction was submitted to Caltrans for review and approval in January 2011, and Authorization to proceed with construction was subsequently approved by Caltrans in June 2011. The Project was advertised for bids in July 2011, and a contract was awarded by the City Council in August 2011. Construction commenced in early September 2011 and was substantially complete by the end of June 2013. The project was accepted as complete by the Council at its August 20, 2013 meeting. Submittal of the project closeout documentation was prepared and initially submitted to Caltrans in October 2013. The final grant reimbursements were received by the City, and all closeout documents were approved by Caltrans in March 2014. Final reporting to the California Transportation Commission was completed in summer 2014. The environmental mitigation work commenced in October 2013 and will be ongoing for a period of 5 years, as required by the conditions of the environmental permits issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board.

### Project Schedule for 2016-17 Budget:

The environmental permits issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board included a condition that the City repair and restore natural habitat and vegetation in areas disturbed during construction and at a separate parcel of land some distance from the construction site as mitigation for loss of habitat that resulted from construction of the project. The restoration requirements are outlined in a Habitat Mitigation and Monitoring Plan (HMMP) that was reviewed and approved by the two agencies. The HMMP calls for the seeding and planting of various natural elements (grasses, plants, trees, rocks, etc.) in the disturbed areas and for annual monitoring and reporting related to the success of such efforts. These monitoring and reporting efforts are stipulated to continue for a period of 5 years after completion of construction (i.e., from 2013 to 2018). Some off-site restoration work was completed in Fiscal Year 2013-14, as well as monitoring and reporting efforts; however, work was delayed on-site during FY 2014-15 due to conflicts with the San Bernardino County Flood Control District's flood control channel. The HMMP had to be modified and submitted for approval by the two regulatory agencies. The agreement requires that the City establish a trust

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

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Project Title:                   Ranchero Road Undercrossing (Continued)

Project Schedule for 2016-17 Budget (Continued):

account in the amount of \$500,000 which will be used by the Army Corps of Engineers for habitat mitigation and monitoring purposes in the event the City fails to perform as agreed. Upon successful completion of the habitat mitigation and monitoring requirements, the Army Corps will release the funds to be returned to the City. Mitigation work was delayed while this revision was being reviewed and processed and is estimated to commence again in Fall of 2016.

Project Costs and Funding:

<u>Expenditure Phases</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
100-700-7046 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500,000
207-700-7046 Contractual	539,000	0	0	0	0
300-700-7046 Contractual	374,410	92,359	200,000	2,000	200,000
600-700-7046 Contractual	27,776	0	0	0	0
Total Expenditures	<u>\$ 941,186</u>	<u>\$ 92,359</u>	<u>\$ 200,000</u>	<u>\$ 2,000</u>	<u>\$ 700,000</u>
 <u>Source of Funds</u>					
100 General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500,000
207 Local Transportation Article 8	539,000	0	0	0	0
300 DIF Streets	374,410	92,359	200,000	2,000	200,000
600 SAFETEA-LU (4833)	27,776	0	0	0	0
Total Source of Funds	<u>\$ 941,186</u>	<u>\$ 92,359</u>	<u>\$ 200,000</u>	<u>\$ 2,000</u>	<u>\$ 700,000</u>

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

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Project Title:                   Ranchero Road Undercrossing (Continued)

Project Funding Narrative:

The total project expenditures are estimated to be \$30.6 million and have been funded from Streets Development Impact Fees, the Redevelopment Agency, Measure I, Local Transportation (Article 8) Funds, and Federal and State grant funds. The City has completed all environmental and design work, secured all required regulatory permits, and completed all necessary right-of-way acquisitions at a cost of approximately \$3.3 million. The City utilized National Corridor Planning and Development Program (NCPDP) Federal grant funds of \$391,153 towards acquisition of right-of-way. Construction and construction-related costs are estimated to be a total of \$27.3 million. The construction costs were split between the Streets Development Impact Fee Fund, Local Transportation Fund, and the Redevelopment Agency, which are estimated to fund a combined \$14.67 million or 54% of the total construction-related costs and various Federal and State grant appropriations identified below, which funded \$12.57 million, or 46% of the total construction related costs:

<ul style="list-style-type: none"> <li>▪ Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Project No. 1558, P.L. 109-59 – Federal Grant (2005) Original Appropriation - \$4,000,000/Due to funding Rescissions and Obligation Limitations net available to City \$3,599,600.....</li> <li>▪ Federal Highway Administration – Surface Transportation Program (FHWA-STP) – Federal Grant P.L. 109-115, Conference Report 109 Original Appropriation - \$3,000,000/due to funding Rescissions and Obligation Limitations net available to City \$2,970,000.....</li> <li>▪ San Bernardino Associated Governments – Surface Transportation Program (SANBAG –STP), Allocation to City of Hesperia - \$3,400,000 plus additional \$250,000 of funding exchanged with SANBAG in 2006.....</li> <li>▪ National Corridor Planning and Development Program (NCPDP) – Federal Grant 2002-03: Original Appropriation Amount of \$1,500,000. A total of \$391,153 of these funds was utilized for engineering and right-of-way acquisition, and \$964,235 was utilized for construction-related costs. The balance of \$144,612 was ineligible for reimbursement due to early completion of the project.....</li> <li>▪ Propositions 1B – State-Local Partnership Program (Prop 1B – SLPP) California Transportation Commission Original Appropriation - \$1.0 million.....</li> </ul>	<p>\$3,599,600</p> <p>\$2,970,000</p> <p>\$3,650,000</p> <p>\$1,355,388</p> <p>\$1,000,000</p> <p style="padding-left: 40px;">Total Available Federal and State Project Funding.....</p>
	<p>\$12,574,988</p>

Notes:

- National Corridor Planning and Development Program (NCPDP) – Federal Grant 2003-04: \$500,000 Original Appropriation – Funding authority lapsed in 2008 and funding was de-obligated without any expenditure.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Ranchero Road / I-15 Interchange  
Phase I – Project Study Report/Project Development Support (PSR/PDS) – Completed 2006  
Phase II – Project Approval and Environmental Document (Completed 2010)  
Phase III – Preliminary “At-Risk” Design (PS&E) (Completed 2012)  
Phase IV and V – Right-of-Way Acquisition (ROW) (Completed 2012)  
Phase V – Construction

Project Number: 7086

Department/Program: Development Services – Streets CIP

### Project Description and Location:

This project is one of the three components of the Ranchero Road Corridor Project, which consists of improvements to Ranchero Road, including the Ranchero Road Underpass, widening of Ranchero Road from Danbury Road to I-15, and a new interchange at I-15. This project includes the design and construction of a full-service freeway interchange where Ranchero Road intersects with the I-15 freeway.

### Existing Situation and Work Completed Through Fiscal Year 2015-2016:

In Fiscal Year 2004-05 the City, in anticipation of the time required to obtain State and Federal approvals for new interchanges, commenced the Project Development Phase of the project, which requires initial studies of the project and the preparation of a document called the Project Study Report/Project Development Support (PSR/PDS). The City’s Consultant (Tetra Tech) commenced preparation of the PSR/PDS in September 2004 and received approval of the Final PSR/PDS through Caltrans in August 2006 (Project 7081).

The Preliminary Engineering Phase of the project commenced in August 2006 after execution of a Cooperative Agreement with Caltrans. This phase of work required preparation of a Project Report, which further analyzed the alternative, preliminary designs identified in the PSR/PDS, and ascertained the preferred design layout of the proposed interchange, the preparation of the Project Approval and Environmental Document (ED), which involved an environmental review of the alternative designs identified in the PSR/PDS, traffic modeling, geotechnical studies, various environmental technical studies, and completion of a final ED demonstrating that the preferred layout of the proposed interchange complies with all Federal and State environmental laws. The Environmental Assessment (EA) – Finding of No Significant Impact was identified as the appropriate ED for this project. The Project Report and EA – Finding of No Significant Impact were both approved by Caltrans (as the Federal delegate) in March 2010. The next two phases of the project, Right-of-Way (ROW) Acquisition Phase and the Final Design (PS&E) Phase, commenced concurrently in March 2010.

The City Council awarded a Professional Services Agreement (PSA) to Parsons in 2006 to prepare the Project Approval and ED. This Phase of the project commenced in August 2006 and included monthly Project Development Team (PDT) meetings with Caltrans staff. The required Value Analysis process was concluded in April 2007. In addition, the City Council awarded a contract to Parsons in December 2007 to proceed “at-risk” with preliminary engineering design so that work on the ED and project plans could proceed concurrently, which shortened the overall project schedule approximately nine months. The Traffic Study received final approval from Caltrans in March 2008. In November 2008, the Geometrical Approval Drawings and bridge type selection were approved by Caltrans. The Federal Highway Administration (FHWA) issued a Finding of Acceptability for the New Connection Report (in July 2009), a preliminary approval.

Parsons continued to work on the various individual environmental studies required within the ED and work on the Project Approval and ED continued and was completed in March 2010 with receipt of a Caltrans and Federally-approved ED and Caltrans approval of the Project Report. In March 2010, work on the final Plans, Specifications, and Engineer’s Estimate (PS&E Phase) began after approval of the ED. Submittal to the California Transportation Commission for obligation of the SANBAG 2006 STIP funds occurred in May 2010 in order to prevent the loss of funding. Final approval for the New Connection Report was given by the FHWA in July 2010. A Request for Authorization to Proceed with ROW acquisition was submitted to Caltrans in July 2010. The City received approvals from Caltrans and the FHWA to proceed with ROW acquisition in December 2010 and commenced the acquisition process. Parsons sub-contracted this work to CPSI at a cost of \$170,000 for professional consulting services. Portions of twelve (12) properties from eight (8) owners were needed for ROW on this project. Eleven (11) properties were obtained through Purchase and Sale Agreements, while the last final remaining purchase was subject to eminent domain action.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Rancho Road/I-15 Interchange (Continued)

Existing Situation and Work Completed Through Fiscal Year 2015-2016 (Continued):

A court order for Prejudgment Possession of the last portion of right-of-way (ROW) was issued in July 2012. The ROW Acquisition phase of the project concluded in August 2012 upon receipt of a fully signed Right-Of-Way Certification, which was signed by the City, Caltrans, and the Federal Highway Administration (FHWA).

Preliminary "at-risk" design transformed into Final Design (PS&E Phase) upon approval of the ED in March 2010. Final design work continued through FY 2010-11 and FY 2011-12. The PS&E phase of the project concluded in May 2012 upon receipt of a Ready to List memo from Caltrans. The Ready to List memo provided State and Federal authorization to proceed with advertising and award of a construction contract for the project. Construction on the project, however, was delayed because the two primary funding sources were all but eliminated due to the statewide dissolution of redevelopment agencies in February 2012 and the negative effects of the 2009-2013 recession on revenues (DIF Fees).

In late January 2012, however, the San Bernardino Associated Governments (SANBAG) approached the City and proposed a cooperative effort to allow the project to progress to construction in a streamlined timeline. With assistance by Caltrans, SANBAG agreed to take over the construction phase of the project, and if needed, would front 100% of the funding shortfall. The City and SANBAG entered into a Cooperative Funding Agreement in April 2012, paving the way for construction on the project to move forward in FY 2012-13, while concurrently applying for Corridor Mobility Improvement Account (CMIA) funds from the California Transportation Commission (CTC) to offset the funding need. In May 2012, the CTC awarded \$24.4 million to the project, and 100% funding for construction of the project was in place.

All regulatory permits were obtained, right-of-way acquisition concluded, and PS&E were approved by Caltrans. SANBAG took over as lead agency for construction of the project and was responsible for Advertising, Award, and Administration of the project's construction phase. The project was advertised for bids in September 2012; bids were opened in October 2012; the SANBAG Board awarded the bid to Security Paving Company, Inc. in November 2012; and construction commenced in January 2013. Although SANBAG is providing project management for the project, the City continues to provide engineering support directly through Parsons, the original design engineer and Engineer of Record for the project and to pay the costs of any fees or permits. The vast majority of all roadway work and all other miscellaneous work within the City's right-of-way was completed by June 2014; only construction of the bridge remained. Based on the progress of the project through early 2014, it was expected that the project would be 75% complete by the end of Fiscal Year 2013-14; however, a catastrophic fire to the interchange bridge falsework on May 5, 2014 resulted in complete demolition of the structure. This resulted in a significant delay of the project (approximately 6 months), from the anticipated completion of November 2014. Some minor off-site environmental mitigation work commenced in October 2013 and will be ongoing for a period of 5 years, as required by the conditions of the environmental permits issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board.

Project Schedule for 2016-17 Budget:

The environmental permits for this project that were issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board included a condition that the City repair and restore natural habitat and vegetation in areas disturbed during construction and at a separate parcel of land some distance from the construction site as mitigation for loss of habitat that resulted from construction of the project. The restoration requirements are outlined in a Habitat Mitigation & Monitoring Plan (HMMP) that was reviewed and approved by the two agencies. The HMMP calls for the seeding and planting of various natural elements (grasses, plants, trees, rocks, etc.) in the disturbed areas and for annual monitoring and reporting related to the success of such efforts. These monitoring and reporting efforts are stipulated to continue for a period of 5 years after completion of construction (i.e., from 2014 to 2019). Some minor restoration work was completed, as well as monitoring and reporting efforts, in FY 2013-14, FY 2014-15, and FY 2015-16, and will escalate and continue during FY 2016-17.

Construction continued in FY 2015-16 with completion of most construction in March 2015. The new interchange opened to the public on February 20, 2015, twenty-five months after start of construction. Minor punch list items of work remained along with completion of the project closeout phase through Caltrans. The project was closed out and accepted by Caltrans for maintenance in December 2015. All that remains is for the City and SANBAG to reconcile the final costs of the project so that a repayment agreement may be executed. SANBAG provided a portion of funding for this project that will need to be repaid over a period of ten years.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title:                   Ranchero Road/I-15 Interchange (Continued)

Project Schedule for 2016-17 Budget (Continued):

Upon project completion and final closeout, total project costs will be reconciled with San Bernardino Associated Governments (SANBAG), and the City will be responsible for 57.5% of the Total Project Cost (estimated at \$62,600,000). Approximately 6.8% of the City's share will be assigned to the County of San Bernardino (5.9%) and the Town of Apple Valley (0.9%) through subsequent agreements.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
300-700-7086 Contractual	\$ 469,634	\$ ** 462,061	\$ 250,000	\$ 75,000	\$ 130,000
300-700-7086 Land Acquisition	* 499,370	0	0	0	0
Total Expenditures	<u>\$ 969,004</u>	<u>\$ 462,061</u>	<u>\$ 250,000</u>	<u>\$ 75,000</u>	<u>\$ 130,000</u>
 <u>Source of Funds</u>					
300 DIF Streets	\$ 969,004	\$ ** 462,061	\$ 250,000	\$ 75,000	\$ 130,000
Total Source of Funds	<u>\$ 969,004</u>	<u>\$ 462,061</u>	<u>\$ 250,000</u>	<u>\$ 75,000</u>	<u>\$ 130,000</u>

\*For final acquisition costs related to condemnation of needed right-of-way.

\*\*An insurance reimbursement of \$8,749 was received during FY 2015-16 for Engineering services related to the I-15/Ranchero Road Bridge fire.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

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Project Title:                   Ranchero Road/I-15 Interchange (Continued)

Project Funding Narrative:

Funded from Streets Development Impact Fee as it is considered an expansion to the City's Arterial Highway System.

The project expenditures are proposed to be funded from Streets Development Impact fees and Federal/State grants. The City is responsible for 57.5% of the project's cost, which Federal funds can be used for this share. Upon completion, the City will have three years to repay the San Bernardino Associated Governments (SANBAG) loan; otherwise, the City's Measure I Renewal funds will be used to repay the loan. The following funds for planning, design, right-of-way, and construction have been earmarked to date:

<ul style="list-style-type: none"> <li>▪ Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Interstate Maintenance Discretionary (IMD) Program P.L. 109-59, Project No. 158 – Federal Grant (Appropriated 2008).....</li> </ul>	\$1,356,810
<p style="margin-left: 20px;">Note: This grant funding was transferred to SANBAG for use in construction of the project</p>	
<ul style="list-style-type: none"> <li>▪ SANBAG/State Transportation Improvement Program (STIP) Regional Improvement Program (RIP) – (Appropriated 2008).....</li> </ul>	7,034,000
<p style="margin-left: 20px;">Note: The original grant amount was \$7,979,000—Caltrans transferred \$945,000 for Advertising, Award, and Administration fees, remaining balance of \$7,034,000 (received in FY 2011-12) was utilized by the City for acquisition of right-of-way</p>	
<ul style="list-style-type: none"> <li>▪ Measure I (2010-2040) Victor Valley Major Local Highway Program (MLHP).....</li> </ul>	4,549,000
<p style="margin-left: 20px;">Note: This grant funding was transferred to SANBAG for use in construction of the project</p>	
<ul style="list-style-type: none"> <li>▪ SAFETEA-LU IMD Program, HR1105 Omnibus Appropriation Act for 2009.....</li> </ul>	650,750
<p style="margin-left: 20px;">Note: This grant funding was transferred to SANBAG for use in construction of the project</p>	
<ul style="list-style-type: none"> <li>▪ SAFETEA-LU IMD Program, Continuing Appropriation Resolution 2010, P.L. 111-68</li> </ul>	1,000,000
<p style="margin-left: 20px;">Note: This grant funding was transferred to SANBAG for use in construction of the project</p>	
<ul style="list-style-type: none"> <li>▪ Development Impact Fee (Fund 300 – DIF) Streets Fund.....</li> </ul>	12,200,000
<p style="margin-left: 20px;">Note: \$3,000,000 of DIF Funding was transferred to SANBAG for use in construction of the project</p>	
<ul style="list-style-type: none"> <li>▪ CTC –Resolution No. SLPP-P-1112-09 (SLPP Bond Funding) .....</li> </ul>	4,550,000
<p style="margin-left: 20px;">Note: This grant funding was transferred to SANBAG for use in construction of the project</p>	
<ul style="list-style-type: none"> <li>▪ CTC – Resolution No. CMIA-PA-1112-017 &amp; CMIA-P-1112-018B (CMIA Funding) ...</li> </ul>	<u>21,135,000</u>
<p style="margin-left: 20px;">Note: This grant funding was transferred to SANBAG for use in construction of the project</p>	
<p><b>Total Federal/State/Local Project Funding Commitments</b></p>	<b>\$52,475,560</b>

Project Impact on Operating Budget:

None at this time.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Ranchero Road Improvements – Seventh Avenue to Mariposa Road  
Phase 1 – Preliminary Engineering and Right-of-Way Identification  
Phase 2 – Design and Right-of-Way Acquisition

Project Number: 7094

Department/Program: Development Services – Streets CIP

Project Description and Location:

The Ranchero Road Corridor Project consists of various improvements to Ranchero Road including the Ranchero Road Underpass [Construction Order (C.O.) 7046], a new interchange at I-15 (C.O. 7086), and widening of Ranchero between the two. This is the City's highest transportation priority. With the completion of the underpass and interchange, traffic on Ranchero Road has increased dramatically. This project will perform the engineering to select the ultimate alignment for Ranchero Road between the western terminus of the Ranchero Road Underpass Project, Seventh Avenue, and Mariposa Road. Identification of the required right-of-way will be determined and cost estimates will be prepared for the entire stretch of roadway. Approximately 50% of Ranchero Road within this 5-mile stretch is located outside the City limits within the unincorporated area of San Bernardino County. A Cooperative Agreement with the County has been executed to establish funding responsibilities.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

In November 2007 the preliminary improvement plans were begun by Desert Engineering under the first phase. These were used as the basis for design plans being prepared by Parsons and was subsequently awarded in October 2008. Detail design plan work continued through 2009, with focus on the aqueduct. Meetings with the Department of Water Resources (DWR) occurred in order to begin the coordination required for permits. Cessation of all design work occurred until execution of a Memorandum of Understanding (MOU) with the County in June 2011, allowing design work to resume. As a result of the MOU, the focus has been the environmental clearance work and design of the roadway. The environmental document was completed in June 2013, and roadway design plans, right-of-way identification and cost estimates were completed August 2015. Design and coordination with DWR for the aqueduct crossing resumed in February 2015. Right-of-way acquisition and design of the Union Pacific Railroad at grade crossing has been suspended and will resume upon funding availability.

Project Schedule for 2016-17 Budget:

Aqueduct crossing design and coordination with DWR will continue through the fiscal year. Complete aqueduct crossing design is estimated for fall 2017.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Ranchero Road Improvements – Seventh Avenue to Mariposa Road (Continued)

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
207-700-7094 Contractual	\$ 55,308	\$ 185,471	\$ 677,500 **	\$ 392,000	\$ 552,450
300-700-7094 Contractual	20,000	0	0	0	0
504-700-7094 Contractual	55,308	0	22,500 **	22,500	36,550
Total Expenditures	<u>\$ 130,616</u>	<u>\$ 185,471</u>	<u>\$ 700,000</u>	<u>\$ 414,500</u>	<u>\$ 589,000</u>
<u>Source of Funds</u>					
207 Local Transportation Article 8	\$ 55,308	\$ 185,471	\$ 677,500 *	\$ 392,000	\$ 552,450
300 DIF Streets	20,000	0	0	0	0
504 Citywide Projects	55,308 *	0	22,500 *	22,500 *	36,550
(County Reimbursement)					
Total Source of Funds	<u>\$ 130,616</u>	<u>\$ 185,471</u>	<u>\$ 700,000</u>	<u>\$ 414,500</u>	<u>\$ 589,000</u>

\*50% Reimbursement from San Bernardino County. There may be timing differences between when expenditures were made and when reimbursement is received.

\*\*Funds expensed from 207 Local Transportation Funds may need to be reallocated to 504 Citywide Projects due to timing of County Reimbursement.

\*\*\*Due to the timing difference between the initial expenditures of the project and the receipt of County reimbursements, a reconciliation was performed to allocate the expenditures by funding source, which resulted in a shift in expenditures from DIF to the Citywide Projects (reimbursement fund).

Project Funding Narrative:

The total cost of Phase 1 and Design work of Phase 2 is estimated at \$2,410,600. Funding which is being reimbursed by the County of San Bernardino (\$542,772 through FY 2012-13 expenditures) for work advanced by the City has been utilized in FY 2011-12, FY 2012-13, and FY 2013-14. The balance of the reimbursement (\$59,050 for FY 2013-14 through FY 2015-16 year-end) will be used for the aqueduct crossing design work, with the remainder funded by Local Transportation Funds.

Project Impact on Operating Budget:

This project will have no impact on the operating budget at this time.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Aqueduct Crossing Improvements – Widen Bridge at Main Street  
 Phase 1 Design and Right-of-Way Identification  
 Phase 2 Right-of-Way Acquisition and Construction

Project Number: 7096

Department/Program: Development Services – Streets CIP

Project Description and Location:

The bridge along Main Street, which crosses the California Aqueduct, currently has capacity for only four lanes, two in each direction. The City’s Master Plan of arterial highways identifies Main Street as a major arterial roadway, which has a total of six lanes, three in each direction from Interstate 15 to Eleventh Avenue. In addition, the completion of Walmart has impacted Main Street with additional traffic, and new retail developments within the Walmart Shopping Center will have further impact. As a result, the bridge will have to be widened to accommodate the ultimate configuration of Main Street. The widening project has many potential issues: the chief issue being interaction with the Department of Water Resources (DWR). Other issues involve a potential retrofit of the existing bridge structure to meet the new State seismic requirements, potential environmental issues, and involvement of Caltrans given its proximity to Interstate 15.

The first phase of the project will include design and the issues associated with that design, including right-of-way, environmental clearance, and outside agency coordination. Cost estimates will also result from this project phase. Phase 2 will involve acquisition of the necessary right-of-way and construction.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

The consultant firm to carry out Phase 1 (design and right-of-way identification and project management) was engaged in February 2008. Commencement of the work began in May 2008 [along with Construction Order (C.O.) 7105]. Coordination with DWR began with two meetings that occurred in summer 2008. Preliminary design was completed and design work was started in January 2009. The Bridge Type Selection report was completed in March 2010 and submitted to DWR for approval. Coordination with DWR continued through April 2010. This new bridge is intended to serve westbound traffic, while the existing bridge will be seismically retrofitted by the State, and serve solely eastbound traffic. Right-of-way identification, design, and environmental work was suspended in June 2010, due to changes in the economy and slowed development. Design coordination with DWR, right-of-way identification, and environmental clearance work resumed in February of 2015.

Project Schedule for Fiscal Year 2016-17 Budget:

Design work, right-of-way identification, and environmental clearance work will continue through the fiscal year. Design completion is anticipated for fall 2017. Right-of-way acquisition will begin upon funding availability.

Project Costs and Funding:

<u>Expenditure Phases</u>	2013-14	2014-15	2015-16	2015-16	2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
207-700-7096 Contractual	\$ 0	\$ 186,911	\$ 400,000	\$ 247,000	\$ 400,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 186,911</u>	<u>\$ 400,000</u>	<u>\$ 247,000</u>	<u>\$ 400,000</u>

Source of Funds

207 Local Transportation Article 8	\$ 0	\$ 186,911	\$ 400,000	\$ 247,000	\$ 400,000
Total Source of Funds	<u>\$ 0</u>	<u>\$ 186,911</u>	<u>\$ 400,000</u>	<u>\$ 247,000</u>	<u>\$ 400,000</u>

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Aqueduct Crossing Improvements – Widen Bridge at Main Street (Continued)

Project Funding Narrative:

Phase 1 is estimated to cost \$880,000, and the right-of-way acquisition portion of Phase 2 is estimated at \$1,070,000. The construction portion of Phase 2 would begin when funds become available. This project is to be funded by a combination of Local Transportation Fund Article 8 (LTF) and other funding as available.

Project Impact on Operating Budget:

This project will have no effect on the operating budget at this time.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Muscatel Street/I-15 Interchange and Joshua Street Overpass  
 Phase I – Project Study Report (PSR) (Completed FY 2010-11)  
 Phase II – Project Approval and Environmental Document (PA & ED)

Project Number: 7098

Department/Program: Development Services – Streets CIP

Project Description and Location:

The City’s Master Plan of Arterial Highways indicates a crossing of I-15 in the vicinity of Muscatel Street on the east side of the freeway to a connection with Mesa Linda Avenue on the west side of the freeway. This was originally envisioned as a bridge crossing only, with no connections to the freeway, however, because of projected traffic on adjacent freeway connections, an additional access to I-15 is warranted. This proposed interchange would connect the proposed large-scale commercial areas on each side of the freeway; enable easy access to both sides of the freeway, and provide better circulation within the City without having to utilize the Main Street interchange. In addition, the City proposed to concurrently evaluate modifications to the Joshua Street off-ramps to provide a northbound off-ramp (under Project 7099); however, due to the current spacing between Main Street, Muscatel Street, Joshua Street, and the U.S. 395/I-15 Junctions, all connections together will not meet Caltrans, nor the Federal Highway Administration (FHWA), standards. Consequently, the City has decided to consolidate the Muscatel and Joshua projects into one project in order to evaluate one freeway interchange that will be acceptable to both agencies. Preliminary discussions with both agencies indicate that the Muscatel Street alignment would be preferred over the Joshua Street alignment. Phase 1 of this project involved the preparation of a Project Study Report (PSR) portion of the project for submittal to Caltrans.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

The City Council awarded a contract to Parsons in January 2007 to perform this phase of the work. Work commenced in May 2007 with a kick-off meeting at Caltrans. After work was approximately 20% to 30% complete, Caltrans requested that this phase of the work be upgraded from a Project Study Report/Project Development Study (PSR/PDS) to a full Project Study Report (PSR), which requires a higher level of analysis than initially required. The project was delayed by cessation of Caltrans oversight on all “K-phase” (planning) projects due to lack of funding for a period of 2-3 months. Parsons continued to work on the preliminary studies and traffic analysis with the PSR work to progress to a draft PSR by April 2009 which was reviewed by Caltrans beginning in May 2009. The Preliminary Environmental Analysis Report (PEAR) was approved in January 2010. The PSR was signed by Caltrans in May 2010, closing out Phase 1 of the project. A New Connection Report (NCR) acceptability determination was issued by FHWA in January 2011.

Project Schedule for 2016-17 Budget:

No funding is proposed during this fiscal year. Staff will evaluate options for funding Phase II, which is the Project Approval & Environmental Document (PA&ED) Phase. Approval of the PA&ED will allow the City to gain acceptability of a new connection report from FHWA, begin procuring required right-of-way and begin the Plans, Specifications, and Estimates (PS&E) engineering design work for the project.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
300-700-7098 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
300 DIF Streets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Muscatel Street/I-15 Interchange and Joshua Street Overpass (Continued)

Project Funding Narrative:

This project is funded with Streets Development Impact Fees (DIF) funds. The FY 2007-08 CIP Budget combined this project with the Joshua Street Overcrossing Project and was managed as a combined, single project with a contract amount of \$249,892. Additional funding of \$310,000 was needed to continue this phase of work in FY 2008-09 due to the Caltrans' requirement to upgrade the document to a Project Study Report (PSR). For FY 2009-10, \$160,000 was programmed to complete the PSR. Commencement of the Project Approval & Environmental Document (PA&ED) phase will be evaluated once funds become available.

Project Impact on Operating Budget:

This project will have no effect on the operating budget at this time.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Choiceana/Talisman Realignment

Project Number: 7122 (Completed FY 2013-14)

Department - Program: Development Services – Streets CIP

Project Description and Location:

This project involves the realignment of two local streets that intersect one another in the northeast portion of the City. The “G-01” regional drainage facility designated on the City’s Master Plan of Drainage conveys storm flows, causing seasonal damage to this intersection, posing a hazard to the public, and a significant allocation of staff resources to repair/remediate the damage. This project would eliminate the street intersections by connecting the “northerly legs” of Talisman Street and Choiceana Avenue together and connect the “southerly legs” together. The G-01 unimproved channel would be better defined between the two street segments reducing storm flow damage.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

Property acquisitions of the necessary right-of-way were initiated in June 2009 and were completed in November 2010. The project area was surveyed in March 2012, and the in-house design was completed in March 2013. The project was made part of the FY 2012-13 Street Improvement Project, which was advertised for public bid in March and was awarded in May. The project cost exceeded the estimate, resulting in additional funds being added at the time of award, prior to construction. The project was completed on December 1, 2013, and accepted by the City Council on February 18, 2014.

Project Schedule for 2016-17 Budget:

The project is complete.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7122 Contractual	\$205,374	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$205,374	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$205,374	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$205,374	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Measure I Renewal Funds.

Project Impact on Operating Budget:

The project resulted in a long-term decrease on operation and maintenance expenses due to the ability to convey storm water flows past the roadways without affecting the streets, thus eliminating the need to remove tons of storm debris after every storm event.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Willow Street Paseo

Project Number: 7123

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the construction of a bicycle/pedestrian paseo along the north and south sides of Willow Street from Third Avenue to Eighth Avenue. This “Willow Street Paseo” will provide a safe path of travel from high-density housing areas of the City to several schools which are located along Willow Street. In addition, it will provide another link to the Eighth Avenue Paseo, which was constructed in 2013, providing additional bicycle/pedestrian friendly routes to the Civic Center Complex. This facility follows the “complete street” concept as identified in the City’s General Plan Update and outlined in the Urban Design Framework Plan. The realization of this project is the result of City staff’s diligence in securing a Federal Safe Routes to School Grant.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

City staff, working with Tom Dodson & Associates, was able to clear the environmental phase of the project in Spring of 2015. City staff was able to get the Authorization to Proceed from the California Transportation Commission (CTC) in the Fall to move forward with the Design Phase and after completing the formal process for professional services; a contract for the design services was awarded to Valued Engineering to prepare the plans and specifications. Valued Engineering is expected to complete their phase of the project by the end of the fiscal year.

Project Schedule for Fiscal Year 2016-17 Budget:

City staff will utilize the plans and specifications prepared by Valued Engineering to execute the required competitive bidding process for construction of the project. Once the bids are received, the entire bid packet needs to be submitted to the CTC for the Authorization to Proceed with construction. Once Caltrans authorizes the bid packet, the City will be able to move forward with construction. Assuming there is no lengthy delay on Caltrans part, the project should be under construction in this fiscal year.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7123 Contractual	\$ 10,717	\$ 0	\$ 0	\$ 0	\$ 0
205-700-7123 Contractual	0	0	70,438	50,000	20,438
504-700-7123 Contractual	0	0	834,900	11,182	823,718
Total Expenditures	\$ 10,717	\$ 0	\$905,338	\$ 61,182	\$ 844,156
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 10,717	\$ 0	\$ 0	\$ 0	\$ 0
205 Gas Tax	0	0	70,438	50,000	20,438
504 SRTS Grant (Fed.)	0	0	834,900	11,182	823,718
Total Source of Funds	\$ 10,717	\$ 0	\$905,338	\$ 61,182	\$ 844,156

Project Funding Narrative:

This project will be funded by Federal Safe Routes to School Grant funds (\$834,900), as well as Measure I Renewal and Gas Tax (\$83,188 combined) funds to make up the City’s match.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Sequoia Bike Routes & Bus Stop Improvements

Project Number: 7124 (Completed FY 2013-14)

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the construction of a Class II bicycle facility along Sequoia Street from Cottonwood Avenue to Hesperia Road, along with improvements to three bus stops in the City. This bicycle facility is identified on the City's Non-motorized Transportation Plan and will provide cyclists with an alternative route to cycling on the traffic-congested Bear Valley Road. The Class II facility will be constructed by widening the pavement and striping bicycle lanes along the shoulders. Appropriate signage will also be installed. The most notable bus stop improvement will consist of shoulder widening and a path of travel to the stop sign on the south side of Bear Valley Road just east of Industrial Avenue. City staff was able to obtain grant funds for these projects from the Transportation Development Act Article 3 Bicycle and Pedestrian Fund through a competitive grant application with SANBAG. City staff was notified that they were successful in obtaining the grant in November 2011.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

Sequoia Avenue was surveyed in March 2012, and the in-house design for the Class II bicycle facility was completed in March 2013. Altec Engineering was awarded the contract to design the Bear Valley Road bus stop and completed the task in March 2013. Both projects were added to the FY 2012-13 Street Improvement Project, which was advertised for public bid in March 2013, awarded in May 2013, and construction began in July 2013. The project was completed on December 1, 2013, and was accepted by the City Council on February 18, 2014.

Project Schedule for Fiscal Year 2016-17 Budget:

The project is complete.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7124 Contractual	\$ 11,291	\$ 0	\$ 0	\$ 0	\$ 0
504-700-7124 Contractual	544,556	0	0	0	0
Total Expenditures	\$555,847	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 11,291	\$ 0	\$ 0	\$ 0	\$ 0
504 TDA Article 3 Grant	544,556	0	0	0	0
Total Source of Funds	\$555,847	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Transportation Development Act Grant funds (\$544,556), as well as Measure I Renewal (\$28,508) funds to make up the City's match.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2012-13 Street Improvement Project

Project Number: 7125 (Completed FY 2013-14)

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City. Corrective maintenance is planned for Main Street from Cataba Road to Interstate 15. In addition, the City will expand on the newly completed improvements along Santa Fe Avenue East and extend those improvements to I Avenue. The long neglected Mesa Avenue east of Santa Fe Avenue East will also be reconstructed for approximately one-half mile. Preventative maintenance will occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. This preventative maintenance will be performed on approximately 10 miles of roadways throughout the City.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

City staff prepared the bid package for the project in March 2013. In order to receive more competitive bids on smaller projects, Project Numbers 7122 (Choiceana/Talisman Realignment) and 7124 (Sequoia Bike Route and Bus Stop Improvements) were added to the project. In addition, a joint project with the Victor Valley Transit Authority to pave Smoketree Street between E and I Avenues to assist bus movements was agreed to, and included in the project. The project was awarded during the May 7, 2013 Council meeting and construction began in July 2013. The project was completed on December 1, 2013 and accepted by the City Council on February 18, 2014.

Project Schedule for Fiscal Year 2016-17 Budget:

The project is complete.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7125 Contractual	\$1,523,168	\$ 0	\$ 0	\$ 0	\$ 0
504-700-7125 Contractual	181,506	0	0	0	0
Total Expenditures	\$1,704,674	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$1,523,168	\$ 0	\$ 0	\$ 0	\$ 0
504 WTA Reimbursement	181,506	0	0	0	0
Total Source of Funds	\$1,704,674	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Measure I Renewal funds (\$1,523,843), and funds from the Victor Valley Transit Authority (\$181,506).

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Main Street Overhead Railroad Bridge Rehab

Project Number: 7127 (Completed FY 2013-14)

Department/Program: Development Services – Streets CIP

Project Description and Location:

The Main Street Bridge provides one of two current crossings of the Burlington Northern Santa Fe (BNSF) Railway in the City (when completed, the Rancho Road Undercrossing will become the third). Consequently, the State Department of Transportation (Caltrans) performed an inspection of the 39-year old bridge, the results of which include three recommended actions to maintain its life: 1) clean the concrete deck and seal/fill the “heavy cracking” surface with methacrylate; 2) backfill erosion at the northwest and southwest corners of the bridge, and; 3) re-patch the spall in the concrete diaphragm over bent cap #2. Once completed, the bridge will be restriped.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

Work on this project was completed in June 2014.

Project Schedule for Fiscal Year 2016-17 Budget:

The project is complete.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7127 Contractual	<u>\$118,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	\$118,000	\$ 0	\$ 0	\$ 0	\$ 0

Source of Funds

204 Measure I Renewal	<u>\$118,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Source of Funds	\$118,000	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Measure I Renewal Funds.

Project Impact on Operating Budget:

This project will extend the life of the bridge, and result in a minor decrease in annual operational/maintenance costs.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: 2013-14 Street Improvement Project

Project Number: 7128

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City. Full depth roadway reconstruction is planned for Main Street from Interstate 15 to Escondido Avenue. If funding is available, the City will reconstruct three roadways that are in the worst condition and require constant pothole repairs; these roads being sections of Mauna Loa Street, Fresno Street, and Cherry Street. All three streets were due for reconstruction under previous paving projects but had to be pulled due to funding shortfalls. Preventative maintenance in the form of crack seal and slurry will occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. This preventative maintenance will be performed on approximately 10 miles of roadways throughout the City.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

This project was advertised for construction on March 18, 2014. The bid opening was on April 17, 2014, and due to changes in scope of the project, bids were approximately ten percent over estimate. It was awarded by Council on May 6, 2014. Seal locations included sections of Willow Street, Fresno Street, Eucalyptus Street, Live Oak Street, Sequoia Street, Carob Street, Pitache Street, Capri Street, Donert Street, Manzanita Street, and Orchid Street. Remove and replace locations included sections of Mauna Loa Street, Fresno Street, Atlantic Street, and Main Street. Overlay locations included sections of Main Street and Eighth Avenue. Signal work was completed at the intersection of Main Street and Mountain Vista Avenue. The project was completed in February 2015, with the final retention expected to be released in May 2015.

Project Schedule for Fiscal Year 2016-17 Budget:

The project is complete.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7128 Contractual	\$ 42,597	\$1,759,144	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 42,597	\$1,759,144	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 42,597	\$1,759,144	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 42,597	\$1,759,144	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Measure I Renewal funds.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: 2014-15 Street Improvement Project

Project Number: 7129

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City, signal system upgrades, and dirt-road paving. Full-depth roadway re-construction will occur on Main Street east of Maple Avenue, as well as some of the worst condition roads. Preventative maintenance in the form of crack seal and slurry will occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. Based on the options selected by the City Council during the Budget process, this preventative maintenance will be performed on approximately 25 miles of roadways throughout the City. In addition, signal upgrade will occur at the Main Street and I Avenue existing signalized intersection and two dirt roads (Fir Street and Rodeo Road, between Eleventh Avenue – Seventh Avenue) will also be paved.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

Prior to preparation of plans and specifications, options for the types of street to be maintained, including potential dirt-road paving, were submitted to the City Council for approval. The dirt roads selected were surveyed by a contractor and the centerline profile was designed in-house. Selected slurry seal locations included sections of E Avenue, I Avenue, Alston Avenue, Seaforth Avenue, Farmdale Street, Jenkins Street, and Fairburn Avenue. Remove and replace locations include sections of Main Street, Walnut Street, Pacific Street, and E Avenue. The dirt road paving will take place on sections of Fir Street and Rodeo Street as part of a separate project funded with Community Development Block Grant (CDBG) funds. The traffic signal at the intersection of Main Street and I Avenue was upgraded with new equipment. When bids were opened for the project, they were substantially higher than the budgeted amount. This could have been a result of fluctuating oil prices as well as contractors being busy once again. As a result, a budget amendment of nearly \$720,000 was performed to shift funds from Construction Order (C.O.) 7130 (FY 2015-16 Street Improvement Project) to this project.

Project Schedule for Fiscal Year 2016-17 Budget:

The project was completed in March, 2016.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
100-700-7129 Contractual	\$ 0	\$ 0	\$ 490,000	\$ 0	\$ 0
204-700-7129 Contractual	0	718	2,000,000	2,719,051	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 718</u>	<u>\$2,490,000</u>	<u>\$2,719,051</u>	<u>\$ 0</u>
 <u>Source of Funds</u>					
100 General Fund	\$ 0	\$ 0	\$ 490,000	\$ 0	\$ 0
204 Measure I Renewal	0	718	2,000,000	2,719,051	0
Total Source of Funds	<u>\$ 0</u>	<u>\$ 718</u>	<u>\$2,490,000</u>	<u>\$2,719,051</u>	<u>\$ 0</u>

Project Funding Narrative:

This project was funded by Measure I Renewal funds.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: 2014-15 Street Improvement Project (Continued)  
Project Number: 7129  
Department/Program: Development Services – Streets CIP

Available funding all projects \$2,500,000

**I. Staff recommended projects:**

1.	Main Street rehabilitation (Oakwood Avenue-Balsam Avenue)	\$ 980,000
2.	Slurry Seal preventative maintenance (Various Streets – Approx. 10 miles)	250,000
3.	Residential street rehabilitation Walnut Street (Main Street-Peach Avenue) and Del Mar Street (Willow Street-Benecia Avenue)	131,500
4.	Traffic Signal Upgrade (I Avenue/Main Street), including ADA improvements	<u>140,000</u>
	<b>Total</b>	<b>\$1,501,500</b>
	<b>Balance for Optional Projects</b>	<b>\$498,500</b>

**II. Optional projects selected by Council:**

1.	Slurry Seal maintenance – approximately 15.7 additional miles	\$394,500
2.	Dirt Road paving – Fir Street (Eleventh Avenue – Seventh Avenue)	302,000
3.	Dirt Road paving – Rodeo Road (Eleventh Avenue – Seventh Avenue)	<u>302,000</u>
	<b>Total all Optional Projects</b>	<b>\$998,500</b>

The City Council chose to add approximately 5 miles of Slurry Seal to the original staff recommendation, bringing the total completed with this project to 15 miles. In addition, the paving of the two dirt roads was pulled from this project and will be completed as a separate project utilizing Community Development Block Grant (CDBG) funds. The original General Fund commitment was pulled from the project to be used elsewhere.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2015-16 Street Improvement Project

Project Number: 7130

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City. A full-depth roadway re-construction of Main Street from Oakwood Avenue to La Junta will occur along with Fourth Avenue from Sycamore Street to Mesa Street. Preventative maintenance in the form of crack seal and slurry will also occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. The replacement of a water line in Main Street in the area which is being paved was added to the project since the City's pipeline crew did not feel comfortable working within Main Street at this location. This project has been reduced in scope to cover the unanticipated higher costs of the FY 2015-16 Street Improvement Project.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

This project was advertised for public bid in March 2016 with the bid opening on April 6, 2016. Bids were received from five contractors with a large disparity between the bids. The bids were not as competitive as expected, with the lowest bid being received from Hardy and Harper Contractors, over \$300,000 above the budgeted amount for the project. Additional funds will have to be allocated to the project or the project will have to be reduced in scope. Since a portion of Main Street is being rehabbed as part of the waterline replacement, the additional funds can come out of water budget. It is anticipated that the project will be awarded by the City Council in May and construction will begin in July, 2016.

Project Schedule for Fiscal Year 2016-17 Budget:

The project will be carried over into this fiscal year and be completed in the Summer of 2016.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7130 Contractual	\$ 0	\$ 0	\$2,277,000	\$ 1,800	\$ 1,356,011
701-700-7130 Contractual	0	0	0	0	485,789
Total Expenditures	\$ 0	\$ 0	\$2,277,000	\$ 1,800	\$ 1,841,800
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 0	\$2,277,000	\$ 1,800	\$ 1,356,011
701 Water Capital	0	0	0	0	485,789
Total Source of Funds	\$ 0	\$ 0	\$2,277,000	\$ 1,800	\$ 1,841,800

Project Funding Narrative:

This project will be funded by Measure I Renewal funds. The pipeline replacement and associated repairs to Main Street will be funded by Water funds.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Traffic Signal @ Rancho Road/Maple Avenue

Project Number: 7131

Department/Program: Development Services – Streets CIP

Project Description and Location:

This is a multi-year project involving the establishment of a signalized intersection along the Rancho Road Corridor. The completion of the Undercrossing at the Burlington Northern Santa Fe (BNSF) Railway and the full-service interchange at Interstate 15 has caused an increase in traffic along this corridor. Several intersections are planned for signalization along this corridor at build-out. Delay at Maple Avenue, which is currently an all-way stop intersection, is significant. Development planned in the vicinity will exacerbate this delay, justifying the need for a traffic signal. The signal will be designed based on ultimate street widths of Maple Avenue and Rancho Road, necessitating acquisition of right-of-way to accommodate its installation.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

Due to staffing and time constraints, staff was unable to prepare the Request for Proposals for this project in this fiscal year.

Project Schedule for Fiscal Year 2016-17 Budget:

A consultant will be engaged to design the signal. Once design is established, right-of-way needs will be identified and acquisition will commence. There is no funding committed to construction at this time. Construction cost is estimated to be \$500,000.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
205-700-7131 Contractual	\$ 0	\$ 0	\$ 200,000	\$ 0	\$ 200,000
300-700-7131 Contractual	0	0	300,000	0	300,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 500,000</u>
 <u>Source of Funds</u>					
205 Gas Tax	\$ 0	\$ 0	\$ 200,000	\$ 0	\$ 200,000
300 Development Impact Fee (DIF)	0	0	300,000	0	300,000
Streets Fund					
Total Source of Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 500,000</u>

Project Funding Narrative:

This project will be funded by DIF and Gas Tax funds.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Bear Valley Road Reconstruction Cottonwood – Mariposa

Project Number: 7132

Department/Program: Development Services – Streets CIP

Project Description and Location:

Bear Valley Road is a major roadway shared between Hesperia and the City of Victorville and provides for more than 60,000 vehicles per day. The City of Victorville initiated a rehabilitation project for a segment of this roadway near Interstate 15, which has deteriorated significantly since the last corrective maintenance project more than ten years ago. Full rehabilitation, including pavement and lane striping, will occur within the street right-of-way.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

The City of Victorville performed deflection testing on the pavement along Bear Valley Road. The majority of Bear Valley Road between I-15 and Cottonwood Avenue failed the testing, indicating that there would be a much larger project than originally envisioned. Victorville estimates that there could be as much as \$2 to \$3 million worth of damage that needs to be remediated on the City of Hesperia’s side of Bear Valley Road. Hesperia’s original commitment was \$250,000 in FY 2014-15. Without an additional funding commitment, only a small portion of the required repairs can be made.

Project Schedule for Fiscal Year 2016-17 Budget:

The City of Victorville is currently working with Caltrans permits division, which will enable the contractor to work within the Caltrans right-of-way over the interchange bridge. Once Victorville is successful in obtaining the encroachment permit and provides estimates to Hesperia City staff, Hesperia representatives will have to determine the level of commitment to the project.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
205-700-7132 Contractual	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 250,000
Total Expenditures	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 250,000
 <u>Source of Funds</u>					
205 Gas Tax	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 250,000
Total Source of Funds	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 250,000

Project Funding Narrative:

The City’s share of the project is expected to exceed \$250,000. The actual level of commitment will be determined once estimates are provided by the City of Victorville. This project will be funded with Gas Tax funds.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Main Street Traffic Signal Synchronization (NEW)

Project Number: 7133

Department/Program: Development Services – Streets CIP

Project Description and Location:

The Main Street Traffic Signal Synchronization Project will install real-time adaptive signal controller technology at eight intersections along the Main Street corridor. The project will start at the I Avenue intersection and continue east until the intersection at Eleventh Avenue. All intersections will receive the latest technology signal controllers that adjust signal timing based on existing traffic at and approaching the intersection. Communication equipment will also be installed allowing the controllers to communicate with each other along the corridor. The City received a Mobile Source Emission Reduction Grant (part of AB 2766) through the Mojave Desert Air Quality Management District (MDAQMD) to purchase the equipment and is also using this opportunity to upgrade the signal operation at the E Avenue intersection.

Existing Situation:

The City has purchased the required equipment and is finalizing the contract with the engineering firm that will perform the required studies and the installation. A requirement of the grant is to perform traffic delay studies prior to and post installation to determine the effectiveness of the project.

Project Schedule for Fiscal Year 2016-17 Budget:

The consulting engineer will perform the traffic delay study once school is back in session, sometime in August. Immediately after that, the deployment of the equipment will occur. The equipment then “learns” the typical traffic flow through each intersection for a 30 to 60 day period before it is activated. The new controllers are then engaged and monitored for an extended period to ensure proper operation. It is anticipated full deployment of the system will be completed this fiscal year.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
100-700-7133 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,500
204-700-7133 Measure I Renewal	0	0	0	0	200,000
254-700-7133 Contractual	0	0	0	81,917	16,528
254-700-7133 Grant	0	0	0	* 246,200	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 328,117</u>	<u>\$ 252,028</u>

Source of Funds

100 General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,500
204 Measure I Renewal	0	0	0	0	200,000
254 AB2766 Transit	0	0	0	81,917	16,528
254 AB2766 AQMD Grant	0	0	0	* 246,200	0
Total Source of Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 328,117</u>	<u>\$ 252,028</u>

\*Note: Grant reimbursement will occur upon project completion.

Project Funding Narrative: The project is being funded from a number of sources. The Mobile Source Emission Reduction AB2766 Grant will fully fund the purchase of the adaptive signal control equipment. Measure I Fund 204 will fund the normal signal upgrades, including upgrades at the E Avenue intersection. The communications and installation costs will be covered by City General Funds and a portion of the City’s annual AQMD allotment.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Main Street Traffic Signal Synchronization (NEW) (Continued)

Project Number: 7133

Department/Program: Development Services – Streets CIP

Project Impact on Operating Budget:

Once the project is complete, it is expected that there will be some additional maintenance by the City Staff as they learn the new system. The new system will give staff additional capabilities, including viewing traffic through the intersections from their offices. Once staff is fully trained, they will be able to manipulate the signal timing remotely, which is beyond the capabilities of the existing signal controllers.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Street Improvements – Fir Street & Rodeo Street (NEW)

Project Number: 7134

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project includes the paving of a portion of two existing dirt roads. The construction of asphalt paving will occur on east-west segments of Fir Street and Rodeo Street (between Seventh Avenue and Eleventh Avenue), which serves residential properties within the City of Hesperia (City). The improvements will include construction of 26-foot wide asphaltic-concrete (AC) pavement within the middle of each street’s existing 60-foot wide right-of-way. The paving will consist of a 6-inch prepared subgrade of Class-II base and a 3-inch lift of AC. The work also includes construction of pavement to connect all existing driveways on private property to the new street paving. The two dirt roadways currently have an “inverted” design in order for the driving surface to collect and maintain any nuisance and/or storm water flows within the public right-of-way, leaving adjacent properties generally unaffected. The newly paved roadway will match the existing invert profile, with a 3-percent grade sloping from the outside edge of pavement to the centerline of improvements.

By paving these street segments, typical road grading of dirt roads by the City’s Street Department on an annual basis will be reduced. This will in turn reduce annual operational costs for this portion of the City’s roadway network maintenance costs, but will be offset by increased maintenance costs related to paved roadways.

On June 17, 2014, the Hesperia City Council adopted the Fiscal Year 2014-15 Budget, which included the Capital Improvement Program (CIP). The adopted CIP appropriated \$2.5 million in funding for the 2014-15 Street Improvement Project under Construction Order (C.O.) No. 7129 and included funding totaling \$604,000 for paving Fir Street and Rodeo Street. These roads were selected in part because (1) they are used as alternate routes to other east-west roads in the vicinity (such as Ranchero Road); (2) infrastructure upgrades to waterlines have been completed within the last five years; and (3) the number of existing residences on the roads (near build-out). Due to construction timing, C.O. 7129 was not carried out in FY 2014-15. As a result, the project was “carried-over” and \$2.49 million was included in the FY 2015-16 Budget, which was adopted on June 16, 2015.

Subsequent to the adoption of the FY 2015-16 CIP budget, the \$500,000 previously budgeted from the City’s General Fund to pave the two dirt roads was substituted with \$500,000 in Community Development Block Grant (CDBG) funds. Due to increased construction costs to pave the roads, an additional \$300,000 was allocated from CDBG, for a total CDBG allocation of \$800,000. In addition, due to the CDBG funding source, and the strict requirements associated with federally funded projects, the proposed dirt road paving project was separated from C.O. No. 7129, and given its own C.O. assignment (i.e., C.O. No. 7134).

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

The project was advertised for bids in December 2015 and a contract was awarded to Matich Corporation in January 2016. Construction work commenced in May 2016 and was completed in June 2016. The closeout phase of the project will be completed in August 2016.

Project Schedule for 2016-17 Budget:

Staff will complete the closeout phase of the project.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
251-700-7134 Grant	\$ 0	\$ 0	\$ 0	\$ 380,000	\$ 50,000
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 380,000	\$ 50,000
 <u>Source of Funds</u>					
251 CDBG (Grant Funds)	\$ 0	\$ 0	\$ 0	\$ 380,000	\$ 50,000
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 380,000	\$ 50,000

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Street Improvements – Fir Street & Rodeo Street (NEW) (Continued)

Project Number: 7134

Department/Program: Development Services – Streets CIP

Project Funding Narrative:

This project is funded by Community Development Block Grant (CDBG) funds. CDBG funding of \$800,000 was approved by the City Council as a part of the FY 2015-16 first quarter budget amendment.

Note: Originally, this project was funded under Construction Order (C.O.) No. 7129 with \$500,000 in funding from the General Fund – Fund 100 and \$104,000 in funding from the Measure I Renewal Fund – Fund 204 for a total project budget of \$604,000.

Bids for this project came in considerably lower than the original estimate. Only \$430,000 of the \$800,000 budgeted was needed to construct the project. From the remaining balance of \$370,000, an amount of \$310,750 was reallocated to the Americans with Disabilities Act (ADA) Improvements – Year 2 Project (C.O. No. 7401) and the amount of \$59,250 was returned to Economic Development for reprogramming.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: FY 2016-17 Street Improvement Project (NEW)

Project Number: 7135

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City. A full-depth roadway reconstruction of Main Street from La Junta to Pyrite will occur along with several local streets throughout the City. The construction of the raised center median along Main Street at the Balsam Avenue intersection is expected to be part of this project, as is a sewer line repair in this section of Main Street to remove a sag in the line. Preventative maintenance in the form of crack seal and slurry will also occur on streets that have had corrective maintenance done during the past 7-10 years to extend their usable life.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

Engineering staff coordinated with Public Works staff to identify roadways, which will be crack-sealed and then slurry coated. Public Works staff performs the crack sealing with in-house crews in advance of the slurry project. Public Works crews will perform crack sealing on the identified streets in the Spring of 2016 and complete the work in the Fall of 2016.

Project Schedule for Fiscal Year 2016-17 Budget:

Public Works staff will continue the crack sealing of roadways into this fiscal year. It is desirable to allow the crack sealing material a period to cure before the slurry coat is applied. Beginning this project in the Spring of 2017 will accomplish the goals of the City's Annual Street Improvement Project.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7135 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000
711-700-7135 Contractual	0	0	0	0	200,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,200,000</u>
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000
711 Sewer Capital	0	0	0	0	200,000
Total Source of Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,200,000</u>

Project Funding Narrative:

This project will be funded by Measure I Renewal Funds and Sewer Capital funds for the pipeline repair and associated street repairs.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2014-15 ADA Transition Plan – Year 1

Project Number: 7400

Department/Program: Development Services – Streets CIP

Project Description and Location:

In order to comply with the Americans with Disabilities Act (ADA), the City will need to make modifications to existing infrastructure, including public buildings. To determine the magnitude of the modification, a self-evaluation and transition plan is underway and expected to take more than one year to complete. In the interim, public street improvements can be initiated to reduce the outstanding number of modifications to be done. The City Council began this effort by awarding Community Development Block Grant (CDBG) funds for the Federal 2014-15 fiscal year. Combined with other funding, staff will prioritize modifications to handicap ramps and similar existing facilities, focusing on the CDBG target area.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

Staff identified various locations for removal and reconstruction that could occur with available funding. Specifications were prepared by staff and the project was released for bids in April 2015. HUD requires a minimum of two bids for public works projects utilizing CDBG funds, but the City only received one eligible bid; therefore, the Council rejected the low bid and directed staff to combine the ADA Improvements – Year 1 project with the ADA Improvements – Year 2 project for a combined larger project. It was determined that a single larger project would attract more eligible bidders when the project is re-bid in late spring 2016.

Project Schedule for Fiscal Year 2016-17 Budget:

Staff combined both the ADA Improvements – Year 1 (Fiscal Year 2014-15) and the ADA Improvements – Year 2 (FY 2015-16) into a single project and prepared the plans and specifications for bidding. Project was released for bids in late spring of 2016 and construction is estimated to be completed in late fall 2016.

Project Costs and Funding:

<u>Expenditure Phases</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
204-700-7400 Contractual	\$ 0	\$ 2,072	\$ 2,000	\$ 4,000	\$ 44,250
251-700-7400 Grant	0	0	0	0	50,750
Total Expenditures	\$ 0	\$ 2,072	\$ 2,000	\$ 4,000	\$ 95,000
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 2,072	\$ 2,000	\$ 4,000	\$ 44,250
251 Community Development Block Grant	0	0	0	0	50,750
Total Source of Funds	\$ 0	\$ 2,072	\$ 2,000	\$ 4,000	\$ 95,000

Project Funding Narrative:

This project will be funded by Measure I Renewal funds (\$50,322) and Community Development Block Grant (CDBG) funds (\$50,750).

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2015-16 ADA Transition Plan (Year 2)

Project Number: 7401

Department/Program: Development Services – Streets CIP

Project Description and Location:

In order to comply with the Americans with Disabilities Act (ADA), the City will need to make modifications to existing infrastructure, including public buildings. To determine the magnitude of the modification, a self-evaluation and transition plan is underway and expected to take more than one year to complete. In the interim, public street improvements can be initiated to reduce the outstanding number of modifications to be done. The City Council began this effort by awarding Community Development Block Grant (CDBG) funds for the Federal 2014-15 Fiscal Year. Combined with other funding, staff will prioritize modifications to handicap ramps and similar existing facilities, focusing on the CDBG target area.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

During Year 1 of this multi-year project, staff identified various locations for removal and reconstruction that could occur with available funding. Specifications were prepared by staff and the project was released for bids in April 2015. HUD requires a minimum of two bids for public works projects utilizing CDBG funds, but the City only received one eligible bid; therefore, the Council rejected the low bid and directed staff to combine the ADA Improvements – Year 1 project with the ADA Improvements – Year 2 project for a combined larger project. It was determined that a single larger project would attract more eligible bidders when the project is re-bid in late spring 2016. Additional locations for removal and reconstruction were identified and added to the new combined project.

Project Schedule for Fiscal Year 2016-17 Budget:

Staff combined both the ADA Improvements – Year 1 (Fiscal Year 2014-15) and the ADA Improvements – Year 2 (FY 2015-16) into a single project and prepared the plans and specifications for bidding. Project was released for bids in late spring of 2016 and construction is estimated to be completed in late fall 2016.

Project Costs and Funding:

<u>Expenditure Phases</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
251-700-7401 Grant	\$ 0	\$ 0	\$ 260,000	\$ 0	\$ 570,750
Total Expenditures	\$ 0	\$ 0	\$ 260,000	\$ 0	\$ 570,750

Source of Funds

251 Community Development Block Grant	\$ 0	\$ 0	\$ 260,000	\$ 0	\$ 570,750
Total Source of Funds	\$ 0	\$ 0	\$ 260,000	\$ 0	\$ 570,750

Project Funding Narrative:

This project will be funded with Community Development Block Grant (CDBG) funds.

The original budget for this project was \$260,000; however, when the bids were opened for the Street Improvement Project – Fir Street & Rodeo Street Construction Order (C.O.) No. 7134 the bids came in considerably under budget and a portion of the remaining funds were re-allocated to this project by the City Council in order to construct additional ADA improvements. The portion of CDBG funds that were re-allocated to this project was in the amount of \$310,750. Therefore the revised total amount of CDBG Funds available for this project was increased to a total of \$570,750 (\$260,000 + \$310,750 = \$570,750).

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: 2016-17 ADA Improvements – Year 3 (NEW)

Project Number: 7402

Department/Program: Development Services – Streets CIP

Project Description and Location:

In order to comply with the Americans with Disabilities Act (ADA), the City will need to make modifications to existing infrastructure, including public buildings. To determine the magnitude of the modification, a self-evaluation and transition plan is underway and expected to take more than one year to complete. In the interim, there are public street improvements that can be initiated to reduce the outstanding number of modifications to be done. The City Council began this effort by awarding Community Development Block Grant (CDBG) funds for the two previous fiscal years and followed up with approval of CDBG funding for this fiscal year. Staff will prioritize modifications to handicap ramps and similar existing facilities, focusing on the CDBG target area.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

No work was completed during FY 2015-16. This is a new project.

Project Schedule for Fiscal Year 2016-17 Budget:

During Year 1 and Year 2 of this multi-year project, staff identified various locations for removal and reconstruction that could occur with available funding. Under Year 3, staff will again identify locations for removal and reconstruction. Specifications will be prepared by staff and the project released for bids in Winter 2016. Construction is estimated to commence in late winter of 2017 and be completed in Summer of 2017.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
251-700-7402 Grant	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,614
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,614
 <u>Source of Funds</u>					
251 Community Development Block Grant	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,614
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,614

Project Funding Narrative:

This project will be funded with Community Development Block Grant (CDBG) funds.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: H-01 Drainage Facility – Section 3A (Fourth Avenue to Third Avenue)  
Design, Right-of-Way Identification, and Construction

Project Number: 7091

Department/Program: Development Services – Drainage CIP

Project Description and Location:

This project involves the design and alignment selection of a major drainage facility to convey storm flow through the H-01 Drain Line designated in the City's Master Plan of Drainage from Fourth Avenue and Mojave Street to the Burlington Northern Santa Fe (BNSF) Railroad along Hesperia Road. The project would include the identification of right-of-way and easements required for the alignment of the storm drain. It is anticipated that once the alignment study is complete, the right-of-way acquisition would be completed.

The H-01 line is a major natural drainage wash that conveys storm flow from a large tributary area on the west side of the City. This tributary area includes a portion of the high-density residential area west of Maple Avenue. The City has constructed the portion of the H-01 storm drain line from Main Street north to Fourth Avenue. The design of the drain line south of Main Street would allow the channelization of the storm water run-off through residential neighborhoods and protect many existing homes from flooding.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

This project was awarded to Parsons Engineering in February 2008 as part of the CIP management contract and was subsequently awarded in October. Parsons is tasked with completing the alignment study and conceptual design with right-of-way needs assessment; however, due to a downturn in the economy and re-prioritization of projects in the CIP, work was suspended on this project to allow further evaluation in November 2008. The project was subsequently broken into two Sub-Phases after completion of Section 2 Construction Order (C.O.) 7087, to allow extension of the facility from Fourth Avenue to Third Avenue (Sub-Phase 3A), before the project needs to be extended to the railroad tracks (Sub-Phase 3B). No work was planned in FY 2009-10; however, damage sustained from February 2010 rain events caused focus to be placed again on Sub-Phase 3A. In-house design, survey, and easements/right-of-way work did not occur before December 2010, when additional damage was sustained between Fourth and Third Avenues. Coordination with the Federal Emergency Management Agency (FEMA) resulted in a commitment for reimbursement of the flood damage. With the project "federalized", additional environmental clearance was required, and a consultant (Tom Dodson & Associates) was engaged in February 2011 to obtain the necessary National Environmental Policy Act (NEPA) clearance. City staff has worked with Tom Dodson & Associates over the last 4 years through multiple submittals of the specialized studies required by Caltrans. Finally, in late 2015, Caltrans approved the last of the studies and cleared the project through the environmental review phase. City staff consulted with its State Advocate to try and determine what level of permitting would be required to move the project to construction and the costs associated with the permitting process.

Project Schedule for 2016-17 Budget:

City staff will continue to work with the City's State Advocate and consult with the Regional Water Quality Control Board, as well as the Army Corps of Engineers to determine the requirements associated with obtaining the permits for the project. Once the anticipated permit and mitigation costs are determined, the information will be presented to the City Council to determine the viability of moving the project to construction.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: H-01 Drainage Facility – Section 3A (Fourth Avenue to Third Avenue)  
Design, Right-of-Way Identification, and Construction (Continued)

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
504-700-7091 Contractual	\$ 13,173	\$ 0	\$ 1,185,537	\$ 5,115	\$ 1,180,420
Total Expenditures	\$ 13,173	\$ 0	\$ 1,185,537	\$ 5,115	\$ 1,180,420

Source of Funds

504 City Wide Projects Fund-FEMA	\$ 13,173	\$ 0	\$ 1,185,537	\$ * 5,115	\$ 1,180,420
Total Source of Funds	\$ 13,173	\$ 0	\$ 1,185,537	\$ 5,115	\$ 1,180,420

\*Note: The grant documents require completion of the project prior to submitting for reimbursement, which will cause the fund to be negative until reimbursement is obtained.

Project Funding Narrative:

The project will be funded from Development Impact Fee (DIF) Storm Drain and Federal Emergency Management Agency (FEMA) funds. Preliminary design work was done by in-house staff for environmental work to commence. Final design was performed by CCL Engineering and the contract was just under \$90,000. The final engineering plans will have to be revised for the project to move forward. Environmental clearance documentation was completed for \$5,115, with right-of-way acquisition estimated at \$100,000. Construction will spend the project balance.

Project Impact on Operating Budget:

This project has the potential to greatly reduce operations and maintenance expenses by removing the maintenance intensive outlet basin at Fourth Avenue.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Fire Station 301 Construction/Property Acquisition

Project Number: 6517

Department/Program: Development Services – Facilities CIP

### Project Description and Location:

This project is the next phase of addressing the City's master-planned fire service needs that began in Construction Order (C.O.) 6514. Existing Station 301, located on the west side of Eleventh Avenue, south of Main Street (9430 Eleventh Avenue) contains approximately 3,700 square feet of building space. In order to fulfill the City's Public Safety Needs Report requirements, the facility needs to be expanded/reconstructed to 12,000 square feet.

### Existing Situation and Work Completed Through Fiscal Year 2015-2016:

In FY 2006-07, the City sent a Request for Qualifications to architectural firms to provide architectural and construction support services. Wolff/Lang/Christopher (WLC) Architects was selected as the firm most qualified to meeting the needs of the City. WLC Architects was engaged in November 2006 to prepare the necessary construction and architectural plans. By March 2007, the Public Safety Ad Hoc Committee had reached consensus on the floor plan and building elevations. City staff has completed the process of acquiring the necessary property south of the current facility. Architects prepared working drawings and completed design work in February 2009. The Planning Commission approved the facility design in April 2007. Bidding of the project was scheduled for March 2009, but was delayed due to Notice of Funding from the Federal American Recovery and Reinvestment Act (ARRA Economic Stimulus Plan) which was signed into law in February 2009. The City pursued funding from this law in order to reduce the financial cost to the Development Impact Fee (DIF) and Redevelopment Agency (RDA) funds. An application submittal was made for this C.O. and C.O. 6521 in July 2009. The City was not successful in the first two funding award rounds in October 2009 and February 2010. The City did not receive a Notice of Award by July 2010; consequently, the project was suspended in 2010 until funding could be identified to construct the new station without grant funds. In FY 2011-12 funding was budgeted to have the plans updated to conform to the new 2010 California Building Code adopted by the City. WLC Architects, the original architect for the project, was tasked with updating the plans and has completed this work. The plans and specifications for the project are now "shovel ready" and the project is ready for construction. All previous preliminary design work was performed under C.O. 6514, but construction of the project shall be completed under this C.O. Number (C.O. 6514 was closed out in 2011).

With adequate local funding identified in the FY 2012-13 CIP Budget, the project was advertised for bids in September 2012 and bids were opened in October 2012. The submitted bids were substantially higher than expected, and in November 2012, the City Council rejected all bids and directed staff to "value" engineer the scope of work, reduce the cost of the project, and re-bid the project in calendar year 2013. WLC Architects was directed to perform the value engineering and provide the revised plans, complete and ready to bid after July 2013. Due to other financial commitments with two major projects (Ranchero Undercrossing and Ranchero/I-15 Interchange), the project was deferred in FY 2012-13. The City received a Federal Emergency Management Agency (FEMA) Staffing for Adequate Fire and Emergency Response (SAFER) grant in July 2013, warranting establishment of temporary housing on-site until a permanent facility is built.

Due to budget commitments on other CIP projects, staff determined to proceed with this project in phases and construct the improvements over several fiscal years. Phase I of the project consists of construction of miscellaneous on-site and off-site improvements (i.e., perimeter block wall, curb and gutter, sewer main installation, etc.). WLC Architects has completed plan revisions to accommodate Phase I of the project and this phase of the project is now shelf-ready for bidding.

### Project Schedule for Fiscal Year 2016-17 Budget:

Due to budget restraints and a review of the Fire Department operations by staff, no further funding is proposed.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Fire Station 301 Construction/Property Acquisition (Continued)

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
302-650-6517 Contractual	\$ 613	\$ 0	\$ 0	\$ 0	\$ 0
502-650-6517 Contractual	0	69,059	0	0	0
Total Expenditures	<u>\$ 613</u>	<u>\$ 69,059</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Source of Funds

302 DIF Fire	\$ 613	\$ 0	\$ 0	\$ 0	\$ 0
502 Fire Capital	0	69,059	0	0	0
Total Source of Funds	<u>\$ 613</u>	<u>\$ 69,059</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Project Funding Narrative:

The estimated cost of construction (as of 2013) is \$4.8 million, with an additional \$900,000 in support costs and \$350,000 in utility relocation costs, which will be funded, in part, by Development Impact Fees (\$840,000), Fire Capital Fund (\$5 million), Sewer Capital (\$350,000), and other funding as available. Due to funding limitations, all improvements at this site will be put on hold pending future discussions and priorities.

Project Impact on Operating Budget:

Not applicable at this time.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Park and Ride Facility  
Project Number: 6523  
Department - Program: Development Services – Facilities CIP

Project Description and Location:

The City, in coordination with Caltrans, operates a Park and Ride facility on State-owned property along United States (US) Highway 395 and its intersection with Joshua Street. The facility is heavily used by commuters, and all 188 spaces are filled each weekday, with overflow vehicles parking on vacant property adjacent to the facility. The City submitted an application to the San Bernardino Associated Governments (SANBAG) in mid-2009 for Congestion Mitigation and Air Quality (CMAQ) grant funds for Federal FY 2009-2010. The City was awarded a \$508,000 grant on March 3, 2010 in order to expand the existing facility, or construct an adjacent facility north of Joshua Street. Both sites are State-owned.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

This project was added in FY 2010-2011. CMAQ grant-funded projects require Caltrans oversight. Consequently, coordination first began in Spring 2011. City staff was able to get an additional grant from the Mojave Desert Air Quality Management District (MDAQMD) in August 2011 for construction gap funding. AB2766 funds of \$184,346 were awarded to the City by the MDAQMD Board on August 22, 2011. The project was surveyed by Cubit Engineering in March and a site plan was designed in-house. The project was approved through the City's Development Review Committee in October 2012 and engineering staff began the improvement plans for the project. Tom Dodson and Associates was hired as the environmental consultant and have completed the preliminary environmental assessment. Caltrans has now requested specialized studies which have been under review for the past four years. Caltrans finally gave approval to the environmental documents in February 2016. City staff will now have to obtain an encroachment permit from Caltrans to move forward with the project.

Project Schedule for 2016-17 Budget:

City staff will obtain the encroachment permit and agreements needed from Caltrans to advertise this project for construction. The permit and agreement phase could take the better part of this fiscal year, but construction could occur towards the end of the fiscal year. Long term (10 years) monitoring of the facility for its effect on air quality is required to meet the terms of the grant.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-650-6523 Contractual	\$ 13,948	\$ 650	\$ 4,000	\$ 0	\$ 4,000
504-650-6523 Contractual	0	17	692,346	0	692,346
Total Expenditures	\$ 13,948	\$ 667	\$696,346	\$ 0	\$ 696,346
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 13,948	\$ 650	\$ 4,000	\$ 0	\$ 4,000
504 City Wide Projects - CMAQ Grant	0	17	508,000	0	508,000
504 City Wide Projects - MDAQMD Grant	0	0	184,346	0	184,346
Total Expenditures	\$ 13,948	\$ 667	\$696,346	\$ 0	\$ 696,346

Project Funding Narrative:

Design of this project will be paid by Measure I Renewal funds. The construction phase of the project will be paid by CMAQ grant (\$508,000) and MDAQMD grant (\$184,346) funding.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Park and Ride Facility (Continued)

Project Number: 6523

Department - Program: Development Services – Facilities CIP

Project Impact on Operating Budget:

There will be a long-term increase to maintenance and operations costs associated with the maintenance of the landscaping and hardscape of the facility, along with the monitoring and reporting for grant compliances.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Animal Control Site Improvements

Project Number: 6524 (Completed FY 2015-16)

Department/Program: Development Services – Facilities CIP

Project Description and Location:

The City owns and operates a building at 11011 Santa Fe Avenue East. Previously occupied by Public Works, the Code Compliance Divisions of Code Enforcement and Animal Control, the site has been wholly occupied by Animal Control since 2011, as well as a contract veterinarian. The site contains holding tanks for wastewater, which have to be pumped multiple times per year, due to the lack of sewer collection lines in the area. In late 2011/early 2012, the Victor Valley Wastewater Reclamation Authority (VWVRA) installed a bypass interceptor line in Santa Fe Avenue East. Called the SAFARI project (Santa Fe Avenue Relief Interceptor), this facility provides an opportunity to eliminate the on-site system at Animal Control.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

On-site sewer piping was replaced by City staff during the summer 2015, plans and specifications were prepared for removal and replacement of paving and other minor site improvements. The project was bid in August 2015. Construction commenced in October 2015 and was completed in December 2015. Project close out was completed in February 2016.

Project Schedule for 2016-17 Budget:

Project was completed in February 2016.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
100-650-6524 Contractual	\$ 0	\$ 68,956	\$ 175,500	\$ 386,992	\$ 0
Total Expenditures	\$ 0	\$ 68,956	\$ 175,500	\$ 386,992	\$ 0
 <u>Source of Funds</u>					
100 General Fund	\$ 0	\$ 68,956	\$ 175,500	\$ 386,992	\$ 0
Total Source of Funds	\$ 0	\$ 68,956	\$ 175,500	\$ 386,992	\$ 0

Project Funding Narrative:

The VWVRA connection fee to connect the facility to the sewer system was \$47,870. City staff spent \$22,727 on materials and miscellaneous administrative costs to remove the on-site septic tank and replace with new sewer lines that extended to the sewer main in the street. For the remaining \$385,351, the City hired a contractor to remove and replace all site paving and perform miscellaneous other site improvements. The total project costs of \$455,948 was paid out of the General Fund Reserve.

Project Impact on Operating Budget:

On-site maintenance costs will be reduced, but will be offset by bi-monthly sewer service charges (estimated at \$407).

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Interstate 15 Corridor – New Water System Design

Project Number: 8077

Department/Program: Development Services – Water CIP

Project Description and Location:

On November 30, 2004, the City of Hesperia annexed the freeway corridor south from Highway 395 to the summit at Oak Hills. As part of this annexation, the City is required to construct the water and sewer infrastructure to serve this corridor. The agreement included a time requirement that all work was to be completed within three years. This work will include the preparation of plans and specifications for construction of new water and wastewater pipelines in Mariposa Road and Caliente Road from around the 395/I-15 Junction to the southern City limits, a new pump station at Plant 30, a new 5 MG water tank to service pressure zone 5 (a new pressure zone), and a new hydro-pneumatic booster station to serve pressure zone 6 (a new pressure zone).

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

In 2006, the City engaged a consultant to prepare an update to the Water and Wastewater Master Plans. The infrastructure needs of the freeway corridor were analyzed as part of the Master Plan Updates. The draft final reports were prepared in March 2007 and adopted in June 2008. Based on these reports, the required pipeline and associated sizing was determined, as well as the water storage needs. In March, the City concurrently solicited engineering firms for the design of the corridor. Carollo Engineers was selected to perform the analysis and design work for installation of the backbone water and wastewater system within the I-15 Corridor and began work in March 2008. Plans are at 65% completed by April 2009, and property acquisition for the reservoir site for the system began in late 2008/early 2009 [under Construction Order (C.O.) 8078], and continued through June 2010, at which time work was suspended due to changes in the economy and slowed development. A portion of the system design has been incorporated into the Rancho Interchange (C.O. 7086) to allow installation within the limits of that project. The City Council considered establishment of a Special Financing District (SFD), authorizing a feasibility analysis in January 2015. The study was completed, however the financial impact to the existing property owners was deemed too excessive to move forward with the formation of a financing district.

Project Schedule for 2016-17 Budget:

No funding is proposed this fiscal year. City staff will examine short-term alternatives to providing water and sewer service to the area around the Rancho Road Interchange.

Project Costs and Funding:

<u>Expenditure Phases</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
701-800-8077 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
701 Water Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project is funded from the Water Capital fund revenue and fund reserves as needed. Total budgeted design costs are \$1,470,000 and construction costs are estimated at more than \$14 million. A portion of the design costs were funded in Fiscal Year 2009-10, and will be funded in future years as the economy improves.

Project Impact on Operating Budget:

This project will result in an increase to operation and maintenance expenses due to construction of new water and wastewater system facilities (tentatively scheduled to begin in Fiscal Year 2015-16 or later).

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Interstate 15 & Rancho Road: Frontage Road Water Improvements

Project Number: 8086 (Completed FY 2013-14)

Department/Program: Development Services – Water

Project Description and Location:

This project involves the relocation of existing City and County water lines within the frontage roads within the Interstate 15 and Rancho Road interchange project [Construction Order (C.O.) 7086]. The waterlines to be replaced are located within sections of road which front both the west and east side of Interstate 15 along Caliente Avenue to the west and Mariposa Road to the east.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

The frontage road improvements were originally planned to be a separate project from the interchange, and the waterline relocation work was to be performed by the City's in-house waterline crew; however, due to timing and constraints, it was determined to bid and award the work through the competitive bid process. The project was awarded to Christensen Brothers Engineering on March 5, 2013 and construction began shortly thereafter. The City's contractor had to work under the general contractor for the Rancho Road and Interstate 15 interchange project, which is engaged through the San Bernardino Associated Governments (SANBAG). The utility improvements were expected to be completed by July 2013, but the project schedule has delayed completion. In August 2013, a significant change order was added to the project to meet Caltrans' new requirements to remove existing waterlines instead of the standard practice of abandoning in place. The work was completed in February 2014 and was accepted by the City Council as of March 4, 2014.

Project Schedule for 2016-17 Budget:

This project is complete.

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
701-800-8086 Contractual	\$648,146	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>\$648,146</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Source of Funds

701 Water Capital	\$625,031	\$ 0	\$ 0	\$ 0	\$ 0
701 Water Capital - Reimbursement from San Bernardino County	23,115	0	0	0	0
Total Source of Funds	<u>\$648,146</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Project Funding Narrative:

The initial project was awarded at \$1,060,670 and two change orders increased the total to \$1,421,368. This project was funded by Water Capital funds. A small amount of costs to upgrade County lines was reimbursed to the Water District.

Project Impact on Operating Budget:

The project will have no impact on the operating budget at this time.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Reclaimed Water Distribution System

Project Number: 8087

Department/Program: Development Services – Water Capital

Project Description and Location:

The Victor Valley Wastewater Reclamation Authority (VWVRA) has begun construction on the Hesperia Regional Water Reclamation Plant. This project will take approximately 24 months to construct, and upon completion will be capable of supplying one million gallons (MG) per day of reclaimed water, which can be used for irrigation purposes.

In order to utilize this resource, the City must build a distribution system to convey the reclaimed water to potential users. Using the City's Recycled Water Master Plan as a guide, staff has defined an alignment for the first phase of the distribution system. The primary user under this first phase will be the Hesperia Golf Course, but many other users can be served as well, including parks, schools, and Hesperia Civic Center Complex. The first phase of the distribution system will include approximately 8 miles of "purple" pipe, a storage reservoir, and a boost station necessary to provide the required pressures to operate large irrigation systems.

The distribution system is being designed in-house by City engineering staff, but due to the complexities of designing a 2.5 MG water tank and a pump station, the City issued a request for proposal for design services from engineering consultants for this portion of the project.

Existing Situation and Work Completed Through Fiscal Year 2015-2016:

In May 2015, staff prepared and issued a Request for Proposals for engineering design services related to the design of the new 2.5 MG Water Tank and the new Pump Station. In August 2015, the Council awarded a Professional Services Contract to Merrill-Johnson Companies to perform design-engineering services for the proposed water tank and pump station. Design work has commenced and will continue through FY 2015-16. Staff completed the pipeline design and specification documents for the pipeline portion of this project. Staff is awaiting the State to finalize the loan documents for the State Revolving Fund (SRF) loan.

Project Schedule for 2016-17 Budget:

Design work is estimated to be completed in late Summer 2016 on the reservoir and booster station. It is anticipated that the pipeline portion of the project will be awarded for construction this fiscal year, with construction commencing late Fall 2016, and the reservoir and booster station being awarded for construction shortly following the pipeline. The two portions of the project are being bid separately since they will be performed by different types of contractors. All distribution system work should be complete in early 2018.

Project Costs and Funding:

<u>Expenditure Phases</u>	<u>2013-14 Actual</u>	<u>2014-15 Actual</u>	<u>2015-16 Budget</u>	<u>2015-16 Revised</u>	<u>2016-17 Budget</u>
701-800-8087 Contractual	\$ 2,313	\$ 38,954	\$ 0	\$ 70,000	\$10,000,000
Total Expenditures	\$ 2,313	\$ 38,954	\$ 0	\$ 70,000	\$10,000,000

Source of Funds

701 Prop 84 Drought Relief	\$ 0 *	\$ 0 *	\$ 0 *	\$ 0 *	\$ 1,500,000 *
701 Prop 1 Grant	0	0	0	0	4,727,337 *
701 State Revolving Fund Loan	2,313	38,954	0	70,000	3,772,663
Total Source of Funds	\$ 2,313	\$ 38,954	\$ 0	\$ 70,000	\$10,000,000

\*Note - Final grant reimbursements will be received upon project completion.

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Reclaimed Water Distribution System (Continued)

Project Number: 8087

Department/Program: Development Services – Water Capital

Project Funding Narrative:

Council amended the FY 2015-16 CIP Budget via Resolution HWD 2015-011 appropriating \$290,000 to this project for the reservoir and booster station.

At the time of application to the State Water Resources Control Board for a State Revolving Fund (SRF) Loan (September 2014), the estimated cost of the project was \$14,673,750. Due to the time that has elapsed while awaiting the State's approval of the SRF Loan, estimates of the project costs have risen to \$16.6 million.

The pipeline is being funded by a combination of the SRF Loan (\$9.9 million), Prop 1 Grant (\$4.7 million), and a Prop 84 Drought Relief Grant (\$2.0 million).

## CAPITAL IMPROVEMENT PROGRAM (CIP)

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Project Title: Appaloosa Avenue Reclaimed Water Line (FY 2016-17) (New)

Project Number: 8088

Department/Program: Development Services – Water Capital

### Project Description and Location:

The Victor Valley Wastewater Reclamation Authority (VWVRA) has begun construction on the Hesperia Regional Water Reclamation Plant (HRWRP). This project will take approximately 24 months to construct, and upon completion will be capable of supplying one million gallons (MG) per day of reclaimed water, which can be used for irrigation purposes.

In order to utilize this resource, the City must build a distribution system to convey the reclaimed water to potential users. Using the City's Recycled Water Master Plan as a guide, staff has defined an alignment for the first phase of the distribution system. The primary user under this first phase will be the Hesperia Golf Course, but many other users can be served as well, including parks, schools, and the Hesperia Civic Center Complex. The first phase of the distribution system will include approximately 8 miles of "purple" pipe, a storage reservoir, and a booster station necessary to provide the required pressures to operate large irrigation systems.

The first phase of the reclaimed water line includes a portion of distribution water line [approximately 800 Linear Feet (L.F.)] that runs through Tract No. 17291 in Appaloosa Avenue, Trotter Street, and Hackney Avenue. The current contractor for the HRWRP is tasked with installing other water and sewer lines in these same streets to service the new Regional Plant, which is located contiguous to Tract No. 17291. The contractor is scheduled to install their water and sewer lines in June or July of 2016 while the City does not anticipate bidding the first phase of reclaimed water lines until later in the year.

The first phase of the City's reclaimed water line begins at the HRWRP, runs through Tract No. 17291, and then continues westward down Mojave Street. In order to take advantage of economies of scale and reduce costs to the first phase of the City's project, staff will request a cost proposal from the existing HRWRP contractor to install this 800 L.F. +/- portion of reclaimed water lines within Tract No. 17291 at the same time that they install their water line and sewer line. The reclaimed water line will be temporarily capped in Mojave Street. Once construction commences on the City's Reclaimed Water Distribution Project [Construction Order (C.O.) No. 8087], the temporary cap will be removed and connected to the remainder of the first phase of reclaimed water line.

This portion of reclaimed water line is a part of the City's Reclaimed Water Distribution Project (C.O.) No. 8087; However, since this short length of reclaimed water line (800 L.F. +/- out of the total length of reclaimed water line of 53,800 L.F.) is being installed prior to commencing construction on the remainder of the reclaimed water line it will not be eligible for funding via the Prop. 84 grant or the State Revolving Loan. The construction cost for this portion must be funded with local funding and must be tracked by a separate construction order number. In addition, this would be considered a sole-source, emergency contract as time is of the essence in order to meet the current contractor's construction schedule so that this portion of the reclaimed water line can be installed at the same time as the HRWRP's water and sewer line.

### Existing Situation and Work Completed Through Fiscal Year 2015-2016:

The plans for this portion of the reclaimed water line are completed.

### Project Schedule for Fiscal Year 2016-17 Budget:

Staff will request and receive a cost proposal from the contractor constructing the Regional Water Reclamation Plant to install this portion of the City's reclaimed water line. Construction will commence and be completed within 30 to 60 days from notice to proceed. The remainder of the reclaimed water line will be bid and constructed separately by the City.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Project Title: Appaloosa Avenue Reclaimed Water Line (FY 2016-17) (New) (Continued)

Project Number: 8088

Department/Program: Development Services – Water Capital

Project Costs and Funding:

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
701-800-8088 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000
 <u>Source of Funds</u>					
701 Water Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000

Project Funding Narrative:

This portion of the larger Reclaimed Water Distribution Project [Construction Order (C.O.) No. 8087] is being installed prior to the commencement of construction of the remainder of the project in order to take advantage of the fact that the existing contractor for the Hesperia Regional Water Reclamation Plant (HRWRP) will be working within the streets where this portion of reclaimed water line is proposed to be located. In order to avoid excavating in these streets two times, the City contracted with the HRWRP contractor to install this portion of the reclaimed water. Since this work will be done prior to commencing construction on the first phase of the City's reclaimed water line, it will be ineligible for Prop. 84 funding or SRF funding. Therefore this 800 Linear Feet (L.F.) portion of the reclaimed water line is being funded by Water Capital, Fund 701.

Project Impact on Operating Budget:

Initially, this project will have no impact on the operating budget. Once the whole first phase of the Reclaimed Water Distribution System is constructed and functioning, there will be impacts to the operating budget, which should be offset by increased revenue from sales of reclaimed water.

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# DEBT SERVICE

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- *Overall Debt Obligations Summary*
- *Debt Obligations Principal Outstanding Summary*
- *Fiscal Year 2016-17 Budget Total Principal and Interest Debt Service Payments*
- *Annual Debt Service Payments by Obligation and Fund*
- *Individual Debt Obligation Summaries*
- *Computation of Legal Debt Margin*

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## DEBT SERVICE

### OVERALL DEBT OBLIGATIONS SUMMARY

Included in this Debt Obligation Summary is information on external and internal debt obligations from Fiscal Year (FY) 2013-14 through the Fiscal Year 2016-17 Budget.

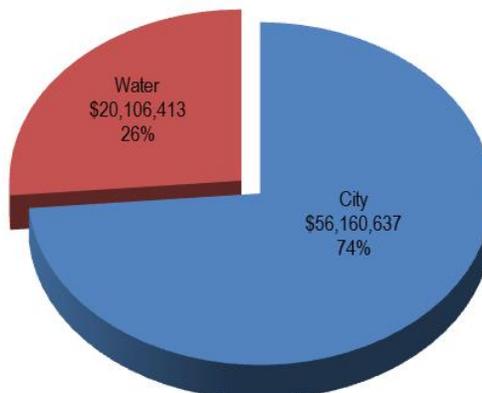
#### Summary

- The 2004 Variable Rate Revenue Bonds (Street Bonds) were paid in full on October 1, 2015, eight years early and saving the City over \$9 million dollars compared to the original 1993 A&B debt service schedules.
- Due to the depletion of cash reserves within the 2013 Civic Plaza Refunding Lease Revenue Bond Fund, additional contributions are required from the Development Impact Fee (DIF) – Public Services Fund (87.25%) and General Fund (12.75%). Revenues within the DIF – Public Services Fund are insufficient to contribute the FY 2016-17 contribution amount of \$688,533 due primarily to limited residential development, and to a lesser extent to the extension of the “Development Impact Fee Reduction Pilot Program.” This necessitates an increase in the General Fund loan to DIF Public Services, for a total General Fund loan of \$1,520,637 through FY 2016-17. Additional increases in the General Fund loan to DIF Public Services will be needed in future years until revenues are sufficient to cover DIF’s percentage of the annual 2013 Civic Plaza debt service requirements, equating to 607 to 883 single family residential permits per year.
- The letter of credit for the Water District 1998 A&B Variable Rate Lease Revenue Bonds has been extended to November 2018.
- Although debt service payments are not currently scheduled for FY 2016-17, two new debts have been added to the Debt Service Section to reflect new pending obligations:
  - City – Rancho Road Interchange Loan from San Bernardino Associated Governments (SANBAG) related to the construction and financing of the Rancho Road Interchange. Final costs are being calculated by SANBAG, but the City’s share is estimated to be approximately \$17,500,000 at this time.
  - Water District – 2016 State Revolving Fund (SRF) Loan to finance the construction of a reclaimed water pipeline distribution system. Of the \$14,673,750 requested, the current agreement proposes a \$4,727,337 Grant, with the remaining \$9,946,413 in the form of a loan at a 1% interest rate. This financing agreement is being finalized by the State and payment of principal and interest will begin one year after completion of construction.
- As of February 1, 2012, redevelopment agencies were dissolved by the State of California and funding for the former redevelopment agency obligations will be provided by the County of San Bernardino, as outlined in ABx26, and paid by the Successor Agency. These debt issues are now obligations of the Successor Agency to the Former Community Redevelopment Agency and are no longer presented in the Debt Service Section of the City’s Budget.

### DEBT OBLIGATION PRINCIPAL OUTSTANDING SUMMARY

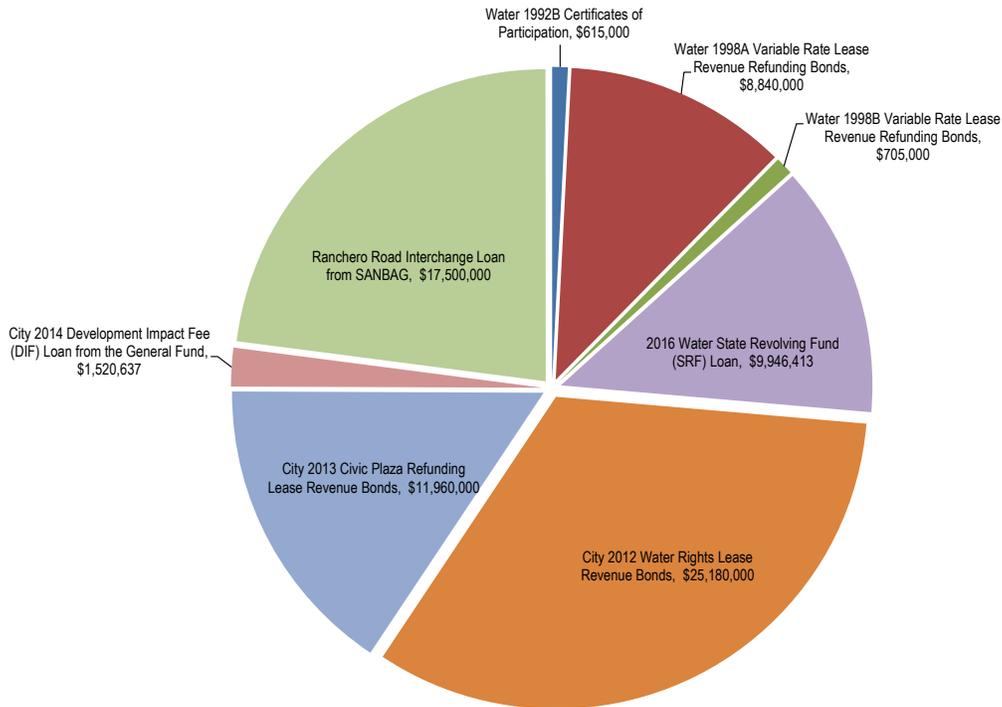
The following charts and schedules summarize all current City debt obligations, with the original principal amount and the principal outstanding as of July 1, 2016:

Estimated Principal Outstanding July 1, 2016



**DEBT SERVICE**

**DEBT OBLIGATION PRINCIPAL OUTSTANDING SUMMARY (Continued)**



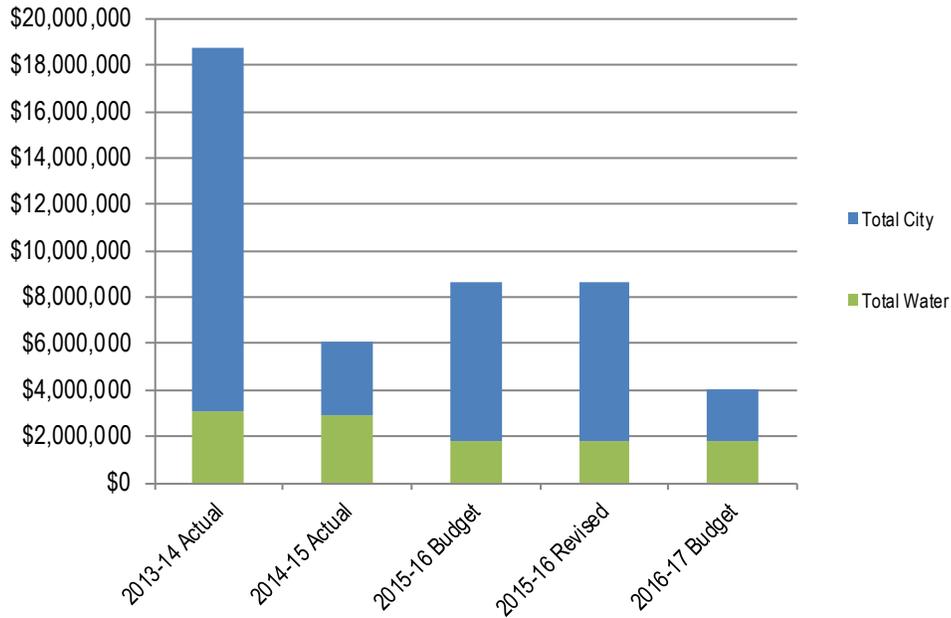
**Estimated Principal Outstanding July 1, 2016**

<u>Debt Service Principal Obligations</u>	<u>Original Principal Amount</u>	<u>Estimated Principal Outstanding July 1, 2016</u>	<u>Maturity Date</u>
<b><u>City of Hesperia</u></b>			
Series 2004 Variable Rate Demand Revenue Bonds	\$12,525,000	\$ 0	*October 1, 2015
2012 Water Rights Lease Revenue Bonds	26,735,000	25,180,000	October 1, 2042
2013 Civic Plaza Refunding Lease Revenue Bonds	12,445,000	11,960,000	October 1, 2035
2014 Development Impact Fee (DIF) Loan from the General Fund	65,840	1,520,637	Undetermined
Ranchero Road Interchange Loan from SANBAG	<u>Est. 17,500,000</u>	<u>Est. 17,500,000</u>	Est. Dec. 2026
<b>Total City of Hesperia Principal Debt</b>	<b>\$69,270,840</b>	<b>\$56,160,637</b>	
<b><u>Hesperia Water District</u></b>			
1992B Certificates of Participation	\$ 1,405,000	\$ 615,000	June 1, 2022
1998A Variable Rate Lease Revenue Refunding Bonds	18,040,000	8,840,000	June 1, 2026
1998B Variable Rate Lease Revenue Refunding Bonds	2,070,000	705,000	June 1, 2022
2016 State Revolving Fund (SRF) Loan	<u>Est. 9,946,413</u>	<u>Est. 9,946,413</u>	Undetermined
<b>Total Hesperia Water District Principal Debt</b>	<b>\$31,461,413</b>	<b>\$20,106,413</b>	
<b>Total Principal Debt Outstanding</b>	<b>\$100,732,253</b>	<b>\$76,267,050</b>	

\*Retired during FY 2015-16, eight years before the original scheduled maturity of October 1, 2023.

DEBT SERVICE

2016-17 BUDGET TOTAL PRINCIPAL AND INTEREST DEBT SERVICE PAYMENTS



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
<u>City of Hesperia</u>					
Principal	\$13,905,000	\$1,605,000	\$5,385,000	\$5,385,000	\$830,000
Interest and Admin Fees	*1,737,464	1,530,685	1,489,880	1,457,693	1,421,937
<b>Total City</b>	<b>\$15,642,464</b>	<b>\$3,135,685</b>	<b>\$6,874,880</b>	<b>\$6,842,693</b>	<b>\$2,251,937</b>
<u>Hesperia Water District</u>					
Principal	\$2,055,000	\$2,090,000	\$930,000	\$930,000	\$965,000
Interest and Admin Fees	1,005,627	857,767	882,810	844,000	798,470
<b>Total Water</b>	<b>\$3,060,627</b>	<b>\$2,947,767</b>	<b>\$1,812,810</b>	<b>\$1,774,000</b>	<b>\$1,763,470</b>
<u>Total All Funds</u>					
Principal	\$15,960,000	\$3,695,000	\$6,315,000	\$6,315,000	\$1,795,000
Interest and Admin Fees	2,743,091	2,388,452	2,372,690	2,301,693	2,220,407
<b>Total Debt Service Payments</b>	<b>\$18,703,091</b>	<b>\$6,083,452</b>	<b>\$8,687,690</b>	<b>\$8,616,693</b>	<b>\$4,015,407</b>

\*Note - Includes bond issuance costs as well as discount on bond issue.

DEBT SERVICE

ANNUAL DEBT SERVICE PAYMENTS BY OBLIGATION AND FUND

In Chronological Order

	2013-14	2014-15	2015-16	2015-16	2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
<u>City of Hesperia</u>					
<u>1996 HUD Section 108 Loan</u>					
Principal	\$150,000	\$150,000	\$0	\$0	\$0
Interest	870	165	0	0	0
Admin/Other costs	400	100	0	0	0
Total	<u>\$151,270</u>	<u>\$150,265</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Series 2004 Variable Rate Demand</u>					
<u>Revenue Bonds</u>					
Principal	\$620,000	\$645,000	\$4,590,000	\$4,590,000	\$0
Interest	9,010	4,990	11,475	1,525	0
Admin/Other Costs	194,333	86,706	45,000	25,358	0
Total	<u>\$823,343</u>	<u>\$736,696</u>	<u>\$4,646,475</u>	<u>\$4,616,883</u>	<u>\$0</u>
<u>2005 Variable Rate Demand Certificates</u>					
<u>of Participation</u>					
Principal	\$12,700,000	\$0	\$0	\$0	\$0
Interest	8,362	0	0	0	0
Admin/Other Costs	78,604	0	0	0	0
Total	<u>\$12,786,966</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2012 Water Rights Lease Revenue Bonds</u>					
Principal	\$435,000	\$555,000	\$565,000	\$565,000	\$580,000
Interest	900,475	890,575	876,550	876,550	859,375
Admin/Other Costs	4,181	2,190	8,000	5,725	7,000
Total	<u>\$1,339,656</u>	<u>\$1,447,765</u>	<u>\$1,449,550</u>	<u>\$1,447,275</u>	<u>\$1,446,375</u>
<u>2013 Civic Plaza Refunding Lease</u>					
<u>Revenue Bonds</u>					
Principal	\$0	\$255,000	\$230,000	\$230,000	\$250,000
Interest	233,624	543,314	540,600	540,600	532,150
Admin/Other Costs	*307,605	2,445	6,000	5,725	7,000
Total	<u>\$541,229</u>	<u>\$800,759</u>	<u>\$776,600</u>	<u>\$776,325</u>	<u>\$789,150</u>
<u>2014 Development Impact Fee (DIF)</u>					
<u>Loan From General Fund</u>					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	0	200	2,255	2,210	16,412
Admin/Other Costs	0	0	0	0	0
Total	<u>\$0</u>	<u>\$200</u>	<u>\$2,255</u>	<u>\$2,210</u>	<u>\$16,412</u>
<u>Ranchero Road Interchange Loan from</u>					
<u>SANBAG</u>					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Admin/Other Costs	0	0	0	0	0
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Total City of Hesperia Funds</u>					
Principal	\$13,905,000	\$1,605,000	\$5,385,000	\$5,385,000	\$830,000
Interest	1,152,341	1,439,244	1,430,880	1,420,885	1,407,937
Admin/Other Costs	*585,123	91,441	59,000	36,808	14,000
Total	<u>\$15,642,464</u>	<u>\$3,135,685</u>	<u>\$6,874,880</u>	<u>\$6,842,693</u>	<u>\$2,251,937</u>

\*Note - Includes bond issuance costs as well as discount on bond issue.

DEBT SERVICE

ANNUAL DEBT SERVICE PAYMENTS BY OBLIGATION AND FUND (Continued)

In Chronological Order

	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Budget	Revised	Budget
<u>Hesperia Water District</u>					
<u>1992 B Certificates of Participation</u>					
Principal	\$65,000	\$70,000	\$75,000	\$75,000	\$80,000
Interest	74,250	68,400	62,100	62,100	55,350
Admin/Other Costs	0	4,314	5,000	4,400	5,000
Total	<u>\$139,250</u>	<u>\$142,714</u>	<u>\$142,100</u>	<u>\$141,500</u>	<u>\$140,350</u>
<u>1998 A Variable Rate Lease Revenue</u>					
Refunding Bonds					
Principal	\$695,000	\$720,000	\$750,000	\$750,000	\$780,000
Interest	603,521	597,611	605,000	600,000	565,070
Admin/Other Costs	295,340	171,957	188,427	164,000	154,000
Total	<u>\$1,593,861</u>	<u>\$1,489,568</u>	<u>\$1,543,427</u>	<u>\$1,514,000</u>	<u>\$1,499,070</u>
<u>1998 B Variable Rate Lease Revenue</u>					
Refunding Bonds					
Principal	\$95,000	\$100,000	\$105,000	\$105,000	\$105,000
Interest	1,678	938	8,100	1,000	7,050
Admin/Other Costs	26,053	14,547	14,183	12,500	12,000
Total	<u>\$122,731</u>	<u>\$115,485</u>	<u>\$127,283</u>	<u>\$118,500</u>	<u>\$124,050</u>
<u>2010 Loan from Redevelopment Low and Moderate Income Housing Fund</u>					
Principal	\$1,200,000	\$1,200,000	\$0	\$0	\$0
Interest	4,785	0	0	0	0
Admin/Other Costs	0	0	0	0	0
Total	<u>\$1,204,785</u>	<u>\$1,200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2016 State Revolving Fund (SRF) Loan</u>					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Admin/Other Costs	0	0	0	0	0
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Hesperia Water District</u>					
Principal	\$2,055,000	\$2,090,000	\$930,000	\$930,000	\$965,000
Interest	684,234	666,949	675,200	663,100	627,470
Admin/Other Costs	321,393	190,818	207,610	180,900	171,000
Total	<u>\$ 3,060,627</u>	<u>\$ 2,947,767</u>	<u>\$ 1,812,810</u>	<u>\$ 1,774,000</u>	<u>\$ 1,763,470</u>
Note: Budgetary Basis Adjustment - For budgetary purposes, the Water District principal payments are reflected in the actual columns, whereas the CAFR reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts and deferred charges, whereas the budget does not.					
<u>Total All Funds</u>					
Principal	\$15,960,000	\$3,695,000	\$6,315,000	\$6,315,000	\$1,795,000
Interest	1,836,575	2,106,193	2,106,080	2,083,985	2,035,407
Admin/Other Costs	906,516	282,259	266,610	217,708	185,000
Total	<u>\$18,703,091</u>	<u>\$6,083,452</u>	<u>\$8,687,690</u>	<u>\$8,616,693</u>	<u>\$4,015,407</u>

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES

This section summarizes the individual debt service obligations of the City included in the Fiscal Year 2016-17 Budget. These obligations represent the City's annual installment payments of principal, interest, and administrative/other costs for debt financing. Each debt obligation is summarized with a description, relevant financial information, and a brief analysis and recommendation. Please note internal debt obligations, i.e. obligations between various City funds, may also be included if it is relevant to understanding the City's debt obligations.

Debt Obligation Listing

<u>City of Hesperia</u>	<u>Page</u>
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DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES

City - 1996 HUD Section 108 Loan

Purpose/History: On June 6, 1996, the City entered into a note for \$3,000,000 with Chase Manhattan Bank, the proceeds of which were to be used to make loans to assist for-profit businesses. The note is guaranteed by the Department of Housing and Urban Development (HUD) under Section 108 of the Housing and Community Development Act.

Original Principal Amount: \$3,000,000

Principal Outstanding Balance as of:

July 1, 2013	\$ 300,000
July 1, 2014	\$ 150,000
July 1, 2015	\$ 0

Interest Rate: Variable at 0.2% above LIBOR (London Interbank Offered Rates).

Maturity Date: This debt was paid in full on August 1, 2014. The original maturity date was August 1, 2016; Revised to August 1, 2014 due to prepayments made in April 2009 and May 2011.

Funding Sources: The City of Hesperia is responsible for the HUD Section 108 Housing Loan; however Community Development Block Grant (CDBG) entitlements are the allowed source of funding.

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amount	\$150,000	\$150,000	\$ 0	\$ 0	\$ 0
Interest Amount	870	165	0	0	0
Admin/Other Costs	<u>400</u>	<u>100</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$151,270	\$150,265	\$ 0	\$ 0	\$ 0

Analysis and Recommendation

This debt obligation was paid in full August 1, 2014.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City - Series 2004 Variable Rate Demand Revenue Bonds

Purpose/History: On September 22, 2004, the Hesperia Public Financing Authority issued Variable Rate Demand Revenue Bonds – Series 2004 for \$12,525,000, of which \$1,034,075 was put in reserve and the balance was used to refund the 1993A and B Revenue Bonds (Measure I Debt). The 1993 A and B Bonds were used to finance the construction, replacement, or improvement of local streets and highways of the City.

Original Principal Amount: \$12,525,000

Principal Outstanding Balance as of:

July 1, 2013	\$ 5,855,000
July 1, 2014	\$ 5,235,000
July 1, 2015	\$ 4,590,000
Estimated July 1, 2016	\$ 0

Interest Rate: Variable

Maturity Date: Debt obligation was paid in full on October 1, 2015 due to \$3,920,000 additional prepayment in FY 2015-16. Original maturity date was October 1, 2023; revised to October 1, 2021 due to prepayments made in FY 2005-06, FY 2006-07, and FY 2007-08.

Funding Sources: Gas Tax Revenue, Gas Tax Swap Revenue, and Local Transportation (LTF) Revenue.

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amount	\$620,000	\$645,000	\$4,590,000	\$4,590,000	\$ 0
Interest Amount	9,010	4,990	11,475	1,525	0
Admin/Other Costs	<u>194,333</u>	<u>86,706</u>	<u>45,000</u>	<u>25,358</u>	<u>0</u>
Total	\$823,343	\$736,696	\$4,646,475	\$4,616,883	\$ 0

Analysis and Recommendation

This debt obligation was paid in full on October 1, 2015.

Since FY 2005-06, a total of \$6,320,000 in prepayments have been made (FY 2005-06 \$600,000, FY 2006-07 \$1,000,000, FY 2007-08 \$800,000, and FY 2015-16 \$3,920,000), resulting in the retirement of the debt eight years early and saving the City over \$9 million dollars compared to the original 1993 A&B debt service schedules.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2005 Variable Rate Demand Certificates of Participation

Purpose/History: At the April 20, 2005 Council meeting, the City Council authorized the issuance of Certificates of Participation (COP) to finance \$15,000,000 in costs associated with the new Civic Plaza (City Hall). This COP debt obligation was issued in June 2005 as a variable rate debt for \$18,300,000. Based on the final bond issuance numbers, the General Fund is responsible for 12.75% and the Public Service Development Impact Fees are responsible for 87.25% of the debt-related costs.

Original Principal Amount: \$18,300,000

Principal Outstanding Balance as of:

July 1, 2012	\$ 13,200,000
July 1, 2013	\$ 12,700,000
July 1, 2014	\$ 0

Interest Rate: Variable

Maturity Date: November 1, 2013 COPs were refinanced into 2013 Civic Plaza Refunding Lease Revenue Bonds. (October 1, 2034 original maturity date; revised to October 1, 2031, due to prepayment made in March 2008).

Funding Sources: General Fund and Public Services Development Impact Fees

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amount	\$12,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Interest Amount	8,362	0	0	0	0
Admin/Other Costs	<u>78,604</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$12,786,966	\$ 0	\$ 0	\$ 0	\$ 0

Analysis and Recommendation

On November 1, 2013, the COPs were refinanced into the 2013 Civic Plaza Refunding Revenue Bonds to take advantage of the low interest rate environment and move to a fixed rate schedule. The \$12,700,000 principal payment included the full outstanding amount due.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2012 Lease Revenue Bonds (Water Rights Acquisition)

Purpose/History: At the November 20, 2012 City Council meeting, the City Council authorized the issuance of Lease Revenue Bonds to finance \$25,000,000 in permanent water rights. The total cost of the 5,971 acre feet of water rights was \$30,000,000, made up of a \$5 million cash deposit and the bond issue.

Original Principal Amount: \$26,735,000

Principal Outstanding Balance as of:

July 1, 2013	\$ 26,735,000
July 1, 2014	\$ 26,300,000
July 1, 2015	\$ 25,745,000
Estimated July 1, 2016	\$ 25,180,000

Interest Rate: Fixed rates ranging from 2.0% - 4.0%

Maturity Date: October 1, 2042

Funding Sources: General Fund

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amount	\$ 435,000	\$ 555,000	\$ 565,000	\$ 565,000	\$ 580,000
Interest Amount	900,475	890,575	876,550	876,550	859,375
Admin/Other Costs	<u>4,181</u>	<u>2,190</u>	<u>8,000</u>	<u>5,725</u>	<u>7,000</u>
Total	\$1,339,656	\$1,447,765	\$1,449,550	\$1,447,275	\$1,446,375

Analysis and Recommendation

This obligation will be paid according to the debt service schedule.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2013 Civic Plaza Refunding Lease Revenue Bonds (Refinancing of 2005 COPs)

Purpose/History: At the August 6, 2013 City Council meeting, the City Council authorized the issuance of the Hesperia Joint Public Finance Authority 2013 Refunding Lease Revenue Bonds (Refinancing of 2005 Civic Plaza Financing)

Original Principal Amount: \$12,445,000

Principal Outstanding Balance as of:

July 1, 2013	\$ 0
July 1, 2014	\$12,445,000
July 1, 2015	\$12,190,000
Estimated July 1, 2016	\$11,960,000

Interest Rate: Fixed rates ranging from 2.0% - 5.0%

Maturity Date: October 1, 2035

Funding Sources: General Fund and Public Services Development Impact Fees (DIF)

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amount	\$ 0	\$255,000	\$230,000	\$230,000	\$250,000
Interest Amount	233,624	543,314	540,600	540,600	532,150
Admin/Other Costs	<u>*307,605</u>	<u>2,445</u>	<u>6,000</u>	<u>5,725</u>	<u>7,000</u>
Total	\$541,229	\$800,759	\$776,600	\$776,325	\$789,150

\*Note: Includes bond issuance costs as well as discount on bond issue

Analysis and Recommendation

This debt issue refinanced the previous 2005 Civic Plaza Certificates of Participation (COP). This new issue has fixed interest rates and bonds cannot be called prior to October 1, 2023. The bonds will be paid according to the debt service schedule. As with the previous 2005 COPs, Public Services DIF will continue to fund 87.25% of the debt service, with the General Fund contributing the remaining 12.75%.

Due to insufficient funds within Public Services DIF, the General Fund will continue to provide a loan to DIF so that the required contribution for the annual debt service can be made. This is a loan that is administered separately from the Civic Plaza debt issue.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2014 Development Impact Fees (DIF) Public Services – Loan from General Fund

Purpose/History: As referenced in the City – 2013 Civic Plaza Refunding Lease Revenue Bond debt, Development Impact Fee (DIF) Public Services contributes 87.25% of the annual debt service for the City Hall building financed by the Civic Plaza bonds. Beginning in FY 2014-15, the DIF Public Services Fund did not have sufficient cash to fully fund the 87.25% contribution. Therefore, with the adoption of the FY 2014-15 Budget, a loan from the General Fund to DIF was needed in order for DIF to make the needed contribution to pay the debt service on the bonds. The loan amount will increase annually until the DIF Public Services Fund has sufficient cash to make the full 87.25% contribution to the debt service fund.

Original Principal Amount: \$65,840

Principal Outstanding Balance as of:

July 1, 2013	\$ 0
July 1, 2014	*\$ 65,840
July 1, 2015	\$ 832,104
Estimated July 1, 2016	\$1,520,637

\*Note: During FY 2014-15, the loan amount was increased by \$88,680 to \$154,520 due to an extension of the "Development Impact Fee Reduction Program".

Interest Rate: Variable (Quarterly based upon Local Agency Investment Fund)

Maturity Date: Ongoing until sufficient DIF funds are available

Funding Sources: DIF – Public Services

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amount	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Amount	0	200	2,255	2,210	16,412
Admin/Other Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 0	\$200	\$2,255	\$2,210	\$16,412

Analysis and Recommendation

Repayment of this debt obligation will be made as soon as sufficient DIF – Public Service funds are available.

Due to the depletion of reserves within the 2013 Civic Plaza Refunding Lease Revenue Bond Fund, a substantial increase in the contributions from DIF Public Services (87.25%) and the General Fund (12.75%) are needed. The DIF Public Services Fund is projected to have insufficient funds for the FY 2016-17 needed contribution of \$688,533. Therefore an increase of (\$688,533) is needed in the General Fund Loan to DIF Public Services, for a cumulative total loan amount of \$1,520,637. If the "Development Impact Fee Reduction Pilot Program" is extended, it is projected that an additional loan from the General Fund will be needed in FY 2017-18.



DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1992B Certificates of Participation

Purpose/History: On June 1, 1992, the Water District issued 30 Year Certificates of Participation for \$1,405,000 to fund the acquisition of 47.6% of an administration building and the parcel of land on which it is located.

Original Principal Amount: \$1,405,000

Principal Outstanding Balance as of:

July 1, 2013	\$ 825,000
July 1, 2014	\$ 760,000
July 1, 2015	\$ 690,000
Estimated July 1, 2016	\$ 615,000

Interest Rate: 9%

Maturity Date: June 1, 2022

Funding Source: Hesperia Water District – The District has covenanted that it will set rates and charges for water and sewer services, which will be at least sufficient to yield, during each fiscal year, net revenues equal to 105% of debt service.

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amount	\$ 65,000	\$ 70,000	\$ 75,000	\$ 75,000	\$ 80,000
Interest Amount	74,250	68,400	62,100	62,100	55,350
Admin/Other Costs	<u>0</u>	<u>4,314</u>	<u>5,000</u>	<u>4,400</u>	<u>5,000</u>
Total	\$139,250	\$142,714	\$142,100	\$141,500	\$140,350

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows an interest accrual, whereas the budget does not.

Analysis and Recommendation

This 1992B Certificate of Participation debt obligation has a high interest rate at 9% and a step-up provision, which provides that substantial principal reductions only occur in the later years of this 30-year obligation. Evaluation of this debt obligation indicates that there are no principal reduction or call provisions that allow for early repayment or refinancing of this obligation, requiring the payment of the full amount of interest due through the maturity of the debt.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1998A Variable Rate Lease Revenue Refunding Bonds (Taxable)

Purpose/History: On July 2, 1998, the Water District issued 1998A revenue refunding bonds to refund the 1991 \$17,675,000 Certificates of Participation (COP) that were issued June 1, 1991. The 1991 COPs were issued to refund earlier 1990 COP. The 1990 COPs were being used to fund improvements to the District's Water Facilities to replace approximately 65 miles of deteriorating 4, 6, and 8 inch steel water pipeline, as well as refund prior indebtedness of the District.

Original Principal Amount: \$18,040,000

Principal Outstanding Balance as of:

July 1, 2013	\$11,005,000
July 1, 2014	\$10,310,000
July 1, 2015	\$ 9,590,000
Estimated July 1, 2016	\$ 8,840,000

Note: For financial statement purposes, the bond discount and the difference between the reacquisition price and net carrying value of the 1991 COPs have been deferred and are amortized over the remaining life of the bonds.

Interest Rate: Variable. As of June 1, 2005, \$10,000,000 was swapped to a fixed rate of 5.96%. For FY 2016-17, the swap reduces to \$9,340,000.

Maturity Date: June 1, 2026

Funding Source: Hesperia Water District – Taxes and User Fees

<u>Payment Amount</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Budget</u>	<u>2015-16</u> <u>Revised</u>	<u>2016-17</u> <u>Budget</u>
Principal Amount	\$ 695,000	\$ 720,000	\$ 750,000	\$ 750,000	\$ 780,000
Interest Amount	603,521	597,611	605,000	600,000	565,070
Admin/Other Costs	<u>295,340</u>	<u>171,957</u>	<u>188,427</u>	<u>164,000</u>	<u>154,000</u>
Total	\$1,593,861	\$1,489,568	\$1,543,427	\$1,514,000	\$1,499,070

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts and deferred charges, whereas the budget does not.

Analysis and Recommendation

This obligation will be paid according to the debt service schedule. For FY 2016-17, the \$10,000,000 swap is reduced to \$9,340,000. The swap has a stated rate of 5.96% and the agreement is based upon London Interbank Offered Rate (LIBOR) BBA (British Bankers' Assoc.). However, the interest rate paid to US Bank is based upon rates resulting from the remarketing process which may be different from the LIBOR BBA, depending upon market conditions at the time. For FY 2016-17, a rate of 6.05% will be budgeted to sufficiently cover the interest. The letter of credit agreement has been extended to November 2018 and has been budgeted at 1.45%, as that is the category the debt issue currently falls within.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1998B Variable Rate Lease Revenue Refunding Bonds (Tax Exempt)

Purpose/History: On July 2, 1998, the Water District issued 1998B revenue refunding bonds to refund the 1992A, \$1,855,000 Certificates of Participation (COP) that were issued June 1, 1992. The 1992A COPs were issued to fund the acquisition and improvement of 52.4% of an administration building and the parcel of land on which it is located.

Original Principal Amount: \$2,070,000

Principal Outstanding Balance as of:

July 1, 2013	\$1,005,000
July 1, 2014	\$ 910,000
July 1, 2015	\$ 810,000
Estimated July 1, 2016	\$ 705,000

Note: For financial statement purposes, the bond discount, and the difference between the reacquisition price and net carrying value of the 1992A COPs have been deferred and are amortized over the remaining life of the bonds.

Interest Rate: Variable.

Maturity Date: June 1, 2022

Funding Source: Hesperia Water District – Taxes and User Fees

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amounts	\$ 95,000	\$100,000	\$105,000	\$105,000	\$105,000
Interest Amount	1,678	938	8,100	1,000	7,050
Admin/Other Costs	<u>26,053</u>	<u>14,547</u>	<u>14,183</u>	<u>12,500</u>	<u>12,000</u>
Total	\$122,731	\$115,485	\$127,283	\$118,500	\$124,050

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts, and deferred charges, whereas the budget does not.

Analysis and Recommendation

Interest has been budgeted at 1.00%. Like the 1998A issue, the Letter of Credit (LOC) has been extended through November 2018 and the most favorable rate of 1.45% has been budgeted, as that is the category the debt issue currently falls within.

## DEBT SERVICE

### INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

#### Water – 2010 Loan from the Low and Moderate Income Housing Fund

Purpose/History: On August 17, 2010, the Redevelopment Agency (RDA) Board/Water District Board approved Resolutions HCRA 2010-012 and HWD 2010-12, authorizing a loan from the RDA Low and Moderate Income Housing Fund to the Water District as of June 30, 2010.

Original Principal Amount: \$6,000,000

Principal Outstanding Balance as of:

July 1, 2013	\$2,400,000
July 1, 2014	\$1,200,000
July 1, 2015	\$ 0

Interest Rate: Variable Rate (Quarterly based upon Local Agency Investment Fund)

Maturity Date: Original maturity date June 30, 2015. Debt was paid in full on July 1, 2014.

Funding Source: Water Operating

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amounts	\$1,200,000	\$1,200,000	\$ 0	\$ 0	\$ 0
Interest Amount	4,785	0	0	0	0
Admin/Other Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,204,785	\$1,200,000	\$ 0	\$ 0	\$ 0

#### Analysis and Recommendation:

This debt obligation was paid in full on July 1, 2014.

## DEBT SERVICE

### INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

#### Water – 2016 State Revolving Fund (SRF) Loan

Purpose/History: On December 15, 2015, the Water District Board of Directors approved an Installment Sale Agreement with the California State Water Resources Control Board to finance the construction of a reclaimed water pipeline distribution system. At this time, the proposed project and agreement are under final review by the State, with final acceptance forthcoming. Of the \$14,673,750 requested, the current agreement proposes a \$4,727,337 Grant, with the remaining \$9,946,413 in the form of a loan at a 1% interest rate. Once the agreement has been approved by the State and is finalized, interest will accrue beginning with each disbursement and repayment of principal and interest will begin one year after completion of construction.

Original Principal Amount: Upon approval by the State, estimated at \$9,946,413

Principal Outstanding Balance as of:

July 1, 2013	\$0
July 1, 2014	\$0
July 1, 2015	\$0
Estimated July 1, 2016	\$0

Interest Rate: Estimated at 1%

Maturity Date: Unknown at this time; Term not to exceed 30 years.

Funding Source: Pledge of Water District Net Revenues

<u>Payment Amount</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>	2015-16 <u>Revised</u>	2016-17 <u>Budget</u>
Principal Amounts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Amount	0	0	0	0	0
Admin/Other Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

#### Analysis and Recommendation:

The proposed project/agreement is under review by the State. Repayment would begin one year after completion of construction.

## DEBT SERVICE

### COMPUTATION OF LEGAL DEBT MARGIN

The State of California Government Code §43605 states "A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section "indebtedness" means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the City". The computation of the City's legal debt margin is shown below.

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Total assessed value of all real and personal property	\$ 4,209,284,000	\$ 4,398,848,011	\$ 4,643,553,508	\$ 5,014,130,068
Debt limit percentage (1)	<u>15.00%</u>	<u>15.00%</u>	<u>15.00%</u>	<u>15.00%</u>
Total debt limit	631,392,600	659,827,202	696,533,026	752,119,510
Amount of debt applicable to debt limit	<u>5,855,000</u>	<u>5,235,000</u>	<u>4,590,000</u>	<u>0</u>
Legal debt margin	\$ 625,537,600	\$ 654,592,202	\$ 691,943,026	\$ 752,119,510
Percent of Debt Limit Authorized	0.93%	0.79%	0.66%	0.00%

Source: City of Hesperia, Management Services Department  
San Bernardino County Assessor's Office

# FUND BALANCE SUMMARIES

- *Overview and Summary*
- *List of Funds*
- *Fund Descriptions*
- *2016-17 Budget - Balancing and Fund Balance Summary - By Major Grouping*
- *2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds*
- *Fund Balance Schedules by Fund*

# FUND BALANCE SUMMARY

## OVERVIEW

The Fund Balance Summary is the primary balancing mechanism used in the preparation of the budget. This section displays the projected fund balance for each budgeted fund presented in the Fiscal Year 2016-17 Budget. Each page presents the budgeted revenues and other resources that are anticipated to be available to fund the budgeted expenditures and other uses of a particular fund. Budgeted Reserves are occasionally required to finance some of a fund's planned expenditures and, where appropriate, comments are noted. The fund balance portion of each fund's actual columns correspond to the City's most recent Comprehensive Annual Financial Report (CAFR).

## SUMMARY

The Fund Balance section on each page displays the fiscal period's beginning balance, a deduction for the use of any reserves, an increase for the surplus of resources over uses, and finally the period's ending balance. Occasionally, a fund will expend resources in advance of a subsequent reimbursement, thus producing a temporary negative ending fund balance condition.

Occasionally a fund will draw on reserves, which were budgeted for a specific purpose, even though total resources will exceed total uses. This is done to acknowledge that the budgeted expenditure is not being funded by the current year's operating revenue but, instead, by a prior year(s) savings (when resources exceed uses), which is what fund balance represents.

For the *2016-17 Budget June 30th Ending Balance*, some funds are reporting an anticipated negative fund balance. A brief explanation for each negative fund balance is provided on the individual fund page.

Often, the fund balance of a fund will change by 10% or more for various factors. Listed below are the major funds that reflect a fund balance change of more than 10% and the aggregate amount of the non-major funds that change by more than 10% with a brief explanation.

	2015-16 Revised	2016-17 Budget	Percent Change
100 General Fund	\$ 9,997,554	\$ 6,352,430	-36%
<i>Decrease due to additional loan to DIF-Public Services for debt service, and various items.</i>			
200 Fire Operations	251,545	405,962	61%
<i>Increase due to increase in property tax related revenues.</i>			
263 Streets Maintenance	524,310	275,793	-47%
<i>Decrease is due to the purchase of a Vactor truck,cracker sealer, and skip loader.</i>			
370 Hesperia Housing Authority	18,102,231	13,801,550	-24%
<i>Decrease due to \$3.8 million loan to Eagle Hesperia 55, LP</i>			
Non-major funds	27,657,178	26,825,201	-3%

## FUND BALANCE SUMMARY

### List of Funds

	<u>Page #</u>
■ General Fund 100	I - 20
■ Redevelopment Administration Fund 150	I - 21
■ Measure I - Renewal Fund 204	I - 22
■ Gas Tax Fund 205	I - 23
■ Gas Tax Swap Fund 206	I - 24
■ Local Transportation Fund 207	I - 25
■ Community Development Block Grant (CDBG) Administration Fund 251	I - 26
■ Community Development Block Grant (CDBG) HOME Grants Fund 252	I - 27
■ Community Development Block Grant (CDBG) Revolving Loan Fund 253	I - 28
■ Air Quality Management (AQMD) Fund 254	I - 29
■ AB3229 Supplemental Law Fund 255	I - 30
■ Environmental Programs Grant Fund 256	I - 31
■ Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) Fund 257	I - 32
■ Disaster Preparedness Grant Fund 260	I - 33
■ Public Works Street Maintenance Fund 263	I - 34
■ Development Impact Fees-Streets Fund 300	I - 36
■ Development Impact Fees-Storm Drainage Fund 301	I - 37
■ Development Impact Fees-Fire Fund 302	I - 38
■ Development Impact Fees-Police Fund 303	I - 39
■ Development Impact Fees-Public Services Fund 304	I - 40
■ 2004 Streets Debt Service Fund 400	I - 41
■ City Debt Service Fund 401	I - 42
■ Water Rights Acquisition Debt Service Fund 402	I - 43
■ 2013 Civic Plaza Refinancing Fund 403	I - 44
■ City Streets CIP Fund 504	I - 45
■ Township Fund 507	I - 46
■ Rancho Road Undercrossing Fund 600	I - 47
■ Community Development Commission Fund 170	I - 48
■ Hesperia Housing Authority Fund 370	I - 49
■ VVEDA Housing Authority Fund 371	I - 50
■ Water District - Water Operations Fund 700	I - 52
■ Water District - Water Capital Fund 701	I - 53
■ Water District - Sewer Operations Fund 710	I - 54
■ Water District - Sewer Capital Fund 711	I - 55
■ Fire District Fund 200	I - 57
■ Fire Capital Fund 502	I - 58

## FUND BALANCE SUMMARY

### FUND DESCRIPTIONS

For budgeting purposes the City's funds are grouped by functional classifications. These classifications are General City Operations and Maintenance; Community Development Block Grant (CDBG); Community Development Commission; Hesperia Housing Authority; Street Related; Other Transportation Related; Facilities; Other City Related; Water District; and Fire District.

The City of Hesperia budgets for revenues and expenditures in the following Governmental fund types:

The General Fund accounts for all financial resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

The Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The Debt Service funds are used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources.

The Capital Project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

In addition, the City of Hesperia budgets for Revenue and Expenditure in the following Proprietary fund type:

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

#### GENERAL FUND

General Fund (100) – This fund accounts for the majority of financial resources and uses of the City such as Legislative, Administrative, Community Development, Police, and Capital expenditures.

#### COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

CDBG Administration (251) - This Special Revenue fund accounts for the receipts and expenditures of the City's entitlements under Federal Community Development Block Grant (CDBG) programs of the US Department of Housing and Urban Development (HUD).

CDBG Home Grants (252) - This Special Revenue fund accounts for miscellaneous Federal and State grants requiring segregated fund accounting for CDBG grants of the Home Investment Partnerships Program (HOME).

CDBG Revolving Loan (253) - This Special Revenue fund accounts for the Section 108 loan proceeds from the Federal government (HUD) used to assist with business expansion within the City.

CDBG Neighborhood Stabilization Program (257) - This Special Revenue fund accounts for the federal grant used to purchase, rehabilitate, and resell abandoned and foreclosed homes within the City.

#### COMMUNITY DEVELOPMENT COMMISSION

Community Development Commission Administration (170) – This Special Revenue fund accounts for the City's ongoing economic development efforts

## FUND BALANCE SUMMARY

### FUND DESCRIPTIONS

#### HESPERIA HOUSING AUTHORITY

Hesperia Housing Authority (370) – This Special Revenue fund accounts for the City’s housing development formerly overseen by the HCRA’s Low/Mod fund and the outstanding loans to various housing projects.

VVEDA Housing Authority (371) – This Special Revenue fund accounts for the VVEDA (Victor Valley Economic Development Authority) housing Low/Mod function.

#### STREETS MAINTENANCE

Public Works Street Maintenance (263) - This Special Revenue fund accounts for funds expended to repair and maintain the City’s streets.

#### STREETS CAPITAL IMPROVEMENT PROJECTS (CIP) FUNDS

Measure I Renewal (204) - This Special Revenue fund accounts for the receipt of voter-approved renewal of Measure I tax (½ cent sales tax) revenue relating to the relief of traffic congestion through maintenance and upkeep of streets and highways.

Gas Tax (205) - This Special Revenue fund accounts for receipts and expenditures of money apportioned by the State and Highway Code §’s 2105, 2106, 2107 and 2107.5. Gas Tax monies can only be used to construct and maintain streets and highways.

Gas Tax Swap (206) - This Special Revenue fund accounts for the replacement revenue from the State for Proposition 42, the Traffic Congestion Relief moneys received into fund #250. This is now known as State and Highway Code §’s 2103 and has all the same conditions as the regular Gas Tax monies.

Local Transportation Fund (LTF) Article 8 (207) - This Special Revenue fund accounts for the ¼ cent of the 8¾ cent sales tax which, in turn, are expended for the City’s participation in the Victor Valley Transit Authority and maintenance of streets and roads in accordance with AB 325.

Development Impact - Streets (300) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City’s streets.

Development Impact – Storm Drainage (301) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City’s storm drains.

City Streets Projects (504) - This Capital Project fund accounts for funds designated for various streets and storm drainage related capital projects throughout the City funded primarily by grants.

Township (507) - This Capital Project fund accounts for funds designated for the completion of the first phase of the Township project.

Ranchero Road Undercrossing (600) - This Capital Project fund accounted for the grant related costs associated with building a railroad crossing under the Burlington Northern Santa Fe tracks at Ranchero Road. This fund is closed as of June 30, 2014.

#### OTHER TRANSPORTATION RELATED FUNDS

Air Quality Management (254) - This Special Revenue fund accounts for receipts from the Mojave Desert Air Quality Management District (AQMD) used for the purpose of reducing air pollution from motor vehicles.

## FUND BALANCE SUMMARY

### FUND DESCRIPTIONS

#### OTHER TRANSPORTATION RELATED FUNDS (Continued)

2004 Streets Debt Service (400) - This Debt Service fund accounts for debt service payments on the Marks-Roos Measure I Revenue bonds.

#### OTHER CITY RELATED FUNDS

Redevelopment Administration (150) - This Special Revenue fund accounts for the cooperative agreement between the City and the former Hesperia Community Redevelopment Agency.

AB 3229 Supplemental Law (255) - This Special Revenue fund accounts for State grant funds used to enhance policing services.

Environmental Programs (256) - This Special Revenue fund accounts for State grant funds used to enhance recycling efforts of beverage containers in the community.

Disaster Preparedness Grant (260) - This Special Revenue fund accounts for State grant funds used to prepare City staff for quick and correct techniques for proper response and assistance to the citizens in times of emergencies.

Development Impact – Fire (302) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's Fire Department with expanded facilities and equipment.

Development Impact – Police (303) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's Police Department with expanded facilities and equipment.

Development Impact – Public Services (304) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's facilities to better serve the growing populace.

City Debt Service (401) - This Debt Service fund accounted for debt service payments on the City's general debt. This fund is closed as of June 30, 2014.

Water Rights Debt Service (402) - This Debt Service fund accounts for debt service payments on the City's 2012 Bonds used to purchase the water rights of the former Rancho Las Flores.

2013 Civic Plaza Refinancing (403) - This Debt Service fund accounts for debt service payments on the City's 2013 Bonds used to refinance the 2005 COPs (Certificates of Participation) that financed the Civic Plaza.

#### WATER DISTRICT FUNDS

Water Operations (700) – This Enterprise fund accounts for the operation and maintenance of the Hesperia Water District's operations, which is funded by user charges and other fees.

Water Capital (701) - This Enterprise fund accounts for the expenditures needed to expand or repair the Hesperia Water District's system and the revenues required to fund those expenditures.

## FUND BALANCE SUMMARY

### FUND DESCRIPTIONS

#### WATER DISTRICT FUNDS (Continued)

**Sewer Operations (710)** - This Enterprise fund accounts for the operation and maintenance of the Hesperia Water District's system, which is funded by user charges and other fees.

**Sewer Capital (711)** - This Enterprise fund accounts for the expenditures needed to expand or repair the Hesperia Water District's system and the revenues required to fund those expenditures.

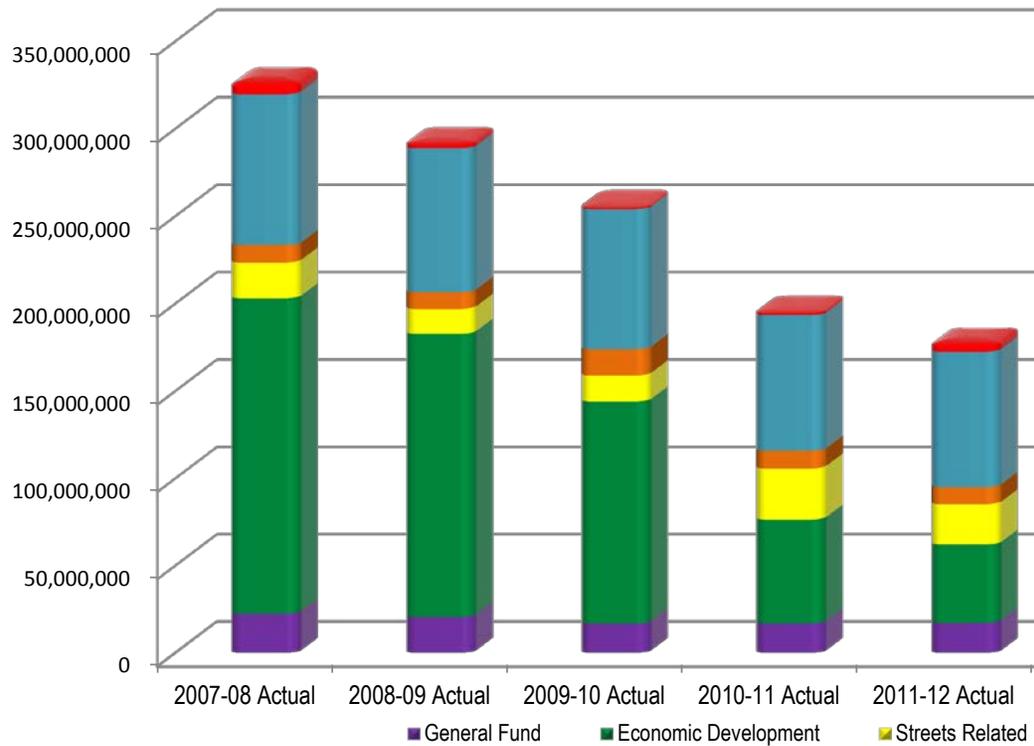
#### FIRE DISTRICT FUND

**Fire District (200)** - This Special Revenue fund accounts for revenues from special tax assessments and other service charges and for expenditures relating to the Hesperia Fire Protection District's prevention and protection.

**Fire Capital (502)** - This Capital Project fund accounts for tax increment pass through from the former Hesperia Community Redevelopment Agency to fund capital improvements of the Fire District.

## FUND BALANCE SUMMARY

**City of Hesperia  
Ending Fund Balances  
10 Year Trends**



	<b>2007-08 Actual</b>	<b>2008-09 Actual</b>	<b>2009-10 Actual</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>
General Fund	\$ 22,478,904	\$ 20,566,371	\$ 16,860,093	\$ 16,923,804	\$ 17,217,559
Economic Development	180,606,560	162,260,012	127,218,610	59,488,975	44,956,979
Streets Related	20,479,531	14,194,102	14,915,495	29,309,051	23,067,884
Other City Related	9,897,691	9,584,910	14,960,644	10,114,055	9,859,478
Water District	86,353,916	82,243,053	80,153,082	77,665,683	77,506,411
Fire District	7,312,509	3,342,697	1,319,278	1,707,595	5,344,691
<b>June 30, Ending Fund Balance</b>	<b>\$ 327,129,111</b>	<b>\$ 292,191,145</b>	<b>\$ 255,427,202</b>	<b>\$ 195,209,163</b>	<b>\$ 177,953,002</b>

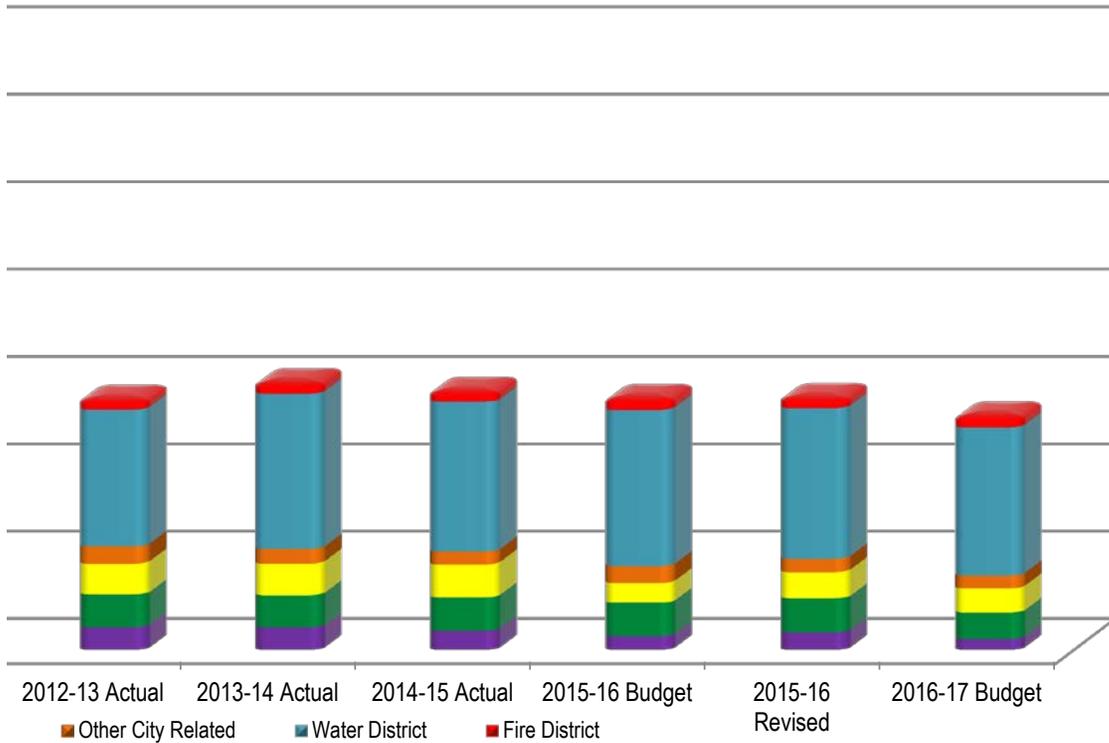
The large reserves in 2007-08 was from the 2007 RDA bonds. The decrease, starting in 2008-09, is a combination of expending the 2007 bond proceeds and the decline of property tax related revenues.

The June 30, Ending Fund Balance on pages I - 10 through I - 19 includes the non-spendable assets of funds. The Fund Balance Summary on pages I - 20 through I - 61 show calculations without the non-spendable assets where applicable.

The following funds, which have since been closed, are included in Actual columns 2007-08 through 2012-13:

Economic Development (RDA) 385, 388, 389, 486, 487, 586, 587, & 588; Streets Related 201, 202, 506, 508, & 602; Other City Related 203, 250, 264, 305, 500, 501, & 503

## FUND BALANCE SUMMARY



<b>2012-13 Actual</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Revised</b>	<b>2016-17 Budget</b>
\$ 12,887,884	\$ 12,851,103	\$ 10,847,900	\$ 7,765,870	\$ 9,997,554	\$ 6,300,130
18,900,854	18,485,683	19,189,296	19,223,287	19,502,321	15,008,812
17,616,746	18,103,798	18,916,583	11,329,562	15,054,330	13,953,655
10,113,355	8,451,489	7,384,058	9,707,173	7,763,517	7,350,350
78,286,839	88,851,308	85,879,522	89,629,543	86,256,994	84,938,090
5,786,565	6,397,153	5,930,913	6,523,529	5,932,147	6,570,912
<b>\$ 143,592,243</b>	<b>\$ 153,140,534</b>	<b>\$ 148,148,272</b>	<b>\$ 144,178,964</b>	<b>\$ 144,506,863</b>	<b>\$ 134,121,949</b>

Funds included in detail pages I-20 through I-61:

Economic Development - 170, 370, 371

Streets Related - 204, 205, 206, 207, 254, 263, 300, 301, 400, 504, 507, 600

Other City Funds - 150, 251, 252, 253, 255, 256, 257, 260, 302, 303, 304, 401, 402, 403

Water District - 700, 701, 710, 711

Fire District - 200, 502

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Major Grouping

	General Fund	C.D.B.G.	Community Development Commission
<b>RESOURCES</b>			
Revenue	\$ 26,687,773	\$ 1,779,249	\$ 191,488
Bond/Loan Proceeds	0	0	0
Transfers In	2,136,330	0	410,493
Transfers Out	(2,646,018)	0	0
Budgeted Reserves	3,737,265	616,372	51,000
<b>Total Resources</b>	<b>\$ 29,915,350</b>	<b>\$ 2,395,621</b>	<b>\$ 652,981</b>
<b>EXPENDITURES</b>			
City Council	\$ 735,835	\$ 0	\$ 0
City Manager	2,629,313	0	0
Management Services	4,049,575	0	0
Economic Development	0	1,702,777	652,981
Development Services			
Community Development	1,724,406	0	0
Code Compliance	2,701,929	0	0
Public Works	1,940,971	0	0
Water Operations	0	0	0
Sewer Operations	0	0	0
<b>Total Development Services</b>	<b>\$ 6,367,306</b>	<b>\$ 0</b>	<b>\$ 0</b>
Capital Improvement Projects			
Capital Improvements - Streets & Storm Drain	\$ 535,500	\$ 671,500	\$ 0
Capital Improvements - Water	0	0	0
Capital Improvements - Sewer	0	0	0
<b>Total Capital Improvement Projects</b>	<b>\$ 535,500</b>	<b>\$ 671,500</b>	<b>\$ 0</b>
Police	15,557,980	0	0
Fire District	0	0	0
Other Transportation & City Related Funds	0	0	0
<b>Total Expenditures</b>	<b>\$ 29,875,509</b>	<b>\$ 2,374,277</b>	<b>\$ 652,981</b>
<b>Difference Total Resources</b>	<b>\$ 39,841</b>	<b>\$ 21,344</b>	<b>\$ 0</b>
<b>FUND BALANCE</b>			
July 1, 2015 Estimated Beginning Balance	\$ 9,997,554	\$ 4,132,732	\$ (307,268)
Reserves Used	(3,737,265)	(616,372)	(51,000)
Difference Total Resources	39,841	21,344	0
<b>June 30, 2016 Estimating Ending Balance</b>	<b>\$ 6,300,130</b>	<b>\$ 3,537,704</b>	<b>\$ (358,268)</b>

**Fund Groupings:**

CDBG: 251, 252, 253, 257

Community Development Commission 170

Housing Authority 370, 371

Streets CIP Funds: 204, 205, 206, 207, 300, 301, 504, 507, 600

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Major Grouping

Housing Authority	Streets Maintenance	Streets CIP Funds	Other Transportation	Other City Related	Water District
\$ 186,311	\$ 4,879	\$ 11,243,999	\$ 313,232	\$ 409,120	\$ 25,735,575
0	0	0	0	0	3,772,663
0	3,430,000	0	0	2,924,058	0
0	0	(3,430,000)	0	(828,533)	0
4,442,509	392,000	2,311,577	0	0	1,321,831
<u>\$ 4,628,820</u>	<u>\$ 3,826,879</u>	<u>\$ 10,125,576</u>	<u>\$ 313,232</u>	<u>\$ 2,504,645</u>	<u>\$ 30,830,069</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	70,847	0
0	0	0	0	2,235,525	0
4,628,820	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	3,683,396	0	76,528	0	0
0	0	0	0	0	16,550,929
0	0	0	0	0	3,500,424
<u>\$ 0</u>	<u>\$ 3,683,396</u>	<u>\$ 0</u>	<u>\$ 76,528</u>	<u>\$ 0</u>	<u>\$ 20,051,353</u>
\$ 0	\$ 0	\$ 8,902,861	\$ 0	\$ 0	\$ 0
0	0	0	0	0	10,575,789
0	0	0	0	0	200,000
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,902,861</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,775,789</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	16,412	0
<u>\$ 4,628,820</u>	<u>\$ 3,683,396</u>	<u>\$ 8,902,861</u>	<u>\$ 76,528</u>	<u>\$ 2,322,784</u>	<u>\$ 30,827,142</u>
\$ 0	\$ 143,483	\$ 1,222,715	\$ 236,704	\$ 181,861	\$ 2,927
\$ 19,809,589	\$ 524,310	\$ 14,592,906	\$ (62,886)	\$ 3,630,785	\$ 86,256,994
(4,442,509)	(392,000)	(2,311,577)	0	0	(1,321,831)
0	143,483	1,222,715	236,704	181,861	2,927
<u>\$ 15,367,080</u>	<u>\$ 275,793</u>	<u>\$ 13,504,044</u>	<u>\$ 173,818</u>	<u>\$ 3,812,646</u>	<u>\$ 84,938,090</u>

Other Transportation Related Funds: 254, 400

Other City Related Funds: 150, 255, 256, 260, 302, 303, 304, 401, 402, 403

Water District: 700, 701, 710, 711

Fire District: 200, 502

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Major Grouping

	Fire District	Total
<b>RESOURCES</b>		
Revenue	\$ 11,416,281	\$ 77,967,907
Bond/Loan Proceeds	0	3,772,663
Transfers In	0	8,900,881
Transfers Out	0	(6,904,551)
Budgeted Reserves	0	12,872,554
<b>Total Resources</b>	<b>\$ 11,416,281</b>	<b>\$ 96,609,454</b>
<b>EXPENDITURES</b>		
City Council	\$ 0	\$ 735,835
City Manager	0	2,700,160
Management Services	0	6,285,100
Economic Development	0	6,984,578
Development Services		
Community Development	0	1,724,406
Code Compliance	0	2,701,929
Public Works	0	5,700,895
Water Operations	0	16,550,929
Sewer Operations	0	3,500,424
<b>Total Development Services</b>	<b>\$ 0</b>	<b>\$ 30,178,583</b>
Capital Improvement Projects		
Capital Improvements - Streets & Storm Drain	\$ 0	\$ 10,109,861
Capital Improvements - Water	0	10,575,789
Capital Improvements - Sewer	0	200,000
<b>Total Capital Improvement Projects</b>	<b>\$ 0</b>	<b>\$ 20,885,650</b>
Police	0	15,557,980
Fire District	10,777,516	10,777,516
Other Transportation & City Related Funds	0	16,412
<b>Total Expenditures</b>	<b>\$ 10,777,516</b>	<b>\$ 94,121,814</b>
<b>Difference Total Resources</b>	<b>\$ 638,765</b>	<b>\$ 2,487,640</b>
<b>FUND BALANCE</b>		
July 1, 2015 Estimated Beginning Balance	\$ 5,932,147	\$ 144,506,863
Reserves Used	0	(12,872,554)
Difference Total Resources	638,765	2,487,640
<b>June 30, 2016 Estimating Ending Balance</b>	<b>\$ 6,570,912</b>	<b>\$ 134,121,949</b>

The Transfers In and Out are out of balance by \$1,996,330 for the General and Administrative (G&A) allocation from the Water District. For the Budget, this is treated as a transfer in to the General Fund but as an expenditure in the Water fund.

The difference in Total Resources vs. Expenditures of \$5,024,909 is shown as \$3,044,594 on page A-3 because page A-3 excludes the net transfers where the net transfers are included above in the Total Resources number.

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds

Fund Number	100	C. D. C.	Hesperia Housing Authority	
		170	370	371
	General	Community	Hesperia	VVEDA
	Fund	Development	Housing	Housing
		Commission	Authority	Authority
<b>RESOURCES</b>				
Revenue	\$ 26,687,773	\$ 191,488	\$ 178,139	\$ 8,172
Bond/Loan Proceeds	0	0	0	0
Transfers In	2,136,330	410,493	0	0
Transfers Out	(2,646,018)	0	0	0
Budgeted Reserves	3,737,265	51,000	4,300,681	141,828
<b>Total Resources</b>	<b>\$ 29,915,350</b>	<b>\$ 652,981</b>	<b>\$ 4,478,820</b>	<b>\$ 150,000</b>
<b>EXPENDITURES</b>				
City Council	\$ 735,835	\$ 0	\$ 0	\$ 0
City Manager	2,629,313	0	0	0
Management Services	4,049,575	0	0	0
Economic Development	0	652,981	4,478,820	150,000
Development Services				
Community Development	1,724,406	0	0	0
Code Compliance	2,701,929	0	0	0
Public Works	1,940,971	0	0	0
Water Operations	0	0	0	0
Sewer Operations	0	0	0	0
<b>Total Development Services</b>	<b>\$ 6,367,306</b>	<b>\$ 652,981</b>	<b>\$ 4,478,820</b>	<b>\$ 150,000</b>
Capital Improvement Projects				
Capital Improvements - Streets & Storm Drainage	\$ 535,500	\$ 0	\$ 0	\$ 0
Capital Improvements - Water	0	0	0	0
Capital Improvements - Sewer	0	0	0	0
<b>Total Capital Improvement Projects</b>	<b>535,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
Police	15,557,980	0	0	0
Fire District	0	0	0	0
Other Transportation & City Related Funds	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 29,875,509</b>	<b>\$ 652,981</b>	<b>\$ 4,478,820</b>	<b>\$ 150,000</b>
<b>Difference Total Resources</b>	<b>\$ 39,841</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>FUND BALANCE</b>				
July 1, 2015 Estimated Beginning Balance	\$ 9,997,554	\$ (307,268)	\$ 18,102,231	\$ 1,707,358
Reserves Used	(3,737,265)	(51,000)	(4,300,681)	(141,828)
Difference Total Resources	39,841	0	0	0
<b>June 30, 2016 Estimating Ending Balance</b>	<b>\$ 6,300,130</b>	<b>\$ (358,268)</b>	<b>\$ 13,801,550</b>	<b>\$ 1,565,530</b>

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds

Fund Number	CDBG Funds			
	251	252	253	257
	Admin.	HOME	Revolving Loan	NSP
<b>RESOURCES</b>				
Revenue	\$ 1,655,522	\$ 21,344	\$ 2,177	\$ 100,206
Bond/Loan Proceeds	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Budgeted Reserves	0	0	2,823	613,549
<b>Total Resources</b>	<b>\$ 1,655,522</b>	<b>\$ 21,344</b>	<b>\$ 5,000</b>	<b>\$ 713,755</b>
<b>EXPENDITURES</b>				
City Council	\$ 0	\$ 0	\$ 0	\$ 0
City Manager	0	0	0	0
Management Services	0	0	0	0
Economic Development	984,022	0	5,000	713,755
Development Services				
Community Development	0	0	0	0
Code Compliance	0	0	0	0
Public Works	0	0	0	0
Water Operations	0	0	0	0
Sewer Operations	0	0	0	0
<b>Total Development Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Capital Improvement Projects				
Capital Improvements - Streets & Storm Drainage	\$ 671,500	\$ 0	\$ 0	\$ 0
Capital Improvements - Water	0	0	0	0
Capital Improvements - Sewer	0	0	0	0
<b>Total Capital Improvement Projects</b>	<b>671,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
Police	0	0	0	0
Fire District	0	0	0	0
Other Transportation & City Related Funds	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 1,655,522</b>	<b>\$ 0</b>	<b>\$ 5,000</b>	<b>\$ 713,755</b>
<b>Difference Total Resources</b>	<b>\$ 0</b>	<b>\$ 21,344</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>FUND BALANCE</b>				
July 1, 2015 Estimated Beginning Balance	\$ 0	\$ 118,131	\$ 325,690	\$ 3,688,911
Reserves Used	0	0	(2,823)	(613,549)
Difference Total Resources	0	\$ 21,344	0	0
<b>June 30, 2016 Estimating Ending Balance</b>	<b>\$ 0</b>	<b>\$ 139,475</b>	<b>\$ 322,867</b>	<b>\$ 3,075,362</b>

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds

263 P.W. Streets Maintenance	Streets Capital Improvement Projects (CIP) Funds					
	204 Measure I Renewal	205 Gas Tax	206 Gas Tax Swap	207 LTF Article 8	300 Development Impact - Streets	301 Development Impact - Storm Drain
\$ 4,879	\$ 2,665,406	\$ 1,669,582	\$ 218,057	\$ 2,113,262	\$ 1,652,786	\$ 227,999
0	0	0	0	0	0	0
3,430,000	0	0	0	0	0	0
0	(170,000)	(1,630,000)	(180,000)	(1,450,000)	0	0
392,000	1,591,533	430,856	0	289,188	0	0
<b>\$ 3,826,879</b>	<b>\$ 4,086,939</b>	<b>\$ 470,438</b>	<b>\$ 38,057</b>	<b>\$ 952,450</b>	<b>\$ 1,652,786</b>	<b>\$ 227,999</b>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,683,396	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>\$ 3,683,396</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
\$ 0	\$ 4,086,939	\$ 470,438	\$ 0	\$ 952,450	\$ 660,000	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	4,086,939	470,438	0	952,450	660,000	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>\$ 3,683,396</b>	<b>\$ 4,086,939</b>	<b>\$ 470,438</b>	<b>\$ 0</b>	<b>\$ 952,450</b>	<b>\$ 660,000</b>	<b>\$ 0</b>
\$ 143,483	\$ 0	\$ 0	\$ 38,057	\$ 0	\$ 992,786	\$ 227,999
\$ 524,310	\$ 1,992,183	\$ 640,669	\$ 167,085	\$ 1,190,540	\$ 8,210,139	\$ 2,447,516
(392,000)	(1,591,533)	(430,856)	0	(289,188)	0	0
143,483	0	0	38,057	0	992,786	227,999
<b>\$ 275,793</b>	<b>\$ 400,650</b>	<b>\$ 209,813</b>	<b>\$ 205,142</b>	<b>\$ 901,352</b>	<b>\$ 9,202,925</b>	<b>\$ 2,675,515</b>

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds

Fund Number	Streets CIP Funds		Other Transportation	
	504 City Streets CIP	507 Township	254 AQMD	400 2004 Streets Debt Service
<b>RESOURCES</b>				
Revenue	\$ 2,696,484	\$ 423	\$ 308,829	\$ 4,403
Bond/Loan Proceeds	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Budgeted Reserves	0	0	0	0
<b>Total Resources</b>	<b>\$ 2,696,484</b>	<b>\$ 423</b>	<b>\$ 308,829</b>	<b>\$ 4,403</b>
<b>EXPENDITURES</b>				
City Council	\$ 0	\$ 0	\$ 0	\$ 0
City Manager	0	0	0	0
Management Services	0	0	0	0
Economic Development	0	0	0	0
Development Services				
Community Development	0	0	0	0
Code Compliance	0	0	0	0
Public Works	0	0	76,528	0
Water Operations	0	0	0	0
Sewer Operations	0	0	0	0
<b>Total Development Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 76,528</b>	<b>\$ 0</b>
Capital Improvement Projects				
Capital Improvements - Streets & Storm Drainage	\$ 2,733,034	\$ 0	\$ 0	\$ 0
Capital Improvements - Water	0	0	0	0
Capital Improvements - Sewer	0	0	0	0
<b>Total Capital Improvement Projects</b>	<b>2,733,034</b>	<b>0</b>	<b>0</b>	<b>0</b>
Police	0	0	0	0
Fire District	0	0	0	0
Other Transportation & City Related Funds	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 2,733,034</b>	<b>\$ 0</b>	<b>\$ 76,528</b>	<b>\$ 0</b>
<b>Difference Total Resources</b>	<b>\$ (36,550)</b>	<b>\$ 423</b>	<b>\$ 232,301</b>	<b>\$ 4,403</b>
<b>FUND BALANCE</b>				
July 1, 2015 Estimated Beginning Balance	\$ (148,225)	\$ 92,999	\$ (198,790)	\$ 135,904
Reserves Used	0	0	0	0
Difference Total Resources	(36,550)	423	232,301	4,403
June 30, 2016 Estimating Ending Balance	\$ (184,775)	\$ 93,422	\$ 33,511	\$ 140,307

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds

Other City Related Funds						
150	255	256	260	302	303	304
Redevelopment Administration	AB3229	Beverage Recycling Grant	Disaster Preparedness Grant	Development Impact - Fire	Development Impact - Police	Development Impact - Public Services
\$ 0	\$ 140,141	\$ 183,032	\$ 24,132	\$ 31,186	\$ 9,114	\$ 21,173
0	0	0	0	0	0	0
0	0	0	0	0	0	688,533
0	(140,000)	0	0	0	0	(688,533)
0	0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 141</u>	<u>\$ 183,032</u>	<u>\$ 24,132</u>	<u>\$ 31,186</u>	<u>\$ 9,114</u>	<u>\$ 21,173</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	53,219	17,628	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	16,412
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,219</u>	<u>\$ 17,628</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,412</u>
\$ 0	\$ 141	\$ 129,813	\$ 6,504	\$ 31,186	\$ 9,114	\$ 4,761
\$ (167,130)	\$ 43,195	\$ (83,469)	\$ 54,916	\$ 910,530	\$ 277,528	\$ (104,469)
0	0	0	0	0	0	0
0	141	129,813	6,504	31,186	9,114	4,761
<u>\$ (167,130)</u>	<u>\$ 43,336</u>	<u>\$ 46,344</u>	<u>\$ 61,420</u>	<u>\$ 941,716</u>	<u>\$ 286,642</u>	<u>\$ (99,708)</u>

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds

	Fund Number	Other City Related Funds	
		402 Water Rights Acquisition	403 2013 Civic Plaza Refinancing
<b>RESOURCES</b>			
Revenue		\$ 244	\$ 98
Bond/Loan Proceeds		0	0
Transfers In		1,446,375	789,150
Transfers Out		0	0
Budgeted Reserves		0	0
<b>Total Resources</b>		<b>\$ 1,446,619</b>	<b>\$ 789,248</b>
<b>EXPENDITURES</b>			
City Council		\$ 0	\$ 0
City Manager		0	0
Management Services		1,446,375	789,150
Economic Development		0	0
Development Services			
Community Development		0	0
Code Compliance		0	0
Public Works		0	0
Water Operations		0	0
Sewer Operations		0	0
<b>Total Development Services</b>		<b>\$ 0</b>	<b>\$ 0</b>
Capital Improvement Projects			
Capital Improvements - Streets & Storm Drainage		\$ 0	\$ 0
Capital Improvements - Water		0	0
Capital Improvements - Sewer		0	0
<b>Total Capital Improvement Projects</b>		<b>0</b>	<b>0</b>
Police		0	0
Fire District		0	0
Other Transportation & City Related Funds		0	0
<b>Total Expenditures</b>		<b>\$ 1,446,375</b>	<b>\$ 789,150</b>
<b>Difference Total Resources</b>		<b>\$ 244</b>	<b>\$ 98</b>
<b>FUND BALANCE</b>			
July 1, 2015 Estimated Beginning Balance		\$ 1,452,639	\$ 1,247,045
Reserves Used		0	0
Difference Total Resources		244	98
<b>June 30, 2016 Estimating Ending Balance</b>		<b>\$ 1,452,883</b>	<b>\$ 1,247,143</b>

## FUND BALANCE SUMMARY

### 2016-17 Budget - Balancing and Fund Balance Summary - By Individual Funds

Water District				Fire District		
700	701	710	711	200	502	
Water Operations	Water Capital	Sewer Operations	Sewer Capital	Fire District	Fire Capital	Totals
\$ 15,503,485	\$ 6,642,337	\$ 3,504,653	\$ 85,100	\$ 10,587,933	\$ 828,348	\$ 77,967,907
0	3,772,663	0	0	0	0	3,772,663
0	0	0	0	0	0	8,900,881
0	0	0	0	0	0	(6,904,551)
907,831	0	214,000	200,000	0	0	12,872,554
<b>\$ 16,411,316</b>	<b>\$ 10,415,000</b>	<b>\$ 3,718,653</b>	<b>\$ 285,100</b>	<b>\$ 10,587,933</b>	<b>\$ 828,348</b>	<b>\$ 96,609,454</b>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 735,835
0	0	0	0	0	0	2,700,160
0	0	0	0	0	0	6,285,100
0	0	0	0	0	0	6,984,578
0	0	0	0	0	0	1,724,406
0	0	0	0	0	0	2,701,929
0	0	0	0	0	0	5,700,895
16,550,929	0	0	0	0	0	16,550,929
0	0	3,500,424	0	0	0	3,500,424
<b>\$ 16,550,929</b>	<b>\$ 0</b>	<b>\$ 3,500,424</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 30,178,583</b>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,109,861
0	10,575,789	0	0	0	0	10,575,789
0	0	0	200,000	0	0	200,000
<b>0</b>	<b>10,575,789</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>20,885,650</b>
0	0	0	0	0	0	15,557,980
0	0	0	0	10,433,516	344,000	10,777,516
0	0	0	0	0	0	16,412
<b>\$ 16,550,929</b>	<b>\$ 10,575,789</b>	<b>\$ 3,500,424</b>	<b>\$ 200,000</b>	<b>\$ 10,433,516</b>	<b>\$ 344,000</b>	<b>\$ 94,121,814</b>
<b>\$ (139,613)</b>	<b>\$ (160,789)</b>	<b>\$ 218,229</b>	<b>\$ 85,100</b>	<b>\$ 154,417</b>	<b>\$ 484,348</b>	<b>\$ 2,487,640</b>
\$ 79,714,307	\$ (11,977,813)	\$ 14,554,053	\$ 3,966,447	\$ 251,545	\$ 5,680,602	\$ 144,506,863
(907,831)	0	(214,000)	(200,000)	0	0	(12,872,554)
(139,613)	(160,789)	218,229	85,100	154,417	484,348	2,487,640
<b>\$ 78,666,863</b>	<b>\$ (12,138,602)</b>	<b>\$ 14,558,282</b>	<b>\$ 3,851,547</b>	<b>\$ 405,962</b>	<b>\$ 6,164,950</b>	<b>\$ 134,121,949</b>

## FUND BALANCE SUMMARY

### General Fund 100

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 25,174,095	\$ 25,399,300	\$ 25,455,353	\$ 26,201,615	\$ 26,687,773
Budgeted Reserves	0	0	2,260,089	1,863,400	3,737,265
<u>Transfers In</u>					
Fund 255 - AB 3229 Supplemental Law	\$ 146,328	\$ 246,328	\$ 140,000	\$ 140,000	\$ 140,000
Fund 700 - Indirect Cost Allocation Water	1,200,000	1,200,000	1,300,000	1,300,000	1,300,000
Fund 710 - Indirect Cost Allocation Sewer	185,714	166,363	180,315	180,315	196,330
G&A Prior Year - Water	500,000	500,000	500,000	500,000	500,000
Total Transfers In	\$ 2,032,042	\$ 2,112,691	\$ 2,120,315	\$ 2,120,315	\$ 2,136,330
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 27,206,137</u>	<u>\$ 27,511,991</u>	<u>\$ 29,835,757</u>	<u>\$ 30,185,330</u>	<u>\$ 32,561,368</u>
Total Expenditures	\$ 25,850,973	\$ 28,045,003	\$ 27,522,987	\$ 26,704,502	\$ 29,875,509
<u>Transfers Out</u>					
Fund 170 - Community Development Comm.	\$ 0	\$ 0	\$ 0	\$ 250,000	\$ 410,493
Fund 304 - DIF-Streets	0	0	677,584	677,584	688,533
Fund 401 - City Debt Service	15,490	0	0	0	0
Fund 402 - 2012 Water Rights Debt Service	1,345,475	1,447,611	1,449,550	1,441,174	1,446,375
Fund 403 - 2005 COP Refinance Debt Service	30,980	22,580	99,016	99,016	100,617
Total Transfers Out	<u>1,391,945</u>	<u>1,470,191</u>	<u>2,226,150</u>	<u>2,467,774</u>	<u>2,646,018</u>
Total Expenditures and Transfers Out	<u>\$ 27,242,918</u>	<u>\$ 29,515,194</u>	<u>\$ 29,749,137</u>	<u>\$ 29,172,276</u>	<u>\$ 32,521,527</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (36,781)	\$ (2,003,203)	\$ 86,620	\$ 1,013,054	\$ 39,841
<b>FUND BALANCE</b>					
July 1st Beginning Balance	\$ 12,887,884	\$ 12,851,103	\$ 9,939,339	\$ 10,847,900	\$ 9,997,554
Budgeted Reserves	0	0	(2,260,089)	(1,863,400)	(3,737,265)
Difference Total Resources and Expenditures and Transfers Out	<u>(36,781)</u>	<u>(2,003,203)</u>	<u>86,620</u>	<u>1,013,054</u>	<u>39,841</u>
June 30th Ending Balance	\$ 12,851,103	\$ 10,847,900	\$ 7,765,870	\$ 9,997,554	\$ 6,300,130

## FUND BALANCE SUMMARY

### Redevelopment Agency Administrative Fund 150

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>FUND BALANCE</b>					
July 1st Beginning Balance	\$ (167,130)	\$ (167,130)	\$ (167,130)	\$ (167,130)	\$ (167,130)
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ (167,130)	\$ (167,130)	\$ (167,130)	\$ (167,130)	\$ (167,130)

Note: Fund 150 was created to carry out the cooperative agreement between the City and the RDA. Fund 150 was cash-flowed by the General Fund which fronted (loaned) funds for redevelopment agency administrative costs. Redevelopment agencies were dissolved as of February 1, 2012, therefore costs through January 31, 2012 were reimbursed by agency funds. Costs incurred from February 1, 2012 through June 30, 2012 are awaiting reimbursement from the Successor Agency of the Former Hesperia Community Redevelopment Agency pending State of California authorization.

## FUND BALANCE SUMMARY

### Measure I - 2010 Renewal Fund 204

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 2,494,976	\$ 2,561,187	\$ 2,533,470	\$ 2,537,377	\$ 2,665,406
Budgeted Reserves	0	0	2,474,530	912,474	1,591,533
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 2,494,976</u>	<u>\$ 2,561,187</u>	<u>\$ 5,008,000</u>	<u>\$ 3,449,851</u>	<u>\$ 4,256,939</u>
Total Expenditures	\$ 1,925,096	\$ 1,762,584	\$ 4,283,000	\$ 2,724,851	\$ 4,086,939
<u>Transfers Out</u>					
Fund 263 - Public Works Street Maintenance	1,160,000	500,000	725,000	725,000	170,000
Total Transfers Out	<u>1,160,000</u>	<u>500,000</u>	<u>725,000</u>	<u>725,000</u>	<u>170,000</u>
Total Expenditures and Transfers Out	<u>\$ 3,085,096</u>	<u>\$ 2,262,584</u>	<u>\$ 5,008,000</u>	<u>\$ 3,449,851</u>	<u>\$ 4,256,939</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (590,120)	\$ 298,603	\$ 0	\$ 0	\$ 0
<b>FUND BALANCE</b>					
July 1st Beginning Balance	\$ 3,196,174	\$ 2,606,054	\$ 2,604,038	\$ 2,904,657	\$ 1,992,183
Budgeted Reserves	0	0	(2,474,530)	(912,474)	(1,591,533)
Difference Total Resources and Expenditures and Transfers Out	<u>(590,120)</u>	<u>298,603</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 2,606,054	\$ 2,904,657	\$ 129,508	\$ 1,992,183	\$ 400,650

## FUND BALANCE SUMMARY

### Gas Tax Fund 205

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 1,579,333	\$ 1,591,634	\$ 1,523,189	\$ 1,618,380	\$ 1,669,582
Budgeted Reserves	0	0	297,553	0	430,856
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 1,579,333</u>	<u>\$ 1,591,634</u>	<u>\$ 1,820,742</u>	<u>\$ 1,618,380</u>	<u>\$ 2,100,438</u>
Total Expenditures	\$ 0	\$ 0	\$ 520,438	\$ 50,000	\$ 470,438
<u>Transfers Out</u>					
Fund 263 - Public Works Street Maintenance	\$ 800,000	\$ 1,300,000	\$ 1,300,304	\$ 1,300,304	\$ 1,630,000
Fund 400 - Measure I Debt Service	450,000	625,000	0	0	0
Total Transfers Out	<u>\$ 1,250,000</u>	<u>\$ 1,925,000</u>	<u>\$ 1,300,304</u>	<u>\$ 1,300,304</u>	<u>\$ 1,630,000</u>
Total Expenditures and Transfers Out	<u>\$ 1,250,000</u>	<u>\$ 1,925,000</u>	<u>\$ 1,820,742</u>	<u>\$ 1,350,304</u>	<u>\$ 2,100,438</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 329,333	\$ (333,366)	\$ 0	\$ 268,076	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 376,626	\$ 705,959	\$ 432,294	\$ 372,593	\$ 640,669
Budgeted Reserves	0	0	(297,553)	0	(430,856)
Difference Total Resources and Expenditures and Transfers Out	<u>329,333</u>	<u>(333,366)</u>	<u>0</u>	<u>268,076</u>	<u>0</u>
June 30th Ending Balance	<u>\$ 705,959</u>	<u>\$ 372,593</u>	<u>\$ 134,741</u>	<u>\$ 640,669</u>	<u>\$ 209,813</u>

## FUND BALANCE SUMMARY

### Gas Tax Swap Fund 206

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 1,262,099	\$ 942,609	\$ 415,737	\$ 430,378	\$ 218,057
Budgeted Reserves	0	0	59,263	44,622	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 1,262,099</u>	<u>\$ 942,609</u>	<u>\$ 475,000</u>	<u>\$ 475,000</u>	<u>\$ 218,057</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 263 - Public Works Street Maintenance	\$ 950,000	\$ 1,000,000	\$ 475,000	\$ 475,000	\$ 180,000
Fund 400 - Measure I Debt Service	20,000	20,000	0	0	0
Total Transfers Out	<u>\$ 970,000</u>	<u>\$ 1,020,000</u>	<u>\$ 475,000</u>	<u>\$ 475,000</u>	<u>\$ 180,000</u>
Total Expenditures and Transfers Out	<u>\$ 970,000</u>	<u>\$ 1,020,000</u>	<u>\$ 475,000</u>	<u>\$ 475,000</u>	<u>\$ 180,000</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 292,099	\$ (77,391)	\$ 0	\$ 0	\$ 38,057
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ (3,001)	\$ 289,098	\$ 217,569	\$ 211,707	\$ 167,085
Budgeted Reserves	0	0	(59,263)	(44,622)	0
Difference Total Resources and Expenditures and Transfers Out	<u>292,099</u>	<u>(77,391)</u>	<u>0</u>	<u>0</u>	<u>38,057</u>
June 30th Ending Balance	\$ 289,098	\$ 211,707	\$ 158,306	\$ 167,085	\$ 205,142

Note - This fund is the replacement funding for the Traffic Congestion Relief Fund #250.

## FUND BALANCE SUMMARY

### Local Transportation Fund (LTF) Article 8 Fund 207

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 1,641,375	\$ 1,505,569	\$ 1,352,184	\$ 2,053,829	\$ 2,113,262
Budgeted Reserves	0	0	475,316	0	289,188
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 1,641,375</u>	<u>\$ 1,505,569</u>	<u>\$ 1,827,500</u>	<u>\$ 2,053,829</u>	<u>\$ 2,402,450</u>
Total Expenditures	\$ 594,308	\$ 372,382	\$ 1,077,500	\$ 639,000	\$ 952,450
<u>Transfers Out</u>					
Fund 263 - Public Works Street Maintenance	\$ 398,000	\$ 400,000	\$ 750,000	\$ 750,000	\$ 1,450,000
Fund 400 - Measure I Debt Service	250,000	2,805,000	0	0	0
Total Transfers Out	<u>\$ 648,000</u>	<u>\$ 3,205,000</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 1,450,000</u>
Total Expenditures and Transfers Out	<u>\$ 1,242,308</u>	<u>\$ 3,577,382</u>	<u>\$ 1,827,500</u>	<u>\$ 1,389,000</u>	<u>\$ 2,402,450</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 399,067	\$ (2,071,813)	\$ 0	\$ 664,829	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 2,198,457	\$ 2,597,524	\$ 638,996	\$ 525,711	\$ 1,190,540
Budgeted Reserves	0	0	(475,316)	0	(289,188)
Difference Total Resources and Expenditures and Transfers Out	<u>399,067</u>	<u>(2,071,813)</u>	<u>0</u>	<u>664,829</u>	<u>0</u>
June 30th Ending Balance	\$ 2,597,524	\$ 525,711	\$ 163,680	\$ 1,190,540	\$ 901,352

## FUND BALANCE SUMMARY

### Community Development Block Grant (CDBG) Administration Fund 251

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 609,485	\$ 516,967	\$ 2,235,361	\$ 1,347,629	\$ 1,655,522
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 609,485</u>	<u>\$ 516,967</u>	<u>\$ 2,235,361</u>	<u>\$ 1,347,629</u>	<u>\$ 1,655,522</u>
Total Expenditures	\$ 609,485	\$ 516,967	\$ 1,314,792	\$ 1,340,831	\$ 1,655,522
<u>Transfers Out</u>					
Total Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	<u>\$ 609,485</u>	<u>\$ 516,967</u>	<u>\$ 1,314,792</u>	<u>\$ 1,340,831</u>	<u>\$ 1,655,522</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 0	\$ 0	\$ 920,569	\$ 6,798	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ (6,798)	\$ (6,798)	\$ 111,042	\$ (6,798)	\$ 0
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>0</u>	<u>0</u>	<u>920,569</u>	<u>6,798</u>	<u>0</u>
June 30th Ending Balance	\$ (6,798)	\$ (6,798)	\$ 1,031,611	\$ 0	\$ 0

## FUND BALANCE SUMMARY

### Community Development Block Grant (CDBG) HOME Grants Fund 252

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 14,902	\$ 37,820	\$ 15,700	\$ 20,694	\$ 21,344
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 14,902</u>	<u>\$ 37,820</u>	<u>\$ 15,700</u>	<u>\$ 20,694</u>	<u>\$ 21,344</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 14,902	\$ 37,820	\$ 15,700	\$ 20,694	\$ 21,344
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 44,715	\$ 59,617	\$ 91,449	\$ 97,437	\$ 118,131
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>14,902</u>	<u>37,820</u>	<u>15,700</u>	<u>20,694</u>	<u>21,344</u>
June 30th Ending Balance	\$ 59,617	\$ 97,437	\$ 107,149	\$ 118,131	\$ 139,475

## FUND BALANCE SUMMARY

### Community Development Block Grant (CDBG) Revolving Loan Fund 253

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 1,997	\$ 1,484	\$ 1,562	\$ 1,752	\$ 2,177
Budgeted Reserves	0	0	309,623	236,938	2,823
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 1,997</u>	<u>\$ 1,484</u>	<u>\$ 311,185</u>	<u>\$ 238,690</u>	<u>\$ 5,000</u>
Total Expenditures	\$ 228,923	\$ 115,913	\$ 311,185	\$ 238,690	\$ 5,000
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 228,923</u>	<u>\$ 115,913</u>	<u>\$ 311,185</u>	<u>\$ 238,690</u>	<u>\$ 5,000</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (226,926)	\$ (114,429)	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 903,983	\$ 677,057	\$ 581,369	\$ 562,628	\$ 325,690
Budgeted Reserves	0	0	(309,623)	(236,938)	(2,823)
Difference Total Resources and Expenditures and Transfers Out	<u>(226,926)</u>	<u>(114,429)</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 677,057	\$ 562,628	\$ 271,746	\$ 325,690	\$ 322,867

In FY 2016-17, Revolving Loan Fund reserves in the amount of \$2,823 will be used to fund minor contract assistance related to the CDBG revolving loan program.

## FUND BALANCE SUMMARY

### Air Quality Management Fund 254

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 61,034	\$ 62,521	\$ 61,330	\$ 66,393	\$ 308,829
Budgeted Reserves	0	0	18,670	142,934	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 61,034	\$ 62,521	\$ 80,000	\$ 209,327	\$ 308,829
Total Expenditures	\$ 80,000	\$ 80,000	\$ 80,000	\$ 408,117	\$ 76,528
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 80,000	\$ 80,000	\$ 80,000	\$ 408,117	\$ 76,528
Difference Total Resources and Expenditures and Transfers Out	\$ (18,966)	\$ (17,479)	\$ 0	\$ (198,790)	\$ 232,301
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 179,379	\$ 160,413	\$ 145,769	\$ 142,934	\$ (198,790)
Budgeted Reserves	0	0	(18,670)	(142,934)	0
Difference Total Resources and Expenditures and Transfers Out	(18,966)	(17,479)	0	(198,790)	232,301
June 30th Ending Balance	\$ 160,413	\$ 142,934	\$ 127,099	\$ (198,790)	\$ 33,511

The City received a grant from MDAQMD for the Main Street Traffic Signal Synchronization, C.O. 7133, for which the City will receive the cash after the project is complete. The majority of the costs are anticipated in FY 2015-16. The FY 2015-16 Revised, therefore, shows a negative ending fund balance at June 30, 2016 but, after receiving the grant revenue in FY 2016-17, shows a positive fund balance at June 30, 2017.

## FUND BALANCE SUMMARY

### AB 3229 Supplemental Law Fund 255

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 156,021	\$ 153,762	\$ 140,186	\$ 144,103	\$ 140,141
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 156,021	\$ 153,762	\$ 140,186	\$ 144,103	\$ 140,141
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 100 - General Fund	146,328	246,328	140,000	140,000	140,000
Total Transfers Out	146,328	246,328	140,000	140,000	140,000
Total Expenditures and Transfers Out	\$ 146,328	\$ 246,328	\$ 140,000	\$ 140,000	\$ 140,000
Difference Total Resources and Expenditures and Transfers Out	\$ 9,693	\$ (92,566)	\$ 186	\$ 4,103	\$ 141
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 121,965	\$ 121,965	\$ 30,026	\$ 29,399	\$ 33,502
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	0	(92,566)	186	4,103	141
June 30th Ending Balance	\$ 121,965	\$ 29,399	\$ 30,212	\$ 33,502	\$ 33,643

Starting with 2011-12 Actual this is being funded by SB89 which redirected VLF revenue to fund this State grant.

## FUND BALANCE SUMMARY

### Environmental Programs Grant Fund 256

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 44,605	\$ 21,156	\$ 122,631	\$ 60,816	\$ 183,032
Budgeted Reserves	0	0	0	54,555	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 44,605</u>	<u>\$ 21,156</u>	<u>\$ 122,631</u>	<u>\$ 115,371</u>	<u>\$ 183,032</u>
Total Expenditures	\$ 69,586	\$ 76,901	\$ 115,892	\$ 115,895	\$ 53,219
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 69,586</u>	<u>\$ 76,901</u>	<u>\$ 115,892</u>	<u>\$ 115,895</u>	<u>\$ 53,219</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (24,981)	\$ (55,745)	\$ 6,739	\$ (524)	\$ 129,813
<b><u>FUND BALANCE</u></b>					
July 1st Beginning Balance	\$ 52,336	\$ 27,355	\$ (63,375)	\$ (28,390)	\$ (83,469)
Budgeted Reserves	0	0	0	(54,555)	0
Difference Total Resources and Expenditures and Transfers Out	<u>(24,981)</u>	<u>(55,745)</u>	<u>6,739</u>	<u>(524)</u>	<u>129,813</u>
June 30th Ending Balance	\$ 27,355	\$ (28,390)	\$ (56,636)	\$ (83,469)	\$ 46,344
If Reimbursement Received in Year of Expenditure:					
Add: <i>Illegal Disposal Grant</i> Reimbursement		<u>69,200</u>	<u>62,277</u>	<u>62,277</u>	<u>0</u>
Reimbursements Received in Year of Expenditure		\$ 40,810	\$ 5,641	\$ (21,192)	\$ 46,344

The State of California has changed how it funds the Environmental grants, choosing to use a reimbursement process instead of an advance funding process, as in prior years. Due to this change, the City will not receive the reimbursement for the *Illegal Disposal Grant* FY 2014-15 expenditures until FY 2015-16, and the reimbursement for the FY 2015-16 expenditures until FY 2016-17. Above, a reference is made to show what the ending fund balance would be if the reimbursement were received in the year of expenditure.

## FUND BALANCE SUMMARY

### Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) Fund 257

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 909,796	\$ 21,330	\$ 1,214,417	\$ 769,295	\$ 100,206
Budgeted Reserves	0	0	0	0	613,549
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 909,796	\$ 21,330	\$ 1,214,417	\$ 769,295	\$ 713,755
Total Expenditures	\$ 1,456,769	\$ 194,056	\$ 586,797	\$ 169,967	\$ 713,755
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 1,456,769	\$ 194,056	\$ 586,797	\$ 169,967	\$ 713,755
Difference Total Resources and Expenditures and Transfers Out	\$ (546,973)	\$ (172,726)	\$ 627,620	\$ 599,328	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 3,809,282	\$ 3,262,309	\$ 3,737,479	\$ 3,089,583	\$ 3,688,911
Budgeted Reserves	0	0	0	0	(613,549)
Difference Total Resources and Expenditures and Transfers Out	(546,973)	(172,726)	627,620	599,328	0
June 30th Ending Balance	\$ 3,262,309	\$ 3,089,583	\$ 4,365,099	\$ 3,688,911	\$ 3,075,362
Less: Land Held For Resale	2,260,700	1,753,153	2,260,700	1,753,153	1,753,153
June 30th Ending Operating Fund Balance	\$ 1,001,609	\$ 1,336,430	\$ 2,104,399	\$ 1,935,758	\$ 1,322,209

During FY 2016-17, Neighborhood Stabilization Fund reserves in the amount of \$613,549 will be used to implement the Seller Mortgage Carryback Program which assists low-income home buyers.

## FUND BALANCE SUMMARY

### Disaster Preparedness Grant Fund 260

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 25,045	\$ 38,117	\$ 26,118	\$ 24,350	\$ 24,132
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue Reserves and Transfers In)	\$ 25,045	\$ 38,117	\$ 26,118	\$ 24,350	\$ 24,132
Total Expenditures	\$ 17,066	\$ 30,830	\$ 18,183	\$ 18,520	\$ 17,628
<u>Transfers Out</u>					
Operating Transfers Out	0	0	0	0	0
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 17,066	\$ 30,830	\$ 18,183	\$ 18,520	\$ 17,628
Difference Total Resources and Expenditures and Transfers Out	\$ 7,979	\$ 7,287	\$ 7,935	\$ 5,830	\$ 6,504
<b><u>FUND BALANCE</u></b>					
July 1st Beginning Balance	\$ 33,820	\$ 41,799	\$ 78,130	\$ 49,086	\$ 54,916
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	7,979	7,287	7,935	5,830	6,504
June 30th Ending Balance	\$ 41,799	\$ 49,086	\$ 86,065	\$ 54,916	\$ 61,420

## FUND BALANCE SUMMARY

### Public Works Street Maintenance Fund 263

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 23,487	\$ 40,019	\$ 4,006	\$ 5,044	\$ 4,879
Budgeted Reserves	0	0	71,000	93,500	392,000
<u>Transfers In</u>					
Fund 204 - Measure I - Renewal	\$ 1,160,000	\$ 500,000	\$ 725,000	\$ 725,000	\$ 170,000
Fund 205 - Gas Tax	800,000	1,300,000	1,300,304	1,300,304	1,630,000
Fund 206 - Gas Tax Swap	950,000	1,000,000	475,000	475,000	180,000
Fund 207 - LTF	398,000	400,000	750,000	750,000	1,450,000
Total Transfers In	\$ 3,308,000	\$ 3,200,000	\$ 3,250,304	\$ 3,250,304	\$ 3,430,000
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	\$ 3,331,487	\$ 3,240,019	\$ 3,325,310	\$ 3,348,848	\$ 3,826,879
Total Expenditures	\$ 3,139,316	\$ 3,297,772	\$ 3,325,310	\$ 3,213,188	\$ 3,683,396
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 3,139,316	\$ 3,297,772	\$ 3,325,310	\$ 3,213,188	\$ 3,683,396
Difference Total Resources and Expenditures and Transfers Out	\$ 192,171	\$ (57,753)	\$ 0	\$ 135,660	\$ 143,483
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 347,732	\$ 539,903	\$ 438,200	\$ 482,150	\$ 524,310
Budgeted Reserves	0	0	(71,000)	(93,500)	(392,000)
Difference Total Resources and Expenditures and Transfers Out	192,171	(57,753)	0	135,660	143,483
June 30th Ending Balance	\$ 539,903	\$ 482,150	\$ 367,200	\$ 524,310	\$ 275,793

## FUND BALANCE SUMMARY

### Development Impact Fees - Summary (300, 301, 302, 303, 304)

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 790,537	\$ 1,038,230	\$ 1,671,033	\$ 1,306,609	\$ 1,942,258
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 100 - General Fund	0	0	677,584	677,584	688,533
Fund 600 - Rancho Undercrossing	677,944	0	0	0	0
Total Transfers In	677,944	0	677,584	677,584	688,533
Total Resources (Revenue Reserves and Transfers In)	\$ 1,468,481	\$ 1,038,230	\$ 2,348,617	\$ 1,984,193	\$ 2,630,791
Total Expenditures	\$ 1,509,959	\$ 654,942	\$ 752,255	\$ 174,023	\$ 676,412
<u>Transfers Out</u>					
Fund 100 - General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund 401 - City Debt Service	106,000	0	0	0	0
Fund 403 - 2005 COP Refinance	212,000	154,520	677,584	677,584	688,533
Total Transfers Out	\$ 318,000	\$ 154,520	\$ 677,584	\$ 677,584	\$ 688,533
Total Expenditures and Transfers Out	\$ 1,827,959	\$ 809,462	\$ 1,429,839	\$ 851,607	\$ 1,364,945
Difference Total Resources and Expenditures and Transfers Out	\$ (359,478)	\$ 228,768	\$ 918,778	\$ 1,132,586	\$ 1,265,846
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 10,739,368	\$ 10,379,887	\$ 10,605,071	\$ 10,608,658	\$ 11,741,244
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(359,481)	228,768	918,778	1,132,586	1,265,846
June 30th Ending Balance	\$ 10,379,887	\$ 10,608,655	\$ 11,523,849	\$ 11,741,244	\$ 13,007,090
Less: Land Held For Resale	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)
General Fund Loan	0	(154,520)	(677,584)	(832,104)	(1,520,637)
June 30th Ending Operating Fund Balance	\$ 2,878,250	\$ 2,952,498	\$ 3,344,628	\$ 3,407,503	\$ 3,984,816

Note: Rates for Development Impact Fees were approved in total as a group (Streets, Storm Drainage, Fire, Police, and Public Services). Therefore, any temporary deficit in one Development Impact Fee fund will be offset by the overall surplus of the Development Impact Fee funds taken as a whole.

## FUND BALANCE SUMMARY

### Development Impact - Streets Fund 300

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 634,238	\$ 885,608	\$ 1,345,528	\$ 1,111,455	\$ 1,652,786
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	677,944	0	0	0	0
Total Transfers In	677,944	0	0	0	0
Total Resources (Revenue Reserves and Transfers In)	\$ 1,312,182	\$ 885,608	\$ 1,345,528	\$ 1,111,455	\$ 1,652,786
Total Expenditures	\$ 1,363,414	\$ 654,742	\$ 750,000	\$ 124,313	\$ 660,000
<u>Transfers Out</u>					
Fund 100 - General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 1,363,414	\$ 654,742	\$ 750,000	\$ 124,313	\$ 660,000
Difference Total Resources and Expenditures and Transfers Out	\$ (51,232)	\$ 230,866	\$ 595,528	\$ 987,142	\$ 992,786
<b><u>FUND BALANCE</u></b>					
July 1st Beginning Balance	\$ 7,043,363	\$ 6,992,131	\$ 7,086,151	\$ 7,222,997	\$ 8,210,139
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(51,232)	230,866	595,528	987,142	992,786
June 30th Ending Balance	\$ 6,992,131	\$ 7,222,997	\$ 7,681,679	\$ 8,210,139	\$ 9,202,925
Less: Land Held For Resale	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)
June 30th Ending Operating Fund Balance	\$ (509,506)	\$ (278,640)	\$ 180,042	\$ 708,502	\$ 1,701,288

Note: Rates for Development Impact Fees were approved in total as a group (Streets, Storm Drainage, Fire, Police, and Public Services). Therefore, any temporary deficit in one Development Impact Fee fund will be offset by the overall surplus of the Development Impact Fee funds taken as a whole.

## FUND BALANCE SUMMARY

### Development Impact - Storm Drainage Fund 301

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 89,001	\$ 121,696	\$ 182,206	\$ 153,319	\$ 227,999
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 89,001	\$ 121,696	\$ 182,206	\$ 153,319	\$ 227,999
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 47,500	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 47,500	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 89,001	\$ 121,696	\$ 182,206	\$ 105,819	\$ 227,999
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 2,131,000	\$ 2,220,001	\$ 2,320,237	\$ 2,341,697	\$ 2,447,516
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	89,001	121,696	182,206	105,819	227,999
June 30th Ending Balance	\$ 2,220,001	\$ 2,341,697	\$ 2,502,443	\$ 2,447,516	\$ 2,675,515

## FUND BALANCE SUMMARY

### Development Impact - Fire Fund 302

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 32,700	\$ 15,729	\$ 70,015	\$ 21,365	\$ 31,186
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 32,700	\$ 15,729	\$ 70,015	\$ 21,365	\$ 31,186
Total Expenditures	\$ 146,545	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 146,545	\$ 0	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ (113,845)	\$ 15,729	\$ 70,015	\$ 21,365	\$ 31,186
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 987,281	\$ 873,436	\$ 889,325	\$ 889,165	\$ 910,530
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(113,845)	15,729	70,015	21,365	31,186
June 30th Ending Balance	\$ 873,436	\$ 889,165	\$ 959,340	\$ 910,530	\$ 941,716

Note: During FY 2012-13 the City Council approved an 18 month temporary reduction of the Development Impact Fee - Fire, which had an original sunset of October 4, 2014 for qualifying residential development. During FY 2014-15, the City Council approved an additional 18 months, which was to sunset April 2, 2016. In light of a new DIF fee study, the Council has extended the temporary reduction until the new DIF fee study rates are approved.

Itemized Fund Expenditures:

Station 301 Temporary Trailers	\$ 613
5th Ambulance	145,932
	<u>\$ 146,545</u>

## FUND BALANCE SUMMARY

### Development Impact - Police Fund 303

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 9,560	\$ 4,598	\$ 20,564	\$ 6,249	\$ 9,114
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 9,560	\$ 4,598	\$ 20,564	\$ 6,249	\$ 9,114
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 9,560	\$ 4,598	\$ 20,564	\$ 6,249	\$ 9,114
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 257,121	\$ 266,681	\$ 271,328	\$ 271,279	\$ 277,528
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	9,560	4,598	20,564	6,249	9,114
June 30th Ending Balance	\$ 266,681	\$ 271,279	\$ 291,892	\$ 277,528	\$ 286,642

Note: During FY 2012-13 the City Council approved an 18 month temporary reduction of the Development Impact Fee - Fire, which had an original sunset of October 4, 2014 for qualifying residential development. During FY 2014-15, the City Council approved an additional 18 months, which was to sunset April 2, 2016. In light of a new DIF fee study, the Council has extended the temporary reduction until the new DIF fee study rates are approved.

## FUND BALANCE SUMMARY

### Development Impact - Public Services Fund 304

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 25,038	\$ 10,599	\$ 52,720	\$ 14,221	\$ 21,173
Budget Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 100 - General Fund (Loan)	0	0	677,584	677,584	688,533
Total Transfers In	0	0	677,584	677,584	688,533
Total Resources (Revenue and Transfers In)	\$ 25,038	\$ 10,599	\$ 730,304	\$ 691,805	\$ 709,706
Total Expenditures	\$ 0	\$ 200	\$ 2,255	\$ 2,210	\$ 16,412
<u>Transfers Out</u>					
Fund 401 - City Debt Service	\$ 106,000	\$ 0	\$ 0	\$ 0	\$ 0
Fund 403 - 2005 COP Refinance	212,000	154,520	677,584	677,584	688,533
Total Transfers Out	\$ 318,000	\$ 154,520	\$ 677,584	\$ 677,584	\$ 688,533
Total Expenditures and Transfers Out	\$ 318,000	\$ 154,720	\$ 679,839	\$ 679,794	\$ 704,945
Difference Total Resources and Expenditures and Transfers Out	\$ (292,962)	\$ (144,121)	\$ 50,465	\$ 12,011	\$ 4,761
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 320,603	\$ 27,641	\$ 38,030	\$ (116,480)	\$ (104,469)
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(292,962)	(144,121)	50,465	12,011	4,761
June 30th Ending Balance	\$ 27,641	\$ (116,480)	\$ 88,495	\$ (104,469)	\$ (99,708)
Less: General Fund Loan	0	(154,520)	(677,584)	(832,104)	(1,520,637)
June 30th Ending Operating Fund Balance	\$ 27,641	\$ (271,000)	\$ (589,089)	\$ (936,573)	\$ (1,620,345)

Note: During FY 2012-13 the City Council approved an 18 month temporary reduction of the Development Impact Fee - Fire, which had an original sunset of October 4, 2014 for qualifying residential development. During FY 2014-15, the City Council approved an additional 18 months, which was to sunset April 2, 2016. In light of a new DIF fee study, the Council has extended the temporary reduction until the new DIF fee study rates are approved.

Note: Rates for Development Impact Fees were approved in total as a group (Streets, Storm Drainage, Fire, Police, and Public Services). Therefore, any temporary deficit in one Development Impact Fee fund will be offset by the overall surplus of the Development Impact Fee funds taken as a whole.

The June 30, 2017 ending operating fund balance, including factoring in the cumulative General Fund Loan of \$1,520,637, is \$(1,542,715).

## FUND BALANCE SUMMARY

### 2004 Streets Debt Service Fund 400

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 2,440	\$ 5,856	\$ 4,172	\$ 4,102	\$ 4,403
Budget Reserves	0	0	4,642,303	4,612,781	0
<u>Transfers In</u>					
Fund 205 - Gas Tax	\$ 450,000	\$ 625,000	\$ 0	\$ 0	\$ 0
Fund 206 - Gas Tax Swap	20,000	20,000	0	0	0
Fund 207 - LTF	250,000	2,805,000	0	0	0
Total Transfers In	\$ 720,000	\$ 3,450,000	\$ 0	\$ 0	\$ 0
Total Resources (Revenue and Transfers In)	\$ 722,440	\$ 3,455,856	\$ 4,646,475	\$ 4,616,883	\$ 4,403
Total Expenditures	\$ 823,343	\$ 736,696	\$ 4,646,475	\$ 4,616,883	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 823,343	\$ 736,696	\$ 4,646,475	\$ 4,616,883	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ (100,903)	\$ 2,719,160	\$ 0	\$ 0	\$ 4,403
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 2,130,428	\$ 2,029,525	\$ 4,743,561	\$ 4,748,685	\$ 135,904
Budgeted Reserves	0	0	(4,642,303)	(4,612,781)	0
Difference Total Resources and Expenditures and Transfers Out	(100,903)	2,719,160	0	0	4,403
June 30th Ending Balance	\$ 2,029,525	\$ 4,748,685	\$ 101,258	\$ 135,904	\$ 140,307
Less: Bond Reserves	(892,658)	(892,658)	0	0	0
June 30th Ending Operating Fund Balance	\$ 1,136,867	\$ 3,856,027	\$ 101,258	\$ 135,904	\$ 140,307

In FY 2014-15, a total of \$3,450,000 was transferred into Fund 400 - 2004 Streets Debt Service in order to pay off the 2004 Variable Rate Demand Revenue Bonds in FY 2015-16. This resulted in the bonds being retired 8 years ahead of schedule due to this prepayment as well as the prepayments that were made in previous years.

## FUND BALANCE SUMMARY

### City Debt Service Fund 401

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 1,101	\$ 0	\$ 0	\$ 0	\$ 0
Budget Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 100 - General Fund	\$ 15,490	\$ 0	\$ 0	\$ 0	\$ 0
Fund 304 - DIF Public Services	106,000	0	0	0	0
Fund 403 - 2005 COP Refinance	12,201,745	0	0	0	0
Total Transfers In	\$ 12,323,235	\$ 0	\$ 0	\$ 0	\$ 0
Total Resources (Revenue and Transfers In)	\$ 12,324,336	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 12,786,966	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 403 - DIF Public Services	1,854,040	0	0	0	0
Total Transfers Out	1,854,040	0	0	0	0
Total Expenditures and Transfers Out	\$ 14,641,006	\$ 0	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ (2,316,670)	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 2,316,670	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
Residual Equity Transfer	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(2,316,670)	0	0	0	0
June 30th Ending Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less: Bond Reserves	0	0	0	0	0
June 30th Ending Operating Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Due to the refinancing of the 2005 Civic Plaza Certificates of Participation into the 2013 Civic Plaza Refunding Lease Revenue Bonds in November 2013, this fund was closed in FY 2013-14.

## FUND BALANCE SUMMARY

### Water Rights Acquisition Fund 402

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 146	\$ 260	\$ 17	\$ 484	\$ 244
Budget Reserves	0	0	0	5,617	0
<u>Transfers In</u>					
Fund 100 - General Fund	\$ 1,345,475	\$ 1,447,611	\$ 1,449,550	\$ 1,441,174	\$ 1,446,375
Total Transfers In	\$ 1,345,475	\$ 1,447,611	\$ 1,449,550	\$ 1,441,174	\$ 1,446,375
Total Resources (Revenue and Transfers In)	\$ 1,345,621	\$ 1,447,871	\$ 1,449,567	\$ 1,447,275	\$ 1,446,619
Total Expenditures	\$ 1,339,656	\$ 1,447,765	\$ 1,449,550	\$ 1,447,275	\$ 1,446,375
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 1,339,656	\$ 1,447,765	\$ 1,449,550	\$ 1,447,275	\$ 1,446,375
Difference Total Resources and Expenditures and Transfers Out	\$ 5,965	\$ 106	\$ 17	\$ 0	\$ 244
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 1,452,185	\$ 1,458,150	\$ 1,458,300	\$ 1,458,256	\$ 1,452,639
Budgeted Reserves	0	0	0	(5,617)	0
Difference Total Resources and Expenditures and Transfers Out	5,965	106	17	0	244
June 30th Ending Balance	\$ 1,458,150	\$ 1,458,256	\$ 1,458,317	\$ 1,452,639	\$ 1,452,883
Less: Bond Reserves	(1,452,247)	(1,452,247)	(1,452,247)	(1,452,247)	(1,452,247)
June 30th Ending Operating Fund Balance	\$ 5,903	\$ 6,009	\$ 6,070	\$ 392	\$ 636

## FUND BALANCE SUMMARY

### 2013 Civic Plaza Refinancing Fund 403

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 668	\$ 70,275	\$ 852	\$ 440	\$ 98
Bond/Loan Proceeds	12,445,000	0	0	0	0
Budget Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 100 - General Fund	\$ 30,980	\$ 22,580	\$ 99,016	\$ 99,016	\$ 100,617
Fund 304 - DIF Public Services	212,000	154,520	677,584	677,584	688,533
Fund 401 - City Debt Service	1,854,040	0	0	0	0
Total Transfers In	\$ 2,097,020	\$ 177,100	\$ 776,600	\$ 776,600	\$ 789,150
Total Resources (Revenue and Transfers In)	\$ 14,542,688	\$ 247,375	\$ 777,452	\$ 777,040	\$ 789,248
Total Expenditures	\$ 426,659	\$ 800,759	\$ 776,600	\$ 776,325	\$ 789,150
<u>Transfers Out</u>					
Fund 401 - City Debt Service	12,201,745	0	0	0	0
Total Transfers Out	\$ 12,201,745	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	\$ 12,628,404	\$ 800,759	\$ 776,600	\$ 776,325	\$ 789,150
Difference Total Resources and Expenditures and Transfers Out	\$ 1,914,284	\$ (553,384)	\$ 852	\$ 715	\$ 98
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 0	\$ 1,799,714	\$ 1,240,161	\$ 1,246,330	\$ 1,247,045
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	1,914,284	(553,384)	852	715	98
Adjustment For Budgetary Purposes	(114,570)	0	0	0	0
June 30th Ending Balance	\$ 1,799,714	\$ 1,246,330	\$ 1,241,013	\$ 1,247,045	\$ 1,247,143
Less: Bond Reserves	(1,146,539)	(1,149,910)	(1,146,539)	(1,149,910)	(1,149,910)
June 30th Ending Operating Fund Balance	\$ 653,175	\$ 96,420	\$ 94,474	\$ 97,135	\$ 97,233

In November 2013, the 2005 variable rate Civic Plaza Certificates of Participation were refinanced into fixed rate 2013 Civic Plaza Refunding Lease Revenue Bonds.

## FUND BALANCE SUMMARY

### City Streets Projects Fund 504

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 740,933	\$ 61	\$ 2,735,283	\$ 38,857	\$ 2,696,484
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 740,933	\$ 61	\$ 2,735,283	\$ 38,857	\$ 2,696,484
Total Expenditures	\$ 794,544	\$ 17	\$ 2,735,283	\$ 57,865	\$ 2,733,034
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 794,544	\$ 17	\$ 2,735,283	\$ 57,865	\$ 2,733,034
Difference Total Resources and Expenditures and Transfers Out	\$ (53,611)	\$ 44	\$ 0	\$ (19,008)	\$ (36,550)
<b><u>FUND BALANCE</u></b>					
July 1st Beginning Balance	\$ (75,650)	\$ (129,261)	\$ (129,261)	\$ (129,217)	\$ (148,225)
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(53,611)	44	0	(19,008)	(36,550)
June 30th Ending Balance	\$ (129,261)	\$ (129,217)	\$ (129,261)	\$ (148,225)	\$ (184,775)

Note: This fund is showing a planned negative June 30th Ending Balance. This reflects the timing difference getting reimbursements from other governments on various projects being tracked within the fund.

Below are the capital projects in the FY 2016-17 Budget:

- CO 6523 - Park and Ride Facility
- CO 7091 - H-01 Drainage Facility - Section 3A (Third Avenue to Fourth Avenue)
- CO 7094 - Rancho Road Improvements-7th Avenue to Mariposa Road
- CO 7123 - Willow Street Paseo

## FUND BALANCE SUMMARY

### Township Fund 507

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 216	\$ 218	\$ 222	\$ 330	\$ 423
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 586 - RDA CIP Area #1	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 216</u>	<u>\$ 218</u>	<u>\$ 222</u>	<u>\$ 330</u>	<u>\$ 423</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 216	\$ 218	\$ 222	\$ 330	\$ 423
<b><u>FUND BALANCE</u></b>					
July 1st Beginning Balance	\$ 92,235	\$ 92,451	\$ 92,687	\$ 92,669	\$ 92,999
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>216</u>	<u>218</u>	<u>222</u>	<u>330</u>	<u>423</u>
June 30th Ending Balance	\$ 92,451	\$ 92,669	\$ 92,909	\$ 92,999	\$ 93,422

Staff will close out the fund upon final acceptance of the project, release of retention, and final reconciliation of the fund.

## FUND BALANCE SUMMARY

### Ranchero Road Undercrossing Fund 600

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 705,720	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 705,720	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 27,776	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>	677,944	0	0	0	0
Fund 300 - DIF Streets	677,944	0	0	0	0
Total Transfers Out	677,944	0	0	0	0
Total Expenditures and Transfers Out	\$ 705,720	\$ 0	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b><u>FUND BALANCE</u></b>					
July 1st Beginning Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Residual Equity Transfer	0	0	0	0	0
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	0	0	0	0	0
June 30th Ending Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

This fund was closed in FY 2013-14.

## FUND BALANCE SUMMARY

### Community Development Commission Fund 170

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 182,829	\$ 144,275	\$ 621,159	\$ 197,440	\$ 191,488
Budgeted Reserves	0	0	0	0	51,000
<u>Transfers In</u>					
Fund 100 - General Fund	0	0	0	250,000	410,493
Total Transfers In	0	0	0	250,000	410,493
Total Resources (Revenue and Transfers In)	<u>\$ 182,829</u>	<u>\$ 144,275</u>	<u>\$ 621,159</u>	<u>\$ 447,440</u>	<u>\$ 652,981</u>
Total Expenditures	\$ 424,633	\$ 524,524	\$ 563,605	\$ 754,907	\$ 652,981
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 424,633</u>	<u>\$ 524,524</u>	<u>\$ 563,605</u>	<u>\$ 754,907</u>	<u>\$ 652,981</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (241,804)	\$ (380,249)	\$ 57,554	\$ (307,467)	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 614,249	\$ 380,448	\$ 119,161	\$ 199	\$ (307,268)
Budgeted Reserves	0	0	0	0	(51,000)
Adjustment For Budgetary Purposes	8,003	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>(241,804)</u>	<u>(380,249)</u>	<u>57,554</u>	<u>(307,467)</u>	<u>0</u>
June 30th Ending Balance	\$ 380,448	\$ 199	\$ 176,715	\$ (307,268)	\$ (358,268)

The City's General Fund transferred \$250,000 (in FY 2015-16) for the development of a study; and plans to transfer \$410,493 (in FY 2016-17) to fund the Commission's excess FY 2016-17 expenditures over revenues. This is in addition to the \$250,000 transfer made in FY 2012-13 for Community Development Commission operations, resulting in a combined total of \$910,493 in support of the CDC staff's economic development efforts. As the CDC has a projected negative fund balance of \$358,268 at the end of FY 2016-17, (after factoring the needed General Fund transfer to fund the economic development ongoing operations), during FY 2016-17 staff will begin preparing a plan for transitioning the CDC operations into the General Fund. In doing so, the existing fund balance deficit will also be examined and existing CDC assets, such as land, will be evaluated for potential sale to eliminate the deficit balance going forward.

The study funded by a General Fund transfer in FY 2015-16 will not be fully completed by June 30, 2016. Therefore, \$51,000 in funds will be carried over to FY 2016-17 to complete the study.

## FUND BALANCE SUMMARY

### Hesperia Housing Authority Fund 370

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 169,008	\$ 181,024	\$ 1,281,570	\$ 891,079	\$ 178,139
Budgeted Reserves	0	0	0	0	468,706
Budgeted Reserves for Loan	0	0	0	0	3,831,975
<u>Transfers In</u>					
Fund 700 - Water Operations	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 169,008</u>	<u>\$ 181,024</u>	<u>\$ 1,281,570</u>	<u>\$ 891,079</u>	<u>\$ 4,478,820</u>
Total Expenditures	\$ 480,619	\$ 366,351	\$ 639,564	\$ 276,760	\$ 4,478,820
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 480,619</u>	<u>\$ 366,351</u>	<u>\$ 639,564</u>	<u>\$ 276,760</u>	<u>\$ 4,478,820</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (311,611)	\$ (185,327)	\$ 642,006	\$ 614,319	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 16,591,710	\$ 16,408,239	\$ 17,488,483	\$ 17,487,912	\$ 18,102,231
Prior Period Adjustment	0	1,265,000	0	0	0
Budgeted Reserves	0	0	0	0	(4,300,681)
Adjustment For Budgetary Purposes	128,140	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>(311,611)</u>	<u>(185,327)</u>	<u>642,006</u>	<u>614,319</u>	<u>0</u>
June 30th Ending Balance	\$ 16,408,239	\$ 17,487,912	\$ 18,130,489	\$ 18,102,231	\$ 13,801,550
Less: Loans/Notes Receivables	(1,200,000)	0	0	0	0
Land Held For Resale	<u>(10,269,457)</u>	<u>(10,269,457)</u>	<u>(10,269,457)</u>	<u>(10,269,457)</u>	<u>(10,269,457)</u>
June 30th Ending Operating Fund Balance	\$ 4,938,782	\$ 7,218,455	\$ 7,861,032	\$ 7,832,774	\$ 3,532,093

Hesperia Housing Authority Fund Balance reserves will be used in FY 2016-17 to further low and moderate income housing activities, including a \$3.8 million loan agreement with Eagle 55 Senior Housing, in addition to general housing programs. The Eagle 55 Senior Housing loan agreement is a budgetary basis adjustment because, the Comprehensive Annual Financial Report reflects the loan on the balance sheet as a loan receivable as opposed to an expenditure.

The payment of \$1,200,000 from Fund 700 - Water Operations in FY 2014-15 was the final payment of the June 2010 5-year loan to the Hesperia Water District. The \$1,200,000 is a budgetary basis adjustment because in the Comprehensive Annual Financial Report the loan is shown on the balance sheet as a loan receivable and is reduced by the annual payments, and is not reflected as revenue.

## FUND BALANCE SUMMARY

### VVEDA Housing Authority Fund 371

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 159,570	\$ 4,189	\$ 104,671	\$ 6,173	\$ 8,172
Budgeted Reserves	0	0	75,329	0	141,828
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 159,570	\$ 4,189	\$ 180,000	\$ 6,173	\$ 150,000
Total Expenditures	\$ 157,469	\$ 0	\$ 180,000	\$ 0	\$ 150,000
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 157,469	\$ 0	\$ 180,000	\$ 0	\$ 150,000
Difference Total Resources and Expenditures and Transfers Out	\$ 2,101	\$ 4,189	\$ 0	\$ 6,173	\$ 0
<b><u>FUND BALANCE</u></b>					
July 1st Beginning Balance	\$ 1,694,895	\$ 1,696,996	\$ 991,412	\$ 1,701,185	\$ 1,707,358
Budgeted Reserves	0	0	(75,329)	0	(141,828)
Extraordinary Gain/(Loss)	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	2,101	4,189	0	6,173	0
June 30th Ending Balance	\$ 1,696,996	\$ 1,701,185	\$ 916,083	\$ 1,707,358	\$ 1,565,530

For FY 2016-17, VVEDA Housing budgeted reserves in the amount of \$141,828 will be used for affordable housing activities.

## FUND BALANCE SUMMARY

### Water District Funds Combined (700, 701, 710, 711)

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 20,793,646	\$ 20,449,216	\$ 19,914,149	\$ 19,192,094	\$ 25,735,575
Bond/Loan Proceeds	0	0	0	70,000	3,772,663
Budgeted Reserves	0	0	728,529	779,744	1,321,831
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 20,793,646</u>	<u>\$ 20,449,216</u>	<u>\$ 20,642,678</u>	<u>\$ 20,041,838</u>	<u>\$ 30,830,069</u>
Total Expenditures	\$ 21,678,866	\$ 19,990,246	\$ 19,544,029	\$ 18,884,622	\$ 30,827,142
<u>Transfers Out</u>					
Total Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Transfers Out	<u>\$ 21,678,866</u>	<u>\$ 19,990,246</u>	<u>\$ 19,544,029</u>	<u>\$ 18,884,622</u>	<u>\$ 30,827,142</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (885,220)	\$ 458,970	\$ 1,098,649	\$ 1,157,216	\$ 2,927
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 78,286,839	\$ 88,851,308	\$ 89,259,423	\$ 85,879,522	\$ 86,256,994
Budgeted Reserves	0	0	(728,529)	(779,744)	(1,321,831)
Prior period adjustment	11,729,460	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(885,220)	458,970	1,098,649	1,157,216	2,927
Adjustment for Budgetary Purposes	<u>(279,771)</u>	<u>(3,430,756)</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 88,851,308	\$ 85,879,522	\$ 89,629,543	\$ 86,256,994	\$ 84,938,090

## FUND BALANCE SUMMARY

### Water District - Water Operations Fund 700

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 16,941,973	\$ 16,418,053	\$ 15,785,926	\$ 15,104,094	\$ 15,503,485
Budgeted Reserves	0	0	708,529	733,000	907,831
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 16,941,973</u>	<u>\$ 16,418,053</u>	<u>\$ 16,494,455</u>	<u>\$ 15,837,094</u>	<u>\$ 16,411,316</u>
Total Expenditures	\$ 18,185,092	\$ 17,060,873	\$ 16,359,629	\$ 15,663,869	\$ 16,550,929
<u>Transfers Out</u>					
Total Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Transfers Out	<u>\$ 18,185,092</u>	<u>\$ 17,060,873</u>	<u>\$ 16,359,629</u>	<u>\$ 15,663,869</u>	<u>\$ 16,550,929</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (1,243,119)	\$ (642,820)	\$ 134,826	\$ 173,225	\$ (139,613)
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 72,885,912	\$ 83,964,708	\$ 83,320,998	\$ 80,274,082	\$ 79,714,307
Budgeted Reserves	0	0	(708,529)	(733,000)	(907,831)
Prior period adjustment	11,729,460	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(1,243,119)	(642,820)	134,826	173,225	(139,613)
Adjustment for Budgetary Purposes	<u>592,455</u>	<u>(3,047,806)</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 83,964,708	\$ 80,274,082	\$ 82,747,295	\$ 79,714,307	\$ 78,666,863

Note: Because Water and Sewer are proprietary funds, the expenditures for actual shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

## FUND BALANCE SUMMARY

### Water District - Water Capital Fund 701

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 329,877	\$ 414,951	\$ 396,000	\$ 500,385	\$ 6,642,337
Bond/Loan Proceeds	0	0	0	70,000	3,772,663
Budgeted Reserves	0	0	0	30,000	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	\$ 329,877	\$ 414,951	\$ 396,000	\$ 600,385	\$ 10,415,000
Total Expenditures	\$ 650,459	\$ 38,954	\$ 0	\$ 70,000	\$ 10,575,789
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 650,459	\$ 38,954	\$ 0	\$ 70,000	\$ 10,575,789
Difference Total Resources and Expenditures and Transfers Out	\$ (320,582)	\$ 375,997	\$ 396,000	\$ 530,385	\$ (160,789)
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ (11,604,808)	\$ (12,696,299)	\$ (12,290,499)	\$ (12,478,198)	\$ (11,977,813)
Budgeted Reserves	0	0	0	(30,000)	0
Difference Total Resources and Expenditures and Transfers Out	(320,582)	375,997	396,000	530,385	(160,789)
Adjustment for Budgetary Purposes	(770,909)	(157,896)	0	0	0
June 30th Ending Balance	\$ (12,696,299)	\$ (12,478,198)	\$ (11,894,499)	\$ (11,977,813)	\$ (12,138,602)

Note: The combined Water Operating and Water Capital fund balances are available in the event that either fund projects a negative June 30th ending fund balance.

Note: The District has received approval for \$6,727,337 in grant funds related to the Reclaimed Water Distribution System project. Expenditures and the related grant reimbursement projected by fiscal year are shown below:

	FY 2016-17	FY 2017-18	Total
Proposition 1 Grant Program	4,727,337	0	4,727,337
Proposition 84 Drought Relief	1,500,000	500,000	2,000,000
Total	6,227,337	500,000	6,727,337

In addition to the grants mentioned above, the District also received approved from the State for a \$9.9 million loan for the project, resulting in total project funding of \$16.6 million

## FUND BALANCE SUMMARY

### Water District - Sewer Operations Fund 710

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 3,430,884	\$ 3,492,978	\$ 3,530,215	\$ 3,482,815	\$ 3,504,653
Budgeted Reserves	0	0	20,000	16,744	214,000
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 3,430,884</u>	<u>\$ 3,492,978</u>	<u>\$ 3,550,215</u>	<u>\$ 3,499,559</u>	<u>\$ 3,718,653</u>
Total Expenditures	\$ 2,712,565	\$ 2,890,419	\$ 3,184,400	\$ 3,150,753	\$ 3,500,424
<u>Transfers Out</u>					
Total Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Transfers Out	<u>\$ 2,712,565</u>	<u>\$ 2,890,419</u>	<u>\$ 3,184,400</u>	<u>\$ 3,150,753</u>	<u>\$ 3,500,424</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 718,319	\$ 602,559	\$ 365,815	\$ 348,806	\$ 218,229
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 13,356,485	\$ 13,842,736	\$ 14,235,993	\$ 14,221,991	\$ 14,554,053
Budgeted Reserves	0	0	(20,000)	(16,744)	(214,000)
Difference Total Resources and Expenditures and Transfers Out	718,319	602,559	365,815	348,806	218,229
Adjustment for Budgetary Purposes	<u>(232,068)</u>	<u>(223,304)</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 13,842,736	\$ 14,221,991	\$ 14,581,808	\$ 14,554,053	\$ 14,558,282

Note: Because Water and Sewer are proprietary funds, the expenditures for actuals shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

## FUND BALANCE SUMMARY

### Water District - Sewer Capital Fund 711

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 90,912	\$ 123,234	\$ 202,008	\$ 104,800	\$ 85,100
Budgeted Reserves	0	0	0	0	200,000
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 90,912</u>	<u>\$ 123,234</u>	<u>\$ 202,008</u>	<u>\$ 104,800</u>	<u>\$ 285,100</u>
Total Expenditures	\$ 130,750	\$ 0	\$ 0	\$ 0	\$ 200,000
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 130,750</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200,000</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (39,838)	\$ 123,234	\$ 202,008	\$ 104,800	\$ 85,100
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 3,649,250	\$ 3,740,163	\$ 3,992,931	\$ 3,861,647	\$ 3,966,447
Budgeted Reserves	0	0	0	0	(200,000)
Difference Total Resources and Expenditures and Transfers Out	(39,838)	123,234	202,008	104,800	85,100
Adjustment for Budgetary Purposes	<u>130,751</u>	<u>(1,750)</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 3,740,163	\$ 3,861,647	\$ 4,194,939	\$ 3,966,447	\$ 3,851,547

Note: Because Water and Sewer are proprietary funds, the expenditures for actuals shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

## FUND BALANCE SUMMARY

### Combined Fire District Operating and Fire Capital (200, 502)

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 10,975,313	\$ 10,995,809	\$ 10,670,014	\$ 10,629,681	\$ 11,416,281
Budgeted Reserves	0	0	0	234,848	0
<u>Transfers In</u>					
Total Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Resources (Revenue and Budgeted Reserves)	\$ 10,975,313	\$ 10,995,809	\$ 10,670,014	\$ 10,864,529	\$ 11,416,281
Total Expenditures	\$ 10,364,725	\$ 11,462,049	\$ 10,113,121	\$ 10,628,447	\$ 10,777,516
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 10,364,725	\$ 11,462,049	\$ 10,113,121	\$ 10,628,447	\$ 10,777,516
Difference Total Resources and Expenditures and Transfers Out	\$ 610,588	\$ (466,240)	\$ 556,893	\$ 236,082	\$ 638,765
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 5,786,565	\$ 6,397,153	\$ 5,966,636	\$ 5,930,913	\$ 5,932,147
Budgeted Reserves	0	0	0	(234,848)	0
Difference Total Resources and Expenditures and Transfers Out	610,588	(466,240)	556,893	236,082	638,765
June 30th Ending Balance	\$ 6,397,153	\$ 5,930,913	\$ 6,523,529	\$ 5,932,147	\$ 6,570,912

## FUND BALANCE SUMMARY

### Fire District Fund 200

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 10,403,791	\$ 10,358,467	\$ 9,995,641	\$ 9,848,956	\$ 10,587,933
Budgeted Reserves	0	0	0	234,848	0
<u>Transfers In</u>					
Total Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Resources (Revenue and Budgeted Reserves)	\$ 10,403,791	\$ 10,358,467	\$ 9,995,641	\$ 10,083,804	\$ 10,587,933
Total Expenditures	\$ 10,364,725	\$ 11,228,876	\$ 9,984,121	\$ 10,083,804	\$ 10,433,516
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 10,364,725	\$ 11,228,876	\$ 9,984,121	\$ 10,083,804	\$ 10,433,516
Difference Total Resources and Expenditures and Transfers Out	\$ 39,066	\$ (870,409)	\$ 11,520	\$ 0	\$ 154,417
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 1,317,736	\$ 1,356,802	\$ 529,360	\$ 486,393	\$ 251,545
Budgeted Reserves	0	0	0	(234,848)	0
Difference Total Resources and Expenditures and Transfers Out	39,066	(870,409)	11,520	0	154,417
June 30th Ending Balance	\$ 1,356,802	\$ 486,393	\$ 540,880	\$ 251,545	\$ 405,962

## FUND BALANCE SUMMARY

### Fire Capital Fund 502

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 571,522	\$ 637,342	\$ 674,373	\$ 780,725	\$ 828,348
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Reserves and Transfers In)	\$ 571,522	\$ 637,342	\$ 674,373	\$ 780,725	\$ 828,348
Expenditures:					
Medic Truck	0	0	0	368,126	0
Medic Ambulance	0	164,114	0	176,517	215,000
Station 301	0	69,059	0	0	0
Fire Station 304 Plymovent	0	0	45,000	0	45,000
Roof Repair	0	0	84,000	0	84,000
Total Expenditures	\$ 0	\$ 233,173	\$ 129,000	\$ 544,643	\$ 344,000
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 233,173	\$ 129,000	\$ 544,643	\$ 344,000
Difference Total Resources and Expenditures and Transfers Out	\$ 571,522	\$ 404,169	\$ 545,373	\$ 236,082	\$ 484,348
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 4,468,829	\$ 5,040,351	\$ 5,437,276	\$ 5,444,520	\$ 5,680,602
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	571,522	404,169	545,373	236,082	484,348
June 30th Ending Balance	\$ 5,040,351	\$ 5,444,520	\$ 5,982,649	\$ 5,680,602	\$ 6,164,950

## FUND BALANCE SUMMARY

### TOTAL ALL FUNDS

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
Total Revenue	\$ 68,520,377	\$ 65,782,888	\$ 72,104,386	\$ 67,548,944	\$ 77,967,907
Bond/Loan Proceeds	12,445,000	0	0	70,000	3,772,663
Budgeted Reserves	0	0	11,412,205	8,981,413	9,040,579
Budgeted Reserves for Loan					3,831,975
<u>Transfers In</u>					
Total Transfers In	22,503,716	10,387,402	8,274,353	8,515,977	8,900,881
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 103,469,093</u>	<u>\$ 76,170,290</u>	<u>\$ 91,790,944</u>	<u>\$ 85,116,334</u>	<u>\$ 103,514,005</u>
Total Expenditures	\$ 84,786,737	\$ 70,475,757	\$ 80,556,566	\$ 73,240,668	\$ 94,121,814
<u>Transfers Out</u>					
Total Transfers Out	20,618,002	8,521,039	6,294,038	6,535,662	6,904,551
Difference Total Resources and Expenditures and Transfers Out	<u>\$ 105,404,739</u>	<u>\$ 78,996,796</u>	<u>\$ 86,850,604</u>	<u>\$ 79,776,330</u>	<u>\$ 101,026,365</u>
Difference Total Resources and Transfers Out	\$ (1,935,646)	\$ (2,826,506)	\$ 4,940,340	\$ 5,340,004	\$ 2,487,640
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 143,604,918	\$ 153,140,531	\$ 150,650,829	\$ 148,148,272	\$ 144,506,863
Budgeted Reserves	0	0	(11,412,205)	(8,981,413)	(12,872,554)
Prior Period Adjustment	11,729,460	0	0	0	0
Extraordinary Gain/(Loss)	128,140	0	0	0	0
Difference Total Resources and Transfers Out	(1,935,646)	(2,826,506)	4,940,340	5,340,004	2,487,640
Adjustment for Budgetary Purposes	(279,771)	(3,430,756)	0	0	0
June 30th Ending Balance	<u>\$ 153,247,101</u>	<u>\$ 146,883,269</u>	<u>\$ 144,178,964</u>	<u>\$ 144,506,863</u>	<u>\$ 134,121,949</u>

Note: Because Water and Sewer are proprietary funds, the expenditures for actuals shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

# S U P P L E M E N T A L I N F O R M A T I O N

- *Budget Adoption Resolutions*
- *City of Hesperia – Total Indirect Cost Allocation Plan Fiscal Year 2016-17*
- *Long-Range Financial Plans*
- *Significant Accounting Policies*
- *List of Acronyms*
- *Glossary*
- *City Organizational Chart*
- *City of Hesperia History*
- *Community Profile*
- *Index*

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SUPPLEMENTAL INFORMATION SECTION

RESOLUTION NO. 2016-012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2016-17 BUDGET

WHEREAS, the City Manager has prepared the proposed operating and capital budget for Fiscal Year 2016-17 for the City of Hesperia; and

WHEREAS, the City Council has received the Fiscal Year 2016-17 proposed budget and held a public workshop concerning its adoption; and

WHEREAS, the final budget document will be the City's official Program of Services for the City of Hesperia for Fiscal Year 2016-17.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA AS FOLLOWS:

Section 1. In all respects, the facts as set forth in this Resolution are true and correct.

Section 2. To accept, approve, and adopt the Fiscal Year 2016-17 Budget as proposed and presented by staff and as adjusted by Council direction, as the official budget document and Program of Services for the City of Hesperia for Fiscal Year 2016-17, which includes:

Section 2a. City General Fund expenditures of \$29,875,509 with total resources (revenue, budgeted reserves, and transfers) of \$29,915,350.

Section 2b. Other City funds expenditures of \$17,359,846 are from the following funds, exclusive of transfers:

<u>Fund No.</u>	<u>Fund Name</u>	<u>Expenditure</u>
204	Measure I - Renewal	\$ 4,086,939
205	Gas Tax	470,438
207	Local Transportation Fund (LTF)	952,450
251	CDBG Administration	1,655,522
253	CDBG Revolving Loan	5,000
254	Air Quality Management District (AQMD) Fund	76,528
256	Beverage Recycling Grant	53,219
257	Neighborhood Stabilization Program (NSP)	713,755
260	Disaster Preparedness Grant	17,628
263	Street Maintenance Fund	3,683,396
300	Development Impact Fee (DIF) - Streets	660,000
304	DIF - Public Services	16,412
402	Water Rights Acquisition	1,446,375
403	2013 Civic Plaza Refinancing	789,150
504	City Streets Projects	<u>2,733,034</u>
	Total	\$17,359,846

Section 3. That the City Council approves the following position classification changes included in the 2016-17 Budget as follows:

## SUPPLEMENTAL INFORMATION SECTION

Resolution No. 2016-012  
Page 2

Section 3a. That the City Council approves the reclassification of the Community Relations and Media Coordinator position (range 37) to the Assistant to the City Manager position, which is in the Management classification and is non-represented with the salary range of 43.

Section 3b. That the City Council approves the new position classification title of Budget/Finance Manager, which is in the Management classification and is non-represented with the salary range of 43.

Section 3c. That the City Council approves the reclassification of the Senior Human Resources Analyst position (range 40) to a Human Resources Manager, which is in the Management classification and is non-represented with the salary range of 43.

Section 3d. That the City Council approves the new position classification title of Secretary to the City Manager and City Council, which is in the Professional/Supervisory classification and is non-represented with the salary range of 35.

Section 3e. That the City Council approves the reclassification of the Building Inspection Supervisor position (range 40) to the Building and Safety Manager position (Range 43), which is a Management classification and is non-represented.

Section 3f. That the City Council approves the reclassification of the Community Development Coordinator position (range 34) to a Community Development Supervisor position (range 38) which is in the Professional/Supervisory classification and is non-represented.

Section 3g. That the City Council approves the new position classification title of Economic Development Manager, which is an Unclassified/At-Will Senior Management classification, non-represented, with the salary range of 44, as well as having an Employment Agreement and Auto Allowance of \$400 per month.

Section 3h. That the City Council approves the reclassification of the Public Works Supervisor position (range 38) to a Public Works Manager position (Range 43) which is in Management classification and is a non-represented position.

Section 3i. That the City Council approves the change of salary and retitling of the Animal Control Technician positions (range 7) to Animal Care Technician positions (range 8), which are represented positions.

Section 3j. That the City Council approves the increase in the salary range for the Public Works Supervisor position from range 38 to range 40 in the professional/supervisory classification.

Section 4. That the City Manager and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2016-17 Budget and consistent with the policy adopted by the City Council.

Section 5. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016.

ATTEST:

  
\_\_\_\_\_  
Melinda Sayre, City Clerk

  
\_\_\_\_\_  
Bill Holland, Mayor

SUPPLEMENTAL INFORMATION SECTION

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )  
CITY OF HESPERIA )

I, Melinda Sayre, City Clerk of the City of Hesperia, California, do hereby certify that Resolution No. 2016-12 was duly adopted by the City Council of the City of Hesperia, California at a Regular Meeting thereof held on the 21<sup>st</sup> day of June, 2016 by the following vote to wit:

AYES: Holland, Russ, and Blewett  
NOES: None  
ABSTAIN: None  
ABSENT: Schmidt, Leonard

  
\_\_\_\_\_  
Melinda Sayre, City Clerk



I, \_\_\_\_\_, City Clerk of the City of Hesperia, California, do hereby certify that the foregoing Resolution No. 2016-12 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Melinda Sayre, City Clerk

Seal



SUPPLEMENTAL INFORMATION SECTION

RESOLUTION NO. 2016-013

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,  
CALIFORNIA, APPROVING THE FISCAL YEAR 2016-17 ARTICLE XIII B LIMIT  
(GANN APPROPRIATIONS LIMITATION)**

**WHEREAS**, Article XIII B of the California Constitution (Proposition 4) was passed by voters in 1979; and

**WHEREAS**, Article XIII B sets a limit on the annual spending or appropriations levels of the state, local governments, and schools according to changes in inflation and population, the base year levels being set in Fiscal Year 1978-79; and

**WHEREAS**, said limit is known as the Gann Appropriations Limitation and must be adopted annually by the governing body of each jurisdiction; and

**WHEREAS**, said annual limitation is established by multiplying either the increase of the jurisdictional change in per capita income or assessed valuation, whichever is greater, by the change in population; and multiplying the resulting figure by the previous fiscal year's limitation; and

**WHEREAS**, upon incorporation, the Local Agency Formation Commission (LAFCO) set the base Gann Appropriations Limitation for the City of Hesperia at \$12,000,000; and

**WHEREAS**, said limitation has been properly adjusted for the City of Hesperia each fiscal year, including Fiscal Year 2016-17, by the Management Services Department according to the State's formula as shown in Attachment 1; and

**WHEREAS**, it is required that each jurisdiction's governing body adopt their adjusted Gann Appropriations Limitation on an annual fiscal year basis.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA AS FOLLOWS:

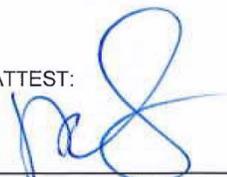
Section 1. In all respects, the facts as set forth in this resolution are true and correct.

Section 2. Approves the annual Fiscal Year 2016-17 Article XIII B Limit (Gann Appropriations Limitation) of \$81,300,652 for the City of Hesperia.

Section 3. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016.

ATTEST:

  
\_\_\_\_\_  
Melinda Sayre, City Clerk

  
\_\_\_\_\_  
Bill Holland, Mayor

**CITY OF HESPERIA AND HESPERIA FIRE DISTRICT  
SCHEDULE OF ANNUAL APPROPRIATIONS (GANN LIMITS)  
FISCAL YEARS 1989/90 through 2016/17**

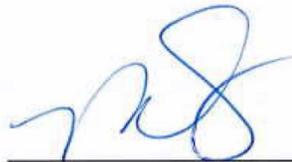
Fiscal Year	Change In		Calculation of Factor	City Balance	City Gann Limit	Fire District Balance	Fire District Gann Limit	Total Gann
	Factor 1	Factor 2						
1988/89					\$12,000,000			
1989/90	incorporation -	LAFCO base amount	1.0498	\$12,000,000	\$12,000,000	\$2,937,542	\$2,937,542	\$15,535,142
1989/90	0.0000	0.0498	1.099416	12,597,600	12,597,600	3,229,581	3,229,581	17,078,584
1990/91	1.0550	1.0421	1.170049	13,850,003	13,850,003	3,778,768	3,778,768	19,983,950
1991/92	1.0829	1.080477	1.136025	16,205,182	16,205,182	4,292,775	4,292,775	22,702,267
1992/93	1.0525	1.079359	1.144228	18,409,492	18,409,492	5,133,785	5,133,785	27,149,936
1993/94	1.0392	1.150802	1.0071	22,016,151	22,016,151	5,874,221	5,874,221	31,065,717
1994/95	1.0177	1.124327	1.019185	25,191,496	25,191,496	5,986,918	5,986,918	31,661,713
1995/96	1.0120	1.0071	1.060516	25,674,795	25,674,795	6,349,222	6,349,222	33,577,753
1996/97	1.0132	1.0467	1.051096	27,228,531	27,228,531	6,673,642	6,673,642	35,293,442
1997/98	1.0042	1.0467	1.060351	28,619,800	28,619,800	7,076,403	7,076,403	37,423,437
1998/99	1.0181	1.0415	1.071026	30,347,034	30,347,034	7,499,041	7,499,041	39,658,552
1999/00	1.0138	1.0453	1.098578	32,159,511	32,159,511	8,031,668	8,031,668	42,475,340
2000/01	1.0209	1.0491	1.015537	34,443,672	34,443,672	8,823,414	8,823,414	46,662,474
2001/02	1.0189	1.0782	1.015537	37,839,060	37,839,060	8,960,503	8,960,503	47,387,468
2002/03	1.0286	0.9873	1.060136	38,426,965	38,426,965	9,499,352	9,499,352	50,237,161
2003/04	1.0362	1.0231	1.064714	40,737,809	40,737,809	10,114,093	10,114,093	53,488,209
2004/05	1.0309	1.0328	1.132492	43,374,116	43,374,116	11,454,129	11,454,129	60,574,968
2005/06	1.0759	1.0526	1.093659	49,120,839	49,120,839	12,526,911	12,526,911	66,248,359
2006/07	1.0520	1.0396	1.117816	53,721,448	53,721,448	14,002,782	14,002,782	74,053,476
2007/08	1.0705	1.0442	1.068555	60,050,694	60,050,694	14,962,743	14,962,743	79,130,212
2008/09	1.0246	1.0429	1.016866	64,167,469	64,167,469	15,215,105	15,215,105	80,464,823
2009/10	1.0106	1.0062	0.979473	65,249,718	65,249,718	14,902,785	14,902,785	78,813,122
2010/11	1.0050	0.9746	1.031763	63,910,337	63,910,337	15,376,142	15,376,142	81,316,463
2011/12	1.0065	1.0251	1.044756	65,940,321	65,940,321	16,064,317	16,064,317	84,955,863
2012/13	1.0068	1.0377	1.057612	68,891,546	68,891,546	16,989,814	16,989,814	89,850,340
2013/14	1.0061	1.0512	1.002589	72,860,526	72,860,526	17,033,801	17,033,801	90,082,963
2014/15	1.0049	0.9977	1.046817	73,049,162	73,049,162	17,831,272	17,831,272	94,300,377
2015/16	1.0083	1.0382	1.063183	76,469,105	76,469,105	18,957,905	18,957,905	100,258,557
2016/17	1.0090	1.0537			81,300,652			

SUPPLEMENTAL INFORMATION SECTION

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )  
CITY OF HESPERIA )

I, Melinda Sayre, City Clerk of the City of Hesperia, California, do hereby certify that Resolution No. 2016-13 was duly adopted by the City Council of the City of Hesperia, California at a Regular Meeting thereof held on the 21<sup>st</sup> day of June, 2016 by the following vote to wit:

AYES: Holland, Russ, and Blewett  
NOES: None  
ABSTAIN: None  
ABSENT: Schmidt, Leonard

  
\_\_\_\_\_  
Melinda Sayre, City Clerk



I, \_\_\_\_\_, City Clerk of the City of Hesperia, California, do hereby certify that the foregoing Resolution No. 2016-13 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Melinda Sayre, City Clerk



SUPPLEMENTAL INFORMATION SECTION

RESOLUTION HHA 2016-06

**A RESOLUTION OF THE COMMISSIONERS OF THE HESPERIA HOUSING AUTHORITY, CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2016-17 BUDGET**

**WHEREAS**, the Executive Director of the Hesperia Housing Authority has prepared the proposed operating budget for Fiscal Year 2016-17; and

**WHEREAS**, the Hesperia Housing Authority Board has received the Fiscal Year 2016-17 proposed budget and held a public workshop concerning its adoption; and

**WHEREAS**, the final budget document will be the Commission's official Program of Services for the Housing Authority for Fiscal Year 2016-17.

**NOW THEREFORE, BE IT RESOLVED BY THE HESPERIA HOUSING AUTHORITY OF THE CITY OF HESPERIA AS FOLLOWS:**

Section 1. In all respects, the facts as set forth in this resolution are true and correct.

Section 2. To accept, approve, and adopt the Fiscal Year 2016-17 budget as proposed and presented by staff and as adjusted by Commission direction, as the official budget document and Program of Services for the Housing Authority for Fiscal Year 2016-17, which includes: budget expenditures totaling \$4,628,820, with revenue of \$186,311, and budgeted reserves of \$4,442,509 for total resources of \$4,628,820.

Section 3. That the Commission approves the following position classification changes included in the 2016-17 Budget as follows:

Section 3a. That the Commission approves the new position classification title of Economic Development Manager, which is an Unclassified/At-Will Senior Management classification, non-represented, with the salary range of 44, as well as having an Employment Agreement and Auto Allowance of \$400 per month.

Section 4. That the Commission and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2016-17 Budget and consistent with the policy adopted by the Commissioners.

Section 5. That the Secretary of the Housing Authority shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016.

  
\_\_\_\_\_  
Bill Holland, Chair

ATTEST:

  
\_\_\_\_\_  
Melinda Sayre, Secretary to the Board

SUPPLEMENTAL INFORMATION SECTION

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )  
CITY OF HESPERIA )

I, Melinda Sayre, City Clerk of the City of Hesperia, California, do hereby certify that Resolution No. HHA 2016-06 was duly adopted by the Board Members of the Hesperia Housing Authority, Hesperia, California at a Regular Meeting thereof held on the 21<sup>st</sup> day of June, 2016 by the following vote to wit:

AYES: Russ, Holland, and Blewett  
NOES: None  
ABSTAIN: None  
ABSENT: Leonard, Schmidt



Melinda Sayre, City Clerk



I, \_\_\_\_\_, City Clerk of the City of Hesperia, California, do hereby certify that the foregoing Resolution No. HHA 2016-06 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Melinda Sayre, City Clerk



SUPPLEMENTAL INFORMATION SECTION

RESOLUTION CDC 2016-05

**A RESOLUTION OF THE HESPERIA COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2016-17 BUDGET**

**WHEREAS**, the Executive Director of the Hesperia Community Development Commission has prepared the proposed operating budget for Fiscal Year 2016-17; and

**WHEREAS**, the Hesperia Community Development Commission has received the Fiscal Year 2016-17 proposed budget and held a public workshop concerning its adoption; and

**WHEREAS**, the final budget document will be the Commission's official Program of Services for the Hesperia Community Development Commission for Fiscal Year 2016-17.

**NOW THEREFORE**, BE IT RESOLVED BY THE HESPERIA COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HESPERIA AS FOLLOWS:

Section 1. In all respects, the facts as set forth in this resolution are true and correct.

Section 2. To accept, approve, and adopt the Fiscal Year 2016-17 budget as proposed and presented by staff and as adjusted by Commission direction, as the official budget document and Program of Services for the Hesperia Community Development Commission for Fiscal Year 2016-17, which includes: budget expenditures totaling \$652,981, with revenue of \$191,488, budgeted reserves of \$51,000, and transfers of \$410,493 for total resources of \$652,981.

Section 3. That the Commission approves the following position classification changes included in the 2016-17 Budget as follows:

Section 3a. That the Commission approves the new position classification title of Economic Development Manager, which is an Unclassified/At-Will Senior Management classification, non-represented, with the salary range of 44, as well as having an Employment Agreement and Auto Allowance of \$400 per month.

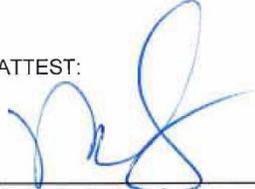
Section 4. That the Commission and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2016-17 Budget and consistent with the policy adopted by the Commissioners.

Section 5. That the Secretary of the Commission shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016.

  
\_\_\_\_\_  
Bill Holland, Chairman

ATTEST:

  
\_\_\_\_\_  
Melinda Sayre, Secretary

SUPPLEMENTAL INFORMATION SECTION

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )  
CITY OF HESPERIA )

I, Melinda Sayre, City Clerk of the City of Hesperia, California, do hereby certify that Resolution No. CDC 2016-05 was duly adopted by the Hesperia Community Development Commission of the City of Hesperia, California at a Regular Meeting thereof held on the 21<sup>st</sup> day of June, 2016 by the following vote to wit:

AYES: Russ, Holland, and Blewett  
NOES: None  
ABSTAIN: None  
ABSENT: Leonard, Schmidt

Melinda Sayre, City Clerk



I, \_\_\_\_\_, City Clerk of the City of Hesperia, California, do hereby certify that the foregoing Resolution No. CDC 2016-05 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Melinda Sayre, City Clerk



SUPPLEMENTAL INFORMATION SECTION

RESOLUTION HFPD 2016-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT, CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2016-17 BUDGET**

**WHEREAS**, the Executive Director has prepared the proposed operating budget for Fiscal Year 2016-17 for the Hesperia Fire Protection District; and

**WHEREAS**, the Board of Directors has received the Fiscal Year 2016-17 proposed budget and held a public workshop concerning its adoption; and

**WHEREAS**, the final budget document will be the District's official Program of Services for the Hesperia Fire Protection District for Fiscal Year 2016-17.

**NOW THEREFORE**, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT AS FOLLOWS:

Section 1. In all respects, the facts as set forth in this resolution are true and correct.

Section 2. To accept, approve and adopt the Fiscal Year 2016-17 budget as proposed and presented by staff and as adjusted by Board direction, as the official budget document and Program of Services for the Hesperia Fire Protection District for Fiscal Year 2016-17 which includes: appropriated expenditures for the Fire District Operating Fund totaling \$10,433,516 and total resources (estimated revenue) of \$10,587,933; and also, appropriated expenditures for the Fire District Capital Fund totaling \$344,000 and total resources (estimated revenue) of \$828,348. The combined Fire District appropriated expenditures total \$10,777,516, while combined total resources (estimated revenue) totals \$11,416,281.

Section 3. That the Executive Director and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2016-17 Budget and consistent with the policy adopted by the District's Board of Directors.

Section 4. That the Secretary of the Board of Directors shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016.

  
\_\_\_\_\_  
Bill Holland, Chair

ATTEST:  
  
\_\_\_\_\_  
Melinda Sayre, Secretary

SUPPLEMENTAL INFORMATION SECTION

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )  
CITY OF HESPERIA )

I, Melinda Sayre, Secretary of the Hesperia Fire Protection District, Hesperia, California, do hereby certify that Resolution No. HFPD 2016-07 was duly adopted by the Board members of the Hesperia Fire Protection District, Hesperia, California at a Regular Meeting thereof held on the 21<sup>st</sup> day of June, 2016 by the following vote to wit:

AYES: Holland, Russ, and Blewett

NOES: None

ABSTAIN: None

ABSENT: Leonard, Schmidt

Melinda Sayre, Board Secretary



I, \_\_\_\_\_, Secretary of the Hesperia Fire Protection District, Hesperia, California, do hereby certify that the foregoing Resolution No. HFPD 2016-07 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Melinda Sayre, Board Secretary



SUPPLEMENTAL INFORMATION SECTION

RESOLUTION HFPD 2016-08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT, HESPERIA, CALIFORNIA, APPROVING THE FISCAL YEAR 2016-17 ARTICLE XIII B LIMIT (GANN APPROPRIATIONS LIMITATION)**

**WHEREAS**, Article XIII B of the California Constitution (Proposition 4) was passed by voters in 1979; and

**WHEREAS**, Article XIII B sets a limit on the annual spending or appropriations levels of the state, local governments, and schools according to changes in inflation and population, the base year levels being set in Fiscal Year 1978-79; and

**WHEREAS**, said limit is known as the Gann Appropriations Limitation and must be adopted annually by the governing body of each jurisdiction; and

**WHEREAS**, said annual limitation is established by multiplying either the increase of the jurisdictional change in per capita income or assessed valuation, whichever is greater, by the change in population; and multiplying the resulting figure by the previous fiscal year's limitation; and

**WHEREAS**, said limitation has been properly adjusted for the Hesperia Fire Protection District fiscal year, including Fiscal Year 2016-17, by the Management Services Department according to the State's formula as shown in Attachment 1; and

**WHEREAS**, it is required that each jurisdiction's governing body adopt their adjusted Gann Appropriations Limitation on an annual fiscal year basis.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HESPERIA FIRE PROTECTION DISTRICT AS FOLLOWS:**

Section 1. In all respects, the facts as set forth in this resolution are true and correct.

Section 2. Approves the annual Fiscal Year 2016-17 Article XIII B Limit (Gann Appropriations Limitation) of \$18,957,905 for the Hesperia Fire Protection District.

Section 3. That the Board Secretary shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016.

  
\_\_\_\_\_  
Bill Holland, Chair

ATTEST:  
  
\_\_\_\_\_  
Melinda Sayre, Secretary

SUPPLEMENTAL INFORMATION SECTION

**CITY OF HESPERIA AND HESPERIA FIRE DISTRICT  
SCHEDULE OF ANNUAL APPROPRIATIONS (GANN LIMITS)  
FISCAL YEARS 1989/90 through 2016/17**

Fiscal Year	Change In			City Balance	City Gann Limit	Fire District Balance	Fire District Gann Limit	Total Gann
	Factor 1 Population	Factor 2 Per Capita Income	Calculation of Factor					
1988/90				\$12,000,000	\$12,000,000	\$2,937,542	\$2,937,542	\$15,535,142
1989/90	0.0000	0.0498	1.0498	12,597,600	12,597,600	3,229,581	3,229,581	17,079,584
1990/91	1.0550	1.0421	1.099416	13,850,003	13,850,003	3,229,581	3,229,581	19,983,950
1991/92	1.0829	1.080477	1.170049	16,205,182	16,205,182	4,292,775	4,292,775	22,702,267
1992/93	1.0525	1.079359	1.136025	18,409,492	18,409,492	4,292,775	4,292,775	27,149,936
1993/94	1.0392	1.150802	1.195913	22,016,151	22,016,151	5,133,785	5,133,785	31,065,717
1994/95	1.0177	1.124327	1.144228	25,191,496	25,191,496	5,874,221	5,874,221	31,661,713
1995/96	1.0120	1.0071	1.019185	25,674,795	25,674,795	5,986,918	5,986,918	33,577,753
1996/97	1.0132	1.0467	1.060516	27,228,531	27,228,531	6,349,222	6,349,222	35,293,442
1997/98	1.0042	1.0467	1.051096	28,619,800	28,619,800	6,673,642	6,673,642	37,423,437
1998/99	1.0181	1.0415	1.060351	30,347,034	30,347,034	7,076,403	7,076,403	39,658,552
1999/00	1.0138	1.0453	1.059725	32,159,511	32,159,511	7,499,041	7,499,041	42,475,340
2000/01	1.0209	1.0491	1.071026	34,443,672	34,443,672	8,031,668	8,031,668	46,662,474
2001/02	1.0189	1.0782	1.098578	37,839,060	37,839,060	8,823,414	8,823,414	47,387,468
2002/03	1.0286	0.9873	1.015537	38,426,965	38,426,965	8,960,503	8,960,503	50,237,161
2003/04	1.0362	1.0231	1.060136	40,737,809	40,737,809	9,499,352	9,499,352	53,488,209
2004/05	1.0309	1.0328	1.064714	43,374,116	43,374,116	10,114,093	10,114,093	60,574,968
2005/06	1.0759	1.0526	1.132492	49,120,839	49,120,839	11,454,129	11,454,129	66,248,359
2006/07	1.0520	1.0396	1.093659	53,721,448	53,721,448	12,526,911	12,526,911	74,053,476
2007/08	1.0705	1.0442	1.117816	60,050,694	60,050,694	14,002,782	14,002,782	79,130,212
2008/09	1.0246	1.0429	1.068555	64,167,469	64,167,469	15,215,105	15,215,105	80,464,823
2009/10	1.0106	1.0062	1.016866	65,249,718	65,249,718	15,376,142	15,376,142	81,316,463
2010/11	1.0050	0.9746	0.979473	63,910,337	63,910,337	16,064,317	16,064,317	84,955,863
2011/12	1.0065	1.0251	1.031763	68,891,546	68,891,546	16,989,814	16,989,814	89,850,340
2012/13	1.0068	1.0377	1.044756	72,860,526	72,860,526	17,033,801	17,033,801	90,082,963
2013/14	1.0061	1.0512	1.057612	73,049,162	73,049,162	17,831,272	17,831,272	94,300,377
2014/15	1.0049	0.9977	1.002589	76,469,105	76,469,105	18,957,905	18,957,905	100,258,557
2015/16	1.0083	1.0382	1.046817	81,300,652	81,300,652			
2016/17	1.0090	1.0537	1.063183					

SUPPLEMENTAL INFORMATION SECTION

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )  
CITY OF HESPERIA )

I, Melinda Sayre, Secretary of the Hesperia Fire Protection District, Hesperia, California, do hereby certify that Resolution No. HFPD 2016-08 was duly adopted by the Board members of the Hesperia Fire Protection District, Hesperia, California at a Regular Meeting thereof held on the 21<sup>st</sup> day of June, 2016 by the following vote to wit:

- AYES: Holland, Russ, and Blewett
- NOES: None
- ABSTAIN: None
- ABSENT: Leonard, Schmidt

Melinda Sayre, Board Secretary



I, \_\_\_\_\_, Secretary of the Hesperia Fire Protection District, Hesperia, California, do hereby certify that the foregoing Resolution No. HFPD 2016-08 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Melinda Sayre, Board Secretary



## SUPPLEMENTAL INFORMATION SECTION

### RESOLUTION HWD 2016-10

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT, CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2016-17 BUDGET**

**WHEREAS**, the General Manager has prepared the proposed operating and capital budget for Fiscal Year 2016-17 for the Hesperia Water District; and

**WHEREAS**, the Board of Directors has received the Fiscal Year 2016-17 proposed budget and held a public workshop concerning its adoption; and

**WHEREAS**, the final budget document will be the District's official Program of Services for the Hesperia Water District for Fiscal Year 2016-17.

**NOW THEREFORE**, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT AS FOLLOWS:

Section 1. In all respects, the facts as set forth in this resolution are true and correct.

Section 2. To accept, approve, and adopt the Fiscal Year 2016-17 budget as proposed and presented by staff and as adjusted by Board direction, as the official budget document and Program of Services for the Hesperia Water District for Fiscal Year 2016-17 which includes: water expenditures of \$27,126,718, and water revenues and budgeted reserves or total resources totaling \$26,826,316, and also sewer expenditures of \$3,700,424, and sewer revenue and budgeted reserves or total resources totaling \$4,003,753, for combined estimated District resources of \$30,830,069 and appropriated expenditures of \$30,827,142.

Section 3. That the Board of Directors approves the following position classification changes included in the 2016-17 Budget as follows:

Section 3a. That the Board of Directors approves the reclassification of the Community Relations and Media Coordinator position (range 37) to the Assistant to the City Manager position, which is in the Management classification and is non-represented with the salary range of 43.

Section 3b. That the Board of Directors approves the reclassification of the Public Works Supervisor position (range 38) to a Public Works Manager position (Range 43) which is in Management classification and is a non-represented position.

Section 3c. That the Board of Directors approves the increase in the salary range for the Public Works Supervisor position from range 38 to range 40 in the professional/supervisory classification.

Section 4. That the General Manager and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2016-17 Budget and consistent with the policy adopted by the District's Board of Directors.

Section 5. That the Secretary of the Board of Directors shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

SUPPLEMENTAL INFORMATION SECTION

Resolution HWD 2016-10  
Page 2

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of June 2016.

  
\_\_\_\_\_  
Bill Holland, Chair

ATTEST:

  
\_\_\_\_\_  
Melinda Sayre, Secretary

SUPPLEMENTAL INFORMATION SECTION

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )  
CITY OF HESPERIA )

I, Melinda Sayre, City Clerk of the Hesperia Water District, Hesperia, California, do hereby certify that Resolution No. HWD 2016-10 was duly adopted by the Board members of the Hesperia Water District, Hesperia, California at a Regular Meeting thereof held on the 21<sup>st</sup> day of June, 2016 by the following vote to wit:

AYES: Russ, Holland, and Blewett  
NOES: None  
ABSTAIN: None  
ABSENT: Leonard, Schmidt

Melinda Sayre, City Clerk



I, \_\_\_\_\_, Secretary of the Hesperia Water District, Hesperia, California, do hereby certify that the foregoing Resolution No. HWD 2016-10 is a full, true and correct copy of that now in file in this office.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Hesperia, California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Melinda Sayre, City Clerk



**SUPPLEMENTAL INFORMATION SECTION**

**City of Hesperia**

**Total Indirect Cost Allocation for Fiscal Year 2016-17**

Fund	Department	Central Service Departments							Allocation Percentage	Total Allocation
		City Council	City Attorney	City Manager	Finance	Human Resources/ Risk Mgmt	Information Technology	Public Works - Building Maintenance		
	Operating Departments									
100	Police	\$ 5,556	\$ 20,187	\$ 30,226	\$ 291,986	\$ 21,424	\$ 80,395	\$ 246,467	10.43%	\$ 696,241
200	Fire District	2,694	8,051	14,727	207,617	8,545	25,427	10,620	4.16%	277,681
100	Planning	8,084	6,108	43,040	28,740	54,169	48,410	22,108	3.15%	210,659
100	Building and Safety	8,326	8,714	44,107	45,201	61,258	110,720	22,219	4.50%	300,545
100	Code Compliance	22,427	21,943	118,383	147,694	175,377	164,982	106,026	11.33%	756,832
100	Public Works (PW) - Engineering	25,749	23,546	135,927	172,647	200,477	207,483	46,276	12.16%	812,105
263	PW - Street Maintenance	6,790	9,905	36,451	75,114	37,852	147,761	27,750	5.12%	341,623
700	Water Operations	67,400	93,481	356,195	718,741	516,261	434,225	420,495	39.03%	2,606,798
710	Sewer Operations	4,954	5,692	26,133	69,367	39,104	42,938	8,142	2.94%	196,330
170 & 370	CDC & HHA	6,960	44,683	23,099	71,246	20,528	88,482	29,831	4.27%	284,829
251	CDBG	5,354	7,714	27,552	85,732	38,730	21,969	7,439	2.91%	194,490
<b>Total</b>		<b>\$ 164,294</b>	<b>\$ 250,024</b>	<b>\$ 855,840</b>	<b>\$ 1,914,085</b>	<b>\$ 1,173,725</b>	<b>\$ 1,372,792</b>	<b>\$ 947,373</b>	<b>100.00%</b>	<b>\$ 6,678,133</b>

The cost allocation plan has seven (7) central service departments identified, which are funded by the General Fund. The central service departments are the City Council, City Attorney, City Manager, Finance, Human Resources/Risk Management, Information Technology, and Public Works - Building Maintenance. The cost allocation plan serves to identify the costs that are related to the rendering of general and administrative services and allocate those costs to programs that received the services in a fair and equitable manner. These programs are identified as the operating departments.

Staff has elected to only charge Water Operations and Sewer Operations for general and administrative services that are rendered by the central service departments. Due to the amount identified by the cost allocation, staff has elected to partial charge Water Operations. The following chart identifies the amounts of the cost allocation that were included in the FY 2016-17 Budget.

**Indirect Cost Allocation to be Charged During FY 2016-17**

Water Operating (Management Determination)	\$	1,800,000
Sewer Operating		196,330
<b>Total to Transferred to the General Fund</b>	<b>\$</b>	<b>1,996,330</b>

G&A Expense (7890)	
700-29-400-4070-7890	\$ 1,800,000
710-29-420-4200-7890	196,330
	<b>\$ 1,996,330</b>

G&A Recovery (5820)	
100-19-220-0000-5820	\$ 1,996,330
	<b>\$ 1,996,330</b>

## SUPPLEMENTAL INFORMATION SECTION

### LONG-RANGE FINANCIAL PLANS

#### Revenue

A multi-year forecast is useful to begin the planning process for the next budget cycle. The multi-year forecast includes the current adopted budget and two additional fiscal years and is generated for the major operating funds, which for the FY 2016-17 Budget are the General Fund, Water Operating, Sewer Operating, Fire District, and finally, Streets Maintenance.

#### General Fund Assumptions for 2017-18 and 2018-19 Budget Estimates:

The General Fund has Sales and Use Tax as its largest revenue source followed by VLF Swap and then Franchise Fees. Other revenues include Leased Water Rights, Development Related, Transient Occupancy Tax, and Property Tax.

- For the two-year period Sales and Use Tax revenue is forecasted to increase by 3.0% each year.
- For the VLF Swap two-year period forecasts a 4.5% increase each year.
- The Franchise Fees are forecasted to increase 5.0% for the two-year period.
- Leased Water Rights is forecasted to increase 9.0% for each of the two-year period.
- Development Related revenues is forecasted to increase 3.0% in FY 2017-18 and 2.0% in FY 2018-19.
- Transient Occupancy Tax revenue is forecasted to show no increases or decreases for the two-year period.
- Property Tax is forecasted to increase 4.5% for each of the two years.
- All Other revenues are expected to remain flat for the two-year period.

Approximately 49.5% of the FY 2016-17 General Fund expenditure budget is allocated to Police Contractual, as the San Bernardino County Sheriff's Department provides law enforcement services to the City. The following are the assumptions for the projected FY 2017-18 and FY 2018-19 expenditure budgets.

- The Salary classification is anticipated to increase by 2.5% due to merit step increases for FY 2017-18 and FY 2018-19. The Benefits classification is expected to increase by 5% each fiscal year due to rate increases from the California Public Employees' Retirement System (CalPERS).
- It is assumed that Materials & Operations will increase 2% for FY 2017-18 and 3% for FY 2018-19, which takes into account the annual increase to cost of goods and services.
- It is assumed that contractual related expenditures will remain flat.
- As mentioned, the largest General Fund expenditure is the law enforcement contract. It assumed that the contract will increase by 5% during FY 2017-18 and an additional 3% for FY 2018-19.
- There are no large General Fund Capital Improvement Program (CIP) planned in the immediate future.
- As an effort to replace the City's aging fleet, it is assumed that vehicle replacement will cost \$150,000 for FY 2017-18 and FY 2018-19. In addition, it is assumed that \$200,000 will be allocated to equipment replacement for the next two fiscal years.

**SUPPLEMENTAL INFORMATION SECTION**

**LONG-RANGE FINANCIAL PLANS (Continued)**

General Fund	2013-14	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Budget	Revised	Budget	Budget	Budget
<b>Resources</b>							
Revenue							
Sales and Use Tax	\$ 6,357,224	\$ 6,395,850	\$ 7,582,030	\$ 8,124,485	\$ 8,321,000	\$ 8,612,235	\$ 8,913,663
Sales Tax Triple Flip	2,178,866	2,103,152	1,029,970	581,515	0	0	0
VLF Swap Triple Flip	6,194,705	6,534,189	6,926,240	7,044,997	7,467,696	7,841,081	8,154,724
Secured Property Tax	577,223	588,955	633,430	569,598	601,335	631,402	656,658
Transient Occupancy Tax	1,040,271	1,163,434	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Franchise Fees	2,994,590	3,196,630	3,190,000	3,245,104	3,475,439	3,649,211	3,831,671
Leased Water Rights	1,440,522	1,508,026	1,631,512	1,631,512	1,932,554	2,106,484	2,296,067
Development Related Revenues	1,255,713	1,348,816	1,389,454	1,509,721	1,560,001	1,606,801	1,638,937
All Other General Fund Revenues	3,134,981	2,560,248	1,872,717	2,294,683	2,129,748	2,129,748	2,129,748
<b>Total Revenue</b>	<b>25,174,095</b>	<b>25,399,300</b>	<b>25,455,353</b>	<b>26,201,615</b>	<b>26,687,773</b>	<b>27,776,961</b>	<b>28,821,469</b>
Budgeted Reserves	0	0	2,260,089	1,863,400	3,737,265	500,000	500,000
Net Transfers	640,097	642,500	(105,835)	(347,459)	(509,688)	(100,000)	(100,000)
<b>Total Resources</b>	<b>25,814,192</b>	<b>26,041,800</b>	<b>27,609,607</b>	<b>27,717,556</b>	<b>29,915,350</b>	<b>28,176,961</b>	<b>29,221,469</b>
<b>Expenditures:</b>							
Salaries and Benefits	7,327,445	7,093,082	7,243,526	6,984,818	7,699,305	7,946,000	8,201,000
Materials and Other Operating	1,679,161	1,633,291	1,781,243	1,892,818	1,933,106	1,972,000	2,031,000
Contractual	3,139,553	2,966,757	2,965,078	2,738,929	3,904,453	2,600,000	2,600,000
Police Contractual	12,537,834	13,154,934	14,377,940	14,377,940	14,782,603	15,522,000	15,988,000
Capital Improvement Plan (CIP)	0	68,956	665,500	386,992	535,500	0	0
Capital Outlay	1,151,814	3,127,739	489,700	323,005	1,020,542	350,000	350,000
Debt Service	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>25,835,807</b>	<b>28,044,759</b>	<b>27,522,987</b>	<b>26,704,502</b>	<b>29,875,509</b>	<b>28,390,000</b>	<b>29,170,000</b>
<b>Difference Total Resources and Expenditures and Transfers Out</b>	<b>\$ (21,615)</b>	<b>\$ (2,002,959)</b>	<b>\$ 86,620</b>	<b>\$ 1,013,054</b>	<b>\$ 39,841</b>	<b>\$ (213,039)</b>	<b>\$ 51,469</b>
<b>Fund Balance</b>							
July 1st Beginning Balance	\$ 12,887,884	\$ 12,851,103	\$ 9,939,339	\$ 10,847,900	\$ 9,997,554	\$ 6,300,130	\$ 5,587,091
Budgeted Reserves	0	0	(2,260,089)	(1,863,400)	(3,737,265)	(500,000)	(500,000)
Adjustments	(15,166)	(243)	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(21,615)	(2,002,959)	86,620	1,013,054	39,841	(213,039)	51,469
<b>June 30th Ending Balance</b>	<b>\$ 12,851,103</b>	<b>\$ 10,847,900</b>	<b>\$ 7,765,870</b>	<b>\$ 9,997,554</b>	<b>\$ 6,300,130</b>	<b>\$ 5,587,091</b>	<b>\$ 5,138,560</b>

## SUPPLEMENTAL INFORMATION SECTION

### LONG-RANGE FINANCIAL PLANS (Continued)

#### Water Operating Assumptions:

The Water Operating fund is one of four funds that comprise the Hesperia Water District. The major revenues for the Water Operating fund are Water Sales, which is followed by Water Availability Charge.

- Water Sales revenue is forecasted to increase by 4.0% in FY 2017-18 and 5.0% in FY 2018-19 as new customers connect to the system.
- Water Availability Charge revenue is forecasted to increase by 1.0% for each of the two-year period.
- Property Tax revenue is forecasted to increase 4.5% for both years.
- All Other Water revenues are forecasted to be flat for the two-year period.

The two largest expenditures for the Water Operating fund is electricity used to pump ground water and the leasing of makeup water rights. The following are the assumptions for the projected FY 2017-18 and FY 2018-19 budgets.

- Consistent with the General Fund projections, the Salary classification is anticipated to increase by 2.5% due to merit step increases for FY 2017-18 and FY 2018-19; while the Benefits classification is expected to increase by 5% each fiscal year due to rate increases from the California Public Employees' Retirement System (CalPERS).
- It is assumed that Materials & Operations will increase 2% for FY 2017-18 and 3% for FY 2018-19.
- It is anticipated that the water makeup obligation will remain flat for FY 2017-18 and increase by 2% during FY 2018-19, which is due to anticipated development. It should be noted that there is a timing lag for water makeup leases. This is due to the water year closing after the fiscal year. For example, the FY 2016-17 Budget includes \$2,094,583 of water makeup leases, which was for water production activity that occurred during FY 2014-15. For a better understanding of water makeup lease, refer to Section F – Department & Program Expenditures, page F-92.
- Electricity is assumed to increase by 4% for FY 2017-18, due to general rate increases. The FY 2018-19 increase of 6% is due to increased water production, along with general rate increases. Contrary to water makeup expenditures, there is no timing lag for electricity expenses, as it is paid with the expense is incurred.
- Contractual expenditures are anticipated to remain flat.
- As an effort to replace the Water Districts aging fleet, it is assumed that \$300,000 will be allocated to the replacement vehicles and equipment for FY 2017-18 and FY 2018-19.
- The projection for Debt Service is based on the debt service schedule for long-term (bonds) debt.

**SUPPLEMENTAL INFORMATION SECTION**

**LONG-RANGE FINANCIAL PLANS (Continued)**

	2013-14	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Budget	Revised	Budget	Budget	Budget
<b>Water Operations</b>							
<b>Resources</b>							
Revenue							
Water Sales	\$ 9,163,098	\$ 8,608,965	\$ 7,965,900	\$ 7,098,029	\$ 7,396,840	\$ 7,692,714	\$ 8,077,349
Water Availability Charge	6,542,963	6,620,441	6,700,000	6,657,352	6,723,926	6,791,165	6,859,077
Property Tax	263,813	271,408	297,588	280,743	297,588	312,467	324,966
All Other Operating	972,099	917,239	822,438	1,067,970	1,085,131	1,085,131	1,085,131
<b>Total Revenue</b>	<b>16,941,973</b>	<b>16,418,053</b>	<b>15,785,926</b>	<b>15,104,094</b>	<b>15,503,485</b>	<b>15,881,477</b>	<b>16,346,523</b>
Budgeted Reserves	0	0	708,529	733,000	907,831	600,000	600,000
<b>Total Resources</b>	<b>16,941,973</b>	<b>16,418,053</b>	<b>16,494,455</b>	<b>15,837,094</b>	<b>16,411,316</b>	<b>16,481,477</b>	<b>16,946,523</b>
<b>Expenditures:</b>							
Salaries and Benefits	5,345,633	5,385,955	5,346,793	5,001,265	5,251,543	5,419,000	5,594,000
Materials and Other Operating	3,735,104	3,370,524	4,008,153	3,765,585	4,056,207	4,137,000	4,261,000
Leased Water Rights	2,788,362	1,996,996	2,017,609	1,925,609	2,094,583	2,095,000	2,137,000
Electricity	2,168,715	2,386,887	1,962,000	2,014,000	2,050,000	2,132,000	2,260,000
Contractual	917,851	796,148	1,052,764	946,975	1,035,126	1,035,000	1,035,000
Capital Outlay	168,800	176,596	159,500	236,435	300,000	300,000	300,000
Debt Service	3,060,627	2,947,767	1,812,810	1,774,000	1,763,470	1,243,632	1,277,435
<b>Total Expenditures</b>	<b>18,185,092</b>	<b>17,060,873</b>	<b>16,359,629</b>	<b>15,663,869</b>	<b>16,550,929</b>	<b>16,361,632</b>	<b>16,864,435</b>
<b>Difference Total Resources and Expenditures and Transfers Out</b>	<b>\$ (1,243,119)</b>	<b>\$ (642,820)</b>	<b>\$ 134,826</b>	<b>\$ 173,225</b>	<b>\$ (139,613)</b>	<b>\$ 119,845</b>	<b>\$ 82,088</b>
<b>Fund Balance</b>							
July 1st Beginning Balance	\$ 72,885,912	\$ 83,964,708	\$ 83,320,998	\$ 80,274,082	\$ 79,714,307	\$ 78,666,863	\$ 78,186,708
Prior Period Adjustment	11,729,460	0	0	0	0	0	0
Budgeted Reserves	0	0	(708,529)	(733,000)	(907,831)	(600,000)	(600,000)
Budgetary Basis Adjustments	592,455	(3,047,806)	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(1,243,119)	(642,820)	134,826	173,225	(139,613)	119,845	82,088
<b>June 30th Ending Balance</b>	<b>\$ 83,964,708</b>	<b>\$ 80,274,082</b>	<b>\$ 82,747,295</b>	<b>\$ 79,714,307</b>	<b>\$ 78,666,863</b>	<b>\$ 78,186,708</b>	<b>\$ 77,668,797</b>

## SUPPLEMENTAL INFORMATION SECTION

### LONG-RANGE FINANCIAL PLANS (Continued)

#### Sewer Operating Assumptions:

The Sewer Operating fund collects charges for the sewer system in the City of Hesperia.

- Sewer Billing revenue is forecasted to grow by 1.0% each year of the two-year period.
- All Other Sewer revenue is forecasted to be flat for the two-year period.

Waste Treatment Fees, are paid to the Victor Valley Wastewater Reclamation Authority (VWVRA) and is the single largest expenditure for the Sewer Operating Fund.

- Consistent with the other major operating funds, the Salary classification is anticipated to increase by 2.5% due to merit step increases for FY 2017-18 and FY 2018-19; while the Benefits classification is expected to increase by 5% each fiscal year due to rate increases from the California Public Employees' Retirement System (CalPERS).
- It is assumed that Materials & Operations will increase 2% for FY 2017-18 and 3% for FY 2018-19.
- For FY 2017-18, the VWVRA Wastewater Treatment Fees is assumed to increase by 7% or \$3,503 per MG for FY 2017-18. It should be noted that this is the final year of the approved rate increase. For FY 2018-19, treatment fees are expected to be very similar to FY 2017-18 fees.
- There are no anticipated increases to the Contractual classification.
- As an effort to replace the Water Districts aging fleet, it is assumed that \$200,000 will be allocated to the replacement vehicles and equipment for FY 2017-18. With the majority of the vehicles and equipment replaced, there is no anticipation of a Capital Outlay budget for FY 2018-19.

SUPPLEMENTAL INFORMATION SECTION

LONG-RANGE FINANCIAL PLANS (Continued)

	2013-14	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Budget	Revised	Budget	Budget	Budget
Sewer Operations							
Resources							
Revenue							
Sewer Billing	\$ 3,352,554	\$ 3,412,190	\$ 3,450,000	\$ 3,400,000	\$ 3,422,438	\$ 3,456,662	\$ 3,491,229
All Other Operating	78,331	80,788	80,215	82,815	82,215	82,215	82,215
Total Revenue	3,430,885	3,492,978	3,530,215	3,482,815	3,504,653	3,538,877	3,573,444
Budgeted Reserves	0	0	20,000	16,744	214,000	200,000	0
Total Resources	3,430,885	3,492,978	3,550,215	3,499,559	3,718,653	3,738,877	3,573,444
Expenditures:							
Salaries and Benefits	341,830	334,604	374,645	346,837	394,907	408,000	421,000
Materials and Other Operating	451,623	410,135	445,455	442,872	472,217	482,000	496,000
Waste Treatment Fees	1,878,360	1,913,759	2,292,000	2,292,000	2,367,000	2,532,000	2,532,000
Contractual	39,002	43,785	52,300	52,300	52,300	50,000	50,000
Capital Outlay	1,750	188,136	20,000	16,744	214,000	200,000	0
Debt Service	0	0	0	0	0	0	0
Total Expenditures	\$ 2,712,565	\$ 2,890,419	\$ 3,184,400	\$ 3,150,753	\$ 3,500,424	\$ 3,672,000	\$ 3,499,000
Difference Total Resources and Expenditures and Transfers Out	\$ 718,320	\$ 602,559	\$ 365,815	\$ 348,806	\$ 218,229	\$ 66,877	\$ 74,444
Fund Balance							
July 1st Beginning Balance	\$ 13,356,485	\$ 13,842,736	\$ 14,235,993	\$ 14,221,991	\$ 14,554,053	\$ 14,558,282	\$ 14,425,159
Budgeted Reserves	0	0	(20,000)	(16,744)	(214,000)	(200,000)	0
Adjustments	(232,069)	(223,304)	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	718,320	602,559	365,815	348,806	218,229	66,877	74,444
June 30th Ending Balance	\$ 13,842,736	\$ 14,221,991	\$ 14,581,808	\$ 14,554,053	\$ 14,558,282	\$ 14,425,159	\$ 14,499,603

## SUPPLEMENTAL INFORMATION SECTION

### LONG-RANGE FINANCIAL PLANS (Continued)

#### Fire District Assumptions:

The Hesperia Fire Protection District has Property Tax as its major revenue source followed by Paramedic Ambulance Fees then Redevelopment Pass-Through revenue.

- Property Tax revenue is forecasted to grow by 5% for FY 2017-18 and 4% for FY 2018-19.
- Paramedic Ambulance Fee revenue is forecasted to be flat for the two-year period.
- The Redevelopment Pass Through revenue is forecasted to increase by 5% for FY 2017-18, while FY 2018-19 is expected to increase by 4% for FY 2018-19.
- Pass Through Capital or Equipment is projected to increase by 5% for 2017-18 and by 4% for FY 2018-19.
- CFD 94-1 is forecasted to grow 2.0% for each of the two-year period.
- CFD 2005-1 is forecasted to increase 2.0% for the two-year period.
- All Other revenues are forecasted to stay flat for the two-year period.

The primary expenditure of the Fire District is the contract with the San Bernardino County Fire Department for fire and ambulance services. This contract accounts for 94% of the District's operating budget.

- The Benefits 2016-17 budget is based on the projected unfunded pension liability costs provided by California Public Employees' Retirement System (CalPERS). The FY 2017-18 and FY 2018-19 estimates are based on more up to date information about CalPERS investment earnings.
- It is assumed that Materials & Operations will remain flat at \$45,000 for each projected fiscal year.
- It is assumed contractual will remain flat at \$200,000 for FY 2017-18 and FY 2018-19.
- The projections assume a 3% increase for fire contractual, which covers the fire protection services provided by the San Bernardino County Fire Department. There are no planned staffing increases for the next two fiscal years.
- There is no anticipated capital outlay planned for the next two fiscal years.

**SUPPLEMENTAL INFORMATION SECTION**

**LONG-RANGE FINANCIAL PLANS (Continued)**

	2013-14	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Budget	Revised	Budget	Budget	Budget
<b>Fire District</b>							
<b>Resources</b>							
Revenue							
Secured Property Tax	\$ 3,952,319	\$ 3,909,852	\$ 4,204,291	\$ 4,144,443	\$ 4,393,110	\$ 4,612,766	\$ 4,797,276
Paramedic Ambulance Fees	2,289,233	2,615,055	2,500,000	2,400,000	2,500,000	2,500,000	2,500,000
Redevelopment Pass Through	1,867,920	1,382,366	1,452,473	1,579,078	1,627,387	1,708,756	1,777,107
Pass Through Capital & Equipment	560,709	625,061	662,327	762,018	807,739	848,126	882,051
CFD 94-1	565,812	567,094	563,191	569,706	592,190	604,034	616,114
CFD 2005-1	326,850	214,143	218,426	218,426	222,795	227,251	231,796
All Other Revenues	1,412,470	1,697,533	1,069,306	956,010	1,273,060	932,673	898,748
<b>Total Revenue</b>	<b>10,975,313</b>	<b>11,011,104</b>	<b>10,670,014</b>	<b>10,629,681</b>	<b>11,416,281</b>	<b>11,433,606</b>	<b>11,703,092</b>
Budgeted Reserves	0	0	0	234,848	0	0	0
<b>Total Resources</b>	<b>10,975,313</b>	<b>11,011,104</b>	<b>10,670,014</b>	<b>10,864,529</b>	<b>11,416,281</b>	<b>11,433,606</b>	<b>11,703,092</b>
<b>Expenditures:</b>							
Benefits	91,526	246,542	316,648	305,456	379,119	466,239	584,470
Materials and Other Operating	38,955	38,469	45,458	15,858	44,825	45,000	45,000
Contractual	304,532	207,716	202,619	209,628	200,586	200,000	200,000
Fire Contractual	8,897,812	9,518,810	9,419,396	9,545,062	9,808,986	10,103,000	10,608,000
SAFER Grant	969,350	1,037,463	0	0	0	0	0
Capital Outlay	62,551	413,049	129,000	552,443	344,000	0	0
Debt Service	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 10,364,726</b>	<b>\$ 11,462,049</b>	<b>\$ 10,113,121</b>	<b>\$ 10,628,447</b>	<b>\$ 10,777,516</b>	<b>\$ 10,814,239</b>	<b>\$ 11,437,470</b>
<b>Difference Total Resources and Expenditures and Transfers Out</b>	<b>\$ 610,587</b>	<b>\$ (450,945)</b>	<b>\$ 556,893</b>	<b>\$ 236,082</b>	<b>\$ 638,765</b>	<b>\$ 619,367</b>	<b>\$ 265,622</b>
<b>Fund Balance</b>							
July 1st Beginning Balance	\$ 5,786,565	\$ 6,397,153	\$ 5,966,636	\$ 5,930,913	\$ 5,932,147	\$ 6,570,912	\$ 7,190,278
Budgeted Reserves	0	0	0	(234,848)	0	0	0
Adjustments	1	(15,295)	0	0	0	0	0
<b>Difference Total Resources and Expenditures and Transfers Out</b>	<b>610,587</b>	<b>(450,945)</b>	<b>556,893</b>	<b>236,082</b>	<b>638,765</b>	<b>619,367</b>	<b>265,622</b>
<b>June 30th Ending Balance</b>	<b>\$ 6,397,153</b>	<b>\$ 5,930,913</b>	<b>\$ 6,523,529</b>	<b>\$ 5,932,147</b>	<b>\$ 6,570,912</b>	<b>\$ 7,190,278</b>	<b>\$ 7,455,900</b>

## SUPPLEMENTAL INFORMATION SECTION

### LONG-RANGE FINANCIAL PLANS (Continued)

#### Streets Maintenance Assumptions:

The Streets Maintenance fund collects very little revenue, rather it relies on transfers from the Measure I – Renewal, Gas Tax, Gas Tax Swap, and Local Transportation Fund (LTF).

The following are the assumptions for the Streets Maintenance fund expenditures.

- Anticipating staff merit step increases, the Salary classification is anticipated to increase by 2.5% for FY 2017-18 and FY 2018-19. In addition, anticipating further California Public Employees' Retirement System (CalPERS) rate increases, the Benefits classification is expected to increase by 5% each fiscal year.
- Consistent with the other major funds, Materials & Operations is anticipated to increase 2% for FY 2017-18 and 3% for FY 2018-19.
- There are no anticipated increases to the Contractual classification.
- As an effort to replace the aging fleet, it is assumed that \$200,000 will be allocated to the replacement vehicles and equipment for FY 2017-18 and FY 2018-19.

SUPPLEMENTAL INFORMATION SECTION

LONG-RANGE FINANCIAL PLANS (Continued)

	2013-14	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Budget	Revised	Budget	Budget	Budget
<b>Streets Maintenance</b>							
<b>Resources</b>							
Revenue	23,487	40,019	4,006	5,044	4,879	5,000	5,000
Budgeted Reserves	0	0	71,000	93,500	392,000	200,000	200,000
Net Transfers In	3,308,000	3,200,000	3,250,304	3,250,304	3,430,000	3,500,000	3,500,000
<b>Total Resources</b>	<b>3,331,487</b>	<b>3,240,019</b>	<b>3,325,310</b>	<b>3,348,848</b>	<b>3,826,879</b>	<b>3,705,000</b>	<b>3,705,000</b>
<b>Expenditures:</b>							
Salaries and Benefits	2,168,144	2,092,284	2,101,143	1,991,336	2,092,609	2,182,000	2,276,000
Materials and Other Operating	575,005	664,422	685,927	711,665	709,487	724,000	746,000
Contractual	348,710	385,210	467,240	438,347	489,300	440,000	440,000
Capital Outlay	47,458	155,856	71,000	71,840	392,000	200,000	200,000
Debt Service	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 3,139,317</b>	<b>\$ 3,297,772</b>	<b>\$ 3,325,310</b>	<b>\$ 3,213,188</b>	<b>\$ 3,683,396</b>	<b>\$ 3,546,000</b>	<b>\$ 3,662,000</b>
<b>Difference Total Resources and Expenditures and Transfers Out</b>	<b>\$ 192,170</b>	<b>\$ (57,753)</b>	<b>\$ 0</b>	<b>\$ 135,660</b>	<b>\$ 143,483</b>	<b>\$ 159,000</b>	<b>\$ 43,000</b>
<b>Fund Balance</b>							
July 1st Beginning Balance	\$ 347,732	\$ 539,903	\$ 438,200	\$ 482,150	\$ 524,310	\$ 275,793	\$ 234,793
Budgeted Reserves	0	0	(71,000)	(93,500)	(392,000)	(200,000)	(200,000)
Adjustments	1	0	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	192,170	(57,753)	0	135,660	143,483	159,000	43,000
<b>June 30th Ending Balance</b>	<b>\$ 539,903</b>	<b>\$ 482,150</b>	<b>\$ 367,200</b>	<b>\$ 524,310</b>	<b>\$ 275,793</b>	<b>\$ 234,793</b>	<b>\$ 77,793</b>

## SUPPLEMENTAL INFORMATION SECTION

### SIGNIFICANT ACCOUNTING POLICIES

#### DESCRIPTION OF FUNDS

##### Fund Accounting System

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The City maintains the following fund types and account groups:

##### Types of Funds

##### Governmental Fund Types

**General Fund** is the general operating fund of the City and accounts for all unrestricted financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

**Debt Service Funds** account for the accumulation of resources for and the payment of, interest and principal on general long-term and related costs.

**Capital Projects Funds** account for financial resources segregated for the acquisition of major capital projects facilities (other than those financed by proprietary funds types).

##### Proprietary Fund Types

**Enterprise Funds** account for operations in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

##### Fiduciary Fund Types

**Agency Funds** account for assets held by the City as trustee or agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets correspond with liabilities) and do not involve measurement of results of operations.

##### Account Groups

**General Fixed Assets Account Group** accounts for all City general fixed assets, other than those in the proprietary funds, of long-term character such as land, building and structures, and major equipment.

**General Long- Term Debt Account Group** accounts for the City's outstanding long-term liabilities that are expected to be paid from future revenues of the governmental funds.

## SUPPLEMENTAL INFORMATION SECTION

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement.

All governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

For governmental type funds, expenditures are generally recognized under the modified accrual basis accounting when the related fund liability is incurred; principal and interest on general long-term debt is recognized when due.

All proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable, expenses are recognized when they are incurred if measurable.

#### Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting practices (GAAP), except that, for budgeting purposes only, depreciation is not budgeted.

## SUPPLEMENTAL INFORMATION SECTION

### LIST OF ACRONYMS

The budget document includes acronyms and abbreviations. This list of acronyms is provided to assist the reader in identifying the organization, term, etc. meant by the acronym.

AB	Assembly Bill	HCRA	Hesperia Community Redevelopment Agency
ABC	Department of Alcoholic Beverage Control	HDGC	High Desert Government Center
ADA	American Disabilities Act	HHA	Hesperia Housing Authority
AF	Acre-Foot	HMMP	Habitat Mitigation & Monitoring Plan
ALS	Advanced Life Support	HOME	Home Investment Partnership Programs
APN	Assessor's Parcel Number	HRLP	Housing Rehabilitation Loan Program
AQMD	Air Quality Maintenance District	HUD	Department of Housing & Urban Development
ARRA	American Recovery and Reinvestment Act of 2009	HVAC	Heating, Ventilation, and Air Conditioning System
AS	Assessment District	IDIS	Integrated Disbursement and Information System
AWWA	American Water Works Association	IMD	Interstate Maintenance Discretionary
BNSF	Burlington Northern Santa Fe Corporation	IT	Information Technology Division (City)
CAFR	Comprehensive Annual Financial Report	JAG	Justice Assistance Grant
CAPER	Consolidated Annual Performance & Evaluation Report	JPA	Joint Powers Authority
CalPERS	California Public Employees' Retirement System	LAIF	Local Agency Investment Fund
CALTRANS	State of California Transportation Department	LAMP	Local Agency Management Plan
CDBG	Community Development Block Grant	LED	Light-Emitting Diode
CDC	Hesperia Community Development Commission	LLEBG	Local Law Enforcement Block Grants
CEQA	California Environmental Quality Act	LMI	Low-Moderate Income
CERT	Community Emergency Response Team	LMIHF	Low-Moderate Income Housing Fund
CFD	Community Facilities District	LOC	Letter of Credit
CIP	Capital Improvements Program or Plan	LT	Limited-Term Firefighter
CLEEP	California Law Enforcement Equipment Program	LTF	Local Transportation Fund
CMAQ	Congestion Mitigation and Air	LU	Legacy for Users
CMIA	Corridor Mobility Improvement Account	MAP	Mortgage Assistance Program
CO	Construction Order	MDAQMD	Mojave Desert Air Quality Management District
COP	Certificate of Participation	MG	Millions of Gallons
CPUC	California Public Utilities Commission	MLHP	Major Local Highway Program
CSMFO	California Society of Municipal Finance Officers	MOU	Memorandum of Understanding
CTC	California Transportation Commission	MS4	Municipal Storm Sewer System
DAP	Down Payment Assistance Program	MWA	Mojave Water Agency
DDA	Dispensation and Development Agreements	NEPA	National Environmental Policy Act
DIF	Developer Impact Fees	NSP	Neighborhood Stabilization Program
DOF	California Department of Finance	OHV	Off Highway Vehicles
DRC	Development Review Committee (City)	OPA	Owner Participation Agreements
DRGR	Disaster Recovery Grant Reporting	OSHA	Occupational Safety and Health Administration
DS	Development Services Department (City)	OTS	California Office of Traffic Safety
DUI	Driving Under the Influence	PA&ED	Project Approval & Environmental Document
DWR	California Department of Water Resources	PDS	Project Development Support
EDD	Economic Development Department (City)	PEPRA	California Public Employees' Pension Reform Act
EDRLF	Economic Development Revolving Loan Fund	PERS	Public Employees' Retirement System
EIR	Environmental Impact Report	PLC	Programmable Logic Controllers
EOC	Emergency Operations Center	P/M	Parcel Map
EMS	Emergency Medical Response	PS&E	Plans, Specifications, and Engineer's Estimate
ERAF	Educational Revenue Augmentation Fund	PSOC	Public Safety Operations Center
EZ	California Enterprise Zone	PSR	Project Study Report
FHWA	Federal Highway Administration	PVC	Polyvinyl Chloride (Pipe)
FEMA	Federal Emergency Management Agency	PSA	Professional Services Agreement
FOG	Fat, Oils, and Grease	PY	Program Year
FTE	Full-Time Equivalent	QSD	Qualified SWPPP Developer
FY	Fiscal Year	QSP	Qualified SWPPP Practitioner
GAAP	Generally Accepted Accounting Principles	RFB	Request for Bids
G&A	General and Administrative	RDA	Redevelopment Agency
GASB	Governmental Accounting Standards Board	REACH	Restoring the Environment for a Cleaner Hesperia
GEMT	Ground Emergency Medical Transportation	RFP	Request for Proposals
GFOA	Government Finance Officers Association	RIP	Regional Improvement Program
GIS	Geographic Information System	RLF	Rancho Las Flores
H&SC	Health and Safety Code	RMDZ	Recycling Market Development Zone
HAZMAT	Hazardous Materials	ROW	Right of Way
HCD	Department of Housing & Community Development	RPTTF	Redevelopment Property Tax Trust Fund

## SUPPLEMENTAL INFORMATION SECTION

### LIST OF ACRONYMS (Continued)

SAFETEA	Safe, Accountable, Flexible, Efficient Transportation Equity Act
SAFARI	Santa Fe Avenue Relief Interceptor
SAFER	Staffing for Adequate Fire & Emergency Response Grant
SANBAG	San Bernardino Associated Governments
SB	Senate Bill
SBCAC	San Bernardino County Auditor-Controller
SBPEA	San Bernardino Public Employees Association
SBSD	San Bernardino County Sheriff's Department
SCBA	Self-Contained Breathing Apparatus
SCADA	Supervised Control and Data Acquisition System
SCAG	Southern California Association of Governments
SFR	Single Family Residential (Permit)
SLPP	State-Local Partnership Program
STIP	State Transportation Improvement Program
SWPPP	Stormwater Pollution Prevention Plan
TOT	Transient Occupancy Tax
VLf	Vehicle License Fee
VVEDA	Victor Valley Economic Development Authority
VVTA	Victor Valley Transit Authority
VVWRA	Victor Valley Wastewater Reclamation Authority
WEX	Work Experience/Community Service Program

## SUPPLEMENTAL INFORMATION SECTION

### GLOSSARY OF TERMS

**ACCRUAL BASIS** – The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

**ACTUAL** – Represents the actual costs from the results of operations.

**ADOPTED** – Represents the budget as approved by the City Council.

**APPROPRIATION** – A legal authorization granted by the City Council to make expenditures and incur obligations for specific purposes.

**AUDIT** – A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

**BALANCED BUDGET** – Where operating revenues (on-going) and transfers in for a particular fund are greater or equal to operating (on-going) expenses and transfers out, with budgeted reserves being used for one-time expenditures.

**BALANCE SHEET** – The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date.

**BUDGET** – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

**BUDGETARY CONTROL** – The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

**BUDGETARY BASIS ADJUSTMENT** – Adjustments for items that appear on the City's Comprehensive Annual Financial Report (CAFR), but are not budgeted due to there being no cash outlay, such as depreciation.

**CAPITAL EXPENDITURES** – Expenditures resulting in the acquisition of or addition to the government's general fixed assets having a unit cost of greater than \$5,000 and a useful life exceeding one year.

**CAPITAL FUNDS** – Funds are used to account for the construction or acquisition of fixed assets such as buildings, equipment, and infrastructure.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – A comprehensive plan which projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvement plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term CIP.

**CAPITAL OUTLAY** – Expenditures which qualify as capital costs according to accounting standards. This includes furniture, fixtures, machinery, equipment, and other relatively minor fixed assets, also consider capital assets.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** – Funds allocated to local government from the federal government, based on a formula, but required to be applied for and required to be used within a broad functional area such as community development.

## SUPPLEMENTAL INFORMATION SECTION

### GLOSSARY OF TERMS (Continued)

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)** – City financial statement comprising the financial report that complies with the accounting requirements set forth by the Governmental Accounting Standards Board (GASB).

**DEBT SERVICE FUND** – A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Sometimes referred to as a Sinking Fund.

**DEPRECIATION** – An accounting method of allocating the cost of a tangible asset over its useful life. Further, the City does not budget depreciation and considers it to a budgetary basis adjustment.

**ENCUMBRANCE** – Obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, cancelled, or when the actual liability is set up.

**ENTERPRISE FUNDS** – A proprietary fund type that is used to account for services provided to the public on a user charge basis. The Water Operating, Water Capital, Sewer Operating, and Sewer Capital funds are examples of enterprise funds.

**ESTIMATED (OR REVISED)** – Represents the original adopted budget plus any approved changes and anticipated year-end adjustments.

**EXPENDITURES** – Decreases in net financial resources that include current operating expenses that require the current or future use of net current assets, debt services, and capital outlays.

**FEES** – Charges for specific services.

**FISCAL YEAR** – The period designated by the City for the beginning and ending of financial transactions. The fiscal year begins July 1 and ends June 30.

**FRANCHISE** – A special privilege granted by a government, permitting the continued use of public property, such as refuse disposal and cable television, and usually involving the elements of monopoly and regulation.

**FULL-TIME EQUIVALENTS (FTE)** – The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Most full-time employees are paid for 2,080 hours in a year.

**FUND** – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**FUND BALANCE** – The balance of net financial resources that is spendable or available for appropriation.

**GANN APPROPRIATIONS LIMIT** – This term refers to Article XIII B of the California State Constitution that places limits on the amount of proceeds from taxes that state and local governmental agencies can receive and spend each year.

**GENERAL FUND** – The fund used to account for all financial resources except those required to be accounted for in another fund (i.e., enterprise or grant funds). Usually the General Fund is the largest fund in a municipality.

## SUPPLEMENTAL INFORMATION SECTION

### GLOSSARY OF TERMS (Continued)

**GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP)** – The uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

**GOALS** – The desired result of accomplishments within a given time frame.

**GOVERNMENTAL FUND TYPES** – Funds are used to account for the operations, debt, and capital projects of the City. The City uses the following governmental fund types: General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Funds.

**GRANTS** – Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

**MODIFIED ACCRUAL BASIS** – The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become susceptible to accrual, that is when they become both “measurable” and “available” to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred except for inventories of materials and supplies that may be considered expenditures either when purchased or when used. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis for accounting.

**OBJECTIVES** – The necessary steps that need to be accomplished to achieve a desired goal.

**OPERATING BUDGET** – Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

**OPERATIONS & MAINTENANCE** – Supplies and other materials used in the normal operations of City departments. Includes items such as staff costs, maintenance materials, and contractual services.

**PROPRIETARY FUND TYPES** – Funds used for business-like activities, usually operate on an accrual basis (see Enterprise Funds).

**REVENUES** – The yield of taxes and other sources of income that a governmental unit collects and receives for public use.

**SPECIAL ASSESSMENT** – A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

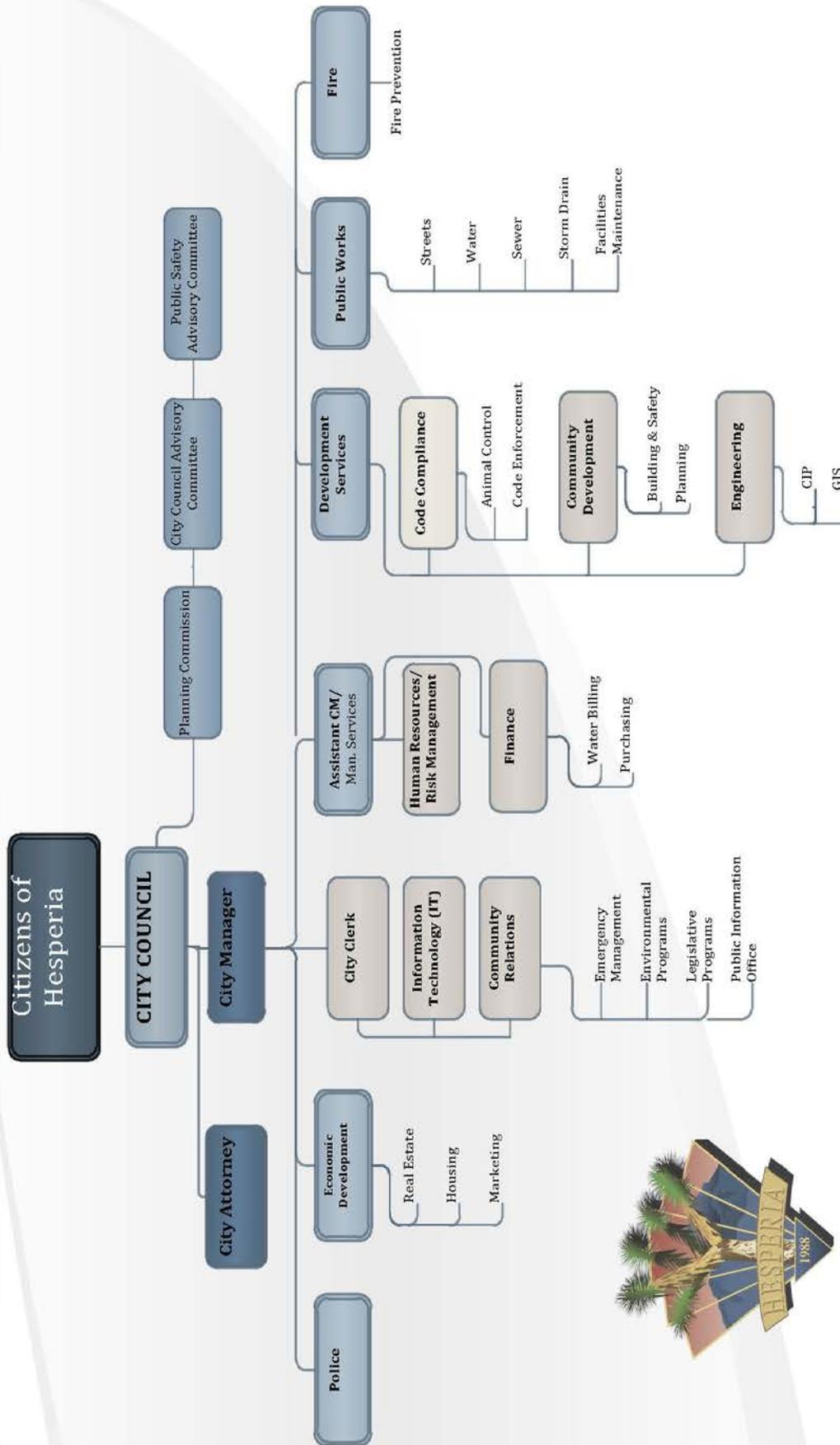
**SPECIAL REVENUE FUNDS** – Funds that are required to account for the use of revenue earmarked by law for a particular purpose, such as Gas Tax.

**TAXES** – Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges.

**TRANSFERS** – Authorized exchanges of cash or other resources between funds.

**USER CHARGES/FEES** – The payment of a fee for direct receipt of a public service by the party benefiting from the service (i.e., building permit fees, engineering plan check fees).

# City of Hesperia Organizational Chart



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## SUPPLEMENTAL INFORMATION SECTION

City of Hesperia History  
Fiscal Year 2016-17



The history of Hesperia is the history of the American West, as reflected by its name, which is reported to be Greek for “Star of the West”. It is probable that the Native Americans were the first to settle in the area, with the first white man to pass through thought to be a Spaniard called Father Francisco Garces.

During the period of 1826-27, a guide by the name of Jedediah Smith pioneered the Mormon Trail, a route that extended across the desert from what today is Needles, a city at the California and Arizona border. As the trail wound westward toward its terminus at Mission San Gabriel, the Mormon Trail passed through Hesperia and was the route that General John Fremont and Kit Carson took in 1842, when they lead an Army party exploring the west. Fremont’s journal specifically tells of the camp at the headwaters of the Mojave River, of the hundreds of Joshua trees everywhere, and of the “disappearing waters” where the river flows underground.

By 1845, the Mormon Trail was a well-established east-west crossing, with records reflecting that as many as 300 to 500 people per year traveled the trail; numbers that only increased as California became a part of the United States.

In 1847, the Atchison, Topeka and Santa Fe Railroad ran the first tracks through the area, and upon completion of the depot in 1885, the area was officially named "Hesperia". Also in 1885, a gentleman named Joseph Widney acquired the township of Hesperia, and shortly thereafter, he formed the Hesperia Land and Water Company for the purpose of creating a town.

Having laid out the Town, Hesperia Land and Water Company moved quickly to establish water rights with the County of San Bernardino, and this initial water appropriation was, ironically, in an amount sufficient to service a population of 56,500 people; only slightly less than the present day population of Hesperia.

During the time between 1870 and 1882, the agricultural crops of early ranchers (Mrs. C.B. Shaw, Mrs. Fleming and Mr. Sefton) received growing interest. The Shaw ranch employed 60 men and harvested 180 acres of grapes, which were tray-dried and shipped as raisins. It was Sefton, however, that brought the most fame to Hesperia with the wine created from his grapes being shipped throughout California and to the east coast.

Aside from grape production, Hesperia’s first real industry was established around 1890, when an enterprising businessman saw commercial possibilities in the large Juniper bushes that dotted the Hesperia landscape. Contracting with Los Angeles bakers, he began supplying them with wood as fuel for their bakery kilns, shipping 7 to 10 carloads of Juniper cuttings to Los Angeles daily. Unfortunately, the juniper industry in Hesperia was short-lived, as oil became the principal fuel for baker’s kilns in the early 1900’s.

During the early 1900’s, cross-country automobile travel brought visitors directly through Hesperia, the last major stopping point for automotive needs prior to crossing the dreaded Cajon Pass, with its narrow hairpin turns and steep roads. Unfortunately for local business, Highway (“Route 66”) was realigned to the west of Hesperia in 1924.

As it is today, Hesperia became known in the 1950’s for its affordable land (lots usually sold in increments of \$50 each), which attracted many investors, and the average dreamer wanting to invest in land. It wasn’t until 1988, when voters approved incorporation and the City of Hesperia was born. The first City Council consisted of founding fathers Percy Bakker, George Beardsley, Bruce Kitchen, Howard Roth, and Val Shearer.

Having celebrated twenty years as a City, Hesperia has faced many challenges such as flooding, deteriorating streets, and a small tax base. But throughout the “growing pains” of early cityhood, the residents have continued to show a strong civic pride and community involvement that makes it unique in the High Desert. It is, in fact, during times of adversity that they demonstrate the spirit that carried their forefathers across the Mojave Desert to the place they call home.

Historical references supplied by Myra McGinnis.

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# HESPERIA COMMUNITY PROFILE

Date Incorporated ..... July 1, 1988

Form of Government ..... General Law

Population as of January 1, 2016 (Ca State Dept. of Finance est.) ..... 93,226

Population 2012-2016 - 5 Years + 2,377 or 2.6%

	<u>Jan. 1, 2012</u>	<u>Jan. 1, 2013</u>	<u>Jan. 1, 2014</u>	<u>Jan. 1, 2015</u>	<u>Jan. 1, 2016</u>
Population:	90,849	91,057	91,417	92,177	93,226
Change: Amount	+123	+208	+360	+760	+1,049
Change: Percent	+0.14%	+0.23%	+0.40%	+0.83%	1.14%

Median Family Income ..... \$56,871

Altitude..... 3,250 Feet

Rainfall..... Normal (Under 10 Inches)

Location ..... 45 Miles NE of Ontario Along I-15

Area ..... 74.77 Square Miles

Streets ..... 530.2 Miles

City Maintained Streets ..... 524.5 Miles

**Fire Protection (Contract with San Bernardino County):**

Number of Stations ..... 4

Number of Staff – Firefighters/Officers ..... 52.80

Number of Staff – Non-Safety..... 5.53

**Police Protection (Contract with San Bernardino County):**

Number of Stations ..... 1

Number of Sworn Officers ..... 58.00

Number of Staff – Non-Sworn..... 20.00

**Education (Hesperia Unified School District):**

Number of Schools ..... 25

Number of Teachers..... 1,020

Number of Students..... 21,614

Recreation and Culture Parks..... 8

Hotels/Motels – Number of Lodging Properties ..... 9

City of Hesperia Employees (Full & Part-Time Positions)..... 180.82

**Water District:**

Water Service Connections ..... 26,663

Sewer Service Connections..... 5,540

Active Well Sites..... 17

Reservoirs ..... 14

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