

# 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*

THIS PAGE INTENTIONALLY LEFT BLANK

**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	<u>\$17,359,846</u>

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.

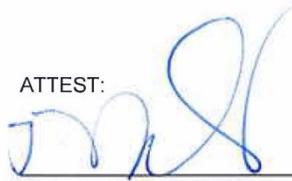
Section 3j. That the City Council approves the increase in the salary range for the Public Works Supervisor position from range 38 to range 40 in the professional/supervisory classification.

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:

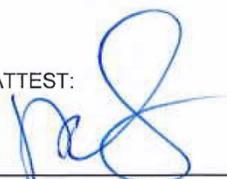
Section 1. In all respects, the facts as set forth in this resolution are true and correct.

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.

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

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

**CITY OF HESPERIA AND HESPERIA FIRE DISTRICT  
SCHEDULE OF ANNUAL APPROPRIATIONS (GANN LIMITS)  
FISCAL YEARS 1989/90 through 2016/17**

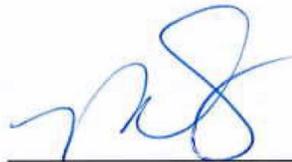
Fiscal Year	Change In Factor 1 Population	Factor 2 Per Capita Income	Calculation of Factor	City Balance	City Gann Limit	Fire District Balance	Fire District Gann Limit	Total Gann
1988/89					\$12,000,000			\$15,535,142
1989/90	0.0000	0.0498	1.0498	\$12,000,000	12,597,600	\$2,937,542	\$2,937,542	\$15,535,142
1990/91	1.0550	1.0421	1.099416	12,597,600	13,850,003	3,229,581	3,229,581	17,079,584
1991/92	1.0829	1.080477	1.170049	13,850,003	16,205,182	3,229,581	3,778,768	19,983,950
1992/93	1.0525	1.079359	1.136025	16,205,182	18,409,492	3,778,768	4,292,775	22,702,267
1993/94	1.0392	1.150802	1.195913	18,409,492	22,016,151	4,292,775	5,133,785	27,149,936
1994/95	1.0177	1.124327	1.144228	22,016,151	25,191,496	5,133,785	5,874,221	31,065,717
1995/96	1.0120	1.0071	1.019185	25,191,496	25,674,795	5,874,221	5,986,918	31,661,713
1996/97	1.0132	1.0467	1.060516	25,674,795	27,228,531	5,986,918	6,349,222	33,577,753
1997/98	1.0042	1.0467	1.051096	27,228,531	28,619,800	6,349,222	6,673,642	35,293,442
1998/99	1.0181	1.0415	1.060351	28,619,800	30,347,034	6,673,642	7,076,403	37,423,437
1999/00	1.0138	1.0453	1.059725	30,347,034	32,159,511	7,076,403	7,499,041	39,658,552
2000/01	1.0209	1.0491	1.071026	32,159,511	34,443,672	7,499,041	8,031,668	42,475,340
2001/02	1.0189	1.0782	1.098578	34,443,672	37,839,060	8,031,668	8,823,414	46,662,474
2002/03	1.0286	0.9873	1.015537	37,839,060	38,426,965	8,823,414	8,960,503	47,387,468
2003/04	1.0362	1.0231	1.060136	38,426,965	40,737,809	8,960,503	9,499,352	50,237,161
2004/05	1.0309	1.0328	1.064714	40,737,809	43,374,116	9,499,352	10,114,093	53,488,209
2005/06	1.0759	1.0526	1.132492	43,374,116	49,120,839	10,114,093	11,454,129	60,574,968
2006/07	1.0520	1.0396	1.093659	49,120,839	53,721,448	11,454,129	12,526,911	66,248,359
2007/08	1.0705	1.0442	1.117816	53,721,448	60,050,694	12,526,911	14,002,782	74,053,476
2008/09	1.0246	1.0429	1.068555	60,050,694	64,167,469	14,002,782	14,962,743	79,130,212
2009/10	1.0106	1.0062	1.016866	64,167,469	65,249,718	14,962,743	15,215,105	80,464,823
2010/11	1.0050	0.9746	0.979473	65,249,718	63,910,337	15,215,105	14,902,785	78,813,122
2011/12	1.0065	1.0251	1.031763	63,910,337	65,940,321	14,902,785	15,376,142	81,316,463
2012/13	1.0068	1.0377	1.044756	65,940,321	68,891,546	15,376,142	16,064,317	84,955,863
2013/14	1.0061	1.0512	1.057612	68,891,546	72,860,526	16,064,317	16,989,814	89,850,340
2014/15	1.0049	0.9977	1.002589	72,860,526	73,049,162	16,989,814	17,033,801	90,082,963
2015/16	1.0083	1.0382	1.046817	73,049,162	76,469,105	17,033,801	17,831,272	94,300,377
2016/17	1.0090	1.0537	1.063183	76,469,105	81,300,652	17,831,272	18,957,905	100,258,557

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:

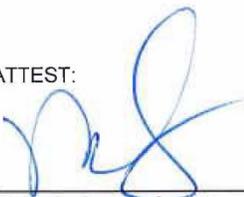
Section 3a. That the Commission approves the new position classification title of Economic Development Manager, which is an Unclassified/At-Will Senior Management classification, non-represented, with the salary range of 44, as well as having an Employment Agreement and Auto Allowance of \$400 per month.

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:

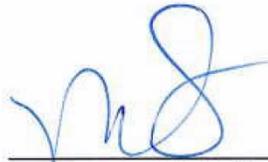
  
\_\_\_\_\_  
Melinda Sayre, Secretary

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

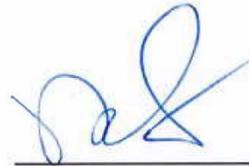
Fiscal Year	Change In Factor 1 Population	Factor 2 Per Capita Income	Calculation of Factor	City Balance	City Gann Limit	Fire District Balance	Fire District Gann Limit	Total Gann
1988/90	0.0000	0.0498	1.0498	\$12,000,000	\$12,000,000	\$2,937,542	\$2,937,542	\$15,535,142
1989/90	0.0000	0.0498	1.0498	12,597,600	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

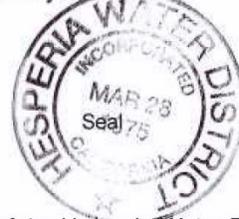
SUPPLEMENTAL INFORMATION SECTION

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		
	<b>Operating Departments</b>									
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>
<b>Budgeted Reserves</b>	<b>0</b>	<b>0</b>	<b>708,529</b>	<b>733,000</b>	<b>907,831</b>	<b>600,000</b>	<b>600,000</b>
<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
<b>Sewer Operations</b>							
<b>Resources</b>							
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
<b>Total Revenue</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>3,538,877</b>	<b>3,573,444</b>
<b>Budgeted Reserves</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>16,744</b>	<b>214,000</b>	<b>200,000</b>	<b>0</b>
<b>Total Resources</b>	<b>3,430,885</b>	<b>3,492,978</b>	<b>3,550,215</b>	<b>3,499,559</b>	<b>3,718,653</b>	<b>3,738,877</b>	<b>3,573,444</b>
<b>Expenditures:</b>							
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
<b>Total Expenditures</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>\$ 3,672,000</b>	<b>\$ 3,499,000</b>
<b>Difference Total Resources and Expenditures and Transfers Out</b>	<b>\$ 718,320</b>	<b>\$ 602,559</b>	<b>\$ 365,815</b>	<b>\$ 348,806</b>	<b>\$ 218,229</b>	<b>\$ 66,877</b>	<b>\$ 74,444</b>
<b>Fund Balance</b>							
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
<b>June 30th Ending Balance</b>	<b>\$ 13,842,736</b>	<b>\$ 14,221,991</b>	<b>\$ 14,581,808</b>	<b>\$ 14,554,053</b>	<b>\$ 14,558,282</b>	<b>\$ 14,425,159</b>	<b>\$ 14,499,603</b>

## 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)**

Fire District	2013-14	2014-15	2015-16	2015-16	2016-17	2017-18	2018-19
Resources	Actual	Actual	Budget	Revised	Budget	Budget	Budget
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>
<b>Budgeted Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234,848</b>	<b>0</b>	<b>0</b>	<b>0</b>
<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>
Expenditures:							
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>
Fund Balance							
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
Difference Total Resources and Expenditures and Transfers Out	610,587	(450,945)	556,893	236,082	638,765	619,367	265,622
<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.

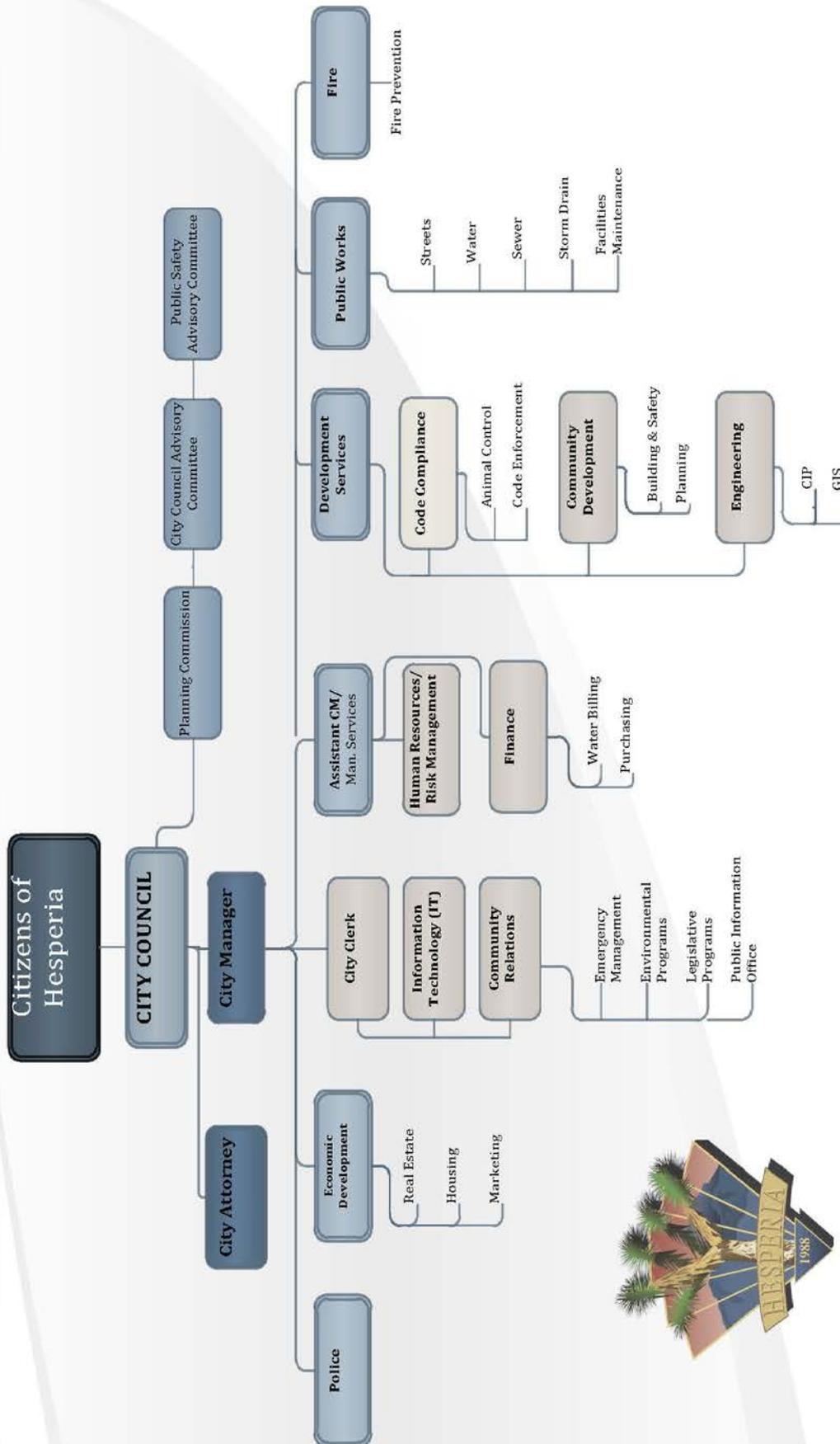
**SPECIAL REVENUE FUNDS** – Funds that are required to account for the use of revenue earmarked by law for a particular purpose, such as Gas Tax.

**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



THIS PAGE INTENTIONALLY LEFT BLANK

## 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.

THIS PAGE INTENTIONALLY LEFT BLANK

# 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

THIS PAGE INTENTIONALLY LEFT BLANK

## SUPPLEMENTAL INFORMATION SECTION

### INDEX

Accounting Policies, Significant	J-32
Acronyms, List of	J-34
Animal Control, Development Services	F-66
Budget Calendar	V
Budget Process	V
Building and Safety, Development Services	F-58
Building Maintenance, Development Services	F-83
Capital Improvement Program Project Summary	G-3
Capital Improvement Program Project Listing	G-10
Charts and Graphs:	
Summarized Departmental Expenditures	A-3
Summarized General Fund Revenue	A-3
Total City Revenue	C-2
Total General Fund Revenue	C-5
Top Three General Fund Revenues	C-6
General Fund Development Revenues	C-7
Other General Fund Taxes and Interest Income	C-9
Streets and Transportation Related Funds	C-10
Grant, Developer Impact Fee, and Other City Related Funds	C-12
Water District Revenue Trend	C-14
Fire District Revenue Trend	C-16
Total Expenditures By Department	D-4
Total Expenditures By Major Expenditure Classification	D-5
Total General Fund Expenditures By Department	D-7
Total General Fund Expenditures By Major Expenditure Account	D-9
2016-17 Budget Full-Time and Part-Time Staff By Department	E-9
2016-17 Budget Full-Time Staff By Department	E-10
2016-17 Budget Total Principal and Interest Debt Service Payments	H-5
City Attorney	F-6
City Council	F-2
City Manager	F-8
Code Enforcement, Development Services	F-64
Community Development, Development Services	F-52
Community Development Block Grant	F-42
Debt Service	H-3
Demographics	J-43
Development Services	F-52
Community Development	F-52
Animal Control	F-66
Building & Safety	F-58
Code Enforcement	F-64
Planning	F-55
Public Works	F-70
Sewer	F-114
Water	F-86

## SUPPLEMENTAL INFORMATION SECTION

### INDEX

Economic Development	F-30
Community Development Block Grant	F-42
Community Development Commission	F-32
Housing Authority	F-36
Low/Moderate Housing	F-41
Public Works	F-70
Building Maintenance	F-83
Engineering	F-78
Street Maintenance	F-73
Water District	F-86
Sewer	F-114
Water	F-86
Expenditure Summary by Account – General Fund	D-9
Expenditure Summary by Department – General Fund	D-7
Financial Policies	3
Fire District	F-126
Fund Balance Summaries	I-2
Total Indirect Cost Allocation Plan	J-21
Glossary of Terms	J-36
History, City of Hesperia	J-41
Information Technology	F-15
Management Services	F-20
Finance	F-22
Human Resources/Risk Management	F-26
Mission Statement	A-15
Organizational Chart	J-39
Personnel Allocation by Department	E-12
Planning, Development Services	F-55
Police	F-120
Public Works, Development Services	F-70
Revenues and Comparisons	C-19
Sewer, Development Services	F-114
Street Maintenance, Development Services	F-73
Water, Development Services	F-86