

INTRODUCTION

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

THIS PAGE INTENTIONALLY LEFT BLANK

Summary of Total City Revenue and Expenditures

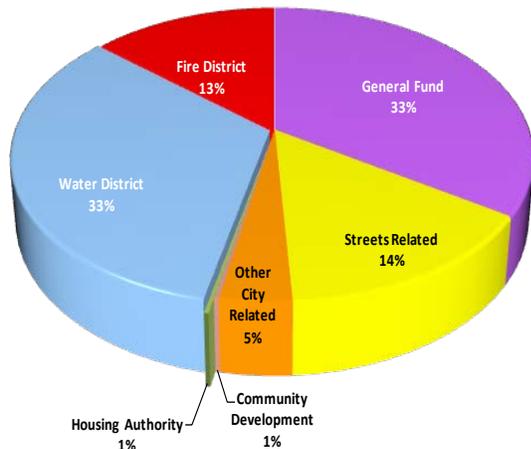
The following information summarizes and highlights the planned major changes in the 2016-17 Budget:

	2015-16 Budget	2016-17 Budget	Change From 2015-16 Amount	Percent
Resources				
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%
Total Resources	85,496,906	96,609,454	7,339,885	13%
Expenditures	\$ 80,556,566	\$ 94,121,814	\$ 13,565,248	17%
Difference	\$ 4,940,340	\$ 2,487,640		

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.

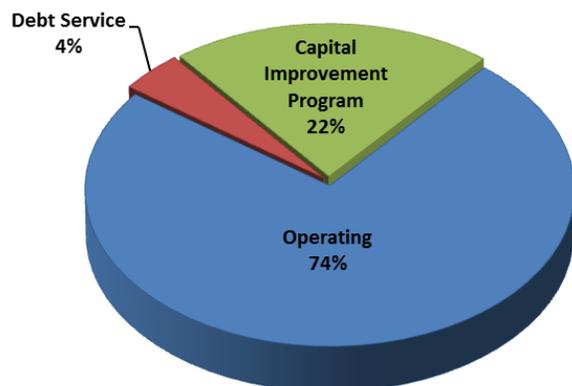
The Water District, which comprises 32% of the overall revenue budget is increasing by 29% or \$5.8 million, which is primarily due to receiving \$1.5 million from the Proposition 84 Drought Relief Grant and \$4.7 million from the Proposition 1 Grant that must be used on the Reclaimed Water Distribution 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:

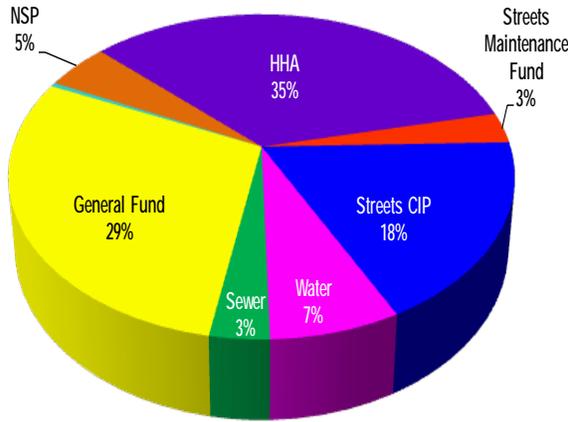
The FY 2016-17 Budget proposes expenditures of \$94,121,814 which represents an increase of 17% or \$13.6 million above the FY 2015-16 Budget of \$80,556,566. The \$94.1 million budget consists of \$20.5 million of Capital Improvement Program (CIP) projects, \$4.0 million of Debt Service, and \$69.5 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:

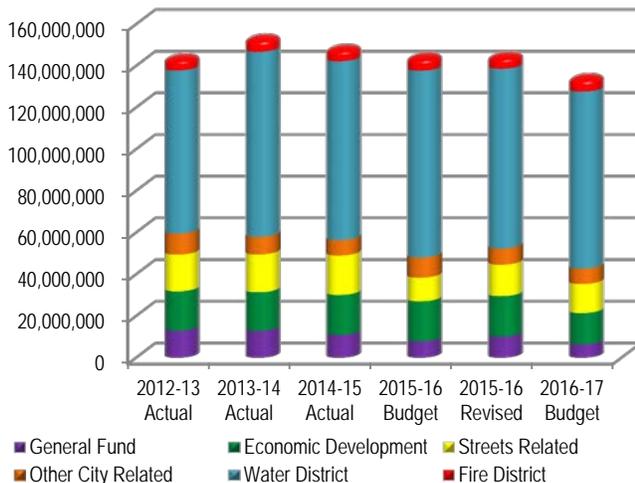
Much like a savings account, Budgeted Reserves are excess resources saved from prior fiscal years. It is the policy of the City to only use these savings for one-time purchases. Budgeted Reserves are not used for on-going operation costs, such as staffing. The FY 2016-17 Budget contains the use of reserves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

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%
Total Estimated Cash	\$5,443,312 18%	\$3,903,932 13%	\$ (254,255) -2%

Capital Improvement Program (CIP) Summary:

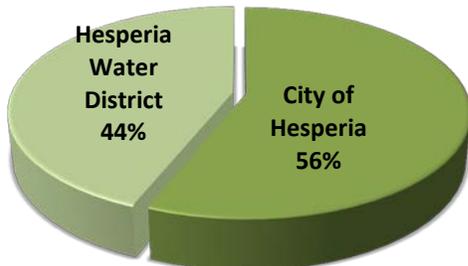
The total allocation for all Capital Projects in all funds in Fiscal Year 2016-2017 is \$20,494,114. These projects include streets, storm drainage, facilities, and water projects. For an in depth review of all CIP projects, refer to Section G – CIP.

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
Total Streets Related Projects	8,527,348
Storm Drainage Projects	1,180,420
Facilities Projects (Park & Ride)	696,346
Reclaimed Water Distribution System	10,090,000
Total CIP Projects	\$ 20,494,114

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.

THIS PAGE INTENTIONALLY LEFT BLANK

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%
Total City Council	\$ 642,461	\$ 735,835	\$ 93,374	15%

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%
Total City Manager	\$ 2,502,539	\$ 2,629,313	\$ 126,774	5%
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%
Total Management Services	\$ 3,112,811	\$ 4,049,575	\$ 936,764	30%
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%
Total Community Development	\$ 1,659,806	\$ 1,724,406	\$ 64,600	4%
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%
Total D.S.-Code Compliance	\$ 2,410,998	\$ 2,701,929	\$ 290,931	12%
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%
Total D.S. Public Works	\$ 5,019,631	\$ 5,624,367	\$ 604,736	12%
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%
Total D.S. Sewer	\$ 3,184,400	\$ 3,700,424	\$ 516,024	16%
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%
Total Police	\$ 14,834,551	\$ 15,557,980	\$ 723,429	5%
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%
Total Fire District	\$ 9,984,121	\$ 10,433,516	\$ 449,395	5%
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)

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.