



City of Hesperia

Fiscal Year

2015-16 Budget



9700 Seventh Avenue, Hesperia, CA 92345
www.cityofhesperia.us

Table of Contents

SECTION

CITY MANAGER'S BUDGET MESSAGE	I
--	---

PREFACE	iii
----------------------	-----

A. INTRODUCTION

Summary of Significant Department Operating Expenditures and Staffing Changes	A-3
Mission Statement and Statement of Values	A-29
Hesperia City Council	A-31
City Organization Chart	A-33
City of Hesperia History.....	A-35
Community Profile	A-37

B. RESOURCE AND EXPENDITURE SUMMARIES

Overview and Summary	B-2
General Fund 2015-16 Budget, Fund Balance, and Reserves	B-3
Water District Combined 2015-16 Budget, Fund Balance, and Reserves.....	B-4
Fire District 2015-16 Budget, Fund Balance, and Reserves.....	B-9
Streets Maintenance Fund 2015-16 Budget, Fund Balance, and Reserves	B-10
Hesperia Housing Authority 2015-16 Budget, Fund Balance, and Reserves.....	B-11
Community Development Commission 2015-16 Budget, Fund Balance, and Reserves	B-12

C. REVENUE SUMMARIES

Total City Revenue Trend	C-2
Revenue Summary and Highlights	C-3
General Fund Summary of Major Revenues	C-5
Triple Flip Revenue Comparison	C-6
General Fund Development Revenue.....	C-7
Franchise Fees, Other General Fund Taxes, and Leased Water Rights.....	C-9
Streets CIP and Other Transportation Related Funds	C-10
CDBG, Developer Impact Fee, and Other City Related Funds.....	C-12
Community Development Commission	C-13
Hesperia Housing Authority	C-13
Water District Revenue Trend.....	C-14
Fire District Revenue Trend	C-16
Revenue - Summary by Major Group	C-18
Revenue Detail by Fund	C-19

D. EXPENDITURE SUMMARIES

Expenditure Overview and Summary.....	D-2
Total Expenditures by Department.....	D-4
Total Expenditures by Major Expenditure Classification	D-5

Table of Contents

D. EXPENDITURE SUMMARIES (CONTINUED)

Total General Fund Expenditures by Department	D-7
Total General Fund Expenditures by Major Expenditure Account	D-9
Total Expenditures by Fund, Department, and Program	D-11
Total Expenditures by Department and Programs	D-14
Total Expenditures by Account	D-17

E. CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Overview and Summary	E-3
City Position Summaries and Salary Range Tables	E-4
2015-16 Budgeted Full-Time and Part-Time Staff by Department	E-8
2015-16 Budgeted Full-Time Staff by Department	E-9
2015-16 Budget General Fund Full-Time Positions	E-10
Full-Time and Part-Time Position Listing Summary by Department	E-11
Full-Time Position Listing by Department	E-12
Part-Time Position Listing by Department	E-17
Salary Range Tables	E-18

F. DEPARTMENT AND PROGRAM EXPENDITURES

CITY COUNCIL	F-2
▶ City Council	F-3
▶ City Attorney	F-5
CITY MANAGER	F-6
▶ City Manager	F-8
▶ Information Technology	F-13
MANAGEMENT SERVICES	F-16
▶ Finance	F-18
▶ Human Resources/Risk Management	F-22
ECONOMIC DEVELOPMENT	F-26
▪ Various	F-26
▪ Hesperia Community Development Commission	F-28
▪ Hesperia Housing Authority	F-33
▪ VVEDA-Low/Mod Housing	F-37
▪ CDBG Summary	F-39
▪ CDBG Administration/Economic Development and Housing	F-41
▪ CDBG Home Grant	F-45
▪ CDBG Revolving Loans	F-47
▪ CDBG Neighborhood Stabilization Program	F-49
DEVELOPMENT SERVICES	F-52
▶ Community Development	F-52
▪ Planning	F-54
▪ Building and Safety	F-57

Table of Contents

F. DEPARTMENT AND PROGRAM EXPENDITURES (CONTINUED)

▶ Code Compliance	F-60
▪ Code Enforcement	F-62
▪ Animal Control	F-64
▶ Public Works	F-68
▪ Street Maintenance	F-71
▪ Engineering	F-75
▪ Building Maintenance	F-80
▶ Water	F-82
▪ Source of Supply	F-88
▪ Production	F-91
▪ Distribution	F-93
▪ Pipeline Maintenance	F-95
▪ Engineering	F-97
▪ Customer Service	F-101
▪ Utility Billing	F-103
▪ Administration	F-105
▪ Property Management	F-107
▶ Sewer	F-110
▪ Sewer Operations	F-113
▪ Sewer Capital	F-115
POLICE	F-116
FIRE	F-122
▶ Operations and Community Safety	F-126
▶ Administration	F-131
▶ SAFER Grant	F-132

G. CAPTIAL IMPROVEMENT PROGRAM (C I P)

C I P Overview and Summary	G-3
C I P Expenditures by Project	G-5
C I P Expenditures By Fund and Project	G-7
C I P Project Listing	G-10
C I P Project Descriptions	G-11

H. DEBT SERVICE

Overall Debt Obligations Summary	H-3
Debt Obligations Principal Outstanding Summary	H-3
2015-16 Budget Total Principal and Interest Debt Service Payments	H-5
Annual Debt Service Payments by Obligation and Fund	H-6
Individual Debt Obligation Summaries	H-9
Computation of Legal Debt Margin	H-19

Table of Contents

I. FUND BALANCE SUMMARIES

Overview and Summary	I-2
List of Funds.....	I-3
Fund Descriptions.....	I-4
Ending Fund Balances 10 Year Trends	I-8
2015-16 Budget – Balancing and Fund Balance Summary – By Major Grouping	I-10
2015-16 Budget – Balancing and Fund Balance Summary – By Individual Funds	I-13
Fund Balance Summaries by Fund.....	I-20
Total All Funds.....	I-61

J. SUPPLEMENTAL INFORMATION

Budget and Appropriations Limits Resolutions	J-3
City of Hesperia, General and Administrative Allocation Plan Fiscal Year 2015-16.....	J-14
Significant Accounting Policies	J-15
List of Acronyms	J-17
Glossary.....	J-19
Index	J-22

K. FINANCIAL POLICIES

Financial Policies.....	K-3
Financial Policies Resolution	K-6



September 10, 2015

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

It is a pleasure to present the City of Hesperia's Fiscal Year 2015-16 Adopted Budget for the City of Hesperia, Hesperia Fire Protection District, Hesperia Water District, Hesperia Housing Authority, and Hesperia Community Development Commission. This budget was developed with the guidance provided by the City Council to provide the highest level of service to the residents and business community, within the City's fiscal constraints.

The FY 2015-16 General Fund Budget is structurally balanced, with operational revenue funding operational expenditures and the difference between total resources (revenue, budgeted reserves, and transfers), and total expenditures resulting in a surplus. The City Council's prudent fiscal management through the slow recovery from the "Great Recession" has allowed the City to maintain its fiscal health, while minimizing impacts on the delivery of services to the community.

Local Economy

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

This rise in building activity is commensurate with the progress being made toward the restoration of assessed valuation to 2008 levels and reflects a limited inventory of homes for sale, with many sales benefiting from multiple offers. Since the downturn in the economy, four of the last six years resulted in decreases in assessed valuations amounting to more than a 30% decline, however most recently, the FY 2014-15 assessed valuation resulted in an increase of 5.5%. Newly released data from the

Eric Schmidt, Mayor
Bill Holland, Mayor Pro Tem
Russell Blewett, Council Member
Mike Leonard, Council Member
Paul Russ, Council Member

Mike Podegracz, City Manager

9700 Seventh Avenue
Hesperia, CA 92345
760-947-1000
TD 760-947-1119

www.cityofhesperia.us



County of San Bernardino for FY 2015-16 reflects an increase of 7.8%, the highest increase of all the cities in San Bernardino County. It appears that Hesperia has moved past the bottom and is clearly on a path toward recovery.

This increase in assessed valuation will translate into an increase in property tax related revenues. Although information on the actual increase was not made available by the County of San Bernardino until after adoption of the FY 2015-16 Budget, a third-party consultant's report provided an advanced indication that the FY 2015-16 assessed valuations would generate a 7.5% increase in property tax revenue over the FY 2014-15 Revised. However for conservatism, a 6% increase over the FY 2014-15 Revised was projected in the FY 2015-16 Budget.

The City also utilizes consultant-provided estimates for Sales Tax, VLF Swap, Property Tax, Gas Tax, and Gas Tax Swap revenues (approximately \$18.1 million). The City receives revenue estimates for the Local Transportation Fund and various grants from other government agencies (approximately \$5.6 million). The remainder of the revenues are estimated by staff using trend analysis, examining development activity, property tax collection rates, ambulance collection rates, water consumption by customer class, franchise fee statements, and hotel occupancy levels, which are then compared to amounts of prior years.

Despite a challenging economy, Hesperia has seen a positive trend related to sales tax revenue. As the largest General Fund revenue source, the City has experienced an increase in sales tax revenue of 55% from the economic downturn low of \$5.5 million in FY 2009-10 to \$8.5 million in FY 2014-15 (unaudited). The FY 2015-16 Budget of \$8,612,000 reflects a 2% increase in sales tax above the FY 2014-15 Budget of \$8,415,000. After five consecutive years of increases through FY 2013-14, sales tax was relatively flat in FY 2014-15.

City Council Priorities

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

1. Public Safety – Ensure adequate public safety resources are available for our citizens, families, children, businesses, and visitors.
2. Financial Health – Hesperia will assure its financial health by continuing to provide structurally balanced budgets for its operating funds.
3. Future Development – Actively manage growth to ensure cohesive development including Industrial, Commercial, Residential, Freeway, Main Street and Rancho Corridors.



4. Future Vision – Agree on a ‘vision’ of what Hesperia should be in 5, 15, and 25 years (revisit the ‘vision’ no sooner than once every 5 years).
5. Capital Improvement – Create Capital Improvement Funding after Redevelopment’s elimination.

Each year the City Council works with staff to establish planning goals within the framework of these six City Council Priorities which then, based upon funding availability, are incorporated into the annual budget process. For FY 2015-16, in furtherance of the City Council’s Public Safety Priority, the Police Department’s Budget will increase by \$1.3 million, which is primarily due to the addition of two Sheriff Deputies to the Traffic Division, as well as one Sheriff’s Service Specialist and one Office Specialist to monitor a Crime Free Rental Program.

Issues on the Horizon

Leveraging limited resources to derive the greatest benefit for the good of the entire community is at the heart of the City Council’s commitment to conservative fiscal management. This prudent management philosophy has made it possible for the City to maintain significant General Fund reserves during the Great Recession without the need for layoffs or furloughing of staff. With the slow but distinct improvement in the local economy, Hesperia has taken a cautiously optimistic approach in the preparation of the FY 2015-16 Budget. The noted increases in revenues provide optimism that a recovery is underway, but the City’s optimism is tempered with reasonable caution and fiscal conservatism. While proactive measures have been taken to successfully maintain the City’s fiscal health, challenges still remain, such as:

Employee Retirement Costs – The City is a member of the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan for its personnel. Based upon actions by the CalPERS Board to change its amortization and smoothing policies, significant increases are anticipated for employee retirement costs in future fiscal years.

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

While this step was important, CalPERS rates are expected to continue to rise. Therefore, to advance the City Council’s Financial Health Priority, the City negotiated with employees to go even further. In its latest Memorandum of Understanding (MOU) with employees, in addition to paying the full CalPERS member contribution, employees



will also share in the City's CalPERS costs by paying 1% of the City's normal cost beginning July 2015.

Other Postemployment Benefits (OPEB) – Governmental Accounting Standards Board (GASB) Statement No. 45 requires public-sector employers to recognize the cost of postemployment benefits, such as postemployment healthcare, over the active service life of their employees rather than on a pay-as-you-go basis. The resulting unfunded liability is reported in the Comprehensive Annual Financial Report. During FY 2015-16, City staff will work on developing a funding strategy to fund the City's Other Postemployment Benefits (OPEB) unfunded liabilities.

Hesperia Fire Protection District – Due primarily to falling property values which resulted in the decline of property tax-related revenues, the Hesperia Fire Protection District (HFPD) has experienced ongoing revenue challenges. Despite efforts to reduce expenditures wherever possible and reorganizing positions to minimize increases in the annual contract for fire protection services with the County of San Bernardino, reserves were depleted. In order to balance the HFPD budget in FY 2010-11, a \$1.0 million subsidy from the City General Fund was needed. During the next fiscal year, a failed parcel tax measure in November 2011 resulted in the need to reduce the contract with San Bernardino County Fire Department by nine positions and Fire Station 301 was closed in January 2012.

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

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



Significant Events of FY 2014-15

- The much-anticipated Rancho Interchange Project was officially opened by City dignitaries and community members on February 20, 2015 and motorists began taking advantage of this new east-west connector. Hesperia is proud to have opened two major transportation projects in the last two years. The Interchange is Phase Two of the three-phase Rancho Corridor Project. Phase One, the Rancho Underpass, successfully opened in June 2013. Phase Three is a widening project between the first two phases and is a joint project between the City of Hesperia and San Bernardino County. Design and environmental review for the widening is underway, however funding is still being sought for the construction portion of the project.
- The Hesperia City Council provided an additional \$2,277,000 of funding within the FY 2015-16 Budget for its annual Residential Road Improvement Program. These funds are used to enhance streets throughout the City and are in addition to the ongoing Street Maintenance Program. Over the last fifteen years, this program has reconstructed over 306 miles of roads, with an additional 83 miles of slurry sealed roads.
- During the preparation of the FY 2014-15 Budget, an analysis performed on the 2004 Variable Rate Demand Revenue Bonds revealed an opportunity to prepay the entire remaining obligation (\$4,590,000) at the same time the letter of credit is set to expire (Fall 2015). Utilizing existing bond reserves combined with funds from eligible funding sources will result in a retirement of the bonds 8 (eight) years early. As such, the FY 2015-16 Budget includes the necessary appropriation to retire the bonds.
- Hesperia is pleased to have been selected again as the venue for the 2nd Annual Desert Rocks Film and Music Festival, an international film and music event created to cultivate industry-related careers and provide broader exposure to filmmakers and up-and-coming musicians. The first festival was extremely successful with 72 film entries, including international submissions.
- For the fourth consecutive year, the City continued its educational outreach program, Citizen Academy, which invites residents to get involved in local government. The Hesperia Citizen's Academy provides a unique opportunity for residents to learn more about their city. This 7-session program is designed to provide the community with insight into the day-to-day operations of the City, as well as an understanding of complex city projects. Academy participants gain a better understanding of the council-manager form of government, as well as the challenges that local governments face. This successful program is also included within the FY 2015-16 Budget.



Conclusion

As the City concluded a year-long celebration of our Silver Anniversary last year, residents have enjoyed remembering our past while looking ahead with anticipation at the new and exciting things happening in Hesperia. Transportation projects continue to be priorities in Hesperia, with the opening of the much anticipated Rancho Interchange earlier this year, and the progression of the design and environmental review for the Rancho widening this year.

The Fiscal Year 2015-16 Budget continues to support services, maintenance, facilities, and infrastructure. Due to the continued strong, responsible leadership and prudent fiscal policy direction of the City Council, the City of Hesperia is well positioned to take advantage of opportunities in the next economic growth cycle and I'd like to express my sincere appreciation to the Council, as well as the staff members and community partners who have contributed to this process.

Respectfully submitted,

Mike Podegracz
City Manager

P R E F A C E

- *Budget Document Overview*
- *Budget Document Sections*
- *Budget Document Financial Information*
- *Summary Budget Process Description and Schedule*
- *Level of Budgetary Control*

THIS PAGE INTENTIONALLY LEFT BLANK

PREFACE

BUDGET DOCUMENT OVERVIEW

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

BUDGET DOCUMENT SECTIONS

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

A. Introduction

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

B. Resources, Expenditures and Fund Balance Summary

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

C. Revenue

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

D. Expenditure Summaries

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

E. City Positions and Salary Ranges

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

F. City Department and Program Expenditures

The City is organized into the following seven departments. This section provides information for each department and their programs regarding their expenditures and staffing to include Fiscal Year 2014-15 accomplishments and Fiscal Year 2015-16 goals and objectives. Significant expenditure and staffing changes are highlighted:

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

PREFACE

BUDGET DOCUMENT SECTIONS (Continued)

G. Capital Improvement Program (CIP)

This section presents in one section the capital improvement projects included in the Fiscal Year 2015-16 Budget.

H. Debt Service

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

I. Fund Balance Summary

This section presents financial information about each City fund that is planned to have expenditures in Fiscal Year 2015-16.

J. Supplemental Information:

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

K. Financial Policies:

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

BUDGET DOCUMENT FINANCIAL INFORMATION

As mandated by California State Law, the City’s fiscal year, or budget time period, is July 1st through June 30th. For example, Fiscal Year 2015-16 means July 1, 2015 through June 30, 2016. In most sections of the budget document, four years of information is provided, with two columns, or versions of information, reflected for the current year (Fiscal Year 2014-15).

The columns typically presented are as follows:

2012-13	2013-14	2014-15	2014-15	2015-16
<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>

The financial information included in these columns is as follows:

2012-13 Actual

Actual financial information for Fiscal Year 2012-13 as reported in the City’s Comprehensive Annual Financial Report. The actual financial information is reported in the budget document on a budgetary basis.

2013-14 Actual

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

2014-15 Budget

The 2014-15 Budget as adopted by the City Council June 17, 2014.

PREFACE

BUDGET DOCUMENT FINANCIAL INFORMATION (Continued)

2014-15 Revised

The 2014-15 Revised column reflects the 2014-15 Budget plus budget amendments approved by the City Council during the fiscal year. The 2014-15 Revised column is also adjusted to reflect City management's estimate of what revenues and expenditures are estimated to be at the end of Fiscal Year 2014-15 and are typically somewhat lower than the budget and amendments.

2015-16 Budget

This column initially reflects the FY 2015-16 Proposed Budget submitted by the City Manager. After the City Council reviews and approves the Fiscal Year 2015-16 Budget, the information in the 2015-16 Budget column is changed, if necessary, to reflect the City Council actions.

Major Expenditure Accounts

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

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

SUMMARY BUDGET PROCESS DESCRIPTION AND SCHEDULE

On February 17, 2015, the FY 2014-15 Mid-Year Budget Review was presented with current expenditures, revenue trends, updated reserves, as well as amendments to the 2014-15 Budget which were approved by the City Council. Also on February 17, 2015, the City Council approved the 2015-16 Goals which provided the City Manager, department directors, and other staff policy guidance and priorities for the preparation of the FY 2015-16 Budget.

The FY 2015-16 Budget process then commenced as follows:

VI. OPERATING BUDGET CALENDAR

Council FY 2014-15 Mid-Year Budget Review and FY 2015-16 Budget Goal-Setting Workshop	February 17, 2015
FY 2015-16 Budget Instructions Distributed	February 19, 2015
FY 2014-15 Revised Revenue and FY 2015-16 Proposed Budget Revenue Estimates due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 3, 2015 March 5, 2015
FY 2014-15 Revised Expenditure Estimates, FY 2015-16 Current Level (or Adjusted) Proposed Budget Expenditures and Expenditure Detail Narrative forms due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 12, 2015 March 19, 2015
FY 2015-16 Draft Division and/or Program Narratives due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 24, 2015 March 26, 2015

PREFACE

VI. <u>OPERATING BUDGET CALENDAR (Continued)</u>	
FY 2015-16 Budget Increments-“Requested Expenditures Above Current Level” due: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	March 24, 2015 March 26, 2015
Proposed FY 2015-16 CIP presented to Planning Commission	April 9, 2015
Budget Review with Departments/Divisions	April 13 - April 16, 2015
State Department of Finance- Population numbers	May 1, 2015
FY 2015-16 Final Proposed Budget Division and/or Program Narratives due as follows: Group A – CC, CM, MS, P, F, W2, CD, and Code Group B – PW, W1, S, and EDD	April 28, 2015 April 29, 2015
2015-16 Proposed Budget completed	May 26, 2015
Council Budget Workshop	June 2, 2015
Council Adopts Budget	June 16, 2015
First Quarter Review of the FY 2015-16 Budget	November 17, 2015
Mid-Year Review of the FY 2015-16 Budget	February 16, 2016
Final Year-End Review of the FY 2015-16 Budget	August 16, 2016
<p>KEY: CC=City Council; CM=City Manager; MS=Management Services (UB); P=Police; F=Fire, W2=DS Water/PW (4010, 4040, and PW 3100); CD=DS Community Development; Code=DS Code Compliance; PW=DS Public Works (Street Maintenance and Building Maintenance); W1=DS Water (4020, 4030, 4035, 4050, 4070, 4080); S=DS Sewer; EDD=Economic Development</p>	

On June 16, 2015, the City Council/Board Members/Commission Members are expected to adopt the FY 2015-16 Budget, including the Capital Improvement Plan, for the City of Hesperia, Hesperia Housing Authority, Hesperia Community Development Commission, Hesperia Fire Protection District, and Hesperia Water District. Included with the proposed budget is the GANN Appropriations Limit for the City of Hesperia and the Hesperia Fire Protection District.

LEVEL OF BUDGETARY CONTROL

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

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

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

PREFACE

BASIS OF ACCOUNTING

Expenditures are controlled at the fund level for all budgeted departments within the City. In addition, all funds reported in the Comprehensive Annual Financial Report (CAFR) are included and appropriated in the FY 2015-16 Budget. At the fund level, expenditures cannot legally exceed appropriations. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) as adapted by the Governmental Accounting Standards Board (GASB) and in accordance with standards established by the California Society of Municipal Finance Officers (CSMFO) and Government Finance Officers Association (GFOA), with adjustments made for depreciation, principal debt service payments, and capital outlay expenses for proprietary funds (i.e. the Hesperia Water District). These budgetary basis adjustments are always reconciled to the CAFR and notes are made in the Fund Balance section (I) of the budget document where they occur.

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

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

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

INTRODUCTION

- *Summary of Significant Department Expenditures and Staffing Changes*
- *Mission Statement and Statement of Values*
- *Hesperia City Council Officials*
- *City Organization Chart*
- *City of Hesperia History*
- *Community Profile*

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTION

The following information summarizes and highlights policies and planned major changes in the 2015-16 Budget:

Summary of Total City Revenue and Expenditures

	2014-15	2015-16	<u>Change From 2014-15 Budget</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue</u>	\$ 71,152,071	\$ 72,104,386	\$ 952,315	1%
Budgeted Reserves	9,539,560	11,412,205	1,872,645	20%
Total Revenue and Budgeted Reserves	80,691,631	83,516,591	2,824,960	4%
<u>Expenditures</u>	\$ 78,424,185	\$ 80,556,566	\$ 2,132,381	3%
Difference	\$ 2,267,446	\$ 2,960,025		

Revenue

Revenue is anticipated to increase by 1% (\$1.0 million) overall. Revenue increases are shown in the General Fund (5%), Other City Funds, and the Housing Authority, which show a combined increase of \$3.7 million. These increases are offset by decreases in the Streets Related, Community Development Commission, Water District (-7%), and Fire District (-2%), which reflect a combined decrease of -\$2.7 million for those funds.

Budgeted Reserves

The \$11,412,205 of Budgeted Reserves is comprised of the following:

General Fund	\$ 2,260,089
C.D.B.G. (Revolving Loan)	309,623
Hesperia Housing Authority (WEDA Housing Authority)	75,329
Streets Maintenance Fund	71,000
Streets Capital Improvement Projects Funds (Measure I Renewal, Gas Tax, Gas Tax Swap, & LTF)	3,306,662
Other Transportation Related (AQMD & 2004 Streets Debt Service Fund 400)	4,660,973
Water District - Water Operations	708,529
Water District - Sewer Operations	20,000
Total Budgeted Reserves	\$ 11,412,205

Expenditures

The FY 2015-16 Budget proposes expenditures of \$80,556,566 which represents an increase of 3% or \$2.1 million from the FY 2014-15 Budget of \$78,424,185. Contributing to the increase is the \$4.6 million prepayment of the 2004 Variable Rate Demand bonds. In addition, the Police Department budget will increase by \$1.3 million, with two Sheriff Deputies being added to the Traffic Division, as well as one Sheriff's Service Specialist and one Office Specialist to monitor the Crime Free Rental Program.

Offsetting the increases is a \$1.3 million reduction to the Fire District. As the two-year SAFER (Staffing for Adequate Fire and Emergency Response) Grant ended, the Fire District reduced the District's active fleet fire engines, which caused the elimination of nine (9) positions. The Water District budget is being reduced by \$1.7 million, which is due to making the final payment on the 2010 Loan from the Low & Moderate Housing Fund during FY 2014-15, as well as anticipating a 9.5% reduction to the annual production (pumping) of water. Further discussion about the changes to the expenditure budget can be found in the (D) Expenditures Summary section, as well as (F) Department & Program Expenditures section.

INTRODUCTION

Balanced Budget

Operational revenue is funding operational expenditures, not using one-time revenue to fund ongoing expenditures, consistent with City Council policy. The 2015-16 Budget is balanced, with the difference between resources (revenues, budgeted reserves, and transfers), and expenditures at zero, or a surplus, depending upon the fund. 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.

Reserve Policy

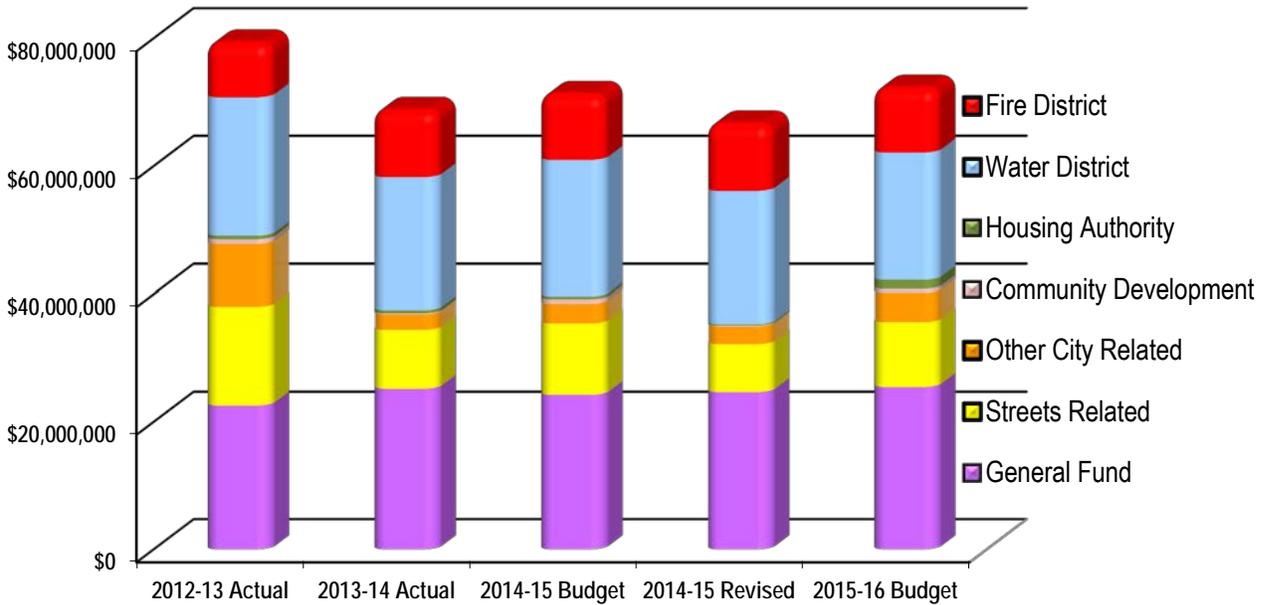
Both the City's General Fund and Water District are balanced with a surplus above the 10% reserve level where cash reserve levels substantially exceed the City Council/Board policy of 10%. The City Council's/Board's policy of maintaining 10% cash reserves as a percent of expenditures is illustrated on the following table and schedules on the following pages. However, the Fire District has a serious deficit condition which will be focused on during the budget approval process.

	General Fund		Water District		Fire District	
10% Cash Reserves (Council/Board Policy)	\$2,752,299	10%	\$ 1,954,403	10%	\$ 998,412	10%
Cash Reserves Above 10% Reserve	\$3,561,353	13%	2,616,704	13%	(766,374)	-8%
Total Estimated Cash Reserves	\$6,313,652	23%	\$ 4,571,107	23%	\$ 232,038	2%

INTRODUCTION

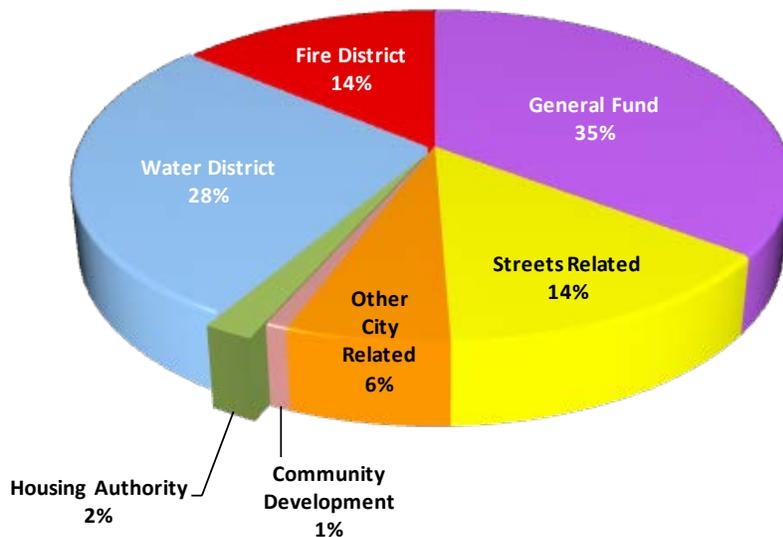
City of Hesperia

Total City Revenue Trend



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	%Change From 2014-15 Budget
General Fund	\$22,545,939	\$25,174,095	\$24,203,918	\$24,655,848	\$25,455,353	5%
Streets Related	15,474,158	9,234,849	11,203,561	7,517,932	10,157,327	-9%
Other City Related	9,779,259	2,415,264	3,068,215	2,783,207	4,574,516	49%
Total City Funds	47,799,356	36,824,208	38,475,694	34,956,987	40,187,196	4%
Community Development	743,287	190,832	727,115	152,223	621,159	-15%
Housing Authority	536,969	456,718	414,681	170,137	1,386,241	234%
Water District	21,678,838	20,793,648	21,346,913	20,833,495	19,914,149	-7%
Fire District	8,447,742	10,403,791	10,187,668	10,395,208	9,995,641	-2%
Total All Funds	\$79,206,192	\$68,669,197	\$71,152,071	\$66,508,050	\$72,104,386	1%

2015-16 Budget Total City Revenue



INTRODUCTION

REVENUE

SUMMARY and HIGHLIGHTS

The City of Hesperia maintains the practice of matching each revenue type to a similar expenditure type. There are two basic revenue types: one-time revenue and on-going revenue. The City policy and practice is to have a 'structurally' balanced budget, not using one-time revenue (i.e. bond proceeds and etc.) to pay for on-going expenditures. Comparing the total FY 2014-15 Budget to the total FY 2015-16 Budget shows a revenue increase of \$1.0 million, or 1%. The primary reason for this increase is the anticipated increase in Sales Tax and Vehicle License Fee revenue in the General Fund and an anticipated increase in proceeds from the sale of land in the Hesperia Housing Authority.

When compared to the FY 2012-13 Actual revenue, the overall combined City revenue for the FY 2015-16 Budget is expected to decrease to \$72.1 million, or by 9%, or \$7.1 million. This decrease is primarily related to the completion of two large CIP projects: The County Government Center and the Ranchero Road Undercrossing.

General Fund - General Fund revenue is for the normal operations of, and services provided by the City that are not specifically accounted for in other funds. The FY 2015-16 Budget for the General Fund is projecting an increase in revenues of 5%, or \$1.3 million over the FY 2014-15 Budget. The following summarizes the projected increase/decrease of various revenues:

- Sales and Use Tax revenue is projecting a 2%, or \$0.2 million increase to \$8.6 million.
- Vehicle License Fee revenue is expecting an increase of \$0.5 million, or 8%, to \$6.9 million.
- Development-Related revenues, including Building Permit Fees, are anticipating to increase by \$0.2 million, or 12% over the FY 2014-15 Budget estimate.
- Leased Water Rights revenue is \$1.6 million, which will primarily pay for the debt service on the 2012 Bonds issued to pay for the purchase of Water Rights. The Leased Water Rights revenue is projected to increase \$0.1 million or roughly 8% over the FY 2014-15 Budget of \$1.5 million. The increase is due to lease rates increasing from \$403 per acre-foot (AF) to \$436 per AF. The City purchased 200 AF of permanent water rights during FY 2013-14, which brings the available leasable water rights to 3,742 AF.

Streets & Transportation Related Funds - This group is comprised of 11 street and transportation related funds budgeted in FY 2015-16. Each of these funds receives revenue that is restricted for specific streets and transportation uses. Some of the major highlights are:

- Developer Impact Fees (DIF) for Streets and Storm Drainage revenue will increase 19%, or \$0.2 million over the FY 2014-15 Budget. This increase is due to the anticipated increase in residential development (from 100 permits issued in the FY 2014-15 Budget to 150 permits issued for the FY 2015-16 Budget). In the combined FY 2015-16 DIF Budget, revenue is reflecting an increase over the FY 2014-15 Revised, anticipating payment on 117,951 of commercial square footage and 112 single family residential permits, paid when these buildings are ready for occupancy.
- Measure I 2010 Renewal revenue is expected to increase by 1% to \$2.5 million.
- Local Transportation Fund (LTF) revenue is expected to decrease by \$0.7 million, or 34%, to \$1.4 million from the FY 2014-15 Budget of \$2.1 million. This decrease is due to the Victor Valley Transit Authority (VVTA) needing more funding for its operations within the City.

Other City Funds - This group is comprised of 13 other non-street related funds. Each of these funds receives revenue that is restricted for specific uses. Some of the major highlights are:

- Developer Impact Fee (DIF) for Fire, Police, and Public Safety revenue is expected to decrease 37% from the FY 2014-15 Budget, as the City Council extended an 18 month reduction of these revenues which now sunsets in early April 2016. The revenue for this group of funds is received at the end of the building process and must be paid before occupancy. Combined, these are expected to produce revenue of about \$144,000. During FY 2015-16, it is estimated that the fees of 112 Single Family Residential (SFR) permits will be paid.

The CDBG/HOME Housing and Urban Development (HUD) grants are expecting a combined increase of 70%, or \$1.4 million, from the FY 2014-15 Budget to the FY 2015-16 Budget of \$3.5 million. The primary reason for this increase is due in part to the planned sale of the intergenerational center and an anticipated reimbursement for the land upon which the County Government Center was built.

INTRODUCTION

REVENUE

SUMMARY and HIGHLIGHTS (Continued)

Community Development Commission – This agency was created to carry on the economic development function of the former Hesperia Community Redevelopment Agency (HCRA). The FY 2015-16 Budget is expected to decrease by 15%, primarily in the Proceeds from Land Sales revenue, which is estimated to decrease 31%.

Hesperia Housing Authority – The purpose of this agency is to continue the housing function of the former HCRA. The FY 2015-16 Budget of \$1.4 million shows a \$1.0 million increase over the FY 2014-15 Budget. The Authority's revenues are comprised primarily of Proceeds from Land Sales (82%) and Rents & Leases (9%).

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

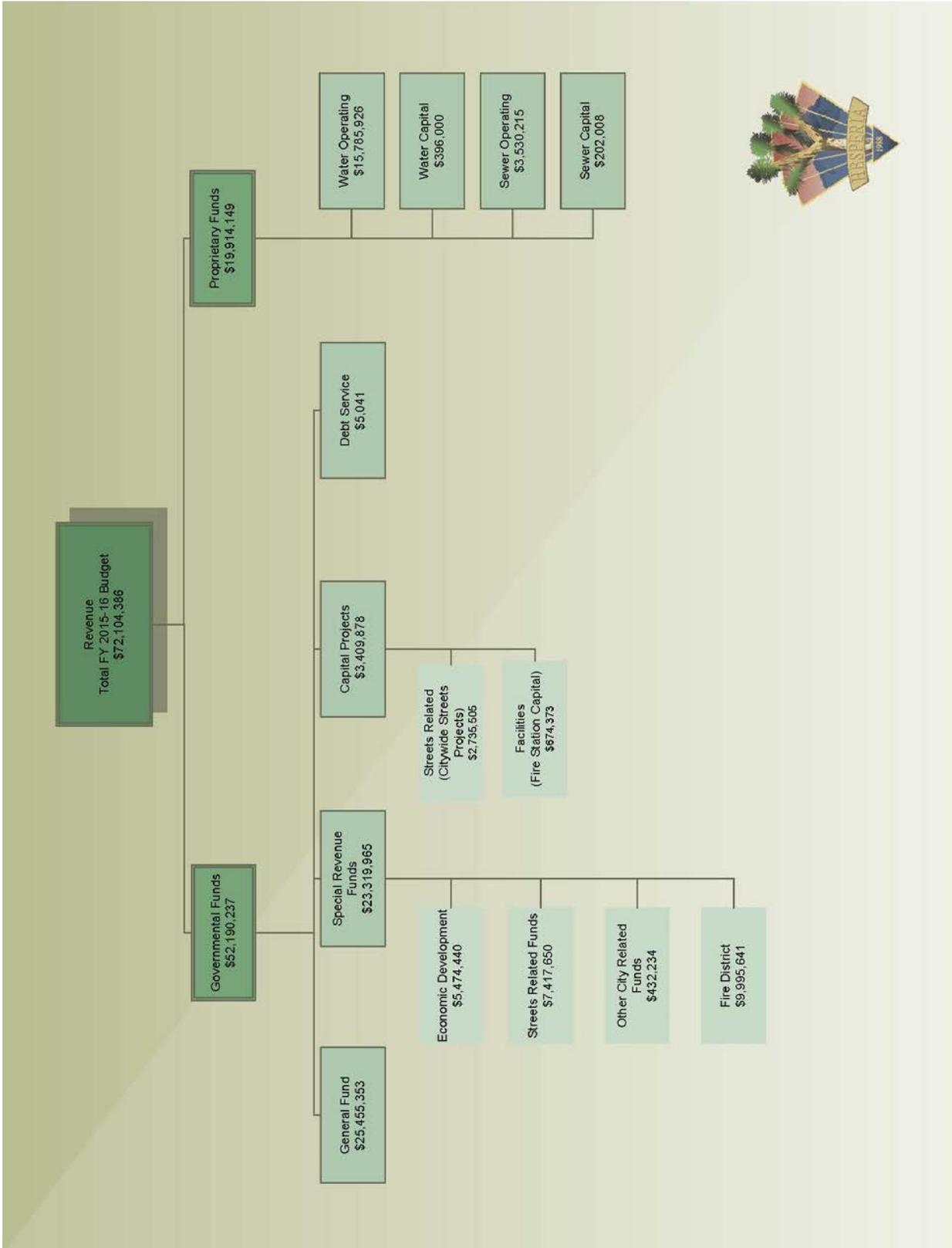
- Overall Water District revenue is expected to decrease about \$1.4 million from the FY 2014-15 Budget of \$21.3 million to the FY 2015-16 Budget of \$19.9 million. The Water Sales revenues of the District are expected to decrease \$1.7 million as customers are anticipated to reduce water consumption due to the state-wide drought. This large decrease is slightly offset by the anticipated increases of capital revenues of the District for the FY 2015-16 Budget.
- Combined Water and Sewer operating revenue, dominated by the Sales revenues, are anticipating a decrease, from the FY 2014-15 Budget, primarily from anticipated customer/consumer reductions following the governor's 25% average mandated reduction of water use. Sewer Operating revenues are expecting a slight increase for the FY 2015-16 Budget.
- The Water Capital revenue is expected to increase over the FY 2014-15 Budget, which reflects the increased development activity in the City. Sewer Capital revenue is showing a projected decline of 20% for FY 2015-16 from the FY 2014-15 Revised but a 257% increase over the FY 2014-15 Budget, as some commercial projects have been delayed for completion.

Fire District - The revenues for the FY 2015-16 Budget are projected to be \$10.0 million, which is \$0.2 million, or 2% less than the FY 2014-15 Budget of \$10.2 million, primarily due to the end of the SAFER grant (\$0.6 million). Some of the major highlights are:

- Property Tax revenue is projected to increase by 8% over the FY 2014-15 Budget, but 6% over the FY 2014-15 Revised. This is due to an anticipated 6% assessed valuation increase over the FY 2014-15 assessed valuation.
- Paramedic Ambulance Fee revenue is not anticipated to change. This revenue represents the cash collections of the ambulance billing activity, with no change from the FY 2014-15 Budget of \$2.5 million to \$2.5 million for the FY 2015-16 Budget. See page C-16 for a more detailed explanation.
- Redevelopment Tax Increment Pass-Through for the FY 2015-16 Budget is projecting a 23% increase over the FY 2014-15 Budget, but only a 6% increase over the FY 2014-15 Revised. This revenue is received directly from the County of San Bernardino in the wake of the state-wide dissolution of redevelopment agencies. The assessed valuation change of the City is anticipated to increase by 6% based on a study commissioned by Mojave Water Agency.
- Community Facilities District 94-1 revenue is expecting a 1% increase over the FY 2014-15 Budget. The FY 2013-14 levy of \$550,458 was 99% collected in that year, along with an additional \$20,600 of prior years' levies and penalties that were collected. The FY 2014-15 levy is \$559,683.
- Community Facilities District 2005-1. Part of the annual assessment includes a public safety portion to offset some of the costs that residential development places on the City's public safety providers. For the FY 2015-16 Budget, this revenue is expected to increase 2%.

INTRODUCTION

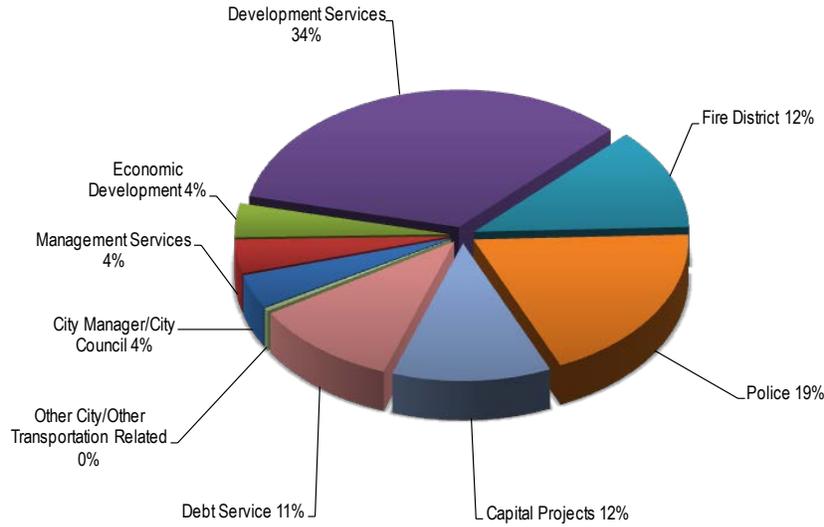
REVENUE



INTRODUCTION

TOTAL EXPENDITURES BY DEPARTMENT

2015-16 Budget

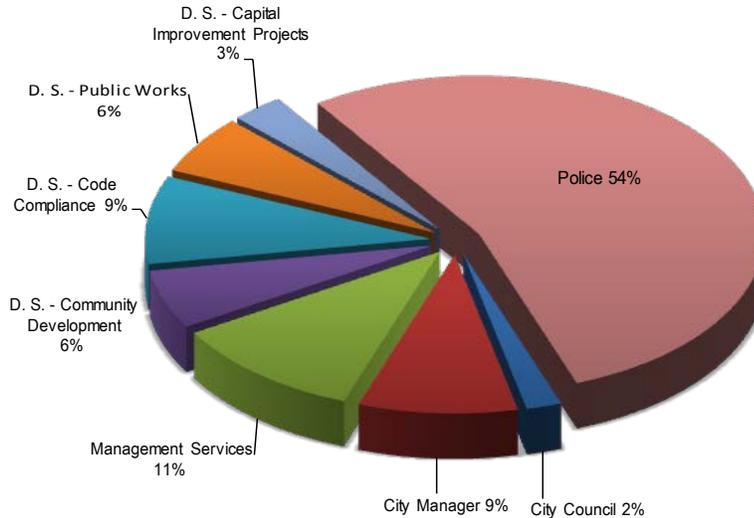


DEPARTMENTS	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
City Council	\$ 621,272	\$ 773,194	\$ 682,978	\$ 622,557	\$ 642,461	-6%
City Manager	2,499,403	2,435,761	2,778,294	2,882,768	2,502,539	-10%
Management Services	32,728,681	4,192,636	3,197,089	5,582,731	3,112,811	-3%
Economic Development						
Community Development Commission	436,949	424,634	346,253	413,510	563,605	63%
Hesperia Housing Authority	293,542	480,619	807,884	995,477	819,564	1%
C.D.B.G.	1,843,265	1,102,119	1,828,875	1,095,960	1,952,774	7%
Total Economic Development	2,573,756	2,007,372	2,983,012	2,504,947	3,335,943	12%
Development Services						
Community Development	1,527,466	1,657,296	1,629,583	1,676,042	1,659,806	2%
Code Compliance	2,128,943	2,262,457	2,346,674	2,282,103	2,410,998	3%
Public Works	4,421,238	4,658,856	5,245,787	4,876,639	5,019,631	-4%
Water Operations	14,260,652	15,124,465	14,831,295	14,408,948	14,546,819	-2%
Sewer Operations	2,668,916	2,843,315	3,056,765	3,038,592	3,184,400	4%
Total Development Services	25,007,215	26,546,389	27,110,104	26,282,324	26,821,654	-1%
Police	12,515,164	12,994,924	13,535,238	13,377,475	14,834,551	10%
Fire District	8,511,763	10,364,726	11,301,328	11,222,650	9,984,121	-12%
Other City/Other Transportation Related	157,243	312,585	222,090	488,511	343,075	54%
Debt Service						
City of Hesperia	1,647,707	14,302,808	1,755,671	1,698,160	5,425,330	209%
2012 Water Rights Acquisition	662,200	1,339,656	1,453,575	1,453,575	1,449,550	0%
Water District	2,961,980	3,060,627	2,974,770	2,961,640	1,812,810	-39%
Total Debt Service	5,271,887	18,703,091	6,184,016	6,113,375	8,687,690	40%
Capital Improvement Plan						
C I P - Facilities	7,777,015	14,561	1,841,161	121,547	871,846	-53%
C I P - Streets	16,835,109	4,691,188	8,548,875	2,849,033	9,419,875	10%
C I P - Water	773,222	650,459	40,000	16,200	0	-100%
Total Capital Improvement Plan	25,385,346	5,356,208	10,430,036	2,986,780	10,291,721	-1%
Total City Expenditures	\$ 115,271,730	\$ 83,686,886	\$ 78,424,185	\$ 72,064,118	\$ 80,556,566	3%

INTRODUCTION

TOTAL GENERAL FUND EXPENDITURES BY DEPARTMENT

2015-16 Budget



DEPARTMENTS	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% of Budget	% Change From 2014-15 Budget
City Council	\$ 621,272	\$ 773,194	\$ 682,978	\$ 622,557	\$ 642,461	2%	-6%
City Manager	2,499,403	2,435,761	2,778,294	2,882,768	2,502,539	9%	-10%
Management Services	32,728,681	4,192,636	3,197,089	5,582,731	3,112,811	11%	-3%
Development Services							
D. S. - Community Development	1,527,466	1,657,296	1,629,583	1,676,042	1,659,806	6%	2%
D. S. - Code Compliance	2,128,943	2,262,457	2,346,674	2,282,103	2,410,998	9%	3%
D. S. - Public Works	1,355,296	1,519,539	1,730,208	1,558,252	1,694,321	6%	-2%
D. S. - Capital Improvement	0	0	733,200	67,700	665,500	3%	-9%
Development Services Total	5,011,705	5,439,292	6,439,665	5,584,097	6,430,625	24%	0%
Police	12,515,164	12,994,924	13,535,238	13,377,475	14,834,551	54%	10%
Total General Fund Expenditures	\$53,376,225	\$ 25,835,807	\$26,633,264	\$ 28,049,628	\$ 27,522,987	100%	3%

Budgeted expenditures for the General Fund are expected to increase by 3% or \$0.9 million. The following is a discussion of the different General Fund departments:

- **City Council** – The City Council Department consists of the City Council Division and the City Attorney Division. The department as a whole will decrease by \$40,517, which is primarily due to a \$50,000 reduction to City Attorney related costs for FY 2015-16.
- **City Manager** – The City Manager Department, comprised of both the City Manager Division and Information Technology (IT) Division, is expected to decrease by 10% or \$0.3 million. The decrease is related to the reduction of the IT Division’s capital outlay budget of \$0.2 million, which is due to completing the upgrade of the storage capacity by upgrading servers during FY 2014-15.

INTRODUCTION

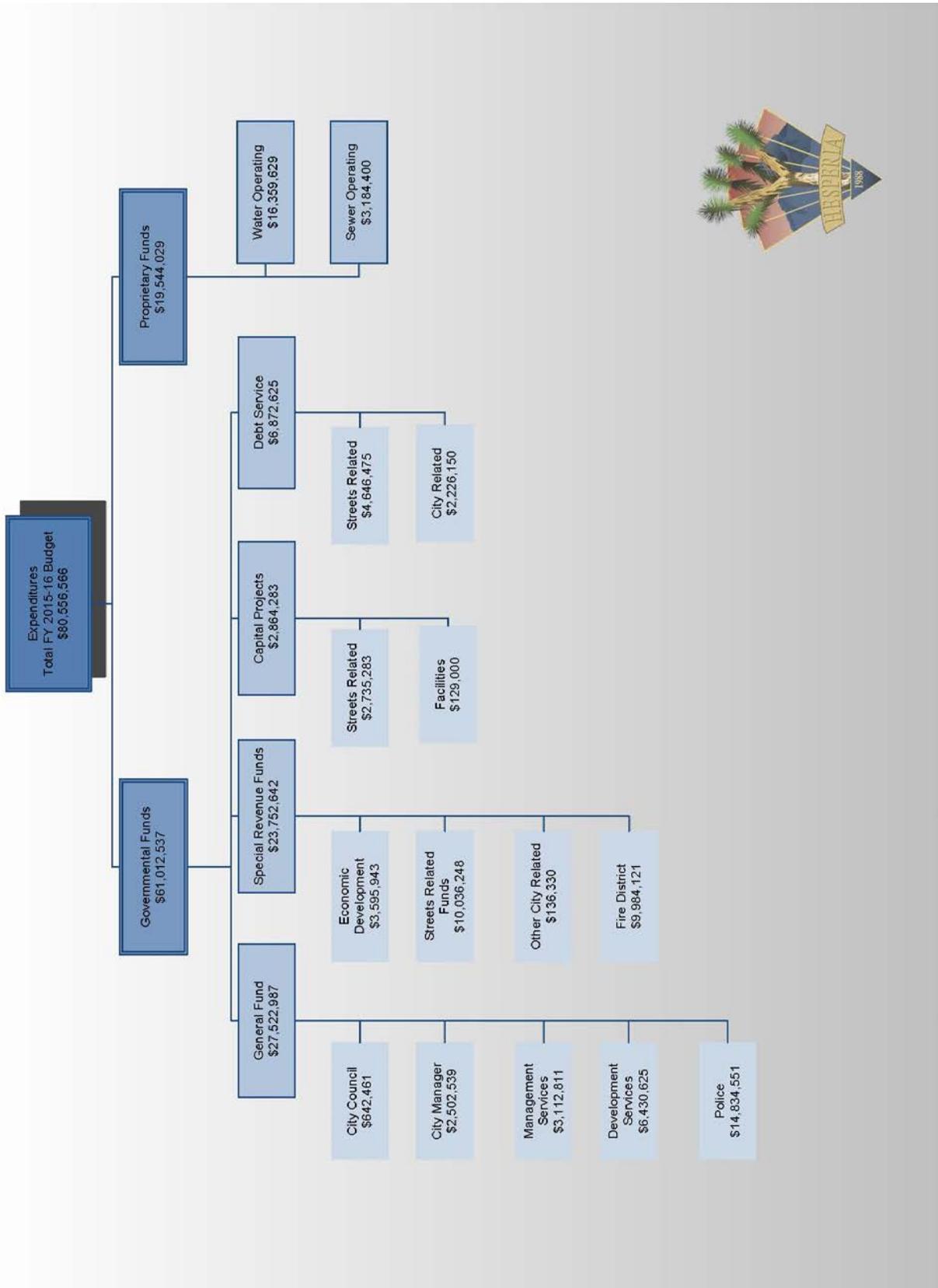
TOTAL GENERAL FUND EXPENDITURES BY DEPARTMENT (Continued)

2015-16 Budget

- Management Services – As a whole, the Management Services Department is reflecting a decrease of 3% or \$84,278 from the FY 2014-15 Budget of \$3.2 million. The decrease is primarily due to the FY 2014-15 Budget including the final payment of \$0.5 million to Summit Valley Ranch for the purchase of 200-acre feet of permanent water rights, which is offset by an increase of \$0.4 million to reimburse the City's Community Development Block Grant (CDBG) Fund. The reimbursement to the City's Community Development Block Grant (CDBG) Fund is related to an agreement between the City and the County of San Bernardino for the placement of the High Desert Government Center. Note that the FY 2014-15 Revised reflects an increase of \$2.4 million, which is primarily due to the \$2.5 million purchase of 500 acre feet of permanent water rights from Aqua Capital.
- Development Services – The Development Services Department, as a whole, is expected to remain relatively flat for FY 2015-16. With that, there are noteworthy additions that have been offset by savings elsewhere within the departmental budget.
 - Community Development – In the Planning Program, one Assistant Planner will be replaced with a higher classification Associate Planner. In addition, two part-time Building Inspector positions were added in the Building & Safety Program, which will reduce the need for contract inspectors.
 - Code Compliance – The FY 2015-16 Budget includes funding to purchase two replacement vehicles, with one being a pickup truck for Animal Control, while the other is a 15 passenger van for Code Enforcement.
 - Public Works – The proposed budget for the Engineering Program will add one Management Analyst position, which will be split funded with the Water District.
 - Capital Improvement – The two General Fund capital improvement projects are carried over from the FY 2014-15 Budget, which are the Animal Control Sewer Project and the 2014-15 Street Improvement Project.
- Police Department – The FY 2015-16 Police Department Budget of \$14.8 million reflects an increase of \$1.3 or 10% from the FY 2014-15 Budget of \$13.5 million. The police service contract will increase by \$1.1 million, of which \$0.6 million was to fund the current level of service in FY 2015-16, while \$0.4 million will add two Sheriff Deputies to the Traffic Division, and \$0.2 million will add one Sheriff's Specialist and one Office Specialist to operate the Crime Free Rental Program. While the cost to carryover service levels and adding four positions is \$1.2 million, it is anticipated that fuel and maintenance will decrease by \$0.1 million to give a total contract of \$1.1 million. In addition, four Automated License Plate Reader (ALPR) trailers will be purchased for approximately \$0.2 million that will assist with reducing speed related accidents and developing investigative leads. Police Department expenditures represent 54% of the FY 2015-16 General Fund Budget compared to 52% of the FY 2014-15 Budget.

INTRODUCTION

EXPENDITURES



INTRODUCTION

SUMMARY OF POSITION CHANGES

The 2015-16 Budget decreases full-time City staffing by 0.9%, which is 2.85 FTE, from 318.10 to 315.25 full-time positions. Part-time positions will increase by 0.92 FTE to a total of 4.60 FTE. The reductions to the total FTE is due to the restructuring of positions in the Fire District. By factoring out the Fire District changes, total full-time City staffing will increase by 6.00 FTE or approximately 2.4% over FY 2014-15. Including both full-time and part-time positions, the City is proposing a reduction of 1.93 FTE during FY 2015-16.

Public Safety Position Changes:

Position Changes to Fire District (8.85 FTE Reduction):

The City of Hesperia contracts with the San Bernardino County Fire Department for full-service fire protection and ambulance operations. The proposed budget reduces staffing and vehicles from 60.00 FTE Safety staff and three and a half (3.5) fire engines to 51.00 FTE Safety staff and two and a half (2.5) fire engines, while maintaining five (5) ambulances. This reduction more accurately reflects workload indicators related to the services provided to the City (81% of calls are for Advanced Life Support). It should be noted that the fire engine at Station 305 is shared with the County and counts as half an engine in the Districts vehicle count.

- Eliminate three Fire Fighter/Paramedic positions (3.00 FTE), three Engineer positions (3.00 FTE), and three Captain positions (3.00 FTE) due to the reduction of one fire engine.
- Due in part to the SAFER grant ending, reduce fifteen Firefighter - Limited Term positions (15.00 FTE) and reduce fifteen Firefighter/Paramedic - Limited Term positions (15.00 FTE).
- In an effort to maintain five (5) ambulances, fifteen Ambulance Operator/EMT positions (15.00 FTE) and fifteen Ambulance Operator/PM positions (15.00 FTE) will be added to offset the loss of staffing from the completion of the SAFER Grant.
- Due to contract reallocation, a Division Chief position will be increased from 0.39 FTE to 0.43 FTE (0.04 FTE increases), while three Battalion Chief positions allocation will be increased from 1.18 FTE to 1.29 FTE.

Position Changes to Police (4.00 FTE Addition):

The City contracts with the San Bernardino County Sheriff's Department for law enforcement services. To enhance safety on the City streets, it is proposed to increase Sheriff Deputies from 41.00 FTE to 43.00 FTE (increase of 2.00 FTE). The additional two Sheriff Deputies will be assigned to the Traffic Division. In addition, one Sheriff's Service Specialist and one Office Specialist position will be added to start up and monitor the Crime Free Rental Housing Program (increase of 2.00 FTE).

Non-Safety Position Changes:

The following is a listing of proposed position changes for the FY 2015-16 Budget.

Add Net Two Full-Time Positions (6.00 FTE Addition) and Eliminate Four Full-Time Positions (4.00 FTE Reduction):

- One Information Technology Manager position (1.00 FTE) will be added in Information Technology Division, while one Information Systems Specialist position (1.00 FTE) will be eliminated.
- One Accounting Technician position (1.00 FTE) will be added in Finance Division, while one Senior Account Clerk position (1.00 FTE) will be eliminated.
- One Associate Planner (1.00 FTE) will be added to Planning, while one Assistant Planner (1.00 FTE) will be eliminated.
- One Senior Pump Maintenance Worker (1.00 FTE) will be added to the Water District, while one Pump Maintenance Worker (1.00 FTE) will be eliminated.
- One Management Analyst (1.00 FTE) will be added with a distribution of 0.50 FTE to Public Works – Engineering and 0.50 FTE to Water Operating – Engineering.
- One Maintenance Worker (1.00 FTE) will be added with a distribution of 0.30 FTE to Public Works – Streets Maintenance and 0.70 FTE to Sewer Operating.

INTRODUCTION

SUMMARY OF POSITION CHANGES (Continued)

Non-Safety Position Changes (Continued):

Add Three Part-Time Positions (1.38 FTE Addition) and Eliminate One Part-Time Positions (0.46 FTE Reduction):

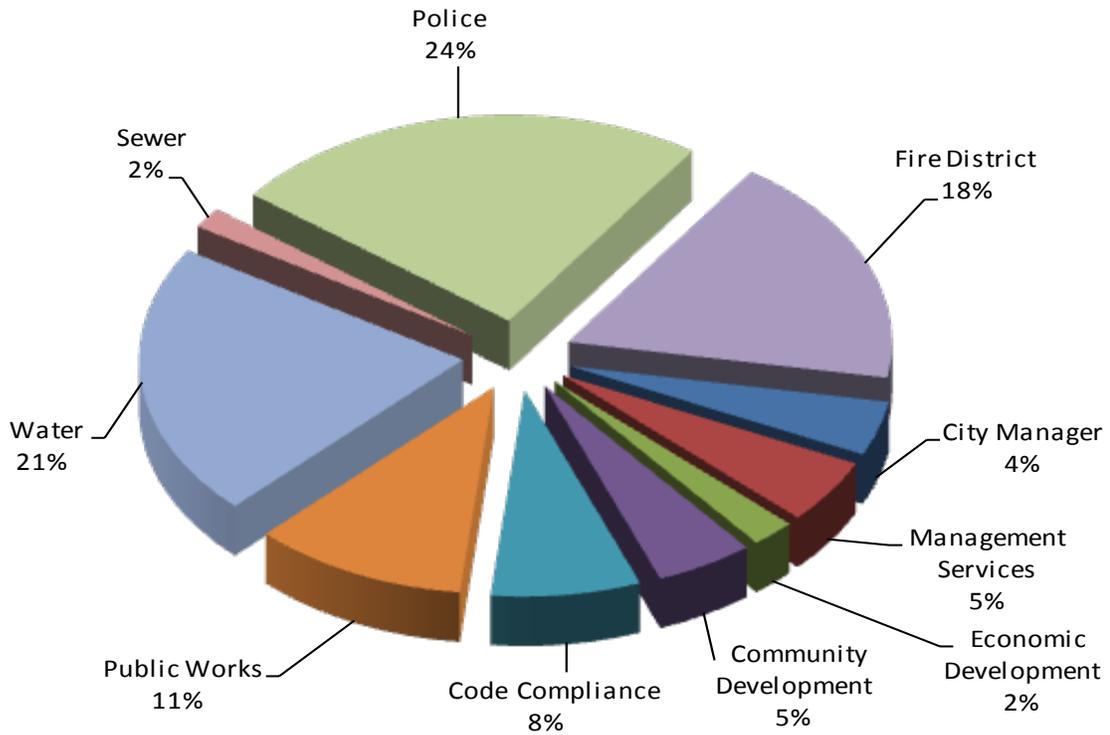
- Eliminate one vacant part-time Senior Account Clerk position (0.46 FTE) in the Finance Division.
- Add one part-time Office Assistant position (0.46 FTE) to the Human Resources/Risk Management Division.
- Add two part-time Building Inspector positions (0.92 FTE) to Building & Safety.

Position FTE reallocation:

- Reallocate three Senior Maintenance Worker positions (3.00 FTE) with the allocation of 0.60 FTE in Public Works – Street Maintenance, 1.70 FTE in Water Operating – Production, and 0.70 FTE in Sewer Operating to 0.50 FTE to Public Works – Street Maintenance, 1.80 FTE in Water Operating – Distribution, and 0.70 FTE in Sewer Operating.

INTRODUCTION

2015-16 BUDGET FULL-TIME AND PART-TIME STAFF BY DEPARTMENT



<u>Departments</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>% Change From 2014-15 Budget</u>
City Manager	13.60	13.60	13.60	13.60	0%
Management Services	17.26	16.26	16.26	16.26	0%
Economic Development	8.00	8.00	7.00	7.00	0%
Development Services:					0%
Community Development	16.03	15.95	14.76	15.68	6%
Code Compliance	23.78	23.78	23.92	23.92	0%
Public Works	34.36	34.36	33.66	34.36	2%
Water	68.77	69.23	67.98	68.58	1%
Sewer	4.50	4.50	4.50	5.20	16%
Development Services Total	147.44	147.82	144.82	147.74	2%
Sub-Total Non-Police & Fire District	186.30	185.68	181.68	184.60	2%
Police	72.50	73.00	73.00	77.00	5%
Fire District	48.40	66.73	67.10	58.25	-13%
Sub-Total Police & Fire District	120.90	139.73	140.10	135.25	-3%
Total Full & Part-Time Staff	307.20	325.41	321.78	319.85	-1%
Change Amount	n/a	18.21	-3.63	-1.93	
Percentage	n/a	5.9%	-1.1%	-0.6%	

INTRODUCTION

CAPITAL IMPROVEMENT PROGRAM (C I P) SUMMARY

The CIP projects are summarized as follows:

<u>C I P Major Categories</u>	Projects Completed in FY 2014-15	Projects Continued in 2015-16 Budget	New Projects Included in 2015-16 Budget	New & Continued Projects Included in 2015-16 Budget
Streets C I P Projects	\$1,953,000	\$4,947,338	\$3,287,000	\$ 8,234,338
Storm Drainage	0	1,185,537	0	1,185,537
Facilities	0	871,846	0	871,846
Water	0	0	0	0
Sewer	0	0	0	0
Total C I P Projects	<u>\$1,953,000</u>	<u>\$7,004,721</u>	<u>\$3,287,000</u>	<u>\$10,291,721</u>

Streets C I P Projects - \$8,234,338 (2015-16 Budget)

- 2015-16 Street Improvement Project – \$2,277,000 has been included in the FY 2015-16 Budget. The program history is as follows:

	<u>Expenditures</u>	<u>Miles Paved</u>	<u>Slurry Seal Miles</u>
2000-01 Street Improvement Project	\$ 2,226,573	18.0	0
2001-02 Street Improvement Project	\$ 2,148,349	19.4	0
2002-03 Street Improvement Project	\$ 1,993,142	16.5	0
2003-04 Street Improvement Project	\$ 2,033,719	17.1	0
2004-05 Street Improvement Project	\$ 3,166,412	18.2	12.4
2005-06 Street Improvement Project	\$ 6,221,264	51.1	14.2
2006-07 Street Improvement Project	\$10,994,391	57.0	11.0
2007-08 Street Improvement Project	\$19,134,056	57.0	4.0
2008-09 Street Improvement Project	\$ 9,193,091	28.0	0
2009-10 Street Improvement Project	\$ 5,726,868	13.9	0
2010-11 Street Improvement Project	\$ 0	0	0
2011-12 Street Improvement Project	\$ 2,446,984	2.5	7.5
2012-13 Street Improvement Project	\$ 1,705,349	1.0	6.6
2013-14 Street Improvement Project	\$ 1,995,597	2.5	9.3
<u>2014-15 Street Improvement Project</u>	<u>\$ 2,500,000</u>	<u>2.2</u>	<u>10.9</u>
Fourteen Year Total	\$71,485,795	304.4	75.9
<u>2015-16 Street Improvement Project</u>	<u>\$ 2,277,000</u>	<u>2.5</u>	<u>7.8</u>
Fifteen Year Total	\$73,762,795	306.9	83.7

- Three Other New Street Projects – 3 Projects \$1,010,000 – Funding in the amount of \$1,010,000 has been included in the FY 2015-16 Budget for the following three new street projects:

• Traffic Signal @ Rancho Road/Maple Avenue	\$ 500,000
• 2015-16 Americans with Disabilities Act (ADA) Transition Plan (Implementation)	260,000
• Bear Valley Road Reconstruction Cottonwood – Amargosa	<u>250,000</u>
	\$1,010,000

INTRODUCTION

CAPITAL IMPROVEMENT PROGRAM (C I P) SUMMARY (Continued)

- Ranchero Road Related Projects – 3 Projects \$1,150,000 – Included in the FY 2015-16 Budget are projects related to the Ranchero Road Corridor, with the largest overall project being the Ranchero Road Interchange Project. The three projects are as follows:

• Ranchero Road Undercrossing	\$ 200,000
• Ranchero Road I-15 Interchange	250,000
• Ranchero Road Improvement – Seventh Avenue to Mariposa Road (Aqueduct Widening)	<u>700,000</u>
	\$1,150,000

- Four Other Streets Projects – 4 Projects \$3,797,338 – Included in the FY 2015-16 Budget are four other continuing street projects. These projects include a carryover of a Street Improvement Project:

• 2014-15 Street Improvement Project	\$2,490,000
• Willow Street Paseo	905,338
• Aqueduct Crossing Improvements – Widen Bridge at Main Street Design and Right-Of-Way Acquisition	400,000
• 2014-15 ADA Transition Plan	<u>2,000</u>
	\$3,797,338

Storm Drainage C I P Project - 1 Project \$1,185,537 – Included in the FY 2015-16 Budget is the continuation of one drainage project as shown below:

• H-01 Drainage Facility – (Section 3A) Third Avenue to Fourth Avenue	<u>\$1,185,537</u>
	\$1,185,537

Facilities C I P Projects – 2 Projects \$871,846 – The following 2 projects, totaling \$871,846, will be continued in Fiscal Year 2015-16 as follows:

• Park and Ride Facility	\$696,346
• Animal Control Sewer Project	<u>175,500</u>
	\$871,846

INTRODUCTION

SUMMARY OF DEBT OBLIGATIONS:

Included in this Debt Obligation Summary is information on external and internal debt obligations.

- The 1996 \$3,000,000 HUD Section 108 Loan was paid in full on August 1, 2014.
- The \$6,000,000 loan from the Housing Authority to the Water District was paid in full on July 1, 2014.
- Staff has prepared a plan for the early retirement of the Series 2004 Variable Rate Revenue Bonds (Streets Bonds) by making the final payment in FY 2015-16, to coincide with the letter of credit termination date. Since FY 2005-06, a total of \$6,320,000 in prepayments will have been made (FY 2005-06 \$600,000, FY 2006-07 \$1,000,000, FY 2007-08 \$800,000, and FY 2015-16 \$3,920,000), resulting in the retirement of the debt eight years early and saving the City over \$9 million dollars.
- Due to the depletion of reserves within the 2013 Civic Plaza Refunding Lease Revenue Bond fund, a substantial increase in the contributions from DIF Public Services (87.25%) and the General Fund (12.75%) are needed. The DIF Public Services fund is projected to have insufficient funds for the needed contribution, therefore a substantial increase (\$677,584) is needed in the General Fund loan to DIF Public Services, for a cumulative total loan amount of \$832,104. It is projected that an additional loan from the General Fund will be needed in FY 2016-17.
- The letter of credit for the Water District 1998 A&B Variable Rate Lease Revenue Refunding Bonds was replaced in November 2013 with a two-year agreement. A renewal of the letter of credit will be needed in November 2015 (FY 2015-16).
- As of February 1, 2012, redevelopment agencies were dissolved by the State of California and funding for the former redevelopment agency obligations will be provided by the County of San Bernardino, as outlined in ABx26, and paid by the Successor Agency. These debt issues are now obligations of the Successor Agency to the Former Community Redevelopment Agency and are no longer presented in the Debt Service Section of the City's Budget.

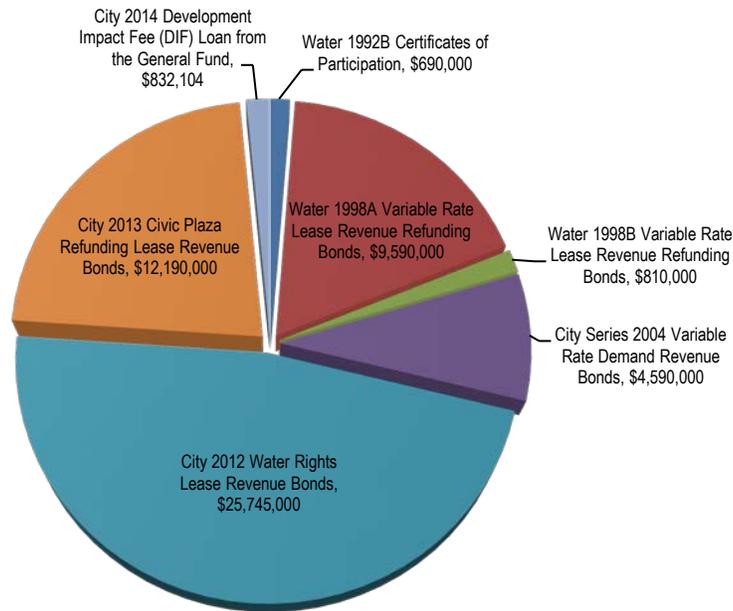
2015-16 BUDGET TOTAL PRINCIPAL AND INTEREST DEBT SERVICE PAYMENTS

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
<u>City of Hesperia</u>					
Principal	\$1,250,000	\$13,905,000	\$1,605,000	\$1,605,000	\$5,385,000
Interest and Admin Fees	1,059,907	*1,737,464	1,604,246	1,546,735	1,489,880
Total City	\$2,309,907	\$15,642,464	\$3,209,246	\$3,151,735	\$6,874,880
<u>Hesperia Water District</u>					
Principal	\$2,020,000	\$2,055,000	\$2,090,000	\$2,090,000	\$930,000
Interest and Admin Fees	941,980	1,005,627	884,770	871,640	882,810
Total Water	\$2,961,980	\$3,060,627	\$2,974,770	\$2,961,640	\$1,812,810
<u>Total All Funds</u>					
Principal	\$3,270,000	\$15,960,000	\$3,695,000	\$3,695,000	\$6,315,000
Interest and Admin Fees	2,001,887	2,743,091	2,489,016	2,418,375	2,372,690
Total Debt Service Payments	\$5,271,887	\$18,703,091	\$6,184,016	\$6,113,375	\$8,687,690

*Note - Includes bond issuance costs as well as discount on bond issue.

INTRODUCTION

SUMMARY OF DEBT OBLIGATIONS (Continued):



Estimated Principal Outstanding July 1, 2015

<u>Debt Service Principal Obligations</u>	<u>Original Principal Amount</u>	<u>Estimated Principal Outstanding July 1, 2015</u>	<u>Maturity Date</u>
<u>City of Hesperia</u>			
Series 2004 Variable Rate Demand Revenue Bonds	\$12,525,000	\$ 4,590,000	*October 1, 2015
2012 Water Rights Lease Revenue Bonds	26,735,000	25,745,000	October 1, 2042
2013 Civic Plaza Refunding Lease Revenue Bonds	12,445,000	12,190,000	October 1, 2035
2014 Development Impact Fee (DIF) Loan from the General Fund	<u>65,840</u>	<u>832,104</u>	Undetermined
Total City of Hesperia Principal Debt	\$51,770,840	\$43,357,104	
<u>Hesperia Water District</u>			
1992B Certificates of Participation	\$ 1,405,000	\$ 690,000	June 1, 2022
1998A Variable Rate Lease Revenue Refunding Bonds	18,040,000	9,590,000	June 1, 2026
1998B Variable Rate Lease Revenue Refunding Bonds	<u>2,070,000</u>	<u>810,000</u>	June 1, 2022
Total Hesperia Water District Principal Debt	\$21,515,000	\$11,090,000	
Total Principal Debt Outstanding	\$73,285,840	\$54,447,104	

*Will be retired during FY 2015-16, eight years before the original scheduled maturity of October 1, 2023.

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes

CITY COUNCIL

Department			Change From 2014-15 Budget	
	2014-15 Budget	2015-16 Budget	Amount	Percent
City Council	\$ 382,978	\$ 392,461	\$ 9,483	2%
City Attorney	300,000	250,000	(50,000)	-17%
Total City Council	\$ 682,978	\$ 642,461	\$ (40,517)	-6%

Significant Department Expenditure and Staffing Changes:

- Funding of \$10,000 is included to enhance the annual Youth in Government Day Program.
- City Attorney budget has been reduced to reflect current expenditures and litigation.

CITY MANAGER

Department			Change From 2014-15 Budget	
	2014-15 Budget	2015-16 Budget	Amount	Percent
City Manager	\$ 1,163,461	\$ 1,129,749	\$ (33,712)	-3%
Information Technology	1,614,833	1,372,790	(242,043)	-15%
Total City Manager	\$ 2,778,294	\$ 2,502,539	\$ (275,755)	-10%
Full & Part-Time Staff (FTE)	13.60	13.60	0.00	0%

Significant Department Expenditure and Staffing Changes:

- Funding for elections decreased by \$34,000 reflecting the non-election year.
- Eliminate one vacant Information Systems Specialist (1.00 FTE) position along with temporary contracting funds for the Interim Manager and add an Information Systems Manager (1.00 FTE) position to manage the City's Information Technology Division.
- The reduction in Capital Outlay in the IT Division is the result of completing the purchase and implementation of redundant servers and increasing the City's data storage, however \$100,000 has been included in the FY 2015-16 Budget for the replacement of handset phones. The current handset phones are failing due to the upgrade of the operating system that was completed a few years ago, the age, and the current handsets are not able to operate on a separate virtual local area network.

MANAGEMENT SERVICES

Department			Change From 2014-15 Budget	
	2014-15 Budget	2015-16 Budget	Amount	Percent
Finance	\$ 1,999,702	\$ 1,939,085	\$ (60,617)	-3%
Human Resources/Risk Management	1,197,387	1,173,726	(23,661)	-2%
Total Management Services	\$ 3,197,089	\$ 3,112,811	\$ (84,278)	-3%
Full & Part-Time Staff (FTE)	16.26	16.26	0.00	0%

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes (Continued)

MANAGEMENT SERVICES (Continued)

Significant Department Expenditure and Staffing Changes:

- Eliminate the vacant Senior Account Clerk (1.00 FTE) position and the vacant part-time Senior Account Clerk (0.46 FTE) position and add a new Accounting Technician (1.00 FTE) position along with an Administrative Intern to perform the Accounts Payable and related functions.
- One part-time Office Assistant (0.46 FTE) is being added to the Human Resource Division, to assist with the workload.
- Funding of \$30,000 is included for a new Indirect Cost Allocation Plan Study.
- The significant decrease in Capital Outlay from FY 2014-15 reflects the purchase of 500 acre feet of permanent water rights from Aqua Capital.
- Funding of \$400,000 is included in Contractual to reimburse Community Development Block Grant Funds (CDBG) for the parcel of land upon which the County Government Center was built. In 2003 the parcel was purchased with CDBG funds from the City, and the parcel was donated to the County for the County Government Center. The land use does not meet the CDBG requirements, thereby requiring the General Fund to reimburse CDBG for the appraised value of the land.

ECONOMIC DEVELOPMENT DEPARTMENT

Department	2014-15 Budget	2015-16 Budget	Change From 2014-15 Budget	
			Amount	Percent
Community Development Commission				
Community Development Commission	\$ 346,253	\$ 563,605	\$ 217,352	63%
Subtotal Community Development Commission	\$ 346,253	\$ 563,605	\$ 217,352	63%
Hesperia Housing Authority				
Hesperia Housing Authority	\$ 582,884	\$ 639,564	\$ 56,680	10%
VVEDA Housing Authority	225,000	180,000	(45,000)	-20%
Subtotal Hesperia Housing Authority	\$ 807,884	\$ 819,564	\$ 11,680	1%
CDBG:				
Administration	\$ 1,141,371	\$ 1,314,792	\$ 173,421	15%
Revolving Loans	313,951	311,185	(2,766)	-1%
Neighborhood Stabilization	574,683	586,797	12,114	2%
Subtotal CDBG	\$ 2,030,005	\$ 2,212,774	\$ 182,769	9%
Total Economic Development	\$ 3,184,142	\$ 3,595,943	\$ 411,801	13%
Full & Part-Time Staff (FTE)	7.00	7.00	0.00	0%

Significant Department Expenditure and Staffing Changes:

- The increase in materials is primarily due to an increase (\$139,000) in costs associated with Opportunity High Desert including: 1.) An increase of \$78,000 from the FY 2014-15 Adopted Budget of \$16,667 to the FY 2014-15 Amended Budget of \$94,667 for the Hesperia Economic Development Department to expend costs on behalf of the joint venture and 2.) An increase of (\$60,000) above the ongoing OHD operational costs for proposed development of a website as well as trade show booth repairs. Due to financial challenges faced by the City of Adelanto, only Apple Valley, Hesperia, Victorville, and Barstow will contribute financially (\$38,886 +/- each).
- An increase in contractual is included for Retail and Marketing services (\$60,000). As a component of its retail marketing efforts the City periodically refreshes its retail reconnaissance by contracting with The Buxton Company who identifies "matches" which represent those retailers whose site location criteria match with the demographics and psychographics of the City. This in-depth effort focuses on three targeted retail areas of the City and delivers 20 profiled matches of retailers that are ideally suited for Hesperia. Pirih Productions creates marketing materials to support the City's retail attraction efforts.

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes (Continued)

ECONOMIC DEVELOPMENT DEPARTMENT (Continued)

Significant Department Expenditure and Staffing Changes (Continued):

- Included in the budget is funding for the preparation of an affordable housing underwriting/strategic plan (\$50,000).
- The increase in Other Operating expenditures is largely attributable to the need for more substantive repairs to HHA-owned properties.
- The 2015-16 CDBG Action Plan includes a new allocation of \$260,000 within Other Operating for Americans with Disabilities Act (ADA) improvements to City infrastructure and facilities, specifically curbs, gutters, and sidewalks, as referenced in the Capital Improvement Program Section (CIP) CO# 7401.
- Funding in the amount of \$200,000 has been included in Contractual for a CDBG Action Plan approved Economic Development Loan Program, along with funding in the amount of \$50,000 for a Micro Enterprise Loan Program.

D.S. COMMUNITY DEVELOPMENT

Department	2014-15		2015-16		Change From 2014-15 Budget	
	Budget	Budget	Amount	Percent		
Planning	\$ 831,060	\$ 815,730	\$ (15,330)	-2%		
Building & Safety	798,523	844,076	45,553	6%		
Total Community Development	\$ 1,629,583	\$ 1,659,806	\$ 30,223	2%		
Full & Part-Time Staff (FTE)	14.76	15.68	0.92	6%		

Significant Department Expenditure and Staffing Changes:

- Add one Associate Planner (1.00 FTE) position and eliminate one vacant Assistant Planner (1.00 FTE) position to more effectively deal with a higher level of workload.
- Add two part-time Building Inspectors (0.96 FTE) positions and reduce contract building inspection services to only \$10,000 to provide a more cost effective approach to ensure same day inspection's requests are accomplished.
- Funding of \$16,675 is included 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.

D.S. CODE COMPLIANCE

Department	2014-15		2015-16		Change From 2014-15 Budget	
	Budget	Budget	Amount	Percent		
Code Enforcement	\$ 935,438	\$ 952,627	\$ 17,189	2%		
Animal Control	1,411,236	1,458,371	47,135	3%		
Total D.S.-Code Compliance	\$ 2,346,674	\$ 2,410,998	\$ 64,324	3%		
Full & Part-Time Staff (FTE)	23.92	23.92	0.00	0%		

Significant Department Expenditure and Staffing Changes:

- Funding of \$32,500 is included for an animal control multi-use 4 wheel drive crew cab vehicle with towing capability for a variety of animal control functions that have required borrowing vehicles in the past.
- Funding of \$35,000 is included to purchase a replacement 15 passenger van for the R.E.A.C.H. (Restoring the Environment for a Cleaner Hesperia) Program whereby Sheriff's Work Release Program participants' clean-up/remove trash and debris in the public right-of-ways and other related functions.

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes (Continued)

D.S. PUBLIC WORKS

Department	2014-15 Budget	2015-16 Budget	Change From 2014-15 Budget	
			Amount	Percent
Street Maintenance	\$ 3,515,579	\$ 3,325,310	\$ (190,269)	-5%
Engineering	672,278	621,948	(50,330)	-7%
Building Maintenance	1,057,930	1,072,373	14,443	1%
Total D.S. Public Works	\$ 5,245,787	\$ 5,019,631	\$ (226,156)	-4%
Full & Part-Time Staff (FTE)	33.66	34.36	0.70	2%

Significant Department Expenditure and Staffing Changes:

- Street sweeping costs and weed abatement costs will increase due to the development of the Rancho/I-15 Interchange and sweeping the industrial areas of the City.
- Funding of \$71,000 is included for the purchase of a new Crack Filler Machine which can fill cracks in roads wider than one inch which the City's current crack seal machine is not designed to do. Currently, approximately 50% of the cracks staff are trying to seal are over one inch wide.
- Add one Management Analyst (0.50 FTE) to the Development Services Engineering Program to perform the functions of the City's Storm Water Program.
- Add one Maintenance Worker (0.30 FTE) position to help keep the maintenance on the sewer system and storm water drainage system on schedule.
- The Senior Maintenance Worker staffing has been reallocated by 0.10 FTE from Public Works - Street Maintenance to Water Operating - Distribution.

D.S. WATER

Department	2014-15 Budget	2015-16 Budget	Change From 2014-15 Budget	
			Amount	Percent
Water Operating				
Source of Supply	\$ 2,764,565	\$ 2,219,471	\$ (545,094)	-20%
Production	3,285,566	3,043,268	(242,298)	-7%
Distribution	1,161,964	1,185,131	23,167	2%
Pipeline Maintenance	1,201,465	1,045,044	(156,421)	-13%
Engineering	757,342	971,151	213,809	28%
Customer Service	1,194,632	1,526,122	331,490	28%
Utility Billing	1,002,860	1,001,544	(1,316)	0%
Administration	6,083,671	5,006,529	(1,077,142)	-18%
Property Management	354,000	361,369	7,369	2%
Subtotal Water Operating	\$ 17,806,065	\$ 16,359,629	\$ (1,446,436)	-8%
Water Capital	40,000	0	(40,000)	-100%
Total D.S.-Water	\$ 17,846,065	\$ 16,359,629	\$ (1,486,436)	-8%
Full & Part-Time Staff (FTE)	67.98	68.58	0.60	1%

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes (Continued)

D.S. Water (Continued)

Significant Department Expenditure and Staffing Changes:

Source of Supply

- For Water Year (WY) 2014-15 (FY 2015-16 Budget), it is anticipated that the Hesperia Water District will produce 13,063 AF of water, which will require make-up obligations of 4,850 acre-feet (AF) in excess of the free production allowance of 8,213 AF. The total cost associated for the WY 2014-15 (FY 2015-16 Budget) production is anticipated to be \$2,017,609, of which 3,742 AF of water will be leased from the City of Hesperia for a cost of \$1,631,512.
- The reduction for WY 2014-15 (FY 2015-16 Budget) is expected to decrease, as compared to the previous water years, due to increased conservation from the District's customers, especially in light of the Governor's declaration of state of emergency due to the severe drought conditions being experienced by the State. The FY 2014-15 Revised (WY 2013-14) has total production of 14,427 AF for a cost of \$2,388,482, while WY 2012-13 (FY 2013-14) had water production of 15,174 AF costing the Water District \$2,593,233.

Production

- Add one Senior Pump Maintenance Worker (0.95 FTE) position and eliminate one Pump Maintenance Worker (0.95 FTE) to oversee the daily pump maintenance and train staff in the safe and proper procedures when dealing with high voltage electricity.
- Funding of \$117,000 is included for the upgrade of four (4) programmable logic controllers (PLCs) and to establish a standard program for the Water District's well sites and booster stations within the City's Supervisory Control and Data Acquisition (SCADA) Program. This year's funding will be phase two of a three year plan to replace eleven (11) PLCs.
- Due to the anticipated reduction of water production, it is anticipated that electricity costs will decrease during the next fiscal year. Production is anticipating producing 13,063 acre-feet of water during FY 2015-16. This is 9.5% or 1,364 AF decrease from the FY 2014-15 projections of 14,427 AF.

Distribution

- The Senior Maintenance Worker staffing has been reallocated by 0.10 FTE from Public Works - Street Maintenance to Water Operating - Distribution.

Engineering

- Add one Management Analyst (0.50 FTE) to the Water Engineering Program to perform the functions of the City's Storm Water Program.
- Funding of \$100,000 is included for the survey and design of the FY 2015-16 Waterline Replacement Program which will have to be performed by contract consultant. Due to an increase in development activity (inquiries and design), as well as current in-house design projects, there are insufficient staffing levels in the Engineering Division to perform additional design projects in-house.

Customer Service

- Funding of \$559,953 is included to implement an Advanced Metering Infrastructure (AMI) with analytics software, installing 3,758 units in year one of a seven year project. The AMI fixed metering network is a cloud-based solution which utilizes existing cellular tower infrastructure within the City to transmit meter read information to the Utility Billing software which then stores hourly read information and provides a web portal offering near real-time consumption information to customers as well as the District. This portal enables the public to get a hands-on view about their own consumption patterns, can aid with drought restrictions, and reduce disputes by allowing customers to set alerts, view historical consumption, and manage their consumption in near real-time. The \$559,953 in funding for the new AMI Program is a net increase of \$311,953, as \$248,000 in costs previously budgeted for the former Automated Meter Read (AMR) Program have been removed.
- Funding of \$27,500 is included to purchase a replacement service truck that is nineteen years old with 170,000 miles which is used to perform water meter maintenance and installation functions.

Administration

- The decrease in Debt Service is primarily attributed to the retirement of the 2010 \$6 million loan from the former Redevelopment Agency Low and Moderate Income Housing Fund. The final \$1.2 million payment was made in FY 2014-15 and the obligation is paid in full.

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes (Continued)

D.S. SEWER

Department	2014-15		2015-16		Change From 2014-15 Budget	
	Budget	Budget	Amount	Percent		
Sewer Operations	\$ 3,056,765	\$ 3,184,400	\$ 127,635	4%		
Sewer Capital	350,000	0	(350,000)	-100%		
Total D.S. Sewer	\$ 3,406,765	\$ 3,184,400	\$ (222,365)	-7%		
Full & Part-Time Staff (FTE)	4.50	5.20	0.70	16%		

Significant Department Expenditure and Staffing Changes:

- The FY 2015-16 Budget includes the recent 9% rate increase assessed by VVWRA for treatment of the City's wastewater effluent. The FY 2014-15 rate was \$2,756 per million gallon (mg), whereas the FY 2015-16 Budget reflects the rate of \$3,004 mg. In addition, it is assumed that the daily flow will increase from 2.03 mg to 2.09 mg, which is approximately 3%. Considering the rate and flow increase, the budget for VVWRA treatment fees will increase by \$240,000 in the FY 2015-16 Budget.
- Funding of \$20,000 is included to purchase a new gas monitor system due to the current system being outdated and the manufacturer is no longer providing replacement parts or units.
- Add one Maintenance Worker (0.70 FTE) position to help keep the maintenance on the sewer system and storm water drainage system on schedule.
- Add one Senior Pump Maintenance Worker (0.05 FTE) position and eliminate one Pump Maintenance Worker (0.05 FTE) to oversee the daily pump maintenance and train staff in the safe and proper procedures when dealing with high voltage electricity.

POLICE DEPARTMENT

Department	2014-15		2015-16		Change From 2014-15 Budget	
	Budget	Budget	Amount	Percent		
Police	\$ 13,535,238	\$ 14,834,551	\$ 1,299,313	10%		
Total Police	\$ 13,535,238	\$ 14,834,551	\$ 1,299,313	10%		
Full & Part-Time Staff (FTE)	73.00	77.00	4.00	5%		

Significant Department Expenditure and Staffing Changes:

- The FY 2014-15 Budget for the police services contract was budgeted at \$12,797,216. In order to continue current level law enforcement services, the County Contract increased by 5.1% or \$654,301, for a FY 2015-16 Schedule A total of \$13,451,517. The primary reason for the contract cost increases are salary and benefit increases for sworn and non-sworn County contract staff, as well as an increase to vehicle and liability insurance.
- The addition of two Deputy Sheriff's (2.00 FTE) positions and one marked unit for \$416,525 is for the Hesperia's Traffic Division to enhance safety on roadways. The number of deputies assigned to traffic is still reduced from its height six years ago. A traffic study comparison shows Hesperia has six less traffic deputies than Victorville, yet Hesperia deputies handle more traffic collisions than Victorville.

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes (Continued)

POLICE DEPARTMENT (Continued)

Significant Department Expenditure and Staffing Changes:

- Staff is currently authoring a mandatory Crime Free Rental Program for the City. It is proposed this Program will be operated by the Hesperia Sheriff's Station. To support this program, \$159,898 is included for one Office Specialist (1.00 FTE) position and one Sheriff's Service Specialist (1.00 FTE) position which will be needed to complete data entry functions, track the program, collect revenue, and notice violators, conduct property inspections, instruct crime free classes, and be the primary contact for renters, owners and property managers.
- Including the Sheriff's contract current level increase, two added Deputy Sheriff's for traffic enforcement and the two positions to start-up the Crime Free Rental Program, the Sheriff's contract will increase from \$12,797,216 to \$14,027,940 for a 9.6% or \$1,230,724 increase.
- Continue to remove Booking Fees of \$200,000 from the FY 2015-16 Budget. Currently, the State is committed to reimburse the County directly for booking fees as they have done in FY 2012-13 through FY 2014-15.
- 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 2015-16 Budget, it is assumed that vacancy credits will exceed the overtime costs.
- In an effort to reduce accidents due to excessive speed and developing investigative leads, four Automated License Plate Readers (ALPR) trailers will be purchased for an approximate total of \$165,000. To offset a portion of the cost, the City was awarded \$21,370 from the Homeland Security Grant Program. The grant is a reimbursement type where the funds must be expensed prior to receiving the revenue. The remaining \$143,630 will be funded by General Fund reserves.

FIRE DISTRICT

Department	2014-15	2015-16	Change From 2014-15 Budget	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Operations and Community Safety	\$9,449,751	\$9,419,396	\$ (30,355)	0%
Administration	814,114	564,725	(249,389)	-31%
SAFER Grant	<u>1,037,463</u>	<u>0</u>	<u>(1,037,463)</u>	<u>-100%</u>
Total Fire District	\$ 11,301,328	\$ 9,984,121	\$ (1,317,207)	-12%
 Full & Part-Time Staff (FTE)	 67.10	 58.25	 -8.85	 -13%

Significant Department Expenditure and Staffing Changes:

- The two-year SAFER grant ended June 30, 2015 and the 30 staff funded by the SAFER grant were discontinued (in Division 528). The County contract for a reduced level of service (5 ambulances and 2.5 engines down from 3.5 engines) is proposed for FY 2015-16 at a cost of \$9,419,396, down from the FY 2014-15 of \$9,449,751 (excluding SAFER costs of \$1,037,483) for a \$30,355, or 0.3%, decrease paid to County Fire. The \$30,355 contract decrease was due to an overall increase in personnel costs of \$148,122 (benefits increased by \$788,435 primarily in overtime and salaries decreased \$640,313) and an increase for the contract management fee of \$71,164; these were offset by a decrease in operating expenses of \$249,641.

INTRODUCTION

Summary of Operating Expenditures and Staffing Changes (Continued)

FIRE DISTRICT (Continued)

Significant Department Expenditure and Staffing Changes (Continued):

- For FY 2015-16, the County is restructuring the staffing allocations to more accurately reflect workload related to the services provided to the City.
 - Discontinuation of 15 SAFER Grant Limited-term Fire Fighter/PM positions (15.00 FTE) and 15 SAFER Grant Limited-term Fire Fighter positions (15.00 FTE) will be eliminated.
 - Creation of 15 Ambulance Operator EMT Positions (15.00 FTE) and 15 Ambulance Operator PM Positions (15.00 FTE) will be added, to staff 5 Advanced Life Support Ambulances.
 - Continue two Advance Support Fire Engines with one Captain, one Engineer, and one Firefighter/Paramedic and partial staff a third County Engine with one Engineer per 24 hour period.
 - Due to contract reallocation, a Division Chief position will be increased from 0.39 FTE to 0.43 FTE (0.04 FTE Increases).
 - Due to contract reallocation, 1.18 FTE Battalion Chief positions will be increased to 1.29 FTE (0.11 FTE Increase).
- Retirement costs paid to CalPERS will increase significantly from \$245,096 (\$233,880 for Safety and \$11,216 for Miscellaneous) for FY 2014-15 to \$315,168 (\$302,679 for Safety and \$12,487 for Miscellaneous) for FY 2015-16, a 28.6% increase.
- Funding of \$45,000 for a Plymovent for Station 304 and carry-over roof repairs at Station 302 (\$84,000) are included in the overall City FY 2015-16 Budget and are funded in the Fire Capital Fund 502.

THIS PAGE INTENTIONALLY LEFT BLANK



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 OF HESPERIA VALUES

We, the City of Hesperia employees, value:

- * *Our individual contributions to the entire organization.*
- * *High professional standards of integrity and ethical behavior.*
- * *All employees as partners, empowering the work environment that encourages loyalty to the entire organization, and open communication.*
- * *Mastering the fine points/details of our work and accepting responsibility for doing our job well.*
- * *Providing superior quality service.*
- * *Our customers.*
- * *Our people as potential innovators and support acceptable risk taking.*
- * *Recognizing fellow employees for their individual contributions.*

THIS PAGE INTENTIONALLY LEFT BLANK

2015-16 City Council



Eric Schmidt, Mayor



Bill Holland
Mayor Pro Tem



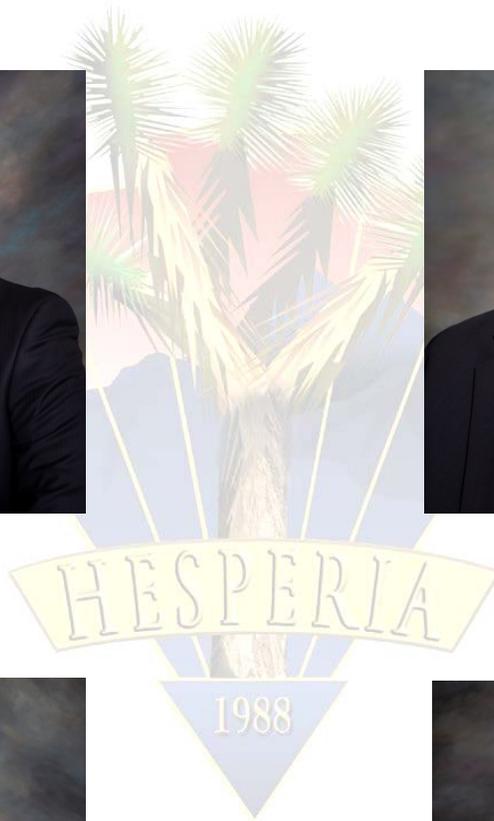
Russell Blewett
Council Member



Mike Leonard
Council Member

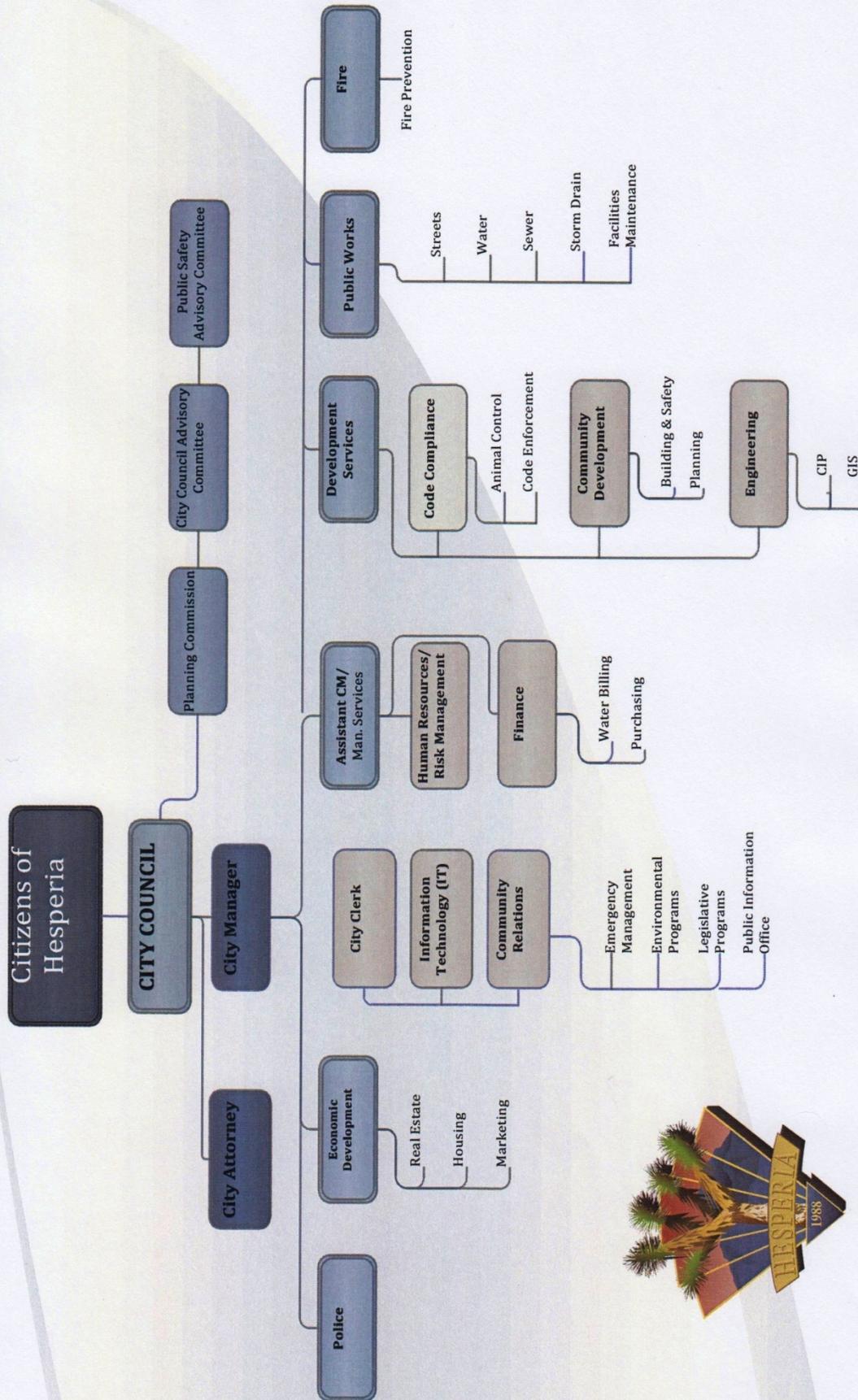


Paul Russ
Council Member



THIS PAGE INTENTIONALLY LEFT BLANK

City of Hesperia Organizational Chart



June 17, 2014

THIS PAGE INTENTIONALLY LEFT BLANK



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.

THIS PAGE INTENTIONALLY LEFT BLANK

HESPERIA COMMUNITY PROFILE

Date Incorporated.....July 1, 1988

Form of Government.....General Law

Population as of January 1, 2015 (Ca State Dept. of Finance est.) 92,177

Population 2011-2015 - 5 Years + 1,451 or 1.6%

	<u>Jan. 1, 2011</u>	<u>Jan. 1, 2012</u>	<u>Jan. 1, 2013</u>	<u>Jan. 1, 2014</u>	<u>Jan. 1, 2015</u>
Population:	90,726	90,849	91,057	91,417	92,177
Change: Amount	+2,247	+123	+208	+360	+760
Change: Percent	+2.5%	+0.14%	+0.23%	+0.40%	+0.83%

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

Streets530.2 Miles

City Maintained Streets524.5 Miles

Fire Protection (Contract with San Bernardino County):

Number of Stations..... 4

Number of Staff – Firefighters/Officers 52.72

Number of Staff – Non-Safety..... 5.53

Police Protection (Contract with San Bernardino County):

Number of Stations..... 1

Number of Sworn Officers 57.00

Number of Staff – Non-Sworn..... 20.00

Education (Hesperia Unified School District):

Number of Schools..... 25

Number of Teachers..... 1,028

Number of Students..... 21,604

Recreation and Culture Parks..... 8

Hotels/Motels – Number of Lodging Properties 9

City of Hesperia Employees (Full & Part-Time Positions)..... 184.60

Water District:

Water Service Connections 26,353

Sewer Service Connections..... 5,455

Active Well Sites..... 17

Reservoirs 14

THIS PAGE INTENTIONALLY LEFT BLANK

RESOURCES AND EXPENDITURE SUMMARIES

- *Overview*
- *Summary*
- *General Fund – 2015-16 Budget, Fund Balance, and Reserves*
- *Water District – 2015-16 Budget, Fund Balance, and Reserves*
- *Fire District – 2015-16 Budget, Fund Balance, and Reserves*
- *Streets Maintenance Fund – 2015-16 Budget, Fund Balance, and Reserves*
- *Hesperia Housing Authority – 2015-16 Budget, Fund Balance, and Reserves*
- *Community Development Commission – 2015-16 Budget, Fund Balance, and Reserves*

OVERVIEW

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

The two primary factors considered include:

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

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

This section also shows the Fund Balance and Reserves for the six funds or fund groups. The 2015-16 Budget then updates the fund balance and a calculation is made to estimate the Cash Reserves. The City Council policy of 10% Cash Reserves and the Reserves Above 10% are reported.

Section I, Fund Balance Summaries, provides similar balancing information for all City funds included in the 2015-16 Budget.

SUMMARY

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

	<u>General Fund</u>		<u>Water District</u>		<u>Fire District</u>	
10% Cash Reserves (Council/Board Policy)	\$2,752,299	10%	\$ 1,954,403	10%	\$ 998,412	10%
Cash Reserves Above 10% Reserve	\$3,561,353	13%	2,616,704	13%	(766,374)	-8%
Total Estimated Cash Reserves	\$6,313,652	23%	\$ 4,571,107	23%	\$ 232,038	2%

RESOURCES AND EXPENDITURE SUMMARIES

GENERAL FUND – 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
RESOURCES				
Total General Fund Revenue	\$24,203,918	\$24,655,848	\$ 25,455,353	5%
Budgeted Reserves				
1. Budgeted Reserves	\$ 876,260	\$ 80,060	\$ 1,582,505	
2. Water Rights Acquisition	500,000	2,500,000	0	
3. Budget Amendment Reserves	0	611,605	0	
4. 2014 Development Impact Fee Loan (DIF-Public Service)	65,840	154,520	677,584	
5. FY 2014-15 Streets Improvement	500,000	500,000	0	
Total Budgeted Reserves	\$ 1,942,100	\$ 3,846,185	\$ 2,260,089	16%
Transfers				
1. Fund 255 - AB 3229 COPS Grant	\$ 246,328	\$ 246,328	\$ 140,000	
2. Fund 700 - Indirect Cost Allocation-Water	1,200,000	1,200,000	1,300,000	
3. Fund 710 - Indirect Cost Allocation-Sewer	166,363	166,363	180,315	
4. Fund 700 - Indirect Cost Allocation Prior Year Uncharged Water	500,000	500,000	500,000	
Subtotal Transfers In	2,112,691	2,112,691	2,120,315	
5. Fund 403 - 2005 COP Refinance Debt Service	(22,580)	(22,580)	(99,016)	
6. Fund 402 - 2012 Water Rights Acquisition Debt Service	(1,453,575)	(1,453,575)	(1,449,550)	
7. Fund 304 - 2014 DIF Loan (DIF-Public Service)	(65,840)	(154,520)	(677,584)	
Subtotal Transfers Out	(1,541,995)	(1,630,675)	(2,226,150)	
Total Transfers	570,696	482,016	(105,835)	-119%
TOTAL RESOURCES				
(Revenue, Budgeted Reserves, and Transfers)	26,716,714	28,984,049	27,609,607	
TOTAL GENERAL FUND EXPENDITURES	26,633,264	28,049,628	27,522,987	3%
DIFFERENCE RESOURCES/EXPENDITURES	\$ 83,450	\$ 934,421	\$ 86,620	
Fund Balance				
July 1 Beginning Balance	\$12,818,689	\$12,851,103	\$ 9,939,339	
Total Budgeted Reserves	(1,942,100)	(3,846,185)	(2,260,089)	
Difference Resources/Expenditures	83,450	934,421	86,620	
Estimated June 30 Ending Fund Balance	\$10,960,039	\$ 9,939,339	\$ 7,765,870	
General Fund Reserve Amounts				
10% of expenditures	\$ 2,663,326	\$ 2,804,963	\$ 2,752,299	
Cash and Investments				
June 30 Ending Fund Balance	\$10,960,039	\$ 9,939,339	\$ 7,765,870	
Estimated Cash and Investment Portion of Fund Balance	x 72.1%	x 81.3%	x 81.3%	
Estimated Cash and Investment Balance	\$ 7,910,956	\$ 8,080,683	\$ 6,313,652	

	2014-15 Reserve %				2015-16 Reserve %
Reserves					
10% Cash Reserve (Council Policy)	10%	\$ 2,663,326	\$ 2,804,963	\$ 2,752,299	10%
Reserves Above/(Below) 10% Reserve	20%	5,247,630	5,275,720	3,561,353	13%
Total Estimated Cash Reserves	30%	\$ 7,910,956	\$ 8,080,683	\$ 6,313,652	23%

RESOURCES AND EXPENDITURE SUMMARIES

WATER DISTRICT – 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	2014-15	2014-15	2015-16	% Change From 2014-15
	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>
RESOURCES				
Revenue				
Water Operating and Capital	\$ 17,803,741	\$ 17,148,878	\$ 16,181,926	-9%
Sewer Operating and Capital	3,543,172	3,684,617	3,732,223	5%
Total Revenue	<u>\$ 21,346,913</u>	<u>\$ 20,833,495</u>	<u>\$ 19,914,149</u>	-7%
Budgeted Reserves				
Budgeted Reserves	\$ 720,197	\$ 354,706	\$ 728,529	
Total Budgeted Reserves	<u>720,197</u>	<u>354,706</u>	<u>728,529</u>	
Transfers				
Total Resources	<u>\$ 22,067,110</u>	<u>\$ 21,188,201</u>	<u>\$ 20,642,678</u>	
EXPENDITURES by Program				
Water Operating and Capital	\$ 17,846,065	\$ 17,386,788	\$ 16,359,629	-8%
Sewer Operating and Capital	3,406,765	3,038,592	3,184,400	-7%
Total Expenditures	<u>21,252,830</u>	<u>20,425,380</u>	<u>19,544,029</u>	-8%
Difference Resources/Expenses	\$ 814,280	\$ 762,821	\$ 1,098,649	

WATER DISTRICT – FUND BALANCE AND RESERVES

Fund Balance				
July 1 Beginning Balance		\$ 78,151,968	\$ 88,851,308	\$ 89,259,423
Budgeted Reserves		(720,197)	(354,706)	(728,529)
Difference Resources/Expenditures		814,280	762,821	1,098,649
Estimated June 30 Ending Fund Balance		<u>\$ 78,246,051</u>	<u>\$ 89,259,423</u>	<u>\$ 89,629,543</u>
Less: Net Capital Assets		(83,448,412)	(93,163,166)	(93,163,166)
Construction in Progress		(2,496,930)	(2,940,265)	(2,940,265)
Add: Outstanding Long-Term Debt		18,877,250	14,760,446	14,760,446
Estimated June 30 Ending Operating Fund Balance		<u>11,177,959</u>	<u>7,916,438</u>	<u>8,286,558</u>
Water District Reserve Amounts				
10% of expenditures		\$ 2,125,283	\$ 2,042,538	\$ 1,954,403
Cash and Investments				
June 30 Ending Fund Balance		\$ 78,246,051	\$ 89,259,423	\$ 89,629,543
Estimated Cash and Investment Portion of Fund Balance		x 4.1%	x 5.1%	x 5.1%
Estimated Cash and Investment Balance		<u>\$ 3,208,088</u>	<u>\$ 4,552,231</u>	<u>\$ 4,571,107</u>
Reserves				
	<u>2014-15</u>			<u>2015-16</u>
	<u>Reserve %</u>			<u>Reserve %</u>
10% Cash Reserve (Council Policy)	10%	\$ 2,125,283	\$ 2,042,538	\$ 1,954,403
Reserves Above/(Below) 10% Reserve	11%	2,352,852	2,509,693	2,616,704
Total Estimated Cash Reserves	21%	<u>\$ 4,478,135</u>	<u>\$ 4,552,231</u>	<u>\$ 4,571,107</u>

RESOURCES AND EXPENDITURE SUMMARIES

WATER DISTRICT – WATER OPERATIONS - 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	<u>2014-15</u>	<u>2014-15</u>	<u>2015-16</u>	
	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>	% Change From 2014-15 Budget
RESOURCES				
Total Water Operations Revenue	\$ 17,585,741	\$ 16,726,878	\$ 15,785,926	-10%
Budgeted Reserves				
Total Budgeted Reserves	<u>238,570</u>	<u>166,570</u>	<u>708,529</u>	
Total Resources	<u>\$ 17,824,311</u>	<u>\$ 16,893,448</u>	<u>\$ 16,494,455</u>	
EXPENDITURES by Program				
700 4010 Source of Supply	2,764,565	2,575,095	2,219,471	
700 4020 Production	3,285,566	3,421,491	3,043,268	
700 4030 Water Distribution	1,161,964	1,124,436	1,185,131	
700 4035 Water Line Replacement	1,201,465	1,077,351	1,045,044	
700 4040 Engineering	757,342	755,552	971,151	
700 4050 Customer Service	1,194,632	1,021,673	1,526,122	
700 4060 Utility Billing	1,002,860	1,006,478	1,001,544	
700 4070 Administration	6,083,671	6,089,452	5,006,529	
700 4080 Property Management	<u>354,000</u>	<u>299,060</u>	<u>361,369</u>	
Total Expenditures	<u>17,806,065</u>	<u>17,370,588</u>	<u>16,359,629</u>	-8%
Difference Resources/Expenses	\$ 18,246	\$ (477,140)	\$ 134,826	

WATER OPERATIONS – FUND BALANCE AND RESERVES

Fund Balance			
July 1 Beginning Balance	\$ 72,564,926	\$ 83,964,708	\$ 83,320,998
Budgeted Reserves	(238,570)	(166,570)	(708,529)
Difference Resources/Expenditures	<u>18,246</u>	<u>(477,140)</u>	<u>134,826</u>
Estimated June 30 Ending Fund Balance	<u>\$ 72,344,602</u>	<u>\$ 83,320,998</u>	<u>\$ 82,747,295</u>
Water District Reserve Amounts			
10% of expenditures	\$ 1,780,607	\$ 1,737,059	\$ 1,635,963
Cash and Investments			
June 30 Ending Fund Balance	\$ 72,344,602	\$ 83,320,998	\$ 82,747,295
Cash and Investment Portion of Fund Balance	<u>x 6.9%</u>	<u>x 8.5%</u>	<u>x 8.5%</u>
Estimated Cash and Investment Balance	<u>\$ 4,991,778</u>	<u>\$ 7,082,285</u>	<u>\$ 7,033,520</u>

	<u>2014-15</u>				<u>2015-16</u>
	<u>Reserve %</u>				<u>Reserve %</u>
Reserves					
10% Cash Reserve (Council Policy)	10%	\$ 1,780,607	\$ 1,737,059	\$ 1,635,963	10%
Reserves Above/(Below) 10% Reserve	18%	<u>3,211,171</u>	<u>5,345,226</u>	<u>5,397,557</u>	33%
Total Estimated Cash Reserves	28%	<u>\$ 4,991,778</u>	<u>\$ 7,082,285</u>	<u>\$ 7,033,520</u>	43%

RESOURCES AND EXPENDITURE SUMMARIES

WATER DISTRICT – WATER CAPITAL - 2015-16 BUDGET , FUND BALANCE, AND RESERVES

	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
RESOURCES				
Total Water Capital Revenue	\$ 218,000	\$ 422,000	\$ 396,000	82%
Budgeted Reserves				
Budgeted Reserves	0	0	0	
Total Budgeted Reserves	0	0	0	
Total Resources	218,000	422,000	396,000	
EXPENDITURES by Program				
701 800 Water CIP	40,000	16,200	0	
Total Expenditures	40,000	16,200	0	-100%
Difference Resources/Expenses	\$ 178,000	\$ 405,800	\$ 396,000	

WATER CAPITAL – FUND BALANCE AND RESERVES

Fund Balance					
July 1 Beginning Balance	\$ (12,058,645)	\$ (12,696,299)	\$ (12,290,499)		
Budgeted Reserves	0	0	0		
Difference Resources/Expenditures	178,000	405,800	396,000		
Estimated June 30 Ending Fund Balance	\$ (11,880,645)	\$ (12,290,499)	\$ (11,894,499)		
Water District Reserve Amounts					
10% of expenditures	\$ 4,000	\$ 1,620	\$ 0		
Cash and Investments					
June 30 Ending Fund Balance	\$ (11,880,645)	\$ (12,290,499)	\$ (11,894,499)		
Cash and Investment Portion of Fund Balance	x 110.9%	x 106.1%	x 106.1%		
Estimated Cash and Investment Balance	\$ (13,175,635)	\$ (13,040,219)	\$ (12,620,063)		
Reserves					
	<u>2014-15</u>			<u>2015-16</u>	
	<u>Reserve %</u>			<u>Reserve %</u>	
10% Cash Reserve (Council Policy)	10%	\$ 4,000	\$ 1,620	\$ 0	-100%
Reserves Above/(Below) 10% Reserve	-32949%	(13,179,635)	(13,041,839)	(12,620,063)	-4%
Total Estimated Cash Reserves	-32939%	\$ (13,175,635)	\$ (13,040,219)	\$ (12,620,063)	-4%

RESOURCES AND EXPENDITURE SUMMARIES

WATER DISTRICT – SEWER OPERATIONS - 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	<u>2014-15</u> <u>Budget</u>	<u>2014-15</u> <u>Revised</u>	<u>2015-16</u> <u>Budget</u>	<u>% Change</u> <u>From</u> <u>2014-15</u> <u>Budget</u>
RESOURCES				
Total Sewer Operations Revenue	\$ 3,486,663	\$ 3,431,849	\$ 3,530,215	1%
Budgeted Reserves				
Budgeted Reserves	<u>188,136</u>	<u>188,136</u>	<u>20,000</u>	
Total Budgeted Reserves	<u>188,136</u>	<u>188,136</u>	<u>20,000</u>	
Total Resources	<u>3,674,799</u>	<u>3,619,985</u>	<u>3,550,215</u>	
EXPENDITURES by Program				
710 4200 Sewer Distribution	<u>3,056,765</u>	<u>3,038,592</u>	<u>3,184,400</u>	
Total Expenditures	<u>3,056,765</u>	<u>3,038,592</u>	<u>3,184,400</u>	4%
Difference Resources/Expenses	<u>\$ 618,034</u>	<u>\$ 581,393</u>	<u>\$ 365,815</u>	

SEWER OPERATIONS – FUND BALANCE AND RESERVES

Fund Balance				
July 1 Beginning Balance		\$ 14,092,863	\$ 13,842,736	\$ 14,235,993
Budgeted Reserves		(188,136)	(188,136)	(20,000)
Difference Resources/Expenditures		<u>618,034</u>	<u>581,393</u>	<u>365,815</u>
Estimated June 30 Ending Fund Balance		<u>\$ 14,522,761</u>	<u>\$ 14,235,993</u>	<u>\$ 14,581,808</u>
Water District Reserve Amounts				
10% of expenditures		\$ 305,677	\$ 303,859	\$ 318,440
Cash and Investments				
June 30 Ending Fund Balance		\$ 14,522,761	\$ 14,235,993	\$ 14,581,808
Cash and Investment Portion of Fund Balance		<u>x 55.5%</u>	<u>x 59.4%</u>	<u>x 59.4%</u>
Estimated Cash and Investment Balance		<u>\$ 8,060,132</u>	<u>\$ 8,456,180</u>	<u>\$ 8,661,594</u>
Reserves				
	<u>2014-15</u>			<u>2015-16</u>
	<u>Reserve %</u>			<u>Reserve %</u>
10% Cash Reserve (Council Policy)	10%	\$ 305,677	\$ 303,859	\$ 318,440
Reserves Above/(Below) 10% Reserve	<u>254%</u>	<u>7,754,456</u>	<u>8,152,321</u>	<u>8,343,154</u>
Total Estimated Cash Reserves	<u>264%</u>	<u>\$ 8,060,132</u>	<u>\$ 8,456,180</u>	<u>\$ 8,661,594</u>

RESOURCES AND EXPENDITURE SUMMARIES

WATER DISTRICT – SEWER CAPITAL - 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
RESOURCES				
Total Sewer Capital Revenue	\$ 56,509	\$ 252,768	\$ 202,008	257%
Budgeted Reserves				
Budgeted Reserves	293,491	0	0	
Total Budgeted Reserves	293,491	0	0	
Total Resources	350,000	252,768	202,008	
EXPENDITURES by Program				
711 900 Sewer CIP	350,000	0	0	
Total Expenditures	350,000	0	0	-100%
Difference Resources/Expenses	\$ 0	\$ 252,768	\$ 202,008	

SEWER CAPITAL – FUND BALANCE AND RESERVES

Fund Balance			
July 1 Beginning Balance	\$ 3,552,824	\$ 3,740,163	\$ 3,992,931
Budgeted Reserves	(293,491)	0	0
Difference Resources/Expenditures	0	252,768	202,008
Estimated June 30 Ending Fund Balance	\$ 3,259,333	\$ 3,992,931	\$ 4,194,939
Cash and Investments			
June 30 Ending Fund Balance	\$ 3,259,333	\$ 3,992,931	\$ 4,194,939
Cash and Investment Portion of Fund Balance	x 99.9%	x 96.5%	x 96.5%
Estimated Cash and Investment Balance	\$ 3,256,074	\$ 3,853,178	\$ 4,048,116

	2014-15 <u>Reserve %</u>				2015-16 <u>Reserve %</u>
Reserves					
10% Cash Reserve (Council Policy)	10%	\$ 35,000	\$ 0	\$ 0	-100%
Reserves Above/(Below) 10% Reserve	920%	3,221,074	3,853,178	4,048,116	26%
Total Estimated Cash Reserves	930%	\$ 3,256,074	\$ 3,853,178	\$ 4,048,116	24%

RESOURCES AND EXPENDITURE SUMMARIES

FIRE DISTRICT – 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	<u>2014-15</u> <u>Budget</u>	<u>2014-15</u> <u>Revised</u>	<u>2015-16</u> <u>Budget</u>	<u>% Change</u> <u>2014-15</u> <u>Budget</u>	
RESOURCES					
Fire District Revenue	\$ 9,607,668	\$ 9,815,208	\$ 9,995,641	4%	
SAFER Grant Revenue	580,000	580,000	0		
Total Fire District Revenue	<u>\$ 10,187,668</u>	<u>\$ 10,395,208</u>	<u>\$ 9,995,641</u>	<u>-2%</u>	
Budgeted Reserves					
1. Budgeted Reserves	325,000	393,477	0		
TOTAL RESOURCES	<u>10,512,668</u>	<u>10,788,685</u>	<u>9,995,641</u>		
EXPENDITURES					
520 Operations & Community Safety	9,449,751	9,449,751	9,419,396	0%	
521 Administration	814,114	735,436	564,725	-31%	
528 SAFER Grant	1,037,463	1,037,463	0	-100%	
Total Expenditures	<u>11,301,328</u>	<u>11,222,650</u>	<u>9,984,121</u>	<u>-12%</u>	
DIFFERENCE RESOURCES/EXPENSES	<u>\$ (788,660)</u>	<u>\$ (433,965)</u>	<u>\$ 11,520</u>		
Fund Balance					
July 1 Beginning Fund Balance	\$ 1,233,721	\$ 1,356,802	\$ 529,360		
Budgeted Reserves	(325,000)	(393,477)	0		
Difference Resources/Expenditures	(788,660)	(433,965)	11,520		
Estimated June 30 Ending Fund Balance	<u>\$ 120,061</u>	<u>\$ 529,360</u>	<u>\$ 540,880</u>		
Fire District Reserve Amounts					
10% of expenditures	\$ 1,130,133	\$ 1,122,265	\$ 998,412		
Cash and Investments					
June 30 Ending Fund Balance	\$ 120,061	\$ 529,360	\$ 540,880		
Estimated Cash and Investment Portion of Fund Balance	x 77.6%	x 42.9%	x 42.9%		
Estimated Cash and Investment Balance	<u>\$ 93,167</u>	<u>\$ 227,095</u>	<u>\$ 232,038</u>		
Reserves					
	<u>2014-15</u> <u>Reserve %</u>			<u>2015-16</u> <u>Reserve %</u>	
10% Cash Reserve (Council Policy)	10%	\$ 1,130,133	\$ 1,122,265	\$ 998,412	10%
Reserves Above/(Below) 10% Reserve	-9%	(1,036,966)	(895,170)	(766,374)	-8%
Total Estimated Cash Reserves	<u>1%</u>	<u>\$ 93,167</u>	<u>\$ 227,095</u>	<u>\$ 232,038</u>	<u>2%</u>

RESOURCES AND EXPENDITURE SUMMARIES

STREETS MAINTENANCE FUND – 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
RESOURCES				
Total Street Maintenance Fund Revenue	\$ 11,883	\$ 16,684	\$ 4,006	-66%
Budgeted Reserves				
Budgeted Reserves	172,000	227,953	71,000	
Total Budgeted Reserves	\$ 172,000	\$ 227,953	\$ 71,000	
Transfers				
Fund 204 - Measure I - Renewal	\$ 500,000	\$ 500,000	\$ 725,000	
Fund 205 - Gas Tax Fund	950,000	1,300,000	1,300,304	
Fund 206 - Gas Tax Swap	1,050,000	1,000,000	475,000	
Fund 207 - Local Transportation Fund (LTF)	1,050,000	400,000	750,000	
Total Transfers	3,550,000	3,200,000	3,250,304	
TOTAL RESOURCES				
(Revenue, Budgeted Reserves, and Transfers)	3,733,883	3,444,637	3,325,310	
TOTAL STREET MAINTENANCE FUND EXPENDITURES	3,515,579	3,318,387	3,325,310	-5%
DIFFERENCE RESOURCES/EXPENDITURES	\$ 218,304	\$ 126,250	\$ 0	
Fund Balance				
July 1 Beginning Balance	\$ 447,746	\$ 539,903	\$ 438,200	
Total Budgeted Reserves	(172,000)	(227,953)	(71,000)	
Difference Resources/Expenditures	218,304	126,250	0	
Estimated June 30 Ending Balance	\$ 494,050	\$ 438,200	\$ 367,200	

RESOURCES AND EXPENDITURE SUMMARIES

HESPERIA HOUSING AUTHORITY – 2015-16 BUDGET, FUND BALANCE, AND RESERVES (Includes Funds 370 - Hesperia Housing Authority & 371 - WEDA Housing Authority)

	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
RESOURCES				
Total Housing Authority Revenue	\$ 414,681	\$ 170,137	\$ 1,386,241	234%
Budgeted Reserves	221,270	705,584	75,329	-66%
Transfers				
Fund 700 - Water Operations	1,200,000	1,200,000	0	-100%
Total Resources	1,835,951	2,075,721	1,461,570	-20%
EXPENDITURES				
370 Hesperia Housing Authority	582,884	285,477	639,564	10%
371 WEDA Housing Authority	225,000	710,000	180,000	-20%
Total Expenditures	807,884	995,477	819,564	1%
DIFFERENCE RESOURCES/EXPENSES	\$ 1,028,067	\$ 1,080,244	\$ 642,006	
Fund Balance				
July 1 Beginning Balance	\$ 19,564,468	\$ 18,105,235	\$ 18,479,895	
Budgeted Reserves	(221,270)	(705,584)	(75,329)	
Difference Resources/Expenditures	1,028,067	1,080,244	642,006	
Estimated June 30 Ending Balance	\$ 20,371,265	\$ 18,479,895	\$ 19,046,572	
Less: Loans/Advances	0	0	0	
Land Held For Resale	(10,269,457)	(10,269,457)	(10,269,457)	
Estimated June 30 Ending Operating Fund Balance	\$ 10,101,808	\$ 8,210,438	\$ 8,777,115	

The Transfer In of \$1,200,000 from Fund 700 - Water Operations represent the annual principal payments of the June 2010 5-year loan to the Hesperia Water District. The \$1,200,000 is considered as 'one-time' revenue as the final year to receive the repayment is FY 2014-15. The \$1,200,000 is a budgetary basis adjustment because in the Comprehensive Annual Financial Report the loan is shown on the balance sheet as a loan receivable and is reduced by the annual payments, and is not reflected as revenue.

RESOURCES AND EXPENDITURE SUMMARIES

COMMUNITY DEVELOPMENT COMMISSION – 2015-16 BUDGET, FUND BALANCE, AND RESERVES

	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
RESOURCES				
Total Community Development Commission Revenue	\$ 727,115	\$ 152,223	\$ 621,159	-15%
Budgeted Reserves	0	78,500	0	n/a
Total Transfers	0	0	0	n/a
Total Resources	727,115	230,723	621,159	-15%
EXPENDITURES				
170 Community Development Commission	346,253	413,510	563,605	63%
Total Expenditures	346,253	413,510	563,605	63%
DIFFERENCE RESOURCES/EXPENSES	\$ 380,862	\$ (182,787)	\$ 57,554	
Fund Balance				
July 1 Beginning Balance	\$ 406,473	\$ 380,448	\$ 119,161	
Budgeted Reserves	0	(78,500)	0	
Difference Resources/Expenditures	380,862	(182,787)	57,554	
Estimated June 30 Ending Balance	\$ 787,335	\$ 119,161	\$ 176,715	

REVENUE

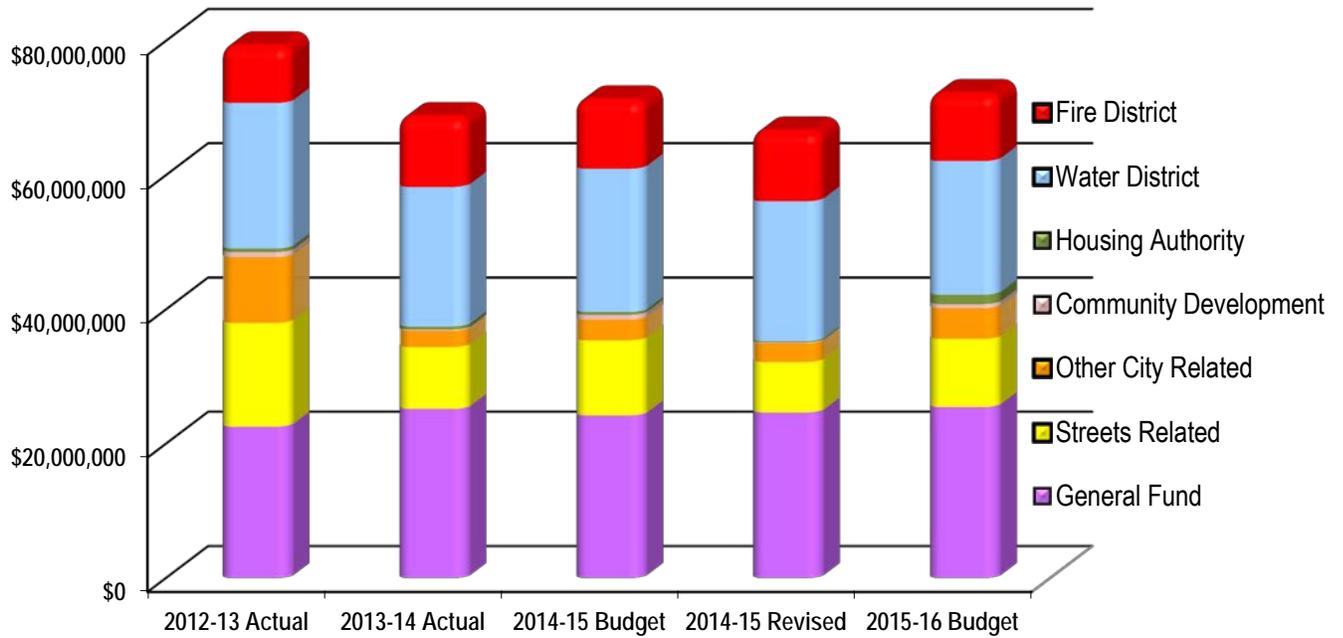
SUMMARIES

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

REVENUE

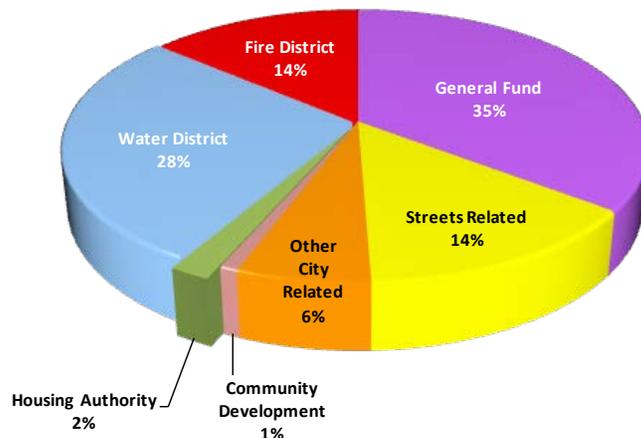
City of Hesperia

Total City Revenue Trend



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	%Change From 2014-15 Budget
General Fund	\$22,545,939	\$25,174,095	\$24,203,918	\$24,655,848	\$25,455,353	5%
Streets Related	15,474,158	9,234,849	11,203,561	7,517,932	10,157,327	-9%
Other City Related	9,779,259	2,415,264	3,068,215	2,783,207	4,574,516	49%
Total City Funds	47,799,356	36,824,208	38,475,694	34,956,987	40,187,196	4%
Community Development	743,287	190,832	727,115	152,223	621,159	-15%
Housing Authority	536,969	456,718	414,681	170,137	1,386,241	234%
Water District	21,678,838	20,793,648	21,346,913	20,833,495	19,914,149	-7%
Fire District	8,447,742	10,403,791	10,187,668	10,395,208	9,995,641	-2%
Total All Funds	\$79,206,192	\$68,669,197	\$71,152,071	\$66,508,050	\$72,104,386	1%

2015-16 Budget Total City Revenue



REVENUE

Summary and Highlights

The City of Hesperia maintains the practice of matching each revenue type to a similar expenditure type. There are two basic revenue types: one-time revenue and on-going revenue. The City policy and practice is to have a 'structurally' balanced budget, not using one-time revenue (i.e. bond proceeds and etc.) to pay for on-going expenditures. Comparing the total FY 2014-15 Budget to the total FY 2015-16 Budget shows a revenue increase of \$1.0 million, or 1%. The primary reason for this increase is the anticipated increase in Sales Tax and Vehicle License Fee revenue in the General Fund and an anticipated increase in proceeds from the sale of land in the Hesperia Housing Authority.

When compared to the FY 2012-13 Actual revenue, the overall combined City revenue for the FY 2015-16 Budget is expected to decrease to \$72.1 million, or by 9%, or \$7.1 million. This decrease is primarily related to the completion of two large CIP projects: The County Government Center and the Rancho Road Undercrossing.

General Fund - General Fund revenue is for the normal operations of, and services provided by the City that are not specifically accounted for in other funds. The FY 2015-16 Budget for the General Fund is projecting an increase in revenues of 5%, or \$1.3 million over the FY 2014-15 Budget. The following summarizes the projected increase/decrease of various revenues:

- Sales and Use Tax revenue is projecting a 2%, or \$0.2 million increase to \$8.6 million.
- Vehicle License Fee revenue is expecting an increase of \$0.5 million, or 8%, to \$6.9 million.
- Development-Related revenues, including Building Permit Fees, are anticipating to increase by \$0.2 million, or 12% over the FY 2014-15 Budget estimate.
- Leased Water Rights revenue is \$1.6 million, which will primarily pay for the debt service on the 2012 Bonds issued to pay for the purchase of Water Rights. The Leased Water Rights revenue is projected to increase \$0.1 million or roughly 8% over the FY 2014-15 Budget of \$1.5 million. The increase is due to lease rates increasing from \$403 per acre-foot (AF) to \$436 per AF. The City purchased 200 AF of permanent water rights during FY 2013-14, which brings the available leasable water rights to 3,742 AF.

Streets & Transportation Related Funds - This group is comprised of 11 street and transportation related funds budgeted in FY 2015-16. Each of these funds receives revenue that is restricted for specific streets and transportation uses. Some of the major highlights are:

- Developer Impact Fees (DIF) for Streets and Storm Drainage revenue will increase 19%, or \$0.2 million over the FY 2014-15 Budget. This increase is due to the anticipated increase in residential development (from 100 permits issued in the FY 2014-15 Budget to 150 permits issued for the FY 2015-16 Budget). In the combined FY 2015-16 DIF Budget, revenue is reflecting an increase over the FY 2014-15 Revised, anticipating payment on 117,951 of commercial square footage and 112 single family residential permits, paid when these buildings are ready for occupancy.
- Measure I 2010 Renewal revenue is expected to increase by 1% to \$2.5 million.
- Local Transportation Fund (LTF) revenue is expected to decrease by \$0.7 million, or 34%, to \$1.4 million from the FY 2014-15 Budget of \$2.1 million. LTF revenue funds the Victor Valley Transit Authority (VVTA) operations within the City. The LTF revenue remaining, after funding VVTA, is passed thru to the City for Street Maintenance. As VVTA requires additional funds for its operations this results in a decrease in revenue to the City.

Other City Funds - This group is comprised of 13 other non-street related funds. Each of these funds receives revenue that is restricted for specific uses. Some of the major highlights are:

- Developer Impact Fee (DIF) for Fire, Police, and Public Safety revenue is expected to decrease 37% from the FY 2014-15 Budget, as the City Council extended an 18 month reduction of these revenues which now sunsets in early April 2016. The revenue for this group of funds is received at the end of the building process and must be paid before occupancy. Combined, these are expected to produce revenue of about \$144,000. During FY 2015-16, it is estimated that the fees of 112 Single Family Residential (SFR) permits will be paid.
- The CDBG/HOME Housing and Urban Development (HUD) grants are expecting a combined increase of 70%, or \$1.4 million, from the FY 2014-15 Budget to the FY 2015-16 Budget of \$3.5 million. The primary reason for this increase is due in part to the planned sale of the intergenerational center and an anticipated reimbursement for the land upon which the County Government Center was built.

REVENUE

Summary and Highlights (Continued)

Community Development Commission – This agency was created to carry on the economic development function of the former Hesperia Community Redevelopment Agency (HCRA). The FY 2015-16 Budget is expected to decrease by 15%, primarily in the Proceeds from Land Sales revenue, which is estimated to decrease 31%.

Hesperia Housing Authority – The purpose of this agency is to continue the housing function of the former HCRA. The FY 2015-16 Budget of \$1.4 million shows a \$1.0 million increase over the FY 2014-15 Budget. The Authority's revenues are comprised primarily of Proceeds from Land Sales (82%) and Rents & Leases (9%).

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

- Overall Water District revenue is expected to decrease about \$1.4 million from the FY 2014-15 Budget of \$21.3 million to the FY 2015-16 Budget of \$19.9 million. The Water Sales revenues of the District are expected to decrease \$1.7 million as customers are anticipated to reduce water consumption due to the state-wide drought. This large decrease is slightly offset by the anticipated increases of capital revenues of the District for the FY 2015-16 Budget.
- Combined Water and Sewer operating revenue, dominated by the Sales revenues, are anticipating a decrease, from the FY 2014-15 Budget, primarily from anticipated customer/consumer reductions following the governor's 25% average mandated reduction of water use. Sewer Operating revenues are expecting a slight increase for the FY 2015-16 Budget.
- The Water Capital revenue is expected to increase over the FY 2014-15 Budget, which reflects the increased development activity in the City. Sewer Capital revenue is showing a projected decline of 20% for FY 2015-16 from the FY 2014-15 Revised but a 257% increase over the FY 2014-15 Budget, as some commercial projects have been delayed for completion.

Fire District - The revenues for the FY 2015-16 Budget are projected to be \$10.0 million, which is \$0.2 million, or 2% less than the FY 2014-15 Budget of \$10.2 million, primarily due to the end of the SAFER grant (\$0.6 million). Some of the major highlights are:

- Property Tax revenue is projected to increase by 8% over the FY 2014-15 Budget, but 6% over the FY 2014-15 Revised. This is due to an anticipated 6% assessed valuation increase over the FY 2014-15 assessed valuation.
- Paramedic Ambulance Fee revenue is not anticipated to change. This revenue represents the cash collections of the ambulance billing activity, with no change from the FY 2014-15 Budget of \$2.5 million to \$2.5 million for the FY 2015-16 Budget. See page C-16 for a more detailed explanation.
- Redevelopment Tax Increment Pass-Through for the FY 2015-16 Budget is projecting a 23% increase over the FY 2014-15 Budget, but only a 6% increase over the FY 2014-15 Revised. This revenue is received directly from the County of San Bernardino in the wake of the state-wide dissolution of redevelopment agencies. The assessed valuation change of the City is anticipated to increase by 6% based on a study commissioned by Mojave Water Agency.
- Community Facilities District 94-1 revenue is expecting a 1% increase over the FY 2014-15 Budget. The FY 2013-14 levy of \$550,458 was 99% collected in that year, along with an additional \$20,600 of prior years' levies and penalties that were collected. The FY 2014-15 levy is \$559,683.
- Community Facilities District 2005-1. Part of the annual assessment includes a public safety portion to offset some of the costs that residential development places on the City's public safety providers. For the FY 2015-16 Budget, this revenue is expected to increase 2%.

REVENUE

General Fund Summary of Major Revenues

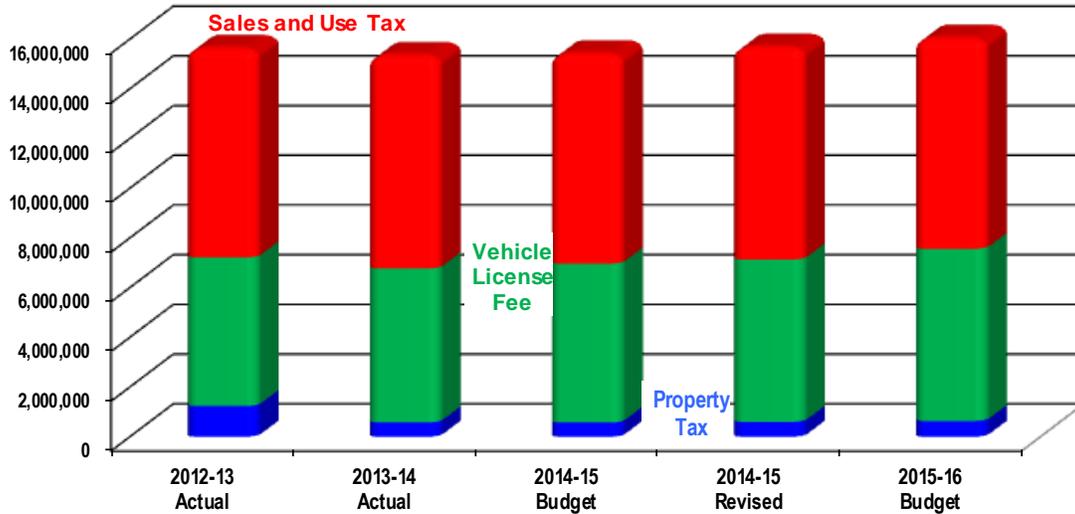
	2012-13	2013-14	2014-15	2014-15	2015-16	% Change From 2014-15
General Fund Revenues	Actual	Actual	Budget	Revised	Budget	Budget
Sales and Use Tax	\$ 6,128,061	\$ 6,357,224	\$ 6,311,250	\$ 6,400,848	\$ 7,582,030	20%
Sales Tax Triple Flip	2,251,778	2,178,866	2,103,750	2,103,152	1,029,970	-51%
Total Sales and Use Tax	8,379,839	8,536,090	8,415,000	8,504,000	8,612,000	2%
Vehicle License Fee (VLF)	38,777	0	0	0	0	n/a
VLF Swap Triple Flip	5,938,483	6,194,705	6,394,175	6,534,189	6,926,240	8%
Total Vehicle License	5,977,260	6,194,705	6,394,175	6,534,189	6,926,240	8%
Secured Property Tax	1,233,680	577,223	569,700	597,575	633,430	11%
Transient Occupancy Tax	852,692	1,040,271	900,000	1,100,000	1,200,000	33%
Property Transfer Tax	141,089	147,482	155,000	185,000	190,000	23%
Franchise Fees	2,752,768	2,994,590	2,890,000	3,176,264	3,190,000	10%
Business License	206,211	211,495	210,000	214,198	215,000	2%
Community Facilities						
District 2005-1	394,452	399,483	261,732	261,732	266,967	2%
Leased Water Rights	15,756	1,440,522	1,508,026	1,508,026	1,631,512	8%
Development Related						
Revenues:						
Planning	132,805	183,553	165,439	177,412	189,039	14%
Building & Safety	674,020	993,952	997,343	946,172	1,090,355	9%
Engineering	73,187	78,208	77,452	119,018	110,060	42%
Total Dev. Rel. Revenues	880,012	1,255,713	1,240,234	1,242,602	1,389,454	12%
All Other General Fund						
Revenues	1,712,180	2,376,521	1,660,051	1,332,262	1,200,750	-28%
Total General Fund						
Revenues	\$22,545,939	\$25,174,095	\$24,203,918	\$24,655,848	\$25,455,353	5%

The FY 2014-15 Revised amounts appearing in this budget document are basically a re-estimation of the FY 2014-15 Budget, with the difference being that the Revised has a large portion of the fiscal year's actual transactions as part of the estimates. These Revised estimates sometimes reflect the final FY 2014-15 amounts, but generally, are only estimating the final 2 to 3 months of the year, which are added to the 9 to 10 months of FY 2014-15 year-to-date actuals.

The total General Fund revenue is increasing from the FY 2014-15 Budget of \$24.2 million, to \$25.5 million, for a \$1.3 million, or a 5% increase. Of the \$1.3 million increase, \$0.8 million is Sales and Use Taxes and Vehicle License Fees which represent 61% of the total General Fund revenue. The General Fund revenue change from the FY 2014-15 Budget to the FY 2014-15 Revised is an increase of \$0.5 million, or 2%, primarily due to the increase in Franchise Fees of \$0.3 million.

REVENUE

Triple Flip Revenue Comparison



General Fund Revenue	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Sales and Use Tax	\$ 6,128,061	\$ 6,357,224	\$ 6,311,250	\$ 6,400,848	\$ 7,582,030	
Sales and Use Tax Triple Flip	2,251,778	2,178,866	2,103,750	2,103,152	1,029,970	
Sub-Total Sales Tax Revenues	8,379,839	8,536,090	8,415,000	8,504,000	8,612,000	2%
Vehicle License Fees (VLF)	38,777	0	0	0	0	
Triple Flip - Vehicle License Fees	5,938,483	6,194,705	6,394,175	6,534,189	6,926,240	
Sub-Total VLF Revenues	5,977,260	6,194,705	6,394,175	6,534,189	6,926,240	8%
Secured Property Taxes	1,233,680	577,223	569,700	597,575	633,430	
Sub-Total Property Tax Revenues	1,233,680	577,223	569,700	597,575	633,430	11%
TOTAL TRIPLE-FLIP EFFECTED GENERAL FUND REVENUES	\$15,590,779	\$15,308,018	\$15,378,875	\$15,635,764	\$16,171,670	5%

Triple Flip – Due to the State's 2004 financial crisis, bonds were issued to generate funds to ease the State's financial constraints. The State showed a new dedicated revenue source to pay the debt by taking VLF and Sales Tax money from the counties and cities in order to issue the debt. These major revenues are repaid to the counties and cities by way of the county property tax system. The City will receive full reimbursement payments twice a year from the County for the VLF and Sales tax revenues taken by the State. The third component of the triple flip was the ERAF amount taken from the property tax revenue. The City tracked the ERAF decision in a separate account in order to show the true property tax revenue. The ERAF deductions have ceased until further notice from the State. FY 2015-16 will be the beginning of the Triple-Flip wind down with the final calculations in FY 2016-17.

Sales and Use Tax – Sales Tax is currently 8.00% on various taxable items in San Bernardino County. The City's share is 1.00% of the 8.00% with 6.25% going to the State, 0.50% to Measure I, and 0.25% applied to Local Transportation funding. The combined FY 2015-16 Budget estimate for Sales and Use Tax and the Sales Tax Triple Flip revenues, comprising the City's total Sales Tax revenue, is \$8.6 million, for an increase of \$0.1 million from the FY 2014-15 Revised Budget. The \$8.6 million of the 2015-16 Budget reflects a 2% increase from the FY 2014-15 Budget estimate.

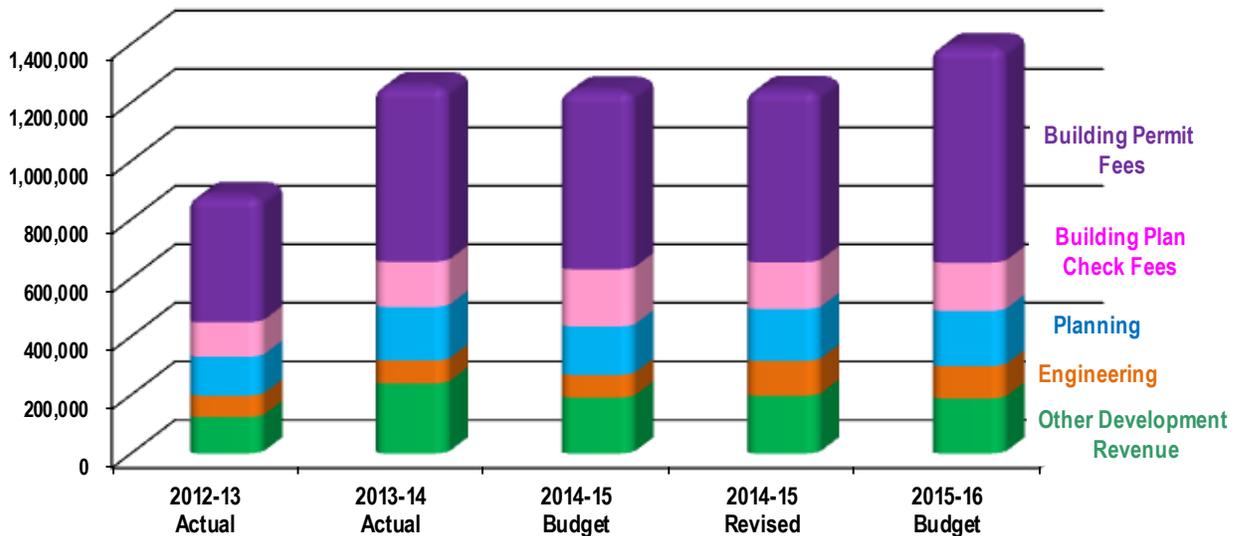
REVENUE

Triple Flip Revenue Comparison (Continued)

Vehicle License Fee (VLF) – The growth of the City's Triple Flip-Vehicle License Fees has been tied to the City's growth of assessed valuation since the first two years of the State's 'Triple Flip' Program which began in FY 2004-05. This revenue grew substantially through the FY 2008-09 Actual as the City's increase in assessed valuation reflected the dynamic growth of the housing boom. However, the assessed valuation was substantially lower from FY 2009-10 through FY 2012-13 as revenue shrunk at the same pace. Assessed values began to recover starting in FY 2013-14 with a 4.3% increase for FY 2013-14, a 5.5% increase for FY 2014-15. The County Assessor will notify, through a press release, what the FY 2015-16 assessed valuation change is on July 1, 2015. The combined FY 2015-16 Budget for VLF and VLF Swap Triple Flip revenues estimate is \$6.9 million, an increase of approximately \$0.4 million, or 6%, from the 2014-15 Revised Budget. The \$6.9 million is \$0.5 million, or 8% more than the FY 2014-15 Budget.

Secured Property Tax – Property owners pay a basic tax of 1% of their property's valuation to the County annually. The City's General Fund receives approximately 1.5 cents of every property tax dollar out of this 1% tax levy. The FY 2015-16 Budget of \$0.6 million is 11% more than the FY 2014-15 Budget, however a 6% increase from the 2014-15 Revised. This increase can be attributed to the 15.8% increase in assessed valuation since FY 2012-13. The FY 2015-16 Budget is 6% more than the FY 2014-15 Revised. This revenue source is estimated to be 2.5% of the General Fund revenues.

General Fund Development Revenue



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Development Revenues						
Building Permit Fees	\$ 431,171	\$ 599,840	\$ 609,937	\$ 588,232	\$ 736,632	21%
Building Plan Check Fees	117,644	154,548	195,535	160,000	165,000	-16%
Planning	132,805	183,553	165,439	177,412	189,039	14%
Engineering	73,187	78,208	77,452	119,018	110,060	42%
Other Development Revenues	125,205	239,564	191,871	197,940	188,723	-2%
Sub-Total Development Related Revenues	880,012	1,255,713	1,240,234	1,242,602	1,389,454	12%
Business License	206,211	211,495	210,000	214,198	215,000	2%
Total Development Revenues	\$1,086,223	\$1,467,208	\$1,450,234	\$1,456,800	\$1,604,454	11%

Overall, Development Related revenues are projected to increase by 11% over the FY 2014-15 Budget and 10% over the FY 2014-15 Revised, which estimates about 85 single residential building permits (FY 2014-15 Revised) with an increase

REVENUE

General Fund Development Revenue (Continued)

to an anticipated 150 residential permits issued in FY 2015-16. Development related revenues comprise 5.5% of the General Fund FY 2015-16 Budget estimates. Total Development Revenues represent a 48% increase from the FY 2012-13 Actual.

Building Permit Fees – The City charges permit fees on construction activity in part to provide inspection services to ensure that the structures being built are in compliance with existing building codes in accordance with the California Government Code. Building Permit Fees represent 2.9% of the General Fund FY 2015-16 Budget revenue, which is up from 2.5% of the FY 2014-15 Budget. The FY 2015-16 Budget revenue projection estimates that 150 single residential building permits will be issued during the new fiscal year. Commercial activity is projected to be slow, as evidenced by the 44,037 square feet of new commercial for the FY 2014-15 Revised, which is down from the 68,671 square feet for FY 2013-14. However, FY 2015-16 anticipates 117,951 square feet of new commercial development.

Building Plan Check Fees – The purpose of these fees is to offset the cost of verifying that the proposed structures will be in compliance with existing building codes and zoning requirements. The 2015-16 Budget projects revenue of \$0.2 million, which represents a 3% increase from the FY 2014-15 Revised estimate. This reflects modest growth in residential development activity including a projected small increase in commercial development activity in the City. This revenue has increased by 40% for the General Fund's FY 2015-16 Budget compared to FY 2012-13 Actual.

Planning related revenues, excluding Business License Revenue, for the FY 2015-16 Budget is projecting a slight increase over the FY 2014-15 Revised, along with a 14% increase over the FY 2014-15 Budget. This increase in Planning related revenue is based on the increase of housing projects requiring review and the regulating function of Planning. Planning related revenues for the FY 2015-16 Budget are estimated to be 42% more than FY 2012-13 Actual.

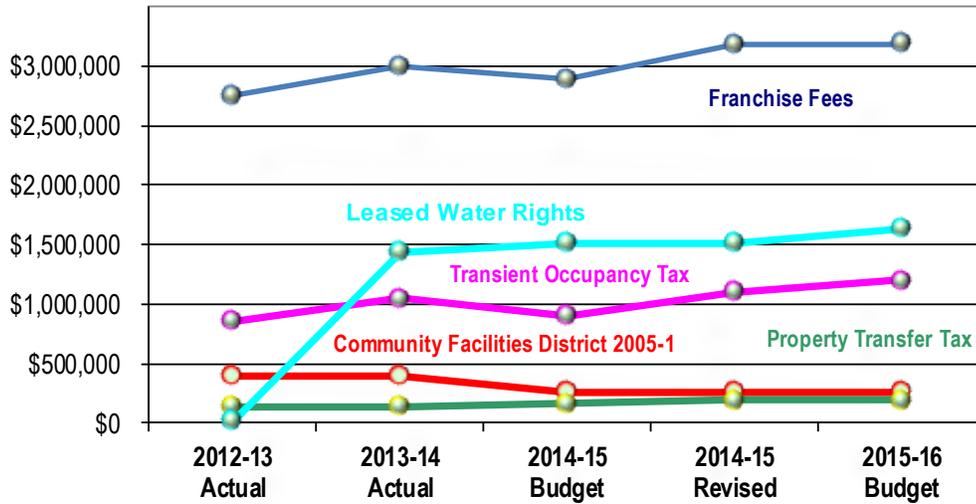
Engineering related revenues for the FY 2015-16 Budget are projecting an 8% decrease from the FY 2014-15 Revised, but a 42% increase over the FY 2014-15 Budget, and a 50% increase over the FY 2012-13 Actual.

Other Development Revenues – This classification captures the remaining development revenues into one group. As a group, these revenues are less than 1% of the total General Fund FY 2015-16 Budget. For the FY 2015-16 Budget, these revenues are expected to decrease slightly from the 2014-15 Revised, however reflect an increase of over 50% compared to the FY 2012-13 Actual.

Business License – This revenue is paid by each business operating within the City. This revenue is projected to increase by 2% for FY 2015-16 over the FY 2014-15 Budget and by 4% over the 2012-13 Actual. This can be construed as a reflection that the local economy is continuing to improve from the recession.

REVENUE

Franchise Fees, Other General Fund Taxes and Leased Water Rights



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Franchise Fees	\$2,752,768	\$2,994,590	\$2,890,000	\$3,176,264	\$3,190,000	10%
Transient Occupancy Tax	852,692	1,040,271	900,000	1,100,000	1,200,000	33%
Property Transfer Tax	141,089	147,482	155,000	185,000	190,000	23%
Community Facilities District 2005-1	394,452	399,483	261,732	261,732	266,967	2%
Leased Water Rights	15,756	1,440,522	1,508,026	1,508,026	1,631,512	8%
Total Other Taxes & Leased Water Rights	\$4,156,757	\$6,022,348	\$5,714,758	\$6,231,022	\$6,478,479	13%

The chart above shows a change from the FY 2014-15 Budget wherein Leased Water Rights revenue has replaced Interest Income revenue in the table. This change was made due to the growing significance of the Leased Water Rights revenue. Overall, this group of revenues is projected to increase by 4% from the FY 2014-15 Revised, and increase by 13% over the FY 2014-15 Budget. The primary reason for this increase is the increase related to Franchise Fees and the Transient Occupancy Tax. This group, *Franchise Fees, Other Taxes and Leased Water Rights*, comprises approximately 26% of the total General Fund FY 2015-16 Budgeted revenue estimates. This is an increase from 24% for the FY 2014-15 Budget. By way of comparison, this group was 18% of the FY 2012-13 Actual, when the total General Fund revenue was \$22.5 million.

Franchise Fees – The City imposes a fees on refuse hauling, gas, electric, and cable television companies operating in the City for the use and wear and tear of the City's right-of-ways. The fees range from two to ten percent (2-10%) of gross receipts. The FY 2015-16 Budget estimates revenue of \$3.2 million, which is a slight increase over the FY 2014-15 Revised. This is also an increase of 10% over the FY 2014-15 Budget primarily because of the utility franchises. This revenue source is 12.5% of the General Fund FY 2015-16 Budget, showing a slight increase from being 11.9% of the FY 2014-15 Budget.

Transient Occupancy Tax (TOT) – The City's municipal code authorizes the application of 10% tax to the cost of hotel rooms within the City. This is intended to offset the cost of governmental services (streets and public safety) that the transient population use while temporarily staying in the City. It is expected that the FY 2014-15 Revised TOT revenue amounts will increase by 22% from the FY 2014-15 Budget. This reflects overall growth in occupancy rates. The FY 2015-16 Budget estimates revenue of \$1.2 million, representing a 9% increase over FY 2014-15 Revised. This revenue is 4.7% of the General Fund's FY 2015-16 Budget.

REVENUE

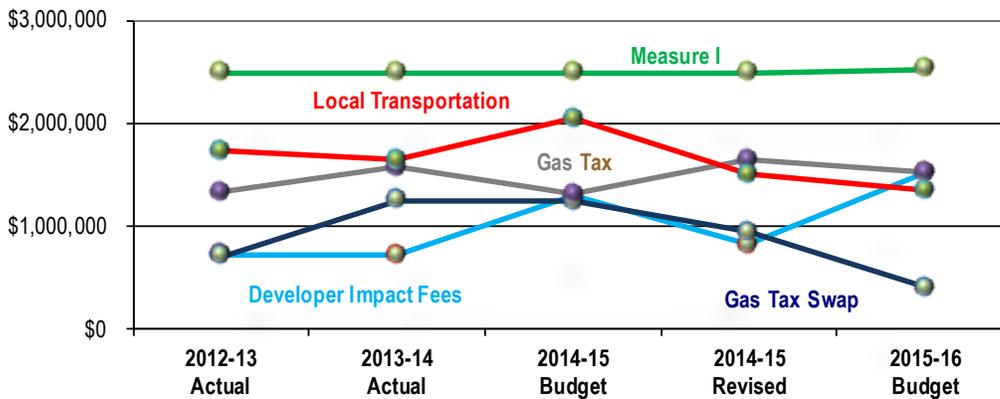
Other General Fund Taxes and Interest Income (Continued)

Property Transfer Tax – This revenue is based on the transfer of ownership of real property within the City. It serves as a barometer of future property tax revenues as the sales price of the property re-establishes the assessed valuation base that the 1% property tax is applied to. The rate charged on the ownership transfer is \$1.10 per \$1,000 of the sale value, with the City and County splitting the tax equally (\$0.55 per \$1,000 to each). The FY 2015-16 Budget estimate is \$190,000 and anticipates a small change from the FY 2014-15 Revised of \$185,000 and a \$35,000, or a 23% increase from the FY 2014-15 Budget. This revenue is less than 1% of the General Fund's FY 2015-16 Budget.

Community Facilities District (CFD) 2005-1 – The special assessment district, generally west of Maple Avenue and south of Main Street was formed to refinance the bonds of CFD 91-3 and to assess the properties within the district to repay the bonds. Part of the annual assessment includes a public safety portion to offset some of the costs that residential development places on the City's public safety providers. For the 2015-16 Budget, this revenue is estimated to be \$266,967, or 1% of the City's total FY 2015-16 Budget. This reflects a 2% increase from the FY 2014-15 Budget.

Leased Water Rights – The City owns 6,236 acre feet of water rights (base annual production) which, after mandated ramp downs, leaves leasable water rights (free production allowance) at 3,742 acre feet. For FY 2015-16 the lease rate is \$436 per acre foot. Compared to the FY 2014-15 Budget, the lease rate was \$403 per acre foot for 3,742 acre feet and for FY 2013-14 the lease rate was \$382 for 3,771 acre feet.

Streets and Transportation Related Funds



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Measure I - Arterial	\$ 228	\$ 0	\$ 0	\$ 0	\$ 0	n/a
Measure I - 2010 Renewal	2,501,434	2,494,976	2,505,000	2,505,114	2,533,470	1%
Gas Tax Swap	715,310	1,262,099	1,250,150	948,471	415,737	-67%
Gas Tax	1,334,829	1,579,333	1,322,900	1,651,335	1,523,189	15%
Local Transportation	1,736,260	1,641,375	2,052,000	1,506,472	1,352,184	-34%
Sub-Total Streets Funds	6,288,061	6,977,783	7,130,050	6,611,392	5,824,580	-18%
Developer Impact Fees	737,860	723,236	1,283,553	819,578	1,527,734	19%
Ranchero Road & Other Street Related Funds	8,448,237	1,533,830	2,789,958	86,962	2,805,013	1%
Total Streets & Transportation Related Funds	\$15,474,158	\$ 9,234,849	\$11,203,561	\$ 7,517,932	\$10,157,327	-9%

REVENUE

Streets and Transportation Related Funds (Continued)

Overall, this group of revenues is projecting a 9% decrease from the FY 2014-15 Budget of \$11.2 million to \$10.2 million, with the most significant changes being in the Streets revenues. The Streets revenues, which are an important ongoing revenue source to the City, are projected to decrease by 18% to approximately \$5.8 million from \$7.1 million for the FY 2014-15 Budget.

Measure I Renewal – Funded by the County's ½ cent sales tax, the original Measure I ended in FY 2009-10, with the Renewal Measure I also starting in FY 2009-10. This transition included changing from four revenue funds to one fund, as the 2010 Renewal approved by the voters went into effect in April 2010. The money is restricted for street purpose expenditures to maintain or enhance the capacity of the City's streets, and reflects a 1% increase over the FY 2014-15 Revised.

Gas Tax Swap – This revenue source is funded by the State and, beginning with the FY 2011-12 Budget, legislative actions (ABx8 6 and ABx8 9 passed in March 2010) terminated the Proposition 42 Traffic Congestion Relief and 'swapped' it with the new Gas Tax Swap revenue. This was done by the State, in part, to benefit the State. This revenue is used to fund street maintenance and was used to pay the 2004 Streets bonds. The FY 2015-16 Budget reflects a 67% decrease from the FY 2014-15 Budget, a 56% decrease from FY 2014-15 Revised, and a 42% decrease from the FY 2012-13 Actual revenue. The predictability of this revenue is complicated by the State Board of Equalization performing a 'true-up' review of the prior year actual revenue and then applying a change to the following year's rate.

The significant downturn in revenue for the FY 2015-16 Budget from the FY 2014-15 Revised is largely due to falling gasoline prices and consumption as well as "true-ups" under the fuel tax swap system. Under the swap, the state Board of Equalization (BOE) annually adjusts the Section 2103 rate to try to match what fuel tax revenues in the forecast year (2015-16) would have been under Prop 42, the sales tax on gasoline, had the swap not occurred. Later, when the actual amount of gallons sold and taxable sales are known for a year, the BOE must "look back" and "true up" for any over or under collection of revenue compared to what the sales tax rate would have garnered. This true up is factored into the rate set in subsequent year(s).

Gas Tax – Gas Tax revenue is derived from a cents per gallon tax collected at the pump. Revenues are allocated by the State on a per capita basis for street maintenance and improvements, and were previously used to pay the 2004 Streets bonds. The FY 2015-16 Budget projects an 8% decrease from the FY 2014-15 Revised, a 15% increase over the FY 2014-15 Budget, and a 14% increase from the FY 2012-13 Actual.

Local Transportation – This is funded by the County ¼ cent sales tax. The primary use of this revenue is transportation related, including supporting the operations of Victor Valley Transit Authority (VVTA), appropriate street maintenance and improvements, and was previously used to pay the 2004 Streets bonds. The \$1.35 million is a 10% decrease from the FY 2014-15 Revised of \$1.5 million. This decrease is a result of VVTA needing more of this revenue for their operations.

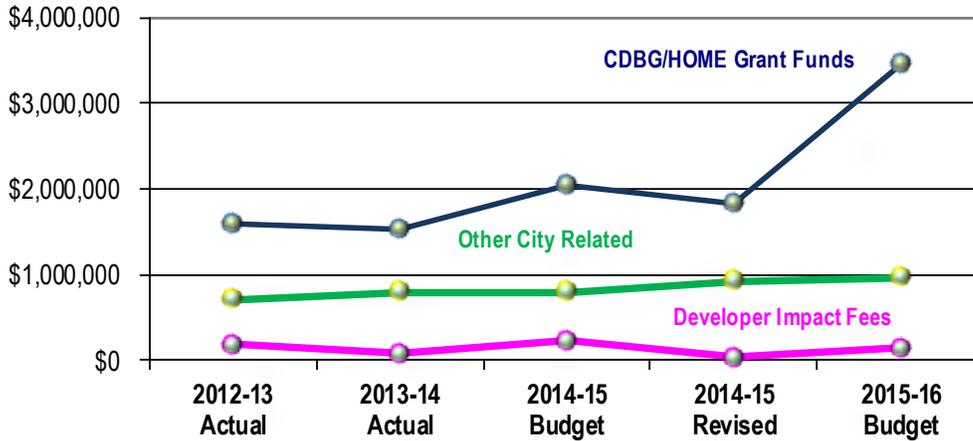
Sub-Total Streets-State/County Funded – Overall, this group, detailed above, is anticipating a decrease of 12% from the FY 2014-15 Revised; an 18% decrease from the FY 2014-15 Budget; and a 7% decrease from the FY 2012-13 Actual.

Developer Impact Fees (DIFs) – Of the five DIF funds, two are restricted to street related improvements, the DIF-Streets, and the DIF-Storm Drainage, which are excluded from the renewed 18 month DIF reduction approved by the City Council in FY 2014-15. These are locally controlled revenues and reflect the City's current increase in residential permitting. For the FY 2015-16 Budget, these two DIF's are projected to increase 86% from the 2014-15 Revised and by 19% over the FY 2014-15 Budget. This reflects an anticipated 117,951 square feet of commercial and an anticipated 112 single family residential permits paying the fees. No multi-family permits are expected during FY 2015-16.

Ranchero Road Undercrossing and Other Streets Related Funds – This group comprises five FY 2015-16 budgeted funds, each with special use restrictions related to streets and transportation. The funds included are City Streets CIP, 2004 Streets-Debt Service, Public Works Street Maintenance, and AQMD (AB 2766) Transit. Most notable of this group is the City Streets CIP, which is anticipating revenue of \$2.7 million in the FY 2015-16 Budget which tracks grant funded projects.

REVENUE

CDBG, Developer Impact Fee, and Other City Related Funds



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
CDBG-Entitlement	\$ 1,412,321	\$ 609,485	\$ 1,029,826	\$ 1,011,862	\$ 1,135,361	10%
CDBG Program Income	0	0	0	0	1,100,000	100%
HOME Grant	22,833	14,902	16,115	31,832	15,700	-3%
CDBG Revolving Loan	2,641	1,997	2,035	1,651	1,562	-23%
CDBG Neighborhood Stabilization Program	160,462	909,796	992,501	780,784	1,214,417	22%
CDBG/HOME Funds	1,598,257	1,536,180	2,040,477	1,826,129	3,467,040	70%
Developer Impact - Fire	91,000	32,700	109,846	15,889	70,015	-36%
Developer Impact - Police	26,298	9,560	32,464	4,647	20,564	-37%
Developer Impact - Public Services	69,233	25,038	84,197	10,584	52,720	-37%
Developer Impact Fees (DIF)	186,531	67,298	226,507	31,120	143,299	-37%
County High Desert Government Center	7,280,160	12,678	0	0	0	n/a
Other City Related Funds	714,311	799,108	801,231	925,958	964,177	20%
Total City Other Funds	\$ 9,779,259	\$ 2,415,264	\$ 3,068,215	\$ 2,783,207	\$ 4,574,516	49%

Overall, this group of 13 FY 2015-16 budgeted funds is projecting a 49% increase from the FY 2014-15 Budget, primarily due to more revenue being expected in the CDBG/HOME funds, which shows a \$1.5 million increase from the 2014-15 Budget. The CDBG/HOME funds comprise 76% of this group's total FY 2015-16 Budget revenue estimates. The non-streets Developer Impact Funds are 3% of the total, and the Other City Related funds total the remaining 21%.

CDBG/HOME – These grant funds are received from Housing and Urban Development (HUD) and the State, with the purpose of improving areas of the City and low income housing within the City. Together the FY 2015-16 Budget for these funds is 114% more than FY 2014-15 Revised. This is due to sale/program income for the Intergenerational Center and a reimbursement for the land under the County Government Center and is reflected as CDBG Program Income above.

CDBG-Neighborhood Stabilization Program (NSP) – This is a grant received from Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP), with the purpose to buy, rehabilitate, and resell abandoned/foreclosed homes within the City. The FY 2015-16 Budget is 56% higher than the FY 2014-15 Revised, primarily due to the planned sale of 8 properties.

REVENUE

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

Developer Impact Fees – These non-street related Developer Impact Fees (DIFs) are made up of the Fire, Police, and Public Services DIF funds. The revenue for this group of funds is received at the end of the building process and must be paid before occupancy. Though 150 residential permits are anticipated to be issued during FY 2015-16, these will not all be completed by the end of June 2016. This is why there is an estimate of 112 permits that will pay the DIF fees during FY 2015-16. During FY 2012-13, the City Council reduced these rates for 18 months for certain qualifying residential development and extended it again in FY 2014-15 for another 18 months. The revenue for the FY 2015-16 Budget (anticipating 112 residential permits and 117,951 square feet of commercial) is projecting a 360% increase over the FY 2014-15 Revised (based upon 85 Residential permits and 44,037 square feet of commercial).

Other City Related Funds –The six funds in this group include: the Fire Capital fund, the AB3229 Supplemental Law Enforcement grant fund; the Environmental Programs grant fund; the Disaster Preparedness grant fund; the 2012 Water Rights Debt Service fund, and the 2005 COP Refinance Debt Service fund. Each of these funds has restrictions limiting how its money can be spent.

The largest fund in this group is the Fire Capital fund, which is expected to receive \$0.7 million from the County from pass through payments calculated from property tax revenue to the Successor Agency of the former Hesperia Community Redevelopment Agency in FY 2015-16. This fund's revenue will be used to pay for the Hesperia Fire Protection District's capital expenditures like vehicles and buildings.

Community Development Commission

REVENUE DETAIL	2012-13	2013-14	2014-15	2014-15	2015-16	%Change
	Actual	Actual	Budget	Revised	Budget	From 2014-15 Budget
Rents & Leases	\$ 70,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	0%
Reimbursements/Other Agencies	0	81,879	12,499	47,961	112,500	800%
Miscellaneous Revenue	668,452	39,750	29,325	20,600	0	-100%
Proceeds from Land Sale	0	8,003	624,091	8,003	433,004	-31%
All Other Revenue	4,835	1,200	1,200	15,659	15,655	1205%
Total Community Development Commission Revenue	\$ 743,287	\$ 190,832	\$ 727,115	\$ 152,223	\$ 621,159	-15%

The FY 2015-16 Budget for the Community Development Commission is \$0.6 million. The FY 2015-16 Budget shows the major revenue to be proceeds from land sales comprising 70% of the total revenue of the Commission, with Reimbursements/Other Agencies providing a majority (18%) of the remainder.

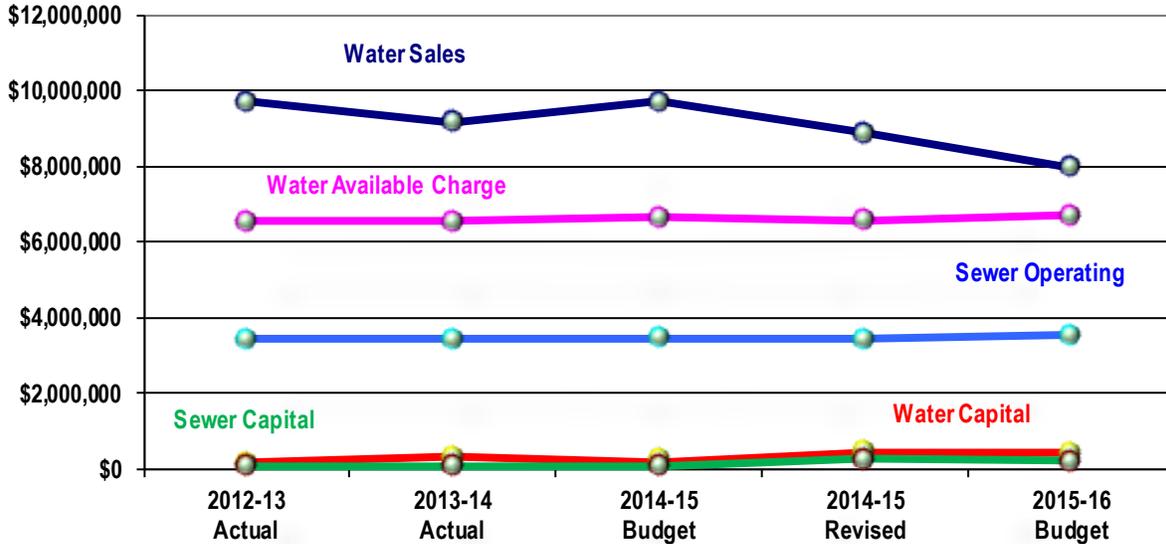
Hesperia Housing Authority

REVENUE DETAIL	2012-13	2013-14	2014-15	2014-15	2015-16	%Change
	Actual	Actual	Budget	Revised	Budget	From 2014-15 Budget
Housing Authority - Interest	\$ 100,359	\$ 61,786	\$ 52,601	\$ 51,477	\$ 47,434	-10%
Rents & Leases	18,800	22,338	27,900	28,800	118,423	324%
Taxes	329,913	155,489	0	0	0	n/a
Proceeds from Land Sales	0	128,140	327,450	0	1,129,848	245%
All Other Revenue	87,897	88,965	6,730	89,860	90,536	1245%
Total Housing Authority Revenue	\$ 536,969	\$ 456,718	\$ 414,681	\$ 170,137	\$ 1,386,241	234%

REVENUE

The FY 2015-16 Budget for the Hesperia Housing Authority is \$1.4 million. The FY 2015-16 Budget shows the major revenue to be proceeds from land sales, which is 82% of the total revenue of the Authority. The next largest revenue source (9%) is the rents and leases for the Housing Authority loans.

Water District Revenue Trend



REVENUE DETAIL	2012-13	2013-14	2014-15	2014-15	2015-16	%Change
	Actual	Actual	Budget	Revised	Budget	From
						2014-15
						Budget
Water Sales/Residential	\$8,185,399	\$7,936,001	\$8,153,780	\$7,500,000	\$6,772,600	-17%
Water Sales/Business	447,474	432,435	478,427	459,689	386,900	-19%
Water Sales/Public Building	498,500	495,161	520,000	510,097	444,600	-15%
Water Sales/Irrigation	263,637	251,083	268,320	232,485	217,500	-19%
Water Sales/Construction	312,287	44,530	300,000	162,483	141,800	-53%
Water Sales/Industrial	2,368	3,888	4,000	3,428	2,500	-38%
Sub-total Water Sales	\$9,709,665	\$9,163,098	\$9,724,527	\$8,868,182	\$7,965,900	-18%
Water Availability Charge	6,535,900	6,542,963	6,654,000	6,600,000	6,700,000	1%
Total Water Sales	16,245,565	15,706,061	16,378,527	15,468,182	14,665,900	-10%
Water Capital	157,211	306,762	218,000	422,000	396,000	82%
Sewer Operating	3,424,637	3,430,885	3,486,663	3,431,849	3,530,215	1%
Sewer Capital	82,240	90,913	56,509	252,768	202,008	257%
All Other District Revenue	1,769,185	1,259,027	1,207,214	1,258,696	1,120,026	-7%
Total Water District Revenue	\$21,678,838	\$20,793,648	\$21,346,913	\$20,833,495	\$19,914,149	-7%

In January 2008, the Water District enacted the recommendations of a report by Bartle and Wells Associates, a public financial advisory consultant. That report outlined a series of annual rate increases through FY 2011-12.

Water Sales – Water Customers pay for the water use registered by their meter. The FY 2015-16 Budget projects a 10% decrease from the FY 2014-15 Revised and an 18% decrease from the FY 2014-15 Budget, primarily based on anticipated State mandated 25% average usage cutback and customers looking to reduce consumption during the current California drought. The impacts of this conservation are outpacing the dry winter's effect on landscaping and vacant houses becoming occupied. There is no planned consumption rate increase for the FY 2015-16 Budget.

REVENUE

Water District Revenue Trend (Continued)

Water Availability Charge – This is a standard charge on a customer's bill based on the size of the water meter at the service address. The meters range in size from 5/8 inch to 8 inches. The 2015-16 Budget expects an increase of 2% over the FY 2014-15 Revised and a 1% over the FY 2014-15 Budget.

Water Capital – This is the charge for new water installations based on the set-up of new services. This development impact fee revenue is paid when the building permit is issued, therefore the estimated number of paid permits will differ from the other DIF fees. The FY 2015-16 Budget of \$0.4 million is based on 150 residential permits and is 6% less than the FY 2014-15 Revised which included 6 commercial permits. The fee has been reduced by about 25% due to the Council-approved 18-month extension of the reduced DIF fees which will expire April 2, 2016.

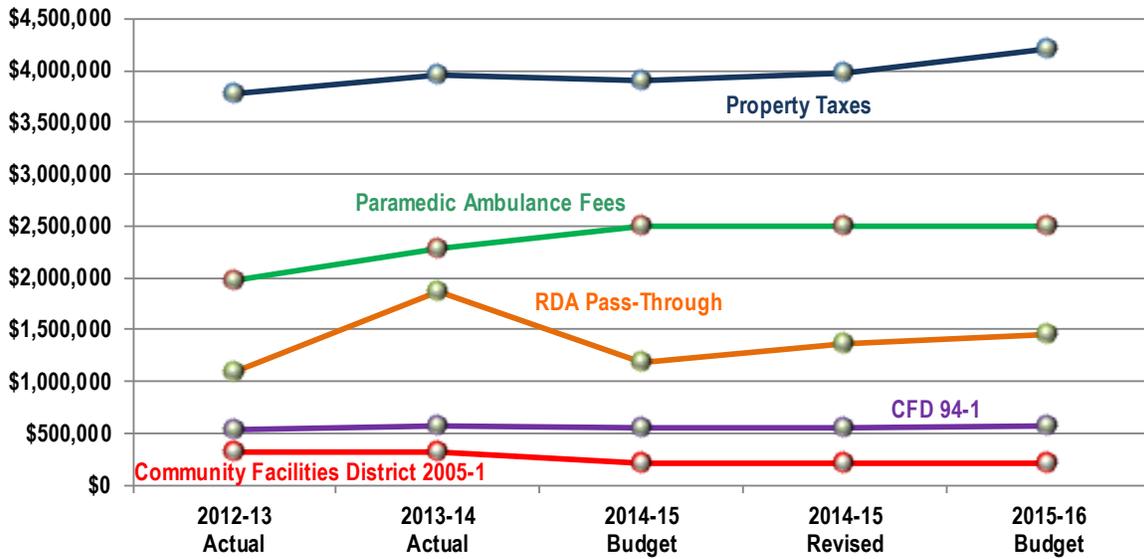
Sewer Operating – Sewer services are primarily available along the Main Street corridor and the western portion of the City and comprise about 17% of the District's water customers. Sewer Billing revenue is the primary revenue of this group and is expected to reach \$3.5 million in the FY 2015-16 Budget, an increase of 3% from the FY 2014-15 Revised amount of \$3.4 million, but a 1% increase over the FY 2014-15 Budget. This is due to more commercial business connecting to the sewer system, less turnover of homes, and more homes being occupied.

Sewer Capital – Like Water Capital, this revenue group reflects development activity within the City. The majority occurs on the western side of the City where more sewer lines are concentrated. The FY 2015-16 Budget is anticipating revenue to increase over the FY 2014-15 Budget by 257% primarily due to various anticipated new residential home construction and commercial developments.

All Other District Revenue – This group of revenues is the remainder of the Water District Operating And Capital revenue (about 6% of total District revenue) of which property rental revenue (\$0.2 million) and property tax revenue (\$0.3 million) are about 42% of this group. This group is projecting a 7% decrease from the FY 2014-15 Budget.

REVENUE

Fire District Revenue Trend



REVENUE DETAIL	2012-13	2013-14	2014-15	2014-15	2015-16	%Change
	Actual	Actual	Budget	Revised	Budget	From 2014-15 Budget
Property Taxes	\$3,783,638	\$3,952,319	\$3,910,000	\$3,966,312	\$4,204,291	8%
Redevelopment Pass-Through	1,087,371	1,867,920	1,182,567	1,370,258	1,452,473	23%
Paramedic Ambulance Fees	1,979,662	2,289,233	2,500,000	2,500,000	2,500,000	0%
Community Facilities District 94-1	536,074	565,812	555,963	555,963	563,191	1%
Community Facilities District 2005-1	322,733	326,850	214,144	214,143	218,426	2%
SAFER Grant	0	584,151	580,000	580,000	0	-100%
Ground Emergency Medical						
Transportation (GEMT)	0	0	480,528	381,435	285,375	-41%
All Other Revenue	738,264	817,506	764,466	827,097	771,885	1%
Total Fire District Revenue	\$8,447,742	\$10,403,791	\$10,187,668	\$10,395,208	\$9,995,641	-2%

Fire District – Overall, the FY 2015-16 Budget reflects a 4% decrease from the FY 2014-15 Revised, but a 2% decrease from the FY 2014-15 Budget. The primary reason for the decrease is the two-year SAFER (Staffing for Adequate Fire and Emergency Response) grant has ended. The largest individual revenue source for the Fire District is Property Tax revenue, which is 42% of the District's total revenues, followed by Paramedic Ambulance Fees which are 25%. Property Tax revenues and the former Redevelopment Pass-Through comprise 57% of the District's revenues, which highlights the sensitivity any changes in the City's assessed valuation has on the stability of the Fire District's finances.

Property Taxes – Property owners pay a basic tax of 1% of their property's valuation to the County annually. Of this 1% tax levy, the Fire District receives approximately 15 cents of every property tax dollar. Starting with FY 2013-14, property values have been increasing. Property Tax revenue, about 42% of the District's total revenue for the FY 2015-16 Budget, is projected to increase \$0.3 million or 8% over the FY 2014-15 Budget. However, the FY 2015-16 Budget revenue is showing a \$0.2 million, or a 6% increase over the FY 2014-15 Revised.

Redevelopment Pass-Through – In the past, this revenue was received from the Hesperia Community Redevelopment Agency (HCRA) as a Pass-Through of property tax increment received by the Redevelopment Agency. Starting February 1, 2012, this revenue has been received from the County of San Bernardino in the wake of the dissolution of all Redevelopment Agencies by the State of California. For the FY 2015-16 Budget, this source of revenue is expected to be about \$0.1 million, or 6% more, than the FY 2014-15 Revised. For the FY 2015-16 Budget, this revenue source is approximately 15% of the District's total revenue, reflecting a 23% increase over the FY 2014-15 Budget.

REVENUE

Fire District Revenue Trend (Continued)

Paramedic Ambulance Fees – This is revenue received from ambulance transportation billing. The \$2.5 million FY 2015-16 Budget estimates zero growth over the FY 2014-15 Revised. Analysis shows that gross billing revenue received is \$0.2 million, or 8% more for the first 9 months of FY 2014-15 compared to the first 9 months of FY 2013-14. This increase in revenue is primarily attributable to increased cash collections of the transport billings (8%) and 10% increase in the number of runs. The cash collections have increased 1.6% over the same period. Through March of FY 2014-15, 26.1% of the gross ambulance billing was collected as cash compared to the first 9 months of FY 2013-14 having collected slightly more than 25.5%.

Community Facilities District 94-1 – This special assessment district, generally west of Maple Avenue, was formed to assess new development for the increased cost burden on the Fire District for providing services. For the FY 2015-16 Budget, this revenue is projected to increase over FY 2014-15 by 1%. This revenue source comprises approximately 6% of the District's revenue for the FY 2015-16 Budget.

Community Facilities District (CFD) 2005-1 – This special assessment district, generally west of Maple Avenue and south of Main Street, was formed to refinance the bonds of CFD 91-3 and assesses the properties within that district to repay the bonds. Part of the annual assessment includes a public safety portion to offset some of the costs the residential development places on the City's public safety providers. For the FY 2015-16 Budget, this revenue is expected to increase by 2% which is the maximum special rate per the rate and method of apportionment.

SAFER Grant – The SAFER (Staffing for Adequate Fire and Emergency Response) grant was a two-year Federal Emergency Management Agency (FEMA) grant intended to provide funding to rehire the staff reduced during FY 2011-12. The board-approved option was to add a 5th ambulance to the fleet staffed by Limited-Term Firefighters/Paramedics. The reimbursable costs were salary (excluding overtime), benefits, and workers compensation. The FY 2015-16 Budget is zero as the grant has ended and was not renewed.

Ground Emergency Medical Transportation (GEMT) – This new revenue source is from the State of California to reimburse California fire districts for the portion of the lost Medi-Cal revenue when transporting Medi-Cal patients. For FY 2015-16, the \$285,375 comprises the estimated claims for the FY 2014-15 claim and a refile of the FY 2010-11 claim. Though this revenue will continue into future fiscal years, it will gradually decrease year after year.

All Other Revenue – This group of revenues comprise 8% of the District's FY 2015-16 Budget. The single largest revenue is the Non-Transport EMS Charge that is expected to be approximately \$170,000. Other revenues in this group are those related to the household hazardous waste center, fire prevention, fire inspections, and others related to the ambulance function, and interest earnings.

**REVENUE
SUMMARY BY MAJOR GROUP**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
General Fund Revenue						
Taxes	\$ 11,054,820	\$ 10,825,604	\$ 10,354,800	\$ 10,706,949	\$ 10,962,457	6%
Fines & Forfeitures	222,236	305,955	277,805	261,175	248,140	-11%
Interest	30,844	20,285	25,000	19,614	18,152	-27%
Intergovernmental	5,977,260	6,194,705	6,394,175	6,534,189	6,926,240	8%
Charges for Services	1,843,056	2,130,128	2,093,136	1,680,586	1,783,817	-15%
Licenses & Permits	291,274	368,527	305,748	290,446	316,044	3%
Grants	125,224	140,617	130,693	91,712	158,870	22%
Other Operating	3,000,726	5,187,007	4,622,061	5,066,777	5,041,133	9%
All Other	499	1,267	500	4,400	500	0%
Total General Fund Revenue	\$ 22,545,939	\$ 25,174,095	\$ 24,203,918	\$ 24,655,848	\$ 25,455,353	5%
Street, Transportation, and Other Related City Funds						
Streets Related Funds	\$ 15,388,089	\$ 9,147,888	\$ 11,126,616	\$ 7,431,206	\$ 10,087,819	-9%
Other Transportation Related Funds	86,069	86,961	76,945	86,726	69,508	-10%
Other City Related Funds	9,779,259	2,415,264	3,068,215	2,783,207	4,574,516	49%
Total Streets & Other City Revenue	\$ 25,253,417	\$ 11,650,113	\$ 14,271,776	\$ 10,301,139	\$ 14,731,843	3%
Total City Funds	\$ 47,799,356	\$ 36,824,208	\$ 38,475,694	\$ 34,956,987	\$ 40,187,196	4%
Community Development Comm.						
Community Development Comm. Fund	\$ 743,287	\$ 190,832	\$ 727,115	\$ 152,223	\$ 621,159	-15%
Hesperia Housing Authority						
Hesperia Housing Authority Funds	\$ 536,969	\$ 456,718	\$ 414,681	\$ 170,137	\$ 1,386,241	234%
Water District Revenue						
700 Water Operating Fund	\$ 18,014,750	\$ 16,941,973	\$ 17,585,741	\$ 16,726,878	\$ 15,785,926	-10%
701 Water Capital Fund	157,211	329,877	218,000	422,000	396,000	82%
Total Water Operating & Capital Funds	\$ 18,171,961	\$ 17,271,850	\$ 17,803,741	\$ 17,148,878	\$ 16,181,926	-9%
710 Sewer Operating Fund	\$ 3,424,637	\$ 3,430,885	\$ 3,486,663	\$ 3,431,849	\$ 3,530,215	1%
711 Sewer Capital Fund	82,240	90,913	56,509	252,768	202,008	257%
Total Sewer Operating & Capital Funds	\$ 3,506,877	\$ 3,521,798	\$ 3,543,172	\$ 3,684,617	\$ 3,732,223	5%
Total Water District Revenue	\$ 21,678,838	\$ 20,793,648	\$ 21,346,913	\$ 20,833,495	\$ 19,914,149	-7%
200 Fire District Revenue	\$ 8,447,742	\$ 10,403,791	\$ 10,187,668	\$ 10,395,208	\$ 9,995,641	-2%
TOTAL ALL FUNDS	\$ 79,206,192	\$ 68,669,197	\$ 71,152,071	\$ 66,508,050	\$ 72,104,386	1%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
General Fund Revenue						
Taxes						
Secured Property Tax 100 19 220 0000 4000	\$ 1,155,300	\$ 449,853	\$ 460,000	\$ 455,556	\$ 470,000	2%
Prior Secured Property Tax 100 19 220 0000 4005	17,313	21,437	17,000	14,986	25,000	47%
HOPTR 100 19 220 0000 4410	6,939	7,530	7,700	7,207	7,430	-4%
Current Supplemental Property 100 19 220 0000 4010	13,437	64,642	50,000	75,651	85,000	70%
Prior Supplemental Property Tax 100 19 220 0000 4011	40,691	33,761	35,000	44,175	46,000	31%
Sub-total Property Tax	<u>\$ 1,233,680</u>	<u>\$ 577,223</u>	<u>\$ 569,700</u>	<u>\$ 597,575</u>	<u>\$ 633,430</u>	<u>11%</u>
VVEDA Tax increment 100 19 220 0000 4095	8,700	12,749	8,900	11,300	11,978	35%
Payment in Lieu of Property Taxes 100 19 220 0000 4097	35,000	35,000	35,000	35,000	35,000	0%
Sales and Use Tax 100 19 220 0000 4100	6,128,061	6,357,224	6,311,250	6,400,848	7,582,030	20%
Sales and Use Tax Triple Flip 100 19 220 0000 4105	2,251,778	2,178,866	2,103,750	2,103,152	1,029,970	-51%
Sub-Total Sales and Use Tax	<u>\$ 8,379,839</u>	<u>\$ 8,536,090</u>	<u>\$ 8,415,000</u>	<u>\$ 8,504,000</u>	<u>\$ 8,612,000</u>	<u>2%</u>
Community Facilities District #2005-1 100 51 510 0000 4031	394,452	399,483	261,732	261,732	266,967	2%
Transient Occupancy Tax 100 19 220 0000 4140	852,692	1,040,271	900,000	1,100,000	1,200,000	33%
Property Transfer Tax 100 19 220 0000 4145	141,089	147,482	155,000	185,000	190,000	23%
Other Taxes	9,368	77,306	9,468	12,342	13,082	38%
Total Taxes	<u>\$ 11,054,820</u>	<u>\$ 10,825,604</u>	<u>\$ 10,354,800</u>	<u>\$ 10,706,949</u>	<u>\$ 10,962,457</u>	<u>6%</u>
Fines & Forfeitures						
Vehicle Code Fines 100 51 510 0000 5500	\$ 132,917	\$ 178,557	\$ 160,000	\$ 170,000	\$ 160,000	0%
DUI Arrest Fees 100 51 510 0000 5530	29,948	29,822	30,000	31,200	31,200	4%
Vehicle Tow Fees 100 51 510 0000 5510	24,910	29,832	30,000	31,520	31,520	5%
Other Fines & Forfeitures	34,461	67,744	57,805	28,455	25,420	-56%
Total Fines & Forfeitures	<u>\$ 222,236</u>	<u>\$ 305,955</u>	<u>\$ 277,805</u>	<u>\$ 261,175</u>	<u>\$ 248,140</u>	<u>-11%</u>
Interest						
Interest Income – City 100 19 220 0000 5600	\$ 30,844	\$ 20,285	\$ 25,000	\$ 19,614	\$ 18,152	-27%
Total Interest	<u>\$ 30,844</u>	<u>\$ 20,285</u>	<u>\$ 25,000</u>	<u>\$ 19,614</u>	<u>\$ 18,152</u>	<u>-27%</u>
Intergovernmental						
Vehicle License Fee 100 19 220 0000 4400	\$ 38,777	\$ 0	\$ 0	\$ 0	\$ 0	n/a
Triple Flip - Motor Vehicle In-Lieu 100 19 220 0000 4405	\$ 5,938,483	\$ 6,194,705	\$ 6,394,175	\$ 6,534,189	\$ 6,926,240	8%
Total Intergovernmental	<u>\$ 5,977,260</u>	<u>\$ 6,194,705</u>	<u>\$ 6,394,175</u>	<u>\$ 6,534,189</u>	<u>\$ 6,926,240</u>	<u>8%</u>

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13	2013-14	2014-15	2014-15	2015-16	% Change From 2014-15
<u>General Fund Revenue</u> <u>(Continued)</u>	Actual	Actual	Budget	Revised	Budget	Budget
Charges for Services						
General Plan Update 100 29 300 3000 4942	\$ 658	\$ 3,617	\$ 5,950	\$ 4,874	\$ 5,000	-16%
EIR Fees 100 29 300 3000 4954	0	8,713	0	0	0	n/a
Tentative Tract 100 29 300 3000 4990	2,007	13,558	15,000	2,000	4,600	-69%
Home Occupancy 100 29 300 3000 4960	58,378	57,499	55,000	53,000	55,000	0%
Tenant Improvement Plan Review 100 29 300 3000 4963	6,390	10,062	8,500	5,300	7,000	-18%
Tentative Parcel 100 29 300 3000 4995	656	2,601	1,800	3,600	3,000	67%
Project Extension 100 29 300 3000 4957	938	1,805	1,500	4,000	4,000	167%
Conditional use 100 29 300 3000 5015	13,739	22,122	20,000	16,500	23,000	15%
Site Plans 100 29 300 3000 5005	6,293	6,677	5,000	23,408	23,000	360%
Rental Housing Inspection Fee 100 29 305 3010 5038	411	1,820	0	0	0	n/a
Business License 100 29 300 3000 4200	206,211	211,495	210,000	214,198	215,000	2%
Administration Fine-Code Enforcement 100 29 305 3010 5405	446,773	604,475	400,000	130,000	100,000	-75%
Municipal Code Fines 100 29 305 3010 5420	112,272	103,999	90,000	96,000	80,000	-11%
Building Plan Check Fees 100 29 300 3020 5030	117,644	154,548	195,535	160,000	165,000	-16%
Building Permit Fees 100 29 300 3020 4250	431,171	599,840	609,937	588,232	736,632	21%
Automation Fee 100 29 300 3020 4930	66,505	89,569	77,926	87,000	80,000	3%
Microfilm Fee 100 29 300 3020 4935	218	1,518	1,950	1,700	2,500	28%
Parks & Rec Collection Fees 100 29 300 3020 5027	125	900	1,250	1,450	2,000	60%
Lot Grading Permit Fees 100 29 300 3020 4255	11,471	30,379	33,547	34,792	30,000	-11%
Final Subdivision Processing Fee 100 29 310 3100 5010	344	0	500	3,134	5,000	900%
Final P/M Processing Fee 100 29 310 3100 5012	550	30	200	2,300	2,000	900%
Construction Permit Fee 100 29 310 3100 4260	5,010	5,872	5,000	9,600	7,700	54%
Engineering Plan Check Fees 100 29 310 3100 5045	5,116	8,953	7,800	11,700	13,000	67%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
General Fund Revenue (Continued)						
Charges for Services (Continued)						
Grading Plan Review Fees 100 29 310 3100 5050	\$ 17,279	\$ 5,543	\$ 7,200	\$ 15,000	\$ 15,000	108%
Construction Inspection Fees 100 29 310 3100 5035	24,605	31,881	32,500	52,000	38,500	18%
County Animal Control Revenue 100 29 305 5000 4917	13,527	0	0	0	0	n/a
Administration Fine-Animal Control 100 29 305 5000 5405	219,246	63,870	220,000	65,000	70,000	-68%
Other Charges for Services	75,519	88,782	87,041	95,798	96,885	11%
Total Charges for Services	\$ 1,843,056	\$ 2,130,128	\$ 2,093,136	\$ 1,680,586	\$ 1,783,817	-15%
Licenses & Permits						
Animal Licenses 100 29 305 5000 4210	\$ 187,336	\$ 209,324	\$ 187,000	\$ 170,000	\$ 187,000	0%
Animal Impound Fee 100 29 305 5000 5065	54,450	49,679	50,000	45,000	50,000	0%
FOG Annual Inspection 100 29 300 3020 5034	27,762	33,538	35,000	35,000	36,000	3%
Other Licenses & Permits	21,726	75,986	33,748	40,446	43,044	28%
Total Licenses & Permits	\$ 291,274	\$ 368,527	\$ 305,748	\$ 290,446	\$ 316,044	3%
Grants						
CDBG Grant - Environmental 100 07 200 0000 4700	\$ 61,528	\$ 58,325	\$ 65,000	\$ 35,000	\$ 95,000	46%
Police JAG Grant 100 51 510 0000 4700	0	0	0	1,000	0	n/a
Police Dept. of Justice LLEBG 100 51 510 0000 4770	20,890	21,455	26,008	26,008	27,500	6%
Police Off Highway 100 51 510 0000 4790	14,591	0	14,085	13,579	15,000	6%
Police Sobriety Grant 100 51 510 0000 4797	28,215	26,779	25,600	0	0	-100%
Police Homeland Security Grant 100 51 510 0000 4811	0	29,858	0	16,125	21,370	n/a
Police ABC Shoulder Tap Grant 100 51 510 0000 4815	0	4,200	0	0	0	n/a
Total Grants	\$ 125,224	\$ 140,617	\$ 130,693	\$ 91,712	\$ 158,870	22%
Other Operating						
Article 19 Landfill Fee 100 19 220 0000 4170	\$ 43,816	\$ 16,565	\$ 0	\$ 0	\$ 0	n/a
Cable Franchise Fee 100 19 220 0000 4150, 4151	625,499	666,201	655,000	700,000	700,000	7%
Advance Disposal Franchise Fee 100 19 220 0000 4155	1,032,687	1,064,873	1,058,000	1,174,540	1,180,000	12%
Utilities Franchise Fee 100 19 220 0000 4160	800,766	996,951	927,000	1,051,724	1,060,000	14%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
General Fund Revenue (Continued)						
Other Operating (Continued)						
Water Franchise Fee 100 19 220 0000 4165	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	0%
Sub Total Franchise Fees	\$ 2,752,768	\$ 2,994,590	\$ 2,890,000	\$ 3,176,264	\$ 3,190,000	10%
State Mandated Claims SB90 100 19 220 0000 4500	\$ 43,190	\$ 51,174	\$ 50,000	\$ 107,886	\$ 50,000	0%
Assessment Cost Recovery 100 19 220 0000 5830	7,834	8,408	12,235	12,235	4,303	-65%
Leased Water Rights-Other 100 19 220 0000 5871	15,756	15,280	64,480	64,480	69,324	8%
Leased Water Rights-RLF 100 19 220 0000 5872	0	1,368,324	1,443,546	1,443,546	1,562,188	8%
Leased Water Rights-Golf 100 19 220 0000 5873	0	56,918	0	0	0	n/a
Pet Adoption Charges 100 29 305 5000 4215	57,115	58,800	60,000	60,000	62,500	4%
Cell Tower Rent 100 19 220 0000 5885	20,142	20,545	20,956	20,956	21,375	2%
CSI Grant Reimbursement 100 29 310 3110 4860	58,431	11,965	60,000	47,984	60,000	0%
Library Electricity Reimb 100 29 310 3110 5804	5,380	9,721	6,500	16,820	10,000	54%
Other Operating	40,110	591,282	14,344	116,606	11,443	-20%
Total Other Operating	\$ 3,000,726	\$ 5,187,007	\$ 4,622,061	\$ 5,066,777	\$ 5,041,133	9%
All Other						
Miscellaneous/General Govt. 100 19 220 0000 5950	\$ 499	\$ 1,267	\$ 500	\$ 4,400	\$ 500	0%
Total All Other	\$ 499	\$ 1,267	\$ 500	\$ 4,400	\$ 500	0%
Total General Fund Revenue	\$ 22,545,939	\$ 25,174,095	\$ 24,203,918	\$ 24,655,848	\$ 25,455,353	5%
170 Community Development Commission						
Interest						
CDC - Interest 170 25 261 0000 5600	\$ 185	\$ 1,200	\$ 1,200	\$ 15,659	\$ 15,655	100%
Total Interest Income	\$ 185	\$ 1,200	\$ 1,200	\$ 15,659	\$ 15,655	1205%
Other						
Rents & Leases 170 25 261 0000 5700	\$ 70,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	0%
Reimbursements/Other Agencies 170 25 261 0000 5800	0	81,879	12,499	47,961	112,500	800%
Off Highway Vehicle Grant 170 25 261 0000 4790	4,650	0	0	0	0	n/a
Proceeds from Land Sale 170 19 220 0000 5900	0	8,003	624,091	8,003	433,004	100%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
170 Community Development Commission (Continued)						
Misc. Revenue 170 25 261 0000 5950	\$ 668,452	\$ 39,750	\$ 29,325	\$ 20,600	\$ 0	-100%
Total CDC Other	<u>\$ 743,102</u>	<u>\$ 189,632</u>	<u>\$ 725,915</u>	<u>\$ 136,564</u>	<u>\$ 605,504</u>	<u>-17%</u>
Total Community Development Commission	\$ 743,287	\$ 190,832	\$ 727,115	\$ 152,223	\$ 621,159	-15%
Funds (370, 371)						
370 Hesperia Housing Authority						
Interest						
Housing Authority - Interest 370 19 220 0000 5600	\$ 100,359	\$ 61,786	\$ 52,601	\$ 51,477	\$ 47,434	-10%
Total Interest	\$ 100,359	\$ 61,786	\$ 52,601	\$ 51,477	\$ 47,434	-10%
Other						
Loan Repayments 370 25 263 0000 4746	\$ 82,283	\$ 83,109	\$ 0	\$ 83,944	\$ 84,788	100%
Rents & Leases 370 25 263 0000 5700	18,800	22,338	27,900	28,800	18,000	-35%
Proceeds from Land Sales 370 25 263 0000 5900	0	128,140	327,450	0	1,129,848	245%
Miscellaneous 370 25 263 0000 5950	1,575	1,775	3,000	1,500	1,500	-50%
Total Other	\$ 102,658	\$ 235,362	\$ 358,350	\$ 114,244	\$ 1,234,136	244%
Total Hesperia Housing	\$ 203,017	\$ 297,148	\$ 410,951	\$ 165,721	\$ 1,281,570	212%
371 VVEDA Housing						
Taxes						
VVEDA Housing Authority - Tax Increment 371 25 261 0000 4068	\$ 329,913	\$ 155,489	\$ 0	\$ 0	\$ 0	n/a
Total Taxes	\$ 329,913	\$ 155,489	\$ 0	\$ 0	\$ 0	n/a
Interest						
VVEDA Housing Authority - Interest 371 19 220 0000 5600	\$ 4,039	\$ 4,081	\$ 3,730	\$ 4,416	\$ 4,248	14%
Total Interest	\$ 4,039	\$ 4,081	\$ 3,730	\$ 4,416	\$ 4,248	14%
Other						
Rents & Leases 371 19 220 0000 5700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,423	100%
Total Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,423	100%
Total VVEDA Housing	\$ 333,952	\$ 159,570	\$ 3,730	\$ 4,416	\$ 104,671	2706%
Total HHA Funds	\$ 536,969	\$ 456,718	\$ 414,681	\$ 170,137	\$ 1,386,241	234%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Other City Funds						
Community Development Block Grant (CDBG) Funds (251, 252, 253, 257)						
251 CDBG Fund						
CDBG Administration Reimbursement 251 25 270 2700 4730	\$ 1,412,321	\$ 609,485	\$ 1,029,826	\$ 1,011,862	\$ 1,135,361	10%
CDBG Program Income 251 25 270 2700 5903	0	0	0	0	1,100,000	100%
Total CDBG Fund 251	\$ 1,412,321	\$ 609,485	\$ 1,029,826	\$ 1,011,862	\$ 2,235,361	117%
252 HOME Grant Fund						
Interest						
CDBG HOME Grant Program Interest Income 252 19 220 0000 5600	\$ 22,833	\$ 14,892	\$ 14,515	\$ 14,515	\$ 14,000	-4%
DOIM Income from Home Activities 252 25 264 2700 4758	0	0	1,600	17,317	1,700	6%
Total Interest Income	\$ 22,833	\$ 14,892	\$ 16,115	\$ 31,832	\$ 15,700	-3%
Grants						
CDBG HOME Grant 2000 252 25 264 2700 4750	\$ 0	\$ 10	\$ 0	\$ 0	\$ 0	n/a
Total Grants	\$ 0	\$ 10	\$ 0	\$ 0	\$ 0	n/a
Total HOME Fund 252	\$ 22,833	\$ 14,902	\$ 16,115	\$ 31,832	\$ 15,700	-3%
253 CDBG-Revolving Loan Fund						
CDBG Revolving Loan Program Interest Income 253 19 220 0000 5600	\$ 2,641	\$ 1,997	\$ 2,035	\$ 1,651	\$ 1,562	-23%
Total CDBG-Revolving Loan Fund 253	\$ 2,641	\$ 1,997	\$ 2,035	\$ 1,651	\$ 1,562	-23%
257 CDBG-Neighborhood Stabilization Program (NSP) Fund						
NSP Interest Income 257 19 220 0000 5600	\$ 1,848	\$ 1,689	\$ 1,350	\$ 3,162	\$ 2,966	120%
Neighborhood Stabilization Program 257 25 270 2700 4760	0	0	238,030	0	0	-100%
NSP - Proceeds from Sales 257 25 270 2700 5901	142,550	799,104	594,929	688,352	1,079,953	82%
NSP - Rents/Lease 257 25 270 2700 5870	0	2,187	78,200	11,417	10,172	-87%
Program Income from NSP Activities 257 25 270 2700 5903	15,839	106,386	79,692	77,753	121,126	52%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Other City Funds (Continued)</u>						
Community Development Block Grant (CDBG) Funds (251, 252, 253, 257) (Continued)						
NSP Miscellaneous	225	430	300	100	200	-33%
Total CDBG-Neighborhood Stabilization Fund 257	\$ 160,462	\$ 909,796	\$ 992,501	\$ 780,784	\$ 1,214,417	22%
Total CDBG Funds (251, 252, 253, 257)	\$ 1,598,257	\$ 1,536,180	\$ 2,040,477	\$ 1,826,129	\$ 3,467,040	70%
150 Redevelopment Administration						
Redevelopment Administration Interest Income 150 19 220 0000 5600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a
Total Redevelopment Administration Fund 150	\$ 0	n/a				
201 Measure I - Arterial Fund						
Measure I - Arterial Interest Income 201 19 220 0000 5600	\$ 228	\$ 0	\$ 0	\$ 0	\$ 0	n/a
Total Measure I - Arterial Fund 201	\$ 228	\$ 0	\$ 0	\$ 0	\$ 0	n/a
204 Measure I - 2010 Renewal Fund						
Measure I - 2010 Renewal Interest Income 204 19 220 0000 5600	\$ 6,456	\$ 5,159	\$ 5,000	\$ 5,114	\$ 4,864	-3%
Measure I – 2010 Renewal 204 29 310 3150 4126	2,494,978	2,489,817	2,500,000	2,500,000	2,528,606	1%
Total Measure I - 2010 Renewal Fund 204	\$ 2,501,434	\$ 2,494,976	\$ 2,505,000	\$ 2,505,114	\$ 2,533,470	1%
Total Measure I (201, 204)	\$ 2,501,662	\$ 2,494,976	\$ 2,505,000	\$ 2,505,114	\$ 2,533,470	1%
205 Gas Tax Fund Interest						
Gas Tax Fund Interest Income 205 19 220 0000 5600	\$ 272	\$ 694	\$ 400	\$ 1,327	\$ 0	-100%
SubTotal Interest	\$ 272	\$ 694	\$ 400	\$ 1,327	\$ 0	-100%
Intergovernmental						
Gas Tax Section 2105 205 29 310 3150 4130	\$ 393,875	\$ 616,062	\$ 430,000	\$ 558,799	\$ 522,795	22%
Gas Tax Section 2106 205 29 310 3150 4132	287,762	296,037	285,000	320,784	274,303	-4%
Gas Tax Section 2107 205 29 310 3150 4134	645,420	659,040	600,000	762,925	718,591	20%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Other City Funds (Continued)</u>						
Gas Tax Section 2107.5 205 29 310 3150 4135	7,500	7,500	7,500	7,500	7,500	0%
SubTotal Intergovernmental	\$ 1,334,557	\$ 1,578,639	\$ 1,322,500	\$ 1,650,008	\$ 1,523,189	15%
Total Gas Tax Fund 205	\$ 1,334,829	\$ 1,579,333	\$ 1,322,900	\$ 1,651,335	\$ 1,523,189	15%
206 Gas Tax Swap						
Gas Tax Swap Interest Income 206 19 220 0000 5600	\$ 130	\$ 102	\$ 150	\$ 369	\$ 1,254	736%
Gas Tax Swap 7360 206 29 310 3150 4136	715,180	1,261,997	1,250,000	948,102	414,483	-67%
Total Gas Tax Swap Fund 206	\$ 715,310	\$ 1,262,099	\$ 1,250,150	\$ 948,471	\$ 415,737	-67%
207 Local Transportation Fund						
Local Transportation Fund Interest Income 207 19 220 0000 5600	\$ 1,925	\$ 2,312	\$ 2,000	\$ 2,122	\$ 2,184	9%
Local Transportation SB325 - Article 8 207 29 310 3150 4110	1,734,335	1,639,063	2,050,000	1,504,350	1,350,000	-34%
Total Local Transportation Fund 207	\$ 1,736,260	\$ 1,641,375	\$ 2,052,000	\$ 1,506,472	\$ 1,352,184	-34%
254 AQMD (AB2766 - Transit) Fund						
AQMD Fund Interest Income 254 19 220 0000 5600	\$ 578	\$ 369	\$ 500	\$ 356	\$ 330	-34%
AQMD - AB2766 Transit Grant 254 29 310 3150 4875	59,880	60,665	62,000	65,000	61,000	-2%
Total AQMD Fund 254	\$ 60,458	\$ 61,034	\$ 62,500	\$ 65,356	\$ 61,330	-2%
255 AB3229 Supplemental Law Fund						
AB2339 Supplemental Law Interest Income 255 19 220 0000 5600	\$ 270	\$ 219	\$ 200	\$ 189	\$ 186	-7%
AB3229 COP's Grant 255 51 510 0000 4780	139,962	155,802	146,328	144,507	140,000	-4%
Total AB3229 Supplemental Law Fund 255	\$ 140,232	\$ 156,021	\$ 146,528	\$ 144,696	\$ 140,186	-4%
256 Environmental Programs Grants						
Environmental Programs Grants Fund Interest Income 256 19 220 0000 5600	\$ 69	\$ 55	\$ 64	\$ 61	\$ 56	-13%
Beverage Recycling Grant 256 07 200 0000 4710	24,590	24,100	0	0	23,881	n/a

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Other City Funds (Continued)</u>						
256 Environmental Programs Grants (Continued)						
Recycling Revenue 256 07 200 0000 5895	6,653	5,205	5,000	5,000	9,000	80%
Tire Grant 256 07 200 2001 4700	18,440	14,156	14,555	14,555	20,494	41%
Illegal Dumping Abatement Grant 256 07 200 2002 4700	0	0	0	0	69,200	n/a
Litter Fines 256 51 510 0000 5402	52	89	65	65	0	-100%
Miscellaneous Revenue	0	1,000	0	0	0	n/a
Total Environmental Programs Grants Fund 256	\$ 49,804	\$ 44,605	\$ 19,684	\$ 19,681	\$ 122,631	523%
260 Disaster Preparedness Grant						
Disaster Preparedness Grant Fund Interest Income 260 19 220 0000 5600	\$ 14	\$ 52	\$ 50	\$ 88	\$ 82	64%
Disaster Preparedness Grant Reimbursement 260 07 200 0000 4700	13,109	22,398	41,705	62,021	24,036	-42%
Miscellaneous Revenue	1,677	2,595	2,000	2,000	2,000	0%
Total Disaster Preparedness Grant Fund 260	\$ 14,800	\$ 25,045	\$ 43,755	\$ 64,109	\$ 26,118	-40%
263 Public Works Street Maintenance						
Public Works Street Maintenance Interest Income 263 19 220 0000 5600	\$ 1,456	\$ 1,576	\$ 1,383	\$ 2,174	\$ 2,006	45%
Public Works Graffiti Miscellaneous Income	21,071	21,911	10,500	14,510	2,000	-81%
Total Public Works Street Maintenance 263	\$ 22,527	\$ 23,487	\$ 11,883	\$ 16,684	\$ 4,006	-66%
300 Streets Development Impact Fee (DIF) Fund						
Streets DIF Interest Income 300 19 220 0000 5600	\$ 14,296	\$ 0	\$ 0	\$ 0	\$ 0	n/a
Streets DIF Fees 300 29 310 3150 5060	622,246	634,235	1,129,794	719,342	1,345,528	19%
DIF - Rancho Road Undercrossing 300 29 700 7046 5800	13,283	0	0	0	0	n/a
Total Streets DIF Fund 300	\$ 649,825	\$ 634,235	\$ 1,129,794	\$ 719,342	\$ 1,345,528	19%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Other City Funds (Continued)						
301 Storm Drain Development Impact Fee (DIF) Fund						
Storm Drain DIF Interest Income 301 19 220 0000 5600	\$ 5,875	\$ 5,038	\$ 5,324	\$ 5,730	\$ 5,372	1%
Storm Drain DIF Fees 301 29 310 3150 5088	82,160	83,963	148,435	94,506	176,834	19%
Total Storm Drain DIF 301	\$ 88,035	\$ 89,001	\$ 153,759	\$ 100,236	\$ 182,206	19%
302 Fire Development Impact Fee (DIF) Fund						
Fire DIF Interest Income 302 19 220 0000 5600	\$ 2,877	\$ 2,025	\$ 2,164	\$ 2,238	\$ 2,100	-3%
Fire DIF Fees 302 29 310 3150 5062	88,123	30,675	107,682	13,651	67,915	-37%
Total Fire DIF 302	\$ 91,000	\$ 32,700	\$ 109,846	\$ 15,889	\$ 70,015	-36%
303 Police Development Impact Fee (DIF) Fund						
Police DIF Interest Income 303 19 220 0000 5600	\$ 704	\$ 608	\$ 644	\$ 684	\$ 642	0%
Police DIF Fees 303 29 310 3150 5063	25,594	8,952	31,820	3,963	19,922	-37%
Total Police DIF 303	\$ 26,298	\$ 9,560	\$ 32,464	\$ 4,647	\$ 20,564	-37%
304 Public Services Development Impact Fee (DIF) Fund						
Public Services DIF Interest Income 304 19 220 0000 5600	\$ 1,003	\$ 386	\$ 484	\$ 15	\$ 14	-97%
Public Services DIF Fees 304 29 310 3150 5064	68,230	24,652	83,713	10,569	52,706	-37%
Total Public Services DIF 304	\$ 69,233	\$ 25,038	\$ 84,197	\$ 10,584	\$ 52,720	-37%
400 2004 Streets Debt Service Fund						
2004 Streets Debt Service Interest Income 400 19 220 0000 5600	\$ 3,084	\$ 2,440	\$ 2,562	\$ 4,686	\$ 4,172	63%
Total 2004 Streets Debt Service Fund 400	\$ 3,084	\$ 2,440	\$ 2,562	\$ 4,686	\$ 4,172	63%
401 City Debt Service Fund						
City Debt Service Fund Interest Income 401 19 220 0000 5600	\$ 3,526	\$ 1,101	\$ 0	\$ 0	\$ 0	n/a
Total City Debt Service Fund 401	\$ 3,526	\$ 1,101	\$ 0	\$ 0	\$ 0	n/a

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Other City Funds (Continued)						
402 2012 Water Rights Debt Service Fund						
2012 Water Rights Debt Service Fund Interest Income 402 19 220 0000 5600	\$ 54	\$ 146	\$ 100	\$ 150	\$ 17	-83%
Total 2012 Water Rights Debt Service Fund 402	\$ 54	\$ 146	\$ 100	\$ 150	\$ 17	-83%
403 2005 COP Debt Service Fund						
2005 Refinance Debt Service Fund Interest Income 403 19 220 0000 5600	\$ 0	\$ 668	\$ 20	\$ 913	\$ 852	4160%
Reimbursement/Other Agencies 403 19 220 0000 5800	0	0	0	69,484	0	n/a
Total 2005 Refinance Debt Service Fund 403	\$ 0	\$ 668	\$ 20	\$ 70,397	\$ 852	4160%
502 Fire Capital Fund						
Fire Capital Pass-Through 502 19 220 0000 4090	\$ 494,519	\$ 560,709	\$ 580,000	\$ 614,000	\$ 662,327	14%
Fire Capital Interest Income 502 19 220 0000 5600	11,376	10,813	11,144	12,925	12,046	8%
Total Fire Capital Fund 502	\$ 505,895	\$ 571,522	\$ 591,144	\$ 626,925	\$ 674,373	14%
503 High Desert Government Center						
Reimbursement 503 29 650 6520 5800	\$ 7,277,283	\$ 12,678	\$ 0	\$ 0	\$ 0	n/a
High Desert Government Center Interest Income 503 19 220 0000 5600	2,877	0	0	0	0	n/a
Total High Desert Government Center Fund 503	\$ 7,280,160	\$ 12,678	\$ 0	\$ 0	\$ 0	n/a
504 City Streets CIP						
FEMA 2010 Grant 504 29 700 7091 4821	\$ 0	\$ 0	\$ 1,185,537	\$ 0	\$ 1,185,537	0%
County Reimbursement-Ranchero Corridor Reimbursement 504 29 700 7094 5800	136,606	0	0	0	22,500	n/a
Park and Ride MDAQMD Grant 504 29 650 6523 4700	0	0	184,346	0	184,346	0%
Park and Ride CMAQ Grant 504 29 650 6523 4800	0	0	508,000	0	508,000	0%
2011-12 Street Improvement Proj / SRTS Grant 504 29 700 7121 4700	310,211	14,794	0	0	0	n/a

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13	2013-14	2014-15	2014-15	2015-16	% Change From 2014-15
Other City Funds (Continued)	Actual	Actual	Budget	Revised	Budget	Budget
504 City Streets CIP (Continued)						
2011-12 Street Improvement Proj / SANBAG Local Stimulus Grant 504 29 700 7121 4837	18,439	0	0	0	0	n/a
2011-12 Street Improvement Proj / Prop. 1B 504 29 700 7121 5800	1,178,004	0	0	0	0	n/a
Willow Street Paseo SRTS 504 29 700 7123 4700	0	0	834,900	0	834,900	0%
Bear Valley/Sequoia Bicycle Bypass TDA Article 3 Grant 504 29 700 7124 4700	0	544,556	0	0	0	n/a
2012-13 Street Improvement Proj / VVTA Reimbursement 504 29 700 7125 5800	0	181,506	0	0	0	100%
City Wide Projects Fund Interest 504 19 220 0000 5600	920	0	0	0	0	n/a
Other Miscellaneous	770	77	0	0	0	n/a
Total City Streets CIP Fund 504	\$ 1,644,950	\$ 740,933	\$ 2,712,783	\$ 0	\$ 2,735,283	1%
507 Township						
Township Interest 507 19 220 0000 5600	\$ 263	\$ 216	\$ 230	\$ 236	\$ 222	-3%
Total Township Fund 507	\$ 263	\$ 216	\$ 230	\$ 236	\$ 222	-3%
600 Rancho Road Undercrossing Fund						
US DOT-Federal Highway Administration Grant 600 29 700 7046 4700	\$ 1,804,892	\$ 183,164	\$ 0	\$ 0	\$ 0	n/a
NCPDP Grant Reimb 600 29 700 7046 4835	440,169	13,536	0	0	0	n/a
SAFETEA-LU Federal Grant 600 29 700 7046 4833	1,646,240	222,185	0	0	0	n/a
SANBAG-STP Grant 600 29 700 7046 4834	2,218,134	224,903	0	0	0	n/a
Prop 1B - SLPP 600 29 700 7046 4843	607,520	61,932	0	0	0	n/a
Total Rancho Road Undercrossing Fund 600	\$ 6,716,955	\$ 705,720	\$ 0	\$ 0	\$ 0	n/a

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Other City Funds (Continued)</u>						
Streets, Transportation, and Other City Funds Summary						
Streets Capital Improvement Project (CIP) Funds						
201 Measure I - Arterial	\$ 228	\$ 0	\$ 0	\$ 0	\$ 0	n/a
204 Measure I - 2010 Renewal	2,501,434	2,494,976	2,505,000	2,505,114	2,533,470	1%
Total Measure I (201, 204)	<u>\$ 2,501,662</u>	<u>\$ 2,494,976</u>	<u>\$ 2,505,000</u>	<u>\$ 2,505,114</u>	<u>\$ 2,533,470</u>	1%
205 Gas Tax	1,334,829	1,579,333	1,322,900	1,651,335	1,523,189	15%
206 Gas Tax Swap	715,310	1,262,099	1,250,150	948,471	415,737	-67%
207 Local Transportation	1,736,260	1,641,375	2,052,000	1,506,472	1,352,184	-34%
300 Street Development Impact Fee	649,825	634,235	1,129,794	719,342	1,345,528	19%
301 Storm Drain Development Impact Fee	88,035	89,001	153,759	100,236	182,206	19%
504 City Streets CIP	1,644,950	740,933	2,712,783	0	2,735,283	1%
507 Township	263	216	230	236	222	-3%
600 Rancho Rd Undercrossing	6,716,955	705,720	0	0	0	n/a
Total Streets CIP Related Revenue Funds	<u>\$ 15,388,089</u>	<u>\$ 9,147,888</u>	<u>\$ 11,126,616</u>	<u>\$ 7,431,206</u>	<u>\$ 10,087,819</u>	-9%
Other Transportation Related Funds						
254 AQMD (AB2766 Transit)	\$ 60,458	\$ 61,034	\$ 62,500	\$ 65,356	\$ 61,330	-2%
263 Public Works Street Maintenance	22,527	23,487	11,883	16,684	4,006	-66%
400 2004 Streets Debt Service	3,084	2,440	2,562	4,686	4,172	63%
Total Other Transportation Funds	<u>\$ 86,069</u>	<u>\$ 86,961</u>	<u>\$ 76,945</u>	<u>\$ 86,726</u>	<u>\$ 69,508</u>	-10%
Total Streets Capital and Other Transportation Funds	<u>\$ 15,474,158</u>	<u>\$ 9,234,849</u>	<u>\$ 11,203,561</u>	<u>\$ 7,517,932</u>	<u>\$ 10,157,327</u>	-9%
Other City Related Funds						
150 Redevelopment Administration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a
251 Community Development Block Grant	1,412,321	609,485	1,029,826	1,011,862	2,235,361	117%
252 HOME Grant	22,833	14,902	16,115	31,832	15,700	-3%
253 CDBG Revolving Loan Program	2,641	1,997	2,035	1,651	1,562	-23%
255 AB3229 Supplemental Law	140,232	156,021	146,528	144,696	140,186	-4%
256 Environmental Programs Grants	49,804	44,605	19,684	19,681	122,631	523%
257 Neighborhood Stabilization Program	160,462	909,796	992,501	780,784	1,214,417	22%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Streets, Transportation, and Other City Funds Summary (Continued)						
260 Disaster Preparedness Grant	14,800	25,045	43,755	64,109	26,118	-40%
302 Fire Development Impact Fee	91,000	32,700	109,846	15,889	70,015	-36%
303 Police Development Impact Fee	26,298	9,560	32,464	4,647	20,564	-37%
304 Public Services Development Impact Fee	69,233	25,038	84,197	10,584	52,720	-37%
401 City Debt Service Fund	3,526	1,101	0	0	0	n/a
402 Water Rights Debt Service Fund	54	146	100	150	17	-83%
403 2005 COP Refinance Debt Service Fund	0	668	20	70,397	852	4160%
502 Fire Capital	505,895	571,522	591,144	626,925	674,373	14%
503 High Desert County Government Center	7,280,160	12,678	0	0	0	n/a
Total Other City Related Funds	\$ 9,779,259	\$ 2,415,264	\$ 3,068,215	\$ 2,783,207	\$ 4,574,516	49%
Total Streets CIP, Other Transportation, and Other City Related Funds	\$ 25,253,417	\$ 11,650,113	\$ 14,271,776	\$ 10,301,139	\$ 14,731,843	3%
<u>Water District</u>						
700 Water Operating Fund						
Taxes						
Secured Property Taxes 700 29 400 4070 4000	\$ 272,256	\$ 263,813	\$ 273,000	\$ 280,743	\$ 297,588	9%
VVEDA Pass-Through 700 29 400 4070 4095	5,608	6,552	6,600	6,600	6,996	6%
Other Taxes	7,711	50,358	7,200	6,476	7,572	5%
Total Taxes	\$ 285,575	\$ 320,723	\$ 286,800	\$ 293,819	\$ 312,156	9%
Interest						
Interest Income 700 29 400 4070 5605	\$ 6,970	\$ 6,668	\$ 6,598	\$ 4,964	\$ 4,776	-28%
Total Interest	\$ 6,970	\$ 6,668	\$ 6,598	\$ 4,964	\$ 4,776	-28%
Intergovernmental						
City Rent Charge 700 29 400 4070 5880	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	0%
Total Intergovernmental	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	0%
Charges for Services						
Water Sales/Residential 700 29 400 4060 5100	\$ 8,185,399	\$ 7,936,001	\$ 8,153,780	\$ 7,500,000	\$ 6,772,600	-17%
Water Sales/Business 700 29 400 4060 5101	447,474	432,435	478,427	459,689	386,900	-19%
Water Sales/Public Building 700 29 400 4060 5102	498,500	495,161	520,000	510,097	444,600	-15%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Water District (Continued)</u>						
Charges for Services (Continued)						
Water Sales/Irrigation 700 29 400 4060 5103	263,637	251,083	268,320	232,485	217,500	-19%
Water Sales/Construction 700 29 400 4060 5104	312,287	44,530	300,000	162,483	141,800	-53%
Water Sales/Industrial 700 29 400 4060 5105	2,368	3,888	4,000	3,428	2,500	-38%
Water Availability Charge 700 29 400 4060 5110	6,535,900	6,542,963	6,654,000	6,600,000	6,700,000	1%
Sub-Total Water Billing Revenue	<u>\$ 16,245,565</u>	<u>\$ 15,706,061</u>	<u>\$ 16,378,527</u>	<u>\$ 15,468,182</u>	<u>\$ 14,665,900</u>	-10%
Water Meter Fees 700 29 400 4070 5140	8,582	32,464	52,000	49,152	51,200	-2%
Reconnection Fees 700 29 400 4070 5130	196,330	244,343	190,000	250,000	145,000	-24%
Water Inspection 700 29 400 4070 5180	688	3,652	3,653	6,700	4,500	23%
New Account Setup 700 29 400 4060 5191	0	18,019	132,000	109,800	110,000	100%
Rent Eagle Plaza 700 29 400 4070 5875	178,349	159,672	145,380	109,020	105,300	-28%
Other Charges for Services	49,135	86,697	121,714	124,090	116,361	-4%
Total Charges for Services	<u>\$ 16,678,649</u>	<u>\$ 16,250,908</u>	<u>\$ 17,023,274</u>	<u>\$ 16,116,944</u>	<u>\$ 15,198,261</u>	-11%
Grants						
Grants	\$ 0	\$ 0	\$ 0	\$ 38,000	\$ 0	n/a
Total Grants	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 38,000</u>	<u>\$ 0</u>	n/a
Other Operating						
Other Operating	\$ 227,113	\$ 187,694	\$ 191,232	\$ 189,114	\$ 192,896	1%
Total Other Operating	<u>\$ 227,113</u>	<u>\$ 187,694</u>	<u>\$ 191,232</u>	<u>\$ 189,114</u>	<u>\$ 192,896</u>	1%
All Other						
All Other	\$ 763,906	\$ 123,443	\$ 25,300	\$ 31,500	\$ 25,300	0%
Total All Other	<u>\$ 763,906</u>	<u>\$ 123,443</u>	<u>\$ 25,300</u>	<u>\$ 31,500</u>	<u>\$ 25,300</u>	0%
Total Water Operating Fund 700	<u>\$ 18,014,750</u>	<u>\$ 16,941,973</u>	<u>\$ 17,585,741</u>	<u>\$ 16,726,878</u>	<u>\$ 15,785,926</u>	-10%
701 Water Capital Fund						
Charges for Services						
Capital Facility Charges 701 29 400 4070 5120	\$ 157,211	\$ 306,762	\$ 218,000	\$ 422,000	\$ 396,000	82%
Other Charges for Services	0	23,115	0	0	0	n/a
Total Water Capital Fund 701	<u>\$ 157,211</u>	<u>\$ 329,877</u>	<u>\$ 218,000</u>	<u>\$ 422,000</u>	<u>\$ 396,000</u>	82%
Total Water Operating and Capital Fund Revenues	<u>\$ 18,171,961</u>	<u>\$ 17,271,850</u>	<u>\$ 17,803,741</u>	<u>\$ 17,148,878</u>	<u>\$ 16,181,926</u>	-9%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Water District (Continued)</u>						
<u>710 Sewer Operating Fund</u>						
Interest						
Interest Income 710 19 220 0000 5600	\$ 5,042	\$ 5,484	\$ 5,448	\$ 6,734	\$ 6,800	25%
Total Interest	\$ 5,042	\$ 5,484	\$ 5,448	\$ 6,734	\$ 6,800	25%
Charges for Services						
Sewer Billing 710 29 420 4200 5200	\$ 3,342,146	\$ 3,352,554	\$ 3,409,000	\$ 3,350,000	\$ 3,450,000	1%
Zone J Sewer Billing 710 29 420 4200 5210	74,999	69,216	69,215	69,215	69,215	0%
Sewer Inspections 710 29 420 4200 5260	2,450	3,068	3,000	4,900	3,000	0%
Other Charges for Services	0	563	0	1,000	1,200	n/a
Total Charges for Service	\$ 3,419,595	\$ 3,425,401	\$ 3,481,215	\$ 3,425,115	\$ 3,523,415	1%
Total Sewer Operating Fund 710	\$ 3,424,637	\$ 3,430,885	\$ 3,486,663	\$ 3,431,849	\$ 3,530,215	1%
<u>711 Sewer Capital Fund</u>						
Charges for Services						
Sewer Connections 711 29 420 4200 5220	\$ 79,685	\$ 87,592	\$ 53,145	\$ 120,000	\$ 200,000	276%
Interest Income 711 19 220 0000 5600	2,555	2,563	2,606	3,010	2,008	-23%
Miscellaneous Revenue 711 29 420 4200 5950	0	758	758	129,758	0	-100%
Total Sewer Capital Fund 711	\$ 82,240	\$ 90,913	\$ 56,509	\$ 252,768	\$ 202,008	257%
Total Sewer Operating & Capital	\$ 3,506,877	\$ 3,521,798	\$ 3,543,172	\$ 3,684,617	\$ 3,732,223	5%
TOTAL WATER DISTRICT (700, 701, 710, 711)						
	\$ 21,678,838	\$ 20,793,648	\$ 21,346,913	\$ 20,833,495	\$ 19,914,149	-7%
<u>200 Fire District Fund</u>						
Taxes						
Secured Property Taxes 200 55 521 0000 4000	\$ 3,783,638	\$ 3,952,319	\$ 3,910,000	\$ 3,966,312	\$ 4,204,291	8%
CFD #94-1 200 55 521 0000 4030	536,074	565,812	555,963	555,963	563,191	1%
CFD #2005-1 200 55 521 0000 4031	322,733	326,850	214,144	214,143	218,426	2%
Redevelopment Agency Pass- Through 200 55 521 0000 4090	1,087,371	1,867,920	1,182,567	1,370,258	1,452,473	23%
VVEDA Pass-Through 200 55 521 0000 4095	83,760	97,851	100,217	126,062	133,626	33%
Total Taxes	\$ 5,813,576	\$ 6,810,752	\$ 5,962,891	\$ 6,232,738	\$ 6,572,007	10%

**REVENUE
DETAIL BY FUND**

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
200 Fire District Fund (Continued)						
Charges for Services						
Fire Hazard Inspection 200 55 523 0000 5335	127,843	149,650	146,898	146,898	141,464	-4%
Paramedic Ambulance Fees 200 55 525 0000 5300	1,979,662	2,289,233	2,500,000	2,500,000	2,500,000	0%
Ground Emergency Medical Transportation (GEMT) 200 55 525 0000 5303	0	0	480,528	381,435	285,375	-41%
Non-Transport EMS Charge 200 55 525 0000 5315	170,952	180,920	201,924	201,924	169,597	-16%
Ambulance Membership Service 200 55 525 0000 5305	14,475	13,575	12,500	12,500	9,200	-26%
City/County HazMat Contract 200 55 527 0000 5368	152,686	152,686	152,686	152,686	152,686	0%
Other Charges for Services	101,775	88,815	82,700	83,200	85,688	4%
Total Charges for Services	\$ 2,547,393	\$ 2,874,879	\$ 3,577,236	\$ 3,478,643	\$ 3,344,010	-7%
Grants						
Thermal Imaging Camera Grant 200 55 521 0000 4762	\$ 21,541	\$ 0	\$ 0	\$ 0	\$ 0	n/a
FEMA SAFER Grant 200 55 528 0000 4816	0	584,151	580,000	580,000	0	n/a
Total Grants	\$ 21,541	\$ 584,151	\$ 580,000	\$ 580,000	\$ 0	-100%
Other Operating						
Cell Tower Rent 200 19 220 0000 5885	\$ 52,721	\$ 55,329	\$ 58,095	\$ 58,095	\$ 40,924	-30%
Insurance Reimbursements 200 19 220 0000 5803	0	0	0	0	30,000	n/a
Total Other Operating	\$ 52,721	\$ 55,329	\$ 58,095	\$ 58,095	\$ 70,924	22%
All Other						
All Other	\$ 12,511	\$ 78,680	\$ 9,446	\$ 45,732	\$ 8,700	-8%
Total All Other	\$ 12,511	\$ 78,680	\$ 9,446	\$ 45,732	\$ 8,700	-8%
Total Fire District Fund	\$ 8,447,742	\$ 10,403,791	\$ 10,187,668	\$ 10,395,208	\$ 9,995,641	-2%
TOTAL REVENUE ALL FUNDS	\$ 79,206,192	\$ 68,669,197	\$ 71,152,071	\$ 66,508,050	\$ 72,104,386	1%

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

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	%Change From 2014-15 Budget
City of Hesperia						
Taxes						
Property	\$ 2,316,808	\$ 1,809,952	\$ 1,619,800	\$ 1,716,949	\$ 1,812,784	12%
Sales	10,114,174	10,175,153	10,465,000	10,008,350	9,962,000	-5%
Other Taxes	852,692	1,040,271	900,000	1,100,000	1,200,000	33%
Fines & Forfeitures	222,288	306,044	277,870	261,240	248,140	-11%
Interest	116,419	72,842	75,319	78,319	73,079	-3%
Intergovernmental	10,521,975	11,525,158	11,466,675	11,632,299	11,392,518	-1%
Charges for Services	2,729,409	2,912,605	3,594,580	2,522,617	3,446,722	-4%
Licenses & Permits	291,274	368,527	305,748	290,446	316,044	3%
Grants						
Federal	7,542,646	1,304,586	3,314,301	1,054,995	3,204,668	-3%
State	2,412,961	1,110,898	996,619	299,662	1,045,957	5%
Other Operating	10,677,986	6,195,475	5,458,982	5,987,610	7,484,584	37%
All Other	724	2,697	800	4,500	700	-13%
Total City of Hesperia	<u>\$ 47,799,356</u>	<u>\$ 36,824,208</u>	<u>\$ 38,475,694</u>	<u>\$ 34,956,987</u>	<u>\$ 40,187,196</u>	<u>4%</u>
Community Development Commission						
Interest	\$ 185	\$ 1,200	\$ 1,200	\$ 15,659	\$ 15,655	1205%
Other Operating	743,102	189,632	725,915	136,564	605,504	-17%
Total HCRA	<u>\$ 743,287</u>	<u>\$ 190,832</u>	<u>\$ 727,115</u>	<u>\$ 152,223</u>	<u>\$ 621,159</u>	<u>-15%</u>
Hesperia Housing Authority						
Taxes						
Property	\$ 329,913	\$ 155,489	\$ 0	\$ 0	\$ 0	n/a
Interest	104,398	65,867	56,331	55,893	51,682	-8%
Other Operating	102,658	235,362	358,350	114,244	1,334,559	272%
Total HCRA	<u>\$ 536,969</u>	<u>\$ 456,718</u>	<u>\$ 414,681</u>	<u>\$ 170,137</u>	<u>\$ 1,386,241</u>	<u>234%</u>
Hesperia Water District						
Taxes						
Property	\$ 285,575	\$ 320,723	\$ 286,800	\$ 293,819	\$ 312,156	9%
Fines & Forfeitures	0	0	0	0	0	n/a
Interest	14,567	14,715	14,652	14,708	13,584	-7%
Intergovernmental	52,537	52,537	52,537	52,537	52,537	0%
Charges for Services	20,335,140	20,093,778	20,775,634	20,084,059	19,317,676	-7%
Grants						
Other	0	0	0	38,000	0	n/a
Other Operating	227,113	187,694	191,232	189,114	192,896	1%
All Other	763,906	124,201	26,058	161,258	25,300	-3%
Total Water District	<u>\$ 21,678,838</u>	<u>\$ 20,793,648</u>	<u>\$ 21,346,913</u>	<u>\$ 20,833,495</u>	<u>\$ 19,914,149</u>	<u>-7%</u>

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

	<u>2012-13 Actual</u>	<u>2013-14 Actual</u>	<u>2014-15 Budget</u>	<u>2014-15 Revised</u>	<u>2015-16 Budget</u>	%Change From 2014-15 Budget
Hesperia Fire Protection District						
Taxes						
Property	\$ 5,813,576	\$ 6,810,752	\$ 5,962,891	\$ 6,232,738	\$ 6,572,007	10%
Charges for Services	2,547,393	2,874,879	3,577,236	3,478,643	3,344,010	-7%
Grants						
Federal	21,541	584,151	580,000	580,000	0	-100%
Other Operating	52,721	55,329	58,095	58,095	70,924	22%
All Other	12,511	78,680	9,446	45,732	8,700	-8%
Total Fire District	<u>\$ 8,447,742</u>	<u>\$ 10,403,791</u>	<u>\$ 10,187,668</u>	<u>\$ 10,395,208</u>	<u>\$ 9,995,641</u>	<u>-2%</u>
Combined						
Taxes						
Property	\$ 8,745,872	\$ 9,096,916	\$ 7,869,491	\$ 8,243,506	\$ 8,696,947	11%
Sales	10,114,174	10,175,153	10,465,000	10,008,350	9,962,000	-5%
Other Taxes	852,692	1,040,271	900,000	1,100,000	1,200,000	33%
Fines & Forfeitures	222,288	306,044	277,870	261,240	248,140	-11%
Interest	235,569	154,624	147,502	164,579	154,000	4%
Intergovernmental	10,574,512	11,577,695	11,519,212	11,684,836	11,445,055	-1%
Charges for Services	25,611,942	25,881,262	27,947,450	26,085,319	26,108,408	-7%
Licenses & Permits	291,274	368,527	305,748	290,446	316,044	3%
Grants						
Federal	7,564,187	1,888,737	3,894,301	1,634,995	3,204,668	-18%
State	2,412,961	1,110,898	996,619	299,662	1,045,957	5%
Other	0	0	0	38,000	0	n/a
Other Operating	11,803,580	6,863,492	6,792,574	6,485,627	9,688,467	43%
All Other	777,141	205,578	36,304	211,490	34,700	-4%
Total Combined	<u>\$ 79,206,192</u>	<u>\$ 68,669,197</u>	<u>\$ 71,152,071</u>	<u>\$ 66,508,050</u>	<u>\$ 72,104,386</u>	<u>1%</u>

EXPENDITURE SUMMARY

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

Overview and Summary

Overview

The following discussion will highlight the major changes to the FY 2015-16 Budget, which should be read in conjunction with the F Section – Department & Program Narratives. The F Section will discuss expenditure changes at a departmental level and will give greater detail than this summary will provide.

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

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

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

Summary of Budgeted Expenditures

As presented, the FY 2015-16 Budget of \$80,556,566 represents an increase of 3% from the FY 2014-15 Budget of \$78,424,185. Given the increase, when compared to the FY 2012-13 Actual of \$115,271,730, expenditures have been reduced by 30% or \$34.7 million. The contributing factors for the reduction are the completion of the Rancho Road Undercrossing project and the High Desert Public Safety Operation Center, which is located within the High Desert Government Center.

Overall Expenditures Highlights:

As indicated by the chart and table on the following page, the following is a brief discussion of the substantive changes to the FY 2015-16 Budget:

- City – City related expenditures, which account for normal operations and services provided by the City are expected to increase by \$4.9 million or 11.0% from the FY 2014-15 Budget. The primary reason for the increase is due to the prepayment of \$4.6 million for the early retirement of the 2004 Variable Rate Demand bonds, which had an original maturity date of October 1, 2023. In addition, the Police Department budget will increase by \$1.3 million, which is primarily due to the addition of two Sheriff Deputies to the Traffic Division, as well as one Sheriff's Service Specialist and one Office Specialist to monitor the Crime Free Rental Program.
- Fire District – Fire District expenditures will be reduced by \$1.3 million in the FY 2015-16 Budget. The primary expenditure for the Fire District is the contract for the fire and medical emergency response services provided by the County of San Bernardino Fire Department, which will decrease by 10.2% or approximately \$1.1 million. The primary reason for the decrease is the two-year SAFER (Staffing for Adequate Fire and Emergency Response) Grant has ended. The decrease to the contract is due to reducing the District's active fleet from three and a half (3.5) fire engines to two and a half (2.5) fire engines. The reduction of one engine corresponds with the elimination of nine (9) positions. The District will, however, maintain five (5) ambulances as 81% of the calls for service are for Advanced Life Support.
- Hesperia Housing Authority – The Hesperia Housing Authority (HHA) was established with the primary purpose of advancing affordable housing production and preservation. The FY 2015-16 Budget will increase a modest \$11,680 over the FY 2014-15 Budget.
- Community Development Commission – Community Development Commission (CDC) is responsible for fostering economic development for the City of Hesperia. With a proposed budget of \$0.6 million, the CDC budget will increase 63% or \$0.2 million over the FY 2014-15 Budget of \$0.4 million. The primary reason for the increase includes the proposed costs associated with Opportunity High Desert (OHD), projected to be \$0.2 million. The CDC receives reimbursement from the member agencies (City of Victorville, the Town of Apple Valley, and the City of Barstow), which is to be approximately \$0.1 million.

EXPENDITURE SUMMARIES

Overall Expenditures Highlights (Continued):

- Water District – The budgeted expenditures support the District in providing water service and the cost of sewage treatment. The FY 2015-16 Budget is projected to decrease by 8% or \$1.7 million from the FY 2014-15 Budget of \$21.3 million. This decrease is primarily due to reducing the Debt Service by \$1.2 million during FY 2015-16, as the final payment for the 2010 Loan from the Low & Moderate Housing Fund was made during FY 2014-15. In addition, it is expected that the District will produce 13,063 acre-feet (AF) of water, which is 9.5% less than the amount produced during FY 2014-15 of 14,427 AF. The decreased production activity is expected to reduce the District’s water make-up obligation by \$0.5 million.

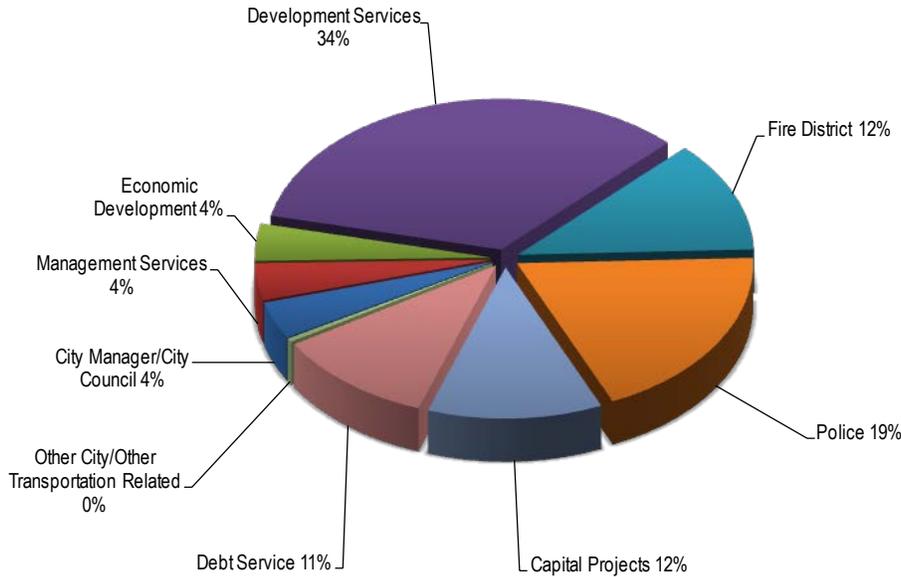
2015-16 Budgeted Expenditures Overview



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Budgeted Expenditures						
City Expenditures	\$ 85,364,706	\$ 50,738,041	\$44,715,890	\$39,007,101	\$49,645,247	11%
Fire District Expenditures	8,511,763	10,364,726	11,301,328	11,222,650	9,984,121	-12%
Hesperia Housing Authority	293,542	480,619	807,884	995,477	819,564	1%
Community Development Commission	436,949	424,634	346,253	413,510	563,605	63%
Water District Expenditures	20,664,770	21,678,866	21,252,830	20,425,380	19,544,029	-8%
Total Budgeted Expenditures	\$115,271,730	\$ 83,686,886	\$78,424,185	\$72,064,118	\$80,556,566	3%

EXPENDITURE SUMMARIES

Total Expenditures by Department 2015-16 Budget

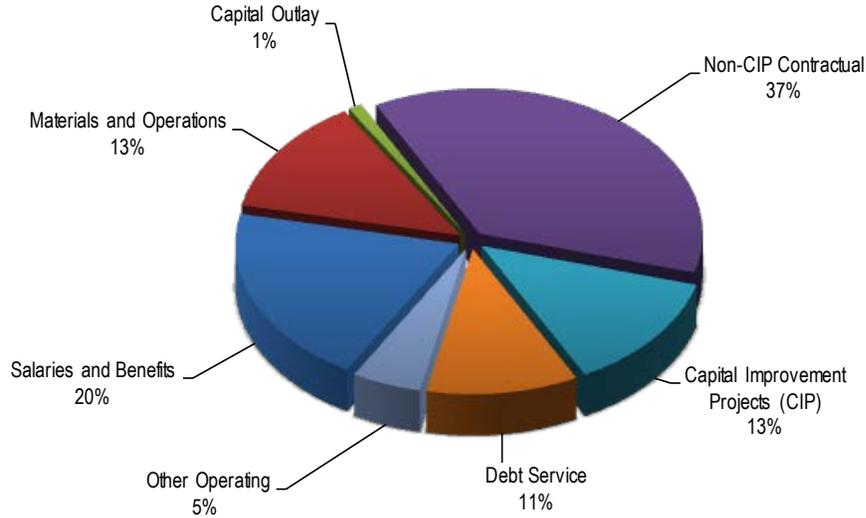


DEPARTMENTS	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
City Council	\$ 621,272	\$ 773,194	\$ 682,978	\$ 622,557	\$ 642,461	-6%
City Manager	2,499,403	2,435,761	2,778,294	2,882,768	2,502,539	-10%
Management Services	32,728,681	4,192,636	3,197,089	5,582,731	3,112,811	-3%
Economic Development						
Community Development Commission	436,949	424,634	346,253	413,510	563,605	63%
Hesperia Housing Authority	293,542	480,619	807,884	995,477	819,564	1%
C.D.B.G.	1,843,265	1,102,119	1,828,875	1,095,960	1,952,774	7%
Total Economic Development	2,573,756	2,007,372	2,983,012	2,504,947	3,335,943	12%
Development Services						
Community Development	1,527,466	1,657,296	1,629,583	1,676,042	1,659,806	2%
Code Compliance	2,128,943	2,262,457	2,346,674	2,282,103	2,410,998	3%
Public Works	4,421,238	4,658,856	5,245,787	4,876,639	5,019,631	-4%
Water Operations	14,260,652	15,124,465	14,831,295	14,408,948	14,546,819	-2%
Sewer Operations	2,668,916	2,843,315	3,056,765	3,038,592	3,184,400	4%
Total Development Services	25,007,215	26,546,389	27,110,104	26,282,324	26,821,654	-1%
Police	12,515,164	12,994,924	13,535,238	13,377,475	14,834,551	10%
Fire District	8,511,763	10,364,726	11,301,328	11,222,650	9,984,121	-12%
Other City/Other Transportation Related	157,243	312,585	222,090	488,511	343,075	54%
Debt Service						
City of Hesperia	1,647,707	14,302,808	1,755,671	1,698,160	5,425,330	209%
2012 Water Rights Acquisition	662,200	1,339,656	1,453,575	1,453,575	1,449,550	0%
Water District	2,961,980	3,060,627	2,974,770	2,961,640	1,812,810	-39%
Total Debt Service	5,271,887	18,703,091	6,184,016	6,113,375	8,687,690	40%
Capital Improvement Plan						
C I P - Facilities	7,777,015	14,561	1,841,161	121,547	871,846	-53%
C I P - Streets	16,835,109	4,691,188	8,548,875	2,849,033	9,419,875	10%
C I P - Water	773,222	650,459	40,000	16,200	0	-100%
Total Capital Improvement Plan	25,385,346	5,356,208	10,430,036	2,986,780	10,291,721	-1%
Total City Expenditures	\$ 115,271,730	\$ 83,686,886	\$ 78,424,185	\$ 72,064,118	\$ 80,556,566	3%

EXPENDITURE SUMMARIES

Total Expenditures by Major Expenditure Classification

2015-16 Budget



CLASSIFICATION	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% of Budget	% Change From
							2014-15 Budget
Salaries and Benefits							
Salaries	\$ 10,835,730	\$ 11,579,067	\$ 11,318,421	\$ 11,212,652	\$ 11,420,502	14%	1%
Benefits	4,310,117	4,468,026	4,751,965	4,494,901	4,716,208	6%	-1%
Total Salaries and Benefits	\$ 15,145,847	\$ 16,047,093	\$ 16,070,386	\$ 15,707,553	\$ 16,136,710	20%	0%
Materials and Operations							
Materials and Operations	10,223,980	10,561,916	10,739,567	10,391,777	10,515,853	13%	-2%
Capital Outlay							
Capital Outlay	30,663,586	2,117,362	2,283,036	4,328,848	1,239,500	1%	-46%
Non-CIP Contractual							
Contractual	5,250,198	4,989,934	5,686,099	5,550,347	6,068,251	7%	7%
Police Contractual	11,973,075	12,537,834	13,228,216	13,107,216	14,377,940	18%	9%
Fire Contractual	8,253,239	9,867,162	10,487,214	10,487,214	9,419,396	12%	-10%
Total Non-CIP Contractual	25,476,512	27,394,930	29,401,529	29,144,777	29,865,587	37%	2%
Capital Improvement Plan (CIP)							
CIP - Facilities	7,777,015	14,561	1,841,161	121,547	871,846	1%	-53%
CIP - Streets	16,835,109	4,691,188	8,548,875	2,849,033	9,419,875	12%	10%
CIP - Water	773,222	650,459	40,000	16,200	0	0%	-100%
Total CIP	25,385,346	5,356,208	10,430,036	2,986,780	10,291,721	13%	-1%
Other Operating							
Other Operating	3,104,572	3,482,951	3,315,615	3,391,008	3,819,505	5%	15%
Debt Service							
Debt Service	5,271,887	18,726,426	6,184,016	6,113,375	8,687,690	11%	40%
Total Expenditures	\$ 115,271,730	\$ 83,686,886	\$ 78,424,185	\$ 72,064,118	\$ 80,556,566	100%	3%

EXPENDITURE SUMMARIES

Total Expenditures by Major Expenditure Classification (Continued)

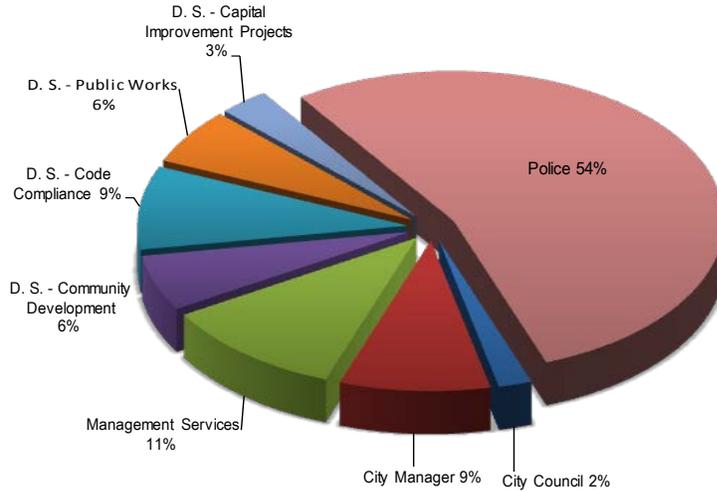
OVERALL EXPENDITURES HIGHLIGHTS:

Overall, budgeted expenditures are expected to increase by 3% over the 2014-15 Budget.

- Salaries and Benefits – Salaries and Benefits, in total, will remain flat. With the exception of non Fire and Police staff, salaries will increase by 1%, which is due to adding two new full-time and two part-time positions, as well as replacing four positions with higher classification positions. As an offset, benefits will decrease by 1% percent. While the CalPERS rates are expected to remain relatively flat into FY 2015-16, the decrease is due to the implementation of employees paying 1% of the employer's share of the CalPERS rate. It should be noted that retirement rates are expected to increase substantially during FY 2016-17, as CalPERS will begin the first year of a five-year rate restructure.
- Materials & Operations – The proposed budget shows a decrease of 2% or \$0.2 million from the FY 2014-15 Materials & Operations Budget. This is primarily due to the reduction of \$0.5 million in Water Operation – Production, as it is expected that production of water will be 13,063 acre-feet (AF), which is 1,364 AF or 9.5% less water than the FY 2014-15 expected production of 14,427 AF. This will be offset by \$0.3 million increase to Water Operating – Customer Services due to implementing the first year of the Advanced Metering Infrastructure by replacing 3,758 water meter reading endpoints.
- Capital Outlay – The Capital Outlay budget, which includes non-CIP related asset purchases exceeding \$5,000, will decrease by 46% or \$1.0 million. Capital Outlay expenditures are discussed in greater detail in the F Section – Department & Program Narratives.
- Contractual – Contractual will increase by 7% or \$0.4 million from the FY 2014-15 Budget of \$5.7 million, which is primarily due to the General Fund reimbursing the City's Community Development Block Grant (CDBG) Fund related to an agreement between the City and the County of San Bernardino for the placement of the High Desert Government Center. Additional information can be found in the F Section – Department & Program Narratives, specifically within the Finance Division of the Management Services Department.
- Police Contractual – As Police Contractual comprises 18% the overall budget (52% of the General Fund Budget alone), it is proposed to increase by \$1.1 million during FY 2015-16. The increase is due to adding two Sheriff Deputies to the Traffic Division. In addition, one Sheriff's Specialist and one Office Specialist will be added to operate the Crime Free Rental Program.
- Fire Contractual – The Fire contract is anticipated to decrease by 10% or \$1.1 million. Because FY 2014-15 was the final year of the two-year Staffing for Adequate Emergency Response (SAFER) Grant, the overall reduced finances of the District necessitate the reduction of one fire engine in order to sustain a level of service that the District can afford. This reduction will result the elimination of nine (9) positions. The Fire District's active fleet will be reduced from three and a half (3.5) fire engines to two and a half (2.5) fire engines. However, the Fire District will maintain five (5) ambulances, as 81% of the calls for service are for Advanced Life Support. With the reduction, Fire Contractual constitutes approximately 12% of the total FY 2015-16 Budget.
- Capital Improvement Plan (CIP) – CIP related contractual of \$10.3 million reflects a decrease of 1% or \$0.1 million. Of the CIP Contractual for FY 2014-15, a total of \$2.0 million was spent completing projects. The proposed budget identifies \$7.0 million of project carryover and \$3.3 million of new projects. Of the new projects, \$2.3 million is planned for the 2015-16 Street Improvement Project, \$0.5 million for a traffic signal at Rancho Road/Maple Avenue, \$0.2 million to start the Bear Valley Road Reconstruction, and \$0.3 million toward the 2015-16 ADA Transition Plan.
- Other Operating – The increase to Other Operating is primarily due to the funding of \$250,000 of loans (Economic Development Loan and Micro Enterprise Loan) that are identified in the Community Development Block Grant (CDBG) Action Plan, as well as planned grant expenditures of \$260,000 for the Americans With Disabilities Act (ADA) improvements.
- Debt Service – Overall Debt Service is expected to increase by 40% or \$2.5 million, which is primarily due to the \$4.6 million early payoff of the 2004 Variable Rate Demand bonds, which is approximately \$3.8 million more than normally budgeted for the issue. The Debt Service increase is offset by \$1.2 million decrease to the Water District debt service, as the 2010 Loan from the Low & Moderate Housing Fund note, which had principal payments of \$1.2 million, was paid in full during FY 2014-15.

EXPENDITURE SUMMARIES

Total General Fund Expenditures by Department 2015-16 Budget



DEPARTMENTS	2012-13	2013-14	2014-15	2014-15	2015-16	% of Budget	% Change From 2014-15 Budget
	Actual	Actual	Budget	Revised	Budget		
City Council	\$ 621,272	\$ 773,194	\$ 682,978	\$ 622,557	\$ 642,461	2%	-6%
City Manager	2,499,403	2,435,761	2,778,294	2,882,768	2,502,539	9%	-10%
Management Services	32,728,681	4,192,636	3,197,089	5,582,731	3,112,811	11%	-3%
Development Services							
D. S. - Community Development	1,527,466	1,657,296	1,629,583	1,676,042	1,659,806	6%	2%
D. S. - Code Compliance	2,128,943	2,262,457	2,346,674	2,282,103	2,410,998	9%	3%
D. S. - Public Works	1,355,296	1,519,539	1,730,208	1,558,252	1,694,321	6%	-2%
D. S. - Capital Improvement	0	0	733,200	67,700	665,500	3%	-9%
Development Services Total	5,011,705	5,439,292	6,439,665	5,584,097	6,430,625	24%	0%
Police	12,515,164	12,994,924	13,535,238	13,377,475	14,834,551	54%	10%
Total General Fund Expenditures	\$53,376,225	\$ 25,835,807	\$26,633,264	\$ 28,049,628	\$ 27,522,987	100%	3%

EXPENDITURE SUMMARIES

Total General Fund Expenditures by Department (Continued)

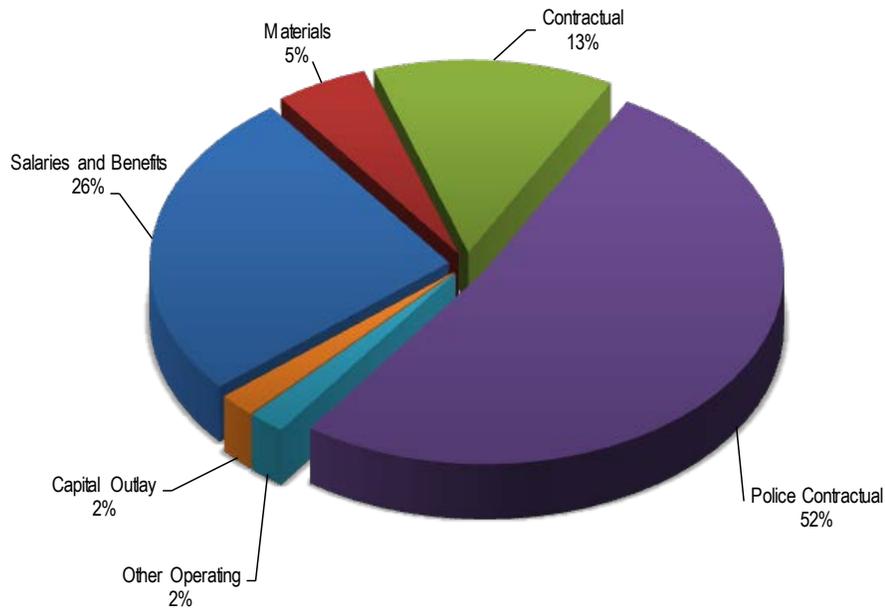
GENERAL FUND BY DEPARTMENT HIGHLIGHTS:

Budgeted expenditures for the General Fund are expected to increase by 3% or \$0.9 million. The following is a discussion of the different General Fund departments:

- City Council – The City Council Department consists of the City Council Division and the City Attorney Division. The department as a whole will decrease by \$40,517, which is primarily due to a \$50,000 reduction to City Attorney related costs for FY 2015-16.
- City Manager – The City Manager Department, comprised of both the City Manager Division and Information Technology (IT) Division, is expected to decrease by 10% or \$0.3 million. The decrease is related to the reduction of the IT Division's capital outlay budget of \$0.2 million, which is due to completing the upgrade of the storage capacity by upgrading servers during FY 2014-15.
- Management Services – As a whole, the Management Services Department is reflecting a decrease of 3% or \$84,278 from the FY 2014-15 Budget of \$3.2 million. The decrease is primarily due to the FY 2014-15 Budget including the final payment of \$0.5 million to Summit Valley Ranch for the purchase of 200-acre feet of permanent water rights, which is offset by an increase of \$0.4 million to reimburse the City's Community Development Block Grant (CDBG) Fund. The reimbursement to the City's Community Development Block Grant (CDBG) Fund is related to an agreement between the City and the County of San Bernardino for the placement of the High Desert Government Center. Note that the FY 2014-15 Revised reflects an increase of \$2.4 million, which is primarily due to the \$2.5 million purchase of 500 acre feet of permanent water rights from Aqua Capital.
- Development Services – The Development Services Department, as a whole, is expected to remain relatively flat for FY 2015-16. With that, there are noteworthy additions that have been offset by savings elsewhere within the departmental budget.
 - Community Development – In the Planning Program, one Assistant Planner will be replaced with a higher classification Associate Planner. In addition, two part-time Building Inspector positions were added in the Building & Safety Program, which will reduce the need for contract inspectors.
 - Code Compliance – The FY 2015-16 Budget includes funding to purchase two replacement vehicles, with one being a pickup truck for Animal Control, while the other is a 15 passenger van for Code Enforcement.
 - Public Works – The proposed budget for the Engineering Program will add one Management Analyst position, which will be split funded with the Water District.
 - Capital Improvement – The two General Fund capital improvement projects are carried over from the FY 2014-15 Budget, which are the Animal Control Sewer Project and the 2014-15 Street Improvement Project.
- Police Department – The FY 2015-16 Police Department Budget of \$14.8 million reflects an increase of \$1.3 or 10% from the FY 2014-15 Budget of \$13.5 million. The police service contract will increase by \$1.1 million, of which \$0.6 million was to fund the current level of service in FY 2015-16, while \$0.4 million will add two Sheriff Deputies to the Traffic Division, and \$0.2 million will add one Sheriff's Specialist and one Office Specialist to operate the Crime Free Rental Program. While the cost to carryover service levels and adding four positions is \$1.2 million, it is anticipated that fuel and maintenance will decrease by \$0.1 million to give a total contract of \$1.1 million. In addition, four Automated License Plate Reader (ALPR) trailers will be purchased for approximately \$0.2 million that will assist with reducing speed related accidents and developing investigative leads. Police Department expenditures represent 54% of the FY 2015-16 General Fund Budget compared to 52% of the FY 2014-15 Budget.

EXPENDITURE SUMMARIES

Total General Fund Expenditures by Major Expenditure Account
2015-16 Budget



CLASSIFICATION	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% of Budget	% Change From 2014-15 Budget
Salaries and Benefits							
Salaries	\$ 4,890,679	\$ 5,327,605	\$ 5,150,860	\$ 5,092,548	\$ 5,222,341	19%	1%
Benefits	1,947,766	1,999,840	2,081,121	1,970,203	2,021,185	7%	-3%
Total Salaries and Benefits	\$ 6,838,445	\$ 7,327,445	\$ 7,231,981	\$ 7,062,751	\$ 7,243,526	26%	0%
Materials & Operations	1,156,977	1,184,256	1,209,240	1,194,104	1,243,805	5%	3%
Contractual	2,777,194	3,139,553	3,558,062	2,970,152	3,630,578	13%	2%
Police Contractual	11,973,075	12,537,834	13,228,216	13,107,216	14,377,940	52%	9%
Other Operating	426,264	494,905	479,265	486,888	537,438	2%	12%
Capital Outlay	30,204,270	1,151,814	926,500	3,228,517	489,700	2%	-47%
Total General Fund Expenditures	\$ 53,376,225	\$ 25,835,807	\$ 26,633,264	\$ 28,049,628	\$ 27,522,987	100%	3%

EXPENDITURE SUMMARIES

Total General Fund Expenditures by Major Expenditure Account (Continued)

GENERAL FUND BY DEPARTMENT CLASSIFICATION HIGHLIGHTS:

Budgeted General Fund expenditures are shown by major account classification.

The following is a brief discussion of the \$27.5 million budgeted for the General Fund:

- Salaries and Benefits – Salaries and Benefits in total will remain flat into FY 2015-16. Individually, Salaries will increase by 1%, which is due to replacing two positions with higher classification positions, adding two part-time positions, and one full-time position that will be split funded with the Water District. Benefits, however, will decrease by 3% percent. As previously mentioned, CalPERS rates are expected to remain relatively flat into FY 2015-16; however, employees will pay 1% of the employer's share of the rate beginning with the first full pay period in July 2015. For FY 2016-17, pension rates are expected to increase substantially, as CalPERS will begin the first year of a five-year rate restructure.
- Materials and Operations – Materials and Operations will remain relatively flat for FY 2015-16.
- Contractual – Contractual will increase by 2% or over the FY 2014-15 Budget of \$3.6 million. This increase is due in part to the General Fund reimbursing the City's Community Development Block Grant (CDBG) Fund \$0.4 million, which will be offset by reductions in Development Services – Engineering and General Fund CIP. The reduction to Development Services – Engineering is due to the third and final year implementation of the National Pollutant Discharge Elimination System (NPDES) Storm Water Program being \$0.1 million less than the amount budgeted during FY 2014-15 (second year implementation). For the General Fund CIP, the proposed budget has \$0.7 million of carryover funding for projects, which is approximately \$0.1 million less than the FY 2014-15 Budget.
- Police Contractual – Police Contractual, which represents 52% of the overall General Fund budget, is expected to increase by 9%, as four positions will be added in the new fiscal year.
- Other Operating – Other Operating related expenditures is proposed to increase by \$58,173 during FY 2015-16.
- Capital Outlay – The Capital Outlay budget of \$0.5 million represents a decrease from the FY 2014-15 Budget of \$0.9 million. This decrease is primarily due to the FY 2014-15 Budget including the final payment for the purchase of 200-acre feet of permanent water rights from Summit Valley Ranch for \$500,000. The FY 2014-15 Revised show an increase as 500 acre feet of permanent water rights will be purchased from Aqua Capital for \$2.5 million.

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM

EXPENDITURES BY FUND	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>General Fund</u>						
<u>City Council</u>						
100 100 City Council	\$ 316,229	\$ 407,878	\$ 382,978	\$ 372,557	\$ 392,461	2%
100 102 City Attorney	305,043	365,316	300,000	250,000	250,000	-17%
Total City Council	\$ 621,272	\$ 773,194	\$ 682,978	\$ 622,557	\$ 642,461	-6%
<u>City Manager</u>						
100 200 City Manager	\$ 1,042,335	\$ 1,189,833	\$ 1,163,461	\$ 1,116,258	\$ 1,129,749	-3%
100 215 Information Technology	1,457,068	1,245,928	1,614,833	1,766,510	1,372,790	-15%
Total City Manager	\$ 2,499,403	\$ 2,435,761	\$ 2,778,294	\$ 2,882,768	\$ 2,502,539	-10%
<u>Management Services</u>						
100 220 Finance	\$ 31,567,431	\$ 2,936,926	\$ 1,999,702	\$ 4,431,811	\$ 1,939,085	-3%
100 225 Human Resources/ Risk Mgmt.	1,161,250	1,255,710	1,197,387	1,150,920	1,173,726	-2%
Total Management Services	\$ 32,728,681	\$ 4,192,636	\$ 3,197,089	\$ 5,582,731	\$ 3,112,811	-3%
<u>D. S. - Community Development</u>						
100 3000 Planning	\$ 840,346	\$ 854,100	\$ 831,060	\$ 842,335	\$ 815,730	-2%
100 3020 Building & Safety	687,120	803,196	798,523	833,707	844,076	6%
Total D. S. Community Development	\$ 1,527,466	\$ 1,657,296	\$ 1,629,583	\$ 1,676,042	\$ 1,659,806	2%
<u>D. S. - Code Compliance</u>						
100 3010 Code Enforcement	\$ 834,277	\$ 912,199	\$ 935,438	\$ 889,006	\$ 952,627	2%
100 5000 Animal Control	1,294,666	1,350,258	1,411,236	1,393,097	1,458,371	3%
Total D. S. Code Compliance	\$ 2,128,943	\$ 2,262,457	\$ 2,346,674	\$ 2,282,103	\$ 2,410,998	3%
<u>D. S. - Public Works</u>						
100 3100 Engineering	\$ 505,698	\$ 584,162	\$ 672,278	\$ 646,038	\$ 621,948	-7%
100 3110 Building Maintenance	849,598	935,377	1,057,930	912,214	1,072,373	1%
100 Capital Improvement Program	0	0	733,200	67,700	665,500	-9%
Total D. S. - Public Works	\$ 1,355,296	\$ 1,519,539	\$ 2,463,408	\$ 1,625,952	\$ 2,359,821	-4%
100 510 Police	\$ 12,515,164	\$ 12,994,924	\$ 13,535,238	\$ 13,377,475	\$ 14,834,551	10%
Total General Fund Expenditures	\$ 53,376,225	\$ 25,835,807	\$ 26,633,264	\$ 28,049,628	\$ 27,522,987	3%
<u>Community Development Commission Funds</u>						
170 Community Development Commission	\$ 436,949	\$ 424,634	\$ 346,253	\$ 413,510	\$ 563,605	63%
<u>Hesperia Housing Authority Funds</u>						
370 Hesperia Housing Authority	\$ 293,542	\$ 480,619	\$ 582,884	\$ 285,477	\$ 639,564	10%
371 WEDA Housing Authority	0	0	225,000	710,000	180,000	-20%
Total Hesperia Housing Authority Funds	\$ 293,542	\$ 480,619	\$ 807,884	\$ 995,477	\$ 819,564	1%
<u>C.D.B.G Funds</u>						
251 C.D.B.G Administration	\$ 1,412,319	\$ 609,486	\$ 1,141,371	\$ 894,022	\$ 1,314,792	15%
253 C.D.B.G Revolving Loans	89,442	228,923	313,951	97,339	311,185	-1%
257 Neighborhood Stabilization Program	493,887	414,980	574,683	305,614	586,797	2%
Total C.D.B.G Expenditures	\$ 1,995,648	\$ 1,253,389	\$ 2,030,005	\$ 1,296,975	\$ 2,212,774	9%

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM

EXPENDITURES BY FUND	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>D. S. - Public Works Funds</u>						
263 310 Street Maintenance Fund	\$ 3,065,942	\$ 3,139,317	\$ 3,515,579	\$ 3,318,387	\$ 3,325,310	-5%
<u>Streets Capital Improvement Projects</u>						
<u>(CIP) Funds</u>						
201 Measure I - Arterial	\$ 141,665	\$ 0	\$ 0	\$ 0	\$ 0	0%
204 Measure I - 2010 Renewal	321,825	1,925,095	4,103,688	2,007,130	4,283,000	4%
205 Gas Tax	0	0	0	0	520,438	100%
207 Article 8 Local Transportation Fund	0	594,308	762,000	260,000	1,077,500	41%
300 Streets Development Impact Fee	7,766,219	1,363,413	1,142,000	625,322	750,000	-34%
504 City Wide Streets Projects	1,893,380	794,544	2,712,783	0	2,735,283	1%
600 Ranchero Road Undercrossing	6,716,955	27,776	0	0	0	0%
Total Streets CIP Funds	\$ 16,840,044	\$ 4,705,136	\$ 8,720,471	\$ 2,892,452	\$ 9,366,221	7%
<u>Other Transportation Related Funds</u>						
254 AB 2766 AOMD	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	0%
400 2004 Streets Debt Service	728,526	823,343	792,500	740,650	4,646,475	486%
Total Other Transportation Related Funds	\$ 808,526	\$ 903,343	\$ 872,500	\$ 820,650	\$ 4,726,475	442%
<u>Facilities</u>						
502 Fire Capital	\$ 0	\$ 0	\$ 619,615	\$ 230,000	\$ 129,000	-79%
503 High Desert Government Center	7,711,226	0	0	0	0	0%
Total Facilities Funds	\$ 7,711,226	\$ 0	\$ 619,615	\$ 230,000	\$ 129,000	-79%
<u>Other City Related Funds</u>						
256 Environmental Programs Grant Fund	\$ 17,367	\$ 69,587	\$ 41,297	\$ 110,411	\$ 115,892	181%
260 Disaster Preparedness Fund	15,288	17,066	16,793	27,778	18,183	8%
302 Fire Development Impact Fee	105,442	146,545	0	0	0	0%
304 Public Services Dev. Impact Fee	0	0	191	195	2,255	1081%
401 City Debt Service Fund	766,798	12,786,966	0	0	0	0%
402 Water Rights Acquisition	662,200	1,339,656	1,453,575	1,453,575	1,449,550	0%
403 2013 Refunding Lease Rev Bonds	0	541,229	812,600	807,050	776,600	-4%
Total Other City Related Funds	\$ 1,567,095	\$ 14,901,049	\$ 2,324,456	\$ 2,399,009	\$ 2,362,480	2%
Total Streets CIP, Other Transportation, City Facilities, & Other City Related Funds	\$ 26,926,891	\$ 20,509,528	\$ 12,537,042	\$ 6,342,111	\$ 16,584,176	32%
<u>700 Water Operating Fund</u>						
4010 Source of Supply	\$ 2,737,454	\$ 2,981,865	\$ 2,764,565	\$ 2,575,095	\$ 2,219,471	-20%
4020 Production	2,848,778	3,322,580	3,285,566	3,421,491	3,043,268	-7%
4030 Distribution	1,052,379	1,083,095	1,161,964	1,124,436	1,185,131	2%
4035 Pipeline Maintenance	1,224,537	1,237,911	1,201,465	1,077,351	1,045,044	-13%
4040 Engineering	810,812	745,728	757,342	755,552	971,151	28%
4050 Customer Service	1,150,273	1,130,205	1,194,632	1,021,673	1,526,122	28%
4060 Utility Billing	944,621	1,017,465	1,002,860	1,006,478	1,001,544	0%
4070 Administration	6,152,442	6,371,667	6,083,671	6,089,452	5,006,529	-18%
4080 Property Management	301,336	294,576	354,000	299,060	361,369	2%
Total Water Operating	\$ 17,222,632	\$ 18,185,092	\$ 17,806,065	\$ 17,370,588	\$ 16,359,629	-8%

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM

EXPENDITURES BY FUND	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>701 Water Capital Projects Fund</u>	\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0	-100%
<u>710 Sewer Operating Fund</u>	\$ 2,668,916	\$ 2,712,565	\$ 3,056,765	\$ 3,038,592	\$ 3,184,400	4%
<u>711 Sewer Capital Fund</u>	\$ 0	\$ 130,750	\$ 350,000	\$ 0	\$ 0	-100%
<u>200 Fire District Fund</u>						
520 Operations & Community Safety	\$ 8,253,239	\$ 8,897,812	\$ 9,449,751	\$ 9,449,751	\$ 9,419,396	0%
521 Administration	258,524	497,564	814,114	735,436	564,725	-31%
528 SAFER Grant	0	969,350	1,037,463	1,037,463	0	-100%
Total Fire District Fund	\$ 8,511,763	\$ 10,364,726	\$ 11,301,328	\$ 11,222,650	\$ 9,984,121	-12%
Total Expenditures By Fund, Department, and Program	\$ 115,271,730	\$ 83,686,886	\$ 78,424,185	\$ 72,064,118	\$ 80,556,566	3%

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>City Council</u>						
100 100 City Council	\$ 316,229	\$ 407,878	\$ 382,978	\$ 372,557	\$ 392,461	2%
100 102 City Attorney	305,043	365,316	300,000	250,000	250,000	-17%
Total City Council	<u>\$ 621,272</u>	<u>\$ 773,194</u>	<u>\$ 682,978</u>	<u>\$ 622,557</u>	<u>\$ 642,461</u>	<u>-6%</u>
<u>City Manager</u>						
100 200 City Manager	\$ 1,042,335	\$ 1,189,833	\$ 1,163,461	\$ 1,116,258	\$ 1,129,749	-3%
100 215 Information Technology	1,457,068	1,245,928	1,614,833	1,766,510	1,372,790	-15%
Total City Manager	<u>\$ 2,499,403</u>	<u>\$ 2,435,761</u>	<u>\$ 2,778,294</u>	<u>\$ 2,882,768</u>	<u>\$ 2,502,539</u>	<u>-10%</u>
<u>Management Services</u>						
100 220 Finance	\$ 31,567,431	\$ 2,936,926	\$ 1,999,702	\$ 4,431,811	\$ 1,939,085	-3%
100 225 Human Resources/Risk Mgmt.	1,161,250	1,255,710	1,197,387	1,150,920	1,173,726	-2%
Total Management Services	<u>\$ 32,728,681</u>	<u>\$ 4,192,636</u>	<u>\$ 3,197,089</u>	<u>\$ 5,582,731</u>	<u>\$ 3,112,811</u>	<u>-3%</u>
<u>Economic Development</u>						
<u>Community Development Commission Fund</u>						
170 Community Development Commission	\$ 436,949	\$ 424,634	\$ 346,253	\$ 413,510	\$ 563,605	63%
<u>Hesperia Housing Authority Funds</u>						
370 Hesperia Housing Authority	\$ 293,542	\$ 480,619	\$ 582,884	\$ 285,477	\$ 639,564	10%
371 WEDA Housing Authority	0	0	225,000	710,000	180,000	-20%
Subtotal Hesperia Housing Authority	<u>\$ 293,542</u>	<u>\$ 480,619</u>	<u>\$ 807,884</u>	<u>\$ 995,477</u>	<u>\$ 819,564</u>	<u>1%</u>
<u>C.D.B.G</u>						
251 C.D.B.G Administration	\$ 1,412,319	\$ 609,486	\$ 1,141,371	\$ 894,022	\$ 1,314,792	15%
253 C.D.B.G Revolving Loans	89,442	228,923	313,951	97,339	311,185	-1%
257 Neighborhood Stabilization Program	493,887	414,980	574,683	305,614	586,797	2%
Subtotal C.D.B.G	<u>\$ 1,995,648</u>	<u>\$ 1,253,389</u>	<u>\$ 2,030,005</u>	<u>\$ 1,296,975</u>	<u>\$ 2,212,774</u>	<u>9%</u>
Total Economic Development	<u>\$2,726,139</u>	<u>\$2,158,642</u>	<u>\$3,184,142</u>	<u>\$2,705,962</u>	<u>\$3,595,943</u>	<u>13%</u>
<u>D. S. - Community Development</u>						
100 3000 Planning	\$ 840,346	\$ 854,100	\$ 831,060	\$ 842,335	\$ 815,730	-2%
100 3020 Building & Safety	687,120	803,196	798,523	833,707	844,076	6%
Total D. S. - Community Development	<u>\$ 1,527,466</u>	<u>\$ 1,657,296</u>	<u>\$ 1,629,583</u>	<u>\$ 1,676,042</u>	<u>\$ 1,659,806</u>	<u>2%</u>
<u>D. S. - Code Compliance</u>						
100 3010 Code Enforcement	\$ 834,277	\$ 912,199	\$ 935,438	\$ 889,006	\$ 952,627	2%
100 5000 Animal Control	1,294,666	1,350,258	1,411,236	1,393,097	1,458,371	3%
Total D. S. - Code Compliance	<u>\$ 2,128,943</u>	<u>\$ 2,262,457</u>	<u>\$ 2,346,674</u>	<u>\$ 2,282,103</u>	<u>\$ 2,410,998</u>	<u>3%</u>
<u>D. S. - Public Works</u>						
100 3100 Engineering	\$ 505,698	\$ 584,162	\$ 672,278	\$ 646,038	\$ 621,948	-7%
100 3110 Building Maintenance	849,598	935,377	1,057,930	912,214	1,072,373	1%
263 3150 Street Maintenance Fund	3,065,942	3,139,317	3,515,579	3,318,387	3,325,310	-5%
Total D. S. - Public Works	<u>\$ 4,421,238</u>	<u>\$ 4,658,856</u>	<u>\$ 5,245,787</u>	<u>\$ 4,876,639</u>	<u>\$ 5,019,631</u>	<u>-4%</u>

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>D. S. - Water</u>						
<u>700 Water Operating Fund</u>						
4010 Source of Supply	\$ 2,737,454	\$ 2,981,865	\$ 2,764,565	\$ 2,575,095	\$ 2,219,471	-20%
4020 Production	2,848,778	3,322,580	3,285,566	3,421,491	3,043,268	-7%
4030 Distribution	1,052,379	1,083,095	1,161,964	1,124,436	1,185,131	2%
4035 Pipeline Maintenance	1,224,537	1,237,911	1,201,465	1,077,351	1,045,044	-13%
4040 Engineering	810,812	745,728	757,342	755,552	971,151	28%
4050 Customer Service	1,150,273	1,130,205	1,194,632	1,021,673	1,526,122	28%
4060 Utility Billing	944,621	1,017,465	1,002,860	1,006,478	1,001,544	0%
4070 Administration	6,152,442	6,371,667	6,083,671	6,089,452	5,006,529	-18%
4080 Property Management	301,336	294,576	354,000	299,060	361,369	2%
Total Water Operating	\$ 17,222,632	\$ 18,185,092	\$ 17,806,065	\$ 17,370,588	\$ 16,359,629	-8%
701 Water Capital Projects	\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0	-100%
Total D. S. - Water Operating & Capital	\$ 17,995,854	\$ 18,835,551	\$ 17,846,065	\$ 17,386,788	\$ 16,359,629	-8%
<u>D. S. - Sewer</u>						
710 Sewer Operations	\$ 2,668,916	\$ 2,712,565	\$ 3,056,765	\$ 3,038,592	\$ 3,184,400	4%
711 Sewer Capital	0	130,750	350,000	0	0	-100%
Total D. S. - Sewer Operating & Capital	\$ 2,668,916	\$ 2,843,315	\$ 3,406,765	\$ 3,038,592	\$ 3,184,400	-7%
100 510 Police	\$ 12,515,164	\$ 12,994,924	\$ 13,535,238	\$ 13,377,475	\$ 14,834,551	10%
<u>Fire District</u>						
520 Operations & Community Safety	\$ 8,253,239	\$ 8,897,812	\$ 9,449,751	\$ 9,449,751	\$ 9,419,396	0%
521 Administration	258,524	497,564	814,114	735,436	564,725	-31%
528 SAFER Grant	0	969,350	1,037,463	1,037,463	0	-100%
Total Fire District	\$ 8,511,763	\$ 10,364,726	\$ 11,301,328	\$ 11,222,650	\$ 9,984,121	-12%
<u>Streets Capital Improvement Project (CIP)</u>						
<u>Funds</u>						
100 Capital Improvement Program	\$ 0	\$ 0	\$ 733,200	\$ 67,700	\$ 665,500	-9%
201 Measure I - Arterial	141,665	0	0	0	0	0%
204 Measure I - 2010 Renewal	321,825	1,925,095	4,103,688	2,007,130	4,283,000	4%
205 Gas Tax	0	0	0	0	520,438	100%
207 Article 8 Local Transportation Fund	0	594,308	762,000	260,000	1,077,500	41%
300 Streets Development Impact Fee	7,766,219	1,363,413	1,142,000	625,322	750,000	-34%
504 City Streets CIP	1,893,380	794,544	2,712,783	0	2,735,283	1%
600 Ranchero Road Undercrossing	6,716,955	27,776	0	0	0	0%
Total Streets CIP Funds	\$ 16,840,044	\$ 4,705,136	\$ 9,453,671	\$ 2,960,152	\$ 10,031,721	6%
<u>Other Transportation Related Funds</u>						
254 AB 2766 AQMD	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	0%
400 Streets Debt Service	728,526	823,343	792,500	740,650	4,646,475	486%
Total Other Transportation Funds	\$ 808,526	\$ 903,343	\$ 872,500	\$ 820,650	\$ 4,726,475	442%
<u>Facilities</u>						
502 Fire Capital	\$ 0	\$ 0	\$ 619,615	\$ 230,000	\$ 129,000	-79%
503 High Desert Government Center	7,711,226	0	0	0	0	0%
Total Facilities Funds	\$ 7,711,226	\$ 0	\$ 619,615	\$ 230,000	\$ 129,000	-79%

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAMS

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Other City Related Funds</u>						
256 Environmental Programs Grant Fund	\$ 17,367	\$ 69,587	\$ 41,297	\$ 110,411	\$ 115,892	181%
260 Disaster Preparedness Fund	15,288	17,066	16,793	27,778	18,183	8%
302 Fire Development Impact Fee	105,442	146,545	0	0	0	0%
304 Public Services Dev. Impact Fee	0	0	191	195	2,255	1081%
401 City Debt Service Fund	766,798	12,786,966	0	0	0	0%
402 Water Rights Acquisition	662,200	1,339,656	1,453,575	1,453,575	1,449,550	0%
403 2013 Refunding Lease Rev Bonds	0	541,229	812,600	807,050	776,600	-4%
Total Other City Related Funds	\$ 1,567,095	\$ 14,901,049	\$ 2,324,456	\$ 2,399,009	\$ 2,362,480	2%
Total Streets CIP, Other Transportation, City Facilities, & Other City Related Funds	\$ 26,926,891	\$ 20,509,528	\$ 13,270,242	\$ 6,409,811	\$ 17,249,676	30%
Total City Expenditures by Department and Program	\$115,271,730	\$ 83,686,886	\$ 78,424,185	\$ 72,064,118	\$ 80,556,566	3%

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY ACCOUNT

ACCOUNT	2012-13		2013-14		2014-15		2014-15		2015-16		% Change
EXPENDITURES SUMMARY	Actual		Actual		Budget		Revised		Budget		From 2014-15 Budget
Salaries											
7000 - Salaries & Wages	\$	10,487,359	\$	11,141,203	\$	10,912,067	\$	10,754,375	\$	10,966,679	1%
7010 - Council/Commissioner Wage		46,973		49,240		57,500		47,750		52,100	-9%
7030 - Part Time Wages		143,808		217,077		187,377		220,564		233,641	25%
7050 - Overtime Wages		112,114		132,928		122,477		152,536		129,082	5%
7070 - Standby Pay		45,473		38,615		39,000		37,427		39,000	0%
Total Salaries	\$	10,835,727	\$	11,579,063	\$	11,318,421	\$	11,212,652	\$	11,420,502	1%
Benefits											
7100 - 401a Pension Plan	\$	112,328	\$	128,514	\$	121,769	\$	122,653	\$	123,008	1%
7110 - PERS		1,833,937		1,993,581		2,233,848		2,127,600		2,107,746	-6%
7120 - Health Insurance		1,568,165		1,540,218		1,594,260		1,495,928		1,613,100	1%
7140 - Worker's Compensation		364,165		350,145		457,595		450,257		555,327	21%
7150 - Medicare		153,126		163,284		161,950		158,873		158,368	-2%
7160 - Social Security/FICA		11,919		16,013		13,264		16,731		15,799	19%
7170 - Life Insurance		20,687		21,751		18,797		20,440		18,020	-4%
7180 - Auto Allowance		57,792		56,970		49,200		46,724		44,400	-10%
7181 - Bilingual Pay		10,708		11,758		11,700		11,435		10,800	-8%
7190 - Unemployment Insurance		26,235		36,767		65,000		15,340		40,000	-38%
7195 - Post Employment Benefits		137,512		141,858		24,582		28,920		29,640	21%
7199 - Other Benefit Expense		13,546		7,168		0		0		0	0
Total Benefits	\$	4,310,120	\$	4,468,027	\$	4,751,965	\$	4,494,901	\$	4,716,208	-1%
Material and Operations											
7200 - Div/Program Expenditures	\$	17,503	\$	59,196	\$	36,630	\$	114,630	\$	177,210	384%
7250 - Office Expense		105,107		119,576		127,896		125,827		111,090	-13%
7255 - Computer Supplies		6,000		35,515		30,000		31,000		65,839	119%
7260 - Printing		23,690		40,051		42,833		45,250		43,150	1%
7270 - Postage/Shipping Costs		105,869		124,170		131,025		118,815		122,475	-7%
7280 - Publications		5,196		10,764		4,950		6,548		7,175	45%
7290 - Advertising		154,020		197,371		152,500		148,600		157,550	3%
7300 - Employee Expense		38,104		39,112		39,000		44,000		39,600	2%
7310 - Council Reimbursement		885		822		2,000		1,000		2,000	0%
7320 - Uniform Expense		38,368		37,503		53,073		53,623		50,673	-5%
7370 - Reserve Costs		5,852		7,117		8,950		8,950		9,455	6%
7400 - Materials & Operations		1,608,141		1,508,837		1,673,050		1,326,950		1,815,303	9%
7410 - Safety Supplies		21,920		18,259		24,425		29,851		28,450	16%
7420 - Kennel Supplies		88,778		71,192		94,200		80,000		87,000	-8%
7430 - Field Expenses		18,718		15,926		21,900		17,800		19,500	-11%
7440 - Fuel		352,199		328,459		396,344		281,862		336,440	-15%
7455 - Small Tools		27,199		21,740		29,050		28,100		29,850	3%
7460 - Equipment Under Capital		104,376		26,639		31,600		47,560		63,000	99%
7470 - Utilities-Electric		2,360,519		2,644,166		2,605,631		2,816,687		2,383,112	-9%
7473 - Utilities-Gas		61,915		60,678		60,335		58,625		59,850	-1%
7476 - Utilities-Water		2,693,429		2,889,987		2,665,027		2,483,278		2,119,232	-20%
7478 - Utilities-Wastewater		2,032,655		2,026,391		2,211,000		2,211,000		2,462,000	11%
7482 - Utilities-Telephone		260,115		239,592		250,060		264,540		268,705	7%
7483 - Utilities-Telecomm Services		880		962		900		900		1,500	67%
7484 - Property Tax/Assessments		82,849		9,789		12,350		7,410		12,410	0%
7485 - Lease Maintenance		9,695		27,624		34,838		38,971		43,284	24%
7490 - Miscellaneous Expense		0		480		0		0		0	0%
Total Material and Operations	\$	10,223,982	\$	10,561,918	\$	10,739,567	\$	10,391,777	\$	10,515,853	-2%

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY ACCOUNT

ACCOUNT EXPENDITURES SUMMARY	2012-13		2013-14		2014-15		2014-15		% Change From	
	Actual		Actual		Budget		Revised		2015-16 Budget	2014-15 Budget
Contractual Services										
7500 - Contract Services	\$ 27,293,913	\$	7,097,153	\$	13,252,787	\$	6,136,749	\$	12,919,608	-3%
7520 - Plan Check	10,406		1,356		5,000		1,000		1,000	-80%
7525 - Inspection	0		15,451		45,760		90,000		10,000	-78%
7550 - Collection Services	64,060		124,626		134,000		107,352		116,020	-13%
7560 - Legal Services	533,001		546,697		395,000		370,500		384,500	-3%
7563 - Litigation Services	50,157		80,681		50,000		40,000		50,000	0%
7565 - Claims/Lawsuits/Settlement	23,004		25,525		50,000		40,000		50,000	0%
7570 - Insurance Services	512,289		486,153		499,100		479,000		480,740	-4%
7580 - Computer Services	58,218		72,521		73,390		71,670		80,670	10%
7585 - Software License	332,561		320,302		312,898		318,328		360,262	15%
7590 - Service Charges & Fees	85,074		76,261		82,180		81,012		84,600	3%
7605 - Traffic Signal Maintenance	35,292		55,876		75,000		75,000		65,000	-13%
7610 - Striping Contract	90,170		105,579		130,000		125,000		130,000	0%
7615 - Street Sweeping Contract	129,114		129,481		149,400		149,000		160,000	7%
7650 - Equipment Rental	2,824		2,899		15,650		6,546		16,000	2%
7700 - County Contract	20,226,314		21,435,646		22,677,967		22,556,967		23,797,336	5%
7705 - County Contract Overtime	296,978		181,432		0		0		0	0%
7710 - Cal Id	95,262		95,585		95,970		95,970		101,572	6%
7720 - Franchise Fee	250,000		250,000		250,000		250,000		250,000	0%
7749 - Other Contracts	0		313,053		0		100,000		400,000	100%
7775 - Economic Development	0		214,424		300,000		0		250,000	-17%
7780 - Econ Dev Revolving Loan	0		0		200,000		0		450,000	125%
Total Contractual Services	\$ 50,088,637	\$	31,630,701	\$	38,794,102	\$	31,094,094	\$	40,157,308	4%
Other Operating										
7800 - Other Operating	\$ 21,875	\$	25,399	\$	45,000	\$	58,350	\$	37,650	-16%
7805 - Dues/Memberships	77,189		87,088		99,081		87,389		91,861	-7%
7820 - Travel & Meetings	11,931		14,812		45,185		54,285		58,160	29%
7825 - Mileage	530		316		400		500		400	0%
7840 - Conferences & Seminars	54,510		49,981		51,994		54,030		57,494	11%
7845 - Training & Education	87,511		111,058		109,799		111,942		142,195	30%
7860 - Education Reimbursement	11,935		12,009		7,840		10,007		4,408	-44%
7880 - Community Relations	51,629		42,500		28,500		29,500		55,100	93%
7890 - General & Admin Expense	1,867,057		1,885,714		1,866,363		1,866,363		1,980,315	6%
7940 - Penalties	1,164		0		0		0		0	0%
7950 - Rent Expense	52,537		79,869		64,849		64,849		64,849	0%
8000 - Grant Expense	252,428		1,175,679		1,382,336		1,390,561		643,542	-53%
8001 - Homeland Security Grant	0		29,858		0		26,790		0	0%
8003 - OTS DUI Enforcement Grant	39,333		16,934		25,600		0		0	-100%
8025 - CALaw Enf Equip (CLEEP)	10,499		10,148		14,085		13,579		15,000	6%
8040 - Beverage Container Recycle	12,451		11,066		11,896		11,896		23,881	101%
8070 - Facilities Maintenance	114,372		137,517		152,100		182,650		174,950	15%
8071 - Vehicle/Equip	382,252		409,260		398,050		428,780		407,450	2%
8072 - Maintenance/Repairs	49,379		18,409		45,000		32,000		55,000	22%
8090 - Misc Expense	5,922		156,706		5,000		5,000		7,250	45%
Total Other Operating	\$ 3,104,504	\$	4,274,323	\$	4,353,078	\$	4,428,471	\$	3,819,505	-12%

EXPENDITURE SUMMARIES

TOTAL EXPENDITURES BY ACCOUNT

ACCOUNT EXPENDITURES SUMMARY	2012-13		2013-14		2014-15		2014-15		% Change From		
	Actual		Actual		Budget		Revised		2015-16 Budget	2014-15 Budget	
Capital Outlay											
8400 - Land & Buildings	\$	85,869	\$	545,309	\$	220,500	\$	326,122	\$	268,200	22%
8402 - Rehabilitation/Acquisition		956,467		184,896		450,000		100,000		350,000	-22%
8404 - Appraisal Services		918		1,535		2,400		800		20,300	746%
8420 - Vehicles Capital Exp		6,000		200,447		188,136		383,630		166,000	-12%
8440 - Equipment Capital Exp		206,645		433,587		487,000		509,098		218,000	-55%
8460 - Computer Capital Exp		173,711		80,153		435,000		409,198		217,000	-50%
8480 - Water Rights Capital Exp		30,007,263		1,000,500		500,000		2,600,000		0	-100%
Total Capital Outlay	\$	31,436,873	\$	2,446,427	\$	2,283,036	\$	4,328,848	\$	1,239,500	-46%
Debt Service											
8600 - Principal	\$	2,670,000	\$	15,340,000	\$	3,050,000	\$	3,050,000	\$	1,725,000	-43%
8620 - Principal-Series A		600,000		620,000		645,000		645,000		4,590,000	612%
8700 - Interest Expense		1,013,303		1,850,900		2,120,596		2,113,035		2,094,605	-1%
8720 - Interest Expense-Series A		15,163		9,010		47,500		5,650		11,475	-76%
8800 - Bond Administration Exp		582,668		598,912		320,920		299,690		266,610	-17%
8850 - Debt Issuance Costs		194,353		193,035		0		0		0	0%
8860 - Discount on Bond Issue		196,400		114,570		0		0		0	0%
Total Debt Service	\$	5,271,887	\$	18,726,427	\$	6,184,016	\$	6,113,375	\$	8,687,690	40%
Total City Expenditures by											
Account Number	\$	115,271,730	\$	83,686,886	\$	78,424,185	\$	72,064,118	\$	80,556,566	3%

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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY POSITION SUMMARIES

AND

SALARY RANGE TABLES

- *Overview and Summary*
- *2015-16 Budget Full-Time and Part-Time Positions by Department*
- *2015-16 Budget Full-Time Positions by Department*
- *Full-Time and Part-Time Position Listing Summary by Department*
- *Full-Time Position Listing by Department*
- *Part-Time Position Listing by Department*
- *Salary Range Tables*

THIS PAGE INTENTIONALLY LEFT BLANK

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Overview and Summary

Overview

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

All full-time and part-time positions are expressed as full-time equivalents (FTEs) to reflect the hours budgeted. A full-time position reflects 2080 hours of paid time for one year, or 1.00 FTE. A part-time position is budgeted for 960 hours, or approximately half-time for one year, which equates to 0.46 FTE ($960/2080=0.46$).

The Salary Range Tables show the classification titles and salaries authorized to be paid to employees based upon the City Council approved Memorandum of Understanding; Non-Represented Employees' Salaries, Benefits and Related Policies; and Resolutions effective January 1, 2014.

Summary of Position Changes included in the 2015-16 Budget

The 2015-16 Budget decreases full-time City staffing by 0.9%, which is 2.85 FTE, from 318.10 to 315.25 full-time positions. Part-time positions will increase by 0.92 FTE to a total of 4.60 FTE. The reductions to the total FTE is due to the restructuring of positions in the Fire District. By factoring out the Fire District changes, total full-time City staffing will increase by 6.00 FTE or approximately 2.4% over FY 2014-15. Including both full-time and part-time positions, the City is proposing a reduction of 1.93 FTE during FY 2015-16.

Public Safety Position Changes:

Position Changes to Fire District (8.85 FTE Reduction):

The City of Hesperia contracts with the San Bernardino County Fire Department for full-service fire protection and ambulance operations. The proposed budget reduces staffing and vehicles from 60.00 FTE Safety staff and three and a half (3.5) fire engines to 51.00 FTE Safety staff and two and a half (2.5) fire engines, while maintaining five (5) ambulances. This reduction more accurately reflects workload indicators related to the services provided to the City (81% of calls are for Advanced Life Support). It should be noted that the fire engine at Station 305 is shared with the County and counts as half an engine in the Districts vehicle count.

- Eliminate three Fire Fighter/Paramedic positions (3.00 FTE), three Engineer positions (3.00 FTE), and three Captain positions (3.00 FTE) due to the reduction of one fire engine.
- Due in part to the SAFER grant ending, reduce fifteen Firefighter - Limited Term positions (15.00 FTE) and reduce fifteen Firefighter/Paramedic - Limited Term positions (15.00 FTE).
- In an effort to maintain five (5) ambulances, fifteen Ambulance Operator/EMT positions (15.00 FTE) and fifteen Ambulance Operator/PM positions (15.00 FTE) will be added to offset the loss of staffing from the completion of the SAFER Grant.
- Due to contract reallocation, a Division Chief position will be increased from 0.39 FTE to 0.43 FTE (0.04 FTE increases), while three Battalion Chief positions allocation will be increased from 1.18 FTE to 1.29 FTE.

Position Changes to Police (4.00 FTE Addition):

The City contracts with the San Bernardino County Sheriff's Department for law enforcement services. To enhance safety on the City streets, it is proposed to increase Sheriff Deputies from 41.00 FTE to 43.00 FTE (increase of 2.00 FTE). The additional two Sheriff Deputies will be assigned to the Traffic Division. In addition, one Sheriff's Service Specialist and one Office Specialist position will be added to start up and monitor the Crime Free Rental Housing Program (increase of 2.00 FTE).

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Non-Safety Position Changes:

The following is a listing of proposed position changes for the FY 2015-16 Budget.

Add Net Two Full-Time Positions (6.00 FTE Addition and Eliminate Four Full-Time Positions 4.00 FTE Reduction):

- One Information Technology Manager position (1.00 FTE) will be added in Information Technology Division, while one Information Systems Specialist position (1.00 FTE) will be eliminated.
- One Accounting Technician position (1.00 FTE) will be added in Finance Division, while one Senior Account Clerk position (1.00 FTE) will be eliminated.
- One Associate Planner (1.00 FTE) will be added to Planning, while one Assistant Planner (1.00 FTE) will be eliminated.
- One Senior Pump Maintenance Worker (1.00 FTE) will be added to the Water District, while one Pump Maintenance Worker (1.00 FTE) will be eliminated.
- One Management Analyst (1.00 FTE) will be added with a distribution of 0.50 FTE to Public Works – Engineering and 0.50 FTE to Water Operating – Engineering.
- One Maintenance Worker (1.00 FTE) will be added with a distribution of 0.30 FTE to Public Works – Streets Maintenance and 0.70 FTE to Sewer Operating.

Add Three Part-Time Positions (1.38 FTE Addition) and Eliminate One Part-Time Positions (0.46 FTE Reduction):

- Eliminate one vacant part-time Senior Account Clerk position (0.46 FTE) in the Finance Division.
- Add one part-time Office Assistant position (0.46 FTE) to the Human Resources/Risk Management Division.
- Add two part-time Building Inspector positions (0.92 FTE) to Building & Safety.

Position FTE reallocation:

- Reallocate three Senior Maintenance Worker positions (3.00 FTE) with the allocation of 0.60 FTE in Public Works – Street Maintenance, 1.70 FTE in Water Operating – Production, and 0.70 FTE in Sewer Operating to 0.50 FTE to Public Works – Street Maintenance, 1.80 FTE in Water Operating – Distribution, and 0.70 FTE in Sewer Operating.

Summary of Salary and Benefits Provisions included in the Fiscal Year 2015-16 Budget

On January 7, 2014, City Council approved by resolution two, two and half percent (2.5%) salary increases. The first 2.5% increase was effective the first full pay period after January 1, 2014. In addition, each full-time employee received a lump sum bonus payment of 5% of their annual base salary as of December 31, 2013. Part-time employees received a lump sum payment of \$500. The first 2.5% salary increase and bonus payments are reflected in the FY 2013-14 Actuals. The second two and half percent (2.5%) salary increase, effective the first full pay period after July 1, 2014 was reflected in the FY 2014-15 Revised. The FY 2015-16 Budget also reflects a continued freeze of merit step increases that was implemented during FY 2010-11.

With the exception of the following two employee benefits, all benefits are calculated at the rates approved in City Resolutions effective January 1, 2014.

Workers' Compensation

Workers' Compensation rates are expected to increase overall by 20.16%:

<u>Rating Groups</u>	<u>2014-15 Budget</u>	<u>2015-16 Budget</u>	<u>Change Amount</u>	<u>Percent Change</u>
City of Hesperia	\$264,528	\$315,713	\$51,185	19.35%
Water District	<u>187,851</u>	<u>227,887</u>	<u>40,036</u>	<u>21.31%</u>
Total	\$452,379	\$543,600	\$91,221	20.16%

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

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Summary of Salary and Benefits Provisions included in the Fiscal Year 2015-16 Budget (Continued)

California Public Employees Retirement System (CalPERS)

Recent historical CalPERS retirement rates and the FY 2015-16 Budget rates are indicated below. The City FY 2015-16 Budget rates decreased by 7.7% from Fiscal Year 2014-15. The Water District FY 2015-16 rates decreased 5.4%. Since July 1, 2012, the employees have been responsible for the full eight percent (8%) employee rate for CalPERS. Effective the first full pay period after July 1, 2015, the employee will be required to pay one percent (1%) of reportable earnings by payroll deduction as cost sharing of the City's normal employer costs (employer's share).

Effective January 1, 2013, Assembly Bill (AB) 340, or the Public Employees' Pension Reform Act (PEPRA), required the addition of a second Miscellaneous two percent (2%) at age 62 retirement benefit formula to the City's retirement plan. Employees hired on or after January 1, 2013 who are new to CalPERS, are a CalPERS member with a break in service greater than six months, or are not eligible for reciprocity with another public retirement system, will participate in the Miscellaneous two percent (2%) at age 62 CalPERS plan.

<u>City CalPERS Plans – Employer Costs</u>	<u>2012-13 Budget</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>	<u>2015-16 Budget</u>
City Miscellaneous Plan – 2.7% @ 55	18.129	19.080	20.408	18.841
Percent Change	-12.1%	5.2%	7.0%	-7.7%
City Miscellaneous Plan – 2.0% @ 62	6.250	6.250	6.250	6.237
Percent Change	100%	0%	0%	-0.2%
Water District Miscellaneous Plan – 2.7% @ 55	13.391	13.624	14.544	13.764
Percent Change	-15.8%	1.7%	6.8%	-5.4%
Water District Miscellaneous Plan – 2.0% @ 62	6.250	6.250	6.250	6.237
Percent Change	100%	0.0%	0%	-0.2%

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

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

Comments:

The FY 2015-16 Budget decreases City staffing by 1.93 full-time equivalents (FTE) or -0.6% from the FY 2014-15 Budget. By comparing the proposed budget to FY 2007-08, which was the high point in terms of FTE, the City has reduced staffing by 31.57 FTE or 9.0%.

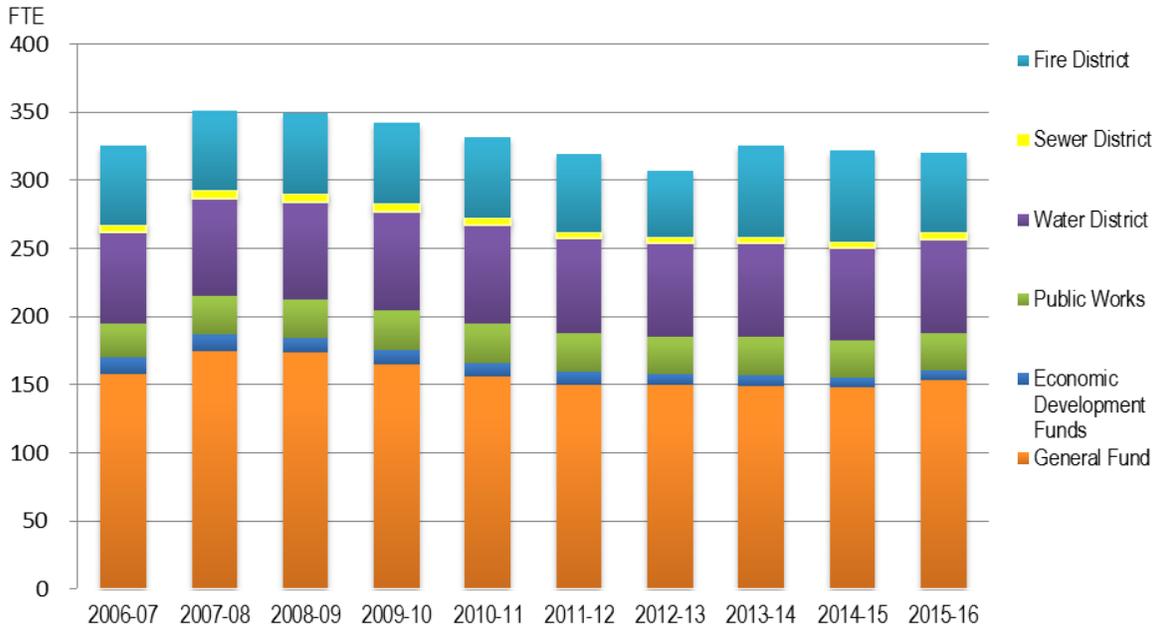
- Due to reduction of one fire engine, as well as contract reallocations, the Fire District includes the net reduction of 8.85 FTE.
- As a whole, Police and Fire represent 42.3% of the overall FTE count. Police totals 50.3% of the General Fund FTE count and 24.1% of the overall FTE count, while Fire totals 18.2%.

Major Funds	2006-07	2007-08	2008-09	2009-10	2010-11
General Fund					
City Manager	8.76	9.84	9.84	9.03	8.34
Management Services	25.00	27.00	27.00	24.75	23.46
Police	64.50	73.50	75.50	75.50	75.50
Development Services:					
Community Development	24.90	23.95	22.95	21.49	17.73
Code Compliance	25.23	30.64	28.78	26.78	23.78
Public Works	9.23	9.98	9.75	7.05	6.85
General Fund Total	157.62	174.91	173.82	164.60	155.66
Economic Development Funds	12.81	12.33	10.33	10.73	10.33
Public Works Fund	24.68	27.93	27.93	28.85	28.55
Water District Fund	67.10	71.56	72.33	73.06	72.54
Sewer District Fund	4.69	5.69	5.69	5.50	5.50
Fire District Fund	59.00	59.00	59.00	59.33	59.00
Total Full & Part-Time By Fund	325.90	351.42	349.10	342.07	331.58

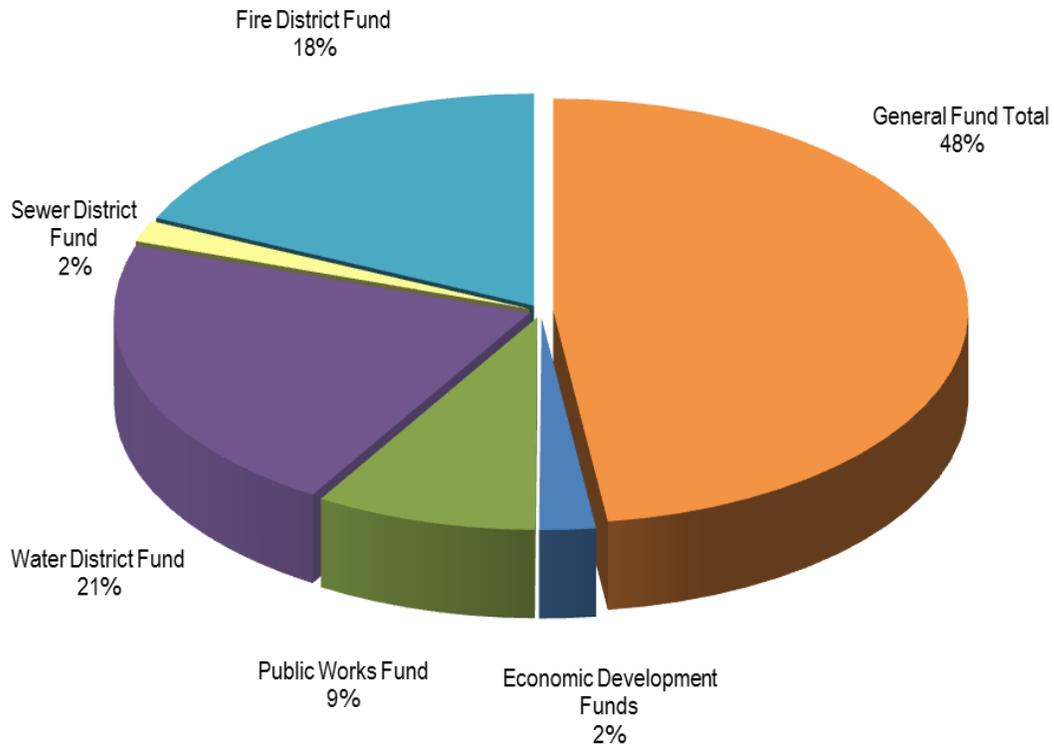
Major Funds	2011-12	2012-13	2013-14	2014-15	2015-16
General Fund					
City Manager	12.60	13.60	13.60	13.60	13.60
Management Services	18.26	17.26	16.26	16.26	16.26
Police	70.50	72.50	73.00	73.00	77.00
Development Services:					
Community Development	17.27	16.03	15.95	14.76	15.68
Code Compliance	23.78	23.78	23.78	23.92	23.92
Public Works	7.11	6.61	6.61	6.26	6.76
General Fund Total	149.52	149.78	149.20	147.80	153.22
Economic Development Funds	10.00	8.00	8.00	7.00	7.00
Public Works Fund	28.25	27.75	27.75	27.40	27.60
Water District Fund	69.77	68.77	69.23	67.98	68.58
Sewer District Fund	4.50	4.50	4.50	4.50	5.20
Fire District Fund	57.40	48.40	66.73	67.10	58.25
Total Full & Part-Time By Fund	319.44	307.20	325.41	321.78	319.85

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

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

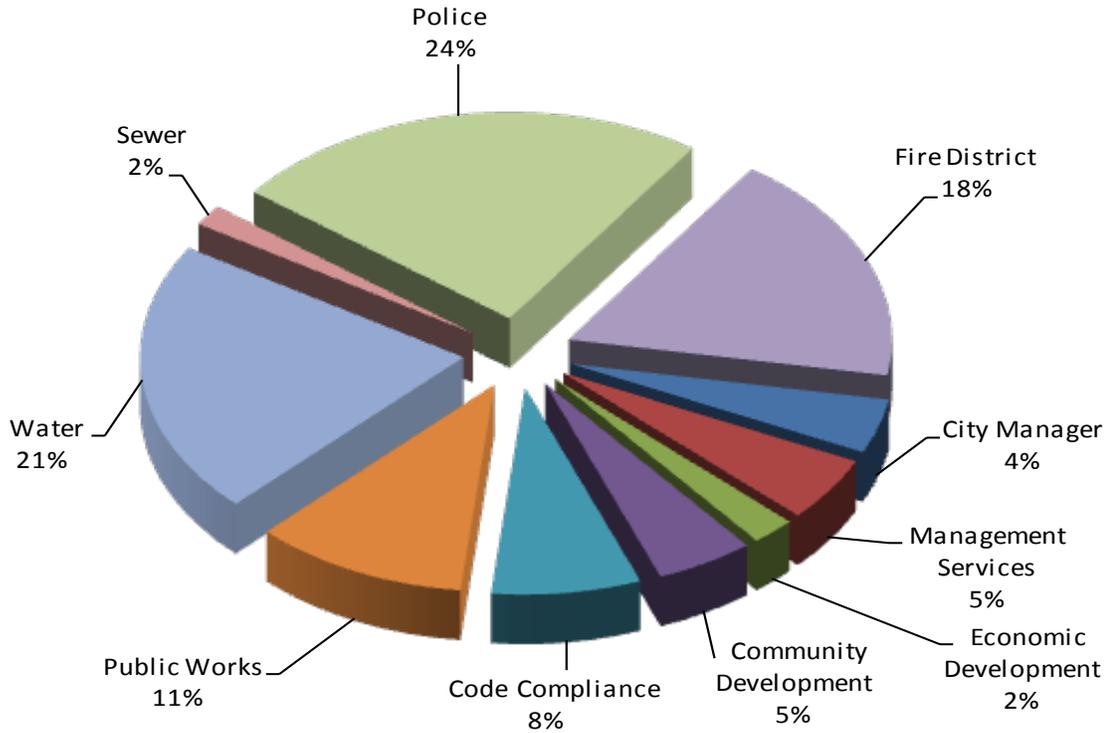


2015-16 FULL-TIME AND PART-TIME STAFF BY FUND



CITY POSITION SUMMARIES AND SALARY RANGE TABLES

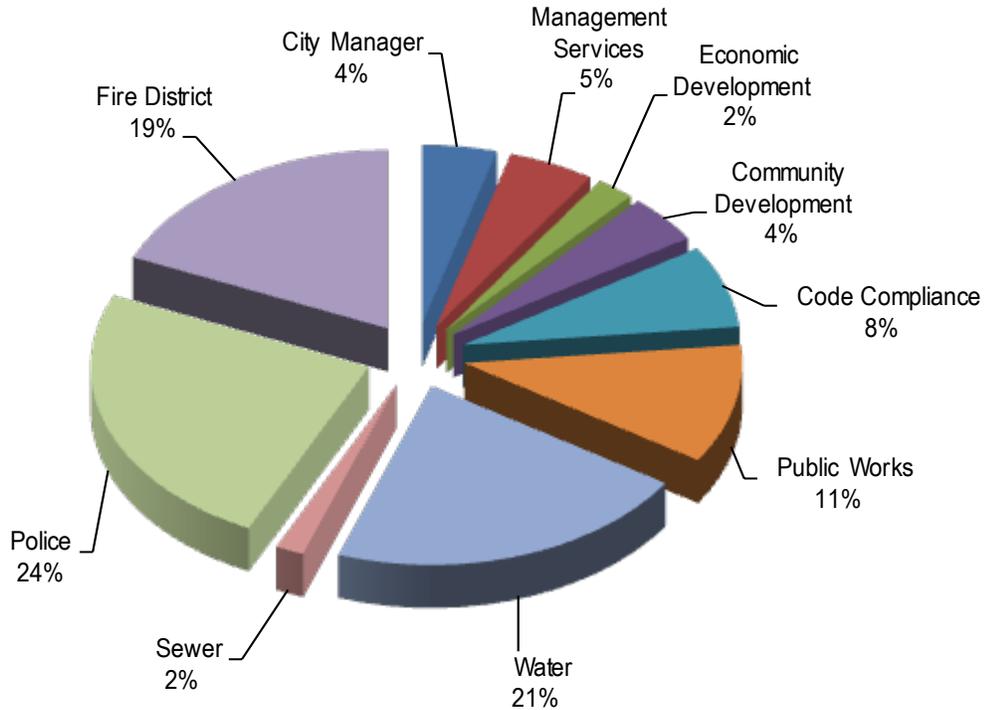
2015-16 BUDGET FULL-TIME AND PART-TIME STAFF BY DEPARTMENT



<u>Departments</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>% Change From 2014-15 Budget</u>
City Manager	13.60	13.60	13.60	13.60	0%
Management Services	17.26	16.26	16.26	16.26	0%
Economic Development	8.00	8.00	7.00	7.00	0%
Development Services:					0%
Community Development	16.03	15.95	14.76	15.68	6%
Code Compliance	23.78	23.78	23.92	23.92	0%
Public Works	34.36	34.36	33.66	34.36	2%
Water	68.77	69.23	67.98	68.58	1%
Sewer	4.50	4.50	4.50	5.20	16%
Development Services Total	147.44	147.82	144.82	147.74	2%
Sub-Total Non-Police & Fire District	186.30	185.68	181.68	184.60	2%
Police	72.50	73.00	73.00	77.00	5%
Fire District	48.40	66.73	67.10	58.25	-13%
Sub-Total Police & Fire District	120.90	139.73	140.10	135.25	-3%
Total Full & Part-Time Staff	307.20	325.41	321.78	319.85	-1%
Change Amount	n/a	18.21	-3.63	-1.93	
Percentage	n/a	5.9%	-1.1%	-0.6%	

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

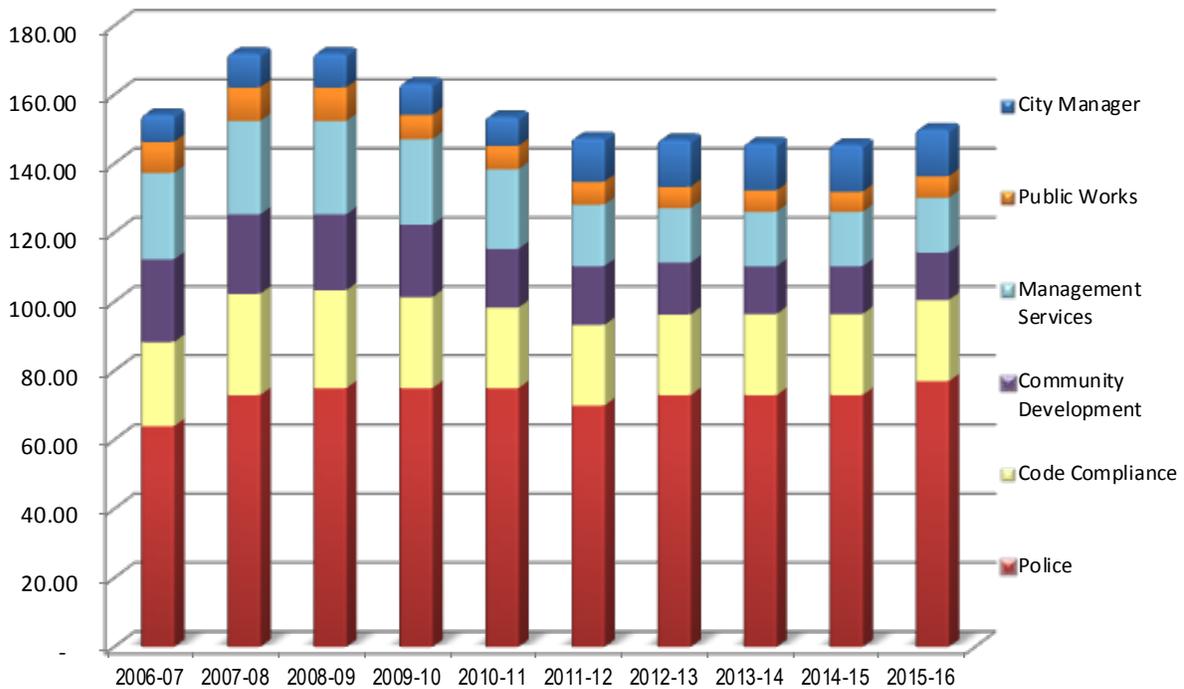
2015-16 BUDGET FULL-TIME STAFF BY DEPARTMENT



Departments	2012-13	2013-14	2014-15	2015-16	% Change From 2014-15 Budget
City Manager	13.60	13.60	13.60	13.60	0%
Management Services	16.80	15.80	15.80	15.80	0%
Economic Development	8.00	8.00	7.00	7.00	0%
Development Services:					
Community Development	16.03	15.03	13.84	13.84	0%
Code Compliance	23.32	23.32	23.46	23.46	0%
Public Works	33.90	33.90	33.20	33.90	2%
Water	67.85	67.85	66.60	67.20	1%
Sewer	4.50	4.50	4.50	5.20	16%
Development Services Total	145.60	144.60	141.60	143.60	1%
Sub-Total Non-Police & Fire District	184.00	182.00	178.00	180.00	1%
Police	72.00	73.00	73.00	77.00	5%
Fire District	48.40	66.73	67.10	58.25	-13%
Sub-Total Police & Fire District	120.40	139.73	140.10	135.25	-3%
Total Full-Time Staff	304.40	321.73	318.10	315.25	-1%
Change Amount	n/a	17.33	-3.63	-2.85	
Percentage	n/a	5.7%	-1.1%	-0.9%	

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

2015-16 BUDGET GENERAL FUND FULL-TIME POSITIONS



<u>General Fund</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
City Manager	7.84	9.84	9.84	9.03	8.34
Management Services	25.00	27.00	27.00	24.75	23.00
Police	64.00	73.00	75.00	75.00	75.00
Development Services:					
Community Development	23.98	23.03	22.03	21.03	17.03
Code Compliance	24.37	29.32	28.32	26.32	23.32
Public Works	9.00	9.75	9.75	7.05	6.85
General Fund Total	154.19	171.94	171.94	163.18	153.54

<u>General Fund</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
City Manager	12.60	13.60	13.60	13.60	13.60
Management Services	17.80	15.80	15.80	15.80	15.80
Police	70.00	73.00	73.00	73.00	77.00
Development Services:					
Community Development	17.03	15.03	13.84	13.84	13.84
Code Compliance	23.32	23.32	23.46	23.46	23.46
Public Works	6.65	6.15	6.15	5.80	6.30
General Fund Total	147.40	146.90	145.85	145.50	150.00

Comments:

It is proposed that the General Fund positions will increase by four and a half positions (4.50 FTE) in the FY 2015-16 Budget. The increase is due to adding two Sheriff Deputies to the Traffic Division, as well as one Sheriff's Service Specialist and one Office Specialist to monitor the Crime Free Rental Housing program. In addition, one Management Analyst is proposed to be added with 0.50 FTE in the General Fund and 0.50 FTE in Water Operating.

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

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

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>City Manager Department</u>				
Total City Manager Staff	13.60	13.60	13.60	13.60
<u>Management Services Department</u>				
Total Full-Time Staff	16.80	15.80	15.80	15.80
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Management Services Staff	<u>17.26</u>	<u>16.26</u>	<u>16.26</u>	<u>16.26</u>
<u>Economic Development Department</u>				
Total Economic Development Staff	8.00	8.00	7.00	7.00
<u>D.S.-Community Development</u>				
Total Full-Time Staff	16.03	15.03	13.84	13.84
Total Part-Time Staff	0.00	0.92	0.92	1.84
Total D.S.-Community Development Staff	<u>16.03</u>	<u>15.95</u>	<u>14.76</u>	<u>15.68</u>
<u>D.S.-Code Compliance</u>				
Total Full-Time Staff	23.32	23.32	23.46	23.46
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total D.S.-Code Compliance Staff	<u>23.78</u>	<u>23.78</u>	<u>23.92</u>	<u>23.92</u>
<u>D.S.-Public Works Department</u>				
Total Full-Time Staff	33.90	33.90	33.20	33.90
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total D.S.-Public Works Staff	<u>34.36</u>	<u>34.36</u>	<u>33.66</u>	<u>34.36</u>
<u>D.S.-Water</u>				
Total Full-Time Staff	67.85	67.85	66.60	67.20
Total Part-Time Staff	0.92	1.38	1.38	1.38
Total D.S.-Water Staff	<u>68.77</u>	<u>69.23</u>	<u>67.98</u>	<u>68.58</u>
<u>D.S.-Sewer</u>				
Total Full-Time Staff	4.50	4.50	4.50	5.20
Total Part-Time Staff	0.00	0.00	0.00	0.00
Total D.S.-Sewer Staff	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>5.20</u>
Total Development Services	147.44	147.82	144.82	147.74
<u>Police Department</u>				
Total Full-Time Staff	72.00	73.00	73.00	77.00
Total Part-Time Staff	0.50	0.00	0.00	0.00
Total Police Staff	<u>72.50</u>	<u>73.00</u>	<u>73.00</u>	<u>77.00</u>
<u>Fire District</u>				
Total Fire District Staff (Contract)	48.40	66.73	67.10	58.25
TOTAL FULL-TIME CITY STAFF	304.40	321.73	318.10	315.25
TOTAL PART-TIME CITY STAFF	2.80	3.68	3.68	4.60
TOTAL CITY STAFF	<u>307.20</u>	<u>325.41</u>	<u>321.78</u>	<u>319.85</u>

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>City Manager Department</u>				
Assistant City Clerk	1.00	1.00	1.00	1.00
City Clerk	0.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00
Community Relations and Media Coordinator	0.60	0.60	0.60	0.60
Deputy City Clerk	1.00	0.00	0.00	0.00
Deputy City Manager	1.00	1.00	0.00	0.00
Emergency Services Coordinator	0.50	0.50	0.50	0.50
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Executive Secretary	0.00	0.00	1.00	1.00
Information Systems Manager	0.00	0.00	0.00	1.00
Information Systems Specialist	4.00	4.00	4.00	3.00
Information Systems Technician	1.00	1.00	1.00	1.00
Management Analyst	2.00	2.00	2.00	2.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Total City Manager Full-Time Staff	13.60	13.60	13.60	13.60
<u>Management Services Department</u>				
Accountant	3.00	2.00	2.00	2.00
Accounting Technician	0.00	1.00	1.00	2.00
Assistant City Manager/Management Services	0.90	0.90	0.90	0.90
Deputy Finance Director	0.90	0.90	0.90	0.90
Executive Secretary	1.00	1.00	1.00	1.00
Financial Analyst	0.00	2.00	2.00	2.00
Human Resources Analyst	1.00	0.00	0.00	0.00
Human Resources Specialist	0.00	1.00	1.00	1.00
Personnel Technician	2.00	1.00	1.00	1.00
Purchasing Analyst	1.00	0.00	0.00	0.00
Purchasing Supervisor	1.00	0.00	0.00	0.00
Senior Account Clerk	2.00	1.00	1.00	0.00
Senior Accountant	2.00	1.00	1.00	1.00
Senior Financial Analyst	0.00	2.00	2.00	2.00
Senior Human Resources Analyst	0.00	1.00	1.00	1.00
Senior Management Analyst	1.00	0.00	0.00	0.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Total Management Services Full-Time Staff	16.80	15.80	15.80	15.80

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Economic Development Department</u>				
Administrative Aide	1.00	1.00	0.00	0.00
Administrative Analyst	2.00	2.00	2.00	2.00
Administrative Secretary	1.00	1.00	1.00	1.00
Deputy Economic Development Director	1.00	1.00	0.00	0.00
Economic Development Director	0.00	0.00	1.00	1.00
Management Analyst	2.00	2.00	2.00	2.00
Senior Management Analyst	1.00	1.00	1.00	1.00
Total Economic Development Full-Time Staff	8.00	8.00	7.00	7.00
<u>D.S.-Community Development</u>				
Administrative Analyst	0.00	0.00	0.85	0.85
Administrative Secretary	0.00	0.00	0.10	0.10
Assistant Planner	1.00	1.00	1.00	0.00
Associate Planner	0.00	0.00	0.00	1.00
Building and Safety Manager	0.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00	1.00
Building Inspection Supervisor	1.00	1.00	1.00	1.00
Community Development Coordinator	1.00	1.00	1.00	1.00
Community Development Supervisor	1.00	0.00	0.00	0.00
Community Development Technician	1.75	0.75	0.75	0.75
Director of Development Services	0.14	0.14	0.14	0.14
Executive Secretary	0.14	0.14	0.00	0.00
Plans Examiner	2.00	2.00	2.00	2.00
Principal Planner	1.00	1.00	1.00	1.00
Senior Community Development Technician	2.00	2.00	1.00	1.00
Senior Office Assistant	1.00	1.00	0.00	0.00
Senior Office Specialist	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00
Total D.S.-Community Development Full-Time Staff	16.03	15.03	13.84	13.84

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>D.S.-Code Compliance</u>				
Administrative Secretary	0.00	0.00	0.30	0.30
Animal Control Officer	3.00	3.00	3.00	3.00
Animal Control Supervisor	1.00	1.00	1.00	1.00
Animal Control Technician	4.00	4.00	4.00	4.00
Code Enforcement Officer	5.00	4.00	4.00	4.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00
Director of Development Services	0.16	0.16	0.16	0.16
Executive Secretary	0.16	0.16	0.00	0.00
Office Assistant	4.00	4.00	4.00	4.00
Senior Animal Control Officer	1.00	1.00	1.00	1.00
Senior Code Enforcement Officer	1.00	2.00	2.00	2.00
Senior Office Assistant	2.00	2.00	2.00	2.00
Shelter Supervisor	1.00	1.00	1.00	1.00
Total D.S.-Code Compliance Full-Time Staff	23.32	23.32	23.46	23.46
<u>D.S.-Public Works</u>				
Administrative Analyst	0.50	0.50	0.50	0.50
Administrative Secretary	0.50	0.50	0.80	0.80
Assistant Engineer	0.35	0.35	0.35	0.35
City Engineer	0.50	0.50	0.50	0.50
Community Development Technician	0.25	0.25	0.25	0.25
Construction Inspection Supervisor	0.35	0.35	0.35	0.35
Construction Inspector	1.45	1.45	1.15	1.15
Custodian	1.00	1.00	1.00	1.00
Director of Development Services	0.30	0.30	0.30	0.30
Engineering Technician	0.40	0.40	0.40	0.40
Equipment Operator	4.30	4.30	4.30	4.30
Executive Secretary	0.30	0.30	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Geographical Information Systems Manager	0.30	0.30	0.30	0.30
Geographical Information Systems Technician	0.30	0.30	0.30	0.30
Maintenance Crew Supervisor	2.30	2.30	2.30	2.30
Maintenance Worker	9.10	9.10	9.10	9.40
Management Analyst	0.00	0.00	0.00	0.50
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.75	0.75	0.75	0.75
Public Works Director	0.00	0.50	0.50	0.50
Public Works Manager	0.50	0.00	0.00	0.00
Public Works Supervisor	1.00	1.00	1.00	1.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Engineering Technician	0.40	0.40	0.00	0.00
Senior Maintenance Worker	5.90	5.90	5.90	5.80
Senior Office Assistant	1.15	1.15	1.15	1.15
Total D.S.-Public Works Full-Time Staff	33.90	33.90	33.20	33.90

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>D.S.-Water</u>				
Administrative Secretary	0.50	0.50	0.80	0.80
Administrative Analyst	0.50	0.50	0.65	0.65
Assistant City Manager-Management Services	0.05	0.05	0.05	0.05
Assistant Engineer	0.65	0.65	0.65	0.65
City Engineer	0.50	0.50	0.50	0.50
Community Development Technician	2.00	2.00	2.00	2.00
Community Relations and Media Coordinator	0.40	0.40	0.40	0.40
Construction Inspection Supervisor	0.65	0.65	0.65	0.65
Construction Inspector	1.55	1.55	0.85	0.85
Custodian	2.00	2.00	2.00	2.00
Customer Service Representative	5.00	5.00	5.00	5.00
Customer Service Supervisor	1.00	1.00	1.00	1.00
Deputy Finance Director	0.10	0.10	0.10	0.10
Director of Development Services	0.40	0.40	0.40	0.40
Emergency Services Coordinator	0.50	0.50	0.50	0.50
Engineering Technician	0.60	0.60	0.60	0.60
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Equipment Operator	2.70	2.70	2.70	2.70
Executive Secretary	0.40	0.40	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Geographical Information Systems Manager	0.70	0.70	0.70	0.70
Geographical Information Systems Technician	0.70	0.70	0.70	0.70
Maintenance Crew Supervisor	4.00	4.00	4.00	4.00
Maintenance Worker	13.00	13.00	13.00	13.00
Management Analyst	1.00	1.00	1.00	1.50
Meter Reader	4.00	4.00	4.00	4.00
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.25	0.25	0.25	0.25
Public Works Director	0.00	0.50	0.50	0.50
Public Works Manager	0.50	0.00	0.00	0.00
Public Works Supervisor	1.00	1.00	1.00	1.00
Pump Maintenance Worker	0.95	0.95	0.95	0.00
Pump Operator	1.95	1.95	1.95	1.95
Senior Account Clerk	2.00	2.00	2.00	2.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Customer Service Representative	2.00	2.00	2.00	2.00
Senior Engineering Technician	0.60	0.60	0.00	0.00
Senior Maintenance Worker	6.40	6.40	6.40	6.50
Senior Office Assistant	0.85	0.85	0.85	0.85
Senior Pump Maintenance Worker	0.00	0.00	0.00	0.95
Senior Pump Operator	0.95	0.95	0.95	0.95
Senior Warehouse Technician	1.00	1.00	1.00	1.00
Utility Line Locator	1.00	1.00	1.00	1.00
Warehouse Technician	1.00	1.00	1.00	1.00
Water Conservation Specialist	1.00	1.00	1.00	1.00
Water Quality Technician	1.00	1.00	1.00	1.00
Total D.S.-Water Full-Time Staff	67.85	67.85	66.60	67.20

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Full-Time Position Listing by Department (Continued)

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>D.S.-Sewer</u>				
Assistant City Manager-Management Services	0.05	0.05	0.05	0.05
Maintenance Crew Supervisor	0.70	0.70	0.70	0.70
Maintenance Worker	2.90	2.90	2.90	3.60
Pump Maintenance Worker	0.05	0.05	0.05	0.00
Pump Operator	0.05	0.05	0.05	0.05
Senior Maintenance Worker	0.70	0.70	0.70	0.70
Senior Pump Maintenance Worker	0.00	0.00	0.00	0.05
Senior Pump Operator	0.05	0.05	0.05	0.05
Total D.S.-Sewer Full-Time Staff	4.50	4.50	4.50	5.20
<u>Police Department</u>				
<u>Sworn Officers (Contract)</u>				
Captain	1.00	1.00	1.00	1.00
Lieutenant	1.00	1.00	1.00	1.00
Sergeant	7.00	7.00	7.00	7.00
Detective/Corporal	5.00	5.00	5.00	5.00
Sheriff Deputy	40.00	41.00	41.00	43.00
Total Sworn Officers	54.00	55.00	55.00	57.00
<u>Non-Sworn Staff (Contract)</u>				
Sheriff's Service Specialist	8.00	8.00	8.00	9.00
Secretary	1.00	1.00	1.00	1.00
Office Specialist	8.00	9.00	9.00	10.00
Supervising Office Specialist	1.00	0.00	0.00	0.00
Total Non-Sworn Staff	18.00	18.00	18.00	20.00
Total Police Sworn & Non-Sworn Full-Time Staff	72.00	73.00	73.00	77.00
<u>Fire District</u>				
<u>County Safety Staff (Contract)</u>				
Division Chief	0.40	0.43	0.39	0.43
Battalion Chief	1.50	1.30	1.18	1.29
Captain	6.00	9.00	9.00	6.00
Engineer	6.00	12.00	12.00	9.00
Firefighter/Paramedic	18.00	9.00	9.00	6.00
Ambulance Operator/EMT	0.00	0.00	0.00	15.00
Ambulance Operator/PM	0.00	0.00	0.00	15.00
Firefighter/Paramedic - Limited Term	0.00	15.00	15.00	0.00
Firefighter - Limited Term	12.00	15.00	15.00	0.00
Total County Full-Time Safety Staff	43.90	61.73	61.57	52.72
<u>County Non-Safety Staff (Contract)</u>				
Deputy Fire Marshall	0.00	0.00	0.03	0.03
Collection Officer	0.00	0.00	2.00	2.00
Account Representative	2.00	2.00	0.00	0.00
Office Assistant III	0.50	0.00	0.50	0.50
Fire Prevention Officer/Arson	0.50	0.50	0.50	0.50
Fire Prevention Specialist	0.50	0.50	0.50	0.50
Fire Prevention Supervisor	0.50	0.50	0.50	0.50
Front Counter Technician (Account Clerk I)	0.50	0.50	0.50	0.50
Public Service Employee	0.00	1.00	1.00	1.00
Total County Full-Time Non-Safety Staff	4.50	5.00	5.53	5.53
Total Safety & Non-Safety Staff	48.40	66.73	67.10	58.25
TOTAL FULL-TIME CITY STAFF	304.40	321.73	318.10	315.25

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Part-Time Position Listing by Department

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Management Services Department</u>				
Office Assistant	0.00	0.00	0.00	0.46
Payroll Analyst	0.46	0.00	0.00	0.00
Senior Account Clerk	0.00	0.46	0.46	0.00
Total Management Services Department	0.46	0.46	0.46	0.46
<u>D.S.-Community Development</u>				
Building Inspector	0.00	0.00	0.00	0.92
Receptionist	0.00	0.92	0.92	0.92
Total D.S.-Community Development Part-Time Staff	0.00	0.92	0.92	1.84
<u>D.S.-Code Compliance</u>				
Animal Control Technician	0.46	0.46	0.46	0.46
Total D.S.-Code Compliance Part-Time Staff	0.46	0.46	0.46	0.46
<u>D.S.-Public Works</u>				
Custodian	0.46	0.46	0.46	0.46
Total D.S.-Public Works Part-Time Staff	0.46	0.46	0.46	0.46
<u>D.S.-Water</u>				
Custodian	0.46	0.46	0.46	0.46
Customer Service Representative	0.46	0.92	0.92	0.92
Total D.S.-Water Part-Time Staff	0.92	1.38	1.38	1.38
<u>Police Department</u>				
Administrative Aide	0.50	0.00	0.00	0.00
Total Police Department Part-Time Staff	0.50	0.00	0.00	0.00
Total Part-Time City Staff	2.80	3.68	3.68	4.60

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Salary Range Tables

The following Range Tables for represented and non-represented positions are the basis for calculation of the 2015-16 Budget Salaries.

REPRESENTED FULL-TIME

SAN BERNARDINO PUBLIC EMPLOYEES ASSOCIATION (SBPEA)

2015-16 Fiscal Year (Monthly Salaries Effective the First Full Pay Period After July 1, 2014)

<u>CLASSIFICATION TITLE</u>	<u>RANGE #</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Account Clerk	9	3149	3307	3472	3646	3828
Animal Control Officer	12	3646	3828	4019	4220	4431
Animal Control Technician	7	2856	2999	3149	3307	3472
Building Inspector	17	4653	4886	5130	5387	5656
Code Enforcement Officer	16	4431	4653	4886	5130	5387
Community Development Technician	12	3646	3828	4019	4220	4431
Custodian	8	2999	3149	3307	3472	3646
Customer Service Representative	10	3307	3472	3646	3828	4019
Engineering Aide	11	3472	3646	3828	4019	4220
Engineering Technician	12	3646	3828	4019	4220	4431
Equipment Operator	12	3646	3828	4019	4220	4431
Equipment Operator/Water*	12.5	3737	3924	4120	4326	4542
Maintenance Worker	10	3307	3472	3646	3828	4019
Maintenance Worker/Water*	10.5	3390	3560	3738	3925	4121
Meter Reader	10	3307	3472	3646	3828	4019
Pump Maintenance Worker	12	3646	3828	4019	4220	4431
Pump Operator	12	3646	3828	4019	4220	4431
Receptionist	6	2720	2856	2999	3149	3307
Registered Veterinary Technician	10	3307	3472	3646	3828	4019
Senior Account Clerk	12	3646	3828	4019	4220	4431
Senior Animal Control Officer	14	4019	4220	4431	4653	4886
Senior Custodian	10	3307	3472	3646	3828	4019
Senior Customer Service Representative	12	3646	3828	4019	4220	4431
Senior Maintenance Worker	13	3828	4019	4220	4431	4653
Senior Maintenance Worker/Water*	13.5	3924	4120	4326	4542	4769
Senior Pump Maintenance Worker	14	4019	4220	4431	4653	4886
Senior Pump Operator	14	4019	4220	4431	4653	4886
Senior Warehouse Technician	12	3646	3828	4019	4220	4431
Utility Line Locator	10	3307	3472	3646	3828	4019
Warehouse Technician	10	3307	3472	3646	3828	4019
Water Conservation Specialist	14	4019	4220	4431	4653	4886
Water Quality Technician	12	3646	3828	4019	4220	4431
Water Resource Specialist	19	5130	5387	5656	5939	6236

*Plus 2.5% - Provided employee has and maintains the required certifications as defined in the job description.

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Salary Range Tables (Continued)

NON-REPRESENTED FULL-TIME

2015-16 Fiscal Year (Monthly Salaries Effective the First Full Pay Period After July 1, 2014)

<u>CLASSIFICATION TITLE</u>	<u>RANGE#</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
GENERAL												
Accountant	33	4493	4583	4675	4769	4864	4961	5060	5161	5264	5369	5476
Accounting Technician	31	4075	4157	4240	4325	4412	4500	4590	4682	4776	4872	4969
Administrative Aide	27	3352	3419	3487	3557	3628	3701	3775	3851	3928	4007	4087
Administrative Secretary	30	3881	3959	4038	4119	4201	4285	4371	4458	4547	4638	4731
Construction Inspector	34	4718	4812	4908	5006	5106	5208	5312	5418	5526	5637	5750
Deputy City Clerk	28	3520	3590	3662	3735	3810	3886	3964	4043	4124	4207	4291
Executive Secretary	33	4493	4583	4675	4769	4864	4961	5060	5161	5264	5369	5476
Geographical Information Systems Technician	31	4075	4157	4240	4325	4412	4500	4590	4682	4776	4872	4969
Information Systems Technician	31	4075	4157	4240	4325	4412	4500	4590	4682	4776	4872	4969
Maintenance Crew Supervisor	36	5202	5306	5412	5520	5630	5743	5858	5975	6095	6217	6341
Office Assistant	24	2895	2953	3012	3072	3133	3196	3260	3325	3392	3460	3529
Payroll Analyst	32	4279	4365	4452	4541	4632	4725	4820	4916	5014	5114	5216
Personnel Technician	32	4279	4365	4452	4541	4632	4725	4820	4916	5014	5114	5216
Purchasing Analyst	33	4493	4583	4675	4769	4864	4961	5060	5161	5264	5369	5476
Senior Code Enforcement Officer	34	4718	4812	4908	5006	5106	5208	5312	5418	5526	5637	5750
Senior Community Development Technician	32	4279	4365	4452	4541	4632	4725	4820	4916	5014	5114	5216
Senior Engineering Technician	34	4718	4812	4908	5006	5106	5208	5312	5418	5526	5637	5750
Senior Office Assistant	28	3520	3590	3662	3735	3810	3886	3964	4043	4124	4207	4291
Senior Office Specialist	28	3520	3590	3662	3735	3810	3886	3964	4043	4124	4207	4291
PROFESSIONAL/SUPERVISORY												
Administrative Analyst	34	4718	4812	4908	5006	5106	5208	5312	5418	5526	5637	5750
Animal Control Supervisor	35	4954	5053	5154	5257	5362	5469	5578	5690	5804	5920	6038
Assistant City Clerk	35	4954	5053	5154	5257	5362	5469	5578	5690	5804	5920	6038
Assistant Engineer	38	5735	5850	5967	6086	6208	6332	6459	6588	6720	6854	6991
Assistant Planner	35	4954	5053	5154	5257	5362	5469	5578	5690	5804	5920	6038
Associate Planner	38	5735	5850	5967	6086	6208	6332	6459	6588	6720	6854	6991
Building Inspection Supervisor	40	6323	6450	6579	6711	6845	6982	7122	7264	7409	7557	7708
Code Enforcement Supervisor	36	5202	5306	5412	5520	5630	5743	5858	5975	6095	6217	6341
Community Development Coordinator	34	4718	4812	4908	5006	5106	5208	5312	5418	5526	5637	5750
Community Development Supervisor	38	5735	5850	5967	6086	6208	6332	6459	6588	6720	6854	6991
Construction Inspection Supervisor	39	6022	6142	6265	6390	6518	6648	6781	6917	7055	7196	7340
Customer Service Supervisor	36	5202	5306	5412	5520	5630	5743	5858	5975	6095	6217	6341
Emergency Services Coordinator	38	5735	5850	5967	6086	6208	6332	6459	6588	6720	6854	6991
Environmental Programs Coordinator	34	4718	4812	4908	5006	5106	5208	5312	5418	5526	5637	5750
Facilities Supervisor	36	5202	5306	5412	5520	5630	5743	5858	5975	6095	6217	6341
Financial Analyst	35	4954	5053	5154	5257	5362	5469	5578	5690	5804	5920	6038
Human Resources Analyst	37	5462	5571	5682	5796	5912	6030	6151	6274	6400	6528	6659
Human Resources Specialist	35	4954	5053	5154	5257	5362	5469	5578	5690	5804	5920	6038
Management Analyst	37	5462	5571	5682	5796	5912	6030	6151	6274	6400	6528	6659
Plans Examiner	37	5462	5571	5682	5796	5912	6030	6151	6274	6400	6528	6659
Public Works Supervisor	38	5735	5850	5967	6086	6208	6332	6459	6588	6720	6854	6991
Secretary to the City Manager	34	4718	4812	4908	5006	5106	5208	5312	5418	5526	5637	5750
Shelter Supervisor	35	4954	5053	5154	5257	5362	5469	5578	5690	5804	5920	6038

CITY POSITION SUMMARIES AND SALARY RANGE TABLES

Salary Range Tables (Continued)

NON-REPRESENTED FULL-TIME

2015-16 Fiscal Year (Monthly Salaries Effective the First Full Pay Period After July 1, 2014)

<u>CLASSIFICATION TITLE</u>	<u>RANGE#</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
MANAGEMENT												
Building and Safety Manager	40	6323	6450	6579	6711	6845	6982	7122	7264	7409	7557	7708
Code Compliance Manager	41	6639	6772	6907	7045	7186	7330	7477	7627	7780	7936	8095
Community Relations and Media Coordinator	37	5462	5571	5682	5796	5912	6030	6151	6274	6400	6528	6659
Geographical Information Systems Manager	41	6639	6772	6907	7045	7186	7330	7477	7627	7780	7936	8095
Information Systems Manager	43	7320	7466	7615	7767	7922	8080	8242	8407	8575	8747	8922
Information Systems Specialist	37	5462	5571	5682	5796	5912	6030	6151	6274	6400	6528	6659
Principal Planner	44	7686	7840	7997	8157	8320	8486	8656	8829	9006	9186	9370
Project Construction Manager	43	7320	7466	7615	7767	7922	8080	8242	8407	8575	8747	8922
Purchasing Supervisor	38	5735	5850	5967	6086	6208	6332	6459	6588	6720	6854	6991
Senior Accountant	38	5735	5850	5967	6086	6208	6332	6459	6588	6720	6854	6991
Senior Engineer	43	7320	7466	7615	7767	7922	8080	8242	8407	8575	8747	8922
Senior Financial Analyst	40	6323	6450	6579	6711	6845	6982	7122	7264	7409	7557	7708
Senior Human Resources Analyst	40	6323	6450	6579	6711	6845	6982	7122	7264	7409	7557	7708
Senior Management Analyst	40	6323	6450	6579	6711	6845	6982	7122	7264	7409	7557	7708
Senior Planner	41	6639	6772	6907	7045	7186	7330	7477	7627	7780	7936	8095
Senior Plans Examiner	40	6323	6450	6579	6711	6845	6982	7122	7264	7409	7557	7708
SENIOR MANAGEMENT												
City Engineer	48	9343	9530	9721	9915	10113	10315	10521	10731	10946	11165	11388
Deputy Director of Development Services/Community Development	48	9343	9530	9721	9915	10113	10315	10521	10731	10946	11165	11388
Economic Development Director	48	9343	9530	9721	9915	10113	10315	10521	10731	10946	11165	11388
Deputy Finance Director	46	8474	8644	8817	8993	9173	9357	9544	9735	9930	10129	10332
Deputy Human Resources/Risk Management Director	46	8474	8644	8817	8993	9173	9357	9544	9735	9930	10129	10332
Public Works Director	46	8474	8644	8817	8993	9173	9357	9544	9735	9930	10129	10332
AT WILL SENIOR MANAGEMENT												
Assistant City Manager/Management Services	52	11357	11584	11816	12052	12293	12539	12790	13046	13307	13573	13845
City Clerk	45	8070	8231	8396	8564	8735	8910	9088	9270	9455	9644	9837
Deputy City Manager	47	8898	9076	9258	9443	9632	9825	10022	10222	10426	10635	10848
Director of Development Services	51	10816	11032	11253	11478	11708	11942	12181	12425	12674	12928	13187

An Administrative Intern temporary/part-time classification and is paid at the following hourly pay rates: \$12.00, \$13.00, \$14.00, \$15.00

Department & Program Expenditures

DEPARTMENT - CITY COUNCIL.....	F-2
▶ Division - City Council	F-3
▶ Division - City Attorney.....	F-5
DEPARTMENT - CITY MANAGER.....	F-6
▶ Division - City Manager.....	F-8
▶ Division - Information Technology.....	F-13
DEPARTMENT - MANAGEMENT SERVICES	F-16
▶ Division - Finance	F-18
▶ Division - Human Resources/Risk Management	F-22
DEPARTMENT - ECONOMIC DEVELOPMENT	F-26
▪ Hesperia Community Development Commission.....	F-28
▪ Hesperia Housing Authority	F-33
▪ VVEDA-Low/Mod Housing.....	F-37
▪ CDBG Summary	F-39
• Program - CDBG Administration/Economic Development and Housing	F-41
• Program - CDBG Home Grant.....	F-45
• Program - CDBG Revolving Loans	F-47
• Program - CDBG Neighborhood Stabilization Program	F-49
DEPARTMENT - DEVELOPMENT SERVICES.....	F-52
▪ Division - Community Development.....	F-52
• Program - Planning	F-54
• Program - Building and Safety.....	F-57
▪ Division - Code Compliance.....	F-60
• Program - Code Enforcement	F-62
• Program - Animal Control	F-64
▪ Division - Public Works.....	F-68
• Program - Street Maintenance.....	F-71
• Program - Engineering	F-75
• Program - Building Maintenance.....	F-80
▪ Division - Water.....	F-82
• Program - Source of Supply	F-88
• Program - Production	F-91
• Program - Distribution	F-93
• Program - Pipeline Maintenance.....	F-95
• Program - Engineering	F-97
• Program - Customer Service	F-101
• Program - Utility Billing	F-103
• Program - Administration	F-105
• Program - Property Management.....	F-107

Department & Program Expenditures

DEPARTMENT - DEVELOPMENT SERVICES - CONTINUED	
▪ Division - Sewer	F-110
• Program - Sewer Operations	F-113
• Program - Sewer Capital	F-115
POLICE	F-116
FIRE	F-122
▪ Division - Operations and Community Safety	F-126
▪ Division - Administration	F-131
▪ Division - SAFER Grant	F-132

FUND: GENERAL FUND 100
DEPARTMENT: CITY COUNCIL 01

DEPARTMENT EXPENDITURE SUMMARY						% Change From 2014-15 Budget
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	
Salaries	\$ 42,470	\$ 43,383	\$ 51,000	\$ 41,870	\$ 45,600	-11%
Benefits	75,888	75,517	73,910	72,723	68,953	-7%
Materials	4,491	6,169	8,290	7,000	7,230	-13%
Contractual	444,887	600,580	491,600	441,600	437,100	-11%
Other Operating	53,536	47,545	58,178	59,364	83,578	44%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 621,272	\$ 773,194	\$ 682,978	\$622,557	\$642,461	-6%

DIVISION EXPENDITURE SUMMARY						% Change From 2014-15 Budget
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	
100 City Council	\$ 316,229	\$ 407,878	\$ 382,978	\$372,557	\$392,461	2%
102 City Attorney	305,043	365,316	300,000	250,000	250,000	-17%
TOTAL	\$ 621,272	\$ 773,194	\$ 682,978	\$622,557	\$642,461	-6%

DEPARTMENT GOALS FOR 2015-16

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

SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- Funding of \$10,000 is included to enhance the annual Youth in Government Day Program.
- City Attorney budget has been reduced to reflect current expenditures and litigation.

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 42,470	\$ 43,383	\$ 51,000	\$ 41,870	\$ 45,600	-11%
Benefits	75,888	75,517	73,910	72,723	68,953	-7%
Materials	4,491	6,169	8,290	7,000	7,230	-13%
Contractual	139,844	235,264	191,600	191,600	187,100	-2%
Other Operating	53,536	47,545	58,178	59,364	83,578	44%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 316,229	\$ 407,878	\$ 382,978	\$372,557	\$392,461	2%

DIVISION DESCRIPTION

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Funding of \$10,000 is included to enhance the annual Youth in Government Day Program.

2014-15 DIVISION ACCOMPLISHMENTS

- Through strong policy leadership, reaffirmed ongoing efforts to bolster the community and organization by strengthening infrastructure; providing vital services; maintaining the City's financial health; providing good working conditions for employees and increasing citizen satisfaction.
- Continued to work with State and Federal delegates on behalf of Hesperia citizens to obtain funding on a variety of large projects.
- Continued to be available to meet with constituents in order to provide enhanced levels of service to Hesperia residents.
- Continued to seek alternative funding sources via Federal, State, and County grants.
- Oversaw the construction and completion of the Ranchero Interchange Project.
- Reviewed the findings of a public safety Joint Powers Authority feasibility study.
- Extended a Development Impact Fee reduction pilot program to April 2016 to encourage residential development in Hesperia.
- Approved the purchase of 500 acre feet of water rights to further ensure a dependable water supply for Hesperia water customers.
- Established an Ad Hoc Committee allowing for an independent review of the Tapestry Project.
- Continued to support the Citizen's Academy and Youth in Government Day to encourage involvement between citizens and local government.

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

2015-16 DIVISION GOALS AND OBJECTIVES

- Continue to provide policy direction on City Council priorities identified at the February 11, 2014, City Council Goal Setting Workshop, which include:
 - Public Safety – Ensure adequate public safety resources are available for citizens, families, children, businesses, and visitors.
 - Financial Health - Assure Hesperia's financial health by continuing to provide structurally balanced budgets for its operating funds.
 - Future Development – Actively manage growth to ensure cohesive development including industrial, commercial, residential, freeway, Main Street, and Ranchero Corridors.
 - Future Vision – Agree on a 'vision' of what Hesperia should be in 5, 15, 25 years.
 - Organizational Health – Establish and maintain a healthy and efficient organization to provide City services.
 - Capital Improvement – Create capital improvement funding after Redevelopment Agency's elimination.
- Continue to provide leadership and policy direction on a variety of issues and projects important to the citizens of the City of Hesperia.
- Demand transparency in government at all levels.
- Review Tapestry Project specific plan and environmental document.
- Continue to explore Special Funding District's (SFD) for Freeway Corridor Infrastructure and the A-04 Master Plan of Drainage.
- Continue to seek alternative funding sources via Federal, State, and County grants.
- Continue to work with the San Bernardino County Fire Department to explore fire service options.
- Continue to support the Citizen's Academy and Youth in Government Day to encourage involvement between citizens and local government.
- Represent the City as a Board Member or Commissioner of the following:
 - League of California Cities Desert/Mountain Division.
 - Southern California Association of Governments (SCAG).
 - San Bernardino Associated Governments (SANBAG).
 - Mojave Desert Air Quality Management Desert (MDAQMD).
 - Victor Valley Wastewater Reclamation Authority (VWRA).
 - San Bernardino County Solid Waste Task Force.
 - Victor Valley Economic Development Authority (VVEDA).
 - Victor Valley Transit Authority (VFTA).
- Continue to seek funding for Phase III of the Ranchero Corridor Project, the widening of Ranchero Road between Phase I and II.

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

DIVISION EXPENDITURE SUMMARY	2012-13	2013-14	2014-15	2014-15	2015-16	% Change From 2014-15
	Actual	Actual	Budget	Revised	Budget	Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials	0	0	0	0	0	0%
Contractual	305,043	365,316	300,000	250,000	250,000	-17%
Other Operating	0	0	0	0	0	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 305,043	\$ 365,316	\$ 300,000	\$250,000	\$250,000	-17%

DIVISION DESCRIPTION

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- City Attorney budget has been reduced to reflect current expenditures and litigation.

2014-15 DIVISION ACCOMPLISHMENTS

- Provided timely and appropriate legal advice on a variety of issues.
- Continued to minimize litigation and exposure to litigation (There is currently only one minor case handled by the City Attorney's office).
- Assisted in negotiation, drafting, and implementation of agreements to further economic development, capital improvement, and affordable housing programs.
- Provided legal advice on financial issues including water revenue bonds, close out of assessment district bonds, and community facilities districts.

2015-16 DIVISION GOALS AND OBJECTIVES

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

FUND: GENERAL FUND 100
DEPARTMENT: CITY MANAGER 07

DEPARTMENT EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Salaries	\$ 1,084,975	\$ 1,171,966	\$ 1,151,468	\$ 1,079,886	\$ 1,160,072	1%
Benefits	375,370	404,508	415,052	391,390	397,915	-4%
Materials	260,032	236,625	238,378	259,890	272,250	14%
Contractual	568,604	422,993	550,021	671,154	430,927	-22%
Other Operating	105,640	102,002	118,375	97,775	141,375	19%
Capital Outlay	104,782	97,667	305,000	382,673	100,000	-67%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 2,499,403	\$ 2,435,761	\$ 2,778,294	\$ 2,882,768	\$ 2,502,539	-10%

DIVISION EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
200 City Manager	\$ 1,042,335	\$ 1,189,833	\$ 1,163,461	\$ 1,116,258	\$ 1,129,749	-3%
215 Information Technology	1,457,068	1,245,928	1,614,833	1,766,510	1,372,790	-15%
TOTAL	\$ 2,499,403	\$ 2,435,761	\$ 2,778,294	\$ 2,882,768	\$ 2,502,539	-10%

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>DEPARTMENT STAFFING</u>				
Total Full-Time Staff	13.60	13.60	13.60	13.60
Total City Manager Staff	13.60	13.60	13.60	13.60

DEPARTMENT GOALS FOR 2015-16

- Continue to build local and regional partnerships by working with neighboring cities and agencies including the Hesperia Unified School District, Hesperia Recreation and Parks District, and the Hesperia Chamber of Commerce.
- Continue to work with the Hesperia Recreation and Parks District to develop and conduct activities at the City's Civic Plaza Park such as car shows, pet walks, and other special events at the Downtown Center.
- Continue providing Citizen Emergency Response Team (CERT) Training to citizens to prepare them to respond in support of first responders in a major disaster.
- Continue planning, design, and financing of Recycled Water Distribution System.
- Continue to provide timely and useful information to residents via City website, social media outlets, Hesperia Horizon newsletter, and through public outreach programs.

FUND: GENERAL FUND 100
DEPARTMENT: CITY MANAGER 07

SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- Funding for elections decreased by \$34,000 reflecting the non-election year.
- Eliminate one vacant Information Systems Specialist (1.00 FTE) position along with temporary contracting funds for the Interim Manager and add an Information Systems Manager (1.00 FTE) position to manage the City's Information Technology Division.
- The reduction in Capital Outlay in the IT Division is the result of completing the purchase and implementation of redundant servers and increasing the City's data storage, however \$100,000 has been included in the FY 2015-16 Budget for the replacement of handset phones. The current handset phones are failing due to the upgrade of the operating system that was completed a few years ago, the age, and the current handsets are not able to operate on a separate virtual local area network.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Assistant City Clerk	1.00	1.00	1.00	1.00
City Clerk	0.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00
Community Relations and Media Coordinator	0.60	0.60	0.60	0.60
Deputy City Clerk	1.00	0.00	0.00	0.00
Deputy City Manager	1.00	1.00	0.00	0.00
Emergency Services Coordinator	0.50	0.50	0.50	0.50
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Executive Secretary	0.00	0.00	1.00	1.00
Information Systems Manager	0.00	0.00	0.00	1.00
Information Systems Specialist	4.00	4.00	4.00	3.00
Information Systems Technician	1.00	1.00	1.00	1.00
Management Analyst	2.00	2.00	2.00	2.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Total Full-Time Staff	13.60	13.60	13.60	13.60

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

DIVISION						% Change
EXPENDITURE	2012-13	2013-14	2014-15	2014-15	2015-16	From
SUMMARY	Actual	Actual	Budget	Revised	Budget	2014-15
						Budget
Salaries	\$ 648,105	\$ 770,391	\$ 729,776	\$ 720,531	\$ 716,084	-2%
Benefits	226,997	266,536	265,540	258,482	251,440	-5%
Materials	32,753	59,941	48,050	46,900	48,430	1%
Contractual	42,815	1,338	36,750	27,000	2,750	-93%
Other Operating	91,665	74,113	83,345	63,345	111,045	33%
Capital Outlay	0	17,514	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,042,335	\$ 1,189,833	\$ 1,163,461	\$ 1,116,258	\$ 1,129,749	-3%

DIVISION DESCRIPTION

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

City Clerk – As the election official, administers Federal, State and local procedures and legal requirements to ensure a fair and impartial election; assists City Council candidates in meeting their legal responsibilities before, during, and after an election (Fair Political Practices Commission and campaign filings); oversight of Conflict of Interest 700 Statements for City Council and required staff; responsible for the preservation and protection of the public record; maintain and index the minutes, ordinances, and resolutions adopted by the legislative body; all duties related to City Council Meetings including preparation of the agenda and legal postings; coordination of Agenda Manager Program; ensure that municipal records (contracts, recorded documents, claims, etc.) are readily accessible to the public, and office support for the City Council.

Community Relations – Public Information: Media relations; Webmaster; Horizon Newsletter; public outreach; social media; oversight of Volunteer Network, coordination of staff Leadership Academy, coordination of Citizen’s Academy, and advertising. **Legislative Advocacy:** Grant application and management; legislative outreach at the Federal and State level; annual legislative priorities; Healthy Hesperia; SCE Partnership Energy Champion. **Environmental Programs:** Compliance with Federal and State requirements related to solid waste; student programs, and outreach for litter abatement, graffiti prevention, water conservation, stormwater protection, and illegal dumping. **Emergency Management:** Sponsor Citizen Emergency Response Team (CERT) training to citizens; coordination of the City’s Emergency Operation Center during an emergency; coordination of the City’s Emergency Operation Plan and training of staff. Other Community Relations responsibilities include response to citizen concerns, and special events and projects.

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Funding for elections decreased by \$34,000 reflecting the non-election year.

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Assistant City Clerk	1.00	1.00	1.00	1.00
City Clerk	0.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00
Community Relations and Media Coordinator	0.60	0.60	0.60	0.60
Deputy City Clerk	1.00	0.00	0.00	0.00
Deputy City Manager	0.75	0.75	0.00	0.00
Emergency Services Coordinator	0.50	0.50	0.50	0.50
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Executive Secretary	0.00	0.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Total Full-Time Staff	7.35	7.35	7.60	7.60

2014-15 DIVISION ACCOMPLISHMENTS

- Continued to work with neighboring cities and numerous agencies such as the California League of Cities, Tri-Agency, San Bernardino Associated Governments, Southern California Association of Governments, Building Industry Association, Hesperia Chamber of Commerce, Hesperia Unified School District, Victor Valley Wastewater Reclamation Authority, Mojave Water Agency, and the Hesperia Recreation and Park District.
- Continued to oversee activities to dissolve the Hesperia Redevelopment Agency upon its abolishment by the State of California, and worked to protect the assets of the City. The City received the audit by the State of California Controller's Office with no findings and received approval of the Long-Range Property Management Plan.
- Oversaw the construction and completion of the Interstate 15/Ranchero Road Interchange Project in coordination with San Bernardino Association of Governments and Caltrans.
- Hosted regional Healthy High Desert Health Summit in Hesperia.
- Presented the annual Priority Project requests, working with State and Federal delegates on behalf of Hesperia citizens.
- Submitted grant applications to CalRecycle for City/County Payment Program, Waste Tire Amnesty Event Grant, and Illegal Disposal Abatement Grant.
- Continued to expand the City's Citizen Emergency Response Team training (CERT). CERT members met regularly to coordinate efforts toward a united emergency response.
- Submitted application for CDBG Grant funding for the Energy Efficiency Rehabilitation Program.
- Conducted two electronic waste events, held in partnership with the Hesperia Chamber of Commerce.
- Submitted Assistance for Firefighters grant for Mobile Data Computers.
- Established a Regional Energy Partnership with Southern California Edison and the cities of Adelanto, Barstow, Victorville, and the Town of Apple Valley.
- Continued promoting Volunteer Network to increase both the number of active agencies and volunteers.

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

2014-15 DIVISION ACCOMPLISHMENTS (Continued)

- Hosted the fourth annual Volunteer Appreciation Dinner for the City's CERT members, Volunteer Network participants, and Committee Members. Attendees were recognized for their service to the community, and a Volunteer of the Year Award was presented.
- The City website sustained over one million views per month. City Facebook and Twitter accounts have over 7,000 followers.
- Produced the annual State of the City Address, which featured the City Council Members sharing updates on projects and programs in Hesperia.
- Implemented a City of Hesperia mobile app to provide residents with easily accessible information about City projects and programs and to allow for mobile reporting of graffiti and water conservation concerns.
- Implemented Automated Public Records Request Processing website interface software to reduce response time and provide greater transparency to the public.
- Conducted a community shred event for residents, collection and recycling of 3,750 pounds of paper.
- Managed and held the election for three open City Council seats including holding a pre-election informational workshop for residents and a City Orientation for verified City Council candidates.
- In compliance with the City's Records Management Program, held four City-document destruction events, shredding 793 boxes and recycling 18,581 pounds of paper.
- Held ninth annual Youth in Government Day event for 25 high school seniors with a job shadowing exercise, City facility tours, Q & A with the Mayor and a mock City Council meeting.
- Implemented iLegislate, a smart phone and ipad app, allowing staff and City Council Members to electronically review meeting agendas, reducing the need for paper agenda packets.
- Implemented and interfaced Insite Calendar software with the City's website to improve the public's access to City Council agendas, staff reports, attachments, and meeting details.

2015-16 DIVISION GOALS AND OBJECTIVES

- Continue to work with neighboring cities and numerous agencies such as the California League of Cities, Tri-Agency, San Bernardino Associated Governments (SANBAG), Southern California Association of Governments (SCAG), Building Industry Association, Hesperia Chamber of Commerce, Hesperia Unified School District, Victor Valley Wastewater Reclamation Authority, Mojave Water Agency, and the Hesperia Recreation and Park District.
- Continue to pursue all sources of Federal and State funding for a variety of programs in concert with the City's legislative program.
- Continue legislative advocacy efforts to monitor and review Federal and State legislation, write letters, and contact legislators to protect and advance the City's interests.
- Plan, develop, and implement a structurally balanced, fiscally conservative City Budget.
- Continue working with the City Council, staff, and citizens on strategic planning efforts.
- Continue to evaluate the City's organizational structure to ensure efficiencies and a high level of customer service and satisfaction.
- Continue to work with San Bernardino County Fire Department to explore fire service options.
- Continue partnership with Hesperia Unified School District, Hesperia Police Department, and Hesperia Recreation and Park District for the Student Bicycle and Pedestrian Safety Awareness Campaign.
- Continue to expand the City's environmental programs relating to water conservation, storm water awareness, graffiti abatement, and maintain above 70% for a solid waste diversion rate via education and public outreach.

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

2015-16 DIVISION GOALS AND OBJECTIVES (Continued)

- Expand the Adopt-a-Street Program to increase participation rate and include regular email updates to participants.
- Continue to work with the Hesperia Recreation and Parks District to develop and conduct activities at the City's Civic Plaza Park such as car shows, pet walks, and other special events at the Downtown Center.
- Continue to increase transparency in government and communication with citizens via the City website and social media such as Facebook and Twitter.
- Support the Volunteer Network to increase the number of volunteers and volunteer opportunities.
- Further develop the City's emergency preparedness plans and procedures to be suitably prepared in case of a disaster, including design of the City's Emergency Operations Center (EOC).
- Continue the Citizen Emergency Response Team (CERT) Training to include quarterly courses for citizens and bi-annual updates for City staff members. Utilize CERT members to hold at least one free flu vaccine immunization clinic annually.
- Expand the availability of documents electronically, and maintain efficient management of records.
- Expand, enhance, and promote the Healthy Hesperia Program through participation in community workshops, events, and updated information on the City's website.
- Continue to manage citizen requests and complaints.
- Implement Automated Public Records Request Processing software to reduce response time and provide greater transparency to the public.
- Continue with planning, design, and financing of Recycled Water Distribution System.
- Implement a Conflict of Interest Form 700 software program to assist with filing compliance and improve process efficiency.
- Implement a social media archive software program to comply with legal records retention requirements.
- Continue to assist City departments in the maintenance of the on-going Records Management Program including training staff and overseeing the indexing, archiving, and/or destruction of eligible records in compliance with State and Federal law and the City's record retention schedule.
- Expand the availability of documents electronically, and maintain efficient management or records.
- Manage the transfer of the City's Record Center from Eagle Plaza to an existing City facility.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>City Manager</u>				
Number of community events	12	8	11	9
Number of Twitter followers	707	1,662	2,500	3,000
Number of Facebook Likes	410	2,577	5,000	7,000
Number of valid website hits	13,373,521	1,639,794	1,050,000	1,200,000
Number of grants submitted	9	7	6	8
Number of legislative letters	26	16	25	30
Number of environmental school programs presented	12	8	3	5
Number of recycling/clean-up events held	60	65	75	75
Number of streets adopted	42	44	45	40
Number of mentoring participants	6	0	2	2
Number of volunteers network users	75	81	75	85
Number of CERT trainings held	14	5	2	2
Number of EERP Applicants	n/a	10	10	12

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

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>City Clerk</u>				
Annual Number of Ordinances Processed	17	17	14	15
Annual Number of Resolutions Processed	133	124	154	145
Annual Contracts Approved and Processed	141	140	152	150
Annual Claims/Lawsuits Processed	88	109	74	95
Recorded Documents Processed	53	77	54	70
Public Hearing Notices/Postings	25	33	32	34
Records Requests/Pages Provided	365/11,055	240/10,600	350/11,500	320/12,000
Maps Processed	3	5	4	5
Records Requested from Storage	135	95	125	65
Bonds Processed	4	3	3	3
Archived Boxes in Records Storage	1,820	2,400	1,914	2,050
Library Community Room Bookings	422	384	430	400
Conflict of Interest Form 700 Processed	108	105	105	110
Mayoral Proclamations Processed	36	94	41	100

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 436,870	\$ 401,575	\$ 421,692	\$ 359,355	\$ 443,988	5%
Benefits	148,373	137,972	149,512	132,908	146,475	-2%
Materials	227,279	176,684	190,328	212,990	223,820	18%
Contractual	525,789	421,655	513,271	644,154	428,177	-17%
Other Operating	13,975	27,889	35,030	34,430	30,330	-13%
Capital Outlay	104,782	80,153	305,000	382,673	100,000	-67%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,457,068	\$ 1,245,928	\$ 1,614,833	\$ 1,766,510	\$ 1,372,790	-15%

DIVISION DESCRIPTION

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

The IT Division supports both computing, internet, and telecommunications for a Wide Area Network comprised of four distinct locations and five Local Area Networks. The computing environment consists of 241 desktops, 131 remote devices, 57 printers/copiers, 169 separate software applications, 6 operating systems, 77 servers, and 24 databases.

PROGRAM STAFFING

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Deputy City Manager	0.25	0.25	0.00	0.00
Information Systems Manager	0.00	0.00	0.00	1.00
Information Systems Specialist	4.00	4.00	4.00	3.00
Information Systems Technician	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Total Full-Time Staff	6.25	6.25	6.00	6.00

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Eliminate one vacant Information Systems Specialist (1.00 FTE) position along with temporary contracting funds for the Interim Manager and add an Information Systems Manager (1.00 FTE) position to manage the City's Information Technology Division.
- The reduction in Capital Outlay in the IT Division is the result of completing the purchase and implementation of redundant servers and increasing the City's data storage, however \$100,000 has been included in the FY 2015-16 Budget for the replacement of handset phones. The current handset phones are failing due to the upgrade of the operating system that was completed a few years ago, the age, and the current handsets are not able to operate on a separate virtual local area network.

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

2014-15 DIVISION ACCOMPLISHMENTS

- Implemented new IP address scheme throughout the City network infrastructure which reduced network troubleshooting times.
- Implemented barcode based IT asset tracking system to improve the efficiency and accuracy of tracking IT managed assets.
- Implemented new server naming convention which has reduced troubleshooting and maintenance times.
- Successfully performed equipment failure simulations on switches and servers to identify areas of technology that need to be improved.
- Installed redundant server in the Police Department server room to support the City's business continuity and disaster recovery plan.
- Completed upgrade of the 22 unit copier fleet at City Hall, Hesperia Police Station, Public Works, and Animal Control facilities.
- Completed upgrade of the City's switch infrastructure resulting in desktop speed upgraded from 100MB to 1000MB; between-building link speed upgraded from 2GB to 20GB.

2015-16 DIVISION GOALS AND OBJECTIVES

- Provide the highest level of customer service to all City employees and citizens, reducing response times and improving employee access to cost-effective technology solutions.
- Inventory and tag all City technology assets utilizing new barcode tracking system to ensure accurate inventory control and life cycle.
- Implement development/test environment for primary enterprise-wide applications to allow program modifications to be designed and created in a development environment before being migrated to the test environment for end user testing.
- Upgrade and redesign City intranet site to better align intranet function with the actual needs of the employees.
- Finalize network node conversion to new IP scheme.
- Implement a new Active Directory server in order to clean up years' worth of migrated operating system conversions and to better provision user security hierarchy.
- Reorganize shared data hierarchy to match new Active Directory structure to simplify data security management.
- Conduct quarterly Technology Steering Committee meetings in order to better plan strategic technology initiatives.
- Convert fire and security panels at City facilities from analog to Ethernet dialers to reduce infrastructure support costs.
- Reimage all physical City computers to ensure fleet-wide consistency of software and configuration versioning.
- Design and build centralized report server to streamline system reporting and troubleshooting of enterprise reporting.
- Convert remaining analog cameras at City Hall to IP based to improve manageability and reduce long term support costs.
- Convert all non-network printers to networked printers to ensure firmware updates are current and to improve printer manageability.

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

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
City Sites Serviced	6	6	6	6
Databases Managed	42	83	80	85
Local Area Networks Managed	28	28	28	28
Operating Systems Managed	6	6	6	6
Software Applications Supported	122	126	128	130
Computer Devices Managed	402	436	440	444
▪ Physical Servers	22	22	23	23
▪ Virtual Servers	68	69	73	77
▪ Workstations	122	57	45	45
▪ Virtual Clients	63	166	200	166
▪ Laptops	67	69	69	71
▪ Electronic Tablets	49	54	55	65
Other Devices Managed				
▪ Routers and Switches Managed	33	33	30	33
▪ Printers, Plotters, and Copiers Supported	57	57	59	58
▪ Smart Phones	42	56	42	75
Data Storage Devices	6	6	3	7
▪ Data Storage Capacity	29TB	29TB	50TB	50TB
▪ Tape Storage	33TB	33TB	33TB	33TB
Data Processing				
Data Backed Up Nightly (Gigabytes)	7,100	7,200	7,500	7,200
E-mails Processed (Outgoing)	184,124	177,868	200,000	200,000
E-mails Processed (Incoming)	2,148,311	2,190,273	2,800,000	2,800,000
▪ Valid Emails (Incoming)	599,102	808,273	780,000	780,000
▪ Spam Emails (Incoming)	1,469,896	1,382,000	2,000,000	2,000,000
Help Desk Statistics				
▪ Trouble Calls Processed	6,258	7,246	6,000	7,500
▪ Average Time Per Trouble Call	59 min	41 min	35 min	35 min
User Accounts Managed	1,227	1,291	1,292	1,292
▪ Network Accounts	260	266	268	268
▪ Telephone and Wireless accounts	539	540	541	560
▪ Wireless Network Clients	159	160	165	179
▪ New World .Net Accounts	100	134	135	134
▪ Accela (TRAKiT) Accounts	82	86	86	86
▪ CityWorks Accounts	87	44	44	44

FUND: GENERAL FUND 100
DEPARTMENT: MANAGEMENT SERVICES 19

DEPARTMENT EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 1,151,700	\$ 1,278,900	\$ 1,231,266	\$ 1,237,305	\$ 1,226,736	0%
Benefits	495,028	470,980	495,494	451,871	456,927	-8%
Materials	144,951	171,002	158,296	156,046	156,818	-1%
Contractual	796,041	1,158,071	757,295	831,097	1,195,819	58%
Other Operating	48,972	68,279	54,738	61,368	51,511	-6%
Capital Outlay	30,091,989	1,045,404	500,000	2,845,044	25,000	-95%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 32,728,681	\$ 4,192,636	\$ 3,197,089	\$ 5,582,731	\$ 3,112,811	-3%

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
220 Finance	\$ 31,567,431	\$ 2,936,926	\$ 1,999,702	\$ 4,431,811	\$ 1,939,085	-3%
225 Human Resources/ Risk Management	1,161,250	1,255,710	1,197,387	1,150,920	1,173,726	-2%
TOTAL	\$ 32,728,681	\$ 4,192,636	\$ 3,197,089	\$ 5,582,731	\$ 3,112,811	-3%

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>DEPARTMENT STAFFING</u>				
Total Full-Time Staff	16.80	15.80	15.80	15.80
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Management Services Staff	17.26	16.26	16.26	16.26

DEPARTMENT GOALS FOR 2015-16

- Continue to manage the City's resources in a fiscally prudent manner, with a structurally balanced budget, during the current prolonged economic downturn.
- Develop a successor Memorandum of Understanding (MOU) with the San Bernardino Public Employees' Association (SBPEA) before December 31, 2015.
- Perform Letter of Credit Renewal Process for variable rate debt issuances for the 1998 A&B Water Bonds. The current letter of credit will expire November 2015.
- Continue the administration of Redevelopment Agency wind-down (in conjunction with the Economic Development Department), including administration of debt obligations, preparation of the Recognized Obligation Payment schedules, and responding to inquiries by the State and the County of San Bernardino.
- Commence work on a Financing Plan for the Tapestry Specific Plan, following the City Council's final action.

FUND: GENERAL FUND 100
DEPARTMENT: MANAGEMENT SERVICES 19

SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- Eliminate the vacant Senior Account Clerk (1.00 FTE) position and the vacant part-time Senior Account Clerk (0.46 FTE) position and add a new Accounting Technician (1.00 FTE) position along with an Administrative Intern to perform the Accounts Payable and related functions.
- One part-time Office Assistant (0.46 FTE) is being added to the Human Resource Division, to assist with the workload.
- Funding of \$30,000 is included for a new Indirect Cost Allocation Plan Study.
- The significant decrease in Capital Outlay from FY 2014-15 reflects the purchase of 500 acre feet of permanent water rights from Aqua Capital.
- Funding of \$400,000 is included in Contractual to reimburse Community Development Block Grant Funds (CDBG) for the parcel of land upon which the County Government Center was built. In 2003 the parcel was purchased with CDBG funds from the City, and the parcel was donated to the County for the County Government Center. The land use does not meet the CDBG requirements, thereby requiring the General Fund to reimburse CDBG for the appraised value of the land.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Accountant	3.00	2.00	2.00	2.00
Accounting Technician	0.00	1.00	1.00	2.00
Assistant City Manager/Management Services	0.90	0.90	0.90	0.90
Deputy Finance Director	0.90	0.90	0.90	0.90
Executive Secretary	1.00	1.00	1.00	1.00
Financial Analyst	0.00	2.00	2.00	2.00
Human Resources Analyst	1.00	0.00	0.00	0.00
Human Resources Specialist	0.00	1.00	1.00	1.00
Personnel Technician	2.00	1.00	1.00	1.00
Purchasing Analyst	1.00	0.00	0.00	0.00
Purchasing Supervisor	1.00	0.00	0.00	0.00
Senior Account Clerk	2.00	1.00	1.00	0.00
Senior Accountant	2.00	1.00	1.00	1.00
Senior Financial Analyst	0.00	2.00	2.00	2.00
Senior Human Resources Analyst	0.00	1.00	1.00	1.00
Senior Management Analyst	1.00	0.00	0.00	0.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Total Full-Time Staff	16.80	15.80	15.80	15.80
<u>Part-Time Staff</u>				
Office Assistant	0.00	0.00	0.00	0.46
Payroll Analyst	0.46	0.00	0.00	0.00
Senior Account Clerk	0.00	0.46	0.46	0.00
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Full & Part-Time Staff	17.26	16.26	16.26	16.26

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 871,402	\$ 965,838	\$ 930,768	\$ 932,295	\$ 918,826	-1%
Benefits	358,277	322,308	334,645	321,011	312,186	-7%
Materials	100,359	128,070	113,206	106,046	111,863	-1%
Contractual	104,323	418,625	81,195	178,097	528,279	551%
Other Operating	41,081	56,681	39,888	49,318	42,931	8%
Capital Outlay	30,091,989	1,045,404	500,000	2,845,044	25,000	-95%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 31,567,431	\$ 2,936,926	\$ 1,999,702	\$ 4,431,811	\$ 1,939,085	-3%

DIVISION DESCRIPTION

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Accountant	3.00	2.00	2.00	2.00
Accounting Technician	0.00	1.00	1.00	2.00
Assistant City Manager/Management Services	0.60	0.60	0.60	0.60
Deputy Finance Director	0.90	0.90	0.90	0.90
Executive Secretary	0.65	0.65	0.65	0.65
Financial Analyst	0.00	2.00	2.00	2.00
Purchasing Analyst	1.00	0.00	0.00	0.00
Purchasing Supervisor	1.00	0.00	0.00	0.00
Senior Account Clerk	2.00	1.00	1.00	0.00
Senior Accountant	2.00	1.00	1.00	1.00
Senior Financial Analyst	0.00	2.00	2.00	2.00
Senior Management Analyst	1.00	0.00	0.00	0.00
Senior Office Assistant	0.65	0.65	0.65	0.65
Total Full-Time Staff	12.80	11.80	11.80	11.80

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

<u>PROGRAM STAFFING (Continued)</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Part-Time Staff</u>				
Payroll Analyst	0.46	0.00	0.00	0.00
Senior Account Clerk	0.00	0.46	0.46	0.00
Total Part-Time Staff	0.00	0.46	0.46	0.00
Total Full & Part-Time Staff	12.80	12.26	12.26	11.80

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Eliminate the vacant Senior Account Clerk (1.00 FTE) position and the vacant part-time Senior Account Clerk (0.46 FTE) position and add a new Accounting Technician (1.00 FTE) position along with an Administrative Intern to perform the Accounts Payable and related functions.
- The significant decrease in Capital Outlay from FY 2014-15 reflects the purchase of 500 acre feet of permanent water rights from Aqua Capital.
- Funding of \$30,000 is included for a new Indirect Cost Allocation Plan Study.
- Funding of \$400,000 is included in Contractual to reimburse Community Development Block Grant Funds (CDBG) for the parcel of land upon which the County Government Center was built. In 2003 the parcel was purchased with CDBG funds from the City, and the parcel was donated to the County for the County Government Center. The land use does not meet the CDBG requirements, thereby requiring the General Fund to reimburse CDBG for the appraised value of the land.

2014-15 DIVISION ACCOMPLISHMENTS

- Completed the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2013-14. The City received notification from the Governmental Finance Officers' Association (GFOA) that the Fiscal Year 2012-13 CAFR earned the award for Excellence in Financial Reporting. This is the twelfth consecutive year that the City has earned this recognition.
- Coordinated the Fiscal Year 2014-15 Budget process and received notification from the Governmental Finance Officers' Association (GFOA) that the Fiscal Year 2014-15 Budget document earned the Distinguished Budget Presentation Award. This is the second time that the City has earned this recognition; the first was for the Fiscal Year 2004-05 Budget document.
- Updated the City and Subsidiary District's Statement of Investment Policy for Fiscal Year 2014-15, and provided monthly Treasurer's Reports verifying the City's cash and investment position.
- Conducted the Fiscal Year 2014-15 First Quarter, Mid-Year, and Fourth Quarter Budget Reviews.
- Refinanced the Community Facilities District 2005-1 Bonds to achieve an overall present value savings of 21.64% for the property owners in the District, without extending the date of the bond expiration.
- Continued administration of the Successor Agency to the former Redevelopment Agency (in conjunction with the Economic Development Department), including administration of debt obligations, preparation of the Recognized Obligation Payment Schedules, and responding to inquiries by the State and the County of San Bernardino.
- Provided Budget-to-Actual, Outstanding Invoice and Payroll Leave Reports to departments to assist them in the management of their sections.
- Submitted State Controller's Reports for the City, Fire, and Water, as well as the City's Street Report and the State Compensation Report.
- Prepared annual continuing disclosures, financial compliance calculations, and budget and insurance certifications for City and subsidiary district/agency debt issues, as required by the respective bond indentures and applicable letter of credit instruments.

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

2014-15 DIVISION ACCOMPLISHMENTS (Continued)

- Continued work on the close-out of Assessment District 91-1.
- Began initial phase of special tax analysis (community facilities district) for Tapestry Project by hiring a financial advisor.
- Prepared financial documentation and responded to inquiries regarding the Water District State Revolving Fund (SRF) Loan for the recycled water pipeline project.
- Prepared and submitted quarterly Department of Housing and Urban Development (HUD) Federal Financial Report SF-425.
- Monitored SAFER (Staffing for Adequate Fire and Emergency Response) grant expenditures and prepared draw information.

2015-16 DIVISION GOALS AND OBJECTIVES

- Continue to manage the City's resources in a fiscally prudent manner, with a structurally balanced budget during this challenging economic environment.
- Complete the CAFR for Fiscal Year 2014-15 and submit the CAFR to the Governmental Finance Officers' Association (GFOA) for evaluation and award consideration.
- Coordinate the Fiscal Year 2016-17 Budget Process and submit the Fiscal Year 2015-16 Budget to the Governmental Finance Officers' Association (GFOA) for evaluation and award consideration.
- Review and update the Statement of Investment Policy for the City and subsidiary districts and provide monthly Treasurer's Reports verifying the City's cash and investment position.
- Develop and present the Fiscal Year 2015-16 First Quarter, Mid-Year, and Fourth Quarter Budget Reviews for the City Council's consideration.
- Provide City management and the City Council with financial analytical support on various projects.
- Provide City departments with monthly financial reports in a timely manner.
- Prepare final closeout of 2004 Street Bonds by paying the bonds in full eight years prior to the stated maturity.
- Work with Letter of Credit (LOC) provider to renew the expiring credit enhancement for the Water District 1998 A and B Bonds.
- Prepare annual continuing disclosures, financial compliance calculations, and budget and insurance certifications for City and subsidiary district/agency debt issues, as required by the respective bond indentures and applicable letter of credit instruments.
- Submit State Controller's Reports for the City, Fire, and Water, as well as the City's Street Report and State Compensation Report.
- Coordinate the preparation of a water/sewer rate study and supply financial information for the analysis.
- Work with the City Manager's Office and complete an Emergency Vendor Program that will aid in procurement of essential materials, supplies, and contract services in the event of an emergency.
- Continue the work to close-out Assessment District 91-1.
- Continue initial phase of special tax analysis (community facilities district) for Tapestry Project.
- Host a "How to Conduct Business with Hesperia" seminar, and distribute the corresponding guidebook to aid local businesses in their efforts to respond to City bids.
- Continue the administration of the Successor Agency to the former Redevelopment Agency (in conjunction with the Economic Development Department), including administration of debt obligations, preparation of the Recognized Obligation Payment Schedules, and responding to inquiries by the State and the County of San Bernardino.

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

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Invoices Processed	8,736	8,776	8,500	8,500
Accounts Payable Checks Issued	5,415	5,600	5,500	5,500
Number of Payroll Checks/Direct Deposits Processed	6,290	6,624	6,433	6,417
Average Annual Yield	0.31%	0.25%	0.26%	0.29%
Number of Monthly Financial Reports Issued	205*	141*	142	143
Number of Requests for Proposal/Qualification	15	17	21	21
Number of Informal Bids Produced	102	151	126	130
Number of Contracts Issued	75	82	89	95
Number of Amendments to Contracts	57	92	90	90
Number of Purchase Orders Issued	678	671	683	690
Number of Contracts Administered	530	596	587	595

Note* - During the Fiscal Year 2012-13, the City council agenda was combined from five agendas into one. For each of the five agendas per meeting, Finance prepared a warrant run. Finance continues to prepare the warrant report information for all five entities, however, the information is not submitted under one staff report per meeting, reducing the number of reports reference in the stats.

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 280,298	\$ 313,062	\$ 300,498	\$ 305,010	\$ 307,910	2%
Benefits	136,751	148,672	160,849	130,860	144,741	-10%
Materials	44,592	42,932	45,090	50,000	44,955	0%
Contractual	691,718	739,446	676,100	653,000	667,540	-1%
Other Operating	7,891	11,598	14,850	12,050	8,580	-42%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,161,250	\$ 1,255,710	\$ 1,197,387	\$ 1,150,920	\$ 1,173,726	-2%

DIVISION DESCRIPTION

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

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

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Assistant City Manager/Management Services	0.30	0.30	0.30	0.30
Executive Secretary	0.35	0.35	0.35	0.35
Human Resources Analyst	1.00	0.00	0.00	0.00
Human Resources Specialist	0.00	1.00	1.00	1.00
Personnel Technician	2.00	1.00	1.00	1.00
Senior Human Resources Analyst	0.00	1.00	1.00	1.00
Senior Office Assistant	0.35	0.35	0.35	0.35
Total Full-Time Staff	4.00	4.00	4.00	4.00
<u>Part-Time Staff</u>				
Office Assistant	0.00	0.00	0.00	0.46
Total Part-Time Staff	0.00	0.00	0.00	0.46
Total Full & Part-Time Staff	4.00	4.00	4.00	4.46

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- One part-time Office Assistant (0.46 FTE) is being added, to assist with the workload.

2014-15 DIVISION ACCOMPLISHMENTS

Human Resources

- Coordinated annual open enrollment for benefit insurance coverages, worked with consultant to combine providers for dental, short-term/long-term disability, group life and voluntary products which reduced premiums, and successfully implemented all changes with the assistance of Payroll staff. Managed the administration of the City-sponsored, pre-tax IRS 125 Cafeteria Plan, 457(b) deferred compensation plans, and the 401(a) retirement plan.
- Coordinated and assigned City and County of San Bernardino Work Experience Program volunteers to various City departments.
- Assisted management staff of all City Departments and Division's to resolve employee labor matters.
- Coordinated and assisted with the implementation of various employee-related programs.
- Assisted employees for compliance with the California Public Employees Retirement System (CalPERS) dependent eligibility verification project.
- Coordinated with CalPERS to implement the employee cost sharing provision effective July 1, 2015.
- Implemented the City's Measurement Period in accordance with the Affordable Care Act.
- Coordinated with Finance/Payroll to implement the Paid Sick Leave Law (AB 1522) effective July 1, 2015.

Risk Management

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

2015-16 DIVISION GOALS AND OBJECTIVES

Human Resources

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

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

2015-16 DIVISION GOALS AND OBJECTIVES (Continued)

Human Resources (Continued)

- Coordinate with Finance/Payroll for compliance with the Affordable Care Act reporting provisions.
- Conduct and coordinate a review of the City's 457(b) and 410(a) plans to determine feasibility to change or add providers.

Risk Management

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

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Human Resources</u>				
Advertising/Marketing	12	22	40	20
Background Checks (includes rescinds and hires)	50	46	50	40
Benefit Worksheets Processed	700	672	600	600
Employee Evaluations Processed	108	100	100	100
Employee Promotions Processed	3	13	15	5
Employment Separations/Retirements Processed	25	22	20	15
Employment Applications Reviewed/Processed	981	1,045	900	900
Employment Interviews Coordinated and Monitored	29	56	50	40
Employment Testing and Assessments Proctored	3	4	4	2
New Employees (hires) Processed	17	25	20	15
Personnel Action Forms Processed	432	640	245	245
Records Retention Program Processed	40	10	0	10
Recruitments and Selection	13	23	23	15
Staff Professional Development Attended	25	20	20	25
Volunteers Processed	27	34	25	25

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

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Risk Management</u>				
Court Appearances	0	0	0	0
Damaged City Property Claims Recovery	40	36	30	35
Field Inspections	0	0	0	0
Insurance Certificates Received/Processed	1,371	1,067	1,000	1,000
Lawsuits Filed and Monitored	6	2	3	3
Lawsuits Settled	4	3	2	2
Liability Claims	28	19	27	20
Liability Claims Settled	3	1	1	0
Liability Investigations Handled	1	0	0	1
Liability Subrogation Notices Sent	36	66	30	30
Subpoenas Processed	6	14	15	7
Training and Drills Coordinated	14	22	15	15
Workers' Compensation Claims Processed/Monitored	26	26	28	20
Workers' Compensation Claims Settled	20	16	20	15

FUNDS: VARIOUS
DEPARTMENT: ECONOMIC DEVELOPMENT 25

FUND EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Salaries	\$ 550,586	\$ 578,140	\$ 561,155	\$ 575,181	\$ 561,155	0%
Benefits	187,996	194,375	200,963	199,624	192,800	-4%
Materials	277,364	260,574	214,621	271,503	356,312	66%
Contractual	277,263	508,567	1,244,000	1,090,856	1,508,250	21%
Other Operating	323,227	420,258	360,623	317,733	607,126	68%
Capital Outlay	957,320	22,123	452,400	100,800	370,300	-18%
Debt Service	152,383	174,605	150,380	150,265	0	-100%
TOTAL	\$ 2,726,139	\$ 2,158,642	\$ 3,184,142	\$ 2,705,962	\$ 3,595,943	13%

ECONOMIC DEVELOPMENT DEPARTMENT EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
<u>Community Development Commission Funds</u>						
170 Community Development Commission	\$ 436,949	\$ 424,634	\$ 346,253	\$ 413,510	\$ 563,605	63%
<u>Hesperia Housing Authority Funds</u>						
370 Hesperia Housing Authority	\$ 293,542	\$ 480,619	\$ 582,884	\$ 285,477	\$ 639,564	10%
371 WEDA Housing Authority	0	0	225,000	710,000	180,000	-20%
Subtotal Hesperia Housing Authority	\$ 293,542	\$ 480,619	\$ 807,884	\$ 995,477	\$ 819,564	1%
<u>Community Development Block Grant</u>						
251 CDBG Administration	\$ 1,412,319	\$ 609,486	\$ 1,141,371	\$ 894,022	\$ 1,314,792	15%
252 CDBG HOME Grant	0	0	0	0	0	0%
253 CDBG Revolving Loans	89,442	228,923	313,951	97,339	311,185	-1%
257 CDBG Neighborhood Stabilization Program	493,887	414,980	574,683	305,614	586,797	2%
Sub-Total CDBG	\$ 1,995,648	\$ 1,253,389	\$ 2,030,005	\$ 1,296,975	\$ 2,212,774	9%
Total Economic Development	\$ 2,726,139	\$ 2,158,642	\$ 3,184,142	\$ 2,705,962	\$ 3,595,943	13%

	2012-13	2013-14	2014-15	2015-16
<u>DEPARTMENT STAFFING</u>				
Total Full-Time Staff	8.00	8.00	7.00	7.00
Total Economic Development Staff	8.00	8.00	7.00	7.00

DEPARTMENT GOALS FOR 2015-16

- Develop and incorporate Economic Development Ordinance into City's Municipal Code.
- Pursue 501(c)(3) designation for ED&H non-profit corporation from Internal Revenue Service.
- Implement Long Range Property Management Plan including Disposition/Development objectives.
- Submit Accredited Economic Development Organization Application to International Economic Development Council (IEDC).
- Pursue a Master Plan concept for 'G' Avenue Industrial Rail Park.
- Prepare Strategic Plan for Hesperia Housing Authority.
- Submit HUD Section 108 loan application to support economic development.

SIGNIFICANT DEPARTMENT EXPENDITURES AND STAFFING CHANGES

Community Development Commission

- The increase in materials is primarily due to an increase (\$139,000) in costs associated with Opportunity High Desert including: 1.) An increase of \$78,000 from the FY 2014-15 Adopted Budget of \$16,667 to the FY 2014-15 Amended Budget of \$94,667 for the Hesperia Economic Development Department to expend costs on behalf of the joint venture and 2.) An increase of (\$60,000) above the ongoing OHD operational costs for proposed development of a website as well as trade show booth repairs. Due to financial challenges faced by the City of Adelanto, only Apple Valley, Hesperia, Victorville, and Barstow will contribute financially (\$38,886 +/- each).
- An increase in contractual is included for Retail and Marketing services (\$60,000). As a component of its retail marketing efforts the City periodically refreshes its retail reconnaissance by contracting with The Buxton Company who identifies "matches" which represent those retailers whose site location criteria match with the demographics and psychographics of the City. This in-depth effort focuses on three targeted retail areas of the City and delivers 20 profiled matches of retailers that are ideally suited for Hesperia. Pirih Productions creates marketing materials to support the City's retail attraction efforts.

Hesperia Housing Authority

- Included in the budget is funding for the preparation of an affordable housing underwriting/strategic plan (\$50,000).
- The increase in Other Operating expenditures is largely attributable to the need for more substantive repairs to HHA-owned properties.

Community Development Block Grant

- The 2015-16 CDBG Action Plan includes a new allocation of \$260,000 within Other Operating for Americans with Disabilities Act (ADA) improvements to City infrastructure and facilities, specifically curbs, gutters, and sidewalks, as referenced in the Capital Improvement Program Section (CIP) CO# 7401.
- Funding in the amount of \$200,000 has been included in Contractual for a CDBG Action Plan approved Economic Development Loan Program, along with funding in the amount of \$50,000 for a Micro Enterprise Loan Program.

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

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 80,712	\$ 81,685	\$ 78,941	\$ 82,735	\$ 78,941	0%
Benefits	27,354	26,806	28,112	27,683	26,997	-4%
Materials	236,981	220,998	148,850	228,228	298,917	101%
Contractual	46,387	43,237	51,800	32,854	103,600	100%
Other Operating	45,515	50,918	38,550	42,010	47,650	24%
Capital Outlay	0	0	0	0	7,500	100%
Debt Service	0	990	0	0	0	0%
TOTAL	\$ 436,949	\$ 424,634	\$ 346,253	\$413,510	\$563,605	63%

DIVISION DESCRIPTION

On April 5, 2011, the City Council of the City of Hesperia approved and adopted Ordinance No. 2011-005, thereby establishing the Hesperia Community Development Commission (CDC), to discharge certain economic and community development functions, including affordable housing, as set forth in California Health and Safety Code (H&SC). The CDC is primarily charged with advancing non-housing programs, projects, and initiatives of the former HCRA and VVEDA, which were abolished with the passage of ABx1 26. Although redevelopment was dissolved statewide, the designated successor agencies are required to discharge and complete certain HCRA projects and programs and ensure retirement of Enforceable Obligations (debts of the former HCRA and VVEDA). The HCRA adopted Resolution No. 2011-012 on April 5, 2011, thereby ceding governance and operational oversight of certain economic development and redevelopment initiatives of the former HCRA to the CDC.

In cooperation with the City's Economic Development Department and the Successor Agency to the former HCRA, the CDC, as a successor to many of the former HCRA's economic development initiatives will administer the City's Recycling Market Development Zone (RMDZ). The program promotes growth of the recycling industry through discounted loans and technical assistance, along with local incentives administered by the City. The ten-year RMDZ designation advances initiatives that reduce the overall tonnage deposited by the City into local landfills. As part of the State of California's Fiscal Year 2013-14 budget cycle, AB 93 was chaptered into law eliminating the EZ Program effective January 1, 2014. As of December 31, 2014 all of the City's EZ responsibilities ceased.

The HCDC, as the recipient of former HCRA assets, will manage, either directly or through third-party contracts, certain real property including the Hesperia Golf and Country Club and Competitive Edge Motocross Park, plus act as the City's real estate division with respect to property acquisition, disposition, and leasing. Additionally, the City Council, as the Commissioners of the CDC may, from time to time, broaden the scope of activities of this Division as the H&SC provides substantial breadth in the context of authorities to a Community Development Commission.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.25	0.25	0.00	0.00
Administrative Secretary	0.30	0.30	0.30	0.30
Deputy Economic Development Director	0.30	0.30	0.00	0.00
Economic Development Director	0.00	0.00	0.30	0.30
Management Analyst	0.30	0.30	0.30	0.30
Total Full-Time Staff	1.15	1.15	0.90	0.90

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

	2012-13	2013-14	2014-15	2014-15	2015-16	%Change From 2014-15
REVENUE DETAIL	Actual	Actual	Budget	Revised	Budget	Budget
Community Development Commission (170)						
Interest						
CDC Fund–Interest Income 170 25 261 0000 5600	\$ 185	\$ 1,200	\$ 1,200	\$ 15,659	\$ 15,655	1205%
Total Interest Income	\$ 185	\$ 1,200	\$ 1,200	\$ 15,659	\$ 15,655	1205%
Other						
Rents & Leases 170 25 261 0000 5700	\$ 70,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	0%
Reimbursements/Other Agencies 170 25 261 0000 5800	0	81,879	12,499	47,961	112,500	800%
Off Highway Vehicle Grant 170 25 261 0000 4790	4,650	0	0	0	0	n/a
Proceeds from Land Sale 170 19 220 0000 5900	0	8,003	624,091	8,003	433,004	-31%
Misc. Revenue 170 25 261 0000 5950	668,452	39,750	29,325	20,600	0	-100%
Total CDC Other	\$ 743,102	\$ 189,632	\$ 725,915	\$ 136,564	\$ 605,504	-17%
Total Community Development Commission	\$ 743,287	\$ 190,832	\$ 727,115	\$ 152,223	\$ 621,159	-15%

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- The increase in materials is primarily due to an increase (\$139,000) in costs associated with Opportunity High Desert including: 1.) An increase of \$78,000 from the FY 2014-15 Adopted Budget of \$16,667 to the FY 2014-15 Amended Budget of \$94,667 for the Hesperia Economic Development Department to expend costs on behalf of the joint venture and 2.) An increase of (\$60,000) above the ongoing OHD operational costs for proposed development of a website as well as trade show booth repairs. Due to financial challenges faced by the City of Adelanto, only Apple Valley, Hesperia, Victorville, and Barstow will contribute financially (\$38,886 +/- each).
- An increase in contractual is included for Retail and Marketing services (\$60,000). As a component of its retail marketing efforts the City periodically refreshes its retail reconnaissance by contracting with The Buxton Company who identifies “matches” which represent those retailers whose site location criteria match with the demographics and psychographics of the City. This in-depth effort focuses on three targeted retail areas of the City and delivers 20 profiled matches of retailers that are ideally suited for Hesperia. Pirih Productions creates marketing materials to support the City’s retail attraction efforts.

2014-15 DIVISION ACCOMPLISHMENTS

- Performed all Successor Agency (of the former HCRA) duties including Oversight Board administration.
- Prepared and submitted Recognized Obligation Payment Schedules 14-15B and 15-16A to Department of Finance (DOF). Represented City in Meet and Confer sessions with the DOF.

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

2014-15 DIVISION ACCOMPLISHMENTS (Continued)

- Developed and submitted an Amended Long Range Property Management Plan to the Department of Finance (DOF) that was ultimately approved.
- Facilitated the Asset Transfer Review of the former HCRA conducted by the State Controller’s Office. A final report was issued finding that the Successor Agency was in compliance and that no disallowed transfers were evident.
- Initiated leasing of Eagle Plaza. Negotiated leases with Hesperia Unified School District and In-Shape Fitness Center.
- Negotiated lease of former Hesperia Police Headquarters to BNSF.
- Negotiated work-out of delinquent Assessment District 91-1 assessments facilitating retail development projects.
- Sold 3.8 acres of former redevelopment agency property to In-Shape Fitness, enabling construction of 30,000 SF family fitness center at northwest corner (NWC) of Ninth and Juniper.
- Sold 3.5 acres of former redevelopment agency property to Sobel Development, enabling construction of 34,000 SF Tractor Supply specialty retail store at southeast corner (SEC) of Main and Mesa Linda.
- Terminated lien and option agreement on Hesperia Marketplace expediting entitlements and clear title of outparcels.
- Entered into an Exclusive Negotiating Agreement (ENA) by and between the City and McArthur Bird, LLC facilitated negotiations for development of a medical campus along Amargosa Road south of the California Aqueduct.
- Marketed Hesperia Marketplace, anchored by Walmart Supercenter, to Pacific Development who ultimately acquired the southeast corner (SEC) of Main Street and Escondido. The 24,000 square foot, 2.6 acre development will be anchored by a 10,000 SF Petco. Additional shop space (14,000 SF) will be occupied by Pieology Pizza, Habit Burger Grill, Great Clips, Yogurtland, and Metro PCS. The new center will create 60 permanent jobs and generate approximately \$8M in taxable sales annually.
- Assisted Developer/Owner of Mountain Vista Plaza located at SWC of Main and Escondido in attracting Jersey Mike’s and Flame Broiler to that center.
- Staff facilitated the development of High Desert Gateway Phase II, specifically resolving critical issues that allowed for construction of shop space and pads along Main and Cataba.
- As lead municipality, participated in Opportunity High Desert, resulting in successful retail attraction leading to 27 new businesses locating in the High Desert since January 2014, which constructed over 120,000 SF of retail development that will generate approximately \$300,000 of annual sales tax and created 400 jobs in Hesperia.
- Held, attended, or exhibited at 25 trade and industry shows including International Conference of Shopping Centers, Association of Commercial Real Estate (ACRE), National Association of Industrial Office Properties (NAIOP), Team California, Intersolar, Enterprise Funding, and local shows such as Opportunity High Desert and the High Desert Economic Summit.
- Established and engaged in 85 active business attraction and development leads, and responded to 18 requests for information.
- Commenced development of an Economic Development Ordinance that will be incorporated in the City’s Municipal Code.
- Completed wind-down and closing out of Hesperia Enterprise Zone (EZ) and processed 542 EZ hiring credit vouchers, of which 518 were approved. Since inception, 1,582 vouchers were received, of which 1,471 were approved. The approved vouchers represent \$55,074,240 in California Income Tax credits for Hesperia Enterprise Zone businesses.
- Provided support and secured venue for Desert Rocks Film Festival.
- Negotiated and approved a Purchase and Sale Agreement with the County of San Bernardino for disposition of former Plant 19 water tanks.

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

2014-15 DIVISION ACCOMPLISHMENTS (Continued)

- Negotiated and closed escrow on real property on Lemon Street to facilitate the future BNSF overpass at that location.
- Managed real estate portfolio, including amending operating leases to extend term for Competitive Edge Motocross Park.
- Coordinated Petco groundbreaking, which included an additional 9 unit building.
- Organized and hosted five ribbon cuttings: Louisiana Cajun Seafood House, with such success will be expanding into two additional High Desert locations; Jersey Mike's; Family Dollar, and Hesperia Speedwash.
- Managed cell tower leases for City and Hesperia Water District.

2015-16 DIVISION GOALS AND OBJECTIVES

- Submit Accredited Economic Development Organization application to the International Economic Development Council.
- Complete Economic Development Ordinance.
- Pursue 501(c)(3) designation for ED&H non-profit corporation from Internal Revenue Service.
- Evaluate potential of Enhanced Infrastructure Financing Districts (EIFD).
- Continue planning and entitlement efforts for major projects (regional retail at Rancho and medical campus).
- Conduct 200 Feet on the Street surveys with follow up memo per visit.
- Increase awareness of CalRecycle's RMDZ Program.
- Finalize and implement RMDZ Strategic Plan.
- Pursue a Master Plan concept for 'G' Avenue Industrial Rail Park.
- Implement the Long Range Property Management Plan.
- Complete façade improvements to Eagle Plaza and lease remaining vacant spaces.

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Properties & Security Interests Managed	84	85	85	82
Grants Applications Submitted	2	1	1	0
Grants Approved	1	1	1	0
EZ Hiring Credit Vouchers Processed*	430	459	502	n/a
EZ Hiring Credit Vouchers Approved (Calendar Year)*	372	416	432	n/a
Exclusive Negotiation Agreements Approved	3	n/a	1	1
Active Development Leads	94	48	45	85
Proposals Prepared and RFI Responses	42	60	18	20
Business Recruitments	n/a	10	11	10
Newsletter Issues	21	13	6	0

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

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Event Sponsorships	11	8	8	8
Groundbreakings	0	1	2	3
Ribbon Cuttings	6	8	5	5
Advertising Placements	42	30	30	35
Trade Shows/Exhibitions Attended and Booth Displayed	17	17	15	25
Feet on the Street Business Surveys/Visits	271	16	100	200
Recycling Market Development Zone Commitments Satisfied	80%	80%	80%	80%
Enterprise Zone MOU Commitments Satisfied (%)*	80%	80%	n/a	n/a

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

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

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 90,724	\$ 96,312	\$ 90,707	\$ 95,075	\$ 90,707	0%
Benefits	30,213	31,295	31,854	32,025	30,662	-4%
Materials	4,285	3,880	12,473	6,325	13,695	10%
Contractual	151,404	314,501	429,200	131,802	446,450	4%
Other Operating	16,369	12,251	18,250	19,850	47,250	159%
Capital Outlay	547	35	400	400	10,800	2600%
Debt Service	0	22,345	0	0	0	0%
TOTAL	\$ 293,542	\$ 480,619	\$ 582,884	\$285,477	\$ 639,564	10%

DIVISION DESCRIPTION

In response to the anticipated abolishment of the Hesperia Community Redevelopment Agency (HCRA), the City Council adopted Resolution No. 2011-021 and 2011-027, thereby designating the City of Hesperia as the Housing Successor Entity, thereby electing to retain the housing assets and functions of the HCRA and the City's pro-rata share of the Victor Valley Economic Development Authority (VVEDA) upon their dissolution. Additionally, on April 5, 2011, the City Council established by Resolution No. 2011-022, the Hesperia Housing Authority (HHA), to transact business and exercise powers in the City of Hesperia pursuant to California Housing Authority Law, with the specific intent of assuming the housing functions, assets, obligations, etc., of the HCRA and VVEDA. Despite being a separate public body, corporate and politic, the HHA is administered by Economic Development Department staff under the direction of the City Council as its Commissioners. On April 3, 2012, the City Council and HHA, by Joint Resolution No. 2012-020 and HHA No. 2012-002 commenced formal operations of the HHA and ratified all previous actions pertaining to the transfer of affordable housing functions of the dissolved HCRA and VVEDA to the HHA. Consequently, all goals, objectives, and performance measures of the former Funds 385 has been rolled up into this fund (370) and those no longer applicable eliminated.

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

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

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.30	0.30	0.00	0.00
Administrative Analyst	0.15	0.15	0.15	0.15
Administrative Secretary	0.15	0.15	0.15	0.15
Deputy Economic Development Director	0.30	0.30	0.00	0.00
Economic Development Director	0.00	0.00	0.30	0.30
Senior Management Analyst	0.35	0.35	0.35	0.35
Total Full-Time Staff	1.25	1.25	0.95	0.95

<u>REVENUE DETAIL</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2014-15</u>	<u>2015-16</u>	<u>%Change</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>	<u>From 2014-15 Budget</u>
Hesperia Housing Authority (HHA)						
Funds (370, 371)						
370 Hesperia Housing Authority						
Interest						
Housing Authority - Interest 370 19 220 0000 5600	\$ 100,359	\$ 61,786	\$ 52,601	\$ 51,477	\$ 47,434	-10%
Total Interest	\$ 100,359	\$ 61,786	\$ 52,601	\$ 51,477	\$ 47,434	-10%
Other						
Loan Repayments 370 25 263 0000 4746	\$ 82,283	\$ 83,109	\$ 0	\$ 83,944	\$ 84,788	n/a
Rents & Leases 370 25 263 0000 5700	18,800	22,338	27,900	28,800	18,000	-35%
Proceeds from Land Sales 370 25 263 0000 5900	0	128,140	327,450	0	1,129,848	245%
Miscellaneous 370 25 263 0000 5950	1,575	1,775	3,000	1,500	1,500	-50%
Total Other	\$ 102,658	\$ 235,362	\$ 358,350	\$ 114,244	\$ 1,234,136	244%
Total Hesperia Housing	\$ 203,017	\$ 297,148	\$ 410,951	\$ 165,721	\$ 1,281,570	212%
371 WEDA Housing Authority						
Taxes						
WEDA Housing Authority - Tax Increment 371 25 261 0000 4068	\$ 329,913	\$ 155,489	\$ 0	\$ 0	\$ 0	n/a
WEDA Housing Authority - Low/Mod 371 25 263 2700 4078	0	0	0	0	0	n/a
Total Taxes	\$ 329,913	\$ 155,489	\$ 0	\$ 0	\$ 0	n/a
Interest						
WEDA Housing Authority - Interest 371 19 220 0000 5600	\$ 4,039	\$ 4,081	\$ 3,730	\$ 4,416	\$ 4,248	14%
Rents & Leases 371 19 220 0000 5700	0	0	0	0	100,423	n/a
Total Interest	\$ 4,039	\$ 4,081	\$ 3,730	\$ 4,416	\$ 104,671	2706%
Total WEDA Housing	\$ 333,952	\$ 159,570	\$ 3,730	\$ 4,416	\$ 104,671	2706%
Total HHA Funds	\$ 536,969	\$ 456,718	\$ 414,681	\$ 170,137	\$ 1,386,241	234%

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Included in the budget is funding for the preparation of an affordable housing underwriting/strategic plan (\$50,000).
- The increase in Other Operating expenditures is largely attributable to the need for more substantive repairs to HHA-owned properties.

2014-15 DIVISION ACCOMPLISHMENTS

- Aggressively lobbied in support of SB 1203, and successfully maintained Hesperia Housing Authority's (HHA) existing Payment in Lieu of Taxes Agreements, which have been targeted for elimination by the Board of Equalization.
- Sold, leased, and managed all HHA residential properties.
- Complied with AB 987 requirements, which requires disclosure of affordable units counted.
- Completed annual on-site monitoring of affordable HOME units and HHA units.
- Completed biannual review and monitoring of HOME and HHA unit reports through U.S. Communities Housing Compliance Services software.
- Prepared HHA Annual Report and Audit.
- Continued efforts to identify and provide support to affordable housing developments.
- Implemented affordable housing monitoring guidelines for affordable units restricted by HOME regulations.
- Completed minor repairs to HHA leased residential properties.
- Underwrote applications for the HHA's Housing Rehabilitation Loan Program with integrated Sewer Connection Program in the Township Area.
- Assisted in completion of the Housing Element and Annual Report.
- Established Seller Mortgage CarryBack Program for the HHA, which was originally funded through NSP to assist low income households in purchasing NSP properties.
- Completed and received City Council and Commission approval of Affordable Housing Notice of Funding Availability (NOFA) and released to interested parties.
- Negotiated a three-month ENA with an affordable senior housing developer.
- Successfully relocated a tenant in an HHA-owned property to an NSP property meeting NSP LH25 requirements.
- Escrow opened to facilitate sale on an HHA owned property for the development of a 19,000 square foot specialty retailer.
- Accepted offer to sell a 1.3 acre site to a developer to facilitate a 30,000 square foot commercial project in the Civic Plaza area. Performed necessary obligations set forth in Purchase and Sale Agreement.
- Implemented redevelopment dissolution clean-up legislation as they relate to affordable housing, specifically AB 1963 and SB 341 with its incumbent milestones for expenditure of low and moderate income funds.
- Participated in the State Controller's Officer (SCO) Asset Transfer Review of former HCRA housing assets transferred to the HHA. No inappropriate transfers were found and the Housing Asset Transfer was upheld. No further review by the SCO or DOF as it relates to ABx1 26 or AB 1484 are required.

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

2015-16 DIVISION GOALS AND OBJECTIVES

- Identify candidate properties wherein HHA could purchase long-term affordability covenants.
- Establish revised Downpayment Assistance Program (DAP) Guidelines to provide affordable homeownership opportunities.
- Prepare HHA Annual Report and Audit required by SB 341.
- Monitor affordable housing legislation and funding sources.
- Seek new opportunities to fund housing programs through grants and incentives.
- Manage all housing programs and projects.
- Provide loan management and loan servicing for all housing related loans.
- Utilize new software to assist with affordable housing underwriting.
- Ensure compliance with SB 341 and AB 471 relating to housing successor agencies specifically as they relate to spending of former LMIHF.
- Review bi-annual and monitor HOME and HHA unit reports through U.S. Communities Housing Compliance Services software.
- Complete annual onsite monitoring and desk review of HOME and HHA units and files.
- Develop Strategic Plan for HHA, which includes funding mechanisms for long-term viability.
- Comply with AB 987 requirements, which requires disclosure of affordable units counted.

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
DAP Loans Submitted	3	0	0	5
DAP Loans Approved	0	0	0	2
Deed Restricted Units Funded	3	0	0	100
Housing Developer Proposal Reviews	0	1	0	2
HRLP and Sewer Loans Submitted	1	3	3	2
HRLP Loans and Sewer Approved	0	0	0	2
Affordability Covenants Purchased	0	0	0	0
HHA Affordable Units Monitored	625	625	625	625
Real Property Purchase Contracts Negotiated	2	0	1	1
Real Property Sold	0	0	0	2

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

DEPARTMENT EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials	0	0	0	0	0	0%
Contractual	0	0	225,000	710,000	180,000	-20%
Other Operating	0	0	0	0	0	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 0	\$ 0	\$ 225,000	\$710,000	\$ 180,000	-20%

DIVISION DESCRIPTION

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- None

2014-15 DIVISION ACCOMPLISHMENTS

- Promoted the HHA's Housing Rehabilitation Loan Program with integrated Sewer Connection Program.
- Continued efforts to identify and provide financial support to affordable housing developments within the former VVEDA Project Area.
- Invested VVEDA Low/Moderate Income Housing Funds (LMIHF) in real property to support production and preservation of affordable housing.

2015-16 DIVISION GOALS AND OBJECTIVES

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

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

PERFORMANCE AND
WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
HRLP Loans Submitted	1	0	0	0
HRLP Loans Approved	4	0	0	0
Affordability Covenants Purchased	8	0	0	0

Indicators for Fund 371 reported in Fund 370 (HHA)

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 379,150	\$ 400,143	\$ 391,507	\$ 397,371	\$ 391,507	0%
Benefits	130,429	136,274	140,997	139,916	135,141	-4%
Materials	36,098	35,696	53,298	36,950	43,700	-18%
Contractual	79,472	150,829	538,000	216,200	778,200	45%
Other Operating	261,343	357,089	303,823	255,873	512,226	69%
Capital Outlay	956,773	22,088	452,000	100,400	352,000	-22%
Debt Service	152,383	151,270	150,380	150,265	0	-100%
TOTAL	\$ 1,995,648	\$ 1,253,389	\$ 2,030,005	\$1,296,975	\$2,212,774	9%

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Community Development Block Grant						
251 CDBG Administration	\$ 1,412,319	\$ 609,486	\$ 1,141,371	\$ 894,022	\$1,314,792	15%
253 CDBG Revolving Loans	89,442	228,923	313,951	97,339	311,185	-1%
257 CDBG Neighborhood Stabilization	493,887	414,980	574,683	305,614	586,797	2%
Total CDBG	\$ 1,995,648	\$ 1,253,389	\$ 2,030,005	\$1,296,975	\$2,212,774	9%

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.45	0.45	0.00	0.00
Administrative Analyst	1.85	1.85	1.85	1.85
Administrative Secretary	0.55	0.55	0.55	0.55
Deputy Economic Development Director	0.40	0.40	0.00	0.00
Economic Development Director	0.00	0.00	0.40	0.40
Management Analyst	1.70	1.70	1.70	1.70
Senior Management Analyst	0.65	0.65	0.65	0.65
Total Full-Time Staff	5.60	5.60	5.15	5.15

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

	2012-13	2013-14	2014-15	2014-15	2015-16	% Change From 2014-15
REVENUE DETAIL	Actual	Actual	Budget	Revised	Budget	Budget
Community Development Block Grant (CDBG) Funds (251, 252, 253, 257)						
251 CDBG Fund						
Reimbursement 251 25 270 2700 4730	\$ 1,412,321	\$ 609,485	\$ 1,029,826	\$ 1,011,862	\$ 1,135,361	10%
CDBG Program Income 251 25 270 2700 5903	0	0	0	0	1,100,000	n/a
Total CDBG Fund 251	\$ 1,412,321	\$ 609,485	\$ 1,029,826	\$ 1,011,862	\$ 2,235,361	117%
252 HOME Grant Fund						
Interest						
CDBG HOME Grant Program Interest Income 252 19 220 0000 5600	\$ 22,833	\$ 14,892	\$ 14,515	\$ 14,515	\$ 14,000	-4%
Total Interest Income	\$ 22,833	\$ 14,892	\$ 14,515	\$ 14,515	\$ 14,000	-4%
Grants						
DOIM Income from Home Activities 252 25 264 2700 4758	\$ 0	\$ 0	\$ 1,600	\$ 17,317	\$ 1,700	6%
Total Grants	\$ 0	\$ 10	\$ 1,600	\$ 17,317	\$ 1,700	6%
Total HOME Fund 252	\$ 22,833	\$ 14,902	\$ 16,115	\$ 31,832	\$ 15,700	-3%
253 CDBG-Revolving Loan						
CDBG Revolving Loan Program Interest Income 253 19 220 0000 5600	\$ 2,641	\$ 1,997	\$ 2,035	\$ 1,651	\$ 1,562	-23%
Total CDBG-Revolving Loan Fund 253	\$ 2,641	\$ 1,997	\$ 2,035	\$ 1,651	\$ 1,562	-23%
257 CDBG-Neighborhood Stabilization Program (NSP) Fund						
NSP Interest Income 257 19 220 0000 5600	\$ 1,848	\$ 1,689	\$ 1,350	\$ 3,162	\$ 2,966	120%
Neighborhood Stabilization Program 257 270 2700 0000 4760	0	0	238,030	0	0	-100%
NSP - Proceeds from Sales 257 270 2700 0000 5901	142,550	799,104	594,929	688,352	1,079,953	82%
NSP - Rents/Lease 257 270 2700 0000 5870	0	2,187	78,200	11,417	10,172	-87%
Program Income from NSP Activities 257 25 270 2700 5903	15,839	106,386	79,692	77,753	121,126	52%
NSP Miscellaneous	225	430	300	100	200	-33%
Total CDBG-Neighborhood Stabilization Fund 257	\$ 160,462	\$ 909,796	\$ 992,501	\$ 780,784	\$ 1,214,417	22%
Total CDBG Funds (251, 252, 253, 257)	\$ 1,598,257	\$ 1,536,180	\$ 2,040,477	\$ 1,826,129	\$ 3,467,040	70%

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

DIVISION EXPENDITURE SUMMARY	2012-13	2013-14	2014-15	2014-15	2015-16	% Change From 2014-15
	Actual	Actual	Budget	Revised	Budget	Budget
Salaries	\$ 213,458	\$ 149,669	\$ 219,674	\$ 225,784	\$ 219,674	0%
Benefits	75,401	52,738	80,749	80,225	77,467	-4%
Materials	5,730	13,540	16,745	16,375	12,925	-23%
Contractual	71,911	61,112	310,000	189,500	522,500	69%
Other Operating	227,661	181,157	263,823	231,873	482,226	83%
Capital Outlay	665,775	0	100,000	0	0	-100%
Debt Service	152,383	151,270	150,380	150,265	0	-100%
TOTAL	\$ 1,412,319	\$ 609,486	\$ 1,141,371	\$ 894,022	\$ 1,314,792	15%

DIVISION DESCRIPTION

The Economic Development Department administers the City's Community Development Block Grant (CDBG) Program and related activities. These activities are directed at enticing public and private sector investment within targeted geographic areas of the City. The Department is tasked with implementing existing programs and developing innovative, new initiatives to promote economic and housing development and rehabilitation projects, with an emphasis on activities that create jobs, build or enhance infrastructure, provide affordable housing, primarily benefiting low-to-moderate income persons residing within the City, expanding the tax base, and promoting economic diversity. In Program Year (PY) 2014-15, the City received a CDBG entitlement in the amount of \$895,488. For PY 2015-16, the CDBG Entitlement shall be \$958,178, which represents an increase of +7%. Annually, the City adopts an action plan allocating funds to the following: (i) administration and planning (20%); (ii) Public Services activities and programs (15%); (iii) Section 108 debt service (varies); and (iv) other eligible CDBG uses (remainder) that are guided by the City's CDBG Consolidated Plan (Con Plan). The Department annually evaluates its CDBG Program in the context of the required Five-Year Consolidated Plan and reprograms funds, if necessary, to projects, programs, or activities to meet its goals and objectives and meet CDBG timeliness requirements. Substantial amendments to the Con Plan are also pursued when appropriate and in compliance with the City's Citizen Participation Plan. FY 15-16 represents the first year of the City's 2015-19 Con Plan. FY 2015-16 also begins the term for the City's new Analysis of Impediments to Fair Housing Choice (AI), which was approved in late FY 2014-15.

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

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

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Aide	0.45	0.45	0.00	0.00
Administrative Analyst	1.30	1.30	1.30	1.30
Administrative Secretary	0.35	0.35	0.35	0.35
Deputy Economic Development Director	0.25	0.25	0.00	0.00
Economic Development Director	0.00	0.00	0.25	0.25
Management Analyst	1.15	1.15	1.15	1.15
Total Full-Time Staff	3.50	3.50	3.05	3.05

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- The 2015-16 CDBG Action Plan includes a new allocation of \$260,000 within Other Operating for Americans with Disabilities Act (ADA) improvements to City infrastructure and facilities, specifically curbs, gutters, and sidewalks, as referenced in the Capital Improvement Program Section (CIP) CO# 7401.
- Funding in the amount of \$200,000 has been included in Contractual for a CDBG Action Plan approved Economic Development Loan Program, along with funding in the amount of \$50,000 for a Micro Enterprise Loan Program.

2014-15 DIVISION ACCOMPLISHMENTS

- Received and reviewed CDBG Housing Rehabilitation Loan Program applications.
- Initiated CDBG funded Emergency Rehabilitation Loan Program (Minor Rehabilitation).
- Continued funding and support of CDBG Housing Rehabilitation Loan Program (HRLP), Emergency Repair Program, and Energy Efficiency Program.
- Refined and intensified the City's strategy to expand economic opportunities and create/retain jobs through CDBG-funded special economic development and microenterprise assistance activities.
- Issued PY 2015-16 Notice of Funding Availability (NOFA) for Public Service providers, and managed funding recommendation process through the City's City Council Advisory Committee.
- Developed and submitted Program Year (PY) 2015-16 Action Plan to the U.S. Department of Housing and Urban Development (HUD) consistent with CDBG regulations.
- Reprogrammed prior years' CDBG funds and allocated to appropriate CDBG eligible projects and activities.
- Prepared and secured approval of a Substantial Amendment to the City's 2010-14 Con Plan.
- Supported development of affordable, safe, and decent housing within the CDBG target Areas including the rehabilitation of Neighborhood Stabilization Program (NSP) properties.
- Prepared and submitted required financial and performance reports to HUD, including the Section 3 Report.
- Submitted PY 2013-14 Consolidated Annual Performance and Evaluation Report (CAPER).
- Conducted on-site monitoring visits of public service provider programs and contracts to ensure compliance with CDBG and cross-cutting requirements, such as procurement and financial management.
- Conducted desk monitoring of public service providers, including review of reimbursement requests for compliance with CDBG regulations and review of quarterly performance reports.

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

2014-15 DIVISION ACCOMPLISHMENTS (Continued)

- Provided two Technical Assistance (TA) Workshops to CDBG-funded public services providers, and provided additional TA throughout the year to new and existing public service providers to ensure understanding and compliance with CDBG regulations.
- Satisfied goals and objectives pertaining to housing, economic development, and special needs services set forth in the City's Consolidated Plan (Con Plan).
- Prepared and secured approval from HUD of City's new Policies and Procedures (P&P) for its Micro Enterprise Assistance Program (MAP) and Economic Development Loan Program (EDLP).
- Prepared 2015-19 Con Plan and Analysis of Impediments to Fair Housing Choice (AI). Developed and disseminated surveys to obtain stakeholder and citizen feedback on community needs, conducted stakeholder interviews, and summarized data.
- Developed and received approval of the 2015-19 Citizen Participation Plan (CPP), which incorporated new HUD requirements and governs the process for the 2015-19 Con Plan and related documents.
- Through citizen participation and engagement, submit PY 2015-16 CDBG Action Plan, 2015-19 Con Plan, and 2015-19 AI to U.S. Department of Housing and Urban Development (HUD) utilizing HUD's new e-Con Planning Suite.
- Developed program guidelines for the CDBG-funded Minor Home Repair Program and Energy Efficiency Program.
- Developed and implemented CDBG Policies and Procedures manuals for the day-to-day management of CDBG-funded programs in accordance with HUD regulations and cross-cutting elements such as Davis-Bacon Act and the National Environmental Protection Act.

2015-16 DIVISION GOALS AND OBJECTIVES

- Satisfy goals and objectives pertaining to housing, economic development, and special needs services set forth in the City's new 2015-19 Con Plan.
- Continue funding and support of CDBG Housing Rehabilitation Loan Program (HRLP), Emergency Repair Program, and Energy Efficiency Program.
- Refine and intensify the City's strategy to expand economic opportunities and create/retain jobs through CDBG-funded special economic development and microenterprise assistance activities.
- Process and fund MAP and EDLP loans totaling \$300,000.
- Develop and submit PY 2014-15 Consolidated Annual Performance and Evaluation Report (CAPER).
- Prepare and submit required financial and performance reports to HUD, including the Section 3 Report.
- Conduct on-site monitoring and desk monitoring of public service provider programs and contracts to ensure compliance with CDBG and cross-cutting requirements.
- Provide TA workshops to new and existing public service providers to ensure understanding and compliance with CDBG regulations.
- Continue to rehabilitate and rent or sell Neighborhood Stabilization Program (NSP) properties.
- Provide staffing support to the City's HOME Programs (Fund 252) and Housing Rehabilitation Loan Program (HRLP).

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

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
HRLP Loans Funded	3	0	4	7
HRLP Loans Submitted	3	4	12	15
Emergency Rehabilitation Loan Program Funded	0	0	5	10
Energy Efficiency Rehabilitation Program Funded	0	9	10	10
Annual IDIS Draw-downs	12	8	5	6
Public Service Agencies Funded	12	13	10	11
Economic Development Loans Funded	n/a	n/a	n/a	6
Timeliness Test	Pass	Pass	Pass	Pass

FUND: CDBG HOME GRANT 252
DEPARTMENT: ECONOMIC DEVELOPMENT 25
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270
PROGRAM: CDBG HOME GRANT

DIVISION EXPENDITURE SUMMARY							% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget	
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0	0%
Materials	0	0	0	0	0	0	0%
Contractual	0	0	0	0	0	0	0%
Other Operating	0	0	0	0	0	0	0%
Capital Outlay	0	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0	0%
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%

DIVISION DESCRIPTION

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

The City received its first HOME Grant in the 1999 funding cycle resulting from the grant application prepared by the Economic Development Division. The \$500,000 Grant provided \$150,000 for the City's Housing Rehabilitation Loan Program (HRLP) and \$350,000 to initiate a new Down Payment Assistance Program (DAP).

In January 2001, the City was awarded a 2000 HOME Grant appropriation of \$651,900. The grant funds were reprogrammed in FY 2002-03 to augment the City's HRLP and DAP Programs.

In February 2003, the City was awarded a 2002 HOME grant in the amount of \$3,466,000 allocated to: (a) a rental affordable senior housing new construction project (\$3,066,000), and; (b) the on-going DAP Program (\$400,000). The senior housing new construction project funds funded the 68-unit Village at Hesperia complex.

In February, 2004, the City was awarded a 2003 HOME grant totaling \$600,000, equally divided (\$300,000) between the City's on-going HRLP and DAP programs including \$15,000 for grant administration costs.

In February 2005, the City was awarded a 2004 HOME grant totaling \$4,100,000, of which \$3,500,000 was allocated to a rental housing new construction project, and \$600,000 was allocated to the on-going DAP Program. The rental new construction project funded was the 110-unit Sunrise Terrace I family apartment complex. In March 2005, the City was awarded a 2004 HOME supplemental grant in the amount of \$434,000 to underwrite cost escalation in The Village at Hesperia project.

In November 2005, the City was awarded a 2005 HOME grant totaling \$4,000,000 for the 72-unit Sunrise Terrace II family apartment complex. All rental new construction projects funded by HOME have been completed and are now being monitored by Agency staff.

All grant Funding for the City's HOME programs (DAP and HRLP) has been utilized. Although the DAP and HRLP programs remain, other existing loans must be repaid to provide the capital for new loan disbursements. The City may contemplate future HOME grants for projects (construction) should an eligible proposal be submitted, particularly with the loss of redevelopment funding for affordable housing. The City will realize program income from the repayment of loans made to affordable housing construction projects as referenced herein. The program income must be utilized for HOME-eligible projects and programs.

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

FUND: CDBG HOME GRANT 252
DEPARTMENT: ECONOMIC DEVELOPMENT 25
DIVISION: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 270
PROGRAM: CDBG HOME GRANT

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- None

2014-15 DIVISION ACCOMPLISHMENTS

- Monitored HOME rents and made quality control inspections of HOME-assisted units to ensure that the units met HUD and housing standards and that owners and participants met mutual obligations under the programs.
- Completed and submitted Annual HOME Monitoring Reports to the State of California, Department of Housing and Community Development (HCD).
- Prepared and submitted required Semi-Annual Labor Standards Enforcement Report and HOME Annual Performance Report to HUD and HCD.
- Proactively administered the HOME Program including processing subordination and demand requests.
- Received and reported on Program Income from loan pay-offs.

2015-16 DIVISION GOALS AND OBJECTIVES

- Monitor HOME rents and quality control inspections of HOME-assisted units (income must be verified annually) to ensure that the units meet HUD and housing standards and that owners and participants meet mutual obligations under the programs.
- Complete and submit Annual HOME Monitoring Reports to HCD.
- Prepare and submit required Semi-Annual Labor Standards Enforcement Report and HOME Annual Performance Report to HUD and HCD.
- Strategically manage receipt of HOME Program Income and Recapture Funds to maximize program performance and operational efficiency.
- Make timely disbursements of HOME Program income.
- Apply for HOME funds to facilitate a new affordable project.

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
HOME Program Funds Remaining	0%*	0%*	0%	0%
HOME Asset Portfolio	\$14 Mil	\$14 Mil	\$14 Mil	\$14 Mil
Cumulative Units Constructed	247	247	247	247
Projects Monitored	3	3	3	3
HOME Grant Application	n/a	1	0	1

*Administrative duties have been moved to EDD.

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 64,047	\$ 146,034	\$ 68,099	\$ 68,121	\$ 68,099	0%
Benefits	21,895	49,254	24,852	24,743	23,836	-4%
Materials	3,500	0	6,000	975	4,250	-29%
Contractual	0	29,885	210,000	1,500	210,000	0%
Other Operating	0	3,750	5,000	2,000	5,000	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 89,442	\$ 228,923	\$ 313,951	\$ 97,339	\$ 311,185	-1%

DIVISION DESCRIPTION

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

In recent years the EDRLF has funded several economic development projects, most of which were classified as forgivable loans. Therefore, available funds in the EDRLF are shrinking. Depending upon the availability of suitable collateral the City is contemplating seeking additional HUD funds to recapitalize the EDRLF.

<u>DIVISION STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.35	0.35	0.35	0.35
Management Analyst	0.55	0.55	0.55	0.55
Total Full-Time Staff	0.90	0.90	0.90	0.90

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- None.

2014-15 DIVISION ACCOMPLISHMENTS

- Made final payment of principal and interest on Section 108 loan.
- Marketed availability of EDRLF pursuant to CDBG regulations and City underwriting guidelines.
- Contemplated use of EDRLF to fund various City/Agency inducements.

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

2015-16 DIVISION GOALS AND OBJECTIVES

- Identify appropriate collateral and submit an application for Section 108 loan funding to recapitalize Economic Development Revolving Loan Fund (EDRLF).
- Fully encumber available funds (contractual) for EDRLF Program for inducement support to projects creating jobs within the City.
- Implement Feet on the Street Program to identify potential loan applicants.

PERFORMANCE AND WORKLOAD INDICATORS	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Percentage of Section 108 Loan Encumbered	75%	75%	65%	100%
Inducement Offers Made	2	0	2	4
Job Creation	20	0	20	100

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 101,645	\$ 104,440	\$ 103,734	\$103,466	\$ 103,734	0%
Benefits	33,133	34,282	35,396	34,948	33,838	-4%
Materials	26,868	22,156	30,553	19,600	26,525	-13%
Contractual	7,561	59,832	18,000	25,200	45,700	154%
Other Operating	33,682	172,182	35,000	22,000	25,000	-29%
Capital Outlay	290,998	22,088	352,000	100,400	352,000	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 493,887	\$ 414,980	\$ 574,683	\$305,614	\$ 586,797	2%

DIVISION DESCRIPTION

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

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

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

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

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

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

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

<u>DIVISION STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.20	0.20	0.20	0.20
Administrative Secretary	0.20	0.20	0.20	0.20
Deputy Economic Development Director	0.15	0.15	0.00	0.00
Economic Development Director	0.00	0.00	0.15	0.15
Senior Management Analyst	0.65	0.65	0.65	0.65
Total Full-Time Staff	1.20	1.20	1.20	1.20

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- None

2014-15 DIVISION ACCOMPLISHMENTS

- Submitted timely quarterly reports on the Disaster Recovery Grant Reporting (DRGR) System.
- Prepared additional draws on the DRGR System as necessary.
- Managed NSP Rehabilitation Request for Bids (RFB) solicitation and contract management.
- Continued management of contracts for landscape maintenance, pest control, security services, and emergency repair services.
- Completed rehabilitation on seven (7) NSP properties.
- Performed real estate brokerage services for NSP properties in lieu of third-party contractor at direction of City Council.
- Listed and sold five (5) rehabilitated NSP homes.
- Leased one (1) NSP-rehabilitated home.
- Received and reported on Program Income for future NSP activities.

2015-16 DIVISION GOALS AND OBJECTIVES

- Market and sell or lease the remaining eight (8) newly rehabilitated properties.
- Submit timely quarterly reports on the DRGR Reporting System.
- Complete additional draws on the DRGR System as necessary.
- Market, with in-house staff, NSP properties for sale or lease.
- Dispose of NSP properties consistent with program regulations including affordability and maintenance covenants.
- Receive and report on Program Income derived from the sale and lease of NSP properties.

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

2015-16 DIVISION GOALS AND OBJECTIVES (Continued)

- Allocate all Program Income to NSP activities.
- Commence close-out procedures for NSP once national objectives are met.
- Sell the final unrehabilitated property to the HHA for disposition through the HHA.
- Utilize Seller Mortgage Carry-Back Program to assist households at 50% AMI purchase an NSP property.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Real Property Purchase Contracts Negotiated	0	0	0	0
Real Property Escrows Opened	2	5	7	8
Real Property Escrows Closed	1	6	5	10
Real Property Rehabilitation	10	7	0	0
Real Property Sale	1	6	5	10
Real Property Lease	0	2	1	0

Development Services Department

DEPARTMENT - DEVELOPMENT SERVICES.....	F-52
▪ Division - Community Development.....	F-52
• Program - Planning	F-54
• Program - Building and Safety.....	F-57
▪ Division - Code Compliance.....	F-60
• Program - Code Enforcement	F-62
• Program - Animal Control	F-64
▪ Division - Public Works.....	F-68
• Program - Street Maintenance.....	F-71
• Program - Engineering	F-75
• Program - Building Maintenance	F-80
▪ Division - Water.....	F-82
• Program - Source of Supply	F-88
• Program - Production	F-91
• Program - Distribution	F-93
• Program - Pipeline Maintenance.....	F-95
• Program - Engineering	F-97
• Program - Customer Service	F-101
• Program - Utility Billing.....	F-103
• Program - Administration	F-105
• Program - Property Management.....	F-107
▪ Division - Sewer	F-110
• Program - Sewer Operations	F-113
• Program - Sewer Capital.....	F-115

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

DIVISION EXPENDITURE SUMMARY						% Change From 2014-15 Budget
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	
Salaries	\$ 1,081,916	\$ 1,159,457	\$ 1,084,637	\$ 1,100,013	\$ 1,143,409	5%
Benefits	372,345	392,440	400,432	399,085	394,554	-1%
Materials	19,738	26,017	25,608	22,468	26,010	2%
Contractual	29,242	55,386	90,611	131,258	64,578	-29%
Other Operating	24,225	23,996	28,295	23,218	31,255	10%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,527,466	\$ 1,657,296	\$ 1,629,583	\$ 1,676,042	\$ 1,659,806	2%

DIVISION EXPENDITURE SUMMARY						% Change From 2014-15 Budget
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	
Planning	\$ 840,346	\$ 854,100	\$ 831,060	\$ 842,335	\$ 815,730	-2%
Building & Safety	687,120	803,196	798,523	833,707	844,076	6%
TOTAL	\$ 1,527,466	\$ 1,657,296	\$ 1,629,583	\$ 1,676,042	\$ 1,659,806	2%

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
DEPARTMENT STAFFING				
Total Full-Time Staff	16.03	15.03	13.84	13.84
Total Part-Time Staff	0.00	0.92	0.92	1.84
Total D.S. Community Development Staff	16.03	15.95	14.76	15.68

DIVISION GOALS FOR 2015-16

- Complete the environmental review and approval process for the Tapestry Specific Plan to include an Environmental Impact Report (EIR), development agreement, and subdivisions in the first phase. The conclusions of the City Council Ad Hoc Committees also need to be incorporated as part of the Planning Commission's review of the project, prior to their recommendation to the City Council.
- Process the Final EIR for the Love's Travel Center when provided by the developer.
- Complete an ordinance revising the City's animal regulations regarding nuisances.
- Complete the conversion of the Business License Program from New World Systems to TrakiT to complete the suite of development modules in the land management system. Adding Business Licensing will allow for a complete view of all land use activity to be viewed in one system and utilization by Building and Safety staff for issuance of Business Licenses and enforcement by Code Enforcement staff as necessary.

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

DIVISION GOALS FOR 2015-16 (Continued)

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Add one Associate Planner (1.00 FTE) position and eliminate one vacant Assistant Planner (1.00 FTE) position to more effectively deal with a higher level of workload.
- Add two part-time Building Inspectors (0.96 FTE) positions and reduce contract building inspection services to only \$10,000 to provide a more cost effective approach to ensure same day inspection’s requests are accomplished.
- Funding of \$16,675 is included 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.

<u>DIVISION STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.00	0.00	0.85	0.85
Administrative Secretary	0.00	0.00	0.10	0.10
Assistant Planner	1.00	1.00	1.00	0.00
Associate Planner	0.00	0.00	0.00	1.00
Building and Safety Manager	0.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00	1.00
Building Inspection Supervisor	1.00	1.00	1.00	1.00
Community Development Coordinator	1.00	1.00	1.00	1.00
Community Development Supervisor	1.00	0.00	0.00	0.00
Community Development Technician	1.75	0.75	0.75	0.75
Director of Development Services	0.14	0.14	0.14	0.14
Executive Secretary	0.14	0.14	0.00	0.00
Plans Examiner	2.00	2.00	2.00	2.00
Principal Planner	1.00	1.00	1.00	1.00
Senior Community Development Technician	2.00	2.00	1.00	1.00
Senior Office Assistant	1.00	1.00	0.00	0.00
Senior Office Specialist	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00
Total Full-Time Staff	16.03	15.03	13.84	13.84
<u>Part-Time Staff</u>				
Building Inspector	0.00	0.00	0.00	0.92
Receptionist	0.00	0.92	0.92	0.92
Total Part-Time Staff	0.00	0.92	0.92	1.84
Total Full and Part-Time Staff	16.03	15.95	14.76	15.68

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

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 605,511	\$ 612,750	\$ 574,317	\$589,587	\$571,975	0%
Benefits	205,576	208,345	216,243	216,032	202,151	-7%
Materials	2,971	4,335	6,970	6,088	5,730	-18%
Contractual	11,177	14,019	13,100	12,960	11,378	-13%
Other Operating	15,111	14,651	20,430	17,668	14,455	-29%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 840,346	\$ 854,100	\$ 831,060	\$842,335	\$805,689	-3%

PROGRAM DESCRIPTION

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.00	0.00	0.35	0.35
Administrative Secretary	0.00	0.00	0.05	0.05
Assistant Planner	1.00	1.00	1.00	0.00
Associate Planner	0.00	0.00	0.00	1.00
Building and Safety Manager	0.00	0.25	0.25	0.25
Community Development Coordinator	0.50	0.50	0.50	0.50
Community Development Supervisor	0.25	0.00	0.00	0.00
Community Development Technician	1.75	0.75	0.75	0.75
Director of Development Services	0.10	0.10	0.10	0.10
Executive Secretary	0.10	0.10	0.00	0.00
Principal Planner	1.00	1.00	1.00	1.00
Senior Community Development Technician	1.00	1.00	0.50	0.50
Senior Office Assistant	0.60	0.60	0.00	0.00
Senior Office Specialist	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00
Total Full-Time Staff	9.30	8.30	7.50	7.50

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

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Add one Associate Planner (1.00 FTE) position and eliminate one vacant Assistant Planner (1.00 FTE) position to more effectively deal with a higher level of workload.

2014-15 PROGRAM ACCOMPLISHMENTS

- Staff held workshops and public hearings with the Planning Commission and City Council on open space policies and implementation measures. The Council voted to eliminate three natural areas to be preserved, as well as the Transfer of Development Rights (TDR) Program from the General Plan and the Main Street and Freeway Corridor Specific Plan.
- Staff has reviewed three drafts of the Tapestry Specific Plan text as well as the Tentative Maps for Phase 1 (2,173 units). The Draft Environmental Impact Report (DEIR) was completed, and the public review period ended on January 30, 2015. Staff is also working with a City Council Ad Hoc Committee to obtain an independent opinion about the proposed land use plan.
- Staff completed the first review of Love's Travel Center Project, to include an EIR, as the original approval was withdrawn after litigation was filed. The DEIR has been completed, and the public review period ended on February 9, 2015.
- Completed an Ordinance regarding park activities during large special events.
- The Planning Commission reviewed and approved the City's first freeway pylon sign to be located at the southeast corner of Main Street and Interstate 15. The City Council also approved an agreement with the owner of the sign for its operation in accordance with the ordinance governing pylon signs (adopted in 2013).

2015-16 PROGRAM GOALS AND OBJECTIVES

- Complete the environmental review and approval process for the Tapestry Specific Plan to include an EIR certification, development agreement, and subdivisions in the first phase. The conclusions of the City Council Ad Hoc Committee also need to be incorporated as part of the Planning Commission's review of the project, prior to their recommendation to the City Council.
- Commence work on a Financing Plan for the Tapestry Specific Plan, following the City Council's final action.
- Process the EIR for the Love's Travel Center when provided by the developer.
- Complete an ordinance revising the City's animal regulations regarding nuisances.

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

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Conditional Use Permits/Revisions	14	24	23	22
Development Code Amendments	7	5	5	5
Parcel Maps	2	4	7	10
Tentative Tracts	0	0	0	0
Site Plan Reviews/Revised Site Plan Reviews	15	18	15	12
Submit New DRC Items	62	94	90	86
Public Hearings	28	45	50	55
Home Occupation Permits	171	177	182	187
Business Licenses (new and renewal)	3,363	3,369	3,608	3,847
Plan Review	622	783	582	683
Subtotal of New Non DRC Items	4,156	4,329	4,372	4,717
Grand Total of New Items	4,219	4,423	4,462	4,803

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

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 476,405	\$ 546,707	\$ 510,320	\$510,426	\$562,062	10%
Benefits	166,769	184,095	184,189	183,053	191,734	4%
Materials	16,767	21,682	18,638	16,380	20,280	9%
Contractual	18,065	41,367	77,511	118,298	53,200	-31%
Other Operating	9,114	9,345	7,865	5,550	16,800	114%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 687,120	\$ 803,196	\$ 798,523	\$833,707	\$844,076	6%

PROGRAM DESCRIPTION

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.00	0.00	0.50	0.50
Administrative Secretary	0.00	0.00	0.05	0.05
Building and Safety Manager	0.00	0.75	0.75	0.75
Building Inspector	1.00	1.00	1.00	1.00
Building Inspection Supervisor	1.00	1.00	1.00	1.00
Community Development Coordinator	0.50	0.50	0.50	0.50
Community Development Supervisor	0.75	0.00	0.00	0.00
Director of Development Services	0.04	0.04	0.04	0.04
Executive Secretary	0.04	0.04	0.00	0.00
Plans Examiner	2.00	2.00	2.00	2.00
Senior Community Development Technician	1.00	1.00	0.50	0.50
Senior Office Assistant	0.40	0.40	0.00	0.00
Total Full-Time Staff	6.73	6.73	6.34	6.34
<u>Part-Time Staff</u>				
Building Inspector	0.00	0.00	0.00	0.92
Receptionist	0.00	0.92	0.92	0.92
Total Part-Time Staff	0.00	0.92	0.92	1.84
Total Full & Part-Time Staff	6.73	7.65	7.26	8.18

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

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGE

- Add two part-time Building Inspectors (0.96 FTE) positions and reduce contract building inspection services to only \$10,000 to provide a more cost effective approach to ensure same day inspection's requests are accomplished.
- Funding of \$16,675 is included 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.

2014-15 PROGRAM ACCOMPLISHMENTS

- Staff is currently in the testing phase of converting the Business License Program from New World Systems to TRAKiT to complete the suite of development modules in the land management system. Adding Business Licensing will allow for a complete view of all land use activity to be viewed in one system and utilization by Building and Safety staff for issuance of Business Licenses and enforcement by Code Enforcement staff as necessary. The anticipated go-live date for this module is July 1, 2015.
- Staff continues to integrate the Police Multiple Disturbance Program and the Mobile Home Park Permit to Operate Program into TRAKiT. This has made the program information available to all staff accessing TRAKiT and integrated additional land use and enforcement information into the system, with the eventual goal of providing a complete picture of all activity on a property through one system. As a cost-saving measure, all forms and reports for these programs will be created in-house by Building and Safety staff. The anticipated go-live date for this feature is July 1, 2015.
- Continued evaluating the findings of the "On-Site and Facilities" portion of the Self-Evaluation Survey into the City's Americans with Disabilities Act (ADA) Transition Plan. Collaborated with Engineering and Public Works to determine the overall level of compliance with ADA's requirement to remove all barriers to access, whether physical, programmatic, or through policy for all City programs and services. Upgrades to traffic signals and street intersections were done from the evaluation.
- As part of the Local Agency Management Plan (LAMP), staff continues to monitor Lahontan and Mojave Water Agency activity to ensure that the LAMP, which will establish tier-based standards for allowing the continued use of new and replacement onsite water treatment systems, is in place by the required deadline of 2016. This plan identified levels of nitrate loading and percolability of soils within the region.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Complete the conversion of the Business License Program from New World Systems to TrakiT to complete the suite of development modules in the land management system. Adding Business Licensing will allow for a complete view of all land use activity to be viewed in one system and utilization by Building and Safety staff for issuance of Business Licenses and enforcement by Code Enforcement staff as necessary.
- Complete plan review on projects such as Tractor Supply and the proposed out pads for Gateway II as well as the In-Shape Health Club.
- Complete the inspection process on projects such as Petco and the multi-tenant building located in the Walmart center, as well as begin inspection process for the 312 single family home development by Frontier Communities.
- Continue to incorporate the findings of the "On-Site and Facilities" portion of the Self-Evaluation Survey into the City's Americans with Disabilities Act (ADA) Transition Plan. Also, collaborate with Engineering and Public Works to determine the overall level of compliance with ADA's requirement to remove all barriers to access, whether physical, programmatic, or through policy for all City programs and services.

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

2015-16 PROGRAM GOALS AND OBJECTIVES (Continued)

- As part of the Local Agency Management Plan (LAMP), continue to monitor Lahontan and Mojave Water Agency activity to ensure that the LAMP, which will establish tier-based standards for allowing the continued use of new and replacement onsite water treatment systems, is in place by the required deadline of May 2016. This plan identifies levels of nitrate loading and percability of soils within the region.

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Permits Issued	2,202	3,221	3,264	3,339
New Residential Permits	3	63	85	150
Plans Reviewed	1,463	2,612	2,324	2,468
Inspections	5,259	7,071	8,853	9,000
Inspections Per Day Per Inspector	14.0	19.6	16.0	16.26
Fats, Oil, Grease (FOG) Program – Inspections Performed	178	249	254	260

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 1,119,971	\$ 1,241,629	\$ 1,228,174	\$ 1,244,362	\$ 1,213,109	-1%
Benefits	476,476	495,116	532,943	501,269	529,341	-1%
Materials	203,818	184,512	223,913	195,783	218,561	-2%
Contractual	294,036	288,899	316,615	294,060	333,958	5%
Other Operating	34,642	43,558	45,029	46,629	48,529	8%
Capital Outlay	0	8,743	0	0	67,500	100%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 2,128,943	\$ 2,262,457	\$ 2,346,674	\$ 2,282,103	\$ 2,410,998	3%

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Code Enforcement	\$ 834,277	\$ 912,199	\$ 935,438	\$ 889,006	\$ 952,627	2%
Animal Control	1,294,666	1,350,258	1,411,236	1,393,097	1,458,371	3%
TOTAL	\$ 2,128,943	\$ 2,262,457	\$ 2,346,674	\$ 2,282,103	\$ 2,410,998	3%

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>DEPARTMENT STAFFING</u>				
Total Full-Time Staff	23.32	23.32	23.46	23.46
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total D.S. Code Compliance Staff	23.78	23.78	23.92	23.92

DIVISION GOALS FOR 2015-16

- Continue to utilize the work release clean-up crew, Restoring the Environment for a Cleaner Hesperia (REACH) Program, thirty-six hours per week to remove weeds, illegally dumped tires, illegally dumped trash and debris throughout the City of Hesperia, as well as assist in four Tire Amnesty days.
- Conduct training and implement the CRW Code Trak-It module for Code Enforcement personnel.
- Continue the established Volunteer Program to include the County WEX volunteers to assist with shelter operations. Increase volunteer base to include volunteers available for events and shelter operations.
- Review and update Animal Control Ordinances related to enforcement and nuisances.
- Evaluate establishment of a non-profit 501(c)3 to help with funding of Animal Control Educational outreach and facility improvement programs.

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Funding of \$32,500 is included for an animal control multi-use 4 wheel drive crew cab vehicle with towing capability for a variety of animal control functions that have required borrowing vehicles in the past.
- Funding of \$35,000 is included to purchase a replacement 15 passenger van for the R.E.A.C.H. (Restoring the Environment for a Cleaner Hesperia) Program whereby Sheriff's Work Release Program participants' clean-up/remove trash and debris in the public right-of-ways and other related functions.

<u>DIVISION STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Secretary	0.00	0.00	0.30	0.30
Animal Control Officer	3.00	3.00	3.00	3.00
Animal Control Supervisor	1.00	1.00	1.00	1.00
Animal Control Technician	4.00	4.00	4.00	4.00
Code Enforcement Officer	5.00	4.00	4.00	4.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00
Director of Development Services	0.16	0.16	0.16	0.16
Executive Secretary	0.16	0.16	0.00	0.00
Office Assistant	4.00	4.00	4.00	4.00
Senior Animal Control Officer	1.00	1.00	1.00	1.00
Senior Code Enforcement Officer	1.00	2.00	2.00	2.00
Senior Office Assistant	2.00	2.00	2.00	2.00
Shelter Supervisor	1.00	1.00	1.00	1.00
Total Full-Time Staff	23.32	23.32	23.46	23.46
<u>Part-Time Staff</u>				
Animal Control Technician	0.46	0.46	0.46	0.46
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Full & Part-Time Staff	23.78	23.78	23.92	23.92

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

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 478,028	\$ 544,139	\$ 544,552	\$ 539,198	\$ 532,463	-2%
Benefits	188,191	202,121	211,439	190,558	203,354	-4%
Materials	56,874	54,698	58,756	53,254	63,284	8%
Contractual	103,020	103,016	106,827	91,532	103,662	-3%
Other Operating	8,164	8,225	13,864	14,464	14,864	7%
Capital Outlay	0	0	0	0	35,000	100%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 834,277	\$ 912,199	\$ 935,438	\$ 889,006	\$ 952,627	2%

PROGRAM DESCRIPTION

Code Enforcement provides enforcement of City health, safety, aesthetic, housing, development, and dangerous building codes. Code Enforcement testifies in support of civil, administrative, and criminal court cases. Code Enforcement operates seven days per week, with officers working various hours on special projects and a clean-up crew working Monday through Thursdays.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Secretary	0.00	0.00	0.15	0.15
Code Enforcement Officer	5.00	4.00	4.00	4.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00
Director of Development Services	0.10	0.10	0.10	0.10
Executive Secretary	0.10	0.10	0.00	0.00
Office Assistant	1.00	1.00	1.00	1.00
Senior Code Enforcement Officer	1.00	2.00	2.00	2.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Total Full-Time Staff	9.20	9.20	9.25	9.25

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Funding of \$35,000 is included to purchase a replacement 15 passenger van for the Restoring the Environment for a Cleaner Hesperia Program (REACH) whereby Sheriff's Work Release Program participants' clean-up/remove trash and debris in the public right-of-ways and other related functions.

2014-15 PROGRAM ACCOMPLISHMENTS

- Continued to utilize the work release clean-up crew, REACH Program, thirty-six hours per week to remove weeds, illegally dumped and illegally discarded tires, and trash and debris throughout the City of Hesperia.
- Officers worked outside of regular business hours for special enforcement, such as commercial vehicle parking, illegal dumping, street vendors and hawkers, and unpermitted yard sales.

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

2014-15 PROGRAM ACCOMPLISHMENTS (Continued)

- Conducted multi-city Code Enforcement Task Force sweeps dealing with issues of business licenses and residential violations.
- REACH crews took approximately 210 loads to Advanced Disposal for a total of approximately 95.90 tons, collected 710 tires, 232 mattresses, 262 couches, 154 bags of trash and 296 shopping carts.
- Effectively closed an illegal parolee/probation group home and conducted enforcement against marijuana grow facilities.
- Conducted four Tire Amnesty Days collecting 3,326 tires.

2015-16 PROGRAM GOALS AND OBJECTIVES

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

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
New Enforcement Cases	2,468	2,407	2,226	2,300
Inspections (New and Recheck)	7,072	6,047	6,576	6,580
Notices Issued	1,691	1,226	1,545	1,550
Citations	813	1,023	692	700
Warrants	135	124	96	100
Court Hearings	163	26	73	75
Administrative Citations	*1,214	293	356	400
Contracted Abatements	43	24	12	20
City Abatements	91	94	100	100

*Administrative Citations increased significantly due to enforcement of marijuana dispensaries.

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

PROGRAM EXPENDITURE SUMMARY						% Change
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Salaries	\$ 641,943	\$ 697,490	\$ 683,622	\$ 705,164	\$ 680,646	0%
Benefits	288,285	292,995	321,504	310,711	325,987	1%
Materials	146,944	129,814	165,157	142,529	155,277	-6%
Contractual	191,016	185,883	209,788	202,528	230,296	10%
Other Operating	26,478	35,333	31,165	32,165	33,665	8%
Capital Outlay	0	8,743	0	0	32,500	100%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,294,666	\$ 1,350,258	\$ 1,411,236	\$ 1,393,097	\$ 1,458,371	3%

PROGRAM DESCRIPTION

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Secretary	0.00	0.00	0.15	0.15
Animal Control Officer	3.00	3.00	3.00	3.00
Animal Control Supervisor	1.00	1.00	1.00	1.00
Animal Control Technician	4.00	4.00	4.00	4.00
Director of Development Services	0.06	0.06	0.06	0.06
Executive Secretary	0.06	0.06	0.00	0.00
Office Assistant	3.00	3.00	3.00	3.00
Senior Animal Control Officer	1.00	1.00	1.00	1.00
Senior Office Assistant	1.00	1.00	1.00	1.00
Shelter Supervisor	1.00	1.00	1.00	1.00
Total Full-Time Staff	14.12	14.12	14.21	14.21
<u>Part-Time Staff</u>				
Animal Control Technician	0.46	0.46	0.46	0.46
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Full & Part-Time Staff	14.58	14.58	14.67	14.67

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Funding of \$32,500 is included for an animal control multi-use 4 wheel drive crew cab vehicle with towing capability for a variety of animal control functions that have required borrowing vehicles in the past.

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

2014-15 PROGRAM ACCOMPLISHMENTS

- Continued “Buy One, Get One Free” (BOGO) Program to increase adoptions and decrease euthanasia.
- Approved a revision to the new spay/neuter ordinance, and implemented an enforcement program to accomplish the goals of the ordinance.
- Staff continued to successfully operate a cat adoption program through PetSmart Adoption Charities in Apple Valley and Victorville PetSmarts. Monies paid to the City through the participation in the PetSmart Charities are put back into the Shelter’s Adoption Program. There were 189 cat adoptions from July 2014 through February 2015.
- Maintained a Hesperia Animal Shelter Facebook Page.
- Continued community outreach education of Animal Control through the Hesperia City events, school programs, shelter tours, and community programs.
- Hesperia Animal Control, in cooperation with other High Desert Animal Control Departments, is working together in preparing animal disaster preparedness procedures.
- Participated in the Animal Cruelty Taskforce and Rural Crimes Taskforce.
- Continued the established Volunteer Program to include the County WEX volunteers to assist with shelter operations. Increase volunteer base to include volunteers available for events and shelter operations.
- Implemented a shelter software program to include impounding of animals and dispatching calls.
- Increased visibility of animal services through media, events, webpage, and Facebook page.
- Reviewed and updated forms to indicate new ordinances and procedures.
- Evaluated providing shelter services for the City of Adelanto.
- Renewed Veterinary Services contract.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Continue the established Volunteer Program to include the County WEX volunteers to assist with shelter operations. Increase volunteer base to include volunteers available for events and shelter operations.
- Identify sources and apply for a targeted spay/neuter grant.
- Review and update Animal Control Ordinances related to enforcement and nuisances.
- Increase visibility of animal services through media, events, webpage, and Facebook page.
- Continue to provide proactive enforcement on a five-day service, and emergency services on weekends, focusing on animal licensing and public safety.
- Review and revise department policies and procedures as necessary.
- Evaluate establishment of a non-profit 501(c)3 to help with funding of Animal Control Educational outreach and facility improvement programs.

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

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Officer call response	9,244	14,071	7,700	10,200
Warrants	33	15	20	25
Citations	n/a	561	1,200	800
Hearings	n/a	19	20	25
Owner Turn-in-Alive	1,200	1,232	1,450	1,400
Owner Turn-in-Deceased	111	44	80	60
Strays Recovered-Alive	5,338	4,557	4,500	4,800
Strays Recovered-Deceased	547	629	500	700
Seized/Abandoned/Agency Assist	145	80	90	90
Return to Owners	723	644	570	700
Animals Adopted/Rescued	2,232	2,131	2,050	2,200
Animals Euthanized	3,942	3,258	3,330	3,100
Transfer to another Agency	4	14	15	15
Animal Licenses Issued	9,844	10,304	10,000	10,500
Number of Animals Processed (Intake)	6,538	6,462	6,470	6,500

THIS PAGE INTENTIONALLY LEFT BLANK

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

DIVISION EXPENDITURE SUMMARY						% Change
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Salaries	\$ 1,872,324	\$ 1,990,857	\$ 1,932,574	\$ 1,866,277	\$ 1,924,269	0%
Benefits	755,543	770,836	822,701	744,640	783,784	-5%
Materials	897,845	901,055	978,497	901,377	951,237	-3%
Contractual	536,774	638,373	1,643,150	898,890	1,490,864	-9%
Other Operating	293,468	310,277	315,065	382,155	338,977	8%
Capital Outlay	65,284	47,458	287,000	151,000	196,000	-32%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 4,421,238	\$ 4,658,856	\$ 5,978,987	\$ 4,944,339	\$ 5,685,131	-5%

DIVISION EXPENDITURE SUMMARY						% Change
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Street Maintenance (263)						
3150 Street Maintenance	3,065,942	3,139,317	3,515,579	3,318,387	3,325,310	-5%
Total Fund Street Maintenance (Fund 263)	\$ 3,065,942	\$ 3,139,317	\$ 3,515,579	\$ 3,318,387	\$ 3,325,310	-5%
General Fund (100)						
3100 Engineering	\$ 505,698	\$ 584,162	\$ 672,278	\$ 646,038	\$ 621,948	-7%
3110 Building Maintenance	849,598	935,377	1,057,930	912,214	1,072,373	1%
CIP	0	0	733,200	67,700	665,500	-9%
Total General Fund (100)	\$ 1,355,296	\$ 1,519,539	\$ 2,463,408	\$ 1,625,952	\$ 2,359,821	-4%
Total Public Works	\$ 4,421,238	\$ 4,658,856	\$ 5,978,987	\$ 4,944,339	\$ 5,685,131	-5%

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
DEPARTMENT STAFFING				
Total Full-Time Staff	33.90	33.90	33.20	33.90
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total D.S. Public Works Staff	34.36	34.36	33.66	34.36

DIVISION GOALS FOR 2015-16

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

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

DIVISION GOALS FOR 2015-16 (Continued)

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Street sweeping costs and weed abatement costs will increase due to the development of the Rancho/I-15 Interchange and sweeping the industrial areas of the City.
- Funding of \$71,000 is included for the purchase of a new Crack Filler Machine which can fill cracks in roads wider than one inch which the City's current crack seal machine is not designed to do. Currently, approximately 50% of the cracks staff are trying to seal are over one inch wide.
- Add one Management Analyst (0.50 FTE) to the Development Services Engineering Program to perform the functions of the City's Storm Water Program.
- Add one Maintenance Worker (0.30 FTE) position to help keep the maintenance on the sewer system and storm water drainage system on schedule.
- The Senior Maintenance Worker staffing has been reallocated by 0.10 FTE from Public Works - Street Maintenance to Water Operating - Distribution.

<u>DIVISION STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.50	0.50	0.50	0.50
Administrative Secretary	0.50	0.50	0.80	0.80
Assistant Engineer	0.35	0.35	0.35	0.35
City Engineer	0.50	0.50	0.50	0.50
Community Development Technician	0.25	0.25	0.25	0.25
Construction Inspection Supervisor	0.35	0.35	0.35	0.35
Construction Inspector	1.45	1.45	1.15	1.15
Custodian	1.00	1.00	1.00	1.00
Director of Development Services	0.30	0.30	0.30	0.30
Engineering Technician	0.40	0.40	0.40	0.40
Equipment Operator	4.30	4.30	4.30	4.30
Executive Secretary	0.30	0.30	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Geographical Information Systems	0.30	0.30	0.30	0.30
Geographical Information Systems	0.30	0.30	0.30	0.30
Maintenance Crew Supervisor	2.30	2.30	2.30	2.30

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

<u>DIVISION STAFFING (Continued)</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Maintenance Worker	9.10	9.10	9.10	9.40
Management Analyst	0.00	0.00	0.00	0.50
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.75	0.75	0.75	0.75
Public Works Director	0.00	0.50	0.50	0.50
Public Works Manager	0.50	0.00	0.00	0.00
Public Works Supervisor	1.00	1.00	1.00	1.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Engineering Technician	0.40	0.40	0.00	0.00
Senior Maintenance Worker	5.90	5.90	5.90	5.80
Senior Office Assistant	1.15	1.15	1.15	1.15
Total Full-Time Staff	33.90	33.90	33.20	33.90
<u>Part-Time Staff</u>				
Custodian	0.46	0.46	0.46	0.46
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Full & Part-Time Staff	34.36	34.36	33.66	34.36

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

PROGRAM EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Salaries	\$ 1,466,052	\$ 1,558,587	\$ 1,528,259	\$ 1,477,165	\$ 1,490,854	-2%
Benefits	603,505	609,557	659,411	590,775	610,289	-7%
Materials	422,535	394,406	488,912	415,850	462,680	-5%
Contractual	300,364	348,710	439,400	433,000	467,240	6%
Other Operating	208,202	180,599	227,597	250,597	223,247	-2%
Capital Outlay	65,284	47,458	172,000	151,000	71,000	-59%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 3,065,942	\$ 3,139,317	\$ 3,515,579	\$ 3,318,387	\$ 3,325,310	-5%

PROGRAM DESCRIPTION

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.25	0.25	0.25	0.25
Administrative Secretary	0.50	0.50	0.65	0.65
Assistant Engineer	0.20	0.20	0.20	0.20
City Engineer	0.25	0.25	0.25	0.25
Construction Inspection Supervisor	0.25	0.25	0.25	0.25
Construction Inspector	0.30	0.30	0.30	0.30
Director of Development Services	0.30	0.30	0.30	0.30
Engineering Technician	0.20	0.20	0.20	0.20
Equipment Operator	4.30	4.30	4.30	4.30
Executive Secretary	0.30	0.30	0.00	0.00
Geographical Information Systems Manager	0.15	0.15	0.15	0.15
Geographical Information Systems Technician	0.15	0.15	0.15	0.15
Maintenance Crew Supervisor	2.30	2.30	2.30	2.30
Maintenance Worker	9.10	9.10	9.10	9.40
Office Assistant	0.80	0.80	0.80	0.80
Public Works Director	0.00	0.50	0.50	0.50
Public Works Manager	0.50	0.00	0.00	0.00
Public Works Supervisor	1.00	1.00	1.00	1.00
Senior Engineering Technician	0.20	0.20	0.00	0.00

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

<u>PROGRAM STAFFING (Continued)</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Senior Maintenance Worker	5.90	5.90	5.90	5.80
Senior Office Assistant	0.80	0.80	0.80	0.80
Total Full-Time Staff	27.75	27.75	27.40	27.60

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Street sweeping costs and weed abatement costs will increase due to the development of the Rancho/I-15 interchange and sweeping the industrial areas of the City.
- Funding of \$71,000 is included for the purchase of a new Crack Filler Machine which can fill cracks in roads wider than one inch which the City’s current crack seal machine is not designed to do. Currently, approximately 50% of the cracks staff are trying to seal are over one inch wide.
- Add one Maintenance Worker (0.30 FTE) position to help keep the maintenance on the sewer system and storm water drainage system on schedule.
- The Senior Maintenance Worker staffing has been reallocated by 0.10 FTE from Public Works - Street Maintenance to Water Operating - Distribution.

2014-15 PROGRAM ACCOMPLISHMENTS

- Used 1,500 tons of asphalt to pave 150,000 square feet of roads, trench repairs, and 9,000 linear feet of berm.
- Used 180 tons of cold mix to repair 20,000 potholes.
- Completed 30,000 square feet of trench repair for Water Division.
- Hauled 15,000 yards of material in the process of debris removal, shoulder backfill, and dirt road rebuilding.
- Graded 50 miles of dirt roads.
- Crack-sealed 150,000 linear feet of cracks on 10 miles of road.
- Maintained 5,700 street signs, and replaced 600 street signs due to vandalism, theft, and traffic collisions.
- Painted 3,200 legends and crosswalks throughout the City.
- Removed graffiti from 3,500 public and private locations within the City.
- Administered and utilized court-appointed, work-sentence personnel at an average of 100 additional staff hours per week to supplement department routine maintenance responsibilities.
- Administered service contracts that provide street sweeping to all housing tracts and the following arterials: Main Street, Bear Valley, “I” Avenue, “E” Avenue, Hesperia Road, Seventh Avenue, and Rancho Road.
- Provided annual striping services by restriping over 900,000 linear feet of streets and bike lanes to maintain safe guidance for all motorists.
- Provided services for weed abatement to provide a clean appearance to the right-of-way.
- Provided improved traffic signal maintenance by developing an in-house program to reduce costs and maintain consistent operation of the entire system.
- Provided services for bus shelter maintenance to provide clean shelters for the public, and improved service by adding three new shelters and eighteen new benches at bus stops without shelters.
- Cleaned and maintained 25 seepage pits located in stormwater retention basins.

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

2014-15 PROGRAM ACCOMPLISHMENTS (Continued)

- Twenty-five percent of the storm drain system was hydro-cleaned and flushed as part of the third year of a three-year program.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Maintain existing roads to provide a safe, reliable road system:
 - Complete pavement repairs as needed to provide a safe driving surface, including pothole repair, overlays, shoulder paving, crack-sealing, trench repair for Water Division, and other maintenance related to asphalt pavement management. Minimize shoulder erosion and debris from storm by paving berms and shoulders at problem areas.
 - Provide services for weed abatement and tree trimming in City right-of-ways to maintain safe movement of pedestrian and vehicle traffic.
 - Grade dirt roads for an improved ride every 12 to 18 weeks, or as needed.
 - Minimize flood damage on public right-of-ways by removing flood debris from right-of-way, maintain detention ponds owned by the City, and maintain box culverts, including inlet and outlet areas and open concrete channels. Repair shoulders damaged by storms.
 - Street sweeping shall be performed on a weekly and monthly basis so that streets will be free of debris and trash.
 - Keep storm drains free and unobstructed, and proactively clean and flush the storm drain systems.
- Provide safe and efficient traffic movement throughout the City:
 - Monitor Traffic Control System, and ensure an adequate preventative program is in place and maintained by current employees in place of contract services.
 - Provide adequate training to ensure that personnel properly maintain traffic signal controllers to minimize downtime, as well as contractor call-outs.
 - Inspect traffic control signs identified in the Manual on Uniform Traffic Control Devices every 18 months for reflectivity by utilizing a retroreflectometer.
 - Replace downed stop signs within one hour of notification. Replace all other regulatory signs within one working day. Replace/repair information signs within five working days.
 - Keep the City graffiti free. Respond within twenty-four hours of reporting to eliminate graffiti, and continue to develop strategies to fight graffiti collectively with law enforcement and the community.
 - Work with the Police Department to document and provide information for the potential prosecution of suspects apprehended for painting graffiti.
- Legends, striping, and curb markings shall be maintained:
 - Continue to maintain legend, striping, and curb markings throughout the City.
 - Stripe City streets on an annual basis (approximately 900,000 linear feet).
- Maintain storm water crossings on roadways by installing concrete “cut off walls” and rip rap.

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

PERFORMANCE AND

<u>WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Pavement Repaired (Square Feet)	153,704	158,819	150,000	150,000
Pavement Repaired/Water Patches (Sq. Ft.)	27,179	29,767	30,000	30,000
Berms Constructed (Feet)	9,300	6,957	9,000	9,000
Hot Mix (Tons)	1,474	1,639	1,500	1,500
Potholes Repaired	12,678	19,086	20,000	20,000
Cold Mix (Tons)	149.85	183	180	180
Dirt Roads Graded (Miles)	126	61	50	60
Shoulders Graded (Miles)	71	22	20	25
Debris Removed (Loads)	995	1,397	1,000	1,200
Fill Dirt (Loads)	1,073	616	500	550
Legends Painted	1,381	1,116	3,200	2,500
Signs Maintained	6,622	6,602	5,700	6,000
Graffiti Sites Addressed	5,888	4,031	3,500	4,000
Striping (Feet)	710,452	693,500	900,000	900,000
Street Sweeping (Curb Miles)	3,500	1,063	3,650	3,750
Storm Drains Cleaned (Counts)	328	1,063	110	50
Crack-Seal (Feet)	271,313	159,203	150,000	150,000
Roads Crack-Sealed (Miles)	18.3	8	10	10

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

PROGRAM EXPENDITURE SUMMARY						% Change From 2014-15 Budget
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	
Salaries	\$ 294,969	\$ 310,983	\$ 284,345	\$ 284,237	\$ 313,445	10%
Benefits	102,102	107,089	104,684	98,652	112,559	8%
Materials	19,519	21,912	17,707	13,875	16,675	-6%
Contractual	78,600	120,637	247,300	231,690	151,190	-39%
Other Operating	10,508	23,541	18,242	17,584	28,079	54%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 505,698	\$ 584,162	\$ 672,278	\$ 646,038	\$ 621,948	-7%

PROGRAM DESCRIPTION

The Engineering Division is responsible for the planning, design, and construction of the infrastructure of the City to address the needs of the community today, as well as Twenty years into the future and beyond. The Division also reviews all development proposals to ensure that they conform to City codes and standards, and provides technical input to street, traffic, transit, and wastewater member agencies. The Division also oversees many aspects of the City's Capital Improvement Program, most notably the Annual Paving Program and street, wastewater, potable water, and storm drain related construction projects. The Engineering Division has taken over the traffic engineering responsibilities and works closely with the Public Works Department to respond to these issues. The Program will also be responsible for compliance with the on-going requirements from the State of California in connection with the Federal Clean Water Act.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.25	0.25	0.25	0.25
Administrative Secretary	0.00	0.00	0.15	0.15
Assistant Engineer	0.15	0.15	0.15	0.15
City Engineer	0.25	0.25	0.25	0.25
Community Development Technician	0.25	0.25	0.25	0.25
Construction Inspection Supervisor	0.10	0.10	0.10	0.10
Construction Inspector	1.15	1.15	0.85	0.85
Engineering Technician	0.20	0.20	0.20	0.20
Geographical Information Systems Manager	0.15	0.15	0.15	0.15
Geographical Information Systems	0.15	0.15	0.15	0.15
Management Analyst	0.00	0.00	0.00	0.50
Office Assistant	0.20	0.20	0.20	0.20
Project Construction Manager	0.75	0.75	0.75	0.75
Senior Engineering Technician	0.20	0.20	0.00	0.00
Senior Office Assistant	0.35	0.35	0.35	0.35
Total Full-Time Staff	4.15	4.15	3.80	4.30

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

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Add one Management Analyst (0.50 FTE) to the Development Services Engineering Program to perform the functions of the City's Storm Water Program.

2014-15 PROGRAM ACCOMPLISHMENTS

- Updated the City's Capital Improvement Program by adjusting the priorities of projects, based upon the anticipated funding levels that were available.
- Completed the City's FY 2013-14 Annual Street Improvement Program. This project was advertised in FY 2013-14, with the work being completed in March, 2015. This work included rehabilitation of Main Street from I-15 to Mountain Vista Avenue, traffic signal upgrades at the intersection of Main Street and Mountain Vista Avenue, R&R of Mauna Loa, Fresno, and Atlantic Streets, 10 miles of slurry maintenance, overlay pavement on Eighth Avenue, and maintenance of the Main Street bridge between Third Avenue and C Avenue.
- The Geographical Information Systems (GIS) staff continued to work on the reconciliation of New World customer account data to improve the interface with the GIS system. GIS staff worked with Building and Safety staff on the CRW Code and Business License implementation. The GIS manager continues to work closely with Engineering and the City's outside consultants on the Hydraulic Models (Water, Sewer, and Recycled Water) to ensure the GIS data and models are consistent and accurate.
- Continued the implementation of the City's Flood Hazard Protection Ordinance through the acquisition of drainage easements where required, and reviewed all development that is potentially impacted by storm water run-off. Recent Federal Legislation has changed the rating of flood policies, and as a result many home owners have seen their rates increase exponentially. Due to training and his recent certification as a Floodplain Manager, the City Engineer was able to assist several property owners with property in FEMA flood zones, saving thousands of dollars on their policies.
- Development Services staff continued to file its Annual Report for compliance with the City's MS4 Stormwater Permit based upon the requirements of its second year under the new General Permit. Staff worked with the Mojave River Watershed Group and the Regional Water Quality Control Board (Lahontan) to develop its implementation plan to meet the requirements of the new General Permit. One of these new requirements includes stormwater monitoring and testing for pollutants after rain events. Public education continues to be a key component of the permit and will be the most expensive annual cost to the group.

City staff continues to maintain credentials as required under the General Construction Stormwater Permit. The two categories that City staff maintains certifications in are Qualified Stormwater Pollution Prevention Plan (SWPPP) Developer (QSD) and Qualified SWPPP Practitioner (QSP). The City currently has three staff members with QSP certifications and one with a QSD certification. These certifications require annual training and bi-annual renewal fees to remain current, which staff has met. It is expected that the State will make continuing education a requirement for renewal during the next renewal cycle (FY 2016-17).

- City Staff continued to coordinate with its environmental consultant on the environmental clearance for the mitigation repairs of the H-01 drain line at Third Avenue. This FEMA funded project will extend the double ten-foot diameter storm drain from Fourth Avenue to a culvert at Third Avenue. Tom Dodson and Associates was retained by the City to complete the environmental portion of the project and submitted the Preliminary Environmental Study to Caltrans for their review. Caltrans has since requested specialized environmental studies be completed before the project can move forward. Depending on the conditions and mitigations from the environmental review, this project may or may not be economically viable.
- Staff continued to work closely with the Victor Valley Transit Agency (VVTA) during the second year implementation of VVTA's most current Comprehensive Operational Analysis. This short and long range planning tool assists VVTA in providing the most efficient transit services practicable, while balancing the economic solvency of its member agencies. First year changes to Hesperia's routes were minor, but one of the third year recommendations is to incorporate a new route to serve the Oak Hills community, along with San Joaquin Valley College on Mariposa Road. This new route would necessitate the relocation of the City's transfer point to City Hall.

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

2014-15 PROGRAM ACCOMPLISHMENTS (Continued)

- Engineering staff prepared a site plan to expand the existing Park and Ride located at Joshua Street and Highway 395 using survey generated by a consultant and obtained a land use entitlement through the City's Development Review Committee (DRC). Tom Dodson and Associates was hired to prepare the Preliminary Environmental Assessment, which was submitted to Caltrans for review in March, 2012. Since that time, Caltrans has asked for additional environmental documents, which Tom Dodson is now preparing. Engineering staff has completed the entire set of civil engineering plans, including grading, street, lighting, and landscape plans. All design work is being performed in-house.
- Staff continued to work with SANBAG to complete the annual Measure I reporting, as well as addressed any issues or questions that arose during the Measure I audit. The new Measure I transportation bill, which was passed by the voters in 2010, has done away with differentiating between arterial and local roadway expenditures, but the frequency of reporting has increased to an annual basis.
- Continued to provide timely and professional plan checking and inspection services to the development community utilizing existing City staff on commercial and smaller residential tracts. Due to the large scale of two projects, Engineering staff contracted with Hall and Foreman Engineers to provide engineering plan review services for major projects (Frontier Communities Tract 17980 and the Tapestry Project).
- Working with its environmental consultant, Tom Dodson and Associates, staff was able to secure a Categorical Exclusion (CE) environmental clearance for the Willow Street Paseo project. This project will construct a pedestrian/bicycle paseo along both sides of Willow Street from Third to Eighth Avenues, connecting with the Eighth Avenue Paseo. Staff will now contract with an engineering firm for the design of the project. This project, which is being funded through a Federal Safe Routes to School Grant, is expected to begin construction in FY 2015-16.
- In order to conform to the American with Disabilities Act (ADA), the City is required to inventory all its roadway pedestrian paths of travel (sidewalks) to ensure that they meet the latest standards for accessible paths of travel. Although all the improvements do not have to be constructed immediately, a plan describing the necessary improvements and a schedule for their construction needs to be completed. This plan is called a Transition Plan, and the majority of the field inspection work was completed this fiscal year. Significant changes being adopted by Federal Agencies will cause the State to adopt new standards for construction in street rights of way, thus forcing the City to adopt new standards, especially at intersections. This will cause a delay in the completion of the Plan. Some improvements outside of intersections will be completed utilizing Community Development Block Grant (CDBG) funds over the next fiscal year.

2015-16 PROGRAM GOALS AND OBJECTIVES

- The FY 2014-15 Annual Street Improvement Program will be completed utilizing Measure I transportation funds to maintain roadways throughout the City. The City will once again perform a crack seal and slurry seal project to maintain many of the roadways that it has rehabilitated over the last ten years. The City Council approved funding for an additional 5 miles of slurry maintenance, bringing the total to 10 miles for this project. Additionally, the City Council allocated funds from the General Fund to pave two dirt roads (Fir and Rodeo Streets).
- Main Street, from Oakwood Avenue to Balsam Avenue, will have a full-depth rehabilitation. Traffic Signal upgrades at the intersection of Main Street and I Avenue and rehabilitation of three residential roads are also included in this contract. The project is expected to be advertised for bid in May and begin construction in July.

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

2015-16 PROGRAM GOALS AND OBJECTIVES (Continued)

- The FY 2015-16 Annual Street Improvement Program will once again concentrate on the maintenance of roadways throughout the City. The City will perform a crack seal and slurry seal project to maintain many of the roadways that it has rehabilitated over the last ten years. As in previous years, full-depth rehabilitation of a section of Main Street will be the highest priority, as well as traffic signal upgrades.
- Continue to implement the City's Flood Hazard Protection Ordinance through the acquisition of drainage easements where required, review all development that is potentially impacted by storm water run-off, and maintain required certifications while staying abreast of the ever-changing FEMA regulations.
- Staff will continue to finalize the environmental clearance from Caltrans for the construction of mitigation improvements at the outlet of the H-01 storm drain facility between Fourth and Third Avenues. The available FEMA funds are still in place for construction only, if the City is able to meet the requirements of the environmental review and conditions.
- The Geographical Information Systems (GIS) staff is currently working on Cityworks 2014 and ArcGIS 10.3 upgrades. The upgrades are scheduled to start in June, 2015. GIS staff is working closely with IT and Public Works employees during the Cityworks update process and will provide training for staff for Cityworks 2014 during the installation process.
- As the City's representative to the Technical Advisory Committee at the Victor Valley Transit Agency (VVTA), the City Engineer will work closely with VVTA during the implementation of the year three recommendations from the Comprehensive Operational Analysis. Included in the recommendations for this fiscal year is a new route which will service the freeway corridor, including the San Joaquin Valley College on Mariposa Road. This new Route 24 will provide a direct linkage between the County Route in Phelan, and the City of Hesperia. It is imperative to recommend to the VVTA Board a logical plan for incorporating new services (such as Route 24) that address any unmet transit needs for Hesperia residents, while ensuring a small percentage of Local Transportation Funds (LTF) come back to the City for its roadway maintenance.
- Continue to support the various departments and divisions throughout the City through the production of maps, exhibits, and applications through Geoviewer and Cityworks to make the most productive use of the City's GIS Map while meeting the demands of all City staff. Chief among this task is the support for Grants, such as Active Transportation Program and future Article 3 Grants.
- Continue to provide timely and professional plan checking and inspection services to the development community utilizing existing City staff when possible. Due to expected increase in development activity, it may become necessary to contract for additional plan checking and inspection services.
- Work with the Mojave River Watershed Group and City of Hesperia staff to implement the year three requirements of the City's MS4 Stormwater Permit. The new permit also has requirements that will be costly to comply with, both in staff time requirements and possible consultant costs. Staff will work with the Mojave River Watershed Group and Lahontan to devise plans that meet these new requirements in the most economical manner.
- Ensure that the City complies with the State's General Stormwater Construction permit by participating in the required training necessary for its staff members to keep their certifications as Qualified SWPPP Developer (QSD) and Practitioner (QSP) current. At the same time, staff will ensure that all new development meet the requirements under the permit and upload the project on the State's internet based tracking system, called the Stormwater Multi Application Reporting and Tracking System (SMARTS).
- Prepare a Request for Proposals (RFP) for engineering services to survey and design the Willow Street Paseo project. This project will construct a pedestrian/bicycle paseo along both sides of Willow Street from Third to Eighth Avenues, connecting with the Eighth Avenue Paseo. Staff completed the environmental clearance phase in March, 2015 and received authorization to proceed from Caltrans in April. The City can now be reimbursed for all phases of the project, including the engineering design services. This project which is being funded through a Federal Safe Routes to School Grant is expected to be under construction this fiscal year.

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

2015-16 PROGRAM GOALS AND OBJECTIVES (Continued)

- Continue to work toward the completion of the expansion of the Park and Ride facility on Joshua Street at Highway 395. Engineering staff will complete the construction bid package, file a SWPPP for the project with the State, and continuing to assist Tom Dodson and Associates with obtaining environmental clearance through Caltrans. Once all these tasks are complete, the project can be bid for construction. State and local air quality grants are being utilized to fund the project, and it is anticipated that the project will be constructed in FY 2015-16.
- Engineering staff will continue to work on a system to prioritize roadways for rehabilitation and maintenance. This system will utilize new templates that operate within the latest version of the Cityworks program and will be completely integrated with the City's GIS Map. The templates will have ratings for all roadways throughout the City based on visual inspections of the streets. Many of these inspections have already been completed by City Construction Inspectors and staff will work on developing the templates.

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

PROGRAM EXPENDITURE SUMMARY						% Change From 2014-15 Budget
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	
Salaries	\$ 111,303	\$ 121,287	\$ 119,970	\$ 104,875	\$ 119,970	0%
Benefits	49,936	54,190	58,606	55,213	60,936	4%
Materials	455,791	484,737	471,878	471,652	471,882	0%
Contractual	157,810	169,026	223,250	166,500	206,934	-7%
Other Operating	74,758	106,137	69,226	113,974	87,651	27%
Capital Outlay	0	0	115,000	0	125,000	9%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 849,598	\$ 935,377	\$ 1,057,930	\$ 912,214	\$ 1,072,373	1%

PROGRAM DESCRIPTION

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

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

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

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Custodian	1.00	1.00	1.00	1.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Senior Custodian	0.50	0.50	0.50	0.50
Total Full-Time Staff	2.00	2.00	2.00	2.00
<u>Part-Time Staff</u>				
Custodian - Part-Time	0.46	0.46	0.46	0.46
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Full & Part-Time Staff	2.46	2.46	2.46	2.46

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- None.

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

2014-15 PROGRAM ACCOMPLISHMENTS

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

2015-16 PROGRAM GOALS AND OBJECTIVES

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

PERFORMANCE AND

<u>WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Backlog Work Orders	0	60	60	60
Contracts Administered	10	11	14	16
Customer Service Request Orders	127	211	272	250
Carpets Deep Cleaned (Square Feet)	7,600	21,000	500	14,000
Painting (Square Feet)	1,500	90	300	300
Hard Surface Cleaning (Square Feet)	9,600	28,882	9,000	10,000
Sub Contract Invoices Processed	221	279	142	200

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

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 3,731,298	\$ 3,864,176	\$ 3,834,357	\$ 3,827,754	\$ 3,881,380	1%
Benefits	1,460,152	1,481,457	1,465,988	1,392,494	1,465,413	0%
Materials	6,257,003	6,592,981	6,527,515	6,228,247	5,908,367	-9%
Contractual	1,570,268	1,568,310	926,901	854,017	1,052,764	14%
Other Operating	1,913,898	2,099,200	1,971,534	1,946,039	2,079,395	5%
Capital Outlay	101,255	168,800	145,000	176,597	159,500	10%
Debt Service	2,961,980	3,060,627	2,974,770	2,961,640	1,812,810	-39%
TOTAL	\$ 17,995,854	\$ 18,835,551	\$ 17,846,065	\$ 17,386,788	\$ 16,359,629	-8%

DIVISION EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Water Operating (700)						
4010 Source of Supply	\$ 2,737,454	\$ 2,981,865	\$ 2,764,565	\$ 2,575,095	\$ 2,219,471	-20%
4020 Production	2,848,778	3,322,580	3,285,566	3,421,491	3,043,268	-7%
4030 Distribution	1,052,379	1,083,095	1,161,964	1,124,436	1,185,131	2%
4035 Pipeline Maintenance	1,224,537	1,237,911	1,201,465	1,077,351	1,045,044	-13%
4040 Engineering	810,812	745,728	757,342	755,552	971,151	28%
4050 Customer Service	1,150,273	1,130,205	1,194,632	1,021,673	1,526,122	28%
4060 Utility Billing	944,621	1,017,465	1,002,860	1,006,478	1,001,544	0%
4070 Administration	6,152,442	6,371,667	6,083,671	6,089,452	5,006,529	-18%
4080 Property Management	301,336	294,576	354,000	299,060	361,369	2%
Total Water Operating	\$ 17,222,632	\$ 18,185,092	\$ 17,806,065	\$ 17,370,588	\$ 16,359,629	-8%
Water CIP (701)	\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0	-100%
Total Water Operating & Capital Projects	\$ 17,995,854	\$ 18,835,551	\$ 17,846,065	\$ 17,386,788	\$ 16,359,629	-8%

DEPARTMENT STAFFING

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Total Full-Time Staff	67.85	67.85	66.60	67.20
Total Part-Time Staff	0.92	1.38	1.38	1.38
Total D.S. Water Staff	68.77	69.23	67.98	68.58

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

DIVISION GOALS FOR 2015-16

- Continue to provide high quality service to water customers with water delivery, responsiveness to repair needs, and easy payment methods.
- Continue to educate the public on water conservation methods.
- On April 1, 2015, Governor Brown issued Executive Order B-29-15 directing the State Water Resources Control Board (SWRCB) to implement restrictions to reduce urban potable water use by 25% statewide. On May 5, 2015, the SWRCB adopted regulations, which placed water suppliers in a tiered conservation standard based on residential gallons per capita per day (GPCD) from July-September 2013. Consequently, the District's reduction standard is 32% to be achieved between June 2015 and February 2016.
- Implement the first phase of installing an Advanced Metering Infrastructure to improve information and customer service on water usage.
- Update Water and Sewer Rate Study.

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

Source of Supply

- For Water Year (WY) 2014-15 (FY 2015-16 Budget), it is anticipated that the Hesperia Water District will produce 13,063 AF of water, which will require make-up obligations of 4,850 acre-feet (AF) in excess of the free production allowance of 8,213 AF. The total cost associated for the WY 2014-15 (FY 2015-16 Budget) production is anticipated to be \$2,017,609, of which 3,742 AF of water will be leased from the City of Hesperia for a cost of \$1,631,512.
- The reduction for WY 2014-15 (FY 2015-16 Budget) is expected to decrease, as compared to the previous water years, due to increased conservation from the District's customers, especially in light of the Governor's declaration of state of emergency due to the severe drought conditions being experienced by the State. The FY 2014-15 Revised (WY 2013-14) has total production of 14,427 AF for a cost of \$2,388,482, while WY 2012-13 (FY 2013-14) had water production of 15,174 AF costing the Water District \$2,593,233.

Production

- Add one Senior Pump Maintenance Worker (0.95 FTE) position and eliminate one Pump Maintenance Worker (0.95 FTE) to oversee the daily pump maintenance and train staff in the safe and proper procedures when dealing with high voltage electricity.
- Funding of \$117,000 is included for the upgrade of four (4) programmable logic controllers (PLCs) and to establish a standard program for the Water District's well sites and booster stations within the City's Supervisory Control and Data Acquisition (SCADA) Program. This year's funding will be phase two of a three year plan to replace eleven (11) PLCs.
- Due to the anticipated reduction of water production, it is anticipated that electricity costs will decrease during the next fiscal year. Production is anticipating producing 13,063 acre-feet of water during FY 2015-16. This is 9.5% or 1,364 AF decrease from the FY 2014-15 projections of 14,427 AF.

Distribution

- The Senior Maintenance Worker staffing has been reallocated by 0.10 FTE from Public Works - Street Maintenance to Water Operating - Distribution.

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

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES (Continued)

Engineering

- Add one Management Analyst (0.50 FTE) to the Water Engineering Program to perform the functions of the City's Storm Water Program.
- Funding of \$100,000 is included for the survey and design of the FY 2015-16 Waterline Replacement Program which will have to be performed by contract consultant. Due to an increase in development activity (inquiries and design), as well as current in-house design projects, there are insufficient staffing levels in the Engineering Division to perform additional design projects in-house.

Customer Service

- Funding of \$559,953 is included to implement an Advanced Metering Infrastructure (AMI) with analytics software, installing 3,758 units in year one of a seven year project. The AMI fixed metering network is a cloud-based solution which utilizes existing cellular tower infrastructure within the City to transmit meter read information to the Utility Billing software which then stores hourly read information and provides a web portal offering near real-time consumption information to customers as well as the District. This portal enables the public to get a hands-on view about their own consumption patterns, can aid with drought restrictions, and reduce disputes by allowing customers to set alerts, view historical consumption, and manage their consumption in near real-time. The \$559,953 in funding for the new AMI Program is a net increase of \$311,953, as \$248,000 in costs previously budgeted for the former Automated Meter Read (AMR) Program have been removed.
- Funding of \$27,500 is included to purchase a replacement service truck that is nineteen years old with 170,000 miles which is used to perform water meter maintenance and installation functions.

Administration

- The decrease in Debt Service is primarily attributed to the retirement of the 2010 \$6 million loan from the former Redevelopment Agency Low and Moderate Income Housing Fund. The final \$1.2 million payment was made in FY 2014-15 and the obligation is paid in full.

	2012-13	2013-14	2014-15	2014-15	2015-16	%Change From 2014-15
REVENUE DETAIL	Actual	Actual	Budget	Revised	Budget	Budget
Water Operating Fund (700)						
Taxes						
Secured Property Taxes 700 29 400 4070 4000	\$ 272,256	\$ 263,813	\$ 273,000	\$ 280,743	\$ 297,588	9%
WEDA Pass Through 700 29 400 4070 4095	5,608	6,552	6,600	6,600	6,996	6%
Other Taxes	7,711	50,358	7,200	6,476	7,572	5%
Total Taxes	\$ 285,575	\$ 320,723	\$ 286,800	\$ 293,819	\$ 312,156	9%
Interest						
Interest Income 700 29 400 4070 5605	\$ 6,970	\$ 6,668	\$ 6,598	\$ 4,964	\$ 4,776	-28%
Other Interest	0	0	0	0	0	n/a
Total Interest	\$ 6,970	\$ 6,668	\$ 6,598	\$ 4,964	\$ 4,776	-28%

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

	2012-13	2013-14	2014-15	2014-15	2015-16	%Change From 2014-15
REVENUE DETAIL	Actual	Actual	Budget	Revised	Budget	Budget
Water Operating Fund (700)						
Intergovernmental						
City Rent Charge 700 29 400 4070 5880	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	\$ 52,537	0%
Total Intergovernmental	\$ 52,537	0%				
Charges for Services						
Water Sales/Residential 700 29 400 4060 5100	\$ 8,185,399	\$ 7,936,001	\$ 8,153,780	\$ 7,500,000	\$ 6,772,600	-17%
Water Sales/Business 700 29 400 4060 5101	447,474	432,435	478,427	459,689	386,900	-19%
Water Sales/Public Building 700 29 400 4060 5102	498,500	495,161	520,000	510,097	444,600	-15%
Water Sales/Irrigation 700 29 400 4060 5103	263,637	251,083	268,320	232,485	217,500	-19%
Water Sales/Construction 700 29 400 4060 5104	312,287	44,530	300,000	162,483	141,800	-53%
Water Sales/Industrial 700 29 400 4060 5105	2,368	3,888	4,000	3,428	2,500	-38%
Water Availability Charge 700 29 400 4060 5110	6,535,900	6,542,963	6,654,000	6,600,000	6,700,000	1%
Sub-total	16,245,565	15,706,061	16,378,527	15,468,182	14,665,900	-10%
Water Meter Fees 700 29 400 4070 5140	8,582	32,464	52,000	49,152	51,200	-2%
Reconnection Fees 700 29 400 4070 5130	196,330	244,343	190,000	250,000	145,000	-24%
Water Inspection 700 29 400 4070 5180	688	3,652	3,653	6,700	4,500	23%
New Account Setup 700 29 400 4060 5191	0	18,019	132,000	109,800	110,000	-17%
Rent Eagle Plaza 700 29 400 4070 5875	178,349	159,672	145,380	109,020	105,300	-28%
Other Charges for Services	49,135	86,697	121,714	124,090	116,361	-4%
Total Charges for Services	\$ 16,678,649	\$ 16,250,908	\$ 17,023,274	\$ 16,116,944	\$ 15,198,261	-11%
Grants						
Grants	\$ 0	\$ 0	\$ 0	\$ 38,000	\$ 0	n/a
	\$ 0	\$ 0	\$ 0	\$ 38,000	\$ 0	n/a
Other Operating						
Other Operating	\$ 227,113	\$ 187,694	\$ 191,232	\$ 189,114	\$ 192,896	1%
Total Other Operating	\$ 227,113	\$ 187,694	\$ 191,232	\$ 189,114	\$ 192,896	1%
All Other						
All Other	\$ 763,906	\$ 123,443	\$ 25,300	\$ 31,500	\$ 25,300	0%
Total All Other	\$ 763,906	\$ 123,443	\$ 25,300	\$ 31,500	\$ 25,300	0%
Total Water Operating Fund	\$ 18,014,750	\$ 16,941,973	\$ 17,585,741	\$ 16,726,878	\$ 15,785,926	-10%
Water Capital Fund (701)						
Charges for Services						
Capital Facility Charges 701 29 400 4070 5120	\$ 157,211	\$ 306,762	\$ 218,000	\$ 422,000	\$ 396,000	82%
Other Charges for Services	0	23,115	0	0	0	n/a
Total Water Capital Fund	\$ 157,211	\$ 329,877	\$ 218,000	\$ 422,000	\$ 396,000	82%
Total Water Operating and Capital Fund Revenue	\$ 18,171,961	\$ 17,271,850	\$ 17,803,741	\$ 17,148,878	\$ 16,181,926	-9%

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

<u>DIVISION STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Secretary	0.50	0.50	0.80	0.80
Administrative Analyst	0.50	0.50	0.65	0.65
Assistant City Manager/Management	0.05	0.05	0.05	0.05
Assistant Engineer	0.65	0.65	0.65	0.65
City Engineer	0.50	0.50	0.50	0.50
Community Development Technician	2.00	2.00	2.00	2.00
Community Relations and Media Coordinator	0.40	0.40	0.40	0.40
Construction Inspection Supervisor	0.65	0.65	0.65	0.65
Construction Inspector	1.55	1.55	0.85	0.85
Custodian	2.00	2.00	2.00	2.00
Customer Service Representative	5.00	5.00	5.00	5.00
Customer Service Supervisor	1.00	1.00	1.00	1.00
Deputy Finance Director	0.10	0.10	0.10	0.10
Director of Development Services	0.40	0.40	0.40	0.40
Emergency Services Coordinator	0.50	0.50	0.50	0.50
Engineering Technician	0.60	0.60	0.60	0.60
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Equipment Operator	2.70	2.70	2.70	2.70
Executive Secretary	0.40	0.40	0.00	0.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Geographical Information Systems	0.70	0.70	0.70	0.70
Geographical Information Systems	0.70	0.70	0.70	0.70
Maintenance Crew Supervisor	4.00	4.00	4.00	4.00
Maintenance Worker	13.00	13.00	13.00	13.00
Management Analyst	1.00	1.00	1.00	1.50
Meter Reader	4.00	4.00	4.00	4.00
Office Assistant	1.00	1.00	1.00	1.00
Project Construction Manager	0.25	0.25	0.25	0.25
Public Works Director	0.00	0.50	0.50	0.50
Public Works Manager	0.50	0.00	0.00	0.00
Public Works Supervisor	1.00	1.00	1.00	1.00
Pump Maintenance Worker	0.95	0.95	0.95	0.00
Pump Operator	1.95	1.95	1.95	1.95
Senior Account Clerk	2.00	2.00	2.00	2.00
Senior Custodian	0.50	0.50	0.50	0.50
Senior Customer Service Representative	2.00	2.00	2.00	2.00
Senior Engineering Technician	0.60	0.60	0.00	0.00
Senior Maintenance Worker	6.40	6.40	6.40	6.50
Senior Office Assistant	0.85	0.85	0.85	0.85

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

<u>DIVISION STAFFING (Continued)</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Senior Pump Maintenance Worker	0.00	0.00	0.00	0.95
Senior Pump Operator	0.95	0.95	0.95	0.95
Senior Warehouse Technician	1.00	1.00	1.00	1.00
Utility Line Locator	1.00	1.00	1.00	1.00
Warehouse Technician	1.00	1.00	1.00	1.00
Water Conservation Specialist	1.00	1.00	1.00	1.00
Water Quality Technician	1.00	1.00	1.00	1.00
Total Full-Time Staff	<u>67.85</u>	<u>67.85</u>	<u>66.60</u>	<u>67.20</u>
<u>Part-Time Staff</u>				
Custodian	0.46	0.46	0.46	0.46
Customer Service Representative	0.46	0.92	0.92	0.92
Total Part-Time Staff	<u>0.92</u>	<u>1.38</u>	<u>1.38</u>	<u>1.38</u>
Total Full & Part-Time Staff	<u>68.77</u>	<u>69.23</u>	<u>67.98</u>	<u>68.58</u>

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

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 91,776	\$ 118,783	\$ 119,773	\$ 110,800	\$ 113,581	-5%
Benefits	31,707	40,455	43,156	37,463	37,391	-13%
Materials	2,611,776	2,821,396	2,598,931	2,423,972	2,066,149	-21%
Contractual	0	0	0	0	0	0%
Other Operating	2,195	1,231	2,705	2,860	2,350	-13%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 2,737,454	\$ 2,981,865	\$ 2,764,565	\$ 2,575,095	\$2,219,471	-20%

PROGRAM DESCRIPTION

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

While the District owns 13,688 acre-feet (AF) of base annual production (BAP), adjudication restricts productions to 8,213 AFor 60% of the BAP. This restricted amount is called the free production allowance (FPA). Water production exceeding the annual FPA must be either replenished from third party water rights owners through annual leases or purchased directly from the Mojave Basin Area Watermaster at a premium cost. In addition, the Program is also responsible for all public information and school education programs pertaining to water conservation and in assisting homeowners and businesses to eliminate water waste.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Community Relations and Media Coordinator	0.40	0.40	0.40	0.40
Environmental Programs Coordinator	0.50	0.50	0.50	0.50
Water Conservation Specialist	1.00	1.00	1.00	1.00
Total Full-Time Staff	1.90	1.90	1.90	1.90

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- For Water Year (WY) 2014-15 (FY 2015-16 Budget), it is anticipated that the Hesperia Water District will produce 13,063 AF of water, which will require make-up obligations of 4,850 acre-feet (AF) in excess of the free production allowance of 8,213 AF. The total cost associated for the WY 2014-15 (FY 2015-16 Budget) production is anticipated to be \$2,017,609, of which 3,742 AF of water will be leased from the City of Hesperia for a cost of \$1,631,512.
- The reduction for WY 2014-15 (FY 2015-16 Budget) is expected to decrease, as compared to the previous water years, due to increased conservation from the District's customers, especially in light of the Governor's declaration of state of emergency due to the severe drought conditions being experienced by the State. The FY 2014-15 Revised (WY 2013-14) has total production of 14,427 AF for a cost of \$2,388,482, while WY 2012-13 (FY 2013-14) had water production of 15,174 AF costing the Water District \$2,593,233.

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

2014-15 PROGRAM ACCOMPLISHMENTS

- The Water Division participated in several community events including Hesperia Days, High Desert Water Awareness Expo, Fall and Spring Water Expo, Tri-Community Science Fair, Garden Party, Read Across America, The Job Fair, Kid's Fest, Lewis Center Science Fair, Krystal Elementary, Serendipity Days at Topaz Elementary School, and The Alliance for Water Awareness and Conservation booth at the Home Depot plant sale.
- 320 Water Conservation kits were assembled and distributed to Hesperia residents.
- The Water Awareness Coloring Contest was held again this year with the theme being "Conserving Water Starts with You".
- Partnered with other water districts through the Alliance of Water Awareness and Conservation (AWAC) to provide water conservation workshops to area residents and contractors such as a weather based irrigation controller class.
- Participated in Project Water Education Training (WET) facilitators training to provide future classroom water conservation programs at local schools.
- Continued to participate in the Cash for Grass Program, which offers customers a rebate cash incentive from the Mojave Water Agency (MWA) to remove lawn and replace it with water-efficient landscaping. Performed 140 Cash for Grass pre-inspections, distributed 120 weather-based irrigation controllers to customers in participation with Alliance of Water Awareness and Conservation (AWAC), and participated in the High Efficiency Toilet (HET) distribution program which will provide over 200 HETs to customers.
- A new accessible 24-hour Water Conservation Hotline was established and added to the City's website for individuals to use to report run-off and conservation issues.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Continue water awareness programs with Hesperia Unified School District and at community events.
- Continue to enforce the City's Landscape Ordinance Program, and maintain a file of repeat water wasters.
- Continue to meet with the public, and perform water audits at problem run-off areas for both residential and commercial properties.
- Continue to provide water conservation literature to customers to promote conservation.
- Continue to partner with other water districts to provide beginning and advanced conservation workshops and grey water workshops through the AWAC.
- Continue to participate in the Cash for Grass Program, which offers rebate cash incentives from MWA to remove grass and replace it with water efficient landscaping.
- Continue HET distribution program that offers two (2) high efficiency toilets per household with homes built prior to 1995.
- Pursue purchase of permanent water rights that become available to offset replacement/make-up water needed annually.
- On April 1, 2015, Governor Brown issued Executive Order B-29-15 directing the State Water Resources Control Board (SWRCB) to implement restrictions to reduce urban potable water use by 25% statewide. On May 5, 2015, the SWRCB adopted regulations, which placed water suppliers in a tiered conservation standard based on residential gallons per capita per day (GPCD) from July-September 2013. Consequently, the District's reduction standard is 32% to be achieved between June 2015 and February 2016.

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

PERFORMANCE AND

<u>WORKLOAD INDICATORS</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Water Lease Purchases (Acre-Feet)				
▪ Make-up Water (Centro)	0	0	430	500
▪ Carryover Water (Alto)	6,865	6,961	6,214	4,850
Permanent Water Purchase (Acre-Feet) (Alto)	0	0	0	0
Coloring Contest Participants	300	100	300	300
Community Event Participation	14	14	14	16
School Presentations Made	12	12	12	12
Commercial Water Audits Performed	4	3	4	4
Residential Water Audits Performed	50	30	40	35
Nuisance Water Complaints Addressed	206	175	55	50
Cash for Grass Inspections	103	100	140	150
Conservation Kits Distributed	200	300	320	300

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: PRODUCTION 4020

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 443,356	\$ 449,231	\$ 447,990	\$ 448,083	\$ 452,367	1%
Benefits	148,707	156,889	167,198	171,824	170,281	2%
Materials	2,099,500	2,276,213	2,338,728	2,524,230	2,115,720	-10%
Contractual	125,124	243,504	158,500	100,000	148,000	-7%
Other Operating	32,091	27,943	43,150	37,950	39,900	-8%
Capital Outlay	0	168,800	130,000	139,404	117,000	-10%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 2,848,778	\$ 3,322,580	\$ 3,285,566	\$ 3,421,491	\$ 3,043,268	-7%

PROGRAM DESCRIPTION

This Program is responsible for providing safe drinking water for the people of Hesperia and to provide water service during periods of peak demand and fire flow. Water Production maintains all of the wells, motors, pumps, and boosters to ensure adequate water supplies. Water Production is also responsible for all water sampling to ensure system compliance with the State Water Resources Control Board (SWRCB) requirements. Water Production also oversees the cross-connection and backflow prevention programs. Water Production is also responsible for the operation and maintenance of the sewer pumping station on "I" Avenue.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	2.00	2.00	2.00	2.00
Pump Maintenance Worker	0.95	0.95	0.95	0.00
Pump Operator	1.95	1.95	1.95	1.95
Senior Pump Maintenance Worker	0.00	0.00	0.00	0.95
Senior Pump Operator	0.95	0.95	0.95	0.95
Water Quality Technician	1.00	1.00	1.00	1.00
Total Full-Time Staff	7.85	7.85	7.85	7.85

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Add one Senior Pump Maintenance Worker (0.95 FTE) position and eliminate one Pump Maintenance Worker (0.95 FTE) to oversee the daily pump maintenance and train staff in the safe and proper procedures when dealing with high voltage electricity.
- Funding of \$117,000 is included for the upgrade of four (4) programmable logic controllers (PLCs) and to establish a standard program for the Water District's well sites and booster stations within the City's Supervisory Control and Data Acquisition (SCADA) Program. This year's funding will be phase two of a three year plan to replace eleven (11) PLCs.
- Due to the anticipated reduction of water production, it is anticipated that electricity costs will decrease during the next fiscal year. Production is anticipating producing 13,063 acre-feet of water during FY 2015-16. This is 9.5% or 1,364 AF decrease from the FY 2014-15 projections of 14,427 AF.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: PRODUCTION 4020

2014-15 PROGRAM ACCOMPLISHMENTS

- Provided positive water pressure and safe drinking water throughout the year, including during power outages and disruptions.
- Maintained 24-hour communications with all Hesperia pumping facilities utilizing System Control and Data Acquisition (SCADA).
- Maintained compliance with SWRCB regulation to the Cross-Connection Control Program. This program has monitored the testing of more than 1,265 backflow assemblies.
- Completed inspection of all water reservoirs by a certified diving company.
- Completed upgrade of four (4) programmable logic controllers (PLCs) within the City's SCADA Program.
- Installed flow control valve and meter at the Golf Course in preparation of the new reclaimed water system.
- Complied with SWRCB regulations in regards to new required testing of Chromium 6.
- Completed flow meter testing calibration at all City pumping facilities.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Comply with all SWRCB regulations including Chromium 6 blending at reservoirs.
- Complete upgrade of four (4) PLCs within the City's SCADA Program.
- Continue to maintain a good water quality and backflow Cross-Connection Program.
- Replacement of booster station roof at Plant 21 along with drywall and stucco repairs.
- Complete any repairs recommended by the certified diver within the reservoirs.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Water Produced (Acre-Feet)	14,495	14,708	14,427	13,063
Water Samples	1,609	2,244	1,900	2,000
Reservoirs	14	14	14	14
Wells	18	18	18	*17
Water Booster Station	6	6	6	6
Test Backflow Assemblies	1,174	1,232	1,270	1,320

*Well 21 is decommissioned

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: DISTRIBUTION 4030

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 592,981	\$ 610,060	\$ 645,195	\$ 620,390	\$ 666,695	3%
Benefits	230,511	226,095	249,237	235,554	257,231	3%
Materials	188,002	195,239	213,978	201,512	206,816	-3%
Contractual	804	373	500	500	500	0%
Other Operating	40,081	51,328	53,054	66,480	53,889	2%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,052,379	\$ 1,083,095	\$ 1,161,964	\$ 1,124,436	\$ 1,185,131	2%

PROGRAM DESCRIPTION

This Program is charged with the responsibility to ensure that the water supplies are distributed throughout the system at the lowest possible cost, while maintaining the health requirements set by the California Department of Public Health.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Equipment Operator	0.70	0.70	0.70	0.70
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	6.00	6.00	6.00	6.00
Senior Maintenance Worker	3.40	3.40	3.40	3.50
Utility Line Locator	1.00	1.00	1.00	1.00
Total Full-Time Staff	12.10	12.10	12.10	12.20

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- The Senior Maintenance Worker staffing has been reallocated by 0.10 FTE from Public Works - Street Maintenance to Water Operating - Distribution.

2014-15 PROGRAM ACCOMPLISHMENTS

- Assisted the construction inspectors on all new public and private waterline projects.
- Serviced 600 fire hydrants and 1,500 valves throughout the City.
- Repaired 210 water leaks including water services, meters, and hydrant leaks.
- Installed 60 water meter sets throughout the City and replaced 75 old service lines.
- Flushed 300 water lines within the City.
- Completed 3,500 locates for Utility Underground Service Alerts (DigAlert).
- Serviced 250 air release valves throughout the City.
- Completed 10 fire flow tests for new commercial construction.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: DISTRIBUTION 4030

2015-16 PROGRAM GOALS AND OBJECTIVES

- Ensure system continues to operate efficiently.
- Repair leaks immediately upon notification.
- Flush water lines pursuant to State Water Resources Control Board (SWRCB) directives.
- Exercise valves and hydrants throughout the system pursuant to SWRCB guidelines to ensure their operation.
- Install water service meter sets as required by new development.
- Inventory all the new water line, valve, and hydrant installations for the Cityworks Asset Management Program.
- Repair and replace old steel water lines with Polyvinyl Chloride (PVC) C-900 pipe.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Water Leaks Repaired	63	75	35	50
Water Service Line Leaks Repaired	197	196	150	150
Water Meter Leaks Repaired	31	32	25	25
Valves Serviced	3,561	2,191	1,500	2,500
Fire Hydrants Serviced (Total of 5,445 Citywide)	1,429	1,127	600	1,200
Water Lines Flushed/Blowoffs	139	501	300	300
New Meter Sets	8	56	60	100
Service Replacements	94	61	75	75
Utility Line Locates	4,982	4,187	3,500	4,000
Air release valves serviced	670	81	250	300
Fire Flow Tests	9	10	10	10

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: PIPELINE MAINTENANCE 4035

PROGRAM EXPENDITURE SUMMARY						% Change
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Salaries	\$ 366,185	\$ 378,772	\$ 378,103	\$ 374,163	\$ 379,147	0%
Benefits	134,205	133,236	143,498	137,475	147,579	3%
Materials	636,252	632,185	602,709	521,375	445,810	-26%
Contractual	13,671	13,981	11,500	5,000	6,500	-43%
Other Operating	68,014	79,737	65,655	39,338	66,008	1%
Capital Outlay	6,210	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,224,537	\$ 1,237,911	\$ 1,201,465	\$ 1,077,351	\$ 1,045,044	-13%

PROGRAM DESCRIPTION

This Program was established for the purpose of repairing, maintaining, and replacing water lines and related infrastructure within the water system throughout the City.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Equipment Operator	2.00	2.00	2.00	2.00
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	3.00	3.00	3.00	3.00
Senior Maintenance Worker	1.00	1.00	1.00	1.00
Total Full-Time Staff	7.00	7.00	7.00	7.00

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- None.

2014-15 PROGRAM ACCOMPLISHMENTS

- Replaced 3.6 miles of pipe (18,000 feet of new 8-inch and 1,000 feet of 12-inch (PVC) Polyvinyl Chloride) this year. This includes a portion of CO #3404 in southwest quadrant of City and the start of new project CO #3405 in center of City.
- Installed 350 feet of 8-inch sewer lateral at Animal Control facility for Sewer Division to replace antiquated septic system and convert to the sewer system.
- Installed 117 new isolation valves.
- Installed 31 new fire hydrants.
- Installed 7 new air release valves.
- Changed over 181 water services.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: PIPELINE MAINTENANCE 4035

2015-16 PROGRAM GOALS AND OBJECTIVES

- Start new water line project CO #3405 in center of City west of Maple Avenue and Main Street.
- Replace five miles of old, undersized steel water mains with new 8-inch and 12-inch PVC, including new isolation valves, fire hydrants, and service lines.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Replace old pipeline with new pipeline (in miles)	4	4.5	3.6	5
Hydrant Replacements/Flush points installed (each)	38	39	31	36
Water services changed over (each)	271	221	181	200
Water isolation valves replaced or installed (each)	67	201	117	80

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: ENGINEERING 4040

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 537,485	\$ 499,543	\$482,251	\$490,320	\$512,635	6%
Benefits	192,827	177,015	179,238	174,748	189,306	6%
Materials	10,162	8,465	10,838	10,693	9,980	-8%
Contractual	47,336	47,456	68,300	51,350	239,140	250%
Other Operating	10,663	13,249	16,715	15,491	20,090	20%
Capital Outlay	12,339	0	0	12,950	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 810,812	\$ 745,728	\$ 757,342	\$755,552	\$971,151	28%

PROGRAM DESCRIPTION

The Engineering Program is responsible for the planning, design, and construction of potable and recycled water, as well as sanitary sewer infrastructure, to address the needs of the community today, as well as twenty years into the future and beyond. The Engineering Program also reviews all development proposals to ensure that they conform to Water District codes and standards, and provides technical input as a member agency to the Victor Valley Wastewater Reclamation Authority (VWRA) and the Mojave Water Agency (MWA). The 2008 Water, Wastewater, and Recycled Water Master Plan Updates will be updated in FY 2015-16 and will remain the guiding plan for the City's Capital Improvement Plan. With the approval of the VWRA Subregional Wastewater Plant, the City will soon be involved in the sale and distribution of recycled water for irrigation purposes.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.25	0.25	0.25	0.25
Administrative Secretary	0.00	0.00	0.10	0.10
Assistant Engineer	0.65	0.65	0.65	0.65
Community Development Technician	2.00	2.00	2.00	2.00
Construction Inspection Supervisor	0.65	0.65	0.65	0.65
Construction Inspector	1.55	1.55	0.85	0.85
Engineering Technician	0.60	0.60	0.60	0.60
Geographical Information Systems Manager	0.70	0.70	0.70	0.70
Geographical Information Systems	0.70	0.70	0.70	0.70
Management Analyst	0.00	0.00	0.00	0.50
Office Assistant	0.50	0.50	0.50	0.50
Project Construction Manager	0.25	0.25	0.25	0.25
Senior Engineering Technician	0.60	0.60	0.00	0.00
Senior Office Assistant	0.35	0.35	0.35	0.35
Total Full-Time Staff	8.80	8.80	7.60	8.10

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ENGINEERING	4040

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Add one Management Analyst (0.50 FTE) to the Water Engineering Program to perform the functions of the City's Storm Water Program.
- Funding of \$100,000 is included for the survey and design of the FY 2015-16 Waterline Replacement Program which will have to be performed by contract consultant. Due to an increase in development activity (inquiries and design), as well as current in-house design projects, there are insufficient staffing levels in the Engineering Division to perform additional design projects in-house.

2014-15 PROGRAM ACCOMPLISHMENTS

- Prepared the City's Capital Improvement Program utilizing the City's General Plan and Master Plan for Water and Wastewater and the Public Safety Needs Report.
- The Engineering Division continued to provide timely project review for new developer projects and continued to provide professional and prompt plan review services on commercial and industrial projects.
- The City's Stormwater Construction Inspection Program continued to set the standard for National Pollutant Discharge Elimination System compliance in the Victor Valley to ensure that there will be minimal impact from construction projects to the City's groundwater supply during storm events.
- Engineering and Public Works staff continued to partner with Westbound Communications to help meet the public outreach goals for the City as part of its Municipal Stormwater Program. Westbound Communications is the public outreach firm that is under contract with the Mojave River Watershed Group, of which the City is a member. The firm visits schools, home improvement stores, and special events to educate the public on the effects that surface pollutants have on potable water sources in the Alto Basin. City staff has assisted Westbound at special events such as Hesperia Days and the Home Show.
- Public Works staff continued to utilize the Cityworks Program to generate, track, and execute work orders within the City's GIS Map. Public Works staff continues to work closely with GIS staff to identify attributes of the GIS map (such as hydrants and water valves) that need to be updated to ensure that the map is as accurate as possible. In addition, the GIS map has been updated to include the number and locations of water meters as well as recycled water pipeline.
- The Engineering GIS staff continued to work with Public Works staff to ensure that the new GIS-based water, sewer and storm drain atlases have the most accurate information possible based on actual field conditions. Continued efforts to verify the location of the storm drain catch basins, mainlines, and culverts throughout the City will occur.
- The Geoviewer Program continues to be the main portal for the balance of City staff outside Public Works to access and utilize the GIS map from their desktop computers. The latest version, Geoviewer 8.0, has additional features that make it more powerful, and the new aerial photograph that was flown in early spring 2014 has been uploaded into Geoviewer. In addition, the user may choose aerial photographs taken from 2001 through 2014 for comparisons.
- Engineering staff worked with representatives from Victor Valley Wastewater Reclamation Authority (VWVRA) to move the City's subregional wastewater treatment plant forward. The project broke ground on March 10, 2015, and is expected to take 24 months to complete.
- Engineering continued to coordinate with Infrastructure Engineering Corporation, who is the consultant that prepared the City's new water and sewer model utilizing Info software. These new water and sewer models run within the City's existing GIS map and eliminated the need to maintain two system maps. The fully functional InfoWater and InfoSewer models are the basis for the City's Water and Recycled Water master plan updates.

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ENGINEERING	4040

2014-15 PROGRAM ACCOMPLISHMENTS (Continued)

- Engineering staff developed the conceptual alignment and plan for the Recycled Water Distribution System which will deliver recycled water for irrigation purposes to City facilities, including Hesperia Golf Course, as part of the first phase of the project. The pipeline will connect at VVWRA's Recycled Water Plant and store irrigation water in a reservoir nearby the plant. Staff was able to secure a Proposition 84 Drought Relief State Grant for \$2 million and anticipate approval of a low interest State Revolving Fund Loan for the balance of the required funding. Pending environmental clearance, the project will begin construction in the Summer of 2015 based on construction plans completed by the Engineering staff.
- The Engineering Division once again designed the Annual Pipeline Replacement Program utilizing in-house engineering staff. The survey work was completed in FY 2013-14, and staff completed the design in October 2014. This design project concentrated on replacing the four-inch steel water lines in the old residential subdivision west of Topaz Road, just north of Main Street.
- Continued to support the various departments and divisions within the City through the production of maps, exhibits, standards, and other documents related to water, sanitary sewer, and storm drain facilities located throughout the City.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Continue to provide timely project review for new developer projects, and continue to provide professional and prompt plan review services on commercial, industrial, and residential projects utilizing City staff only. Due to the large scale of the Tapestry Project, a consultant will be utilized to provide engineering services during the review.
- Continue to perform timely and professional Public Works inspection services utilizing only City inspectors. City construction inspectors will continue their roles as Stormwater Construction Inspectors to ensure City compliance with its National Pollutant Discharge Elimination System requirements as Qualified SWPPP Practitioners (QSP) and ensure that there will be minimal impact from construction projects to the City's ground water supply during storm events.
- Continue to improve and update the features of the City's Geographical Information System (GIS) map by maintaining Geoviewer and adding new features requested by other City divisions. GIS staff will continue to work with Public Works staff to ensure that the water system map stays updated with the new pipelines being installed, and will add features such as meters and valves in their actual locations. GIS staff continues to update the paper atlases used by Public Works, and these books allow field crews to make annotations that can then be updated on the GIS map.
- Both Engineering and Public Works staff will work closely with Infrastructure Engineering Corporation during the updates to the Water, Sewer, and Recycled Water Master Plans to ensure that the resulting InfoWater and InfoSewer models are as accurate as possible. With the completion of the master plan updates (completed late in the FY 2014-15), the City now has three fully functioning utility models that will be constantly updated with the City's GIS map, and will be able to be manipulated with model runs by City staff.
- Continue to support other City departments and Divisions by providing data and mapping services through the GIS system for water, sewer, and storm drain facilities.
- Continue to work with VVWRA staff on the construction of the City's subregional water reclamation plant on Mojave Road. The project does include off-site sewer, water, and street improvements that will be inspected by Engineering staff.
- Staff will continue to work as part of the Mojave River Watershed Group to meet the new requirements of the latest MS4 Municipal Stormwater Permit designed to protect the City's precious potable water sources. Stormwater monitoring and testing are two new requirements that are part of the new permit, and the MRWG will work closely with the Regional Water Quality Control Agency (Lahontan) to devise methodology that meets the new requirements while balancing the financial resources of the local agencies.

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ENGINEERING	4040

2015-16 PROGRAM GOALS AND OBJECTIVES (Continued)

- Engineering staff will oversee and manage the construction project of the Recycled Water Distribution System. The project consists of 8 miles of purple pipeline, a 2.5 million gallon reservoir, and a booster pump to ensure that there is adequate pressure in the system to work with existing irrigation systems. The project will be completed in time to convey recycled water from VVWRA's recycled water plant.
- Engineering staff will manage a contract for a consultant to design the FY 2015-16 Waterline Replacement Project. The Project consists of replacing approximately 10 miles of old 4" steel waterline in the northwest quadrant of the City. It is expected that the consultant can complete the survey and design of the project within six months at an approximate cost of \$100,000.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: CUSTOMER SERVICE 4050

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 448,104	\$ 493,705	\$ 457,464	\$ 488,623	\$ 459,551	0%
Benefits	165,872	172,203	183,559	182,788	186,503	2%
Materials	484,401	418,507	511,324	302,577	805,643	58%
Contractual	15,616	13,355	17,920	17,920	17,920	0%
Other Operating	28,488	32,435	24,365	29,765	29,005	19%
Capital Outlay	7,792	0	0	0	27,500	100%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 1,150,273	\$ 1,130,205	\$ 1,194,632	\$ 1,021,673	\$ 1,526,122	28%

PROGRAM DESCRIPTION

This Program is responsible for the reading of domestic and commercial water meters, and reporting the reads to the Utility Billing Program. Replaces water meters that do not meet the American Water Works Association's (AWWA) accuracy standards and for the meter rotation program. Completes necessary water meter, water meter assembly, and meter box maintenance. Address customer concerns regarding consumption, leaks, and water pressure. Installs and maintains Automated Meter Reading units. Performs service requests, turn off/ons, transfer reads, billing and delinquent rechecks, and delinquent lock offs.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Maintenance Crew Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker	2.00	2.00	2.00	2.00
Meter Reader	4.00	4.00	4.00	4.00
Senior Maintenance Worker	2.00	2.00	2.00	2.00
Total Full-Time Staff	9.00	9.00	9.00	9.00

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- Funding of \$559,953 is included to implement an Advanced Metering Infrastructure (AMI) with analytics software, installing 3,758 units in year one of a seven year project. The AMI fixed metering network is a cloud-based solution which utilizes existing cellular tower infrastructure within the City to transmit meter read information to the Utility Billing software which then stores hourly read information and provides a web portal offering near real-time consumption information to customers as well as the District. This portal enables the public to get a hands-on view about their own consumption patterns, can aid with drought restrictions, and reduce disputes by allowing customers to set alerts, view historical consumption, and manage their consumption in near real-time. The \$559,953 in funding for the new AMI Program is a net increase of \$311,953, as \$248,000 in costs previously budgeted for the former Automated Meter Read (AMR) Program have been removed.
- Funding of \$27,500 is included to purchase a replacement service truck that is nineteen years old with 170,000 miles which is used to perform water meter maintenance and installation functions.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: CUSTOMER SERVICE 4050

2014-15 PROGRAM ACCOMPLISHMENTS

- Replaced a combination of 1,000 domestic, irrigation, and commercial water meters.
- Completed 12,000 various water meter-related maintenance repairs.
- Performed 20,000 field service requests.
- Obtained 157,800 meter reads for billing purposes.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Provide accurate meter reading on a scheduled basis.
- Replace 1,000 water meters to improve accuracy of recorded water consumption.
- Provide customers with a properly functioning meter assembly.
- Address customer complaints/concerns in a timely and courteous manner.
- Implement a new Advanced Metering Infrastructure (AMI) and install 3,758 of the new AMI units. The City's previous Automated Meter Reading (AMR) provider, Datamatic, Ltd., declared bankruptcy in September 2013, and can no longer supply AMR units.

PERFORMANCE AND WORKLOAD INDICATORS	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Customer Service Requests	21,302	20,886	20,000	20,000
Meter Reads	157,187	157,408	157,800	157,000
Meter Repairs	8,784	9,388	12,000	14,000
Meters Rotated/Replaced	1,185	1,018	1,000	1,000
Automated Meter Reading Units	2,959	2,543	4,200	3,758
New Meter Sets (Tract Homes)	0	4	30	50

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: UTILITY BILLING 4060

PROGRAM EXPENDITURE SUMMARY						% Change
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Salaries	\$ 527,963	\$ 556,079	\$ 544,533	\$ 555,924	\$ 542,050	0%
Benefits	169,074	173,159	180,004	167,686	171,313	-5%
Materials	113,136	142,197	145,008	139,126	140,054	-3%
Contractual	123,916	141,722	128,211	137,543	143,472	12%
Other Operating	4,547	4,308	5,104	6,199	4,655	-9%
Capital Outlay	5,985	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 944,621	\$ 1,017,465	\$ 1,002,860	\$ 1,006,478	\$ 1,001,544	0%

PROGRAM DESCRIPTION

The Utility Billing Section provides customer service to over 26,353 customers of the Hesperia Water District, which provides water and sewer services. Customer service consists of establishing new services, moving customers in and out of existing accounts, shut-offs, inbound and outbound phone calls, response to customer service requests, notification to customers of scheduled and emergency maintenance/shut downs, and posting all payments. Utility Billing also manages all aspects of billing, including scheduling meter reads, calculating bills, and processing delinquent accounts; and manages the on-line customer bill presentment/payment service. This section also serves as the central cashier for the City Hall location and processes all bad checks and credit card chargebacks.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Customer Service Representative	5.00	5.00	5.00	5.00
Customer Service Supervisor	1.00	1.00	1.00	1.00
Deputy Finance Director	0.10	0.10	0.10	0.10
Senior Account Clerk	2.00	2.00	2.00	2.00
Senior Customer Service Representative	2.00	2.00	2.00	2.00
Total Full-Time Staff	10.10	10.10	10.10	10.10
<u>Part-Time Staff</u>				
Customer Service Representative	0.46	0.92	0.92	0.92
Total Part-Time Staff	0.46	0.92	0.92	0.92
Total Full & Part-Time Staff	10.56	11.02	11.02	11.02

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- None.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: UTILITY BILLING 4060

2014-15 PROGRAM ACCOMPLISHMENTS

- Cross-training program for Customer Service Representatives (CSR) trained in payment processing/electronic deposits.
- Implemented a process to notify customers by email that have past due balances or for scheduled shut-downs.
- Improved workflow between Utility Billing and Customer Service Meter programs.
- Managed the transition of over 4,500 Automated Meter Reading (AMR) changes.
- Fortified CSRs and Seniors with Cash Handling Training Program.
- Trained three new CSRs.
- Implemented new processes after the New World Systems Next-Gen conversion.
- Improved recovery statistics for bad checks.
- Processed and mailed over 205,000 bills and 11 inserts.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Implement an Automated Meter Infrastructure (AMI)/Advanced Meter Analytics (AMA) Technology.
- Develop procedures and train Animal Control staff for cashiering in Chameleon software program.
- Replace collection agency due to unanticipated termination of contract.
- Reorganize Utility Billing staff duties.
- Analyze the outsourcing of Print/Mail for billing.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Bills Processed	207,213	204,465	204,995	205,000
New Accounts Established (New Meters)	10	70	110	160
Accounts Transferred	4,840	4,467	4,365	4,400
Water Service Accounts	26,198	26,253	26,353	26,513
Sewer Service Accounts	5,405	5,415	5,455	5,490
E-Pay Account Enrollment	8,559	9,593	10,550	11,300
E-Pay Paperless Account Enrollment	2,399	2,649	2,925	3,150
On-line Customer Service Requests	649	570	600	610
Incoming Phone Calls	78,500	51,697	50,000	50,500
Past Due Notices Mailed	61,616	58,275	58,250	58,260
Door Hangers Distributed	2,315	2,454	2,130	2,200
Automated Delinquency Reminder Calls	20,937	21,954	21,990	21,995
Accounts Shut Off for Non-Payment	3,395	3,736	3,450	3,500

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: ADMINISTRATION 4070

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 576,717	\$ 605,436	\$ 602,664	\$ 597,113	\$ 598,970	-1%
Benefits	321,316	338,726	248,414	218,888	229,613	-8%
Materials	65,940	66,045	68,767	77,142	81,465	18%
Contractual	442,103	430,879	469,670	492,670	464,398	-1%
Other Operating	1,715,457	1,869,954	1,719,386	1,717,756	1,819,273	6%
Capital Outlay	68,929	0	0	24,243	0	0%
Debt Service	2,961,980	3,060,627	2,974,770	2,961,640	1,812,810	-39%
TOTAL	\$ 6,152,442	\$ 6,371,667	\$ 6,083,671	\$ 6,089,452	\$ 5,006,529	-18%

PROGRAM DESCRIPTION

This Program of the Water fund pays that portion of supervision for all water-related activities. This Program identifies costs attributable to administrative costs related to the Water District as required by the State of California's Office of the Controller. Other administrative costs are allocated within the specific funds as applicable.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Administrative Analyst	0.25	0.25	0.40	0.40
Administrative Secretary	0.50	0.50	0.70	0.70
Assistant City Manager/Management Services	0.05	0.05	0.05	0.05
City Engineer	0.50	0.50	0.50	0.50
Director of Development Services	0.40	0.40	0.40	0.40
Emergency Services Coordinator	0.50	0.50	0.50	0.50
Executive Secretary	0.40	0.40	0.00	0.00
Management Analyst	1.00	1.00	1.00	1.00
Office Assistant	0.50	0.50	0.50	0.50
Public Works Director	0.00	0.50	0.50	0.50
Public Works Manager	0.50	0.00	0.00	0.00
Public Works Supervisor	1.00	1.00	1.00	1.00
Senior Office Assistant	0.50	0.50	0.50	0.50
Senior Warehouse Technician	1.00	1.00	1.00	1.00
Warehouse Technician	1.00	1.00	1.00	1.00
Total Full-Time Staff	8.10	8.10	8.05	8.05

FUND:	WATER OPERATING	700
DEPARTMENT:	DEVELOPMENT SERVICES	29
DIVISION:	WATER	400
PROGRAM:	ADMINISTRATION	4070

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- The decrease in Debt Service is primarily attributed to the retirement of the 2010 \$6 million loan from the former Redevelopment Agency Low and Moderate Income Housing Fund. The final \$1.2 million payment was made in FY 2014-15 and the obligation is paid in full.

2014-15 PROGRAM ACCOMPLISHMENTS

- Continued to promote certification for Water Division staff through sponsorship of continuing education.
- Maintained a presence with Mojave Water Agency (MWA) as a leading producer in the Alto Sub-Basin.
- Represented the Hesperia Water District (HWD) for the Alto Sub-Basin Committee of the wastemaster for the Mojave River Basin.
- Continued to maintain a leading presence with the MWA.
- Continued to work with MWA and San Bernardino County Flood Control District in joint projects, such as the Rancho Road Recharge Basin on the Antelope Valley Wash.
- Continued on the Alto Sub-Basin Committee for the Mojave River Basin Watermaster.

2015-16 PROGRAM GOALS AND OBJECTIVES

- To promote certification for Water Division's staff through continuing education.
- To continue to promote and support Cityworks Asset Management Program.
- To continue to provide support to the staff of the Water Division.
- To continue to maintain a leading presence with the MWA.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: PROPERTY MANAGEMENT 4080

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 146,731	\$ 152,567	\$ 156,384	\$142,338	\$156,384	0%
Benefits	65,933	63,679	71,684	66,068	76,196	6%
Materials	47,834	32,734	37,232	27,620	36,730	-1%
Contractual	28,476	26,581	32,300	32,834	32,834	2%
Other Operating	12,362	19,015	41,400	30,200	44,225	7%
Capital Outlay	0	0	15,000	0	15,000	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 301,336	\$ 294,576	\$ 354,000	\$299,060	\$361,369	2%

PROGRAM DESCRIPTION

Property Management under Facility Maintenance supports all Water Division and district facilities to include leased property. The objective of this Program is to provide a clean, safe, well-maintained work environment for all employees and tenants located at 17282 Mojave Street, 9393 Santa Fe Avenue, and 15776 Main Street. This will be accomplished through Preventive/Predictive Maintenance Program that will reduce facility depreciation and reduce unforeseen equipment/structural failures. A well-developed Preventive/Predictive Maintenance Program, supported by the Faciliworks computerized maintenance management system, will better serve customers with planned maintenance, while reducing the affects of catastrophic mechanical/structural failures leading to prolonged customer inconvenience and disruptions of daily operations.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Custodian	2.00	2.00	2.00	2.00
Facilities Supervisor	0.50	0.50	0.50	0.50
Senior Custodian	0.50	0.50	0.50	0.50
Total Full-Time Staff	3.00	3.00	3.00	3.00
<u>Part-Time Staff</u>				
Custodian - Part-Time	0.46	0.46	0.46	0.46
Total Part-Time Staff	0.46	0.46	0.46	0.46
Total Full & Part-Time Staff	3.46	3.46	3.46	3.46

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- None.

FUND: WATER OPERATING 700
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: WATER 400
PROGRAM: PROPERTY MANAGEMENT 4080

2014-15 PROGRAM ACCOMPLISHMENTS

- Maintained 9393 Santa Fe Avenue including landscape.
- Provided a clean, safe work environment at all Water Division and District facilities.
- Built the Facilitworks database to provide better cost control over facility maintenance.
- Monitored and provided guidance to all sub-contractors under the direction of Public Works Property Management.
- Continued to improve cost eliminating on all maintenance and repair issues to obtain the best value.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Provide a clean, safe, well-maintained work environment for employees and tenants located at 17282 Mojave Street and 15776 Main Street.
- Provide property maintenance and repair at 15776 Main Street with in-house staff and sub-contracted activities.
- Provide maintenance, repair and surveillance at 9393 Santa Fe Avenue utilizing in-house staff.
- Provide monitoring and guidance to all sub-contractors under the direction of Public Works Property Management to ensure all requirements of each sub-contractor are met.
- Provide landscape management based on current planting and irrigation.

PERFORMANCE AND

WORKLOAD INDICATORS

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Work Orders Processed	54	32	47	50
Service Contracts Administered	10	12	10	10
Soft Floor Deep Cleaning (square feet)	5,500	0	500	5,500
Hard Floor Deep Cleaning (square feet)	4,600	1,228	500	3,000

THIS PAGE INTENTIONALLY LEFT BLANK

FUND: SEWER OPERATING 710 AND SEWER CAPITAL 711
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: SEWER 420

DIVISION EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Salaries	\$ 197,115	\$ 250,559	\$ 243,790	\$ 240,004	\$ 264,772	9%
Benefits	91,889	91,271	97,940	95,263	109,873	12%
Materials	2,087,442	2,105,513	2,268,056	2,261,200	2,516,960	11%
Contractual	54,765	39,002	402,300	48,246	52,300	-87%
Other Operating	207,684	224,470	206,543	205,743	220,495	7%
Capital Outlay	30,021	132,500	188,136	188,136	20,000	-89%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 2,668,916	\$ 2,843,315	\$ 3,406,765	\$ 3,038,592	\$ 3,184,400	-7%

DIVISION EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Sewer Operations (710)	\$ 2,668,916	\$ 2,712,565	\$ 3,056,765	\$ 3,038,592	\$ 3,184,400	4%
Sewer Capital (711)	0	130,750	350,000	0	0	-100%
Total Sewer	\$ 2,668,916	\$ 2,843,315	\$ 3,406,765	\$ 3,038,592	\$ 3,184,400	-7%

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>DEPARTMENT STAFFING</u>				
Total Full-Time Staff	4.50	4.50	4.50	5.20
Total D.S. Sewer Staff	4.50	4.50	4.50	5.20

DIVISION GOALS FOR 2015-16

- Keep the wastewater collection system free and unobstructed.
- Proactively clean and flush the wastewater collection system.
- Proactively inspect and record the wastewater collection system using video equipment.
- Continue coordination with the Victor Valley Wastewater Reclamation Authority (VWVRA) on the construction for the sub-regional wastewater reclamation facility.

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- The FY 2015-16 Budget includes the recent 9% rate increase assessed by VWVRA for treatment of the City's wastewater effluent. The FY 2014-15 rate was \$2,756 per million gallon (mg), whereas the FY 2015-16 Budget reflects the rate of \$3,004 mg. In addition, it is assumed that the daily flow will increase from 2.03 mg to 2.09 mg, which is approximately 3%. Considering the rate and flow increase, the budget for VWVRA treatment fees will increase by \$240,000 in the FY 2015-16 Budget.
- Funding of \$20,000 is included to purchase a new gas monitor system due to the current system being outdated and the manufacturer is no longer providing replacement parts or units.

FUND: SEWER OPERATING 710 AND SEWER CAPITAL 711
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: SEWER 420

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES (Continued)

- Add one Maintenance Worker (0.70 FTE) position to help keep the maintenance on the sewer system and storm water drainage system on schedule.
- Add one Senior Pump Maintenance Worker (0.05 FTE) position and eliminate one Pump Maintenance Worker (0.05 FTE) to oversee the daily pump maintenance and train staff in the safe and proper procedures when dealing with high voltage electricity.

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Sewer Operating Fund (710)						
Interest						
Interest Income 710 19 220 0000 5600	\$ 5,042	\$ 5,484	\$ 5,448	\$ 6,734	\$ 6,800	25%
Total Interest	\$ 5,042	\$ 5,484	\$ 5,448	\$ 6,734	\$ 6,800	25%
Charges for Services						
Sewer Billing 710 29 420 4200 5200	\$ 3,342,146	\$ 3,352,554	\$ 3,409,000	\$ 3,350,000	\$ 3,450,000	1%
Zone J Sewer Billing 710 29 420 4200 5210	74,999	69,216	69,215	69,215	69,215	0%
Sewer Inspections 710 29 420 4200 5260	2,450	3,068	3,000	4,900	3,000	0%
Other Charges for Services	0	563	0	1,000	1,200	n/a
Total Charges for Service	\$ 3,419,595	\$ 3,425,401	\$ 3,481,215	\$ 3,425,115	\$ 3,523,415	1%
Total Sewer Operating Fund	\$ 3,424,637	\$ 3,430,885	\$ 3,486,663	\$ 3,431,849	\$ 3,530,215	1%
Sewer Capital Fund (711)						
Charges for Services						
Sewer Connections 711 29 420 4200 5220	\$ 79,685	\$ 87,592	\$ 53,145	\$ 120,000	\$ 200,000	276%
Interest Income 711 19 220 0000 5600	2,555	2,563	2,606	3,010	2,008	-23%
Miscellaneous Revenue 711 29 420 4200 5950	0	758	758	129,758	0	-100%
Total Sewer Capital Fund	\$ 82,240	\$ 90,913	\$ 56,509	\$ 252,768	\$ 202,008	257%
Total Sewer Operating & Capital	\$ 3,506,877	\$ 3,521,798	\$ 3,543,172	\$ 3,684,617	\$ 3,732,223	5%

FUND: SEWER OPERATING 710 AND SEWER CAPITAL 711
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: SEWER 420

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Assistant City Manager/Management Services	0.05	0.05	0.05	0.05
Maintenance Crew Supervisor	0.70	0.70	0.70	0.70
Maintenance Worker	2.90	2.90	2.90	3.60
Pump Maintenance Worker	0.05	0.05	0.05	0.00
Pump Operator	0.05	0.05	0.05	0.05
Senior Maintenance Worker	0.70	0.70	0.70	0.70
Senior Pump Maintenance Worker	0.00	0.00	0.00	0.05
Senior Pump Operator	0.05	0.05	0.05	0.05
Total Full-Time Staff	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>5.20</u>

FUND: SEWER OPERATING 710
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: SEWER 420
PROGRAM: SEWER OPERATIONS 4200

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 197,115	\$ 250,559	\$ 243,790	\$ 240,004	\$ 264,772	9%
Benefits	91,889	91,271	97,940	95,263	109,873	12%
Materials	2,087,442	2,105,513	2,268,056	2,261,200	2,516,960	11%
Contractual	54,765	39,002	52,300	48,246	52,300	0%
Other Operating	207,684	224,470	206,543	205,743	220,495	7%
Capital Outlay	30,021	1,750	188,136	188,136	20,000	-89%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 2,668,916	\$ 2,712,565	\$ 3,056,765	\$ 3,038,592	\$ 3,184,400	4%

PROGRAM DESCRIPTION

Sewer Operations is responsible for the collecting and delivering of unobstructed flows of sewage to the regional treatment plant. The quality of the effluent must meet the requirements of the Victor Valley Wastewater Reclamation Authority (VWVRA), a Joint Powers Authority (JPA), comprised of Hesperia and other local agencies.

<u>PROGRAM STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Full-Time Staff</u>				
Assistant City Manager/Management Services	0.05	0.05	0.05	0.05
Maintenance Crew Supervisor	0.70	0.70	0.70	0.70
Maintenance Worker	2.90	2.90	2.90	3.60
Pump Maintenance Worker	0.05	0.05	0.05	0.00
Pump Operator	0.05	0.05	0.05	0.05
Senior Maintenance Worker	0.70	0.70	0.70	0.70
Senior Pump Maintenance Worker	0.00	0.00	0.00	0.05
Senior Pump Operator	0.05	0.05	0.05	0.05
Total Full-Time Staff	4.50	4.50	4.50	5.20

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES

- The FY 2015-16 Budget includes the recent 9% rate increase assessed by VWVRA for treatment of the City's wastewater effluent. The FY 2014-15 rate was \$2,756 per million gallon (mg), whereas the FY 2015-16 Budget reflects the rate of \$3,004 mg. In addition, it is assumed that the daily flow will increase from 2.03 mg to 2.09 mg, which is approximately 3%. Considering the rate and flow increase, the budget for VWVRA treatment fees will increase by \$240,000 in the FY 2015-16 Budget.
- Funding of \$20,000 is included to purchase a new gas monitor system due to the current system being outdated and the manufacturer is no longer providing replacement parts or units.
- Add one Maintenance Worker (0.70 FTE) position to help keep the maintenance on the sewer system and storm water drainage system on schedule.

FUND: SEWER OPERATING 710
 DEPARTMENT: DEVELOPMENT SERVICES 29
 DIVISION: SEWER 420
 PROGRAM: SEWER OPERATIONS 4200

SIGNIFICANT PROGRAM EXPENDITURE AND STAFFING CHANGES (Continued)

- Add one Senior Pump Maintenance Worker (0.05 FTE) position and eliminate one Pump Maintenance Worker (0.05 FTE) to oversee the daily pump maintenance and train staff in the safe and proper procedures when dealing with high voltage electricity.

2014-15 PROGRAM ACCOMPLISHMENTS

- Hydro-cleaned over 48% of the wastewater collection system.
- Completed third year of the three-year proactive maintenance program to have all the wastewater collection lines cleaned in the City.
- Cleaned and inspected over 50% of the wastewater manholes.
- Completed the third year of the three-year proactive maintenance program to have all the wastewater manholes cleaned in the City.
- Maintained operations of the District's sewer pumping lift station with no overflows.
- Due to staffing the Wastewater/Storm Division videoed 5% of the wastewater collection system.

2015-16 PROGRAM GOALS AND OBJECTIVES

- Keep the wastewater collection system free and unobstructed.
- Start a three-year proactive maintenance program to have all wastewater collection lines and manholes cleaned in the City.
- Start a three-year proactive maintenance program to have all the wastewater collection lines in the City inspected and documented with closed circuit television recordings.
- Operate and maintain I Avenue sewage lift station.

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Wastewater Lines Cleaned (miles)	28	38	63	63
Manholes Maintained (Total of 2,220 Citywide)	447	722	1,115	1,115
Wastewater Lines Videotaped (miles)	36	7	9	40
Sewer Lift Stations operated/maintained	1	1	1	1

FUND: SEWER CAPITAL 711
DEPARTMENT: DEVELOPMENT SERVICES 29
DIVISION: SEWER 420
PROGRAM: SEWER CAPITAL 900

PROGRAM EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials	0	0	0	0	0	0%
Contractual	0	0	350,000	0	0	-100%
Other Operating	0	0	0	0	0	0%
Capital Outlay	0	130,750	0	0	0	0%
Debt Service	0	0	0	0	0	0%
Total	\$ 0	\$ 130,750	\$ 350,000	\$ 0	\$ 0	-100%

Note: See Section G, Capital Improvement Program (CIP), for details on Sewer CIP projects.

FUND: GENERAL FUND 100
DEPARTMENT: POLICE 51

DEPARTMENT EXPENDITURE SUMMARY						% Change
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	From 2014-15 Budget
Salaries	\$ 3,375	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	621	0	0	0	0	0%
Materials	48,637	53,282	65,170	67,390	74,379	14%
Contractual	12,381,049	12,861,795	13,376,386	13,242,309	14,522,512	9%
Other Operating	73,983	79,847	87,182	66,976	65,460	-25%
Capital Outlay	7,499	0	6,500	800	172,200	2549%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 12,515,164	\$ 12,994,924	\$ 13,535,238	\$ 13,377,475	\$ 14,834,551	10%

DEPARTMENT DESCRIPTION

The Police Department of the City of Hesperia provides law enforcement and public safety services to the residents of the City and to all those who come within its jurisdiction. The Department works in partnership with other governmental agencies and the community to promote individual responsibility, create safer neighborhoods, and to enhance quality of life.

The San Bernardino County Sheriff's Department provides law enforcement services to the City under a service contract since its incorporation in 1988. By virtue of this contract, the City of Hesperia provides its citizens with full-service law enforcement operations; including patrol, traffic, and detective services; a Gang Team; Problem-Oriented Policing and Community Policing services; and the support staff and administration to operate effectively.

Additionally, by virtue of the contract with the Sheriff's Department, the City benefits from resources such as aviation support, specialized investigative teams (homicides, narcotics, crimes against children), and other units including high tech crimes, emergency services, public affairs, Crime Impact Team, and Specialized Enforcement Division (S.W.A.T.).

The City of Hesperia is the third largest contract city in San Bernardino County. On a per-deputy basis, the Hesperia Police Department makes more arrests and handles more calls for service than the majority of Sheriff's Stations in the County.

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>DEPARTMENT STAFFING</u>				
Total Full-Time Staff	72.00	73.00	73.00	77.00
Total Part-Time Staff	0.50	0.00	0.00	0.00
Total Police Staff	<u>72.50</u>	<u>73.00</u>	<u>73.00</u>	<u>77.00</u>

DEPARTMENT GOALS FOR 2015-16

- Continue the successful efforts of the Gang Team, which assists patrol on priority, in-progress calls in addition to handling gang-related and graffiti investigations. A new full-time Gang Sergeant will continue to oversee and coordinate gang-related investigations, stepping up proactive and targeted gang-related issues. The six deputy team supplements the patrol division's efforts to conduct proactive, targeted, and selected enforcement activities. The Gang Team will continue to coordinate with City of Hesperia Code Enforcement and Graffiti Abatement personnel to reduce incidents of property crimes and graffiti within the City. In FY 2015-16, the Gang Team will coordinate and interact with the Sheriff's Departments new Regional High Desert Gang Team as well as other law enforcement agencies to conduct "Desert Guardian" and SMASH enforcement operations that specifically target organized gangs in the High Desert.

FUND: GENERAL FUND 100
DEPARTMENT: POLICE 51

DEPARTMENT GOALS FOR 2015-16 (Continued)

- Establish a Crime Free Rental Program with the City to establish a City ordinance that would require owners of rental units within the City to register and participate in the Crime Free Rental Program. In addition, create a citation program and fine schedule to those rental owners who rent to tenants who continually violate the Crime Free Rental mandates. This ordinance will foster a partnership between law enforcement and rental owners that prompts them to manage their tenants more effectively, and will establish a basis for removal through eviction for those tenants involved in criminal activity.
- Increase the Department's Traffic Division capabilities through the addition of traffic enforcement deputies, making it safer to drive in the City of Hesperia. The City continues to experience a trend in alcohol/drug related traffic collisions, many of which have resulted in fatalities.
- Continue on-going efforts in the recruitment of volunteers, and expand the volunteer unit's participation in community events such as the Hesperia Days Parade, the National Night Out, Special Olympics Fundraisers, and large events permitted by the City.
- Provide stationary and trailer-mounted Automated License Plate Readers (ALPR's) and Speed Indicator at specific locations throughout the City to assist in developing investigative leads for criminal activity that occurs in the City of Hesperia. The ALPR's also double as electronic speed indicators to the public operating on the roadway. This will assist in maintaining the flow of traffic at the posted speed limit and hopefully reduce accidents associated with excessive speed.

SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- The FY 2014-15 Budget for the police services contract was budgeted at \$12,797,216. In order to continue current level law enforcement services, the County Contract increased by 5.1% or \$654,301, for a FY 2015-16 Schedule A total of \$13,451,517. The primary reason for the contract cost increases are salary and benefit increases for sworn and non-sworn County contract staff, as well as an increase to vehicle and liability insurance.
- The addition of two Deputy Sheriff's (2.00 FTE) positions and one marked unit for \$416,525 is for the Hesperia's Traffic Division to enhance safety on roadways. The number of deputies assigned to traffic is still reduced from its height six years ago. A traffic study comparison shows Hesperia has six less traffic deputies than Victorville, yet Hesperia deputies handle more traffic collisions than Victorville.
- Staff is currently authoring a mandatory Crime Free Rental Program for the City. It is proposed this Program will be operated by the Hesperia Sheriff's Station. To support this program, \$159,898 is included for one Office Specialist (1.00 FTE) position and one Sheriff's Service Specialist (1.00 FTE) position which will be needed to complete data entry functions, track the program, collect revenue, and notice violators, conduct property inspections, instruct crime free classes, and be the primary contact for renters, owners and property managers.
- Including the Sheriff's contract current level increase, two added Deputy Sheriff's for traffic enforcement and the two positions to start-up the Crime Free Rental Program, the Sheriff's contract will increase from \$12,797,216 to \$14,027,940 for a 9.6% or \$1,230,724 increase.
- Continue to remove Booking Fees of \$200,000 from the FY 2015-16 Budget. Currently, the State is committed to reimburse the County directly for booking fees as they have done in FY 2012-13 through FY 2014-15.
- 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 2015-16 Budget, it is assumed that vacancy credits will exceed the overtime costs.
- In an effort to reduce accidents due to excessive speed and developing investigative leads, four Automated License Plate Readers (ALPR) and Speed Indicator trailers will be purchased for an approximate total of \$165,000. To offset a portion of the cost, the City was awarded \$21,370 from the Homeland Security Grant Program. The grant is a reimbursement type where the funds must be expensed prior to receiving the revenue. The remaining \$143,630 will be funded by General Fund reserves.

FUND: GENERAL FUND 100
DEPARTMENT: POLICE 51

<u>DEPARTMENT STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Sworn Officers (Contract)</u>				
Captain	1.00	1.00	1.00	1.00
Lieutenant	1.00	1.00	1.00	1.00
Sergeant	7.00	7.00	7.00	7.00
Detective/Corporal	5.00	5.00	5.00	5.00
Sheriff Deputy	40.00	41.00	41.00	43.00
Total Sworn Full Time Staff	54.00	55.00	55.00	57.00
<u>Non-Sworn Staff (Contract)</u>				
Office Specialist	8.00	9.00	9.00	10.00
Secretary	1.00	1.00	1.00	1.00
Sheriff's Service Specialist	8.00	8.00	8.00	9.00
Supervising Office Specialist	1.00	0.00	0.00	0.00
Total Non Sworn Full-Time Staff	18.00	18.00	18.00	20.00
Total Sworn & Non-Sworn Staff	72.00	73.00	73.00	77.00
<u>Part-Time Staff</u>				
Administrative Aide	0.50	0.00	0.00	0.00
Total Part-Time Staff	0.50	0.00	0.00	0.00
Total Sworn, Non-Sworn & Part-Time	72.50	73.00	73.00	77.00

2014-15 DEPARTMENT ACCOMPLISHMENTS

- Volunteer units, which consist of Citizens-On-Patrol, Explorers, Reserves, and Equestrian Unit, continued to exceed all other High Desert volunteer units in the total number of hours volunteered to the community. In 2014, Hesperia Police volunteers donated 32,324 hours to the City. For the fourth year in a row, the Citizens-On-Patrol Unit led the County in volunteer hours, donating 22,965 hours. Volunteers consistently supply the needed manpower to staff community events such as the Hesperia Days Parade, National Night Out, Movies at the Park, High Desert Farmer's Market, and other events requiring command post, traffic control, or crime scene security.
- The Hesperia Police Activities League continues to be a widely successful program. As it stands, the program is at full capacity with youth participants and volunteers. The Hesperia Police Activities League Program, has continued to build an excellent rapport and mutual understanding between the youth within the community and the Police Department. The addition of a martial arts component to the program was added last year and continues to have an overabundance of participation.
- The Gang Team has successfully investigated numerous high-profile, gang-related incidents and continues to work with the District Attorney's Office to attach enhanced-sentencing requirements to suspects charged with gang-related crimes. The success of the Gang Team's efforts has helped thwart a criminal gang expansion and related violent crime that can be found in other communities within the High Desert.
- The Crime-Free Rental Program continues to be a very successful and worthwhile program. The responsibility of overseeing this program rests with the Public Information Officer. Training has been conducted at the Hesperia Police Department to train local multi-unit property owners to increase awareness of the Crime Free Rental Program. Every year more local renters have voluntarily joined this program.
- The Traffic Division has adjusted personnel hours to target peak times for potential traffic-related issues. The Office of Traffic Safety grant is being utilized to target DUI offenders on the weekends and during the evening hours.

FUND: GENERAL FUND 100
DEPARTMENT: POLICE 51

2014-15 DEPARTMENT ACCOMPLISHMENTS (Continued)

- After an analysis of the increasing number of Child Protection Services/Adult Protection Services referrals, the Department reassigned a full-time position which was created to relieve the workload on Patrol. This position solely handles investigations related to juveniles and the elderly. This redistribution of work to a specialized investigator has given patrol personnel the ability to respond to high priority calls in a timely manner.

DEPARTMENT GOALS AND OBJECTIVES FOR 2015-16

- Increase efforts through enforcement in target problem areas in traffic control to continue the trend of reducing the number of fatal and major injury traffic collisions within the City of Hesperia. Proactive patrols and a visual presence will be more effective with the addition of assigned traffic units. This will help enhance the safety of those operating motor vehicles within the City.
- The Hesperia Gang Team will continue to conduct proactive, targeted, and selected enforcement activities. The Gang Team will continue to coordinate with City of Hesperia Code Enforcement, Graffiti Abatement, and the Sheriff's Regional Gang Team to reduce incidents of gang violence, property crimes, and graffiti within the City.
- Continue efforts to support and expand participation in the Hesperia Police Activities League through the efforts of patrol personnel and station volunteers. This program aids in reducing juvenile crime by providing youth programs that develop discipline, positive self-image, and mutual trust and respect between law enforcement and the youth of the community.
- Establish a Crime Free Rental Program with the City to establish a City ordinance that would require owners of rental units within the City to register and participate in the Crime Free Rental Program. In addition, create a citation program and fine schedule to those rental owners who rent to tenants who continually violate the Crime Free Rental mandates. This ordinance will foster a partnership between law enforcement and rental owners that prompts them to manage their tenants more effectively, and will establish a basis for removal through eviction for those tenants involved in criminal activity.
- The Off-Highway Vehicle (OHV) Enforcement Grant funds patrols operations on a regular basis, thereby reducing the number of nuisance and noise complaints related to OHV operation within the City. The goal of proper ownership, lawful operation, and safe riding practices of OHV's by the citizens of Hesperia, through education and proactive enforcement, will improve the overall safety and quality of life for residents.
- Restart the "Shoulder Tap" Program to reduce underage consumption of, and access to, alcohol by deterring adults from furnishing to minors outside of licensed premises, expanding the enforcement of underage drinking laws, and raising public awareness about the problem.
- Implement the use of automated license plate readers at strategic points within the City to assist in establishing investigative leads for use in identifying and prosecuting those responsible for conducting criminal acts within the City. It is anticipated that an additional benefit will be a reduction of speed by motorist in the areas of deployment and a reduction in the number of accidents related to speed.

FUND: GENERAL FUND 100
DEPARTMENT: POLICE 51

<u>PERFORMANCE AND WORKLOAD INDICATORS</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Part I Offenses</u>				
Homicide	6	1	3	3
Rape	18	17	18	18
Robbery	69	84	56	70
Assaults	785	675	746	735
Burglary	918	874	821	871
Theft	1,188	1,060	1,107	1,118
Theft Motor Vehicle	<u>402</u>	<u>409</u>	<u>375</u>	<u>395</u>
Total Part I Offenses	3,386	3,120	3,126	3,210
<u>Part II Offenses</u>	5,463	5,965	5,341	5,590
<u>Arrests</u>				
Adult	2,372	2,963	2,861	2,732
Juvenile	<u>123</u>	<u>152</u>	<u>128</u>	<u>134</u>
Total Arrests	2,495	3,115	2,988	2,866
<u>Total Calls for Service</u>	82,407	85,515	86,416	84,779
▪ Reactive (Dispatched only)	44,511	41,106	41,650	42,442
▪ Proactive (On-views)	14,945	20,612	20,079	18,545
▪ Others (Info, cancelled, pre-empted)	22,951	23,797	24,687	23,811
<u>Reports</u>	9,621	9,905	9,469	9,665
<u>Traffic Collisions</u>				
Fatal	13	15	10	13
Injury	253	179	160	149
Non-Injury	<u>674</u>	<u>844</u>	<u>716</u>	<u>744</u>
Total Collisions	940	1,038	886	906
Citations	2,529	4,454	3,688	3,157
DUI Arrests	304	423	272	333

Note: 2015 estimates are based on figures from the 2014 Annual Report and a three-year average.

THIS PAGE INTENTIONALLY LEFT BLANK

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55

DEPARTMENT EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	18,809	91,526	246,542	246,542	316,648	28%
Materials	7,371	6,664	13,374	2,790	8,146	-39%
Contractual	8,443,583	9,202,344	9,659,137	9,658,477	9,622,015	0%
Other Operating	7,930	1,001,641	1,067,275	1,101,365	37,312	-97%
Capital Outlay	34,070	62,551	315,000	213,476	0	-100%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 8,511,763	\$ 10,364,726	\$ 11,301,328	\$ 11,222,650	\$ 9,984,121	-12%

DEPARTMENT EXPENDITURE SUMMARY						% Change From
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	2014-15 Budget
520 Operations and Community Safety	\$ 8,253,239	\$ 8,897,812	\$ 9,449,751	\$ 9,449,751	\$ 9,419,396	0%
521 Administration	258,524	497,564	814,114	735,436	564,725	-31%
528 SAFER Grant	0	969,350	1,037,463	1,037,463	0	-100%
Total Fire District	\$ 8,511,763	\$ 10,364,726	\$ 11,301,328	\$ 11,222,650	\$ 9,984,121	-12%

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
DEPARTMENT STAFFING				
Total Full-Time Staff (Contract)	48.40	66.73	67.10	58.25
Total Full-Time Staff (Non-Contract)	0.00	0.00	0.00	0.00
Total Fire District Staff	48.40	66.73	67.10	58.25

DEPARTMENT GOALS FOR 2015-16

- Provide tiered responses to medical emergencies.
- Continue partnership and communication with City staff and Council.
- Increase resource synergy through a regionalized response model.
- Provide an Inmate Crew available to the City for fifty (50) work-days.
- Implement phase 2 of an Engine Company Inspection Program for non-permitted occupancies.
- Continue working with the City for implementation of a Fleet Replacement Plan and Fire Station Improvement Plan.
- Implement the utilization of non-safety Ambulance Operator positions on District ambulances.

FUND: HESPERIA FIRE DISTRICT 200
 DEPARTMENT: FIRE DISTRICT 55

SIGNIFICANT DEPARTMENT EXPENDITURE AND STAFFING CHANGES

- The two-year SAFER grant ended June 30, 2015 and the 30 staff funded by the SAFER grant were discontinued (in Division 528). The County contract for a reduced level of service (5 ambulances and 2.5 engines down from 3.5 engines) is proposed for FY 2015-16 at a cost of \$9,419,396, down from the FY 2014-15 of \$9,449,751 (excluding SAFER costs of \$1,037,483) for a \$30,355, or 0.3%, decrease paid to County Fire. The \$30,355 contract decrease was due to an overall increase in personnel costs of \$148,122 (benefits increased by \$788,435 primarily in overtime and salaries decreased \$640,313) and an increase for the contract management fee of \$71,164; these were offset by a decrease in operating expenses of \$249,641.
- For FY 2015-16, the County is restructuring the staffing allocations to more accurately reflect workload related to the services provided to the City.
 - Discontinuation of 15 SAFER Grant Limited-term Fire Fighter/PM positions (15.00 FTE) and 15 SAFER Grant Limited-term Fire Fighter positions (15.00 FTE) will be eliminated.
 - Creation of 15 Ambulance Operator EMT Positions (15.00 FTE) and 15 Ambulance Operator PM Positions (15.00 FTE) will be added, to staff 5 Advanced Life Support Ambulances.
 - Continue two Advance Support Fire Engines with one Captain, one Engineer, and one Firefighter/Paramedic and partial staff a third County Engine with one Engineer per 24 hour period.
 - Due to contract reallocation, a Division Chief position will be increased from 0.39 FTE to 0.43 FTE (0.04 FTE Increases).
 - Due to contract reallocation, 1.18 FTE Battalion Chief positions will be increased to 1.29 FTE (0.11 FTE Increase).
- Retirement costs paid to CalPERS will increase significantly from \$245,096 (\$233,880 for Safety and \$11,216 for Miscellaneous) for FY 2014-15 to \$315,168 (\$302,679 for Safety and \$12,487 for Miscellaneous) for FY 2015-16, a 28.6% increase.
- Funding of \$45,000 for a Plymovent for Station 304 and carry-over roof repairs at Station 302 (\$84,000) are included in the overall City FY 2015-16 Budget and are funded in the Fire Capital Fund 502.

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	%Change From 2014-15 Budget
200 Fire District Fund						
Taxes						
Secured Property Taxes 200 55 521 0000 4000	\$ 3,783,638	\$ 3,952,319	\$ 3,910,000	\$ 3,966,312	\$ 4,204,291	8%
CFD #94-1 200 55 521 0000 4030	536,074	565,812	555,963	555,963	563,191	1%
CFD #2005-1 200 55 521 0000 4031	322,733	326,850	214,144	214,143	218,426	2%
Redevelopment Agency Pass- Through 200 55 521 0000 4090	1,087,371	1,867,920	1,182,567	1,370,258	1,452,473	23%
WEDA Pass-Through 200 55 521 0000 4095	83,760	97,851	100,217	126,062	133,626	33%
Total Taxes	\$ 5,813,576	\$ 6,810,752	\$ 5,962,891	\$ 6,232,738	\$ 6,572,007	10%

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55

REVENUE DETAIL	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	%Change From 2014-15 Budget
200 Fire District Fund (Continued)						
Charges for Services						
Paramedic Ambulance Fees 200 55 525 0000 5300	\$ 1,979,662	\$ 2,289,233	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	0%
Ground Emergency Medical Transportation (GEMT) 200 55 525 0000 5303	0	0	480,528	381,435	285,375	-41%
Non-Transport EMS Charge 200 55 525 0000 5315	170,952	180,920	201,924	201,924	169,597	-16%
Ambulance Membership Service 200 55 525 0000 5305	14,475	13,575	12,500	12,500	9,200	-26%
Fire Hazard Inspection 200 55 523 0000 5335	127,843	149,650	146,898	146,898	141,464	-4%
City/County HazMat Contract 200 55 527 0000 5368	152,686	152,686	152,686	152,686	152,686	0%
Other Charges for Services	101,775	88,815	82,700	83,200	85,688	4%
Total Charges for Services	\$ 2,547,393	\$ 2,874,879	\$ 3,577,236	\$ 3,478,643	\$ 3,344,010	-7%
Grants						
Thermal Imaging Camera Grant 200 55 521 0000 4762	\$ 21,541	\$ 0	\$ 0	\$ 0	\$ 0	n/a
FEMA SAFER Grant 200 55 528 0000 4816	0	584,151	580,000	580,000	0	-100%
Total Grants	\$ 21,541	\$ 584,151	\$ 580,000	\$ 580,000	\$ 0	-100%
Other Operating						
Cell Tower Rent 200 19 220 0000 5885	\$ 52,721	\$ 55,329	\$ 58,095	\$ 58,095	\$ 40,924	-30%
Insurance Reimbursements 200 19 220 0000 5803	0	0	0	0	30,000	n/a
Total Other Operating	\$ 52,721	\$ 55,329	\$ 58,095	\$ 58,095	\$ 70,924	22%
All Other						
All Other	\$ 12,511	\$ 78,680	\$ 9,446	\$ 45,732	\$ 8,700	-8%
Total All Other	\$ 12,511	\$ 78,680	\$ 9,446	\$ 45,732	\$ 8,700	-8%
Total Fire District Fund	\$ 8,447,742	\$ 10,403,791	\$ 10,187,668	\$ 10,395,208	\$ 9,995,641	-2%

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55

<u>DEPARTMENT STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>County Full-Time Safety Staff (Contract)</u>				
Ambulance Operator/EMT	0.00	0.00	0.00	15.00
Ambulance Operator/PM	0.00	0.00	0.00	15.00
Battalion Chief	1.50	1.30	1.18	1.29
Captain	6.00	9.00	9.00	6.00
Division Chief	0.40	0.43	0.39	0.43
Engineer	6.00	12.00	12.00	9.00
Firefighter/Paramedic	18.00	9.00	9.00	6.00
Firefighter/Paramedic - Limited Term	0.00	15.00	15.00	0.00
Firefighter - Limited Term	12.00	15.00	15.00	0.00
Full-Time Safety	43.90	61.73	61.57	52.72
<u>County Full-Time Non-Safety Staff (Contract)</u>				
Account Representative	2.00	2.00	0.00	0.00
Collection Officer	0.00	0.00	2.00	2.00
Office Assistant III	0.50	0.00	0.50	0.50
Public Service Employee	0.00	1.00	1.00	1.00
Subtotal - Office Staff	2.50	3.00	3.50	3.50
Deputy Fire Marshall	0.00	0.00	0.03	0.03
Fire Prevention Officer/Arson	0.50	0.50	0.50	0.50
Fire Prevention Specialist	0.50	0.50	0.50	0.50
Fire Prevention Supervisor	0.50	0.50	0.50	0.50
Front Counter Technician (Account Clerk I)	0.50	0.50	0.50	0.50
Subtotal - Fire Prevention Staff	2.00	2.00	2.03	2.03
Total County Full-Time Non-Safety Staff	4.50	5.00	5.53	5.53
Total County Full-Time Safety and Non-Safety Staff (Contract)	48.40	66.73	67.10	58.25

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55
DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

DIVISION EXPENDITURE SUMMARY	2012-13	2013-14	2014-15	2014-15	2015-16	% Change From 2014-15
	Actual	Actual	Budget	Revised	Budget	Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials	0	0	0	0	0	0%
Contractual	8,253,239	8,897,812	9,449,751	9,449,751	9,419,396	0%
Other Operating	0	0	0	0	0	0%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 8,253,239	\$ 8,897,812	\$ 9,449,751	\$ 9,449,751	\$ 9,419,396	0%

DIVISION DESCRIPTION

The Fire District for the City of Hesperia consists of services delivered to the general public providing for the safety of the community. The San Bernardino County Fire Department provides the services to the City under a service contract that became effective June 1, 2004.

The Hesperia Fire Protection District provides its citizens with full-service fire operations including fire suppression, emergency medical paramedic level care and transportation, rescue and extraction of trapped persons, hazardous materials, and disaster mitigation. The Division also maintains ongoing activities such as in-service training and community service.

Community Safety consists of three units: Fire Protection Planning and Engineering, Fire Prevention, and Fire Investigations, whose purpose is to reduce the frequency, probability and severity of fires along with the resultant deaths, injuries, and property damage through occupancy inspections, education, and training the community to be fire safe.

<u>DIVISION STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>County Full-Time Safety Staff (Contract)</u>				
Ambulance Operator/EMT	0.00	0.00	0.00	15.00
Ambulance Operator/PM	0.00	0.00	0.00	15.00
Battalion Chief	1.50	1.30	1.18	1.29
Captain	6.00	9.00	9.00	6.00
Division Chief	0.40	0.43	0.39	0.43
Engineer	6.00	12.00	12.00	9.00
Firefighter/Paramedic	18.00	9.00	9.00	6.00
Firefighter - Limited Term	12.00	12.00	12.00	0.00
Total County Full-Time Safety Staff	43.90	43.73	43.57	52.72

FUND: HESPERIA FIRE DISTRICT 200
 DEPARTMENT: FIRE DISTRICT 55
 DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

<u>DIVISION STAFFING (Continued)</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>County Full-Time Non-Safety Staff (Contract)</u>				
Account Representative	2.00	2.00	0.00	0.00
Collection Officer	0.00	0.00	2.00	2.00
Office Assistant III	0.50	0.00	0.00	0.00
Public Service Employee	0.00	1.00	1.00	1.00
Subtotal - Office Staff	2.50	3.00	3.00	3.00
Deputy Fire Marshall	0.00	0.00	0.03	0.03
Fire Prevention Officer/Arson	0.50	0.50	0.50	0.50
Fire Prevention Specialist	0.50	0.50	0.50	0.50
Fire Prevention Supervisor	0.50	0.50	0.50	0.50
Front Counter Technician (Account Clerk I)	0.50	0.50	0.50	0.50
Office Assistant III	0.00	0.00	0.50	0.50
Subtotal - Fire Prevention Staff	2.00	2.00	2.53	2.53
Total County Full-Time Non-Safety Staff	4.50	5.00	5.53	5.53
Total County Full-Time Safety and Non-Safety Staff (Contract)	48.40	48.73	49.10	58.25

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Discontinuation of 15 SAFER Grant Limited-term Fire Fighter/PM positions and 15 SAFER Grant Limited-term Fire Fighter positions.
- Creation of 15 Ambulance Operator EMT Positions and 15 Ambulance Operator Paramedic Positions to staff 5 Advanced Life Support Ambulances per 24 hour period.
- Funding of \$45,000 for a Plymovent for Station 304 and carry-over roof repairs at Station 302 (\$84,000) are included in the overall City FY 2015-16 Budget and are funded in the Fire Capital Fund 502.

2014-15 DIVISION ACCOMPLISHMENTS

- Initiated appropriate Emergency Management Dispatch procedures.
- Continued to improve communication with City staff and Council.
- Maintained equitable response ratios with surrounding fire agencies.
- Developed a regional all-risk strategic plan that emphasizes efficiency, cost effectiveness, and eliminates duplication.
- Provided a Glen Helen Inmate Crew available to the City for fifty (50) work-days.
- Implemented an Engine Company Inspection Program in phase 1 through inventory of non-permitted occupancies within the City. Through this process identified additional permitted occupancies that are subject to permit inspections and fees. Phase 2 of the program to be identified in 2015-16 Goals and Objectives.
- Continued working with the City to develop a Fleet Replacement and Station Improvement Plan.
- Developed a sustainable ambulance model and explored implementation of non-safety Ambulance Operator positions on City ambulances. Explored innovative ambulance staffing models.

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55
DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

2015-16 DIVISION GOALS AND OBJECTIVES

- Provide tiered responses to medical emergencies.
- Continue partnership and communication with City staff and Council.
- Increase resource synergy through a regionalized response model.
- Provide an Inmate Crew available to the City for fifty (50) work-days.
- Implement phase 2 of an Engine Company Inspection Program for non-permitted occupancies.
- Continue working with the City for implementation of a Fleet Replacement Plan and Fire Station Improvement Plan.
- Implement the utilization of non-safety Ambulance Operator positions on District ambulances.

**PERFORMANCE AND
WORKLOAD INDICATORS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Fire Prevention</u>				
Classes and Talks	0	0	0	1
Juvenile Fire Setters Counseled	18	20	10	3
Inspections Outside Normal Hours	0	0	0	0
New Business Inspections	n/a	n/a	20	18
Model Rocket Launching Site Inspection	1	1	0	0
Day Care and Adult Care Facility Inspections	18	20	10	10
State Regulated Inspections-Apartments Under 100 Units	51	51	40	58
State Regulated Inspections-Apartments Over 100 Units	0	0	0	0
School Site Inspections	7	7	0	66
School Programs Attendance	0	0	0	0
<u>Inspections</u>				
Assembly (Churches, Assembly Inspections)	84	89	80	52
Auto Wrecking Yards	5	7	5	9
Christmas Tree Lot Inspections/Permits	3	3	3	5
Dust-Producing Inspections/Permits	6	6	4	7
Haunted House Inspections/Permits	0	0	1	0
High-Piles Combustible Storage Inspections	12	12	12	19
Lumber Yard Inspections/Permits	0	0	0	3
Motor Vehicle Fuel Dispensing Station Inspections	10	13	15	17
Tents, Canopies/Temporary Membrane	1	1	1	4
Special Event	12	10	10	10
<u>Permits</u>				
Assembly (Churches, Assembly Inspections)	55	60	80	52
Auto Wrecking Yards	8	9	5	9
Christmas Tree Lot Inspections/Permits	3	3	3	5
Dust-Producing Inspections/Permits	11	11	4	7
Haunted House Inspections/Permits	0	0	1	0
High-Piles Combustible Storage Inspections	19	19	12	19
Lumber Yard Inspections/Permits	0	0	0	2
Motor Vehicle Fuel Dispensing Station Inspections	7	9	15	17

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55
DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

**PERFORMANCE AND
WORKLOAD INDICATORS (Continued)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Permits (Continued)</u>				
Tents, Canopies/Temporary Membrane	1	2	1	2
Special Event	12	15	10	12
Battery Systems	0	0	0	1
Compressed Gases	10	11	12	14
Dry Cleaning Plants	1	1	1	1
Flammable/Combustible Liquids	27	25	20	26
Hot Works Operations	65	68	60	76
Ovens, Baking, Drying	4	4	2	3
Pallet Yards	3	3	3	3
Repair Garages	99	103	90	96
Spraying/Dipping	22	22	20	20
Tire Storage	14	14	14	18
ESS Spray Booth/Hood & Duct Systems	68	70	60	67
Refrigeration Equipment	1	1	1	2
<u>Fire Plan Review</u>				
Modification of Sprinklers	15	18	15	13
Parcel Map	5	7	5	8
Plan Review Alarm System	29	33	30	32
Plan Review Spray Booth	0	0	2	5
Plan Review Sprinkler System	11	13	20	19
Site Plan Review	28	31	30	21
Structural Plans Review/Inspection	23	20	20	23
Tenant Improvement Plans Inspection	53	58	50	57
<u>Vegetation Management</u>				
Burn Permits	709	485	485	480
Public Service Station Tours/Public Education	<u>94</u>	<u>94</u>	<u>96</u>	<u>98</u>
Total	<u>803</u>	<u>579</u>	<u>581</u>	<u>578</u>

Emergency Responses:

Advanced Life Support	7,434	7,287	9,964	10,956
Basic Life Support	n/a	n/a	n/a	n/a
Bomb Threats	2	n/a	n/a	n/a
Fire Alarm Systems	248	n/a	n/a	n/a
Fires-Grass	123	59	80	88
Fires-Miscellaneous	213	79	79	87
Fires-Refuse	6	n/a	n/a	n/a
Fires-Structure	84	92	259	285
Fires-Truck	26	n/a	n/a	n/a
Fires-Vehicle	<u>81</u>	<u>66</u>	<u>66</u>	<u>73</u>
Sub-total Fires	<u>781</u>	<u>296</u>	<u>484</u>	<u>533</u>

*Calendar year, not fiscal year

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55
DIVISION: OPERATIONS AND COMMUNITY SAFETY 520

**PERFORMANCE AND
WORKLOAD INDICATORS (Continued)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Emergency Responses (Continued):</u>				
Hazardous Conditions	123	84	80	88
Hazardous Materials	7	16	8	9
Investigations	355	606	525	578
Mass Casualty Incidents	2	n/a	n/a	n/a
Mutual Aids	117	n/a	n/a	n/a
Public Service	688	1,183	170	179
Rescues	25	15	12	13
Strike Team	n/a	n/a	n/a	n/a
Traffic Collisions	855	670	920	1,012
Traffic Extrications	54	n/a	81	89
Total	10,443	10,157	12,244	13,457
<u>Household Collection Center</u>				
Number of Participants	2,502	2,489	2,517	2,503
Used Oil Collection	32,018	31,854	32,693	32,188
E-waste Only (Pounds)	52,643	53,364	55,149	53,718
Waste Materials Collected (Pounds-includes oil and E-wastes)	167,634	166,763	171,171	168,522
<u>Hazardous Materials</u>				
Underground Tank Operation Inspections	49	47	49	49
Hazardous Materials Inspections	109	107	40	40
Certified Unified Program Agency Inspections	148	151	152	152

*Calendar year, not fiscal year

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55
DIVISION: ADMINISTRATION 521

DIVISION EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	18,809	91,526	246,542	246,542	316,648	28%
Materials	7,371	6,664	13,374	2,790	8,146	-39%
Contractual	190,344	304,532	209,386	208,726	202,619	-3%
Other Operating	7,930	32,291	29,812	63,902	37,312	25%
Capital Outlay	34,070	62,551	315,000	213,476	0	-100%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 258,524	\$ 497,564	\$ 814,114	\$ 735,436	\$ 564,725	-31%

DIVISION DESCRIPTION

Starting in the 2004-05 Budget, this program reflects Fire District initiatives and expenditures that are non-County contract expenditures.

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- Retirement costs paid to CalPERS will increase significantly from \$245,096 (\$233,880 for Safety and \$11,216 for Miscellaneous) for FY 2014-15 to \$315,168 (\$302,679 for Safety and \$12,487 for Miscellaneous) for FY 2015-16.

2014-15 DIVISION ACCOMPLISHMENTS

- Managed the County of San Bernardino Fire services contract issues and expenditures.
- Monitored Fire District revenues including the improvements to paramedic related revenues through the ambulance billing contractor.
- Managed the Fire District expenditures for non-contract costs and issues related to old workers' compensation claims and CalPERS.
- Managed the maintenance and repair costs of the various Fire Stations.
- Purchased nine (9) new defibrillators.

2015-16 DIVISION GOALS AND OBJECTIVES

- Manage County of San Bernardino Fire services contract issues and expenditures.
- Monitor the Fire District revenues.
- Manage the Fire District expenditures and non-contract costs and issues related to old workers' compensation claims and CalPERS.

FUND: HESPERIA FIRE DISTRICT 200
DEPARTMENT: FIRE DISTRICT 55
DIVISION: SAFER GRANT 528

DIVISION EXPENDITURE SUMMARY	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget	% Change From 2014-15 Budget
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0%
Benefits	0	0	0	0	0	0%
Materials	0	0	0	0	0	0%
Contractual	0	0	0	0	0	0%
Other Operating	0	969,350	1,037,463	1,037,463	0	-100%
Capital Outlay	0	0	0	0	0	0%
Debt Service	0	0	0	0	0	0%
TOTAL	\$ 0	\$ 969,350	\$ 1,037,463	\$ 1,037,463	\$ 0	-100%

DIVISION DESCRIPTION

During FY 2012-13 the City of Hesperia secured financing from the SAFER (Staffing for Adequate Fire and Emergency Response) grant from the Federal Emergency Management Agency (FEMA) to add back positions reduced during FY 2011-12. The SAFER grant is funded 18 Limited-Term Firefighters (LT) for fiscal years 2013-14 and 2014-15. The grant ended on June 30, 2015.

<u>DEPARTMENT STAFFING</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>County Full-Time Safety Staff (Contract)</u>				
Firefighter/Paramedic - Limited Term	0.00	15.00	15.00	0.00
Firefighter - Limited Term	0.00	3.00	3.00	0.00
Total Full-Time Safety Staff	0.00	18.00	18.00	0.00

SIGNIFICANT DIVISION EXPENDITURE AND STAFFING CHANGES

- The County contract portion for the two-year SAFER grant ended on June 30, 2015 and the 18 positions funded by the SAFER grant were discontinued.

2014-15 DIVISION ACCOMPLISHMENTS

- Monitored budget impact of SAFER grant costs.

2015-16 DIVISION GOALS AND OBJECTIVES

- Oversee the close out of the SAFER grant with FEMA during the early part of FY 2015-16 as the grant ended on June 30, 2015.

THIS PAGE INTENTIONALLY LEFT BLANK

CAPITAL IMPROVEMENT PROGRAM (C I P)

- *Overview and Summary*
- *C I P Expenditures by Project*
- *C I P Expenditures By Fund and Project*
- *C I P Project Listing*
- *C I P Project Descriptions*

THIS PAGE INTENTIONALLY LEFT BLANK

CAPITAL IMPROVEMENT PROGRAM (CIP)

OVERVIEW

The Capital Improvement Program (CIP) Summary includes new and continued capital projects funded in the Fiscal Year (FY) 2015-16 Budget. Information on capital projects completed in FY 2014-15 and projects temporarily suspended are also included to identify funds spent on recently completed projects as well as those that may resume in future years. Fiscal Year 2012-13 and Fiscal Year 2013-14 CIP projects are also included for historical purposes on the expenditure summaries. Frequently, CIP projects extend beyond one fiscal year.

The City's construction projects and major capital acquisitions that have an extended life are included in the Capital Improvement Program. In some circumstances, studies undertaken related to anticipated future capital projects are also included. Generally, the CIP will include capital replacement projects that repair, replace, or enhance existing facilities, equipment, or infrastructure, and capital facility projects that significantly expand or add capacity to the City's existing fixed assets.

SUMMARY

The CIP projects are summarized as follows:

<u>C I P Major Categories</u>	<u>Projects Completed in FY 2014-15</u>	<u>Projects Continued in 2015-16 Budget</u>	<u>New Projects Included in 2015-16 Budget</u>	<u>New & Continued Projects Included in 2015-16 Budget</u>
Streets C I P Projects	\$1,953,000	\$4,947,338	\$3,287,000	\$ 8,234,338
Storm Drainage	0	1,185,537	0	1,185,537
Facilities	0	871,846	0	871,846
Water	0	0	0	0
Sewer	0	0	0	0
Total C I P Projects	<u>\$1,953,000</u>	<u>\$7,004,721</u>	<u>\$3,287,000</u>	<u>\$10,291,721</u>

Streets C I P Projects - \$8,234,338 (2015-16 Budget)

- 2015-16 Street Improvement Project – \$2,277,000 has been included in the FY 2015-16 Budget. The program history is as follows:

	<u>Expenditures</u>	<u>Miles Paved</u>	<u>Slurry Seal Miles</u>
2000-01 Street Improvement Project	\$ 2,226,573	18.0	0
2001-02 Street Improvement Project	\$ 2,148,349	19.4	0
2002-03 Street Improvement Project	\$ 1,993,142	16.5	0
2003-04 Street Improvement Project	\$ 2,033,719	17.1	0
2004-05 Street Improvement Project	\$ 3,166,412	18.2	12.4
2005-06 Street Improvement Project	\$ 6,221,264	51.1	14.2
2006-07 Street Improvement Project	\$10,994,391	57.0	11.0
2007-08 Street Improvement Project	\$19,134,056	57.0	4.0
2008-09 Street Improvement Project	\$ 9,193,091	28.0	0
2009-10 Street Improvement Project	\$ 5,726,868	13.9	0
2010-11 Street Improvement Project	\$ 0	0	0
2011-12 Street Improvement Project	\$ 2,446,984	2.5	7.5
2012-13 Street Improvement Project	\$ 1,705,349	1.0	6.6
2013-14 Street Improvement Project	\$ 1,995,597	2.5	9.3
<u>2014-15 Street Improvement Project</u>	<u>\$ 2,500,000</u>	<u>2.2</u>	<u>10.9</u>
Fourteen Year Total	<u>\$71,485,795</u>	<u>304.4</u>	<u>75.9</u>
<u>2015-16 Street Improvement Project</u>	<u>\$ 2,277,000</u>	<u>2.5</u>	<u>7.8</u>
Fifteen Year Total	<u>\$73,762,795</u>	<u>306.9</u>	<u>83.7</u>

CAPITAL IMPROVEMENT PROGRAM (CIP)

- Three Other New Street Projects – 3 Projects \$1,010,000 – Funding in the amount of \$1,010,000 has been included in the FY 2015-16 Budget for the following three new street projects:

• Traffic Signal @ Rancho Road/Maple Avenue	\$ 500,000
• 2015-16 Americans with Disabilities Act (ADA) Transition Plan (Implementation)	260,000
• Bear Valley Road Reconstruction Cottonwood – Amargosa	<u>250,000</u>
	\$1,010,000

- Rancho Road Related Projects – 3 Projects \$1,150,000 – Included in the FY 2015-16 Budget are projects related to the Rancho Road Corridor, with the largest overall project being the Rancho Road Interchange Project. The three projects are as follows:

• Rancho Road Undercrossing	\$ 200,000
• Rancho Road I-15 Interchange	250,000
• Rancho Road Improvement – Seventh Avenue to Mariposa Road	<u>700,000</u>
	\$1,150,000

- Four Other Streets Projects – 4 Projects \$3,797,338 – Included in the FY 2015-16 Budget are four other continuing street projects. These projects include a carryover of a Street Improvement Project:

• 2014-15 Street Improvement Project	\$2,490,000
• Willow Street Paseo	905,338
• Aqueduct Crossing Improvements – Widen Bridge at Main Street Design and Right-Of-Way Acquisition	400,000
• 2014-15 ADA Transition Plan	<u>2,000</u>
	\$3,797,338

Storm Drainage C I P Project - 1 Project \$1,185,537 – Included in the FY 2015-16 Budget is the continuation of one drainage project as shown below:

• H-01 Drainage Facility – (Section 3A) Third Avenue to Fourth Avenue	<u>\$1,185,537</u>
	\$1,185,537

Facilities C I P Projects – 2 Projects \$871,846 – The following 2 projects, totaling \$871,846, will be continued in Fiscal Year 2015-16 as follows:

• Park and Ride Facility	\$696,346
• Animal Control Sewer Project	<u>175,500</u>
	\$871,846

C I P EXPENDITURES BY PROJECT

Project	2012-13	2013-14	2014-15	2014-15	2015-16
Number Project Title	Actual	Actual	Budget	Revised	Budget
<u>New Streets Projects in FY 2015-16</u>					
7130	2015-16 Street Improvement Project**	\$ 0	\$ 0	\$ 0	\$ 2,277,000
7131	Traffic Signal @ Rancho Road/Maple Avenue (Design & ROW)	0	0	0	500,000
7132	Bear Valley Road Reconstruction Cottonwood-Amargosa**	0	0	0	250,000
7401	2015-16 ADA Transition Plan**	0	0	0	260,000
	Sub-Total New 2015-16 Streets C I P Projects	\$ 0	\$ 0	\$ 0	\$ 3,287,000
<u>Streets CIP Projects Continued in FY 2015-16</u>					
7046	Rancho Road Undercrossing -Design, ROW, Construction (Mitigation)	\$ 10,918,738	\$ 941,186	\$ 240,000	\$ 45,000 \$ 200,000
7086	Rancho Road I-15 Interchange Project Approval and Environmental Document - Design, ROW, Construction (Mitigation)	3,650,579	969,004	902,000	480,000 250,000
7094	Rancho Road Improvements – 7 th Avenue to Mariposa Road, Phase 1 – Engineering & Right-of-Way Identification	273,285	130,616	462,000	120,000 700,000
7096	Aqueduct Crossing Improvements – Widen Bridge at Main Street (Design and ROW Acquisition)	0	0	300,000	140,000 400,000
7123	Willow Street Paseo**	0	10,717	905,338	2,033 905,338
7129	2014-15 Street Improvement Project**	0	0	2,500,000	10,000 2,490,000
7400	2014-15 ADA Transition Plan**	0	0	101,000	99,000 2,000
	Sub-Total CIP Projects Continued in FY 2015-16	\$ 14,842,602	\$ 2,051,523	\$ 5,410,338	\$ 896,033 \$ 4,947,338
<u>Streets CIP Projects Completed in FY 2014-15 and Temporarily Suspended Projects that may Resume in Future Years</u>					
7098	Muscateel Street Overpass, Phase 1 – Project Study Report/Project Development Study (PSR/PDS)	\$ 0	\$ 0	\$ 0	\$ 0 \$ 0
7104	Railroad Crossing Feasibility Study	0	0	0	0 0
7105	Main Street Corridor Design (395 to 11th Avenue)	0	0	0	0 0
7128	2013-14 Street Improvement Project	0	42,597	1,953,000	1,953,000 0
	Sub-Total Streets CIP Projects Completed in FY 2014-15 and Temporarily Suspended Projects that may Resume in Future Years	\$ 0	\$ 42,597	\$ 1,953,000	\$ 1,953,000 \$ 0
<u>Streets CIP Projects Completed in FY 2013-14</u>					
7121	2011-12 Street Improvement Project	\$ 1,962,111	\$ 0	\$ 0	\$ 0 \$ 0
7122	Choiceana/Talisman Realignment	0	205,374	0	0 0
7124	Sequoia Bike Routes	17,217	555,847	0	0 0
7125	2012-13 Street Improvement Project	675	1,704,674	0	0 0
7127	Main Street Overhead Railroad Bridge Rehab	0	118,000	0	0 0
	Sub-Total Streets CIP Projects Completed in FY 2013-14	\$ 1,980,003	\$ 2,583,895	\$ 0	\$ 0 \$ 0

**Construction

C I P EXPENDITURES BY PROJECT

Project		2012-13	2013-14	2014-15	2014-15	2015-16
Number	Project Title	Actual	Actual	Budget	Revised	Budget
Streets CIP Projects Completed in FY 2012-13						
7126	Cinema West Site	\$ 1,497,870	\$ 0	\$ 0	\$ 0	\$ 0
	Sub-Total Streets CIP Projects Completed in FY 2012-13	\$ 1,497,870	\$ 0	\$ 0	\$ 0	\$ 0
Total Summary Streets C I P Projects		\$ 18,320,475	\$ 4,678,015	\$ 7,363,338	\$ 2,849,033	\$ 8,234,338
Storm Drainage C I P Projects						
7090	H-01 Drainage Facility – Section 1 (Maple Avenue to Main Street) – Design and Right-of-Way (Identification)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
7091	H-01 Drainage Facility - Section 3A (Third Avenue to Fourth Avenue) **	12,504	13,173	1,185,537	0	1,185,537
Total Storm Drainage C I P Projects		\$ 12,504	\$ 13,173	\$ 1,185,537	\$ 0	\$ 1,185,537
Facilities Projects						
6517	Fire Station 301 Construction/Property	60,854	613	885,615	60,000	0
6520	High Desert County Government Center	7,711,226	0	0	0	0
6521	Fire Station 304 Expansion Project	0	0	0	0	0
6523	Park and Ride Facility**	4,935	13,948	722,346	3,847	696,346
6524	Animal Control Sewer Project**	0	0	233,200	57,700	175,500
Total Facilities Projects		\$ 7,777,015	\$ 14,561	\$ 1,841,161	\$ 121,547	\$ 871,846
Water Projects Continued in FY 2015-16						
8087	Reclaimed Water Distribution System	\$ 0	\$ 2,313	\$ 40,000	\$ 16,200	\$ 0
Total Water Projects Continued in FY 2015-16		\$ 0	\$ 2,313	\$ 40,000	\$ 16,200	\$ 0
Water C I P Projects Completed in FY 2013-14 and Temporarily Suspended Projects that will Resume in Future Years						
8077	Interstate 15 Corridor – New Water System Design	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8078	Property Acquisition for Reservoir Expansion @ Sites 19A & 21, New Reservoir to Serve Freeway Corridor	0	0	0	0	0
8086	Interstate 15 & Rancho Road: Frontage Road Water Improvements	773,222	648,146	0	0	0
Total Water C I P Projects Completed in FY 2013-14 and Temporarily Suspended Projects that will Resume in Future Years		\$ 773,222	\$ 648,146	\$ 0	\$ 0	\$ 0
Total Water C I P Projects		\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0
Total Summary Streets C I P Projects						
Total Storm Drainage C I P Projects		12,504	13,173	1,185,537	0	1,185,537
Total Facilities Projects		7,777,015	14,561	1,841,161	121,547	871,846
Total Water C I P Projects		773,222	650,459	40,000	16,200	0
Grand Total		\$ 26,883,216	\$ 5,356,208	\$ 10,430,036	\$ 2,986,780	\$ 10,291,721

Note #1 - Sewer funds have been used to partially fund a streets project and a facilities project and the sewer funding is shown with those specific projects.

**Construction

C I P EXPENDITURES BY FUND AND PROJECT

Project Number	Project Title	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
100 General Fund						
6524	Animal Control Sewer Project**	\$ 0	\$ 0	\$ 233,200	\$ 57,700	\$ 175,500
7129	2014-15 Street Improvement Project**	0	0	500,000	10,000	490,000
	Total General Fund 100	\$ 0	\$ 0	\$ 733,200	\$ 67,700	\$ 665,500
160 Obligation Retirement Fund P/A #1						
7126	Cinema West Site	\$ 1,497,870	\$ 0	\$ 0	\$ 0	\$ 0
	Total Obligation Retirement Fund P/A #1	\$ 1,497,870	\$ 0	\$ 0	\$ 0	\$ 0
201 Measure I – Arterial Fund						
7121	2011-12 Street Improvement Project	\$ 141,665	\$ 0	\$ 0	\$ 0	\$ 0
	Total Measure I – Arterial Fund 201	\$ 141,665	\$ 0	\$ 0	\$ 0	\$ 0
204 Measure I Renewal						
6523	Park and Ride Facility**	\$ 4,935	\$ 13,948	\$ 30,000	\$ 3,847	\$ 4,000
7094	Ranchero Road Improvements – 7th Avenue to Mariposa Road, Phase 1 – Engineering & Right-of-Way Identification	0	0	0	0	0
7121	2011-12 Street Improvement Project	298,998	0	0	0	0
7122	Choiceana/Talisman Realignment	0	205,374	0	0	0
7123	Willow Street Paseo**	0	10,717	70,438	2,033	0
7124	Sequoia Bike Routes & Bus Stop	17,217	11,291	0	0	0
7125	2012-13 Street Improvement Project	675	1,523,168	0	0	0
7127	Main Street Overhead Railroad Bridge Rehab	0	118,000	0	0	0
7128	2013-14 Annual Street Improvement	0	42,597	1,953,000	1,953,000	0
7129	2014-15 Street Improvement Project**	0	0	2,000,000	0	2,000,000
7130	2015-16 Street Improvement***	0	0	0	0	2,277,000
7400	2014-15 ADA Transition Plan**	0	0	50,250	48,250	2,000
	Total Measure I Renewal Fund 204	\$ 321,825	\$ 1,925,095	\$ 4,103,688	\$ 2,007,130	\$ 4,283,000
205 Gas Tax Fund						
7123	Willow Street Paseo**	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,438
7131	Traffic Signal @ Ranchero Rd/Maple Ave (Design & ROW)	0	0	0	0	200,000
7132	Bear Valley Road Reconstruction Cottonwood-Amargosa**	0	0	0	0	250,000
	Total Gas Tax Fund 205	\$ 0	\$ 0	\$ 0	\$ 0	\$ 520,438
207 Local Transportation Fund Article 8 (LTF)						
7046	Ranchero Road Undercrossing	\$ 0	\$ 539,000	\$ 0	\$ 0	\$ 0
7094	Ranchero Road Improvements – 7th Avenue to Mariposa Road, Phase 1 (Aqueduct, Engineering & ROW Identification)	0	55,308	462,000	120,000	677,500
7096	Aqueduct Crossing Improvements - Widen Bridge at Main Street (Design and ROW Acquisition)	0	0	300,000	140,000	400,000
	Total Local Transportation Fund 207	\$ 0	\$ 594,308	\$ 762,000	\$ 260,000	\$ 1,077,500
251 Community Development Block Grant (CDBG)						
7400	2014-15 ADA Transition Plan	\$ 0	\$ 0	\$ 50,750	\$ 50,750	\$ 0
7401	2015-16 ADA Transition Plan**	0	0	0	0	260,000
	Total CDBG Fund 251	\$ 0	\$ 0	\$ 50,750	\$ 50,750	\$ 260,000

**Construction

C I P EXPENDITURES BY FUND AND PROJECT

Project Number	Project Title	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
300 Development Impact Fee (DIF)-Streets Fund						
7046	Ranchero Undercrossing (Mitigation)	\$ 4,201,783	\$ 374,410	\$ 240,000	\$ 45,000	\$ 200,000
7086	Ranchero Road I-15 Interchange Project Approval and Environmental Document (Mitigation)	3,650,579	969,004	902,000	480,000	250,000
7094	Ranchero Road Improvements - 7th Avenue to Mariposa Road - Phase 1	(86,143)	20,000	0	0	0
7131	Traffic Signal @ Ranchero Rd/Maple Ave (Design & ROW)	0	0	0	0	300,000
	Total DIF Fund–Streets 300	\$ 7,766,219	\$ 1,363,414	\$ 1,142,000	\$ 525,000	\$ 750,000
301 Development Impact Fee (DIF)-Storm Drainage						
7091	H-01 Drainage Facility - Section 3A (Third Avenue to Fourth Avenue)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Total DIF-Storm Drainage Fund 301	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
302 Development Impact Fee (DIF) - Fire						
6517	Fire Station 301 Construction/Property	\$ 60,854	\$ 613	\$ 0	\$ 0	\$ 0
6521	Fire Station 304 Expansion	0	0	0	0	0
	Total DIF-Fire Fund 302	\$ 60,854	\$ 613	\$ 0	\$ 0	\$ 0
502 Fire Capital Fund						
6517	Fire Station 301 Construction	\$ 0	\$ 0	\$ 535,615	\$ 60,000	\$ 0
	Total Fire Capital Fund 502	\$ 0	\$ 0	\$ 535,615	\$ 60,000	\$ 0
503 County - High Desert Government Center						
6520	High Desert County Government Center	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0
	Total County Govt. Center Fund 503	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0
504 City Wide Projects						
6523	Park and Ride Facility**	\$ 0	\$ 0	\$ 692,346	\$ 0	\$ 692,346
7091	H-01 Drainage Facility - Section 3A (Third Avenue to Fourth Avenue) **	12,504	13,173	1,185,537	0	1,185,537
7094	Ranchero Road Improvements – 7th Avenue to Mariposa Road, Phase 1 (Aqueduct, Engineering & ROW Identification)	359,428	55,308	0	0	22,500
7121	2011-12 Street Improvement Project	1,521,448	0	0	0	0
7123	Willow Street Paseo**	0	0	834,900	0	834,900
7124	Sequoia Bike Routes & Bus Stop Improvements	0	544,556	0	0	0
7125	2012-13 Street Improvement Project	0	181,506	0	0	0
	Total City Wide Projects Fund 504	\$ 1,893,380	\$ 794,543	\$ 2,712,783	\$ 0	\$ 2,735,283
600 Ranchero Road Undercrossing Fund						
7046	Ranchero Road Undercrossing	\$ 6,716,955	\$ 27,776	\$ 0	\$ 0	\$ 0
	Total Ranchero Road Undercrossing Fund 600	\$ 6,716,955	\$ 27,776	\$ 0	\$ 0	\$ 0
602 Ranchero/I-15 Interchange Fund						
7086	Ranchero Road/I-15 Interchange	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Total Ranchero/I-15 Interchange Fund 602	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
701 Water Capital Fund						
701	Water C I P Projects (See Water C I P for Project Detail)	\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0
	Total Water Capital Fund 701*	\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0

*Note: Differences may exist between the total Water CIP and Sewer CIP expenditures shown in section D of this document. These differences are due to capital expenditures of the respective funds that are not attributable to a specific CIP project.

Note: With the use of grants and other types of reimbursements, there may be instances of timing differences between the time when the expenditures were incurred and when the reimbursement is received. These instances have been notated on the applicable individual C.O. sheets.

**Construction

C I P EXPENDITURES BY FUND AND PROJECT

Project Number	Project Title	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
711 Sewer Capital Fund						
6517	Fire Station 301	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0
7094	Ranchero Road Improvements – 7th Avenue to Mariposa Road, Phase 1 – Engineering & Right-of-Way Identification	0	0	0	0	0
	Total Sewer Capital Fund 711*	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0
	TOTAL ALL C I P FUNDS	\$ 26,883,216	\$ 5,356,208	\$ 10,430,036	\$ 2,986,780	\$ 10,291,721
Streets and Storm Drain Related						
100	General Fund	\$ 0	\$ 0	\$ 500,000	\$ 10,000	\$ 490,000
160	Obligation Retirement Fund P/A #1	1,497,870	0	0	0	0
201	Measure I – Arterial Fund	141,665	0	0	0	0
204	Measure I - Renewal Fund	316,890	1,911,147	4,073,688	2,003,283	4,279,000
205	Gas Tax Fund	0	0	0	0	520,438
207	Local Transportation Fund Article 8 (LTF)	0	594,308	762,000	260,000	1,077,500
251	Community Development Block Grant Fund	0	0	50,750	50,750	260,000
300	Development Impact Fee-Streets Fund	7,766,219	1,363,414	1,142,000	525,000	750,000
301	Development Impact Fee-Storm Drainage	0	0	0	0	0
504	City-wide Projects	1,893,380	794,543	2,020,437	0	2,042,937
600	Ranchero Road Undercrossing Fund	6,716,955	27,776	0	0	0
602	Ranchero/I-15 Interchange Fund	0	0	0	0	0
711	Sewer Capital	0	0	0	0	0
	Total Streets and Storm Drain Related	\$ 18,332,979	\$ 4,691,188	\$ 8,548,875	\$ 2,849,033	\$ 9,419,875
Facilities Related						
100	General Fund	\$ 0	\$ 0	\$ 233,200	\$ 57,700	\$ 175,500
204	Measure I - Renewal Fund	4,935	13,948	30,000	3,847	4,000
302	Development Impact Fee - Fire	60,854	613	0	0	0
502	Fire Capital Fund	0	0	535,615	60,000	0
503	County - High Desert Government Center	7,711,226	0	0	0	0
504	Park and Ride Facility	0	0	692,346	0	692,346
711	Sewer Capital Fund	0	0	350,000	0	0
	Total City Facilities Related	\$ 7,777,015	\$ 14,561	\$ 1,841,161	\$ 121,547	\$ 871,846
Water and Sewer Related						
701	Water Capital Fund	\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0
711	Sewer Capital Fund	0	0	0	0	0
	Total Water and Sewer Related	\$ 773,222	\$ 650,459	\$ 40,000	\$ 16,200	\$ 0
	Total City Capital Improvement Program (C I P)	\$ 26,883,216	\$ 5,356,208	\$ 10,430,036	\$ 2,986,780	\$ 10,291,721

*Note: Differences may exist between the total Water CIP and Sewer CIP expenditures shown in section D of this document. These differences are due to capital expenditures of the respective funds that are not attributable to a specific CIP project.

Note: With the use of grants and other types of reimbursements, there may be instances of timing differences between the time when the expenditures were incurred and when the reimbursement is received. These instances have been notated on the applicable individual C.O. sheets.

CAPITAL IMPROVEMENT PROGRAM (CIP)

CIP PROJECT LISTING

<u>Streets C I P Projects</u>		<u>Page</u>
7046	Ranchero Road Undercrossing	G-11
7086	Ranchero Road I-15 Interchange Project Approval and Environmental Document	G-14
7094	Ranchero Road Improvements – Seventh to Mariposa, Phase 1 – Preliminary Engineering & Right-of-Way Identification	G-18
7096	Aqueduct Crossing Improvements – Widen Bridge at Main Street, Design and Right-of-Way Acquisition.....	G-20
7098	Muscatal Street/I-15 Interchange and Joshua Street Overpass, Phase 1 and Phase 2	G-22
7104	Railroad Crossing Feasibility Study (Eucalyptus/Lemon/Mojave)	G-24
7105	Main Street Corridor Design (U.S. 395 to Eleventh Avenue)	G-25
7121	2011-12 Street Improvement Project	G-26
7122	Choiceana/Talisman Realignment	G-27
7123	Willow Avenue Paseo.....	G-28
7124	Sequoia Bike Routes & Bus Stop Improvements	G-29
7125	2012-2013 Street Improvement Project	G-30
7126	Cinema West Site Improvements.....	G-31
7127	Main Street Overhead Railroad Bridge Rehab.....	G-32
7128	2013-14 Street Improvement Project	G-33
7129	2014-15 Street Improvement Project	G-34
7130	2015-16 Street Improvement Project (New)	G-36
7131	Traffic Signal @ Ranchero Road/Maple Avenue (New)	G-37
7132	Bear Valley Road Reconstruction Cottonwood – Amargosa (New)	G-38
7400	2014-15 ADA Transition Plan (Implementation)	G-39
7401	2015-16 ADA Transition Plan (New)	G-40
<u>Drainage CIP Projects</u>		
7090	H-01 Drainage Facility–Section 1 (Maple Avenue to Main Street), Design and Right-of-Way Acquisition	G-41
7091	H-01 Drainage Facility–Section 3 (Fourth to Third Avenue) – Design, Right-of-Way Identification, and Construction ...	G-42
<u>Other City Projects</u>		
6517	Fire Station 301 Construction/Property Acquisition	G-44
6520	High Desert County Government Center	G-46
6521	Fire Station 304 Expansion/Design	G-48
6523	Park and Ride Facility	G-49
6524	Animal Control Sewer Project	G-50
<u>Water Capital C I P Projects</u>		
8077	Interstate 15 Corridor–New Water System Design	G-51
8078	Property Acquisition for Reservoir Expansion at Sites 19A and 21, new reservoir to serve freeway corridor	G-52
8086	Interstate 15 & Ranchero Road: Frontage Road Water Improvements	G-53
8087	Reclaimed Water Distribution System.....	G-54

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Rancho Road Undercrossing
Project Number: 7046 – Phase I and II
Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the installation of a new underpass beneath the BNSF railway's right-of-way at Rancho Road. The project also includes a new alignment through the Antelope Valley Wash between Santa Fe East and Danbury, with the project limits between Seventh Avenue and Danbury. The BNSF Railroad bisects the City of Hesperia from north to south, with the only street that crosses the railroad being Main Street. This east-west corridor serves the entire City and is under capacity to meet existing traffic needs. The current traffic volume across the Main Street Bridge is 39,000 vehicles per day, and the projected volume in 2015, based on the Victor Valley Comprehensive Transportation Plan, is 69,000 vehicles per day. Most motorists experience gridlock in the early morning and late evening peak hours in the area of Main Street crossing the BNSF Railway. Accidents on either side of, or on the Main Street Bridge, have resulted in total closure of Main Street between Third Street and C Avenue, which not only affects the motoring public, but also severely restrict fire and police response times throughout the City.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

David Evans and Associates were retained to finalize plans and specifications to meet the BNSF Railway and City standards and Lilburn Corporation was engaged to prepare the environmental clearances. The California Environmental Quality Act (CEQA) document was completed and adopted in September 2006. The Federal National Environmental Policy Act (NEPA) document was finalized to Caltrans' satisfaction in February 2008, and was cleared by the Federal Highway Administration (FHWA) for public review in March. The NEPA document was completed in August 2008, allowing right-of-way acquisition to begin. Due to the inability of the San Bernardino County Real Estate Division to commit to the project, David Evans and Associates was engaged to subcontract property acquisition with CPSI. Authorization to proceed with right-of-way acquisitions was granted by Caltrans in May 2009, and the purchase of all required right-of-way was completed in December 2010 and certified by Caltrans in January 2011. The application to the Public Utilities Commission was submitted and approved in June 2009. Regulatory permits from the Army Corps of Engineers, Regional Water Quality Control Board - Lahontan, California Department of Fish and Game, and the San Bernardino County Flood Control District were applied for and were approved. The easements and construction agreement for permission to work within the BNSF right-of-way were granted and fully executed by January 2011. The Request for Authorization to Proceed with Construction was submitted to Caltrans for review and approval in January 2011, and Authorization to proceed with construction was subsequently approved by Caltrans in June 2011. The Project was advertised for bids in July 2011 and a contract awarded by the City Council in August 2011. Construction commenced in early September 2011 and was substantially complete by the end of June 2013. The project was accepted as complete by the Council at its August 20, 2013 council meeting. Submittal of the project close-out documentation was prepared and initially submitted to Caltrans in October 2013. The final grant reimbursements were received by the City and all close-out documents were approved by Caltrans in March 2014. Final reporting to the California Transportation Commission was completed in summer 2014. The environmental mitigation work commenced in October 2013 and will be ongoing for a period of 5 years, as required by the conditions of the environmental permits issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board.

Project Schedule for 2015-16 Budget:

The environmental permits issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board included a condition that the City repair and restore natural habitat and vegetation in areas disturbed during construction and at a separate parcel of land some distance from the construction site as mitigation for loss of habitat that resulted from construction of the project. The restoration requirements are outlined in a Habitat Mitigation and Monitoring Plan (HMMP) that was reviewed and approved by the two agencies. The HMMP calls for the seeding and planting of various natural elements (grasses, plants, trees, rocks, etc.) in the disturbed areas and for annual monitoring and reporting related to the success of such efforts. These monitoring and reporting efforts are stipulated to continue for a period of 5 years after completion of construction (i.e., from 2013 to 2018). Some off-site restoration work was completed in Fiscal Year 2013-14, as well as monitoring and reporting efforts; however, work was delayed on-site during FY 2014-15 due to conflicts with the San Bernardino County Flood Control District's flood control channel. The HMMP had to be modified and submitted for approval by the two regulatory agencies. Mitigation work was delayed while this revision was being reviewed and processed and will commence again in spring of 2015.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Ranchero Road Undercrossing (Continued)

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
207-700-7046 Contractual	\$ 0	\$ 539,000	\$ 0	\$ 0	\$ 0
300-700-7046 Contractual	4,201,783	374,410	240,000	45,000	200,000
600-700-7046 Contractual	0	27,776	0	0	0
600-700-7046 Right-of-Way Acquisition	0	0	0	0	0
600-700-7046 Construction	6,716,955	0	0	0	0
Total Expenditures	<u>\$ 10,918,738</u>	<u>\$ 941,186</u>	<u>\$ 240,000</u>	<u>\$ 45,000</u>	<u>\$ 200,000</u>
<u>Source of Funds</u>					
207 Local Transportation Article 8	\$ 0	\$ 539,000	\$ 0	\$ 0	\$ 0
300 DIF Streets*	4,201,783	374,410	240,000	45,000	200,000
600 NCPDP Grant (4835)*	440,169	0	0	0	0
600 SAFETEA-LU (4833)*	1,646,240	27,776	0	0	0
600 SANBAG-STP (4834)*	2,218,134	0	0	0	0
600 FHWA-STP (4700)*	1,804,892	0	0	0	0
600 California Prop. 1B-SLPP (4843)*	607,520	0	0	0	0
Total Source of Funds	<u>\$ 10,918,738</u>	<u>\$ 941,186</u>	<u>\$ 240,000</u>	<u>\$ 45,000</u>	<u>\$ 200,000</u>

**Note - Due to the timing of when grant reimbursements are received, \$677,944 in expenditures were over-allocated to Fund 300 during project construction. Now that final grant reimbursements have been received in FY 2013-14, the \$677,944 has been reimbursed to Fund 300 for the previous over-allocations.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Ranchero Road Undercrossing (Continued)

Project Funding Narrative:

The total project expenditures are estimated to be \$30.6 million and have been funded from Streets Development Impact Fees, the Redevelopment Agency, Measure I, Local Transportation (Article 8) Funds and Federal and State grant funds. The City has completed all environmental work, design work, secured all required regulatory permits, and completed all necessary right-of-way acquisition at a cost of approximately \$3.3 million. The City utilized National Corridor Planning and Development Program (NCPDP) Federal grant funds of \$391,153 towards acquisition of right-of-way. Construction and construction-related costs are estimated to be a total of \$27.3 million. The construction costs were split between the Streets Development Impact Fee Fund, Local Transportation Fund, and the Redevelopment Agency, which are estimated to fund a combined \$14.67 million or 54% of the total construction-related costs and various Federal and State grant appropriations identified below, which funded \$12.57 million, or 46% of the total construction related costs:

<ul style="list-style-type: none"> ▪ Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Project No. 1558, P.L. 109-59 – Federal Grant (2005) Original Appropriation - \$4,000,000/Due to funding Rescissions and Obligation Limitations net available to City \$3,599,600..... ▪ Federal Highway Administration – Surface Transportation Program (FHWA-STP) – Federal Grant P.L. 109-115, Conference Report 109 Original Appropriation - \$3,000,000/due to funding Rescissions and Obligation Limitations net available to City \$2,970,000..... ▪ San Bernardino Associated Governments – Surface Transportation Program (SANBAG –STP), Allocation to City of Hesperia - \$3,400,000 plus additional \$250,000 of funding exchanged with SANBAG in 2006..... ▪ National Corridor Planning and Development Program (NCPDP) – Federal Grant 2002-03: Original Appropriation Amount of \$1,500,000. A total of \$391,153 of these funds was utilized for engineering and right-of-way acquisition, and \$964,235 was utilized for construction related costs. The balance of \$144,612 was ineligible for reimbursement due to early completion of the project..... ▪ Propositions 1B – State-Local Partnership Program (Prop 1B – SLPP) California Transportation Commission Original Appropriation - \$1.0 million..... 	<p>\$3,599,600</p> <p>\$2,970,000</p> <p>\$3,650,000</p> <p>\$1,355,388</p> <p>\$1,000,000</p> <p>Total Available Federal and State Project Funding..... \$12,574,988</p>
---	---

Notes:

- National Corridor Planning and Development Program (NCPDP) – Federal Grant 2003-04: \$500,000 Original Appropriation – Funding authority lapsed in 2008 and funding was de-obligated without any expenditure.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Ranchero Road / I-15 Interchange
Phase I – Project Study Report/Project Development Support (PSR/PDS) – Completed 2006
Phase II – Project Approval and Environmental Document (Completed 2010)
Phase III – Preliminary “At-Risk” Design (PS&E) (Completed 2012)
Phase IV and V – Right-of-Way Acquisition (ROW) (Completed 2012)
Phase V – Construction

Project Number: 7086

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project is one of the three components of the Ranchero Road Corridor Project, which consists of improvements to Ranchero Road including the Ranchero Road Underpass, widening of Ranchero Road from Danbury Road to I-15, and a new interchange at I-15. This project includes the design and construction of a full service freeway interchange where Ranchero Road intersects with the I-15 freeway.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

In Fiscal Year 2004-05 the City, in anticipation of the time required to obtain State and Federal approvals for new interchanges, commenced the Project Development Phase of the project, which requires initial studies of the project and the preparation of a document called the Project Study Report/Project Development Support (PSR/PDS). The City’s Consultant (Tetra Tech) commenced preparation of the PSR/PDS in September 2004 and received approval of the Final PSR/PDS through Caltrans in August 2006 (Project 7081).

The Preliminary Engineering Phase of the project commenced in August 2006 after execution of a Cooperative Agreement with Caltrans. This phase of work required preparation of a Project Report, which further analyzed the alternative, preliminary designs identified in the PSR/PDS and ascertained the preferred design layout of the proposed interchange, and the preparation of the Project Approval and Environmental Document (ED), which involved an environmental review of the alternative designs identified in the PSR/PDS, traffic modeling, geotechnical studies, various environmental technical studies, and completion of a final ED demonstrating that the preferred layout of the proposed interchange complies with all Federal and State environmental laws. The Environmental Assessment (EA) – Finding of No Significant Impact was identified as the appropriate ED for this project. The Project Report and EA – Finding of No Significant Impact were both approved by Caltrans (as the Federal delegate) in March 2010. The next two phases of the project, Right-of-Way (ROW) Acquisition Phase and the Final Design (PS&E) Phase, commenced concurrently in March 2010.

The City Council awarded a Professional Services Agreement (PSA) to Parsons in 2006 to prepare the Project Approval and ED. This Phase of the project commenced in August 2006 and included monthly Project Development Team (PDT) meetings with Caltrans staff. The required Value Analysis process was concluded in April 2007. In addition, the City Council awarded a contract to Parsons in December 2007 to proceed “at-risk” with preliminary engineering design so that work on the ED and project plans could proceed concurrently, which shortened the overall project schedule approximately nine months. The Traffic Study received final approval from Caltrans in March 2008. In November 2008, the Geometrical Approval Drawings and bridge type selection were approved by Caltrans. The Federal Highway Administration (FHWA) issued a Finding of Acceptability for the New Connection Report (in July 2009), a preliminary approval.

Parsons continued to work on the various individual environmental studies required within the ED and work on the Project Approval and ED continued and was completed in March 2010 with receipt of a Caltrans and Federally-approved ED and Caltrans approval of the Project Report. In March 2010, work on the final Plans, Specifications, and Engineer’s Estimate (PS&E Phase) began after approval of the ED. Submittal to the California Transportation Commission for obligation of the SANBAG 2006 STIP funds occurred in May 2010 in order to prevent the loss of funding. Final approval for the New Connection Report was given by the FHWA in July 2010. A Request for Authorization to Proceed with ROW acquisition was submitted to Caltrans in July 2010. The City received approvals from Caltrans and the FHWA to proceed with ROW acquisition in December 2010 and commenced the acquisition process. Parsons sub-contracted this work to CPSI at a cost of \$170,000 for professional consulting services. Portions of twelve (12) properties from eight (8) owners were needed for ROW on this project. Eleven (11) properties were obtained through Purchase and Sale Agreements, while the last final remaining purchase was subject to eminent domain action.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Rancho Road/I-15 Interchange (Continued)

Existing Situation and Work Completed Through Fiscal Year 2014-2015 (Continued):

A court order for Prejudgment Possession of the last portion of right-of-way (ROW) was issued in July 2012. The ROW Acquisition phase of the project concluded in August 2012 upon receipt of a fully signed Right-Of-Way Certification, which was signed by the City, Caltrans, and the FHWA.

Preliminary “at-risk” design transformed into Final Design (PS&E Phase) upon approval of the ED in March 2010. Final design work continued through FY 2010-11 and FY 2011-12. The PS&E phase of the project concluded in May 2012 upon receipt of a Ready to List memo from Caltrans. The Ready to List memo provided State and Federal authorization to proceed with advertising and award of a construction contract for the project. Construction on the project, however, was delayed because the two primary funding sources were all but eliminated due to the state-wide dissolution of redevelopment agencies in February 2012 and the negative effects of the 2009-2013 recession on revenues (DIF Fees).

In late January 2012, however, the San Bernardino Associated Governments (SANBAG) approached the City and proposed a cooperative effort to allow the project to progress to construction in a streamlined timeline. With assistance by Caltrans, SANBAG agreed to take over the construction phase of the project, and if needed, would front 100% of the funding shortfall. The City and SANBAG entered into a Cooperative Funding Agreement in April 2012, paving the way for construction on the project to move forward in FY 2012-13, while concurrently applying for Corridor Mobility Improvement Account (CMIA) funds from the California Transportation Commission (CTC) to offset the funding need. In May 2012, the CTC awarded \$24.4 million to the project, and 100% funding for construction of the project was in place.

All regulatory permits were obtained, right-of-way acquisition concluded, and PS&E were approved by Caltrans. SANBAG took over as lead agency for construction of the project and was responsible for Advertising, Award, and Administration of the project’s construction phase. The project was advertised for bids in September 2012; bids were opened in October 2012; the SANBAG Board awarded the bid to Security Paving Company, Inc. in November 2012; and construction commenced in January 2013. Although SANBAG is providing project management for the project, the City continues to provide engineering support directly through Parsons, the original design engineer and Engineer of Record for the project and to pay the costs of any fees or permits. The vast majority of all roadway work and all other miscellaneous work within the City’s right-of-way was completed by June 2014; only construction of the bridge remained. Based on the progress of the project through early 2014, it was expected that the project would be 75% complete by the end of Fiscal Year 2013-14. However, a catastrophic fire to the interchange bridge falsework on May 5, 2014 resulted in complete demolition of the structure. This resulted in a significant delay of the project (approximately 6 months), from the anticipated completion of November 2014. Some minor off-site environmental mitigation work commenced in October 2013 and will be ongoing for a period of 5 years, as required by the conditions of the environmental permits issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board.

Project Schedule for 2015-16 Budget:

Construction continued in FY 2014-15 with completion of most construction in March 2015. The new interchange opened to the public on February 20, 2015, twenty five months after start of construction. Minor items of work remain with punch list work to be done and the project close-out phase through Caltrans is all expected to be completed in the summer of 2015. Based on the delays caused by the fire and the lengthened construction schedule, some additional construction engineering and management costs were added to the project’s costs. These additional costs will be determined during the reconciliation process with SANBAG.

The environmental permits for this project that were issued by the U.S. Army Corps of Engineers and the Regional Water Quality Control Board included a condition that the City repair and restore natural habitat and vegetation in areas disturbed during construction and at a separate parcel of land some distance from the construction site as mitigation for loss of habitat that resulted from construction of the project. The restoration requirements are outlined in a Habitat Mitigation & Monitoring Plan (HMMP) that was reviewed and approved by the two agencies. The HMMP calls for the seeding and planting of various natural elements (grasses, plants, trees, rocks, etc.) in the disturbed areas and for annual monitoring and reporting related to the success of such efforts. These monitoring and reporting efforts are stipulated to continue for a period of 5 years after completion of construction (i.e., from 2014 to 2019). Some minor restoration work was completed, as well as monitoring and reporting efforts, in FY 2013-14 and FY 2014-15, and will escalate and continue during FY 2015-16.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Ranchero Road/I-15 Interchange (Continued)

Project Schedule for 2015-16 Budget (Continued):

Upon project completion and final close-out, total project costs will be reconciled with SANBAG and the City will be responsible for 57.5% of the Total Project Cost (estimated at \$64,404,000). Approximately 6.8% of the City's share will be assigned to the County of San Bernardino (5.9%) and the Town of Apple Valley (0.9%) through subsequent agreements.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13 <u>*Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
300-700-7086 Contractual	\$ 3,650,579	\$ 469,634	\$ 902,000	\$ 480,000	\$ 250,000
300-700-7086 Project Management Transfer Out	0	0	0	0	0
300-700-7086 Land Acquisition	0	**499,370	0	0	0
602-700-7086 Contractual	0	0	0	0	0
602-700-7086 STIP/RIP Land	0	0	0	0	0
Total Expenditures	<u>\$ 3,650,579</u>	<u>\$ 969,004</u>	<u>\$ 902,000</u>	<u>\$ 480,000</u>	<u>\$ 250,000</u>
 <u>Source of Funds</u>					
300 DIF Streets	\$ 3,650,579	\$ 969,004	\$ 902,000	\$ 480,000	\$ 250,000
602 Ranchero/I-15 Interchange (SANBAG STIP)	0	0	0	0	0
Total Source of Funds	<u>\$ 3,650,579</u>	<u>\$ 969,004</u>	<u>\$ 902,000</u>	<u>\$ 480,000</u>	<u>\$ 250,000</u>

*FY 2012-13 Actual includes a \$3,000,000 deposit with SANBAG for the Interchange Project, as well as the establishment of a trust account in the amount of \$350,000, as required by the Army Corps of Engineers.

**For final acquisition costs related to condemnation of needed right-of-way.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Ranchero Road/I-15 Interchange (Continued)

Project Funding Narrative:

Funded from Streets Development Impact Fee as it is considered an expansion to the City's Arterial Highway System.

The project expenditures are proposed to be funded from Streets Development Impact fees and Federal/State grants. The City is responsible for 57.5% of the project's cost, which Federal funds can be used for this share. Upon completion, the City will have three years to repay the SANBAG loan; otherwise, the City's Measure I Renewal funds will be used to repay the loan. The following funds for planning, design, right-of-way, and construction have been earmarked to date:

<ul style="list-style-type: none"> ▪ Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Interstate Maintenance Discretionary (IMD) Program P.L. 109-59, Project No. 158 – Federal Grant (Appropriated 2008)..... 	\$1,356,810
Note: This grant funding was transferred to SANBAG for use in construction of the project	
<ul style="list-style-type: none"> ▪ SANBAG/State Transportation Improvement Program (STIP) Regional Improvement Program (RIP) – (Appropriated 2008)..... 	7,034,000
Note: The original grant amount was \$7,979,000–Caltrans transferred \$945,000 for Advertising, Award, and Administration fees, remaining balance of \$7,034,000 (received in FY 2011-12) was utilized by the City for acquisition of right-of-way	
<ul style="list-style-type: none"> ▪ Measure I (2010-2040) Victor Valley Major Local Highway Program (MLHP)..... 	4,549,000
Note: This grant funding was transferred to SANBAG for use in construction of the project	
<ul style="list-style-type: none"> ▪ SAFETEA-LU IMD Program, HR1105 Omnibus Appropriation Act for 2009..... 	650,750
Note: This grant funding was transferred to SANBAG for use in construction of the project	
<ul style="list-style-type: none"> ▪ SAFETEA-LU IMD Program, Continuing Appropriation Resolution 2010, P.L. 111-68..... 	1,000,000
Note: This grant funding was transferred to SANBAG for use in construction of the project	
<ul style="list-style-type: none"> ▪ Development Impact Fee (Fund 300 – DIF) Streets Fund..... 	12,200,000
Note: \$3,000,000 of DIF Funding was transferred to SANBAG for use in construction of the project	
<ul style="list-style-type: none"> ▪ CTC –Resolution No. SLPP-P-1112-09 (SLPP Bond Funding) 	4,550,000
Note: This grant funding was transferred to SANBAG for use in construction of the project	
<ul style="list-style-type: none"> ▪ CTC – Resolution No. CMIA-PA-1112-017 & CMIA-P-1112-018B (CMIA Funding) 	<u>21,135,000</u>
Note: This grant funding was transferred to SANBAG for use in construction of the project	
Total Federal/State/Local Project Funding Commitments	\$52,475,560

Project Impact on Operating Budget:

None at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Ranchero Road Improvements – Seventh Avenue to Mariposa Road
Phase 1 – Preliminary Engineering and Right-of-Way Identification
Phase 2 – Design and Right-of-Way Acquisition

Project Number: 7094

Department/Program: Development Services – Streets CIP

Project Description and Location:

The Ranchero Road Corridor Project consists of various improvements to Ranchero Road including the Ranchero Road Underpass (C.O. 7046), a new interchange at I-15 (C.O. 7086), and widening of Ranchero between the two. This is the City's highest transportation priority. With the completion of the underpass and interchange, traffic on Ranchero Road has increased dramatically. This project will perform the engineering to select the ultimate alignment for Ranchero Road between the western terminus of the Ranchero Road Underpass Project, Seventh Avenue, and Mariposa Road. Identification of the required right-of-way will be determined and cost estimates will be prepared for the entire stretch of roadway. Approximately 50% of Ranchero Road within this 5-mile stretch is located outside the City limits within the unincorporated area of San Bernardino County. A Cooperative Agreement with the County has been executed to establish funding responsibilities.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

In November 2007 the preliminary improvement plans were begun by Desert Engineering under the first phase. These were used as the basis for design plans being prepared by Parsons and was subsequently awarded in October 2008. Detail design plan work continued through 2009, with focus on the aqueduct. Meetings with the Department of Water Resources (DWR) occurred in order to begin the coordination required for permits. Cessation of all design work occurred until execution of a Memorandum of Understanding (MOU) with the County in June 2011, allowing design work to resume. As a result of the MOU, the focus has been the environmental clearance work and design of the roadway. The environmental document was completed in June 2013 and roadway design plans, right-of-way identification and cost estimates were completed at the end of last fiscal year. Design coordination with DWR for the aqueduct crossing resumed in February 2015. Right-of-way acquisition and design of the Union Pacific Railroad at grade crossing has been suspended and will resume upon funding availability.

Project Schedule for 2015-16 Budget:

Aqueduct crossing design and coordination with DWR will continue through the fiscal year. Complete aqueduct crossing design is estimated for fall 2016.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Ranchero Road Improvements – Seventh Avenue to Mariposa Road (Continued)

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7094 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
207-700-7094 Contractual	0	55,308	462,000	120,000 **	677,500 **
300-700-7094 Contractual	(86,143) ***	20,000	0	0	0
504-700-7094 Contractual	359,428 ***	55,308	0	0	22,500 **
711-700-7094 Contractual	0	0	0	0	0
Total Expenditures	\$ 273,285	\$ 130,616	\$ 462,000	\$ 120,000	\$ 700,000
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
207 Local Transportation Article 8	0	55,308	462,000	120,000	677,500 *
300 DIF Streets	0	20,000	0	0	0
504 Citywide Projects (County Reimbursement)	136,606 *	55,308 *	0	0	22,500 *
711 Sewer Capital	0	0	0	0	0
Total Source of Funds	\$ 136,606	\$ 130,616	\$ 462,000	\$ 120,000	\$ 700,000

*50% Reimbursement from San Bernardino County. There may be timing differences between when expenditures were made and when reimbursement is received.

**Funds expensed from 207 Local Transportation Funds may need to be reallocated to 504 Citywide Projects due to timing of County Reimbursement.

***Due to the timing difference between the initial expenditures of the project and the receipt of County reimbursements, a reconciliation was performed to allocate the expenditures by funding source, which resulted in a shift in expenditures from DIF to the Citywide Projects (reimbursement fund).

Project Funding Narrative:

The total cost of Phase 1 and Design work of Phase 2 is \$2,167,208. Funding which is being reimbursed by the County of San Bernardino (\$542,772 through FY 2012-13 expenditures) for work advanced by the City has been utilized in FY 2011-12, FY 2012-13 and FY 2013-14. The balance of the reimbursement (\$87,800 for FY 2013-14 through FY 2015-16 year-end) will be used for the aqueduct crossing design work, with the remainder funded by Local Transportation Funds.

Project Impact on Operating Budget:

This project will have no impact on the operating budget at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Aqueduct Crossing Improvements – Widen Bridge at Main Street
Phase 1 Design and Right-of-Way Identification
Phase 2 Right-of-Way Acquisition and Construction

Project Number: 7096

Department/Program: Development Services – Streets CIP

Project Description and Location:

The bridge along Main Street which crosses the California Aqueduct currently has capacity for only four lanes, two in each direction. The City’s Master Plan of arterial highways identifies Main Street as a major arterial roadway, which has a total of six lanes, three in each direction from Interstate 15 to Eleventh Avenue. In addition, the completion of Walmart has impacted Main Street with additional traffic and new retail developments within the Walmart Shopping Center will have further impact. As a result, the bridge will have to be widened to accommodate the ultimate configuration of Main Street. The widening project has many potential issues; the chief issue being interaction with the Department of Water Resources (DWR). Other issues involve a potential retro-fit of the existing bridge structure to meet the new State seismic requirements, potential environmental issues, and involvement of Caltrans given its proximity to Interstate 15.

The first phase of the project will include preliminary design and the issues associated with that design, including right-of-way, environmental clearance, and outside agency coordination. Cost estimates will also result from this project phase. Phase 2 will involve acquisition of the necessary right-of-way, and construction.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

The consultant firm to carry out Phase 1 (design and right-of-way identification and project management) was engaged in February 2008. Commencement of the work began in May 2008 (along with C.O. 7105). Coordination with DWR began with two meetings that occurred in summer 2008. Preliminary design was completed and design work was started in January 2009. The Bridge Type Selection report was completed in March 2010 and submitted to DWR for approval. Coordination with DWR continued through April 2010. This new bridge is intended to serve westbound traffic, while the existing bridge will be seismically retrofitted by the state, and serve solely eastbound traffic. Right-of-way identification, design, and environmental work was suspended in June 2010, due to changes in the economy and slowed development. Design coordination with DWR, right-of-way identification, and environmental clearance work resumed in February of 2015.

Project Schedule for Fiscal Year 2015-16 Budget:

Design work, right-of-way identification, and environmental clearance work will continue through the fiscal year. Design completion is anticipated for fall 2016. Right-of-way acquisition will begin upon funding availability.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
204-700-7096 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
207-700-7096 Contractual	0	0	300,000	140,000	400,000
Total Expenditures	\$ 0	\$ 0	\$ 300,000	\$ 140,000	\$ 400,000

Source of Funds

204 Measure I Renewal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
207 Local Transportation Article 8	0	0	300,000	140,000	400,000
Total Source of Funds	\$ 0	\$ 0	\$ 300,000	\$ 140,000	\$ 400,000

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Aqueduct Crossing Improvements – Widen Bridge at Main Street (Continued)

Project Funding Narrative:

Phase 1 is estimated to cost \$880,000, and the right-of-way acquisition portion of Phase 2 is estimated at \$420,000. The construction portion of Phase 2 would begin when funds become available. This project is to be funded by a combination of Local Transportation Fund Article 8 (LTF) and other funding as available.

Project Impact on Operating Budget:

This project will have no effect on the operating budget at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Muscatel Street/I-15 Interchange and Joshua Street Overpass
 Phase I – Project Study Report (PSR) (Completed FY 2010-11)
 Phase II – Project Approval and Environmental Document (PA & ED)

Project Number: 7098

Department/Program: Development Services – Streets CIP

Project Description and Location:

The City's Master Plan of Arterial Highways indicates a crossing of I-15 in the vicinity of Muscatel Street on the east side of the freeway to a connection with Mesa Linda Avenue on the west side of the freeway. This was originally envisioned as a bridge crossing only, with no connections to the freeway; however, because of projected traffic on adjacent freeway connections, an additional access to I-15 is warranted. This proposed interchange would connect the proposed large scale commercial areas on each side of the freeway; enable easy access to both sides of the freeway, and provide better circulation within the City without having to utilize the Main Street interchange. In addition, the City proposed to concurrently evaluate modifications to the Joshua Street off-ramps to provide a northbound off-ramp (under Project 7099); however, due to the current spacing between Main Street, Muscatel Street, Joshua Street, and the U.S. 395/I-15 Junctions, all connections together will not meet Caltrans, nor the Federal Highway Administration (FHWA), standards. Consequently, the City has decided to consolidate the Muscatel and Joshua projects into one project in order to evaluate one freeway interchange that will be acceptable to both agencies. Preliminary discussions with both agencies indicate that the Muscatel Street alignment would be preferred over the Joshua Street alignment. Phase 1 of this project involved the preparation of a Project Study Report (PSR) portion of the project for submittal to Caltrans.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

The City Council awarded a contract to Parsons in January 2007 to perform this phase of the work. Work commenced in May 2007 with a kick-off meeting at Caltrans. After work was approximately 20% to 30% complete, Caltrans requested that this phase of the work be upgraded from a Project Study Report/Project Development Study (PSR/PDS) to a full Project Study Report (PSR), which requires a higher level of analysis than initially required. The project was delayed by cessation of Caltrans oversight on all "K-phase" (planning) projects due to lack of funding for a period of 2-3 months. Parsons continued to work on the preliminary studies and traffic analysis with the PSR work to progress to a draft PSR by April 2009 which was reviewed by Caltrans beginning in May 2009. The Preliminary Environmental Analysis Report (PEAR) was approved in January 2010. The PSR was signed by Caltrans in May 2010, closing out Phase 1 of the project. A New Connection Report (NCR) acceptability determination was issued by FHWA in January 2011.

Project Schedule for 2015-16 Budget:

No funding is proposed during this fiscal year. Staff will evaluate options for funding Phase II, which is the Project Approval & Environmental Document (PA&ED) Phase. Approval of the PA&ED will allow the City to gain acceptability of a new connection report from FHWA, begin procuring required right-of-way and begin the Plans, Specifications, and Estimates (PS&E) engineering design work for the project.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
300-700-7098 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
300 DIF Streets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Muscatel Street/I-15 Interchange and Joshua Street Overpass (Continued)

Project Funding Narrative:

This project is funded with Streets Development Impact Fees (DIF) funds. The FY 2007-08 CIP Budget combined this project with the Joshua Street Overcrossing Project and was managed as a combined, single project with a contract amount of \$249,892. Additional funding of \$310,000 was needed to continue this phase of work in FY 2008-09 due to the Caltrans' requirement to upgrade the document to a PSR. For FY 2009-10, \$160,000 was programmed to complete the PSR. Commencement of the PA & ED phase will be evaluated once funds become available.

Project Impact on Operating Budget:

This project will have no effect on the operating budget at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Railroad Crossing Feasibility Study (Eucalyptus/Lemon/Mojave)

Project Number: 7104 (Completed FY 2008-09)

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involved the preparation of an engineering feasibility study to determine the better east-west crossing of the BNSF Railway tracks between Bear Valley Road and Main Street. Currently, Bear Valley Road, Main Street and Rancho Road are the only crossings of the railroad tracks that serve the City. In order to provide one additional crossing in the three-mile distance between Bear Valley Road and Main Street, two potential alignments have been identified; (1) Eucalyptus Street, approximately one mile south of Bear Valley Road, and (2) Lemon Street/Mauna Loa Street/Mojave Street, approximately 1-3/4 to 2 miles south of Bear Valley Road.

This feasibility study analyzed both alignments, including right-of-way needs, and projected traffic volumes (based on the General Plan) of each. Preliminary coordination with the BNSF and utility companies occurred to determine any constraints. From this analysis, the more feasible alignment was selected.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

The City Council awarded a contract to Parsons in November 2007 to perform the preliminary analysis and provide an Engineer's Report on the findings. Work commenced on the project in January 2008. The draft document was submitted in December 2008, and finalized in March 2009. The final report was submitted to the City Council in June 2009 to select the preferred alignment. In future years, design (Phase II) will commence under a new project and will take approximately one year to complete. Right-of-way acquisition will occur as properties become available.

Project Status:

The project is complete.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
300-700-7104 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
300 DIF Streets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This initial phase of the project was funded by Streets Development Impact Fees.

Project Impact on Operating Budget:

None at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Main Street Corridor Eleventh Ave)
Phase 1 Right-of-Way Acquisition & Construction (Mariposa Road to Maple Avenue)

Project Number: 7105

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the engineering design and right-of-way needs identification of the City's primary east-west roadway. Rehabilitation of this corridor is one of the City's legislative priorities, and will create an identity linkage for travelers going from I-15 through the City's downtown. This project will assist in the implementation of the Main Street and Freeway Corridor Specific Plan, which has been in preparation since 2005 and was completed in the first half of Fiscal Year 2008-09. The infrastructure component is key to establishing a unifying theme. While the Specific Plan extends west of U.S. Highway 395 to "I" Avenue, this project design will cover over four miles of the seven-mile corridor that is adjacent to Interstate 15 and U.S. Highway 395. Landscaping within street medians will be included in the design. The project will be implemented in three phases: Phase 1 (Mariposa Road to Maple Avenue); Phase 2 (Maple Avenue to Eleventh Avenue), and Phase 3 (US 395 to Cataba Road).

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

The consultant firm to carry out the design of all three phases and project management was engaged in February 2008 and a contract was subsequently awarded in October. Commencement of the work began in April 2008. Design work began, including coordination with the Department of Water Resources (DWR), for widening the bridge over the California Aqueduct (under C.O. 7096). Design should be at 60 percent by fiscal year-end. A portion of the design was planned to be extracted for use in repair/remediation of February 2010 storm damage at Pyrite (A-04 drain line). Right-of-Way identification and design has been suspended since Fiscal Year 2010-11 due to changes in the economy and slowed development.

Project Schedule for Fiscal Year 2015-16 Budget:

No funding is proposed at this time. Once design is recommenced and completed, right-of-way acquisition will begin. Pyrite drainage repair will commence when funding becomes available.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13	2013-14	2014-15	2014-15	2015-16
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
586-700-7105 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Source of Funds

586 Redevelopment Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

For Phase 1, design is estimated at \$850,000 (excluding aqueduct work under C.O. 7096), right-of-way acquisition is estimated at \$750,000 and construction is estimated at \$3 million. Construction would occur once funds become available. This initial phase of the project was funded by Streets Development Impact Fees and subsequent phases by Redevelopment Project Area 1 tax increment and other funding sources as available.

Project Impact on Operating Budget:

There is no impact on the budget from design work. There will be a minor increase in maintenance costs upon project completion of the Pyrite repair work, and at project completion.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2011-12 Street Improvement Project

Project Number: 7121 (Completed FY 2013-14)

Department - Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry seal overlay, or reconstruction of select roads in the City. The roads to be improved are Lemon Avenue between Choicena and Santa Fe Avenues, (using State grant funds Eighth Avenue paseo work between Smoke Tree, Willow Streets, and various residential streets, collector roads, and/or arterial roads which were previously reconstructed under the City's paving program. The City Council first reviewed the plan in February 2011, after which the scope of the project was reviewed by the City Council Advisory Committee in April 2011, as part of the entire Capital Improvement Program. This was recommended to the City Council subject to funding availability (no funding was available for a FY 2010-11 Street Improvement Project). The Planning Commission made a finding of conformity of the Capital Improvement Program with the General Plan in April 2011.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This is a new project. Proposition 1B funds were received from the State in March 2011. For Lemon Avenue a Safe Routes to School Grant was received in October 2010 for construction along Eighth Avenue. The project was advertised for bids in March, 2012 and was awarded to Cooley Construction at the May 1, 2012 City Council meeting. Construction began in June and was substantially complete in December 2012. In November 2012, a change order was approved by the City Council to make additional street improvements at the Main Street/Escondido intersection. Before all work was complete, material defects were evident, necessitating repair on certain roads. The contractor provided an acceptable solution to the City after June 2013 and was accepted by the City Council on August 6, 2013.

Project Schedule for 2015-16 Budget:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
201-700-7121 Contractual	\$ 141,665	\$ 0	\$ 0	\$ 0	\$ 0
204-700-7121 Contractual	298,998	0	0	0	0
504-700-7121 Contractual	1,521,448	0	0	0	0
Total Expenditures	<u>\$ 1,962,111</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Source of Funds</u>					
201 Measure I Arterial	\$ 141,665	\$ 0	\$ 0	\$ 0	\$ 0
204 Measure I Renewal	298,998	0	0	0	0
504 SRTS Grant	310,211	14,794 *	0	0	0
504 Citywide Prop 1B	1,178,005	0	0	0	0
504 Citywide Projects (SANBAG Grant)	18,439	0	0	0	0
Total Source of Funds	<u>\$ 1,947,318</u>	<u>\$ 14,794</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

* Final reimbursement for SRTS Grant

Project Funding Narrative:

This project was funded by Proposition 1B transportation funds (\$1,276,662), Safe Routes to School Grant funds (\$325,004), as well as Measure I Renewal (\$468,587) and Arterial (\$141,665). In addition, the City petitioned SANBAG to utilize the remaining Local Stimulus funds (\$18,439) from C.O. 7100 and was successful. Finally, additional Measure I Renewal funds (\$121,854) and Measure I Arterial funds (\$94,772) were utilized to complete the Main Street/Cataba agreement. The total project cost was \$2,446,983.

Project Impact on Operating Budget:

This project resulted in a decrease to operation and maintenance expenses due to preventive maintenance of the City's roadways.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Choiceana/Talisman Realignment

Project Number: 7122 (Completed FY 2013-14)

Department - Program: Development Services – Streets CIP

Project Description and Location:

This project involves the realignment of two local streets that intersect one another in the northeast portion of the City. The “G-01” regional drainage facility designated on the City’s Master Plan of Drainage conveys storm flows, causing seasonal damage to this intersection, posing a hazard to the public, and a significant allocation of staff resources to repair/remediate the damage. This project would eliminate the street intersections by connecting the “northerly legs” of Talisman Street and Choiceana Avenue together, and connect the “southerly legs” together. The G-01 unimproved channel would be better-defined between the two street segments, reducing storm flow damage.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

Property acquisitions of the necessary right-of-way were initiated in June 2009 and were completed in November 2010. The project area was surveyed in March, 2012, and the in-house design was completed in March, 2013. The project was made part of the FY 2012-13 Street Improvement Project, which was advertised for public bid in March and was awarded in May. The project cost exceeded the estimate, resulting in additional funds being added at the time of award, prior to construction. The project was completed on December 1, 2013, and accepted by the City Council on February 18, 2014.

Project Schedule for 2015-16 Budget:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7122 Contractual	\$ 0	\$205,374	\$ 0		\$ 0
Total Expenditures	\$ 0	\$205,374	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$205,374	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$205,374	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Measure I Renewal Funds.

Project Impact on Operating Budget:

The project resulted in a long-term decrease on operation and maintenance expenses due to the ability to convey storm water flows past the roadways without affecting the streets, thus eliminating the need to remove tons of storm debris after every storm event.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Willow Street Paseo

Project Number: 7123

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the construction of a bicycle/pedestrian paseo along the north and south sides of Willow Street from Third Avenue to Eighth Avenue. This “Willow Street Paseo” will provide a safe path of travel from high density housing areas of the City to several schools which are located along Willow Street. In addition, it will provide another link to the Eighth Avenue Paseo, which will be constructed in FY 2012-13, providing additional bicycle/pedestrian friendly routes to the Civic Center Complex. This facility follows the “complete street” concept as identified in the City’s General Plan Update and outlined in the Urban Design Framework Plan. The realization of this project is the result of City staff’s diligence in securing a Federal Safe Routes to School Grant.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

City staff was notified in October, 2011 that the City was successful in obtaining the grant. Due to the various studies and documents which are required as part of a Federal project, staff has prepared the request to obligate the funding for the project. Tom Dodson & Associates was hired to prepare the NEPA Level Federal Environmental document which was approved in March 2015. Staff is in the process of obtaining Authorization to Proceed with Preliminary Engineering services through Caltrans and preparing the Request for Proposal (RFP) to design the project.

Project Schedule for Fiscal Year 2015-16 Budget:

The City will seek for an engineering consultant to prepare the required plans, and specifications for the project. The design package will be ready to advertise for construction in the fall of 2015. Construction is anticipated to begin in the early 2016.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
204-700-7123 Contractual	\$ 0	\$ 10,717	\$ 70,438	\$ 2,033	\$ 0
205-700-7123 Contractual	0	0	0	0	70,438
504-700-7123 Contractual	0	0	834,900	0	834,900
Total Expenditures	\$ 0	\$ 10,717	\$905,338	\$ 2,033	\$ 905,338

Source of Funds

204 Measure I Renewal	\$ 0	\$ 10,717	\$ 70,438	\$ 2,033	\$ 0
205 Gas Tax	0	0	0	0	70,438
504 SRTS Grant (Fed.)	0	0	834,900	0	834,900
Total Source of Funds	\$ 0	\$ 10,717	\$905,338	\$ 2,033	\$ 905,338

Project Funding Narrative:

This project will be funded by Federal Safe Routes to School Grant funds (\$834,900), as well as Measure I Renewal and Gas Tax (\$83,188 combined) funds to make up the City’s match.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Sequoia Bike Routes & Bus Stop Improvements

Project Number: 7124 (Completed FY 2013-14)

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the construction of a Class II bicycle facility along Sequoia Street from Cottonwood Avenue to Hesperia Road, along with improvements to three bus stops in the City. This bicycle facility is identified on the City's Non-motorized Transportation Plan and will provide cyclists with an alternative route to cycling on the traffic-congested Bear Valley Road. The Class II facility will be constructed by widening the pavement and striping bicycle lanes along the shoulders. Appropriate signage will also be installed. The most notable bus stop improvement will consist of shoulder widening and a path of travel to the stop sign on the south side of Bear Valley Road just east of Industrial Avenue. City staff was able to obtain grant funds for these projects from the Transportation Development Act Article 3 Bicycle and Pedestrian Fund through a competitive grant application with SANBAG. City staff was notified that they were successful in obtaining the grant in November 2011.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

Sequoia Avenue was surveyed in March 2012, and the in-house design for the Class II bicycle facility was completed in March, 2013. Altec Engineering was awarded the contract to design the Bear Valley Road bus stop and completed the task in March, 2013. Both projects were added to the FY 2012-13 Street Improvement Project, which was advertised for public bid in March 2013, awarded in May 2013 and began construction in July 2013. The project was completed on December 1, 2013, and was accepted by the City Council on February 18, 2014.

Project Schedule for Fiscal Year 2015-16 Budget:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7124 Contractual	\$ 17,217	\$ 11,291	\$ 0	\$ 0	\$ 0
504-700-7124 Contractual	0	544,556	0	0	0
Total Expenditures	\$ 17,217	\$555,847	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 17,217	\$ 11,291	\$ 0	\$ 0	\$ 0
504 TDA Article 3 Grant	0	544,556	0	0	0
Total Source of Funds	\$ 17,217	\$555,847	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Transportation Development Act Grant funds (\$544,556), as well as Measure I Renewal (\$28,508) funds to make up the City's match.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2012-13 Street Improvement Project

Project Number: 7125 (Completed FY 2013-14)

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City. Corrective maintenance is planned for Main Street from Cataba Road to Interstate 15. In addition, the City will expand on the newly completed improvements along Santa Fe Avenue East and extend those improvements to I Avenue. The long neglected Mesa Avenue east of Santa Fe Avenue East will also be reconstructed for approximately one-half mile. Preventative maintenance will occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. This preventative maintenance will be performed on approximately 10 miles of roadways throughout the City.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

City staff prepared the bid package for the project in March, 2013. In order to receive more competitive bids on smaller projects, Project Numbers 7122 (Choiceana/Talisman Realignment) and 7124 (Sequoia Bike Route and Bus Stop Improvements) were added to the project. In addition, a joint project with the Victor Valley Transit Authority to pave Smoketree Street between E Avenue and I Avenue to assist bus movements was agreed to, and included in the project. The project was awarded during the May 7, 2013 Council meeting and construction began in July 2013. The project was completed on December 1, 2013 and accepted by the City Council on February 18, 2014.

Project Schedule for Fiscal Year 2015-16 Budget:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7125 Contractual	\$ 675	\$1,523,168	\$ 0	\$ 0	\$ 0
504-700-7125 Contractual	0	181,506	0	0	0
Total Expenditures	<u>\$ 675</u>	<u>\$1,704,674</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 675	\$1,523,168	\$ 0	\$ 0	\$ 0
504 WTA Reimbursement	0	181,506	0	0	0
Total Source of Funds	<u>\$ 675</u>	<u>\$1,704,674</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Project Funding Narrative:

This project was funded by Measure I Renewal funds (\$1,523,843), and funds from the Victor Valley Transit Authority (\$181,506).

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Cinema West Site Improvements

Project Number: 7126 (Completed FY 2012-13)

Department/Program: Development Services – Facilities CIP

Project Description and Location:

The City's downtown plan identified development of the parcel west of Civic Plaza Park. Negotiations concluded successfully for development of a movie cinema project, which construction was assisted by the City. This project involved construction of a 314-space parking lot that will be utilized by the theater and park goers. Project components include grading, paving, and striping of the parking lot; landscaping around and within it; perimeter curb, gutter and sidewalks; lighting and a water retention system for the entire five acres utilized by the theater and parking lot.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

K&R Construction began construction of the theater building in March 2012. The City bid the project and in May 2012, which was awarded to Cooley Construction in June 2012. Construction was completed in December and accepted by the City Council on December 18, 2012.

Project Schedule for Fiscal Year 2015-16 Budget:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
160-700-7126 Contractual	\$1,497,870	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$1,497,870	\$ 0	\$ 0	\$ 0	\$ 0

Source of Funds

160 Obligation Retirement Fund P/A;*	\$1,497,870	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$1,497,870	\$ 0	\$ 0	\$ 0	\$ 0

Note -* Project paid for by the Successor Agency to the Former Redevelopment Agency. Expenditures related to the project were not included in the City Budget and were instead shown in the Successor Agency Budget.

Project Funding Narrative:

The project was funded from Obligation Retirement Fund P/A #1. Construction costs totaled \$1,504,101.

Project Impact on Operating Budget:

None at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Main Street Overhead Railroad Bridge Rehab (New)

Project Number: 7127 (Completed FY 2013-14)

Department/Program: Development Services – Streets CIP

Project Description and Location:

The Main Street Bridge provides one of two current crossings of the BNSF Railway in the City (when completed, the Rancho Road Undercrossing will become the third). Consequently, the State Department of Transportation (Caltrans) performed an inspection of the 39-year old bridge, the results of which include three recommended actions to maintain its life: 1) clean the concrete deck, and seal/fill the “heavy cracking” surface with methacrylate; 2) backfill erosion at the northwest and southwest corners of the bridge, and; 3) re-patch the spall in the concrete diaphragm over bent cap #2. Once completed, the bridge will be restriped.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

Specifications were prepared by City staff, and all work was publicly bid. The bid opening occurred on April 17, 2014, and the City Council awarded the project on May 6, 2014. Work on this project was completed in June 2014.

Project Schedule for Fiscal Year 2015-16 Budget:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7127 Contractual	\$ 0	\$ 118,000	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 118,000	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 118,000	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 118,000	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project was funded by Measure I Renewal Funds.

Project Impact on Operating Budget:

This project will extend the life of the bridge, and result in a minor decrease in annual operational/maintenance costs.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2013-14 Street Improvement Project

Project Number: 7128

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City. Full depth roadway reconstruction is planned for Main Street from Interstate 15 to Escondido Avenue. If funding is available, the City will reconstruct three roadways that are in the worst condition and require constant pothole repairs; these roads being sections of Mauna Loa Street, Fresno Street, and Cherry Street. All three streets were due for reconstruction under previous paving projects but had to be pulled due to funding shortfalls. Preventative maintenance in the form of crack seal and slurry will occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. This preventative maintenance will be performed on approximately 10 miles of roadways throughout the City.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This project was advertised for construction on March 18, 2014. The bid opening was on April 17, 2014, and due to changes in scope of the project, bids were approximately ten percent over estimate. It was awarded by Council on May 6, 2014. Seal locations included sections of Willow Street, Fresno Street, Eucalyptus Street, Live Oak Street, Sequoia Street, Carob Street, Pitache Street, Capri Street, Donert Street, Manzanita Street, and Orchid Street. Remove and replace locations included sections of Mauna Loa Street, Fresno Street, Atlantic Street, and Main Street. Overlay locations included sections of Main Street and Eighth Avenue. Signal work was completed at the intersection of Main Street and Mountain Vista Avenue. The project was completed in February 2015, with the final retention expected to be released in May 2015.

Project Schedule for Fiscal Year 2015-16 Budget:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7128 Contractual	\$ 0	\$ 42,597	\$1,953,000	\$1,953,000	\$ 0
Total Expenditures	\$ 0	\$ 42,597	\$1,953,000	\$1,953,000	\$ 0
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 42,597	\$1,953,000	\$1,953,000	\$ 0
Total Source of Funds	\$ 0	\$ 42,597	\$1,953,000	\$1,953,000	\$ 0

Project Funding Narrative:

This project was funded by Measure I Renewal funds.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2014-15 Street Improvement Project

Project Number: 7129

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City, signal system upgrades, and dirt-road paving. Full depth roadway re-construction will occur on Main Street east of Maple Avenue, as well as some of the worst condition roads. Preventative maintenance in the form of crack seal and slurry will occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. Based on the options selected by the City Council during the Budget process, this preventative maintenance will be performed on approximately 25 miles of roadways throughout the City. In addition, signal upgrade will occur at the Main Street and I Avenue existing signalized intersection, and two dirt roads (Fir Street and Rodeo Road, between 11th Avenue – 7th Avenue) will also be paved.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

Prior to preparation of plans and specifications, options for the types of street to be maintained, including potential dirt-road paving, were submitted to the City Council for approval. The dirt roads selected will be surveyed by a contractor and the center line profile will be designed in-house. Selected slurry seal locations include sections of E Avenue, Hesperia Road, I Avenue, Alston Avenue, Seaforth Avenue, Farmdale Street, Jenkins Street, and Fairburn Avenue. Remove and replace locations include sections of Main Street, Walnut Street, Pacific Street, and E Avenue. The dirt road paving will take place on sections of Fir Street and Rodeo Street. There will also be a traffic signal upgrade at the intersection of Main Street and I Avenue.

Project Schedule for Fiscal Year 2015-16 Budget:

The project will then be advertised for bid and construction will begin during the summer of the 2015 calendar year. The majority of the construction will occur in the 2015-16 Fiscal Year.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
100-700-7129 Contractual	\$ 0	\$ 0	\$ 500,000	\$ 10,000	\$ 490,000
204-700-7129 Contractual	0	0	2,000,000	0	2,000,000
Total Expenditures	\$ 0	\$ 0	\$2,500,000	\$ 10,000	\$ 2,490,000
 <u>Source of Funds</u>					
100 General Fund	\$ 0	\$ 0	\$ 500,000	\$ 10,000	\$ 490,000
204 Measure I Renewal	0	0	2,000,000	0	2,000,000
Total Source of Funds	\$ 0	\$ 0	\$2,500,000	\$ 0	\$ 2,490,000

Project Funding Narrative:

This project will be funded by Measure I Renewal funds and the General Fund.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2014-15 Street Improvement Project (Continued)

Project Number: 7129

Department/Program: Development Services – Streets CIP

Available funding all projects \$2,500,000

I. Staff recommended projects:

1. Main Street rehabilitation (Oakwood Ave-Balsam Avenue)	\$ 980,000
2. Slurry Seal preventative maintenance (Various Streets – Approx. 10 miles)	250,000
3. Residential street rehabilitation Walnut Street (Main Street-Peach Avenue) and Del Mar Street (Willow Street-Benecia Avenue)	131,500
4. Traffic Signal Upgrade (I Avenue/Main Street), including ADA improvements	<u>140,000</u>
Total	\$1,501,500

Balance for Optional Projects \$498,500

II. Optional projects selected by Council:

1. Slurry Seal maintenance – approximately 15.7 additional miles	\$394,500
2. Dirt Road paving – Fir Street (Eleventh Avenue – Seventh Avenue)	302,000
3. Dirt Road paving – Rodeo Road (Eleventh Avenue – Seventh Avenue)	<u>302,000</u>
Total all Optional Projects	\$998,500

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2015-16 Street Improvement Project (NEW)

Project Number: 7130

Department/Program: Development Services – Streets CIP

Project Description and Location:

This project involves the corrective maintenance through reconstruction and preventative maintenance via slurry-seal overlay of selective roads in the City, signal system upgrades, and dirt-road paving. Full depth roadway re-construction of Main Street from Tamarisk Avenue to Oakwood Avenue will occur. Preventative maintenance in the form of crack seal and slurry will also occur on streets that have had corrective maintenance done during the past 5-7 years to extend their usable life. Based on the options selected by the City Council during the budget process, this preventative maintenance will be performed on approximately 10 miles of roadways throughout the City.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This is a new project.

Project Schedule for Fiscal Year 2015-16 Budget:

The project will be advertised for construction, once survey and plans and specifications are produced in-house. Construction will begin in winter/spring 2016 and completed prior to the end of the Fiscal Year.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7130 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,277,000
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,277,000
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,277,000
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,277,000

Project Funding Narrative:

This project will be funded by Measure I Renewal funds.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Traffic Signal @ Rancho Road/Maple Avenue (NEW)

Project Number: 7131

Department/Program: Development Services – Streets CIP

Project Description and Location:

This is a multi-year project involving the establishment of a signalized intersection along the Rancho Road Corridor. The completion of the Undercrossing at the BNSF Railway and the full-service interchange at Interstate 15 has caused an increase in traffic along this corridor. Several intersections are planned for signalization along this corridor at build-out. Delay at Maple Avenue, which is currently an all-way stop intersection, is significant. Development planned in the vicinity will exacerbate this delay, justifying the need for a traffic signal. The signal will be designed based on ultimate street widths of Maple Avenue and Rancho Road, necessitating acquisition of right-of-way to accommodate its installation. The entire project is anticipated to take 18-24 months to complete.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This is a new project.

Project Schedule for Fiscal Year 2015-16 Budget:

A consultant will be engaged to design the signal. Once design is established, right-of-way needs will be identified and acquisition will commence. Construction is expected to occur in Fiscal Year 2016-17.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
205-700-7131 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
300-700-7131 Contractual	0	0	0	0	300,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500,000</u>
 <u>Source of Funds</u>					
205 Gas Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
300 Development Impact Fee (DIF)	0	0	0	0	300,000
Streets Fund					
Total Source of Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500,000</u>

Project Funding Narrative:

This project will be funded by DIF and Gas Tax funds.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Bear Valley Road Reconstruction Cottonwood – Amargosa (NEW)

Project Number: 7132

Department/Program: Development Services – Streets CIP

Project Description and Location:

Bear Valley Road is a major roadway shared between Hesperia and the City of Victorville and provides for more than 60,000 vehicles per day. The City of Victorville initiated a rehabilitation project for a segment of this roadway near Interstate 15, which has deteriorated significantly since the last corrective maintenance project more than ten years ago. Full rehabilitation, including pavement and lane striping will occur within the street right-of-way.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This is a new project.

Project Schedule for Fiscal Year 2015-16 Budget:

The City of Victorville will administer the project, with plans and specifications subject to Hesperia review. Once complete, reimbursement to Victorville will occur.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
205-700-7132 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,000
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,000
 <u>Source of Funds</u>					
205 Gas Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,000
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,000

Project Funding Narrative:

The City's share of the project is expected not to exceed \$250,000, including contingency. This project will be funded with Gas Tax funds.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2014-15 ADA Transition Plan (Implementation)

Project Number: 7400

Department/Program: Development Services – Streets CIP

Project Description and Location:

In order to comply with the Americans with Disabilities Act (ADA), the City will need to make modifications to existing infrastructure, including public buildings. To determine the magnitude of the modification, a self-evaluation and transition plan is underway and expected to take more than one year to complete. In the interim, there are public street improvements that can be initiated to reduce the outstanding number of modifications to be done. The City Council began this effort by awarding Community Development Block Grant (CDBG) funds for the Federal 2014-15 fiscal year. Combined with other funding, staff will prioritize modifications to handicap ramps and similar existing facilities, focusing on the CDBG target area.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

Staff identified various locations for removal and reconstruction that could occur with available funding. Specifications were prepared by staff and the project was released for bids in April 2015. Construction was completed in June 2015.

Project Schedule for Fiscal Year 2015-16 Budget:

Final project close out process will be completed.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-700-7400 Contractual	\$ 0	\$ 0	\$ 50,250	\$ 48,250	\$ 2,000
251-700-7400 Grant	0	0	50,750	50,750	0
Total Expenditures	\$ 0	\$ 0	\$ 101,000	\$ 99,000	\$ 2,000
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 0	\$ 0	\$ 50,250	\$ 48,250	\$ 2,000
251 Community Development Block Grant	0	0	50,750	50,750	0
Total Source of Funds	\$ 0	\$ 0	\$ 101,000	\$ 99,000	\$ 2,000

Project Funding Narrative:

This project will be funded by Measure I Renewal funds (\$50,250) and Community Development Block Grant (CDBG) funds (\$50,750).

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: 2015-16 ADA Transition Plan (Implementation)(NEW)

Project Number: 7401

Department/Program: Development Services – Streets CIP

Project Description and Location:

In order to comply with the Americans with Disabilities Act (ADA), the City will need to make modifications to existing infrastructure, including public buildings. To determine the magnitude of the modification, a self-evaluation and transition plan is underway and expected to take more than one year to complete. In the interim, there are public street improvements that can be initiated to reduce the outstanding number of modifications to be done. The City Council began this effort by awarding Community Development Block Grant (CDBG) funds for the Federal 2014-15 fiscal year. Combined with other funding, staff will prioritize modifications to handicap ramps and similar existing facilities, focusing on the CDBG target area.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This is a new project.

Project Schedule for Fiscal Year 2015-16 Budget:

Staff will identify various locations for removal and replacement that can occur with available funding. Specifications were prepared by staff, similar to the FY 2014-15 project (CO #7400). The project will be released for bids in Fall 2015, and construction will be complete by Spring 2016.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
251-700-7401 Grant	\$ 0	\$ 0	\$ 0	\$ 0	\$ 260,000
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 260,000

Source of Funds

251 Community Development Block Grant	\$ 0	\$ 0	\$ 0	\$ 0	\$ 260,000
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 260,000

Project Funding Narrative:

This project will be funded principally by Community Development Block Grant (CDBG) funds.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: H-01 Drainage Facility – Section 1 (Maple Avenue to Main Street)
Design and Right-of-Way Identification

Project Number: 7090

Department/Program: Development Services – Drainage CIP

Project Description and Location:

This project involves the design and alignment selection of a major drainage facility to convey storm flow through the H-01 Drain Line designated in the City's Master Plan of Drainage from Maple Avenue to Main Street. The project would include the identification of right-of-way and easements required for the alignment of the storm drain. It is not anticipated that any right-of-way would be purchased in this fiscal year, as environmental clearance would be required prior to right-of-way acquisition.

The H-01 line is a major natural drainage wash that conveys storm flow from a large tributary area on the west side of the City. This tributary area includes a portion of the high density residential area west of Maple Avenue. The City is currently constructing the portion of the H-01 storm drain line from Main Street north to Fourth Avenue. The design of the drain line south of Main Street would allow the channelization of the storm water run-off through residential neighborhoods and protect many existing homes from flooding.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This project was awarded to Parsons Engineering in February 2008 as part of the CIP management contract and was subsequently amended in October. Parsons is tasked with completing the alignment study and conceptual design with right-of-way needs assessment; however, due to a downturn in the economy and re-prioritization of projects in the CIP, consultant work was frozen on this project in November 2008.

Project Schedule for 2015-16 Budget:

No work on this project is scheduled for this fiscal year; however, if right-of-way becomes available to obtain in advance of project, amendment(s) would be requested.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
301-700-7090 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
301 DIF Storm Drainage	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

The design of this drainage facility will be funded from Storm Drainage Development Impact Fee funds. Design is expected to cost \$250,000.

Project Impact on Operating Budget:

There will be no impact on the operating budget until this facility is constructed.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: H-01 Drainage Facility – Section 3A (Fourth Avenue to Third Avenue)
Design, Right-of-Way Identification, and Construction

Project Number: 7091

Department/Program: Development Services – Drainage CIP

Project Description and Location:

This project involves the design and alignment selection of a major drainage facility to convey storm flow through the H-01 Drain Line designated in the City's Master Plan of Drainage from Fourth Avenue and Mojave Street to the BNSF Railroad along Hesperia Road. The project would include the identification of right-of-way and easements required for the alignment of the storm drain. It is anticipated that once the alignment study is complete, the right-of-way acquisition would be completed.

The H-01 line is a major natural drainage wash that conveys storm flow from a large tributary area on the west side of the City. This tributary area includes a portion of the high density residential area west of Maple Avenue. The City has constructed the portion of the H-01 storm drain line from Main Street north to Fourth Avenue. The design of the drain line south of Main Street would allow the channelization of the storm water run-off through residential neighborhoods and protect many existing homes from flooding.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This project was awarded to Parsons Engineering in February 2008 as part of the CIP management contract and was subsequently awarded in October. Parsons is tasked with completing the alignment study and conceptual design with right-of-way needs assessment; however, due to a downturn in the economy and re-prioritization of projects in the CIP, work was suspended on this project to allow further evaluation in November 2008. The project was subsequently broken into two Sub-Phases after completion of Section 2 (C.O. 7087), to allow extension of the facility from Fourth Avenue to Third Avenue (Sub-Phase 3A), before the project needs to be extended to the railroad tracks (Sub-Phase 3B). No work was planned in FY 2009-10; however, damage sustained from February 2010 rain events caused focus to be placed again on Sub-Phase 3A. In-house design, survey and easements/right-of-way work did not occur before December 2010, when additional damage was sustained between Fourth and Third Avenues. Coordination with the Federal Emergency Management Agency (FEMA) resulted in a commitment for reimbursement of the flood damage. With the project "federalized", additional environmental clearance was required, and a consultant (Tom Dodson & Associates) was engaged in February 2011 to obtain the necessary National Environmental Policy Act (NEPA) clearance. The preliminary environmental study was completed and submitted to Caltrans for their review. Caltrans has since requested specialized studies such as archeology and historical property surveys. Tom Dodson & Associates continues to work through these requirements.

Project Schedule for 2015-16 Budget:

The City will be awaiting the findings of the reviews of the specialized studies. Of particular concern will be the findings and recommendations from the Army Corps of Engineers and any potential mitigation that they place on the project. Recent history with the Corps during the review process for the Ranchero Interchange project has greatly increased the project cost, and if they follow suit with this project the viability of the project could be endangered.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: H-01 Drainage Facility – Section 3A (Fourth Avenue to Third Avenue)
Design, Right-of-Way Identification, and Construction (Continued)

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
301-700-7091 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
504-700-7091 Contractual	12,504	13,173	1,185,537	0	1,185,537
Total Expenditures	<u>\$ 12,504</u>	<u>\$ 13,173</u>	<u>\$ 1,185,537</u>	<u>\$ 0</u>	<u>\$ 1,185,537</u>

Source of Funds

301 DIF Storm Drainage Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
504 City Wide Projects Fund-FEMA	12,504 *	13,173 *	1,185,537	0 *	1,185,537
Total Source of Funds	<u>\$ 12,504</u>	<u>\$ 13,173</u>	<u>\$ 1,185,537</u>	<u>\$ 0</u>	<u>\$ 1,185,537</u>

*Note: The grant documents require completion of the project prior to submitting for reimbursement, which will cause the fund to be negative until reimbursement is obtained.

Project Funding Narrative:

The project will be funded from DIF Storm Drain and FEMA funds. Preliminary design work was done by in-house staff for environmental work to commence. Final design is being performed by CCL Engineering and the contract is just under \$90,000. Environmental clearance documentation is estimated at \$40,000 and is being performed by Tom Dodson & Associates, with right-of-way acquisition estimated at \$100,000. Construction will spend the project balance.

Project Impact on Operating Budget:

This project has the potential to greatly reduce operations and maintenance expenses by removing the maintenance intensive outlet basin at Fourth Avenue.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Fire Station 301 Construction/Property Acquisition

Project Number: 6517

Department/Program: Development Services – Facilities CIP

Project Description and Location:

This project is the next phase of addressing the City's master-planned fire service needs that began in C.O. 6514. Existing Station 301, located on the west side of Eleventh Avenue, south of Main Street (9430 Eleventh Avenue) contains approximately 3,700 square feet of building space. In order to fulfill the City's Public Safety Needs Report requirements, the facility needs to be expanded/reconstructed to 12,000 square feet.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

In FY 2006-07, the City sent a Request for Qualifications to architectural firms to provide architectural and construction support services. Wolff/Lang/Christopher (WLC) Architects was selected as the firm most qualified to meeting the needs of the City. WLC Architects was engaged in November 2006 to prepare the necessary construction and architectural plans. By March 2007, the Public Safety Ad Hoc Committee had reached consensus on the floor plan and building elevations. City staff has completed the process of acquiring the necessary property south of the current facility. Architects prepared working drawings and completed design work in February 2009. The Planning Commission approved the facility design in April 2007. Bidding of the project was scheduled for March 2009, but was delayed due to Notice of Funding from the Federal American Recovery and Reinvestment Act (ARRA Economic Stimulus Plan) which was signed into law in February 2009. The City pursued funding from this law in order to reduce the financial cost to the DIF and RDA funds. An application submittal was made for this C.O. and C.O. 6521 in July 2009. The City was not successful in the first two funding award rounds in October 2009 and February 2010. The City did not receive a Notice of Award by July 2010; consequently, the project was suspended in 2010 until funding could be identified to construct the new station without grant funds. In FY 2011-12 funding was budgeted to have the plans updated to conform to the new 2010 California Building Code adopted by the City. WLC Architects, the original architect for the project, was tasked with updating the plans and has completed this work. The plans and specifications for the project are now "shovel ready" and the project is ready for construction. All previous preliminary design work was performed under C.O. 6514, but construction of the project shall be completed under this C.O. Number (C.O. 6514 was closed out in 2011).

With adequate local funding identified in the FY 2012-13 CIP Budget, the project was advertised for bids in September 2012 and bids were opened in October 2012. The submitted bids were substantially higher than expected, and in November 2012 the City Council rejected all bids and directed staff to "value" engineer the scope of work, reduce the cost of the project, and re-bid the project in calendar year 2013. WLC Architects was directed to perform the value engineering and provide the revised plans, complete and ready to bid after July 2013. Due to other financial commitments with two major projects (Ranchero Undercrossing and Ranchero/I-15 Interchange), the project was deferred in FY 2012-13. The City received a Federal Emergency Management Agency (FEMA) Staffing for Adequate Fire and Emergency Response (SAFER) grant in July 2013, warranting establishment of temporary housing on-site until a permanent facility is built.

Due to budget commitments on other CIP projects, staff determined to proceed with this project in phases and construct the improvements over several fiscal years. Phase I of the project consists of construction of miscellaneous on-site and off-site improvements (i.e., perimeter block wall, curb and gutter, sewer main installation, etc.). WLC Architects has completed plan revisions to accommodate Phase I of the project and this phase of the project is now shelf-ready for bidding.

Project Schedule for Fiscal Year 2015-16 Budget:

Due to budget restraints and a review of the Fire Department operations by staff, no further funding is proposed.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Fire Station 301 Construction/Property Acquisition (Continued)

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
302-650-6517 Contractual	\$ 60,854	\$ 613	\$ 0	\$ 0	\$ 0
502-650-6517 Contractual	0	0	535,615	60,000	0
711-650-6517 Contractual	0	0	350,000	0	0
Total Expenditures	<u>\$ 60,854</u>	<u>\$ 613</u>	<u>\$ 885,615</u>	<u>\$ 60,000</u>	<u>\$ 0</u>

Source of Funds

302 DIF Fire	\$ 60,854	\$ 613	\$ 0	\$ 0	\$ 0
502 Fire Capital	0	0	535,615	60,000	0
711 Sewer Capital	0	0	350,000	0	0
Total Source of Funds	<u>\$ 60,854</u>	<u>\$ 613</u>	<u>\$ 885,615</u>	<u>\$ 60,000</u>	<u>\$ 0</u>

Project Funding Narrative:

The estimated cost of construction (as of 2013) is \$4.8 million, with an additional \$900,000 in support costs and \$350,000 in utility relocation costs, which will be funded, in part, by Development Impact Fees (\$840,000), Fire Capital Fund (\$5 million), Sewer Capital (\$350,000), and other funding as available. Due to funding limitations, all improvements at this site will be put on hold pending future discussions and priorities.

Project Impact on Operating Budget:

Not applicable at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: High Desert County Government Center (HDGC) – Phase I and II, and High Desert Public Safety Operations Center (PSOC) – Phase III

Project Number: 6520 (Completed FY 2013-14)

Department/Program: Development Services – Facilities CIP

Project Description and Location:

This project involves oversight for pre-construction, design and program management services for the County of San Bernardino's High Desert Government Center (HDGC) to be constructed on City-owned property at the northwest corner of Smoke Tree Street and Seventh Avenue. The City was awarded the HDGC project on August 28, 2007, after competing with other high desert cities in a Request for Proposal process from September – November 2006. The HDGC will include the development of a 66,700 square foot office building on approximately 4.4 acres to house up to 11 general-funded County departments. The property will be sold by the City to the County, and the City will serve as a contractor to the County for the design of the project (as Phase 1) and construction (Phase II and III).

Project Status or Work Completed through Fiscal Year 2014-15:

The City engaged a consultant to assist with project and program management. An estimate was prepared for the contract with San Bernardino County for Phase I, and the contract between the County and City was executed on March 4, 2008. The consultant prepared a needs assessment, schematic design, and design development as part of Phase I. During this process, the County increased the building size to approximately 66,700 square feet. This resulted in a contract amendment with Griffin and the City, which was approved by the City Council on February 3, 2009. The Planning Commission approved the Public Facility Review on March 5, 2009. A Guaranteed Maximum Price (GMP) for construction (Phase II) was developed and proposed by the Griffin Structures, Inc./McCarthy Construction team in April 2009. The County accepted the GMP in June 2009, and construction documents were completed and subsequently approved for bid as part of Phase II in mid-June. Bids were opened on July 9, 2009 and subsequently awarded more than 25% below bid estimates. Construction began on August 10, 2009. Construction continued through FY 2010-11 and was substantially complete in October 2010. The County of San Bernardino is now functioning from the new facility.

Subsequent to occupation of the new building, the County approached the City of Hesperia with a request to provide additional project management services via change order, in partnership with Griffin Structures, Inc. and McCarthy Builders, to construct modifications to the interior of the building to accommodate a new, state-of-the-art communications center to serve the high desert communities. The High Desert Public Safety Operations Center (PSOC) Project will include Sheriff and Fire 911 Call and Dispatch Centers, an Emergency Operations Center (EOC), and related support amenities designed to Essential Facilities Standards. Preliminary design for the new PSOC began in August 2011 and was completed in December 2011. Final design was completed in March 2012. Construction commenced in April 2012 and continued through the fiscal year. A grand opening dedication ceremony was held by the County on May 10, 2013. Final acceptance occurred July 2013.

Project Status:

The project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
503-650-6520 Contractual	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0

Source of Funds

503 County Government Center	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: High Desert County Government Center (HDGC) – Phase I and II, and
High Desert Public Safety Operations Center (PSOC) – Phase III (Continued)

Project Funding Narrative:

Funding for Phase I was originally estimated at \$1,487,500 and was paid by the County of San Bernardino, pursuant to Contract Number 08-109 between the City and the County. Due to the County's increase in building size and scope, the Phase 1 contract was increased to \$1,922,150 in February 2009. To accommodate construction, a subsequent agreement was established that includes an "impound" account that allows the City to pay construction-related costs utilizing County funds. The City was paid a \$25,000 administrative charge during phases I and II. The project was estimated at a revised amount of \$22.1 million (\$13.8 million in FY 2009-10; \$6.3 million in FY 2010-11). A reconciliation of the project was performed to determine the amount and funding of City inducements, as well as the amount to be refunded to the County.

Funding for Phase III was provided by the County in the same way as Phase I and II; an "impound" account was established that allowed the City to pay for construction-related costs utilizing County funds. The construction portion of the project was estimated to cost \$10.71 million. The City's administrative charge for phase III was \$200,000. After all construction was complete, the County installed an estimated \$7.0 million of communications equipment to operate the center.

The total project cost for all phases was \$33,289,500.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Fire Station 304 Expansion – Design and Construction

Project Number: 6521

Department/Program: Development Services –Facilities CIP

Project Description and Location:

This project involves the expansion of Fire Station 304 located at 15660 Eucalyptus Street. Station 304 was built in 1996 and contains 6,278 square feet. Due to the increased growth in the northwest area of the City, the station is inadequate in size to house all equipment and personnel. The Public Safety Needs Report identifies the need to add approximately 8,800 square feet by Fiscal Year 2017-18; however, the current situation necessitated an evaluation of adding a lesser amount sooner than 2017.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

A conceptual design was prepared by WLC Architects to add approximately 3,150 square feet and was reviewed for feasibility in April 2007. WLC Architects was selected to proceed with design services in September 2007 at a cost of \$133,000. The project may qualify for funding under the Federal American Recovery and Reinvestment Act of 2009 (ARRA). Application guidance was received in May 2009 and a submittal was made in July 2009. The City pursued funding from this law in order to reduce the financial cost to the RDA funds. The City was not successful in the first two funding award rounds in October 2009 and February 2010. Design continued through FY 2009-10 and was substantially complete by June 2010. The City did not receive a Notice of Award by July 2010; consequently, the project was suspended in 2010 until funding could be identified to construct the modifications to the existing station without grant funds. In FY 2011-12 funding was budgeted to have the plans updated to conform to the new 2010 California Building Codes adopted by the City. WLC Architects, the original architect for the project, was tasked with updating the plans, and the plans and specifications were in a “shovel ready” state. Construction funding was unavailable through FY 2013-14, and the 2013 California Building Code updates took effect in January 2014, with new Mechanical Codes changing in July 2014. This will require plan revisions yet again before the project can be bid for construction.

Project Schedule for Fiscal Year 2015-16 Budget:

Work on this project will remain suspended until construction funding is identified.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
302-650-6521 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
302 DIF Fire	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

The project was to be funded from Redevelopment Capital Project funds and Fire DIF, if ARRA funding was not obtained. Completion of design and update is estimated at \$65,650, and construction costs in FY 2010-11 were estimated at \$1,100,000, based on recent bids for another fire station (305).

Project Impact on Operating Budget:

None at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Park and Ride Facility
Project Number: 6523
Department - Program: Development Services – Facilities CIP

Project Description and Location:

The City, in coordination with Caltrans, operates a Park and Ride facility on State-owned property along US Highway 395 and its intersection with Joshua Street. The facility is heavily used by commuters, and all 188 spaces are filled each weekday, with overflow vehicles parking on vacant property adjacent to the facility. The City submitted an application to the San Bernardino Associated Governments (SANBAG) in mid-2009 for Congestion Mitigation and Air Quality (CMAQ) grant funds for Federal FY 2009-2010. The City was awarded a \$508,000 grant on March 3, 2010 in order to expand the existing facility, or construct an adjacent facility north of Joshua Street. Both sites are State-owned.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

This project was added in FY 2010-2011. CMAQ grant-funded projects require Caltrans oversight. Consequently, coordination first began in Spring 2011. City staff was able to get an additional grant from the Mojave Desert Air Quality Management District (MDAQMD) in August, 2011 for construction gap funding. AB2766 funds of \$184,346 were awarded to the City by the MDAQMD Board on August 22, 2011. The project was surveyed by Cubit Engineering in March and a site plan was designed in-house. The project was approved through the City's Development Review Committee in October, 2012 and engineering staff began the improvement plans for the project. Tom Dodson and Associates was hired as the environmental consultant and have completed the preliminary environmental assessment. Caltrans has now requested specialized studies which are under development.

Project Schedule for 2015-16 Budget:

It is anticipated that there will be minimal environmental issues to address on the property and environmental clearance is expected early in this fiscal year. The full set of construction drawings and specifications should be completed at the same timeframe and construction is expected to begin in the fall of 2015. Long term (10 years) monitoring of the facility for its effect on air quality is required to meet the terms of the grant.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
204-650-6523 Contractual	\$ 4,935	\$ 13,948	\$ 30,000	\$ 3,847	\$ 4,000
504-650-6523 Contractual	0	0	692,346	0	692,346
Total Expenditures	\$ 4,935	\$ 13,948	\$722,346	\$ 3,847	\$ 696,346
 <u>Source of Funds</u>					
204 Measure I Renewal	\$ 4,935	\$ 13,948	\$ 30,000	\$ 3,847	\$ 4,000
504 City Wide Projects - CMAQ Grant	0	0	508,000	0	508,000
504 City Wide Projects - MDAQMD Grant	0	0	184,346	0	184,346
Total Expenditures	\$ 4,935	\$ 13,948	\$722,346	\$ 3,847	\$ 696,346

Project Funding Narrative:

Design of this project will be paid by Measure I Renewal funds. The construction phase of the project will be paid by CMAQ grant (\$508,000) and MDAQMD grant (\$184,346) funding.

Project Impact on Operating Budget:

There will be a long-term increase to maintenance and operations costs associated with the maintenance of the landscaping and hardscape of the facility, along with the monitoring and reporting for grant compliances.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Animal Control Sewer Project

Project Number: 6524

Department/Program: Development Services – Facilities CIP

Project Description and Location:

The City owns and operates a building at 11011 Santa Fe Avenue East. Previously occupied by Public Works, the Code Compliance divisions of Code Enforcement and Animal Control, the site has been wholly occupied by Animal Control since 2011, as well as a contract veterinarian. The site contains holding tanks for wastewater which have to be pumped multiple times per year, due to the lack of sewer collection lines in the area. In late 2011/early 2012, the Victor Valley Wastewater Reclamation Authority (VWVRA) installed a bypass interceptor line in Santa Fe Avenue East. Called the SAFARI project (Santa Fe Avenue Relief Interceptor), this facility provides an opportunity to eliminate the on-site system at Animal Control.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

On-site sewer piping was replaced by City staff, plans and specifications were prepared for removal and replacement of paving at the site. Construction will commence summer 2015.

Project Schedule for 2015-16 Budget:

Construction is estimated to be complete late summer 2015.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
100-650-6524 Contractual	\$ 0	\$ 0	\$ 233,200	\$ 57,700	\$ 175,500
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 233,200</u>	<u>\$ 57,700</u>	<u>\$ 175,500</u>
 <u>Source of Funds</u>					
100 General Fund	\$ 0	\$ 0	\$ 233,200	\$ 57,700	\$ 175,500
Total Source of Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 233,200</u>	<u>\$ 57,700</u>	<u>\$ 175,500</u>

Project Funding Narrative:

The cost estimate is \$233,200. The VWVRA connection fee is estimated as \$45,700, and the balance is for significant site remediation (demolishing, paving, and backfill). This will be paid by General Fund reserve.

Project Impact on Operating Budget:

Once completed, on-site maintenance costs will be reduced, but will be off-set by bi-monthly sewer service charges (estimated at \$407).

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Interstate 15 Corridor – New Water System Design

Project Number: 8077

Department/Program: Development Services – Water CIP

Project Description and Location:

On November 30, 2004, the City of Hesperia annexed the freeway corridor south from Highway 395 to the summit at Oak Hills. As part of this annexation, the City is required to construct the water and sewer infrastructure to serve this corridor. The agreement included a time requirement that all work was to be completed within three years. This work will include the preparation of plans and specifications for construction of new water and wastewater pipelines in Mariposa Road and Caliente Road from around the 395/I-15 Junction to the southern City limits, a new pump station at Plant 30, a new 5 MG water tank to service pressure zone 5 (a new pressure zone), and a new hydro-pneumatic booster station to serve pressure zone 6 (a new pressure zone).

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

In 2006, the City engaged a consultant to prepare an update to the Water and Wastewater Master Plans. The infrastructure needs of the freeway corridor were analyzed as part of the Master Plan Updates. The draft final reports were prepared in March 2007 and adopted in June 2008. Based on these reports, the required pipeline and associated sizing was determined, as well as the water storage needs. In March, the City concurrently solicited engineering firms for the design of the corridor. Carollo Engineers was selected to perform the analysis and design work for installation of the backbone water and wastewater system within the I-15 Corridor and began work in March 2008. Plans are at 65% completed by April 2009, and property acquisition for the reservoir site for the system began in late 2008/early 2009 (under C.O. 8078), and continued through June 2010, at which time work was suspended due to changes in the economy and slowed development. A portion of the system design has been incorporated into the Ranchero Interchange (C.O. 7086) to allow installation within the limits of that project. The City Council considered establishment of a Special Financing District (SFD), authorizing a feasibility analysis in January 2015.

Project Schedule for 2015-16 Budget:

No funding is proposed this fiscal year. Once recommenced, property acquisition should be completed, which will allow plans to be finalized.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
701-800-8077 Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Source of Funds

701 Water Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project is funded from the Water Capital fund revenue and fund reserves as needed. Total budgeted design costs are \$1,470,000 and construction costs are estimated at more than \$14 million. A portion of the design costs were funded in Fiscal Year 2009-10, and will be funded in future years as the economy improves.

Project Impact on Operating Budget:

This project will result in an increase to operation and maintenance expenses due to construction of new water and wastewater system facilities (tentatively scheduled to begin in Fiscal Year 2015-16 or later).

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Property Acquisition for Reservoir Expansion at Sites 19A and 21
New Reservoir to Serve Freeway Corridor

Project Number: 8078

Department/Program: Development Services – Water CIP

Project Description and Location:

With the addition of two 5 MG water tanks at Plant Site 30 and one 5 MG water tank at Plant Site 19A, the City's total water storage will reach approximately 60 MG. The City's Water Master Plan identifies construction of new water storage facilities to meet existing and projected demands requirements. Water storage requirements constitute three components: (1) operational storage, (2) emergency storage, and (3) fire storage. The rise in population in recent years has increased the demand for water that is available for domestic use and fire protection.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

In 2006, a consultant was engaged to proceed with preliminary work in preparation for construction of additional water storage reservoirs to meet the continuing increase in demand at Plant 19A (under Project 8073). This phase of the project included investigation and analysis of available real property that is contiguous to existing Plant 19A.

Property work for Plant 19A expansion was concluded in Fiscal Year 2007 by acquisition of the northerly property for approximately \$376,000. Property acquisition for Plant 21 has not occurred and was evaluated in light of the Mojave Water Agency's (MWA) R-cubed project. A consultant was engaged in January 2008 to begin design of the Interstate 15 Corridor infrastructure, including reservoir siting (under C.O. 8077). The Interstate 15 Corridor consultant identified the recommended reservoir site by Fall 2008/Winter 2009, after which property acquisition began. Acquisition had not been concluded by June 2010.

Project Schedule for 2015-16 Budget:

The freeway corridor property acquisition will be evaluated in future years. A consultant will be selected (in conjunction with a new well site under C.O. 8084) to perform the investigation of available property for Plant 21 after FY 2013-14.

Project Costs and Funding:

<u>Expenditure Phases</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
701-800-8078 Contract	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 <u>Source of Funds</u>					
701 Water Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Funding Narrative:

This project is funded from Water Capital fund revenue and fund reserves as needed.

Project Impact on Operating Budget:

This project will have no impact on the operating budget.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Interstate 15 & Rancho Road: Frontage Road Water Improvements

Project Number: 8086 (Completed FY 2013-14)

Department/Program: Development Services – Water

Project Description and Location:

This project involves the relocation of existing City and County water lines within the frontage roads within the Interstate 15 and Rancho Road interchange project (C.O. 7086). The waterlines to be replaced are located within sections of road which front both the west and east side of Interstate 15 along Caliente Avenue to the west and Mariposa Road to the east.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

The frontage road improvements were originally planned to be a separate project from the interchange, and the waterline relocation work was to be performed by the City's in-house waterline crew; however, due to timing and constraints, it was determined to bid and award the work through the competitive bid process. The project was awarded to Christensen Brothers Engineering on March 5, 2013 and construction began shortly thereafter. The City's contractor had to work under the general contractor for the Rancho Road and Interstate 15 interchange project, which is engaged through the San Bernardino Associated Governments (SANBAG). The utility improvements were expected to be completed by July 2013, but the project schedule has delayed completion. In August 2013, a significant change order was added to the project to meet Caltrans' new requirements to remove existing waterlines instead of the standard practice of abandoning in place. The work was completed in February 2014 and was accepted by the City Council as of March 4, 2014.

Project Schedule for 2015-16 Budget:

This project is complete.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
701-800-8086 Contractual	\$773,222	\$648,146	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>\$773,222</u>	<u>\$648,146</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Source of Funds

701 Water Capital	\$773,222	\$625,031	\$ 0	\$ 0	\$ 0
701 Water Capital - Reimbursement from San Bernardino County	0	23,115	0	0	0
Total Source of Funds	<u>\$773,222</u>	<u>\$648,146</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Project Funding Narrative:

The initial project was awarded at \$1,060,670 and two change orders increased the total to \$1,421,368. This project was funded by Water Capital funds. A small amount of costs to upgrade County lines was reimbursed to the Water District.

Project Impact on Operating Budget:

The project will have no impact on the operating budget at this time.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Project Title: Reclaimed Water Distribution System

Project Number: 8087

Department/Program: Development Services – Water

Project Description and Location:

Victor Valley Wastewater Reclamation Authority (VWVRA) will begin construction on the Hesperia Water Reclamation Plant in March, 2015. This project will take 18 to 24 months to construct, and upon completion will be capable of supplying one million gallons per day of reclaimed water, which can be used for irrigation purposes. In order to utilize this resource, the City must build a distribution system to convey the reclaimed water to potential users. Using the City's Recycled Water Master Plan as a guide, staff has defined an alignment for the first phase of the distribution system. The primary user under this first phase will be the Hesperia Golf Course, but many other users can be served by the first phase of the distribution system, including Datura Park, Hesperia Civic Complex, and Hesperia High School. The first phase of the distribution system will include approximately 8 miles of "purple" pipe, a storage reservoir, and a boost station necessary to provide the required pressures to operate large irrigation systems.

Existing Situation and Work Completed Through Fiscal Year 2014-2015:

Staff has met with the State Department of Water Resources (DWR) to examine the viability of procuring a low interest State Revolving Fund (SRF) loan which is available for a short time as a result of the drought emergency in the State. Preliminary design concepts, initial environmental work, and the application process is underway and expected to be completed by April, 2015. Staff also worked with the Mojave Water Agency to secure a \$2 million grant through the Proposition 84 Drought Relief Program. The City is hoping to secure the remaining \$13 million required to fully fund the project by qualifying for the 1.0% interest SRF loan. Staff is designing the entire project in-house and will be ready to advertise for construction once the State approved the application for the SRF loan.

Project Schedule for 2015-16 Budget:

The majority of the project will be constructed in FY 2015-16. Once notification has been reviewed from the State regarding the low interest loan, a budget amendment will be requested at that time. The plan is to award the project as three separate contracts, one for the pipeline, one for the reservoir, and a final contract for the pump station. This should keep the costs of the project lower by avoiding the "mark-up" that a single contractor would apply to his sub-consultant's work. The construction of the Recycled Water System is expected to be complete in the Summer of 2016, well in advance of the opening of the Recycled Water Reclamation Plant.

Project Costs and Funding:

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Expenditure Phases</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
701-800-8087 Contractual	\$ 0	\$ 2,313	\$ 40,000	\$ 16,200	\$ 0
Total Expenditures	\$ 0	\$ 2,313	\$ 40,000	\$ 16,200	\$ 0

Source of Funds

701 Water Capital	\$ 0	\$ 2,313	\$ 40,000	\$ 16,200	\$ 0
Total Source of Funds	\$ 0	\$ 2,313	\$ 40,000	\$ 16,200	\$ 0

Project Funding Narrative:

The initial phase of this project will be funded by Water Capital funds until anticipated revenue sources are fully secured.

DEBT SERVICE

- *Overall Debt Obligations Summary*
- *Debt Obligations Principal Outstanding Summary*
- *Fiscal Year 2015-16 Budget Total Principal and Interest Debt Service Payments*
- *Annual Debt Service Payments by Obligation and Fund*
- *Individual Debt Obligation Summaries*
- *Computation of Legal Debt Margin*

THIS PAGE INTENTIONALLY LEFT BLANK

DEBT SERVICE

OVERALL DEBT OBLIGATIONS SUMMARY

Included in this Debt Obligation Summary is information on external and internal debt obligations from Fiscal Year (FY) 2012-13 through the Fiscal Year 2015-16 Budget.

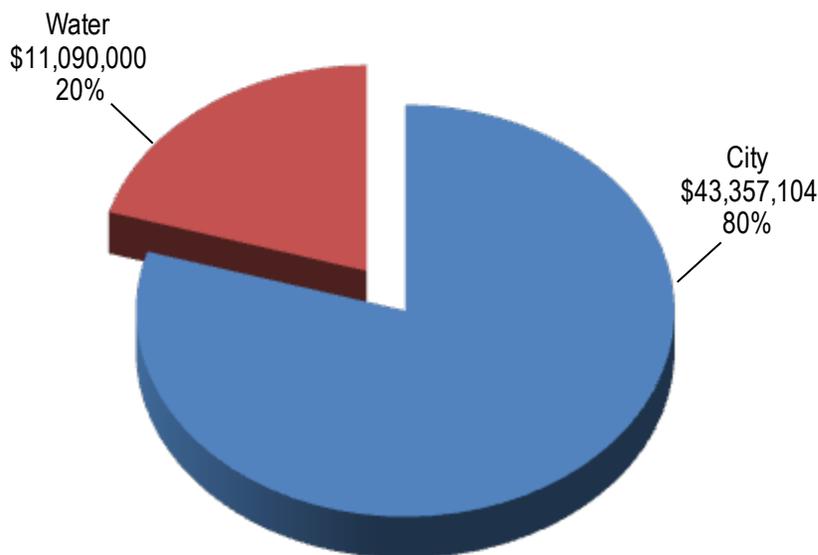
Summary

- The 1996 \$3,000,000 HUD Section 108 Loan was paid in full on August 1, 2014.
- The \$6,000,000 loan from the Housing Authority to the Water District was paid in full on July 1, 2014.
- Staff has prepared a plan for the early retirement of the Series 2004 Variable Rate Revenue Bonds (Streets Bonds) by making the final payment in FY 2015-16, to coincide with the letter of credit termination date. Since FY 2005-06, a total of \$6,320,000 in prepayments will have been made (FY 2005-06 \$600,000, FY 2006-07 \$1,000,000, FY 2007-08 \$800,000, and FY 2015-16 \$3,920,000), resulting in the retirement of the debt eight years early and saving the City over \$9 million dollars.
- Due to the depletion of reserves within the 2013 Civic Plaza Refunding Lease Revenue Bond fund, a substantial increase in the contributions from DIF Public Services (87.25%) and the General Fund (12.75%) are needed. The DIF Public Services fund is projected to have insufficient funds for the needed contribution, therefore a substantial increase (\$677,584) is needed in the General Fund loan to DIF Public Services, for a cumulative total loan amount of \$832,104. It is projected that an additional loan from the General Fund will be needed in FY 2016-17.
- The letter of credit for the Water District 1998 A&B Variable Rate Lease Revenue Refunding Bonds was replaced in November 2013 with a two-year agreement. A renewal of the letter of credit will be needed in November 2015 (FY 2015-16).
- As of February 1, 2012, redevelopment agencies were dissolved by the State of California and funding for the former redevelopment agency obligations will be provided by the County of San Bernardino, as outlined in ABx26, and paid by the Successor Agency. These debt issues are now obligations of the Successor Agency to the Former Community Redevelopment Agency and are no longer presented in the Debt Service Section of the City's Budget.

DEBT OBLIGATION PRINCIPAL OUTSTANDING SUMMARY

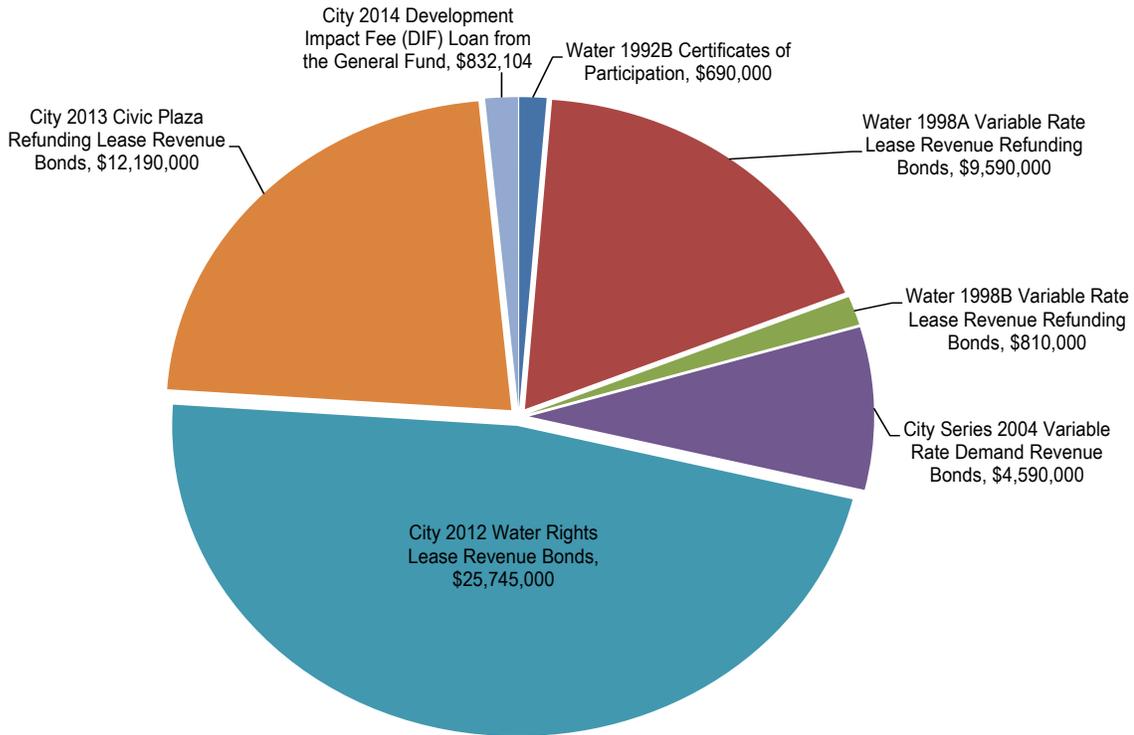
The following charts and schedules summarize all current City debt obligations, with the original principal amount and the principal outstanding as of July 1, 2015:

Estimated Principal Outstanding July 1, 2015



DEBT SERVICE

DEBT OBLIGATION PRINCIPAL OUTSTANDING SUMMARY (Continued)



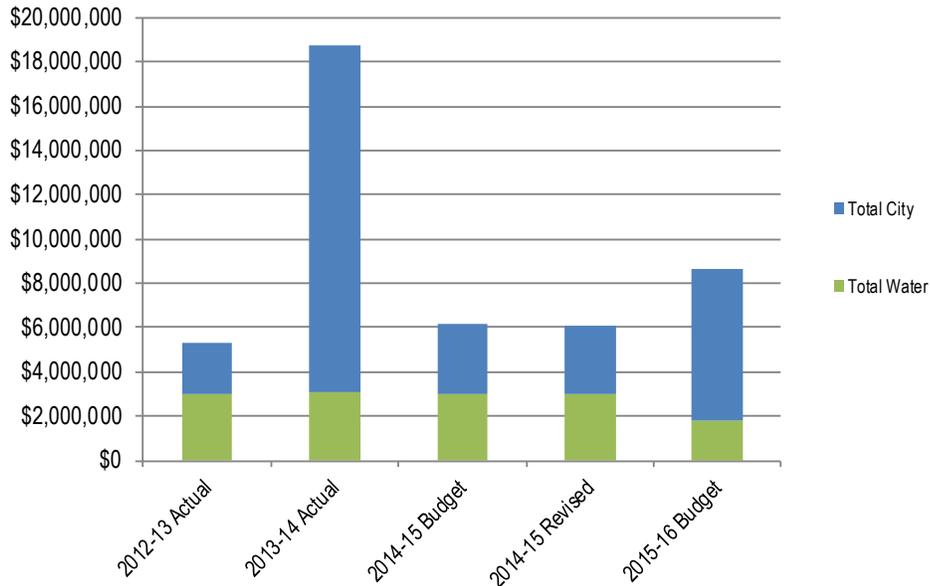
Estimated Principal Outstanding July 1, 2015

<u>Debt Service Principal Obligations</u>	<u>Original Principal Amount</u>	<u>Estimated Principal Outstanding July 1, 2015</u>	<u>Maturity Date</u>
<u>City of Hesperia</u>			
Series 2004 Variable Rate Demand Revenue Bonds	\$12,525,000	\$ 4,590,000	*October 1, 2015
2012 Water Rights Lease Revenue Bonds	26,735,000	25,745,000	October 1, 2042
2013 Civic Plaza Refunding Lease Revenue Bonds	12,445,000	12,190,000	October 1, 2035
2014 Development Impact Fee (DIF) Loan from the General Fund	<u>65,840</u>	<u>832,104</u>	Undetermined
Total City of Hesperia Principal Debt	\$51,770,840	\$43,357,104	
<u>Hesperia Water District</u>			
1992B Certificates of Participation	\$ 1,405,000	\$ 690,000	June 1, 2022
1998A Variable Rate Lease Revenue Refunding Bonds	18,040,000	9,590,000	June 1, 2026
1998B Variable Rate Lease Revenue Refunding Bonds	<u>2,070,000</u>	<u>810,000</u>	June 1, 2022
Total Hesperia Water District Principal Debt	\$21,515,000	\$11,090,000	
Total Principal Debt Outstanding	\$73,285,840	\$54,447,104	

*Will be retired during FY 2015-16, eight years before the original scheduled maturity of October 1, 2023.

DEBT SERVICE

2015-16 BUDGET TOTAL PRINCIPAL AND INTEREST DEBT SERVICE PAYMENTS



	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
<u>City of Hesperia</u>					
Principal	\$1,250,000	\$13,905,000	\$1,605,000	\$1,605,000	\$5,385,000
Interest and Admin Fees	1,059,907	*1,737,464	1,604,246	1,546,735	1,489,880
Total City	\$2,309,907	\$15,642,464	\$3,209,246	\$3,151,735	\$6,874,880
<u>Hesperia Water District</u>					
Principal	\$2,020,000	\$2,055,000	\$2,090,000	\$2,090,000	\$930,000
Interest and Admin Fees	941,980	1,005,627	884,770	871,640	882,810
Total Water	\$2,961,980	\$3,060,627	\$2,974,770	\$2,961,640	\$1,812,810
<u>Total All Funds</u>					
Principal	\$3,270,000	\$15,960,000	\$3,695,000	\$3,695,000	\$6,315,000
Interest and Admin Fees	2,001,887	2,743,091	2,489,016	2,418,375	2,372,690
Total Debt Service Payments	\$5,271,887	\$18,703,091	\$6,184,016	\$6,113,375	\$8,687,690

*Note - Includes bond issuance costs as well as discount on bond issue.

DEBT SERVICE

ANNUAL DEBT SERVICE PAYMENTS BY OBLIGATION AND FUND

In Chronological Order

	2012-13	2013-14	2014-15	2014-15	2015-16
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
<u>City of Hesperia</u>					
<u>1996 HUD Section 108 Loan</u>					
Principal	\$150,000	\$150,000	\$150,000	\$150,000	\$0
Interest	1,983	870	280	165	0
Admin/Other costs	400	400	100	100	0
Total	<u>\$152,383</u>	<u>\$151,270</u>	<u>\$150,380</u>	<u>\$150,265</u>	<u>\$0</u>
<u>Series 2004 Variable Rate Demand</u>					
<u>Revenue Bonds</u>					
Principal	\$600,000	\$620,000	\$645,000	\$645,000	\$4,590,000
Interest	15,163	9,010	47,500	5,650	11,475
Admin/Other Costs	113,363	194,333	100,000	90,000	45,000
Total	<u>\$728,526</u>	<u>\$823,343</u>	<u>\$792,500</u>	<u>\$740,650</u>	<u>\$4,646,475</u>
<u>2005 Variable Rate Demand Certificates</u>					
<u>of Participation</u>					
Principal	\$500,000	\$12,700,000	\$0	\$0	\$0
Interest	32,128	8,362	0	0	0
Admin/Other Costs	234,670	78,604	0	0	0
Total	<u>\$766,798</u>	<u>\$12,786,966</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2012 Water Rights Lease Revenue Bonds</u>					
Principal	\$0	\$435,000	\$555,000	\$555,000	\$565,000
Interest	271,448	900,475	890,575	890,575	876,550
Admin/Other Costs	390,752	4,181	8,000	8,000	8,000
Total	<u>\$662,200</u>	<u>\$1,339,656</u>	<u>\$1,453,575</u>	<u>\$1,453,575</u>	<u>\$1,449,550</u>
<u>2013 Civic Plaza Refunding Lease</u>					
<u>Revenue Bonds</u>					
Principal	\$0	\$0	\$255,000	\$255,000	\$230,000
Interest	0	233,624	546,600	546,600	540,600
Admin/Other Costs	0	*307,605	11,000	5,450	6,000
Total	<u>\$0</u>	<u>\$541,229</u>	<u>\$812,600</u>	<u>\$807,050</u>	<u>\$776,600</u>
<u>2014 Development Impact Fee (DIF)</u>					
<u>Loan From General Fund</u>					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	0	0	191	195	2,255
Admin/Other Costs	0	0	0	0	0
Total	<u>\$0</u>	<u>\$0</u>	<u>\$191</u>	<u>\$195</u>	<u>\$2,255</u>
<u>Total City of Hesperia Funds</u>					
Principal	\$1,250,000	\$13,905,000	\$1,605,000	\$1,605,000	\$5,385,000
Interest	320,722	1,152,341	1,485,146	1,443,185	1,430,880
Admin/Other Costs	739,185	*585,123	119,100	103,550	59,000
Total	<u>\$2,309,907</u>	<u>\$15,642,464</u>	<u>\$3,209,246</u>	<u>\$3,151,735</u>	<u>\$6,874,880</u>

*Note - Includes bond issuance costs as well as discount on bond issue.

DEBT SERVICE

ANNUAL DEBT SERVICE PAYMENTS BY OBLIGATION AND FUND (Continued)

In Chronological Order

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
<u>Hesperia Water District</u>					
<u>1992 B Certificates of Participation</u>					
Principal	\$60,000	\$65,000	\$70,000	\$70,000	\$75,000
Interest	79,650	74,250	68,400	68,400	62,100
Admin/Other Costs	3,975	0	4,300	4,400	5,000
Total	<u>\$143,625</u>	<u>\$139,250</u>	<u>\$142,700</u>	<u>\$142,800</u>	<u>\$142,100</u>
<u>1998 A Variable Rate Lease Revenue</u>					
Refunding Bonds					
Principal	\$670,000	\$695,000	\$720,000	\$720,000	\$750,000
Interest	615,893	603,521	600,650	606,000	605,000
Admin/Other Costs	210,906	295,340	181,706	176,394	188,427
Total	<u>\$1,496,799</u>	<u>\$1,593,861</u>	<u>\$1,502,356</u>	<u>\$1,502,394</u>	<u>\$1,543,427</u>
<u>1998 B Variable Rate Lease Revenue</u>					
Refunding Bonds					
Principal	\$90,000	\$95,000	\$100,000	\$100,000	\$105,000
Interest	2,691	1,678	9,100	1,100	8,100
Admin/Other Costs	19,355	26,053	15,814	15,346	14,183
Total	<u>\$112,046</u>	<u>\$122,731</u>	<u>\$124,914</u>	<u>\$116,446</u>	<u>\$127,283</u>
<u>2010 Loan from Redevelopment Low and Moderate Income Housing Fund</u>					
Principal	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$0
Interest	9,510	4,785	4,800	0	0
Admin/Other Costs	0	0	0	0	0
Total	<u>\$1,209,510</u>	<u>\$1,204,785</u>	<u>\$1,204,800</u>	<u>\$1,200,000</u>	<u>\$0</u>
<u>Total Hesperia Water District</u>					
Principal	\$2,020,000	\$2,055,000	\$2,090,000	\$2,090,000	\$930,000
Interest	707,744	684,234	682,950	675,500	675,200
Admin/Other Costs	234,236	321,393	201,820	196,140	207,610
Total	<u>\$2,961,980</u>	<u>\$3,060,627</u>	<u>\$2,974,770</u>	<u>\$2,961,640</u>	<u>\$1,812,810</u>
Note: Budgetary Basis Adjustment - For budgetary purposes, the Water District principal payments are reflected in the actual columns, whereas the CAFR reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts and deferred charges, whereas the budget does not.					
<u>Total All Funds</u>					
Principal	\$3,270,000	\$15,960,000	\$3,695,000	\$3,695,000	\$6,315,000
Interest	1,028,466	1,836,575	2,168,096	2,118,685	2,106,080
Admin/Other Costs	973,421	906,516	320,920	299,690	266,610
Total	<u>\$5,271,887</u>	<u>\$18,703,091</u>	<u>\$6,184,016</u>	<u>\$6,113,375</u>	<u>\$8,687,690</u>

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES

This section summarizes the individual debt service obligations of the City included in the Fiscal Year 2015-16 Budget. These obligations represent the City's annual installment payments of principal, interest, and administrative/other costs for debt financing. Each debt obligation is summarized with a description, relevant financial information, and a brief analysis and recommendation. Please note internal debt obligations, i.e. obligations between various City funds, may also be included if it is relevant to understanding the City's debt obligations.

Debt Obligation Listing

<u>City of Hesperia</u>	<u>Page</u>
1. 1996 HUD Section 108 Loan.....	H-9
2. Series 2004 Variable Rate Demand Revenue Bonds.....	H-10
3. 2005 Variable Rate Demand Certificates of Participation.....	H-11
4. 2012 Lease Revenue Bonds.....	H-12
5. 2013 Civic Plaza Refunding Lease Revenue Bonds.....	H-13
6. 2014 Development Impact Fee (DIF) Loan from General Fund.....	H-14
 <u>Hesperia Water District</u>	
7. 1992B Certificates of Participation.....	H-15
8. 1998A Variable Rate Lease Revenue Refunding Bonds.....	H-16
9. 1998B Variable Rate Lease Revenue Refunding Bonds.....	H-17
10. 2010 Loan from Low and Moderate Income Housing Fund.....	H-18

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES

City - 1996 HUD Section 108 Loan

Purpose/History: On June 6, 1996, the City entered into a note for \$3,000,000 with Chase Manhattan Bank, the proceeds of which were to be used to make loans to assist for-profit businesses. The note is guaranteed by the Department of Housing and Urban Development (HUD) under Section 108 of the Housing and Community Development Act.

Original Principal Amount: \$3,000,000

Principal Outstanding Balance as of:

July 1, 2012	\$ 450,000
July 1, 2013	\$ 300,000
July 1, 2014	\$ 150,000
Estimated July 1, 2015	\$ 0

Note: A \$150,000 principal prepayment was made in May 2011.

Interest Rate: Variable at 0.2% above LIBOR (London Interbank Offered Rates).

Maturity Date: August 1, 2016 original maturity date; Revised to August 1, 2014 due to prepayments made in April 2009 and May 2011.

Funding Sources: The City of Hesperia is responsible for the HUD Section 108 Housing Loan; however Community Development Block Grant (CDBG) entitlements are the allowed source of funding.

<u>Payment Amount</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
Principal Amount	\$150,000	\$150,000	\$150,000	\$150,000	0
Interest Amount	1,983	870	280	165	0
Admin/Other Costs	<u>400</u>	<u>400</u>	<u>100</u>	<u>100</u>	<u>0</u>
Total	\$152,383	\$151,270	\$150,380	\$150,265	0

Analysis and Recommendation

This debt obligation was paid in full August 1, 2014.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City - Series 2004 Variable Rate Demand Revenue Bonds

Purpose/History: On September 22, 2004, the Hesperia Public Financing Authority issued Variable Rate Demand Revenue Bonds – Series 2004 for \$12,525,000, of which \$1,034,075 was put in reserve and the balance was used to refund the 1993A and B Revenue Bonds (Measure I Debt). The 1993 A and B Bonds were used to finance the construction, replacement, or improvement of local streets and highways of the City.

Original Principal Amount: \$12,525,000

Principal Outstanding Balance as of:

July 1, 2012	\$ 6,455,000
July 1, 2013	\$ 5,855,000
July 1, 2014	\$ 5,235,000
Estimated July 1, 2015	\$ 4,590,000

Interest Rate: Variable

Maturity Date: October 1, 2023 original maturity date; revised to October 1, 2021 due to prepayments made in FY 2005-06, FY 2006-07, and FY 2007-08. Due to the early prepayment in FY 2015-16, maturity date is revised to October 1, 2015.

Funding Sources: Gas Tax Revenue, Gas Tax Swap Revenue, and Local Transportation (LTF) Revenue.

<u>Payment Amount</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
Principal Amount	\$600,000	\$620,000	\$645,000	\$645,000	\$4,590,000
Interest Amount	15,163	9,010	47,500	5,650	11,475
Admin/Other Costs	<u>113,363</u>	<u>194,333</u>	<u>100,000</u>	<u>90,000</u>	<u>45,000</u>
Total	\$728,526	\$823,343	\$792,500	\$740,650	\$4,646,475

Analysis and Recommendation

Staff has prepared a plan to retire this debt early by making the final payment in FY 2015-16 to coincide with the letter of credit termination.

Since FY 2005-06, a total of \$6,320,000 in prepayments will have been made (FY 2005-06 \$600,000, FY 2006-07 \$1,000,000, FY 2007-08 \$800,000, and FY 2015-16 \$3,920,000), resulting in the retirement of the debt eight years early and saving the City over \$9 million dollars compared to the original 1993 A&B debt service schedules.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2005 Variable Rate Demand Certificates of Participation

Purpose/History: At the April 20, 2005 Council meeting, the City Council authorized the issuance of Certificates of Participation (COPs) to finance \$15,000,000 in costs associated with the new Civic Plaza (City Hall). This COP debt obligation was issued in June 2005 as a variable rate debt for \$18,300,000. Based on the final bond issuance numbers, the General Fund is responsible for 12.75% and the Public Service Development Impact Fees are responsible for 87.25% of the debt-related costs.

Original Principal Amount: \$18,300,000

Principal Outstanding Balance as of:

July 1, 2012	\$ 13,200,000
July 1, 2013	\$ 12,700,000
July 1, 2014	0

Interest Rate: Variable

Maturity Date: November 1, 2013 COPs were refinanced into 2013 Civic Plaza Refunding Lease Revenue Bonds. (October 1, 2034 original maturity date; revised to October 1, 2031, due to prepayment made in March 2008).

Funding Sources: General Fund and Public Services Development Impact Fees

	2012-13	2013-14	2014-15	2014-15	2015-16
<u>Payment Amount</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
Principal Amount	\$500,000	\$12,700,000	0	0	0
Interest Amount	32,128	8,362	0	0	0
Admin/Other Costs	<u>234,670</u>	<u>78,604</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$766,798	\$12,786,966	0	0	0

Analysis and Recommendation

On November 1, 2013, the COPs were refinanced into the 2013 Civic Plaza Refunding Revenue Bonds to take advantage of the low interest rate environment and move to a fixed rate schedule. The \$12,700,000 principal payment included the full outstanding amount due.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2012 Lease Revenue Bonds (Water Rights Acquisition)

Purpose/History: At the November 20, 2012 City Council meeting, the City Council authorized the issuance of Lease Revenue Bonds to finance \$25,000,000 in permanent water rights. The total cost of the 5,971 acre feet of water rights was \$30,000,000, made up of a \$5 million cash deposit and the bond issue.

Original Principal Amount: \$26,735,000

Principal Outstanding Balance as of:

July 1, 2012	0
July 1, 2013	\$ 26,735,000
July 1, 2014	\$ 26,300,000
Estimated July 1, 2015	\$ 25,745,000

Interest Rate: Fixed rates ranging from 2.0% - 4.0%

Maturity Date: October 1, 2042

Funding Sources: General Fund

<u>Payment Amount</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
Principal Amount	\$ 0	\$ 435,000	\$ 555,000	\$ 555,000	\$ 565,000
Interest Amount	271,448	900,475	890,575	890,575	876,550
Admin/Other Costs	<u>*390,752</u>	<u>4,181</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
Total	\$662,200	\$1,339,656	\$1,453,575	\$1,453,575	\$1,449,550

*Note: Includes bond issuance costs as well as discount on bond issue.

Analysis and Recommendation

This obligation will be paid according to the debt service schedule.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2013 Civic Plaza Refunding Lease Revenue Bonds (Refinancing of 2005 COPs)

Purpose/History: At the August 6, 2013 City Council meeting, the City Council authorized the issuance of the Hesperia Joint Public Finance Authority 2013 Refunding Lease Revenue Bonds (Refinancing of 2005 Civic Plaza Financing)

Original Principal Amount: \$12,445,000

Principal Outstanding Balance as of:

July 1, 2013	0
July 1, 2014	\$12,445,000
Estimated July 1, 2015	\$12,190,000

Interest Rate: Fixed rates ranging from 2.0% - 5.0%

Maturity Date: October 1, 2035

Funding Sources: General Fund and Public Services Development Impact Fees (DIF)

<u>Payment Amount</u>	<u>2012-13</u> <u>Actual</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Budget</u>	<u>2014-15</u> <u>Revised</u>	<u>2015-16</u> <u>Budget</u>
Principal Amount	0	\$ 0	\$255,000	\$255,000	\$230,000
Interest Amount	0	233,624	546,600	546,600	540,600
Admin/Other Costs	<u>0</u>	<u>*307,605</u>	<u>11,000</u>	<u>5,450</u>	<u>6,000</u>
Total	0	\$541,229	\$812,600	\$807,050	\$776,600

*Note: Includes bond issuance costs as well as discount on bond issue

Analysis and Recommendation

This debt issue refinanced the previous 2005 Civic Plaza Certificates of Participation (COP). This new issue has fixed interest rates and bonds cannot be called prior to October 1, 2023. The bonds will be paid according to the debt service schedule. As with the previous 2005 COPs, Public Services DIF will continue to fund 87.25% of the debt service, with the General Fund contributing the remaining 12.75%. For FY 2015-16, full contributions are required from DIF Public Services and the General Fund, as reserves within the debt service fund 403 are exhausted.

Due to insufficient funds within Public Services DIF, the General Fund will provide a loan to DIF so that the required contribution for the annual debt service can be made. This is a loan that is administered separately from the Civic Plaza debt issue.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

City – 2014 Development Impact Fees (DIF) Public Services – Loan from General Fund

Purpose/History: As referenced in the City – 2013 Civic Plaza Refunding Lease Revenue Bond debt, DIF Public Services contributes 87.25% of the annual debt service for the City Hall building financed by the Civic Plaza bonds. Beginning in FY 2014-15, the DIF Public Services Fund did not have sufficient cash to fully fund the 87.25% contribution. Therefore, beginning with the adoption of the FY 2014-15 Budget, a loan from the General Fund to DIF is needed in order for DIF to make the needed contribution to pay the debt service on the bonds. The loan amount will increase annually until the DIF Public Services Fund has sufficient cash to make the full 87.25% contribution to the debt service fund.

Original Principal Amount: \$65,840

Principal Outstanding Balance as of:

July 1, 2013	0
July 1, 2014	*\$ 65,840
Estimated July 1, 2015	\$832,104

*Note: During FY 2014-15, the loan amount was increased by \$88,680 to \$154,520 due to an extension of the "Development Impact Fee Reduction Program".

Interest Rate: Variable (Quarterly based upon Local Agency Investment Fund)

Maturity Date: Ongoing until sufficient DIF funds are available

Funding Sources: DIF – Public Services

<u>Payment Amount</u>	<u>2012-13</u> <u>Actual</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Budget</u>	<u>2014-15</u> <u>Revised</u>	<u>2015-16</u> <u>Budget</u>
Principal Amount	0	0	\$ 0	\$ 0	\$ 0
Interest Amount	0	0	191	195	2,255
Admin/Other Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	\$191	\$195	\$2,255

Analysis and Recommendation

Repayment of this debt obligation will be made as soon as sufficient DIF – Public Service funds are available.

It should be noted that for the following fiscal year (FY 2015-16), the 2013 Civic Plaza debt service fund reserves are expected to be exhausted. This will result in the need for substantially increased contributions from the General Fund and DIF – Public Services (necessitating an additional loan from the General Fund) in order to fund the annual debt service for the bonds.

Due to the depletion of reserves within the 2013 Civic Plaza Refunding Lease Revenue Bond Fund, a substantial increase in the contributions from DIF Public Services (87.25%) and the General Fund (12.75%) are needed. The DIF Public Services Fund is projected to have insufficient funds for the needed contribution, therefore a substantial increase (\$677,584) is needed in the General Fund Loan to DIF Public Services, for a cumulative total loan amount of \$832,104. It is projected that an additional loan from the General Fund will be needed in FY 2016-17.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1992B Certificates of Participation

Purpose/History: On June 1, 1992, the Water District issued 30 Year Certificates of Participation for \$1,405,000 to fund the acquisition of 47.6% of an administration building and the parcel of land on which it is located.

Original Principal Amount: \$1,405,000

Principal Outstanding Balance as of:

July 1, 2012	\$ 885,000
July 1, 2013	\$ 825,000
July 1, 2014	\$ 760,000
Estimated July 1, 2015	\$ 690,000

Interest Rate: 9%

Maturity Date: June 1, 2022

Funding Source: Hesperia Water District – The District has covenanted that it will set rates and charges for water and sewer services, which will be at least sufficient to yield, during each fiscal year, net revenues equal to 105% of debt service.

<u>Payment Amount</u>	<u>2012-13</u> <u>Actual</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Budget</u>	<u>2014-15</u> <u>Revised</u>	<u>2015-16</u> <u>Budget</u>
Principal Amount	\$ 60,000	\$ 65,000	\$ 70,000	\$ 70,000	\$ 75,000
Interest Amount	79,650	74,250	68,400	68,400	62,100
Admin/Other Costs	<u>3,975</u>	<u>0</u>	<u>4,300</u>	<u>4,400</u>	<u>5,000</u>
Total	\$143,625	\$139,250	\$142,700	\$142,800	\$142,100

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows an interest accrual, whereas the budget does not.

Analysis and Recommendation

This 1992 B Certificate of Participation debt obligation has a high interest rate at 9% and a step-up provision, which provides that substantial principal reductions only occur in the later years of this 30-year obligation. Evaluation of this debt obligation indicates that there are no principal reduction or call provisions that allow for early repayment or refinancing of this obligation, requiring the payment of the full amount of interest due through the maturity of the debt.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1998A Variable Rate Lease Revenue Refunding Bonds (Taxable)

Purpose/History: On July 2, 1998, the Water District issued 1998A revenue refunding bonds to refund the 1991 \$17,675,000 Certificates of Participation (COP) that were issued June 1, 1991. The 1991 Certificates of Participation were issued to refund earlier 1990 Certificates of Participation. The 1990 Certificates of Participation were being used to fund improvements to the District's Water Facilities to replace approximately 65 miles of deteriorating 4, 6, and 8 inch steel water pipeline, as well as refund prior indebtedness of the District.

Original Principal Amount: \$18,040,000

Principal Outstanding Balance as of:

July 1, 2012	\$11,675,000
July 1, 2013	\$11,005,000
July 1, 2014	\$10,310,000
Estimated July 1, 2015	\$ 9,590,000

Note: For financial statement purposes, the bond discount and the difference between the reacquisition price and net carrying value of the 1991 COPs have been deferred and are amortized over the remaining life of the bonds.

Interest Rate: Variable. As of June 1, 2005, \$10,000,000 was swapped to a fixed rate of 5.96%.

Maturity Date: June 1, 2026

Funding Source: Hesperia Water District – Taxes and User Fees

<u>Payment Amount</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
Principal Amount	\$ 670,000	\$ 695,000	\$ 720,000	\$ 720,000	\$ 750,000
Interest Amount	615,893	603,521	600,650	606,000	605,000
Admin/Other Costs	<u>210,906</u>	<u>295,340</u>	<u>181,706</u>	<u>176,394</u>	<u>188,427</u>
Total	\$1,496,799	\$1,593,861	\$1,502,356	\$1,502,394	\$1,543,427

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts and deferred charges, whereas the budget does not.

Analysis and Recommendation

This obligation will be paid according to the debt service schedule. The \$10,000,000 swap has a stated rate of 5.96% and the agreement is based upon LIBOR BBA (British Bankers' Assoc.). However, the interest rate paid to US Bank is based upon rates resulting from the remarketing process which may be different from the LIBOR BBA, depending upon market conditions at the time. For FY 2015-16, a rate of 6.05% will be budgeted to sufficiently cover the interest. The letter of credit was replaced in November 2013 and has been budgeted at 1.45%, as that is the category the debt issue currently falls within. The letter of credit is up for renewal in November 2015 and costs for attorney services related to the renewal are included in the FY 2015-16 Budget.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1998B Variable Rate Lease Revenue Refunding Bonds (Tax Exempt)

Purpose/History: On July 2, 1998, the Water District issued 1998B revenue refunding bonds to refund the 1992A, \$1,855,000 Certificates of Participation that were issued June 1, 1992. The 1992A Certificates of Participation were issued to fund the acquisition and improvement of 52.4% of an administration building and the parcel of land on which it is located.

Original Principal Amount: \$2,070,000

Principal Outstanding Balance as of:

July 1, 2012	\$1,095,000
July 1, 2013	\$1,005,000
July 1, 2014	\$ 910,000
Estimated July 1, 2015	\$ 810,000

Note: For financial statement purposes, the bond discount, and the difference between the reacquisition price and net carrying value of the 1992A COPs have been deferred and are amortized over the remaining life of the bonds.

Interest Rate: Variable.

Maturity Date: June 1, 2022

Funding Source: Hesperia Water District – Taxes and User Fees

<u>Payment Amount</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
Principal Amounts	\$ 90,000	\$ 95,000	\$100,000	\$100,000	\$105,000
Interest Amount	2,691	1,678	9,100	1,100	8,100
Admin/Other Costs	<u>19,355</u>	<u>26,053</u>	<u>15,814</u>	<u>15,346</u>	<u>14,183</u>
Total	\$112,046	\$122,731	\$124,914	\$116,446	\$127,283

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts, and deferred charges, whereas the budget does not.

Analysis and Recommendation

Interest has been budgeted at 1.00%. Like the 1998A issue, the Letter of Credit (LOC) was replaced in November 2013 and the most favorable rate of 1.45% has been budgeted, as that is the category the debt issue currently falls within. The letter of credit is up for renewal in November 2015 and costs for attorney services related to the renewal are included in the FY 2015-16 Budget.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water – 2010 Loan from the Low and Moderate Income Housing Fund

Purpose/History: On August 17, 2010, the RDA Board/Water District Board approved Resolutions HCRA 2010-012 and HWD 2010-12, authorizing a loan from the RDA Low and Moderate Income Housing Fund to the Water District as of June 30, 2010.

Original Principal Amount: \$6,000,000

Principal Outstanding Balance as of:

July 1, 2012	\$3,600,000
July 1, 2013	\$2,400,000
July 1, 2014	\$1,200,000
Estimated July 1, 2015	\$ 0

Interest Rate: Variable Rate (Quarterly based upon LAIF)

Maturity Date: Original maturity date June 30, 2015. Debt was paid in full on July 1, 2014.

Funding Source: Water Operating

<u>Payment Amounts</u>	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>	2014-15 <u>Revised</u>	2015-16 <u>Budget</u>
Principal Amount	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	0
Interest Amount	9,510	4,785	4,800	0	0
Admin/Other Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,209,510	\$1,204,785	\$1,204,800	\$1,200,000	0

Analysis and Recommendation:

This debt obligation was paid in full on July 1, 2014.

DEBT SERVICE

COMPUTATION OF LEGAL DEBT MARGIN

The State of California Government Code §43605 states "A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section "indebtedness" means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the City". The computation of the City's legal debt margin is shown below.

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Total assessed value of all real and personal property	\$ 4,242,508,000	\$ 4,209,284,000	\$ 4,398,848,011	\$ 4,643,553,508
Debt limit percentage	15.00%	15.00%	15.00%	15.00%
Total debt limit	636,376,200	631,392,600	659,827,202	696,533,026
Amount of debt applicable to debt limit	6,455,000	5,855,000	5,235,000	4,590,000
Legal debt margin	\$ 629,921,200	\$ 625,537,600	\$ 654,592,202	\$ 691,943,026
Percent of Debt Limit Authorized	1.01%	0.93%	0.79%	0.66%

Source: City of Hesperia, Management Services Department
San Bernardino County Assessor's Office

FUND BALANCE SUMMARIES

- *Overview and Summary*
- *List of Funds*
- *Fund Descriptions*
- *2015-16 Budget - Balancing and Fund Balance Summary - By Major Grouping*
- *2015-16 Budget - Balancing and Fund Balance Summary - By Individual Funds*
- *Fund Balance Schedules by Fund*

FUND BALANCE SUMMARY

OVERVIEW

The Fund Balance Summary is the primary balancing mechanism used in the preparation of the budget. This section displays the projected fund balance for each budgeted fund presented in the Fiscal Year 2015-16 Budget. Each page presents the budgeted revenues and other resources that are anticipated to be available to fund the budgeted expenditures and other uses of a particular fund. Budgeted Reserves are occasionally required to finance some of a fund's planned expenditures and, where appropriate, comments are noted. The fund balance portion of each fund's actual columns correspond to the City's most recent Comprehensive Annual Financial Report (CAFR).

SUMMARY

The Fund Balance section on each page displays the fiscal period's beginning balance, a deduction for the use of any reserves, an increase for the surplus of resources over uses, and finally the period's ending balance. Occasionally, a fund will expend resources in advance of a subsequent reimbursement, thus producing a temporary negative ending fund balance condition.

Occasionally a fund will draw on reserves, which were budgeted for a specific purpose, even though total resources will exceed total uses. This is done to acknowledge that the budgeted expenditure is not being funded by the current year's operating revenue but, instead, by a prior year(s) savings (when resources exceed uses), which is what fund balance represents.

For the 2015-16 Budget June 30th Ending Balance, some funds are reporting an anticipated negative fund balance. A brief explanation for each negative fund balance is provided on the individual fund page.

Often, the fund balance of a fund will change by 10% or more for various factors. Listed below are the major funds that reflect a fund balance change of more than 10% and the aggregate amount of the non-major funds that change by more than 10% with a brief explanation.

	2014-15	2015-16	Percent
	Revised	Budget	Change
100 General Fund	\$ 9,939,339	\$ 7,765,870	-22%
<i>Increase in Police contract, loan to the DIF-Public Services fund, carryover of CIP projects</i>			
263 Streets Maintenance	438,200	367,200	-16%
<i>Decrease due to purchase of crack seal machine.</i>			
Non-major funds	32,004,612	26,828,899	-16%
<i>Plan to expend \$4,642,303 on retiring the 2004 Streets bonds.</i>			

List of Funds

	<u>Page #</u>
■ General Fund 100	I - 22
■ Redevelopment Administration Fund 150	I - 23
■ Measure I - Arterial Fund 201	I - 24
■ Measure I - Renewal Fund 204	I - 25
■ Gas Tax Fund 205	I - 26
■ Gas Tax Swap Fund 206	I - 27
■ Local Transportation Fund 207	I - 28
■ Community Development Block Grant (CDBG) Administration Fund 251	I - 29
■ Community Development Block Grant (CDBG) HOME Grants Fund 252	I - 30
■ Community Development Block Grant (CDBG) Revolving Loan Fund 253	I - 31
■ Air Quality Management (AQMD) Fund 254	I - 32
■ AB3229 Supplemental Law Fund 255	I - 33
■ Environmental Programs Grant Fund 256	I - 34
■ Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) Fund 257	I - 35
■ Disaster Preparedness Grant Fund 260	I - 36
■ Public Works Street Maintenance Fund 263	I - 37
■ Development Impact Fees-Streets Fund 300	I - 39
■ Development Impact Fees-Storm Drainage Fund 301	I - 40
■ Development Impact Fees-Fire Fund 302	I - 41
■ Development Impact Fees-Police Fund 303	I - 42
■ Development Impact Fees-Public Services Fund 304	I - 43
■ 2004 Streets Debt Service Fund 400	I - 44
■ City Debt Service Fund 401	I - 45
■ Water Rights Acquisition Debt Service Fund 402	I - 46
■ 2013 Civic Plaza Refinancing Fund 403	I - 47
■ Fire Capital Fund 502	I - 48
■ High Desert County Government Center Fund 503	I - 49
■ City Streets CIP Fund 504	I - 50
■ Industrial Park Lead Track Fund 506	I - 51
■ Township Fund 507	I - 52
■ Rancho Road Undercrossing Fund 600	I - 53
■ Community Development Commission Fund 170	I - 54
■ Hesperia Housing Authority Fund 370	I - 55
■ VVEDA Housing Authority Fund 371	I - 56
■ Fire District Fund 200	I - 57
■ Water District - Water Operations Fund 700	I - 59
■ Water District - Water Capital Fund 701	I - 60
■ Water District - Sewer Operations Fund 710	I - 61
■ Water District - Sewer Capital Fund 711	I - 62

FUND BALANCE SUMMARY

FUND DESCRIPTIONS

For budgeting purposes the City's funds are grouped by functional classifications. These classifications are General City Operations and Maintenance; Community Development Block Grant (CDBG); Community Development Commission; Hesperia Housing Authority; Street Related; Other Transportation Related; Facilities; Other City Related; Water District; and Fire District.

The City of Hesperia budgets for revenues and expenditures in the following Governmental fund types:

The General Fund accounts for all financial resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

The Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The Debt Service funds are used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources.

The Capital Project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

In addition, the City of Hesperia budgets for Revenue and Expenditure in the following Proprietary fund type:

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public, on a continuing basis, be financed or recovered primarily through user charges.

GENERAL FUND

General Fund (100) – This fund accounts for the majority of financial resources and uses of the City such as Legislative, Administrative, Community Development, Police, and Capital expenditures.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

CDBG Administration (251) - This Special Revenue fund accounts for the receipts and expenditures of the City's entitlements under Federal Community Development Block Grant (CDBG) programs of the US Department of Housing and Urban Development (HUD).

CDBG Home Grants (252) - This Special Revenue fund accounts for miscellaneous Federal and State grants requiring segregated fund accounting for CDBG grants of the Home Investment Partnerships Program (HOME).

CDBG Revolving Loan (253) - This Special Revenue fund accounts for the Section 108 loan proceeds from the Federal government (HUD) used to assist with business expansion within the City.

CDBG Neighborhood Stabilization Program (257) - This Special Revenue fund accounts for the federal grant used to purchase, rehabilitate, and resell abandoned and foreclosed homes within the City.

COMMUNITY DEVELOPMENT COMMISSION

Community Development Commission Administration (170) – This Special Revenue fund accounts for the City's ongoing economic development efforts

FUND BALANCE SUMMARY

FUND DESCRIPTIONS

HESPERIA HOUSING AUTHORITY

Hesperia Housing Authority (370) – This Special Revenue fund accounts for the City's housing development formerly overseen by the HCRA's Low/Mod fund and the outstanding loans to various housing projects.

VVEDA Housing Authority (371) – This Special Revenue fund accounts for the VVEDA (Victor Valley Economic Development Authority) housing Low/Mod function.

STREETS MAINTENANCE

Public Works Street Maintenance (263) - This Special Revenue fund accounts for funds expended to repair and maintain the City's streets.

STREETS CAPITAL IMPROVEMENT PROJECTS (CIP) FUNDS

Measure I Arterial (201) - This Special Revenue fund accounted for 65% of the receipt of voter-approved (Measure I) tax revenue relating to the relief of arterial and regional traffic congestion through maintenance and upkeep of streets and highways. This fund is closed as of June 30, 2013.

Measure I Renewal (204) - This Special Revenue fund accounts for the receipt of voter-approved renewal of Measure I tax (½ cent sales tax) revenue relating to the relief of traffic congestion through maintenance and upkeep of streets and highways.

Gas Tax (205) - This Special Revenue fund accounts for receipts and expenditures of money apportioned by the State and Highway Code §'s 2105, 2106, 2107 and 2107.5. Gas Tax monies can only be used to construct and maintain streets and highways.

Gas Tax Swap (206) - This Special Revenue fund accounts for the replacement revenue from the State for Proposition 42, the Traffic Congestion Relief moneys received into fund #250. This is now known as State and Highway Code §'s 2103 and has all the same conditions as the regular Gas Tax monies.

Local Transportation Fund (LTF) Article 8 (207) - This Special Revenue fund accounts for the ¼ cent of the 8¾ cent sales tax which, in turn, are expended for the City's participation in the Victor Valley Transit Authority and maintenance of streets and roads in accordance with AB 325.

Development Impact - Streets (300) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's streets.

Development Impact – Storm Drainage (301) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's storm drains.

City Streets Projects (504) - This Capital Project fund accounts for funds designated for various streets and storm drainage related capital projects throughout the City funded primarily by grants.

Industrial Park Lead Track (506) - This Capital Project fund accounted for funds designated for the construction of the Industrial Park Lead Track project off of the Cushenberry spur line. This fund is closed as of June 30, 2013.

Township (507) - This Capital Project fund accounts for funds designated for the completion of the first phase of the Township project.

FUND BALANCE SUMMARY

FUND DESCRIPTIONS

STREET CAPITAL IMPROVEMENT PROJECTS (CIP) FUNDS (Continued)

Ranchero Road Undercrossing (600) - This Capital Project fund accounted for the grant related costs associated with building a railroad crossing under the Burlington Northern Santa Fe tracks at Ranchero Road. This fund is closed as of June 30, 2014.

OTHER TRANSPORTATION RELATED FUNDS

Air Quality Management (254) - This Special Revenue fund accounts for receipts from the Mojave Desert Air Quality Management District (AQMD) used for the purpose of reducing air pollution from motor vehicles.

2004 Streets Debt Service (400) - This Debt Service fund accounts for debt service payments on the Marks-Roos Measure I Revenue bonds.

FACILITIES

Fire Capital (502) - This Capital Project fund accounts for tax increment pass through from the former Hesperia Community Redevelopment Agency to fund capital improvements of the Fire District.

High Desert Government Center (503) - This Capital Project fund accounted for monies expended on building the County of San Bernardino's High Desert Government Center just north of the City of Hesperia Civic Plaza. This fund is closed as of June 30, 2014.

OTHER CITY RELATED FUNDS

Redevelopment Administration (150) - This Special Revenue fund accounts for the cooperative agreement between the City and the former Hesperia Community Redevelopment Agency.

AB 3229 Supplemental Law (255) - This Special Revenue fund accounts for State grant funds used to enhance policing services.

Environmental Programs (256) - This Special Revenue fund accounts for State grant funds used to enhance recycling efforts of beverage containers in the community.

Disaster Preparedness Grant (260) - This Special Revenue fund accounts for State grant funds used to prepare City staff for quick and correct techniques for proper response and assistance to the citizens in times of emergencies.

Development Impact – Fire (302) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's Fire Department with expanded facilities and equipment.

Development Impact – Police (303) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's Police Department with expanded facilities and equipment.

Development Impact – Public Services (304) - This Special Revenue fund accounts for the fees paid during the building permit process for the expansion and improvement of the capacity of the City's facilities to better serve the growing populace.

FUND BALANCE SUMMARY

FUND DESCRIPTIONS

OTHER CITY RELATED FUNDS (Continued)

City Debt Service (401) - This Debt Service fund accounted for debt service payments on the City's general debt. This fund is closed as of June 30, 2014.

Water Rights Debt Service (402) - This Debt Service fund accounts for debt service payments on the City's 2012 Bonds used to purchase the water rights of the former Rancho Las Flores.

2013 Civic Plaza Refinancing (403) - This Debt Service fund accounts for debt service payments on the City's 2013 Bonds used to refinance the 2005 COPs (Certificates of Participation) that financed the Civic Plaza.

FIRE DISTRICT FUND

Fire District (200) - This Special Revenue fund accounts for revenues from special tax assessments and other service charges and for expenditures relating to the Hesperia Fire Protection District's prevention and protection.

WATER DISTRICT FUNDS

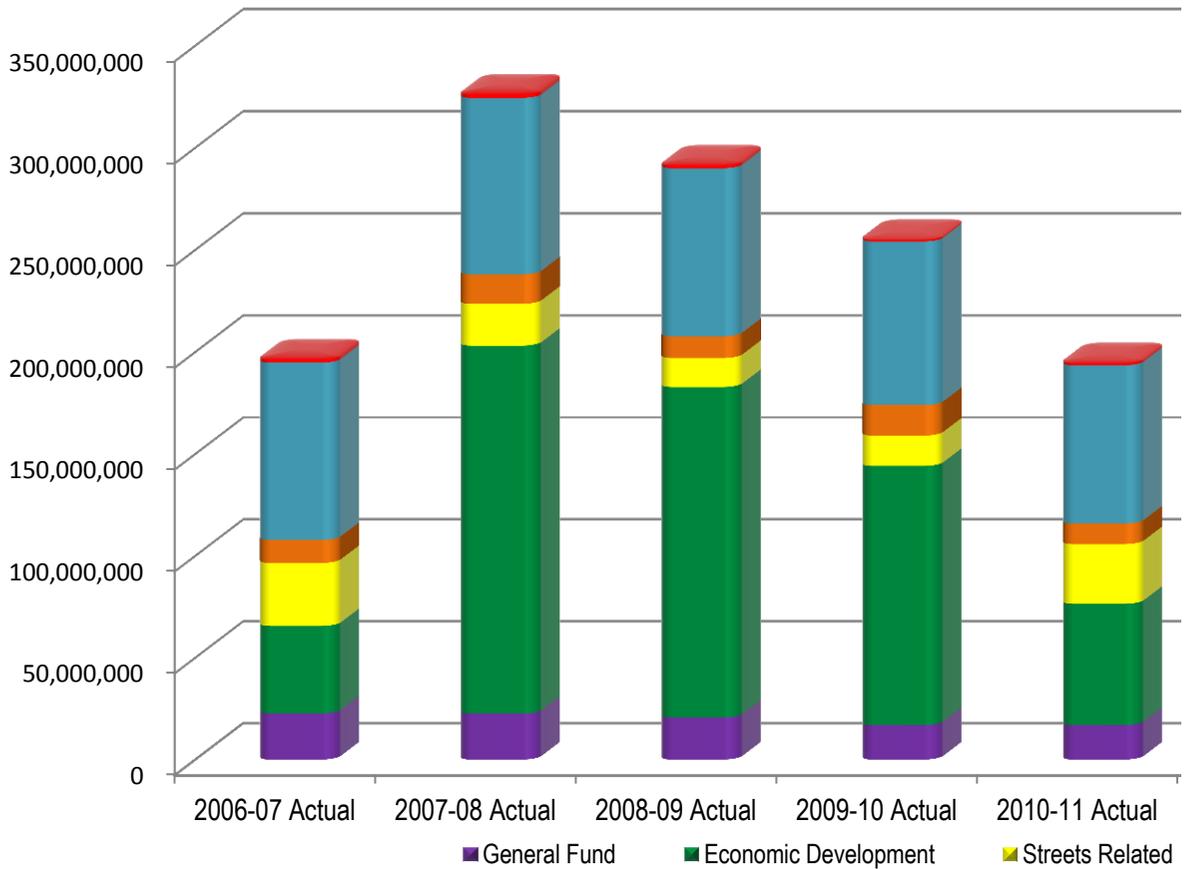
Water Operations (700) - This Enterprise fund accounts for the operation and maintenance of the Hesperia Water District's operations, which is funded by user charges and other fees.

Water Capital (701) - This Enterprise fund accounts for the expenditures needed to expand or repair the Hesperia Water District's system and the revenues required to fund those expenditures.

Sewer Operations (710) - This Enterprise fund accounts for the operation and maintenance of the Hesperia Water District's system, which is funded by user charges and other fees.

Sewer Capital (711) - This Enterprise fund accounts for the expenditures needed to expand or repair the Hesperia Water District's system and the revenues required to fund those expenditures.

**City of Hesperia
Ending Fund Balances
10 Year Trends**



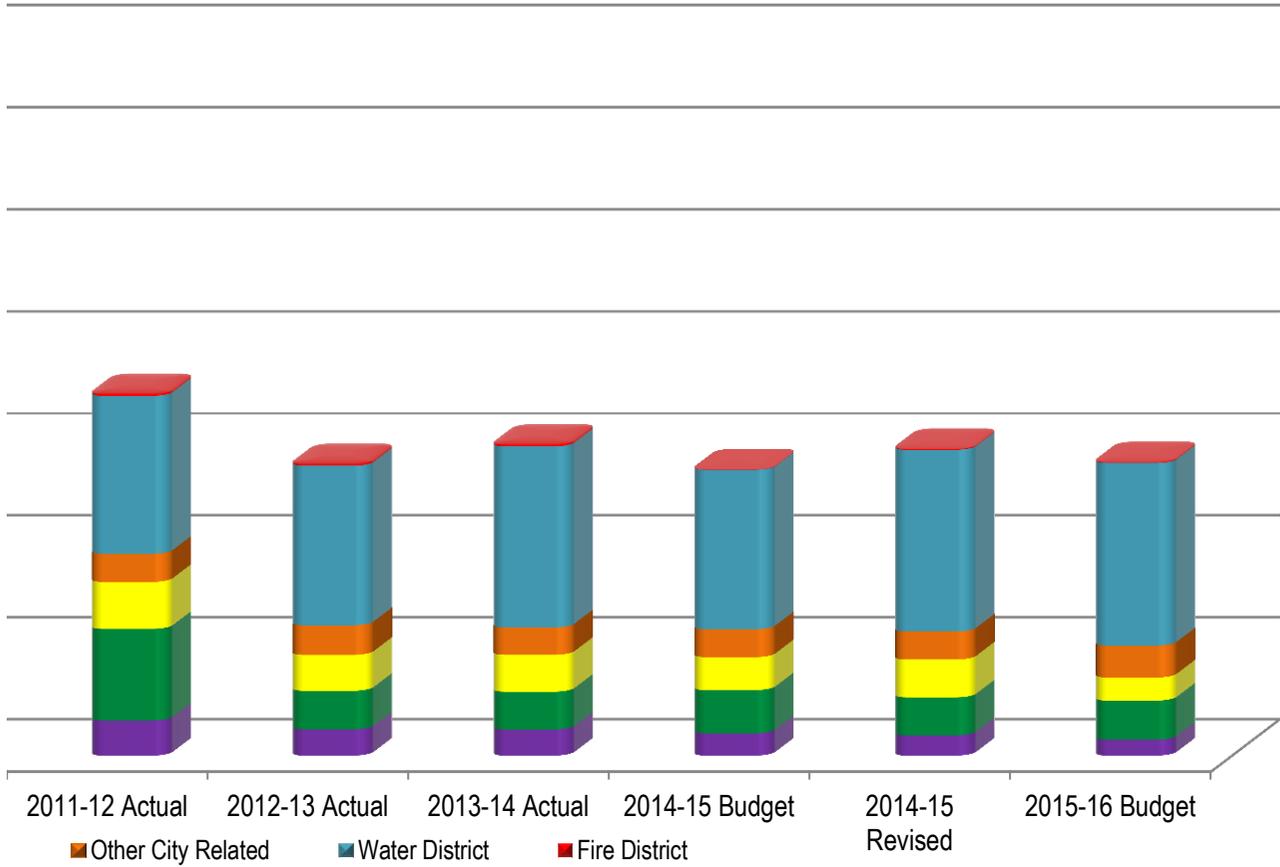
	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual
General Fund	\$ 22,664,366	\$ 22,478,904	\$ 20,566,371	\$ 16,860,093	\$ 16,923,804
Economic Development	42,866,587	180,606,560	162,260,012	127,218,610	59,488,975
Streets Related	30,946,693	20,479,531	14,194,102	14,915,495	29,309,051
Other City Related	11,294,786	14,482,087	10,691,913	14,960,644	10,114,055
Water District	87,006,728	86,353,916	82,243,053	80,153,082	77,665,683
Fire District	2,539,810	2,728,113	2,235,694	1,319,278	1,707,595
June 30, Ending Fund Balance	\$ 197,318,970	\$ 327,129,111	\$ 292,191,145	\$ 255,427,202	\$ 195,209,163

The growth in 2007-08 was from the 2007 RDA bonds. The decrease, starting in 2008-09, is a combination of expending the 2007 bond proceeds and the decline of property tax related revenues.

The June 30, Ending Fund Balance on pages I - 10 through I - 19 includes the non-spendable assets of funds. The Fund Balance Summary on pages I - 20 through I - 61 show calculations without the non-spendable assets where applicable.

The following funds, which have since been closed, are included in Actual columns 2006-07 through 2011-12:

Economic Development (RDA) 385, 388, 389, 486, 487, 586, 587, & 588; Streets Related 202, 508, & 602; Other City Related 203, 208, 250, 264, 305, 500, 501, & 505



2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
\$ 17,217,559	\$ 12,887,884	\$ 12,851,103	\$ 10,960,039	\$ 9,939,339	\$ 7,765,870
44,956,979	18,900,854	18,485,683	21,158,600	18,599,056	19,223,287
23,067,884	17,616,746	18,103,798	16,212,574	18,590,241	11,329,562
13,822,412	14,582,184	13,491,840	13,683,358	13,733,410	15,689,822
77,506,411	78,286,839	88,851,308	78,246,051	89,259,423	89,629,543
1,381,757	1,317,736	1,356,802	120,061	529,360	540,880
\$ 177,953,002	\$ 143,592,243	\$ 153,140,534	\$ 140,380,683	\$ 150,650,829	\$ 144,178,964

Funds included in detail pages I-20 through I-61:

Economic Development - 170, 370, 371

Streets Related - 201, 204, 205, 206, 207, 254, 263, 300, 301, 400, 504, 506, 507, 600

Other City Funds - 150, 251, 252, 253, 255, 256, 257, 260, 302, 303, 304, 401, 402, 403, 502, 503

Water District - 700, 701, 710, 711

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Major Grouping

	General Fund	C.D.B.G.	Community Development Commission
RESOURCES			
Revenue	\$ 25,455,353	\$ 3,467,040	\$ 621,159
Transfers In	2,120,315	0	0
Transfers Out	(2,226,150)	0	0
Budgeted Reserves	2,260,089	309,623	0
Total Resources	\$ 27,609,607	\$ 3,776,663	\$ 621,159
EXPENDITURES			
City Council	\$ 642,461	\$ 0	\$ 0
City Manager	2,502,539	0	0
Management Services	3,112,811	0	0
Economic Development	0	2,212,774	563,605
Development Services			
Community Development	1,659,806	0	0
Code Compliance	2,410,998	0	0
Public Works	1,694,321	0	0
Water Operations	0	0	0
Sewer Operations	0	0	0
Total Development Services	\$ 5,765,125	\$ 0	\$ 0
Capital Improvement Projects			
Capital Improvements - Streets & Storm Drain	\$ 665,500	\$ 0	\$ 0
Capital Improvements - City Facilities	0	0	0
Capital Improvements - Water	0	0	0
Capital Improvements - Sewer	0	0	0
Total Capital Improvement Projects	\$ 665,500	\$ 0	\$ 0
Police	14,834,551	0	0
Fire District	0	0	0
Other Transportation & City Related Funds	0	0	0
Total Expenditures	\$ 27,522,987	\$ 2,212,774	\$ 563,605
Difference Total Resources	\$ 86,620	\$ 1,563,889	\$ 57,554
FUND BALANCE			
July 1, 2015 Estimated Beginning Balance	\$ 9,939,339	\$ 4,521,339	\$ 119,161
Reserves Used	(2,260,089)	(309,623)	0
Difference Total Resources	86,620	1,563,889	57,554
June 30, 2016 Estimating Ending Balance	\$ 7,765,870	\$ 5,775,605	\$ 176,715

Fund Groupings:

CDBG: 251, 252, 253, 257

Community Development Commission 170

Housing Authority 370, 371

Streets CIP Funds: 204, 205, 206, 207, 300, 301, 504, 507, 600

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Major Grouping

Housing Authority	Streets Maintenance	Streets CIP Funds	Other Transportation	Facilities	Other City Related	Water District
\$ 1,386,241	\$ 4,006	\$ 10,087,819	\$ 65,502	\$ 674,373	\$ 433,103	\$ 19,914,149
0	3,250,304	0	0	0	2,903,734	0
0	0	(3,250,304)	0	0	(817,584)	0
75,329	71,000	3,306,662	4,660,973	0	0	728,529
\$ 1,461,570	\$ 3,325,310	\$ 10,144,177	\$ 4,726,475	\$ 674,373	\$ 2,519,253	\$ 20,642,678
\$ 0	\$ 0	\$ 0	0	0	0	\$ 0
0	0	0	0	0	134,075	0
0	0	0	4,646,475	0	2,226,150	0
819,564	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,325,310	0	0	0	0	0
0	0	0	0	0	0	16,359,629
0	0	0	0	0	0	3,184,400
\$ 0	\$ 3,325,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,544,029
\$ 0	\$ 0	\$ 9,366,221	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	129,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$ 0	\$ 0	\$ 9,366,221	\$ 0	\$ 129,000	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	80,000	0	2,255	0
\$ 819,564	\$ 3,325,310	\$ 9,366,221	\$ 4,726,475	\$ 129,000	\$ 2,362,480	\$ 19,544,029
\$ 642,006	\$ 0	\$ 777,956	\$ 0	\$ 545,373	\$ 156,773	\$ 1,098,649
\$ 18,479,895	\$ 438,200	\$ 13,262,711	\$ 4,889,330	\$ 5,437,276	\$ 3,774,795	\$ 89,259,423
(75,329)	(71,000)	(3,306,662)	(4,660,973)	0	0	(728,529)
642,006	0	777,956	0	545,373	156,773	1,098,649
\$ 19,046,572	\$ 367,200	\$ 10,734,005	\$ 228,357	\$ 5,982,649	\$ 3,931,568	\$ 89,629,543

Other Transportation Related Funds: 254, 400

Facilities: 502

Other City Related Funds: 150, 255, 256, 260, 302, 303, 304, 401, 402, 403

Water District: 700, 701, 710, 711

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Major Grouping

	Fire District	Total
RESOURCES		
Revenue	\$ 9,995,641	\$ 72,104,386
Transfers In	0	8,274,353
Transfers Out	0	(6,294,038)
Budgeted Reserves	0	11,412,205
Total Resources	\$ 9,995,641	\$ 85,496,906
EXPENDITURES		
City Council	\$ 0	\$ 642,461
City Manager	0	2,636,614
Management Services	0	9,985,436
Economic Development	0	3,595,943
Development Services		
Community Development	0	1,659,806
Code Compliance	0	2,410,998
Public Works	0	5,019,631
Water Operations	0	16,359,629
Sewer Operations	0	3,184,400
Total Development Services	\$ 0	\$ 28,634,464
Capital Improvement Projects		
Capital Improvements - Streets & Storm Drain	\$ 0	\$ 10,031,721
Capital Improvements - City Facilities	0	129,000
Capital Improvements - Water	0	0
Capital Improvements - Sewer	0	0
Total Capital Improvement Projects	\$ 0	\$ 10,160,721
Police	0	14,834,551
Fire District	9,984,121	9,984,121
Other Transportation & City Related Funds	0	82,255
Total Expenditures	\$ 9,984,121	\$ 80,556,566
Difference Total Resources	\$ 11,520	\$ 4,940,340
FUND BALANCE		
July 1, 2015 Estimated Beginning Balance	\$ 529,360	\$ 150,650,829
Reserves Used	0	(11,412,205)
Difference Total Resources	11,520	4,940,340
June 30, 2016 Estimating Ending Balance	\$ 540,880	\$ 144,178,964

The Transfers In and Out are out of balance by \$1,980,315 for the General and Administrative (G&A) allocation from the Water District. For the Budget, this is treated as a transfer in to the General Fund but as an expenditure in the Water fund.

The difference in Total Resources vs. Expenditures of \$5,024,909 is shown as \$3,044,594 on page A-3 because page A-3 excludes the net transfers where the net transfers are included above in the Total Resources number.

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Individual Funds

Fund Number	100	C. D. C.	Hesperia Housing Authority	
		170	370	371
	General Fund	Community Development Commission	Hesperia Housing Authority	VVEDA Housing Authority
RESOURCES				
Revenue	\$ 25,455,353	\$ 621,159	\$ 1,281,570	\$ 104,671
Transfers In	2,120,315	0	0	0
Transfers Out	(2,226,150)	0	0	0
Budgeted Reserves	2,260,089	0	0	75,329
Total Resources	\$ 27,609,607	\$ 621,159	\$ 1,281,570	\$ 180,000
EXPENDITURES				
City Council	\$ 642,461	\$ 0	\$ 0	\$ 0
City Manager	2,502,539	0	0	0
Management Services	3,112,811	0	0	0
Economic Development	0	563,605	639,564	180,000
Development Services				
Community Development	1,659,806	0	0	0
Code Compliance	2,410,998	0	0	0
Public Works	1,694,321	0	0	0
Water Operations	0	0	0	0
Sewer Operations	0	0	0	0
Total Development Services	\$ 5,765,125	\$ 563,605	\$ 639,564	\$ 180,000
Capital Improvement Projects				
Capital Improvements - Streets & Storm Drainage	\$ 665,500	\$ 0	\$ 0	\$ 0
Capital Improvements - City Facilities	0	0	0	0
Capital Improvements - Water	0	0	0	0
Capital Improvements - Sewer	0	0	0	0
Total Capital Improvement Projects	665,500	0	0	0
Police	14,834,551	0	0	0
Fire District	0	0	0	0
Other Transportation & City Related Funds	0	0	0	0
Total Expenditures	\$ 27,522,987	\$ 563,605	\$ 639,564	\$ 180,000
Difference Total Resources	\$ 86,620	\$ 57,554	\$ 642,006	\$ 0
FUND BALANCE				
July 1, 2015 Estimated Beginning Balance	\$ 9,939,339	\$ 119,161	\$ 17,488,483	\$ 991,412
Reserves Used	(2,260,089)	0	0	(75,329)
Difference Total Resources	86,620	57,554	642,006	0
June 30, 2016 Estimating Ending Balance	\$ 7,765,870	\$ 176,715	\$ 18,130,489	\$ 916,083

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Individual Funds

Fund Number	CDBG Funds			
	251	252	253	257
	Admin.	HOME	Revolving Loan	NSP
RESOURCES				
Revenue	\$ 2,235,361	\$ 15,700	\$ 1,562	\$ 1,214,417
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Budgeted Reserves	0	0	309,623	0
Total Resources	\$ 2,235,361	\$ 15,700	\$ 311,185	\$ 1,214,417
EXPENDITURES				
City Council	\$ 0	\$ 0	\$ 0	\$ 0
City Manager	0	0	0	0
Management Services	0	0	0	0
Economic Development	1,314,792	0	311,185	586,797
Development Services				
Community Development	0	0	0	0
Code Compliance	0	0	0	0
Public Works	0	0	0	0
Water Operations	0	0	0	0
Sewer Operations	0	0	0	0
Total Development Services	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvement Projects				
Capital Improvements - Streets & Storm Drainage	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements - City Facilities	0	0	0	0
Capital Improvements - Water	0	0	0	0
Capital Improvements - Sewer	0	0	0	0
Total Capital Improvement Projects	0	0	0	0
Police	0	0	0	0
Fire District	0	0	0	0
Other Transportation & City Related Funds	0	0	0	0
Total Expenditures	\$ 1,314,792	\$ 0	\$ 311,185	\$ 586,797
Difference Total Resources	\$ 920,569	\$ 15,700	\$ 0	\$ 627,620
FUND BALANCE				
July 1, 2015 Estimated Beginning Balance	\$ 111,042	\$ 91,449	\$ 581,369	\$ 3,737,479
Reserves Used	0	0	(309,623)	0
Difference Total Resources	920,569	\$ 15,700	0	627,620
June 30, 2016 Estimating Ending Balance	\$ 1,031,611	\$ 107,149	\$ 271,746	\$ 4,365,099

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Individual Funds

263 P.W. Streets Maintenance	Streets Capital Improvement Projects (CIP) Funds					
	204 Measure I Renewal	205 Gas Tax	206 Gas Tax Swap	207 LTF Article 8	300 Development Impact - Streets	301 Development Impact - Storm Drain
\$ 4,006	\$ 2,533,470	\$ 1,523,189	\$ 415,737	\$ 1,352,184	\$ 1,345,528	\$ 182,206
3,250,304	0	0	0	0	0	0
0	(725,000)	(1,300,304)	(475,000)	(750,000)	0	0
71,000	2,474,530	297,553	59,263	475,316	0	0
\$ 3,325,310	\$ 4,283,000	\$ 520,438	\$ 0	\$ 1,077,500	\$ 1,345,528	\$ 182,206
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,325,310	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$ 3,325,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 0	\$ 4,283,000	\$ 520,438	\$ 0	\$ 1,077,500	\$ 750,000	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	4,283,000	520,438	0	1,077,500	750,000	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$ 3,325,310	\$ 4,283,000	\$ 520,438	\$ 0	\$ 1,077,500	\$ 750,000	\$ 0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 595,528	\$ 182,206
\$ 438,200	\$ 2,604,038	\$ 432,294	\$ 217,569	\$ 638,996	\$ 7,086,151	\$ 2,320,237
(71,000)	(2,474,530)	(297,553)	(59,263)	(475,316)	0	0
0	0	0	0	0	595,528	182,206
\$ 367,200	\$ 129,508	\$ 134,741	\$ 158,306	\$ 163,680	\$ 7,681,679	\$ 2,502,443

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Individual Funds

Fund Number	Streets CIP Funds		Other Transportation		Facilities
	504 City Streets CIP	507 Township	254 AQMD	400 2004 Streets Debt Service	502 Fire Capital
RESOURCES					
Revenue	\$ 2,735,283	\$ 222	\$ 61,330	\$ 4,172	\$ 674,373
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Budgeted Reserves	0	0	18,670	4,642,303	0
Total Resources	\$ 2,735,283	\$ 222	\$ 80,000	\$ 4,646,475	\$ 674,373
EXPENDITURES					
City Council	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
City Manager	0	0	0	0	0
Management Services	0	0	0	4,646,475	0
Economic Development	0	0	0	0	0
Development Services					
Community Development	0	0	0	0	0
Code Compliance	0	0	0	0	0
Public Works	0	0	0	0	0
Water Operations	0	0	0	0	0
Sewer Operations	0	0	0	0	0
Total Development Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvement Projects					
Capital Improvements - Streets & Storm Drainage	\$ 2,735,283	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements - City Facilities	0	0	0	0	129,000
Capital Improvements - Water	0	0	0	0	0
Capital Improvements - Sewer	0	0	0	0	0
Total Capital Improvement Projects	2,735,283	0	0	0	129,000
Police	0	0	0	0	0
Fire District	0	0	0	0	0
Other Transportation & City Related Funds	0	0	80,000	0	0
Total Expenditures	\$ 2,735,283	\$ 0	\$ 80,000	\$ 4,646,475	\$ 129,000
Difference Total Resources	\$ 0	\$ 222	\$ 0	\$ 0	\$ 545,373
FUND BALANCE					
July 1, 2015 Estimated Beginning Balance	\$ (129,261)	\$ 92,687	\$ 145,769	\$ 4,743,561	\$ 5,437,276
Reserves Used	0	0	(18,670)	(4,642,303)	0
Difference Total Resources	0	222	0	0	545,373
June 30, 2016 Estimating Ending Balance	\$ (129,261)	\$ 92,909	\$ 127,099	\$ 101,258	\$ 5,982,649

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Individual Funds

Fund Number	<u>Other City Related Funds</u>	
	402 Water Rights Acquisition	403 2013 Civic Plaza Refinancing
RESOURCES		
Revenue	\$ 17	\$ 852
Transfers In	1,449,550	776,600
Transfers Out	0	0
Budgeted Reserves	0	0
Total Resources	\$ 1,449,567	\$ 777,452
EXPENDITURES		
City Council	\$ 0	\$ 0
City Manager	0	0
Management Services	1,449,550	776,600
Economic Development	0	0
Development Services		
Community Development	0	0
Code Compliance	0	0
Public Works	0	0
Water Operations	0	0
Sewer Operations	0	0
Total Development Services	\$ 0	\$ 0
Capital Improvement Projects		
Capital Improvements - Streets & Storm Drainage	\$ 0	\$ 0
Capital Improvements - City Facilities	0	0
Capital Improvements - Water	0	0
Capital Improvements - Sewer	0	0
Total Capital Improvement Projects	0	0
Police	0	0
Fire District	0	0
Other Transportation & City Related Funds	0	0
Total Expenditures	\$ 1,449,550	\$ 776,600
Difference Total Resources	\$ 17	\$ 852
FUND BALANCE		
July 1, 2015 Estimated Beginning Balance	\$ 1,458,300	\$ 1,240,161
Reserves Used	0	0
Difference Total Resources	17	852
June 30, 2016 Estimating Ending Balance	\$ 1,458,317	\$ 1,241,013

FUND BALANCE SUMMARY

2015-16 Budget - Balancing and Fund Balance Summary - By Individual Funds

Water District				Fire District	
700	701	710	711	200	
Water Operations	Water Capital	Sewer Operations	Sewer Capital	Fire District	Totals
\$ 15,785,926	\$ 396,000	\$ 3,530,215	\$ 202,008	\$ 9,995,641	\$ 72,104,386
0	0	0	0	0	8,274,353
0	0	0	0	0	(6,294,038)
708,529	0	20,000	0	0	11,412,205
\$ 16,494,455	\$ 396,000	\$ 3,550,215	\$ 202,008	\$ 9,995,641	\$ 85,496,906
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 642,461
0	0	0	0	0	2,636,614
0	0	0	0	0	9,985,436
0	0	0	0	0	3,595,943
0	0	0	0	0	1,659,806
0	0	0	0	0	2,410,998
0	0	0	0	0	5,019,631
16,359,629	0	0	0	0	16,359,629
0	0	3,184,400	0	0	3,184,400
\$ 16,359,629	\$ 0	\$ 3,184,400	\$ 0	\$ 0	\$ 28,634,464
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,031,721
0	0	0	0	0	129,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	10,160,721
0	0	0	0	0	14,834,551
0	0	0	0	9,984,121	9,984,121
0	0	0	0	0	82,255
\$ 16,359,629	\$ 0	\$ 3,184,400	\$ 0	\$ 9,984,121	\$ 80,556,566
\$ 134,826	\$ 396,000	\$ 365,815	\$ 202,008	\$ 11,520	\$ 4,940,340
\$ 83,320,998	\$ (12,290,499)	\$ 14,235,993	\$ 3,992,931	\$ 529,360	\$ 150,650,829
(708,529)	0	(20,000)	0	0	(11,412,205)
134,826	396,000	365,815	202,008	11,520	4,940,340
\$ 82,747,295	\$ (11,894,499)	\$ 14,581,808	\$ 4,194,939	\$ 540,880	\$ 144,178,964

FUND BALANCE SUMMARY

General Fund 100

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 22,545,939	\$ 25,174,095	\$ 24,203,918	\$ 24,655,848	\$ 25,455,353
Bond Proceeds	26,847,377	0	0	0	0
Budgeted Reserves	0	0	1,942,100	3,846,185	2,260,089
<u>Transfers In</u>					
Fund 255 - AB 3229 Supplemental Law	\$ 165,192	\$ 146,328	\$ 246,328	\$ 246,328	\$ 140,000
Fund 700 - Indirect Cost Allocation Water	1,200,000	1,200,000	1,200,000	1,200,000	1,300,000
Fund 710 - Indirect Cost Allocation Sewer	167,057	185,714	166,363	166,363	180,315
G&A Prior Year - Water	500,000	500,000	500,000	500,000	500,000
Sub Total G & A Allocation	500,000	500,000	500,000	500,000	500,000
Total Transfers In	\$ 2,032,249	\$ 2,032,042	\$ 2,112,691	\$ 2,112,691	\$ 2,120,315
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	\$ 51,425,565	\$ 27,206,137	\$ 28,258,709	\$ 30,614,724	\$ 29,835,757
Total Expenditures	\$ 53,376,566	\$ 25,850,973	\$ 26,633,264	\$ 28,049,628	\$ 27,522,987
<u>Transfers Out</u>					
Fund 170 - Community Development Comm.	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 0
Fund 304 - DIF-Streets	0	0	65,840	154,520	677,584
Fund 401 - City Debt Service	14,343	15,490	0	0	0
Fund 402 - 2012 Water Rights Debt Service	2,114,331	1,345,475	1,453,575	1,453,575	1,449,550
Fund 403 - 2005 COP Refinance Debt Service	0	30,980	22,580	22,580	99,016
Total Transfers Out	2,378,674	1,391,945	1,541,995	1,630,675	2,226,150
Total Expenditures and Transfers Out	\$ 55,755,240	\$ 27,242,918	\$ 28,175,259	\$ 29,680,303	\$ 29,749,137
Difference Total Resources and Expenditures and Transfers Out	\$ (4,329,675)	\$ (36,781)	\$ 83,450	\$ 934,421	\$ 86,620
FUND BALANCE					
July 1st Beginning Balance	\$ 17,217,559	\$ 12,887,884	\$ 12,818,689	\$ 12,851,103	\$ 9,939,339
Budgeted Reserves	0	0	(1,942,100)	(3,846,185)	(2,260,089)
Difference Total Resources and Expenditures and Transfers Out	(4,329,675)	(36,781)	83,450	934,421	86,620
June 30th Ending Balance	\$12,887,884	\$ 12,851,103	\$ 10,960,039	\$ 9,939,339	\$ 7,765,870

FUND BALANCE SUMMARY

Redevelopment Agency Administrative Fund 150

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 0</u>				
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	<u>\$ 0</u>				
Difference Total Resources and Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCE					
July 1st Beginning Balance	\$ (167,130)	\$ (167,130)	\$ (167,130)	\$ (167,130)	\$ (167,130)
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ (167,130)				

Note: Fund 150 was created to carry out the cooperative agreement between the City and the RDA. Fund 150 was cash-flowed by the General Fund which fronted (loaned) funds for redevelopment agency administrative costs. Redevelopment agencies were dissolved as of February 1, 2012, therefore costs through January 31, 2012 were reimbursed by agency funds. Costs incurred from February 1, 2012 through June 30, 2012 are awaiting reimbursement from the Successor Agency of the Former Hesperia Community Redevelopment Agency pending State of California authorization.

FUND BALANCE SUMMARY

Measure I - Arterial Fund 201

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 228	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 228</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	\$ 141,665	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	<u>\$ 141,665</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (141,437)	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCE					
July 1st Beginning Balance	\$ 141,437	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>(141,437)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

This fund was closed in FY 2012-13.

FUND BALANCE SUMMARY

Measure I - 2010 Renewal Fund 204

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 2,501,434	\$ 2,494,976	\$ 2,505,000	\$ 2,505,114	\$ 2,533,470
Budgeted Reserves	0	0	2,098,688	2,016	2,474,530
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 2,501,434</u>	<u>\$ 2,494,976</u>	<u>\$ 4,603,688</u>	<u>\$ 2,507,130</u>	<u>\$ 5,008,000</u>
Total Expenditures	\$ 321,825	\$ 1,925,096	\$ 4,103,688	\$ 2,007,130	\$ 4,283,000
Transfers Out					
Fund 263 - Public Works Street Maintenance	1,300,000	1,160,000	500,000	500,000	725,000
Total Transfers Out	<u>1,300,000</u>	<u>1,160,000</u>	<u>500,000</u>	<u>500,000</u>	<u>725,000</u>
Total Expenditures and Transfers Out	<u>\$ 1,621,825</u>	<u>\$ 3,085,096</u>	<u>\$ 4,603,688</u>	<u>\$ 2,507,130</u>	<u>\$ 5,008,000</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 879,609	\$ (590,120)	\$ 0	\$ 0	\$ 0
FUND BALANCE					
July 1st Beginning Balance	\$ 2,316,565	\$ 3,196,174	\$ 2,586,596	\$ 2,606,054	\$ 2,604,038
Budgeted Reserves	0	0	(2,098,688)	(2,016)	(2,474,530)
Difference Total Resources and Expenditures and Transfers Out	879,609	(590,120)	0	0	0
June 30th Ending Balance	<u>\$ 3,196,174</u>	<u>\$ 2,606,054</u>	<u>\$ 487,908</u>	<u>\$ 2,604,038</u>	<u>\$ 129,508</u>

FUND BALANCE SUMMARY

Gas Tax Fund 205

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 1,334,829	\$ 1,579,333	\$ 1,322,900	\$ 1,651,335	\$ 1,523,189
Budgeted Reserves	0	0	252,100	273,665	297,553
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 1,334,829</u>	<u>\$ 1,579,333</u>	<u>\$ 1,575,000</u>	<u>\$ 1,925,000</u>	<u>\$ 1,820,742</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 520,438
<u>Transfers Out</u>					
Fund 263 - Public Works Street Maintenance	\$ 635,000	\$ 800,000	\$ 950,000	\$ 1,300,000	\$ 1,300,304
Fund 400 - Measure I Debt Service	450,000	450,000	625,000	625,000	0
Total Transfers Out	<u>\$ 1,085,000</u>	<u>\$ 1,250,000</u>	<u>\$ 1,575,000</u>	<u>\$ 1,925,000</u>	<u>\$ 1,300,304</u>
Total Expenditures and Transfers Out	<u>\$ 1,085,000</u>	<u>\$ 1,250,000</u>	<u>\$ 1,575,000</u>	<u>\$ 1,925,000</u>	<u>\$ 1,820,742</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 249,829	\$ 329,333	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 126,797	\$ 376,626	\$ 479,752	\$ 705,959	\$ 432,294
Budgeted Reserves	0	0	(252,100)	(273,665)	(297,553)
Difference Total Resources and Expenditures and Transfers Out	249,829	329,333	0	0	0
June 30th Ending Balance	<u>\$ 376,626</u>	<u>\$ 705,959</u>	<u>\$ 227,652</u>	<u>\$ 432,294</u>	<u>\$ 134,741</u>

Gas Tax Swap Fund 206

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 715,310	\$ 1,262,099	\$ 1,250,150	\$ 948,471	\$ 415,737
Budgeted Reserves	0	0	0	71,529	59,263
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 715,310</u>	<u>\$ 1,262,099</u>	<u>\$ 1,250,150</u>	<u>\$ 1,020,000</u>	<u>\$ 475,000</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 263 - Public Works Street Maintenance	\$ 950,000	\$ 950,000	\$ 1,050,000	\$ 1,000,000	\$ 475,000
Fund 400 - Measure I Debt Service	0	20,000	20,000	20,000	0
Total Transfers Out	<u>\$ 950,000</u>	<u>\$ 970,000</u>	<u>\$ 1,070,000</u>	<u>\$ 1,020,000</u>	<u>\$ 475,000</u>
Total Expenditures and Transfers Out	<u>\$ 950,000</u>	<u>\$ 970,000</u>	<u>\$ 1,070,000</u>	<u>\$ 1,020,000</u>	<u>\$ 475,000</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (234,690)	\$ 292,099	\$ 180,150	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 231,689	\$ (3,001)	\$ 315,634	\$ 289,098	\$ 217,569
Budgeted Reserves	0	0	0	(71,529)	(59,263)
Difference Total Resources and Expenditures and Transfers Out	<u>(234,690)</u>	<u>292,099</u>	<u>180,150</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ (3,001)	\$ 289,098	\$ 495,784	\$ 217,569	\$ 158,306

Note - This fund is the replacement funding for the Traffic Congestion Relief Fund #250.

FUND BALANCE SUMMARY

Local Transportation Fund (LTF) Article 8 Fund 207

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 1,736,260	\$ 1,641,375	\$ 2,052,000	\$ 1,506,472	\$ 1,352,184
Budgeted Reserves	0	0	2,565,000	1,958,528	475,316
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 1,736,260</u>	<u>\$ 1,641,375</u>	<u>\$ 4,617,000</u>	<u>\$ 3,465,000</u>	<u>\$ 1,827,500</u>
Total Expenditures	\$ 0	\$ 594,308	\$ 762,000	\$ 260,000	\$ 1,077,500
<u>Transfers Out</u>					
Fund 263 - Public Works Street Maintenance	\$ 205,000	\$ 398,000	\$ 1,050,000	\$ 400,000	\$ 750,000
Fund 400 - Measure I Debt Service	250,000	250,000	2,805,000	2,805,000	0
Total Transfers Out	<u>\$ 455,000</u>	<u>\$ 648,000</u>	<u>\$ 3,855,000</u>	<u>\$ 3,205,000</u>	<u>\$ 750,000</u>
Total Expenditures and Transfers Out	<u>\$ 455,000</u>	<u>\$ 1,242,308</u>	<u>\$ 4,617,000</u>	<u>\$ 3,465,000</u>	<u>\$ 1,827,500</u>
Difference Total Resources and Expenditures and Transfers Out	<u>\$ 1,281,260</u>	<u>\$ 399,067</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 917,197	\$ 2,198,457	\$ 2,947,288	\$ 2,597,524	\$ 638,996
Budgeted Reserves	0	0	(2,565,000)	(1,958,528)	(475,316)
Difference Total Resources and Expenditures and Transfers Out	<u>1,281,260</u>	<u>399,067</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	<u>\$ 2,198,457</u>	<u>\$ 2,597,524</u>	<u>\$ 382,288</u>	<u>\$ 638,996</u>	<u>\$ 163,680</u>

In FY 2014-15 a total of \$2,805,000 will be transferred to Fund 400 - Streets Debt Service to pay off the 2004 Variable Rate Demand Revenue Bonds in FY 2015-16. This will result in the bonds being retired 8 years ahead of schedule due to this proposed prepayment as well as the prepayments that were made in previous years.

FUND BALANCE SUMMARY

Community Development Block Grant (CDBG) Administration Fund 251

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 1,412,321	\$ 609,485	\$ 1,029,826	\$ 1,011,862	\$ 2,235,361
Budgeted Reserves	0	0	111,545	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 1,412,321</u>	<u>\$ 609,485</u>	<u>\$ 1,141,371</u>	<u>\$ 1,011,862</u>	<u>\$ 2,235,361</u>
Total Expenditures	\$ 1,412,319	\$ 609,485	\$ 1,141,371	\$ 894,022	\$ 1,314,792
<u>Transfers Out</u>					
Total Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	<u>\$ 1,412,319</u>	<u>\$ 609,485</u>	<u>\$ 1,141,371</u>	<u>\$ 894,022</u>	<u>\$ 1,314,792</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 2	\$ 0	\$ 0	\$ 117,840	\$ 920,569
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ (6,800)	\$ (6,798)	\$ 123,858	\$ (6,798)	\$ 111,042
Budgeted Reserves	0	0	(111,545)	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>2</u>	<u>0</u>	<u>0</u>	<u>117,840</u>	<u>920,569</u>
June 30th Ending Balance	\$ (6,798)	\$ (6,798)	\$ 12,313	\$ 111,042	\$ 1,031,611

Note: Community Development Block Grant Administration Fund 251 is projecting a June 30, 2016 fund balance of \$1,031,611 due, in part, to anticipated Program Income in FY 2015-16 of \$1,100,000 from the sale of the Intergenerational Center (\$700,000) and a reimbursement from the City for the land upon which the County Government Center is built (\$400,000).

FUND BALANCE SUMMARY

Community Development Block Grant (CDBG) HOME Grants Fund 252

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 22,833	\$ 14,902	\$ 16,115	\$ 31,832	\$ 15,700
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 22,833</u>	<u>\$ 14,902</u>	<u>\$ 16,115</u>	<u>\$ 31,832</u>	<u>\$ 15,700</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 22,833	\$ 14,902	\$ 16,115	\$ 31,832	\$ 15,700
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 21,882	\$ 44,715	\$ 61,102	\$ 59,617	\$ 91,449
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>22,833</u>	<u>14,902</u>	<u>16,115</u>	<u>31,832</u>	<u>15,700</u>
June 30th Ending Balance	\$ 44,715	\$ 59,617	\$ 77,217	\$ 91,449	\$ 107,149

FUND BALANCE SUMMARY

Community Development Block Grant (CDBG) Revolving Loan Fund 253

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 2,641	\$ 1,997	\$ 2,035	\$ 1,651	\$ 1,562
Budgeted Reserves	0	0	311,916	95,688	309,623
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	<u>\$ 2,641</u>	<u>\$ 1,997</u>	<u>\$ 313,951</u>	<u>\$ 97,339</u>	<u>\$ 311,185</u>
Total Expenditures	\$ 89,442	\$ 228,923	\$ 313,951	\$ 97,339	\$ 311,185
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 89,442</u>	<u>\$ 228,923</u>	<u>\$ 313,951</u>	<u>\$ 97,339</u>	<u>\$ 311,185</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (86,801)	\$ (226,926)	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 990,784	\$ 903,983	\$ 809,654	\$ 677,057	\$ 581,369
Budgeted Reserves	0	0	(311,916)	(95,688)	(309,623)
Difference Total Resources and Expenditures and Transfers Out	<u>(86,801)</u>	<u>(226,926)</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ 903,983	\$ 677,057	\$ 497,738	\$ 581,369	\$ 271,746

FUND BALANCE SUMMARY

Air Quality Management Fund 254

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 60,458	\$ 61,034	\$ 62,500	\$ 65,356	\$ 61,330
Budgeted Reserves	0	0	17,500	14,644	18,670
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 60,458	\$ 61,034	\$ 80,000	\$ 80,000	\$ 80,000
Total Expenditures	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Difference Total Resources and Expenditures and Transfers Out	\$ (19,542)	\$ (18,966)	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 198,921	\$ 179,379	\$ 159,879	\$ 160,413	\$ 145,769
Budgeted Reserves	0	0	(17,500)	(14,644)	(18,670)
Difference Total Resources and Expenditures and Transfers Out	(19,542)	(18,966)	0	0	0
June 30th Ending Balance	\$ 179,379	\$ 160,413	\$ 142,379	\$ 145,769	\$ 127,099

FUND BALANCE SUMMARY

AB 3229 Supplemental Law Fund 255

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 140,232	\$ 156,021	\$ 146,528	\$ 144,696	\$ 140,186
Budgeted Reserves	0	0	99,800	101,632	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 140,232	\$ 156,021	\$ 246,328	\$ 246,328	\$ 140,186
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 100 - General Fund	165,192	146,328	246,328	246,328	140,000
Total Transfers Out	165,192	146,328	246,328	246,328	140,000
Total Expenditures and Transfers Out	\$ 165,192	\$ 146,328	\$ 246,328	\$ 246,328	\$ 140,000
Difference Total Resources and Expenditures and Transfers Out	\$ (24,960)	\$ 9,693	\$ 0	\$ 0	\$ 186
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 146,925	\$ 121,965	\$ 122,244	\$ 131,658	\$ 30,026
Budgeted Reserves	0	0	(99,800)	(101,632)	0
Difference Total Resources and Expenditures and Transfers Out	(24,960)	9,693	0	0	186
June 30th Ending Balance	\$ 121,965	\$ 131,658	\$ 22,444	\$ 30,026	\$ 30,212

Starting with 2011-12 Actual this is being funded by SB89 which redirected VLF revenue to fund this State grant.

FUND BALANCE SUMMARY

Environmental Programs Grant Fund 256

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 49,804	\$ 44,605	\$ 19,684	\$ 19,681	\$ 122,631
Budgeted Reserves	0	0	21,613	90,730	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 49,804</u>	<u>\$ 44,605</u>	<u>\$ 41,297</u>	<u>\$ 110,411</u>	<u>\$ 122,631</u>
Total Expenditures	\$ 17,367	\$ 69,586	\$ 41,297	\$ 110,411	\$ 115,892
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 17,367</u>	<u>\$ 69,586</u>	<u>\$ 41,297</u>	<u>\$ 110,411</u>	<u>\$ 115,892</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 32,437	\$ (24,981)	\$ 0	\$ 0	\$ 6,739
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 19,899	\$ 52,336	\$ 33,507	\$ 27,355	\$ (63,375)
Budgeted Reserves	0	0	(21,613)	(90,730)	0
Difference Total Resources and Expenditures and Transfers Out	<u>32,437</u>	<u>(24,981)</u>	<u>0</u>	<u>0</u>	<u>6,739</u>
June 30th Ending Balance	<u>\$ 52,336</u>	<u>\$ 27,355</u>	<u>\$ 11,894</u>	<u>\$ (63,375)</u>	<u>\$ (56,636)</u>
If Reimbursement Received in Year of Expenditure:					
Add: <i>Illegal Disposal Grant</i> Reimbursement				69,200	62,277
June 30th Ending Balance if Reimbursements Received in Year of Expenditure				<u>\$ 5,825</u>	<u>\$ 5,641</u>

The State of California has changed how it funds the Environmental grants, choosing to use a reimbursement process instead of an advance funding process, as in prior years. Due to this change, the City will not receive the reimbursement for the *Illegal Disposal Grant*+A1323 FY 2014-15 expenditures until FY 2015-16, and the reimbursement for the FY 2015-16 expenditures until FY 2016-17. Above, a reference is made to show what the ending fund balance be if the reimbursement were received in the year of expenditure.

FUND BALANCE SUMMARY

Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) Fund 257

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 160,462	\$ 909,796	\$ 992,501	\$ 780,784	\$ 1,214,417
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 160,462	\$ 909,796	\$ 992,501	\$ 780,784	\$ 1,214,417
Total Expenditures	\$ 202,887	\$ 1,456,769	\$ 574,683	\$ 305,614	\$ 586,797
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 202,887	\$ 1,456,769	\$ 574,683	\$ 305,614	\$ 586,797
Difference Total Resources and Expenditures and Transfers Out	\$ (42,425)	\$ (546,973)	\$ 417,818	\$ 475,170	\$ 627,620
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 3,851,707	\$ 3,809,282	\$ 3,794,902	\$ 3,262,309	\$ 3,737,479
Budgeted Reserves	0	0	0	0	0
Adjustment for Budgetary Purposes	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(42,425)	(546,973)	417,818	475,170	627,620
June 30th Ending Balance	\$ 3,809,282	\$ 3,262,309	\$ 4,212,720	\$ 3,737,479	\$ 4,365,099
Less: Land Held For Resale	3,302,491	2,260,700	3,302,491	2,260,700	2,260,700
June 30th Ending Operating Fund Balance	\$ 506,791	\$ 1,001,609	\$ 910,229	\$ 1,476,779	\$ 2,104,399

FUND BALANCE SUMMARY

Disaster Preparedness Grant Fund 260

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 14,800	\$ 25,045	\$ 43,755	\$ 64,109	\$ 26,118
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue Reserves and Transfers In)	\$ 14,800	\$ 25,045	\$ 43,755	\$ 64,109	\$ 26,118
Total Expenditures	\$ 15,288	\$ 17,066	\$ 16,793	\$ 27,778	\$ 18,183
<u>Transfers Out</u>					
Operating Transfers Out	0	0	0	0	0
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 15,288	\$ 17,066	\$ 16,793	\$ 27,778	\$ 18,183
Difference Total Resources and Expenditures and Transfers Out	\$ (488)	\$ 7,979	\$ 26,962	\$ 36,331	\$ 7,935
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 34,308	\$ 33,820	\$ 54,323	\$ 41,799	\$ 78,130
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(488)	7,979	26,962	36,331	7,935
June 30th Ending Balance	\$ 33,820	\$ 41,799	\$ 81,285	\$ 78,130	\$ 86,065

FUND BALANCE SUMMARY

Public Works Street Maintenance Fund 263

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 22,527	\$ 23,487	\$ 11,883	\$ 16,684	\$ 4,006
Budgeted Reserves	0	0	172,000	227,953	71,000
<u>Transfers In</u>					
Fund 204 - Measure I - Renewal	\$ 1,300,000	\$ 1,160,000	\$ 500,000	\$ 500,000	\$ 725,000
Fund 205 - Gas Tax	635,000	800,000	950,000	1,300,000	1,300,304
Fund 206 - Gas Tax Swap	950,000	950,000	1,050,000	1,000,000	475,000
Fund 207 - LTF	205,000	398,000	1,050,000	400,000	750,000
Total Transfers In	\$ 3,090,000	\$ 3,308,000	\$ 3,550,000	\$ 3,200,000	\$ 3,250,304
Total Resources (Revenue, Budgeted Reserves, and Transfers In)	\$ 3,112,527	\$ 3,331,487	\$ 3,733,883	\$ 3,444,637	\$ 3,325,310
Total Expenditures	\$ 3,065,942	\$ 3,139,316	\$ 3,515,579	\$ 3,318,387	\$ 3,325,310
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 3,065,942	\$ 3,139,316	\$ 3,515,579	\$ 3,318,387	\$ 3,325,310
Difference Total Resources and Expenditures and Transfers Out	\$ 46,585	\$ 192,171	\$ 218,304	\$ 126,250	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 301,147	\$ 347,732	\$ 447,746	\$ 539,903	\$ 438,200
Budgeted Reserves	0	0	(172,000)	(227,953)	(71,000)
Difference Total Resources and Expenditures and Transfers Out	46,585	192,171	218,304	126,250	0
June 30th Ending Balance	\$ 347,732	\$ 539,903	\$ 494,050	\$ 438,200	\$ 367,200

FUND BALANCE SUMMARY

Development Impact Fees - Summary (300, 301, 302, 303, 304)

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 924,391	\$ 790,534	\$ 1,510,060	\$ 850,698	\$ 1,671,033
Budgeted Reserves	0	0	16,880	0	0
<u>Transfers In</u>					
Fund 100 - General Fund	0	0	65,840	154,520	677,584
Fund 600 - Ranchero Undercrossing	0	677,944	0	0	0
Total Transfers In	0	677,944	65,840	154,520	677,584
Total Resources (Revenue Reserves and Transfers In)	\$ 924,391	\$ 1,468,478	\$ 1,592,780	\$ 1,005,218	\$ 2,348,617
Total Expenditures	\$ 7,871,661	\$ 1,509,959	\$ 1,142,191	\$ 625,517	\$ 752,255
<u>Transfers Out</u>					
Fund 100 - General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund 401 - City Debt Service	98,153	106,000	0	0	0
Fund 403 - 2005 COP Refinance	0	212,000	154,520	154,520	677,584
Total Transfers Out	\$ 98,153	\$ 318,000	\$ 154,520	\$ 154,520	\$ 677,584
Total Expenditures and Transfers Out	\$ 7,969,814	\$ 1,827,959	\$ 1,296,711	\$ 780,037	\$ 1,429,839
Difference Total Resources and Expenditures and Transfers Out	\$ (7,045,423)	\$ (359,481)	\$ 296,069	\$ 225,181	\$ 918,778
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 17,784,794	\$ 10,739,371	\$ 10,288,227	\$ 10,379,890	\$ 10,605,071
Residual Equity Transfer	0	0	0	0	0
Budgeted Reserves	0	0	(16,880)	0	0
Difference Total Resources and Expenditures and Transfers Out	(7,045,423)	(359,481)	296,069	225,181	918,778
June 30th Ending Balance	\$ 10,739,371	\$ 10,379,890	\$ 10,567,416	\$ 10,605,071	\$ 11,523,849
Less: Land Held For Resale	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)
June 30th Ending Operating Fund Balance	\$ 3,237,734	\$ 2,878,253	\$ 3,065,779	\$ 3,103,434	\$ 4,022,212

Note: Rates for Development Impact Fees were approved in total as a group (Streets, Storm Drainage, Fire, Police, and Public Services). Therefore, any temporary deficit in one Development Impact Fee fund will be offset by the overall surplus of the Development Impact Fee funds taken as a whole.

FUND BALANCE SUMMARY

Development Impact - Streets Fund 300

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 649,825	\$ 634,235	\$ 1,129,794	\$ 719,342	\$ 1,345,528
Budgeted Reserves	0	0	12,206	0	0
<u>Transfers In</u>					
Transfers In	0	677,944	0	0	0
Total Transfers In	0	677,944	0	0	0
Total Resources (Revenue Reserves and Transfers In)	\$ 649,825	\$ 1,312,179	\$ 1,142,000	\$ 719,342	\$ 1,345,528
Total Expenditures	\$ 7,766,219	\$ 1,363,414	\$ 1,142,000	\$ 625,322	\$ 750,000
<u>Transfers Out</u>					
Fund 100 - General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 7,766,219	\$ 1,363,414	\$ 1,142,000	\$ 625,322	\$ 750,000
Difference Total Resources and Expenditures and Transfers Out	\$ (7,116,394)	\$ (51,235)	\$ 0	\$ 94,020	\$ 595,528
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 14,159,760	\$ 7,043,366	\$ 6,908,679	\$ 6,992,131	\$ 7,086,151
Residual Equity Transfer	0	0	0	0	0
Budgeted Reserves	0	0	(12,206)	0	0
Difference Total Resources and Expenditures and Transfers Out	(7,116,394)	(51,235)	0	94,020	595,528
June 30th Ending Balance	\$ 7,043,366	\$ 6,992,131	\$ 6,896,473	\$ 7,086,151	\$ 7,681,679
Less: Land Held For Resale	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)	(7,501,637)
June 30th Ending Operating Fund Balance	\$ (458,271)	\$ (509,506)	\$ (605,164)	\$ (415,486)	\$ 180,042

Note: Rates for Development Impact Fees were approved in total as a group (Streets, Storm Drainage, Fire, Police, and Public Services). Therefore, any temporary deficit in one Development Impact Fee fund will be offset by the overall surplus of the Development Impact Fee funds taken as a whole.

FUND BALANCE SUMMARY

Development Impact - Storm Drainage Fund 301

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 88,035	\$ 89,001	\$ 153,759	\$ 100,236	\$ 182,206
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 88,035	\$ 89,001	\$ 153,759	\$ 100,236	\$ 182,206
Total Expenditures	\$ 0				
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0				
Difference Total Resources and Expenditures and Transfers Out	\$ 88,035	\$ 89,001	\$ 153,759	\$ 100,236	\$ 182,206
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 2,042,965	\$ 2,131,000	\$ 2,212,198	\$ 2,220,001	\$ 2,320,237
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	88,035	89,001	153,759	100,236	182,206
June 30th Ending Balance	\$ 2,131,000	\$ 2,220,001	\$ 2,365,957	\$ 2,320,237	\$ 2,502,443

FUND BALANCE SUMMARY

Development Impact - Fire Fund 302

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 91,000	\$ 32,700	\$ 109,846	\$ 15,889	\$ 70,015
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 91,000	\$ 32,700	\$ 109,846	\$ 15,889	\$ 70,015
Total Expenditures	\$ 105,442	\$ 146,545	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 105,442	\$ 146,545	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ (14,442)	\$ (113,845)	\$ 109,846	\$ 15,889	\$ 70,015
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 1,001,723	\$ 987,281	\$ 872,736	\$ 873,436	\$ 889,325
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(14,442)	(113,845)	109,846	15,889	70,015
June 30th Ending Balance	\$ 987,281	\$ 873,436	\$ 982,582	\$ 889,325	\$ 959,340

Note: During FY 2012-13 the City Council approved an 18 month temporary reduction of the Development Impact Fee - Fire, which had an original sunset of October 4, 2014 for qualifying residential development. During FY 2014-15, the City Council approved an additional 18 months, which will sunset **April 2, 2016**.

Itemized Fund Expenditures:

Defibrillators	\$ 44,588	\$ 0
Station 301 Temporary Trailers	60,854	613
5th Ambulance		145,932
	\$ 105,442	\$ 146,545

FUND BALANCE SUMMARY

Development Impact - Police Fund 303

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 26,298	\$ 9,560	\$ 32,464	\$ 4,647	\$ 20,564
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 26,298</u>	<u>\$ 9,560</u>	<u>\$ 32,464</u>	<u>\$ 4,647</u>	<u>\$ 20,564</u>
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Difference Total Resources and Expenditures and Transfers Out	<u>\$ 26,298</u>	<u>\$ 9,560</u>	<u>\$ 32,464</u>	<u>\$ 4,647</u>	<u>\$ 20,564</u>
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 230,823	\$ 257,121	\$ 267,611	\$ 266,681	\$ 271,328
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>26,298</u>	<u>9,560</u>	<u>32,464</u>	<u>4,647</u>	<u>20,564</u>
June 30th Ending Balance	\$ 257,121	\$ 266,681	\$ 300,075	\$ 271,328	\$ 291,892

Note: During FY 2012-13 the City Council approved an 18 month temporary reduction of the Development Impact Fee - Fire, which had an original sunset of October 4, 2014 for qualifying residential development. During FY 2014-15, the City Council approved an additional 18 months, which will sunset **April 2, 2016**.

FUND BALANCE SUMMARY

Development Impact - Public Services Fund 304

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 69,233	\$ 25,038	\$ 84,197	\$ 10,584	\$ 52,720
Budget Reserves	0	0	4,674	0	0
<u>Transfers In</u>					
Fund 100 - General Fund (Loan)	0	0	65,840	154,520	677,584
Total Transfers In	0	0	65,840	154,520	677,584
Total Resources (Revenue and Transfers In)	\$ 69,233	\$ 25,038	\$ 154,711	\$ 165,104	\$ 730,304
Total Expenditures	\$ 0	\$ 0	\$ 191	\$ 195	\$ 2,255
<u>Transfers Out</u>					
Fund 401 - City Debt Service	\$ 98,153	\$ 106,000	\$ 0	\$ 0	\$ 0
Fund 403 - 2005 COP Refinance	0	212,000	154,520	154,520	677,584
Total Transfers Out	\$ 98,153	\$ 318,000	\$ 154,520	\$ 154,520	\$ 677,584
Total Expenditures and Transfers Out	\$ 98,153	\$ 318,000	\$ 154,711	\$ 154,715	\$ 679,839
Difference Total Resources and Expenditures and Transfers Out	\$ (28,920)	\$ (292,962)	\$ 0	\$ 10,389	\$ 50,465
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 349,523	\$ 320,603	\$ 27,003	\$ 27,641	\$ 38,030
Budgeted Reserves	0	0	(4,674)	0	0
Difference Total Resources and Expenditures and Transfers Out	(28,920)	(292,962)	0	10,389	50,465
June 30th Ending Balance	\$ 320,603	\$ 27,641	\$ 22,329	\$ 38,030	\$ 88,495
Less: General Fund Loan	0	0	(65,840)	(154,520)	(677,584)
June 30th Ending Operating Fund Balance	\$ 320,603	\$ 27,641	\$ (43,511)	\$ (116,490)	\$ (589,089)

Note: During FY 2012-13 the City Council approved an 18 month temporary reduction of the Development Impact Fee - Fire, which had an original sunset of October 4, 2014 for qualifying residential development. During FY 2014-15, the City Council approved an additional 18 months, which will sunset **April 2, 2016**.

Note: Rates for Development Impact Fees were approved in total as a group (Streets, Storm Drainage, Fire, Police, and Public Services). Therefore, any temporary deficit in one Development Impact Fee fund will be offset by the overall surplus of the Development Impact Fee funds taken as a whole.

The June 30, 2016 ending operating fund balance, including factoring in the cumulative General Fund Loan of \$832,104, is **\$(743,609)**.

FUND BALANCE SUMMARY

2004 Streets Debt Service Fund 400

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 3,084	\$ 2,440	\$ 2,562	\$ 4,686	\$ 4,172
Budget Reserves	0	0	0	0	4,642,303
<u>Transfers In</u>					
Fund 205 - Gas Tax	\$ 450,000	\$ 450,000	\$ 625,000	\$ 625,000	\$ 0
Fund 206 - Gas Tax Swap	0	20,000	20,000	20,000	0
Fund 207 - LTF	250,000	250,000	2,805,000	2,805,000	0
Total Transfers In	\$ 700,000	\$ 720,000	\$ 3,450,000	\$ 3,450,000	\$ 0
Total Resources (Revenue and Transfers In)	\$ 703,084	\$ 722,440	\$ 3,452,562	\$ 3,454,686	\$ 4,646,475
Total Expenditures	\$ 728,526	\$ 823,343	\$ 792,500	\$ 740,650	\$ 4,646,475
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 728,526	\$ 823,343	\$ 792,500	\$ 740,650	\$ 4,646,475
Difference Total Resources and Expenditures and Transfers Out	\$ (25,442)	\$ (100,903)	\$ 2,660,062	\$ 2,714,036	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 2,155,870	\$ 2,130,428	\$ 2,028,197	\$ 2,029,525	\$ 4,743,561
Budgeted Reserves	0	0	0	0	(4,642,303)
Difference Total Resources and Expenditures and Transfers Out	(25,442)	(100,903)	2,660,062	2,714,036	0
June 30th Ending Balance	\$ 2,130,428	\$ 2,029,525	\$ 4,688,259	\$ 4,743,561	\$ 101,258
Less: Bond Reserves	(894,516)	(892,658)	(894,516)	(892,658)	0
June 30th Ending Operating Fund Balance	\$ 1,235,912	\$ 1,136,867	\$ 3,793,743	\$ 3,850,903	\$ 101,258

In FY 2014-15, a total of \$3,450,000 was transferred into Fund 400 - 2004 Streets Debt Service in order to pay off the 2004 Variable Rate Demand Revenue Bonds in FY 2015-16. This will result in the bonds being retired 8 years ahead of schedule due to this proposed prepayment as well as the prepayments that were made in previous years.

FUND BALANCE SUMMARY

City Debt Service Fund 401

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 3,526	\$ 1,101	\$ 0	\$ 0	\$ 0
Budget Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 100 - General Fund	\$ 14,343	\$ 15,490	\$ 0	\$ 0	\$ 0
Fund 304 - DIF Public Services	98,153	106,000	0	0	0
Fund 403 - 2005 COP Refinance	0	12,201,745	0	0	0
Total Transfers In	\$ 112,496	\$ 12,323,235	\$ 0	\$ 0	\$ 0
Total Resources (Revenue and Transfers In)	\$ 116,022	\$ 12,324,336	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 766,798	\$ 12,786,966	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 403 - DIF Public Services	0	1,854,040	0	0	0
Total Transfers Out	0	1,854,040	0	0	0
Total Expenditures and Transfers Out	\$ 766,798	\$ 14,641,006	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ (650,776)	\$ (2,316,670)	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 2,967,446	\$ 2,316,670	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
Residual Equity Transfer	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(650,776)	(2,316,670)	0	0	0
June 30th Ending Balance	\$ 2,316,670	\$ 0	\$ 0	\$ 0	\$ 0
Less: Bond Reserves	(1,293,095)	0	0	0	0
June 30th Ending Operating Fund Balance	\$ 1,023,575	\$ 0	\$ 0	\$ 0	\$ 0

Due to the refinancing of the 2005 Civic Plaza Certificates of Participation into the 2013 Civic Plaza Refunding Lease Revenue Bonds in November 2013, this fund was closed in FY 2013-14.

FUND BALANCE SUMMARY

Water Rights Acquisition Fund 402

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 54	\$ 146	\$ 100	\$ 150	\$ 17
Bond Proceeds	0	0	0	0	0
Budget Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 100 - General Fund	\$ 2,114,331	\$ 1,345,475	\$ 1,453,575	\$ 1,453,575	\$ 1,449,550
Total Transfers In	\$ 2,114,331	\$ 1,345,475	\$ 1,453,575	\$ 1,453,575	\$ 1,449,550
Total Resources (Revenue and Transfers In)	\$ 2,114,385	\$ 1,345,621	\$ 1,453,675	\$ 1,453,725	\$ 1,449,567
Total Expenditures	\$ 662,200	\$ 1,339,656	\$ 1,453,575	\$ 1,453,575	\$ 1,449,550
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 662,200	\$ 1,339,656	\$ 1,453,575	\$ 1,453,575	\$ 1,449,550
Difference Total Resources and Expenditures and Transfers Out	\$ 1,452,185	\$ 5,965	\$ 100	\$ 150	\$ 17
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 0	\$ 1,452,185	\$ 1,452,285	\$ 1,458,150	\$ 1,458,300
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	1,452,185	5,965	100	150	17
June 30th Ending Balance	\$ 1,452,185	\$ 1,458,150	\$ 1,452,385	\$ 1,458,300	\$ 1,458,317
Less: Bond Reserves	(1,452,173)	(1,452,247)	(1,452,173)	(1,452,247)	(1,452,247)
June 30th Ending Operating Fund Balance	\$ 12	\$ 5,903	\$ 212	\$ 6,053	\$ 6,070

FUND BALANCE SUMMARY

2013 Civic Plaza Refinancing Fund 403

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 0	\$ 668	\$ 20	\$ 70,397	\$ 852
Bond Proceeds	0	12,445,000	0	0	0
Budget Reserves	0	0	635,480	559,553	0
<u>Transfers In</u>					
Fund 100 - General Fund	\$ 0	\$ 30,980	\$ 22,580	\$ 22,580	\$ 99,016
Fund 304 - DIF Public Services	0	212,000	154,520	154,520	677,584
Fund 401 - City Debt Service	0	1,854,040	0	0	0
Total Transfers In	\$ 0	\$ 2,097,020	\$ 177,100	\$ 177,100	\$ 776,600
Total Resources (Revenue and Transfers In)	\$ 0	\$ 14,542,688	\$ 812,600	\$ 807,050	\$ 777,452
Total Expenditures	\$ 0	\$ 541,229	\$ 812,600	\$ 807,050	\$ 776,600
<u>Transfers Out</u>					
Fund 401 - City Debt Service	0	12,201,745	0	0	0
Total Transfers Out	\$ 0	\$ 12,201,745	\$ 0	\$ 0	\$ 0
Total Expenditures and Transfers Out	\$ 0	\$ 12,742,974	\$ 812,600	\$ 807,050	\$ 776,600
Difference Total Resources and Expenditures and Transfers Out	\$ 0	\$ 1,799,714	\$ 0	\$ 0	\$ 852
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 0	\$ 0	\$ 1,793,761	\$ 1,799,714	\$ 1,240,161
Budgeted Reserves	0	0	(635,480)	(559,553)	0
Residual Equity Transfer	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	0	1,799,714	0	0	852
Adjustment For Budgetary Purposes					
June 30th Ending Balance	\$ 0	\$ 1,799,714	\$ 1,158,281	\$ 1,240,161	\$ 1,241,013
Less: Bond Reserves	0	(1,146,539)	(1,149,750)	(1,146,539)	(1,146,539)
June 30th Ending Operating Fund Balance	\$ 0	\$ 653,175	\$ 8,531	\$ 93,622	\$ 94,474

In November 2013, the 2005 variable rate Civic Plaza Certificates of Participation were refinanced into fixed rate 2013 Civic Plaza Refunding Lease Revenue Bonds.

FUND BALANCE SUMMARY

Fire Capital Fund 502

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 505,895	\$ 571,522	\$ 591,144	\$ 626,925	\$ 674,373
Budgeted Reserves	0	0	28,471	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue, Reserves and Transfers In)	\$ 505,895	\$ 571,522	\$ 619,615	\$ 626,925	\$ 674,373
Total Expenditures	\$ 0	\$ 0	\$ 619,615	\$ 230,000	\$ 129,000
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 0	\$ 619,615	\$ 230,000	\$ 129,000
Difference Total Resources and Expenditures and Transfers Out	\$ 505,895	\$ 571,522	\$ 0	\$ 396,925	\$ 545,373
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 3,962,934	\$ 4,468,829	\$ 5,047,696	\$ 5,040,351	\$ 5,437,276
Budgeted Reserves	0	0	(28,471)	0	0
Extraordinary Gain/(Loss)	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	505,895	571,522	0	396,925	545,373
June 30th Ending Balance	\$ 4,468,829	\$ 5,040,351	\$ 5,019,225	\$ 5,437,276	\$ 5,982,649

FUND BALANCE SUMMARY

High Desert Government Center Fund 503

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 7,280,160	\$ 12,678	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 100 - General Fund	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 7,280,160	\$ 12,678	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 7,711,226	\$ 0	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ (431,066)	\$ 12,678	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 418,388	\$ (12,678)	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(431,066)	12,678	0	0	0
June 30th Ending Balance	\$ (12,678)	\$ 0	\$ 0	\$ 0	\$ 0

This fund is shown in the CAFR as a fiduciary fund, however for budgetary purposes, it is shown as a capital project fund. The project was completed in FY 2012-13, and final retentions were released. A project reconciliation was completed in FY 2013-14 and the fund was closed.

FUND BALANCE SUMMARY

City Streets Projects Fund 504

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 1,644,950	\$ 740,933	\$ 2,712,783	\$ 0	\$ 2,735,283
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Transfers In	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	<u>\$ 1,644,950</u>	<u>\$ 740,933</u>	<u>\$ 2,712,783</u>	<u>\$ 0</u>	<u>\$ 2,735,283</u>
Total Expenditures	\$ 1,893,380	\$ 794,544	\$ 2,712,783	\$ 0	\$ 2,735,283
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	<u>\$ 1,893,380</u>	<u>\$ 794,544</u>	<u>\$ 2,712,783</u>	<u>\$ 0</u>	<u>\$ 2,735,283</u>
Difference Total Resources and Expenditures and Transfers Out	\$ (248,430)	\$ (53,611)	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 172,780	\$ (75,650)	\$ (60,816)	\$ (129,261)	\$ (129,261)
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	<u>(248,430)</u>	<u>(53,611)</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30th Ending Balance	\$ (75,650)	\$ (129,261)	\$ (60,816)	\$ (129,261)	\$ (129,261)

Note: This fund is showing a planned negative June 30th Ending Balance. This reflects the timing difference getting reimbursements from other governments on various projects being tracked within the fund.

Below are the capital projects in the FY 2015-16 Budget:

- CO 6523 - Park and Ride Facility
- CO 7094 - Rancher Road Improvements-7th Avenue to Mariposa Road
- CO 7091 - H-01 Drainage Facility - Section 3A (Third Avenue to Fourth Avenue)
- CO 7123 - Willow Street Paseo

FUND BALANCE SUMMARY

Industrial Park Lead Track Fund 506

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 586 - RDA CIP Area #1	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 100 - General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 210,784	\$ 0	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
Residual Equity Transfer	(210,784)	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	0	0	0	0	0
June 30th Ending Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

A project reconciliation was completed in FY 2012-13 and the fund was closed.

FUND BALANCE SUMMARY

Township Fund 507

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 263	\$ 216	\$ 230	\$ 236	\$ 222
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 586 - RDA CIP Area #1	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 263	\$ 216	\$ 230	\$ 236	\$ 222
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 263	\$ 216	\$ 230	\$ 236	\$ 222
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 91,972	\$ 92,235	\$ 92,410	\$ 92,451	\$ 92,687
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	263	216	230	236	222
June 30th Ending Balance	\$ 92,235	\$ 92,451	\$ 92,640	\$ 92,687	\$ 92,909

Staff will close out the fund upon final acceptance of the project, release of retention, and final reconciliation of the fund.

FUND BALANCE SUMMARY

Ranchero Road Undercrossing Fund 600

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 6,716,955	\$ 705,720	\$ 0	\$ 0	\$ 0
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
	0	0	0	0	0
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 6,716,955	\$ 705,720	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 6,716,955	\$ 27,776	\$ 0	\$ 0	\$ 0
<u>Transfers Out</u>					
Fund 300 - DIF Streets	0	677,944			
Total Transfers Out	0	677,944	0	0	0
Total Expenditures and Transfers Out	\$ 6,716,955	\$ 705,720	\$ 0	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Residual Equity Transfer	0	0	0	0	0
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	0	0	0	0	0
June 30th Ending Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

This fund was closed in FY 2013-14.

FUND BALANCE SUMMARY

Community Development Commission Fund 170

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 743,287	\$ 190,832	\$ 727,115	\$ 152,223	\$ 621,159
Budgeted Reserves	0	0	0	78,500	0
<u>Transfers In</u>					
Fund 100 - General Fund	250,000	0	0	0	0
Total Transfers In	250,000	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 993,287	\$ 190,832	\$ 727,115	\$ 230,723	\$ 621,159
Total Expenditures	\$ 436,949	\$ 424,633	\$ 346,253	\$ 413,510	\$ 563,605
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 436,949	\$ 424,633	\$ 346,253	\$ 413,510	\$ 563,605
Difference Total Resources and Expenditures and Transfers Out	\$ 556,338	\$ (233,801)	\$ 380,862	\$ (182,787)	\$ 57,554
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 57,911	\$ 614,249	\$ 406,473	\$ 380,448	\$ 119,161
Budgeted Reserves	0	0	0	(78,500)	0
Difference Total Resources and Expenditures and Transfers Out	556,338	(233,801)	380,862	(182,787)	57,554
June 30th Ending Balance	\$ 614,249	\$ 380,448	\$ 787,335	\$ 119,161	\$ 176,715

FUND BALANCE SUMMARY

Hesperia Housing Authority Fund 370

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 203,017	\$ 297,148	\$ 410,951	\$ 165,721	\$ 1,281,570
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Fund 700 - Water Operations	0	0	1,200,000	1,200,000	0
Total Transfers In	0	0	1,200,000	1,200,000	0
Total Resources (Revenue and Transfers In)	\$ 203,017	\$ 297,148	\$ 1,610,951	\$ 1,365,721	\$ 1,281,570
Total Expenditures	\$ 293,542	\$ 480,619	\$ 582,884	\$ 285,477	\$ 639,564
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 293,542	\$ 480,619	\$ 582,884	\$ 285,477	\$ 639,564
Difference Total Resources and Expenditures and Transfers Out	\$ (90,525)	\$ (183,471)	\$ 1,028,067	\$ 1,080,244	\$ 642,006
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 43,538,125	\$ 16,591,710	\$ 17,710,354	\$ 16,408,239	\$ 17,488,483
Budgeted Reserves	0	0	0	0	0
Extraordinary Gain/(Loss)	(26,855,890)	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(90,525)	(183,471)	1,028,067	1,080,244	642,006
June 30th Ending Balance	\$ 16,591,710	\$ 16,408,239	\$ 18,738,421	\$ 17,488,483	\$ 18,130,489
Less: Loans/Notes Receivables	(17,715,591)	(1,200,000)	0	0	0
Land Held For Resale	(10,269,457)	(10,269,457)	(10,269,457)	(10,269,457)	(10,269,457)
June 30th Ending Operating Fund Balance	\$ (11,393,338)	\$ 4,938,782	\$ 8,468,964	\$ 7,219,026	\$ 7,861,032

The Extraordinary Gain/(Loss) of (\$26,855,890) in the FY 2012-13 Actual is from a State of California mandated elimination of prior loans and a mandated disbursement to the County Auditor Controller.

The Transfer In of \$1,200,000 from Fund 700 - Water Operations in the FY 2013-14 Revised and the FY 2014-15 Budget represent the annual principal payments of the June 2010 5-year loan to the Hesperia Water District. The \$1,200,000 is considered as 'one-time' revenue as the final year to receive the repayment is FY 2014-15. The \$1,200,000 is a budgetary basis adjustment because in the Comprehensive Annual Financial Report the loan is shown on the balance sheet as a loan receivable and is reduced by the annual payments, and is not reflected as revenue.

FUND BALANCE SUMMARY

VVEDA Housing Authority Fund 371

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 333,952	\$ 159,570	\$ 3,730	\$ 4,416	\$ 104,671
Budgeted Reserves	0	0	221,270	705,584	75,329
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Transfers In)	\$ 333,952	\$ 159,570	\$ 225,000	\$ 710,000	\$ 180,000
Total Expenditures	\$ 0	\$ 157,469	\$ 225,000	\$ 710,000	\$ 180,000
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 157,469	\$ 225,000	\$ 710,000	\$ 180,000
Difference Total Resources and Expenditures and Transfers Out	\$ 333,952	\$ 2,101	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 1,360,943	\$ 1,694,895	\$ 1,854,114	\$ 1,696,996	\$ 991,412
Budgeted Reserves	0	0	(221,270)	(705,584)	(75,329)
Extraordinary Gain/(Loss)	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	333,952	2,101	0	0	0
June 30th Ending Balance	\$ 1,694,895	\$ 1,696,996	\$ 1,632,844	\$ 991,412	\$ 916,083

FUND BALANCE SUMMARY

Fire District Fund 200

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 8,447,742	\$ 10,403,791	\$ 10,187,668	\$ 10,395,208	\$ 9,995,641
Budgeted Reserves	0	0	325,000	393,477	0
<u>Transfers In</u>					
Total Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Resources (Revenue and Budgeted Reserves)	\$ 8,447,742	\$ 10,403,791	\$ 10,512,668	\$ 10,788,685	\$ 9,995,641
Total Expenditures	\$ 8,511,763	\$ 10,364,725	\$ 11,301,328	\$ 11,222,650	\$ 9,984,121
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 8,511,763	\$ 10,364,725	\$ 11,301,328	\$ 11,222,650	\$ 9,984,121
Difference Total Resources and Expenditures and Transfers Out	\$ (64,021)	\$ 39,066	\$ (788,660)	\$ (433,965)	\$ 11,520
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 1,381,757	\$ 1,317,736	\$ 1,233,721	\$ 1,356,802	\$ 529,360
Budgeted Reserves	0	0	(325,000)	(393,477)	0
Difference Total Resources and Expenditures and Transfers Out	(64,021)	39,066	(788,660)	(433,965)	11,520
June 30th Ending Balance	\$ 1,317,736	\$ 1,356,802	\$ 120,061	\$ 529,360	\$ 540,880

FUND BALANCE SUMMARY

Water District Funds Combined (700, 701, 710, 711)

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 21,678,838	\$ 20,793,648	\$ 21,346,913	\$ 20,833,495	\$ 19,914,149
Budgeted Reserves	0	0	720,197	354,706	728,529
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 21,678,838</u>	<u>\$ 20,793,648</u>	<u>\$ 22,067,110</u>	<u>\$ 21,188,201</u>	<u>\$ 20,642,678</u>
Total Expenditures	\$ 20,898,410	\$ 21,958,639	\$ 21,252,830	\$ 20,425,380	\$ 19,544,029
<u>Transfers Out</u>					
Total Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Transfers Out	<u>\$ 20,898,410</u>	<u>\$ 21,958,639</u>	<u>\$ 21,252,830</u>	<u>\$ 20,425,380</u>	<u>\$ 19,544,029</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 780,428	\$ (1,164,991)	\$ 814,280	\$ 762,821	\$ 1,098,649
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 77,506,411	\$ 78,286,839	\$ 78,151,968	\$ 88,851,308	\$ 89,259,423
Budgeted Reserves	0	0	(720,197)	(354,706)	(728,529)
Prior period adjustment	0	11,729,460	0	0	0
Difference Total Resources and Expenditures and Transfers Out	780,428	(1,164,991)	814,280	762,821	1,098,649
Adjustment for Budgetary Purposes	0	0	0	0	0
June 30th Ending Balance	<u>\$ 78,286,839</u>	<u>\$ 88,851,308</u>	<u>\$ 78,246,051</u>	<u>\$ 89,259,423</u>	<u>\$ 89,629,543</u>

FUND BALANCE SUMMARY

Water District - Water Operations Fund 700

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 18,014,750	\$ 16,941,973	\$ 17,585,741	\$ 16,726,878	\$ 15,785,926
Budgeted Reserves	0	0	238,570	166,570	708,529
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	\$ 18,014,750	\$ 16,941,973	\$ 17,824,311	\$ 16,893,448	\$ 16,494,455
Total Expenditures	\$ 18,046,771	\$ 19,014,005	\$ 17,806,065	\$ 17,370,588	\$ 16,359,629
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 18,046,771	\$ 19,014,005	\$ 17,806,065	\$ 17,370,588	\$ 16,359,629
Difference Total Resources and Expenditures and Transfers Out	\$ (32,021)	\$ (2,072,032)	\$ 18,246	\$ (477,140)	\$ 134,826
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 72,917,933	\$ 72,885,912	\$ 72,564,926	\$ 83,964,708	\$ 83,320,998
Budgeted Reserves	0	0	(238,570)	(166,570)	(708,529)
Prior period adjustment	0	11,729,460	0	0	0
Difference Total Resources and Expenditures and Transfers Out	(32,021)	(2,072,032)	18,246	(477,140)	134,826
Adjustment for Budgetary Purposes	0	1,421,368	0	0	0
June 30th Ending Balance	\$ 72,885,912	\$ 83,964,708	\$ 72,344,602	\$ 83,320,998	\$ 82,747,295

Note: Because Water and Sewer are proprietary funds, the expenditures for actual shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

FUND BALANCE SUMMARY

Water District - Water Capital Fund 701

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 157,211	\$ 329,877	\$ 218,000	\$ 422,000	\$ 396,000
Budgeted Reserves	0	0	0	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	\$ 157,211	\$ 329,877	\$ 218,000	\$ 422,000	\$ 396,000
Total Expenditures	\$ 0	\$ 0	\$ 40,000	\$ 16,200	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 0	\$ 40,000	\$ 16,200	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 157,211	\$ 329,877	\$ 178,000	\$ 405,800	\$ 396,000
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ (11,762,019)	\$ (11,604,808)	\$ (12,058,645)	\$ (12,696,299)	\$ (12,290,499)
Budgeted Reserves	0	0	0	0	0
Difference Total Resources and Expenditures and Transfers Out	157,211	329,877	178,000	405,800	396,000
Adjustment for Budgetary Purposes	0	(1,421,368)	0	0	0
June 30th Ending Balance	\$ (11,604,808)	\$ (12,696,299)	\$ (11,880,645)	\$ (12,290,499)	\$ (11,894,499)

Note: The combined Water Operating and Water Capital fund balances are available in the event that either fund projects a negative June 30th ending fund balance.

The Water Capital fund is decreasing its negative fund balance in FY 2014-15 while incurring more (though less than FY 2013-14) water line relocation expenses related to the Interstate 15/Ranchero Road interchange project. Although the project was originally slated to be performed by Water staff, upon further review, a decision was made to publically bid the project, in compliance with the public contract code, which increased the cost substantially.

FUND BALANCE SUMMARY

Water District - Sewer Operations Fund 710

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 3,424,637	\$ 3,430,885	\$ 3,486,663	\$ 3,431,849	\$ 3,530,215
Budgeted Reserves	0	0	188,136	188,136	20,000
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 3,424,637</u>	<u>\$ 3,430,885</u>	<u>\$ 3,674,799</u>	<u>\$ 3,619,985</u>	<u>\$ 3,550,215</u>
Total Expenditures	\$ 2,851,639	\$ 2,944,634	\$ 3,056,765	\$ 3,038,592	\$ 3,184,400
<u>Transfers Out</u>					
Total Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and Transfers Out	<u>\$ 2,851,639</u>	<u>\$ 2,944,634</u>	<u>\$ 3,056,765</u>	<u>\$ 3,038,592</u>	<u>\$ 3,184,400</u>
Difference Total Resources and Expenditures and Transfers Out	\$ 572,998	\$ 486,251	\$ 618,034	\$ 581,393	\$ 365,815
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 12,783,487	\$ 13,356,485	\$ 14,092,863	\$ 13,842,736	\$ 14,235,993
Budgeted Reserves	0	0	(188,136)	(188,136)	(20,000)
Difference Total Resources and Expenditures and Transfers Out	572,998	486,251	618,034	581,393	365,815
June 30th Ending Balance	<u>\$ 13,356,485</u>	<u>\$ 13,842,736</u>	<u>\$ 14,522,761</u>	<u>\$ 14,235,993</u>	<u>\$ 14,581,808</u>

Note: Because Water and Sewer are proprietary funds, the expenditures for actuals shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

FUND BALANCE SUMMARY

Water District - Sewer Capital Fund 711

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 82,240	\$ 90,913	\$ 56,509	\$ 252,768	\$ 202,008
Budgeted Reserves	0	0	293,491	0	0
<u>Transfers In</u>					
Total Transfers In	0	0	0	0	0
Total Resources (Revenue and Budgeted Reserves)	\$ 82,240	\$ 90,913	\$ 350,000	\$ 252,768	\$ 202,008
Total Expenditures	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0
<u>Transfers Out</u>					
Total Transfers Out	0	0	0	0	0
Total Expenditures and Transfers Out	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0
Difference Total Resources and Expenditures and Transfers Out	\$ 82,240	\$ 90,913	\$ 0	\$ 252,768	\$ 202,008
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 3,567,010	\$ 3,649,250	\$ 3,552,824	\$ 3,740,163	\$ 3,992,931
Budgeted Reserves	0	0	(293,491)	0	0
Difference Total Resources and Expenditures and Transfers Out	82,240	90,913	0	252,768	202,008
June 30th Ending Balance	\$ 3,649,250	\$ 3,740,163	\$ 3,259,333	\$ 3,992,931	\$ 4,194,939

Note: Because Water and Sewer are proprietary funds, the expenditures for actuals shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

FUND BALANCE SUMMARY

TOTAL ALL FUNDS

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Revised	2015-16 Budget
Total Revenue	\$ 79,206,192	\$ 68,669,197	\$ 71,152,071	\$ 66,508,050	\$ 72,104,386
Bond Proceeds	26,847,377	12,445,000	0	0	0
Budgeted Reserves	0	0	9,539,560	8,774,390	11,412,205
<u>Transfers In</u>					
Total Transfers In	8,299,076	22,503,716	12,009,206	11,747,886	8,274,353
Total Resources (Revenue and Budgeted Reserves)	<u>\$ 114,352,645</u>	<u>\$ 103,617,913</u>	<u>\$ 92,700,837</u>	<u>\$ 87,030,326</u>	<u>\$ 91,790,944</u>
Total Expenditures	\$ 115,214,711	\$ 85,181,080	\$ 78,424,185	\$ 72,064,118	\$ 80,556,566
<u>Transfers Out</u>					
Total Transfers Out	6,432,019	20,618,002	8,942,843	8,681,523	6,294,038
Difference Total Resources and Expenditures and Transfers Out	<u>\$ 121,646,730</u>	<u>\$ 105,799,082</u>	<u>\$ 87,367,028</u>	<u>\$ 80,745,641</u>	<u>\$ 86,850,604</u>
Difference Total Resources and Transfers Out	\$ (7,294,085)	\$ (2,181,169)	\$ 5,333,809	\$ 6,284,685	\$ 4,940,340
<u>FUND BALANCE</u>					
July 1st Beginning Balance	\$ 177,953,002	\$ 143,592,243	\$ 144,586,434	\$ 153,140,534	\$ 150,650,829
Budgeted Reserves	0	0	(9,539,560)	(8,774,390)	(11,412,205)
Prior Period Adjustment	0	11,729,460	0	0	0
Residual Equity Transfer	(210,784)	0	0	0	0
Extraordinary Gain/(Loss)	(26,855,890)	0	0	0	0
Difference Total Resources and Transfers Out	(7,294,085)	(2,181,169)	5,333,809	6,284,685	4,940,340
Adjustment for Budgetary Purposes	0	0	0	0	0
June 30th Ending Balance	<u>\$ 143,592,243</u>	<u>\$ 153,140,534</u>	<u>\$ 140,380,683</u>	<u>\$ 150,650,829</u>	<u>\$ 144,178,964</u>

Note: Because Water and Sewer are proprietary funds, the expenditures for actuals shown in Sections 'D' and 'F' are on a budgetary basis and will not trace to the above numbers.

S U P P L E M E N T A L

I N F O R M A T I O N

- *Budget Adoption Resolutions – The following eight resolutions were approved by the City Council to adopt the Fiscal Year 2015-16 Budget and Gann Appropriations Limits for the City and its subsidiary districts:*
 - ▶ *Resolution No. 2015-017 - Adopting the City General Fund and Other Related Funds Fiscal Year 2015-16 Budget.*
 - ▶ *Resolution No. 2015-018 - Adopting the City of Hesperia Gann Appropriations Limit for Fiscal Year 2015-16.*
 - ▶ *Resolution No. HHA 2015-04 – Adopting the Hesperia Housing Authority Fiscal Year 2015-16 Budget.*
 - ▶ *Resolution No. CDC 2015-05 – Adopting the Hesperia Community Development Commission Fiscal Year 2015-16 Budget.*
 - ▶ *Resolution No. HFPD 2015-09 - Adopting the Hesperia Fire Protection District for Fiscal Year 2015-16 Budget.*
 - ▶ *Resolution No. HFPD 2015-10 - Adopting the Hesperia Fire Protection District Gann Appropriations Limit for Fiscal Year 2015-16.*
 - ▶ *Resolution No. HWD 2015-07 - Adopting the Hesperia Water District Fiscal Year 2015-16 Budget.*
- *City of Hesperia - General and Administrative Allocation Plan Fiscal Year 2015-16*
- *Significant Accounting Policies*
- *List of Acronyms*
- *Glossary*
- *Index*

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTAL INFORMATION SECTION

RESOLUTION NO. 2015-017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,
CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2015-16 BUDGET

WHEREAS, the City Manager has prepared the proposed operating and capital budget for Fiscal Year 2015-16 for the City of Hesperia; and

WHEREAS, the City Council has received the Fiscal Year 2015-16 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 2015-16.

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 2015-16 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 2015-16, which includes:

Section 2a. City General Fund expenditures of \$27,522,987 with total resources (revenue, budgeted reserves, and transfers) of \$27,609,607.

Section 2b. Other City funds expenditures of \$22,122,260 are from the following funds, exclusive of transfers:

<u>Fund No.</u>	<u>Fund Name</u>	<u>Expenditure</u>
204	Measure I - Renewal	\$ 4,283,000
205	Gas Tax	520,438
207	Local Transportation Fund (LTF)	1,077,500
251	CDBG Administration	1,314,792
253	CDBG Revolving Loan	311,185
254	Air Quality Management District (AQMD) Fund	80,000
256	Beverage Recycling Grant	115,892
257	Neighborhood Stabilization Program (NSP)	586,797
260	Disaster Preparedness Grant	18,183
263	Street Maintenance Fund	3,325,310
300	Development Impact Fee (DIF) - Streets	750,000
304	DIF - Public Services	2,255
400	2004 Streets Debt Service	4,646,475
402	Water Rights Acquisition	1,449,550
403	2013 Civic Plaza Refinancing	776,600
502	Fire Capital	129,000
504	City Streets Projects	2,735,283
	Total	<u>\$22,122,260</u>

SUPPLEMENTAL INFORMATION SECTION

Resolution No. 2015-017
Page 2

Section 3. That the City Manager and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2015-16 Budget and consistent with the policy adopted by the City Council.

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

ADOPTED AND APPROVED this 16th day of June 2015.

ATTEST:



Melinda Sayre-Castro, City Clerk



Eric Schmidt, Mayor

SUPPLEMENTAL INFORMATION SECTION

RESOLUTION NO. 2015-018

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,
CALIFORNIA, APPROVING THE FISCAL YEAR 2014-15 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 2015-16, 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 2015-16 Article XIII B Limit (Gann Appropriations Limitation) of \$76,469,105 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 16th day of June 2015.



Eric Schmidt, Mayor

ATTEST:



Melinda Sayre-Castro, City Clerk

**CITY OF HESPERIA AND HESPERIA FIRE DISTRICT
SCHEDULE OF ANNUAL APPROPRIATIONS (GANN LIMITS)
FISCAL YEARS 1989/90 through 2015/16**

Fiscal Year	Change in		City Balance	City Gann Limit	Fire District Balance	Fire District Gann Limit	Total Gann
	Factor 1	Factor 2					
	Population	Per Capita Income					
1988/89	-	incorporation - LAFCO base amount		\$12,000,000			
1989/90	0.0000	0.0498	\$12,000,000	12,597,600	\$2,937,542	\$2,937,542	\$15,535,142
1990/91	1.0550	1.0421	12,597,600	13,850,003	3,229,581	3,229,581	17,079,584
1991/92	1.0829	1.080477	13,850,003	16,205,182	3,229,581	3,778,768	19,983,950
1992/93	1.0525	1.079359	16,205,182	18,409,492	4,292,775	4,292,775	22,702,267
1993/94	1.0392	1.150802	18,409,492	22,016,151	4,292,775	5,133,785	27,149,936
1994/95	1.0177	1.124327	22,016,151	25,191,496	5,133,785	5,874,221	31,065,717
1995/96	1.0120	1.0071	25,191,496	25,674,795	5,874,221	5,986,918	31,661,713
1996/97	1.0132	1.0467	25,674,795	27,228,531	5,986,918	6,349,222	33,577,753
1997/98	1.0042	1.0467	27,228,531	28,619,800	6,349,222	6,673,642	35,293,442
1998/99	1.0181	1.0415	28,619,800	30,347,034	6,673,642	7,076,403	37,423,437
1999/00	1.0138	1.0453	30,347,034	32,159,511	7,076,403	7,499,041	39,658,552
2000/01	1.0209	1.0491	32,159,511	34,443,672	7,499,041	8,031,668	42,475,340
2001/02	1.0189	1.0782	34,443,672	37,839,060	8,031,668	8,823,414	46,662,474
2002/03	1.0286	1.0873	37,839,060	38,426,965	8,823,414	8,960,503	47,387,468
2003/04	1.0362	1.0231	38,426,965	40,737,809	8,960,503	9,499,352	50,237,161
2004/05	1.0309	1.0328	40,737,809	43,374,116	9,499,352	10,114,093	53,488,209
2005/06	1.0759	1.0526	43,374,116	49,120,839	10,114,093	11,454,129	60,574,968
2006/07	1.0520	1.0396	49,120,839	53,721,448	11,454,129	12,526,911	66,248,359
2007/08	1.0705	1.0442	53,721,448	60,050,694	12,526,911	14,002,782	74,053,476
2008/09	1.0246	1.0429	60,050,694	64,167,469	14,002,782	14,962,743	79,130,212
2009/10	1.0106	1.0062	64,167,469	65,249,718	14,962,743	15,215,105	80,464,823
2010/11	1.0050	0.9746	65,249,718	63,910,337	15,215,105	14,902,785	78,813,122
2011/12	1.0065	1.0251	63,910,337	65,940,321	14,902,785	15,376,142	81,316,463
2012/13	1.0068	1.0377	65,940,321	68,891,546	15,376,142	16,064,317	84,955,863
2013/14	1.0061	1.0512	68,891,546	72,860,526	16,064,317	16,989,814	89,850,340
2014/15	1.0049	0.9977	72,860,526	73,049,162	16,989,814	17,033,801	90,082,963
2015/16	1.0083	1.0382	73,049,162	76,469,105	17,033,801	17,831,272	94,300,377

SUPPLEMENTAL INFORMATION SECTION

RESOLUTION HHA 2015-04

A RESOLUTION OF THE COMMISSIONERS OF THE HESPERIA HOUSING AUTHORITY, CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2015-16 BUDGET

WHEREAS, the Executive Director of the Hesperia Housing Authority has prepared the proposed operating budget for Fiscal Year 2015-16; and

WHEREAS, the Hesperia Housing Authority Commission has received the Fiscal Year 2015-16 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 2015-16.

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 2015-16 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 2015-16, which includes: budget expenditures totaling \$819,564, with revenue of \$1,386,241, budgeted reserves of \$75,329 for VVEDA Housing Authority Fund 371, and transfers of \$0 for total resources of \$1,461,570.

Section 3. That the Commission and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2015-16 Budget and consistent with the policy adopted by the Commissioners.

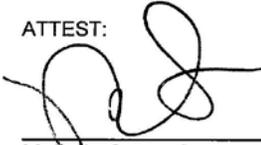
Section 4. That the Secretary of the Commission shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 16th day of June 2015.



Eric Schmidt, Chairman

ATTEST:



Melinda Sayre-Castro, Secretary

SUPPLEMENTAL INFORMATION SECTION

RESOLUTION CDC 2015-05

**A RESOLUTION OF THE HESPERIA COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HESPERIA, CALIFORNIA, ADOPTING THE
ANNUAL FISCAL YEAR 2015-16 BUDGET**

WHEREAS, the Executive Director of the Hesperia Community Development Commission has prepared the proposed operating budget for Fiscal Year 2015-16; and

WHEREAS, the Hesperia Community Development Commission has received the Fiscal Year 2015-16 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 2015-16.

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 2015-16 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 2015-16, which includes: budget expenditures totaling \$563,605, with revenue of \$621,159.

Section 3. That the Commission and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2015-16 Budget and consistent with the policy adopted by the Commissioners.

Section 4. 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 16th day of June 2015.



Eric Schmidt, Chairman

ATTEST:



Melinda Sayre-Castro, Secretary

SUPPLEMENTAL INFORMATION SECTION

RESOLUTION HFPD 2015-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT, CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2015-16 BUDGET

WHEREAS, the Executive Director has prepared the proposed operating budget for Fiscal Year 2015-16 for the Hesperia Fire Protection District; and

WHEREAS, the Board of Directors has received the Fiscal Year 2015-16 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 2015-16.

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 2015-16 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 2015-16 which includes: appropriated expenditures totaling \$9,984,121 and estimated revenue of \$9,995,641 and budgeted reserves of \$0, for total resources of \$9,995,641.

Section 3. That the Executive Director and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2015-16 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 16th day of June 2015.



Eric Schmidt, Chair

ATTEST:



Melinda Sayre-Castro, Secretary

SUPPLEMENTAL INFORMATION SECTION

RESOLUTION HFPD 2015-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HESPERIA FIRE PROTECTION DISTRICT, HESPERIA, CALIFORNIA, APPROVING THE FISCAL YEAR 2015-16 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 2015-16, 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 2015-16 Article XIII B Limit (Gann Appropriations Limitation) of \$17,831,272 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 16th day of June 2015.



Eric Schmidt, Chair

ATTEST:



Melinda Sayre-Castro, Secretary

**CITY OF HESPERIA AND HESPERIA FIRE DISTRICT
SCHEDULE OF ANNUAL APPROPRIATIONS (GANN LIMITS)
FISCAL YEARS 1989/90 through 2015/16**

Fiscal Year	Change In Factor 1	Factor 2	Population	Income	Per Capita	Calculation	City Balance	City Gann Limit	Fire District Balance	Fire District Gann Limit	Total Gann
1988/90	-	incorporation	-	LAFCO base amount							
1989/90	0.0000	0.0498	1.0498	\$12,000,000	\$12,000,000	\$12,000,000	12,597,600	\$2,937,542	\$2,937,542	\$2,937,542	\$15,535,142
1990/91	1.0550	1.0421	1.099416	13,850,003	13,850,003	13,850,003	16,205,182	3,229,581	3,229,581	3,229,581	17,079,584
1991/92	1.0829	1.080477	1.170049	16,205,182	16,205,182	16,205,182	18,409,492	3,778,768	3,778,768	3,778,768	19,983,950
1992/93	1.0525	1.079359	1.136025	18,409,492	18,409,492	18,409,492	22,016,151	4,292,775	4,292,775	4,292,775	22,702,267
1993/94	1.0392	1.150802	1.195913	22,016,151	22,016,151	22,016,151	25,191,496	5,133,785	5,133,785	5,133,785	27,149,936
1994/95	1.0177	1.124327	1.144228	25,191,496	25,191,496	25,191,496	27,228,531	5,874,221	5,874,221	5,874,221	31,065,717
1995/96	1.0120	1.0071	1.019185	25,674,795	25,674,795	25,674,795	28,619,800	6,349,222	6,349,222	6,349,222	31,661,713
1996/97	1.0132	1.0467	1.060516	27,228,531	27,228,531	27,228,531	30,347,034	7,076,403	7,076,403	7,076,403	33,577,753
1997/98	1.0042	1.0467	1.051096	28,619,800	28,619,800	28,619,800	32,159,511	7,499,041	7,499,041	7,499,041	35,293,442
1998/99	1.0181	1.0415	1.060351	30,347,034	30,347,034	30,347,034	34,443,672	8,031,668	8,031,668	8,031,668	37,423,437
1999/00	1.0138	1.0453	1.059725	32,159,511	32,159,511	32,159,511	37,839,060	8,823,414	8,823,414	8,823,414	42,475,340
2000/01	1.0209	1.0491	1.071026	34,443,672	34,443,672	34,443,672	40,737,809	8,960,503	8,960,503	8,960,503	46,662,474
2001/02	1.0189	1.0782	1.098578	37,839,060	37,839,060	37,839,060	43,374,116	9,499,352	9,499,352	9,499,352	50,237,161
2002/03	1.0286	0.9873	1.015537	38,426,965	38,426,965	38,426,965	49,120,839	10,114,093	10,114,093	10,114,093	53,488,209
2003/04	1.0362	1.0231	1.060136	40,737,809	40,737,809	40,737,809	53,721,448	11,454,129	11,454,129	11,454,129	60,574,968
2004/05	1.0309	1.0328	1.064714	43,374,116	43,374,116	43,374,116	60,050,694	12,526,911	12,526,911	12,526,911	66,248,359
2005/06	1.0759	1.0526	1.132492	49,120,839	49,120,839	49,120,839	64,167,469	14,002,782	14,002,782	14,002,782	74,053,476
2006/07	1.0520	1.0396	1.093659	53,721,448	53,721,448	53,721,448	65,249,718	14,962,743	14,962,743	14,962,743	79,130,212
2007/08	1.0705	1.0442	1.117816	60,050,694	60,050,694	60,050,694	65,249,718	15,215,105	15,215,105	15,215,105	80,464,823
2008/09	1.0246	1.0429	1.068555	64,167,469	64,167,469	64,167,469	68,891,546	16,064,317	16,064,317	16,064,317	84,955,863
2009/10	1.0106	1.0062	1.018866	65,249,718	65,249,718	65,249,718	72,860,526	16,989,814	16,989,814	16,989,814	89,850,340
2010/11	1.0050	0.9746	0.979473	65,910,337	65,910,337	65,910,337	73,049,162	17,033,801	17,033,801	17,033,801	90,082,963
2011/12	1.0065	1.0251	1.031763	68,891,546	68,891,546	68,891,546	76,469,105	17,831,272	17,831,272	17,831,272	94,300,377
2012/13	1.0068	1.0377	1.044756	72,860,526	72,860,526	72,860,526					
2013/14	1.0061	1.0512	1.057612								
2014/15	1.0049	0.9977	1.002589								
2015/16	1.0083	1.0382	1.046817								

SUPPLEMENTAL INFORMATION SECTION

RESOLUTION HWD 2015-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HESPERIA WATER DISTRICT, CITY OF HESPERIA, CALIFORNIA, ADOPTING THE ANNUAL FISCAL YEAR 2015-16 BUDGET

WHEREAS, the General Manager has prepared the proposed operating and capital budget for Fiscal Year 2015-16 for the Hesperia Water District; and

WHEREAS, the Board of Directors has received the Fiscal Year 2015-16 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 2015-16.

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 2015-16 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 2015-16 which includes: water expenditures of \$16,359,629, and water revenues and budgeted reserves or total resources totaling \$16,890,455, and also sewer expenditures of \$3,184,400, and sewer revenue and budgeted reserves or total resources totaling \$3,752,223, for combined estimated District resources of \$20,642,678 and appropriated expenditures of \$19,544,029.

Section 3. That the General Manager and department head staff shall have the authority to transfer funds as incorporated in the Fiscal Year 2015-16 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 16th day of June 2015.



Eric Schmidt, Chair

ATTEST:



Melinda Sayre-Castro, Secretary

SUPPLEMENTAL INFORMATION SECTION

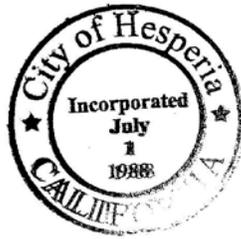
STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HESPERIA)

I, Melinda Sayre-Castro, City Clerk of the City of Hesperia, California, Secretary to the Hesperia Water District, Hesperia Fire Protection District, Hesperia Housing Authority, and Hesperia Community Development Commission, do hereby certify that Resolution Nos. 2015-017, 2015-018, HHA 2015-04, CDC 2015-05, HFPD 2015-09, HFPD 2015-10, and HWD 2015-07 were duly adopted by the City Council of the City of Hesperia, California at a Regular Meeting thereof held on the 16th day of June, 2015 by the following vote to wit:

AYES: Holland, Schmidt, Leonard, Russ, and Blewett
NOES: None
ABSTAIN: None
ABSENT: None



Melinda Sayre-Castro
City Clerk



I, _____, City Clerk of the City of Hesperia, California, do hereby certify that the foregoing Resolution Nos. 2015-017, 2015-018, HHA 2015-04, CDC 2015-05, HFPD 2015-09, HFPD 2015-10, and HWD 2015-07, are full, true and correct copies of that now on 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-Castro
City Clerk

SUPPLEMENTAL INFORMATION SECTION

City of Hesperia

Total Indirect Cost Allocation for Fiscal Year 2015-16

Fund	Department	Central Service Departments							Allocation Percentage	Total Allocation
		City Council	City Attorney	City Manager	Finance	Human Resources/ Risk Mgmt	Information Technology	Public Works - Building Maintenance		
	Operating Departments									
100	Police	\$ 8,585	\$ 25,950	\$ 29,147	\$ 216,405	\$ 20,418	\$ 72,629	\$ 243,175	9.59%	\$ 616,309
200	Fire District	3,532	9,846	12,013	169,640	7,747	21,829	9,246	3.64%	233,853
100	Planning	16,361	10,823	54,852	23,632	57,946	69,292	24,149	4.00%	257,055
100	Building and Safety	14,599	12,415	48,738	36,139	57,617	103,019	22,332	4.59%	294,859
100	Code Compliance	37,646	31,637	124,421	111,746	182,541	156,957	106,426	11.69%	751,374
100	Public Works (PW) - Engineering	42,952	34,490	141,974	147,212	207,720	197,255	47,530	12.74%	819,133
263	PW - Street Maintenance	12,093	14,188	40,792	68,604	36,208	137,148	27,938	5.24%	336,971
700	Water Operations	112,768	112,204	373,261	556,486	531,431	412,402	418,823	39.15%	2,517,375
710	Sewer Operations	8,176	7,592	27,167	54,509	35,632	39,480	7,759	2.80%	180,315
170 & 370	CDC & HHA	10,768	33,482	22,139	58,127	20,622	80,370	28,907	3.96%	254,415
251	CDBG	8,755	7,372	29,039	57,202	39,507	19,455	6,641	2.61%	167,971
Total		\$ 276,235	\$ 299,999	\$ 903,543	\$ 1,499,702	\$ 1,197,389	\$ 1,309,836	\$ 736,758	100.00%	\$ 6,429,630

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 2015-16 Budget.

Indirect Cost Allocation to be Charged During FY 2015-16

Water Operating (Management Determination)	\$	1,800,000
Sewer Operating		180,315
Total to Transferred to the General Fund	\$	1,980,315

G&A Expense (7890)	
700-29-400-4070-7890	\$ 1,800,000
710-29-420-4200-7890	180,315
	\$ 1,980,315

G&A Recovery (5820)	
100-19-220-0000-5820	\$ 1,980,315
	\$ 1,980,315

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.

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.

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 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.

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.

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.

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.

SUPPLEMENTAL INFORMATION SECTION

GLOSSARY OF TERMS (Continued)

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.

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.

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.

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.

SUPPLEMENTAL INFORMATION SECTION

GLOSSARY OF TERMS (Continued)

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).

SUPPLEMENTAL INFORMATION SECTION

INDEX

Accounting Policies, Significant	J-15
Acronyms, List of	J-17
Animal Control, Development Services	F-64
Budget Calendar	V
Budget Process	V
Budget Summaries Overview	A-3
Building and Safety, Development Services	F-57
Building Maintenance	F-80
Capital Improvement Program Project Summary	G-3
Capital Improvement Program Project Listing	G-10
Charts and Graphs:	
Summarized Departmental Expenditures	A-9
Summarized General Fund Revenue	A-5
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 Other 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-15
Total Expenditures By Department	D-4
Total Expenditures By Major Expenditure Account	D-6
Total General Fund Expenditures By Department	D-8
Total General Fund Expenditures By Major Expenditure Account	D-10
2015-16 Budget Full-Time and Part-Time Positions By Department	E-8
2015-16 Budget Full-Time Positions By Department	E-9
2015-16 Budget Total Principal and Interest Debt Service Payments	H-5
City Attorney	F-5
City Council	F-2
City Manager	F-6
Code Enforcement, Development Services	F-62
Community Development, Development Services	F-52
Community Development Block Grant	F-41
Debt Service	H-3
Demographics	A-37
Development Services	F-52
Community Development	F-52
Animal Control	F-64
Building & Safety	F-57
Code Enforcement	F-62
Planning	F-54
Public Works	F-68
Sewer	F-110
Water	F-82

SUPPLEMENTAL INFORMATION SECTION

INDEX

Economic Development	F-26
Community Development Block Grant	F-39
Community Development Commission	F-28
Housing Authority	F-33
Low/Moderate Housing	F-37
Public Works	F-68
Building Maintenance	F-80
Engineering	F-75
Street Maintenance	F-71
Water District	F-82
Sewer	F-110
Water	F-82
Expenditure Summary by Category – General Fund	D-10
Expenditure Summary by Department – General Fund	D-8
Financial Policies	K-3
Fire District	F-122
Fund Balance Summaries	I-2
GANN Appropriation Limit	J-5
General and Administrative Allocation Plan	J-14
Glossary of Terms	J-19
History, City of Hesperia	A-35
Information Technology	F-13
Management Services	F-16
Finance	F-18
Human Resources/Risk Management	F-22
Mission Statement	A-29
Organizational Chart	A-33
Personnel Allocation by Department	E-8
Planning, Development Services	F-54
Police	F-116
Public Works, Development Services	F-68
Resolutions Adopting the FY 2015-16 Annual Operating Budget	J-2
Revenues and Comparisons, General Fund	C-19
Sewer, Development Services	F-110
Street Maintenance, Development Services	F-71
Water, Development Services	F-82

FINANCIAL POLICIES

- *Financial Policies*
- *Financial Policies Resolutions – The following five resolutions were approved by the City Council to adopt the Financial Policies for the City and its subsidiary districts:*
 - ▶ *Resolution No. 2015-19*
 - ▶ *Resolution CDC 2015-06*
 - ▶ *Resolution HHA 2015-05*
 - ▶ *Resolution HFPD 2015-11*
 - ▶ *Resolution HWD 2015-08*

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL POLICIES

I. BUDGETING POLICY

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

II. CAPITAL IMPROVEMENT POLICY

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

III. REVENUE POLICY

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

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

FINANCIAL POLICIES

IV. RESERVE POLICY

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

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

V. TRANSFER AUTHORITY

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

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

VI. FISCAL MANAGEMENT

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

VII. INVESTMENTS

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

VIII. CAPITAL ASSETS

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

FINANCIAL POLICIES

IX. DEBT MANAGEMENT

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

FINANCIAL POLICIES

JOINT RESOLUTION NO. 2015-19
RESOLUTION CDC NO. 2015-06
RESOLUTION HHA NO. 2015-05
RESOLUTION NO. HFPD 2015-11
RESOLUTION NO. HWD 2015-08

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

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

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

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

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

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

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

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

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

ADOPTED AND APPROVED this 16th day of June 2015.



Eric Schmidt, Mayor

ATTEST:



Melinda Sayre-Castro, City Clerk

FINANCIAL POLICIES

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF HESPERIA)

I, Melinda Sayre-Castro, City Clerk of the City of Hesperia, California, Secretary to the Hesperia Water District, Hesperia Fire Protection District, Hesperia Housing Authority, and Hesperia Community Development Commission, do hereby certify that Resolution Nos. 2015-019, HHA 2015-05, CDC 2015-06, HFPD 2015-11, and HWD 2015-08 were duly adopted by the City Council of the City of Hesperia, California at a Regular Meeting thereof held on the 16th day of June, 2015 by the following vote to wit:

AYES: Holland, Schmidt, Leonard, Russ, and Blewett
NOES: None
ABSTAIN: None
ABSENT: None



Melinda Sayre-Castro
City Clerk



I, _____, City Clerk of the City of Hesperia, California, do hereby certify that the foregoing Resolution Nos. 2015-019, HHA 2015-05, CDC 2015-06, HFPD 2015-11, and HWD 2015-08, are full, true and correct copies of that now on 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-Castro
City Clerk

