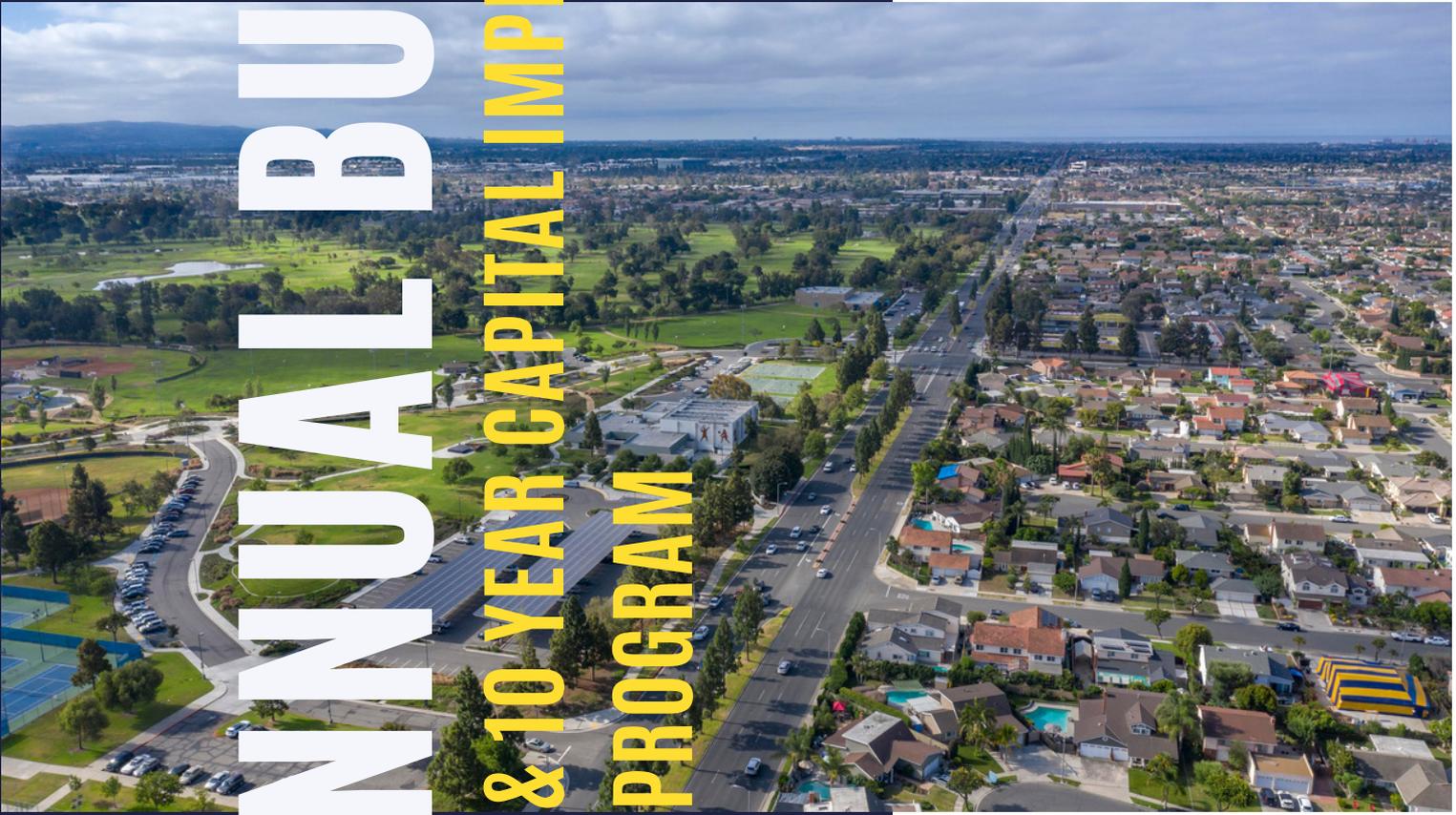


ANNUAL BUDGET

& 10 YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2022-23

CITY OF FOUNTAIN VALLEY



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The City Council consists of five members elected by the community at large. Council terms are four years, with elections held every two years. Either two or three members are elected in any given election cycle. Every year, the current City Council Members, elect a Mayor and Mayor Pro Tempore who serve for one year. The City Council also serves as the governing body for the Successor Agency, Public Finance Authority and the Housing Authority. City Council members may not serve more than three consecutive full terms, and are responsible for selecting and reviewing the City Manager who is responsible for managing the day-to-day operations of the City and implementing the policies set by the City Council.

CITY COUNCIL MEMBERS



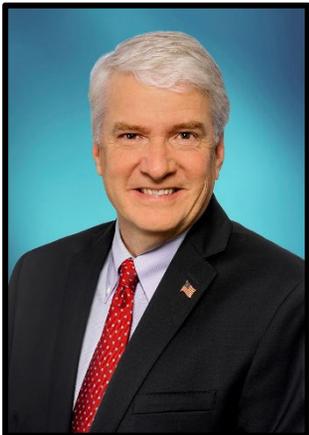
*Michael Vo
Council Member*



*Patrick Harper
Mayor*



*Kim Constantine
Mayor Pro Tem*



*Glenn Grandis
Council Member*



*Ted Bui
Council Member*

CITY OFFICIALS

City Manager	Maggie Le
Deputy City Manager	Vacant
Chief of Police	Matt Sheppard
Fire Chief	Ron Cookston
Director of Finance/Treasurer	Vacant
Director of Human Resources	Carrie Hanes
Director of Community Development	Omar Dadabhoy
Director of Public Works/City Engineer	Hye Jin Lee
Community Services Director	Rob Frizzelle
City Clerk	Rick Miller

City Council meetings are held on the 1st & 3rd Tuesday of the month at 6:00 p.m. and are located in the City Hall Council Chambers.



PLANNING COMMISSION

Dave Osborn	Chair
Azzam Saad	Vice Chair
Ed Farrell Jr.	Commissioner
Mary-Ellen Esquer	Commissioner
Richard Lopez	Commissioner
Bill Spear	Commissioner
Omar Dadabhoy	Staff Representative

HOUSING & COMMUNITY DEVELOPMENT ADVISORY BOARD

Ahmad Tahir	Chair
Mike White	Vice Chair
Cindy Cao	Member
Ramon Pasos	Member
Susan Saurastri	Member
Omar Dadabhoy	Staff Representative
Ashlyn Newman	Staff Representative

Planning Commission meetings are held on the 2nd Wednesday of every month at 6:00 p.m., as needed, in the Fountain Valley City Hall Council Chamber

Housing & Community Development Advisory Board meetings are held on the 1st Wednesday of every month at 6:00 p.m., as needed, in the Fountain Valley City Hall Council Chamber

MEASURE HH-ESSENTIAL CITY SERVICES OVERSIGHT ADVISORY COMMITTEE

Stephen Schwarz	Chair
TBD	Vice Chair
Charles Hoyt	Committee Member
Jeffrey Stone	Committee Member
Matt Taylor	Committee Member
Randy Takayama	Committee Member
Vacant	Staff Representative

ADVISORY COMMITTEE FOR PERSONS WITH DISABILITIES

John Borack	Chair
Susanne Seiden	Vice Chair
Herman Ajamian	Committee Member
Kayla Borack	Committee Member
Ramon Galvez-Arango	Committee Member
Philip A. Nisco	Committee Member
Richard King	Committee Member
Leonard Santoro	Committee Member
Jan Werts	Committee Member
Scott Quinlan	Committee Member
Nora Webb	Committee Member
Jenni Worsham	Staff Representative

Measure HH-Advisory meetings are held on an as needed bases several times a year in the Fountain Valley City Hall Conference Room #1

Advisory Committee for Persons with Disabilities meetings are held on the 1st Thursday of odd numbered months at 6:30 p.m., as needed, in the Fountain Valley City Hall Conference Room #1

The City's Strategic Plan is comprised of the City's mission statement, goals and objectives, and an action plan. The Strategic Plan is reviewed and updated twice a year by the City Council and the City's executive management team at focused strategic planning sessions. Strategic Planning sessions are facilitator led, open to the public and result in measurable objectives for the upcoming six-month period.

The most recent Strategic Planning session took place in June 2022. Participants brainstormed the City's current strengths, weaknesses, challenges and opportunities before developing new objectives in line with the established Strategic Goals. These new measurable objectives will be presented to the City Council by staff within six months following the planning session, with the next Strategic Planning Session scheduled for November 2022.

The FY 2022-23 budget was constructed and developed specifically to support these goals and objectives and reinforces the commitment the City makes to prioritize its core values.

Mission Statement

The City of Fountain Valley delivers cost-effective quality public services to provide a safe and desirable community that enriches its residents and businesses.

Core Values



The City's three year Strategic Goals are (not in priority order):

- Maintain the culture and environment of "A Nice Place to Live"
 - Attract and Retain Revenue Producing Businesses
- Achieve Fiscal Stability in Accordance with the 20-Year Financial Plan
 - Attract and Retain Quality Staff



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Fountain Valley
California**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morrill

Executive Director

CITY OF FOUNTAIN VALLEY

SIX-MONTH STRATEGIC OBJECTIVES

November 4, 2021 – May 1, 2022

THREE-YEAR GOAL: ENHANCE THE CULTURE AND ENVIRONMENT OF “A NICE PLACE TO LIVE”						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the Dec. 21, 2021 City Council meeting	Planning/Building Director - lead, City Attorney, Deputy City Manager, Finance Director	Present to the City Council for consideration, options to address short-term rentals in the city.			X	Presented to CC at 12/21 meeting as an administrative item New Planning/Building Director to bring back options for City Council to consider in July 2022.
2. At the Feb. 1, 2022 City Council meeting	Community Services Dir.	Present to the City Council for direction options for additional community events and services.	X			Completed and new events have been added to the calendar for 2022.
3. By April. 15, 2022	Community Services Director and the City Manager	Present to the City Council an update on the Mile Square Park expansion request to the county.			X	Revised date as conversation with Orange County are on-going.
4. By April 15, 2022	Deputy CM with assistance from all directors	Reinstate and enhance outreach / engagement opportunities related to city-wide community services and present to the City Manager.			X	Revised until a permanent city manager has been selected.

<p>5. At the April 19, 2022 City Council meeting</p>	<p>Deputy CM – lead, working with the Planning /Building Dir., Finance Dir., Fire Chief, Police Chief, Public Works Dir.</p>	<p>Present to the CC for consideration an application to LAFCO for annexing the county island at Edinger and Harbor.</p>		<p>X</p>	<p>12/2/21 Zoom call with LAFCO and County staff to inquire about annexing north island and clarification on County/City agreement on property tax sharing. Requesting County staff on financial data for City staff to share with City Council. 1/27/22 Finance Director received financial data from HDL. 3/24/22 PW Director confirmed Water and Sewer collection services provided by the City. 4/19/22 Presented property and sales tax for north island and City Council directed to do resident survey in the north island and find information about southern island. 5/9/22 LAFCO provided information on southern island annexation. Pending survey sample(s).</p>
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THREE-YEAR GOAL: ATTRACT AND RETAIN REVENUE PRODUCING BUSINESSES

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the Nov. 16, 2021 City Council meeting	Public Works Dir. – lead and Deputy CM	Present to the City Council the results of the feasibility study regarding partnering with Internet providers to provide the best internet service for residents and businesses in Orange County.	x			<p>11/16/2021 – PW Director presentation to Council the outcome of the research on the feasibility of partnering with ISP. All ISPs want their own fiber-optic assets. The city's Fiber Optic system is not sufficient to provide city-wide fiber/internet services. Identified framework on how to proceed with Frontier for City-wide fiber optic installation</p> <p>1/18/2022 – PW invited Frontier Network to present to Council the plans to install City-wide fiber optic.</p> <p>2/1/2022 – PW Invited SiFi to present to Council their plan for City-wide fiber optic</p> <p>4/5/2022 – SiFi Development Agreement on the agenda for Council approval.</p>
2. At the Feb. 15, 2022 City Council meeting	Planning Director	Explore feasibility of container / "Steel Craft" restaurant / outdoor dining areas and report results to the City Council.			X	<p>Staff is preparing a Memo for Council detailing current regulations and feasibility.</p> <p>Staff also approached developers regarding the potential for such uses at ICSC in May 2022.</p>

3. By March 1, 2022	Finance Director	Present to the City Manager a plan to E(electronically)-sign and issue simple business licenses.	X			Information submitted to Rob Houston Fall, 2021. City already offers electronic business license submissions.
4. At the March 1, 2022 City Council meeting	Deputy CM - lead, Planning Director and Public Works Director	Present to the City Council for direction branding the FV Crossings Business Area with signage, beautification and marketing.			X	Received quote for signage and scheduled for study session on March 1, 2022. City Council directed staff to work with Council Committee on signage and bring it back to future City Council Meeting. 4/5/22 Staff met with Council Committee and they directed to rebrand the Crossings. 4/19/22 Staff received direction to do a RFP for rebranding of FV Crossings Specific Plan.

**THREE-YEAR GOAL: ACHIEVE FISCAL STABILITY IN ACCORDANCE WITH
THE 20-YEAR FINANCIAL PLAN**

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the Feb. 1, 2022 City Council meeting	Finance Director – lead and Budget Manager	Present to the City Council analysis for UAL (Unfunded Actuarial Liability) and funding strategy to accelerate payment.	X			Presentation was made by consultant, GovInvest on UAL and OPEB funding strategies. Staff will work with consultant in preparation of FY22/23 budget on recommended amount of discretionary payments.
2. By the March 1, 2022 City Council meeting	HR Director - lead, Finance Director, City Manager	Present to the City Council the findings and impacts of the Employee Compensation Study.			X	Safety to be presented on 4/5/2022. Misc. groups have been presented in closed session and negotiations are in process and moving forward. Hope to complete within the next month or two.
3. At the April 1, 2022 City Council meeting	Finance Director, working with all Directors	Identify and present to the City Council areas for savings to the city, and new revenue opportunities that do not impact residents.			X	Will be discussed as part of the budget process for FY22/23. Target date pushed back due to staffing turnover and ERP project
4. At the April 15, 2022 City Council meeting	Finance Director – lead and Public Works Director	Present to the City Council the creation of a Facilities Replacement Fund.			X	Will be discussed as part of the budget process for FY22/23. Target date pushed back due to staffing turnover and ERP project. New date likely Summer 2022 when new Finance Director is on board.

THREE-YEAR GOAL: ATTRACT AND RETAIN QUALITY STAFF

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. April 5 th , Council Meeting	Cross City Committee with oversight/assistance from Ron Cookston and Carrie Hanes	Engagement Team – Increase Engagement of staff for teambuilding, equity, inclusion, retention and morale			X	Committee has been formed with employees from various departments with first meeting held 3/14/2022. Ideas to be presented to City Council Summer 2022. Cross City Team meeting regularly. Using employee satisfaction survey results from Attraction Committee to address areas of improvement. Will seek direction from Council on initiatives, financial support, and staffing levels in order to successfully meet this Strategic Goal.
2. March 15 th , Council Meeting	Maggie Le, Matt Sheppard, Carrie Hanes, and Cross City team	Attraction of Quality new staff, City Marketing and Branding			X	1/5/22 and 1/20/22 Employee Attraction Committee met to discuss objective and identify questions for employee survey and recruitment video. 2/7/22 - Completed employee survey and presented results to City Council on 3/15/22. Hold on recruitment video until Engagement Team completes their process to proceed. Will seek direction from Council on financial support and staffing levels in order to successfully meet this Strategic Goal.

<p>3. March 1st Council Meeting</p>	<p>HyeJin Lee, Rob Frizzelle, Carrie Hanes, and team</p>	<p>Hiring process / On boarding improvements</p>			<p>X</p>	<p>Will need to be moved due to HCM ERP platform extension to see what capabilities the system has to support On-Boarding Process. Benefits On-Boarding implementation to launch September 2022. Staff to seek direction from Council on additional initiatives, financial support, and staffing levels to improve the Hiring/On-Boarding process in order to successfully meet this strategic goal.</p>



June 21, 2022

TO: Honorable Mayor and Members of the City Council; Community Members; and City Staff

FROM: Maggie Le, City Manager

I am pleased to present the City of Fountain Valley's Proposed Budget and Capital Improvement Program (CIP) for Fiscal Year 2022-23. The Proposed Budget provides the resources necessary to support, expand and/or improve the many services and amenities provided by the City that help make Fountain Valley not only "A Nice Place to Live" but also a world class community in which to do business, shop, dine and play.

This past year has been one of transition for the City's management team, and resiliency for the rest of the organization. The city has seen five of the nine executive management team members leave (Community Development Director, Human Resources Director, Finance Director, IT Manager, and City Manager), along with several other key mid-managers such as our Community Services Manager, EMS Manager, and most recently, our Environmental Administrator. While some positions have been recruited for and filled, and others are in the process of being recruited, this represents both a loss of institutional knowledge and an opportunity to attract new talent to bring a fresh perspective and perhaps experience with new ways of doing things. Either way, these changes will continue to drive professional growth through the city organization, and strengthen our resiliency, in which, we have demonstrated during the ongoing pandemic.

In support of the City's goal to "Attract and Retain Quality Staff", the City approved MOUs and commissioned a classification and compensation study with the goal of compensating staff at a rate equal to fifty (50) percent of market. This along with other operating expenses has increased projected expenditures. However, those are more than offset by the projected revenues, with the City projected to end the next year with a \$3 million surplus while still continuing the additional \$3 million payments to CalPERS to pay down the City's unfunded actuarial liability (UAL) in accordance with the Measure HH Responsible Spending Pledge.

Covid-19 Impact on City Finances

In spring 2020, the Governor of California issued the first of many stay-at-home mandates shuttering businesses statewide. Like all cities, Fountain Valley feared the devastating economic

impact these shutdowns would have on city revenues, specifically sales tax and Measure HH funds. Fortunately, the anticipated drop in revenues did not occur and instead we experienced unexpected resiliency and relatively stable revenue as the community transitioned to online shopping, sales at grocery stores increased as households opted to eat at home more often, and sales at building and construction related businesses soared higher than previous years.

In addition to maintaining steady revenue, the City also received approximately \$2.07 million in support from the federal and state governments through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The majority of this funding was used to provide economic relief in the form of grants to struggling businesses within the community who were negatively impacted by the pandemic. A small portion of these funds were used to offset expenses incurred by the City such as the purchase of personal protective equipment (PPE) for staff, reconfiguration of facilities to allow for social distancing and staff time devoted to managing and responding to the COVID-19 pandemic.

The City's allocation from the federal government's ARPA is \$7.95 million, which will be divided into two equal payments over the course of two years. Within the ARPA, the Coronavirus Local Fiscal Recovery Fund (SLFRF) will provide the City with \$7.95 million in one-time funding to allow our City the resources needed to fight the impacts of the pandemic & to support families & businesses struggling with the public health & economic impacts of COVID, while maintaining vital public services amid declines in revenue. For those agencies whose funding was less than \$10 million, under the U.S. Treasury Final Rule, the City of Fountain Valley used the standard allowance methodology to replace lost public sector revenue and allocated the full allotment to offset government services expenditures, namely public safety personnel costs. This will allow the city to repurpose funds previously budgeted for public safety personnel costs to other unfunded programs in support of the City's Strategic Plan Goals.

FY 2022-23 Proposed Budget Summary

The budget is continually reviewed for adherence to the City's long-term twenty-year long range financial forecasting plan, preservation of the City's financial integrity, and proper implementation of the City's Strategic Plan initiatives.

Finance staff has reviewed and analyzed revenue and cost estimates based on updated information, and the FY 2022-23 proposed budget includes proposed changes resulting from updated revenue and expenditure projections, in order to enhance the City's performance in providing public benefits in accordance with the City's Strategic Plan.

The proposed FY 2022-23 looks to maintain current service levels and expand on the City's strategic plan goals while enabling the City to continue to help the community return to normal post-pandemic by continuing to enhance the community's quality of life and safety, while maintaining a conservative outlook for revenue and expenditure growth based on changing economic factors. Citywide, the total budget is \$126.1 million, an increase of 9.9% over the adopted FY 2022-23 budget. These expenses are supported by \$112.8 million in revenue, an increase of 1.9% percent from the current fiscal year (excluding ARPA funding of \$7.9 million), and

use of one-time capital improvement reserve funding. These total figures reflect revenues and expenses for all funds citywide including the General Fund, Enterprise Funds, Internal Service Funds, Debt Service Funds and Special Revenue Funds. The Proposed Budget also includes Internal Service Funds whose totals are not included in the \$126.1 million.

Enterprise Funds are proprietary funds supported by user fees and charges. The rates charged to customers for these services cover the costs of operation, maintenance and capital and infrastructure improvements. The City maintains several Enterprise Funds including Water, Sewer, and Solid Waste. Expenditures for FY 2022-23 for these funds are proposed to be \$28.8 million for both operating and capital expenses.

Internal Service Funds, including information technology, government buildings, capital equipment, employee benefits, self-insurance and fleet services account for activities provided to one City department by another City department. The Proposed FY 2022-23 budget includes \$37.5 million in funding for these funds.

Debt Service Funds are used to account for debt service expenditures on general long-term debt. The City currently has four outstanding debt obligations; the 2014 Revenue Bonds, 2016A Lease Revenue Bonds, 2015A Pension Obligation Bonds and the Clean Energy Renewable Bonds (CREBS). Payments for citywide debt is \$3.4 million for FY 2022-23.

Special Revenue Funds are funds legally restricted to a specific purpose. Examples of Special Revenue Funds include the Gas Tax Fund and the Community Development Block Grant (CDBG). In total, expenses in Special Revenue Funds are proposed to be \$15.8 million for FY 2022-23, including capital improvement projects.

General Fund

The General Fund is the primary operating fund of the City and supports fundamental services including Police, Fire, Community Development, Community Services and general administration. Revenue for this fund comes from general taxes such as property tax, sales tax, Measure HH, transient occupancy taxes as well as a variety of user and permit fees and other smaller sources. The Proposed Budget for FY 2022-23 for the General Fund is \$70.1 million in expenses and \$73.3 million in revenue, with an additional \$10.3 million for one-time capital projects.

General Fund Revenue Highlights

Property Tax revenue in FY 2022-23 is projected to be \$22,983,888, an increase of \$1,065,288 over FY 2021-22. Increases in property tax are due to a combination of property turnover and resulting reassessments and the two percent per year inflation factor for property assessments allowable under Proposition 13.

Sales Tax, including Measure HH is projected to increase by approximately 4% in FY 2022-23 from the revised FY 2021-22 budget and totals approximately \$31.7 million. Sales tax remained stable in FY 2022-23, attributable to a combination of sales derived from new businesses within the

community, inflation and the impact of the South Dakota vs. Wayfair case. The Wayfair case was decided by the Supreme Court in 2018, and was implemented in California in April 2019. The case, and subsequent state legislation, requires online retail sellers to collect and remit sales tax on taxable sales shipped into the state. Revenue from the tax is then allocated to a countywide pool based on the point of delivery of the product purchased. As online shopping has surged in popularity both before and during the pandemic, the City's portion of the countywide pool has increased 14.5% year over year as of the quarter ending December 2021.

Transient occupancy tax (TOT), otherwise known as "the bed tax" is tax paid by visitors staying overnight in one of our local hotels. Revenue from TOT was lower in previous fiscal years due to the pandemic, however not as low as originally feared given the many pandemic related travel restrictions. As travel restrictions continue to ease and as COVID variants remain contained, the proposed budget assumes \$1.4 million in TOT revenue, 12% higher than the FY 2021-22 adopted budget.

General Fund Functional Revenues are those revenues derived from services and activities provided by the various departments such as plan checking, facility rentals, business license fees, EMS response fees and alarm permits. Functional revenues are projected to total \$8,007,487 in FY 2022-23, an increase of \$64,000 from FY 2022-23.

General Fund Expenditure Highlights

General Fund expenditures are broken into two distinct types - operating and capital. Operating expenses are those required to support the day-to-day operations of the City including personnel expenses, professional services, maintenance expenses and the purchase of needed equipment and are supported by revenue generated in the fiscal year the expenses occur. Capital expenses are one-time expenditures that are funded through the capital reserves, where funds have been set aside from savings over multiple fiscal years and/or one-time funding sources such as reimbursements and development agreements.

The proposed FY 2022-23 General Fund Budget includes \$70.1 million in expenses and \$10.3 million in capital expenditures for the General Fund. In addition, \$3.0 million in additional payments to CalPERS to pay down the City's unfunded actuarial liability (UAL) is included in the Proposed Budget in accordance with the Measure HH Responsible Spending Pledge.

Proposed General Fund budgets for the respective departments are listed below:

Department	FY 23 Proposed	FY 22 Revised	Variance
ADMINISTRATION	1,812,296	1,755,119	57,177
HUMAN RESOURCES	1,404,591	990,279	414,312
COMMUNITY DEVELOPMENT	2,090,989	1,822,316	268,673
FINANCE	2,126,126	1,410,368	715,758
PUBLIC WORKS	8,429,288	7,271,493	1,157,795
FIRE	13,833,651	12,878,275	955,376
POLICE	19,352,137	16,848,266	2,503,871
RECREATION & COMMUNITY SVCS	3,125,641	2,768,866	356,775
DEPARTMENT OPERATING TOTALS:	52,174,719	45,744,982	6,429,737

**Excludes capital outlay, grants, debt service, and CIP projects.*

Major increases to General Fund department expenditures include the full eighteen-month incremental cost of the compensation study among all bargaining units, existing MOU increases including a 3% cost of living adjustment among all units in July of 2022, and merit increases. Department internal service charges are included to fully fund the City's new ERP system, self-insurance, fleet maintenance and replacement, along with all government building maintenance and repair. Operating increases for the departments are as follows:

- Administration, a net increase of \$57,177:
 - \$111,444 increase relating to personnel salary and benefit increases, including pension costs.
 - \$65,253 increase relating to increased departmental internal service charges.
 - Operating expenses have decreased \$119,520 over the current year revised budget due to reductions for one-time budget transfers from salary savings, along with increases for legal services and professional service contracts, public relations, and election costs.
- Finance, an increase of \$715,758:
 - Increase of \$502,940 relating to personnel salary and benefit increases, including pension costs. The fiscal year 2022-23 proposed budget includes a proposed new Management Analyst position to add critical analytical support in the areas of Accounting, Purchasing, Budgeting, and compliance with regulatory financial reporting requirements.
 - \$72,013 increase relating to increased departmental internal service charges.
 - \$140,805 relating to operating expenditure increases relating to fully funding the pension and OPEB actuarial contract as approved by Council during fiscal year 2021-22, along with additional temporary staffing to assist the department for the upcoming implementation of the City's ERP human capital management and utility billing modules. In addition, the Purchasing division moved from a separate internal service fund back to the General Fund for fiscal year 2022-23 to reflect the

decentralization of the purchasing and stores functions and the Management Analysts' role as overall Purchasing Administrator in the Finance department.

- Fire, increase of \$955,376:
 - Increase of \$594,589 relating to personnel salary and benefit increases, including the change from flat rate specialty pays to percentage of base pay, and new specialty pays, including longevity, to further the Council's strategic goal of attracting and retaining quality staff to bring City employees to fifty percent of market over the next three fiscal years.
 - \$322,693 increase relating to increased departmental internal service charges.
 - \$38,094 in increased operating charges relating to MetroNet membership increases and CPI on the CARE Ambulance contract.
- Human Resources, increase of \$414,312:
 - \$308,053 relating to personnel salary and benefit increases including pension, including the full year cost of the additional Human Resources Analyst position approved during the 2021-22 mid-year Council meeting, as well as proposed reclasses presented at the 2022-23 proposed budget workshop, including the Principal HR Analyst to HR Manager, HR/Safety Specialist to Senior HR Analyst, and HR Technician from .75 to 1.0 FTE.
 - \$23,613 increase relating to increased departmental internal service charges, which include sufficient funding for the upcoming ERP implementation of human capital management payroll/HR modules.
 - Operating expenses of \$82,646 increased due to increase in contract service costs, including legal and professional services contracts including labor relations, Employee ACA and Workers Compensation compliance, benefits administration, and labor law compliance.
- Community Development, a net increase of \$268,673:
 - \$410,103 relating to personnel salary and benefit increases, including pension. The fiscal year 2022-23 proposed budget includes a proposed new Code Enforcement Officer to add weekend inspections for code enforcement to enforce all Fountain Valley Municipal Codes and State of California codes.
 - \$46,273 increase relating to increased departmental internal service charges, including building and code enforcement vehicle maintenance.
 - Operating expenses decreased \$187,703 due to the reduction of contract services for planning and permit checking and inspection services, including services paid for functions now performed by the in-house building staff.
- Police, increase of \$2,503,871:
 - \$1,458,845 relating to personnel salary and benefit increases, including pension. Current year revised budget may be insufficient to fund all current negotiated increases, however, salary savings should cover existing retro payment and existing six month increases for enhanced/new benefits. In addition, the fiscal year 2022-23 budget includes the change from flat rate specialty pays to percentage of base pay, and new specialty pays, including longevity, to further the Council's strategic goal of attracting and retaining quality staff to bring City employees to fifty percent of market over the next three fiscal years.

- \$571,177 increase relating to increased departmental internal service charges including brazos devices, and S.W.A.T. vests.
- Operating expenses increased \$473,849 primarily due to the full year contract funding of the City's homeless outreach contract.
- Public Works, increase of \$1,157,795:
 - \$491,476 relating to personnel salary and benefit increases, including pension. The proposed budget also includes two new proposed positions of Assistant Engineer and Management Aide, which is funded eighty percent by the Enterprise funds. Other proposed reclasses to positions include a Management Analyst to Senior Management Analyst, a Water System Operator to Water Foreman, and a Foreman to Landscape Inspector.
 - \$492,398 increase relating to increased departmental internal service charges including the scheduled roof replacement at the City yard.
 - Operating increases of \$173,921 relate to increases on existing professional service contracts including median and right-of-way landscape maintenance, parks and civic center facility landscape maintenance, inflationary increases relating to street and road supplies, electricity for streetlights (SCE), sports park landscape maintenance and turf rehab for new special events, water utility increases for the Sports Park, and gasoline/diesel for the Public Works fleet vehicles. Other one-time increases include a tree inventory conducted once every five years.
- Recreation and Community Services, increase of \$356,775:
 - \$64,389 relating to personnel salary and benefit increases, including pension.
 - \$279,231 increase relating to increased departmental internal service charges including replacement of Recreation and Senior Center equipment, including furnishings, basketball hoops, turf tank, and exercise equipment.
 - \$13,155 increase in other operating costs include public information to promote new City events, Senior events, and other inflationary costs increases to supplies, etc.

Staffing and Significant Changes

The proposed fiscal year 2022-23 budget includes 238.75 authorized full-time equivalent (FTE) positions, reflecting a net increase of four (4.25) positions from the prior fiscal year. Half of the new positions are to be funded eighty percent from the Enterprise Funds.

The proposed Code Enforcement Officer for the Community Development department would add weekend inspections for code enforcement to enforce all Fountain Valley Municipal Codes and State of California codes.

The proposed Management Analyst for the Finance Department would add critical analytical support in the areas of Accounting, Purchasing, Budgeting, and compliance with regulatory financial reporting requirements. This position would also assist the City in implementing the full roll out the City's robust new ERP system, including implementing the new Human Capital Management and Utility Billing modules.

The proposed budget also includes an additional Assistant Engineer and Management Aide funded twenty percent from the General Fund. These new positions will assist the Public Works department with various duties, including managing the City's expanding capital improvement project program, increased plan check and permit work, regulatory reporting requirements, contract management, invoice processing, and the City's water conservation effort. Other proposed reclasses to positions include a Management Analyst to Senior Management Analyst, a Water System Operator to Water Foreman, and a Foreman to Landscape Inspector.

Other proposed reclassifications would include changes to HR classifications as follows: the Principal HR Analyst to HR Manager, HR/Safety Specialist to Senior HR Analyst, and HR Technician from .75 to 1.0 FTE to handle higher level duties relating to worker's compensation, FMLA, Benefits Administration, Employee Relations, Labor Law Compliance, and Recruitment and Selection oversight.

The proposed FY 2022-23 budget further enhances the City's strategic plan goals of achieving fiscal stability in accordance with the twenty-year financial forecasting plan while targeting surplus resources to key strategic planning initiatives. The current year proposed budget continues to fully fund all City operations, including the full eighteen-month impact of the recent classification and compensation study for all City bargaining units, including Police and Fire, furthering the Council's strategic goal of attracting and retaining quality staff. The budget also includes contract services for the City's homeless outreach initiatives, including contracting with a professional services contractor for community outreach and case management services, which will provide assistance with programs such as emergency housing, mental and health care, benefits counseling and a variety of other community based programs and services.

As previously mentioned, the proposed budget includes \$3.0 million in additional payments to CalPERS to help pay down the City's unfunded actuarial liability (UAL). The City's current unfunded actuarial liability is approximately \$69.1 million, exclusive of assets held in the City's 115 pension trust. The City is committed to paying down this debt as quickly as possible by making payments in addition to the normal and amortized UAL costs mandated by CalPERS. Doing so will save a significant amount in interest over the twenty-year amortization period and complies with one of the primary goals of Measure HH to "pay down unfunded liabilities".

Capital Improvement Program

The City's Capital Improvement Program (CIP) identifies major public improvements to the City's infrastructure over the next ten years and includes new projects, upgrades to existing facilities as well as rehabilitation of streets and roadways. Funding for projects scheduled for FY 2022-23 are included in the proposed budget, with the majority of the scheduled projects funded by the General Fund Capital Reserve, the Water and Sewer Funds, Gas Tax, Measure M2, grants and other reimbursements. The proposed CIP for FY 2022-23 includes 47 projects for a combined total of \$24.5 million, and is consistent with the seven year CIP program submitted to the Orange County Transportation Authority (OCTA) as part of the annual Measure M2 Eligibility process.

Major projects scheduled include: design work for the complete rebuild of Fire Station No. 1, residential road rehabilitation, the renovation of the Police Department locker rooms to meet the changing needs of the department and allow for increased gender diversity, traffic signal synchronization on several arterial streets citywide, as well as continued partnership with the Orange County Transportation Authority (OCTA) for the I-405 project.

Measure HH and the 20-Year Financial Plan

On November 8, 2016, the residents of Fountain Valley approved Measure HH, a one-percent transactions and use (i.e. "sales") tax. The use of Measure HH funds is guided by the City's Responsible Spending Pledge (see appendix) and the 20-Year Financial Plan, where the goal is to pay off debt and eliminate the structural deficit projected when Measure HH sunsets in 2037. The Proposed FY 2022-23 Budget allocates \$16,153,000 in Measure HH revenues for the following: \$12.778 million in Measure HH funding to support essential city services such as public safety and senior and youth programs and the \$3.0 million additional UAL payment to CalPERS. In addition, \$375,000 in Measure HH funds is allocated for residential road rehabilitation.

The City's 20-year Financial Plan is a dynamic document that enables city leaders to forecast the impact of various financial decisions such as labor agreements, new development, capital projects, and fluctuations in the economy, on city finances over the long-term. This 20-year focus ensures the City's financial sustainability by understanding how short term decisions can have a substantial impact on the structural deficit/surplus when Measure HH sunsets in 2037.

This 20-year Financial Plan is updated twice yearly, at budget preparation and as part of the mid-year budget review. The current update reflects an operating surplus of approximately \$473 thousand when Measure HH sunsets in FY 2037. This information enables the City to continue to be proactive in pursuing new revenue sources and exercising fiscal constraint in order to have the City maintain healthy projected structural surpluses when Measure HH sunsets. This forecasting tool will continue to be closely monitored for any future changes. The 20 Year forecast still includes the successful retirement of all debt, funding of the CalPERS unfunded actuarial liability (UAL), and the devotion of significant resources to improving and maintaining the City's facilities and infrastructure by the time Measure HH sunsets.

Conclusion and Final Comments

In closing, I would like to express my sincere appreciation to the many City staff members across all of our departments for their active and thoughtful participation in developing this budget and the CIP, and to the Members of the City Council that dedicated significant time to attend detailed budget briefings and provided critical input. Special thanks to our Finance Team including the Accounting Manager and Budget Manager for tireless hours beyond operating hours in producing this proposed budget document. Furthermore, I want to thank every employee for their hard work and ongoing dedication to the community this past year. Despite the many challenges the past fiscal presented, City staff never stopped providing high quality customer service, completing numerous capital projects, or supporting local businesses, and have continued to focus on the health and safety of our employees and residents.

I want to also thank the City Council for its effective policy leadership and support as we work together to ensure Fountain Valley's continued prominence as one of the safest and most desirable places to live and work. Working hand-in-hand, we will continue our commitment to ensuring public resources are managed as prudently and wisely as possible, ensuring we keep Fountain Valley *"A Nice Place to Live"*.

Respectfully submitted,



Maggie Le
City Manager

GENERAL FUND OPERATING REVENUE DETAIL

REVENUE BY CATEGORY	2021-22				2022-23		
	Original Budget	Revised Budget	+/- Budget	%	Proposed Budget	+/- Prior Year	%
PROPERTY TAX							
40000 - CURRENT YEAR SECURED	12,735,000	12,735,000	-	0%	13,298,828	563,828	4%
40001 - SECURED RESIDUAL	1,450,000	1,450,000	-	0%	1,460,000	10,000	1%
40002 - CURRENT YEAR UNSECURED	370,000	370,000	-	0%	436,000	66,000	18%
40003 - PRIOR YEAR TAXES	90,000	90,000	-	0%	90,000	-	0%
40004 - PENALTIES/INT ON TAXES	19,000	19,000	-	0%	25,000	6,000	32%
40005 - HOMEOWNER PROP TAX RELIEF	57,000	57,000	-	0%	57,000	-	0%
40006 - PROPERTY TRANSFER TAX	300,000	300,000	-	0%	300,000	-	0%
40007 - MOTOR VEH IN LIEU	6,635,600	6,635,600	-	0%	7,055,060	419,460	6%
40008 - OTHER PROPERTY TAXES	262,000	262,000	-	0%	262,000	-	0%
TOTAL PROPERTY TAX	21,918,600	21,918,600	-	0%	22,983,888	1,065,288	5%
FRANCHISE FEES							
40200 - POWER FRANCHISE	668,000	668,000	-	0%	728,192	60,192	9%
40201 - NATURAL GAS FRANCHISE	110,000	110,000	-	0%	115,000	5,000	5%
40202 - RUBBISH FRANCHISE	500,000	500,000	-	0%	520,000	20,000	4%
40203 - WASTE FRANCHISE ROAD REHAB	292,000	292,000	-	0%	307,000	15,000	5%
40204 - CTVA/PCTV FRANCHISE	500,000	500,000	-	0%	410,000	(90,000)	-18%
TOTAL FRANCHISE FEES	2,070,000	2,070,000	-	0%	2,080,192	10,192	0%
SALES TAX							
40100 - SALES & USE TAX	14,500,000	14,500,000	-	0%	15,107,000	607,000	4%
40101 - TRANSACTION TAX (MEASURE HH)	15,500,000	15,500,000	-	0%	16,153,000	653,000	4%
40102 - PUBLIC SAFETY SALES TAX (PROP 172)	421,000	421,000	-	0%	455,000	34,000	8%
TOTAL SALES TAX	30,421,000	30,421,000	-	0%	31,715,000	1,294,000	4%
OTHER REVENUES							
40300 - TRANSIENT OCCUPANCY TAX	1,250,000	1,250,000	-	0%	1,400,000	150,000	12%
INTEREST INCOME	960,000	960,000	-	0%	1,075,778	115,778	12%
PERMITS & FEES, FINES	732,000	732,000	-	0%	733,000	1,000	0%
GOVERNMENT AGENCY REVENUE	942,015	942,015	-	0%	761,374	(180,641)	-19%
CHARGES FOR SERVICES	1,801,389	1,801,389	-	0%	2,059,496	258,107	14%
48019 - CONTRIBUTE IN LIEU OF TAX (ADMIN SVCS CHARGE)	1,796,857	1,796,857	-	0%	1,872,929	76,072	4%
TOTAL OTHER REVENUE	7,482,261	7,482,261	-	0%	7,902,577	420,316	6%
TRANSFER IN							
48009 - TRANSFERS IN/GAS TAX	422,000	422,000	-	0%	495,043	73,043	17%
48018 - TRANSFER IN OTHER	78,449	78,449	-	0%	85,533	7,084	9%
48014 - TRANSFER IN/SEWER FUND	63,477	63,477	-	0%	62,605	(872)	-1%
TOTAL TRANSFER IN	563,926	563,926	-	0%	643,181	79,255	14%
TOTAL GENERAL FUND REVENUE	62,455,787	62,455,787	-	-	65,324,838	2,869,051	0

FUNCTIONAL REVENUE

COMMUNITY DEVELOPMENT

42256 - OCS D FEES/PROCESSING	4,000	4,000	-	0%	4,000	-	0%
42257 - GREEN BLDG STANDARDS FEE	250	250	-	0%	250	-	0%
42258 - SB 1186/ADA FEE	3,000	3,000	-	0%	10,000	7,000	233%
42010 - BUILDING PERMIT	670,000	670,000	-	0%	700,000	30,000	4%
42011 - ELECTRICAL PERMIT	90,000	90,000	-	0%	90,000	-	0%
42012 - HEATING & MECH PERMIT	58,000	58,000	-	0%	58,000	-	0%
42013 - PLUMBING PERMIT	50,000	50,000	-	0%	50,000	-	0%
42015 - OUTDOOR SALE EVENT PERMIT FEE	3,000	3,000	-	0%	3,000	-	0%
42016 - CONDITIONAL USE PERMIT	55,000	55,000	-	0%	58,500	3,500	6%
42017 - HOME OCCUPATION PERMIT	2,200	2,200	-	0%	2,200	-	0%
42018 - TEMPORARY BANNER PERMIT	400	400	-	0%	1,000	600	150%
42200 - GENERAL PLAN MAINTENANCE FEE	65,000	65,000	-	0%	65,000	-	0%

GENERAL FUND OPERATING REVENUE DETAIL

REVENUE BY CATEGORY	2021-22				2022-23		
	Original Budget	Revised Budget	+/- Budget	%	Proposed Budget	+/- Prior Year	%
42201 - SOILS REVIEW FEE	80,000	80,000	-	0%	80,000	-	0%
42202 - DEVELOPMENT REVIEW FEE	7,220	7,220	-	0%	7,220	-	0%
42203 - VARIANCE FILING FEE	8,000	8,000	-	0%	8,000	-	0%
42204 - ADMINISTRATIVE CITATION FEE	4,000	4,000	-	0%	4,000	-	0%
42205 - PRECISE PLAN FILING FEE	21,575	21,575	-	0%	21,575	-	0%
42206 - ZONE CHANGE FILING FEE	7,110	7,110	-	0%	7,110	-	0%
42207 - LOT SPLIT FILING FEE	2,000	2,000	-	0%	2,000	-	0%
42208 - NEGATIVE DECLARATION FEE	3,000	3,000	-	0%	3,000	-	0%
42209 - CEQA CLEARANCE FEE (FRMRLY EIR	100,000	100,000	-	0%	100,000	-	0%
42211 - DEVELOPMENT AGREE. FEE	10,745	10,745	-	0%	10,745	-	0%
42212 - CODE AMENDMENT FEE	4,745	4,745	-	0%	4,745	-	0%
42215 - TENATIVE TRACT MAP FEE	1,960	1,960	-	0%	1,960	-	0%
42217 - PLANNING-PLAN CHECK FEE	100,000	100,000	-	0%	125,000	25,000	25%
42218 - FORECLOSURE REGISTRATION FEE	4,500	4,500	-	0%	4,500	-	0%
42219 - ADMIN WIRELESS COM. FAC. FEE	10,000	10,000	-	0%	10,000	-	0%
42220 - SIGN REVIEW FEE	6,500	6,500	-	0%	6,500	-	0%
42221 - ZONING COMPLIANCE LETTER	1,000	1,000	-	0%	1,000	-	0%
42250 - MICROFILMING FEES	15,000	15,000	-	0%	15,000	-	0%
42251 - PLAN CHECK FEES	340,000	340,000	-	0%	340,000	-	0%
42252 - CITY ONLY-SPECIAL PROJECTS	400	400	-	0%	400	-	0%
42253 - IMPROVEMENT INSPECTION FEE	7,000	7,000	-	0%	30,000	23,000	329%
TOTAL COMMUNITY DEVELOPMENT	1,735,605	1,735,605	-	0%	1,824,705	89,100	5%
FINANCE							
40301 - BUSINESS LICENSE TAX	385,000	385,000	-	0%	425,000	40,000	10%
42001 - MASSAGE PERMIT	4,000	4,000	-	0%	4,000	-	0%
42002 - SOLICITATION PERMIT	11,000	11,000	-	0%	11,000	-	0%
42750 - BUSINESS LIC. PENALTY	16,000	16,000	-	0%	16,000	-	0%
TOTAL FINANCE	416,000	416,000	-	0%	456,000	40,000	10%
POLICE							
42051 - ALARM PERMIT	48,000	48,000	-	0%	48,000	-	0%
42500 - TOW SERVICE FEES	80,000	80,000	-	0%	80,000	-	0%
42501 - TOW HEARING FEE (ADMIN)	1,500	1,500	-	0%	1,500	-	0%
42502 - IMPOUNDED VEHICLE RECORDS FEE	34,250	34,250	-	0%	34,250	-	0%
42503 - COURT ORDERED RESTITUTION	2,000	2,000	-	0%	2,000	-	0%
42504 - FINGERPRINT FEE	3,000	3,000	-	0%	3,000	-	0%
42702 - CITY CODE FINES/PARKING	300,000	300,000	-	0%	300,000	-	0%
42753 - FALSE ALARM PENALTY	35,000	35,000	-	0%	35,000	-	0%
43000 - P.O.S.T.	5,000	5,000	-	0%	5,000	-	0%
45001 - POLICE AUCTIONS	1,000	1,000	-	0%	1,000	-	0%
45004 - COPY SALES	18,000	18,000	-	0%	18,000	-	0%
45101 - RNSP REIMBURSEMENT	-	-	-	N/A	-	-	N/A
45102 - AB109 REIMBURSEMENTS	11,000	11,000	-	0%	11,000	-	0%
45105 - BSCC FUNDING(REIMB)	-	-	-	N/A	-	-	N/A
45200 - RECOVERY OF EXPENSE	2,000	2,000	-	0%	2,000	-	0%
TOTAL POLICE	540,750	540,750	-	0%	540,750	-	0%
PUBLIC WORKS							
42030 - EXCAVATION PERMIT	200,000	200,000	-	0%	200,000	-	0%
42031 - MOVING PERMIT	5,000	5,000	-	0%	5,000	-	0%
42033 - OTHER PERMITS/MISC.	5,000	5,000	-	0%	5,000	-	0%
42300 - FINAL MAP CHECK FEE	3,540	3,540	-	0%	3,540	-	0%
42301 - EASEMENT FEES	-	-	-	N/A	-	-	N/A
42302 - IMPROVEMENT PLAN CHECK	135,000	135,000	-	0%	115,000	(20,000)	-15%
42303 - WATER QUALITY MGMT-PLAN REVIEW	100,000	100,000	-	0%	65,000	(35,000)	-35%
42304 - IMPROVEMENT INSPECTION FEE	145,000	145,000	-	0%	90,000	(55,000)	-38%
42305 - WATER QUALITY MGMT-INSPECTION	-	-	-	N/A	-	-	N/A
42306 - LANDSCAPE INSPECTION FEE	10,000	10,000	-	0%	5,000	(5,000)	-50%
42307 - TREE REMOVAL/REPLACE. FEE	12,500	12,500	-	0%	12,500	-	0%
42308 - MEMORIAL TREE BENCH&PLAQUE PGM	1,000	1,000	-	0%	1,000	-	0%
42309 - MISC ENG & OTHER FEES	80,600	80,600	-	0%	1,000	(79,600)	-99%
42310 - STORM WATER PREVENTION FEE	120,000	120,000	-	0%	120,000	-	0%

GENERAL FUND OPERATING REVENUE DETAIL

REVENUE BY CATEGORY	2021-22				2022-23		
	Original Budget	Revised Budget	+/- Budget	%	Proposed Budget	+/- Prior Year	%
42311 - MEDIAN FEES	1,500	1,500	-	0%	1,500	-	0%
TOTAL PUBLIC WORKS	819,140	819,140	-	0%	624,540	(194,600)	-24%
FIRE							
42050 - FIRE PERMIT	105,000	105,000	-	0%	105,000	-	0%
42400 - PARAMEDIC SUBSCRIPTION FEE	130,000	130,000	-	0%	130,000	-	0%
42402 - FPB RE-INSPECTION FEE	100,000	100,000	-	0%	100,000	-	0%
42403 - PLAN CHECKS/PERMITS	90,000	90,000	-	0%	90,000	-	0%
42406 - PARAMEDIC IMPACT PAYMENT	203,000	203,000	-	0%	203,000	-	0%
42407 - HAZARD MATERIALS FEES	78,000	58,000	(20,000)	-26%	58,000	(20,000)	-26%
42409 - OC PROP. FIRE PROTECT FEE	19,000	19,000	-	0%	19,000	-	0%
42410 - EMS REVENUE	2,435,997	2,435,997	-	0%	2,454,855	18,858	1%
42411 - QAF REVENUE	132,000	132,000	-	0%	132,000	-	0%
42753 - FALSE ALARM PENALTY	7,500	7,500	-	0%	7,500	-	0%
45200 - RECOVERY OF EXPENSE	385,601	385,601	-	0%	385,601	-	0%
TOTAL FIRE	3,686,098	3,666,098	(20,000)	-1%	3,684,956	(1,142)	0%
RECREATION & COMMUNITY SERVICES							
41510 - COMM CENTER ROOM RENTS	60,000	60,000	-	0%	70,000	10,000	17%
41511 - REC CENTER ROOM RENTS	30,000	30,000	-	0%	50,000	20,000	67%
41512 - FIELD LIGHTING	20,000	20,000	-	0%	39,636	19,636	98%
41513 - BALL FIELD RENTS	160,000	160,000	-	0%	200,000	40,000	25%
41514 - TENNIS COURTS RENTS	35,000	35,000	-	0%	63,600	28,600	82%
42600 - DROP IN FEE - SR. FITNESS	9,000	9,000	-	0%	7,000	(2,000)	-22%
42602 - NEWSLETTER-SENIORS	8,500	8,500	-	0%	11,500	3,000	35%
42603 - SENIOR TRANSP PROG -RIDER FEES	25,000	25,000	-	0%	20,000	(5,000)	-20%
42650 - CONTRACT PROGRAM FEES	100,000	100,000	-	0%	90,000	(10,000)	-10%
42651 - ATHLETIC FEES	75,000	75,000	-	0%	75,000	-	0%
42654 - FAMILY CAMPOUT	-	-	-	0%	1,000	1,000	N/A
42655 - FOUNTAIN VALLEY SUMMERFEST	60,000	60,000	-	0%	60,000	-	0%
42658 - SPECIAL EVENTS	50,250	50,250	-	0%	60,000	9,750	19%
42657 - CITY ADVERTISING	3,000	3,000	-	0%	3,000	-	0%
44500 - DONATIONS	67,000	67,000	-	0%	65,000	(2,000)	-3%
44505 - SENIOR TRANSP PROG - OCMMC DON	20,000	20,000	-	0%	20,000	-	0%
44506 - FV COMMTY FOUNDATION DONATION	4,000	4,000	-	0%	4,000	-	0%
45103 - RESIDUAL RECEIPTS - SUMMERFEST	10,000	10,000	-	0%	10,000	-	0%
45104 - FV COMMUNITY FOUNDATION REIMB	15,000	15,000	-	0%	15,000	-	0%
45106 - OTHER CONCESSIONS	14,000	14,000	-	0%	6,800	(7,200)	-51%
45300 - MISC OTHER INCOME	-	-	-	0%	5,000	5,000	N/A
TOTAL RECREATION & COMMUNITY SERVICES	765,750	765,750	-	0%	876,536	110,786	14%
Total Functional Revenues	7,963,343	7,943,343	(20,000)	(0)	8,007,487	44,144	0
Total General Fund Revenues	70,419,130	70,399,130	(20,000)	0%	73,332,325	2,913,195	4%

GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
Administration				
City Council	81,691	53,714	20,000	155,405
City Manager	285,293	71,125	498,410	854,828
Administrative Services	307,082	54,692	153,600	515,374
Total Administration	674,066	179,531	672,010	1,525,607
City Clerk				
Records Management	128,556	65,906	16,500	210,962
Elections	16,132	9,595	50,000	75,727
Total City Clerk	144,688	75,501	66,500	286,689
Finance				
Financial Plan/Control	990,256	282,476	443,920	1,716,652
Purchasing	206,285	-	82,085	288,370
Business License	30,003	9,001	82,100	121,104
Total Finance	1,226,544	291,477	608,105	2,126,126
Human Resources				
Employee Relations	818,513	77,878	508,200	1,404,591
Total Human Resources	818,513	77,878	508,200	1,404,591
Community Development				
Planning	651,856	127,242	257,555	1,036,653
Building	751,324	61,762	241,250	1,054,336
Total Community Dev	1,403,180	189,004	498,805	2,090,989
Develo Public Works				
Engineering	384,447	250,045	399,645	1,034,137
Traffic Engineering	266,532	106,976	6,015	379,523
Construction Inspection	196,201	75,623	25,380	297,204
Street Lighting	25,614	11,652	295,000	332,266
Total Public Works	872,794	444,296	726,040	2,043,130
Field Services				
Right of Way	180,882	123,508	450,841	755,231
Tree Maintenance	99,231	109,449	366,280	574,960
Park Maintenance	258,327	118,398	630,118	1,006,843
Concrete Maintenance	302,787	200,401	3,300	506,488
Pavement Maintenance	314,583	208,179	31,600	554,362
Storm Drain Maintenance	508,473	75,568	22,700	606,741
Traffic Control Maintenance	212,905	181,878	91,200	485,983
Street Sweeping	22,642	20,415	383,285	426,342
Recreation Center	131,182	309,901	667,730	1,108,813
Graffiti Removal	242,309	107,886	10,200	360,395
Total Field Services	2,273,321	1,455,583	2,657,254	6,386,158
Fire				
Fire Suppression	5,463,141	907,339	582,598	6,953,078
Paramedics	3,609,289	357,689	10,820	3,977,798
Fire Prevention	666,980	84,223	58,645	809,848

GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
Fire Reserves	93,077	663	9,485	103,225
Disaster Prep	137,857	30,067	9,710	177,634
Hazardous Materials	119,214	21,209	9,135	149,558
F.I.R.S.T.	35,470	6,468	3,540	45,478
Ambulance	110,697	-	1,506,335	1,617,032
Total Fire	10,235,725	1,407,658	2,190,268	13,833,651
Police				
Patrol	8,840,537	1,607,812	544,698	10,993,047
S.W.A.T.	85,340	21,586	11,000	117,926
Canine	393,847	106,463	19,620	519,930
Traffic	789,682	234,649	305,030	1,329,361
Investigation	3,230,677	555,981	113,104	3,899,762
Communications	1,230,268	144,700	11,000	1,385,968
Records Management	644,659	234,131	22,812	901,602
Range	-	4,638	24,768	29,406
Crime Prevention	133,355	26,250	15,530	175,135
Total Police	15,348,365	2,936,210	1,067,562	19,352,137
Community Services				
Athletics	153,150	254,908	55,960	464,018
Field Operations	173,892	125,935	12,000	311,827
Annual Festivals	28,570	2,764	50,000	81,334
Aquatics	-	-	-	-
Park Patrol	74,936	35,207	4,450	114,593
Recreation Center	273,362	306,714	18,350	598,426
Community & Senior Center	408,123	301,122	15,700	724,945
Contract Classes	168,893	129,497	57,200	355,590
Special Events	141,811	139,352	63,250	344,413
Senior Transportation	26,995	-	103,500	130,495
Total Community Services	1,449,732	1,295,499	380,410	3,125,641
Grand Total	34,446,928	8,352,637	9,375,154	52,174,719

Note: Operating expenditures only. Excludes capital projects, grants, etc.

GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

	General Fund		Information Services		Government Buildings		Fleet Management	
	2021-22 Projected	2022-23 Budget	2021-22 Projected	2022-23 Budget	2021-22 Projected	2022-23 Budget	2021-22 Projected	2022-23 Budget
Beginning Fund Balance	57,506,069	71,245,025	3,360,512	2,133,533	3,221,340	2,590,635	6,872,729	3,834,835
Revenues								
Operating Revenue	59,899,811	62,611,248						
Charges to Departments (ISF)	-	-	1,691,422	1,950,219	2,094,090	2,912,359	1,856,331	2,374,184
Functional Revenue	7,882,743	8,007,486						
Grants/Projects	1,174,062	2,070,409						
ARPA	7,952,893							
Transfers In	563,926	643,181	-	392,406	-	191,992	-	65,000
Total Revenues	77,473,435	73,332,324	1,691,422	2,342,625	2,094,090	3,104,351	1,856,331	2,439,184
Expenditures								
Operating	46,891,385	54,019,736	2,918,579	3,676,158	2,724,795	3,944,986	4,894,225	3,539,018
Capital (Inc. OCTA Reimbursable)	1,523,944	10,260,156						
CalPERS UAL Funding/OPEB Trust	3,000,000	3,000,000						
Debt Service	1,092,492	1,097,828						
Transfer Out - Emp. Benefit	9,152,622	9,792,930						
Transfer Out - Gas Tax/Other	2,074,036	2,175,668				-		
Sub Total Expenditures	63,734,479	80,346,318	2,918,579	3,676,158	2,724,795	3,944,986	4,894,225	3,539,018
Fire Apparatus Reserve	-	-	-	-	-	-		777,949
Ending Fund Balance	71,245,025	64,231,031	2,133,355	800,000	2,590,635	1,750,000	3,834,835	1,957,052
Desired Reserve			\$800,000		\$1,750,000		\$2,000,000	

GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

	Capital Equipment		Self Insurance		Employee Benefits		All Funds	
	2021-22 Projected	2022-23 Budget	2021-22 Projected	2022-23 Budget	2021-22 Projected	2022-23 Budget	2021-22 Projected	2022-23 Budget
Beginning Fund Balance	1,211,170	931,227	5,358,181	4,988,113	2,260,893	2,080,893	79,790,894	87,804,261
Revenues								
Operating Revenue							59,899,811	62,611,248
Charges to Departments (ISF)	161,243	290,916	2,559,288	3,254,333	10,676,367	11,226,740	19,038,742	22,008,751
Functional Revenue							7,882,743	8,007,486
Grants/Projects							1,174,062	2,070,409
ARPA								
Transfers In	-	49,001	-		9,963,750	10,652,982	10,527,676	11,994,562
Total Revenues	161,243	339,917	2,559,288	3,254,333	20,640,117	21,879,722	98,523,034	106,692,456
Expenditures								
Operating	441,186	471,144	2,929,356	3,393,501	20,820,117	21,797,278	81,619,643	90,841,821
Capital (Inc. OCTA Reimbursable)							1,523,944	10,260,156
CalPERS UAL Funding/OPEB Trust							3,000,000	3,000,000
Debt Service							1,092,492	1,097,828
Transfer Out - Emp. Benefit				-			9,152,622	9,792,930
Transfer Out - Gas Tax/Other		-		633,399			2,074,036	2,809,067
Sub Total Expenditures	441,186	471,144	2,929,356	4,026,900	20,820,117	21,797,278	98,462,737	117,801,802
Fire Apparatus Reserve	-	-	-	-	-	-	-	777,949
Ending Fund Balance	931,227	800,000	4,988,113	4,215,546	2,080,893	2,163,337	79,851,191	75,916,966
Desired Reserve	\$800,000		\$3,000,000		\$2,000,000			

FUND TRANSFERS IN & OUT DETAIL

	Transfers In											Total
	Transfers Out	General Fund (100)	Gas Tax (240)	Traffic Improv. (242)	Drainage (340)	Water Fund (500)	Info Tech (110)	ISF Govt. Bldg (111)	ISF Fleet (112)	ISF Capital (113)	ISF Self Ins. (114)	
General Fund (100)												
Gas Tax Fund	672,840		672,840									
IS - Employee Benefit Fund	9,792,930										9,792,930	
Drainage Fund	405,000				405,000							
Total General Fund	10,870,770	-	672,840	-	405,000	-	-	-	-	-	9,792,930	10,870,770
Self Insurance Fund												
Self Insurance	633,399						392,406	191,992		49,001		
Total Criminal Diversion	633,399	-	-	-	-	-	392,406	191,992	-	49,001	-	633,399
Road Maintenance & Rehabilitation (241)												
Traffic Improvement Fund	1,260,842		630,421	630,421								
Traffic Improvement Fund	-											
Total Road Maintenance & Rehabilitation	1,260,842	-	630,421	630,421	-	-	-	-	-	-	-	1,260,842
Gas Tax Fund (240)												
General Fund	495,043	495,043										
Total Gas Tax Fund	495,043	495,043	-	-	-	-	-	-	-	-	-	495,043
Measure M2 Fund (243)												
General Fund	85,533	85,533										
Traffic Improvement Fund	3,027,580			3,027,580								
Total Measure M2 Fund	3,113,113	85,533	-	3,027,580	-	-	-	-	-	-	-	3,113,113
Pollution Reduction Fund (244)												
IS - Fleet	65,000								65,000			
Total Pollution Reduction Fund	65,000	-	-	-	-	-	-	-	65,000	-	-	65,000
Sewer Assessment Fund (501)												
General Fund	62,605	62,605										
Gas Tax Fund	30,000		30,000									
Traffic Improvement	30,000			30,000								
IS - Employee Benefit Fund	147,416										147,416	
Total Sewer Assessment Fund	270,021	62,605	30,000	30,000	-	-	-	-	-	-	147,416	270,021
Water Utility Fund (500)												
Gas Tax Fund	40,000		40,000									
Traffic Improvement	25,000			25,000								
IS - Employee Benefit Fund	712,636										712,636	
Total Water Utility Fund	777,636	-	40,000	25,000	-	-	-	-	-	-	712,636	777,636
Total All Funds	17,485,824	643,181	1,373,261	3,713,001	405,000	-	191,992	65,000	-	-	10,652,982	17,485,824

Fund Account No.	Account Description	Funding Source	FY 2021-22 Budget	FY 2021-22 Estimated Actual (Rev)/Exp.	FY 2022-23 Estimated Cont. Approp.
100	General Fund				
1002218007	Sports Park Outbuilding(Interior ADA)	Measure HH	500,000	18,200	481,800
1002216103	Fire Station No. 1 Remodel Design	Measure HH	1,000,000	33,418	966,582
1001917002	Police Locker Room/Showers Remodel	Measure HH	2,966,251	360,200	2,606,051
1001918101	Recreation Center Interior Remodel	98 TAB Proceeds	611,842	603,927	7,915
1002210004	City Hall Interior Remodel	98 TAB Proceeds	250,000	25,742	224,258
1002280101	All Accessable Playground Equipment at the Sports Park	General Fund/Grants/Park Fee	1,000,000	23,418	976,582
1002280002	Sports Park Road Network Rehab	Measure HH	650,000	41,900	608,100
1001722001	I-405 Improvement	OCTA	976,265	375,230	601,035
1001722001	I-405 Improvement	OCTA Reimbursed	(976,265)	(375,230)	(601,035)
1002223005	Harbor Median Irrigation	General Fund	500,000	-	500,000
1001803001	General Plan Update	Economic Development	1,098,439	199,355	899,084
1002103001	General Plan Update - SB2 Planning Grant	Grant	100,748	99,748	1,000
1002103001	State Grant - SB2	Grant Reimbursed	(100,748)	(99,748)	(1,000)
1002103002	General Plan Update - LEAP Grant	Grant	60,267	59,267	1,000
1002103002	State Grant - LEAP	Grant Reimbursed	(60,267)	(59,267)	(1,000)
Total General Fund			8,576,532	1,306,160	7,270,372
270	Criminal Diversion				
15.3.71782.2.3422	Federal Grant - 21/22 OTS Step		(50,000)	(8,000)	(42,000)
15.4.71782.1.4323	Overtime - Sworn		43,950	8,000	35,950
15.4.71782.3.4463	Educational Meeting		2,725	-	2,725
15.4.71782.5.4849	Misc. Equipment		3,325	-	3,325
Total Criminal Diversion Fund					
230	CDBG				
2302203001	Mortgage Assistant (MAG) Grant		100,000	-	100,000
Total CDBG Fund			100,000	-	100,000
242	Traffic Improvement Fund				
2422125002	(8)Traffic Signal Mod. Improvements		2,596,790	121,581	2,475,209
2422221006	Heil -Euclid/Harbor & Ward -Edinger/NCL		120,000	120,000	-
2422225004	Traffic Signal Controllers Citywide		400,000	-	400,000
2422225005	Euclid/Condor & Talbert/Bushard Signal Mod.		80,000	-	80,000
2422225103	Magnolia Traffic Signal Synchronization		50,000	-	50,000
2422225107	Talbert Traffic Signal Synchronization		85,000	-	85,000
2422225108	Warner Traffic Signal Synchronization		85,000	-	85,000
2422225109	Edinger Traffic Signal Synchronization		65,000	-	65,000
Total Traffic Improvement Fund			3,481,790	241,581	3,240,209
340	Drainage Fund				
3402130101	Talbert Channel Storm Drain		150,000	9,119	140,881
Total Drainage Fund			150,000	9,119	140,881
501	Sewer Utility				
5012222004	OCTA Utilities Relocation Agreement		(23,195)	-	(23,195)
5012222004	I-405 Utilities Facilities Relocation - UK031024		23,195	-	23,195
Total Sewer Fund			-	-	-
112	Fleet ISF				
	Police Patrol Vehicles + Outfitting		186,000	-	186,000
	Arrow XT PUC Fire Engine		847,419	-	847,419
Total Fleet ISF			1,033,419	-	1,033,419
500	Water Utility				
5002154001	Hydrogeological/Well Rehabilitation Consultant		128,467	53,467	75,000
5002205008	Water Master Plan		350,000	-	350,000
5002250006	Mt. Baldy/Euclid Pipeline Replacement		282,000	41,870	240,130
5002254101	Well Site No. 6		300,000	-	300,000
5002254202	Well Site No. 8		800,000	-	800,000
5002254504	Well Site No. 11		900,000	-	900,000
5001722001 - 5002022005	I-405 Utilities Facilities Relocation		267,599	80,000	187,599
Total Water Fund			3,028,066	175,337	2,852,729
Total All Funds			16,369,807	1,732,197	14,637,610

ESTIMATED FUND BALANCE

Fund No.	Fund Description	Estimated Fund Balance 7/1/2022	Projected Revenue 2022/23	Total Available	Transfer In	Transfer Out	Adopted Appropriation 2022/23	Capital Improvement Program 2022/23	Estimated Fund Balance 6/30/2023
100	General Fund	71,245,024	70,816,215	142,061,239	2,516,110	10,870,770	59,215,392	10,260,156	64,231,031
Total General Fund		71,245,024	70,816,215	142,061,239	2,516,110	10,870,770	59,215,392	10,260,156	64,231,031
270	Criminal Diversion	409,843	7,100	416,943			22,300		394,643
271	COPS/Supplemental Law	248,448	153,000	401,448			115,075		286,373
241	Road Maintenance & Rehabilitation	193,172	1,261,841	1,455,013		1,260,842			194,171
240	Gas Tax/Street Improvements	1,735,219	1,632,243	3,367,462	1,373,261	495,043	56,000	2,955,000	1,234,680
242	Traffic Improvement	1,387,394	21,000	1,408,394	3,713,001			5,910,209	(788,814)
243	Measure M2	2,389,704	1,174,319	3,564,023		3,113,113			450,910
244	Pollution Reduction	574,915	64,000	638,915		65,000	13,560	40,000	520,355
340	Drainage Fund	55,346	1,000	56,346	405,000			405,000	56,346
233	Abandoned Vehicle Abatement	4,355		4,355			2,270		2,085
231	Housing Authority	18,385,869	216,500	18,602,369			409,110		18,193,259
232	Home Grant	332,461		332,461					332,461
230	Community Dev/HUD	450,000	500,000	950,000			950,000		-
Total Special Revenue Funds		26,166,726	5,031,003	31,197,729	5,491,262	4,933,998	1,568,315	9,310,209	20,876,469
501	Sewer Assessment (Cash Balance)	7,541,125	2,490,120	10,031,245		270,021	1,187,655	638,195	7,935,374
500	Water Utility (Cash Balance)	17,727,483	21,149,755	38,877,238		777,636	17,332,196	4,302,729	16,464,677
502	Solid Waste	991,314	4,209,000	5,200,314			4,257,000		943,314
Total Enterprise Funds		26,259,922	27,848,875	54,108,797	-	1,047,657	22,776,851	4,940,924	25,343,365
601	Successor Agency	530,085	-	530,085			120,000		410,085
Total Successor Agency		530,085	-	530,085	-	-	120,000	-	410,085
Subtotal, Total Governmental/Business Activities		124,201,757	103,696,093	227,897,850	8,007,372	16,852,425	83,680,558	24,511,289	110,860,950
110	Information Technology	2,133,533	1,950,219	4,083,752	392,406		3,676,158		800,000
111	Government Buildings	2,590,635	2,912,359	5,502,994	191,992		3,944,986		1,750,000
112	Fleet Services	3,834,835	2,374,184	6,209,019	65,000		3,539,018		2,735,001
113	Capital Equipment	931,227	290,916	1,222,143	49,001		471,144		800,000
114	Self Insurance	4,988,113	3,254,333	8,242,446		633,399	3,393,501		4,215,546
115	Employee Benefits	2,080,893	11,226,740	13,307,633	10,652,982		21,797,278		2,163,337
Total Internal Service Funds		16,559,236	22,008,751	38,567,987	11,351,381	633,399	36,822,085	-	12,463,884
400	F.V.P.F.A Debt Service *	5,336	1,097,828	1,103,164			1,092,492		10,672
500/501	Transfer in Lieu (Utility Admin Svc Charge)	-	-	-		1,872,929	-		-
Total Others		5,336	1,097,828	1,103,164	-	1,872,929	1,092,492	-	10,672
Total All Funds		140,766,329	126,802,672	267,569,001	19,358,753	19,358,753	121,595,135	24,511,289	123,335,506

GENERAL FUND BALANCE DESIGNATIONS (PROJECTED)

General Fund Balance Analysis 2021-22

Estimated Beginning Fund Balance 7/1/21		57,506,068
	21-22	
Revenues		
Operating Revenues	67,782,554	
Miscellaneous Reimbursements/Grants	1,174,062	
Transfers-In	563,926	
ARPA	7,952,893	
Total Revenues		77,473,435
Expenditures		
Operating	48,298,421	
Debt Service	1,092,492	
Transfers Out	9,819,622	
CalPERS UAL - Additional Funding	3,000,000	
Capital Rebudgets (includes Continuing Appropriations)	1,523,944	
Total Expenditures		63,734,479
Budget Position		13,738,956
Projected Fund Balance 6/30/22		71,245,024

GENERAL FUND OPERATING REVENUE & EXPENSE ANALYSIS

FY 2022-23 General Fund Operating Budget

Revenues

General Revenues	64,681,657
Functional Revenues	8,007,487
Transfers In	643,181

Total Operating Revenues 73,332,325

Expenditures

Salaries & Benefits	33,964,206
Internal Service Charges	8,352,637
Maintenance & Operations	15,800,721
Debt Service	1,097,828
Transfers-Out	10,870,770

Total Operating Expenditures 70,086,162

Operating Income/(Deficit) All Operating 3,246,163

CITY OF FOUNTAIN VALLEY
 SCHEDULE OF MEASURE HH REVENUES AND EXPENDITURES
 Budgeted Fiscal Year Ended June 30, 2023

Measure HH Revenues	\$	16,153,000
Measure HH Expenditures:		
Reoccurring Expenses Incurred on Essential City Services		11,813,650
One-Time Expenses (Additional Pension Paydown)		3,000,000
Financial Stewardship: Reserves Set-Aside in 22-23	\$	1,339,350

Measure HH provided necessary funding in Fiscal Year 2022/23 that was used for the following in accordance with the **Responsible Spending Pledge**:

Reoccurring Expenses Incurred on Essential City Services:		
Public Safety		
Maintain 911 Emergency Response Times & Keep Fire Station No. 2 open ¹		2,457,886
Fire Safety Salaries		886,976
Police and Fire Pension Costs that are Legally Required to be Paid to CalPERS and Principal and Interest on the Safety Pension Obligation Bonds ²		3,451,596
Total Public Safety		6,796,458
Senior & Youth Programs		
Amount associated with the cost to keep the Recreation Center, Community Center & Senior Center open ³		2,325,750
Employee Retention		
Salary and benefit increases ⁴		-
City's Outstanding Debt -Pay Down/Pay off, including Unfunded Liabilities		
Miscellaneous Employee Pension Costs that are Legally Required to be Paid to CalPERS and Principal and Interest on the Miscellaneous Pension Obligation Bonds ²		2,116,442
Capital Improvements		
Includes \$375,000 for residential road rehabilitation and \$200,000 for park improvements		575,000
Total Reoccurring Expenses⁵		11,813,650

One-Time Expenses:	
Additional Payment to CalPERS towards unfunded pension liabilities	3,000,000

Reserves Set-Aside in 22-23:	
Pension Reserves	
2022-23 Contribution to Pension Trust Fund	-
Increase in Reserves	1,339,350
Capital Reserves - Transfer to Fleet Management Internal Service Fund	
Set-aside for Fire Apparatus	-
Total Reserves Set-Aside in 22-23	1,339,350

- ¹ - Without Measure HH, staff would have faced the challenge of closing Fire Station No. 2, which would have been a gradual process spanning multiple years. The total cost attributable to 14-full-time equivalents (FTEs) within various classifications assigned to Fire Station No. 2 is \$2,457,886. Approximately 100% of the staffing cost attributable to Fire Station No. 2 has been identified as being funded from Measure HH, which equates to \$2,457,886. In addition to the staffing costs of Fire Station No. 2, an additional \$886,976 of Fire safety personnel expenses has been identified as being funded from Measure HH.
- ² - Historically, pensions were funded over a rolling 30 year period in accordance with CalPERS funding policy. In 2013 CalPERS approved a change to pension funding, which resulted in shorter amortizations and significant increases in amounts required to be paid to CalPERS beginning in Fiscal Year 2015-16. The City's annual pension expense was approximately \$5 million through Fiscal Year 2015-16, which included payments of \$1,606,319 and \$836,411, respectively, for police/fire and miscellaneous employee pension costs for services rendered in prior years (excluding "normal cost" related to the accrual of benefits earned in the current year). In 2022-23, the total projected expense for police/fire and miscellaneous pension costs for services rendered in prior years is \$8,010,769 (\$5,568,038 over the base year), which includes principal and interest expense paid on Pension Obligation Bonds. Approximately \$3,451,596 of the increase is for the police/fire pension costs and \$2,116,442 is for miscellaneous employee pension costs. The total increase of \$5,568,038 in pension expense over the base year has been attributed to Measure HH.
- ³ - The Recreation and Community Services Department generally provides services that benefit the community as whole. Therefore, user fees and revenues generated by the Recreation and Community Services Department generally do not cover the full cost of programs. Therefore, the General Fund subsidizes the difference. The General Fund subsidy is estimated at approximately \$2,325,750 in Fiscal Year 2022-23. Approximately 100% of the General Fund subsidy has been identified as being funded from Measure HH, which equates to approximately \$2,325,750.
- ⁴ - Measure HH was approved by the community to allow for continuous operating and improvement of essential City services. In response to the community needs, the City Council approved negotiated adjustments to salaries and benefits for various classifications.
- ⁵ - General Fund operating revenues are projected to be \$71,020,512 and operating expenditures are projected at \$66,681,162 (excluding Pension Trust contributions and additional payments to CalPERS). The net operating surplus is projected to be \$4,339,350. Without Measure HH, the General Fund would have had an operating deficit of \$11,813,650. Therefore, this amount has been identified as being funded from Measure HH, which has been used for recurring essential City services.

	Cumulative Measure HH Reserves Set-Aside	Reserves at 6/30/23*	Short-Term/ Long-Term Targeted Reserve	% Funded by Measure HH
OPEB Trust Reserves	2,602,213	16,243,529	\$10-30 Million	16%
Pension Trust Reserves	13,888,570	13,888,570	\$10-30 Million	100%
Emergency Reserves	4,903,421	17,601,655	55% Sales Tx Rev	28%
Capital Reserves	22,562,854	28,300,577	\$10-15 Million	80%
Fire Apparatus Reserves	0	0	\$2 Million	0%
	<u>43,957,058</u>			

* Including Measure HH and non-HH reserves set-aside and related investment income.

DEBT SERVICE ADMINISTRATION

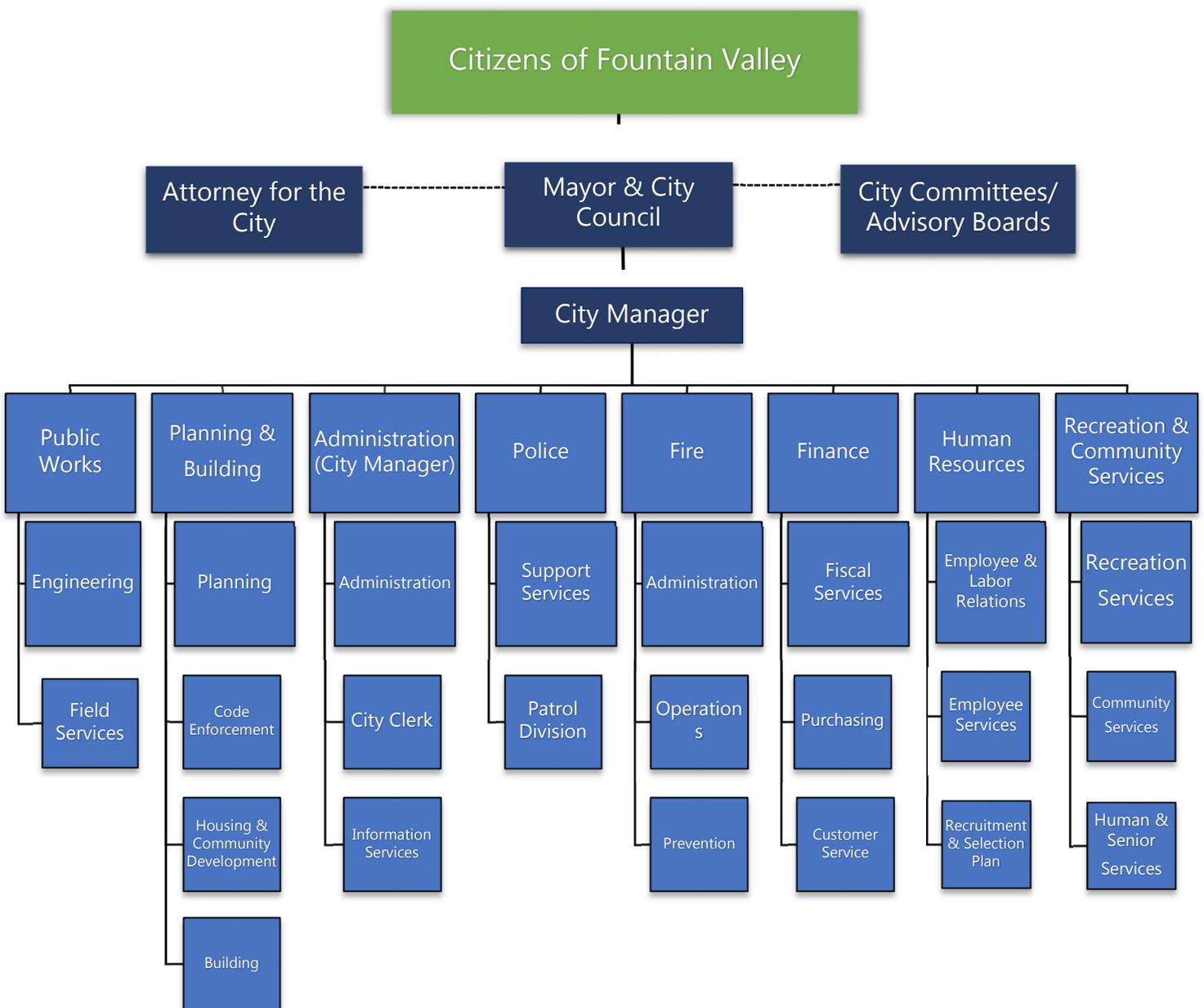
As of June 30th, 2022 The City of Fountain Valley and the Successor Agency had a combined total of \$36,093,871 of outstanding Long Term Debt. The debt covers Governmental Activities and Business-Type Activities, which includes Revenue Bonds, Pension Obligation Bonds, Certificates of Participation and Clean Renewable Energy Bonds. A schedule of each outstanding long-term debt, as of June 30th, 2022 is listed below.

Issuance Date	Type of Long Term Debt	Total Outstanding Debt as of 06/30/22
2014	Series 2014A Revenue Bonds - Water Enterprise Fund	9,955,000
2015	Series 2015A Taxable Pension Obligation Bonds	13,595,000
2016	Series 2016A Lease Revenue Bonds	10,150,000
2017	Clean Renewable Energy Bonds	2,393,871
Total Outstanding City Long Term Debt		\$36,093,871

Mission Statement

The City of Fountain Valley delivers cost-effective quality public services to provide a safe and desirable community that enriches its residents and businesses.

Organizational Chart



AUTHORIZED PERSONNEL LIST

FTE by Department/Division	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed
Administration	8.5	8.5	8.0	8.0
Community Development	8.0	8.0	13.0	14.0
Finance	9.75	9.75	10.75	11.75
Fire Department	46.0	46.0	46.0	46.0
Human Resources	4.75	4.75	5.75	6.00
Police Department	87.0	87.0	87.0	87.0
Public Works (All)	59.0	59.0	59.0	61.0
Recreation & Community Services	6.0	6.0	6.0	6.0
Total FTE by Department/Division	229.00	229.0	235.5	239.75

Administration

City Manager	1.0	1.0	1.0	1.0
Deputy City Manager	0.0	1.0	1.0	1.0
Assistant to the City Manager	1.0	0.0	0.0	0.0
Management Aide	0.5	0.5	1.0	1.0
Executive Assistant to CM	1.0	1.0	0.0	0.0
City Clerk Administrator	1.0	1.0	1.0	1.0
Information Systems Manager	1.0	1.0	1.0	1.0
Lead Information Systems Technician	0.0	1.0	1.0	1.0
Information Systems Technicians	3.0	2.0	2.0	2.0
Total Administration	8.5	8.5	8.0	8.0

Community Development

Planning & Building Manager	1.0	1.0	1.0	1.0
Planner	1.0	1.0	1.0	1.0
Administrative Assistant/ Secretary	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	2.0
Housing Coordinator	1.0	1.0	1.0	1.0
Housing Analyst/ Technician	1.0	1.0	1.0	1.0
Assistant Planner	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Building Official	0.0	0.0	1.0	1.0
Building Inspector	0.0	0.0	2.0	2.0
Permit Technicians	0.0	0.0	2.0	2.0
Total Community Development	8.00	8.00	13.0	14.0

Finance

Finance Director	1.0	1.0	1.0	1.0
Accounting Manager	1.0	1.0	1.0	1.0
Budget Analyst	1.0	1.0	1.0	1.0
Management Analyst	1.0	1.0	1.0	2.0
Accountant	0.75	0.75	0.75	0.75
Senior Accounting Technician	1.0	1.0	1.0	1.0
Accounting Technician II/ CSR	2.0	2.0	3.0	3.0
Accounting Technician I	1.0	1.0	1.0	1.0

AUTHORIZED PERSONNEL LIST

FTE by Department/Division	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed
Payroll Administrator	0.0	0.0	0.0	1.0
Secretary	1.0	1.0	1.0	0.0
Total Finance	9.75	9.75	10.75	11.75

Fire

Fire Chief	1.0	1.0	1.0	1.0
Division Chief	0.0	0.0	1.0	1.0
Battalion Chief	3.0	3.0	2.0	2.0
Administrative Assistant	0.0	0.0	1.0	1.0
Fire Marshal/ Deputy Fire Marshal	1.0	1.0	1.0	1.0
Emergency Services Manager	1.0	1.0	1.0	1.0
Administrative Training Captain	1.0	1.0	1.0	1.0
Fire Captain	9.0	9.0	9.0	9.0
Fire Engineer	9.0	9.0	9.0	9.0
Firefighter/ Paramedic	18.0	18.0	18.0	18.0
Management Aide	2.0	2.0	1.0	1.0
Fire Prevention Analyst	1.0	1.0	1.0	1.0
Total Fire	46.0	46.0	46.0	46.0

Human Resources

Human Resources Director	1.0	1.0	1.0	1.0
Principal HR Analyst	0.0	0.0	1.0	0.0
HR Manager	0.0	0.0	0.0	1.0
Senior Human Resources Analyst	1.0	1.0	0.0	1.0
Human Resources Analyst	0.0	0.0	2.0	2.0
Human Resources Technician	0.75	0.75	0.75	1.00
Safety & HR Specialist	0.0	1.0	1.0	0.0
Department Secretary	1.0	0.0	0.0	0.0
Management Aide	1.0	1.0	0.0	0.0
Total Human Resources	4.75	4.75	5.75	6.00

Police

Police Chief	1.0	1.0	1.0	1.0
Secretary	2.0	2.0	2.0	2.0
Crime Analyst	1.0	1.0	1.0	1.0
Captain	2.0	2.0	2.0	2.0
Lieutenant	3.0	3.0	3.0	3.0
Sergeant	10.0	10.0	10.0	10.0
Senior Police Officer	9.0	9.0	9.0	9.0
Police Officer	39.0	39.0	39.0	39.0
Laboratory	1.0	1.0	1.0	1.0
Support Services Manager	1.0	1.0	1.0	1.0
Support Services Supervisor	1.0	1.0	1.0	1.0
Police Records	3.5	3.5	3.5	3.5
Police Dispatch	9.5	9.5	9.5	9.5

AUTHORIZED PERSONNEL LIST

FTE by Department/Division	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed
Community Services Officer	4.0	4.0	4.0	4.0
Total Police	87.0	87.0	87.0	87.0

Public Works

Director of Public Works	1.0	1.0	1.0	1.0
Administrative Assist./ Secretary	1.0	1.0	1.0	1.0
Deputy Director of PW/ City Engineer	1.0	1.0	1.0	1.0
Management Aide	1.0	1.0	1.0	2.0
Environmental Services Administrator	1.0	1.0	1.0	1.0
Engineering Associate	2.0	2.0	2.0	2.0
Assistant Engineer	0.0	0.0	0.0	1.0
Engineering Techn III	2.0	2.0	2.0	2.0
Public Works Inspector	1.0	1.0	1.0	1.0
Field Services Manager	1.0	1.0	1.0	1.0
Administrative Specialist	1.0	1.0	1.0	1.0
Management Analyst	1.0	1.0	1.0	0.0
SR. Management Analyst	0.0	0.0	0.0	1.0
Internal Services Supervisor	1.0	1.0	1.0	1.0
Public Services Supervisor	1.0	1.0	1.0	1.0
Landscape Inspector	1.0	1.0	1.0	1.0
Foreman	4.0	4.0	4.0	3.0
Landscape Inspector	0.0	0.0	0.0	1.0
Equipment Operator I & II	1.0	1.0	1.0	1.0
Irrigation Technician	2.0	2.0	2.0	2.0
Maintenance Worker II	11.0	11.0	11.0	11.0
Mechanic	3.0	3.0	3.0	3.0
Water Supervisor	2.0	2.0	2.0	2.0
Foreman	1.0	1.0	1.0	1.0
Water Quality Technician	1.0	1.0	1.0	1.0
Equipment Operator Non-Certified	1.0	1.0	1.0	1.0
Water Systems Operator	3.0	3.0	3.0	2.0
Water Foreman	0.0	0.0	0.0	1.0
Maintenance Worker II	8.0	8.0	8.0	8.0
Maintenance Worker II Non-Certified	1.0	1.0	1.0	1.0
Sewer/ Storm Drain Supervisor	1.0	1.0	1.0	1.0
Equipment Operator- Storm Drains	1.0	1.0	1.0	1.0
Equipment Operator- Sewer	1.0	1.0	1.0	1.0
Maintenance Worker II- Sewers/ Storm	2.0	2.0	2.0	2.0
Total Public Works	59.0	59.0	59.0	61.0

Recreation & Community Services

Community Services Director	1.0	1.0	1.0	1.0
Community Services Manager	2.0	2.0	2.0	2.0
Community Services Supervisor	1.0	1.0	2.0	2.0
Recreation Coordinator	2.0	2.0	1.0	1.0
Total Recreation & Community Services	6.0	6.0	6.0	6.0

Mission Statement

The mission of the City Manager’s Office is to support and enhance the high quality of living in Fountain Valley. This is accomplished through the implementation of City Council Policies, investing in appropriate level of cost effective services and exercising innovation while respecting the community’s traditional values of our business and residents.

Organizational Chart





The City of Fountain Valley's Administration Department is comprised of the legislative and administrative branches of City government. The City Council is elected at large by the citizens of Fountain Valley and functions as the legislative branch of the City by developing public policies, approving programs and allocating financial resources to meet the needs of the City.

The City Manager is the chief administrative officer of the City and is responsible for the day-to-day activities of all City departments. City Manager interacts with the City Council on matters of policy and procedure, and responds to local issues concerning public safety, community service, transportation, economic development, and other issues that affect quality of life for the citizens of Fountain Valley.

The Administration Department also includes Economic Development, Information Services and the Office of the City Clerk. Economic Development is responsible for promoting local businesses, intergovernmental relations, and public information. Information Services manages all computer, telephone, website and video surveillance systems utilized by the City. The Office of the City Clerk serves as the primary custodian of records for the City, coordinates the agenda and public noticing of all public meetings, administers the election process in accordance with statutory regulations and



serves as the City's Risk Manager.

FY 2021/22 ACCOMPLISHMENTS

Assisted with General Plan Update and General Plan Advisory Committee

- ✓ Assisted with short-term rentals option for City Council consideration



- ✓ Assisted with the code amendment for alternative hotel development standards that encourage quality hotel development

- ✓ Worked with Community Services Director on a revised Community Access Rental Program.
- ✓ Completed eight labor Memorandum of Understandings in July 2022
- ✓ Accepted \$200,000 CARES Program Funding from the County of Orange to Provide Economic Support for an Outdoor Dining Program for Local Businesses and awarded \$200,000 grant to U.S. Millennium LLP
- ✓ Awarded lease agreement to Outfront Media LLC for dual digital billboard at City reservoir (10955 Ellis Avenue) and generated \$30,433,538 including one-time payment for a 30-year term



- ✓ Assisted with Fountain Valley Chamber of Commerce Explore Fountain Valley commercial centers to promote local businesses.
- ✓ Maintained ongoing communications related to COVID-19 pandemic and circulated up to date information to the community and businesses via newsletter, website, and social media platforms including Nextdoor.
- ✓ Assisted businesses with grants at local, state and federal levels with constant communications via email, telephone and website.
- ✓ Revamped Mayor's Breakfast to update the community on City programs and services
- ✓ Assisted the Mayor and implemented Facebook Live every Thursdays to provide update on City's events and projects
- ✓ Completed ribbon cutting for the upgraded Recreation Center and celebrated with the community with the milestone
- ✓ Completed State of the City video with Mayor to update the community on Mayor's goals for 2022 and city projects
- ✓ Prepared 12 digital Fountain Valley Newsletters to keep the community informed on city programs, events, and up to date information on COVID-19 and vaccine allocation/distribution.
- ✓ Processed 22 Claims against the City and completed over 150 Public Records Requests.
- ✓ Re-organizes all City Committee's and Commission with the City Council conducting the elections for the various committee seats.

FY 2022-23 Goals

Goals stated support the City's Strategic Plan goals to: Maintain the culture and environment of "A Nice Place to Live", Attract and Retain Revenue Producing Businesses, Attract and Retain Quality Staff and Achieve Fiscal Stability in Accordance with the 20-Year Financial Plan

- Continue to focus on transparent governance to build trust, gain new ideas, increase community engagement, understand community's needs better, empower citizens, showcase reform, attract citizens to government, boost economy, foster a local government with professionalism, and educate citizens
- Continue to build on existing Strategic Plan to guide the organization to support community goals
- Focus on social media to enhance community outreach and engagement as part of the City's strategic goals
- Focus on economic development to promote small businesses, the approved Fountain Valley Crossings Specific Plan, under-utilized commercial centers and attract new restaurants and retailers
- Continue to have ongoing dialogue with hotel developers for opportunity sites in the Fountain Valley Crossings Specific Plan and former Boomers site and Spec Services building
- Continue to have discussions with property owners at Harbor Boulevard and Edinger Avenue to revitalize and attract new tenants
- Complete average total compensation salary survey with all seven labor groups
- Assist with the rollout of the citywide Enterprise Resource Program (ERP)
- Assist with General Plan Update Project
- Evaluate the best use for City properties at City Hall, which is currently lease to the Boys and Girls Club of Huntington Valley
- Continue to support OCTA 405 Freeways Projects
- Support nonprofit organizations in the community
- Continue to support businesses as they recover from the COVID-19 pandemic
- Work closely with local legislators on proposed bills in Sacramento
- Hire new Planning and Building and Finance Directors
- Work with County of Orange and surrounding cities to identify option to address homeless challenges in the region

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	Percent Change
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EXPENSES BY DEPARTMENT*ALL Funds*

Salaries & Benefits	\$ 628,392	\$ 595,785	\$ 707,310	\$ 818,754	16%
Internal Service Charges	\$ 191,821	\$ 181,110	\$ 189,779	\$ 255,032	34%
Operating Expense	\$ 469,808	\$ 490,746	\$ 858,030	\$ 738,510	-14%
Total Expenses by Department	\$ 1,290,021	\$ 1,267,641	\$ 1,755,119	\$ 1,812,296	3%

EXPENSES BY DIVISION*General Fund***City Council**

Salaries & Benefits	\$ 71,916	\$ 73,267	\$ 80,943	\$ 81,691	1%
Internal Service Charges	\$ 39,926	\$ 34,542	\$ 36,000	\$ 53,714	49%
Operating Expense	\$ 9,091	\$ 6,607	\$ 12,600	\$ 20,000	59%
Total City Council	\$ 120,933	\$ 114,416	\$ 129,543	\$ 155,405	20%

City Manager

Salaries & Benefits	\$ 185,756	\$ 170,342	\$ 196,148	\$ 285,293	45%
Internal Service Charges	\$ 52,512	\$ 50,585	\$ 52,747	\$ 71,125	35%
Operating Expense	\$ 418,139	\$ 390,062	\$ 727,430	\$ 498,410	-31%
Total City Manager	\$ 656,407	\$ 610,989	\$ 976,325	\$ 854,828	-12%

Administrative Services

Salaries & Benefits	\$ 256,310	\$ 233,850	\$ 293,724	\$ 307,082	5%
Internal Service Charges	\$ 39,861	\$ 38,282	\$ 40,793	\$ 54,692	34%
Operating Expense	\$ 36,009	\$ 38,016	\$ 103,500	\$ 153,600	48%
Total Administrative Services	\$ 332,180	\$ 310,148	\$ 438,017	\$ 515,374	18%

Records Management

Salaries & Benefits	\$ 113,537	\$ 107,207	\$ 136,495	\$ 128,556	-6%
Internal Service Charges	\$ 52,709	\$ 50,881	\$ 52,874	\$ 65,906	25%
Operating Expense	\$ 6,569	\$ 10,688	\$ 14,500	\$ 16,500	14%
Total Records Management	\$ 172,815	\$ 168,776	\$ 203,869	\$ 210,962	3%

Elections

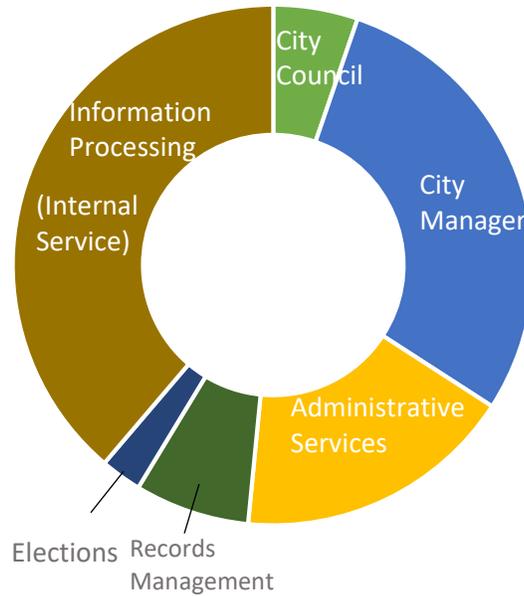
Salaries & Benefits	\$ 873	\$ 11,119	\$ -	\$ 16,132	100%
Internal Service Charges	\$ 6,813	\$ 6,820	\$ 7,365	\$ 9,595	30%
Operating Expense	\$ -	\$ 45,373	\$ -	\$ 50,000	100%
Total Elections	\$ 7,686	\$ 63,312	\$ 7,365	\$ 75,727	928%

Total General Fund	\$ 1,290,021	\$ 1,267,641	\$ 1,755,119	\$ 1,812,296	3%
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EXPENSES BY DIVISION*All Other Funds***Information Processing (Internal Service)**

Salaries & Benefits	\$ 406,686	\$ 329,699	\$ 428,071	\$ 510,408	19%
Internal Service Charges	\$ -	\$ -	\$ -	\$ -	0%
Operating Expense	\$ 760,283	\$ 636,001	\$ 1,110,257	\$ 637,050	-43%
Total Information Processing	\$ 1,166,969	\$ 965,700	\$ 1,538,328	\$ 1,147,458	-25%

Total All Other Funds	\$ 1,166,969	\$ 965,700	\$ 1,538,328	\$ 1,147,458	-25%
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STAFFING

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	FTE Change
City Manager	1.0	1.0	1.0	1.0	0.0
Deputy City Manager	0.0	0.0	1.0	1.0	0.0
Assistant to the City Manager	1.0	1.0	0.0	0.0	0.0
Management Aide	0.5	0.5	1.0	1.0	0.0
Executive Assist. to the City Manage	1.0	1.0	0.0	0.0	0.0
City Clerk Administrator	1.0	1.0	1.0	1.0	0.0
Information Systems Manager	1.0	1.0	1.0	1.0	0.0
Lead Information Systems Tech.	0.0	0.0	1.0	1.0	0.0
Information Systems Technician	3.0	3.0	2.0	2.0	0.0
Total FTE by Department	8.50	8.50	8.00	8.00	0.0

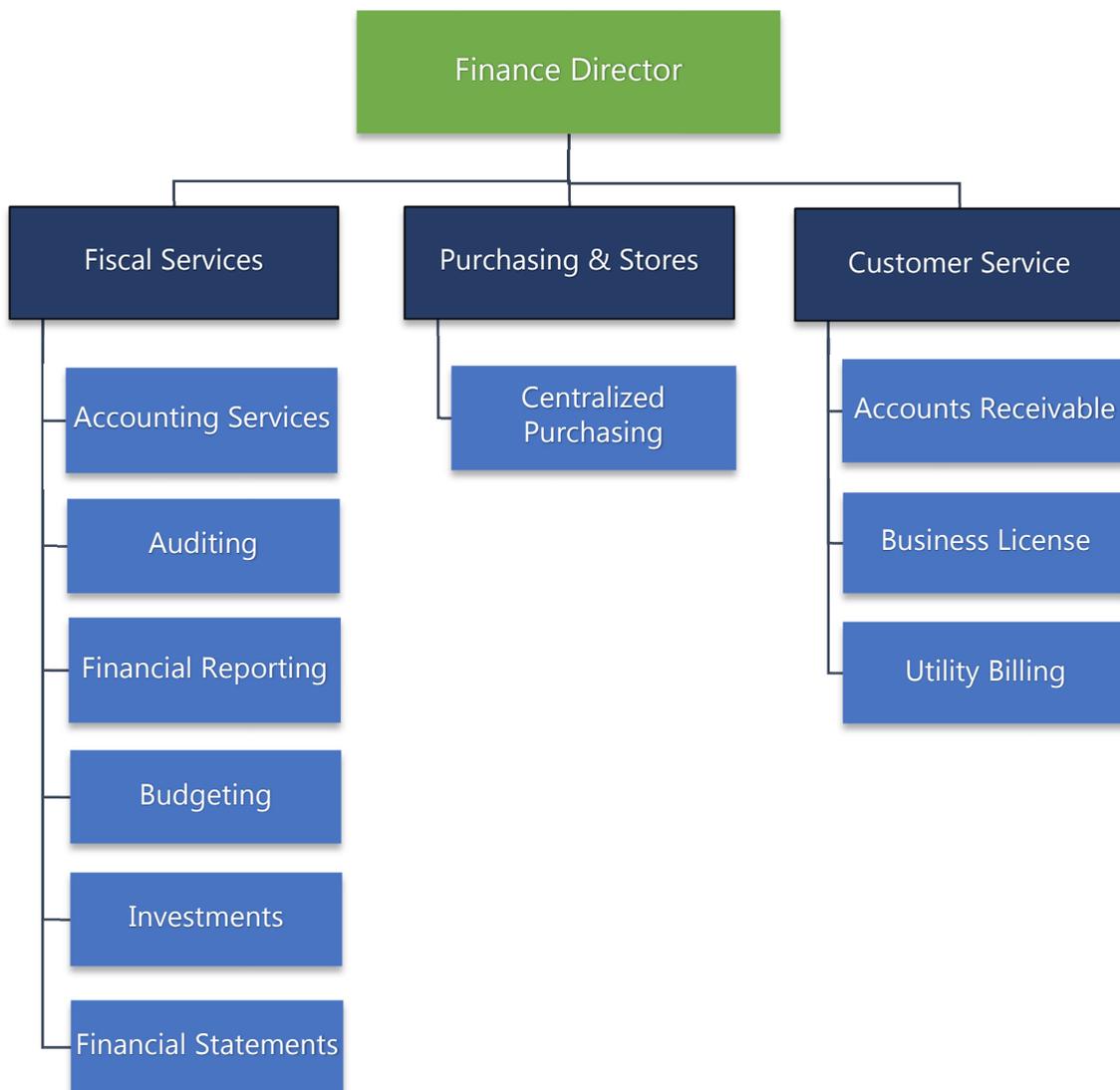
SIGNIFICANT CHANGES

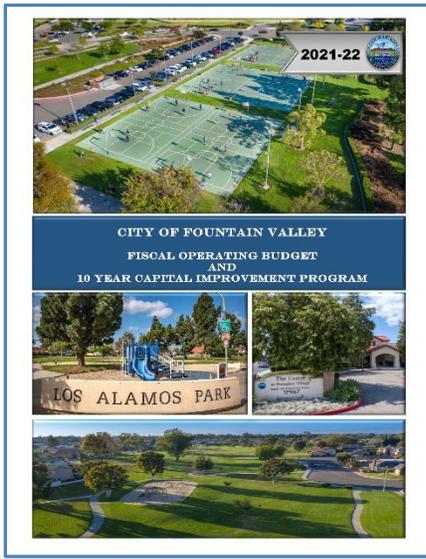
Personnel changes include increases relating to the City's Compensation study, cost of living increase, and merit increases among all authorized position count. Other operating expenses include increases for legal and professional services contracts, public relations, and election costs.

Mission Statement

The Finance Department is dedicated to sustaining financial strength & viability through fiscally sound financial management; ensuring the highest level of customer service while providing efficient, value added services that maximize the City's financial resources and public trust.

Organizational Chart





The Finance Department manages the fiscal operations of the City and maintains financial records in conformance with generally accepted accounting principles and in compliance with State and Federal laws. The Department's primary functions include maintaining effective systems for financial planning, revenue administration, accounting and reporting, cash management, long-term debt administration, purchasing, payroll, investing and utility billing.

The Department's Fiscal Services division is responsible for developing and managing the City's Annual Operating Budget, preparing the Comprehensive Annual Financial Report (CAFR) as well as citywide payroll functions.

Purchasing manages the formal bidding and procurement process for goods and services needed by all departments and manages the City's procurement card program.

The Customer Services division manages the accounts payable and receivable functions, oversees the business license process and is responsible for utility billing for all residential and commercial water accounts in the City.

FY 2021/22 ACCOMPLISHMENTS

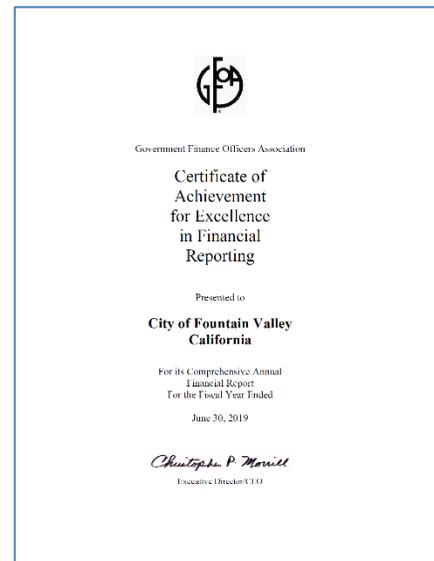
- ✓ Implemented Financial module of new Enterprise Resource Planning (ERP) System.
- ✓ Supported the meet and confer process by providing financial cost information for all bargaining agreements.
- ✓ Managed budget and reporting requirements resulting from the COVID-19 pandemic and various allocations from the CARES Act.
- ✓ Earned the GFOA Distinguished Budget Presentation award for the FY 2021/22 for the first time.
- ✓ Earned the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY 2020/21 Comprehensive Annual Financial Report.
- ✓ Provided staff support to Measure HH Oversight Committee.
- ✓ Managed the city's 20 Year Long Term Financial Plan.
- ✓ Continued the conversion to an entirely electronic bidding process and managed approximately 35 Request for Proposals (RFP) and or formal bids.
- ✓ Oversee and provide guidance to departments in the procurement of goods and services to ensure compliance with City Purchasing Policies and ensure competitive bidding.

- ✓ Managed procurement card program citywide.
- ✓ Processed approximately 103,000 bills for water, sewer and trash/ recycling services.
- ✓ Managed 3,011 business licenses citywide.

FY 2022/23 GOALS

All goals support the City's Strategic Plan Goal to "Achieve Fiscal Stability in Accordance with 20-Year Financial Plan".

- Develop a City budget document that would be eligible for the CSMFO and/or GFOA Budget Awards Program.
- Continue project management and ensure successful implementation of new ERP system for payroll and utility billing modules.
- Implement a Pension Funding Policy that sets forth a comprehensive long-term fiscal strategy designed to mitigate against risk exposure and with the goal of paying off all pension debt by 2037, when Measure HH sunsets.
- Adhere to all reporting requirements and maximize the value of funding from the American Rescue Plan and/or any other stimulus programs providing aid to local government.
- Complete a Comprehensive Fee Study to review and update citywide fees as needed. Implement procurement module in new ERP system.
- Update Purchasing Policy to streamline processes, safeguard city resources and maximize competitive bidding and transparency.
- Assess opportunities for cost savings, revenue opportunities and/or efficiencies while considering the effects on customer services.



	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY 22/23 Proposed	Percent Change
EXPENSES BY DEPARTMENT					
<i>All Funds</i>					
Salaries & Benefits	\$ 1,103,444	\$ 1,185,997	\$ 1,206,752	\$ 1,496,255	24%
Internal Service Charges	\$ 223,127	\$ 217,399	\$ 235,529	\$ 312,997	33%
Operating Expense	\$ 574,008	\$ 629,647	\$ 743,585	\$ 793,305	7%
Total Expenses by Department	\$ 1,900,579	\$ 2,033,043	\$ 2,185,866	\$ 2,602,557	19%

EXPENSES BY DIVISION*General Fund***Financial Services**

Salaries & Benefits	\$ 640,611	\$ 695,845	\$ 699,582	\$ 990,256	42%
Internal Service Charges	\$ 205,228	\$ 198,946	\$ 215,235	\$ 282,476	31%
Operating Expense	\$ 303,933	\$ 302,767	\$ 387,700	\$ 443,920	15%
Total Financial Services	\$ 1,149,772	\$ 1,197,558	\$ 1,302,517	\$ 1,716,652	32%

Purchasing

Salaries & Benefits	\$ 154,517	\$ 161,899	\$ 160,343	\$ 206,285	29%
Internal Service Charges	\$ -	\$ -	\$ -	\$ -	0%
Operating Expense	\$ 44,501	\$ 56,806	\$ 77,085	\$ 82,085	6%
Total Purchasing	\$ 199,018	\$ 218,705	\$ 237,428	\$ 288,370	21%

Business License

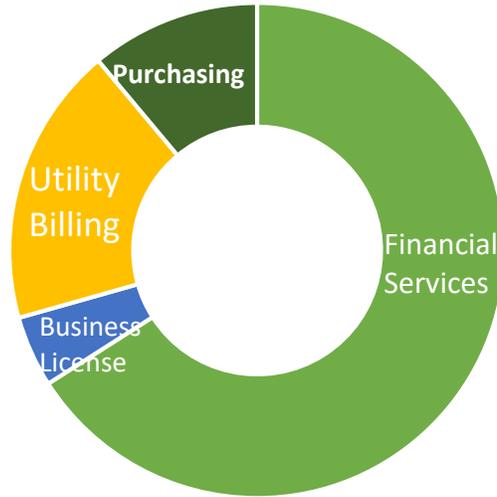
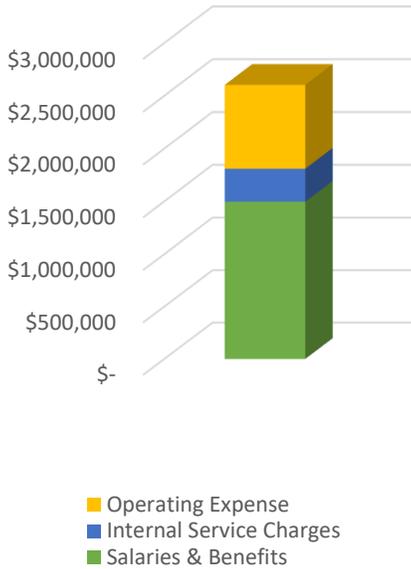
Salaries & Benefits	\$ 18,057	\$ 18,073	\$ 24,022	\$ 30,003	25%
Internal Service Charges	\$ 3,894	\$ 3,970	\$ 4,229	\$ 9,001	113%
Operating Expense	\$ 70,790	\$ 96,030	\$ 79,600	\$ 82,100	3%
Total Business License	\$ 92,741	\$ 118,073	\$ 107,851	\$ 121,104	12%

Total General Fund	\$ 1,441,531	\$ 1,534,336	\$ 1,647,796	\$ 2,126,126	29%
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EXPENSES BY DIVISION*All Other Funds***Utility Billing (Water Fund)**

Salaries & Benefits	\$ 290,259	\$ 310,180	\$ 322,805	\$ 269,711	-16%
Internal Service Charges	\$ 14,005	\$ 14,483	\$ 16,065	\$ 21,520	34%
Operating Expense	\$ 154,784	\$ 174,044	\$ 199,200	\$ 185,200	-7%
Total Utility Billing	\$ 459,048	\$ 498,707	\$ 538,070	\$ 476,431	-11%

Total Other Funds	\$ 459,048	\$ 498,707	\$ 538,070	\$ 476,431	-11%
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	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY 22/23 Proposed	FTE Change
STAFFING					
Finance Director	1.0	1.0	1.0	1.0	0.0
Accounting Manager	1.0	1.0	1.0	1.0	0.0
Budget Analyst	1.0	1.0	1.0	1.0	0.0
Management Analyst	1.0	1.0	1.0	2.0	1.0
Accountant	0.75	0.75	0.75	0.75	0.0
Senior Accounting Technician	1.0	1.0	1.0	1.0	0.0
Accounting Technician II/ CSR	2.0	2.0	3.0	3.0	0.0
Accounting Technician I	1.0	1.0	1.0	1.0	0.0
Payroll Administrator	0.0	0.0	0.0	1.0	1.0
Secretary	1.0	1.0	1.0	0.0	-1.0
Total FTE by Department	9.75	9.75	10.75	11.75	1.0

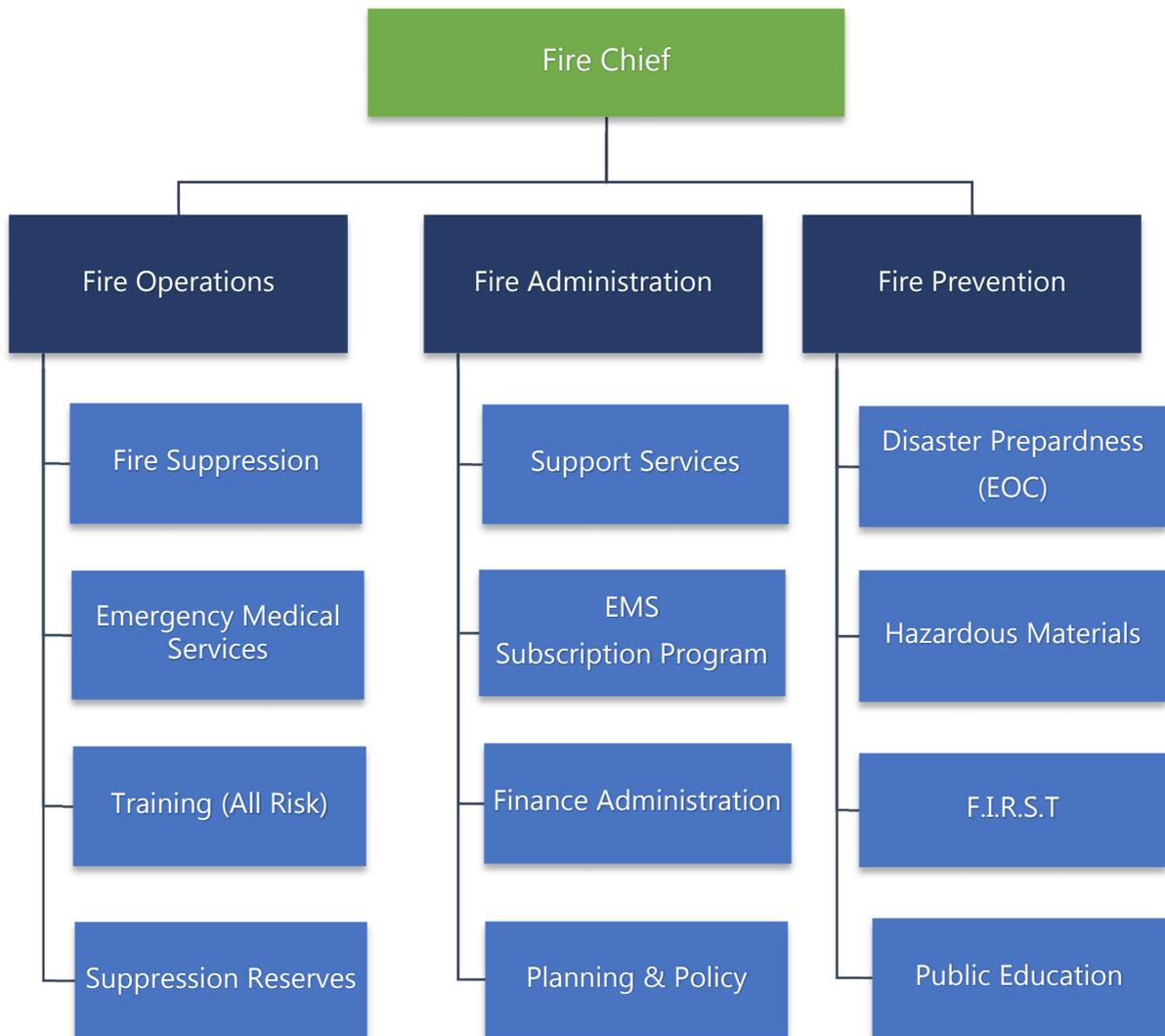
SIGNIFICANT CHANGES

Personnel changes include increases relating to the City's Compensation study, cost of living increase, and merit increases among all authorized position count. The proposed budget includes one additional Management Analyst. Other operating increases include temporary staffing for implementing the City's new ERP modules.

Mission Statement

The Fountain Valley Fire Department is committed to providing the highest quality emergency response, fire prevention, education, and emergency medical services to the residents and visitors within the community.

Organizational Chart



The Fire Department provides outstanding service aimed to safeguard both the well-being and property of the citizens and visitors of Fountain Valley. The 46 full-time men and women and approximately 20 part-time and volunteer employees of the Fountain Valley Fire Department strive to deliver high quality emergency medical services, fire suppression, fire prevention, hazardous materials, disaster preparedness and public safety education services. The fire department operates from two fire stations that collectively respond annually to over 7,000 emergency responses.

To maintain a constant state of readiness, the fire department staffs two advanced life support engine companies, one advanced life support ladder truck company, and one battalion commander 24 hours a day. These assets ensure that the fire department delivers fast and effective emergency response, as well as responsive and beneficial services to our customers in all non-emergency settings. Additionally, the department maintains automatic and mutual aid agreements with surrounding agencies, which provide both additional resources and maintains fiscal responsibility.



Fire suppression, emergency medical services, and fire prevention make up the core functions of the fire department. Fire suppression resources provide response to structure fires, emergency medical services, traffic collisions, wildland mutual aid, hazardous material calls, technical rescue operations, swift water rescue operations, and public service responses. To provide the community with the highest level of emergency medical services, all department personnel are trained to the level of basic life support providers, with two personnel on each apparatus trained to the level of advanced life support (paramedic). Additionally, the department's paramedic



program is supported by an Emergency Medical Services Manager that ensures all department personnel receive the required training and oversight needed to provide the highest level pre-hospital care to the community. Under the direction of the Fire Chief, the Fire Marshal manages all fire prevention activities. The fire prevention bureau is responsible for plan review and inspection of all new development in the city, and coordinates both annual fire inspections of local businesses and the Hazardous Materials Disclosure/Business Emergency Plan Program. The

bureau also manages citywide disaster preparedness, fire prevention education, the hazardous materials program, and the Fire Inspection Reserve Senior Taskforce (FIRST) and Fire Prevention Intern Program.

FY 2021/22 ACCOMPLISHMENTS

- ✓ Fire crews responded throughout the State of California on multiple mutual aid wildland fires.
- ✓ Hired two Firefighter/Paramedics an EMS Manager and an Administrative Assistant
- ✓ Promoted Two Fire Engineer. Hired Emergency Medical Services (EMS) Manager.
- ✓ Took delivery of a new tiller truck.
- ✓ Purchased new fire engine
- ✓ Purchased new F-450 Rescue Vehicle
- ✓ Created Covid-19 General Order and provided testing and vaccination clinics.
- ✓ Purchased new auto extrication "Jaws of Life."
- ✓ Purchased new 2021 Chevy Tahoe.
- ✓ Provided PPE and education to senior care facilities and residents.
- ✓ Provide drive through open house for public education during fire prevention week.

FY 2022/23 GOALS

All goals support the Strategic Plan Goals to "Maintain the culture and environment of "A Nice Place to Live" and "Achieve fiscal stability in accordance with the 20-Year Financial Plan".

- Continue to work with Care Ambulance, Wittman, and department personnel to monitor and provide the highest level of service with the Fire Department ambulance program.
- Further, promote the Fire Department Paramedic Membership Program.
- Assist with capital project to replace Fire Station 1, which would provide for a multi-purpose space for training, meetings, project collaboration and a more efficient call alert system. Additionally, the upgrades would accommodate a gender diverse workforce.
- Work with Pierce Inc. to build a new fire engine pumper.
- Foster relationships within the city and with surrounding agencies to expand and improve future collaborative training and project opportunities
- Further develop the fire investigation program within the department to include a part time fire investigator
- Conduct annual fire and life safety inspections for compliance with applicable building standards for structures specified in Senate Bill No. 1205.
- Provide excellent emergency and non-emergency services to the community, the visitors, and people outside of Fountain Valley during automatic/mutual aid responses by ensuring our staff has the knowledge and equipment required to complete their mission. Furthermore, staff is dedicated to promoting excellence by embracing challenges of the future and progressing the people and the standard operating procedures within the fire department to adapt to future demands.

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	Percent Change
EXPENSES BY DEPARTMENT					
<i>All Funds</i>					
Salaries & Benefits	\$ 8,617,133	\$ 9,525,943	\$ 9,641,136	\$ 10,235,725	6%
Internal Service Charges	\$ 1,212,117	\$ 1,136,346	\$ 1,084,965	\$ 1,407,658	30%
Operating Expense	\$ 594,606	\$ 1,345,585	\$ 2,152,174	\$ 2,190,268	2%
Total Expenses by Department	\$ 10,423,856	\$ 12,007,874	\$ 12,878,275	\$ 13,833,651	7%

EXPENSES BY DIVISION*General Fund***Suppression**

Salaries & Benefits	\$ 4,775,544	\$ 5,491,662	\$ 5,464,249	\$ 5,463,141	0%
Internal Service Charges	\$ 795,959	\$ 739,982	\$ 698,868	\$ 907,339	30%
Operating Expense	\$ 499,927	\$ 517,709	\$ 570,251	\$ 582,598	2%
Total Suppression	\$ 6,071,430	\$ 6,749,353	\$ 6,733,368	\$ 6,953,078	3%

Paramedics

Salaries & Benefits	\$ 2,933,064	\$ 3,139,361	\$ 3,181,526	\$ 3,609,289	13%
Internal Service Charges	\$ 296,222	\$ 289,038	\$ 277,416	\$ 357,689	29%
Operating Expense	\$ 6,497	\$ 8,379	\$ 10,820	\$ 10,820	0%
Total Paramedics	\$ 3,235,783	\$ 3,436,778	\$ 3,469,762	\$ 3,977,798	15%

Prevention

Salaries & Benefits	\$ 641,939	\$ 615,158	\$ 673,122	\$ 666,980	-1%
Internal Service Charges	\$ 67,581	\$ 61,000	\$ 64,849	\$ 84,223	30%
Operating Expense	\$ 67,650	\$ 41,021	\$ 58,645	\$ 58,645	0%
Total Prevention	\$ 777,170	\$ 717,179	\$ 796,616	\$ 809,848	2%

Reserves

Salaries & Benefits	\$ 29,611	\$ 32,652	\$ 33,868	\$ 93,077	175%
Internal Service Charges	\$ 530	\$ 539	\$ 574	\$ 663	16%
Operating Expense	\$ 6,821	\$ 80	\$ 9,485	\$ 9,485	0%
Total Reserves	\$ 36,962	\$ 33,271	\$ 43,927	\$ 103,225	135%

Disaster Preparedness

Salaries & Benefits	\$ 113,321	\$ 112,878	\$ 123,431	\$ 137,857	12%
Internal Service Charges	\$ 28,150	\$ 23,811	\$ 22,092	\$ 30,067	36%
Operating Expense	\$ 6,472	\$ 4,481	\$ 9,710	\$ 9,710	0%
Total Disaster Preparedness	\$ 147,943	\$ 141,170	\$ 155,233	\$ 177,634	14%

Hazardous Materials

Salaries & Benefits	\$ 107,839	\$ 104,710	\$ 118,361	\$ 119,214	1%
Internal Service Charges	\$ 17,186	\$ 15,722	\$ 16,229	\$ 21,209	31%
Operating Expense	\$ 6,259	\$ 6,332	\$ 9,135	\$ 9,135	0%
Total Hazardous Materials	\$ 131,284	\$ 126,764	\$ 143,725	\$ 149,558	4%

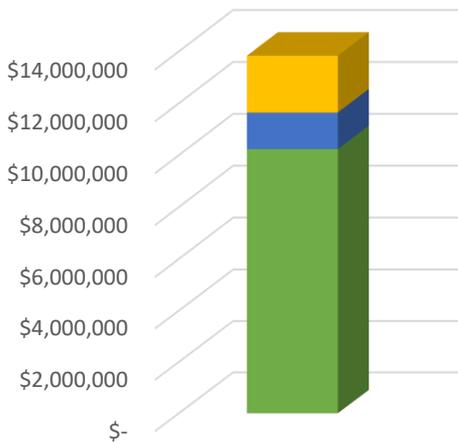
F.I.R.S.T.

Salaries & Benefits	\$ 15,815	\$ 16,028	\$ 17,457	\$ 35,470	103%
Internal Service Charges	\$ 6,489	\$ 6,254	\$ 4,937	\$ 6,468	31%
Operating Expense	\$ 980	\$ 6	\$ 3,540	\$ 3,540	0%
Total F.I.R.S.T.	\$ 23,284	\$ 22,288	\$ 25,934	\$ 45,478	75%

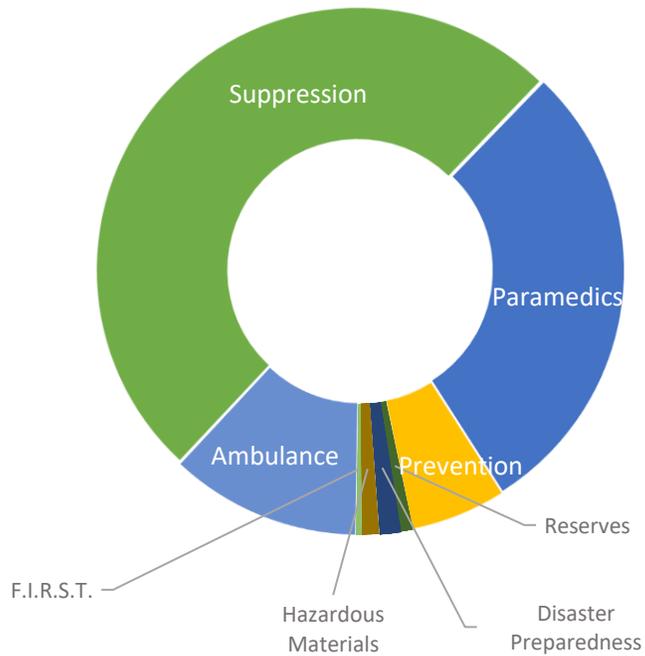
Ambulance

Salaries & Benefits	\$ -	\$ 13,494	\$ 29,122	\$ 110,697	280%
Internal Service Charges	\$ -	\$ -	\$ -	\$ -	0%
Operating Expense	\$ -	\$ 767,577	\$ 1,480,588	\$ 1,506,335	2%
Total Ambulance	\$ -	\$ 781,071	\$ 1,509,710	\$ 1,617,032	7%

Total General Fund	\$ 10,423,856	\$ 12,007,874	\$ 12,878,275	\$ 13,833,651	7%
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■ Operating Expense
■ Internal Service Charges
■ Salaries & Benefits



	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	FTE Change
STAFFING					
Fire Chief	1.0	1.0	1.0	1.0	0.0
Division Chief	0.0	0.0	1.0	1.0	0.0
Battalion Chief	3.0	3.0	2.0	2.0	0.0
Administrative Assistant	0.0	0.0	1.0	1.0	0.0
Fire Marshal/ Deputy Fire Marshal	1.0	1.0	1.0	1.0	0.0
Emergency Services Manager	1.0	1.0	1.0	1.0	0.0
Administrative Training Captain	1.0	1.0	1.0	1.0	0.0
Fire Captain	9.0	9.0	9.0	9.0	0.0
Fire Engineer	9.0	9.0	9.0	9.0	0.0
Firefighter/ Paramedic	18.0	18.0	18.0	18.0	0.0
Management Aide	2.0	2.0	1.0	1.0	0.0
Fire Prevention Analyst	1.0	1.0	1.0	1.0	0.0
Total FTE by Department	46.0	46.0	46.0	46.0	0.0

SIGNIFICANT CHANGES

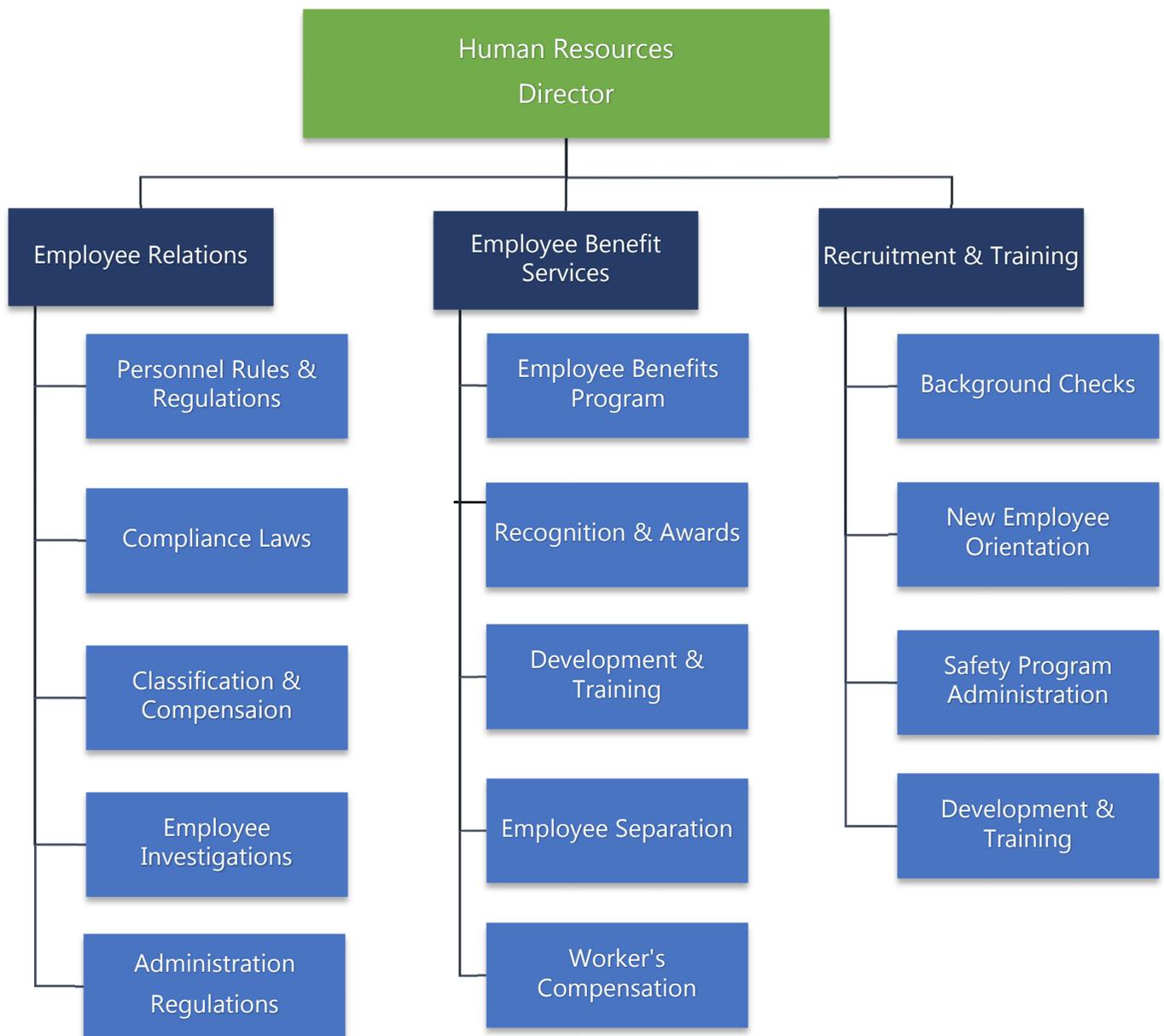
Personnel changes include increases relating to the City's Compensation study, cost of living increase, and merit increases among all authorized position count. Other operating increases include increased charges relating to MetroNet membership and the CARE Ambulance contract.



Mission Statement

To provide excellent and highly responsive professional services to all customers; sustain cooperative working relationships; provide accurate and timely information; deliver innovative and timely services and to provide leadership in all personnel and employment matters; attract and retain a highly talented and qualified workforce to meet the needs of the organization and help to provide a safe work environment.

Organizational Chart



The Human Resources Department's primary role is to deliver highly responsive, knowledgeable, and professional human resources management partnerships using innovative and transparent approaches with professional integrity.



The Human Resources Department administers the employee relations process including performance evaluations, grievance resolution, and discipline and ensures the City complies with applicable Federal, State and local laws. Through labor and employee relations functions, the Department also oversees the City's seven recognized bargaining units and non-represented employees.

In the area of Employee Services, the Human Resources Department provides a variety of employee services including, but not limited to, the following:

- Provides strategic planning, expert advice and policy regarding the prevention and resolution of labor and employment issues, including investigation and resolution of Equal Opportunity Commission (EEOC) and Department of Fair Employment and Housing (DFEH) investigations.
- Maintains a comprehensive personnel system with accurate and relevant classification titles and specifications, and competitive compensation to preserve and cultivate a professional workforce.
- Administration of the employee benefit programs providing health, dental, vision, flexible spending accounts, life insurance and long-term disability benefits.
- Administration of the Workers' Compensation program providing injured employees with timely and quality medical care and treatment to facilitate an early recovery and return to work.
- Provide employee development and training opportunities to enhance employees' abilities to meet the competencies and organizational skills necessary to fulfill their work responsibilities and individual departments' goals or objectives.

- Administration of the employee performance management program.
- Coordination of the employee recognition program and recognition ceremony including service milestones and exceptional performance awards.

The Human Resources Department takes the lead in the recruitment process to administer the application, testing, and pre-employment processes. Through strategic partnerships with other departments, Human Resources takes a leadership role by recruiting and developing a talented workforce. Human Resources strives to attract, hire and retain qualified individuals and place them in positions with responsibilities that allow them to maximize their skills, knowledge and talents.

FY 2021/22 ACCOMPLISHMENTS

- ✓ Completed two CalPERS Retirement Contract amendments; Council adoption of a Resolution and Ordinance for Tier 1 employee cost-sharing contribution for FY 21-22 and FY 22-23.
- ✓ Created an Administrative Regulation for Administrative Officers' Wellness Program.
- ✓ Managed Employee Compensation Study provide by Consultant and reviewed for accuracy.
- ✓ Met and conferred with bargaining groups over Employee Compensation Study, created Council Staff Reports, Resolutions, Side Letters, and Salary Schedules.
- ✓ Continued maintenance of the City's classification and compensation system, including reclassification studies, creation of new positions, etc.
- ✓ Processed 53 Recruitments (external and internal recruitments), hired approximately 55 new employees (full-time and part-time). Processed 48 volunteers for Parks/Recreation and Fire Department.
- ✓ Processed over 65 FMLA/CFRA/PDL employee protected leaves of absence requests.
- ✓ Processed over 375 Personnel Transaction Forms.
- ✓ Processed approximately 40 contracts and purchase orders out of compliance.
- ✓ Workers' Compensation Claims review management to reduce approximately 102 open claims. Processed approximately 60 new claims in FY 21-22.

- ✓ Processed approximately 45 separations and retirements.
- ✓ Negotiated and secured Employee Benefits Broker Services, providing reduced employee benefit premium costs.
- ✓ Coordinated mandatory OSHA Safety Trainings for Public Works employees.
- ✓ Conducted Employee Health/Wellness Fair and Open Enrollment Virtual Benefits Information Portal
- ✓ Committee member participation in Strategic Plan Goals to attract and retain quality employees.
- ✓ Provided on-going support and resources to City Departments on personnel matters including employee coaching, discipline, conflict, injuries, etc.
- ✓ Successfully completed the reporting requirements under the Affordable Care Act.
- ✓ Completed benefits open enrollment and implemented all changes. Processed over 200 health, dental, vision, supplemental benefits, and qualified event changes throughout the year.
- ✓ Drafted and implemented 2021 and 2022 mandatory COVID-19 Supplemental Paid Sick Leave.
- ✓ Processed over 175 employee COVID-19 related leaves of absences.

FY 2022-23 GOALS

All goals support the City's Strategic Plan Goal to "Attract and Retain Quality Staff".

- Launch Employee Benefits Portal by September 2022, for new-hire on-boarding, benefits open enrollment and year-round qualified events. Providing employee training and assistance on portal. *Strategic goal to attract and retain quality employees and increase recruitment and on-boarding efforts.*
- Recruit and build Human Resources Team by filling vacant, temporary positions.
- Begin efforts to review and update Administrative Regulations, department Standard Operating Procedures, Human Resources Rules and Regulations, and Employee Handbook for legal compliance.
- Active participation in Strategic Goal Committees to strengthen our brand

as an employer, pursue diversity, equity, and inclusion strategies within the organization, focus efforts on employee engagement strategies, utilize employee feedback survey data, strategize ideas to improve employee morale, engagement, and communication. *Strategic goal to attract and retain quality employee*

- Work with consultant to develop employer branding and create an employee recruitment video to highlight working for the City of Fountain Valley. *Strategic goal to attract and retain quality employees and improving recruitment and on-boarding efforts.*
- Implement training, development, and leadership programs for employees. *Strategic goal to attract and retain quality employees.*
- Explore employee mentorship programs and provide recommendations for implementation. *Strategic goal to attract and retain quality employees.*
- Continue to deliver prompt and effective Human Resources services and programs that add value for our prospective employees, active employees and retirees.
- Work with Strategic Plan committee to explore ideas to improve recruiting and on-boarding efforts.
- Continue efforts to expand our social media presence in order to attract qualified, diverse and talented individuals to the City. *Strategic goal to attract and retain quality employees.*
- Improve employee retention by working with the Strategic Plan Committee to explore ideas to create a great work climate with improved morale, and supporting the professional development of employees. *Strategic goal to attract and retain quality employees.*
- Continued assessment and evaluation of the City's safety program needs and draft and/or update policies and procedures as needed to ensure compliance with applicable laws.
- Explore a variety of relevant training programs with a variety of modalities to continue to encourage and prepare for promotional opportunities and succession planning for recommendation. *Strategic goal to attract and retain quality employees.*
- Work with consultant on development and launch of the Human Capital Management Module for the Enterprise Resource Planning Financial Software (ERP Project). *Strategic goal to attract and retain quality employees and improving recruitment and on-boarding efforts.*

- Maintain the City's health benefits program, and ensure that benefits are meeting employee needs and providing quality and value.

HUMAN RESOURCES

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	Percent Change
EXPENSES BY DEPARTMENT					
<i>ALL Funds</i>					
Salaries & Benefits	\$ 496,701	\$ 480,504	\$ 510,460	\$ 818,513	60%
Internal Service Charges	\$ 54,102	\$ 50,567	\$ 54,265	\$ 77,878	44%
Operating Expense	\$ 121,368	\$ 119,995	\$ 425,554	\$ 508,200	19%
Total Expenses by Department	\$ 672,171	\$ 651,066	\$ 990,279	\$ 1,404,591	42%

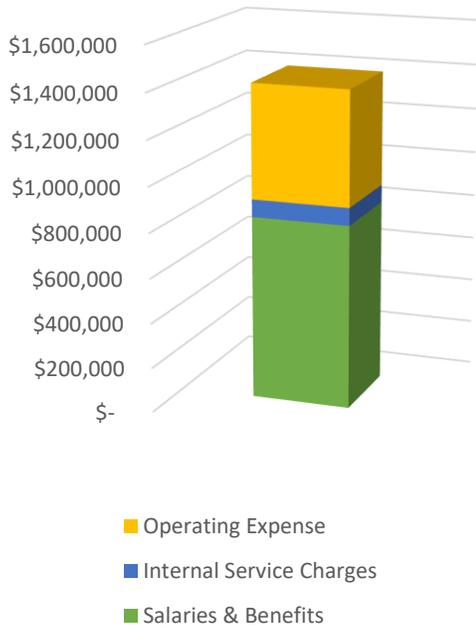
EXPENSES BY DIVISION

General Fund

Employee Relations

Salaries, Permanent	\$ 496,701	\$ 480,504	\$ 510,460	\$ 818,513	60%
Salaries, Part-Time	\$ 54,102	\$ 50,567	\$ 54,265	\$ 77,878	44%
Self Insurance- Personnel	\$ 121,368	\$ 119,995	\$ 425,554	\$ 508,200	19%
Total Employee Relations	\$ 672,171	\$ 651,066	\$ 990,279	\$ 1,404,591	42%

Total General Fund	\$ 672,171	\$ 651,066	\$ 990,279	\$ 1,404,591	42%
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STAFFING

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	FTE Change
Human Resources Director	1.0	1.0	1.0	1.0	0.0
Human Resources Manager	0.0	0.0	0.0	1.0	1.0
Principal HR Analyst	0.0	0.0	1.0	0.0	-1.0
Senior Human Resources Analyst	1.0	1.0	0.0	1.0	1.0
Safety & HR Specialist	0.0	1.0	1.0	0.0	-1.0
Human Resources Analyst	0.0	0.0	2.0	2.0	0.0
Management Aide	1.0	1.0	0.0	0.0	0.0
Human Resources Technician	0.75	0.75	0.75	1.00	0.25
Department Secretary	1.0	0.0	0.0	0.0	0.0
Total FTE by Department	4.75	4.75	5.75	6.00	0.25

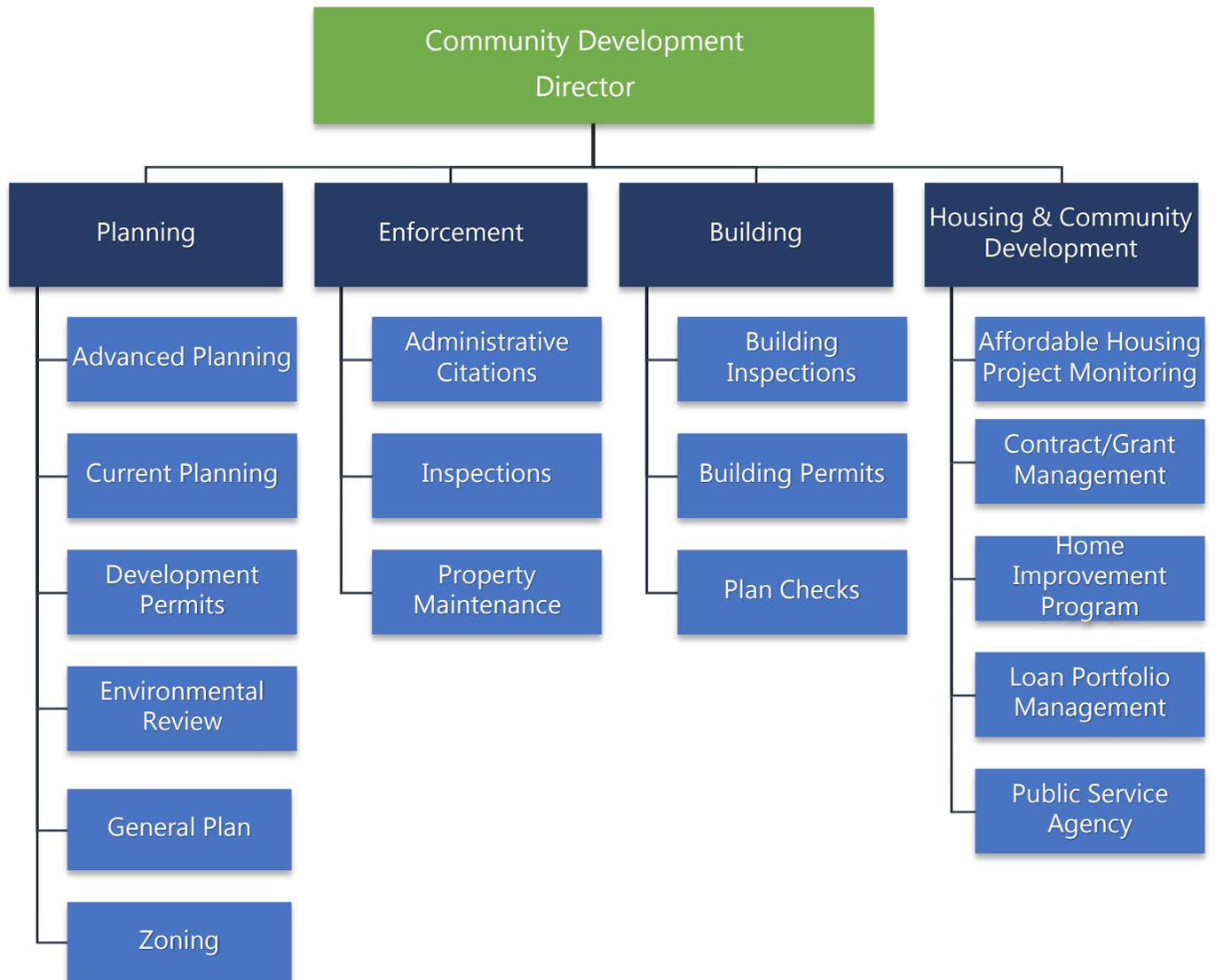
SIGNIFICANT CHANGES

The City Council approved a reclass during the FY 22 mid-year budget hearing of a Management Aide to an HR Analyst, and the creation of a new HR Analyst position. New changes for FY 23 include reclassifying a Senior HR Analyst to HR Manager, an HR/Safety Specialist to Senior HR Analyst, and an increase of a .75 HR Technician to 1.0 FTE.

Mission Statement

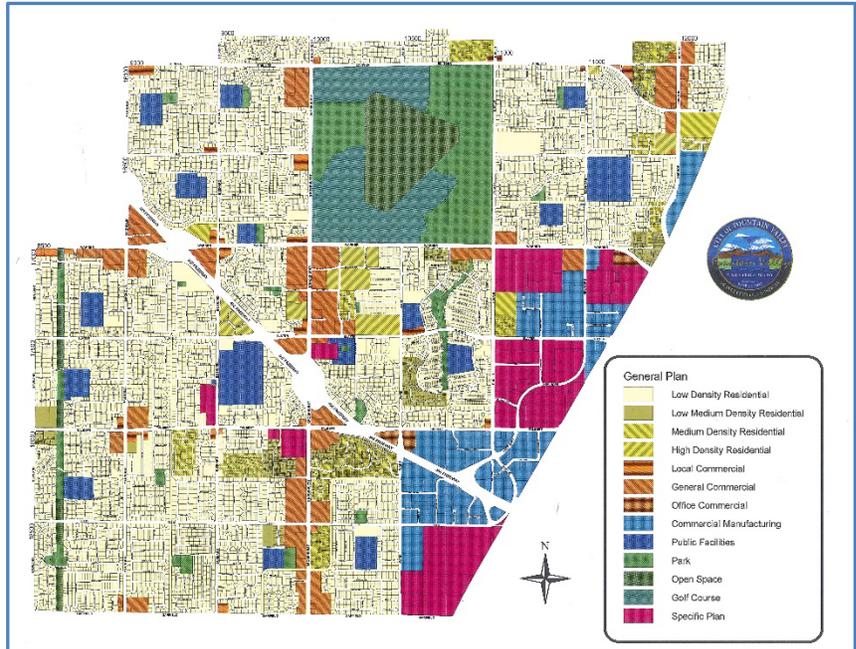
The Planning and Building Department promotes high quality development, economic vitality, neighborhood preservation and the protection of the public health, safety and welfare. To fulfill this mission, department staff provides professional guidance and technical assistance to the residential, business and development community.

Organizational Chart



The Community Development Department enhances and protects the public's health, safety, and welfare through the built environment of the City, while also providing for fair housing, public service funding, neighborhood enhancement and affordable housing opportunities. The Department is comprised of the Planning, Building, Code Enforcement, and Housing Divisions.

The Planning Division provides support to the City Council and Planning Commission. In this role, Planning Staff processes applications through compiling background data, providing municipal code and policy review, documenting environmental compliance, providing staff recommendations, and preparing conditions of approval for proposed projects. This Division is also responsible for zoning code administration and ensuring that all proposed projects comply with local, state and federal laws and are consistent with the General Plan. This Division also coordinates the long-range planning and development of the City through the maintenance of the General Plan, specific plans, and environmental documentation. This function also includes the monitoring of local and



regional programs and ensures the City complies with Federal, State, and local legislation. Finally, this Division provides development project coordination between City departments and assists project applicants with navigating the permit and entitlement process.

Under the direction of the Planning and Building Director, the Building Division ensures that the construction of all buildings and structures within the City are built in compliance with applicable codes and standards. This division is responsible for permit issuance, plan review, and inspections.

The Code Enforcement Division ensures compliance with municipal codes for issues such as property maintenance, public nuisances, abandoned vehicles, and business license. This function of the Department achieves compliance through identifying code violations, working with violators to correct infractions, issuing citations and assisting the City Attorney in prosecutions when necessary.

The Housing Division includes the administration of the City's Community Development Block Grant (CDBG) Program and Housing Authority functions. Responsibilities of the CDBG Program include administering a contract for Fair Housing Services, oversight of Public Service Agency Grant recipients, code enforcement in low/moderate income census tracts of the City, the Neighborhood Revitalization Program, a Lead Based Paint Hazard abatement program, and preparing the City's Five-Year Consolidated Plan, annual Action Plans, and various other mandated reports. The Housing Authority programs of the Department include the affordable housing loan administration, affordable housing development, and property compliance, administration of the City's affordable housing monies and preparation of mandated reports.

The U.S. Department of Housing and Community Development (HUD) has allocated \$349,037 in Community Development Block Grant (CDBG) funds to the City to be used for projects and activities that primarily benefit low and moderate-income households/persons in the community. The annual allocation plus an estimated \$120,416 in un-obligated carryover and program income, combined with \$30,547 in remaining CARES Act funding, will provide a budget of \$500,000 for the program. CARES Act funds must be used for programs that prevent, prepare for, or respond to the pandemic.

The following projects will be funded with the CDBG allocation and are consistent with the Five Year Consolidated Plan approved by HUD.

Administration

Up to twenty percent (20%) of a given entitlement may be allocated to fund administrative costs. The management and coordination of the CDBG entitlement program including preparation of required HUD reports, such as the Consolidated Plan, fall under the category of administrative costs. Fair Housing Services and preparing the Analysis of Impediments to Fair Housing Choice 5-Year Plan are also part of Administration of the grant.

Fair Housing Services

CDBG funding requires a grantee to provide its low and moderate-income households with fair housing services. The City contracts with Fair Housing Council of Orange County (FHCO) to provide services that include landlord/tenant dispute resolution, housing discrimination, fair housing education, etc. CDBG regulations require that the cost of fair housing services be paid from the Administration budget.



Analysis of Impediments

Every five years CDBG regulations require that cities prepare an Analysis of Impediments to Fair Housing Choice (AI) as part of their Consolidated Plan. The next update of the AI will be due with the FY 2025-29 Consolidated Plan. Funding will be required in fiscal year 2024-25 to prepare the AI for the next consolidated plan cycle.

Public Service Agency Grant Program

CDBG regulations allow cities to use up to 15% of their yearly CDBG allocation to fund non-profit public service agencies that assist low-income households/persons. For fiscal year 2022-23, the City of Fountain Valley will allocate the full 15% allowable of the entitlement to the Public Service Agency (PSA) Grant Program. The grants will assist PSA's that provide childcare scholarships, meal programs for seniors, case management for disabled adults, battered women's shelter and education and juvenile diversion programs. In addition to the public service agencies funded by the annual allocation, the City will budget \$30,547 of the CARES Act allocation to fund the third year of the Senior Social Services Program launched in response to the pandemic. The program will continue to provide social services, information and referrals to city seniors affected by COVID-19 and will add a mobile food pantry to their services in FY22-23 to assist needy seniors in the city.



Code Enforcement Program

The City of Fountain Valley Code Enforcement Program provides code enforcement services in CDBG eligible low/moderate income areas. Code enforcement violations are identified and abated in an effort to instill pride of ownership in the neighborhoods. Residents with violations are provided information regarding low interest, deferred payment loans, grants, and rebates that are available to qualified low-income homeowners for housing rehabilitation and repair that may assist them in resolving code enforcement violations on their properties.

Neighborhood Revitalization Program

The Neighborhood Revitalization Program has been reinstated to its original format following the temporary modification that allowed for only Home Exterior Grants due to COVID-19. The program policy was also amended in FY 21-22 to allow eligible low-income households to receive a grant once every 10 years, instead of one time only. This update applies to both single family and mobile home owners.

The Neighborhood Revitalization Program provides qualified low-income single-family homeowners with financial assistance in the form of grants for up to \$14,000, rebates up to \$7,500, disability modification grants up to \$5,000 and/or up to \$50,000 in low interest, deferred payment loans for eligible repairs to their home. Recipients of grants are not required to pay back any portion of the financial assistance received. The rebates will reimburse the homeowner for 50% of the total cost of repairs up to a maximum of \$7,500. Rebates are disbursed to the homeowner after they have paid for the costs of the repairs/improvements in full. The loans allow deferred payment for up to 25 years. Homeowner's may receive the disability modification grant, along with any two of the other forms of available funding.

The City of Fountain Valley also offers financial assistance to qualified low-income mobile home owners for the repair/rehabilitation of their mobile homes. Qualified participants can receive up to \$11,000 in financial assistance in the form of a grant for such items as plumbing repairs, electrical repairs, code violations, etc. If a roof replacement is needed the grant can be increased to \$13,500. A rebate of up to \$5,000 and a disability grant for ADA compliant upgrades for up to \$5,000 is also available to mobile home owners. The rebates are for 50% of the total cost of repairs, with a maximum rebate of \$5,000. Rebates are done on a reimbursement basis and are disbursed after the homeowner has paid for the costs of the repairs/improvements in full.

Lead Based Paint Hazard Grant Program



The City of Fountain Valley has instituted a Lead Based Paint Hazard Reduction Grant program to comply with the HUD Title X Regulations that went into effect in 2001. The grant funds are to be used to test for lead based paint hazards and to control or abate any hazards found in the course of the City of Fountain Valley Rehabilitation Program projects.

CARES Act funding for COVID-19 Response

The City received \$616,554 in CARES Act funding to fund programs that prevent, prepare for, and respond to the COVID-19 pandemic. In FY 21-22, \$350,000 of CARES Act funding was allocated to a Small Business Emergency Assistance Grant that assisted 35 low-income city business owners with business costs they incurred due to COVID-19. \$20,547 in CARES Act funding was also allocated to the second year of the Senior Social Services Program to assist city seniors with social services, information and referrals in response to COVID-19.

Fountain Valley Housing Authority

The Fountain Valley Housing Authority (FVHA) was named the "Housing Successor" to the dissolved Fountain Valley Agency for Community Development in 2011. Strict state regulations and lack of state funding have required the FVHA to discontinue the affordable housing programs previously offered to City residents. The FVHA currently monitors the asset portfolio from past programs, administers all the statutory requirements of the portfolio, and manages the limited funds available for affordable housing development. The FVHA has a current portfolio of 16 First-Time Homebuyer and Rehabilitation Loans with a principal balance totaling \$738,410. Additionally, the FVHA receives annual residual receipt payments for the Jasmine Affordable Senior Apartments Loan with an approximate principle balance of \$3,982,341. Related California will begin making payments on the \$8,200,000 loan for the new Prado Affordable Apartments after the first year of operation. Interest is accruing on the loan however; the initial residual receipt payment is not due until June 15, 2023.

FY 2021/22 ACCOMPLISHMENTS

- ✓ Brought building personnel in-house as city employees instead of contract employees
- ✓ Continued to work with existing developers, commercial centers and other businesses to improve aesthetics and achieve high quality development through code enforcement and plan review
- ✓ Continued the free Emergency Temporary Use Permit through January 2022 to allow businesses to conduct business outdoors due to COVID
- ✓ Projected to address approximately 900 property maintenance violations through code enforcement
- ✓ Prosecuted public nuisance cases to gain compliance
- ✓ On target to fund 17 grants and rebates through the Home Improvement Program. This included the provision of eight grants, three rebates, and six lead based paint hazard testing grants
- ✓ Modified Home Improvement Program policy to allow eligible home owners to apply once every 10 years for a grant instead of one time only
- ✓ Continued the comprehensive General Plan update
- ✓ Processed updates to modernize the City's zoning code, including:
 - ✓ Removed CUP requirement for ATM's
 - ✓ Reduced certain parking requirements for commercial land uses



- ✓ Created a permit process to allow permanent outdoor dining for eligible restaurants
- ✓ Adjusted the R1 standards for height, FAR and site coverage per City Council direction
- ✓ Continued the free Emergency Temporary Use Permits through January 2022 to allow businesses to be conducted outdoors
- ✓ Continued waiver of Banner Permit fee
- ✓ Conducted virtual inspections and socially distanced inspections as needed due to COVID
- ✓ Increased use of electronic plan checks (EPlan), remote meetings, etc.
- ✓ Created the Small Business Emergency Assistance Grant (SBEA) to assist low-income business owners with expenses incurred due to COVID-19.
- ✓ Took in applications for approximately 62 Accessory Dwelling Units (ADU) in 2021
- ✓ Held community meetings regarding topics such as ADUs, RHNA, the permit process, conditions of approval, and development highlights



- ✓ Continued to collaborate with Related California throughout the construction and lease-up phases of the Prado Family Homes affordable housing apartment complex in the Harbor Blvd South Island Specific Plan
- ✓ Worked with other City Departments to make sure all accounting and reporting is compliant under new State Regulation
- ✓ Provided loan administration tasks such as loan payoffs or loan subordination agreements to current affordable housing loan customers
- ✓ Educated staff regarding ongoing changes in State Law regarding the dissolution of redevelopment agencies as it refers to affordable housing
- ✓ Continued to enhance the Department's webpages and utilize interactive features of the new City website
- ✓ Attended Chamber of Commerce and other community events to distribute information on Planning Department Projects
- ✓ Continued the General Plan Advisory Committee (GPAC) efforts
- ✓ Participated in trainings and roll-out of the new MUNIS ERP system
- ✓ Monitored all "Successor Agency" housing assets to ensure compliance with State Law
- ✓ Submitted the Housing Element to HCD and working with them for final approvals

FY 2022-2023 Goals

All goals support the City's Strategic Planning goals to "Maintain the culture and environment of a "Nice Place to Live", "Attract and retain revenue producing businesses" and "Achieve fiscal stability in accordance with the 20-year financial plan".

- Continue to work with existing commercial centers and other businesses to improve aesthetics and achieve a high quality, professional appearance
- Approve the General Plan Update and update and implement the Zoning Code to match the changes to the General Plan Map
- Prosecute public nuisance cases to gain compliance
- Abate property maintenance violations through code enforcement efforts
- Continue to market and grow the City's Home Improvement Program
- Continue efforts on the comprehensive General Plan Update
- Identify and address opportunities for the modernization of the zoning code
- Help the community recover from the Covid-19 pandemic
- Continue to promote the Accessory Dwelling Unit (ADU) opportunity and the Home Improvement Program
- Hold community meetings to educate residents and businesses on topics of interest
- Continue to enhance the Department's webpages and utilize interactive features of the new City website
- Attend community events to distribute information on Planning Department Projects
- Continue to engage the General Plan Advisory Committee (GPAC), stakeholders, and the community in the General Plan update process
- Manage city interest in the development of the Prado Family Homes affordable housing project in Harbor Boulevard South Island from planning stage to occupancy
- Monitor all "Successor Agency" housing assets to ensure compliance with State Law
- Perform loan administration tasks such as loan payoffs or loan subordination agreements to current affordable housing loan customers
- Determine eligibility and process affordable housing documents for persons purchasing in City's "for sale" affordable housing developments
- Educate staff regarding ongoing changes in State Law regarding the dissolution of redevelopment agencies as it refers to affordable housing
- Educate staff on new housing regulations and reporting requirements that began in 2021.
- Work with other City Departments to make sure all accounting and reporting is compliant under new State Regulation.

- Continue to participate in the training and implementation of the new MUNIS ERP system
- Determine the best utilization of FVHA funds to provide additional affordable housing

COMMUNITY DEVELOPMENT

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	Percent Change
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EXPENSES BY DEPARTMENT

ALL Funds

Salaries & Benefits	\$ 910,225	\$ 795,752	\$ 1,321,420	\$ 1,733,728	31%
Internal Service Charges	\$ 151,601	\$ 146,054	\$ 150,249	\$ 197,763	32%
Operating Expense	\$ 902,576	\$ 1,534,868	\$ 1,759,797	\$ 1,519,209	-14%
Total Expenses by Department	\$ 1,964,402	\$ 2,476,674	\$ 3,231,466	\$ 3,450,700	7%

EXPENSES BY DIVISION

General Fund

Planning

Salaries & Benefits	\$ 488,595	\$ 367,397	\$ 473,324	\$ 651,856	38%
Internal Service Charges	\$ 98,587	\$ 94,253	\$ 96,064	\$ 127,242	32%
Operating Expense	\$ 106,735	\$ 254,684	\$ 303,563	\$ 257,555	-15%
Total Planning	\$ 693,917	\$ 716,334	\$ 872,951	\$ 1,036,653	19%

Building

Salaries & Benefits	\$ 167,281	\$ 165,872	\$ 519,753	\$ 751,324	45%
Internal Service Charges	\$ 46,242	\$ 44,582	\$ 46,667	\$ 61,762	32%
Operating Expense	\$ 637,776	\$ 764,491	\$ 382,945	\$ 241,250	-37%
Total Building	\$ 851,299	\$ 974,945	\$ 949,365	\$ 1,054,336	11%

Total General Fund	\$ 1,545,216	\$ 1,691,279	\$ 1,822,316	\$ 2,090,989	15%
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EXPENSES BY DIVISION

All Other Funds

Abandoned Vehicle

Salaries & Benefits	\$ 3,096	\$ 9,393	\$ 10,909	\$ 2,270	-79%
Internal Service Charges	\$ -	\$ -	\$ -	\$ -	0%
Operating Expense	\$ -	\$ -	\$ -	\$ -	0%
Total Abandoned Vehicle	\$ 3,096	\$ 9,393	\$ 10,909	\$ 2,270	0%

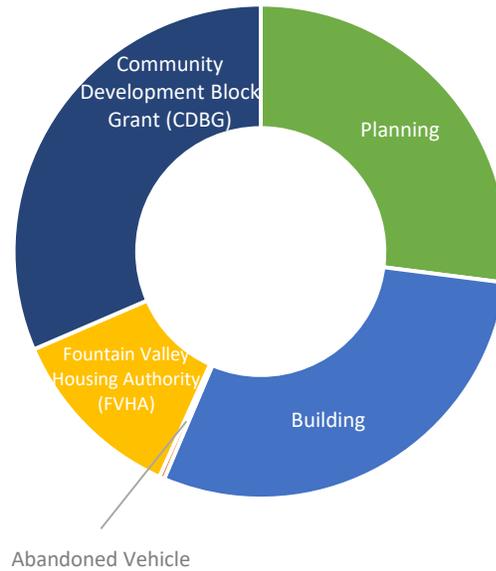
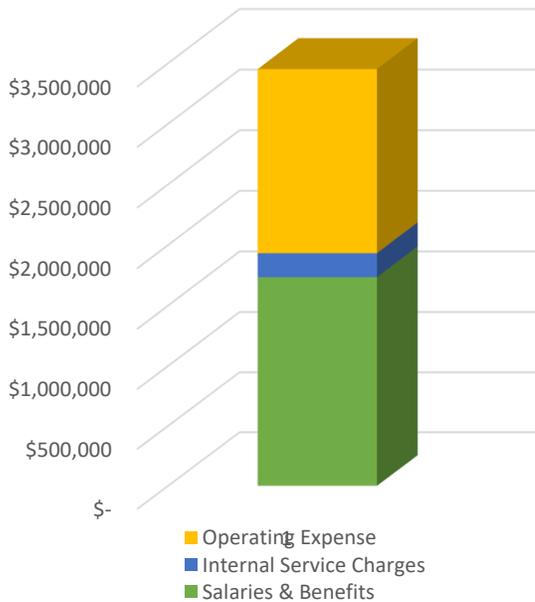
Fountain Valley Housing Authority (FVHA)

Salaries & Benefits	\$ 100,925	\$ 103,811	\$ 133,004	\$ 159,626	20%
Internal Service Charges	\$ 6,772	\$ 7,219	\$ 7,518	\$ 8,759	17%
Operating Expense	\$ 38,961	\$ 99,174	\$ 240,525	\$ 240,725	0%
Total Fountain Valley Housing Authority	\$ 146,658	\$ 210,204	\$ 381,047	\$ 409,110	7%

Community Development Block Grant (CDBG)

Salaries & Benefits	\$ 150,328	\$ 149,279	\$ 184,430	\$ 168,652	-9%
Internal Service Charges	\$ -	\$ -	\$ -	\$ -	0%
Operating Expense	\$ 119,104	\$ 416,519	\$ 832,764	\$ 779,679	-6%
Total CDBG	\$ 269,432	\$ 565,798	\$ 1,017,194	\$ 948,331	-7%

Total Other Funds	\$ 419,186	\$ 785,395	\$ 1,409,150	\$ 1,359,711	-4%
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	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	FTE Change
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STAFFING

Planning & Building Manager	1.0	1.0	1.0	1.0	0.0
Planner	1.0	1.0	1.0	1.0	0.0
Administrative Assistant/ Secretary	1.0	1.0	1.0	1.0	0.0
Code Enforcement Officer	1.0	1.0	1.0	2.0	1.0
Housing Coordinator	1.0	1.0	1.0	1.0	0.0
Housing Analyst/ Technician	1.0	1.0	1.0	1.0	0.0
Assistant Planner	1.0	1.0	1.0	1.0	0.0
Senior Planner	1.0	1.0	1.0	1.0	0.0
Building Official	0.0	0.0	1.0	1.0	0.0
Building Inspector	0.0	0.0	2.0	2.0	0.0
Permit Technicians	0.0	0.0	2.0	2.0	0.0
Total FTE by Department	8.0	8.0	13.0	14.0	1.0

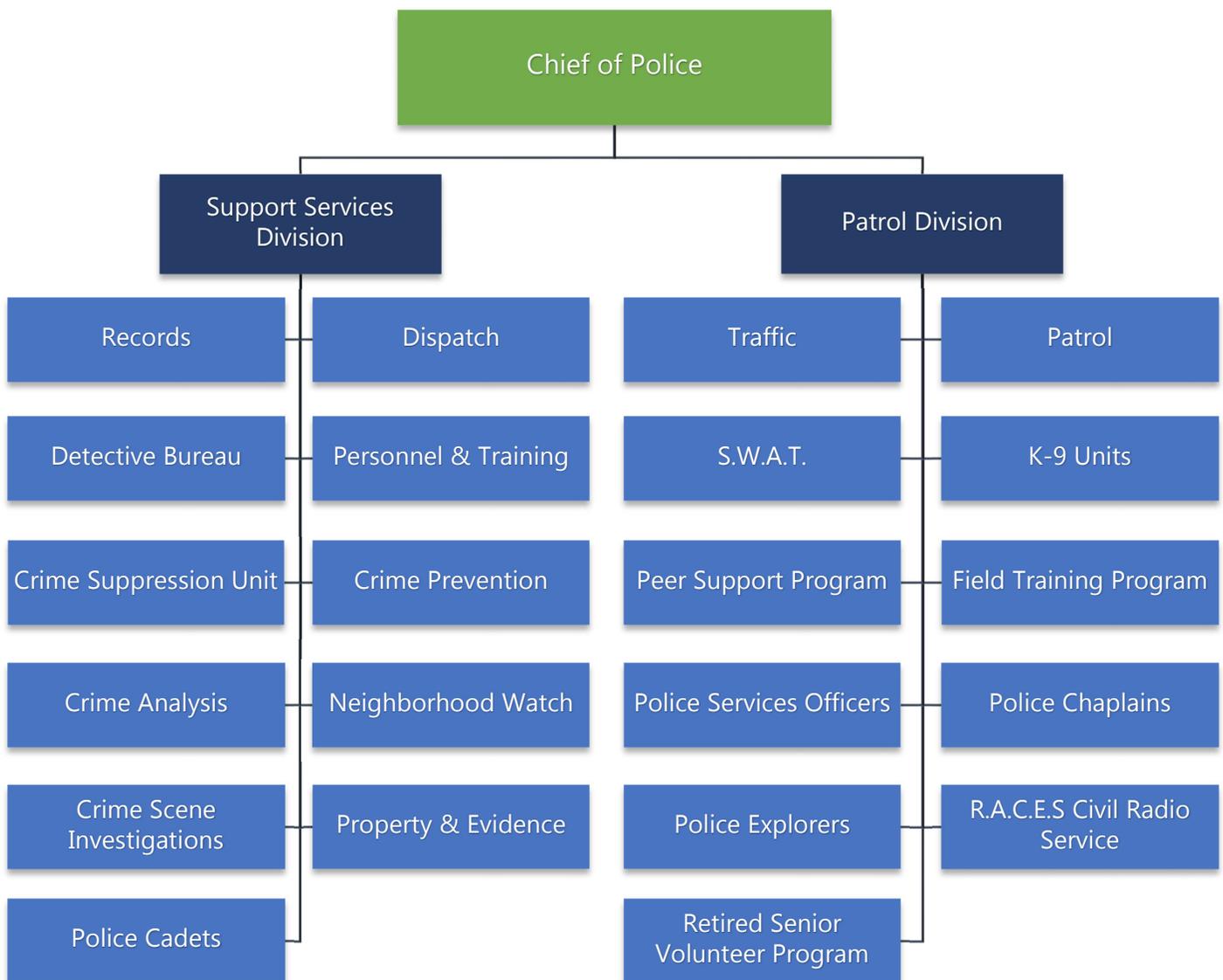
SIGNIFICANT CHANGES

Personnel expenses increased due to the City's Compensation study, cost of living increase, and merit increases among all authorized position count. The FY 23 Proposed budget includes a new Code Enforcement Officer to add weekend inspections for code enforcement to enforce all Fountain Valley Municipal Codes and State of CA codes. Other reductions to operating include reduction for contract staffing due to the Building department in house fully in FY 22.

Mission Statement

The members of the Fountain Valley Police Department will demonstrate the Courage to protect life and property in our community. Our Duty is to provide the highest quality of service in a fair, impartial and ethical manner. Our Commitment is to take a leadership role in providing for public safety and quality of life in a manner that will preserve the public trust.

Organizational Chart



The Fountain Valley Police Department partners with the community to promote public safety to the residents, businesses and visitors of the City. Headed by the Police Chief, the Department is organized into two divisions: the Patrol Division and the Support Services Division. Both Divisions share the responsibility for the prevention, detection and investigations of crime.

The Patrol Division includes uniformed Patrol Officers, Traffic Officers, Police Services Officers, K-9 Officers, School Resource Officers, Community Resource Officers, S.W.A.T. Team Members, Field Training Program and the Peer Support Program.

The Patrol Division consists of 30 uniformed Police Officers, 6 Sergeants and 2 Lieutenants who provide service to the community 24 hours a day, 365 days a year. Uniformed Patrol Officers are first responders and as such are the City's first line of defense against the criminal element. Using a data-driven approach to crime and traffic safety, or COMPSTAT, Patrol personnel focus on locations and times where crime is likely to occur. By analyzing crime data and identifying emerging crime and traffic safety trends, Officers are better positioned to focus our crime-fighting and safety-promoting efforts.



The Traffic Bureau consists of 1 Sergeant, 2 Motor Officers and 1 Traffic Investigator who are committed to promoting the safest and most efficient traffic flow throughout our City. Traffic Officers regularly conduct DUI checkpoints and saturation patrols throughout the year to keep our streets safe.

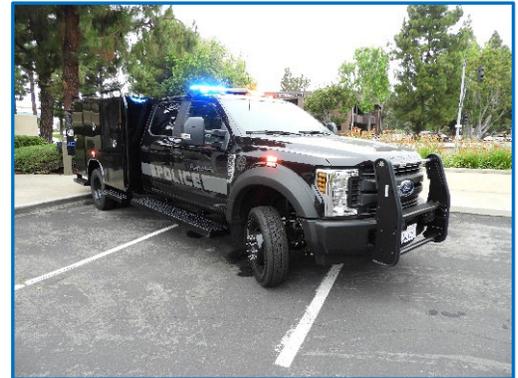
The Police Services Officers (PSOs) are non-sworn employees who assist Patrol and Traffic Officers in the field. PSO's duties include taking crime and traffic collision reports, traffic control, conducting CSI and issuing parking citations. This way, PSOs free up sworn personnel to concentrate on response to priority calls, crime fighting and traffic safety.



Two K-9 Officers and their partners undergo extensive training prior to being assigned to Patrol. K-9 Officers and their partners are used to track and locate hidden suspects, apprehend fleeing felons or locate hidden firearms and narcotics.

We are members of the West County Special Weapons and Tactics (SWAT) Team, a regional effort serving the cities of Cypress, Los Alamitos, Westminster, Seal Beach and Fountain

Valley. West County SWAT consists of Tactical Officers, Crisis Negotiators and Tactical Dispatchers. The Tactical Officers Unit is comprised of tactical paramedics, containment, react/entry and long-range marksmen. This group of specially trained and highly skilled personnel are utilized where needed to deal with high-risk incidents, such as barricaded suspects, active shooters, hostage situations and to serve high-risk search and/or arrest warrants. The goal of the Team is to resolve these incidents peacefully.



Field Training Officers provide the primary training for newly hired Officers. This intensive four-month process prepares the trainee to work as a solo beat Officer.

Our Corporal program is designed to provide assistance for Sergeants in front line supervision and to develop these experienced Officers for future leadership positions within the organization.

The Support Services Division includes the Records Bureau, Dispatch Center, Detective Bureau, Crime Suppression Unit, CSI Unit, Crime Analyst, Property and Evidence Unit, Personnel and Training, and Crime Prevention.

The Records Bureau consists of 4 Records Specialists, 5 Cadets and 1 Community Services Officer. These personnel are responsible for maintaining arrest records, crime reports, traffic citations and collision reports, electronically filing arrest reports for court, complying with Public Records Act requests, transmitting required crime reporting to the Department of Justice and assisting the public.

Our Dispatch Center consists of 10 Dispatchers and is staffed 24 hours a day, 365 days per year. Police Dispatchers are the first person one speaks to when dialing or texting 911. We annually process over 72,000 phone calls and approximately 49,000 incidents. These incidents include



Officer-initiated activities, responding to public requests for assistance and other activities entered into our Computer Aided Dispatch system. Dispatchers frequently provide referrals, offer solutions or educate the caller, which alleviates the need for Police response.

The Detective Bureau is led by a Lieutenant and consists of General Investigations, Crime Suppression Unit, Crime Analysis, Court Liaison, Crime Scene Investigations and Property and Evidence.

General Investigations is staffed by 1 Sergeant, and 5 Detectives assigned to conduct secondary investigations involving crimes against people, property crimes, fraud and sex crimes. The

Detectives solve crimes through crime analysis, the use of crime databases, follow-up interviews and the results of CSI.

The Crime Suppression Unit (CSU) is staffed by 1 Sergeant and 3 Detectives. CSU's responsibilities include surveillance and tracking repeat offenders, impacting emerging crime trends such as narcotics violations, vice, gang, and graffiti crimes.

The Crime Analyst identifies emerging crime patterns and trends, conducting in-depth crime trend analysis and tracking repeat offenders that live in or frequent the City. The Crime Analyst develops intelligence information to assist Patrol Officers and Detectives in identifying crime suspects and helps Police supervision identify where Police resources should be focused to apprehend or thwart criminals.

The Crime Scene Investigations Technician responds to crime scenes and documents, collects and conducts forensic analysis of evidence needed to solve crimes.

The Property and Evidence Clerk maintains the integrity of approximately 5,000 pieces of new evidence each year. This evidence is used to assist in the prosecution of criminal cases.

The Personnel and Training Sergeant is responsible for the recruitment and hiring of Department personnel, and managing the extensive background investigation, polygraph, psychological and medical screening processes. The Personnel and Training Sergeant is responsible for ensuring our personnel maintain State-mandated training and supervises Crime Prevention, which includes our volunteer programs, Neighborhood Watch and Retired Senior Volunteers.

Other volunteer programs include Police Chaplains, Radio Amateur Civil Emergency Service (R.A.C.E.S.), and Police Explorers. Together all of these volunteers play a vital role, providing a way for the Department to connect with the community.

The different attributes of these Divisions are designed to complement and strengthen the capabilities of the entire Department team, as they work together to fulfill the Police Department Mission of protecting life and safeguarding property.

FY 2021-22 ACCOMPLISHMENTS

- ✓ Transitioned the patrol fleet to the Ford platform.
- ✓ Implemented the Racial and Identity Profiling Act records system.
- ✓ Formed a Community Intervention Team (CIT) with other City Departments to resolve quality of life issues.
- ✓ Increased staffing for Community Resource Officer, Records and Cadet positions.

- ✓ Trained and developed recently hired and promoted personnel.
- ✓ Successfully reached agreements on contracts with police equipment vendor.
- ✓ Provided a high level of service to the community.

FY 2022-2023 GOALS

Goals outlined support the City's Strategic Plan Goal to "Maintain the culture and environment of "A Nice Place to Live" and "Attract and retain quality staff."

- Utilized contract services to assist displaced persons and provide crisis intervention.
- Organize a new promotional process.
- Update uniform specifications and policy.
- Restroom and locker room remodel.

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	Percent Change
EXPENSES BY DEPARTMENT					
<i>All Funds</i>					
Salaries & Benefits	\$ 13,542,200	\$ 13,369,104	\$ 14,090,792	\$ 15,463,440	10%
Internal Service Charges	\$ 2,189,701	\$ 2,338,672	\$ 2,380,033	\$ 2,936,210	23%
Operating Expense	\$ 439,585	\$ 859,551	\$ 629,463	\$ 1,084,562	72%
Total Expenses by Department	\$ 16,171,486	\$ 16,567,327	\$ 17,100,288	\$ 19,484,212	14%

EXPENSES BY DIVISION*General Fund***Patrol**

Salaries & Benefits	\$ 7,880,499	\$ 7,691,987	\$ 7,936,888	\$ 8,840,537	11%
Internal Service Charges	\$ 1,122,674	\$ 1,235,488	\$ 1,231,232	\$ 1,607,812	31%
Operating Expense	\$ 99,903	\$ 99,351	\$ 118,010	\$ 544,698	362%
Total Patrol	\$ 9,103,076	\$ 9,026,826	\$ 9,286,130	\$ 10,993,047	18%

S.W.A.T.

Salaries & Benefits	\$ 65,046	\$ 68,287	\$ 96,635	\$ 85,340	-12%
Internal Service Charges	\$ 15,644	\$ 16,797	\$ 16,375	\$ 21,586	32%
Operating Expense	\$ 10,231	\$ 7,709	\$ 11,000	\$ 11,000	0%
Total S.W.A.T.	\$ 90,921	\$ 92,793	\$ 124,010	\$ 117,926	-5%

Canine

Salaries & Benefits	\$ 255,779	\$ 335,403	\$ 351,738	\$ 393,847	12%
Internal Service Charges	\$ 68,973	\$ 85,098	\$ 81,014	\$ 106,463	31%
Operating Expense	\$ 15,062	\$ 11,342	\$ 19,620	\$ 19,620	0%
Total Canine	\$ 339,814	\$ 431,843	\$ 452,372	\$ 519,930	15%

Traffic

Salaries & Benefits	\$ 675,812	\$ 600,144	\$ 722,877	\$ 789,682	9%
Internal Service Charges	\$ 162,405	\$ 175,189	\$ 177,637	\$ 234,649	32%
Operating Expense	\$ 161,892	\$ 319,568	\$ 270,150	\$ 305,030	13%
Total Traffic	\$ 1,000,109	\$ 1,094,901	\$ 1,170,664	\$ 1,329,361	14%

Investigation

Salaries & Benefits	\$ 2,917,993	\$ 2,870,302	\$ 2,946,895	\$ 3,230,677	10%
Internal Service Charges	\$ 410,766	\$ 427,669	\$ 443,407	\$ 555,981	25%
Operating Expense	\$ 108,726	\$ 70,299	\$ 103,635	\$ 113,104	9%
Total Investigation	\$ 3,437,485	\$ 3,368,270	\$ 3,493,937	\$ 3,899,762	12%

Communication

Salaries & Benefits	\$ 1,024,095	\$ 1,074,092	\$ 1,149,759	\$ 1,230,268	7%
Internal Service Charges	\$ 107,980	\$ 105,239	\$ 109,975	\$ 144,700	32%
Operating Expense	\$ 9,500	\$ 6,122	\$ 11,000	\$ 11,000	0%
Total Communication	\$ 1,141,575	\$ 1,185,453	\$ 1,270,734	\$ 1,385,968	9%

Records

Salaries & Benefits	\$ 451,876	\$ 469,418	\$ 532,471	\$ 644,659	21%
Internal Service Charges	\$ 269,543	\$ 268,496	\$ 280,192	\$ 234,131	-16%
Operating Expense	\$ -	\$ -	\$ 20,000	\$ 22,812	14%
Total Records	\$ 721,419	\$ 737,914	\$ 832,663	\$ 901,602	8%

Crime Prevention

Salaries & Benefits	\$ 129,225	\$ 136,556	\$ 145,042	\$ 133,355	-8%
Internal Service Charges	\$ 21,535	\$ 20,903	\$ 21,674	\$ 26,250	21%
Operating Expense	\$ 10,399	\$ 9,021	\$ 15,530	\$ 15,530	0%
Total Crime Prevention	\$ 161,159	\$ 166,480	\$ 182,246	\$ 175,135	-4%

Range

Salaries & Benefits	\$ 5,150	\$ 6,688	\$ 7,215	\$ -	-100%
Internal Service Charges	\$ 4,331	\$ 3,793	\$ 3,527	\$ 4,638	31%
Operating Expense	\$ 21,182	\$ 19,989	\$ 24,768	\$ 24,768	0%
Total Range	\$ 30,663	\$ 30,470	\$ 35,510	\$ 29,406	-17%

Total General Fund	\$ 16,026,221	\$ 16,134,950	\$ 16,848,266	\$ 19,352,137	15%
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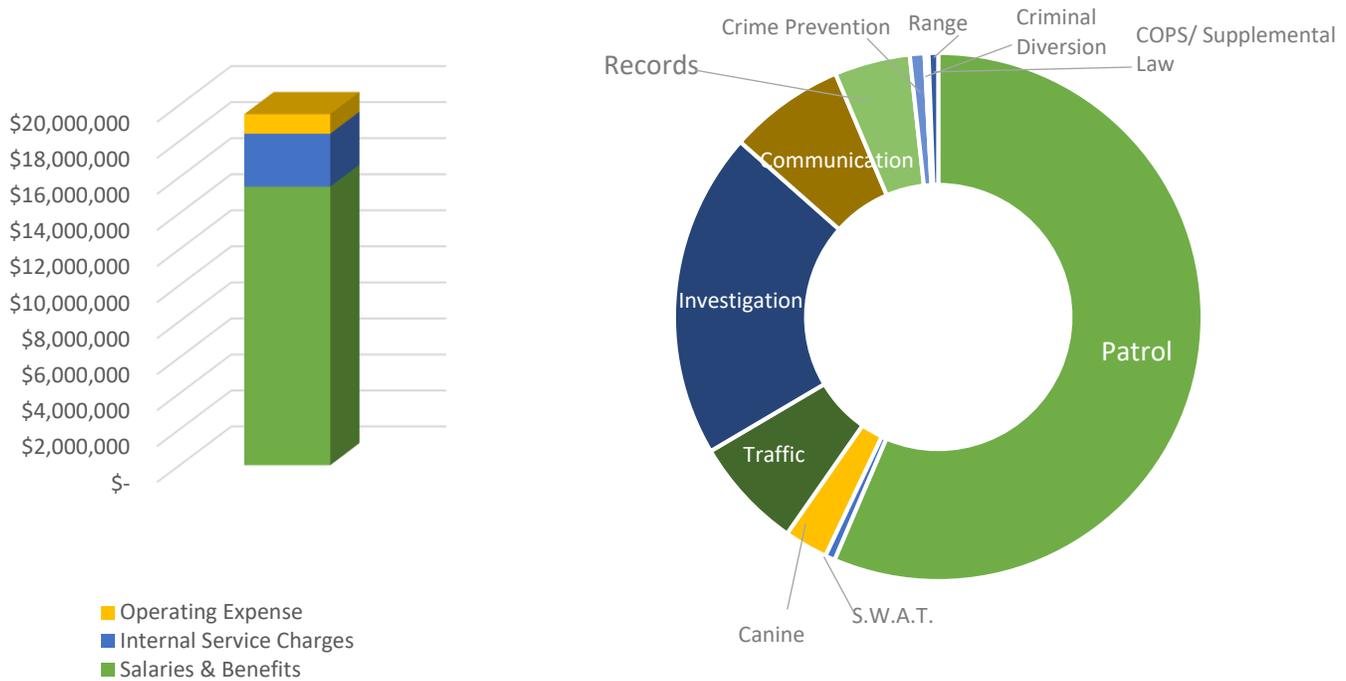
EXPENSES BY DIVISION*All Other Funds***Criminal Diversion**

Salaries & Benefits	\$ 28,997	\$ 15,540	\$ 79,325	\$ -	-100%
Internal Service Charges	\$ 5,850	\$ -	\$ 15,000	\$ -	-100%
Operating Expense	\$ 2,690	\$ 316,150	\$ 35,750	\$ 17,000	-52%
Total Criminal Diversion	\$ 37,537	\$ 331,690	\$ 130,075	\$ 17,000	-87%

COPS/ Supplemental Law

Salaries & Benefits	\$ 107,728	\$ 100,687	\$ 121,947	\$ 115,075	-6%
Internal Service Charges	\$ -	\$ -	\$ -	\$ -	0%
Operating Expense	\$ -	\$ -	\$ -	\$ -	0%
Total Criminal Diversion	\$ 107,728	\$ 100,687	\$ 121,947	\$ 115,075	-6%

Total All Other Funds	\$ 145,265	\$ 432,377	\$ 252,022	\$ 132,075	-48%
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STAFFING

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY 22/23 Proposed	FTE Change
Police Chief	1.0	1.0	1.0	1.0	0.0
Secretary	2.0	2.0	2.0	2.0	0.0
Crime Analyst	1.0	1.0	1.0	1.0	0.0
Captain	2.0	2.0	2.0	2.0	0.0
Lieutenant	3.0	3.0	3.0	3.0	0.0
Sergeant	10.0	10.0	10.0	10.0	0.0
Corporal	9.0	9.0	9.0	9.0	0.0
Police Officer	39.0	39.0	39.0	39.0	0.0
Laboratory	1.0	1.0	1.0	1.0	0.0
Support Services Manager	1.0	1.0	1.0	1.0	0.0
Support Services Supervisor	1.0	1.0	1.0	1.0	0.0
Police Records	3.5	3.5	3.5	3.5	0.0
Police Dispatch	9.5	9.5	9.5	9.5	0.0
Community Services Officer	4.0	4.0	4.0	4.0	0.0
Total FTE by Department	87.0	87.0	87.0	87.0	0.0

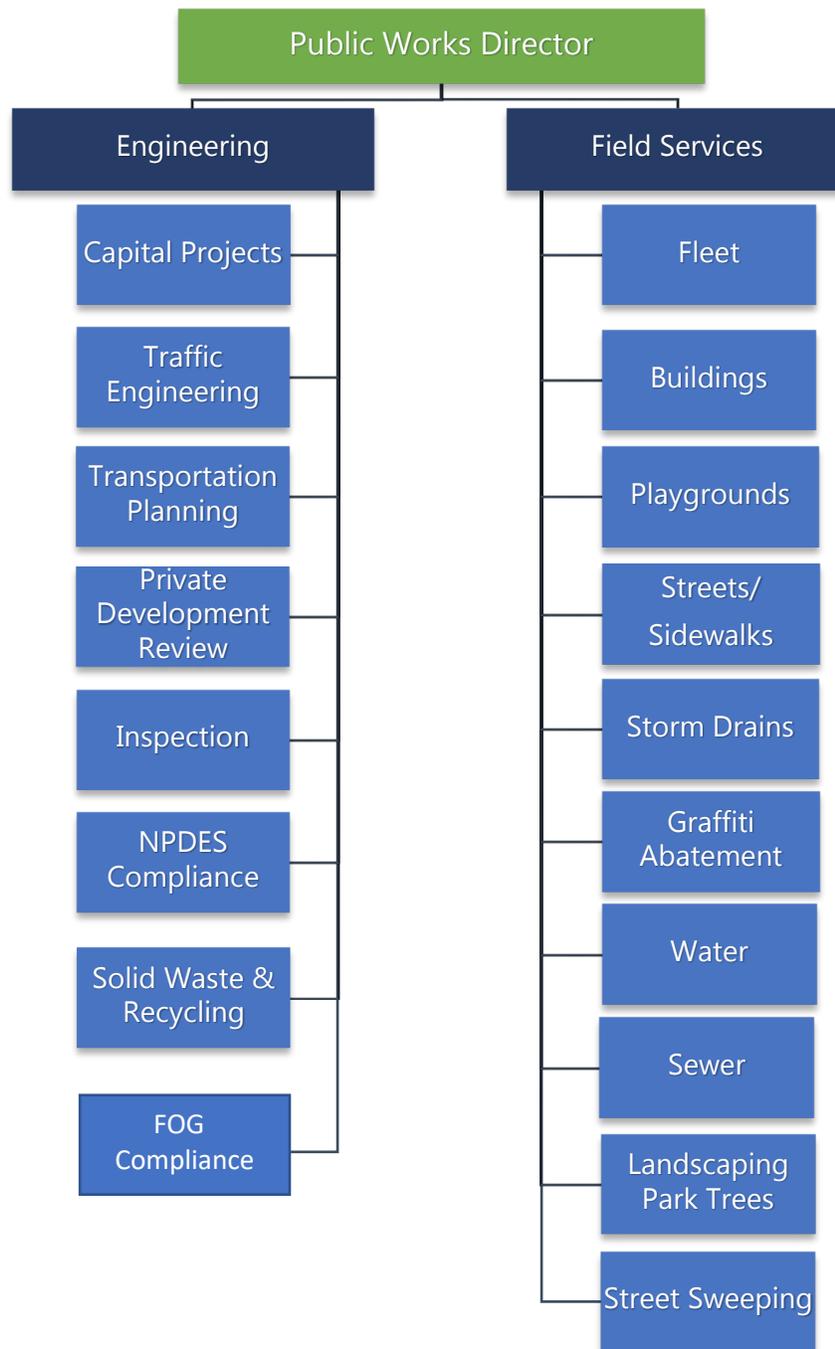
SIGNIFICANT CHANGES

Personnel expenses increased due to the City's Compensation study, cost of living increase, and merit increases among all authorized position count. Other increases to operating include the City's contract with the homeless outreach contractor for community outreach and case management services.

Mission Statement

Enriching Quality of Life and Building a Stronger Community through Clean Water, Safe Roads, Beautiful Parks and Accessible Public Features.

Organizational Chart



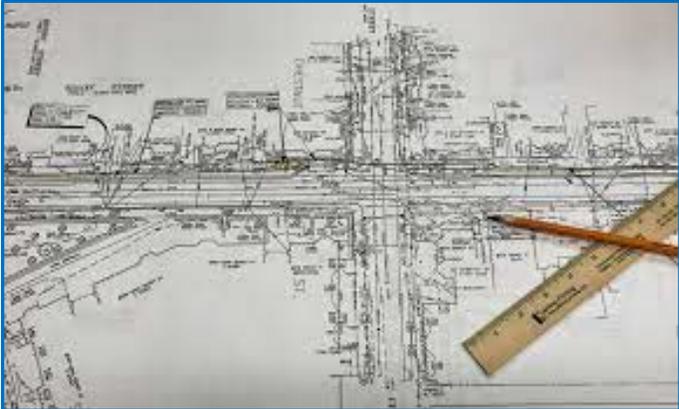
The Public Works Department provides a wide range of services essential to the community including the funding, planning, design, construction, operation and maintenance of:

Roads	Parks	Trees
Playgrounds	Landscape	Sidewalks
Water	Trails	Bikeways
Traffic Signals	Drainage	Sewer
Trash	Streetscapes	Public Buildings

Public Works also provides support to many internal City Departments and plays an integral part in a variety of community activities.

The Public Works Department employs sixty-three (63) dedicated professionals in two (2) Department Divisions under the general direction of the Director of Public Works, including the Engineering Division & Field Services Division.

The Public Works Engineering Division is led by the Deputy Public Works Director / City Engineer and is comprised of a dedicated staff of eight (8) engineering, environmental, inspection and administrative professionals, which manage, operate and facilitate the City's multi-million dollar Capital Improvement Program (CIP), Traffic Engineering Program, Environmental Services, Development Review, permitting and Plan Check, ADA Coordination and Grant Fund Management.



The Engineering Division is responsible for the planning, grant funding, design and construction of the City's CIP which includes arterial roadway rehabilitation, residential roadway rehabilitation, collector streets and industrial streets rehabilitation, sewer pipe rehabilitation, sewer lift station rehabilitation, water well rehabilitation, water reservoir rehabilitation, water line improvements, storm drain pump station rehabilitation, sidewalk improvements, public building facility improvements, roadway intersection and roadway capacity improvements, landscape/hardscape beautification, neighborhood park and playground equipment improvements and traffic engineering improvements.

Engineering also manages private development plan check review and transportation planning efforts to ensure compliance with local, State and Federal engineering standards. This year, projects included the City's continued General Plan update efforts and it's EIR and

Traffic Study, Orange County Sanitation District Head Quarters Offices and Pedestrian Bridge, Harbor Blvd Assisted Living, Moiola Residential Home Development, Slater/San Mateo Mixed Use/Residential Development Project, Coastal Church Residential Development Project, Coastline Community College Campus Improvements and many Accessible Dwelling Unit Improvement projects.



The Engineering Division also manages and serves as the lead in the management of all improvements related to the 2 billion dollar I-405 freeway improvement project being constructed within the city limits of Fountain Valley.

The Engineering Division manages Environmental Services, which safeguards the community's environmental resources and ensures compliance with state and federal regulatory mandates for controlling water pollution, resource management, and energy efficiency.

Programs administered include:

- The Federal Clean Water Act for water pollution prevention and protection of local water resources (National Pollutant Discharge Elimination System – NPDES)
- The California Global Warming Solutions Act (AB 32) for reduction of greenhouse gas emissions
- Resource management (AB 939, AB 341, AB 1826, and AB 1521) for material reuse, recycling, and disposal
- State General Waste Discharge Requirements (GWDR) for sewer maintenance, overflow response, and reporting; and
- Administration of Air Quality Management District (AQMD) requirements for airborne pollutant regulations/clean air mandates, public education and regulatory compliance

Environmental Services also manages special contracts and programs including the City's waste disposal and recycling contract, bus shelter maintenance, used oil collection program, beverage container recycling grant, and Neighborhood Cleanup events.

The Field Services Division is led by the Field Services Manager and is comprised of a dedicated staff of 52 operations and maintenance and administrative professionals in the Utilities Division and the General Services Division. The Utilities Division includes the Water and Sewer/Storm Drain Divisions and is comprised of a dedicated staff of twenty-four water and sewer/storm drain professionals, which manage and facilitate the City's multi-million dollar Water Fund, Water Capital Improvement Program, Sewer Fund and Storm Drain Maintenance Program.

The Water Division is responsible for maintaining the City's potable water system to ensure the safe and effective delivery of water to the City's residential and commercial customers. The division's programs include Water Distribution System Maintenance & Construction, Water Meter Maintenance & Repair, Water Meter Reading, Customer Service, Water Conservation, Cross Connection Control Program, Water Quality & Treatment, and Water Production Operations.



The Water Division also maintains a reclaimed water distribution system as part of the Green Acres Project (GAP) from OCWD.

The Sewer/Storm Drain Division is responsible for providing sewer and storm water collection service to all areas within the City boundaries. The division's programs include Sewer Maintenance & Construction, CCTV Inspections and Storm Drain Maintenance & Construction. The proper maintenance of these important City infrastructure components is a significant part of the City's public safety responsibility. The division is also responsible for providing services to maintain compliance with State required NPDES storm water regulations.

The General Services Division includes the Internal Services Division and Public Services Division and consists of a staff of twenty-six dedicated maintenance professionals that provide street, sidewalk, park, playground, public landscape, facilities and fleet maintenance services to the City of Fountain Valley.



The Internal Services Division is responsible for fleet and equipment maintenance and repair, vehicle, fuel and oil procurement, government building facility maintenance and repair, playground inspection, maintenance and repair, indoor and outdoor lighting maintenance and repair, HVAC maintenance and repair and custodial maintenance.

The Public Services Division is responsible for street and sidewalk asphalt and concrete maintenance and repair, street sweeping, street sign maintenance and repair, graffiti removal program, parks and civic facilities landscape maintenance, Fountain Valley Sports Park landscape maintenance, median, right-of-way and open space landscape maintenance, arterial sidewalk sweeping and weed removal, and tree trimming and urban forest management.

FY 2021-22 ACCOMPLISHMENTS

- ✓ Provided quality drinking water to the community.
- ✓ Maintained safe roads for the community and motoring public.
- ✓ Provided and maintained beautiful parks for the community.
- ✓ Maintained all City sidewalks, pathways and trails for the community.
- ✓ Maintained and operated the City's vast sewer network.
- ✓ Maintained and operated the City's vast drainage network.
- ✓ Maintained the City's fleet of vehicles including Public Works, Fire, Police, Administration, Community Services, Planning and Pool vehicles.
- ✓ Completed the City's CIP Management Yearly Planning.
- ✓ Managed and operated all 54 traffic signals citywide via the Traffic Management Center.
- ✓ Completed the City's annual Measure Eligibility Placket
- ✓ Completed the City's SB1 Eligibility Packet.
- ✓ Maintained all City Buildings.
- ✓ Completed the Construction of Sewer Structural Improvements in various locations.
- ✓ Completed the construction for Reservoir No. 2 Rehabilitation Project.
- ✓ Completed Phase V of Pipeline Condition Assessments.
- ✓ Continued the Regional Traffic Signal Synchronization along Harbor Blvd.
- ✓ Continued the Regional Traffic Signal Synchronization along Brookhurst St.
- ✓ Continued the Regional Traffic Signal Synchronization along Magnolia St.
- ✓ Continued the Regional Traffic Signal Synchronization along Edinger Ave.
- ✓ Continued the Regional Traffic Signal Synchronization along Warner Ave.
- ✓ Continued the Regional Traffic Signal Synchronization along Talbert Ave.
- ✓ Continued the Regional Traffic Signal Synchronization along Slater Ave.
- ✓ Completed construction for the Arterial Pavement Rehabilitation Improvements on Euclid Street from Edinger Ave. to Warner Ave.
- ✓ Completed the construction of the Residential Paving Project in the area of D2
- ✓ Complete the PS&E for the Pavement Rehabilitation Improvements for the Fountain Valley Recreation Center and Sports Park Internal road network.
- ✓ Completed the design of the pavement improvement project on Heil Street from Euclid St. to Harbor Blvd.



- ✓ Completed the design of the Residential Paving Project in the area of D3.
- ✓ Completed the RFP and award of Traffic Signal Maintenance Contract
- ✓ Completed the RFP and award of Street Light Maintenance Contract
- ✓ Completed the RFQ and award of On-Call Design Services Contracts
- ✓ Completed the RFQ and award of On-Call CM & Inspection Services Contracts
- ✓ Completed the RFQ and award of On-Call Material Testing Services Contracts
- ✓ Completed the RFP and award of Universally Accessible Playground Equipment Project.
- ✓ Completed the RFP and award of Well Maintenance Contract
- ✓ Completed the construction for the Interior Improvements to the Recreation Center Project.
- ✓ Completed design plans for the Police Department Restroom and Lockers Improvement Project.
- ✓ Completed the construction of the School Area ADA Pedestrian Ramps.
- ✓ Completed the PS&E and awarded a construction contract for the Citywide Protected Permissive Left Turn traffic signal project at eight (8) traffic signals.
- ✓ Completed work for Well No. 10 Rehabilitation Project WU862.
- ✓ Continued to be the lead in managing and protecting the City's interest in regards to OCTA's & Caltrans (\$2B) I-405 widening project.

FY 2022-23 GOALS

All goals support the Strategic Plan Goal to Maintain the culture and environment of "A Nice Place to Live."

- Provide quality drinking water to the community.
- Maintain safe roads for the community and motoring public.
- Provide and maintain beautiful parks for the community.
- Maintain all City sidewalks, pathways and trails for the community.
- Maintain and operate the City's vast sewer network.
- Maintain and operate the City's vast drainage network.
- Maintain the City's fleet of vehicles including Public Works, Fire, Police, Administration, Community Services, Planning and Pool vehicles.
- Manage and operated all 54 traffic signals citywide via the Traffic Management Center.



- Maintain all City Buildings.
- Purchase one Kona Electric Vehicle
- Construction of two Dual-point EV Charging Stations for the Police Department.
- Complete the Construction of Sewer Structural Improvements in various locations.
- Complete Phase VI of Pipeline Condition Assessments.
- Collaborate with OCTA on the Regional Traffic Signal Synchronization along Harbor Blvd.
- Collaborate with the City of La Habra on the Regional Traffic Signal Synchronization along Euclid Street.
- Continue the Regional Traffic Signal Synchronization along Brookhurst St.
- Continue the Regional Traffic Signal Synchronization along Magnolia St.
- Continue the Regional Traffic Signal Synchronization along Edinger Ave.
- Continue the Regional Traffic Signal Synchronization along Warner Ave.
- Continue the Regional Traffic Signal Synchronization along Talbert Ave.
- Continue the Regional Traffic Signal Synchronization along Slater Ave.
- Complete the construction of the Residential Roadway Rehabilitation in the area of D3.
- Complete the City's Yearly CIP Management Planning.
- Complete the City's annual Measure Eligibility Placket
- Complete the City's SB1 Eligibility Packet.
- Installation of one Audible Pedestrian Signal.
- Complete the construction of eight (8) traffic signal modification plans.
- Complete the construction of the Pavement Rehabilitation Improvements on Heil Ave from Euclid St to Harbor Blvd.
- Award a design contract for the Edinger paving project from Newhope to Harbor
- Collaborate with City of Westminster on the paving of Magnolia from Edinger to Heil.
- Collaborate with City of Huntington Beach on the paving of Newland from Slater to Talbert
- Complete the construction of the Pavement Rehabilitation Improvements for the Fountain Valley Recreation Center and Sports Park Internal road network.
- Continue work on the City's Drainage GIS mapping.
- Continue work on the City's Water GIS mapping.
- Continue work on the City's Sewer GIS mapping.

- Complete the Construction of City's Sewer Structural Improvement Project in Various areas SF620-5.
- Complete the rehabilitation of various sewer manholes throughout the City
- Complete the construction of the Mt. Baldy/Euclid Pipeline Replacement Project
- Complete the construction of the Talbert Channel Repair Construction Project.
- Complete the City's Annual Fire Hydrant Replacement Project.
- Begin the Construction of the PD Restrooms/Shower Facilities Project.
- Award an architectural design Contract for the Fire Station No. 1 Remodel
- Award Design and Construction Contract for the Universally Accessible Playground Equipment Project
- Award Construction contract for the Recreation Center Out buildings
- Award Construction contract for the City Hall interior remodel project
- Award Design Contract for HVAC & Edison Improvements for the Field Concession Buildings
- City Hall Drought Tolerant Landscape project
- Water Facility Drought Tolerant Landscape project.
- Citywide Median Landscape Project Phase 1
- Tennis Center Fence Replacement
- Water Delivery System Improvement Project (SCADA, UMC Servers, PC, Video Wall replacement)
- City Traffic Signal System Equipment Improvement Project
- City Sports Park Walking Trail Fitness Equipment/Landscape Project
- Complete the design for Well No. 6 Rehabilitation Project WU703.
- Complete the design for Well No. 8 Rehabilitation Project WU806.
- Complete the design for Well No. 11 Rehabilitation Project WU807.
- Complete the installation of Chlorine Generators for Project WU825.
- Solicit and award consultant contract for the Update of Water Master Plan.
- Solicit and award consultant contract for Sewer Master Plan.
- Solicit and award consultant contract for water rate study.
- Solicit and award consultant contract for sewer rate study.
- Solicit and award consultant contract for the Drainage Master Plan.
- Continue to manage and protect the City's interest in regards to OCTA's & Caltrans I-405 widening project.

	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	Percent Change
EXPENSES BY DEPARTMENT					
<i>All Funds</i>					
Salaries & Benefits	\$ 5,835,558	\$ 5,513,409	\$ 6,425,522	\$ 6,974,905	9%
Internal Service Charges	\$ 2,031,296	\$ 2,312,137	\$ 2,156,158	\$ 2,916,531	35%
Operating Expense	\$ 17,792,652	\$ 16,363,286	\$ 19,751,336	\$ 16,691,275	-15%
Total Expenses by Department	\$ 25,659,506	\$ 24,188,832	\$ 28,333,016	\$ 26,582,711	-6%

EXPENSES BY DIVISION*General Fund***Engineering**

Salaries & Benefits	\$ 317,944	\$ 301,877	\$ 331,598	\$ 384,447	16%
Internal Service Charges	\$ 177,344	\$ 176,250	\$ 186,868	\$ 250,045	34%
Operating Expense	\$ 14,873	\$ 47,851	\$ 299,445	\$ 399,645	33%
Total Engineering	\$ 510,161	\$ 525,978	\$ 817,911	\$ 1,034,137	26%

Traffic Engineering

Salaries & Benefits	\$ 224,786	\$ 205,425	\$ 197,697	\$ 266,532	35%
Internal Service Charges	\$ 80,605	\$ 79,195	\$ 82,591	\$ 106,976	30%
Operating Expense	\$ 2,049	\$ 2,087	\$ 4,495	\$ 6,015	34%
Total Traffic Engineering	\$ 307,440	\$ 286,707	\$ 284,783	\$ 379,523	33%

Construction Inspection

Salaries & Benefits	\$ 134,065	\$ 130,432	\$ 121,009	\$ 196,201	62%
Internal Service Charges	\$ 57,744	\$ 56,671	\$ 57,831	\$ 75,623	31%
Operating Expense	\$ 299	\$ -	\$ 380	\$ 25,380	6579%
Total Construction Inspection	\$ 192,108	\$ 187,103	\$ 179,220	\$ 297,204	66%

Street Lighting

Salaries & Benefits	\$ 14,777	\$ 14,158	\$ 14,696	\$ 25,614	74%
Internal Service Charges	\$ 7,844	\$ 8,281	\$ 8,598	\$ 11,652	36%
Operating Expense	\$ 370,375	\$ 357,216	\$ 320,000	\$ 295,000	-8%
Total Street Lighting	\$ 392,996	\$ 379,655	\$ 343,294	\$ 332,266	-3%

Rights of Ways

Salaries & Benefits	\$ 159,012	\$ 123,268	\$ 124,582	\$ 180,882	45%
Internal Service Charges	\$ 84,936	\$ 82,275	\$ 86,396	\$ 123,508	43%
Operating Expense	\$ 288,056	\$ 380,509	\$ 434,920	\$ 450,841	4%
Total Rights of Ways	\$ 532,004	\$ 586,052	\$ 645,898	\$ 755,231	17%

Tree Maintenance

Salaries & Benefits	\$ 96,878	\$ 87,195	\$ 75,981	\$ 99,231	31%
Internal Service Charges	\$ 79,889	\$ 76,905	\$ 78,781	\$ 109,449	39%
Operating Expense	\$ 277,524	\$ 289,209	\$ 336,280	\$ 366,280	9%
Total Tree Maintenance	\$ 454,291	\$ 453,309	\$ 491,042	\$ 574,960	17%

PUBLIC WORKS

Park Maintenance

Salaries & Benefits	\$ 188,659	\$ 141,968	\$ 168,156	\$ 258,327	54%
Internal Service Charges	\$ 83,307	\$ 94,636	\$ 89,328	\$ 118,398	33%
Operating Expense	\$ 472,368	\$ 521,376	\$ 563,368	\$ 630,118	12%
Total Park Maintenance	\$ 744,334	\$ 757,980	\$ 820,852	\$ 1,006,843	23%

Concrete Maintenance

Salaries & Benefits	\$ 303,917	\$ 308,743	\$ 348,735	\$ 302,787	-13%
Internal Service Charges	\$ 137,130	\$ 151,792	\$ 146,088	\$ 200,401	37%
Operating Expense	\$ 1,760	\$ 2,553	\$ 3,300	\$ 3,300	0%
Total Concrete Maintenance	\$ 442,807	\$ 463,088	\$ 498,123	\$ 506,488	2%

Pavement Maintenance

Salaries & Benefits	\$ 308,190	\$ 315,483	\$ 358,096	\$ 314,583	-12%
Internal Service Charges	\$ 140,318	\$ 159,581	\$ 152,499	\$ 208,179	37%
Operating Expense	\$ 3,885	\$ 3,689	\$ 6,600	\$ 31,600	379%
Total Pavement Maintenance	\$ 452,393	\$ 478,753	\$ 517,195	\$ 554,362	7%

Storm Drain Maintenance

Salaries & Benefits	\$ 399,230	\$ 382,720	\$ 429,834	\$ 508,473	18%
Internal Service Charges	\$ 57,018	\$ 56,819	\$ 56,078	\$ 75,568	35%
Operating Expense	\$ 17,130	\$ 27,069	\$ 37,500	\$ 22,700	-39%
Total Storm Drain Maintenance	\$ 473,378	\$ 466,608	\$ 523,412	\$ 606,741	16%

Traffic Control

Salaries & Benefits	\$ 145,164	\$ 140,662	\$ 182,578	\$ 212,905	17%
Internal Service Charges	\$ 126,055	\$ 143,202	\$ 135,000	\$ 181,878	35%
Operating Expense	\$ 201,080	\$ 225,089	\$ 271,200	\$ 91,200	-66%
Total Traffic Control	\$ 472,299	\$ 508,953	\$ 588,778	\$ 485,983	-17%

Street Sweeping

Salaries & Benefits	\$ 19,086	\$ 12,625	\$ 18,825	\$ 22,642	20%
Internal Service Charges	\$ 11,838	\$ 10,686	\$ 12,816	\$ 20,415	59%
Operating Expense	\$ 314,899	\$ 384,066	\$ 383,285	\$ 383,285	0%
Total Street Sweeping	\$ 345,823	\$ 407,377	\$ 414,926	\$ 426,342	3%

Recreation Center

Salaries & Benefits	\$ 200,419	\$ 138,424	\$ 171,192	\$ 131,182	-23%
Internal Service Charges	\$ 201,271	\$ 255,345	\$ 233,178	\$ 309,901	33%
Operating Expense	\$ 520,592	\$ 548,645	\$ 538,400	\$ 667,730	24%
Total Recreation Center	\$ 922,282	\$ 942,414	\$ 942,770	\$ 1,108,813	18%

Graffiti Removal

Salaries & Benefits	\$ 79,820	\$ 37,458	\$ 111,660	\$ 242,309	117%
Internal Service Charges	\$ 66,387	\$ 91,528	\$ 81,429	\$ 107,886	32%
Operating Expense	\$ 7,260	\$ 6,078	\$ 10,200	\$ 10,200	0%
Total Graffiti Removal	\$ 153,467	\$ 135,064	\$ 203,289	\$ 360,395	77%

Total General Fund	\$ 6,395,783	\$ 6,579,041	\$ 7,271,493	\$ 8,429,288	11%
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EXPENSES BY DIVISION

*All Other Funds***Pollution Reduction**

Salaries & Benefits	\$	-	\$	1,109	\$	1,249	\$	6,560	425%
Internal Service Charges	\$	-	\$	-	\$	-	\$	-	0%
Operating Expense	\$	-	\$	-	\$	3,886	\$	7,000	80%
Total Pollution Reduction	\$	-	\$	1,109	\$	5,135	\$	13,560	164%

Government Buildings (ISF)

Salaries & Benefits	\$	67,153	\$	67,332	\$	73,223	\$	176,282	141%
Internal Service Charges	\$	-	\$	-	\$	-	\$	-	0%
Operating Expense	\$	111,964	\$	111,523	\$	322,364	\$	1,155,014	258%
Total Government Buildings	\$	179,117	\$	178,855	\$	395,587	\$	1,331,296	237%

Fleet Management (ISF)

Salaries & Benefits	\$	499,448	\$	480,579	\$	494,563	\$	670,508	36%
Internal Service Charges	\$	26,660	\$	13,762	\$	9,594	\$	17,310	80%
Operating Expense	\$	562,284	\$	593,510	\$	1,395,152	\$	2,316,200	66%
Total Fleet Management	\$	1,088,392	\$	1,087,851	\$	1,899,309	\$	3,004,018	58%

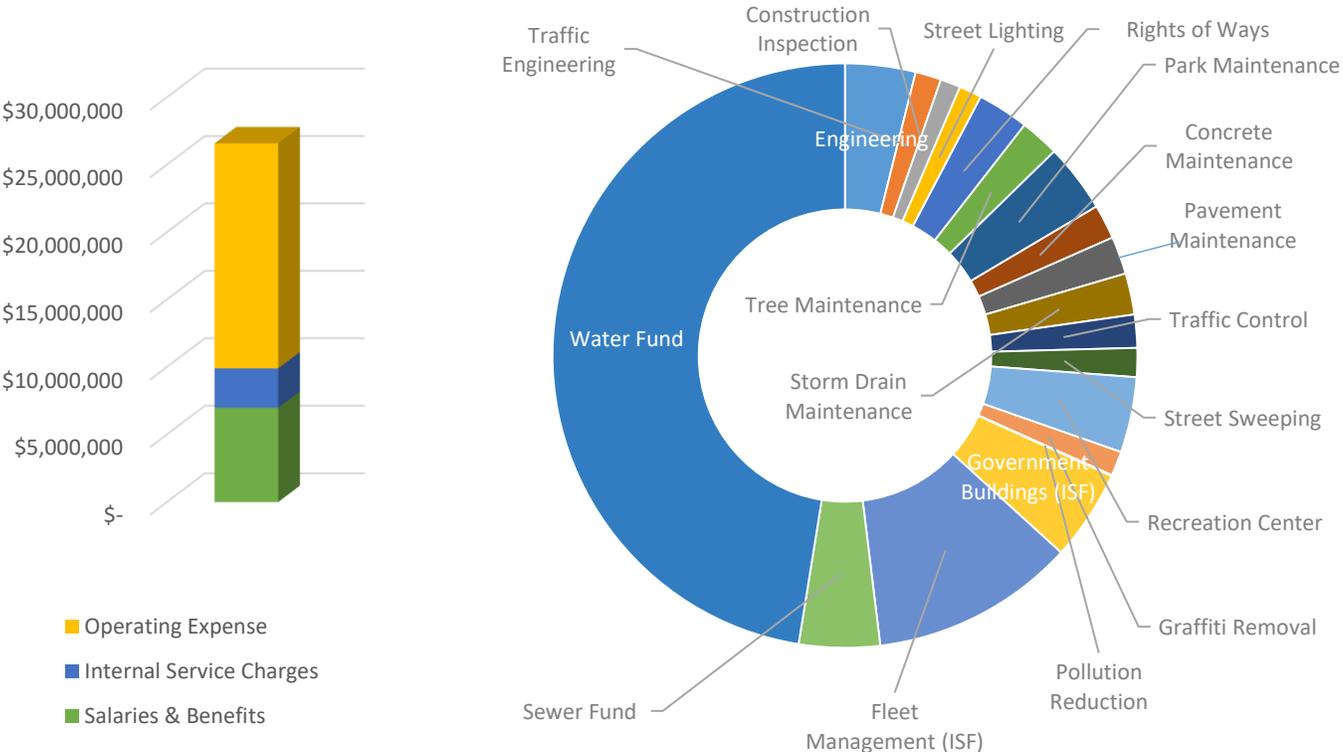
Sewer Fund

Salaries & Benefits	\$	541,663	\$	568,397	\$	597,950	\$	601,571	1%
Internal Service Charges	\$	193,951	\$	301,980	\$	228,504	\$	298,300	31%
Operating Expense	\$	448,906	\$	2,473,882	\$	3,063,302	\$	287,784	-91%
Total Sewer Fund	\$	1,184,520	\$	3,344,259	\$	3,889,756	\$	1,187,655	-69%

Water Fund

Salaries & Benefits	\$	2,135,347	\$	2,055,554	\$	2,603,898	\$	2,373,869	-9%
Internal Service Charges	\$	498,999	\$	553,229	\$	510,579	\$	701,042	37%
Operating Expense	\$	14,177,348	\$	10,388,934	\$	11,757,259	\$	9,541,983	-19%
Total Water Fund	\$	16,811,694	\$	12,997,717	\$	14,871,736	\$	12,616,894	-15%

Total Other Funds	\$	19,263,723	\$	17,609,791	\$	21,061,523	\$	18,153,423	-14%
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	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	FTE Change
STAFFING					
Director of Public Works	1.0	1.0	1.0	1.0	0.0
Administrative Assist./ Secretary	1.0	1.0	1.0	1.0	0.0
Deputy Director of PW/ City Engineer	1.0	1.0	1.0	1.0	0.0
Management Aide	1.0	1.0	1.0	2.0	1.0
Environmental Services Administrator	1.0	1.0	1.0	1.0	0.0
Engineering Associate	2.0	2.0	2.0	2.0	0.0
Assistant Engineer	0.0	0.0	0.0	1.0	1.0
Engineering Techn III	2.0	2.0	2.0	2.0	0.0
Public Works Inspector	1.0	1.0	1.0	1.0	0.0
Field Services Manager	1.0	1.0	1.0	1.0	0.0
Administrative Specialist	1.0	1.0	1.0	1.0	0.0
Management Analyst	1.0	1.0	1.0	0.0	-1.0
SR. Management Analyst	0.0	0.0	0.0	1.0	1.0
Internal Services Supervisor	1.0	1.0	1.0	1.0	0.0
Public Services Supervisor	1.0	1.0	1.0	1.0	0.0
Landscape Inspector	1.0	1.0	1.0	1.0	0.0
Foreman	4.0	4.0	4.0	3.0	-1.0
Landscape Inspector	0.0	0.0	0.0	1.0	1.0
Equipment Operator I & II	1.0	1.0	1.0	1.0	0.0
Irrigation Technician	2.0	2.0	2.0	2.0	0.0
Maintenance Worker II	11.0	11.0	11.0	11.0	0.0
Mechanic	3.0	3.0	3.0	3.0	0.0
Water Supervisor	2.0	2.0	2.0	2.0	0.0
Foreman	1.0	1.0	1.0	1.0	0.0
Water Quality Technician	1.0	1.0	1.0	1.0	0.0
Equipment Operator Non-Certified	1.0	1.0	1.0	1.0	0.0
Water Systems Operator	3.0	3.0	3.0	2.0	-1.0
Water Foreman	0.0	0.0	0.0	1.0	1.0
Maintenance Worker II	8.0	8.0	8.0	8.0	0.0
Maintenance Worker II Non-Certified	1.0	1.0	1.0	1.0	0.0
Sewer/ Storm Drain Supervisor	1.0	1.0	1.0	1.0	0.0
Equipment Operator- Storm Drains	1.0	1.0	1.0	1.0	0.0
Equipment Operator- Sewer	1.0	1.0	1.0	1.0	0.0
Maintenance Worker II- Sewers/ Storm	2.0	2.0	2.0	2.0	0.0
Total FTE by Department	59.0	59.0	59.0	61.0	2.0

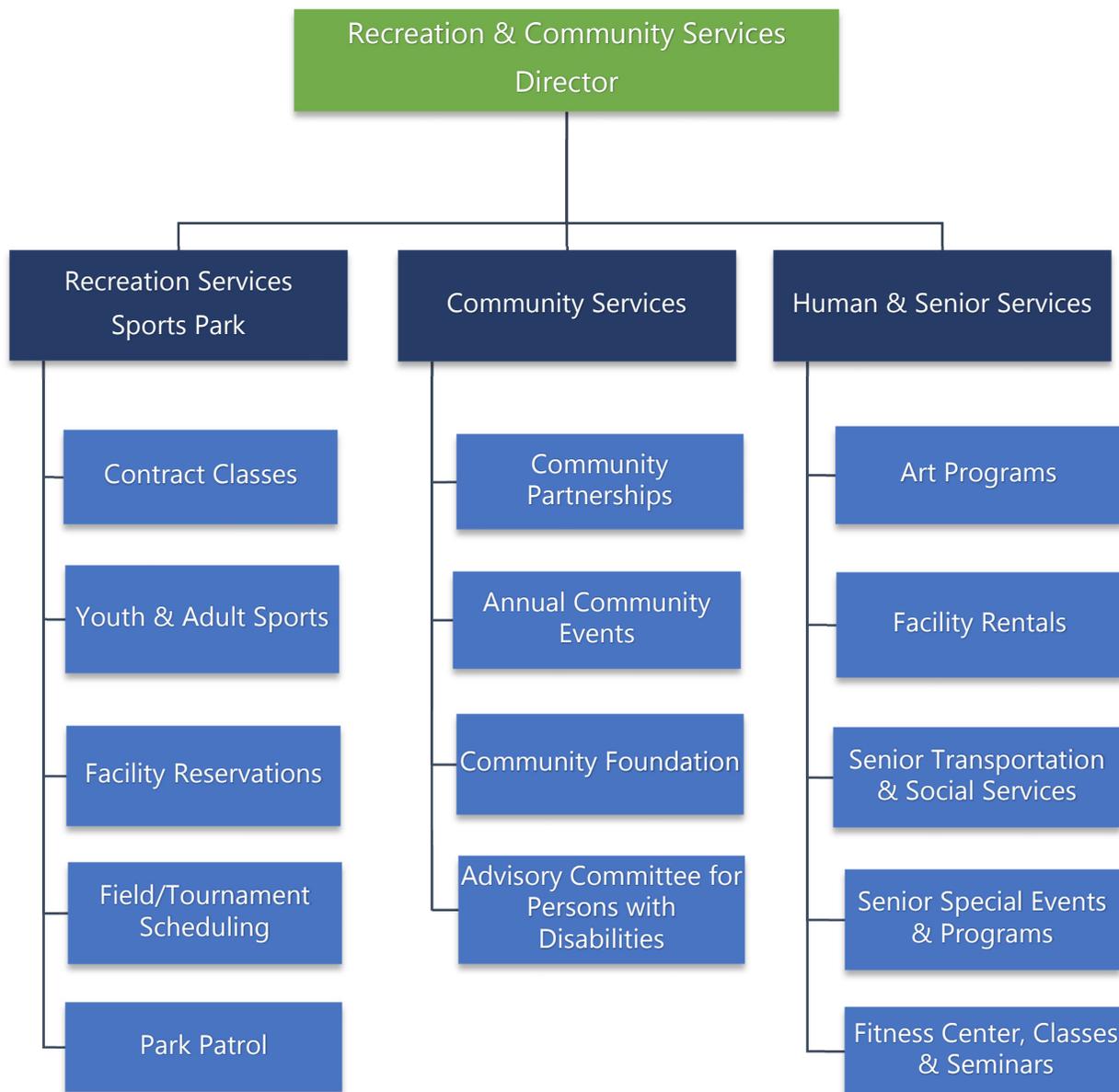
SIGNIFICANT CHANGES

Personnel expenses increased due to the City's Compensation study, cost of living increase, and merit increases among all authorized position count. The FY 23 proposed budget includes a new Assistant Engineer and Management Aide funded 80% by Enterprise funds, along with other minor reclasses to positions. Operating increases include increases to professional services contracts for inflationary costs, such as electricity and gasoline.

Mission Statement

The Fountain Valley Recreation and Community Services Department, in collaboration with our community partners, enriches lives by providing quality programs, human services and recreational opportunities that create positive and memorable experiences.

Organizational Chart



The Recreation & Community Services Department facilitates community enrichment by providing quality programs, services, and recreation opportunities that create positive and memorable experiences. The Department heightens the quality of life and sense of place for



Fountain Valley residents and the greater community by organizing and implementing more than 18 major community events while also promoting health and wellness through a variety of athletic leagues and programs. In addition to physical benefits, the Recreation and Community Services Department fosters human development with its summer programs and camps, Arts programs, Human and Senior Services, and recreational opportunities.

The Department operates the City of Fountain Valley Recreation Center and Sports Park and The Center at Founders Village Senior and Community Center. These facilities service more than 400,000 visitors annually, support economic, and community development by hosting regional and national community events and athletic tournaments.

In Fiscal Year 2021/22, the Community Services Department has amended its focus and delivery models in an effort to provide the community with the events and programs they were accustomed to in past years. With an unwavering commitment to quality of life, staff have worked to develop and deliver programs which provide much needed social, emotional, and recreational opportunities.

Parks Make Life Better in Fountain Valley!

FY 2021-22 ACCOMPLISHMENTS

- ✓ Hosted the first major special event in California after the CDPH and OCHCA provided updated health guidelines. The event, Summerfest, was extremely well attended and appreciated by the community!
- ✓ Collaborated with FVPD to contract with City Net to provide housing assistance for persons experiencing homelessness in our community
- ✓ Provided the community a comprehensive sponsorship opportunity in collaboration with the Fountain Valley Community Foundation (FVCF) promoting progressive collaborations between public, private and nonprofit organizations.
- ✓ With support from the Recreation Center Interior Committee, collaborated with the Public Works Department to renovate the interior of the Recreation Center to enhance facility accessibility and "rentability".

- ✓ implemented a temporary (no fee) park permit program to support businesses and organizations affected by the State and Local health occupancy guidelines.
- ✓ Received grant appropriation from Prop. 68, State of California Office of Grants and Local Services (OGALS).
- ✓ Provided online and hybrid programming for annual contract classes, camps and senior groups.
- ✓ Collaborated with OC Meals on Wheels to provide 1000's of meals every week to food insecure seniors.
- ✓ Implemented a Park Patrol program to support and educate the community related to local and state health guidelines. Staff visits each Fountain Valley park weekly to assist FVPD and other internal departments in responding to community inquires, and support calls.
- ✓ Maintained professional collaborations with Fountain Valley Regional Hospital, Orange Coast Memorial Medical Center, and other local health care agencies to provide educational and health related services and education to the senior community.
- ✓ Provided affordable transportation to seniors living in Fountain Valley who have limited or no access to other transportation.
- ✓ Implemented a new Senior Social Services program through a collaborative partnership with Fresh Beginnings Ministries in response to the COVID-19 pandemic.
- ✓ Provided the community with a complete annual events program



FY 2022-2023 Goals

Goals outlined support the City's Strategic Plan Goals to "Maintain the culture and environment of "A Nice Place to Live" and "Achieve fiscal stability in accordance with the 20-Year Financial Plan."

- Continue to explore public/private partnerships to expand the recreational portfolio of the City of Fountain Valley.
- Finalize funding in collaboration with Prop 68 grant opportunities to build the City's first All Abilities Inclusive Playground at the FV Sports Park.
- Work with the County of Orange and OC Parks to assist, when applicable, in regards to the Mile Square Regional Park Expansion Project.
- Continue to facilitate a professional relationship with the Fountain Valley Community Foundation through collaboration on select special events, class scholarships and as a Board of Directors representative. - Annually
- Provide to the community a wide variety of Recreational and Human Service programs/classes for all ages. - Annually
- Continue to collaborate with local hospitals and medical centers to provide educational and health related programs to our senior community. - Annually
- Implement the new rental program for the Recreation and Community Centers focused on community accessibility and flexible use for the community.
- Complete renovation of the Recreation Center Interior.



RECREATION & COMMUNITY SERVICES

FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY 22/23 Proposed	Percent Change
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EXPENSES BY DEPARTMENT

All Funds

Salaries & Benefits	\$ 1,271,606	\$ 962,448	\$ 1,385,343	\$ 1,449,732	5%
Internal Service Charges	\$ 925,754	\$ 877,988	\$ 1,016,268	\$ 1,295,499	27%
Operating Expense	\$ 213,743	\$ 163,058	\$ 367,255	\$ 380,410	4%
Total Expenses by Department	\$ 2,411,103	\$ 2,003,494	\$ 2,768,866	\$ 3,125,641	13%

EXPENSES BY DIVISION

General Fund

Athletics

Salaries & Benefits	\$ 134,489	\$ 128,882	\$ 174,988	\$ 153,150	-12%
Internal Service Charges	\$ 171,840	\$ 164,988	\$ 199,087	\$ 254,908	28%
Operating Expense	\$ 20,044	\$ 12,063	\$ 55,115	\$ 55,960	2%
Total Athletics	\$ 326,373	\$ 305,933	\$ 429,190	\$ 464,018	8%

Field Operations

Salaries & Benefits	\$ 139,166	\$ 126,296	\$ 165,695	\$ 173,892	5%
Internal Service Charges	\$ 88,779	\$ 83,416	\$ 99,632	\$ 125,935	26%
Operating Expense	\$ -	\$ 698	\$ 1,500	\$ 12,000	700%
Total Field Operations	\$ 227,945	\$ 210,410	\$ 266,827	\$ 311,827	17%

Annual Festivals

Salaries & Benefits	\$ 21,244	\$ 11,978	\$ 33,450	\$ 28,570	-15%
Internal Service Charges	\$ -	\$ -	\$ -	\$ 2,764	100%
Operating Expense	\$ 9,731	\$ 57,101	\$ 50,000	\$ 50,000	0%
Total Annual Festivals	\$ 30,975	\$ 69,079	\$ 83,450	\$ 81,334	-3%

Park Patrol- New Program in FY21/22

Salaries & Benefits	\$ 59,342	\$ 12,996	\$ 87,159	\$ 74,936	-14%
Internal Service Charges	\$ 32,105	\$ 29,694	\$ 29,820	\$ 35,207	18%
Operating Expense	\$ 1,030	\$ 635	\$ 2,250	\$ 4,450	98%
Total Park Patrol	\$ 92,477	\$ 43,325	\$ 119,229	\$ 114,593	-4%

Aquatics- Program Eliminated in FY21/22

Salaries & Benefits	\$ 59,342	\$ -	\$ -	\$ -	0%
Internal Service Charges	\$ 32,106	\$ -	\$ -	\$ -	0%
Operating Expense	\$ 13,576	\$ -	\$ -	\$ -	0%
Total Aquatics	\$ 105,024	\$ -	\$ -	\$ -	0%

Recreation & Tennis Center

Salaries & Benefits	\$ 181,795	\$ 191,506	\$ 217,671	\$ 273,362	26%
Internal Service Charges	\$ 209,026	\$ 228,303	\$ 240,019	\$ 306,714	28%
Operating Expense	\$ 4,425	\$ 7,427	\$ 13,850	\$ 18,350	32%
Total Recreation & Tennis Ctr	\$ 395,246	\$ 427,236	\$ 471,540	\$ 598,426	27%

RECREATION & COMMUNITY SERVICES

Community & Senior Center

Salaries & Benefits	\$ 268,706	\$ 253,768	\$ 376,309	\$ 408,123	8%
Internal Service Charges	\$ 210,170	\$ 198,778	\$ 236,440	\$ 301,122	27%
Operating Expense	\$ 6,831	\$ 10,943	\$ 14,250	\$ 15,700	10%
Total Community & Senior Ctr	\$ 485,707	\$ 463,489	\$ 626,999	\$ 724,945	16%

Contract Classes

Salaries & Benefits	\$ 291,787	\$ 133,338	\$ 169,124	\$ 168,893	0%
Internal Service Charges	\$ 87,524	\$ 83,445	\$ 101,841	\$ 129,497	27%
Operating Expense	\$ 32,300	\$ 21,904	\$ 49,040	\$ 57,200	17%
Total Contract Classes	\$ 411,611	\$ 238,687	\$ 320,005	\$ 355,590	11%

Special Events

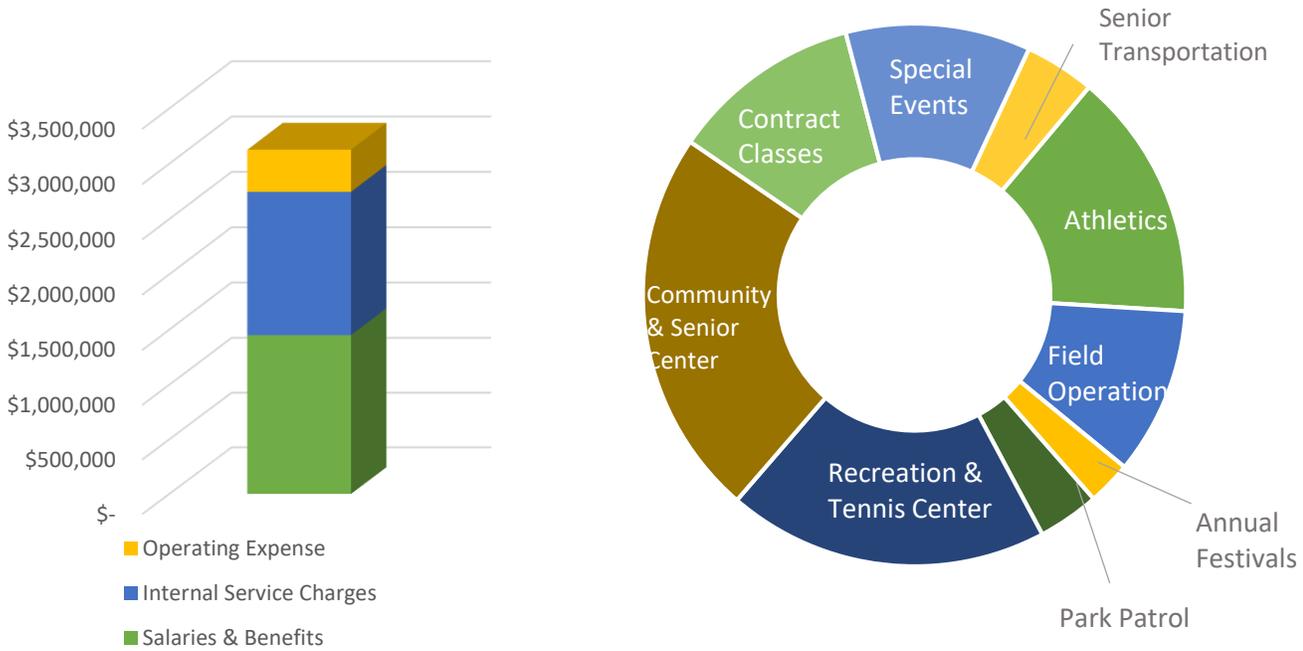
Salaries & Benefits	\$ 96,689	\$ 85,968	\$ 135,998	\$ 141,811	4%
Internal Service Charges	\$ 94,204	\$ 89,364	\$ 109,429	\$ 139,352	27%
Operating Expense	\$ 43,984	\$ 18,745	\$ 78,750	\$ 63,250	-20%
Total Special Events	\$ 234,877	\$ 194,077	\$ 324,177	\$ 344,413	6%

Senior Transportation

Salaries & Benefits	\$ 19,046	\$ 17,716	\$ 24,949	\$ 26,995	8%
Internal Service Charges	\$ -	\$ -	\$ -	\$ -	0%
Operating Expense	\$ 81,822	\$ 33,542	\$ 102,500	\$ 103,500	1%
Total Senior Transportation	\$ 100,868	\$ 51,258	\$ 127,449	\$ 130,495	2%

Total General Fund	\$ 2,411,103	\$ 2,003,494	\$ 2,768,866	\$ 3,125,641	13%
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RECREATION & COMMUNITY SERVICES



	FY19/20 Actual	FY20/21 Actual	FY21/22 Revised	FY22/23 Proposed	FTE Change
STAFFING					
Community Services Director	1.0	1.0	1.0	1.0	0.0
Community Services Manager	2.0	2.0	2.0	2.0	0.0
Community Services Supervisor	1.0	1.0	2.0	2.0	0.0
Recreation Coordinator	2.0	2.0	1.0	1.0	0.0
Total FTE by Department	6.0	6.0	6.0	6.0	0.0

SIGNIFICANT CHANGES

Personnel expenses increased due to the City's Compensation study, cost of living increase, and merit increases among all authorized position count. Other operating increases including increases for public information to promote new City events, Senior event funding, and other inflationary costs relating to supplies and equipment.

The Capital Improvement Program (CIP) identifies major public improvements to the City's infrastructure over the next ten years and includes new projects, upgrades to existing facilities as well as rehabilitation of streets and roadways. Projects included in the CIP reflect Strategic Plan Goals adopted by the City Council including: Maintain the culture and environment of "A Nice Place to Live", Attract and retain revenue producing businesses, and Achieve fiscal stability in accordance with the 20-Year Financial Plan.

Capital Projects

Each year as part of the budget process, the CIP is reviewed and updated to ensure the City's priorities and needs have not changed from the prior year, and to confirm there is sufficient revenue to support the projects planned.

Funding for capital projects is appropriated within the current fiscal year budget. For any multi-year projects that are not completed at fiscal year-end, a continuing appropriation for the unspent balance will be carried over into the following year's budget. In general, the CIP budget provides funding for infrastructure construction and rehabilitation, while the operating budget and other special funds provide funding for routine infrastructure maintenance.



Capital projects planned for FY 2022-23 are outlined in detail in the following pages.

FY 2022-23 Capital Replacement Expenditures

In addition to capital projects identified in the Capital Improvement Program, all city assets related to government buildings; equipment, tools, office furniture; information technology; and rolling fleet are listed in a ten-year replacement or maintenance schedule utilizing Internal Service Funds for each asset category. An annual review and update of the City's needs has been completed and the Fiscal Year 2022-23 budget includes funding for those capital replacement items that need to be purchased.

The Fiscal Year 2022-23 budget continues to carry out the ten-year replacement program. Capital Equipment includes FD cardiac monitors, ballistic vests, turn-out gear, 800 MHz radio replacement, a concrete saw, and other smaller items citywide. Included in Information technology will be the regular change out of older computer workstations, printers; and iPads for fire personnel. Fleet services will replace several trucks, four police cars, two police motorcycles, an aerial truck, and other related equipment. Government building rehabilitation includes roofing repairs at the corporate yard, upgrades to the telephone and alarm systems, and painting.

FY 2022/23 CAPITAL PROJECTS BY FUNDING SOURCE

Proj #	Project Name	Source	Total	General Fund	Park In-Lieu	Developer Impact	Gas Tax Fund	Traffic Improvemnt	AQMD Fund	Drainage Fund	Sewer Fund (Enterprise)	Water Fund (Enterprise)
General Fund - Fund 100												
	General Plan Update	General Fund	899,084	899,084								
1001803001												
1002218007	Sports Park Outbuildings (Interior ADA/Renovation)	Measure HH	981,800	981,800								
1002216103	Fire Station No. 1 Remodel	Measure HH	966,582	966,582								
1001917002	Police Locker Room/Showers Remodel	Measure HH	2,639,800	2,639,800								
NEW	HVAC & Edison Improvements Field Concession Buildings	General Fund	105,000	105,000								
1001918101	Recreation Center Interior Improvements	98 TAB	7,915	7,915								
NEW	Tennis Center Fence Replacement	General Fund	100,000	100,000								
NEW	Sports Park Walking Trail Fitness Equipment/Landscape	General Fund	300,000	300,000								
1002210004	City Hall Interior Remodel	98 TAB	674,258	674,258								
1002280101	Sports Park All Accessible Playground Equipment	General Fund	1,726,582	1,726,582								
1002280002	Sports Park Road Network Rehabilitation	Measure HH	758,100	758,100								
1001722001	I-405 Improvement	OCTA	601,035	601,035								
1002223005	Harbor Median Irrigation	General Fund	500,000	500,000								
General Fund Projects			10,260,156	10,260,156	-	-	-	-	-	-	-	-
Gas Tax Fund - Fund 240												
2402220003	Residential Roadway Rehabilitation		2,900,000				2,900,000					
2402220101	Citywide Restriping		55,000				55,000					
Gas Tax Projects			2,955,000	-	-	-	2,955,000	-	-	-	-	-

FY 2022/23 CAPITAL PROJECTS BY FUNDING SOURCE

Proj #	Project Name	Source	Total	General Fund	Park In-Lieu	Developer Impact	Gas Tax Fund	Traffic Improvemnt	AQMD Fund	Drainage Fund	Sewer Fund (Enterprise)	Water Fund (Enterprise)
Traffic Improvement Fund - Fund 242												
2422221006	Heil - Euclid/Harbor & Ward		1,500,000					1,500,000				
NEW	Newland - Slater to Talbert (HB)		300,000					300,000				
NEW	Magnolia - Edinger to Heil (Westminster Lead)		200,000					200,000				
NEW	Edinger - Newport to Harbor		120,000					120,000				
NEW	Citywide Coordination Timing Maint		50,000					50,000				
NEW	Citywide Signal Comm Maint		35,000					35,000				
2422125002	Traffic Signal Modification Improvments (8)		2,475,209					2,475,209				
NEW	Traffic Signal System Equipment Improvements Citywide		500,000					500,000				
2422225005	Euclid/Condor & Talbert/Bushard Signal Mod.		100,000					100,000				
2422225103	Magnolia Trafic Signal Synchronization		50,000					50,000				
2422225110	Slater Traffic Signal Synchronization		150,000					150,000				
2422225109	Edinger Traffic Signal Synchronization		65,000					65,000				
2422225108	Warner Traffic Signal Synchronization		85,000					85,000				
2422225107	Talbert Traffic Signal Synchronization		85,000					85,000				
NEW	Harbor Signal Synchronization (OCTA Lead)		85,000					85,000				
NEW	Euclid Signal Synchronization (La Habra)		110,000					110,000				
Traffic Improvement Fund Projects			5,910,209	-	-	-	-	5,910,209	-	-	-	-
Pollution Reduction (AQMD) Fund - Fund 242												
NEW	Two Dual-port Charge Point EV Charging Station		40,000						40,000			
Pollution Reduction (AQMD) Projects			40,000	-	-	-	-	-	40,000	-	-	-
Drainage Fund - Fund 340												
2422225107	Talbert Channel Repair Design/Construction		155,000							155,000		
NEW	Drainage Master Plan Update		250,000							250,000		
Drainage Fund Projects			405,000	-	-	-	-	-	-	405,000	-	-

FY 2022/23 CAPITAL PROJECTS BY FUNDING SOURCE

Proj #	Project Name	Source	Total	General Fund	Park In-Lieu	Developer Impact	Gas Tax Fund	Traffic Improvemnt	AQMD Fund	Drainage Fund	Sewer Fund (Enterprise)	Water Fund (Enterprise)
Sewer Fund - Fund 501												
5012260002	Sewer Manhole Rehab		65,000								65,000	
5012205001	Sewer Master Plan		350,000								350,000	
NEW	Structural Improvements (SF627)		200,000								200,000	
1001722001	I-405 Utility Faciliites Relocation	OCTA	23,195								23,195	
Sewer Fund Projects			638,195	-	-	-	-	-	-	-	638,195	-
Water Fund - Fund 500												
5002254101	Well Site No. 6		450,000									450,000
5002254202	Well Site No. 8		900,000									900,000
5002254504	Well Site No. 11		1,000,000									1,000,000
5002154001	Hydrogeological/Well Rehabilitation Consultant		75,000									75,000
5002250005	Pipeline Condition Assessment		300,000									300,000
5002250006	Mt Baldy/Euclid Pipeline Replacement		240,130									240,130
5002254007	Chlorine Generators		100,000									100,000
NEW	Water Delivery (SCADA UMC Server/PC/Video Wall Replacement)		500,000									500,000
5002205008	Master Plan		350,000									350,000
NEW	Well Facility Drought Tolerant Landscape Improvements		200,000									200,000
1001722001	I-405 Utility Faciliites Relocation	OCTA	187,599									187,599
Water Fund Projects			4,302,729	-	-	-	-	-	-	-	-	4,302,729
Total Projects			24,511,289	10,260,156	-	-	2,955,000	5,910,209	40,000	405,000	638,195	4,302,729

CAPITAL IMPROVEMENT TEN YEAR PLAN - GENERAL FUND

Project	%	Reserve/Source	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2021-2032
General Fund Projects												
General Plan Update	Varied	Economic Dvlp/General Plan Fee	899,084	-	-	-	-	-	-	-	-	-
General Plan Update - SB2 Planning Grant	100%	Grant Funding	-	-	-	-	-	-	-	-	-	-
General Plan Update - LEAP Grant	100%	Grant Funding	-	-	-	-	-	-	-	-	-	-
Recreation Center Interior Improvements	100%	98 TAB	7,915	-	-	-	-	-	-	-	-	-
Sports Park All Accessible Playground Equipment	Varied	General Fund Capital/Grant/Donations	1,726,582	-	-	-	-	-	-	-	-	-
Sports Park Outbuildings (Interior ADA/Renovation)	100%	General Fund Capital	981,800	-	-	-	-	-	-	-	-	-
Sports Park Road Network Rehabilitation	100%	General Fund Capital	758,100	-	-	-	-	-	-	-	-	-
HVAC & Edison Imprvmnts Field Concession Bldgs	100%	General Fund Capital	105,000	-	-	-	-	-	-	-	-	-
Tennis Center Fence Replacement	100%	General Fund Capital	100,000	-	-	-	-	-	-	-	-	-
Sports Park Walking Trail Fitness Eqpt/Landscape	100%	General Fund Capital	300,000	-	-	-	-	-	-	-	-	-
Police Locker Room/Showers Remodel	100%	98 TAB	-	-	-	-	-	-	-	-	-	-
Police Locker Room/Showers Remodel	100%	General Fund Capital - HH	2,639,800	-	-	-	-	-	-	-	-	-
Fire Station No. 1 Remodel	100%	General Fund Capital - HH	966,582	8,000,000	-	-	-	-	-	-	-	-
City Hall Interior Remodel	100%	General Fund Capital	674,258	-	-	-	-	-	-	-	-	-
Harbor Median Irrigation	100%	General Fund Capital	500,000	-	-	-	-	-	-	-	-	-
I-405 Improvement	100%	OCTA Reimbursement	601,035	-	-	-	-	-	-	-	-	-
Total General Fund Projects			10,260,156	8,000,000	-	-	-	-	-	-	-	-
Non-Departmental												
Park Improvements	100%	Operating	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Non-Departmental			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total			10,460,156	8,200,000	200,000							

CAPITAL IMPROVEMENT TEN YEAR PLAN - GAS TAX

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Project										
Residential Roadway Rehabilitation										
Residential Roadway Rehabilitation	2,900,000	1,500,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,500,000	1,500,000
Total Residential Rehabilitation	2,900,000	1,500,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,500,000	1,500,000
Traffic Control										
Restriping-Variou Locations	55,000	-	-	25,000	-	-	25,000	-	-	-
Total Traffic Control	55,000	-	-	25,000	-	-	25,000	-	-	-
Arterial Roadway Rehabilitation										
Heil-Magnolia/Brookhurst	-	-	-	-	-	500,000	-	-	-	-
Collector Streets	-	-	350,000	-	-	-	-	-	-	-
Industrial Streets	-	-	350,000	-	-	-	-	-	-	-
Total Arterial Roadway Rehabilitation	-	-	700,000	-	-	500,000	-	-	-	-
ADA Projects										
School Area ADA Pedestrian Ramps	-	-	-	-	-	-	-	-	-	-
Total ADA Project	-									
Total Gas Tax Projects	2,955,000	1,500,000	2,100,000	1,425,000	1,400,000	1,900,000	1,425,000	1,400,000	1,500,000	1,500,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - TRAFFIC IMPROVEMENT

		2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Project	Type										
Pavement Rehabilitation											
Heil - Euclid/Harbor & Ward - Edinger/NCL	Rehab.	1,500,000	-	-	-	-	-	-	-	-	-
Edinger -Newhope/Harbor	Rehab.	120,000	1,700,000	-	-	-	-	-	-	-	-
Newland - Slater/Talbert	Rehab.	300,000	-	-	-	-	-	-	-	-	-
Magnolia - Edinger/Heil	Rehab.	200,000	-	-	-	-	-	-	-	-	-
Arterial Rehabilitation Project	Rehab.	-	-	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Pavement Rehabilitation		\$ 2,120,000	\$ 1,700,000	\$ 1,500,000							
Signal & Signage											
Citywide Signal Retiming	SIG	-	200,000	-	-	200,000	-	-	200,000	-	-
Citywide Coordination Timing Maintenance	SIG	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Citywide Signal Communication Maintenance	SIG	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
PPLT Traffic Signal Improvements (8 traffic signals)	SIG	2,475,209	-	-	-	-	-	-	-	-	-
Traffic Signal Equipment Citywide	SIG	500,000	-	-	-	-	-	-	-	-	-
Euclid/Condor & Talbert/Bushard Sig MOD	SIG	100,000	-	-	-	-	-	-	-	-	-
Magnolia Avenue Signal Synchronization	TSSP	50,000	-	-	-	-	-	-	-	-	-
Slater Avenue Signal Synchronization	TSSP	150,000	-	-	-	-	-	-	-	-	-
Edinger Avenue Traffic Signal Synchronization	TSSP	65,000	-	-	-	-	-	-	-	-	-
Warner Avenue Traffic Signal Synchronization	TSSP	85,000	-	-	-	-	-	-	-	-	-
Talbert Avenue Traffic Signal Synchronization	TSSP	85,000	-	-	-	-	-	-	-	-	-
Euclid Signal Synchronization	TSSP	110,000	-	-	-	-	-	-	-	-	-
Harbor Signal Synchronization	TSSP	85,000	-	-	-	-	-	-	-	-	-
Bus Shelter at Harbor & Edinger	SIG	-	-	-	-	-	-	-	-	-	-
Total Signal & Signage		\$ 3,790,209	\$ 285,000	\$ 85,000	\$ 85,000	\$ 285,000	\$ 85,000	\$ 85,000	\$ 285,000	\$ 85,000	\$ 85,000
Total Traffic Improvement Projects		\$ 5,910,209	\$ 1,985,000	\$ 1,585,000	\$ 1,585,000	\$ 1,785,000	\$ 1,585,000	\$ 1,585,000	\$ 1,785,000	\$ 1,585,000	\$ 1,585,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - POLLUTION REDUCTION

		2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Project	Type										
Two Dual-port Charge Point EV Charging Station		40,000	-	-	-	-	-	-	-	-	-
Total Pollution Reduction		\$ 40,000	\$ -								

CAPITAL IMPROVEMENT TEN YEAR PLAN - DRAINAGE

		2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Project	Source										
Drainage Master Plan Update	GF	250,000	-	-	-	-	-	-	-	-	-
Talbert Channel Repair Construction	GF	155,000									
Drainage GIS Mapping	GF	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000
Total Drainage Projects		405,000	10,000	-	10,000	-	10,000	-	10,000	-	10,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - SEWER

		2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Project	Source										
Sewer Manhole Rehabilitation	SF	65,000	-	65,000	-	65,000	-	65,000	-	-	-
Sewer Master Plan	SF	350,000	-	-	-	-	-	-	-	-	-
I-405 Utility Facilities Relocation	SF	23,195	-	-	-	-	-	-	-	-	-
Structural Improvements	SF	200,000	2,500,000	-	-	-	-	-	-	-	-
Annual Structural Improvements	SF	-	-	200,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Sewer Projects		638,195	2,500,000	265,000	2,000,000	1,565,000	1,500,000	1,565,000	1,500,000	1,500,000	1,500,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - WATER

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Projects										
Rehabilitation Projects										
Well Site No. 6	450,000	-	-	-	-	250,000	-	-	-	-
Well Site No. 8	900,000	-	-	-	-	-	-	-	600,000	-
Well Site No. 9	-	250,000	-	-	350,000	-	-	-	-	-
Well Site No. 10	-	-	-	-	-	-	-	600,000	-	-
Well Site No. 11	1,000,000	-	-	-	-	-	-	-	350,000	-
Well Site No. 12	-	-	-	-	-	600,000	-	-	-	-
Reservoir No. 1 VFD Replacement	-	-	-	1,000,000	-	-	-	-	-	-
Reservoir No. 1 Exterior Painting	-	25,000	1,000,000	-	-	-	-	-	-	-
Reservoir No. 2	-	25,000	1,000,000	-	-	-	-	-	-	-
MWD Connection	-	300,000	3,000,000	-	-	-	-	-	-	-
Condition Assessment	300,000	300,000	-	-	-	-	-	-	-	-
Pipeline Replacement	-	-	-	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
OCTA Pipeline Replacement Agreement	-	-	-	-	-	-	-	-	-	-
Annual Meter Replacement	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Chlorine Generators	100,000	100,000	100,000	-	-	-	-	-	-	-
Mt Baldy/Euclid Pipeline Replacement	240,130	-	-	-	-	-	-	-	-	-
Other Programs/Projects										
Water Conservation	-	-	-	-	-	-	-	-	-	-
Hydrogeologist/Well Rehab. Consultant	75,000	-	-	-	-	-	-	-	-	-
Water Delivery (SCADA)	500,000	-	-	-	-	-	-	-	-	-
AMI Software/License Fees	-	85,000	87,550	90,177	92,882	95,668	98,538	101,494	104,539	107,675
Master Plan	350,000	-	-	-	-	-	-	-	-	-
Vulnerability Assesment/Emergency Response Plan	-	-	175,000	-	-	-	-	175,000	175,000	175,000
Urban Water Management Plan	-	-	70,000	-	-	-	-	-	70,000	70,000
Well Facility Drought Tolerant Landscape Improvements	200,000	-	-	-	-	-	-	-	-	-
I-405 Utility Coop Agreement	187,599	-	-	-	-	-	-	-	-	-
Total Water Projects	4,302,729	1,085,000	5,432,550	5,090,177	4,442,882	4,945,668	4,098,538	4,876,494	5,299,539	4,352,675

CITY OF FOUNTAIN VALLEY

RESPONSIBLE SPENDING PLEDGE

The City of Fountain Valley’s mission is to deliver cost-effective quality public services to provide a safe and desirable community that enriches its residents and businesses.

The City goals are to:

- Enhance economic development
- Achieve financial stability
- Attract, develop and retain quality staff within financial constraints
 - Maintain and enhance infrastructure and facilities
 - Enhance community outreach and engagement

The Pledge: The City of Fountain Valley is committed to sound financial policies that maximize the highest level of City services for the people of Fountain Valley. The City Council recognizes the need to protect the City’s assets and to ensure long-term financial sustainability.

The City of Fountain Valley, like many cities in California, is experiencing significant financial challenges. This is due to the continued state revenue take-away; dissolution of redevelopment and increased costs which are out of the City’s control. The City has taken significant steps to cut costs including permanent staff reductions, reduced benefits, employee pickup of costs, and contracting out services. The City of Fountain Valley is a built out bedroom community, which has limited ability to generate significant new revenues, to cover the cost of a growing structural budget deficit. This has impacted City services.

Therefore, in the event there are any significant increases in the City of Fountain Valley’s revenues, we believe that the majority of this money should be used to maintain:

- Essential City services including public safety / 911 emergency response;
- Keep Fire Station 2 open and maintain firefighter / paramedics;
- Police Station and Police officers; restore anti-gang / drug programs;
- Senior and youth programs;
- Streets / sidewalks / roadways and repair storm water systems
- Parks and play equipment; and
- Provide other essential City services.

We also believe, that whenever additional revenue gains are realized, City leadership should seek opportunities to:

- Pay off, pay down, consolidate or refinance the City’s outstanding debt;
- Pay down unfunded liabilities; and
- Rebuild and maintain the City’s established reserves levels. (Such reserve policies have been adopted to protect the residents of Fountain Valley in the event of a natural disaster or severe economic downturn and for working cash flow and to fund “pay-go” capital projects.)

Finally, the City Council believes this pledge is a clear guide to helping keep Fountain Valley a “**Nice Place to Live**”.

Adopted by the City Council on October 18, 2016. **Ayes:** Nagel, Vo, Collins, Brothers **Noes:** McCurdy

One of the chief responsibilities of the City of Fountain Valley to its residents is the care of public funds. These budget and financial management policies are designed to ensure the fiscal stability of the City of Fountain Valley and guide the development and administration of the annual operating and capital improvement budgets through wise and prudent management of municipal finances, while providing for the adequate funding of the services desired by the public and the maintenance of public facilities.

Objectives

The City's financial objectives address revenues, cash management, expenditures, debt and risk management, capital needs, budgeting and management. Specific objectives are:

- To protect the policy-making ability of the City Council by ensuring important policy decisions are not dictated by financial problems or emergencies.
- To assist City management by providing accurate and timely information on financial conditions.
- To provide sound principles to guide the fiscal decisions of the City Council and City management.
- To provide essential public and capital facilities and prevent their deterioration.
- To set forth operational principles that minimize the cost of government and financial risk, to the extent consistent with services desired by the public.
- To enhance the policy-making ability of the City Council by providing accurate information on program costs.
- To employ revenue policies that seek to prevent undue or unbalanced reliance on one or a relatively few revenue sources; and,
- To implement a system of internal controls that ensures the legal and appropriate use of all City funds.

LONG RANGE FINANCIAL PLANNING POLICIES

The City's fiscal policy is guided by the 20-Year Financial Plan, which is a comprehensive plan that encompasses the long-term operating and capital needs of the General Fund. The long-term goal is to achieve fiscal sustainability with a balanced operating budget when Measure HH sunsets in 2037. In 2037/38, the City strives to be debt free with the City's unfunded actuarial pension liability (UAL), Pension Obligation Bonds and Lease Revenue Bonds completely paid off.

The twenty-year forecast is updated during the budget preparation process as well as in the Fall after preliminary fiscal year-end figures are calculated. Incorporating the new year proposed budget, all known information and assumptions for growth into the twenty-year plan shows an annual operating surplus of approximately \$473,000 when Measure HH sunsets in 2037. This surplus will be maintained through active management of expenses, new revenue sources from economic development, and consistent action to pay down debt. Due to Measure HH and strong fiscal stewardship, the City is on a solid path towards long-term fiscal sustainability.

BUDGET POLICIES

The City develops an annual Operating Budget which:

- Establishes budgets for all funds of the City
- Is balanced as to resources and appropriations
- Does not exceed state constitutional limits
- Is adopted prior to the beginning of the fiscal year in which they are to take effect
- Allows adjustments to the budget with proper approvals
- Utilizes encumbrances of appropriations as a budgetary control technique
- Is adopted by resolution of the City Council
- Exercises budget controls at the department level

Balanced Budget

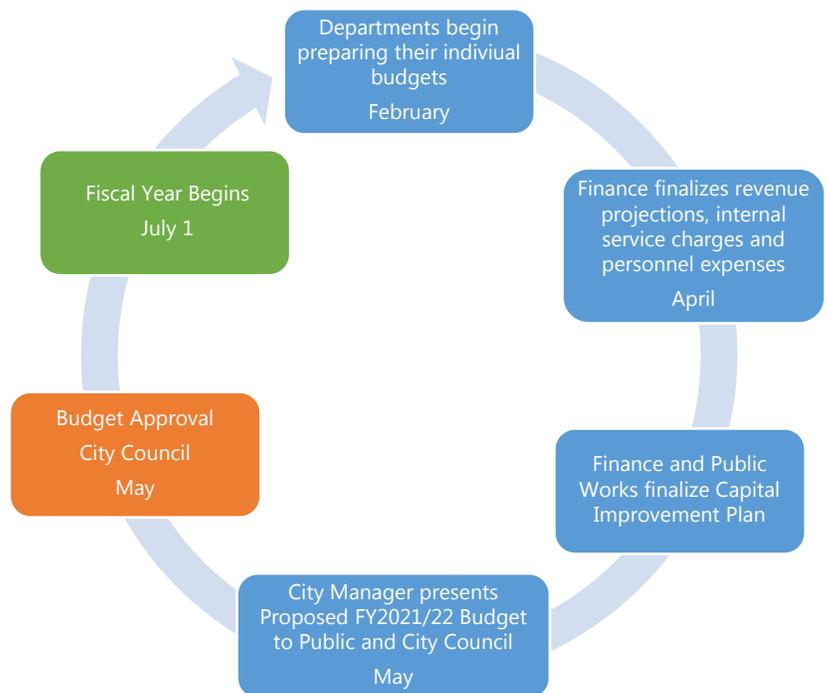
The City Manager will present a balanced budget for adoption by the City Council prior to the beginning of the fiscal year. A balanced budget is defined as operating revenues equal to or greater than operating expenditures, including any debt service obligations. In some years, it is allowable for total expenditures to exceed revenues with the difference supported by fund balance, if necessary to fund capital improvements projects or other one-time, non-recurring expenditures.

Budget Process & Calendar

The City of Fountain Valley operates on a fiscal year basis, starting July 1 and ending June 30. The budget is prepared by the Finance Department with the support of each operating department under the direct supervision of the City Manager.

The Finance Department is responsible for coordinating all revenue estimates contained in the budget. Estimates are reached by analyzing revenue history; national and local economic trends and indices; and development patterns in our

local economy. Revenue projections used in the context of the annual budget are based on conservative assumptions to assure the City has adequate financial resources to meet its



obligations and complete all programs approved by the City Council within the course of the fiscal year. When appropriate, these assumptions and specific program allocations are adjusted during the fiscal year.

The Finance Department coordinates the development of the expenditure and internal service budgets with the support of each operating department and the City Manager.

The proposed budget is then presented to the City Council and the community in public workshop meetings in May and June for review, public input, and deliberation. After providing opportunities for public review and discussion at City Council workshops and City Council meetings, the budget is adopted by the City Council prior to June 30 at either a regular or special City Council meeting. After adoption, the budget may be amended by the City Council.

Budget Structure:

The General Fund budget, typically referred to as the operating budget, is the City's annual fiscal blueprint. The General Fund is a guide for the receipt and disbursement of funds used to provide daily, routine public services to the community. The General Fund outlines the many municipal services, programs and projects provided by the City during the fiscal year..

Special Funds are used to account for revenues and expenditures that are restricted by law or set aside for a special purpose. Each fund can be classified into one of six categories: Committed or Assigned General Fund Reserve, Special (Restricted), Capital Project, Debt Service, Enterprise, Internal Service, or Trust and Agency Funds.

The Capital Improvement Program (CIP) budget details the acquisition, construction or rehabilitation of major capital facilities and infrastructure within the current fiscal year. The CIP budget is used to account for the receipt and disbursement of funds for specific CIP projects. For many projects, revenue resources and expenditures may extend over several years and continuing appropriations will be a part of the annual budget to track multi-year capital projects. In addition, the City will update the ten-year Capital Improvement Plan each budget year. However, the adoption of the plan does not authorize the funding for projects beyond the current fiscal year.

Budget Administration

The Council may amend or supplement the budget at any time after its adoption by majority vote of the Council members. The City Manager has the authority to make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect authorized year-end fund balances.

Each operating department will be responsible for the bottom-line budget within each department/ fund. In addition, each department will insure that adequate funds are available within each expenditure line item before a purchase is made. Departments are required to complete a budget transfer form and get approval to move budgeted money from one operating line item to another within the same fund. Only the City Manager is authorized to transfer budgeted money from/to salaries, internal service or capital line items within the same fund.

Financial Reporting

On a regular basis, the Finance Department will evaluate financial performance relative to the adopted and adjusted budget, and prepare and present reports to the City Manager, City Department Directors and Managers. The purpose of these reports is as follows:

- Provide an early warning of potential concerns and problems
- Identify, investigate and correct accounting errors
- Evaluate and explain significance of on-going variances
- Give decision makers time to consider actions that may be needed if major deviations in budget-to-actual expenditures or revenues become evident

General Fund Budgeting

The basic format of the budget shall identify programs within organizational structures. Programs are defined as specific services provided to the public, other departments, or other organizations. All assumptions, transfers and other relevant budget data shall be clearly stated.

The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt. Where possible, the budget and subsequent status reports will integrate performance measurement and productivity indicators.

In instances where specific activities/purchases are authorized by the City Council in a certain fiscal year and remain incomplete and/or unexpended, revenues and/or fund balance may be carried forward, at City Council's discretion, into the next fiscal year to support such activities/purchases through the continuing appropriation authorization.

Provisions will be made for adequate maintenance of capital and equipment and for orderly rehabilitation and replacement within available revenue and budgetary limits. To show true cost of services, revenues and expenditures will be budgeted and accounted for directly in the appropriate fund. Costs for services provided by Special Funds to General Fund activities will be budgeted as an expense in the General Fund and as revenue to the Special Fund.

Budgetary and accounting procedures will conform to Generally Accepted Accounting Principles (GAAP) for governmental agencies.

Special Fund Budgeting

The term "Special Funds" shall be used to identify all funds other than the General Fund (011), inclusive of the following fund types: General Reserve, Special Revenue, Capital Projects, Debt Service, Enterprise, and Internal Service Funds. Special Funds shall be created when legally required, requested by the City Council, or to facilitate internal accounting and financial reporting procedures.

The annual budget for each Special Fund shall be prepared in conjunction with the General Fund budget and shall be submitted to the City Council for adoption prior to the beginning of the fiscal year. Special Funds budgetary and accounting procedures will conform to GAAP.

Activities of the Special Funds shall be reported to the City Council on a regular basis consistent with General Fund reporting responsibilities. To show true cost of services, revenues and expenditures will be budgeted and accounted for directly in the appropriate fund. Costs for services provided between funds will be budgeted as an expense in the fund receiving the services and as revenue to the fund providing the services.

REVENUE MANAGEMENT POLICIES

Sources of Revenue

The City will strive to maintain a diversified and stable revenue system to provide protection from short-run fluctuations in any single revenue source to promote consistent service levels.

Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the capital improvement plan and local government priorities, and whose operation and maintenance costs have been included in Operating Budget forecasts.

Programs and services funded by restricted revenue will be clearly designated as such. Restricted revenue shall only be used for the purposes legally permissible and in a fiscally responsible manner. Restricted revenues shall be used prior to unrestricted revenue as legally permissible.

The City shall develop and maintain methods of forecasting future revenues and expenditures. These methods shall project the City's future revenues and expenditures through a variety of methods including, but not limited to, forecasts of the economy and future development of the City.

Revenue Collection

The City shall strive to improve its tax collection rate through legislative initiative and advocacy at the state level and cooperative effort at the county level.

Revenue Projection

The City will estimate General Fund revenues using an objective and analytical process, as well as documenting and maintaining specific assumptions. In instances where there is uncertainty as to assumptions, conservative revenue projections shall be provided.

Fees and Cost Recovery

User fees and charges shall be established at a level related to the direct and indirect cost of providing the service, wherever possible. The City will recalculate the full cost of activities supported by user fees to identify the impact of inflation and other cost increases. Fees shall be adjusted where appropriate to reflect these increases.

Development process costs and related administrative expense shall be totally offset by development fees, wherever possible.

In setting user fees and cost recovery levels, the following factors will be considered:

Community-Wide versus Special Benefit: The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general-purpose revenues is appropriate for community-wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or groups.

Service Recipient versus Service Driver: After considering community-wide versus special benefit of the service, the concept of service recipient versus service driver should also be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts: the community is the primary beneficiary; however, the applicant is the driver of development review costs, and as such, cost recovery from the applicant is appropriate.

Effect of Pricing on the Demand for Services: The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is genuinely a market that is not overly-stimulated by artificially low prices.

Conversely, high levels of cost recovery will negatively impact the delivery of services to lower income groups. This negative feature is especially pronounced, and works against public policy, if the services are specifically targeted to low income groups.

Feasibility of Collection and Recovery: Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

Grants and Federal Funds

The City shall aggressively pursue all grant opportunities; however, before accepting grants, the City will consider the current and future implications of both accepting and rejecting the monies, including:



- The amount of matching funds required
- In-kind services needed to be provided
- Requirements for reporting, earmarking and level of effort requirements
- The related operating expenses; and
- Length of grant and consequential disposition of service (i.e. is the City obliged to continue the services after the grant has ended)

Gifts, Bequests and Donations to the City

Gifts and donations to the City will be evaluated to determine what, if any, obligations are to be placed upon the City. Gifts and bequests will be considered as "over and above" basic City appropriations and recorded in accordance with the Generally Accepted Accounting Principles.

Any gift, donation and/or bequest given shall solely be used for the purpose intended by the donor. Unrestricted gifts will be expended in a manner deemed best by the City Council and/ or appropriate board or commission.

Development Fee Deferrals

Recognizing some fees are collected in advance of the work being performed and revenue collected in the prior year funding current expenses, a budget and accounting methodology for the recognition and deferral of development fees is necessary. By recognizing and deferring development fees on an established basis, the revenue activity will be more accurate relative to the revenue budget.

The development fee deferred revenues from the prior fiscal year will be recognized and posted to the appropriate current year revenue accounts during the new fiscal year. Beginning in April of each fiscal year, Planning and Public Works staff will provide an estimate by the tenth of the month to Finance for the fee amount and accounts collected during the month that should be deferred to the next fiscal year.

Finance will process journal entries recognizing prior year deferred revenues and deferring appropriate current year revenues as appropriate. At the end of each fiscal year, the total amount deferred will be reallocated to the next fiscal year based on this procedure.

The development revenue and deferral policies are recognized in the City's budget model.

EXPENDITURE POLICIES

The City will maintain a level of expenditures which will provide for the public well-being and safety of the residents of the community.

Council approval is required before expending General Fund or contingency reserves.

Unexpended expenditures budgeted in one fiscal year are not automatically carried over into the next budget year. In instances where the purpose for which the expenditure was budgeted has

not been completed by the end of the fiscal year, it may be reauthorized in the following fiscal year through the continuing appropriations process. Multi-year CIP projects that are under construction will be carried into the next fiscal year utilizing the continuing appropriations process.

Staffing

The annual Operating Budget will fully appropriate the resources needed for authorized regular staffing and will limit programs to the regular staffing authorized. The City Council will annually approve an Authorized Position Control Schedule. Operating expenditure budgets which have been changed solely as the result of Council approved labor agreements need not be re-approved by the Council.



Overtime Management

Overtime should be used only when necessary and when other alternatives are not feasible or cost effective.

All overtime must be pre-authorized by a department head or designee unless it is assumed pre-approved by its nature. For example, overtime that results when an employee must respond to an emergency and/or overtime automatically created as a result of a memoranda of understanding.

Department operating budgets should reflect anticipated annual overtime costs and departments will regularly monitor overtime use and expenditures and will be held accountable for such expenditures.

When considering the addition of regular or temporary staffing, the use of overtime as an alternative will be considered. The department will take into account:

- The duration that additional staff resources may be needed
- The cost of overtime versus the cost of additional staff
- The skills and abilities of current staff
- Training costs associated with hiring additional staff

Overtime which is reimbursable from another government agency such as Fire Strike Teams or mutual aid is not subject to the above requirements. However, such expenses and the resulting reimbursements require City Council approval.

Measure HH – Essential City Services – Responsible Spending Pledge

The City of Fountain Valley is committed to sound financial policies that maximize the highest level of City services for the people of Fountain Valley. The City Council recognizes the need to protect the City's assets and to ensure long-term financial sustainability.

On October 16, 2016, the City Council adopted the Responsible Spending Pledge. The commitment is to maintain essential city services including public safety; senior and youth programs; parks & roadways; other critical city services and paying down debt; and rebuilding reserves.

The Responsible Spending Pledge sets forth that in the event there are any significant increases in the City of Fountain Valley's revenues, we believe that the majority of this money should be used to maintain:

- Essential City services including public safety & 911 emergency response;
- Keep Fire Station 2 open and maintain firefighter & paramedics;
- Police Station and Police officers; restore anti-gang & drug programs;
- Senior and youth programs;
- Streets, sidewalks, & roadways and repair storm water systems;
- Parks and play equipment; and
- Provide other essential City services.

In addition, whenever additional revenue gains are realized, City leadership should seek opportunities to:

- Pay off, pay down, consolidate or refinance the City's outstanding debt;
- Pay down unfunded liabilities; and
- Rebuild and maintain the City's established reserves levels.



ACCOUNTING POLICIES

Accounting and Annual Reporting Policies

The City's Annual Comprehensive Financial Report (ACFR) presents the government and its component units' (entities for which the government is considered to be financially accountable) financial and operating activities. The City's blended component units, although legally separate entities, are, in substance, part of the City's operations and financial data from these units are combined with data of the City. The City's financial statements and accounting records are maintained in accordance with the recommendations of the Governmental Accounting Standards Board (GASB).

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities that rely, to a significant extent, on fees and charges for support.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when the City receives cash.

The City reports the following governmental fund types:

- Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes
- Debt Service Funds account for the accumulation of resources for and the payment of principal and interest on general long-term debt
- Capital Projects Funds account for financial resources used for the acquisition or construction of infrastructure and major capital facilities

The City reports the following proprietary funds:

- The Water Utility Fund accounts for the activities of the City's water operations.
- The Sewer Utility Fund accounts for the fees and services for sewer activities.
- The Solid Waste Fund accounts for the fees and services for trash disposal.

Additionally, the City reports the following fund types:

- Internal Service Funds account for operations that provide services to other departments of the City on a cost reimbursement basis. These services include self-insurance (liability/workers compensation); acquisition, replacement and maintenance of the City's vehicle fleet & equipment; mail, telephone, duplicating & strategic IT technology equipment; government building maintenance and operations; and employee benefits.
- The Other Post-Employment Benefit (OPEB) Trust Fund accounts for the resources set-aside for pre-funding OPEB obligations.
- Agency Funds are used to account for various activities in which the City acts as an agent, not as a principal. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
- Successor Agency activity is accounted for in a Private-Purpose Trust Fund.

Audit and Financial Reporting

Each year an audit will be conducted by an independent Certified Public Accountant Firm (CPA Firm). The selection of the independent CPA Firm shall be in conformance with the City's professional services bidding procedures. Generally, the City shall request bids for audit services no less frequently than every five years. The CPA Firm shall provide the City Council with an Audit Communication Letter addressing significant findings of the auditors in conjunction with their opinion on the City's Comprehensive Annual Financial Report. These reports shall be submitted to the City Council within sixty (60) days of receipt of the report.

During the annual budget process, the City will make available a preliminary year-end, unaudited, General Fund fund balance. It should be recognized, however, that the balance provided is subject to both unforeseen financial transactions of a material nature and subject to findings of the independent audit. An audit verified year-end balance will be available by the end of December and will be included within the year-end financial analysis report.

The City will use generally accepted accounting principles in preparing its annual financial statements, and will strive to meet the requirements of the GFOA's Award for Excellence.

INVESTMENT POLICIES

The City has adopted a formal Investment Policy that is reviewed annually and approved by the City Council. The City's Investment Policy is intended to provide specific criteria for the prudent investment of City funds with the goal to enhance the economic status of the City while protecting pooled funds and meeting daily cash flow demands.



The Investment Policy is in conformance with all federal, state and local laws governing the investment of monies under the control of the City Treasurer and applies to the City's Pooled Investment Portfolio. The portfolio includes the General Fund, Capital Project funds, Debt Service funds, Trust & Agency, Proprietary funds, Special Revenue funds, Reserve funds and Other funds as

created.

Financial assets held and invested by trustees or fiscal agents are subject to and governed according to the regulations established by the State of California pertaining to local agencies as well as any relative bond indentures or trust agreements.

Delegation of Authority

- The Fountain Valley Municipal Code and the authority granted by City Council assign the responsibility of investing unexpended cash to the City Treasurer, which is usually the Director of Finance.
- The City Treasurer may delegate daily investment activity, such as carrying out the treasurer's investment instructions, confirming treasury transactions and other routine activities.
- Investments with a maturity of greater than five years must be approved by the City Council.

Prudence

- The treasurer operates the City's pooled cash investment program under § 53600.3 of the California Government Code, applicable state laws, and a Prudent Investor Rule. This affords a broad spectrum of investment opportunities so long as the investment is deemed prudent and permissible by the State of California, various bond indentures and the City's Annual Investment Policy. The treasurer strives to invest 100% of idle funds.

Treasury Objectives

- The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

- The Treasurer maintains a diversified portfolio to accomplish the primary objectives in the following order of priority: safety, liquidity and yield.

Maximum Maturities

- Maturities of investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly.
- The City will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment.

Portfolio Reporting

On a quarterly basis, or as otherwise requested by the City Manager, the City Treasurer shall provide to the City Council a report indicating each of the City's investments. The report shall include a statement certifying the ability of the City to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not, be available. The investment portfolio report shall include market information for all investments.



Authorized Investments

The City is governed by the California Government Code, §§ 53600 et seq. Within the context of these limitations, and based on the cost at time of purchase. A more detailed list of authorized investments are in the adopted Investment Policy.

FUND BALANCE POLICY

To maintain the City's credit rating and meet seasonal cash flow shortfalls, economic downturns or a local disaster, the budget shall provide for an anticipated fund balance for general government and enterprise fund types. Fund balance shall be exclusive of all restrictions, commitments, and assignments not available for use in emergencies and contingencies.

There are almost always important limitations on the purpose for which all or a portion of the resources of a governmental fund can be used. The forces of these limitations can vary significantly, depending upon their source. Therefore, the various components of fund balance are designed to indicate, "...the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent." Fund balance is categorized in five classifications, depicting the relative strength of the spending constraints placed on the purposes for which the resources can be used. The five classifications are:

Non-spendable: amounts not in spendable form or are required to be maintained intact (inventories, prepaid items, endowment)

Restricted: portions of fund balance that reflect resources subject to externally enforceable legal restrictions. Amounts constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation (bond proceeds, Pension Trust Fund assets, Measure M, creditors, grantors, restricted donations or contributions)

Committed: amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority (City Council), and remains binding unless removed in the same manner

Assigned: amounts a government intends to use for a specific purpose; intent can be expressed by the governing body, or by an official or body to which the governing body delegates the authority (year-end encumbrances, infrastructure and rehabilitation funding)

Unassigned: amounts available for any purpose; reported only in the General Fund

The following sets forth the Fund Balance Policy for the General Fund, which is subject to periodic review by the City Council.

Pension Reserves– \$13,888,570

The City has established a Section 115 Pension Trust Fund to set aside pension reserves in an irrevocable trust fund. The Pension Trust Fund may be used to offset volatility in pension contributions. In Fiscal Year 2017/18, the City funded the Pension Trust with an initial contribution of \$2.8 million. The City contributed an additional \$4.5 and \$3.0 million in FY2018/19 & FY2019/20 respectively. The projected balance at June 30, 2022 is \$13,888,570 which includes estimated investment earnings.

Emergency Reserves – \$17,601,655

The reserve for emergencies shall be maintained at \$17.6 million unless the City Council declares an emergency for natural disasters or financial emergencies. A financial emergency is considered when annual General Fund operating revenues decrease by 5% or more or when annual General Fund operating expenditures increase by 5% or more. The targeted reserve level of \$17.6 million equates to approximately 55% of total sales tax revenue (inclusive of Measure HH) and is reviewed annually. This reserve addresses a number of risk factors including natural disasters, budget stabilization, revenue source stability, expenditure volatility and liquidity.

Economic Development Reserves – \$1,397,161

One of the City's 3-Year Strategic Plan Goals is to enhance economic development. In 2014 \$2.5 million was set-aside for Economic Development. \$1,000,000 has been budgeted in Fiscal Year

2019/20 to be spent on the General Plan update which is currently underway. The available unappropriated balance for Economic Development Reserves is \$1,397,161.

General Fund Capital Reserves – \$28,300,577

The City has significant capital improvement expenditures that can be funded on a pay-go basis without the issuance of debt. Specific projects will continue to be identified by staff and may be presented to the City Council during the budget process or throughout the year as capital needs arise. The estimated reserve balance at June 30, 2022 is \$28,300,577.

Contingency Reserves – \$500,000

Contingency reserves includes spendable amounts not otherwise restricted, committed or assigned and is intended to be used for expenses that surface after the end of the traditional budgeting process. Contingency reserves in excess of \$500,000 are assigned to General Fund Capital Reserves.

Internal Service Funds

Fleet Management: The City has established and maintains a Fleet Management Fund to provide for the timely replacement of vehicles and related equipment with an individual replacement cost of \$15,000 or more. The amount retained in this fund, coupled with the annual contributions received by it from any source, shall be adequate to fully fund the replacements approved in the ten-year Financial Plan on any given year. Currently, the desired reserve fund balance is \$2,000,000. The projected Fleet Management Fund balance for 2022-23 is \$2,735,001.

Information Services Fund: The City has established an Information Services Fund to provide for the timely replacement of information technology, both hardware and software. The amount retained in this fund, coupled with annual contributions received by it from any source, shall be adequate to fully fund the improvements included in the ten-year schedule. The City has a long term objective of maintaining a minimum reserve fund balance of at least \$800,000. The projected ending Information Service Fund balance for 2022-23 is \$800,000.

Government Buildings Fund: The City has established a Government Buildings fund for the purpose of financing the cost of improvements city-owned, general government building and structures. The amount retained in this fund, coupled with annual contributions received by it from any source, shall be adequate to fully fund the improvements included in the ten-year schedule. The City has a long term objective of maintaining a minimum reserve balance of \$1,750,000. The projected Government Building Fund balance for 2022-23 is \$1,750,000.

Capital Equipment Fund: The City has established a Capital Equipment Fund for the purpose of financing the replacement cost of equipment and furniture utilized by city departments. The amount retained in this fund, coupled with annual contributions received by it from any source, shall be adequate to fully fund the improvements included in the ten-year schedule. The City has a healthy fund balance derived with the long term objective of maintaining a

minimum fund balance of at least \$800,000. The projected Capital Equipment Fund balance for 2021/22 is \$800,000.

Employee Benefits: Reserves will be maintained at a level to cover the cost of ongoing employee benefits during each fiscal year. The City policy is to maintain \$2,000,000 reserve to cover long-term obligations. The projected Employee Benefits Fund balance for 2022-23 is \$2,163,337.

Self-Insurance: Reserves will be maintained at a level which, together with purchased insurance policies, adequately protect the City. The City will strive to maintain a reserve of \$3,000,000 to cover future obligations. The projected Self-Insurance Fund balance for 2022-23 is \$4,215,546. The planned increase in fund balance addresses anticipated claims for the fiscal year.

CAPITAL IMPROVEMENT POLICIES

The City utilizes the following policies to govern its Capital Improvement Program and the use of special funds that address community capital project needs.

Ten-Year Capital Improvement Program

The City Manager shall develop and maintain a ten-year projection of capital improvement projects based on the General Plan, Specific Plans, and on City Council approved projects. The ten-year projection shall be presented as part of the proposed annual budget. The Capital Improvement Program (CIP) should be tied to projected revenue and expenditure constraints. Future planning should consider periods of revenue surplus and shortfall, and adjust projects and programs accordingly. The ten-year projection shall include new capital projects, rehabilitation needs and long-term maintenance.

Capital Improvement Program (CIP) - Current Fiscal Year Appropriation

The current fiscal year CIP budget details the projected costs of acquisition, construction or rehabilitation of major capital facilities and infrastructure. The CIP Project Fund is used to track the receipt and disbursement of funds for specific CIP projects. For many projects, revenue resources and expenditures may extend over several years and continuing appropriations will be a part of the annual budget to track multi-year capital projects.

Accordingly, project appropriations are generally made when contracts are awarded. If project costs at the time of bid award are less than the budgeted amount, the balance will be unappropriated and returned to fund balance or allocated to another project. If project costs at the time of bid award are greater than budget amounts, five basic options are available:

- Eliminate the project.
- Defer the project for consideration to the next Financial Plan period.
- Re-scope or change the phasing of the project to meet the existing budget.
- Transfer funding from another specified, lower priority project.
- Appropriate additional resources as necessary from fund balance.

The City's CIP projects are budgeted on an annual basis. As a result, monies are allocated to projects in the fiscal year the funding sources are identified, available and approved by Council. Annual appropriations for capital projects are contained in the appropriate special funds budget.

Ten-Year Capital Improvement Plan

The City will update the ten-year Capital Improvement Plan each budget year. However, the adoption of the ten-year plan does not authorize the funding of projects identified within the ten-year plan beyond the current fiscal year.

The City's capital improvement plan will recognize the borrowing limitation of not only the City but also the debt tolerance (direct and overlapping debt) of the City as a whole. The adopted annual budget shall contain a ten-year summary projection of revenues and expenditures, which specifies the revenue sources and anticipated allocation schedule for the ten-year CIP. This multi-year plan shall be updated on an annual basis. Individual capital improvement projects shall include a projected cost amount for City administration, whereby project estimates reflect the total cost of the project.

Capital Improvement Funding

Within the limitation of existing law, various funding sources may be utilized for capital improvements. Capital projects shall not be dictated by the nature of funding available except to the extent that the projects meet an initial test required to achieve City goals and to the extent that projects must be placed in priority in order to utilize outside funding. The City shall actively pursue outside funding sources for all capital improvement projects.

CIP Budget Carryover

Unexpended project balances shall be carried forward to future fiscal years to complete the intent of the original budget, contingent upon approval by the City Council. The annual budget shall identify an estimated "Continuing Appropriation" balance that will be carried over to complete each specific multi-year project. The City Council will adopt by resolution all continuing appropriations after the fiscal year is closed and final numbers are known.

Upon completion of each capital project, unspent funds shall be reported to the City Council through the year-end budget report. The City Manager shall provide recommendations to redirect the use of unspent capital project funds in the year-end report and the annual budget.

CIP Funding Criteria

The City will use the following criteria to evaluate pay-as-you-go versus long-term financing (pay-as-you-use) in funding capital improvements:

Factors Favoring - Pay-As-You-Go Financing

- Current revenues and adequate fund balances are available or project phasing can be accomplished.
- Existing debt levels adversely affect the City's credit rating.
- Market conditions are unstable or present difficulties in marketing.

Factors Favoring - Long Term Financing (Pay-As-You-Use)

- Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings.
- The project securing the financing is of the type, which will support an investment grade credit rating.
- Market conditions present favorable interest rates and demand for City financings.
- A project is mandated by state or federal requirements, and resources are insufficient or unavailable.
- The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
- The life of the project or asset to be financed is ten (10) years or longer.
- Vehicle leasing when market conditions and operational circumstances present favorable opportunities.



In no case shall projects incur a funding deficit without the approval of the City Council.

ENTERPRISE FUND FEES AND RATE STRUCTURE

Water, Solid Waste and Sewer: The City will set fees and rates at levels which fully cover the total direct and indirect costs—including operations, capital outlay, and debt service—of the following enterprise programs: water, solid waste, and sewer.

Ongoing Rate Review: The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.

City Services: In accordance with long-standing practices, the City will treat the water, solid waste and sewer funds in the same manner as if they were privately owned and operated. This means assessing reasonable charges that are reimbursed to the City for the use of City owned facilities, equipment, vehicles and other related services to fully recover these costs.

Enterprise Fund Debt Capacity: The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.

APPROPRIATIONS LIMIT

The Council will annually adopt a resolution establishing the City's appropriations limit calculated in accordance with Article XIII-B of the Constitution of the State of California, §7900 of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit.

The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least 10 days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with final approval of the budget.

The City will strive to develop revenue sources, both new and existing, which are considered non-tax proceeds in calculating its appropriations subject to limitation.

The City will annually review user fees and charges and report to the Council the amount of program subsidy, if any, that is being provided by the General or Enterprise Funds.

The City will actively support legislation or initiatives sponsored or approved by League of California Cities which would modify Article XIII-B of the Constitution in a manner which would allow the City to retain projected tax revenues resulting from growth in the local economy for use as determined by the Council.

The City will seek voter approval to amend its appropriation limit at such time that tax proceeds are in excess of allowable limits.

DEBT POLICIES

Debt Financing

Debt financing shall generally be limited to one-time capital improvement projects and only under the following circumstances:

- When the project's useful life will exceed the term of the financing;
- When project revenue or resources will be sufficient to service the debt; and

- When the project will benefit the residents of Fountain Valley.

Debt financing shall not be considered appropriate for:

- Investment leveraging purposes,
- Current operating and maintenance expenses except for issuing short-term instruments such as revenue anticipation notes or tax anticipation notes; and
- Any recurring purpose (except as indicated above).

Debt Management

- The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
- An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
- The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
- The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
- The City will monitor all forms of debt annually coincident with the City's Financial Plan preparation and review process and report concerns and remedies, if needed, to the Council.
- The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).

Debt Refinancing

General Guidelines: Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancing will be considered (within federal tax law constraints) under the following conditions:

- There is a net economic benefit;
- It is needed to modernize covenants that are adversely affecting the City's financial position or operations; and
- The City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other sources.

Standards for Economic Savings: In general, refinancing for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.

- Refinancing that produces net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt.
- Refinancing with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective.

Legal Debt Margin

Under state law, the City has a legal debt limitation not to exceed 15% of the total adjusted assessed valuation of taxable property within City boundaries. In accordance with California Government Code § 43605, only the City's general obligation bonds are subject to that legal debt limit. The City has no outstanding general obligation bonds.

CONTRACTING FOR SERVICES

General Policy Guidelines

Contracting with the private sector for the delivery of services provides the City with a significant opportunity for cost containment and productivity enhancements. As such, the City is committed to using private sector resources in delivering municipal services as a key element in our continuing efforts to provide cost-effective programs.

Private sector contracting approaches under this policy include construction projects, professional services, outside employment agencies and ongoing operating and maintenance services.

In evaluating the costs of private sector contracts compared with in-house performance of the service, indirect, direct, and contract administration costs of the City will be identified and considered.

Whenever private sector providers are available and can meet established service levels, they will be seriously considered as viable service delivery alternatives using the evaluation criteria outlined below.

For programs and activities currently provided by City employees, conversions to contract services will generally be made through attrition, reassignment or absorption by the contractor.

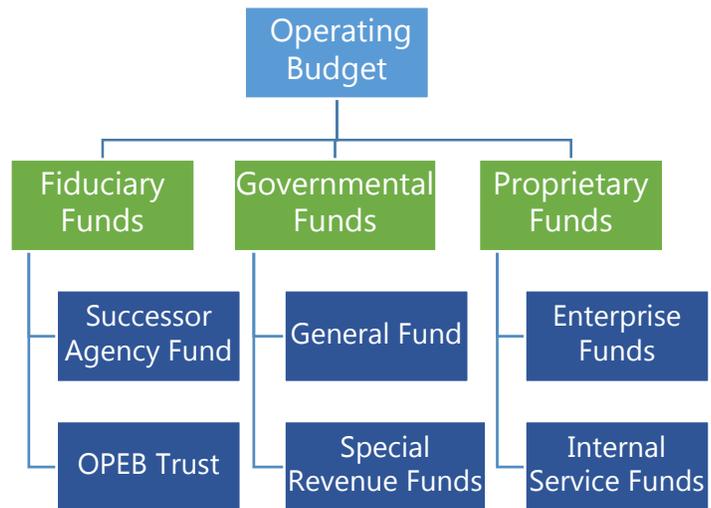
Evaluation Criteria

Within the general policy guidelines stated above, the cost-effectiveness of contract services in meeting established service levels will be determined on a case-by-case basis using the following criteria:

- Is a sufficient private sector market available to competitively deliver this service and assure a reasonable range of alternative service providers?
- Can the contract be effectively and efficiently administered?
- What are the consequences if the contractor fails to perform, and can the contract reasonably be written to compensate the City for any such damages?
- Can a private sector contractor better respond to expansions, contractions or special requirements of the service?
- Can the work scope be sufficiently defined to ensure that competing proposals can be fairly and fully evaluated, as well as the contractor's performance after bid award?
- Does the use of contract services provide us with an opportunity to redefine service levels?
- Will the contract limit our ability to deliver emergency or other high priority services?
- Overall, can the City successfully delegate the performance of the service and still retain accountability and responsibility for its delivery?

The City budget consist of a number of different funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities, or complying with special regulations, restrictions, or limitations. The following provides a description of accounting funds used by the City of Fountain Valley.

Each distinct fund contains program expenditures and revenues that relate to the purpose of the fund. The three types of fund categories are governmental funds, proprietary funds and fiduciary funds and are defined in detail below.



GOVERNMENTAL FUNDS

The measurement focus for governmental funds is on current spendable resources, and as such, the balance sheets for these types of funds include only current assets and current liabilities. Governmental funds are accounted for on a modified accrual basis, thus revenues are recognized when measurable and available, (60 days) and expenditures are recorded when the related liability is incurred.

GENERAL FUND

The General Fund is the City’s single largest fund type and accounts for unrestricted revenues such as general taxes and intergovernmental revenue, user fees, fines, rents, and other miscellaneous general revenues. This fund supports basic services including Police, Fire, Building and Planning, Community Services and general administration

SPECIAL FUNDS (Restricted)

Special revenue funds are used to account for the proceeds from specific revenue sources that are legally or contractually restricted to expenditures for specific purposes.

AB2766 - Air Quality Improvement Fund

This fund accounts for the City's programs implementing Assembly Bill (AB) 2766, the California Clean Air Act of 1988. Under the provisions of AB 2766, 40% of the fees imposed by the South Coast Air Quality Management District (SCAQMD) are allocated to local jurisdictions to fund expenditures for the reduction of air pollution from motor vehicles. Past qualifying projects have

included the purchase of alternative fuel (CNG) vehicles, acquisition of emission credits pursuant to SCAQMD Rule 2202, and various educational and outreach programs to encourage commuter use of transit and rail systems.

Criminal Diversion (Federal & State Asset Forfeiture / Other Public Safety Grants)

The Asset Forfeiture fund is the depository for equitable sharing payments received from the Departments of Justice and US Department of the Treasury for assistance in forfeiture cases. Under state and federal statutes, the City of Fountain Valley receives an equitable share of seized drug funds and real property, along with reimbursement of related overtime expenses in exchange for participating in the program.

By law, these funds may only be spent for law enforcement purposes and are intended to supplement, not supplant, existing funds. Examples of uses of these funds include training, supplies, equipment, and ammunition. Due to the uncertain nature of the timing and amount of forfeitures, and in accordance with fund guidelines, revenues should not be budgeted until actually received.

This fund also accounts for federal, state and local grants and donations assigned for Public Safety activities. Previously awarded grants include the Urban Area Security Initiative, Avoid the 38, Justice Assistance Grant, Office of Traffic Safety STEP Grant, BSCC County Grant, Every 15 Minutes, and Sobriety Checkpoint Grants.

Citizen Options for Public Safety (COPS/SLESF) - Supplemental Law Enforcement Services Funds Grant

Assembly Bill 3229, Chapter 134, Statue of 1996, established the Citizen’s Option for Public Safety (COPS) Program. Per Government Code §§ 30061-30065, compliant cities are allocated a proportionate share of COPS funds by the State, for the exclusive purpose of funding supplemental front line law enforcement services. Proportionate shares are based on population estimates determined by the California Department of Finance. Under the standard grant program allocation, the City of Fountain Valley is eligible to receive the minimum grant amount of \$100,000 each year. Funds from this program cannot supplant existing funding and are to be used for one-time items including equipment.

Community Development Block Grant (CDBG)

This fund was established to satisfy legal requirements that Community Development Block Grant (CDBG) funds be segregated from other funds. CDBG funds are used to provide a variety of public service programs throughout the community. A separate staff report is presented to the City Council for budgeting purposes for each Fiscal Year, which may include reprogramming of remaining unused budgeted funds from prior years, repayments to the CDBG Fund for loans previously made, and programming of the new grant revenue and related appropriations.

Gas Tax

The City receives Gas Tax funds per various sections of the Streets and Highways Code. State law requires these funds be utilized solely for street-related purposes such as new street construction, rehabilitation, and maintenance. Specific capital projects for street and traffic signal improvements and rehabilitation endeavors are identified in the Capital Improvement Program (CIP) budget.



Housing Authority Fund - *Former Community Development Housing (Redevelopment)*

In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court on December 29, 2011. As a result of the Court's ruling on the Dissolution Act, all redevelopment agencies in California were dissolved effective February 1, 2012. On January 10, 2012, the City opted out of being the Successor Agency for the Housing functions of the former agency and assigned the Fountain Valley Housing Authority as the successor to the housing assets and activities. The Fountain Valley Housing Authority Fund accounts for the City's Housing activities.

HOME Grant

This fund is used to account for federal HOME Investment Partnership Program Funds, which facilitate the development of affordable housing projects in the City.

Local Park Impact Fee

The Subdivision Map Act of the California Government Code requires developers to provide either land or fees to the local municipal government for the purpose of providing or improving recreational facilities in the area of the proposed developer improvements. This legislation is also known as the Quimby Act. The City allocates these funds to various parks and recreation projects in conjunction with the annual CIP budget.

Measure M Fairshare M2

This fund accounts for the City's share of the Measure M2 one-half cent sales tax approved by Orange County voters and administered by the Orange County Transportation Authority. Funding is allocated to the City for streets, roads and transit projects. Measure M also provides funds for the City's Senior Mobility program.

Road Maintenance & Rehabilitation Program (SB1)

This fund was created to account for the City's share of proceeds from SB 1, the Road Repair and Accountability Act of 2017. The City is scheduled to receive these funds for the next 10 years to assist in road maintenance & rehabilitation, congestion relief, and corridor improvements.

Fountain Valley Public Finance Authority

This fund is used to account for the debt service payments and construction of certain water improvements associated with the issuance of the 2014 Revenue Bonds, the 2016A Lease Revenue Bonds (Refinanced 2003 COP), and the Clean Energy Renewable Bonds (CREBS).

Drainage Fund

This fund was established in order to implement the goals and objectives of the master drainage plan and to mitigate water runoff impacts of new development in the drainage area. The Drainage Development Impact Fee is needed in order to finance drainage public improvements and to pay for the development's fair share of required improvements.

Traffic Improvement

This fund is used to account for various public roadway improvements. Revenues are received from transportation impact fees and grants or transfers in from Measure M, Gas Tax, Sewer, or Water funds.

PROPRIETARY FUNDS

Proprietary funds account for operations that are financed and operated in a manner similar to private sector enterprises, in that goods and services are provided to the general public (external users) or other City department (internal users), and the costs are financed or recovered primarily through fees and service charges charged directly to the users of the goods and services.

ENTERPRISE FUNDS

Enterprise funds are used to report activities for which service charges or fees are charged to external users. These funds are used to account for operations that are financed and operated in a manner similar to private sector enterprises wherein the cost of providing the goods and services to the general public (Utility Customers) is paid through a user rate structure that is appropriate, fair and equitable based on the cost of the commodity.

Water Fund



The City of Fountain Valley established its Municipal Water Department in April of 1962. Its goal is to provide safe, reliable, high quality water to City customers at a reasonable rate. The fund accounts for all the activities related to the water operations, including, but not limited to, administration, operations, maintenance, capital acquisition and contraction, financing and related debt service, production, distribution and storage

systems, SCADA, recycled water, capital improvements, meter reading and utility billing processes.

Solid Waste Fund

The City contracts with Republic Services to provide residential and commercial waste collection, and recycling. The City utilizes the Water billing process to include the waste collection charges owed to Republic Services. The City collects a fee for each bill sent for this service. Republic also pays the City an annual Road Rehabilitation fee to help the city pay for repairs to public roadway due to the heavy weight of the trash vehicles.

Sewer Fee and Connection Fund

This fund accounts for all activities related to the wastewater collection system serving Fountain Valley. There is an established sewer fee assessed to every water customer to cover the cost of maintaining, repairing and rehabilitation of the sewer collection system. This fund was also established to meet the goals and objectives of the master plan of sewers of the City and to mitigate wastewater impacts caused by new development within City limits. A Development Impact Fee is charged to finance the sewer public improvements and to pay for the development's fair share of the required sewer improvements. The City, as a condition to granting the application and furnishing sewer service to a parcel of land, shall charge and collect fees to support the cost of the system and future replacements and extensions.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to report activities for which service charges or fees are charged to internal users. These funds account for the financing of goods or services provided by one department to another on a cost reimbursement basis. These functions include information services, purchasing services, government buildings, equipment, fleet, self-insurance and employee services.

Information Technology / Purchasing & Duplication

This fund accounts for the capital acquisition and replacement cost of citywide computers, network equipment, printers, copiers, scanners, telephones, and duplication and mailing equipment. Operating costs include IT and Purchasing staffing and related maintenance and supplies. Funding is provided by charges back to user departments.

Government Buildings

The Government Buildings Fund includes all maintenance, custodial, staffing and equipment costs associated with the operation of City Hall, Recreation & Senior Center, City Yard, Fire and Police Stations. The expenses associated with facility maintenance and operations are recorded in this fund with supporting revenues from the General Fund and other funds that use this service. Revenues are allocated from the departments' budgets based on share of square footage. A portion of the fund balance is reserved to fund capital equipment necessary for the efficient operation of the various City buildings.

Capital Equipment Fund

The Equipment Fund administers the acquisition, replacement and maintenance of furniture, equipment, machines, large tools, other capital equipment not accounted for in

IT or government buildings. This fund is financed from charges paid by the departments.

Fleet Services Fund

The Fleet Services Fund is the operating fund that provides for the capital purchase, replacement and maintenance, and fueling for all city vehicles. The Public Works department manages all of the City's fleet vehicles. Rental rates are charged to the various user departments and those rates are designed to recover the associated acquisition, replacement, maintenance and fuel costs. Those rental rates, based on this fund's operating budget and costs, are included in each department's budgeted expenditures.



Self-Insurance Fund

The Self-Insurance Fund administers a loss prevention program that protects the City against financial loss from on-the-job injuries; administers the City's general liability risk, property insurance programs, and accounts for workers compensation, unemployment insurance, and long-term disability costs. This fund is financed from self-insurance premiums paid by the departments.

Employee Benefits Fund

The Employee Benefits Fund captures the cost associated with employee retirement (CalPERS); retiree medical (OPEB) held in trust with PARS; employee health and dental insurance programs; employer Medicare contributions; life insurance; employee assistance program (EAP); and uncompensated absence liability (employee vested vacation and sick leave).

FIDUCIARY FUNDS

Funds that account for resource held in a trustee, custodial or agency capacity for others.

Successor Agency Fund - *Former Community Development (Redevelopment)*

The Fountain Valley Agency for Community Development [Redevelopment Agency (RDA)] was established in 1976 to prepare a redevelopment project area and plan for two specific areas within the City called the City Center and the Industrial Area Redevelopment Projects. Funds were created to account for operations associated with these RDA activities.

In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court on December 29, 2011. As a result of the Court's ruling on the Dissolution Act, all redevelopment agencies in California were dissolved effective February 1, 2012. On January 10, 2012, the City elected to become the Successor Agency to the RDA to wind down its affairs. A new fund was created to account for the activities of the Successor Agency during the dissolution process.

Special Deposit Fund

This fund is a custodial fund used to account for Asset Seizure deposits that are to be disbursed upon legal order.

OPEB Trust Fund

This fund is used to account for deposits, interest, and withdrawals from the trust that the City established in 2011 to pay for Other Post-Employment Benefits (OPEB). This is a 115 Trust, which restricts use of these funds specifically for OPEB payments.



A Nice Place to Live...

The City of Fountain Valley is a well-planned, urban community, which includes a balance of land use and City services. It is located in the heart of Orange County just minutes from points of interest such as Disneyland, Knott's Berry Farm, the beach and world class shopping. The City is geographically located just north of Huntington Beach, Costa Mesa and Newport Beach, and is just south of Santa Ana and Anaheim. Fountain Valley is served by the San Diego (405) freeway and offers convenient access to three major airports.



The City of Fountain Valley was incorporated June 13, 1957, and became the 21st City in the County of Orange. Since its incorporation in 1957 and throughout its rich history, the City of Fountain Valley has been known as "A Nice Place to Live". Residents of the City have adopted this motto thanks to the well maintained streets and parkways, 18 parks, wide range of recreation programs for all ages, great weather and overall quality of life. Business also consider Fountain Valley to be a "Nice Place to do Business" as well.

The City is comprised of 9.8 square miles with vibrant commercial areas, neighboring residential communities, recreational facilities, beaches, high profile corporate headquarters and small entrepreneurial and retail businesses.



History

Long before the Santa Ana River banks were lined with concrete, the land that is now Fountain Valley was saturated with peat bogs and willow thickets. Early settlers dug deep wells at a distance from the banks of the unpredictable river to reach the water that was draining down from the higher ground above. The pressure of the water created an upward flow in these wells (known as Artesian Wells) and fountains of water spurted from the openings. Today a beautiful fountain in front of City Hall reminds us how Fountain Valley got its name.

The Tongva ("People of the Earth") were the first inhabitants of the land and it was Tongva Native Americans who paddled out from the shore of what is now San Pedro to greet explorer, Cabrillo, in 1542.

From the time of Cabrillo's arrival until 1822 California remained under Spanish rule. In 1797 Governor Pedro Fages gave an ex-soldier named Manuel Nietos a 29,000 acre land grant that encompassed today's cities of Fountain Valley, Westminster, Garden Grove, and northern Huntington Beach. The land became known as Las Bolsas ("The Pockets") because it was primarily marshland with just pockets of solid ground.



In 1834, after Mexico gained independence from Spain, Alta California governor, Jose Figueroa, gave the land to Nieto's heirs and a number of other groups and individuals. At the end of the Mexican-American War in 1848, Mexico ceded all of Alta California to the United States and Rancho Las Bolsas was sold at a public auction soon after California became the 31st U.S. state in 1850. Abel Stearns bought the entire parcel of land for \$15,000 and renamed it The Stearns Ranch Company. Stearns was a cattle rancher and as he bought more and more land, he became the



largest land owner in California. His fortune soon changed, however, when the Santa Ana River flood of 1861 wiped out his cattle industry. The great flood was followed by severe drought and in 1862 Stearns sold the Rancho to The Los Angeles and San Bernardino Land Company. Families moved in one by one which necessitated business and services. The first school house was near Garfield and Florida streets in the City of Huntington Beach and a large building named Sycamore Hall was built and utilized as a meeting place. Soon more and more buildings were erected as settlers migrated

to what was often referred to as the "Gospel Swamps" because of the lively spirituals held there.

With this pivotal series of events, the rapid development of the Santa Ana Valley began.

The fantastic growth rate which Fountain Valley experienced in the 1960's, which could easily have wreaked havoc with the planning of most cities, took place within the framework of a Master Plan adopted before any development had begun. Unlike many communities, Fountain Valley's Master Plan did not have to play "catch up" with existing developments. It is for this reason that Fountain Valley has often been referred to as Orange County's best-planned community.



Climate

Fountain Valley, CA climate is warm during summer when temperatures tend to be in the 70's and cool during winter when temperatures tend to be in the 50's. The warmest month of the year is August with an average maximum temperature of 84.20 degrees Fahrenheit, while the coldest month of the year is December with an average minimum temperature of 46.00 degrees Fahrenheit.

The annual average precipitation at Fountain Valley is 13.84 Inches. Rainfall in is fairly evenly distributed throughout the year. The wettest month of the year is January with an average rainfall of 3.18 Inches.



Population & Education

According to the 2019 United States Census, American Community Survey Department, the Fountain Valley's city population is 56,026.

Fountain Valley is also a well-educated population. According to the American Community Survey Department of the US Census bureau, of those over 25 years, 90.4% graduated from high school and 43.5% have a Bachelor's degree or higher with the median household income of \$93,075.



Community Services

On the Westside of Mile Square Park the City owns and operates a seventy-eight acre Recreation Center and Sports Park. This facility, expanded and renovated in 2009, contains a Recreation Center building with an indoor gymnasium, 2 indoor racquetball courts and 2 community rooms. Outdoors are 15 baseball/softball fields, 4 dedicated soccer fields, 11 lighted tennis courts, 4 pickleball courts and 2 hitting walls, 3 lighted racquetball courts, 6 outdoor lighted basketball courts. There is a 5/4 mile walking trail, a large playground for children, and a great lawn for community events such as the Annual Concerts in the Park, Summerfest, Movies in the Park, and the annual Tree Lighting Ceremony. The City also has a dedicated Senior Center known as "The Center at Founders Village" located on Bushard Street. The center offers an array of programs, Human and Social services and classes focused on the community's senior population.

The City of Fountain Valley has partnered with "The Fountain Valley Community Foundation", a



non-profit group, to help support many of the special events that are held by the City throughout the year. The Foundation also holds several events that are funded fully by the donations that are raised throughout the year from residents and business community members.

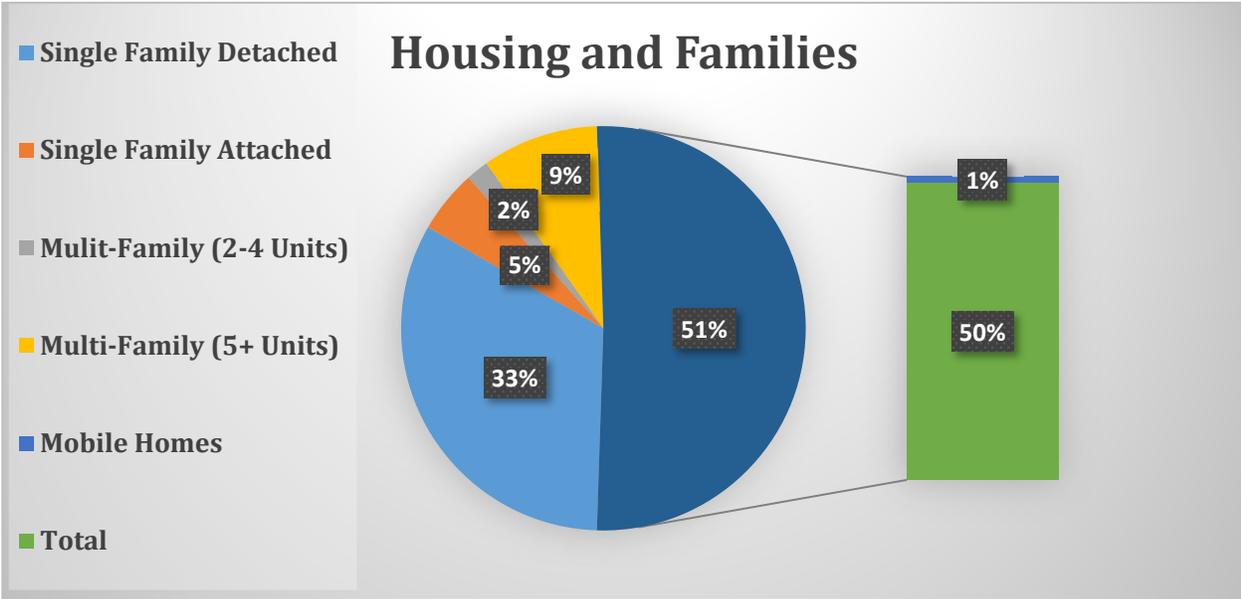
Housing and Families

There were 19,363 households in Fountain Valley according to the 2020 State of California Department of Finance Housing Estimate. Over 70% of the city’s housing units are owner occupied and 30% were renters. Vacancy rates are very low at less than 2.6% of the total households. More than three quarters of these households are family households.



The median sale price of a home in Fountain Valley is \$870,000. This represents a 6% increase over the prior year.

Sources: U.S. Census



Bureau

Education

Fountain Valley has excellent public and private schools. This is one of the reasons why families and businesses choose to live in the city. The Fountain Valley School District was founded around 1898 with the first school being Fountain Valley School on Bushard and Talbert. There are nine elementary schools, two middle schools (6-8), and one K-8 alternative school. Coastline Community College and three major universities are within 20 minutes of Fountain Valley.





Health Care

Fountain Valley is fortunate to have two fully accredited and respected health facilities within its city boundaries. Fountain Valley Regional Hospital with 400 beds and Orange Coast Memorial Hospital with 230 beds to provide the quality health care citizens need.

Places of Interest



Fountain Valley is located in Orange County and is 30 miles southeast of Los Angeles, 400 miles south of San Francisco and 90 miles northeast of San Diego.

Within our City limits there are many places of interest to visit. The City boasts of 20 neighborhood/community parks, a fifty-five acre recreation center with tennis, basketball and racquetball courts, a gymnasium, the Kingston Boys & Girls club, a public library, a bowling alley, miniature golf course, roller skating and a performing arts center. Fountain Valley also has beautiful Miles Square Park, with hiking trails, picnic areas and fishing along with three hole golf courses.

18-

One of the City's greatest amenities is Mile Square Regional Park. Miles Square is an urban park with a total of 640 acres of beautiful land. Within the park's boundaries are three regulation golf courses, two regulation soccer fields, baseball & softball diamonds, an archery range and a wilderness area. There are also two fishing lakes; concession operated bike and paddle boat operations, and a wide expanse of picnic areas as well as numerous picnic shelters. Within a driving distance of 30 minutes there are also many activities to enjoy.



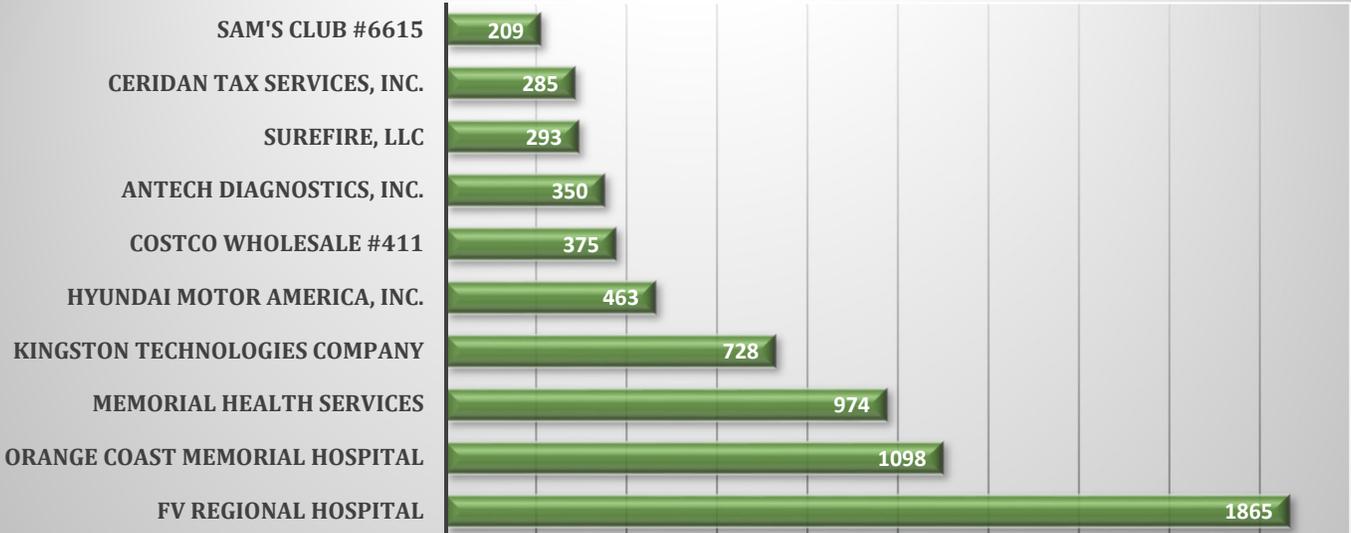
Major Employers

Fountain Valley’s strong economic climate is reflected in the fact that many companies have chosen to locate their business or headquarters here including Hyundai Motor America. Over 5,000 service, retail, and industrial businesses call the City “A Nice Place to do Business”.

In partnership with the Fountain Valley Chamber of Commerce and the Agency for Community Development, the City values a strong and varied business community. The City offers free Business Resources and Services to assist our businesses in realizing their highest potential in the good times and to assist them in the tough times.



Top Ten Employers In Fountain Valley, California



Major Property Tax Payers

The City of Fountain Valley has a diverse property tax base with the 10 largest taxpayers constituting less than 11% of the total property tax revenues.

Top 10 Property Tax Payers Based On Net

Top 10 Taxpayers Based on Net Values 2021/22	Rank	Top 10 Taxpayers Based on Net Values 2020/21
ORANGE COAST MEMORIAL MEDICAL CENTER	1	ORANGE COAST MEMORIAL MEDICAL CENTER
HYUNDAI MOTOR AMERICA	2	HYUNDAI MOTOR AMERICA
FOUNTAIN VALLEY REGIONAL HOSPITAL	3	FOUNTAIN VALLEY REGIONAL HOSPITAL
BEXAEW THE HAVENS LP	4	BEXAEW THE HAVENS LP
JKS-CMFV LLC	5	CORTE BELLA FEE OWNER LLC
CORTE BELLA FEE OWNER LLC	6	JKS-CMFV LLC
YAKULT USA INC	7	YAKULT USA INC
RAINTREE FOUNTAIN VALLEY LLC	8	RAINTREE FOUNTAIN VALLEY LLC
SHEA CENTER CRYSTAL SPRINGS LLC	9	SHEA CENTER CRYSTAL SPRINGS LLC
US MILLENNIUM LP	10	US MILLENNIUM LP

Source: HDL Coren & Cone

GANN LIMIT

In November 1979 the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative” or “Gann Limit.” The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government from the “proceeds of taxes.” Proposition 4 became effective for the 1980-81 fiscal year, but the formula for calculating the limit was based on the 1978-79 “base year” revenues, with adjustments being made annually to reflect increase in population and cost of living.

Section 9710 of the California Government Code, added in 1980 by the State Legislature, provides that “each year, the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year.” In June of 1990 the California Voters approved Proposition 111. Among other things, Proposition 111 provided new adjustment formulas, which make the Appropriations Limit more responsive to local growth issues. Only tax proceeds are subject to the limit. Charges for services, regulatory fees, grants, loans, donations and other non-tax proceeds are not subject to the limit. Proposition 111 also established a requirement for an annual review of Limit calculations. Each year the City Council must adopt by resolution the City’s appropriations limit for the following year. The following is the calculation for the City’s Gann Appropriations Limit for FY 2022-23.

Fountain Valley’s annual appropriation limit has been determined in accordance with Article XIII B of the California State Constitution and Section 7902 of the California Government Code. The City will be below its legal appropriations limit by \$109,773,326 using the per capita personal income growth and county population growth factors.

GANN APPROPRIATIONS LIMIT CALCULATION FY 2022-23	
FY 2020-21 Appropriations Limit	\$155,763,891
Population Growth (City or County) = (-0.23%)	0.9977
Cost of Living (Per Capita or Non-residential construction growth) = 7.55%	1.0755
FY 2022-23 Appropriations Limit (\$155,763,891 x 0.9977 x 1.0755)	\$167,138,759

RESOLUTION NO. 9837

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY, CALIFORNIA APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022/23

WHEREAS, the State Constitution Article XIII B restricts the appropriations growth rate for cities and other local jurisdictions; and

WHEREAS, the Article XIII B, as amended by Proposition 111, requires cities to calculate their annual appropriations limit by the percentage change in 1) City population growth or county population growth; and 2) California per capita personal income or the increase in non-residential assessed valuation due to new construction; and

WHEREAS, documentation used in the determination of the appropriations limit for fiscal year 2022/23 has been available to the public in the Finance Department for fifteen days prior to this meeting as required by Government Code Section 7910; and

WHEREAS, a summary of this computation is provided in Exhibit "A", which is incorporated by reference and attached hereto.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY, CALIFORNIA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the Appropriations Limit for 2022/23 shall be \$167,138,759, as calculated in Exhibit A, and the Appropriations Subject to Limitation in Fiscal Year 2022/23 shall be \$57,365,433 and therefore is \$109,773,326 under the limit.

SECTION 2. That the City of Fountain Valley reserves the right to recalculate said limitation at a future time.

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.

PASSED, APPROVED and ADOPTED by the City Council of the City of Fountain Valley at a regular City Council meeting held on this 21st day of June, 2022 by the following vote:

AYES: Bui, Grandis, Vo, Constantine, Harper
NOES: None
ABSENT: None
ABSTAIN: None



Patrick Harper, Mayor

ATTEST:



Rick Miller, City Clerk

APPROVED AS TO FORM:
HARPER & BURNS LLP



Colin Burns
Attorneys for the City

EXHIBIT A

Appropriations Limit
City of Fountain Valley
Fiscal Year 2022-23

	<u>AMOUNT</u>
Last Year's Limit (2021-22)	\$155,763,891
Adjustment Factors	
1. Population ⁽¹⁾	0.9977
2. Inflation ⁽²⁾	<u>1.0755</u>
Total Adjustment Factor ⁽³⁾	<u>1.073</u>
Total Adjustments	<u>11,374,868</u>
Appropriations Limit for Fiscal Year 2022-23	<u>\$167,138,759</u>
Appropriations Subject to Limit:	
Proceeds of Taxes	\$57,365,433
Minus Exclusions	<u>-</u>
Appropriations Subject to Limit	\$57,365,433
Fiscal Year 2022-23 Appropriations Limit	167,138,759
Less Appropriations Subject to the Limit	<u>57,365,433</u>
Difference Under the Limit	<u>\$109,773,326</u>

⁽¹⁾The population factor may be based on the change in population of 1) the City; or 2) the County of Orange, as provided by the State of California's Department of Finance.

⁽²⁾The inflation factor may be based on 1) the change in per capita personal income for the State of California as provided by the State of California's Department of Finance; or 2) the change in assessed valuation due to new nonresidential construction within the City. The inflation factor adopted by the City for the current year appropriation limit represents the change in per capita personal income for the State of California as provided by the State of California Department of Finance.

⁽³⁾The total adjustment factor is calculated by multiplying the population factor by the inflation factor.

RESOLUTION NO. 9836

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY, CALIFORNIA, ADOPTING AN ANNUAL BUDGET AND RELATED DOCUMENTS FOR THE CITY OF FOUNTAIN VALLEY, FOR FISCAL YEAR 2022/23

WHEREAS, the City Manager and Budget Manager have, heretofore, presented to the City Council a Proposed Operating Budget for Fiscal Year 2022/23; and

WHEREAS, the Proposed Operating Budget includes the City of Fountain Valley, and information related to the Successor Agency, Housing Authority, and Public Financing Authority; and

WHEREAS, the City Council did hold a public workshop on May 17, 2022, in the Council Chambers of City Hall of said City, in order to review the proposed budget documents for Fiscal Year 2022/23; and

WHEREAS, the City Council did review proposed budget for the Fiscal Year 2022/23.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY, CALIFORNIA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Said Proposed Operating Budget, as so amended, is hereby adopted as the Operating Budget for the City of Fountain Valley for the fiscal year commencing July 1, 2022 and ending June 30, 2023, and consists of estimated and anticipated expenditures and revenues for that fiscal year.

SECTION 2. The City Council does hereby approve and authorize the salary allocations as presented throughout the various departmental programs; the schedule of Inter-fund transfers, estimated continuing appropriations amounts; 2022/23 Capital Improvement Program expenditures along with the use of Capital Reserve Fund monies; and authorize the identified assigned or committed allocation of the General Fund cash balances.

SECTION 3. The City Council does hereby adopt the ten year Capital Improvement Plan which is consistent with the seven year CIP program submitted to the Orange County Transportation Authority (OCTA) as part of the annual Measure M2 Eligibility process.

SECTION 4. The City Manager or his/her designee, for purposes of administrative necessity in implementing the budget, is hereby authorized to transfer funds between accounts, programs and line item expenditures as long as the transfer does not exceed the total appropriation within a given fund or where such transfer is expressly prohibited in a resolution or ordinance approved by the City Council.

SECTION 5. The Fiscal Year 2022/23 Financial & Budget Policies as presented in the 2022/23 Annual Budget are hereby adopted by the City Council. The City Council does hereby adopt a budget that does meet the requirements of the Financial & Budget Policies related to the "Balanced Budget" section of the policies.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this Resolution, and enter it into the book of original Resolutions.

PASSED, APPROVED and ADOPTED by the City Council of the City of Fountain Valley at a regular City Council meeting held on this 21st day of June, 2022 by the following vote:

AYES: Bui, Grandis, Vo, Constantine, Harper
NOES: None
ABSENT: None
ABSTAIN: None



Patrick Harper, Mayor

ATTEST:



Rick Miller, City Clerk

APPROVED AS TO FORM:
HARPER & BURNS LLP



Colin Burns
Attorneys for the City

RESOLUTION NO. 9838

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF FOUNTAIN VALLEY, CALIFORNIA, ESTABLISHING PROPERTY RENTAL TERMS AND CHARGES FOR ADMINISTRATIVE SERVICES FOR THE MUNICIPAL WATER & SEWER UTILITIES.

WHEREAS, the proposed 2022/23 budget for the Water & Sewer Funds maintains funding for the operating and capital improvement expenditures of the Water & Sewer Utilities; and

WHEREAS, the City owns and maintains property at various locations throughout the city that are utilized by the Water Utility to locate reservoirs, wells, equipment and facilities; and

WHEREAS, the Water Utility is required to construct and maintain various pipelines and appurtenances for transmitting and distributing water for any and all purposes including mains, lines and pumps necessary or proper therefore, in, along, upon, and under the streets within the City of Fountain Valley; and

WHEREAS, the Water Utility, during the life thereof, will pay to the City an amount in the form of a right-of-way usage fee for the water mains located within the street right-of-way and related maintenance costs; and

WHEREAS, this administrative arrangement which has been in place since 1958 saves money and promises efficiency; and

WHEREAS, the Water Utility will also pay a charge for its use of land located within the City for other appurtenances such as water well pumps, reservoirs, and water operation facilities; and

WHEREAS, administrative services are also provided to the Water & Sewer Utilities; and

WHEREAS, the City has determined that it is in the best interest of the community to charge the Water & Sewer Utilities the amount of \$1,935,534 in 2022/23 for these rights and services; and

WHEREAS, the schedule attached "Exhibit A" is based on substantial evidence establishing that these allocations represent the costs of providing administrative services to the Water & Sewer Utilities.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Fountain Valley, California, that:

The Schedule attached hereto as Exhibit "A" is approved as the basis for allocating city property and service costs to the Water & Sewer Utilities.

PASSED, APPROVED and ADOPTED by the City Council of the City of Fountain Valley at a regular City Council meeting held on this 21st day of June, 2022 by the following vote:

AYES: Bui, Grandis, Vo, Constantine, Harper
NOES: None
ABSENT: None
ABSTAIN: None



Patrick Harper, Mayor

ATTEST:



Rick Miller, City Clerk

APPROVED AS TO FORM:
HARPER & BURNS LLP



Colin Burns
Attorneys for the City

ATTACHMENT
Exhibit A

EXHIBIT A

**SCHEDULE OF PROPERTY RENTAL TERMS AND CHARGES
ADMINISTRATIVE SERVICES FOR THE MUNICIPAL WATER & SEWER UTILITIES
FISCAL YEAR 2022-23**

A. LAND LEASED TO THE WATER UTILITY

<u>FACILITIES SITE</u>	<u>LOCATION</u>	<u>SQUARE FOOTAGE</u>	
Reservoir 1	18460 Euclid Street	93,771	
City Yard	17300 Mt. Herrmann Street - City Owned	50,000	
Well No. 9	9293 Poinsettia Avenue	7,600	
Well No. 6	11775 Warner Avenue	12,416	
Well No. 8	11669 Edinger Avenue	19,340	
	Total	183,127	
Rental Rate	\$0.47 per SF/MO		1,032,836

B. BUILDINGS LEASED TO THE WATER UTILITY

<u>FACILITIES SITE</u>	<u>LOCATION</u>	<u>SQUARE FOOTAGE</u>	
City Yard	17300 Mt. Herrmann Street	19,278	
Rental Rate	\$2.25 per SF/MO		520,506

C. INDIRECT COSTS

<u>WATER UTILITY:</u>		<u>Allocation</u>		
<u>PROGRAM</u>	<u>BASIS OF ALLOCATION</u>	<u>% Percentage</u>	<u>\$ Amount</u>	
City Council	City Council Agenda Items	1.00%	1,554	
Administration	Budgeted Expenditures	18.63%	137,573	
City Attorney	Budgeted Expenditures	18.63%	69,857	
Human Resources	Full-Time Equivalent Staffing	7.94%	71,679	
Finance	Budgeted Expenditures	18.63%	54,298	
Water Utility - Total General Administrative Costs				334,961

<u>SEWER UTILITY:</u>		<u>Allocation</u>		
<u>PROGRAM</u>	<u>BASIS OF ALLOCATION</u>	<u>% Percentage</u>	<u>\$ Amount</u>	
City Council	City Council Agenda Items	3.11%	4,826	
Administration	Budgeted Expenditures	2.84%	20,951	
City Attorney	Budgeted Expenditures	2.84%	10,639	
Human Resources	Full-Time Equivalent Staffing	1.98%	17,920	
Finance	Budgeted Expenditures	2.84%	8,269	
Sewer Utility - Total General Administrative Costs				62,605

Municipal Code 14.12.200 Public Fire Protection Credit (2,050 Hydrants @ \$7.50) To The Water Utility (15,375)

TOTAL COST PER AGREEMENT **1,935,534**

Accrual Basis of Accounting	A method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.
Adjusted / Amended Budget	The adopted budget plus any modifications (increases, decreases and transfers) approved by the City Council during the fiscal year.
Air Quality Management District (AQMD)	The air pollution control agency for the four-county region including Los Angeles and Orange counties, as well as parts of Riverside and San Bernardino counties (www.aqmd.gov).
Air Quality Management Plan (AQMP)	A plan developed by the AQMD that serves as the blueprint for all the future rules necessary to bring the area into compliance with federal and state clean air standards.
Allocation of Funds	Setting aside funds for a specific purpose or program. An allocation of funds makes them available for expenditure.
Appropriation	A specific amount of money authorized by the City Council for an approved work program.
Arterial Highway Financing Program (AHFP)	A Measure M funded program for pavement rehabilitation projects on arterial roadways in the county.
Assessed Property	The value set upon real estate or other property by the County Tax Assessor.
Assessed Valuation	A measure of the taxable value of property located within the City against which the tax rate is applied.
Assessed Valuation (Secured)	That part of the assessment roll containing state assessed property and property the taxes on which are a lien on real property sufficient to secure payment of taxes.
Assessed Valuation (Unsecured)	The remainder of the assessment roll that is not on the secured roll. The taxes on the unsecured roll are a personal liability of the assessed owner.
Assessment District (AD)	A separate unit of government that manages specific resources within defined boundaries. Through self-financing, it can raise predictable funds, such as taxes, user fees or bonds, directly from the people who benefit from the services.

Audit	Prepared by an independent certified public accountant (CPA), the primary objective of an audit is to determine if the City's financial statements fairly represent the City's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with performing an audit, independent auditors customarily issue a Management letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.
Balanced Budget	A budget in which planned expenditures do not exceed planned revenues.
Bond Refinancing	The pay off and re-issuance of bonds to obtain better interest rates and/or bond conditions.
Bonds	A certificate of debt issued by an entity, guaranteeing payment of the original investments, plus interest.
Bradley Burns Uniform Local Sales & Use Tax	A 1% local sales tax is collected by the State of California as part of the larger sales and use tax levied on the total retail price of tangible personal property based on business location. Use Tax is the complement of sales tax and imposed on the purchaser, usually for goods purchased out-of-state for local use.
Budget Surplus	The difference between operating revenues and operating expenditures. The Budget Surplus may be used for ongoing expenses (as opposed to year-end balance, which may be used only for one-time expenses).
Budget Amendment	The Council has the sole responsibility for adopting the City's budget and may amend or supplement the budget at any time after adoption by majority vote. The City Manager has the authority to approve transfers within funds.
California Environmental Quality Act (CEQA)	A state statute enacted in 1970 that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible (ceres.ca.gov/ceqa).
California Transportation Commission (CTC)	The agency responsible for programming and allocating funds for the construction of highway, passenger rail and transit improvements throughout California (www.catc.ca.gov)

Capital Equipment	Equipment (fixed assets) with an initial individual cost of \$5,000 or more and an expected useful life greater than two years, such as automobiles, microcomputers and furniture.
Capital Expenditure	Expenditure for tangible property with an initial individual cost of \$5,000 or more and an expected useful life greater than two years per item.
Capital Improvement Program Budget (CIP)	A multi-year financial plan for construction of infrastructure, facilities, and rehabilitation such as buildings, streets, storm drains, and recreational facilities with an initial individual cost of at least \$50,000 and an estimated useful life greater than two years.
Certificates of Participation (COPs)	Tax-exempt bonds issued by state entities usually secured with revenue from an equipment or facility lease. COPs enable governmental entities to finance capital projects without technically issuing long-term debt. This can be advantageous, as the issuance of long-term debt is commonly subject to voter approval and other state constitutional and statutory requirements. COPs have been used by municipalities to pay for prisons, office buildings, vehicles, and even parks.
City Council (CC)	Comprised of five City Councilmembers who are elected at large by registered voters of the City. Councilmembers each serve a four-year term. The mayor is selected by fellow councilmember and serves a one-year term. The City of Fountain Valley has a three-term limit for elected officials. The City Council adopts legislation, sets policy, adjudicates issues and establishes the budget of the City.
Community Development Block Grant (CDBG)	Provides eligible metropolitan cities and urban counties with annual direct grants to revitalize neighborhoods; expand affordable housing and economic opportunities; and/or improve community facilities and services, principally to benefit low- and moderate-income persons.
Community Facilities District (CFD)	A special district that can issue tax-exempt bonds as a mechanism by which public entities finance construction and/or acquisition of facilities and provide public services to the district.
Community Oriented Policing Services (COPS)	A grant program that provides partial funding of salaries for several front line law enforcement positions.
Comprehensive Annual Financial Report	The summarization of the City's financial activity for the previous fiscal year which also includes a summarization of significant milestones that were accomplished during the year by department, fiscal policies,

(CAFR)	and statistical information. The CAFR is prepared by December of each year.
Conditional Use Permit (CUP)	Allows a city or county to consider special uses which may be essential or desirable to a particular community, but which are not allowed as a matter of right within a zoning district, through a public hearing process.
Congestion Management Plan (CMP)	Defines a network of state highways and arterials, level of service standards and related procedures.
Consumer Price Index (CPI)	A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.
Contingency Reserve	The City has established a policy to set aside a percentage of its General Fund operating expenditures as a contingency reserve.
Cost Allocated	A method used to charge General Fund costs budgeted in one department to another department or another fund.
Debt Service	The payment of principal and interest on borrowed funds such as bonds.
Department, (Function) Division	Section Organizational units within the Operations Budget that group resources together to provide related types of services.
Discretionary Funding Opportunities	Pertains to funds, grants or other resources that are not restricted as to use.
Drug Abuse Resistance Program	DARE – a police officer-led series of classroom lessons that teaches children from kindergarten through 12th grade how to resist peer pressure and live productive drug- and violence-free lives (www.dare.com).
Encumbrance	An encumbrance is not an expenditure, but a reservation of funds to be expended at a future date. A commitment is usually made through a purchase order for the future payment of goods and services not yet received or paid for.
Enterprise Fund	This fund type is used to account for operations that are: (a) financed and operated in a manner similar to private sector enterprises and it

	is the City's intent that the costs (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.
Environmental Enhancement and Mitigation Program (EEMP)	A state funded grant program for projects related to environmental enhancement or design, particularly of transportation facilities.
Environmental Impact Report (EIR)	A public document used by governmental agencies to analyze the significant environmental effects of a proposed project, to identify alternatives and disclose possible ways to reduce or avoid potential environmental damage. The California Environmental Quality Act requires an EIR whenever the initial study or other evidence in the record has produced substantial evidence that the proposed project might produce significant environmental effects.
Expenditure	The outflow of funds paid or to be paid for an asset, goods or services regardless of when the invoice is actually paid. This term applies to all funds.
Fair Housing Council of Orange County (FHCO)	A private non-profit organization which fosters diversity in housing through education and the enforcement of state and federal fair housing laws (www.fairhousingoc.org).
Fees	A general term used for any charge levied by government for providing a service or permitting an activity.
Fiscal Year (FY)	Any period of 12 consecutive months designated as the budget year. Fountain Valley's budget year begins on July 1 and ends on June 30.
Fixed Asset	Assets that are long-term in nature such as land, buildings, machinery, furniture and other equipment. The City has defined such assets as those with an expected life in excess of one year and an acquisition cost in excess of \$5,000.
Fountain Valley School District (FVSD)	An elementary school district serving Fountain Valley and Huntington Beach in Orange County, California. There are nine elementary schools, two middle schools (6-8), and one K-8 alternative school. (http://www.fvsd.us)
Franchise Tax	Revenue generated from taxes paid by a business that gave an exclusive contractual agreement to operate and use the public right-of-way in the City. Examples includes southern California Edison,

	Public Cable Television, Southern California Gas and Rainbow Disposal.
Fringe Benefits	These include retirement/pension; health, life, and disability insurance; workers' compensation; and vacation, administrative, medical and special leave of absence time.
Full-Time Equivalent (FTE)	Refers to part-time hours converted to one full-time equivalent position, which equals 40 hours per week, 52 weeks per year. (2080 hours per year)
Fund	A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose.
Fund Balance	Within a specific fund, the funds remaining when all current and prior year liabilities (expenditures) are subtracted from current and prior year assets (revenues).
Gas Tax	State tax received from gasoline sales utilized solely for street related purposes, such as new construction, rehabilitation or maintenance.
General Fund	The primary operating fund of the City (as opposed to all other City funds, which are designated as "Special Funds").
General Plan	A comprehensive, long-range, policy document required by state law. The document establishes the City's overall spatial and temporal development pattern.
Geographical Information System (GIS)	A computer system capable of assembling, storing, manipulating and displaying geographically referenced information.
Goal	A time/phased strategy that will implement a specific course of action or plan, typically, a long-term process.
Government Finance Officers Association (GFOA)	A professional association of state/provincial and local finance officers in the United States and Canada (www.gfoa.org).
Governmental Accounting Standards Board (GASB)	Organized in 1984 by the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities (www.gasb.org).

Grants	Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose, activity or facility.
Gross Domestic Product (Real) (GDP)	The total of the goods and services produced by labor and property located in the United States.
Gross State Product (GSP)	The total of the goods and services produced by labor and property located in the State of California.
Growth Management Area (GMA)	Inter-jurisdictional planning regions within Orange County.
Growth Management Program (GMP)	A Measure M funded program intended to address the cumulative regional traffic impacts of development not addressed by specific project mitigation and existing system deficiencies.
Hotel Tax (TOT)	Also known as the Transient Occupancy Tax (TOT) or bed tax – an 9% tax added to the cost of renting a hotel room within the City.
Infrastructure	Inputs Includes the City’s street, bridge, traffic signal, landscaping, and trail networks. To be capitalized as part of the City’s infrastructure network, a related component must have an initial individual cost of at least \$50,000 and an estimated useful life greater than two years. Resources (e.g. dollars, staff and other assets) required to accomplish a job or provide a service.
Integrated Financial Accounting System	InCode – Fountain Valley’s computerized accounting system used to coordinate the City’s general accounting, purchasing and utility billing processes.
Inter-Fund Transfers	Payments from one fund to another fund, primarily for work or services provided
Landscape, Lighting, and Park Maintenance (LLPM)	An assessment district to provide funds for park and parkway landscaping, lighting and park maintenance.
Lease-Purchase Agreement	Contractual agreements which are termed leases, but whose lease amount is applied to the purchase.

Level of Effort	Generally used to identify the number of staff providing a particular service. Level of Services Generally used to define the existing or current services, programs and facilities provided by government.
Levy	To impose taxes, special assessments or service charges for the support of governmental activities.
Local Agency Formation Commission (LAFCO)	Reviews proposals for the formation of new local governmental agencies and changes of organization in existing agencies (www.oclafco.org).
Local Agency Investment Fund (LAIF)	A voluntary program created by statute in 1977 in which participating agencies (local governments and special districts) invest public funds.
Long-Term Debt	Debt with a maturity of more than one year after issuance.
Major Fund	A fund that comprises more than 10% of total citywide budgeted revenues and transfers-in and/or 10% of total budgeted appropriations and transfers-out. Please see the "Major Funds – Summary by Budget Category" tables presented in the Budget Summary chapter.
Measure M	County-wide sales tax measure used to fund a variety of transportation related projects.
Measure M - Growth Management Area (M-GMA)	A county grant program that provides funding for projects that benefit the greatest number of jurisdictions within a designated growth management area (GMA) in Orange County. The primary objective of this program is to address current traffic deficiencies and the cumulative regional traffic impacts of development not addressed by specific project mitigation and existing system deficiencies.
Measure M – Turnback	The non-competitive portion of the sales tax revenue generated through Measure M that is "turned back" to the City. Funds are restricted to circulation related projects (street, traffic signal, etc.) and are received quarterly.
Memorandum of Understanding (MOU)	An agreement outlining the terms of employment entered into between the City and employees of various bargaining units.

Modified Accrual	Basis of Accounting Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, or measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.
National Pollutant Discharge Elimination System	NPDES – a permit program authorized by the Clean Water Act that controls water pollution by regulating point sources that discharge pollutants into waters of the United States.
Objective	Describes an outcome to be accomplished in specific, well-defined and measurable terms and is achievable within a specific timeframe; generally, programs have objectives.
Operating Budget	A budget for General Fund department service delivery expenditures such as salaries, utilities and supplies. The day-to-day costs of delivering essential City services.
Orange County Fire Authority (OCFA)	An agency that provides fire prevention/suppression and emergency services to 22 cities and all the unincorporated areas in Orange County (www.ocfa.org).
Orange County Investment Pool (OCIP)	A pooling of cash by the county, local agencies and school districts for investment purposes run by the Orange County Treasurer.
Orange County Transportation Authority (OCTA)	A regional transportation agency formed in 1991 to develop and implement unified transportation programs and services for Orange County (www.octa.net).
Ordinances	A formal legislative enactment by the governing board (i.e. City Council) of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.
Outputs	The general results expected from programs and functions.
Part I Crimes	The most serious criminal offenses, including murder, rape, robbery, aggravated assault, burglary, larceny/theft, auto theft and arson.
Part II Crimes	All other criminal offenses not defined as Part I crimes.
Pavement Management System	

	PMS – a computer-assisted decision-making process designed to help cities and counties prevent pavement problems through maintenance and repair in a timely, cost-effective manner.
Pavement Quality Index (PQI)	A scale from 1 to 10 that measures the structure, surface condition and riding comfort of the roadway.
Performance Budget	A budget wherein expenditures are tied to the measurable performance of activities and work programs.
Performance Measurements	Statistical measures that are collected to show the impact of dollars spent on City services.
Personnel Expenses	Salaries and fringe benefits, such as pensions and insurance, for full-time and part-time employees of the City.
Priority E	Calls Refers to the most serious calls for emergency response for serious emergencies, in-progress calls and potentially life-threatening incidents that require a Code 3 (use of lights and siren) response.
Priority I Calls	Refers to calls for emergency response for serious emergencies, in progress calls and potentially life-threatening incidents that do not require a Code 3 (use of lights and siren) response.
Program	Represents major areas or support functions that can be defined as a service provided to citizens, other departments or other agencies.
Program Budget	A budget wherein expenditures are displayed primarily on programs of work and secondarily by the character and object class of the expenditure.
Property Tax	A tax levied on the assessed value of real property; also known as ad valorem tax. In California, this tax is limited to 1% with the exception of pre-Proposition 13 approved bond debt service. Proposition 13 On June 6, 1978, the California electorate approved Proposition 13, the "People's Initiative to Limit Property Taxation," which limited the tax rate for real estate as follows: the maximum amount of any tax on real property shall not exceed 1% of the full cash value of such property. The City of FV receives \$0.1287 cents per dollar of the Prop 13 tax.
Proposition 218	On November 5, 1996, the California electorate approved Proposition 218, the self-titled "Right to Vote on Taxes Act." Proposition 218 added articles XIII C and XIII D to the California Constitution and made

	numerous changes to local government finance law. Public officials are required to conduct the public’s business in compliance with Proposition 218.
Public Employees’ Retirement System (PERS)	Provides retirement and health benefit services to members from the state, school districts and local public agencies (www.calpers.ca.gov).
Ralph M. Brown Act	The Brown Act is a California law that insures the public can attend and participate in meetings of local government.
Redevelopment Agency (RDA)	Formerly charged with the oversight for the redevelopment process for the City of Fountain Valley. In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court. As a result, all redevelopment agencies in California were dissolved effective February 1, 2012.
Regional Surface Transportation Program (RSTP)	A federal and state funded grant program used for projects located on highway systems (classified higher than local roads or rural minor collectors), bridges on any public highway, and transit systems.
Reserve	A designated amount of funds set aside from a fund’s balance which is legally restricted for a specific purpose and is therefore not available for general appropriations.
Resolution	A special or temporary order of a legislative body (e.g. City Council or Planning Commission) requiring less formality than an ordinance.
Resources	Units of dollars or physical input, such as work years or work hours, and other assets used to support and attain program objectives.
Revenue	Annual income received by the City.
Right of Way	ROW – a strip of land occupied or intended to be occupied by a street, crosswalk, railroad, electric transmission line, oil or gas pipeline, water main, sanitary or storm sewer main, shade trees, or special use.
Service Center	Used for budgetary reporting, an organizational unit that provides a distinct and unique service. Various sections within a department that provide substantially similar services may be combined into one service center – for instance, the City Clerk’s Office and City Clerk Records are combined into one service center.

Southern California Association of Governments (SCAG)	The Metropolitan Planning Organization for Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial counties, that is mandated by the federal government to research and draw up plans for transportation, growth management, hazardous waste management and air quality (www.scag.ca.gov).
Special Funds	The City's accounts are broken into distinct funds, each earmarked for a different purpose, with the principle and interest of the funds tracked separately. The City's main operating fund is its General Fund, while other City funds are designated as Special Funds. These funds are legally restricted for a specific purpose and is therefore not available for general use.
Strategic Plan	The City of Fountain Valley has a semi-annual strategic planning process. The strategic plan identifies the City's Mission Statement; Core Organizational Values; Three-Year Goals and six-month strategic objectives.
Strategic Financial Business Plan	SBP – a ten-year planning “blueprint,” updated annually, that evaluates the City's financial capability to achieve its goals; helps set priorities for City operations and the annual budget; and guides the City's capital improvement and rehabilitation program.
Traffic Enforcement Index	The number of moving citations divided by the number of injury accidents.
Transaction Sales Tax (District Tax)	Similar to the Bradley Burns Sales Tax, a transactions and use sales tax is allocated to the district where the tangible goods are delivered or placed into use. Voter approved district taxes are levied within incorporated city limits. Fountain Valley has a 1% transaction tax authorized from April 2017 to March 2037.
Transfers-In/Out	A transfer of resources between different City funds (see glossary definition of “Fund”). A transfer of cash from the City's General Fund to a City Special Fund, for example, would be designated as a transfer-out in the General Fund, and then a transfer-in in the receiving Special Fund.
Transient Occupancy Tax (TOT)	An 9% tax added to the cost of renting a hotel room within the City. Also known as the Hotel or Bed Tax.
Transportation Management Association (TMA)	An association comprised of employers and property owners that promotes the use of alternative forms of commuting to the single occupant vehicle. Traffic congestion relief and air quality benefits are the primary goals of TMA.

Transportation Management Plan (TMP)	A plan that promotes the reduction of single occupant vehicle use in order to improve air quality and relieve congestion. Transportation Subventions Funds from outside sources used to construct transportation improvements that must be used for specific projects.
TRIPS	A transit service for Fountain Valley seniors and persons with disabilities, providing pre-scheduled transportation and regular shuttle services.
Unencumbered Appropriation	That portion of an allocation not yet expended or committed to a specific purpose. Unexpended Appropriation is that portion of an allocation not yet actually paid.
Voice Over Internet Protocol (VoIP)	Used to manage the delivery of voice information over the Internet. Year-End Surplus Funds remaining at the end of a fiscal year that are available for allocation or for one-time purchases (not for on-going programs or services).