

**FOUNTAIN VALLEY, CALIFORNIA**

**FISCAL YEAR 2016-2017**  
**ANNUAL OPERATING BUDGET**  
**and**  
**TEN YEAR FINANCIAL FORECAST &**  
**CAPITAL IMPROVEMENT PLAN**



***LEGISLATIVE BODY:***

Mayor Cheryl Brothers  
Mayor Pro Tempore John Collins  
Council Member Steve Nagel  
Council Member Mark McCurdy  
Council Member Michael Vo

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Submitted by:  
City Manager Bob Hall

***BUDGET STAFF***

David D. Cain, Director of Finance / City Treasurer  
Teresa Gonzalez, Accounting Manager  
David Faraone, Accountant  
Monica Kerr, Finance Assistant

***ADOPTED:***

June 7, 2016



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# INTRODUCTION

## User's Guide to the Budget

A local government budget is a plan to match existing resources with the needs of the community. The functions of local government stem from three levels of policy direction: federal, state and local. Within this intergovernmental system, local government is the workhorse of domestic policy. Local government has the responsibility to provide basic public services such as maintaining streets and roadways, providing traffic management systems, maintaining parks, providing community services, and ensuring public safety. Local government must also fulfill certain state and national policy objectives such as transportation and environmental protection while implementing the expectations and values of its citizens.

For local governments, the primary tool used to coordinate these requirements is the budget. The City of Fountain Valley's Budget provides the residents of Fountain Valley with a plan for matching available resources to the services, goals and objectives specified in Fountain Valley's Strategic Plan.

The guide below is designed to assist readers in understanding the information provided in the FY 2015-16 Budget, as well as how the document is organized. The FY 2015-16 Budget document includes the following:

- Budget Summary
  - Overview of all funds
  - Revenue and Expenditure Detail
- Operating Department Information
  - Department description, accomplishments and goals
  - Functional Charts
  - Department revenues and expenditures including program level information
- Capital Improvement Projects
  - Overview and funding detail
  - Individual Project information
- Strategic Ten-Year CIP, Capital Replacement and Financial Plans
- Supplemental Section
  - Community Profile
  - Financial and Budget Policies
  - Glossary & Acronyms

## Introduction

Provides a description of the budget development process, citywide organization chart, and key contacts throughout the City, including elected and appointed officials.

# INTRODUCTION

## City Manager's Budget Message

Overview of the budget including a summary of critical economic issues, City Council directed core services, and basic operations and strategic goals for FY 2015-16.

## City Strategic Plan

Provides a description of the City's Strategic Plan development process, including the communities Three Year Goals and the related specific six-month planning objectives.

## Personnel and Staffing

Summary of funded personnel and staffing changes over three fiscal years, as well as a list of full-time personnel by classification.

## Budget Summary

Comprehensive overview of revenues and expenditures for all funds, as well as fund balance projections.

## Revenue Estimates

General Fund revenue overview, description of revenue assumptions and methodology used to develop revenue estimates, revenue summary by category, and historical trends.

## Expenditure & Service Levels

General Fund expenditure overview, description of items impacting expenditures and methodology used to develop expenditures estimates.

## Operating Department Information

Presents summary information on the City's operating departments:

Administration (includes City Manager, City Clerk and IT)	Planning / Building & Safety
Finance	Police
Fire	Public Works
Human Resources	Recreation & Community Services

Department-wide summary information includes strategic goals and functional organizational charts, as well as a summary of staffing, revenues and expenditures over three fiscal years. Information is further presented at the program level within each department. The expenditures include funds from all revenue sources. Department information includes the General Fund and all Special and Enterprise Funds.

# INTRODUCTION

## **Capital Improvement Program**

Overview of the City's Capital Improvement Program, including FY 2015-16 revenues, expenditures and a citywide map highlighting project locations. This section also includes a project description page for each project, detailing its location, classification, expenditures, sustainability feature, and operations and maintenance costs.

## **Strategic Long-Term Ten-Year CIP, Capital Replacement and Financial Plans**

Provides a longer term General Fund projection of revenues and expenditures beyond the current year's short term detailed budget projections. Included in the plan is a ten-year Capital Project and Infrastructure Investment Plan, along with a fleet, capital equipment, government buildings, and technology replacement and rehabilitation funding program.

## **Financial and Budget Policies**

Describes the City's financial objectives and outlines the City's financial management policies that guide the development and administration of the annual operating and capital budgets. Includes a budget calendar, debt limits, and other information.

## **Community Profile**

Provides historical, demographic and statistical information on the City of Fountain Valley, including information on the City's population, educational facilities, recreation and open space, and listing of the top property taxpayers, sales tax producers and employers in the City.

## **Glossary/Acronyms**

Listing of glossary terms and definitions along with a detailed list of commonly used acronyms used throughout the budget document and financial statements as well as links to external websites where additional related information can be found, when appropriate.



# CITY MANAGER'S TRANSMITTAL LETTER



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

**FROM:** Bob Hall, City Manager

## **Introduction**

I am pleased to present to you the City of Fountain Valley's Budget for Fiscal Year 2016-17. This budget attempts to implement the City Council's priorities and strategic goals, provides a financial plan that continues to deliver quality core-services to the community and is responsive to the needs of our residents with very limited funds. The City Council's three-year goals of *enhance economic development; achieve financial stability; attract, develop and retain quality staff; maintain and enhance infrastructure and facilities; and enhance community outreach and engagement* guide our allocation of resources to meet the needs of our community.

This year the budget process has been very challenging due to the City's declining financial condition. The budget, as submitted, is reflective of fairly flat revenues, diminishing reserves, and a large increase in uncontrollable ongoing expenditures. This budget, as adopted, has a structural operating deficit of \$1,764,951. The deficit will be covered by the use of undesignated fund balance from 2015-16 and reserves from the Budget Stabilization Fund.

In the 2013 Strategic Plan, the City Council adopted a goal to "achieve financial stability". The City also desires "Fiscal Stability" as one of its core values. During the semi-annual Strategic Planning session on April 7, 2016 a commitment was made to evaluate ways to develop a "Fiscal Sustainability" solution(s) for Fountain Valley. As the 2016-17 budget was being finalized, Finance staff worked on updating the City's Ten-Year Long Term operating financial plan and has developed a recommended 20-year fiscal sustainability financial plan which was presented to the City Council at a workshop on June 14, 2016.

The City continues to focus on responsive public safety, maintaining public streets and facilities, and giving our residents many opportunities to pursue leisure and recreational activities in the community. However, the ability to continue to deliver these vital services is becoming more difficult as state revenue takeaways continue and uncontrollable costs continue to rise. Fountain Valley is a built out bedroom community and there is no viable offsetting ongoing revenues available to offset these increasing costs without voter approved options.

# CITY MANAGER'S TRANSMITTAL LETTER

## **Discussion**

The State of California has taken over \$116 million in local tax dollars from Fountain Valley since 1992 and the City continues to lose another \$3 million dollars every year in General Fund property tax revenues and about \$8 million dollars in Redevelopment Tax Increment. In addition, the City's General Fund is required to absorb another \$1.2 million in annual Redevelopment obligation due to the dissolution of Redevelopment Agencies by the State in 2012.

For the last seven out of nine years, the City has used reserves to balance its General Fund operations. Since 2012 the City has been forced to adopt General Fund budgets with structural deficits. The recommended funding for the 2016-2017 Fiscal Year Operating Budget does not maintain all of the prior service levels. Although no new services have been added, there are existing services or programs that have not been funded due to limited revenues.

For the Fiscal Year 2016-17 that structural operating deficit has grown to \$1.765 million. The City's recently updated 20 year long term financial plan shows that City will continue to incur growing structural deficits each year and will run out of operational General Fund cash in 2019-20. The undesignated fund balance will go from \$0 to (\$51.9 million) by 2025-26. To balance future budgets will require major cuts to vital City services, including public safety and/or implementation of major revenue enhancement(s).

Since 2008 the City has made significant cuts in operational costs including a reduction of 36 full time staff positions; contracting out City services; implemented a three tiered pension and medical health programs; cost reductions in fire management and required employee pickup of pension and medical costs. City staff received no cost of living increases for over eight years which is impacting our ability to hire qualified public safety officers. The 2016-17 budget adopted further cuts including the elimination of funds for street, park and public building repairs and maintenance. Staff also delayed the purchase of police vehicles and full funding of capital equipment replacement fund. Up to this point, no cuts have been made to critical public safety services or programs.

Knowing there were critical financial challenges moving forward, City staff embarked on a proactive community outreach program. This included conducting an independent scientific community survey, holding over 30 community engagement meetings and presentations. Over the last four months, financial information has been circulated to the residents and business through utility billing mailers, Fountain Valley Living Magazine, including numerous community and neighborhood outreach meetings held throughout the City. The goal was to provide clarity about the City's financial challenges and to solicit input from community members on their priorities for City services and also receive feedback on potential solutions including significant reductions in critical City services and/or possible revenue enhancement options.

The local, national and global economic situation of the past several years has forced

## CITY MANAGER'S TRANSMITTAL LETTER

the City to confront challenging fiscal realities. The City's leadership and its dedicated staff embraced the challenge and together developed a plan to achieve savings and create efficiencies, which enabled the organization to weather the long storm without depleting its contingency reserve, reducing service, or negatively impacting the community. I believe our continued commitment to focus on the City Council's three-year goals and strategic planning process has helped keep Fountain Valley "A Nice" Place to Live", work, and play. However, we are now in a different time as the recession is over but we still face significant fiscal challenges due to costs that cannot be controlled by the City.

As we updated and reviewed the 20-year long range financial plan, the fiscal picture shows an every growing General Fund deficit. Costs out pace revenues by four to ten million dollars annually over the next twenty years. Over the last few years it has become more difficult to invest in vital public safety service, our infrastructure, and the way our community looks as revenue growth is limited and costs continue to outpace those revenues. Based on the long term projections the City will no longer be able to maintain vital local services including fire protection and medical aide; neighborhood police patrols, 9-1-1 response times, gang and youth violence prevention, senior programs or city actives that would stimulate local economic growth without a change in revenues.

The adopted 2016-17 budget and the use of budget stabilization reserves buys us some critical time to address our financial challenges in the next few months. Our goal is to address the problem before we reach the fiscal cliff. Our job is to find solutions to our problems and getting feedback and suggestions from our community is critical. Based on feedback from hundreds of community members the top priorities for Fountain Valley include:

- Maintaining 911 emergency response times
- Maintain local fire station services
- Maintaining neighborhood police patrols
- Repairing streets, potholes and local parks
- Repairing local storm drain systems
- Protecting anti-gang and anti-drug programs
- Increasing Vietnamese-language training for city police and firefighters
- Creating more local jobs & maintaining business attraction programs

After carefully assessing all options and listening to community feedback which overwhelmingly indicated a desire to maintain and restore public safety service levels, it is our belief that the only option that would meet the goal of fiscal sustainability and meet the vital service level needs of residents is a revenue enhancement measure. Without, some type of revenue enhancement measure the City will need to cut millions of dollars for the budget while will impact all levels of City services including public safety.

A voter approved enhancement measure would address the goal of fiscal sustainability, begin to address the structural deficit, accommodate anticipated to public safety service levels, begin to restore reserves and payoff existing City debt and fund pension and OPEB

## CITY MANAGER'S TRANSMITTAL LETTER

liabilities. It will also allow the City to maintain its current level of police protection as well as firefighters and paramedics. The measure would include tough fiscal accountability and transparency.

### **Conclusion and Final Comments**

Balancing our fiscal priorities has not been easy; as some experts note, cities across California (and in other states, too) are facing large legacy demands for retirement and benefit costs while operational and infrastructure needs grow as well. As a result, costs escalate faster than revenues. This "crowding-out" effect is nowhere more evident when we consider the competing demands of funding our vital City service levels and community infrastructure maintenance including local roadways, parks and playgrounds. State takeaways, slowing economy and increasing costs will impact the City's ability to meet critical community needs going forward without a change in the way we provide City services.

I close by offering my sincerest thanks to the many City staff members across all of our departments for their active and thoughtful participation in developing this budget and the capital improvement program. I want to thank every employee for their hard work and ongoing dedication and 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 in the nation. Working hand-in-hand, we will continue our commitment to ensuring public resources are managed as prudently and wisely as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bob Hall", written in a cursive style.

Bob Hall  
City Manager

# STRATEGIC PLAN

The City of Fountain Valley is committed to continuing to be successful in our service delivery to our residents, businesses and visitors. To continue our commitment to moving forward in a cohesive, productive and well organized way, The City Council and management staff adopted a Strategic Plan along with identifying a Mission Statement, Core Organizational Values and Three Year Goals in 2014.



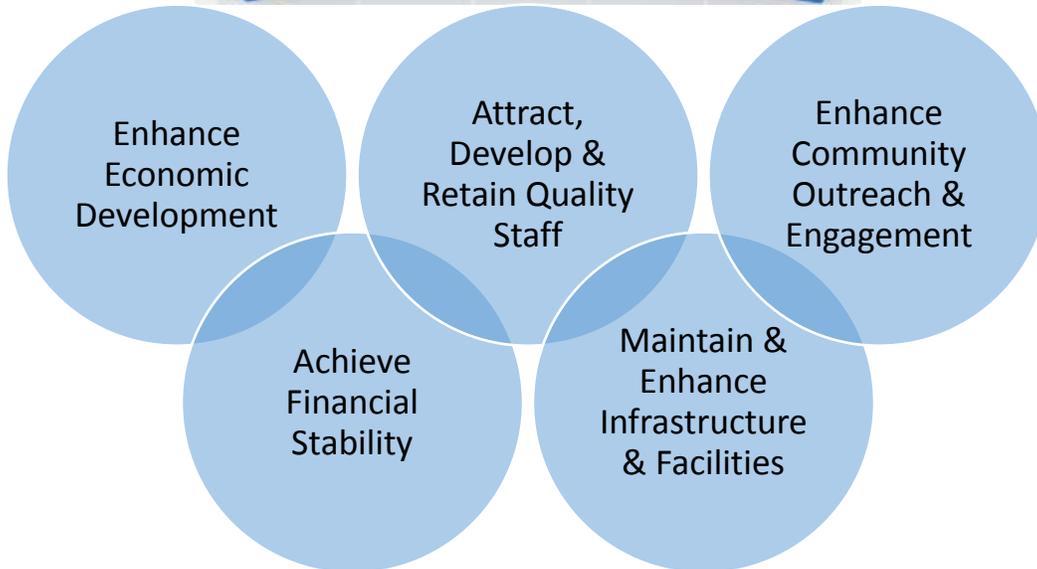
The Strategic Plan is a living document: one that is never really in final form as it is designed to reflect times, challenges, and opportunities, which frame the environment in which our organization operates. Certain elements of the Strategic Plan, such as its Mission Statement and Core Values, are constant, as they reflect the greatness to which our organization aspires, the reason the organization exists, and the manner in which the organization conducts business, e.g. the organization's principals. But the Three-Year goals that face our organization and the specific objectives, which are developed to address those issues, may change due to such things as shifts in the economy, organization or community priorities. Undertaking the strategic planning process, and committing to its ongoing use in the organization, will ensure that we are meeting our fundamental mission, the provision of cost-effective public service to our community.

The City Council and management staff hold semi-annual Strategic Planning Retreats, which are open to the public to develop planning objectives that support the Three Year Goals. The purpose of each retreat is to review and document the City's progress toward the fulfilling of the City's Strategic Planning efforts, along with updating or adding new specific Strategic Objectives. A Strengths Weakness Opportunities and Threats (SWOT) analysis is also discussed, along with developing a list of six month accomplishments. The last Strategic Planning session was held on April 7, 2016 which identified the objections to be completed between April and November 2016.

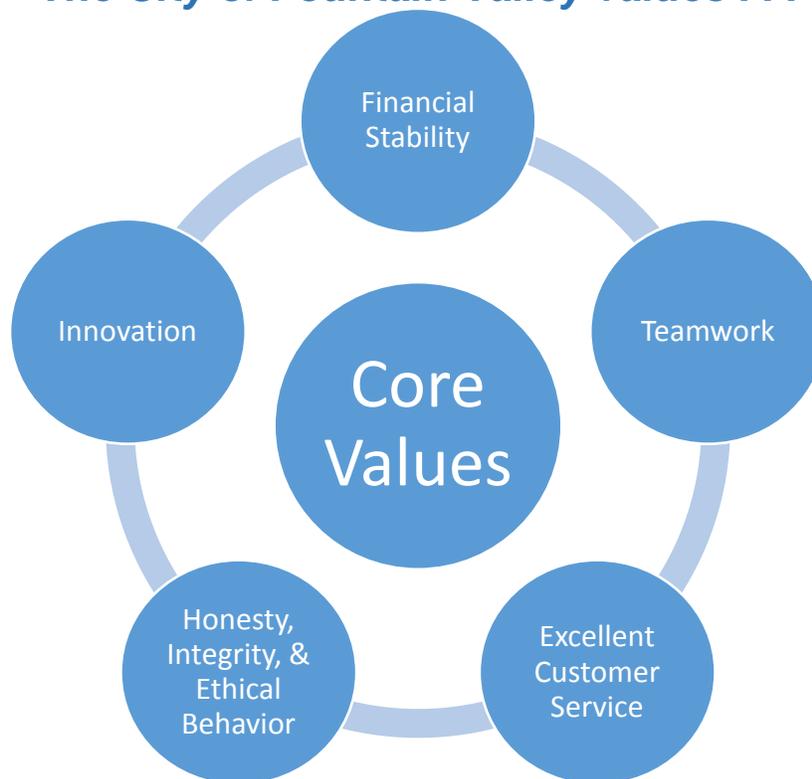
## Mission Statement

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

# STRATEGIC PLAN



## *The City of Fountain Valley values . . .*



# STRATEGIC PLAN

## ***Prior 2015-16 Year City of Fountain Valley Strategic Planning Accomplishments***

- Completed Reservoir 1 upgrade
- Re-financed CalPERS Side Fund through POB's - Saving \$9.7M
- Completed the Citywide AMI Smart Meter Project
- Celebrated the 10<sup>th</sup> Anniversary of our "Center at Founder's Village"
- Awarded several Mayor's Awards to outstanding City Employees
- Hosted the Special Olympics: Host Town for Special Olympics World Games
- Created Customer Portal for Water Customers to view water consumption
- Achieved our State mandated water conservation goal due to drought
- Added Police Dispatcher Position
- Held the Employee Health Fair & Employee Engagement activities
- Presentation to Council on revenue enhancement opportunities
- Reviewed the city's parking standards and presented to Council
- Continued development of employee pages on our Intranet site
- Food Truck Frenzy in the park
- IS Completed the migration of all City Data to new storage hardware
- Fire Intern program started in Fire Administration
- Significant improvement in the Fire Prevention Bureau
- City was named, "Most Water Wise Agency in Orange County", in May 2015
- Completed an Active shooter training for City School Staff & City Employees
- IS was awarded the Quality in Information Services Award from the Municipal Information Services Managers of California
- Added 11 Retired Senior Volunteer Program (RSVP) volunteers
- Hired an additional Code Enforcement Officer
- Celebrated our 25<sup>th</sup> anniversary of the Concert in the Park Series
- Held a four series Movie in the Park Program
- Hosted a National Night Out Against Crime event
- Newhope sidewalk upgrade
- Held the City's annual Summerfest Event with over 30,000 participants
- Implemented the Building Services Customer Service Implementation Plan recommendations
- Signed a cooperative agreement with OCTA for \$1million of pavement funding
- Reviewed the City's landscape ordinance in light of the drought and presented to Council
- Presented Employee Recognition Award for Excellence
- Held two Arbor Day events
- Passed City jail inspection

## STRATEGIC PLAN

- Improved IT webpage information
- Reached agreements with three of our bargaining units
- Created and awarded a Business Beautification Award
- Went live on the Community Dashboard
- Held a small business information workshop
- Completed the annual Residential Paving Project
- Continued to explore marketing/outreach outlets
- Developed two new teen events
- Fire Department awarded \$3,500 for fire investigation cameras
- Received a consultant report regarding evaluation of seven shopping centers in Fountain Valley
- Contracted with a temporary Public Information Officer
- Started a Community Paramedic Pilot Study
- Started an electronic Fire Department Staffing Program
- Held the Fountain Valley Farmers Market in the park during the summer
- Reconstructed the basketball courts at La Capilla park
- Completed the first and second community workshops regarding FV Crossings
- Improvement of the Fountain Plaza property
- Completed sports field turf and irrigation improvements
- Provided a report to the City Council and public on the new websites
- Held the Mayor's Small Business Roundtable
- Collaborated with the Fountain Valley Community Foundation for a Community Camp Out
- Obtained feedback from the employees about what is working well and what needs improvement
- Adopted the FY 2015-2016 budget using new format
- Achieved Tree City status from the National Arbor Society
- Received a \$85,000 grant to improve traffic safety
- Awarded contract for the Ward Street Sewer Lift Station
- Offered the community a complete American Red Cross Swim Program
- Implemented the Patrol Rifle Program
- Completed the fiber optic portion of the SCADA upgrade for utilities to coordinate utility information to a central location
- Collaborated with Hyundai to offer a 10K for our youth volunteers which closed down Ward Street
- Received CSMFO CAFR Award for Excellence in Financial Reporting
- We have a new website; our website has about 30,000 visitors per month
- Held two Arbor Day events

## STRATEGIC PLAN

- The Fire Department responded to 6500 calls
- Issued about 1,000 building permits
- Fire apparatus was repaired and is now back in service
- Ordered a new fire engine
- Improved Fountain Plaza
- The Police Department conducted active shooter training
- Appointed Planning and Building Director (internal)
- Held two teen events
- Held a Real Estate Brokers Summit
- The Fire Department is in compliance with structural firefighting protective gear
- Hired a new recreation coordinator
- The City's CUPA (Certified Unified Program Agency) Program is in compliance with Orange Co. and the state
- Held an Easter Egg Hunt
- Created an Employee Activity Team to increase employee engagement
- We held numerous employee events that were planned by the Employee Activity Team
- Hired a new city clerk
- Hired an assistant to the city manager
- Exceeded our drought conservation goal; the goal was 20%, we achieved 21%
- Hired an additional code enforcement officer
- Streamlined our consultant contracting procedures
- Held a neighborhood clean-up event
- Restored our water reservoir
- Quarterly brochure update
- Refinanced COP (Certificate of Participation) bonds and were able to generate additional bonds from the proceeds; these were used to rehab two storm-water pump stations
- Our parks bring in lots of visitors for tournaments, concerts, etc.
- 170 softball teams in the Recreation Department
- Secured a \$200,000 county grant for road paving
- Approved televising City Council Study Sessions
- Helped at least 10 business get established and open
- Approved a co-op with the Orange County Transportation Authority (OCTA) for the 1-405 that provides \$1million to offset staff costs
- Created economic development and business location assistance feature on our website
- Met with many real estate brokers to market various locations around the City

## STRATEGIC PLAN

- City has a large number of volunteers which donate thousands of hours each year
- The City's landscape contractor donated and planted a City Christmas Tree
- The Police Department held a departmental awards ceremony
- The Police Department had an 'Every 15 Minutes' program at Fountain Valley High School for over 2000 students
- Staff developed a City Succession Plan and presented it to the City Council
- Completed a financial analysis on the City's Water Fund
- The Mayor presented the Mayor's Award to two City Employees
- Presented service awards to approx. 30 City Employees
- The City drafted a plan to support the Tet Festival
- Created an Intranet site for employee information
- Fire inspection Prevention Program was restructured
- The Fire Department has added an administrative aide
- The Finance Director provided a Finance 101 class at the Mayor's Breakfast and it's now available online
- The City manager presented the annual City update to the staff
- Held an employee teambuilding event at Hyundai
- Ensure that the Mayor's column was published in Fountain Valley Living Magazine
- Reported to the City Council progress on improvements to the Fountain Valley Plaza property
- The Mayor holds a monthly 'Coffee with the Mayor'
- Recommended to the City Council an ordinance regarding short-term rentals
- Identified critical core functions and assessed employees' strengths and needs
- Began City-Wide compliance with the county's P25, 800 MHz radio
- Created a fact page on the City's website for Hot Topics
- Held a tree lighting event in December
- Swore-in a new class of senior volunteers for the Police Department
- The City Attorney and Police Chief provide an update regarding problems associated with group home living
- Mayor and IT Manager provided City Works televised programs on Channel 3 and then placed the programs on the City's new website
- Presented a Business Beautification Award
- Held approximately 25 training sessions for City Employees
- The City conducted a community public opinion survey for residents

## STRATEGIC TEN-YEAR FINANCIAL PLAN OVERVIEW

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan.



Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

Long-term financial planning is the process of aligning financial capacity with long-term service objectives.

Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges. Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

Fountain Valley's Strategic Ten-Year Financial Plan was created in 1994 to help the City Council assess the impact of policy decisions on the City's future quality of life. The Financial Plan evaluates the City's financial capability to achieve its goals; helps set priorities for City operations; Internal Service programs; annual operating budget; enterprise operations; and restricted fund activities; and guides the City's long term capital improvement and rehabilitation programs. In 2016 the plan was updated and expanded to 20-years to better capture the longer term financial needs of the City, including tracking the CalPERS and OPEB long term unfunded liability costs and their impact on the fiscal sustainability.

The Financial Plan establishes the foundation and framework for guiding policy and financial management decisions. This long-term perspective integrates strategic planning and budgeting in order to forecast and actively communicate challenges and opportunities before they arise. The City Council's goals are predicated on the understanding that investments of financial, physical and staff resources today ensure the community's quality of life is preserved and enhanced in the future.

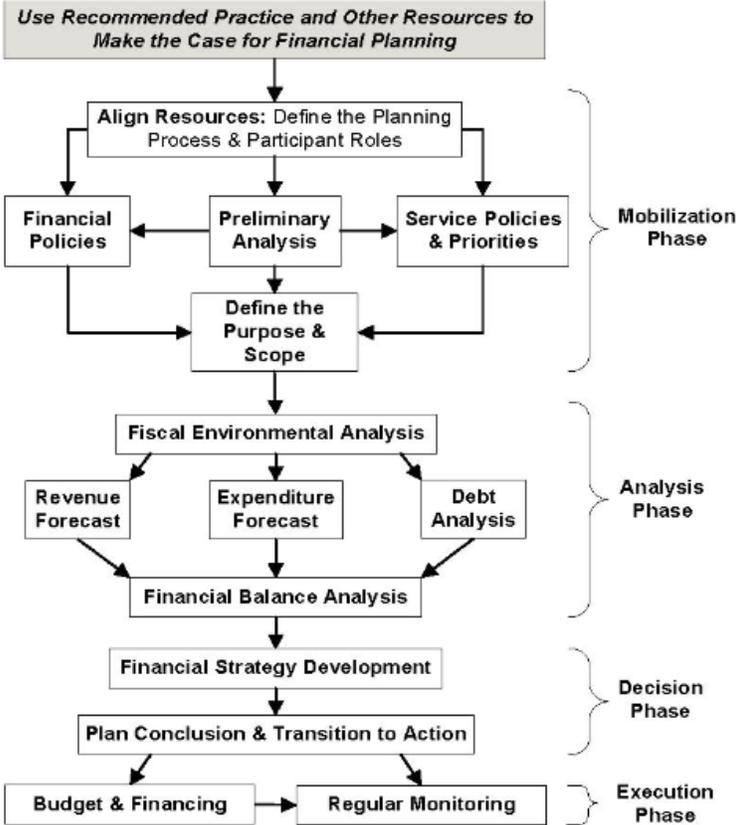
Reflecting current economic conditions and expectations, as well as existing service levels and policies; the Financial Plan, in collaboration with the budget development process, provides an early warning of potential budget challenges from a long-term perspective. The Financial Plan provides short and long-term operating budget outlooks

# STRATEGIC TEN-YEAR FINANCIAL PLAN OVERVIEW

for all appropriated funds, with a focus on those funds that are used to account for the issues of top concern to the community. The purpose of the operating forecast is to identify long-term financial trends, opportunities and imbalances so they can be proactively addressed.

The Financial Plan projects an updated 20-years into the future based on the adopted fiscal year budget and existing budgetary relationships, while the budget is based on an itemized analysis of supply, contract and staffing needs required to meet established service standards and City Council priorities. As a result, the Financial Plan provides a big picture, long-term outlook and the budget a detailed, short-term plan. The Financial Plan also presents a plan to replace equipment, fleet, maintain City buildings and technology infrastructure. Finally, the Financial Plan presents the ten-year Capital Improvement Program (CIP), the City’s investment plan for infrastructure which guides staff in pursuing funding for future projects.

In response to the local, national and global economy, the Financial Plan has focused on strategic allocation of limited resources as the City maintains its traditionally high level of service to the community. The City Council, in the last few years, has emphasized the importance of rebuilding the City’s contingency reserves and the importance of accumulating additional resources for infrastructure rehabilitation purposes. The following diagram highlights the various long-term financial planning phases recommended in a long-term plan.



# ORGANIZATION OF THE CITY



## CITY DIRECTORY For The City of Fountain Valley, CA



### CITY COUNCIL MEMBERS



**Cheryl Brothers**  
*Mayor*



**John Collins**  
*Mayor Pro Tempore*



**Steve Nagel**  
*Council Member*



**Mark McCurdy**  
*Council Member*



**Michael Vo**  
*Council Member*

### CITY OFFICIALS

- City Manager.....Bob Hall
- Chief of Police.....Dan Llorens
- Director of Finance/Treasurer.....David D. Cain
- Director of Human Resources.....Jean Hirai
- Director of Planning/Building & Safety .....Matt Mogensen
- Director of Public Works/City Engineer.....Mark Lewis
- Fire Chief/Battalion Chief.....Tony Coppolino

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

# CITY COMMISSIONS, COMMITTEES & BOARDS



## CITY COMMISSIONS, COMMITTEES & BOARDS

For The City of Fountain Valley, CA



### PLANNING COMMISSION

- Brad Gaston.....Chair
- Patrick Harper.....Vice Chair
- Herman Jack Ajamian.....Commissioner
- Stephen Brown.....Commissioner
- William M. Cameron.....Commissioner
- Robert R. McVicker.....Commissioner
- Matt Mogensen.....Staff Representative

*Planning Commission Meetings are held on the 2<sup>nd</sup> Wednesday of every month at 6:00 p.m., as needed, in the Fountain Valley Council Chamber*

### HOUSING & COMMUNITY DEVELOPMENT ADVISORY BOARD

- Kimberley Adessian.....Chair
- Michael Saffell.....Vice Chair
- Stephen Brumm.....Commissioner
- Gloria Morrison.....Commissioner
- Tuan Nguyen.....Commissioner
- Matt Mogensen & Rebecca Leifkes.....Staff Representative

*Housing & Community Development Advisory Board meetings are held on the 1<sup>st</sup> Wednesday of each month, at 6:00 p.m. in the Fountain Valley Council Chambers*

### ADVISORY COMMITTEE FOR THE DISABLED

- Gary Osterbach.....Chair
- Tom Qu. Nguyen.....Vice Chair
- Kimberley Adessian.....Committee Member
- Terry Coakley.....Committee Member
- John R. Ellison.....Committee Member
- Lawrence Judson.....Committee Member
- Herman Ajamian.....Committee Member
- Anna Nagmay.....Committee Member
- Philip Nisco.....Committee Member
- Susanne Seiden.....Committee Member
- Gael Traer.....Committee Member
- Jan Werts.....Committee Member
- Raymond Galvez-Arango.....Committee Member
- Nora Webb.....Staff Representative

*Advisory Committee for the Disabled meet on the 1<sup>st</sup> Thursday of odd numbered Months at 6:30 p.m. in City Hall, Conference Room #1*

CITY COMMISSIONS, COMMITTEES & BOARDS



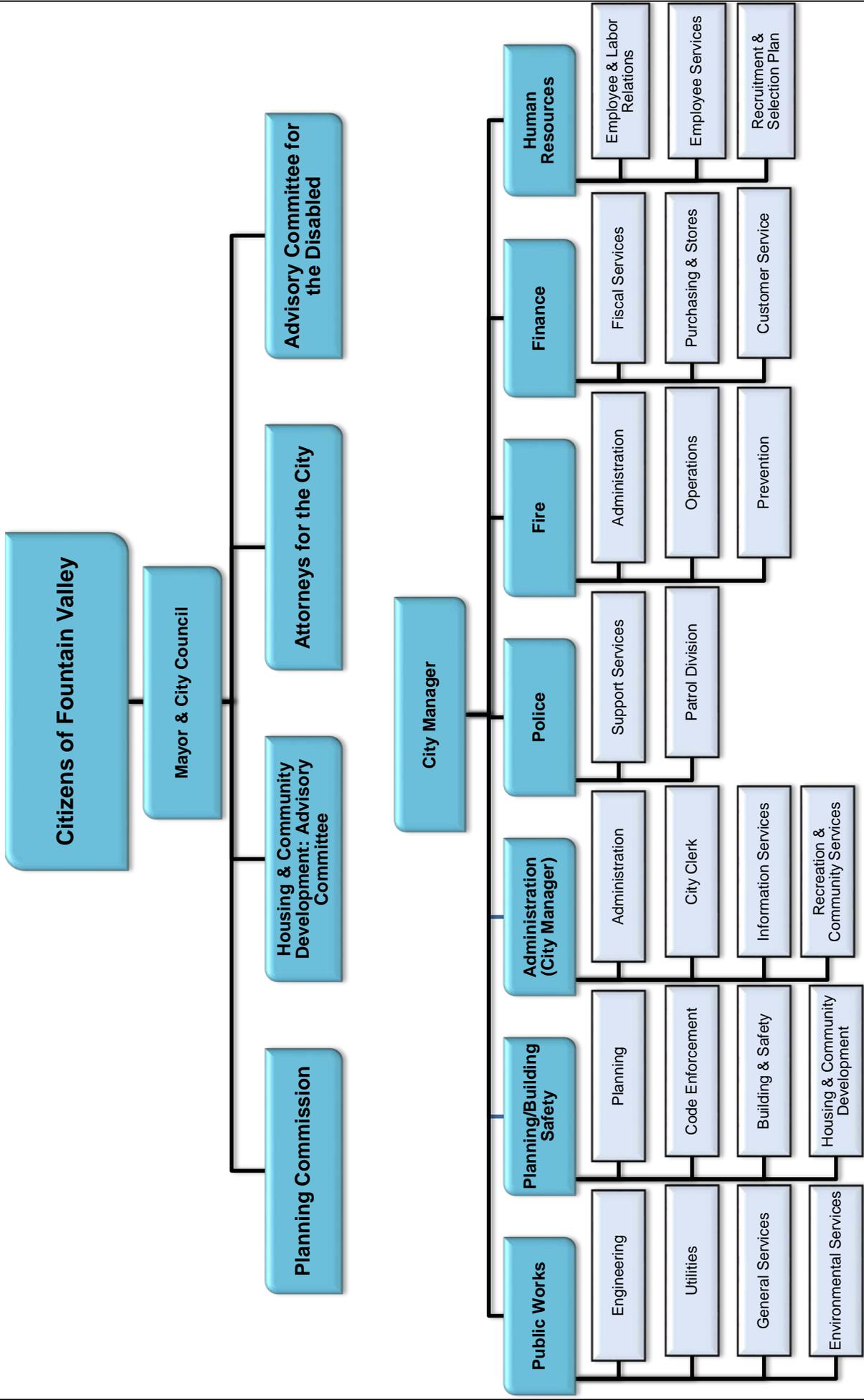
CITY COMMISSIONS, COMMITTEES & BOARDS  
For The City of Fountain Valley, CA



OVERSIGHT BOARD TO THE SUCCESSOR AGENCY

Cheryl Brothers.....	Chair
Steve Nagel.....	Vice Chair
Bob Hall.....	Board Member
Brad Gaston.....	Board Member
Matt Mogensen.....	Board Member
Rick Nakano.....	Board Member
Daniela Thompson.....	Board Member

# City Organizational Chart



**RESOLUTION NO. 9560**

**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 2016-17**

WHEREAS, the City Manager and Finance Director have, heretofore, presented to the City Council a Proposed Operating Budget for Fiscal Year 2016-17; and

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

WHEREAS, the City Council did hold public workshops on May 3, 2016 and May 17, 2016, in the Council Chambers of City Hall of said City, in order to review the proposed budget documents for Fiscal Year 2016-17; and

WHEREAS, the City Council did review proposed budget for the Fiscal Year 2016-17; and

WHEREAS, the original of said proposed budget has been revised so as to reflect each and all amendments, changes and modifications which the City Council, up to the time of the adoption of this Resolution, believes should be made in said proposed budget as so submitted and to correct any non-substantive errors discovered.

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, 2016 and ending June 30, 2017, 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; 2016-17 Capital Improvement Program expenditures along with the use of Capital Reserve Fund monies; the one-time use of fund balance to pay the CJPIA self-insurance liability true-up from the Self Insurance Fund; the use of General Fund undesignated reserves and budget stabilization reserves to balance the 2016-17 operating budget 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 purposed of administrative necessity in implementing the budget, is hereby authorized to transfer funds between accounts, programs and line items 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 2016-17 amended Financial & Budget Policies as presented in the 2016-17 Annual Budget are hereby adopted by the City Council. The City Council does hereby adopt a budget that does not meet the requirements of the Financial & Budget Policies related to the "Balanced Budget" section of the policies.

SECTION 6. The City Council does hereby adopt Salary and Position Control Schedule.

SECTION 7. 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** at a regular meeting of the City Council of the City of Fountain Valley this 7th day of June, 2016.

AYES: Nagel, Vo, Collins, Brothers  
NOES: None  
ABSENT: McCurdy  
ABSTAIN: None

  
Cheryl Brothers, Mayor

ATTEST:

  
Rick Miller, City Clerk

APPROVED AS TO FORM:

  
Colin Burns, Harper & Burns  
Attorney for the City

## GANN APPROPRIATIONS LIMIT

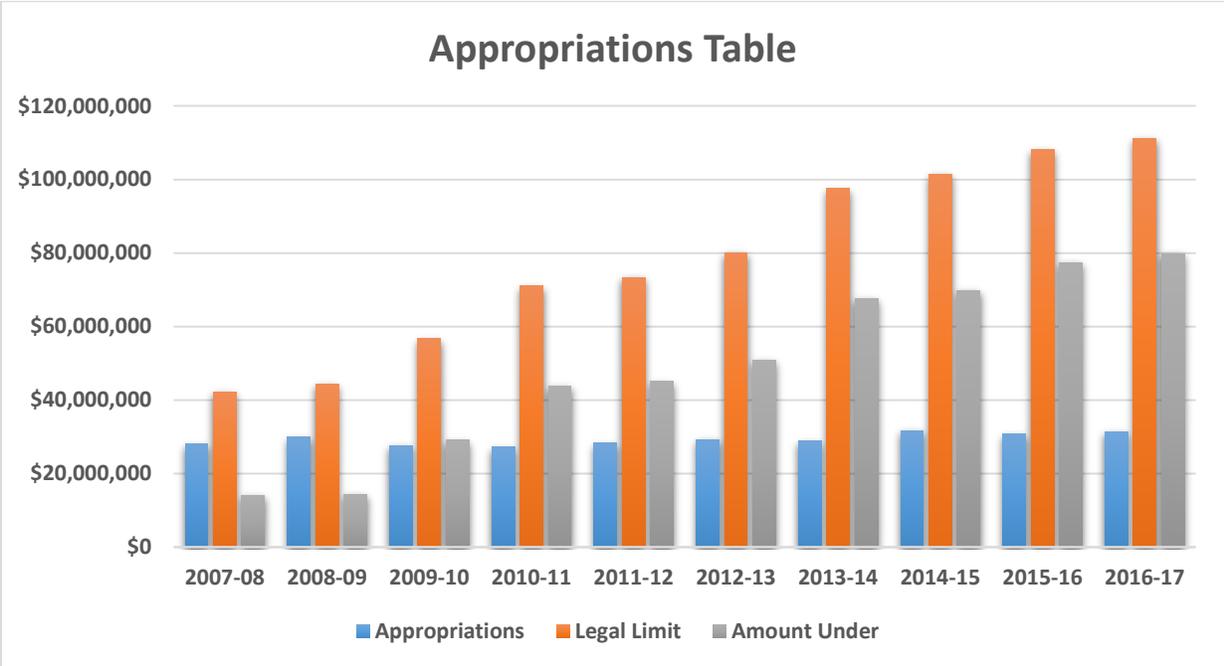
In November 1979 the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative” or “Gann Limit.” The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government from the “proceeds 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 FY2016-17.

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 \$79,873,654 using the non-residential new construction figure and county population growth factors.

<b>GANN APPROPRIATIONS LIMIT CALCULATION FY 2016-17</b>	
FY 2015-16 Appropriations Limit	\$108,089,455
Population Growth (City or County)	1.01%
Cost of Living (Per Capita or Non-residential construction growth)	1.88%
FY 2016-17 Appropriations Limit (\$108,089,455 x 1.01 x 1.88)	\$111,233,654

# GANN APPROPRIATIONS LIMIT



**RESOLUTION NO. 9561**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
FOUNTAIN VALLEY, CALIFORNIA APPROVING AND ADOPTING  
THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-  
17**

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 assess valuation due to new construction; and

WHEREAS, documentation used in the determination of the appropriations limit for fiscal year 2016-17 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 Attachment "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:

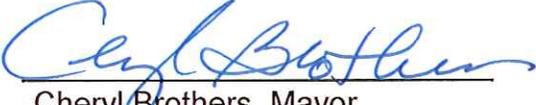
SECTION 1. That the Appropriations Limit for 2016-17 shall be \$111,233,654, as calculated in Attachment A, and the Appropriations Subject to Limitation in Fiscal Year 2016-17 shall be \$31,360,000 and therefore is \$79,873,654 under the limit.

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

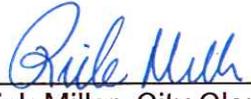
SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and enter it into the book of original Resolutions.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the City Council of the City of Fountain Valley this 7th day of June, 2016.

AYES: Nagel, Vo, Collins, Brothers  
NOES: None  
ABSENT: McCurdy  
ABSTAIN: None

  
Cheryl Brothers, Mayor

ATTEST:

  
Rick Miller, City Clerk

APPROVED AS TO FORM:

  
Colin Burns, Harper and Burns  
Attorney for the City

EXHIBIT A

Appropriations Limit  
City of Fountain Valley  
FY 2016-17

	Amount	Source
A. Last Year's Limit	\$108,089,455	
B. Adjustment Factors		
1. Population %	1.01%	Used County                      0.99
2. Inflation %	1.88%	Used non-residential new construction
Total Adjustment %	2.91%	
C. Annual Adjustment \$	3,144,199	
D Other Adjustments:		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fee (-)	-	
Assumed Responsibility (+)	-	
Sub-Total	-	
E. Total Adjustments	3,144,199	C+D
F. This Year's Limit	\$111,233,654	A+E

**Recap**

Current Appropriations Limit	\$111,233,654
Less: Proceeds of Taxes subject to limit	\$31,360,000
Difference Under the Limit	\$79,873,654

**RESOLUTION NO. 9562**

**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 UTILITY.**

WHEREAS, the proposed 2016-17 Water Fund budget maintains funding for the operating and capital improvement expenditures of the Water Utility; 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 therefor, in, along, upon, and under the streets within the City of Fountain Valley; and

WHEREAS, the Municipal 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 Municipal 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, the City has determined that it is in the best interest of the community to charge the water utility the amount of \$1,767,764 in 2016-17 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 utility.

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

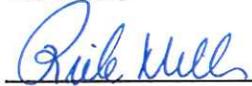
The Schedule attached hereto as Exhibit "A" is approved as the basis for allocating city property and service costs to the water utility.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the City Council of the City of Fountain Valley this 7th day of June, 2016.

AYES: Nagel, Vo, Collins, Brothers  
NOES: None  
ABSENT: McCurdy  
ABSTAIN: None

  
Cheryl Brothers, Mayor

ATTEST

  
\_\_\_\_\_

Rick Miller, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_

Colin Burns, Harper & Burns  
Attorney for the City

ATTACHMENT  
Exhibit A

EXHIBIT A

**SCHEDULE OF PROPERTY RENTAL TERMS AND CHARGES  
ADMINISTRATIVE SERVICES FOR THE MUNICIPAL WATER UTILITY  
FISCAL YEAR 2016-2017**

**A. LEASED PROPERTIES**

<u>FACILITIES SITE</u>	<u>LOCATION</u>	<u>SQUARE FOOTAGE</u>	
1 Reservoir 1	18460 Euclid Street	134,728	
1 City Yard	17300 Mt. Herrmann Street - City Owned	50,000	
1 Well No. 9	Poinsettia Avenue	7,600	
2 Well No. 6	11775 Warner Avenue	12,416	Irregular Lo
2 Well No. 8	11669 Edinger Avenue	19,340	Irregular Lo
	Total	224,084	
<b>1 Rental value</b>	\$0.30 per SF/MO	<b>692,381</b>	
<b>2 Rental value</b>	\$0.25 per SF/MO	<b>95,268</b>	<b>787,649</b>

**B. LEASED BUILDINGS**

<u>FACILITIES SITE</u>	<u>LOCATION</u>	<u>SQUARE FOOTAGE</u>	
City Yard	17300 Mt. Herrmann Street	19,278	
<b>Rental Fee</b>	\$1.00 per SF/MO		<b>231,336</b>

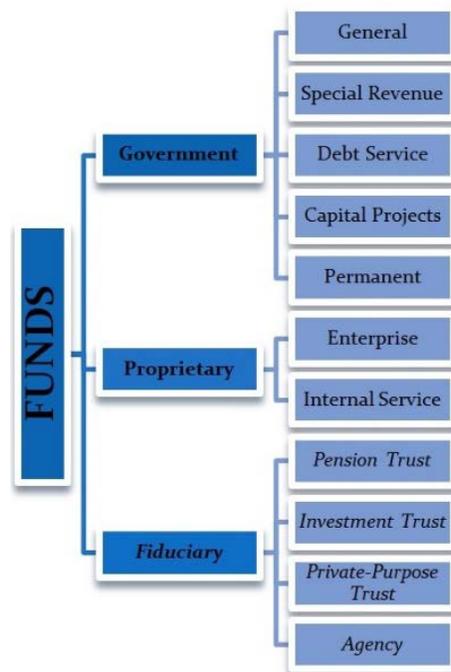
**C. INDIRECT COSTS**

2016/17 Water Fund Expenditures (Less In-Lieu & General Fund Loan Interest)	10,357,149	
General Administrative Cost Rate	7.4%	
<b>Total General Administrative Cost</b>		<b>764,155</b>
<b>Municipal Code 14.12.200 Public Fire Protection Credit (2,050 Hydrants @ \$7.50)</b>		<b>(15,375)</b>
<b>TOTAL COST PER AGREEMENT</b>		<b>1,767,764</b>

# DESCRIPTION OF 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 including those for which a budget is not adopted.

The City budget consist of a number of different funds. Each distinct fund contains program expenditures and revenues that relate to the purpose of the fund. The fund categories include Governmental which includes general, special, and debt service and capital project funds. Proprietary funds which include enterprise, and internal service funds; and fiduciary which include agency and trust funds. Below is a description of most of the City's various funds.



## 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 reflects activities conducted within the City that are supported by general taxes and intergovernmental revenue, as well as user fees, fines, rents, and other general revenues that relate to activates within this fund. Some of the program activities supported by the General Fund include Police, Fire, Building and Planning, economic development, and general administration. The General Fund also supports a large portion of the community services activities not covered by user fees, grants and denotations including the Fountain Valley Community Foundation (Non-Profit Corporation).

### **SPECIAL FUNDS (Restricted)**

Special revenue funds are used to account for the proceeds from specific revenue sources, other than trusts or major capital projects that are legally or contractually restricted to expenditures for specific purposes.

## DESCRIPTION OF FUNDS

### **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)**

A portion of the revenues for this fund are derived from the enactment of the Uniform Controlled Substance Act, which transfers funds back to agencies on a percentage basis for their participation in narcotic enforcement activities. The Asset Forfeiture fund is the depository for equitable sharing payments received from the Departments of Justice and US Department of the Treasury. These are amounts paid to state and local law enforcement agencies for assistance in forfeiture cases. The Regional Narcotics Suppression Program has served the citizens of Orange County since December 1986. 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. Appropriations are funded by the available fund balance.

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

## DESCRIPTION OF FUNDS

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 from Sections 2103, 2105, 2106, 2107, and 2107.5 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.

Beginning with the 2010-11 fiscal year, Section 2103 was added to allocate funds from a new motor vehicle fuel excise tax that replace previous city and county allocations from the Proposition 42 sales tax on gasoline. This is the change known as the “fuel tax swap of 2010.” Section 2103 funds are allocated to cities on a per capita basis and to counties 75% based on the proportion of registered vehicles and 25% based on the proportion of maintained county road miles.

However, the swap created certain revenue effects related to the timing and receipt of revenues. In particular, the law provides that the new excise tax rate be adjusted annually by the BOE to garner an amount of revenues equal to what Prop42 would have provided in the prior year. Thus, the annual Section 2103 funds are always “looking backward” one year. If the Section 2103 amounts generate less than Prop42 would have, the difference will not be made up until the following year.

### **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. The

## DESCRIPTION OF FUNDS

use of these funds are restricted by the area listed in the fund balance. When new projects or new phases to existing projects are budgeted, the funds are transferred to the specific project.

### **Measure M Fairshare M2**

This fund was created to account 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.

### **Vehicle Abatement Program (SAAV)**

The Vehicle Abatement Program (SAAV) administered by Orange County Transportation Authority and authorized through Assembly Bill 4114, sunset during FY 2012-13. The remaining SAAV funds will continue to be expended until depleted.

### **DEBT SERVICE FUNDS**

Debt service funds are used to account for debt service expenditures on general long term debt.

### **Fountain Valley Finance Authority**

This fund was used to account for the debt service payments and construction of certain public improvements associated with the issuance of the 2003 Certificates of Participation. These bonds were refinanced and defeased in 2016. The Authority will be de-activated once the final defeasance payment has been made.

### **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 and the 2016A Lease Revenue Bonds (Refinanced 2003 COP).

### **CAPITAL IMPROVEMENT FUNDS**

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

### **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.

## DESCRIPTION OF FUNDS

### **Traffic Improvement**

This fund is a Capital Improvement fund 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 operation 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. The intent is that the cost of providing the goods and services to the general public (Utility Customers) be paid for 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 the 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 (Formerly Rainbow Environmental Services) to provide residential, commercial waste collection, and recycling. The City utilizes the Water billing process to include the waste collection charges that are then sent to Republic Services. The City collects a fee for each bill sent. 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 which serves Fountain Valley. There is an established sewer fee assessed to every water

## DESCRIPTION OF FUNDS

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 lying within the corporate City limits, certain public sewer improvements must be constructed. A sewer connection/annexation fee is established for development within corporate City limits to pay for sewer improvements. This development impact fee is needed in order 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 for the purpose of paying for 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 including purchasing and duplication 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, Purchasing and Duplication/Stores staffing and related maintenance and supplies.

Funding for acquisition and maintenance is provided by charges back to user department. This fund uses those revenues to plan, build and maintain the City's technology infrastructure. In addition, new technologies are evaluated and cost benefit analyses performed on those which might be of greatest value to the City.

#### **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.

## DESCRIPTION OF FUNDS

### **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. Public Works manages 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 - (These costs are included in Salary and Benefit section of the operating budget)**

The 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. The City is a member of the California Joint Powers Insurance Authority (CJPIA) which provides pooled excess property and liability coverage for the City.

### **Employee Benefits Fund – (These costs are included in Salary and Benefit section of the operating budget)**

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

## DESCRIPTION OF FUNDS

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.

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

Twenty percent of Fountain Valley Redevelopment Agency (RDA) tax increment receipts were required to be set aside for affordable housing uses in the project area and, per the redevelopment plan, could also be used for other citywide affordable housing activities. The RDA housing fund accumulated those set aside amounts and accounts for housing related activities. Additional efforts included financial and economic planning in anticipation of affordable housing 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 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.

### **Developer Agreement / Special Deposit Fund**

This fund is used to account for receipts of money that the City is holding in deposit on the behalf of other persons or entities that are to be refunded or forfeited at a future period and time.

## REVENUE AND EXPENDITURE OVERVIEW

The City's policy is to develop a budget for the fiscal current year where projected operating expenditures are within the on-going projected revenues. One-time revenues may be used for one-time costs. The budget process includes evaluating all service programs and identifying the highest priority services that can be funded within projected revenues.

### Revenue Overview

The City utilizes many techniques to forecast recurring revenues. These tools allow for multiple variables to be considered in the development of the forecasts, including institutional forecasts; the expert opinion of the City's sales and property tax consultant; various national, state and local economic indicators; and established formulas that measure relationships between revenue categories and growth within the City.

Revenue estimates are developed by the budget manager using a variety of techniques, including trend analysis, judgmental forecasting, and expert opinion. Trend data includes historical fiscal performance and historical and projected data modified for known past, current and anticipated anomalies. Expert opinion includes the Chapman Economic & Business Review; Beacon Economics; Los Angeles Economic Development Corporation (LAEDC) Economic Forecast and Industry Outlook; the City's sales tax and property tax consultant (HdL Coren & Cone); and reports from various state and federal agencies. In the end, forecasts are based on judgment that incorporates information provided by various analytical methods; known and potential legislative and political impacts; and national, state and local conditions expected to affect local revenue sources.

In the Fountain Valley Budget the Operating Revenues of the General Fund are divided into two distinct categories: "General Revenue" and "Functional Revenue."

**General Revenue** is defined as general taxes, assessments or collections paid by the entire community that do not relate to a specific City service. These include Property Tax, VLF in-lieu property tax, Sales Tax, Transit Occupancy Tax, and Franchise Taxes and other general revenues. These revenues in turn support services that benefit the entire community such as Public Safety, Community Services, and Support Services including Administration, City Clerk, Finance, and Human Resources.

**Functional Revenue** is referred to as fee for service revenue because the fees collected are directly related to the cost of providing specific City services. These fees are adjusted annually for increase in costs based on a full cost of service study that is completed every five years.

The large portion of the functional revenues in Building and Planning are one-time development based. Since the City is 98% built-out any increases projected in these revenues are derived from the departments who are reviewing proposed development. Other user revenues include recreations program revenues, fees for specific services provided by Finance, Public Works, Fire and Police.

# REVENUE AND EXPENDITURE OVERVIEW

The fees collected directly support the service provided and are paid by an individual, business, or group that receives the benefit of the service. In this way, services that only benefit certain community members are paid for by those citizens and “general” revenue is reserved for the services that benefit the “general” public. The programs in Fountain Valley that have functional revenue associated with them are: Finance / Community Services / Fire / Planning and Building Safety / Police / Public Works.

## Expenditure Overview

The Operating expenditures are broken down into three major categories:

- Salary and Benefits (Includes - Employee Benefits & Self-Insurance Internal Service Funds)
- Maintenance and Operations – General Operating expenditures
- Internal Service Charges - (General Government Buildings, Vehicle Maintenance, Information Systems, and Capital Equipment)

First, Finance completes all estimates for salary and benefits for each authorized and funded position at actual step. Benefits are based on the individuals holding each position and ties to the applicable Memorandum of Understanding adopted by City Council. The Internal Service costs associated with Employee Benefits and Self-Insurance costs are calculated and included in the Salary and Benefits totals.

Second, the Internal Service Charges are updated and then spread to each department based on costs related to government buildings, vehicle maintenance, information systems, and capital equipment. Most internal service funds have a detailed list of items that are scheduled to be replaced over a ten year period after the initial purchase.

The appropriate allocation or charge that each program will receive for its share of their operations and equipment replacement funding is determined by each of the Internal Service Fund Managers. Finance then distributes the charges to the many programs contained in the City’s Budget.

Third, maintenance and operations items are determined by each operating department and may include professional services, memberships, training, office supplies, printing, postage, utilities, small tools and equipment.

## Transfers-In/Out

Transfers-in next year include overhead and operating reimbursements required between funds. For example the restricted gas tax revenues allow for administrative costs to be

## REVENUE AND EXPENDITURE OVERVIEW

allocated against a specific amount of the revenue. The personal and support costs are in the General Fund and thus a transfer of gas tax money is made to this fund each year.

A cost of services study identifies the amount of general City support costs attributable to the water and sewer funds. A reimbursement of these costs is made from these funds back to the general fund. The portion of the rate revenues attributable to overhead support costs are shown as a transfer to the General Fund to reimburse the City for general overhead support.

### **Conclusion**

Financial forecasting is, at best, an inexact science. Many experts and studies offer varied opinions and forecasts, each completely logical and reasonable. Staff has developed revenue estimates based on historical and current trends and forecasts available as of April each year. These estimates take into account what has historically happened to our local and state economy, what the City's projected current revenue and expenditures are, based on mid-year actuals, and, as much as possible, what is likely to happen over the next 14 months based on a variety of economic factors.

## ESTIMATED FUND BALANCE

Fund No.	Fund Description	Estimated Fund Balance 07/01/2016	Estimated Continuing Approp.	Projected Revenue 2016-17	Total Available
11	General Fund	33,979,984	3,126,096	42,074,415	72,928,303
<b>Total General Fund</b>		<b>33,979,984</b>	<b>3,126,096</b>	<b>42,074,415</b>	<b>72,928,303</b>
15	Criminal Diversion	244,889	-	46,000	290,889
16	COPS/Supplemental Law	(15,327)		120,000	104,673
23	Gas Tax/Street Imp	884,134		1,175,306	2,059,440
24	Traffic Improvement	106,282	3,156,222	1,479,000	(1,570,940)
25	Measure M2	2,892,046		1,688,011	4,580,057
26	Pollution Reduction	420,876	92,200	159,200	487,876
31	Drainage Fund	128,821		3,500,500	3,629,321
34	Abandoned Vehicle Abatement	52,150		-	52,150
88	Park Improvement Fund	-			-
85	Housing Authority	8,159,874		3,625,083	11,784,957
86	Home Grant	214,844			214,844
87	Community Dev/HUD	-		408,963	408,963
<b>Total Special Revenue Funds</b>		<b>13,088,589</b>	<b>3,248,422</b>	<b>12,202,063</b>	<b>22,042,230</b>
32	Sewer Assessment	3,740,026		1,974,406	5,714,432
71	Water Utility (Cash Balance)	13,049,388	6,020,000	13,978,816	21,008,204
73	Solid Waste	805,345		3,250,000	4,055,345
<b>Total Enterprise Funds</b>		<b>17,594,759</b>	<b>6,020,000</b>	<b>19,203,222</b>	<b>30,777,981</b>
61	Information Technology	1,082,075		1,365,495	2,447,570
62	Government Buildings	2,343,030	154,804	1,591,348	3,779,574
63	Fleet Services	2,071,496		1,848,498	3,919,994
64	Capital Equipment	1,284,392	6,881	73,918	1,351,429
65	Self Insurance	3,209,471		2,585,531	5,795,002
66	Employee Benefits	874,096		12,700,805	13,574,901
<b>Total Internal Service Funds</b>		<b>10,864,560</b>	<b>161,685</b>	<b>20,165,596</b>	<b>30,868,471</b>
84/91/92	Successor Agency	(509,770)		1,109,770	600,000
<b>Total Successor Agency</b>		<b>(509,770)</b>	<b>-</b>	<b>1,109,770</b>	<b>600,000</b>
46	F.V.P.F.A Capital Projects	6,679,007			6,679,007
47	F.V.P.F.A Debt Service	-		872,250	872,250
<b>Total Others</b>		<b>6,679,007</b>	<b>-</b>	<b>872,250</b>	<b>7,551,257</b>
<b>Total All Funds</b>		<b>81,697,129</b>	<b>12,556,203</b>	<b>95,627,316</b>	<b>164,768,242</b>

## ESTIMATED FUND BALANCE

Transfer In	Transfer Out	Adopted Approp. 2016-17	Various Reserves	Designated Working Reserves	Estimated Fund Balance 06/30/2017
948,541	1,676,243	42,199,052	20,384,470	9,617,079	0
<b>948,541</b>	<b>1,676,243</b>	<b>42,199,052</b>	<b>20,384,470</b>	<b>9,617,079</b>	<b>0</b>
		17,000			273,889
		104,673			-
323,000	505,610	1,440,939			435,891
3,135,940	4,051	1,560,949			-
	3,568,965	-			1,011,092
	120,036	94,927			272,913
		3,500,000			129,321
	664	13,999			37,487
					-
	5,040	339,887			11,440,030
	-				214,844
	6,051	402,912			-
<b>3,458,940</b>	<b>4,210,417</b>	<b>7,475,286</b>	-	-	<b>13,815,467</b>
	186,409	2,540,087			2,987,936
409,000	251,278	14,563,852			6,602,074
	209,000	2,983,500			862,845
<b>409,000</b>	<b>646,687</b>	<b>20,087,439</b>	-	-	<b>10,452,855</b>
	34,054	1,590,514			823,002
	27,257	2,027,138			1,725,179
120,000	22,845	1,815,931	230,000		1,971,218
		505,605			845,824
		3,173,250			2,621,752
1,683,045		14,444,050			813,896
<b>1,803,045</b>	<b>84,156</b>	<b>23,556,489</b>	<b>230,000</b>	-	<b>8,800,871</b>
	2,023	597,977			-
-	<b>2,023</b>	<b>597,977</b>	-	-	-
		3,500,000			3,179,007
		872,250			-
-	-	<b>4,372,250</b>	-	-	<b>3,179,007</b>
<b>6,619,526</b>	<b>6,619,526</b>	<b>98,288,493</b>	<b>20,614,470</b>	<b>9,617,079</b>	<b>36,248,200</b>

# ESTIMATED CONTINUING APPROPRIATIONS

Fund Account No.	Account Description	FY 2015-2016 Budget	FY 2015-2016 Estimated Actual (Rev)/Exp.	FY 2016-20117 Estimated Cont. Approp.
11	General Fund			
11.3.GF144.2.3421	State Grant (16/17 Bev. Container)	(14,754)	-	(14,754)
11.4.GF144.4.4979	Misc Capital Outlay (16/17 Bev. Cont.)	14,754	-	14,754
11.3.CD868.2.3422	Federal Grant - SCAG	(112,491)	(51,974)	(60,517)
11.4.CD868.4.4419	Professional Services - Grant	110,517	50,000	60,517
11.4.CD868.4.4413	Professional Services	1,046,920	20,000	1,026,920
11.4.CD868.4.4418	Professional Services - Other	248,424	200,001	48,423
11.4.GF339.4.4979	Other Cap Imp. - Rec Ctr Rehab	485,145	24,280	460,865
11.4.GF413.4.4935	Median Drought Tolerant Landscape	1,675,000	85,112	1,589,888
<b>Total General Fund</b>		<b>3,453,515</b>	<b>327,419</b>	<b>3,126,096</b>
15	Criminal Diversion			
15.3.71782.2.3422	Federal Grant - 15/16 OTS Step	(78,500)	(23,330)	(55,170)
15.4.71782.1.4323	Overtime - Sworn	67,670	16,330	51,340
15.4.71782.3.4463	Educational Meeting	3,500	1,000	2,500
15.4.71782.3.4463	Misc. Equipment	7,330	6,000	1,330
<b>Total Criminal Diversion Fund</b>		<b>-</b>	<b>-</b>	<b>-</b>
24	Traffic Improvement			
24.4.TI147.4.4936	Signals & Lights - Warner Ave Sync	18,786	-	18,786
24.4.TI148.4.4936	Signals & Lights - Talbert Ave Sync	1,831	-	1,831
24.4.TI149.4.4936	Signals & Lights - Euclid St Sync	39,439	-	39,439
24.4.TI198.4.4936	Signals & Lights - Edinger Ave Sync	15,526	-	15,526
24.4.TI280.4.4936	Signals & Lights - Harbor Blvd Sync	5,640	-	5,640
24.4.TI272.4.4931	Harbor - No. City Limit/SA River	1,600,000	10,000	1,590,000
24.4.TI273.4.4931	Edinger - Brookhurst/Euclid	1,500,000	15,000	1,485,000
<b>Total Traffic Improvement Fund</b>		<b>3,181,222</b>	<b>25,000</b>	<b>3,156,222</b>
26	Pollution Reduction			
26.4.PR603.4.4971	Electric Vehicle Charging Station (6)	92,200	-	92,200
<b>Total Pollution Reduction</b>		<b>92,200</b>	<b>-</b>	<b>92,200</b>
62	Government Buildings			
62.9.92717.4.4822	Carpet (City Hall)	160,000	5,196	154,804
<b>Total Government Buildings ISF</b>		<b>160,000</b>	<b>5,196</b>	<b>154,804</b>
62	Capital Equipment			
64.9.8194.4.4822	Tables/Chairs-Community Center	7,000	119	6,881
<b>Total Capital Equipment ISF</b>		<b>7,000</b>	<b>119</b>	<b>6,881</b>
71	Water Utility			
71.4.WU846.4.4942	Reservoirs - Res No. 2	6,000,000	80,000	5,920,000
71.4.WU914.4.4979	Smart Landscape Irrigation Control	320,000	220,000	100,000
<b>Total Water Utility Fund</b>		<b>6,320,000</b>	<b>300,000</b>	<b>6,020,000</b>
<b>Total All Funds</b>		<b>13,213,937</b>	<b>657,734</b>	<b>12,556,203</b>

## FUND TRANSFERS IN & OUT DETAIL

	Transfers Out	Transfers In						Total
		Gen Fund	Gas Tax	Traffic Impr	Water	IS-Fleet	IS-Benefits	
<b>General Fund</b>								
Gas Tax Fund	253,000		253,000					
Employee Benefit Fund (OPEB)	1,423,243						1,423,243	
<b>Total General Fund</b>	<b>1,676,243</b>	<b>-</b>	<b>253,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,423,243</b>	<b>1,676,243</b>
<b>Gas Tax Fund</b>								
General Fund	502,049	502,049						
Employee Benefit Fund (OPEB)	3,561						3,561	
<b>Total Gas Tax Fund</b>	<b>505,610</b>	<b>502,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,561</b>	<b>505,610</b>
<b>Traffic Improvement Fund</b>								
Employee Benefit Fund (OPEB)	4,051						4,051	
<b>Total Traffic Improvement Fund</b>	<b>4,051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,051</b>	<b>4,051</b>
<b>Measure M2 Fund</b>								
General Fund (Senior Mobility)	71,025	71,025						
General Fund	317,000	317,000						
Water Fund	200,000				200,000			
Traffic Improvement	2,980,940			2,980,940				
<b>Total Measure M2 Fund</b>	<b>3,568,965</b>	<b>388,025</b>	<b>-</b>	<b>2,980,940</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>3,568,965</b>
<b>Pollution Reduction Fund</b>								
IS - Fleet	120,000					120,000		
Employee Benefit Fund (OPEB)	36						36	
<b>Total Pollution Reduction Fund</b>	<b>120,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>36</b>	<b>120,036</b>
<b>Abandoned Vehicle Fund</b>								
Employee Benefit Fund (OPEB)	664						664	
<b>Total Abandoned Vehicle Fund</b>	<b>664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664</b>	<b>664</b>
<b>Sewer Assessment Fund</b>								
General Fund	58,467	58,467						
Gas Tax Fund	30,000		30,000					
Traffic Improvement	70,000			70,000				
Employee Benefit Fund (OPEB)	27,942						27,942	
<b>Total Sewer Assessment Fund</b>	<b>186,409</b>	<b>58,467</b>	<b>30,000</b>	<b>70,000</b>	<b>-</b>	<b>-</b>	<b>27,942</b>	<b>186,409</b>
<b>Water Utility Fund</b>								
Gas Tax Fund	40,000		40,000					
Traffic Improvement	85,000			85,000				
Employee Benefit Fund (OPEB)	126,278						126,278	
<b>Total Water Utility Fund</b>	<b>251,278</b>	<b>-</b>	<b>40,000</b>	<b>85,000</b>	<b>-</b>	<b>-</b>	<b>126,278</b>	<b>251,278</b>
<b>Solid Waste Fund</b>								
Water Fund	209,000				209,000			
<b>Total Solid Waste Fund</b>	<b>209,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,000</b>	<b>-</b>	<b>-</b>	<b>209,000</b>
<b>Fountain Valley Housing Authority Fund</b>								
Employee Benefit Fund (OPEB)	5,040						5,040	
<b>Total FVHA Fund</b>	<b>5,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,040</b>	<b>5,040</b>
<b>Community Development Block Grant Fund</b>								
Employee Benefit Fund (OPEB)	6,051						6,051	
<b>Total CDBG Fund</b>	<b>6,051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,051</b>	<b>6,051</b>
<b>Succssor Agency to the FVACD Fund</b>								
Employee Benefit Fund (OPEB)	2,023						2,023	
<b>Total SAFVACD Fund</b>	<b>2,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,023</b>	<b>2,023</b>
<b>IS - Information Technology Fund</b>								
Employee Benefit Fund (OPEB)	34,054						34,054	
<b>Total IS - Information Technology Fund</b>	<b>34,054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,054</b>	<b>34,054</b>
<b>IS - Government Buildings Fund</b>								
Employee Benefit Fund (OPEB)	27,257						27,257	
<b>Total IS - Government Buildings Fund</b>	<b>27,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,257</b>	<b>27,257</b>

## FUND TRANSFERS IN & OUT DETAIL

	Transfers	Transfers In						Total
	Out	Gen Fund	Gas Tax	Traffic Impr	Water	IS-Fleet	IS-Benefits	
<b>IS - Fleet Management Fund</b>								
Employee Benefit Fund (OPEB)	22,845						22,845	
<b>Total IS - Fleet Management Fund</b>	<b>22,845</b>	-	-	-	-	-	<b>22,845</b>	<b>22,845</b>
<b>Total All Funds</b>	<b>6,619,526</b>	<b>948,541</b>	<b>323,000</b>	<b>3,135,940</b>	<b>409,000</b>	<b>120,000</b>	<b>1,683,045</b>	<b>6,619,526</b>



## BUDGET SUPPLEMENTS & MODIFICATIONS

Department	15/16 Budget	16/17 Amount Requested	Approved Change to 16/17 Budget	General Fund	Description
<b>Totals</b>	<b>6,272,278</b>	<b>10,459,457</b>	<b>3,136,917</b>	<b>2,395,710</b>	
Animal Control	268,602	334,224	65,622	65,622	County of Orange
New Animal Shelter	-	80,000	80,000	80,000	County of Orange
800 MHz Maintenance	58,598	60,338	1,740	1,740	County of Orange
Radio Replacement	55,750	147,299	91,549	91,549	County of Orange
2% Salary	-	183,291	183,291	162,298	Salary Increase
<b>Total Non Dept/Capital/Other</b>	<b>382,950</b>	<b>805,152</b>	<b>422,202</b>	<b>401,209</b>	
<b>Administration</b>					
11-11100	335,000	350,000	15,000	15,000	4411 Legal Services
11-11100	15,000	32,600	-	-	4413 Professional Services
11-11100	42,400	47,236	-	-	4461 Membership Dues
11-11100	4,370	5,000	-	-	4462 Business Meetings
11-12101	90	540	450	450	4461 Membership Dues
11-12101	200	680	480	480	4462 Business Meetings
11-12101	900	3,300	2,400	2,400	4463 Educational Meetings
<b>Total Administration</b>	<b>397,960</b>	<b>439,356</b>	<b>18,330</b>	<b>18,330</b>	
<b>City Clerk</b>					
11-24211	2,775	0	(2,775)	(2,775)	4413 Professional Services
11-24211	3,300	2,500	(800)	(800)	4463 Educational Meetings
11-24212	2,500	50,000	47,500	47,500	4413 Professional Services
<b>Total City Clerk</b>	<b>8,575</b>	<b>52,500</b>	<b>43,925</b>	<b>43,925</b>	
<b>Human Resources</b>					
22-22245	-	60,000	60,000	60,000	4411 Legal Services
22-22245	19,500	18,000	(1,500)	(1,500)	4412 Medical Services
22-22245	500	1,300	800	800	4416 Non Professional Services
22-22245	3,935	6,935	3,000	3,000	4533 Awards & Incentives
<b>Total Human Resources</b>	<b>23,935</b>	<b>86,235</b>	<b>62,300</b>	<b>62,300</b>	
<b>Total Planning &amp; Building</b>					
11-31313	20,500	3,500	(17,000)	(17,000)	4413 Professional Services
<b>Total Planning &amp; Building</b>	<b>20,500</b>	<b>3,500</b>	<b>(17,000)</b>	<b>(17,000)</b>	
<b>Public Works</b>					
PW-SUP	-	45,000	45,000	45,000	City Traffic Speed Survey
PW-SUP	-	46,500	-	-	Resurface Rec Center Playground
PW-SUP	-	10,000	-	-	Senior Center Roof
PW-SUP	-	30,000	-	-	City Yard Security
PW-SUP	-	30,000	-	-	Helm Park Light Pole
PW-SUP	-	12,000	-	-	Playground Surface Maintenance
PW-SUP	-	70,000	-	-	City Hall Fountain
PW-SUP	-	15,570	-	-	Library Reflection Pond
PW-SUP	-	200,000	-	-	Park Improvements
PW-SUP	81,000	120,000	39,000	26,520	Replace Civic Pool Vehicle w/FIT
PW-Water	-	130,000	-	-	Residential Median Turf Conversion
PW-Water	-	150,000	-	-	SCADA Fiber Optic Redundancy Sys
71.59957	35,000	-	(35,000)	-	4425 Telephones
71.59957	3,000	38,000	35,000	35,000	4430 Cell Phones
PW-TI	-	250,000	250,000	-	PPLT Survey
PW-TI	-	50,000	50,000	-	Local Circulator Study
PW-TI	-	35,000	35,000	-	Citywide Signal Comm Maintenance
PW-TI	-	-	-	-	Magnolia Bike Corridor
PW-TX	-	150,000	-	-	GF Gas Tax Transfer
11.51XXX	-	25,000	25,000	25,000	4417 Service Contracts
11.51526	-	5,385	5,385	5,385	4311 Salary
32.51525	-	12,564	12,564	-	4311 Salary
32.51525	-	11,044	-	-	4311 Salary
71.59XXX	-	33,132	-	-	4311 Salary
71.59XXX	-	5,914	5,914	-	4311 Salary
11.51519	9,000	12,500	-	-	4422 Electricity
11.51521	309,000	265,000	(44,000)	(44,000)	4417 Service Contracts
11.51521	6,750	10,000	3,250	3,250	4546 Grounds/Landscape Supply
11.51522	13,000	24,200	-	-	4511 Other Equipment M&R
11.51522	188,000	186,620	(1,380)	(1,380)	4417 Service Contracts
11.51522	250	600	350	350	4430 Cell Phones
11.51522	250	1,280	1,030	1,030	4436 Professional Certifications
11.51522	13,000	14,350	1,350	1,350	4912 Land Rights
11.51523	2,000	3,150	1,150	1,150	4313 Overtime
11.51526	70,000	63,000	(7,000)	(7,000)	4570 Waste Water Permits
11.51526	8,500	15,000	6,500	6,500	4631 Wells/Lift/Res M&R
11.51527	32,000	42,000	10,000	10,000	4422 Electricity
11.51527	2,000	3,500	1,500	1,500	4313 Standby
11.51536	363,300	360,000	(3,300)	(3,300)	4417 Service Contracts
11.51536	3,500	6,800	3,300	3,300	4629 Other Equipment M&R
11.51537	70,000	72,000	2,000	2,000	4417 Service Contracts
<b>Total Public Works</b>	<b>1,209,550</b>	<b>2,555,109</b>	<b>442,613</b>	<b>76,655</b>	
<b>Fire Department</b>					
11.61629	75,000	125,000	50,000	50,000	4417 Service Contracts
11.61629	266,471	279,434	12,963	12,963	4426 Other Communications
11.61630	55,000	60,000	5,000	5,000	4527 1st Aid/Paramedic Supplies
63.XXXXX	-	470,000	470,000	319,600	ISF Capital
64.XXXXX	100,000	120,000	-	-	4822 Cardiac Monitors
11-61XXX	106,408	123,471	-	-	4312 Part Time/Benefits
11-61631	855	2,055	1,200	1,200	4526 Fire Safety Uniforms
<b>Total Fire Department</b>	<b>603,734</b>	<b>1,179,960</b>	<b>539,163</b>	<b>388,763</b>	
<b>Police Department</b>					
PD-SUPP	1,600	11,600	-	-	4413 Professional Services
PD-SUPP	-	24,000	24,000	-	Dispatch Data Center Remodel
PD-SUPP	50,000	110,000	-	-	New Security System
11-71734	1,600	14,900	13,300	13,300	4413 Professional Services
11-71734	38,575	43,575	-	-	4454 Training
11-71738	115,000	119,117	4,117	4,117	4416 Non-Professional Services

## BUDGET SUPPLEMENTS & MODIFICATIONS

Notes	Yes/No	Undecided Costs			
		General Fund	Water Fund	Internal Service	Other Funds
		717,546	313,132	8,540	11,044
2016-17 Expected increase for Animal Control	Yes				
Annual payment for new animal shelter	Yes				
800MHz Maintenance	Yes				
800MHz Replacement Program	Yes				
Per MOU	Yes				
		-	-	-	-
Increase to budget for Harper & Burns	Yes				
Online brokerage service (\$2,600)/Community outreach (\$15,000)	No	17,600			
Increase Dues - League, ACC OC	No	4,836			
Expected Needs	No	630			
Increased Memberships	Yes				
Greater participation in various groups	Yes				
Necessary conferences	Yes				
		<b>23,066</b>	-	-	-
One time charges	Yes				
One time charges	Yes				
Election year	Yes				
		-	-	-	-
Move LCW to HR	Yes				
Historical adjustment	Yes				
\$800 15/16 Health Fair	Yes				
\$1,500 from 15/16, \$1,500 from 4412 Medical Services	Yes				
		-	-	-	-
Fee Study in 15/16	Yes				
		-	-	-	-
Speed Survey	Yes				
Surface is deteriorating	No	46,500			
Preventative	No	10,000			
Increase to cover true cost	No	30,000			
Corroded light poles - repair or remove	No	30,000			
Annual preventative maintenance	No	12,000			
Repairs	No	70,000			
Repair or drain	No	15,570			
Annual - Potential closures	No	200,000			
Replacement scheduled for 19/20 & 20/21- Funded by Fund 26	Yes				
Residential Median Turf Conversion	No		130,000		
SCADA Fiber Optic Redundancy Sys	No		150,000		
Move budget for fiber optics annual maintenance	Yes				
Share of fiber optics annual maintenance	Yes				
Citywide study for Protected/Permitted Left-Turn (Traffic Improvement/Grant)	Yes				
Local Circulator Study	Yes				
Share of fiber optics annual maintenance	Yes				
17/18 \$1,200,000	Yes				
GF Gas Tax Transfer (General Fund contribution suspended)	No	150,000			
Share of fiber optics annual maintenance	Yes				
Reclassify positions to certified	Yes				
Reclassify positions to certified	Yes				
Salary adjustments for Utility Management Staff	No				11,044
Salary adjustments for Utility Management Staff	No		33,132		
Reclassification of Meter Readers to Maintenance Worker II Water - Certified	Yes				
Rate increase/Trends	No	3,500			
Decrease to match contract amount (15/16 was an estimate)	Yes				
Urban reforestation program (revenue offset)	Yes				
Lack of capital funding for playground equipment requires increase maintenance	No	11,200			
Decrease to match contract amount (15/16 was an estimate)	Yes				
Increase cost to cover new smartphones	Yes				
New certification requirement for playground repair and maintenance	Yes				
3% increase per OC Tax Assessments	Yes				
Increase Standby cost due to MOU change	Yes				
NPDES Program Fees	Yes				
Increase/Trend	Yes				
Rate increase/Trends	Yes				
Increase Standby cost due to MOU change	Yes				
Decrease to reflect current contract and CPI	Yes				
Increase budget (offset to 4417)	Yes				
Actual cost of graffiti removal contract (16 hours per week)	Yes				
		<b>578,770</b>	<b>313,132</b>	-	<b>11,044</b>
Increase maintenance cost with aging equipment	Yes				
Increase to MetroNet Contract	Yes				
Tied to supplies reimbursement revenue from Care Ambulance	Yes				
Annual cost for fire apparatus	Yes				
Increased cost (True cost \$140,000 - \$20,000 from Fire Dept donations)	No	13,600		6,400	
Increase hours for EMS Manager and Administrative Aide	No	17,063			
Increase from 15/16 MOU	Yes				
		<b>30,663</b>	-	<b>6,400</b>	-
GIS Services	No	10,000			
Remodel & staff coverage (Funding from 911 Grant, Move 17/18 ISF Workstations)	Yes				
Security Cameras (\$50k from ISF)	No	60,000			
Cellular services formerly paid out of Fund 15 (Federal Asset Seizure)	Yes				
Training budget formerly paid out of Fund 15 (Federal Asset Seizure)	No	5,000			
All City Management crossing guards contract	Yes				

## BUDGET SUPPLEMENTS & MODIFICATIONS

Department	15/16 Budget	16/17 Amount Requested	Approved Change to 16/17 Budget	General Fund	Description
<b>Totals</b>	<b>6,272,278</b>	<b>10,459,457</b>	<b>3,136,917</b>	<b>2,395,710</b>	
11-71738	78,000	95,000	17,000	17,000	4417 Service Contracts
11-71738	17,000	20,000	3,000	3,000	4419 Professional Services
11-71740	2,500	5,500			4453 Vice Investigations
11-71742	-	60,000	60,000	60,000	4312 Hourly Temporary
<b>Total Police Department</b>	<b>304,275</b>	<b>503,692</b>	<b>121,417</b>	<b>97,417</b>	
<b>Rec &amp; Comm Svs.</b>					
81-850	19,000	14,000	(5,000)	(5,000)	4449 Other Rentals
81-849	17,341	19,076	1,735	1,735	4412 Part Time
81-853	33,000	67,000	34,000	34,000	4459 Senior Events
81-854	220,000	241,200	21,200	21,200	4317 Instructor Payments
81-854	24,440	34,440	10,000	10,000	4435 Public Information
81-855	40,000	42,500	-		4467 Community Service Events
<b>Total Rec. &amp; Com. Svs.</b>	<b>353,781</b>	<b>418,216</b>	<b>61,935</b>	<b>61,935</b>	
<b>IS</b>					
61-00051	7,600	20,800	13,200	8,976	Replace Palo Alto Firewall
61-00051	-	6,739	6,739	4,583	Replace Phone System FS#1
61-00051	-	6,687	-	-	Replace Phone System FS#2
61-00051	13,800	17,760	3,960	2,693	4417 Service Contracts
61-00051	429,636	331,996	(97,640)		4417 Service Contracts
<b>Total Information Services</b>	<b>451,036</b>	<b>383,982</b>	<b>(73,741)</b>	<b>16,251</b>	
IS - 65 Self Insurance	1,109,870	1,387,338	277,468	188,678	Property & Liability Premium
IS - 65 Self Insurance	478,421	587,715	109,294	74,320	Property & Liability Retro
IS - 66 Employee Benefit	927,691	1,681,187	753,496	643,514	OPEB Charges
IS - 66 Employee Benefit	-	160,497	160,497	111,915	Medical Increase/Other Benefits
IS - 66 Employee Benefit	-	215,018	215,018	227,498	CalPERS
<b>Total Internal Services</b>	<b>2,515,982</b>	<b>4,031,755</b>	<b>1,515,773</b>	<b>1,245,925</b>	

## BUDGET SUPPLEMENTS & MODIFICATIONS

Notes	Yes/No	Undecided Costs			
		General Fund	Water Fund	Internal Service	Other Funds
		717,546	313,132	8,540	11,044
County of Orange Citation Fee (revenue offset)	Yes				
Turbo Data processing fee, increased due to additional citation revenue	Yes				
Used for vice investigations formerly paid out of Fund 15 (Federal Asset Seizure)	No	3,000			
Move from Fund 16 to General Fund (SLESF Funding/GF Transfer Out)	Yes				
		<b>78,000</b>	-	-	-
Lower fees based on days (15/16 was an estimate)	Yes				
Reclass of Administrative Specialist to Office Specialist II	Yes				
Corresponding revenue	Yes				
Corresponding revenue	Yes				
City Advertising Sales/Fountain Pen (not to be spent without increased revenue)	Yes				
Add cost to for growing events	No	2,500			
		<b>2,500</b>	-	-	-
New equipment requirement	Yes				
Outdated system - needs replacing	Yes				
Outdated system - needs replacing	No	4,547		2,140	
Increase bandwidth/speed (3 year pricing)	Yes				
Spillman service contract (paid two years for discount in 15/16)	Yes				
		<b>4,547</b>	-	<b>2,140</b>	-
2016-17 Liability Premium Increase	Yes				
2015 Retrospective Lump Sum Payment (paid from Self Ins. Fund reserves)	Yes				
Increase OPEB charges to departments to reflect actual amount paid	Yes				
Per 2015 MOU Agreements	Yes				
2016-17 CalPERS Funding Increase GF (GF inc. offset by decreases in other funds)	Yes				
		-	-	-	-

# GENERAL FUND BALANCE DESIGNATIONS (ESTIMATED)

## General Fund Balance Analysis 2016-2017

<b>Estimated Beginning Fund Balance 7/1/16</b>		<b>33,979,984</b>
<b>Revenues (Includes Capital Revenue)</b>		
Operating Revenues	41,317,504	
Developer Impact Payments	756,911	
Transfers-In	948,541	
<b>Total Revenues</b>		<b>43,022,956</b>
<b>Expenditures (Includes Capital Projects)</b>		
Operating	41,165,503	
Transfer Out - Gas Tax	253,000	
Transfer Out - OPEB	1,423,243	
Debt Service	872,250	
Capital (New)	161,299	
Capital (CA)	3,126,096	
<b>Total Expenditures</b>		<b>47,001,391</b>
<b>Estimated Ending Fund Balance 6/30/17</b>		<b>30,001,549</b>
<b>Reserves</b>		
Developer and Misc Reserves	2,501,160	
Cash Flow Reserves (22%)	9,617,079	
Budget Stabilization Reserve	1,767,447	
Disaster Reserve	1,000,000	
Capital Reserves	9,190,419	
Economic Development Reserve	2,500,000	
98 TAB Unspent Bond Proceeds	3,425,444	
<b>Total Reserves</b>		<b>30,001,549</b>
<b>Unreserved/Undesignated Fund Balance 6/30/17</b>		<b>0</b>

# GENERAL FUND OPERATING REVENUE & EXPENSE ANALYSIS

## General Fund Operating Income/Deficit Analysis

### Revenues

General Revenues	36,093,764	
Functional Revenues	5,223,740	
Transfers In	631,541	
<b>Total Operating Revenues</b>	<b>41,949,045</b>	<b>41,949,045</b>

### Expenditures

Salaries & Benefits	28,732,669	
Internal Service Charges	5,852,033	
Maintenance & Operations	6,580,801	
Debt Service	872,250	
Transfers-Out	1,676,243	
<b>Total Operating Expenditures</b>	<b>43,713,996</b>	<b>43,713,996</b>

<b>Operating Income/(Deficit)</b>		<b>(1,764,951)</b>
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## 2016/17 General Fund Capital

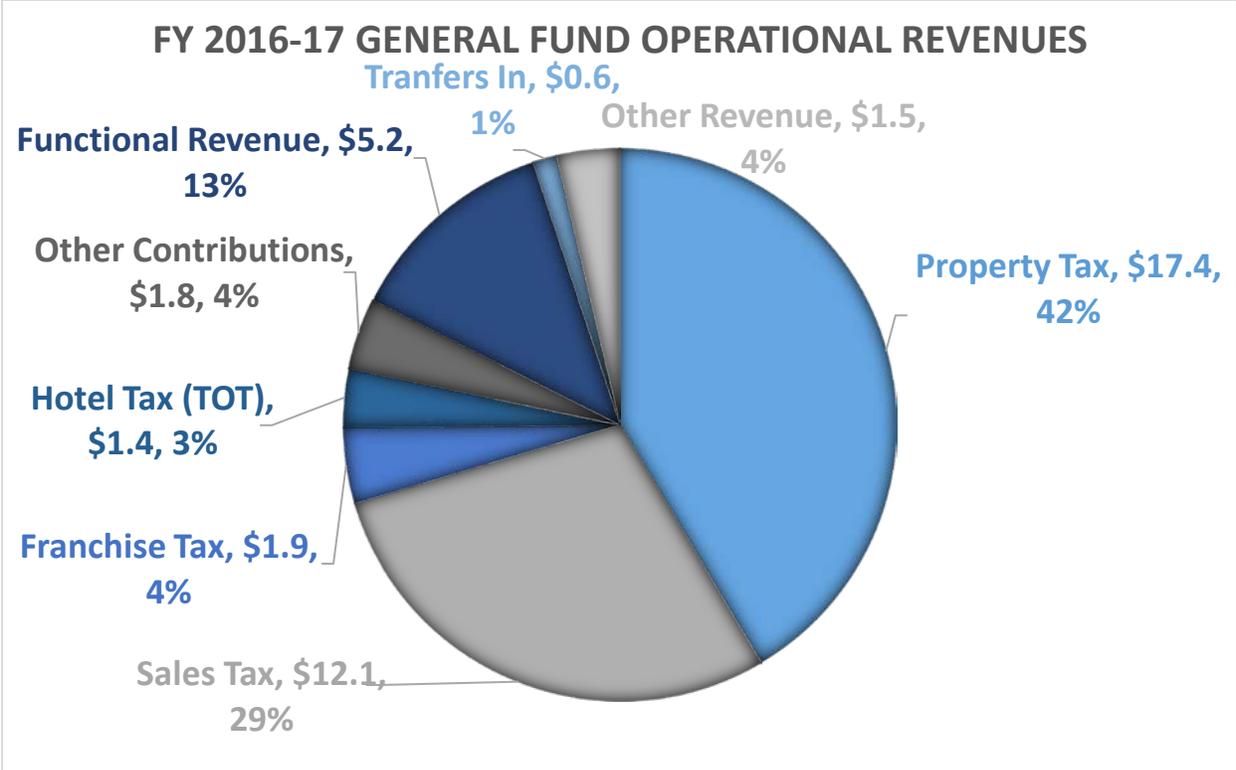
### Capital Reserves Analysis

<b>Beg Balance 7/1/16</b>	<b>10,541,606</b>
16/17 Capital Projects	(1,351,187)
<b>Ending Balance 6/30/17</b>	<b>9,190,419</b>

### General Fund Capital Funding

800 MHZ Upgrades	147,299
Controller Cabinets	14,000
Median DT Landscape	1,072,648
Irrigation System - Brookhurst	58,620
Irrigation System - Euclid	58,620
<b>Total</b>	<b>1,351,187</b>

# GENERAL FUND REVENUE & RESOURCE ESTIMATES



The economy continues to show some slow growth and improving trends. The job market keeps improving and inflation is expected to remain low because of the decline in oil prices. However, the continued weakness in global economies, coupled with the increasing value of the dollar, is of some concern to the future vitality of the economy. Interest rates remain low which impacts the ability to earn a reasonable return on its available cash. The General Fund Revenues for Fiscal Year 2016-17 are anticipated to be \$41.9 million dollars, representing approximately \$814,000 in net added revenues from the original prior year’s budget. A portion of this increase is growth in property taxes, franchise fees and TOT revenues. There is a decline in net sales tax revenues due to a prior year one-time triple flip true-up payment. While there is an increase in property tax and TOT for the current fiscal year it is anticipated to flatten out over the next few years. The information below outlines a brief description along with current trends and anticipated outcomes for all the major General Fund revenue sources.

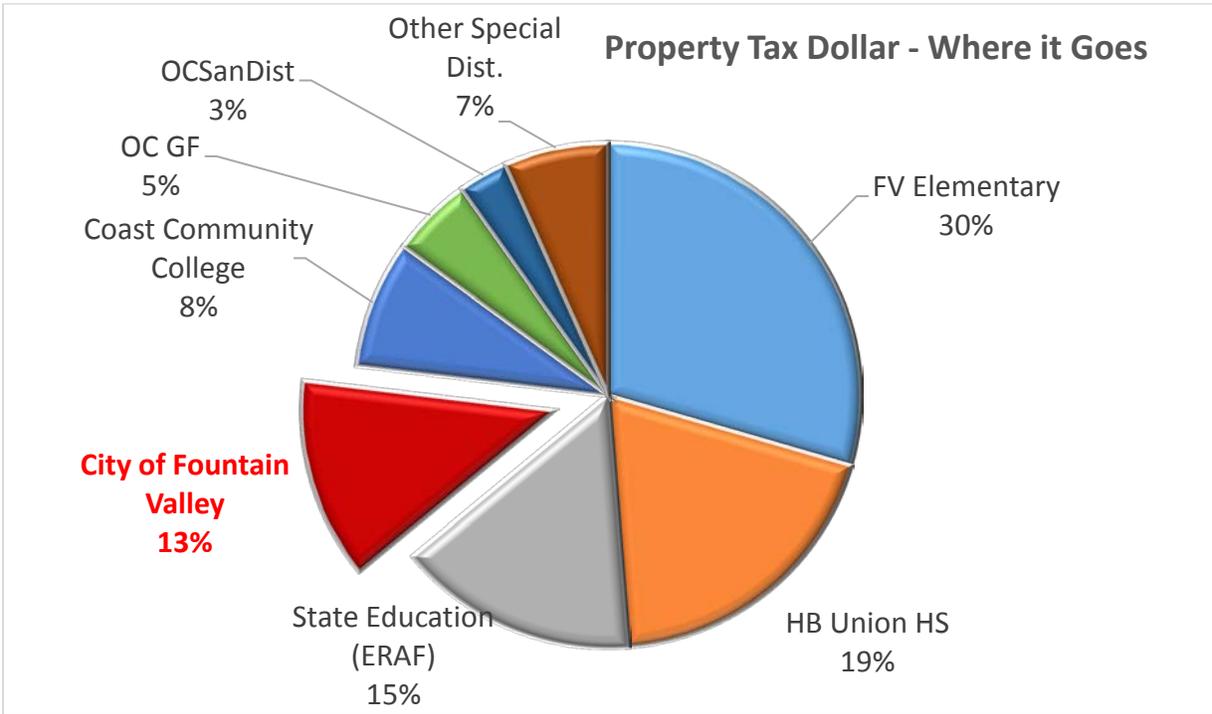
## PROPERTY TAX

### Description

Property tax is a tax imposed on the value of real property, such as land and buildings and recognized as “secured” property tax. Personal business property, such as furniture, equipment, inventory and planes are classified as “unsecured” property tax. Property tax revenue is collected by the county and allocated according to state law among cities, counties, school districts and special districts.

# GENERAL FUND REVENUE & RESOURCE ESTIMATES

Fountain Valley property owners pay a basic tax equal to 1% of the assessed value on real property based on Proposition 13 requirements. The City’s General Fund receives approximately \$0.1287 cents of every \$1 of property tax collected. The larger share going to local schools, including Fountain Valley Elementary District, Huntington Beach High School and Coast Community College.



As part of the State Budget Act of 2004, the legislature reduced motor vehicle license fee (VLF) revenue allocations to cities, replacing this funding with additional property tax allocations that change proportionately with the City’s annual assessed valuation (“property tax in-lieu of VLF” revenue). Due to the dissolution of the Redevelopment Agency the City also receives “residual” property tax payments which are the result of the redistribution of property tax away from the RDA back to the individual taxing entities. This amount will fluctuate based on the amount of tax increment required to cover ROPS eligible expenses each reporting period. The City will see an upward trend in residual property tax as the eligible RDA obligations are paid off. Property Tax is the largest components of the City’s General Fund operating revenue sources, comprising 42% of next year’s overall General Fund resources.

## Trend

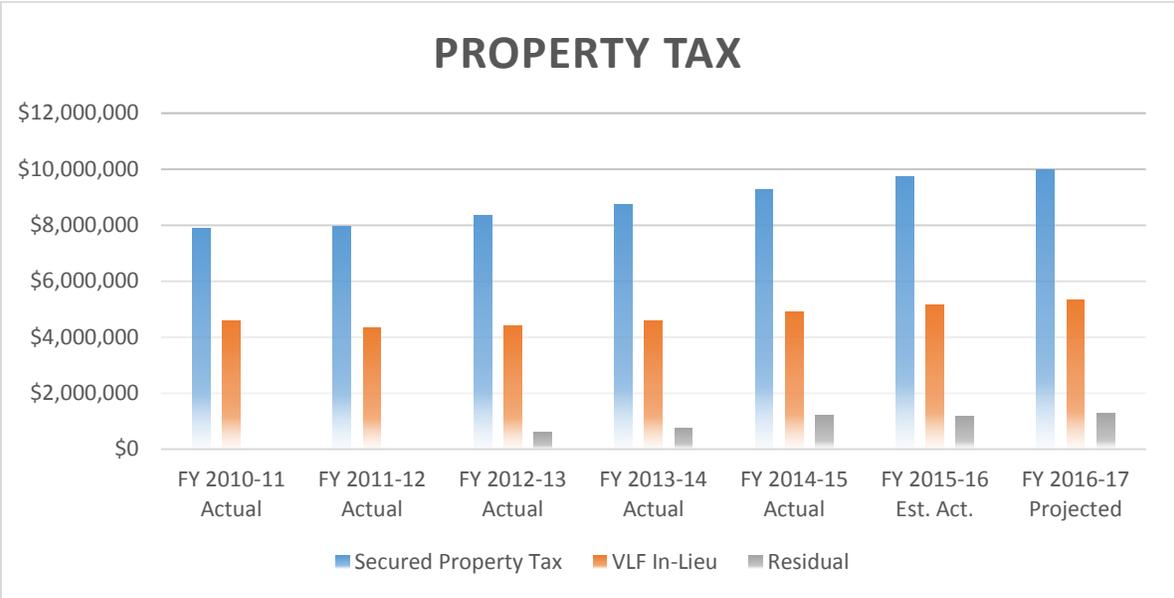
The City’s 2014-15 assessed valuation, at \$8.4 billion is an increase of 4.4% over last year. This increase was due in part to increases in residential and commercial taxable values. Over time, the City’s property tax revenue has slowly grown reflecting both development and the return in property values in Fountain Valley. During the great

# GENERAL FUND REVENUE & RESOURCE ESTIMATES

recession median housing prices dropped between 2007 and 2012. Growth resumed in 2013, but at a very slow rate. That slow growth trend continues into the 2016-17 fiscal year. It is anticipated that this trend may slow going forward as the economy remains stagnant.

## Outlook

The City works with its property tax consultant in projecting property tax revenue, an estimate made with four factors in mind: property turnover, pricing and appeals exposure, new construction activity, and Proposition 13's annual inflation adjustment. After considering these factors, the City projects Fountain Valley's assessed value will increase 4.4% in FY 2016-17. While this year's Proposition 13 inflation adjustment is 1.998%, assessed valuation will be positively influenced by continued slow growth in real estate prices and Proposition 8 restoration which represent about 80% of the great recession reductions the County made throughout the City. In 2015, the Fountain Valley median single family home price increased 4.7% to \$654,500. The peak median price for Fountain Valley was \$700,000 in 2006.



## SALES TAX

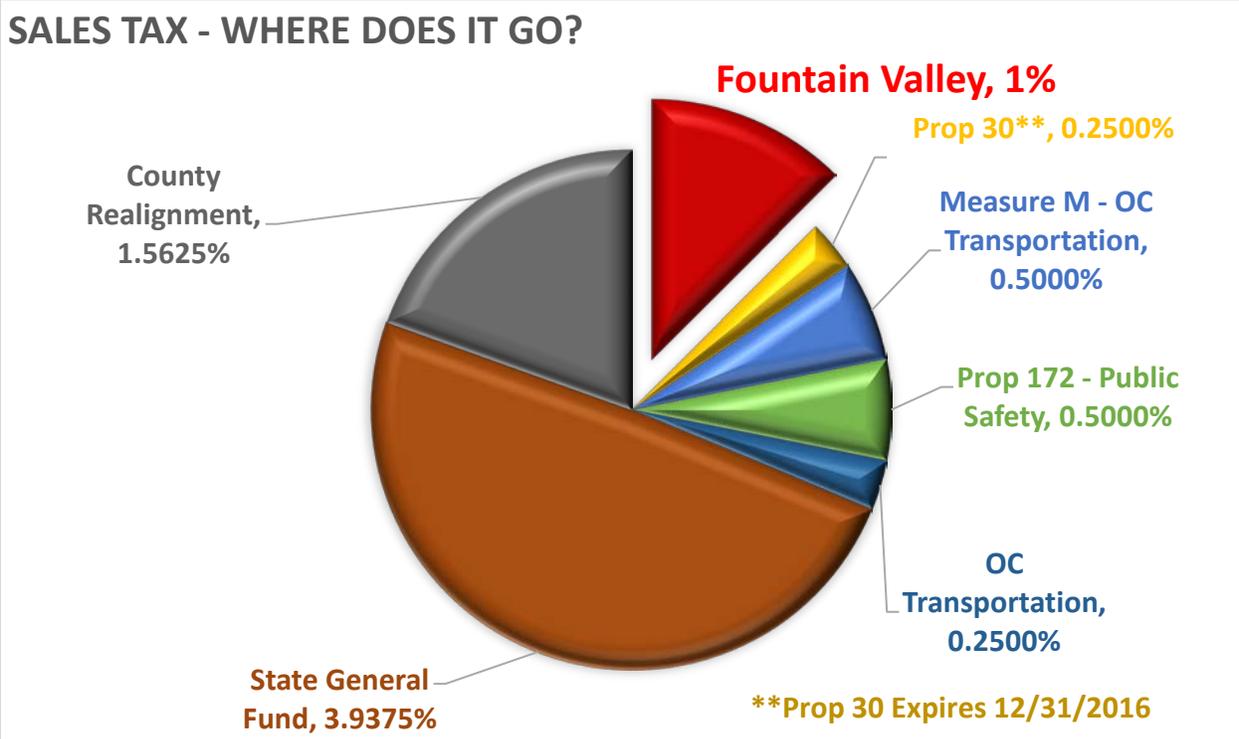
### Description

California sales tax is imposed on the total retail price of tangible personal property (excluding a variety of state mandated exemptions), while use tax is imposed on the purchaser for eligible transactions when sales tax has not been collected. The sales and use tax rate in Orange County is currently 8.0%, of which Fountain Valley receives 1% from the California Board of Equalization (BOE) for transactions occurring within the City.

# GENERAL FUND REVENUE & RESOURCE ESTIMATES

Also included in the City’s sales tax revenue projection is \$389,000 in funding from the state’s Public Safety Augmentation Fund, which is .05% of taxable sales. Beginning with taxes collected in January 2016 and forward, the City will again receive its full share of Bradley-Burns sales and use tax revenues ending an eleven-year program known as The Triple Flip. This program resulted in voter passage of constitutional amendment Proposition 1A that bars state tampering with local sales and use tax revenues in the future.

Sales tax is one of the single largest components of the City’s General Fund operating revenue sources, comprising 29% of next year’s overall General Fund resources.



## Trend

Sales tax revenues have grown very slowly for five consecutive years since reaching a recessionary low in FY 2010-11. Gross sales tax receipts in the City of Fountain Valley were up 2.4% in fiscal year 2015-16 compared to the prior fiscal year 2014-15 (excluding one-time triple flip true-up payment). Revenue is expected to outperform this year’s budget by \$4,000. Sales tax receipts next year are projected to grow slightly and HDL is projecting Fiscal Year 2016-17 growth for the City to be about 2.6%.

## Outlook

The City works closely with its sales tax consultant, HdL Coren & Cone, in projecting sales tax revenue. Based on HdL’s analysis of the trend in year-to-date tax receipts, macroeconomic conditions (done in collaboration with its partner Beacon Economics)

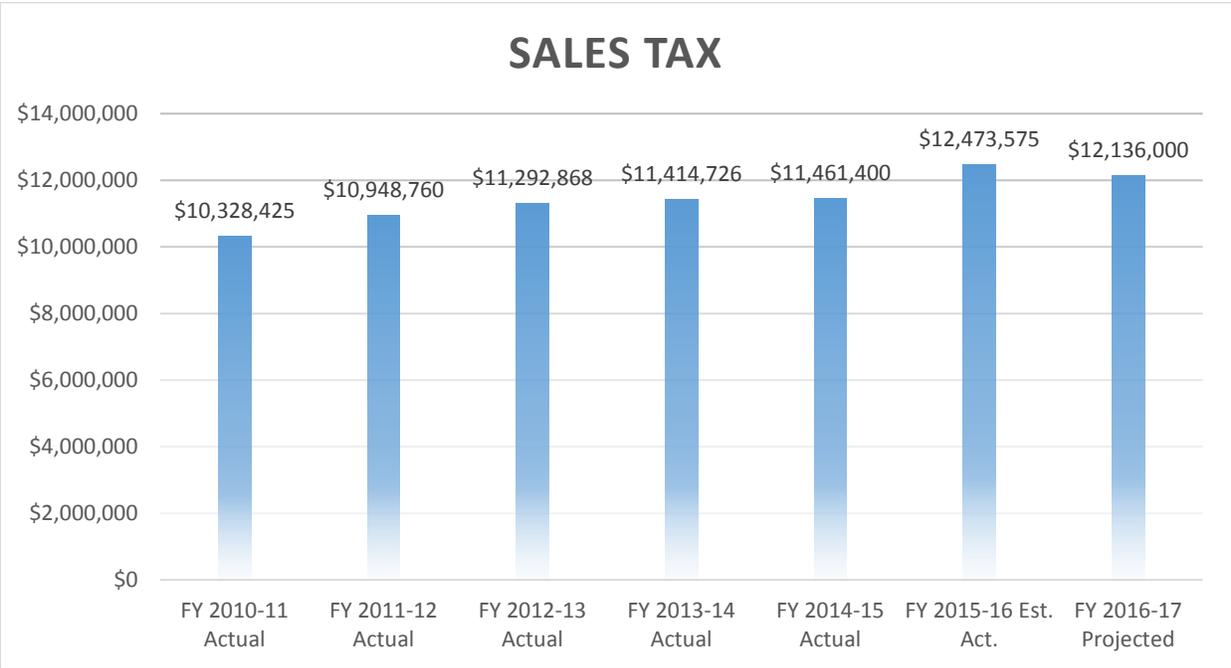
# GENERAL FUND REVENUE & RESOURCE ESTIMATES

and an examination of local business data, the consultant anticipates the City will receive sales tax revenue of \$12.1 million for the current fiscal year, which includes the one-time triple flip payment of \$738k. FY 2016-17 revenues are projected to be \$11.8 million which is an anticipated increase of \$394 thousand over the net receipts for 2015-16.

One area that has both a positive and negative impact on the City is the industry group of “fuel and service stations”. This group represents about 13% of the City’s overall sales tax base. As fuel price rise and fall this impacts overall sales tax revenues. For the 2015-16 fiscal year this group declined by 7.1% and as gas prices have remained low it is projected to gasoline sales tax receipts will remain flat.

One area that is improving for Fountain Valley is the increase in sales tax revenues received from the Orange County pool. The pool is partially made up of county wide online sales from fulfillment centers and online department stores. Examples include Amazon, Nordstrom, Macys, Costco, Dell, and Target. The City receives a little less than 2% of the total county pool. The growth from 2014-15 to 2015-16 was about 7.3% or \$68,000.

In forecasting these revenues, the consultant assumed average economic growth in point-of-sale revenue and then made additions and adjustments to account for fund transfer corrections expected from the BOE, economic aberrations, business closeouts and expected recoveries. The consultant also adjusted the estimate to reflect payment timing considerations from the BOE. The City overall growth assumption is less than the expectations of local forecast institutions, Chapman University and Beacon Economics, who, on average, are projecting positive growth in Orange County taxable sales through 2016.



# GENERAL FUND REVENUE & RESOURCE ESTIMATES

## TRANSIENT OCCUPANCY TAX (TOT)

### Description

Hotel tax (also known as transient occupancy tax or TOT) is a 9% tax applied to the cost of hotel or other lodging stays of less than 30 days. Factors influencing hotel tax revenues include business and leisure travel, new hotels, hotel expansion, and room rate increases. Hotel taxes account for 3% of all projected General Fund resources next fiscal year.

### Trend

Fountain Valley hotel revenue has increased over the last several years due to the opening of the new Ayres Hotel. Room rates and occupancy levels have held steady.

### Outlook

The FY 2016-17 budget projections show continued growth in Fountain Valley hotel tax revenue consistent with increases due to strong occupancy levels and room prices. This increase also reflects improvements in Orange County jobs and decreasing office vacancy rates within Fountain Valley. The City is projecting an increase in TOT revenues in 2016-17 based on the projected actuals for FY 2015-16 for a total of \$1.4m.

## FRANCHISE TAX

### Description

Franchise tax revenue consists of a tax on four franchise operations in Fountain Valley: electric, gas, cable television and refuse. The state sets electric and gas tax rates that equal 1% of gross annual revenues and 5% of gross cable television. Commercial trash franchise revenues are set by agreement between the trash contractor and the City of Fountain Valley. The franchise fee will increase over the next three years from the current fee of 5% to 10%.

### Trend

Franchise tax dipped very slightly during the recession, but otherwise has been stable and consistent. Over the long-term, revenues have increased with growth in the City's residential population and business activity. Revenues are also impacted by changes in gas and electric pricing. Revenues have increased recently after the California Public Utilities continues to approve higher electrical & gas rates.

### Outlook

## GENERAL FUND REVENUE & RESOURCE ESTIMATES

For FY 2016-17, franchise tax revenue is estimated at \$1.858 million, an increase of \$54,000, or 2.9%, from the 2015-16 budgeted amounts. Electrical related revenue is the largest component of the City's Franchise Tax revenue. The price of electricity is expected to further increase this year; electrical rates are evaluated every three years by the Public Utilities Commission (PUC) and in July 2015 the California Public Utilities Commission (PUC) granted Southern California Edison (SCE) a new rate structure that will result in a rate increase for many customers, which will increase Fountain Valley's annual SCE franchise tax payments. Cable franchise revenue is estimated to decrease slightly due to the increasing prevalence of alternative entertainment options including satellite television and online streaming service subscriptions. Trash refuse franchise revenue is expected to increase due the adjustment to the franchise fee percentage over the next three years.

### MISCELLANEOUS REVENUES

#### Description

The miscellaneous revenue category is made up of a variety of relatively small revenue categories including interest, fines and forfeitures, rental income, recovery of costs for damage to city property, and sale of surplus property.

#### Trend

Miscellaneous Revenues	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Est. Actual	FY 2016-17 Adopted
<b>Interest</b>	\$399,781	\$279,889	\$324,976	\$354,000	\$351,000
<b>Building Rents</b>	667,771	670,566	675,000	678,650	681,000
<b>Bench Ads</b>	113,615	115,051	116,036	117,735	120,000
<b>Other Income</b>	392,457	245,766	695,063	110,053	54,000
<b>County Landfill</b>	0	0	0	0	94,000
<b>Fines &amp; Citations</b>	388,818	354,410	319,247	223,500	223,000
<b>TOTAL</b>	<b>\$1,962,442</b>	<b>\$1,665,682</b>	<b>\$2,130,322</b>	<b>\$1,483,938</b>	<b>\$1,523,000</b>

Revenues in the miscellaneous category have dropped over the last few years for a variety of reasons. In prior years, interest earnings had declined due to the very low interest rate environment. However, the City is seeing increases in interest earnings due to the outsourcing of investments to a professional investment manager. There has been a decrease in fines and citations revenues from Police services. Miscellaneous revenues do fluctuate and these variations include one-time sale of property or cost recovery amounts for damage to City property.

#### Outlook

Miscellaneous revenues for FY 2016-17 are estimated at \$1.5 million, an increase from what is estimated for FY 2015-16. The increase is primarily due to the receipt a county

# GENERAL FUND REVENUE & RESOURCE ESTIMATES

landfill fee that will be paid over the next few years and improved interest earnings. There is projected to be a continued decline in fines and citations. Other revenues in the miscellaneous category remain stable including building / property rents and bench ads.

## FUNCTIONAL REVENUES

### Description

These functional revenues are referred to as fee for service revenue because the fees collected are directly related to the cost of providing specific City services. The fees collected directly support the service provided and are paid by an individual, business, or group that receives the benefit of the service. In this way, services that only benefit certain community members are paid for by those citizens and “general” revenue is reserved for the services that benefit the “general” public. The programs in Fountain Valley that have functional revenue associated with them are: Finance / Community Services / Fire / Planning and Building Safety / Police / Public Works. These fees are adjusted annually for increase in actual costs based on a full cost of service study that is completed every five years by an outside consultant. The most recent user fee study was completed in late 2014 and updated fees (Excluding Building and Planning fees) were adopted by City Council in February 2015.

### Trend

The large portion of the functional revenues in Building and Planning are one-time development based. Since the City is 98% built-out any increases or decreases projected in these revenues are derived from the departments who are reviewing proposed development or the reduction in building activity.

Business license and community service fee revenue have remained fairly flat. The city’s offerings of classes and recreational programs has been consistent. Other user revenues include fees for specific services provided by Public Works, Fire and Police. Police fees are projected to decline next year since the user fee study showed the need to adjust many of these fees down to reflect the current cost of services.

### Outlook

Revenue estimates are based on the user fee study analysis that reflects the projected number of services that will be provided to the community including recreation service classes, number of participants and staff’s estimate regarding the demand for classes and programs. Since Fountain Valley is a build out community the amount of fees related to planning and building are limited and these revenues are not anticipated to change significantly over the next few years. The City is reviewing some economic development opportunities including the Fountain Valley Cross area for possible re-use

## GENERAL FUND REVENUE & RESOURCE ESTIMATES

of the existing property through re-zoning that will have a positive impact on the City.

Functional Revenue	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Est. Actual	FY 2016-17 Adopted
<b>Business License (Finance)</b>	\$542,233	\$581,747	\$563,776	\$563,514	\$563,500
<b>Planning / Building</b>	2,023,704	1,287,316	1,334,542	1,225,068	1,128,000
<b>Fire</b>	1,316,527	1,241,709	1,346,543	1,481,426	1,378,500
<b>Public Works</b>	242,164	241,816	312,573	354,119	251,483
<b>Police</b>	835,204	841,750	742,161	664,000	635,000
<b>Community Services</b>	1,219,278	1,345,914	1,353,220	1,244,861	1,267,257
<b>TOTAL</b>	<b>\$6,179,110</b>	<b>\$5,540,252</b>	<b>\$5,652,815</b>	<b>\$5,532,988</b>	<b>\$5,223,740</b>

## GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2015-16				2016-17		
	Budget	Estimate	Variance	%	Budget	+/- Prior Yr	%
<b>General Revenue:</b>							
<b>Property Tax</b>							
Secured	9,515,000	9,750,147	235,147	2.47%	9,971,000	456,000	4.79%
Residual	1,173,000	1,173,000	(0)	0.00%	1,269,000	96,000	8.18%
Unsecured	302,000	274,500	(27,500)	-9.11%	275,000	(27,000)	-8.94%
Prior Year	80,000	72,276	(7,724)	-9.66%	65,000	(15,000)	-18.75%
Other	187,000	188,739	1,739	0.93%	194,000	7,000	3.74%
Int/Penalties	20,000	20,000	(0)	0.00%	20,000	-	0.00%
Homeowners	65,000	63,775	(1,225)	-1.88%	64,000	(1,000)	-1.54%
Property Transfer	210,000	210,000	(1)	0.00%	210,000	-	0.00%
MVLF	5,071,000	5,160,525	89,525	1.77%	5,313,000	242,000	4.77%
<b>Total Property Tax</b>	<b>16,623,000</b>	<b>16,912,961</b>	<b>289,961</b>	<b>1.74%</b>	<b>17,381,000</b>	<b>758,000</b>	<b>4.56%</b>
<b>Franchise Fees</b>							
Waste	240,000	244,124	4,124	1.72%	253,000	13,000	5.42%
Power	652,000	639,243	(12,757)	-1.96%	639,000	(13,000)	-1.99%
Gas	141,000	113,308	(27,692)	-19.64%	113,000	(28,000)	-19.86%
Rubbish	200,000	212,153	12,153	6.08%	297,000	97,000	48.50%
PCTV	571,000	556,000	(15,000)	-2.63%	556,000	(15,000)	-2.63%
<b>Total Franchise Fees</b>	<b>1,804,000</b>	<b>1,764,828</b>	<b>(39,172)</b>	<b>-2.17%</b>	<b>1,858,000</b>	<b>54,000</b>	<b>2.99%</b>
<b>Sales Tax</b>							
Public Safety Sales Tax (Prop 172)	403,000	378,575	(24,425)	-6.06%	389,000	(14,000)	-3.47%
Sales & Use Tax	12,091,000	12,095,000	4,000	0.03%	11,747,000	(344,000)	-2.85%
<b>Total Sales Tax</b>	<b>12,494,000</b>	<b>12,473,575</b>	<b>(20,425)</b>	<b>-0.16%</b>	<b>12,136,000</b>	<b>(358,000)</b>	<b>-2.87%</b>
<b>Other Revenues</b>							
Transient Occupancy Tax	1,283,000	1,428,394	145,394	11.33%	1,428,000	145,000	11.30%
Interest Income	225,000	290,000	65,000	28.89%	302,000	77,000	34.22%
Interest Income (Water Fund Loan)	64,000	64,000	-	0.00%	49,000	(15,000)	-23.44%
County Landfill	-	-	-	N/A	94,000	94,000	N/A
Building Rents	677,000	678,650	1,650	0.24%	681,000	4,000	0.59%
Bench Ads	117,000	117,735	735	0.63%	120,000	3,000	2.56%
Administrative Citations	1,000	500	(500)	-50.00%	1,000	-	0.00%
Sale of Surplus Property	5,000	1,000	(4,000)	-80.00%	3,000	(2,000)	-40.00%
Damage to City Property	25,000	25,000	(1)	0.00%	25,000	-	0.00%
Donations	2,053	2,553	500	24.35%	-	(2,053)	-100.00%
Water Fund - Contribution In Lieu	1,700,168	1,700,168	(0)	0.00%	1,767,764	67,596	3.98%
Miscellaneous Income	33,000	81,000	48,000	145.45%	25,000	(8,000)	-24.24%
Vehicle Code Fines	318,000	223,500	(94,500)	-29.72%	223,000	(95,000)	-29.87%
<b>Total Other Revenue</b>	<b>4,450,221</b>	<b>4,612,498</b>	<b>162,277</b>	<b>3.65%</b>	<b>4,718,764</b>	<b>268,543</b>	<b>6.03%</b>
<b>Transfer In</b>							
Gas Tax Fund	466,328	486,645	20,317	4.36%	502,049	35,721	7.66%
Senior Transportation Transfer	77,541	42,071	(35,470)	-45.74%	71,025	(6,516)	-8.40%
Other Funds	1,275,000	1,634,854	359,854	28.22%	317,000	(958,000)	-75.14%
Sewer Fund	56,490	56,490	-	0.00%	58,467	1,977	3.50%
<b>Total Transfer In</b>	<b>1,875,359</b>	<b>2,220,060</b>	<b>344,701</b>	<b>18.38%</b>	<b>948,541</b>	<b>(926,818)</b>	<b>-49.42%</b>
<b>Impact Payments</b>							
Developer Impact Payments	456,000	95,400	(360,600)	-79.08%	756,911	300,911	65.99%
Park Impact Payments	-	7,421	7,421	N/A	-	-	N/A

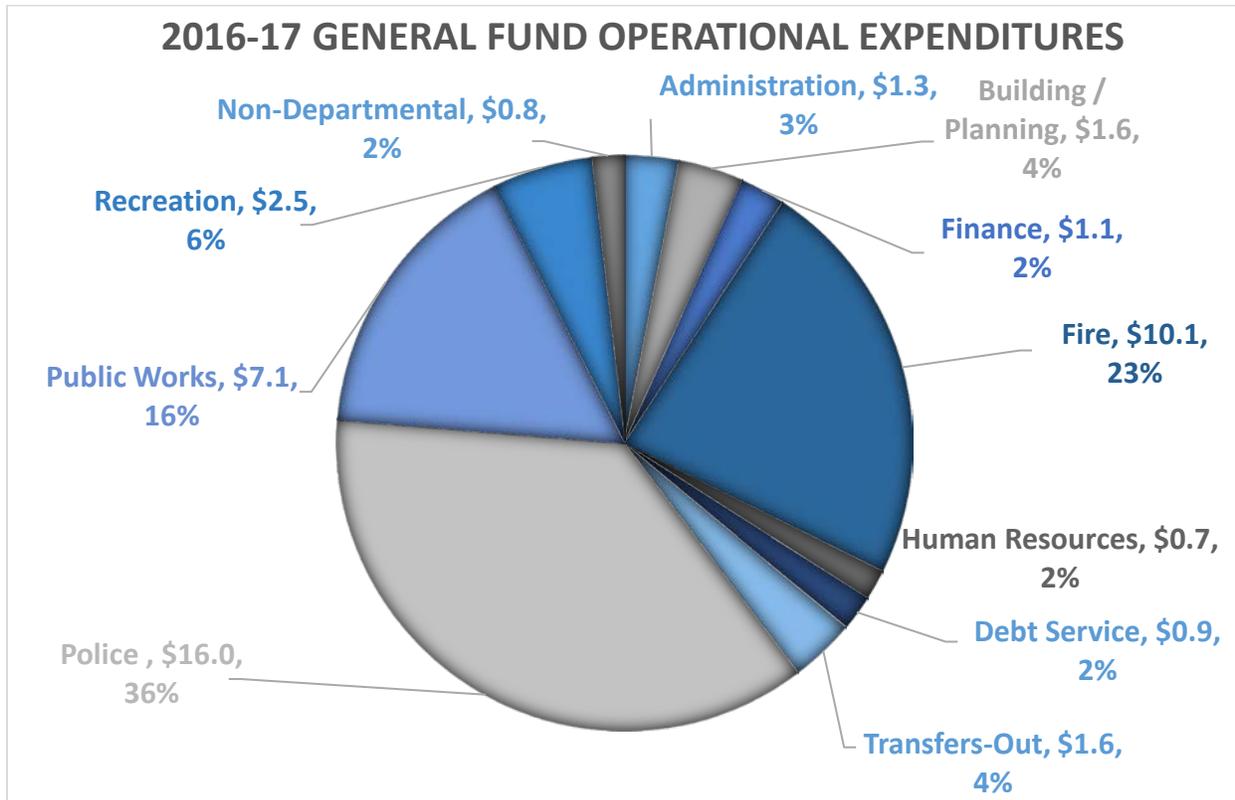
## GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2015-16				2016-17		
	Budget	Estimate	Variance	%	Budget	+/- Prior Yr	%
<b>Total Impact Payments</b>	<b>456,000</b>	<b>102,821</b>	<b>(353,179)</b>	<b>-77.45%</b>	<b>756,911</b>	<b>300,911</b>	<b>65.99%</b>
<b>Grant Proceeds</b>							
Grants	136,201	74,769	(61,432)	-45.10%	-	(136,201)	-100.00%
<b>Total Impact Payments</b>	<b>136,201</b>	<b>74,769</b>	<b>(61,432)</b>	<b>-45.10%</b>	<b>-</b>	<b>(136,201)</b>	<b>-100.00%</b>
<b>Total General Revenue:</b>	<b>37,838,781</b>	<b>38,161,512</b>	<b>322,731</b>	<b>0.85%</b>	<b>37,799,216</b>	<b>(39,565)</b>	<b>-0.10%</b>
<b>Functional Revenue:</b>							
<b>Business License</b>							
Business License Tax	425,000	415,000	(10,000)	-2.35%	415,000	(10,000)	-2.35%
Permits/Fees	7,000	7,914	914	13.06%	7,000	-	0.00%
Penalties	2,900	3,600	700	24.14%	3,500	600	20.69%
Applications	133,000	137,000	4,000	3.01%	138,000	5,000	3.76%
<b>Total Business License</b>	<b>567,900</b>	<b>563,514</b>	<b>(4,386)</b>	<b>-0.77%</b>	<b>563,500</b>	<b>(4,400)</b>	<b>-0.77%</b>
<b>Planning &amp; Building</b>							
Zoning/Permits/V. Fees	196,500	226,022	29,522	15.02%	196,500	-	0.00%
Permits	678,000	714,739	36,739	5.42%	678,000	-	0.00%
Dev. Review/Plan Check/Insp.	253,500	284,307	30,807	12.15%	253,500	-	0.00%
<b>Total Planning &amp; Building</b>	<b>1,128,000</b>	<b>1,225,068</b>	<b>97,068</b>	<b>8.61%</b>	<b>1,128,000</b>	<b>-</b>	<b>0.00%</b>
<b>Police</b>							
P.O.S.T.	2,000	5,000	3,000	150.00%	2,000	-	0.00%
Recovery of Expense	6,000	3,000	(3,000)	-50.00%	6,000	-	0.00%
City Code Fines	324,000	350,000	26,000	8.02%	350,000	26,000	8.02%
Tow Service	100,000	91,100	(8,900)	-8.90%	100,000	-	0.00%
License/Permits & Penalties	110,000	87,900	(22,100)	-20.09%	95,000	(15,000)	-13.64%
Service & Other Fees	13,000	10,000	(3,000)	-23.08%	11,000	(2,000)	-15.38%
Police Auctions	1,000	2,000	1,000	100.00%	1,000	-	0.00%
DEA TFO Reimbursement	5,000	55,000	50,000	1000.00%	5,000	-	0.00%
Impounded Vehicle Records Fee	60,000	40,000	(20,000)	-33.33%	45,000	(15,000)	-25.00%
Report Sales	20,000	20,000	-	0.00%	20,000	-	0.00%
<b>Total Police</b>	<b>641,000</b>	<b>664,000</b>	<b>23,000</b>	<b>3.59%</b>	<b>635,000</b>	<b>(6,000)</b>	<b>-0.94%</b>
<b>Engineering</b>							
Permits	105,000	209,000	104,000	99.05%	105,000	-	0.00%
Engineering Fees	12,500	10,080	(2,420)	-19.36%	10,000	(2,500)	-20.00%
Improvement Inspection Fee	10,000	16,000	6,000	60.00%	10,000	-	0.00%
Landscape Inspection Fee	5,000	7,140	2,140	42.80%	5,000	-	0.00%
<b>Total Engineering</b>	<b>132,500</b>	<b>242,220</b>	<b>109,720</b>	<b>82.81%</b>	<b>130,000</b>	<b>(2,500)</b>	<b>-1.89%</b>
<b>Field Service</b>							
Median Fees	3,000	9,949	6,949	231.63%	3,000	-	0.00%
Tree Removal Fees	5,500	12,000	6,500	118.18%	8,750	3,250	59.09%
Storm Water Prevention Fee	88,100	89,950	1,850	2.10%	109,733	21,633	24.56%
<b>Total Field Services</b>	<b>96,600</b>	<b>111,899</b>	<b>15,299</b>	<b>15.84%</b>	<b>121,483</b>	<b>24,883</b>	<b>25.76%</b>
<b>Fire</b>							
Other Fire Services	19,000	19,767	767	4.04%	19,000	-	0.00%

## GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2015-16				2016-17		
	Budget	Estimate	Variance	%	Budget	+/- Prior Yr	%
False Alarm & Report Fees	6,000	7,500	1,500	25.00%	7,500	1,500	25.00%
Emergency Response Fees	1,000	122,887	121,887	12188.70%	1,000	-	0.00%
Paramedic Subscription Fee	130,000	130,000	-	0.00%	130,000	-	0.00%
Paramedic Non-Member	250,000	245,000	(5,000)	-2.00%	250,000	-	0.00%
Paramedic Impact	203,000	202,000	(1,000)	-0.49%	203,000	-	0.00%
Medical Supply Reimbursement	55,000	65,000	10,000	18.18%	60,000	5,000	9.09%
Paramedic Response Fee	180,000	180,000	-	0.00%	180,000	-	0.00%
ALS Fees	200,000	165,000	(35,000)	-17.50%	165,000	(35,000)	-17.50%
Fire Inspection / Plan Check Fee	230,000	180,000	(50,000)	-21.74%	200,000	(30,000)	-13.04%
Fire Permit to Operate	60,000	105,000	45,000	75.00%	105,000	45,000	75.00%
Hazardous Materials Fee	58,000	59,272	1,272	2.19%	58,000	-	0.00%
<b>Total Fire</b>	<b>1,392,000</b>	<b>1,481,426</b>	<b>89,426</b>	<b>6.42%</b>	<b>1,378,500</b>	<b>(13,500)</b>	<b>-0.97%</b>
<b>Community Services</b>							
Athletic Fees	130,000	147,369	17,369	13.36%	145,000	15,000	11.54%
Field Rentals	295,000	284,581	(10,419)	-3.53%	295,000	-	0.00%
Other Concessions	17,000	21,974	4,974	29.26%	20,000	3,000	17.65%
Donations Summerfest	77,504	77,878	374	0.48%	59,582	(17,922)	-23.12%
Donations Campout	1,000	2,515	1,515	151.50%	1,000	-	0.00%
Residual Receipts	10,000	10,000	-	0.00%	1,000	(9,000)	-90.00%
FV Community Foundation	15,000	15,000	-	0.00%	17,180	2,180	14.53%
Aquatics	60,000	38,000	(22,000)	-36.67%	45,000	(15,000)	-25.00%
Mile Square Rec. Room Rentals	65,000	70,000	5,000	7.69%	72,500	7,500	11.54%
Community Center Rents	100,000	80,000	(20,000)	-20.00%	100,000	-	0.00%
Drop In Senior Center/Recreation	5,500	10,500	5,000	90.91%	5,500	-	0.00%
Newsletter Senior	4,800	4,800	-	0.00%	4,800	-	0.00%
Donations Center Operations	63,180	62,000	(1,180)	-1.87%	67,000	3,820	6.05%
Contract Classes	332,000	360,000	28,000	8.43%	372,400	40,400	12.17%
Special Events	50,400	52,185	1,785	3.54%	43,500	(6,900)	-13.69%
Senior Transportation Contrib.	19,388	8,059	(11,329)	-58.43%	17,795	(1,593)	-8.22%
<b>Total Community Services</b>	<b>1,245,772</b>	<b>1,244,861</b>	<b>(911)</b>	<b>-0.07%</b>	<b>1,267,257</b>	<b>21,485</b>	<b>1.72%</b>
<b>Total Functional Revenues</b>	<b>5,203,772</b>	<b>5,532,988</b>	<b>329,216</b>	<b>6.33%</b>	<b>5,223,740</b>	<b>19,968</b>	<b>0.38%</b>
<b>Total Revenues</b>	<b>43,042,553</b>	<b>43,694,500</b>	<b>651,947</b>	<b>1.51%</b>	<b>43,022,956</b>	<b>(19,597)</b>	<b>-0.05%</b>

## GENERAL FUND EXPENDITURES & SERVICE LEVELS



The City's General Fund Expenditures for Fiscal Year 2016-17 is \$43.7 million and represents an increase of \$2.3 million over the original adopted budget for Fiscal Year 2015-16. The majority of these costs are due to substantial increases to the City's CalPERS unfunded liability fixed payment; inclusion of full pay-go OPEB allocation; liability premium and claims adjustments; and contractual increases outside the City's control. As we move forward into the next fiscal year the General Fund budget expenditures are impacted in the following areas:

## RETIREMENT COSTS

### CalPERS Pension

Managing our retirement cost continues to be a high priority for the City Council and staff. All employees who are CalPERS members are paying their full employee or normal cost contributions. There are three CalPERS tiers which include "Vested – Tier 1", "Classic – Tier 2" and "PEPRA" Tier 3. Each tier has a lower retirement benefit and therefore is a lower cost to the City going forward. Any employee coming to the City from another PERS agency moves to Tier 2 and any employee hired that is new to CalPERS is placed automatically into the lowest cost Tier 3.

The City continued to see increases in CalPERS costs prior to the 2015-16 fiscal year. However, beginning in July 2015 the City experienced the first of a multi-year series of

## GENERAL FUND EXPENDITURES & SERVICE LEVELS

increases that will have a substantial impact on the City's costs. Over the next five years the overall CalPERS costs will increase by over \$4 million. The increases are aimed at reducing the City's unfunded liability (UAL) and changes to the CalPERS actuarial assumptions further impact costs. The City will be required to make a fixed annual payment to CalPERS, in addition to the continued employer percentage contribution based on PERSable payroll. In the past, CalPERS provided only the current year's actuarial costs and a projection for the following year. CalPERS provided in the most recent Actuarial Valuation a five year projection of employer contribution rates and UAL fixed payment amounts so the City can better plan for the future.

The City sold Pension Obligation Bonds December 2015 which paid off the CalPERS Side-fund obligation resulting in a savings of approximately \$9.4 million dollars over the remaining life of the Side-fund amortization period.

### **OPEB – Retiree Medical**

The City provides eligible retiree medical benefits through the Public Agencies Post-Retirement Health Care Plan Trust ("OPEB Trust") administered by the Public Agency Retirement Services ("PARS"). The City has made several deposits to the trust which has a current balance of \$7.5 million, including investment earnings. The City is sensitive to retiree costs and the City paid retiree health benefit is no longer available to any employee hired after August 16, 2010.

The City makes the OPEB obligation on a "pay-as-you-go" basis. The City contributed \$1.6 million in OPEB pay-go related health care costs in FY 2015-16, half of which was taken from ISF fund balance. Starting with the 2016-17 budget the full pay-go amount will be collected through the Internal Service Fund charges to each operating department. This correct allocation of costs will impact all operational funds including the General Fund by \$754k. The additional cost to the General Fund is about \$644k for the current budget year. The City is still not paying the full Annual Required Contribution (ARC) payment of \$1.1m required to fund the actuarial OPEB obligations for the 2016-17 fiscal year.

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## SELF-INSURANCE

The City is a member of California JPIA's insured programs which is an insurance risk pool which enable pooling risks between cities, counties and special districts by self-insuring liability claims and losses. The California JPIA uses a third-party administrator to investigate and respond to all claims and provides risk management training to all members.

Each year CJPIA reviews all pending and settled claims and adjusts the City annual premium and reserve level requirements. This year the CJPIA review resulted in an increase in the annual premium, the current year's retrospective obligation, and a one-time charge based on a change in methodology from retrospective to prospective

## GENERAL FUND EXPENDITURES & SERVICE LEVELS

beginning in FY 2014-15. The total impact of these adjustment is \$974,477 for FY 2016-17. A charge of \$587,715 for claims paid adjustment will be paid from current fund balance; \$277,468 for annual premium increase and \$109,294 for annual retrospective adjustment. A pro-rata portion of these cost are charged to the General Fund with the balance apportioned to Enterprise Funds based on past ISF allocation methodology.

## DEPARTMENT OPERATING BUDGETS

As the City and the organization strives to recover from the economic downturn, each operating department continues to hold the line with their operating budgets. Only necessary increases are included in the FY 2016-17 budget related to these costs. Adjustments were made to outside contract services, utilities, and contractual obligations related to Orange County Animal Control service and Charles Abbott Associates contracts. These expenses are examples of costs the City has no direct control over.

The budget does reflect an increase in personnel benefit costs associated with the existing contractual agreements with various MOU's. The City successfully negotiated with four bargaining units whose contracts have been extended through 2017.

Otherwise, departments have done an outstanding job of managing operations costs while maintaining quality service levels to the community with limited services being eliminated, which included no General Fund contributions to street and park maintenance.

General Fund	Personnel	Internal Service	Operating	Total
Administration	\$618,755	\$176,916	\$523,920	\$1,319,591
Finance	\$618,149	\$184,516	\$304,440	\$1,107,105
Fire	\$8,404,356	\$968,120	\$698,674	\$10,071,150
Human Resources	\$554,392	\$44,658	\$144,979	\$744,029
Planning and Building	\$1,268,697	\$141,260	\$47,320	\$1,457,277
Police	\$13,373,479	\$2,077,693	\$591,211	\$16,042,383
Public Works	\$2,695,171	\$1,432,019	\$2,960,630	\$7,087,820
Recreation/Community	\$1,199,670	\$826,851	\$435,065	\$2,461,586
Non-Departmental			\$874,562	\$874,562
	\$28,732,669	\$5,852,033	\$6,580,801	\$41,165,503

## GENERAL FUND EXPENDITURES & SERVICE LEVELS

### GENERAL FUND CAPITAL IMPROVEMENT PROJECTS

The City continues to be committed to maintaining and enhancing infrastructure and facilities through non General Fund opportunities. However, due to limited General fund revenues, the 2016-17 budget does not include funding of \$550,000 for street; roadway; and park maintenance as has been the past practice. The General Fund will finance several small projects using restricted developer fees, park in-lieu fund and SCAG grants monies. General Fund Capital funds will be used to pay for the 2016-17 800 MHz radio upgrade costs of \$147,299 and \$80,000 for the first year of a ten-year payment for building a new animal control shelter. The balance of the 800 MHz \$2.2 million project will occur in 2017-18.

The 2016-17 budget includes \$18.6 million in non-General Fund continuing and new capital projects. All of these projects are funded from water, sewer, drainage, Federal grant, Measure M and Gas Tax funds. More detail on these projects can be found in the CIP section of the budget document.

### 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 (including purchasing and duplication services), government buildings, capital equipment, and fleet services. These funds include both the ongoing operating expenditures and capital replacement costs for the 2016-17 fiscal year. The ten-year capital replacement schedule is the basis used to determine what capital items will be replaced in a specific year.

Internal Service Funds	FY 2015-16 Est. Ending Fund Balance	FY 2016-17 Revenues	FY 2016-17 Operating / Other Expenditures	FY 2016-17 Capital Replacement & Reserves	FY 2016-17 Est. Ending Fund Balance
<b>Information Technology</b>	\$1,082,075	\$1,365,495	\$1,209,027	\$415,541	\$823,002
<b>Government Buildings</b>	\$2,343,030	\$1,591,348	\$1,564,975	\$644,224	\$1,725,179
<b>Fleet Services</b>	\$2,071,496	\$1,968,498	\$1,110,776	\$958,000	\$1,971,218
<b>Capital Equipment</b>	\$1,284,391	\$73,918	\$0	\$512,486	\$845,823
<b>TOTAL</b>	<b>\$6,780,992</b>	<b>\$4,999,259</b>	<b>\$3,884,778</b>	<b>\$2,530,251</b>	<b>\$5,365,222</b>

The self-insurance and employee benefits internal service funds are included in the department's personnel and benefits expenditure category.

## RDA IMPACTS ON GENERAL FUND

The FY 2016-17 General Fund expenditures include \$1.275 million in former RDA obligations that have been denied by the California State Department of Finance (DOF). These obligations include both 2016A Lease Revenue debt service and the RV lease agreement for use of former RDA property and related improvements. It should be noted that the Public Finance Authority refinanced the original 2003 COPS Bonds into the new LRB 2016A.

The City moved forward with a lawsuit against DOF related to both the 2003 COPS debt and the RV lease agreement asking the court to rule that these are RDA obligations and should be paid through tax increment not the General Fund. The court heard the case and ruled against the City on all matters before the court. The City has determined that based on other court cases related to the DOF that an appeal would not be successful.

# GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
<b>Administration</b>				
City Council	113,815	28,838	432,070	574,723
City Manager	191,247	57,586	9,520	258,353
Administrative Services	203,651	40,014	5,150	248,815
<b>Total Administration</b>	<b>508,713</b>	<b>126,438</b>	<b>446,740</b>	<b>1,081,891</b>
<b>City Clerk</b>				
Records Management	99,741	43,680	23,030	166,451
Elections	10,301	6,798	54,150	71,249
<b>Total City Clerk</b>	<b>110,042</b>	<b>50,478</b>	<b>77,180</b>	<b>237,700</b>
<b>Finance</b>				
Financial Plan/Control	510,069	152,381	301,490	963,940
Business License	108,080	32,135	2,950	143,165
<b>Total Finance</b>	<b>618,149</b>	<b>184,516</b>	<b>304,440</b>	<b>1,107,105</b>
<b>Human Resources</b>				
Employee Relations	554,392	44,658	144,979	744,029
<b>Total Human Resources</b>	<b>554,392</b>	<b>44,658</b>	<b>144,979</b>	<b>744,029</b>
<b>Planning/Building</b>				
Planning	455,820	96,990	24,645	577,455
Building	812,877	44,270	22,675	879,822
<b>Total Planning/Building</b>	<b>1,268,697</b>	<b>141,260</b>	<b>47,320</b>	<b>1,457,277</b>
<b>Public Works</b>				
Engineering	287,117	167,198	81,350	535,665
Traffic Engineering	253,939	74,790	2,900	331,629
Construction Inspection	99,150	56,590	380	156,120
Street Lighting	6,909	8,413	559,000	574,322
<b>Total Public Works</b>	<b>647,115</b>	<b>306,991</b>	<b>643,630</b>	<b>1,597,736</b>
<b>Field Services</b>				
Right of Way	179,001	86,514	275,500	541,015
Tree Maintenance	91,541	82,231	276,100	449,872
Park Maintenance	285,039	93,299	469,550	847,888
Concrete Maintenance	286,365	153,900	26,325	466,590
Pavement Maintenance	294,987	162,015	89,725	546,727
Storm Drain Maintenance	420,922	59,171	92,500	572,593
Traffic Control Maintenance	290,287	143,623	204,000	637,910
Street Sweeping	8,157	10,746	308,000	326,903
Recreation Center	138,789	244,515	498,100	881,404
Graffiti Removal	52,968	89,014	77,200	219,182
<b>Total Field Services</b>	<b>2,048,056</b>	<b>1,125,028</b>	<b>2,317,000</b>	<b>5,490,084</b>
<b>Fire</b>				
Fire Suppression	4,738,598	623,972	571,989	5,934,559
Paramedics	2,758,973	252,323	83,280	3,094,576
Fire Prevention	669,290	54,041	14,200	737,531
Fire Reserves	23,693	463	8,485	32,641
Disaster Prep	101,027	18,684	6,545	126,256
Hazardous Materials	94,405	13,679	10,635	118,719
F.I.R.S.T.	18,370	4,958	3,540	26,868
<b>Total Fire</b>	<b>8,404,356</b>	<b>968,120</b>	<b>698,674</b>	<b>10,071,150</b>

# GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
<b>Police</b>				
Patrol	7,711,178	1,070,369	149,905	8,931,452
S.W.A.T.	118,095	14,606	4,600	137,301
Canine	164,690	62,403	10,160	237,253
Traffic	557,994	145,528	241,007	944,529
Investigation	3,219,109	379,311	85,352	3,683,772
Communications	984,346	98,197	26,505	1,109,048
Records Management	462,170	283,295	-	745,465
Range	7,632	4,083	55,802	67,517
Crime Prevention	148,265	19,901	17,880	186,046
<b>Total Police</b>	<b>13,373,479</b>	<b>2,077,693</b>	<b>591,211</b>	<b>16,042,383</b>
<b>Community Services</b>				
Athletics	97,644	164,384	90,155	352,183
Field Operations	113,130	80,759	16,630	210,519
Annual Festivals	32,747	-	44,500	77,247
Aquatics	66,467	29,446	20,100	116,013
Recreation Center	168,047	192,122	18,695	378,864
Community & Senior Center	285,553	192,500	88,190	566,243
Contract Classes	336,663	81,187	49,040	466,890
Special Events	77,638	86,453	40,755	204,846
Senior Transportation	21,781	-	67,000	88,781
<b>Total Community Services</b>	<b>1,199,670</b>	<b>826,851</b>	<b>435,065</b>	<b>2,461,586</b>
<b>Non Departmental</b>				
Non Departmental	-	-	874,562	874,562
<b>Total Non Departmental</b>	<b>-</b>	<b>-</b>	<b>874,562</b>	<b>874,562</b>
<b>Grand Total</b>	<b>28,732,669</b>	<b>5,852,033</b>	<b>6,580,801</b>	<b>41,165,503</b>



## GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

	General Fund		Information Services		Government Buildings	
	2015-16 Estimate	2016-17 Budget	2015-16 Estimate	2016-17 Budget	2015-16 Estimate	2016-17 Budget
<b>Beginning Fund Balance</b>	<b>34,774,027</b>	<b>33,979,984</b>	<b>1,658,375</b>	<b>1,082,075</b>	<b>2,165,208</b>	<b>2,343,030</b>
<b>Revenues</b>						
Operating Revenue	41,294,866	41,317,504				
Charges to Departments (ISF)			970,772	1,365,495	1,703,939	1,591,348
Grants/Other	74,769		1,500			
Developer Impact Payments	102,821	756,911				
Transfers In	2,220,060	948,541				
Bond Proceeds	16,051,646					
<b>Total Revenues</b>	<b>59,744,162</b>	<b>43,022,956</b>	<b>972,272</b>	<b>1,365,495</b>	<b>1,703,939</b>	<b>1,591,348</b>
<b>Expenditures</b>						
Operating	40,777,365	41,165,503	1,298,972	1,174,973	1,403,821	1,537,718
Capital/Grants (CA)	270,001	3,126,096				154,804
Capital	400,643	161,299	149,600	415,541	122,296	489,420
Debt Service	818,072	872,250				
OPEB Trust Contribution						
Transfer Out - OPEB		1,423,243		34,054		27,257
Transfer Out - Other	277,124	253,000	100,000			
<b>Sub Total Expenditures</b>	<b>42,543,205</b>	<b>47,001,391</b>	<b>1,548,572</b>	<b>1,624,568</b>	<b>1,526,117</b>	<b>2,209,199</b>
<b>Other</b>						
Pension Obligation Bonds - Side Fund	17,995,000					
2015 Retrospective Payment						
<b>Sub Total Other</b>	<b>17,995,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fire Apparatus Reserve	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>33,979,984</b>	<b>30,001,549</b>	<b>1,082,075</b>	<b>823,002</b>	<b>2,343,030</b>	<b>1,725,179</b>
<b>Desired Reserve</b>			<b>\$800,000</b>		<b>\$1,750,000</b>	

## GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

Fleet Management		Capital Equipment		Self Insurance		Employee Benefits		All Funds	
2015-16 Estimate	2016-17 Budget								
2,518,951	2,071,496	1,686,836	1,284,391	4,151,680	3,209,471	521,647	874,096	47,476,724	44,844,543
1,626,588	1,833,498	210,880	73,918	2,323,765	2,585,531	12,946,239	12,700,805	41,294,866	41,317,504
37,800	15,000			224,360				19,782,183	20,150,596
25,000	120,000					1,124,360	1,683,045	338,429	15,000
								102,821	756,911
								3,369,420	2,751,586
								16,051,646	-
<b>1,689,388</b>	<b>1,968,498</b>	<b>210,880</b>	<b>73,918</b>	<b>2,548,125</b>	<b>2,585,531</b>	<b>14,070,599</b>	<b>14,383,850</b>	<b>80,939,365</b>	<b>64,991,597</b>
1,034,258	1,087,931			2,287,553	2,585,535	13,493,790	14,444,050	60,295,759	61,995,711
1,102,585	728,000	313,325	6,881					270,001	3,287,781
			505,605					2,088,449	2,299,865
						224,360		818,072	872,250
	22,845			224,360				224,360	-
		300,000		500,000				224,360	1,507,399
<b>2,136,843</b>	<b>1,838,776</b>	<b>613,325</b>	<b>512,486</b>	<b>3,011,913</b>	<b>2,585,535</b>	<b>13,718,150</b>	<b>14,444,050</b>	<b>1,177,124</b>	<b>253,000</b>
				478,421	587,715			17,995,000	-
-	-	-	-	<b>478,421</b>	<b>587,715</b>	-	-	478,421	587,715
-	230,000	-	-	-	-	-	-	-	230,000
<b>2,071,496</b>	<b>1,971,218</b>	<b>1,284,391</b>	<b>845,823</b>	<b>3,209,471</b>	<b>2,621,752</b>	<b>874,096</b>	<b>813,896</b>	<b>44,844,543</b>	<b>38,802,419</b>
<b>\$2,000,000</b>		<b>\$800,000</b>		<b>\$3,000,000</b>		<b>\$2,000,000</b>			

## DEBT SERVICE ADMINISTRATION

As of June 30th, 2016 The City of Fountain Valley and the Successor Agency had a combined total of \$42,120,000 of outstanding Long Term Debt. The debt covers Governmental Activities and Business-Type Activities, which includes Tax Allocation Bonds, Certificates of Participation and a Fire Apparatus Capital Lease. A schedule of each outstanding long-term debt, as of June 30th, 2016 is listed below.

<b>Issuance Date</b>	<b>Type of Long Term Debt</b>	<b>Total Outstanding Debt as of 06/30/16</b>
2014	Series 2014A Revenue Bonds - Water Enterprise Fund	\$13,230,000
2015	Series 2015A Taxable Pension Obligation Bonds	\$15,995,000
2016	Series 2016A Lease Revenue Bonds	\$12,895,000
<b>Total Outstanding City Long Term Debt</b>		<b>\$42,120,000</b>

## AUTHORIZED EMPLOYMENT LIST

FTE by Department/Division	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Administration	3	3	3	2
City Clerk	1	2	2	2
Finance	10.6	10.6	10.75	10.75
Fire Department	43	43	42	42
Human Resources	3.5	3.5	4	4
Information Systems	3	4	4	4
Planning & Building	8	8	7	7
Police Department	81	85	83	83
Public Works (All)	62	59	59	59
Recreation & Community Services	6	6	6	6
<b>Total FTE by Department/Division</b>	<b>221.1</b>	<b>224.1</b>	<b>220.75</b>	<b>219.75</b>

Administration	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
City Manager	1	1	1	1
Assistant to the CM	1	1	1	1
Executive Assistant to CM	1	1	1	0
<b>Total Administration</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>

City Clerk	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
City Clerk Administrator	0	1	1	1
Deputy City Clerk	1	1	1	1
<b>Total City Clerk</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>

Finance	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Finance Director	1	1	1	1
Secretary	1	1	1	1
Accounting Manager	1	1	1	1
Accountant	1	1	1	1
Accounting Technician II/CSR	4	4	4	4
Accounting Technician I	.6	.6	.75	.75
Purchasing Manager	1	1	1	1
Reproduction/Stores Clerk	1	1	1	1
<b>Total Finance</b>	<b>10.6</b>	<b>10.6</b>	<b>10.75</b>	<b>10.75</b>

## AUTHORIZED EMPLOYMENT LIST

Fire Department	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Fire Chief	1	1	1	1
Secretary	1	1	1	1
Fire Marshal/Deputy Fire Marshal	1	1	1	1
Battalion Chief	3	3	2	2
Fire Captain	9	9	9	9
Fire Engineer	9	9	9	9
Firefighter/Paramedic	18	18	18	18
Firefighter	0	0	0	0
Fire Prevention Analyst	1	1	1	1
<b>Total Fire Department</b>	<b>43</b>	<b>43</b>	<b>42</b>	<b>42</b>

Human Resources	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Human Resources Director	1	1	1	1
Human Resources Analyst	1	1	1	1
Safety & HR Specialist	0	0	1	1
Department Secretary	1	1	1	1
Office Specialist II	.5	.5	0	0
<b>Total Human Resources</b>	<b>3.5</b>	<b>3.5</b>	<b>4</b>	<b>4</b>

Information Systems	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Information Systems Manager	1	1	1	1
Information Systems Technicians	2	3	3	3
<b>Total Information Systems</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>

Planning & Building	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Planning & Building Director	1	1	1	1
Planner	1	1	1	1
Administrative Assistant/Secretary	1	1	1	1
Administrative Specialist	0	0	1	0
Code Enforcement Officer	2	2	1	2
Housing Coordinator	1	1	0	0
Housing Analyst/Technician	1	1	1	1
Assistant Planner	1	1	1	1
<b>Total Planning &amp; Building</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>

## AUTHORIZED EMPLOYMENT LIST

Police Department	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Police Chief	1	1	1	1
Secretary	1	1	1	1
Division Secretary	1	.5	.5	.5
Crime Analyst	1	1	1	1
Management Analyst	0	1	1	1
Captain	2	2	2	2
Lieutenant	3	3	3	3
Sergeant	10	10	10	10
Senior Police Officer	11	11	9	9
Police Officer	34	37	37	37
Laboratory	1	1	1	1
Support Services Supervisor	1	1	1	1
Police Records	4.5	4	4	3.5
Police Dispatch	6	7	7	8
Property Clerk	0	0	0	0
Community Services Officer	4.5	4.5	4.5	4
<b>Total Police Department</b>	<b>81</b>	<b>85</b>	<b>83</b>	<b>83</b>

Public Works – Admin. & Engineering	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Director of Public Works	1	1	1	1
Administrative Assistant/Secretary	1	1	1	1
Deputy City Engineer	1	1	1	1
Environmental Services Administrator	1	1	1	1
Assistant Engineer	2	2	2	2
Engineering Tech III	2	2	2	2
Public Works Inspector	1	1	1	1
<b>Total Public Works – Admin. &amp; Eng.</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

Public Works – General Services	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
General Services Manager	1	1	1	1
Administrative Specialist	1	1	1	1
Management Analyst	1	1	1	1
Internal Services Supervisor	1	1	1	1
Public Services Supervisor	1	1	1	1
Landscape Inspector	0	0	1	1
Foreman	5	5	4	4
Equipment Operator I & II	1	1	1	1

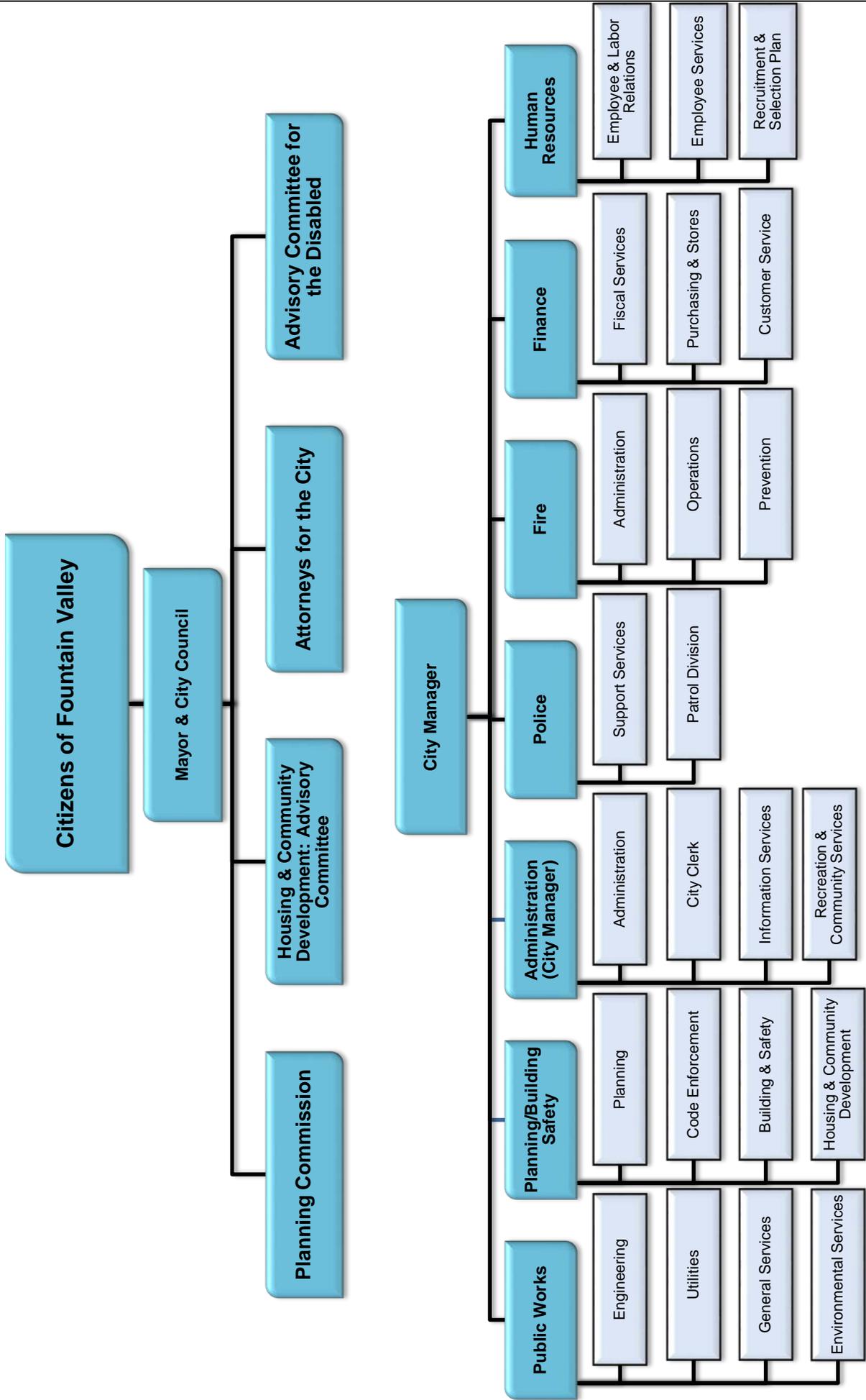
## AUTHORIZED EMPLOYMENT LIST

Irrigation Technician	2	2	2	2
Maintenance Worker II	14	11	11	11
Mechanic	4	4	4	4
<b>Total Public Works – General Services</b>	<b>31</b>	<b>28</b>	<b>28</b>	<b>28</b>

Public Works – Utilities	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Utilities Manager	1	1	1	1
Water Supervisor	2	2	2	2
Foreman	1	1	1	1
Water Quality Technician	1	1	1	1
Equipment Operator II – Non Certified	1	1	1	1
Water Systems Operator	3	3	3	3
Maintenance Worker II	4	5	5	7
Maintenance Worker II – Non Certified	2	1	1	1
Meter Reader	2	2	2	0
Sewer/Storm Drain Supervisor	1	1	1	1
Equipment Operator I – Storm Drains	1	1	1	1
Equipment Operator II – Sewers	1	1	1	1
Maintenance Worker II – Sewers/Storm	2	2	2	2
<b>Total Public Works – Utilities</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>

Recreation & Community Services	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget
Community Services Manager	1	1	1	1
Community Services Supervisor	2	2	2	2
Recreation Coordinator	3	3	3	3
<b>Total Recreation &amp; Community Svc.</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

# City Organizational Chart



Department Summary (All Funds)	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Total All Departments</b>				
Salaries & Benefits	32,837,645	34,282,984	34,858,023	34,049,282
Internal Service Charges	5,693,252	5,926,599	5,913,724	6,611,920
Operating Expense	16,164,899	17,506,111	16,917,578	18,719,151
<b>Total All Departments Expenditures</b>	<b>54,695,796</b>	<b>57,715,694</b>	<b>57,689,325</b>	<b>59,380,353</b>
Revenues/Charges to Departments	30,494,365	26,065,668	26,175,908	26,996,155
<b>Total All Departments Revenues</b>	<b>30,494,365</b>	<b>26,065,668</b>	<b>26,175,908</b>	<b>26,996,155</b>



## Totals by Department

### Administration

Salaries & Benefits	960,965	1,082,336	1,031,756	1,010,483
Internal Service Charges	160,317	156,481	156,481	176,916
Operating Expense	543,673	978,161	1,013,210	943,536
<b>Total Administration Expenditures</b>	<b>1,664,955</b>	<b>2,216,978</b>	<b>2,201,447</b>	<b>2,130,935</b>
Revenues/Charges to Departments	1,057,879	709,761	709,761	782,981
<b>Total Administration Revenues</b>	<b>1,057,879</b>	<b>709,761</b>	<b>709,761</b>	<b>782,981</b>

### Finance

Salaries & Benefits	1,217,191	1,219,197	1,247,545	1,229,665
Internal Service Charges	215,615	171,226	171,226	196,554
Operating Expense	368,834	527,920	558,278	525,930
<b>Total Finance Expenditures</b>	<b>1,801,641</b>	<b>1,918,343</b>	<b>1,977,049</b>	<b>1,952,149</b>
Revenues/Charges to Departments	1,285,730	1,174,013	1,083,225	1,111,803
<b>Total Finance Revenues</b>	<b>1,285,730</b>	<b>1,174,013</b>	<b>1,083,225</b>	<b>1,111,803</b>

### Fire

Salaries & Benefits	8,149,783	8,427,802	8,814,675	8,404,356
Internal Service Charges	928,190	925,711	925,711	968,120
Operating Expense	533,699	630,356	660,583	698,674

<b>Department Summary (All Funds)</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Total Fire Expenditures</b>	<b>9,611,672</b>	<b>9,983,869</b>	<b>10,400,969</b>	<b>10,071,150</b>
Revenues/Charges to Departments	1,346,543	1,392,000	1,481,420	1,378,500
<b>Total Fire Revenues</b>	<b>1,346,543</b>	<b>1,392,000</b>	<b>1,481,420</b>	<b>1,378,500</b>
<b>Human Resources</b>				
Salaries & Benefits	448,084	544,012	543,879	554,392
Internal Service Charges	49,945	43,657	43,657	44,658
Operating Expense	110,312	82,679	78,016	144,979
<b>Total Human Resources Expenditures</b>	<b>608,341</b>	<b>670,348</b>	<b>665,552</b>	<b>744,029</b>
<b>Planning &amp; Building</b>				
Salaries & Benefits	1,485,875	1,495,112	1,568,650	1,558,624
Internal Service Charges	121,056	129,620	116,746	148,528
Operating Expense	204,645	534,372	325,148	518,014
<b>Total Planning &amp; Building Expenditures</b>	<b>1,811,577</b>	<b>2,159,104</b>	<b>2,010,544</b>	<b>2,225,166</b>
Revenues/Charges to Departments	1,723,587	1,771,723	1,861,115	1,763,963
<b>Total Planning &amp; Building Revenues</b>	<b>1,723,587</b>	<b>1,771,723</b>	<b>1,861,115</b>	<b>1,763,963</b>
<b>Police</b>				
Salaries & Benefits	13,288,632	13,849,197	14,077,709	13,478,152
Internal Service Charges	1,790,199	1,781,588	1,781,588	2,077,693
Operating Expense	514,795	602,409	582,580	608,211
<b>Total Police Expenditures</b>	<b>15,593,626</b>	<b>16,233,194</b>	<b>16,441,877</b>	<b>16,164,056</b>
Revenues/Charges to Departments	1,017,601	857,100	858,467	801,000
<b>Total Police Revenues</b>	<b>1,017,601</b>	<b>857,100</b>	<b>858,467</b>	<b>801,000</b>
<b>Public Works</b>				
Salaries & Benefits	6,137,024	6,500,037	6,411,654	6,613,940
Internal Service Charges	1,640,660	1,918,591	1,918,590	2,172,600
Operating Expense	12,741,064	13,020,787	12,527,311	13,970,180
<b>Total Public Works Expenditures</b>	<b>20,518,748</b>	<b>21,439,415</b>	<b>20,857,555</b>	<b>22,756,720</b>
Revenues/Charges to Departments	22,710,404	18,875,926	18,891,344	19,810,665
<b>Total Public Works Revenues</b>	<b>22,710,404</b>	<b>18,875,926</b>	<b>18,891,344</b>	<b>19,810,665</b>
<b>Recreation &amp; Community Services</b>				
Salaries & Benefits	1,150,090	1,165,291	1,162,155	1,199,670
Internal Service Charges	787,270	799,725	799,725	826,851
Operating Expense	372,597	402,227	410,084	435,065
<b>Total Rec. &amp; Comm. Services Expenditures</b>	<b>2,309,957</b>	<b>2,367,243</b>	<b>2,371,964</b>	<b>2,461,586</b>
Revenues/Charges to Departments	1,352,620	1,285,145	1,290,576	1,347,243
<b>Total Rec. &amp; Comm. Services Revenues</b>	<b>1,352,620</b>	<b>1,285,145</b>	<b>1,290,576</b>	<b>1,347,243</b>

<b>Department Summary (All Funds)</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Non Departmental</b>				
Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	775,279	727,200	762,368	874,562
<b>Total Non Departmental Expenditures</b>	<b>775,279</b>	<b>727,200</b>	<b>762,368</b>	<b>874,562</b>

# Administration

**Administration**  
**City Manager: Bob Hall**

**City Clerk**

**Information Services**

**Recreation & Community Services**

Records Management

Council Meetings

Elections

Risk Management

Citywide Network & Computer Support

Telephone System Support

Website Support

Recreation Services (Sports Park)

Community Services

Human & Senior Services

## ADMINISTRATION

### **Description / Purpose**

The City of Fountain Valley's Administration Department is comprised of the legislative, legal and administrative branches of City government.

Elected at large by the citizens of Fountain Valley to act as their representatives, the City Council functions as the legislative branch of the City. This five member body exercises the legal powers designated to them by the State government code pertaining to general law cities. It is the City Council's responsibility to develop public policies, approve programs, and allocate revenues to meet the needs of the City.

The City Council also functions as the Board for the Successor Agency to the Fountain Valley Agency for Community Development, Fountain Valley Housing Authority and Fountain Valley Public Financing Authority.

Appointed by the City Council, the City Attorney is responsible for the disposition of civil matters related to land use, contracts, agreements and ordinances, as well as the prosecution of misdemeanor criminal offenses committed within 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. He 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 City Manager is also the appointed Executive Director of the Successor Agency to the Fountain Valley Agency for Community Development. As director, he administers the housing and economic development policies set forth by the Agency's Board.

The Council and City Manager are supported by the Administrative Services staff and Information Services staff. Administrative Services is responsible for: Intergovernmental Relations, which involves the tracking of legislation impacting Fountain Valley at the Federal, State and County levels; Public Information, which includes communication of City policies and programs to the media and various other audiences; and Risk Management, which targets minimization of loss of City assets due to accidents, employee injuries, and third-party injuries. Information Services is responsible for serving all of the city's technological needs and support.

### **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 the appropriate level of cost effective services and exercising innovation while respecting the community's traditional values of our businesses and residents.

## ADMINISTRATION

### **Status of Major Goals from the Prior 2015-16 Fiscal Year**

- Completed Development Opportunities Study for future economic development projects
- Launched a new City website, community dash board on crime statistics in the Police Department, and advanced metering infrastructure systems to remotely monitor the meters on a daily basis
- Work continues for the Fountain Valley Crossings Specific Action Plan with three workshops, a joint study session and numerous outreach meetings

### **Other Key Projects Completed During the Fiscal Year Include:**

- Completed Draft Fountain Valley Crossings Specific Plan
- Educated the community on the City's new website and resources that are available as part of the City advanced transparency goals
- Met with commercial property owners, property management services, and real estate brokers serving the community

### **2016-17 Department Goals**

- 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
- Implement a Mobile App for the community
- Continue to build on existing Strategic Plan to guide the organization to support community goals
- Focus on community outreach and engagement as part of the City's fiscal sustainability plan
- Build stronger working relationships with commercial property owners, commercial property management, real estate brokers, and developers to support and attract new businesses to the community
- Build stronger working relationships with the Fountain Valley Chamber of Commerce and Fountain Valley School District
- Enhance economic development programs

## **Description / Purpose**

The City Clerk's Office is dedicated to accurately recording and archiving the actions of the City Council, Successor Agency to the Successor Agency to the Fountain Valley Agency for Community Development, Fountain Valley Housing Authority and Fountain Valley Public Financing Authority; providing information and support to the public, City Council, City staff and constituents in a timely manner; update and maintain the Fountain Valley Municipal Code; administer City's contracts and the city-wide records management program; receive and process tort claims, subpoenas and summons; as the local filing officer accept statement of economic interest and campaign statements; as the local elections official, in consolidation with the County of Orange, administer the election process in accordance with statutory regulations; and administers the department's budget in a fiscally responsible manner.

## **Mission Statement**

To promote public trust by accurately recording and archiving the legislative actions of the City while providing courteous, professional services in an efficient and fiscally accountable manner.

## **Other Key Projects Completed During Fiscal Year Include:**

- In partnership with the Public Cable Television Authority, Included live streaming video and televised Study Sessions of the City Council/Successor Agency to the Fountain Valley Agency for Community Development meeting

## **2016-17 Department Goals**

- Update the City's Records Management Program and Retention Schedule
- Legal review of the Fountain Valley Municipal Code
- Administer and provide election services for the November 1, 2016, General Municipal Election

## INFORMATION SERVICES

### **Description / Purpose**

The Information Services Division manages the Computer, Telephone and Website systems of the City. The Division's primary functions include hardware and software selection, procurement, installation, operation, maintenance and eventually e-waste disposal of the computer based elements of the Cities infrastructure. The Division is also responsible for the management and operation of the cities telephone infrastructure, which encompasses over 250 handsets and 3 system servers located in 7 different city buildings. The city website is viewed by approximately 30,000 visitors monthly and provides information on all aspects of the City. Information Services staff ensures that both these essential services are available to everyone 24 hours a day 7 days a week, 365 days a year.

### **Mission Statement**

To provide high quality service 24/7, to all users of the City's computer network, telephone system and Website, while exercising responsible fiscal management of the resources.

### **Status of Major Goals from the Prior 2015-16 Fiscal Year**

- Completed a 2015 City Strategic Objective; to provide a televised presentation on Channel 3 to inform the Public about the new City and Police Websites and new capabilities
- Completed a 2015 City Strategic Objective; to provide the public with a Community Feedback form on the FV Website, to enable the public to easily share feedback with the City about topics of interest to them
- Installed a FAX Server for City Hall that replaced five (5) outdated physical Fax machines. This resulted in an approximate \$10,000 annual savings reduction in Equipment costs and Telephone line costs
- Worked with other City departments to develop organizational strategic plans with an emphasis on interoperability and automation between all departments and city provided services

### **Other Key Projects Completed During Fiscal Year Include:**

- Information Services Division was awarded the peer reviewed Quality in IT Practices by the Municipal Information Managers Association of California
- Updated the telephone Voicemail system with newer more reliable software
- Replaced the City's Automated Call Answering system server and software. This automated system handles over 100 routine calls per day, speeding up caller access to City resources and eliminating the need for staff to manually direct incoming phone calls.

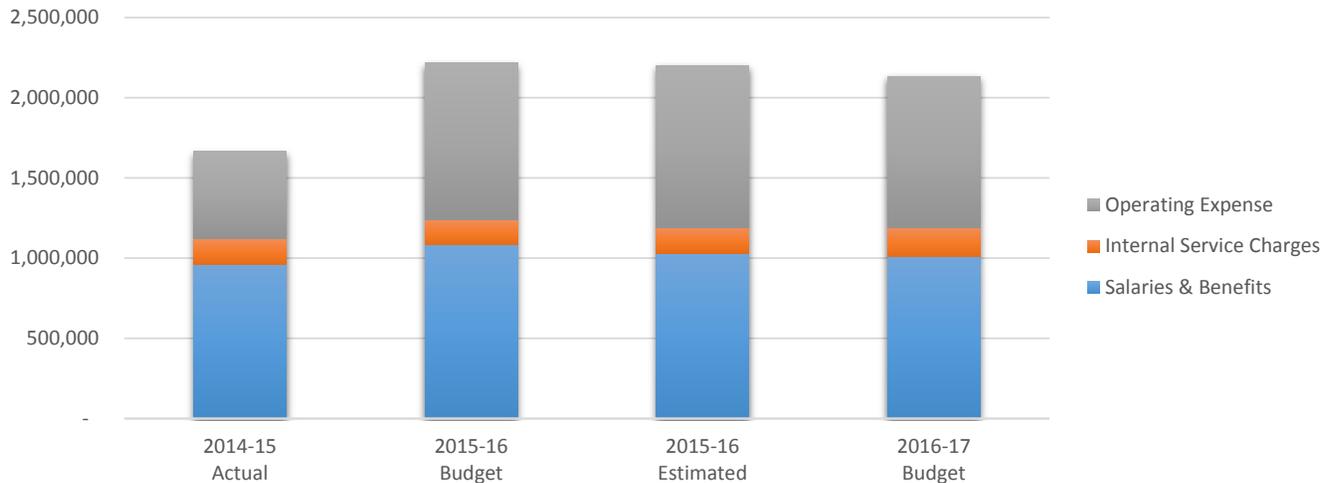
## INFORMATION SERVICES

- Migrated all stored data files to a new, larger and more robust storage platform. Enabling faster data retrieval and more reliable file services
- Continued management and expansion of the Incode based, online utility bill payment portal, now with over 5,000 users registered. This results in a cost savings to the City as it reduces the number of manual transactions that city staff have to process in every billing cycle
- Assisted FVPD with the implementation of the Command Data Public Dashboard application on the FVPD website. This application allows website visitors view and map crime information

### **2016-17 Department Goals**

- Continue to provide the highest quality technology services to the City, striving to maintain 100% availability of all critical network resources
- Adoption and Completion of the City Strategic Goals with other Departments
- Assume management of the new City Website – current Strategic Objective
- Replacement of the City's security video system – current Strategic Objective
- Enterprise Thinking – Integration and Efficiency, continue efforts to utilize automation to increase efficiency and reduce operating costs
- Effective Project Management & Cyber Security
- Continue IS strategies that maintain or reduce overall capital and operating costs

<b>Administration</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>General Fund</b>				
Salaries & Benefits	960,965	1,082,336	1,031,756	1,010,483
Internal Service Charges	160,317	156,481	156,481	176,916
Operating Expense	543,673	978,161	1,013,210	943,536
<b>Total Administration Expenditures</b>	<b>1,664,955</b>	<b>2,216,978</b>	<b>2,201,447</b>	<b>2,130,935</b>
Revenues/Charges to Departments	1,057,879	709,761	709,761	782,981
<b>Total Administration Revenues</b>	<b>1,057,879</b>	<b>709,761</b>	<b>709,761</b>	<b>782,981</b>



### General Fund

#### City Council

Salaries & Benefits	82,992	133,535	115,830	113,815
Internal Service Charges	18,188	30,985	30,985	28,838
Operating Expense	73,631	417,070	499,300	432,070
<b>Program Expenditures</b>	<b>174,811</b>	<b>581,590</b>	<b>646,115</b>	<b>574,723</b>

#### City Manager

Salaries & Benefits	190,426	190,641	208,557	191,247
Internal Service Charges	49,028	49,535	49,535	57,586
Operating Expense	6,091	9,520	6,820	9,520
<b>Program Expenditures</b>	<b>245,545</b>	<b>249,696</b>	<b>264,912</b>	<b>258,353</b>

#### Administrative Services

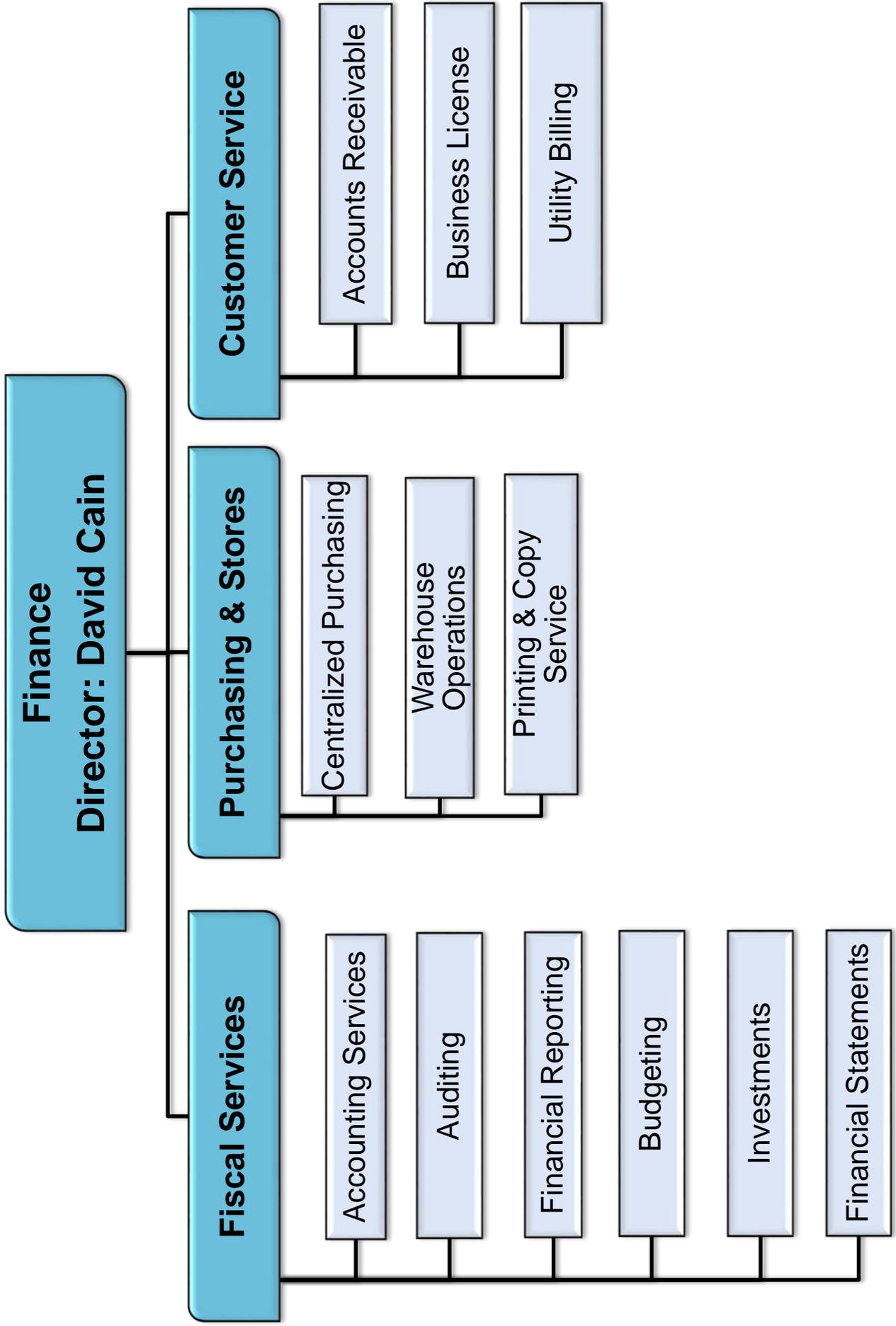
Salaries & Benefits	184,236	188,469	162,228	203,651
Internal Service Charges	38,508	34,735	34,735	40,014
Operating Expense	2,300	1,820	1,820	5,150
<b>Program Expenditures</b>	<b>225,044</b>	<b>225,024</b>	<b>198,783</b>	<b>248,815</b>

#### Records Management

Salaries & Benefits	97,774	141,616	136,747	99,741
Internal Service Charges	48,088	35,652	35,652	43,680
Operating Expense	12,234	26,605	15,290	23,030

	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Administration</b>				
Program Expenditures	158,096	203,873	187,689	166,451
<b>Elections</b>				
Salaries & Benefits	27,341	12,928	20,122	10,301
Internal Service Charges	6,505	5,574	5,574	6,798
Operating Expense	35,393	6,650	1,000	54,150
Program Expenditures	69,239	25,152	26,696	71,249
<b>General Fund Totals</b>				
Salaries & Benefits	582,769	667,189	643,484	618,755
Internal Service Charges	160,317	156,481	156,481	176,916
Operating Expense	129,649	461,665	524,230	523,920
Fund Expenditures	872,735	1,285,335	1,324,195	1,319,591
<b>Other Funds</b>				
<b>Information Processing (Internal Service)</b>				
Salaries & Benefits	378,196	415,147	388,272	391,728
Internal Service Charges	-	-	-	-
Operating Expense	414,024	516,496	488,980	419,616
Program Expenditures	792,220	931,643	877,252	811,344
Revenues/Charges to Departments	1,057,879	709,761	709,761	782,981
Program Revenues	1,057,879	709,761	709,761	782,981
<b>Total Other Funds</b>				
Salaries & Benefits	378,196	415,147	388,272	391,728
Internal Service Charges	-	-	-	-
Operating Expense	414,024	516,496	488,980	419,616
Other Fund Expenditures	792,220	931,643	877,252	811,344
Department Charges	1,057,879	709,761	709,761	782,981
Other Fund Revenues	1,057,879	709,761	709,761	782,981

# Finance Department



## FINANCE DEPARTMENT

### Description / Purpose

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, disbursement control, revenue administration, accounting and reporting, cash management, long-term debt administration, successor agency accounting, purchasing, investing and utility billing.

The Finance Department is divided into the Fiscal & Accounting Services Division, whose purpose it is to develop, enhance, and manage a sound financial structure, enabling the City and Successor Agency to provide quality services to the community while effectively controlling and monitoring the receipt and disbursement of public funds. Processes include annual Budget and Capital Improvement Plan; Comprehensive Annual Financial Report (CAFR); payroll; accounts payable; regular financial reports and accounting functions. The Purchasing/Warehouse Division procures equipment, supplies, and services at the most competitive prices, for all City departments, while remaining within State and municipal procurement regulations and guidelines. The Customer Service Division collects funds to support the operations of the City's water, sewer, and storm drain systems along with collecting funds for contracted refuse collection. Processes business licenses and false alarm permits; invoices for damages to City property and collects required City fees.

### Mission Statement

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

### Status of Prior Year 2015-16 Department Goals

- Submitted the City's 2014-15 Comprehensive Annual Financial Report to the Government Finance Officers Association for the annual "Excellence in Financial Reporting" awards program (*Strategic Issue: Financial Stability*)
- Worked with other City departments to help facilitate the successful accomplishment of organizational strategic plan issues that have been identified for the 2015-16 fiscal year (*Organizational Value: Teamwork*)
- Performed an update of the City Building and Planning Fees. (*Strategic Issue: Financial Stability*)
- Continued to update and enhance the City Budget Document, which will include a review of Internal Service Fund allocations and reserve balances; City financial and budget policies; and ten-year strategic financial plan assumptions (*Strategic Issue: Financial Stability*)

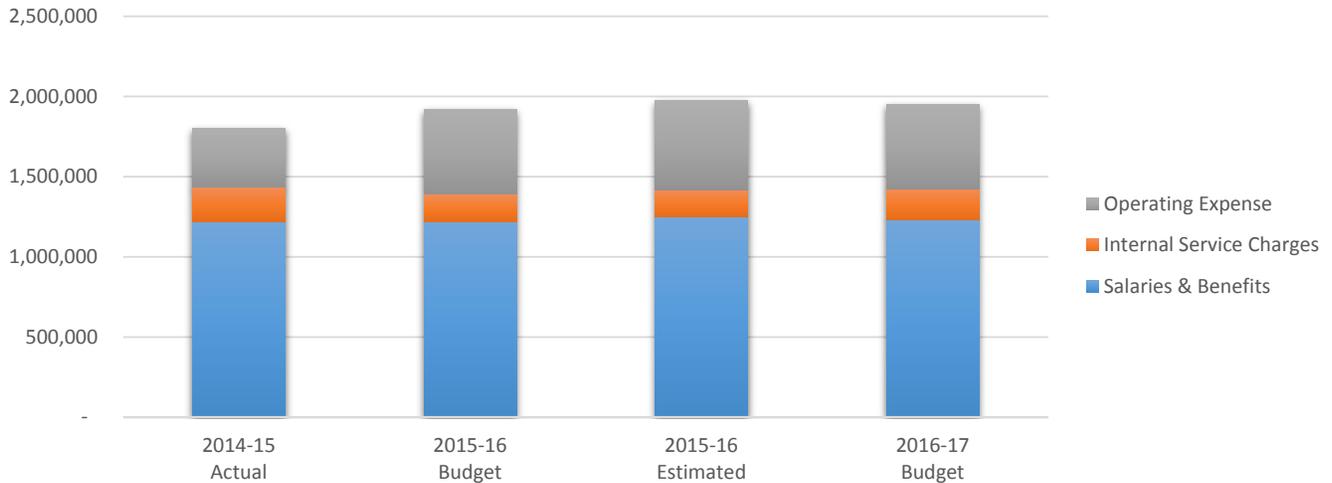
## FINANCE DEPARTMENT

- Outsource utility billing printing and mailing which will provide additional staff resources to cover important day-to-day financial activities will commence July 1, 2016. (*Strategic Issue: Financial Stability*)
- Completed evaluation of City's banking provider and credit card/e-bill payment processors to create efficiencies and cost savings and implemented successful change over to Citizens Business Bank for ongoing banking services. (*Strategic Issue: Financial Stability*)
- Completed refinancing of 2003 COPS and generated an additional \$6.8m in funds to help pay for the rehabilitation of two critical stormwater pump stations without increasing annual debt service payment amount. (*Strategic Issue: Fiscal Stability & Maintain Infrastructure*)

### 2016-17 Department Goals

- Complete outsourcing of utility billing printing and mailing and payment collection, through lock-box services. This outsourcing will allow finance staff resources to be redirected to critical day-to-day financial and accounting services. (*Strategic Issue: Fiscal Stability*)
- Evaluate and determine course of action required due to the requirement by current vendor to implement a conversion of Finance and UB financial software from Tyler Envision 9.0 to Tyler INCODE SQL Database Version 10. (*Strategic Issue: Fiscal Stability / Innovation*)
- Development a City budget document that would eligible for the CSMFO and/or GFOA Budget Awards Program. (*Strategic Issue: Fiscal Stability / Transparency*)
- Continue to work with City Manager to develop a comprehensive Fiscal Sustainability Plan (*Strategic Issue: Fiscal Stability*)
- Update and implement citywide user fee schedule. (*Strategic Issue: Fiscal Stability*)
- Work with other City departments and City Manager to help facilitate the successful accomplishment of organizational strategic plan issues that have been identified for the 2016-17 fiscal year (*Organizational Value: Teamwork*)
- Update City Purchasing Manual based on updated Fountain Valley Municipal Code Title 2. (*Strategic Issue: Fiscal Stability / Teamwork*)

Finance	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Total Finance (All Funds)</b>				
Salaries & Benefits	1,217,191	1,219,197	1,247,545	1,229,665
Internal Service Charges	215,615	171,226	171,226	196,554
Operating Expense	368,834	527,920	558,278	525,930
<b>Total Finance Expenditures</b>	<b>1,801,641</b>	<b>1,918,343</b>	<b>1,977,049</b>	<b>1,952,149</b>
Revenues/Charges to Departments	1,285,730	1,174,013	1,083,225	1,111,803
<b>Total Finance Revenues</b>	<b>1,285,730</b>	<b>1,174,013</b>	<b>1,083,225</b>	<b>1,111,803</b>



## General Fund

### Financial Services

Salaries & Benefits	427,938	434,328	453,600	510,069
Internal Service Charges	166,775	133,067	133,067	152,381
Operating Expense	230,541	301,580	290,880	301,490
<b>Program Expenditures</b>	<b>825,255</b>	<b>868,975</b>	<b>877,547</b>	<b>963,940</b>

### Business License

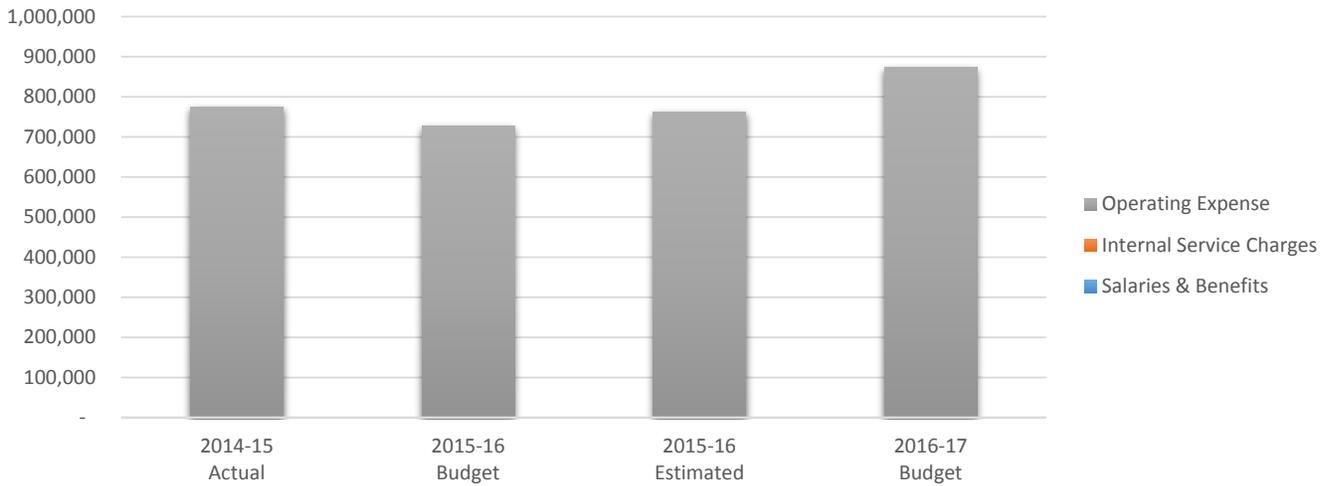
Salaries & Benefits	164,989	162,862	168,474	108,080
Internal Service Charges	35,381	28,102	28,102	32,135
Operating Expense	603	2,950	1,960	2,950
<b>Program Expenditures</b>	<b>200,973</b>	<b>193,914</b>	<b>198,536</b>	<b>143,165</b>
Revenues	563,776	567,900	563,514	563,500
<b>Program Revenues</b>	<b>563,776</b>	<b>567,900</b>	<b>563,514</b>	<b>563,500</b>

### General Fund Totals

Salaries & Benefits	592,927	597,190	622,074	618,149
Internal Service Charges	202,156	161,169	161,169	184,516
Operating Expense	231,144	304,530	292,840	304,440
<b>General Fund Expenditures</b>	<b>1,026,228</b>	<b>1,062,889</b>	<b>1,076,083</b>	<b>1,107,105</b>
Revenues	563,776	567,900	563,514	563,500
<b>General Fund Revenues</b>	<b>563,776</b>	<b>567,900</b>	<b>563,514</b>	<b>563,500</b>

<b>Finance</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Other Funds</b>				
<b>Utility Billing (Water Fund)</b>				
Salaries & Benefits	366,002	373,684	371,589	342,677
Internal Service Charges	13,459	10,057	10,057	12,038
Operating Expense	92,811	102,600	97,600	126,700
<b>Program Expenditures</b>	<b>472,272</b>	<b>486,341</b>	<b>479,246</b>	<b>481,415</b>
Revenues	228,321	237,000	254,700	244,000
<b>Program Revenues</b>	<b>228,321</b>	<b>237,000</b>	<b>254,700</b>	<b>244,000</b>
<b>Purchasing/Stores (Internal Service Fund)</b>				
Salaries & Benefits	258,262	248,323	253,882	268,839
Internal Service Charges	-	-	-	-
Operating Expense	44,879	120,790	167,838	94,790
<b>Program Expenditures</b>	<b>303,141</b>	<b>369,113</b>	<b>421,720</b>	<b>363,629</b>
Revenues/Charges to Departments	493,633	369,113	265,011	304,303
<b>Program Revenues</b>	<b>493,633</b>	<b>369,113</b>	<b>265,011</b>	<b>304,303</b>
<b>Total Other Funds</b>				
Salaries & Benefits	624,264	622,007	625,471	611,516
Internal Service Charges	13,459	10,057	10,057	12,038
Operating Expense	137,690	223,390	265,438	221,490
<b>Other Fund Expenditures</b>	<b>775,413</b>	<b>855,454</b>	<b>900,966</b>	<b>845,044</b>
Revenues	721,954	606,113	519,711	548,303
<b>Other Fund Revenues</b>	<b>721,954</b>	<b>606,113</b>	<b>519,711</b>	<b>548,303</b>

<b>Non-Departmental</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Total Non-Departmental (All Funds)</b>				
Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	775,279	727,200	762,368	874,562
<b>Total Non-Departmental Expenditures</b>	<b>775,279</b>	<b>727,200</b>	<b>762,368</b>	<b>874,562</b>



### **General Fund**

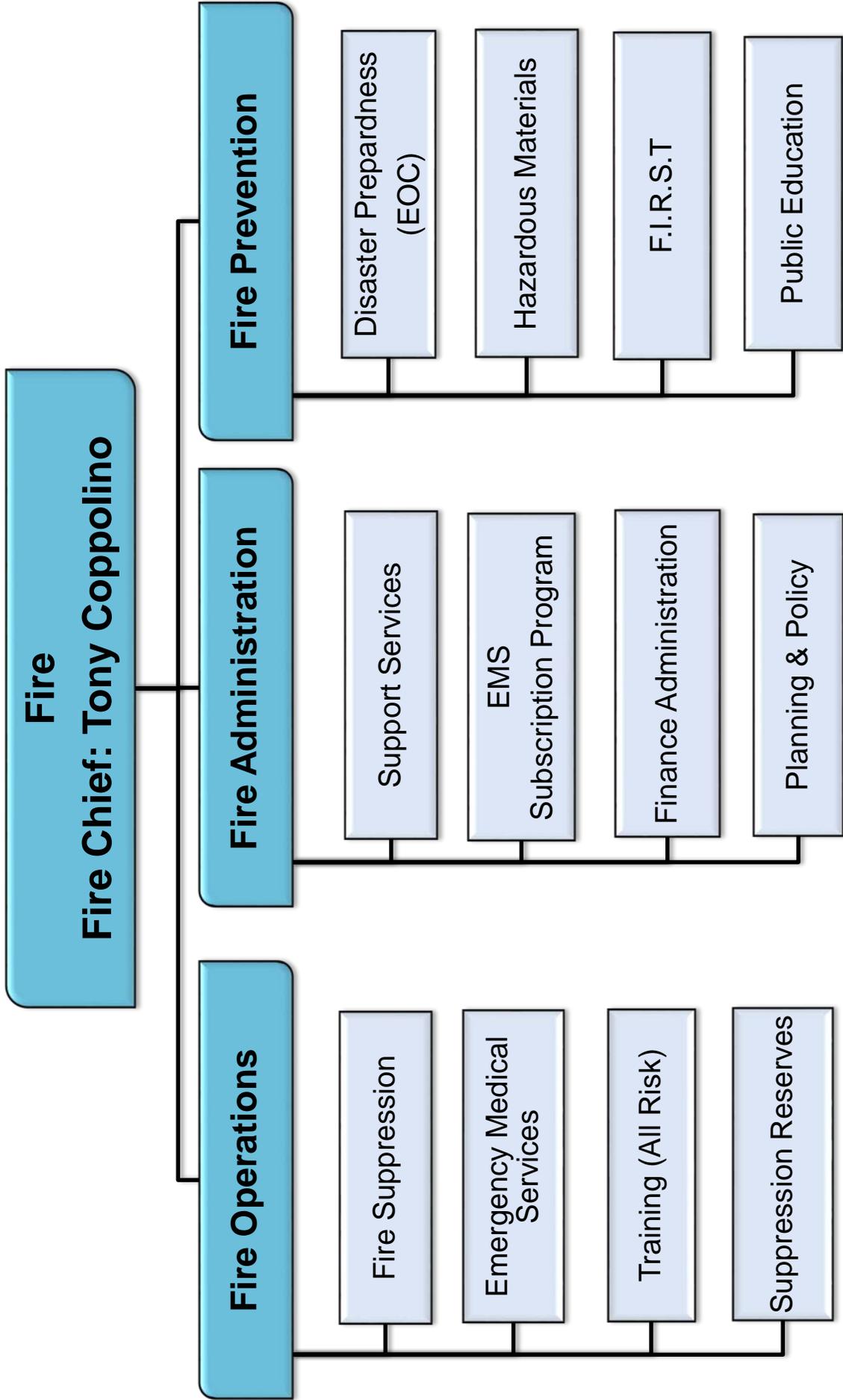
#### **Non-Departmental**

Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	775,279	727,200	762,368	874,562
<b>Program Expenditures</b>	<b>775,279</b>	<b>727,200</b>	<b>762,368</b>	<b>874,562</b>

#### **General Fund Totals**

Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	775,279	727,200	762,368	874,562
<b>Fund Expenditures</b>	<b>775,279</b>	<b>727,200</b>	<b>762,368</b>	<b>874,562</b>

# Fire Department



# FIRE DEPARTMENT

## Description / Purpose

The fire department provides the citizens and visitors of Fountain Valley with outstanding service aimed to safeguard both their wellbeing and property. The 43 full-time men and women and approximately 20 part-time and volunteer employees of the Fountain Valley Fire Department strives to deliver high quality emergency medical services, fire suppression, fire prevention, disaster preparedness and public safety education services. The fire department operates from two fire stations that collectively respond annually to approximately 6,500 all-risk emergency responses.

To maintain a constant state of readiness, the fire department staffs two advanced life support engine companies, one advanced life support 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 our surrounding agencies, which both provides 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 an all-risk 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).

## Mission Statement

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

## Status of Major Goals from the Prior 2015-16 Fiscal Year

- The emergency medical services manager participated in the Community Paramedic Pilot Study and oversaw the implementation of the program
- The fire marshal completed a comprehensive review of the fire prevention bureau and implemented staff education, a Fire Administrative Intern Program,

## FIRE DEPARTMENT

and streamlined record keeping

- The fire department researched and implemented an online personnel call back staffing program
- The fire department is now compliant with NFPA 1851 (Nation Fire Protection Association). This standard regulates personnel protective equipment for firefighters
- The type of fire engine that best fits Fountain Valley Fire Department's mission was researched and a recommendation was presented to council. The recommendation was approved by council and the purchase process of the engine will begin

### **Other Key Projects Completed for the Fiscal Year Include:**

- The fire marshal worked diligently with Orange County Health and received a letter stating that Fountain Valley is in full compliance with the CUPA (Certified Unified Program Agency), a hazardous materials discloser program
- The fee adjustments that were recommended from the fee study completed last fiscal year were implemented
- The fire department renewed the emergency ambulance contract with Care Ambulance

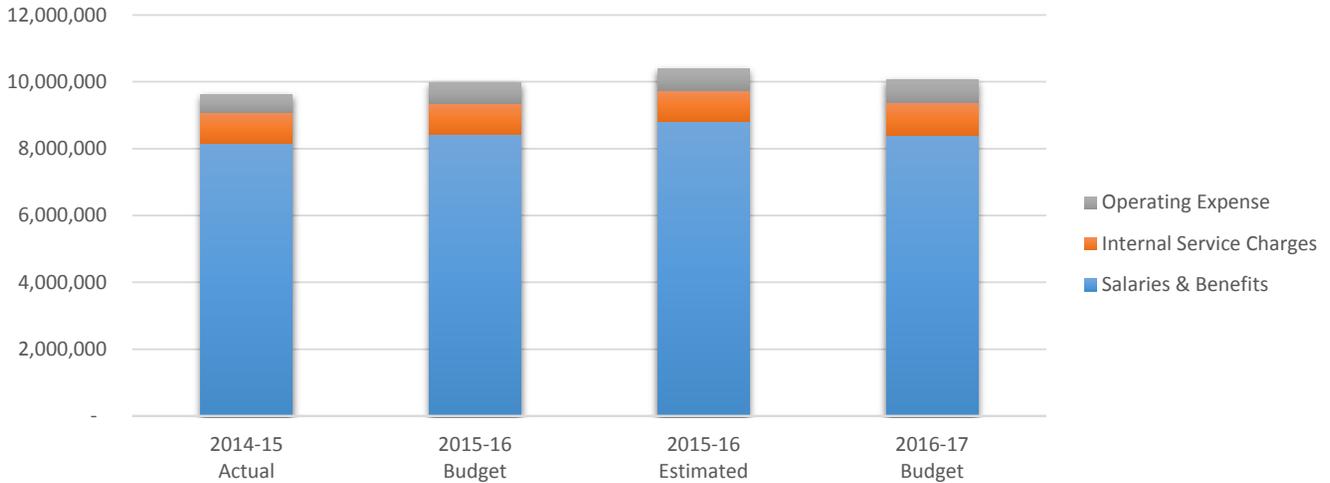
### **2016/17 Department Goals:**

- Continue to digitize fire department personnel, fire prevention, maintenance, and other paper records by interviewing RMS vendors and working with information services to find a solution that is compatible with current city services and that is cost effective
- Recruit, retain, and promote both fire department administrative staff and line personnel by maintaining a high standard during the screening process, offering a competitive wage and benefit package, and maintaining a desirable work environment
- 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
- Increase the fire departments non-emergency community relations by partnering with other community organizations to develop programs that provide home safety and fire prevention services, such as home smoke detector installation programs

## FIRE DEPARTMENT

- Further develop the disaster preparedness program by implementing a mix of volunteers, such as CERT, and fire department employees to share the disaster preparedness responsibilities
- Progress the community paramedic statewide pilot study by participating in local training, developing standard operating procedures, and analyzing participating patient outcome data

Fire Department	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Total Fire Department (All Funds)</b>				
Salaries & Benefits	8,149,783	8,427,802	8,814,675	8,404,356
Internal Service Charges	928,190	925,711	925,711	968,120
Operating Expense	533,699	630,356	660,583	698,674
<b>Total Fire Department Expenditures</b>	<b>9,611,672</b>	<b>9,983,869</b>	<b>10,400,969</b>	<b>10,071,150</b>
Revenues	1,346,543	1,392,000	1,481,420	1,378,500
<b>Total Fire Department Revenues</b>	<b>1,346,543</b>	<b>1,392,000</b>	<b>1,481,420</b>	<b>1,378,500</b>



## General Fund

### Suppression

Salaries & Benefits	4,616,837	4,760,690	5,087,276	4,738,598
Internal Service Charges	595,590	590,279	590,279	623,972
Operating Expense	429,690	504,226	551,746	571,989
<b>Program Expenditures</b>	<b>5,642,117</b>	<b>5,855,195</b>	<b>6,229,301</b>	<b>5,934,559</b>
Revenues	168,549	26,000	150,148	27,500
<b>Program Revenues</b>	<b>168,549</b>	<b>26,000</b>	<b>150,148</b>	<b>27,500</b>

### Paramedics

Salaries & Benefits	2,696,488	2,770,168	2,851,337	2,758,973
Internal Service Charges	239,259	243,436	243,436	252,323
Operating Expense	75,257	78,280	80,800	83,280
<b>Program Expenditures</b>	<b>3,011,004</b>	<b>3,091,884</b>	<b>3,175,573</b>	<b>3,094,576</b>
Revenues	957,716	1,018,000	987,000	988,000
<b>Program Revenues</b>	<b>957,716</b>	<b>1,018,000</b>	<b>987,000</b>	<b>988,000</b>

### Prevention

Salaries & Benefits	622,014	674,527	653,754	669,290
Internal Service Charges	54,175	52,979	52,979	54,041
Operating Expense	5,511	12,145	8,306	14,200
<b>Program Expenditures</b>	<b>681,700</b>	<b>739,651</b>	<b>715,039</b>	<b>737,531</b>
Revenues	176,776	290,000	285,000	305,000

<b>Fire Department</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Program Revenues</b>	<b>176,776</b>	<b>290,000</b>	<b>285,000</b>	<b>305,000</b>
<b>Reserves</b>				
Salaries & Benefits	25,603	30,860	27,139	23,693
Internal Service Charges	526	331	331	463
Operating Expense	4,130	8,485	3,095	8,485
<b>Program Expenditures</b>	<b>30,259</b>	<b>39,676</b>	<b>30,565</b>	<b>32,641</b>
<b>Disaster Preparedness</b>				
Salaries & Benefits	77,743	86,007	86,542	101,027
Internal Service Charges	19,985	20,316	20,316	18,684
Operating Expense	3,121	6,545	3,875	6,545
<b>Program Expenditures</b>	<b>100,849</b>	<b>112,868</b>	<b>110,733</b>	<b>126,256</b>
<b>Hazardous Materials</b>				
Salaries & Benefits	93,289	90,033	92,763	94,405
Internal Service Charges	14,310	13,780	13,780	13,679
Operating Expense	15,060	17,135	9,701	10,635
<b>Program Expenditures</b>	<b>122,659</b>	<b>120,948</b>	<b>116,244</b>	<b>118,719</b>
Revenues	43,502	58,000	59,272	58,000
<b>Program Revenues</b>	<b>43,502</b>	<b>58,000</b>	<b>59,272</b>	<b>58,000</b>
<b>F.I.R.S.T.</b>				
Salaries & Benefits	17,809	15,517	15,864	18,370
Internal Service Charges	4,345	4,590	4,590	4,958
Operating Expense	930	3,540	3,060	3,540
<b>Program Expenditures</b>	<b>23,084</b>	<b>23,647</b>	<b>23,514</b>	<b>26,868</b>
<b>General Fund Totals</b>				
Salaries & Benefits	8,149,783	8,427,802	8,814,675	8,404,356
Internal Service Charges	928,190	925,711	925,711	968,120
Operating Expense	533,699	630,356	660,583	698,674
<b>General Fund Expenditures</b>	<b>9,611,672</b>	<b>9,983,869</b>	<b>10,400,969</b>	<b>10,071,150</b>
Revenues	1,346,543	1,392,000	1,481,420	1,378,500
<b>General Fund Revenues</b>	<b>1,346,543</b>	<b>1,392,000</b>	<b>1,481,420</b>	<b>1,378,500</b>

# Human Resources

**Human Resources**  
Director: Jean Hirai

## Employee & Labor Relations

- Personnel Rules & Regulations
- Compliance Laws
- Classification & Compensation
- Employee Investigations

## Employee Services

- Employee Benefits Program
- Safety Program Administration
- Recognition & Awards
- Development & Training
- Employee Separation
- Worker's Compensation
- Administrative Regulations

## Recruitment & Selection Plan

- Background Checks
- New Employee Orientation

## HUMAN RESOURCES DEPARTMENT

### **Description / Purpose**

The Human Resources Department's primary role is to provide responsive professional human resources management assistance to City departments. Through the labor and employee relations functions, the Department oversees the City's labor relations with its 7 recognized bargaining units and non-represented employees. The Human Resources Department also administers the employee relations process including grievance resolution and discipline and ensures the City is in compliance with applicable Federal, State and local laws.

In the area of Employee Services, the Human Resources Department provides a variety of employee services including maintenance of the City's classification and compensation plan, administration of the employee benefit programs providing health, life insurance and long-term disability benefits. Administers the Workers' Compensation program providing injured employees with timely and quality medical care and treatment facilitating an early recovery and return to work. The Department provides an extensive employee training program tailored to meet the needs of the employees and administers the employee performance evaluation program. Also provided is the employee safety program ensuring the safety and well-being of City employees and the employee recognition program including service milestones and exceptional performance.

The Human Resources Department takes the lead in the recruitment process to administer the application, testing, and pre-employment processes. Working in conjunction with other departments, we strive to attract, hire and retain qualified individuals and place them in positions with responsibilities that allow them to maximize their skills, knowledge and talents.

### **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.

### **Major Goals from the Prior 2015-16 Fiscal Year**

- Completed negotiations and reached agreement on 5 new Memorandums of Understanding with the Fountain Valley General Employees' Association, the Fountain Valley Municipal Employees' Association, and the Orange County Employees' Association for the Professional/Technical Unit, Individually Represented Battalion Chiefs, and Administrative Officers resulting in new 2 year agreements. Drafted and implemented the new Memorandums of Understanding
- Provided on-going support and resources to City Departments on personnel issues including employee discipline, conflict, injuries, etc.

## HUMAN RESOURCES DEPARTMENT

- Successfully completed the first year of reporting requirements under the Affordable Care Act
- Partnered with VSP Vision to add vision insurance as an optional benefit for active employees of specified bargaining groups
- Developed and distributed Requests for Proposals for Background Investigative Services and Legal Services and awarded contracts
- Completed a major overhaul of a master spreadsheet of employee data which serves as the basis for a variety of projects such as costing negotiation proposals, preparing employee billing, etc.
- Successfully coordinated 12 safety trainings, 9 supervisory trainings and several other courses to help promote employee development and increase individual and organizational productivity and enrichment
- Created a Safety Training tracking system to ensure employees are properly trained and ensure that the City is in compliance with OSHA requirements
- Established a Safety Management and Review Team comprised of representatives from various departments to encourage employee/employer participation in creating a safe workplace

### **Other Key Projects Completed During the Fiscal Year Include:**

- Developed procedures for ensuring consistency and streamlining legal services needs of the City
- Created and updated several safety policies to ensure the City's compliance with OSHA regulations
- Continued update and maintenance of the City's classification and compensation system, including reclassification studies, creation of new positions, etc.
- Implemented a number of employee morale building programs

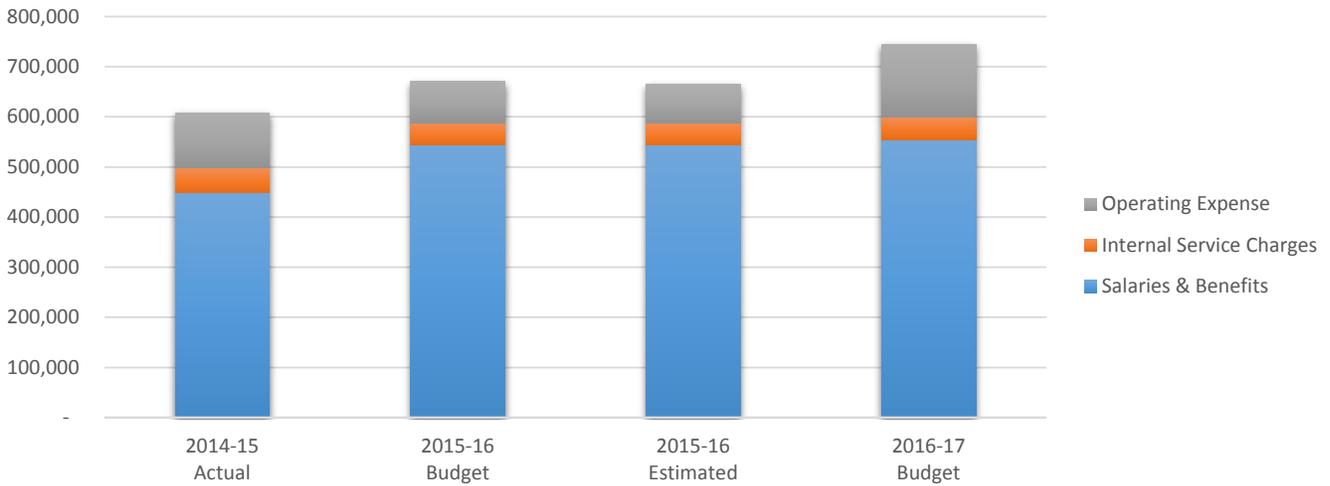
### **2016-17 Department Goals**

- Continue to deliver Human Resources services and programs that add value for our prospective employees, active employees and retirees
- In accordance with the City's strategic goal, develop and implement a City-wide Succession Plan in an effort to increase organizational capacity
- Develop a new recruitment strategy to include the creation of an employment brand and expand social media presence in order to attract qualified, diverse and talented individuals to the organization

## HUMAN RESOURCES DEPARTMENT

- Improve employee retention by leading efforts to create a great work climate, improve morale, and support the talent development of employees
- Prepare for and complete the meet and confer process with the Fountain Valley Police Officers' Association and the Fountain Valley Peace Officers' Management Association
- Prepare the Memorandums of Understanding following negotiations with the aforementioned 2 bargaining groups and administer the 7 Memorandums of Understanding for each bargaining unit
- Continue implementation and administration of the Affordable Care Act
- Assess and evaluate the City's safety needs and begin drafting policies and procedures to ensure compliance with applicable laws
- Integrate technology by providing an increased number of basic Human Resources forms online to streamline services and increase efficiency
- Continue to assess and provide a variety of training programs to continue to develop employees to be more effective in their current position but also to develop employees for future opportunities
- Maintain the City's health benefits program and ensure that benefits are meeting employee needs and providing quality and value

Human Resources	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Total Human Resources (All Funds)</b>				
Salaries & Benefits	448,084	544,012	543,879	554,392
Internal Service Charges	49,945	43,657	43,657	44,658
Operating Expense	110,312	82,679	78,016	144,979
<b>Total Human Resources Expenditures</b>	<b>608,341</b>	<b>670,348</b>	<b>665,552</b>	<b>744,029</b>



## General Fund

### Employee Relations

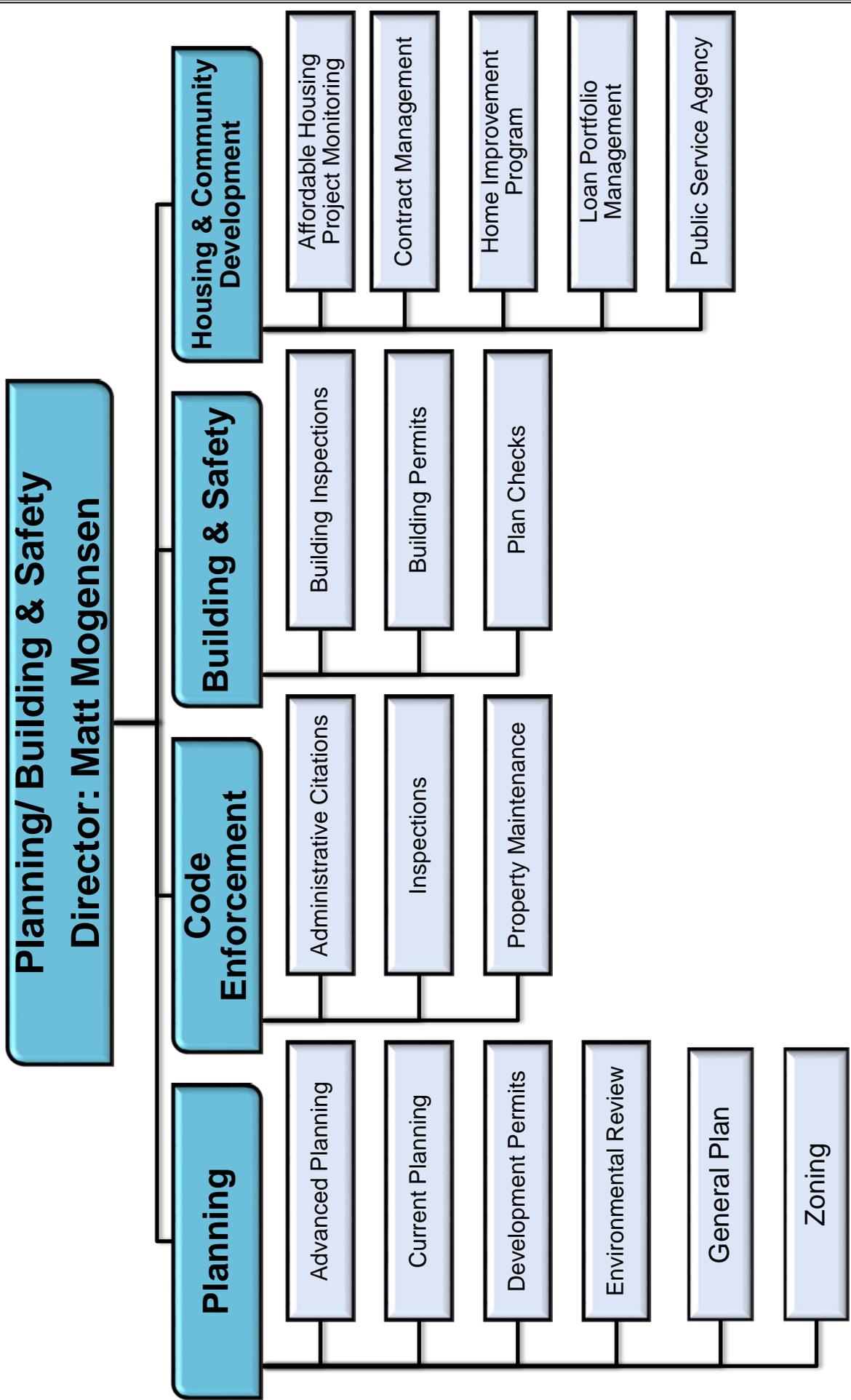
Salaries & Benefits	448,084	544,012	543,879	554,392
Internal Service Charges	49,945	43,657	43,657	44,658
Operating Expense	110,312	82,679	78,016	144,979
<b>Program Expenditures</b>	<b>608,341</b>	<b>670,348</b>	<b>665,552</b>	<b>744,029</b>

### General Fund Totals

Salaries & Benefits	448,084	544,012	543,879	554,392
Internal Service Charges	49,945	43,657	43,657	44,658
Operating Expense	110,312	82,679	78,016	144,979
<b>Fund Expenditures</b>	<b>608,341</b>	<b>670,348</b>	<b>665,552</b>	<b>744,029</b>



# Planning/Building & Safety Department



### **Description/Purpose**

The purpose of the Planning/ Building Department is to proactively enhance and protect 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 for the residents. The Department is comprised of Current Planning, Advanced Planning, Building & Safety, Code Enforcement, and Housing and Community Development.

Current Planning provides professional staff 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 function 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 goals and objectives of the General Plan. Finally, the Current Planning function of the Department provides development project coordination between City departments and assists project applicants with navigating the permit and entitlement processes of the City.

The Advanced Planning function of the Department coordinates the long-range planning and development of the City through the maintenance of the General Plan, specific plans, annexations, and environmental documentation. This function also includes the monitoring of local and regional growth/air quality programs and ensures the City is in compliance with Federal, State, and local legislation.

Under the direction of the Planning/ Building Director, the Building & Safety 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.

Code Enforcement ensures compliance with municipal and other related codes, including property maintenance, housing, zoning, public nuisances, 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 and Community Development function of the City 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 and annual Action Plans. The Housing Authority programs of the Department include the maintenance of the City's Housing Element,

affordable housing loan administration, affordable housing development and administration of the City's affordable housing monies.

### **Mission Statement**

The Planning/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.

### **Status of Major Goals from the Prior 2015/16 Year**

- **Enhance the aesthetic characteristics of the City:**
  - Implemented and awarded a Business Beautification Recognition Award
  - Abated 1,912 property maintenance violations through code enforcement efforts
  - Increased marketing efforts of the City's Home Improvement Program through advertising on Channel 3 and at City events. Additionally, educated residents on the programs available during and after Neighborhood Clean Up events
- **Increase advanced planning efforts:**
  - Identified a partial funding source for a new comprehensive General Plan Update
  - Completed milestones in the process toward the develop a draft Fountain Valley Crossings Specific Plan
  - Proposed code amendments to the City's Landscape Ordinance, On-site Parking Ordinance, Short-term Rentals and transitional housing
- **Prepare for future affordable housing opportunities:**
  - Worked to develop a plan to effectively use Housing Authority monies
  - Identified a buyer for the sale of the Mt. Hope property
- **Increase community engagement:**
  - Began archiving Planning Commission meeting video on the City's website
  - Enhanced the Department's webpages with new/updated information and utilize interactive features of the new City website to provide notifications
  - Established a department Facebook page

### **2016-17 Department Goals**

- **Enhance the aesthetic characteristics of the City:**
  - Award a Fountain Valley Business Beautification Recognition Award
  - Continue to work with existing commercial centers and other businesses to improve aesthetics and achieve high quality projects

## PLANNING /BUILDING & SAFETY

- Prosecute public nuisance cases to gain compliance
- Abate further property maintenance violations through code enforcement efforts
- Continue to market the City's Home Improvement Program directly in eligible tracts and after Neighborhood Clean-Up events
- **Increase advanced planning efforts:**
  - Seek additional funding sources for a new comprehensive General Plan Update
  - Present a final draft Fountain Valley Crossings Specific Plan to the Planning Commission and City Council
  - Identify and address opportunities for the modernization of the zoning code
- **Prepare for future affordable housing opportunities:**
  - Develop a plan to effectively use Housing Authority monies
  - Complete the sale of the Mt. Hope property
- **Increase community engagement:**
  - Hold community meetings regarding topics such as the Fountain Valley Crossings Specific Plan project
  - Continue to enhance the Department's webpages and utilize interactive features of the new City website
  - Attend Concerts in the Park to distribute information on Planning Department Projects

# HOUSING AUTHORITY

## **Description / Purpose**

The Fountain Valley Housing Authority was named the “Housing Successor” to the dissolved Fountain Valley Agency for Community Development. It was believed at the time that many of the housing programs that were available under redevelopment would be able to be carried out by the Housing Authority. Unfortunately, the State has passed a number of laws limiting the use of funds that were originally designated for affordable housing.

Currently the Housing Authority is administering the existing loan portfolio of First Time Homebuyer and Home Rehabilitation loans as well as other affordable housing developments and property that were originally funded with redevelopment money.

## **Mission Statement**

To provide timely and quality service to customers that need assistance with housing needs utilizing internal and external sources to accomplish the goal.

## **Status of Major Goals from the Prior 2015-16 Fiscal Year**

- Monitored all “Successor Agency” housing assets to ensure compliance with State Law
- Provided loan administration tasks such as loan payoffs or loan subordination agreement 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
- Worked with other City Departments to make sure all accounting and reporting is compliant under new State Regulation
- Worked to determine the disposition of the Authority owned 3.9 acre parcel at 11360 Warner Avenue

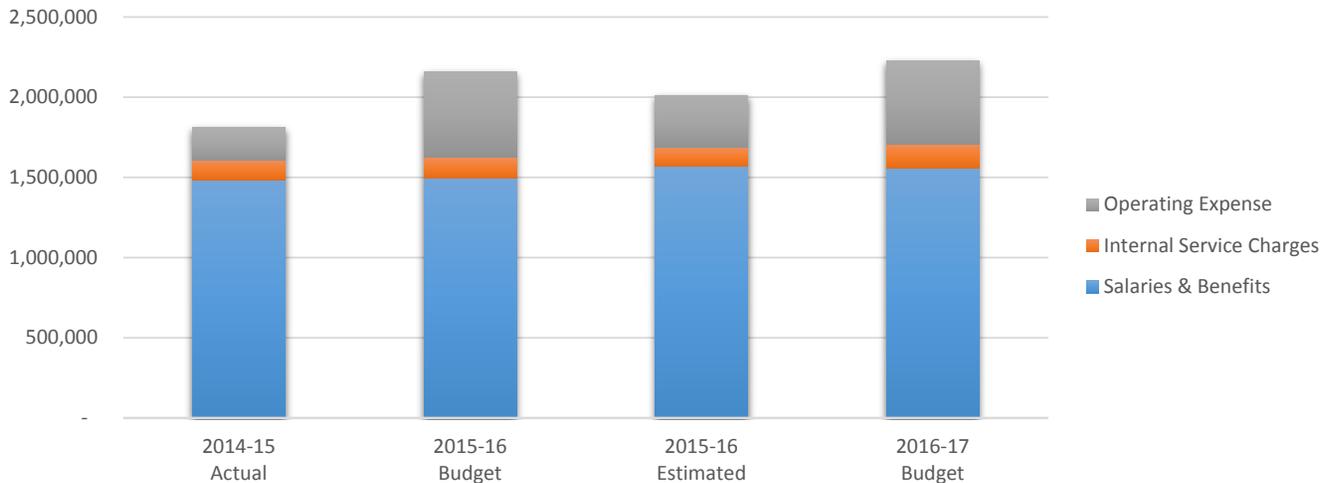
## **Other Key Projects Completed During Fiscal Year Include:**

- Timely completion of the Housing Authority Annual Plan
- Timely completion of the newly required Housing Successor Annual Plan

## **2016-17 Department Goals**

- Continue to monitor all Housing Authority assets
- Provide loan administration assistance to customers
- Determine the best utilization of the Authority owned 3.9 acre parcel

<b>Planning &amp; Building</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Total Planning &amp; Building (All Funds)</b>				
Salaries & Benefits	1,485,875	1,495,112	1,568,650	1,558,624
Internal Service Charges	121,056	129,620	116,746	148,528
Operating Expense	204,645	534,372	325,148	518,014
<b>Total Planning &amp; Building Expenditures</b>	<b>1,811,577</b>	<b>2,159,104</b>	<b>2,010,544</b>	<b>2,225,166</b>
Revenues	1,723,587	1,771,723	1,861,115	1,763,963
<b>Total Planning &amp; Building Revenues</b>	<b>1,723,587</b>	<b>1,771,723</b>	<b>1,861,115</b>	<b>1,763,963</b>



## General Fund

### Planning

Salaries & Benefits	498,256	466,304	475,008	455,820
Internal Service Charges	62,957	73,519	73,519	96,990
Operating Expense	21,029	41,645	37,745	24,645
<b>Program Expenditures</b>	<b>582,242</b>	<b>581,468</b>	<b>586,272</b>	<b>577,455</b>
Revenues	223,198	196,500	226,022	196,500
<b>Program Revenues</b>	<b>223,198</b>	<b>196,500</b>	<b>226,022</b>	<b>196,500</b>

### Building

Salaries & Benefits	851,101	833,749	882,331	812,877
Internal Service Charges	36,201	37,735	37,734	44,270
Operating Expense	20,131	22,675	17,909	22,675
<b>Program Expenditures</b>	<b>907,433</b>	<b>894,159</b>	<b>937,974</b>	<b>879,822</b>
Revenues	1,013,770	931,500	999,046	931,500
<b>Program Revenues</b>	<b>1,013,770</b>	<b>931,500</b>	<b>999,046</b>	<b>931,500</b>

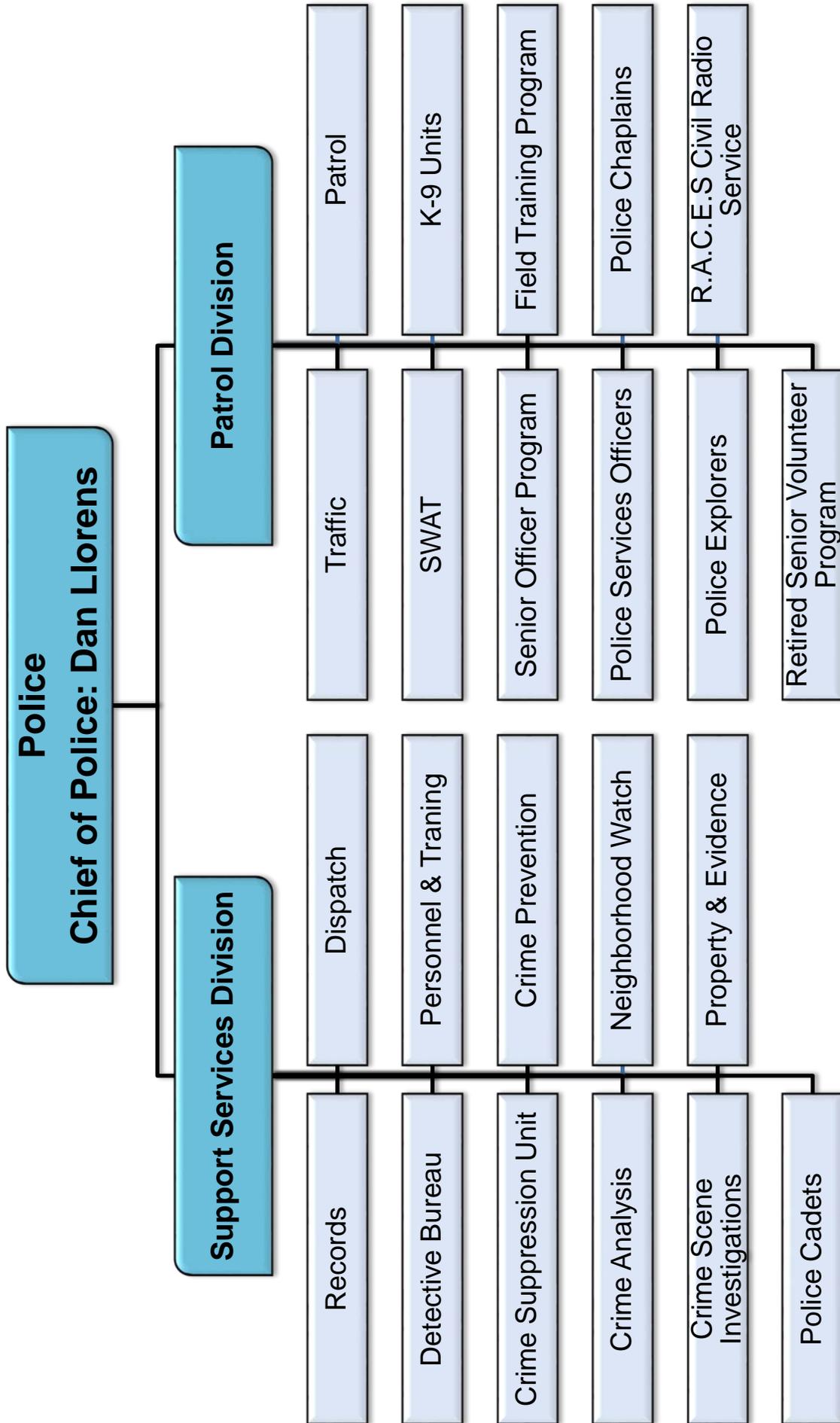
### General Fund Totals

Salaries & Benefits	1,349,357	1,300,053	1,357,339	1,268,697
Internal Service Charges	99,158	111,254	111,253	141,260
Operating Expense	41,160	64,320	55,654	47,320
<b>General Fund Expenditures</b>	<b>1,489,675</b>	<b>1,475,627</b>	<b>1,524,246</b>	<b>1,457,277</b>
Revenues	1,236,968	1,128,000	1,225,068	1,128,000

<b>Planning &amp; Building</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>General Fund Revenues</b>	<b>1,236,968</b>	<b>1,128,000</b>	<b>1,225,068</b>	<b>1,128,000</b>
<b>Other Funds</b>				
<b>Abandoned Vehicle</b>				
Salaries & Benefits	10,663	14,057	14,057	13,999
Internal Service Charges	-	-	-	-
Operating Expense	-	-	-	-
<b>Fund Expenditures</b>	<b>10,663</b>	<b>14,057</b>	<b>14,057</b>	<b>13,999</b>
Revenues	391	-	400	-
<b>Fund Revenues</b>	<b>391</b>	<b>-</b>	<b>400</b>	<b>-</b>
<b>Fountain Valley Housing Authority (FVHA)</b>				
Salaries & Benefits	11,055	73,059	89,311	153,109
Internal Service Charges	7,660	5,493	5,493	7,268
Operating Expense	61,928	182,525	62,930	184,550
<b>Fund Expenditures</b>	<b>80,643</b>	<b>261,077</b>	<b>157,734</b>	<b>344,927</b>
Revenues	236,624	235,380	321,140	227,000
<b>Fund Revenues</b>	<b>236,624</b>	<b>235,380</b>	<b>321,140</b>	<b>227,000</b>
<b>Community Development Block Grant (CDBG)</b>				
Salaries & Benefits	114,801	107,943	107,943	122,819
Internal Service Charges	14,238	12,873	-	-
Operating Expense	101,557	287,527	206,564	286,144
<b>Fund Expenditures</b>	<b>230,596</b>	<b>408,343</b>	<b>314,507</b>	<b>408,963</b>
Revenues	249,604	408,343	314,507	408,963
<b>Fund Revenues</b>	<b>249,604</b>	<b>408,343</b>	<b>314,507</b>	<b>408,963</b>
<b>Total Other Funds</b>				
Salaries & Benefits	136,518	195,059	211,311	289,927
Internal Service Charges	21,898	18,366	5,493	7,268
Operating Expense	163,485	470,052	269,494	470,694
<b>Total Other Funds Expenditures</b>	<b>321,902</b>	<b>683,477</b>	<b>486,298</b>	<b>767,889</b>
Revenues	486,619	643,723	636,047	635,963
<b>Total Other Fund Revenues</b>	<b>486,619</b>	<b>643,723</b>	<b>636,047</b>	<b>635,963</b>



# Police Department



## Description/Purpose

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, S.W.A.T. Team Members, Field Training Program and Senior Officer 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 one Sergeant and three Motor Officers 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 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 individual to work as a solo beat Officer.

Our Senior Officer Program is designed to develop more experienced Officers for future leadership positions and to serve as supervisors in the absence of a Sergeant.

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 five Records Specialists, five Cadets and one 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 911. We annually process approximately 131,854 phone calls and 46,632 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 one Sergeant, a Court Liaison and five Detectives assigned to conduct secondary investigations involving crimes against people, property crimes, fraud or sex crimes. The Detectives solve crimes through crime analysis, the use of crime databases, follow-up interviews and the results of CSI. The Court Liaison assists as the communication link between the Department and Courts.

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

## **Mission Statement**

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.

## **Status of Major Goals from the Prior 2015-16 Fiscal Year**

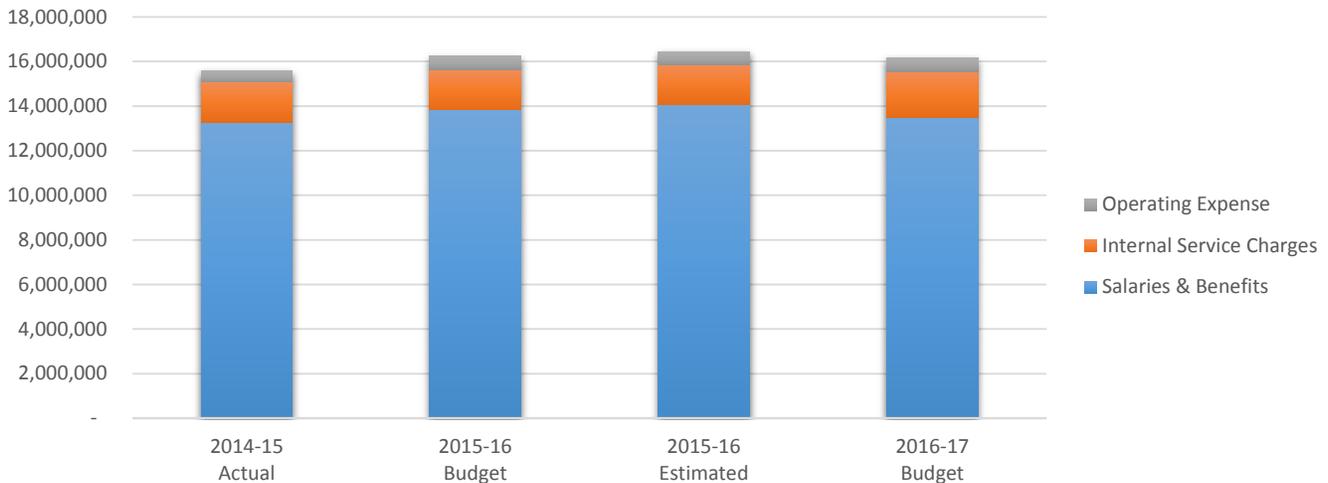
- Provide exemplary public safety service (on-going)
- Promote crime prevention and traffic safety through improved community awareness (on-going)
- Data driven approach to crime and traffic enforcement; identify emerging trends through crime analysis utilizing information to aggressively and creatively impact these trends (ongoing)
- Combat consequences of AB109 and Prop 47 by focusing on repeat offenders (ongoing)
- Partner with City departments to solve quality of life issues (ongoing)

- Implementation of Brazos E-Traffic Collision Reporting (completed)
- Implementation of Community Dashboard Crime Mapping (completed)
- Develop and implement Peer Support Team (completed)
- Develop and implement Recruitment Team (completed)
- Implementation of new website (completed)
- Implementation of Spillman Technologies Public Safety software (in-progress)

### **2016-17 Department Goals**

- Promote crime prevention and traffic safety through improved community awareness (Value: Excellent Customer Service)
- Data driven approach to Crime and Traffic Enforcement; Identify emerging trends through crime analysis. Utilizing information to aggressively and creatively impact these trends (Value: Innovation)
- Partner with City Departments to Solve Quality of Life Issues (Value: Teamwork)
- Improve City campus security by selecting and implementing a modern surveillance camera security system (in-progress) Strategic Goal: Maintain and enhance infrastructure and facilities
- Increase Our Interaction with the Public
  - Improve our effectiveness through social media and increase our partnership with Recreation/Community Services to promote public safety events. Value: Excellent customer service
- Improve Our Recruitment of Non-Sworn Positions
  - Focus on Explorer Post enhancements; increase relationships with local high schools to enhance recruiting and increase Explorer involvement with Officers and at special events. Strategic Goal: Attract, develop and retain quality staff
- Enhance Our Response to Mental Health Issues
  - Enhance training of personnel and research feasibility of partnering with a mental health professional for field operations. Value: Excellent customer service

Police Department	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Total Police Department (All Funds)</b>				
Salaries & Benefits	13,288,632	13,849,197	14,077,709	13,478,152
Internal Service Charges	1,790,199	1,781,588	1,781,588	2,077,693
Operating Expense	514,795	602,409	582,580	608,211
<b>Total Police Department Expenditures</b>	<b>15,593,626</b>	<b>16,233,194</b>	<b>16,441,877</b>	<b>16,164,056</b>
Revenues	1,017,601	857,100	858,467	801,000
<b>Total Police Department Revenues</b>	<b>1,017,601</b>	<b>857,100</b>	<b>858,467</b>	<b>801,000</b>



## General Fund

### Patrol

Salaries & Benefits	7,321,344	7,694,388	7,855,863	7,711,178
Internal Service Charges	849,725	944,445	944,445	1,070,369
Operating Expense	101,411	131,890	106,105	149,905
<b>Program Expenditures</b>	<b>8,272,480</b>	<b>8,770,723</b>	<b>8,906,413</b>	<b>8,931,452</b>
Revenues	24,793	8,000	8,000	8,000
<b>Program Revenues</b>	<b>24,793</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>

### S.W.A.T.

Salaries & Benefits	94,004	104,318	101,636	118,095
Internal Service Charges	10,161	11,934	11,934	14,606
Operating Expense	5,220	4,600	3,750	4,600
<b>Program Expenditures</b>	<b>109,385</b>	<b>120,852</b>	<b>117,320</b>	<b>137,301</b>

### Canine

Salaries & Benefits	356,004	366,297	388,754	164,690
Internal Service Charges	44,696	49,863	49,863	62,403
Operating Expense	19,281	10,160	9,800	10,160
<b>Program Expenditures</b>	<b>419,981</b>	<b>426,320</b>	<b>448,417</b>	<b>237,253</b>

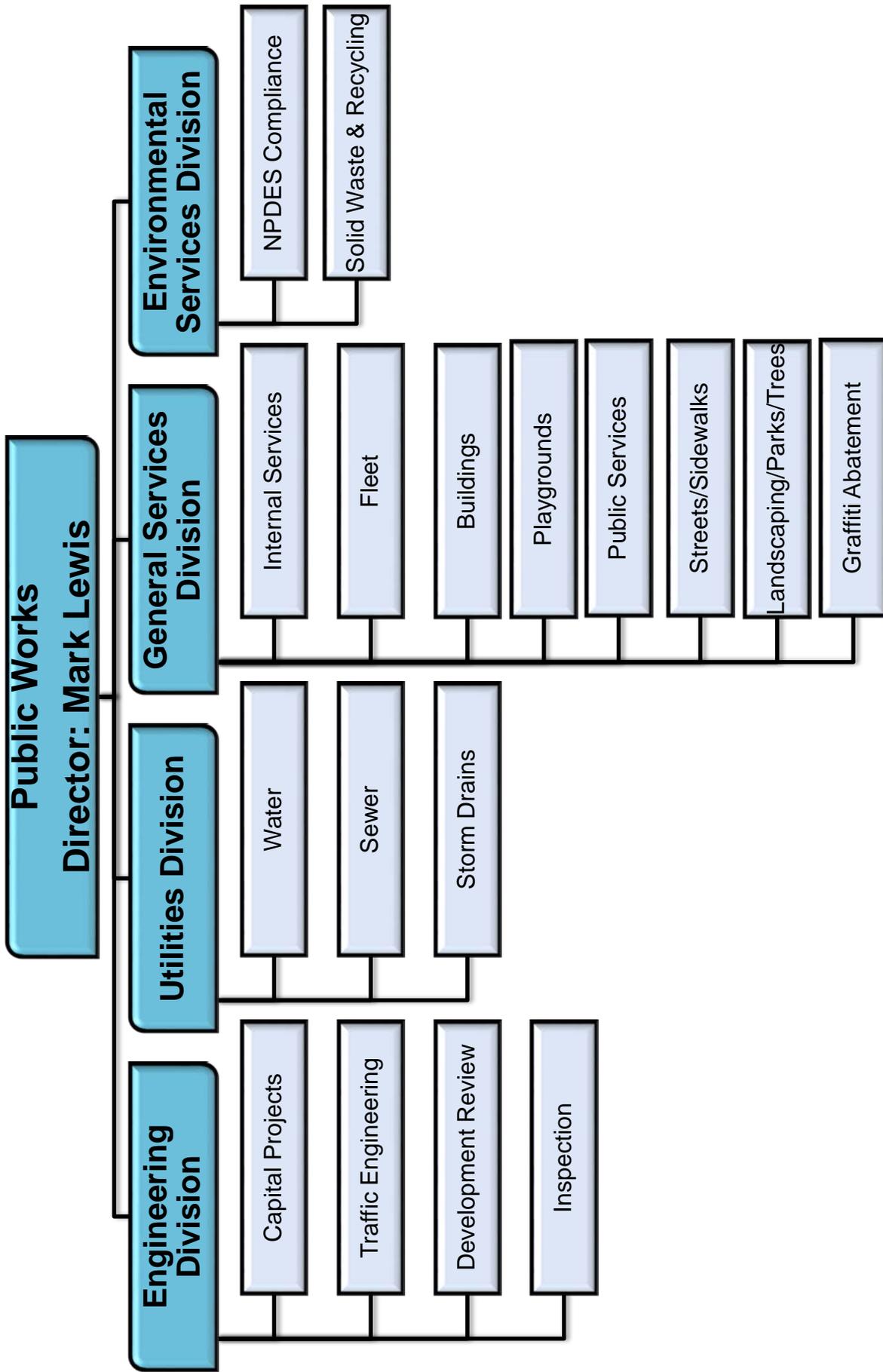
### Traffic

Salaries & Benefits	559,039	568,633	585,880	557,994
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<b>Police Department</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
Internal Service Charges	116,122	121,908	121,908	145,528
Operating Expense	207,701	216,890	238,192	241,007
<b>Program Expenditures</b>	<b>882,862</b>	<b>907,431</b>	<b>945,980</b>	<b>944,529</b>
Revenues	426,930	424,000	441,100	450,000
<b>Program Revenues</b>	<b>426,930</b>	<b>424,000</b>	<b>441,100</b>	<b>450,000</b>
<b>Investigation</b>				
Salaries & Benefits	3,293,216	3,364,732	3,459,540	3,219,109
Internal Service Charges	304,544	322,031	322,031	379,311
Operating Expense	53,165	90,067	85,352	85,352
<b>Program Expenditures</b>	<b>3,650,925</b>	<b>3,776,830</b>	<b>3,866,923</b>	<b>3,683,772</b>
Revenues	176,143	129,000	153,900	112,000
<b>Program Revenues</b>	<b>176,143</b>	<b>129,000</b>	<b>153,900</b>	<b>112,000</b>
<b>Communications</b>				
Salaries & Benefits	867,584	887,346	922,279	984,346
Internal Service Charges	76,291	84,993	84,993	98,197
Operating Expense	27,185	26,505	26,505	26,505
<b>Program Expenditures</b>	<b>971,060</b>	<b>998,844</b>	<b>1,033,777</b>	<b>1,109,048</b>
<b>Records</b>				
Salaries & Benefits	442,906	505,689	468,582	462,170
Internal Service Charges	287,085	204,377	204,377	283,295
Operating Expense	-	-	-	-
<b>Program Expenditures</b>	<b>729,991</b>	<b>710,066</b>	<b>672,959</b>	<b>745,465</b>
Revenues	92,934	80,000	60,000	65,000
<b>Program Revenues</b>	<b>92,934</b>	<b>80,000</b>	<b>60,000</b>	<b>65,000</b>
<b>Crime Prevention</b>				
Salaries & Benefits	176,397	148,416	140,616	148,265
Internal Service Charges	16,354	16,479	16,479	19,901
Operating Expense	11,562	17,880	12,600	17,880
<b>Program Expenditures</b>	<b>204,313</b>	<b>182,775</b>	<b>169,695</b>	<b>186,046</b>
<b>Range</b>				
Salaries & Benefits	7,094	7,657	7,657	7,632
Internal Service Charges	1,914	3,604	3,604	4,083
Operating Expense	45,086	55,557	55,557	55,802
<b>Program Expenditures</b>	<b>54,094</b>	<b>66,818</b>	<b>66,818</b>	<b>67,517</b>
<b>General Fund Totals</b>				
Salaries & Benefits	13,117,588	13,647,476	13,930,807	13,373,479
Internal Service Charges	1,706,892	1,759,634	1,759,634	2,077,693
Operating Expense	470,611	553,549	537,861	591,211
<b>General Fund Expenditures</b>	<b>15,295,091</b>	<b>15,960,659</b>	<b>16,228,302</b>	<b>16,042,383</b>

<b>Police Department</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
Revenues	720,800	641,000	663,000	635,000
<b>General Fund Revenues</b>	<b>720,800</b>	<b>641,000</b>	<b>663,000</b>	<b>635,000</b>
<b>Other Funds</b>				
<b>Criminal Diversion</b>				
Salaries & Benefits	39,978	-	-	-
Internal Service Charges	83,307	21,954	21,954	-
Operating Expense	44,184	48,860	44,719	17,000
<b>Fund Expenditures</b>	<b>167,469</b>	<b>70,814</b>	<b>66,673</b>	<b>17,000</b>
Revenues	145,491	66,000	75,367	46,000
<b>Fund Revenues</b>	<b>145,491</b>	<b>66,000</b>	<b>75,367</b>	<b>46,000</b>
<b>COPS/Supplemental Law</b>				
Salaries & Benefits	131,066	201,721	146,902	104,673
Internal Service Charges	-	-	-	-
Operating Expense	-	-	-	-
<b>Fund Expenditures</b>	<b>131,066</b>	<b>201,721</b>	<b>146,902</b>	<b>104,673</b>
Revenues	151,310	150,100	120,100	120,000
<b>Fund Revenues</b>	<b>151,310</b>	<b>150,100</b>	<b>120,100</b>	<b>120,000</b>
<b>Total Other Funds</b>				
Salaries & Benefits	171,044	201,721	146,902	104,673
Internal Service Charges	83,307	21,954	21,954	-
Operating Expense	44,184	48,860	44,719	17,000
<b>Total Other Funds Expenditures</b>	<b>298,535</b>	<b>272,535</b>	<b>213,575</b>	<b>121,673</b>
Revenues	296,801	216,100	195,467	166,000
<b>Total Other Fund Revenues</b>	<b>296,801</b>	<b>216,100</b>	<b>195,467</b>	<b>166,000</b>

# Public Works Department



## PUBLIC WORKS

### Description / Purpose

#### PUBLIC WORKS FUNCTION

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



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 59 dedicated professionals in four (4) Department Divisions under the general supervision of the Director of Public Works/City Engineer, including Engineering Services, Utilities, General Services and Environmental Services.

#### Engineering Division:

The Public Works Engineering Division is comprised of a dedicated staff of six engineering and inspection professionals which manage operate and facilitate the City's multi-million dollar Capital Improvement Program (CIP), Traffic Engineering Program, 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 rehabilitation, sidewalk improvements, intersection and roadway capacity improvements, landscape/hardscape beautification, park and playground equipment improvements and traffic engineering. Engineering also manages development review and transportation planning efforts to ensure compliance with local, State and Federal engineering standards. This year, projects included Orange Coast Memorial, McDonalds, South Park and the Olson Housing Project. Engineering also functions as the central point of contact for ADA compliance for public facilities and leads the State Disadvantage Business Enterprise (DBE) Program compliance.

## PUBLIC WORKS

The Engineering Division manages the City's state-of-the-art Traffic Management Center (TMC) and maintains the City's traffic signal network of 54 traffic signals, 18 miles of traffic signal fiber optics, inter-agency cooperative efforts with OCTA, OCSD, OCWD and neighboring cities.

The Engineering Division aggressively pursues and secures competitive Federal, State and County grant funding for City CIP projects including Measure "M", Federal ARRA, TEA and CDBG, Prop 1B, and other State and Federal grant opportunities.

### **Utilities Division:**

The Utilities Division is comprised of a dedicated staff of twenty-two 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 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.

### **General Services Division:**

The General Services Division consists of a staff of twenty-five dedicated maintenance professionals that provide street, parks, public landscape, facilities and fleet maintenance services to the City of Fountain Valley. General Services consists of two work groups, Internal Services and Public Services.

The Internal Service Division is responsible for Fleet and Equipment Maintenance & Repair, Vehicle, Fuel & Oil Procurement, Government Building Maintenance & Repair, Playground Inspection, Maintenance & Repair, Indoor & Outdoor Lighting Maintenance & Repair, and Custodial Maintenance.

The Public Services Division is responsible for Asphalt & Concrete Maintenance & Repair, Sign Maintenance & Repair, Graffiti Removal Program, Parks & Civic

## PUBLIC WORKS

Facilities Landscape Maintenance, Fountain Valley Sports Park Landscape Maintenance, Median & Open Space Landscape Maintenance, Arterial Sidewalk Sweeping and Weed Removal, and Tree Trimming & Urban Forest Management.

### **Environmental Services Division:**

The Environmental Services Division 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

The Environmental Services Division 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.

### **Mission Statement**

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

### **Major Goals from the Prior 2015-16 Fiscal Year**

- Provided quality drinking water to the community
- Maintained safe roads for the community and motoring public
- Provided and maintain 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
- Managed and operated all 54 traffic signals citywide via the Traffic Management Center

## PUBLIC WORKS

- Maintained all City Buildings
- Completed the design of the exterior improvements to the Recreation Center Building
- Completed the construction improvements to City Reservoir No. 1 including the interior lining
- Completed the Design of the Ward Lift Station and began construction improvements
- Completed the Newhope Street sidewalk construction improvements
- Completed roadway and sidewalk construction improvements in residential sections F4 & F5
- Completed the construction improvements to the basketball court facilities at La Capilla Park
- Implemented measures which further the City's water conservation Program; and achieved the State of California's Water Conservation edicts of 25% water savings
- Implemented measures which further the City's GIS infrastructure database including, roads, water, sewer, drainage, right-of-way, and items related to Fire, Police, Planning and Building
- Mitigated over 200 ADA deficient items identified in the City ADA Transition Plan
- Completed the City's OCTA Measure M2 Eligibility Funding Packet for 2016
- Complied with all Federal funding requirements to maintain **\$1,000,000** in Federal grant funding for the road rehabilitation of Harbor Boulevard from the Northern City Limit to the Santa Ana River and for Edinger from Brookhurst Street to Euclid Street
- Completed the design plans and specifications for roadway and sidewalk improvements to Edinger Avenue from Brookhurst Street to Euclid Street
- Complete design plans and specifications for Roadway and sidewalk improvements to Harbor Boulevard from the Northern City Limit to the Santa Ana River
- Complete Sewer Structural Rehabilitation construction at various areas throughout the City

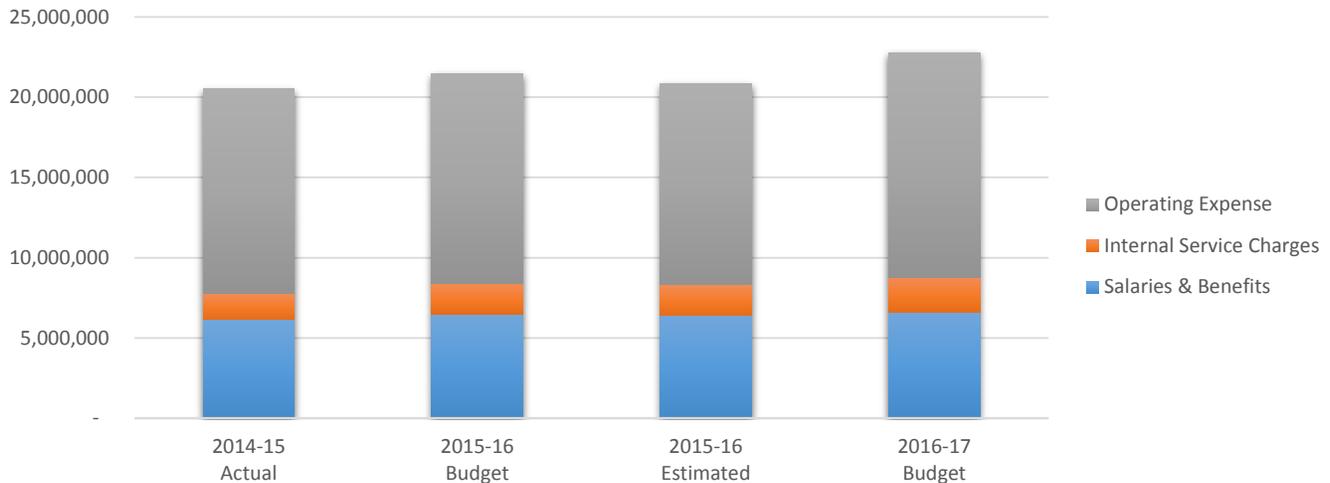
### **2016-17 Department Goals**

- Construction of the Improvements to the Sandalwood Pump Station
- Installation of one Audible Pedestrian Signal
- Complete the design and construction of the Pavement Rehabilitation Improvements on Harbor Boulevard from Southern City Limit to Northern City Limit
- Complete the design and construction of the Pavement Rehabilitation Improvements on Edinger Avenue from Brookhurst Street to Euclid Avenue

## PUBLIC WORKS

- Complete the design and construction of the Pavement Rehabilitation Improvements on Euclid Street from Slater Avenue to Warner Avenue
- Complete the Regional Traffic Signal Synchronization along Edinger Avenue
- Complete the Regional Traffic Signal Synchronization along Warner Avenue
- Complete the Regional Traffic Signal Synchronization along Talbert Avenue
- Complete the Regional Traffic Signal Synchronization along Euclid Street
- Complete the Regional Traffic Signal Synchronization along Harbor Boulevard
- Complete the Citywide Protected Permissive Left Turn traffic signal Operation Conversion Study
- Complete the city's Local Circulator Study
- Complete the planning, design and construction of the Magnolia Bike Corridor Project
- Complete the Construction Improvements of the City's Recreation Center Exterior Rehab Project
- Complete the design and construction of the City's Roadway Median Drought Tolerant Landscape Project
- Complete the City's Sewer Manhole Rehabilitation Improvement Project
- Complete the City's Sewer Structural Improvement Project
- Complete the City's Electric Vehicle Charging Station Improvement Project
- Complete the City's Reservoir No. 2 Rehabilitation Improvement Project
- Complete the City's Reservoir No. 1 Exterior Painting Improvement Project
- Complete the City's Well No. 10 Rehabilitation Improvement Project
- Complete the City's Water Rate Study Project
- Complete the City's Residential Median Turf Conversion Project

<b>Public Works</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Total Public Works (All Funds)</b>				
Salaries & Benefits	6,137,024	6,500,037	6,411,654	6,613,940
Internal Service Charges	1,640,660	1,918,591	1,918,590	2,172,600
Operating Expense	12,741,064	13,020,787	12,527,311	13,970,180
<b>Total Public Works Expenditures</b>	<b>20,518,748</b>	<b>21,439,415</b>	<b>20,857,555</b>	<b>22,756,720</b>
Revenues/Charges to Departments	22,710,404	18,875,926	18,891,344	19,810,665
<b>Total Public Works Revenues</b>	<b>22,710,404</b>	<b>18,875,926</b>	<b>18,891,344</b>	<b>19,810,665</b>



## General Fund

### Engineering

Salaries & Benefits	254,843	266,424	278,443	287,117
Internal Service Charges	159,744	145,311	145,311	167,198
Operating Expense	37,692	11,350	9,600	81,350
<b>Program Expenditures</b>	<b>452,279</b>	<b>423,085</b>	<b>433,354</b>	<b>535,665</b>
Revenues	187,333	117,500	219,470	115,000
<b>Program Revenues</b>	<b>187,333</b>	<b>117,500</b>	<b>219,470</b>	<b>115,000</b>

### Traffic Engineering

Salaries & Benefits	242,289	240,055	255,103	253,939
Internal Service Charges	69,150	62,778	62,778	74,790
Operating Expense	1,529	2,900	2,900	2,900
<b>Program Expenditures</b>	<b>312,968</b>	<b>305,733</b>	<b>320,781</b>	<b>331,629</b>

### Construction Inspection

Salaries & Benefits	95,483	99,392	77,687	99,150
Internal Service Charges	44,828	47,731	47,731	56,590
Operating Expense	501	380	239	380
<b>Program Expenditures</b>	<b>140,812</b>	<b>147,503</b>	<b>125,657</b>	<b>156,120</b>
Revenues	17,696	17,696	23,140	15,000
<b>Program Revenues</b>	<b>17,696</b>	<b>17,696</b>	<b>23,140</b>	<b>15,000</b>

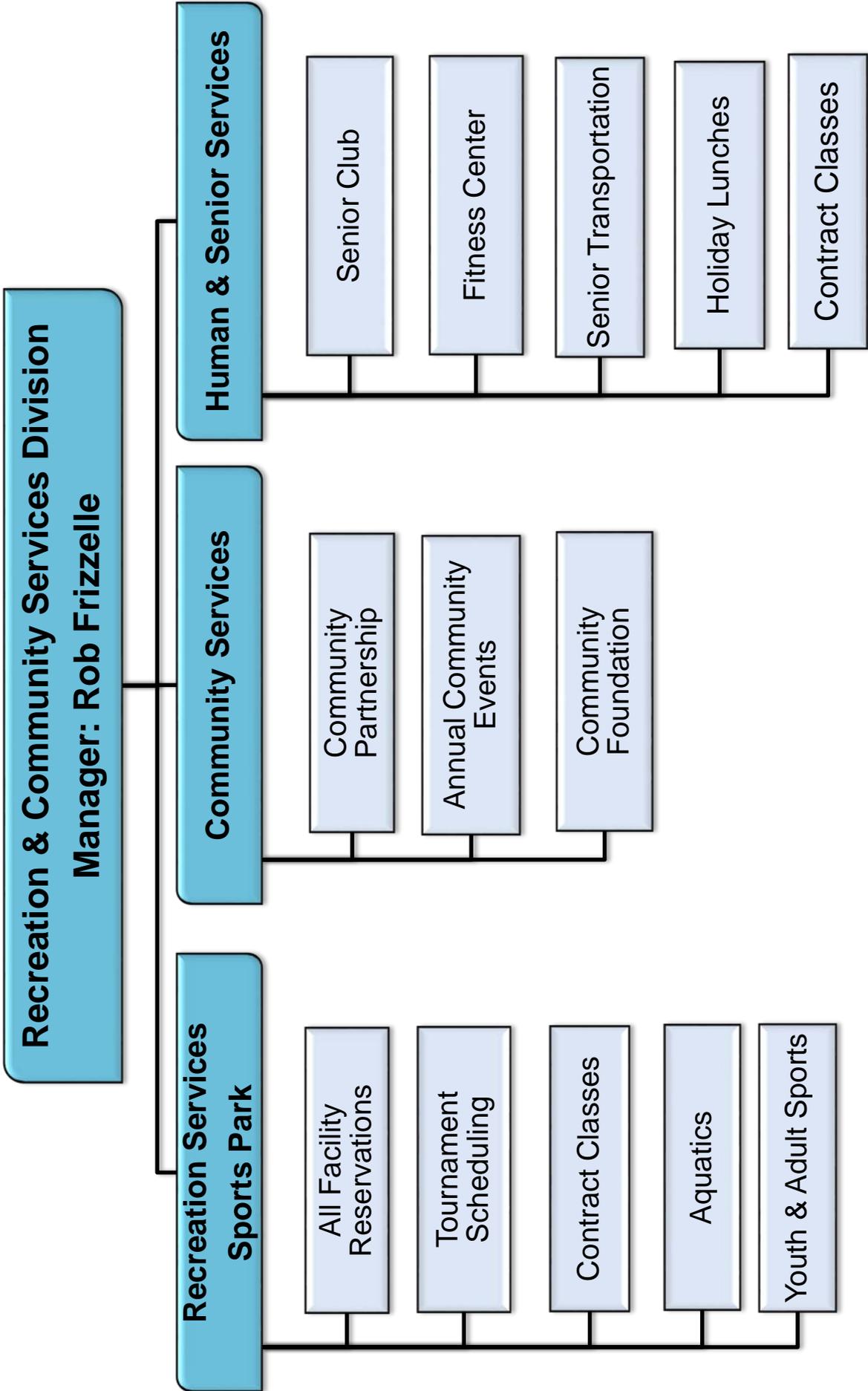
<b>Public Works</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Street Lighting</b>				
Salaries & Benefits	5,316	5,971	6,134	6,909
Internal Service Charges	7,322	7,137	7,137	8,413
Operating Expense	525,832	559,000	540,000	559,000
<b>Program Expenditures</b>	<b>538,470</b>	<b>572,108</b>	<b>553,271</b>	<b>574,322</b>
<b>Right of Ways</b>				
Salaries & Benefits	161,524	175,514	171,378	179,001
Internal Service Charges	53,267	75,562	75,562	86,514
Operating Expense	288,804	275,500	266,710	275,500
<b>Program Expenditures</b>	<b>503,595</b>	<b>526,576</b>	<b>513,650</b>	<b>541,015</b>
Revenues	7,302	3,000	9,949	3,000
<b>Program Revenues</b>	<b>7,302</b>	<b>3,000</b>	<b>9,949</b>	<b>3,000</b>
<b>Tree Maintenance</b>				
Salaries & Benefits	81,639	86,792	89,240	91,541
Internal Service Charges	45,983	70,865	70,865	82,231
Operating Expense	256,450	357,850	264,930	276,100
<b>Program Expenditures</b>	<b>384,072</b>	<b>515,507</b>	<b>425,035</b>	<b>449,872</b>
Revenues	11,396	5,500	12,000	8,750
<b>Program Revenues</b>	<b>11,396</b>	<b>5,500</b>	<b>12,000</b>	<b>8,750</b>
<b>Park Maintenance</b>				
Salaries & Benefits	262,250	282,672	287,649	285,039
Internal Service Charges	69,687	81,638	81,638	93,299
Operating Expense	381,717	468,200	379,350	469,550
<b>Program Expenditures</b>	<b>713,654</b>	<b>832,510</b>	<b>748,637</b>	<b>847,888</b>
<b>Concrete Maintenance</b>				
Salaries & Benefits	232,759	271,542	252,954	286,365
Internal Service Charges	105,086	136,107	136,107	153,900
Operating Expense	14,722	26,325	23,100	26,325
<b>Program Expenditures</b>	<b>352,567</b>	<b>433,974</b>	<b>412,161</b>	<b>466,590</b>
<b>Pavement Maintenance</b>				
Salaries & Benefits	235,192	279,503	242,408	294,987
Internal Service Charges	111,423	142,784	142,784	162,015
Operating Expense	69,896	89,725	72,225	89,725
<b>Program Expenditures</b>	<b>416,511</b>	<b>512,012</b>	<b>457,417</b>	<b>546,727</b>
<b>Storm Drain Maintenance</b>				
Salaries & Benefits	400,998	415,051	415,674	420,922
Internal Service Charges	35,890	50,849	50,849	59,171
Operating Expense	76,565	93,000	73,394	92,500
<b>Program Expenditures</b>	<b>513,453</b>	<b>558,900</b>	<b>539,917</b>	<b>572,593</b>

	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Public Works</b>				
Revenues	88,846	88,100	89,950	109,733
<b>Program Revenues</b>	<b>88,846</b>	<b>88,100</b>	<b>89,950</b>	<b>109,733</b>
<b>Traffic Control</b>				
Salaries & Benefits	239,392	255,546	252,420	290,287
Internal Service Charges	96,542	126,066	126,066	143,623
Operating Expense	254,288	194,000	204,000	204,000
<b>Program Expenditures</b>	<b>590,222</b>	<b>575,612</b>	<b>582,486</b>	<b>637,910</b>
<b>Street Sweeping</b>				
Salaries & Benefits	7,217	7,518	7,635	8,157
Internal Service Charges	8,045	9,980	9,980	10,746
Operating Expense	294,657	308,000	308,000	308,000
<b>Program Expenditures</b>	<b>309,919</b>	<b>325,498</b>	<b>325,615</b>	<b>326,903</b>
<b>Recreation Center</b>				
Salaries & Benefits	112,846	137,904	134,790	138,789
Internal Service Charges	193,845	217,413	217,413	244,515
Operating Expense	428,337	457,100	466,200	498,100
<b>Program Expenditures</b>	<b>735,028</b>	<b>812,417</b>	<b>818,403</b>	<b>881,404</b>
<b>Graffiti Removal</b>				
Salaries & Benefits	102,035	53,246	54,619	52,968
Internal Service Charges	79,575	87,809	87,809	89,014
Operating Expense	3,415	75,200	24,874	77,200
<b>Program Expenditures</b>	<b>185,025</b>	<b>216,255</b>	<b>167,302</b>	<b>219,182</b>
<b>General Fund Totals</b>				
Salaries & Benefits	2,433,783	2,577,130	2,526,134	2,695,171
Internal Service Charges	1,080,387	1,262,030	1,262,030	1,432,019
Operating Expense	2,634,405	2,918,530	2,635,522	2,960,630
<b>General Fund Expenditures</b>	<b>6,148,575</b>	<b>6,757,690</b>	<b>6,423,686</b>	<b>7,087,820</b>
Revenues	312,573	231,796	354,509	251,483
<b>General Fund Revenues</b>	<b>312,573</b>	<b>231,796</b>	<b>354,509</b>	<b>251,483</b>
<b>Other Funds</b>				
<b>Pollution Reduction</b>				
Salaries & Benefits	675	723	672	727
Internal Service Charges	-	-	-	-
Operating Expense	828	1,959	1,980	2,000
<b>Fund Expenditures</b>	<b>1,503</b>	<b>2,682</b>	<b>2,652</b>	<b>2,727</b>
Revenues	89,751	67,000	75,060	68,000
<b>Fund Revenues</b>	<b>89,751</b>	<b>67,000</b>	<b>75,060</b>	<b>68,000</b>

<b>Public Works</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Government Buildings (Internal Service)</b>				
Salaries & Benefits	488,471	525,151	492,386	547,014
Internal Service Charges	-	-	-	-
Operating Expense	914,366	969,950	911,435	990,704
<b>Fund Expenditures</b>	<b>1,402,837</b>	<b>1,495,101</b>	<b>1,403,821</b>	<b>1,537,718</b>
Revenues/Charges to Departments	1,769,063	1,673,939	1,770,136	1,582,713
<b>Fund Revenues</b>	<b>1,769,063</b>	<b>1,673,939</b>	<b>1,770,136</b>	<b>1,582,713</b>
<b>Fleet Management (Internal Service)</b>				
Salaries & Benefits	469,037	493,812	495,926	495,605
Internal Service Charges	11,288	12,547	12,547	4,426
Operating Expense	573,152	702,835	525,785	587,900
<b>Fund Expenditures</b>	<b>1,053,477</b>	<b>1,209,194</b>	<b>1,034,258</b>	<b>1,087,931</b>
Revenues/Charges to Departments	1,515,951	1,791,588	1,664,388	1,990,247
<b>Fund Revenues</b>	<b>1,515,951</b>	<b>1,791,588</b>	<b>1,664,388</b>	<b>1,990,247</b>
<b>Sewer Fund</b>				
Salaries & Benefits	502,821	571,201	563,669	590,259
Internal Service Charges	194,185	226,836	226,836	257,628
Operating Expense	73,288	88,200	85,325	92,200
<b>Fund Expenditures</b>	<b>770,294</b>	<b>886,237</b>	<b>875,830</b>	<b>940,087</b>
Revenues	1,827,240	1,924,724	1,919,364	1,974,406
<b>Fund Revenues</b>	<b>1,827,240</b>	<b>1,924,724</b>	<b>1,919,364</b>	<b>1,974,406</b>
<b>Water Fund</b>				
Salaries & Benefits	2,242,237	2,332,020	2,332,867	2,285,164
Internal Service Charges	354,800	417,178	417,177	478,527
Operating Expense	8,545,025	8,339,313	8,367,264	9,336,746
<b>Fund Expenditures</b>	<b>11,142,062</b>	<b>11,088,511</b>	<b>11,117,308</b>	<b>12,100,437</b>
Revenues	17,195,826	13,186,879	13,107,887	13,943,816
<b>Fund Revenues</b>	<b>17,195,826</b>	<b>13,186,879</b>	<b>13,107,887</b>	<b>13,943,816</b>
<b>Total Other Funds</b>				
Salaries & Benefits	3,703,241	3,922,907	3,885,520	3,918,769
Internal Service Charges	560,273	656,561	656,560	740,581
Operating Expense	10,106,659	10,102,257	9,891,789	11,009,550
<b>Total Other Funds Expenditures</b>	<b>14,370,173</b>	<b>14,681,725</b>	<b>14,433,869</b>	<b>15,668,900</b>
Revenues	22,397,831	18,644,130	18,536,835	19,559,182
<b>Total Other Fund Revenues</b>	<b>22,397,831</b>	<b>18,644,130</b>	<b>18,536,835</b>	<b>19,559,182</b>

# Recreation & Community Services

## Division



### **Description / Purpose**

The Recreation & Community Services Division facilitates community enrichment by providing quality programs, services and recreation opportunities that create positive and memorable experiences. The Division strengthens community image and sense of place for Fountain Valley residents by organizing and implementing over 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 Division fosters human development with its summer aquatics programs and camps, Human and Senior Services, and recreational opportunities.

The Recreation and Community Services Division operates the City of Fountain Valley Recreation Center and Sports Park and The Center at Founders Village Senior and Community Center. These facilities service over 425,000 patrons annually and support economic and community development by hosting large scale community events and athletic tournaments.

The Recreation and Community Services Division engages the community through progressive collaborations with local businesses, service organizations, educational and athletic school groups, and nonprofit organizations. Through these collaborations, programs, and services the Recreation and Community Services Division is truly a catalyst for creating community in Fountain Valley!

*Parks Make Life Better in Fountain Valley!*

### **Mission Statement**

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

### **Status of Major Goals from the Prior 2015/16 Year**

- Facilitate a successful Host Town program for the Special Olympics World Games LA2015 in Fountain Valley
  - Completed - Welcomed Team Netherlands to Fountain Valley for a 3 day stay prior to the LA2015 Special Olympics
- Offer the community a comprehensive sponsorship packet in collaboration with the Fountain Valley Community Foundation promoting progressive collaborations between public, private and nonprofit organizations
  - Completed (*Annually*) – In conjunction with the Fountain Valley Community Foundation, the Recreation and Community Services Division offered sponsorship opportunities to over 18 community events

## RECREATION AND COMMUNITY SERVICES

- Provide the community an annual anniversary celebration (Summerfest) to promote community togetherness and sense of place
  - Completed (*Annually*) – The City in conjunction with a volunteer committee board provide the community with a 4 day anniversary celebration
- Maximize field use in conjunction with established maintenance needs creating a safe playing environment
  - Completed – Established a yearly field closure schedule for maintenance and renovation, and assisted Public Works in selecting a professional field consultant and facilitation of a turf/soil study
- Appropriate recognition for the 10<sup>th</sup> anniversary of The Center at Founders Village Senior and Community Center
  - Completed – Engaged the community in celebration of the 10<sup>th</sup> Anniversary of the Center at Founders Village. Reception held on site with recognition of key staff and community members
- In Conjunction with Public Works, develop a field renovation plan at the Sports Park in adherence to the proposal and recommendations presented by PRZ Field Consultants
  - Completed and ongoing – Implantation of Drill and Fill aeration process in conjunction with POC reclaimed water treatment and scheduled field closures

### **Other Key Projects Completed During Fiscal Year Include:**

- Facilitated over 500 recreational classes and programs for over 4,200 community participants
- Provided meals two days per week to serve over 9,000 meals to the senior community
- Generated over \$60,000 to offset the cost of special events at the Senior Center
- Maintained professional collaborations with Huntington Beach Adult School and Coastline Community College to provide educational programs to the senior community
- 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 programs to the senior community
- Provided affordable transportation to over 300 seniors living in Fountain Valley who are no longer able to provide their own transportation

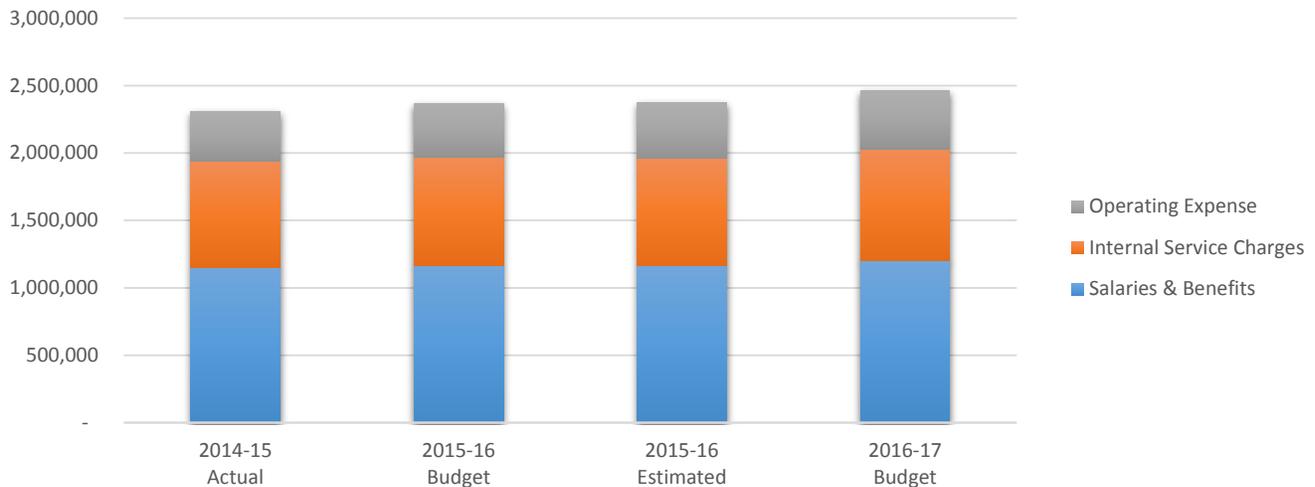
## RECREATION AND COMMUNITY SERVICES

- Facilitate sponsorship funding of over \$40,000 to successfully implement over 18 major community events including the Easter Egg Hunt, Concerts in the Park, Senior Expo, and the Annual Tree Lighting ceremony

### 2016-17 Department Goals

- Collaborate with the community partners to provide over 18 major community events annually - Annually (*Strategic Issue: Enhance Community Outreach and Engagement*)
- Provide to the community a wide variety of Recreational and Human Service programs/classes for all ages - Annually (*Strategic Issue: Enhance Community Outreach and Engagement*)
- In conjunction with Public Works, complete the exterior remodel of the Recreation Center without effecting service levels to the community (*Maintain and Enhance Infrastructure and Facilities*)
- Completed a redesign of the Fountain Valley Community Services Recreational Guide to include community sponsorships increasing the quality, community information and readability (*Strategic Issue: Enhance Community Outreach and Engagement*)
- Seek out additional revenue opportunities through facility reservations and contacted services (Tennis Center, Tournament Fields) (*Strategic Issue: Achieve Financial Stability*)
- Develop collaborations with local community partners (County of Orange, Adjacent Municipalities) who share in the mission of the City of Fountain Valley and the Community Services Division to reduce the duplication of services and broaden the scope and breadth of services provided (*Strategic Issue: Achieve Financial Stability*)

Recreation & Community Services	2014-15 Actual	2015-16 Budget	2015-16 Estimated	2016-17 Budget
<b>Total Recreation &amp; Community Services (All Funds)</b>				
Salaries & Benefits	1,150,090	1,165,291	1,162,155	1,199,670
Internal Service Charges	787,270	799,725	799,725	826,851
Operating Expense	372,597	402,227	410,084	435,065
<b>Total Recreation &amp; Community Services Ex</b>	<b>2,309,957</b>	<b>2,367,243</b>	<b>2,371,964</b>	<b>2,461,586</b>
Revenues	1,352,620	1,285,145	1,290,576	1,347,243
<b>Total Recreation &amp; Community Services Re</b>	<b>1,352,620</b>	<b>1,285,145</b>	<b>1,290,576</b>	<b>1,347,243</b>



## General Fund

### Athletics

Salaries & Benefits	99,207	95,921	109,249	97,644
Internal Service Charges	153,521	157,862	157,862	164,384
Operating Expense	83,328	86,875	89,070	90,155
<b>Program Expenditures</b>	<b>336,056</b>	<b>340,658</b>	<b>356,181</b>	<b>352,183</b>
Revenues	165,398	130,000	147,369	145,000
<b>Program Revenues</b>	<b>165,398</b>	<b>130,000</b>	<b>147,369</b>	<b>145,000</b>

### Field Operations

Salaries & Benefits	111,010	114,635	116,094	113,130
Internal Service Charges	76,116	77,657	77,657	80,759
Operating Expense	12,505	16,630	14,819	16,630
<b>Program Expenditures</b>	<b>199,631</b>	<b>208,922</b>	<b>208,570</b>	<b>210,519</b>
Revenues	342,357	312,000	306,555	315,000
<b>Program Revenues</b>	<b>342,357</b>	<b>312,000</b>	<b>306,555</b>	<b>315,000</b>

### Annual Festivals

Salaries & Benefits	30,908	33,004	25,212	32,747
Internal Service Charges	-	-	-	-
Operating Expense	61,154	44,500	73,000	44,500
<b>Program Expenditures</b>	<b>92,062</b>	<b>77,504</b>	<b>98,212</b>	<b>77,247</b>
Revenues	74,637	103,504	106,578	87,762

<b>Recreation &amp; Community Services</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Program Revenues</b>	<b>74,637</b>	<b>103,504</b>	<b>106,578</b>	<b>87,762</b>
<b>Aquatics</b>				
Salaries & Benefits	69,661	65,834	55,155	66,467
Internal Service Charges	20,011	25,754	25,754	29,446
Operating Expense	17,473	25,100	19,483	20,100
<b>Program Expenditures</b>	<b>107,145</b>	<b>116,688</b>	<b>100,392</b>	<b>116,013</b>
Revenues	65,784	60,000	38,000	45,000
<b>Program Revenues</b>	<b>65,784</b>	<b>60,000</b>	<b>38,000</b>	<b>45,000</b>
<b>Recreation &amp; Tennis Center</b>				
Salaries & Benefits	155,871	163,501	142,523	168,047
Internal Service Charges	187,260	188,005	188,005	192,122
Operating Expense	15,301	18,695	15,315	18,695
<b>Program Expenditures</b>	<b>358,432</b>	<b>370,201</b>	<b>345,843</b>	<b>378,864</b>
Revenues	77,227	65,000	73,500	72,500
<b>Program Revenues</b>	<b>77,227</b>	<b>65,000</b>	<b>73,500</b>	<b>72,500</b>
<b>Community &amp; Senior Center</b>				
Salaries & Benefits	265,072	277,546	284,859	285,553
Internal Service Charges	183,800	186,165	186,165	192,500
Operating Expense	63,979	54,190	80,325	88,190
<b>Program Expenditures</b>	<b>512,851</b>	<b>517,901</b>	<b>551,349</b>	<b>566,243</b>
Revenues	185,075	143,300	153,800	177,300
<b>Program Revenues</b>	<b>185,075</b>	<b>143,300</b>	<b>153,800</b>	<b>177,300</b>
<b>Contract Classes</b>				
Salaries & Benefits	329,636	317,394	330,425	336,663
Internal Service Charges	80,001	79,235	79,235	81,187
Operating Expense	37,581	39,040	38,817	49,040
<b>Program Expenditures</b>	<b>447,218</b>	<b>435,669</b>	<b>448,477</b>	<b>466,890</b>
Revenues	374,419	334,400	363,750	372,400
<b>Program Revenues</b>	<b>374,419</b>	<b>334,400</b>	<b>363,750</b>	<b>372,400</b>
<b>Special Events</b>				
Salaries & Benefits	71,351	76,957	77,549	77,638
Internal Service Charges	86,561	85,047	85,047	86,453
Operating Expense	62,246	40,755	47,755	40,755
<b>Program Expenditures</b>	<b>220,158</b>	<b>202,759</b>	<b>210,351</b>	<b>204,846</b>
Revenues	29,842	40,000	48,435	43,500
<b>Program Revenues</b>	<b>29,842</b>	<b>40,000</b>	<b>48,435</b>	<b>43,500</b>
<b>Senior Transportation</b>				
Salaries & Benefits	17,374	20,499	21,089	21,781

<b>Recreation &amp; Community Services</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
Internal Service Charges	-	-	-	-
Operating Expense	19,030	76,442	31,500	67,000
<b>Program Expenditures</b>	<b>36,404</b>	<b>96,941</b>	<b>52,589</b>	<b>88,781</b>
Revenues	37,881	96,941	52,589	88,781
<b>Program Revenues</b>	<b>37,881</b>	<b>96,941</b>	<b>52,589</b>	<b>88,781</b>
<b>General Fund Totals</b>				
Salaries & Benefits	1,150,090	1,165,291	1,162,155	1,199,670
Internal Service Charges	787,270	799,725	799,725	826,851
Operating Expense	372,597	402,227	410,084	435,065
<b>General Fund Expenditures</b>	<b>2,309,957</b>	<b>2,367,243</b>	<b>2,371,964</b>	<b>2,461,586</b>
Revenues	1,352,620	1,285,145	1,290,576	1,347,243
<b>General Fund Revenues</b>	<b>1,352,620</b>	<b>1,285,145</b>	<b>1,290,576</b>	<b>1,347,243</b>



## SUCCESSOR AGENCY

### Description / Purpose

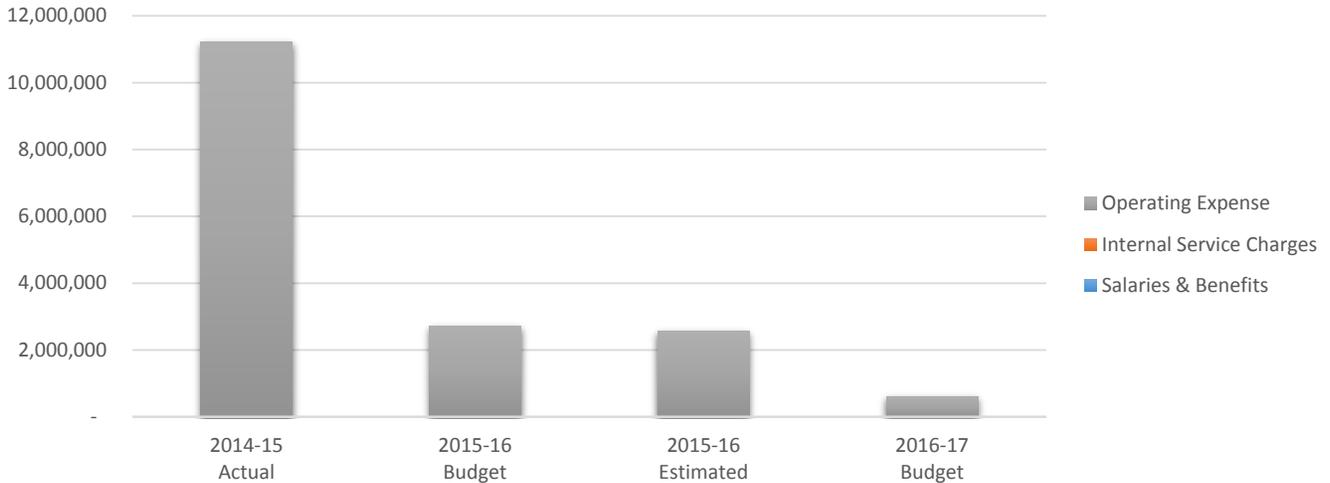
The activities for the Successor Agency are directly tied to the dissolution of Redevelopment under ABx1 26 effective February 2012. Ongoing dissolution activities are now linked to the semi-annual Recognized Obligation Payment Schedule (ROPS) which must be approved by the Oversight Board and the California Department of Finance (DOF).

The 2016-17 ROPS schedules (July 1, 2016 through June 30, 2017) were approved by Department of Finance on April 1, 2016. The 2017-18 ROPS are due to DOF by February 2, 2017 and are estimates which will be subject to DOF final approval.

The Successor budget reflects the actual and projected activities for the 2016-17 fiscal year which include ROPS 2016-17 DOF approved items:

DESCRIPTION	AMOUNT
OPA Fry's	\$250,000
SERAF Repayment	\$1,065,042
Palm Island Development Agreement	\$100,000
Administration (Legal, Staffing)	\$250,000
<b>TOTAL</b>	<b>\$1,665,042</b>

<b>FV Successor Agency</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Estimated</b>	<b>2016-17 Budget</b>
<b>Total Successor Agency</b>				
Salaries & Benefits	41,041	33,510	33,510	36,075
Internal Service Charges	-	-	-	-
Operating Expense	11,178,924	2,694,083	2,532,699	563,925
<b>Total Successor Agency Expenditures</b>	<b>11,219,965</b>	<b>2,727,593</b>	<b>2,566,209</b>	<b>600,000</b>
Revenues	1,445,721	1,699,000	1,456,675	1,109,770
<b>Total Successor Agency Revenues</b>	<b>1,445,721</b>	<b>1,699,000</b>	<b>1,456,675</b>	<b>1,109,770</b>



### Successor Agency Fund

#### Successor Agency

Salaries & Benefits	41,041	33,510	33,510	36,075
Internal Service Charges	-	-	-	-
Operating Expense	11,178,924	2,694,083	2,532,699	563,925
<b>Program Expenditures</b>	<b>11,219,965</b>	<b>2,727,593</b>	<b>2,566,209</b>	<b>600,000</b>
Revenues	1,445,721	1,699,000	1,456,675	1,109,770
<b>Program Revenues</b>	<b>1,445,721</b>	<b>1,699,000</b>	<b>1,456,675</b>	<b>1,109,770</b>

#### Successor Fund Total

Salaries & Benefits	41,041	33,510	33,510	36,075
Internal Service Charges	-	-	-	-
Operating Expense	11,178,924	2,694,083	2,532,699	563,925
<b>Fund Expenditures</b>	<b>11,219,965</b>	<b>2,727,593</b>	<b>2,566,209</b>	<b>600,000</b>
Revenues	1,445,721	1,699,000	1,456,675	1,109,770
<b>Fund Revenues</b>	<b>1,445,721</b>	<b>1,699,000</b>	<b>1,456,675</b>	<b>1,109,770</b>

# ANNUAL CAPITAL PROGRAMS

## Introduction

The Ten-Year Strategic Financial Plan includes forecasting for both major capital public improvements and the annual capital replacement and/or maintenance of government buildings, equipment, fleet, and IT technology. This section looks at the current fiscal years capital projects and Internal Service Fund replacement needs.

## Capital Projects

Each year as part of the regular budget process, the Capital Improvement Plan is updated allowing the City to re-evaluate its priorities and needs each subsequent year based upon the most current revenue and cost projections. Current fiscal year capital projects are requested by the departments based on the updated CIP. The requests are reviewed and evaluated by the City Manager's Office to ensure the City's priorities are in sync with current infrastructure needs, financial capacity of the city, and impact the projects will have on the City's operating budget. The funding is ultimately approved by the City Council as part of the budget adoption.



Funding for approved current capital projects are appropriated within the current fiscal year budget. For any multi-year projects that are not completed at fiscal year-end then a continuing appropriation for the unspent balance will be included in the next budget. In general, the Capital Program budget provides funding for infrastructure construction and rehabilitation, while the operating budget and other special funds provide funding for routine infrastructure maintenance. The Capital project budget functions as an extension of the City's ten-year long-term capital improvement plan.

## Types of Capital Improvement Projects

Fountain Valley places a high priority on infrastructure construction, improvements and rehabilitation and maintenance. Projects are selected, planned and designed emphasizing practices that prevent deterioration and costly remediation efforts. This strategy extends the useful life of infrastructure improvements and provides long-term savings.

**Improvements:** Plans to improve specific areas each year. This may include such projects as signal upgrades, road widening, ADA compliant updates, or other public improvements.

**Rehabilitation:** Plans to manage rehabilitation concentrate on specific areas each year, enabling cost management through economies of scale. This permits the City to pay for current maintenance and rehabilitation, while anticipating and planning for future needs.

# ANNUAL CAPITAL PROGRAMS

Fountain Valley spends millions of dollars each year for preventive maintenance, including storm drain inspection and cleaning; graffiti and litter removal; mowing; tree trimming; and regular upkeep of traffic signals. Proper attention to preventive maintenance extends the useful life of the City's assets and prevents expensive structural problems.

**New Construction:** New construction projects preserve and enhance the City's ability to serve the community and sustain Fountain Valley's growth.

## Annual Capital Replacement Expenditures (ISF)



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 have been completed and the Fiscal Year 2016-17 reflects those capital replacement items that need to be purchased.

## Budget Detail – Annual Capital Improvement Projects & Capital Replacement

### Fiscal Year 2016-17 Capital Improvement Project Expenditures:

Expenditures consist of non-routine capital infrastructure improvements, rehabilitation projects, new construction and continuing appropriations from multi-year projects. Due to the long construction periods of most significant CIP projects, capital expenditures tend to span several years, and consequently, a line item of \$12.5 million has been incorporated in the table to account for continuing appropriations. These continuing projects are reevaluated annually during the fiscal year-end review process.

The Fiscal Year 2016-17 budget funds 38 projects totaling \$22.3 million as detailed in Table 1. Eleven of which are part of the City's infrastructure rehabilitation program; one project is classified as new construction or design and nine are improvements to existing infrastructure. These projects allow the City to continue to focus on the City Council's strategic goal of "*maintain and enhance infrastructure and facilities*" by allocating funding for infrastructure and rehabilitation projects to maintain the City's aesthetics and preserve its infrastructure assets at a high level.

## ANNUAL CAPITAL PROGRAMS

**Table 1 - Capital Improvement Project Expenditures**

CIP – Carryover (Continuing Appropriation)	\$12,394,518
CIP – Improvements	808,799
CIP - Rehabilitation	9,044,517
CIP – New Construction	92,200
<b>CIP Total</b>	<b>\$22,340,034</b>

Fiscal Year 2016-17 Annual Capital Replacement Expenditures:

The Fiscal Year 2016-17 budget continues to carry out the ten year replacement program. Included in IT will be the regular change out of older computer workstations, and Firewall protection, and Fire Station #1 phone system rehab. Fleet will replace several trucks, four police cars, one field support motorcycle, backhoe, and other related equipment. Equipment includes cardiac monitors, sewer inspection camera, fire suppression equipment, 800 MHz radio replacement and field PD Brazos devices. Government building rehabilitation includes video surveillance, sports field restrooms, and other related building improvements.

**Table 2 - Annual Capital Replacement Expenditures - Internal Service Funds**

Capital Equipment – (Office Furniture / Tools / Other)	\$505,605
Information Technology (Computers / Servers)	415,541
Fleet (Vehicles)	728,000
Government Buildings	489,420
<b>Routine Capital Expenditures Total</b>	<b>\$2,138,566</b>

## Capital Projects Funding Analysis

Fund	Proj #	Project Name	Total	11	11	11	11	11	91	31
				General Fund	GF - Rainbow	Park In-Lieu	Developer Impact	SCAG Grant	98 TAB Bond Proceeds	2016A Lease Rev. Bonds
<b>General Fund 11</b>										
	11 GF197	800MHZ Upgrades	147,299	147,299						
	11 GF333	Controller Cabinets	14,000	14,000						
	11 GF339	Recreation Center Rehab	460,865 <i>c/a</i>			460,865				
	11 GF413	Median Drought Tolerant Landscape	1,472,648	1,072,648 <i>c/a</i>		0	400,000 <i>c/a</i>			
	11 GF408	Irrigation System -Brookhurst St Median	217,120	58,620 <i>c/a</i>						
	11 GF409	Irrigation System -Euclid St Median	217,120	58,620 <i>c/a</i>						
	11 CD868	Economic Development	1,135,860 <i>c/a</i>					60,517	1,075,343	
		<b>General Fund Projects</b>	<b>3,664,912</b>	<b>1,351,187</b>	<b>0</b>	<b>460,865</b>	<b>400,000</b>	<b>60,517</b>	<b>1,075,343</b>	<b>0</b>
<b>Gas Tax 23</b>										
	23 GT005	Pavement Management	30,000							
	23 GT021	Audible Pedestrian Signals	12,500							
	23 GT101	Administration	2,000							
	23 GT229	Residential Roadway Rehabilitation	1,400,000	0	253,000					
		<b>Gas Tax Projects</b>	<b>1,444,500</b>	<b>0</b>	<b>253,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Traffic Imp 24</b>										
	24 TI147	Warner Ave Traffic Signal Synchronization	18,786 <i>c/a</i>							
	24 TI148	Talbert Ave Traffic signal Synchronization	1,831 <i>c/a</i>							
	24 TI149	Euclid St Traffic Signal Synchronization	39,439 <i>c/a</i>							
	24 TI160	Citywide Traffic Signal Timing Maint	30,000							
	24 TI198	Edinger Ave Traffic Signal Synchronization	15,526 <i>c/a</i>							
	24 TI267	Citywide Signal Communication Maint.	35,000							
	24 TI271	Euclid - Slater/Warner	1,200,000							
	24 TI272	Harbor -No City Limit/SA River	1,590,000 <i>c/a</i>							
	24 TI273	Edinger- Brookhurst/Euclid	1,485,000 <i>c/a</i>							
	24 TI280	Harbor Blvd Traffic Signal Synchronization	5,640 <i>c/a</i>							
	24 TI281	PPLT Protective Permissive Traffic Signal Op	250,000							
	24 TI282	Local Circulator Study	50,000							
		<b>Traffic Improvement Fund Projects</b>	<b>4,721,222</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pollution Reduction Program AQMD 26</b>										
	26 PR603	Electric Vehicle Charging Station (6)	92,200 <i>c/a</i>							
	26 PR604	Electric Vehicle Charging Station (6)	92,200							
		<b>Pollution Reduction (AQMD) Projects</b>	<b>184,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Drainage 31</b>										
	31 DF995	Sandalwood Pump Station	3,500,000							3,500,000
		<b>Drainage Fund Projects</b>	<b>3,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,500,000</b>
<b>Sewer 32</b>										
	32 SF616	Sewer GIS Mapping	35,000							
	32 SF617	Sewer Manhole Rehab	65,000							
	32 SF620	Sewer Improvements Annual	1,500,000							
		<b>Sewer Fund Projects</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Water 71</b>										
	71 WU705	Hydrant Replacement	20,000							
	71 WU708	Water Conservation	100,000							
	71 WU709	Pipeline Replacement	300,000							
	71 WU818	Reservoir No. 1 Exterior Painting	400,000							
	71 WU842	GIS Update	35,000							
	71 WU846	Reservoir No. 2	5,920,000 <i>c/a</i>							
	71 WU862	Well No. 10 Rehabilitation	300,000							
	71 WU910	Water Rate Study	50,000							
	71 WU914	Smart Landscape Irrigation Control Timers	100,000 <i>c/a</i>							
		<b>Water Fund Projects</b>	<b>7,225,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Total Projects</b>	<b>22,340,034</b>	<b>1,351,187</b>	<b>253,000</b>	<b>460,865</b>	<b>400,000</b>	<b>60,517</b>	<b>1,075,343</b>	<b>3,500,000</b>



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: 800MHZ Upgrades**

**Project Number: GF197 General Fund**

**Project Description:**

The 800 MHz Communication Systems serves all of Orange County and the costs for upgrades to the system are spread between the County and the 34 participating cities. The original system was put into operation in 1999 and replacement parts are expected to be phased out by 2015. The total cost of replacement for the system county wide is just over \$138 million. Replacement will be phased in beginning with the 2014/15 fiscal year with anticipated completion occurring in 2018. Fountain Valley’s estimated share of the project cost is \$2,334,128. The amount budgeted for the fiscal year 2014/15 represents the first contribution to the overall project.

**Estimated Start Date: 2014/2015**

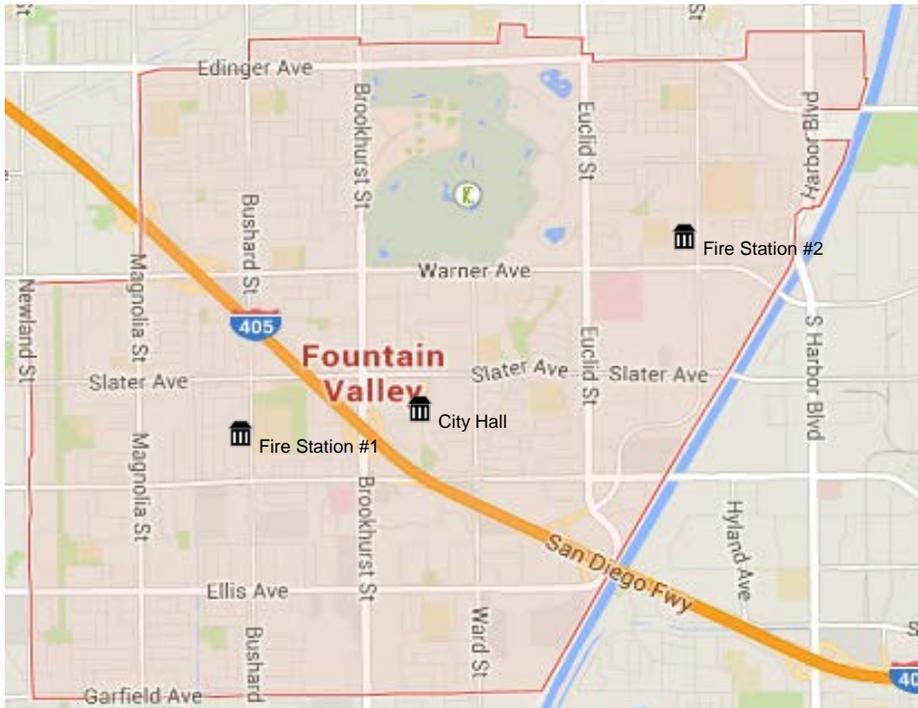
**Estimated Completion Date: 2018**

**Budgeted Projected Costs: \$2,334,128**

**Budgeted Funding Sources: General Fund**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
General Fund	147,299	339,253	1,758,955			<b>2,245,507</b>
<b>Total</b>	<b>\$147,299</b>	<b>\$339,253</b>	<b>\$1,758,955</b>			<b>\$2,245,507</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Power/Irrigation Controller Cabinets

**Project Number:** GF333 General Fund

**Project Description:**

The General Services Division is tasked with the maintenance and repair of 40 electrical enclosures that provide power to irrigation controllers throughout the City. Each location that has a controller also has a commercial power pedestal where the incoming electric power is metered. Many of these have deteriorated and need to be replaced. Staff will evaluate the conditions of these cabinets throughout the City and replace those that are in the most need of repair.

**Estimated Start Date:** Annual

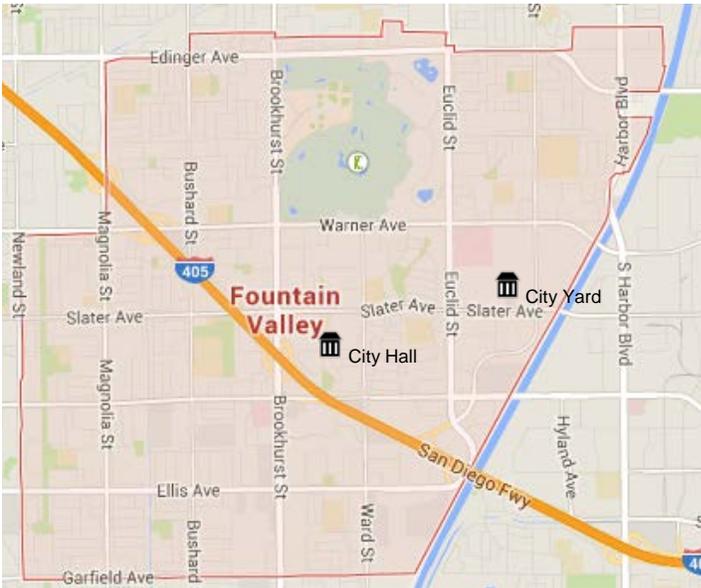
**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$14,000 Annual

**Budgeted Funding Sources:** General Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
General Fund	14,000	14,000	14,000	14,000	14,000	<b>70,000</b>
Total	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$70,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Recreation Center Rehab

**Project Number:** GF339 General Fund

**Project Description:**

This project will refurbish the exterior portions of the Recreation Center building. The project includes replacement of the deteriorated shake shingle roofing with a metal roofing system that matches the architectural elements of the remainder of the park, making minor architectural changes to three building openings to deter vandals from accessing the roof and vandalizing the building and HVAC equipment, replacing several corroded and deteriorated window mullions, properly sealing several wooden wall penetrations and completely painting the exterior of the facility.

**Estimated Start Date:** 2014/2015

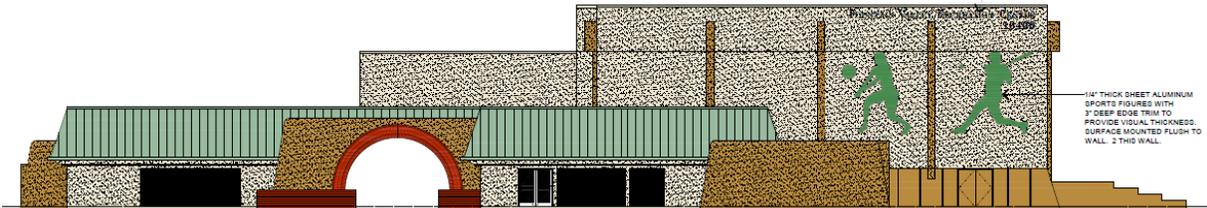
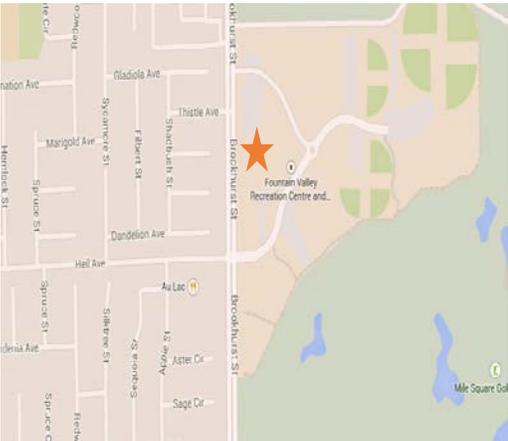
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$500,000

**Budgeted Funding Sources:** Park In-Lieu

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Park In-Lieu (Continuing Appropriation)	460,865					460,865
<b>Total</b>	<b>\$460,865</b>					<b>\$460,865</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Median Drought Tolerant Landscape**

**Project Number: GF413 General Fund**

**Project Description:**

This project will improve medians city-wide with drought tolerant landscapes. A drought tolerant landscape (zeroscape landscaping) consists of plants that require very little water, or no water, and the installation of drip irrigation systems. The project will consider the use of synthetic turf, elimination or reduction in turf, use of reclaimed water, drought tolerant plant pallets that compliment or brand each corridor, and the incorporation of existing trees and plants materials.

**Estimated Start Date: 2015/2016**

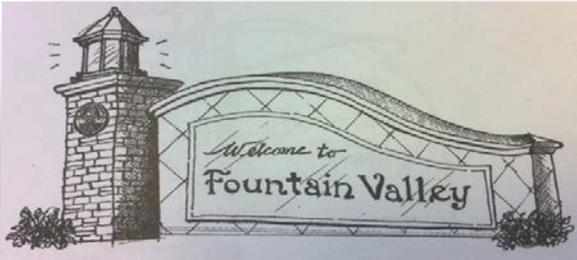
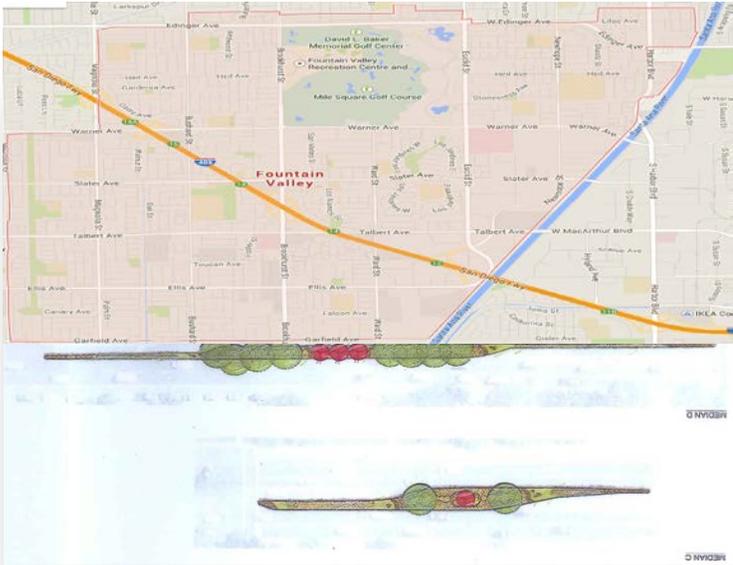
**Estimated Completion Date: 2017/2018**

**Budgeted Projected Costs: \$1,557,760**

**Budgeted Funding Sources: General Fund, Developer Impact Reserves**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
General Fund (Continuing Appropriation)	1,072,648					<b>1,072,648</b>
Developer Impact (Continuing Appropriation)	400,000					<b>400,000</b>
<b>Total</b>	<b>\$1,472,648</b>					<b>\$1,472,648</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Brookhurst Street Median Island Irrigation Improvement Project

**Project Number:** GF408 General Fund

**Project Description:**

This project will replace existing irrigation lines with high efficiency irrigation systems. This will enable the planting of drought tolerant plants as part of the city-wide Median Drought Tolerant Landscape Project (GF413). Partial funding for this project is from the Orange County Transportation Authority FY 2016-17 Measure M2 Environmental Cleanup Program. The project area is on Brookhurst Street, from Warner Avenue to the north City limit.

**Estimated Start Date:** 2015/2016

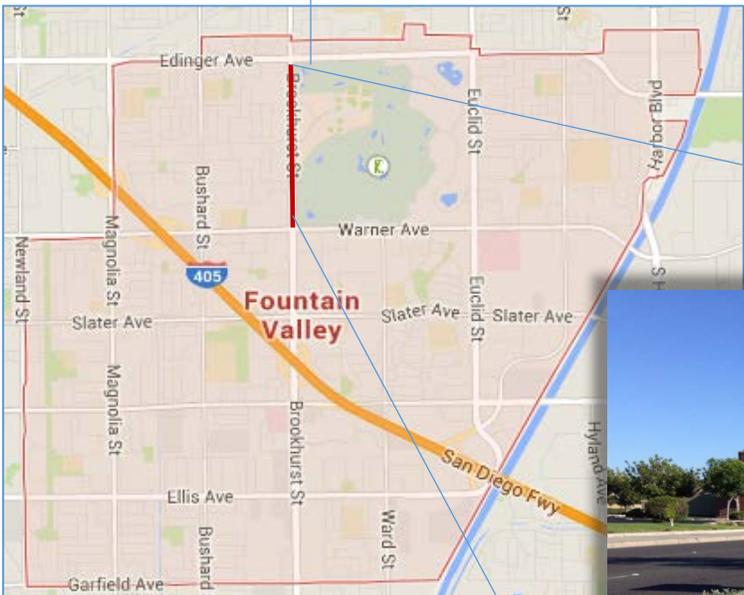
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$217,120

**Budgeted Funding Sources:** General Fund, OCTA M2 ECP Grant

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
General Fund (Continuing Appropriation)	58,620					58,620
Measure M2	158,500					158,500
Total	\$217,120					\$217,120

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Euclid Street Median Island Irrigation Improvement Project

**Project Number:** GF409 General Fund

**Project Description:**

This project will replace existing irrigation lines with high efficiency irrigation systems. This will enable the planting of drought tolerant plants as part of the city-wide Median Drought Tolerant Landscape Project (GF413). Partial funding for this project is from the Orange County Transportation Authority FY 2016-17 Measure M2 Environmental Cleanup Program. The project area is on Euclid Street, from Warner Avenue to the north City limit.

**Estimated Start Date:** 2016/2017

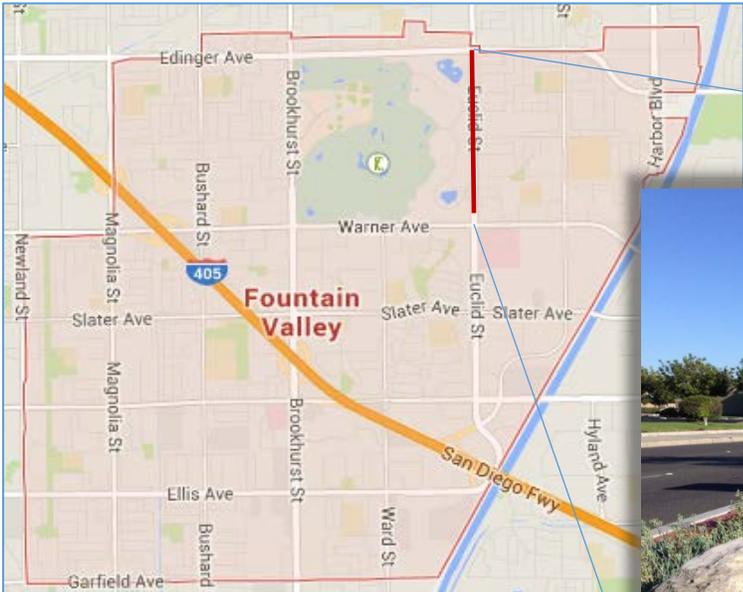
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$217,120

**Budgeted Funding Sources:** General Fund, OCTA M2 ECP Grant

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
General Fund (Continuing Appropriation)	58,620					<b>58,620</b>
Measure M2	158,500					<b>158,500</b>
<b>Total</b>	<b>\$217,120</b>					<b>\$217,120</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Economic Development**

**Project Number: CD868 General Fund**

**Project Description:**

On October 11, 2013, the City conducted a Strategic Planning Retreat. During the retreat, a Strategic Plan was adopted. One of the three-year goals contained in the Plan is Enhance Economic Development. One of the six-month objectives contained in the plan to further the Enhance Economic Development is to have staff and the Planning Commission “Identify and recommend to the City Council for consideration and direction a geographic area(s) for business development, including a vision for the area(s) and strategy(ies) for achieving it/them.” Various areas were evaluated and presented to the City Council for their consideration. On April 1, 2014, The City Council directed staff to focus economic development efforts in the I-405 Freeway Industrial Area. The City Council also directed staff to prepare and distribute a Request for Qualifications from planning firms to develop a mixed use overlay or specific plan for the area.

A contract for the specific plan study was approved in fiscal year 2014-15. The scope of work for the specific plan includes public outreach, meetings with stakeholders, a review of existing development regulations, drafting general plan amendments and zone changes, as needed, preparation of the draft specific plan, design guidelines, preparation of CEQA documentation, marketing vision for the area, public review and implementation program.

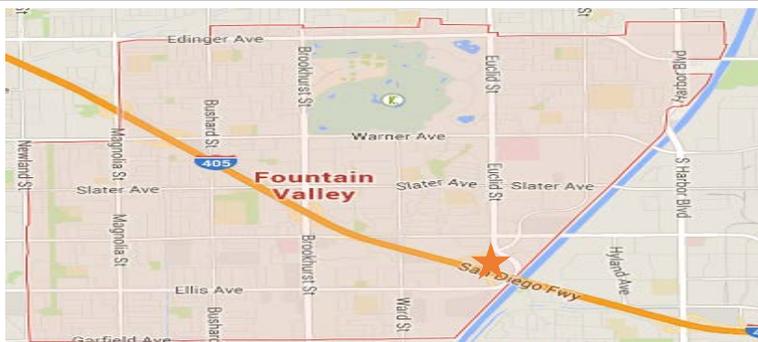
**Estimated Start Date: 2014/2015**

**Estimated Completion Date: 2016/2017**

**Budgeted Projected Costs: \$1,700,000**

**Budgeted Funding Sources: 98 Tax Allocation Bond Proceeds, SCAG Grant**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
98 TAB (Continuing Appropriation)	1,075,343					1,075,343
SCAG Grant (Continuing Appropriation)	60,517					60,517
<b>Total</b>	<b>\$1,135,860</b>					<b>\$1,135,860</b>



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Pavement Management**

**Project Number: GT005 Gas Tax Fund**

**Project Description:**

This project will continue to update the guide that identifies and prioritizes the conditions of the City’s arterial, collector and residential streets. This project also achieves compliance with city eligibility for the use of Measure M2 funds. This project funds a portion of the GIS contract which keeps pavement management related info updated on the City’s GIS.

**Estimated Start Date: Annual**

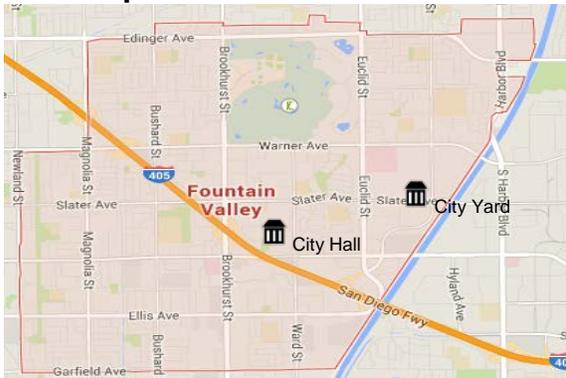
**Estimated Completion Date: Continuous**

**Budgeted Projected Costs: \$30,000**

**Budgeted Funding Sources: Gas Tax Fund**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Gas Tax	30,000	60,000	30,000	70,000	40,000	<b>230,000</b>
<b>Total</b>	<b>\$30,000</b>	<b>\$60,000</b>	<b>\$30,000</b>	<b>\$70,000</b>	<b>\$40,000</b>	<b>\$230,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Audible Pedestrian Signals**

**Project Number: GT021 Gas Tax Fund**

**Project Description:**

In 2002, Fountain Valley began the deployment of cutting-edge traffic control devices to provide assistance to visually impaired pedestrians. This year Audible Pedestrian Signal devices will be installed on signal poles at warranted locations in the City to assist visually impaired pedestrians. Replacing existing push button devices, these new buttons will have the same function as the old ones with the following added features:

- A locator tone to assist in finding the push button.
- A voice message identifying the intersection location and informing the pedestrian when the walk signal is on and for which street.
- A vibrating arrow indicating what the voice message says. This feature assists a pedestrian who might be not only audibly impaired but also visually impaired.

**Estimated Start Date:** Periodic

**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$12,500

**Budgeted Funding Sources:** Gas Tax Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Gas Tax	12,500					<b>12,500</b>
<b>Total</b>	<b>\$12,500</b>					<b>\$12,500</b>



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Administration**

**Project Number: GT101 Gas Tax Fund**

**Project Description:**

Administration of the Gas Tax funds received from Sections 2103, 2105, 2106, 2107 and 2107.5 of the Streets and Highways Code. State law required these funds be utilized solely for street-related purposes such as new street construction, rehabilitation, and maintenance.

**Estimated Start Date: Annual**

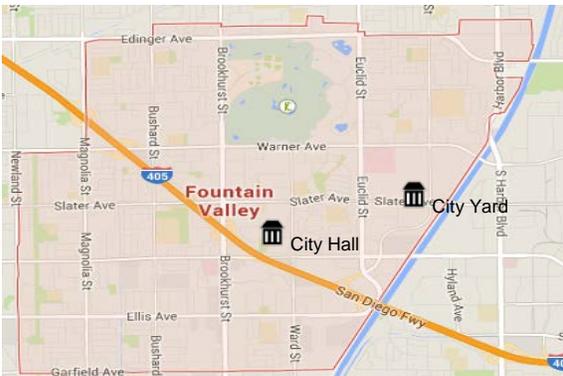
**Estimated Completion Date: Continuous**

**Budgeted Projected Costs: \$2,000 Annual**

**Budgeted Funding Sources: Gas Tax Fund**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Gas Tax	2,000	2,000	2,000	2,000	2,000	<b>10,000</b>
Total	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$10,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Residential Roadway Rehabilitation**

**Project Number: GT229 Gas Tax Fund**

**Project Description:**

This budget year continues the Gas Tax Fund’s ongoing financing of pavement rehabilitation work on the City’s residential roadways. This funding enables the City to maintain its current schedule for complete improvement of its residential streets.

Continuing with the successes of this program, more extensive pavement treatments, including AC overlay, will be implemented to: (1) add useful life and strength to the roadway (2) seal the pavement surface; (3) make the pavement impermeable to air and water; (4) improve skid resistance; and (5) improve the street’s overall appearance. It is intended that City Section G3 will receive a complete street resurfacing via edge grind and cap. This project will also install ADA compliant curb ramps at all curb returns. This project is planned for summer of 2016.

**Estimated Start Date:** Annual

**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$1,400,000

**Budgeted Funding Sources:** Gas Tax Fund, General Fund, Water Fund, Sewer Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Gas Tax	1,077,000		1,463,173	855,169	846,924	<b>4,242,266</b>
General Fund	253,000		266,827	274,831	283,076	<b>1,077,734</b>
Water Fund	40,000		40,000	40,000	40,000	<b>160,000</b>
Sewer Fund	30,000		30,000	30,000	30,000	<b>120,000</b>
<b>Total</b>	<b>\$1,400,000</b>		<b>\$1,800,000</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>\$5,600,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Warner Ave Traffic Signal Synchronization

**Project Number:** TI147 Traffic Improvement Fund

**Project Description:**

This project is to synchronize countywide traffic signals throughout the County. The Orange County Transportation Authority (OCTA) has identified Warner Avenue as an approved project under OCTA Measure M2 Regional Traffic Signal Synchronization Program (TSSP).

**Start Date:** 2011/2012

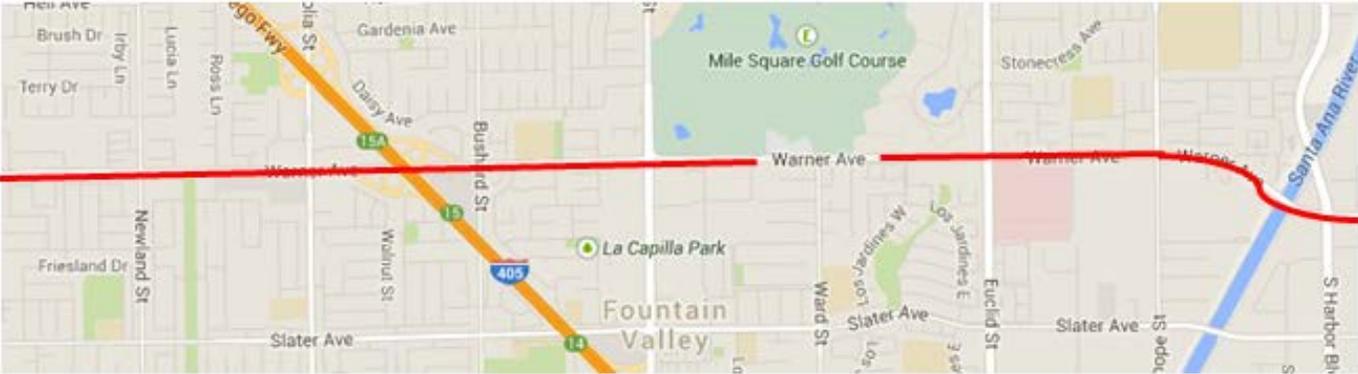
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$40,000

**Budgeted Funding Sources:** Measure M2

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2 (Continuing Appropriation)	18,786					<b>18,786</b>
Total	<b>\$18,786</b>					<b>\$18,786</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Talbert Ave Traffic Signal Synchronization

**Project Number:** TI148 Traffic Improvement Fund

**Project Description:**

This project is to synchronize countywide traffic signals throughout the County. The Orange County Transportation Authority (OCTA) has identified Talbert Avenue as an approved project under OCTA Measure M2 Regional Traffic Signal Synchronization Program (TSSP).

**Start Date:** 2011/2012

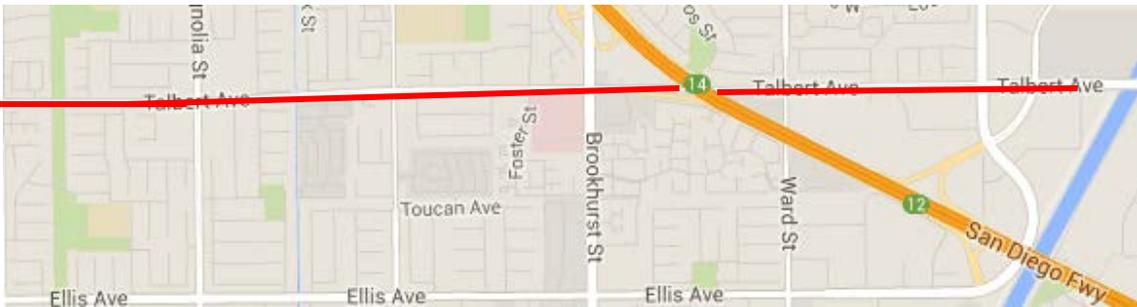
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$40,000

**Budgeted Funding Sources:** Measure M2

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2 (Continuing Appropriation)	1,831					<b>1,831</b>
<b>Total</b>	<b>\$1,831</b>					<b>\$1,831</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Euclid St Traffic Signal Synchronization

**Project Number:** TI149 Traffic Improvement Fund

**Project Description:**

This project is to synchronize countywide traffic signals throughout the County. The Orange County Transportation Authority (OCTA) has identified Euclid Street as an approved project under OCTA Measure M2 Regional Traffic Signal Synchronization Program (TSSP).

**Start Date:** 2011/2012

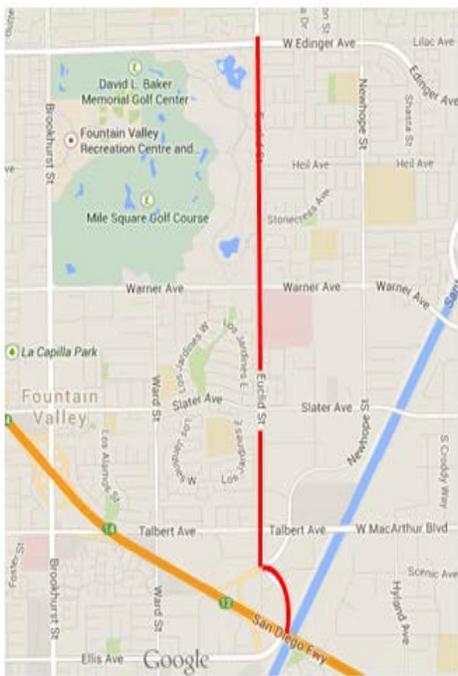
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$40,000

**Budgeted Funding Sources:** Measure M2

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2 (Continuing Appropriation)	39,439					<b>39,439</b>
<b>Total</b>	<b>\$39,439</b>					<b>\$39,439</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Citywide Traffic Signal Timing Maintenance

**Project Number:** TI160 Traffic Improvement Fund

**Project Description:**

There are 53 intersections currently being operated by the City and four intersections controlled by other local agencies, including City of Westminster, City of Huntington Beach, and Caltrans. This project will provide consultant services to assist staff with ongoing updates and maintenance of traffic signal coordination and local timing. This project is an integral part of the City’s continuing effort to ease congestion, reduce delay and improve traffic flow.

**Estimated Start Date:** Annual

**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$30,000

**Budgeted Funding Sources:** Measure M2, Traffic Improvement

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2	20,000	20,000	20,000	20,000	20,000	<b>100,000</b>
Traffic Improvement	10,000	10,000	10,000	10,000	10,000	<b>50,000</b>
Total	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$150,000</b>

**Location:** Citywide



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Edinger Ave Traffic Signal Synchronization**

**Project Number:** TI198 Traffic Improvement Fund

**Project Description:**

This project is to synchronize countywide traffic signals throughout the County. The Orange County Transportation Authority (OCTA) has identified Edinger Avenue as an approved project under OCTA Measure M2 Regional Traffic Signal Synchronization Program (TSSP).

**Start Date:** 2012/2013

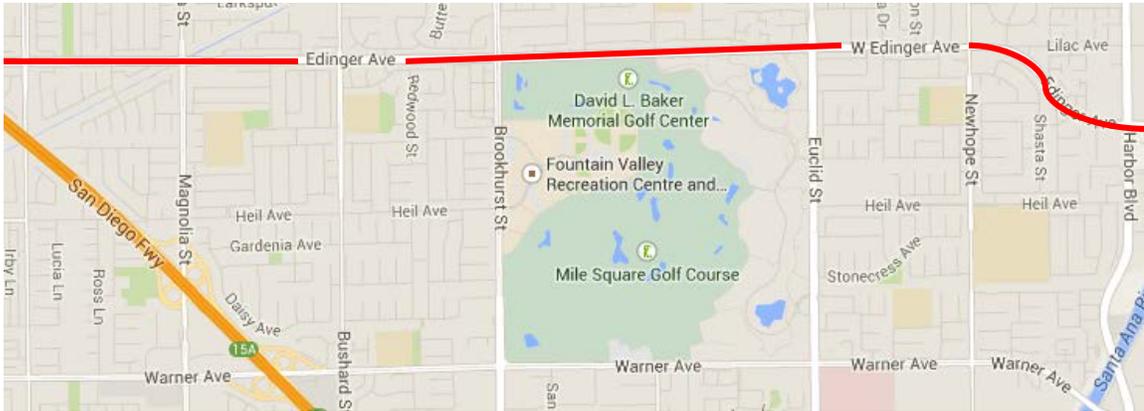
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$40,000

**Budgeted Funding Sources:** Measure M2

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2 (Continuing Appropriation)	<b>15,526</b>					<b>15,526</b>
<b>Total</b>	<b>\$15,526</b>					<b>\$15,526</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Citywide Signal Communication & Fiber Optic Maintenance

**Project Number:** TI267 Traffic Improvement Fund

**Project Description:**

This project will provide consulting services to assist staff with ongoing hardware and software maintenance of the City's comprehensive fiber optic network, fiber optic hardware and controller equipment which serves the City's traffic signal communication system.

**Estimated Start Date:** Annual

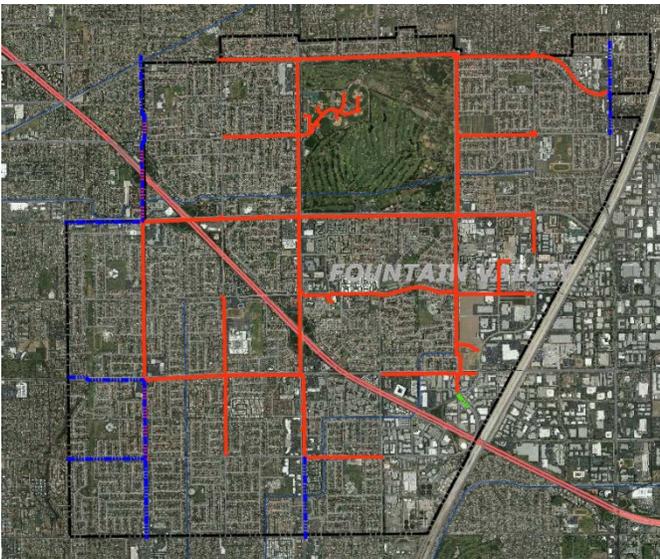
**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$35,000

**Budgeted Funding Sources:** Measure M2

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2	35,000	35,000	35,000	35,000	35,000	<b>175,000</b>
<b>Total</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$175,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Euclid Street Arterial Rehabilitation from Slater to Warner

**Project Number:** TI271 Traffic Improvement Fund

**Project Description:**

This project will improve the arterial by resurfacing the street with asphalt concrete from curb to curb. This project will also replace curb & gutter, pedestrian ramps and sidewalk panels that are damaged or are not ADA compliant.

**Estimated Start Date:** 2016/2017

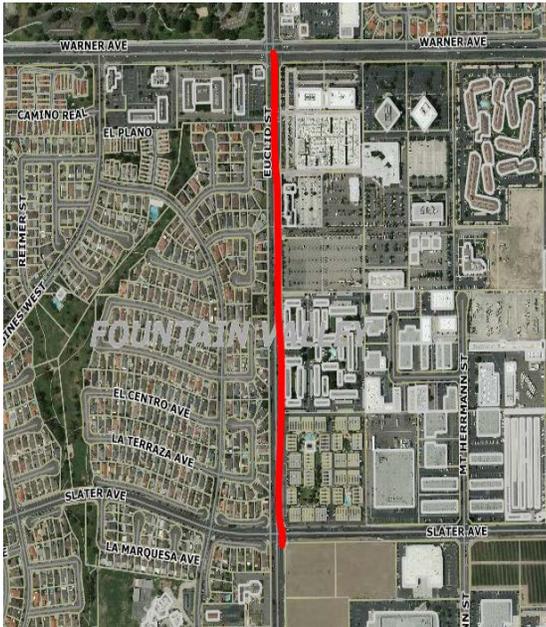
**Estimated Completion Date:** 2017/2018

**Budgeted Projected Costs:** \$1,200,000

**Budgeted Funding Sources:** Measure M2, Water Fund, Sewer Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2	1,165,000					<b>1,165,000</b>
Water Fund	25,000					<b>25,000</b>
Sewer Fund	10,000					<b>10,000</b>
Total	<b>\$1,200,000</b>					<b>\$1,200,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Harbor Boulevard Rehabilitation from NCL to SA River

**Project Number:** TI272 Traffic Improvement Fund

**Project Description:**

This project will improve the arterial by resurfacing the street with asphalt concrete from curb to curb. This project will also replace curb & gutter, pedestrian ramps and sidewalk panels that are damaged or are not ADA compliant.

**Estimated Start Date:** 2015/2016

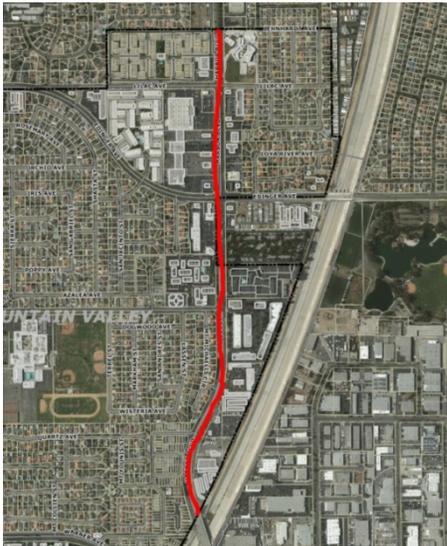
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$1,600,000

**Budgeted Funding Sources:** Measure M2, Federal Grant –OCTA APM, Orange County Grant, Water Fund, Sewer Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2 (Continuing Appropriation)	830,000					<b>830,000</b>
OCTA APM (Continuing Appropriation)	500,000					<b>500,000</b>
OC Grant	200,000					<b>200,000</b>
Water Fund	30,000					<b>30,000</b>
Sewer Fund	30,000					<b>30,000</b>
<b>Total</b>	<b>\$1,590,000</b>					<b>\$1,590,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Edinger Avenue Rehabilitation from Brookhurst to Euclid

**Project Number:** TI273 Traffic Improvement Fund

**Project Description:**

This project will improve the arterial by resurfacing the street with asphalt concrete from curb to curb. This project will also replace curb & gutter, pedestrian ramps and sidewalk panels that are damaged or are not ADA compliant.

**Estimated Start Date:** 2015/2016

**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$1,500,000

**Budgeted Funding Sources:** Measure M2, Federal Grant –OCTA APM, Water Fund, Sewer Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2 (Continuing Appropriation)	925,000					<b>925,000</b>
OCTA APM (Continuing Appropriation)	500,000					<b>500,000</b>
Water Fund	30,000					<b>30,000</b>
Sewer Fund	30,000					<b>30,000</b>
<b>Total</b>	<b>\$1,485,000</b>					<b>\$1,485,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Harbor Blvd Traffic Signal Synchronization

**Project Number:** TI280 Traffic Improvement Fund

**Project Description:**

This project is to synchronize countywide traffic signals throughout the County, The Orange County Transportation Authority (OCTA) has identified the Harbor Boulevard corridor from Chapman Avenue in the City of Garden Grove to Newport boulevard in the City of Costa Mesa as an approved Project for the Fiscal Year 2014/2015 under OCTA Measure M2 Regional Traffic Signal Synchronization Program (TSSP). The approximate cost for Fountain Valley’s portion of this project is estimated to be \$28,200 with a total grant funding request of \$22,560 with \$80% of its portion of the project. Fountain Valley’s local match for its portion is estimated to be \$5,640, which will be funded entirely using the City’s Measure M2 Fair Share funds.

**Start Date:** 2014/2015

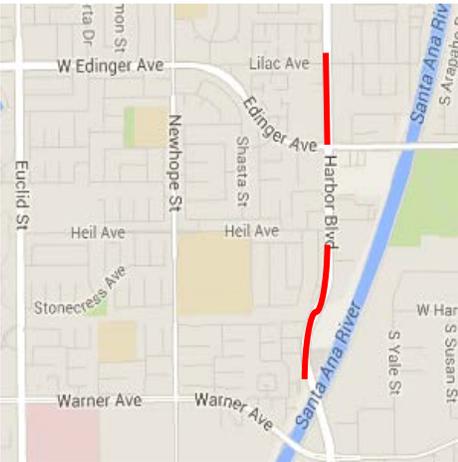
**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$5,640

**Budgeted Funding Sources:** Measure M2

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2 (Continuing Appropriation)	5,640					<b>5,640</b>
<b>Total</b>	<b>\$5,640</b>					<b>\$5,640</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Protected Permissive Traffic (PPLT) Signal Operation Study

**Project Number:** TI281 Traffic Improvement Fund

**Project Description:**

This project will study all of the City’s protected permissive traffic signals.

**Estimated Start Date:** 2016/2017

**Estimated Completion Date:** 2017/2018

**Budgeted Projected Costs:** \$250,000

**Budgeted Funding Sources:** Measure M2, Other Grants

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2	25,000					<b>25,000</b>
Other Grants	225,000					<b>225,000</b>
<b>Total</b>	<b>\$250,000</b>					<b>\$250,000</b>

**Location:** Citywide



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Local Circulator Study

**Project Number:** TI282

**Project Description:**

This project will study the potential for a local circulator in the City of Fountain Valley including its viability, sustainability and potential for future OCTA construction grand funding.

**Estimated Start Date:** 2016/2017

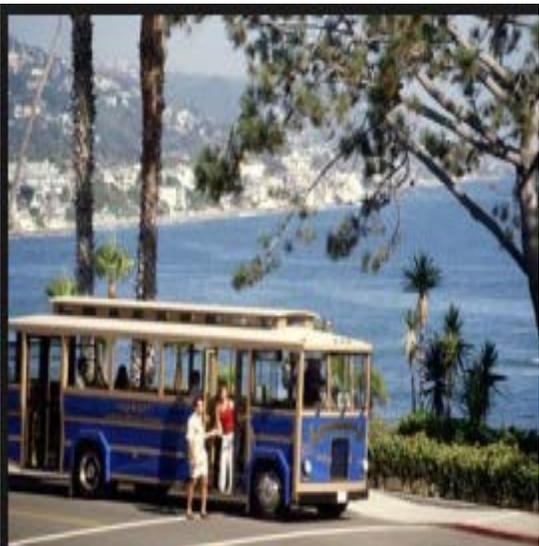
**Estimated Completion Date:** 2017/2018

**Budgeted Projected Costs:** \$50,000

**Budgeted Funding Sources:** Measure M2, Orange County Grant

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Measure M2	6,000					<b>6,000</b>
OC Grant	44,000					<b>44,000</b>
Total	<b>\$50,000</b>					<b>\$50,000</b>

**Location:** Citywide



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Electric Vehicle Charging Stations**

**Project Number:** PR603 Pollution Reduction Fund

**Project Description:**

The City received a \$46,100 grant from the South Coast Air Quality Management District for the purchase and installation of six (6) electric vehicle fueling stations. Matching funds of \$46,100 from the City is provided through the City’s Pollution Reduction Fund (Fund 26). Fund 26 annually receives AB 2766 Subvention Funds from the state for low emission vehicles or projects that reduce air pollution.

Electric vehicle sales are increasing with more and improved product offerings. The charging stations will provide a useful service to the public and demonstrate to the community the City’s commitment towards a cleaner environment. This is the first effort by the City to provide publically accessible charging stations. The City’s action also supports Governor Brown’s 2012 executive order that established a target of 1.5 million zero emission vehicles in California by 2025.

The locations for the charging stations are:

<u>Location</u>	<u>Units</u>
1. Fountain Valley Park and Ride Lot	2
2. Fountain Valley Recreation Center	2
3. Fountain Valley Civic Center	1
4. Fountain Valley Center at Founders Village	1



**Estimated Start Date:** 2016/2017

**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$92,200

**Budgeted Funding Sources:** Pollution Reduction, SCAQMD Grant

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Pollution Reduction (Continuing Appropriation)	46,100					46,100
SCAQMD Grant (Continuing Appropriation)	46,100					46,100
<b>Total</b>	<b>\$92,200</b>					<b>\$92,200</b>

# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Electric Vehicle Charging Stations**

**Project Number:** PR604 Pollution Reduction Fund

**Project Description:**

The City received a \$46,100 grant from the South Coast Air Quality Management District for the purchase and installation of six (6) electric vehicle fueling stations. Matching funds of \$46,100 from the City is provided through the City’s Pollution Reduction Fund (Fund 26). Fund 26 annually receives AB 2766 Subvention Funds from the state for low emission vehicles or projects that reduce air pollution.

Electric vehicle sales are increasing with more and improved product offerings. The charging stations will provide a useful service to the public and demonstrate to the community the City’s commitment towards a cleaner environment. This is the first effort by the City to provide publically accessible charging stations. The City’s action also supports Governor Brown’s 2012 executive order that established a target of 1.5 million zero emission vehicles in California by 2025.

The locations for the charging stations are:

Location	Units
1. Fountain Valley Recreation Center	2
2. Fountain Valley Civic Center	2
3. Fountain Valley Corporate Yard	2



**Estimated Start Date:** 2016/2017

**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$92,200

**Budgeted Funding Sources:** Pollution Reduction, SCAQMD Grant

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Pollution Reduction	46,100					46,100
SCAQMD Grant	46,100					46,100
<b>Total</b>	<b>\$92,200</b>					<b>\$92,200</b>

## CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Sandalwood Pump Station**

**Project Number: DF995 Drainage Fund**

**Project Description:**

This pump station facility was originally constructed in 1965 with two pumps powered by natural gas engines. The station was expanded in 1979 to a 3 pump configuration. This facility consists of a small mason building which houses the natural gas engines, pump controls, a below ground sump pump and a paved yard which is completely enclosed by a block wall. Sandalwood has been confirmed to be under powered for the current demands. In addition, the equipment is obsolete and can no longer be adequately maintained. The rehabilitation will include plan updates, a new pump building, new natural gas engines and pumps, new controls, improvements to the perimeter wall, pavement replacement for the station yard and other miscellaneous improvements. The City issued the 2016A Lease Revenue Bonds to cover the cost of the rehabilitation of this pump station facility.

**Estimated Start Date: 2015/2016**

**Estimated Completion Date: 2018/2019**

**Budgeted Projected Costs: \$3,524,995**

**Budgeted Funding Sources: 2016A Lease Revenue Bonds**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
2016A Lease Revenue Bonds	3,500,000					3,500,000
<b>Total</b>	<b>\$3,500,000</b>					<b>\$3,500,000</b>



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Sewer GIS Mapping

**Project Number:** SF616 Sewer Fund

**Project Description:**

This project is for the City's Sewer Infrastructure GIS Mapping. This project funds a portion of the GIS contract which keeps Sewer Infrastructure information updated on the City's GIS.

**Start Date:** 2014/2015

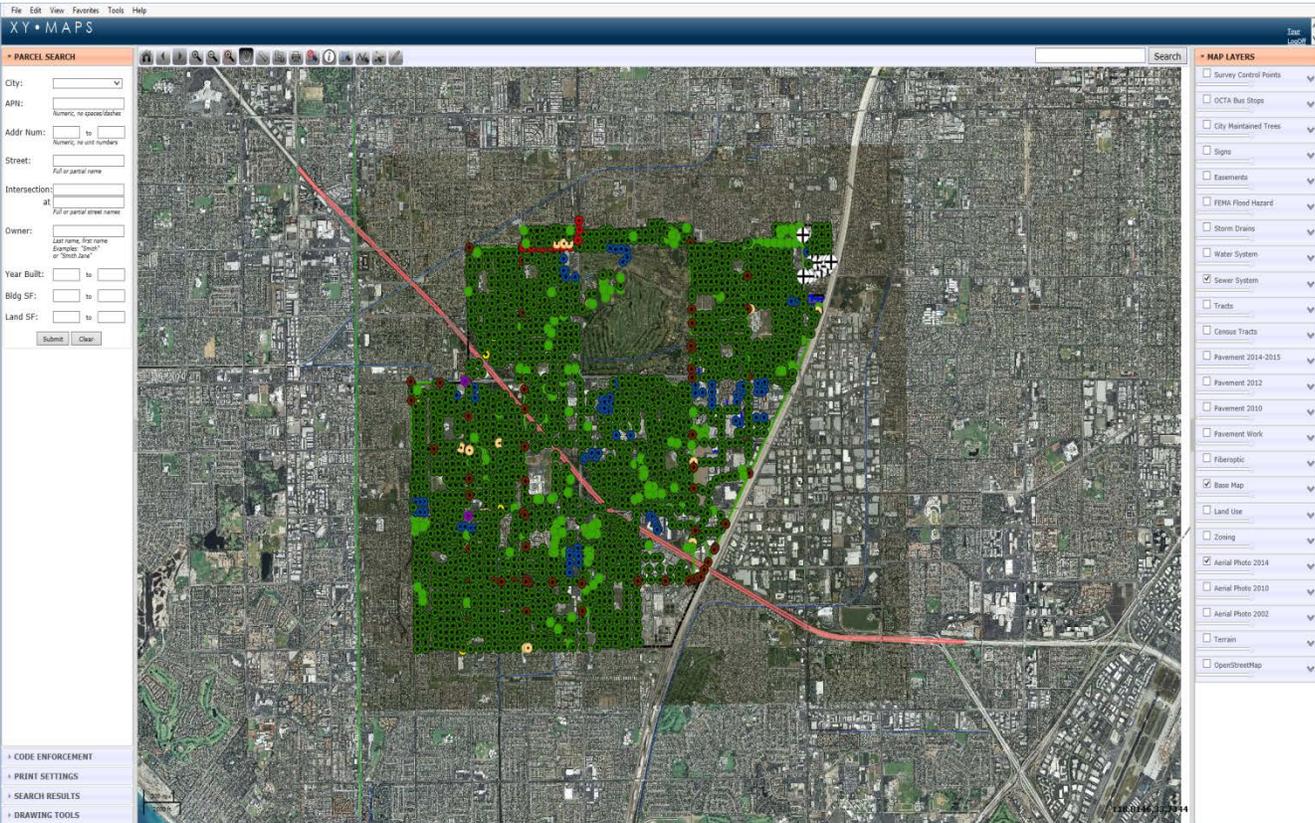
**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$35,000 Annual

**Budgeted Funding Sources:** Sewer Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Sewer Fund	35,000	35,000	35,000	40,000	40,000	<b>185,000</b>
Total	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$185,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Sewer Manhole Rehab

**Project Number:** SF617 Sewer Fund

**Project Description:**

This project will provide sewer manhole improvements at various locations throughout the City.

**Estimated Start Date:** Periodic

**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$65,000 Biannual

**Budgeted Funding Sources:** Sewer Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Sewer Fund	65,000		65,000		65,000	<b>195,000</b>
<b>Total</b>	<b>\$65,000</b>		<b>\$65,000</b>		<b>\$65,000</b>	<b>\$195,000</b>

**Location:** Various Areas Citywide.



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Sewer Improvements Annual

**Project Number:** SF620 Sewer Fund

**Project Description:**

This project will provide sewer line improvements at various locations throughout the City. These improvements will result in the reduction of potential sewage overflows.

**Program Start Date:** 2006/2007

**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$1,500,000

**Budgeted Funding Sources:** Sewer Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Sewer Fund	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	<b>6,700,000</b>
Total	\$1,500,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$6,700,000

**Location:** Various Areas Citywide



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Fire Hydrant Replacement Project

**Project Number:** WU705 Water Fund

**Project Description:**

The project will fund the replacement of obsolete or damaged fire hydrants. The older model Waterous and Rensselaer fire hydrants are no longer producing parts used for the repair of these hydrants. The fire hydrant replacement program is part of the Water Master Plan.

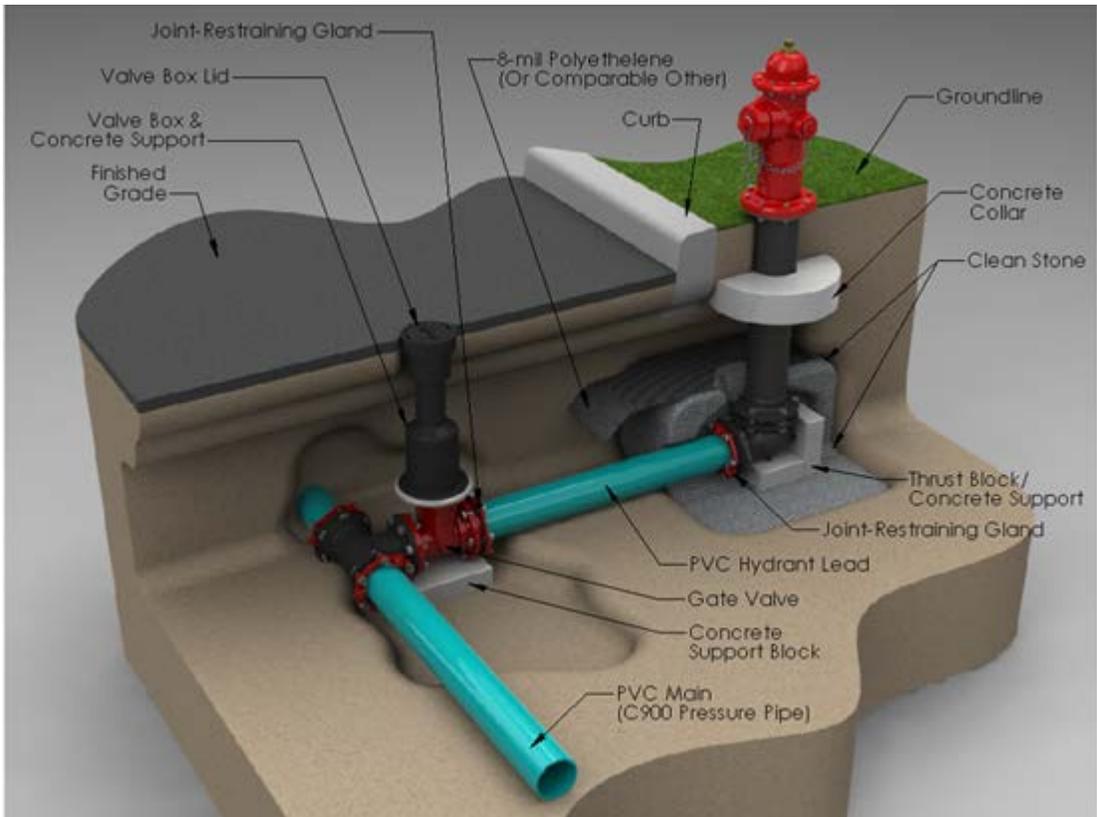
**Estimated Start Date:** Annual

**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$20,000 Annual

**Budgeted Funding Sources:** Water Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund	20,000	20,000	20,000	20,000	20,000	<b>100,000</b>
Total	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Water Conservation Program

**Project Number:** WU708 Water Fund

**Project Description:**

This project is a reoccurring established fund to promote water use efficiency. The City partners with the Municipal Water District of Orange County (MWDOC) to offer several water efficiency rebates and programs to our residents. This program funds the Water Conservation Programs which go towards Water Educational School Programs, smart irrigation controllers, synthetic turf and other water conservation measures. Projects funded through this program include municipal drought-tolerant demonstration gardens, centralized smart irrigation systems, and technology infrastructure to promote consumer awareness.

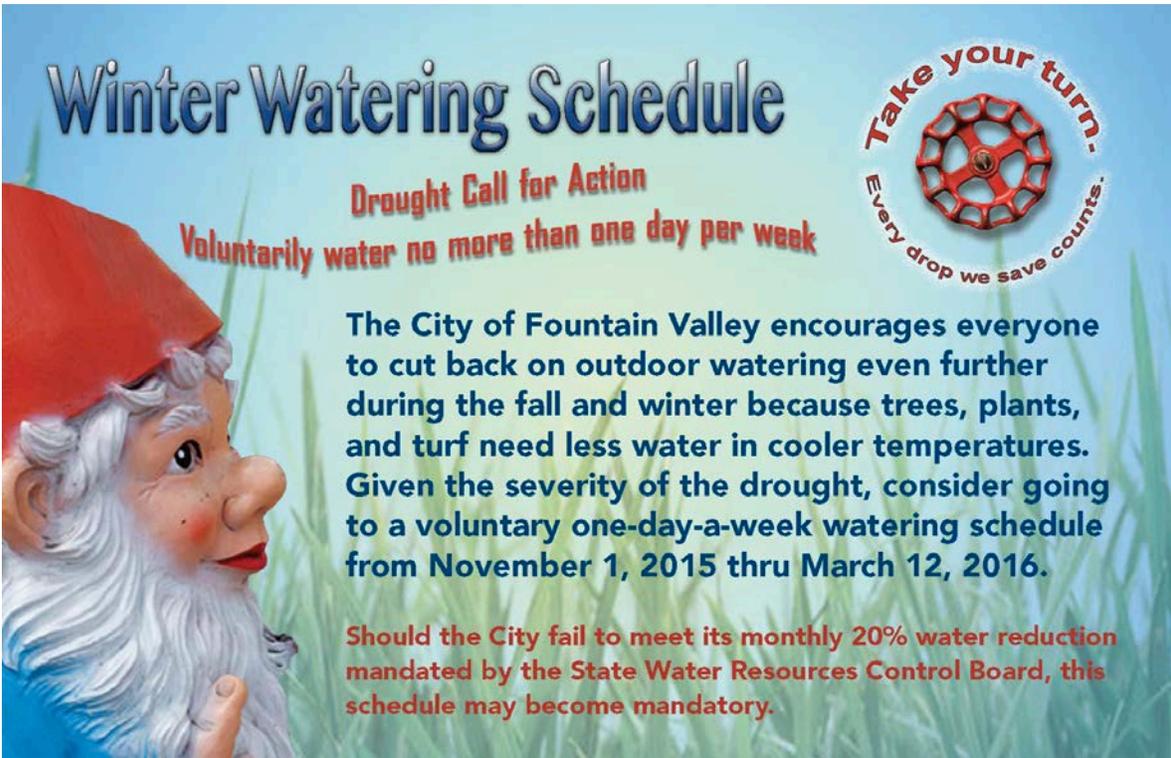
**Estimated Start Date:** 2012/2013

**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$100,000 Annual

**Budgeted Funding Sources:** Water Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund	100,000	100,000	100,000	100,000	100,000	<b>500,000</b>
<b>Total</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$500,000</b>



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Pipeline Condition Assessment**

**Project Number: WU709 Water Fund**

**Project Description:**

The proposed funding is to conduct the first in a series of pipeline condition assessments.

The water main replacement project will be an annual program to replace aging water mains that are at the end of their lifecycle and require upgrades. The existing mains will be abandoned and replaced resulting in improved reliability of water service (including reducing the number of costly water main breaks), improved water quality and more responsive fire protection. To first set the replacement schedule, a series of condition assessments need to be done on the water mains in representative samples. The City's water distribution system consists of approximately 140 miles of predominately 40 to 60 year old Asbestos Cement Pipe. With the average life-cycle of AC pipe estimated to range from 70 – 130 years, the potential replacement of the AC pipeline may have a dramatic impact on the City's CIP depending on the existing condition of the pipelines. Due to the uncertainty of the pipeline conditions and potential for significant budget impacts, it is recommended that a condition assessment program be used to better define near and long term financial impacts.

The condition assessment program will initially include a prioritization step to identify the most critical pipelines and to obtain a reasonable cross section of conditions throughout the City. The prioritization process will utilize likelihood and consequence factors to determine an initial sample size of pipelines for inspection. Following the prioritization, inspection will be used to estimate the remaining useful life of the sample pipelines. The results will be used to infer the remaining useful lives of the other pipelines not inspected. This program will continue through identified phases until the City has a high degree of confidence in the replacement schedule.



**Start Date: 2013/2014**

**Estimated Completion Date: Continuous**

**Budgeted Projected Costs: \$300,000 Annual**

**Budgeted Funding Sources: Water Fund**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund	300,000	300,000	300,000	300,000	300,000	1,500,000
<b>Total</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$1,500,000</b>

# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Reservoir No. 1 Exterior Painting

**Project Number:** WU818 Water Fund

**Project Description:**

Reservoir No. 1 is a five-million gallon steel tank. The exterior of Reservoir No. 1 was last painted in 2002. It has passed its useful life and is need of minor repairs and recoating. Presently, the top of the reservoir is fading and chipping, and staff is attempting to avoid exposing the existing base layer which could result in costly removal and disposal. Work on this project would include pressure washing all surfaces, cleaning and sealing all corroded areas, and applying a primer coat and final paint coating.

**Estimated Start Date:** 2016/2017

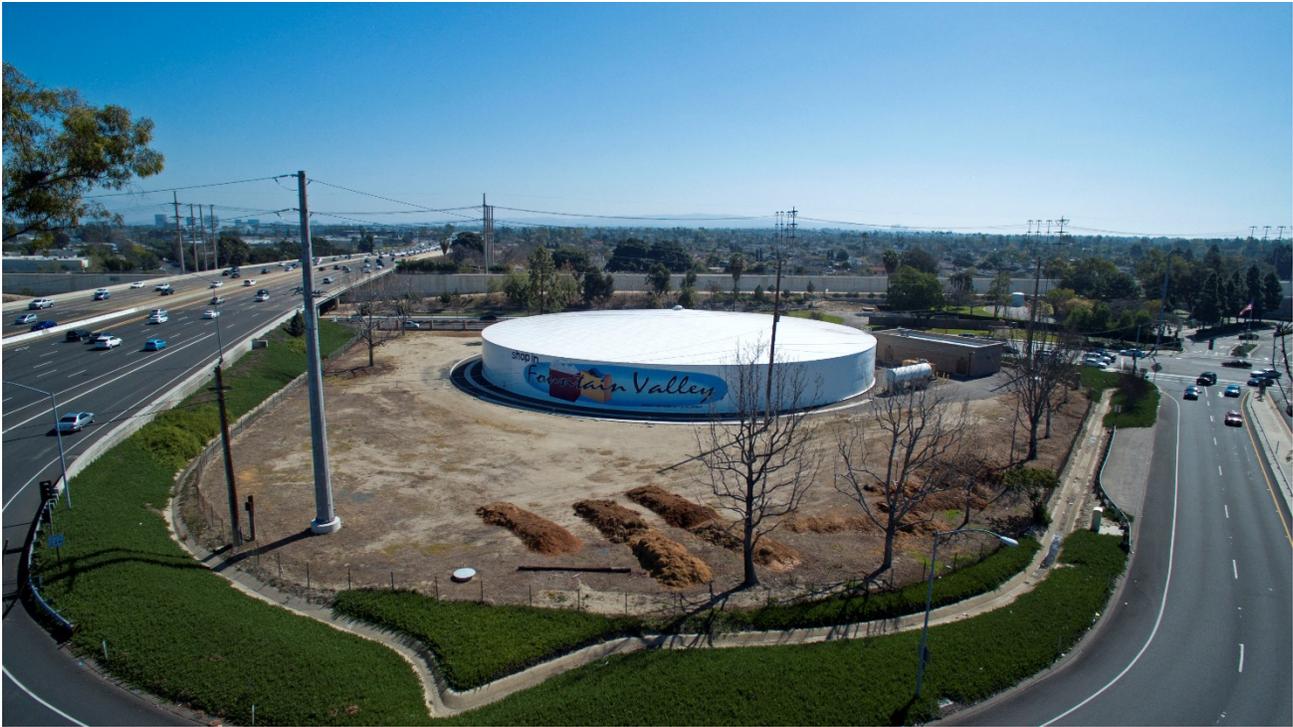
**Estimated Completion Date:** 2017/2018

**Budgeted Projected Costs:** \$400,000

**Budgeted Funding Sources:** Water Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund	400,000					<b>400,000</b>
<b>Total</b>	<b>\$400,000</b>					<b>\$400,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Water GIS Mapping Update

**Project Number:** WU842 Water Fund

**Project Description:**

This project is for the City’s Water Infrastructure GIS Mapping. This project funds a portion of the GIS contract which keeps Water Infrastructure information updated in the City’s GIS.

**Start Date:** 2012/2013

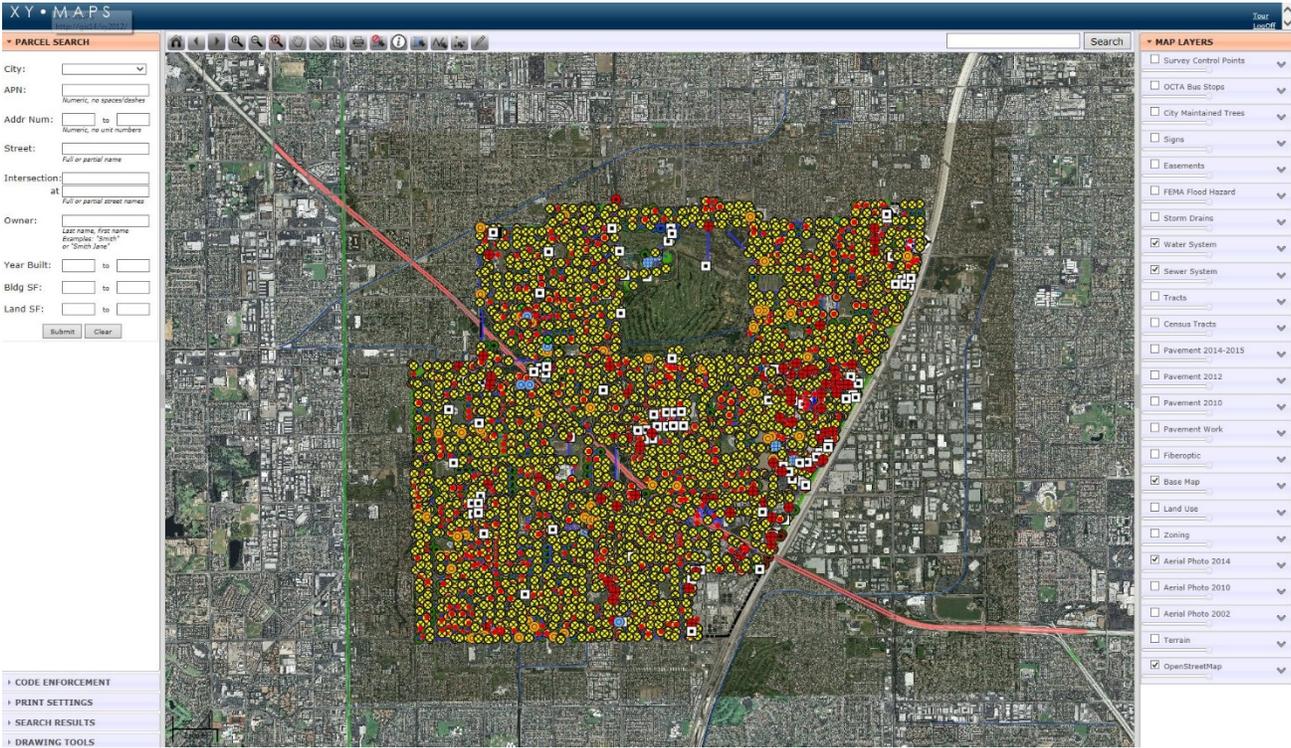
**Estimated Completion Date:** Continuous

**Budgeted Projected Costs:** \$35,000

**Budgeted Funding Sources:** Water Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund	35,000	40,000	40,000	40,000	45,000	<b>200,000</b>
<b>Total</b>	<b>\$35,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$45,000</b>	<b>\$200,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Reservoir No. 2**

**Project Number: WU846 Water Fund**

**Project Description:**

Engineering project design for the rehabilitation of Reservoir No. 2. Reservoir No. 2 is a 5 million gallon reinforced concrete reservoir that was constructed in 1971. The four (4) booster pumps and control system at this facility need to be replaced and upgraded. Converting the three (3) natural gas engines and one (1) electric jockey pump to variable frequency drives, will increase efficiency and save energy. The three (3) natural gas engines are over 30 years old, have exceeded their normal service life and may not comply with the future exhaust emission standards set by AQMD. Also, due to the age of these engines more maintenance and service is required. The new VFD's and control system will be housed in a newly constructed pump house building. The addition of an emergency standby generator is also recommended to power this station in the event of a power outage.

**Estimated Start Date: 2015/2016**

**Estimated Completion Date: 2016/2017**

**Budgeted Projected Costs: \$6,000,000**

**Budgeted Funding Sources: 2014A Water Revenue Bonds**

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Revenue Bonds (Continuing Appropriation)	5,920,000					<b>5,920,000</b>
<b>Total</b>	<b>\$5,920,000</b>					<b>\$5,920,000</b>



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Well No. 10 Rehabilitation

**Project Number:** WU862 Water Fund

**Project Description:**

As a water well ages, the rate at which water may be pumped tends to decrease. Water wells require regular maintenance to ensure adequate water flow and continued drinking water safety. This project consists of rehabilitation of the well casing and replacement of the well pump and motor.

**Estimated Start Date:** 2016/2017

**Estimated Completion Date:** 2017/2018

**Budgeted Projected Costs:** \$300,000

**Budgeted Funding Sources:** Water Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund	300,000					<b>300,000</b>
<b>Total</b>	<b>\$300,000</b>					<b>\$300,000</b>

**Location Map:**



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name:** Water Rate Study

**Project Number:** WU910 Water Fund

**Project Description:**

The objective of the rate study is to review the City’s Water Enterprise Fund operating and capital costs to review and develop a financial plan and cost-based rates for the potable water system. The current water rate schedule will be reviewed and analyzed to account for the ongoing drought and effects of the current mandatory water conservation cutbacks as it relates to limited water sales and increased water supply costs. If needed, new water rate schedules will be designed that address cost-of-service and revenue stability issues.

**Estimated Start Date:** 2016/2017

**Estimated Completion Date:** 2017/2018

**Budgeted Projected Costs:** \$50,000

**Budgeted Funding Sources:** Water Fund

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund	50,000					<b>50,000</b>
<b>Total</b>	<b>\$50,000</b>					<b>\$50,000</b>



# CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

**Project Name: Smart Landscape Irrigation Control Timers and Catch Basin Trash Filter Inserts**

**Project Number:** WU914 Water Fund

**Project Description:**

This project is for the installation of smart landscape irrigation control timers in City parks, facilities, and right-of-ways and catch basin trash filter inserts. These systems include an assortment of irrigation controllers, including an obsolete and a non-functioning central control system and a number of stand-alone controllers that can only be adjusted for seasonal and climatic variations by staff manually actuating each individual controller location.

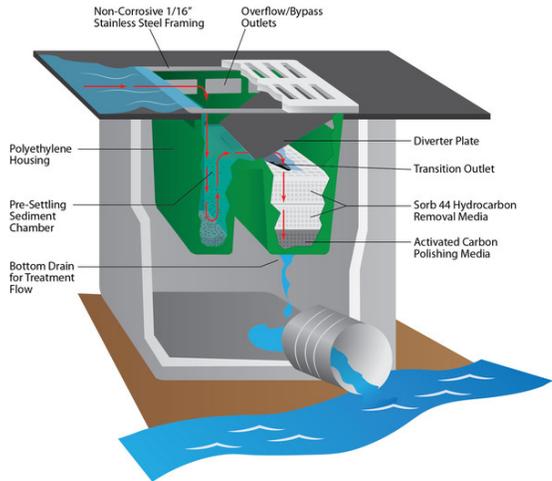
**Estimated Start Date:** 2015/2016

**Estimated Completion Date:** 2016/2017

**Budgeted Projected Costs:** \$320,000

**Budgeted Funding Sources:** Water Fund, Measure M Fund – OCTA Grant

Project Budget						
Funding Source(s)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Water Fund (Continuing Appropriation)	100,000					<b>\$100,000</b>
<b>Total</b>	<b>\$100,000</b>					<b>\$100,000</b>



# CAPITAL REPLACEMENT - INFORMATION SERVICES

## **Fund 61: Information Services**

Project 2016-17

### **Computer Room**

#### **City Hall Racks**

#### **FOUNTAIN VALLEY DOMAIN**

PC-WS Info Svcs Mgr. DC0108	2,000
Printer-HP3600N	1,200
Laptop-IS Dept	3,000
PC-WS-Info Svcs Tech DC12	4,400

#### **Network Servers & Equipment**

Svr-Exch Mail Svr - MailNew	6,500
Svr-Trfc Data Base	3,500
Svr-FV Image14	7,500
Svr-FVAdmin	3,000
Svr-FV GIS14	3,500
Svr-Incode14	9,500
Svr-Climatec HVAC System	5,700
Svr-Vermont10	6,500
Palo Alto PA-500 Firewall	20,800
Svr-Appassure Backup	7,200
Appassure Backup PV110	8,700
Router - Cisco 1600R City Hall Ph. Rm.	1,500
Svr-AD64 Voice Mail Svr	3,500
Digital Signage Equipment-City Hall	6,600
Switch Cisco 3560 Data Center	5,300

#### **FVPD Rack**

#### **FV POLICE DOMAIN**

Cisco 2950 (3)Switches- PD	11,600
Svr-PDSTA4012 (BDC)	6,000
Svr-PDMDC12 Sys Svr (NetMotion)	6,000
Svr-Dell TMC #1 (Video)	3,500
Svr-Dell TMC #2 (Signal Detection)	3,500
Laptop- Panasonic (Rugged) Signal Control	5,500

**Total Computer Room 146,000**

### **City Manager**

Laptop-City Mgr. CH1087	3,500
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**Total City Manager 3,500**

### **Finance/Utility Billing**

PC-WS-Acct Manager CH1082	900
PC-WS-Accts Payable CH1077	900
PC-WS-Accountant CH1080	900
PC-WS-Temp(Rear) CH1078	900
PC-WS-Water Utility Billing CH1017	900
PC-WS-Water Utility Billing CH1020	900
PC-WS-Accts Rec CH1018	900
PC-WS-Cash Register CH1014	900
Printer - Receipt and Cash Drawer	1,200

**Total Finance/Utility Billing 8,400**

### **Business License**

PC-WS-BL Coordinator CH1019	900
PC-WS-BL Clerk Typist CH1022	900
PC-WS-BL Counter CH1016	900
Printer - HP4015dn - Business License	2,000

**Total Business License 4,700**

### **Personnel**

Scanner-Fitjitsu	1,750
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# CAPITAL REPLACEMENT - INFORMATION SERVICES

## **Fund 61: Information Services**

Project	2016-17
<b>Total Personnel</b>	<b>1,750</b>
<b>City Clerk</b>	
PC-WS-Deputy City Clerk CH1027	900
PC-WS-CC Digital Recorder CH1100	6,600
Scanner Laserfiche	4,500
<b>Total City Clerk</b>	<b>12,000</b>
<b>Purchasing</b>	
<b>Total Purchasing</b>	<b>-</b>
<b>Community Services</b>	
PC-WS-Rec Svcs Super CS2007	900
PC-WS-MSP PC CS2013	900
PC-WS-SC PC CS2015	900
Laptop-RC-Pool CS2016	1,200
Printer-MP161 Copier/Printer/Fax/Scanner	1,900
Printer-HP4650 SC LaserJet Color	3,500
Printer-HP2520DN SC Clerk Typist	1,200
<b>Total Community Services</b>	<b>10,500</b>
<b>Planning/HCD</b>	
PC-WS-Div Secretary CH1064	900
PC-WS-Code Enforcement CH1058	900
PC-WS-Code Enforcement CH1060	900
PC-WS-Planner CH1055	900
PC-WS-Assist. Planner CH1059	900
PC-WS-Housing Coord CH1066	900
Printer-HP2100TN	1,200
Printer-HP LaserJet 3015tn	1,700
PC-WS-Bldg Inspector 1 CH4021	1,000
PC-WS-Bldg. Tech 1 CH4008	900
PC-WS-Bldg. Tech 2 CH4009	900
PC-WS-Bldg. Tech 3 CH4010	1,300
Printer-HP LaserJet 3015tn	1,700
Scanner-Laserfiche - Fijitsu	6,500
<b>Total Planning/HCD</b>	<b>20,600</b>
<b>Fire</b>	
PC-WS-FS1 Library1A CH4023	1,000
PC-WS-FS1 Library1B CH4004	1,000
PC-WS-FireAdmin2 CH4019	1,300
PC-WS-FIRST CH4007	900
PC-WS-Sta 1 / VE31 CH4011	900
PC-WS-Sta 1 / VT31 CH4012	900
PC-WS-Sta 1 / VB3 CH4013	900
PC-WS-Sta 1 / VM31 Ch10414	900
PC-WS-Sta 2 / VE32 CH4015	900
PC-WS-Sta 2 / Lib2 CH4016	900
PC-WS-Sta 2 / Lib1 CH4040	900
Laptop-SCOTT Mask System CH4026	2,500
Printer-Ricoh 1515 Fire Sta #1	2,200
Printer-Ricoh 1515 Fire Sta #2	2,200
Printer-HP2025 - Sta #1	400
PC-WS Plan Check	3,000
PC-WS Plan Check	3,000
PC-WS- Sta1 FireMap CH4024	3,000
Phone System FS#1	6,739
<b>Total Fire</b>	<b>33,539</b>
<b>Public Works - Engineering</b>	

# CAPITAL REPLACEMENT - INFORMATION SERVICES

## **Fund 61: Information Services**

Project	2016-17
PC-WS- Env. Svcs. Admin CH1049	900
PC-WS-PW Inspector CH1038	900
Printer-HP4550N-Color LaserJet	900
Plotter-HP DesignJet T1200	9,000
Printer-HP2025dn- Div Sec	600
<b>Total Public Works - Engineering</b>	<b>12,300</b>
<b>Public Works - City Yard</b>	
Printer-HP1200 LaserJet Field Svcs. Mgr	400
PC-WS-Parts Room CY3211	900
PC-WS-Sign Shop CY3104	900
Printer-HP3015n-Sign Shop	500
Plotter-Graphtec-Sign Shop	7,200
PC-WS-Internal Svcs Mgr CY3232	900
PC-WS-Foreman Traffic CY3222	900
PC-WS-Foreman Parks & Trees CY3244	900
PC-WS-Sewer & Storm Super. CY3245	900
Printer-HP3600N Storm	1,200
Datacap Unit-Itron System	4,000
PC-WS-Water Quality Tech CY3212	1,400
PC-WS-Utilities Mgr CY3209	900
Laptop-Dell-Engine Analyzer CY3101	5,600
Printer-HP1200 Laserjet (Eng. Analyzer)	400
PC-WS-Distribution Supervisor CY3221	900
PC-WS-Foreman Water CH1045	900
PC-WS-Mechanics CY3102	900
PC-WS-Fleet Foreman CY3103	900
PC-WS-Foreman Rec Center CY3247	900
PC-WS-Public Svcs Supervisor CY3231	900
PC-WS-Foreman Gvt Bldg CY3226	900
Ricoh 1515 Printer/Copier/Copier/Fax	1,800
Switch-Cisco 2950 24 port	1,200
<b>Total Public Works - City Yard</b>	<b>36,300</b>
<b>Police (Asset Seizure)</b>	
PC-WS-Front Desk Ldev 68	900
PC-WS-ID Bueau Ldev 53	900
PC-WS-Records Ldev 69	900
PC-WS-FVPD Lt's Ofc. Ldev 85	900
PC-WS-Det. Persons Crimes Ldev 48	900
PC-WS-Crime Prevention Ldev 61	900
PC-WS-Sgt's Office Ldev 36	900
PC-WS-Lead Dispatcher's Ofc Ldev 17	900
PC-WS-Support Capt Ldev 8	900
PC-WS-Dispatch Ldev 101b	900
PC-WS -Dispatch Ldev 102b	900
PC-WS-Traffic Ldev 32	900
PC-WS-School Resource Ofcr Ldev 42	900
PC-WS-Locator Ldev 64	900
PC-WS-Det LT Ldev 59	900
PC-WS-Records Ldev 72	900
PC-WS-Records Ldev 73	900
PC-WS-Records Ldev 74	900
PC-WS-Records Ldev 75	900
PC-WS-Civilian Supt. Supv Ldev 77	900
PC-WS-Watch Com Ldev 79	900
PC-WS-Det Fraud S. Ldev 43	900

# CAPITAL REPLACEMENT - INFORMATION SERVICES

## **Fund 61: Information Services**

Project	2016-17
PC-WS-Det Fraud N. Ldev 44	900
PC-WS-Det Sex Crime Ldev 45	900
PC-WS-Det Prop N. Ldev 46	900
PC-WS-SIU Sgt Ldev 97	900
PC-WS-SIU Ldev 49	900
PC-WS-Opns Capt Ldev 3	900
PC-WS-Sgt's Office Ldev 37	900
PC-WS-Sgt's Office Ldev 35	900
PC-WS-Admin Sec Ldev 7	900
PC-WS-Det. Assist Ldev 62	900
Printer-HP CP2025n - Rept Write Ldev 87	1,700
Printer-HP LaserJet 3015tn - Detectives	700
Printer-HP LaserJet 1200 Watch Com	400
Printer-HP LaserJet 1200 Support Capt	400
Printer-HP LaserJet 1200 Opns Capt	400
Printer-HP LaserJet 1200 Opns. Secretary	400
Printer-HP LaserJet 1200 Det. Lt's Office	400
Printer-HP LaserJet 1200 Lt's Office	400
Printer-HP LaserJet 1200 Lt's Office	400
Printer-HP LaserJet 1200 Lt's Office	400
Printer-HP LaserJet 1200 Property Room	400
Printer-HP LaserJet 1200 Training Sgt.	400
Printer-HP LaserJet 1200 Traffic Sgt's Office	400
Printer-HP 2100 Traffic Office	900
Printer-HP 4100N Detective's Secretary	1,700
Printer-HP 3015n SIU Office	1,700
Printer-HP 3015n Records	1,700
<b>Total Police (Asset Seizure)</b>	<b>41,600</b>
<b>Police</b>	
Monitor-Acer AL 1914 19" LCD Dispatch 1	1,500
Monitor-Acer AL 1914 19" LCD Dispatch 2	1,500
Monitor-Acer AL 1914 19" LCD Dispatch 3	1,500
PC-WS-Spillman	1,500
PC-WS-C.O.P. Ldev 14	900
PC-WS-Rpt Writing Ldev 89	900
PC-WS-Dispatch Pos #3 Ldev 103b	900
PC-WS-Det. MUGS Ldev 66	900
PC-WS-P&T Ldev 12	900
PC-WS-Chief's Sec Ldev 15	900
PC-WS-SIU Sgt's Office Ldev 57	900
PC-WS-CSO Det. Assist Desk Ldev 47	900
PC-WS-Records Ldev 70	900
PC-WS-Rpt Writing E. Ldev 86	900
PC-WS-Rpt Writing W. Ldev 88	900
PC-WS-Ldev 40	900
PC-WS-Traffic Bureau Ldev 28	900
PC-WS Ldev 30 - Traffic back desk	900
PC-WS-Records Supervisor Ldev 25	900
PC-WS-C.O.P. Assist Ldev 16	900
PC-WS-Court Liaison Ldev 63	900
PC-WS-Det Sgt Ldev 58	900
PC-WS-Laserfiche	900
Scanner-Laserfiche	6,352
PC-WS-Property Rm Ldev 34	2,000
PC-WS-Traffic Bureau Ldev 26	900

# CAPITAL REPLACEMENT - INFORMATION SERVICES

## **Fund 61: Information Services**

Project	2016-17
PC-WS-Traffic Bureau Ldev 31	900
PC-WS-Traffic Bureau Sgt. Ldev 29	900
PC-WS-Comp Forensic Lab Ldev 55	3,500
PC-WS-ID Card & Door Access WS	1,500
PC-WS-Tracker System	2,000
Evidence Bar Code System Hardware	6,400
Laptop-MDT	3,500
PC-WS-P&T Assistant Ldev 11	900
PC-WS-SIU Office Ldev 50	900
PC-WS-SIU Office Ldev 51	900
PC-WS-Patrol Lt's Office Ldev 9	900
Switch-Cisco 2960 Data Ctr-TMC Video	3,000
Printer-HP 4550N Crime Lab	2,700
Printer-HP 3015n Dispatch	1,700
Printer-HP 3015n Records	1,700
Printer-Ricoh 171 Records	1,800
Printer-Ricoh 1515 Traffic Bureau	2,100
<b>Total Police</b>	<b>67,652</b>
<b>Total Computers &amp; Printers</b>	<b>394,141</b>
<b>Duplicating/Mail/Stores</b>	
Postage Equipment	2,000
Reproduction Room/ Ricoh Priport JP5000	12,000
Binder, Comb	2,100
Binder, Wire	1,900
Copy Board/ Display Panels	1,400
Laminators - 1	500
Drill	1,500
<b>Total Duplicating/Mail/Stores</b>	<b>21,400</b>
<b>Total Information Processing</b>	<b>415,541</b>

# CAPITAL REPLACEMENT - GOVERNMENT BUILDINGS

## **Fund 62: Government Buildings**

Project	2016-17
<hr/>	
<b>City Hall</b>	
Video Camera Surveillance	30,920
Interior Paint	4,000
<b>Total City Hall</b>	<b>34,920</b>
<hr/>	
<b>Senior/Community Center</b>	
Audio System	5,000
Painting (Exterior)	10,000
Doors-Dividing	10,000
Shades	6,000
<b>Total Senior/Community Center</b>	<b>31,000</b>
<hr/>	
<b>Fields/Field Restrooms</b>	
Aluminum Benches (5)	5,400
Field Restrooms Partitions	6,000
Roofs (4)	16,000
<b>Total Fields/Field Restrooms</b>	<b>27,400</b>
<hr/>	
<b>Los Alamos Park</b>	
<b>Total Los Alamos Park</b>	-
<hr/>	
<b>Recreation Center</b>	
Curtains	3,000
Painting (Interior)	5,000
<b>Total Recreation Center</b>	<b>8,000</b>
<hr/>	
<b>Tennis Center</b>	
Roof	5,000
<b>Total Tennis Center</b>	<b>5,000</b>
<hr/>	
<b>City Yard</b>	
Carpet/Flooring	30,000
Painting (Interior)	1,600
Doors/Rollup/Overhead	165,000
Blinds	15,000
<b>Total City Yard</b>	<b>211,600</b>
<hr/>	
<b>Fire Station #1</b>	
Alert System	5,000
Water Heater	3,500
Curtain/Blinds	8,000
<b>Total Fire Station #1</b>	<b>16,500</b>
<hr/>	
<b>Fire Station #2</b>	
Alert System	5,000
<b>Total Fire Station #2</b>	<b>5,000</b>
<hr/>	
<b>Police Facility</b>	
Security Cameras	50,000
Generator-Standby	100,000
<b>Total Police Facility</b>	<b>150,000</b>
<b>Total Government Buildings</b>	<b>489,420</b>

# CAPITAL REPLACEMENT - FLEET

## **Fund 63 Fleet Management**

Project	2016-17
<b>Pool</b>	
Honda Civic (Hybrid)	40,000
Honda Civic (Hybrid)	40,000
Honda Civic (Hybrid)	40,000
<b>Total City Hall Cars</b>	<b>120,000</b>
<b>Fire Department</b>	
<b>Fire Services</b>	
EOC Trailer	12,000
<b>Total Fire Department</b>	<b>12,000</b>
<b>Police Department</b>	
<b>Patrol &amp; Enforcement</b>	
<b>Patrol &amp; Enforcement Annual Replacement (4 Vehicles Annually \$35,000 each)</b>	140,000
Honda	29,500
Honda	29,500
<b>Police Department PSA's &amp; RSVP's</b>	
Ford Crown Victoria	26,000
<b>Total Police Department</b>	<b>225,000</b>
<b>Concrete Maintenance</b>	
Tractor, Skip LDR 4x4 210C, John Deer-Diesel	100,000
<b>Total Concrete Maintenance</b>	<b>100,000</b>
<b>Pavement/Asphalt Maintenance</b>	
Ingersoll-Rand Roller- Diesel	60,000
<b>Total Pavement/Asphalt Maintenance</b>	<b>60,000</b>
<b>Trees/Public R-O-W</b>	
Bean Sprayer	12,000
<b>Total Trees/Public R-O-W</b>	<b>12,000</b>
<b>Park/Civic Facilities</b>	
Pesticide Truck 4x4 Ford Ranger	33,000
<b>Total Park/Civic Facilities</b>	<b>33,000</b>
<b>Recreation Center</b>	
Tilt Trailer for Small Equipment	9,000
Dosko Root Cutter	10,000
<b>Total Recreation Center Management</b>	<b>19,000</b>
<b>Utilities</b>	
<b>Water Management</b>	
Flemming Backhoe Trailer	15,000
Ingersoll-Rand Air Compressor	18,000
John Deer 410G Backhoe - Diesel	75,000
Ford F-250 Svc Truck W/Lift Gate	39,000
<b>Total Water Management</b>	<b>147,000</b>
<b>Total Utilities</b>	<b>147,000</b>
<b>Total Public Works</b>	<b>224,000</b>
<b>Total All Fleet</b>	<b>728,000</b>

# CAPITAL REPLACEMENT - EQUIPMENT

**Fund 64: Equipment**

Project 2016-17

**City Hall**

**Furniture**

Chairs - Managers (39) 1,000  
 Chairs - Staff 1,700

**Total City Hall 2,700**

**Finance**

**Total Finance -**

**Police**

Digital Micro Recorders (64) 2,000  
 Brazos Devices (32) 49,500  
 Teletrac Units /GPS 2,600  
 RACES 4,600  
 Guns (SIG) - 65 S.D. Police Sup 22,500  
 Ballistic Vests 4,500  
 Canines (2 w/alternating yrs) 10,000  
 Firearms 1,000  
 Body Wire Equipment 7,600  
 Digital Camera (3) 2,300  
 Tasers (40) 3,000  
 800 Mhz Radios 13,700

**Furniture**

Chairs - Staff (27) 1,000  
 Chairs - Managers (30) 1,000  
 Workstations 24,000

**Total Police 149,300**

**Planning/ Building**

**Building**

**Total Planning Building -**

**Paramedics**

Zoll Chargers - 2 3,000  
 Cardiac Monitors (4) 100,000

**Total Paramedics 103,000**

**Disaster Preparedness**

EOC Equipment 2,700

**Total Disaster Preparedness 2,700**

**Suppression**

Scott Breathing App / Bottles (26) 5,000  
 Holmaltro Extraction System (2) 52,000  
 SCBA Harnesses (25) 108,030  
 Turn -Out Gear (=1,000 per set) 11,000

**Total Suppression 176,030**

**Fire Station # 1**

**Total Fire Station # 1 -**

**Fire Station # 2**

**Total Fire Station # 2 -**

**Total Fire 281,730**

**Public Works-Field Services**

**Field Services**

# CAPITAL REPLACEMENT - EQUIPMENT

**Fund 64: Equipment**

Project	2016-17
Power Tools-Facilities	2,500
<b>Total Field Services</b>	<b>2,500</b>
<b>Rec Center Maintenance</b>	
Remote Control-Irrigation - 3	2,000
Roto Tiller (small) - 1	500
Edgers - 2	675
Roto tiller -1	2,100
Chain Saws -034 - 3 (1 Civ 1 ROW)	400
Blowers - Handheld - 2 (1 Rec. 1 Civ.)	600
<b>Total Rec Center Maintenance</b>	<b>6,275</b>
<b>Sewer Maintenance</b>	
Sewer/Storm Drain Inspection Camera	15,400
Generator	3,000
<b>Total Sewer Maintenance</b>	<b>18,400</b>
<b>Fleet Operations</b>	
Generator	5,000
AC Recovery - R12	3,900
52" Metal Shear	3,000
Hoist System #9000	5,000
<b>Total Fleet Operations</b>	<b>16,900</b>
<b>Total Field Services</b>	<b>44,075</b>
<b>Water</b>	
Jack Hammer - 90 lb.	2,800
Tamper (air)	1,700
Power Pipe Threader / Cutter	7,500
Valve Operator (electric) - Wachs	2,800
<b>Total Water</b>	<b>14,800</b>
<b>Recreation &amp; Community Services</b>	
<b>Recreation Center</b>	
Staff Chairs	500
Staff Chairs	500
P/A Sound System	10,000
Stage, Portable	2,000
<b>Total Recreation &amp; Community Services</b>	<b>13,000</b>
<b>Total Equipment</b>	<b>505,605</b>

# TEN-YEAR STRATEGIC FINANCIAL PLAN CAPITAL IMPROVEMENT & REPLACEMENT PLAN

## Introduction

The Ten-Year Strategic Financial Plan includes forecasting for all City funds and future major capital public improvements and capital replacement and/or maintenance of government buildings, equipment, fleet, and IT technology. Each year this plan is reviewed and updated to reflect to most current needs of the community and the organization.

## Ten-Year Strategic Financial Plan

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate



challenges. Long-term financial planning works best as part of an overall strategic plan. Financial and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. Long-term financial planning is the process of aligning financial capacity with long-term service objectives.

Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges.

It is important to have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It is used as a tool to identify financial challenges early; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

## Capital Improvement Projects & Annual Capital Replacement Purchases

Capital Improvements are the building, upgrading, or replacement of city infrastructure such as residential and arterial streets, bridges, traffic signals, storm drain systems and drainage channels, parks and public service providing facilities.

Infrastructure improvements are considered capital improvement projects when the expected life of the asset spans multiple years (in excess of two years) and expenditures are at least \$50,000. These significant non-routine capital expenditures are

# TEN-YEAR STRATEGIC FINANCIAL PLAN

## CAPITAL IMPROVEMENT & REPLACEMENT PLAN

accounted for as capital projects within the CIP special funds. Equipment, operating and maintenance costs are identified for inclusion in future operating budgets.

In contrast, routine capital purchases of new vehicles, computer hardware and other equipment are largely accounted for in internal service funds, such as the Information Technology, Government Buildings, Fleet Management and Equipment Funds. These assets are capitalized when the initial individual cost is \$5,000 or more with an estimated useful life greater than two years. The estimated useful lives applied to property, plant, equipment and infrastructure assets ranges from three to 62 years.

### **Capital Improvement Plan**

The Capital Improvement Program (CIP) is a component of the Ten-Year Strategic Financial Business Plan. This long range capital forecast, identifies major public improvements to the City's infrastructure that will be required to be replaced, improved, or maintained over the next ten years. The CIP is important for planning and managing Fountain Valley's development, as well as maintaining existing infrastructure.

The City places a high priority on infrastructure construction, rehabilitation, and maintenance efforts to ensure its streets, landscaping, and facilities are built, maintained, and rehabilitated according to best practices and promote environmental sustainability. Emphasizing rehabilitation and effective maintenance practices minimizes deterioration and costly remediation efforts, thereby extending the useful life of infrastructure improvements and providing long-term savings. During the development of the CIP, capital projects affecting public health and safety, and/or legal mandates receive the highest priority. Emphasis is also placed on capital projects maintaining service levels or preventing deterioration of facilities.



Planning for capital improvements is an ongoing process. As the City's infrastructure condition and needs change, capital programs and priorities must be adjusted. New construction may be required to accommodate increased demand or replace aging facilities while existing infrastructure requires periodic rehabilitation, replacement or other improvements to protect the City's investments.

The plan provides cost estimates for each project and identifies funding sources with consideration given to ongoing resources. Because priorities can change, projects included in outward planning years serve as a guide for future capital investments and are not guaranteed for funding. Funds are not appropriated for CIP projects beyond the

# TEN-YEAR STRATEGIC FINANCIAL PLAN

## CAPITAL IMPROVEMENT & REPLACEMENT PLAN

current fiscal year.

The City has developed several master plans for infrastructure development, management, and maintenance. These include a pavement management plan, water master plan, sewer master plan, and drainage master plan. These plans chart a course to address immediate needs as well as long term planning and funding requirements for maintaining and upgrading infrastructure needs in these areas to sustain the community demands.

### **Capital Replacement Plan**

The Capital Replacement Plan is a component of the Ten-Year Strategic Financial Plan. 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 for each asset category. The Internal Service Funds related to capital replacement consist of:

**Information Technology:** Accounts for the capital acquisition and replacement cost of citywide computers, network equipment, printers, copiers, scanners, telephones, and duplication and mailing equipment.

**Government Buildings:** Accounts for the replacement, repair or maintenance and capital equipment necessary for the efficient operation of the various City buildings.



**Capital Equipment:** Administers the acquisition, replacement and maintenance of furniture, equipment, machines, large tools, and other capital equipment not accounted for in IT or government buildings.

**Fleet Services:** Provides for the capital purchase, replacement and maintenance of all city vehicles.

These Internal Service Funds were established to finance and account for all existing and newly acquired capital items. The finance policy requires that funding include the operations, maintenance and replacement costs of each city asset. These costs are then charged back to the various operating departments and programs, based on a ten year timeline, so that the true cost of providing services to the community are very transparent. This methodology allows for the full recovery of revenues back into the Internal Service Funds to cover the cost of replacing each asset over the projected life of that asset.

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>33,979,984</b>	<b>30,001,549</b>	<b>29,732,321</b>	<b>25,135,596</b>
<b>Revenues</b>				
General Revenues	36,093,803	36,594,101	37,007,264	37,339,447
Functional Revenues	5,223,701	5,232,701	5,237,000	5,237,000
Developer/Park Impact Payments	756,911	2,479,543	-	-
Transfers In	948,541	590,513	592,631	594,823
<b>Total Revenues</b>	<b>43,022,956</b>	<b>44,896,858</b>	<b>42,836,895</b>	<b>43,171,270</b>
<b>Expenditures</b>				
<b>Operating</b>				
<b>Wages/Benefits/Insurance</b>				
Wages	17,531,266	17,881,892	18,239,529	18,604,320
CalPERS Rate	2,556,522	2,616,121	2,668,443	2,721,812
CalPERS Fixed	2,503,468	3,041,591	3,607,803	4,205,223
Pension Obligation Bonds	502,853	502,853	926,706	967,709
OPEB	1,423,243	1,458,825	1,495,295	1,532,678
Other Benefits	4,956,658	4,931,875	4,907,216	4,882,680
Insurance	681,901	657,490	566,711	581,863
<b>Total Wages/Benefits/Insurance</b>	<b>30,155,912</b>	<b>31,090,646</b>	<b>32,411,703</b>	<b>33,496,285</b>
<b>Internal Services</b>				
Information Services	1,273,506	1,437,170	1,137,298	1,194,244
Government Buildings	1,503,719	1,782,723	1,650,819	1,627,336
Fleet Services	1,491,019	1,075,787	1,241,154	1,379,302
Capital Equipment	64,982	247,798	215,400	139,370
Self Insurance	1,518,807	1,464,435	1,262,242	1,295,991
<b>Total Internal Services</b>	<b>5,852,033</b>	<b>6,007,912</b>	<b>5,506,913</b>	<b>5,636,243</b>
<b>Operations &amp; Maintenance</b>				
Departmental	5,706,239	5,734,770	5,763,444	5,792,261
Non-Departmental	874,562	851,850	839,277	846,847
<b>Total Operations &amp; Maintenance</b>	<b>6,580,801</b>	<b>6,586,620</b>	<b>6,602,721</b>	<b>6,639,109</b>
<b>Ongoing</b>				
Capital	161,299	353,253	1,772,955	14,000
Continuing Appropriations	3,126,096	-	-	-
Debt Service (Annual)	872,250	868,600	872,500	873,775
Transfers Out	253,000	259,055	266,827	274,832
<b>Total Ongoing</b>	<b>4,412,645</b>	<b>1,480,908</b>	<b>2,912,282</b>	<b>1,162,607</b>
<b>Total Expenditures</b>	<b>47,001,391</b>	<b>45,166,086</b>	<b>47,433,620</b>	<b>46,934,244</b>
<b>Fund Balance</b>	<b>30,001,549</b>	<b>29,732,321</b>	<b>25,135,596</b>	<b>21,372,623</b>
<b>Reserves</b>				
Fire Apparatus (Fleet)	360,924	721,848	1,082,772	1,443,696
Developer & Misc. Reserves	2,501,160	4,980,703	4,980,703	4,980,703
Cash Flow Reserves (22%)	9,617,079	9,858,823	10,045,346	10,322,454
Budget Stabilization	1,406,523	-	-	-
Disaster Reserves	1,000,000	1,000,000	1,000,000	1,000,000
Capital Reserves	9,190,419	9,190,419	9,190,419	9,190,419
Economic Development Reserves	2,500,000	2,500,000	2,500,000	2,500,000
98 TAB Unspent Bond Proceeds	3,425,444	3,425,445	3,425,446	3,425,447
<b>Total Reserves</b>	<b>30,001,549</b>	<b>31,677,238</b>	<b>32,224,686</b>	<b>32,862,719</b>
<b>Unreserved/Undesignated Fund Balance</b>	<b>(0)</b>	<b>(1,944,917)</b>	<b>(7,089,090)</b>	<b>(11,490,096)</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
<b>21,372,623</b>	<b>16,943,520</b>	<b>9,614,294</b>	<b>2,926,275</b>	<b>(3,515,337)</b>	<b>(10,099,642)</b>
37,515,000	37,858,000	38,208,000	38,565,000	38,928,000	39,307,000
5,237,000	5,237,000	5,237,000	5,237,000	5,237,000	5,237,000
-	-	-	-	-	-
597,092	599,440	601,871	604,386	606,990	609,685
<b>43,349,092</b>	<b>43,694,440</b>	<b>44,046,871</b>	<b>44,406,386</b>	<b>44,771,990</b>	<b>45,153,685</b>
18,976,406	19,355,935	19,743,053	20,137,914	20,540,673	20,951,486
2,776,248	2,831,773	2,888,409	2,946,177	3,005,100	3,065,202
4,471,469	4,752,494	4,892,726	5,039,301	5,190,247	5,345,699
1,006,713	1,042,114	1,086,351	1,127,820	1,174,127	1,216,526
1,570,994	1,610,269	1,650,526	1,691,789	1,734,084	1,777,436
4,858,266	4,833,975	4,809,805	4,785,756	4,761,827	4,738,018
597,433	613,432	629,873	646,768	664,130	681,971
<b>34,257,531</b>	<b>35,039,992</b>	<b>35,700,744</b>	<b>36,375,525</b>	<b>37,070,188</b>	<b>37,776,338</b>
1,246,395	1,470,123	1,241,873	1,364,562	1,277,220	1,578,141
1,565,709	1,713,238	1,705,571	1,806,449	1,861,522	2,245,450
1,264,635	2,111,366	1,869,871	1,576,333	1,531,539	1,833,727
270,718	236,568	326,920	311,021	122,869	284,547
1,330,670	1,366,305	1,402,924	1,440,554	1,479,224	1,518,963
<b>5,678,127</b>	<b>6,897,601</b>	<b>6,547,159</b>	<b>6,498,919</b>	<b>6,272,374</b>	<b>7,460,828</b>
5,821,223	5,850,329	5,879,580	5,908,978	5,938,523	5,968,216
854,563	862,426	870,441	878,609	886,934	895,419
<b>6,675,785</b>	<b>6,712,755</b>	<b>6,750,021</b>	<b>6,787,587</b>	<b>6,825,457</b>	<b>6,863,635</b>
14,000	14,000	14,000	14,000	14,000	14,000
-	-	-	-	-	-
869,675	867,750	872,650	871,650	864,950	862,550
283,077	1,491,569	850,316	300,316	309,326	309,326
<b>1,166,752</b>	<b>2,373,319</b>	<b>1,736,966</b>	<b>1,185,966</b>	<b>1,188,276</b>	<b>1,185,876</b>
<b>47,778,195</b>	<b>51,023,667</b>	<b>50,734,890</b>	<b>50,847,998</b>	<b>51,356,295</b>	<b>53,286,677</b>
<b>16,943,520</b>	<b>9,614,294</b>	<b>2,926,275</b>	<b>(3,515,337)</b>	<b>(10,099,642)</b>	<b>(18,232,634)</b>
1,804,620	965,544	576,468	658,821	741,174	823,527
4,980,703	4,980,703	4,980,703	4,980,703	4,980,703	4,980,703
10,508,123	11,222,127	11,158,596	11,183,480	11,295,305	11,719,989
-	-	-	-	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
9,190,419	9,190,419	9,190,419	9,190,419	9,190,419	9,190,419
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
3,425,448	3,425,449	3,425,450	3,425,451	3,425,452	3,425,453
<b>33,409,313</b>	<b>33,284,242</b>	<b>32,831,636</b>	<b>32,938,874</b>	<b>33,133,053</b>	<b>33,640,091</b>
<b>(16,465,793)</b>	<b>(23,669,948)</b>	<b>(29,905,361)</b>	<b>(36,454,210)</b>	<b>(43,232,695)</b>	<b>(51,872,725)</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Water Fund	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>13,049,388</b>	<b>6,602,074</b>	<b>6,553,303</b>	<b>6,894,778</b>
<b><u>Revenues</u></b>				
Operating Revenue	13,978,816	14,894,420	15,996,791	17,191,541
FVACD Contribution	-	-	-	-
Other Funding Sources	-	-	-	-
Transfers In	<u>409,000</u>	<u>209,000</u>	<u>208,800</u>	<u>208,800</u>
<b>Total Revenues</b>	<b>14,387,816</b>	<b>15,103,420</b>	<b>16,205,591</b>	<b>17,400,341</b>
<b><u>Expenditures</u></b>				
Operating	12,581,852	13,077,760	13,533,126	14,072,794
Capital	1,205,000	1,060,000	1,260,000	2,060,000
Continuing Appropriations	6,020,000	-	-	-
Principal Loan Payment	282,000	298,000	314,000	-
Principal Debt Service (FVPFA)	495,000	510,000	535,000	555,000
Transfer Out (OPEB)	126,278	141,431	156,989	172,688
Transfer Out (Gas Tax)	40,000	40,000	40,000	40,000
Transfer Out (Traffic Improv)	<u>85,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
<b>Total Expenditures</b>	<b>20,835,130</b>	<b>15,152,191</b>	<b>15,864,115</b>	<b>16,925,482</b>
<b>Fund Balance</b>	<b>6,602,074</b>	<b>6,553,303</b>	<b>6,894,778</b>	<b>7,369,637</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
<b>7,369,637</b>	<b>4,738,435</b>	<b>5,804,746</b>	<b>7,494,802</b>	<b>9,117,496</b>	<b>11,252,960</b>
18,348,409	19,424,547	20,429,117	21,491,652	22,435,473	23,423,486
-	-	-	-	-	-
-	-	-	-	-	-
<u>208,800</u>	<u>208,800</u>	<u>208,800</u>	<u>208,800</u>	<u>208,800</u>	<u>208,800</u>
<b>18,557,209</b>	<b>19,633,347</b>	<b>20,637,917</b>	<b>21,700,452</b>	<b>22,644,273</b>	<b>23,632,286</b>
14,682,089	15,346,648	15,976,761	16,785,775	17,580,767	18,430,517
5,680,000	2,365,000	2,120,000	2,470,000	2,070,000	1,970,000
-	-	-	-	-	-
580,000	600,000	630,000	595,000	625,000	655,000
181,322	190,388	196,100	201,983	208,042	214,284
40,000	40,000	-	-	-	-
<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
<b>21,188,411</b>	<b>18,567,036</b>	<b>18,947,861</b>	<b>20,077,758</b>	<b>20,508,809</b>	<b>21,294,801</b>
<b>4,738,435</b>	<b>5,804,746</b>	<b>7,494,802</b>	<b>9,117,496</b>	<b>11,252,960</b>	<b>13,590,445</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Refuse Fund	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>805,345</b>	<b>862,845</b>	<b>920,545</b>	<b>978,245</b>
<b><u>Revenues</u></b>				
Refuse Billing	3,250,000	3,250,000	3,250,000	3,250,000
<b>Total Revenues</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>
<b><u>Expenditures</u></b>				
Operating	2,983,500	2,983,500	2,983,500	2,983,500
Billing Charge/Transfer Out	209,000	208,800	208,800	208,800
<b>Total Expenditures</b>	<b>3,192,500</b>	<b>3,192,300</b>	<b>3,192,300</b>	<b>3,192,300</b>
<b>Fund Balance</b>	<b>862,845</b>	<b>920,545</b>	<b>978,245</b>	<b>1,035,945</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
1,035,945	1,093,645	1,151,345	1,209,045	1,209,045	1,266,745
<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>
<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>
2,983,500	2,983,500	2,983,500	2,983,500	2,983,500	2,983,500
<u>208,800</u>	<u>208,800</u>	<u>208,800</u>	<u>208,800</u>	<u>208,800</u>	<u>208,800</u>
<b>3,192,300</b>	<b>3,192,300</b>	<b>3,192,300</b>	<b>3,192,300</b>	<b>3,192,300</b>	<b>3,192,300</b>
1,093,645	1,151,345	1,209,045	1,266,745	1,266,745	1,324,445

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

<b>Gas Tax Fund</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
<b>Beginning Balance</b>	<b>884,134</b>	<b>435,891</b>	<b>1,430,446</b>	<b>692,773</b>
<b><u>Revenues</u></b>				
Gas Tax - Section 2103	134,491	200,000	250,000	250,000
Gas Tax - Section 2105	356,134	350,000	350,000	350,000
Gas Tax - Section 2106	178,632	175,000	175,000	175,000
Gas Tax - Section 2107	502,049	450,000	450,000	450,000
Interest / Other	4,000	2,000	7,000	4,000
Transfer In (Sewer Fund)	30,000	30,000	30,000	30,000
Transfer In (Water Fund)	40,000	40,000	40,000	40,000
Transfer In (General Fund)	253,000	259,055	266,827	274,832
2003 COPS Bond Proceeds	-	-	-	-
<b>Total Revenues</b>	<b>1,498,306</b>	<b>1,506,055</b>	<b>1,568,827</b>	<b>1,573,832</b>
<b><u>Expenditures</u></b>				
Capital Projects	1,440,939	57,512	1,852,073	1,516,630
Transfer Out (OPEB)	3,561	3,988	4,427	4,870
Transfers Out (General Fund)	502,049	450,000	450,000	450,000
<b>Total Expenditures</b>	<b>1,946,549</b>	<b>511,500</b>	<b>2,306,500</b>	<b>1,971,500</b>
<b>Fund Balance</b>	<b>435,891</b>	<b>1,430,446</b>	<b>692,773</b>	<b>295,105</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
<b>295,105</b>	<b>183,682</b>	<b>1,224,751</b>	<b>1,064,567</b>	<b>973,383</b>	<b>866,209</b>
250,000	250,000	250,000	250,000	250,000	250,000
350,000	350,000	350,000	350,000	350,000	350,000
175,000	175,000	175,000	175,000	175,000	175,000
450,000	450,000	450,000	450,000	450,000	450,000
2,000	1,000	6,000	5,000	5,000	4,000
30,000	30,000	-	-	-	-
40,000	40,000	-	-	-	-
283,077	291,569	300,316	300,316	309,326	309,326
-	-	-	-	-	-
<b>1,580,077</b>	<b>1,587,569</b>	<b>1,531,316</b>	<b>1,530,316</b>	<b>1,539,326</b>	<b>1,538,326</b>
1,236,387	91,131	1,235,970	1,165,804	1,190,633	1,165,457
5,113	5,369	5,530	5,696	5,867	6,043
450,000	450,000	450,000	450,000	450,000	450,000
<b>1,691,500</b>	<b>546,500</b>	<b>1,691,500</b>	<b>1,621,500</b>	<b>1,646,500</b>	<b>1,621,500</b>
<b>183,682</b>	<b>1,224,751</b>	<b>1,064,567</b>	<b>973,383</b>	<b>866,209</b>	<b>783,034</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Traffic Improvement Fund	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>106,282</b>	-	-	-
<b><u>Revenues</u></b>				
OCTA/AHRP	1,000,000	1,000,000	-	-
Interest	-	-	-	-
Grants/Other	469,000			
Transportation Impact Fee	10,000	10,000	10,000	10,000
Transfer In (Measure M2)	2,980,940	1,500,000	1,200,000	1,300,000
Transfers In (Sewer Fund)	70,000	30,000	30,000	30,000
Transfers In (Water Fund)	85,000	25,000	25,000	25,000
Transfers In (Pollution Redc.)	-	40,000	-	-
<b>Total Revenues</b>	<b>4,614,940</b>	<b>2,605,000</b>	<b>1,265,000</b>	<b>1,365,000</b>
<b><u>Expenditures</u></b>				
Capital Projects	4,717,171	2,600,463	1,259,964	1,359,460
Transfer Out (OPEB)	4,051	4,537	5,036	5,540
<b>Total Expenditures</b>	<b>4,721,222</b>	<b>2,605,000</b>	<b>1,265,000</b>	<b>1,365,000</b>
<b>Fund Balance</b>	-	-	-	-

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	10,000	10,000	10,000	10,000	10,000
1,400,000	1,400,000	1,400,000	1,600,000	1,500,000	1,500,000
30,000	30,000	30,000	30,000	30,000	30,000
25,000	25,000	25,000	25,000	25,000	25,000
40,000	-	-	40,000	-	-
<b>1,505,000</b>	<b>1,465,000</b>	<b>1,465,000</b>	<b>1,705,000</b>	<b>1,565,000</b>	<b>1,565,000</b>
1,499,183	1,458,892	1,458,709	1,698,520	1,558,326	1,558,126
5,817	6,108	6,291	6,480	6,674	6,874
<b>1,505,000</b>	<b>1,465,000</b>	<b>1,465,000</b>	<b>1,705,000</b>	<b>1,565,000</b>	<b>1,565,000</b>
-	-	-	-	-	-

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

<b>Measure M2 Fund</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
<b>Beginning Balance</b>	<b>2,892,046</b>	<b>1,011,092</b>	<b>650,967</b>	<b>645,025</b>
<b><u>Revenues</u></b>				
Measure M Fairshare (M2)	1,079,511	1,135,875	1,192,058	1,250,827
Measure M2 Competitive/Regional	-	-	-	-
Measure M2 Environmental	517,000	-	-	-
Measure M2 Senior Transportation	77,500	80,000	80,000	80,000
Interest	14,000	4,000	2,000	2,000
<b>Total Revenues</b>	<b>1,688,011</b>	<b>1,219,875</b>	<b>1,274,058</b>	<b>1,332,827</b>
<b><u>Expenditures</u></b>				
Transfer Out (Traffic Improvement)	2,980,940	1,500,000	1,200,000	1,300,000
Transfer Out (General Fund Senior Mobility)	71,025	80,000	80,000	80,000
Transfer Out (General Fund)	317,000	-	-	-
Transfer Out (Water Fund)	200,000	-	-	-
<b>Total Expenditures</b>	<b>3,568,965</b>	<b>1,580,000</b>	<b>1,280,000</b>	<b>1,380,000</b>
<b>Fund Balance</b>	<b>1,011,092</b>	<b>650,967</b>	<b>645,025</b>	<b>597,852</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
597,852	506,388	472,033	495,643	376,117	414,731
1,306,536	1,363,645	1,421,610	1,478,474	1,537,613	1,599,118
-	-	-	-	-	-
-	-	-	-	-	-
80,000	80,000	80,000	80,000	80,000	80,000
2,000	2,000	2,000	2,000	1,000	1,000
<b>1,388,536</b>	<b>1,445,645</b>	<b>1,503,610</b>	<b>1,560,474</b>	<b>1,618,613</b>	<b>1,680,118</b>
1,400,000	1,400,000	1,400,000	1,600,000	1,500,000	1,500,000
80,000	80,000	80,000	80,000	80,000	80,000
-	-	-	-	-	-
-	-	-	-	-	-
<b>1,480,000</b>	<b>1,480,000</b>	<b>1,480,000</b>	<b>1,680,000</b>	<b>1,580,000</b>	<b>1,580,000</b>
<b>506,388</b>	<b>472,033</b>	<b>495,643</b>	<b>376,117</b>	<b>414,731</b>	<b>514,849</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Pollution Reduction	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>420,876</b>	<b>272,913</b>	<b>296,164</b>	<b>324,390</b>
<b>Revenues</b>				
SCAQMD	65,000	65,000	65,000	65,000
Grants - EV Charging Stations	92,200			
Interest	2,000	1,000	1,000	2,000
<b>Total Revenues</b>	<b>159,200</b>	<b>66,000</b>	<b>66,000</b>	<b>67,000</b>
<b>Expenditures</b>				
Operating	727	708	730	752
Training & Website Updates	2,000	2,000	2,000	2,000
Capital Projects	184,400	-	-	-
Transfer Out (OPEB)	36	40	45	49
Transfer Out (Traffic Imp)	-	40,000	-	-
Transfer Out (Fleet)	120,000	-	35,000	100,000
<b>Total Expenditures</b>	<b>307,163</b>	<b>42,749</b>	<b>37,774</b>	<b>102,801</b>
 <b>Fund Balance</b>	 <b>272,913</b>	 <b>296,164</b>	 <b>324,390</b>	 <b>288,589</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
<b>288,589</b>	<b>311,763</b>	<b>275,911</b>	<b>239,034</b>	<b>262,130</b>	<b>325,200</b>
65,000	65,000	65,000	65,000	65,000	65,000
<u>1,000</u>	<u>2,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
<b>66,000</b>	<b>67,000</b>	<b>66,000</b>	<b>66,000</b>	<b>66,000</b>	<b>67,000</b>
774	797	821	846	871	897
2,000	2,000	2,000	2,000	2,000	2,000
-	-	-	-	-	-
52	54	56	58	59	61
40,000	-	-	40,000	-	-
<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>42,826</b>	<b>102,852</b>	<b>102,877</b>	<b>42,904</b>	<b>2,931</b>	<b>2,959</b>
<b>311,763</b>	<b>275,911</b>	<b>239,034</b>	<b>262,130</b>	<b>325,200</b>	<b>389,241</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

<b>Drainage Fund</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
<b>Beginning Balance</b>	<b>128,821</b>	<b>129,321</b>	<b>120,321</b>	<b>121,321</b>
<b><u>Revenues</u></b>				
Development Fees	500	1,000	1,000	1,000
Interest	-	-	-	-
Transfers In-(FVPFA)	3,500,000	-	3,500,000	-
<b>Total Revenues</b>	<b>3,500,500</b>	<b>1,000</b>	<b>3,501,000</b>	<b>1,000</b>
<b><u>Expenditures</u></b>				
Drainage GIS Mapping	-	10,000	-	10,000
Environmental Catch Basin Inserts	-	-	-	-
Sandalwood Pump Station	3,500,000	-	-	-
Walnut Pump Station	-	-	3,500,000	-
<b>Total Expenditures</b>	<b>3,500,000</b>	<b>10,000</b>	<b>3,500,000</b>	<b>10,000</b>
<b>Fund Balance</b>	<b>129,321</b>	<b>120,321</b>	<b>121,321</b>	<b>112,321</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
112,321	113,321	104,321	105,321	96,321	97,321
1,000	1,000	1,000	1,000	1,000	1,000
-	-	-	-	-	-
-	-	-	-	-	-
<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
-	10,000	-	10,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<b>10,000</b>	-	<b>10,000</b>	-	-
<b>113,321</b>	<b>104,321</b>	<b>105,321</b>	<b>96,321</b>	<b>97,321</b>	<b>98,321</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

<b>Sewer Fund</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
<b>Beginning Balance</b>	<b>3,740,026</b>	<b>2,987,936</b>	<b>2,587,072</b>	<b>1,798,890</b>
<b><u>Revenues</u></b>				
Sewer Fee	1,926,906	1,984,713	2,044,255	2,105,583
Late Charges/Penalties	14,000	6,500	6,500	6,500
Sewer Assessments	500	500	500	500
Sewer Connection	5,000	5,000	5,000	5,000
Interest	28,000	16,000	15,000	12,000
<b>Total Revenues</b>	<b>1,974,406</b>	<b>2,012,713</b>	<b>2,071,255</b>	<b>2,129,583</b>
<b><u>Expenditures</u></b>				
Operating	940,087	926,769	952,068	978,199
Transfer Out (General Fund)	58,467	60,513	62,631	64,823
Transfer Out (OPEB)	27,942	31,295	34,737	38,211
Transfers Out (Gas Tax Fund)	30,000	30,000	30,000	30,000
Transfer Out (Traffic Improv)	70,000	30,000	30,000	30,000
Capital Projects	1,600,000	1,335,000	1,750,000	1,340,000
<b>Total Expenditures</b>	<b>2,726,496</b>	<b>2,413,577</b>	<b>2,859,437</b>	<b>2,481,233</b>
<b>Fund Balance</b>	<b>2,987,936</b>	<b>2,587,072</b>	<b>1,798,890</b>	<b>1,447,239</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
1,447,239	1,070,159	798,059	529,393	369,663	191,422
2,168,750	2,233,813	2,300,827	2,369,852	2,440,947	2,514,176
6,500	6,500	6,500	6,500	6,500	6,500
500	500	500	500	500	500
5,000	5,000	5,000	5,000	5,000	5,000
11,000	9,000	9,000	8,000	8,000	8,000
<b>2,191,750</b>	<b>2,254,813</b>	<b>2,321,827</b>	<b>2,389,852</b>	<b>2,460,947</b>	<b>2,534,176</b>
996,616	1,015,345	1,035,231	1,055,501	1,076,164	1,097,227
67,092	69,440	71,871	74,386	76,990	79,685
40,122	42,128	43,392	44,693	46,034	47,415
30,000	30,000	-	-	-	-
30,000	30,000	30,000	30,000	30,000	30,000
1,405,000	1,340,000	1,410,000	1,345,000	1,410,000	1,345,000
<b>2,568,830</b>	<b>2,526,913</b>	<b>2,590,493</b>	<b>2,549,581</b>	<b>2,639,189</b>	<b>2,599,327</b>
<b>1,070,159</b>	<b>798,059</b>	<b>529,393</b>	<b>369,663</b>	<b>191,422</b>	<b>126,271</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

FV Housing Authority Fund	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>8,159,874</b>	<b>11,440,030</b>	<b>11,309,302</b>	<b>11,177,450</b>
<b>Revenues</b>				
Gain on Sale of Land	3,398,083	-	-	-
Loan Proceeds	112,000	110,000	120,000	120,000
Interest	115,000	115,000	115,000	115,000
<b>Total Revenues</b>	<b>3,625,083</b>	<b>225,000</b>	<b>235,000</b>	<b>235,000</b>
<b>Expenditures</b>				
Housing Programs	339,887	350,084	360,586	371,404
Transfer Out (OPEB)	5,040	5,645	6,266	6,892
<b>Total Expenditures</b>	<b>344,927</b>	<b>355,728</b>	<b>366,852</b>	<b>378,296</b>
<b>Fund Balance</b>	<b>11,440,030</b>	<b>11,309,302</b>	<b>11,177,450</b>	<b>11,034,154</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
11,034,154	10,879,371	10,712,750	10,534,080	10,343,001	10,139,139
-	-	-	-	-	-
120,000	120,000	120,000	120,000	120,000	120,000
115,000	115,000	115,000	115,000	115,000	115,000
<b>235,000</b>	<b>235,000</b>	<b>235,000</b>	<b>235,000</b>	<b>235,000</b>	<b>235,000</b>
382,546	394,022	405,843	418,018	430,559	443,475
7,237	7,599	7,827	8,062	8,303	8,552
<b>389,783</b>	<b>401,621</b>	<b>413,670</b>	<b>426,080</b>	<b>438,862</b>	<b>452,028</b>
<b>10,879,371</b>	<b>10,712,750</b>	<b>10,534,080</b>	<b>10,343,001</b>	<b>10,139,139</b>	<b>9,922,111</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

FV Successor for the FVACD	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	(509,770)	-	-	-
<b><u>Revenues</u></b>				
Property Tax Trust Funds	1,109,770	600,000	600,000	-
Miscellaneous Other Income				
Interest	-	-	-	-
<b>Total Revenues</b>	<b>1,109,770</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>
<b><u>Expenditures</u></b>				
Operating	247,977	247,734	247,485	-
Debt Service/Trustee Fee-TAB	-	-	-	-
Palm Island	100,000	100,000	100,000	-
Fry's OPA	250,000	250,000	250,000	-
Transfer Out (General Fund)	-			
Transfer Out (OPEB)	2,023	2,266	2,515	-
Transfer Out (Water Fund)	-	-	-	-
<b>Total Expenditures</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>
<b>Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

<b>ISF - Information Processing</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
<b>Beginning Balance</b>	<b>1,082,075</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>
<b>Revenues</b>	-	27,461.15	30,481.87	33,530.06
Charges to Departments:	985,011.07	861,796.94	905,435.28	945,365.75
Information Services	985,011	889,258	935,917	978,896
Duplicating / Stores / Mail	380,484	345,823	363,968	380,682
<b>Total Revenues</b>	<b>1,365,495</b>	<b>1,235,081</b>	<b>1,299,885</b>	<b>1,359,578</b>
<b>Expenditures</b>				
Information Services	811,344	821,137	837,560	854,311
Duplicating / Stores / Mail	363,629	304,303	310,389	316,597
Information Services	394,141	71,500	109,600	142,100
Duplicating / Stores / Mail	21,400	-	-	-
Capital (CA)	-			
Transfer Out (OPEB)	34,054	38,140	42,336	46,570
<b>Total Expenditures</b>	<b>1,624,568</b>	<b>1,235,081</b>	<b>1,299,885</b>	<b>1,359,578</b>
<b>Fund Balance</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
<b>823,002</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>
35,206.56	36,966.89	38,075.90	39,218.17	40,394.72	41,606.56
1,117,748.26	941,193.12	1,035,559.38	967,772.49	1,199,720.90	1,134,023.45
1,152,955	978,160	1,073,635	1,006,991	1,240,116	1,175,630
448,371	380,396	417,525	391,607	482,267	457,189
<b>1,601,326</b>	<b>1,358,556</b>	<b>1,491,160</b>	<b>1,398,598</b>	<b>1,722,383</b>	<b>1,632,819</b>
871,397	888,825	906,602	924,734	943,229	962,093
322,929	329,387	335,975	342,695	349,548	356,539
358,102	88,500	195,700	72,700	371,502	256,400
-	500	-	4,000	2,000	-
48,898	51,343	52,883	54,470	56,104	57,787
<b>1,601,326</b>	<b>1,358,556</b>	<b>1,491,160</b>	<b>1,398,598</b>	<b>1,722,383</b>	<b>1,632,819</b>
<b>823,002</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>	<b>823,002</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Government Buildings	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>2,188,226</b>	<b>1,725,179</b>	<b>1,772,297</b>	<b>1,772,297</b>
<b><u>Revenues</u></b>				
Charges to Departments	<u>1,591,348</u>	<u>1,886,611</u>	<u>1,747,021</u>	<u>1,722,170</u>
<b>Total Revenues</b>	<b>1,591,348</b>	<b>1,886,611</b>	<b>1,747,021</b>	<b>1,722,170</b>
<b><u>Expenditures</u></b>				
Operating	1,537,718	1,520,866	1,548,535	1,576,795
Transfer Out (OPEB)	27,257	30,528	33,886	37,274
Capital	<u>489,420</u>	<u>288,100</u>	<u>164,600</u>	<u>108,100</u>
<b>Total Expenditures</b>	<b>2,054,395</b>	<b>1,839,493</b>	<b>1,747,021</b>	<b>1,722,170</b>
<b>Fund Balance</b>	<b>1,725,179</b>	<b>1,772,297</b>	<b>1,772,297</b>	<b>1,772,297</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
1,772,297	1,772,297	1,772,297	1,772,297	1,772,297	1,772,297
<u>1,656,951</u>	<u>1,813,078</u>	<u>1,804,964</u>	<u>1,911,721</u>	<u>1,970,003</u>	<u>2,376,305</u>
<b>1,656,951</b>	<b>1,813,078</b>	<b>1,804,964</b>	<b>1,911,721</b>	<b>1,970,003</b>	<b>2,376,305</b>
1,607,213	1,638,183	1,670,536	1,703,523	1,737,158	1,771,452
39,138	41,095	42,328	43,598	44,906	46,253
<u>10,600</u>	<u>133,800</u>	<u>92,100</u>	<u>164,600</u>	<u>187,940</u>	<u>558,600</u>
<b>1,656,951</b>	<b>1,813,078</b>	<b>1,804,964</b>	<b>1,911,721</b>	<b>1,970,003</b>	<b>2,376,305</b>
<b>1,772,297</b>	<b>1,772,297</b>	<b>1,772,297</b>	<b>1,772,297</b>	<b>1,772,297</b>	<b>1,772,297</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Fleet Management	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>2,071,496</b>	<b>2,201,218</b>	<b>2,069,230</b>	<b>2,088,082</b>
<b><u>Revenues</u></b>				
Charges to Departments	1,833,498	1,322,889	1,526,240	1,696,120
Sale of Surplus Property	15,000	15,000	15,000	15,000
Transfers In/Poll. Reduction	120,000	-	35,000	100,000
<b>Total Revenues</b>	<b>1,968,498</b>	<b>1,337,889</b>	<b>1,576,240</b>	<b>1,811,120</b>
<b><u>Expenditures</u></b>				
Operating	1,087,931	1,074,790	1,104,987	1,136,148
Transfer Out (OPEB)	22,845	25,586	28,401	31,241
Capital (CA)				
Capital	728,000	369,500	424,000	618,000
<b>Total Expenditures</b>	<b>1,838,776</b>	<b>1,469,876</b>	<b>1,557,388</b>	<b>1,785,389</b>
<b>Fund Balance</b>	<b>2,201,218</b>	<b>2,069,230</b>	<b>2,088,082</b>	<b>2,113,813</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
2,113,813	2,080,717	2,059,067	2,027,299	2,042,299	2,057,299
1,555,115	2,596,334	2,299,370	1,938,407	1,883,324	2,254,924
15,000	15,000	15,000	15,000	15,000	15,000
-	100,000	100,000	-	-	-
<b>1,570,115</b>	<b>2,711,334</b>	<b>2,414,370</b>	<b>1,953,407</b>	<b>1,898,324</b>	<b>2,269,924</b>
1,169,608	1,204,040	1,240,161	1,277,366	1,315,687	1,355,158
32,803	34,443	35,476	36,541	37,637	38,766
400,800	1,494,500	1,170,500	624,500	530,000	861,000
<b>1,603,211</b>	<b>2,732,983</b>	<b>2,446,138</b>	<b>1,938,407</b>	<b>1,883,324</b>	<b>2,254,924</b>
<b>2,080,717</b>	<b>2,059,067</b>	<b>2,027,299</b>	<b>2,042,299</b>	<b>2,057,299</b>	<b>2,072,299</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Capital Equipment	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>1,277,510</b>	<b>845,823</b>	<b>807,131</b>	<b>807,131</b>
<b><u>Revenues</u></b>				
Charges to Departments	73,918	281,873	245,020	158,535
Transfers In	-	-	-	-
<b>Total Revenues</b>	<b>73,918</b>	<b>281,873</b>	<b>245,020</b>	<b>158,535</b>
<b><u>Expenditures</u></b>				
Capital Equipment	505,605	320,565	245,020	158,535
Transfer Out (Employee Benefit)	-	-	-	-
<b>Total Expenditures</b>	<b>505,605</b>	<b>320,565</b>	<b>245,020</b>	<b>158,535</b>
<b>Fund Balance</b>	<b>845,823</b>	<b>807,131</b>	<b>807,131</b>	<b>807,131</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
807,131	807,131	807,131	807,131	807,131	807,131
307,945	269,099	371,875	353,790	139,765	323,675
-	-	-	-	-	-
<b>307,945</b>	<b>269,099</b>	<b>371,875</b>	<b>353,790</b>	<b>139,765</b>	<b>323,675</b>
307,945	269,099	371,875	353,790	139,765	323,675
-	-	-	-	-	-
<b>307,945</b>	<b>269,099</b>	<b>371,875</b>	<b>353,790</b>	<b>139,765</b>	<b>323,675</b>
807,131	807,131	807,131	807,131	807,131	807,131

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Self Insurance	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>3,209,471</b>	<b>2,621,752</b>	<b>3,021,752</b>	<b>3,021,752</b>
<b><u>Revenues</u></b>				
Charges to Departments:				
Replenish Reserve	-	400,000	-	-
Workers' Compensation	673,659	687,132	700,875	714,892
Long Term Disability	99,629	101,621	104,670	107,810
Unemployment / Emp. Assist.	52,458	53,507	55,112	56,766
Property / Liability	<u>1,759,049</u>	<u>1,250,000</u>	<u>1,287,500</u>	<u>1,326,125</u>
<b>Total Revenues</b>	<b>2,584,795</b>	<b>2,492,261</b>	<b>2,148,157</b>	<b>2,205,593</b>
<b><u>Expenditures</u></b>				
Workers' Compensation	673,659	687,132	700,875	714,892
Long Term Disability	99,629	101,621	104,670	107,810
Unemployment / Emp. Assist.	52,458	53,507	55,112	56,766
Property / Liability	2,346,768	1,250,000	1,287,500	1,326,125
Transfer Out (Employee Benefit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<b>3,172,514</b>	<b>2,092,261</b>	<b>2,148,157</b>	<b>2,205,593</b>
<b>Fund Balance</b>	<b>2,621,752</b>	<b>3,021,752</b>	<b>3,021,752</b>	<b>3,021,752</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
3,021,752	3,021,752	3,021,752	3,021,752	3,021,752	3,021,752
-	-	-	-	-	-
729,190	743,774	758,649	773,822	789,299	805,085
111,044	114,376	117,807	121,341	124,982	128,731
58,469	60,223	62,030	63,890	65,807	67,781
1,365,909	1,406,886	1,449,093	1,492,565	1,537,342	1,583,463
<b>2,264,612</b>	<b>2,325,259</b>	<b>2,387,579</b>	<b>2,451,620</b>	<b>2,517,430</b>	<b>2,585,060</b>
729,190	743,774	758,649	773,822	789,299	805,085
111,044	114,376	117,807	121,341	124,982	128,731
58,469	60,223	62,030	63,890	65,807	67,781
1,365,909	1,406,886	1,449,093	1,492,565	1,537,342	1,583,463
-	-	-	-	-	-
<b>2,264,612</b>	<b>2,325,259</b>	<b>2,387,579</b>	<b>2,451,620</b>	<b>2,517,430</b>	<b>2,585,060</b>
<b>3,021,752</b>	<b>3,021,752</b>	<b>3,021,752</b>	<b>3,021,752</b>	<b>3,021,752</b>	<b>3,021,752</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Employee Benefits	2016-2017	2017-2018	2018-2019	2019-2020
<b>Beginning Balance</b>	<b>874,096</b>	<b>813,896</b>	<b>753,696</b>	<b>753,696</b>
<b>Revenues</b>				
Charges to Departments:				
Compensated Absence	2,089,622	2,141,863	2,195,409	2,250,295
P.E.R.S.	6,456,584	7,093,203.65	8,267,954	9,023,568
OPEB	1,683,045	1,725,122	1,768,250	1,812,456
Health / Dental / Life	3,862,958	3,959,532	3,999,127	4,039,118
P.A.R.S.	8,158	8,362	8,571	8,785
F.I.C.A.	281,874	288,921	296,144	303,548
Transfer In	-	-	-	-
<b>Total Revenues</b>	<b>14,382,242</b>	<b>15,217,003</b>	<b>16,535,455</b>	<b>17,437,770</b>
<b>Expenditures</b>				
Compensated Absence	2,089,622	2,141,863	2,195,409	2,250,295
P.E.R.S.	6,456,584	7,093,204	8,267,954	9,023,568
Retiree Health	1,683,045	1,725,122	1,768,250	1,812,456
Health / Dental / Life	3,862,958	3,959,532	3,999,127	4,039,118
P.A.R.S.	8,158	8,362	8,571	8,785
F.I.C.A.	281,874	288,921	296,144	303,548
Tuition Reimbursement	20,000	20,000	-	-
Deferred Compensation Match	40,200	40,200	-	-
Transfer Out-OPEB Trust	-	-	-	-
<b>Total Expenditures</b>	<b>14,442,442</b>	<b>15,277,203</b>	<b>16,535,455</b>	<b>17,437,770</b>
<b>Fund Balance</b>	<b>813,896</b>	<b>753,696</b>	<b>753,696</b>	<b>753,696</b>

## TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
753,696	753,696	753,696	753,696	753,696	753,696
2,306,552	2,364,216	2,423,321	2,483,904	2,546,002	2,609,652
9,385,009	9,759,642	9,978,238	10,201,040	10,434,777	10,669,188
1,857,767	1,904,211	1,951,817	2,000,612	2,070,634	2,174,165
4,099,705	4,161,200	4,223,618	4,286,973	4,351,277	4,416,547
9,005	9,230	9,461	9,697	9,940	10,188
311,137	318,915	326,888	335,060	343,437	352,023
-	-	-	-	-	-
<b>17,969,175</b>	<b>18,517,415</b>	<b>18,913,344</b>	<b>19,317,287</b>	<b>19,756,066</b>	<b>20,231,762</b>
2,306,552	2,364,216	2,423,321	2,483,904	2,546,002	2,609,652
9,385,009	9,759,642	9,978,238	10,201,040	10,434,777	10,669,188
1,857,767	1,904,211	1,951,817	2,000,612	2,070,634	2,174,165
4,099,705	4,161,200	4,223,618	4,286,973	4,351,277	4,416,547
9,005	9,230	9,461	9,697	9,940	10,188
311,137	318,915	326,888	335,060	343,437	352,023
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>17,969,175</b>	<b>18,517,415</b>	<b>18,913,344</b>	<b>19,317,287</b>	<b>19,756,066</b>	<b>20,231,762</b>
<b>753,696</b>	<b>753,696</b>	<b>753,696</b>	<b>753,696</b>	<b>753,696</b>	<b>753,696</b>

# CAPITAL IMPROVEMENT TEN YEAR PLAN - GENERAL FUND

				2016-2017	2017-2018
Project	Proj #	%	Source		
Economic Development	868	100%	98 TAB/Grant	1,135,860	-
Power. Irrigation Controller Cabinets	333	100%	Cap. Res.	14,000	14,000
Communications-800MHZ Upgrades	197	100%	Cap. Res.	147,299	339,253
Median Drought Tolerant Landscape	413	100%	Cap. Res./DI	1,472,648	-
Recreation Center Rehab	339	100%	Park In-Lieu	460,865	-
Irrigation System - Brookhurst Street Median	408	100%	Cap.Res./M2	217,120	-
Irrigation System - Euclid Street Median	409	100%	Cap.Res./M2	217,120	-
<b>Total General Fund Projects</b>				<b>3,664,912</b>	<b>353,253</b>

## CAPITAL IMPROVEMENT TEN YEAR PLAN - GENERAL FUND

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
-	-	-	-	-	-	-	-
14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
1,758,955	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>1,772,955</b>	<b>14,000</b>						

## CAPITAL IMPROVEMENT TEN YEAR PLAN - GAS TAX

Gas Tax		2016-2017	2017-2018
Project	Proj #		
<b>Residential Roadway Rehabilitation</b>			
Administration-Miscellaneous	101	2,000	2,000
Pavement Management	005	30,000	60,000
Residential Roadway Rehabilitation	229	<u>1,400,000</u>	<u>-</u>
<b>Total Residential Rehabilitation</b>		<b>1,432,000</b>	<b>62,000</b>
<b>Traffic Control</b>			
Restriping-Various Locations	010	-	-
Audible Pedestrian Signals	021	<u>12,500</u>	<u>-</u>
<b>Total Traffic Control</b>		<b>12,500</b>	<b>-</b>
<b>Arterial Roadway Rehabilitation</b>			
Collector Streets	999	-	-
Industrial Streets	999	<u>-</u>	<u>-</u>
<b>Total Arterial Roadway Rehabilitation</b>		<b>-</b>	<b>-</b>
<b>Total Gas Tax Projects</b>		<b>1,444,500</b>	<b>62,000</b>

## CAPITAL IMPROVEMENT TEN YEAR PLAN - GAS TAX

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
30,000	70,000	40,000	70,000	40,000	70,000	70,000	70,000
<u>1,800,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
<b>1,832,000</b>	<b>1,272,000</b>	<b>1,242,000</b>	<b>72,000</b>	<b>1,242,000</b>	<b>1,172,000</b>	<b>1,172,000</b>	<b>1,172,000</b>
25,000	-	-	25,000	-	-	25,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>
-	125,000	-	-	-	-	-	-
<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>1,857,000</b>	<b>1,522,000</b>	<b>1,242,000</b>	<b>97,000</b>	<b>1,242,000</b>	<b>1,172,000</b>	<b>1,197,000</b>	<b>1,172,000</b>

# CAPITAL IMPROVEMENT TEN YEAR PLAN - TRAFFIC IMPROVEMENT

Traffic Improvement	2016-2017	2017-2018
Project	Proj #	Type
<b>Pavement Rehabilitation</b>		
Harbor - SCL to NCL	TI272	Rehab.
Edinger - Brookhurst to Euclid	TI273	Rehab.
Euclid Street - Slater to Warner	TI271	Rehab.
Arterial Rehabilitation Project	999	Rehab.
		1,200,000
<b>Total Pavement Rehabilitation</b>		<b>\$ 4,275,000</b>
		<b>\$ 1,200,000</b>
<b>Signal &amp; Signage</b>		
Citywide Signal Retiming	029	SIG
Citywide Traffic Signal Timing Maintenance	160	SIG
Citywide Signal Communication Maintenance	267	SIG
PPLT Conversion Study	281	SIG
Local Circulatory Study	282	TRANSIT
Magnolia Bike Corridor	999	BIKE
Edinger Avenue Traffic Signal Synchronization	198	TSSP
Warner Avenue Traffic Signal Synchronization	147	TSSP
Talbert Avenue Traffic Signal Synchronization	148	TSSP
Euclid Street Traffic Signal Synchronization	149	TSSP
Harbor Boulevard Traffic Signal Synchronization	280	TSSP
		5,640
<b>Total Signal &amp; Signage</b>		<b>\$ 446,222</b>
		<b>\$ 1,405,000</b>
<b>Total Traffic Improvement Projects</b>		<b>\$ 4,721,222</b>
		<b>\$ 2,605,000</b>

# CAPITAL IMPROVEMENT TEN YEAR PLAN - TRAFFIC IMPROVEMENT

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,200,000	1,300,000	1,300,000	1,400,000	1,400,000	1,500,000	1,500,000	1,500,000
\$ 1,200,000	\$ 1,300,000	\$ 1,300,000	\$ 1,400,000	\$ 1,400,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
-	-	140,000	-	-	140,000	-	-
30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 65,000	\$ 65,000	\$ 205,000	\$ 65,000	\$ 65,000	\$ 205,000	\$ 65,000	\$ 65,000
\$ 1,265,000	\$ 1,365,000	\$ 1,505,000	\$ 1,465,000	\$ 1,465,000	\$ 1,705,000	\$ 1,565,000	\$ 1,565,000

# CAPITAL IMPROVEMENT TEN YEAR PLAN - POLLUTION REDUCTION

Pollution Reduction		2016-2017	2017-2018
Project	Proj #	Type	
Electric Vehicle Charging Stations Project #1	999		-
Electric Vehicle Charging Stations Project #1	999	92,200	-
<b>Total Pollution Reduction</b>		<b>\$ 184,400</b>	<b>\$ -</b>

# CAPITAL IMPROVEMENT TEN YEAR PLAN - POLLUTION REDUCTION

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# CAPITAL IMPROVEMENT TEN YEAR PLAN - DRAINAGE

Drainage			2016-2017	2017-2018
Project	Proj #	Source		
Sandalwood Pump Station	995	GF	3,500,000	-
Walnut Pump Station	996	GF	-	-
Drainage GIS Mapping	657	GF	-	10,000
<b>Total Drainage Projects</b>			<b>3,500,000</b>	<b>10,000</b>

# CAPITAL IMPROVEMENT TEN YEAR PLAN - DRAINAGE

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
-	-	-	-	-	-	-	-
3,500,000	-	-	-	-	-	-	-
-	10,000	-	10,000	-	10,000	-	-
<b>3,500,000</b>	<b>10,000</b>	-	<b>10,000</b>	-	<b>10,000</b>	-	-

## CAPITAL IMPROVEMENT TEN YEAR PLAN - SEWER

Sewer			2016-2017	2017-2018
Project	Proj #	Source		
Sewer Manhole Rehabilitation	617	SF	65,000	-
Sewer Master Plan	615	SF	-	-
Sewer GIS Mapping	616	SF	35,000	35,000
Structural Improvements	620	SF	<u>1,500,000</u>	<u>1,300,000</u>
<b>Total Sewer Projects</b>			<b>1,600,000</b>	<b>1,335,000</b>

## CAPITAL IMPROVEMENT TEN YEAR PLAN - SEWER

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
65,000	-	65,000	-	65,000	-	65,000	-
350,000	-	-	-	-	-	-	-
35,000	40,000	40,000	40,000	45,000	45,000	45,000	45,000
1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
<b>1,750,000</b>	<b>1,340,000</b>	<b>1,405,000</b>	<b>1,340,000</b>	<b>1,410,000</b>	<b>1,345,000</b>	<b>1,410,000</b>	<b>1,345,000</b>

# CAPITAL IMPROVEMENT TEN YEAR PLAN - WATER

Water	2016-2017	2017-2018
<b>Projects</b>		
<b>Rehabilitation Projects</b>		
Well Site No. 6		
Well Site No. 8		
Well Site No. 9		
Well Site No. 10	300,000	
Well Site No. 11		450,000
Well Site No. 12		
Reservoir No. 1 Exterior Painting	400,000	
Reservoir No. 2	5,920,000	
Condition Assessment	300,000	300,000
Pipeline Replacement		
Annual Meter Replacement		
Hydrant Replacement	20,000	20,000
Chlorine Generators		150,000
<b>New Facility Projects</b>		
Additional Source of Supply		
Security System		
<b>Other Programs/Projects</b>		
Water Conservation	100,000	100,000
GIS Update	35,000	40,000
Rate Study	50,000	-
Irrigation Timers (Calsense)	100,000	
Water Delivery (SCADA)		
Master Plan		
Urban Water Management Plan	-	-
<b>Total Water Projects</b>	<b>7,225,000</b>	<b>1,060,000</b>

## CAPITAL IMPROVEMENT TEN YEAR PLAN - WATER

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
		500,000					
650,000			500,000			250,000	
						250,000	
	600,000						
300,000	300,000	300,000					
			1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
				300,000	300,000	300,000	300,000
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
150,000	150,000	150,000	150,000	150,000			
	500,000	4,500,000					
100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
40,000	40,000	45,000	45,000	50,000	50,000	50,000	50,000
			50,000				
						100,000	
-	350,000						
-	-	65,000	-	-	-	-	-
<b>1,260,000</b>	<b>2,060,000</b>	<b>5,680,000</b>	<b>2,365,000</b>	<b>2,120,000</b>	<b>2,470,000</b>	<b>2,070,000</b>	<b>1,970,000</b>

## CAPITAL PURCHASE PLAN TEN YEAR - BY ISF FUND

<b>Fund</b>	<b>Description</b>	<b>2016-2017</b>	<b>2017-2018</b>
61	Information Processing	415,541	71,500
62	Government Buildings	489,420	288,100
63	Fleet Management	728,000	369,500
64	Capital Equipment	<u>505,605</u>	<u>320,565</u>
<b>Total ISF Capital Purchase Plan</b>		<b>2,138,566</b>	<b>1,049,665</b>

## CAPITAL PURCHASE PLAN TEN YEAR - BY ISF FUND

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
109,600	142,100	358,102	89,000	195,700	76,700	373,502	256,400
164,600	108,100	10,600	133,800	92,100	164,600	187,940	558,600
424,000	618,000	400,800	1,494,500	1,170,500	624,500	530,000	861,000
<u>245,020</u>	<u>158,535</u>	<u>307,945</u>	<u>269,099</u>	<u>371,875</u>	<u>353,790</u>	<u>139,765</u>	<u>323,675</u>
<b>943,220</b>	<b>1,026,735</b>	<b>1,077,447</b>	<b>1,986,399</b>	<b>1,830,175</b>	<b>1,219,590</b>	<b>1,231,207</b>	<b>1,999,675</b>



## FINANCIAL & BUDGET POLICIES

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, and 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

## ACCOUNTING AND REPORTING POLICIES

### **Accounting and Annual Reporting Policies**

The City's Comprehensive Annual Financial Report (CAFR) 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. All City activities are governmental; no business-type activities are reported in the statements.

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

## FINANCIAL & BUDGET POLICIES

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 major governmental funds and the following 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
- Permanent Funds account for resources that are legally restricted, to the extent that only earnings and not principal, may be used for purposes that support City programs
- 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
- Pension and Employee Benefit Trust Funds account for the activities of the Defined Contribution Pension Plan (PERS/OPEB) for sworn and non-sworn employees
- 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

### **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. The City shall request bids for audit services no less frequently than every five years. The CPA Firm shall provide the City

## FINANCIAL & BUDGET POLICIES

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 60 days of receipt of the report.

At the conclusion of each fiscal year, the City Manager 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 in Financial Reporting program.

### **Budget and Ten-year Strategic Financial Plan Administration & Reporting**

Each year the City will use an annual budget and ten-year strategic financial plan which emphasizes both short and long-range planning and effective program management. The Council will formally review the City's financial condition, and amend appropriations or revenues if necessary, after six months of operations are completed each fiscal year.

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## BUDGET POLICIES

### **Budget Policy Summary**

The City develops an annual Operating Budget according to legal and policy direction and includes the following:

- Prepare budgets for all funds of the City
- Adopt budgets that are balanced as to resources and appropriations
- Adopt budgets that do not exceed state constitutional limits
- Adopt budgets prior to the beginning of the fiscal year in which they are to take effect
- Allow adjustments to the budget with proper approvals
- Maintain a general fund operating reserve equivalent to 22% of the current fiscal years adopted General Fund operations budget
- Utilize encumbrances of appropriations as a budgetary control technique
- Adopt budgets by City resolution
- Exercise budget controls at the department level

## FINANCIAL & BUDGET POLICIES

### Balanced Budget

The City will maintain a balanced budget prior to the beginning of each fiscal year. This means that:

- Operating revenues should fully cover operating expenditures, including debt service and debt service coverage requirements
- Ending fund balance (or working capital in enterprise funds) should meet minimum policy levels. Under this policy, it is allowable for total expenditures to exceed revenues in a given year; however, in this situation, beginning fund balanced can only be used to fund capital improvement plan projects, or other “one-time” non-recurring expenditures

### Budget Process

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.

### Budget Adoption

The proposed budget is presented to the City Council and community in public workshops 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:

**Operations Budget:** The Operations Budget, or General Fund budget, is the City's annual fiscal blueprint. The Operations Budget is a guide for the receipt and disbursement of funds used to provide daily, routine public services to the community. The Operations Budget outlines the many municipal services, programs and projects provided by the City during

## FINANCIAL & BUDGET POLICIES

the fiscal year. It also identifies specific General Fund revenue estimates and expenditures necessary to implement services to the community.

**Special Funds Budget:** 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.

**Capital Improvement Program Budget:** The 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 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

## FINANCIAL & BUDGET POLICIES

### **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 the capital plant 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.

## FINANCIAL & BUDGET POLICIES

### **Contract Budgeting**

Staff will enter into the budget system specific line item detail describing the nature of the contract services requested, the dollar value and, when known, the contractor's name. The City Council retains the authority to specifically identify any contract during the fiscal year budget process for further review and approval prior to contract implementation.

From time to time, unanticipated circumstances may arise during the fiscal year that require the City to enter into a contractual agreement for services not identified in the adopted budget. This includes new contract requirements, as well as contract amendments for additional scope of work and/or costs when the additional scope and/or costs are not consistent with items in the adopted budget. When scope of work and/or increased costs are inconsistent with the adopted budget, approval for the amendment and/or increased costs must be obtained according to the following guidelines:

- Up to \$5,000 – No formal approval required
- \$5,001 to \$15,000 – Department Director's review and approval
- \$15,001 to \$25,000 – City Manager review and approval
- Greater than \$25,001 – City Council review and approval

To request approval to enter into an unanticipated contract or contract amendment, a "Request for Budgetary Approval for Contract Services (Non-CIP) and New or Change to Job Ledger Key Form" must be prepared explaining the justification for the new contract or contract amendment and the funding source. The form must be approved in accordance with the limits set forth above and submitted to the Purchasing Agent. Funding for an unanticipated contract requirement must be secured in accordance with the Budget Adjustment Policy, if needed.

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## REVENUE MANAGEMENT POLICIES

### **Introduction**

The City utilizes the following policies to govern its operations and methods regarding revenues that are used for operations.

### **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

## FINANCIAL & BUDGET POLICIES

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.

The portion of revenue from development fees that supports citywide overhead costs shall be classified as a General Purpose Revenue and identified as General Fund Revenue Transfers-In and be used to offset General Fund overhead costs.

### **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

## FINANCIAL & BUDGET POLICIES

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 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 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
- Gifts, donations and/or bequests given to the City for the use of any of its departments or divisions and accepted shall be solely for the purpose intended by the donor. Unrestricted gifts will be expended on the recommendation of the related commission or other advisory board
- Gifts, donations and bequests shall be recorded in accordance with the Generally Accepted Accounting Principles

## FINANCIAL & BUDGET POLICIES

### **Development Fee Deferrals**

Recognizing some fees are collected in advance of the work being performed and revenue collected in the prior year funds 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, Community Development and Public Works staff will provide an estimate by the tenth of the month to Fiscal Services for the fee amount and accounts collected during the month that should be deferred to the next fiscal year.

Fiscal Services 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.

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## 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 some specific instances where the purpose for which the expenditure was budgeted has not been completed it may be reauthorized 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 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.

Staffing and contract service cost ceilings will limit total expenditures for regular employees, temporary / part-time employees, and independent contractors hired to provide operating and maintenance services.

## FINANCIAL & BUDGET POLICIES

### 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 delegate unless it is assumed pre-approved by its nature. For example, overtime that results when an employee is assigned to standby and/or must respond to an emergency or complete an emergency response.

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

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## INVESTMENT POLICIES

The City has adopted a formal Investment Policy that is reviewed annually and approved by City Council. Below is an overview of some of the policies related to investing City funds.

### Goals

- The City of Fountain Valley's Investment Policy is intended to provide specific criteria for the prudent investment of City funds. The goal is 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

## FINANCIAL & BUDGET POLICIES

- The Investment Policy applies to the City's Pooled Investment Portfolio, Bond Proceeds Portfolio and Special District Portfolio. These portfolios encompass all monies under the direct oversight of the treasurer and include the following funds:
  - General Fund
  - Capital Project
  - Debt Service Trust & Agency
  - Proprietary (Enterprise / Internal Service)
  - Special Revenue
  - Other Funds (which may be created)
  - Reserve Funds

### **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

## FINANCIAL & BUDGET POLICIES

- In no event will securities with maximum maturities beyond four years exceed 40% of the portfolio's total carrying cost at the time of purchase

### 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.

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## 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 (Measure M, creditors, grantors, restricted donations or contributions)

## FINANCIAL & BUDGET POLICIES

**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

During 2014, the City Council adopted a policy goal for various Reserve Funds including a minimum contingency reserve of 22%. The contingency reserve may be used at the discretion of the City Council to:

- Provide resources to make up for temporarily decreased revenues, such as state subventions
- Provide temporary resources in the event of an economic downturn while expenditure reductions are implemented
- Provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other disasters

### **Committed Budget Stabilization – \$4,500,000**

These funds will be used as a risk management tool as it will provide a buffer against revenue fluctuations inherent in economic cycles. Historically 6%-8% would be adequate for economic fluctuations however we are still recovering from the great recession and recovery is extremely slow so staff recommends a higher level. These committed funds will help to ensure that if another significant economic event occurs, the City will not have to go into our “Working Capital Funds” immediately and will allow time for adjustments to the annual expenditure budget without jeopardizing the amount of cash on hand required for operational purposes. There will be no appropriations authorized from this reserve without Council approval.

### **Committed Disaster Funds - \$1,000,000**

If a significant event such as an earthquake, flood or other acts of God or man should take place, we would quickly exceed our annual expenditure appropriation in responding to such an event. Committed funds under this category shall be used to mitigate the cost associated with unforeseen emergencies. Should unforeseen and unavoidable events occur that require expenditures of City resources beyond those provided for in the annual budget, the City Manager shall have the authority to approve an appropriation of the Disaster Reserve Funds. The City Manager shall then present to the City Council; no later

## FINANCIAL & BUDGET POLICIES

than its first regularly scheduled meeting, a report confirming the nature of the emergency and Council can formally authorize the appropriation.

### **Assigned Capital Improvement Plan**

The City has significant capital improvement expenditures that can be funded on a pay-go basis and can be completed without the issuance of debt. Specific projects will be identified by staff and will be presented to City Council during the budget process. As other projects are identified they will be brought to Council as an individual item as needs arise for capital funding.

### **Assigned Economic Development Fund**

When City adopted an updated strategic plan and one of the most important goals listed in the plan is to enhance economic development. There are several things that need to take place in order to achieve this goal. Some of these items can be started relatively soon but will require expenditures that are not currently allocated in our budget. Some examples in this category include demographic updates of the Concord Group report, marketing and other business outreach activities. Others are a bit longer in nature and will require a significant cash outlay to accomplish such as a General Plan Update.

Appropriations from this reserve shall be made as follows:

- Appropriations up to \$25,000 can be authorized by the City Manager; the City Manager shall inform the Council of any such appropriations with the strategic plan update that is presented to Council monthly and Council can formally authorize the appropriation. Any appropriation above \$25,000 must be approved by the City Council through the agenda or budget process.

### **Working Capital (Cash Flow)**

GASB 54 does not allow for working capital (cash flow) to be “Assigned” or “Committed”. However, it is the City’s policy that an average of 22% of the annual expenditure budget must be maintained at all times to ensure adequate cash flow funds are available to cover expenditures for the first 6 months of the fiscal year. These funds are strictly used to cover cash needs at any given time. This level of reserves will change with the annual budget to ensure that enough reserves are set-aside each fiscal year. Any change in this reserve amount would be reported to Council, typically with the annual budget process. There will be no appropriations authorized from this reserve without Council approval, however, due to critical cash flow needs during the year, this fund should not be eliminated or the reserve amount decreased.

### **Internal Service Funds**

**Fleet Replacement**: The City has established and maintains a Fleet Replacement 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

## FINANCIAL & BUDGET POLICIES

annual contributions received by it from any source, shall be adequate to fully fund the equipment replacements approved in the ten-year Financial Plan on any given year. Currently the desired reserve fund balance is \$2,000,000.

**Information Technology (IT) Replacement Fund:** The City has established an IT Replacement 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 Financial Plan for the Information Technology replacement fund. The City has a long term objective of maintaining a minimum fund balance in the IT Replacement Fund of at least \$800,000.

**Major Facility Replacement Fund:** The City has established a Major Facilities 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 Major Facility replacement fund. The City has a long term objective of maintaining a minimum reserve balance in the Facility Replacement Fund of \$1,750,000.

**Major Equipment Replacement Fund:** The City has established a Major 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 Major Facility replacement fund. The City has a healthy fund balance derived with the long term objective of maintaining a minimum fund balance in the Equipment Replacement Fund of at least \$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.

**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.

### **Excess Fund Balance Future Years**

If revenues exceed expenditures in any given fiscal year, first priority of the use of the excess funds will be given to Working Cash Flow and Budget Stabilization Funds. This is to ensure that they are adequately funded to serve their intended purpose. For any funds remaining staff shall make a recommendation to Council as to the best use of the fund balance in excess of established policy.

## 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 annual update to the City's Ten-year Strategic Financial Plan. 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 -- 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 CIP Plan / Ten Year Long Term 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.

The City also has a long-term ten-year Strategic Financing Plan which identifies CIP projects and related rehabilitation items for a total of ten years. The goal of the long-term plan is to allow for the identification of potential funding including grants, state and federal funds, rate review of enterprise funds and other financing opportunities.

### **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 the "Continuing Appropriation" balance that will be carried over to complete each specific multi-year project.

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

## FINANCIAL & BUDGET POLICIES

- 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 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.*

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## 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.

## FINANCIAL & BUDGET POLICIES

### 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

## FINANCIAL & BUDGET POLICIES

- 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
- 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

## FINANCIAL & BUDGET POLICIES

**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 produce 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.

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## 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 but still retain accountability and responsibility for its delivery?

## COMMUNITY PROFILE

### ***About the City of Fountain Valley***

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 21<sup>st</sup> 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.

### ***Governance***

The City Council consists of five members elected by the community at large. Council terms are for four years. Elections are held every two years, at which time either two or three members are elected. Every year, from the current Council Members, elect a Mayor and Mayor Pro Tempore who serve for one year. The City Council also serves as the governing bodies for the Successor Agency, Public Finance Authority and the Housing Authority. The community imposed term limits on council members who may not serve more than three consecutive full terms. The City Council chooses a City Manager who is responsible for managing the day-to-day operations of the City and implementing the policies set by the City Council.

### ***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.

## COMMUNITY PROFILE

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.

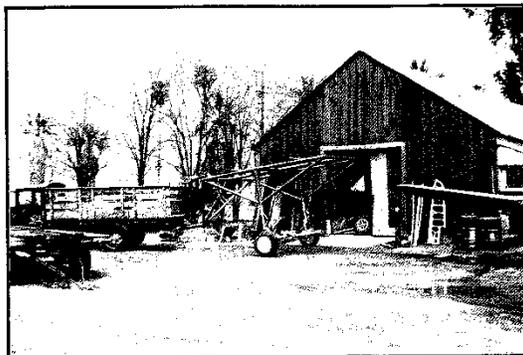
With this pivotal series of events, the rapid development of the Santa Ana Valley began.

The fantastic growth rate which Fountain Valley experienced in the 1960’s, which could easily have



First Fountain Valley City Hall

1962 — 1964. Built in 1920 as Fountain Valley Elementary School.



Wardlow Blacksmith Shop 1915

Operated by James Ray Wardlow. Photo taken about 1947 then operated by Floyd and Foyd Wardlow.

## COMMUNITY PROFILE

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 2014 Census at the benchmark, and updated in 2015 through the California Department of Finance, Fountain Valley's population is 57,021.

Fountain Valley is also a well educated population. According to the 2014 Census, and updated in 2015 through the American Community Survey Department of the US Census bureau, of those over 25 years, 90% graduated from high school and 38% have a Bachelor's degree or higher with the median household income of \$82,532.

### ***Community Services***

On the Westside of Mile Square Park the City owns and operates a fifty-five acre Recreation Center and Sports Park. This facility, newly expanded and renovated in 2008, contains a Recreation Center building with an indoor gym and community rooms. Outdoors are racket ball and tennis courts, 15 ball/soccer fields, 3 dedicated softball fields. There is a walking trail, playground for children, and great lawn for community events such as the Annual Egg Hunt, Concerts in the Park, Summerfest, Classic Car Show, and the annual Christmas Tree Lighting Ceremony. The City also has a dedicated Senior Center called "The Center at Founders Village" located on Bushard Street. The center offer an array of programs, 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.



# COMMUNITY PROFILE

## Housing and Families

There were a total of 19,281 households in Fountain Valley according to the 2010-2016 American Community Survey 5-year survey through the US Census Bureau. Over 69.9% of the city's housing units are owner occupied and 38.1% were renters. Vacancy rates are very low at less than 2.5% 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 \$673,000. This represents a 2% increase over the prior year based on 481 single family residential sales.

Type	FOUNTAIN VALLEY		ORANGE COUNTY	
	2015	Percent	2015	Percent
Single Family Detached	12,737	65.0%	539,326	51%
Single Family Attached	1,874	10%	128,593	12%
Multi-Family (2-4 units)	792	4%	92,877	9%
Multi-Family (5 + units)	3,736	19%	267,243	25%
Mobile Homes	342	2%	29,846	3%
<b>Total</b>	<b>19,481</b>	<b>100%</b>	<b>857,885</b>	<b>100%</b>

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.

# COMMUNITY PROFILE

## 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 18-hole golf courses.

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.

Places of Interest	Approximate Drive Time
Disneyland	20 minutes
Knott's Berry Farm	30 minutes
John Wayne Airport	15 minutes
Long Beach Municipal Airport	20 minutes
Huntington Beach	10 minutes
Newport Beach	15 minutes
Anaheim Convention Center / Honda Center / Angel Stadium / Artic Transportation Hub	20 minutes

## 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.



**HYUNDAI**  
NEW THINKING.  
NEW POSSIBILITIES.



**ORANGE COAST  
MEMORIAL**  
MEMORIALCARE HEALTH SYSTEM

## COMMUNITY PROFILE

Employer	Number of Employees
Fountain Valley Regional Hospital	1734
Memorial Health Services	1122
Hyundai Motor America	1304
Orange Coast Memorial Medical	997
Kingston Technology	685
Surefire LLC	393
Antech Diagnostics, Inc.	325
Costco Wholesale #411	318
Sam's Club # 6615	264
Ceridian Tax Service, Inc.	251
Spec Services, Inc.	228
Manor Care of Fountain Valley	204
Home Depot #647	175

### **Major Property Tax Payers**

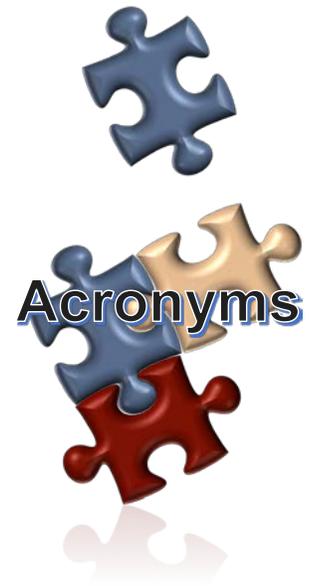
The City of Fountain Valley has a diverse property tax base with the 10 largest taxpayers constituting less than 11% of the total property tax revenues. Significant investments in the City have recently been made by Hyundai Motor America and Yakult USA.

RANK	TOP 10 TAX PAYERS BASED ON NET VALUES 2016-17
1	HYUNDAI MOTOR COMPANY
2	FOUNTAIN VALLEY REGIONAL HOSPITAL
3	ORANGE COST MEMORIAL MEDICAL CENTER
4	JKS-CMFV LLC
5	MEMORIAL HEALTH SERVICES
6	SHEA CENTER CRYSTAL SPRINGS LLC
7	FOUNTAIN VALLEY SENIOR HOUSING LLC
8	US MILLENNIUM LP
9	FOUNTAIN VALLEY MHP ASSOCIATES
10	MTSC-LAKE ELSINORE PARTNERS

Source: HDL Coren & Cone

## ACRONYMS

<b>ABC</b>	Alcoholic Beverage Control
<b>ACC-OC</b>	Association of California Cities – Orange County
<b>AD</b>	Assessment District
<b>ADA</b>	Americans with Disabilities Act
<b>ADT</b>	Average Daily Trips
<b>AHFP</b>	Arterial Highway Financing Program
<b>AQMD</b>	Air Quality Management District
<b>AQMP</b>	Air Quality Management Plan
<b>AP</b>	Accounts Payable
<b>AR</b>	Administrative Regulation (Internal City Policies)
<b>BOE</b>	Board of Equalization
<b>CAD</b>	Computer Aided Dispatch System
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CAL-ID</b>	California’s automated fingerprinting identification system
<b>CAL-OES</b>	California Office of Emergency Services
<b>CBO</b>	Chief Building Official
<b>CC</b>	City Council
<b>CDBG</b>	Community Development Block Grant
<b>CEQA</b>	California Environmental Quality Act
<b>CERT</b>	Community Emergency Response Training
<b>CFD</b>	Community Facilities District
<b>CIP</b>	Capital Improvement Program
<b>CJPIA</b>	California Joint Powers Insurance Authority



## ACRONYMS

<b>CMP</b>	Congestion Management Plan
<b>CMTA</b>	California Municipal Treasures Association
<b>CNG</b>	Compressed Natural Gas
<b>COPS</b>	Community Oriented Policing Services
<b>CPI</b>	Consumer Price Index
<b>CREB's</b>	Clean Renewable Energy Bonds
<b>CSMFO</b>	California Society of Municipal Finance Officers
<b>CUP</b>	Conditional Use Permit
<b>D.A.R.E.</b>	Drug Abuse Resistance Program
<b>DOF</b>	California Department of Finance
<b>E/FTC</b>	Eastern/Foothill Transportation Corridor
<b>EECBG</b>	Energy Efficiency and Conservation Block Grant
<b>EEMP</b>	Environmental Enhancement and Mitigation Program
<b>EIR</b>	Environmental Impact Report
<b>ERAF</b>	Education Revenue Augmentation Fund
<b>FHCOC</b>	Fair Housing Council of Orange County
<b>FEMA</b>	Federal Emergency Management Agency
<b>FTE</b>	Full-Time Equivalent
<b>FVFA</b>	Fountain Valley Financing Authority
<b>FVPFA</b>	Fountain Valley Public Financing Authority
<b>FPPC</b>	Fair Political Practices Commission
<b>GASB</b>	Governmental Accounting Standards Board
<b>GDP</b>	Gross Domestic Product

## ACRONYMS

<b>GFOA</b>	Government Finance Officers Association
<b>GIS</b>	Geographical Information System
<b>GMA</b>	Growth Management Area
<b>GMP</b>	Growth Management Program
<b>GPA</b>	General Plan Amendment
<b>GSP</b>	Gross State Product
<b>HOME</b>	Federal Home Investment Partnership Program
<b>HSIP</b>	Highway Safety Improvement Program
<b>HUD</b>	U.S. Department of Housing and Urban Development
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>IFAS</b>	Integrated Financial Accounting System
<b>IOD</b>	Injury on Duty / 4850 Pay
<b>JPA</b>	Joint Powers Authority
<b>LAEDC</b>	Los Angeles Economic Development Corporation
<b>LAFCO</b>	Local Agency Formation Commission
<b>LAIF</b>	Local Agency Investment Fund
<b>LED</b>	Light Emitting Diode
<b>LLEBG</b>	Local Law Enforcement Block Grant
<b>LLPM</b>	Landscape, Lighting and Park Maintenance
<b>LOCC</b>	League of California Cities
<b>M2</b>	Measure M Local Turnback
<b>M2-ACE</b>	Measure M (M2) – Arterial Capacity Enhancements

## ACRONYMS

<b>M2-TSSP</b>	Measure M (M2) – Traffic Signal Synchronization
<b>M2-ICE</b>	Intersection Capacity Enhancement
<b>M-GMA</b>	Measure M Growth Management Area
<b>MDC</b>	Mobile Data Computer
<b>MOU</b>	Memorandum of Understanding
<b>NIMS</b>	National Incident Management System
<b>NLC</b>	National League of Cities
<b>NPDES</b>	National Pollutant Discharge Elimination System
<b>OCFA</b>	Orange County Fire Authority
<b>OCTA</b>	Orange County Transportation Authority
<b>OCTAM</b>	Orange County Transportation Analysis Model
<b>OCUTT</b>	Orange County Unified Transportation Trust
<b>OSHA</b>	Occupational Safety and Health Administration
<b>PAF</b>	Personnel Action Form
<b>PC</b>	Planning Commission
<b>PERS</b>	Public Employees' Retirement System
<b>PMS</b>	Pavement Management System
<b>POB</b>	Pension Obligation Bonds
<b>POST</b>	Peace Officer Standards Training
<b>PQI</b>	Pavement Quality Index
<b>PRA</b>	Public Records Act
<b>PT</b>	Part-Time
<b>PUC</b>	Public Utilities Commission

## ACRONYMS

<b>RDA</b>	Redevelopment Agency
<b>RFP</b>	Request for Proposal
<b>RFQ</b>	Request for Quote or Qualifications
<b>ROW</b>	Right of Way
<b>RPT</b>	Regular Part-Time
<b>RSTP</b>	Regional Surface Transportation Program
<b>SBP</b>	Strategic Business Plan
<b>SCAG</b>	Southern California Association of Governments
<b>SCRRA</b>	Southern California Regional Rail Authority
<b>SDC</b>	Systems Development Charge
<b>SJHTC</b>	San Joaquin Hills Transportation Corridor
<b>SLTPP</b>	State Local Transportation Partnership Program
<b>STP</b>	Strategic Technology Plan
<b>TCA</b>	Transportation Corridor Agencies
<b>TEA</b>	Tax Equity Allocation
<b>TMA</b>	Transportation Management Association
<b>TMP</b>	Transportation Management Plan
<b>TOT</b>	Transient Occupancy Tax (aka Hotel Tax or Bed Tax)
<b>TRO</b>	Trip Reduction Ordinance
<b>UASI</b>	Urban Area Security Initiative
<b>UUT</b>	Utility Users Tax
<b>VLF</b>	Vehicle License Fee

## ACRONYMS

**VoIP**

Voice over Internet Protocol

## BUDGET GLOSSARY

<b>Accrual Basis of Accounting</b>	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.
<b>Adjusted / Amended Budget</b>	The adopted budget plus any modifications (increases, decreases and transfers) approved by the City Council during the fiscal year.
<b>Air Quality Management District</b>	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 ( <a href="http://www.aqmd.gov">www.aqmd.gov</a> ).
<b>Air Quality Management Plan</b>	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.
<b>Allocation of Funds</b>	Setting aside funds for a specific purpose or program. An allocation of funds makes them available for expenditure.
<b>Appropriation</b>	A specific amount of money authorized by the City Council for an approved work program.
<b>Arterial Highway Financing Program</b>	AHFP – a Measure M funded program for pavement rehabilitation projects on arterial roadways in the county.
<b>Assessed Property</b>	The value set upon real estate or other property by the County Tax Assessor.
<b>Assessed Valuation</b>	A measure of the taxable value of property located within the City against which the tax rate is applied.
<b>Assessed Valuation (Secured)</b>	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.
<b>Assessed Valuation (Unsecured)</b>	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.
<b>Assessment District</b>	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.
<b>Audit</b>	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

## BUDGET GLOSSARY

	City's internal controls as well as recommending improvements to the City's financial management practices.
<b>Balanced Budget</b>	A budget in which planned expenditures do not exceed planned revenues.
<b>Bond Refinancing</b>	The pay off and re-issuance of bonds to obtain better interest rates and/or bond conditions.
<b>Bonds</b>	A certificate of debt issued by an entity, guaranteeing payment of the original investments, plus interest.
<b>Budget Surplus</b>	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).
<b>Budget Amendment</b>	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.
<b>California Environmental Quality Act</b>	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 ( <a href="http://ceres.ca.gov/ceqa">ceres.ca.gov/ceqa</a> ).
<b>California Transportation Commission</b>	CTC – the agency responsible for programming and allocating funds for the construction of highway, passenger rail and transit improvements throughout California ( <a href="http://www.catc.ca.gov">www.catc.ca.gov</a> )
<b>Capital Equipment</b>	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.
<b>Capital Expenditure</b>	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.
<b>Capital Improvement Program Budget (CIP)</b>	CIP Budget – 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.
<b>Certificates of Participation</b>	Certificates of Participation (COPs) are 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

## BUDGET GLOSSARY

	been used by municipalities to pay for prisons, office buildings, vehicles, and even parks.
<b>City Council</b>	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.
<b>Community Development Block Grant</b>	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.
<b>Community Facilities District</b>	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.
<b>Community Oriented Policing Services</b>	COPS – a grant program that provides partial funding of salaries for several front line law enforcement positions.
<b>Comprehensive Annual Financial Report</b>	CAFR – 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, and statistical information. The CAFR is prepared by December of each year.
<b>Conditional Use Permit</b>	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.
<b>Congestion Management Plan</b>	CMP – defines a network of state highways and arterials, level of service standards and related procedures.
<b>Consumer Price Index</b>	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.
<b>Contingency Reserve</b>	The City has established a policy to set aside a percentage of its General Fund operating expenditures as a contingency reserve.
<b>Cost Allocated</b>	A method used to charge General Fund costs budgeted in one department to another department or another fund.
<b>Debt Service</b>	The payment of principal and interest on borrowed funds such as bonds.

## BUDGET GLOSSARY

<b>Department, (Function) Division,</b>	Section Organizational units within the Operations Budget that group resources together to provide related types of services.
<b>Discretionary Funding Opportunities</b>	Pertains to funds, grants or other resources that are not restricted as to use.
<b>Drug Abuse Resistance Program</b>	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 ( <a href="http://www.dare.com">www.dare.com</a> ).
<b>Eastern/Foothill Transportation Corridor</b>	E/FTC – a network of toll roads extending from Anaheim Hills south to Coto de Caza.
<b>Encumbrance</b>	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.
<b>Enterprise Fund</b>	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.
<b>Environmental Enhancement and Mitigation Program</b>	EEMP – a state funded grant program for projects related to environmental enhancement or design, particularly of transportation facilities.
<b>Environmental Impact Report</b>	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.
<b>Expenditure</b>	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.
<b>Fair Housing Council of Orange County</b>	FHCOC – a private non-profit organization which fosters diversity in housing through education and the enforcement of state and federal fair housing laws ( <a href="http://www.fairhousingoc.org">www.fairhousingoc.org</a> ).
<b>Fees</b>	A general term used for any charge levied by government for providing a service or permitting an activity.
<b>Fiscal Year</b>	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.

## BUDGET GLOSSARY

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

## BUDGET GLOSSARY

<b>Governmental Accounting Standards Board</b>	GASB – organized in 1984 by the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities ( <a href="http://www.gasb.org">www.gasb.org</a> ).
<b>Grants</b>	Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose, activity or facility.
<b>Gross Domestic Product (Real)</b>	GDP – the total of the goods and services produced by labor and property located in the United States.
<b>Gross State Product</b>	GSP – the total of the goods and services produced by labor and property located in the State of California.
<b>Growth Management Area</b>	GMA – inter-jurisdictional planning regions within Orange County.
<b>Growth Management Program</b>	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.
<b>Hotel Tax</b>	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.
<b>Infrastructure</b>	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.
<b>Integrated Financial Accounting System</b>	InCode – Fountain Valley’s computerized accounting system used to coordinate the City’s general accounting, purchasing and utility billing processes.
<b>Inter-Fund Transfers</b>	Payments from one fund to another fund, primarily for work or services provided
<b>Landscape, Lighting, and Park Maintenance</b>	LLPM – an assessment district to provide funds for park and parkway landscaping, lighting and park maintenance.
<b>Lease-Purchase Agreement</b>	Contractual agreements which are termed leases, but whose lease amount is applied to the purchase.
<b>Level of Effort</b>	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.
<b>Levy</b>	To impose taxes, special assessments or service charges for the support of governmental activities.

## BUDGET GLOSSARY

<b>Local Agency Formation Commission</b>	LAFCO – reviews proposals for the formation of new local governmental agencies and changes of organization in existing agencies ( <a href="http://www.oclafco.org">www.oclafco.org</a> ).
<b>Local Agency Investment Fund</b>	LAIF – a voluntary program created by statute in 1977 in which participating agencies (local governments and special districts) invest public funds.
<b>Long-Term Debt</b>	Debt with a maturity of more than one year after issuance.
<b>Major Fund</b>	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.
<b>Measure M</b>	County-wide sales tax measure used to fund a variety of transportation related projects.
<b>Measure M - Growth Management Area</b>	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.
<b>Measure M – Turnback</b>	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.
<b>Memorandum of Understanding</b>	MOU – an agreement outlining the terms of employment entered into between the City and employees of various bargaining units.
<b>Modified Accrual</b>	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.
<b>National Pollutant Discharge Elimination System</b>	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.
<b>Objective</b>	Describes an outcome to be accomplished in specific, well-defined and measurable terms and is achievable within a specific timeframe; generally, programs have objectives.

## BUDGET GLOSSARY

<b>Operating Budget</b>	A budget for General Fund department service delivery expenditures such as salaries, utilities and supplies. The day-to-day costs of delivering City services.
<b>Orange County Fire Authority</b>	OCFA – an agency that provides fire prevention/suppression and emergency services to 22 cities and all the unincorporated areas in Orange County ( <a href="http://www.ocfa.org">www.ocfa.org</a> ).
<b>Orange County Investment Pool</b>	OCIP – a pooling of cash by the county, local agencies and school districts for investment purposes run by the Orange County Treasurer.
<b>Orange County Transportation Authority</b>	OCTA – a regional transportation agency formed in 1991 to develop and implement unified transportation programs and services for Orange County ( <a href="http://www.octa.net">www.octa.net</a> ).
<b>Ordinances</b>	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.
<b>Outputs</b>	The general results expected from programs and functions.
<b>Part I Crimes</b>	The most serious criminal offenses, including murder, rape, robbery, aggravated assault, burglary, larceny/theft, auto theft and arson.
<b>Part II Crimes Pavement Management System</b>	All other criminal offenses not defined as Part I crimes. 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.
<b>Pavement Quality Index</b>	PQI – a scale from 1 to 10 that measures the structure, surface condition and riding comfort of the roadway.
<b>Performance Budget</b>	A budget wherein expenditures are tied to the measurable performance of activities and work programs.
<b>Performance Measurements</b>	Statistical measures that are collected to show the impact of dollars spent on City services.
<b>Personnel Expenses</b>	Salaries and fringe benefits, such as pensions and insurance, for full-time and part-time employees of the City.
<b>Priority E</b>	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.
<b>Priority I Calls</b>	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.

## BUDGET GLOSSARY

<b>Program</b>	Represents major areas or support functions that can be defined as a service provided to citizens, other departments or other agencies.
<b>Program Budget</b>	A budget wherein expenditures are displayed primarily on programs of work and secondarily by the character and object class of the expenditure.
<b>Property Tax</b>	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.
<b>Proposition 218</b>	On November 5, 1996, the California electorate approved Proposition 218, the self-titled “Right to Vote on Taxes Act.” Proposition 218 added articles XIIC and XIID 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.
<b>Public Employees’ Retirement System</b>	PERS – provides retirement and health benefit services to members from the state, school districts and local public agencies ( <a href="http://www.calpers.ca.gov">www.calpers.ca.gov</a> ).
<b>Ralph M. Brown Act</b>	The Brown Act is a California law that insures the public can attend and participate in meetings of local government.
<b>Redevelopment Agency</b>	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.
<b>Regional Surface Transportation Program</b>	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.
<b>Reserve</b>	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.
<b>Resolution</b>	A special or temporary order of a legislative body (e.g. City Council or Planning Commission) requiring less formality than an ordinance.
<b>Resources</b>	Units of dollars or physical input, such as work years or work hours, and other assets used to support and attain program objectives.

## BUDGET GLOSSARY

<b>Revenue</b>	Annual income received by the City.
<b>Right of Way</b>	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.
<b>San Joaquin Hills Transportation Corridor</b>	SJHTC – a toll road extending from Costa Mesa south to Laguna Niguel
<b>Service Center</b>	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.
<b>Southern California Association of Governments</b>	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 ( <a href="http://www.scaq.ca.gov">www.scaq.ca.gov</a> ).
<b>Special Funds</b>	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.
<b>Strategic Financial Business Plan</b>	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.
<b>Traffic Enforcement Index</b>	The number of moving citations divided by the number of injury accidents.
<b>Transfers-In/Out</b>	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.
<b>Transient Occupancy Tax</b>	TOT – an 9% tax added to the cost of renting a hotel room within the City. Also known as the Hotel or Bed Tax.
<b>Transportation Corridor Agencies</b>	TCA – formed in 1986 to plan, finance, construct and operate Orange County’s public toll road system ( <a href="http://www.thetollroads.com">www.thetollroads.com</a> ).

## BUDGET GLOSSARY

<b>Transportation Management Association</b>	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.
<b>Transportation Management Plan</b>	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.
<b>TRIPS</b>	A transit service for Fountain Valley seniors and persons with disabilities, providing pre-scheduled transportation and regular shuttle services.
<b>Unencumbered Appropriation</b>	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.
<b>Voice Over Internet Protocol</b>	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).



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