

FOUNTAIN VALLEY, CALIFORNIA

FISCAL YEAR 2017-2018
ANNUAL OPERATING BUDGET
and
TEN YEAR FINANCIAL FORECAST &
CAPITAL IMPROVEMENT PLAN



LEGISLATIVE BODY:

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

Submitted by:
City Manager Interim John Sibley

BUDGET STAFF

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

ADOPTED:

June 6, 2017

CITY OF FOUNTAIN VALLEY

RESPONSIBLE SPENDING PLEDGE

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

The City goals are to:

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

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

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

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

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

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

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

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

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

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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 2017-18 Budget, as well as how the document is organized. The FY 2017-18 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 2017-18.

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.

City Responsible Spending Pledge

City Council adopted policy which outlines the City’s commitment to sound financial spending policies. This pledge specifically identifies where Measure HH – Essential City Services receipts are to be utilized. The focus is on maintaining essential City services and then paying down unfunded liabilities and outstanding debt.

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 Council, City Clerk and IT)	Planning / Building & Safety
Finance / Purchasing	Police Department
Fire Department	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

INTRODUCTION

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.

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; Community Members; and City Staff

FROM: John Sibley, City Manager

Introduction

I am pleased to present to you the City of Fountain Valley's Budget for Fiscal Year 2017-18. This budget implements 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. 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.

The 2017-18 budget puts into place actions which complement our Strategic Plan goals and enhance the ability of our staff to deliver quality services to our residents and businesses. Our guideposts are consistent with the voter approved Measure HH initiative and how we can responsibly organize to ensure that we are indeed restoring critical services and improving and enhancing others.

For several years, our organization has been defined by the recession, meaning that our ability to organize effectively and plan for the future was limited by resources. Limited resources will always be a reality that we have to deal with as a municipality but with the passage of Measure HH the voters told us that public safety, enhanced infrastructure and the quality of life are very important to them. The responsibility to deliver those key elements to our residents now rests with us.

This financial document focuses on the priorities outlined in the Responsible Spending Pledge that was adopted by the City Council on October 16, 2016 which is related to the successful passage of Measure HH – Essential City Services. The commitment is to maintain essential city services including public safety; senior and youth programs; parks & roadways; other critical city services and then paying down debt; unfunded liabilities and rebuilding reserves. This budget meets the City's financial objectives and policies of a balanced operating budget while maintaining prudent operating reserve levels.

CITY MANAGER'S TRANSMITTAL LETTER

Discussion

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

The Fountain Valley community; council and city staff got together and approved a revenue enhancement measure which addresses the goal of fiscal sustainability; fixing the operating structural deficit while accommodating current and future anticipated public safety service levels. It will begin to restore reserves and payoff existing City debt and unfunded pension and other post-employment benefits (OPEB) liabilities. It will also allow the City to restore and maintain its current level of police protection as well as firefighters and paramedics positions. The measure includes tough fiscal accountability and transparency through a citizen's oversight committee.

This year the budget process has been approached differently due to the timing of the receipts of the transaction sales tax. Although Measure HH was successful, implementation and collection of the new 1% transaction sales tax did not begin until April 1, 2017 and to-date the City does not have any historical data related to the annualized transaction sales tax amount. The budget, as submitted, is reflective of using 2016-17 adopted budget numbers as the baseline. Essential services levels were then restored or items added which will allow the City to continue to maintain these services levels, including public safety. This budget, as adopted, reflects baseline expenditures over revenues of \$4.2M which will be offset by the new transaction sales tax, thus having a balanced operating budget. The goal will be to perform a more detailed review of operations and revenues at mid-year and return to City Council with the balance of the Measure HH implementation if actual transaction sales tax exceeds the initial forecast.

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. The 2017-18 budget begins to again address essential city services with a focus on public safety and keeping all fire stations open and fully operational. The budget restores a Fire Battalion Chief position, adds two police officer positions and includes other adjustments to public safety staffing. Funds have also been allocated to public safety equipment, training and replacement of patrol cars and funding for future replacement of fire apparatus.

As the 2017-18 budget was being developed, Finance staff worked on updating the City's Ten-Year Long Term operating financial plan and has developed a 20-year fiscal

CITY MANAGER'S TRANSMITTAL LETTER

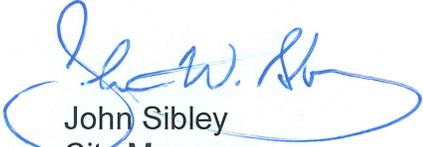
sustainability financial plan which incorporates all the elements of the Responsible Spending Pledge and Measure HH forecasted revenues. This document will be used to demonstrate the prudent use of the Measure HH funds in the years to come.

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 have escalated faster than revenues. This "crowding-out" effect is nowhere more evident when we consider the competing demands of funding our vital City public safety service levels and community infrastructure maintenance including local roadways, parks and playgrounds. However, Measure HH will allow our community to focus on maintaining critical City services without the immediate need to side track off on other fiscal issues facing many other communities.

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,



John Sibley
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.



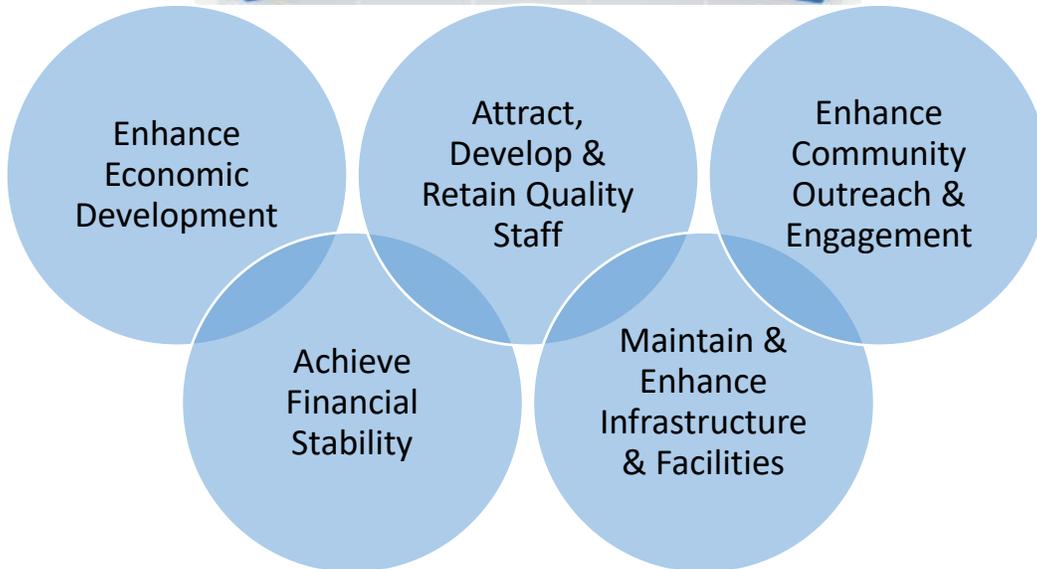
The Strategic Plan is a living document: one that is never really in final form as it is designed to reflect times, challenges, and opportunities, which frame the environment in which our organization operates. Certain elements of the Strategic Plan, such as its Mission Statement and Core Values, are 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 May 11, 2017 which identified the objections to be completed between May and October 2017.

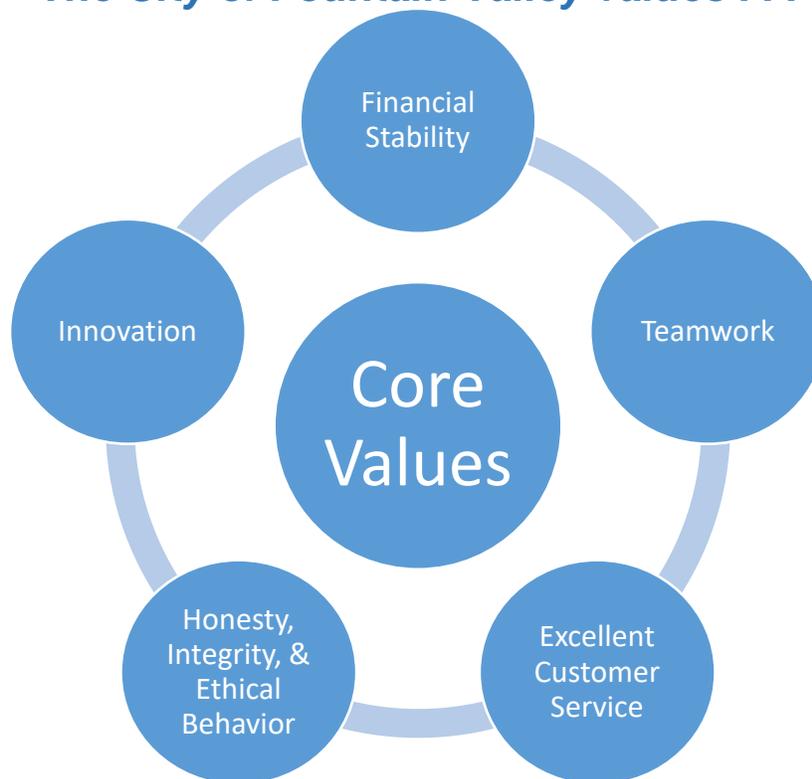
Mission Statement

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 2016-17 Year City of Fountain Valley Strategic Planning Accomplishments

- Passage of the Sales Tax Measure (HH)
- Made a recruitment video
- Started a restaurant association
- Created an Internal Communication Team
- Presented approximately 60 community engagement meetings
- Easter Egg Hunt
- Presented a draft Specific Plan
- Hosted the Special Olympics
- Confiscated weapons from dangerous people
- Held a Town Hall meeting for the community and the Police department on the use of force
- Created a Fountain Valley Community newsletter for residents
- 675 people participated in the Fountain Valley Camp Out
- Implemented lock box processing for utility billing
- Got the GFOA award for our financial CAFR
- Information Services was awarded the Quality in Information Services award from MISAC
- Good street maintenance
- Recognized as one of the “Best Cities to Live In” (#2) by the Orange County Register Newspaper
- Office of Traffic Safety grant awarded to the Police department for \$111,000
- We are a Tree City, USA
- Obtained a consultant for water line assessment
- Adopted changes to the City’s parking ordinance
- Study session was held on short term rentals
- Secured a grant for \$225,000 for a Protected Permissive Left Turn (i.e. green arrow) Traffic Signal Study
- Averaged 350 Senior Transportation rides per month (SMP Program)
- Completed recommendations for street light purchase and presented to the City Council for direction
- Developed our strategic plan and we maintained our work on the objectives on a regular basis
- Police Department held a community meeting on the dangers of marijuana
- Had one of the largest Fire department open houses (close to 1000 attendees) in the past 20 years
- Increased social media communication
- Began construction process for the Sandalwood Pump Station

STRATEGIC PLAN

- Provided information on how to act and react to coyote sightings
- Hosted Nation Night Out with the Recreation Department and Police Department
- Provided twice-weekly low or no cost meals to senior citizens
- Community appreciates the outreach efforts we've done, including parks
- Released a community mobile app
- Relocated our oldest building in town
- Paved Residential Quadrant G3
- Instituted an automated external defibrillator (AED) device program in police cars
- Began bicycle safety program in local schools
- Presented two Mayor's Awards
- Presented to Council an incentive plan to attract hotels and large revenue-producing businesses
- Updated the development service fee schedule
- Produced economic development materials, including making a video
- Updated information on the website
- We hosted our annual Summer-Fest event-a kickoff to summer in Fountain Valley
- Team effort in educating the community on the tax measure
- Created an Employee Handbook
- We designed and ordered a new fire engine
- Completed the Employee Information Intranet
- Developed a Senior Community Outreach Plan
- Completed upgrade of the Ward Street Sewer Lift Station
- Presented to the City Council a Fiscal Sustainability Plan-staff went out and solicited suggestions from the public before developing the plan
- Completed a solar energy deal
- Offered over 1,250 Red Cross swim lessons
- Migrated the Police department to a mobile data computer (MDC)
- Created a commercial space locator for business
- We had a Summer Movie Series at four parks
- Converted all City meters to an automated meter reading system
- Fire Department was awarded an Emergency Management Performance Grant for approximately \$8,000
- Hired a consultant to conduct community meetings and design Reservoir #2
- Public re-elected two Council Members
- Implemented new Affordable Care Act requirements and recording
- Fire Department restricted workers' comp and the Return to Work Program

STRATEGIC PLAN

Strategic Plan Updated covering November 2016-May 2017

- Financial stability
- Measure HH passed by 60%
- 20 year Stability Plan
- Created a 60th Anniversary Committee
- Formation of a Measure HH Oversight Committee
- \$225,000 grant for ADA accessibility near schools
- Protected our ambulance franchise
- Marketing materials to attract businesses
- Updated the City's network infrastructure
- Upgraded e-mail security
- Developed a plan to improve Internet connectivity at fire stations
- Crossings Project was passed by the Planning Commission
- Sold a Housing Authority asset for \$7.25million
- Held a sales and use tax workshop
- Secured building permits for HVAC in the gym and Recreation Center
- Held two community workshops on City services and programs
- Renewed the EMPG grant for approximately \$10,000
- Awarded three Mayor's Awards to Tom Eynon, Scott Baker and Fire Marshall Rudaitis
- Fire Department entered into a Regional Peer Support Program
- Continued collaboration with the Fountain Valley Community Foundation
- Presented to Council a plan for adequate police staffing
- Initiated a study of traffic signal safety operations Citywide using \$225,000 in grant funds
- Entered into a food and waste program with our waste hauler
- Working on a community app that focuses on shop, dine and play in Fountain Valley
- Adopted economic development strategy
- Formed 50th Anniversary Committee for the Police Department
- Met our drought mandates
- Began construction of Sandalwood Stormwater Pump Station
- Developed a citywide Median Landscape and Monumentation Master Plan
- Received the MISAC Award for excellence in information services
- Solar panels and LED light energy saving retrofits citywide
- Hosted the annual Easter Egg Hunt with 5000 in attendance
- Fully trained a Police Department Peer Support Team

STRATEGIC PLAN

- Held the Annual Real Estate Broker Summit
- Adopted a City Employment and Retention Policy
- Preserved the City's oldest building (a farm water tank house)
- We've had more public engagement since the November election
- Built and received a fire engine on schedule
- Developed a plan to restore services in the Fire Department
- Mental health clinician is working in patrol in the Police Department
- Collaboration with the County on homelessness and transient issues
- We hosted an annual Tree Lighting Ceremony
- Received the GFOA (Government Finance Officers Association) Award for the City's financial statement
- Raised over \$25,000 to support the City's 60th Anniversary
- Re-Carpeted and re-painted City Hall
- Reestablished turf in neighborhood parks
- Received a Southern California Municipal Athletic Federation (SCMAF) Agency Award for 2016
- Repaved a lot of streets, much of which was funded with outside funds-streets look great
- Completed Citywide communications to all City utility facilities
- Returned the City's Farmer's Market
- Hosted a 5K with the Fountain Valley Community Foundation-\$15,000 was raised for community groups and nonprofits
- Community appreciates the monthly Fountain Valley newsletter

STRATEGIC TEN-YEAR FINANCIAL PLAN OVERVIEW

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 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

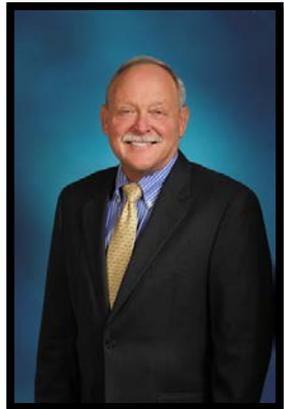
CITY COUNCIL MEMBERS



John Collins
Mayor



Michael Vo
Mayor Pro Tem



Steve Nagel
Council Member



Mark McCurdy
Council Member



Cheryl Brothers
Council Member

CITY OFFICIALS

- City Manager.....John Sibley
- Chief of Police.....Kevin Childe
- Director of Finance/Treasurer.....David D. Cain
- Director of Human Resources.....Vacant
- Director of Planning/Building & SafetyMatt Mogensen
- Director of Public Works/City Engineer.....Mark Lewis
- Fire Chief.....Tony Coppolino

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

CITY COMMISSIONS, COMMITTEES & BOARDS



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

PLANNING COMMISSION

- Patrick HarperChair
- Herman Jack AjamianVice Chair
- Stephen Brown.....Commissioner
- Brad Caston.....Commissioner
- William M. Cameron.....Commissioner
- Robert R. McVicker.....Commissioner
- Matt Mogensen.....Staff Representative

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

HOUSING & COMMUNITY DEVELOPMENT ADVISORY BOARD

- Michael Saffell.....Chair
- Kimberly Adessian.....Vice Chair
- Stephen Brumm.....Commissioner
- Ramon Galvez-Arango.....Commissioner
- Matt Mogensen & Ashlyn Newman.....Staff Representative

Housing & Community Development Advisory Board meetings are held on the 1st 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 1st 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



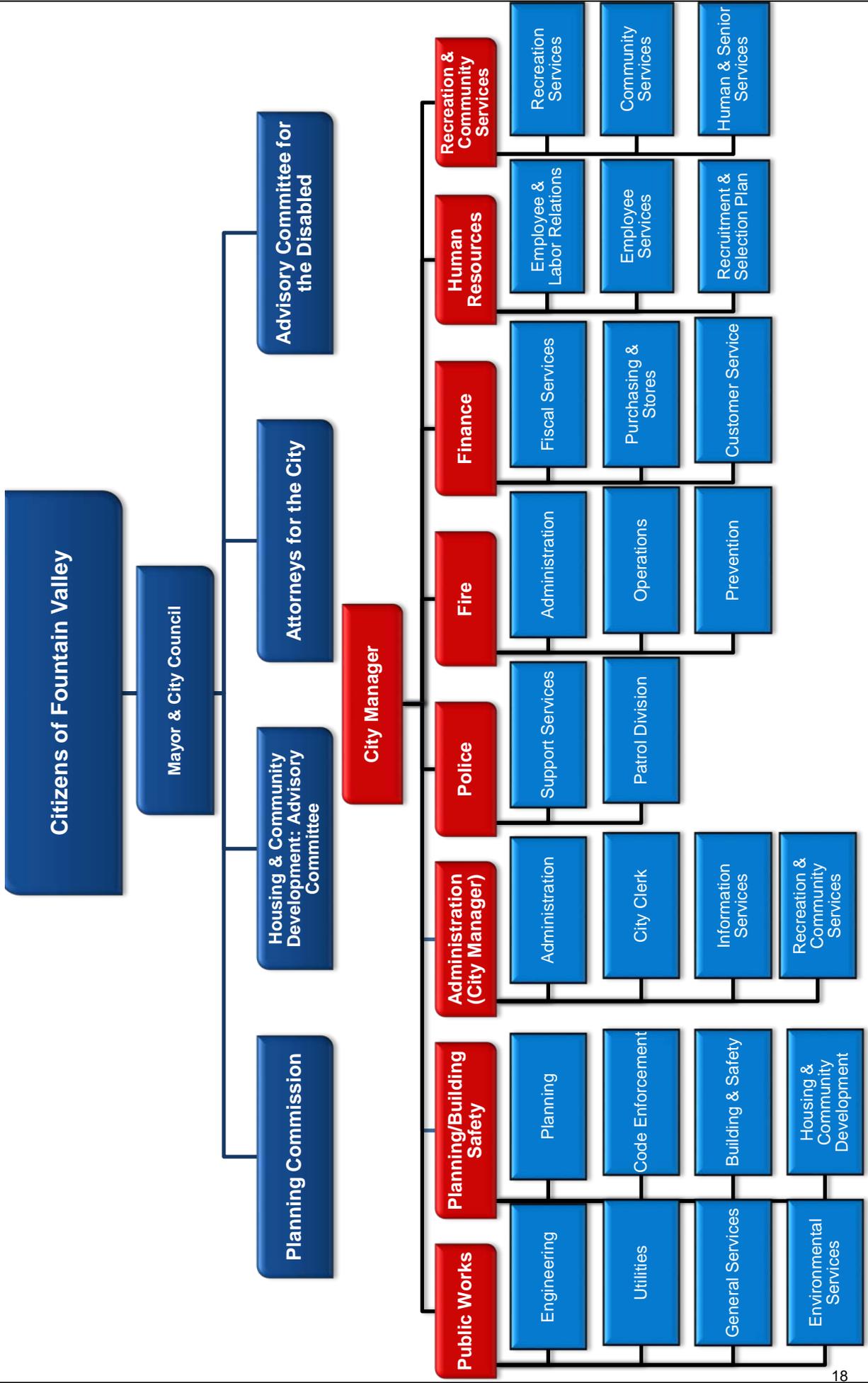
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY

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

MEASURE HH - ESSENTIAL CITY SERVICES OVERSIGHT BOARD

- John Briscoe.....Committee Member
- Margie Drilling.....Committee Member
- Michele Jensen.....Committee Member
- Matt Taylor.....Committee Member
- Jeffery Stone.....Committee Member
- Michael White.....Alternate Board Member

City Organizational Chart



RESOLUTION NO. 9602

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 2017-18

WHEREAS, the City Manager and Finance Director have, heretofore, presented to the City Council a Proposed Operating Budget for Fiscal Year 2017-18; and

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

WHEREAS, the City Council did hold a public workshop on May 16, 2017, in the Council Chambers of City Hall of said City, in order to review the proposed budget documents for Fiscal Year 2017-18; and

WHEREAS, the City Council did review proposed budget for the Fiscal Year 2017-18; 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 and the City Manager, 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, 2017 and ending June 30, 2018, 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; 2017-18 Capital Improvement Program expenditures along with the use of Capital Reserve Fund monies; and authorize the identified assigned or committed allocation of the General Fund cash balances.

SECTION 3. The City Council does hereby authorize the City Manager's organizational realignments of several City departments and staff positions.

SECTION 4. 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 5. The City Manager or his/her designee, for purposes of administrative necessity in implementing the budget, is hereby authorized to transfer funds between accounts, programs and line item expenditures as long as the transfer does not exceed the total appropriation within a given fund or where such transfer is expressly prohibited in a resolution or ordinance approved by the City Council.

SECTION 6. The Fiscal Year 2017-18 amended Financial & Budget Policies as presented in the 2017-18 Annual Budget are hereby adopted by the City Council. The City Council does hereby adopt a budget that does meet the requirements of the Financial & Budget Policies related to the "Balanced Budget" section of the policies.

SECTION 7. The City Council does hereby adopt Salary and Position Control Schedule.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this Resolution, and enter it into the book of original Resolutions.

PASSED APPROVED and ADOPTED by the City Council of the City of Fountain Valley at a Special City Council meeting held on this 6th day of June, 2017 by the following vote:

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



John J. Collins, Mayor

ATTEST:



Rick Miller, City Clerk

APPROVED AS TO FORM:



Colin Burns, Harper & Burns
Attorney for the City

GANN APPROPRIATIONS LIMIT

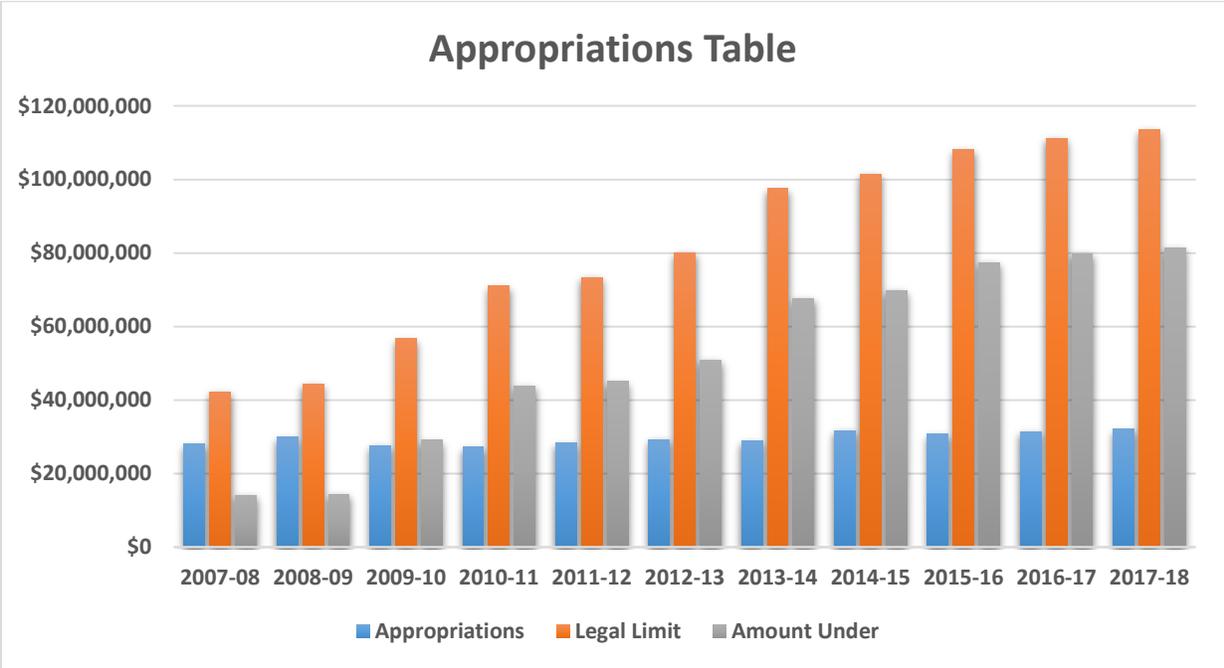
In November 1979 the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative” or “Gann Limit.” The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government from the “proceeds 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 FY2017-18.

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 \$81,361,244 using the non-residential new construction figure and county population growth factors.

GANN APPROPRIATIONS LIMIT CALCULATION FY 2016-17	
FY 2016-17 Appropriations Limit	\$111,233,654
Population Growth (City or County)	1.01%
Cost of Living (Per Capita or Non-residential construction growth)	1.05%
FY 2017-18 Appropriations Limit (\$111,233,654 x 1.01 x 1.05)	\$113,531,244

GANN APPROPRIATIONS LIMIT



RESOLUTION NO. 9603

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
FOUNTAIN VALLEY, CALIFORNIA APPROVING AND ADOPTING
THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017-
18**

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 2017-18 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:

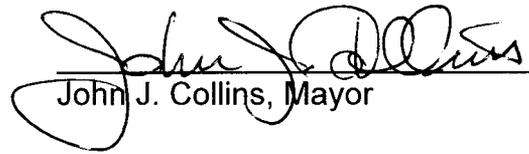
SECTION 1. That the Appropriations Limit for 2017-18 shall be \$113,531,244, as calculated in Attachment A, and the Appropriations Subject to Limitation in Fiscal Year 2017-18 shall be \$38,702,345 and therefore is \$74,828,899 under the limit.

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

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

PASSED APPROVED and ADOPTED by the City Council of the City of Fountain Valley at a Special City Council meeting held on this 6th day of June, 2017 by the following vote:

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



John J. Collins, 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 2017-18

	Amount	Source
A. Last Year's Limit	\$111,233,654	
B. Adjustment Factors		
1. Population %	1.01%	Used County Pop
2. Inflation %	1.05%	Used non-residential new construction
Total Adjustment %	2.07%	
C. Annual Adjustment \$	2,297,590	
D. Other Adjustments:		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fee (-)	-	
Assumed Responsibility (+)	-	
Sub-Total	-	
E. Total Adjustments	2,297,590	C+D
F. This Year's Limit	\$113,531,244	A+E

Recap

Current Appropriations Limit	\$113,531,244
Less: Proceeds of Taxes subject to limit	\$38,702,345
Difference Under the Limit	\$74,828,899

RESOLUTION NO. 9604

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 2017-18 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 therefore, 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 \$1,809,717 in 2017-18 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 SIGNED this 6th day of June 2017, at a Special Meeting of the City Council of the City of Fountain Valley.

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



John J. Collins, 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 2017-2018**

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	

1 Rental value	\$0.30 per SF/MO	692,381	
2 Rental value	\$0.25 per SF/MO	95,268	787,649

B. LEASED BUILDINGS

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

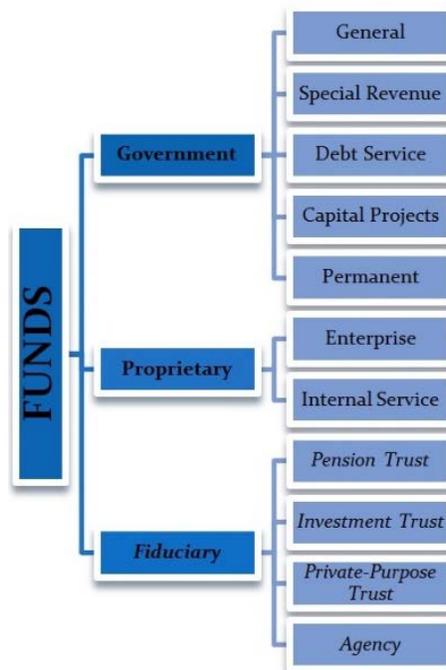
C. INDIRECT COSTS

2017/18 Water Fund Expenditures (Less In-Lieu & General Fund Loan Interest)	10,736,375	
General Administrative Cost Rate	7.51%	
Total General Administrative Cost		806,107
Municipal Code 14.12.200 Public Fire Protection Credit (2,050 Hydrants @ \$7.50)		(15,375)
TOTAL COST PER AGREEMENT		1,809,717

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.

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 and 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 from the Fountain Valley Community Foundation (Separate Non-Profit Corporation from the City).

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.

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

DESCRIPTION OF FUNDS

the Court's ruling on the Dissolution Act, all redevelopment agencies in California were dissolved effective February 1, 2012. On January 10, 2012, the City opted out of being the Successor Agency for the Housing functions of the former agency and assigned the Fountain Valley Housing Authority as the successor to the housing assets and activities. The Fountain Valley Housing Authority Fund accounts for the City's Housing activities.

HOME Grant

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

Local Park Impact Fee

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

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 process for terminating this Authority should be complete by July 2017.

DESCRIPTION OF FUNDS

Fountain Valley Public Finance Authority

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

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.

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

ENTERPRISE FUNDS

Enterprise funds are used to report activities for which service charges or fees are charged to external users. These funds are used to account for operations that are financed and operated in a manner similar to private sector enterprises. 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

DESCRIPTION OF FUNDS

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 customer to cover the cost of maintaining, repairing and rehabilitation of the sewer collection system. This fund was also established to meet the goals and objectives of the master plan of sewers of the City and to mitigate wastewater impacts caused by new development within the corporate City limits. In that certain public sewer improvements must be constructed, a sewer connection/annexation fee is established for development within corporate City limits to pay for their 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.

DESCRIPTION OF FUNDS

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.

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

DESCRIPTION OF FUNDS

assistance program (EAP); and uncompensated absence liability (employee vested vacation and sick leave).

FIDUCIARY FUNDS

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

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

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

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

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, Transaction Sales Tax (Effective April 2017 to March 2037), 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

REVENUE AND EXPENDITURE OVERVIEW

Works, Fire and Police.

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)
- Internal Service Charges - (General Government Buildings, Vehicle Maintenance, Information Systems, and Capital Equipment)
- Maintenance and Operations – General Operating expenditures
- Debt Service – Principal and Interest payments on outstanding bonds issued to construct critical infrastructure facilities.

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.

REVENUE AND EXPENDITURE OVERVIEW

Fourth, debt service is for annual principal and interest payments on municipal bonds which were sold to finance the construction of critical City infrastructure facilities including stormwater pump stations and energy saving solar panels on City buildings.

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 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, it is both an art and a 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 14-18 months based on a variety of economic factors.

ESTIMATED FUND BALANCE

Fund No.	Fund Description	Estimated Fund Balance 7/1/2017	Estimated Continuing Approp.	Projected Revenue 2017-18	Total Available
11	General Fund	35,785,101	7,475,225	49,373,004	77,682,880
Total General Fund		35,785,101	7,475,225	49,373,004	77,682,880
15	Criminal Diversion	419,273	-	56,500	475,773
16	COPS/Supplemental Law	7,308		120,000	127,308
23	Gas Tax/Street Imp	696,951		1,750,651	2,447,602
24	Traffic Improvement	169,569	901,807	280,000	(452,238)
25	Measure M2	1,552,266		1,151,815	2,704,081
26	Pollution Reduction	453,230	138,300	118,100	433,030
31	Drainage Fund	127,903	3,050,000	3,051,000	128,903
34	Abandoned Vehicle Abatement	36,312			36,312
85	Housing Authority	11,790,567		338,200	12,128,767
86	Home Grant	217,000			217,000
87	Community Dev/HUD	-	-	-	-
Total Special Revenue Funds		15,470,379	4,090,107	6,866,266	18,246,538
32	Sewer Assessment	4,469,173	-	2,080,457	6,549,630
71	Water Utility (Cash Balance)	13,350,825	6,089,740	14,535,292	21,796,377
73	Solid Waste	808,436		3,225,000	4,033,436
Total Enterprise Funds		18,628,434	6,089,740	19,840,749	32,379,443
84/91/92	Successor Agency	527,681		375,000	902,681
Total Successor Agency		527,681	-	375,000	902,681
Subtotal		70,411,595	17,655,072	76,455,019	129,211,542
61	Information Technology	1,374,374		1,197,722	2,572,096
62	Government Buildings	2,450,071		1,569,272	4,019,343
63	Fleet Services	2,996,936		1,774,802	4,771,737
64	Capital Equipment	1,283,137		477,433	1,760,569
65	Self Insurance	2,397,752		3,177,901	5,575,653
66	Employee Benefits	951,502		13,300,245	14,251,747
Total Internal Service Funds		11,453,771	-	21,497,375	32,951,146
46	F.V.P.F.A Capital Projects *	6,238,187			6,238,187
47	F.V.P.F.A Debt Service **	-		1,040,404	1,040,404
Total Others		6,238,187	-	1,040,404	7,278,591
Total All Funds		88,103,553	17,655,072	98,992,798	169,441,279

* 2016A Lease Revenue Bond proceeds transferred out of trustee's construction fund to Drainage Fund for the construction of the Sandalwood Pump Station. Appropriation found in Drainage Fund.

** Debt Service for the 2016A Lease Revenue Bonds and CREBs in the amounts of \$868,600 and \$171,804 respectively. Appropriation found in General Fund.

ESTIMATED FUND BALANCE

Transfer In	Transfer Out	Adopted Approp. 2017-18	Various Reserves	Designated Working Reserves	Estimated Fund Balance 6/30/2018
587,942	2,786,111	53,114,332	12,049,534	10,320,845	(0)
587,942	2,786,111	53,114,332	12,049,534	10,320,845	(0)
	80,000	17,000			378,773
		107,039			20,269
703,000	433,000	2,205,500			512,102
1,617,238		1,165,000			-
	1,435,378				1,268,703
	184,047	2,775			246,208
		10,000			118,903
		14,960			21,352
	9,965	397,442			11,721,360
					217,000
		-			-
2,320,238	2,142,390	3,919,716	-	-	14,504,670
	167,634	2,785,574			3,596,422
	249,833	15,375,470			6,171,074
		3,225,000			808,436
-	417,467	21,386,044	-	-	10,575,932
		600,280			302,401
-	-	600,280	-	-	302,401
2,908,180	5,345,968	79,020,372	12,049,534	10,320,845	25,383,003
	46,257	1,687,245			838,594
	33,006	2,205,038			1,781,299
179,000	28,439	2,160,661	721,849		2,039,788
145,000		1,104,496			801,073
		2,571,570			3,004,083
2,221,490		15,044,468			1,428,769
2,545,490	107,702	24,773,478	721,849	-	9,893,607
		3,050,000			3,188,187
-		1,040,404			-
-	-	4,090,404	-	-	3,188,187
5,453,670	5,453,670	107,884,254	12,771,383	10,320,845	38,464,797

ESTIMATED CONTINUING APPROPRIATIONS

Fund Account No.	Account Description	FY 2016-2017 Budget	FY 2016-2017 Estimated Actual (Rev)/Exp.	FY 2017-2018 Estimated Cont. Approp.
11	General Fund			
11.4.22244.3.4418	Professional Services-Other	97,000	95,000	2,000
11.4.31313.3.4413	Professional Services	16,000	3,500	12,500
11.4.GF144.4.4979	Misc. Capital Outlay (15/16 Bev. Cont.)	14,754	-	14,754
11.3.GF146.2.3421	State Grant (16/17 Bev. Container)	(14,754)	-	(14,754)
11.4.GF146.4.4979	Misc. Capital Outlay (16/17 Bev. Cont.)	14,754	-	14,754
11.4.GF132.3.4975	Commercial Prop and Business Improvement	1,000,000	-	1,000,000
11.4.CD868.4.4413	Professional Services	963,609	663,609	300,000
11.4.GF163.4.4950	Street Lights	1,043,030	-	1,043,030
11.4.GF163.4.4978	Capital Outlay-Solar Construction	2,787,418	-	2,787,418
11.4.GF163.4.4979	Misc. Capital Outlay	2,235,523	-	2,235,523
11.4.GF407.4.4929	Park Improvements - Various	80,000	-	80,000
11.3.GF915.0.3413	OCTA Agreement	(975,000)	(20,000)	(955,000)
11.4.GF915.1.4311	I-405 Improvement	975,000	20,000	955,000
Total General Fund		8,237,334	762,109	7,475,225
15	Criminal Diversion			
15.3.71783.2.3422	Federal Grant - 16/17 OTS Step	(111,000)	(75,000)	(36,000)
15.4.71783.1.4323	Overtime - Sworn	83,200	55,000	28,200
15.4.71783.3.4463	Educational Meeting	2,300	-	2,300
15.4.71783.3.4511	Office Supplies	200	-	200
15.4.71783.5.4849	Misc. Equipment	25,300	20,000	5,300
Total Criminal Diversion Fund		-	-	-
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	4,415	1,225
24.4.TI271.4.4931	Euclid - Slater/Warner	575,000	50,000	525,000
24.4.TI281.4.4936	PPLT Signal Oper Study	250,000	-	250,000
24.4.TI282.3.4413	Local Circulator Study	50,000	-	50,000
Total Traffic Improvement Fund		956,222	54,415	901,807
26	Pollution Reduction			
26.4.PR603.4.4971	Electric Vehicle Charging Station (6) FVillge/ParknRide	92,200	46,100	46,100
26.4.PR604.4.4971	Electric Vehicle Charging Station (6)	92,200	-	92,200
Total Pollution Reduction Fund		184,400	46,100	138,300
31	Drainage			
31.4.DF995.4.4659	Sandalwood Pump Station	3,500,000	450,000	3,050,000
Total Drainage Fund		3,500,000	450,000	3,050,000
32	Sewer Utility			
32.3.SF93x.0.3413	OCTA Utilities Relocation Agreement	(180,000)	-	(180,000)
32.4.SF93x.1.4311	I-405 Utilities Facilities Relocation	180,000	-	180,000
Total Sewer Fund		-	-	-
71	Water Utility			
71.4.WU910.3.4413	Water Rate Study	50,000	22,200	27,800
71.4.WU710.4.4943	Ellis Siphon Replacement	340,550	25,000	315,550
71.4.WU818.4.4942	Res No. 1 Exterior Painting	105,000	5,000	100,000
71.4.WU846.4.4942	Reservoirs - Res No. 2	5,760,282	343,892	5,416,390
71.4.WU862.4.4941	Well No. 10 Rehabilitation	255,000	25,000	230,000
71.3.WU9xx.0.3413	OCTA Utilities Relocation Agreement	(576,000)	-	(576,000)
71.4.WU9xx.1.4311	I-405 Utilities Facilities Relocation	576,000	-	576,000
Total Water Fund		6,510,832	421,092	6,089,740
87	Community Development/HUD			

ESTIMATED CONTINUING APPROPRIATIONS

Fund Account No.	Account Description	FY 2016-2017 Budget	FY 2016-2017 Estimated Actual (Rev)/Exp.	FY 2017-2018 Estimated Cont. Approp.
87.3.00342.0.3429	CDBG Unobligated Funds	(34,000)		(34,000)
87.4.31324.3.4983	Grants HCD	19,000		19,000
87.4.31324.3.4984	Rebates	15,000		15,000
Total Community Development/HUD		-	-	-
Total All Funds		19,388,788	1,733,716	17,655,072

FUND TRANSFERS IN & OUT DETAIL

	Transfers In							
	Transfers Out	General Fund	Gas Tax	Traffic Improvement	ISF Fleet	Equipment	ISF Benefits	Total
<u>General Fund</u>								
Gas Tax Fund	608,000		608,000					
Traffic Improvement Fund	205,431			205,431				
IS - Equipment Fund	65,000					65,000		
IS - Employee Benefit Fund	1,907,680						1,907,680	
Total General Fund	2,786,111	-	608,000	205,431	-	65,000	1,907,680	2,786,111
<u>Criminal Diversion</u>								
IS - Equipment Fund	80,000					80,000		
Total Criminal Diversion	80,000	-	-	-	-	80,000	-	80,000
<u>Gas Tax Fund</u>								
General Fund	433,000	433,000						
Total Gas Tax Fund	433,000	433,000	-	-	-	-	-	433,000
<u>Measure M2 Fund</u>								
General Fund	83,571	83,571						
Traffic Improvement	1,351,807			1,351,807				
Total Measure M2 Fund	1,435,378	83,571	-	1,351,807	-	-	-	1,435,378
<u>Pollution Reduction Fund</u>								
Traffic Improvement	5,000			5,000				
IS - Employee Benefit Fund	47						47	
IS - Fleet	179,000				179,000			
Total Pollution Reduction Fund	184,047	-	-	5,000	179,000	-	47	184,047
<u>Sewer Assessment Fund</u>								
General Fund	71,371	71,371						
Gas Tax Fund	30,000		30,000					
Traffic Improvement	30,000			30,000				
IS - Employee Benefit Fund	36,263						36,263	
Total Sewer Assessment Fund	167,634	71,371	30,000	30,000	-	-	36,263	167,634
<u>Water Utility Fund</u>								
Gas Tax Fund	65,000		65,000					
Traffic Improvement	25,000			25,000				
IS - Employee Benefit Fund	159,833						159,833	
Total Water Utility Fund	249,833	-	65,000	25,000	-	-	159,833	249,833
<u>Fountain Valley Housing Auth. Fund</u>								
IS - Employee Benefit Fund	9,965						9,965	
Total Fountain Valley Housing Auth.	9,965	-	-	-	-	-	9,965	9,965
<u>IS - Information Technology Fund</u>								
IS - Employee Benefit Fund	46,257						46,257	
Total IS - Information Technology Fund	46,257	-	-	-	-	-	46,257	46,257
<u>IS - Government Building Fund</u>								
IS - Employee Benefit Fund	33,006						33,006	
Total IS - Government Building Fund	33,006	-	-	-	-	-	33,006	33,006
<u>IS - Fleet Management Fund</u>								
IS - Employee Benefit Fund	28,439						28,439	
Total IS - Fleet Management Fund	28,439	-	-	-	-	-	28,439	28,439
Total All Funds	5,453,670	587,942	703,000	1,617,238	179,000	145,000	2,221,490	5,453,670

GENERAL FUND OPERATING REVENUE & EXPENSE ANALYSIS

General Fund Operating Income/Deficit Analysis

Revenues

General Revenues	37,037,129	
Functional Revenues	5,095,619	
Transfers In	587,942	

Total Operating Revenues **42,720,690**

Expenditures

Salaries & Benefits	30,251,428	
Internal Service Charges	6,422,552	
Maintenance & Operations	7,112,240	
Debt Service	1,040,404	
Transfers-Out	2,086,310	

Total Operating Expenditures **46,912,934**

Operating Income/(Deficit) Before Measure HH Revenue **(4,192,244)**

Measure HH Operating Deficit Revenue Offset **4,192,244**

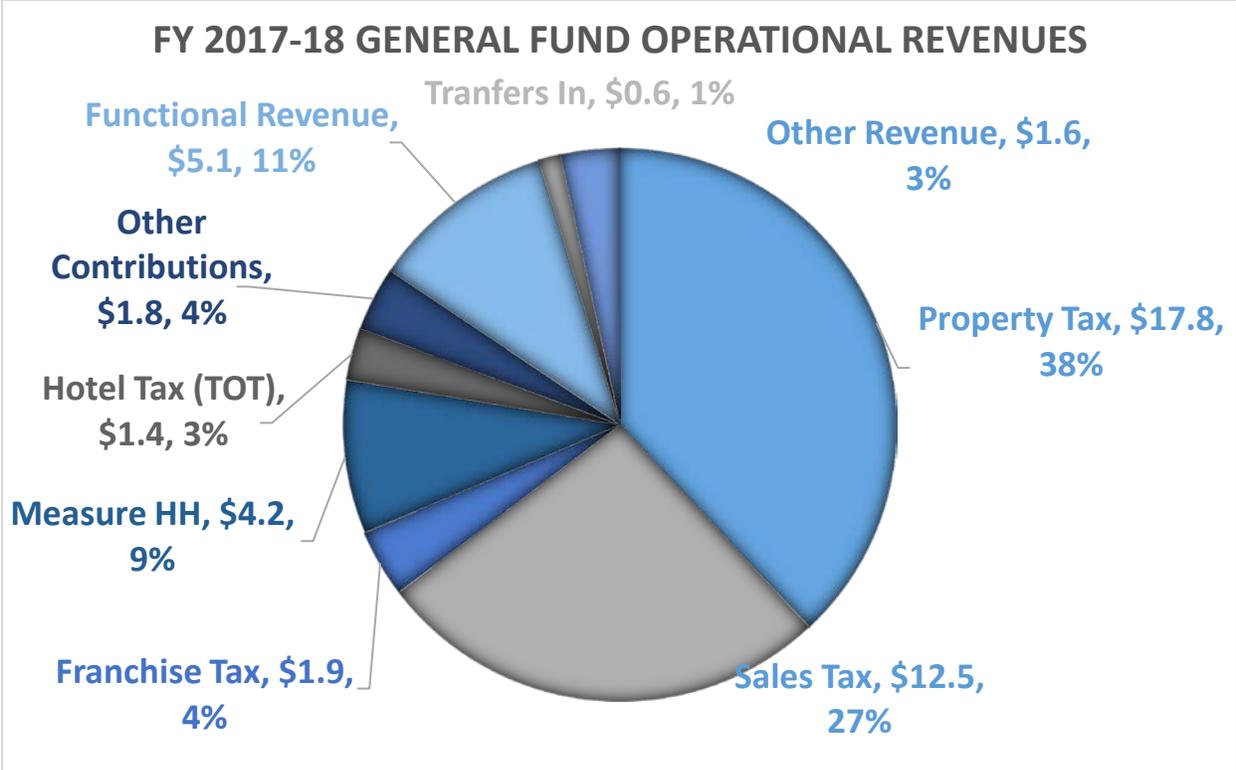
Operating Income/(Deficit) All Operating **(0)**

GENERAL FUND BALANCE DESIGNATIONS (PROJECTED)

General Fund Balance Analysis 2017-2018

Estimated Beginning Fund Balance 7/1/17 (Unaudited)		35,785,101
Revenues (Includes Capital Revenue)		
Operating Revenues	42,132,748	
Measure HH Operating Deficit Revenue	4,192,244	
Measure HH Spending Pledge Revenue	2,340,101	
Developer Impact Payments	707,911	
Transfers-In	587,942	
Total Revenues		49,960,946
Expenditures (Includes Capital Projects)		
Operating	43,786,220	
Operating (CA)	1,029,254	
Debt Service	1,040,404	
Transfer Out - Gas Tax	608,000	
Transfer Out - Traffic Improvement	205,431	
Transfer Out - Equipment Fund	65,000	
Transfer Out - Employee Benefit Fund Replenishment	429,370	
Transfer Out - Employee Benefit Fund OPEB	1,478,310	
Capital (New)	8,287,708	
Capital (CA)	6,445,971	
Total Expenditures		63,375,668
Estimated Ending Fund Balance 6/30/18		22,370,379
Reserves		
Developer and Miscellaneous Reserves	2,049,534	
Cash Flow Reserves (22%)	10,320,845	
Budget Stabilization Reserve	3,500,000	
Disaster Reserve	1,000,000	
Capital Reserves	5,000,000	
Economic Development Reserve	500,000	
Total Reserves		22,370,379
Unreserved/Undesignated Fund Balance 6/30/18		(0)

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 2017-18 are anticipated to be \$46.9 million dollars, representing approximately \$4.2 million in added revenues from the new Measure HH transaction sales tax. A portion of the general revenues increase is growth in property taxes and TOT revenues. Net sales tax year over year will remain flat. 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.

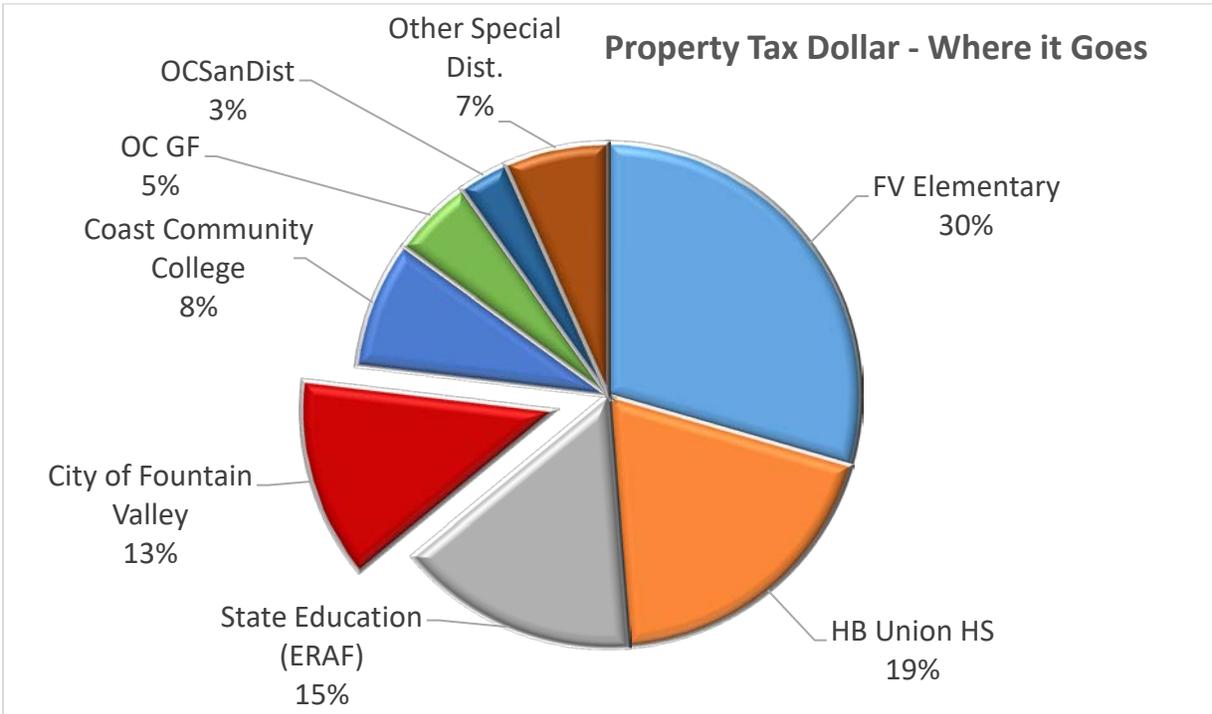
PROPERTY TAX

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 Union High School District 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

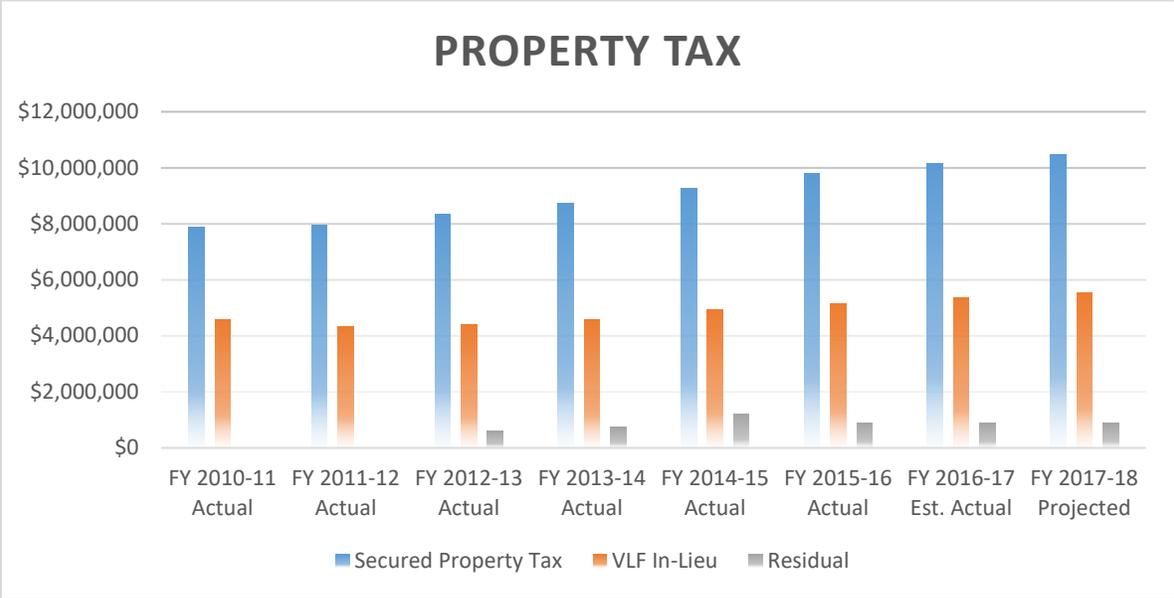
The City’s 2016-17 assessed valuation, at \$8.7 billion is an increase of 3.58% over last year. This increase was due in part to increases in residential and commercial taxable values. Over time, the City’s property tax revenue has slowly grown reflecting both development and the return in property values in Fountain Valley. During the great

GENERAL FUND REVENUE & RESOURCE ESTIMATES

recession median housing prices dropped between 2007 and 2012. Growth resumed in 2013 and has continued an upward trend. That growth trend is anticipated to continue into the 2017-18 fiscal year.

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 3.6% in FY 2016-17 from 2015-16 net values. While the 2016-17 Proposition 13 inflation adjustment was 1.525%, assessed valuation will be positively influenced by continued slow growth in real estate prices and Proposition 8 restoration which represent recovery of about 90% of the great recession reductions the County made throughout the City. In the first quarter of 2017, the Fountain Valley median single family home price increased 3.21% to \$740,000 from the fourth quarter 2016. The peak median price for Fountain Valley was \$700,000 in 2006 and that median price was exceeded in the second quarter of 2016 when it reached \$710,100.



SALES TAX

Description

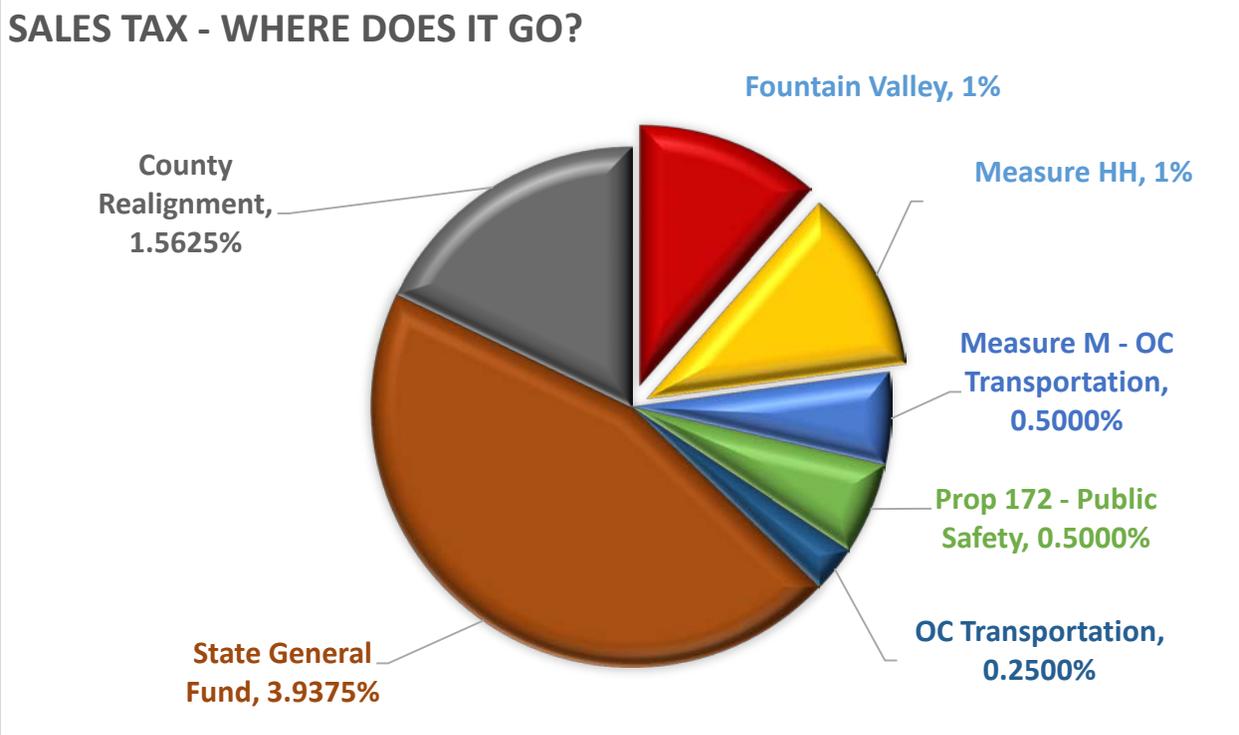
California sales tax is imposed on the total retail price of tangible personal property (excluding a variety of state mandated exemptions), while use tax is imposed on the purchaser for eligible transactions when sales tax has not been collected. The sales and use tax rate in Orange County for 2017 is currently 7.75%, 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 \$398,000 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.

Beginning April 1, 2017 the Measure HH transaction sales tax of 1% was implemented and collection by retailers began. It is anticipated that once the city receives the first two quarters of allocations that staff will have numbers which can be used to project future receipts. The city will receive it the second quarter reconciliation in September and the third quarter in December. At this time the City is anticipating about \$4.2 million dollars in transaction sales tax which will allow for a balanced 2017-18 operating budget.

Sales tax is one of the single largest components of the City’s General Fund operating revenue sources, comprising 36% of next year’s overall General Fund resources, which includes Measure HH receipts.



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 are projected to be flat year over year. Actual sales tax receipts are expected to

GENERAL FUND REVENUE & RESOURCE ESTIMATES

outperform this year's budget by \$300,000. Sales tax receipts next year are projected to decrease slightly and HDL is projecting Fiscal Year 2017-18 decline for the City to be about -2.0% over the 2016-17 estimated actuals to \$12.152 million. Several key retailers have left the city due to space limitations and gasoline volatility also impact the city's retail sales tax receipts.

Outlook

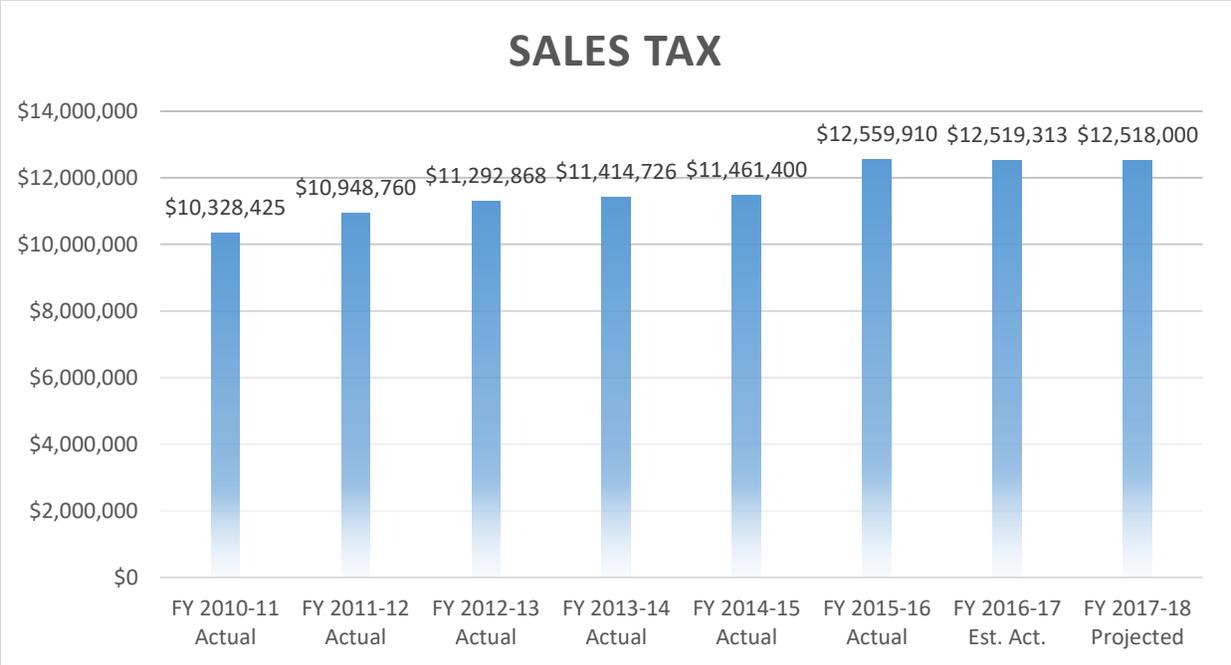
The City works closely with its sales tax consultant, HdL Coren & Cone, in projecting sales tax revenue. Based on HdL's analysis of the trend in year-to-date tax receipts, macroeconomic conditions (done in collaboration with its partner Beacon Economics) and an examination of local business data, the 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 2017-18 budget projections in Fountain Valley hotel tax revenue is consistent with strong occupancy levels and room prices. The year over years is projected to remain the same for 2017-18 as received in 2016-17 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

GENERAL FUND REVENUE & RESOURCE ESTIMATES

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

For FY 2017-18, franchise tax revenue is estimated at \$1.854 million. Electrical and cable television related revenue are the two largest components 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. There is expected to be a decrease in SCE fees dues to the growing solar industry, which is reducing reliance on SCE, including the City of Fountain Valley. 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 remaining two years.

MISCELLANEOUS REVENUES

Description

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

GENERAL FUND REVENUE & RESOURCE ESTIMATES

Trend

Miscellaneous Revenues	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Est. Actual	FY 2017-18 Adopted
Interest	\$279,889	\$324,976	\$373,909	\$415,000	\$435,000
Building Rents	670,566	675,000	680,101	692,824	695,000
Bench Ads	115,051	116,036	117,735	119,771	125,000
Other Income	245,766	695,063	218,398	163,669	77,000
County Landfill	0	0	0	95,217	0
Fines & Citations	354,410	319,247	226,312	190,222	190,000
TOTAL	\$1,665,682	\$2,130,322	\$1,616,455	\$1,676,703	\$1,522,000

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. The county landfill fee is an annual payment for three years, however the agreement called for no payment in the FY 2017-18.

Outlook

Miscellaneous revenues for FY 2017-18 are estimated at \$1.52 million. The decrease is primarily due to no payment this year on the County Landfill fee and lower “other” income. There is projected to be a continued decline in fines and citations due to vacancies in police officer positions. Other revenues in the miscellaneous category remain stable including building / property rents and bench ads and interest income continues to improve.

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

GENERAL FUND REVENUE & RESOURCE ESTIMATES

adopted by City Council in February 2015. The building fees were reviewed and updated fees were approved in early 2017.

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

Functional Revenue	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Est. Actual	FY 2017-18 Adopted
Business License (Finance)	\$581,747	\$563,776	\$547,234	\$434,314	\$425,500
Planning / Building	1,287,316	1,334,542	1,335,970	1,292,967	1,164,580
Fire	1,241,709	1,346,543	1,649,369	1,691,802	1,378,500
Public Works	241,816	312,573	338,502	436,814	265,360
Police	841,750	742,161	704,963	733,440	566,500
Community Services	1,345,914	1,353,220	1,300,166	1,317,755	1,295,179
TOTAL	\$5,540,252	\$5,652,815	\$5,876,204	\$5,907,092	\$5,095,619

GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2016-17				2017-18		
	Budget	Estimate	+/- Budget	%	Budget	+/- Prior Year	%
Property Tax							
Secured	9,971,000	10,161,628	190,628	1.91%	10,461,000	490,000	4.91%
Residual	1,269,000	891,722	(377,278)	-29.73%	892,000	(377,000)	-29.71%
Unsecured	275,000	286,000	11,000	4.00%	286,000	11,000	4.00%
Prior Year	65,000	74,742	9,742	14.99%	75,000	10,000	15.38%
Other	194,000	200,396	6,396	3.30%	206,000	12,000	6.19%
Int/Penalties	20,000	21,904	1,904	9.52%	22,000	2,000	10.00%
Homeowners	64,000	63,775	(225)	-0.35%	64,000	-	0.00%
Property Transfer	210,000	238,203	28,203	13.43%	238,000	28,000	13.33%
MVLF	5,313,000	5,341,122	28,122	0.53%	5,532,000	219,000	4.12%
Total Property Tax	17,381,000	17,279,491	(101,509)	-0.58%	17,776,000	395,000	2.27%
Franchise Fees							
Waste	253,000	252,498	(502)	-0.20%	258,000	5,000	1.98%
Power	639,000	438,532	(200,468)	-31.37%	554,000	(85,000)	-13.30%
Gas	113,000	94,745	(18,255)	-16.15%	95,000	(18,000)	-15.93%
Rubbish	297,000	305,588	8,588	2.89%	393,000	96,000	32.32%
PCTV	556,000	554,429	(1,571)	-0.28%	554,000	(2,000)	-0.36%
Total Franchise Fees	1,858,000	1,645,792	(212,208)	-11.42%	1,854,000	(4,000)	-0.22%
Sales Tax							
Public Safety Sales Tax (Prop 172)	389,000	396,000	7,000	1.80%	398,000	9,000	2.31%
Sales & Use Tax	11,747,000	12,123,313	376,313	3.20%	12,120,000	373,000	3.18%
Total Sales Tax	12,136,000	12,519,313	383,313	3.16%	12,518,000	382,000	3.15%
Other Revenues							
Transient Occupancy Tax	1,428,000	1,461,257	33,257	2.33%	1,461,000	33,000	2.31%
Interest Income	302,000	366,000	64,000	21.19%	401,000	99,000	32.78%
Interest Income (Water Fund Loan)	49,000	49,000	-	0.00%	34,000	(15,000)	-30.61%
County Landfill	94,000	95,217	1,217	1.29%	-	(94,000)	-100.00%
Building Rents	681,000	692,824	11,824	1.74%	695,000	14,000	2.06%
Bench Ads	120,000	119,771	(229)	-0.19%	125,000	5,000	4.17%
Administrative Citations	1,000	49	(951)	-95.10%	1,000	-	0.00%
Sale of Surplus Property	3,000	241	(2,759)	-91.96%	1,000	(2,000)	-66.67%
Damage to City Property	25,000	36,190	11,190	44.76%	25,000	-	0.00%
Donations	8,345	8,345	-	0.00%	-	(8,345)	-100.00%
Water Fund - Contribution In Lieu	1,767,764	1,767,764	(0)	0.00%	1,810,000	42,236	2.39%
Miscellaneous Income	25,000	118,844	93,844	375.38%	50,000	25,000	100.00%
Federal Tax Credit (CREBS)	-	-	-	0.00%	96,129	96,129	N/A
Vehicle Code Fines	223,000	190,222	(32,778)	-14.70%	190,000	(33,000)	-14.80%
Total Other Revenue	4,727,109	4,905,724	178,615	3.78%	4,889,129	162,020	3.43%
General Revenue Sub-Total							
Total Before HH/Transfer/Impact/Grants	36,102,109	36,350,320	248,211	0.69%	37,037,129	935,020	2.59%
Measure HH							
Measure HH Operating Deficit Revenue	-	-	-	0.00%	4,192,244	4,192,244	N/A
Measure HH Spending Pledge Revenue	-	-	-	0.00%	2,340,101	2,340,101	N/A
Total Measure HH	-	-	-	0.00%	6,532,345	6,532,345	N/A
Transfer In							
Gas Tax Fund	502,049	419,807	(82,242)	-16.38%	433,000	(69,049)	-13.75%
Senior Transportation Transfer	71,025	67,985	(3,040)	-4.28%	83,571	12,546	17.66%
Other Funds	317,000	-	(317,000)	-100.00%	-	(317,000)	-100.00%
Sewer Fund	58,467	58,467	-	0.00%	71,371	12,904	22.07%
Total Transfer In	948,541	546,259	(402,282)	-42.41%	587,942	(360,599)	-38.02%
Impact Payments							

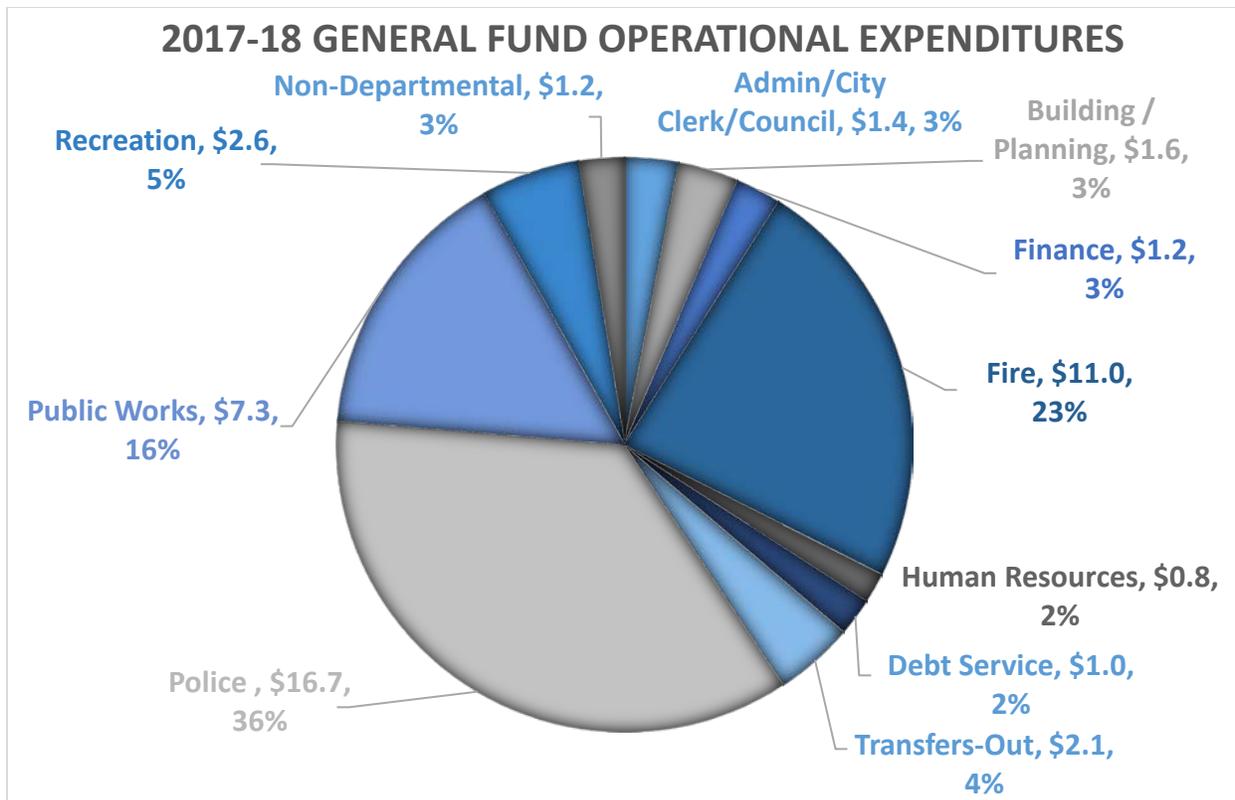
GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2016-17				2017-18		
	Budget	Estimate	+/- Budget	%	Budget	+/- Prior Year	%
Developer Impact Payments	756,911	-	(756,911)	-100.00%	707,911	(49,000)	-6.47%
Park Impact Payments	-	-	-	N/A	-	-	N/A
Total Impact Payments	756,911	-	(756,911)	-100.00%	707,911	(49,000)	-6.47%
Grant Proceeds							
Grants	-	9,044	9,044	N/A	-	-	N/A
Total Grant Proceeds	-	9,044	9,044	N/A	-	-	N/A
Total General Revenue:	37,807,561	36,905,624	(901,937)	-2.39%	44,865,327	7,057,766	18.67%
Functional Revenue:							
Business License							
Business License Tax	415,000	401,000	(14,000)	-3.37%	415,000	-	0.00%
Permits/Fees	7,000	7,742	742	10.60%	7,000	-	0.00%
Penalties	3,500	2,800	(700)	-20.00%	3,500	-	0.00%
Applications	138,000	22,772	(115,228)	-83.50%	-	(138,000)	-100.00%
Total Business License	563,500	434,314	(129,186)	-22.93%	425,500	(138,000)	-24.49%
Planning & Building							
Zoning/Permits/V. Fees	196,500	267,381	70,881	36.07%	226,930	30,430	15.49%
Permits	678,000	747,027	69,027	10.18%	688,000	10,000	1.47%
Dev. Review/Plan Check/Insp.	253,500	278,559	25,059	9.89%	249,650	(3,850)	-1.52%
Total Planning & Building	1,128,000	1,292,967	164,967	14.62%	1,164,580	36,580	3.24%
Police							
P.O.S.T.	2,000	4,000	2,000	100.00%	2,000	-	0.00%
Recovery of Expense	6,000	6,000	-	0.00%	6,000	-	0.00%
City Code Fines	350,000	332,909	(17,091)	-4.88%	325,000	(25,000)	-7.14%
Tow Service	100,000	81,500	(18,500)	-18.50%	81,500	(18,500)	-18.50%
License/Permits & Penalties	95,000	74,000	(21,000)	-22.11%	75,000	(20,000)	-21.05%
Service & Other Fees	11,000	11,000	-	0.00%	11,000	-	0.00%
Police Auctions	1,000	700	(300)	-30.00%	1,000	-	0.00%
DEA TFO Reimbursement	5,000	164,831	159,831	3196.62%	5,000	-	0.00%
Impounded Vehicle Records Fee	45,000	37,000	(8,000)	-17.78%	40,000	(5,000)	-11.11%
Report Sales	20,000	21,500	1,500	7.50%	20,000	-	0.00%
Total Police	635,000	733,440	98,440	15.50%	566,500	(68,500)	-10.79%
Engineering							
Permits	105,000	242,100	137,100	130.57%	105,000	-	0.00%
Engineering Fees	10,000	18,655	8,655	86.55%	17,500	7,500	75.00%
Improvement Inspection Fee	10,000	24,000	14,000	140.00%	10,000	-	0.00%
Landscape Inspection Fee	5,000	6,820	1,820	36.40%	5,000	-	0.00%
Total Engineering	130,000	291,575	161,575	124.29%	137,500	7,500	5.77%
Field Service							
Median Fees	3,000	7,890	4,890	163.00%	3,000	-	0.00%
Tree Removal Fees	8,750	17,514	8,764	100.16%	10,000	1,250	14.29%
Storm Water Prevention Fee	109,733	119,835	10,102	9.21%	114,860	5,127	4.67%
Total Field Services	121,483	145,239	23,756	19.55%	127,860	6,377	5.25%
Fire							
Other Fire Services	19,000	20,923	1,923	10.12%	19,000	-	0.00%
False Alarm & Report Fees	7,500	12,027	4,527	60.36%	7,500	-	0.00%
Emergency Response Fees	1,000	197,852	196,852	19685.20%	1,000	-	0.00%
Paramedic Subscription Fee	130,000	130,000	-	0.00%	130,000	-	0.00%

GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2016-17				2017-18		
	Budget	Estimate	+/- Budget	%	Budget	+/- Prior Year	%
Paramedic Non-Member	250,000	250,000	-	0.00%	250,000	-	0.00%
Paramedic Impact	203,000	203,000	-	0.00%	203,000	-	0.00%
Medical Supply Reimbursement	60,000	65,000	5,000	8.33%	60,000	-	0.00%
Paramedic Response Fee	180,000	200,000	20,000	11.11%	180,000	-	0.00%
ALS Fees	165,000	260,000	95,000	57.58%	165,000	-	0.00%
Fire Inspection / Plan Check Fee	200,000	175,000	(25,000)	-12.50%	200,000	-	0.00%
Fire Permit to Operate	105,000	120,000	15,000	14.29%	105,000	-	0.00%
Hazardous Materials Fee	58,000	58,000	-	0.00%	58,000	-	0.00%
Total Fire	1,378,500	1,691,802	313,302	22.73%	1,378,500	-	0.00%
Community Services							
Athletic Fees	145,000	157,300	12,300	8.48%	145,000	-	0.00%
Field Rentals	295,000	329,801	34,801	11.80%	295,000	-	0.00%
Other Concessions	20,000	30,944	10,944	54.72%	20,000	-	0.00%
Donations Summerfest	59,582	60,000	418	0.70%	59,582	-	0.00%
Donations Campout	1,000	1,000	-	0.00%	1,000	-	0.00%
Residual Receipts	1,000	10,000	9,000	900.00%	10,000	9,000	900.00%
FV Community Foundation	17,180	15,000	(2,180)	-12.69%	18,000	820	4.77%
Aquatics	45,000	45,472	472	1.05%	60,000	15,000	33.33%
Mile Square Rec. Room Rentals	72,500	74,798	2,298	3.17%	72,500	-	0.00%
Community Center Rents	100,000	90,000	(10,000)	-10.00%	100,000	-	0.00%
Drop In Senior Center/Recreation	5,500	5,000	(500)	-9.09%	5,500	-	0.00%
Newsletter Senior	4,800	6,300	1,500	31.25%	4,800	-	0.00%
Donations Center Operations	67,000	55,000	(12,000)	-17.91%	67,000	-	0.00%
Contract Classes	372,400	376,644	4,244	1.14%	372,400	-	0.00%
Special Events	43,500	43,500	-	0.00%	43,500	-	0.00%
Senior Transportation Contrib.	17,795	16,996	(799)	-4.49%	20,897	3,102	17.43%
Total Community Services	1,267,257	1,317,755	50,498	3.98%	1,295,179	27,922	2.20%
Total Functional Revenues	5,223,740	5,907,092	683,352	13.08%	5,095,619	(128,121)	-2.45%
Total Revenues	43,031,301	42,812,716	(218,585)	-0.51%	49,960,946	6,929,645	16.10%

GENERAL FUND EXPENDITURES & SERVICE LEVELS



The City's General Fund Operating Expenditures for Fiscal Year 2017-18 is \$46.9 million. These costs reflect the partial implementation of Measure HH priority items, with the focus on public safety, and continued increases to the City's CalPERS unfunded liability fixed payment; inclusion of full "pay-go" OPEB allocation; and service contractual increases which are outside the City's direct control.

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 increases that will have a substantial impact on the City's costs. The increases are aimed at reducing the City's unfunded liability (UAL) and changes to the CalPERS

GENERAL FUND EXPENDITURES & SERVICE LEVELS

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.

Reflecting a major change of outlook, CalPERS lowered its discount rate on future investment earnings from 7.5 percent to 7 percent in December 2016. The lower discount rate will be phase in over three years, starting in 2018-19 for Fountain Valley. This increase in annual pension costs have been included in the ten year long term financial plan. Over the next five years the overall CalPERS costs will increase by over \$4 million per year. The City current financial position will allow the City to cover these costs and also set-aside about \$1 million per year into a pension trust fund to help cover future unfunded pension obligations.

Staff will continue to monitor CalPERS risk mitigation policies and evaluate our asset replenishment and amortization schedule options; review other pension management strategies; and begin to memorialize pension and OPEB funding policies.

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 \$8.4 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 2016-17. Starting with the 2016-17 budget the full pay-go amount was collected through the Internal Service Fund charges to each operating department. The budgeted amount for 2017-18 will be a contribution of \$1.7 million. The City is still not paying the full Annual Required Contribution (ARC) payment of \$1.1 million required to fund the actuarial OPEB obligations for the 2017-18 fiscal year, but this option will be evaluated for funding during the mid-year budget review.

GENERAL FUND EXPENDITURES & SERVICE LEVELS

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 a very small 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 beginning in FY 2014-15 resulted in a decreased charge of \$677,750 for FY 2017-18. 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 begins to implement the Measure HH provisions of restoring, maintaining and paying down unfunded obligations these priorities are included in the 2017-18. Each operating department continues to hold the line with their day-to-day operating budgets. Only necessary increases are included in the FY 2017-18 budget related to these costs. Adjustments were made to outside contract services, utilities, and contractual obligations related to outside service agencies including Orange County Animal Control and Metro Net contracts. These expenses are examples of costs the City has no direct control over. Department staff have done an outstanding job of managing their operations costs while maintaining quality service levels to the community insuring that Fountain Valley continues to be a "Nice Place to Live".

The budget does reflect personnel benefit costs associated with the existing contractual agreements with various MOU's. The City has successfully negotiated with one bargaining unit whose contract have been extended through 2020. Negotiations are underway with the remaining bargaining units.

With the passage of Measure HH the City has begun to restore and maintain essential City services with a focus on Public Safety. This includes keeping all Fire Stations open, adding personnel to both Fire and Police departments and restoring other essential services including maintaining senior and youth programs. The General Fund will again be making contributions to annual roadway and park maintenance. The community will see several organizational realignments, which complement our Strategic Plan goals and enhances the ability of our staff to deliver quality services to our residents and businesses.

GENERAL FUND EXPENDITURES & SERVICE LEVELS

General Fund	Personnel	Internal Service	Operating	Total
Admin./City Clerk/Council	\$658,512	\$212,888	\$559,948	\$1,431,348
Finance	\$643,937	\$202,482	\$354,640	\$1,201,059
Fire	\$9,179,004	\$1,115,955	\$739,365	\$11,034,324
Human Resources	\$562,784	\$56,163	\$200,279	\$819,226
Planning and Building	\$1,364,795	\$166,401	\$47,365	\$1,578,561
Police	\$13,800,963	\$2,278,903	\$666,163	\$16,746,029
Public Works	\$2,730,996	\$1,553,194	\$2,897,462	\$7,181,652
Recreation/Community	\$1,310,437	\$836,566	\$467,735	\$2,614,738
Non-Departmental			\$1,179,283	\$1,179,283
	\$30,251,428	\$6,422,552	\$7,112,240	\$43,786,220

GENERAL FUND CAPITAL IMPROVEMENT PROJECTS

The City continues to be committed to maintaining and enhancing infrastructure and facilities through non General Fund opportunities. Beginning in 2017-18 the General fund will again be funding \$550,000 for street; roadway; and park maintenance as has been the past practice, but stopped for several years. The General Fund will finance several essential projects using restricted developer fees, park in-lieu fund, bond proceeds and OCTA reimbursement monies for \$10.4 million. These projects include the rehabilitation of the recreation center; citywide drought tolerant medians; I-405 improvements; and General Plan update. General Fund Capital reserve funds will be used to pay for the required countywide 800 MHz radio upgrade, city hall water feature repair; and the solar panel energy efficiency project totaling \$5.5 million.

The 2017-18 budget includes \$17.7 million in non-General Fund continuing and new capital projects. All of these projects are funded from water, sewer, drainage, Measure M, bond proceeds 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 2017-18 fiscal year. The ten-year capital replacement schedule is the basis used to determine what

GENERAL FUND EXPENDITURES & SERVICE LEVELS

capital items will be replaced in a specific year. These funds help the City maintain and replace essential equipment, vehicles, and city buildings and show the City is achieving fiscal sustainability.

Internal Service Funds	FY 2016-17 Est. Ending Fund Balance	FY 2017-18 Revenues	FY 2017-18 Operating / Other Expenditures	FY 2017-18 Capital Replacement & Reserves	FY 2017-18 Est. Ending Fund Balance
Information Technology	\$1,374,374	\$1,197,722	\$1,321,600	\$411,902	\$838,594
Government Buildings	\$2,450,071	\$1,569,272	\$1,585,543	\$652,500	\$1,781,300
Fleet Services	\$2,996,936	\$1,953,802	\$1,158,600	\$1,752,350	\$2,039,788
Capital Equipment	\$1,283,137	\$622,433	\$0	\$1,104,496	\$801,074
TOTAL	\$8,104,518	\$5,343,229	\$4,065,743	\$3,921,248	\$5,460,756

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

GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
Administration				
City Council	108,771	42,562	32,880	184,213
City Manager	197,022	69,280	9,400	275,702
Administrative Services	<u>212,338</u>	<u>46,469</u>	<u>487,988</u>	<u>746,795</u>
Total Administration	518,131	158,311	530,268	1,206,710
City Clerk				
Records Management	140,381	47,144	23,030	210,555
Elections	<u>-</u>	<u>7,433</u>	<u>6,650</u>	<u>14,083</u>
Total City Clerk	140,381	54,577	29,680	224,638
Finance				
Financial Plan/Control	501,667	169,652	351,690	1,023,009
Business License	<u>142,270</u>	<u>32,830</u>	<u>2,950</u>	<u>178,050</u>
Total Finance	643,937	202,482	354,640	1,201,059
Human Resources				
Employee Relations	<u>562,784</u>	<u>56,163</u>	<u>200,279</u>	<u>819,226</u>
Total Human Resources	562,784	56,163	200,279	819,226
Planning/Building				
Planning	515,367	115,286	24,990	655,643
Building	<u>849,428</u>	<u>51,115</u>	<u>22,375</u>	<u>922,918</u>
Total Planning/Building	1,364,795	166,401	47,365	1,578,561
Public Works				
Engineering	257,599	185,113	40,350	483,062
Traffic Engineering	204,759	83,082	2,900	290,741
Construction Inspection	111,117	65,416	380	176,913
Street Lighting	<u>15,586</u>	<u>8,759</u>	<u>559,000</u>	<u>583,345</u>
Total Public Works	589,061	342,370	602,630	1,534,061
Field Services				
Right of Way	189,239	104,130	280,109	573,478
Tree Maintenance	75,554	100,674	271,491	447,719
Park Maintenance	279,371	99,233	488,882	867,486
Concrete Maintenance	292,554	170,287	26,325	489,166
Pavement Maintenance	304,166	175,255	89,725	569,146
Storm Drain Maintenance	437,514	71,673	92,500	601,687
Traffic Control Maintenance	294,218	159,695	214,000	667,913
Street Sweeping	13,366	12,694	308,000	334,060
Recreation Center	145,414	241,890	518,600	905,904
Graffiti Removal	<u>110,539</u>	<u>75,293</u>	<u>5,200</u>	<u>191,032</u>
Total Field Services	2,141,935	1,210,824	2,294,832	5,647,591
Fire				
Fire Suppression	5,131,974	721,934	611,680	6,465,588
Paramedics	2,968,274	278,812	83,280	3,330,366
Fire Prevention	730,697	65,880	15,700	812,277
Fire Reserves	43,957	407	9,485	53,849
Disaster Prep	148,675	26,976	6,545	182,196
Hazardous Materials	135,360	16,301	9,135	160,796
F.I.R.S.T.	<u>20,067</u>	<u>5,645</u>	<u>3,540</u>	<u>29,252</u>
Total Fire	9,179,004	1,115,955	739,365	11,034,324

GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
Police				
Patrol	8,175,119	1,190,027	193,330	9,558,476
S.W.A.T.	95,621	16,891	8,977	121,489
Canine	385,312	75,323	10,160	470,795
Traffic	411,377	164,271	252,886	828,534
Investigation	3,046,402	428,963	105,030	3,580,395
Communications	1,038,647	112,502	26,505	1,177,654
Records Management	483,054	262,880	-	745,934
Range	8,130	6,237	51,425	65,792
Crime Prevention	157,301	21,809	17,850	196,960
Total Police	13,800,963	2,278,903	666,163	16,746,029
Community Services				
Athletics	130,697	161,011	90,155	381,863
Field Operations	123,616	83,271	16,630	223,517
Annual Festivals	34,427	-	44,500	78,927
Aquatics	72,164	38,004	20,025	130,193
Recreation Center	177,636	192,799	18,695	389,130
Community & Senior Center	319,964	197,857	103,190	621,011
Contract Classes	340,423	79,217	49,040	468,680
Special Events	89,042	84,407	43,500	216,949
Senior Transportation	22,468	-	82,000	104,468
Total Community Services	1,310,437	836,566	467,735	2,614,738
Non Departmental				
Non Departmental	-	-	1,179,283	1,179,283
Total Non Departmental	-	-	1,179,283	1,179,283
Grand Total	30,251,428	6,422,552	7,112,240	43,786,220

GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

	General Fund		Information Services		Government Buildings	
	2016-17 Estimate	2017-18 Budget	2016-17 Estimate	2017-18 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	34,624,494	35,785,101	1,194,904	1,374,374	2,433,878	2,450,071
Revenues						
Operating Revenue	42,257,412	42,132,748				
Measure HH Operating Deficit Revenue		4,192,244				
Measure HH Spending Pledge Revenue		2,340,101				
Charges to Departments (ISF)			1,365,492	1,197,722	1,591,348	1,569,272
Grants/Other	9,044		4,661			
OCTA Reimbursement	20,000					
Donations	8,345					
Developer Impact Payments	-	707,911				
Transfers In	546,259	587,942				
Bond Proceeds	2,843,166					
Total Revenues	45,684,226	49,960,946	1,370,153	1,197,722	1,591,348	1,569,272
Expenditures						
Operating	41,526,313	43,786,220	1,077,790	1,275,343	1,319,052	1,552,538
Capital	449,315	8,287,708	78,839	411,902	228,846	652,500
Capital/Operating (CA)		7,475,225				
Debt Service	872,250	1,040,404				
Transfer Out - OPEB/Replenish EB	1,675,741	1,907,680	34,054	46,257	27,257	33,006
Transfer Out - Other	-	878,431				
Sub Total Expenditures	44,523,619	63,375,668	1,190,683	1,733,502	1,575,155	2,238,044
Other						
Retrospective Payments						
Sub Total Other	-	-	-	-	-	-
Fire Apparatus Reserve	-	-	-	-	-	-
Ending Fund Balance	35,785,101	22,370,379	1,374,374	838,594	2,450,071	1,781,300
Desired Reserve			\$800,000		\$1,750,000	

GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

Fleet Management		Capital Equipment		Self Insurance		Employee Benefits		All Funds	
2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Estimate	Budget	Estimate	Budget	Estimate	Budget	Estimate	Budget	Estimate	Budget
2,894,231	2,996,936	1,295,894	1,283,137	3,235,700	2,397,752	1,097,157	951,502	46,776,258	47,238,873
								42,257,412	42,132,748
								-	4,192,244
								-	2,340,101
1,833,498	1,759,802	77,935	477,433	2,585,531	3,177,901	14,369,517	13,300,245	21,823,321	21,482,375
22,318	15,000			12,000				48,023	15,000
								20,000	-
								8,345	-
								-	707,911
26,384	179,000		145,000			-	2,221,490	572,643	3,133,432
								2,843,166	-
1,882,200	1,953,802	77,935	622,433	2,597,531	3,177,901	14,369,517	15,521,735	67,572,910	74,003,810
900,440	1,130,161			2,589,068	2,402,911	14,515,172	15,044,468	61,927,835	65,191,641
856,210	1,030,500	90,692	1,104,496					1,703,902	11,487,106
								-	7,475,225
								872,250	1,040,404
22,845	28,439							1,759,897	2,015,382
								-	878,431
1,779,495	2,189,100	90,692	1,104,496	2,589,068	2,402,911	14,515,172	15,044,468	66,263,884	88,088,189
				846,411	168,659			846,411	168,659
				846,411	168,659			846,411	168,659
360,925	721,849	-	-	-	-	-	-	360,925	721,849
2,636,011	2,039,788	1,283,137	801,074	2,397,752	3,004,083	951,502	1,428,769	46,877,948	32,263,987
\$2,000,000		\$800,000		\$3,000,000		\$2,000,000			

DEBT SERVICE ADMINISTRATION

As of June 30th, 2017 The City of Fountain Valley and the Successor Agency had a combined total of \$44,038,166 of outstanding Long Term Debt. The debt covers Governmental Activities and Business-Type Activities, which includes Revenue Bonds, Pension Obligation Bonds, Certificates of Participation and Clean Renewable Energy Bonds. A schedule of each outstanding long-term debt, as of June 30th, 2017 is listed below.

Issuance Date	Type of Long Term Debt	Total Outstanding Debt as of 06/30/17
2014	Series 2014A Revenue Bonds - Water Enterprise Fund	\$12,735,000
2015	Series 2015A Taxable Pension Obligation Bonds	\$15,995,000
2016	Series 2016A Lease Revenue Bonds	\$12,465,000
2017	Clean Renewable Energy Bonds	\$2,843,166
Total Outstanding City Long Term Debt		\$44,038,166

AUTHORIZED EMPLOYMENT LIST

FTE by Department/Division	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Administration	3	3	2	2
City Clerk	2	2	2	2
Finance	10.6	10.75	10.75	10.75
Fire Department	43	43	43	45
Human Resources	3.5	4	4	4
Information Systems	4	4	4	4
Planning & Building	8	7	7	7
Police Department	85	83	83	85
Public Works (All)	59	59	59	58
Recreation & Community Services	6	6	6	6
Total FTE by Department/Division	224.1	221.75	220.75	223.75

Administration	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
City Manager	1	1	1	1
Assistant to the CM	1	1	1	1
Executive Assistant to CM	1	1	0	0
Total Administration	3	3	2	2

City Clerk	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
City Clerk Administrator	1	1	1	1
Deputy City Clerk	1	1	1	1
Total City Clerk	2	2	2	2

Finance	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Finance Director	1	1	1	1
Secretary	1	1	1	1
Accounting Manager	1	1	1	1
Budget Analyst	0	0	0	1
Accountant	1	1	1	0
Accounting Technician II/CSR	4	4	4	4
Accounting Technician I	.6	.75	.75	.75
Purchasing Manager	1	1	1	1
Reproduction/Stores Clerk	1	1	1	1
Total Finance	10.6	10.75	10.75	10.75

AUTHORIZED EMPLOYMENT LIST

Fire Department	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Fire Chief	1	1	1	1
Administrative Assistant	0	0	0	1
Secretary	1	1	1	0
Fire Marshal/Deputy Fire Marshal	1	1	1	1
Battalion Chief	2	2	2	3
Administrative Training Captain	1	1	1	1
Fire Captain	9	9	9	9
Fire Engineer	9	9	9	9
Firefighter/Paramedic	18	18	18	18
Administrative Aide	0	0	0	1
Fire Prevention Analyst	1	1	1	1
Total Fire Department	43	43	43	45

Human Resources	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Human Resources Director	1	1	1	1
Senior Human Resources Analyst	0	0	0	1
Human Resources Analyst	1	1	1	0
Safety & HR Specialist	0	1	1	1
Department Secretary	1	1	1	1
Office Specialist II	.5	0	0	0
Total Human Resources	3.5	4	4	4

Information Systems	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Information Systems Manager	1	1	1	1
Information Systems Technicians	3	3	3	3
Total Information Systems	4	4	4	4

Planning & Building	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Planning & Building Director	1	1	1	1
Planner	1	1	1	1
Administrative Assistant/Secretary	1	1	1	1
Administrative Specialist	0	1	0	0
Code Enforcement Officer	2	1	2	2
Housing Coordinator	1	0	0	0
Housing Analyst/Technician	1	1	1	1

AUTHORIZED EMPLOYMENT LIST

Assistant Planner	1	1	1	1
Total Planning & Building	8	7	7	7

Police Department	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Police Chief	1	1	1	1
Secretary	1	1	1	1
Division Secretary	.5	.5	.5	.5
Crime Analyst	1	1	1	1
Management Analyst	1	1	1	1
Captain	2	2	2	2
Lieutenant	3	3	3	3
Sergeant	10	10	10	10
Senior Police Officer	11	9	9	9
Police Officer	37	37	37	39
Laboratory	1	1	1	1
Support Services Supervisor	1	1	1	1
Police Records	4	4	3.5	3.5
Police Dispatch	7	7	8	8
Property Clerk	0	0	0	0
Community Services Officer	4.5	4.5	4	4
Total Police Department	85	83	83	85

Public Works – Admin. & Engineering	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Director of Public Works	1	1	1	1
Administrative Assistant/Secretary	1	1	1	1
Deputy Director off PW/City Engineer	0	0	0	1
Deputy City Engineer	1	1	1	0
Environmental Services Administrator	1	1	1	1
Engineering Associate	0	0	0	1
Assistant Engineer	2	2	2	1
Engineering Tech III	2	2	2	2
Public Works Inspector	1	1	1	1
Total Public Works – Admin. & Eng.	9	9	9	9

Public Works – General Services	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Field Services Manager	0	0	0	1
General Services Manager	1	1	1	0

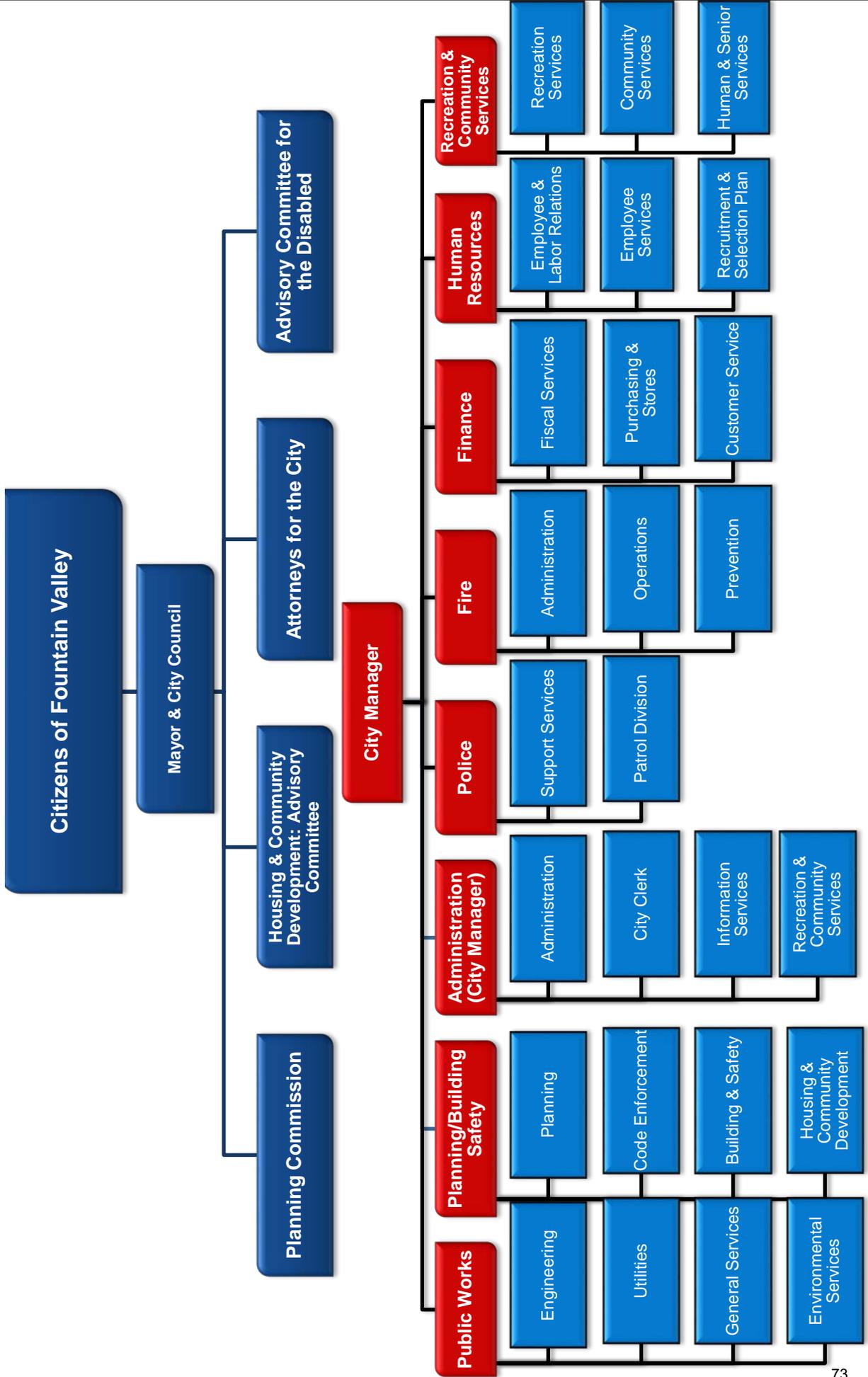
AUTHORIZED EMPLOYMENT LIST

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	1	1	1
Foreman	5	4	4	4
Equipment Operator I & II	1	1	1	1
Irrigation Technician	2	2	2	2
Maintenance Worker II	11	11	11	11
Mechanic	4	4	4	4
Total Public Works – General Services	28	28	28	28

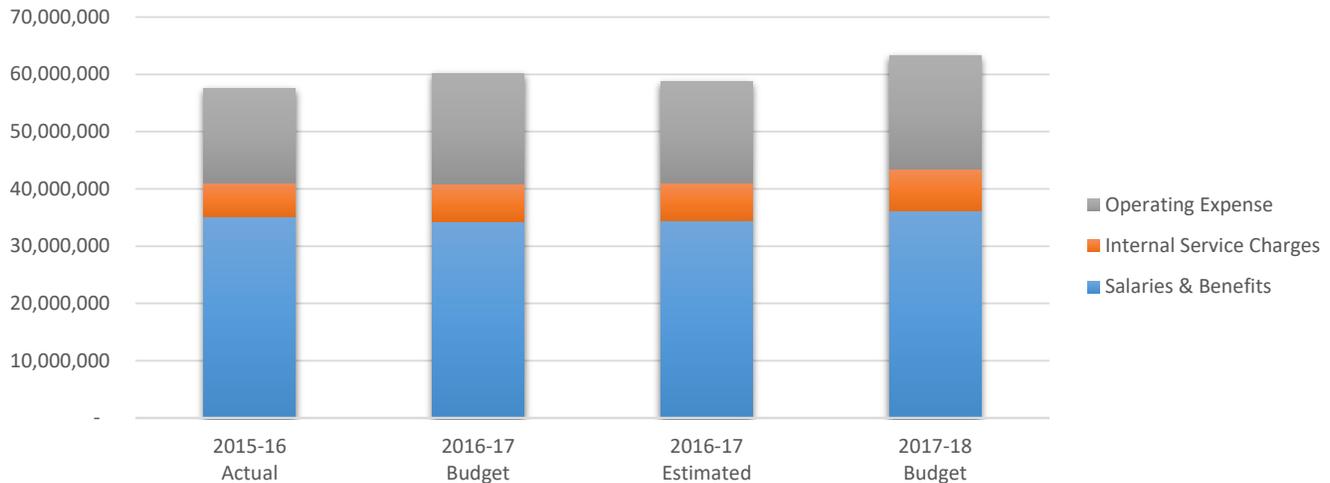
Public Works – Utilities	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Utilities Manager	1	1	1	0
Water Supervisor	2	2	2	2
Foreman	1	1	1	1
Water Quality Technician	1	1	1	1
Equipment Operator II – Non Certified	1	1	1	1
Water Systems Operator	3	3	3	3
Maintenance Worker II	5	5	7	7
Maintenance Worker II – Non Certified	1	1	1	1
Meter Reader	2	2	0	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
Total Public Works – Utilities	22	22	22	21

Recreation & Community Services	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget
Community Services Director	0	0	0	1
Community Services Manager	1	1	1	0
Community Services Supervisor	2	2	2	2
Recreation Coordinator	3	3	3	3
Total Recreation & Community Svc.	6	6	6	6

City Organizational Chart



Department Summary (All Funds)	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total All Funds				
Salaries & Benefits	35,153,208	34,278,950	34,476,174	36,138,440
Internal Service Charges	5,913,725	6,611,920	6,603,367	7,277,414
Operating Expense	16,441,796	19,285,099	17,688,413	19,877,574
Total All Funds Expenditures	57,508,729	60,175,969	58,767,954	63,293,428
Revenues/Charges to Departments	26,287,179	27,879,845	31,811,843	27,930,583
Total All Funds Revenues	26,287,179	27,879,845	31,811,843	27,930,583



Totals by Department

Administration

Salaries & Benefits	1,028,628	1,010,483	989,774	1,068,315
Internal Service Charges	156,481	176,916	176,916	212,888
Operating Expense	1,020,069	943,536	924,724	1,038,148
Total Administration Expenditures	2,205,178	2,130,935	2,091,414	2,319,351
Revenues/Charges to Departments	706,978	985,011	998,354	865,960
Total Administration Revenues	706,978	985,011	998,354	865,960

Finance

Salaries & Benefits	1,243,133	1,229,665	1,219,807	1,308,337
Internal Service Charges	171,226	196,554	196,554	214,109
Operating Expense	434,514	525,930	503,448	552,302
Total Finance Expenditures	1,848,873	1,952,149	1,919,809	2,074,748
Revenues/Charges to Departments	1,065,493	1,187,984	1,073,838	1,210,262
Total Finance Revenues	1,065,493	1,187,984	1,073,838	1,210,262

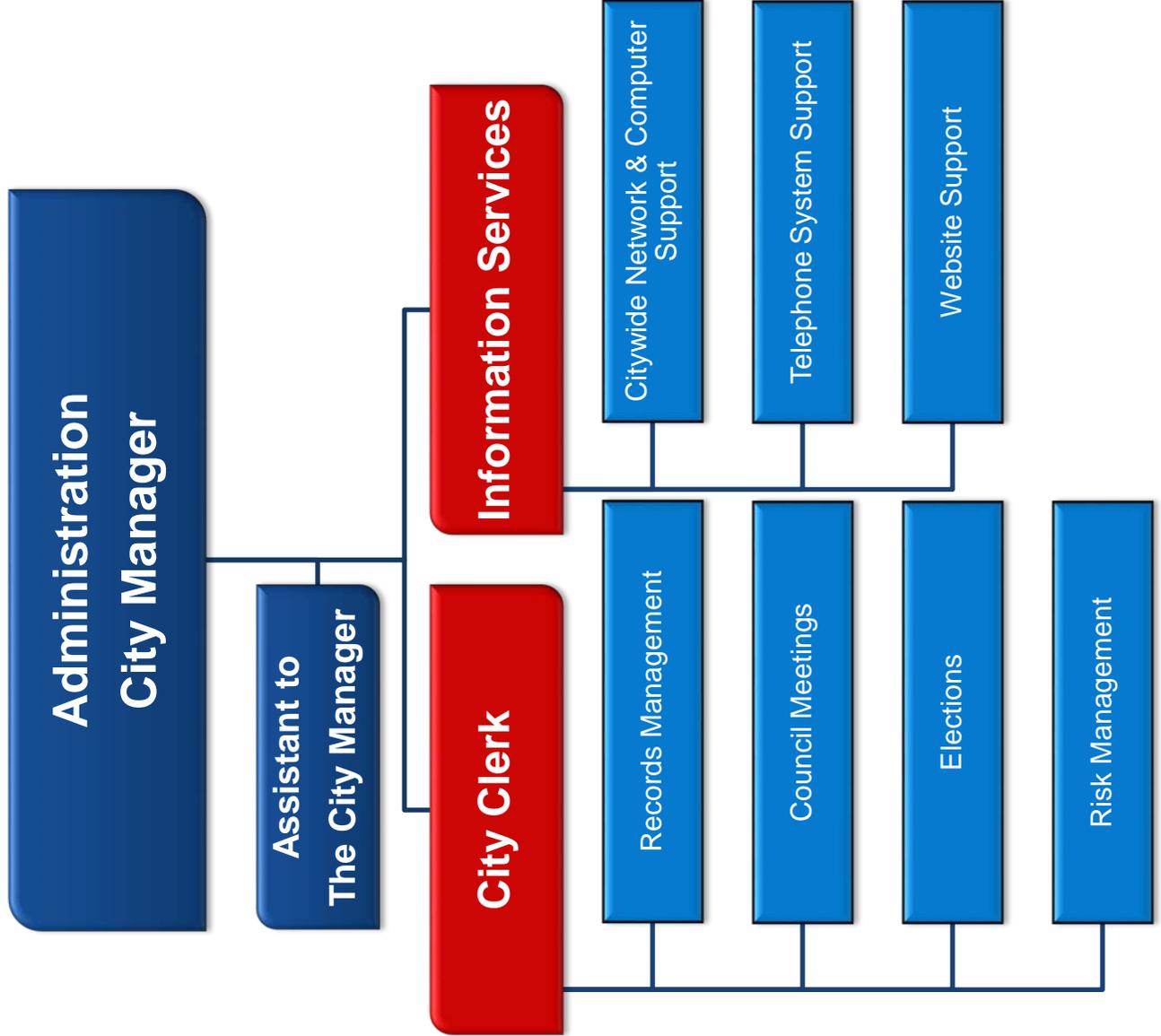
Fire

Salaries & Benefits	8,878,250	8,404,356	8,908,204	9,179,004
Internal Service Charges	925,711	968,120	968,120	1,115,955
Operating Expense	659,454	698,674	649,708	739,365

Department Summary (All Funds)	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Fire Expenditures	10,463,415	10,071,150	10,526,032	11,034,324
Revenues/Charges to Departments	1,649,367	1,378,500	1,691,802	1,378,500
Total Fire Revenues	1,649,367	1,378,500	1,691,802	1,378,500
Human Resources				
Salaries & Benefits	555,512	554,392	514,930	562,784
Internal Service Charges	43,657	44,658	44,658	56,163
Operating Expense	72,923	144,979	205,743	200,279
Total Human Resources Expenditures	672,092	744,029	765,331	819,226
Planning & Building				
Salaries & Benefits	1,578,138	1,558,624	1,539,990	1,597,075
Internal Service Charges	116,747	148,528	148,528	171,773
Operating Expense	239,327	518,014	367,596	222,115
Total Planning & Building Expenditures	1,934,212	2,225,166	2,056,114	1,990,963
Revenues/Charges to Departments	1,786,212	1,763,963	5,442,316	1,502,980
Total Planning & Building Revenues	1,786,212	1,763,963	5,442,316	1,502,980
Police				
Salaries & Benefits	14,203,485	13,673,768	13,738,692	13,908,002
Internal Service Charges	1,781,587	2,077,693	2,077,693	2,278,903
Operating Expense	534,951	608,211	516,227	683,163
Total Police Expenditures	16,520,023	16,359,672	16,332,612	16,870,068
Revenues/Charges to Departments	963,574	801,000	993,614	743,000
Total Police Revenues	963,574	801,000	993,614	743,000
Public Works				
Salaries & Benefits	6,447,871	6,613,940	6,357,711	7,168,690
Internal Service Charges	1,918,591	2,172,600	2,164,047	2,391,057
Operating Expense	12,030,889	13,970,180	12,775,753	14,230,700
Total Public Works Expenditures	20,397,351	22,756,720	21,297,511	23,790,447
Revenues/Charges to Departments	18,519,125	19,838,895	19,116,408	20,476,183
Total Public Works Revenues	18,519,125	19,838,895	19,116,408	20,476,183
Recreation & Community Services				
Salaries & Benefits	1,184,155	1,199,670	1,174,264	1,310,437
Internal Service Charges	799,725	826,851	826,851	836,566
Operating Expense	386,110	435,065	408,772	467,735
Total Rec. & Comm. Services Expenditures	2,369,990	2,461,586	2,409,887	2,614,738
Revenues/Charges to Departments	1,298,389	1,347,243	1,385,740	1,378,698
Total Rec. & Comm. Services Revenues	1,298,389	1,347,243	1,385,740	1,378,698

Department Summary (All Funds)	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Non Departmental				
Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	717,438	874,562	943,042	1,179,283
Total Non Departmental Expenditures	717,438	874,562	943,042	1,179,283
FV Successor Agency to the FVACD				
Salaries & Benefits	34,036	34,052	32,802	35,796
Internal Service Charges	-	-	-	-
Operating Expense	346,121	565,948	393,400	564,484
Total Successor Expenditures	380,157	600,000	426,202	600,280
Revenues	298,041	577,249	1,109,771	375,000
Total Successor Revenues	298,041	577,249	1,109,771	375,000

Administration



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 Department Goals From the Prior 2016-17 Fiscal Year

- Completed the City Mobile App for the community
- Completed approximately 50 community outreach meetings to inform and engage the community on the City's services and financial challenges
- New businesses opened up in the City (i.e. California Fish Grill, Pango, Dunkin Donuts, Café N Te, Recess Room, B Nutritious, Tropical Smoothie, and Project Poke).
- Work continues for the Fountain Valley Crossings Specific Action Plan with community and stakeholders outreach meetings, EIR review and approval from Planning Commission and City Council

Other Key Projects Completed During the Fiscal Year Include:

- Completed Draft Environmental Impact Report for the Fountain Valley Crossings Specific Plan
- Educated the community on the City's financial challenges and worked with the community on options to maintain essential services and created a fiscal sustainability plan
- Created Communications Team and Fountain Valley Newsletter to enhance community outreach and engagement
- Met with commercial property owners, property management services, real estate brokers serving the community, and business prospects
- Created marketing materials and video to promote the City as a business destination
- Voters approved Measure HH – Essential Services (1% sales and use tax increase of 20 year-term) on November 8, 2016.
- Completed Economic Development Strategic Plan to include the Hotel Incentive and Commercial Property and Business Improvement Programs.

2017-18 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
- Continue to build on existing Strategic Plan to guide the organization to support community goals

ADMINISTRATION

- Focus on community outreach and engagement as part of the City's fiscal sustainability plan
- Implement a Shop, Dine and Play Mobile App
- 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
- Continue to market under-utilized commercial centers to enhance economic development

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 and new city Mobile App, 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 2016-17 Fiscal Year

- Completed a 2016 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 2016 City Strategic Objective; to provide the public with a Community Feedback forum on the FV Website, City Mobile App., & City Hall Facebook page, to enable the public to easily share feedback with the City about topics of interest to them
- Replaced the Mobile Computer systems in all FVPD Police Vehicles
- Worked with all 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
- Installed new WiFi systems in City Hall & PD buildings for Staff and Public use
- Installed new WiFi system, with Device Management for City Yard & Water Department
- Setup and monitor the new City Mobile App (MYFV) for increased Public Outreach & communication

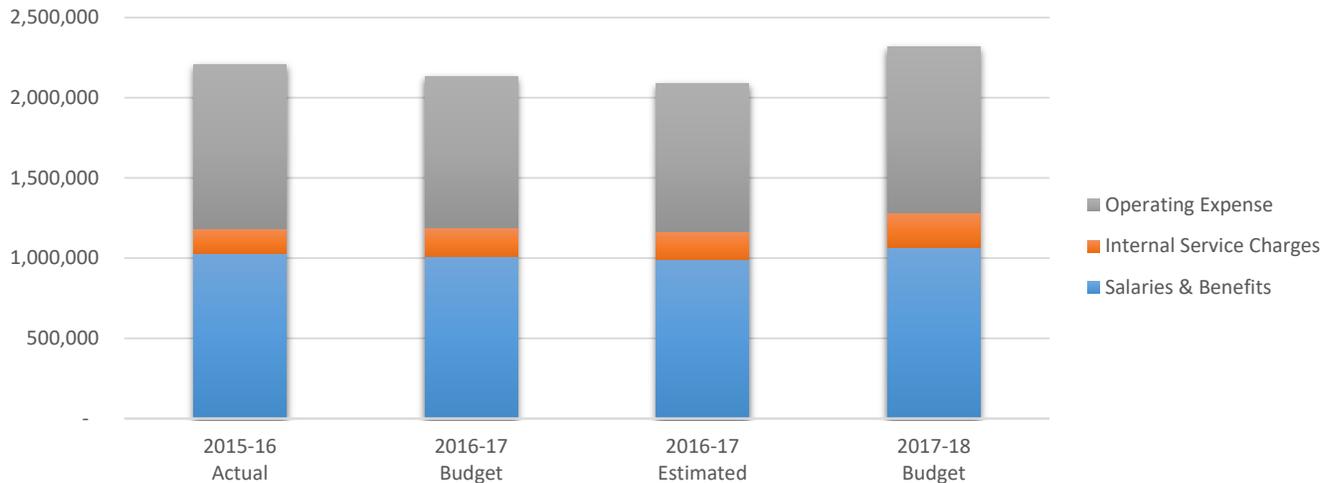
INFORMATION SERVICES

- 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

2017-18 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
- Continue IS strategies & employee training that enhance our Cybersecurity
- Continue Community & Business Outreach efforts of the City Strategic Objectives, via the City Website, Mobile App & Social Media
- Replacement of the City's security video system – current Strategic Objective
- Updating the City's E-mail system, serving over 350 mail accounts
- Updating the City's digital document storage system
- Continue IS strategies that maintain or reduce overall capital and operating costs

Administration	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Administration (All Funds)				
Salaries & Benefits	1,028,628	1,010,483	989,774	1,068,315
Internal Service Charges	156,481	176,916	176,916	212,888
Operating Expense	1,020,069	943,536	924,724	1,038,148
Total Administration Expenditures	2,205,178	2,130,935	2,091,414	2,319,351
Revenues/Charges to Departments	706,978	985,011	998,354	865,960
Total Administration Revenues	706,978	985,011	998,354	865,960



General Fund

City Council

Salaries & Benefits	114,369	113,815	112,774	108,771
Internal Service Charges	30,985	28,838	28,838	42,562
Operating Expense	506,910	432,070	465,130	32,880
Program Expenditures	652,264	574,723	606,742	184,213

City Manager

Salaries & Benefits	204,825	191,247	187,267	197,022
Internal Service Charges	49,535	57,586	57,586	69,280
Operating Expense	5,207	9,520	4,000	9,400
Program Expenditures	259,567	258,353	248,853	275,702

Administrative Services

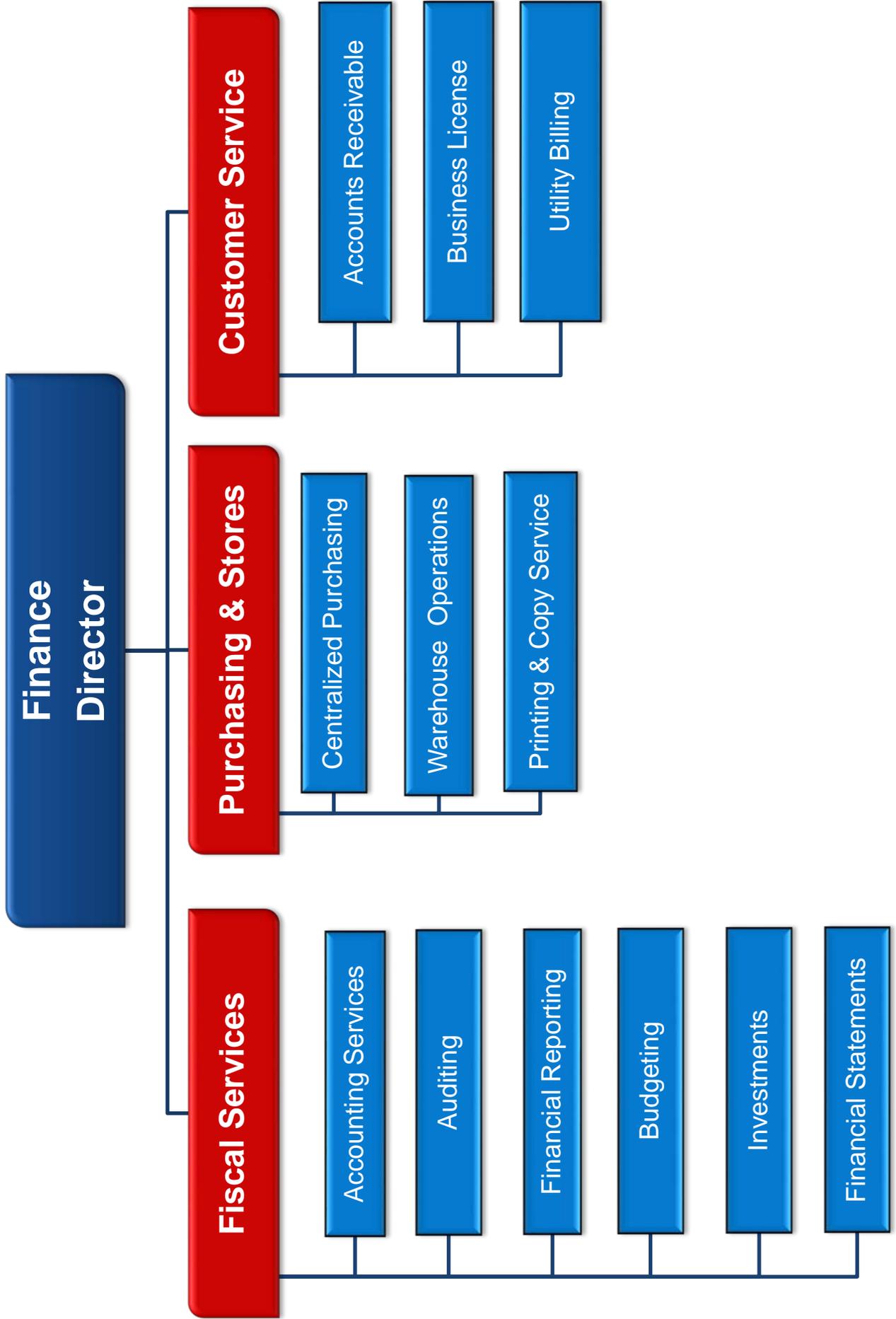
Salaries & Benefits	158,137	203,651	204,227	212,338
Internal Service Charges	34,735	40,014	40,014	46,469
Operating Expense	1,062	5,150	5,150	487,988
Program Expenditures	193,934	248,815	249,391	746,795

Records Management

Salaries & Benefits	139,313	99,741	95,688	140,381
Internal Service Charges	35,652	43,680	43,680	47,144
Operating Expense	14,248	23,030	9,009	23,030

Administration	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Program Expenditures	189,213	166,451	148,377	210,555
Elections				
Salaries & Benefits	20,224	10,301	10,071	-
Internal Service Charges	5,574	6,798	6,798	7,433
Operating Expense	-	54,150	40,600	6,650
Program Expenditures	25,798	71,249	57,469	14,083
General Fund Totals				
Salaries & Benefits	636,868	618,755	610,027	658,512
Internal Service Charges	156,481	176,916	176,916	212,888
Operating Expense	527,427	523,920	523,889	559,948
Fund Expenditures	1,320,776	1,319,591	1,310,832	1,431,348
Other Funds				
Information Processing (Internal Service)				
Salaries & Benefits	391,760	391,728	379,747	409,803
Internal Service Charges	-	-	-	-
Operating Expense	492,642	419,616	400,835	478,200
Program Expenditures	884,402	811,344	780,582	888,003
Revenues/Charges to Departments	706,978	985,011	998,354	865,960
Program Revenues	706,978	985,011	998,354	865,960
Total Other Funds				
Salaries & Benefits	391,760	391,728	379,747	409,803
Internal Service Charges	-	-	-	-
Operating Expense	492,642	419,616	400,835	478,200
Other Fund Expenditures	884,402	811,344	780,582	888,003
Department Charges	706,978	985,011	998,354	865,960
Other Fund Revenues	706,978	985,011	998,354	865,960

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 via a lock box process. 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 Major Department Goals From the Prior 2016-17 Fiscal Year

- Completed 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*)
- Development of the City's CAFR which received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the second year. (*Strategic Issue: Fiscal Stability / Transparency*)
- Completed working with City Manager on the development of a comprehensive Fiscal Sustainability Plan which was presented to City Council. (*Strategic Issue: Fiscal Stability*)
- Updated 20-year long-term financial plan to reflect Measure HH funds and responsible spending pledge components. (*Strategic Issue: Fiscal Stability*)

FINANCE DEPARTMENT

- Updated City-wide user fee schedule. (*Strategic Issue: Fiscal Stability*)
- Worked with other City departments and City Manager to help facilitate the successful accomplishment of organizational strategic plan issues that were identified during the 2016-17 fiscal year (*Organizational Value: Teamwork*)
- Updated City Purchasing Manual based on updated Fountain Valley Municipal Code Title 2 and posted to City website. (*Strategic Issue: Fiscal Stability / Teamwork*)

2017-18 Department Goals

- Evaluate finance staff resources and redirect job assignments to critical day-to-day financial and accounting services which will allow the department to meet the changing needs of the organization. (*Strategic Issues: Fiscal Stability / Teamwork*)
- 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 implement the Measure HH plan into the day-to-day operation and continued update of the comprehensive Long Term Fiscal Sustainability Plan (*Strategic Issue: Fiscal Stability*)
- Continue to develop and refine the City's CAFR document to meet the requirement of the GFOA Certificate of Achievement for Excellence in Financial Reporting. (*Strategic Issue: Fiscal Stability / Transparency*)
- Update and implement citywide user fee schedule. (*Strategic Issue: Fiscal Stability*)
- Complete Measure HH Oversight Committee binder and hold regular committee meetings. (*Strategic Issue: Fiscal Stability*)
- Work with other City departments and City Manager to help facilitate the successful accomplishment of organizational strategic plan issues that will be identified during the 2017-18 fiscal year (*Organizational Value: Teamwork*)

Finance	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Finance (All Funds)				
Salaries & Benefits	1,243,133	1,229,665	1,219,807	1,308,337
Internal Service Charges	171,226	196,554	196,554	214,109
Operating Expense	434,514	525,930	503,448	552,302
Total Finance Expenditures	1,848,873	1,952,149	1,919,809	2,074,748
Revenues/Charges to Departments	1,065,493	1,187,984	1,073,838	1,210,262
Total Finance Revenues	1,065,493	1,187,984	1,073,838	1,210,262



General Fund

Financial Services

Salaries & Benefits	458,819	510,069	512,207	501,667
Internal Service Charges	133,067	152,381	152,381	169,652
Operating Expense	272,464	301,490	332,625	351,690
Program Expenditures	864,350	963,940	997,213	1,023,009

Business License

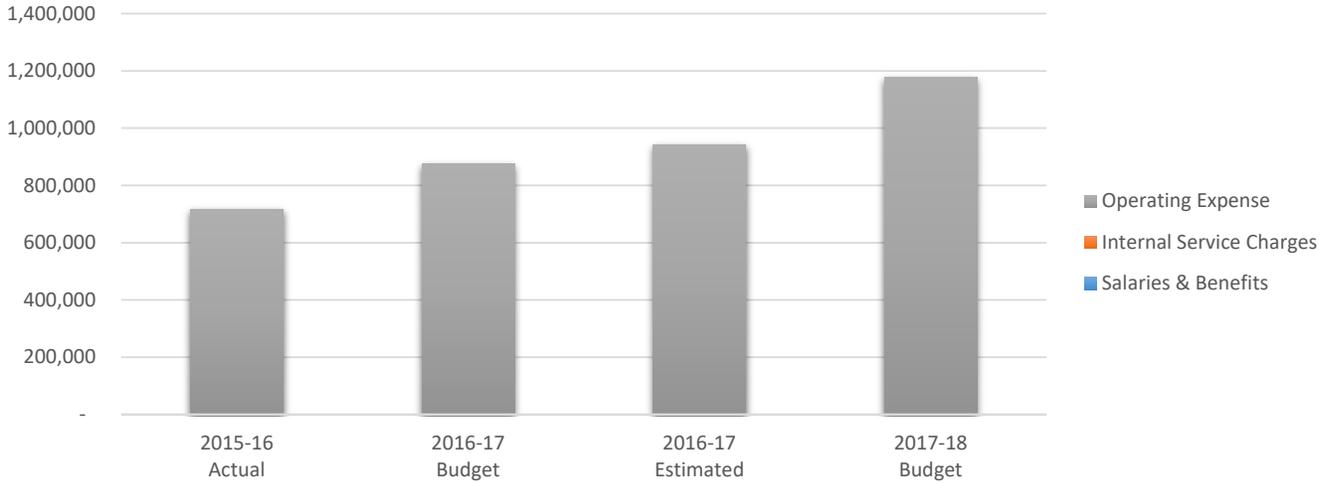
Salaries & Benefits	167,846	108,080	107,032	142,270
Internal Service Charges	28,102	32,135	32,135	32,830
Operating Expense	563	2,950	1,753	2,950
Program Expenditures	196,511	143,165	140,920	178,050
Revenues	547,234	563,500	434,314	425,500
Program Revenues	547,234	563,500	434,314	425,500

General Fund Totals

Salaries & Benefits	626,665	618,149	619,239	643,937
Internal Service Charges	161,169	184,516	184,516	202,482
Operating Expense	273,027	304,440	334,378	354,640
General Fund Expenditures	1,060,861	1,107,105	1,138,133	1,201,059
Revenues	547,234	563,500	434,314	425,500
General Fund Revenues	547,234	563,500	434,314	425,500

Finance	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Other Funds				
Utility Billing (Water Fund)				
Salaries & Benefits	365,423	342,677	340,030	348,022
Internal Service Charges	10,057	12,038	12,038	11,627
Operating Expense	98,821	126,700	119,100	126,700
Program Expenditures	474,301	481,415	471,168	486,349
Revenues	254,378	244,000	259,040	453,000
Program Revenues	254,378	244,000	259,040	453,000
Purchasing/Stores (Internal Service Fund)				
Salaries & Benefits	251,045	268,839	260,538	316,378
Internal Service Charges	-	-	-	-
Operating Expense	62,666	94,790	49,970	70,962
Program Expenditures	313,711	363,629	310,508	387,340
Revenues/Charges to Departments	263,881	380,484	380,484	331,762
Program Revenues	263,881	380,484	380,484	331,762
Total Other Funds				
Salaries & Benefits	616,468	611,516	600,568	664,400
Internal Service Charges	10,057	12,038	12,038	11,627
Operating Expense	161,487	221,490	169,070	197,662
Other Fund Expenditures	788,012	845,044	781,676	873,689
Revenues	518,259	624,484	639,524	784,762
Other Fund Revenues	518,259	624,484	639,524	784,762

Non-Departmental	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Non-Departmental (All Funds)				
Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	717,438	874,562	943,042	1,179,283
Total Non-Departmental Expenditures	717,438	874,562	943,042	1,179,283



General Fund

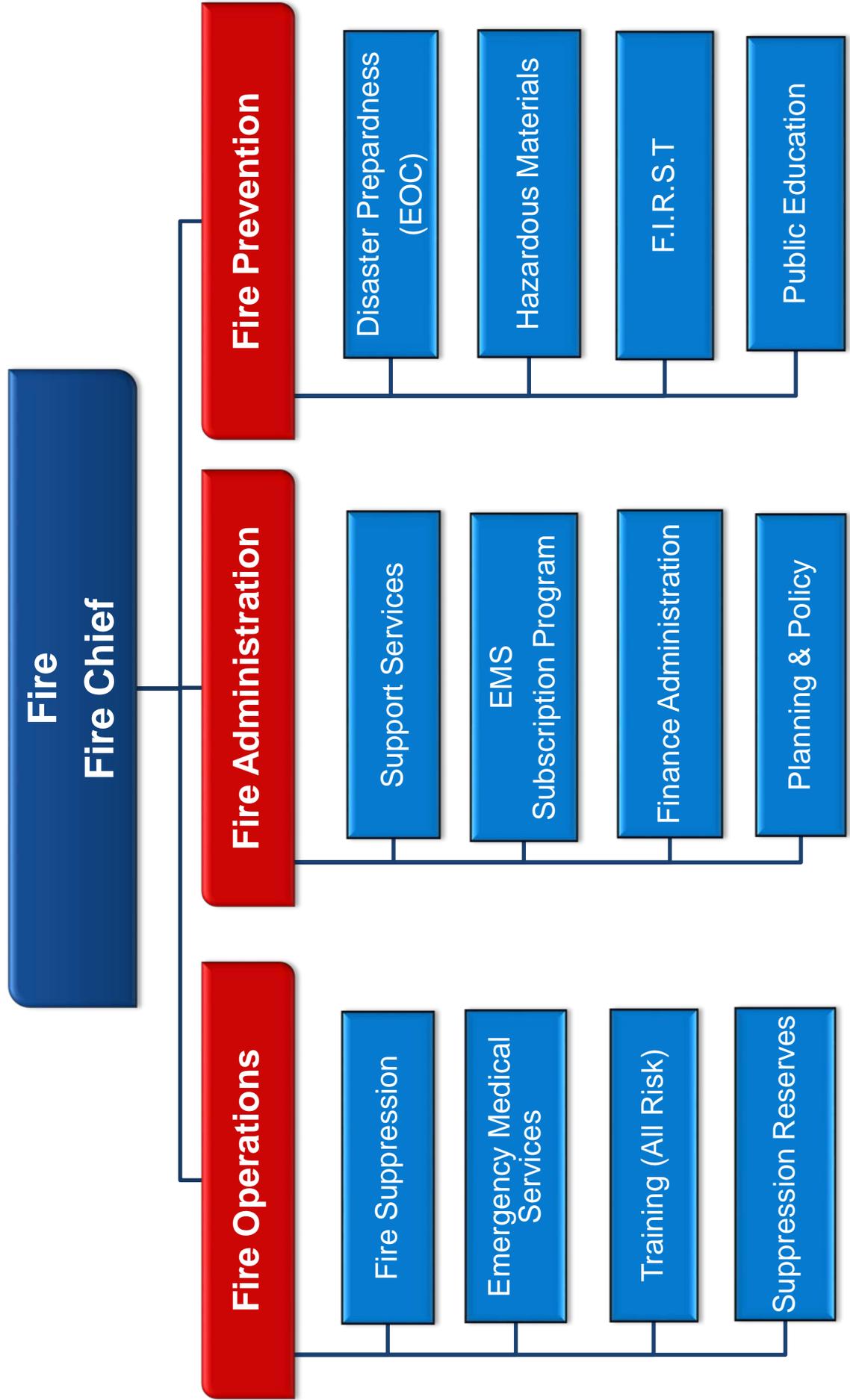
Non-Departmental

Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	717,438	874,562	943,042	1,179,283
Program Expenditures	717,438	874,562	943,042	1,179,283

General Fund Totals

Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	717,438	874,562	943,042	1,179,283
Fund Expenditures	717,438	874,562	943,042	1,179,283

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 7000 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 agreement's 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 Department Goals from the Prior 2016-17 Fiscal Year

- The Community Paramedic Pilot Study continues to collect and evaluate data for alternative patient care destinations.
- Fire crews responded throughout the State of California on six mutual aid wildland fires.

FIRE DEPARTMENT

- To meet the County-wide coordinated Communication Systems 2018 P25 compliance requirements, the fire department initiated a comprehensive plan to replace all non-compliant 800 MHz radio equipment.
- The fire department purchased, planned and integrated a new Pierce Arrow fire engine and command vehicle into our apparatus fleet.

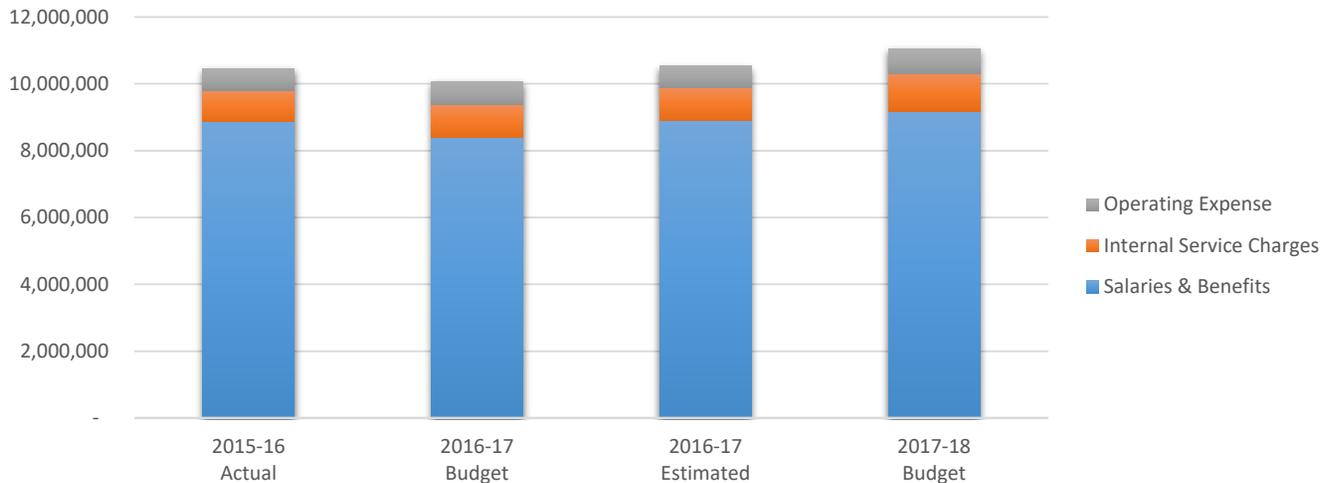
Other Key Projects Completed for the Fiscal Year Include:

- Completed a fire department feasibility study to evaluate staffing levels within fire administration, fire prevention, and fire suppression.

2017/18 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.
- 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	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Fire Department (All Funds)				
Salaries & Benefits	8,878,250	8,404,356	8,908,204	9,179,004
Internal Service Charges	925,711	968,120	968,120	1,115,955
Operating Expense	659,454	698,674	649,708	739,365
Total Fire Department Expenditures	10,463,415	10,071,150	10,526,032	11,034,324
Revenues	1,649,367	1,378,500	1,691,802	1,378,500
Total Fire Department Revenues	1,649,367	1,378,500	1,691,802	1,378,500



General Fund

Suppression

Salaries & Benefits	5,108,465	4,738,598	5,049,741	5,131,974
Internal Service Charges	590,279	623,972	623,972	721,934
Operating Expense	547,185	571,989	537,975	611,680
Program Expenditures	6,245,929	5,934,559	6,211,688	6,465,588
Revenues	162,676	27,500	230,802	27,500
Program Revenues	162,676	27,500	230,802	27,500

Paramedics

Salaries & Benefits	2,901,549	2,758,973	2,974,501	2,968,274
Internal Service Charges	243,436	252,323	252,323	278,812
Operating Expense	77,614	83,280	79,660	83,280
Program Expenditures	3,222,599	3,094,576	3,306,484	3,330,366
Revenues	1,115,416	988,000	1,108,000	988,000
Program Revenues	1,115,416	988,000	1,108,000	988,000

Prevention

Salaries & Benefits	645,410	669,290	649,721	730,697
Internal Service Charges	52,979	54,041	54,041	65,880
Operating Expense	12,313	14,200	11,300	15,700
Program Expenditures	710,702	737,531	715,062	812,277
Revenues	315,478	305,000	295,000	305,000

Fire Department	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Program Revenues	315,478	305,000	295,000	305,000
Reserves				
Salaries & Benefits	27,245	23,693	23,270	43,957
Internal Service Charges	331	463	463	407
Operating Expense	8,417	8,485	6,025	9,485
Program Expenditures	35,993	32,641	29,758	53,849
Disaster Preparedness				
Salaries & Benefits	87,261	101,027	100,765	148,675
Internal Service Charges	20,316	18,684	18,684	26,976
Operating Expense	2,877	6,545	5,027	6,545
Program Expenditures	110,454	126,256	124,476	182,196
Hazardous Materials				
Salaries & Benefits	92,259	94,405	92,343	135,360
Internal Service Charges	13,780	13,679	13,679	16,301
Operating Expense	9,198	10,635	7,101	9,135
Program Expenditures	115,237	118,719	113,123	160,796
Revenues	55,797	58,000	58,000	58,000
Program Revenues	55,797	58,000	58,000	58,000
F.I.R.S.T.				
Salaries & Benefits	16,061	18,370	17,863	20,067
Internal Service Charges	4,590	4,958	4,958	5,645
Operating Expense	1,850	3,540	2,620	3,540
Program Expenditures	22,501	26,868	25,441	29,252
General Fund Totals				
Salaries & Benefits	8,878,250	8,404,356	8,908,204	9,179,004
Internal Service Charges	925,711	968,120	968,120	1,115,955
Operating Expense	659,454	698,674	649,708	739,365
General Fund Expenditures	10,463,415	10,071,150	10,526,032	11,034,324
Revenues	1,649,367	1,378,500	1,691,802	1,378,500
General Fund Revenues	1,649,367	1,378,500	1,691,802	1,378,500

Human Resources

**Human Resources
Director**

**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.

Status of Major Department Goals From the Prior 2016-17 Fiscal Year

- Provided on-going support and resources to City Departments on personnel issues including employee discipline, conflict, injuries, etc.
- Developed and distributed an employee handbook and supervisor handbook
- Successfully completed the reporting requirements under the Affordable Care Act
- Successfully coordinated 17 safety trainings, 10 supervisory trainings and several other courses to help promote employee development and increase individual and organizational productivity and enrichment

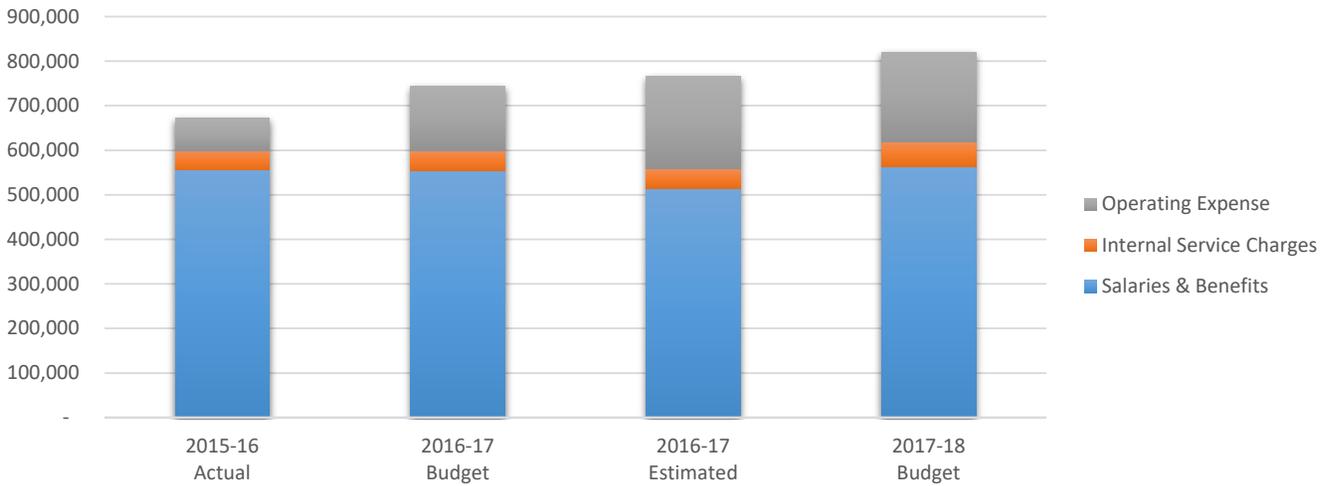
Other Key Projects Completed During the Fiscal Year Include:

- 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

2017-18 Department Goals

- Continue to deliver Human Resources services and programs that add value for our prospective employees, active employees and retirees
- 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
- 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 City's 7 recognized bargaining units
- Prepare and administer the Memorandums of Understanding following negotiations with the aforementioned 7 bargaining groups
- 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	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Human Resources (All Funds)				
Salaries & Benefits	555,512	554,392	514,930	562,784
Internal Service Charges	43,657	44,658	44,658	56,163
Operating Expense	72,923	144,979	205,743	200,279
Total Human Resources Expenditures	672,092	744,029	765,331	819,226



General Fund

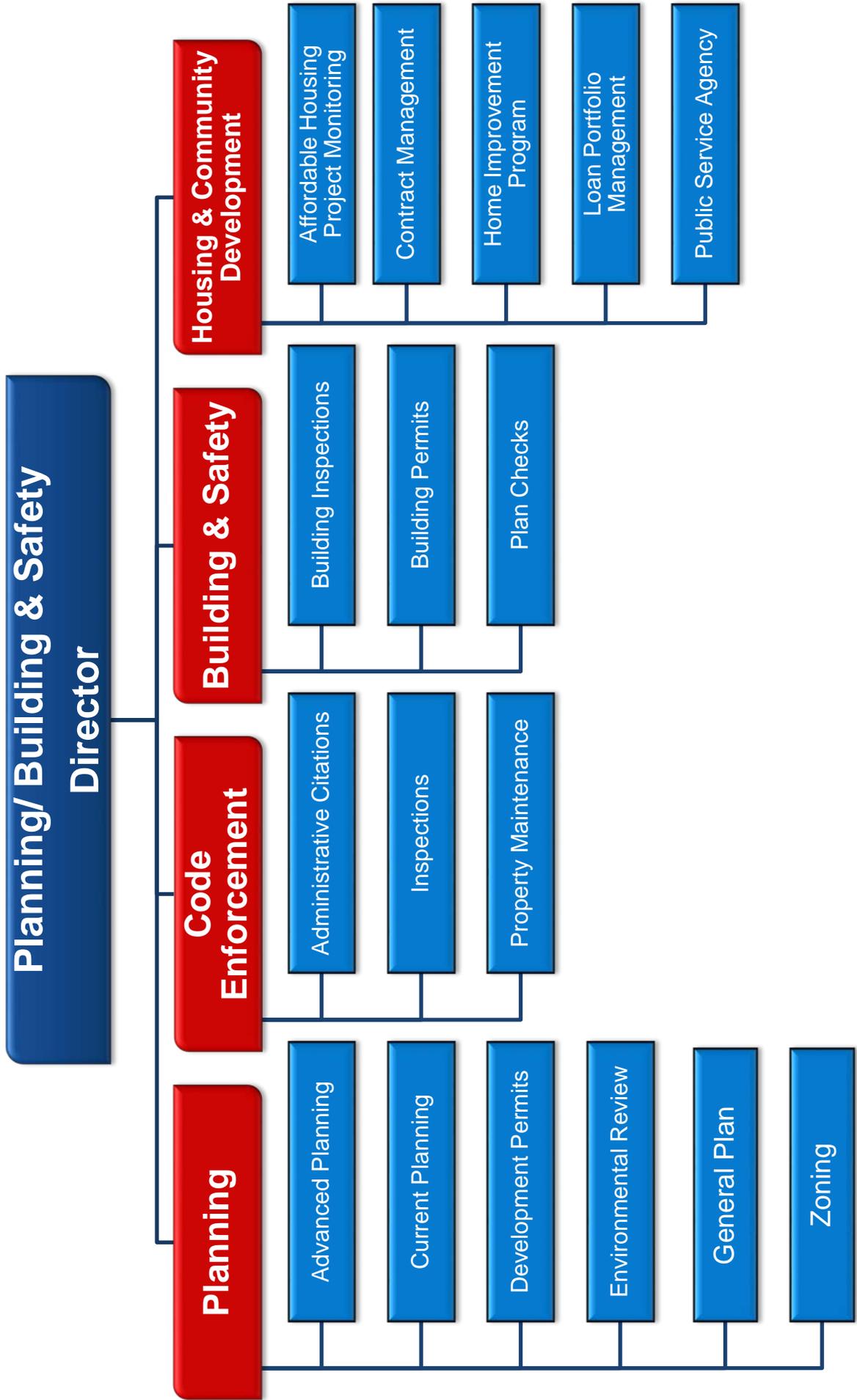
Employee Relations

Salaries & Benefits	555,512	554,392	514,930	562,784
Internal Service Charges	43,657	44,658	44,658	56,163
Operating Expense	72,923	144,979	205,743	200,279
Program Expenditures	672,092	744,029	765,331	819,226

General Fund Totals

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Internal Service Charges	43,657	44,658	44,658	56,163
Operating Expense	72,923	144,979	205,743	200,279
Fund Expenditures	672,092	744,029	765,331	819,226

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 Department Goals From the Prior 2016-17 Fiscal Year

- **Enhance the aesthetic characteristics of the City:**
 - Awarded a Fountain Valley Business Beautification Recognition Award
 - Continued to work with existing commercial centers and other businesses to improve aesthetics and achieve high quality projects
 - Prosecuted public nuisance cases to gain compliance
 - Abated 1,732 property maintenance violations through code enforcement
 - Provided 4 single family residential loans, 6 single family residential grants, 4 single family residential rebates, 5 mobile home grants, 1 emergency grant, and 12 lead based paint hazard testing grants through the Home Improvement Program
 - Held 3 Neighborhood Clean-Up events
- **Increase advanced planning efforts:**
 - Continued to 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
 - Completed 4 updates to modernize the City's zoning code
- **Prepare for future affordable housing opportunities:**
 - Develop a plan to effectively use Housing Authority monies
 - Completed the sale of the Mt. Hope property
- **Increase community engagement:**
 - Held 6 community meetings regarding topics such as the Fountain Valley Crossings Specific Plan project
 - Continued to enhance the Department's webpages and utilize interactive features of the new City website
 - Attended community events to distribute information on Planning Department Projects

2017-18 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
 - Prosecute public nuisance cases to gain compliance
 - Abate property maintenance violations through code enforcement efforts
 - Continue to market the City's Home Improvement Program
 - Hold Neighborhood Clean-Up events
- **Increase advanced planning efforts:**
 - Develop a multi-year plan to bring the City's General Plan and Zoning Code up to date
 - Continue to seek funding sources for a new comprehensive General Plan Update
 - Identify and address opportunities for the modernization of the zoning code
- **Prepare for future affordable housing opportunities:**
 - Seek partnerships with affordable housing developers and providers and Identify potential affordable housing projects
- **Increase community engagement:**
 - Hold community meetings to educate residents and businesses on topics of interest
 - Continue to enhance the Department's webpages and utilize interactive features of the new City website
 - Attend community events to distribute information on Planning Department Projects

HOUSING AUTHORITY

Description / Purpose

The Fountain Valley Housing Authority (FVHA) was named the “Housing Successor” to the dissolved Fountain Valley Agency for Community Development.

The FVHA is restricted on the affordable housing programs that can be offered to the City’s residents. At this time the FVHA monitors the current asset portfolio and administers all the statutory requirements. The FVHA is continuously seeking affordable housing opportunities for the City’s residents.

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 2016-17 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 on the disposition of the Authority owned 3.9 acre parcel at 11360 Warner Avenue

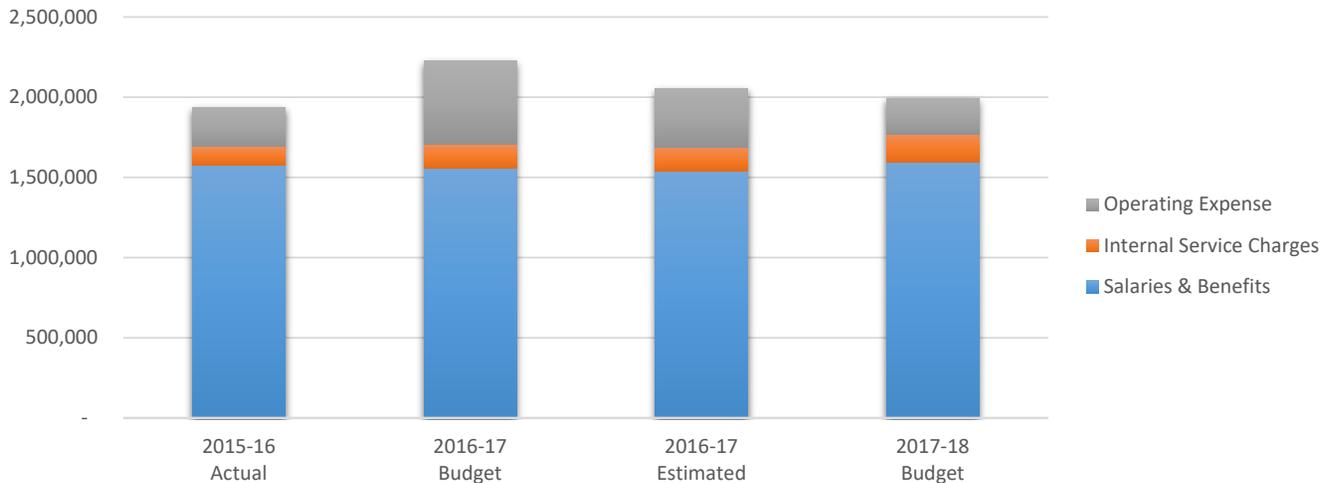
Other Key Projects Completed During Fiscal Year Include:

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

2017-18 Department Goals

- Continue to monitor all Housing Authority assets
- Provide loan administration assistance to customers
- Determine the best utilization of the funds of the FVHA to provide additional affordable housing.

Planning & Building	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Planning & Building (All Funds)				
Salaries & Benefits	1,578,138	1,558,624	1,539,990	1,597,075
Internal Service Charges	116,747	148,528	148,528	171,773
Operating Expense	239,327	518,014	367,596	222,115
Total Planning & Building Expenditures	1,934,212	2,225,166	2,056,114	1,990,963
Revenues	1,786,212	1,763,963	5,442,316	1,502,980
Total Planning & Building Revenues	1,786,212	1,763,963	5,442,316	1,502,980



General Fund

Planning

Salaries & Benefits	465,151	455,820	452,878	515,367
Internal Service Charges	73,519	96,990	96,990	115,286
Operating Expense	33,133	24,645	19,039	24,990
Program Expenditures	571,803	577,455	568,907	655,643
Revenues	227,688	196,500	267,381	226,930
Program Revenues	227,688	196,500	267,381	226,930

Building

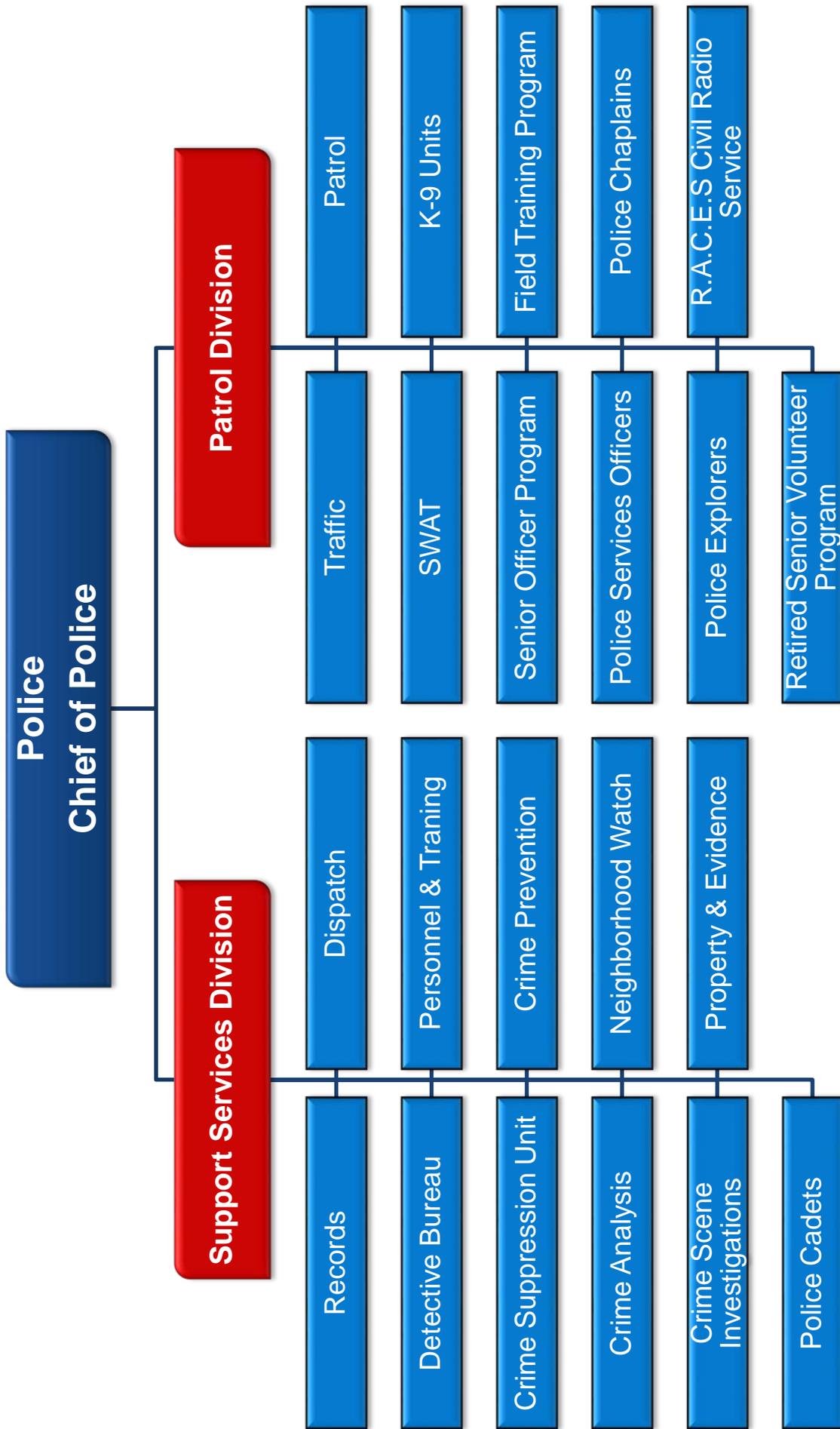
Salaries & Benefits	915,121	812,877	864,086	849,428
Internal Service Charges	37,735	44,270	44,270	51,115
Operating Expense	12,267	22,675	24,378	22,375
Program Expenditures	965,123	879,822	932,734	922,918
Revenues	1,108,281	931,500	1,025,586	937,650
Program Revenues	1,108,281	931,500	1,025,586	937,650

General Fund Totals

Salaries & Benefits	1,380,272	1,268,697	1,316,964	1,364,795
Internal Service Charges	111,254	141,260	141,260	166,401
Operating Expense	45,400	47,320	43,417	47,365
General Fund Expenditures	1,536,926	1,457,277	1,501,641	1,578,561
Revenues	1,335,970	1,128,000	1,292,967	1,164,580

Planning & Building	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
General Fund Revenues	1,335,970	1,128,000	1,292,967	1,164,580
Other Funds				
Abandoned Vehicle				
Salaries & Benefits	14,311	13,999	15,099	14,960
Internal Service Charges	-	-	-	-
Operating Expense	-	-	-	-
Fund Expenditures	14,311	13,999	15,099	14,960
Revenues	429	-	200	200
Fund Revenues	429	-	200	200
Fountain Valley Housing Authority (FVHA)				
Salaries & Benefits	104,386	153,109	107,522	217,320
Internal Service Charges	5,493	7,268	7,268	5,372
Operating Expense	78,274	184,550	42,887	174,750
Fund Expenditures	188,153	344,927	157,677	397,442
Revenues	331,150	227,000	3,767,452	338,200
Fund Revenues	331,150	227,000	3,767,452	338,200
Community Development Block Grant (CDBG)				
Salaries & Benefits	79,169	122,819	100,405	-
Internal Service Charges	-	-	-	-
Operating Expense	115,653	286,144	281,292	-
Fund Expenditures	194,822	408,963	381,697	-
Revenues	118,663	408,963	381,697	-
Fund Revenues	118,663	408,963	381,697	-
Total Other Funds				
Salaries & Benefits	197,866	289,927	223,026	232,280
Internal Service Charges	5,493	7,268	7,268	5,372
Operating Expense	193,927	470,694	324,179	174,750
Total Other Funds Expenditures	397,286	767,889	554,473	412,402
Revenues	450,243	635,963	4,149,349	338,400
Total Other Fund Revenues	450,243	635,963	4,149,349	338,400

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 128,185 phone calls and approximately 43,000 incidents. These incidents include Officer-initiated activities, responding to public requests for assistance and other activities entered into our Computer Aided Dispatch system. Dispatchers frequently provide referrals, offer solutions or educate the caller, which alleviates the need for Police response.

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

General Investigations is staffed by 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 Department Goals From the Prior 2016-17 Fiscal Year

- Promoted crime prevention and traffic safety through improved community awareness (ongoing)
- Data driven approach to Crime and Traffic Enforcement (ongoing)
- Partnered with City Departments to Solve Quality of Life Issues (ongoing)
- Improved City campus security by selecting a modern surveillance camera security system (in-progress)

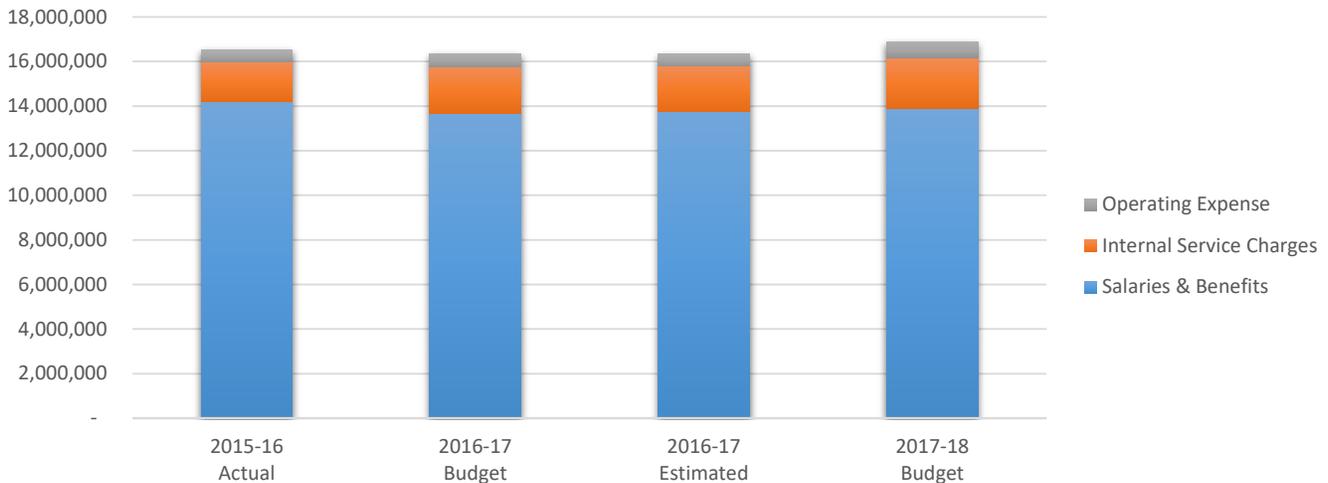
POLICE DEPARTMENT

- Increased Our Interaction with the Public
 - Improved our effectiveness through social media and increased our partnership with Recreation/Community Services to promote public safety events (ongoing).
- Improved Our Recruitment of Non-Sworn Positions
 - Focused on Explorer Post enhancements; increased relationships with local high schools.
- Enhanced Our Response to Mental Health Issues
 - Enhanced training of personnel and research feasibility of partnering with a mental health professional for field operations (in-progress).

2017-18 Department Goals

- Select and install new surveillance system at City hall and the Police Department
- Upgrade Dispatch 9-1-1 radio and audio log system by utilizing State 9-1-1 funds
- Remodel Dispatch radio consoles and furniture using a combination of State 9-1-1 and City Capital Replacement funds
- Select and purchase a new Department duty handgun
- Enter into an MOU with Orange County Health for a mental health clinician to ride along and provide services to our transient community
- Celebrate the Police Department 50th Anniversary

Police Department	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Police Department (All Funds)				
Salaries & Benefits	14,203,485	13,673,768	13,738,692	13,908,002
Internal Service Charges	1,781,587	2,077,693	2,077,693	2,278,903
Operating Expense	534,951	608,211	516,227	683,163
Total Police Department Expenditures	16,520,023	16,359,672	16,332,612	16,870,068
Revenues	963,574	801,000	993,614	743,000
Total Police Department Revenues	963,574	801,000	993,614	743,000



General Fund

Patrol

Salaries & Benefits	7,874,857	7,711,178	8,011,610	8,175,119
Internal Service Charges	944,445	1,070,369	1,070,369	1,190,027
Operating Expense	104,945	149,905	117,570	193,330
Program Expenditures	8,924,247	8,931,452	9,199,549	9,558,476
Revenues	9,954	8,000	10,000	8,000
Program Revenues	9,954	8,000	10,000	8,000

S.W.A.T.

Salaries & Benefits	100,857	118,095	102,511	95,621
Internal Service Charges	11,934	14,606	14,606	16,891
Operating Expense	2,115	4,600	4,250	8,977
Program Expenditures	114,906	137,301	121,367	121,489

Canine

Salaries & Benefits	364,759	360,306	364,194	385,312
Internal Service Charges	49,862	62,403	62,403	75,323
Operating Expense	18,136	10,160	11,200	10,160
Program Expenditures	432,757	432,869	437,797	470,795

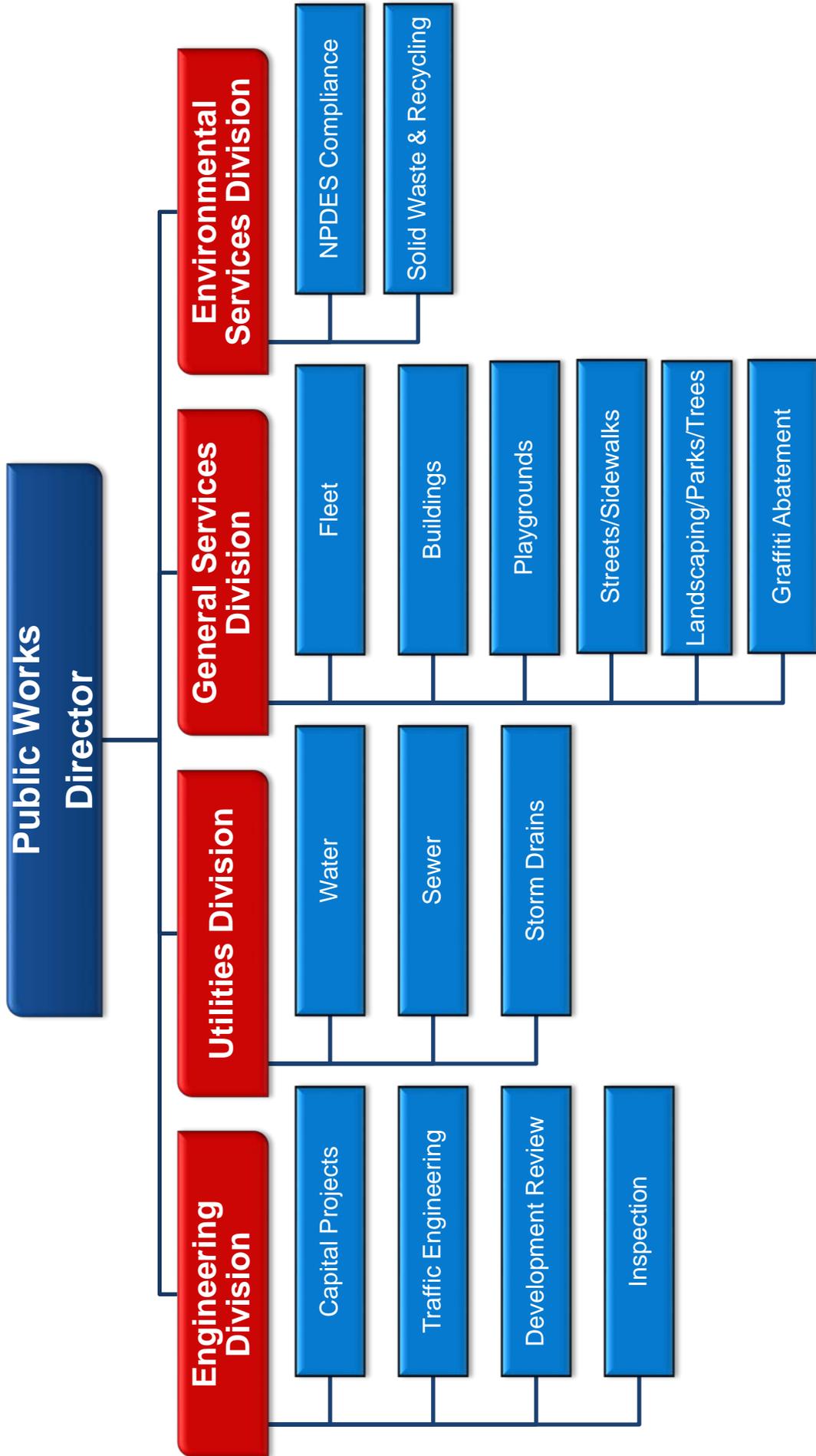
Traffic

Salaries & Benefits	586,447	557,994	398,292	411,377
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Police Department	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Internal Service Charges	121,908	145,528	145,528	164,271
Operating Expense	237,851	241,007	218,427	252,886
Program Expenditures	946,206	944,529	762,247	828,534
Revenues	464,158	450,000	414,409	406,500
Program Revenues	464,158	450,000	414,409	406,500
Investigation				
Salaries & Benefits	3,545,888	3,219,109	3,139,785	3,046,402
Internal Service Charges	322,031	379,311	379,311	428,963
Operating Expense	56,254	85,352	69,550	105,030
Program Expenditures	3,924,173	3,683,772	3,588,646	3,580,395
Revenues	166,772	112,000	250,531	92,000
Program Revenues	166,772	112,000	250,531	92,000
Communications				
Salaries & Benefits	975,331	984,346	1,011,426	1,038,647
Internal Service Charges	84,993	98,197	98,197	112,502
Operating Expense	19,599	26,505	19,000	26,505
Program Expenditures	1,079,923	1,109,048	1,128,623	1,177,654
Records				
Salaries & Benefits	461,213	462,170	454,722	483,054
Internal Service Charges	204,377	283,295	283,295	262,880
Operating Expense	-	-	-	-
Program Expenditures	665,590	745,465	738,017	745,934
Revenues	64,078	65,000	58,500	60,000
Program Revenues	64,078	65,000	58,500	60,000
Crime Prevention				
Salaries & Benefits	145,890	148,265	150,200	157,301
Internal Service Charges	16,479	19,901	19,901	21,809
Operating Expense	17,178	17,880	15,530	17,850
Program Expenditures	179,547	186,046	185,631	196,960
Range				
Salaries & Benefits	7,446	7,632	7,432	8,130
Internal Service Charges	3,604	4,083	4,083	6,237
Operating Expense	46,335	55,802	41,500	51,425
Program Expenditures	57,385	67,517	53,015	65,792
General Fund Totals				
Salaries & Benefits	14,062,688	13,569,095	13,640,172	13,800,963
Internal Service Charges	1,759,633	2,077,693	2,077,693	2,278,903
Operating Expense	502,413	591,211	497,027	666,163
General Fund Expenditures	16,324,734	16,237,999	16,214,892	16,746,029

Police Department	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Revenues	704,963	635,000	733,440	566,500
General Fund Revenues	704,963	635,000	733,440	566,500
Other Funds				
Criminal Diversion				
Salaries & Benefits	432	-	-	-
Internal Service Charges	21,954	-	-	-
Operating Expense	32,538	17,000	19,200	17,000
Fund Expenditures	54,924	17,000	19,200	17,000
Revenues	143,993	46,000	140,174	56,500
Fund Revenues	143,993	46,000	140,174	56,500
COPS/Supplemental Law				
Salaries & Benefits	140,365	104,673	98,520	107,039
Internal Service Charges	-	-	-	-
Operating Expense	-	-	-	-
Fund Expenditures	140,365	104,673	98,520	107,039
Revenues	114,618	120,000	120,000	120,000
Fund Revenues	114,618	120,000	120,000	120,000
Total Other Funds				
Salaries & Benefits	140,797	104,673	98,520	107,039
Internal Service Charges	21,954	-	-	-
Operating Expense	32,538	17,000	19,200	17,000
Total Other Funds Expenditures	195,289	121,673	117,720	124,039
Revenues	258,611	166,000	260,174	176,500
Total Other Fund Revenues	258,611	166,000	260,174	176,500

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 58 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 Costco Gas Station Expansion, Dunk'n Donuts and the Fish Gril. 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, SSARP, ATP, 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-six 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, Street Sweeping, Sign Maintenance & Repair, Graffiti Removal Program,¹¹⁷

PUBLIC WORKS

Parks and Civic.

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.

Status of Major Department Goals From the Prior 2016-17 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

PUBLIC WORKS

- Managed and operated all 54 traffic signals citywide via the Traffic Management Center
- Maintained all City Buildings
- Communications 800MHZ Upgrades
- Completed the Citywide Arterial Median Landscape Masterplan Project
- Completed the Design of the Exterior Improvements for Recreation Center Building.
- Completed Sports Park Field Renovation
- Completed Residential Roadway Rehabilitation in the area of G3
- Completed Pavement Rehabilitation Harbor- SCL to NCL
- Completed Pavement Rehabilitation Edinger- NCL to SAR
- Completed Installation of Electric Vehicle Charging Stations Project
- Begin Rehabilitation of Sandalwood Pump Station
- Sewer Manhole Rehabilitation in various locations
- Sewer Structural Improvements in various locations
- Completed Design and Bid Reservoir No. 2 Rehabilitation
- Completed Phase I of Pipeline Condition Assessments
- Completed Ellis Avenue Siphon Replacement
- Completed the City's Water Rate Study Project
- Completed the Water System Fiber Optic Network (SCADA)
- Completed Installation of Calsense Irrigation Timers

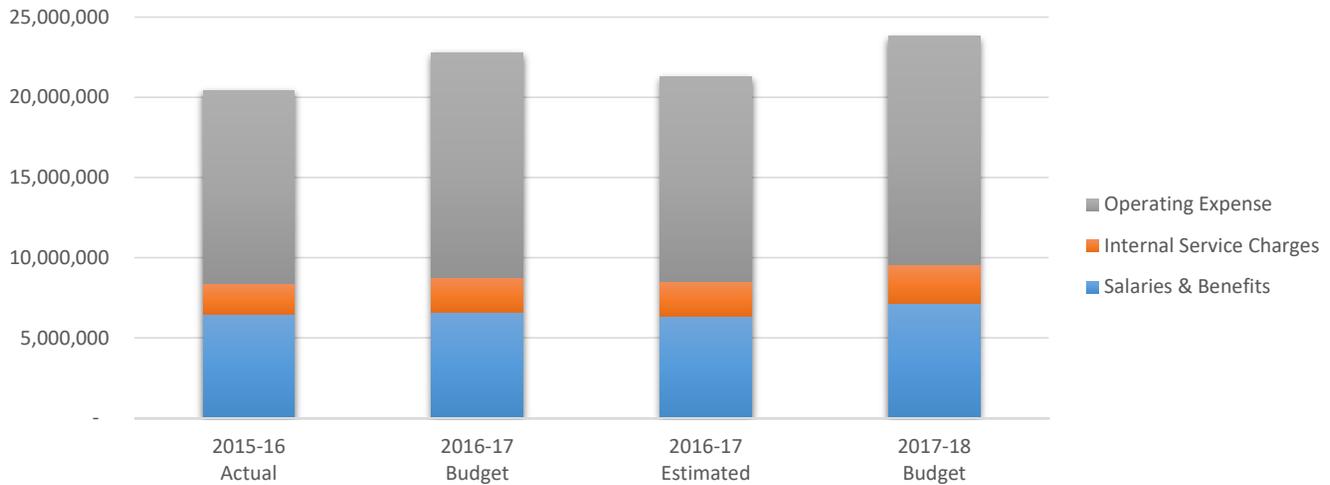
2017-18 Department Goals

- Complete 800MHZ Upgrades
- Complete School Area ADA Pedestrian Ramps
- Complete Residential Roadway Rehabilitation in the area of G2
- Complete the City's Pavement Management Yearly Planning
- Complete restriping in various locations
- Installation of one Audible Pedestrian Signal
- 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 Blvd
- Complete the Regional Traffic Signal Synchronization along Magnolia Street
- Complete the Regional Traffic Signal Synchronization along Brookhurst
- Complete the Citywide Protected Permissive Left Turn traffic signal Study
- Complete the Design of the Talbert-Mt. Washington Traffic Signal
- Complete the city's Local Circulator Study
- Construction of the Sandalwood Pump Station

PUBLIC WORKS

- Complete the design and construction of the Pavement Rehabilitation Improvements on Euclid Street from Slater Avenue to Warner Avenue
- Drainage GIS mapping
- Complete the Construction Improvements for the City's Recreation Center Exterior Rehab Project
- Complete the City's Sewer Structural Improvement Project in Various areas
- 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 Well No. 12 Rehabilitation Improvement Project
- Complete the City's Water SCADA Fiber Management Program
- Complete the City's Residential Median Turf Conversion Project
- Complete the City's Arterial Median Landscape Project No. 1
- Complete the City's Annual Fire Hydrant Replacement Project

Public Works	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Public Works (All Funds)				
Salaries & Benefits	6,447,871	6,613,940	6,357,711	7,168,690
Internal Service Charges	1,918,591	2,172,600	2,164,047	2,391,057
Operating Expense	12,030,889	13,970,180	12,775,753	14,230,700
Total Public Works Expenditures	20,397,351	22,756,720	21,297,511	23,790,447
Revenues/Charges to Departments	18,519,125	19,838,895	19,116,408	20,476,183
Total Public Works Revenues	18,519,125	19,838,895	19,116,408	20,476,183



General Fund

Engineering

Salaries & Benefits	282,372	287,117	287,051	257,599
Internal Service Charges	145,311	167,198	167,198	185,113
Operating Expense	8,613	81,350	64,225	40,350
Program Expenditures	436,296	535,665	518,474	483,062
Revenues	225,166	115,000	260,755	122,500
Program Revenues	225,166	115,000	260,755	122,500

Traffic Engineering

Salaries & Benefits	257,221	253,939	248,957	204,759
Internal Service Charges	62,778	74,790	74,790	83,082
Operating Expense	1,787	2,900	2,650	2,900
Program Expenditures	321,786	331,629	326,397	290,741

Construction Inspection

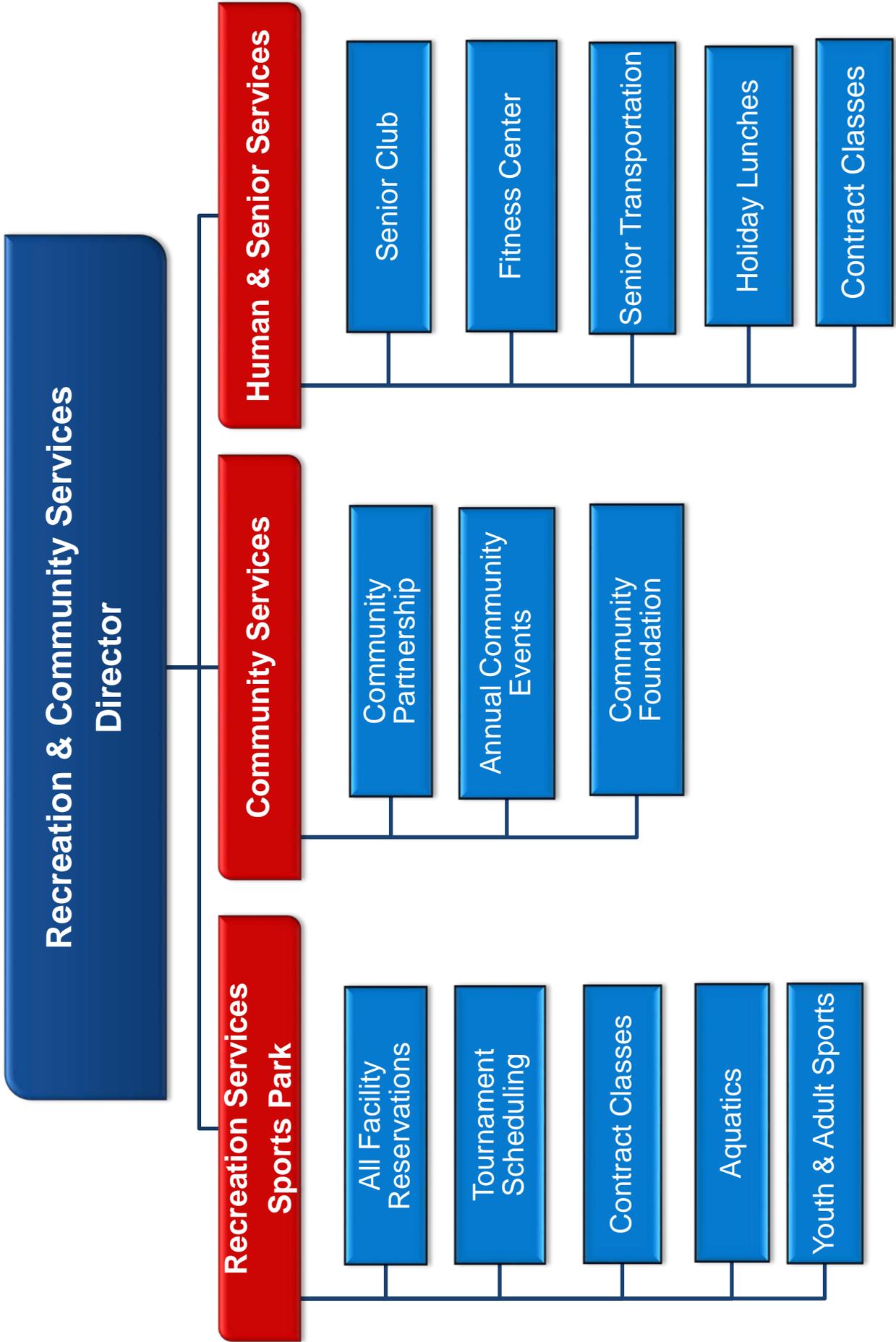
Salaries & Benefits	76,921	99,150	102,664	111,117
Internal Service Charges	47,731	56,590	56,590	65,416
Operating Expense	185	380	380	380
Program Expenditures	124,837	156,120	159,634	176,913
Revenues	6,050	6,050	30,820	15,000
Program Revenues	6,050	6,050	30,820	15,000

Public Works	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Street Lighting				
Salaries & Benefits	6,206	6,909	6,588	15,586
Internal Service Charges	7,137	8,413	8,413	8,759
Operating Expense	530,079	559,000	534,000	559,000
Program Expenditures	543,422	574,322	549,001	583,345
Right of Ways				
Salaries & Benefits	181,385	179,001	167,567	189,239
Internal Service Charges	75,562	86,514	86,514	104,130
Operating Expense	256,917	275,500	264,104	280,109
Program Expenditures	513,864	541,015	518,185	573,478
Revenues	2,904	3,000	7,890	3,000
Program Revenues	2,904	3,000	7,890	3,000
Tree Maintenance				
Salaries & Benefits	91,827	91,541	76,424	75,554
Internal Service Charges	70,865	82,231	82,231	100,674
Operating Expense	257,464	276,100	253,870	271,491
Program Expenditures	420,156	449,872	412,525	447,719
Revenues	9,208	8,750	17,514	10,000
Program Revenues	9,208	8,750	17,514	10,000
Park Maintenance				
Salaries & Benefits	289,025	285,039	268,345	279,371
Internal Service Charges	81,638	93,299	93,299	99,233
Operating Expense	343,969	469,550	404,057	488,882
Program Expenditures	714,632	847,888	765,701	867,486
Concrete Maintenance				
Salaries & Benefits	246,233	286,365	271,572	292,554
Internal Service Charges	136,107	153,900	153,900	170,287
Operating Expense	26,325	26,325	20,075	26,325
Program Expenditures	408,665	466,590	445,547	489,166
Pavement Maintenance				
Salaries & Benefits	248,640	294,987	273,512	304,166
Internal Service Charges	142,784	162,015	162,015	175,255
Operating Expense	80,332	89,725	87,950	89,725
Program Expenditures	471,756	546,727	523,477	569,146
Storm Drain Maintenance				
Salaries & Benefits	414,733	420,922	428,842	437,514
Internal Service Charges	50,849	59,171	59,171	71,673
Operating Expense	73,605	92,500	79,050	92,500
Program Expenditures	539,187	572,593	567,063	601,687

Public Works	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Revenues	95,674	109,733	119,835	114,860
Program Revenues	95,674	109,733	119,835	114,860
Traffic Control				
Salaries & Benefits	246,446	290,287	254,412	294,218
Internal Service Charges	126,066	143,623	143,623	159,695
Operating Expense	195,903	204,000	206,576	214,000
Program Expenditures	568,415	637,910	604,611	667,913
Street Sweeping				
Salaries & Benefits	7,635	8,157	5,672	13,366
Internal Service Charges	9,980	10,746	10,746	12,694
Operating Expense	306,441	308,000	306,500	308,000
Program Expenditures	324,056	326,903	322,918	334,060
Recreation Center				
Salaries & Benefits	138,912	138,789	129,555	145,414
Internal Service Charges	217,413	244,515	244,515	241,890
Operating Expense	462,373	498,100	464,848	518,600
Program Expenditures	818,698	881,404	838,918	905,904
Graffiti Removal				
Salaries & Benefits	55,134	52,968	67,858	110,539
Internal Service Charges	87,810	89,014	89,014	75,293
Operating Expense	10,051	77,200	7,200	5,200
Program Expenditures	152,995	219,182	164,072	191,032
General Fund Totals				
Salaries & Benefits	2,542,690	2,695,171	2,589,019	2,730,996
Internal Service Charges	1,262,031	1,432,019	1,432,019	1,553,194
Operating Expense	2,554,044	2,960,630	2,695,485	2,897,462
General Fund Expenditures	6,358,765	7,087,820	6,716,523	7,181,652
Revenues	339,002	242,533	436,814	265,360
General Fund Revenues	339,002	242,533	436,814	265,360
Other Funds				
Pollution Reduction				
Salaries & Benefits	744	727	727	774
Internal Service Charges	-	-	-	-
Operating Expense	-	2,000	2,000	2,000
Fund Expenditures	744	2,727	2,727	2,774
Revenues	75,663	68,000	72,000	72,000
Fund Revenues	75,663	68,000	72,000	72,000

Public Works	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Government Buildings (Internal Service)				
Salaries & Benefits	478,816	547,014	459,946	550,714
Internal Service Charges	-	-	-	-
Operating Expense	838,008	990,704	886,363	1,001,824
Fund Expenditures	1,316,824	1,537,718	1,346,309	1,552,538
Revenues/Charges to Departments	1,701,465	1,582,713	1,591,348	1,569,272
Fund Revenues	1,701,465	1,582,713	1,591,348	1,569,272
Fleet Management (Internal Service)				
Salaries & Benefits	507,981	495,605	463,564	513,854
Internal Service Charges	12,547	4,426	4,426	28,407
Operating Expense	502,703	587,900	432,450	587,900
Fund Expenditures	1,023,231	1,087,931	900,440	1,130,161
Revenues/Charges to Departments	1,649,747	1,990,247	1,882,200	1,953,802
Fund Revenues	1,649,747	1,990,247	1,882,200	1,953,802
Sewer Fund				
Salaries & Benefits	565,490	590,259	594,252	614,385
Internal Service Charges	226,836	257,628	257,628	243,989
Operating Expense	93,503	92,200	88,500	92,200
Fund Expenditures	885,829	940,087	940,380	950,574
Revenues	1,916,946	1,974,406	2,030,131	2,080,457
Fund Revenues	1,916,946	1,974,406	2,030,131	2,080,457
Water Fund				
Salaries & Benefits	2,352,150	2,285,164	2,250,203	2,757,967
Internal Service Charges	417,177	478,527	469,974	565,467
Operating Expense	8,042,631	9,336,746	8,670,955	9,649,314
Fund Expenditures	10,811,958	12,100,437	11,391,132	12,972,748
Revenues	12,836,302	13,980,996	13,103,915	14,535,292
Fund Revenues	12,836,302	13,980,996	13,103,915	14,535,292
Total Other Funds				
Salaries & Benefits	3,905,181	3,918,769	3,768,692	4,437,694
Internal Service Charges	656,560	740,581	732,028	837,863
Operating Expense	9,476,845	11,009,550	10,080,268	11,333,238
Total Other Funds Expenditures	14,038,586	15,668,900	14,580,988	16,608,795
Revenues	18,180,123	19,596,362	18,679,594	20,210,823
Total Other Fund Revenues	18,180,123	19,596,362	18,679,594	20,210,823

Recreation & Community Services Department



RECREATION AND COMMUNITY SERVICES

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 Department Goals From the Prior 2016-17 Fiscal Year

- City of Fountain Valley 60th Anniversary Celebration 1957 – 2017
 - In Process – The City Council approved the creation of an Ad Hoc committee, 60th anniversary logo, and provided specific direction on celebrations and community engagement tools to highlight the City's 60th anniversary
- Provided 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
- 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*) - Completed

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 \$55,000 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 400 seniors living in Fountain Valley who are no longer able to provide their own transportation
- 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
- Provided to the community a complete American Red Cross water safety swim program at Fountain Valley High School.

RECREATION AND COMMUNITY SERVICES

- Provided field space for youth and adult user groups ranging from AYSO, Little League, Pony, and Girls Fastpitch to local and national adult and youth tournaments.

2017-18 Department Goals

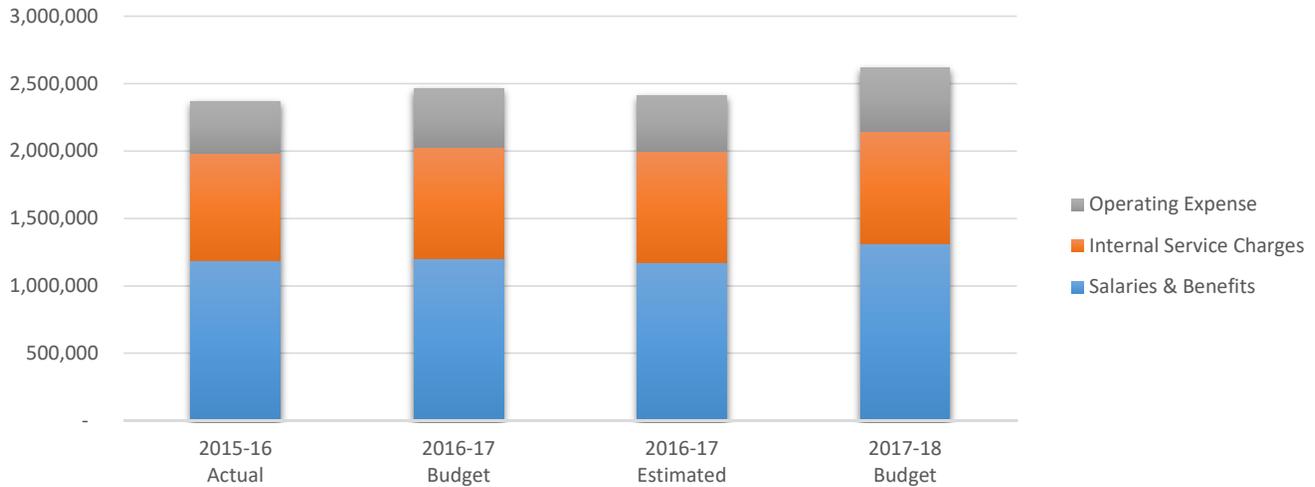
- Collaborate with the community partners to provide over 18 major community events annually - Annually (*Strategic Issue: Enhance Community Outreach and Engagement*)
- Continue to facilitate a professional relationship with the Fountain Valley Community Foundation through collaboration on select special events, class scholarships and as a Board of Directors representative - Annually (*Strategic Issue: Achieve financial stability/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*)
- Continue to collaborate with local hospitals and medical centers to provide educational and health related programs to our senior community - Annually (*Strategic Issue: Enhance Community Outreach and Engagement*)
- Develop a funding strategy to address the annual increases to California's Minimum Wage through revenue enhancements - Annually (*Strategic Issue: Achieve financial stability*)
- Further develop ridership for the Senior "Hop On" Transportation program - Annually (*Strategic Issue: Enhance Community Outreach and Engagement*)

**Parks
Make
Life
Better!**



**Fountain Valley
Community Services**

Recreation & Community Services	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Recreation & Community Services (All Funds)				
Salaries & Benefits	1,184,155	1,199,670	1,174,264	1,310,437
Internal Service Charges	799,725	826,851	826,851	836,566
Operating Expense	386,110	435,065	408,772	467,735
Total Recreation & Community Services Ex	2,369,990	2,461,586	2,409,887	2,614,738
Revenues	1,298,389	1,347,243	1,385,740	1,378,698
Total Recreation & Community Services Re	1,298,389	1,347,243	1,385,740	1,378,698



General Fund

Athletics

Salaries & Benefits	111,611	97,644	109,762	130,697
Internal Service Charges	157,862	164,384	164,384	161,011
Operating Expense	82,689	90,155	89,685	90,155
Program Expenditures	352,162	352,183	363,831	381,863
Revenues	170,564	145,000	157,300	145,000
Program Revenues	170,564	145,000	157,300	145,000

Field Operations

Salaries & Benefits	118,969	113,130	119,907	123,616
Internal Service Charges	77,657	80,759	80,759	83,271
Operating Expense	12,712	16,630	15,052	16,630
Program Expenditures	209,338	210,519	215,718	223,517
Revenues	246,714	315,000	360,745	315,000
Program Revenues	246,714	315,000	360,745	315,000

Annual Festivals

Salaries & Benefits	29,330	32,747	28,167	34,427
Internal Service Charges	-	-	-	-
Operating Expense	54,425	44,500	44,500	44,500
Program Expenditures	83,755	77,247	72,667	78,927
Revenues	90,512	87,762	86,000	88,582

Recreation & Community Services	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Program Revenues	90,512	87,762	86,000	88,582
Aquatics				
Salaries & Benefits	57,310	66,467	60,328	72,164
Internal Service Charges	25,754	29,446	29,446	38,004
Operating Expense	19,399	20,100	16,406	20,025
Program Expenditures	102,463	116,013	106,180	130,193
Revenues	61,185	45,000	45,472	60,000
Program Revenues	61,185	45,000	45,472	60,000
Recreation & Tennis Center				
Salaries & Benefits	150,122	168,047	153,383	177,636
Internal Service Charges	188,005	192,122	192,122	192,799
Operating Expense	14,583	18,695	16,791	18,695
Program Expenditures	352,710	378,864	362,296	389,130
Revenues	93,644	72,500	74,798	72,500
Program Revenues	93,644	72,500	74,798	72,500
Community & Senior Center				
Salaries & Benefits	287,253	285,553	277,560	319,964
Internal Service Charges	186,165	192,500	192,500	197,857
Operating Expense	71,628	88,190	75,240	103,190
Program Expenditures	545,046	566,243	545,300	621,011
Revenues	148,704	177,300	156,300	177,300
Program Revenues	148,704	177,300	156,300	177,300
Contract Classes				
Salaries & Benefits	331,075	336,663	326,069	340,423
Internal Service Charges	79,235	81,187	81,187	79,217
Operating Expense	43,156	49,040	47,898	49,040
Program Expenditures	453,466	466,890	455,154	468,680
Revenues	390,478	372,400	376,644	372,400
Program Revenues	390,478	372,400	376,644	372,400
Special Events				
Salaries & Benefits	78,697	77,638	77,307	89,042
Internal Service Charges	85,047	86,453	86,453	84,407
Operating Expense	49,279	40,755	40,000	43,500
Program Expenditures	213,023	204,846	203,760	216,949
Revenues	39,799	43,500	43,500	43,500
Program Revenues	39,799	43,500	43,500	43,500
Senior Transportation				
Salaries & Benefits	19,788	21,781	21,781	22,468

Recreation & Community Services	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Internal Service Charges	-	-	-	-
Operating Expense	38,239	67,000	63,200	82,000
Program Expenditures	58,027	88,781	84,981	104,468
Revenues	56,789	88,781	84,981	104,416
Program Revenues	56,789	88,781	84,981	104,416
General Fund Totals				
Salaries & Benefits	1,184,155	1,199,670	1,174,264	1,310,437
Internal Service Charges	799,725	826,851	826,851	836,566
Operating Expense	386,110	435,065	408,772	467,735
General Fund Expenditures	2,369,990	2,461,586	2,409,887	2,614,738
Revenues	1,298,389	1,347,243	1,385,740	1,378,698
General Fund Revenues	1,298,389	1,347,243	1,385,740	1,378,698

SUCCESSOR AGENCY

Description / Purpose

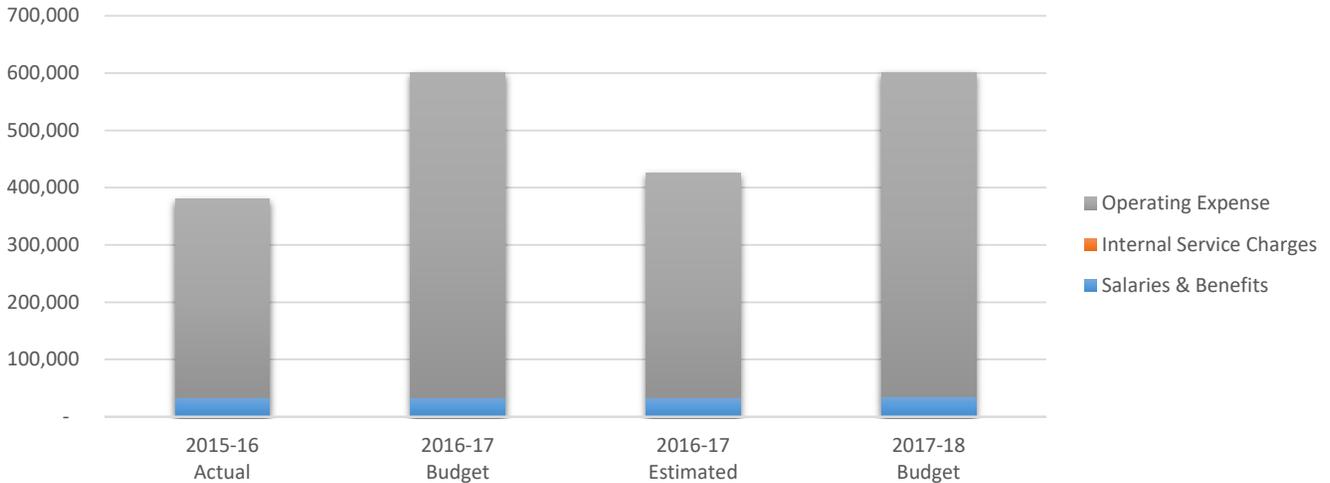
The activities for the Successor Agency are directly tied to the dissolution of Redevelopment under ABx1 26 effective February 2012. Ongoing dissolution activities are now linked to the semi-annual Recognized Obligation Payment Schedule (ROPS) which must be approved by the Oversight Board and the California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

The 2017-18 ROPS schedules (July 1, 2017 through June 30, 2018) were approved by Department of Finance on April 3, 2017. The 2018-19 ROPS are due to DOF by February 1, 2018 and are estimates which will be subject to DOF final approval.

The Successor budget reflects the actual and projected activities for the 2017-18 fiscal year which include ROPS 2017-18 DOF approved items:

DESCRIPTION	AMOUNT
OPA Fry's	\$250,000
Palm Island Development Agreement	\$100,000
Administration (Legal, Staffing)	\$250,000
TOTAL	\$600,000

FV Successor Agency to the FVACD	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget
Total Successor Agency				
Salaries & Benefits	34,036	34,052	32,802	35,796
Internal Service Charges	-	-	-	-
Operating Expense	346,121	565,948	393,400	564,484
Total Successor Agency Expenditures	380,157	600,000	426,202	600,280
Revenues	298,041	577,249	1,109,771	375,000
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Successor Agency Fund

Successor Agency

Salaries & Benefits	34,036	34,052	32,802	35,796
Internal Service Charges	-	-	-	-
Operating Expense	346,121	565,948	393,400	564,484
Program Expenditures	380,157	600,000	426,202	600,280
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Successor Fund Total

Salaries & Benefits	34,036	34,052	32,802	35,796
Internal Service Charges	-	-	-	-
Operating Expense	346,121	565,948	393,400	564,484
Fund Expenditures	380,157	600,000	426,202	600,280
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Fund Revenues	298,041	577,249	1,109,771	375,000

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 2017-18 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 \$18.3 million has been incorporated in the table to account for continuing appropriations and represent 21 of the 50 projects listed in the CIP budget table. These continuing projects are re-evaluated annually during the fiscal year-end review process.

The Fiscal Year 2017-18 budget funds 50 projects totaling \$33.6 million as detailed in Table 1. Eighteen of which are part of the City's infrastructure rehabilitation program; three projects are classified as new construction or design and eight 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)	\$18,309,018
CIP – Improvements	3,432,225
CIP – Rehabilitation	11,090,705
CIP – New Construction	775,000
CIP Total	\$33,606,948

Fiscal Year 2017-18 Annual Capital Replacement Expenditures:

The Fiscal Year 2017-18 budget continues to carry out the ten year replacement program. Capital Equipment includes FD cardiac monitors, SCBA harnesses, turn-out gear, fire suppression equipment, 800 MHz radio replacement, PD virtual training simulator, body worn cameras, and field PD Brazos devices. Included in Information technology will be the regular change out of older computer workstations, printers; and Fire Station #2 phone system rehab. Fleet services will replace several trucks, four police cars, two field support motorcycle, skip loader, backhoe, and other related equipment. Government building rehabilitation includes senior center exterior painting, roll up doors at sports field, PD/FD standby generators and other related building improvements.

Table 2 - Annual Capital Replacement Expenditures - Internal Service Funds

Capital Equipment – (Office Furniture / Tools / Other)	\$1,104,496
Information Technology (Computers / Servers)	411,902
Fleet (Vehicles)	1,030,500
Government Buildings	652,500
Routine Capital Expenditures Total	\$3,199,399

CAPITAL PROJECTS FUNDING ANALYSIS

Fund	Proj #	Project Name	Total	11	11	11	11	11	11	11	11
				General Fund Capital	General Fund Operating	General Plan Maint.	Economic Dev.	Park In-Lieu	Developer Impact	98 TAB Proceeds	CREBS
		Estimated Beginning Balance 7/1/17	C/A	\$ 10,340,170	\$ -	\$ 259,429	\$ 1,500,000	\$ 490,427	\$ 1,307,343	\$ 4,429,538	\$ 2,787,418
General Fund 11											
	11 GF163	Facilities HVAC & Energy Efficiency Systm.	Y	6,065,971	3,278,553						2,787,418
	11 GF197	800MHZ Upgrades		2,098,208	2,098,208						
	11 GF339	Recreation Center Rehab		1,000,000						1,000,000	
	11 GF403	Park Improvements - Annual		200,000	200,000						
	11 GF407	Park Imp. - Various(Nieb./Helm/Rec Ctr)	Y	80,000				80,000			
	11 GF413	Citywide Arterial Median Landscape		3,400,000					875,893	2,524,107	
	11 GF784	City Hall Water Feature		120,000	120,000						
	11 GF915	I-405 Improvement	Y	955,000							
	11 GF334	Sports Park Roll Gates		10,500				10,500			
	11 GF789	Vehicle Wash Rack - Corporate Yard		250,000						250,000	
	11 GF790	Two-bay Butler Building - Fire		150,000						150,000	
	11 GF335	General Plan Update		1,259,000		259,000	1,000,000				
	11 CD868	Economic Development	Y	300,000						300,000	
		General Fund Projects		15,888,679	5,496,761	200,000	259,000	1,000,000	90,500	875,893	4,224,107
Gas Tax 23											
	23 GT005	Pavement Management		60,000							
	23 GT010	Restriping - Various Locations		35,000							
	23 GT021	Audible Pedestrian Signals		12,500							
	23 GT101	Administration		2,000							
	23 GT229	Residential Roadway Rehabilitation		1,800,000	350,000						
	23 GT228	ADA Compliant Curb Ramps		296,000							
		Gas Tax Projects		2,205,500	0	350,000	0	0	0	0	0
Traffic Imp 24											
	24 TI147	Warner Ave Traffic Signal Synchronization	Y	18,786							
	24 TI148	Talbert Ave Traffic Signal Synchronization	Y	1,831							
	24 TI149	Euclid St Traffic Signal Synchronization	Y	39,439							
	24 TI155	Brookhurst Traffic Signal Synchronization		100,000							
	24 TI156	Magnolia Traffic Signal Synchronization		50,000							
	24 TI160	Citywide Traffic Signal Timing Maint		30,000							
	24 TI198	Edinger Ave Traffic Signal Synchronization	Y	15,526							
	24 TI233	Signal Talbert/Mt Washington		375,000						205,431	
	24 TI267	Citywide Signal Communication Maint.		35,000							
	24 TI271	Euclid - Slater/Warner		1,100,000							
	24 TI280	Harbor Blvd Traffic Signal Synchronization	Y	1,225							
		PPLT Protective Permissive Traffic Signal Operations	Y	250,000							
	24 TI281	Study	Y	50,000							
	24 TI282	Local Circulator Study	Y	50,000							
		Traffic Improvement Fund Projects		2,066,807	0	0	0	0	0	205,431	0
Pollution Reduction Program AQMD 26											
	26 PR603	Electric Vehicle Charging Station (6)	Y	46,100							
	26 PR604	Electric Vehicle Charging Station (6)	Y	92,200							
		Pollution Reduction (AQMD) Projects		138,300	0	0	0	0	0	0	0
Drainage 31											
	31 DF657	Drainage GIS Mapping		10,000							
	31 DF995	Sandalwood Pump Station	Y	3,050,000							
		Drainage Fund Projects		3,060,000	0	0	0	0	0	0	0
Sewer 32											
	32 SF616	Sewer GIS Mapping		35,000							
	32 SF620	Sewer Improvements Annual		1,800,000							
	32 SF93X	I-405 Utility Facilities Relocation	Y	180,000							
		Sewer Fund Projects		2,015,000	0	0	0	0	0	0	0
Water 71											
	71 WU705	Hydrant Replacement		20,000							
	71 WU708	Water Conservation		100,000							
	71 WU709	Pipeline Condition Assessment		300,000							
	71 WU710	Ellis Siphon Replacement	Y	315,550							
	71 WU816	Well No. 12 Rehabilitation		600,000							
	71 WU818	Reservoir No. 1 Exterior Painting	Y	100,000							
	71 WU839	Residential Median Turf Conversion		130,000							
	71 WU842	GIS Update		40,000							
	71 WU846	Reservoir No. 2	Y	5,651,112							
	71 WU862	Well No. 10 Rehabilitation	Y/P	400,000							
	71 WU9XX	I-405 Utility Facilities Relocation	Y	576,000							
		Water Fund Projects		8,232,662	0	0	0	0	0	0	0
		Total Projects		33,606,948	5,496,761	550,000	259,000	1,000,000	90,500	875,893	4,429,538
		Revenues									
		Estimated Reserve Balance 6/30/18		\$ 4,843,409		\$ 429	\$ 500,000	\$ 399,927	\$ 431,450	\$ -	\$ -

CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: City Facilities HVAC and Energy Efficiency Systems

Project Number: GF163 General Fund

Project Description:

In March of 2013 the City obtained a completed Energy Action Plan which detailed the City’s energy goals, the City’s energy usage and a list of energy efficiency measures (EEMs) which could help the City to meet the new efficiency goals. Subsequently in 2015 a completed Facilities Audit determined the feasibility of energy solutions in four key areas: 1) constructing solar photovoltaic (PV) installations at various City owned locations; 2) City street lighting upgrade and purchase from Southern California Edison; 3) retro-commissioning of HVAC facilities; and 4) energy efficiency measures for other City facilities, including the installation of new air conditioning systems for the Recreation Center Gymnasium. In fiscal year 2016-2017 the City Council approved the above remaining efficiency projects due to their potential to benefit the City both financially and from an energy conservation and sustainability standpoint. The project costs are as follows: solar construction \$2,787,418; Street Lights purchase and upgrade \$1,043,030; Miscellaneous energy efficiency measures \$2,235,523 and cost of bonds issuance \$111,000.

Estimated Start Date: 2016/2017

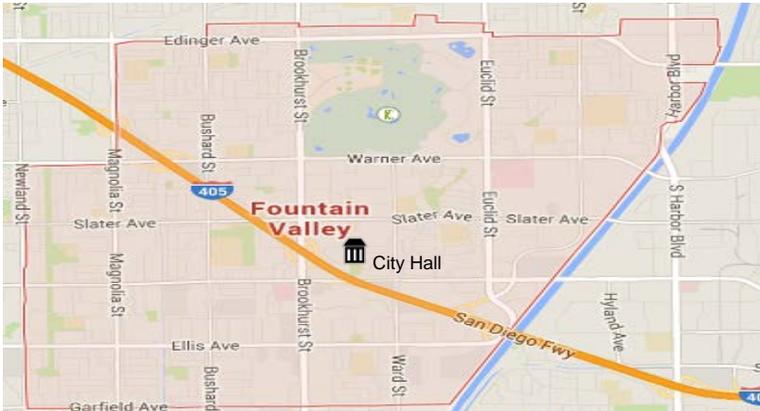
Estimated Completion Date: 2018

Budgeted Projected Costs: \$6,176,971

Budgeted Funding Sources: General Fund/ Clean Renewable Energy Bonds (CREBs)

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
General Fund (Continuing Appropriation)	3,278,553					3,278,553
CREBs (Continuing Appropriation)	2,787,418					2,787,418
Total	\$6,065,971					\$6,065,971

Location Map:



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 \$2,320,335.

Estimated Start Date: 2014/2015

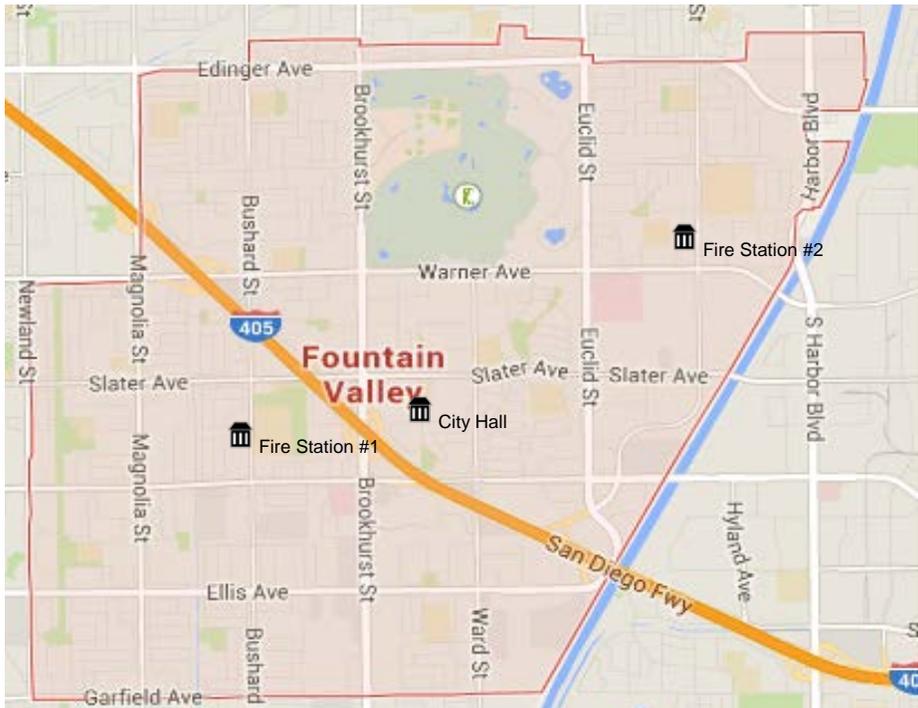
Estimated Completion Date: 2018

Budgeted Projected Costs: \$2,320,335

Budgeted Funding Sources: General Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
General Fund	2,098,208					2,098,208
Total	\$2,098,208					\$2,098,208

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Recreation Center Exterior Rehabilitation

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, incorporating architectural feature enhancements on the exterior facade and completely painting the exterior of the facility.

Estimated Start Date: 2014/2015

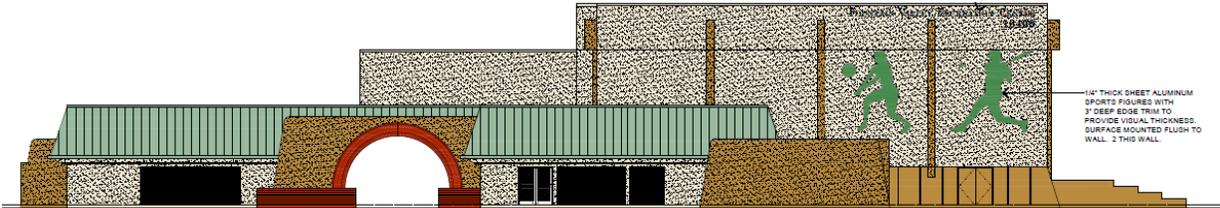
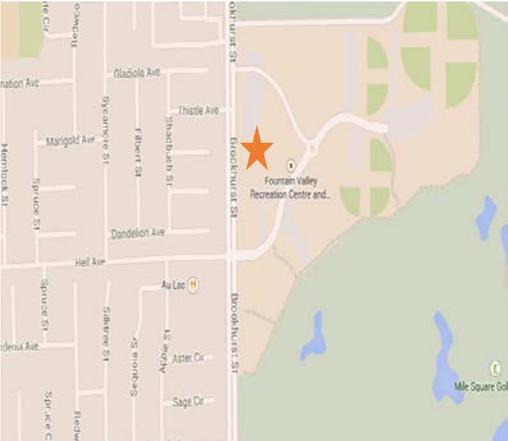
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$1,038,545

Budgeted Funding Sources: Park In-Lieu, 98 Tax Allocation Bond Proceeds

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
98 TAB	1,000,000					1,000,000
Total	\$1,000,000					\$1,000,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Park Improvements - Annual

Project Number: GF403 General Fund

Project Description:

Improvements to playground equipment are scheduled each year to ensure the safety of the children and quality of the activities that they enjoy at each of the neighborhood parks. All parks are evaluated annually and those showing the greatest need become priority.

Estimated Start Date: Annual

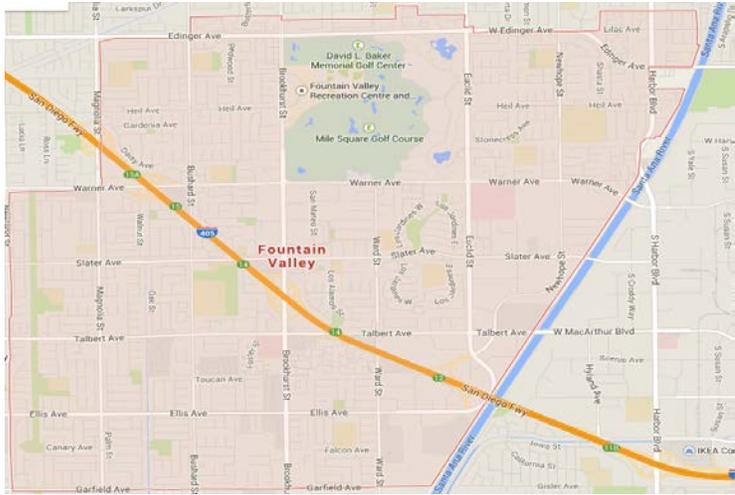
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$120,000 to \$200,000 Annual

Budgeted Funding Sources: General Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
General Fund	200,000	200,000	120,000	120,000	120,000	760,000
Total	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$760,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Park Improvements - Various

Project Number: GF407 General Fund

Project Description:

Three parks are in need of immediate attention to correct undesirable conditions of existing infrastructure. 1) At Nieblas Park, one section of the rubber playground surfacing has subsidized due to subsurface base failure. Repair and recoating of the rubber playground surface is required. 2) At the Sports Park, the entire upper layer of the rubber playground surfacing requires removal and replacement to correct severe wear spots and an overall deterioration of the surface. 3) At Helm Park, five park lights have deteriorated beyond repair and therefore require replacement.

Estimated Start Date: 2016/2017

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$80,000

Budgeted Funding Sources: Park In-Lieu

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Park In-Lieu (Continuing Appropriation)	80,000					80,000
Total	\$80,000					\$80,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Citywide Arterial Median Landscape

Project Number: GF413 General Fund

Project Description:

This project will improve city-wide arterial medians with drought tolerant landscapes. A drought tolerant landscape consists of plants that require very little 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 preservation of existing trees and plants. The goal is to reduce water use, incorporate existing hardscape and trees where possible, while creating a contemporary and inviting city streetscape.

Estimated Start Date: 2015/2016

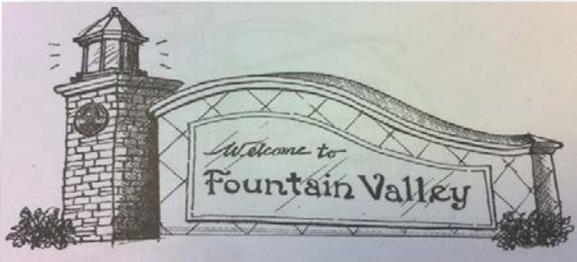
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$3,400,000

Budgeted Funding Sources: 98 Tax Allocation Bond Proceeds, Developer Impact Fees

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
98 TABs	2,524,107					2,524,107
Developer Impact	875,893					875,893
Total	\$3,400,000					\$3,400,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: City Hall Water Feature

Project Number: GF784 General Fund

Project Description:

In 2015, in response to the Governor’s emergency drought declaration the City Hall fountain was shut down in an effort to promote water conservation throughout our community. With the fountain sitting dry for the last couple of years, it furthered the delamination of the tiles to the point of making the fountain inoperable. This project will consider several different options to refurbish the fountain and to bring back an attractive water feature for the community to enjoy.

Estimated Start Date: 2017/2018

Estimated Completion Date: 2018

Budgeted Projected Costs: \$120,000

Budgeted Funding Sources: General Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
General Fund	120,000					120,000
Total	\$120,000					\$120,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: I-405 Improvement

Project Number: GF915 General Fund

Project Description:

Improvement of the I-405 is a project long time in the making. After years of engineering analysis and environmental work, the Orange County Transportation Authority (OCTA) Board and Caltrans identified the improvements that would move forward. The improvements to the mainline include one additional general purpose lane in each direction between Euclid Street and I-605 and one new express, or toll lane in each direction that will be combined with the existing HOV lane to form a two-lane express, or toll lane facility in each direction from SR-73 to I-605. The project will also include the demolition and reconstruction of the bridges that span the freeway. Several interchanges, including the Brookhurst and Magnolia interchanges, will be modified and signalized. The Euclid/Ellis/SB I-405 on ramp will also be modified to include a direct connector slip ramp from EB Ellis Avenue to SB I-405. There will also be new sound walls, landscaping, and aesthetic treatments on the walls, slopes, and structures along the corridor.

Throughout the course of the project, Public Works engineering staff, professional consultants and Police Department staff will be involved in reviewing plans, reviewing construction work on City facilities, evaluating and adjusting signal timing and traffic detours, and providing additional surveillance and enforcement. The City has entered into a cooperative agreement with OCTA which provides for reimbursement of funds in an estimated amount of \$975,000 for City engineering and police staff costs for the duration of the project.

Estimated Start Date: 2016/2017

Estimated Completion Date: 2022

Budgeted Projected Costs: \$975,000

Budgeted Funding Sources: Orange Cnty Transportation Auth (OCTA) Reimbursement

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
OCTA Reimbursement	955,000					955,000
Total	\$955,000					\$955,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Sports Park Roll Gates

Project Number: GF334 General Fund

Project Description:

This project will replace all swing gates at the Sports Park Ballfields with roll gates which eliminate moving parts and are better suited to hold up to high usage.

Estimated Start Date: 2017/2018

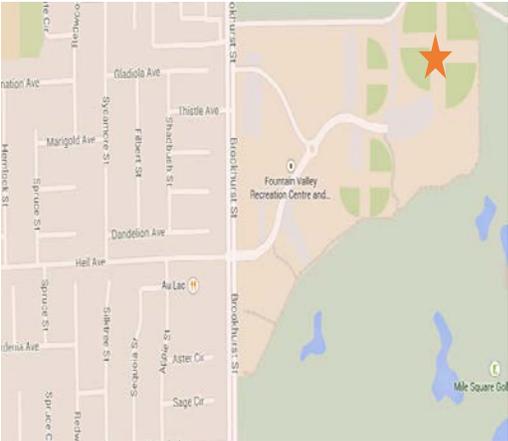
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$10,500

Budgeted Funding Sources: Park In-Lieu

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Park In-Lieu	10,500					10,500
Total	\$10,500					\$10,500

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Corporate Yard Vehicle Wash Rack

Project Number: GF789 General Fund

Project Description:

The City’s National Pollutant Discharge Elimination System (NPDES) prohibits the discharge of non-permitted waste water to the City’s storm drain system. Waste water from non-residential vehicle washing is a prohibited discharge. Construction and maintenance of an onsite wash rack facility would ensure proper cleaning and maintenance of vehicles, particularly large equipment and service vehicles with arrow boards, without violating NPDES regulations.

Estimated Start Date: 2017/2018

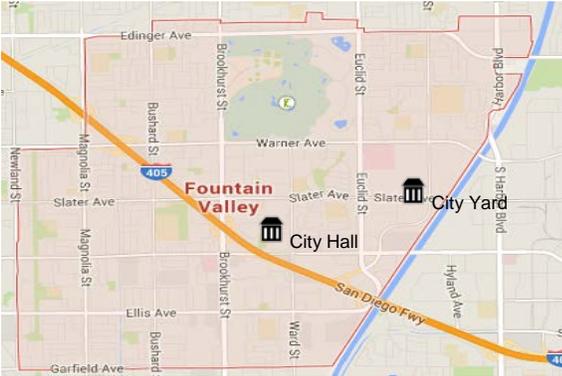
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$250,000

Budgeted Funding Sources: 98 Tax Allocation Bond Proceeds

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
98 TABs	250,000					250,000
Total	\$250,000					\$250,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Two-Bay Butler Building

Project Number: GF790 General Fund

Project Description:

This project is for the construction of a two bay 36' X 36' metal building behind Fire Station Two. It will provide for additional storage for emergency apparatus and other equipment. The project includes the building purchase and erection, slab, footings, electrical and engineering, door openers, plymovent and incidentals.

Estimated Start Date: 2017/2018

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$150,000

Budgeted Funding Sources: 98 Tax Allocation Bond Proceeds

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
98 TABs	150,000					150,000
Total	\$150,000					\$150,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: General Plan Update

Project Number: GF335 General Fund

Project Description:

This project will include consultant services to deliver a comprehensive General Plan update to the current General Plan that was adopted in 1995.

Estimated Start Date: 2017/18

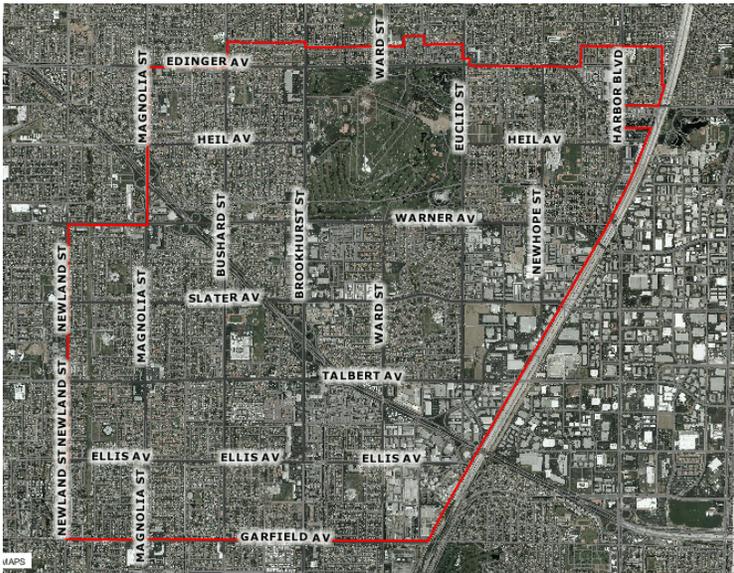
Estimated Completion Date: 2018/2019

Budgeted Projected Costs: \$1,259,000

Budgeted Funding Sources: Economic Development Reserve and General Plan Maintenance Fee Reserve

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Economic Development Reserve	1,000,000					\$1,000,000
General Plan Maintenance Fee Reserve	259,000					\$259,000
Total	\$1,259,000					\$1,259,000

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.

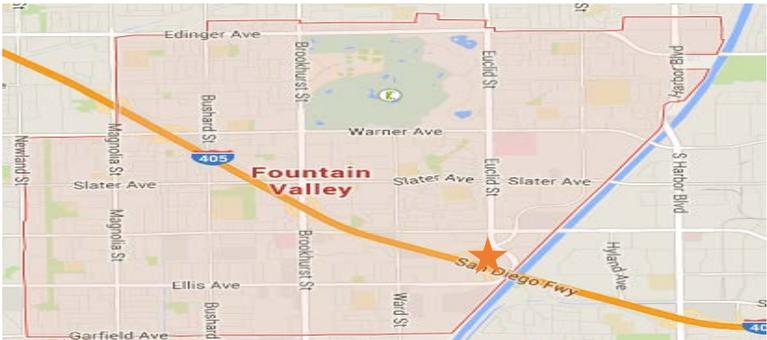
Estimated Start Date: 2014/2015

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$1,700,000

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

Project Budget						
Funding Source(s)	2017-18	2017-18	2018-19	2019-20	2020-21	Total
98 TAB (Continuing Appropriation)	300,000					300,000
SCAG Grant	0					0
Total	\$300,000					\$300,000



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

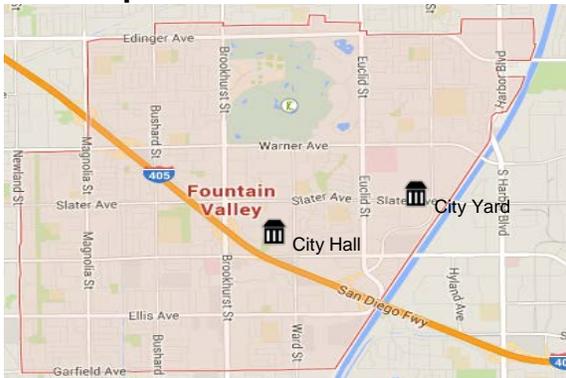
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$60,000

Budgeted Funding Sources: Gas Tax Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Gas Tax	60,000	30,000	70,000	40,000	70,000	270,000
Total	\$60,000	\$30,000	\$70,000	\$40,000	\$70,000	\$270,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Citywide Re-Striping

Project Number: GT010

Project Description:

This project provides re-striping in various areas through-out the city where roadway lane striping show signs of wear and fading.

Estimated Start Date: 2017/2018

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$35,000

Budgeted Funding Sources: Gas Tax Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Gas Tax Fund	35,000	25,000			25,000	85,000
Total	\$35,000	\$25,000			\$25,000	\$85,000

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: 2017/2018

Budgeted Projected Costs: \$12,500

Budgeted Funding Sources: Gas Tax Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Gas Tax	12,500					12,500
Total	\$12,500					\$12,500



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

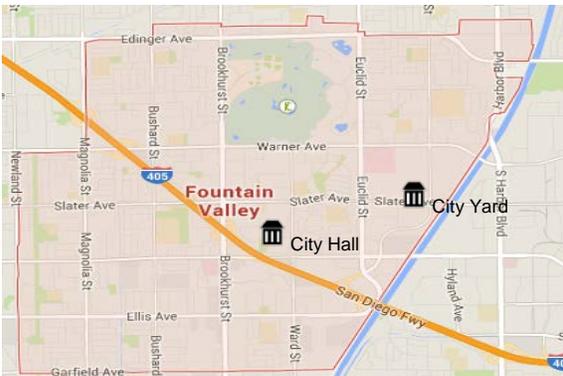
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$2,000 Annual

Budgeted Funding Sources: Gas Tax Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Gas Tax	2,000	2,000	2,000	2,000	2,000	10,000
Total	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$10,000

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 G2 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 2017.

Estimated Start Date: Annual

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$1,800,000

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

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Gas Tax	1,355,000	580,000	580,000	580,000	1,080,000	4,175,000
General Fund	350,000	350,000	350,000	350,000	350,000	1,750,000
Water Fund	65,000	40,000	40,000	40,000	40,000	225,000
Sewer Fund	30,000	30,000	30,000	30,000	30,000	150,000
Total	\$1,800,000	\$1,000,000	\$1,000,000	\$1,000,000	1,500,000	\$6,300,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: ADA Compliant Curb Ramps

Project Number: GT228 Gas Tax Fund

Project Description:

This project will install ADA compliant pedestrian curb ramps in school areas where there are approved suggested routes to school crosswalks with curb returns with no ADA compliant curb ramps.

These improvements will:

1. Provide ADA Compliant pathways for school pedestrians
2. Induce School Pedestrian Wellness
3. Encourage School Pedestrian activity along approved Suggested Routes to School Pathways.

Estimated Start Date: 2017/2018

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$296,000

Budgeted Funding Sources: Gas Tax Fund, Active Transportation Program (ATP) Grant

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Gas Tax	70,000					70,000
ATP Grant	226,000					226,000
Total	\$296,000					\$296,000

Location: Citywide in School Areas.



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

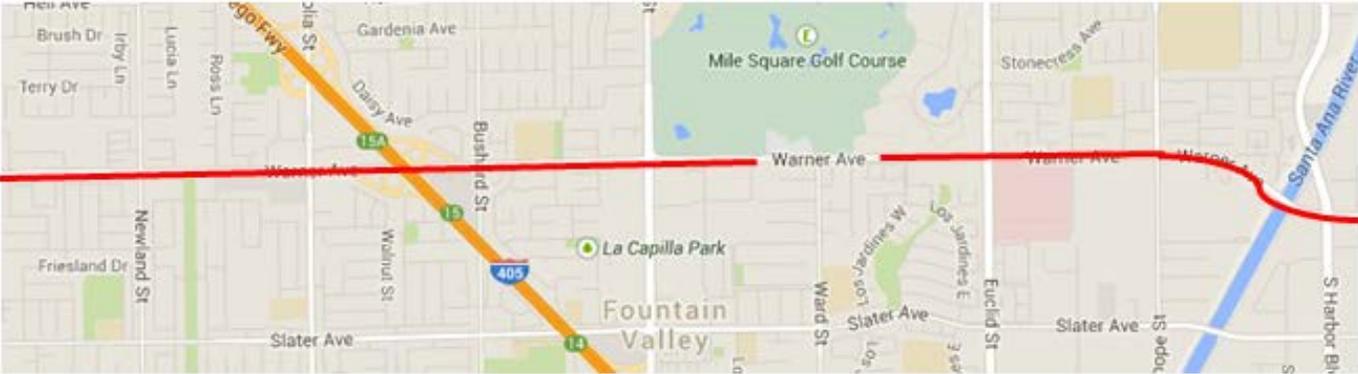
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$40,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2 (Continuing Appropriation)	18,786					18,786
Total	\$18,786					\$18,786

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

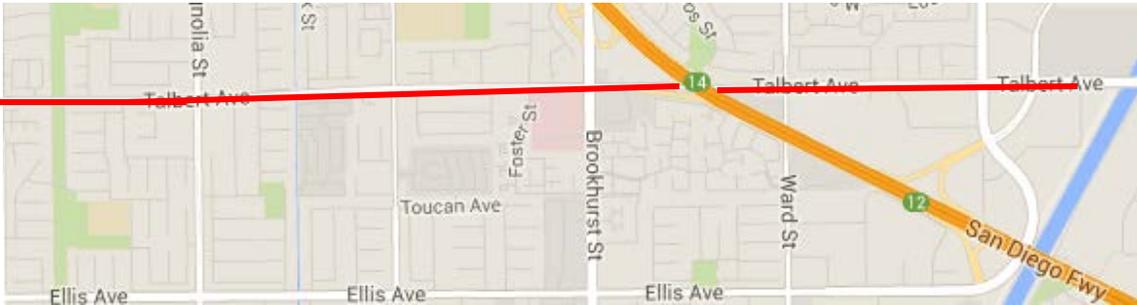
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$40,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2 (Continuing Appropriation)	1,831					1,831
Total	\$1,831					\$1,831

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

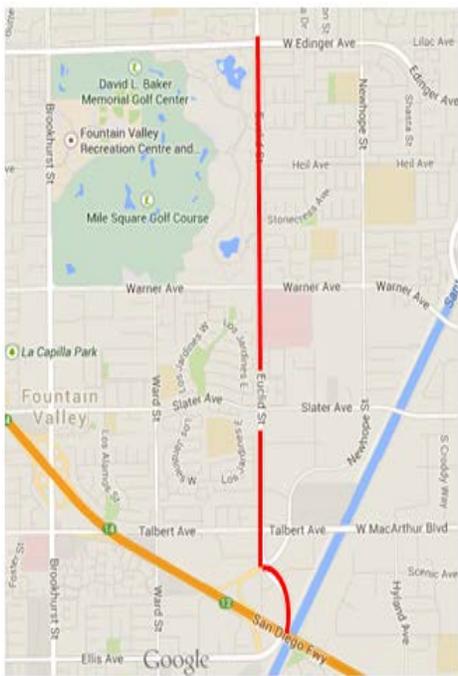
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$40,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2 (Continuing Appropriation)	39,439					39,439
Total	\$39,439					\$39,439

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Brookhurst St Traffic Signal Synchronization

Project Number: TI155 Traffic Improvement Fund

Project Description:

This project is to synchronize countywide traffic signals throughout the County. The Orange County Transportation Authority (OCTA) has identified Brookhurst Street as an approved project under OCTA Measure M2 Regional Traffic Signal Synchronization Program (TSSP). This project will also provide regional traffic signal coordination timing, Closed Circuit Pan Tilt Zoom observation Camera upgrades, traffic signal battery back-up systems at all traffic signals along Brookhurst Street and on traffic signal cabinet upgrade Brookhurst/Heil. This project also includes three years of post-project traffic signal coordination timing maintenance.

Start Date: 2017/2018

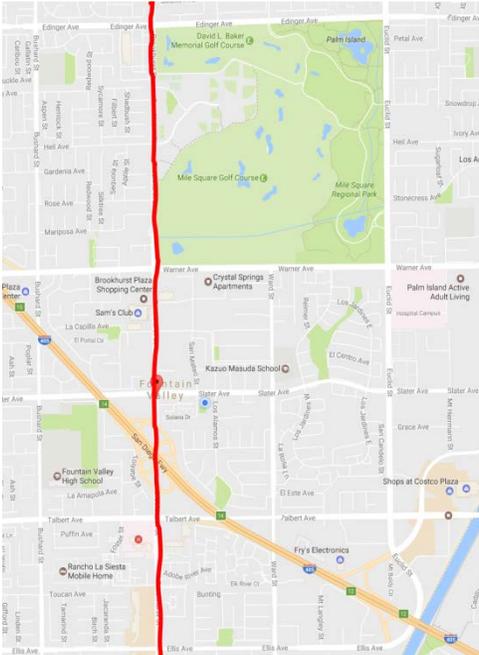
Estimated Completion Date: 2021/2022

Budgeted Projected Costs: \$100,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2	100,000					100,000
Total	\$100,100					\$100,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Magnolia St Traffic Signal Synchronization

Project Number: TI156 Traffic Improvement Fund

Project Description:

This project is to synchronize countywide traffic signals throughout the County. The Orange County Transportation Authority (OCTA) has identified Magnolia Street as an approved project under OCTA Measure M2 Regional Traffic Signal Synchronization Program (TSSP). This project will also provide regional traffic signal coordination timing, Closed Circuit Pan Tilt Zoom observation Camera upgrades, traffic signal battery back-up systems and traffic signal equipment upgrades at all traffic signals along Magnolia Street. This project also includes three years of post-project traffic signal coordination timing maintenance.

Start Date: 2017/2018

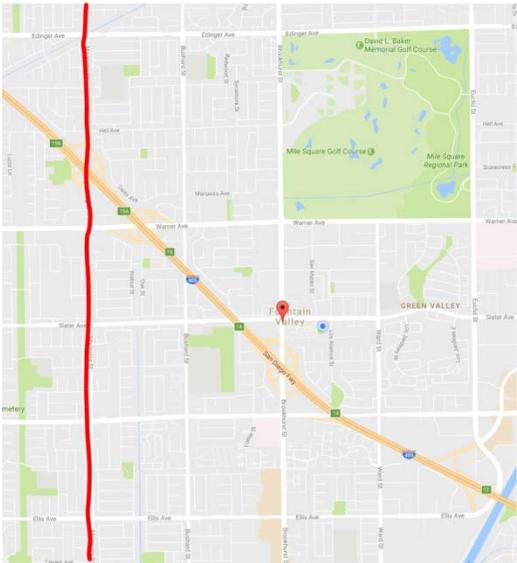
Estimated Completion Date: 2021/2022

Budgeted Projected Costs: \$50,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2	50,000					50,000
Total	\$50,000					\$50,000

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)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2	20,000	20,000	20,000	20,000	20,000	100,000
Traffic Improvement	10,000	10,000	10,000	10,000	10,000	50,000
Total	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000

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: 2017/2018

Budgeted Projected Costs: \$40,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2 (Continuing Appropriation)	15,526					15,526
Total	\$15,526					\$15,526

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Traffic Signal Talbert Ave/Mt. Washington

Project Number: TI233 Traffic Improvement Fund

Project Description:

This project will construct a new traffic signal at the intersection of Talbert Avenue/Mt. Washington. This traffic signal was identified as a traffic improvement through a traffic study conducted as part of the Costco property gas station expansion. The Project budget for this project includes design and construction costs.

Start Date: 2017/2018

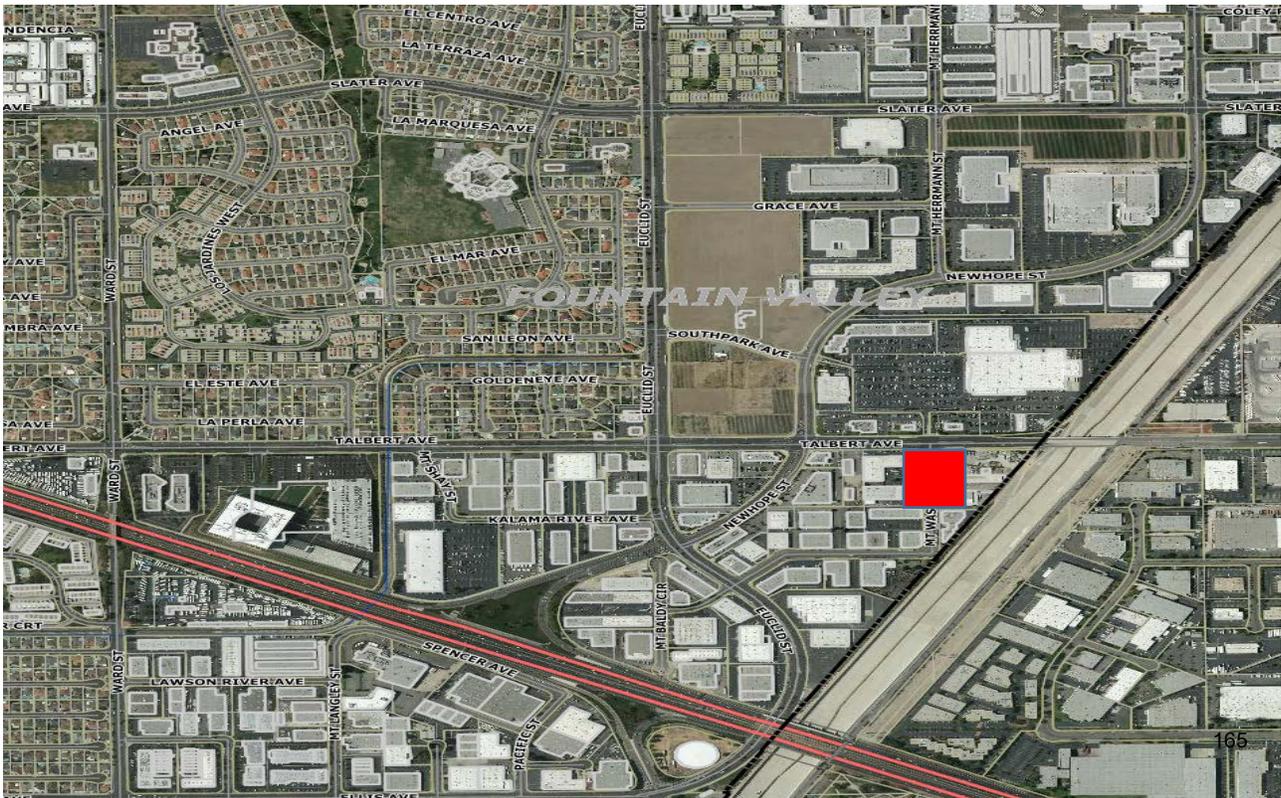
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$375,000

Budgeted Funding Sources: Traffic Impact Fees, 98 Tax Allocation Bond Proceeds

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Traffic Improvement	169,569					169,569
98 TAB	205,431					205,431
Total	\$375,000					\$375,000

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

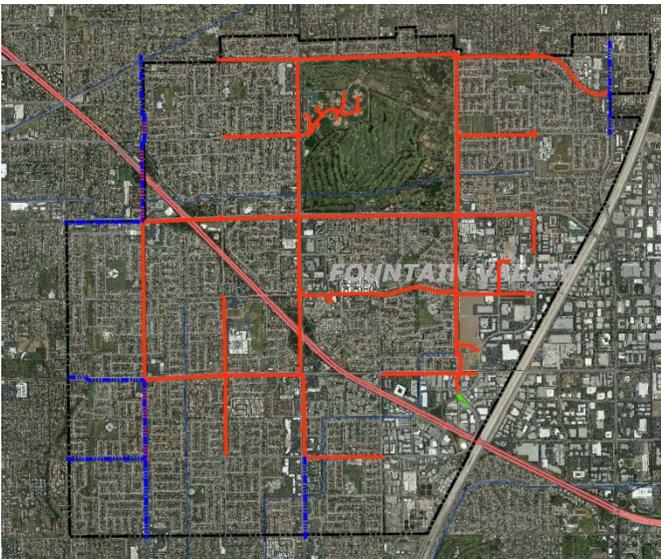
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$35,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2	35,000	35,000	35,000	35,000	35,000	175,000
Total	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$175,000

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

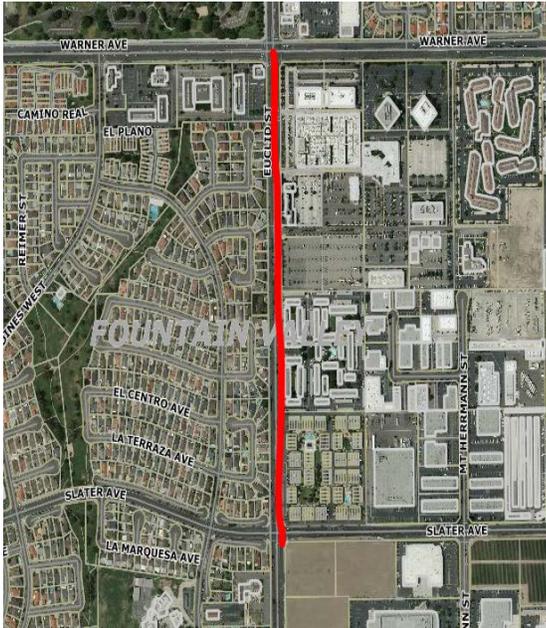
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$1,100,000

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

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2 (Continuing Appropriation)	525,000					525,000
Measure M2	520,000					520,000
Water Fund	25,000					25,000
Sewer Fund	30,000					30,000
Total	\$1,100,000					\$1,100,000

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

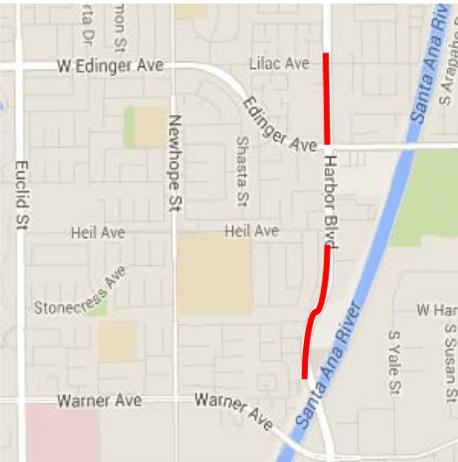
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$5,640

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2 (Continuing Appropriation)	1,225					1,225
Total	\$1,225					\$1,225

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)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Measure M2 (Continuing Appropriation)	25,000					25,000
Other Grants (Continuing Appropriation)	225,000					225,000
Total	\$250,000					\$250,000

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 grant funding.

Estimated Start Date: 2016/2017

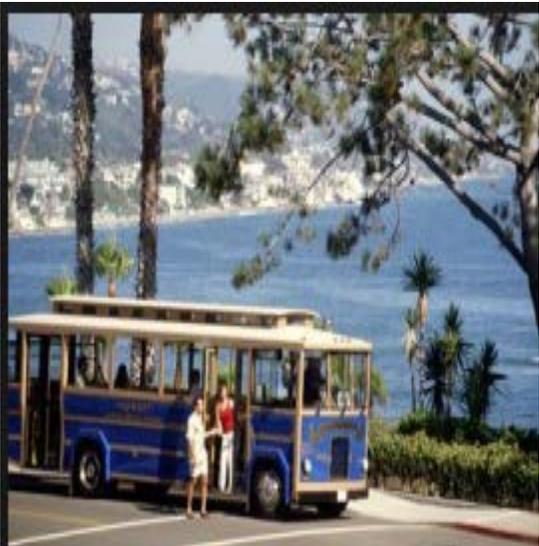
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$50,000

Budgeted Funding Sources: AQMD, OCTA Grant

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
AQMD (Continuing Appropriation)	5,000					5,000
OCTA Project V Grant (Continuing Appropriation)	45,000					45,000
Total	\$50,000					\$50,000

Location: Citywide



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Electric Vehicle Charging Stations 1

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 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 Park and Ride Lot
2. Fountain Valley Center at Founders Village

Estimated Start Date: 2016/2017

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$92,200

Budgeted Funding Sources: Pollution Reduction, SCAQMD Grant



Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Pollution Reduction						
SCAQMD Grant (Continuing Appropriation)	46,100					46,100
Total	\$46,100					\$46,100

CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Electric Vehicle Charging Stations 2

Project Number: PR604 Pollution Reduction Fund

Project Description:

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. Fountain Valley Civic Center
3. Fountain Valley Corporate Yard



Estimated Start Date: 2016/2017

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$92,200

Budgeted Funding Sources: Pollution Reduction

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Pollution Reduction (Continuing Appropriation)	92,200					92,200
Total	\$92,200					\$92,200

CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Drainage GIS Infrastructure Update

Project Number: DF657 Drainage Fund

Project Description:
GIS mapping update of the entire drainage system.

Estimated Start Date: Periodic

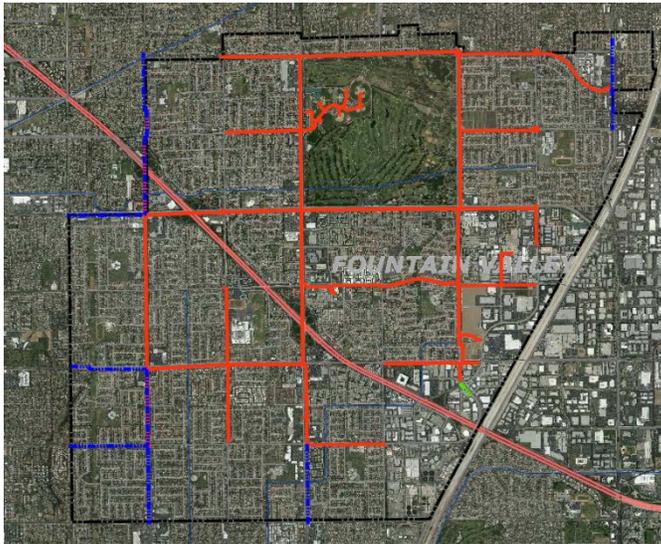
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$10,000 Biannual

Budgeted Funding Sources: Drainage Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Drainage Fund	10,000		10,000		10,000	30,000
Total	\$10,000		\$10,000		\$10,000	\$30,000

Location Map:



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 fund the rehabilitation of this pump station facility.

Estimated Start Date: 2015/2016

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$3,500,000

Budgeted Funding Sources: 2016A Lease Revenue Bonds

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
2016A Lease Revenue Bonds (Continuing Appropriation)	3,050,000					3,050,000
Total	\$3,050,000					\$3,050,000



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: Annually

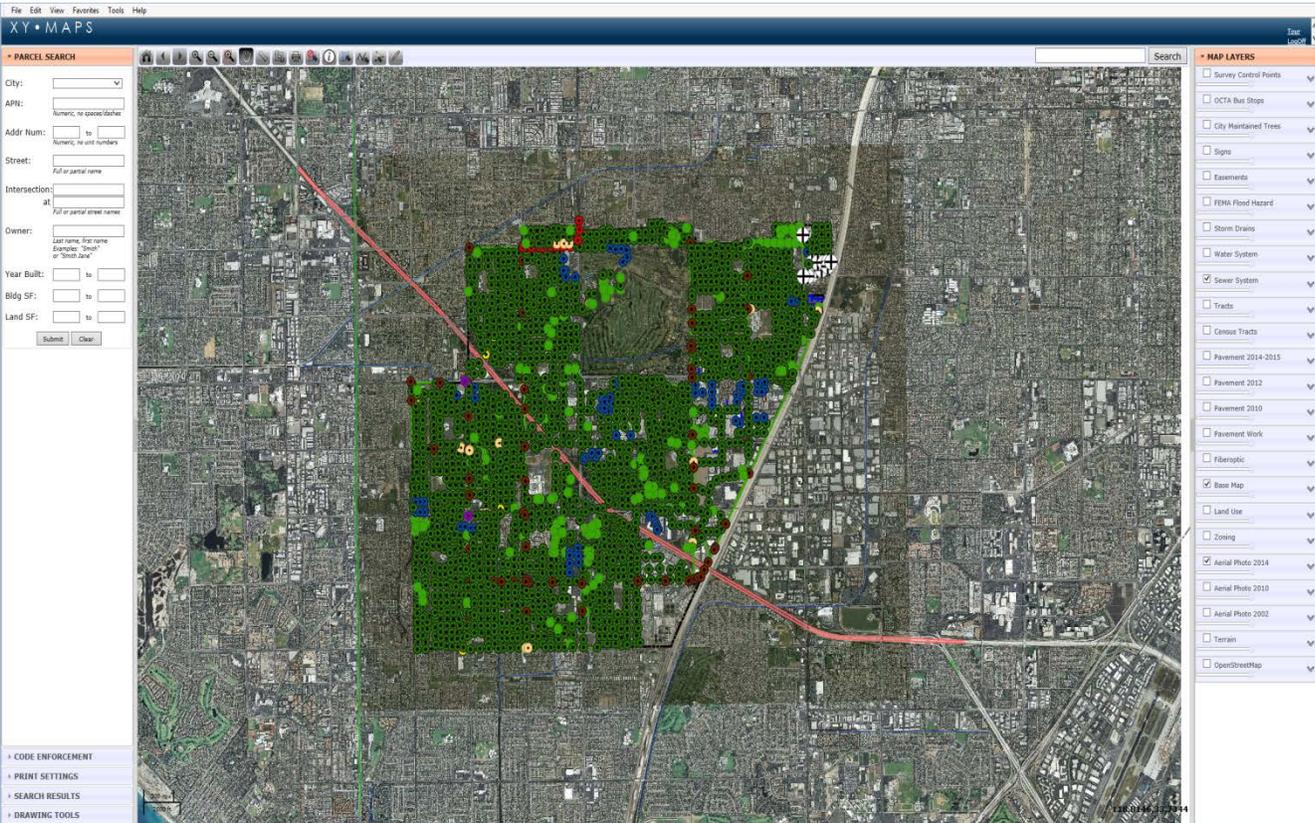
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$35,000 Annual

Budgeted Funding Sources: Sewer Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Sewer Fund	35,000	35,000	40,000	40,000	40,000	190,000
Total	\$35,000	\$35,000	\$40,000	\$40,000	\$40,000	\$190,000

Location Map:



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: Annually

Estimated Completion Date: Continuous

Budgeted Projected Costs: \$1,800,000

Budgeted Funding Sources: Sewer Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Sewer Fund	1,800,000	1,200,000	1,200,000	1,200,000	1,200,000	6,600,000
Total	\$1,800,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,600,000

Location: Various Areas Citywide



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: I-405 Utility Facilities Relocation

Project Number: SF931/SF932/SF933/SF934 Sewer Fund

Project Description:

Improvement of the I-405 is a project long time in the making. After years of engineering analysis and environmental work, the Orange County Transportation Authority (OCTA) Board and Caltrans identified the improvements that would move forward. The improvements to the mainline include one additional general purpose lane in each direction between Euclid Street and I-605 and one new express, or toll lane in each direction that will be combined with the existing HOV lane to form a two-lane express, or toll lane facility in each direction from SR-73 to I-605. The project will also include the demolition and reconstruction of the bridges that span the freeway. Several interchanges, including the Brookhurst and Magnolia interchanges, will be modified and signalized. The Euclid/Ellis/SB I-405 on ramp will also be modified to include a direct connector slip ramp from EB Ellis Avenue to SB I-405. There will also be new sound walls, landscaping, and aesthetic treatments on the walls, slopes, and structures along the corridor.

Since a portion of the I-405 Improvement Project runs through the City, the project requires the City to enter into various agreements with OCTA. Utility Facilities agreements give OCTA the authority to relocate City-owned facilities as necessitated and provide for the reimbursement in costs to the City for staff time related to review/approval and construction inspection.

Estimated Start Date: 2016/2017

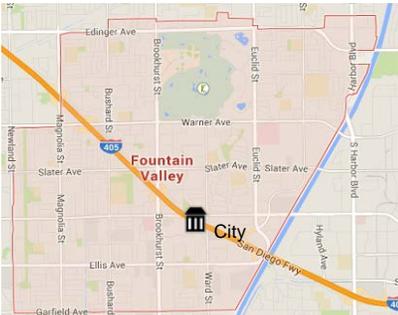
Estimated Completion Date: 2022

Budgeted Projected Costs: \$180,000

Budgeted Funding Sources: Orange Cnty Transportation Auth (OCTA) Reimbursement

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
OCTA Reimbursement (Continuing Appropriation)	180,000					180,000
Total	\$180,000					\$180,000

Location Map:



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.

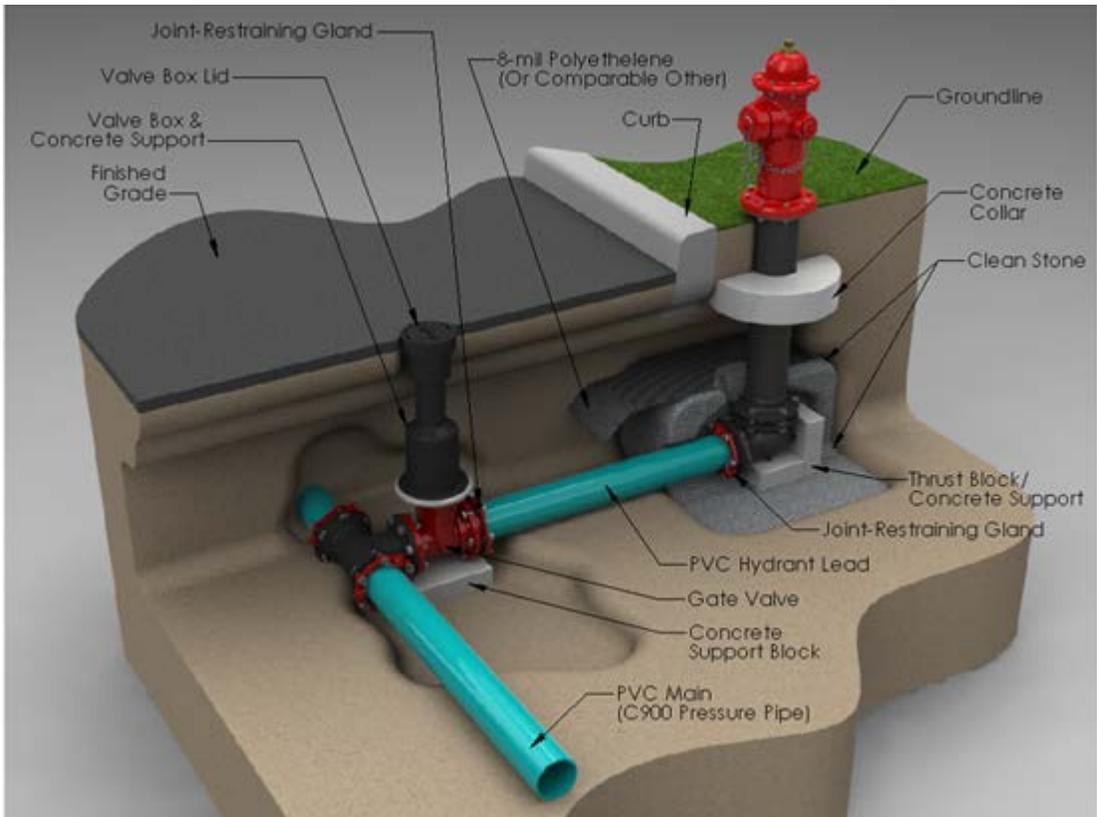
Estimated Start Date: Annual

Estimated Completion Date: Continuous

Budgeted Projected Costs: \$20,000 Annual

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund	20,000	20,000	20,000	20,000	20,000	100,000
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.

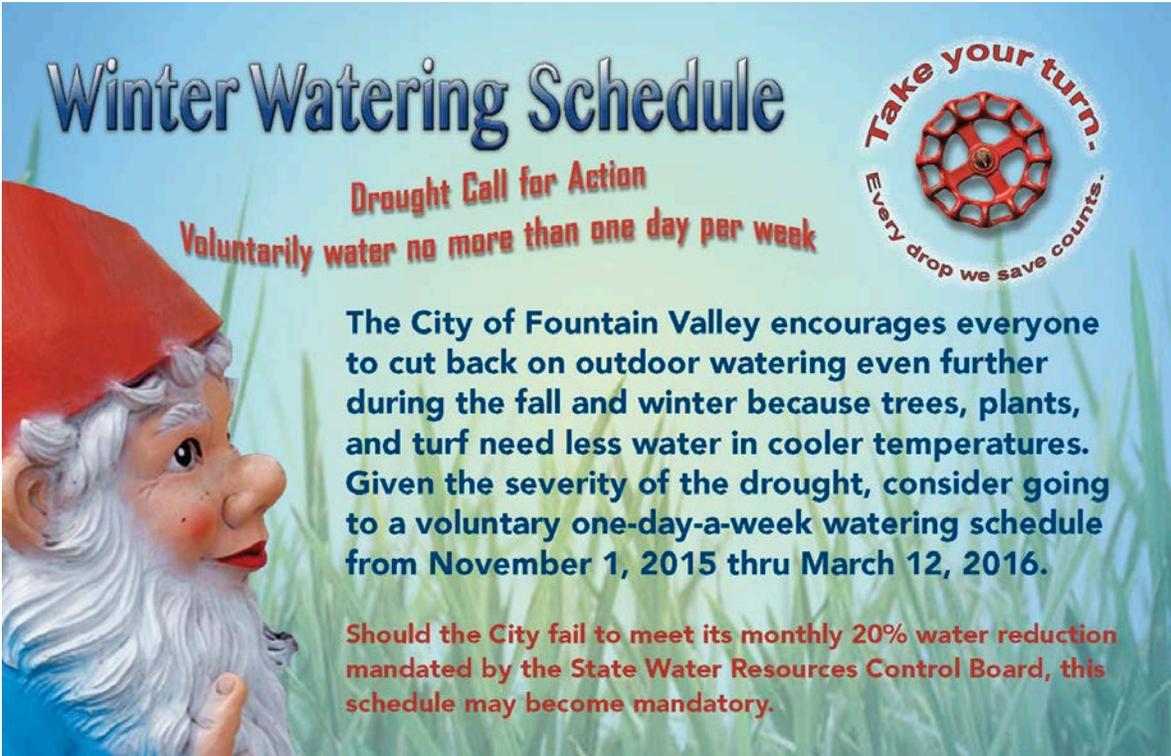
Estimated Start Date: 2012/2013

Estimated Completion Date: Continuous

Budgeted Projected Costs: \$100,000 Annual

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000



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: 2016/2017

Estimated Completion Date: Continuous

Budgeted Projected Costs: \$300,000 Annual

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund	300,000	300,000	300,000	300,000	300,000	1,500,000
Total	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000

CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Ellis Siphon Project

Project Number: WU710

Project Description:

This project will replace an existing 12” water main siphon along Ellis Avenue under the Talbert Channel which is currently leaking and in a condition of disrepair. The project will re-route the 12” water line over the Talbert Channel to eliminate the leaking water line.

Estimated Start Date: 2016/2017

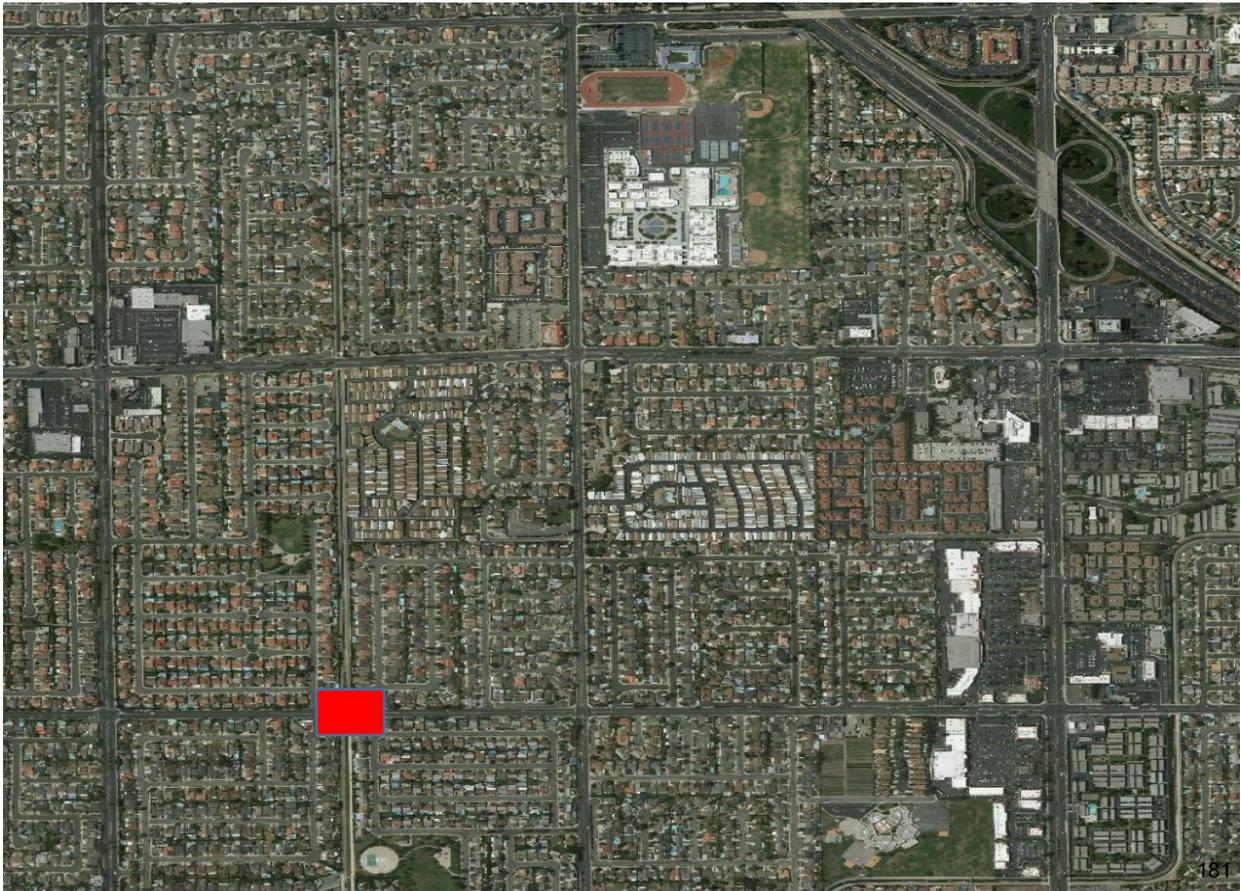
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$350,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund (Continuing Appropriation)	315,550					315,550
Total	315,550					\$315,550

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Well No. 12 Rehabilitation

Project Number: WU816 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: 2017/2018

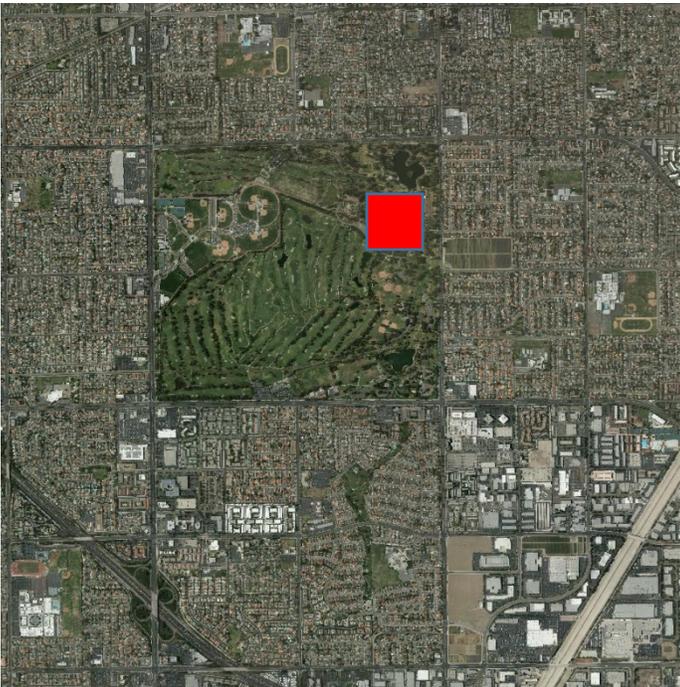
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$600,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund	600,000					600,000
Total	\$600,000					\$600,000

Location Map:



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. The existing paint has been adhesion tested and determined that it is still in good condition but is in need of minor repairs and recoating touchups. Presently, there are areas that are fading and chipping, and staff is attempting to avoid exposing the existing base layer which could result in costly removal and disposal due to lead content. 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 to the areas that need touchup. In addition, the existing caulking at the base of the reservoir is in poor condition and will also need to be removed and new caulking applied. Lastly, a new mural or logo would be repainted on the freeway side of the reservoir tank.

Estimated Start Date: 2016/2017

Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$105,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund (Continuing Appropriation)	100,000					100,000
Total	\$100,000					\$100,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Residential Median Turf Conversion

Project Number: WU839

Project Description:

This project will fund the replacement of 13, 500 sqft of turf grass with synthetic turf on the following residential medians: 8700 Ellis Ave.; 1700 Los Jardines West; 9400 Tanager Ave. and 17000 Ross Street. The City received (3) quotes for the replacement of turf grass and the lowest bidder was Backyard Golf and Games at \$122,400. Replacing the turf grass with synthetic turf will assist the City in meeting its water conservation goals and eliminate runoff leaving the medians which eventually enters the ocean.

Estimated Start Date: Fiscal Year 2017/2018

Estimated Completion Date: Fiscal Year 2017/2018

Budgeted Projected Costs: \$130,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund	130,000					
Total	130,000					



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

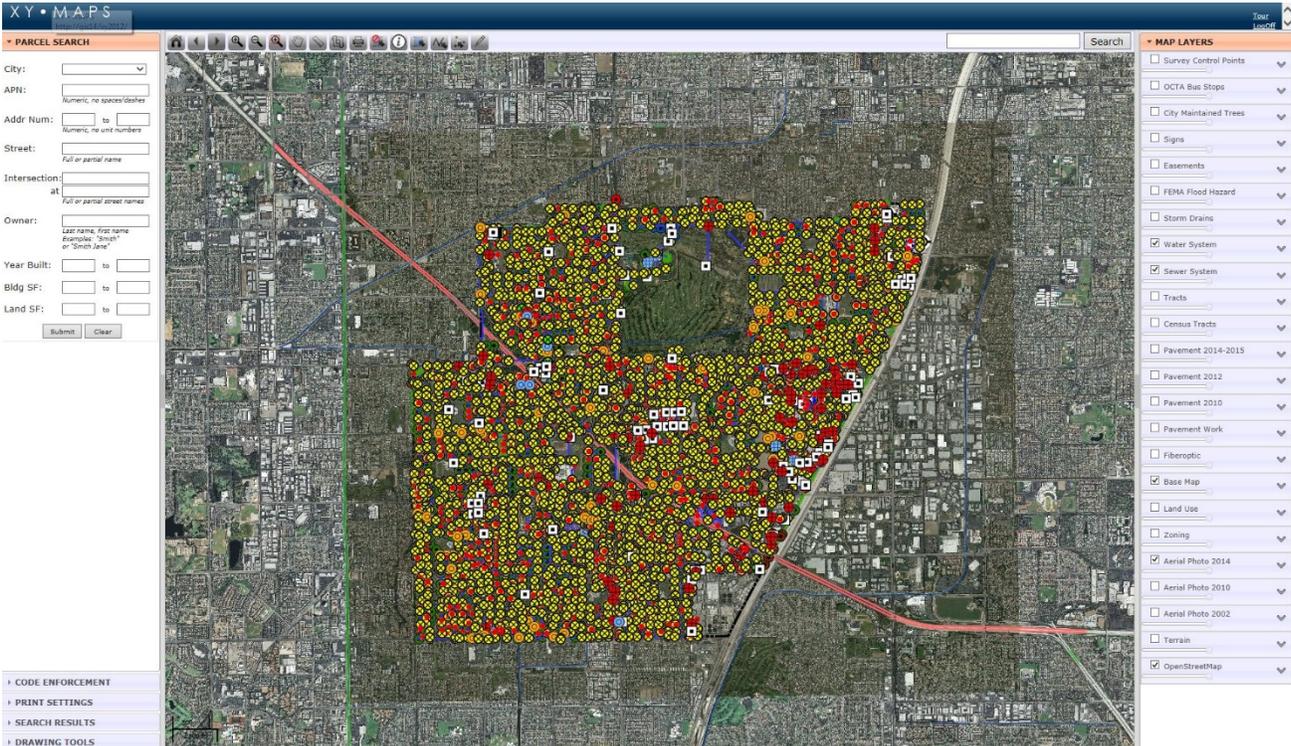
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$40,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund	40,000	40,000	40,000	45,000	45,000	210,000
Total	\$40,000	\$40,000	\$40,000	\$45,000	\$45,000	\$210,000

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: 2017/2018

Budgeted Projected Costs: \$6,234,722

Budgeted Funding Sources: 2014A Water Revenue Bonds

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Revenue Bonds (Continuing Appropriation)	5,651,112					5,651,112
Total	\$5,651,112					\$5,651,112



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

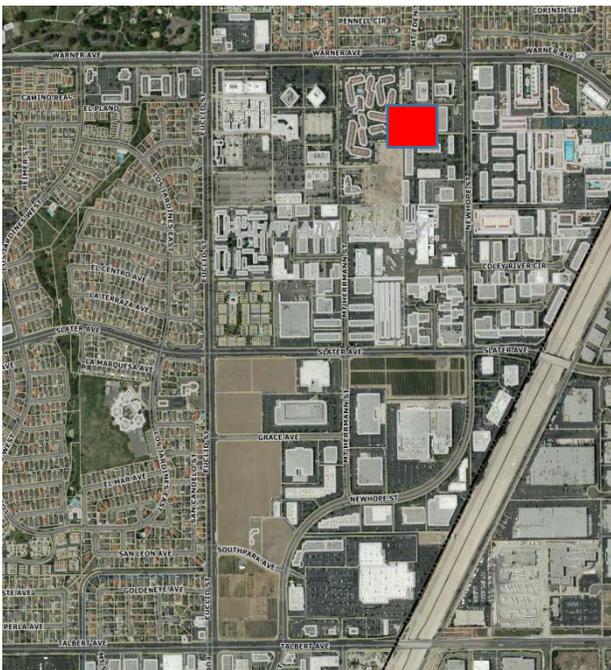
Estimated Completion Date: 2017/2018

Budgeted Projected Costs: \$425,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Water Fund (Continuing Appropriation)	230,000					230,000
Water Fund	170,000					170,000
Total	\$400,000					\$400,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: I-405 Utility Facilities Relocation

Project Number: WU916-WU927 Water Fund

Project Description:

Improvement of the I-405 is a project long time in the making. After years of engineering analysis and environmental work, the Orange County Transportation Authority (OCTA) Board and Caltrans identified the improvements that would move forward. The improvements to the mainline include one additional general purpose lane in each direction between Euclid Street and I-605 and one new express, or toll lane in each direction that will be combined with the existing HOV lane to form a two-lane express, or toll lane facility in each direction from SR-73 to I-605. The project will also include the demolition and reconstruction of the bridges that span the freeway. Several interchanges, including the Brookhurst and Magnolia interchanges, will be modified and signalized. The Euclid/Ellis/SB I-405 on ramp will also be modified to include a direct connector slip ramp from EB Ellis Avenue to SB I-405. There will also be new sound walls, landscaping, and aesthetic treatments on the walls, slopes, and structures along the corridor.

Since a portion of the I-405 Improvement Project runs through the City, the project requires the City to enter into various agreements with OCTA. Utility Facilities agreements give OCTA the authority to relocate City-owned facilities as necessitated and provide for the reimbursement in costs to the City for staff time related to review/approval and construction inspection.

Estimated Start Date: 2016/2017

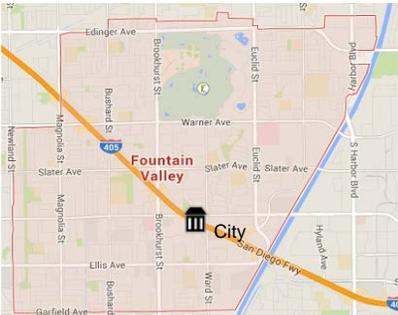
Estimated Completion Date: 2022

Budgeted Projected Costs: \$576,000

Budgeted Funding Sources: Orange Cnty Transportation Auth (OCTA) Reimbursement

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
OCTA Reimbursement (Continuing Appropriation)	576,000					576,000
Total	\$576,000					\$576,000

Location Map:



CAPITAL REPLACEMENT - INFORMATION SERVICES

Fund 61: Information Processing

Project	2017-18
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-FV Svr (PDC)	6,000
Svr-Trfc Data Base	3,500
Svr-FVAdmin	3,000
Svr-FV GIS14	3,500
Svr-Incode14	9,500
Svr-Climatec HVAC System	5,700
Svr-Vermont10	6,500
Svr-Appassure Backup	7,200
Cisco 2950 (3)Switches - FV	11,600
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-PDSTA4014 (PDC)	6,500
Svr-PDMDC12 Sys Svr (NetMotion)	6,000
Svr-COPLINK15	3,500
Svr-Appassure Backup	2,000
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	126,100
City Manager	
Laptop-City Mgr. CH1087	3,500
Total City Manager	3,500
Finance/Utility Billing	
PC-WS-Accounting Sup CH1079	900
PC-WS-Temp(Rear) CH1078	900
PC-WS-Cash Register CH1014	900
Printer - Receipt and Cash Drawer	1,200
Printer - HP 2200 - Water Billing	1,200
Printer - HP 2300 - Payroll	1,200
Printer - HP 2300 - Finance Accounting	1,200
Bar Code Readers (4)	1,300
Total Finance/Utility Billing	8,800
Business License	
PC-WS-BL Clerk Typist CH1019	900
Printer - HP4015dn - Business License	2,000
Total Business License	2,900
Personnel	
PC-WS-Div. Sec CH1004	900
Laptop-Personnel CH1030W8	1,300
Scanner-Fitjitsu	1,750
Total Personnel	3,950
City Clerk	

CAPITAL REPLACEMENT - INFORMATION SERVICES

Fund 61: Information Processing

Project	2017-18
PC-WS-Deputy City Clerk CH1027	900
PC-WS-CC Digital Recorder CH1100	6,600
Scanner Laserfiche	4,500
Total City Clerk	12,000
Community Services	
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-HP400 SC 1870	1,200
Total Community Services	8,700
Planning/HCD	
Printer-HP2100TN	1,200
Printer-HP LaserJet 3015tn	1,700
PC-WS Laserfiche Scan Station CH1057	900
Scanner-Laserfiche Fijitsu 5530	2,500
Printer-HP LaserJet 3015tn	1,700
Scanner-Laserfiche - Fijitsu	6,500
Total Planning/HCD	14,500
Fire	
PC-WS-FireAdmin2 CH4019	1,300
PC-WS-FIRST CH4007	900
Laptop-Fire Chief CH4038	3,600
PC-WS-Sta 2 / Lib1 CH4040	900
Laptop-Fire Admin CH4029	3,500
Laptop-HB Training facility CH4036	2,500
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
Total Fire	29,000
Public Works - Engineering	
PC-WS-Deputy City Eng. CH1034	3,000
PC-WS- Env. Svcs. Admin CH1049	900
PC-WS-Assistant Engineer CH1040	3,000
PC-WS-Eng. Tech I CH1039	3,000
PC-WS- Assistant Engineer CH1042	2,900
PC-WS-PW Inspector CH1038	900
PC-WS-Eng. Aid I CH1037	2,900
Printer-HP4550N-Color LaserJet	900
Plotter-HP DesignJet T1200	9,000
Printer-HP2025dn- Div Sec	600
Total Public Works - Engineering	27,100
Public Works - City Yard	
PC-WS-Div Sec CY3243	900
PC-WS-Mgt Analyst CY3242	900
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

CAPITAL REPLACEMENT - INFORMATION SERVICES

Fund 61: Information Processing

Project	2017-18
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-Itron Sys CY3230	1,400
Printer-HP2200DN Itron Sys	1,200
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 CY3204	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
Total Public Works - City Yard	40,700
Police (Asset Seizure)	
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
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

CAPITAL REPLACEMENT - INFORMATION SERVICES

Fund 61: Information Processing

Project	2017-18
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
Total Police (Asset Seizure)	41,600
Police	
Router-Cisco 2811 w/ WAN to OCSD	2,500
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
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-Video Editing Workstation Ldev 52	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

CAPITAL REPLACEMENT - INFORMATION SERVICES

Fund 61: Information Processing

Project	2017-18
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
Total Police	73,652
Total Computers & Printers	392,502
Duplicating/Mail/Stores	
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
Total Duplicating/Mail/Stores	19,400
Total Information Processing	411,902

CAPITAL REPLACEMENT - GOVERNMENT BUILDINGS

Fund 62: Government Buildings

Project	2017-18
City Hall	
Interior Paint	4,000
Total City Hall	4,000
Senior/Community Center	
Audio System	5,000
Painting (Exterior)	45,000
Doors-Dividing	10,000
Shades	6,000
Total Senior/Community Center	66,000
Fields/Field Restrooms	
Baseball Windscreens	3,000
Benches (5)	5,400
Doors, Roll Up	45,000
Field Restrooms Partitions	6,000
Roofs (4)	16,000
Total Fields/Field Restrooms	75,400
Recreation Center	
Curtains	3,000
Painting (Interior)	5,000
Outdoor Basketball Courts-Resurfacing	25,000
Outdoor Racquetball Courts-Resurfacing	3,500
Total Recreation Center	36,500
Tennis Center	
Roof	5,000
Tennis Court R&R	53,000
Total Tennis Center	58,000
City Yard	
Carpet/Flooring	80,000
Painting (Interior)	1,600
Blinds	15,000
Total City Yard	96,600
Fire Station #1	
Alert System	5,000
Curtain/Blinds	8,000
Total Fire Station #1	13,000
Fire Station #2	
Alert System	5,000
Generator-Standby	50,000
Total Fire Station #2	55,000
Police Facility	
Carpets/Flooring	63,000
Painting (Interior)	35,000
Security Cameras	50,000
Generator-Standby	100,000
Total Police Facility	248,000
Total Government Buildings	652,500

CAPITAL REPLACEMENT - FLEET

Fund 63 Fleet Management

Project	2017-18
Engineering	
Ford Escape Hybrid	33,000
Pool	
Honda Civic (Hybrid)	40,000
Honda Civic (Hybrid)	40,000
Honda Civic (Hybrid)	40,000
Total City Hall Cars	153,000
Fire Department	
Fire Services	
EOC Trailer	12,000
Total Fire Department	12,000
Police Department	
Patrol & Enforcement	
Patrol & Enforcement Annual Replacement (4 Vehicles Annually \$35,000 each)	210,000
PD - Field Support - Motorcycles	
Honda	29,500
Honda	29,500
Police Department PSA's & RSVP's	
Ford Fusion Black	26,000
Total Police Department	295,000
Public Works	
Fleet/Government Buildings	
Ford F250 W/Air Compressor	38,000
Hydraulic Lift Trailer	21,000
Total Fleet /Government Buildings	59,000
Concrete Maintenance	
Concrete Maintenance	
Ford 350 Flatbed, W/lift Gate	41,000
Tractor, Skip LDR 4x4 210C, John Deer-Diesel	100,000
Total Concrete Maintenance	141,000
Pavement/Asphalt Maintenance	
Ingersoll-Rand Roller- Diesel	60,000
Total Pavement/Asphalt Maintenance	60,000
Streets/Traffic/Graffiti	
Pressure Washer & Trailer	38,500
Total Streets/Traffic/Graffiti	38,500
Trees/Public R-O-W	
Bean Sprayer	12,000
Total Trees/Public R-O-W	12,000
Park/Civic Facilities	
Pesticide Truck 4x4 Ford Ranger	33,000
Total Park/Civic Facilities	33,000
Recreation Center	
Tilt Trailer for Small Equipment	9,000
Dosko Root Cutter	10,000
Total Recreation Center Management	19,000
Utilities	
Water Management	
Flemming Backhoe Trailer	15,000
Ingersoll-Rand Air Compressor	18,000
John Deer 410G Backhoe - Diesel	75,000
Total Water Management	108,000
John Deere 410B Backhoe	100,000
Total Wastewater Management	100,000
Total Utilities	208,000

CAPITAL REPLACEMENT - FLEET

Fund 63 Fleet Management

Project	2017-18
Total Public Works	362,500
Total All Fleet	1,030,500

CAPITAL REPLACEMENT - EQUIPMENT

Fund 64: Equipment

Project	2017-18
City Hall	
Furniture	
Furniture - Dept Managers	6,000
Chairs - Managers (39)	1,000
Chairs - Staff	1,700
Total City Hall	8,700
Police	
Brazos Devices (32)	49,500
Teletrac Units /GPS	2,600
RACES	4,600
Guns (SIG) - 65 S.D. Police Sup	22,500
Fingerprint Fax -1	5,000
Ballistic Vests	4,500
S.W.A.T. Vests	24,000
Canines (2 w/alternating yrs)	10,000
Firearms	1,000
Body Wire Equipment	7,600
Digital Camera (3)	1,838
Virtual Training Simulator	130,000
Body Worn Cameras/Tasers Program	96,000
Furniture	
Furnishings	8,000
Chairs - Staff (27)	1,000
Chairs - Managers (30)	1,000
Workstations	24,000
Total Police	393,138
Paramedics	
Zoll Chargers (2)	3,000
Cardiac Monitors (4)	119,000
Total Paramedics	122,000
Disaster Preparedness	
EOC Equipment	2,700
Overhead Projector	750
Slide Projector	900
Video / VCR	400
Total Disaster Preparedness	4,750
Suppression	
Fire Hose (Front Line)	4,350
Nozzles	9,500
Rescue Saws (3)	3,550
Scott Breathing App / Bottles (26)(8)	6,500
Holmaltro Extraction System (2)	52,000
Ballistic Vests (24) Staggered Replacement	5,500
SCBA Harnesses (25)	108,030
Wildland Protective Clothing (20 sets)	14,000
Turn-Out Gear (20 bank-up sets)	25,000
Turn-Out Gear (2,750 per set x 5)	13,750
Total Suppression	242,180
Fire Station # 1	
Furnishings	6,000
Appliances	2,550
Air Compressor FS#1	5,000

CAPITAL REPLACEMENT - EQUIPMENT

Fund 64: Equipment

Project	2017-18
Total Fire Station # 1	13,550
Fire Station # 2	
Furnishings	3,000
Air Compressor FS#2	5,000
Appliances	2,400
Total Fire Station # 2	10,400
Total Fire	392,880
Public Works-Field Services	
Field Services	
Furnishings	3,000
Power Tools-Facilities	2,500
Total Field Services	5,500
Rec Center Maintenance	
Roto Tiller (small) (1)	500
Roto tiller (1)	2,100
Hedge Trimmers (1)	400
Chain Saws -020-7 (4 Rec. 2 Civ. 1 ROW)	1,600
Chain Saws -034 - 3 (1 Civ 1 ROW)	400
Total Rec Center Maintenance	5,000
Parks/Civic	
Blowers-Backpack (3)	2,000
String Trimmers (3)	1,000
Hedge Trimmers (2)	500
Handmowers (2)	1,400
Total Parks/Civic	4,900
Concrete Maintenance	
Concrete Mixer	13,000
Total Concrete Maintenance	13,000
Pavement Maintenance	
Sewer Maintenance	
Atmosphere Monitor	3,000
6" Sewer Bypass Pump	15,400
Generator	3,000
Tri-Pod Winch	2,700
Total Sewer Maintenance	24,100
Traffic Control Maintenance	
Blower - Backpack	1,000
Total Traffic Control Maintenance	1,000
Fleet Operations	
Arrow Board (26)	2,400
Parts Bead Blaster	4,200
Exhaust Hose	5,500
Tire Balancer Small Equipment	4,900
Tire Balancer Small Vehicles	6,000
Power Metal Cutter	5,600
36" Box Brake	3,500
250 Amp Arc Welder (TIG)	4,500
Lincoln Portable Welder	6,500
Drill Press - 1HP	1,500
Small Equipment Lift	1,400
Shop Air Compressor & Dryer (2)	12,000
Total Fleet Operations	58,000

CAPITAL REPLACEMENT - EQUIPMENT

Fund 64: Equipment

Project	2017-18
	Total Field Services 111,500
Water	
Blowers (confined space) (2)	2,400
Blower (electric) 3 HP (3)	400
3" Dbl. Diaphragm Pump (air)	2,900
3" Dbl. Diaphragm Pump (multiquip)	2,700
Target Saw	3,500
Shop Vac - Milwaukee	500
Hydraulic Pallet Truck - Multiton	2,500
Atmospheric Anlyzr - 40 OFA	3,000
Wrench - Miller (N52-506) & Tripod	4,000
Jack Hammer - 90 lb.	7,500
Power Pipe Threader / Cutter	7,500
Pipe/Cable Loc. (shallow) - Radio	3,500
10" Tablesaw - Craftsman	800
7 1/2 Radial Arm Saw, Craftsman	1,400
Roto-Hammer - Milwaukee	700
Airless Paint Sprayer	3,500
Sandblaster - Kelco (City Yard)	4,500
Grinder (1/2 HP) - Craftsman	2,013
Snap Cutters (Hydraulic) (2)	2,400
Welder Gas 3	1,700
	Total Water 57,413
Recreation & Community Services	
Recreation Center	
Staff Chairs	500
Pool Risers - 2	3,600
TV/VCR	600
CD Cassette Recorder	900
Portable Storage Cabinet - 2	1,960
Backpack Blowers (2)	1,000
String Trimmers (2)	1,000
Snow Cone Machine	860
Furnishings	1,500
Refrigerator	2,500
Tables/Chairs	5,000
Piano	5,000
	Total Recreation Center 24,420
Senior Center	
Staff Chairs	500
Bar Stools (Senior Center) (20)	2,600
Card Tables (Senior Center) (28)	2,750
Events Cabinet	1,500
Tables/Chairs	7,000
Chairs	34,000
Furniture Misc.	3,000
Weight Machine, Chest Press, LF	2,400
Weight Machine, Chest Press, LF	2,400
Weight Machine, Multi Station, LF	4,200
Weight Machine, Pullover	1,600
Refrigerator, 20 cu ft Frigidaire	1,100
Freezer, Commercial, 2 Dr, True	2,200

CAPITAL REPLACEMENT - EQUIPMENT

Fund 64: Equipment

Project	2017-18
Freezer, Commercial, 2 Dr, True	2,200
Food Warmer Drawers, Shammi	2,350
Microwave, Commercial, Panasonic	500
Oven, Convection, Imperial	5,200
Oven, Convection, Imperial	5,200
Refrigerator, 2 Dr, True	1,700
Stove, 4 Burner, w/Oven, Imperial	1,350
Dishwasher, DHBT-70, Champion	6,000
Piano	7,000
P/A Sound System	10,000
Projector, LCD, Sony	5,195
Stage, Portable	2,000
Projection Screen, 12' Auditorium	1,500
Projection Screen, 10' Lecture Room	1,000
Total Senior Center	116,445
Total Recreation & Community Services	140,865
Total Equipment	1,104,496

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	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Fund Balance	35,785,101	22,370,379	25,555,885	28,218,188
Revenues				
Operating Revenues				
General Revenues	37,037,129	37,359,701	37,728,438	38,030,196
Functional Revenues	5,095,619	5,095,619	5,100,000	5,100,000
Total Operating Revenues	42,132,748	42,455,320	42,828,438	43,130,196
Measure HH Revenues				
Measure HH Operating Offset Revenue	4,192,244	5,385,453	6,213,838	7,569,272
Measure HH Spending Pledge Revenue	2,340,101	6,132,396	5,304,011	3,948,577
Total Measure HH Revenues	6,532,345	11,517,849	11,517,849	11,517,849
Other Revenues				
Developer/Park Impact Payments	707,911	-	-	-
Total Other Revenues	707,911	-	-	-
Transfers In				
Gas Tax Fund	433,000	450,000	450,000	450,000
Measure M2	83,571	80,000	80,000	80,000
Sewer Fund	71,371	73,869	76,454	79,130
Total Transfers In	587,942	603,869	606,454	609,130
Total Revenues	49,960,946	54,577,038	54,952,741	55,257,175
Expenditures				
Wages/Benefits/Insurance				
Wages	18,422,779	19,320,194	19,490,476	19,834,104
Benefits	11,068,463	12,288,565	13,202,582	14,163,676
Insurance	760,186	775,390	798,651	822,611
Total Wages/Benefits/Insurance	30,251,428	32,384,149	33,491,709	34,820,391
Internal Services				
Information Services	1,117,023	1,254,177	1,242,133	1,416,234
Government Buildings	1,480,959	1,703,284	1,741,608	1,780,794
Fleet Services	1,454,379	1,657,992	1,790,631	1,701,100
Capital Equipment	417,085	271,576	199,779	316,461
Self Insurance	1,953,106	1,079,515	1,101,105	1,123,127
Total Internal Services	6,422,552	5,966,543	6,075,256	6,337,715
Operations & Maintenance				
Departmental	5,932,957	5,962,622	5,992,435	6,022,397
Non-Departmental	1,179,283	1,164,165	1,094,087	1,104,201
Total Operations & Maintenance	7,112,240	7,126,787	7,086,522	7,126,598
Debt Service				
2016A Lease Revenue Bonds	868,600	872,500	873,775	869,675
2017 CREBS	171,803	209,984	223,698	224,247
Total Debt Service	1,040,404	1,082,484	1,097,473	1,093,922

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
29,533,959	30,156,516	29,785,603	29,273,400	27,630,759	25,646,557
38,322,729	38,631,647	38,942,330	39,257,771	39,574,959	39,773,647
5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
43,422,729	43,731,647	44,042,330	44,357,771	44,674,959	44,873,647
8,269,456	9,263,323	9,411,170	10,554,137	10,904,208	11,471,010
3,248,393	2,254,526	2,106,679	963,712	613,641	46,839
11,517,849	11,517,849	11,517,849	11,517,849	11,517,849	11,517,849
-	-	-	-	-	-
-	-	-	-	-	-
450,000	450,000	450,000	450,000	450,000	450,000
80,000	80,000	80,000	80,000	80,000	80,000
81,900	84,766	87,733	90,804	93,982	97,271
611,900	614,766	617,733	620,804	623,982	627,271
55,552,478	55,864,262	56,177,912	56,496,423	56,816,789	57,018,767
20,009,011	20,361,973	20,541,631	20,904,181	21,088,718	21,461,115
14,865,853	15,466,076	15,946,605	16,614,676	16,875,583	17,183,683
847,289	872,708	898,889	925,856	953,632	982,240
35,722,153	36,700,757	37,387,126	38,444,713	38,917,932	39,627,038
1,466,582	1,381,988	1,414,276	1,439,512	1,692,484	1,533,382
1,820,862	1,861,831	1,903,722	1,946,556	1,990,353	2,035,136
1,735,122	1,769,824	1,628,238	1,660,803	1,577,763	1,845,983
193,629	436,079	192,637	399,755	294,862	101,774
1,145,589	1,168,501	1,191,871	1,215,709	1,240,023	1,264,823
6,361,784	6,618,223	6,330,745	6,662,334	6,795,485	6,781,099
6,052,509	6,082,772	6,113,185	6,143,751	6,174,470	6,205,342
1,114,512	1,125,023	1,135,739	1,146,662	1,157,799	1,169,151
7,167,021	7,207,795	7,248,924	7,290,414	7,332,269	7,374,493
867,750	872,650	871,650	864,950	862,550	864,250
224,742	225,178	225,554	225,866	226,113	226,290
1,092,492	1,097,828	1,097,204	1,090,816	1,088,663	1,090,540

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	2017-2018	2018-2019	2019-2020	2020-2021
Capital				
Capital	8,287,708	-	-	-
Continuing Appropriations	<u>7,475,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital	15,762,933	-	-	-
Measure HH Spending Pledge				
OPEB ARC Funding	-	1,100,000	1,100,000	1,100,000
OPEB Additional Funding	-	600,000	600,000	600,000
CalPERS UAL Funding	<u>-</u>	<u>1,057,144</u>	<u>1,057,144</u>	<u>1,057,144</u>
Total Capital	-	2,757,144	2,757,144	2,757,144
Transfers Out				
Gas Tax	608,000	265,740	273,712	281,924
Traffic Improvement	205,431	-	-	-
Drainage Fund	-	315,000	-	-
Equipment Fund	65,000	-	-	-
Employee Benefit Fund	<u>1,907,680</u>	<u>1,493,686</u>	<u>1,508,623</u>	<u>1,523,709</u>
Total Transfers Out	2,786,111	2,074,426	1,782,335	1,805,633
Total Expenditures	63,375,668	51,391,532	52,290,438	53,941,404
Ending Fund Balance	22,370,379	25,555,885	28,218,188	29,533,959
Reserves				
Developer & Miscellaneous Reserves	2,049,534	2,049,534	2,049,534	2,049,534
Cash Flow Reserve (22%)	10,320,845	10,630,265	10,897,325	11,260,537
Budget Stabilization Reserve	3,500,000	4,500,000	4,500,000	4,500,000
Disaster Reserve	1,000,000	1,000,000	1,000,000	1,000,000
Capital Reserves	5,000,000	5,000,000	5,000,000	5,000,000
Economic Development Reserve	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total Reserves	22,370,379	23,679,800	23,946,859	24,310,072
Unreserved/Undesignated Fund Balance	(0)	1,876,085	4,271,329	5,223,888

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
600,000	600,000	600,000	600,000	600,000	600,000
1,057,144	1,057,144	1,057,144	1,057,144	1,057,144	1,057,144
2,757,144	2,757,144	2,757,144	2,757,144	2,757,144	2,757,144
290,381	299,093	299,093	308,065	308,065	317,307
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,538,946	1,554,336	1,569,879	1,585,578	1,601,433	1,617,448
1,829,327	1,853,428	1,868,972	1,893,643	1,909,499	1,934,755
54,929,921	56,235,176	56,690,114	58,139,064	58,800,992	59,565,070
30,156,516	29,785,603	29,273,400	27,630,759	25,646,557	23,100,255
2,049,534	2,049,534	2,049,534	2,049,534	2,049,534	2,049,534
11,478,011	11,765,167	11,865,253	12,184,022	12,329,646	12,497,744
4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	2,052,976
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
500,000	500,000	500,000	500,000	500,000	500,000
24,527,545	24,814,701	24,914,788	25,233,557	25,379,181	23,100,254
5,628,971	4,970,901	4,358,612	2,397,202	267,376	0

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Water Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	13,350,825	6,171,074	5,560,197	4,939,083
Revenues				
Water Revenue				
Operating Revenue	14,535,292	15,283,942	16,304,682	17,400,080
Total Water Revenue	14,535,292	15,283,942	16,304,682	17,400,080
Other Revenue				
Water Revenue Bonds	-	-	-	4,500,000
Government Agencies (OCTA)	576,000	-	-	-
Total Other Revenue	576,000	-	-	4,500,000
Total Revenues	15,111,292	15,283,942	16,304,682	21,900,080
Expenditures				
Operating				
Operating	12,972,748	13,573,446	14,195,749	14,791,256
Total Operating	12,972,748	13,573,446	14,195,749	14,791,256
Capital				
Capital	2,170,722	1,060,000	1,760,000	6,030,000
Capital (CA)	6,089,740	-	-	-
Total Capital	8,260,462	1,060,000	1,760,000	6,030,000
Debt Service				
Principal Loan Payment	298,000	314,000	-	-
Principal Debt Service (FVPFA)	510,000	535,000	555,000	580,000
Total Debt Service	808,000	849,000	555,000	580,000
Transfers Out				
Employee Benefit Fund (OPEB)	159,833	267,373	270,047	275,448
Employee Benefit Fund (PERS Trust)	-	80,000	80,000	80,000
Gas Tax Fund	65,000	40,000	40,000	40,000
Traffic Improvement Fund	25,000	25,000	25,000	25,000
Total Transfers Out	249,833	412,373	415,047	420,448
Total Expenditures	22,291,043	15,894,819	16,925,796	21,821,704
Fund Balance	6,171,074	5,560,197	4,939,083	5,017,460

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
5,017,460	5,019,759	5,700,156	6,063,918	7,090,178	8,135,812
18,584,744	19,680,134	20,478,991	21,309,459	21,979,009	22,670,875
18,584,744	19,680,134	20,478,991	21,309,459	21,979,009	22,670,875
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,584,744	19,680,134	20,478,991	21,309,459	21,979,009	22,670,875
15,194,243	15,825,969	16,468,625	17,150,862	17,868,115	18,623,217
15,194,243	15,825,969	16,468,625	17,150,862	17,868,115	18,623,217
2,365,000	2,115,000	2,620,000	2,070,000	1,970,000	1,970,000
-	-	-	-	-	-
2,365,000	2,115,000	2,620,000	2,070,000	1,970,000	1,970,000
-	-	-	-	-	-
600,000	630,000	595,000	625,000	655,000	690,000
600,000	630,000	595,000	625,000	655,000	690,000
278,203	283,767	286,604	292,336	295,260	300,000
80,000	80,000	80,000	80,000	80,000	80,000
40,000	40,000	40,000	40,000	40,000	40,000
25,000	25,000	25,000	25,000	25,000	25,000
423,203	428,767	431,604	437,336	440,260	445,000
18,582,446	18,999,736	20,115,229	20,283,198	20,933,375	21,728,217
5,019,759	5,700,156	6,063,918	7,090,178	8,135,812	9,078,470

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Refuse Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	808,436	808,436	833,436	858,436
<u>Revenues</u>				
Refuse Revenues				
Refuse Billing	<u>3,225,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>
Total Refuse Revenues	3,225,000	3,250,000	3,250,000	3,250,000
Total Revenues	3,225,000	3,250,000	3,250,000	3,250,000
<u>Expenditures</u>				
Operating				
Operating	<u>3,225,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	<u>3,225,000</u>
Total Operating	3,225,000	3,225,000	3,225,000	3,225,000
Total Expenditures	3,225,000	3,225,000	3,225,000	3,225,000
Fund Balance	808,436	833,436	858,436	883,436

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
883,436	908,436	933,436	958,436	958,436	983,436
<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>
3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
<u>3,225,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	<u>3,225,000</u>
3,225,000	3,225,000	3,225,000	3,225,000	3,225,000	3,225,000
3,225,000	3,225,000	3,225,000	3,225,000	3,225,000	3,225,000
908,436	933,436	958,436	983,436	983,436	1,008,436

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Gas Tax Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	696,951	512,102	1,545,082	2,081,034
Revenues				
HUT Allocation				
Gas Tax - Section 2103	227,071	250,000	250,000	250,000
Gas Tax - Section 2105	329,636	350,000	350,000	350,000
Gas Tax - Section 2106	203,890	175,000	175,000	175,000
Gas Tax - Section 2107	433,000	450,000	450,000	450,000
Road Maintenance Rehab	327,054	974,240	974,240	974,240
Total HUT Allocation	1,520,651	2,199,240	2,199,240	2,199,240
Other Income				
Interest / Other	4,000	5,000	15,000	21,000
Recovery of Expense	226,000	-	-	-
Total Other Income	230,000	5,000	15,000	21,000
Transfers In				
Sewer Fund	30,000	30,000	30,000	30,000
Water Fund	65,000	40,000	40,000	40,000
General Fund	608,000	265,740	273,712	281,924
Total Transfers In	703,000	335,740	343,712	351,924
Total Revenues	2,453,651	2,539,980	2,557,952	2,572,164
Expenditures				
Capital				
Capital Projects	2,205,500	1,057,000	1,572,000	1,042,000
Total Capital	2,205,500	1,057,000	1,572,000	1,042,000
Transfers Out				
General Fund	433,000	450,000	450,000	450,000
Total Transfers Out	433,000	450,000	450,000	450,000
Total Expenses	2,638,500	1,507,000	2,022,000	1,492,000
Fund Balance	512,102	1,545,082	2,081,034	3,161,198

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
3,161,198	3,705,819	4,119,152	4,506,484	5,411,790	6,321,095
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
<u>974,240</u>	<u>974,240</u>	<u>974,240</u>	<u>974,240</u>	<u>974,240</u>	<u>974,240</u>
2,199,240	2,199,240	2,199,240	2,199,240	2,199,240	2,199,240
32,000	37,000	41,000	45,000	54,000	63,000
-	-	-	-	-	-
<u>32,000</u>	<u>37,000</u>	<u>41,000</u>	<u>45,000</u>	<u>54,000</u>	<u>63,000</u>
30,000	30,000	30,000	30,000	30,000	30,000
40,000	40,000	40,000	40,000	40,000	40,000
<u>290,381</u>	<u>299,093</u>	<u>299,093</u>	<u>308,065</u>	<u>308,065</u>	<u>317,307</u>
360,381	369,093	369,093	378,065	378,065	387,307
2,591,621	2,605,333	2,609,333	2,622,305	2,631,305	2,649,547
<u>1,597,000</u>	<u>1,742,000</u>	<u>1,772,000</u>	<u>1,267,000</u>	<u>1,272,000</u>	<u>1,242,000</u>
1,597,000	1,742,000	1,772,000	1,267,000	1,272,000	1,242,000
<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
450,000	450,000	450,000	450,000	450,000	450,000
2,047,000	2,192,000	2,222,000	1,717,000	1,722,000	1,692,000
3,705,819	4,119,152	4,506,484	5,411,790	6,321,095	7,278,643

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Traffic Improvement Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	169,569	-	-	-
Revenues				
Special Revenues				
OCTA/AHRP	-	-	1,000,000	-
Grants/Other	270,000	-	-	-
Total Special Revenues	270,000	-	1,000,000	-
Other Revenues				
Transportation Impact Fee	10,000	10,000	10,000	10,000
Interest	-	-	-	-
Total Other Revenues	10,000	10,000	10,000	10,000
Transfers In				
General Fund	205,431	-	-	-
Measure M2	1,351,807	75,000	1,500,000	1,300,000
Sewer Fund	30,000	30,000	30,000	30,000
Water Fund	25,000	25,000	25,000	25,000
Pollution Reduction Fund	5,000	140,000	-	-
Total Transfers In	1,617,238	270,000	1,555,000	1,355,000
Total Revenues	1,897,238	280,000	2,565,000	1,365,000
Expenditures				
Capital				
Capital Projects	2,066,807	280,000	2,565,000	1,365,000
Total Capital Projects	2,066,807	280,000	2,565,000	1,365,000
Total Expenditures	2,066,807	280,000	2,565,000	1,365,000
Fund Balance	-	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	10,000	10,000	10,000	10,000	10,000
-	-	-	-	-	-
10,000	10,000	10,000	10,000	10,000	10,000
-	-	-	-	-	-
75,000	1,400,000	1,500,000	1,500,000	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
140,000	-	-	140,000	-	-
270,000	1,455,000	1,555,000	1,695,000	1,555,000	1,555,000
280,000	1,465,000	1,565,000	1,705,000	1,565,000	1,565,000
280,000	1,465,000	1,565,000	1,705,000	1,565,000	1,565,000
280,000	1,465,000	1,565,000	1,705,000	1,565,000	1,565,000
280,000	1,465,000	1,565,000	1,705,000	1,565,000	1,565,000
-	-	-	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Measure M2 Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	1,552,266	1,268,703	2,251,886	1,858,741
Revenues				
Special Revenues				
Measure M2 Fairshare	1,010,815	1,045,183	1,083,855	1,127,209
Measure M2 Competitive/Regional	45,000	-	-	-
Measure M2 Environmental	-	-	-	-
Measure M2 Senior Transportation	80,000	80,000	80,000	80,000
Total Special Revenues	1,135,815	1,125,183	1,163,855	1,207,209
Other Revenues				
Interest	16,000	13,000	23,000	19,000
Total Other Revenues	16,000	13,000	23,000	19,000
Total Revenues	1,151,815	1,138,183	1,186,855	1,226,209
Expenditures				
Transfers Out				
Traffic Improvement	1,351,807	75,000	1,500,000	1,300,000
General Fund - Senior Mobility	83,571	80,000	80,000	80,000
Total Transfers Out	1,435,378	155,000	1,580,000	1,380,000
Total Expenditures	1,435,378	155,000	1,580,000	1,380,000
Fund Balance	1,268,703	2,251,886	1,858,741	1,704,950

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
1,704,950	2,820,264	2,669,029	2,465,625	2,311,004	2,207,199
1,173,314	1,220,765	1,269,596	1,320,379	1,373,195	1,428,122
-	-	-	-	-	-
-	-	-	-	-	-
<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
1,253,314	1,300,765	1,349,596	1,400,379	1,453,195	1,508,122
<u>17,000</u>	<u>28,000</u>	<u>27,000</u>	<u>25,000</u>	<u>23,000</u>	<u>22,000</u>
17,000	28,000	27,000	25,000	23,000	22,000
1,270,314	1,328,765	1,376,596	1,425,379	1,476,195	1,530,122
75,000	1,400,000	1,500,000	1,500,000	1,500,000	1,500,000
<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
155,000	1,480,000	1,580,000	1,580,000	1,580,000	1,580,000
155,000	1,480,000	1,580,000	1,580,000	1,580,000	1,580,000
2,820,264	2,669,029	2,465,625	2,311,004	2,207,199	2,157,321

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Pollution Reduction	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	453,230	246,208	149,155	164,097
Revenues				
Special Revenues				
SCAQMD	70,000	70,000	70,000	70,000
Grants - EV Charging Stations	46,100	-	-	-
Total Special Revenues	116,100	70,000	70,000	70,000
Other Revenues				
Interest	2,000	2,000	1,000	2,000
Total Other Revenues	2,000	2,000	1,000	2,000
Total Revenues	118,100	72,000	71,000	72,000
Expenditures				
Operating				
Operating	775	1,000	1,000	1,000
Training & Website Updates	2,000	2,000	2,000	2,000
Total Operating	2,775	3,000	3,000	3,000
Capital				
Capital Projects (CA)	138,300	-	-	-
Total Capital	138,300	-	-	-
Transfers Out				
Transfer Out (OPEB)	47	53	58	64
Transfer Out (Traffic Improvement)	5,000	140,000	-	-
Transfer Out (Fleet)	179,000	26,000	53,000	27,000
Total Transfers Out	184,047	166,053	53,058	27,064
Total Expenditures	325,122	169,053	56,058	30,064
Fund Balance	246,208	149,155	164,097	206,033

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
206,033	134,965	169,894	190,821	119,746	187,669
70,000	70,000	70,000	70,000	70,000	70,000
-	-	-	-	-	-
70,000	70,000	70,000	70,000	70,000	70,000
2,000	1,000	2,000	2,000	1,000	2,000
2,000	1,000	2,000	2,000	1,000	2,000
72,000	71,000	72,000	72,000	71,000	72,000
1,000	1,000	1,000	1,000	1,000	1,000
2,000	2,000	2,000	2,000	2,000	2,000
3,000	3,000	3,000	3,000	3,000	3,000
-	-	-	-	-	-
-	-	-	-	-	-
67	71	73	75	77	80
140,000	-	-	140,000	-	-
-	33,000	48,000	-	-	60,000
140,067	33,071	48,073	140,075	77	60,080
143,067	36,071	51,073	143,075	3,077	63,080
134,965	169,894	190,821	119,746	187,669	196,589

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Drainage Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	127,903	118,903	119,903	110,903
Revenues				
Development Fees				
Development Fees	1,000	1,000	1,000	1,000
Total Development Fees	1,000	1,000	1,000	1,000
Other Revenues				
Interest	-	-	-	-
Total Other Revenues	-	-	-	-
Transfers In				
General Fund (Capital Reserves)	-	315,000	-	-
Transfers In-(FVPFA)	3,050,000	3,185,000	-	-
Total Transfers In	3,050,000	3,500,000	-	-
Total Revenues	3,051,000	3,501,000	1,000	1,000
Expenditures				
Capital				
Drainage GIS Mapping	10,000	-	10,000	-
Environmental Catch Basin Inserts	-	-	-	-
Sandalwood Pump Station	3,050,000	-	-	-
Walnut Pump Station	-	3,500,000	-	-
Total Capital	3,060,000	3,500,000	10,000	-
Total Expenditures	3,060,000	3,500,000	10,000	-
Fund Balance	118,903	119,903	110,903	111,903

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
111,903	102,903	103,903	94,903	95,903	86,903
<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
1,000	1,000	1,000	1,000	1,000	1,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,000	1,000	1,000	1,000	1,000	1,000
10,000	-	10,000	-	10,000	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10,000	-	10,000	-	10,000	-
10,000	-	10,000	-	10,000	-
102,903	103,903	94,903	95,903	86,903	87,903

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Sewer Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	4,469,173	3,596,422	3,180,779	2,846,050
Revenues				
Sewer Revenues				
Sewer Fee	2,015,957	2,076,436	2,138,729	2,202,891
Late Charges/Penalties	14,000	14,000	14,000	14,000
Sewer Assessments	500	500	500	500
Sewer Connection	5,000	5,000	5,000	5,000
Total Sewer Revenues	2,035,457	2,095,936	2,158,229	2,222,391
Other Revenues				
OCTA Utility Agreements	180,000	-	-	-
Interest	45,000	36,000	32,000	28,000
Total Other Revenues	225,000	36,000	32,000	28,000
Total Revenues	2,260,457	2,131,936	2,190,229	2,250,391
Expenditures				
Operating				
Operating	950,574	1,006,162	1,040,080	1,081,587
Total Operating	950,574	1,006,162	1,040,080	1,081,587
Capital				
Capital Projects	2,015,000	1,300,000	1,240,000	1,655,000
Total Capital	2,015,000	1,300,000	1,240,000	1,655,000
Transfers Out				
General Fund	71,371	73,869	76,454	79,130
Employee Benefit Fund (OPEB)	36,263	87,548	88,424	90,192
Employee Benefit Fund (PERS Trust)	-	20,000	20,000	20,000
Gas Tax Fund	30,000	30,000	30,000	30,000
Traffic Improvement Fund	30,000	30,000	30,000	30,000
Total Transfers Out	167,634	241,417	244,878	249,322
Total Expenditures	3,133,208	2,547,579	2,524,958	2,985,909
Fund Balance	3,596,422	3,180,779	2,846,050	2,110,532

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
2,110,532	1,814,608	1,473,807	1,237,297	969,605	810,511
2,268,977	2,337,047	2,407,158	2,479,373	2,553,754	2,630,367
14,000	14,000	14,000	14,000	14,000	14,000
500	500	500	500	500	500
5,000	5,000	5,000	5,000	5,000	5,000
2,288,477	2,356,547	2,426,658	2,498,873	2,573,254	2,649,867
-	-	-	-	-	-
21,000	18,000	15,000	12,000	10,000	8,000
21,000	18,000	15,000	12,000	10,000	8,000
2,309,477	2,374,547	2,441,658	2,510,873	2,583,254	2,657,867
1,112,408	1,147,665	1,171,590	1,202,039	1,226,688	1,248,095
1,112,408	1,147,665	1,171,590	1,202,039	1,226,688	1,248,095
1,240,000	1,310,000	1,245,000	1,310,000	1,245,000	1,310,000
1,240,000	1,310,000	1,245,000	1,310,000	1,245,000	1,310,000
81,900	84,766	87,733	90,804	93,982	97,271
91,094	92,916	93,845	95,722	96,679	98,613
20,000	20,000	20,000	20,000	20,000	20,000
30,000	30,000	30,000	30,000	30,000	30,000
30,000	30,000	30,000	30,000	30,000	30,000
252,994	257,682	261,578	266,526	270,661	275,884
2,605,401	2,715,347	2,678,168	2,778,565	2,742,349	2,833,979
1,814,608	1,473,807	1,237,297	969,605	810,511	634,398

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

FV Housing Authority Fund	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	11,790,567	11,721,360	11,596,834	11,456,799
Revenues				
Loan Revenues				
Loan Proceeds	112,000	120,000	120,000	120,000
Total Loan Revenues	112,000	120,000	120,000	120,000
Other Revenues				
Interest	226,200	176,000	174,000	172,000
Total Other Revenues	226,200	176,000	174,000	172,000
Total Revenues	338,200	296,000	294,000	292,000
Expenditures				
Operating				
Operating (Housing Programs)	397,442	409,365	421,646	434,296
Total Operating	397,442	409,365	421,646	434,296
Transfers Out				
Employee Benefit Fund (OPEB)	9,965	11,161	12,388	13,627
Total Transfers Out	9,965	11,161	12,388	13,627
Total Expenditures	407,407	420,526	434,035	447,923
Fund Balance	11,721,360	11,596,834	11,456,799	11,300,876

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
11,300,876	11,129,243	10,940,475	10,734,433	10,510,691	10,268,806
<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
120,000	120,000	120,000	120,000	120,000	120,000
<u>170,000</u>	<u>167,000</u>	<u>164,000</u>	<u>161,000</u>	<u>158,000</u>	<u>154,000</u>
170,000	167,000	164,000	161,000	158,000	154,000
290,000	287,000	284,000	281,000	278,000	274,000
<u>447,324</u>	<u>460,744</u>	<u>474,567</u>	<u>488,804</u>	<u>503,468</u>	<u>518,572</u>
447,324	460,744	474,567	488,804	503,468	518,572
<u>14,309</u>	<u>15,024</u>	<u>15,475</u>	<u>15,939</u>	<u>16,417</u>	<u>16,910</u>
14,309	15,024	15,475	15,939	16,417	16,910
461,633	475,768	490,041	504,743	519,885	535,481
11,129,243	10,940,475	10,734,433	10,510,691	10,268,806	10,007,324

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

FV Successor for the FVACD	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	527,681	302,401	-	-
<u>Revenues</u>				
Property Tax Revenues				
Property Tax Trust Funds	375,000	297,599	-	-
Total Property Tax Revenues	375,000	297,599	-	-
Total Revenues	375,000	297,599	-	-
<u>Expenditures</u>				
Operating				
Operating	250,280	250,000	-	-
Palm Island	100,000	100,000	-	-
Fry's OPA	250,000	250,000	-	-
Total Operating	600,280	600,000	-	-
Total Expenditures	600,280	600,000	-	-
Fund Balance	302,401	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Information Processing	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	1,374,374	838,594	838,594	838,594
<u>Revenues</u>				
Department Charges				
Information Services	865,960	968,245	958,946	1,093,356
Duplicating / Stores / Mail	331,762	376,540	372,924	425,194
Total Department Charges	1,197,722	1,344,784	1,331,870	1,518,549
Total Revenues	1,197,722	1,344,784	1,331,870	1,518,549
<u>Expenditures</u>				
Operating				
Information Services	888,003	865,960	883,279	900,945
Duplicating / Stores / Mail	387,340	331,762	338,397	345,165
Total Operating	1,275,343	1,197,722	1,221,676	1,246,110
Capital				
Information Services	392,502	110,500	72,900	234,400
Duplicating / Stores / Mail	19,400	-	-	-
Capital - (CA)	-	-	-	-
Total Capital	411,902	110,500	72,900	234,400
Transfer Out				
OPEB	35,845	36,562	37,294	38,039
Employee Benefit Replenishment	10,411	-	-	-
Total Transfers Out	46,257	36,562	37,294	38,039
Total Expenditures	1,733,502	1,344,784	1,331,870	1,518,549
Fund Balance	838,594	838,594	838,594	838,594

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
838,594	838,594	838,594	838,594	838,594	838,594
1,132,225	1,066,917	1,091,844	1,111,326	1,306,625	1,183,796
440,310	414,912	424,606	432,182	508,132	460,365
1,572,534	1,481,829	1,516,450	1,543,509	1,814,757	1,644,161
1,572,534	1,481,829	1,516,450	1,543,509	1,814,757	1,644,161
918,964	937,343	956,090	975,212	994,716	1,014,610
352,068	359,110	366,292	373,618	381,090	388,712
1,271,032	1,296,453	1,322,382	1,348,830	1,375,806	1,403,322
262,702	145,300	149,700	153,504	396,952	198,000
-	500	4,000	-	-	-
-	-	-	-	-	-
262,702	145,800	153,700	153,504	396,952	198,000
38,800	39,576	40,368	41,175	41,999	42,839
-	-	-	-	-	-
38,800	39,576	40,368	41,175	41,999	42,839
1,572,534	1,481,829	1,516,450	1,543,509	1,814,757	1,644,161
838,594	838,594	838,594	838,594	838,594	838,594

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Government Buildings	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	2,450,071	1,781,299	1,665,102	1,769,121
<u>Revenues</u>				
Department Charges				
Charges to Departments	1,569,272	1,804,855	1,845,464	1,886,987
Total Department Charges	1,569,272	1,804,855	1,845,464	1,886,987
Total Revenues	1,569,272	1,804,855	1,845,464	1,886,987
<u>Expenditures</u>				
Operating				
Operating	1,552,538	1,566,306	1,601,548	1,637,583
Total Operating	1,552,538	1,566,306	1,601,548	1,637,583
Capital				
All Government Buildings	652,500	326,100	108,100	10,600
Capital - (CA)	-	-	-	-
Total Capital	652,500	326,100	108,100	10,600
Transfer Out				
OPEB	25,577	28,646	31,797	34,977
Employee Benefit Replenishment	7,429	-	-	-
Total Transfers Out	33,006	28,646	31,797	34,977
Total Expenditures	2,238,044	1,921,052	1,741,445	1,683,160
Fund Balance	1,781,299	1,665,102	1,769,121	1,972,948

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
1,972,948	2,053,939	2,180,530	2,242,832	2,278,701	1,956,717
<u>1,929,444</u>	<u>1,972,857</u>	<u>2,017,246</u>	<u>2,062,634</u>	<u>2,109,043</u>	<u>2,156,497</u>
1,929,444	1,972,857	2,017,246	2,062,634	2,109,043	2,156,497
1,929,444	1,972,857	2,017,246	2,062,634	2,109,043	2,156,497
<u>1,674,428</u>	<u>1,712,103</u>	<u>1,750,625</u>	<u>1,790,014</u>	<u>1,830,289</u>	<u>1,871,471</u>
1,674,428	1,712,103	1,750,625	1,790,014	1,830,289	1,871,471
137,300	95,600	164,600	195,840	558,600	54,100
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
137,300	95,600	164,600	195,840	558,600	54,100
36,726	38,562	39,719	40,911	42,138	43,402
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
36,726	38,562	39,719	40,911	42,138	43,402
1,848,454	1,846,265	1,954,944	2,026,765	2,431,028	1,968,973
2,053,939	2,180,530	2,242,832	2,278,701	1,956,717	2,144,241

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Fleet Management	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	2,996,936	2,761,637	3,149,265	3,560,871
Revenues				
Department Charges				
Charges to Departments	1,759,802	2,006,174	2,166,668	2,058,334
Total Department Charges	1,759,802	2,006,174	2,166,668	2,058,334
Other Revenue				
Sale of Surplus Property	15,000	15,000	15,000	15,000
Total Other Revenue	15,000	15,000	15,000	15,000
Transfers In				
Pollution Reduction	179,000	26,000	53,000	27,000
Total Transfers In	179,000	26,000	53,000	27,000
Total Revenues	1,953,802	2,047,174	2,234,668	2,100,334
Expenditures				
Operating				
Operating	1,130,161	1,143,362	1,177,663	1,212,993
Total Operating	1,130,161	1,143,362	1,177,663	1,212,993
Capital				
Other City	460,000	210,500	418,000	226,000
Public Works	362,500	281,000	88,000	3,800
Utilities	208,000	-	112,000	144,000
Capital - (CA)	-	-	-	-
Total Capital	1,030,500	491,500	618,000	373,800
Transfer Out				
OPEB	22,038	24,683	27,398	30,138
Employee Benefit Replenishment	6,401	-	-	-
Total Transfers Out	28,439	24,683	27,398	30,138
Total Expenditures	2,189,100	1,659,546	1,823,062	1,616,931
Fire Apparatus Reserve	721,849	1,082,773	1,443,697	1,804,622
Fund Balance	2,039,788	2,066,492	2,117,174	2,239,652

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
4,044,274	3,383,247	3,076,647	3,164,124	3,258,214	3,428,810
<u>2,099,501</u>	<u>2,141,491</u>	<u>1,970,172</u>	<u>2,009,575</u>	<u>1,909,096</u>	<u>2,233,643</u>
2,099,501	2,141,491	1,970,172	2,009,575	1,909,096	2,233,643
<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
15,000	15,000	15,000	15,000	15,000	15,000
<u>-</u>	<u>33,000</u>	<u>48,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
-	33,000	48,000	-	-	60,000
2,114,501	2,189,491	2,033,172	2,024,575	1,924,096	2,308,643
<u>1,249,383</u>	<u>1,286,864</u>	<u>1,325,470</u>	<u>1,365,235</u>	<u>1,406,192</u>	<u>1,448,377</u>
1,249,383	1,286,864	1,325,470	1,365,235	1,406,192	1,448,377
1,340,000	829,500	217,000	231,000	227,000	295,000
154,500	313,500	25,000	299,000	48,000	204,000
-	33,000	344,000	-	36,000	380,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,494,500	1,176,000	586,000	530,000	311,000	879,000
31,645	33,227	34,224	35,251	36,308	37,397
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31,645	33,227	34,224	35,251	36,308	37,397
2,775,528	2,496,092	1,945,694	1,930,485	1,753,500	2,364,775
965,546	576,471	658,824	741,176	823,529	905,882
2,417,701	2,500,176	2,505,300	2,517,038	2,605,281	2,466,796

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Capital Equipment	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	1,283,137	801,073	801,073	801,073
Revenues				
Department Charges				
Charges to Departments	477,433	310,870	228,685	362,249
Total Department Charges	477,433	310,870	228,685	362,249
Transfers In				
Asset Seizure	80,000	-	-	-
Police Department Donations	12,000	-	-	-
Senior Donations	34,000	-	-	-
Fire Donations	19,000	-	-	-
Total Transfers In	145,000	-	-	-
Total Revenues	622,433	310,870	228,685	362,249
Expenditures				
Capital				
Capital Equipment	1,104,496	310,870	228,685	362,249
Total Capital	1,104,496	310,870	228,685	362,249
Total Expenditures	1,104,496	310,870	228,685	362,249
Fund Balance	801,073	801,073	801,073	801,073

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
801,073	801,073	801,073	801,073	801,073	801,073
<u>221,645</u>	<u>499,175</u>	<u>220,510</u>	<u>457,595</u>	<u>337,525</u>	<u>116,500</u>
221,645	499,175	220,510	457,595	337,525	116,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
221,645	499,175	220,510	457,595	337,525	116,500
<u>221,645</u>	<u>499,175</u>	<u>220,510</u>	<u>457,595</u>	<u>337,525</u>	<u>116,500</u>
221,645	499,175	220,510	457,595	337,525	116,500
221,645	499,175	220,510	457,595	337,525	116,500
801,073	801,073	801,073	801,073	801,073	801,073

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Self Insurance	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	2,397,752	3,004,083	3,004,083	3,004,083
Revenues				
Department Charges				
Insurance Rebate / Misc Inc.	-	-	-	-
Workers' Compensation	759,189	774,373	797,604	821,532
Long Term Disability	102,507	104,557	107,694	110,924
Unemployment / Emp. Assist.	54,650	55,743	57,415	59,137
Property / Liability	2,261,556	1,250,000	1,275,000	1,300,500
Total Department Charges	3,177,901	2,184,672	2,237,712	2,292,094
Total Revenues	3,177,901	2,184,672	2,237,712	2,292,094
Expenditures				
Workers' Compensation	759,188	774,373	797,604	821,532
Long Term Disability	92,507	104,557	107,694	110,924
Unemployment / Emp. Assist.	44,650	55,743	57,415	59,137
Property / Liability	1,675,225	1,250,000	1,275,000	1,300,500
Transfer Out (Employee Benefit)	-	-	-	-
Total Expenditures	2,571,570	2,184,672	2,237,712	2,292,094
Fund Balance	3,004,083	3,004,083	3,004,083	3,004,083

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
3,004,083	3,004,083	3,004,083	3,004,083	3,004,083	3,004,083
-	-	-	-	-	-
846,178	871,563	897,710	924,641	952,381	980,952
114,252	117,680	121,210	124,846	128,592	132,450
60,911	62,739	64,621	66,560	68,556	70,613
1,326,510	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574
2,347,852	2,405,022	2,463,642	2,523,750	2,585,386	2,648,589
2,347,852	2,405,022	2,463,642	2,523,750	2,585,386	2,648,589
846,178	871,563	897,710	924,641	952,381	980,952
114,252	117,680	121,210	124,846	128,592	132,450
60,911	62,739	64,621	66,560	68,556	70,613
1,326,510	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574
-	-	-	-	-	-
2,347,852	2,405,022	2,463,642	2,523,750	2,585,386	2,648,589
3,004,083	3,004,083	3,004,083	3,004,083	3,004,083	3,004,083

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

ISF - Employee Benefits	2017-2018	2018-2019	2019-2020	2020-2021
Beginning Balance	951,502	1,428,769	1,623,263	1,826,721
Revenues				
Department Charges				
Compensated Absence	2,119,343	2,182,923	2,204,752	2,248,847
P.E.R.S.	7,073,723	8,532,449	9,624,042	10,770,232
Health / Dental / Life	3,747,876	3,841,573	3,879,989	3,918,789
P.A.R.S.	9,730	9,973	10,223	10,478
F.I.C.A.	349,573	358,313	367,271	376,452
Total Department Charges	13,300,245	14,925,231	16,086,276	17,324,798
Transfers In				
General Fund	1,907,680	1,493,686	1,508,623	1,523,709
Pollution Reduction	47	53	58	64
Sewer Fund	36,263	87,548	88,424	90,192
Water Fund	159,833	267,373	270,047	275,448
FV Housing Authority	9,965	11,161	12,388	13,627
Internal Service (All Funds)	107,702	89,892	96,489	103,155
Total Transfers In	2,221,490	1,949,712	1,976,029	2,006,195
Total Revenues	15,521,735	16,874,943	18,062,305	19,330,994
Expenditures				
Compensated Absence	2,119,343	2,182,923	2,204,752	2,248,847
P.E.R.S.	7,073,723	8,532,449	9,624,042	10,770,232
Retiree Health (OPEB)	1,718,038	1,735,218	1,752,571	1,770,096
Health / Dental / Life	3,747,876	3,841,573	3,879,989	3,918,789
P.A.R.S.	9,730	9,973	10,223	10,478
F.I.C.A.	349,573	358,313	367,271	376,452
Tuition Reimbursement	20,000	20,000	20,000	20,000
Deferred Compensation Match	6,185	-	-	-
OPEB Trust	-	-	-	-
Total Expenditures	15,044,468	16,680,449	17,858,846	19,114,895
Fund Balance	1,428,769	1,623,263	1,826,721	2,042,820

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
2,042,820	2,064,814	2,096,618	2,033,072	2,078,089	2,028,013
2,271,336	2,316,762	2,339,930	2,386,729	2,410,596	2,458,808
11,615,212	12,341,499	12,928,466	13,733,363	14,064,673	14,450,719
3,977,571	4,037,234	4,097,793	4,159,260	4,221,648	4,284,973
10,740	11,009	11,284	11,566	11,855	12,151
385,864	395,510	405,398	415,533	425,921	436,569
18,260,722	19,102,015	19,782,871	20,706,450	21,134,694	21,643,221
1,538,946	1,554,336	1,569,879	1,585,578	1,601,433	1,617,448
67	71	73	75	77	80
91,094	92,916	93,845	95,722	96,679	98,613
278,203	283,767	286,604	292,336	295,260	300,000
14,309	15,024	15,475	15,939	16,417	16,910
107,171	111,366	114,311	117,337	120,445	123,638
2,029,790	2,057,479	2,080,187	2,106,986	2,130,312	2,156,688
20,290,513	21,159,494	21,863,057	22,813,437	23,265,006	23,799,909
2,271,336	2,316,762	2,339,930	2,386,729	2,410,596	2,458,808
11,615,212	12,341,499	12,928,466	13,733,363	14,064,673	14,450,719
1,787,797	1,805,675	1,823,732	1,841,969	1,860,389	1,878,993
3,977,571	4,037,234	4,097,793	4,159,260	4,221,648	4,284,973
10,740	11,009	11,284	11,566	11,855	12,151
385,864	395,510	405,398	415,533	425,921	436,569
20,000	20,000	20,000	20,000	20,000	20,000
-	-	-	-	-	-
200,000	200,000	300,000	200,000	300,000	200,000
20,268,520	21,127,690	21,926,603	22,768,420	23,315,083	23,742,214
2,064,814	2,096,618	2,033,072	2,078,089	2,028,013	2,085,708

CAPITAL IMPROVEMENT TEN YEAR PLAN - GENERAL FUND

				2017-2018	2018-2019
Project	Proj #	%	Reserve/Source		
General Fund Projects					
Recreation Center Rehabilitation	339	100%	98 TAB	1,000,000	
Median Drought Tolerant Landscape	413	100%	Developer Impact / 98 TAB	3,400,000	
General Plan Updated	335	100%	General Plan /Econ Dev	1,259,000	
Sports Park Roll Gates	334	100%	Park In-Lieu	10,500	
Vehicle Wash Rack - Corporate Yard	789	100%	98 TAB	250,000	
Two-bay Butler Building - Fire Station #2	790	100%	98 TAB	150,000	
City Hall Water Feature	784	100%	Capital	120,000	
Communications-800MHZ Upgrades	197	100%	Capital	2,098,208	-
Total General Fund Projects				8,287,708	-
Non-Departmental					
Park Improvements	403	100%	Operating	200,000	200,000
Total Non-Departmental				200,000	200,000
Continuing Appropriations				7,400,971	-
Total				15,888,679	200,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - GENERAL FUND

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
120,000							
-	-	-	-	-	-	-	-
120,000							

CAPITAL IMPROVEMENT TEN YEAR PLAN - GAS TAX

Gas Tax		2017-2018	2018-2019
Project	Proj #		
Residential Roadway Rehabilitation			
Administration-Miscellaneous	101	2,000	2,000
Pavement Management	005	60,000	30,000
Residential Roadway Rehabilitation	229	<u>1,800,000</u>	<u>1,000,000</u>
Total Residential Rehabilitation		1,862,000	1,032,000
Traffic Control			
Restriping-Various Locations	010	35,000	25,000
Audible Pedestrian Signals	021	<u>12,500</u>	<u>-</u>
Total Traffic Control		47,500	25,000
Arterial Roadway Rehabilitation			
Collector Streets	999	-	-
Industrial Streets	999	<u>-</u>	<u>-</u>
Total Arterial Roadway Rehabilitation		-	-
ADA Projects			
School Area ADA Pedestrian Ramps	228	<u>296,000</u>	<u>-</u>
Total ADA Project		296,000	-
Total Gas Tax Projects		2,205,500	1,057,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - GAS TAX

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
70,000	40,000	70,000	40,000	70,000	40,000	70,000	40,000
<u>1,000,000</u>	<u>1,000,000</u>	<u>1,500,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
1,072,000	1,042,000	1,572,000	1,242,000	1,272,000	1,242,000	1,272,000	1,242,000
-	-	25,000	-	-	25,000	-	-
<u>-</u>							
-	-	25,000	-	-	25,000	-	-
250,000	-	-	-	-	-	-	-
<u>250,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
500,000	-	-	500,000	500,000	-	-	-
-	125,000	-	-	-	-	-	-
<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,572,000	1,042,000	1,597,000	1,742,000	1,772,000	1,267,000	1,272,000	1,242,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - TRAFFIC IMPROVEMENT

Traffic Improvement	2017-2018	2018-2019
Project	Proj #	Type
Pavement Rehabilitation		
Harbor - SCL to NCL	TI272	Rehab.
Edinger - Brookhurst to Euclid	TI273	Rehab.
Euclid Street - Slater to Warner	TI271	Rehab.
Arterial Rehabilitation Project	999	Rehab.
		75,000
Total Pavement Rehabilitation		\$ 1,100,000
		\$ 75,000
Signal & Signage		
Citywide Signal Retiming	029	SIG
Citywide Traffic Signal Timing Maintenance	160	SIG
Citywide Signal Communication Maintenance	267	SIG
PPLT Conversion Study	281	SIG
Talbert & Mt. Washington Signal		SIG
Local Circulatory Study	282	TRANSIT
Magnolia Bike Corridor	999	BIKE
Brookhurst Street Signal Synchronization		TSSP
Magnolia Avenue Signal Synchronization		TSSP
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
		1,225
Total Signal & Signage		\$ 966,807
		\$ 205,000
Total Traffic Improvement Projects		\$ 2,066,807
		\$ 280,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - TRAFFIC IMPROVEMENT

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
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1,300,000	1,300,000	75,000	1,400,000	1,500,000	1,500,000	1,500,000	1,500,000
\$ 1,300,000	\$ 1,300,000	\$ 75,000	\$ 1,400,000	\$ 1,500,000	\$ 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

1,200,000

\$ 1,265,000	\$ 65,000	\$ 205,000	\$ 65,000	\$ 65,000	\$ 205,000	\$ 65,000	\$ 65,000
\$ 2,565,000	\$ 1,365,000	\$ 280,000	\$ 1,465,000	\$ 1,565,000	\$ 1,705,000	\$ 1,565,000	\$ 1,565,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - POLLUTION REDUCTION

Pollution Reduction		2017-2018	2018-2019
Project	Proj #	Type	
Electric Vehicle Charging Stations Project #1	999		46,100
Electric Vehicle Charging Stations Project #1	999		92,200
Total Pollution Reduction			\$ 138,300

CAPITAL IMPROVEMENT TEN YEAR PLAN - POLLUTION REDUCTION

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL IMPROVEMENT TEN YEAR PLAN - DRAINAGE

Drainage			2017-2018	2018-2019
Project	Proj #	Source		
Sandalwood Pump Station	995	GF	3,050,000	-
Walnut Pump Station	996	GF	-	3,500,000
Drainage GIS Mapping	657	GF	10,000	-
Total Drainage Projects			3,060,000	3,500,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - DRAINAGE

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
10,000	-	10,000	-	10,000	-	10,000	-

CAPITAL IMPROVEMENT TEN YEAR PLAN - SEWER

Sewer			2017-2018	2018-2019
Project	Proj #	Source		
Sewer Manhole Rehabilitation	617	SF	-	65,000
Sewer Master Plan	615	SF	-	-
Sewer GIS Mapping	616	SF	35,000	35,000
I-405 Utility Facilities Relocation	XXX	SF	180,000	
Structural Improvements	620	SF	<u>1,800,000</u>	<u>1,200,000</u>
Total Sewer Projects			2,015,000	1,300,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - SEWER

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
-	65,000	-	65,000	-	65,000	-	65,000
-	350,000	-	-	-	-	-	-
40,000	40,000	40,000	45,000	45,000	45,000	45,000	45,000
<u>1,200,000</u>							
1,240,000	1,655,000	1,240,000	1,310,000	1,245,000	1,310,000	1,245,000	1,310,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - WATER

Water	2017-2018	2018-2019
Projects		
Rehabilitation Projects		
Well Site No. 6		
Well Site No. 8		
Well Site No. 9		
Well Site No. 10	400,000	
Well Site No. 11		450,000
Well Site No. 12	600,000	
Reservoir No. 1 Exterior Painting	100,000	
Reservoir No. 2	5,651,112	
Condition Assessment	300,000	300,000
Pipeline Replacement		
Ellis Avenue Siphon Replacement	315,550	
Annual Meter Replacement		
Hydrant Replacement	20,000	20,000
Chlorine Generators		150,000
New Facility Projects		
Additional Source of Supply		
Security System		
Other Programs/Projects		
Water Conservation	100,000	100,000
Residential Median Turf Conversion	130,000	
GIS Update	40,000	40,000
Rate Study	27,800	-
Irrigation Timers (Calsense)		
Water Delivery (SCADA)		
Master Plan		
Urban Water Management Plan		
I-405 Utility Facilities Relocation	576,000	-
Total Water Projects	8,260,462	1,060,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - WATER

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
	500,000						
650,000		500,000		250,000	250,000		
300,000	300,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
			300,000	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	45,000	45,000	45,000	50,000	50,000	50,000	50,000
		50,000	-				
						100,000	
	350,000						
	65,000						
-	-	-	-	-	-	-	-
1,760,000	6,030,000	2,365,000	2,115,000	2,620,000	2,070,000	1,970,000	1,970,000

CAPITAL PURCHASE PLAN TEN YEAR - BY ISF FUND

Fund	Description	2017-2018	2018-2019
61	Information Processing	411,902	110,500
62	Government Buildings	652,500	326,100
63	Fleet Management	1,030,500	491,500
64	Capital Equipment	<u>1,104,496</u>	<u>310,870</u>
Total ISF Capital Purchase Plan		3,199,398	1,238,970

CAPITAL PURCHASE PLAN TEN YEAR - BY ISF FUND

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
72,900	234,400	262,702	145,800	153,700	153,504	396,952	198,000
108,100	10,600	137,300	95,600	164,600	195,840	558,600	54,100
618,000	373,800	1,494,500	1,176,000	586,000	530,000	311,000	879,000
228,685	362,249	221,645	499,175	220,510	457,595	337,525	116,500
1,027,685	981,049	2,116,147	1,916,575	1,124,810	1,336,939	1,604,077	1,247,600

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.

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

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

LONG RANGE FINANCIAL PLANNING POLICIES

Measure HH was approved by City voters in November 2016 to preserve and restore essential City services for the community, including public safety. Measure HH established a 1-cent City transaction sales tax that keeps all revenues local. This general purpose revenue measure will generate transaction sales tax revenues, which will be used for important public safety, infrastructure maintenance, and paying down debt and unfunded liabilities. Measure HH includes accountability and citizen oversight provisions, including a 20-year sunset and annual reporting requirements.

In addition, the City Council adopted a Responsible Spending Pledge which clearly identifies the spending priorities. It is important to know that Measure HH is a general purpose measure, and the proceeds are not restricted to specific purposes. The estimated revenues and proposed use of funds generated by Measure HH shall be an integral part of the City's budget and strategic planning process, and significant opportunities will be provided for meaningful participation by citizens in determining priority uses of these funds based on the spending pledge.

As part of the Measure HH analysis the City put together a 20-year Long Range Financial Plan which outlines how the transaction sales tax will be utilized. This plan will be updated on a regular basis to reflect the most recent activities which could have an impact on either

FINANCIAL & BUDGET POLICIES

the revenues or expenditures of the General Fund. This 20-year long term plan will be utilized and integrated into the City's annual budget and semi-annual strategic planning process.

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

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

FINANCIAL & BUDGET POLICIES

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

Budget Structure:

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 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

FINANCIAL & BUDGET POLICIES

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

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.

FINANCIAL & BUDGET POLICIES

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.

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

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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.

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 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.

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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 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.

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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.

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.

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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.

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.

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.

FINANCIAL & BUDGET POLICIES

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.

Measure HH – Essential City Services – Responsible Spending Pledge

The City Council adopted the following spending pledge on October 16, 2016.

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

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

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

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

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

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

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

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.
- 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.

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- 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.
- 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.

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Authorized Investments

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

FUND BALANCE POLICY

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

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

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

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

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

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

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

FINANCIAL & BUDGET POLICIES

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 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. In 2014 the City Council adopted a Reserve Policy that set this fund, based on a specific list of projects, at \$9,600,000. Since that time several projects have been funded through bond proceeds. The revised desired reserve fund balance is \$5,000,000. Specific projects will continue to be identified by staff and will be presented to City Council during the budget process. As other projects

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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. It is anticipated that this fund will be depleted over time and will not be replenished unless directed by Council policy.

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 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

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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 reserve 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 Capital Improvement Plan

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

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

FINANCIAL & BUDGET POLICIES

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
- 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

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- 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.

ENTERPRISE FUND FEES AND RATE STRUCTURE

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

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

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

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

APPROPRIATIONS LIMIT

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

The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review

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at least 10 days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with final approval of the budget.

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

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

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

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

DEBT POLICIES

Debt Financing

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

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

Debt financing shall not be considered appropriate for:

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

Debt Management

- The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
- An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations this analysis will also address the reliability of revenues to support debt service.

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- The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
- The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
- The City will monitor all forms of debt annually coincident with the City's Financial Plan preparation and review process and report concerns and remedies, if needed, to the Council.
- The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).

Debt Refinancing

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

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

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

- Refinancing that 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.

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?

FINANCIAL & BUDGET POLICIES

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

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

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.

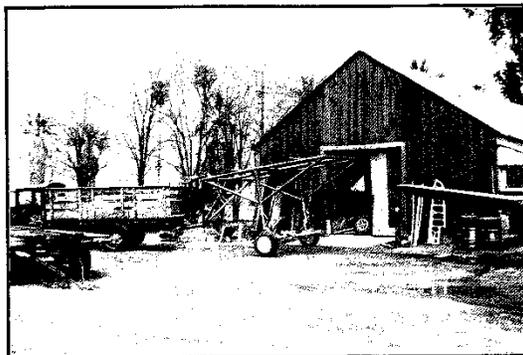
With this pivotal series of events, the rapid development of the Santa Ana Valley began.

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 57,508.

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 \$81,825.

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 19,536 households in Fountain Valley according to the 2001-2015 American Community Survey 5-year survey through the US Census Bureau. Over 68% of the city's housing units are owner occupied and 32% were renters. Vacancy rates are very low at less than 2.3% 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 \$751,000. This represents a 12% increase over the prior year.

Type	FOUNTAIN VALLEY		ORANGE COUNTY	
	2015	Percent	2015	Percent
Single Family Detached	12,753	65.%	541,827	51%
Single Family Attached	1,890	10%	127,018	12%
Multi-Family (2-4 units)	792	4%	94,828	9%
Multi-Family (5 + units)	3,747	19%	270,755	25%
Mobile Homes	355	2%	29,846	3%
Total	19,536	100%	1,064,642	100%

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	1799
Memorial Health Services	1103
Orange Coast Memorial Medical	1046
Hyundai Motor America, Inc.	1034
Kingston Technology	626
Ceridian Tax Services, Inc.	266
Antech Diagnostics, Inc.	266
Surefire, Inc.	258
Spec Services, Inc.	224
Sam's Club #6615	209
Manor Care of Fountain Valley	180
Mobis Parts America, LLC	166

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 AMERICA COMPANY
2	FOUNTAIN VALLEY REGIONAL HOSPITAL
3	ORANGE COST MEMORIAL MEDICAL CENTER
4	BEXAEW The HAVENS, LP
5	JKS-CMFV, LLC
6	MEMORIAL HEALTH SERVICES
7	SHEA CENTER CRYSTAL SPRINGS, LLC
8	FOUNTAIN VALLEY SENIOR HOUSING, LLC
9	US MILLENNIUM, LP
10	FOUNTAIN VALLEY MHP ASSOCIATES, LP

Source: HDL Coren & Cone

ACRONYMS

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



ACRONYMS

CMP	Congestion Management Plan
CMTA	California Municipal Treasures Association
CNG	Compressed Natural Gas
COPS	Community Oriented Policing Services
CPI	Consumer Price Index
CREB's	Clean Renewable Energy Bonds
CSMFO	California Society of Municipal Finance Officers
CUP	Conditional Use Permit
D.A.R.E.	Drug Abuse Resistance Program
DOF	California Department of Finance
E/FTC	Eastern/Foothill Transportation Corridor
EECBG	Energy Efficiency and Conservation Block Grant
EEMP	Environmental Enhancement and Mitigation Program
EIR	Environmental Impact Report
ERAF	Education Revenue Augmentation Fund
FHCOC	Fair Housing Council of Orange County
FEMA	Federal Emergency Management Agency
FTE	Full-Time Equivalent
FVFA	Fountain Valley Financing Authority (Terminate in 2017)
FVPFA	Fountain Valley Public Financing Authority
FPPC	Fair Political Practices Commission
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product

ACRONYMS

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

ACRONYMS

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

ACRONYMS

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

BUDGET GLOSSARY

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

BUDGET GLOSSARY

	City's internal controls as well as recommending improvements to the City's financial management practices.
Balanced Budget	A budget in which planned expenditures do not exceed planned revenues.
Bond Refinancing	The pay off and re-issuance of bonds to obtain better interest rates and/or bond conditions.
Bonds	A certificate of debt issued by an entity, guaranteeing payment of the original investments, plus interest.
Bradley Burns Uniform Local Sales & Use Tax	A 1% local sales tax is collected by the State of California as part of the larger sales and use tax levied on the total retail price of tangible personal property based on business location. Use Tax is the complement of sales tax and imposed on the purchaser, usually for goods purchased out-of-state for local use.
Budget Surplus	The difference between operating revenues and operating expenditures. The Budget Surplus may be used for ongoing expenses (as opposed to year-end balance, which may be used only for one-time expenses).
Budget Amendment	The Council has the sole responsibility for adopting the City's budget and may amend or supplement the budget at any time after adoption by majority vote. The City Manager has the authority to approve transfers within funds.
California Environmental Quality Act	CEQA – a state statute enacted in 1970 that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible (ceres.ca.gov/ceqa).
California Transportation Commission	CTC – the agency responsible for programming and allocating funds for the construction of highway, passenger rail and transit improvements throughout California (www.catc.ca.gov)
Capital Equipment	Equipment (fixed assets) with an initial individual cost of \$5,000 or more and an expected useful life greater than two years, such as automobiles, microcomputers and furniture.
Capital Expenditure	Expenditure for tangible property with an initial individual cost of \$5,000 or more and an expected useful life greater than two years per item.
Capital Improvement Program Budget (CIP)	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.
Certificates of Participation	Certificates of Participation (COPs) are tax-exempt bonds issued by state entities usually secured with revenue from an equipment or facility

BUDGET GLOSSARY

	lease. COPs enable governmental entities to finance capital projects without technically issuing long-term debt. This can be advantageous, as the issuance of long-term debt is commonly subject to voter approval and other state constitutional and statutory requirements. COPs have been used by municipalities to pay for prisons, office buildings, vehicles, and even parks.
City Council	CC – comprised of five City Councilmembers who are elected at large by registered voters of the City. Councilmembers each serve a four-year term. The mayor is selected by fellow councilmember and serves a one-year term. The City of Fountain Valley has a three-term limit for elected officials. The City Council adopts legislation, sets policy, adjudicates issues and establishes the budget of the City.
Community Development Block Grant	CDBG – provides eligible metropolitan cities and urban counties with annual direct grants to revitalize neighborhoods; expand affordable housing and economic opportunities; and/or improve community facilities and services, principally to benefit low- and moderate-income persons.
Community Facilities District	CFD – a special district that can issue tax-exempt bonds as a mechanism by which public entities finance construction and/or acquisition of facilities and provide public services to the district.
Community Oriented Policing Services	COPS – a grant program that provides partial funding of salaries for several front line law enforcement positions.
Comprehensive Annual Financial Report	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.
Conditional Use Permit	CUP – allows a city or county to consider special uses which may be essential or desirable to a particular community, but which are not allowed as a matter of right within a zoning district, through a public hearing process.
Congestion Management Plan	CMP – defines a network of state highways and arterials, level of service standards and related procedures.
Consumer Price Index	CPI – a statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.
Contingency Reserve	The City has established a policy to set aside a percentage of its General Fund operating expenditures as a contingency reserve.
Cost Allocated	A method used to charge General Fund costs budgeted in one department to another department or another fund.

BUDGET GLOSSARY

Debt Service	The payment of principal and interest on borrowed funds such as bonds.
Department, (Function) Division,	Section Organizational units within the Operations Budget that group resources together to provide related types of services.
Discretionary Funding Opportunities	Pertains to funds, grants or other resources that are not restricted as to use.
Drug Abuse Resistance Program	DARE – a police officer-led series of classroom lessons that teaches children from kindergarten through 12th grade how to resist peer pressure and live productive drug- and violence-free lives (www.dare.com).
Eastern/Foothill Transportation Corridor	E/FTC – a network of toll roads extending from Anaheim Hills south to Coto de Caza.
Encumbrance	An encumbrance is not an expenditure, but a reservation of funds to be expended at a future date. A commitment is usually made through a purchase order for the future payment of goods and services not yet received or paid for.
Enterprise Fund	This fund type is used to account for operations that are: (a) financed and operated in a manner similar to private sector enterprises and it is the City's intent that the costs (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.
Environmental Enhancement and Mitigation Program	EEMP – a state funded grant program for projects related to environmental enhancement or design, particularly of transportation facilities.
Environmental Impact Report	EIR – a public document used by governmental agencies to analyze the significant environmental effects of a proposed project, to identify alternatives and disclose possible ways to reduce or avoid potential environmental damage. The California Environmental Quality Act requires an EIR whenever the initial study or other evidence in the record has produced substantial evidence that the proposed project might produce significant environmental effects.
Expenditure	The outflow of funds paid or to be paid for an asset, goods or services regardless of when the invoice is actually paid. This term applies to all funds.
Fair Housing Council of Orange County	FHCOC – a private non-profit organization which fosters diversity in housing through education and the enforcement of state and federal fair housing laws (www.fairhousingoc.org).
Fees	A general term used for any charge levied by government for providing a service or permitting an activity.

BUDGET GLOSSARY

Fiscal Year	Any period of 12 consecutive months designated as the budget year. Fountain Valley's budget year begins on July 1 and ends on June 30.
Fixed Asset	Assets that are long-term in nature such as land, buildings, machinery, furniture and other equipment. The City has defined such assets as those with an expected life in excess of one year and an acquisition cost in excess of \$5,000.
Fountain Valley School District	FVSD – An elementary school district serving Fountain Valley and Huntington Beach in Orange County, California. There are nine elementary schools, two middle schools (6-8), and one K-8 alternative school. (http://www.fvsd.us)
Franchise Tax	Revenue generated from taxes paid by a business that gave an exclusive contractual agreement to operate and use the public right-of-way in the City. Examples include southern California Edison, Public Cable Television, Southern California Gas and Rainbow Disposal.
Fringe Benefits	These include retirement/pension; health, life, and disability insurance; workers' compensation; and vacation, administrative, medical and special leave of absence time.
Full-Time Equivalent	FTE – refers to part-time hours converted to one full-time equivalent position, which equals 40 hours per week, 52 weeks per year. (2080 hours per year)
Fund	A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose.
Fund Balance	Within a specific fund, the funds remaining when all current and prior year liabilities (expenditures) are subtracted from current and prior year assets (revenues).
Gas Tax	State tax received from gasoline sales utilized solely for street related purposes, such as new construction, rehabilitation or maintenance.
General Fund	The primary operating fund of the City (as opposed to all other City funds, which are designated as "Special Funds").
General Plan	A comprehensive, long-range, policy document required by state law. The document establishes the City's overall spatial and temporal development pattern.
Geographical Information System	GIS – a computer system capable of assembling, storing, manipulating and displaying geographically referenced information.
Goal	A time/phased strategy that will implement a specific course of action or plan, typically, a long-term process.

BUDGET GLOSSARY

Government Finance Officers Association	GFOA - professional association of state/provincial and local finance officers in the United States and Canada (www.gfoa.org).
Governmental Accounting Standards Board	GASB – organized in 1984 by the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities (www.gasb.org).
Grants	Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose, activity or facility.
Gross Domestic Product (Real)	GDP – the total of the goods and services produced by labor and property located in the United States.
Gross State Product	GSP – the total of the goods and services produced by labor and property located in the State of California.
Growth Management Area	GMA – inter-jurisdictional planning regions within Orange County.
Growth Management Program	GMP – a Measure M funded program intended to address the cumulative regional traffic impacts of development not addressed by specific project mitigation and existing system deficiencies.
Hotel Tax (TOT)	Also known as the Transient Occupancy Tax (TOT) or bed tax – an 9% tax added to the cost of renting a hotel room within the City.
Infrastructure	Inputs Includes the City’s street, bridge, traffic signal, landscaping, and trail networks. To be capitalized as part of the City’s infrastructure network, a related component must have an initial individual cost of at least \$50,000 and an estimated useful life greater than two years. Resources (e.g. dollars, staff and other assets) required to accomplish a job or provide a service.
Integrated Financial Accounting System	InCode – Fountain Valley’s computerized accounting system used to coordinate the City’s general accounting, purchasing and utility billing processes.
Inter-Fund Transfers	Payments from one fund to another fund, primarily for work or services provided
Landscape, Lighting, and Park Maintenance	LLPM – an assessment district to provide funds for park and parkway landscaping, lighting and park maintenance.
Lease-Purchase Agreement	Contractual agreements which are termed leases, but whose lease amount is applied to the purchase.
Level of Effort	Generally used to identify the number of staff providing a particular service. Level of Services Generally used to define the existing or current services, programs and facilities provided by government.

BUDGET GLOSSARY

Levy	To impose taxes, special assessments or service charges for the support of governmental activities.
Local Agency Formation Commission	LAFCO – reviews proposals for the formation of new local governmental agencies and changes of organization in existing agencies (www.oclafco.org).
Local Agency Investment Fund	LAIF – a voluntary program created by statute in 1977 in which participating agencies (local governments and special districts) invest public funds.
Long-Term Debt	Debt with a maturity of more than one year after issuance.
Major Fund	A fund that comprises more than 10% of total citywide budgeted revenues and transfers-in and/or 10% of total budgeted appropriations and transfers-out. Please see the “Major Funds – Summary by Budget Category” tables presented in the Budget Summary chapter.
Measure M	County-wide sales tax measure used to fund a variety of transportation related projects.
Measure M - Growth Management Area	M-GMA – a county grant program that provides funding for projects that benefit the greatest number of jurisdictions within a designated growth management area (GMA) in Orange County. The primary objective of this program is to address current traffic deficiencies and the cumulative regional traffic impacts of development not addressed by specific project mitigation and existing system deficiencies.
Measure M – Turnback	The non-competitive portion of the sales tax revenue generated through Measure M that is "turned back" to the City. Funds are restricted to circulation related projects (street, traffic signal, etc.) and are received quarterly.
Memorandum of Understanding	MOU – an agreement outlining the terms of employment entered into between the City and employees of various bargaining units.
Modified Accrual	Basis of Accounting Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, or measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.
National Pollutant Discharge Elimination System	NPDES – a permit program authorized by the Clean Water Act that controls water pollution by regulating point sources that discharge pollutants into waters of the United States.

BUDGET GLOSSARY

Objective	Describes an outcome to be accomplished in specific, well-defined and measurable terms and is achievable within a specific timeframe; generally, programs have objectives.
Operating Budget	A budget for General Fund department service delivery expenditures such as salaries, utilities and supplies. The day-to-day costs of delivering essential City services.
Orange County Fire Authority	OCFA – an agency that provides fire prevention/suppression and emergency services to 22 cities and all the unincorporated areas in Orange County (www.ocfa.org).
Orange County Investment Pool	OCIP – a pooling of cash by the county, local agencies and school districts for investment purposes run by the Orange County Treasurer.
Orange County Transportation Authority	OCTA – a regional transportation agency formed in 1991 to develop and implement unified transportation programs and services for Orange County (www.octa.net).
Ordinances	A formal legislative enactment by the governing board (i.e. City Council) of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.
Outputs	The general results expected from programs and functions.
Part I Crimes	The most serious criminal offenses, including murder, rape, robbery, aggravated assault, burglary, larceny/theft, auto theft and arson.
Part II Crimes Pavement Management System	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.
Pavement Quality Index	PQI – a scale from 1 to 10 that measures the structure, surface condition and riding comfort of the roadway.
Performance Budget	A budget wherein expenditures are tied to the measurable performance of activities and work programs.
Performance Measurements	Statistical measures that are collected to show the impact of dollars spent on City services.
Personnel Expenses	Salaries and fringe benefits, such as pensions and insurance, for full-time and part-time employees of the City.
Priority E	Calls Refers to the most serious calls for emergency response for serious emergencies, in-progress calls and potentially life-threatening incidents that require a Code 3 (use of lights and siren) response.

BUDGET GLOSSARY

Priority I Calls	Refers to calls for emergency response for serious emergencies, in progress calls and potentially life-threatening incidents that do not require a Code 3 (use of lights and siren) response.
Program	Represents major areas or support functions that can be defined as a service provided to citizens, other departments or other agencies.
Program Budget	A budget wherein expenditures are displayed primarily on programs of work and secondarily by the character and object class of the expenditure.
Property Tax	A tax levied on the assessed value of real property; also known as ad valorem tax. In California, this tax is limited to 1% with the exception of pre-Proposition 13 approved bond debt service. Proposition 13 On June 6, 1978, the California electorate approved Proposition 13, the “People’s Initiative to Limit Property Taxation,” which limited the tax rate for real estate as follows: the maximum amount of any tax on real property shall not exceed 1% of the full cash value of such property. The City of FV receives \$0.1287 cents per dollar of the Prop 13 tax.
Proposition 218	On November 5, 1996, the California electorate approved Proposition 218, the self-titled “Right to Vote on Taxes Act.” Proposition 218 added articles 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.
Public Employees’ Retirement System	PERS – provides retirement and health benefit services to members from the state, school districts and local public agencies (www.calpers.ca.gov).
Ralph M. Brown Act	The Brown Act is a California law that insures the public can attend and participate in meetings of local government.
Redevelopment Agency	RDA – formerly charged with the oversight for the redevelopment process for the City of Fountain Valley. In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court. As a result, all redevelopment agencies in California were dissolved effective February 1, 2012.
Regional Surface Transportation Program	RSTP – a federal and state funded grant program used for projects located on highway systems (classified higher than local roads or rural minor collectors), bridges on any public highway, and transit systems.
Reserve	A designated amount of funds set aside from a fund’s balance which is legally restricted for a specific purpose and is therefore not available for general appropriations.

BUDGET GLOSSARY

Resolution	A special or temporary order of a legislative body (e.g. City Council or Planning Commission) requiring less formality than an ordinance.
Resources	Units of dollars or physical input, such as work years or work hours, and other assets used to support and attain program objectives.
Revenue	Annual income received by the City.
Right of Way	ROW – a strip of land occupied or intended to be occupied by a street, crosswalk, railroad, electric transmission line, oil or gas pipeline, water main, sanitary or storm sewer main, shade trees, or special use.
San Joaquin Hills Transportation Corridor	SJHTC – a toll road extending from Costa Mesa south to Laguna Niguel
Service Center	Used for budgetary reporting, an organizational unit that provides a distinct and unique service. Various sections within a department that provide substantially similar services may be combined into one service center – for instance, the City Clerk’s Office and City Clerk Records are combined into one service center.
Southern California Association of Governments	SCAG – the Metropolitan Planning Organization for Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial counties, that is mandated by the federal government to research and draw up plans for transportation, growth management, hazardous waste management and air quality (www.scaq.ca.gov).
Special Funds	The City’s accounts are broken into distinct funds, each earmarked for a different purpose, with the principle and interest of the funds tracked separately. The City’s main operating fund is its General Fund, while other City funds are designated as Special Funds. These funds are legally restricted for a specific purpose and is therefore not available for general use.
Strategic Plan	The City of Fountain Valley has a semi-annual strategic planning process. The strategic plan identifies the City’s Mission Statement; Core Organizational Values; Three-Year Goals and six-month strategic objectives.
Strategic Financial Business Plan	SBP – a ten-year planning “blueprint,” updated annually, that evaluates the City’s financial capability to achieve its goals; helps set priorities for City operations and the annual budget; and guides the City’s capital improvement and rehabilitation program.
Traffic Enforcement Index	The number of moving citations divided by the number of injury accidents.
Transaction Sales Tax (District Tax)	Similar to the Bradley Burns Sales Tax, a transactions and use sales tax is allocated to the district where the tangible goods are delivered or placed into use. Voter approved district taxes are levied within

BUDGET GLOSSARY

	incorporated city limits. Fountain Valley has a 1% transaction tax authorized from April 2017 to March 2037.
Transfers-In/Out	A transfer of resources between different City funds (see glossary definition of “Fund”). A transfer of cash from the City’s General Fund to a City Special Fund, for example, would be designated as a transfer-out in the General Fund, and then a transfer-in in the receiving Special Fund.
Transient Occupancy Tax	TOT – an 9% tax added to the cost of renting a hotel room within the City. Also known as the Hotel or Bed Tax.
Transportation Corridor Agencies	TCA – formed in 1986 to plan, finance, construct and operate Orange County’s public toll road system (www.thetollroads.com).
Transportation Management Association	TMA – an association comprised of employers and property owners that promotes the use of alternative forms of commuting to the single occupant vehicle. Traffic congestion relief and air quality benefits are the primary goals of TMA.
Transportation Management Plan	TMP – a plan that promotes the reduction of single occupant vehicle use in order to improve air quality and relieve congestion. Transportation Subventions Funds from outside sources used to construct transportation improvements that must be used for specific projects.
TRIPS	A transit service for Fountain Valley seniors and persons with disabilities, providing pre-scheduled transportation and regular shuttle services.
Unencumbered Appropriation	That portion of an allocation not yet expended or committed to a specific purpose. Unexpended Appropriation is that portion of an allocation not yet actually paid.
Voice Over Internet Protocol	VoIP – used to manage the delivery of voice information over the Internet. Year-End Surplus Funds remaining at the end of a fiscal year that are available for allocation or for one-time purchases (not for on-going programs or services).

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