

City of Fountain Valley

2019-20

**FISCAL YEAR OPERATING BUDGET,
10 YEAR CAPITAL IMPROVEMENT
PROGRAM**

AND

**TWENTY-YEAR FISCAL
FORECAST**



FOUNTAIN VALLEY, CALIFORNIA

2019-20

**FISCAL YEAR OPERATING BUDGET,
TEN YEAR CAPITAL IMPROVEMENT PROGRAM
AND
TWENTY-YEAR FISCAL FORECAST**



LEGISLATIVE BODY:

Mayor Steve Nagel
Mayor Pro Temp Cheryl Brothers
Council Member Michael Vo
Council Member Kim Constatine
Council Member Patrick Harper

Submitted by:
City Manager Rob Houston

BUDGET STAFF

Jason Al-Imam, Director of Finance / City Treasurer
Teresa Gonzalez, Accounting Manager
David Faraone, Budget Analyst
Monica Kerr, Finance Assistant

ADOPTED:

June 11, 2019

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 2019-20 Budget, as well as how the document is organized. The FY 2019-20 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 2019-20.

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: Rob Houston, City Manager

Introduction

It is my pleasure to present the City of Fountain Valley's Budget and Capital Improvement Plan (CIP) for Fiscal Year 2019/20. The Budget and CIP financial plan provides a funding road map for the coming year that enables us to deliver the cost-effective quality public services that will provide a safe and desirable community that enriches its residents and businesses.

The General Fund Budget for 2019/20 reflects a balanced operating budget where operating revenues exceed operating expenditures by approximately \$6.7 million. This \$6.7 million balance is programmed in accordance to the City Council's 20-Year Financial Plan and the Measure HH Responsible Spending Pledge. \$4.7 million dollars will be set aside to rebuild City reserves and \$2 million dollars will be used to make an additional payment to CalPERS.

The City uses its Strategic Plan to guide decision-making at all levels of the organization. It allows the City to focus on core values and ensure that every department is working towards common goals. The 3-Year Goals established by the City Council in May 2019 are:

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

The Budget for 2019/20 implements the City Council's goals and priorities and allows us to continue to exceptionally serve the community in the manner it deserves and expects. The budget also focuses on the priorities outlined in the Responsible Spending Pledge 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 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 Budget for 2019/20 includes approximately \$12.3 million of Measure HH revenue with \$5.4 million committed towards maintaining essential City services. \$550,000 is budgeted for capital improvements related to residential road rehabilitation and park improvements. \$2 million is budgeted for an additional payment to CalPERS, which will save the City approximately \$1.6 million in interest expense. The balance of Measure HH Funds, at approximately \$4.3 million, is set aside for reserves.

The Measure HH – Essential City Services Oversight Committee oversees the receipt and expenditure of Measure HH revenues and ensures fiscal accountability and transparency. The Oversight Committee met on May 2, 2019 to review the Proposed Budget of Measure HH Revenues and Expenditures for 2019/20. The Oversight Committee concluded that the budgeted Measure HH revenue and expenses for 2019/20 are consistent with the intent of the Measure HH ballot measure and the Responsible Spending Pledge.

The City's fiscal policy is guided by the 20-Year Financial Plan, which encompasses the long-term operating and capital needs of the General Fund. The long-term goal is to achieve fiscal sustainability with a balanced operating budget when Measure HH sunsets in 2037. Additional payments are projected to be made to CalPERS over the next twenty years, which is in addition to the amounts required annually by CalPERS. In addition, the City plans to continue to make additional contributions to the City's Pension Trust, which is designed to mitigate against CalPERS investment risk. In 2037 the City's pension liability is expected to be paid off along with all other long-term debt.

The 20-Year Financial Plan is updated twice a year – in April during the budget process and in October once the books have been closed for the prior fiscal period. The 20-Year Financial Plan that was updated in October 2018 reflected an annual operating deficit of \$2.3 million in 2037/38 when HH sunsets. The long-term goal is to eliminate this deficit over the next two decades, which can be accomplished with active management via new revenue sources from economic development or from cost savings.

The 20-Year Financial Plan that was updated in April 2019 (during the development of the 2019/20 budget) reflects a projected annual operating deficit of \$1.5 million in 2037/38, which shows that progress has been made on closing the deficit. In April 2018, the City Council approved a change in the City's liability insurance program that is projected to yield over \$615 thousand of annual savings every year. The savings has been reflected in the 20-Year Financial Plan and has resulted in lower ongoing operating costs. In addition, property tax revenues are projected to be higher due to growth in assessed values.

The Capital Improvement Plan for Fiscal Year 2019/20 totals approximately \$30 million. Projects include, but are not limited to arterial median landscape improvements, traffic improvements, Water and Sewer system improvements and park playground improvements. The CIP continues to provide funding to maintain and enhance the City's

CITY MANAGER'S TRANSMITTAL LETTER

infrastructure and facilities.

Conclusion and Final Comments

It is important to highlight again that the General Fund Budget for 2019/20 reflects a balanced operating budget where operating revenues exceed operating expenditures by approximately \$6.7 million, which is used to fund an additional payment of \$2 million to CalPERS with the balance, at approximately \$4.7 million, set-aside for reserves. Measure HH provides the necessary funding to maintain essential city services and funds capital improvements, pays down debt and restores reserves. The City's fiscal policy is guided by the 20-Year Financial Plan, which provides for long-term fiscal sustainability.

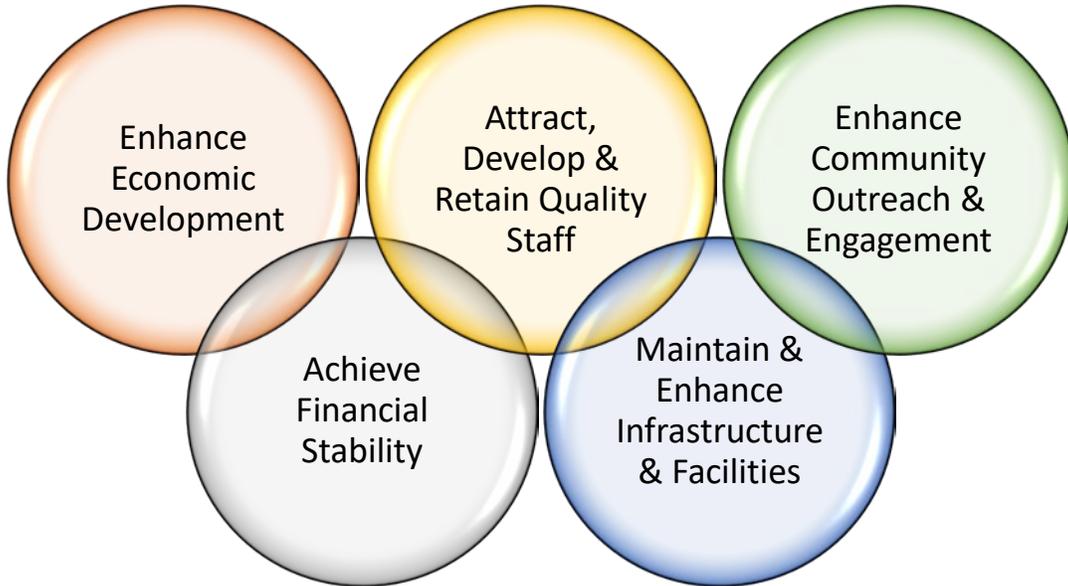
In closing, I would like to express my appreciation to the many City staff members across all of our departments for their active and thoughtful participation in developing this budget and the capital improvement program. I want to thank every employee for their hard work and ongoing dedication and the 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 and will keep Fountain Valley "*A Nice Place to Live*".

Respectfully submitted,

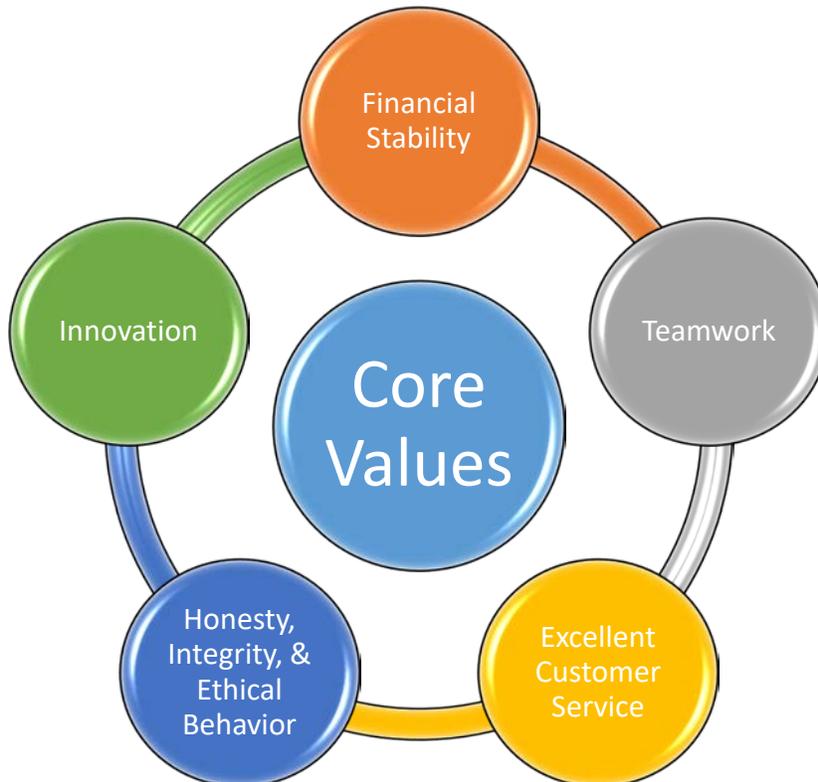


Rob Houston
City Manager

STRATEGIC PLAN



The City of Fountain Valley values . . .



STRATEGIC PLAN

Prior 2018-19 Year City of Fountain Valley Strategic Planning Accomplishments

- Exterior rehab of the Recreation Center
- Filled police vacancies
- Revised the City's Hazard Mitigation Plan and submitted it to FEMA for approval
- Remodeled the Police Dispatch Center
- Repaved Euclid Street from Slater to Warner
- Completed new economic development website
- Transitioned to a new weapons system in the Police Department
- Purchased and changed out to LED over 3000 SCE streetlights
- Received approval from the County for Butler Building at Fire Station 2
- Redevelopment of Fountain Square Shopping Center
- Completed market analysis within the Crossing project area
- Hired a consultant to perform a financial system analysis
- Successful transition to a 3-12 schedule for Patrol
- Police Department 50th anniversary
- Completed an audit of administrative positions
- Fire Department implemented RMS Transition Plan
- Developed a Recreation Center Advisory Committee to develop the scope for the interior upgrade
- Successful completion of Hazard Mitigation Compliance Grant
- Negotiated the relocation of four City water lines into new 405 bridges
- Submitted the annual HCD Annual Housing Report to the State
- Reviewed the City's pension funding policy
- Received \$75,000 grant from Fountain Valley Regional Hospital for paramedic equipment (cardiac monitors)
- Well-maintained streets
- Proactive code enforcement
- Deployed 29 iPads for Fire Department patient care reports
- Completed design and bidding for a new signal at Talbert and Mount Washington
- Participated in Kingston Technologies Health Fair to educate employees on City services
- Expanded tuition benefits to all staff
- Replaced playground equipment at Harper Park
- Refurbished the fountain in front of City Hall
- Expanded vision benefits to all staff
- Rolled out Shop Local holiday banners
- Participated in ICSC International Conference
- Got a good review from the HH Oversight Committee
- Completed annual residential paving in Quadrant H2
- Fire Department developed an Emergency Deployment Plan to the 405 freeway while under construction
- Revised Administrative Officer evaluation process
- Successfully replaced all 800 MHz equipment for P25 compliance—end of a three-year project

STRATEGIC PLAN

- Successfully negotiated with OCTA for the 405 construction project
- Police Department replaced all of our front line Narcam through Orange Coast Memorial Hospital funding
- Hired a new Planning Director
- Hired a new Community Services Supervisor
- Hired a new Emergency Management Services Manager
- Hosted the annual tree lighting event
- Fire Department improved response times from 50% compliance to 80% in turn out time (out of stations)
- Investigated Top Golf opportunities and presented them to the City Council
- Attended three job fairs
- Held dozens of meetings with potential developers who are interested in Fountain Valley
- Awarded a contract for the rehab of Reservoir 2 and Walnut Pump Station
- Completed the computer network structure upgrade
- Started the installation of electric vehicle charging stations
- Improved our hiring process
- Hired contractor for General Plan update
- Two new City Council members
- Instituted a Pickle Ball program at the Tennis Center
- Arterial turf medians
- Held the Pho Festival
- Formed the General Plan Advisory Committee (GPAC)
- We have an online GIS portal for the public
- Awarded a Certificate of Achievement in Financial Reporting
- Completed a successful Experience Fountain Valley event
- Grew our Senior Transportation Program by over 160% over the previous fiscal year
- Met with five major businesses to build a stronger relationship
- Completed preparation of General Plan kickoff for December 2018
- Provided mutual aid to wildfires throughout the state
- Secured a new traffic signal at Warner/Greenleaf from the 405 project
- Secured a third WB through lane at Talbot/Brookhurst from the 405 project
- Secured additional left turn capacity for WB Slater/Brookhurst from the 405 project

STRATEGIC PLAN

WHAT ARE FOUNTAIN VALLEY'S CURRENT INTERNAL WEAKNESSES/ CHALLENGES?

Brainstormed List of Perceptions

- Failure of Prop 6 (gas tax repeal)
- Rising home values
- Strong community and non-profits' participation
- Supportive community
- Positive performance of the HH sales tax
- Fountain Valley is a place people want to work, which helps staff recruitment
- Attractive neighborhoods
- Pride of home ownership
- Strong community reputation
- Strong City Council
- Public perception that Fountain Valley is a safe place to live
- Good weather
- Good schools
- Positive public perception
- Strong income spending money
- Public and law enforcement accepting body-worn cameras
- Strong developer interest
- 405 improvement project
- 405 project bringing in extra revenue and infrastructure improvements
- Positive relationship with the County of Orange and Orange County Parks
- Mile Square Park
- Good groundwater basin management

WHAT ARE THE EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE A NEGATIVE IMPACT ON THE CITY OF FOUNTAIN VALLEY IN THE COMING YEAR?

Brainstormed List of Perceptions

- Fire
- Flood
- Earthquake
- Garden Grove accepting a contract from Orange County Fire Authority for emergency services
- Poor CalPERS and investment returns
- Drought
- New Federal and State laws
- ACLU blanket Public Records Act (PRA) requests
- Invasive species
- Unrealistic property owners
- Ongoing homeless problem

STRATEGIC PLAN

- AB 109, 56 and 47—early prison release and non-violent offender release
- FCC ruling on wireless facilities
- Sidewalk vending law
- Cyber attacks
- Disaster on the 405
- Climate change
- Recession
- Minimum wage
- 405 improvements
- Solid waste regulations
- Unstable Federal government
- Potential economic downturn
- Private ambulance challenging local government's ability to provide emergency services
- Inflation
- Competition for human resources and materials for construction

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



Steve Nagel
Mayor



Cheryl Brothers
Mayor Pro Tem



Kim Constatine
Council Member



Patrick Harper
Council Member



Michael Vo
Council Member

CITY OFFICIALS

City Manager.....Rob Houston
 Chief of Police.....Kevin Childe
 Director of Finance/Treasurer.....Jason Al-Imam
 Director of Human Resources.....Chelsea Phebus
 Director of Planning/Building & SafetyBrian James
 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

- Bill Cameron..... Chair
- Rick Blake.....Vice Chair
- Elvis Holeman.....Commissioner
- Dave Osborn.....Commissioner
- Azzam Saad... ..Commissioner
- Bill Spear.....Commissioner
- Brian James.....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

- Susan Saurastri.....Chair
- Michael White.....Vice Chair
- Tess Bui.....Commissioner
- Ramon Galvez-Arango..... Commissioner
- Nick White.....Commissioner
- Brian James & 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 PERSONS WITH DISABILITIES

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

- | | |
|--------------------------------------|--|
| Raymond Galvez-Arango.....Chair | Tom Nguyen.....Committee Member |
| Lawrence Judson.....Vice Chair | Herman Ajamian.....Committee Member |
| Gary Osterbach.....Chair | Susanne Seiden.....Committee Member |
| Leonard Santoro.....Committee Member | Terry Coakley.....Committee Member |
| John Collins.....Committee Member | Jan Werts.....Committee Member |
| John Borak.....Committee Member | Nora Webb.....Staff Representative |
| Anna Nagmay.....Committee Member | Kim Constantine...Council Representatives |
| Philip Nisco.....Committee Member | Patrick Harper.....Council Representatives |

CITY COMMISSIONS, COMMITTEES & BOARDS



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



MEASURE HH – ESSENTIAL CITY SERVICES OVERSIGHT ADVISORY COMMITTEE

- Matt Taylor.....Chair
- Margie Drilling.....Vice Chair
- Michele Jensen.....Committee Member
- John Briscoe.....Committee Member
- Evan Jorgensen.....Committee Member
- Stephen Schwarz.....Alternate Board Member
- Jason Al-Imam.....Staff Representative

The Measure HH Oversight Advisory Committee meets on an as needed basis throughout the year in City Hall, Conference Room #1.

RESOLUTION NO.

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 2019/20

WHEREAS, the City Manager and Finance Director have, heretofore, presented to the City Council a Proposed Operating Budget for Fiscal Year 2019/20; 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 14, 2019, in the Council Chambers of City Hall of said City, in order to review the proposed budget documents for Fiscal Year 2019/20; and

WHEREAS, the City Council did review proposed budget for the Fiscal Year 2019/20.

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, 2019 and ending June 30, 2020, 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; 2019/20 Capital Improvement Program expenditures along with the use of Capital Reserve Fund monies; and authorize the identified assigned or committed allocation of the General Fund cash balances.

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

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

SECTION 5. The Fiscal Year 2019/20 amended Financial & Budget Policies as presented in the 2019/20 Annual Budget are hereby adopted by the City Council. The City Council does hereby adopt a budget that does meet the requirements of the Financial & Budget Policies related to the "Balanced Budget" section of the policies.

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

SECTION 7. That the City Clerk shall certify to the passage and adoption of this Resolution, and enter it into the book of original Resolutions.

PASSED and ADOPTED by the City Council of the City of Fountain Valley at a regular City Council meeting held on this 11th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Steve Nagel, Mayor

ATTEST:

Rick Miller, City Clerk

APPROVED AS TO FORM:

HARPER & BURNS LLP

Colin Burns
Attorneys for the City

GANN APPROPRIATIONS LIMIT

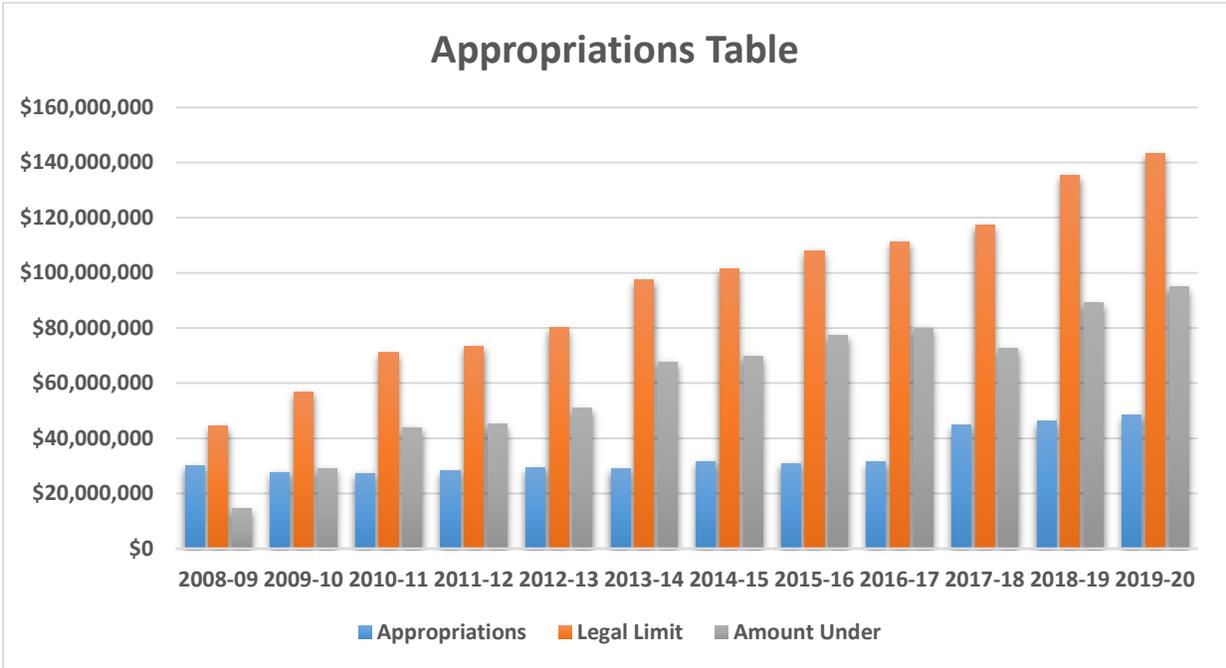
In November 1979 the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative” or “Gann Limit.” The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government from the “proceeds 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 FY2019-20.

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 \$94,846,848 using the non-residential new construction figure and county population growth factors.

GANN APPROPRIATIONS LIMIT CALCULATION FY 2019-20	
FY 2018-19 Appropriations Limit	\$135,275,893
Population Growth (City or County) = .29%	1.0029
Cost of Living (Per Capita or Non-residential construction growth) = 5.53%	1.0553
FY 2019-20 Appropriations Limit (\$135,275,893 x 1.0029 x 1.0553)	\$143,170,644

GANN APPROPRIATIONS LIMIT



RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY, CALIFORNIA APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019/20

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

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

WHEREAS, documentation used in the determination of the appropriations limit for fiscal year 2019/20 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 2019/20 shall be \$143,170,644, as calculated in Attachment A, and the Appropriations Subject to Limitation in Fiscal Year 2019/20 shall be \$48,323,796 and therefore is \$94,846,848 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 and ADOPTED by the City Council of the City of Fountain Valley at a regular City Council meeting held on this 11th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Steve Nagel, Mayor

ATTEST:

Rick Miller, City Clerk

APPROVED AS TO FORM:

HARPER & BURNS LLP

Colin Burns
Attorneys for the City

EXHIBIT A

Appropriations Limit
City of Fountain Valley
Fiscal Year 2019/20

	<u>AMOUNT</u>
Last Year's Limit (2018/19)	\$135,275,893
Adjustment Factors	
1. Population ⁽¹⁾	1.0029
2. Inflation ⁽²⁾	<u>1.0553</u>
Total Adjustment Factor ⁽³⁾	<u>1.0584</u>
Total Adjustments	<u>7,894,751</u>
Appropriations Limit for Fiscal Year 2019/20	<u>\$143,170,644</u>
Appropriations Subject to Limit:	
Proceeds of Taxes	\$48,323,796
Minus Exclusions	<u>-</u>
Appropriations Subject to Limit	\$48,323,796
Fiscal Year 2019/20 Appropriations Limit	143,170,644
Less Appropriations Subject to the Limit	<u>48,323,796</u>
Difference Under the Limit	<u>\$94,846,848</u>

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

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

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

RESOLUTION NO.

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

WHEREAS, the proposed 2019/20 budget for the Water & Sewer Funds maintains funding for the operating and capital improvement expenditures of the Water & Sewer Utilities; and

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

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

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

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

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

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

WHEREAS, the City has determined that it is in the best interest of the community to charge the Water & Sewer Utilities the amount of \$1,871,196 in 2019/20 for these rights and services; and

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

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

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

PASSED, APPROVED, AND SIGNED this 11th day of June 2019, at a regular meeting of the City Council of the City of Fountain Valley.

Attest:

Steve Nagel, Mayor

Rick Miller, City Clerk

APPROVED AS TO FORM:

HARPER & BURNS LLP

Colin Burns
Attorneys for the City

ATTACHMENT

Exhibit A

EXHIBIT A

SCHEDULE OF PROPERTY RENTAL TERMS AND CHARGES
 ADMINISTRATIVE SERVICES FOR THE MUNICIPAL WATER & SEWER UTILITIES
 FISCAL YEAR 2019/2020

A. LAND LEASED TO THE WATER UTILITY

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

B. BUILDINGS LEASED TO THE WATER UTILITY

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

C. INDIRECT COSTS

<u>WATER UTILITY:</u>		<u>Allocation</u>		
<u>PROGRAM</u>	<u>BASIS OF ALLOCATION</u>	<u>% Percentage</u>	<u>\$ Amount</u>	
City Council	City Council Agenda Items	5.36%	6,605	
Administration	Budgeted Expenditures	19.45%	115,983	
City Attorney	Budgeted Expenditures	19.45%	68,090	
Human Resources	Full-Time Equivalent Staffing	7.42%	61,526	
Finance	Budgeted Expenditures	19.45%	39,926	
Water Utility - Total General Administrative Costs				292,131

<u>SEWER UTILITY:</u>		<u>Allocation</u>		
<u>PROGRAM</u>	<u>BASIS OF ALLOCATION</u>	<u>% Percentage</u>	<u>\$ Amount</u>	
City Council	City Council Agenda Items	1.79%	2,202	
Administration	Budgeted Expenditures	2.44%	14,518	
City Attorney	Budgeted Expenditures	2.44%	8,523	
Human Resources	Full-Time Equivalent Staffing	1.31%	10,857	
Finance	Budgeted Expenditures	2.44%	4,998	
Sewer Utility - Total General Administrative Costs				41,098

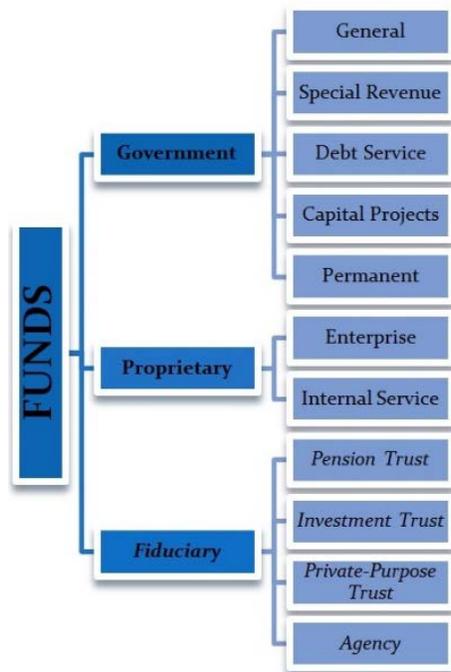
Municipal Code 14.12.200 Public Fire Protection Credit (2,050 Hydrants @ \$7.50) (15,375)

TOTAL COST PER AGREEMENT **1,871,196**

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.

Road Maintenance & Rehabilitation Program (SB1)

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

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.

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.

OPEB Trust Fund

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

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 7/1/2019	Estimated Continuing Approp.	Projected Revenue 2019-20
11	General Fund	44,989,175	47,230	58,978,982
Total General Fund		44,989,175	47,230	58,978,982
15	Criminal Diversion	662,570	-	19,000
16	COPS/Supplemental Law	97,053		120,600
22	Road Maintenance & Rehabilitation	-		942,119
23	Gas Tax/Street Imp	1,456,393		1,739,843
24	Traffic Improvement	467,651	2,188,198	1,255,000
25	Measure M2	2,673,253		1,211,874
26	Pollution Reduction	312,152		75,000
31	Drainage Fund	172,636	4,589,901	2,116,534
34	Abandoned Vehicle Abatement	26,831		
85	Housing Authority	11,045,519		418,200
86	Home Grant	280,439		
87	Community Dev/HUD	-		493,302
Total Special Revenue Funds		17,194,497	6,778,099	8,391,472
32	Sewer Assessment	6,142,606	-	2,461,968
71	Water Utility (Cash Balance)	14,585,116	7,283,286	17,795,507
73	Solid Waste	873,587		3,454,870
Total Enterprise Funds		21,601,309	7,283,286	23,712,345
84/91/92	Successor Agency	434,865		142,907
Total Successor Agency		434,865	-	142,907
Subtotal		84,219,846	14,108,615	91,225,706
61	Information Technology	1,194,325		1,557,551
62	Government Buildings	2,957,691		1,695,773
63	Fleet Services	3,946,266		1,644,543
64	Capital Equipment	1,521,490		448,065
65	Self Insurance	2,342,591		3,624,441
66	Employee Benefits	2,015,387		9,980,236
Total Internal Service Funds		13,977,750	-	18,950,609
98	OPEB Trust Fund	11,100,000		510,600
Total Fiduciary Funds		11,100,000	-	510,600
46	F.V.P.F.A Capital Projects *	2,115,534		-
47	F.V.P.F.A Debt Service **	-		1,097,473
Total Others		2,115,534	-	1,097,473
Total All Funds		111,413,130	14,108,615	111,784,389

* 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 \$873,775 and \$223,698 respectively. Appropriation found in General Fund.

ESTIMATED FUND BALANCE

Total Available	Transfer In	Transfer Out	Adopted Approp. 2019-20	Estimated Fund Balance 6/30/2020
103,920,927	568,357	10,902,865	51,247,818	42,338,600
103,920,927	568,357	10,902,865	51,247,818	42,338,600
681,570			32,000	649,570
217,653			114,650	103,003
942,119		942,119	-	-
3,196,236	1,645,119	423,000	2,680,500	1,737,855
(465,547)	4,599,761		3,691,830	442,384
3,885,127		4,225,762	-	(340,635)
387,152			2,000	385,152
(2,300,731)	2,349,367		10,000	38,636
26,831			8,809	18,022
11,463,719			5,668,294	5,795,425
280,439			-	280,439
493,302			493,302	-
18,807,870	8,594,247	5,590,881	12,701,385	9,109,851
8,604,574		233,920	3,416,690	4,953,964
25,097,337		629,955	16,663,297	7,804,085
4,328,457			3,407,500	920,957
38,030,368	-	863,875	23,487,487	13,679,007
577,772			396,011	181,761
577,772	-	-	396,011	181,761
161,336,937	9,162,604	17,357,621	87,832,701	65,309,219
2,751,876	400,000		2,642,987	508,889
4,653,464			2,980,017	1,673,447
5,590,809			1,951,561	3,639,248
1,969,555	19,000	400,000	760,811	827,744
5,967,032			3,337,741	2,629,291
11,995,622	8,176,017		18,288,889	1,882,750
32,928,360	8,595,017	400,000	29,962,006	11,161,370
11,610,600			-	11,610,600
11,610,600	-	-	-	11,610,600
2,115,534			2,115,534	-
1,097,473			1,097,473	-
3,213,007	-	-	3,213,007	-
209,088,904	17,757,621	17,757,621	121,007,715	88,081,189

ESTIMATED CONTINUING APPROPRIATIONS

Fund Account No.	Account Description	FY 2018-2019 Budget	FY 2018-2019 Estimated Actual (Rev)/Exp.	FY 2018-2019 Estimated Cont. Approp.
11	General Fund			
11.4.GF144.4.4979	Misc. Capital Outlay (15/16 Bev. Cont.)	14,693	-	14,693
11.4.GF146.4.4979	Misc. Capital Outlay (16/17 Bev. Cont.)	14,416	-	14,416
11.4.GF143.4.4979	Misc. Capital Outlay (17/18 Bev. Cont.)	14,321	-	14,321
11.4.GF040.4.4979	FVFD Record Mgmt. System	108,800	105,000	3,800
11.4.GF334.4.4937	Sport Park Roll Gate	10,500	-	10,500
11.4.GF335.3.4413	General Plan Update	1,363,575	200,000	1,163,575
11.4.GF790.4.4929	Two-Way Butler Bldg.	128,330	78,030	50,300
11.4.GF793.4.4929	Fire Station No. 1 Remodel	750,000	-	750,000
11.4.GF794.4.4929	Police Locker Room>Showers Remodel	180,000	-	180,000
11.4.GF341.4.4929	Recreation Center Interior Remodel	187,000	-	187,000
11.4.GF795.4.4929	City Hall Interior Remodel	100,000	-	100,000
11.4.GF793.4.4929	I-405 Improvement	(631,285)	(500,000)	(131,285)
11.4.GF915.1.4311	I-405 Improvement	631,285	500,000	131,285
Total General Fund		2,871,635	383,030	2,488,605
15	Criminal Diversion			
15.3.71787.2.3422	Federal Grant - 18/19 OTS Step	(70,000)	(30,000)	(40,000)
15.4.71787.1.4323	Overtime - Sworn	62,680	26,091	36,589
15.4.71787.3.4463	Educational Meeting	2,438	-	2,438
15.4.71787.5.4849	Misc. Equipment	4,882	3,909	973
Total Criminal Diversion Fund		-	-	-
24	Traffic Improvement			
24.4.TI155.4.4936	Signals & Lights - Brookhurst St Sync	100,000	-	100,000
24.4.TI156.4.4936	Signals & Lights - Magnolia St Sync	50,000	-	50,000
24.4.TI233.4.4936	Talbert/Mt Washington Signal	688,973	2,000	686,973
24.4.TI280.4.4936	Signals & Lights - Harbor Blvd Sync	1,225	-	1,225
24.4.TI274.4.4931	Newhope - Talbert/Warner	1,450,000	100,000	1,350,000
Total Traffic Improvement Fund		2,290,198	102,000	2,188,198
31	Drainage			
31.4.DF996.4.4659	Walnut Pump Station	5,589,901	1,000,000	4,589,901
Total Drainage Fund		5,589,901	1,000,000	4,589,901
32	Sewer Utility			
32.3.SF93x.0.3413	OCTA Utilities Relocation Agreement	(173,988)	(30,000)	(143,988)
32.4.SF93x.1.4311	I-405 Utilities Facilities Relocation	173,988	30,000	143,988
Total Sewer Fund		-	-	-
71	Water Utility			
71.4.WU846.4.4942	Reservoirs - Res No. 2	8,783,286	1,500,000	7,283,286
71.3.WU9xx.0.3413	OCTA Utilities Relocation Agreement	(523,247)	(200,000)	(323,247)
71.4.WU9xx.1.4311	I-405 Utilities Facilities Relocation	523,247	200,000	323,247
Total Water Fund		8,783,286	1,500,000	7,283,286
Total All Funds		19,535,020	2,985,030	16,549,990
Less: General Fund Capital Projects (budgeted as Capital)		(2,719,405)	(278,030)	(2,441,375)
Total All Funds (Adjusted)		16,815,615	2,707,000	14,108,615

FUND TRANSFERS IN & OUT DETAIL

	Transfers Out	Transfers In							Total
		General Fund	Gas Tax	Traffic Improv.	Drainage	ISF Info. Services	ISF Equip.	ISF Benefits	
General Fund									
Gas Tax Fund	620,000		620,000						
Traffic Improvement Fund	406,706			406,706					
Drainage Fund	2,349,367				2,349,367				
IS - Equipment Fund	19,000						19,000		
IS - Employee Benefit Fund	7,507,792							7,507,792	
Total General Fund	10,902,865	-	620,000	406,706	2,349,367	-	19,000	7,507,792	10,902,865
Criminal Diversion									
IS - Fleet Fund	-								
IS - Equipment Fund	-								
Total Criminal Diversion	-	-	-	-	-	-	-	-	-
Road Maintenance & Rehabilitation									
Gas Tax Fund	942,119		942,119						
Total Road Maintenance & Rehab Fund	942,119	-	942,119	-	-	-	-	-	942,119
Gas Tax Fund									
General Fund	423,000	423,000							
Total Gas Tax Fund	423,000	423,000	-	-	-	-	-	-	423,000
Measure M2 Fund									
General Fund	83,707	83,707							
Traffic Improvement Fund	4,142,055			4,142,055					
Total Measure M2 Fund	4,225,762	83,707	-	4,142,055	-	-	-	-	4,225,762
Sewer Assessment Fund									
General Fund	61,650	61,650							
Gas Tax Fund	33,000		33,000						
Traffic Improvement	26,000			26,000					
IS - Employee Benefit Fund	113,270							113,270	
Total Sewer Assessment Fund	233,920	61,650	33,000	26,000	-	-	-	113,270	233,920
Water Utility Fund									
Gas Tax Fund	50,000		50,000						
Traffic Improvement	25,000			25,000					
IS - Employee Benefit Fund	554,955							554,955	
Total Water Utility Fund	629,955	-	50,000	25,000	-	-	-	554,955	629,955
IS - Equipment Fund									
IS - Information Services	400,000					400,000			
Total IS - Equipment Fund	400,000	-	-	-	-	400,000	-	-	400,000
Total All Funds	17,757,621	568,357	1,645,119	4,599,761	2,349,367	400,000	19,000	8,176,017	17,757,621

GENERAL FUND BALANCE DESIGNATIONS (PROJECTED)

General Fund Balance Analysis 2019-2020

Estimated Beginning Fund Balance 7/1/19		44,989,176
Revenues		
Operating Revenues	58,579,679	
Developer Impact Payments	268,018	
Miscellaneous Reimbursements	131,285	
Transfers-In	568,357	
Total Revenues		59,547,338
Expenditures		
Operating	43,236,633	
Debt Service	1,097,473	
CalPERS UAL Additional funding	2,000,000	
Transfers Out	10,902,865	
Capital (includes Continuing Appropriations)	4,913,713	
Operating/Grants (Continuing Appropriation)	47,230	
Total Expenditures		62,197,913
Budget Position		(2,650,576)
Fund Balance 6/30/20		42,338,600

GENERAL FUND BALANCE DESIGNATIONS - DEFINITIONS

Restricted Fund Balance

This is the portion of fund balance that is subject to externally enforceable legal requirements or limitations.

Pension Trust	10,801,150	
Developer Mitigation Fees	1,319,462	
Park Impact Fees	419,530	
Other Restricted Amounts	444,940	
Total Restricted Fund Balance	12,985,082	12,985,082

Committed for Emergencies

14,000,000

This is the portion of fund balance that is committed for natural disasters or financial emergencies. A financial emergency is considered when annual General Fund operating revenues decrease by 5% or more or when annual General Fund operating expenditures increase by 5% or more. The reserve level equates to approximately 55.5% of total sales tax revenue for the fiscal period.

Assigned Fund Balance

This is the portion of fund balance that is intended to be used for specific purposes based on City Council designations.

Economic Development	1,500,000	
Capital Reserves	13,353,518	
Contingency Reserves	500,000	
Total Restricted Fund Balance	15,353,518	15,353,518

Total Projected Fund Balance at 6/30/20		42,338,600
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Note:

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

GENERAL FUND OPERATING REVENUE & EXPENSE ANALYSIS

General Fund Operating Budget

Revenues

General Revenues	53,236,245	
Functional Revenues	5,343,434	
Transfers In	568,357	

Total Operating Revenues	59,148,036
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Expenditures

Salaries & Benefits	29,721,577	
Internal Service Charges	6,186,592	
Maintenance & Operations	7,328,463	
Debt Service	1,097,473	
Transfers-Out	8,127,792	

Total Operating Expenditures	52,461,897
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Operating Income/(Deficit) All Operating	6,686,139
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2019/20 General Fund Capital Activity

Capital Reserves Analysis

Beg Balance 7/1/19	14,676,611
19/20 Capital Projects	(2,797,001)
19/20 Reserve Replenish	1,473,908
Ending Balance 6/30/20	13,353,518

GF Capital Reserve Funding

EVP Pilot Program	400,000
Signal Talbert/Mt Washington	47,634
Walnut Pump Station	2,349,367
Total	2,797,001

Measure HH Revenue & Expense Summary

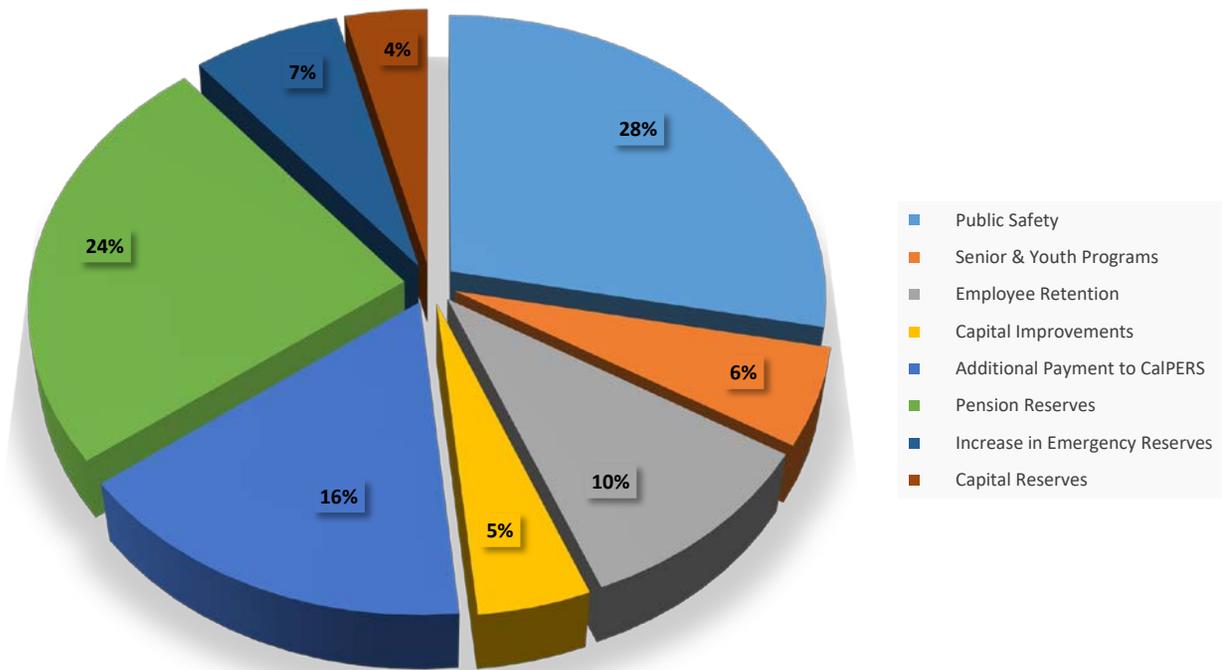
Meeting the HH Spending Pledge

The Proposed Budget for 2019-20 includes approximately \$5.4 million budgeted towards maintaining essential City services. \$550,000 is budgeted for capital improvements related to residential road rehabilitation and park improvements. \$2 million is budgeted for an additional payment to CalPERS, which will save the City approximately \$3 million in interest expense. The balance of Measure HH Funds, at approximately \$4.3 million, is set aside for reserves. On May 2, 2019, the Measure HH Oversight Committee concluded that the Proposed Measure HH Budget for 2019-20 is consistent with the intent of the Measure HH ballot measure and the Responsible Spending Pledge.

Measure HH Revenue & Expense Summary

Measure HH Revenue	12,297,000
Measure HH Expenditures:	
Essential City Services	
Public Safety	3,460,842
Senior & Youth Programs	686,111
Employee Retention	1,258,908
Total Essential City Services	5,405,861
One-Time Expenses	
Capital Improvements	550,000
Additional Payment to CalPERS	2,000,000
Total One-Time Expenses	2,550,000
Reserves Set-Aside	
Pension Reserves	3,000,000
Increase in Emergency Reserves	861,832
Capital Reserves	479,307
Total Reserve Set-Aside	4,341,139
Total Measure HH Usage	12,297,000

Measure HH Expenditures by Type





May 3, 2019

TO THE HONORABLE CITY COUNCIL:

The Measure HH – Essential City Services Oversight Advisory Committee was established by the City Council on April 4, 2017 after passage of Measure HH on the November 8, 2016 ballot. One of the provisions of Measure HH was the creation of an Oversight Committee to review and make recommendations to the City Council to ensure that revenues from it are utilized in accordance with the City’s Responsible Spending Pledge.

The Measure HH Oversight Committee is pleased to have the opportunity to present to you its comments and conclusions concerning the usage of Measure HH revenues for the fiscal years ended June 30, 2019 and June 30, 2020.

Fiscal Year Ended June 30, 2019

(Based on the Mid-Year Report)

The Committee met on March 21, 2019 to review the usage of estimated Measure HH Revenues and Expenditures for 2018-19 based on the mid-year report. Measure HH Revenues for the fiscal year ended June 30, 2019 are estimated at approximately \$12.4 million. Approximately \$3.1 million is projected to be spent on essential city services such as public safety and senior and youth programs. \$550,000 is projected to be spent on capital improvements for residential road rehabilitation and park improvements. An additional payment of \$2 million is also projected to be made to CalPERS towards unfunded pension liabilities. The balance of Measure HH Funds, at approximately \$6.7 million, is projected to be set aside for reserves.

Fiscal Year Ended June 30, 2020

(Based on the Proposed Budget)

The Committee met on May 2, 2019 to review the Proposed Budget of Measure HH Revenues and Expenditures for 2019-20 and the updated 20-Year Financial Plan, which sets forth fiscal policy with a long-term goal for fiscal sustainability. The Proposed Budget for the fiscal year ended June 30, 2020 reflects approximately \$12.3 in estimated Measure HH revenue. Approximately \$5.4 million is projected to be spent on essential city services such as public safety and senior and youth programs. \$550,000 is projected to be spent on capital improvements for residential road rehabilitation and park improvements. An additional payment of \$2 million is also projected to be made to CalPERS towards unfunded pension liabilities. The balance of Measure HH Funds, at approximately \$4.3 million, is projected to be set aside for reserves.

20-Year Financial Plan

The City’s fiscal policy is guided by the 20-Year Financial Plan, which encompasses the long-term operating and capital needs of the General Fund. The long-term goal is to achieve fiscal sustainability with a balanced operating budget when Measure HH sunsets in 2037. Additional payments are projected to be made to CalPERS over the next twenty years, which is in addition to the amounts required annually by CalPERS. In addition, the City plans to continue to make additional contributions to the City’s Pension Trust, which is designed to mitigate against CalPERS investment risk. In 2037 the City’s pension liability is expected to be paid off along with all other long-term debt. The 20-Year Financial Plan is updated twice a year – in April during the budget process and in October once the books have been closed for the prior fiscal period. The

20-Year Financial Plan that was updated in October 2018 reflected an annual operating deficit of \$2.3 million in 2037-38 when HH sunsets. The long-term goal is to eliminate this deficit over the next two decades, which can be accomplished with active management via new revenue sources from economic development or from cost savings. The 20-Year Financial Plan that was updated in April 2019 reflects a projected annual operating deficit of \$1.5 million in 2037-38, which shows that progress has been made on closing the deficit. In April 2018, the City Council approved a change in the City's liability insurance program that is projected to yield over \$615 thousand of annual savings every year. The projected savings for 2018-19 is estimated between \$840 thousand and \$1 million, which has resulted in lower ongoing operating costs. In addition, property tax revenues are projected to be higher due to growth in assessed values.

CONCLUSIONS: The Measure HH Oversight Committee's conclusion to the City Council is that (based on information presented to the Committee by City Staff) activity for the fiscal years ended June 30, 2019 and June 30, 2020 are consistent with the intent of the Measure HH ballot measure and the Responsible Spending Pledge.

We are thankful for the opportunity to serve and we look forward to continuing to serve the City Council and the residents of this great city.

Respectfully submitted,



Matt Taylor, Chair

April 2017 – Present

CITY OF FOUNTAIN VALLEY

MEASURE HH ADVISORY OVERSIGHT COMMITTEE

Michele Jensen, Vice Chair

April 2017 – Present

John W. Briscoe

April 2017 – Present

Marjorie Drilling

April 2017 – Present

Evan Jorgensen

January 2019 – Present

Stephen Schwarz, Alternate

February 2018 – Present

Measure HH Revenue & Expense Summary

2019/20 PROPOSED BUDGET OF MEASURE HH REVENUES AND EXPENDITURES
Fiscal Year Ended June 30, 2020

Measure HH Revenues	\$ 12,297,000
Measure HH Expenditures:	
Reoccurring Expenses Incurred on Essential City Services	5,955,861
One-Time Expenses (Additional Pension Paydown)	<u>2,000,000</u>
Financial Stewardship: Reserves Set-Aside in 19-20	\$ 4,341,139

Measure HH provided necessary funding in Fiscal Year 2019-20 that was used for the following in accordance with the **Responsible Spending Pledge**:

Reoccurring Expenses Incurred on Essential City Services:

Public Safety	
Maintain 911 Emergency Response Times & Keep Fire Station No. 2 open	1,068,117
Police and Fire Pension Costs that are Legally Required to be Paid to CalPERS and Principal and Interest on the Safety Pension Obligation Bonds	2,086,265
Staffing Costs for two (2) Additional Dispatchers and Police Support Services	212,060
Police and Fire Training Programs	<u>94,400</u>
Total Public Safety	3,460,842
Senior & Youth Programs	
Amount associated with the cost to keep the Recreation Center, Community Center & Senior Center open	686,111
Employee Retention	
Salary and benefit increases	1,258,908
Capital Improvements	
Includes \$350,000 for residential road rehab and \$200,000 for park improvements.	<u>550,000</u>
Total Reoccurring Expenses	5,955,861

One-Time Expenses:

Additional Payment to CalPERS towards unfunded pension liabilities	2,000,000
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Reserves Set-Aside in 19-20:

Pension Reserves	
2019-20 Contribution to Pension Trust Fund	3,000,000
Increase in Capital Reserves	
Capital Reserves - Transfer to Fleet Management Internal Service Fund for for Fire Apparatus	<u>479,307</u>
Total Reserves Set-Aside in 19-20	4,341,139

GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2018-19				2019-20		
	Budget	Estimate	+/- Budget	%	Budget	+/- Prior Year	%
Property Tax							
Secured	10,938,000	11,210,000	272,000	2.49%	11,915,000	977,000	8.93%
Residual	1,445,000	1,445,000	-	0.00%	1,500,000	55,000	3.81%
Unsecured	310,000	324,000	14,000	4.52%	324,000	14,000	4.52%
Prior Year	64,000	65,000	1,000	1.56%	65,000	1,000	1.56%
Other	220,000	235,000	15,000	6.82%	242,000	22,000	10.00%
Int/Penalties	19,000	19,000	-	0.00%	19,000	-	0.00%
Homeowners	60,000	59,000	(1,000)	-1.67%	59,000	(1,000)	-1.67%
Property Transfer	219,000	295,000	76,000	34.70%	252,000	33,000	15.07%
MVLF	5,790,000	5,872,000	82,000	1.42%	6,132,000	342,000	5.91%
Total Property Tax	19,065,000	19,524,000	459,000	2.41%	20,508,000	1,443,000	7.57%
Franchise Fees							
Waste	263,000	263,000	-	0.00%	270,000	7,000	2.66%
Power	565,000	585,000	20,000	3.54%	597,000	32,000	5.66%
Gas	97,000	97,000	-	0.00%	97,000	-	0.00%
Rubbish	430,000	430,000	-	0.00%	430,000	-	0.00%
PCTV	559,000	586,000	27,000	4.83%	620,000	61,000	10.91%
Total Franchise Fees	1,914,000	1,961,000	47,000	2.46%	2,014,000	100,000	5.22%
Sales Tax							
Public Safety Sales Tax (Prop 172)	423,000	434,000	11,000	2.60%	434,000	11,000	2.60%
Sales & Use Tax	12,319,000	12,690,000	371,000	3.01%	12,448,000	129,000	1.05%
Sales Transaction Tax (Measure HH)	11,900,000	12,400,000	500,000	4.20%	12,297,000	397,000	3.34%
Total Sales Tax	24,642,000	25,524,000	882,000	3.58%	25,179,000	537,000	2.18%
Other Revenues							
Transient Occupancy Tax	1,500,000	1,451,000	(49,000)	-3.27%	1,433,000	(67,000)	-4.47%
Interest Income	597,000	597,000	-	0.00%	627,000	30,000	5.03%
Interest Income - 115 Pension Trust	-	-	-	0.00%	345,000	345,000	0.00%
Interest Income (Water Fund Loan)	34,000	17,000	(17,000)	-50.00%	-	(34,000)	-100.00%
County Net Import Revenue (Landfill)	48,000	139,636	91,636	190.91%	134,000	86,000	179.17%
Building Rents	695,000	695,000	-	0.00%	695,000	-	0.00%
Bench Ads	126,000	127,450	1,450	1.15%	130,000	4,000	3.17%
Administrative Citations	1,000	1,000	-	0.00%	1,000	-	0.00%
Sale of Surplus Property	1,000	1,000	-	0.00%	1,000	-	0.00%
Damage to City Property	25,000	48,100	23,100	92.40%	25,000	-	0.00%
Donations	-	7,115	7,115	0.00%	-	-	0.00%
Water Fund - Contribution In Lieu	1,842,908	1,842,908	-	0.00%	1,809,546	(33,362)	-1.81%
Miscellaneous Income	12,000	4,469,305	4,457,305	37142.72%	70,332	58,332	486.08%
Federal Tax Credit (CREBS)	87,301	81,713	(5,588)	-6.40%	84,367	(2,934)	-3.36%
Vehicle Code Fines	176,000	143,000	(33,000)	-18.75%	180,000	4,000	2.27%
Total Other Revenue	5,145,209	9,621,226	4,476,017	86.99%	5,535,245	390,035	7.58%
Transfer In							
Gas Tax Fund	413,000	425,000	12,000	2.91%	423,000	10,000	2.42%
Senior Transportation Transfer	120,476	171,712	51,236	42.53%	83,707	(36,769)	-30.52%
Other Funds	117,000	-	(117,000)	-100.00%	-	(117,000)	-100.00%
Sewer Fund	60,330	60,330	-	0.00%	61,650	1,320	2.19%
Total Transfer In	710,806	657,042	(53,764)	-7.56%	568,357	(142,449)	-20.04%
Impact Payments							
Developer Impact Payments	835,000	690,000	(145,000)	-17.37%	268,018	(566,982)	-67.90%
Pump Station Impact Payments	-	-	-	N/A	-	-	N/A
Park Impact Payments	-	14,843	14,843	N/A	-	-	N/A
Total Impact Payments	835,000	704,843	(130,157)	-15.59%	268,018	(566,982)	-67.90%
Other							
OCTA Reimbursement	786,934	500,000	(286,934)	-36.46%	131,285	(655,649)	-83.32%
Total Other	786,934	500,000	(286,934)	-36.46%	131,285	(655,649)	-83.32%

GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2018-19				2019-20		
	Budget	Estimate	+/- Budget	%	Budget	+/- Prior Year	%
Total General Revenue:	53,098,949	58,492,111	5,393,162	10.16%	54,203,905	1,104,955	2.08%
Functional Revenue:							
Business License							
Business License Tax	415,000	390,000	(25,000)	-6.02%	415,000	-	0.00%
Permits/Fees	7,000	11,000	4,000	57.14%	7,000	-	0.00%
Penalties	3,500	8,500	5,000	142.86%	3,500	-	0.00%
Applications	-	25	25	N/A	-	-	N/A
Total Business License	425,500	409,525	(15,975)	-3.75%	425,500	-	0.00%
Planning & Building							
Zoning/Permits/V. Fees	258,310	316,509	58,199	22.53%	268,875	10,565	4.09%
Permits	688,000	688,000	-	0.00%	688,000	-	0.00%
Dev. Review/Plan Check/Insp.	249,650	252,150	2,500	1.00%	249,650	-	0.00%
Total Planning & Building	1,195,960	1,256,659	60,699	5.08%	1,206,525	10,565	0.88%
Police							
P.O.S.T.	2,000	6,000	4,000	200.00%	4,000	2,000	100.00%
Recovery of Expense	6,000	1,200	(4,800)	-80.00%	4,000	(2,000)	-33.33%
City Code Fines	325,000	340,000	15,000	4.62%	335,000	10,000	3.08%
Tow Service	81,500	71,500	(10,000)	-12.27%	76,500	(5,000)	-6.13%
License/Permits & Penalties	75,000	102,000	27,000	36.00%	90,000	15,000	20.00%
Service & Other Fees	11,000	9,000	(2,000)	-18.18%	11,000	-	0.00%
Police Auctions	1,000	-	(1,000)	-100.00%	1,000	-	0.00%
DEA TFO Reimbursement	5,000	7,443	2,443	48.86%	5,000	-	0.00%
Impounded Vehicle Records Fee	40,000	28,000	(12,000)	-30.00%	30,000	(10,000)	-25.00%
Report Sales	20,000	18,000	(2,000)	-10.00%	20,000	-	0.00%
Total Police	566,500	583,143	16,643	2.94%	576,500	10,000	1.77%
Engineering							
Permits	210,000	266,300	56,300	26.81%	210,000	-	0.00%
Engineering Fees	14,500	73,220	58,720	404.97%	47,500	33,000	227.59%
Improvement Inspection Fee	10,000	5,000	(5,000)	-50.00%	10,000	-	0.00%
Landscape Inspection Fee	5,000	20,000	15,000	300.00%	5,000	-	0.00%
Total Engineering	239,500	364,520	125,020	52.20%	272,500	33,000	13.78%
Field Service							
Median Fees	3,000	875	(2,125)	-70.83%	3,000	-	0.00%
Tree Removal Fees	10,000	11,500	1,500	15.00%	10,000	-	0.00%
Storm Water Prevention Fee	114,860	127,540	12,680	11.04%	124,400	9,540	8.31%
Total Field Services	127,860	139,915	12,055	9.43%	137,400	9,540	7.46%
Fire							
Other Fire Services	19,000	19,000	-	0.00%	19,000	-	0.00%
False Alarm & Report Fees	7,500	7,520	20	0.27%	7,500	-	0.00%
Emergency Response Fees	1,000	298,000	297,000	29700.00%	1,000	-	0.00%
Paramedic Subscription Fee	130,000	110,000	(20,000)	-15.38%	130,000	-	0.00%
Paramedic Non-Member	245,000	244,560	(440)	-0.18%	245,000	-	0.00%
Paramedic Impact	203,000	203,000	-	0.00%	203,000	-	0.00%
Medical Supply Reimbursement	60,000	60,000	-	0.00%	60,000	-	0.00%
Paramedic Response Fee	200,000	190,000	(10,000)	-5.00%	200,000	-	0.00%
ALS Fees	230,000	245,000	15,000	6.52%	230,000	-	0.00%
Fire Inspection / Plan Check Fee	200,000	180,000	(20,000)	-10.00%	175,000	(25,000)	-12.50%
Fire Permit to Operate	105,000	124,000	19,000	18.10%	105,000	-	0.00%
Hazardous Materials Fee	58,000	58,000	-	0.00%	58,000	-	0.00%
Total Fire	1,458,500	1,739,080	280,580	19.24%	1,433,500	(25,000)	-1.71%

GENERAL FUND OPERATING REVENUE DETAIL

Revenue By Category	2018-19				2019-20		
	Budget	Estimate	+/- Budget	%	Budget	+/- Prior Year	%
Community Services							
Athletic Fees	145,000	130,000	(15,000)	-10.34%	145,000	-	0.00%
Field Rentals	295,000	299,000	4,000	1.36%	330,000	35,000	11.86%
Other Concessions	20,000	21,971	1,971	9.86%	20,000	-	0.00%
Donations Summerfest	59,582	59,582	-	0.00%	59,582	-	0.00%
Donations Campout	1,000	1,000	-	0.00%	1,000	-	0.00%
Residual Receipts	10,000	10,000	-	0.00%	10,000	-	0.00%
FV Community Foundation	18,000	8,000	(10,000)	-55.56%	18,000	-	0.00%
Aquatics	60,000	26,000	(34,000)	-56.67%	40,000	(20,000)	-33.33%
Mile Square Rec. Room Rentals	65,500	69,850	4,350	6.64%	65,500	-	0.00%
Community Center Rents	100,000	56,223	(43,777)	-43.78%	85,000	(15,000)	-15.00%
Drop In Senior Center/Recreation	3,500	4,500	1,000	28.57%	3,500	-	0.00%
Newsletter Senior	11,500	8,690	(2,810)	-24.43%	11,500	-	0.00%
Donations Center Operations	67,000	42,303	(24,697)	-36.86%	67,000	-	0.00%
Contract Classes	372,400	364,250	(8,150)	-2.19%	364,500	(7,900)	-2.12%
Special Events	47,000	47,000	-	0.00%	50,000	3,000	6.38%
Senior Transportation Contrib.	30,119	49,178	19,059	63.28%	20,927	(9,192)	-30.52%
Total Community Services	1,305,601	1,197,547	(108,054)	-8.28%	1,291,509	(14,092)	-1.08%
Total Functional Revenues	5,319,421	5,690,389	370,968	6.97%	5,343,434	24,013	0.45%
Total Revenues	58,418,370	64,182,500	5,764,130	9.87%	59,547,339	1,128,968	1.93%

GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
Administration				
City Council	72,773	39,926	10,600	123,299
City Manager	205,613	52,512	435,177	693,302
Administrative Services	305,455	39,861	113,175	458,491
Total Administration	583,841	132,299	558,952	1,275,092
City Clerk				
Records Management	136,765	52,710	21,500	210,975
Elections	898	6,812	-	7,710
Total City Clerk	137,663	59,522	21,500	218,685
Finance				
Financial Plan/Control	655,888	205,228	377,070	1,238,186
Business License	18,469	3,894	77,450	99,813
Total Finance	674,357	209,122	454,520	1,337,999
Human Resources				
Employee Relations	564,285	54,102	210,400	828,787
Total Human Resources	564,285	54,102	210,400	828,787
Planning/Building				
Planning	450,633	98,586	38,528	587,747
Building	755,445	46,241	42,375	844,061
Total Planning/Building	1,206,078	144,827	80,903	1,431,808
Public Works				
Engineering	304,772	177,345	40,350	522,467
Traffic Engineering	213,328	80,605	3,600	297,533
Construction Inspection	107,869	57,744	380	165,993
Street Lighting	13,567	7,844	250,000	271,411
Total Public Works	639,536	323,538	294,330	1,257,404
Field Services				
Right of Way	169,784	84,937	312,534	567,255
Tree Maintenance	101,059	79,890	289,819	470,768
Park Maintenance	205,422	83,308	668,180	956,910
Concrete Maintenance	344,898	137,130	26,325	508,353
Pavement Maintenance	353,901	140,317	89,950	584,168
Storm Drain Maintenance	412,162	57,018	94,500	563,680
Traffic Control Maintenance	169,539	126,055	219,000	514,594
Street Sweeping	16,207	11,839	450,000	478,046
Recreation Center	205,426	201,271	554,855	961,552
Graffiti Removal	113,333	66,388	10,200	189,921
Total Field Services	2,091,731	988,153	2,715,363	5,795,247
Fire				
Fire Suppression	4,968,583	795,958	697,695	6,462,236
Paramedics	3,130,886	296,221	84,420	3,511,527
Fire Prevention	670,015	67,581	60,700	798,296
Fire Reserves	31,070	530	9,485	41,085
Disaster Prep	117,194	28,150	9,710	155,054
Hazardous Materials	113,402	17,185	9,135	139,722
F.I.R.S.T.	18,105	6,489	3,540	28,134
Total Fire	9,049,255	1,212,114	874,685	11,136,054

GENERAL FUND OPERATING EXPENDITURES

Department	Personnel Expense	Internal Service Allocation	Operating Expense	Total
Police				
Patrol	8,214,296	1,108,091	223,500	9,545,887
S.W.A.T.	87,931	15,644	10,173	113,748
Canine	185,762	68,972	19,620	274,354
Traffic	500,282	162,404	307,570	970,256
Investigation	2,684,208	410,766	106,218	3,201,192
Communications	1,082,821	107,979	26,505	1,217,305
Records Management	498,576	269,544	-	768,120
Range	6,994	4,331	51,425	62,750
Crime Prevention	139,148	21,535	17,850	178,533
Total Police	13,400,018	2,169,266	762,861	16,332,145
Community Services				
Athletics	148,152	171,839	89,155	409,146
Field Operations	139,135	88,780	16,630	244,545
Annual Festivals	33,659	-	60,000	93,659
Aquatics	77,349	32,106	20,025	129,480
Recreation Center	192,295	209,025	18,965	420,285
Community & Senior Center	318,727	210,170	95,290	624,187
Contract Classes	345,668	87,525	49,040	482,233
Special Events	95,788	94,204	55,250	245,242
Senior Transportation	24,040	-	80,594	104,634
Total Community Services	1,374,813	893,649	484,949	2,753,411
Non Departmental				
Non Departmental	-	-	870,000	870,000
Total Non Departmental	-	-	870,000	870,000
Grand Total	29,721,577	6,186,592	7,328,463	43,236,632

GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

	General Fund		Information Services		Government Buildings	
	2018-19 Estimate	2019-20 Budget	2018-19 Estimate	2019-20 Budget	2018-19 Estimate	2019-20 Budget
Beginning Fund Balance	36,342,016	44,989,175	1,103,966	1,194,325	2,494,585	2,957,691
Revenues						
Operating Revenue	62,320,615	58,579,679				
Charges to Departments (ISF)	-	-	1,477,923	1,557,551	1,870,593	1,695,773
Grants/Other	-	-				
OCTA Reimbursement	500,000	131,285				
Donations	-	-				
Developer Impact Payments	704,843	268,018				
Transfers In	657,042	568,357		400,000		
Total Revenues	64,182,500	59,547,339	1,477,923	1,957,551	1,870,593	1,695,773
Expenditures						
Operating	41,847,543	43,236,633	1,216,564	1,220,409	1,323,487	1,680,320
Capital (Inc. OCTA Reimbursable)	3,446,560	4,913,713	171,000	537,578	84,000	1,199,697
Operating/Grant (CA)		47,230				
CalPERS UAL Funding/OPEB Trust	2,000,000	2,000,000				
Debt Service	1,082,304	1,097,473				
Transfer Out - Emp. Benefit	6,545,935	7,507,792				
Transfer Out - Gas Tax/Other	613,000	3,395,073				-
Sub Total Expenditures	55,535,342	62,197,913	1,387,564	1,757,987	1,407,487	2,880,017
Other						
ERP Project/Records Storage	-	-	-	885,000	-	100,000
Retrospective Payments						
Sub Total Other	-	-	-	885,000	-	100,000
Fire Apparatus Reserve	-	-	-	-	-	-
Ending Fund Balance	44,989,175	42,338,600	1,194,325	508,889	2,957,691	1,673,447
Desired Reserve			\$800,000		\$1,750,000	

GENERAL FUND & INTERNAL SERVICE FUND BALANCE SUMMARY

Fleet Management		Capital Equipment		Self Insurance		Employee Benefits		All Funds	
2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Estimate	Budget	Estimate	Budget	Estimate	Budget	Estimate	Budget	Estimate	Budget
3,736,247	3,946,266	1,405,050	1,521,490	2,055,306	2,342,591	1,572,792	2,015,387	48,709,962	58,966,925
2,081,062	1,619,543	343,590	448,065	3,183,823	3,324,441	9,524,416	9,980,236	62,320,615	58,579,679
17,138	25,000			320,000	300,000	41,000		18,481,407	18,625,609
								378,138	325,000
								500,000	131,285
								-	-
			19,000					704,843	268,018
						7,194,032	8,176,017	7,851,074	9,163,374
2,098,200	1,644,543	343,590	467,065	3,503,823	3,624,441	16,759,448	18,156,252	90,236,078	87,092,965
1,305,681	997,561			3,047,879	2,921,085	16,316,853	18,288,889	65,058,007	68,344,897
582,500	954,000	227,150	760,811					4,511,210	8,365,799
								-	47,230
								2,000,000	2,000,000
								1,082,304	1,097,473
								6,545,935	7,507,792
			400,000					613,000	3,795,073
1,888,181	1,951,561	227,150	1,160,811	3,047,879	2,921,085	16,316,853	18,288,889	79,810,456	91,158,264
-	-	-	-	-	-	-	-	-	985,000
				168,659	416,656			168,659	416,656
				168,659	416,656			168,659	1,401,656
1,082,773	1,562,080	-	-	-	-	-	-	1,082,773	1,562,080
2,863,493	2,077,168	1,521,490	827,744	2,342,591	2,629,291	2,015,387	1,882,750	57,884,152	51,937,891
\$2,000,000		\$800,000		\$3,000,000		\$2,000,000			

DEBT SERVICE ADMINISTRATION

As of June 30th, 2019 The City of Fountain Valley and the Successor Agency had a combined total of \$41,476,664 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, 2019 is listed below.

Issuance Date	Type of Long Term Debt	Total Outstanding Debt as of 06/30/19
2014	Series 2014A Revenue Bonds - Water Enterprise Fund	11,690,000
2015	Series 2015A Taxable Pension Obligation Bonds	15,485,000
2016	Series 2016A Lease Revenue Bonds	11,580,000
2017	Clean Renewable Energy Bonds	2,721,664
Total Outstanding City Long Term Debt		\$41,476,664

AUTHORIZED EMPLOYMENT LIST

FTE by Department/Division	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Administration	2	2	3.5	3.5
City Clerk	2	2	1	1
Finance	10.75	10.75	9.75	9.75
Fire Department	43	45	46	46
Human Resources	4	4	4.5	4.5
Information Systems	4	4	4	4
Planning & Building	7	7	8	8
Police Department	83	85	86	87
Public Works (All)	59	58	58	59
Recreation & Community Services	6	6	6	6
Total FTE by Department/Division	220.75	223.75	226.75	228.75

Administration	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
City Manager	1	1	1	1
Assistant to the CM	1	1	1	1
Management Aide	0	0	.5	.5
Executive Assistant to CM	0	0	1	1
Total Administration	2	2	3.5	3.5

City Clerk	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
City Clerk Administrator	1	1	1	1
Deputy City Clerk	1	1	0	0
Total City Clerk	2	2	1	1

Finance	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Finance Director	1	1	1	1
Secretary	1	1	1	1
Accounting Manager	1	1	1	1
Budget Analyst	0	1	1	1
Management Analyst	0	0	1	1
Accountant	1	0	.75	.75
Accounting Technician II/CSR Lead	0	0	1	1
Accounting Technician II/CSR	4	4	2	2
Accounting Technician II	.75	.75	0	0
Accounting Technician I	0	0	1	1
Purchasing Manager	1	1	0	0
Reproduction/Stores Clerk	1	1	0	0
Total Finance	10.75	10.75	9.75	9.75

AUTHORIZED EMPLOYMENT LIST

Fire Department	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Fire Chief	1	1	1	1
Administrative Assistant	0	1	1	0
Secretary	1	0	0	0
Fire Marshal/Deputy Fire Marshal	1	1	1	1
Emergency Services Manager	0	0	1	1
Battalion Chief	2	3	3	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
Management Aide	0	0	1	2
Administrative Aide	0	1	0	0
Fire Prevention Analyst	1	1	1	1
Total Fire Department	43	45	46	46

Human Resources	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Human Resources Director	1	1	1	1
Senior Human Resources Analyst	0	1	1	1
Human Resources Analyst	1	0	0	0
Safety & HR Specialist	1	1	1	1
Department Secretary	1	1	1	1
Management Aide	0	0	.5	.5
Total Human Resources	4	4	4.5	4.5

Information Systems	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Information Systems Manager	1	1	1	1
Information Systems Technicians	3	3	3	3
Total Information Systems	4	4	4	4

Planning & Building	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Planning & Building Director	1	1	1	1
Planner	1	1	1	1
Administrative Assistant/Secretary	1	1	1	1
Code Enforcement Officer	2	2	1	1
Housing Coordinator	0	0	1	1
Housing Analyst/Technician	1	1	1	1

AUTHORIZED EMPLOYMENT LIST

Assistant Planner	1	1	1	1
Senior Planner	0	0	1	1
Total Planning & Building	7	7	8	8

Police Department	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Police Chief	1	1	1	1
Secretary	1	1	2	2
Division Secretary	.5	.5	0	0
Crime Analyst	1	1	1	1
Management Analyst	1	1	0	0
Captain	2	2	2	2
Lieutenant	3	3	3	3
Sergeant	10	10	10	10
Senior Police Officer	9	9	9	9
Police Officer	37	39	39	39
Laboratory	1	1	1	1
Support Services Supervisor	1	1	2	2
Police Records	3.5	3.5	3.5	3
Police Dispatch	8	8	8.5	9.5
Property Clerk	0	0	0	0
Community Services Officer	4	4	4	4
Total Police Department	83	85	86	86.5

Public Works – Admin. & Engineering	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Director of Public Works	1	1	1	1
Administrative Assistant/Secretary	1	1	1	1
Deputy Director off PW/City Engineer	0	1	1	1
Deputy City Engineer	1	0	0	0
Management Aide	0	0	0	1
Environmental Services Administrator	1	1	1	1
Engineering Associate	0	1	2	2
Assistant Engineer	2	1	0	0
Engineering Tech III	2	2	2	2
Public Works Inspector	1	1	1	1
Total Public Works – Admin. & Eng.	9	9	9	10

Public Works – General Services	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Field Services Manager	0	1	1	1
General Services Manager	1	0	0	0
Administrative Specialist	1	1	1	1

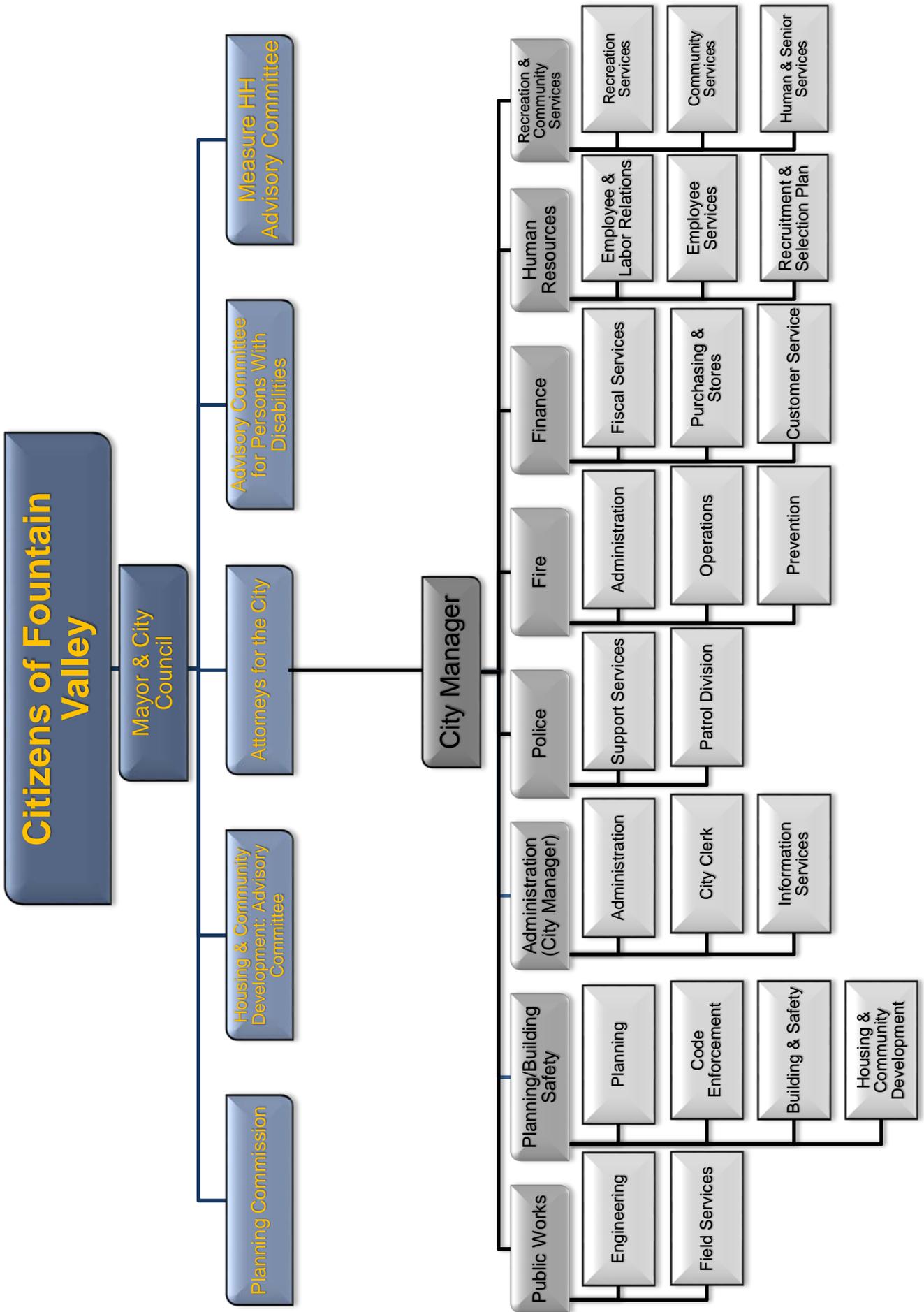
AUTHORIZED EMPLOYMENT LIST

Management Analyst	1	1	1	1
Internal Services Supervisor	1	1	1	1
Public Services Supervisor	1	1	1	1
Landscape Inspector	1	1	1	1
Foreman	4	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	3	3
Total Public Works – General Services	28	28	27	27

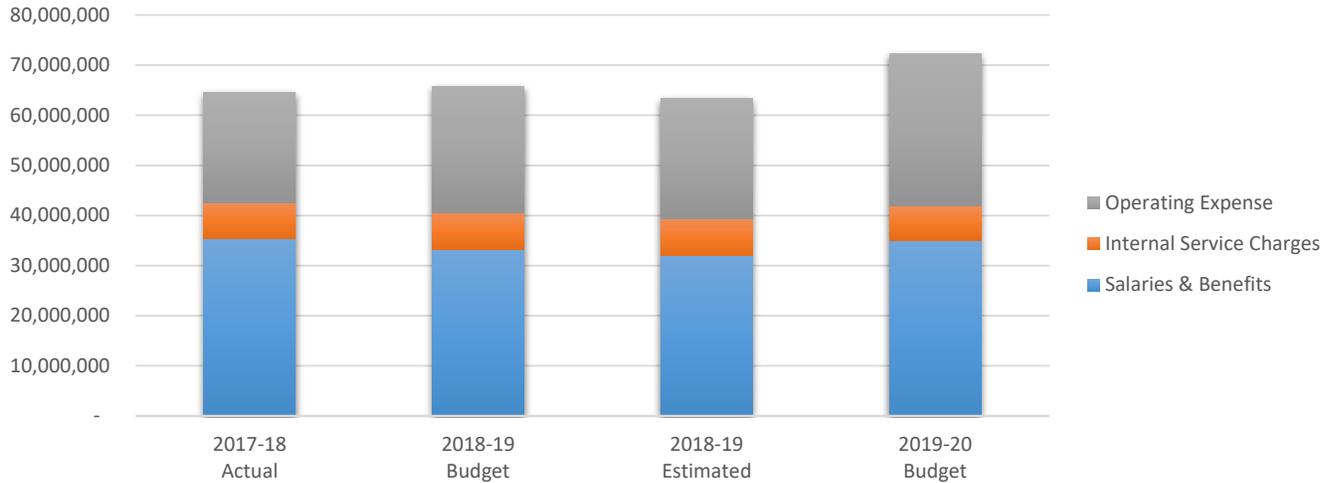
Public Works – Utilities	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Utilities Manager	1	0	0	0
Water Supervisor	2	2	2	2
Foreman	1	1	1	1
Water Quality Technician	1	1	1	1
Equipment Operator II – Non Certified	1	1	1	1
Water Systems Operator	3	3	3	3
Maintenance Worker II	7	7	8	8
Maintenance Worker II – Non Certified	1	1	1	1
Meter Reader	0	0	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	21	22	22

Recreation & Community Services	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Budget
Community Services Director	0	1	1	1
Community Services Manager	1	0	2	2
Community Services Supervisor	2	2	1	1
Recreation Coordinator	3	3	2	2
Total Recreation & Community Svc.	6	6	6	6

CITY ORGANIZATIONAL CHART



Department Summary (All Funds)	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total All Funds				
Salaries & Benefits	35,336,357	33,198,139	31,924,648	35,034,643
Internal Service Charges	7,265,858	7,430,757	7,430,757	6,926,982
Operating Expense	22,005,009	25,201,112	23,948,080	30,342,333
Total All Funds Expenditures	64,607,224	65,830,008	63,303,485	72,303,958
Revenues/Charges to Departments	33,533,603	34,205,937	33,867,261	34,602,845
Total All Funds Revenues	33,533,603	34,205,937	33,867,261	34,602,845



Totals by Department

Administration

Salaries & Benefits	1,062,986	1,059,683	1,048,641	1,123,414
Internal Service Charges	212,888	210,813	210,813	191,821
Operating Expense	981,838	1,238,418	1,178,987	1,156,078
Total Administration Expenditures	2,257,712	2,508,914	2,438,441	2,471,313
Revenues/Charges to Departments	865,953	1,160,095	1,160,095	1,287,641
Total Administration Revenues	865,953	1,160,095	1,160,095	1,287,641

Finance

Salaries & Benefits	1,192,862	1,119,857	1,005,864	1,147,914
Internal Service Charges	214,108	226,163	226,163	223,127
Operating Expense	459,222	674,500	639,066	671,555
Total Finance Expenditures	1,866,192	2,020,520	1,871,093	2,042,596
Revenues/Charges to Departments	1,273,414	1,192,328	1,223,352	1,121,010
Total Finance Revenues	1,273,414	1,192,328	1,223,352	1,121,010

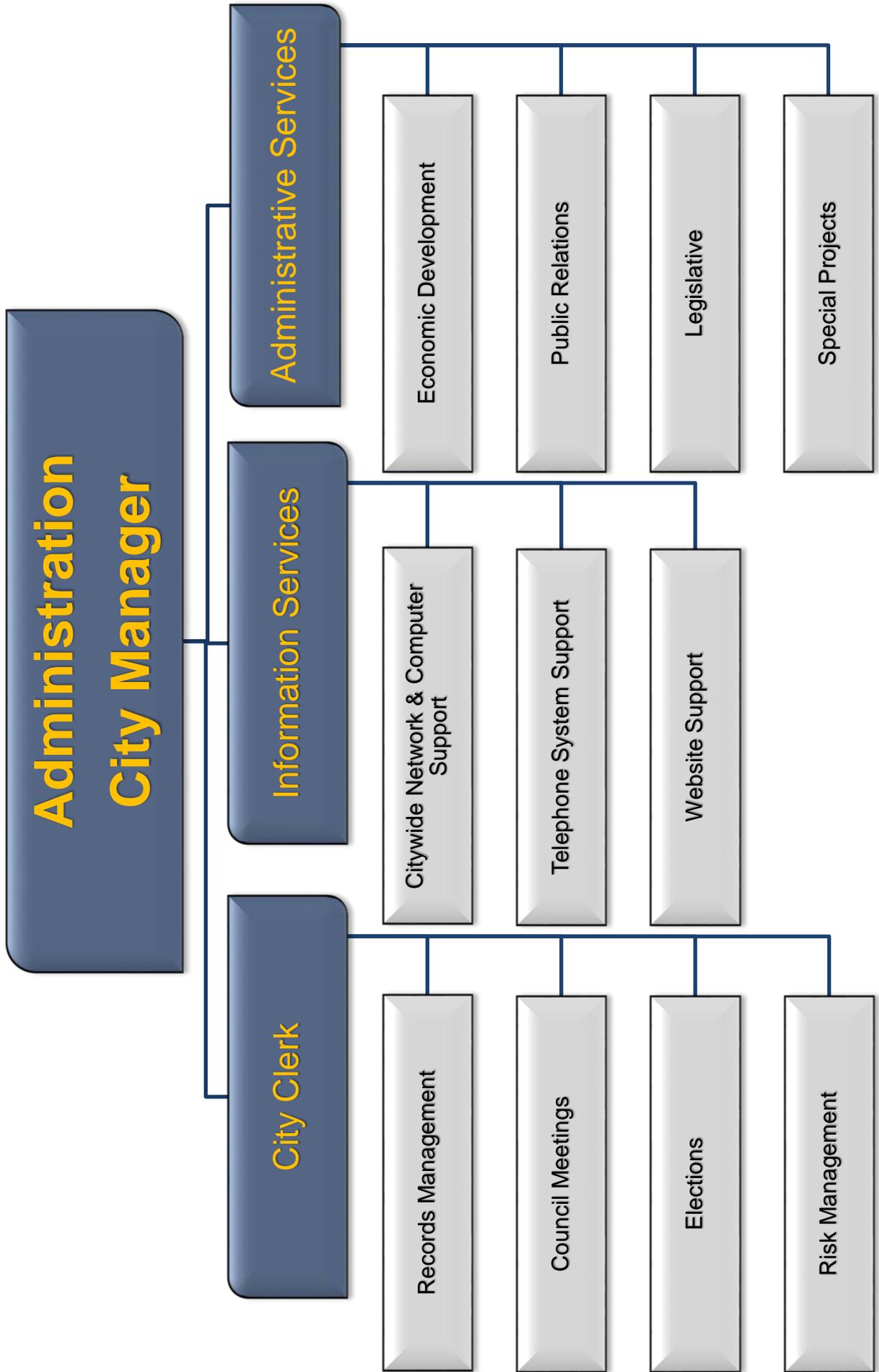
Fire

Salaries & Benefits	10,112,153	8,626,515	8,682,070	9,049,255
Internal Service Charges	1,115,955	1,147,529	1,147,529	1,212,114
Operating Expense	732,519	798,380	797,295	874,685

Department Summary (All Funds)	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Fire Expenditures	11,960,627	10,572,424	10,626,894	11,136,054
Revenues/Charges to Departments	1,944,470	1,458,500	1,739,080	1,433,500
Total Fire Revenues	1,944,470	1,458,500	1,739,080	1,433,500
Human Resources				
Salaries & Benefits	409,099	550,914	447,363	564,285
Internal Service Charges	56,163	55,545	55,545	54,102
Operating Expense	190,870	218,344	218,844	210,400
Total Human Resources Expenditures	656,132	824,803	721,752	828,787
Planning & Building				
Salaries & Benefits	1,436,634	1,604,691	1,384,297	1,539,584
Internal Service Charges	171,773	166,566	166,566	151,600
Operating Expense	240,497	609,963	1,530,224	5,911,029
Total Planning & Building Expenditures	1,848,904	2,381,220	3,081,087	7,602,213
Revenues/Charges to Departments	1,853,170	2,027,462	1,867,258	2,118,027
Total Planning & Building Revenues	1,853,170	2,027,462	1,867,258	2,118,027
Police				
Salaries & Benefits	13,517,144	12,658,485	12,373,757	13,514,668
Internal Service Charges	2,278,904	2,361,506	2,361,506	2,169,266
Operating Expense	647,673	763,679	751,643	794,861
Total Police Expenditures	16,443,721	15,783,670	15,486,906	16,478,795
Revenues/Charges to Departments	988,767	734,500	863,213	716,100
Total Police Revenues	988,767	734,500	863,213	716,100
Public Works				
Salaries & Benefits	6,309,873	6,249,682	5,742,791	6,692,699
Internal Service Charges	2,379,501	2,233,279	2,233,279	2,031,303
Operating Expense	17,039,367	18,427,886	16,153,988	19,000,776
Total Public Works Expenditures	25,728,741	26,910,847	24,130,058	27,724,778
Revenues/Charges to Departments	24,640,333	26,126,975	25,565,004	26,408,444
Total Public Works Revenues	24,640,333	26,126,975	25,565,004	26,408,444
Recreation & Community Services				
Salaries & Benefits	1,262,823	1,302,295	1,213,848	1,374,813
Internal Service Charges	836,566	1,029,356	1,029,356	893,649
Operating Expense	474,584	520,959	523,650	484,949
Total Rec. & Comm. Services Expenditures	2,573,973	2,852,610	2,766,854	2,753,411
Revenues/Charges to Departments	1,420,474	1,426,077	1,369,259	1,375,216
Total Rec. & Comm. Services Revenues	1,420,474	1,426,077	1,369,259	1,375,216

Department Summary (All Funds)	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Non Departmental				
Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	946,948	1,465,000	1,670,400	870,000
Total Non Departmental Expenditures	946,948	1,465,000	1,670,400	870,000
FV Successor Agency to the FVACD				
Salaries & Benefits	32,783	26,017	26,017	28,011
Internal Service Charges	-	-	-	-
Operating Expense	291,491	483,983	483,983	368,000
Total Successor Expenditures	324,274	510,000	510,000	396,011
Revenues	547,022	80,000	80,000	142,907
Total Successor Revenues	547,022	80,000	80,000	142,907

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.

The City Council approves the contract of the Attorney for the City, who 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: Economic Development to promote local businesses and make connections between landlords and prospective quality business tenants, 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 2018-19 Fiscal Year

- City Council approved the Fountain Valley Crossings Specific Plan.
- New businesses opened up in the City are
- Created new holiday shop local campaign banners.
- Grand opening of Grocery Outlet at Fountain Valley Square at Garfield and Brookhurst
- Created new convention display and marketing collaterals for conventions and events to promote Fountain Valley and local businesses.
- Provided a report card to the City Council on Measure HH revenue and expenditure.
- Changed to CSAC-Excess Insurance Authority that will save approximately \$612,000 annually.
- Completed the City Hall water fountain repairs and redesign.
- Hired 12 new police officers.
- Generated higher visibility on social media.
- Initiated the General Plan Update and awarded a contract to Placeworks.
- Launched new economic development website to promote Fountain Valley, new developments, and FV Crossings.

2019-20 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
- Continue to focus on 405 Freeway Improvement Project and its progress to update the community
- Focus on social media to enhance community outreach and engagement as part of the City's strategic goals
- Focus heavily on economic development: promote Shop, Dine and Play in FV Mobile App, the approved Fountain Valley Crossings Specific Plan, under-utilize commercial centers and attract new restaurants and retailers
- Encourage more diversity events and collaboration
- Participate in International Council of Shopping Centers events
- Continue to update the community on Measure HH – Essential City Services revenue and expenditure

INFORMATION SERVICES

Description / Purpose

The Information Services Division manages the Computer, Telephone, Website & Video surveillance systems of the City. The Division's primary functions include hardware and software selection, procurement, installation, operation, maintenance and eventually e-waste disposal of all computer & technology based elements of the City's infrastructure. The Division is also responsible for the management and operation of the City's 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 all essential services are available 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 all resources.

Status of Major Goals from the Prior 2018-19 Fiscal Year

- Completed a 2018 City Strategic Objective; to enable a Geographical Map Information portal for the Public, accessible via our City Website
- Completed a 2018 City Strategic Objective; Upgraded the City Network Infrastructure & Firewalls, for better security, network reliability & performance
- Completed the total remodel of the Police Dispatch & Communications center, including installation of new console furniture, workstation computers, 911 telephone system, radio equipment & video surveillance monitors, etc.
- Completed the replacement of the FVFD Mobile Tablets for Patient Care Reporting with iPads, managed by a new mobile device management system, providing greater system reliability, service & lower cost
- Replaced the 22 year old City Telephone system with new equipment and new Telephone handsets for the entire City

Other Key Projects Completed During the Fiscal Year Include:

- Information Services Division was again awarded the peer reviewed Quality in IT Practices by the Municipal Information Managers Association of California
- Worked with multiple Departments to increase their use of tablet based technologies in order to provide better customer service & employee efficiency
- Replaced or Updated over 50 Workstations & 5 Servers used on the City⁷⁸

INFORMATION SERVICES

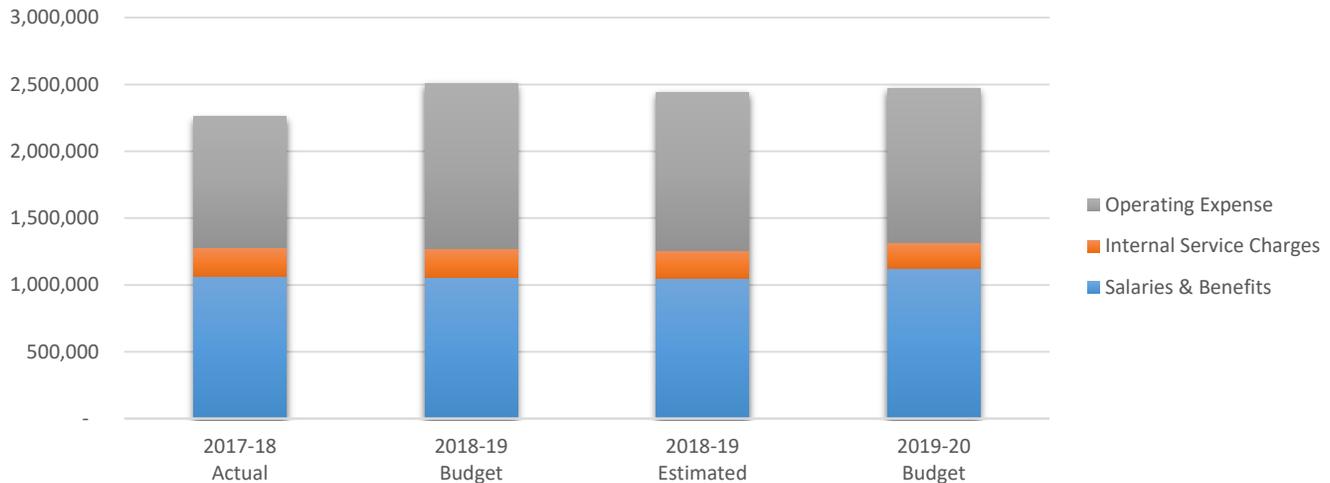
network by various departments

- Updated & secured the backup systems for all critical Servers on the network
- Held employee informational meetings, to provide employees with information on technology related subjects and receive their input on potential future projects
- Negotiated the purchase of all equipment and assumed management of the 18 seat computer lab at the FV Senior Center for the City
- Coordinated the installation and assumed management of a new Digital Security Video system, now covering 3 buildings with 58 cameras, enhancing visitor and employee security

19-20 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
- Continue IS strategies that maintain or reduce overall capital and operating costs

Administration	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Administration (All Funds)				
Salaries & Benefits	1,062,986	1,059,683	1,048,641	1,123,414
Internal Service Charges	212,888	210,813	210,813	191,821
Operating Expense	981,838	1,238,418	1,178,987	1,156,078
Total Administration Expenditures	2,257,712	2,508,914	2,438,441	2,471,313
Revenues/Charges to Departments	865,953	1,160,095	1,160,095	1,287,641
Total Administration Revenues	865,953	1,160,095	1,160,095	1,287,641



General Fund

City Council

Salaries & Benefits	106,493	68,949	68,949	72,773
Internal Service Charges	42,562	39,725	39,725	39,926
Operating Expense	26,672	27,660	27,060	10,600
Program Expenditures	175,727	136,334	135,734	123,299

City Manager

Salaries & Benefits	178,343	199,443	195,136	205,613
Internal Service Charges	69,280	65,993	65,993	52,512
Operating Expense	4,940	483,839	433,839	435,177
Program Expenditures	252,563	749,275	694,968	693,302

Administrative Services

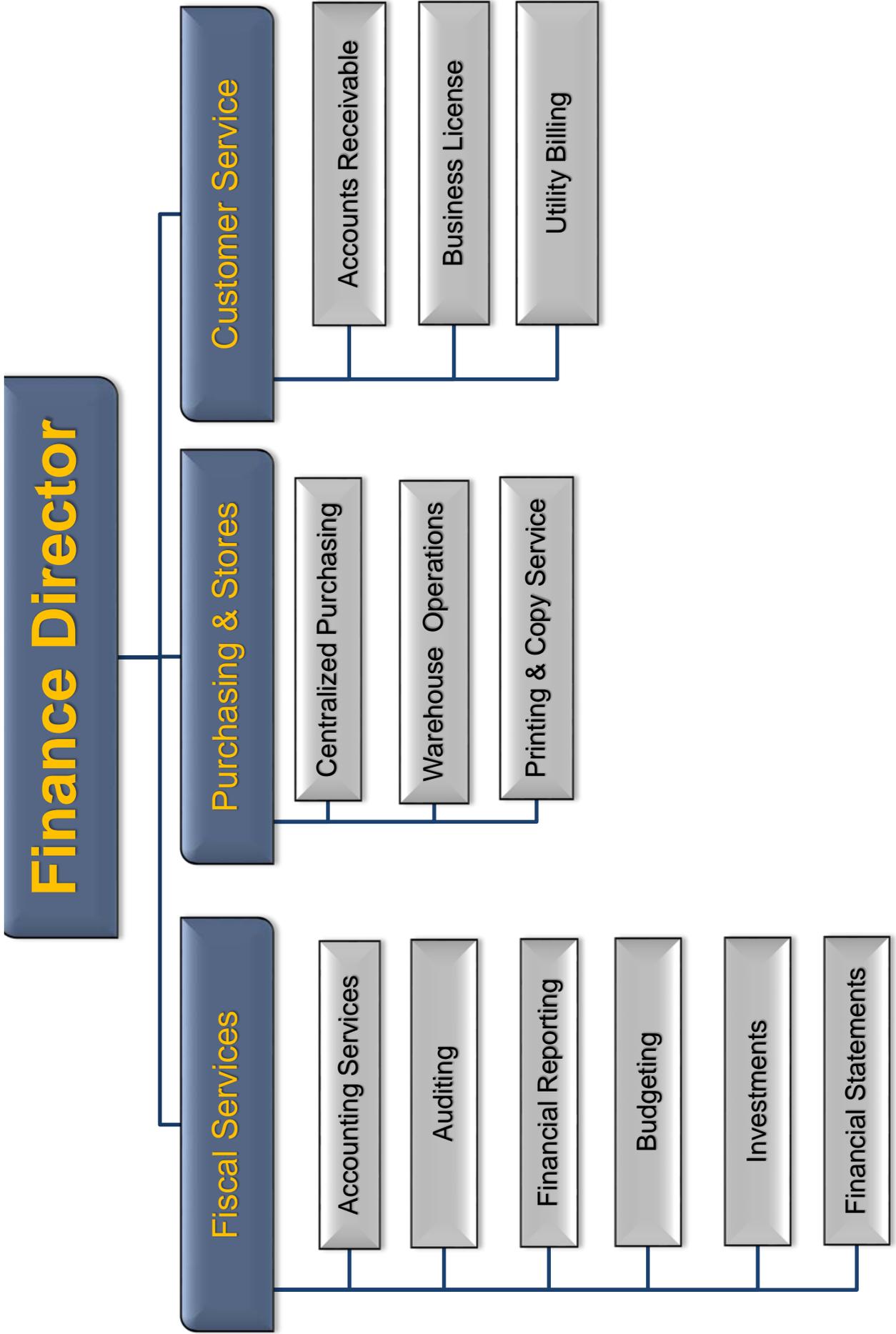
Salaries & Benefits	226,284	285,982	259,830	305,455
Internal Service Charges	46,469	46,384	46,384	39,861
Operating Expense	438,682	112,310	112,310	113,175
Program Expenditures	711,435	444,676	418,524	458,491

Records Management

Salaries & Benefits	113,987	119,496	102,528	136,765
Internal Service Charges	47,144	51,003	51,003	52,710
Operating Expense	7,934	23,030	5,700	21,500

Administration	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Program Expenditures	169,065	193,529	159,231	210,975
Elections				
Salaries & Benefits	-	759	759	898
Internal Service Charges	7,433	7,708	7,708	6,812
Operating Expense	290	46,650	37,083	-
Program Expenditures	7,723	55,117	45,550	7,710
General Fund Totals				
Salaries & Benefits	625,107	674,629	627,202	721,504
Internal Service Charges	212,888	210,813	210,813	191,821
Operating Expense	478,518	693,489	615,992	580,452
Fund Expenditures	1,316,513	1,578,931	1,454,007	1,493,777
Other Funds				
Information Processing (Internal Service)				
Salaries & Benefits	437,879	385,054	421,439	401,910
Internal Service Charges	-	-	-	-
Operating Expense	503,320	544,929	562,995	575,626
Program Expenditures	941,199	929,983	984,434	977,536
Revenues/Charges to Departments	865,953	1,160,095	1,160,095	1,287,641
Program Revenues	865,953	1,160,095	1,160,095	1,287,641
Total Other Funds				
Salaries & Benefits	437,879	385,054	421,439	401,910
Internal Service Charges	-	-	-	-
Operating Expense	503,320	544,929	562,995	575,626
Other Fund Expenditures	941,199	929,983	984,434	977,536
Department Charges	865,953	1,160,095	1,160,095	1,287,641
Other Fund Revenues	865,953	1,160,095	1,160,095	1,287,641

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, purchasing, investing and utility billing.

The Finance Department is divided into three divisions: Fiscal Services, Purchasing & Stores and Customer Service. Fiscal Services includes accounting and financial reporting, budgeting, investment management and accounting services. The Purchasing & Stores division includes centralized purchasing, warehouse operations and printing and copy services. 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. The Finance Department also processes false alarm permits; invoices for damages to City property and collects required City fees, including funds collected for contracted business license administration.

Mission Statement

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

Status of Major Department Goals from the Prior 2018-19 Fiscal Year

- Worked with the City Manager on updating the City's 20-Year Financial Plan, which provides a solid foundation for long-term fiscal sustainability. (*Strategic Issue: Fiscal Stability*)
- Provided information to the Measure HH Oversight Committee on the status of transaction tax revenue & expenditures demonstrating that the spending of Measure HH, based on the audit for Fiscal Year 2017/18 and budgeted amounts for Fiscal Years 2018/19 and 2019/20, is consistent with the intent of the ballot measure and Responsible Spending Pledge. (*Strategic Issues: Fiscal Stability/ Transparency*)
- Completed an Enterprise Resource Planning (ERP) System Replacement Feasibility Study (*Strategic Issue: Fiscal Stability*). The study documented current business processes and application environment, which concluded that a new ERP system is expected to enhance business processes by:
 - Reducing costs
 - Improving decision-making
 - Providing enhanced customer service (internal and external)
 - Improving access to information
 - Making them more efficient and effective
 - Improving accountability

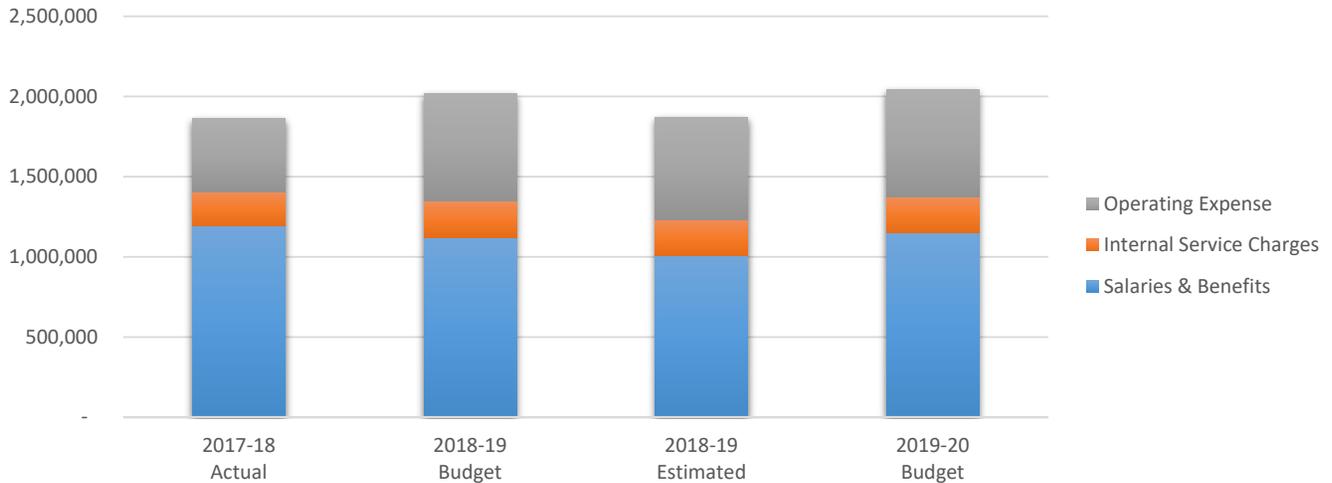
FINANCE DEPARTMENT

- Implemented a Pension Funding Policy that sets forth a comprehensive long-term fiscal strategy designed to mitigate against risk exposure and with the goal of paying off all pension debt by 2037, when Measure HH sunsets. *(Strategic Issue: Fiscal Stability)*
- Realized over \$615,000 of annual savings associated with the City's liability insurance program that provides comparable coverage at a lower cost.
- Implemented the department reorganization approved in March of 2018, which will better serve the City and residents. *(Strategic Issues: Fiscal Stability / Teamwork/ Excellent Customer Service)*
- Worked with Human Resources and the City Manager on converting the Reproduction/Stores Clerk position into an Accounting Technician to better meet the needs of the Department and to provide an enhanced customer service experience. *(Strategic Issue: Excellent Customer Service)*
- Realized efficiencies in Water Utility billing and collection. *(Strategic Issues: Fiscal Stability / Teamwork)*
- Implemented a new online business license system providing businesses with a streamlined web-based process to apply, renew, pay and obtain a business license online. *(Strategic Issue: Excellent Customer Service)*

2019-20 Department Goals

- Begin the process of selecting an ERP software system provider. *(Strategic Issue: Fiscal Stability / Transparency)*
- Development of a City budget document that would be eligible for the CSMFO and/or GFOA Budget Awards Program. *(Strategic Issue: Fiscal Stability / Transparency)*
- Continue to develop and refine the City's CAFR document to meet the requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting. *(Strategic Issue: Fiscal Stability / Transparency)*
- Meet as scheduled with the Measure HH Oversight Committee to provide status of Transaction Tax revenue & spending in accordance with the City's Spending Pledge. *(Strategic Issue: Fiscal Stability)*
- Work with the City Manager and the departments on the development of a balanced budget for Fiscal Year 2020/21 that continues to reflect the City Council's and staff's commitment to provide quality services that meet the needs of the residents of Fountain Valley in a cost effective and efficient manner. *(Strategic Issue: Fiscal Stability)*
- Assess opportunities for cost savings, revenue opportunities and/or efficiencies while considering the effects on customer services. *(Strategic Issue: Fiscal Stability)*

Finance	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Finance (All Funds)				
Salaries & Benefits	1,192,862	1,119,857	1,005,864	1,147,914
Internal Service Charges	214,108	226,163	226,163	223,127
Operating Expense	459,222	674,500	639,066	671,555
Total Finance Expenditures	1,866,192	2,020,520	1,871,093	2,042,596
Revenues/Charges to Departments	1,273,414	1,192,328	1,223,352	1,121,010
Total Finance Revenues	1,273,414	1,192,328	1,223,352	1,121,010



General Fund

Financial Services

Salaries & Benefits	481,485	584,161	543,827	655,888
Internal Service Charges	169,652	208,859	208,859	205,228
Operating Expense	285,915	398,500	375,500	377,070
Program Expenditures	937,052	1,191,520	1,128,186	1,238,186

Business License

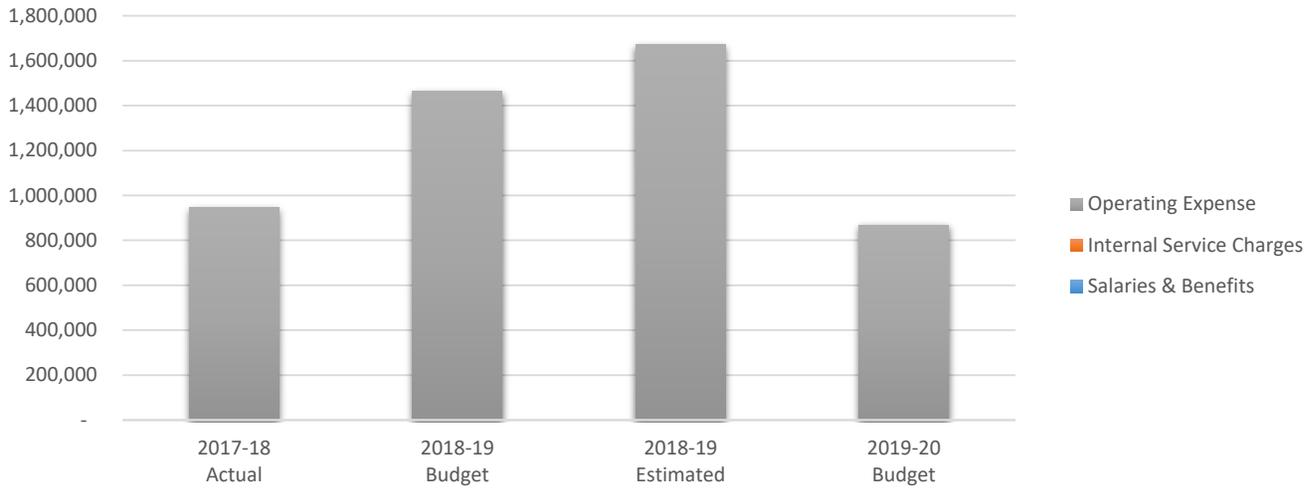
Salaries & Benefits	136,378	13,566	13,616	18,469
Internal Service Charges	32,830	3,693	3,693	3,894
Operating Expense	1,326	74,950	73,840	77,450
Program Expenditures	170,534	92,209	91,149	99,813
Revenues	412,966	425,500	409,525	425,500
Program Revenues	412,966	425,500	409,525	425,500

General Fund Totals

Salaries & Benefits	617,863	597,727	557,443	674,357
Internal Service Charges	202,482	212,552	212,552	209,122
Operating Expense	287,241	473,450	449,340	454,520
General Fund Expenditures	1,107,586	1,283,729	1,219,335	1,337,999
Revenues	412,966	425,500	409,525	425,500
General Fund Revenues	412,966	425,500	409,525	425,500

Finance	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Other Funds				
Utility Billing (Water Fund)				
Salaries & Benefits	334,173	278,350	279,467	306,319
Internal Service Charges	11,626	13,611	13,611	14,005
Operating Expense	121,463	130,850	126,550	141,400
Program Expenditures	467,262	422,811	419,628	461,724
Revenues	528,686	450,000	496,999	425,600
Program Revenues	528,686	450,000	496,999	425,600
Purchasing/Stores (Internal Service Fund)				
Salaries & Benefits	240,826	243,780	168,954	167,238
Internal Service Charges	-	-	-	-
Operating Expense	50,518	70,200	63,176	75,635
Program Expenditures	291,344	313,980	232,130	242,873
Revenues/Charges to Departments	331,762	316,828	316,828	269,910
Program Revenues	331,762	316,828	316,828	269,910
Total Other Funds				
Salaries & Benefits	574,999	522,130	448,421	473,557
Internal Service Charges	11,626	13,611	13,611	14,005
Operating Expense	171,981	201,050	189,726	217,035
Other Fund Expenditures	758,606	736,791	651,758	704,597
Revenues	860,448	766,828	813,827	695,510
Other Fund Revenues	860,448	766,828	813,827	695,510

Non-Departmental	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Non-Departmental (All Funds)				
Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	946,948	1,465,000	1,670,400	870,000
Total Non-Departmental Expenditures	946,948	1,465,000	1,670,400	870,000



General Fund

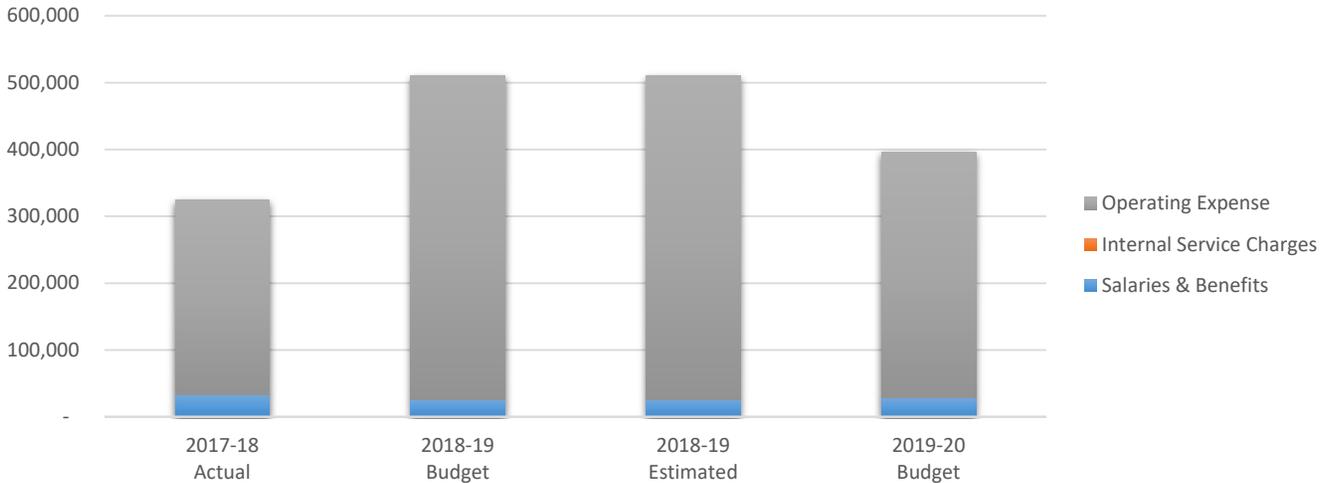
Non-Departmental

Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	946,948	1,465,000	1,670,400	870,000
Program Expenditures	946,948	1,465,000	1,670,400	870,000

General Fund Totals

Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	946,948	1,465,000	1,670,400	870,000
Fund Expenditures	946,948	1,465,000	1,670,400	870,000

FV Successor Agency to the FVACD	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Successor Agency				
Salaries & Benefits	32,783	26,017	26,017	28,011
Internal Service Charges	-	-	-	-
Operating Expense	291,491	483,983	483,983	368,000
Total Successor Agency Expenditures	324,274	510,000	510,000	396,011
Revenues	547,022	80,000	80,000	142,907
Total Successor Agency Revenues	547,022	80,000	80,000	142,907



Successor Agency Fund

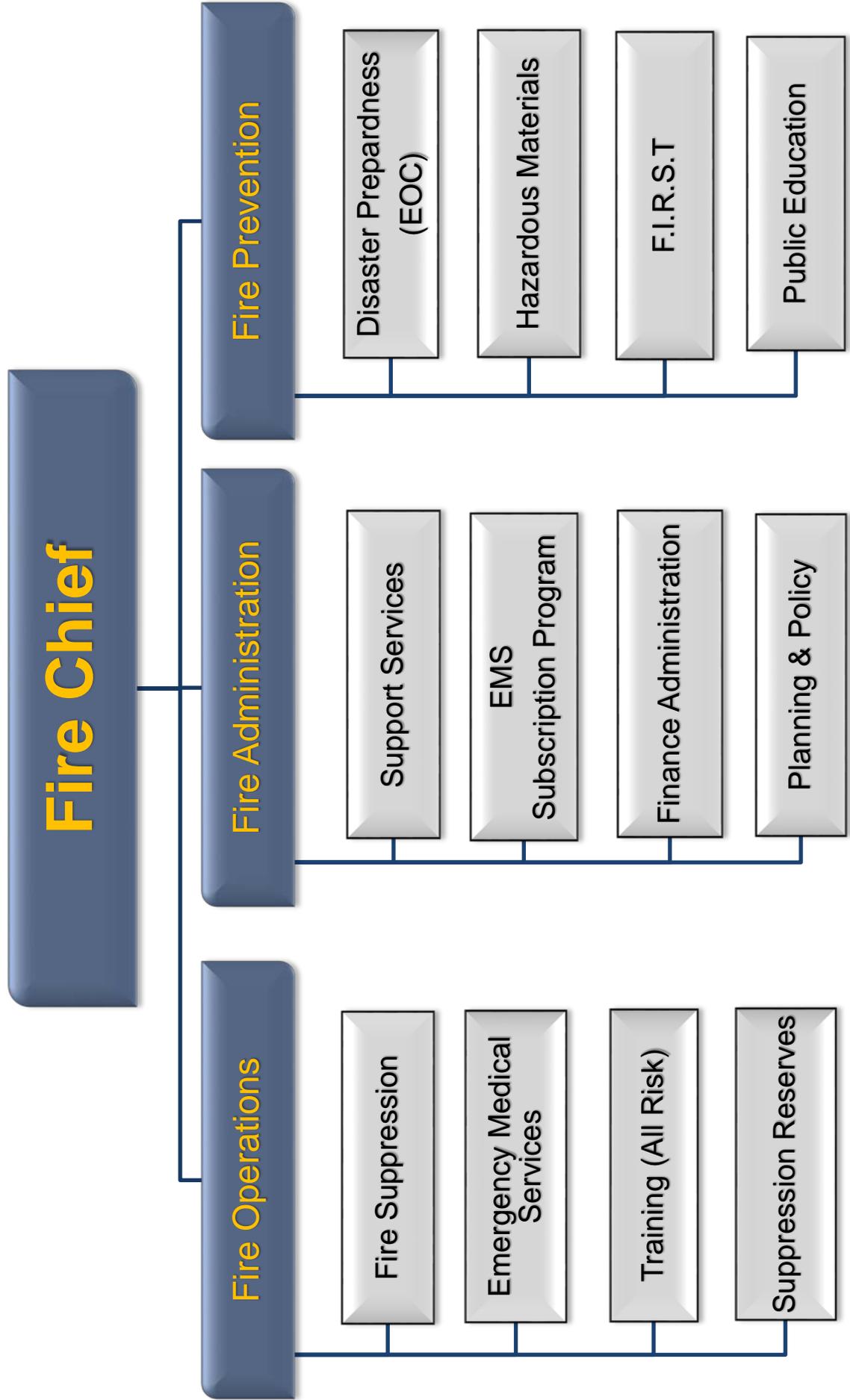
Successor Agency

Salaries & Benefits	32,783	26,017	26,017	28,011
Internal Service Charges	-	-	-	-
Operating Expense	291,491	483,983	483,983	368,000
Program Expenditures	324,274	510,000	510,000	396,011
Revenues	547,022	80,000	80,000	142,907
Program Revenues	547,022	80,000	80,000	142,907

Successor Fund Total

Salaries & Benefits	32,783	26,017	26,017	28,011
Internal Service Charges	-	-	-	-
Operating Expense	291,491	483,983	483,983	368,000
Fund Expenditures	324,274	510,000	510,000	396,011
Revenues	547,022	80,000	80,000	142,907
Fund Revenues	547,022	80,000	80,000	142,907

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 45 full-time men and women and approximately 20 part-time and volunteer employees of the Fountain Valley Fire Department strive to deliver high quality emergency medical services, fire suppression, fire prevention, 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 agreements with our surrounding agencies, which provide both additional resources and maintains fiscal responsibility.

The department is staffed with three battalion chiefs. Each BC oversees several special projects/department programs including support services (apparatus & buildings), department budget, internal affairs, training and emergency management. 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. In an effort to prevent fires and risks to the public health and safety, the fire department conducts annual fire and life safety inspections for compliance with applicable building standards for structures specified in Senate Bill No. 1205. This includes hotels, motels, apartment houses, and public/private schools. The bureau also manages 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.

FIRE DEPARTMENT

Status of Major Department Goals from the Prior 2018-19 Fiscal Year

- Submitted updated Hazard Mitigation Plan to FEMA for approval.
- Implemented First Watch and installed turnout timers in both stations to analyze and improve response times.
- Active evaluation process in place for new cardiac monitor purchase.
- New nozzles purchased for all apparatus.
- New records management system (RMS) launched and staff has been trained.
- Emergency Operations Center (EOC) supplies updated, employee training plan in place and city staff participated in two EOC drills.
- Hired new EMS Manager.

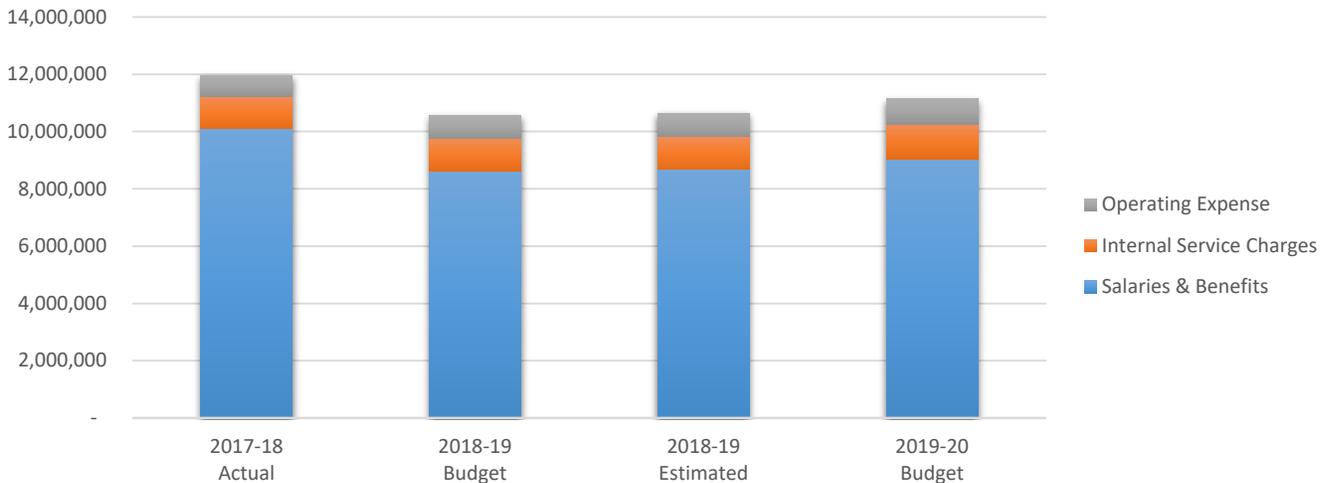
Other Key Projects Completed for the Fiscal Year Include:

- Fire Department promotional video complete and made available to the public.

2019/20 Department Goals:

- Continue implementing plan developed for the Emergency Vehicle Preemption system. Launch pilot study to test the efficacy of the system on response times.
- Continue to monitor the status of FEMA grant submitted for funding for Fire Station 1 retrofit and remodel. Updates to station will include security upgrades as well as mitigation projects to ensure no disruption in FVFD crews ability to respond in the event of a natural disaster.
- Increase revenue and improve medical aid response times/service by evaluating the possibility of changing ambulance service model for city.
- Partner with local agencies to increase public awareness of the Fountain Valley Community Foundation P.R.E.P Program and the ability to support the community through the foundation.
- 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.
- Monitor funding plan development and implementation for the purchase of a rescue support vehicle.
- Complete annual fire and life safety inspections for compliance with applicable building standards for structures specified in Senate Bill No. 1205.

Fire Department	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Fire Department (All Funds)				
Salaries & Benefits	10,112,153	8,626,515	8,682,070	9,049,255
Internal Service Charges	1,115,955	1,147,529	1,147,529	1,212,114
Operating Expense	732,519	798,380	797,295	874,685
Total Fire Department Expenditures	11,960,627	10,572,424	10,626,894	11,136,054
Revenues	1,944,470	1,458,500	1,739,080	1,433,500
Total Fire Department Revenues	1,944,470	1,458,500	1,739,080	1,433,500



General Fund

Suppression

Salaries & Benefits	5,740,859	4,707,449	4,818,691	4,968,583
Internal Service Charges	721,934	745,725	745,725	795,958
Operating Expense	596,523	625,695	625,161	697,695
Program Expenditures	7,059,316	6,078,869	6,189,577	6,462,236
Revenues	449,327	27,500	324,520	27,500
Program Revenues	449,327	27,500	324,520	27,500

Paramedics

Salaries & Benefits	3,380,616	2,967,694	2,928,057	3,130,886
Internal Service Charges	278,812	286,871	286,871	296,221
Operating Expense	83,446	83,280	84,120	84,420
Program Expenditures	3,742,874	3,337,845	3,299,048	3,511,527
Revenues	1,108,797	1,068,000	1,052,560	1,068,000
Program Revenues	1,108,797	1,068,000	1,052,560	1,068,000

Prevention

Salaries & Benefits	691,602	640,614	624,554	670,015
Internal Service Charges	65,880	66,388	66,388	67,581
Operating Expense	31,791	60,700	59,920	60,700
Program Expenditures	789,273	767,702	750,862	798,296
Revenues	329,958	305,000	304,000	280,000

Fire Department	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Program Revenues	329,958	305,000	304,000	280,000
Reserves				
Salaries & Benefits	30,221	37,250	37,250	31,070
Internal Service Charges	407	503	503	530
Operating Expense	5,874	9,485	7,845	9,485
Program Expenditures	36,502	47,238	45,598	41,085
Disaster Preparedness				
Salaries & Benefits	126,899	131,311	131,311	117,194
Internal Service Charges	26,976	25,645	25,645	28,150
Operating Expense	5,119	6,545	9,559	9,710
Program Expenditures	158,994	163,501	166,515	155,054
Hazardous Materials				
Salaries & Benefits	122,241	125,283	125,293	113,402
Internal Service Charges	16,301	16,580	16,580	17,185
Operating Expense	6,859	9,135	7,610	9,135
Program Expenditures	145,401	150,998	149,483	139,722
Revenues	56,388	58,000	58,000	58,000
Program Revenues	56,388	58,000	58,000	58,000
F.I.R.S.T.				
Salaries & Benefits	19,715	16,914	16,914	18,105
Internal Service Charges	5,645	5,817	5,817	6,489
Operating Expense	2,907	3,540	3,080	3,540
Program Expenditures	28,267	26,271	25,811	28,134
General Fund Totals				
Salaries & Benefits	10,112,153	8,626,515	8,682,070	9,049,255
Internal Service Charges	1,115,955	1,147,529	1,147,529	1,212,114
Operating Expense	732,519	798,380	797,295	874,685
General Fund Expenditures	11,960,627	10,572,424	10,626,894	11,136,054
Revenues	1,944,470	1,458,500	1,739,080	1,433,500
General Fund Revenues	1,944,470	1,458,500	1,739,080	1,433,500

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 professional, high-quality human resource leadership in support of the City of Fountain Valley's community members and the employees who serve them. The Human Resources Department provides support services to the City's full-time and part-time employees in areas such as recruitment and selection, classification and compensation, employee relations, training, leave administration, health and safety services, interpretation of rules, regulations and policies, and EEO/ADA compliance.

The Human Resources Department leads the Recruitment and Selection process by administering the application, testing, and pre-employment processes for the City. 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. We are committed to attracting and retaining a talented and diverse workforce by developing careers that make a difference in the lives of others.

In the area of Employee Health and Safety Services, the Human Resources Department ensures a supportive work environment by providing accessibility to a variety of employee resources including administration of the employee benefit programs providing health insurance, life insurance, employee assistance plans, and long-term disability benefits. We also administer the City's Workers' Compensation program, which provides injured employees with timely and quality medical care and treatment, thereby facilitating an early recovery and return to work.

In the area of Training and Development, Human Resources promotes employee growth and development by offering training opportunities across all levels of staffing. These opportunities are tailored to meet the needs of our employees and our departments to ensure successful City operations now and in the future. We also administer the employee safety program to ensure the safety and well-being of all City staff, the employee recognition program including service milestones and exceptional performance, and the employee performance evaluation program.

In the area of Policy Administration, the Human Resources Department is tasked with making sure employees understand applicable City policies. This is accomplished by administering labor contracts, Rules and Regulations, and the Employee Handbook. We oversee the employee relations process, including grievance resolution and discipline, and we ensure the City is in compliance with applicable Federal, State, and local laws. This includes maintenance of the City's classification and compensation plan, leave of absence administration, as well as EEO and ADA compliance.

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.

HUMAN RESOURCES DEPARTMENT

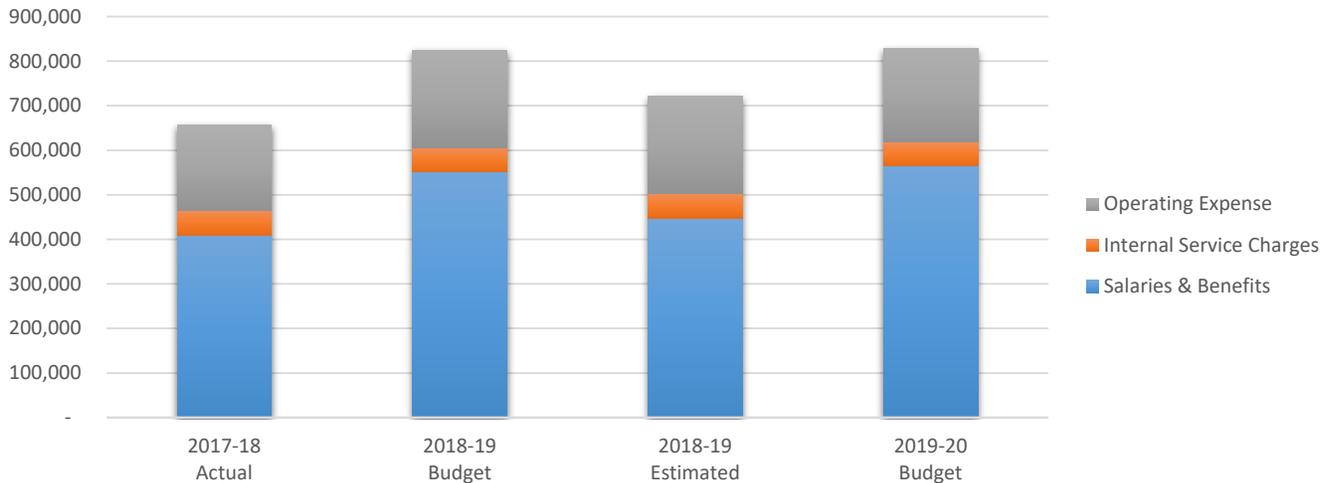
Status of Major Department Goals from the Prior 2018/19 Fiscal Year

- Implemented an enhanced Employee Assistance Program (EAP) for all safety personnel.
- Provided on-going support and resources to City Departments on personnel issues including employee discipline, conflict, injuries, etc.
- Successfully completed the reporting requirements under the Affordable Care Act.
- Expanded the Tuition Reimbursement program availability to all employees.
- Successfully coordinated or hosted more than 30 training courses to help promote employee development and to increase individual and organizational productivity and enrichment.
- Began an ergonomic assessment program, including assessing employee workstations for ergonomic correctness and ordering ergonomic equipment.
- Continued update and maintenance of the City's classification and compensation system, including reclassification studies, creation of new positions, etc.

2019/20 Department Goals

- Continue to deliver Human Resources services and programs that add value for our prospective employees, active employees and retirees.
- Continue efforts to expand our social media presence in order to attract qualified, diverse and talented individuals to the organization.
- Strengthen employee engagement by leading efforts to create a great work climate, high staff morale, and support the talent development of employees.
- Continue administration of the Affordable Care Act provisions.
- Provide a variety of training programs to continue enhancing employee development to be prepared for future opportunities.
- Anticipate and plan for vacancies in key City positions.
- Assess City's health and wellness programs to ensure benefits offered are meeting employee needs.

Human Resources	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Human Resources (All Funds)				
Salaries & Benefits	409,099	550,914	447,363	564,285
Internal Service Charges	56,163	55,545	55,545	54,102
Operating Expense	190,870	218,344	218,844	210,400
Total Human Resources Expenditures	656,132	824,803	721,752	828,787



General Fund

Employee Relations

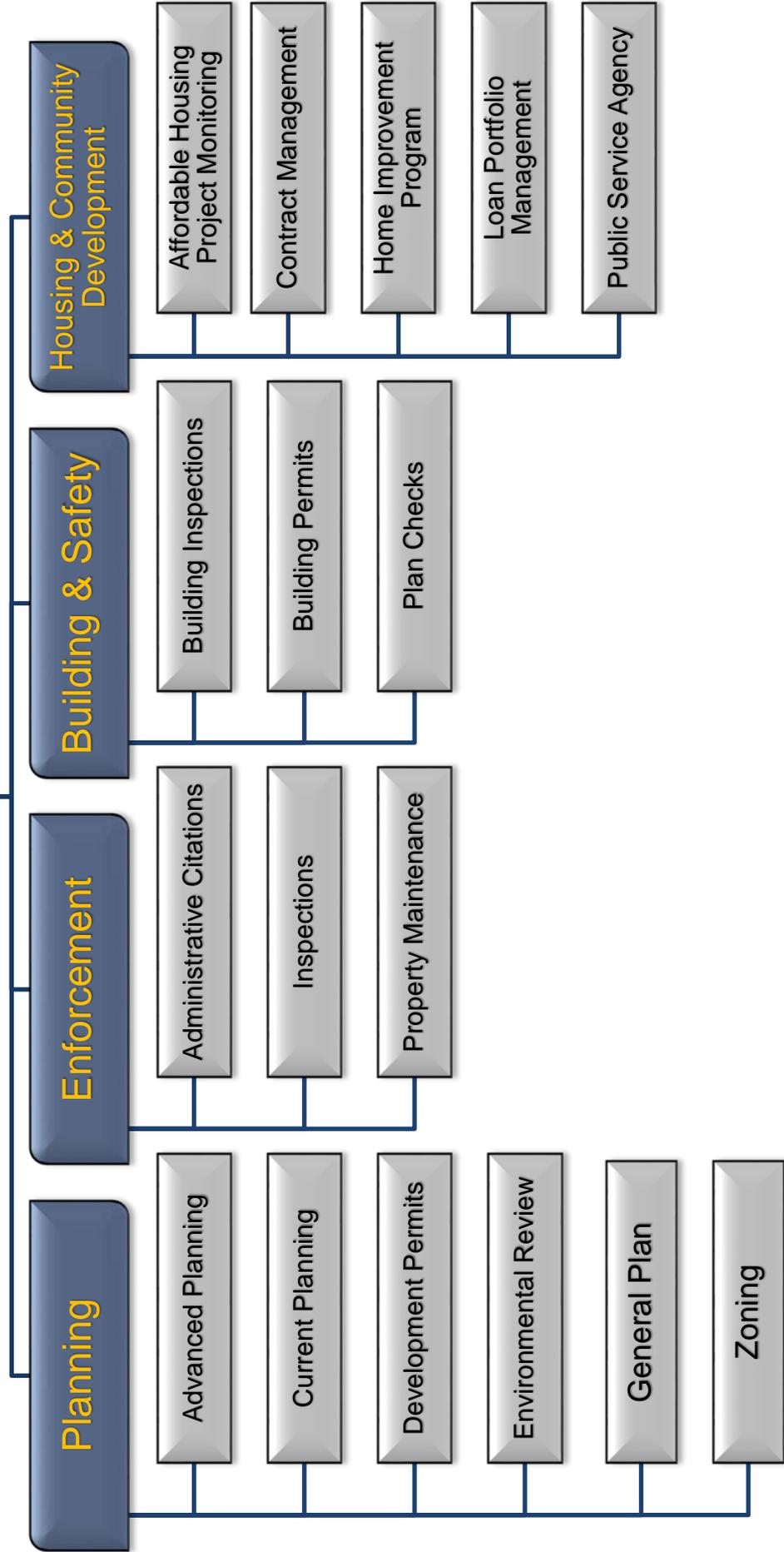
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General Fund Totals

Salaries & Benefits	409,099	550,914	447,363	564,285
Internal Service Charges	56,163	55,545	55,545	54,102
Operating Expense	190,870	218,344	218,844	210,400
Fund Expenditures	656,132	824,803	721,752	828,787

PLANNING / BUILDING & SAFETY DEPARTMENT

Planning/ Building & Safety Director



PLANNING /BUILDING & SAFETY

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, abandoned vehicles, and business license. This function of the Department achieves compliance through identifying code violations, working with violators to correct infractions, issuing citations and assisting the City Attorney in prosecutions when necessary.

The Housing 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,

PLANNING /BUILDING & SAFETY

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 2018-19 Fiscal Year

- **Enhance the aesthetic characteristics of the City:**
 - 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 875 property maintenance violations through code enforcement through February of FY 2018-2019
 - Provided 2 single family residential loans, 10 single family residential grants, 4 single family residential rebates, and 3 lead based paint hazard testing grants, and 3 rebates to Single-Family and Mobile Homes through the Home Improvement Program through February of FY 2018-2019
- **Increase advanced planning efforts:**
 - Identified funding sources for funding and initiated a new comprehensive General Plan Update
 - Adopted the Fountain Valley Crossings Specific Plan
 - Completed five (5) updates to modernize the City's zoning code
- **Prepare for future affordable housing opportunities:**
 - Identified an affordable housing developer and approved a loan agreement to produce 50 affordable units including eight (8) permanent supportive housing units as well as social services geared to the needs of all residents
 - Approved ten (10) Accessory Dwelling Units (ADU) through February of FY 2018-2019
- **Increase community engagement:**
 - Held 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 Chamber of Commerce and other community events to distribute information on Planning Department Projects

PLANNING /BUILDING & SAFETY

- Kicked-off the General Plan Advisory Committee (GPAC) efforts and conducted a bus tour of opportunity sites with the GPAC

2019-20 Department Goals

- **Enhance the aesthetic characteristics of the City:**
 - 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
- **Increase advanced planning efforts:**
 - Continue to accomplish the multi-year scope of work for the comprehensive General Plan Update
 - Identify and address opportunities for the modernization of the zoning code
- **Prepare for future affordable housing opportunities:**
 - Continue to partner with an affordable housing developer and process plans for a 50-unit affordable housing project
 - Continue to promote the Accessory Dwelling Unit (ADU) opportunity and the residential loan, grant and rebate programs
- **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
 - Continue to engage the General Plan Advisory Committee (GPAC), stakeholders, and the community in the General Plan update process

HOUSING AUTHORITY

Description / Purpose

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

Strict state regulations have required the FVHA to discontinue the affordable housing programs previously offered to City residents. The FVHA currently monitors the asset portfolio from past programs and administers all the statutory requirements of the portfolio.

The FVHA is currently in an Exclusive Negotiating Agreement with Related Companies of California, LLC for a 50-unit affordable workforce apartment complex in the Harbor Boulevard South Island Specific Plan area. The FVHA and City Council approved the specific plan to incentivize developers to build affordable housing for the benefit of lower income residents in the community. A loan agreement between FVHA and the developer was approved, and negotiations continue with the developer on Affordable Housing Agreement for the development of the project. As currently proposed, the project will include eight (8) permanent supportive housing units as well as social services geared to the needs of all 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 2018-19 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
- Entered into a loan agreement with an affordable housing developer for a 50 unit low, very – low, and extremely low income affordable housing apartment complex in the Harbor Blvd South Island Specific Plan
- Continue negotiations for an Affordable Housing Agreement of the 50 unit affordable housing project in the Harbor Blvd South Island Specific Plan

HOUSING AUTHORITY

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
- Timely completion of newly required state reports beginning in 2019.

2019-20 Department Goals

- Manage city interest in the development of the affordable housing project in Harbor Boulevard South Island from planning stage to occupancy.
- Monitor all “Successor Agency” housing assets to ensure compliance with State Law
- Perform loan administration tasks such as loan payoffs or loan subordination agreement to current affordable housing loan customers
- Determine eligibility and process affordable housing documents for persons purchasing in City’s “for sale” affordable housing developments
- Educate staff regarding ongoing changes in State Law regarding the dissolution of redevelopment agencies as it refers to affordable housing
- Educate staff on new housing regulations and new reporting requirements for 2019 and on.
- Work with other City Departments to make sure all accounting and reporting is compliant under new State Regulation
- Determine the best utilization of the funds of the FVHA to provide additional affordable housing.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Description / Purpose

The U.S. Department of Housing and Community Development (HUD) has allocated \$328,762 in Community Development Block Grant funds to the City. The allocation combined with an estimated \$164,540 in un-obligated carryover and program income will provide a budget of \$493,302 for projects related to serving the needs of low and moderate income households within the City. All projects are consistent with the five year Consolidated Plan approved by HUD.

<u>Funding Source</u>	<u>Amount</u>
Grant Entitlement	\$328,762
Projected Program Income and Carryover	<u>\$164,540</u>
Total	<u>\$493,302</u>

<u>Program</u>	<u>Funding Amount</u>
Administration	\$ 65,752
• Fair Housing Services	\$4,800
• Regional Analysis of Impediments – 5 year plan	\$7,500
Public Service Agency Grant Program	\$ 49,314
Code Enforcement	\$115,044
Neighborhood Revitalization Program	\$255,692
Lead Based Paint Hazard Grant Program	\$ 7,500
TOTAL	<u>\$493,302</u>

Administration

Up to twenty percent (20%) of a given entitlement may be allocated to fund administrative costs. The management and coordination of the CDBG entitlement program including preparation of required HUD reports, such as the Consolidated Plan, fall under the category of administrative costs. Fair Housing Services and preparing the Fair Housing Choice Analysis of Impediments 5 Year plan are part of Administration of the grant. The City of Fountain Valley has allocated a total of \$65,752 to Administration for fiscal year 2019/2020.

Fair Housing Services

Community Development Block Grant funding requires a grantee to provide its low and moderate-income households with fair housing services. These services include

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

landlord/tenant dispute resolution, housing discrimination, fair housing education, etc. CDBG regulations require the payment of the fair housing services to be a part of the 20% of the allocation to be utilized for Administration of the CDBG Grant. The City of Fountain Valley has allocated \$4,800 for Fair Housing Services for fiscal year 2019/2020.

Analysis of Impediments

Every five years, as required by CDBG regulations, cities must prepare an Analysis of Impediments to Fair Housing Choice (AI) as part of their Consolidated Plan. An update of the AI is due with the FY 2020-24 Consolidated Plan. The City of Fountain Valley, along with 15 other entitlement jurisdictions, are taking a regional approach to the preparation of the AI. The City of Fountain Valley has allocated \$7,500 for the City's portion of the Regional Impediments to Fair Housing Analysis- 5 Year Plan for fiscal year 2019/2020.

Public Service Agency Grant Program

HUD regulations allow up to fifteen percent (15%) of the yearly CDBG entitlement to be allocated to non-profit public service agencies. For fiscal year 2019/20, the City of Fountain Valley allocated \$49,314 and chose the six (6) Public service Agencies that fund seven (7) different programs, as listed below:

<u>Agency</u>	<u>Funding</u>
Boys and Girls Club of Huntington Valley	\$6,555
Community Senior Service (Congregate Meal Program)	\$10,632
Community Senior Service (Delivered Meal Program)	\$6,555
Community Services Program	\$7,870
Council on Aging	\$6,555
Elwyn California	\$4,592
<u>Interval House Crisis Shelter</u>	<u>\$6,555</u>
Total	\$49,314

Code Enforcement Program

The City of Fountain Valley Code Enforcement Program assists low/moderate income Fountain Valley residents by identifying the need for housing rehabilitation and encouraging the refurbishment of their homes by providing loans, grants, and rebates to qualified low- income homeowners. Code enforcement violations are also identified and abated to instill pride of ownership in the designated CDBG low-income areas. \$115,044 has been allocated to the Code Enforcement program for 2019/2020 to provide these services.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Neighborhood Revitalization Program

Under the City of Fountain Valley Neighborhood Revitalization Program, qualified low-income single family homeowners may receive financial assistance in the form of up to \$9,500 in grants, up to \$7,500 in rebates and/or up to \$25,000 in low interest deferred payment loans for eligible repairs to their home. Recipients of grants are not required to pay back any portion of the financial assistance received. The rebates will reimburse the homeowner for 50% of the total cost of repairs up to a maximum of \$7,500. Rebates are disbursed to the homeowner after they have paid for the costs of the repairs/improvements in full. The loans allow deferred payment for up to 25 years.

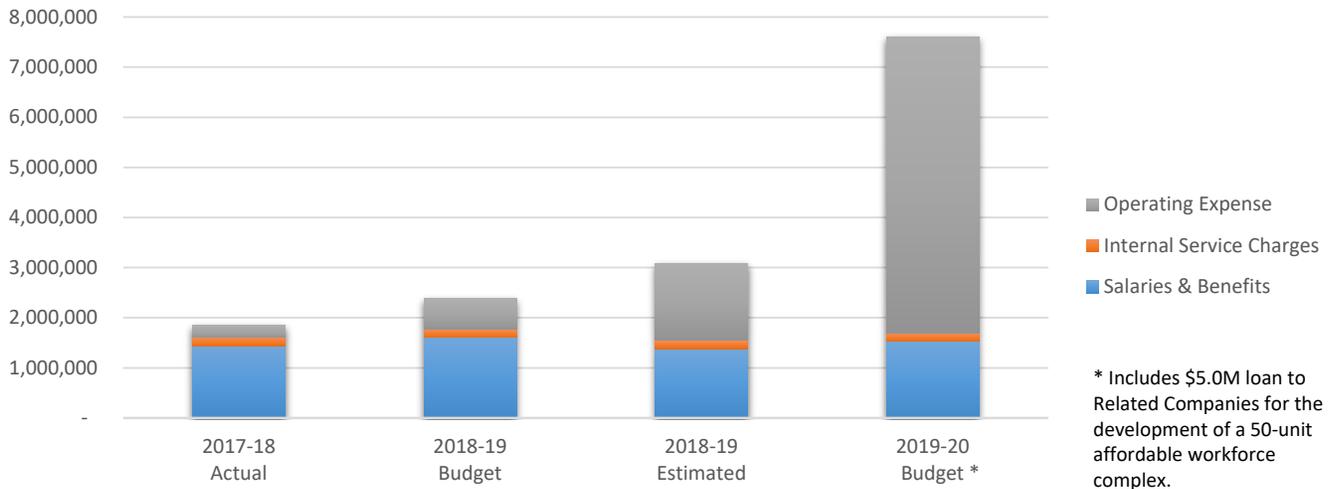
The City of Fountain Valley also offers financial assistance to qualified low-income mobile home owners for the repair/rehabilitation of their mobile homes. Qualified participants can receive up to \$7,000 in financial assistance in the form of a grant for such items as plumbing repairs, electrical repairs, code violations, etc. If a roof replacement is needed to grant can be increased to \$9,500. Additionally, owners may receive a rebate up to \$5,000 for eligible repairs to their mobile home. The rebates are for 50% of the total cost of repairs, with a maximum rebate of \$5,000. Rebates are done on a reimbursement basis and are disbursed after the homeowner has paid for the costs of the repairs/improvements in full.

The City of Fountain Valley has allocated \$255,692 to these programs in the 2019/2020 Budget.

Lead Based Paint Hazard Grant Program

The City of Fountain Valley has instituted a Lead Based Paint Hazard Reduction Grant program to comply with the HUD Title X Regulations that went into effect in 2001. The grant funds are to be used to test for lead based paint hazards and to control or abate any hazards found in the course of the City of Fountain Valley Rehabilitation Program projects. The City of Fountain Valley has allocated \$7,500 to this program for 2019/2020.

Planning & Building	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Planning & Building (All Funds)				
Salaries & Benefits	1,436,634	1,604,691	1,384,297	1,539,584
Internal Service Charges	171,773	166,566	166,566	151,600
Operating Expense	240,497	609,963	1,530,224	5,911,029
Total Planning & Building Expenditures	1,848,904	2,381,220	3,081,087	7,602,213
Revenues	1,853,170	2,027,462	1,867,258	2,118,027
Total Planning & Building Revenues	1,853,170	2,027,462	1,867,258	2,118,027



General Fund

Planning

Salaries & Benefits	428,424	477,761	356,206	450,633
Internal Service Charges	115,286	109,348	109,348	98,586
Operating Expense	22,222	31,898	63,128	38,528
Program Expenditures	565,932	619,007	528,682	587,747
Revenues	321,422	258,310	316,509	268,875
Program Revenues	321,422	258,310	316,509	268,875

Building

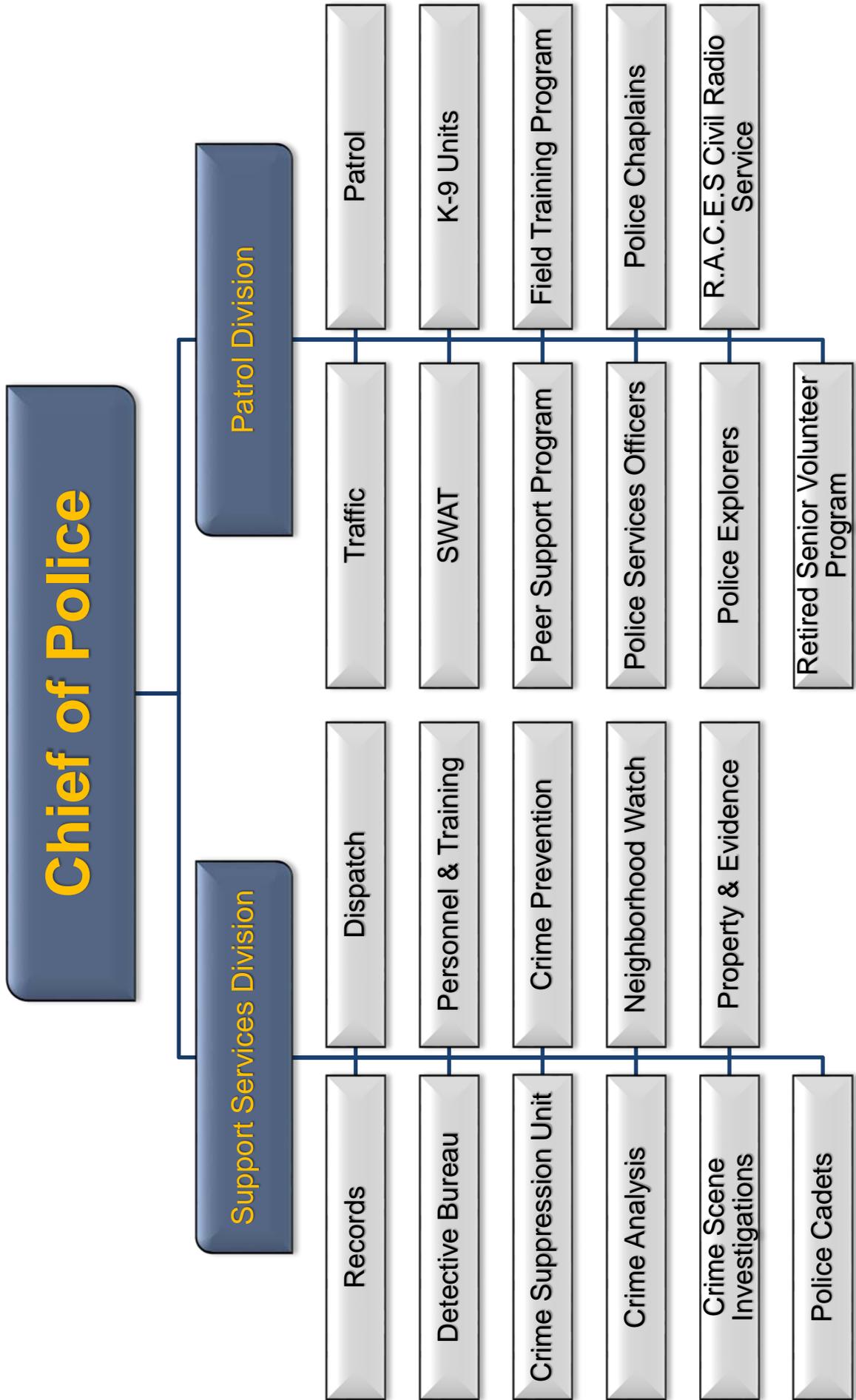
Salaries & Benefits	768,519	796,285	764,452	755,445
Internal Service Charges	51,115	50,664	50,664	46,241
Operating Expense	16,199	22,375	44,375	42,375
Program Expenditures	835,833	869,324	859,491	844,061
Revenues	879,387	937,650	940,150	937,650
Program Revenues	879,387	937,650	940,150	937,650

General Fund Totals

Salaries & Benefits	1,196,943	1,274,046	1,120,658	1,206,078
Internal Service Charges	166,401	160,012	160,012	144,827
Operating Expense	38,421	54,273	107,503	80,903
General Fund Expenditures	1,401,765	1,488,331	1,388,173	1,431,808
Revenues	1,200,809	1,195,960	1,256,659	1,206,525

Planning & Building	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
General Fund Revenues	1,200,809	1,195,960	1,256,659	1,206,525
Other Funds				
Abandoned Vehicle				
Salaries & Benefits	5,927	8,582	6,533	8,809
Internal Service Charges	-	-	-	-
Operating Expense	-	-	-	-
Fund Expenditures	5,927	8,582	6,533	8,809
Revenues	-	-	-	-
Fund Revenues	-	-	-	-
Fountain Valley Housing Authority (FVHA)				
Salaries & Benefits	130,127	144,701	81,884	162,689
Internal Service Charges	5,372	6,554	6,554	6,773
Operating Expense	106,365	239,750	1,290,889	5,498,832
Fund Expenditures	241,864	391,005	1,379,327	5,668,294
Revenues	453,033	338,200	303,545	418,200
Fund Revenues	453,033	338,200	303,545	418,200
Community Development Block Grant (CDBG)				
Salaries & Benefits	103,637	177,362	175,222	162,008
Internal Service Charges	-	-	-	-
Operating Expense	95,711	315,940	131,832	331,294
Fund Expenditures	199,348	493,302	307,054	493,302
Revenues	199,328	493,302	307,054	493,302
Fund Revenues	199,328	493,302	307,054	493,302
Total Other Funds				
Salaries & Benefits	239,691	330,645	263,639	333,506
Internal Service Charges	5,372	6,554	6,554	6,773
Operating Expense	202,076	555,690	1,422,721	5,830,126
Total Other Funds Expenditures	447,139	892,889	1,692,914	6,170,405
Revenues	652,361	831,502	610,599	911,502
Total Other Fund Revenues	652,361	831,502	610,599	911,502

POLICE DEPARTMENT



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 Peer Support Program.

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

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

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

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

We are members of the West County Special Weapons and Tactics (SWAT) Team, a regional effort serving the cities of Cypress, Los Alamitos, Westminster, Seal Beach and Fountain Valley. West County SWAT consists of Tactical Officers, Crisis Negotiators and Tactical Dispatchers. The Tactical Officers Unit is comprised of tactical paramedics, containment, react/entry and long range marksmen. This group of specially trained and highly skilled personnel are utilized where needed to deal with high-risk incidents, such as barricaded suspects, active shooters, hostage situations and to serve high-risk

POLICE DEPARTMENT

search and/or arrest warrants. The goal of the Team is to resolve these incidents peacefully.

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

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

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

Our Dispatch Center consists of 10 Dispatchers and is staffed 24 hours a day, 365 days per year. Police Dispatchers are the first person one speaks to when dialing or texting 911. We annually process approximately 92,500 phone calls and approximately 46,500 incidents. These incidents include Officer-initiated activities, responding to public requests for assistance and other activities entered into our Computer Aided Dispatch system. Dispatchers frequently provide referrals, offer solutions or educate the caller, which alleviates the need for Police response.

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

General Investigations is staffed by 1 Sergeant, a Court Liaison and 5 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 1 Sergeant and 3 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 Patrol Officers and Detectives in identifying crime suspects and helps Police supervision identify where Police resources should be focused to apprehend or thwart criminals.

POLICE DEPARTMENT

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.), Neighborhood Watch, 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 2018-19 Fiscal Year

- Increased Our Interaction with the Public
 - Improved our effectiveness through social media by utilizing Instagram and Twitter accounts
- Improved Our Recruitment for All Positions
 - Increased recruitment efforts
 - Utilized PD Investigator to complete background investigations
 - Improved/shortened time to complete background investigations
- Re-established the Crime Suppression Unit
- Upgraded Dispatch 9-1-1 telephone and audio log systems by utilizing State 9-1-1 funds

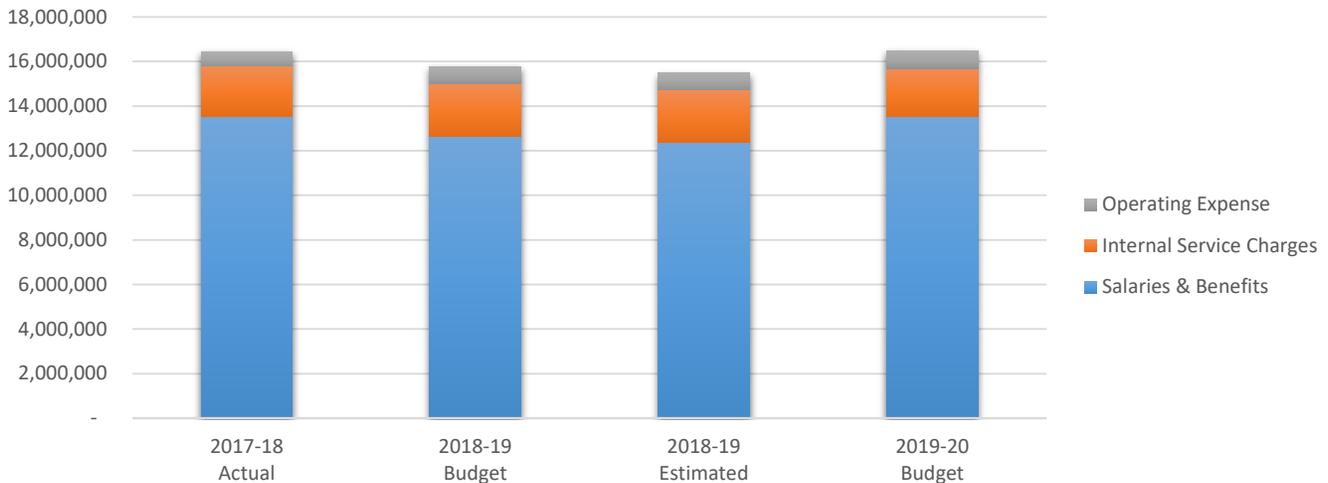
POLICE DEPARTMENT

- Remodeled Dispatch radio consoles and furniture using a combination of State 9-1-1 and City Capital Replacement funds
- Implemented Text-to-911 system
- Procurement and implementation of Body worn cameras (in progress)
- Purchased and deployed new electronic ticket writers
- Selected and purchased a new patrol command vehicle

2019-20 Department Goals

- Hire Police Officers and non-sworn personnel
- Remodel men's and women's locker rooms/bathrooms
- Re-establish Traffic Investigator Officer
- Replace aged records management computer servers

Police Department	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Police Department (All Funds)				
Salaries & Benefits	13,517,144	12,658,485	12,373,757	13,514,668
Internal Service Charges	2,278,904	2,361,506	2,361,506	2,169,266
Operating Expense	647,673	763,679	751,643	794,861
Total Police Department Expenditures	16,443,721	15,783,670	15,486,906	16,478,795
Revenues	988,767	734,500	863,213	716,100
Total Police Department Revenues	988,767	734,500	863,213	716,100



General Fund

Patrol

Salaries & Benefits	7,918,639	7,615,800	7,396,499	8,214,296
Internal Service Charges	1,190,028	1,226,753	1,226,753	1,108,091
Operating Expense	174,043	249,300	230,059	223,500
Program Expenditures	9,282,710	9,091,853	8,853,311	9,545,887
Revenues	9,182	8,000	7,200	8,000
Program Revenues	9,182	8,000	7,200	8,000

S.W.A.T.

Salaries & Benefits	99,826	85,175	80,225	87,931
Internal Service Charges	16,891	16,986	16,986	15,644
Operating Expense	9,678	10,173	10,173	10,173
Program Expenditures	126,395	112,334	107,384	113,748

Canine

Salaries & Benefits	455,240	331,886	458,708	185,762
Internal Service Charges	75,323	77,273	77,273	68,972
Operating Expense	19,925	10,160	27,970	19,620
Program Expenditures	550,488	419,319	563,951	274,354

Traffic

Salaries & Benefits	448,749	350,539	437,625	500,282
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Police Department	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Internal Service Charges	164,271	173,698	173,698	162,404
Operating Expense	268,781	276,460	268,133	307,570
Program Expenditures	881,801	800,697	879,456	970,256
Revenues	484,326	406,500	411,500	411,500
Program Revenues	484,326	406,500	411,500	411,500
Investigation				
Salaries & Benefits	2,809,725	2,522,847	2,332,731	2,684,208
Internal Service Charges	428,963	441,660	441,660	410,766
Operating Expense	83,146	100,846	106,768	106,218
Program Expenditures	3,321,834	3,065,353	2,881,159	3,201,192
Revenues	142,524	92,000	118,443	107,000
Program Revenues	142,524	92,000	118,443	107,000
Communications				
Salaries & Benefits	1,008,618	988,423	900,342	1,082,821
Internal Service Charges	112,502	115,583	115,583	107,979
Operating Expense	25,103	26,505	18,305	26,505
Program Expenditures	1,146,223	1,130,511	1,034,230	1,217,305
Records				
Salaries & Benefits	502,138	509,615	512,231	498,576
Internal Service Charges	262,880	281,774	281,774	269,544
Operating Expense	-	-	-	-
Program Expenditures	765,018	791,389	794,005	768,120
Revenues	49,618	60,000	46,000	50,000
Program Revenues	49,618	60,000	46,000	50,000
Crime Prevention				
Salaries & Benefits	163,238	134,146	147,364	139,148
Internal Service Charges	22,144	22,522	22,522	21,535
Operating Expense	8,276	17,850	17,850	17,850
Program Expenditures	193,658	174,518	187,736	178,533
Range				
Salaries & Benefits	8,054	6,839	6,839	6,994
Internal Service Charges	5,902	5,257	5,257	4,331
Operating Expense	41,563	51,425	51,425	51,425
Program Expenditures	55,519	63,521	63,521	62,750
General Fund Totals				
Salaries & Benefits	13,414,227	12,545,270	12,272,564	13,400,018
Internal Service Charges	2,278,904	2,361,506	2,361,506	2,169,266
Operating Expense	630,515	742,719	730,683	762,861
General Fund Expenditures	16,323,646	15,649,495	15,364,753	16,332,145

Police Department	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Revenues	685,650	566,500	583,143	576,500
General Fund Revenues	685,650	566,500	583,143	576,500
Other Funds				
Criminal Diversion				
Salaries & Benefits	82	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	17,158	20,960	20,960	32,000
Fund Expenditures	17,240	20,960	20,960	32,000
Revenues	162,949	48,000	134,470	19,000
Fund Revenues	162,949	48,000	134,470	19,000
COPS/Supplemental Law				
Salaries & Benefits	102,835	113,215	101,193	114,650
Internal Service Charges	-	-	-	-
Operating Expense	-	-	-	-
Fund Expenditures	102,835	113,215	101,193	114,650
Revenues	140,168	120,000	145,600	120,600
Fund Revenues	140,168	120,000	145,600	120,600
Total Other Funds				
Salaries & Benefits	102,917	113,215	101,193	114,650
Internal Service Charges	-	-	-	-
Operating Expense	17,158	20,960	20,960	32,000
Total Other Funds Expenditures	120,075	134,175	122,153	146,650
Revenues	303,117	168,000	280,070	139,600
Total Other Fund Revenues	303,117	168,000	280,070	139,600

PUBLIC WORKS DEPARTMENT

Public Works Director

Engineering

Capital Projects

Traffic Engineering

Transportation
Planning

Development Review

Inspection

NPDES Compliance

Solid Waste &
Recycling

Field Services

Fleet

Buildings

Playgrounds

Streets/Sidewalks

Landscaping/Parks
Trees

Graffiti Abatement

Water

Sewer

Storm Drains

PUBLIC WORKS

Description / Purpose

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 three (3) Department Divisions under the general supervision of the Director of Public Works, including Engineering Services, Field Services and Environmental Services.

Engineering Division:

The Public Works Engineering Division is led by the Deputy Public Works Director/City Engineer and 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 the Crossings Specific Plan and it's EIR and Traffic Study, Fountain Valley Square, Warner Plaza, Welbrook Assisted Living, Fountain Valley Shops and several Accessible Dwelling Unit Improvement projects. 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.

Field Services:

Field Services is led by the Field Services Manager and is comprised of the Utilities Division and General Services Division.

The Utilities Division includes the Water Division and Sewer/Storm Drain Division and is comprised of a dedicated staff of twenty-three water and sewer/storm drain professionals which manage and facilitate the City's multi-million dollar Water Fund, Water Capital Improvement Program, Sewer Fund and Storm Drain Maintenance Program.

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

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

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

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

The Internal Services 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.

PUBLIC WORKS

The Public Services Division is responsible for Asphalt & Concrete Maintenance & Repair, Street Sweeping, Sign Maintenance & Repair, Graffiti Removal Program, 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 is administered by the Environmental Services Administrator where this 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 2018-19 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 Project Design
- Completed the Construction for the Exterior Improvements to Recreation Center Building.
- Completed Sports Park Field Renovation
- Completed Sports Park Playground Rubber Surfacing Rehabilitation
- Completed Residential Roadway Rehabilitation in the area of H2
- Initiated the construction for the Installation of Electric Vehicle Charging Stations Project
- Initiated the Design of Sewer Structural Improvements in various locations
- Awarded a construction contract for Reservoir No. 2 Rehabilitation
- Completed Construction for Well No. 10 Rehabilitation Improvement Project
- Completed Construction for Well No. 12 Rehabilitation Improvement Project
- Completed Phase II of Pipeline Condition Assessments
- Continued the Regional Traffic Signal Synchronization along Harbor Blvd
- Awarded construction contract for the Talbert-Mt. Washington Traffic Signal
- Completed the city's Local Circulator Study
- Completed construction for the Pavement Rehabilitation Improvements on Euclid Street from Slater Avenue to Warner Avenue
- Completed the design of the Residential Paving Project in the area of H3, J1 & J2
- Completed the design of the pavement improvement project on Newhope Street from Warner to Talbert.
- Acquired a permit from OCSD
- Completed the City's Residential Median Turf Conversion Project

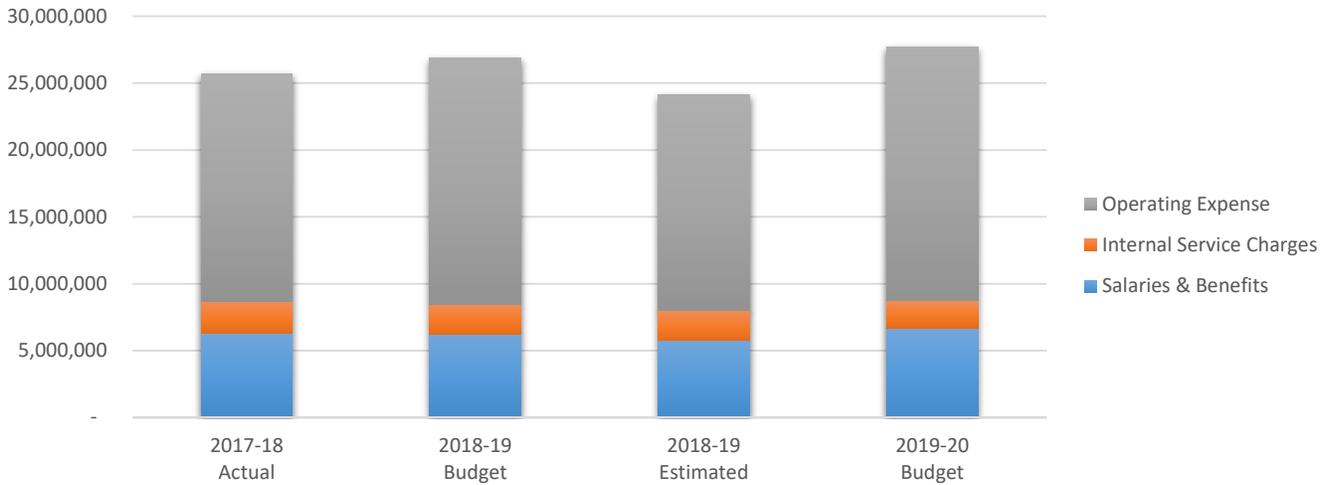
2019-20 Department Goals

- Complete 800MHZ Upgrades
- Complete the Design of the School Area ADA Pedestrian Ramps
- Complete Residential Roadway Rehabilitation in the area of H3, J1 & J2
- Complete the City's Pavement Management Yearly Planning
- Complete restriping in various locations
- Completed Sports Park Field Renovation
- Installation of one Audible Pedestrian Signal
- 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 construction of the Pavement Rehabilitation Improvements on Newhope Street from Warner to Talbert.

PUBLIC WORKS

- Drainage GIS mapping
- Complete the design for the Improvements to the City's Recreation Center Interior Project
- Complete the Construction of City's Sewer Structural Improvement Project in Various areas
- Complete the Construction of the City's Electric Vehicle Charging Station Improvement Project
- Continue the Construction of City's Reservoir No. 2 Rehabilitation Improvement Project
- Continue the Construction of City's Walnut Pump Station Rehabilitation Improvement Project
- Complete the City's Arterial Median Landscape Project No. 1
- Complete the City's Annual Fire Hydrant Replacement Project
- Complete the Construction of the Talbert-Mt. Washington Traffic Signal
- Complete the design and construction of the Fire Station 2 Butler building
- Complete the design of the Sports Courts Improvement Project
- Complete the design of the PD Restrooms/Shower Facilities Project
- Continue to protect the City's interest in regards to OCTA's & Caltrans I-405 widening project.

Public Works	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Public Works (All Funds)				
Salaries & Benefits	6,309,873	6,249,682	5,742,791	6,692,699
Internal Service Charges	2,379,501	2,233,279	2,233,279	2,031,303
Operating Expense	17,039,367	18,427,886	16,153,988	19,000,776
Total Public Works Expenditures	25,728,741	26,910,847	24,130,058	27,724,778
Revenues/Charges to Departments	24,640,333	26,126,975	25,565,004	26,408,444
Total Public Works Revenues	24,640,333	26,126,975	25,565,004	26,408,444



General Fund

Engineering

Salaries & Benefits	238,483	243,091	255,764	304,772
Internal Service Charges	185,113	188,883	188,883	177,345
Operating Expense	35,529	40,350	37,470	40,350
Program Expenditures	459,125	472,324	482,117	522,467
Revenues	338,060	224,500	339,520	257,500
Program Revenues	338,060	224,500	339,520	257,500

Traffic Engineering

Salaries & Benefits	201,818	207,027	220,961	213,328
Internal Service Charges	83,082	84,752	84,752	80,605
Operating Expense	1,743	2,900	2,600	3,600
Program Expenditures	286,643	294,679	308,313	297,533

Construction Inspection

Salaries & Benefits	150,873	96,477	117,222	107,869
Internal Service Charges	65,416	63,416	63,416	57,744
Operating Expense	179	380	1,037	380
Program Expenditures	216,468	160,273	181,675	165,993
Revenues	23,062	15,000	25,000	15,000
Program Revenues	23,062	15,000	25,000	15,000

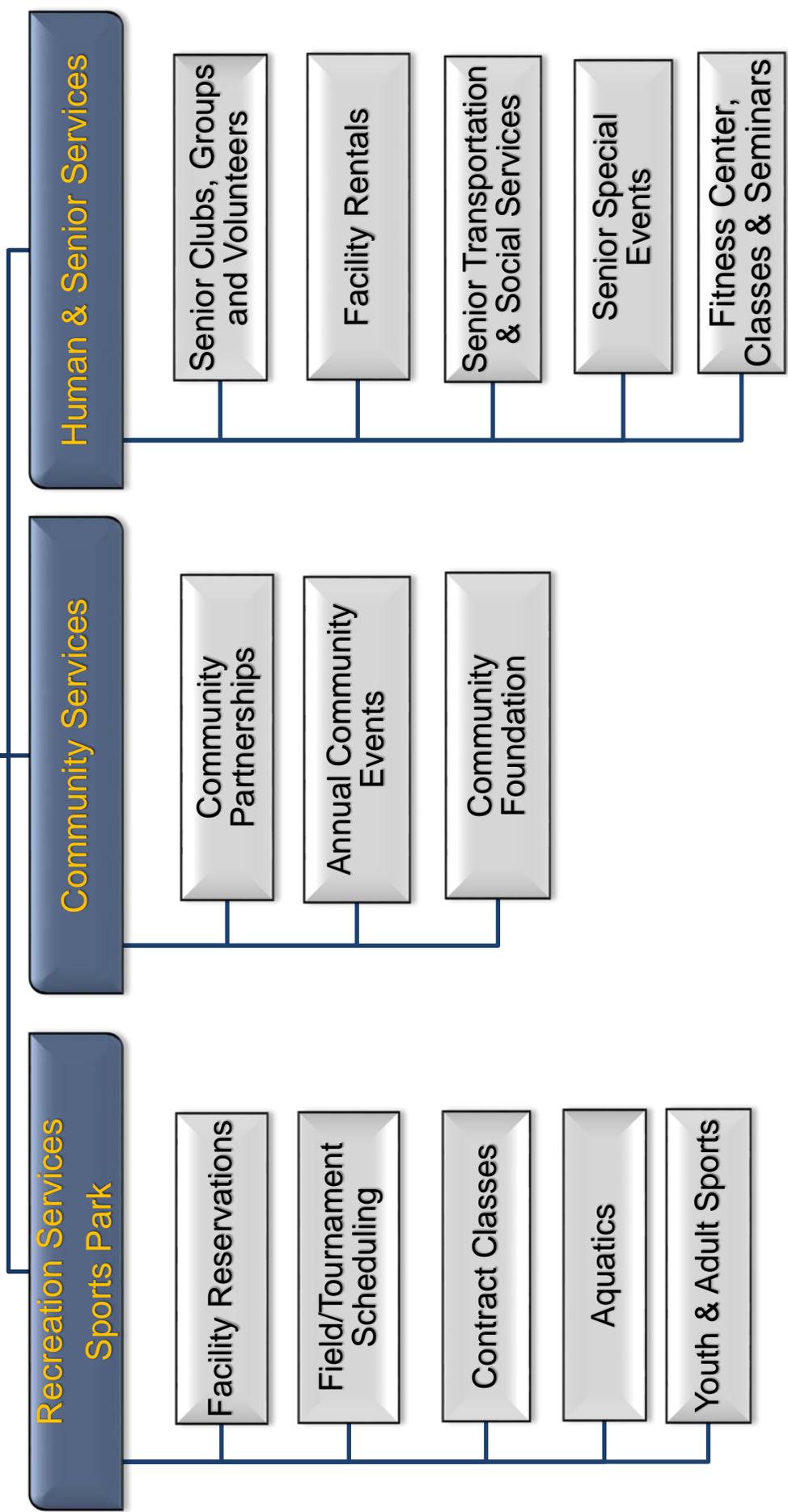
Public Works	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Street Lighting				
Salaries & Benefits	15,968	12,952	13,600	13,567
Internal Service Charges	8,759	8,713	8,713	7,844
Operating Expense	511,214	559,000	350,000	250,000
Program Expenditures	535,941	580,665	372,313	271,411
Right of Ways				
Salaries & Benefits	160,608	154,447	136,148	169,784
Internal Service Charges	104,130	95,730	95,730	84,937
Operating Expense	273,242	309,122	285,250	312,534
Program Expenditures	537,980	559,299	517,128	567,255
Revenues	1,238	3,000	875	3,000
Program Revenues	1,238	3,000	875	3,000
Tree Maintenance				
Salaries & Benefits	48,725	98,385	85,727	101,059
Internal Service Charges	100,674	92,297	92,297	79,890
Operating Expense	266,281	280,865	279,070	289,819
Program Expenditures	415,680	471,547	457,094	470,768
Revenues	10,293	10,000	11,500	10,000
Program Revenues	10,293	10,000	11,500	10,000
Park Maintenance				
Salaries & Benefits	253,473	183,160	166,383	205,422
Internal Service Charges	99,233	91,224	91,224	83,308
Operating Expense	542,989	538,882	622,284	668,180
Program Expenditures	895,695	813,266	879,891	956,910
Concrete Maintenance				
Salaries & Benefits	274,073	297,112	281,578	344,898
Internal Service Charges	170,286	153,702	153,702	137,130
Operating Expense	21,540	26,325	23,163	26,325
Program Expenditures	465,899	477,139	458,443	508,353
Pavement Maintenance				
Salaries & Benefits	280,936	316,602	298,819	353,901
Internal Service Charges	175,255	157,894	157,894	140,317
Operating Expense	67,037	89,950	71,979	89,950
Program Expenditures	523,228	564,446	528,692	584,168
Storm Drain Maintenance				
Salaries & Benefits	424,345	365,242	345,803	412,162
Internal Service Charges	71,673	64,830	64,830	57,018
Operating Expense	75,819	92,500	84,750	94,500
Program Expenditures	571,837	522,572	495,383	563,680
Revenues	120,635	114,860	127,540	124,400
Program Revenues	120,635	114,860	127,540	124,400

Public Works	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Traffic Control				
Salaries & Benefits	290,041	203,000	200,664	169,539
Internal Service Charges	159,695	142,611	142,611	126,055
Operating Expense	188,367	214,000	198,525	219,000
Program Expenditures	638,103	559,611	541,800	514,594
Street Sweeping				
Salaries & Benefits	13,105	15,595	13,392	16,207
Internal Service Charges	12,694	12,455	12,455	11,839
Operating Expense	306,166	320,000	331,385	450,000
Program Expenditures	331,965	348,050	357,232	478,046
Recreation Center				
Salaries & Benefits	163,358	180,015	163,472	205,426
Internal Service Charges	241,890	219,464	219,464	201,271
Operating Expense	539,830	526,355	507,200	554,855
Program Expenditures	945,078	925,834	890,136	961,552
Graffiti Removal				
Salaries & Benefits	59,793	111,244	85,823	113,333
Internal Service Charges	75,293	73,135	73,135	66,388
Operating Expense	8,492	10,200	6,200	10,200
Program Expenditures	143,578	194,579	165,158	189,921
General Fund Totals				
Salaries & Benefits	2,575,599	2,484,349	2,385,356	2,731,267
Internal Service Charges	1,553,193	1,449,106	1,449,106	1,311,691
Operating Expense	2,838,428	3,010,829	2,800,913	3,009,693
General Fund Expenditures	6,967,220	6,944,284	6,635,375	7,052,651
Revenues	493,288	367,360	504,435	409,900
General Fund Revenues	493,288	367,360	504,435	409,900
Other Funds				
Pollution Reduction				
Salaries & Benefits	731	669	784	669
Internal Service Charges	-	-	-	-
Operating Expense	-	2,000	-	1,331
Fund Expenditures	731	2,669	784	2,000
Revenues	76,483	74,000	72,417	75,000
Fund Revenues	76,483	74,000	72,417	75,000

Public Works	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Government Buildings (Internal Service)				
Salaries & Benefits	553,063	535,912	520,248	573,069
Internal Service Charges	-	-	-	-
Operating Expense	838,028	1,057,033	800,739	1,207,251
Fund Expenditures	1,391,091	1,592,945	1,320,987	1,780,320
Revenues/Charges to Departments	1,591,349	1,870,593	1,870,593	1,695,773
Fund Revenues	1,591,349	1,870,593	1,870,593	1,695,773
Fleet Management (Internal Service)				
Salaries & Benefits	416,688	509,818	445,544	505,501
Internal Service Charges	28,407	20,437	20,437	26,660
Operating Expense	418,045	455,400	414,700	465,400
Fund Expenditures	863,140	985,655	880,681	997,561
Revenues/Charges to Departments	1,842,439	2,027,575	2,098,200	1,644,543
Fund Revenues	1,842,439	2,027,575	2,098,200	1,644,543
Sewer Fund				
Salaries & Benefits	604,440	515,512	515,922	560,795
Internal Service Charges	244,061	213,227	213,227	193,951
Operating Expense	98,176	84,334	86,034	94,434
Fund Expenditures	946,677	813,073	815,183	849,180
Revenues	2,105,989	2,157,580	2,193,817	2,294,458
Fund Revenues	2,105,989	2,157,580	2,193,817	2,294,458
Water Fund				
Salaries & Benefits	2,159,352	2,203,422	1,874,937	2,321,398
Internal Service Charges	553,840	550,509	550,509	499,001
Operating Expense	9,604,544	10,489,290	8,722,602	10,815,167
Fund Expenditures	12,317,736	13,243,221	11,148,048	13,635,566
Revenues	15,275,757	16,274,867	15,470,542	16,833,900
Fund Revenues	15,275,757	16,274,867	15,470,542	16,833,900
Solid Waste				
Salaries & Benefits	-	-	-	-
Internal Service Charges	-	-	-	-
Operating Expense	3,242,146	3,329,000	3,329,000	3,407,500
Fund Expenditures	3,242,146	3,329,000	3,329,000	3,407,500
Revenues	3,255,028	3,355,000	3,355,000	3,454,870
Fund Revenues	3,255,028	3,355,000	3,355,000	3,454,870
Total Other Funds				
Salaries & Benefits	3,734,274	3,765,333	3,357,435	3,961,432
Internal Service Charges	826,308	784,173	784,173	719,612
Operating Expense	14,200,939	15,417,057	13,353,075	15,991,083
Total Other Funds Expenditures	18,761,521	19,966,563	17,494,683	20,672,127
Revenues	24,147,045	25,759,615	25,060,569	25,998,544
Total Other Fund Revenues	24,147,045	25,759,615	25,060,569	25,998,544

RECREATION & COMMUNITY SERVICES DEPARTMENT

**Recreation & Community Services
Director**



RECREATION AND COMMUNITY SERVICES

Description / Purpose

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

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

The Department 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 Department is truly a catalyst for enhancing the quality of life in Fountain Valley!

Parks Make Life Better in Fountain Valley!

Mission Statement

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

Status of Major Department Goals from the Prior 2018-19 Fiscal Year

- 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. The 2018 event generated over \$100,000 in revenue through sponsorship, vendors, food/drink sales, and carnival riders.
- Provided the community a comprehensive sponsorship opportunity in collaboration with the Fountain Valley Community Foundation (FVCF) promoting progressive collaborations between public, private and nonprofit organizations
 - Completed (*Annually*) – In conjunction with the FVCF, the Recreation and Community Services Department offered sponsorship opportunities to over 18 community events

RECREATION AND COMMUNITY SERVICES

- Maximize field use in conjunction with established maintenance needs creating a safe playing environment
 - Completed (*Annually*) – Established a yearly field closure schedule for maintenance and renovation, and assist Public Works in adhering to a turf/soil study provided by a professional field consultant
- Further develop ridership for the Senior “Hop On” Transportation program Completed
 - Completed (*and growing!*) – The Senior Transportation program hit an all-time high in ridership in FY 18-19 highlighted by eclipsing over 1000 rides in a single month for the first time in program history
- Create a Multicultural Community Event
 - Completed - Developed a multicultural community event to showcase and engage the current demographic of the Fountain Valley community (Pho Festival)
- Recreation Center Exterior Renovation
 - Completed – Collaborated with the Public Works Department to deliver a successful exterior renovation of the Recreation Center.

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 \$50,000 in sponsorship, donations, and revenues 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
- Provided jurisdictional support services to the County of Orange for the annual Tet Festival at Mile Square Regional Park
- 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 1000 seniors living in Fountain Valley who are no longer able to provide their own transportation

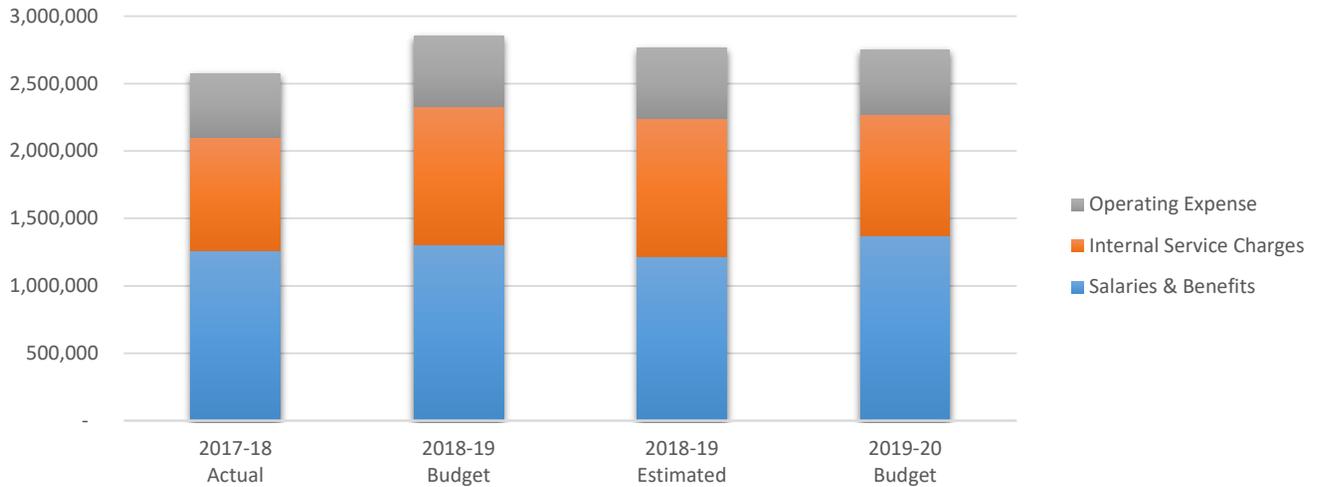
RECREATION AND COMMUNITY SERVICES

- Facilitate sponsorship funding of over \$43,500 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.
- 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.

2019-2020 Department Goals

- Work with the County of Orange and OC Parks to assist, when applicable, in regards to the Mile Square Regional Park Expansion Project - (*Strategic Issue: Enhance Community Outreach and Engagement*)
- Work with potential vendors to identify possible public/private collaborations to enhance the recreational assets within the City of Fountain Valley - (*Strategic Issue: Achieve financial stability/Outreach and Engagement*)
- Collaborate with the community to promote the Community Partnership Naming Rights Program - Annually (*Strategic Issue: Achieve financial stability/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*)
- With support from the Recreation Center Interior Committee, collaborate with the Public Works Department to renovate the interior of the Recreation Center to enhance facility accessibility and “rentability” - Annually (*Strategic Issue: Achieve financial stability*)
- Redevelop sustainable guidelines for the Senior “Hop On” Transportation program due to the vastly increased ridership - (*Strategic Issue: Enhance Community Outreach and Engagement*)

Recreation & Community Services	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Total Recreation & Community Services (All Funds)				
Salaries & Benefits	1,262,823	1,302,295	1,213,848	1,374,813
Internal Service Charges	836,566	1,029,356	1,029,356	893,649
Operating Expense	474,584	520,959	523,650	484,949
Total Recreation & Community Services Ex	2,573,973	2,852,610	2,766,854	2,753,411
Revenues	1,420,474	1,426,077	1,369,259	1,375,216
Total Recreation & Community Services Re	1,420,474	1,426,077	1,369,259	1,375,216



General Fund

Athletics

Salaries & Benefits	124,646	131,909	117,735	148,152
Internal Service Charges	163,828	200,060	200,060	171,839
Operating Expense	70,256	90,155	67,210	89,155
Program Expenditures	358,730	422,124	385,005	409,146
Revenues	156,131	145,000	130,000	145,000
Program Revenues	156,131	145,000	130,000	145,000

Field Operations

Salaries & Benefits	132,331	124,066	122,737	139,135
Internal Service Charges	80,454	101,525	101,525	88,780
Operating Expense	12,252	16,630	9,150	16,630
Program Expenditures	225,037	242,221	233,412	244,545
Revenues	344,643	315,000	320,971	350,000
Program Revenues	344,643	315,000	320,971	350,000

Annual Festivals

Salaries & Benefits	19,807	34,460	25,238	33,659
Internal Service Charges	-	-	-	-
Operating Expense	66,472	44,500	44,500	60,000
Program Expenditures	86,279	78,960	69,738	93,659
Revenues	82,488	88,582	78,582	88,582

Recreation & Community Services	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Program Revenues	82,488	88,582	78,582	88,582
Aquatics				
Salaries & Benefits	58,572	75,281	56,663	77,349
Internal Service Charges	38,004	36,234	36,234	32,106
Operating Expense	11,675	20,025	18,910	20,025
Program Expenditures	108,251	131,540	111,807	129,480
Revenues	35,806	60,000	26,000	40,000
Program Revenues	35,806	60,000	26,000	40,000
Recreation & Tennis Center				
Salaries & Benefits	178,082	180,439	165,845	192,295
Internal Service Charges	192,799	241,322	241,322	209,025
Operating Expense	7,609	32,232	16,958	18,965
Program Expenditures	378,490	453,993	424,125	420,285
Revenues	62,166	65,500	69,850	65,500
Program Revenues	62,166	65,500	69,850	65,500
Community & Senior Center				
Salaries & Benefits	304,090	303,998	282,638	318,727
Internal Service Charges	197,857	240,935	240,935	210,170
Operating Expense	88,777	94,290	88,676	95,290
Program Expenditures	590,724	639,223	612,249	624,187
Revenues	134,022	182,000	111,716	167,000
Program Revenues	134,022	182,000	111,716	167,000
Contract Classes				
Salaries & Benefits	335,313	340,706	338,712	345,668
Internal Service Charges	79,217	101,014	101,014	87,525
Operating Expense	45,130	49,040	40,369	49,040
Program Expenditures	459,660	490,760	480,095	482,233
Revenues	412,109	372,400	364,250	364,500
Program Revenues	412,109	372,400	364,250	364,500
Special Events				
Salaries & Benefits	85,925	88,173	81,017	95,788
Internal Service Charges	84,407	108,266	108,266	94,204
Operating Expense	47,206	46,755	46,500	55,250
Program Expenditures	217,538	243,194	235,783	245,242
Revenues	44,445	47,000	47,000	50,000
Program Revenues	44,445	47,000	47,000	50,000
Senior Transportation				
Salaries & Benefits	24,057	23,263	23,263	24,040

Recreation & Community Services	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Budget
Internal Service Charges	-	-	-	-
Operating Expense	125,207	127,332	191,377	80,594
Program Expenditures	149,264	150,595	214,640	104,634
Revenues	148,664	150,595	220,890	104,634
Program Revenues	148,664	150,595	220,890	104,634
General Fund Totals				
Salaries & Benefits	1,262,823	1,302,295	1,213,848	1,374,813
Internal Service Charges	836,566	1,029,356	1,029,356	893,649
Operating Expense	474,584	520,959	523,650	484,949
General Fund Expenditures	2,573,973	2,852,610	2,766,854	2,753,411
Revenues	1,420,474	1,426,077	1,369,259	1,375,216
General Fund Revenues	1,420,474	1,426,077	1,369,259	1,375,216

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 2019-20 reflects those capital replacement items that need to be purchased.

Budget Detail – Annual Capital Improvement Projects & Capital Replacement

Fiscal Year 2019-20 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 \$17.1 million has been incorporated in the table to account for continuing appropriations and represent 16 of the 48 projects listed in the CIP budget table. These continuing projects are re-evaluated annually during the fiscal year-end review process.

The Fiscal Year 2019-20 budget funds 48 projects totaling \$30.1 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

Capital Improvement Project Expenditures

CIP – Carryover (Continuing Appropriation)	\$17,177,810
CIP – Improvements	2,500,000
CIP – Rehabilitation	9,657,835
CIP – New Construction	800,300
CIP Total	\$30,135,945

Fiscal Year 2019-20 Annual Capital Replacement Expenditures:

The Fiscal Year 2019-20 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.

Annual Capital Replacement Expenditures - Internal Service Funds

Capital Equipment – (Office Furniture / Tools / Other)	\$760,811
Information Technology (Computers / Servers)	537,578
Fleet (Vehicles)	954,000
Government Buildings	1,199,697
Routine Capital Expenditures Total	\$3,452,086

CAPITAL PROJECTS FUNDING ANALYSIS

		11	11	11	11	11	11		
Proj #	Project Name	Total	General Fund Capital	General Fund Operating	General Plan Maint.	Economic Dev.	Park In-Lieu	Developer Impact	
Estimated Beginning Balance 7/1/19		C/A	\$ 14,676,611	N/A	\$ 123,575	\$ 2,500,000	\$ 430,030	\$ 2,051,444	
General Fund 11									
11	GF163 Facilities HVAC & Energy Efficiency Systm.		0	0					
11	GF334 Sports Park Roll Gates	Y	10,500				10,500		
11	GF335 General Plan Update	Y	1,163,575		163,575	1,000,000			
11	GF339 Recreation Center Rehab		0						
11	GF341 Recreation Center Interior Improvements	Y	187,000						
11	GF403 Park Improvements - Annual		200,000	200,000					
11	GF413 Citywide Arterial Median Landscape		1,591,053					1,000,000	
11	GF790 Two-bay Butler Building - Fire		400,300						
11	GF791 Fire Station Gates		0						
11	GF792 Security Cameras System - Yard, Fire, Rec Ctr		0						
11	GF793 Fire Station No. 1 Remodel	Y	750,000						
11	GF794 Police Locker Room/Showers Remodel	Y	180,000						
11	GF795 City Hall Interior Remodel	Y	100,000						
11	GF796 EVP Pilot Program		400,000	400,000					
11	GF798 Early Fire Alarm - B&G		0	0					
11	GF915 I-405 Improvement 2017	Y	131,285						
General Fund Projects			5,113,713	400,000	200,000	163,575	1,000,000	10,500	1,000,000
Gas Tax 23									
23	GT005 Pavement Management		70,000						
23	GT010 Restriping - Various Locations		0						
23	GT020 School Area Signage		0						
23	GT021 Audible Pedestrian Signals		12,500						
23	GT101 Administration		2,000						
23	GT228 ADA Compliant Curb Ramps (School Area)		296,000						
23	GT229 Residential Roadway Rehabilitation		2,300,000	350,000					
Gas Tax Projects			2,680,500	0	350,000	0	0	0	
Traffic Imp 24									
24	TI155 Brookhurst Traffic Signal Synchronization	Y	100,000						
24	TI156 Magnolia Traffic Signal Synchronization	Y	50,000						
24	TI160 Citywide Traffic Signal Timing Maint		30,000						
24	TI233 Signal Talbert/Mt Washington	Y	686,973	47,634					
24	TI266 Traffic Signal Controllers Citywide		300,000						
24	TI267 Citywide Signal Communication Maint.		35,000						
24	TI274 Newhope - Talbert/Warner	Y	1,476,830						
24	TI275 Warner - Brookhurst/Euclid		2,000,000						
24	TI280 Harbor Blvd Traffic Signal Synchronization	Y	1,225						
24	TI283 SCE Easement Svc Roads/PedPathways		1,200,000						
24	TI281 PPLT Protect Permissive Traffic Sig Oper Stdy		0						
Traffic Improvement Fund Projects			5,880,028	47,634	0	0	0	0	
Drainage 31									
31	DF657 Drainage GIS Infrastructure Update		10,000						
31	DF996 Walnut Pump Station	Y	4,589,901	2,349,367					
Drainage Fund Projects			4,599,901	2,349,367	0	0	0	0	
Sewer 32									
32	SF616 Sewer GIS Mapping		35,000						
32	SF617 Sewer Manhole Rehab		65,000						
32	SF620 Sewer Improvements Annual		2,300,000						
32	SF93X I-405 Utility Faciliites Relocation 2017	Y	143,988						
32	SF93X I-405 Utility Faciliites Relocation 2019		23,522						
Sewer Fund Projects			2,567,510	0	0	0	0	0	
Water 71									
71	WU703 Well Site No. 6		300,000						
71	WU705 Hydrant Replacement		30,000						
71	WU706 Water Meter Replacement		30,000						
71	WU707 Vulnerability Assessmnt/Emerg. Reponse		125,000						
71	WU708 Water Conservation		100,000						
71	WU709 Pipeline Condition Assessment		300,000						
71	WU711 Pipeline Replacement		200,000						
71	WU806 Well Site No. 8		100,000						
71	WU807 Well Site No. 11		100,000						
71	WU825 Chlorine Generators		150,000						
71	WU842 GIS Update		40,000						
71	WU846 Reservoir No. 2 (\$8,783,286)	Y	7,283,286						
71	WU9XX I-405 Utility Faciliites Relocation 2017	Y	323,247						
71	WU9XX I-405 Utility Faciliites Relocation 2017A		128,793						
71	WU9XX I-405 Utility Faciliites Relocation 2019		83,967						
Water Fund Projects			9,294,293	0	0	0	0	0	
Total Projects			30,135,945	2,797,001	550,000	163,575	1,000,000	10,500	1,000,000
Revenues/Add Reserves				1,473,908		40,000		268,018	
Estimated Reserve Balance 6/30/20			\$ 13,353,518		\$ -	\$ 1,500,000	\$ 419,530	\$ 1,319,462	

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

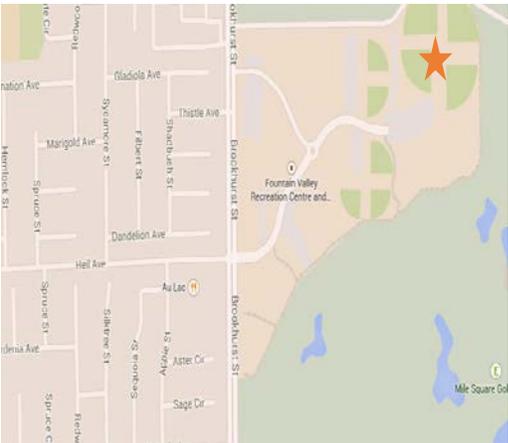
Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$10,500

Budgeted Funding Sources: Park In-Lieu

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Park In-Lieu	10,500					10,500
Total	\$10,500					\$10,500

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: General Plan Update

Project Number: GF335 General Fund

Project Description:

The General Plan is one of California’s most important planning tools. Every city in California is required by state law to adopt a general plan containing goals and policies that expresses the community’s vision of its future, improves public safety, and enhances access to and the use of available resources. The General Plan is a long-range planning document that represents the community’s view of its future; it is a blueprint for a city’s growth and development. This project will include consultant services to deliver a comprehensive General Plan update to the current General Plan that was adopted in 1995.

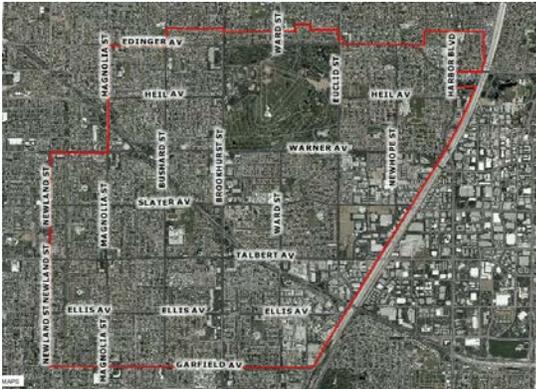
Estimated Start Date: 2017/2018

Estimated Completion Date: 2020/2021

Budgeted Projected Costs: \$1,363,575

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

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Economic Development Reserve	1,000,000					1,000,000
General Plan Maintenance Fee Reserve	163,575					163,575
Total	\$1,163,575					\$1,163,575



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Recreation Center Interior Improvements

Project Number: GF341 General Fund

Project Description:

This revitalization project is to provide improvements to the interior facilities of the Recreation Center. The interior will be updated to meet current needs, compliance and appearance. The improvements to the existing facility will include flooring throughout, interior paint, revitalizing wood components with paint or stain, replacing existing cabinetry and counter tops in the kitchen, kitchen appliances, creating ease of access through kitchen area, generating storage space, and modifying the current layout to create an open-concept greeting counter.

Estimated Start Date: 2018/2019

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$187,000

Budgeted Funding Sources: 98 Tax Allocation Bond Proceeds

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
98 TABs	187,000					187,000
Total	\$187,000					\$187,000

Current Structure:



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

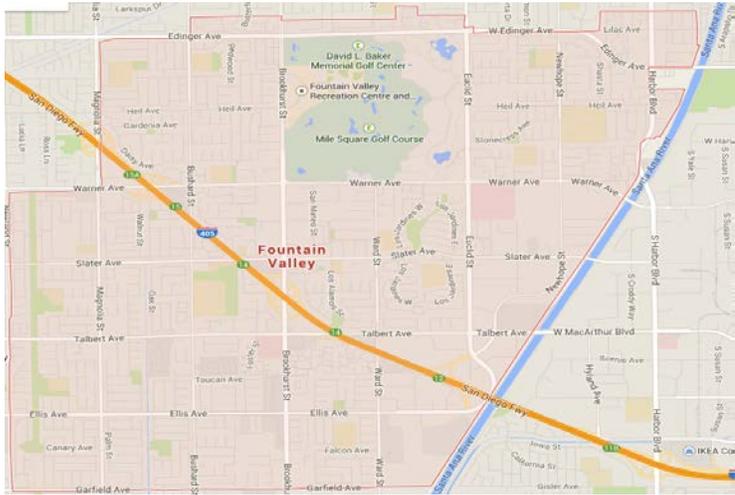
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$200,000 Annual

Budgeted Funding Sources: General Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
General Fund	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Citywide Arterial Median Landscape

Project Number: GF413 General Fund

Project Description:

This project was developed in response to California's drought and the prohibition of watering turf medians on arterial streets. The purpose of the project is to improve citywide arterial medians by replacing existing turf with drought tolerant landscape alternatives that reduce water use, incorporate existing hardscape and trees where possible, and create a contemporary and inviting city streetscape. The cost of the project includes landscape architect design and construction costs. The first construction phase will include Brookhurst St. from Warner Ave. to Edinger Ave., Euclid St. from Warner Ave. to Edinger Ave. and Slater Ave. from Brookhurst St. to Ward.

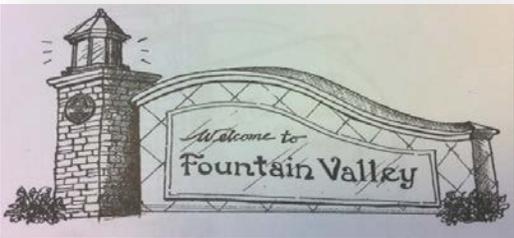
Estimated Start Date: 2015/2016

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$2,162,053

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

Project Budget						
Funding Source(s)	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Developer Mitigation	1,000,000					1,000,000
98 TABs	591,053					591,053
Total	\$1,593,053					\$1,593,053



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 30' X 45' metal building behind Fire Station No 2. It will provide for additional storage for emergency apparatus and other equipment. The project includes the concept design and the construction of the pre-manufactured building, which requires the purchase of a building kit, construction of a concrete foundation, and electrical equipment installation.

Estimated Start Date: 2017/2018

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$500,000

Budgeted Funding Sources: 98 Tax Allocation Bond Proceeds

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
98 TABs (Continuing Appropriation)	400,300					400,300
Total	\$400,300					\$400,300

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Emergency Vehicle Preemption (EVP) Pilot Study

Project Number: GF796 General Fund

Project Description:

EVP is a traffic signal control system for emergency vehicles that provides safety to first responders and the community and reduces travel times. As the map below illustrates, a large number of cities in Orange County utilize EVP. The Fire department and Public Works department have agreed that an EVP study is warranted to test if the system could improve travel time without adversely affecting traffic signal coordination. The City will be piloting the study using the most advanced GPS system technology. Installation of EVP for the pilot study would include 15 intersections along Bushard and Newhope, and portions of Brookhurst and Warner.

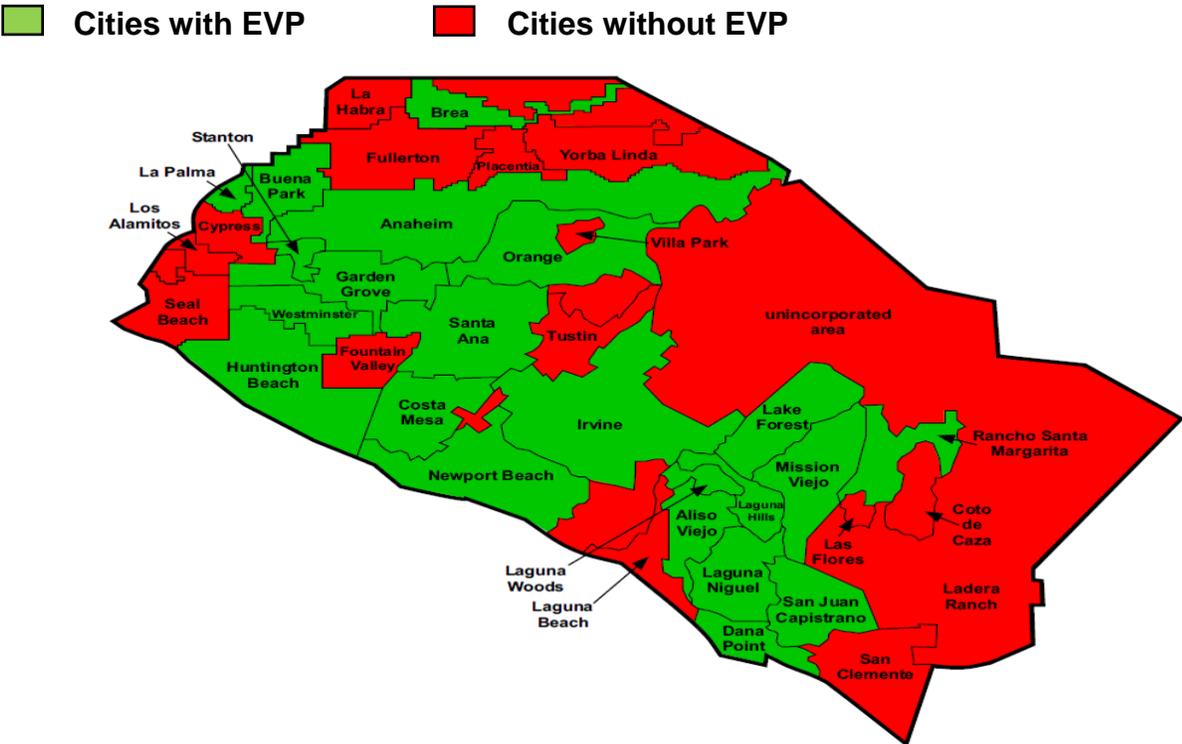
Estimated Start Date: 2019/2020

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$400,000

Budgeted Funding Sources: General Fund Capital Reserves

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
General Fund Capital Reserve	400,000					400,000
Total	\$400,000					\$400,000



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

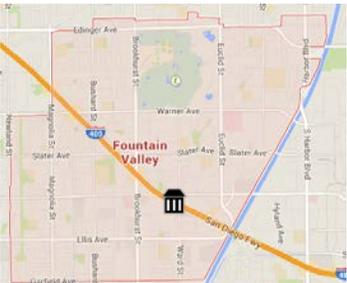
Estimated Completion Date: 2021/2022

Budgeted Projected Costs: \$975,000

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

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
OCTA Reimbursement (Continuing Appropriation)	131,285					131,285
Total	\$131,285					\$131,285

Location Map:



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

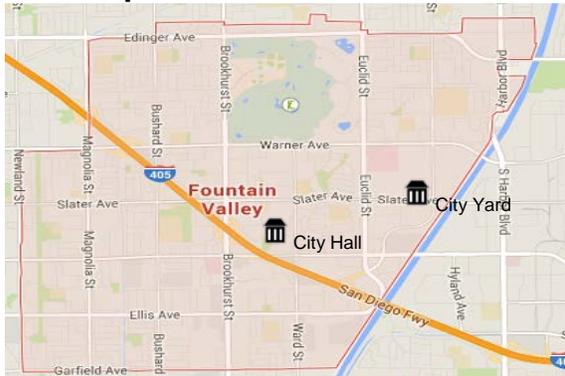
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$70,000

Budgeted Funding Sources: Gas Tax Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Gas Tax	\$70,000	\$40,000	\$70,000	\$40,000	\$70,000	290,000
Total	\$70,000	\$40,000	\$70,000	\$40,000	\$70,000	\$290,000

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: 2019/2020

Budgeted Projected Costs: \$12,500

Budgeted Funding Sources: Gas Tax Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	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

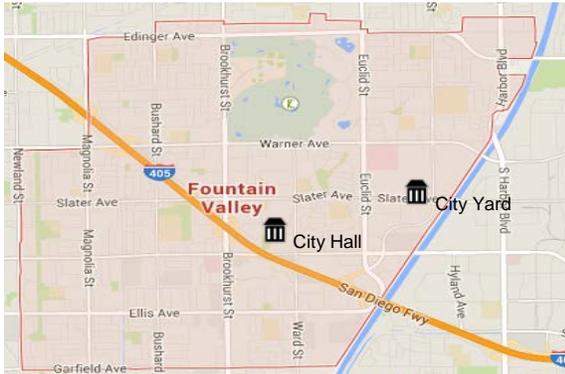
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$2,000 Annual

Budgeted Funding Sources: Gas Tax Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	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: 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: 2019/2020

Budgeted Projected Costs: \$296,000

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

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	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: 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’S H3, J1 & J2 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 2019.

Estimated Start Date: Annual

Estimated Completion Date: 2019

Budgeted Projected Costs: \$2,300,000

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

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Gas Tax	732,035		1,180,000	980,000	980,000	3,872,035
Transportation Congestion Relief Fund (TCRF Loan)	192,846					192,846
Road Maint. & Rehab. Acct. (RMRA/SB 1)	942,119	1,000,000				1,942,119
General Fund	350,000		350,000	350,000	350,000	1,400,000
Water Fund	50,000		40,000	40,000	40,000	170,000
Sewer Fund	33,000		30,000	30,000	30,000	123,000
Total	\$2,300,000	\$1,000,000	\$1,600,000	\$1,400,000	\$1,400,000	\$7,700,000

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

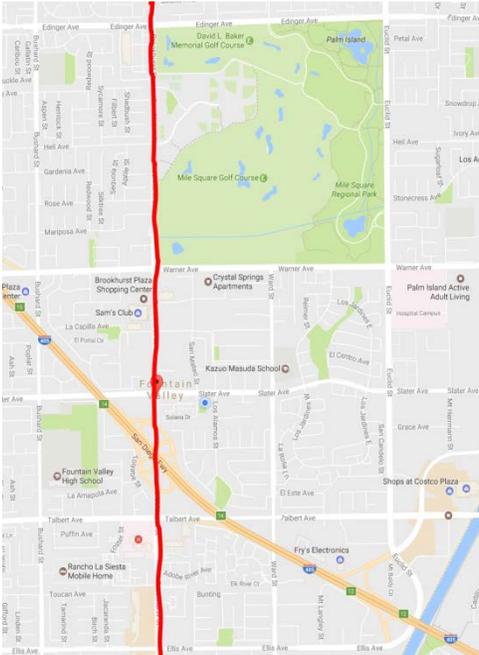
Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$100,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Measure M2	100,000					100,000
Total	\$100,000					\$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

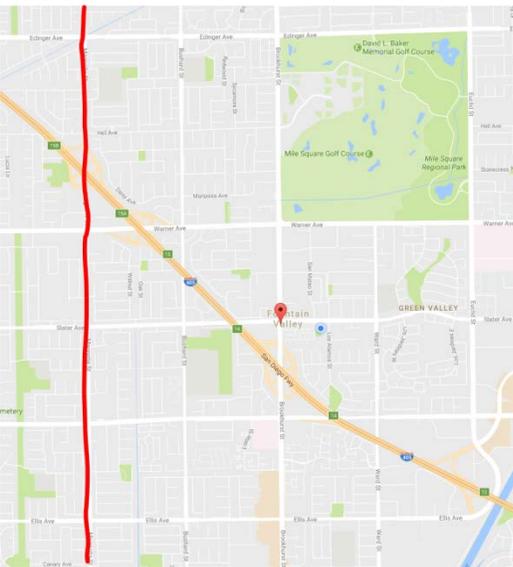
Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$50,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	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 54 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)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Measure M2	30,000	20,000	20,000	20,000	20,000	110,000
Traffic Improvement		10,000	10,000	10,000	10,000	40,000
Total	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000

Location: Citywide



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

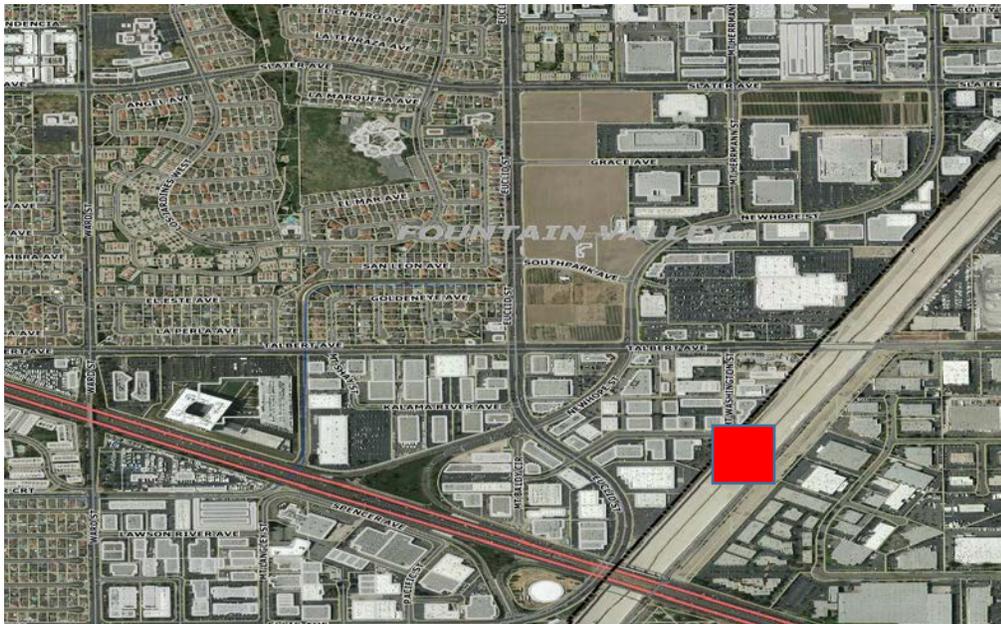
Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$699,493

Budgeted Funding Sources: Traffic Impact Fees, 98 Tax Allocation Bond Proceeds, General Fund Capital Reserves

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Traffic Improvement	280,267					280,267
98 TAB	359,072					359,072
General Fund Capital Reserves	47,634					47,634
Total	\$686,973					\$686,973

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Traffic Signal Controllers Citywide

Project Number: TI266 Traffic Improvement Fund

Project Description:

This project will provide and install traffic signal controllers and supporting equipment at all traffic signals citywide.

Estimated Start Date: 2019/2020

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$300,000

Budgeted Funding Sources: Measure M2, Traffic Improvement

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Measure M2	300,000					300,000
Total	\$300,000					\$300,000



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

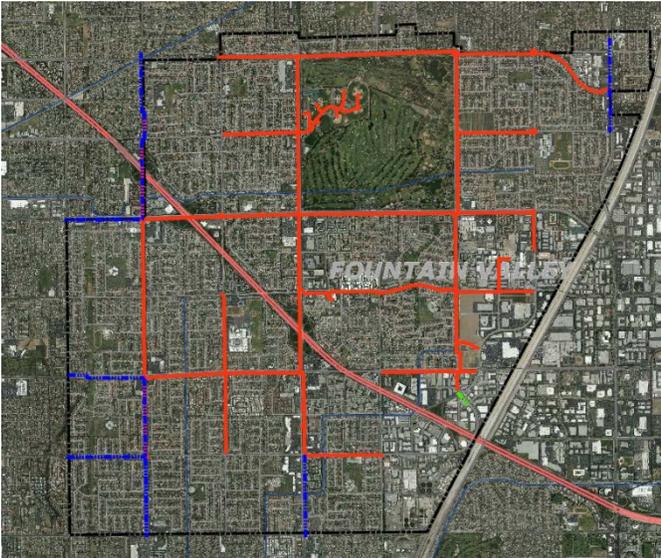
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$35,000

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2019-20	2020-21	2022-23	2023-24	2024-25	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: Newhope-Talbert/Warner

Project Number: TI274 Traffic Improvement Fund

Project Description:

This project is for the rehabilitation and resurfacing of Newhope Street from Talbert Avenue to Warner Avenue. The scope of work for the project includes the removal and reconstruction of deteriorated sections of roadway and placement of a rubber asphalt concrete overlay. The project will also include concrete improvements, including the replacement of the raised center medians. These improvements will provide for a better ride quality and service life for Newhope Street while also providing for ADA compliant pathways for pedestrians.

Estimated Start Date: 2018/2019

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$1,576,830

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

Project Budget						
Funding Source(s)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Measure M2	1,425,830					1,425,830
Water Fund	25,000					25,000
Sewer Fund	26,000					26,000
Total	\$1,476,830					\$1,476,830

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Warner Ave Arterial Rehabilitation from Brookhurst St. to Euclid St.

Project Number: TI275 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: 2019/2020

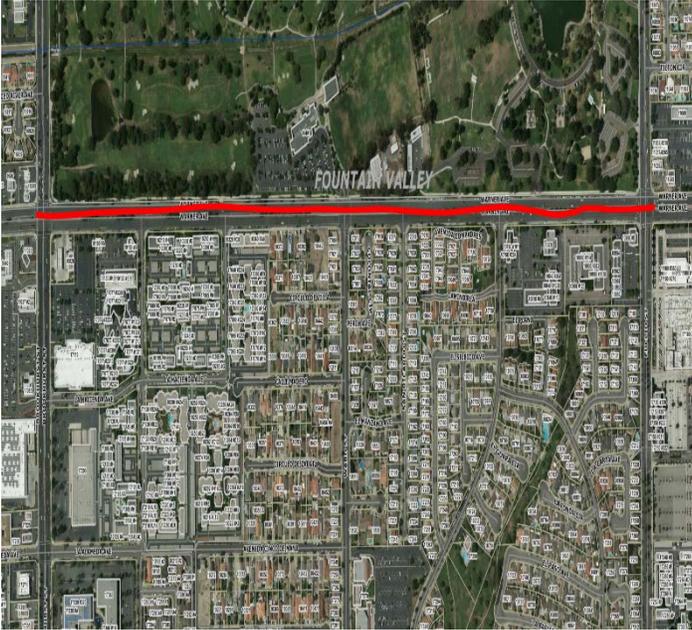
Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$2,000,000

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

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Measure M2	2,000,000					2,000,000
Water Fund						
Sewer Fund						
Total	\$2,000,000					\$2,000,000

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

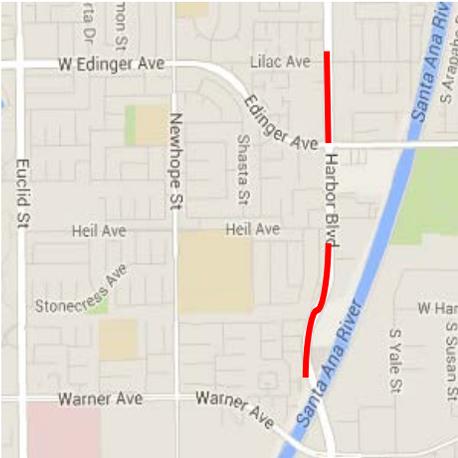
Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$5,640

Budgeted Funding Sources: Measure M2

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Measure M2	1,225					1,225
Total	\$1,225					\$1,225

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: SCE Easement Service Road/Pedestrian Pathway

Project Number: TI283 Traffic Improvement Fund

Project Description:

This project will reconstruct the SCE Easement Service Roads/Pedestrian Pathways within the City limits

Estimated Start Date: 2019/2020

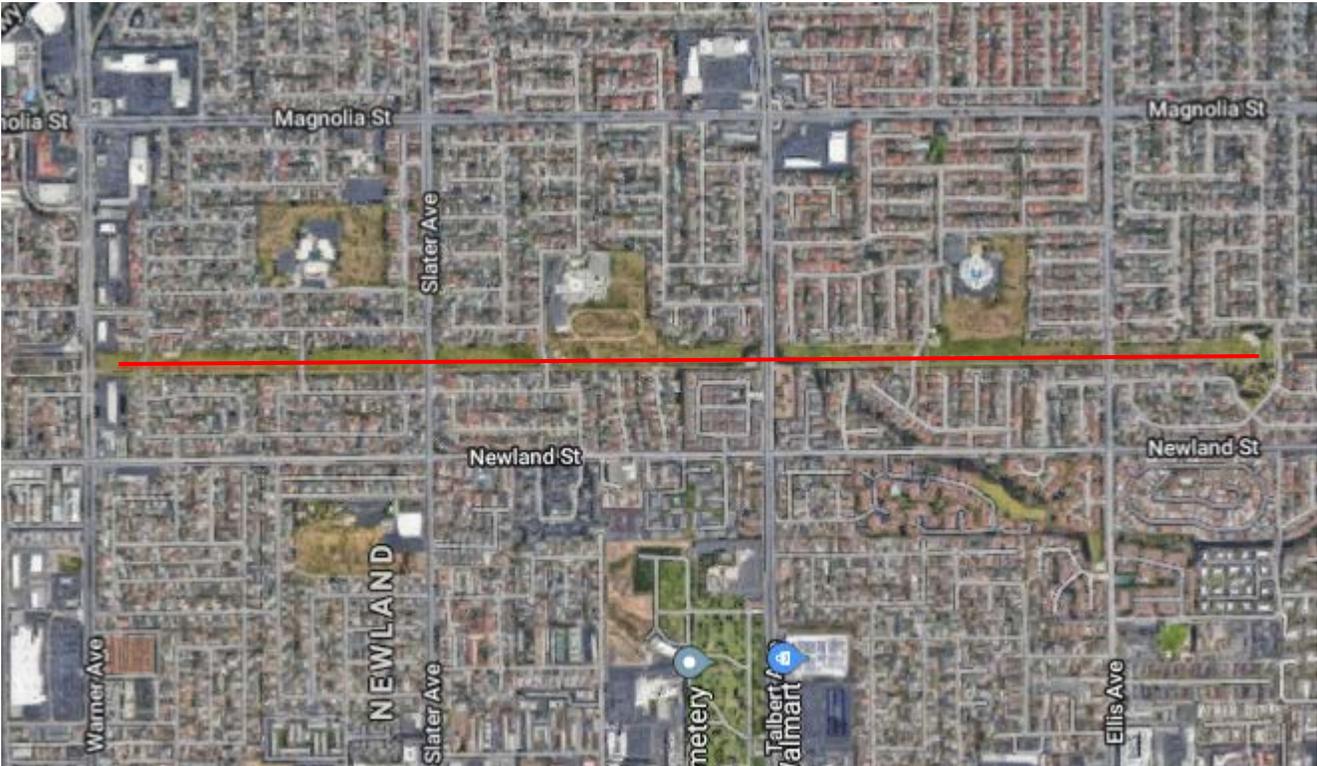
Estimated Completion Date: 2020/2021

Budgeted Projected Costs: \$1,200,000

Budgeted Funding Sources: Measure M2, County of Orange Grant

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Measure M2	200,000					200,000
County of Orange	1,000,000					1,000,000
Total	\$1,200,000					\$1,200,000

Location Map:



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

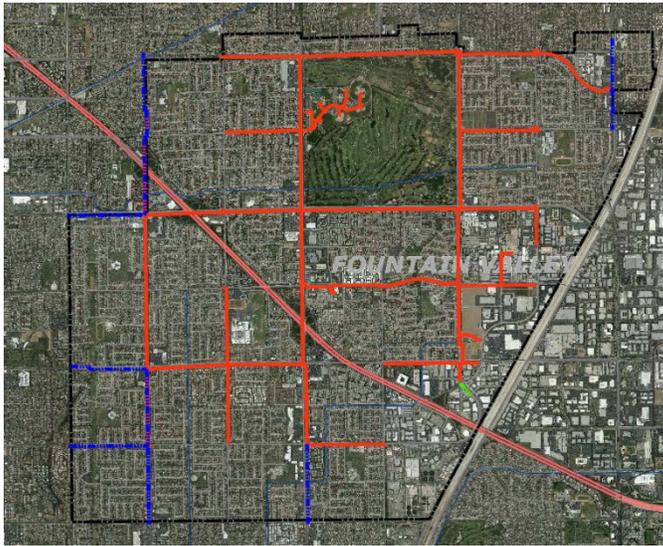
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$10,000 Biannual

Budgeted Funding Sources: Drainage Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	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: Walnut Pump Station

Project Number: DF996 Drainage Fund

Project Description:

This pump station facility was originally constructed in the 1960's with three pumps powered by natural gas engines. The station was expanded in 1979 to a 4 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. In addition, the equipment is obsolete and can no longer be adequately maintained. The rehabilitation will include new design plans, 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.

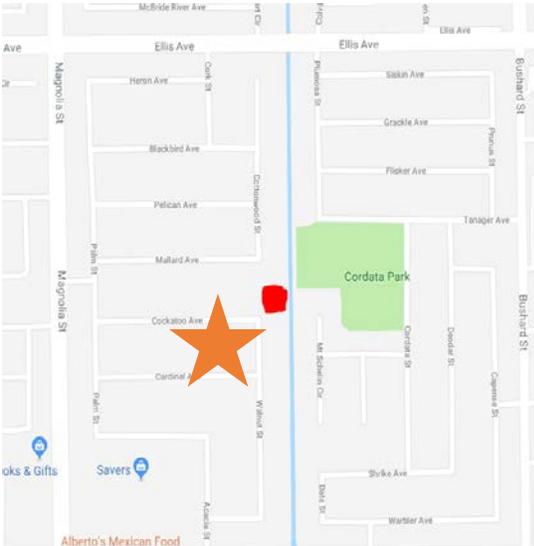
Estimated Start Date: 2017/2018

Estimated Completion Date: 2020/2021

Budgeted Projected Costs: \$5,703,443

Budgeted Funding Sources: 2016A Lease Revenue Bonds, Drainage Fund, General Fund Capital Reserves

Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
2016A Lease Revenue Bonds	2,115,534					2,115,534
Drainage Fund	125,000					125,000
General Fund Capital Reserve	2,349,367					2,349,367
Total	\$4,589,901					\$4,589,901



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

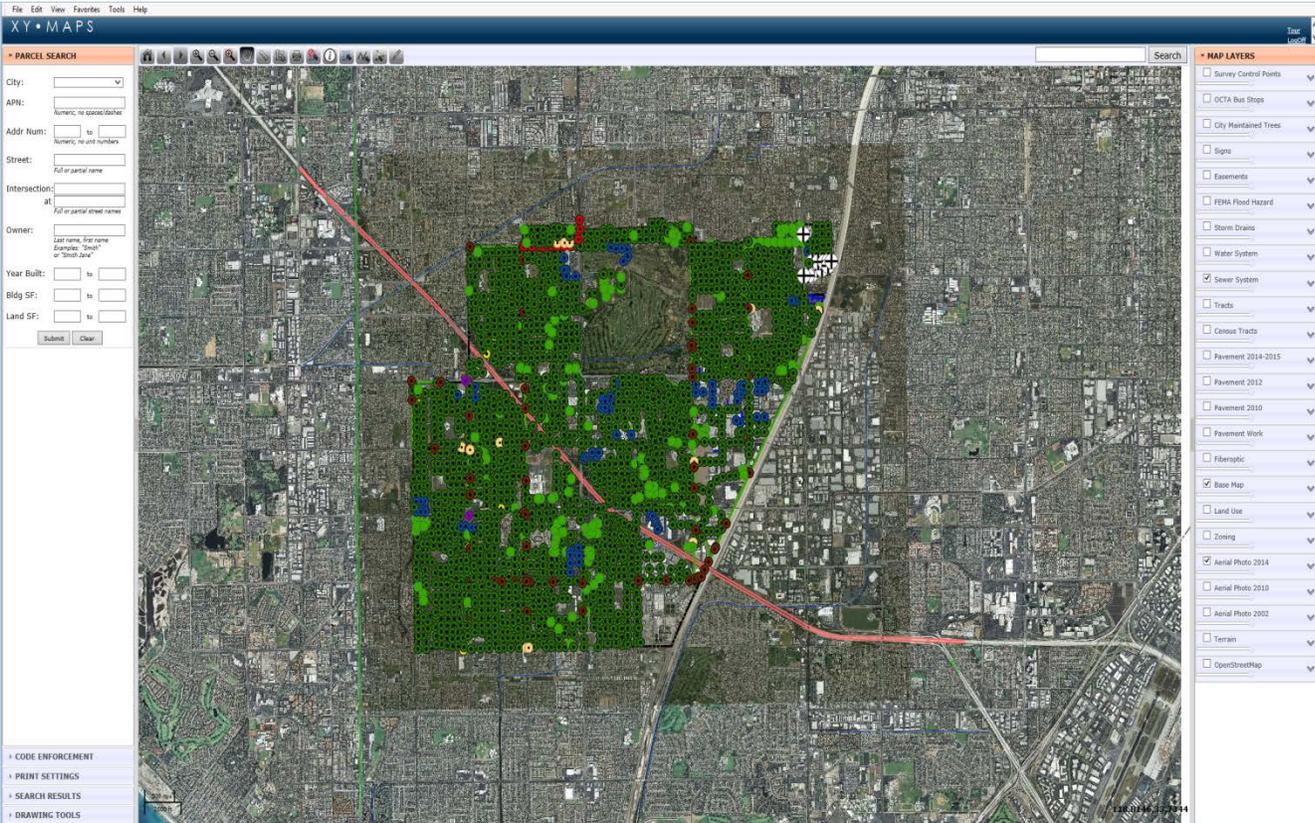
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$35,000

Budgeted Funding Sources: Sewer Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Sewer Fund	35,000	35,000	35,000	45,000	45,000	195,000
Total	\$35,000	\$35,000	\$35,000	\$45,000	\$45,000	\$195,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Sewer Manhole Rehab

Project Number: SF617 Sewer Fund

Project Description:

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

Estimated Start Date: Periodic

Estimated Completion Date: Continuous

Budgeted Projected Costs: \$65,000 Biannual

Budgeted Funding Sources: Sewer Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Sewer Fund	65,000	65,000		65,000		195,000
Total	\$65,000	\$65,000		\$65,000		\$195,000

Location: Various Areas Citywide.



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Sewer Structural 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: \$2,300,000

Budgeted Funding Sources: Sewer Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Sewer Fund	2,300,000	1,500,000	1,500,000	1,500,000	1,500,000	8,300,000
Total	\$2,300,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	8,300,000

Location: Various Areas Citywide



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Well No. 6 Rehabilitation

Project Number: WU703 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. In fiscal year 17-18 emergency repair work was done on the top portion of the well pump in an effort to bring the back into operational condition after it had completely failed. This work is an interim condition improvement and this well requires a more comprehensive long term list of improvements so that the city can realize longevity. The improvements required as part of this project include replacement of the entire pump, shaft and full casing rehabilitation.

Estimated Start Date: 2018/2019

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$300,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	300,000					300,000
Total	\$300,000					\$300,000

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.

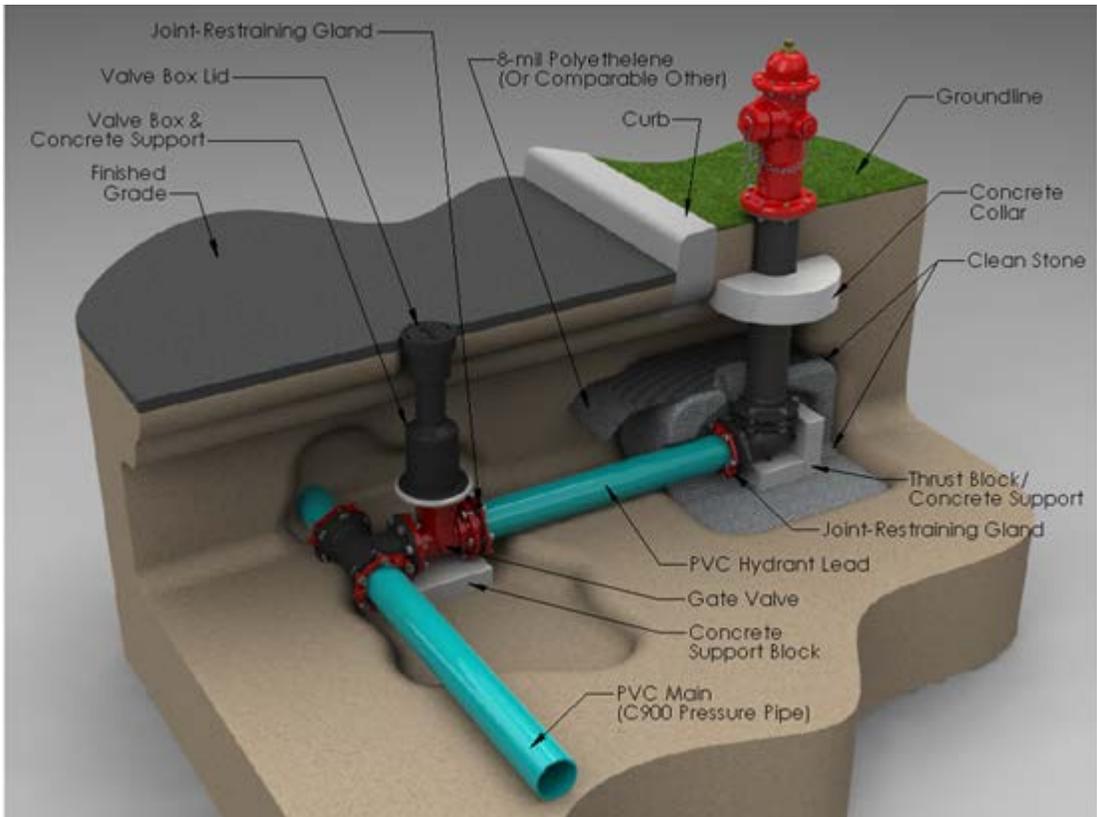
Estimated Start Date: Annual

Estimated Completion Date: Continuous

Budgeted Projected Costs: \$30,000 Annual

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	30,000	30,000	30,000	30,000	30,000	150,000
Total	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Vulnerability Assessment/Emergency Response Plan

Project Number: WU707 Water Fund

Project Description:

On October 23, 2018, America's Water Infrastructure Act (AWIA) was signed into law. The law requires community (drinking) water systems serving more than 3,300 people to develop or update vulnerability assessments and emergency response plans (ERPs). The law includes components that the risk assessments and ERPs must address, and establishes deadlines by which water systems must certify to EPA completion of the vulnerability assessment and ERP.

Start Date: 2019/2020

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$125,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	125,000					125,000
Total	\$125,000					\$125,000



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, annual water loss audit reporting, 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)	2019-20	2020-21	2021-22	2022-23	2023-24	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 water main replacement project is 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 are conducted 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, a condition assessment program is used to better define near and long term financial impacts.

The condition assessment program includes a prioritization step to identify the most critical pipelines and to obtain a reasonable cross section of conditions throughout the City. The prioritization process utilizes likelihood and consequence factors to determine an initial sample size of pipelines for inspection. Following prioritization, inspection is used to estimate the remaining useful life of the sample pipelines. The results will be used to infer the remaining useful lives of 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)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	300,000	300,000				600,000
Total	\$300,000	\$300,000				\$600,000

CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Pipeline Replacement

Project Number: WU711 Water Fund

Project Description:

This project will replace aging city water lines that currently cross the I-405 freeway and which were identified as part of the City’s water pipeline assessment program. This project will realize savings and efficiency by virtue of building these improvements through the I-405 project forces. It should be noted that these water lines are not being impacted by the I-405 project, and; therefore, do not qualify as those improvements to be paid for by the I-405 project.

Start Date: 2018/2019

Estimated Completion Date: Continuous

Budgeted Projected Costs: \$200,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	200,000		350,000		2,250,000	2,800,000
Total	\$200,000		\$350,000		\$2,250,000	\$2,800,000



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Well No. 8 Rehabilitation

Project Number: WU806 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. In addition to the Well pump and motor at well 8, it will include the installation of an emergency backup generator and a Variable Frequency Drive (VFD) for energy efficiency.

Estimated Start Date: 2019/2020

Estimated Completion Date: 2020/2021

Budgeted Projected Costs: \$100,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	100,000	700,000				800,000
Total	\$100,000	\$700,000				\$800,000



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Well No. 11 Rehabilitation

Project Number: WU807 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: 2019/2020

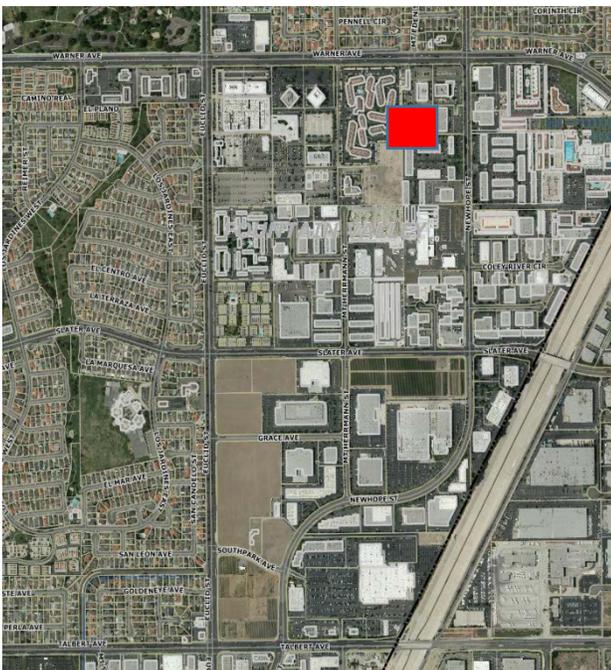
Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$100,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	100,000		850,000			950,000
Total	\$100,000		\$850,000			\$950,000

Location Map:



CAPITAL IMPROVEMENT PROJECTS DESCRIPTIONS

Project Name: Chlorine Generators

Project Number: WU825 Water Fund

Project Description:

Each of the City’s six wells utilizes On-Site Sodium Hypochlorite Generation Systems (OSHGS) to provide disinfection for the potable water system. This project will replace the OSHGS at well No. 11 as it has exceeded it’s life expectancy of ten years and is requiring additional maintenance and it is producing lower strength solution.

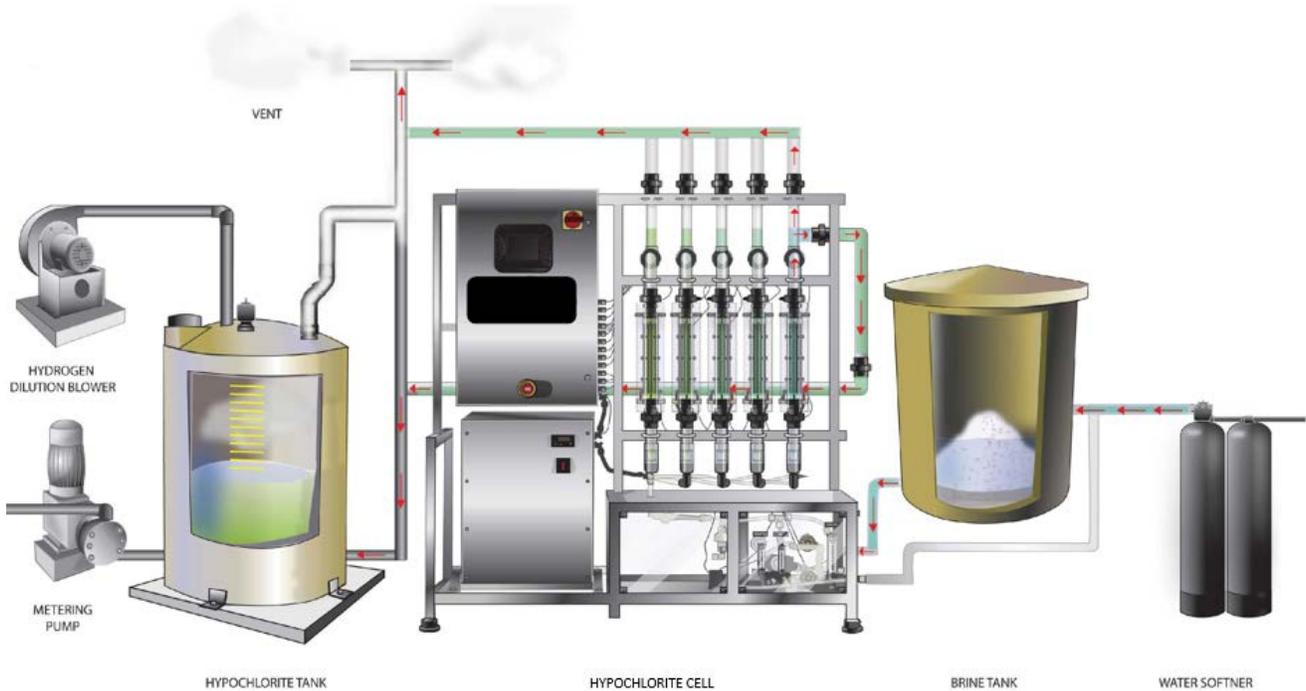
Estimated Start Date: 2018/2019

Estimated Completion Date: 2019/2020

Budgeted Projected Costs: \$150,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	150,000	150,000	150,000	150,000	150,000	750,000
Total	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000



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: 2013/2014

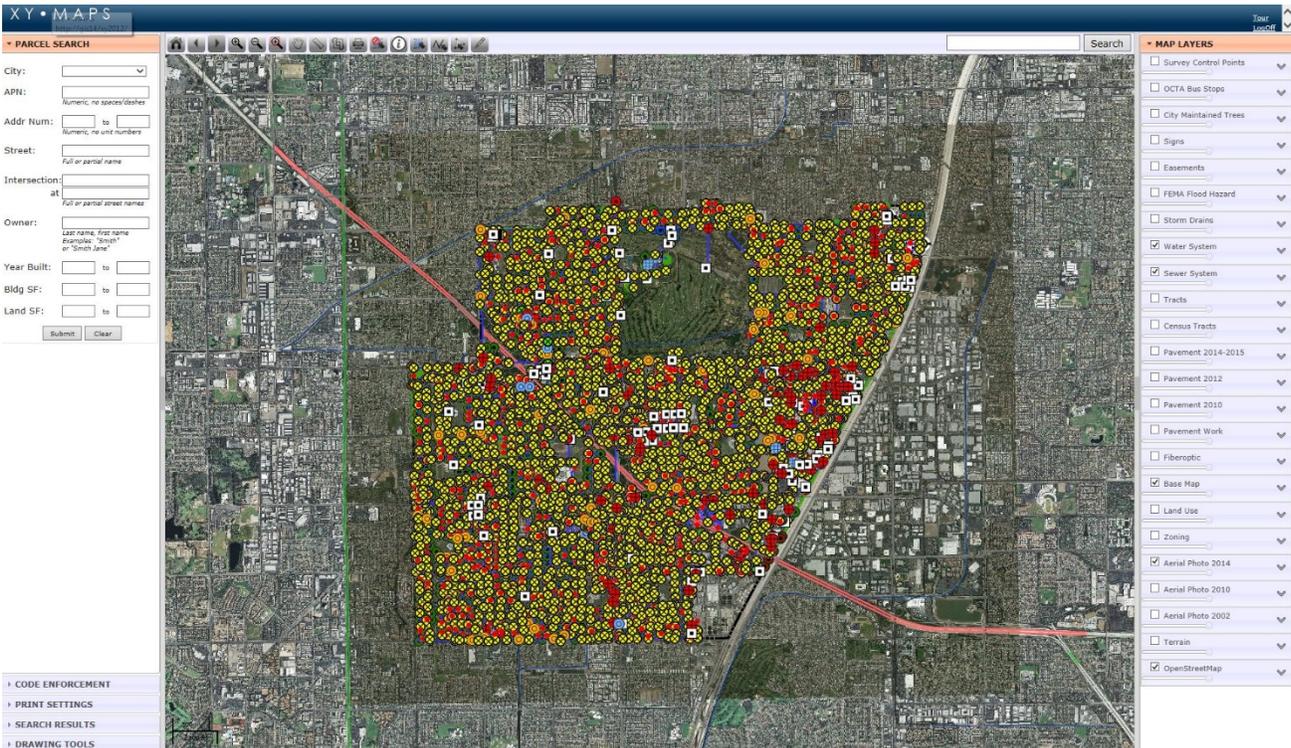
Estimated Completion Date: Continuous

Budgeted Projected Costs: \$40,000

Budgeted Funding Sources: Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Fund	40,000	45,000	45,000	50,000	50,000	230,000
Total	\$40,000	\$45,000	\$45,000	\$50,000	\$50,000	\$230,000

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: 2020/2021

Budgeted Projected Costs: \$9,405,182

Budgeted Funding Sources: 2014A Water Revenue Bonds, Water Fund

Project Budget						
Funding Source(s)	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Water Revenue Bonds (Continuing Appropriation)	4,139,349					4,139,349
Water Fund	3,143,937					3,143,937
Total	\$7,283,286					\$7,283,286



TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 61: Information Processing

Project	2019-20
Computer Room	
City Hall Racks	
FOUNTAIN VALLEY DOMAIN	
PC-WS Info Svcs Mgr. DC0108	2,000
Printer-HP3600N	1,200
PC-WS-Info Svcs Tech DC12	4,400
PC-WS-Info Svcs Tech DC14	1,500
Network Servers & Equipment	
Svr-CRSVR2017	3,500
Svr-FVAdmin	3,000
Svr-Appassure Backup	7,200
Appassure Backup PV110	8,700
Cisco 2950 (3)Switches - FV	11,600
Router - Cisco 1600R City Hall Ph. Rm.	1,500
Svr-AD64 Voice Mail Svr	3,500
Svr-SEVEN Call Svr	9,300
Digital Signage Equipment-City Hall	6,600
Fax Server	2,600
Scanner-Laserfiche - Fijitsu	6,500
Public Laserfich Project	21,910
FVPD Rack	
FV POLICE DOMAIN	
Cisco 2950 (3)Switches- PD	11,600
Svr-PDSTA4018 (BDC)	6,000
Svr-Spillman	118,566
Svr-COPLINK15	3,500
Firewall-PA-3020 Firewall - COFVPD	16,000
TMC Room - City Hall	
Svr-Dell TMC #1 (Video)	3,500
Svr-Dell TMC #2 (Signal Detection)	3,500
Laptop-(Rugged) Signal Control	5,500
Total Computer Room	263,176
City Manager	
Laptop-City Mgr. CH1087	
PC-WS-Secretary CH1067	900
PC-WS-Asst to CM CH1090	900
PC-WS-Admin Intern CH1088	900
PC-WS-City Council CH1096	900
Total City Manager	3,600
Finance/Utility Billing	
Laptop-Fin Dir CH1086	
Laptop - Purchasing Agent CH1007	1,300
PC-WS-Div. Scrtly CH1083	900
PC-WS-Payroll CH1082	900
PC-WS-Temp(Rear) CH1078	900
PC-WS-Acct Tech 1 CH1019	900
PC-WS-Repro/Stores Office CH1008	900
Printer - Receipt and Cash Drawer	1,200
Printer - HP 3015 - Water Billing	1,200
Printer - HP 2300 - Payroll	1,200
Printer - HP 2300 - Finance Accounting	1,200
Printer-Dell3765 Copier/Fax/Scan	2,200
Bar Code Readers (4)	1,300
Total Finance/Utility Billing	14,100
Personnel	
PC-WS-Manager CH1002	900
PC-WS-Analyst CH1003	900

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 61: Information Processing

Project	2019-20
PC-WS-Div. Sec CH1004	900
PC-WS-Aide CH1005	900
PC-WS-Safety & HR CH1006	900
Laptop-Personnel CH1030W8	1,300
Scanner-Fitjitsu	1,750
Total Personnel	7,550
<hr/>	
City Clerk	
PC-WS-City Clerk CH1026	900
PC-WS-CC Digital Recorder CH1100	6,600
PC-WC-Council Chamber # 2 CH1101	900
Scanner Laserfiche	4,500
Total City Clerk	12,900
<hr/>	
Community Services	
PC-WS-Comm Svcs Mgr CS2000	900
PC-WS-Div Secretary CS2001	900
PC-WS-Rec Svcs Coord CS2002	900
PC-WS-Front Desk CS2003	900
PC-WS-Rec Svcs Super CS2004	900
PC-WS-Front Desk Wall CS2005	900
PC-WS-Front. Desk CS2006	900
PC-WS-CS Super. CS2008	900
PC-WS-Clerk Typist CS2009	900
PC-WS-Back Office CS2010	900
PC-WS-Rec Leader MSP CS2011	900
PC-WS-Front Desk Door CS2012	900
PC-WS-SC PC CS2015	900
PC-WS-CS Back Office CS2017	900
Printer-MP161 Copier/Printer/Fax/Scanner	1,900
Printer-HP4650 SC LaserJet Color	3,500
Printer-HP400 SC 1870	1,200
Total Community Services	19,200
<hr/>	
Planning/HCD	
Laptop-Planning Director CH1074	3,500
PC-WS-Clerk Typist CH1053	900
PC-WS-Housing Coord CH1061	900
Printer-HP4000PL	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
Total Planning/HCD	13,300
<hr/>	
Fire	
PC-WS-Fire Chief CH4000	1,300
PC-WS-Admin Sec. CH4001	1,300
PC-WS-Fire Marshall CH4002	1,300
PC-WS-Fire Intern CH4005	900
PC-WS-Fire Prevention CH4006	900
PC-WS-FIRST / EOC Planner CH4007	900
PC-WS-Sta 2 / Lib1 CH4040	900
Printer-Ricoh 1515 Fire Sta #1	2,200
Printer-Ricoh 1515 Fire Sta #2	2,200
Printer-HP452dn - BC Office Sta #1	400
PC-WS Plan Check	2,000
PC-WS Plan Check	3,000
PC-WS- Sta1 FireMap CH4024	3,000
Total Fire	20,300
<hr/>	
Public Works - Engineering	

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 61: Information Processing

Project	2019-20
PC-WS-Dir. Pub. Wks CH1048	900
PC-WS-Mgt Analyst CH1046	900
PC-WS-Dept Sec. CH1063	900
Printer-HP4550N-Color LaserJet	900
Printer-HP2025dn- Div Sec	600
Total Public Works - Engineering	4,200
Public Works - City Yard	
Printer-HPM25DW Front Office	1,400
PC-WS-Mgt Analyst CY3242	900
PC-WS-Sign Shop CY3104	900
Printer-HP3015n-Sign Shop	500
Plotter-Graphtec-Sign Shop	7,200
PC-WS-Internal Svcs Sup CY3232	900
PC-WS-General Svcs Mgr CY3210	900
PC-WS-Foreman Traffic CY3248	900
PC-WS-Landscape Inspector CY3244	900
PC-WS-Sprinkler Tech CY3234	900
PC-WS-Sewer & Storm Super. CY3245	900
Printer-HP452 Sewer	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-Special Projects Mgr CY3207	900
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 Time Entry CY3105	900
PC-WS Time Entry CY3106	900
PC-WS-Foreman Rec Center CY3247	900
PC-WS-Public Svcs Super CY3236	900
PC-WS-Foreman Gvt Bldg CY3226	900
PC-WC-Chem App CY3249	1,200
Ricoh 1515 Printer/Copier/Copier/Fax	1,800
Switch-Cisco 2950 24 port	1,200
Total Public Works - City Yard	45,600
Police (Asset Seizure)	
PC-WS-FVPD Lt's Ofc. FV 85	900
PC-WS-Det. Persons Crimes FV 48	900
PC-WS-Sgt's Office FV 36	900
PC-WS-FVPD Lt's Ofc FV 17	900
PC-WS-Support Capt FV 8	900
PC-WS-Traffic FV 32	900
PC-WS-School Resource Ofcr FV 42	900
PC-WS-Locator FV 64	900
PC-WS-Traffic LT FV 59	900
PC-WS-Watch Com FV 79	900
PC-WS-Det Fraud S. FV 43	900
PC-WS-Det Fraud N. FV 44	900
PC-WS-Det Sex Crime FV 45	900
PC-WS-Det Prop N. FV 46	900
PC-WS-CSU Sgt FV 97	900
PC-WS-CSU FV 49	900

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 61: Information Processing

Project	2019-20
PC-WS-Opns Capt FV 3	900
PC-WS-Sgt's Office FV 37	900
PC-WS-Sgt's Office FV 35	900
PC-WS-Det. Assist FV 62	900
Printer-HP 452dn - Rept Write FV 87	1,700
Printer-HP LaserJet 3015tn - Detectives	700
Printer-HP LaserJet 3015 Watch Com	400
Printer-HP LaserJet 3765 Opns. Secretary	400
Printer-HP LaserJet M452 Det. Lt's Office	400
Printer-HP 1200 Lt's Office	400
Printer-HP LaserJet 3015 Property Room	400
Printer-HP LaserJet 1200 Traffic Sgt's Office	400
Printer-HP 4100N Detective's Secretary	1,700
Printer-HP 3015n CSU Office	1,700
Printer-HP 3015n Records	1,700
Total Police (Asset Seizure)	27,900

Police	
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. FV 14	900
PC-WS-Det. MUGS FV 66	900
PC-WS-P&T FV 12	900
PC-WS-CSU Office FV 57	900
PC-WS-CSO Det. Assist Desk FV 47	900
PC-WS-Records FV 71	900
PC-WS-Traffic Bureau FV 28	900
PC-WS-Traffic back desk FV 30	900
PC-WS-Court Liaison FV 63	900
PC-WS-Det Sgt FV 58	900
PC-WS-Laserfiche FV 514	900
Scanner-Laserfiche	6,352
Scanners (7)-Records	7,000
PC-WS-FVPD Digital Lab FV 54	6,100
PC-WS-Property Rm FV 34	2,000
PC-WS-Traffic Bureau FV 26	900
PC-WS-Traffic Bureau FV 31	900
PC-WS-Traffic Bureau Sgt. FV 29	900
PC-WS-Comp Forensic Lab FV 55	3,500
PC-WS-Video Editing Workstation FV 52	3,500
PC-WS-Tracker System	2,000
Evidence Bar Code System Hardware	6,400
Laptop-MDC Mgt.	3,500
PC-WS-SIU Office FV 50	900
PC-WS-SIU Office FV 51	900
Laptop - Dell - Detective's (Property Rm.)	1,200
Laptop - Dell - SIU (Property Rm)	1,200
PC-WS TMC PD Traffic Video Pos # 1	900
PC-WS TMC PD Traffic Video Pos # 2	900
PC-WS EOC PD Traffic Video from TMC	900
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-Dell 3765 Division Secretary	1,800
Printer-Dell 3765 Chief Secretary	2,100

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 61: Information Processing

Project	2019-20
Printer-Ricoh 1515 Traffic Bureau	2,100
MDT-Mobile Computer Getac T800	2,500
MDT-Mobile Computer Getac T800	2,500
MDT-Mobile Computer Getac T800	2,500
Total Police	87,252
Total Computers & Printers	519,078
Duplicating/Mail/Stores	
Reproduction Room/ Ricoh Priport JP5000	12,000
Laminators - 1	500
Binder, Comb	2,100
Binder, Wire	1,900
Folder	2,000
Total Duplicating/Mail/Stores	18,500
Total Information Processing	537,578

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 62: Government Buildings

Project	2019-20
City Hall	
Automated Doors (3)	25,000
Exterior Stucco/Painting	20,000
Total City Hall	45,000
Senior/Community Center	
Carpet/Flooring - 2nd Floor	23,500
Dance Floor	13,500
Painting (Interior)	25,000
Water Heater	5,000
Doors-Dividing	10,000
Total Senior/Community Center	77,000
Fields/Field Restrooms	
Benches (5)	5,400
Doors, Roll Up	45,000
Field Restrooms Partitions	6,000
Roofs (4)	22,000
Total Fields/Field Restrooms	78,400
Neighborhood Parks	
Outdoor Sports Courts Resurfacing Project	188,000
Total Neighborhood Parks	188,000
Recreation Center	
Bleachers (Gym)	25,000
Curtains	3,220
Total Recreation Center	28,220
Tennis Center	
Alarm	3,000
Painting Interior	1,500
Roof	6,500
Total Tennis Center	11,000
City Yard	
Doors/Rollup/Overhead	165,000
Total City Yard	165,000
Fire Station #1	
Flooring	23,000
Paint (Interior)	16,000
Roof	210,000
Total Fire Station #1	249,000
Fire Station #2	
Doors, Overhead	26,500
Paint (Interior)	11,000
Roof	136,000
Generator-Standby	50,000
Total Fire Station #2	223,500
Police Facility	
Jail Floor	18,000
Painting (Interior)	6,577
Generator-Standby	110,000
Total Police Facility	134,577
Total Government Buildings	1,199,697

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 63 Fleet Management

Project	2019-20
Recreation & Community Services	
Taylor-Dunn W/Dump Bed	21,000
Total City Hall Cars	21,000
Police Department	
Police Management	
Ford Crown Victoria	32,000
Patrol & Enforcement	
Patrol & Enforcement Annual Replacement (4 Vehicles Annually \$44,000 each)	176,000
Police Department-Investigation	
Honda Accord Sport	35,000
Honda Accord Sport	35,000
Ford Freestar Van	34,000
Police Department-Field Support	
Ford Ranger	23,000
PD - Field Support - Motorcycles	
Honda	29,500
Honda	29,500
Total Police Department	394,000
Public Works	
Fleet/Government Buildings	
Hydraulic Lift Trailer	21,000
Total Fleet /Government Buildings	21,000
Concrete Maintenance	
Concrete Maintenance	
Ford 350 Flatbed, W/lift Gate	48,000
Total Concrete Maintenance	48,000
Pavement/Asphalt Maintenance	
Freightliner Heater Patch Truck Diesel	150,000
Triple L Trailer	15,000
Total Pavement/Asphalt Maintenance	165,000
Streets/Traffic/Graffiti	
Ford F350 Stencil Truck	95,000
Total Streets/Traffic/Graffiti	95,000
Trees/Public R-O-W	
Bean Sprayer	15,000
Total Trees/Public R-O-W	15,000
Recreation Center	
Tilt Trailer for Small Equipment	9,000
Dosko Root Cutter	10,000
Total Recreation Center Management	19,000
Utilities	
Water Management	
Peterbuilt 2-Axle Dump-Diesel	150,000
Flemming Backhoe Trailer	26,000
Total Water Management	176,000
Total Utilities	176,000
Total Public Works	363,000
Total All Fleet	954,000

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 64: Equipment

Project	2019-20
City Hall	
Council Sound System	3,100
Wireless Microphone (Council)	700
Furniture	
Furniture / Lobby (City Hall)	2,500
Furniture / Lobby (Inner Council)	2,500
Furniture / Lobby (Outer Council)	2,500
Furniture - Dept Managers	6,000
Chairs - Managers (39)	1,000
Furniture - Council	35,000
Furnishings - Sml Conference Rooms (3)	6,000
Furnishings - Lrg Conference Rooms (2)	4,000
Refrigerator/ Employee Lounge	1,700
Workstations - General Staff	82,240
Chairs - Staff	12,700
Total City Hall	159,940
Police	
Brazos Devices (32)	
Teletrac Units /GPS	2,600
RACES	1,166
Fingerprint Fax -1	5,000
Ballistic Vests	4,500
S.W.A.T. Vests	4,400
Firearms	1,000
Furnishings	10,000
Chairs - Staff (27)	1,000
Chairs - Managers (30)	1,000
Furniture / Lobby (3)	1,650
Total Police	32,316
Paramedics	
Cardiac Monitors (4)	119,000
Total Paramedics	119,000
Suppression	
Bendix King (Bk) Radios (20)	39,000
Scott Breathing App / Bottles (26)(8)	6,500
Smoke Ejector (Gas)	2,525
Holmaltro Extraction System (2)	52,000
SCBA Harnesses (25)	108,030
SCBA Air Filling Station	41,000
Wildland Protective Clothing (20 sets)	14,000
Turn-Out Gear (2,750 per set x 5)	13,750
Total Suppression	276,805
Fire Station # 1	
Furnishings	6,000
Appliances	2,550
Total Fire Station # 1	8,550
Fire Station # 2	
Furnishings	3,000
Appliances	2,400
Total Fire Station # 2	5,400
Total Fire	409,755
Public Works-Field Services	
Field Services	
Furnishings	3,000

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 64: Equipment

Project	2019-20
Power Tools-Facilities	2,500
Total Field Services	5,500
Rec Center Maintenance	
Remote Control-Irrigation (3)	2,900
Hedge Trimmers (1)	500
Chain Saws -020-7 (4 Rec. 2 Civ. 1 ROW)	1,600
Total Rec Center Maintenance	5,000
Concrete Maintenance	
Grinder Vacuum Large (2)	5,000
Total Concrete Maintenance	5,000
Sewer Maintenance	
Blowers	1,000
Generator	3,000
Tri-Pod Winch	6,000
Total Sewer Maintenance	10,000
Fleet Operations	
Engine Diagnostic Tool	5,600
Parts Bead Blaster (2)	10,500
Oil Lube Pump Transfer	2,500
Oil Lube Product Pump	2,200
Small Equipment Lift	1,500
Oil Filter Crusher	11,000
Total Fleet Operations	33,300
Total Field Services	58,800
Water	
Hydraulic Pallet Truck - Multiton	2,500
Air Compressor - Hill Bros. & Co.	3,900
Wrench - Miller (N52-506) & Tripod	6,000
Hammer- Drill - Milwaukee	1,600
Grinder (1/2 HP) - Craftsman	2,000
Hoist System #9000	6,000
Total Water	22,000
Recreation & Community Services	
Recreation Center	
Staff Chairs	500
Backpack Blowers (2)	1,000
String Trimmers (2)	1,000
Score Board Receiver & Encloser-(6) BB/SB Field	3,090
Goal Posts	3,000
Snow Cone / Popcorn Machine	860
Furnishings	1,500
Refrigerator	2,500
Tables/Chairs	10,000
Piano	5,000
Total Recreation Center	28,450
Senior Center	
Staff Chairs	500
Bar Stools (Senior Center) (20)	2,600
Card Tables (Senior Center) (28)	2,750
Tables/Chairs	7,000
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

TEN YEAR CAPITAL REPLACEMENT SCHEDULE

Fund 64: Equipment

Project	2019-20
Weight Machine, Pullover	1,600
Refrigerator, 20 cu ft Frigidaire	1,100
Microwave, Commercial, Panasonic	500
Piano	7,000
Stage, Portable	2,000
Projection Screen, 12' Auditorium	1,500
Projection Screen, 10' Lecture Room	1,000
Bingo Equipment	10,000
	Total Senior Center 49,550
	Total Recreation & Community Services 78,000
	Total Equipment 760,811

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	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Fund Balance	44,989,175	42,338,600	44,050,796	40,427,498
Revenues				
Operating Revenues				
General Revenues	53,236,245	52,254,651	51,284,413	52,635,929
Functional Revenues	5,343,434	5,347,000	5,347,000	5,347,000
Total Operating Revenues	58,579,679	57,601,651	56,631,413	57,982,929
Other Revenues				
Miscellaneous Reimbursements	131,285	-	-	-
Developer/Park Impact Payments	268,018	-	-	-
Total Other Revenues	399,303	-	-	-
Transfers In				
Gas Tax Fund	423,000	450,000	450,000	450,000
Government Buildings	-	-	-	-
Measure M2	83,707	80,000	80,000	80,000
Sewer Fund	61,650	60,330	60,330	60,330
Total Transfers In	568,357	590,330	590,330	590,330
Total Revenues	59,547,339	58,191,981	57,221,743	58,573,259
Expenditures				
Wages/Benefits/Insurance				
Wages	18,262,190	18,741,172	19,115,401	19,497,115
Other Wages (Overtime/Special Pays)	3,994,370	4,034,314	4,074,657	4,115,403
Benefits	6,026,047	6,229,253	6,235,428	6,243,427
Insurance	1,438,971	1,295,074	1,165,566	1,107,288
Total Wages/Benefits/Insurance	29,721,577	30,299,812	30,591,052	30,963,234
Internal Services				
.9323 Information Services	1,451,322	1,657,119	1,324,988	1,329,360
.9503 Government Buildings	1,598,643	1,775,090	1,741,608	1,780,794
.8304 Fleet Services	1,357,464	1,672,218	1,790,631	1,701,100
.8736 Capital Equipment	391,430	476,897	199,779	316,461
.8638 Self Insurance	1,387,734	993,370	1,013,237	1,033,502
Total Internal Services	6,186,592	6,574,695	6,070,243	6,161,217
Operations & Maintenance				
Departmental	6,458,463	6,533,255	6,523,422	6,598,539
Non-Departmental	870,000	1,380,735	1,391,679	1,052,835
Total Operations & Maintenance	7,328,463	7,913,990	7,915,100	7,651,374
Debt Service				
2016A Lease Revenue Bonds	873,775	869,675	867,750	872,650
2017 CREBS	223,698	224,247	224,742	225,178
Total Debt Service	1,097,473	1,093,922	1,092,492	1,097,828
Capital				

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
41,500,627	43,057,262	45,120,322	48,199,690	47,458,731	50,417,950
54,034,376	55,481,936	56,728,799	57,753,166	58,476,147	59,338,203
<u>5,347,000</u>	<u>5,347,000</u>	<u>5,347,000</u>	<u>5,347,000</u>	<u>5,347,000</u>	<u>5,347,000</u>
59,381,376	60,828,936	62,075,799	63,100,166	63,823,147	64,685,203
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
450,000	450,000	450,000	450,000	450,000	450,000
-	-	-	-	-	-
80,000	80,000	80,000	80,000	80,000	80,000
<u>60,330</u>	<u>60,330</u>	<u>60,330</u>	<u>60,330</u>	<u>60,330</u>	<u>60,330</u>
590,330	590,330	590,330	590,330	590,330	590,330
59,971,706	61,419,266	62,666,129	63,690,496	64,413,477	65,275,533
19,886,464	20,283,599	20,688,677	21,101,856	21,523,299	21,953,171
4,156,557	4,198,123	4,240,104	4,282,505	4,325,330	4,368,584
6,253,245	6,302,884	6,315,143	6,366,810	6,381,583	6,435,358
<u>1,051,924</u>	<u>1,072,962</u>	<u>1,094,421</u>	<u>1,116,310</u>	<u>1,138,636</u>	<u>1,161,409</u>
31,348,189	31,857,568	32,338,345	32,867,482	33,368,849	33,918,522
1,674,376	1,477,394	1,482,690	1,423,194	1,767,309	1,397,251
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
<u>1,054,172</u>	<u>1,075,256</u>	<u>1,096,761</u>	<u>1,118,696</u>	<u>1,141,070</u>	<u>1,163,891</u>
6,478,160	6,620,384	6,304,049	6,549,004	6,771,357	6,544,035
6,589,031	6,664,477	6,655,299	6,731,075	6,722,231	6,798,342
<u>1,064,209</u>	<u>1,075,805</u>	<u>1,087,626</u>	<u>1,010,677</u>	<u>1,022,964</u>	<u>1,035,490</u>
7,653,241	7,740,281	7,742,925	7,741,753	7,745,195	7,833,832
871,650	864,950	862,550	864,250	864,950	864,650
<u>225,554</u>	<u>225,866</u>	<u>226,113</u>	<u>226,290</u>	<u>226,395</u>	<u>226,424</u>
1,097,204	1,090,816	1,088,663	1,090,540	1,091,345	1,091,074

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	2019-2020	2020-2021	2021-2022	2022-2023
Capital (OCTA Reimbursement)	4,913,713	-	4,000,000	-
Capital - Continuing Appropriations	<u>47,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital	4,960,943	-	4,000,000	-
Payoffs				
OPEB ARC Funding	-	-	-	-
CalPERS UAL Additional Funding	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total Capital	2,000,000	2,000,000	2,000,000	2,000,000
Transfers Out				
Gas Tax	620,000	653,100	661,443	670,036
Traffic Improvement	406,706	-	-	-
Drainage Fund	2,349,367	-	-	-
Equipment Fund	19,000	-	-	-
Employee Benefit Fund	<u>7,507,792</u>	<u>7,944,265</u>	<u>8,514,710</u>	<u>8,956,441</u>
Total Transfers Out	10,902,865	8,597,365	9,176,153	9,626,478
Total Expenditures	62,197,913	56,479,785	60,845,041	57,500,131
Surplus/(Deficit)	(2,650,575)	1,712,196	(3,623,298)	1,073,129
Reserves				
Restricted	2,183,933	2,183,933	2,183,933	2,183,933
Committed for Emergencies	14,000,000	13,254,000	12,459,000	12,957,000
Pension Reserves	10,801,150	12,648,003	14,579,811	16,600,482
Economic Development Reserves	1,500,000	1,500,000	1,500,000	1,500,000
Capital Reserves	13,353,517	13,964,860	9,204,754	7,759,211
Contingency Reserve	500,000	500,000	500,000	500,000
Fund Balance	42,338,600	44,050,796	40,427,498	41,500,627

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
-	-	-	4,000,000	-	-
-	-	-	-	-	-
-	-	-	4,000,000	-	-
-	-	-	-	2,000,000	2,000,000
<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
678,887	688,004	697,394	707,066	717,028	727,289
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,159,389</u>	<u>9,359,153</u>	<u>9,415,386</u>	<u>9,475,611</u>	<u>9,760,484</u>	<u>10,053,513</u>
9,838,277	10,047,157	10,112,780	10,182,677	10,477,512	10,780,802
58,415,071	59,356,206	59,586,762	64,431,455	61,454,257	62,168,265
1,556,635	2,063,060	3,079,367	(740,959)	2,959,220	3,107,268
2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933
13,476,000	14,015,000	14,436,000	14,725,000	14,872,000	15,169,000
18,714,104	20,924,953	23,237,501	24,306,426	25,424,522	26,594,050
1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
6,683,225	5,996,436	6,342,255	4,243,371	5,937,495	7,578,235
500,000	500,000	500,000	500,000	500,000	500,000
43,057,262	45,120,322	48,199,690	47,458,731	50,417,950	53,525,218

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Water Fund	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	14,585,116	7,804,085	8,840,777	11,040,600
Revenues				
Water Revenue				
Operating Revenue	17,259,500	18,466,771	19,708,272	21,048,718
Total Water Revenue	17,259,500	18,466,771	19,708,272	21,048,718
Other Revenue				
Water Revenue Bonds	-	-	-	-
Government Agencies (OCTA)	536,007	-	-	-
Total Other Revenue	536,007	-	-	-
Total Revenues	17,795,507	18,466,771	19,708,272	21,048,718
Expenditures				
Operating				
Operating	14,097,290	14,462,377	14,656,611	15,250,804
Total Operating	14,097,290	14,462,377	14,656,611	15,250,804
Capital				
Capital	8,758,286	1,740,000	1,575,000	2,580,000
OCTA Capital (Reimbursable)	536,007	-	-	-
Total Capital	9,294,293	1,740,000	1,575,000	2,580,000
Debt Service				
Principal Loan Payment	-	-	-	-
Principal Debt Service (FVPFA)	555,000	580,000	600,000	630,000
Total Debt Service	555,000	580,000	600,000	630,000
Transfers Out				
Employee Benefit Fund (OPEB)	554,955	582,703	611,838	642,430
Section 115 Trust	-	-	-	-
Gas Tax Fund	50,000	40,000	40,000	40,000
Traffic Improvement Fund	25,000	25,000	25,000	25,000
Total Transfers Out	629,955	647,703	676,838	707,430
Total Expenditures	24,576,538	17,430,079	17,508,449	19,168,233
Fund Balance	7,804,085	8,840,777	11,040,600	12,921,085

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
12,921,085	14,232,169	16,420,607	17,616,368	18,740,664	19,842,533
<u>21,943,681</u>	<u>22,868,351</u>	<u>23,877,883</u>	<u>24,905,845</u>	<u>25,977,812</u>	<u>27,096,803</u>
21,943,681	22,868,351	23,877,883	24,905,845	25,977,812	27,096,803
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
21,943,681	22,868,351	23,877,883	24,905,845	25,977,812	27,096,803
<u>15,843,046</u>	<u>16,474,084</u>	<u>17,158,251</u>	<u>17,882,790</u>	<u>18,650,354</u>	<u>19,463,520</u>
15,843,046	16,474,084	17,158,251	17,882,790	18,650,354	19,463,520
3,455,000	2,807,550	4,060,177	4,362,882	4,615,668	4,073,538
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,455,000	2,807,550	4,060,177	4,362,882	4,615,668	4,073,538
-	-	-	-	-	-
<u>595,000</u>	<u>625,000</u>	<u>655,000</u>	<u>690,000</u>	<u>725,000</u>	<u>765,000</u>
595,000	625,000	655,000	690,000	725,000	765,000
674,551	708,279	743,693	780,877	819,921	860,917
-	-	-	-	-	-
40,000	40,000	40,000	40,000	40,000	40,000
<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
739,551	773,279	808,693	845,877	884,921	925,917
20,632,597	20,679,913	22,682,121	23,781,549	24,875,943	25,227,976
14,232,169	16,420,607	17,616,368	18,740,664	19,842,533	21,711,360

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Refuse Fund	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	873,587	920,957	920,957	920,957
<u>Revenues</u>				
Refuse Revenues				
Refuse Billing	3,454,870	3,450,000	3,450,000	3,450,000
Total Refuse Revenues	3,454,870	3,450,000	3,450,000	3,450,000
Total Revenues	3,454,870	3,450,000	3,450,000	3,450,000
<u>Expenditures</u>				
Operating				
Operating	3,407,500	3,450,000	3,450,000	3,450,000
Total Operating	3,407,500	3,450,000	3,450,000	3,450,000
Total Expenditures	3,407,500	3,450,000	3,450,000	3,450,000
Fund Balance	920,957	920,957	920,957	920,957

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
920,957	920,957	920,957	920,957	920,957	920,957
<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>
3,450,000	3,450,000	3,450,000	3,450,000	3,450,000	3,450,000
3,450,000	3,450,000	3,450,000	3,450,000	3,450,000	3,450,000
<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>
3,450,000	3,450,000	3,450,000	3,450,000	3,450,000	3,450,000
3,450,000	3,450,000	3,450,000	3,450,000	3,450,000	3,450,000
920,957	920,957	920,957	920,957	920,957	920,957

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Road Maintenance & Rehabilitation (SB1)	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	-	-	-	-
Revenues				
Special Revenues				
Road Maintenance & Rehabilitation Allocation	942,119	1,000,000	1,000,000	1,000,000
Total Special Revenues	942,119	1,000,000	1,000,000	1,000,000
Other Revenues				
Interest	-	-	-	-
Total Other Revenues	-	-	-	-
Total Revenues	942,119	1,000,000	1,000,000	1,000,000
Expenditures				
Transfers Out				
Gas Tax Fund	942,119	1,000,000	-	-
Traffic Improvement Fund	-	-	1,000,000	1,000,000
Total Transfers Out	942,119	1,000,000	1,000,000	1,000,000
Total Expenditures	942,119	1,000,000	1,000,000	1,000,000
Fund Balance	-	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
-	-	-	-	-	-
<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
-	-	-	-	-	-
-	-	-	-	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
-	-	-	-	-	-
<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
-	-	-	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Gas Tax Fund	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	1,456,393	1,737,855	1,708,255	529,163
Revenues				
HUT Allocation				
Gas Tax - Section 2103	485,454	250,000	250,000	250,000
Gas Tax - Section 2105	316,659	325,000	325,000	325,000
Gas Tax - Section 2106	210,541	200,000	200,000	200,000
Gas Tax - Section 2107	423,000	425,000	425,000	425,000
Total HUT Allocation	1,435,654	1,200,000	1,200,000	1,200,000
Other Income				
Interest / Other	14,000	17,000	17,000	5,000
SB1 Loan Repayment	64,189	-	-	-
Recovery of Expense	226,000	-	-	-
Total Other Income	304,189	17,000	17,000	5,000
Transfers In				
Road Maint & Rehab (SB1)	942,119	1,000,000	-	-
Sewer Fund	33,000	30,000	30,000	30,000
Water Fund	50,000	40,000	40,000	40,000
General Fund	620,000	650,400	655,908	661,526
Total Transfers In	1,645,119	1,720,400	725,908	731,526
Total Revenues	3,384,962	2,937,400	1,942,908	1,936,526
Expenditures				
Capital				
Capital Projects	2,680,500	2,542,000	2,697,000	1,442,000
Total Capital	2,680,500	2,542,000	2,697,000	1,442,000
Transfers Out				
General Fund	423,000	425,000	425,000	425,000
Total Transfers Out	423,000	425,000	425,000	425,000
Total Expenses	3,103,500	2,967,000	3,122,000	1,867,000
Fund Balance	1,737,855	1,708,255	529,163	598,689

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
598,689	639,215	690,472	737,729	820,831	849,932
250,000	250,000	250,000	250,000	250,000	250,000
325,000	325,000	325,000	325,000	325,000	325,000
200,000	200,000	200,000	200,000	200,000	200,000
425,000	425,000	425,000	425,000	425,000	425,000
1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
6,000	6,000	7,000	7,000	8,000	8,000
-	-	-	-	-	-
-	-	-	-	-	-
6,000	6,000	7,000	7,000	8,000	8,000
-	-	-	-	-	-
30,000	30,000	30,000	30,000	30,000	30,000
40,000	40,000	40,000	40,000	40,000	40,000
661,526	667,257	667,257	673,102	673,102	679,064
731,526	737,257	737,257	743,102	743,102	749,064
1,937,526	1,943,257	1,944,257	1,950,102	1,951,102	1,957,064
1,472,000	1,467,000	1,472,000	1,442,000	1,497,000	1,442,000
1,472,000	1,467,000	1,472,000	1,442,000	1,497,000	1,442,000
425,000	425,000	425,000	425,000	425,000	425,000
425,000	425,000	425,000	425,000	425,000	425,000
1,897,000	1,892,000	1,897,000	1,867,000	1,922,000	1,867,000
639,215	690,472	737,729	820,831	849,932	939,996

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Traffic Improvement Fund	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	467,651	442,384	-	-
<u>Revenues</u>				
Special Revenues				
OCTA/AHRP	-	-	-	-
Grants/Other	1,000,000	-	-	-
Total Special Revenues	1,000,000	-	-	-
Other Revenues				
Transportation Impact Fee	250,000	100,000	100,000	10,000
Interest	5,000	4,000	-	-
Total Other Revenues	255,000	104,000	100,000	10,000
Transfers In				
General Fund	406,706	-	-	-
Road Maint & Rehab. Allocation	-	-	1,000,000	1,000,000
Measure M2	4,142,055	663,616	710,000	940,000
Pollution Reduction Fund	-	-	-	-
Sewer Fund	26,000	30,000	30,000	30,000
Water Fund	25,000	25,000	25,000	25,000
Total Transfers In	4,599,761	718,616	1,765,000	1,995,000
Total Revenues	5,854,761	822,616	1,865,000	2,005,000
<u>Expenditures</u>				
Capital				
Capital Projects	5,880,028	1,265,000	1,865,000	2,005,000
Total Capital Projects	5,880,028	1,265,000	1,865,000	2,005,000
Total Expenditures	5,880,028	1,265,000	1,865,000	2,005,000
Fund Balance	442,384	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	10,000	10,000	10,000	10,000	10,000
-	-	-	-	-	-
10,000	10,000	10,000	10,000	10,000	10,000
-	-	-	-	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
725,000	900,000	1,040,000	825,000	1,000,000	1,000,000
175,000	-	-	175,000	-	-
30,000	30,000	30,000	30,000	30,000	30,000
25,000	25,000	25,000	25,000	25,000	25,000
1,955,000	1,955,000	2,095,000	2,055,000	2,055,000	2,055,000
1,965,000	1,965,000	2,105,000	2,065,000	2,065,000	2,065,000
1,965,000	1,965,000	2,105,000	2,065,000	2,065,000	2,065,000
1,965,000	1,965,000	2,105,000	2,065,000	2,065,000	2,065,000
1,965,000	1,965,000	2,105,000	2,065,000	2,065,000	2,065,000
-	-	-	-	-	-

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Measure M2 Fund	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	2,673,253	(340,635)	124,445	571,230
Revenues				
Special Revenues				
Measure M2 Fairshare	1,101,167	1,128,696	1,155,785	1,182,368
Measure M2 Competitive/Regional	-	-	-	-
Measure M2 Environmental	-	-	-	-
Measure M2 Senior Transportation	83,707	86,000	86,000	86,000
Total Special Revenues	1,184,874	1,214,696	1,241,785	1,268,368
Other Revenues				
Interest	27,000	-	1,000	6,000
Total Other Revenues	27,000	-	1,000	6,000
Total Revenues	1,211,874	1,214,696	1,242,785	1,274,368
Expenditures				
Transfers Out				
Traffic Improvement	4,142,055	663,616	710,000	940,000
General Fund - Senior Mobility	83,707	86,000	86,000	86,000
Total Transfers Out	4,225,762	749,616	796,000	1,026,000
Total Expenditures	4,225,762	749,616	796,000	1,026,000
Fund Balance	(340,635)	124,445	571,230	819,598

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
819,598	1,328,693	1,712,751	2,011,651	2,581,428	3,037,195
1,226,095	1,271,058	1,321,900	1,374,776	1,429,767	1,486,958
-	-	-	-	-	-
-	-	-	-	-	-
<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>
1,312,095	1,357,058	1,407,900	1,460,776	1,515,767	1,572,958
<u>8,000</u>	<u>13,000</u>	<u>17,000</u>	<u>20,000</u>	<u>26,000</u>	<u>30,000</u>
8,000	13,000	17,000	20,000	26,000	30,000
1,320,095	1,370,058	1,424,900	1,480,776	1,541,767	1,602,958
725,000	900,000	1,040,000	825,000	1,000,000	1,000,000
<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>
811,000	986,000	1,126,000	911,000	1,086,000	1,086,000
811,000	986,000	1,126,000	911,000	1,086,000	1,086,000
1,328,693	1,712,751	2,011,651	2,581,428	3,037,195	3,554,153

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Pollution Reduction	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	312,152	385,152	459,152	534,152
Revenues				
Special Revenues				
SCAQMD	72,000	72,000	72,000	72,000
Grants - EV Charging Stations	-	-	-	-
Total Special Revenues	72,000	72,000	72,000	72,000
Other Revenues				
Interest	3,000	4,000	5,000	5,000
Total Other Revenues	3,000	4,000	5,000	5,000
Total Revenues	75,000	76,000	77,000	77,000
Expenditures				
Operating				
Operating	669	1,000	1,000	1,000
Training & Website Updates	1,331	1,000	1,000	1,000
Total Operating	2,000	2,000	2,000	2,000
Capital				
Capital Projects (CA)	-	-	-	-
Total Capital	-	-	-	-
Transfers Out				
Transfer Out (OPEB)	-	-	-	-
Transfer Out (Traffic Improvement)	-	-	-	-
Transfer Out (Fleet)	-	-	-	65,000
Total Transfers Out	-	-	-	65,000
Total Expenditures	2,000	2,000	2,000	67,000
Fund Balance	385,152	459,152	534,152	544,152

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
544,152	444,152	518,152	593,152	433,652	382,652
72,000	72,000	72,000	72,000	72,000	72,000
-	-	-	-	-	-
72,000	72,000	72,000	72,000	72,000	72,000
5,000	4,000	5,000	6,000	4,000	4,000
5,000	4,000	5,000	6,000	4,000	4,000
77,000	76,000	77,000	78,000	76,000	76,000
1,000	1,000	1,000	1,000	1,000	1,000
1,000	1,000	1,000	1,000	1,000	1,000
2,000	2,000	2,000	2,000	2,000	2,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
175,000	-	-	175,000	-	-
-	-	-	60,500	125,000	39,000
175,000	-	-	235,500	125,000	39,000
177,000	2,000	2,000	237,500	127,000	41,000
444,152	518,152	593,152	433,652	382,652	417,652

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Drainage Fund	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	172,636	38,636	39,636	30,636
<u>Revenues</u>				
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)	2,349,367	-	-	-
Transfers In-(FVPFA)	2,115,534	-	-	-
Total Transfers In	4,464,901	-	-	-
Total Revenues	4,465,901	1,000	1,000	1,000
<u>Expenditures</u>				
Capital				
Drainage GIS Mapping	10,000	-	10,000	-
Environmental Catch Basin Inserts	-	-	-	-
Sandalwood Pump Station	-	-	-	-
Walnut Pump Station	4,589,901	-	-	-
Total Capital	4,599,901	-	10,000	-
Total Expenditures	4,599,901	-	10,000	-
Fund Balance	38,636	39,636	30,636	31,636

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
31,636	22,636	23,636	14,636	15,636	6,636
1,000	1,000	1,000	1,000	1,000	1,000
1,000	1,000	1,000	1,000	1,000	1,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	1,000	1,000	1,000	1,000	1,000
10,000	-	10,000	-	10,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	-	10,000	-	10,000	-
10,000	-	10,000	-	10,000	-
22,636	23,636	14,636	15,636	6,636	7,636

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

Sewer Fund	2019-2020	2020-2021	2021-2022	2022-2023
Beginning Balance	6,142,606	4,953,964	4,190,763	3,889,311
Revenues				
Sewer Revenues				
Sewer Fee	2,143,458	2,229,196	2,318,364	2,411,098
Late Charges/Penalties	14,000	14,000	14,000	14,000
Sewer Assessments	1,000	1,000	1,000	1,000
Sewer Connection	75,000	10,000	10,000	10,000
Total Sewer Revenues	2,233,458	2,254,196	2,343,364	2,436,098
Other Revenues				
OCTA Utility Agreements	167,510	-	-	-
Interest	61,000	50,000	42,000	39,000
Total Other Revenues	228,510	50,000	42,000	39,000
Total Revenues	2,461,968	2,304,196	2,385,364	2,475,098
Expenditures				
Operating				
Operating	849,180	874,655	900,895	927,922
Total Operating	849,180	874,655	900,895	927,922
Capital				
Capital Projects	2,400,000	1,950,000	1,535,000	1,610,000
OCTA Capital (Reimbursable)	167,510	-	-	-
Total Capital	2,567,510	1,950,000	1,535,000	1,610,000
Transfers Out				
General Fund	61,650	63,808	66,041	68,352
Employee Benefit Fund	113,270	118,934	124,880	131,124
Gas Tax Fund	33,000	30,000	30,000	30,000
Traffic Improvement Fund	26,000	30,000	30,000	30,000
Total Transfers Out	233,920	242,741	250,921	259,477
Total Expenditures	3,650,610	3,067,397	2,686,816	2,797,399
Fund Balance	4,953,964	4,190,763	3,889,311	3,567,010

TEN YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
3,567,010	3,342,257	3,085,973	2,925,104	2,735,613	2,648,489
2,483,431	2,557,934	2,634,672	2,713,712	2,795,124	2,878,977
14,000	14,000	14,000	14,000	14,000	14,000
1,000	1,000	1,000	1,000	1,000	1,000
10,000	10,000	10,000	10,000	10,000	10,000
2,508,431	2,582,934	2,659,672	2,738,712	2,820,124	2,903,977
-	-	-	-	-	-
36,000	33,000	31,000	29,000	27,000	26,000
36,000	33,000	31,000	29,000	27,000	26,000
2,544,431	2,615,934	2,690,672	2,767,712	2,847,124	2,929,977
955,760	984,432	1,013,965	1,044,384	1,075,716	1,107,987
955,760	984,432	1,013,965	1,044,384	1,075,716	1,107,987
1,545,000	1,610,000	1,550,000	1,615,000	1,550,000	1,615,000
-	-	-	-	-	-
1,545,000	1,610,000	1,550,000	1,615,000	1,550,000	1,615,000
70,745	73,221	75,784	78,436	81,181	84,023
137,680	144,564	151,793	159,382	167,351	175,719
30,000	30,000	30,000	30,000	30,000	30,000
30,000	30,000	30,000	30,000	30,000	30,000
268,425	277,785	287,576	297,818	308,533	319,742
2,769,185	2,872,218	2,851,542	2,957,203	2,934,248	3,042,729
3,342,257	3,085,973	2,925,104	2,735,613	2,648,489	2,535,737

CAPITAL IMPROVEMENT TEN YEAR PLAN - GENERAL FUND

				2019-2020	2020-2021
Project	Proj #	%	Reserve/Source		
General Fund Projects					
Sports Park Roll Gates	GF334	100%	Park In-Lieu	10,500	
I-405 Improvement	GF915	100%	OCTA Reimbursement	131,285	
General Plan Update	GF335	Varied	Economic Dvlp/General Plan Fee	1,163,575	
Fire Station No. 1 Remodel	GF793	100%	98 Tab Proceeds	750,000	
Police Locker Room/Showers Remodel	GF794	100%	98 Tab Proceeds	180,000	
Recreation Center Interior Remodel	GF341	100%	98 Tab Proceeds	187,000	
City Hall Interior Remodel	GF795	100%	98 Tab Proceeds	100,000	
Citywide Arterial Median Landscape	GF413	Varied	Developer Impact / 98 TAB	1,591,053	-
Butler Building - Two Bay	GF790	100%	98 TAB Proceeds	400,300	-
EVP Pilot Program	GF999	100%	General Fund Capital	400,000	-
Total General Fund Projects				4,913,713	-
Non-Departmental					
Park Improvements	GF403	100%	Operating	200,000	200,000
Total Non-Departmental				200,000	200,000
Total				5,113,713	200,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - GENERAL FUND

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
200,000							
200,000							

CAPITAL IMPROVEMENT TEN YEAR PLAN - GAS TAX

Gas Tax		2019-2020	2020-2021
Project	Project #		
Residential Roadway Rehabilitation			
Administration-Miscellaneous	101	2,000	2,000
Pavement Management	005	70,000	40,000
Residential Roadway Rehabilitation	229	<u>2,300,000</u>	<u>1,000,000</u>
Total Residential Rehabilitation		2,372,000	1,042,000
Traffic Control			
Restriping-Variou Locations	010	-	-
School Area Signage	020	-	-
Audible Pedestrian Signals	021	<u>12,500</u>	<u>-</u>
Total Traffic Control		12,500	-
Arterial Roadway Rehabilitation			
Heil-Magnolia/Brookhurst	999	-	-
Heil-Euclid/Harbor	999	-	-
Collector Streets	999	-	250,000
Industrial Streets	999	-	250,000
City Facility Asphalt Paving	999	<u>-</u>	<u>1,000,000</u>
Total Arterial Roadway Rehabilitation		-	1,500,000
ADA Projects			
School Area ADA Pedestrian Ramps	228	<u>296,000</u>	<u>-</u>
Total ADA Project		296,000	-
Total Gas Tax Projects		2,680,500	2,542,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - GAS TAX

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
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>1,600,000</u>	<u>1,400,000</u>						
1,672,000	1,442,000	1,472,000	1,442,000	1,472,000	1,442,000	1,472,000	1,442,000
25,000	-	-	25,000	-	-	25,000	-
-	-	-	-	-	-	-	-
<u>-</u>							
25,000	-	-	25,000	-	-	25,000	-
500,000	-	-	-	-	-	-	-
500,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>							
1,000,000	-						
-	-	-	-	-	-	-	-
<u>-</u>							
2,697,000	1,442,000	1,472,000	1,467,000	1,472,000	1,442,000	1,497,000	1,442,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - TRAFFIC IMPROVEMENT

Traffic Improvement			2019-2020	2020-2021
Project	Proj #	Type		
Pavement Rehabilitation				
Newhope - Talbert/Warner	999	Rehab.	1,476,830	
Euclid Street - Slater to Warner	TI271	Rehab.		
Arterial Rehabilitation Project	999	Rehab.	-	1,200,000
Total Pavement Rehabilitation			\$ 1,476,830	\$ 1,200,000
Signal & Signage				
Citywide Signal Retiming	029	SIG		
Citywide Traffic Signal Timing Maintenance	160	SIG	30,000	30,000
Citywide Signal Communication Maintenance	267	SIG	35,000	35,000
PPLT Conversion Study	281	SIG		
Traffic Signal Controllers Citywide	999	SIG	300,000	
Warner - Brookhurst/Euclid	999	Rehab.	2,000,000	
Talbert & Mt. Washington Signal		SIG	686,973	
SCE Easement Service Road/Ped Pathways	999	BIKE	1,200,000	
Brookhurst Street Signal Synchronization	155	TSSP	100,000	
Magnolia Avenue Signal Synchronization	156	TSSP	50,000	
Harbor Boulevard Traffic Signal Synchronization	280	TSSP	1,225	
Total Signal & Signage			\$ 4,403,198	\$ 65,000
Total Traffic Improvement Projects			\$ 5,880,028	\$ 1,265,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - TRAFFIC IMPROVEMENT

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
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1,800,000	1,800,000	1,900,000	1,900,000	1,900,000	2,000,000	2,000,000	2,000,000
\$ 1,800,000	\$ 1,800,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
.	140,000			140,000			
30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000

\$ 65,000	\$ 205,000	\$ 65,000	\$ 65,000	\$ 205,000	\$ 65,000	\$ 65,000	\$ 65,000
\$ 1,865,000	\$ 2,005,000	\$ 1,965,000	\$ 1,965,000	\$ 2,105,000	\$ 2,065,000	\$ 2,065,000	\$ 2,065,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - POLLUTION REDUCTION

Pollution Reduction	2019-2020	2020-2021
Project	Proj #	Type
AQMD Mechanic Training	2,000	2,000
Total Pollution Reduction	\$ 2,000	\$ 2,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - POLLUTION REDUCTION

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - DRAINAGE

Drainage			2019-2020	2020-2021
Project	Proj #	Source		
Walnut Pump Station	996	GF	4,589,901	-
Drainage GIS Mapping	657	GF	10,000	-
Total Drainage Projects			4,599,901	-

CAPITAL IMPROVEMENT TEN YEAR PLAN - DRAINAGE

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
-	-	-	-	-	-	-	-
<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			2019-2020	2020-2021
Project	Proj #	Source		
Sewer Manhole Rehabilitation	617	SF	65,000	65,000
Sewer Master Plan	615	SF		350,000
Sewer GIS Mapping	616	SF	35,000	35,000
I-405 Utility Facilities Relocation	XXX	SF		
Structural Improvements	620	SF	<u>2,300,000</u>	<u>1,500,000</u>
Total Sewer Projects			2,400,000	1,950,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - SEWER

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
	65,000		65,000		65,000		65,000
-							
35,000	45,000	45,000	45,000	50,000	50,000	50,000	50,000
<u>1,500,000</u>							
1,535,000	1,610,000	1,545,000	1,610,000	1,550,000	1,615,000	1,550,000	1,615,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - WATER

Water	2019-2020	2020-2021
Projects		
Rehabilitation Projects		
Well Site No. 6	300,000	
Well Site No. 8	100,000	700,000
Well Site No. 9		
Well Site No. 10		
Well Site No. 11	100,000	
Well Site No. 12		
Reservoir No. 1 Exterior Painting		
Reservoir No. 2	7,283,286	
MWD Connection		
Condition Assessment	300,000	300,000
Pipeline Replacement	200,000	
Annual Meter Replacement	30,000	
Hydrant Replacement	30,000	30,000
Chlorine Generators	150,000	150,000
New Facility Projects		
Additional Source of Supply		
Other Programs/Projects		
Water Conservation	100,000	100,000
Residential Median Turf Conversion		
GIS Update	40,000	45,000
Rate Study		
Nobel Geoviewer		
Water Delivery (SCADA)		
AMI Software/License Fees		
Master Plan		350,000
Vulnerability Assesment/Emergency Response Plan	125,000	
Urban Water Management Plan		65,000
I-405 Utility Coop 2017 Agreement	323,247	-
I-405 Utility Coop 2017 Agreement - Amendment #1	128,793	-
I-405 Utility Coop 2019 Agreement	83,967	-
Total Water Projects	9,294,293	1,740,000

CAPITAL IMPROVEMENT TEN YEAR PLAN - WATER

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
						250,000	
	250,000				300,000		
850,000		250,000					
						300,000	
		500,000					
	2,000,000						
350,000		2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
				1,500,000	1,500,000	1,500,000	1,500,000
30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
150,000	150,000	150,000	150,000				
100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
50,000							
		40,000	40,000	40,000	40,000	40,000	45,000
			100,000				
		85,000	87,550	90,177	92,882	95,668	98,538
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,575,000	2,580,000	3,455,000	2,807,550	4,060,177	4,362,882	4,615,668	4,073,538

CAPITAL PURCHASE PLAN TEN YEAR - BY ISF FUND

Fund	Description	2019-2020	2020-2021
61	Information Processing	537,578	235,100
62	Government Buildings	1,199,697	54,000
63	Fleet Management	954,000	565,000
64	Capital Equipment	<u>760,811</u>	<u>345,899</u>
Total ISF Capital Purchase Plan		3,452,086	1,199,999

CAPITAL PURCHASE PLAN TEN YEAR - BY ISF FUND

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
154,004	133,350	477,568	239,914	218,700	127,450	468,572	43,100
670,200	6,500	139,500	1,124,500	1,253,000	23,400	498,920	210,700
1,889,500	1,312,000	684,500	1,316,000	273,500	669,500	721,000	510,500
185,295	302,875	175,600	246,365	487,015	672,975	1,452,650	176,600
2,898,999	1,754,725	1,477,168	2,926,779	2,232,215	1,493,325	3,141,142	940,900

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	20 Year Summary	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Beginning Balance	44,989,175	44,989,175	42,338,600	44,050,796	40,427,498	41,500,627	43,057,262	45,120,322	48,199,690
Revenues									
General Revenues	909,788,736	40,939,245	40,695,651	40,419,413	41,335,929	42,282,376	43,259,936	44,139,799	44,912,166
1.00% Sales Tax (Voter)	221,837,000	12,297,000	11,559,000	10,865,000	11,300,000	11,752,000	12,222,000	12,589,000	12,841,000
Functional Revenues	106,926,434	5,343,434	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000
Developer/Park Impact Payments	268,018	268,018	-	-	-	-	-	-	-
Grant Funds	-	-	-	-	-	-	-	-	-
Miscellaneous Reimbursements	131,285	131,285	-	-	-	-	-	-	-
Transfers In	11,784,627	568,357	590,330	590,330	590,330	590,330	590,330	590,330	590,330
Total Revenues	1,250,736,100	59,547,339	58,191,981	57,221,743	58,573,259	59,971,706	61,419,266	62,666,129	63,690,496
Expenditures									
Operating									
Wages/Benefits/Insurance									
Wages	446,086,958	18,262,190	18,741,172	19,115,401	19,497,115	19,886,464	20,283,599	20,688,677	21,101,856
Other Wages (Overtime/Special Pays)	87,952,049	3,994,370	4,034,314	4,074,657	4,115,403	4,156,557	4,198,123	4,240,104	4,282,505
CalPERS NC Rate	71,153,508	2,965,742	3,184,250	3,205,650	3,228,798	3,253,689	3,318,326	3,345,507	3,412,023
Other Benefits	58,384,197	3,060,305	3,045,003	3,029,778	3,014,629	2,999,556	2,984,558	2,969,635	2,954,787
Insurance	24,614,005	1,438,971	1,295,074	1,165,566	1,107,288	1,051,924	1,072,962	1,094,421	1,116,310
Total Wages/Benefits/Insurance	688,190,717	29,721,577	30,299,812	30,591,052	30,963,234	31,348,189	31,857,568	32,338,345	32,867,482
Internal Services									
Information Services	30,044,380	1,451,322	1,657,119	1,324,988	1,329,360	1,674,376	1,477,394	1,482,690	1,423,194
Government Buildings	37,425,661	1,598,643	1,775,090	1,741,608	1,780,794	1,820,862	1,861,831	1,903,722	1,946,556
Fleet Services	33,723,859	1,357,464	1,672,218	1,790,631	1,701,100	1,735,122	1,769,824	1,628,238	1,660,803
Capital Equipment	5,781,383	391,430	476,897	199,779	316,461	193,629	436,079	192,637	399,755
Self Insurance	22,098,840	1,387,734	993,370	1,013,237	1,033,502	1,054,172	1,075,256	1,096,761	1,118,696
Total Internal Services	129,074,123	6,186,592	6,574,695	6,070,243	6,161,217	6,478,160	6,620,384	6,304,049	6,549,004
Operations & Maintenance									
Departmental	135,937,535	6,458,463	6,533,255	6,523,422	6,598,539	6,589,031	6,664,477	6,655,299	6,731,075
Non-Departmental	22,092,090	870,000	1,380,735	1,391,679	1,052,835	1,064,209	1,075,805	1,087,626	1,010,677
Total Operations & Maintenance	158,029,626	7,328,463	7,913,990	7,915,100	7,651,374	7,653,241	7,740,281	7,742,925	7,741,753
Other Outflows									
Ongoing									
Capital (inc. OCTA Reimbursable)	16,913,713	4,913,713	-	4,000,000	-	-	-	-	4,000,000
Continuing Appropriations	47,230	47,230	-	-	-	-	-	-	-
Debt Service (Annual)	19,553,879	1,097,473	1,093,922	1,092,492	1,097,828	1,097,204	1,090,816	1,088,663	1,090,540
Solar & Energy Project Savings	-	-	-	-	-	-	-	-	-
Transfers Out	188,796,703	10,902,865	8,597,365	9,176,153	9,626,478	9,838,277	10,047,157	10,112,780	10,182,677
Total Ongoing	225,311,526	16,961,281	9,691,288	14,268,645	10,724,306	10,935,481	11,137,973	11,201,443	15,273,217
Payoffs									
OPEB ARC Funding	6,000,000	-	-	-	-	-	-	-	2,000,000
CalPERS UAL (Additional Pay down)	14,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
Total Payoffs	20,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Other Outflows	245,311,526	18,961,281	11,691,288	16,268,645	12,724,306	12,935,481	13,137,973	13,201,443	17,273,217
Total Expenditures	1,220,605,991	62,197,913	56,479,785	60,845,041	57,500,131	58,415,071	59,356,206	59,586,762	64,431,455
Operating Surplus/(Deficit)		(2,650,575)	1,712,196	(3,623,298)	1,073,129	1,556,635	2,063,060	3,079,367	(740,959)
Extraordinary Items									
CalPERS UAL Payoff	17,194,684	-	-	-	-	-	-	-	-
Total Extraordinary Items	17,194,684	-	-	-	-	-	-	-	-
Total Surplus/(Deficit)	12,935,425	(2,650,575)	1,712,196	(3,623,298)	1,073,129	1,556,635	2,063,060	3,079,367	(740,959)
Reserves:									
Restricted		2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933
Committed for Emergencies		14,000,000	13,254,000	12,459,000	12,957,000	13,476,000	14,015,000	14,436,000	14,725,000
Pension Reserves		10,801,150	12,648,003	14,579,811	16,600,482	18,714,104	20,924,953	23,237,501	24,306,426
Economic Development Reserves		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Capital Reserves		13,353,517	13,964,860	9,204,754	7,759,211	6,683,225	5,996,436	6,342,255	4,243,371
Contingency Reserves		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Fund Balance	57,924,600	42,338,600	44,050,796	40,427,498	41,500,627	43,057,262	45,120,322	48,199,690	47,458,731

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039
47,458,731	50,417,950	53,525,217	58,519,205	61,968,574	59,393,822	61,517,856	64,472,690	68,384,237	73,630,345	61,277,453	59,728,993
45,507,147	46,110,203	46,586,434	46,089,942	45,650,835	46,503,225	47,382,229	48,288,971	49,225,582	50,046,195	49,944,101	50,469,357
12,969,000	13,228,000	13,360,000	12,558,000	11,805,000	12,277,000	12,768,000	13,279,000	13,810,000	10,358,000	-	-
5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,342,000	5,342,000
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330
64,413,477	65,275,533	65,883,764	64,585,272	63,393,165	64,717,555	66,087,559	67,505,301	68,972,912	66,341,525	55,876,431	56,401,687
21,523,299	21,953,171	22,379,641	22,826,880	23,283,063	23,748,371	24,222,984	24,707,090	25,200,877	25,704,541	26,218,278	26,742,289
4,325,330	4,368,584	4,412,269	4,456,392	4,500,956	4,545,966	4,591,425	4,637,340	4,683,713	4,730,550	4,777,856	4,825,634
3,441,570	3,510,045	3,576,656	3,628,201	3,681,402	3,736,273	3,792,829	3,851,084	3,911,055	3,972,759	4,036,213	4,101,437
2,940,013	2,925,313	2,910,687	2,896,133	2,881,653	2,867,244	2,852,908	2,838,644	2,824,450	2,810,328	2,796,276	2,782,295
1,138,636	1,161,409	1,184,637	1,208,330	1,232,496	1,257,146	1,282,289	1,307,935	1,334,094	1,360,775	1,387,991	1,415,751
33,368,849	33,918,522	34,463,890	35,015,936	35,579,570	36,155,000	36,742,435	37,342,092	37,954,189	38,578,953	39,216,614	39,867,406
1,767,309	1,397,251	1,498,500	1,503,218	1,487,828	1,504,112	1,521,587	1,506,308	1,509,200	1,511,851	1,520,716	1,496,057
1,990,353	2,035,136	1,845,459	1,870,141	1,879,646	1,893,450	1,904,716	1,913,101	1,918,228	1,919,679	1,916,991	1,909,655
1,577,763	1,845,983	1,673,915	1,705,560	1,708,894	1,700,720	1,700,682	1,697,238	1,689,980	1,696,154	1,699,689	1,711,881
294,862	101,774	300,330	291,220	272,653	279,940	276,288	284,554	269,401	277,078	264,810	261,805
1,141,070	1,163,891	1,107,769	1,079,772	1,088,413	1,095,930	1,102,173	1,106,973	1,110,145	1,111,483	1,110,762	1,107,731
6,771,357	6,544,035	6,425,974	6,449,912	6,437,433	6,474,152	6,505,446	6,508,175	6,496,954	6,516,244	6,512,968	6,487,129
6,722,231	6,798,342	6,789,834	6,866,283	6,858,114	6,934,905	6,927,079	7,004,215	6,996,736	7,074,219	7,067,091	7,144,926
1,022,964	1,035,490	1,048,260	1,061,280	1,074,554	1,088,087	1,101,884	1,115,951	1,130,293	1,144,915	1,159,824	1,175,024
7,745,195	7,833,832	7,838,094	7,927,563	7,932,668	8,022,991	8,028,963	8,120,166	8,127,029	8,219,135	8,226,914	8,319,950
-	-	-	-	4,000,000	-	-	-	-	-	-	-
1,091,345	1,091,074	1,094,625	1,091,994	1,093,178	1,091,947	1,093,523	1,089,328	1,088,841	979,087	-	-
10,477,512	10,780,802	11,067,194	10,650,500	10,925,068	10,849,430	10,762,358	10,533,994	10,059,791	7,206,313	3,468,395	3,531,595
11,568,856	11,871,876	12,161,819	11,742,494	16,018,246	11,941,377	11,855,881	11,623,322	11,148,632	8,185,400	3,468,395	3,531,595
2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-
2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-
13,568,856	13,871,876	12,161,819	11,742,494	16,018,246	11,941,377	11,855,881	11,623,322	11,148,632	8,185,400	3,468,395	3,531,595
61,454,257	62,168,266	60,889,776	61,135,904	65,967,917	62,593,521	63,132,726	63,593,754	63,726,804	61,499,732	57,424,891	58,206,080
2,959,220	3,107,267	4,993,988	3,449,369	(2,574,752)	2,124,034	2,954,834	3,911,547	5,246,108	4,841,792	(1,548,460)	(1,804,393)
-	-	-	-	-	-	-	-	-	17,194,684	-	-
-	-	-	-	-	-	-	-	-	17,194,684	-	-
2,959,220	3,107,267	4,993,988	3,449,369	(2,574,752)	2,124,034	2,954,834	3,911,547	5,246,108	(12,352,892)	(1,548,460)	(1,804,393)
2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933	2,183,933
14,872,000	15,169,000	15,321,000	14,402,000	13,537,000	14,079,000	14,642,000	15,228,000	15,837,000	14,147,000	15,500,000	15,500,000
25,424,522	26,594,050	27,817,376	29,096,975	30,435,436	31,835,466	33,299,898	34,831,693	36,433,951	20,915,229	21,877,329	22,883,686
1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
5,937,495	7,578,235	11,196,896	14,285,665	11,237,452	11,419,457	12,346,859	14,140,611	17,175,461	22,031,291	18,167,731	15,356,980
500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
50,417,950	53,525,217	58,519,205	61,968,574	59,393,822	61,517,856	64,472,690	68,384,237	73,630,345	61,277,453	59,728,993	57,924,600

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	20 Year Summary	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
General Fund Transfers In									
32 Sewer Fund		61,650	60,330	60,330	60,330	60,330	60,330	60,330	60,330
62 Government Buildings		-	-	-	-	-	-	-	-
23 Gas Tax - HUT Section 2107		423,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
25 Measure M2		-	-	-	-	-	-	-	-
25 Measure M2 - Senior Mobility		83,707	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Total Transfers In	11,784,627	568,357	590,330						
General Fund Transfers Out:									
23 Gas Tax Fund (Curb/Gutter/Sdwlk)		350,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
23 Gas Tax - Rainbow Disposal		270,000	278,100	286,443	295,036	303,887	313,004	322,394	332,066
24 Traffic Improvement Fund		406,706	-	-	-	-	-	-	-
31 Drainage Fund		2,349,367	-	-	-	-	-	-	-
64 Equipment Fund		19,000	-	-	-	-	-	-	-
66 Employee Benefit Fund - UAL Fixed Payment		4,758,786	5,118,536	5,615,294	5,973,642	6,094,350	6,206,990	6,179,449	6,146,494
66 Employee Benefit Fund - POB		1,019,244	1,061,372	1,099,772	1,147,162	1,192,690	1,242,366	1,287,944	1,342,165
66 Employee Benefit Fund - OPEB Charge		1,729,762	1,764,357	1,799,644	1,835,637	1,872,350	1,909,797	1,947,993	1,986,953
Total Transfers Out	188,796,703	10,902,865	8,597,365	9,176,153	9,626,478	9,838,277	10,047,157	10,112,780	10,182,677
Non Departmental									
Mike Thompson's Sales Tax Sharing		350,000	350,000	350,000	-	-	-	-	-
County of Orange - Annual Animal Care		517,000	527,340	537,887	548,645	559,617	570,810	582,226	593,870
County of Orange - New Shelter Cost		89,000	89,000	89,000	89,000	89,000	89,000	89,000	-
Annual Playground Equipment		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Annual Playground Rubber Resurfacing		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Annual Sports Park Fields		75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Annual Park Project		200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
800 Mhz Annual Maintenance		79,000	79,395	79,792	80,191	80,592	80,995	81,400	81,807
Projected Vacancies		(500,000)	-	-	-	-	-	-	-
Total Non Departmental	22,092,090	870,000	1,380,735	1,391,679	1,052,835	1,064,209	1,075,805	1,087,626	1,010,677
Other Ongoing Obligations									
Pension Trust Contribution		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
Total Ongoing Obligations		2,000,000	-						
PARS Pension Trust (115)									
Beginning Balance	7,456,150	7,456,150	10,801,150	12,648,003	14,579,811	16,600,482	18,714,104	20,924,953	23,237,501
Pension Inflow/Outflow	-	3,000,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	-
Interest	-	345,000	496,853	581,808	670,671	763,622	860,849	962,548	1,068,925
Projected PARS Pension Trust Balance	2,800,000	10,801,150	12,648,003	14,579,811	16,600,482	18,714,104	20,924,953	23,237,501	24,306,426
OPEB Trust									
Beginning Balance	11,100,000	11,100,000	11,610,600	12,144,688	12,703,343	13,287,697	13,898,931	14,538,282	15,207,043
OPEB ARC	-	-	-	-	-	-	-	-	2,000,000
OPEB Funding (Additional)	-	-	-	-	-	-	-	-	-
Interest OPEB (Additional)	-	510,600	534,088	558,656	584,354	611,234	639,351	668,761	699,524
Projected OPEB Trust Balance	11,100,000	11,610,600	12,144,688	12,703,343	13,287,697	13,898,931	14,538,282	15,207,043	17,906,567
General Fund Capital Projects									
Park Improvements (Non-Departmental)		200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Sports Park Roll Gates		10,500	-	-	-	-	-	-	-
I-405 Improvement		131,285	-	-	-	-	-	-	-
General Plan Update		1,163,575	-	-	-	-	-	-	-
Fire Station No. 1 Remodel		750,000	-	-	-	-	-	-	-
Police Locker Room/Showers Remodel		180,000	-	-	-	-	-	-	-
Recreation Center Interior Remodel		187,000	-	-	-	-	-	-	-
City Hall Interior Remodel		100,000	-	-	-	-	-	-	-
Citywide Arterial Median Landscape		1,591,053	-	-	-	-	-	-	-
Butler Building - Two Bay		400,300	-	-	-	-	-	-	-
EVP Pilot Program		400,000	-	-	-	-	-	-	-
Other Capital Items		-	-	4,000,000	-	-	-	-	4,000,000
Total General Fund Capital Projects		5,113,713	200,000	4,200,000	200,000	200,000	200,000	200,000	4,200,000
Total Pension Paid									
CalPERS NC Rate		2,965,742	3,184,250	3,205,650	3,228,798	3,253,689	3,318,326	3,345,507	3,412,023
UAL Fixed Payment		4,758,786	5,118,536	5,615,294	5,973,642	6,094,350	6,206,990	6,179,449	6,146,494
Pension Obligation Bonds		1,019,244	1,061,372	1,099,772	1,147,162	1,192,690	1,242,366	1,287,944	1,342,165
CalPERS UAL (Additional Pay down)		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
PARS Pension Trust (115)		3,000,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	-
Total by Year		13,743,772	12,714,158	13,270,716	13,699,602	13,890,728	14,117,681	14,162,900	10,900,681
Cumulative Total		13,743,772	26,457,930	39,728,646	53,428,249	67,318,977	81,436,658	95,599,558	106,500,240

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	20 Year Summary	LONG-TERM LIABILITIES							
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Net Pension Liability		79,142,051	77,051,315	74,642,155	71,698,833	68,407,026	64,772,712	59,723,346	56,215,754
Net CalPERS Liability (CalPERS Liability - CalPERS Assets) ²		(10,801,150)	(12,648,003)	(14,579,811)	(16,600,482)	(18,714,104)	(20,924,953)	(23,237,501)	(24,306,426)
Less PARS Pension Trust (115) Assets		68,340,901	64,403,313	60,062,344	55,098,351	49,692,922	43,847,759	36,485,845	31,909,328
Net OPEB Liability	46,553,000	<i>Projected balances were not included within the 2017 Actuarial Valuation. However, these amounts will be included in the 2018 Actuarial Valuation.</i>							
Total OPEB Liability ³	(8,335,000)								
Less Portion Related to the Implied Subsidy ³	(11,100,000)								
Less OPEB Trust (115) Assets	27,118,000								
2015 Pension Obligation Bonds		14,915,000	14,285,000	13,595,000	12,830,000	11,990,000	11,065,000	10,055,000	8,945,000
2016 Lease Revenue Bonds		11,115,000	10,640,000	10,150,000	9,635,000	9,100,000	8,550,000	7,980,000	7,385,000
2017 Clean Renewable Energy Bonds (CREBs)		2,617,682	2,508,477	2,393,870	2,273,677	2,147,709	2,015,770	1,877,659	1,733,169

¹ Excluding claims payable, compensated absences and Water Utility Bonds.

² The Net CalPERS Pension Liability is estimated at approximately \$80 million based on the 6/30/17 Actuarial Reports that were issued by CalPERS in August 2018, which is calculated using a 7.2% discount rate. The pension liability is estimated to be approximately \$88 million utilizing a 7% discount rate, which assumes CalPERS will earn on average an investment return of 7.2%. The pension liability is also affected by a number of other factors such as mortality, inflation, etc. The goal is to have sufficient funds set-aside in the City's Pension Trust to cover additional costs in a customized investment strategy that balances risk and return. The Pension Trust is also designed to mitigate against pension contribution volatility since Pension Trust assets can be used to cover any shortfalls.

³ The total liability for Other Post-Employment Benefits (OPEB) is estimated to be approximately \$47 million (excluding OPEB Trust assets) based on the January 1, 2017 Actuarial Valuation Report for both active employees and retirees with access to healthcare insurance through a statewide pool administered by CalPERS. The CalPERS healthcare insurance plan blends active employees with the "Implied Subsidy". The balance of the OPEB liability relates to the "cash subsidy" valued at \$38 million where the City contributes towards the cost of retiree healthcare, which varies by year.

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039
PROJECTED BALANCES¹											
53,327,129	50,046,751	46,341,983	42,177,762	37,516,423	32,317,514	26,950,890	21,421,574	15,884,778	-	-	-
(25,424,522)	(26,594,050)	(27,817,376)	(29,096,975)	(30,435,436)	(31,835,466)	(33,299,898)	(34,831,693)	(36,433,951)	(20,915,229)	(21,877,329)	(22,883,686)
27,902,608	23,452,701	18,524,607	13,080,786	7,080,987	482,048	(6,349,007)	(13,410,119)	(20,549,172)	(20,915,229)	(21,877,329)	(22,883,686)

included in the next valuation report, which is expected to be completed in the summer of 2019 and will be reflected in future 20-year projections.

7,730,000	6,410,000	4,970,000	4,320,000	3,605,000	2,820,000	1,960,000	1,020,000	-	-	-	-
6,765,000	6,120,000	5,445,000	4,745,000	4,015,000	3,260,000	2,480,000	1,680,000	855,000	-	-	-
1,582,087	1,424,193	1,259,261	1,087,058	907,344	719,871	524,385	320,625	108,320	-	-	-

5% discount rate. In 2016, CalPERS lowered the discount rate from 7.5% to 7.0%, which has been phased in over a 3-year period. The June 30, 2018 Actuarial Valuation Reports of 7% over the long-term. If CalPERS earns on average 6.5% to 6.75% over the long-term, the pension liability is estimated to be between \$96 million and \$108 million. Contributions required by CalPERS. The Pension Trust is used to mitigate against CalPERS investment return volatility through diversification where assets are managed to offset unanticipated increases in CalPERS rates.

rt, which is calculated using a blended discount rate of 4.1%. Approximately \$8 million of the OPEB liability relates to an "Implied Subsidy". The City of Fountain Valley provides rith pre-Medicare retirees and charges them the same medical premium. This is referred to as an "Implied Subsidy". The 20-Year forecast addresses the projected costs associated with argaining group and hire date. The goal is to have sufficient funds set-aside in the City's OPEB Trust to cover future OPEB benefit payments associated with the "cash subsidy".

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

FINANCIAL & BUDGET POLICIES

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.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available

FINANCIAL & BUDGET POLICIES

if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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

The City reports the following governmental fund types:

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

The City reports the following proprietary funds:

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

Additionally, the City reports the following fund types:

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

FINANCIAL & BUDGET POLICIES

Audit and Financial Reporting

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

The City's fiscal policy is guided by the 20-Year Financial Plan, which is a comprehensive plan that encompasses the long-term operating and capital needs of the General Fund. The long-term goal is to achieve fiscal sustainability with a balanced operating budget when Measure HH sunsets in 2037. \$31 million of additional payments are projected to be made to CalPERS over the next eighteen years, which is in addition to the \$4.2 million in payments made over the previous two years and is in addition to the amounts required annually by CalPERS. In 2037/38, the City will be debt free. The City's pension liability is expected to be paid off along with the Pension Obligation Bonds and Lease Revenue Bonds.

The twenty year forecast shows that in 2037/38 the annual operating deficit will be \$1.5 million when Measure HH sunsets, which can be eliminated with active management via new revenue sources from economic development. The City is also exploring opportunities

FINANCIAL & BUDGET POLICIES

for cost savings. For example, in April 2018 the City Council approved a change to the City's liability insurance program that will yield \$612,000 of annual savings. Due to Measure HH and strong fiscal stewardship, the City is on a solid path towards long-term fiscal sustainability.

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
- 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 balance can only be used to fund capital improvement plan projects, or other "one-time" non-recurring expenditures

Budget Process

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

FINANCIAL & BUDGET POLICIES

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 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.

FINANCIAL & BUDGET POLICIES

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.

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.

FINANCIAL & BUDGET POLICIES

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.

REVENUE MANAGEMENT POLICIES

Introduction

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

Sources of Revenue

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

Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the capital improvement plan and local government priorities, and

FINANCIAL & BUDGET POLICIES

whose operation and maintenance costs have been included in Operating Budget forecasts.

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

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

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

Revenue Collection

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

Revenue Projection

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

Fees and Cost Recovery

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

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

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

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

Service Recipient versus Service Driver: After considering community-wide versus special benefit of the service, the concept of service recipient versus service driver should also be considered. For example, it could be argued that the applicant is not the beneficiary

FINANCIAL & BUDGET POLICIES

of the City's development review efforts: the community is the primary beneficiary; however, the applicant is the driver of development review costs, and as such, cost recovery from the applicant is appropriate.

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

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

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

Grants and Federal Funds

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

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

Gifts, Bequests and Donations to the City

- Gifts and donations will be evaluated to determine what, if any, obligations are to be placed upon the City. Gifts and bequests will be considered as “over and above” basic City appropriations.
- Gifts, donations and/or bequests given to the City for the use of any of its departments or divisions and accepted shall be solely for the purpose intended by the donor. Unrestricted gifts will be expended on the recommendation of the related commission or other advisory board.
- Gifts, donations and bequests shall be recorded in accordance with the Generally Accepted Accounting Principles.

FINANCIAL & BUDGET POLICIES

Development Fee Deferrals

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

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

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

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

EXPENDITURE POLICIES

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

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

Unexpended expenditures budgeted in one fiscal year are not automatically carried over into the next budget year. In some specific instances where the purpose for which the expenditure was budgeted has not been completed it may be reauthorized through the continuing appropriations process. Multi-year CIP projects that are under construction will be carried into the next fiscal year utilizing the continuing appropriations process.

Staffing

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

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

FINANCIAL & BUDGET POLICIES

Overtime Management

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

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

Departmental Operating Budgets should reflect anticipated annual overtime costs and departments will regularly monitor overtime use and expenditures and will be held accountable for such expenditures.

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

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

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

Measure HH – Essential City Services – Responsible Spending Pledge

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

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

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

- Essential City services including public safety & 911 emergency response;
- Keep Fire Station 2 open and maintain firefighter & paramedics;
- Police Station and Police officers; restore anti-gang & drug programs;

FINANCIAL & BUDGET POLICIES

- 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.

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, which includes all cash and investments 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
- Financial assets held and invested by trustees or fiscal agents are subject to and governed according to the regulations established by the State of California pertaining to local agencies as wells as any relative bond indentures or trust agreements.

FINANCIAL & BUDGET POLICIES

Delegation of Authority

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

Prudence

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

Treasury Objectives

- The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.
- The Treasurer maintains a diversified portfolio to accomplish the primary objectives in the following order of priority: safety, liquidity and yield.

Maximum Maturities

- Maturities of investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly.
- 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.

FINANCIAL & BUDGET POLICIES

Authorized Investments

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

FUND BALANCE POLICY

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

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

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

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

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

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

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

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

FINANCIAL & BUDGET POLICIES

Pension Reserves– \$10,801,150

The City has established a Section 115 Pension Trust Fund to set aside pension reserves in an irrevocable trust fund. The Pension Trust Fund may be used to offset volatility in pension contributions. In Fiscal Year 2017/18, the City funded the Pension Trust with an initial contribution of \$2.8 million. The City contributed an additional \$4.5 million in 2018/19. The 2019/20 Budget reflects an additional projected contribution of \$3 million. The projected balance at June 30, 2020 is \$10,801,150, which includes estimated investment earnings.

Emergency Reserves – \$14,000,000

The reserve for emergencies shall be maintained at \$14.0 million unless the City Council declares an emergency for natural disasters or financial emergencies. A financial emergency is considered when annual General Fund operating revenues decrease by 5% or more or when annual General Fund operating expenditures increase by 5% or more. The targeted reserve level of \$14.0 million equates to approximately 55% of total sales tax revenue and is reviewed annually. This reserve addresses a number of risk factors including natural disasters, budget stabilization, revenue source stability, expenditure volatility and liquidity.

Economic Development Reserves – \$1,500,000

One of the City's 3-Year Strategic Plan Goals is to enhance economic development. In 2014 \$2.5 million was set-aside for Economic Development. \$1,000,000 has been budgeted in Fiscal Year 2019/20 to be spent on the General Plan. The available unappropriated balance for Economic Development Reserves is \$1,500,000.

General Fund Capital Reserves – \$13,353,518

The City has significant capital improvement expenditures that can be funded on a pay-go basis without the issuance of debt. Specific projects will continue to be identified by staff and may be presented to the City Council during the budget process or throughout the year as capital needs arise. The estimated reserve balance at June 30, 2020 is \$13,353,518.

Contingency Reserves – \$500,000

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

Internal Service Funds

Fleet Management: The City has established and maintains a Fleet Management Fund to provide for the timely replacement of vehicles and related equipment with an individual replacement cost of \$15,000 or more. The amount retained in this fund, coupled with the

FINANCIAL & BUDGET POLICIES

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

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

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

Capital Equipment Fund: The City has established a Capital Equipment Fund for the purpose of financing the replacement cost of equipment and furniture utilized by city departments. The amount retained in this fund, coupled with annual contributions received by it from any source, shall be adequate to fully fund the improvements included in the ten-year schedule. The City has a healthy fund balance derived with the long term objective of maintaining a minimum fund balance of at least \$800,000.

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.

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

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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 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.

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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
- 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

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- 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 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.

FINANCIAL & BUDGET POLICIES

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

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

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

DEBT POLICIES

Debt Financing

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

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

Debt financing shall not be considered appropriate for:

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

Debt Management

- The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
- An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations this analysis will also address the reliability of revenues to support debt service.
- The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
- The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.

FINANCIAL & BUDGET POLICIES

- 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.

FINANCIAL & BUDGET POLICIES

CONTRACTING FOR SERVICES

General Policy Guidelines

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

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

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

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

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

Evaluation Criteria

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

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

FINANCIAL & BUDGET POLICIES

- 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

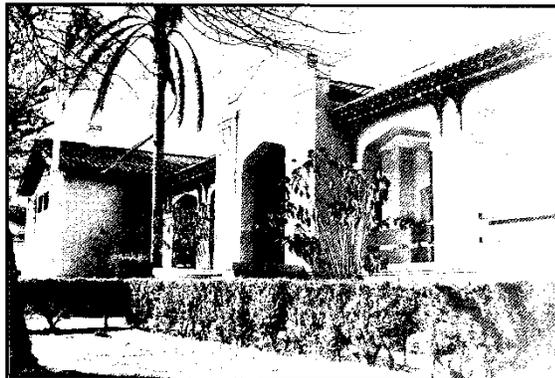
land grant that encompassed today’s cities of Fountain Valley, Westminster, Garden Grove, and northern Huntington Beach. The land became known as Las Bolsas (“The Pockets”) because it was primarily marshland with just pockets of solid ground.

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.

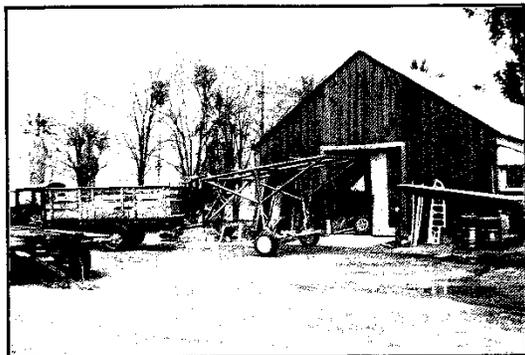
With this pivotal series of events, the rapid development of the Santa Ana Valley began.

The fantastic growth rate which Fountain Valley experienced in the



First Fountain Valley City Hall

1962 —1964. Built in 1920 as Fountain Valley’s elementary school.



Wardlow Blacksmith Shop 1915

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

COMMUNITY PROFILE

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

Climate

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

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

Population & Education

According to the 2014 Census at the benchmark, and updated in 2017 through the California Department of Finance, Fountain Valley's population is 56,313.

Fountain Valley is also a well educated population. According to the 2014 Census, and updated in 2017 through the American Community Survey Department of the US Census bureau, of those over 25 years, 90.9% graduated from high school and 38% have a Bachelor's degree or higher with the median household income of \$86,602.

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, expanded and renovated in 2008, contains a Recreation Center building with an indoor gym and community rooms. Outdoors are 3 lighted racket ball and 12 tennis courts, 15 ball/soccer fields, 3 dedicated soccer fields, 6 outdoor lighted basketball courts and 2 indoor racket ball courts. 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 19,023 households in Fountain Valley according to the 2013-2017 American Community Survey 5-year survey through the US Census Bureau. Over 68% of the city’s housing units are owner occupied and 30.5% were renters. Vacancy rates are very low at less than 2.6% of the total households. More than three quarters of these households are family households.



The median sale price of a home in Fountain Valley is \$765,000. This represents a 02% decrease over the prior year.

Type	FOUNTAIN VALLEY		ORANGE COUNTY	
	2017	Percent	2017	Percent
Single Family Detached	12,348	65.%	550,268	51%
Single Family Attached	1,809	10%	129,514	12%
Multi-Family (2-4 units)	1,009	5%	95,174	9%
Multi-Family (5 + units)	3,489	18%	276,779	25%
Mobile Homes	368	2%	29,966	3%
Total	19,023	100%	1,081,701	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.



COMMUNITY PROFILE

Employer	
Fountain Valley Regional Hospital	1774
Memorial Health Services	1493
Orange Coast Memorial Medical	1050
Hyundai Motor America, Inc.	677
Kingston Technology Corporation	677
Antech Diagnostics, Inc..	399
Surefire, Inc.	336
Costco Wholesale #411	322
Ceridian Tax Services, Inc.	288
Manor Care of Fountain Valley	192
Spec Services, Inc.	190
Sam's Club #6615	190

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.

RANK	TOP 10 TAX PAYERS BASED ON NET VALUES 2019-20
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	RAINTREE FOUNTAIN VALLEY, LLC
8	SHEA CENTER CRYSTAL SPRINGS, LLC.
9	FOUNTAIN VALLEY SENIOR HOUSING, LLC
10	US MILENIUM, 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

BUDGET GLOSSARY

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

BUDGET GLOSSARY

Certificates of Participation	Certificates of Participation (COPs) are tax-exempt bonds issued by state entities usually secured with revenue from an equipment or facility lease. COPs enable governmental entities to finance capital projects without technically issuing long-term debt. This can be advantageous, as the issuance of long-term debt is commonly subject to voter approval and other state constitutional and statutory requirements. COPs have 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.

BUDGET GLOSSARY

Cost Allocated	A method used to charge General Fund costs budgeted in one department to another department or another fund.
Debt Service	The payment of principal and interest on borrowed funds such as bonds.
Department, (Function) Division,	Section Organizational units within the Operations Budget that group resources together to provide related types of services.
Discretionary Funding Opportunities	Pertains to funds, grants or other resources that are not restricted as to use.
Drug Abuse Resistance Program	DARE – a police officer-led series of classroom lessons that teaches children from kindergarten through 12th grade how to resist peer pressure and live productive drug- and violence-free lives (www.dare.com).
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.

BUDGET GLOSSARY

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.
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.

BUDGET GLOSSARY

Geographical Information System	GIS – a computer system capable of assembling, storing, manipulating and displaying geographically referenced information.
Goal	A time/phased strategy that will implement a specific course of action or plan, typically, a long-term process.
Government Finance Officers Association	GFOA - 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

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

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Modified Accrual	Basis of Accounting Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, or measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.
National Pollutant Discharge Elimination System	NPDES – a permit program authorized by the Clean Water Act that controls water pollution by regulating point sources that discharge pollutants into waters of the United States.
Objective	Describes an outcome to be accomplished in specific, well-defined and measurable terms and is achievable within a specific timeframe; generally, programs have objectives.
Operating Budget	A budget for General Fund department service delivery expenditures such as salaries, utilities and supplies. The day-to-day costs of delivering essential City services.
Orange County Fire Authority	OCFA – an agency that provides fire prevention/suppression and emergency services to 22 cities and all the unincorporated areas in Orange County (www.ocfa.org).
Orange County Investment Pool	OCIP – a pooling of cash by the county, local agencies and school districts for investment purposes run by the Orange County Treasurer.
Orange County Transportation Authority	OCTA – a regional transportation agency formed in 1991 to develop and implement unified transportation programs and services for Orange County (www.octa.net).
Ordinances	A formal legislative enactment by the governing board (i.e. City Council) of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.
Outputs	The general results expected from programs and functions.
Part I Crimes	The most serious criminal offenses, including murder, rape, robbery, aggravated assault, burglary, larceny/theft, auto theft and arson.
Part II Crimes	All other criminal offenses not defined as Part I crimes.
Pavement Management System	PMS – a computer-assisted decision-making process designed to help cities and counties prevent pavement problems through maintenance and repair in a timely, cost-effective manner.
Pavement Quality Index	PQI – a scale from 1 to 10 that measures the structure, surface condition and riding comfort of the roadway.
Performance Budget	A budget wherein expenditures are tied to the measurable performance of activities and work programs.

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Performance Measurements	Statistical measures that are collected to show the impact of dollars spent on City services.
Personnel Expenses	Salaries and fringe benefits, such as pensions and insurance, for full-time and part-time employees of the City.
Priority E	Calls Refers to the most serious calls for emergency response for serious emergencies, in-progress calls and potentially life-threatening incidents that require a Code 3 (use of lights and siren) response.
Priority I Calls	Refers to calls for emergency response for serious emergencies, in progress calls and potentially life-threatening incidents that do not require a Code 3 (use of lights and siren) response.
Program	Represents major areas or support functions that can be defined as a service provided to citizens, other departments or other agencies.
Program Budget	A budget wherein expenditures are displayed primarily on programs of work and secondarily by the character and object class of the expenditure.
Property Tax	A tax levied on the assessed value of real property; also known as ad valorem tax. In California, this tax is limited to 1% with the exception of pre-Proposition 13 approved bond debt service. Proposition 13 On June 6, 1978, the California electorate approved Proposition 13, the "People's Initiative to Limit Property Taxation," which limited the tax rate for real estate as follows: the maximum amount of any tax on real property shall not exceed 1% of the full cash value of such property. The City of FV receives \$0.1287 cents per dollar of the Prop 13 tax.
Proposition 218	On November 5, 1996, the California electorate approved Proposition 218, the self-titled "Right to Vote on Taxes Act." Proposition 218 added articles XIII C and XIII D to the California Constitution and made numerous changes to local government finance law. Public officials are required to conduct the public's business in compliance with Proposition 218.
Public Employees' Retirement System	PERS – provides retirement and health benefit services to members from the state, school districts and local public agencies (www.calpers.ca.gov).
Ralph M. Brown Act	The Brown Act is a California law that insures the public can attend and participate in meetings of local government.
Redevelopment Agency	RDA – formerly charged with the oversight for the redevelopment process for the City of Fountain Valley. In June 2011, the Redevelopment Dissolution Act, AB1x26, was signed by the Governor and later upheld by the California Supreme Court. As a result, all

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	redevelopment agencies in California were dissolved effective February 1, 2012.
Regional Surface Transportation Program	RSTP – a federal and state funded grant program used for projects located on highway systems (classified higher than local roads or rural minor collectors), bridges on any public highway, and transit systems.
Reserve	A designated amount of funds set aside from a fund’s balance which is legally restricted for a specific purpose and is therefore not available for general appropriations.
Resolution	A special or temporary order of a legislative body (e.g. City Council or Planning Commission) requiring less formality than an ordinance.
Resources	Units of dollars or physical input, such as work years or work hours, and other assets used to support and attain program objectives.
Revenue	Annual income received by the City.
Right of Way	ROW – a strip of land occupied or intended to be occupied by a street, crosswalk, railroad, electric transmission line, oil or gas pipeline, water main, sanitary or storm sewer main, shade trees, or special use.
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.

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Strategic Financial Business Plan	SBP – a ten-year planning “blueprint,” updated annually, that evaluates the City’s financial capability to achieve its goals; helps set priorities for City operations and the annual budget; and guides the City’s capital improvement and rehabilitation program.
Traffic Enforcement Index	The number of moving citations divided by the number of injury accidents.
Transaction Sales Tax (District Tax)	Similar to the Bradley Burns Sales Tax, a transactions and use sales tax is allocated to the district where the tangible goods are delivered or placed into use. Voter approved district taxes are levied within incorporated city limits. Fountain Valley has a 1% transaction tax authorized from April 2017 to March 2037.
Transfers-In/Out	A transfer of resources between different City funds (see glossary definition of “Fund”). A transfer of cash from the City’s General Fund to a City Special Fund, for example, would be designated as a transfer-out in the General Fund, and then a transfer-in in the receiving Special Fund.
Transient Occupancy Tax	TOT – an 9% tax added to the cost of renting a hotel room within the City. Also known as the Hotel or Bed Tax.
Transportation 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).