



CITY OF KERMAN

Fiscal Year 2015/16

Adopted Operating and Capital Budgets

SERVICE. SAFETY. LIVABILITY.

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City Council



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Adopted June 17, 2015

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CITIZEN'S GUIDE TO THE BUDGET





INTRODUCTION



City Manager Transmittal Letter

June 17, 2015

Honorable Mayor and City Council Members:

I am pleased to present the Fiscal Year 2015-16 Budget for the City of Kerman. This budget supports the Council's overall goal of being responsive in maintaining and expanding core services to residents while keeping Kerman on a sound fiscal course.

I am also pleased to report that the City of Kerman received the Excellence in Budget Award from the California Society of Municipal Finance Officers (CSMFO) and a distinguished budget award from the Government Finance Officers Association (GFOA) for the fiscal year 2014/15 budget. We hope this year's budget continues in that same tradition.

Kerman's bond rating established by Standards and Poor's remains an A rating due to the City's strong reserves and prudent financial planning. This reinforces the City Councils ongoing commitment to ensuring that the City is on solid financial ground.

Despite a sluggish economy, the City is in relatively good financial shape especially compared to many other cities who face significant financial challenges. As reflected in the budget, service and staffing levels have increased to maintain our needed infrastructure improvements and provide safety to our residents.

Nearly six years after the Great Recession, the U.S. economy continues to slowly recover. Home building and home sales continue to rise, and the job market is improving. These signals indicate that the economy is beginning to improve.

Although the State economy is strengthening, the unprecedented four year drought is having implications for our agricultural-based economy. Central Valley farmers struggle for water to produce their crops. The trickle down effects can have drastic results for Valley communities if the drought continues for a fifth year.

Other factors impacting local governments include the pension contributions and health care costs. Future concerns in these two areas will need to be addressed as their impacts are evaluated.

As a commitment to our citizens to be ever fiscally vigilant, the theme for this year's budget is "Assuring Fiscal Responsibility" providing a transparent window into the City. The Budget is our way of assuring our citizens that the City both now, and in the future, will be financially prudent.

To this end, the following objectives were used in the preparation of the budget:

1. Balance expenditures with recurring revenues to ensure fiscal sustainability.
2. Continue long-range financial forecasting to evaluate future trends.
3. Track sales tax on a quarterly basis to understand the health of the various business segments in the community.
4. Maintain our commitment to making Kerman a place where "Community Comes First".
5. Continue with City's efforts in investing available resources to maintain, improve and expand City assets and infrastructure.

In summary the budget provides a comprehensive overview of the City's activities and programs during the twelve month period beginning July 1, 2015. The total recommended operational expenditures for the General Fund are \$4,649,499 for Fiscal Year 2015/16. This represents an increase of \$382,741 or nine percent above fiscal year 2014/15. Total General Fund revenues for FY 2015/16 are projected to be \$4,509,857 which is \$14,623 higher than the Fiscal Year 2014/125 Adopted Budget of \$4,495,234.

FY 2015/16 Budget Highlights

The Budget reflects expenditures on core public services from a variety of funds. Highlights for the budget include:

- Long range financial forecast. The City prepared a long range financial forecast for the General Fund to evaluate revenues versus expenditure over time rather than deal with any structural deficits yearly. The general fund revenues are based on projections prepared by MuniServices and the expenditures are based on the average growth over the previous ten years. The projections limit any programmatic or personnel growth to what the average can support. The City believes that having a long-term perspective on where a community has been, how far it has traveled, and where it will go, if it continues on the current path is critical.
- As indicated revenues are slightly less than last year and expenditures are higher than last year.
- Total General Fund revenue is estimated to be \$4,509,857. Sales tax revenue is projected to decrease slightly compared to Fiscal Year 2014/15.
- Investments in Capital Assets. The budget includes investments of \$8.6 million to capital assets including streets, water, sewer, parks, other facilities and equipment. These projects include major street repairs, remodel of the animal kennels and completion of Katey's Kids Park. Funds such as local transportation funds, state and federal funds, enterprise funds, development impacts fees and the general fund, are sources that fund these projects.

Where We Stand Today

As we focus on the theme of our budget; "Assuring Fiscal Responsibility", it is important to understand what the economic outlook is for the national, state and local economy.

The US economy continues to show signs that the worst of the Great Recession is behind us. California is also showing signs of economic recovery. Locally, Kerman is seeing single family home construction beginning again, as well as genuine interest in new commercial projects.

The U.S. Confidence Board reported that consumer confidence index is at 90.9 which is a significant increase from the 25.3 the economy received in February of 2009. Prior to the recession, the consumer confidence index was above a score of 90.

The Bureau of Labor shows the jobless rate at 5.3% which is lower than last year by a few tenths of a point. The unemployment rate has fallen much more rapidly than expected. Overall unemployment has recovered 89% of its' pre-recession average. Many economist believe the economy will grow by 2% in 2015.

The U.S. housing sector is normalizing as home prices have risen and reduced the number of underwater mortgages. The number of past due or in foreclosure loans have been reduced by 50% from the numbers four years ago. Existing home sales in the western region of the U.S. are 8.8% higher than a year ago with the median price at \$328,900 which is 9.9% higher than last year.

State Level

California's economy has maintained a strong momentum even though the State continues to struggle with a historical drought. More than 475,000 new jobs have been added over the last year. The trade figures in California showed that in 2014, the State's exports grew by 3.6% to 174.1 billion. The California's Legislative Analyst Office (LAO), projects operating surpluses to grow between \$1 and \$3 billion each year through 2017-18.

The LAO also predicts that property tax will grow about 7% this year. Additionally because of the end to the "triple flip", a mechanism used to repay the States' deficit financing bonds of the 2000's, which will end in Fiscal Year 2016/2017 and result in an annual benefit of \$1.6 billion per year to the States' general fund. The State's budgetary condition is stronger than at any time in the last decade, stated the LAO, with the ending of the States' structural deficit. California's Sales and Use tax were \$20.5 billion, which represents a \$240 million increase over last year.

The California Building Industry Association reported gains in new residential building permits for each month of the first quarter of 2015, with a valuation of nearly 3 billion dollars. The industry expects new housing starts to continue to rise during the remainder of the year.

The Business Forecasting Center at the University of the Pacific predicts California's economic growth will accelerate in 2015. Non farming payrolls are at pre-2007 levels, which is a further indication of an improved economy.

Manufacturing employment in California is predicted to grow 1% in 2015 after a decade of large declines. Some of the increase in this sector will be driven by the construction industry rebound and the increase demand for building materials.

The unemployment rate is projected to decline over the next four years by 3.4%

The Golden State continues to show economic vitality and growth.

Local Level

The Local economy continues to show strong signs of recovery. According to the State Employment Development Department, the jobless rate in Fresno County has fallen below the 10 percent mark for the first time in years. The unemployment rate in Kerman has fallen to below 8% which is the lowest in the last 5 years.

"Today we set a high but achievable bar, with the goal of stretching urban California's water supply.

We have to face the reality that this drought may continue and prepare as if that's the case."

Felicia Marcus, State Water Resources Control

“The combination of first-time move-up buyers, and re-entry buyers isn’t only a return to normalcy, but is essential for a healthy market.”

Colleen Wiginton, President Fresno Association of REALTORS

The price of a median home in Fresno County was \$223,150 as of June 2015, up 11% from a year ago as reported by the California Association of Realtors.

The inventory for existing homes in Fresno County was holding at approximately four months. A normal inventory is approximately six months, so the local market remains tight in this area.

Fresno County followed national trends in terms of distressed home sales. According to the California Association of Realtors, distressed sales in Fresno County dropped to 11% of total sales in May, a 27% drop since April of 2013.

The trends we are seeing both nationally and regionally also hold true for the City of Kerman. The City has continued to show increases in sales tax revenue, and home construction is at an all-time high for the last six years. The projected increases are from the collection of sales tax from several new businesses including the newly open Panda Express restaurant. The economic recovery is seen in the increase in sales tax from all sectors of the general business community of Kerman.

New construction of homes is predicted to significantly increase this year with the building of 20 new homes and the projection of at least 45 more within the next two years. Kerman continues to be an attractive community for home builders who want to offer quality homes and life styles to families seeking alternatives from a more urban environment.

The agricultural economy continues to suffer as the drought continues. The State has enacted emergency regulations pertaining to saving water and limiting usage. These restrictions include the farming industry which all of us depend on so greatly.

Predictions for the upcoming winter point to an El Nino weather event. If this comes to fruition, the great drought may be coming to an end in California. Although the State will need multiple years of above average rainfall and snow pack to overcome the damage already encountered by the drought.

What Awaits Kerman

The economy continues to show increased signs of obtaining full recovery. Areas of interest to Kerman and the City as a whole will be:

New Home Construction

All signs point to significant recovery in this area and we can expect increases in jobs and permit fees to continue for the City. The City’s Planning and Development Services Department stands ready to ensure a good building experience for the contractors doing business in our community.

Retail Growth and Expansion

Kerman continues to attract new businesses. Walmart, Panda Express and Taco Bell are recent entries into Kerman's growing Highway 180 corridor. Interests expressed by companies such as Starbucks and Les Schwab shows that we have not peaked in the area of new business attraction.

Health Care and Pension Costs for City Employees

This is an area that has and will see some volatility over the next few years. The health care environment not only affects public employees but all citizens. As the Federal government continues to delve into this area, we expect to see changes to not only cost but coverage issues as well.

CalPERS, the City's retirement system, has enacted changes which will ensure a "true-up" which has resulted in higher than expected costs. This will help ensure that the system is better able to sustain itself and stabilize costs in the future.

Conclusion

We are confident, that our conservative approach to the 2015/16 budget will ultimately show a balanced budget at the end of the fiscal year, thus "Assuring Fiscal Responsibility". The future continues to brighten as the clouds of the Great Recession fade; hope and promise restore themselves in our lives and in our thinking.

The City Council has continued to remain fiscally vigilant in conducting the business of the City of Kerman. The City has a firm foundation to build on.

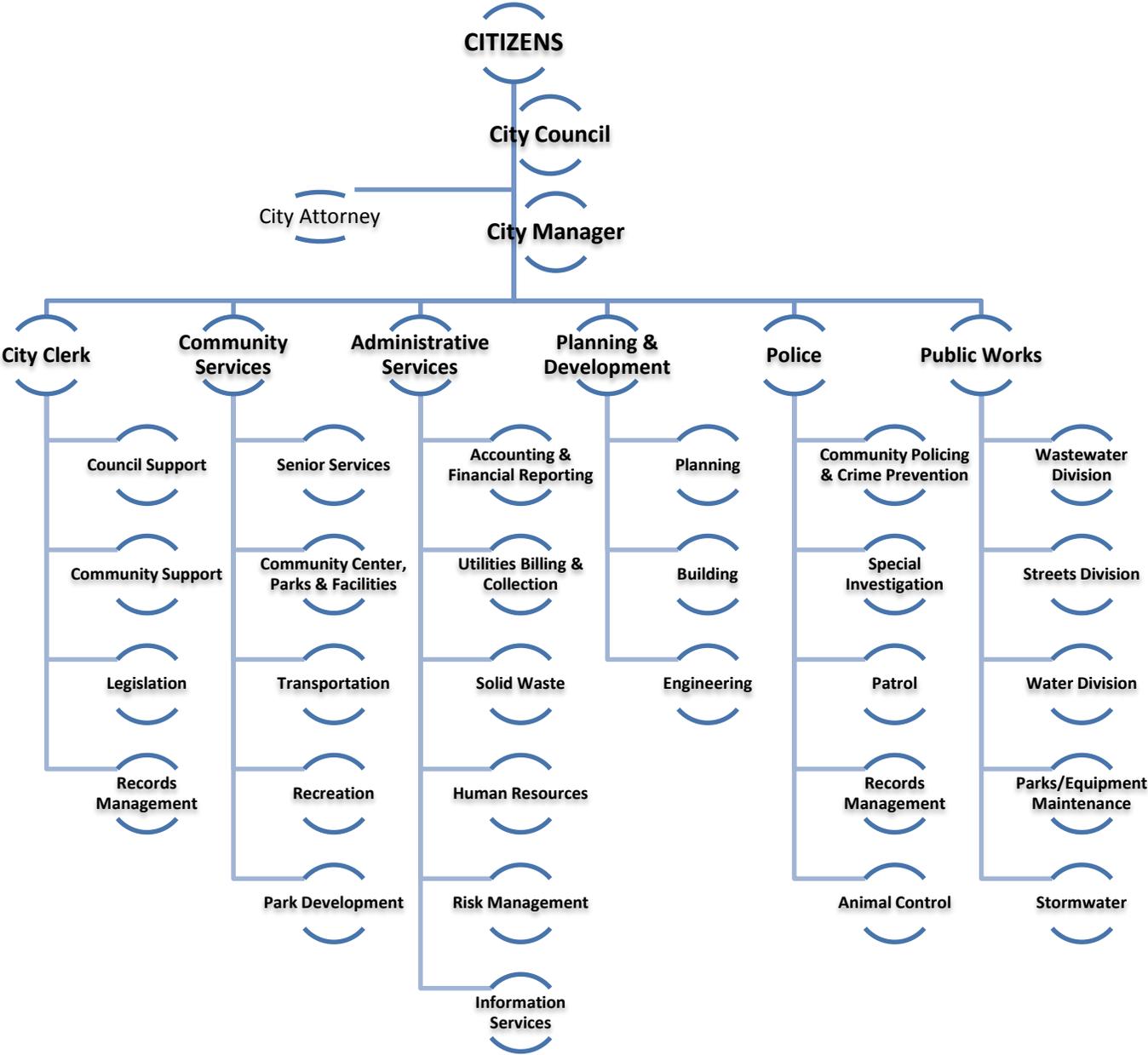
City employees continue to "go the extra mile", and do an outstanding job of keeping Kerman a community where quality of life is a reality. Many times their work goes unnoticed or unrecognized, but the results are visible in the beauty of our parks, the pureness of our water and the safety of our citizens.

I look forward to working with the talented City staff in achieving the provisions outlined in this years' budget.

Respectfully Submitted,

John Kunkel
Interim City Manager

Organizational Chart



Total Housing Units: A total of 3,908 housing units with 59% owner-occupied, 41% rental housing and 5% vacant units



Education/Schools: The community is served by the Kerman Unified School District (KUSD), a District of approximately 4,993 students with seven campuses: Goldenrod Elementary School (K-6); Kerman-Floyd Elementary School (Preschool-6); Liberty Elementary School (K-6); Sun Empire Elementary School (K-6); Kerman Middle School (7-8); Kerman High School (9-12); and Alternative Education programs at Enterprise High School. Kerman Unified School District continues to be one of the strongest small school districts in the Central Valley.

City Development: Commercial and industrial developments are important contributors to local sales and property tax revenues as well as new jobs. New commercial developments include Panda Express with ancillary leasable tenant space and a new dialysis clinic with three tenant spaces for lease. Industrial expansions for Mid Valley Disposal Recycling and Transfer Station, which plans to expand on 30 acres in three phases.

Largest Employers: Kerman’s largest employers reflect the diversity of the City and the strong agricultural base

Name of Business	Product/Service	Employees
Kerman Unified School District	Education	480
Mid Valley Disposal	Solid Waste/Recycling	290
Walmart – Kerman	Retail	250
Panoche Creek	Almond Packer	160
MEC Ariel Platform	Ariel Lift	135
Hall Ag Enterprises	Labor Contractors	100
City of Kerman	Municipal Government	60
Sebastian	Communications	53
Helena Chemical	Chemical	50



Data Source

Population: Department of Finance California Population Estimates – May 2015

Credit Rating: Standard and Poor's Rating Service

Parks: City of Kerman Parks and Recreation Department

Housing Growth: City of Kerman Planning and Development Department

Household Income: U.S. Census Bureau, Selected Economic Characteristics

Housing median Sales Price: Trulia.com 2015

Housing Units: Fresno Council of Governments

Education: Kerman Unified School District

City Development: City of Kerman Planning and Development Department

Largest Employers: Provided by individual employer or business data from internet

Community Motto

City Motto

A Place Where “Community Comes First”

Organizational Mission

Service.

- To deliver the highest quality of service in an efficient and cost-effective manner

Safety.

- To ensure that the community is a safe place to live, work, raise a family, operate a business and visit

Livability.

- To focus the organization’s human and capital resources on improving the community’s quality of life

Organizational Vision Statement

Facilitating progress while preserving the Community's character.

Organizational Core Values

People

- Being sensitive and respectful to human needs
- Putting the customer first
- Involving the community
- Supporting & encouraging staff growth & development
- Recognizing & appreciating employees

Excellence

- Pursuing excellence in everything that we do
- Proactive approach to problem solving
- Accepting accountability for ourselves and our work
- Focus on detail, execution, and quality

Team

- Encourage cooperation throughout the organization
- Build on strength and collective knowledge
- Focusing on a common goal
- Demonstrating concern for fellow team members
- Encourage problem solving across departments

Leadership

- Demonstrating honesty, integrity, and respect
- Promoting leadership development at all levels
- Communicating openly
- Foster esprit de corp in the organization
- Focus on succession planning

Innovation

- Learning from others and past experience
- Challenge the status quo and the way we do things
- Investing in people and technology
- Encourage creativity at all levels
- Reward effective ideas

Strategic Goals

Below is a result of the City Council Strategic Planning Meeting held in May 2015.



Goals, Objectives and Action

Goal	Objective	Performance Outcomes
Fiscal Sustainability	<ul style="list-style-type: none"> ▪ Balance revenues and expenditures to ensure fiscal stability ▪ Monitor trends in key revenue sources and make adjustments as needed ▪ Provide core services in an efficient and effective manner 	<ul style="list-style-type: none"> ▪ Review Quarterly Sales Tax Receipts to track sales tax revenues and report status to Council ▪ Review expenditure versus budget reports for each department on a monthly basis ▪ Conduct mid-year budget review and make adjustments as needed
Quality of Life	<ul style="list-style-type: none"> ▪ Focus on key services, programs and activities for seniors and youth ▪ Partner with service clubs to promote community-wide events ▪ Maintain and expand parks and open space throughout the community 	<ul style="list-style-type: none"> ▪ Provide annual report to the Council on activities in youth, seniors and parks programs ▪ Install restrooms at Soroptimist Park ▪ Complete Katey's Nature Kids Park
Public Safety	<ul style="list-style-type: none"> ▪ Engage the public, particularly youth, in public safety strategies ▪ Provide proactive policing strategies using the latest technology ▪ Respond to calls for service in a timely manner ▪ Provide a high-level of customer service 	<ul style="list-style-type: none"> ▪ Engage the community by expanding neighborhood watch, use of social media, and sponsorship of community-based events. ▪ Track Part 1 and Part 2 crimes and provide reports to Council ▪ Utilize reserve police officers to enhance staffing
Capital Investments	<ul style="list-style-type: none"> ▪ Invest available resources to maintain, improve and expand City assets ▪ Continue to evaluate, rank and prioritize needed capital investments ▪ Leverage alternative funding sources to fund capital investments 	<ul style="list-style-type: none"> ▪ Deliver capital projects on time and within budget ▪ Seek grant opportunities to fund key facility and infrastructure projects
Economic Development	<ul style="list-style-type: none"> ▪ Facilitate new commercial and industrial projects ▪ Continue partnership with Kerman Chamber of Commerce ▪ Continue partnership with the Fresno Economic Development Corporation (EDC) 	<ul style="list-style-type: none"> ▪ Process land use entitlements within 45 to 60 days ▪ Participate in the "Creating Prosperity in Fresno County" effort lead by the County
Organizational Development	<ul style="list-style-type: none"> ▪ Evaluate staffing levels to ensure adequate delivery of core services ▪ Provide training and resources in order to sustain a talented workforce ▪ Maintain accountability and recognition of employees 	<ul style="list-style-type: none"> ▪ Prepare a long-term staffing/workforce plan ▪ Update the Injury and Illness Prevention Program ▪ Develop localized training of key management and supervisory staff
Organizational Transparency	<ul style="list-style-type: none"> ▪ Post key information on the City's website ▪ Use social media to inform and engage the public ▪ Prepare budget in a user-friendly, informative & transparent format 	<ul style="list-style-type: none"> ▪ Post salary schedules, job descriptions, MOU contracts on the City website ▪ Create web-portal for employees to access personnel related information and policy documents

Budget Awards

Government Finance Officers Association



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Kerman, California for its annual budget for the fiscal year beginning July 1, 2014.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Budget Awards

California Society of Municipal Finance Officer Budget Award



The California Society of Municipal Finance Officers (CSMFO) presented an Excellence in Budgeting Award to the City of Kerman for the fiscal year 2014/15 budget. The CSMFO Budget Awards Program recognizes those agencies that have prepared a budget document that meets certain standards

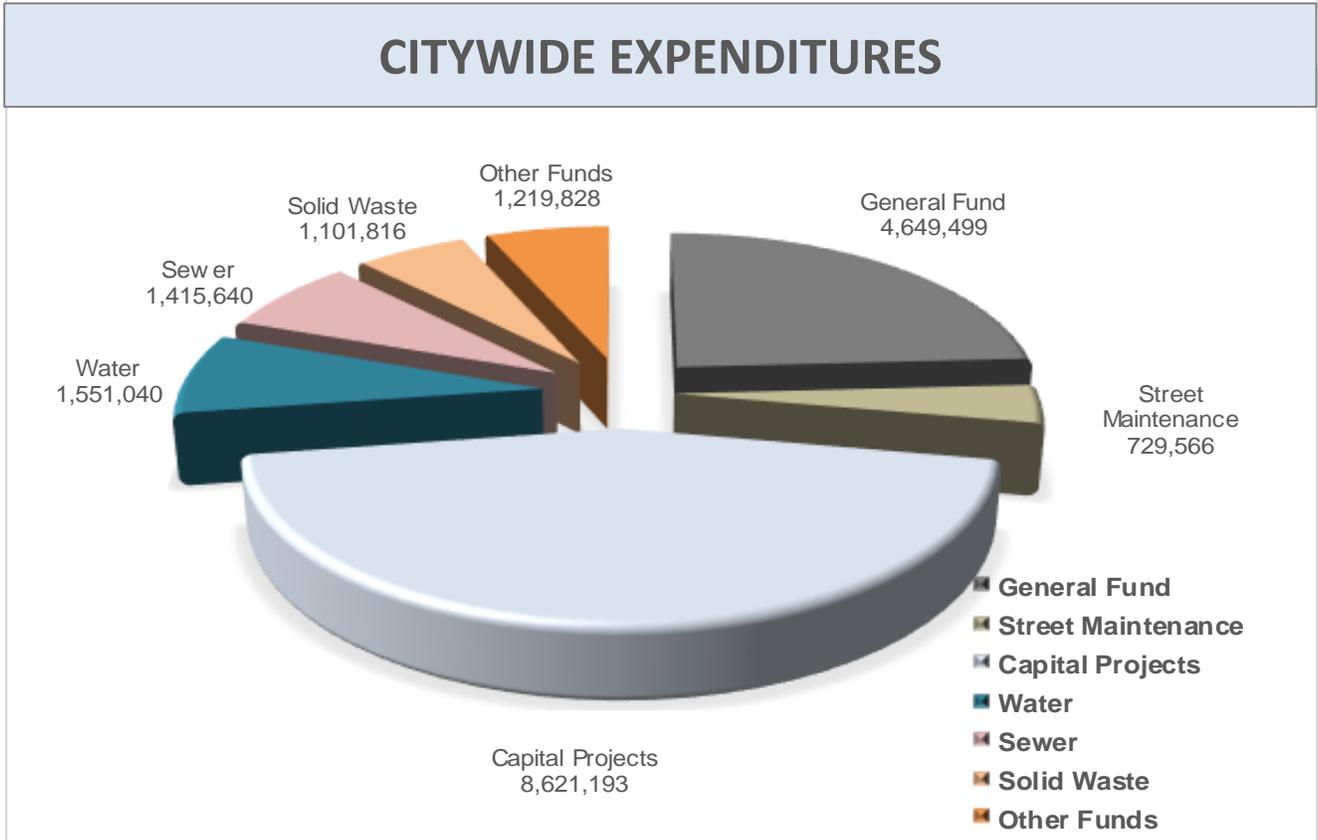
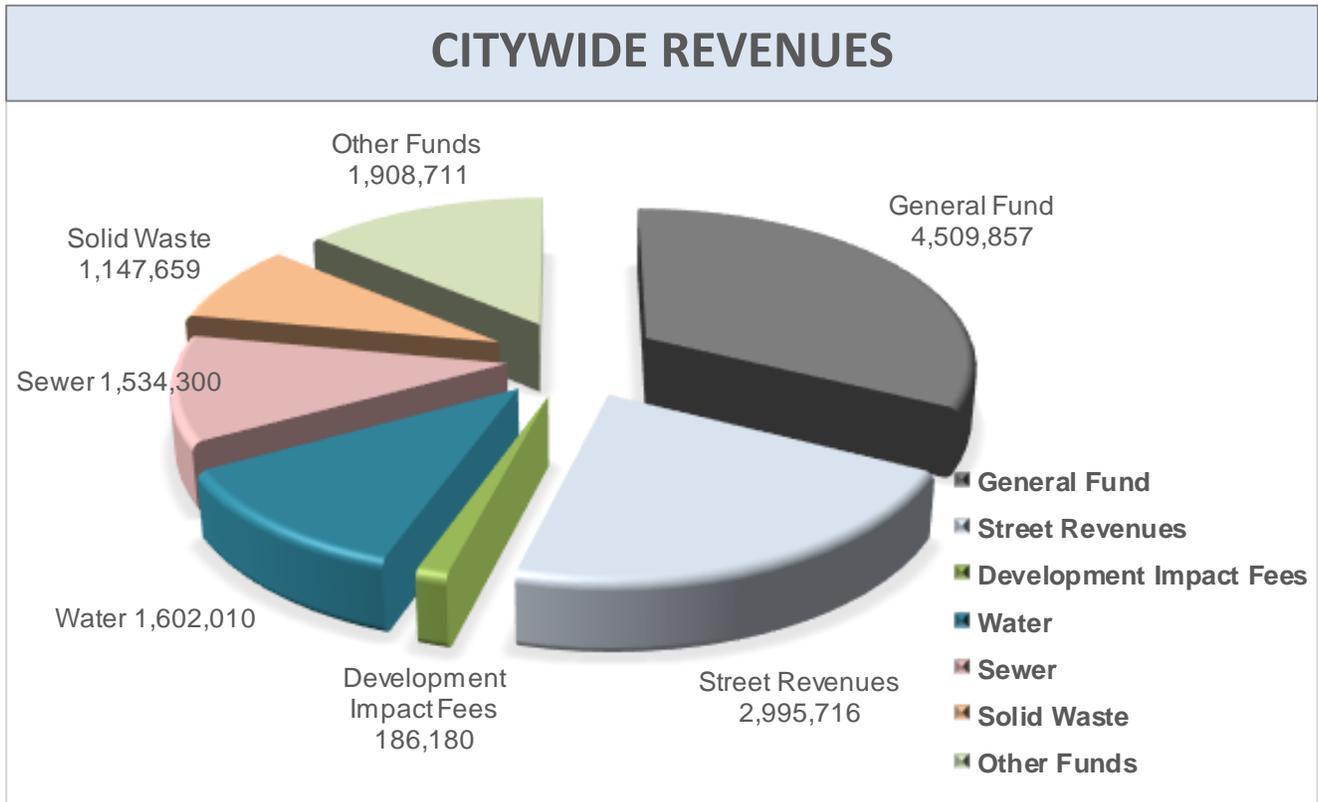
Both budget awards were made possible by the dedication, hard work and team effort put forth by department heads and key staff involved in the budget preparation process.



BUDGET OVERVIEW



Citywide Overview



City Summary

City Wide Revenues Summary

Fund	Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year-End	Budget 2015-2016
General Fund						
100	General Fund Revenues	4,116,823	4,409,075	4,495,234	4,580,657	4,509,857
	Sub-Total General Fund	4,116,823	4,409,075	4,495,234	4,580,657	4,509,857
Special Revenue Funds						
100	SLESF Grant	100,025	100,000	100,000	100,000	100,000
100	COPS Hiring Grant	0	44,017	34,259	34,000	17,986
100	Safety Grants, Contracts and Projects	69,112	0	0	0	0
120	CDBG	337,230	0	183,866	183,866	80,000
730	Senior Nutrition Site Management	14,481	14,092	14,644	12,944	13,144
780	Grants - Water Meters	0	0	724,000	0	682,930
750	Lighting & Landscaping District 1	193,467	207,036	209,685	209,010	212,787
800-850, 870	Street Revenues	1,692,978	1,965,675	2,063,541	1,281,886	2,995,716
860	Community Transit	101,050	101,632	100,000	100,000	100,000
Various	Development Impact Fees	291,943	234,296	350,890	226,415	186,180
	Sub-Total Special Revenue Funds	2,800,286	2,666,747	3,780,885	2,148,121	4,388,743
Internal Service Funds						
500	Vehicle/Equipment Charges to Dept's	383,790	448,059	517,008	522,064	574,351
510	Technology Charges to Dept's	72,240	81,463	59,920	60,070	54,169
	Sub-Total Internal Service Funds	456,029	529,522	576,928	582,134	628,520
Enterprise Funds						
410	Water	1,581,159	1,645,636	1,597,500	1,578,100	1,602,010
420	Sewer	1,298,383	1,434,170	1,440,500	1,528,765	1,534,300
430	Solid Waste (Refuse)	1,063,192	1,088,410	1,087,580	1,140,012	1,147,659
470	Storm Drain Maintenance & Operations	82,097	67,192	69,400	71,337	73,345
	Sub-Total Enterprise Funds	4,024,832	4,235,408	4,194,980	4,318,214	4,357,314
Grand Total All Funds		\$11,397,970	\$11,840,752	\$13,048,027	\$11,629,125	\$13,884,434

City Wide Operational Expenditures Summary

Fund	Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year-End	Budget 2015-2016
General Fund						
100	General Fund Expenditures	3,683,344	3,993,035	4,266,758	4,270,064	4,649,499
	Sub-Total General Fund	3,683,344	3,993,035	4,266,758	4,270,064	4,649,499
Special Revenue Funds						
100	SLESF Grant	100,025	100,000	100,000	100,000	100,000
100	Safety Grants, Contracts and Projects	57,191	57,168	70,556	51,149	62,513
730	Senior Nutrition Site Management	29,830	26,688	27,534	27,584	28,086
750	Lighting & Landscaping District 1	179,397	181,526	231,855	233,070	212,630
800-850, 870	Street Expenditures	541,564	628,008	662,523	655,290	729,566
860	Community Transit	108,335	108,501	114,026	114,566	123,176
Various	Development Impact Fees	0	0	26,000	26,000	0
	Sub-Total Special Revenue Funds	1,016,342	1,101,890	1,232,495	1,207,660	1,255,971
Internal Service Funds						
500	Vehicle/Equipment Expenditures	460,208	510,139	500,848	468,459	553,827
510	Technology Expenditures	71,262	60,972	61,103	66,833	69,716
	Sub-Total Internal Service Funds	531,470	571,112	561,950	535,292	623,543
Enterprise Funds						
410	Water	1,383,414	1,418,943	1,494,361	1,430,755	1,551,040
420	Sewer	1,349,128	1,226,177	1,433,038	1,459,083	1,415,640
430	Solid Waste (Refuse)	974,144	1,042,768	1,074,135	1,095,907	1,101,816
470	Storm Drain Maintenance & Operations	63,330	65,959	72,565	72,004	69,880
	Sub-Total Enterprise Funds	3,770,015	3,753,847	4,074,099	4,057,749	4,138,376
Capital Project Funds						
100	8000 Parks, Facilities & Equipment	23,359	56,129	45,000	38,000	133,000
120	8000 CDBG Construction	349,418	0	183,866	25,000	238,722
140	8000 Facilities Construction	51,599	52,008	126,362	51,362	401,435
410, 520-540	8000 Water Construction	18,809	99,901	2,365,017	66,067	3,868,205
420, 550-570	8000 Sewer Facilities Construction	304,287	444,901	39,532	15,532	0
480, 490	8000 Storm Drain	0	149,055	26,378	0	6,000
580, 590	8000 Parks Construction	40,845	41,170	40,658	40,658	40,716
780	8000 Parks Construction	55,459	236,465	40,000	120,800	0
800, 830, 880-920, 95	8000 Street Construction	1,403,735	1,877,953	2,402,790	595,624	3,933,116
	Sub-Total Capital Project Funds	2,247,511	2,957,582	5,269,603	953,043	8,621,193
Grand Total All Funds		\$11,248,682	\$12,377,465	\$15,404,905	\$11,023,808	\$19,288,583

Fund Balance Summary

Fund Balance Summary

Fund	Description	6/30/2015	2015 - 2016 Budget		6/30/2016
		Fund Balance*	Revenue	Expenses*	Balance
100	General Fund	2,751,633.00	4,409,857.00	4,649,499.00	2,511,991.00
110	CIP Administration - DIF	(79,421.01)	7,500.00	0.00	(71,921.01)
140	Facilities Construction - DIF	(104,826.69)	17,000.00	51,434.65	(139,261.34)
170	General Plan Update - DIF	(53,945.42)	3,400.00		(50,545.42)
300	Jobs/Housing Mitigation - DIF	54,861.88	0.00	0.00	54,861.88
410	Water	3,723,578.33	1,602,010.00	2,559,684.31	2,765,904.02
420	Sewer	8,003,480.42	1,534,300.00	1,415,639.59	8,122,140.83
430	Solid Waste	277,669.11	1,147,659.00	1,101,816.34	323,511.77
470	Storm Drain	1,051,630.63	73,345.00	69,880.00	1,055,095.63
480	Storm Drain Acquisition - DIF	(114,705.51)	1,025.00	0.00	(113,680.51)
490	Storm Drain Construction - DIF	107,092.99	3,100.00	6,000.00	104,192.99
500	Vehicle Equipment - ISF	439,840.79	574,350.70	553,827.00	460,364.49
510	Technology - ISF	93,383.51	54,168.92	69,716.00	77,836.43
520	Water Front Footage - DIF	206,538.16	2,000.00	0.00	208,538.16
530	Water Oversize - DIF	135,684.98	4,000.00	39,412.00	100,272.98
540	Water Major Facilities - DIF	647,652.24	31,000.00	668,719.00	9,933.24
550	Sewer Front Footage - DIF	14,596.86	1,400.00	0.00	15,996.86
560	Sewer Oversize - DIF	70,506.62	5,600.00	0.00	76,106.62
570	Sewer Major Facility - DIF	48,673.96	35,350.00	0.00	84,023.96
580	Park Development - DIF	(19,487.30)	35,000.00	20,358.00	(4,845.30)
590	Park Development - Quimby - DIF	30,937.57	10,150.00	20,358.00	20,729.57
730	Senior Site Mgmt./Nutrition	0.00	28,085.63	28,085.63	0.00
750	Landscape & Lighting District	21,740.38	212,787.00	212,630.26	21,897.12
800	Streets	0.00	64,687.00	64,687.00	0.00
810	Gas Tax - 2105	(17,150.93)	104,150.93	87,000.00	0.00
820	Gas Tax - 2106	18,259.51	62,840.49	81,100.00	0.00
830	Gas Tax - 2107	262,098.00	113,081.00	367,135.99	8,043.02
840	Gas Tax - 2107.5	(1,925.82)	3,000.00	0.00	1,074.18
850	SB 325 III	10,962.71	9,123.00	10,000.00	10,085.71
860	Transportation	(2,583.32)	125,759.68	123,176.35	0.00
870	SB 325 VIII	693,806.73	534,641.87	1,228,448.60	0.00
880	Measure C	13,168.55	386,636.09	399,804.64	0.00
910	Major Streets - DIF	21,794.07	34,231.93	56,026.00	0.00
920	Major Street Signals - DIF	114,518.52	19,668.48	134,187.00	0.00
930	Major Street Railroad - DIF	293,911.65	5,000.00	294,000.00	4,911.65
950	Traffic Congestion Relief	197,160.17	106,140.00	399,445.00	(96,144.83)

***Unaudited Balances**

***Excludes Depreciation Expense**

DIF - Development Impact Fees

ISF - Internal Service Funds

Notes: Major Fund Balance Changes

- 100 Council added a new police officer and agreed to backfill positions that had been vacant.
- 140 Capital Improvement - Restroom addition to Soroptimist Park
- 410 Completion of City-wide meter project
- 540 Capital Improvement - Water Meters
- 570 Funds Held for Loan Debt Service
- 810-920 Capital Improvement-Variou Street Projects



GENERAL FUND



General Fund Overview

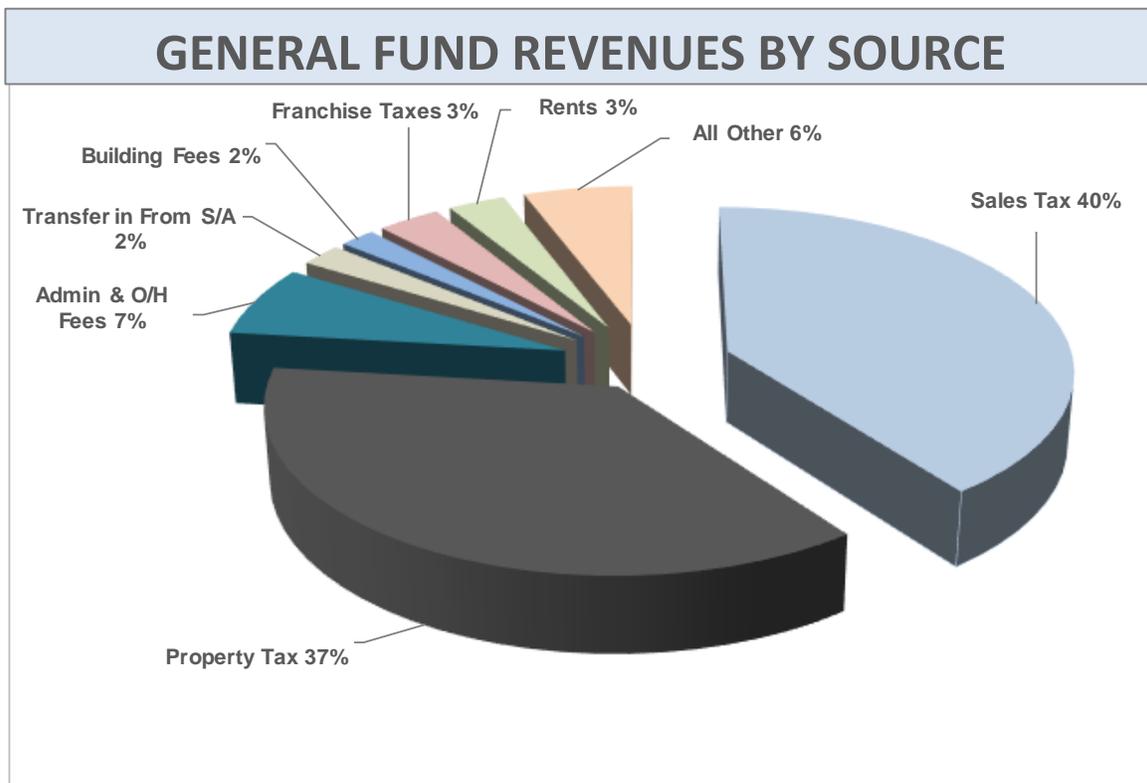
The General Fund covers all expenditure and receipt transactions, except for those special requirements that demand a separate fund account. The accounts of the General Fund reflect the major share of the City's fiscal transactions.

The General Fund is financed by what are defined as general purpose and restricted revenues. General purposes are self-explanatory. Restricted revenues are those resources that, by contract or agreement, are reserved to specific purposes, and expenditures that are limited by the amount of revenue realized.

In Fiscal Year 2015/2016, total General Fund expenditures are projected to exceed revenues by \$139,642 with \$4,649,499 in projected expenditures and \$4,509,857 of projected revenues. Total revenue of \$4,509,857 represents a \$14,623 or 0.33 percent increase from Fiscal Year 2014/2015 adopted budget. Included in this \$4,509,857 is \$100,000 of revenues to be transferred in for administration of the Successor Agency. General Fund expenditures for Fiscal Year 2015/2016 increased from \$4,266,758 in Fiscal Year 2014/2015 adopted budget to \$4,649,499 or an increase of \$382,741 or 9%.

The General Fund's top two tax revenue sources (sales tax and property tax) combined account for \$3,464,000 or 77 percent of total projected sources of funds in the Fiscal Year 2015/2016 adopted budget. A summary of General Fund revenues are:

→ Sales Tax	\$1,794,000	→ Building Fees	\$ 86,000
→ Property Tax	\$1,670,000	→ Franchise Taxes	\$150,000
→ Admin & O/H Fees	\$ 312,796	→ Rents	\$136,565
→ Transfer in From S/A	\$ 100,000	→ All Other	\$260,496



Sales Tax

Sales tax revenues are projected to be at \$1.79 million, which is approximately the same sales tax revenue for Fiscal Year 2014/2015 adopted budget. WalMart opened August 2013 and sales tax revenues from this new retailer have leveled out; however, additional outlots are being developed to provide light increases in sales tax revenue.

Property Tax

Property values have maintained relatively stable in Kerman. Fiscal Year 2015/2016 property tax revenue is projected at \$1,670,000 which is \$111,446 above Fiscal Year 2014/15 adopted budget. The 2015/16 increase is primarily due to new commercial developments. A large portion of property tax comes from Property Tax In Lieu of Vehicle License Fee Backfill (Tax In-Lieu). We are projecting \$1,047,961 from Tax In-Lieu for Fiscal Year 2014/2015 and \$1,050,000 in Fiscal Year 2015/2016.

Administration and Overhead Fees

Fiscal Year 2015/2016 revenues are remaining the same as Fiscal Year 2014/2015 revenues for Administration and Overhead. These fees are charged to the various departments outside of the General Fund for their estimated share of costs related to the infrastructure and administration services provided by the City. No fee increases for administration and overhead are included in the Fiscal Year 2015/2016 budget.

Building Fees

Building Fee revenue is difficult to predict in an environment with unpredictable residential development and the possibility for rather large commercial development projects. Although we hope to see an increase in residential and commercial development, we are continuing to make a conservative projection for Fiscal Year 2015/2016. Building Fees are projected at \$86,000 for Fiscal Year 2015/2016.

Franchise Taxes

Franchise taxes are projected to stay the same for Fiscal Year 2015/2016 as the Fiscal Year 2014/2015 adopted budget. Franchise tax revenue is expected to be at \$150,000. Franchise taxes are paid to the City of Kerman by PG&E and by the Westside Cities Cable Television Authority.

Rents

Rental income is expected to present an increase of 9% compared to Fiscal Year 2014/2015 adopted budget. The Fiscal Year 2015/2016 projection for rental revenues is \$136,565. The City's General Fund receives rents from the Community Teen Center, the 942 S. Madera Avenue building, agricultural properties being held for future parks, cell tower leases and from other facilities and parks.

Licenses and Permits

This revenue category is mainly comprised of Business License, Vehicle License Fee, Animal Licenses and Permits and Other Licenses and Permits. Total revenues for Fiscal Year 2015/2016 in this category are \$75,250, with Business License revenue of \$60,000, Vehicle License Fees of \$5,500 and Animal License and Permits of \$6,000.

Fines and Penalties

In Fiscal Year 2015/2016 Fines and Penalties consist of Vehicle Code Fines of \$30,000, Towed Vehicle Fees of \$12,500, Parking Fines of \$5,000 and Criminal Code Fines/Booking Fees of \$2,000 for a total of \$49,500. This is consistent with estimated 2014/2015 year-end revenues for this category.

Interest and Miscellaneous Income

Interest Income and other miscellaneous items make up this total budget of \$48,423 in Fiscal Year 2015/2016 which is up by \$1,161 or 2 percent over the Fiscal Year 2014/2015 adopted budget.

Youth and Recreation Program Fees

This revenue category budget has increased from \$45,000 in the 2014/2015 adopted budget to \$54,123 in Fiscal Year 2015/2016, which is an increase of 20 percent or \$9,123. The primary reason for this increase is the addition of new recreation programs.

Reimbursements

This revenue category is made up of SB90 Reimbursement and Self Insurance Refund. However, no Self Insurance Refund is anticipated in Fiscal Years 2015/2016.

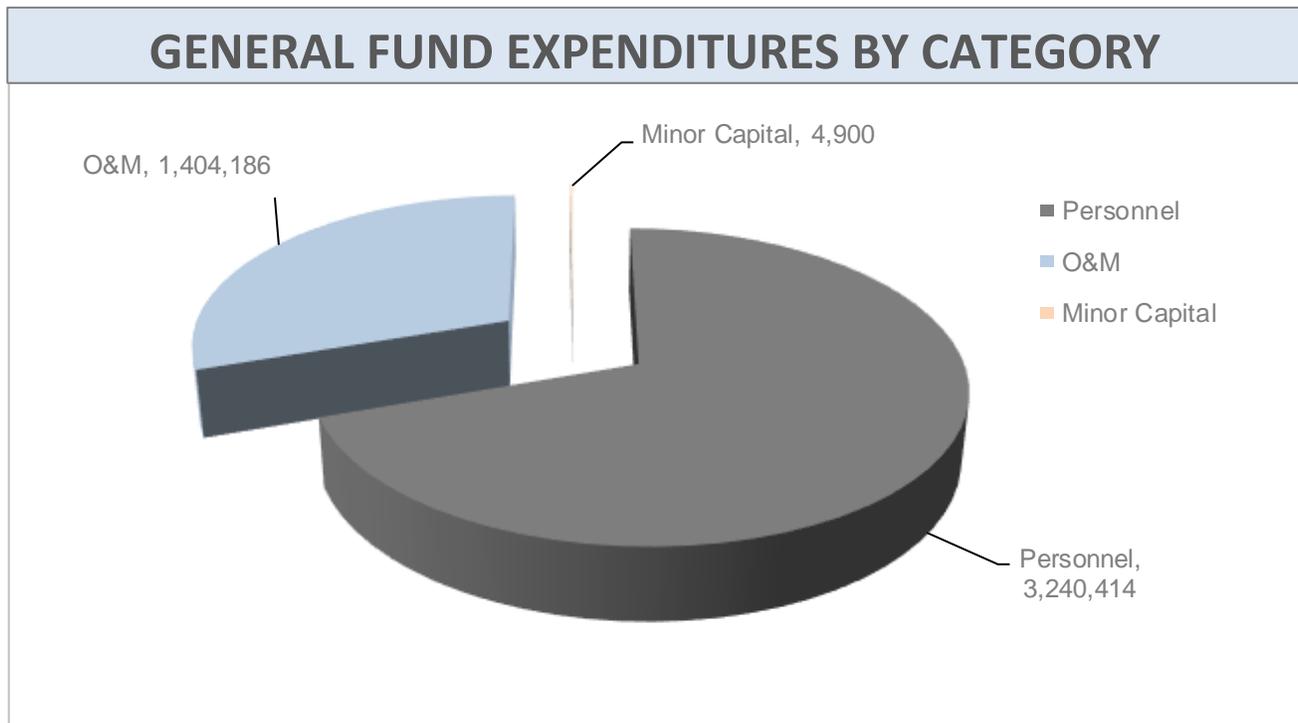
Other Fees for Services

Total Other Fees for Services are projected at \$16,700 for Fiscal Year 2015/2016, with \$4,000 from Police Department Special Services, \$5,000 from Live Scan Finger Printing Fees, \$1,500 Proof of Correction Fees, \$5,000 Weed Abatement Fees, \$1,000 Foreclosure Registration Fees and other Fees for Services \$200. These Service Fees decreased 2 percent compared to Fiscal Year 2014/2015 adopted budget. The primary reason for this decrease is the reduction in Foreclosure Registration Fees.

Expenses

Staff is proposing a \$4,649,499 expense budget for the General Fund in Fiscal Year 2015/2016, an increase of \$382,741, or 9 percent, compared to the Fiscal Year 2014/2015 adopted budget. Of the total 2015/2016 operating budget of \$4,649,499 within the General Fund, personnel expenses make up \$3,240,414 or 70 percent. Details of this major expenditure category are discussed below.

Breakdown of Expenditures



Salary and Benefits

Personnel expenditures include employee benefits such as pension and health benefits (medical, dental, vision, life and long term disability) for current full time City employees. CalPERS employer contributions Fiscal Year 2015/2016 for the miscellaneous group is at 6.709% and Safety at 11.53%. Beginning with Fiscal Year 2015/2016 CalPERS will collect employer contributions towards the City's unfunded liability. The combined total City's contribution for fiscal year 2015/2016 decreases less than 1%.

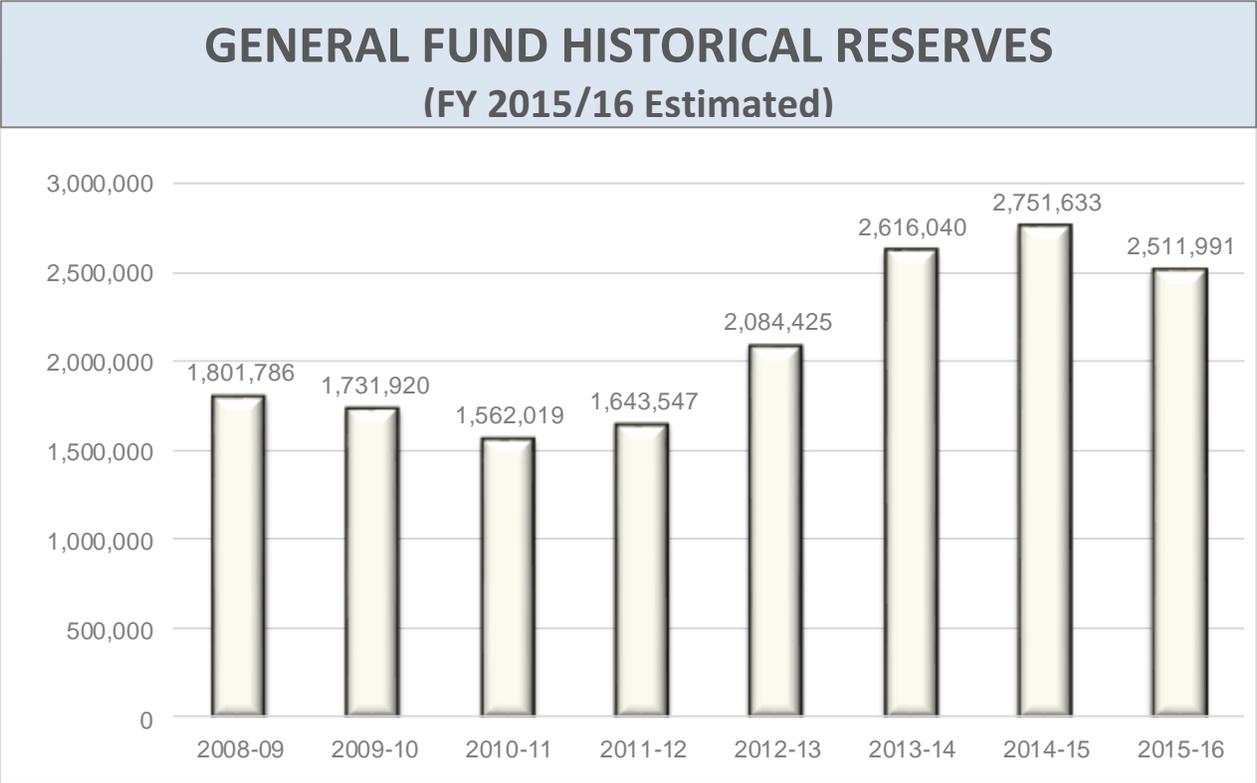
Staffing Levels

Administrative Services expanded 2 full-time positions, Community Services expanded 1 full-time position, Police expanded 1 full-time position, and Public Works a net position of .75 for the Fiscal Year 2015/2016 budget.

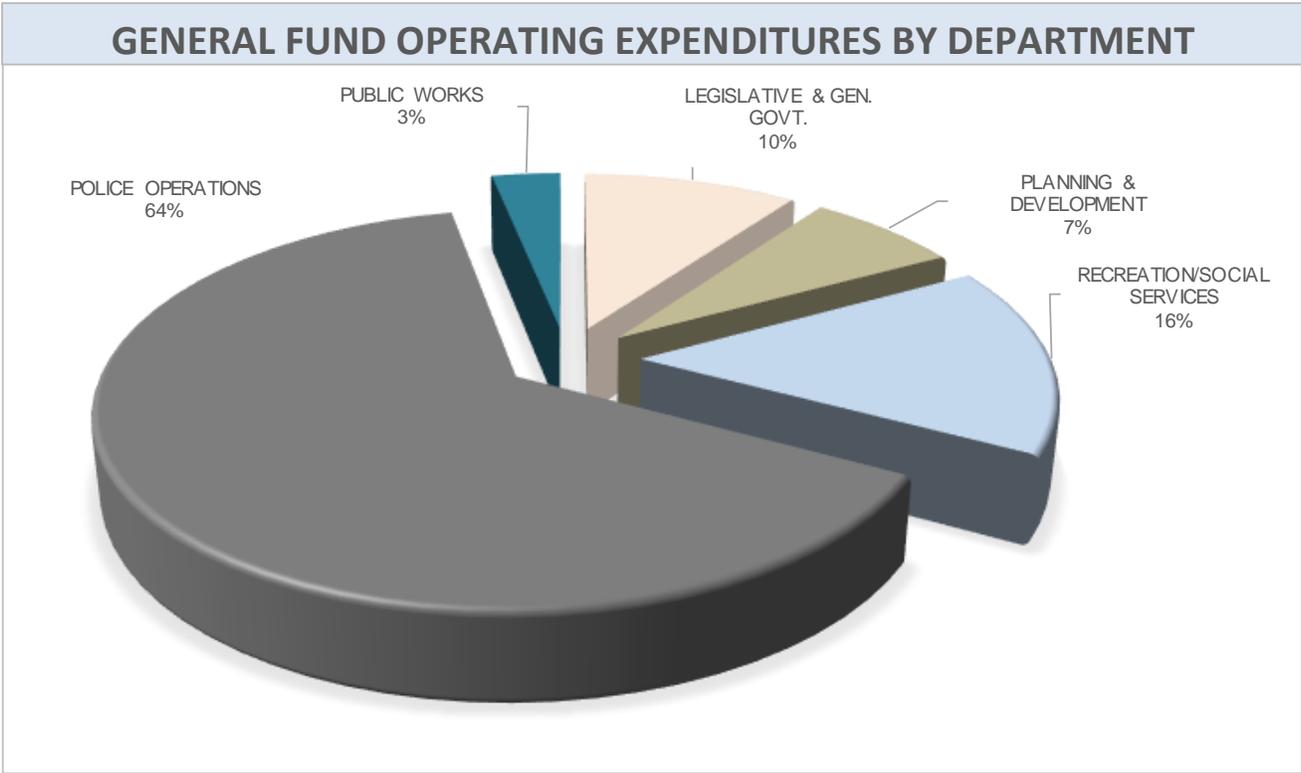
Reserves

The City's estimated General Fund Reserves are estimated to be approximately \$2,751,633 as of June 30, 2015. Based on the Fiscal Year 2015/2016 operational budget expenditures of \$4,649,499 and revenues of \$4,409,857, the General Fund Reserves at June 30, 2016 is projected to be \$2,511,991, which reflects a decrease of 9 percent.

General Fund Reserves



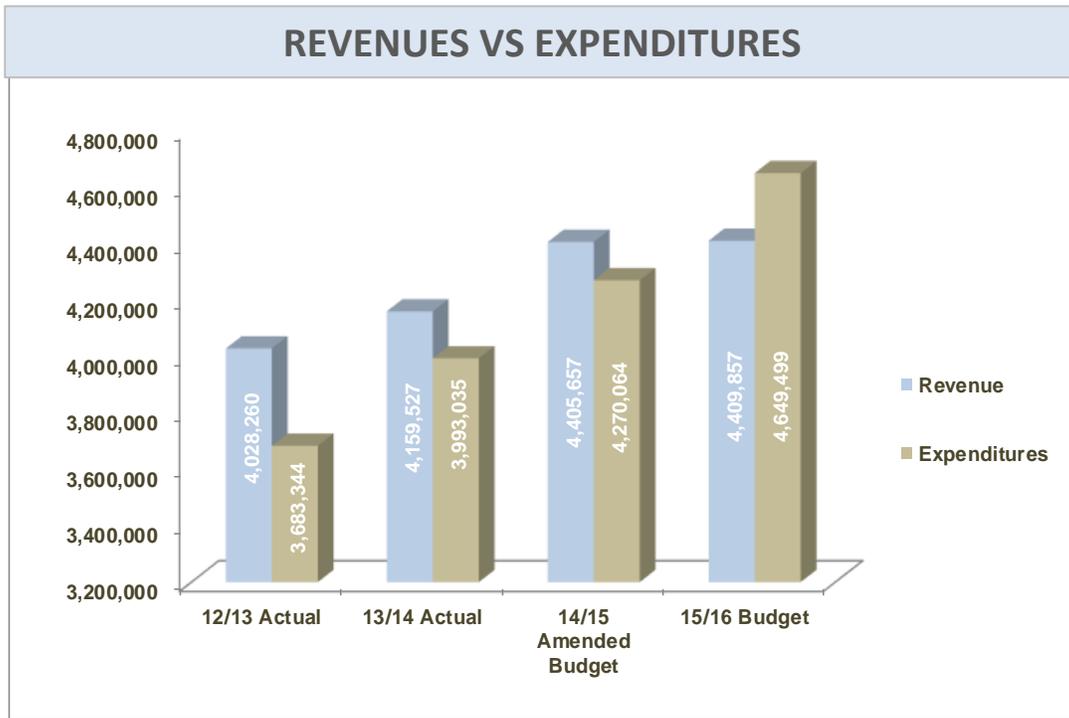
General Fund Operating Expenditures



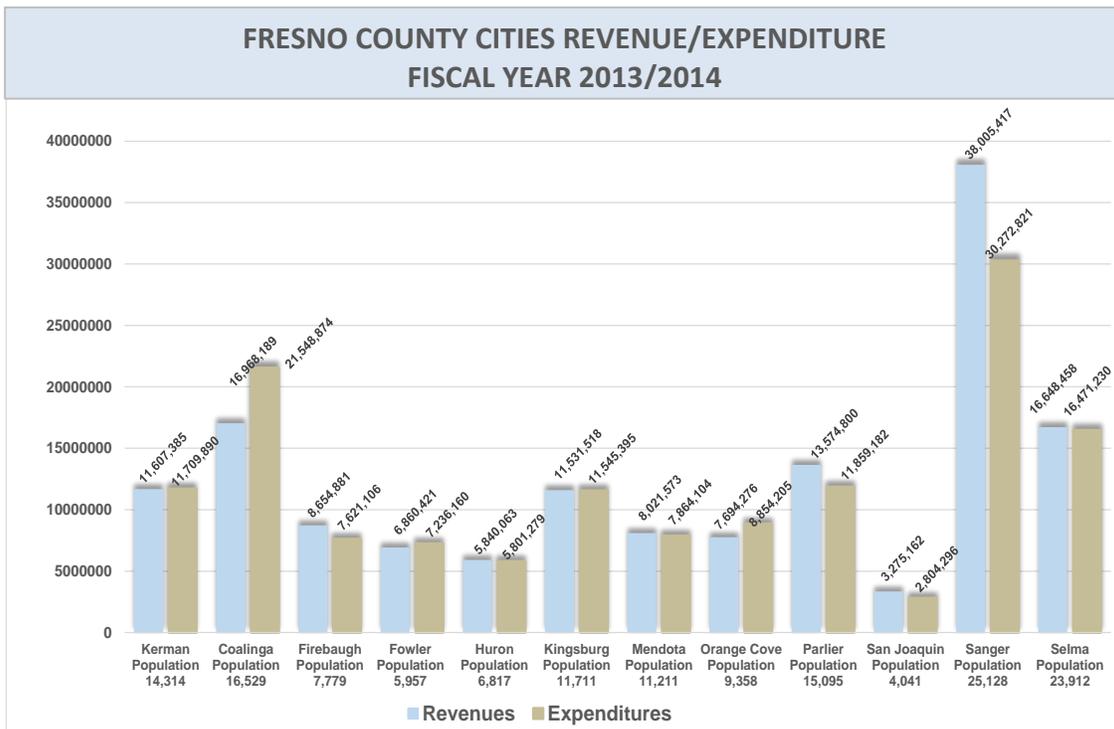
Total Expenditures of \$4.6 Million

	<u>Expenditure Amount</u>	<u>Percentage</u>
Legislative and General Government	462,513	10.0%
Planning & Development	331,031	7.0%
Recreation/Social Services	731,676	16.0%
Police Operations	2,975,729	64.0%
Public works	<u>148,551</u>	<u>3.0%</u>
Total	4,649,499	100.0%

General Fund Revenue vs. Expenditures



	Revenue	Expenditures	Excess (Deficit)
12/13 Actual	4,028,260	3,683,344	344,916
13/14 Actual	4,159,527	3,993,035	166,492
14/15 Amended Budget	4,405,657	4,270,064	135,593
15/16 Budget	4,409,857	4,649,499	(239,642)



General Fund Summary

SUMMARY OF GENERAL FUND OPERATIONAL BUDGETS

Activity	Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	2014/2015		Adopted vs	Exp % of Total GF Revenue	Incr/Dec (-) 2015/16 vs. 2014/15 Budget
					Estimated Year- End	Budget 2015-2016	Proposed \$ Change		
LEGISLATIVE & GEN. GOVT.									
6001	City Council	\$21,676	\$21,989	\$30,040	\$29,590	\$27,165	(\$2,875)		-9.6%
6003	City Attorney	51,242	59,986	55,000	50,000	75,000	\$20,000		36.4%
1002	General Administration	149,782	228,773	220,138	206,036	205,256	(\$14,883)		-6.8%
5005	Administrative Services	75,796	98,038	112,378	119,622	123,691	\$11,313		10.1%
6004	City Clerk	21,896	27,605	32,620	29,985	31,401	(\$1,218)		-3.7%
	TOTAL LEGISLATIVE & GEN. GOVT.	320,392	436,390	450,176	435,233	462,513	\$12,337	10.5%	2.7%
PLANNING & DEVELOPMENT									
1008	Planning	17,338	101,707	120,728	106,046	182,964	\$62,236		51.6%
1010	Engineering	7,610	40,276	25,000	25,000	25,000	\$0		0.0%
1042	Building	133,830	128,565	131,009	155,845	123,067	(\$7,942)		-6.1%
	TOTAL PLANNING & DEVELOPMENT	158,778	270,549	276,737	286,891	331,031	\$54,294	7.5%	19.6%
RECREATION/SOCIAL SERVICES									
2002	Recreation Administration	225,442	234,547	235,416	235,019	293,656	\$58,239		24.7%
2010	Building Maintenance	42,433	45,802	62,672	64,164	127,940	\$65,268		104.1%
2044	Senior Center Services	123,303	109,487	111,991	114,591	120,651	\$8,660		7.7%
2047	Aquatics Program	25,966	21,779	25,297	28,697	42,219	\$16,922		66.9%
2062	Planned Recreation	26,617	22,556	33,224	33,359	33,392	\$168		0.5%
2065	Youth and Teen Services	41,270	37,521	54,230	55,231	57,315	\$3,085		5.7%
2069	Community Teen Center	119,758	129,628	125,811	126,801	56,503	(\$69,308)		-55.1%
	TOTAL REC/SOC SERVICES	604,788	601,320	648,641	657,862	731,676	\$83,034	16.6%	12.8%
POLICE OPERATIONS									
3011	Police Operations	2,415,633	2,483,503	2,705,938	2,701,626	2,915,417	\$209,480		7.7%
3041	Animal Control	34,368	56,209	60,791	60,197	60,312	(\$480)		-0.8%
	TOTAL POLICE OPERATIONS	2,450,001	2,539,711	2,766,729	2,761,823	2,975,729	\$209,000	67.5%	7.6%
PUBLIC WORKS									
4010	Parks Landscape Maintenance	149,384	145,064	124,476	128,256	148,551	\$24,075		
	TOTAL PUBLIC WORKS	149,384	145,064	124,476	128,256	148,551	\$24,075	3.4%	19.3%
	TOTAL GENERAL FUND OPERATIONS	3,683,344	3,993,035	4,266,758	4,270,064	4,649,499	\$382,741	105.4%	9.0%
	TOTAL GENERAL FUND REVENUE	4,028,260	4,159,527	4,320,234	4,405,657	4,409,857	\$89,623		2.1%
	EXCESS (DEFICIT) REVENUE OVER EXPENDITURES	\$344,916	\$166,492	\$53,476	\$135,593	(\$239,642)			
	PERCENTAGE OF TOTAL G/F REVENUE	8.56%	4.00%	1.24%	3.08%	-5.43%			
	TRANSFER IN FROM SUCCESSOR AGENCY (S/A)		250,000	175,000	175,000	100,000			
	EXCESS (DEFICIT) AFTER TRANSFER IN FROM S/A		416,492	228,476	310,593	(139,642)			

General Fund Summary

General Fund Revenue Summary

Description	2014-2015				
	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year-End	Budget 2015-2016
Sales Tax	1,434,922	1,603,731	1,800,000	1,743,275	1,794,000
Property Tax	1,476,554	1,548,549	1,558,554	1,647,961	1,670,000
Admin & Overhead Fees	312,796	312,796	312,796	312,796	312,796
Building Fees	230,081	123,214	103,000	128,500	86,000
Franchise Taxes	156,963	158,829	150,000	153,912	150,000
Rents	120,919	126,879	125,172	122,091	136,565
Licenses and Permits	85,039	78,652	82,250	71,793	75,250
Fines and Penalties	71,047	62,920	65,000	49,000	49,500
Interest and Miscellaneous Income	53,355	52,233	47,262	67,526	48,423
Youth and Recreation Program Fees	33,791	39,608	45,000	33,000	54,123
Reimbursements	35,309	27,669	14,000	60,352	16,500
Other Fees for Services	17,483	24,447	17,200	15,450	16,700
Total Recurring Revenues	4,028,260	4,159,527	4,320,234	4,405,657	4,409,857
Transfer In - Successor Agency	-	249,548	175,000	175,000	100,000
Total Non-Recurring Revenues	-	249,548	175,000	175,000	100,000
Total General Fund Revenue	4,028,260	4,409,075	4,495,234	4,580,657	4,509,857

General Fund Expenditure Summary

Description	2014-2015				
	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year-End	Budget 2015-2016
City Council	21,676	21,989	30,040	29,590	27,165
City Attorney	51,242	59,986	55,000	50,000	75,000
General Administration	149,782	228,773	220,138	206,036	205,256
Administrative Services	75,796	98,038	112,378	119,622	123,691
City Clerk	21,896	27,605	32,620	29,985	31,401
Planning	17,338	101,707	120,728	106,046	182,964
Engineering	7,610	40,276	25,000	25,000	25,000
Building	133,830	128,565	131,009	155,845	123,067
Recreation Administration	225,442	234,547	235,416	235,019	293,656
Building Maintenance	42,433	45,802	62,672	64,164	127,940
Senior Center Services	123,303	109,487	111,991	114,591	120,651
Aquatics Program	25,966	21,779	25,297	28,697	42,219
Planned Recreation	26,617	22,556	33,224	33,359	33,392
Youth and Teen Services	41,270	37,521	54,230	55,231	57,315
Community Teen Center	119,758	129,628	125,811	126,801	56,503
Police Operations	2,415,633	2,483,503	2,705,938	2,701,626	2,915,417
Animal Control	34,368	56,209	60,791	60,197	60,312
Parks Landscape Maintenance	149,384	145,064	124,476	128,256	148,551
Total Expenditures	3,683,344	3,993,035	4,266,758	4,270,064	4,649,499

General Fund Five-Year Financial Forecast

The five year financial forecast projects revenues and expenditures based on information known at this time. Revenue assumptions are based on historical data and/or financial projections provided to the City by outside agencies. Personnel expenditures include merit increases and estimated rate changes expected from CalPERS based on recent policies adopted by their Board of Directors and is based on current personnel. Operation and Maintenance costs are estimated to increase two percent.

City of Kerman General Fund Preliminary Budget 5-Year Financial Forecast

	Proposed		ESTIMATED			
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
GF Revenues:						
Sales Tax (1)	1,794,000	1,856,790	1,921,778	1,989,040	2,058,656	2,130,709
Property Tax (2)	1,670,000	1,720,100	1,771,703	1,824,854	1,879,600	1,935,988
Other Revenue	945,857	937,234	937,234	937,234	937,234	937,234
Total Revenue	4,409,857	4,514,124	4,630,715	4,751,128	4,875,490	5,003,931
% Change		2.36%	2.58%	2.60%	2.62%	2.63%
GF Expenses:						
Personnel (3)	3,240,414	3,255,607	3,300,875	3,339,683	3,373,778	3,386,517
Operations & Maintenance (4)	1,409,086	1,382,260	1,407,510	1,432,765	1,458,023	1,483,282
Total Expenses	4,649,499	4,637,868	4,708,385	4,772,447	4,831,801	4,869,800
% Change		-0.25%	1.52%	1.36%	1.24%	0.79%
Excess Revenue Over Expenditures	(239,642)	(123,743)	(77,670)	(21,319)	43,689	134,131
GF Reserve Balance Estimate	2,511,991	2,388,247	2,310,577	2,289,258	2,332,947	2,467,079

Assumptions:

1. Sales tax revenues are projected at 3.47% annually based on projections provided by MuniServices.
2. Property tax revenues are projected at 3% annually based on historical growth.
3. Personnel expenses include normal merit increases without COLA's or other benefits.
4. Operations and maintenance expenses are estimated to increase 2% annually based on historical data.

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ENTERPRISE FUNDS



Enterprise Funds Overview

Enterprise Funds are established to account for activities of the City that provide goods or services primarily to the public at large on a consumer charge basis. Most business-type activities of the City are accounted for and reported in this fund.

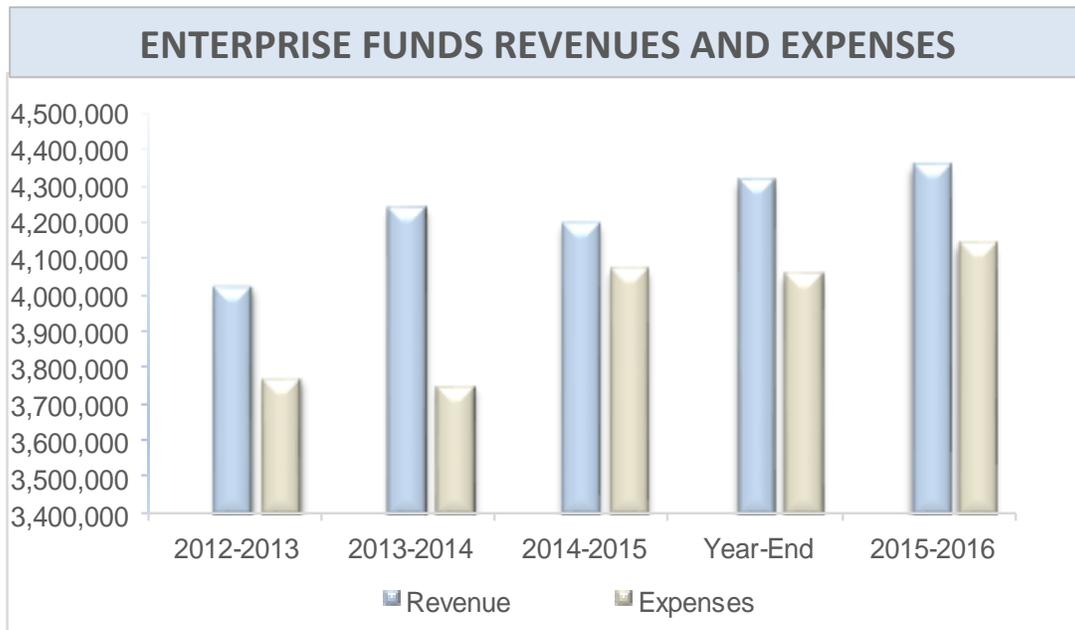
Revenues

The total combined budgeted revenues of the Enterprise Funds for Fiscal Year 2015/2016 is \$4,357,314, which is \$162,334 or 3.8 percent higher than Fiscal Year 2014/2015 adopted budget. The net increase is attributed to the net effect of all of the rate changes among the funds as discussed below.

Expenditures

Aggregated operational expenditures for the Enterprise Funds are \$4,138,376 in Fiscal Year 2015/2016, compared to \$4,074,099 in Fiscal Year 2014/2015 adopted budget, an increase of \$64,277 or 1.58 percent.

Total Enterprise Revenues and Expenditures					
	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year-End	Budget 2015-2016
Total Enterprise Revenues	4,024,832	4,235,408	4,194,980	4,318,214	4,357,314
Total Enterprise Expenditures	3,770,015	3,753,847	4,074,099	4,057,749	4,138,376
Revenues in Excess of Expenditures	254,817	481,561	120,881	260,465	218,938



Utility Rate

This Fiscal Year 2015/2016 adopted budget includes a number of utility rate adjustments. The average monthly residential utility bill (combined utility services) for Non-Metered Customer is expected to increase by \$1.52 or 1.96 percent, Metered Customers is expected to increase by \$1.75 or 2.33 percent.

The size and timing of rate adjustments takes into account current and future revenue requirements and reserve levels. They may also cushion the impacts on customer bills by spreading rate adjustments during consecutive or alternate years. Details of each rate adjustment are further discussed in the overview and within each fund's section.

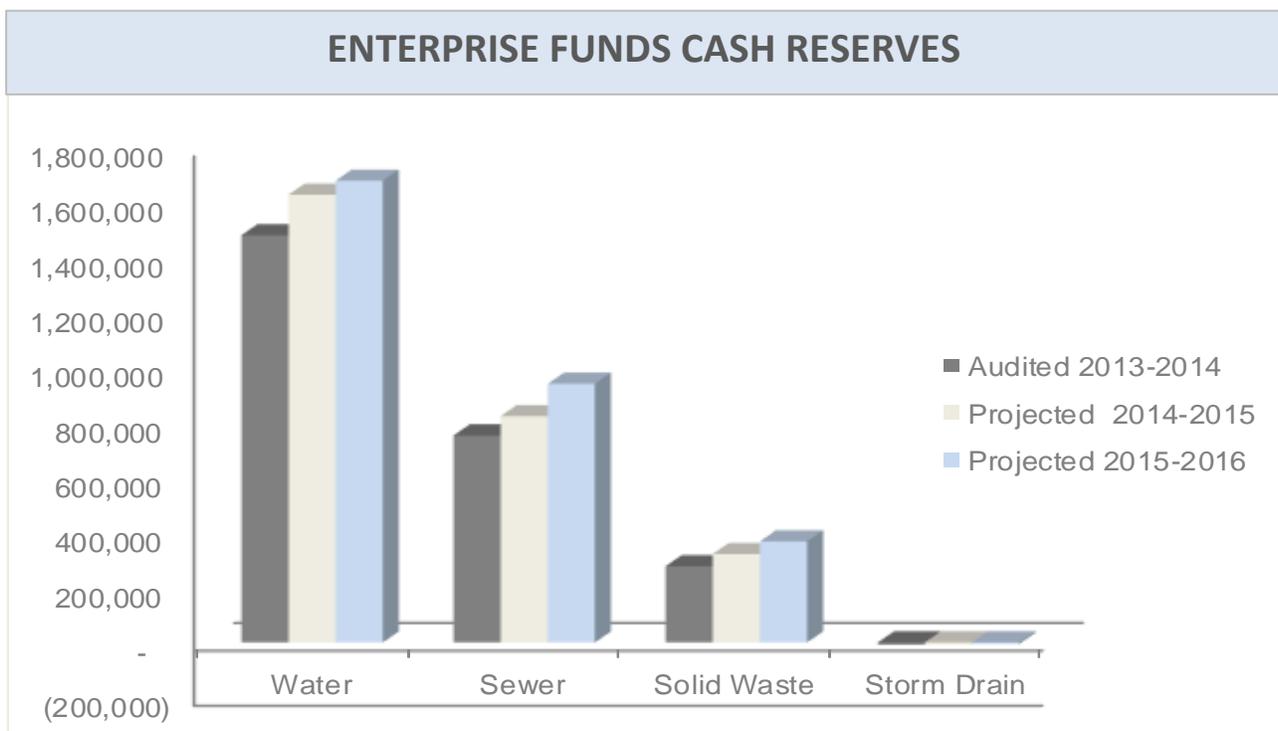
- Water Fund - A rate increase of \$0.50 cents, effective July 1, 2015
- Sewer Fund - A rate increase of \$0.75 cents, effective July 1, 2015
- Solid Waste Fund - A rate increase of \$0.17 cents, effective July 1, 2015

- Storm Drain Fund - A rate increase of \$0.05 cents, effective July 1, 2015

UTILITY RATE CHANGES - FISCAL YEAR 2015-16							
Effective July 1, 2015							
WATER RATES	Current Rate	Proposed Increase	Proposed Total Base Cost		Flow Cost	Total Cost	
Residential (Non-metered)	29.03	0.50	29.53	+	\$0.00	29.53	
Multi-Family (Non-Metered) per unit	23.48	0.50	23.98	+	\$0.00	23.98	
Commercial (Non-Metered)	29.03	0.50	29.53	+	\$0.00	29.53	
Residential & Multi-Family (3/4" Meter)	13.92	0.50	14.42	+	Usage	Examples Below	
Residential & Multi-Family (1" Meter)	21.54	0.50	22.04	+	Usage	Examples Below	
Commercial (Metered-Rate Determined by Meter Size)							
3/4" Meter	13.92	0.50	14.42	+	Usage	Examples Below	
1" Meter	21.54	0.50	22.04	+	Usage	Examples Below	
1.5" Meter	40.55	0.50	41.05	+	Usage		
2" Meter	93.82	0.50	94.32	+	Usage		
3" Meter	173.74	0.50	174.24	+	Usage		
4" Meter	287.90	0.50	288.40	+	Usage		
6" Meter	573.29	0.50	573.79	+	Usage		
Water Cost per 1,000 Gallons	\$0.7956	0.0144	\$0.81				
WATER USE EXAMPLES			Base Cost		Flow Cost	Total Cost	
	16,000 gallons of usage		14.42	+	\$12.96	= \$27.38	
	24,000 gallons of usage		14.42	+	\$19.44	= \$33.86	
SEWER RATES	Current Rate (Base + Flow)	Proposed Increase	Base Cost		Flow Cost	Total Cost	
Residential (Metered/Non-metered)	30.11	0.75	8.45	+	22.41	= 30.86	
Multi-Family Residential (Metered/Non-Metered) per unit	18.39	0.75	1.94	+	17.20	= 19.14	
Commercial (Non-Metered)	30.11	0.75	8.45	+	22.41	= 30.86	
Commercial (Metered)	7.70	0.75	8.45	+	Usage		
Low Strength					\$1.10*		
Medium Strength					\$1.43*		
High Strength					\$2.74*		
*Cost per 1,000 Gallons of Water Usage							
SOLID WASTE			Current Rate		Proposed Increase	Total Cost	
Residential Customers			15.86		0.17	16.03	
Commercial Customers						1.05% increase	
STREET SWEEPING			Current Rate		Proposed Increase	Total Cost	
Residential			0.90		0.05	0.95	
Multi-Family Residential per unit			0.47		0.05	0.52	
STORM DRAIN			Current Rate		Proposed Increase	Total Cost	
Residential (Metered/Non-metered)			1.50		0.05	1.55	
Commercial (Non-Metered)			1.50		0.05	1.55	
Commercial (Metered) - Based on Flow @ .0736 per 1,000 Gallons of Water Usage							
RECAP			Current Rate		Proposed Increase	Total Cost	% Increase
Non-Metered Customers			77.40		1.52	78.92	1.96%
Metered Customers Estimated @ 16,000 gallons of usage with 3/4" meter			75.02		1.75	76.77	2.33%

Reserves

Enterprise Funds Cash Reserves Summary			
Description	Audited 2013-2014	Projected 2014-2015	Projected 2015-2016
Water	1,482,996	1,630,341	1,681,310
Sewer	753,793	823,475	942,136
Solid Waste	277,709	321,814	367,657
Storm Drain	(8,357)	(9,024)	(5,559)
	2,506,141	2,766,606	2,985,543



As can be seen in the chart above, Water Reserves are projected to increase by approximately \$50,970 in Fiscal Year 2015/2016, Sewer Reserves by \$118,660, Solid waste by \$45,843 and Storm Drainage by \$3,465.

Water

The Water Fund is projected to end Fiscal Year 2014/2015 with a surplus of \$147,345 based on revenues of \$1,578,100 and expenditures of \$1,430,755. With the proposed \$0.50 cents increase in Water rates for Fiscal Year 2015/2016, the Water Fund is projected to have revenues in excess of expenditures of \$50,970 based on revenues of \$1,602,010 and expenditures of \$1,551,040.

With the projected revenues and expenditures for Fiscal Year 2015/2016, there is a 3% cushion of revenues in excess of expenditures in the Water fund. Staff is comfortable that expenditures can be met with the projected revenues. In the future years, staff will look at setting aside sufficient reserves to cover depreciation expenses for the replacement of property, equipment and infrastructure as it ages. Because depreciation is not a cash-related expense, it is not reflected in the budget. Actual depreciation expense for Water was \$347,224 in Fiscal Year 2013/2014.

Sewer

The Sewer Fund is projected to end Fiscal Year 2014/2015 with a surplus of \$69,682 based on revenues of \$1,528,765 and expenditures of \$1,459,083. With the \$0.75 cents increase in Sewer rates for Fiscal Year 2015/2016, the Sewer Fund is projected to have an increase of \$118,660 based on revenues of \$1,534,300 and expenditures of \$1,415,640.

The Sewer rate increase is necessary to cover the higher cost to operate the newly upgraded and expanded WWTP and service the debt on the SRF loan. The debt service was previously budgeted with 50 percent of the expense from Development Impact Fees (DIF's) but due to the downturn in building permits, which generate DIF's, the funds have been depleted in the Sewer Development Impact Fee Fund. In Fiscal Year 2015/2016, \$75,000 of the total debt service payment will be paid from the DIF's reserve.

Sewer Fund Reserves

The FY 2014/2015 year-end balance in the Sewer Fund Reserves is projected to be \$823,475. The balance in the Sewer Fund Reserves at the end of FY 2015/2016 is projected to be \$942,136. The Sewer Fund Reserves have decreased from their peak of \$1,699,429 in FY 2009/10 as capital investments have been made to the WWTP.

Sewer Major Facilities Development Impact Fees

The City of Kerman adopted Development Impact Fees (DIF's) so that new development pays for infrastructure needed to serve new growth. The Development Impact Fees cover streets, water, sewer, storm drain, parks, public facilities, general plan, administration, and fire. The sewer DIF's are collected on three categories: Sewer Major Facilities, Sewer Oversize, and Sewer Front Footage. The Sewer Major Facilities fees are collected from new developments to pay their fair share of costs related to the current WWTP expansion, future expansion to the WWTP, and the addition of four new lift stations.

The FY 2014/2015 year-end balance in the Sewer Major Facilities fees is projected to be \$43,800 and is projected to be \$42,350 in FY 2015/16 with \$35,000 of Development Impact Fees estimated to be collected.

Solid Waste

The Solid Waste Fund is projected to end fiscal year 2014/2015 with a surplus of \$44,105 based on revenues of \$1,140,012 and expenditures of \$1,095,907. With the \$0.17 cent increase in Solid Waste rates for Fiscal Year 2015/2016, the Solid Waste Fund is projected to have revenues in excess of expenditures of \$45,843 based on revenues of \$1,147,659 and expenditures of \$1,101,816.

Expenses are projected to increase by 2.6 percent in Fiscal Year 2015/2016 over the 2014/2015 adopted budget which covers the contract cost based on the consumer price index (CPI) as stipulated in the contract with Mid Valley Disposal.

Storm Drainage

A slight increase in rates of \$0.05 cents per customer was needed for ongoing operational costs in the Storm Drain Fund for Fiscal Year 2015/2016. The Storm Drain fund is projected to end Fiscal Year 2014/2015 with a deficit of \$667 based on revenues of \$71,337 and expenditures of \$72,004. The Fiscal Year 2015/2016 budget for the Storm Drain fund estimates a surplus of \$3,465 based on revenues of \$73,345 and expenditures of \$69,880. The projected deficit for Fiscal Year 2014/2015 will be paid from Storm Drain reserve.

Enterprise Funds Summary

Enterprise Funds Sources and Uses of Funds Summary					
Description	Water	Sewer	Solid Waste	Storm Drainage	Total
Revenues					
User Fees	1,556,010	1,473,300	1,073,732	72,145	4,175,187
Penalties	30,000	26,000	20,000	0	76,000
Interest Earned	12,000	5,000	3,000	200	20,200
Rent	0	30,000	0	0	30,000
Other Income	4,000	-	50,927	-	54,927
Total Sources of Funds	1,602,010	1,534,300	1,147,659	72,345	4,356,314
Operating Expenditures					
Personnel	647,687	510,694	143,380	41,695	1,343,456
Maintenance and Operations	686,354	632,037	956,437	28,185	2,303,013
Debt Service	165,000	265,908	0	0	430,908
Operational Capital Expenditures	52,000	7,000	2,000	-	61,000
Subtotal	1,551,040	1,415,640	1,101,816	69,880	4,138,376
CIP - Capital Expenditures	1,009,144	0	0	0	1,009,144
Total Uses of Funds	2,560,184	1,415,640	1,101,816	69,880	5,147,520
To/From Reserves	(958,174)	118,660	45,843	2,465	(791,206)

Enterprise Funds Summary

City of Kerman Enterprise Funds Operational Revenues and Expenditures Summary

SUMMARY OF ENTERPRISE FUNDS OPERATIONAL BUDGETS							
Activity	Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	2014/15 Estimated Year- End	Budget 2015-2016	% of Rev's
WATER FUND (410)							
	Total Water Fund Revenues	1,581,159	1,645,636	1,597,500	1,578,100	1,602,010	
5005	Water Administration & Accounting	407,769	394,499	404,721	401,707	439,935	
5006	Water - Debt Service	165,000	165,000	165,000	165,000	165,000	
4041	Water Operations	810,645	859,445	924,640	864,049	946,106	
	Total Water Fund Operations	1,383,414	1,418,943	1,494,361	1,430,755	1,551,040	
	Revenue in Excess of Expenditures	197,745.09	226,693	103,139	147,345	50,970	3%
SEWER FUND (420)							
	Total Sewer Fund Revenues	1,298,383	1,434,170	1,440,500	1,528,765	1,534,300	
5005	Sewer Administration & Accounting	334,641	351,511	323,547	323,653	347,988	
5006	Sewer - Debt Service	199,295	202,286	347,907	343,407	265,908	
4042	Sewer Operations	815,192	672,380	761,584	792,023	801,744	
	Total Sewer Fund Operations	1,349,128	1,226,177	1,433,038	1,459,083	1,415,640	
	Revenue in Excess of Expenditures	(50,745)	207,994	7,462	69,682	118,660	8%
SOLID WASTE (430)							
	Total Solid Waste Fund Revenues	1,063,192	1,088,410	1,087,580	1,140,012	1,147,659	
5005	Solid Waste Administration & Accounting	974,144	1,042,768	1,074,135	1,095,907	1,101,816	
	Total Solid Waste Fund Operations	974,144	1,042,768	1,074,135	1,095,907	1,101,816	
	Revenue & Transfer in Excess of Expenditures	89,049	45,642	13,445	44,105	45,843	4%
STORM DRAIN (470)							
	Total Storm Drain Operation Revenues	82,097	67,192	69,400	71,337	73,345	
4047	Storm Drain Maintenance & Operations	63,330	65,959	72,565	72,004	69,880	
	Total Storm Drain Fund Operations	63,330	65,959	72,565	72,004	69,880	
	Revenue in Excess of Expenditures	18,767	1,234	(3,165)	(667)	3,465	5%
TOTAL ENTERPRISE FUNDS REVENUE		4,024,832	4,235,408	4,194,980	4,318,214	4,357,314	
TOTAL ENTERPRISE FUNDS EXPENDITURES		3,770,015	3,753,847	4,074,099	4,057,749	4,138,376	
EXCESS (DEFICIT) REVENUE		\$ 254,817	\$ 481,561	\$ 120,881	\$ 260,465	\$ 218,938	5%

CAPITAL IMPROVEMENTS ARE DETAILED SEPARATELY UNDER THE 8000 (CIP) BUDGET

Enterprise Funds Summary

Enterprise Funds' Revenue Summary Fiscal Year 2015 - 2016

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year-End	Budget 2015-2016
WATER FUND (410)					
User Charges	1,531,152	1,587,999	1,560,500	1,530,000	1,556,010
Interest Earnings	16,038	16,135	10,000	12,000	12,000
Penalties	31,240	31,118	23,000	28,500	30,000
Meters	1,950	10,025	4,000	7,600	4,000
Miscellaneous	780	359	0	0	0
	1,581,159	1,645,636	1,597,500	1,578,100	1,602,010
SEWER FUND (420)					
User Charges	1,232,774	1,351,121	1,367,000	1,438,000	1,457,800
Septic Dumping Fee	12,005	23,513	25,000	20,000	15,000
Del Norte Sewer Trunk	802	544	500	550	500
Interest Earnings	7,914	7,514	5,000	5,000	5,000
Property Rental	19,745	25,028	25,000	31,336	30,000
Penalties	25,144	26,451	18,000	28,000	26,000
Recycled Concrete	0	0	0	5,879	0
Miscellaneous (PG&E Refund in 11/12)	0	0	0	0	0
	1,298,383	1,434,170	1,440,500	1,528,765	1,534,300
SOLID WASTE FUND (430)					
Solid Waste Collection	993,543	1,021,767	1,025,880	1,067,000	1,073,732
Interest Earnings	3,216	3,343	2,000	2,900	3,000
Penalties	19,811	20,251	17,000	20,765	20,000
Waste Bin Charges	559	486	600	1,900	1,500
Grant	5,000	5,000	0	0	0
Street Sweeping	41,064	37,563	42,100	47,447	49,427
	1,063,192	1,088,410	1,087,580	1,140,012	1,147,659
STORM DRAINAGE FUND (470)					
User Charges	65,373	66,691	69,200	70,165	72,145
Interest Earnings	224	237	200	200	200
Penalties	0	0	0	972	1,000
Sale of Dirt	16,500	265	0	0	0
	82,097	67,192	69,400	71,337	73,345
TOTAL ENTERPRISE FUNDS REVENUES	4,024,832	4,235,408	4,194,980	4,318,214	4,357,314



INTERNAL SERVICE FUNDS



Internal Service Funds Overview

Internal Service Funds are established to account for any activity that provides goods or services to other funds, departments, or agencies of the City or to other governments, on a cost-reimbursement basis. The difference between the enterprise fund and the internal service fund is that the enterprise fund is a fee for service while the internal service fund is services from one department to another on a cost reimbursement basis.

Kerman's Internal Service Funds provides funding to support the following areas:

- Ongoing maintenance and repairs of, vehicles, equipment and computers
- Replacement of vehicles, office equipment, and computers.

Each City Operating Department includes within its budget a line item for Internal Service Funds to cover the cost for equipment usage based upon a predetermined rate that considers the expected life of the specific item. The Internal Service Fund charges in each City Operating Department represent income to the Internal Service Funds. The charges to the Departments are established at a level to sufficiently accumulate funds over time for the replacement of the equipment. The Funds are also used to capture ongoing maintenance and operation costs for vehicles serviced by the Funds, such as gasoline, tire replacements, periodic maintenance/repair, and other operating costs for equipment such as copiers, printers, and computer supplies.

The Fiscal Year 2015/2016 Internal Service Funds budget includes funding of \$623,543 for personnel, contract services, operating supplies and the replacement of scheduled vehicles and computer equipment as needed. It also includes \$628,520 in total revenues.

Vehicle Maintenance and Replacement Fund

This fund reflects costs for providing maintenance and replacement of vehicles and equipment used by City departments.

Technology Maintenance and Replacement Fund

This fund reflects costs associated with citywide Information Technology (IT) activities. IT staff maintain critical desktop, software, and infrastructure replacements and maintenance activities for all City departments. The overview for this program contains information about projects and activities for Fiscal Year 2015/2016.

Internal Service Funds Summary

Internal Service Funds Revenue and Expenditure Summary					
	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
Revenues					
Charges to Departments (O & M)	453,233	446,148	436,798	436,798	476,484
Charges to Departments (Replace)	0	0	139,030	139,030	151,086
Miscellaneous/Grant	0	81,852	0	5,456	0
Interest Earnings	2,796	1,522	1,100	850	950
Total Revenues	456,029	529,522	576,928	582,134	628,520
Expenditures					
Operations & Maintenance	405,877	437,502	427,950	432,502	468,543
Replacement	125,594	133,610	134,000	102,790	155,000
Total Expenditures	531,470	571,112	561,950	535,292	623,543
Net To (From) Reserves	(75,441)	(41,589)	14,978	46,842	4,977

Vehicle Maintenance and Replacement Fund

VEHICLE MAINTENANCE & REPLACEMENT FUND

500 4050 & 500 8000

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	46,730	47,317	52,021	55,000	55,213
410 30 00 Overtime	1,631	2,343	2,500	2,700	3,000
410 35 00 Stand By	1,193	1,641	1,770	1,850	1,824
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,183
420 00 00 Fringe Benefits	22,225	21,316	25,701	25,701	26,418
TOTAL PERSONNEL	71,779	72,618	81,992	85,251	87,638
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	6,539	12,065	10,000	22,000	10,000
515 01 00 Utilities	8,313	8,762	10,000	9,500	10,000
515 02 00 Fuel	123,084	127,657	140,000	100,000	130,000
521 01 00 Office Supplies & Postage	323	455	500	500	500
521 03 00 Vehicle Supplies - Parts	74,227	91,107	60,000	80,000	0
521 03 01 PD Fleet Preventative Maintenance	0	0	0	0	16,000
521 03 02 PD Fleet Repairs	0	0	0	0	16,000
521 03 03 Vehicle Preventative Maintenance	0	0	0	0	16,000
521 03 04 Vehicle Repairs	0	0	0	0	16,000
521 03 05 Equipment Repairs and Maintenance	0	0	0	0	16,000
521 06 00 Uniforms	152	168	175	310	350
550 00 00 Insurance	19,059	20,643	23,191	24,068	21,995
550 00 00 Insurance-Vehicles	0	0	0	0	4,500
551 01 00 Communications - Telephone	2,599	2,984	2,500	2,800	2,800
551 02 00 Communications - Cellular Phone	295	284	350	350	350
554 01 00 Travel - Conferences - Meetings	0	0	250	0	250
565 00 00 Internal Service Funds	5,504	4,454	5,926	5,926	6,480
560 00 00 Administration & Overhead	56,964	56,964	56,964	56,964	56,964
TOTAL OPERATIONS & MAINTENANCE	297,059	325,544	309,855	302,418	324,189
CAPITAL - 4050					
600 04 03 Alarm System (Monitored)	0	3,200	0	0	0
600 04 05 Vehicle Tow Dolly	0	1,283	0	0	0
600 04 13 Small Equipment Replacement	2,064	2,217	0	0	0
600 04 15 A/C Freon Recovery/Recharge System	3,725	0	0	0	0
600 04 16 Tire Balancer	0	0	0	0	7,000
600 04 17 Shop Cooler	0	0	0	0	3,000
600 04 18 Vehicle Diagnostic Scanner	0	0	0	0	2,000
CAPITAL - 8000					
600 04 33 Patrol Vehicles (5 in 2014/15)	85,582	65,394	75,000	62,381	130,000
600 04 34 PW Pickup & Three (3) CNG Vehicles	0	39,882	0	0	0
600 04 35 Tractor for Spraying and Disking (Used)	0	0	17,000	0	0
600 04 36 Bucket Truck (Used)	0	0	17,000	18,409	0
TOTAL CAPITAL EXPENDITURES	91,371	111,977	109,000	80,790	142,000
TOTAL DEPARTMENT BUDGET	460,208	510,139	500,848	468,459	553,827
				Budget to Budget Increase/(Decrease)	52,979
				Percentage of Change	10.6%

Budget Highlights:

Capital: Four (4) Patrol Vehicles scheduled to be replaced in 15/16 - Transitioning to Dodge Charges from Missouri Highway Patrol and will be assigned to front line officers.

Technology Maintenance Fund

TECHNOLOGY MAINTENANCE 510 5051

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	13,638	11,273	7,683	11,000	14,213
410 30 00 Overtime	0	11	0	33	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	305
420 00 00 Fringe Benefits	4,875	3,803	2,750	3,800	4,284
TOTAL PERSONNEL	18,513	15,087	10,433	14,833	18,802
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	18,527	24,253	25,669	30,000	25,768
565 00 00 Internal Service Funds	0	0	0	0	146
TOTAL OPERATIONS & MAINTENANCE	18,527	24,253	25,669	30,000	25,915
CAPITAL					
600 04 00 Capital Outlay - Computers	34,223	21,632	25,000	22,000	25,000
TOTAL CAPITAL EXPENDITURES	34,223	21,632	25,000	22,000	25,000
TOTAL DEPARTMENT BUDGET	71,262	60,972	61,103	66,833	69,716
				Budget to Budget Increase/(Decrease)	8,614
				Percentage of Change	14.1%

Budget Highlights:

As has been the practice, if existing equipment is scheduled for replacement but found to be in good working order, the replacement of such equipment may be carried forward to another year.
Increase in personnel due to filling Senior Accountant position

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SPECIAL REVENUE FUNDS



Special Revenue Overview

Special Revenue Funds are funded by grants, contributions, assessments and other sources that require the funds to be used for specific purposes or have special reporting requirements. A small portion of the revenue in these funds is used in the operational budgets, while most of the funds are transferred for use in the Capital Projects budgets. The specific operational Special Revenue Funds budgets are included within the section of the department that manages the respective budget. To be more specific, the Streets Maintenance budget and the Landscaping and Lighting Maintenance District can be found under the Public Works Department, Public Safety can be found under the Police Department and Nutrition and Transit can be found in the Recreation and Community Services Department section of this budget document.

Streets

Streets Capital Projects are paid for from various funding sources, including Measure “C”, Article III and Article VIII revenues, Gas Tax, Traffic Congestion Relief (Prop 42), Development Impact Fees and certain State and Federal grants. The Fiscal Year 2015/2016 Capital Projects Budget includes several Street projects. The Fiscal Year 2015/2016 Special Revenue Funds budget includes \$2,995,716 of Street revenues and \$729,566 of operational expenditures for the maintenance of local streets.

Landscape and Lighting Maintenance District (L&LMD)

This Special Revenue Fund budget is funded by special assessments for property owners within the City of Kerman that live in the Landscape and Lighting Maintenance District (L&LMD) and it provides for the maintenance of lighting and landscaping such as mow strips, shrubs and trees in those areas.

Development Impact Fees (DIF's)

Development Impact Fees (DIF's) are collected from developers to help fund the impacts that their housing and commercial developments have on the infrastructure and service requirements of the City. These fees are collected to be used for the impact the developments are expected to have on specific services, such as parks, water, sewer, storm drain, streets and railroad crossings. The City of Kerman also collects Fire Impact Fees for the future addition of a fire station. However, since the City does not run its own fire department, those fees are collected on behalf of the North Central Fire District (NCFD) to be turned over to NCFD.

Water Fund

The 2015/2016 budget includes \$682,930 of grant funding for a capital project that will provide for the purchase and installation of water meters in many of the remaining homes in Kerman which do not yet have water meters installed. The City received the Proposition 84 grant which requires a \$241,000 match that will be funded from the Water Operation Reserve. To encourage conservation, the City will install approximately 500 remaining meters.

Public Safety

Certain special revenues are collected for specific use on public safety programs or projects. Included in such revenues are grants, such as the SLESF (Supplemental Law Enforcement Services Funds) and COPS (Community Oriented Policing Services) grants. Also included in this category of special revenues are special contracts that the Kerman Police Department (PD) is able to secure with other agencies or businesses, such as Kerman Unified School District to have an officer participate in on-campus programs for students and Fresno Housing Authority. The revenues from these contracts and grants are earmarked for specific purposes by the Kerman Police Department. The Fiscal Year 2015/2016 budget includes \$117,986 of revenues and \$162,513 expenditures in this category of Special Revenues.

Nutrition

This Special Revenue Fund category includes the Senior Nutrition Site Management Program which is funded primarily by grants from the Fresno Madera Area Agency on Aging and transfers from the General Fund plus a small amount that is donated by some of the seniors for meals. This category includes \$27,534 of expenditures, with \$12,890 of that coming from transfers from the General Fund's Senior Center budget.

Transit

This Special Revenues Fund category provides transportation for Kerman residents, with funding from the Fresno County Rural Transit Agency, plus nominal funding from fees collected from riders and transfers from Measure "C" to fund the remaining costs. The Fiscal Year 2015/2016 budget for this category is \$114,026, with \$14,026 coming from Measure "C".

Special Revenues by Fund

Special Revenue Funds Revenue and Expenditure Summary									
Description	Streets	DIF's Other	Water Fund	Parks	L&LMD	Public Safety	Nutrition	Transit	Total
	Revenues								
Gas Tax	244,652								244,652
Measure "C"	377,770								377,770
Article III and Article VIII	433,179								433,179
Federal and State Grants	1,772,158		682,930						2,455,088
Comm Development & Block Grants				80,000					80,000
Traffic Congestion Relief (Prop 42)	65,140								65,140
Street Sweeping	22,687								22,687
Special Assessments					212,787				212,787
Development Impact Fees		186,180							186,180
Public Safety Contracts & Grants						117,986			117,986
Nutrition							13,144		13,144
Local Transit								100,000	100,000
Interest Income	6,050								6,050
Operating Transfers In	74,080						14,942	14,026	103,048
Total Sources of Funds	2,995,716	186,180	682,930	80,000	212,787	117,986	28,086	114,026	4,417,710
Expenditures									
Program Operational Expenditures	729,566				212,630	162,513	28,086	123,176	1,255,971
Operational Transfers Out	74,080	517,150							591,230
Transfer to Capital Projects	3,877,090	770,157	2,150,930						6,798,177
Total Uses of Funds	4,680,736	1,287,307	2,150,930	0	212,630	162,513	28,086	123,176	8,645,379
Net To (From) Reserves	(1,685,020)	(1,101,127)	(1,468,000)	80,000	157	(44,527)	0	(9,150)	(4,227,668)

As can be seen from the above summary, the City of Kerman has numerous capital projects scheduled for Fiscal Year 2015/2016. In total, uses of Special Revenue Funds are projected to exceed sources by slightly over \$4.227 million. The difference will come from reserves which have been built up in these funds to provide funding for such projects.



DEBT SERVICE



Debt Service Overview

Computation of Legal Debt Margin as of 6/30/15

The City has a legal debt limitation not to exceed 3.75% of the total assessed valuation of taxable property within the City boundaries. In accordance with California Government Code Section 43605, only the City's general obligation bonds are subject to the legal debt limit. With no outstanding debt subject to the legal debt limit and a legal debt limit of \$20,042,474 the City is not at risk of exceeding its legal debt limit.

Assessed Value - \$587,799,311
Debt Limit is 3.75% of Assessed Value - \$20,042,474
Less Outstanding Bonded Debt - N/A
Legal Debt Margin - \$20,042,474
SOURCE: Fresno County Assessor's Office

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. Following are the City's debt service funds.

Kerman Public Financing Authority Bonds

The Kerman Public Financing Authority (PFA) was established in 2007 through a Joint Exercise of Powers Agreement between the City and the Agency. The formation of the joint powers authority was approved by the City Council who is also designated as the Board of Directors for the PFA.

The purpose of the PFA is solely to provide funds from the sale of revenue bonds to finance or refinance the costs of acquiring, constructing, or improving and equipping capital improvements (projects) for the City and the Agency. The City set up the PFA to act as a financing/lending type institution only.

In October 2007, the PFA issued the 2007 Lease Revenue Bonds in the amount of \$3,930,000. The bond proceeds were used to finance City Hall remodel/addition, purchase a vacant building and acquire 38 acres for a future community park. The 2007 Lease Revenue principal payments are made each October 1 beginning in 2008 through 2037. Interest is to be paid semi-annually on April 1 and October 1 through 2037. The interest rates paid on bonds range from 3.5% to 4.75%.

Sewer Revenue Bond

In 1981, the City issued \$1,200,000 of revenue bonds to construct additional sewer facilities. Interest at the rate of 5% annually is paid semi-annually each April and October with annual principle payments of \$45,000. The outstanding balance at June 30, 2014 was \$333,285.

California Department of Water Resources Construction Loan

The City entered into a contract with the State of California, Department of Water Resources in 2003. The contract provides for a 20 year loan at a 0% interest rate. Terms of the note call for semi-annual principal payments of \$82,500 beginning January 2008 and will mature on January 1, 2028. The outstanding balance on the note at June 30, 2014 was \$2,309,999.

California Department of Water Resources Wastewater Upgrade Loan

The City entered into a revolving loan agreement with the State of California, Department of Water Resources in September 2009. The agreement provides for a loan of up to \$4,957,479 for sewer system upgrades. Construction period interest of \$38,241 was combined with the loan amount for a final total loan of \$4,995,720. Terms of the loan call for annual payments of \$276,743 including interest at 1.0%, which began September 2012 and will mature in September 2031. The outstanding balance on the note at June 30, 2014 was \$4,538,099.

California Energy Commission Note Payable

In February of 2012, the City entered into a loan agreement for \$86,321 with the State of California Energy Commission to retrofit existing street lights with LED technology. Terms of the note call for semi-annual payments of \$5,032 including interest at 3.0%, which began December 2012 and will mature in June 2022. The outstanding balance on the note at June 30, 2014 was \$71,106.

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BUDGET BY DEPARTMENT



City Council

In Kerman, the voters elect the City Council to serve as the policy-making board of the City. The Kerman City Council has five members, including the Mayor. The Mayor is elected for a two-year term, and Council Members are elected for four-year terms. The entire Council, in turn, appoints a City Manager to administer these policies. The City Council acts upon all legislative matters concerning the City, approving and adopting all ordinances, resolutions, contracts, and other matters requiring overall policy decisions and leadership. The Council appoints the City Clerk and the City Attorney, who report to the Council through the City Manager's office. The Council also appoints various commissions, boards, and citizen advisory committees, all of which ensure broad-based input into City affairs.

Obligations

- Responsible for the direction and financing of the City.
- Establishes policy based on information provided by staff, commissions and general public.
- Implement policy though staff under the Council-Manager form of government.



Mayor Stephen Hill



Mayor Pro Tem Gary Yep



Councilmember Rhonda Armstrong



Councilmember Nathan Fox



Councilmember Bill Nijjer

City Council Budget

CITY COUNCIL 100 6001

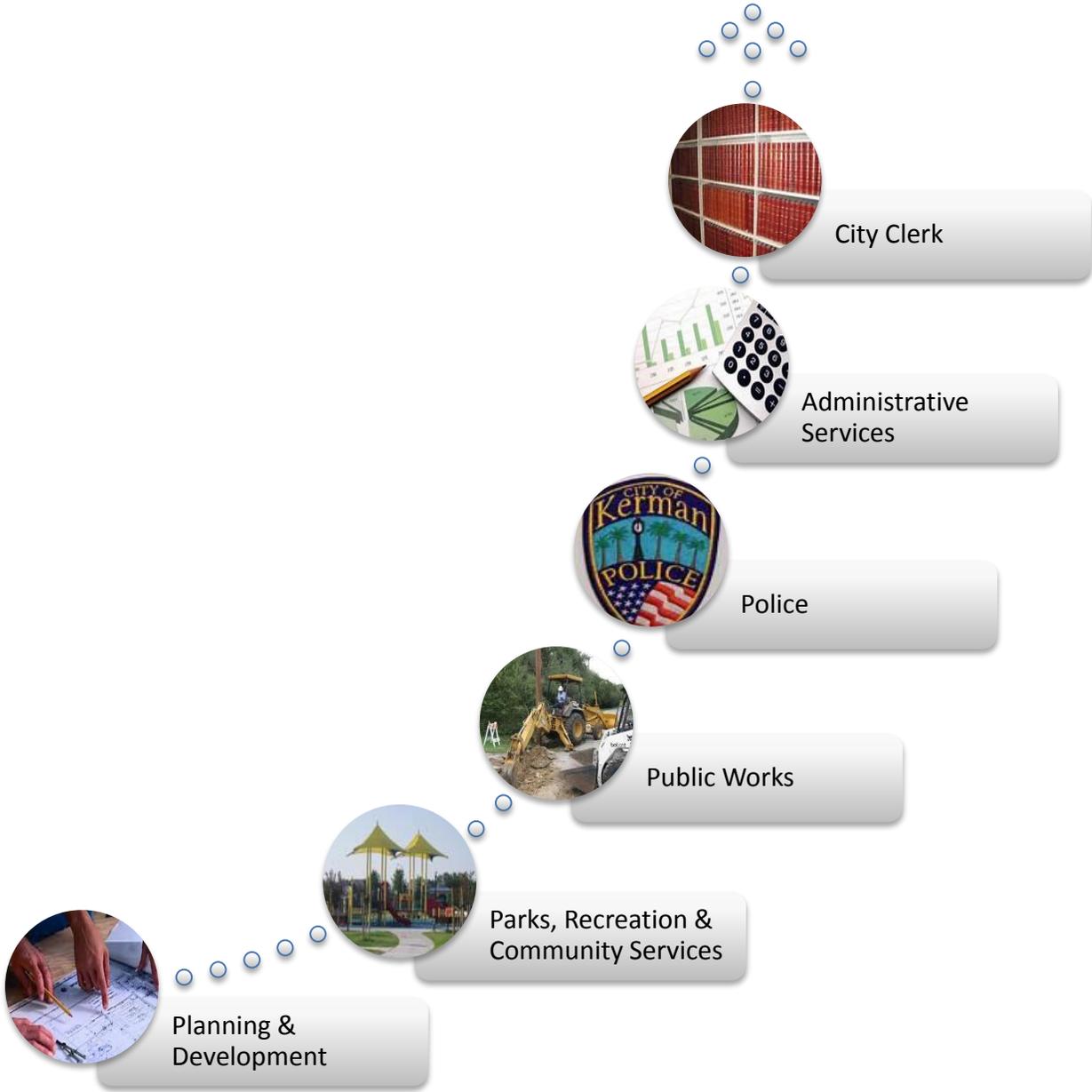
Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 20 00 Part Time Salaries	13,125	11,946	15,000	13,000	15,000
420 00 00 Fringe Benefits	1,234	1,263	1,940	1,940	1,849
TOTAL PERSONNEL	14,359	13,209	16,940	14,940	16,849
OPERATIONS & MAINTENANCE					
510 10 00 Prof Services - Chamber Audio System Maintenance	0	0	0	0	500
521 02 00 General Supplies	646	966	1,000	1,800	1,200
552 01 00 Public Notice	789	1,369	2,000	700	1,000
554 01 00 Travel - Conferences - Meetings	31		3,500	5,550	1,000
555 06 00 Website Updates and Add Ons	1,153	1,140	0	0	0
556 00 00 Community & Public Relations	4,698	4,605	5,500	5,500	5,500
565 00 00 Internal Service Funds	0	700	1,100	1,100	1,115
TOTAL OPERATIONS & MAINTENANCE	7,317	8,780	13,100	14,650	10,315
CAPITAL					
600 03 00 Capital Outlay - Improvements	0	0	0	0	0
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	21,676	21,989	30,040	29,590	27,165
					Budget to Budget Increase/(Decrease) (2,875)
					Percentage of Change -9.6%

Budget Highlights:

FY 2014/15 General Supplies Exceeded Budget for Purchase of Three Electronic Tablets for Council Members
 FY 2014/15 Travel/Conferences Exceeded Budget due to Three Council Members Attending Annual League of CA Cities Conference

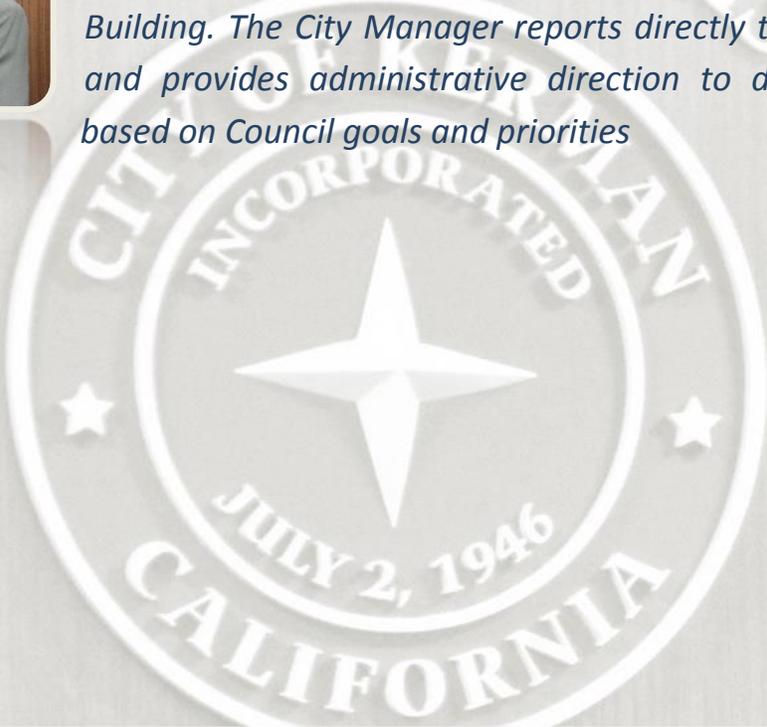
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City Manager





The City Manager is the chief municipal officer for the City of Kerman. The City Manager oversees the day-to-day operations of all City departments including Police, Public Works, City Clerk, Finance Department, Parks and Recreation, and Planning and Building. The City Manager reports directly to the City Council and provides administrative direction to department heads based on Council goals and priorities





City Manager

Key Achievements

- ✓ Structurally balanced budget the past three fiscal years.
- ✓ Healthy General Fund Reserves (\$2.6 million June 30, 2014).
- ✓ Received excellence in budget awards from CSMFO and GFOA.
- ✓ Comprehensive redesign of City website.
- ✓ Developed General Fund Reserve Policy.
- ✓ Comprehensive update of Purchasing Policy.
- ✓ Participation in the HERO and Fig Tree/PACE Program.
- ✓ Negotiated agreement with CRES and RJ Hill for new single-family home construction.
- ✓ Negotiated sale of city-owned property to Panoche Creek for major expansion.
- ✓ Participating in Multi-Jurisdictional Housing Element Update.
- ✓ Negotiated three year Memorandum of Understanding of three bargaining groups (effective through June 30, 2017).
- ✓ Streamlined purchasing and equipping of police vehicles.
- ✓ New roof at modification to HVAC system at Police building.

Goals

- Implement Council's goals and objectives.
- New Animal Shelter.
- Sphere of Influence (SOI) boundary change.
- Downtown improvements.
- Ongoing economic development projects (30-acre commercial, Phase II Kerman Neighborhood Center, Tractor Sales).
- Gateway sign in roundabout at Jensen and Madera Avenue.
- Workforce Needs Assessment.
- Facilities Master Plan.
- Implement Employee Recognition Program.
- Conclude agreement with FID for Purple Pipe System.

Key Performance Measures

→ Goal 1	Update City Web Page
Objective	Provide residents and visitors a technologically compatible avenue of communication
Status	Completed July 2014
→ Goal 2	Evaluate feasibility of solar for other city buildings and facilities
Objective	Insure that the City is compliant with energy reduction mandates
Status	Ongoing – Completion date 2015/16
→ Goal 3	Work with Fresno County and LAFCO to expand the City’s Sphere of Influence
Objective	To insure that the City has growth space and infrastructure to support City growth
Status	Ongoing
→ Goal 4	Reformat of Five-Year Capital Improvement Plan
Objective	Provide the City with a capital improvement plan
Status	Ongoing

City Manager Budget

CITY MANAGER 100 1002

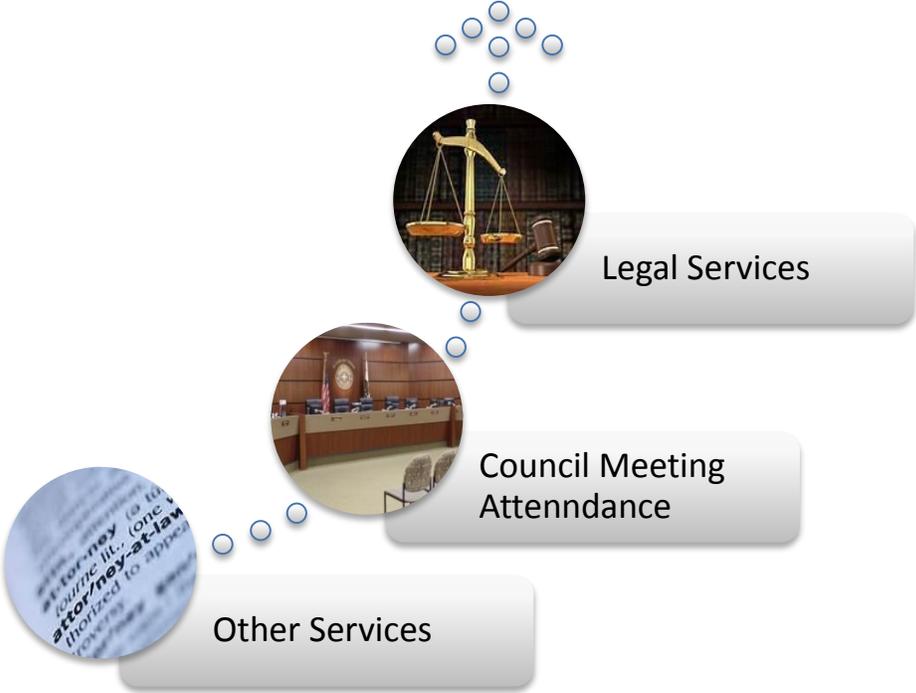
Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	13,829	59,677	62,348	62,348	64,906
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,391
420 00 00 Fringe Benefits	4,475	18,452	18,844	18,844	18,051
TOTAL PERSONNEL	18,304	78,130	81,192	81,192	84,348
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services-Sales Tax Consultant/Grants	15,662	19,224	14,000	3,000	5,000
510 10 00 Professional Services-Successor Agency	0	2,880	1,500	500	0
510 13 00 Professional Services - EDC Fresno County	8,636	7,318	6,000	6,000	6,000
515 01 00 Utilities	12,723	11,899	13,000	15,000	15,000
521 01 00 Office Supplies	1,000	906	1,500	1,500	1,500
521 02 00 General Supplies	312	244	800	550	800
521 07 00 Postage	1,200	1,600	1,600	150	300
540 02 00 Equipment Rental - Lease	7,804	7,287	0	0	0
550 00 00 Insurance	62,132	73,809	79,020	75,297	70,697
551 01 00 Communications - Telephone	6,846	7,517	6,500	7,820	7,800
551 02 00 Cellular Phone	798	0	0	0	0
552 02 00 Public Notice / Advertising	113	0	350	0	3,000
554 01 00 Training/Conferences/Meetings	939	371	1,000	1,350	1,000
555 00 00 Dues & Subscriptions	6,265	6,342	6,500	6,500	6,500
555 05 00 Property Taxes	2,614	2,655	0	0	0
560 00 00 Administration & Overhead	100	2,025	2,025	2,025	2,025
565 00 00 Internal Service Funds	4,335	6,567	5,152	5,152	1,285
TOTAL OPERATIONS & MAINTENANCE	131,478	150,643	138,947	124,844	120,908
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	149,782	228,773	220,138	206,036	205,256
				Budget to Budget Increase/(Decrease)	(14,883)
				Percentage of Change	-6.8%

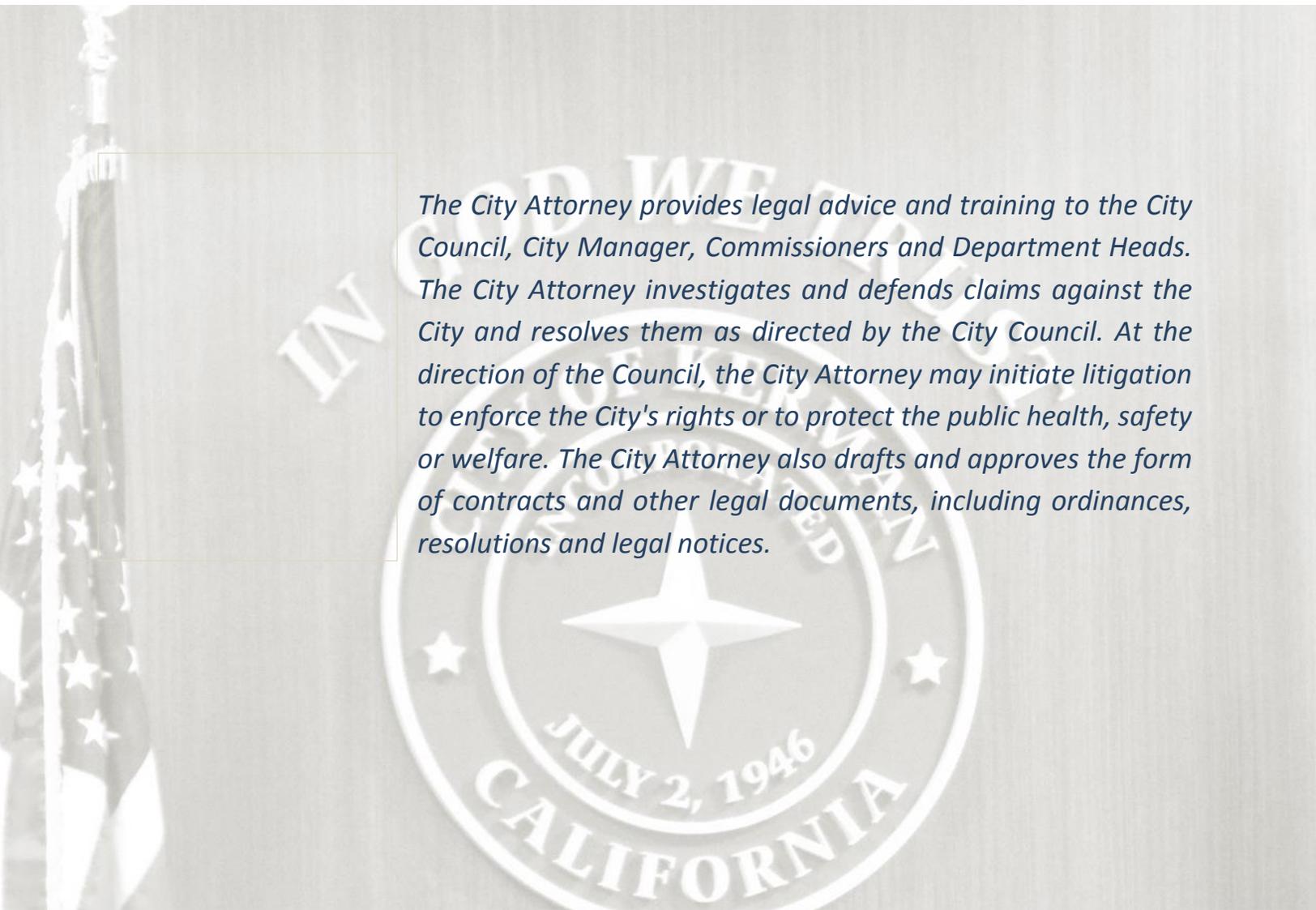
Budget Highlights:

- Contract Services - Moving expenses for State Mandated Cost reimbursements from City Manager to Administrative Services \$4,000 annual cost
- Professional Services - MuniServices/Web: Budget to cover sales tax consultant and monthly web hosting
- Dues & Subscription - Dues for membership in League of Cities, COG and Chamber of Commerce
- Internal Service Fund - Three year contract for MS Office Suite product expired in FY 2014/15

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City Attorney





The City Attorney provides legal advice and training to the City Council, City Manager, Commissioners and Department Heads. The City Attorney investigates and defends claims against the City and resolves them as directed by the City Council. At the direction of the Council, the City Attorney may initiate litigation to enforce the City's rights or to protect the public health, safety or welfare. The City Attorney also drafts and approves the form of contracts and other legal documents, including ordinances, resolutions and legal notices.



City Attorney
(Outsourced)

City Attorney

Key Achievements

- ✓ Working with the City Manager and the City Engineer, the City Attorney helped negotiate the agreements with developers for the construction of homes and necessary infrastructure for Subdivision Tract 5478.
- ✓ At the trial court level, the City Attorney has successfully defended the Kerman Police Department and various officers from attempts to invade the confidentiality of officer's personnel files by criminal defendants or other litigants.
- ✓ The City Attorney has continued to assist City departments with appropriate responses to requests for public records.
- ✓ The City Attorney has assisted the City Manager and Department Heads with the negotiation and preparation of various contracts, agreements and notices.
- ✓ The City Attorney, along with the City's risk manager and risk management consultants, has worked to timely respond to claims against the City and limit the City's involvement in costly litigation.

Goals

- The City's Memoranda of Understanding with its employee groups has been repeatedly amended. The City Attorney, the City Manager and the City's personnel officer should work to develop a comprehensive revision of the MOU's that would integrate all of the amendments and make the MOU's consistent with current practices, laws and policies. The revised MOU could then be presented as part of the next round of negotiations with employee groups.
- The City's Municipal Ordinance has been amended on an "as-needed" basis over the last twenty or so years. Although it may be impractical to attempt to update the entire Municipal Ordinance, the City should consider beginning a systematic review of update to assure that the Municipal Ordinance is consistent with current law and the City's contemporary practices.
- The City Attorney should continue to work with the City Manager and the City Clerk to explore the use of electronic communications in ways that will promote economical and appropriate paths of communication for all City business.

City Attorney Budget

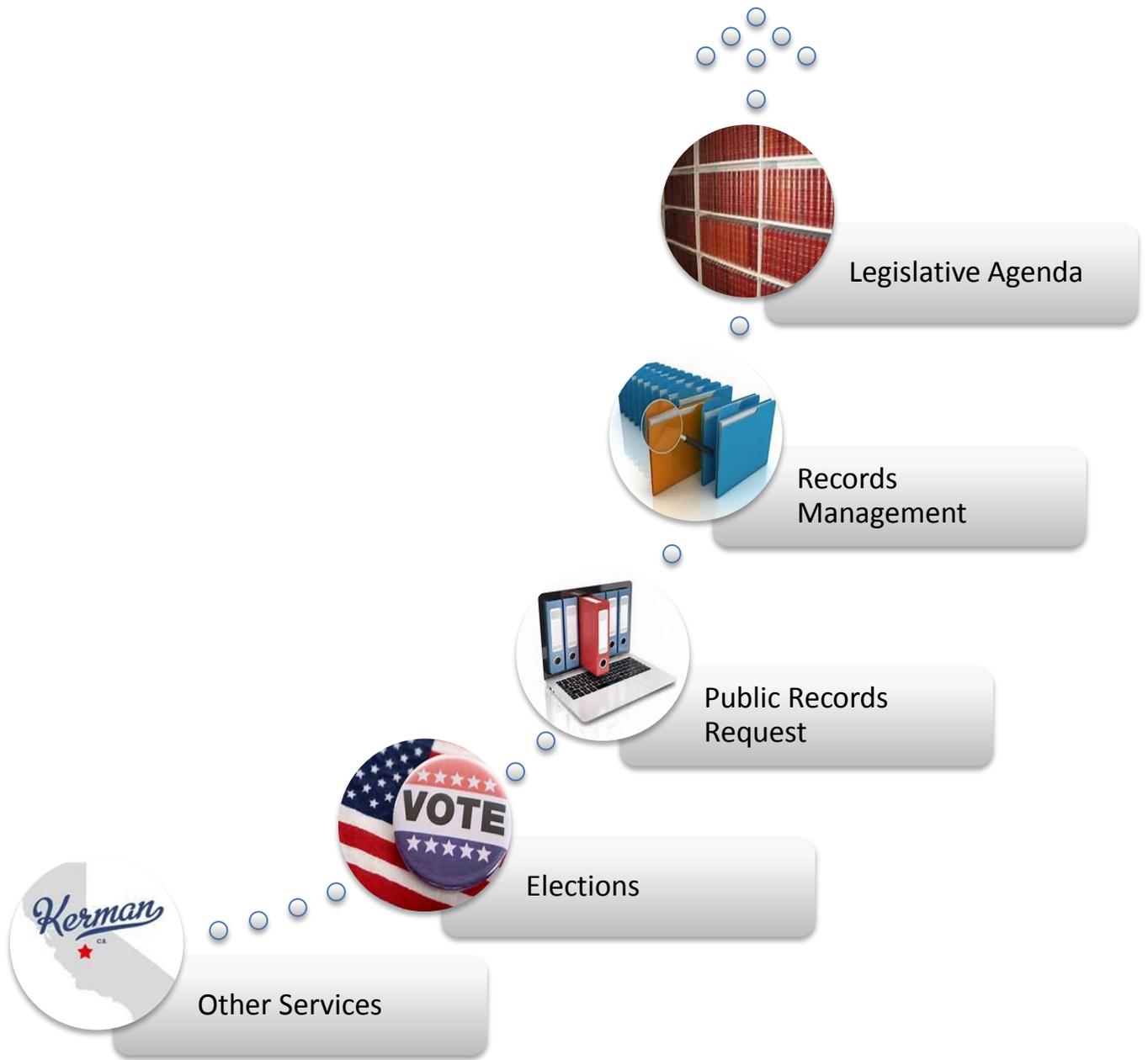
CITY ATTORNEY 100 6003

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
OPERATIONS & MAINTENANCE					
510 10 00 Professional Services	51,242	59,986	55,000	50,000	75,000
TOTAL	51,242	59,986	55,000	50,000	75,000
TOTAL DEPARTMENT BUDGET	51,242	59,986	55,000	50,000	75,000
				Budget to Budget Increase/(Decrease)	20,000
				Percentage of Change	36.4%

Budget Highlights:

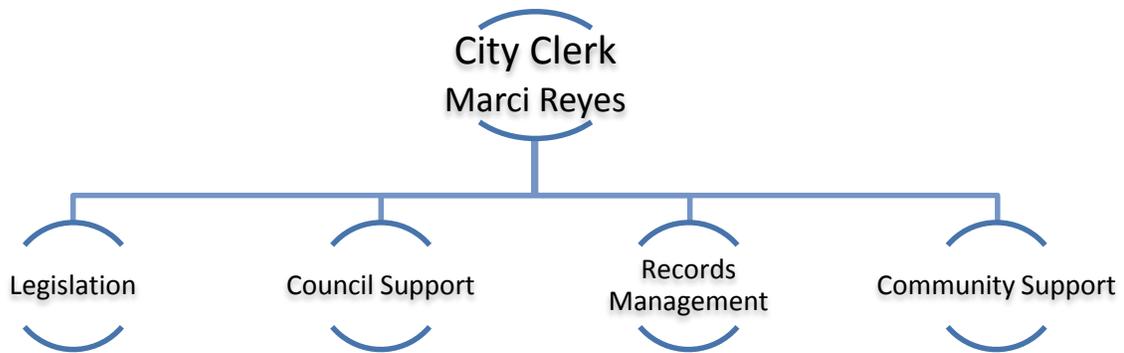
Increase in City Attorney Budget due to New Attorney at Higher Hourly Billing Rate

City Clerk





This Office serves as Clerk to the City Council, keeper of records, preserves Council proceedings and provides procedural and technical support where needed. The Clerk administers municipal elections, coordinates public hearings, and assists the public and other City staff in conducting business. The Office also disseminates information regarding legislative actions and policy decisions to City departments, other agencies, and the public. As official record keeper, the City Clerk maintains custody of City records.





City Clerk

Key Achievements

- ✓ Effectively administered and coordinated the 2014 Municipal Election by serving as filing officer, processing the City's campaign finance disclosure reports and statement of economic interests.
- ✓ Maintained and preserved City Council proceedings and related documents allowing for quick and easy access by other city departments, residents and public.
- ✓ Fulfilled all Public Records Requests and made accessible the City's official records and legislative documents in accordance with the Political Reform Act.
- ✓ Successfully converted to a paperless agendas through the use of tablets.
- ✓ Continued to foster good working relationships with local schools in conducted three mock student council meetings.

Goals

- Upgrade current Agenda Manager Software program for the assembling of City Council and Planning Commission packets.
- Continue to work with other departments to improve operational processes through efficient and effective methods to ensure we are customer-focused, proactive, consistent and responsible.
- Make access through the use of a computer at City Hall for resident inquires of the Kerman Municipal Code, commendations, and use of interactive public records requests.

Key Performance Measures

→ Goal 1	Effectively administer and coordinate 2014 municipal election
Objective	To ensure campaign disclosure statements and election process for council members is completed
Status	Completed 2014
→ Goal 2	Expand interdepartmental electronic filing options for Customer Request Forms
Objective	To be more efficient and responsive to all resident requests
Status	Ongoing
→ Goal 3	Apply technology effectively to increase and improve access to materials on-line
Objective	Provide residents with quick access to City information
Status	On going
→ Goal 4	Educate Staff to effectively use records management system
Objective	Continue to encourage staff to use the programs available for research of City documents
Status	On going
→ Goal 5	Improve operation process to ensure the City is customer-focused, proactive, consistent and responsible
Objective	Work with other departments and residents to ensure compliance with Kerman Municipal Code
Status	On going

City Clerk Budget

CITY CLERK 100 6004

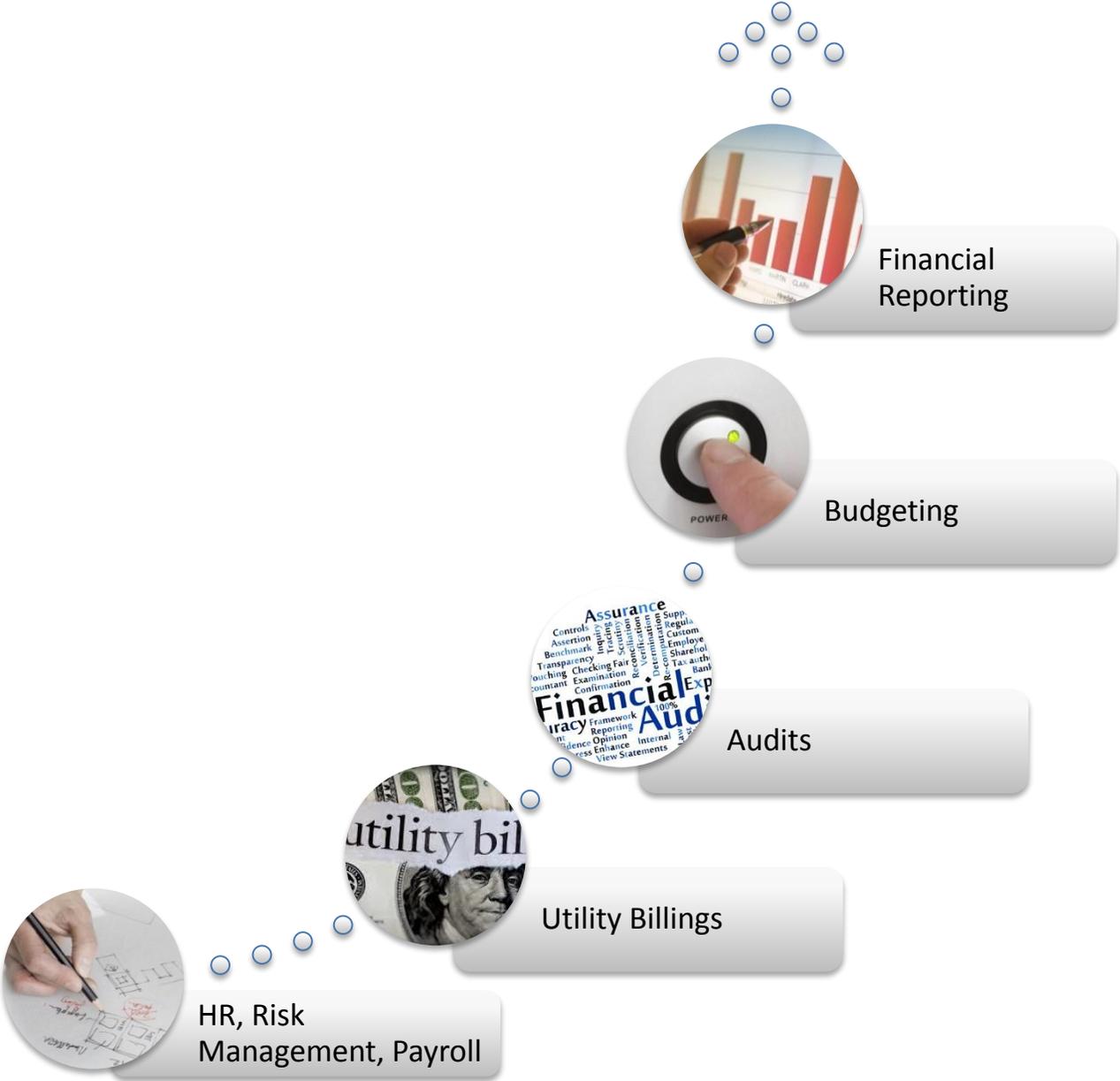
Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	2,392	13,886	14,501	14,501	15,988
420 51 00 CalPERS Unfunded Liability	0	0	0	0	343
420 00 00 Fringe Benefits	718	4,791	4,192	4,192	4,257
TOTAL PERSONNEL	3,110	18,676	18,693	18,693	20,588
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	14,370	8,267	8,700	7,300	9,100
510 02 00 Elections	3,142	0	3,400	2,700	0
521 02 00 General Supplies & Postage	668	348	350	350	400
554 01 00 Travel - Conferences - Meetings	311	8	500	0	500
555 00 00 Dues & Subscriptions	295	305	350	315	350
565 00 00 Internal Service Funds	0	0	627	627	464
TOTAL OPERATIONS & MAINTENANCE	18,786	8,928	13,927	11,292	10,814
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	21,896	27,605	32,620	29,985	31,401
				Budget to Budget Increase/(Decrease)	(1,218)
				Percentage of Change	-3.7%

Budget Highlights:

(Laserfiche and New Novus Agenda)
Overall Decrease in budget due to Non-Election Year

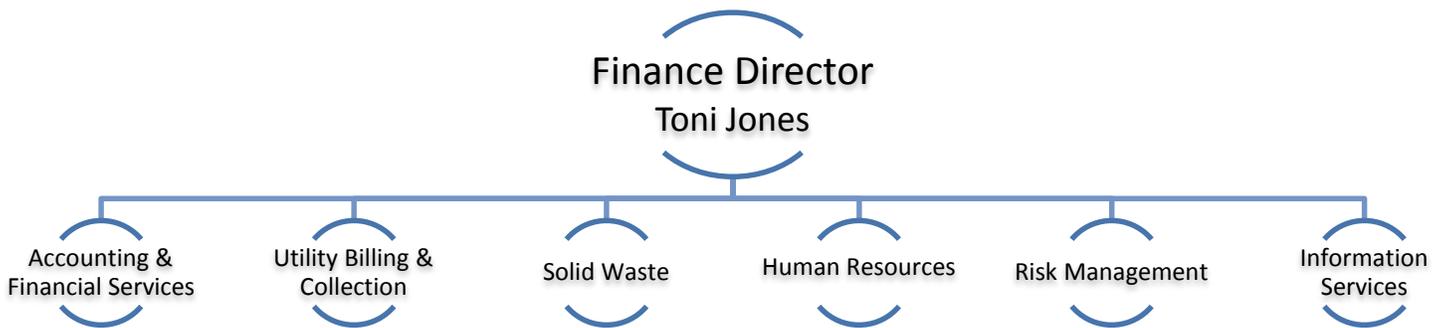
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Administrative Services





The Administrative Services Department provides various accounting and business services including: financial reporting, general ledger maintenance, accounts receivable, accounts payable, human resources, payroll, utility billing and collections, information services, investments and the preparation and maintenance of the City's annual budget. Administrative Services also manages information technology and risk management for the City and fulfills the reporting and payment requirements related to the dissolution of the Kerman Redevelopment Agency. The City plays an active role in the leadership of the Central San Joaquin Valley Risk Management Authority, which is a joint powers authority made up of fifty-four member cities and is designed to reduce the cities' exposures to losses resulting from workers compensation, liability, property damage and employment relations claims.



Administrative Services

Key Achievements

- ✓ CSMFO (California Society Municipal Finance Officers) Budget Award – Fiscal year 2013/2014 and 2014/2015.
- ✓ GFOA (Government Finance Officers Association) Distinguished Budget Presentation Award Fiscal year 2014/2015.
- ✓ Timely completion of annual audits with unqualified (clean) audit and no management points for the past four (4) years.
- ✓ Structurally balanced budgets the past three fiscal years with a healthy General Fund Reserve.
- ✓ City's debt rating with Standards and Poor's upgraded from "A-" to "A" in 2013.
- ✓ Participated in negotiating a three (3) year MOU agreement with all three bargaining groups.
- ✓ Revamped the information technology & vehicle/equipment replacement Internal Service Funds.
- ✓ Selection, integration, and training on new financial accounting system.
- ✓ Assisted with developing: Purchasing Policy, General Fund Reserve Policy, and Personal Protective Equipment Policy.
- ✓ Successfully recruited for an Account Clerk and Senior Accountant to back fill vacancies.

Goals

- Ensure expenditures are consistent with adopted policies.
- Restore staffing levels.
- Explore alternatives to expand on-line payment of utilities by customers.
- Analyze funding opportunities for new animal control shelter.
- Ongoing evaluation of police fleet replacement program.
- Close-out all activities of the former Kerman Redevelopment Agency.
- ADA improvements to front counter and public restrooms.
- New telephone system.
- Revise Personnel Policy.

Key Performance Measures

→ Goal 1	Implement new accounting software
Objective	Improve accounting services and ensure compatibility with new technology
Status	Ongoing

→ Goal 2	Provide training on new software to key city employees in each department
Objective	Create employee efficiency and productivity in completing their daily jobs as it relates to accounting/finance
Status	Ongoing

→ Goal 3	Hold public forums to educate the public about changes in utility billing include option for resident to receive electronic statements and provide electronic payment options
Objective	Offer billing transparency to residents and keep up with technology in paying/receiving utility invoices
Status	Slated for 2015/16

Administrative Services Budget

ADMINISTRATIVE SERVICES 100 5005

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	5,761	18,825	18,376	14,000	21,500
410 20 00 Part-Time Wages	0	1,453	720	3,500	0
410 30 00 Overtime	0	28	410	250	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	461
420 00 00 Fringe Benefits	2,728	7,292	7,757	7,757	8,334
TOTAL PERSONNEL	8,489	27,598	27,263	25,507	30,294
OPERATIONS & MAINTENANCE					
510 01 00 Professional Fees	0		4,000	10,000	10,000
510 10 00 Professional Services-Audit	13,800	13,800	13,800	14,300	14,300
510 14 00 Professional Services-Finance Acct Software Maint	1,257	4,400	4,400	4,400	4,400
521 01 00 Office Supplies	1,648	250	1,500	2,500	1,500
521 02 00 General Supplies	0		250	850	250
521 07 00 Postage	0	1,122	1,050	2,000	2,000
540 00 00 Lease Expense (PFA Bond)	49,911	50,305	50,307	50,307	49,753
540 02 00 Equipment Rental - Lease (Copier/Postage/Mailer)	0		8,500	8,500	8,500
554 01 00 Travel/Conferences/Meetings	354	242	500	400	500
555 00 00 Dues & Subscriptions	338	320	300	350	350
565 00 00 Internal Service Funds	0	0	508	508	244
TOTAL OPERATIONS & MAINTENANCE	67,308	70,440	85,115	94,115	91,797
CAPITAL					
600 03 99 Capital Outlay - New Accounting Software System	0	0	0	0	1,100
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	500
TOTAL CAPITAL EXPENDITURES	0	0	0	0	1,600
TOTAL DEPARTMENT BUDGET	75,796	98,038	112,378	119,622	123,691
					Budget to Budget Increase/(Decrease) 11,313
					Percentage of Change 10.1%

Budget Highlights:

Professional Services: CSMFO & GFOA Budget recognition fees. Moving expenses for State Mandated Cost reimbursements from City Manager to Administrative Services \$4,000 annual cost. Mandatory CalPERS report for GASB 68 reporting for audit in FY 2015/16.

Professional Services: GASB 68 Requires an annual report from CalPERS at a cost of \$850 per plan, City has four (4) plans for a total annual cost of \$3,400

Capital Outlay for security shade at Finance customer service window

Water Administration and Accounting Budget

WATER ADMINISTRATION & ACCOUNTING 410 5005

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	150,995	134,385	145,283	125,000	163,362
410 20 00 Part Time Salaries	861	6,224	1,920	16,000	0
410 30 00 Overtime	0	89	2,417	1,000	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	3,501
420 00 00 Fringe Benefits	58,303	49,191	53,663	53,663	57,592
TOTAL PERSONNEL	210,159	189,888	203,283	195,663	224,455
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	3,759	4,007	4,000	4,000	4,000
510 10 00 Professional Services - Audit	4,300	4,300	4,300	5,400	5,500
510 14 00 Professional Services-Finance Acct Software Maint	0	0	0	2,500	2,500
521 01 00 Office Supplies	3,667	2,910	4,500	5,500	4,500
521 06 00 Uniforms	16	0	0	0	0
521 07 00 Postage	6,000	12,777	8,500	9,000	10,000
540 00 00 Lease Payment (PFA Bond)	42,998	43,340	42,802	42,802	42,862
540 02 00 Equipment Rent - Lease	1,912	1,914	2,000	2,000	2,000
550 00 00 Insurance	13,836	14,180	17,000	16,042	23,566
551 02 00 Communications - Cellular Phone	0	180	0	0	0
552 01 00 Public Notice	0	0	0	500	500
554 01 00 Travel - Conferences - Meetings	621	364	350	350	750
555 04 00 Taxes & Assessments (F.I.D.)	168	168	175	168	175
555 05 00 Property Taxes - Fresno County	137	139	170	140	150
560 00 00 Internal Service Funds	5,711	5,846	3,211	3,211	2,545
565 00 00 Administration & Overhead	114,485	114,485	114,431	114,431	114,431
TOTAL OPERATIONS & MAINTENANCE	197,610	204,610	201,439	206,044	213,479
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	2,000
TOTAL CAPITAL EXPENDITURES	0	0	0	0	2,000
TOTAL DEPARTMENT BUDGET	407,769	394,499	404,721	401,707	439,935
				Budget to Budget Increase/(Decrease)	35,213
				Percentage of Change	8.7%

Budget Highlights:

Capital Outlay for Electronic Equipment Needed for Credit Card Payments for Utility Billings and Office Equipment needed
Annual Bond Lease Payment Breakdown is located in the PFA Budget.
Increase in Personnel due to Senior Accountant vacant position filled

Water Debt Service Budget

WATER DEBT SERVICE 410 5006

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
700 11 00 Debt Service - SRF Loan	165,000	165,000	165,000	165,000	165,000
TOTAL NOTE PAYABLES	165,000	165,000	165,000	165,000	165,000
TOTAL DEPARTMENT BUDGET	165,000	165,000	165,000	165,000	165,000
				Budget to Budget Increase/(Decrease)	(0)
				Percentage of Change	0.0%

Budget Highlights:

State Revolving Fund (SRF) Loan. The City entered into another contract with the State of California Department of Water Resources in 2003, which allowed the City to borrow up to approximately \$3,300,000 for a major water project and repay the loan over 20 years without interest. Terms of the note now call for semi-annual payments of \$82,500 beginning January 1, 2011 and the final payment to be made on January 1, 2028. The balance of the loan as of June 30, 2014 is \$2,309,999.

Sewer Administration & Accounting Budget

SEWER ADMINISTRATION & ACCOUNTING 420 5005

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	106,242	111,157	102,719	88,000	118,656
410 20 00 Part Time Salaries	689	4,094	960	14,000	0
410 30 00 Overtime	0	86	2,007	750	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	2,543
420 00 00 Fringe Benefits	41,372	40,850	38,262	38,262	41,828
TOTAL PERSONNEL	148,303	156,186	143,948	141,012	163,027
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	4,878	3,752	5,500	5,000	5,500
510 10 00 Professional Services - Audit	3,000	4,000	3,000	3,818	3,800
510 14 00 Professional Services-Finance Acct Software Maint	0	0	0	2,100	2,100
521 01 00 Office Supplies	4,596	4,768	5,000	6,000	5,000
521 07 00 Postage	5,000	5,000	5,000	5,500	6,000
540 00 00 Lease Payment (PFA Bond)	34,399	34,672	34,241	34,241	34,290
540 02 00 Equipment Rent - Lease	1,147	1,148	1,200	1,200	1,200
550 00 00 Insurance	15,530	24,744	18,896	18,005	18,067
551 01 00 Communications - Telephone	525	758	575	600	600
552 01 00 Public Notice	0	0	500	500	500
554 01 00 Training, Travel & Meetings	313	23	250	250	1,000
555 04 00 Taxes & Assessments (Fresno Irrig. Dist.)	2,797	2,725	2,800	2,800	2,800
555 05 00 Property Taxes - Fresno County	137	139	150	140	150
560 00 00 Internal Service Funds	4,955	4,534	2,359	2,359	1,827
565 00 00 Administration & Overhead	109,062	109,062	100,127	100,127	100,127
TOTAL OPERATIONS & MAINTENANCE	186,338	195,325	179,599	182,641	182,961
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	2,000
TOTAL CAPITAL EXPENDITURES	0	0	0	0	2,000
TOTAL DEPARTMENT BUDGET	334,641	351,511	323,547	323,653	347,988
				Budget to Budget Increase/(Decrease)	24,441
				Percentage of Change	7.6%

Budget Highlights:

Capital Outlay for Electronic Equipment Needed for Credit Card Payments for Utility Billings and Office Equipment needed
Annual Bond Lease Payment Breakdown is located in the PFA Budget.

Sewer Debt Service Budget

SEWER - DEBT SERVICE 420 5006

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
700 16 00 Debt Service - Rev. Bonds Principal	45,000	45,000	50,000	50,000	50,000
700 26 00 Debt Service - Rev. Bonds Interest	21,164	23,836	21,164	16,664	14,164
700 17 00 Debt Service - SRF Loan Principal	114,277	114,536	231,362	231,362	158,676
700 27 00 Debt Service - SRF Loan Interest	18,853	18,914	45,381	45,381	43,067
TOTAL NOTE PAYABLES	199,295	202,286	347,907	343,407	265,908
TOTAL DEPARTMENT BUDGET	199,295	202,286	347,907	343,407	265,908
				Budget to Budget Increase/(Decrease)	(81,999)
				Percentage of Change	-23.6%

Budget Highlights:

Revenue Bonds Payable. In 1981, the City of Kerman issued \$1,200,000 of revenue bonds to construct additional sewer facilities. The City has pledged the revenue derived from these facilities to pay the debt service. Bond principal payments are made each April. Interest at 5.0% is paid semi-annually, each April and October. The outstanding principal balance at June 30, 2014 was \$333,285. The bonds will be paid off in 2021.

SRF Loan - In 2011, the City of Kerman completed the expansion of its Waste Water Treatment Plant. This project was funded by \$2 million of ARRA Grant money and a State Revolving Fund (SRF) Loan of nearly \$5 million. The first annual loan payment was paid in September of 2012. Sewer Major Facilities (Fund 57) will pay \$75,000 of total principle payment due for FY 15/16 in the amount of \$233,675.44. Fund 42 will pay the remaining \$158,675 of the principle payment along with the accrued interest due on the loan from operational reserves in fiscal year 2015/16. The remaining principle balance at June 30, 2014 was \$4,538,099. The loan will be paid off in 2031.

Solid Waste Administration Budget

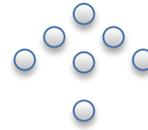
SOLID WASTE ADMINISTRATION 430 5005

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	102,909	96,519	95,995	90,000	101,312
410 20 00 Part Time Salaries	172	3,961	960	12,000	0
410 30 00 Overtime	131	218	1,898	750	1,000
410 35 00 Standby Pay	99	94	95	100	203
420 51 00 CalPERS Unfunded Liability	0	0	0	0	2,171
420 00 00 Fringe Benefits	41,263	37,153	36,514	36,514	38,694
TOTAL PERSONNEL	144,573	137,944	135,462	139,364	143,380
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services - (Mid Valley Disposal)	785,100	816,966	824,190	840,000	849,240
510 06 00 Contract Services	1,064	1,309	1,500	1,500	1,500
510 10 00 Professional Services-Audit	3,000	3,000	4,000	4,000	4,000
510 14 00 Professional Services-Finance Acct Software Maint	0	0	0	1,600	1,600
521 01 00 Office Supplies	376	861	1,700	2,000	2,000
521 02 00 General Supplies - Recycling Grant	0	2,281	16,450	16,450	0
521 06 00 Uniforms	12	24	20	150	150
521 07 00 Postage	2,200	2,200	2,600	2,888	3,500
540 00 00 Lease Payment (PFA Bond)	17,200	17,336	17,121	17,121	17,145
540 02 00 Equipment Rent - Lease	765	765	1,000	1,000	1,000
550 00 00 Insurance	1,694	1,736	5,497	5,238	7,855
552 01 00 Public Notice	0	0	100	100	100
565 00 00 Internal Service Funds	3,309	4,346	4,205	4,205	3,507
560 00 00 Administration & Overhead	14,851	14,851	14,851	14,851	23,840
557 80 00 Transfer to Street Fund - St. Sweeping	0	39,149	41,000	41,000	41,000
TOTAL OPERATIONS & MAINTENANCE	829,570	904,825	934,233	952,103	956,437
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	2,000
600 03 99 Capital Outlay-New Accounting Software System	0	0	4,440	4,440	0
TOTAL CAPITAL EXPENDITURES	0	0	4,440	4,440	2,000
TOTAL DEPARTMENT BUDGET	974,144	1,042,768	1,074,135	1,095,907	1,101,816
				Budget to Budget Increase/(Decrease)	27,681
				Percentage of Change	2.6%

Budget Highlights:

Annual Bond Lease Payment Breakdown is located in the PFA Budget
 Decrease in budget due to elimination of Recycling Grant program expenses
 Capital Outlay for Electronic Equipment Needed for Credit Card Payments for Utility Billings and Office Equipment needed

Police



Patrol



Special Investigations



Records Management



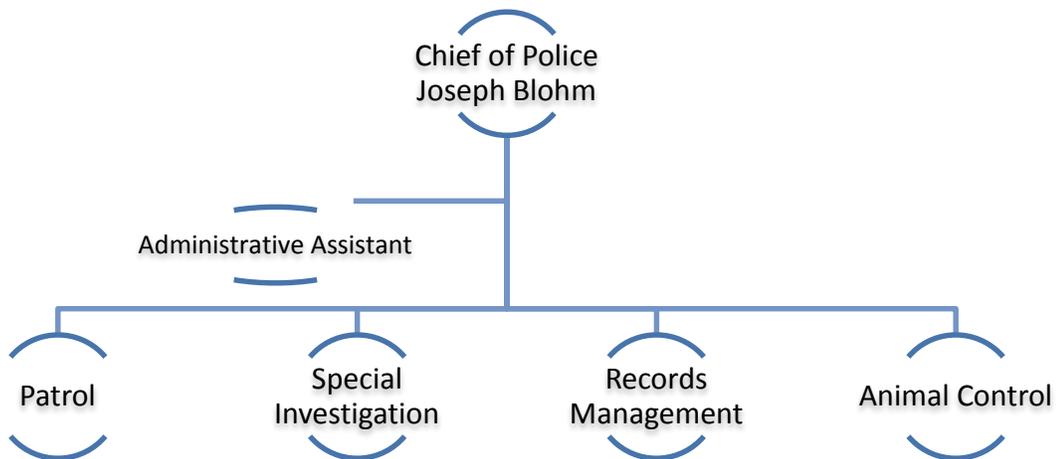
Animal Control



Special Programs



The Police Department's services include patrol, investigations, traffic, youth services and other programs designed to enhance the quality of life in Kerman. The Department's administration handles scheduling, crime analysis, budget development, confidential files, and training. The Chief of Police has ultimate responsibility for development and implementation of the vision of the Department.





Police

Key Achievements

- ✓ Maintain our reduction of Part 1 Crimes in our community; Part 1 crimes are down 31% from the 2010 totals.
- ✓ Continue to suppress Auto Theft in our community; Auto Thefts are down 49% from 2011.
- ✓ Continue to increase the safety of motorists in city by reducing the number of unlicensed drivers on our streets.

Goals

- Revitalize and expand our Crime Prevention and Neighborhood Watch Programs.
- Complete the implementation of our Crime Free Multi-Housing Program.
- Revitalize and expand our Police Explorer Program.

Key Performance Measures

→ Goal 1	Create Lieutenant position
Objective	Add to the department's hierarchy for stability and future growth
Status	Pending

→ Goal 2	Increase staffing
Objective	Insure residents safety and soundness
Status	Ongoing

→ Goal 3	Purchase three new patrol vehicles
Objective	Provide Patrol Officers with safe reliable vehicles
Status	Two new/used vehicles were purchased in 2014/15

Police Budget

POLICE 100 3011

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	1,106,069	1,149,089	1,229,587	1,229,587	1,340,804
410 20 00 Part Time Salaries	55,186	73,049	94,000	94,000	94,000
410 30 00 Overtime	50,987	41,935	50,000	45,000	50,000
410 35 00 Court Standby	2,199	1,682	2,500	2,500	2,500
410 36 00 FTO	1,009	1,122	1,000	3,500	5,200
410 38 00 Uniform Allowance	22,197	21,974	22,100	22,100	23,200
410 40 00 Holiday Pay	38,642	41,612	42,769	47,000	51,227
420 51 00 CalPERS Unfunded Liability	0	0	0	0	29,820
420 00 00 Fringe Benefits	638,458	631,505	644,231	644,231	639,393
TOTAL PERSONNEL	1,914,747	1,961,967	2,086,188	2,087,918	2,236,144
OPERATIONS & MAINTENANCE					
510 11 00 Prof. Services - Emp. Hiring	10,341	3,022	4,000	10,000	6,000
510 12 00 Prof. Services - Lab Criminal	5,596	6,374	6,000	6,000	6,000
510 13 00 Prof. Services - Lab Employees	1,465	915	1,400	1,000	1,400
510 15 00 Assault/Medical Examinations	6,100	3,823	3,000	3,000	4,000
510 28 00 Dispatch	182,640	223,212	227,611	214,185	227,611
510 29 00 RMS-CAD	1,952	1,992	2,200	2,200	2,200
510 30 00 Booking Fees	824	2,112	1,000	1,200	1,200
510 31 00 Parking Citations	3,165	3,225	3,600	3,600	3,600
510 32 00 Live Scan Fingerprints	3,023	4,090	4,000	4,000	4,000
515 01 00 Utilities	17,286	17,201	16,000	16,500	16,500
521 01 00 Office Supplies	7,175	3,821	4,200	4,200	4,500
521 02 00 General Supplies	3,700	5,338	6,840	6,950	7,000
521 07 00 Postage	0	2,208	2,200	2,200	2,200
521 10 00 Uniform Supplies	3,772	796	4,000	4,000	4,000
521 12 00 Bullet Resistant Vests	2,727	0	1,500	1,500	1,625
521 25 00 Evidence and Property	581	0	0	0	0
521 35 00 Firearms Purchase	0	1,454	1,200	1,200	1,200
521 40 00 Range Supplies	2,471	0	0	0	0
521 41 00 Range Maintenance	26	0	0	0	0
530 01 00 Equipment Maintenance - Repair	3,733	6,743	2,500	3,319	3,500
540 02 00 Equipment Rental	4,615	5,008	4,200	4,200	4,500
551 01 00 Communications - Telephone	3,479	3,699	3,500	3,555	3,600
551 02 00 Communications - Cell Phone	2,316	2,110	2,600	2,200	2,200
551 05 00 Live Scan Line	8,047	7,555	8,000	7,500	7,500
551 06 00 MDT Monthly Access	2,713	3,420	3,600	3,600	3,600
552 02 00 Public Notice	0	0	500	0	500
554 01 00 Travel - Meetings	13,029	6,195	6,000	7,500	7,000
554 05 00 Training Supplies	2,077	2,757	3,150	3,150	3,150
554 10 00 Training Library	85	0	0	0	0
555 02 00 Professional Dues and Codes	650	878	1,550	1,550	1,550
555 04 00 Prof Dues/Subscrip. Forensic Software Upgrade	0	0	0	0	3,100
555 05 00 Explorer Program	0	0	0	0	1,500
565 00 00 Internal Service Funds (Additional Officer FY 15/16)	0	0	0	0	11,625
565 00 00 Internal Service Funds	192,299	203,588	295,399	295,399	329,913
TOTAL OPERATIONS & MAINTENANCE	485,887	521,536	619,750	613,708	676,274
CAPITAL					
600 03 00 Capital Outlay-Donated Equip. Installation PD Fleet	14,999	0	0	0	3,000
TOTAL CAPITAL EXPENDITURES	14,999	0	0	0	3,000
TOTAL DEPARTMENT BUDGET	2,415,633	2,483,503	2,705,938	2,701,626	2,915,417
				Budget to Budget Increase/(Decrease)	209,480
				Percentage of Change	7.7%

Budget Highlights:

Police Dept. Received Radar Equipment From City of Clovis that Required Professional Installation of \$150 Per Vehicle for Twenty (20) Vehicles for a total of \$3,000. One additional vehicle for proposed Police Office staff increase.

SLESF Grant Budget

SLESF GRANT 100 3050

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	62,717	65,063	64,539	64,539	63,882
410 30 00 Overtime	4,376	4,251	0	0	0
410 35 00 Standby	0	91	0	0	0
410 38 00 Uniform Allowance	908	2,200	2,200	2,200	2,200
410 40 00 Holiday Pay	1,869	2,016	1,906	1,906	1,963
420 00 00 Fringe Benefits	30,154	26,378	31,355	31,355	31,955
420 00 00 Fringe Benefits			387		408
420 11 00 FICA Tax Expense	822	4,612	4,799	4,799	5,057
420 12 00 FICA MED Tax Expense	192	972	1,122	1,122	1,183
420 40 00 Health Insurance Expense		2,114	17,203	10,523	22,555
420 50 00 Retirement City Contribution		9,356	9,570	9,570	8,011
420 55 00 Worker's Compensation Expense	220	8,702	4,567	4,567	4,002
420 60 00 SDI Expense	239	623	774	774	735
Check Total	-28,681	0	7,067	0	9,995
TOTAL PERSONNEL	100,025	100,000	100,000	100,000	100,000
TOTAL DEPARTMENT BUDGET	100,025	100,000	100,000	100,000	100,000
TOTAL REVENUE	100,025	100,000	100,000	100,000	100,000
EXCESS (DEFICIT) REVENUE	0	0	0	0	0
				Budget to Budget Increase/(Decrease)	0
				Percentage of Change	0.0%

Safety Grants, Contracts and Projects Budget

SAFETY GRANTS, CONTRACTS AND PROJECTS

100 3999

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
REVENUES					
334 30 01 Avoid the 21 Grant	16,480	18,617	16,000	16,000	15,000
334 32 02 Homeland Security Grant	13,595	6,036	10,000	2,500	5,000
334 35 03 Fresno Housing Authority	6,000	6,000	6,000	6,000	6,000
334 35 04 KUSD Resource Officer	11,807	13,556	13,556	13,556	24,888
334 30 05 COG - Vehicle Abatement	19,705	15,624	25,000	0	0
334 30 06 DOJ-Bullet Proof Vests	1,525	0	0	0	1,625
334 30 07 Wal-Mart Special Projects	0	1,500	0	0	0
334 30 08 Video Policing	0	0	0	0	10,000
TOTAL REVENUES	69,112	61,334	70,556	38,056	62,513
EXPENDITURES					
410 30 01 Avoid the 21 Grant-Overtime	13,724	14,390	12,000	17,679	13,000
420 00 01 Avoid the 21 Grant-Fringe Benefits	3,667	4,227	4,000	3,667	2,000
410 20 04 KUSD Resource Officer-Part Time Wages	11,807	10,398	10,000	10,000	20,000
420 00 04 KUSD Resource Officer-Fringe Benefits	0	3,158	3,556	3,500	4,888
410 20 05 COG - Part Time Wages	5,964	7,923	10,000	192	0
420 00 05 COG - Fringe Benefits	0	3,911	3,750	58	0
TOTAL PERSONNEL	35,162	44,008	43,306	35,097	39,888
520 00 07 Wal-Mart Special Projects	0	1,329	0	0	0
521 07 05 COG - Postage	581	0	1,250	52	0
521 12 06 DOJ-Bullet Proof Vests	1,525	0	0	0	1,625
554 01 03 Special PD Project Travel/Meetings	525	690	0	0	0
554 01 05 COG Travel/Meetings	873	0	10,000	0	0
TOTAL OPERATIONS & MAINTENANCE	3,504	2,019	11,250	52	1,625
600 03 02 Equipment - Homeland Sec Grant	14,795	7,351	10,000	10,000	5,000
600 03 03 Equipment - Special PD Projects	0	0	6,000	6,000	6,000
600 03 05 Equipment - Cog Vehicle Abatement	3,731	3,790	0	0	0
600 03 08 Equipment - Video Policing	0	0	0	0	10,000
TOTAL CAPITAL EXPENDITURES	18,526	11,141	16,000	16,000	21,000
TOTAL EXPENDITURES	57,191	57,168	70,556	51,149	62,513
				Budget to Budget Increase/(Decrease)	(8,043)
				Percentage of Change	-11.4%
TOTAL REVENUES	69,112	61,334	70,556	38,056	62,513
EXCESS (DEFICIT) REVENUE	11,920	4,166	0	(13,093)	0

Budget Highlights:

This budget was set up by Chief Blohm to be used for activities that are funded by sources outside of the typical General Fund Revenues that usually fund Police operations. These activities may come up in the middle of the fiscal year and are funded by outside agencies, such as KUSD or the Housing Authority or the Department of Justice. The monies from these agencies are used to fund any activities within this budget, and none of the activities require an additional demand on the General Fund. However, since PD has taken over the COG Vehicle Abatement Program, the revenues are retained and expended within this budget.

Animal Control Budget

ANIMAL CONTROL 100 3041

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	6,063	26,705	27,849	27,849	23,977
410 30 00 Overtime	305	28	0	500	1,000
410 35 00 Stand By	240	0	0	0	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	514
420 00 00 Fringe Benefits	13,853	12,302	11,762	11,762	8,869
420 11 00 FICA Tax Expense	384	1,605	1,652	1,652	1,334
420 12 00 FICA MED Tax Expense	90	375	386	386	312
420 40 00 Health Insurance Expense	1,601	5,450	3,673	3,807	3,881
420 50 00 Retirement City Contribution	713	3,045	3,200	3,200	1,345
420 55 00 Worker's Compensation Expense	516	1,570	2,407	2,407	1,661
420 60 00 SDI Expense	10,548	257	309	309	336
Check Total	0	0	-133	0	0
TOTAL PERSONNEL	20,461	39,035	39,611	40,111	34,360
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	5,603	10,460	8,000	8,000	9,500
521 01 00 Office Supplies	47	12	300	300	300
521 02 00 General Supplies	2,764	2,459	3,000	2,000	3,000
521 06 00 Uniforms	34	151	155	350	350
521 07 00 Postage	149	210	150	150	150
551 02 00 Cellular Phone	256	244	300	300	300
554 01 00 Travel - Conferences - Meetings	309	0	300	10	4,000
565 00 00 Internal Service Funds	4,745	3,639	8,676	8,676	8,052
TOTAL OPERATIONS & MAINTENANCE	13,907	17,174	20,881	19,786	25,652
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	300	300	300
TOTAL CAPITAL EXPENDITURES	0	0	300	300	300
TOTAL DEPARTMENT BUDGET	34,368	56,209	60,791	60,197	60,312
				Budget to Budget Increase/(Decrease)	(480)
				Percentage of Change	-0.8%

Budget Highlights:

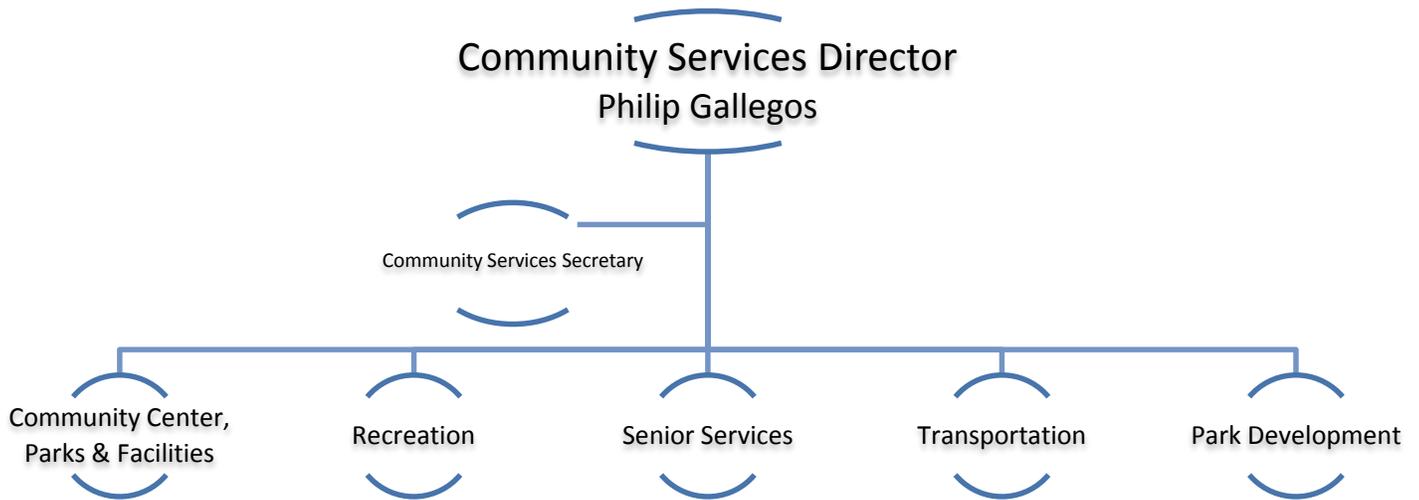
Travel-Conferences Increase for training required for new Animal Control Officer and Relief Officer

Parks, Recreation and Community Services





City of Kerman Parks, Recreation, and Community Services Department works to create and provide programs, services, and facilities that are designed to strengthen the community image and support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate community problem solving, and provide recreational experiences. They also provide well maintained parks and facilities, inviting public places, with a well-trained and motivated staff. The Community Services Director coordinates and maintains records of the Recreation Commission and also facilitates their meetings. This department is divided into several divisions: Senior and Community Services; Recreation Programs and Activities; Parks and Facilities, Maintenance and Rental and Transportation.





Parks, Recreation and Community Services

Key Achievements

- ✓ Commissioned mural rendering of the Kerman Inn; muralist developed color rendering and cost estimate.
- ✓ Successfully implemented the 1st Almond Festival in Kerman featuring benefit run/walk, live entertainment, a variety of food, crafts, informational and Ag related vendors and booths, wine tasting, an Almond Baking contest, Kids zone with petting zoo, an Agricultural-Related Photo Competition and cars on display.
- ✓ Department secured grant to implement a fun and educational anti-drug/alcohol event for youth in the 7th through 12 grades.
- ✓ Successfully implemented a new recreation activity registration program which included a facility registration component allowing for payment of fess for parks and facilities online.
- ✓ Purchased and installed new playground equipment in B Street Park.
- ✓ Partnered with the Girl Scouts to provide the 3rd Annual Earth Day with a focus on recycling and environmental education.
- ✓ Received the 2015 Playful City USA Award recognizing Kerman's great recreational opportunities and exceptional parks.

Goals

- Continue to promote parks, recreational facilities and programs that address the needs of all residents.
- Maintain, improve and develop City parks and facilities that provide residents with places to enjoy passive and active recreation.
- Continue to enhance the quality of life for all residents by providing physical, social, cultural, natural, intellectual and passive programming for all ages.

Key Performance Measures

→ Goal 1	Continue to develop quality, organized programs
Objective	Offer all residents an opportunity to participate in healthy leisure activities
Status	Ongoing

→ Goal 2	Discover more ways to offer and support leisure opportunities
Objective	Present new and innovative opportunities to improve quality of life as an example, The Kerman Almond Festival
Status	Ongoing

→ Goal 3	Keep all parks and facilities clean and safe
Objective	Provide residents with family-oriented safe places to relax and enjoy
Status	Ongoing

Recreation and Community Services Budget

RECREATION AND COMMUNITY SERVICES ADMINISTRATION 100 2002

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	106,912	108,036	114,472	114,472	154,921
410 20 00 Part Time Salaries	8,552	12,503	12,000	12,000	12,700
410 30 00 Overtime	111	0	500	0	500
420 51 00 CalPERS Unfunded Liability	0	0	0	0	3,320
420 00 00 Fringe Benefits	53,426	49,439	53,056	53,056	67,832
TOTAL PERSONNEL	169,000	169,978	180,028	179,528	239,273
OPERATIONS & MAINTENANCE					
510 10 00 Professional Services	0	0	1,200	1,200	1,200
515 01 00 Utilities	21,525	30,869	27,000	27,000	27,000
521 01 00 Office Supplies & Postage	721	638	600	600	600
521 02 00 General Supplies	803	1,424	1,200	1,203	1,200
521 06 00 Uniforms	203	380	380	380	380
540 02 00 Equipment Rent - Lease	3,265	3,008	3,300	3,300	3,200
551 01 00 Communications - Telephone	272	481	300	350	350
551 02 00 Cellular Phone	333	284	350	350	300
554 01 00 Travel/Conferences/Meetings	189	198	800	900	1,200
555 00 00 Dues & Subscriptions	0	190	800	750	800
555 04 00 Taxes & Assessments	1,867	1,867	0	0	0
565 00 00 Internal Service Funds	27,265	25,231	18,958	18,958	18,153
TOTAL OPERATIONS & MAINTENANCE	56,442	64,570	54,888	54,991	54,383
CAPITAL					
600 03 00 Capital Outlay - Improvements	0	0	500	500	0
TOTAL CAPITAL EXPENDITURES	0	0	500	500	0
TOTAL DEPARTMENT BUDGET	225,442	234,547	235,416	235,019	293,656
				Budget to Budget Increase/(Decrease)	58,239
				Percentage of Change	24.7%

Budget Highlights:

Slight budget increase in part time salaries due to minimum wage increase January 2016 and slight increase in conferences and meetings for staff professional development.

Building Maintenance Budget

BUILDING MAINTENANCE 100 2010

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	0	0	0	0	49,536
410 20 00 Part-Time Wages	0	77	9,880	9,880	10,000
420 00 00 Fringe Benefits	0	12	1,482	1,462	23,754
420 00 00 Fringe Benefits	0	0			0
420 11 00 FICA Tax Expense	0	0		0	3,691
420 12 00 FICA MED Tax Expense	0	0		0	863
420 40 00 Health Insurance Expense	0	0		0	12,024
420 50 00 Retirement City Contribution	0	0		0	5,305
420 55 00 Worker's Compensation Expense	0	0		0	1,008
420 60 00 SDI Expense	0	0		0	863
Check Total	-	(12)		-1,462	0
TOTAL PERSONNEL	0	77	11,362	11,342	83,290
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	6,025	8,212	26,700	28,000	26,500
510 10 00 Professional Services	0	0	3,000	2,500	2,500
521 03 00 Janitorial Supplies	18,629	18,234	7,000	7,000	7,500
521 04 00 Building Maintenance Supplies	7,555	7,645	8,000	8,000	8,000
521 06 00 Uniforms	307	1,440	310	150	150
TOTAL OPERATIONS & MAINTENANCE	32,516	35,531	45,010	45,650	44,650
CAPITAL					
600 03 00 Capital Improvements	9,917	4,647	0	0	0
600 03 05 Capital Improve - Grandstand Lighting/Skate Ramp Re	0	0	2,000	2,000	0
600 03 00 Capital Improve - Police Department Building	0	5,547	0	0	0
600 03 06 Capital Improve - Senior Center Stair Tread Repair	0	0	2,500	3,372	0
600 03 07 Capital Improve - Kerckhoff Park Elec/Skate Park	0	0	1,800	1,800	0
TOTAL CAPITAL EXPENDITURES	9,917	10,194	6,300	7,172	0
TOTAL DEPARTMENT BUDGET	42,433	45,802	62,672	64,164	127,940
				Budget to Budget Increase/(Decrease)	65,268
				Percentage of Change	104.1%

Budget Highlights:

Split Building Maintenance Budget and Parks Landscaping Budget beginning FY 15-16
 Increase in budget due to payroll personnel allocation for Building and Facility Supervisor position reclass from Comm Teen Center (100.2069)

Senior Center Services Budget

SENIOR CENTER SERVICES 100 2044

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	78,655	60,341	60,248	60,248	61,718
420 51 00 CalPERS Unfunded Liability	0	0	0	0	3,320
420 00 00 Fringe Benefits	30,982	21,001	20,466	20,466	20,186
TOTAL PERSONNEL	109,637	81,342	80,714	80,714	85,224
OPERATIONS & MAINTENANCE					
515 01 00 Utilities	6,941	8,600	8,000	8,500	8,500
521 01 00 Office Supplies	0	749	600	900	600
521 02 00 General Supplies & Postage	124	1,025	850	800	800
557 73 00 City Match to Senior Nutrition Grant (73)	0	12,032	12,890	14,640	14,942
551 01 00 Communications - Telephone	2,436	2,694	2,500	2,600	2,600
565 00 00 Internal Service Funds	4,166	3,045	6,437	6,437	7,985
TOTAL OPERATIONS & MAINTENANCE	13,667	28,145	31,277	33,877	35,427
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	123,303	109,487	111,991	114,591	120,651
				Budget to Budget Increase/(Decrease)	8,660
				Percentage of Change	7.7%

Budget Highlights:

Slight Budget increase due to increased City match due to decline in meal donations

Senior Nutrition Site Budget

SENIOR NUTRITION SITE MANAGEMENT 730 2046

Description		Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL						
410	10 00 Salaries	13,059	5,383	5,341	5,341	5,341
410	20 00 Part Time Salaries	5,126	12,185	14,000	14,000	14,000
420	51 00 CalPERS Unfunded Liability	0	0	0	0	114
420	00 00 Fringe Benefits	7,096	4,470	3,057	3,057	3,177
TOTAL PERSONNEL		25,281	22,037	22,398	22,398	22,633
OPERATIONS & MAINTENANCE						
515	01 00 Utilities	1,200	1,200	1,200	1,200	1,200
521	01 00 Office Supplies	137	152	250	250	250
521	03 00 Nutrition Site Supplies	1,586	1,667	1,550	1,600	1,650
551	01 00 Communications - Telephone	1,123	1,248	1,248	1,248	1,248
565	00 00 Internal Service Funds	504	385	888	888	1,105
TOTAL OPERATIONS & MAINTENANCE		4,550	4,651	5,136	5,186	5,453
CAPITAL						
600	04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		29,830	26,688	27,534	27,584	28,086
Budget to Budget Increase/(Decrease)						551
Percentage of Change						2.0%

Aquatics Program Budget

AQUATICS PROGRAM 100 2047

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	6,366	4,117	6,272	6,272	6,785
410 20 00 Part Time Salaries	13,787	13,071	13,800	15,600	16,500
410 20 01 KUSD Part-Time Aquatic Staffing	0	0	0	1,600	2,400
420 51 00 CalPERS Unfunded Liability	0	0	0	0	145
420 00 00 Fringe Benefits	4,636	3,530	4,298	4,298	6,840.19
TOTAL PERSONNEL	24,789	20,719	24,370	27,770	32,671
OPERATIONS & MAINTENANCE					
521 02 00 Special Supplies	1,176	1,060	800	800	800
521 03 00 Pool Supplies and Chlorine	0	0	0	0	8,623
565 00 00 Internal Service Funds	0	0	127	127	125
TOTAL OPERATIONS & MAINTENANCE	1,176	1,060	927	927	9,548
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equip.	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	25,966	21,779	25,297	28,697	42,219
				Budget to Budget Increase/(Decrease)	16,922
				Percentage of Change	66.9%

Budget Highlights:

Increase in part-time salary budget due to State of California minimum wage increase effective January 1, 2016.
 KUSD is utilizing City Aquatic part time staffing for their summer program and will reimburse the City for the expenses. (See revenue)
 KUSD is supplying pool supplies and chlorine from dissolution of trust funds. (See revenue)

Community Transit Budget

COMMUNITY TRANSIT 860 2049

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	62,380	67,870	71,725	71,725	79,420
410 20 00 Part Time Salaries	6,885	2,551	500	0	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,702
420 00 00 Fringe Benefits	33,871	30,707	32,999	32,999	33,692
TOTAL PERSONNEL	103,136	101,128	105,224	104,724	114,815
OPERATIONS & MAINTENANCE					
515 02 00 Gasoline/Diesel	2,598	4,003	3,500	4,500	5,000
521 01 00 Office Supplies	117	546	600	600	600
521 02 00 Special Supplies	379	187	300	325	300
551 01 00 Communications - Telephone	698	754	850	865	865
565 00 00 Internal Service Funds	1,408	1,200	1,504	1,504	1,597
TOTAL OPERATIONS & MAINTENANCE	5,199	6,690	6,754	7,794	8,362
CAPITAL					
600 03 00 Capital Outlay-Improvements	0	0	0	0	0
600 03 99 Capital Outlay-New Accounting Software System	0	683	2,048	2,048	0
TOTAL CAPITAL EXPENDITURES	0	683	2,048	2,048	0
TOTAL DEPARTMENT BUDGET	108,335	108,501	114,026	114,566	123,176
				Budget to Budget Increase/(Decrease)	9,151
				Percentage of Change	8.0%

Budget Highlights:

Approximately ninety percent (90%) of this budget is funded by the Fresno County Rural Transit Authority (FCRTA) along with \$3,000 of fare box collections and 10% from Measure C (Fund 880).

Increase in Gasoline/Diesel due to new transit van fueled on gasoline, not CNG. Cost of gasoline is higher than CNG.

Increase in salaries due to staffing of Senior Accountant position

Planned Recreation Budget

PLANNED RECREATION 100 2062

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	10,611	6,862	10,454	10,454	11,308
410 20 00 Part Time Salaries	4,047	4,135	7,300	7,125	7,300
420 51 00 CalPERS Unfunded Liability	0	0	0	0	242
420 00 00 Fringe Benefits	5,917	4,513	5,593	5,593	5,408
TOTAL PERSONNEL	20,575	15,510	23,347	23,172	24,258
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	1,280	945	2,940	750	1,200
515 01 00 Utilities	2,142	2,611	2,500	3,000	2,500
521 01 00 Office Supplies & Postage	186	2	200	200	200
521 02 00 Program Supplies	2,417	3,464	4,000	6,000	5,000
551 01 00 Communications - Telephone	17	25	25	25	25
565 00 00 Internal Service Funds	0	0	212	212	209
TOTAL OPERATIONS & MAINTENANCE	6,042	7,046	9,877	10,187	9,134
CAPITAL					
600 03 00 Capital Outlay	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	26,617	22,556	33,224	33,359	33,392
				Budget to Budget Increase/(Decrease)	168
				Percentage of Change	0.5%

Budget Highlights:

Part-time salaries slight budget increase due to State of Ca minimum wage increase effective January 1, 2016.

Youth Services Budget

YOUTH AND TEEN SERVICES 100 2065

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	13,415	9,625	14,636	14,636	15,831
410 20 00 Part Time Salaries	13,511	16,671	21,000	22,000	22,000
420 51 00 CalPERS Unfunded Liability	0	0	0	0	339
420 00 00 Fringe Benefits	9,083	6,554	8,908	8,908	9,563
TOTAL PERSONNEL	36,009	32,850	44,543	45,544	47,733
OPERATIONS & MAINTENANCE					
521 01 00 Office Supplies	377	48	0	0	0
521 02 00 Special Supplies	4,825	4,533	9,300	9,300	9,200
551 01 00 Communications - Telephone	58	91	90	90	90
565 00 00 Internal Service Funds	0	0	297	297	292
TOTAL OPERATIONS & MAINTENANCE	5,261	4,671	9,687	9,687	9,582
CAPITAL					
600 03 00 Capital Outlay	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	41,270	37,521	54,230	55,231	57,315
				Budget to Budget Increase/(Decrease)	3,085
				Percentage of Change	5.7%

Budget Highlights:

Part-time salaries slight budget increase due to State of Ca minimum wage increase effective January 1, 2016.

Community Teen Center Budget

COMMUNITY TEEN CENTER 100 2069

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	42,358	46,333	46,080	46,080	0
410 20 00 Part Time Salaries	12,706	12,230	15,925	15,500	16,500
410 30 00 Overtime	61	0	250	315	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	0
420 00 00 Fringe Benefits	23,766	23,446	23,190	23,190	1,902
TOTAL PERSONNEL	78,890	82,009	85,445	85,085	18,402
OPERATIONS & MAINTENANCE					
510 01 00 Contracted Services (Maintenance)	3,555	3,016	3,600	3,600	3,600
515 01 00 Utilities	23,145	29,122	26,000	26,000	26,000
521 01 00 Office Supplies	219	483	300	500	500
521 02 00 Special Supplies	5,059	10,306	4,500	5,600	4,500
551 01 00 Communications - Telephone	2,098	2,493	2,300	2,400	2,400
551 02 00 Cellular Phone	317	284	350	300	300
565 00 00 Internal Service Funds	4,926	0	816	816	801
TOTAL OPERATIONS & MAINTENANCE	39,319	45,704	37,866	39,216	38,101
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	1,548	1,915	2,500	2,500	0
TOTAL CAPITAL EXPENDITURES	1,548	1,915	2,500	2,500	0
TOTAL DEPARTMENT BUDGET	119,758	129,628	125,811	126,801	56,503
				Budget to Budget Increase/(Decrease)	(69,308)
				Percentage of Change	-55.1%

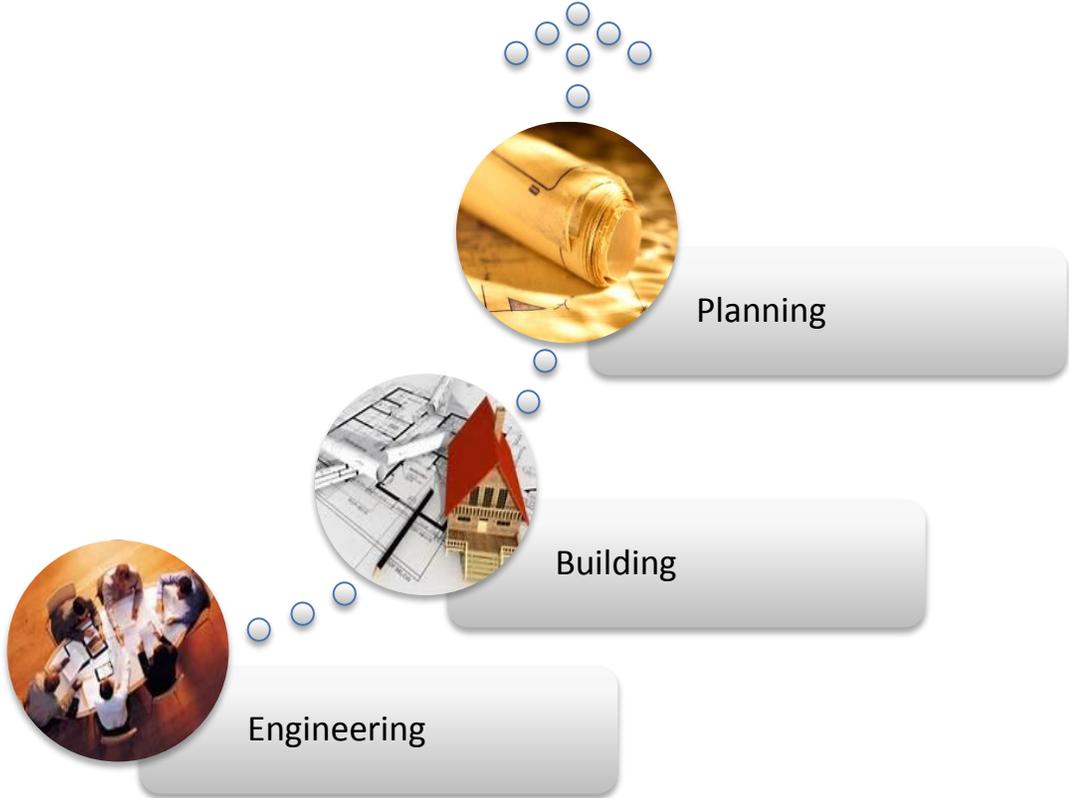
Budget Highlights:

Part-time salaries slight budget increase due to State of Ca minimum wage increase effective January 1, 2016.

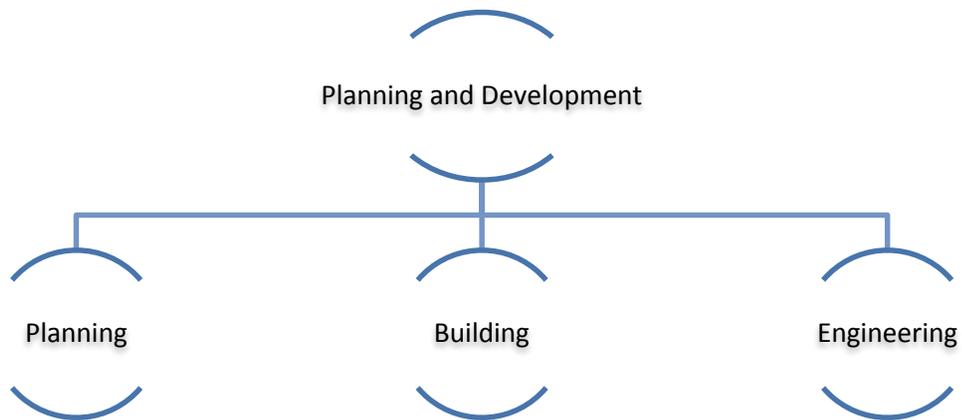
Decrease in budget due to payroll personnel allocation for Building and Facility Supervisor position reclass from Building Maint Fund (100.2010)

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Planning and Development



The Planning and Development Services Department encompasses planning, building and engineering services. The Planning Division is responsible for long-range planning and for processing all land use entitlements for residential subdivisions, apartment complexes, conditional use permits, and amendments to the zoning ordinances. The Building Division is responsible for reviewing and inspecting all construction projects to ensure that they meet building and housing code standards to safeguard health, property, and the public welfare. The Engineering Division is responsible for reviewing all private development to ensure that it meets all development standards. The Division also oversees the City's Capital Improvement Program and serves as the City's traffic engineer.



Planning and Development

Key Achievements

- ✓ Installation of solar array at WWTP and negotiated amended PPA to expand solar field.
- ✓ Several new commercial projects (Panda Express, Taco Bell, Walmart, Dialysis Clinic).
- ✓ Industrial expansion projects (Panoche Creek, Mid Valley Disposal).
- ✓ Successful transition to new building permit software.
- ✓ Developed Residential Design Guidelines.
- ✓ Caltrans grant for the preparation of the Madera Avenue Streetscape Master Plan.
- ✓ Successful ATP grant awards for bulb-outs at elementary school crossings.
- ✓ Successful annual weed abatement efforts.
- ✓ Implemented Geographic Information System (GIS).
- ✓ Grants awarded for major street reconstruction projects.

Goals

- Expand SOI Boundary as adopted in the 2027 General Plan.
- Complete update of 5th Cycle Housing Element (Dec. 2015).
- Downtown improvements.
- Gateway signage in roundabout.
- Budget for planning consultant and part-time Permit Tech.
- Review and update planning permit fees.
- Amend development standards for all developments to reduce/eliminate turf in landscaping plans and require drip irrigation.
- Process entitlement for proposed commercial projects.
- Electronic storage of all construction plans.
- Review and update building permit fees.
- Evaluate building codes to encourage water conservation.
- Complete revised 5-Year Capital Improvement Plan.
- Implement Pavement Management System.
- Ongoing development of GIS.
- Completion of construction of Well #18.
- Finalize agreement with FID for purple pipe system.
- Complete rail crossing improvement at Goldenrod/California.
- Complete installation of traffic signal Whitesbridge/Vineland.

Key Performance Measures

→ Goal 1	Conduct building inspections and issue certificate of occupancy for 8,125 square foot commercial building
Objective	Enhance the local sales and property tax revenue and provide new job opportunities
Status	Completed 2014
→ Goal 2	Conduct building inspections and issue certificate of occupancy for 10,000 square foot medical building
Objective	Provide opportunity for growth and provide new medical facility for residents
Status	Anticipated completion late summer 2015
→ Goal 3	Process plan check approval for phase 1 of Mid Valley Disposal expansion and issue certificate of occupancy
Objective	Provide Kerman businesses opportunities for growth and expansion
Status	Ongoing
→ Goal 4	Select consultant and prepare draft update of the Housing Element
Objective	To comply with State mandated requirements
Status	Draft will be sent to State prior to December 2015 deadline

Planning and Development Budget

PLANNING 100 1008

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	5,672	65,726	66,173	66,173	68,437
410 20 00 Part Time Salaries	1,925	2,243	2,500	2,500	15,000
410 30 00 Overtime	0	0	0	4,000	0
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,467
420 00 00 Fringe Benefits	3,593	24,982	24,998	24,938	26,944
TOTAL PERSONNEL	11,190	92,952	93,671	97,611	111,848
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services - LAFCo	0	3,253	3,500	2,203	2,500
510 02 00 Contract Services - Sphere of Influence	0	0	15,000	0	15,000
510 10 00 Professional Services	508	0	1,500	0	50,000
521 01 00 Office Supplies	1,688	1,415	1,500	1,000	1,500
521 07 00 Postage	0	299	300	150	300
551 01 00 Communications - Telephone	181	381	200	225	250
552 01 00 Public Notice	457	300	550	450	550
554 01 00 Travel - Conferences - Meetings	200	55	150	50	150
565 00 00 Internal Service Funds	3,115	181	1,057	1,057	866
TOTAL OPERATIONS & MAINTENANCE	6,149	5,884	23,757	5,135	71,116
CAPITAL					
600 03 99 Capital Outlay - New Accounting Software System	0	1,100	3,300	3,300	0
600 04 00 Capital Outlay - Machinery & Equipment	0	1,772	0	0	0
TOTAL CAPITAL EXPENDITURES	0	2,872	3,300	3,300	0
TOTAL DEPARTMENT BUDGET	17,338	101,707	120,728	106,046	182,964
				Budget to Budget Increase/(Decrease)	62,236
				Percentage of Change	51.6%

Budget Highlights:

Planning budget for FY 15/16 reflects a 52.6% increase due to addition of part-time wages for succession planning after two year position vacancy and projected need for Contract Planner assistance needed for upcoming commercial developments.

Engineering Budget

ENGINEERING 100 1010

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
OPERATIONS & MAINTENANCE					
510 10 00 Professional Services	7,610	40,276	25,000	25,000	25,000
TOTAL	7,610	40,276	25,000	25,000	25,000
TOTAL DEPARTMENT BUDGET	7,610	40,276	25,000	25,000	25,000
			Budget to Budget Increase/(Decrease)		0
			Percentage of Change		0.0%

Budget Highlights:

Professional Services - Yamabe & Horn: General engineering services for non-capital projects.

Building Department Budget

BUILDING 100 1042

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	61,236	72,189	70,538	70,538	65,003
410 30 00 Overtime	470	799	800	1,000	500
410 35 00 Stand By	292	396	414	400	101
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,393
420 00 00 Fringe Benefits	29,105	31,193	24,805	24,805	20,672
TOTAL PERSONNEL	91,103	104,576	96,557	96,743	87,669
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services - Weed Abatement	8,209	4,267	5,600	5,000	5,000
510 10 00 Professional Services-Plan Check	20,612	7,930	15,000	40,000	15,000
521 01 00 Office Supplies	3,212	700	750	750	750
521 06 00 Uniforms	344	49	75	75	75
521 07 00 Postage	0	1,082	1,400	400	750
540 02 00 Equipment Rent	0	1,232	1,200	2,500	2,500
551 01 00 Communication - Telephone	976	1,135	950	1,000	1,000
551 02 00 Cellular Phone	662	528	650	600	600
554 01 00 Travel - Conferences - Meetings	12	124	400	100	150
555 00 00 Dues & Subscriptions	125	1,412	150	400	400
565 00 00 Internal Service Funds	8,574	5,303	7,977	7,977	9,173
TOTAL OPERATIONS & MAINTENANCE	42,727	23,762	34,152	58,802	35,398
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	228	300	300	0
TOTAL CAPITAL EXPENDITURES	0	228	300	300	0
TOTAL DEPARTMENT BUDGET	133,830	128,565	131,009	155,845	123,067
				Budget to Budget Increase/(Decrease)	(7,942)
				Percentage of Change	-6.1%

Budget Highlights:

Professional Services-Plan Check: City Collects Plan Check Fees and Records as Revenue. City Remits Fees to Professional Plan Check Firm as an expense less 25% Administrative Fee as Net Revenue. See General Fund Revenue Building Plan Check Fees
Overall reduction in budget mostly due to less hours classified for staff needed to fill in for Building Inspector

General Plan Fund Updates Budget

**GENERAL PLAN UPDATES
170 1007**

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	0	0	0	0	0
410 30 00 Overtime	0	0	0	0	0
420 00 00 Fringe Benefits	0	0	0	0	0
TOTAL PERSONNEL	0	0	0	0	0
OPERATIONS & MAINTENANCE					
510 02 00 Sphere of Influence/Application - LAFCo	0	0	0	0	0
510 10 01 Professional Services-Housing Element Plan	0	0	26,000	26,000	0
510 10 02 Professional Services-Planning Consultant	0	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE	0	0	26,000	26,000	0
TOTAL DEPARTMENT BUDGET	0	0	26,000	26,000	0

Budget Highlights:

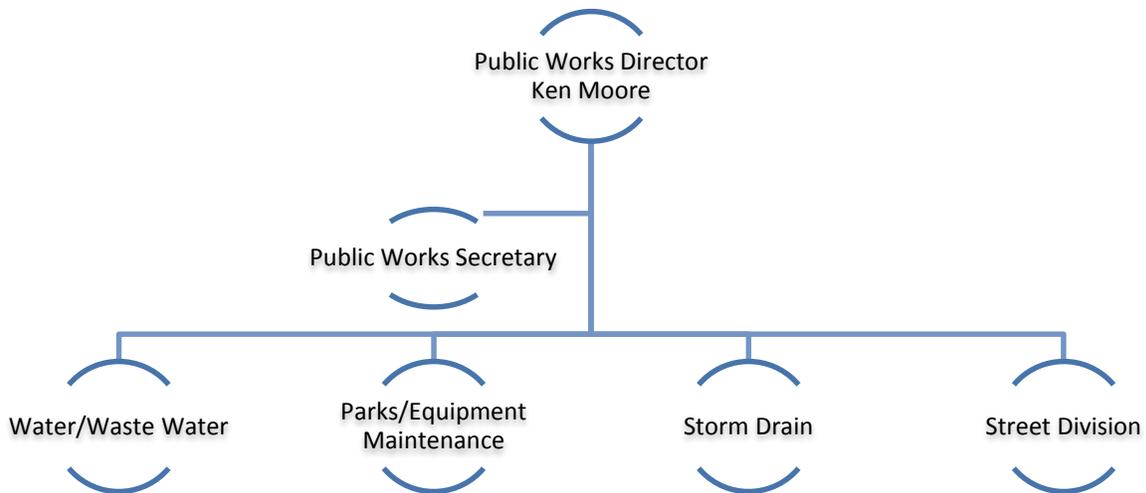
Expenses for LAFCo and the Housing Element Update (required in FY 14/15) will be charged to development projects, funds will be transferred in

Public Works





The Public Works Department is responsible for Streets, Sewer, Water, Buildings and Parks capital projects with input from the City Engineer. In addition they maintain streets, sidewalks, storm drains, street sweeping coordination, street signage, street lighting, buildings, landscaping, irrigations systems, and parking lots. They also operate and maintain the wastewater treatment plant, sewer collection system, and oversee the solid waste programs. They operate the water supply, water storage and water distribution system. They maintain the City's fleet and conduct a graffiti control program





Public Works

Key Achievements

- ✓ Researched and purchased a new bucket truck.
- ✓ Developed a comprehensive maintenance plan for the Wastewater Treatment Plant.
- ✓ Worked with Fresno County Rural Transit to construct six new Compressed Natural Gas pumps with new car port area.
- ✓ Completed the construction of a Department of Water Resources approved sludge drying bed at the WWTP.
- ✓ Completed construction of a floating maintenance platform for cleaning and repairing the Bio Lac Strings.
- ✓ Completed a street repair project the repaved several patched areas on the City Streets where repairs to water and sewer lines were made.
- ✓ Installed the new Win 911 SCADA (Supervisory Control and Data Acquisition) software.

Goals

- Complete Prop 84 meter install project.
- Work with Fresno Irrigation District (FID) and the City Engineer to develop a groundwater sustainability Plan.
- Complete a median conversion project to remove turf and sprayers and install bushes with drip irrigation.
- Continue to work on water conservation in an effort to meet the emergency water conservation rules.

Key Performance Measures

→ Goal 1	Clean air diffuser membrane in Biolac Pond at the Wastewater Treatment Plant (WWTP)
Objective	Keep Biolac Pond properly aeriated for efficient productivity
Status	Completed 2014/15
→ Goal 2	Implement a contract preventative maintenance program for emergency generators, electrical supply panels for water wells, sewer lift stations and motors at WWTP
Objective	Ensure that services are not diminished to residents due to mechanic failure
Status	Completed 2014/15
→ Goal 3	Construct water well #18 and connect to Kerman water distribution system
Objective	Provide adequate water for all residents as the City grows
Status	Ongoing
→ Goal 4	Install 700 water meters
Objective	Comply with mandates
Status	Ongoing
→ Goal 5	Complete installation of new Win 911 SCADA system software
Objective	Ensure compatibility with new technology and system upgrades
Status	Completed 2014/15
→ Goal 6	Implement comprehensive equipment maintenance program for WWTP and record keeping program for city vehicles and equipment
Objective	To ensure all equipment and vehicles are maintained in a timely, efficient manner
Status	Completed 2014/15

Parks Landscape Maintenance Budget

PARKS LANDSCAPE MAINTENANCE 100 4010

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	54,872	53,323	42,752	42,752	53,727
410 30 00 Overtime	2,735	2,921	3,000	3,000	3,000
410 35 00 Stand By	1,817	1,915	915	1,200	1,476
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,151
420 00 00 Fringe Benefits	28,824	27,360	21,937	21,937	28,107
TOTAL PERSONNEL	88,247	85,519	68,604	68,889	87,462
OPERATIONS & MAINTENANCE					
515 01 00 Utilities	4,805	4,830	5,000	5,500	5,000
515 02 00 Utilities - Old Town "LME"	15,054	15,054	15,054	15,054	15,054
521 01 00 Office Supplies & Postage	207	560	400	400	400
521 05 00 Park Supplies	13,318	16,937	16,000	19,000	17,500
521 06 00 Uniforms	307	1,440	310	300	300
551 01 00 Communications - Telephone	720	934	750	750	750
551 02 00 Cellular Phone	331	345	425	425	400
554 01 00 Training / Meetings	0	59	250	250	250
555 04 00 Taxes & Assessments (Fresno Irrig. District)	0	0	1,875	1,867	1,875
555 05 00 Property Taxes	0	0	2,655	2,668	2,675
565 00 00 Internal Service Funds	16,477	14,739	13,153	13,153	16,885
TOTAL OPERATIONS & MAINTENANCE	51,219	54,898	55,872	59,367	61,089
CAPITAL					
600 03 00 Capital - Small Equipment Replacement	9,917	4,647	0	0	0
TOTAL CAPITAL EXPENDITURES	9,917	4,647	0	0	0
TOTAL DEPARTMENT BUDGET	149,384	145,064	124,476	128,256	148,551
				Budget to Budget Increase/(Decrease)	24,075
				Percentage of Change	19.3%

Budget Highlights:

- Split Building Maintenance Budget and Parks Landscaping Budget beginning FY 15-16
- Increase in Park Supplies for New Sprinkler Time Clocks
- Budget Increase in Personnel due to Reclassification of Employee from Building Department to Parks

Water Operations Budget

WATER OPERATIONS 410 4041

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	225,626	257,868	247,259	247,259	257,281
410 20 00 Part Time Salaries	2,880	154	8,000	9,100	20,000
410 30 00 Overtime	5,736	7,780	7,500	7,500	7,500
410 35 00 Stand By	6,580	7,973	7,136	8,000	7,747
420 51 00 CalPERS Unfunded Liability	0	0	0	0	5,514
420 00 00 Fringe Benefits	111,709	112,989	122,163	122,163	125,190
TOTAL PERSONNEL	352,531	386,765	392,058	394,022	423,231
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	23,989	24,819	50,000	40,000	40,000
510 10 00 Professional Services	23,274	12,077	10,000	7,500	10,000
510 11 00 Professional Services-GIS Maintenance	0	0	2,000	2,030	2,000
510 12 00 Professional Services - Lab Services	15,307	10,705	18,000	12,000	14,000
515 01 00 Utilities	257,541	283,760	280,000	250,000	250,000
521 01 00 Office Supplies	1,905	1,301	1,500	1,500	1,500
521 02 00 Special Supplies	47,279	52,290	50,000	15,000	15,000
521 03 00 Special Supplies - Chlorine	0	0	0	35,000	40,000
521 02 01 Water Meters	3,237	2,750	5,000	5,000	5,000
521 06 00 Uniforms	1,060	985	1,300	1,300	1,300
521 07 00 Postage	167	846	1,250	150	1,200
540 02 00 Equipment Rental - Lease	1,193	1,089	1,500	2,500	2,500
551 01 00 Communications - Telephone	2,384	2,767	2,500	2,500	2,500
551 02 00 Communications - Cellular Phone	1,329	1,494	1,800	1,800	1,800
552 01 00 Public notices/Consumer Conf. Report	1,966	100	250	250	300
554 01 00 Training, Travel & Meetings	2,679	2,025	2,500	1,800	2,500
555 01 00 State Fees	17,791	8,214	15,000	15,000	15,000
555 02 00 Upper Kings Basin Water Forum	12,000	8,500	8,500	8,500	8,500
565 00 00 Internal Service Funds	45,013	50,565	61,482	61,482	59,774
TOTAL OPERATIONS & MAINTENANCE	458,114	464,288	512,582	463,312	472,874
CAPITAL					
600 03 00 Capital Improvements	0	8,392	0	0	0
600 03 00 Water Conservation Measures	0	0	0	0	50,000
600 03 05 Capital Improvements-Scada System Upgrade	0	0	7,500	6,715	0
600 03 06 Capital Improvements-HVAC at WWTP	0	0	12,500	0	0
TOTAL CAPITAL EXPENDITURES	0	8,392	20,000	6,715	50,000
TOTAL DEPARTMENT BUDGET	810,645	859,445	924,640	864,049	946,106
				Budget to Budget Increase/(Decrease)	21,466
				Percentage of Change	2.3%

Budget Highlights:

Increase in personnel costs for the addition of a maintenance worker allocated 75% water, 25% sewer

Sewer Operations Budget

SEWER OPERATIONS

420 4042

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	255,240	226,219	217,689	217,689	225,531
410 30 00 Overtime	6,860	6,593	8,000	5,000	5,000
410 35 00 Stand By	8,314	6,983	7,377	7,377	7,739
420 51 00 CalPERS Unfunded Liability	0	0	0	0	4,833
420 00 00 Fringe Benefits	122,071	90,395	105,646	105,646	104,565
TOTAL PERSONNEL	392,486	330,190	338,711	335,712	347,668
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	41,945	45,595	74,350	60,000	64,000
510 10 00 Professional Services	9,060	9,437	10,000	7,500	10,000
510 12 00 Professional Services-Laboratory Testing	11,949	4,796	8,000	7,500	7,000
515 01 00 Utilities	231,439	132,281	160,000	220,000	220,000
515 02 00 Utilities (Lift Station)	0	2,419	3,000	2,500	2,500
521 01 00 Office Supplies & Postage	669	813	1,000	1,000	1,000
521 02 00 Special Supplies	44,563	54,422	40,000	16,500	16,500
521 03 00 Special Supplies-Polymer	0	0	0	19,000	19,000
521 04 00 Special Supplies-Major Repairs	0	0	0	14,500	14,500
521 06 00 Uniforms	1,088	886	1,100	1,100	1,100
540 00 00 Equipment Rent - Lease	1,193	1,325	1,500	1,500	1,500
551 01 00 Communications - Telephone	3,457	4,021	3,750	4,050	4,050
551 02 00 Communications - Cellular Phone	961	926	1,100	1,100	1,100
554 01 00 Training, Travel & Meetings	3,261	1,541	2,500	2,200	2,500
555 01 00 Dues, Subscriptions & State Fees	21,141	28,512	30,000	30,000	30,000
555 05 00 Property Taxes - Fresno Co - Solar Array	0	0	0	372	375
565 00 00 Internal Service Funds	51,978	49,294	56,573	56,573	53,951
TOTAL OPERATIONS & MAINTENANCE	422,707	336,266	392,873	445,395	449,076
CAPITAL					
600 03 00 Capital Outlay	0	4,642	0	0	0
600 03 05 Capital Outlay-Scada System Upgrade	0	0	7,500	6,715	0
600 03 06 Capital Outlay-HVAC System at WWTP	0	1,283	12,500	0	0
600 03 07 Capital Outlay-Goldenrod/CA Sewer Lift Station	0	0	6,000	0	0
600 03 08 Capital Outlay-Secondary Meter for Pumping Reclaim	0	0	4,000	4,201	0
600 03 09 Capital Outlay-Cat Walk for FKC Sewer Sludge Press	0	0	0	0	5,000
TOTAL CAPITAL EXPENDITURES	0	5,924	30,000	10,916	5,000
TOTAL DEPARTMENT BUDGET	815,192	672,380	761,584	792,023	801,744
				Budget to Budget Increase/(Decrease)	40,160
				Percentage of Change	5.3%

Budget Highlights:

Increase in personnel costs for the addition of a maintenance worker allocated 75% water, 25% sewer

Strom Drain Operations Budget

STORM DRAIN OPERATIONS 470 4047

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	21,653	22,714	23,783	25,000	24,927
410 20 00 Part Time	0	282	240	0	0
410 30 00 Overtime	1,054	1,486	1,650	1,400	1,650
410 35 00 Stand By	1,158	1,302	1,072	1,100	1,372
420 51 00 CalPERS Unfunded Liability	0	0	0	0	534
420 00 00 Fringe Benefits	11,583	10,917	13,893	13,893	13,211
420 11 00 FICA Tax Expense	1,418	1,526	1,541	1,541	1,631
420 12 00 FICA MED Tax Expense	332	357	360	360	381
420 40 00 Health Insurance Expense	5,279	3,930	5,105	5,229	4,834
420 50 00 Retirement City Contribution	2,540	2,702	2,855	2,855	2,669
420 55 00 Worker's Compensation Expense	1,774	2,146	3,620	3,620	3,288
420 60 00 SDI Expense	239	256	287	287	408
Check Total	0	0	-124	0	0
TOTAL PERSONNEL	35,448	36,701	40,638	41,393	41,695
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	0	1,000	1,500	500	1,000
515 01 00 Utilities	699	726	1,000	750	1,000
521 01 00 Office Supplies	50	67	100	0	100
521 02 00 General Supplies	137	2,496	3,000	3,200	2,000
521 06 00 Uniforms	108	117	120	120	120
521 07 00 Postage	750	800	800	1,000	500
540 00 00 Lease Payment (PFA Bond)	1,720	1,734	1,712	1,712	1,714
550 00 00 Insurance	4,800	4,920	4,123	3,928	3,142
551 02 00 Communications - Cellular Phone	851	812	1,000	850	1,000
555 04 00 Taxes & Assessments (Fresno Irrig. Dist.)	1,213	1,213	1,225	1,214	1,225
555 05 00 Property Taxes - Fresno County	137	139	150	140	150
565 00 00 Internal Service Funds	9,964	7,430	8,691	8,691	8,781
560 00 00 Administration & Overhead	7,453	7,453	7,453	7,453	7,453
TOTAL OPERATIONS & MAINTENANCE	27,882	28,907	30,874	29,558	28,185
CAPITAL					
600 03 99 Capital Outlay-New Accounting Software System	0	351	1,053	1,053	0
TOTAL CAPITAL EXPENDITURES	0	351	1,053	1,053	0
TOTAL DEPARTMENT BUDGET	63,330	65,959	72,565	72,004	69,880
				Budget to Budget Increase/(Decrease)	(2,685)
				Percentage of Change	-3.7%

Budget Highlights:

Annual Bond Lease Payment Breakdown is located in the PFA Budget.

Landscape and Lighting Budget

LANDSCAPE & LIGHTING DISTRICT 750 4075

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	63,002	64,135	74,324	74,324	62,623
410 20 00 Part Time Salaries	4,760	10,710	20,000	20,000	33,500
410 30 00 Overtime	2,731	3,384	3,860	3,860	2,500
410 35 00 Stand By	1,803	1,890	1,950	2,000	1,805
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,342
420 00 00 Fringe Benefits	34,096	31,925	37,910	37,910	33,063
TOTAL PERSONNEL	106,391	112,044	138,043	138,094	134,833
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	0	25	500	0	0
510 10 00 Professional Services-Assessments	4,018	3,654	3,500	4,000	4,000
510 11 00 Professional Services-GIS Mapping	0	0	3,500	3,500	0
515 01 00 Utilities	30,016	30,534	30,000	30,000	30,000
521 02 00 General Supplies	7,524	5,145	5,000	5,500	5,000
521 06 00 Uniforms	343	514	375	480	500
540 00 00 Lease Payment (PFA Bond)	2,580	2,600	2,600	2,600	2,572
550 00 00 Insurance	2,824	2,894	3,436	3,274	2,357
551 02 00 Communications - Cellular Phone	0	406	500	410	425
555 04 00 Taxes & Assessments (F.I.D.)	63	63	63	63	65
557 41 00 Transfer to Other Funds	0	895	0	0	0
565 00 00 Internal Service Funds	17,684	14,795	23,697	23,697	24,922
560 00 00 Administration & Overhead	7,956	7,956	7,956	7,956	7,956
TOTAL OPERATIONS & MAINTENANCE	73,006	69,482	81,127	81,479	77,797
CAPITAL					
600 03 00 Capital Outlay-Machinery & Equipment	0	0	0	0	0
600 03 36 Capital Outlay-Bucket Truck	0	0	10,000	10,812	0
600 03 99 Capital Outlay-New Accounting Software System	0	0	2,685	2,685	0
TOTAL CAPITAL EXPENDITURES	0	0	12,685	13,497	0
TOTAL DEPARTMENT EXPENDITURES	179,397	181,526	231,855	233,070	212,630
				Budget to Budget Increase/(Decrease)	(19,225)
				Percentage of Change	-8.3%

Budget Highlights:

Revenue: L & L assessments will generate approximately \$213,000 in FY 2015/16

Street Maintenance – Measure C Budget

STREET MAINTENANCE - MEASURE C 880 4088

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
PERSONNEL					
410 10 00 Salaries	162,714	157,142	160,290	160,290	172,174
410 20 00 Part Time Wages	5,760	5,461	10,000	10,000	10,000
410 30 00 Overtime	4,718	5,315	4,500	4,500	4,500
410 35 00 Stand By	3,015	3,159	2,628	2,628	3,137
420 51 00 CalPERS Unfunded Liability	0	0	0	0	3,690
420 00 00 Fringe Benefits	78,689	68,025	73,477	73,477	78,403
TOTAL PERSONNEL	254,896	239,103	250,894	250,895	271,903
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	2,479	922	2,500	2,000	2,500
510 10 00 Professional Services-Pavement Mgmt Maint. Fees	0	0	0	0	1,500
521 01 00 Office Supplies	269	284	500	500	500
521 02 00 General Supplies	23,953	26,027	30,000	30,000	25,000
521 06 00 Uniforms	697	663	670	925	925
550 00 00 Insurance	2,824	2,894	10,307	9,821	9,426
551 01 00 Communications - Telephone	1,468	1,789	1,600	1,650	1,650
552 01 00 Public Notice	0	0	200	150	200
554 01 00 Travel/Conferences/Meetings	125	405	500	500	500
557 86 00 Transfer to Fund 860	6,827	30,294	0	32,000	32,000
565 00 00 Internal Service Funds	38,172	35,095	43,602	43,602	53,700
TOTAL OPERATIONS & MAINTENANCE	76,814	98,373	89,879	121,148	127,901
CAPITAL					
600 03 99 Capital Outlay-New Accounting Software System	0	1,414	4,241	4,241	0
600 03 02 First Street and Middleton	0	20,880	0	0	0
TOTAL CAPITAL EXPENDITURES	0	22,294	4,241	4,241	0
TOTAL DEPARTMENT BUDGET	331,709	359,770	345,015	376,284	399,805
				Budget to Budget Increase/(Decrease)	54,790
				Percentage of Change	15.9%

Budget Highlights:

Transfer into Transit Fund (860) to cover the excess cost to operate the program began end of FY 2012-13 although the line wasn't added into the budget as a line item until the current year.

Street Maintenance – TDA and Other Budget

STREET MAINTENANCE - TDA & OTHER 8x0 40xx (800, 810, 820, 830, 840, 850, 870)

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
FUND 800 - STREET SWEEPING					
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services-Street Sweeping	80,814	80,853	85,748	81,000	64,687
TOTAL OPERATIONS & MAINTENANCE	80,814	80,853	85,748	81,000	64,687
FUND 810 - HIGHWAY USERS TAX 2105					
OPERATIONS & MAINTENANCE					
510 05 00 Tree Trimming	6,003	750	10,000	2,000	10,000
510 06 00 Traffic Signal Maintenance	2,022	7,475	7,500	7,350	7,500
510 07 00 Street Light Improvement Installment Plan	0	0	0	5,032	6,000
515 01 00 Utilities-Net of Transfer in from 10.0.4011	17,410	39,708	27,500	27,500	27,500
TOTAL OPERATIONS & MAINTENANCE	25,434	47,933	45,000	41,882	51,000
FUND 820 - HIGHWAY USERS TAX 2106					
OPERATIONS & MAINTENANCE					
510 03 00 Professional Services-Engineering	16,275	41,921	20,000	20,000	20,000
TOTAL OPERATIONS & MAINTENANCE	16,275	41,921	20,000	20,000	20,000
CAPITAL					
600 03 04 Yard Improvements	0	0	7,500	2,100	5,000
600 03 05 Upgrade Kearney Ave Median Landscape.	8,838	0	0	0	0
TOTAL CAPITAL EXPENDITURES	8,838	0	7,500	2,100	5,000
FUND 830 - HIGHWAY USERS TAX 2107					
OPERATIONS & MAINTENANCE					
510 03 00 Professional Services-GIS Mapping	0	0	5,000	5,000	500
510 04 00 Professional Services-Audit	2,000	2,500	3,000	3,500	4,000
557 80 00 Transfer To Fund 80-Street Sweeping	0	0	0	0	17,026
TOTAL OPERATIONS & MAINTENANCE	2,000	2,500	8,000	8,500	21,526
FUND 840 - HIGHWAY USERS TAX 2107.5					
OPERATIONS & MAINTENANCE					
510 03 00 Professional Services-Engineering	0	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE	0	0	0	0	0
FUND 850 - ARTICLE III GAS TAX					
OPERATIONS & MAINTENANCE					
600 03 14 Sidewalk Repair	4,650	1,494	10,000	3,000	10,000
TOTAL OPERATIONS & MAINTENANCE	4,650	1,494	10,000	3,000	10,000
FUND 870 - ARTICLE VIII GAS TAX					
PERSONNEL					
410 10 00 Salaries	40,886	50,731	63,889	63,889	72,815
410 20 00 Part Time Wages	2,160	4,615	10,000	10,000	10,000
410 30 00 Overtime	1,191	1,383	2,000	2,000	2,000
410 35 00 Stand By	761	813	748	750	1,133
420 51 00 CalPERS Unfunded Liability	0	0	0	0	1,561
420 00 00 Fringe Benefits	19,982	23,251	28,916	28,916	33,867
TOTAL PERSONNEL	64,980	80,792	105,552	105,555	121,376
OPERATIONS & MAINTENANCE					
521 06 00 Uniforms	183	212	200	460	500
565 00 00 Internal Service Funds	0	5,486	12,442	12,442	13,672
TOTAL OPERATIONS & MAINTENANCE	183	5,698	12,642	12,902	14,172
CAPITAL					
600 03 17 Solar Stop Signs	6,680	6,710	0	0	0
600 03 18 Traffic Radar Speed Indicator Signs (2) Two	0	0	9,000	0	12,000
600 03 19 Street Sign Replacement	0	0	10,000	500	10,000
600 03 25 Trailer for Street Stenciling Operations	0	0	3,000	2,500	0
600 03 99 New Accounting Software System	0	336	1,067	1,067	0
TOTAL CAPITAL EXPENDITURES	6,680	7,045	23,067	4,067	22,000
SUMMARY - STREET MAINTENANCE TDA & OTHER					
TOTAL PERSONNEL	64,980	80,792	105,552	105,555	121,376
TOTAL OPERATIONS & MAINTENANCE	129,357	180,400	181,390	167,284	181,385
TOTAL CAPITAL EXPENDITURES	15,518	7,045	30,567	6,167	27,000
TOTAL DEPARTMENT BUDGET	209,855	268,237	317,509	279,006	329,761
				Budget to Budget Increase/(Decrease)	12,252
				Percentage of Change	3.9%

Budget Highlights:

Fund 81 Tree Trimming: Increase to contract out for palm and eucalyptus trees due to lack of staffing in Public Works department.
Fund 87 Part-time Salaries: Additional expense to supplement staffing shortage in Public Works department.

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CAPITAL PROJECTS



Capital Projects Overview

A Capital Project is a project that helps maintain or improve the City's asset, often called infrastructure. To be included in the Capital Budget, a project must meet ONE of the following requirements (criteria): It is a new construction, expansion, renovation, or replacement project for an existing facility or facilities.

The Fiscal Year 2015/2016 Capital Projects Budget includes \$8,577,886 of expenditures, with \$3,877,090 in Street projects, \$3,843,074 in Water Fund projects, \$6,000 in Storm Drain project, \$371,722 in Park & Other Facilities projects, \$350,000 Public Buildings and Other Facilities, and \$130,000 in Vehicle/Equipment Replacement.

Street Construction

Streets Capital Projects are paid for from various funding sources, including Measure "C", Article III and Article VIII revenues, Gas Tax, Traffic Congestion Relief (Prop 42), Development Impact Fees and certain State and Federal grants. The funding sources of the various Street projects are indicated in their respective sections of the Street Construction budget page. The major Street projects in the Fiscal Year 2015/2016 budget are the \$893,390 Whitesbridge and Vineland Signal Project funded by Federal Funds, Gas Tax along with Development Impact Fees Funds, \$726,000 California Reconstruction Project funded by Local Streets Funds, \$711,200 California and May Reconstruction Project funded by Federal Funds and Local Street Funds, \$407,900 Vineland Ave. Widening Project funded by Federal Funds, Gas Tax and Local Street Funds, \$385,000 Pedestrian Trail Project funded by Federal Funds and Local Street Funds, and the \$294,000 Goldenrod at Union Pacific Railroad Project funded by Development Impact Fees.

Water Construction

The two major projects in this category are a \$1,605,574 Water Meter System Completion and Installation Project which will be funded with \$682,930 from a Proposition 84 Grant and \$922,644 from Water Fund Operational Reserves and the \$2,061,000 Well 18 Drilling, Pump and Motor Project which will be funded from Water Major Facilities Development Impact Fee and State Funds (SDWSRF).

Sewer Facilities Construction

There are no projects included in FY 2015/2016 budget for Sewer Facilities.

Park Construction Grants

This section of the Capital Projects Budget includes \$238,722 for the development of Katie's Kids Park and to add a restroom at Soroptimist Park. The cost of the restroom addition, estimated at \$79,856 and the cost to complete Katie's Kids Park is estimated to be at \$158,866. These two projects will be funded from Community Development Block Grant Funds (CDBG).

Building and Facilities

The City's animal shelter will be remodeled at an estimated cost of \$350,000 and will be funded through a transfer from the General Fund Reserves. The following is a summary of budgeted capital funds.

Capital Projects Summary

CAPITAL IMPROVEMENT PROJECTS

Fiscal Year 2015/2016

PROJECT	FUNDING SOURCE	ESTIMATED COST
Streets		
Street Median Landscape Master Plan	Local Street Funds	5,000
Calif. 2015 Reconstruction Project (Madera to Del Norte)	Local Street Funds	726,000
Median Landscaping Renovation	Local Street Funds	200,000
Madera/Jensen Roundabout Gateway Monument	Local Street Funds	3,000
Madera & San Joaquin Mid-Block Crossing	Local Street Funds	2,000
High Visibility Crosswalk Striping	Local Street Funds	28,000
Wayfinding Signage	Local Street Funds	20,000
California & May Reconstruction (RSTP)	Federal Grant/Local Street Funds	711,200
Calif Avenue Sidewalk (CMAQ) (DeI Norte/First South Side)	Local Street Funds	176,600
Pedestrian Safety Improvements (SR2S)	State Grant	25,000
RSTP Vineland Ave Widening	Local Street Funds/Federal Grant	407,900
CMAQ Pedestrian Trail	Local Street Funds/Federal Grant	385,000
CMAQ Whitesbridge & Vineland Signal	DIF/Federal Grant/CalTrans	893,390
Goldenrod Railroad Crossing Improvements	DIF	294,000
	Total Street Capital Projects	3,877,090
Water		
Water Conservation Measures	Water Fund	50,000
Secondary Water Main - Vineland	Water Fund	25,000
Res Water Meter Project-Final Phase (Approx 500)	Water Fund	700,000
Secondary Water System Agreement	Water Fund	5,000
Chromium 6 Treatment Analysis	Water Fund	50,000
Well No. 18 (SDWSRF)	State Grant Funding/DIF	2,061,000
Double L MHP Water Main (SDWSRF)	State Grant Funding	40,000
Water Meter System Completion	Water Fund/Grant Funding	905,574
Water Leak Detector	Water Fund	6,500
	Total Water Capital Projects	3,843,074
Storm Drain		
Regrade B Street Basin	Storm Drain	6,000
Parks and Other Facilities		
Parks Restroom Upgrades (Kerckhoff & Lions Park)	General Fund Reserves	15,000
Skate Park Equipment	General Fund Reserves	30,000
Coleman Grandstand Roof/Fascia Replacement	General Fund Reserves	25,000
Katie's Kids Park-2nd Restroom Facility (Portion-Upgraded)	General Fund Reserves	56,000
Katie's Kids Park	CDBG Funds	158,866
B Street Park	General Fund Reserves	7,000
Soroptimist Park Restroom	CDBG Funds	79,856
	Total Parks & Other Facilities	371,722
Public Buildings and Other Facilities		
Animal Shelter	TBD	350,000
Vehicle/Equipment Replacement Fund		
Patrol Vehicles (5) ¹	Vehicle Fund	130,000
	Total Capital Expenditures	8,577,886
¹ New/Replacing: <ol style="list-style-type: none"> Additional Vehicle - New Police Officer #1383 109,806 Miles - Belding #1396 141,984 Miles - Cubillos #1401 125,985 Miles - Reserve #1420 108,286 Miles - Reserve 		

Note: New Vehicles Rotated to Front Line Full Time Staff

Parks, Facilities and Equipment Budget

PARKS, FACILITIES & EQUIPMENT - GENERAL FUND 100 8000

Description		Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
Construction						
Facilities						
600 03 01	HVAC Unit - 942 S. Madera Ave.	0	5,525	0	0	0
600 03 11	CTC Banquet Chair & Table Replacement	2,837	13,972	0	0	0
600 03 70	Soroptimist Park - Restroom Addition	0	0	45,000	0	0
600 03 02	Park Restroom Upgrades (Kerckhoff & Lions Parks)	0	0	0	0	15,000
600 03 03	B Street Playground	0	0	0	38,000	7,000
600 03 04	Skate Park Equipment	0	0	0	0	30,000
600 03 05	Coleman Grandstand Roof/Fascia Replacement	0	0	0	0	25,000
600 03 06	Katie's Kids Park-2nd Restroom Facility	0	0	0	0	56,000
600 03 96	Decorative Street Furniture	0	0	0	0	0
600 03 97	CTC Fire Sprinkler Replacement	20,522	0	0	0	0
600 03 98	Police Department HVAC & Roof Repairs	0	36,632	0	0	0
TOTAL FACILITIES		23,359	56,129	45,000	38,000	133,000
Equipment						
600 03 99	New Accounting Software System	0	4,491	15,597	11,324	0
TOTAL EQUIPMENT		0	4,491	15,597	11,324	-
TOTAL DEPARTMENT BUDGET		23,359	60,620	60,597	49,324	133,000
					Budget to Budget Increase/(Decrease)	72,403
					Percentage of Change	119.5%

Budget Highlights:

Accounting Software System will not be fully implemented and paid for until Fiscal Year 2015/16.

Expenses for the Animal Shelter and B Street Playground will be transferred in from the General Fund reserves to cover the expenses.

Soroptimist Park Restroom Addition will be completed in Fiscal Year 2015/16 and paid with CDBG Funding

CDBG Construction Budget

**CDBG CONSTRUCTION
120 8000**

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
Expenditures:					
600 03 05 Del Norte Sewer Main (CDBG)	349,418	0	0	0	0
600 03 06 Katie's Kids Park	0	0	183,866	25,000	158,866
600 03 70 Soroptimist Park-Restroom Addition	0	0	0	0	79,856
TOTAL DEPARTMENT BUDGET	349,418	0	183,866	25,000	238,722
			Budget to Budget Increase/(Decrease)		54,856
			Percentage of Change		0.0%

Budget Highlights:

Katie's Kids Park construction completion will be funded from City of Kerman's Fiscal Year 2014/15 allocation along with \$50,000 CDBG

Facilities Construction Budget

FACILITIES CONSTRUCTION 140 8000

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
Construction					
600 03 70 Animal Shelter	0	0	75,000	0	350,000
540 00 00 Lease Payment (PFA Bond)	51,599	52,008	51,362	51,362	51,435
TOTAL OPERATIONS & MAINTENANCE	51,599	52,008	126,362	51,362	401,435
Equipment					
600 03 00 Capital Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	51,599	52,008	126,362	51,362	401,435
				Budget to Budget Increase/(Decrease) Percentage of Change	275,072 217.7%

Budget Highlights:

Annual Bond Lease Payment Breakdown is located in the PFA Budget.
Animal Shelter - Transfer in from Reserves

Water Construction Budget

WATER CONSTRUCTION XX0 8000 (410, 520-540, 780)

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
WATER OPERATIONS					
FUND 410					
600 03 16 GIS Mapping	0	9,992	0	0	0
600 03 26 Double L Water Main	0	29,769	0	0	0
600 03 50 Well 17 Major Repair	0	17,400	0	0	0
600 03 51 Used Mud Vac for Water Repairs	0	0	25,000	25,000	0
600 04 37 Water Meter System Completion	0	0	241,000	5,000	222,644
600 04 38 Water Leak Detector	0	0	0	0	6,500
600 04 39 Water Meter Installation Project (Remaining 500 Mete	0	0	0	0	700,000
600 04 40 Secondary Water Main - Vineland	0	0	0	0	25,000
600 04 41 Secondary Water System Agreement	0	0	0	0	5,000
600 04 42 Chromium 6 Treatment Analysis	0	0	0	0	50,000
600 03 99 New Accounting Software System	0	6,022	18,067	18,067	0
TOTAL WATER OPERATIONS	0	63,184	284,067	48,067	1,009,144
FUND 780					
600 03 37 Water Meter System Completion-Prop 84 Grant	0	0	1,293,450	0	682,930
600 03 38 Well No. 18 (SDWSRF)	0	0	0	0	1,428,000
600 03 39 Double L MHP Water Main (SDWSRF)	0	0	0	0	40,000
TOTAL PROP 84 GRANT	0	0	1,293,450	0	2,150,930
WATER FRONT FOOTAGE					
FUND 520					
600 03 36 8" & 12" Water Main Extensions for Well 18	0	0	70,000	0	0
TOTAL WATER FRONT FOOTAGE	0	0	70,000	0	0
WATER OVERSIZE					
FUND 530					
600 03 00 Reimbursement-Walmart	0	0	0	0	27,527
600 03 01 Reimbursement-Covington	0	0	0	0	11,885
600 03 36 8" & 12" Water Main Extensions for Well No. 18	0	0	67,500	0	0
TOTAL WATER OVERSIZE	0	0	67,500	0	39,412
WATER MAJOR FACILITIES					
FUND 540					
600 03 00 Reimbursement-Tract 5160	0	0	0	0	35,719
600 03 36 Well 18 - Drilling, Pump & Motor	18,809	36,717	650,000	18,000	633,000
TOTAL WATER MAJOR FACILITIES	18,809	36,717	650,000	18,000	668,719
TOTAL DEPARTMENT BUDGET	18,809	99,901	2,365,017	66,067	3,868,205
				Budget to Budget Increase/(Decrease)	1,503,188
				Percentage of Change	63.6%

Budget Highlights:

Received Prop. 84 Grant for water meter installations; project total \$965,000. 25% City Match required (\$724,000 grant and \$241,000 City (Match)

Well 18 Drilling-Awaiting notification from State for determination on potential grant for water line extension to serve Double D Mobile home park.

Sewer Facilities Construction Budget

SEWER FACILITIES CONSTRUCTION XX0 8000 (420, 550-570)

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
SEWER OPERATIONS					
FUND 420					
600 03 16 GIS Mapping	0	9,992	0	0	0
600 03 63 HVAC Repair at WWTP Office	0	1,283	0	0	0
600 03 62 Lift-Station Pumps - Goldenrod & CA	23,605	53,929	2,000	0	0
600 03 99 New Accounting Software System	0	5,177	15,532	15,532	0
TOTAL SEWER OPERATIONS	23,605	70,382	17,532	15,532	0
SEWER FRONT FOOTAGE					
FUND 550					
600 03 05 Del Norte Sewer Main	100,540	0	0	0	0
TOTAL SEWER FRONT FOOTAGE	100,540	0	0	0	0
SEWER OVERSIZE					
FUND 560					
600 03 05 Del Norte Sewer Main	35,690	1,395	0	0	0
TOTAL SEWER OVERSIZE	35,690	1,395	0	0	0
SEWER MAJOR FACILITIES					
FUND 570					
700 17 00 Debt Service - SRF Loan Principal	114,272	114,536	0	0	75,000
700 27 00 Debt Service - SRF Loan Interest	24,099	23,836	0	0	0
600 03 60 Sludge Drying Beds	6,081	234,753	0	0	0
600 03 61 Sludge Aerator	0	0	22,000	0	0
TOTAL SEWER MAJOR FACILITIES	144,453	373,125	22,000	0	75,000
TOTAL DEPARTMENT BUDGET	304,287	444,901	39,532	15,532	75,000
				Budget to Budget Increase/(Decrease)	35,468
				Percentage of Change	89.7%

Storm Drain Acquisition and Construction Budget

STORM DRAIN ACQUISITION & CONSTRUCTION 4X0 8000 (480-490)

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
STORM DRAIN BASIN ACQUISITION					
FUND 480					
600 03 00 Tract #5266-Covington Fee Credit Reimb.	0	0	3,000	0	0
TOTAL STORM DRAIN ACQUISITION	0	0	3,000	0	0
STORM DRAIN CONSTRUCTION					
FUND 490					
600 03 15 Tract No. 5244 (Westco)	0	76,725	0	0	0
600 03 16 Tract No. 5329 (Jonathan)	0	51,159	0	0	0
600 03 17 Tract No. 5416-Covington Fee Credit Reimb.	0	0	21,816	0	0
600 03 19 Tract No. 5515 (Hair)	0	0	1,562	0	0
600 03 23 Crossroads (Kashan) Reimbursement	0	21,171	0	0	0
600 03 24 Regrade B Street Basin	0	0	0	0	6,000
TOTAL STORM DRAIN CONSTRUCTION	0	149,055	23,378	0	6,000
TOTAL DEPARTMENT BUDGET	0	149,055	26,378	0	6,000

Budget Highlights:

Reimbursements to Developers are made for improvements made as funds become available.

Park Acquisition and Construction Budget

PARK ACQUISITION & CONSTRUCTION 5x0 8000 (580-590)

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
FUND 580 - PARK DEVELOPMENT					
540 00 00 Lease Payment (PFA Bond)	20,423	20,585	20,329	20,329	20,358
TOTAL ACQUISITIONS	20,423	20,585	20,329	20,329	20,358
FUND 590 - PARK DEVELOPMENT-QUIMBY					
540 00 00 Lease Payment (PFA Bond)	20,423	20,585	20,329	20,329	20,358
TOTAL PARK DEVELOPMENT	20,423	20,585	20,329	20,329	20,358
TOTAL DEPARTMENT BUDGET	40,845	41,170	40,658	40,658	40,716
				Budget to Budget Increase/(Decrease) Percentage of Change	57 0.1%

Budget Highlights:

No Substantial Changes
Annual Bond Lease Payment Breakdown is located in the PFA Budget.

Park Construction Grants

PARK CONSTRUCTION - GRANTS 780 8000

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
Construction					
410 10 00 Salary-KYSB Grant	1,440	0	0	0	0
510 01 00 Contract Services-KYSA Grant	2,319	0	0	0	0
521 02 00 General Supplies-KYSA Grant	8,056	0	0	0	0
600 05 01 Katie's Kids Park-Stewardship Council Grant	43,644	0	0	0	0
600 05 03 Katie's Kids Park-Integrated Waste Grant	0	0	25,000	25,000	0
600 05 02 Katie's Kids Park-Kaboom Grant	0	0	15,000	15,000	0
600 05 01 Katie's Kids Park Construction	0	233,324	0	80,800	0
600 05 02 Tire Amnesty Grant	0	3,141	0	0	0
TOTAL CONSTRUCTION	55,459	236,465	40,000	120,800	0

Budget Highlights:

Integrated Waste Grant for playground surfacing and Kaboom Grant for playground equipment

Street Construction Budget

STREET CONSTRUCTION XX0 8000 (810, 830, 870-930-950)

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
CITY PROJECTS					
GAS TAX 2105 (810)					
600 03 35 Median Transition Plan	0	0	0	0	5,000
600 03 36 Madera/Jensen Roundabout Gateway Monument	0	0	0	0	3,000
600 03 37 High Visibility Crosswalk Striping	0	0	0	0	28,000
GAS TAX 2107 (830)					
600 03 05 Local Street Repair (Asphalt Repairs/Various)	0	39,150	71,000	105,197	0
600 03 30 Pavement Management System	0	0	44,000	42,448	0
600 03 32 Wooten Park Street Lighting Project	3,174	63,757	0	0	0
600 03 33 California-Madera Ave to Del Norte	0	0	66,000	65,000	0
600 03 31 Stanislaus & 16th Street (Sidewalks, Curbs & Gutters)	0	25,496	135,000	135,000	0
600 03 36 Sidewalk Repairs-Middleton Between 6th & 8th Strs.	0	0	25,000	53,068	0
600 03 35 Median Transition Plan	0	20,062	5,000	3,831	0
600 03 38 Madera Ave. Crosswalk at San Joaquin	0	0	0	0	2,000
600 03 40 Wayfinding Signage	0	0	0	0	20,000
ARTICLE VIII (870)					
600 03 04 Local Street Sealing - Article 8	79,130	0	100,000	0	0
600 03 31 Local Street Recon. - 7th Street	270,841	0	0	0	0
600 03 31 Stanislaus & 16th Street (Sidewalks, Curbs & Gutters)	0	0	125,000	75,266	0
600 03 33 Madera Ave. Crosswalk at San Joaquin	4,779	459	88,000	0	0
600 03 34 Local Street Recon. - 4th, E & G	38,180	426,058	0	0	0
600 03 39 California Reconstruction Project	0	0	0	0	726,000
600 03 35 Median Landscaping Renovation-Phase I	5,356	0	175,000	0	100,000
MAJOR STREET RAILROAD (930)					
600 03 01 Goldenrod @ UP Railroad	411	556	277,000	0	0
HUT 2103 (TRAFFIC CONGESTION RELIEF) (950)					
600 03 35 Median Landscaping Renovation-Phase I	0	0	0	0	100,000
TOTAL CITY PROJECTS	401,871	575,538	1,111,000	479,809	984,000

LOCAL MATCH FOR STATE & FEDERAL PROJECTS

GAS TAX 2105 (810)					
600 03 02 RSTP - First & Middleton	42,902	105,000	0	0	0
600 03 29 RSTP - Stanislaus Ave. Reconstruction	41,426	10,013	0	0	0
GAS TAX 2106 (820)					
600 03 02 RSTP - First & Middleton	0	160,000	0	0	0
600 03 60 RSTP - Vineland Ave Widening	0	0	0	0	56,100
GAS TAX 2107 (830)					
600 03 02 RSTP - First & Middleton	0	237,996	0	0	0
600 03 04 RSTP - California & May Reconstruction	0	0	8,000	0	0
600 03 09 SR 25 Pedestrian Safety Improvements	0	0	0	3,258	0
600 03 07 CMAQ California Avenue Sidewalk	0	0	0	1,410	57,900
600 03 60 RSTP - Vineland Ave Widening	0	0	0	0	35,400
ARTICLE VIII (870)					
600 03 60 RSTP - Vineland Ave Widening	0	33,850	53,600	11,807	0
600 03 16 CMAQ Whitesbridge & Vineland Signal	0	0	94,187	0	0
600 03 42 CMAQ Pedestrian Trail	0	0	0	2,231	111,000
600 03 32 CMAQ - Bike Lanes & Sidewalk	157,048	0	0	0	0
600 03 41 RSTP - California & May Reconstruction	0	0	0	0	133,900
MAJOR STREET SIGNALS (920)					
600 03 16 CMAQ Whitesbridge & Vineland Signal	124,838	0	40,000	23,000	134,187
TOTAL LOCAL MATCH	366,214	546,858	195,787	41,706	528,487

Street Construction Budget

STREET CONSTRUCTION XX0 8000 (810, 830, 870-930-950) Cont'd

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
<u>STATE & FEDERAL PROJECTS</u>					
FEDERAL PROJECTS (890)					
600 03 00 CMAQ Bike Lanes & Sidewalk	142,400	0	0	0	0
600 03 01 Streetscape Master Plan Madera Ave.	3,078	0	0	0	0
600 03 02 RSTP First & Middleton	39,815	513,623	-	0	0
600 03 04 RSTP - California & May Reconstruction	0	16,081	-	21,032	577,300
600 03 16 CMAQ Whitesbridge & Vineland Signal	0	82,172	429,758	0	429,758
600 03 17 CalTrans Whitesbridge & Vineland Signal	0	0	30,000	0	30,000
600 03 29 RSTP - Stanislaus Ave. Reconstruction	247,259	0	0	0	0
600 03 59 Whitesbridge Widening - Cal Trans	138,099	0	0	0	0
600 03 07 CMAQ California Ave Sidewalk	0	0	0	0	118,700
600 03 09 SR 25 Pedestrian Safety Improvements	0	0	0	1,000	25,000
600 03 60 RSTP Vineland Ave. Widening	0	0	316,400	0	316,400
600 03 61 CMAQ Pedestrian Trail Siskiyou to Del Norte	0	5,665	54,000	20,390	274,000
MAJOR STREET RAILROAD (930)					
600 03 01 Goldenrod Railroad Crossing Improvements	0	0	0	10,000	294,000
HUT 2103 (TRAFFIC CONGESTION RELIEF) (950)					
600 03 16 Whitesbridge & Vineland Signal	65,000	117,015	250,845	0	299,445
TOTAL STATE & FEDERAL PROJECTS	635,651	734,557	1,081,003	52,422	2,364,603
MAJOR STREETS (910)					
600 03 00 Reimb. - Tract No. 5191	0	0	9,000	15,059	1,500
600 03 01 Reimb. - Tract No. 5329	0	0	6,000	6,628	54,526
600 03 32 Reimb. - Tract No. 5244 - Westco	0	21,000	0	0	0
TOTAL REIMBURSEMENTS	-	21,000	15,000	21,687	56,026
TOTAL DEPARTMENT BUDGET	1,403,735	1,877,953	2,402,790	595,624	3,933,116
				Budget to Budget Increase/(Decrease)	1,530,326
				Percentage of Change	63.7%



EMPLOYEE INFORMATION



Employee Benefits

With the exception of wages and salaries, employee benefits are the primary tools by which the City attracts and retains qualified personnel. The City provides a variety of benefit packages to their employees.

Personnel expenditures include employee benefits such as pension and health benefits (medical, dental, vision, life and long term disability) for current full time City employees. Total benefits for Fiscal Year 2015/2016 are projected at \$1,477,687

There is an overall net 4.53% increase in personnel benefits in Fiscal Year 2016 compared to the Fiscal Year 2015 budget. This increase primarily is as result of the additional personnel positions filled. Overall medical increased by 25% and Workers Compensation by 12%.

Pension Costs

CalPERS annually prepares an actuarial analysis to determine the City's pension liability and annual required contribution for miscellaneous and safety employees. The current safety formula is 2% for each year worked, with eligibility beginning at 55 years of age (2% at 55). The current miscellaneous formula is 2% for each year worked, with eligibility beginning at 60 years of age (2% at 60). Both safety and miscellaneous employees retirement calculation is based on the highest three years of earnings. Effective July 1, 2012 the City reached an agreement with both the Kerman Public Safety Employees Association (KPSEA) and Kerman Miscellaneous Employee Association (KMEA) for employees to contribute 3% of the total 7% employee contribution; the City currently contributes 4 percent. The agreement also states employees hired on or after July 1, 2012 will contribute the full 7% employee contribution.

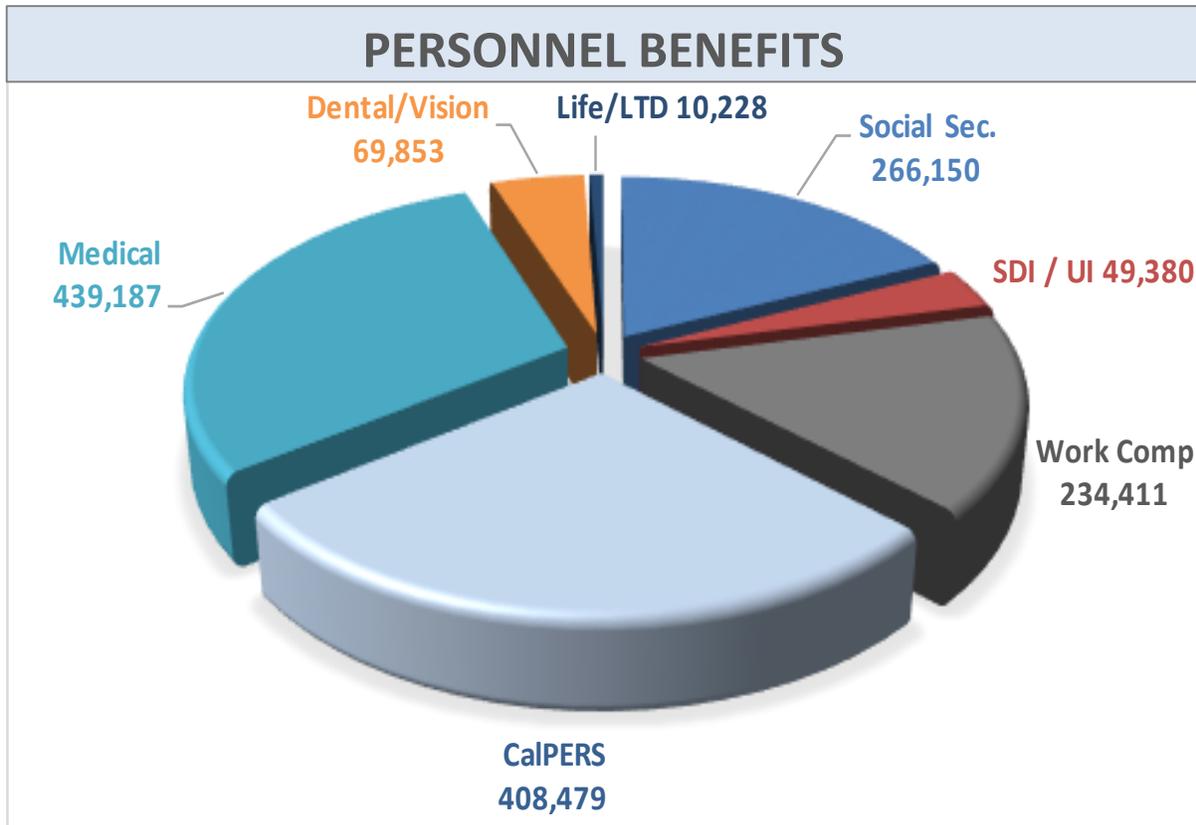
On January 1, 2013 the State of California Public Employees' Pension Reform Act (PEPRA) went into effect. By law, a new employee who has not had prior CalPERS membership and is hired on January 1, 2013 and beyond will have a retirement benefit of 2% at 57 (safety) or 2% at 62 (miscellaneous) and the employee must pay the full employee contribution amount currently at 6.25%. The short-term savings from the pension reform is minimal because the City of Kerman's retirement plans for both safety and miscellaneous are at the lowest benefit plan CalPERS offers (2% @ 55 and 2% @ 60 respectively).

The first change addressed rate stabilization and the second action addressed an adjustment to mortality tables because members are living longer than originally estimated. These changes will have an effect on the City's employer contribution rates, ramping up for five years; stabilizing rates at that level for ten years, and then a five year ramp down. CalPERS employer contributions Fiscal Year 2015/2016 for the miscellaneous group is at 6.709% and Safety at 11.53%. Beginning with Fiscal Year 2015/2016 CalPERS will collect employer contributions towards the City's unfunded liability. The combined total City's contribution for fiscal year 2015/2016 decreases less than 1%.

Healthcare

The City's healthcare renews annually on July 1st. Employees' healthcare costs are paid 100% by the City and dependent coverage is paid at 70%. Annually the healthcare broker for the City solicits quotes from other carriers and compares those findings against the City's current plan. For Fiscal Year 2015/2016 the City elected to continue with same providers as last Fiscal Year 2014/2015.

Fiscal Year 2015/2016 Personnel Benefits



Position Allocation by Department

Position Allocation by Department Position Allocation by Department (Full Time Staffing)

	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Adopted Budget 2015-2016	2015-2016 Change
Administrative Services					
Account Clerk I	0.00	0.00	1.00	1.00	0.00
Account Clerk II	2.00	2.00	2.00	2.00	0.00
Account Receptionist	0.00	0.00	0.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	0.00
Junior Accountant	1.00	1.00	0.50	0.00	0.00
Senior Accountant	1.00	1.00	0.00	1.00	1.00
Total Administrative Services	5.00	5.00	4.50	6.00	2.00
City Clerk					
City Clerk	1.00	1.00	1.00	1.00	0.00
Total City Clerk	1.00	1.00	1.00	1.00	0.00
City Manager					
City Manager	1.00	1.00	1.00	1.00	0.00
Executive Secretary	1.00	1.00	1.00	1.00	0.00
Total City Manager	2.00	2.00	2.00	2.00	0.00
Community Services					
Community Services Director	1.00	1.00	1.00	1.00	0.00
Buildings & Facility Supervisor	1.00	1.00	1.00	1.00	0.00
Maintenance Worker	0.00	1.00	1.00	1.00	0.00
Parks Maintenance Technician	1.00	1.00	1.00	1.00	0.00
Recreation Coordinator	1.00	1.00	1.00	1.00	0.00
Senior Services Coordinator	1.00	1.00	1.00	1.00	0.00
Community Services Secretary	0.00	0.00	0.00	1.00	1.00
Van Driver	2.00	1.00	1.00	1.00	0.00
Total Community Services	7.00	7.00	7.00	8.00	1.00
Planning & Building					
Administrative Secretary	1.00	1.00	1.00	1.00	0.00
Building Inspector	1.00	1.00	1.00	1.00	0.00
Building Permits Clerk	1.00	1.00	1.00	0.00	0.00
Director of Planning & Dev. Services	0.67	0.67	0.00	0.00	0.00
Total Planning & Building	3.67	3.67	3.00	2.00	0.00
Police*					
Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Animal Control	0.75	1.00	1.00	1.00	0.00
Chief of Police	1.00	1.00	1.00	1.00	0.00
Corporal	2.00	0.00	0.00	0.00	0.00
Police Officer	12.00	13.00	13.00	14.00	1.00
Records Clerk	1.00	1.00	1.00	1.00	0.00
Records Manager	1.00	1.00	1.00	1.00	0.00
Sergeant	3.00	5.00	5.00	5.00	0.00
Total Police	20.75	22.00	22.00	23.00	1.00
Public Works					
Administrative Secretary	1.00	1.00	1.00	1.00	0.00
Automotive Mechanic	1.00	1.00	1.00	1.00	0.00
Director of Public Works	1.00	1.00	1.00	1.00	0.00
General Maintenance Technician	3.00	2.00	2.00	2.00	0.00
General Maintenance Worker	3.00	1.00	1.00	1.00	0.00
Lead Supervisor	3.00	3.00	3.00	3.00	0.00
Maintenance Specialist	0.00	3.00	3.00	3.00	0.00
Operations Coordinator	1.00	1.00	1.00	1.00	0.00
Water Distribution/Waste Water Mgr	1.00	1.00	0.25	0.00	(0.25)
WWTP Operator Grade II (Lead)	0.00	1.00	1.00	1.00	0.00
WWTP Water Operator Grade I	3.00	1.00	0.00	0.00	0.00
WWTP Water Operator Grade II	1.00	1.00	2.00	2.00	0.00
WWTP Maintenance	0.00	0.00	0.00	1.00	1.00
Water Conservation	0.00	0.00	1.00	1.00	0.00
Total Public Works	18.00	17.00	17.25	18.00	0.75

*Police Department uses Level I & II contract reserves to augment staffing levels throughout the year. As of July 1, 2015 the department had one contract reserve. The staffing level fluctuates throughout the year as reserves gain full-time employment elsewhere or leave for other agencies.

Position Allocation by Fund

PAYROLL ALLOCATION SUMMARY Fiscal Year 2015/2016

Staffing Positions	General Fund	Wtr Adm	Wtr Oper	Internal									
				Water	Sewer	Solid Waste	Storm Drain	Service Funds	Senior Nutrition	Landscp Lighting	Streets	Comm. Transit	
City Manager	32.5%	24.0%	0.0%	24.0%	24.0%	10.0%	0.0%	0.0%	0.0%	0.0%	2.0%	7.5%	0.0%
City Clerk	53.0%	17.0%	0.0%	17.0%	12.0%	14.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%
City Manager's Secretary	37.5%	25.0%	0.0%	25.0%	18.0%	10.0%	0.0%	0.0%	0.0%	0.0%	2.0%	7.5%	0.0%
Finance Director	6.0%	32.0%	0.0%	32.0%	15.5%	16.0%	0.0%	17.5%	0.0%	0.0%	2.0%	6.0%	5.0%
Sr Acct/Personnel Officer	4.0%	32.0%	0.0%	32.0%	35.0%	25.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%
Account Clerk II	10.0%	32.0%	0.0%	32.0%	28.0%	25.0%	0.0%	0.0%	0.0%	0.0%	2.0%	3.0%	0.0%
Account Clerk II	5.0%	35.0%	0.0%	35.0%	20.0%	25.0%	0.0%	0.0%	0.0%	0.0%	5.0%	10.0%	0.0%
Account Clerk	17.5%	45.0%	0.0%	45.0%	25.0%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Account Receptionist	4.0%	0.0%	0.0%	32.0%	35.0%	25.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%
Comm. Services Director	89.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.5%	0.0%	0.0%	5.0%
Buildings & Facility Supervisor	0.0%	0.0%	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation Coord.	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%
Senior Center Coordinator	47.0%	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.0%
Parks & Facility Mtn. Specialist	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks Maintenance Technician	75.0%	0.0%	10.0%	10.0%	10.0%	4.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Van Driver	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
CS Secretary	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Admin Sec/Planning Tech.	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Building Inspector	88.0%	5.0%	0.0%	5.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%
Animal Control Officer	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.0%	0.0%
Public Works Director	2.0%	0.0%	29.0%	29.0%	25.0%	6.0%	2.0%	3.0%	0.0%	0.0%	4.0%	29.0%	0.0%
PW Admin. Secretary	1.0%	20.0%	20.0%	40.0%	30.0%	15.0%	0.0%	3.0%	0.0%	0.0%	4.0%	6.0%	0.0%
PW Operations Coord.	5.0%	0.0%	25.0%	25.0%	20.0%	0.0%	0.0%	2.0%	0.0%	0.0%	5.0%	43.0%	0.0%
PW Lead Supervisor	0.0%	0.0%	28.0%	28.0%	20.0%	0.0%	2.0%	0.0%	0.0%	0.0%	2.0%	48.0%	0.0%
PW Lead Supervisor	30.0%	0.0%	10.0%	10.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	45.0%	0.0%
PW Lead Supervisor	5.0%	0.0%	15.0%	15.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.0%	30.0%	0.0%
Mechanic	0.0%	0.0%	10.0%	10.0%	5.0%	0.0%	0.0%	70.0%	0.0%	0.0%	0.0%	15.0%	0.0%
PW Maintenance Tech.	10.0%	0.0%	18.0%	18.0%	12.0%	5.0%	0.0%	15.0%	0.0%	0.0%	0.0%	40.0%	0.0%
Genereal Maintenance Tech	30.0%	0.0%	5.0%	5.0%	5.0%	2.5%	10.0%	0.0%	0.0%	0.0%	7.5%	40.0%	0.0%
PW Maintenance Specialist	10.0%	0.0%	5.0%	5.0%	0.0%	2.5%	12.5%	0.0%	0.0%	0.0%	25.0%	45.0%	0.0%
PW Maintenance Specialist	25.0%	0.0%	15.0%	15.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	35.0%	0.0%
Maintenance Worker	0.0%	0.0%	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maintenance Worker	0.0%	0.0%	0.0%	75.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II Lead	0.0%	0.0%	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maintenance Specialist	0.0%	0.0%	50.0%	50.0%	25.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II	0.0%	0.0%	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II	0.0%	0.0%	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Conservation	0.0%	0.0%	72.0%	72.0%	13.0%	10.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Chief of Police (1)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sergeants (5)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Police Officers (13)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Support Staff - Non Sworn (3)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SLESF Officer (State Grant-1)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vacant Positions:													
Building Permits Clerk	20.0%	0.0%	0.0%	70.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Nutrition Coordinator	52.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	32.5%
Planning/Bldg. Director	70.0%	0.0%	0.0%	3.5%	3.5%	0.5%	1.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.0%
Building Official	75.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%
Maintenance Worker	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.0%	30.0%	0.0%
WWTP Manager	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

NOTE: With 67 full-time authorized positions and 6 of them vacant, this budget funds 61 full-time positions (plus several part-time employees that are not included in this allocation).

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SUPPLEMENTAL INFORMATION



Budget and Fiscal Policies

Financial Plan Purpose and Organization

Objectives. Through its budget, the City will link resources with results by:

- Identifying community needs for essential services.
- Organizing the programs required to provide these essential services.
- Establishing program policies and goals, which define the nature and level of program services required.
- Identifying activities performed in delivering program services.
- Proposing objectives for improving the delivery of program services.
- Identifying and appropriating the resources required to perform program activities and accomplish program objectives.
- Setting standards to measure and evaluate the:
 - o Output of program activities.
 - o Accomplishment of program objectives.
 - o Expenditure of program appropriations.

Annual Budget. The City of Kerman prepares and follows a one-year budget, which is prepared for each fiscal year beginning July 1 and ending on June 30.

Mid-Year Budget Reviews. The Council will formally review the City's fiscal condition, and amend appropriations if necessary, six months after the beginning of each fiscal year.

Balanced Budget. The City will maintain a balanced budget. This means that:

- Operating revenues must fully cover operating expenditures, including debt service.
- Ending fund balance (or working capital in the enterprise funds) must meet minimum policy levels. For the general and enterprise funds, this level has been established at 20% of operating expenditures. Under this policy, it is allowable for total expenditures to exceed revenues in a given year so long as beginning fund balances are used solely to fund capital improvement plan projects, or other "one-time," non-recurring expenditures.

Financial Reporting and Budget Administration

Annual Reporting. The City will prepare annual financial statements as follows:

- The City will contract for an annual audit by a qualified independent certified public accountant.
- The City will strive for an unqualified auditors' opinion.
- The City will use generally accepted accounting principles in preparing its annual financial statements, and will strive to meet the requirements of the CSMFO's Award for Excellence in Budgeting program and the GFOA Distinguished Budget Presentation outline.
- The City will issue audited financial statements within 180 days after year-end.

Interim Reporting. The City will prepare and issue timely interim reports on the City's fiscal status to the Council and staff. This includes: on-line access to the City's financial management system by City staff; monthly reports to program managers; more formal quarterly reports to the Council and Department Heads; mid-year budget reviews; and interim annual reports.

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 budgeted year-end fund balances.

General Revenue Management

Diversified and Stable Base. The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.

Long-Range Focus. To emphasize and facilitate long-range financial planning, the City will maintain current projections of revenues for the succeeding five years.

Current Revenues for Current Uses. The City will fund all current expenditures with current revenues and avoid procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

Enterprise Fund Fees and Rates

Water, Sewer and Storm Drain. 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, sewer and storm drain.

Appropriations Limitation

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, Section 7900 of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit.

Fund Balance and Reserves

Minimum Fund and Working Capital Balances. The City will maintain a minimum fund balance of at least 20% of operating expenditures in the General Fund and a minimum working capital balance of 20% of operating expenditures in the water, sewer and parking enterprise funds. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

- Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- Contingencies for unseen operating or capital needs.
- Cash flow requirements.

Future Capital Project Designations. The Council may designate specific fund balance levels for future development of capital projects that it has determined to be in the best long-term interests of the City.

Other Designations and Reserves. In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years which are carried forward into the new year; debt service reserve requirements; reserves for encumbrances; and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

Capital Improvement Management

CIP Projects: \$15,000 or More. Construction projects and equipment purchases which cost \$15,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$15,000 will be included with the operating program budgets.

CIP Purpose. The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a four-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.

Capital Financing and Debt Management

Capital Financing

The City will consider the use of debt financing only for 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 revenues or specific resources will be sufficient to service the long-term debt.
- Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation.
- Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility.
- Accordingly, development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.

Debt Management

The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.

An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations.

This analysis will also address the reliability of revenues to support debt service.

The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.

The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.

The City will monitor all forms of debt annually 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.

Debt Capacity

General Purpose Debt Capacity. The City will carefully monitor its levels of general-purpose debt. Because our general purpose debt capacity is limited, it is important that we only use general purpose debt financing for high-priority projects where we cannot reasonably use other financing methods for two key reasons:

- Funds borrowed for a project today are not available to fund other projects tomorrow
- Funds committed for debt repayment today are not available to fund operations in the future.

In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; and in no case should they exceed 15%. Further, direct debt will not exceed 2% of assessed valuation; and no more than 60% of capital improvement outlays will be funded from long-term financings.

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.

And then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

The work scope necessary to address these issues will vary from request to request, and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for our costs in evaluating the request; however, this should also be determined on a case-by-case basis.

GANN Revenue Limit

November 1979, the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative”. The Proposition created Article XIII B of the State Constitution, placing certain limits on the amount of revenue that can be appropriated each fiscal year.

The limit is based on actual appropriations during the 1978/79 fiscal year. Only revenues that are considered to be “Proceeds of Taxes” are subject to the limit. The limit is recalculated each fiscal year based on certain inflation and population growth factors. Proceeds of taxes can be spent on several types of appropriations that do not count against the limit, including voter approved debt, the costs of complying with court orders and Federal mandates, and expenditures for qualified capital outlays.

For FY 2015/2016 the City’s appropriation limit is \$11,222,433; the GANN Revenue table identifies the City’s legal appropriation limit as required by Proposition 4.

GANN REVENUE LIMIT

The original Article XIII and its implementing legislation Chapter 1205/80 were modified by proposition III and SB 88 (Chapter 60/90). Beginning with the 1990/91 Appropriations Limit, the annual adjustment Factors were changed. Instead of using the lesser of California Per Capita Income or U.S.C.P.I to measure Inflation, each City may choose:

The growth in California Per Capita Income or

The growth in the non-residential assessed valuation due to new construction within the City

2014/15 REVENUE LIMIT - \$ 13,289,123

Per City of Kerman, City Council Resolution No.14-42

2015/16 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2015 14,314	January 1, 2014 14,289	0.17% increase
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LOCAL ASSESSMENT ROLL***

2013/2014 Gross Assessed Value	<u>Secured</u>	<u>Unsecured</u>
	561,526,779	26,272,532

CHANGE IN PERCAPITA PERSONAL INCOME*

2015/2016	3.82%
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CHANGE FACTOR

Population Change x Change in Per Capita Personal Income

1.0017 x 1.0382 = 1.0400

TOTAL 2015/2016 ESTIMATED REVENUE

PROCEEDS OF TAXES	5,483,433
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NON-PROCEED OF TAXES	<u>5,739,000</u>
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TOTAL APPROPRIATIONS 2015/2016	<u>\$ 11,222,433</u>
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TOTAL 2015/2016 ESTIMATED REVENUE

EXEMPT FROM LIMIT	5,483,433
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2015/2016 REVENUE LIMIT	\$ 13,820,222
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2015/2016 REVENUE SUBJECT TO LIMIT	<u>5,483,433</u>
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AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	<u>\$ 8,336,789</u>
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* Data provided by State of California, Department of Finance

***Data provided by Fresno County Assessor's Office

Basis for Accounting/Basis of Budgeting

The budgets of governmental funds (General Fund, Special Revenue Funds and Capital Projects Funds) are prepared on a modified accrual basis where revenues are recognized when they become measurable and available, and expenditures are recorded when the related liability is incurred; except that principal and interest payments on general long-term debt are recognized when due. Revenue availability criteria are defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (i.e., sixty days after fiscal year-end).

Budgets for proprietary funds (Internal Service Funds and Enterprise Funds) are prepared on a full accrual basis where revenues are recognized when earned, and expenses are recognized when they are incurred. The fund types used by the City are as follows:

GOVERNMENTAL FUNDS

General Fund. The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital costs which are not paid through other funds.

Special Revenue Funds. Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Capital Projects Funds. Capital Projects Funds are used to account for the acquisition, construction and improvement of capital facilities other than those financed by proprietary funds.

PROPRIETARY FUNDS

Enterprise Funds. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds. Internal Service Funds are used to account for the financing of services provided by one department to other departments of the government, on a cost reimbursement basis, including depreciation.

COST ALLOCATIONS

The City of Kerman uses cost allocation methods for much of its accounting for expenditures. Employees' personnel costs are allocated to different funds and/or departments based on the estimated hours that they spend working in the respective funds or departments. A summary of those personnel cost allocations can be found on [Page 147](#) of this budget document. Costs related to the Internal Service funds are also allocated. For the Vehicle/Equipment Internal Service Fund, costs are allocated to the departments in which the employees utilizing the vehicles work based on per-mile maintenance costs and on the purchase and replacement costs of the vehicles. The costs related to the Technology Maintenance and Replacement Internal Service Fund are allocated to departments based on the cost to purchase, maintain and replace the technology equipment that is assigned to employees

Glossary

ADOPTED OPERATING BUDGET: The official budget as approved by the City Council at the start of each fiscal year.

APPROPRIATION: A legal authorization by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time when it may be expended.

BENEFITS: These include retirement/pension, health, life and disability insurance, worker's compensation, vacation, administrative, medical, and special leave of absence time.

BUDGET: A plan of financial operation comprised of estimated expenditures for a given period (a single fiscal year for the City) and the proposed means of financing the expenditures (through revenues).

BUDGET MESSAGE: A written discussion of the proposed budget presented by the City Manager to the City Council.

CAPITAL PROJECTS FUND: In governmental accounting, a fund that accounts for financial resources to be used for the acquisition or construction of capital facilities. The total cost of a capital project is accumulated in a single expenditure program which accumulates until the project is completed, at which time the program ceases to exist.

CAPITAL IMPROVEMENT PROGRAM (CIP): A plan for capital improvements to be implemented each year over a fixed period of years to meet capital needs arising from the assessment of long-term needs. It sets forth each project in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CAPITAL IMPROVEMENT PROJECT: The budget unit to group all activities and costs necessary to implement a specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

CDBG (COMMUNITY DEVELOPMENT BLOCK GRANT): Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the City from Fresno County.

DEBT SERVICE FUND: A fund established for the payment of interest and principal on all debt other than payable exclusively from special assessments.

DEPARTMENT: A major organizational group of the City with overall management responsibility for an operation or a group of related operations within a functional area.

ENTERPRISE FUNDS: Enterprise funds account for City operations that are financed and operated in a manner similar to private enterprise. Costs of provided service to the public are covered by user charges, grant funds, and impact fees.

EXPENDITURES: Decreases in net financial resources; expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlays.

EXPENSES: Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position, the results of the operations, and adopts a budget for the coming year. The City of Kerman's fiscal year is from July 1 to June 30.

FUND: A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities of attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: Is an accumulation of revenues minus expenditures. Each fund maintained by the city has a fund balance. Fund balance can be used in future years for purposes determined by City Council.

GENERAL FUND: The general fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and other costs which are not paid through other funds.

INTERNAL SERVICE FUND: The Internal Service Fund is used to finance and account for activities involved in rendering services to departments within the City. Costs of materials and services used are accumulated in these funds and charged to the user departments as such goods are delivered or services rendered.

OBJECTIVE: A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

PRELIMINARY BUDGET: A budget in its preliminary preparation stage prior to review and formulation by the City Council. In the preliminary stage, a budget forecasting current costs into the future and new or modified spending proposals for the future.

PROGRAM BUDGET: A budget organized by programs; a program used in this application is a grouping of related activities, projects and services which are similar in purpose; the expenditure focus of a program budget is related to the nature of work and services performed.

PROPOSED BUDGET: The budget as formulated and proposed by the City Manager; it is submitted to the City Council for review and approval.

REDEVELOPMENT: The planning, development, re-planning, redesign, clearance, reconstruction or rehabilitation, or any combination of these, of all or part of a survey area, and the provision of such residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them.

RESOLUTION: A special or temporary order of a legislative body requiring less formality than an ordinance.

RESOURCES: Total dollars available for appropriations including estimated revenues, fund transfers and beginning fund balances.

REVENUE: Money that the City receives as income such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

SALARIES AND BENEFITS: Compensation paid to or on behalf of City employees for salaries and wages, overtime. Benefits include retirement/pension, health, and life

Acronyms and Abbreviations

ARRA – American Recovery Reinvestment Act
BOD – Biochemical Oxygen Demand
CAR – California Association of Realtors
CDBG –Community Development Block Grant
CIP – Capital Improvement Project
CMAQ – Congestion Mitigation and Air Quality
CNG – Compressed Natural Gas
COG – Council of Governments
COPS – Community Oriented Policing Services
CSMFO – California Society of Municipal Finance Officers
DIF – Development Impact Fees
DOJ – Department of Justice
DWR – Department of Water Resources
EDC – Economic Development Corporation
FAACT – Future Advocates for Agriculture Concerned about Tomorrow
FID – Fresno Irrigation District
FTE – Full Time Equivalent
GFOA – Government Finance Officers Association
GREAT – Gang Resistance Education and Training
HMI – Housing Market Index
IRWM – Integrated Regional Water Management
KMEA – Kerman Miscellaneous Employees Association
KPSEA – Kerman Public Safety Employees Association
KUSD – Kerman Unified School District
L&LMD – Landscape and Lighting Maintenance District
LAO – Legislative Analyst Office
MOU – Memorandum of Understanding
OH Fees – Overhead Fees
O & M – Operational and Maintenance Expense
PD – Police Department
PEPRA – Public Employees’ Pension Reform Act
PERS – Public Employees Retirement System
PFA – Public Financing Authority
PPA – Power Purchase Agreement
PW – Public Works
RDA – Redevelopment Agency
RR – Railroad

RSTP – Regional Surface Transportation Program
SA –Successor Agency
SCADA – Supervisory control and data acquisition
SD – Storm Drainage
SIG – Signals
SLESF – Supplemental Law Enforcement Services funds
SOI – Sphere of Influence
SRF – State Revolving Fund
STR – Streets
SWOT – Strengths, Weaknesses, Opportunities and Threat
SWR – Sewer
TDA –Transportation Development Account
TCR – Traffic Congestion Relief
WTR –Water
WWTP – Waste Water Treatment Plant



PUBLIC FINANCE AUTHORITY



Public Finance Authority Overview

The Kerman Public Financing Authority (PFA) was established in 2007 through a Joint Exercise of Powers Agreement between the City and the Agency. The formation of the joint powers authority was approved by the City Council who is also designated as the Board of Directors for the PFA.

The purpose of the PFA is solely to provide funds from the sale of revenue bonds to finance or refinance the costs of acquiring, constructing, or improving and equipping capital improvements (projects) for the City and the Agency. The City set up the PFA to act as a financing/lending type institution only.

In October 2007, the PFA issued the 2007 Lease Revenue Bonds in the amount of \$3,930,000. The 2007 Lease Revenue principal payments are made each October 1 beginning in 2008 through 2037. Interest is to be paid semi-annually on April 1 and October 1 through 2037. The interest rates range from 3.5% to 4.75%.

Public Finance Authority Revenue

City of Kerman Public Financing Authority (PFA) Revenue Summary

130

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
361 02 00 Lease Income	241,252	243,165	241,648	241,646	241,986
	241,252	243,165	241,648	241,646	241,986

Budget Highlights:

Lease Income is collected from various City and RDA funds to service their portion of the debt. The breakdown of those cost allocations can be seen on page PFA-3. In October of 2007, the Kerman Public Finance Authority (PFA) issued the Lease Revenue Bonds in the amount of \$3,930,000. The principal payments are made every October 1, beginning in 2008 and terminating in 2037. Interest is paid semi-annually each April and October, with interest rates ranging from 3.5% to 4.75%.

Public Finance Authority Annual Lease Payment

City of Kerman Annual Bond Lease Payment Breakdown Fiscal Year 2015/2016							
Projects							
Fund	City Hall Expansion		Community Park		Bruno Property		Total
	Total Project	2,824,951	Total Project	670,870	Total Project	466,655	3,962,476
		71.29%		16.93%		11.78%	
General Fund	12.5%	21,431			100%	28,322	49,753
Facilities	30%	51,435					51,435
Parks			50%	20,358			20,358
Quimby			50%	20,358			20,358
Water	25%	42,862					42,862
Sewer	20%	34,290					34,290
Solid Waste	10%	17,145					17,145
Storm Drain	1%	1,714					1,714
LL&MD	1.5%	2,572					2,572
		171,449		40,716		28,322	240,486
FY 15/16 Payment							
		240,486					
Allocations:							
City Hall		171,449					
Comm Park		40,716					
Bruno Prop.		28,322					
		<u>240,486</u>					

Public Finance Authority Budget

City of Kerman Public Financing Authority Fiscal Year 2015/2016 Budget 130

Description	Audited 2012-2013	Audited 2013-2014	Adopted 2014-2015	Estimated Year- End	Budget 2015-2016
Acquisition					
8000 600 01 96 Community Park	0	0	0	0	0
Sub-Total	-	0	0	0	0
Maintenance and Operations					
5005 510 10 00 Professional Services-Admin Fee	1,500	1,500	1,500	1,500	1,500
Sub-Total	1,500	1,500	1,500	1,500	1,500
Construction and Equipment					
8000 600 03 88 Park Improvements	0	13,623	0	0	0
8000 600 04 37 Projector for Council Chamber	0	0	0	0	0
Sub-Total	-	13,623	0	0	0
Debt Service					
5005 700 01 00 Debt Service - Principal	80,000	85,000	85,000	85,000	90,000
5005 700 02 00 Debt Service - Interest	159,752	156,665	153,648	153,647	150,486
Sub-Total	239,752	241,665	238,648	238,647	240,486
Total Expenditures	241,252	256,788	240,148	240,147	241,986

Resolution Adopting PFA Budget

RESOLUTION NO. PFA 15-01

A RESOLUTION OF THE KERMAN PUBLIC FINANCE AUTHORITY OF THE CITY OF KERMAN ADOPTING THE FISCAL YEAR 2015-2016 BUDGET

The Board of Directors of the Kerman Public Finance Authority does resolve as follows:

SECTION 1: The Board of Directors finds and declares as follows:

The Board of Directors has reviewed the proposed final Kerman Public Finance Authority

Budget ("Budget") for fiscal year 2015-2016;

- A. The Budget is based upon annual debt service payments and administrative fees;
- B. All procedural requirements for adopting the Budget were fulfilled and the Board of Directors was fully informed regarding the Authority's current finances, projected revenue, and financial obligations; and
- C. It is in the public interest for the Board of Directors to adopt the Public Finance Authority Budget as proposed by the Executive Director.

SECTION 2. ADOPTION. The Budget attached to this resolution, and incorporated by reference, is approved and adopted subject only to the authorizations set forth below.

BUDGET APPROPRIATIONS. Based upon the Budget, the total fiscal year 2015-2016 appropriation for the Public Finance Authority is \$241,986. The Executive Director, or designee, is authorized to implement the appropriations as detailed in the Budget.

SECTION 3. BUDGET ADJUSTMENTS. The Budget may be subsequently adjusted as follows:

- A. By majority vote of the Board of Directors;
- B. By the Executive Director, or designee, for all appropriation transfers between line items within the Authority's fund.

SECTION 4. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 5: The foregoing resolution was introduced at a regular meeting of the Kerman Public Finance Authority, held on the 17th day of June, 2015, and adopted at said meeting by the following vote:

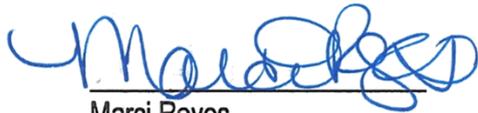
AYES: Yep, Armstrong, Fox, Nijjer, Hill

NOES: None

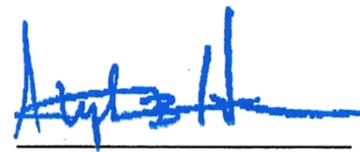
ABSENT: None

ABSTAIN: None

ATTEST:



Marci Reyes
Secretary



Stephen B. Hill
Chairman

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APPENDICES



Appendix A – Budget Adoption Resolution

RESOLUTION NO. 15-32

A RESOLUTION ADOPTING THE FISCAL YEAR 2015/2016 BUDGET AND APPROVING ADJUSTMENTS TO THE FISCAL YEAR 2014/2015 BUDGET FOR THE CITY OF KERMAN

The City Council of the City of Kerman does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

The City Council has reviewed the proposed City of Kerman Fiscal Year 2015/2016 Budget attached hereto as Attachment 'A'; and

The proposed budget is based upon appropriate estimates and financial planning for the City's operations, services, and capital improvements, including adjustments to the Fiscal Year 2014/2015 Budget; and

This budget provides continued services at current levels to the community. This budget also includes continuation and/or completion of several projects to enhance the community; and

All procedural requirements for adopting the City's Budget were fulfilled and the City Council was fully informed regarding the City's current finances, projected revenue, and financial obligations; and

It is in the public interest for the City Council to adopt the Budget as proposed by the City Manager.

SECTION 2. BUDGET APPROPRIATIONS. The Fiscal Year 2015/2016 Budget appropriation totals **\$19,288,583** as shown in Exhibit 'A'. The City Manager, or designee, is authorized to implement the appropriations as detailed in the Budget for City Departments.

ADOPTION. The Fiscal Year 2015/2016 Budget as presented, and incorporated by reference, is approved and adopted subject only to the authorizations set forth below. Such approval and adoption includes, without limitation, adjustments to the fiscal year 2014/2015 Budget.

SECTION 3. BUDGET ADJUSTMENTS. The Budget may be subsequently adjusted as follows:

- A. By majority vote of the City Council;
- B. By the City Manager, or designee, for all appropriation transfers between departments and activities and line items within a City fund;
- C. By Department Directors for appropriation transfers between activities and line items within a department;
- D. Line item expenditures within activities and departments are not restricted so long as funding is available in the City fund as a whole.

The FY 2014/2015 City of Kerman Budget is hereby adjusted and those adjustments become a part of the 2014/2015 City of Kerman Amended Budget.

SECTION 4. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 5: The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Kerman, held on the 17th day of June 2015, and adopted at said meeting by the following vote:

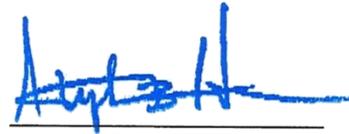
AYES: Fox, Yep, Nijjer

NOES: Armstrong, Hill

ABSENT: None

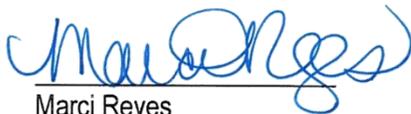
ABSTAIN: None

The foregoing resolution is hereby approved.



Stephen B. Hill
Mayor

ATTEST:



Marci Reyes
City Clerk

City Wide Expenditures Summary (Including Capital Projects)

Fund	Activity	Description	Personnel	M&O	Sub-Total Operations	Capital	Total
General Fund							
100	6001	City Council	\$16,849	\$10,315	\$27,165	\$0	\$27,165
100	6003	City Attorney	0	75,000	75,000	0	75,000
100	1002	City Manager	84,348	120,908	205,256	0	205,256
100	5005	Administrative Services	30,294	91,797	122,091	1,600	123,691
100	6004	City Clerk	20,588	10,814	31,401	0	31,401
100	1008	Planning	111,848	71,116	182,964	0	182,964
100	1010	Engineering	0	25,000	25,000	0	25,000
100	1042	Building	87,669	35,398	123,067	0	123,067
100	2002	Recreation & Comm Services Admin.	239,273	54,383	293,656	0	293,656
100	2010	Building Maintenance	83,290	44,650	127,940	0	127,940
100	2044	Senior Center Services	85,224	35,427	120,651	0	120,651
100	2047	Aquatics Program	32,671	9,548	42,219	0	42,219
100	2062	Planned Recreation	24,258	9,134	33,392	0	33,392
100	2065	Youth Service Bureau	47,733	9,582	57,315	0	57,315
100	2069	Community Teen Center	18,402	38,101	56,503	0	56,503
100	3011	Police Operations	2,236,144	676,274	2,912,417	3,000	2,915,417
100	3041	Animal Control	34,360	25,652	60,012	300	60,312
100	4010	Park Landscape Maintenance	87,462	61,089	148,551	0	148,551
Sub-Total General Fund			3,240,414	1,404,186	4,644,599	4,900	4,649,499
Enterprise Funds							
410	5005	Water	224,455	213,479	437,935	2,000	439,935
410	5006	Water	0	165,000	165,000	0	165,000
410	4041	Water Operations	423,231	472,874	896,106	50,000	946,106
420	5005	Sewer	163,027	182,961	345,988	2,000	347,988
420	5006	Sewer	0	265,908	265,908	0	265,908
420	4042	Sewer Collection & Operations	347,668	449,076	796,744	5,000	801,744
430	5005	Solid Waste (Refuse)	143,380	956,437	1,099,816	2,000	1,101,816
470	4047	Storm Drain Maintenance & Operations	41,695	28,185	69,880	0	69,880
Sub-Total Enterprise Funds			1,343,456	2,733,921	4,077,376	61,000	4,138,376
Internal Service Funds							
500	4050	Vehicle/Equipment Mtn & Replacement	87,638	324,189	411,827	142,000	553,827
510	5051	Technology Maintenance & Replacement	18,802	25,915	44,716	25,000	69,716
Sub-Total Internal Service Funds			106,439	350,104	456,543	167,000	623,543
Special Revenue Funds							
100	3050	SLESF Grant	100,000	0	100,000	0	100,000
100	3999	Safety Grants, Contracts and Projects	39,888	22,625	62,513	0	62,513
110	1011	CIP Administration	0	0	0	0	0
170	1007	General Plan Updates	0	0	0	0	0
730	2046	Senior Nutrition Site Management	22,633	5,453	28,086	0	28,086
750	4075	Lighting & Landscaping District 1	134,833	77,797	212,630	0	212,630
800-850, 870	408x	Street Maintenance, TDA and Other	121,376	181,385	302,761	27,000	329,761
860	2049	Community Transit	114,815	8,362	123,176	0	123,176
880	4088	Street Maintenance, Operations & Admin	271,903	127,901	399,805	0	399,805
Sub-Total Special Revenue Funds			805,448	423,523	1,228,971	27,000	1,255,971
Capital Project Funds							
100	8000	Parks, Facilities & Equipment	0	0	0	133,000	133,000
120	8000	CDBG Construction	0	0	0	238,722	238,722
140	8000	Facilities Construction	0	0	0	401,435	401,435
410, 520-540	8000	Water Construction	0	0	0	3,868,205	3,868,205
420, 550-570	8000	Sewer Facilities Construction	0	0	0	0	0
480, 490	8000	Storm Drain	0	0	0	6,000	6,000
580, 590	8000	Parks Construction	0	0	0	40,716	40,716
780	8000	Parks Construction	0	0	0	0	0
800, 830, 880-920, 95	8000	Street Construction	0	0	0	3,933,116	3,933,116
Sub-Total Capital Project Funds			0	0	0	8,621,193	8,621,193
Grand Total All Funds			\$5,495,757	\$4,911,733	\$10,407,490	\$8,881,093	\$19,288,583

Appendix B – GANN Appropriations Limit Resolution

RESOLUTION NO. 15-33

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE 2015/2016 FISCAL YEAR PURSUANT TO ARTICLE XIII B OF THE CONSTITUTION OF CALIFORNIA

WHEREAS, Article XIII B of the California Constitution requires the City to set its appropriations limit on an annual basis; and

WHEREAS, the City's appropriations limit is to be adjusted annually, based upon inflation and population growth; and

WHEREAS, the City Council may choose the method of calculating adjustments to the City's appropriations limit on an annual basis. For inflation, pursuant to Article XIII B, section 8(e)(2), adjustments to the appropriations limit may be calculated using the percentage change in per capita personal income from the preceding year because of local nonresidential new construction. For population growth, pursuant to Government Code section 7901 (b), the City may use the percentage growth in its jurisdiction; and

WHEREAS, pursuant to Article XIII B of the California Constitution, and those Government Code sections adopted pursuant to Article XIII B, section 8(f), the City Council chooses to adjust the City's appropriation limit by calculation inflation using the percentage change in per capita personal income from the preceding year and calculating population growth by using the percentage change in population in the City of Kerman; and

WHEREAS, as a result of the adjustments made to the City's appropriation limit as shown in Exhibit 'B', the City Council sets the appropriations limit for fiscal year 2015/2016 at \$13,820,222.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN that the appropriations limit for the 2015/2016 Fiscal Year for the City of Kerman is established at \$13,820,222, as set forth on Exhibit "B" attached hereto and made a part hereof by this reference.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 17th day of June 2015, and passed at said meeting by the following vote:

AYES: Nijjer, Yep, Armstrong, Fox, Hill
NAYS: None
ABSENT: None
ABSTAIN: None



Stephen B. Hill
Mayor

ATTEST:



Marci Reyes
City Clerk

GANN REVENUE LIMIT

The original Article XIII and its implementing legislation Chapter 1205/80 were modified by proposition III and SB 88 (Chapter 60/90). Beginning with the 1990/91 Appropriations Limit, the annual adjustment Factors were changed. Instead of using the lesser of California Per Capita Income or U.S.C.P.I to measure Inflation, each City may choose:

The growth in California Per Capita Income or

The growth in the non-residential assessed valuation due to new construction within the City

2014/15 REVENUE LIMIT - \$ 13,289,123

Per City of Kerman, City Council Resolution No.14-42

2015/16 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2015 14,314

January 1, 2014 14,289

0.17% increase

LOCAL ASSESSMENT ROLL***

2013/2014 Gross Assessed Value

Secured

561,526,779

Unsecured

26,272,532

CHANGE IN PERCAPITA PERSONAL INCOME*

2015/2016 3.82%

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income

1.0017 x 1.0382 = 1.0400

TOTAL 2015/2016 ESTIMATED REVENUE

PROCEEDS OF TAXES

5,483,433

NON-PROCEED OF TAXES

5,739,000

TOTAL APPROPRIATIONS 2015/2016

\$ 11,222,433

TOTAL 2015/2016 ESTIMATED REVENUE

EXEMPT FROM LIMIT

5,483,433

2015/2016 REVENUE LIMIT

\$ 13,820,222

2015/2016 REVENUE SUBJECT TO LIMIT

5,483,433

AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS

\$ 8,336,789

* Data provided by State of California, Department of Finance

***Data provided by Fresno County Assessor's Office



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