



Service



Safety



Livability



CITY OF KERMAN

FISCAL YEAR 2014/15

ADOPTED OPERATING AND CAPITAL BUDGETS

A Place Where "Community Comes First"

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FISCAL YEAR 2014/15
ADOPTED OPERATING BUDGET
City Council



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Adopted June 18, 2014

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CITIZEN'S GUIDE TO THE BUDGET

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The Citizen's Guide to City of Kerman's 2014/15 Operating Budget is a dedicated approach in providing transparent information to residents and other interested parties. The below questions and answers provide guidance as you review this document.



Citizen's Guide

Q. This document is very large. Where should I start?

A. Start with the City Manager's message on [Page 6](#). This outlines the priorities for the year and identifies major issues facing the City.

Q. What are the City's goals? What did the City accomplish last year?

A. The City's Goals, Objectives and Action are listed on [Page 21](#). Departmental accomplishments are listed within each department's narrative, beginning on Page 64.

Q. Where do I find where the City gets its money?

A. An overview of City's major revenues begins on [Page 24](#), in the Budget Overview section. A breakdown of the revenues for the General Fund, Enterprise Funds, Internal Service Funds and Special Revenue Funds can be found on Pages [27](#), [39](#), [47](#) and [53](#), respectively.

Q. How does the City spend its money?

A. A list of general fund expenditures by department is on [Page 35](#). Beginning on [Page 61](#) is a breakdown by department of each of the City's services.

Q. What about capital projects like streets and parks?

A. A summary list of capital improvement projects begins on [Page 117](#) which is in the Capital Projects section of this budget document.

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INTRODUCTION

City Manager Transmittal Letter

June 18, 2014

Honorable Mayor and City Council Members:

I am pleased to present for your consideration the Fiscal Year 2014-15 Budget for the City of Kerman. The budget reflects a balanced spending plan without the need to use reserves for ongoing operating expenditures. 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) for the Fiscal Year 2013/14 budget on its first submittal. The budget was reformatted last year to be more user-friendly, informative, and transparent. I wish to thank key staff for their dedication and team work in reformatting the budget document. We hope this year's budget continues in that same tradition.

I would also like to point out that Standard and Poor's increased its bond rating for Kerman from A- to A this year due to the City's strong reserves and prudent financial planning. This reinforces the City Council's ongoing commitment to ensuring that the City is on a solid financial footing.

Despite the current economic climate, the City is in relatively good financial shape, especially when compared to the fiscal challenges faced by many cities. As reflected in the budget, service and staffing levels are maintained while investment in critical infrastructure continues.

Nearly five years after the Great Recession, the U.S. economy continues on a slow path of recovery. The economy shrank a full one percent for the first three months of the year. Home sales and prices have begun to decelerate. The one bright spot is that the job market continues to improve. These mixed signals reflect an ongoing uncertainty with the pace and strength of the economy's recovery.

Although the state economy is strengthening, the unprecedented three-year drought could have implications for the agricultural-based economy in the Central Valley as farms are left fallow due to lack of water. The ripple effect could prove dire for many Valley communities if the drought continues into a fourth year or beyond.

Other factors impacting local governments include changes to pension contribution rates and the impacts of the Affordable Care Act on the health insurance industry. These two employee benefits must be part of an elongated view in order to carefully evaluate their impacts in the years to come.

Given the uneven pace of recovery and other uncertainties, the theme for this year's budget is "Maintaining Fiscal Discipline". The budget reflects an understanding that maintaining fiscal sustainability is imperative if the City is to continue to provide core public services today and in the future. These factors cause us to proceed cautiously as we plan for any increase in service levels.

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

1. Balance expenditures with recurring revenues to ensure long-term fiscal sustainability.
2. Prepare a long-range financial forecast to evaluate future trends.
3. Track sale tax revenues on a quarterly basis to understand the health of the all business segments.
4. Maintain core public services that enhance “Service. Safety. Livability.”
5. Invest available resources to maintain, improve and expand City assets and critical infrastructure.

In summary, the budget provides a comprehensive overview of the City’s activities and programs during the twelve-month period beginning July 1, 2014. The total recommended operational expenditures for the General Fund are \$4,265,502 for Fiscal Year 2014/15. This represents an increase of \$290,068 or seven percent above the Fiscal Year 2013/14 Adopted Budget of \$3,975,434. Total General Fund revenues for FY 2014/15 are projected to be \$4,495,234, which is \$97,762 higher than the Fiscal Year 2013/14 Adopted Budget of \$4,397,472.

FY 2014/15 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 expenditures over time rather than deal with any structural deficits yearly. The general fund revenues are based on projections prepared by MuniServices and expenditures are based on the average growth over the previous ten years. The projections limits any programmatic or personnel growth to what that 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.
- Structurally Balanced Budget. The budget presents a balanced spending plan with revenues (\$4,495,234) in excess of expenditures (\$4,265,502) of \$229,732. However, the long range financial forecast shows a smaller annual surplus in the General Fund primarily due to higher PERS contribution rates and normal merit step increases.
- Expanding General Fund Reserves. The budget is projected to grow reserves for the third consecutive year. General Fund Reserves are projected to increase from \$2,084,425 as of June 30, 2013 to \$2,681,869 by June 30, 2014. This is primarily due to slightly higher sales tax revenues, transfer-in of revenues to administer the Successor Agency, and one-time revenue from a settlement reached with the County of Fresno. General Fund Reserves represent about sixty-three percent of General Fund expenditures. These reserves are critical to cover any unanticipated revenue shortfalls that may occur during the fiscal year and/or fund needed investments in capital assets. A General Fund Reserve Policy will be prepared and presented to the Council to set-aside reserves in four categories: Emergency Operating Reserve, Revenue Stabilization Reserve, Capital Facilities Reserve, and Unassigned Reserve.

- **General Fund Revenues Continue to Grow.** Total General Fund Revenue is estimated to be \$4,320,234, which represent an increase of four percent or \$172,762 compared to revenues in the Fiscal Year 2013/14 Adopted Budget of \$4,147,472. Sales tax revenue is projected to jump by \$97,000 or a 6 percent increase compared to the Fiscal Year 2013/14 Adopted Budget. This is largely due to including a full year of projected revenue for the new Walmart, which opened in the middle of August 2013.
- **PERS Contribution Rates.** The CalPERS Board approved two major changes earlier this year. The first was the adoption of a new fifteen year smoothing policy and the second was mortality rate adjustments. Both will result in a ramp up of employer contributions beginning in FY 2014/15 and again in FY 2016/17. Although the long range financial projections show that the City can absorb these increases, there is little room for expanding core services in the near term and an economic downturn may adversely affect revenues.
- **Investments in Capital Assets.** The budget includes investment of \$4.7 million to capital assets including streets, water, sewer, parks, other facilities and equipment. These projects include major street repairs such as the Vineland Avenue widening project; remodel of the animal kennel; and completion of the Katey’s Kids neighborhood park. Capital projects are funded by a variety of special revenue funds such as local transportation funds, state and federal funds, enterprise funds, development impact fees, and the general fund.

Where We Stand Today

As we focus on our theme of “Maintaining Fiscal Discipline”, it is important to understand what the economic outlook is for the national, state and local economy.

As noted above, the pace and strength of the U.S. economic recovery is uneven. Despite a slow start in the first quarter of this year the U.S. economy is expected to grow by 3 percent. California is also poised to experience sustained expansion with total employment growth of 1.8 percent in 2014. Locally, Kerman is expected to experience steady revenue growth due to new commercial development and single-family housing is showing signs of a soft comeback.

National Level

Nearly five years after the Great Recession ended, the U.S. economy reached a milestone in May when all of 8.8 million private-sector jobs lost during the downturn were regained. With 217,000 jobs created in May, the private sector has now hired 8.9 million workers.

The job gains in May are the fourth consecutive month that non-farm payroll increased more than 200,000, fueling hope of accelerating growth after a slow start for the year. The U.S. unemployment rate stood at 6.3 percent in May.

The strengthening labor market has resulted in higher consumer confidence in the economy. The U.S. Confidence Board reported that consumer confidence rose to 83 in May from 81.7 in April. For historical perspective, confidence bottomed out at 25.3 in February 2009 but regularly topped 90 before the recession. Consumers feel more upbeat about future economic and job growth, which is a good indicator since consumer spending represents 70 percent of all economic activity.

The Bureau of Labor Statistics predicts the U.S. jobless rate will remain in the low 6 percent at the end of 2014 and edge slightly upward to 6.7 percent by the end of 2015. Although the economy contracted by -0.1 percent annual rate in the first quarter of 2014 due to unseasonably harsh weather, many economist predict that the economy will grow around 3 percent overall this year. As the job market improved, the Fed reduced the in bond buying program to \$55 billion in May and reaffirmed its plan to keep short-term rates low to help support the growing economy.

The U.S. housing sector is showing signs of normalization as price gains have decelerated, inventory of existing homes continues to rise, and builder confidence has dipped. Home prices were up around 12.4 percent in March but dipped from 12.9 percent in February, according to S&P/Case-Shiller's index. Inventory of existing homes rose for the fourth month in a row in during March, climbing 4.7 percent to 1.99 million properties for sale. That represents a 5.2-month supply at the current sale rate, an increase from February's 5.0-month supply. A 6.0-month supply is normally considered as a healthy balance between supply and demand.

Despite solid job gains, historically low interest rates and affordability, confidence among homebuilders dropped to the lowest level in a year. The National Association of Home Builders/Wells Fargo builder sentiment gauge fell to 45 in May, the weakest since May 2013, compared to a reading of 46 in April. A reading above 50 indicates that builders expect growth in the housing sector. Tight credit conditions for home buyers and the fact that builders in many markets are facing a limited availability of lots are factors believed to be holding up a more robust recovery.

On the bright side, home building is up and distressed sales are down. As reported by the Census Bureau, housing starts surged by 13.2 percent in April to a seasonally adjusted annual rate of 1.07 million, up from 947,000 in March. However, the gains came largely from multi-family construction, where starts rose almost 40 percent from March. Single-family starts were up 0.8 percent to an annual rate of 649,000.

Regarding distressed sales, the National Association of Realtors reported a 29 percent drop in the share of sales of distressed homes to just 18 percent of all sales in April, the lowest reading since 2008. And the number of mortgage on which lenders initiated foreclosure in March fell to the lowest level in 7 1/2 years, according to data from the mortgage research firm Black Night Financial Services. Banks initiated foreclosure on 88,000 properties in March, down more than 27 percent from a year ago, and well below the high of more than 316,000 in March 2009.

State Level

California's economy continues to gain momentum. From job gains, better revenues, to improved housing sector, the state appears to be experiencing a sustained economic recovery. First, California led the nation with 56,100 jobs added in May, dropping the unemployment rate to 7.8 percent. With more than 1.3 million jobs added since the recovery began in February 2010, California has recaptured 95 percent of the nearly 1.4 million jobs it lost during the Great Recession.

Second, California's budgetary condition is stronger than at any point in the past decade. According to the Legislative Analyst's Office (LAO) Outlook for California, the LAO forecasts the State's operating surpluses to be \$5.6 billion in fiscal year 2014-15, peak at \$9.6 billion in 2017-18, and remain stable at just under \$10.0 billion through 2019-20.

"The state's structural deficit—in which ongoing spending commitments were greater than projected revenues—is no more."

-Mac Taylor, Legislative Analyst

The LAO projects, under current policies, that the state is expected to end fiscal year 2013/14 with a \$2.4 billion reserve, double the \$1.1 billion reserve projected at the start of the fiscal year. Even with the phase out of the temporary taxes authorized by voters by Proposition 30 in 2018-19, the LAO maintains an optimistic outlook for the state's finances based on continued economic growth.

Third, housing starts and prices continue to accelerate due to limited supply of existing homes. For example, the housing inventory tightened in March, with the available supply of existing, single-family detached homes for sale dropping to 4 months, down from February's Unsold Inventory Index of 4.7 months. The index was 2.9 months in March 2013. A six-to seven-month supply is considered normal.

The imbalance between supply and demand is fueling development of new residential subdivisions as inventory drops and existing lots disappear. The California Building Industry Association reported that new housing starts grew by 36 percent in April compared to March. A total of 9,372 housing permits were issued in April, up from 6,326 in March. Single-family units represented 33 percent of the all units produced.

The lack of existing homes for sale is also impacting home prices. The California Association Realtors (C.A.R.) reported that the statewide median price of an existing, single-family detached home reversed a two-month decline and rose 7.7 percent from February's median price of \$404,250 to \$435,470 in March. Coincidentally, the California's median home price has soared more than 74 percent from \$249,960 in January 2009 to \$435,470 in March 2014.

Consistent with the national trends, the number of distressed homes sold in California declined precipitously from 69.5 percent in January 2009 to 15.6 percent in March 2014.

California appears to be on a sustained economic recovery.

Local Level

The local economy has shown some improvement over the course of a year. According to the State Employment Development Department, the jobless rate in Fresno County dropped more than a percentage point in April to 12.1 percent. The unemployment rate for the City of Kerman in April was 16.2 percent, slightly lower than May (18.38 %), but down from a high of 20.6 percent in 2011.

The price of a median home in Fresno County stood at \$192,880 in April, down 4.6 percent from \$202,100 the prior month and up 10.9 percent from \$173,860 a year ago as reported by the California Association of Realtors.

The available supply of homes increases slightly, but remains tight. In March the unsold inventory index for existing owned homes increased from 5.2 months in February to 5.8 months in March. In a normal market the supply of existing homes available for sale should be 6 months.

Consistent with national trends, distressed sales in Fresno County dropped. According to the California Association of Realtors, distressed sales were down to 19 percent of all home sales in Fresno County in April. That compares to 22 percent in March and 38 percent in April 2013.

These positive trends in housing and unemployment bode well for the City of Kerman. The City has experienced a steady increase in sales tax revenue and housing construction is showing signs of life. As noted in the highlight section above, sales tax revenues are projected to increase by 6 percent in FY 2014/15 compared to FY 2013/14 Adopted Budget. The projected increase in sales tax revenue is based on a full-year collection of sales tax from Walmart, which opened in the middle of August 2013. In addition, a new Taco Bell opened in December 2013 and a new 8,125 square foot commercial building to be anchored by Panda Express is under construction, which is expected to open in August of this year.

On the housing front, local builders recently purchased 15 finished lots in two separate subdivisions. One builder has already pulled three building permits and expects to begin construction in July. Another out-of town home builder is in negotiations to build out 105 bank-owned finished lots. This activity is a very positive sign that demand for housing in Kerman is growing.

The one unknown for the local economy is the effects of drought. The state is in a third year of drought conditions which prompted Governor Brown to declare an emergency drought for the entire state earlier this year. Agriculture is a dominate industry in the Central Valley and the lack of water will have significant impacts on jobs, food and shelter for those effected. As many as 500,000 acres of farm land have been fallowed and up to 14,500 full time and seasonal jobs could be lost as a result of the drought.

While the federal government and some state governments can become mired in budget gridlock, local governments are almost universally compelled to enact balanced budgets. It is at the local level where streets, utilities, public safety, recreation, and all the activities of municipalities converge in the politics and policy making of everyday life.

- Jeremy M. Goldberg and Max Neiman

Should the drought continue into a fourth year or beyond, local sales tax revenues could be adversely impacted since two of the City's top sales tax generators provide taxable chemical products to the agricultural industry. Quarterly sales tax data will be monitored carefully to determine the effects of the drought on local sales tax revenues.

The Road Ahead

As discussed above, the economy is showing signs of sustainable recover. As we look to establishing a solid foundation for the future, the focus will be on several key areas:

Housing Construction

There are real indications that single-family housing construction is perking up. With 120 finished lots currently purchased or under contract for development by homebuilders, the second half of 2014 may be the best year for new housing in as many years.

New housing construction is a critical engine for the economy as it adds about 2 construction-related jobs for every new home built. Housing also generates revenues to the City by way of building permits, which helps offset the cost of the City's Planning and Development Services functions. With an inventory of nearly 300 finished lots that are ready to build, Kerman is poised to accommodate pent up demand.

Retail Development

The new Walmart has attracted some smaller commercial projects on two of the three outlots within the development. Taco Bell opened in December of 2013 and a new 8,125 square foot retail center to be anchored by Panda Express including four tenant spaces is under construction. The performance of these retail developments and the overall growth of sales tax in the community will be closely monitored.

Health Care and Pension Contributions

The Affordable Health Care Act was fully implemented this year. With over 8 million signed up for coverage by the May 30 deadline, the impacts on the health benefits and costs moving forward remain unclear. Many states refused to participate in health-exchanges and about 28 percent of those who bought policies were young people between the ages of 28 and 34, far below the 40 percent considered optimal for the program to reduce costs.

Any major impacts or changes to benefits and premiums may not be realized until 2015 or beyond because the program is still in its infancy. Although Kerman has done a good job managing health care benefits and costs, the fluidity in the health care industry has caused the City to change providers in 2013 and again in 2014. Unfortunately, this may be the norm for years to come.

The CalPERS Board enacted two significant changes this year. The first change addressed rate stabilization ("smoothing") and the second action addressed an adjustment to mortality tables because members are living longer than originally projected. These changes will have an effect on employer contribution rates beginning in FY 14/15 for the new rate smoothing and in FY 16/17 for the new mortality rate adjustments. Both contribution rate adjustments will ramp up over five years, stabilizing rates for ten years, and then ramp down over five years.

Preliminary projections estimate that rates for the bargaining groups would increase for the Miscellaneous Employees from 8.005% in FY 2014/15 to 18.005% in FY 2020/2021 and for Public Safety Employees from 15.37% in FY 2016/17 to 32.32% in FY 2020/2021. These new rates have been factored into the Five-Year Financial Forecast.

As customary, PERS and health care costs will be closely monitored and necessary adjustments will be evaluated and recommended accordingly.

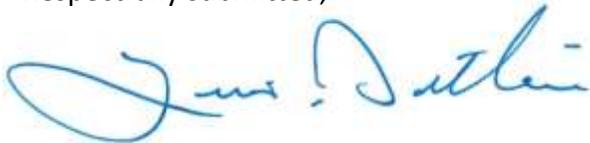
Conclusion

The Fiscal Year 2013-2014 Budget presents a balanced spending plan consistent with the goal of "Maintaining Fiscal Discipline". Although the road ahead is filled with uncertainty, the City Council and staff remain focused on ensuring that the City is on a sound fiscal path in order to continue to provide a high quality of core public services today and into the future.

All City employees deserve credit for doing an outstanding job providing a high level of service to the community. Their hard work and dedication in keeping the City clean and safe is consistent with the tradition of ensuring that Kerman is a Place "Where Community Comes First". I am proud to be a part of this outstanding team.

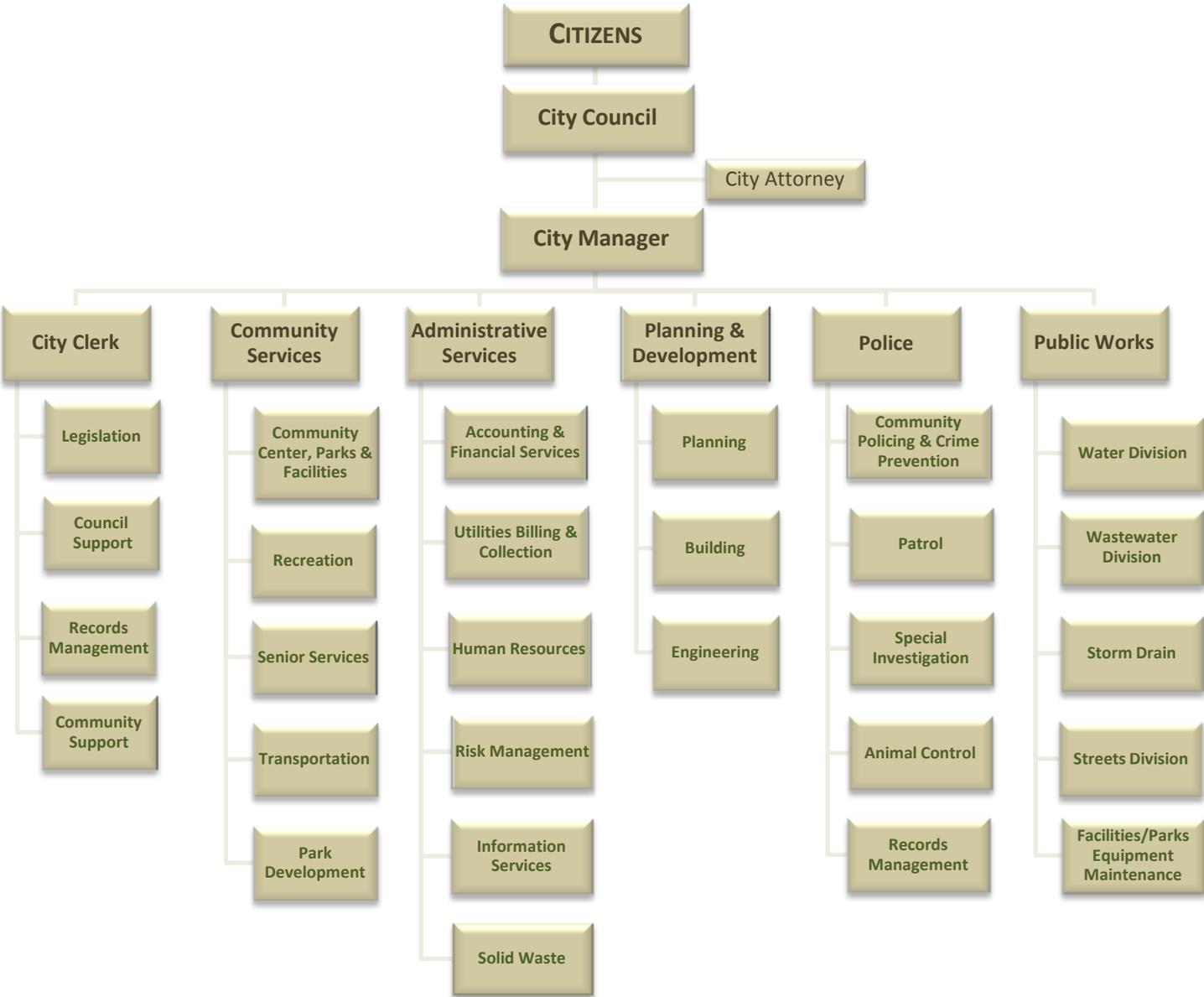
On behalf of the staff, I want to thank the City Council for the opportunity to work together in carrying out the programs and services contained in the budget aimed at preserving and enhancing the quality of life for our residents.

Respectfully submitted,



Luis Patlan
City Manager/
Director of Planning & Development

Organizational Chart



Demographics

Incorporated: 1946

Government: The City of Kerman operates under the Council-Manager form of government. It is governed by a five-member City Council; councilmembers elected for four-year terms and the Mayor is elected for a two-year term. The Council sets policy and adopts the annual budget. It also appoints the City Manager, City Attorney and City Clerk.

Population: Kerman's population is 14,339 as of May 2014 with an average household size of 3.67 and the median age being 28.2.

Location: 15 miles west of Fresno, 125 miles north of Bakersfield and 180 miles south of San Francisco.

County: Kerman is located in Fresno County.

Area: 3.233 square miles.

Elevation: 220 feet above sea level.

Credit Rating: 'A' Stable - as of April 2014.

Parks: 11 developed parks totaling 42 acres with an addition of 5 acres of undeveloped land for 2 future neighborhood parks.

Housing Growth: Single-family housing is on the rebound as low inventories of existing homes and demand have created greater interest in new housing projects. During the past fiscal year 7 permits were issued. A 57% increase from the previous year.

Household Income: The median household income is \$46,834 (2012).

Median Home Price: Average median home price in 2014 is \$177,528.

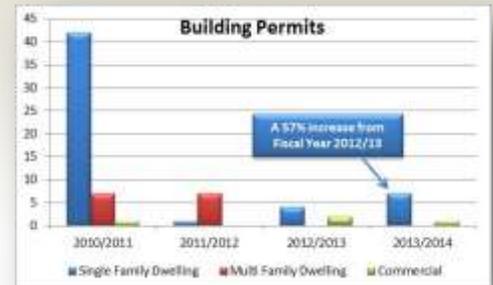
Total Housing Units: A total of 4,068 housing units with 55% owner-occupied, 39% rental housing and 6% vacant units.



Old Kerman City Hall, Police Station and Water/Sewage Department Circa 1950



Entrance to Kerman – Hwy. 145



Housing Growth on the Rebound



Wooten Park



Kerman Housing

Education/Schools: The community is served by the Kerman Unified School District (KUSD), a District of approximately 4,840 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 (KUSD) 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 Walmart, Taco Bell, and Panda Express with ancillary leasable tenant space. Industrial expansions include Panoche Creek Packing, which is adding an additional 115,000 sq. ft. of warehouse space, and 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.



Kerman High School



Kerman Walmart



Kerman Taco Bell



MEC Ariel Platform

Kerman’s Largest Employers

Name of Business	Product/Service	Employees
Kerman Unified School District	Education	475
Walmart – Kerman	Retail	250
Mid Valley Disposal	Solid Waste/Recycling	180
Panoche Creek	Almond Packer	160
MEC Ariel Platform	Ariel Lift	135
City of Kerman	Municipal Government	64
Sebastian	Communications	57
Helena Chemical	Chemical	50
Hall Ag Enterprises	Labor Contractors	40

Data Source

Population: Department of Finance California Population Estimates – May 2014

Credit Rating: Standard and Poor's Rating Service – April 2014

Parks: City of Kerman Parks and Recreation Department

Education: Kerman Unified School District

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

Housing median Sales Price and Number of Sale: Realtor.com 2014

Housing Units: Fresno Council of Governments

City Development: City of Kerman Planning and Development Department

Building Permits: City of Kerman Planning and development Department

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

The budget is a spending management plan for the City's financial resources. Through the use of these resources, services are provided to meet the needs of Kerman's residents and businesses.

The City's annual budget process begins in January and concludes in June when the final budget is adopted. The operating and capital budgets are developed by the City Manager and the Finance Director, with input from each Department Head.



Budget Process

Budget Calendar

January: Operating budget preparations begin with the analysis of the current year's Mid-Year Budget Review, which helps to determine the base budget for the following year. The base budget excludes one-time revenue and expenses from the prior year. Budget guidelines and instructions are finalized and distributed to each Department Head. Departments may reallocate staffing and non-salary resources for the upcoming year to meet the changing demands placed on service delivery.

February: The budget template is distributed to all departments for input.

March: Departments submit their budget requests to the Finance Director for review and analysis. An analysis on the Enterprise Funds expenditures and revenue projection is performed and a recommendation on utility rate increases if necessary are determined by the Finance and Public Works Directors. Proposed rates and preliminary enterprise budgets are presented to the City Manager.

April: Each City department meets with the City Manager and Finance Director to review the requests. After a series of rigorous discussions, budget proposals are prioritized, refined, compiled and integrated into the recommended preliminary budget to be presented to the City Council.

April: Proposed utility rate changes are presented to Council the first meeting in April for review and direction, and a public hearing date is set in June by the City Council.

May: The preliminary budget is presented to City Council and any recommended changes are incorporated into the final budget.

June: A public hearing for utility rate changes is held at the first meeting in June and if adopted rates become effective July 1st. The proposed final budget document is compiled and edited and then formally presented to the City Council by the City Manager and Finance Director. Final adoption occurs at the second City Council meeting in June. If any changes are made they are incorporated into the adopted budget document which is posted on the City's website.

Community Motto, Mission, Vision Statement, and Core Values

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



Strategic Goals, Objective 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 ▪ Develop policy for use of general fund reserves
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 quarterly reports to Council ▪ Utilize reserve police officers to enhance staffing ▪ Continue customer satisfaction survey
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 ▪ Prepare and distribute bi-annual Development Newsletter
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 supervisorial 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"> ▪ Set up Facebook page for the City ▪ Post salary schedules, job descriptions, MOU contracts on-line ▪ Create web-portal for employees to access personnel related information ▪ Update City's Website

Budget Award

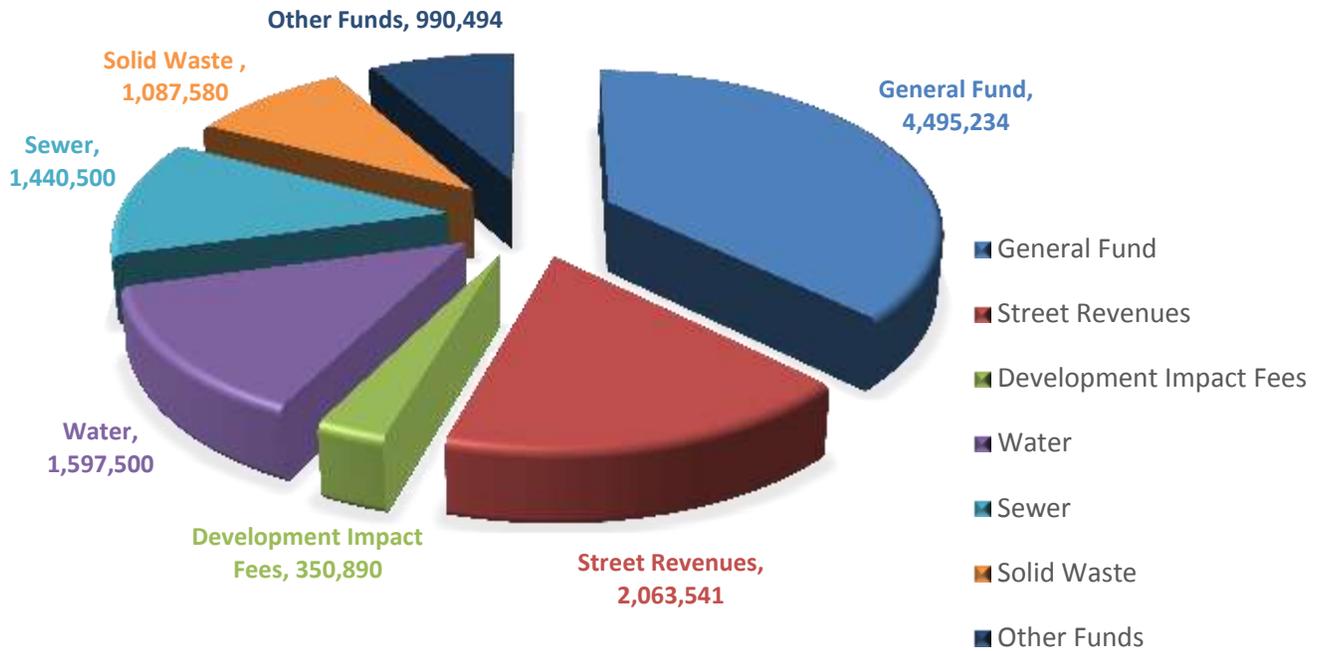
The California Society of Municipal Finance Officers (CSMFO) presented an Excellence in Budgeting Award to the City of Kerman for its annual budget for the fiscal year 2013/14. The CSMFO Budget Awards Program recognizes those agencies that have prepared a budget document that meets certain standards. We are submitting our current budget to CSMFO to determine its eligibility for another award.

The budget award was made possible by the dedication, hard work and team effort put forth by department heads and key staff involved in the budget preparation process.

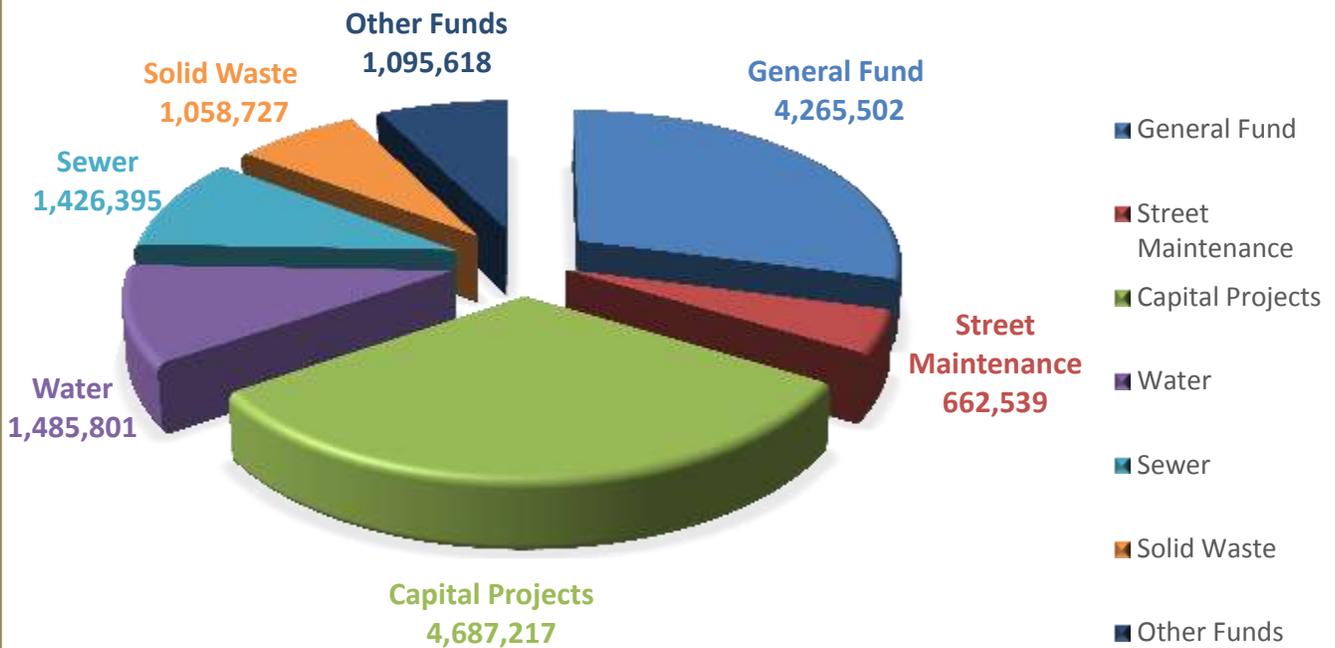


BUDGET OVERVIEW

CITYWIDE REVENUES



CITYWIDE EXPENDITURES



City Summary

City Wide Revenues Summary

Fund	Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year-End	Budget 2014-2015
General Fund						
100	General Fund Revenues	3,711,291	4,116,823	4,397,472	4,588,563	4,495,234
	Sub-Total General Fund	3,711,291	4,116,823	4,397,472	4,588,563	4,495,234
Special Revenue Funds						
100	SLESF Grant	100,000	100,025	100,000	100,000	100,000
100	Safety Grants, Contracts and Projects	0	69,112	0	0	70,556
730	Senior Nutrition Site Management	22,789	14,481	15,144	18,788	14,644
750	Lighting & Landscaping District 1	187,143	193,467	197,200	197,215	209,685
800-850, 870	Street Revenues	1,455,332	1,692,978	1,241,971	1,829,489	2,063,541
860	Community Transit	111,592	101,050	100,000	100,000	100,000
Various	Development Impact Fees	578,480	291,943	349,380	239,115	350,890
	Sub-Total Special Revenue Funds	2,455,336	2,463,056	2,003,695	2,484,607	2,909,316
Internal Service Funds						
500	Vehicle/Equipment Charges to Dept's	426,397	383,790	367,072	448,174	517,008
510	Technology Charges to Dept's	71,696	72,240	81,077	81,327	59,788
	Sub-Total Internal Service Funds	498,093	456,029	448,149	529,501	576,796
Enterprise Funds						
410	Water	1,562,929	1,581,159	1,588,400	1,599,565	1,597,500
420	Sewer	1,189,721	1,298,383	1,401,336	1,404,528	1,440,500
430	Solid Waste (Refuse)	1,020,798	1,063,192	1,086,172	1,086,600	1,087,580
470	Storm Drain Maintenance & Operations	65,997	82,097	72,800	65,515	69,400
	Sub-Total Enterprise Funds	3,839,445	4,024,832	4,148,708	4,156,208	4,194,980
Grand Total All Funds		\$10,504,165	\$11,060,740	\$10,998,024	\$11,758,879	\$12,176,326

City Wide Operational Expenditures Summary

Fund	Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year-End	Budget 2014-2015
General Fund						
100	General Fund Expenditures	3,721,988	3,673,433	3,975,434	3,991,119	4,265,502
	Sub-Total General Fund	3,721,988	3,673,433	3,975,434	3,991,119	4,265,502
Special Revenue Funds						
100	SLESF Grant	100,000	100,025	100,000	100,000	100,000
100	Safety Grants, Contracts and Projects	36,220	57,191	57,200	35,761	70,556
730	Senior Nutrition Site Management	20,095	29,830	24,691	26,433	27,534
750	Lighting & Landscaping District 1	206,564	179,454	178,442	182,013	231,856
800-850, 870	Street Expenditures	538,599	538,938	601,207	579,585	662,538
860	Community Transit	118,770	108,335	118,312	106,833	114,026
Various	Development Impact Fees	5,040	0	0	0	26,000
	Sub-Total Special Revenue Funds	1,025,289	1,013,773	1,079,851	1,030,625	1,232,510
Internal Service Funds						
500	Vehicle/Equipment Expenditures	362,457	460,208	459,108	485,461	500,848
510	Technology Expenditures	44,136	71,262	86,419	62,560	61,103
	Sub-Total Internal Service Funds	406,593	531,470	545,527	548,021	561,950
Enterprise Funds						
410	Water	1,421,653	1,427,308	1,500,029	1,448,483	1,494,361
420	Sewer	1,204,326	1,364,268	1,315,929	1,297,053	1,443,516
430	Solid Waste (Refuse)	979,131	976,314	1,071,982	1,050,745	1,074,135
470	Storm Drain Maintenance & Operations	65,450	63,330	71,445	70,506	72,565
	Sub-Total Enterprise Funds	3,670,561	3,831,220	3,959,386	3,866,787	4,084,577
Grand Total All Funds		\$8,824,431	\$9,049,897	\$9,560,198	\$9,436,552	\$10,144,540

Fund Balance Summary

Fund Balance Summary

Fund	Description	6/30/2014	2014 - 2015 Budget		6/30/2015
		Fund Balance*	Revenue	Expenses*	Balance
100	General Fund	2,651,030.36	4,495,234.00	4,265,502.00	2,880,762.36
110	CIP Administration - DIF	(79,421.01)	9,000.00	-	(70,421.01)
140	Facilities Construction - DIF	(104,826.69)	99,001.00	126,362.00	(132,187.69)
170	General Plan Update - DIF	(53,945.42)	40,253.00	26,000.00	(39,692.42)
300	Jobs/Housing Mitigation - DIF	54,861.88	-	-	54,861.88
410	Water	3,397,138.14	1,597,500.00	1,778,428.00	3,216,210.14
420	Sewer	7,891,263.11	1,440,500.00	1,461,048.00	7,870,715.11
430	Solid Waste	58,550.02	1,087,580.00	1,074,135.00	71,995.02
470	Storm Drain	1,055,547.33	69,400.00	72,565.00	1,052,382.33
480	Storm Drain Acquisition - DIF	(114,701.69)	6,582.00	3,000.00	(111,119.69)
490	Storm Drain Construction - DIF	106,769.53	26,701.00	23,378.00	110,092.53
500	Vehicle Equipment - ISF	338,775.59	517,008.00	500,848.00	354,935.59
510	Technology - ISF	93,753.69	59,788.00	61,103.00	92,438.69
520	Water Front Footage - DIF	206,596.72	15,105.00	70,000.00	151,701.72
530	Water Oversize - DIF	135,688.80	6,591.00	70,000.00	72,279.80
540	Water Major Facilities - DIF	647,634.28	41,642.00	650,000.00	39,276.28
550	Sewer Front Footage - DIF	14,537.92	14,612.00	-	29,149.92
560	Sewer Oversize - DIF	70,768.99	10,938.00	-	81,706.99
570	Sewer Major Facility - DIF	48,657.24	40,183.00	22,000.00	66,840.24
580	Park Development - DIF	(19,487.30)	43,296.00	20,329.00	3,479.70
590	Park Development - Quimby - DIF	30,937.57	12,144.00	20,329.00	22,752.57
730	Senior Site Mgmt./Nutrition	-	27,534.00	27,534.00	-
750	Landscape & Lighting District	24,888.68	209,670.00	231,856.00	2,702.68
800	Streets	(24,981.86)	60,487.00	85,748.00	(50,242.86)
810	Gas Tax - 2105	10,466.04	85,377.00	45,000.00	50,843.04
820	Gas Tax - 2106	(25,803.17)	59,528.00	27,500.00	6,224.83
830	Gas Tax - 2107	267,208.01	86,908.00	354,000.00	116.01
840	Gas Tax - 2107.5	(4,925.82)	3,000.00	-	(1,925.82)
850	SB 325 III	10,962.71	8,959.00	10,000.00	9,921.71
860	Transportation	(23,652.82)	114,026.00	114,026.00	(23,652.82)
870	SB 325 VIII	675,274.08	406,897.00	777,064.00	305,107.08
880	Measure C	63,821.53	368,453.00	359,040.00	73,234.53
910	Major Streets - DIF	21,794.07	30,792.00	15,000.00	37,586.07
920	Major Street Signals - DIF	111,503.27	4,392.00	40,000.00	75,895.27
930	Major Street Railroad - DIF	293,911.65	8,608.00	277,000.00	25,519.65
950	Traffic Congestion Relief	181,136.63	153,773.00	250,845.00	84,064.63

***Unaudited Balances**

***Excludes Depreciation Expense**

DIF - Development Impact Fees

ISF - Internal Service Funds

GENERAL FUND

General Fund Overview

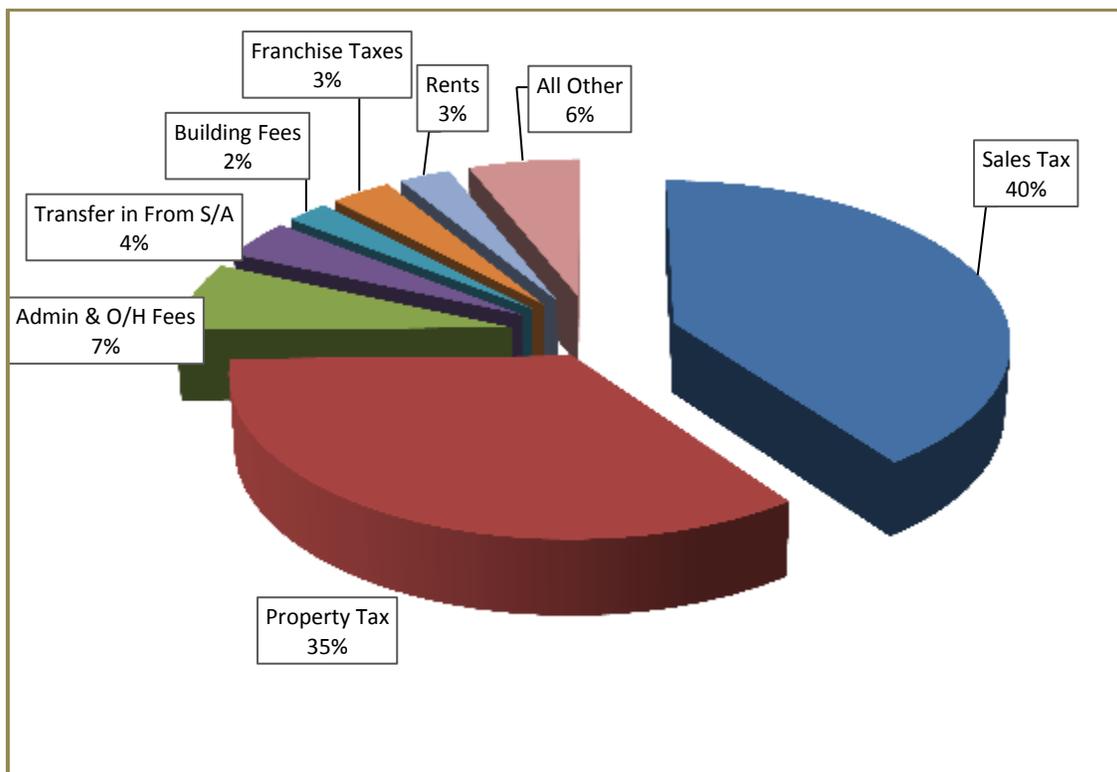
The General Fund covers all expenditure and receipt transactions, except for those special requirements that demand a separate fund account. The accounts of the General Fund reflect the major share of the City's fiscal transactions

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 2014/2015, total General Fund revenues are projected to exceed expenditures by \$229,732 with \$4,495,234 in projected revenue and \$4,265,502 of projected expenditures. Total revenue of \$4,495,234 represents a \$97,762 or 2.22 percent increase from Fiscal Year 2013/2014 adopted budget. Included in this \$4,495,234 is \$175,000 of revenues to be transferred in for administration of the Successor Agency. General Fund expenditures for Fiscal Year 2014/2015 increased from \$3,975,434 in Fiscal Year 2013/2014 to \$4,265,502.

The General Fund's top two tax revenue sources (sales tax and property tax) combined account for \$3,358,554 or 74.7 percent of total projected sources of funds in the Fiscal Year 2014/2015 adopted budget. A summary of General Fund revenues are:

- | | | | |
|------------------------|-------------|-------------------|------------|
| • Sales Tax | \$1,800,000 | • Building Fees | \$ 103,000 |
| • Property Tax | \$1,558,554 | • Franchise Taxes | \$ 150,000 |
| • Admin & O/H Fees | \$ 312,796 | • Rents | \$ 125,172 |
| • Transfer in From S/A | \$ 175,000 | • All Other | \$ 270,712 |



Sales Tax

Sales tax revenues are projected at \$1.8 million, which will exceed sales tax revenues in Fiscal Year 2013/2014. Compared to the Fiscal Year 2013/2014 adopted budget, this reflects an increase of \$97,000 or 5.7 percent. WalMart opened August 2013 and we expect sales tax revenues from this new retailer to continue to level out; however, additional outlots are being developed and slight increases are expected to continue.

Property Tax

Property values have remained relatively stable in Kerman. Fiscal Year 2014/2015 property tax revenue is projected at \$1,558,554 which is \$68,554 or 4.6 percent above Fiscal Year 2013/2014 adopted budget amount, and a 5.6 percent increase over Fiscal Year 2012/2013 actuals. The 2014/15 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 \$990,634 from Tax In-Lieu for year-end 2013/2014 and \$991,470 in fiscal year 2014/2015.

Administration and Overhead Fees

Fiscal Year 2014/2015 revenues are remaining the same as the Fiscal Year 2013/2014 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 2014/2015 budget.

Building Fees

Building Fee revenue is difficult to predict in an environment with stagnant residential development and the possibility for rather large commercial development projects. Although we hope to see an increase in residential development with recent agreements in the Pacific Mountains track and the prospect of further commercial development, we are continuing to make conservative projections for fiscal year 2014/2015. Building Fees are projected at \$50,000 for Fiscal Year 2014/2015, which is the same as fiscal year 2013/2014.

Franchise Taxes

Franchise taxes are projected to stay the same from the 2013/2014 adopted budget. The 2013/2014 adopted budget called for \$150,000 of revenues, and we anticipate meeting that budget with a projection of \$150,800 for year-end 2013/2014 and \$150,000 for Fiscal Year 2014/2015. Franchise taxes are paid to the City of Kerman by PG&E and by the Westside Cities Cable Television Authority.

Rents

Rental income remains fairly stable compared to Fiscal Year 2013/2014 adopted budget of \$126,376 to the 2014/2015 projection of \$125,172. 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 2014/2015 in this category are \$82,250, with Business License revenue of \$65,000 and Vehicle License Fees of \$7,000. This is consistent with estimated 2013/2014 year-end revenues.

Fines and Penalties

In Fiscal Year 2014/2015, Fines and Penalties are made up of Vehicle Code Fines of \$30,000, Towed Vehicle Fees of \$16,000, Parking Fines of \$16,000 and Criminal Code Fines/Booking Fees of \$3,000 for a total of \$65,000. This is consistent with estimated 2013/2014 year-end revenues.

Interest and Miscellaneous Income

Interest Income and other miscellaneous items make up this total budget of \$47,262 in Fiscal Year 2014/2015, which is up by \$3,662 over the Fiscal Year 2013/2014 adopted budget.

Youth and Recreation Program Fees

This revenue category budget has increased from \$36,300 in the 2013/2014 adopted budget to \$45,000 in Fiscal Year 2014/2015, which is an increase of 24%. 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 2014/2015. An unexpected refund was received in Fiscal Year 2013/2014 for \$9,018 from the Employers Risk Management segment of the City's self-insured program.

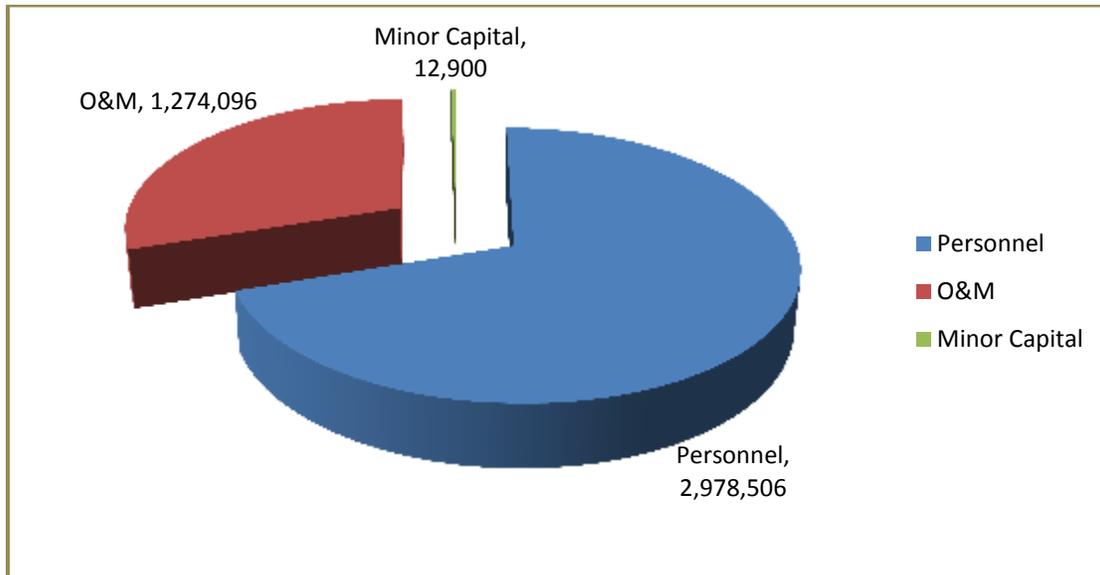
Other Fees for Services

Total Other Fees for Services are projected at \$17,200 for Fiscal Year 2014/2015, with \$4,000 from Police Department Special Services, \$5,000 from Live Scan Finger Printing Fees and \$5,000 coming from Weed Abatement making up the bulk (82 percent) of these revenues. The total of \$17,200 is the same that was budgeted in 2013/2014 adopted budget.

Expenses

Staff is proposing a \$4,265,502 expense budget for the General Fund in Fiscal Year 2014/2015, an increase of \$290,068, or 7.3 percent, compared to the Fiscal Year 2013/2014 adopted budget. Of the total 2014/2015 operating budget of \$4,265,502 within the General Fund, personnel expenses make up \$2,978,506 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 benefits and health benefits (medical, dental, vision, life and long term disability) for current full time City employees. Employer contribution rates for fiscal year 2014/2015 will decrease slightly by 0.04 percent for miscellaneous members and increase slightly by 0.06 percent for safety members to the CalPERS retirement contribution rates in Fiscal Year 2014/2015. There is an overall net decrease of 1.05 percent in employee pension and healthcare costs in Fiscal Year 2014/2015 compared to the FY 2013/2014 budget. This decrease is due to personnel vacancies.

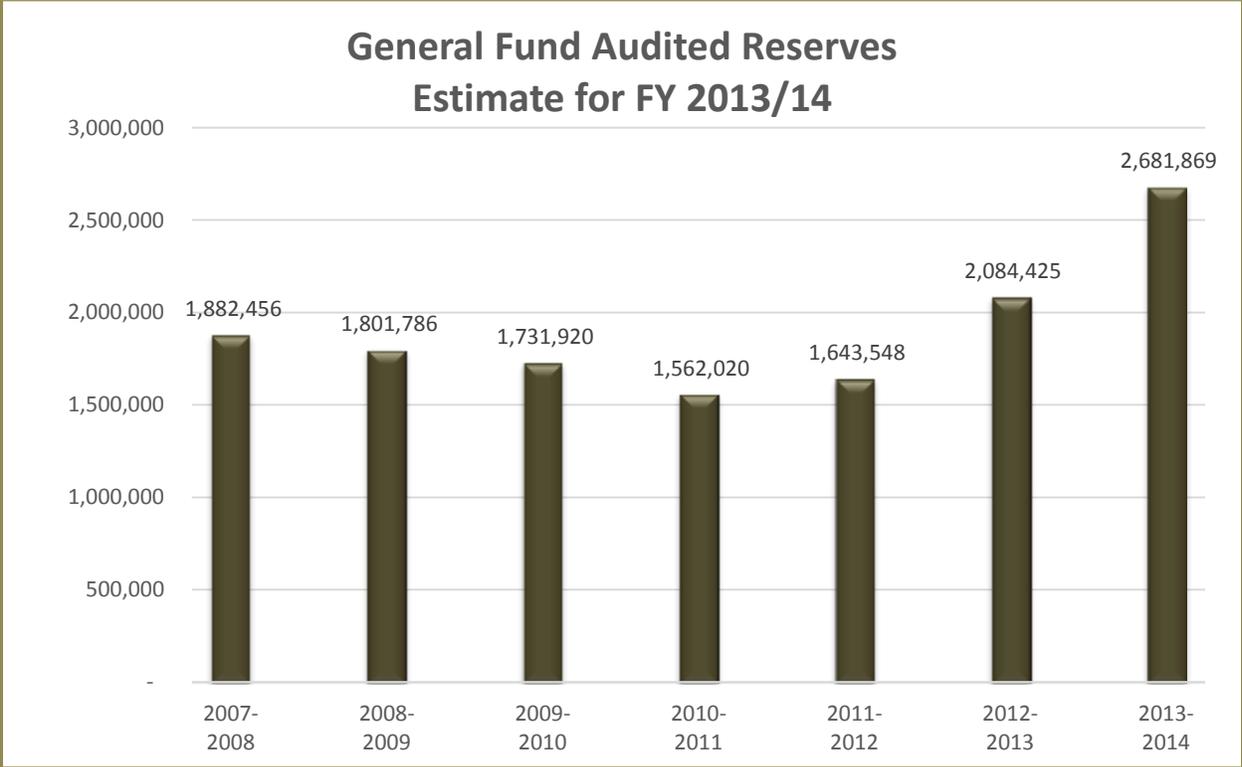
Staffing Levels

No additional positions were added to the fiscal year 2014/2015 budget

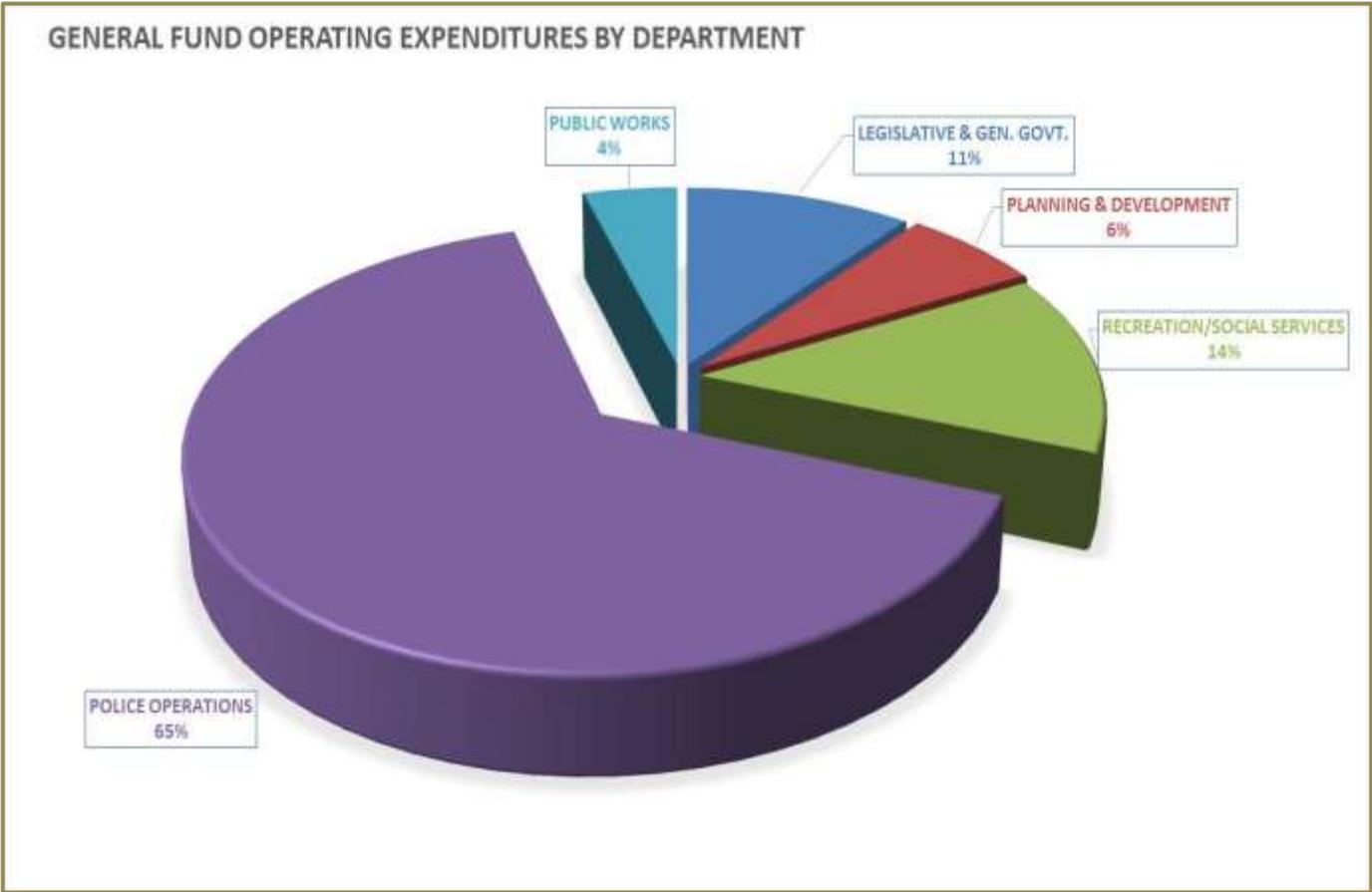
Reserves

The City's estimated General Fund Reserves are estimated to be approximately \$2,681,869 as of June 30, 2014. Based on the 2014/2015 operational budget expenditures of \$4,265,502, revenues of \$4,495,234 (including \$175,000 to be transferred in for administration of the Successor Agency to the former Kerman Redevelopment Agency) and capital expenditures of \$195,000, the projected General Fund Reserves as of June 30, 2014 are \$2,736,601.

General Fund Reserves

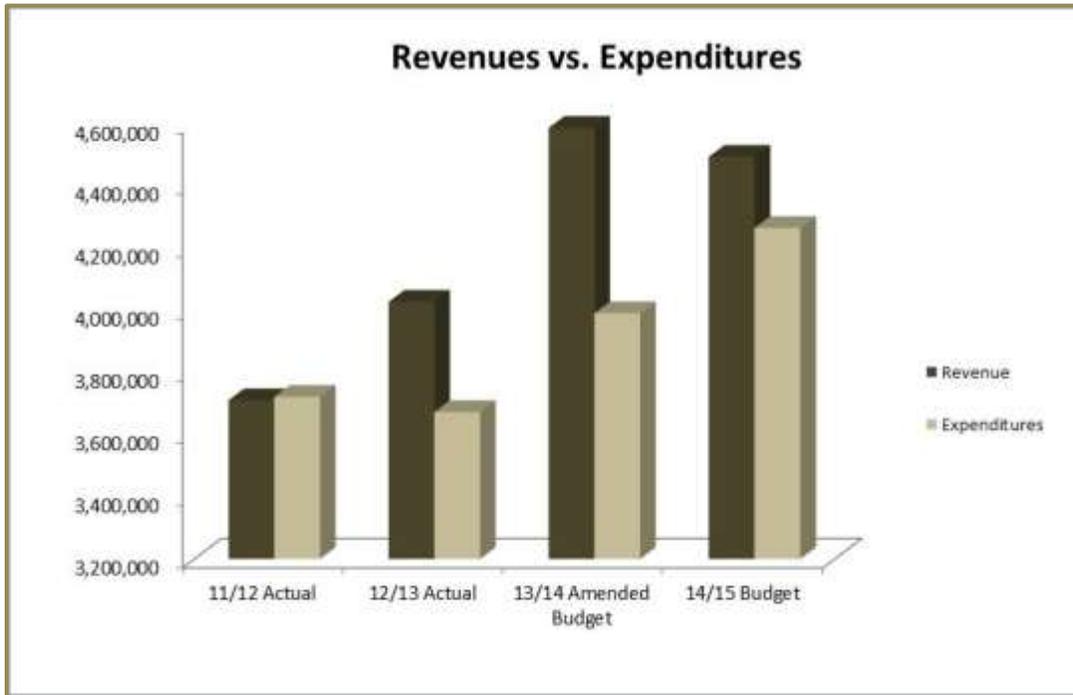


General Fund Operating Expenditures

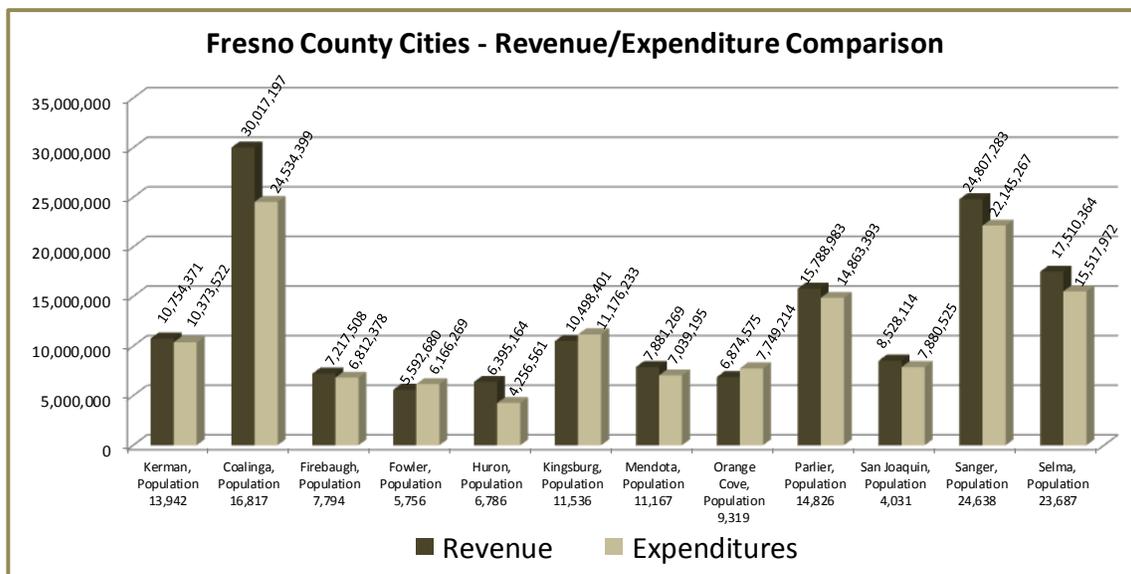


LEGISLATIVE & ADMINISTRATION	\$449,548	10.54%
PLANNING & DEVELOPMENT	\$276,436	6.48%
PARKS, RECREATION & COMM SERVICES	585,970	13.74%
POLICE OPERATIONS	2,766,729	64.86%
PUBLIC WORKS	186,819	4.38%
TOTAL GENERAL FUND OPERATIONS	\$4,265,502	100.00%

General Fund Revenue vs. Expenditures



	Revenue	Expenditures	Excess (Deficit)
11/12 Actual	3,711,291	3,721,988	(10,697)
12/13 Actual	4,028,260	3,673,433	354,826
13/14 Amended Budget	4,588,563	3,991,119	597,444
14/15 Budget	4,495,234	4,265,502	229,732



General Fund Summary

SUMMARY OF GENERAL FUND OPERATIONAL BUDGETS

Activity	Description	Audited	Audited	Adopted	2013/2014	Budget	% of	Incr/Dec (-)
		2011-2012	2012-2013	2013-2014	Estimated	2014-2015	Exp's	2014/15 vs. 2013/14 Budget
LEGISLATIVE & GEN. GOVT.								
6001	City Council	\$31,706	\$21,915	\$30,200	\$22,800	\$30,040		-0.5%
6003	City Attorney	52,056	51,242	50,000	55,000	55,000		10.0%
1002	General Administration	180,005	149,782	229,572	232,839	220,138		-4.1%
5005	Financial Administration	73,649	75,796	104,547	97,562	112,378		7.5%
6004	Legislation	15,907	21,942	29,117	27,141	31,993		9.9%
	TOTAL LEGISLATIVE & GEN. GOVT.	353,324	320,678	443,436	435,342	449,549	10.5%	1.4%
PLANNING & DEVELOPMENT								
1008	Planning	103,934	17,367	110,332	100,931	120,728		9.4%
1010	Engineering	44,818	7,610	25,000	40,000	25,000		0.0%
1042	Building Inspection	158,258	133,830	144,186	132,408	130,709		-9.3%
	TOTAL PLANNING & DEVELOPMENT	307,010	158,807	279,518	273,339	276,437	6.5%	-1.1%
RECREATION/SOCIAL SERVICES								
2002	Recreation Administration	167,078	225,442	224,599	231,061	235,416		4.8%
2044	Senior Center Services	160,514	123,303	111,542	105,440	111,991		0.4%
2047	Aquatics Program	22,860	25,966	23,163	23,863	25,297		9.2%
2062	Planned Recreation	36,466	26,617	29,566	25,375	33,224		12.4%
2065	Youth Service Bureau	33,952	41,270	45,621	38,390	54,230		18.9%
2069	Community Teen Center	141,167	119,758	128,141	123,813	125,811		-1.8%
	TOTAL REC/SOC SERVICES	562,037	562,355	562,632	547,942	585,969	13.7%	4.1%
POLICE OPERATIONS								
3011	Police Operations	2,281,249	2,415,633	2,454,228	2,486,259	2,705,938		10.3%
3041	Animal Control	39,609	34,368	48,347	56,762	60,792		25.7%
	TOTAL POLICE OPERATIONS	2,320,858	2,450,001	2,502,575	2,543,021	2,766,729	64.9%	10.6%
PUBLIC WORKS								
4010	Building/Park Operations	178,760	181,592	187,273	191,474	186,818		-0.2%
	TOTAL PUBLIC WORKS	178,760	181,592	187,273	191,474	186,818	4.4%	-0.2%
	TOTAL GENERAL FUND OPERATIONS	3,721,988	3,673,433	3,975,434	3,991,119	4,265,502	100.0%	7.3%
	TOTAL GENERAL FUND REVENUE	3,711,291	4,028,260	4,147,472	4,217,906	4,320,234		4.2%
	EXCESS (DEFICIT) REVENUE OVER EXPENDITURES	(\$10,697)	\$354,826	\$172,038	\$226,787	\$54,732		
	PERCENTAGE OF TOTAL G/F REVENUE	-0.29%	8.81%	4.15%	5.38%	1.27%		
	TRANSFER IN - ONE TIME SOURCE/SALE OF PROPERTY		88,564	0	0	0		
	TRANSFER IN - ONE TIME SOURCE/PTAF SETTLEMENT			0	120,657	0		
	TRANSFER IN FROM SUCCESSOR AGENCY (S/A)			250,000	250,000	175,000		
	EXCESS (DEFICIT) AFTER TRANSFER IN FROM S/A		443,390	422,038	597,444	229,732		
				\$ 4,397,472		\$ 4,495,234		
						\$ 97,762		
						2.2%		

General Fund Summary

General Fund Revenue Summary

Description	2013-2014				
	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year-End	Budget 2014-2015
Sales Tax	1,161,335	1,434,922	1,703,000	1,699,116	1,800,000
Property Tax	1,451,230	1,476,554	1,490,000	1,530,634	1,558,554
Admin & Overhead Fees	312,446	312,796	312,796	312,796	312,796
Building Fees	225,418	230,081	103,000	109,000	103,000
Franchise Taxes	144,445	156,963	150,000	150,800	150,000
Rents	113,932	120,919	126,376	127,111	125,172
Licenses and Permits	74,384	85,039	82,200	82,700	82,250
Fines and Penalties	62,832	71,047	65,000	62,000	65,000
Interest and Miscellaneous Income	58,514	53,355	43,600	52,583	47,262
Youth and Recreation Program Fees	38,597	33,791	36,300	44,000	45,000
Reimbursements	28,800	35,309	18,000	26,574	14,000
Other Fees for Services	39,358	17,483	17,200	20,592	17,200
Total Recurring Revenues	3,711,291	4,028,260	4,147,472	4,217,906	4,320,234
County of Fresno PTAF Settlement	-	-	-	120,657	-
Transfer In - Successor Agency	-	-	250,000	250,000	175,000
Total Non-Recurring Revenues	-	-	250,000	370,657	175,000
Total General Fund Revenue	3,711,291	4,028,260	4,397,472	4,588,563	4,495,234

General Fund Expenditure Summary

Description	2013-2014				
	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year-End	Budget 2014-2015
City Council	31,706	21,915	30,200	22,800	30,040
City Attorney	52,056	51,242	50,000	55,000	55,000
General Administration	180,005	149,782	229,572	232,839	220,138
Financial Administration	73,649	75,796	104,547	97,562	112,378
Legislation	15,907	21,942	29,117	27,141	31,993
Planning	103,934	17,367	110,332	100,931	120,727
Engineering	44,818	7,610	25,000	40,000	25,000
Building Inspection	158,258	133,830	144,186	132,408	130,709
Recreation Administration	167,078	225,442	224,599	231,061	235,416
Senior Center Services	160,514	123,303	111,542	105,440	111,992
Aquatics Program	22,860	25,966	23,163	23,863	25,297
Planned Recreation	36,466	26,617	29,566	25,375	33,224
Youth Service Bureau	33,952	41,270	45,621	38,390	54,231
Community Teen Center	141,167	119,758	128,141	123,813	125,810
Police Operations	2,281,249	2,415,633	2,454,228	2,486,259	2,705,937
Animal Control	39,609	34,368	48,347	56,762	60,792
Building/Park Operations	178,760	181,592	187,273	191,474	186,819
Total Expenditures	3,721,988	3,673,433	3,975,434	3,991,119	4,265,502

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						
5-Year Financial Forecast						
	Proposed	ESTIMATED				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
GF Revenues:						
1 Sales Tax	1,800,000	1,955,791	1,905,993	1,974,353	2,044,644	2,122,894
2 Property Tax & MVL in Lieu	1,558,554	1,582,506	1,606,827	1,631,521	1,656,595	1,682,054
Other Revenue	961,680	961,680	961,680	961,680	961,680	961,680
Total Revenue	4,320,234	4,499,977	4,474,500	4,567,554	4,662,919	4,766,628
% Change		4.16%	-0.57%	2.08%	2.09%	2.22%
	Proposed	ESTIMATED				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
GF Expenses:						
3 Personnel	2,982,675	3,050,836	3,113,364	3,185,973	3,262,341	3,343,387
4 Operations & Maintenance	1,282,827	1,308,484	1,334,654	1,361,347	1,388,574	1,416,345
Total Expenses	4,265,502	4,359,320	4,448,018	4,547,320	4,650,915	4,759,732
% Change		2.20%	2.03%	2.23%	2.28%	2.34%
Excess Revenue Over Expenditures	54,732	140,657	26,482	20,234	12,004	6,896

Notes:

- 1 Sales Tax Estimates Provided by Muni-Services for FY 2014/15 through FY 2018/19. Estimates for FY's 2019/20 & 2020/21 are based on a five-year average for FY's 2014/15 through FY 2018/19 of 3.83%
- 2 Property Tax and Motor Vehicle License Fees in Lieu of property taxes are based on audited historical data from 2000 - 2013 and include projections for the estimated increases for WalMart (\$34,000 property taxes &
- 3 Personnel Costs include normal step increases for eligible employees and estimated Employer Contribution rate increases for retirement system (CalPERS)
- 4 Operations & Maintenance costs are estimated at a 2% annual increase

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ENTERPRISE FUND

Enterprise Fund 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

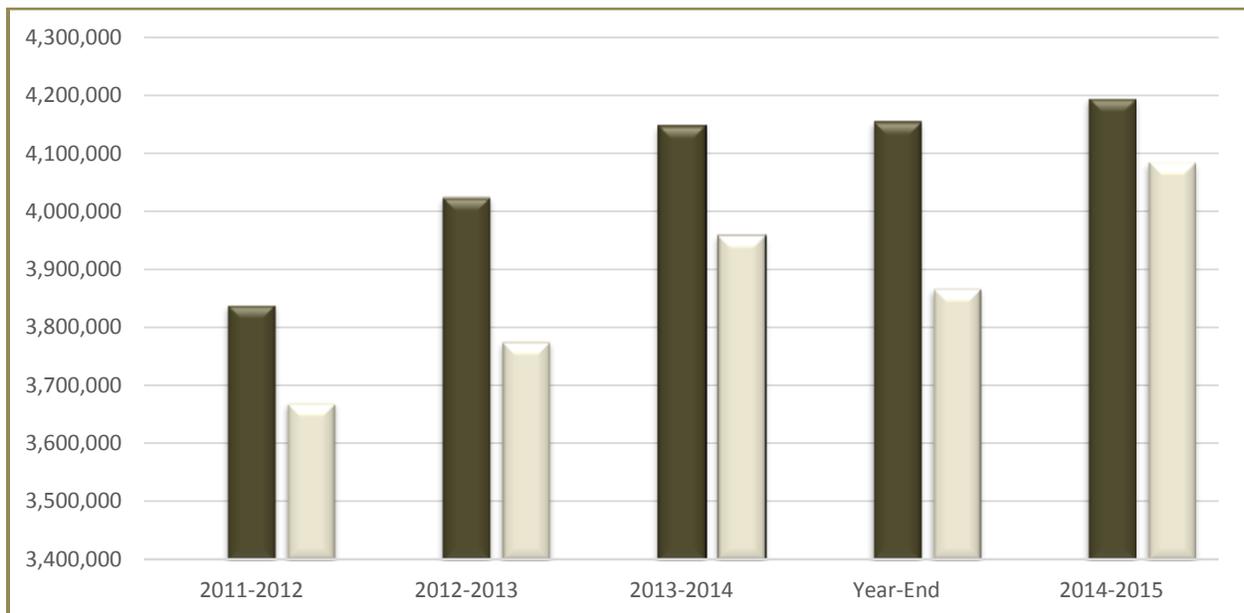
The total combined budgeted revenues of the Enterprise Funds for FY 2014/2015 is \$4,194,980, which is \$46,272 or 1.1 percent higher than the previous fiscal year. The net increase is attributed to the net effect of all of the rate changes among the funds as discussed below.

Expenditures

Aggregated operational expenditures for the Enterprise Funds are \$4,084,577 in Fiscal Year 2014/2015, compared to \$3,959,386 in Fiscal Year 2013/2014, an increase of \$125,191 or 3.16 percent higher.

Total Enterprise Revenues and Expenditures

	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year-End	Budget 2014-2015
Total Enterprise Revenues	3,839,445	4,024,832	4,148,708	4,156,208	4,194,980
Total Enterprise Expenditures	3,670,561	3,775,643	3,959,386	3,866,787	4,084,577
Revenues in Excess of Expenditures	168,884	249,189	189,322	289,421	110,403



Utility Rate Changes

This Fiscal Year 2014/2015 adopted budget includes a number of utility rate adjustments. The average monthly residential utility bill is expected to increase by \$1.54 or 2.03 percent for combined utility services.

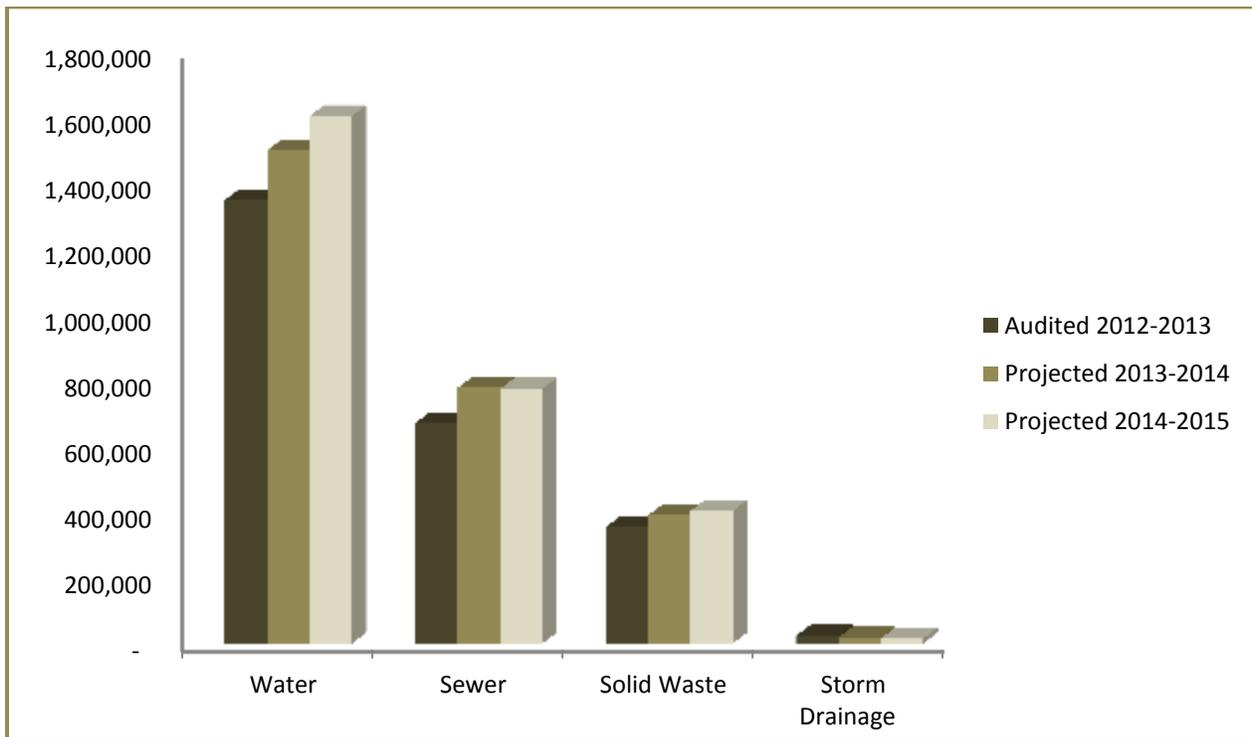
The size and timing of rate adjustments takes into account current and future revenue requirements and reserve levels. They may also cushion the impacts on customer bills by spreading rate adjustments during consecutive or alternate years. Details of each rate adjustment are further discussed in the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

- Water Fund – A rate increase of 0.9 percent, effective July 1, 2014
- Sewer Fund - A rate increase of 3.4 percent, effective July 1, 2014
- Solid Waste Fund - A rate increase of 1.1 percent, effective July 1, 2014
- Storm Drain Fund – A rate increase of 7.1 percent, effective July 1, 2014

CITY OF KERMAN ENTERPRISE FUNDS UTILITY RATES - FY 2014/15 EFFECTIVE JULY 1, 2014				
FY 2013/14	RATES PER MONTH	\$ CHANGE	JULY 2014 PROPOSED RATES	% CHANGE
Non-metered (Flat Rate) Customers				
\$28.78	WATER	0.25	\$29.03	0.9%
\$29.11	SEWER	1.00	\$30.11	3.4%
\$15.72	SOLID WASTE	0.14	\$15.86	0.9%
\$0.85	STREET SWEEPING	0.05	\$0.90	5.9%
\$16.57	TOTAL SOLID WASTE	0.19	\$16.76	1.1%
\$1.40	STORM DRAIN	0.10	\$1.50	7.1%
\$75.86	TOTAL	1.54	\$77.40	2.03%
Total increase \$1.54 per month (2.03%) or \$18.48 annually for flat rate customers.				
Metered Customers (Depends on Usage)				
\$26.40	WATER	0.25	\$26.65	0.9%
<i>Estimated usage @ 16,000 gallons x .7956/1,000 gallons + 3/4" meter \$14.17</i>				
\$29.11	SEWER	1.00	\$30.11	3.4%
\$15.72	SOLID WASTE	0.14	\$15.86	0.9%
\$0.85	STREET SWEEPING	0.05	\$0.90	5.9%
\$16.57	TOTAL SOLID WASTE	0.19	\$16.76	1.1%
\$1.40	STORM DRAIN	0.10	\$1.50	7.1%
\$73.48	TOTAL	1.54	\$75.02	2.10%
Total increase \$1.54 per month (2.10%) or \$18.48 annually for average metered customers.				
NOTE: Actual water bills for metered customers will vary monthly and between customers, based on usage.				

Reserves

Enterprise Fund Cash Reserves Summary			
Description	Audited 2012-2013	Projected 2013-2014	Projected 2014-2015
Water	1,346,469	1,497,551	1,600,690
Sewer	668,901	776,376	773,361
Solid Waste	353,259	389,113	402,558
Storm Drainage	23,839	18,848	15,683
	2,392,468	2,681,889	2,792,292



As can be seen in the chart above, Water Reserves are projected to increase by approximately \$103,000 in Fiscal Year 2014/2015, Sewer Reserves and Storm Drainage are both projected to decrease by about \$3,000, while reserves in Solid Waste are projected to increase about \$13,000.

Water

The Water Fund is projected to end fiscal year 2013/2014 with a surplus of \$151,082 based on revenues of \$1,599,565 and expenditures of \$1,448,483. With the proposed 0.9 percent increase in Water rates for fiscal year 2014/2015, the Water Fund is projected to have revenues in excess of expenditures of \$103,139 based on revenues of \$1,597,500 and expenditures of \$1,494,361.

With the projected revenues and expenditures for fiscal year 2014/2015, there is a 6% cushion of revenues in excess of expenditures in the Water fund. Staff is comfortable that expenditures can be met with the projected revenues, which include a 0.9 percent increase in User Fees for fiscal year 2014/2015. 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 \$351,996 in fiscal year 2012/2013.

Sewer

The Sewer Fund is projected to end fiscal year 2013/2014 with a surplus of \$107,475 based on revenues of \$1,404,528 and expenditures of \$1,297,053. With the 3.4 percent increase in Sewer rates for fiscal year 2014/2015, the Sewer Fund is projected to have a slight deficit of \$3,016 based on revenues of \$1,440,500 and expenditures of \$1,443,516.

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 therefore 100 percent of the debt service payment will be paid from operations. The sewer operations budget is increasing about 10 percent more in the FY 2014/2015 mostly due to the debt service obligation. The anticipated savings on the Solar PV project at the WWTP have not come to fruition. The installation was completed September 2013 so the exact savings won't be realized until the system has been operational for one year.

Sewer Fund Reserves

The FY 2013/2014 year-end balance in the Sewer Fund Reserves is projected to be \$776,376. The balance in the Sewer Fund Reserves at the end of FY 2014/2015 is projected to be \$773,361. 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 2013/2014 year-end balance in the Sewer Major Facilities fees is projected to be \$48,475 and is projected to be \$88,475 in FY 2014/15 with \$40,000 of Development Impact Fees estimated to be collected. Beginning in FY 2014/2015 the 50 percent of the debt service payment previously paid from Sewer Major Facilities will be paid from the Sewer Operations budget.

Solid Waste

The Solid Waste Fund is projected to end fiscal year 2013/2014 with a surplus of \$35,855 based on revenues of \$1,086,600 and expenditures of \$1,050,745. With the 0.9 percent increase in Solid Waste rates for fiscal year 2014/2015, the Solid Waste Fund is projected to have revenues in excess of expenditures of \$13,445 based on revenues of \$1,087,580 and expenditures of \$1,074,135.

Expenses are projected to increase by less than 1 percent in Fiscal Year 2014/2015 over the 2013/2014 budget which covers the contract cost based on the consumer price index (CPI) as stipulated in the contract with Mid Valley Disposal. For a typical single family residence, the 0.9 percent increase in Solid Waste rates will add an additional \$0.14 cents per month to their utility bill.

Storm Drainage

A slight increase in rates, .10 per customer, was needed for ongoing operational costs in the Storm Drain Fund for Fiscal Year 2014/2015. The Storm Drain fund is projected to end fiscal year 2013/2014 with a deficit of \$4,991 based on revenues of \$65,515 and expenditures of \$70,506. The fiscal year 2014/2015 budget for the Storm Drain fund projects a slight deficit of \$3,165 based on revenues of \$69,400 and expenditures of \$72,565. The projected deficits for both fiscal years will be paid from Storm Drain reserves.

Enterprise Fund Summary

Enterprise Fund Sources and Uses of Funds Summary					
Description	Water	Sewer	Solid Waste	Storm Drainage	Total
Revenues					
User Fees	1,560,500	1,392,500	1,025,880	69,200	4,048,080
Penalties	23,000	18,000	17,000	0	58,000
Interest Earned	10,000	5,000	2,000	200	17,200
Rent	0	25,000	0	0	25,000
Other Income	4,000	-	42,700	-	46,700
Total Sources of Funds	1,597,500	1,440,500	1,087,580	69,400	4,194,980
Operating Expenditures					
Personnel	595,340	482,659	135,462	40,638	1,254,099
Maintenance and Operations	705,460	565,829	918,825	31,730	2,221,844
Debt Service	165,000	347,907	0	0	512,907
Operational Capital Expenditures	20,000	30,000	4,440	1,053	55,493
Subtotal	1,485,801	1,426,395	1,058,727	73,421	4,044,343
CIP - Capital Expenditures	284,067	17,532	0	0	301,599
Total Uses of Funds	1,769,867	1,443,927	1,058,727	73,421	4,345,942
To/From Reserves	(172,367)	(3,427)	28,853	(4,021)	(150,962)

Enterprise Fund Summary

Enterprise Fund Operational Revenues and Expenditures Summary

SUMMARY OF ENTERPRISE FUND OPERATIONAL BUDGETS

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	2013/14 Estimated Year- End	Budget 2014-2015	% of Rev's
WATER FUND (410)						
Total Water Fund Revenues	1,562,929	1,581,159	1,588,400	1,599,565	1,597,500	
Water Administration & Accounting	413,531	408,217	413,108	399,659	404,721	
Water - Debt Service	203,875	203,520	165,000	165,000	165,000	
Water Operations	804,248	815,571	921,921	883,824	924,640	
Total Water Fund Operations	1,421,653	1,427,308	1,500,029	1,448,483	1,494,361	
Revenue in Excess of Expenditures	141,276	153,851	88,371	151,082	103,139	6%
SEWER FUND (420)						
Total Sewer Fund Revenues	1,189,721	1,298,383	1,401,336	1,404,528	1,440,500	
Sewer Administration & Accounting	363,097	335,027	365,820	349,493	323,547	
Sewer - Debt Service	67,851	143,718	204,536	202,286	347,907	
Sewer Operations	773,378	829,947	745,574	745,273	772,063	
Total Sewer Fund Operations	1,204,326	1,308,691	1,315,929	1,297,053	1,443,516	
Revenue in Excess of Expenditures	(14,605)	(10,308)	85,407	107,475	(3,016)	0%
SOLID WASTE (430)						
Total Solid Waste Fund Revenues	1,020,798	1,063,192	1,086,172	1,086,600	1,087,580	
Solid Waste Administration & Accounting	979,131	976,314	1,071,982	1,050,745	1,074,135	
Total Solid Waste Fund Operations	979,131	976,314	1,071,982	1,050,745	1,074,135	
Revenue & Transfer in Excess of Expenditures	41,666	86,879	14,190	35,855	13,445	1%
STORM DRAIN OPERATIONS FUND (470)						
Total Storm Drain Operation Revenues	65,997	82,097	72,800	65,515	69,400	
Storm Drain Maintenance & Operations	65,450	63,330	71,445	70,506	72,565	
Total Storm Drain Fund Operations	65,450	63,330	71,445	70,506	72,565	
Revenue in Excess of Expenditures	546	18,767	1,355	(4,991)	(3,165)	-5%
TOTAL ENTERPRISE FUND REVENUE	3,839,445	4,024,832	4,148,708	4,156,208	4,194,980	
TOTAL ENTERPRISE FUND EXPENDITURES	3,670,561	3,775,643	3,959,386	3,866,787	4,084,577	
EXCESS (DEFICIT) REVENUE	\$ 168,883	\$ 249,189	\$ 189,322	\$ 289,421	\$ 110,403	3%

CAPITAL IMPROVEMENTS ARE DETAILED SEPARATELY UNDER THE 4024 (CIP) BUDGET

Enterprise Fund Summary

Enterprise Funds' Revenue Summary Fiscal Year 2014 - 2015

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year-End	Budget 2014-2015
WATER FUND (410)					
User Charges	1,513,738	1,531,152	1,550,400	1,550,000	1,560,500
Interest Earnings	17,694	16,038	10,000	12,000	10,000
Penalties	25,665	31,240	24,000	27,000	23,000
Meters	4,550	1,950	4,000	10,000	4,000
Miscellaneous	1,282	780	0	565	0
	1,562,929	1,581,159	1,588,400	1,599,565	1,597,500
SEWER FUND (420)					
User Charges	1,096,868	1,232,774	1,324,620	1,325,000	1,367,000
Septic Dumping Fee	0	12,005	30,000	25,000	25,000
Del Norte Sewer Trunk	0	802	0	500	500
Interest Earnings	16,323	7,914	6,000	6,000	5,000
Property Rental	19,716	19,745	19,716	25,028	25,000
Penalties	20,937	25,144	21,000	23,000	18,000
Recycled Concrete	15	0	0	0	0
Miscellaneous (PG&E Refund in 11/12)	35,862	0	0	0	0
	1,189,721	1,298,383	1,401,336	1,404,528	1,440,500
SOLID WASTE FUND (430)					
Solid Waste Collection	945,454	993,543	1,016,072	1,020,000	1,025,880
Interest Earnings	3,539	3,216	2,500	2,500	2,000
Penalties	20,937	19,811	21,000	19,000	17,000
Waste Bin Charges	154	559	600	100	600
Grant	10,000	5,000	5,000	5,000	0
Street Sweeping	40,713	41,064	41,000	40,000	42,100
	1,020,798	1,063,192	1,086,172	1,086,600	1,087,580
STORM DRAINAGE FUND (470)					
User Charges	65,037	65,373	65,300	65,000	69,200
Interest Earnings	84	224	0	250	200
Sale of Dirt	875	16,500	7,500	265	0
	65,997	82,097	72,800	65,515	69,400
TOTAL ENTERPRISE FUND REVENUES	3,839,445	4,024,832	4,148,708	4,156,208	4,194,980

38,772
0.93%

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 Fund provides funding to support the following areas: 1) Ongoing maintenance and repairs of, vehicles, equipment and computers, and 2) 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 Services Fund. The charges to the Departments are established at a level to sufficiently accumulate funds over time for the replacement of the equipment. The Fund is also used to capture ongoing maintenance and operation costs for vehicles serviced by the Fund, such as gasoline, tire replacements, periodic maintenance/repair, and other operating costs for equipment such as copiers, printers, and computer supplies.

The Fiscal Year 2014/2015 Internal Service Fund budget includes funding of \$561,951 for personnel, contract services, operating supplies and the replacement of scheduled vehicles and computer equipment as needed. It also includes \$576,796 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 2014/2015.

Internal Service Funds Summary

Internal Service Funds Revenue and Expenditure Summary

	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
Revenues					
Charges to Departments	494,543	453,233	446,149	446,149	575,696
Miscellaneous	0	0	0	81,852	0
Interest Earnings	3,551	2,796	2,000	1,500	1,100
Total Revenues	498,093	456,029	448,149	529,501	576,796
Expenditures					
Operations & Maintenance	378,198	405,877	408,197	424,041	427,950
Replacement	28,395	125,594	137,330	123,980	134,000
Total Expenditures	406,593	531,470	545,527	548,021	561,950
Net To (From) Reserves	91,501	(75,441)	(97,378)	(18,520)	14,846

Vehicle Maintenance and Replacement Fund

VEHICLE MAINTENANCE & REPLACEMENT FUND
500 4050 & 500 8000

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	46,034	46,730	49,631	48,500	52,021
410 30 00 Overtime	1,733	1,631	2,000	2,500	2,500
410 35 00 Stand By	1,360	1,193	1,540	1,650	1,770
420 00 00 Fringe Benefits	21,942	22,225	23,601	21,500	25,701
TOTAL PERSONNEL	71,069	71,779	76,772	74,150	81,992
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	4,624	6,539	10,000	12,500	10,000
515 01 00 Utilities	9,177	8,313	10,000	9,000	10,000
515 02 00 Fuel	118,294	123,084	125,000	125,000	140,000
521 01 00 Office Supplies & Postage	372	323	500	500	500
521 03 00 Vehicle Supplies - Parts	56,227	74,227	60,000	80,000	60,000
521 06 00 Uniforms	174	152	170	170	175
545 00 00 Vehicle - Equipment Rental Internal	4,306	3,414	3,431	3,431	0
546 00 00 Computer - Equipment Rental Internal	2,090	2,090	1,016	1,023	0
550 00 00 Insurance	18,891	19,059	20,156	20,643	23,191
551 01 00 Communications - Telephone	2,032	2,599	2,500	2,500	2,500
551 02 00 Communications - Cellular Phone	441	295	350	350	350
554 01 00 Travel - Conferences - Meetings	0	0	250	250	250
560 00 00 Internal Service Funds	0	0	0	0	5,926
560 00 00 Administration & Overhead	55,847	56,964	56,964	56,964	56,964
TOTAL OPERATIONS & MAINTENANCE	272,475	297,059	290,336	312,331	309,855
CAPITAL - 4050					
600 04 03 Alarm System (Monitored)	0	0	0	3,200	0
600 04 05 Vehicle Tow Dolly	0	0	1,000	1,283	0
600 04 13 Small Equipment Replacement	1,425	2,064	3,000	3,000	0
600 04 15 A/C Freon Recovery/Recharge System	0	3,725	0	0	0
CAPITAL - 8000					
600 04 33 Patrol Vehicles (3 in 2014/15)	0	85,582	63,000	66,000	75,000
600 04 34 PW Pickup & Three (3) CNG Vehicles	17,488	0	25,000	25,497	0
600 04 35 Tractor for Spraying and Discing (Used)	0	0	0	0	17,000
600 04 36 Bucket Truck (Used)	0	0	0	0	17,000
TOTAL CAPITAL EXPENDITURES	18,913	91,371	92,000	98,980	109,000
TOTAL DEPARTMENT BUDGET	362,457	460,208	459,108	485,461	500,848
				Budget to Budget Increase/(Decrease)	41,740
				Percentage of Change	9.1%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

Capital: Three (3) Patrol Vehicles scheduled to be replaced in 14/15.

Capital: Bucket Truck (Used) for maintaining street lights and other public works projects. Total cost \$27,000 63% vehicles & 37% Landscape & Lighting

TECHNOLOGY MAINTENANCE
510 5051

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL						
410	10 00 Salaries	12,904	13,638	13,746	11,300	7,683
420	00 00 Fringe Benefits	4,865	4,875	5,083	4,000	2,750
TOTAL PERSONNEL		17,769	18,513	18,829	15,300	10,433
OPERATIONS & MAINTENANCE						
510	01 00 Contract Services	16,885	18,527	22,260	22,260	25,669
TOTAL OPERATIONS & MAINTENANCE		16,885	18,527	22,260	22,260	25,669
CAPITAL						
600	04 00 Capital Outlay - Computers	9,482	34,223	45,330	25,000	25,000
TOTAL CAPITAL EXPENDITURES		9,482	34,223	45,330	25,000	25,000
TOTAL DEPARTMENT BUDGET		44,136	71,262	86,419	62,560	61,103
Budget to Budget Increase/(Decrease)						(25,317)
Percentage of Change						-29.3%

Budget Highlights:

Over-all decrease due to timing of computer equipment replacements. 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.

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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 2014/2015 Capital Projects Budget includes several Street projects. The Fiscal Year 2014/2015 Special Revenue Funds budget includes \$2,063,541 of Street revenues and \$662,539 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 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 2014/2015 budget includes \$724,000 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 Water Operation reserves.

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 the Fresno Council of Governments (COG) Vehicle Abatement Program which PD has taken over and the contract with Kerman Unified School District to have an officer participate in on-campus programs for students. The revenues from these contracts and grants are earmarked for specific purposes by the Kerman Police Department. The Fiscal Year 2014/2015 budget includes \$70,556 of revenues and 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 2014/2015 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	DIF's		Water			Public			Total
	Streets	Other	Fund	Parks	L&LMD	Safety	Nutrition	Transit	
Revenues									
Gas Tax	219,259								219,259
Measure "C"	368,329								368,329
Article III and Article VIII	412,331								412,331
Federal and State Grants	830,158		724,000	-					1,554,158
Comm Development & Block Grants				183,866					183,866
Traffic Congestion Relief (Prop 42)	153,023								153,023
Street Sweeping	22,687								22,687
Special Assessments					209,685				209,685
Development Impact Fees		350,890							350,890
Public Safety Contracts & Grants						204,815			204,815
Nutrition							14,644		14,644
Local Transit								100,000	100,000
Contributions									0
Interest Income	4,900								4,900
Operating Transfers In	52,854						12,890	14,026	79,770
Total Sources of Funds	2,063,541	350,890	724,000	183,866	209,685	204,815	27,534	114,026	3,878,357
Expenditures									
Program Operational Expenditures	662,539	26,000			221,856	170,556	27,534	114,026	1,222,511
Operational Transfers Out	52,854	167,021							219,875
Transfer to Capital Projects	2,110,790	1,127,378	724,000	40,000					4,002,168
Total Uses of Funds	2,826,183	1,320,399	724,000	40,000	221,856	170,556	27,534	114,026	5,444,553
Net To (From) Reserves	(762,642)	(969,509)	0	143,866	(12,171)	34,259	0	0	(1,566,196)

As can be seen from the above summary, the City of Kerman has numerous capital projects scheduled for Fiscal Year 2014/2015. In total, uses of Special Revenue Funds are projected to exceed sources by slightly over \$1.566 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 6/30/14

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 \$20,812,443, the City is not at risk of exceeding its legal debt limit.

Assessed Value	\$554,998,479
Debt Limit is 3.75% of Assessed Value	\$20,812,443
Less Outstanding Bonded Debt	N/A
Legal Debt Margin	\$20,812,443

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, 2013 was \$378,285.

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, 2013 was \$2,474,999.

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 begins September 2012 and will mature in September 2031. The outstanding balance on the note at June 30, 2013 was \$4,767,170.

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, 2013 was \$78,862.

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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 through staff under the Council-Manager form of government.



Mayor Gary Yep



Mayor Pro Tem Douglas Wilcox



Council Member
Nathan Fox



Council Member
Kanwaldeep (Raj) Dhaliwal



Council Member
Bill Nijjer

**CITY COUNCIL
100 6001**

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
410	20 00 Part Time Salaries	12,655	13,125	15,000	12,000	15,000
420	00 00 Fringe Benefits	1,679	1,473	1,800	1,400	1,940
TOTAL PERSONNEL		14,334	14,598	16,800	13,400	16,940
OPERATIONS & MAINTENANCE						
510	11 00 Professional Services - Hearinging	9032	0	0	0	0
521	02 00 General Supplies	586	646	1,000	1,000	1,000
546	00 00 Computer Equipment Allocation	0	0	700	700	0
552	01 00 Public Notice	806	789	1,500	1,500	2,000
554	01 00 Travel - Conferences - Meetings	18	31	3,500	0	3,500
555	06 00 Website Updates and Add Ons	1,251	1,153	1,200	1,200	0
556	00 00 Community & Public Relations	5,678	4,698	5,500	5,000	5,500
560	00 00 Internal Service Funds	0	0	0	0	1,100
TOTAL OPERATIONS & MAINTENANCE		17,372	7,317	13,400	9,400	13,100
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		31,706	21,915	30,200	22,800	30,040
Budget to Budget Increase/(Decrease)						(160)
Percentage of Change						-0.5%

Budget Highlights:

Public Notice increase due to elections, publications and ordinance (charitable solicitations)
 Removed Website Update from 10.0.6001 (City Council) and moved to 10.0.1002 (City Manager) \$1,200
 Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

City Manager



Provides leadership and direction in the administration and execution of all policies set by the City Council



Supervises the City Department Heads to ensure high quality, cost-effective services



Provides transparency into the City's operations



Promotes and supports employee excellence

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.

Key Achievements

- Successful recruitment of Finance Director.
- Received Excellence in Budget Award from the California Society of Municipal Finance Officers Association (CSFMO).
- Awarded \$730,000 Proposition 85 Grant for phase II of residential water meters installation.
- Revised Purchasing Policy to compliment new accounting software system.
- Completion of Solar Array project at Wastewater Treatment Plant.
- Completion of Street Median Landscape Transition Plan.



Goals

- Update City Web Page.
- Evaluate feasibility for the use of solar for other City buildings and facilities.
- Work with County and LAFCO on expanding City's Sphere of Influence.
- Reformatted Five-Year Capital Improvement Plan (CIP).

City Manager Budget

**CITY MANAGER
100 1002**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	38,384	13,829	58,838	58,838	62,348
410 20 00 Part Time Wages	2,609	0	0	0	0
420 00 00 Fringe Benefits	9,436	4,475	17,425	20,500	18,844
TOTAL PERSONNEL	50,429	18,304	76,263	79,338	81,192
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	4,779	15,662	9,000	20,000	14,000
510 10 00 Professional Services-Successor Agency	0	0	4,700	3,000	1,500
510 11 00 Professional Services-Employee Hiring	4,013	0	500	0	0
510 13 00 Professional Services - EDC Fresno County	8,636	8,636	9,000	7,318	6,000
515 01 00 Utilities	13,421	12,723	14,000	13,000	13,000
521 01 00 Office Supplies & Postage	1,806	1,000	1,500	1,200	1,500
521 02 00 General Supplies	555	312	500	350	800
521 07 00 Postage	1,233	1,200	1,600	1,600	1,600
540 02 00 Equipment Rental - Lease	10,566	7,804	9,000	8,000	0
545 00 00 Vehicle - Equipment Rental - Internal	2,486	100	278	278	0
546 00 00 Computer Equipment Allocation	4,335	4,335	5,798	5,765	0
550 00 00 Insurance	61,861	62,132	76,143	73,810	79,020
551 01 00 Communications - Telephone	5,853	6,846	6,500	7,500	6,500
551 02 00 Cellular Phone	853	798	950	0	0
552 02 00 Public Notice / Advertising	776	113	500	0	350
554 01 00 Training/Conferences/Meetings	534	939	700	500	1,000
555 00 00 Dues & Subscriptions	7,869	6,265	8,000	6,500	6,500
555 05 00 Property Taxes	0	2,614	2,615	2,655	0
560 00 00 Administration & Overhead	0	0	2,025	2,025	2,025
560 01 00 Internal Service Funds	0	0	0	0	5,152
TOTAL OPERATIONS & MAINTENANCE	129,576	131,478	153,309	153,501	138,947
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	180,005	149,782	229,572	232,839	220,138
				Budget to Budget Increase/(Decrease)	(9,434)
				Percentage of Change	-4.1%

Budget Highlights:

Professional Services, Administration & Overhead and Internal Service Funds budgets beginning in FY 12/13 is due to the Successor Agency costs that are being paid by the City and reimbursed from Administration fees received by the Successor Agency
 Removed Equipment Rental - Lease from 10.0.1002 (City Manager) and moved to 10.0.5005 (Finance Admin)
 Removed Property Taxes from 10.0.1002 (City Manager) and moved to 10.0.4011 (Buildings & Parks) \$2,655
 Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Overall increase in City Manager budget is mainly due to the increase in Liability Insurance cost

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City Attorney



Provides legal advice and training to the City Council, City Manager, Commissioners and Department Heads



Drafts contracts, legal opinions and other legal documents and negotiates on behalf of the City



Initiate litigation on behalf of the City to enforce Kerman's rights

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
Mark Blum
(Outsourced)

Key Achievements

- Assisted in the joint representation of Kerman and other cities in the successful litigation and appeal challenging the County of Fresno's calculation of the Property Tax Administration Fee. The City has now been paid approximately \$115,000 of wrongfully withheld fees.
- Obtained reimbursement from Fresno Irrigation District for damage caused to Vineland Avenue when subsurface construction created a leak in an unmarked irrigation pipeline.
- At the trial court level, successfully defended the Kerman Police Department and various of its officers from recent attempts to invade the confidentiality of officer's personnel files by criminal defendants' Pitchess Motions.
- Assisted the City Manager and Department Heads in the negotiation and preparation of lease renewals and various contracts and agreements.
- Our office works with the City's Risk Manager to timely respond to claims against the City and to limit the City's involvement in costly litigation.

Goals

- In the coming year, we hope to improve communications with the City Council so that we and other Department Heads can help the Council deliver the highest level of service to this community while maintaining sound fiscal policy.

**CITY ATTORNEY
100 6003**

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
510 10 00	Professional Services	52,056	51,242	50,000	55,000	55,000
TOTAL		52,056	51,242	50,000	55,000	55,000
TOTAL DEPARTMENT BUDGET		52,056	51,242	50,000	55,000	55,000
Budget to Budget Increase/(Decrease)						5,000
Percentage of Change						10.0%

Budget Highlights:

Additional costs incurred in fiscal year 2013-14 due to additional litigation, AT&T cell tower, and Police Department personnel matters.

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City Clerk



Administration of local elections

Clerk Service



Local Filing Officer under the Political Reform Act



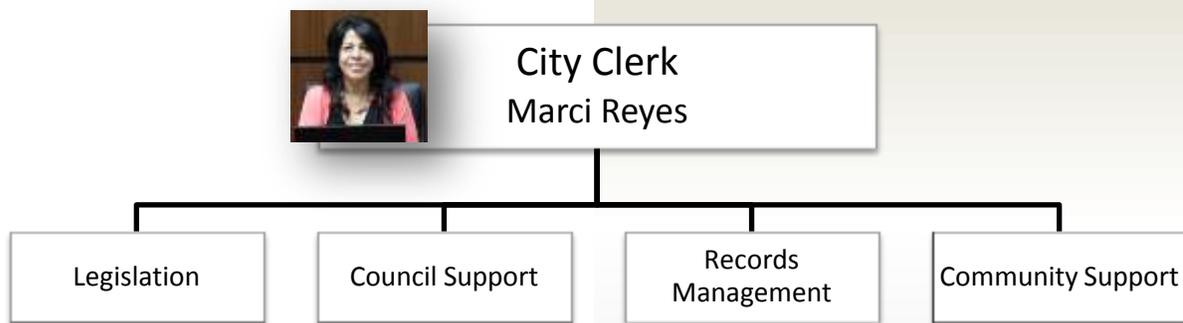
Custodian of the City's records and administration of citywide records management program



Manage the City Council's legislative agenda and documents

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.



Key Achievements

- Provided support to the Mayor and City Council as they work to serve the residents of Kerman by emphasizing access to information as it relates to the legislative process; accomplishing this by preparing and distributing Council materials in a timely manner.
- Fulfilled all Public Records Request and made accessible the City's official records and legislative documents in accordance with the Political Reform Act.
- Successfully maintain and preserved City Council proceedings and related documents allowing for quick and easy access by other City Departments.
- Continued to foster good working relationships with local schools in conducting Mock Student Council Meetings.

Goals

- Effectively administer and coordinate the 2014 municipal election by serving as filing officer, processing the City's campaign finance disclosure reports and statements of economic interests. Support the election/appointment process for the city council members.
- Over the next one to two years, the Clerk's office will:
 - Expand electronic filing options within the City where appropriate.
 - Apply technology effectively to provide increased and improved access to materials on-line.
 - Educate staff to effectively use our records management system.
- Continue to improve operational processes through efficient and effective methods to ensure we are customer-focused, proactive, consistent, and responsible.

**CITY CLERK
100 6004**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	5,922	2,392	13,811	13,811	14,501
410 20 00 Part Time Wages		0	0	0	0
420 00 00 Fringe Benefits	1,657	764	3,905	5,100	4,192
TOTAL PERSONNEL	7,579	3,156	17,717	18,911	18,693
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	7,693	14,370	10,000	7,700	8,700
510 02 00 Elections	0	3,142	0	0	3,400
521 02 00 General Supplies & Postage	165	668	600	200	350
554 01 00 Travel - Conferences - Meetings	350	311	500	25	500
555 00 00 Dues & Subscriptions	120	295	300	305	350
560 00 00 Internal Service Funds	0	0	0	0	627
TOTAL OPERATIONS & MAINTENANCE	8,329	18,786	11,400	8,230	13,300
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	15,907	21,942	29,117	27,141	31,993
				Budget to Budget Increase/(Decrease)	2,876
				Percentage of Change	9.9%

Budget Highlights:

Contract Services: Codes and ECS (Laserfiche and Agenda Manager). Adding \$1,000 Annual Contract to maintain audio system in Council Chambers.

Elections: Expenses for November 2014 General Election.

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

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Administrative Services



Oversees the creation, administration and maintenance of the City's budget



Insures that all financial reporting is accomplished and performs all financial accounting for the City



Responsible for Human Resources, Risk Management, Information Technology, and Utility Billing and Collections



Fulfills the reporting and payment requirements of the Successor Agency to the Redevelopment Agency

Administrative Services

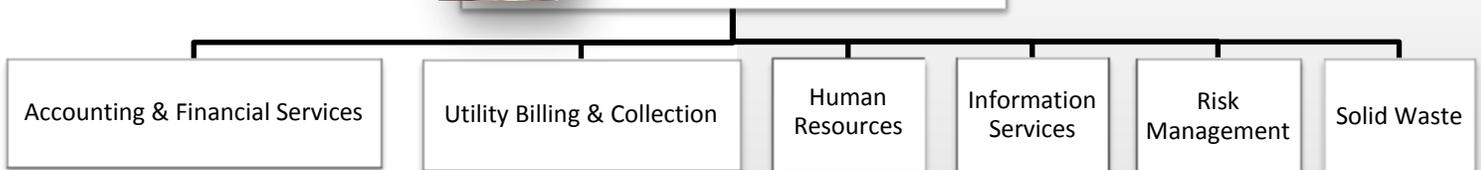
The Administrative Services Department provides various accounting and business services included in these services are: financial reporting, general ledger maintenance, accounts receivable, accounts payable, human resources, payroll, utility billing and collections, information services, investments 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.

Key Achievements

- Annual Audit completed for fiscal year ending June 30, 2013 and presented to Council September 18, 2013.
- Completed RFP and selection of Springbrook Software for a complete accounting software package.
- Evaluated health care providers and made changes with new carriers to ensure employees would be provided the best benefits possible.
- Hosted two Liebert Cassidy Whitmore Employer Relations consortium training sessions in Kerman.



Finance Director
Toni Jones



Goals

- Implement new accounting software.
- Provide training on new software to key City employees in each department.
- Hold public forums to educate the public about the changes to the utility billing software including options for electronic statements and electronic payments.

Administrative Services Budget

ADMINISTRATIVE SERVICES
100 5005

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL						
410	10 00 Salaries	11,888	5,761	24,430	18,500	18,376
410	20 00 Part-Time Wages	43	0	0	1,400	720
410	30 00 Overtime	8	0	0	57	410
420	00 00 Fringe Benefits	6,297	2,728	9,551	7,200	7,757
TOTAL PERSONNEL		18,237	8,489	33,980	27,157	27,263
OPERATIONS & MAINTENANCE						
510	01 00 Professional Fees	0	0	0	0	4,000
510	10 00 Professional Services - Audit	13,500	13,800	13,800	13,800	13,800
510	14 00 Professional Services - Data Processing	4,373	1,257	4,400	4,400	4,400
521	01 00 Office Supplies	1,518	1,648	250	250	1,500
521	02 00 General Supplies	0	0	0	0	250
521	07 00 Postage	0	0	1,050	1,050	1,050
540	00 00 Lease Expense (PFA Bond)	35,378	49,911	50,307	50,305	50,307
540	02 00 Equipment Rental - Lease	0	0	0	0	8,500
554	01 00 Travel/Conferences/Meetings	244	354	360	250	500
555	00 00 Dues & Subscriptions	400	338	400	350	300
560	00 00 Internal Service Funds	0	0	0	0	508
TOTAL OPERATIONS & MAINTENANCE		55,413	67,308	70,567	70,405	85,115
CAPITAL						
600	04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		73,649	75,796	104,547	97,562	112,378
Budget to Budget Increase/(Decrease)						7,830
Percentage of Change						7.5%

Budget Highlights:

- Professional Fees: Budget award fees
- Office Supplies: Additional supplies needed and increase in costs
- Removed Equipment Rental - Lease from 10.0.1002 (City Manager) and moved to 10.0.5005 (Finance Admin)
- Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

Water Administration and Accounting Budget

**WATER ADMINISTRATION & ACCOUNTING
410 5005**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	152,256	150,995	156,618	136,000	145,283
410 20 00 Part Time Salaries	2,507	861	0	8,190	1,920
410 30 00 Overtime	77	0	0	267	2,417
420 00 00 Fringe Benefits	61,280	58,751	58,043	52,000	53,663
TOTAL PERSONNEL	216,120	210,607	214,661	196,457	203,282
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	4,042	3,759	4,000	4,000	4,000
510 10 00 Professional Services - Audit	4,000	4,300	4,300	4,300	4,300
521 01 00 Office Supplies	3,703	3,667	3,350	3,350	4,500
521 06 00 Uniforms	12	16	10	0	0
521 07 00 Postage	6,000	6,000	6,650	11,000	8,500
540 00 00 Lease Payment (PFA Bond)	42,660	42,998	43,340	43,340	42,802
540 02 00 Equipment Rent - Lease	1,886	1,912	2,000	2,000	2,000
545 00 00 Vehicle - Equipment Rental Internal	3,548	859	511	511	0
546 00 00 Computer - Equipment Rental Internal	4,852	4,852	3,970	5,335	0
550 00 00 Insurance	13,709	13,836	14,631	14,180	17,000
551 02 00 Communications - Cellular Phone	152	0	0	0	0
554 01 00 Travel - Conferences - Meetings	305	621	350	365	350
555 04 00 Taxes & Assessments (F.I.D.)	168	168	700	168	175
555 05 00 Property Taxes - Fresno County	134	137	150	168	170
560 00 00 Internal Service Funds	0	0	0	0	3,211
560 00 00 Administration & Overhead	112,240	114,485	114,485	114,485	114,431
TOTAL OPERATIONS & MAINTENANCE	197,410	197,610	198,447	203,202	201,439
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	413,531	408,217	413,108	399,659	404,721
				Budget to Budget Increase/(Decrease)	(8,387)
				Percentage of Change	-2.0%

Budget Highlights:

- Overall decrease in budget is due to vacant personnel positions
- Contract Services: Cost for outsourcing utility billing once new software is operational (Est. Nov 2014)
- Office Supplies: Additional items needed for software implementation
- Annual Bond Lease Payment Breakdown is located in the PFA Budget.
- Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

**WATER DEBT SERVICE
410 5006**

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
700	10 00 Debt Service - DWR Principal	36,633	38,079	0	0	0
700	11 00 Debt Service - SRF Loan	165,000	165,000	165,000	165,000	165,000
700	20 00 Debt Service - DWR Interest	2,243	440	0	0	0
TOTAL NOTE PAYABLES		203,875	203,520	165,000	165,000	165,000
TOTAL DEPARTMENT BUDGET		203,875	203,520	165,000	165,000	165,000
Budget to Budget Increase/(Decrease)						0
Percentage of Change						0.0%

Budget Highlights:

Note Payable - Department of Water Resources (DWR). This note matured April 2013.

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.

Sewer Administration & Accounting Budget

**SEWER ADMINISTRATION & ACCOUNTING
420 5005**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	127,733	106,242	130,251	113,000	102,719
410 20 00 Part Time Salaries	2,261	689	0	4,200	960
410 30 00 Overtime	86	0	0	244	2,007
420 00 00 Fringe Benefits	46,979	41,752	47,924	43,000	38,262
TOTAL PERSONNEL	177,059	148,682	178,175	160,444	143,948
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	4,854	4,878	5,500	5,500	5,500
510 10 00 Professional Services - Audit	3,000	3,000	3,000	4,000	3,000
521 01 00 Office Supplies	4,073	4,596	5,000	5,000	5,000
521 06 00 Uniforms	5	7	0	0	0
521 07 00 Postage	5,000	5,000	5,000	5,000	5,000
540 00 00 Lease Payment (PFA Bond)	34,128	34,399	34,672	34,672	34,241
540 02 00 Equipment Rent - Lease	1,132	1,147	1,200	1,200	1,200
545 00 00 Vehicle - Equipment Rental Internal	3,026	103	93	93	0
546 00 00 Computer - Equipment Rental Internal	4,852	4,852	3,420	4,441	0
550 00 00 Insurance	15,390	15,530	16,423	15,917	18,896
551 01 00 Communications - Telephone	599	525	575	575	575
552 01 00 Public Notice	0	0	500	500	500
554 01 00 Training, Travel & Meetings	90	313	250	150	250
555 04 00 Taxes & Assessments (Fresno Irrig. Dist.)	2,834	2,797	2,800	2,800	2,800
555 05 00 Property Taxes - Fresno County	134	137	150	139	150
560 00 00 Internal Service Funds	0	0	0	0	2,359
560 00 00 Administration & Overhead	106,923	109,062	109,062	109,062	100,127
TOTAL OPERATIONS & MAINTENANCE	186,038	186,345	187,645	189,049	179,599
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	363,097	335,027	365,820	349,493	323,547
			Budget to Budget Increase/(Decrease)		(42,273)
			Percentage of Change		-11.6%

Budget Highlights:

Overall decrease is due to personnel savings due to staffing changes and decreased Administration & Overhead costs.
 Annual Bond Lease Payment Breakdown is located in the PFA Budget.
 Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

Sewer Debt Service Budget

**SEWER - DEBT SERVICE
420 5006**

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
700	16 00 Debt Service - Rev. Bonds Principal	45,000	45,000	45,000	45,000	50,000
700	26 00 Debt Service - Rev. Bonds Interest	22,851	21,164	21,164	18,914	21,164
700	17 00 Debt Service - SRF Loan Principal	0	114,277	114,536	114,536	231,362
700	27 00 Debt Service - SRF Loan Interest	0	18,853	23,836	23,836	45,381
TOTAL NOTE PAYABLES		67,851	199,295	204,536	202,286	347,907
TOTAL DEPARTMENT BUDGET		67,851	199,295	204,536	202,286	347,907
Budget to Budget Increase/(Decrease)						143,371
Percentage of Change						70.1%

Budget Highlights:

Overall increase is due to 100% of debt service payment on the Waste Water Treatment Plant to be paid from Operations. Due to a decline in development, we have not collected Impact fees to cover 50% of the debt service payment.

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, 2013 was \$378,285. 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. Fund 42 will pay 100% of the loan from operational reserves in fiscal year 2014/15. The outstanding principal balance at June 30, 2013 was \$4,767,170. The loan will be paid off in 2031.

Solid Waste Administration Budget

**SOLID WASTE ADMINISTRATION & ACCOUNTING
430 5005**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	100,450	102,909	105,810	98,350	95,995
410 20 00 Part Time Salaries	1,050	172	0	4,060	960
410 30 00 Overtime	198	131	0	326	1,898
410 35 00 Standby Pay	79	99	90	90	95
420 00 00 Fringe Benefits	31,812	43,433	41,669	38,500	36,514
TOTAL PERSONNEL	133,588	146,743	147,570	141,326	135,462
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services - (Mid Valley Disposal)	758,308	785,100	812,857	817,000	824,190
510 06 00 Contract Services - (Utility Billing)	833	1,064	1,200	1,500	1,500
510 10 00 Professional Services-Audit & AVR	3,300	3,000	3,000	3,000	4,000
521 01 00 Office Supplies	386	376	700	1,000	1,700
521 02 00 General Supplies - Recycling Grant	4,591	0	18,900	2,450	16,450
521 06 00 Uniforms	12	12	12	20	20
521 07 00 Postage	2,200	2,200	2,200	2,600	2,600
540 00 00 Lease Payment (PFA Bond)	17,064	17,200	17,336	17,336	17,121
540 02 00 Equipment Rent - Lease	754	765	1,000	1,000	1,000
545 00 00 Vehicle - Equipment Rental Internal	2,436	883	854	854	0
546 00 00 Computer - Equipment Rental Internal	2,426	2,426	2,691	3,492	0
550 00 00 Insurance	1,681	1,694	1,792	1,736	5,497
552 01 00 Public Notice	0	0	100	100	100
560 00 00 Internal Service Funds	0	0	0	0	4,205
560 00 00 Administration & Overhead	14,560	14,851	14,851	14,851	14,851
557 80 00 Transfer to Street Fund - St. Sweeping	36,992	0	41,000	41,000	41,000
TOTAL OPERATIONS & MAINTENANCE	845,543	829,570	918,493	907,939	934,234
CAPITAL					
600 03 99 Capital Outlay-New Accounting Software System	0	0	5,920	1,480	4,440
TOTAL CAPITAL EXPENDITURES	0	0	5,920	1,480	4,440
TOTAL DEPARTMENT BUDGET	979,131	976,314	1,071,982	1,050,745	1,074,135
				Budget to Budget Increase/(Decrease)	2,153
				Percentage of Change	0.2%

Budget Highlights:

Slight budget decrease due to a savings due to vacant personnel positions

General Supplies - Recycling Grant - Current year and prior year unspent funds will be used for playground equipment made with recycled products at Katie's Park.

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

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Police



Provide professional public safety services



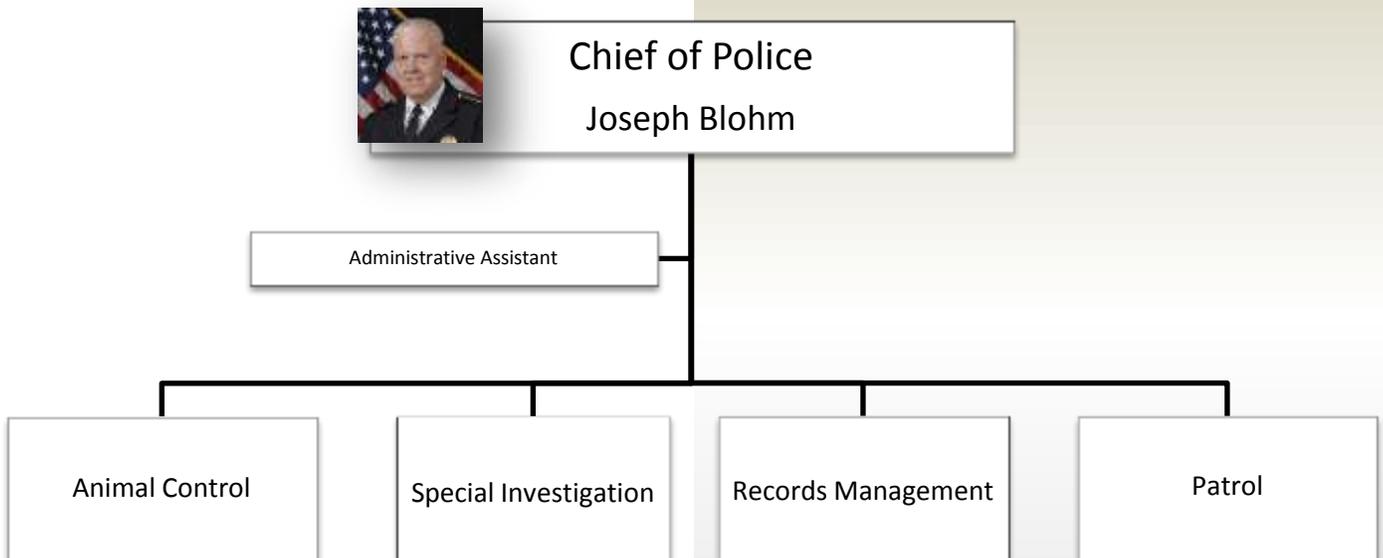
Apprehend offenders and resolve investigations in a timely manner



Minimize injury and property damage by promoting safe pedestrian, bicycle and vehicular traffic

Police

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.



Key Achievements

- Utilize proactive policing techniques to reduce criminal activity, resulting in a 28% increase in arrests from the previous year and 33% increase in field contacts with suspects.
- Created a Crime Analyst position to improve patrol and investigative efforts to reduce crime.
- Implemented a new Electronic Filing system to streamline and expedite the process of filing criminal complaints with the District Attorney's office.

Goals

- Create a Lieutenant position to delineate a second in command to insure that the department's standards of operation and accountability are maintained at all times.
- Increase staffing by hiring one-full time officer and expand the number of our reserve officers.
- Purchase three new patrol vehicles.

Police Budget

POLICE
100 3011

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	1,047,906	1,106,069	1,148,458	1,150,000	1,229,587
410 20 00 Part Time Salaries	86,897	55,186	94,000	80,000	94,000
410 30 00 Overtime	35,880	50,987	50,000	45,000	50,000
410 35 00 Court Standby	700	2,199	2,500	2,500	2,500
410 36 00 FTO	1,858	1,009	1,000	1,200	1,000
410 38 00 Uniform Allowance	22,192	22,197	22,100	22,100	22,100
410 40 00 Holiday Pay	35,781	38,642	42,245	42,245	42,769
420 00 00 Fringe Benefits	575,371	638,458	581,046	615,000	644,231
TOTAL PERSONNEL	1,806,584	1,914,747	1,941,349	1,958,045	2,086,188
OPERATIONS & MAINTENANCE					
510 11 00 Prof. Services - Emp. Hiring	10,290	10,341	4,000	4,000	4,000
510 12 00 Prof. Services - Lab Criminal	5,607	5,596	6,000	6,000	6,000
510 13 00 Prof. Services - Lab Employees	1,405	1,465	900	925	1,400
510 15 00 Assault/Medical Examinations	2,000	6,100	3,000	3,000	3,000
510 28 00 Dispatch	160,312	182,640	223,211	223,211	227,611
510 29 00 RMS-CAD	1,767	1,952	2,200	2,200	2,200
510 30 00 Booking Fees	575	824	1,000	2,000	1,000
510 31 00 Parking Citations	3,982	3,165	3,600	3,600	3,600
510 32 00 Live Scan Fingerprints	3,998	3,023	3,500	4,000	4,000
515 01 00 Utilities	15,415	17,286	16,000	16,500	16,000
521 01 00 Office Supplies	6,201	7,175	3,800	3,800	4,200
521 02 00 General Supplies	4,058	3,700	6,840	6,840	6,840
521 07 00 Postage	0	0	2,200	2,200	2,200
521 10 00 Uniform Supplies	5,080	3,772	4,000	4,000	4,000
521 12 00 Bullet Resistant Vests	1,500	2,727	1,500	1,500	1,500
521 35 00 Firearms Purchase	675	0	1,200	1,200	1,200
530 01 00 Equipment Maintenance - Repair	7,637	3,733	2,500	6,750	2,500
540 02 00 Equipment Rental	4,482	4,615	4,200	4,500	4,200
545 00 00 Vehicle - Equipment Rental Internal	163,972	180,229	170,235	170,235	0
546 00 00 Computer - Equipment Rental Internal	12,070	12,070	24,092	33,353	0
551 01 00 Communications - Telephone	2,745	3,479	3,500	3,500	3,500
551 02 00 Communications - Cell Phone	3,533	2,316	2,600	2,600	2,600
551 05 00 Live Scan Line	7,747	8,047	8,000	8,000	8,000
551 06 00 MDT Monthly Access	2,503	2,713	3,600	3,600	3,600
552 02 00 Public Notice	0	0	500	0	500
554 01 00 Travel - Meetings	6,089	13,029	6,000	6,000	6,000
554 05 00 Training Supplies	2,901	2,077	3,150	3,150	3,150
555 02 00 Professional Dues and Codes	1,207	650	1,550	1,550	1,550
560 00 00 Internal Service Funds	0	0	0	0	295,399
TOTAL OPERATIONS & MAINTENANCE	437,749	485,887	512,878	528,214	619,750
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equip.	36,916	14,999	0	0	0
TOTAL CAPITAL EXPENDITURES	36,916	14,999	0	0	0
TOTAL DEPARTMENT BUDGET	2,281,249	2,415,633	2,454,228	2,486,259	2,705,938
				Budget to Budget Increase/(Decrease)	251,710
				Percentage of Change	10.3%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

**SLESF GRANT
100 3050**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	59,246	62,717	66,007	66,007	64,539
410 30 00 Overtime	3,805	4,376	0	0	0
410 38 00 Uniform Allowance	0	908	2,200	2,200	2,200
410 40 00 Holiday Pay	1,456	1,869	2,051	2,051	1,906
420 00 00 Fringe Benefits	35,493	30,154	29,742	29,742	31,355
TOTAL PERSONNEL	100,000	100,025	100,000	100,000	100,000
TOTAL DEPARTMENT BUDGET	100,000	100,025	100,000	100,000	100,000
TOTAL REVENUE	100,000	100,025	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 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
REVENUES					
334 30 01 Avoid the 21 Grant	12,720	16,480	11,200	15,296	16,000
334 32 02 Homeland Security Grant	20,790	13,595	0	1,866	10,000
334 35 03 Special PD Project Revenue	3,000	6,000	6,000	6,000	6,000
334 35 04 KUSD Resource Officer	0	11,807	15,000	13,556	13,556
334 30 05 COG - Vehicle Abatement	0	19,705	25,000	8,556	25,000
334 30 06 DOJ-Bullet Proof Vests	0	1,525	0	0	0
334 30 07 Wal-Mart Special Projects	0	0	0	1,500	0
334 40 99 Res. Officer Recruitment Reimb.	912	0	0	0	0
TOTAL REVENUES	37,421	69,112	57,200	46,774	70,556
EXPENDITURES					
410 30 01 Avoid the 21 Grant-Overtime	11,598	13,724	9,750	11,300	12,000
420 00 01 Avoid the 21 Grant-Fringe Benefits	1,408	3,667	1,450	2,316	4,000
410 20 04 KUSD Resource Officer-Part Time Wages	0	11,807	13,000	4,868	10,000
420 00 04 KUSD Resource Officer-Fringe Benefits	0	0	2,000	209	3,556
410 20 05 COG - Part Time Wages	0	5,964	10,000	6,564	10,000
420 00 05 COG - Fringe Benefits	0	0	1,500	1,292	3,750
TOTAL PERSONNEL	13,006	35,162	37,700	26,549	43,306
510 11 00 Prof. Svcs - Res. Officer Hiring	912	0	0	0	
520 00 07 Wal-Mart Special Projects	0	0	0	1,329	
521 07 05 COG - Postage	0	581	1,250	469	1,250
521 12 06 DOJ-Bullet Proof Vests	0	1,525	0	0	
554 01 03 Special PD Project Travel/Meetings	1,513	525	6,000	512	
554 01 05 COG Travel/Meetings	0	873	0	0	10,000
554 05 00 Training Supplies	0	0	0	0	
TOTAL OPERATIONS & MAINTENANCE	2,425	3,504	7,250	2,309	11,250
600 03 02 Equipment - Homeland Sec Grant	20,790	14,795	0	3,114	10,000
600 03 03 Equipment - Special PD Projects	0	0	0	0	6,000
600 03 05 Equipment - Cog Vehicle Abatement	0	3,731	12,250	3,790	
TOTAL CAPITAL EXPENDITURES	20,790	18,526	12,250	6,903	16,000
TOTAL EXPENDITURES	36,220	57,191	57,200	35,761	70,556
				Budget to Budget Increase/(Decrease)	13,356
				Percentage of Change	23.3%
TOTAL REVENUES	37,421	69,112	57,200	46,774	70,556
EXCESS (DEFICIT) REVENUE	1,201	11,920	0	11,013	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 typically 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 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	16,491	6,063	24,175	26,720	27,849
410 30 00 Overtime	22	305	0	0	0
410 35 00 Stand By	12	240	0	0	0
420 00 00 Fringe Benefits	8,193	13,853	10,530	12,250	11,762
TOTAL PERSONNEL	24,718	20,461	34,705	38,970	39,611
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	5,833	5,603	5,500	10,000	8,000
521 01 00 Office Supplies	459	47	300	100	300
521 02 00 General Supplies	2,477	2,764	3,000	3,000	3,000
521 06 00 Uniforms	194	34	153	153	155
521 07 00 Postage	356	149	150	200	150
545 00 00 Vehicle - Equipment Rental Internal	4,903	4,360	3,581	3,581	0
546 00 00 Computer - Equipment Rental Internal	385	385	58	58	0
551 02 00 Cellular Phone	284	256	300	300	300
554 01 00 Travel - Conferences - Meetings	0	309	300	100	300
560 00 00 Internal Service Funds	0	0	0	0	8,676
TOTAL OPERATIONS & MAINTENANCE	14,891	13,907	13,342	17,492	20,881
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	300	300	300
TOTAL CAPITAL EXPENDITURES	0	0	300	300	300
TOTAL DEPARTMENT BUDGET	39,609	34,368	48,347	56,762	60,792
				Budget to Budget Increase/(Decrease)	12,445
				Percentage of Change	25.7%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

Overall budget increase is due to the increase cost for animal disposal and Internal Service Funds Operations & Maintenance and replacement costs.

Parks, Recreation and Community Services



Provide a diverse range of quality services and programs that provide for the community's needs



Develop and provided programs that add to the physical activity and the enjoyment of the outdoors



Provide and maintain safe, pleasing and comfortable facilities



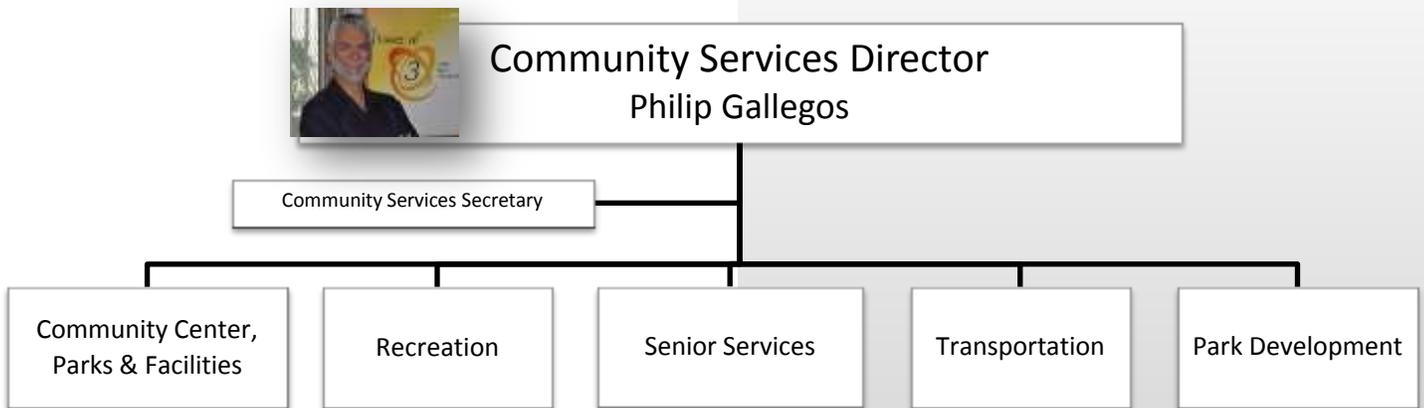
Develop and maintain partnerships with local organizations and businesses

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.

Key Achievements

- ❏ Implemented new REC1 recreation activity and facility registration software; creating efficiency for residents.
- ❏ Developed a Recreation Activity Guide that highlights programs, activity and facilities offered to the community.
- ❏ Partnered together with Girl Scout Troops 2260 and 3100 to bring the 2nd Annual Earth Day and Easter Eggstravaganza.
- ❏ In conjunction with the Kerman Youth Commission, local youth groups and KUSD held the 2014 Kerman Teen Summit (Hunger Games). Over a 150 local 7th – 12th grade students participated.
- ❏ Organized the 2013 Holiday Toy and Food Drive providing food and toys to 200 of Kerman’s needy families.
- ❏ Completed Soroptimist Park Playground Rubber Re-Surfacing project, after years of working with playground manufacture on warranty issues.
- ❏ Construction of Katie’s Kids Park; phase 1 and 2 completed. Final phase will begin July 2014, with completed in October 2014.
- ❏ Awarded a \$15,000 KaBoom Let’s Play grant for Katie’s Park playground equipment.
- ❏ Received the 2014 Playful City USA National Award and recognition; validating the City’s commitment to providing great recreational opportunities and exceptional parks.



Goals

- ❏ Continue to develop quality, organized programs.
- ❏ Discover more ways to offer and support a variety of leisure opportunities.
- ❏ Keep all parks and facilities clean and safe.

Recreation and Community Services Budget

**RECREATION AND COMMUNITY SERVICES ADMINISTRATION
100 2002**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	75,814	106,912	111,802	107,500	114,472
410 20 00 Part Time Salaries	8,601	8,552	11,000	15,000	12,000
410 30 00 Overtime	0	111	500	0	500
420 00 00 Fringe Benefits	32,939	53,426	49,874	49,500	53,056
TOTAL PERSONNEL	117,355	169,000	173,177	172,000	180,028
OPERATIONS & MAINTENANCE					
510 10 00 Professional Services	0	0	0	0	1,200
515 01 00 Utilities	18,523	21,525	20,000	27,000	27,000
521 01 00 Office Supplies & Postage	269	721	700	700	600
521 02 00 General Supplies	1,117	803	1,000	1,000	1,200
521 06 00 Uniforms	162	203	162	380	380
540 02 00 Equipment Rent - Lease	3,388	3,265	3,200	3,200	3,300
545 00 00 Vehicle - Equipment Rental - Internal	10,339	12,882	16,175	16,175	0
546 00 00 Computer - Equipment Rental Internal	14,383	14,383	8,835	9,056	0
551 01 00 Communications - Telephone	298	272	300	300	300
551 02 00 Cellular Phone	399	333	350	350	350
554 01 00 Travel/Conferences/Meetings	189	189	0	200	800
555 00 00 Dues & Subscriptions	155	0	200	200	800
555 04 00 Taxes & Assessments	0	1,867	0	0	0
560 00 00 Internal Service Funds	0	0	0	0	18,958
TOTAL OPERATIONS & MAINTENANCE	49,223	56,442	50,922	58,561	54,888
CAPITAL					
600 03 00 Capital Outlay - Improvements	500	0	500	500	500
TOTAL CAPITAL EXPENDITURES	500	0	500	500	500
TOTAL DEPARTMENT BUDGET	167,078	225,442	224,599	231,061	235,416
				Budget to Budget Increase/(Decrease)	10,817
				Percentage of Change	4.8%

Budget Highlights:

Overall Increase is due to higher utilities at ball fields and parks along with fringe benefit increases in workers comp and health insurance.

SENIOR CENTER SERVICES 100 2044

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL						
410	10 00 Salaries	99,347	78,655	61,730	60,100	60,248
420	00 00 Fringe Benefits	40,979	30,982	23,670	21,000	20,466
TOTAL PERSONNEL		140,325	109,637	85,400	81,100	80,714
OPERATIONS & MAINTENANCE						
515	01 00 Utilities	8,004	6,941	9,500	7,500	8,000
521	01 00 Office Supplies	0	0	700	700	600
521	02 00 General Supplies & Postage	143	124	850	1,035	850
557	00 00 City Match to Senior Nutrition Grant (73)	5,239	0	9,547	9,547	12,890
545	00 00 Vehicle - Equipment Rental Internal	4,433	4,166	3,045	3,045	0
551	01 00 Communications - Telephone	2,370	2,436	2,500	2,513	2,500
560	00 00 Internal Service Funds	0	0	0	0	6,437
TOTAL OPERATIONS & MAINTENANCE		20,188	13,667	26,142	24,340	31,277
CAPITAL						
600	04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		160,514	123,303	111,542	105,440	111,991
Budget to Budget Increase/(Decrease)						450
Percentage of Change						0.4%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Overall slight increase in the budget is due to the match required for the Nutrition Program.

Senior Nutrition Site Budget

**SENIOR NUTRITION SITE MANAGEMENT
730 2046**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	8,972	13,059	5,340	5,350	5,341
410 20 00 Part Time Salaries	0	5,126	13,000	12,000	14,000
420 00 00 Fringe Benefits	5,729	7,096	1,716	4,450	3,057
TOTAL PERSONNEL	14,701	25,281	20,056	21,800	22,398
OPERATIONS & MAINTENANCE					
515 01 00 Utilities	2,137	1,200	1,200	1,200	1,200
521 01 00 Office Supplies	0	137	250	250	250
521 03 00 Nutrition Site Supplies	1,586	1,586	1,550	1,550	1,550
545 00 00 Vehicle - Equipment Rental Internal	536	504	385	385	0
551 01 00 Communications - Telephone	1,135	1,123	1,250	1,248	1,248
560 00 00 Internal Service Funds	0	0	0	0	888
TOTAL OPERATIONS & MAINTENANCE	5,394	4,550	4,635	4,633	5,136
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	20,095	29,830	24,691	26,433	27,534
				Budget to Budget Increase/(Decrease)	2,843
				Percentage of Change	11.5%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Overall increase in the budget is due to a slight increase in personnel costs and the Internal Service Funds

Aquatics Program Budget

**AQUATICS PROGRAM
100 2047**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	6,118	6,366	6,853	6,853	6,272
410 20 00 Part Time Salaries	11,759	13,787	12,000	12,000	13,800
420 00 00 Fringe Benefits	4,077	4,636	3,510	4,210	4,298
TOTAL PERSONNEL	21,954	24,789	22,363	23,063	24,370
OPERATIONS & MAINTENANCE					
521 02 00 Special Supplies	906	1,176	800	800	800
560 00 00 Internal Service Funds	0	0	0	0	127
TOTAL OPERATIONS & MAINTENANCE	906	1,176	800	800	927
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equip.	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	22,860	25,966	23,163	23,863	25,297
				Budget to Budget Increase/(Decrease)	2,134
				Percentage of Change	9.2%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Overall slight budget increase due to State of California minimum wage increase effective July 1, 2014

COMMUNITY TRANSIT 860 2049

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL						
410	10 00 Salaries	73,118	62,380	75,325	68,000	71,725
410	20 00 Part Time Salaries	0	6,885	1,000	1,500	500
420	00 00 Fringe Benefits	38,004	33,871	33,706	30,600	32,999
TOTAL PERSONNEL		111,122	103,136	110,031	100,100	105,224
OPERATIONS & MAINTENANCE						
515	02 00 Gasoline/Diesel	2,797	2,598	2,700	3,200	3,500
521	01 00 Office Supplies	612	117	600	600	600
521	02 00 Special Supplies	32	379	300	300	300
545	00 00 Vehicle - Equipment Rental Internal	1,437	1,408	1,200	1,200	0
551	01 00 Communications - Telephone	614	698	750	750	850
560	00 00 Internal Service Funds	0	0	0	0	1,504
TOTAL OPERATIONS & MAINTENANCE		5,492	5,199	5,550	6,050	6,754
CAPITAL						
600	03 00 Capital Outlay-Improvements	2,156	0	0	0	0
600	03 99 Capital Outlay-New Accounting Software System	0	0	2,731	683	2,048
TOTAL CAPITAL EXPENDITURES		2,156	0	2,731	683	2,048
TOTAL DEPARTMENT BUDGET		118,770	108,335	118,312	106,833	114,026

Budget to Budget Increase/(Decrease) **(4,286)**
 Percentage of Change **-3.6%**

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Approximately ninety percent (90%) of this budget is funded by the Fresno County Rural Transit Authority (FCRTA) along with \$5,000 of Fair box collections
 Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Planned Recreation Budget

**PLANNED RECREATION
100 2062**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	10,196	10,611	11,421	6,800	10,454
410 20 00 Part Time Salaries	6,537	4,047	6,000	4,850	7,300
420 00 00 Fringe Benefits	7,760	5,917	4,170	5,550	5,593
TOTAL PERSONNEL	24,494	20,575	21,591	17,200	23,347
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	2,250	1,280	2,250	2,250	2,940
515 01 00 Utilities	2,557	2,142	2,500	2,700	2,500
521 01 00 Office Supplies & Postage	351	186	200	200	200
521 02 00 Program Supplies	6,470	2,417	3,000	3,000	4,000
551 01 00 Communications - Telephone	26	17	25	25	25
551 02 00 Cellular Phone	319	0	0	0	0
560 00 00 Internal Service Funds	0	0	0	0	212
TOTAL OPERATIONS & MAINTENANCE	11,972	6,042	7,975	8,175	9,877
CAPITAL					
600 03 00 Capital Outlay	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	36,466	26,617	29,566	25,375	33,224
				Budget to Budget Increase/(Decrease)	3,657
				Percentage of Change	12.4%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Overall increase is mainly due to the addition of two adult softball seasons in Contract Services and Program Supplies.

Youth Services Budget

**YOUTH SERVICE BUREAU
100 2065**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	14,275	13,415	15,990	9,550	14,636
410 20 00 Part Time Salaries	9,379	13,511	17,600	17,600	21,000
420 00 00 Fringe Benefits	9,129	9,083	6,942	6,150	8,908
TOTAL PERSONNEL	32,783	36,009	40,531	33,300	44,543
OPERATIONS & MAINTENANCE					
521 01 00 Office Supplies	0	377	0	0	0
521 02 00 Special Supplies	892	4,825	5,000	5,000	9,300
551 01 00 Communications - Telephone	123	58	90	90	90
551 02 00 Cellular Phone	154	0	0	0	0
560 00 00 Internal Service Funds	0	0	0	0	297
TOTAL OPERATIONS & MAINTENANCE	1,169	5,261	5,090	5,090	9,687
CAPITAL					
600 03 00 Capital Outlay	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	33,952	41,270	45,621	38,390	54,230
				Budget to Budget Increase/(Decrease)	8,609
				Percentage of Change	18.9%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Overall increase is mainly due to the addition of new programs for youth and teens in Special Supplies and is partially offset by program revenues

**COMMUNITY TEEN CENTER
100 2069**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	53,042	42,358	46,080	46,080	46,080
410 20 00 Part Time Salaries	13,209	12,706	14,500	14,500	15,925
410 30 00 Overtime	0	61	250	0	250
420 00 00 Fringe Benefits	28,169	23,766	27,720	23,500	23,190
TOTAL PERSONNEL	94,420	78,890	88,550	84,080	85,445
OPERATIONS & MAINTENANCE					
510 01 00 Contracted Services (Maintenance)	3,165	3,555	3,600	3,600	3,600
515 01 00 Utilities	27,119	23,145	26,000	26,000	26,000
521 01 00 Office Supplies	119	219	300	483	300
521 02 00 Special Supplies	5,785	5,059	4,500	4,500	4,500
521 06 00 Uniforms	41	0	41	0	0
545 00 00 Vehicle - Equipment Rental Internal	6,917	4,926	0	0	0
551 01 00 Communications - Telephone	2,307	2,098	2,300	2,300	2,300
551 02 00 Cellular Phone	154	317	350	350	350
560 00 00 Internal Service Funds	0	0	0	0	816
TOTAL OPERATIONS & MAINTENANCE	45,608	39,319	37,091	37,233	37,866
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	1,139	1,548	2,500	2,500	2,500
TOTAL CAPITAL EXPENDITURES	1,139	1,548	2,500	2,500	2,500
TOTAL DEPARTMENT BUDGET	141,167	119,758	128,141	123,813	125,811
				Budget to Budget Increase/(Decrease)	(2,330)
				Percentage of Change	-1.8%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Overall decrease is due to no vehicle assigned to the Community Teen Center (Internal Service Fund decrease)
 Capital Outlay/Improvements - Podium replacement, Back Park Vac replacement and facility equipment replacement

Planning and Development



Direct and participate in the development and implementation of the City's Planning goals, objectives, policies and procedures



Provide technical advice to City Council, Planning Commission, other department heads and civic groups in matters involving planning, zoning, and municipal physical improvements



Develop general procedures for control of department activities

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.

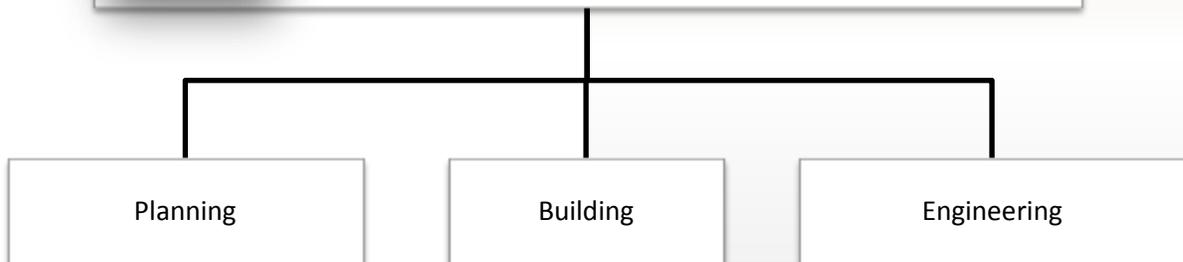
Key Achievements

- ❏ Completed final inspection and issued certificate of occupancy for the Walmart store.
- ❏ Completed final inspection and issued certificate of occupancy for Taco Bell.
- ❏ Approved site plan for 8,125 sq. ft. retail building to be anchored by Panda Express.
- ❏ Prepared, processed and received approved for all land use entitlements and environmental review for Mid Valley Disposal multi-phase expansion plans.
- ❏ Approved site plan for 10,000 sq. ft. medical building in the Kerman Crossing Neighborhood Shopping Center.
- ❏ Successful implementation of annual weed abatement activity.



Planning and Development Director

Luis Patlan



Goals

- ❏ Conduct building inspections and issue certificate of occupancy for the 8,125 square foot commercial building (Panda Express).
- ❏ Conduct building inspections and issue certificate of occupancy for the 10,000 square foot medical building.
- ❏ Process plan check approval for phase I of Mid Valley Disposal expansion and conduct building inspections and issue certificate of occupancy for phase I expansion of Mid Valley Disposal.
- ❏ Select consultant and prepare the draft update of the Housing Element for submittal to HCD by December 31, 2015.

Planning and Development Budget

PLANNING
100 1008

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	63,060	5,672	65,369	64,500	66,173
410 20 00 Part Time Salaries	3,100	1,925	4,200	2,500	2,500
420 00 00 Fringe Benefits	25,032	3,621	27,238	25,000	24,998
TOTAL PERSONNEL	91,192	11,218	96,806	92,000	93,671
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services - LAFCo	2,171	0	2,750	3,253	3,500
510 01 00 Contract Services - Sphere of Influence	0	0	0	0	15,000
510 10 00 Professional Services	4,989	508	1,500	0	1,500
521 01 00 Office Supplies	1,465	1,688	1,500	1,500	1,500
521 07 00 Postage	0	0	300	300	300
545 00 00 Vehicle - Equipment Rental Internal	360	0	0	0	0
546 00 00 Computer - Equipment Rental Internal	3,115	3,115	176	181	0
551 01 00 Communications - Telephone	307	181	200	200	200
552 01 00 Public Notice	285	457	550	550	550
554 01 00 Travel - Conferences - Meetings	50	200	150	75	150
560 00 00 Internal Service Funds	0	0	0	0	1,057
TOTAL OPERATIONS & MAINTENANCE	12,742	6,149	7,126	6,059	23,757
CAPITAL					
600 03 99 Capital Outlay - New Accounting Software Sys.	0	0	4,400	1,100	3,300
600 04 00 Capital Outlay - Machinery & Equipment	0	0	2,000	1,772	0
TOTAL CAPITAL EXPENDITURES	0	0	6,400	2,872	3,300
TOTAL DEPARTMENT BUDGET	103,934	17,367	110,332	100,931	120,728
				Budget to Budget Increase/(Decrease)	10,395
				Percentage of Change	9.4%

ENGINEERING
100 1010

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
510 10 00 Professional Services	44,818	7,610	25,000	40,000	25,000
TOTAL	44,818	7,610	25,000	40,000	25,000
TOTAL DEPARTMENT BUDGET	44,818	7,610	25,000	40,000	25,000
			Budget to Budget Increase/(Decrease)		0
			Percentage of Change		0.0%

Budget Highlights:

Fiscal Year 13/14 Professional Services for engineering expenses are higher because fees were collected in fiscal year 12/13 but the work was performed in fiscal year 13/14.

Building Department Budget

BUILDING
100 1042

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	62,514	61,236	75,583	72,000	70,538
410 30 00 Overtime	712	470	500	950	800
410 35 00 Stand By	364	292	350	500	414
420 00 00 Fringe Benefits	31,153	29,105	35,383	31,000	24,805
TOTAL PERSONNEL	94,743	91,103	111,816	104,450	96,557
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services - Weed Abatement	2,078	8,209	5,600	5,600	5,600
510 10 00 Professional Services	46,769	20,612	15,000	10,000	15,000
521 01 00 Office Supplies	2,476	3,212	1,000	1,000	750
521 06 00 Uniforms	433	344	355	55	75
521 07 00 Postage	0	0	1,400	1,400	1,400
540 02 00 Equipment Rent	0	0	0	1,150	1,200
545 00 00 Vehicle - Equipment Rental Internal	5,181	4,540	4,095	4,370	0
546 00 00 Computer - Equipment Rental Internal	4,034	4,034	900	933	0
551 01 00 Communication - Telephone	1,757	976	950	950	950
551 02 00 Cellular Phone	358	662	650	650	650
554 01 00 Travel - Conferences - Meetings	69	12	120	125	400
555 00 00 Dues & Subscriptions	359	125	2,000	1,425	150
560 00 00 Internal Service Funds	0	0	0	0	7,977
TOTAL OPERATIONS & MAINTENANCE	63,515	42,727	32,070	27,658	34,152
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	300	300	0
555 01 00 State Fees	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	300	300	0
TOTAL DEPARTMENT BUDGET	158,258	133,830	144,186	132,408	130,709
				Budget to Budget Increase/(Decrease)	(13,477)
				Percentage of Change	-9.3%

Budget Highlights:

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

**CIP ADMINISTRATION
110 1011**

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
410	10 00 Salaries	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	01 00 Contract Services	5,040	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE		5,040	0	0	0	0
TOTAL DEPARTMENT BUDGET		5,040	0	0	0	0
Budget to Budget Increase/(Decrease)						0
Percentage of Change						0.0%

**GENERAL PLAN UPDATES
170 1007**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
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	0	0	26,000
TOTAL OPERATIONS & MAINTENANCE	0	0	0	0	26,000
TOTAL DEPARTMENT BUDGET	0	0	0	0	26,000

Budget Highlights:

Expenses for LAFCo and the Housing Element Update (required in FY 14/15) will be charged to Fund 17 and funds will be transferred in from the General Fund reserves to cover the expenses.

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Public Works



Ensure Kerman's infrastructure is maintained



Maintain parks, City buildings, street sweeping, street lighting and solid waste program



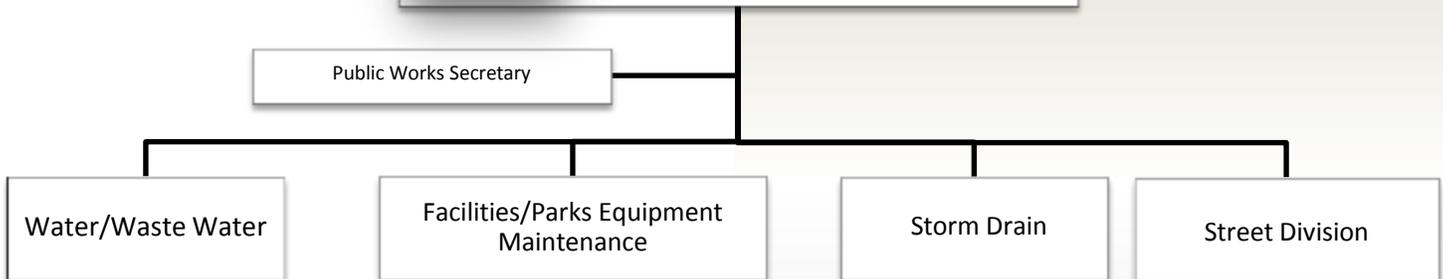
Manage the wastewater treatment, storm drainage and fleet operations

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 Director
Ken Moore



Key Achievements

- ❑ Successfully received \$724,000 in Prop 84 funding.
- ❑ Completed \$1,400,000 in street, sidewalk, and storm drainage capital improvement projects.
- ❑ Completed construction of a new sludge drying bed at the wastewater treatment plant.
- ❑ Completed the installation of two new pumps at the Goldenrod sewer lift station.
- ❑ Completed second phase of the GIS mapping system.
- ❑ Plans and Specs for the City sidewalk and tree removal/replacement project completed (construction to take place in 2014-2015).
- ❑ Wooten Park street lighting project completed.

Goals

- ❑ Have the air diffuser membranes cleaned in the Biolac pond at the Wastewater Treatment Plan.
- ❑ Implement a contract preventative maintenance program for the Emergency Generators, Electrical Supply Panels for water wells, sewer lift stations and motors at the WWTP.
- ❑ Construct Water Well #18 and connect it to the Kerman water distribution system.
- ❑ Install approximately 700 water meters in the Kerman water distribution system.
- ❑ Complete installation of the new WIN 911 SCADA system software.
- ❑ Implement a comprehensive Equipment Maintenance Record Keeping program at the WWTP.
- ❑ Implement a comprehensive Equipment Maintenance Record Keeping program for the City vehicles and equipment.

Building and Park Maintenance Budget

BUILDING & PARK MAINTENANCE
100 4010

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	59,017	54,872	59,805	54,000	42,752
410 20 00 Part-Time Wages	0	0	0	0	9,880
410 30 00 Overtime	2,027	2,735	3,000	3,000	3,000
410 35 00 Stand By	1,156	1,817	1,173	1,600	915
420 00 00 Fringe Benefits	29,231	28,824	24,960	31,775	23,399
TOTAL PERSONNEL	91,431	88,247	88,939	90,375	79,946
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	10,609	6,025	7,500	7,500	26,700
510 10 00 Professional Services	0	0	0	0	3,000
515 01 00 Utilities	4,150	4,805	5,000	5,000	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	126	207	400	400	400
521 03 00 Janitorial Supplies	18,540	18,629	15,500	16,877	7,000
521 04 00 Building Maintenance Supplies	4,959	7,555	8,250	8,250	8,000
521 05 00 Park Supplies	14,146	13,318	16,000	16,000	16,000
521 06 00 Uniforms	317	307	307	307	310
545 00 00 Vehicle - Equipment Rental Internal	17,269	16,477	13,556	13,556	0
546 00 00 Computer Equipment Allocation	0	0	1,142	1,183	0
551 01 00 Communications - Telephone	770	720	750	750	750
551 02 00 Cellular Phone	293	331	425	425	425
554 01 00 Training / Meetings	0	0	250	250	250
555 04 00 Taxes & Assessments (Fresno Irrig. District)	0	0	0	1,867	1,875
555 05 00 Property Taxes	0	0	0	0	2,655
560 00 00 Internal Service Funds	0	0	0	0	13,153
TOTAL OPERATIONS & MAINTENANCE	86,234	83,428	84,134	87,419	100,572
CAPITAL					
600 03 00 Capital Improvements	1095	9,917	0	0	0
600 03 00 Capital Improv - Rotary Park Men's Restroom	0	0	4,000	6,850	0
600 03 00 Capital Improv - Kerckhoff Restroom	0	0	1,200	1,000	0
600 03 00 Capital Improv - Lions Park Restroom	0	0	1,500	330	0
600 03 05 Capital Improv - Coleman Grandstand Lighting	0	0	2,500	500	2,000
600 03 00 Capital Improv - Police Department Building	0	0	5,000	5,000	0
600 03 06 Capital Improv - Senior Center Stair Tread Repair	0	0	0	0	2,500
600 03 07 Capital Improv - Kerckhoff Park Electrical Repairs	0	0	0	0	1,800
TOTAL CAPITAL EXPENDITURES	1,095	9,917	14,200	13,680	6,300
TOTAL DEPARTMENT BUDGET	178,760	181,592	187,273	191,474	186,818
				Budget to Budget Increase/(Decrease)	(455)
				Percentage of Change	-0.2%

Budget Highlights:

Overall reduction in the 2014/15 budget is due to a decrease in personnel costs.
Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

**WATER OPERATIONS
410 4041**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	235,974	225,626	261,498	260,000	247,259
410 20 00 Part Time Salaries	0	2,880	8,016	1,800	8,000
410 30 00 Overtime	6,059	5,736	6,000	7,500	7,500
410 35 00 Stand By	7,078	6,580	5,470	7,700	7,136
420 00 00 Fringe Benefits	101,748	116,635	126,794	120,000	122,163
TOTAL PERSONNEL	350,859	357,457	407,778	397,000	392,058
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	34,847	23,989	35,000	35,000	50,000
510 10 00 Professional Services	3,558	23,274	20,000	10,000	10,000
510 11 00 Professional Services-GIS Maintenance	0	0	0	0	2,000
510 12 00 Professional Services - Lab Services	6,244	15,307	17,000	17,000	18,000
515 01 00 Utilities	265,964	257,541	275,000	260,000	280,000
521 01 00 Office Supplies	2,649	1,905	1,350	1,350	1,500
521 02 00 Special Supplies	33,587	47,279	45,000	48,000	50,000
521 02 01 Water Meters	5,002	3,237	10,000	5,000	5,000
521 06 00 Uniforms	1,390	1,060	1,283	1,283	1,300
521 07 00 Postage	0	167	1,250	1,250	1,250
540 02 00 Equipment Rental - Lease	1,133	1,193	1,500	1,500	1,500
545 00 00 Vehicle - Equipment Rental Internal	60,842	40,437	45,015	45,015	0
546 00 00 Computer - Equipment Rental Internal	4,576	4,576	5,445	5,550	0
551 01 00 Communications - Telephone	2,284	2,384	2,500	2,500	2,500
551 02 00 Communications - Cellular Phone	1,993	1,329	1,800	1,800	1,800
552 01 00 Public notices/Consumer Conf. Report	628	1,966	2,500	250	250
554 01 00 Training, Travel & Meetings	2,151	2,679	4,000	2,000	2,500
555 01 00 State Fees	12,552	17,791	20,000	10,000	15,000
555 02 00 Upper Kings Basin Water Forum	13,000	12,000	13,000	8,500	8,500
560 00 00 Internal Service Funds	0	0	0	0	61,482
TOTAL OPERATIONS & MAINTENANCE	452,399	458,114	501,643	455,998	512,582
CAPITAL					
600 03 00 Capital Improvements	989	0	0	0	0
600 03 00 Capital Improvements-HVAC at PW Office	0	0	3,500	2,836	0
600 03 00 Capital Improvements-Lift Gate for Hauling Chlorine	0	0	4,000	3,981	0
600 03 05 Capital Improvements-Scada System Upgrade	0	0	5,000	0	7,500
600 03 06 Capital Improvements-HVAC at WWTP	0	0	0	0	12,500
600 03 02 Capital Improvements-Fire Hydrant Replacement	0	0	0	8,101	0
600 03 03 Capital Improvements-Well 9A Emerg. Repairs	0	0	0	15,909	0
TOTAL CAPITAL EXPENDITURES	989	0	12,500	30,826	20,000
TOTAL DEPARTMENT BUDGET	804,248	815,571	921,921	883,824	924,640
			Budget to Budget Increase/(Decrease)		2,719
			Percentage of Change		0.3%

Budget Highlights:

Contract Services: Increased to cover 50% preventative maintenance and service contract for electrical at well sites, sewer lifts and water generators.

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

Capital: Costs for both Scada upgrade and HVAC at WWTP will be expensed 50% water, 50% sewer

Sewer Collection and Operations Budget

SEWER COLLECTION & OPERATIONS 420 4042

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	254,018	255,240	231,435	230,000	217,689
410 20 00 Part Time Salaries	0	0	0	0	0
410 30 00 Overtime	6,215	6,860	7,200	7,200	8,000
410 35 00 Stand By	8,038	8,314	6,238	6,700	7,377
420 00 00 Fringe Benefits	104,170	128,213	110,442	100,000	105,646
TOTAL PERSONNEL	372,442	398,628	355,314	343,900	338,711
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	49,517	41,945	48,500	48,500	74,350
510 10 00 Professional Services	8,544	9,060	13,000	10,000	10,000
510 12 00 Professional Services-Laboratory Testing	11,341	11,949	10,000	8,000	8,000
515 01 00 Utilities	176,077	231,439	160,000	160,000	160,000
515 02 00 Utilities (Lift Station)	8,871	0	4,000	3,000	3,000
521 01 00 Office Supplies & Postage	392	669	400	804	1,000
521 02 00 Special Supplies	45,250	44,563	40,000	47,000	40,000
521 06 00 Uniforms	980	1,088	1,106	1,106	1,100
540 00 00 Equipment Rent - Lease	1,132	1,193	1,500	1,500	1,500
545 00 00 Vehicle - Equipment Rental Internal	55,051	45,561	43,046	43,046	0
546 00 00 Computer - Equipment Rental Internal	6,417	6,417	6,150	6,250	0
550 00 00 Insurance	8,545	8,612	9,107	8,827	10,479
551 01 00 Communications - Telephone	3,338	3,457	3,750	3,750	3,750
551 02 00 Communications - Cellular Phone	1,693	961	1,100	1,100	1,100
554 01 00 Training, Travel & Meetings	1,493	3,261	5,000	2,500	2,500
555 01 00 Dues, Subscriptions & State Fees	21,305	21,141	24,000	30,000	30,000
560 00 00 Internal Service Funds	0	0	0	0	56,573
TOTAL OPERATIONS & MAINTENANCE	399,947	431,319	370,659	375,382	403,352
CAPITAL					
600 03 00 Capital Outlay	989	0	0	0	0
600 03 00 Capital Outlay-Sludge Analyzer	0	0	2,000	1,937	0
600 03 00 Capital Outlay-High Pressure Weed Sprayer	0	0	2,600	2,705	0
600 03 05 Capital Outlay-Scada System Upgrade	0	0	5,000	0	7,500
600 03 00 Capital Outlay-Dump Trailer	0	0	10,000	8,987	0
600 03 01 Capital Outlay-Grinder	0	0	0	12,362	0
600 03 06 Capital Outlay-HVAC System at WWTP	0	0	0	0	12,500
600 03 07 Capital Outlay-Goldenrod/CA Sewer Lift Station	0	0	0	0	6,000
600 03 08 Capital Outlay-Secondary Meter for Pumping Reclaimed Water	0	0	0	0	4,000
TOTAL CAPITAL EXPENDITURES	989	0	19,600	25,991	30,000
TOTAL DEPARTMENT BUDGET	773,378	829,947	745,574	745,273	772,063
				Budget to Budget Increase/(Decrease)	26,489
				Percentage of Change	3.6%

Budget Highlights:

Contract Services: Increased to cover 50% preventative maintenance and service contract for electrical @ wells, sewer lifts and generators and annual cleaning of Biolac Air Diffusers at \$14,850.

Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds

Capital: Costs for both Scada upgrade and HVAC at WWTP will be expensed 50% water, 50% sewer

Strom Drain Maintenance and Operations Budget

**STORM DRAIN MAINTENANCE & OPERATIONS
470 4047**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	21,534	21,653	22,718	22,700	23,783
410 20 00 Part Time	0	0	0	700	240
410 30 00 Overtime	1,097	1,054	1,400	1,650	1,650
410 35 00 Stand By	1,098	1,158	963	1,200	1,072
420 00 00 Fringe Benefits	10,936	11,583	12,002	12,000	13,893
TOTAL PERSONNEL	34,665	35,448	37,083	38,250	40,638
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	500	0	1,000	1,000	1,500
515 01 00 Utilities	675	699	1,000	1,000	1,000
521 01 00 Office Supplies	85	50	100	100	100
521 02 00 General Supplies	2,087	137	3,000	3,000	3,000
521 06 00 Uniforms	148	108	116	116	120
521 07 00 Postage	750	750	800	800	800
540 00 00 Lease Payment (PFA Bond)	1,706	1,720	1,734	1,734	1,712
545 00 00 Vehicle - Equipment Rental Internal	8,319	8,820	7,119	7,119	0
546 00 00 Computer - Equipment Rental Internal	1,144	1,144	310	311	0
550 00 00 Insurance	4,767	4,800	5,076	4,920	4,123
551 02 00 Communications - Cellular Phone	873	851	1,000	1,000	1,000
555 04 00 Taxes & Assessments (Fresno Irrig. Dist.)	1,213	1,213	1,500	1,213	1,225
555 05 00 Property Taxes - Fresno County	134	137	150	139	150
560 00 00 Internal Service Funds	0	0	0	0	8,691
560 01 00 Administration & Overhead	7,307	7,453	7,453	7,453	7,453
TOTAL OPERATIONS & MAINTENANCE	29,707	27,882	30,358	29,905	30,874
CAPITAL					
600 04 00 Capital Outlay-First & Kearney Pump Station Valve	1,078	0	2,600	2,000	0
600 03 99 Capital Outlay-New Accounting Software System	0	0	1,404	351	1,053
TOTAL CAPITAL EXPENDITURES	1,078	0	4,004	2,351	1,053
TOTAL DEPARTMENT BUDGET	65,450	63,330	71,445	70,506	72,565
				Budget to Budget Increase/(Decrease)	1,120
				Percentage of Change	1.6%

Budget Highlights:

Contract Services: Increase for maintenance contract for power supplies at Kearney/First and Lions park pumps.
 Annual Bond Lease Payment Breakdown is located in the PFA Budget.
 Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Landscape and Lighting Budget

**LANDSCAPE & LIGHTING
750 4075**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	70,765	63,002	63,135	64,500	74,324
410 20 00 Part Time Salaries	7,311	4,760	10,000	10,750	20,000
410 30 00 Overtime	3,011	2,731	3,000	3,535	3,860
410 35 00 Stand By	1,989	1,803	1,913	1,900	1,950
420 00 00 Fringe Benefits	42,018	34,153	28,671	32,500	37,910
TOTAL PERSONNEL	125,095	106,448	106,720	113,185	138,044
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	110	0	500	250	500
510 10 00 Professional Services	3,598	4,018	3,500	3,500	3,500
510 11 00 Professional Services-GIS Mapping	0	0	0	0	3,500
515 01 00 Utilities	36,851	30,016	30,000	30,000	30,000
521 02 00 General Supplies	5,749	7,524	5,000	5,000	5,000
521 06 00 Uniforms	362	343	319	375	375
540 00 00 Lease Payment (PFA Bond)	2,560	2,580	2,600	2,600	2,600
545 00 00 Vehicle - Equipment Rental Internal	16,998	15,594	14,329	14,329	0
546 00 00 Computer - Equipment Rental Internal	2,090	2,090	389	466	0
550 00 00 Insurance	2,808	2,824	2,986	2,894	3,436
551 02 00 Communications - Cellular Phone	325	0	500	500	500
555 04 00 Taxes & Assessments (F.I.D.)	63	63	63	63	63
560 00 00 Internal Service Funds	0	0	0	0	23,697
560 00 00 Administration & Overhead	7,800	7,956	7,956	7,956	7,956
TOTAL OPERATIONS & MAINTENANCE	79,313	73,006	68,142	67,933	81,127
CAPITAL					
600 03 00 Capital Outlay-Machinery & Equipment	2,156	0	0	0	0
600 03 36 Capital Outlay-Bucket Truck	0	0	0	0	10,000
600 03 99 Capital Outlay-New Accounting Software System	0	0	3,580	895	2,685
TOTAL CAPITAL EXPENDITURES	2,156	0	3,580	895	12,685
TOTAL DEPARTMENT EXPENDITURES	206,564	179,454	178,442	182,013	231,856
Budget to Budget Increase/(Decrease)					53,414
Percentage of Change					29.9%

Budget Highlights:

Revenue: L & L assessments will generate approximately \$209,670 in FY 2014/15
 Overall increase to budget is due to personnel costs and internal service funds expenditures.
 Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Capital: Bucket Truck (Used) for maintaining street lights and other public works projects. Total cost \$27,000 63% vehicles & 37% Landscape & Lighting
 Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Street Maintenance – Measure C Budget

**STREET MAINTENANCE - MEASURE C
880 4088**

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
PERSONNEL					
410 10 00 Salaries	172,212	162,714	164,601	159,000	160,290
410 20 00 Part Time Wages	0	5,760	5,000	5,461	10,000
410 30 00 Overtime	4,396	4,718	4,500	5,000	4,500
410 35 00 Stand By	2,574	3,015	2,559	2,800	2,628
420 00 00 Fringe Benefits	78,837	78,876	69,634	70,000	73,477
TOTAL PERSONNEL	258,019	255,082	246,294	242,261	250,894
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	436	2,479	5,000	1,500	2,500
521 01 00 Office Supplies	527	269	800	500	500
521 02 00 General Supplies	24,849	23,953	45,000	30,000	30,000
521 06 00 Uniforms	789	697	669	669	670
545 00 00 Vehicle - Equipment Rental Internal	38,131	36,082	33,137	33,137	0
546 00 00 Computer - Equipment Rental Internal	2,090	2,090	1,913	1,958	0
550 00 00 Insurance	2,790	2,824	2,986	2,894	10,307
551 01 00 Communications - Telephone	1,311	1,468	1,600	1,600	1,600
551 02 00 Communications - Cellular Phone	373	65	0	0	0
552 02 00 Public Notice	371	0	200	200	200
554 01 00 Travel/Conferences/Meetings	0	125	500	500	500
560 00 00 Internal Service Funds	0	0	0	0	43,602
TOTAL OPERATIONS & MAINTENANCE	71,667	70,052	91,805	72,958	89,879
CAPITAL					
600 03 17 Solar Stop Signs	0	0	8,000	0	0
600 03 30 HVAC Public Works Office 50%	0	0	3,500	0	0
600 03 31 Tack Oil Machine	0	0	7,700	0	0
600 03 99 Capital Outlay-New Accounting Software System	0	0	5,655	1,414	4,241
TOTAL CAPITAL EXPENDITURES	0	0	24,855	1,414	4,241
TOTAL DEPARTMENT BUDGET	329,686	325,134	362,954	316,633	345,014
			Budget to Budget Increase/(Decrease)		(17,940)
			Percentage of Change		-4.9%

Budget Highlights:

Part-time Salaries: Additional expense to supplement staffing shortage in Public Works
 Internal Service Funds: Vehicle and Computer Equipment combined into Internal Service Funds
 Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Street Maintenance – TDA and Other Budget

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

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
FUND 800 - STREETS					
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services-Street Sweeping	79,060	80,814	85,000	85,000	85,748
TOTAL OPERATIONS & MAINTENANCE	79,060	80,814	85,000	85,000	85,748
FUND 810 - GAS TAX 2105					
OPERATIONS & MAINTENANCE					
510 05 00 Tree Trimming	3,388	6,003	7,000	2,500	10,000
510 06 00 Traffic Signal Maintenance	2,512	2,022	6,000	6,000	7,500
515 01 00 Utilities-Net of Transfer in from 10.0.4011	33,203	17,410	22,746	27,500	27,500
TOTAL OPERATIONS & MAINTENANCE	39,104	25,434	35,746	36,000	45,000
FUND 820 - GAS TAX 2106					
OPERATIONS & MAINTENANCE					
510 03 00 Professional Services-Engineering	0	16,275	15,000	37,000	20,000
TOTAL OPERATIONS & MAINTENANCE	0	16,275	15,000	37,000	20,000
CAPITAL					
600 03 04 Yard Improvements	0	0	7,500	0	7,500
600 03 05 Upgrade Kearney Ave Median Landscape.	530	8,838	0	0	0
TOTAL CAPITAL EXPENDITURES	530	8,838	7,500	0	7,500
FUND 830 - GAS TAX 2107					
OPERATIONS & MAINTENANCE					
510 03 00 Professional Services-GIS Mapping	0	0	0	0	5,000
510 04 00 Professional Services-Audit	2,000	2,000	2,000	2,500	3,000
TOTAL OPERATIONS & MAINTENANCE	2,000	2,000	2,000	2,500	8,000
FUND 840 - GAS TAX 2107.5					
OPERATIONS & MAINTENANCE					
510 03 00 Professional Services-Engineering	12,896	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE	12,896	0	0	0	0
FUND 850 - GAS TAX ARTICLE III					
OPERATIONS & MAINTENANCE					
600 03 14 Sidewalk Repair	10,000	4,650	10,000	5,000	10,000
TOTAL OPERATIONS & MAINTENANCE	10,000	4,650	10,000	5,000	10,000
FUND 870 - ARTICLE VIII					
PERSONNEL					
410 10 00 Salaries	43,125	40,886	51,733	51,000	63,889
410 20 00 Part Time Wages	0	2,160	5,000	4,615	10,000
410 30 00 Overtime	1,108	1,191	2,000	1,500	2,000
410 35 00 Stand By	648	761	649	750	748
420 00 00 Fringe Benefits	20,352	20,029	22,036	24,000	28,931
TOTAL PERSONNEL	65,234	65,027	81,418	81,865	105,568
OPERATIONS & MAINTENANCE					
521 06 00 Uniforms	90	183	167	200	200
545 00 00 Vehicle/Equipment Rental Internal	0	0	0	5,486	0
560 00 00 Internal Service Funds	0	0	0	0	12,442
TOTAL OPERATIONS & MAINTENANCE	90	183	167	5,686	12,642
CAPITAL					
600 03 17 Solar Stop Signs	0	6,680	0	6,710	0
600 03 18 Traffic Radar Speed Indicator Signs	0	0	0	0	9,000
600 03 19 Street Sign Replacement	0	0	0	0	10,000
600 03 20 200 Gallon Spray Tank w/Gun	0	3,903	0	0	0
600 03 30 HVAC Public Works Office 50%	0	0	0	2,836	0
600 03 25 Trailer for Street Stenciling Operations	0	0	0	0	3,000
600 03 99 New Accounting Software System	0	0	1,422	356	1,067
TOTAL CAPITAL EXPENDITURES	0	10,583	1,422	9,901	23,067
SUMMARY - STREET MAINT. TDA & OTHER					
TOTAL PERSONNEL	65,234	65,027	81,418	81,865	105,568
TOTAL OPERATIONS & MAINTENANCE	143,150	129,357	147,913	171,186	181,390
TOTAL CAPITAL EXPENDITURES	530	19,421	8,922	9,901	30,567
TOTAL DEPARTMENT BUDGET	208,914	213,804	238,253	262,952	317,524
				Budget to Budget Increase/(Decrease)	79,271
				Percentage of Change	33.3%

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.
 Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

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 2014/2015 Capital Projects Budget includes \$4,703,656 of expenditures, with \$2,343,790 in Street projects, \$1,780,000 in Water Fund projects, \$22,000 in Sewer Fund projects, \$268,866 in Park projects and \$100,000 in Building and Facility projects. The remaining projects are under \$100,000 in each capital projects category and amount to \$189,000 in total.

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 2014/2015 budget are the \$844,790 Whitesbridge and Vineland Signal Project funded by Federal Funds, Development Impact Fees along with Local Street Funds, the \$370,000 Vineland Ave. Widening Project funded by Federal Funds and Local Street Funds, the \$260,000 Stanislaus & 16th St. Sidewalk Repair Project funded by Local Street Funds, the \$277,000 Goldenrod at Union Pacific Railroad Project funded by Development Impact Fees and the \$175,000 Median Landscaping Renovation Project funded from Local Street Funds.

Water Construction

The two major projects in this category are a \$965,000 Water Meter System Completion Project which will be funded with \$724,000 from a Proposition 84 Grant and \$241,000 from Water Fund Operational Reserves and the \$650,000 Well 18 Drilling, Pump and Motor Project which will be funded from Water Major Facilities Development Impact Fee funds. The project will carry over into Fiscal Year 2015/2016 with an estimated completion cost of \$287,350 from Water Fund Operational Reserves.

Sewer Facilities Construction

Total Sewer Facilities Construction projects amount to \$22,000 in Fiscal Year 2014/2015 to purchase a sludge aerator.

Park Construction Grants

This section of the Capital Projects Budget includes \$268,866 for the development of Katie's Kids Park and to add a restroom at Soroptimist Park. The cost of the restroom addition, estimated at \$45,000 will be transferred in from General Fund Reserves. The cost to complete Katie's Kids Park, estimated to be completed in October 2014, will be funded from Community Development Block Grant Funds (CDBG) for \$223,866.

Building and Facilities

The HVAC system at the Waste Water Treatment Plant will be replaced at a cost of \$25,000 and will be funded from Water and Waste Water Funds. Additionally, the City's animal shelter will be remodeled at an estimated cost of \$75,000 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 2014/2015

PROJECT	FUNDING SOURCE	ESTIMATED COST
Streets		
Local Street Repairs	Local Street Funds	71,000
California-Madera Ave. to Del Norte	Local Street Funds	66,000
Stanislaus & 16th Street	Local Street Funds	260,000
Sidewalk Repairs/Middleton btwn 6th & 8th	Local Street Funds	25,000
Median Transition Plan	Local Street Funds	5,000
Local Street Sealing	Local Street Funds	100,000
Madera Ave. Crosswalk @ San Joaquin	Local Street Funds	88,000
Median Landscaping Renovation-Phase I	Local Street Funds	175,000
RSTP California & May Reconstruction	Local Street Funds	8,000
RSTP Vineland Ave. Widening	Federal Grant/Local Street Funds	370,000
CMAQ Whitesbridge & Vineland Signal	Federal Grant/DIF's/Local Street Funds	844,790
CMAQ Pedestrian Trail	Federal Grant	54,000
Goldenrod @ Union Pacific Rail Road	Development Impact Fees	277,000
	Total Street Capital Projects	2,343,790
Water		
Mud Vac for Water Repairs (Used)	Water Fund	25,000
Water Meter System Completion	Water Fund/State Grant	965,000
Water Main Extensions for Well 18	Development Impact Fees	140,000
Well 18 - Drilling, Pump & Motor	Development Impact Fees/Water Fund	650,000
	Total Water Capital Projects	1,780,000
Sewer		
Sludge Aerator	Development Impact Fees	22,000
Parks and Other Facilities		
Soroptimist Park Restroom Addition	General Fund Reserves	45,000
Katie's Kids Park Construction	CDBG/State Grants	223,866
	Total Park Capital Projects	268,866
Public Buildings and Other Facilities		
HVAC Repair at WWTP Office	Water/Sewer Funds	25,000
Animal Shelter Remodel	General Fund Reserves	75,000
	Total Public Bldg. & Facility Capital Projects	100,000
Vehicle/Equipment Replacement Fund		
Patrol Vehicles (3)	Vehicle Fund /General Fund Reserves	75,000
Tractor for Spraying & Discing	Vehicle Fund	17,000
Bucket Truck	Vehicle Fund/Landscape & Lighting	27,000
	Total Vehicle/Equipment Projects	119,000
Technology		
Pavement Management System	Gas Tax	44,000
Comprehensive Planning		
Housing Element Update	General Fund	26,000
	Total Capital Improvement Program	4,703,656

Parks, Facilities and Equipment Budget

**PARKS, FACILITIES & EQUIPMENT - GENERAL FUND
100 8000**

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
Construction						
Facilities						
600	03 01 HVAC Unit - 942 S. Madera Ave.	0	0	0	5,525	0
600	03 11 CTC Banquet Chair & Table Replacement	0	2,837	19,500	19,500	0
600	03 70 Soroptimist Park - Restroom Addition	0	0	0	0	45,000
600	03 97 CTC Fire Sprinkler Replacement	0	20,522	0	0	0
600	03 98 Police Department HVAC & Roof Repairs	0	0	35,000	36,632	0
TOTAL FACILITIES		0	23,359	54,500	61,657	45,000
Equipment						
600	03 99 New Accounting Software System	0	0	20,088	4,491	15,597
TOTAL EQUIPMENT		0	0	20,088	4,491	15,597
TOTAL DEPARTMENT BUDGET		0	23,359	74,588	66,148	60,597
Budget to Budget Increase/(Decrease)						(13,991)
Percentage of Change						-18.8%

Budget Highlights:

Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Expenses for the Animal Shelter and Soroptimist Park Restroom will be transferred in from the General Fund reserves to cover the expenses.

CDBG CONSTRUCTION
120 8000

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
Expenditures:					
600 03 05 Del Norte Sewer Main (CDBG)	31,972	349,418	0	0	0
600 03 06 Katie's Kids Park	0	0	0	0	183,866
TOTAL DEPARTMENT BUDGET	31,972	349,418	0	0	183,866
			Budget to Budget Increase/(Decrease)		183,866
			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 allocation from Mendota

Facilities Construction budget

FACILITIES CONSTRUCTION
140 8000

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
Construction						
600 03 70	Animal Shelter	0	0	0	0	75,000
540 00 00	Lease Payment (PFA Bond)	51,192	51,599	52,008	52,008	51,362
TOTAL OPERATIONS & MAINTENANCE		51,192	51,599	52,008	52,008	126,362
Equipment						
600 03 97	CTC Fire Sprinkler Replacement	2,169	0	0	0	0
TOTAL CAPITAL EXPENDITURES		2,169	0	0	0	0
TOTAL DEPARTMENT BUDGET		53,361	51,599	52,008	52,008	126,362
Budget to Budget Increase/(Decrease)						74,355
Percentage of Change						143.0%

Budget Highlights:

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

Water Construction Budget

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

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
WATER OPERATIONS					
FUND 410					
600 03 16 GIS Mapping	12,500	0	10,000	10,000	0
600 03 26 Double L Water Main	0	0	0	29,769	0
600 03 50 Well 17 Major Repair	0	0	0	17,400	0
600 03 51 Used Mud Vac for Water Repairs	0	0	0	0	25,000
600 04 37 Water Meter System Completion	0	0	431,150	0	241,000
600 03 99 New Accounting Software System	0	0	24,089	6,022	18,067
TOTAL WATER OPERATIONS	12,500	0	465,239	63,192	284,067
FUND 780					
600 03 37 Water Meter System Completion-Prop 84 Grant	0	0	1,293,450	0	724,000
TOTAL PROP 84 GRANT	0	0	1,293,450	0	724,000
WATER FRONT FOOTAGE					
FUND 520					
600 03 36 8" & 12" Water Main Extensions for Well 18	0	0	67,500	0	70,000
TOTAL WATER FRONT FOOTAGE	0	0	67,500	0	70,000
WATER OVERSIZE					
FUND 530					
600 03 36 8" & 12" Water Main Extensions for Well No. 18	0	0	67,500	0	70,000
TOTAL WATER OVERSIZE	0	0	67,500	0	70,000
WATER MAJOR FACILITIES					
FUND 540					
600 03 36 Well 18 - Drilling, Pump & Motor	0	18,809	680,000	53,150	650,000
600 04 01 Secondary Water System Agreement	0	0	3,000	10,898	0
TOTAL WATER MAJOR FACILITIES	0	18,809	683,000	64,048	650,000
TOTAL DEPARTMENT BUDGET	12,500	18,809	2,576,689	127,239	1,798,067
				Budget to Budget Increase/(Decrease)	(778,622)
				Percentage of Change	-30.2%

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.
 Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Sewer Facilities Construction Budget

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

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
SEWER OPERATIONS					
FUND 420					
600 03 16 GIS Mapping	12,500	0	10,000	10,000	0
600 03 59 WWTP Sludge Dredging	32,949	0	0	0	0
600 03 61 Repave WWTP Parking Lot	133,784	0	0	0	0
600 03 63 HVAC Repair at WWTP Office	0	0	10,000	1,283	0
600 03 62 Lift-Station Pumps - Goldenrod & CA	0	23,605	56,000	54,000	2,000
600 03 99 New Accounting Software System	0	0	20,709	5,177	15,532
TOTAL SEWER OPERATIONS	179,233	23,605	96,709	70,460	17,532
SEWER FRONT FOOTAGE					
FUND 550					
600 03 05 Del Norte Sewer Main	0	100,540	0	0	0
TOTAL SEWER FRONT FOOTAGE	0	100,540	0	0	0
SEWER OVERSIZE					
FUND 560					
600 03 05 Del Norte Sewer Main	0	35,690	0	0	0
TOTAL SEWER OVERSIZE	0	35,690	0	0	0
SEWER MAJOR FACILITIES					
FUND 570					
600 03 01 Pickup for New WWTP Position	21,156	0	0	0	0
600 03 24 Wastewater Reclamation Pump & Pipe	165,587	0	0	0	0
600 03 48 WWTP Expansion	641,522	0	0	0	0
250 02 00 SRF Set Aside - WWTP Expansion (50%)	138,077	0	0	0	0
700 17 00 Debt Service - SRF Loan Principal	0	114,272	114,536	114,536	0
700 27 00 Debt Service - SRF Loan Interest	0	24,099	23,836	23,836	0
600 03 59 WWTP Expansion Change Orders	52,704	0	0	0	0
600 03 60 Sludge Drying Beds	0	6,081	180,000	234,753	0
600 03 61 Sludge Aerator	0	0	22,000	0	22,000
TOTAL SEWER MAJOR FACILITIES	1,019,046	144,453	340,372	373,125	22,000
TOTAL DEPARTMENT BUDGET	1,198,279	304,287	437,081	443,585	39,532
			Budget to Budget Increase/(Decrease)		(397,549)
			Percentage of Change		-91.0%

Budget Highlights:

Accounting Software System will not be implemented and paid for until Fiscal Year 2014/15.

Storm Drain Acquisition and Construction Budget

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

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
STORM DRAIN BASIN ACQUISITION					
FUND 480					
600 03 00 Tract #5266-Covington Fee Credit Reimb.	0	0	0	0	3,000
TOTAL STORM DRAIN ACQUISITION	0	0	0	0	3,000
STORM DRAIN CONSTRUCTION					
FUND 490					
600 03 15 Tract No. 5244 (Westco)	0	0	18,000	76,725	0
600 03 16 Tract No. 5329 (Jonathan)	0	0	31,639	51,159	0
600 03 17 Tract #5416-Covington Fee Credit Reimb.	0	0	0	0	21,816
600 03 19 Tract No. 5515 (Hair)	0	0	1,562	0	1,562
600 03 23 Crossroads (Kashan) Reimbursement	0	0	0	21,171	0
TOTAL STORM DRAIN CONSTRUCTION	0	0	51,201	149,055	23,378
TOTAL DEPARTMENT BUDGET	0	0	51,201	149,055	26,378

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 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
FUND 590 - PARK DEVELOPMENT-QUIMBY					
540 00 00 Lease Payment (PFA Bond)	20,262	20,423	20,585	20,585	20,329
TOTAL ACQUISITIONS	20,262	20,423	20,585	20,585	20,329
FUND 580 - PARK DEVELOPMENT					
540 00 00 Lease Payment (PFA Bond)	20,262	20,423	20,585	20,585	20,329
TOTAL PARK DEVELOPMENT	20,262	20,423	20,585	20,585	20,329
TOTAL DEPARTMENT BUDGET	40,524	40,845	41,169	41,170	40,658
				Budget to Budget Increase/(Decrease)	(511)
				Percentage of Change	-1.2%

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 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
Construction						
410	10 00 Salary-KYSB Grant	0	1,440	0	0	0
510	01 00 Contract Services-KYSA Grant	0	2,319	0	0	0
521	02 00 General Supplies-KYSA Grant	0	8,056	0	0	0
600	05 01 Katie's Kids Park-Stewardship Council Grant	0	43,644	200,000	176,356	0
600	05 01 Katie's Kids Park-Integrated Waste Grant	0	0	0	0	25,000
600	05 01 Katie's Kids Park-Kaboom Grant	0	0	0	0	15,000
600	05 01 Katie's Kids Park Construction-Donations	25,081	0	59,920	59,920	0
TOTAL CONSTRUCTION		25,081	55,459	259,920	236,276	40,000
TOTAL DEPARTMENT BUDGET		25,081	55,459	259,920	236,276	40,000

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 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
CITY PROJECTS					
GAS TAX 2107 (830)					
600 03 05 Local Street Repair (Asphalt Repairs/Various)	0	0	81,000	10,000	71,000
600 03 05 Emergency Repair-Trench Failure FID Reimburse		0	0	29,445	0
600 03 30 Pavement Management System	0	0	0	0	44,000
600 03 32 Wooten Park Street Lighting Project	0	3,174	67,000	64,000	0
600 03 33 California-Madera Ave to Del Norte	0	0	0	0	66,000
600 03 31 Stanislaus & 16th Street (Sidewalks, Curbs & Gutters)		0	286,000	26,000	135,000
600 03 36 Sidewalk Repairs-Middleton Between 6th & 8th Str	0	0	0	0	25,000
600 03 35 Median Transition Plan	0	0	248,000	21,000	5,000
ARTICLE VIII (870)					
600 03 04 Local Street Sealing - Article 8	0	79,130	0	0	100,000
600 03 31 Local Street Recon. - 7th Street	0	270,841	0	0	0
600 03 31 Stanislaus & 16th Street (Sidewalks, Curbs & Gutters)		0	0	0	125,000
600 03 33 Madera Ave. Crosswalk at San Joaquin	0	4,779	87,000	2,000	88,000
600 03 34 Local Street Recon. - 4th, E & G	0	38,180	483,000	426,058	0
600 03 35 Median Landscaping Renovation-Phase I	0	5,356	0	0	175,000
MAJOR STREET RAILROAD (930)					
600 03 01 Goldenrod @ UP Railroad	0	411	267,000	500	277,000
TOTAL CITY PROJECTS	0	401,871	1,519,000	579,003	1,111,000
LOCAL MATCH FOR STATE & FEDERAL PROJECTS					
GAS TAX 2105 (810)					
600 03 02 RSTP - First & Middleton	0	42,902	593,700	85,000	0
600 03 29 RSTP - Stanislaus Ave. Reconstruction	14,500	41,426	0	10,013	0
GAS TAX 2106 (820)					
600 03 02 RSTP - First & Middleton	0	0	0	180,000	0
GAS TAX 2107 (830)					
600 03 02 RSTP - First & Middleton	0	0	0	241,819	0
600 03 04 RSTP - California & May Reconstruction	0	0	0	0	8,000
ARTICLE VIII (870)					
600 03 60 RSTP - Vineland Ave Widening		0	56,000	30,000	53,600
600 03 02 RSTP - First & Middleton	0	0	0	20,880	0
600 03 16 CMAQ Whitesbridge & Vineland Signal	0	0	0	0	94,187
600 03 32 CMAQ - Bike Lanes & Sidewalk	0	157,048	0	0	0
MAJOR STREET SIGNALS (920)					
600 03 16 CMAQ Whitesbridge & Vineland Signal	51,665	124,838	137,000	79,810	40,000
TOTAL LOCAL MATCH	66,165	366,214	786,700	647,521	195,787

Street Construction Budget

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

Description	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
STATE & FEDERAL PROJECTS					
FEDERAL PROJECTS (890)					
600 03 00 CMAQ Bike Lanes & Sidewalk	0	142,400	0	0	0
600 03 01 Streetscape Master Plan Madera Ave.	152,560	3,078	0	0	0
600 03 02 RSTP First & Middleton	0	39,815	509,800	509,800	0
600 03 04 RSTP - California & May Reconstruction	0	0	-	44,000	0
600 03 16 CMAQ Whitesbridge & Vineland Signal	0	0	460,000	0	429,758
600 03 17 CalTrans Whitesbridge & Vineland Signal	0	0	0	0	30,000
600 03 29 RSTP - Stanislaus Ave. Reconstruction	5,369	247,259	0	0	0
600 03 59 Whitesbridge Widening - Cal Trans	16,118	138,099	0	0	0
600 03 60 RSTP Vineland Ave. Widening	0	0	116,700	5,000	316,400
600 03 61 CMAQ Pedestrian Trail Siskiyou to Del Norte	0	0	26,000	10,000	54,000
STATE GRANTS (900)					
600 03 01					
HUT 2103 (TRAFFIC CONGESTION RELIEF) (950)					
600 03 16 Whitesbridge & Vineland Signal	0	65,000	196,000	114,000	250,845
TOTAL STATE & FEDERAL PROJECTS	174,047	635,651	1,308,500	682,800	1,081,003
MAJOR STREETS (910)					
600 03 00 Reimb. - Tract No. 5244 - Warkentine	41,939	0	0	0	0
600 03 00 Reimb. - Tract No. 5191 - Covington	0	0	0	0	9,000
600 03 32 Reimb. - Tract No. 5244 - Westco	0	0	20,000	21,000	6,000
TOTAL REIMBURSEMENTS	41,939	-	20,000	21,000	15,000
TOTAL DEPARTMENT BUDGET	282,151	1,403,735	3,634,200	1,930,324	2,402,790
				Budget to Budget Increase/(Decrease)	(1,231,410)
				Percentage of Change	-33.9%

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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 benefits and health benefits (medical, dental, vision, life and long term disability) for current full time City employees. Total benefits for Fiscal Year 2014/2014 are projected at \$1,451,442.

There is an overall net 2.67% increase in personnel benefits in Fiscal Year 2015 compared to the FY 2014 budget. Although some personnel benefits increased, for instance workers compensation increased 27%, there are some savings due to positions that are vacant which kept the overall increase cost of benefits at 2.67%.

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 latest actuarial report indicated that the pension contribution rates for miscellaneous employees will decrease slightly by .004% and will increase by 0.58% for safety employees in Fiscal Year 2015. CalPERS governing board has recently adopted two changes that will affect employer contribution rates significantly beginning in Fiscal Year 2016/2017.

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. Preliminary projections estimate our rates for the Miscellaneous employees will increase from 8.005% in FY 2014/2015 to 18.005% in FY 2020/2021. Safety rates are estimated to increase from 15.37% in FY 2014/2015 to 32.32% in FY 2020/2021

Healthcare

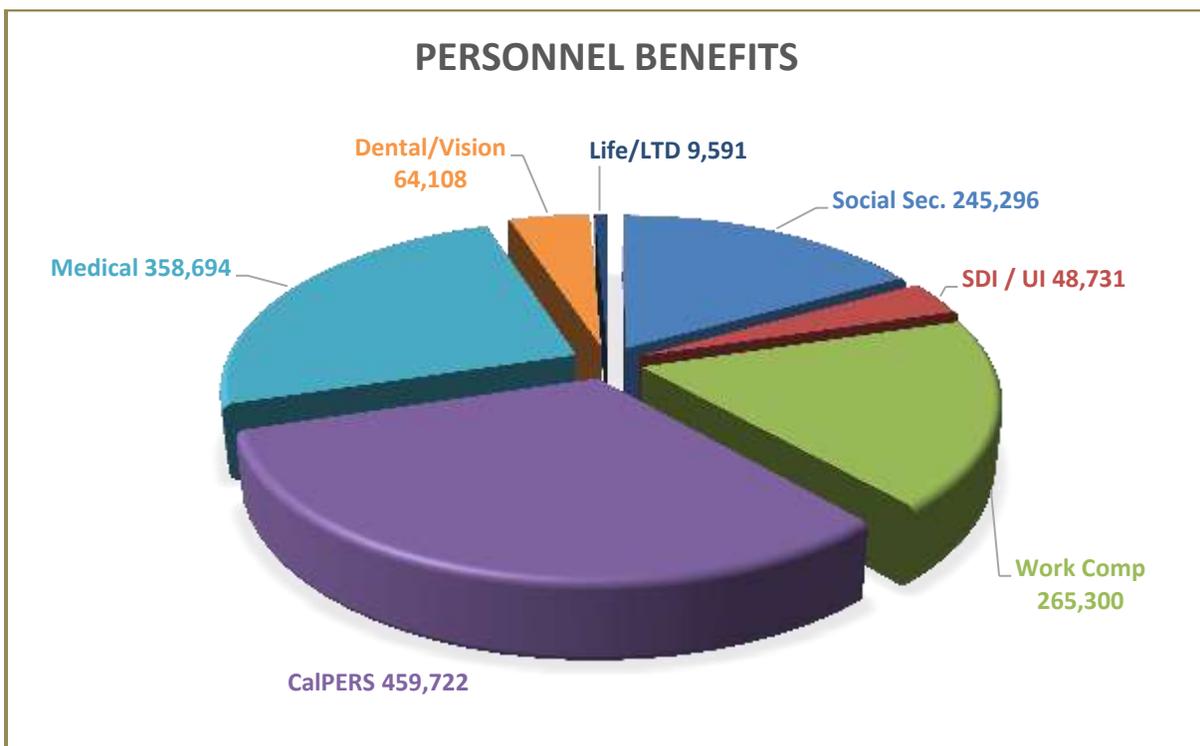
The City's healthcare renews annually on July 1st. Employees' healthcare costs are paid at 100% by the City and dependent coverage is paid at 70%. Annually the healthcare broker for the City solicits quotes from other carriers and compares those findings against the City's current plan. The plan for FY 2013/2014 with Anthem Blue Cross changed due to the Affordable Care Act and the City could not partially self-fund the high deductible (wrap) plan. A total of three quotes were received; Anthem Blue Cross, United Health Care and Blue Shield. The plan options were discussed with the Health Insurance Committee and they preferred Blue Shield instead of the other plans offered. The City elected to change providers from Anthem Blue Cross to Blue Shield effective July 1, 2014.

The broker also compared rates for the City's vision coverage due to a rate increase effective July 1, 2014 with the current provider. An option to change to another vision service provider was presented to the Health Insurance Committee. The City elected to change providers from VSP to MES because the basic benefits were the same and out of pocket co-pays would decrease for employees.

There were no changes to the dental plan for Fiscal Year 2015.

Another ancillary benefit provided to full time employees is life and long term disability coverage. Our broker compared rates and Mutual of Omaha agreed to match the City's rates and agreed to offer better supplemental life benefits employees can purchase, therefore the City changed providers from Hartford to Mutual of Omaha effective July 1, 2014.

Fiscal Year 2014/2015 Personnel Benefits



Position Allocation by Department

Position Allocation by Department

Position Allocation by Department (Full Time Staffing)

	Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Adopted Budget 2014-2015	2014-2015 Change
Administrative Services					
Account Clerk I	0.00	0.00	0.00	1.00	1.00
Account Clerk II	2.00	2.00	2.00	2.00	0.00
Finance Director	1.00	1.00	1.00	1.00	0.00
Junior Accountant	1.00	1.00	1.00	0.50	(0.50)
Senior Accountant	1.00	1.00	1.00	0.00	(1.00)
Total Administrative Services	5.00	5.00	5.00	4.50	(0.50)
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
Community Center Coordinator	1.00	1.00	1.00	1.00	0.00
Maintenance Worker	0.00	0.00	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
Van Driver	2.00	2.00	1.00	1.00	0.00
Total Community Services	7.00	7.00	7.00	7.00	0.00
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	(1.00)
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	(1.00)
Police*					
Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Animal Control	0.75	0.75	1.00	1.00	0.00
Chief of Police	1.00	1.00	1.00	1.00	0.00
Corporal	2.00	2.00	0.00	0.00	0.00
Police Officer	12.00	12.00	13.00	13.00	0.00
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	3.00	5.00	5.00	0.00
Total Police	20.75	20.75	22.00	22.00	0.00
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	3.00	2.00	2.00	0.00
General Maintenance Worker	3.00	3.00	1.00	1.00	0.00
Lead Supervisor	3.00	3.00	3.00	3.00	0.00
Maintenance Specialist	0.00	0.00	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	1.00	0.25	(0.75)
WWTP Operator Grade II (Lead)	0.00	0.00	1.00	1.00	1.00
WWTP Water Operator Grade I	3.00	3.00	1.00	0.00	(1.00)
WWTP Water Operator Grade II	1.00	1.00	1.00	2.00	1.00
Water Conservation	0.00	0.00	0.00	1.00	1.00
Total Public Works	18.00	18.00	17.00	16.25	(0.75)

*Police Department uses Level I & II contract reserves to augment staffing levels throughout the year. As of July 1, 2014 the department had four contract reserves. 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 2014/2015

Staffing Positions	Internal									
	General Fund	Water	Sewer	Solid Waste	Storm Drain	Service Funds	Senior Nutrition	Landscaping	Streets	Comm. Transit
City Manager	32.5%	24.0%	24.0%	10.0%	0.0%	0.0%	0.0%	2.0%	7.5%	0.0%
City Clerk	53.0%	17.0%	12.0%	14.0%	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%
City Manager's Secretary	37.5%	25.0%	18.0%	10.0%	0.0%	0.0%	0.0%	2.0%	7.5%	0.0%
Finance Director	6.0%	32.0%	15.5%	16.0%	0.0%	17.5%	0.0%	2.0%	6.0%	5.0%
Junior Accountant	4.0%	32.0%	35.0%	25.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%
Account Clerk II	10.0%	32.0%	28.0%	25.0%	0.0%	0.0%	0.0%	2.0%	3.0%	0.0%
Account Clerk II	5.0%	33.0%	20.0%	25.0%	0.0%	7.0%	0.0%	5.0%	5.0%	0.0%
Account Clerk	20.0%	45.0%	22.5%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Comm. Services Director	89.5%	0.0%	0.0%	0.0%	0.0%	0.0%	5.5%	0.0%	0.0%	5.0%
Community Center Coord.	96.0%	2.0%	2.0%	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%	25.0%
Senior Center Coordinator	47.0%	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.0%
Parks & Facility Mtn.	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
General Maint. Worker	75.0%	10.0%	10.0%	4.0%	1.0%	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%	100%
Admin Sec/Planning Tech.	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Building Inspector	88.0%	5.0%	2.0%	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%	30.0%	0.0%
Public Works Director	2.0%	29.0%	25.0%	6.0%	2.0%	3.0%	0.0%	4.0%	29.0%	0.0%
PW Admin. Secretary	2.0%	38.0%	30.0%	15.0%	0.0%	3.0%	0.0%	6.0%	6.0%	0.0%
PW Operations Coord.	5.0%	25.0%	20.0%	0.0%	0.0%	2.0%	0.0%	5.0%	43.0%	0.0%
PW Lead Supervisor	0.0%	28.0%	20.0%	0.0%	2.0%	0.0%	0.0%	2.0%	48.0%	0.0%
PW Lead Supervisor	30.0%	10.0%	5.0%	0.0%	0.0%	0.0%	0.0%	12.0%	43.0%	0.0%
PW Lead Supervisor	5.0%	15.0%	10.0%	0.0%	0.0%	0.0%	0.0%	40.0%	30.0%	0.0%
Mechanic	0.0%	10.0%	5.0%	0.0%	0.0%	70.0%	0.0%	0.0%	15.0%	0.0%
PW Maintenance Tech.	10.0%	18.0%	12.0%	5.0%	0.0%	15.0%	0.0%	0.0%	40.0%	0.0%
Maintenance Worker	30.0%	5.0%	5.0%	0.0%	10.0%	0.0%	0.0%	10.0%	40.0%	0.0%
PW Maintenance Specialist	10.0%	2.5%	0.0%	0.0%	12.5%	0.0%	0.0%	40.0%	35.0%	0.0%
PW Maintenance Specialist	21.0%	15.0%	15.0%	0.0%	0.0%	0.0%	0.0%	21.0%	28.0%	0.0%
Water & WWTP Manager	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II Lead	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maintenance Specialist	0.0%	50.0%	25.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Conservation	0.0%	72.0%	13.0%	10.0%	0.0%	5.0%	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%
Sergeants (5)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Police Officers (12)	100.0%	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%
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%
Vacant Positions:										
Senior Accountant	15.0%	30.0%	30.0%	8.0%	0.0%	5.0%	0.0%	0.0%	10.0%	2.0%
Building Permits Clerk	20.0%	70.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Comm Services Secretary	0.0%	0.0%	0.0%	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%	15.0%	0.0%	0.0%	32.5%
Planning/Bldg. Director	70.0%	3.5%	3.5%	0.5%	1.0%	0.0%	0.0%	0.0%	2.5%	0.0%
Building Official	75.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%
Maintenance Worker	5.0%	50.0%	25.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%
Maintenance Worker	0.0%	20.0%	20.0%	0.0%	0.0%	0.0%	0.0%	15.0%	45.0%	0.0%

NOTE: With 65 full-time authorized positions and 8 of them vacant, this budget funds 57 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:
 - Output of program activities.
 - Accomplishment of program objectives.
 - 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.
- 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 2014/2015 the City’s appropriation limit is \$13,289,123; 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

2013/2014 REVENUE LIMIT - \$ 13,228,273

Per City of Kerman, City Council Resolution No. 13-36

2014/2015 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2014	14,339	January 1, 2013	14,241	0.69% increase
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LOCAL ASSESSMENT ROLL ***

	<u>Secured</u>	<u>Unsecured</u>
2012/2013 Gross Assessed Value	\$534,089,334	\$20,909,145

CHANGE IN PER CAPITA PERSONAL INCOME*

2014/2015	-0.23%
-----------	--------

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income
 $1.0069 \times 0.9977 = 1.0046$

TOTAL 2013/2014 ESTIMATED REVENUE

PROCEEDS OF TAXES	\$ 5,604,739
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NON-PROCEEDS OF TAXES	<u>6,358,172</u>
-----------------------	------------------

TOTAL APPROPRIATIONS 2014/2015

\$11,962,911

TOTAL 2014/2015 ESTIMATED REVENUE

EXEMPT FROM LIMIT	\$ 5,604,739
-------------------	--------------

2014/2015 REVENUE LIMIT	\$13,289,123
-------------------------	--------------

2014/2015 REVENUE SUBJECT TO LIMIT	<u>5,604,739</u>
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AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	<u>\$ 7,684,384</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 135](#) 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, life and disability insurance, worker's compensation and vacation, administrative, medical and special leave of absence time

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
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 Employee Association
KPSEA – Kerman Public Safety Employees Association
KUSD – Kerman Unified School District
L&LMD Landscape and Lighting Maintenance District
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
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 Plan

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 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
361 02 00 Lease Income	239,352	241,252	243,165	243,165	240,148
	239,352	241,252	243,165	243,165	240,148

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 October1, 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 2014/2015							
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%	21,401			100%	28,282	49,683
Facilities	30%	51,362					51,362
Parks			50%	20,329			20,329
Quimby			50%	20,329			20,329
Water	25%	42,802					42,802
Sewer	20%	34,241					34,241
Solid Waste	10%	17,121					17,121
Storm Drain	1%	1,712					1,712
LL&MD	1.5%	2,568					2,568
		<u>171,207</u>		<u>40,658</u>		<u>28,282</u>	<u>240,148</u>
FY 14/15 Payment 240,148							
Allocations:							
		171,207					
		40,658					
		28,282					
		<u>240,148</u>					

Public Finance Authority Budget

**City of Kerman
Public Financing Authority
Fiscal Year 2014/2015 Budget
130**

Description		Audited 2011-2012	Audited 2012-2013	Adopted 2013-2014	Estimated Year- End	Budget 2014-2015
600 01 96	Community Park	85	0	0	0	0
	Sub-Total	85	0	0	0	0
and Operations						
510 10 00	Professional Services-Admin Fee	1,845	1,500	1,500	1,500	1,500
	Sub-Total	1,845	1,500	1,500	1,500	1,500
and Equipment						
600 03 88	Park Improvements	9,000	0	0	13,623	0
600 04 37	Projector for Council Chamber	4,800	0	0	0	0
	Sub-Total	13,800	0	0	13,623	0
700 01 00	Debt Service - Principal	75,000	80,000	85,000	85,000	85,000
700 02 00	Debt Service - Interest	165,853	159,752	156,665	156,665	153,648
	Sub-Total	240,853	239,752	241,665	241,665	238,648
	Total Expenditures	254,738	241,252	243,165	256,788	240,148

Resolution Adopting PFA Budget

RESOLUTION NO. PFA 14-01

A RESOLUTION ADOPTING THE FISCAL YEAR 2014-2015 BUDGET FOR THE KERMAN PUBLIC FINANCE AUTHORITY

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 2014-2015;

- 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 2014-2015 appropriation for the Public Finance Authority is \$240,148. 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 18th day of June, 2014, and adopted at said meeting by the following vote:

AYES: Wilcox, Dhaliwal, Nijjer, Yep

NOES: None

ABSENT: Fox

ABSTAIN: None

ATTEST:



Marci Reyes
Secretary



Gary Yep
Chairman

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APPENDICES

Appendix A – Budget Adoption Resolution

RESOLUTION NO. 14-41

A RESOLUTION ADOPTING THE FISCAL YEAR 2014/2015 BUDGET AND APPROVING ADJUSTMENTS TO THE FISCAL YEAR 2013/2014 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 2014/2015 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 2013/2014 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 2014/2015 Budget appropriation totals **\$14,862,790** 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 2014/2015 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 2013/2014 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 2013/2014 City of Kerman Budget is hereby adjusted and those adjustments become a part of the 2013/2014 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 18th day of June, 2014, and adopted at said meeting by the following vote:

AYES: Wilcox, Nijjer, Dhaliwal, Yep
NOES: None
ABSENT: Fox
ABSTAIN: None

The foregoing resolution is hereby approved.


Gary Yep
Mayor

ATTEST:


Marci Reyes
City Clerk

Exhibit 'A'

City Wide Expenditures Summary (Including Capital Projects)

Fund	Activity	Description	Personnel	M&O	Sub-Total Operations	Capital	Total
General Fund							
100	6001	City Council	\$16,940	\$13,100	\$30,040	\$0	\$30,040
100	6003	City Attorney	0	55,000	55,000	0	55,000
100	1002	City Manager	81,192	138,947	220,138	0	220,138
100	5005	Administrative Services	27,263	85,115	112,378	0	112,378
100	6004	City Clerk	18,693	13,300	31,993	0	31,993
100	1008	Planning	93,671	23,757	117,428	3,300	120,728
100	1010	Engineering	0	25,000	25,000	0	25,000
100	1042	Building	96,557	34,152	130,709	0	130,709
100	2002	Recreation & Comm Services Admin.	180,028	54,888	234,916	500	235,416
100	2044	Senior Center Services	80,714	31,277	111,991	0	111,991
100	2047	Aquatics Program	24,370	927	25,297	0	25,297
100	2062	Planned Recreation	23,347	9,877	33,224	0	33,224
100	2065	Youth Service Bureau	44,543	9,687	54,230	0	54,230
100	2069	Community Teen Center	85,445	37,866	123,311	2,500	125,811
100	3011	Police Operations	2,086,188	619,750	2,705,938	0	2,705,938
100	3041	Animal Control	39,611	20,881	60,492	300	60,792
100	4010	Buildings & Park Operations	79,946	100,572	180,518	6,300	186,818
Sub-Total General Fund			2,978,506	1,274,096	4,252,602	12,900	4,265,502
Enterprise Funds							
410	5005	Water	203,282	201,439	404,721	0	404,721
410	5006	Water	0	165,000	165,000	0	165,000
410	4041	Water Operations	392,058	512,582	904,640	20,000	924,640
420	5005	Sewer	143,948	179,599	323,547	0	323,547
420	5006	Sewer	0	347,907	347,907	0	347,907
420	4042	Sewer Collection & Operations	338,711	403,352	742,063	30,000	772,063
430	5005	Solid Waste (Refuse)	135,462	934,234	1,069,695	4,440	1,074,135
470	4047	Storm Drain Maintenance & Operations	40,638	30,874	71,512	1,053	72,565
Sub-Total Enterprise Funds			1,254,099	2,774,986	4,029,084	55,493	4,084,577
Internal Service Funds							
500	4050	Vehicle/Equipment Mtn & Replacement	81,992	309,855	391,848	109,000	500,848
510	5051	Technology Maintenance & Replacement	10,433	25,669	36,103	25,000	61,103
Sub-Total Internal Service Funds			92,425	335,525	427,950	134,000	561,950
Special Revenue Funds							
100	3050	SLESF Grant	100,000	0	100,000	0	100,000
100	3999	Safety Grants, Contracts and Projects	43,306	11,250	54,556	16,000	70,556
110	1011	CIP Administration	0	0	0	0	0
170	1007	General Plan Updates	0	26,000	26,000	0	26,000
730	2046	Senior Nutrition Site Management	22,398	5,136	27,534	0	27,534
750	4075	Lighting & Landscaping District 1	138,044	81,127	219,171	12,685	231,856
800-850, 870	408x	Street Maintenance, TDA and Other	105,568	181,390	286,958	30,567	317,524
860	2049	Community Transit	105,224	6,754	111,978	2,048	114,026
880	4088	Street Maintenance, Operations & Admin	250,894	89,879	340,773	4,241	345,014
Sub-Total Special Revenue Funds			765,433	401,536	1,166,969	65,541	1,232,510
Capital Project Funds							
100	8000	Parks, Facilities & Equipment	0	0	0	60,597	60,597
120	8000	CDBG Construction	0	0	0	183,866	183,866
140	8000	Facilities Construction	0	0	0	126,362	126,362
410, 520-540	8000	Water Construction	0	0	0	1,798,067	1,798,067
420, 550-570	8000	Sewer Facilities Construction	0	0	0	39,532	39,532
480, 490	8000	Storm Drain	0	0	0	26,378	26,378
580, 590	8000	Parks Construction	0	0	0	40,658	40,658
780	8000	Parks Construction	0	0	0	40,000	40,000
800, 830, 880-920, 95	8000	Street Construction	0	0	0	2,402,790	2,402,790
Sub-Total Capital Project Funds			0	0	0	4,718,250	4,718,250
Grand Total All Funds			\$5,090,464	\$4,786,142	\$9,876,606	\$4,986,184	\$14,862,790

Appendix B – GANN Appropriations Limit Resolution

RESOLUTION NO. 14-42

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ESTABLISHING
THE APPROPRIATIONS LIMIT FOR THE 2014/2015 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

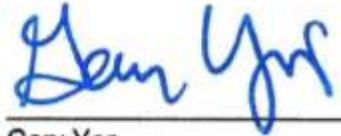
WHEREAS, as a result of the adjustments made to the City's appropriation limit as shown in Exhibit 'A', the City Council sets the appropriations limit for fiscal year 2014/2015 at \$13,289,123.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN that the appropriations limit for the 2014/2015 Fiscal Year for the City of Kerman is established at \$13,289,123, as set forth on Exhibit 'A' 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 18th day of June, 2014, and passed at said meeting by the following vote:

AYES: Wilcox, Nijjer, Dhaliwal, Yep
NOES: None
ABSENT: Fox
ABSTAIN: None

The foregoing resolution is hereby approved.



Gary Yep
Mayor

ATTEST:



Marci Reyes
City Clerk

EXHIBIT 'A'

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

2013/2014 REVENUE LIMIT - \$ 13,228,273

Per City of Kerman, City Council Resolution No. 13-36

2014/2015 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2014	14,339	January 1, 2013	14,241	0.69% increase
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LOCAL ASSESSMENT ROLL***

2012/2013 Gross Assessed Value	<u>Secured</u>	<u>Unsecured</u>
	\$534,089,334	\$20,909,145

CHANGE IN PER CAPITA PERSONAL INCOME*

2014/2015	-0.23%
-----------	--------

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income
 $1.0069 \times 0.9977 = 1.0046$

TOTAL 2013/2014 ESTIMATED REVENUE

PROCEEDS OF TAXES	\$ 5,604,739
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NON-PROCEEDS OF TAXES	<u>6,358,172</u>
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TOTAL APPROPRIATIONS 2014/2015	<u>\$11,962,911</u>
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TOTAL 2014/2015 ESTIMATED REVENUE

EXEMPT FROM LIMIT	\$ 5,604,739
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2014/2015 REVENUE LIMIT	\$13,289,123
-------------------------	--------------

2014/2015 REVENUE SUBJECT TO LIMIT	<u>5,604,739</u>
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AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	<u>\$ 7,684,384</u>
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* Data provided by State of California, Department of Finance

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

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