



City of Kerman



FY 2013/2014
Adopted Operating and
Capital Budgets



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FISCAL YEAR 2013/14
ADOPTED OPERATING BUDGET
City Council

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Adopted June 19, 2013

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Citizen's Guide to the Budget



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

A. Start with the City Manager's message on [Page 4](#). 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 20](#) Departmental accomplishments are listed within each department's narrative, beginning on [Page 66](#).

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

A. An overview of City's major revenues begins on [Page 22](#), 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 [34](#), [42](#), [47](#) and [54](#), respectively.

Q. How does the City spend its money?

A. A list of general fund expenditures by department is on [Page 33](#). Beginning on [Page 62](#) 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 132](#) which is in the Capital Projects section of this budget document.



Introduction



City Manager Transmittal Letter

June 19, 2013

Honorable Mayor and City Council Members:

I am pleased to present for your consideration the Fiscal Year 2013-14 Budget for the City of Kerman. The budget presents a balanced spending plan without the need to use reserves for ongoing operating expenditures. The 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.

This year's budget is different in three fundamental ways:

- It is presented in a new format.
- It includes the organization's mission, vision, and core values.
- It provides an overall theme.

The budget is presented in a new format that we believe is more user-friendly, informative, and transparent. The budget explains the City's organizational structure; includes the organization's motto, vision, and core values; contains program descriptions; provides an overview of the City's financial conditions and defines budget priorities and issues. Our goal is to provide a spending plan that combines these elements in a way that the City Council, City Departments, and the citizens of Kerman can easily navigate and understand. Refinements to the budget document will be ongoing as we strive to achieve these goals.

The budget includes for the first time the organization's motto, vision, and core values established by the executive team and key management staff following an extensive Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis. This process produced a clear understanding of the organization's strengths and identified opportunities for improvement. The team followed up the SWOT with the establishment of a mission and vision statement along with a set of core values. The mission of the organization is to focus on "Service, Safety and Livability", and the vision is to "Facilitate Progress While Preserving the Community's Small Town Character." Our core values represent a commitment to "People, Excellence, Leadership, Team and Innovation". I would like to thank the executive team and key management staff for working together on coming up with these guiding precepts.

The budget also includes for the first time an overall guiding theme. The theme for this year's budget is "Building a Strong Foundation Today to Support a Better Tomorrow." The budget reflects a renewed sense of optimism that the worst is behind us and that we are better prepared to focus on tomorrow. We understand that financial sustainability is imperative in order to meet the needs of the community



today and in the future. As the state of the economy improves, we want to ensure that the City of Kerman is on solid financial footing to fund core public services as the community grows. 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. Maintain and grow the General Fund Reserves.
3. Promote economic development through business expansion, attraction, and retention.
4. Expand core public services that enhance "Service. Safety. Livability."
5. Explore efficiencies to reduce costs and enhance the delivery of service.
6. Invest available resources to maintain, improve and expand City assets.

In sum, the budget provides a comprehensive overview of the City's activities and programs during the twelve-month period beginning July 1, 2013. The total recommended expenditures for the General Fund are \$3,975,435 for Fiscal Year 2013-14. This represents a slight decrease of \$27,053 or 1% less than the Fiscal Year 2012-13 Adopted Budget of \$4,002,488.

It is important to note that employees have stepped up during the economic downturn over the past few years and agreed to incremental changes in retirement contributions and health care changes that have helped preclude major reductions in services and staffing levels. Employees deserve credit for being willing to work with management and the City Council in a collaborative fashion to ensure that the community continues to receive the highest level of services while ensuring the organization's long-term fiscal sustainability.

FY 2013-14 Budget Highlights

The budget reflects expenditures on core public services from a variety of funds. After several years of cost containment, position attrition, and temporary consolidation of services, this budget begins the process of restoring and investing in programs and capital assets such as animal control activities, infrastructure improvements, and repairs to major facilities and equipment. Highlights for the budget include:

- **Structurally Balanced General Fund Budget.** The budget presents a balanced spending plan with revenues (\$4,147,472) in excess of expenditures (\$3,975,435) of \$422,037. This is the second consecutive year that the budget is financially balanced without tapping into reserves to cover operating expenditures.
- **Expanding General Fund Reserves.** The budget is projected to grow reserves for the second consecutive year after four years of drawing down unrestricted cash reserves to cover budget shortfalls. General Fund Reserves are projected to increase from \$1,643,547 as of June 30, 2013 to \$2,117,153 by June 30, 2014. General Fund Reserves would then represent about 50% 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. The General Fund Reserve balance far exceeds the 5% to 15% reserve recommended by the Government Finance Officers Association (GFOA).



- General Fund Revenues Continue to Grow. Total General Fund Revenue is estimated to be \$4,147,471, which represent an increase of 11 percent or \$421,606 compared to revenues in the Fiscal Year 2012-13 Adopted Budget. Revenue growth is led primarily by a projected increase in sales tax revenues. Sales tax revenue is projected to jump by \$412,000 or 32 percent increase compared to the Fiscal Year 2013-14 Adopted Budget. This is largely due to strong taxable sales related to chemical products, fuel sales, and projected revenues from the new Walmart.
- COPS Grant Police Officer. The City was awarded a COPS grant through the Department of Justice to hire one-full time officer over three years. This COPS funded officer is included in the budget. The City will be required to fund 100% of the officer's salary in the fourth year as a condition of the COPS grant. The funded but frozen police officer position was eliminated from the FY 2012-13 Adopted Budget at mid-year due to the ongoing uncertainty in the state of the economy.
- Animal Control Activities. The animal control functions and activities were consolidated in the Public Works Department the previous fiscal year. This consolidation was a temporary cost containment measures; however, the need for a full-time person to address animal control is evident by the amount of calls for animal control related services. As a result, one-full time officer is funded in an effort to effectively address animal control in the City.
- Containment of Health Insurance Costs. The budget reflects an overall health insurance costs reduction of 39% created by switching health care providers. As such, total health care costs are reduced by \$232,189 from \$595,449 to \$363,260. This is a significant one-year savings that may or may not materialize as part of health care renewal next year.
- Investments in Capital Assets. The budget includes investment of \$6.0 million to capital assets including streets, water, sewer, storm drain, and facilities and equipment. These projects include major street repairs such as the First Street reconstruction project; expansion of water distribution with the construction of Well No. 18; and much-needed repairs to the HVAC system and roof at the Kerman Police Department building. 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 “Building a Strong Foundation Today to Support a Better Tomorrow”, it is important to understand what the economic outlook is for the national, state and local economy.

The Great Recession officially ended in the second quarter of 2009. Although the effects of the economic downturn linger to this day, the economy has remained resilient. The unemployment rate continues its protracted descent, private sector job growth remains steady, housing is beginning to



show signs of a real recovery, stocks are at record levels, and consumer confidence is up. However hopeful these indicators are today, the effects of federal sequestration, higher payroll taxes, health care reform, and weak global growth will continue to weigh on the pace of economic growth. Cautious optimism will be the norm for years to come as the economy has a long way to go before returning to a level of sustainable normality.

National Level

The U.S. economy has made some progress since the end of the Great Recession. Since employment bottomed in February 2010, the economy has added 6.2 million private sector jobs of the 8.6 million jobs lost beginning in January of 2008. Over the last three years, the economy has added an average of 162,000 jobs a month. The unemployment rate stood at 7.6% in May compared to a high of 10% in 2010. The economy grew at a modest 2.5 percent annual rate in the first quarter of 2013 and averaged 2.1 percent a year since the recession, as measured by the gross domestic product (GDP). Economists predict the U.S. jobless rate will fall to 6.9% by the end of 2014 and edge down to 6.4% by the end of 2015. GDP growth is expected to average 1.9% this year, 2.9% in 2014 and 3% in 2015.

The Great Recession has touched virtually every American. The downturn shrank paychecks, shattered budgets, drained savings accounts, changed spending and borrowing habits and pushed long-term unemployment to historic levels.

-Pew Research

The U.S. housing sector is showing signs of a real recovery. Prices are edging up, builder confidence is improving, and distressed sales are down. CoreLogic reported that U.S. home prices soared 12.1 percent in April from a year earlier, the biggest gain since February 2006, as more buyers competed for fewer homes. The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) reported for May that builder confidence for future sales edged up to 53 – its highest level since February of 2007. A reading above 50 indicates that builders expect growth in the housing sector. 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. Consumer confidence reached a five-year high in May with a reading of 76.2 – its highest reading since February 2008. 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.

In another positive sign for the economy, the credit rating agency Standard & Poor's in June upgraded its credit outlook for the United States government to "stable" from "negative." In August 2011, S&P became the first credit rating agency to downgrade the sovereign U.S. credit rating from top-rated "AAA" to "AA+." S&P cited the recent improvements in tax receipts and steps taken to address longer-term budget issues as reasons for improving the outlook for the United States.

As the U.S. economy continues to show signs of a sustained recovery, the Federal Reserve Board is contemplating an end to its "Quantitative Easing" program instituted as a way to stimulate the economy by printing money to buy government bonds aimed at lowering long-term interest rates, thereby making it cheaper for consumers and businesses to borrow money that will lead to increased economic activity and job creation. Most experts expect the Federal Reserve to begin "tapering" its bond-buying sometime in December.



The one area that remains a concern is that the global economic recovery remains weak particularly in the European Economic Union (EU), which is projected to contract 0.6% this year. The EU is in the longest recession since its creation in 1999. Joblessness in the 17-nation currency area rose to 12.2 percent in April, according to the EU statistics office Eurostat. In Greece, almost two-thirds of young Greeks are unable to find work, while in Italy the unemployment rate hit its highest in at least 36 years, with 40 percent of young people out of work.

State Level

California's economy continues on a slow path to recovery. From job gains, better revenues, to improved housing sector, the state appears to be experiencing a sustained economic recovery. In 2012, California created an estimated net gain of 211,500 jobs. With positive job growth continuing in the first quarter of 2013, the unemployment rate stood at 9% in April compared to the peak of 12 percent in 2010. The construction sector has led the way with the creation of 45,000 jobs in the past year. The UCLA Anderson forecast projects that California's unemployment rate will drop to 8.8% by the end of this year and fall to 7.7% by the end of 2014. The pace of job growth is expected to speed up in 2015, further pushing down the jobless rate to 6.8% by the end of that year.

California's budget projections are looking healthy for the first time in as many years. The state's budget for fiscal year 2012-13 is showing positive trends with year-end revenues for March \$5 billion above the forecast of \$59.6 billion. This is largely due to higher revenues from income taxes and the \$6 billion in projected new sales tax revenues from the passage of Proposition 30 in November 2012. As such, Governor Brown projected \$4.5 billion in additional revenues as part of his \$96.35 billion May budget revision. Despite improved revenues, the Governor remains steadfast against restoring funding for programs that were cut during the economic recession. Governor Brown noted in his May budget revision that the state still has \$26.9 billion in debt, and it is his hope to reduce the wall of debt to \$4.7 billion by 2016-17. The Governor believes this can be accomplished through prudent fiscal management in expending the \$6 billion in additional revenues expected from the passage of Proposition 30 over the next six years.

The housing market is another bright spot for California, prompting one reporter to label the state as the "comeback kid of the housing recovery." California prices have posted double-digit hikes on a year-over-year basis for eight consecutive months according to the California Association of Realtors (C.A.R.). The median price of an existing single family home in the Golden State sold for \$338,800 in February, an increase of 24.2 percent from February 2012. C.A.R. reported that a contributing factor affecting sales is the lack of inventory. Housing inventory dropped nearly 39% from a year ago, and distressed home sales as a percentage of sales are down 46% from last year. Statewide, the February Unsold Inventory Index for existing, single-family detached homes was 3.6 months, down from 5.4 months in February 2012. The index indicates the number of months needed to sell the supply of homes on the market at the current sales rate. A six-to seven-month supply is considered normal. The imbalance between supply and demand is fueling competition as evidenced by multiple offers on existing homes, which drives up prices.

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 13.4% - the lowest April rate in five years. However, the County has a long way to go to reach the April 2008 unemployment rate of 9.7%. The unemployment rate for the City of Kerman in April was 17.8 percent, down from a high of 20.6% in 2011.

According to the California Association of Realtors, distressed sales, which include short sales, sales of bank-owned properties and other foreclosure sales, were down to 38 percent of all home sales in Fresno County in April. That compares to 41 percent in March and 62 percent in April 2012.

The available supply of homes remained tight. In April, the unsold inventory index for existing owned homes, or number of months to deplete the supply of homes at the current sales rate, dipped from 1.8 months in March to 1.7 months in April. In a normal market the supply of existing homes available for sale should be 6 months. The shortage of existing homes is pushing home values higher as multiple buyers compete for fewer homes on the market. For example, the February median list price of an existing single family home in Fresno jumped 21.87% to \$188,900. Fresno was one of seven metro regions in the state that have seen the largest increases in median asking prices in the past year. This is resulting in greater interest in new construction of single family homes to meet demand.

Kerman has weathered the economic downturn with little to no impact on service levels. The City's sales tax revenues continue to be a bright spot. Commercial and industrial development has also remained steady; however, new housing starts remain anemic.

The City sales tax revenue is projected to be more than the amount collected in FY 2012-13. As noted in the highlights above, sales tax revenues are projected to increase by 32% in FY 2013-14 compared to FY 2012-13 Adopted Budget. The projected increase in sales tax revenue is based on continued strong sales in chemical products, service stations, and new commercial development.

Retail development has showed strength over the past year with the construction of a new regional commercial center on a 20-acre site to be anchored by Walmart. The new 160,000 square foot store is one of the largest retail developments in the City's history. This regional project is expected to attract shoppers from a 55,000 population trade area. This center is expected to draw other major retailers in an around the Walmart.

New housing permits remains stagnant. With only 3 new building permits issued since May 31, 2013, the development of single-family housing has a long way to go. There has been growing interest from home builders as staff fields more inquires on development opportunities in the community. The short supply of existing homes, record low mortgage rates, increasing property values are all positive signs that new home construction is needed to meet demand. The City is optimistic that housing will pick up in the next twelve to twenty four months.

The Road Ahead

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



Housing Construction

Single family housing construction is poised to rebound in the second half of 2013 and into 2014 as low inventories of existing homes, rising home prices, and pent up demand is resulting in greater interest in new housing projects. Between the housing boom years of 2004 through 2008, a total of 1,057 building permits were issued. Of these, 786 were single-family units and 271 were multi-family units. Since 2008 through the end of 2012, only 102 single-family permits were issued and 154 multi-family permits were issued. New single-family residential construction was at a near standstill following the collapse of the housing market in 2009. New housing 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 almost 300 finished lots that are ready to build, Kerman is poised to see new building permits pulled in the coming months. These numbers will be closely watched as we start the new fiscal year.

Retail Development

The Kerman Commercial Specific Plan will add over 171,000 square feet of new retail space over the next six months. The new regional-serving commercial center will be anchored by Walmart and includes three smaller outlots for other retail projects. Walmart is under construction and is expected to be open in early August of this year. Two of the three outlots are in the planning stages for development as fast-food restaurants with leasable pad space for ancillary retail uses.

These new developments are projected to increase sales tax revenues by about 50%. If these projections are realized, the new sales tax revenues will help the City restore and grow its reserves as well as provide funds to grow core services and programs that were truncated during the economic downturn. The performance of these retail developments and the overall growth of sales tax in the community will be closely monitored.

Health Care and Pensions

The Affordable Health Care act is expected to be fully implemented in January of 2014. Although California has been the leader in creating health care exchanges to comply with the law, it is unclear how health care providers will respond to the new law in terms of future employer-provided benefits and premiums. Kerman has done a good job of managing health care benefits and costs. The switch to Anthem Blue Cross in July will result in significant savings in total annual costs. However, the one-time savings may or may not repeat itself next year.

California Public Employees Retirement System (PERS) has steadily been regaining some of the losses incurred during the Great Recession. Recent changes in PERS enacted by the state legislature will help bridge the funding gap in the long-term. Effective January 2013 new PERS members will have a lower retirement formula, the retirement age was raised to 62, and employees have to pay more toward their share of pension costs. In addition, the PERS board adopted a new direct five-year smoothing policy in April of this year in order to make up for losses in the fund in a shorter time period. This new policy will result in slight rate increases beginning in FY 2015-16; however, rates are expected to be manageable for Kerman because the City offers a lower tier retirement formula for its employees.



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

Post Redevelopment

The elimination of redevelopment in early 2012 took away a great tool used by cities to finance economic development, removal of blight, infrastructure projects, and affordable housing. Redevelopment helped fund a myriad of community projects, such as the Community/Teen Center, Kearney Palms Senior Village, and the Hacienda Heights apartments.

The City of Kerman, acting as the Successor Agency to the former Kerman Redevelopment Agency, is overseeing the winding up of the agency's activities and for payment of obligations. The City of Kerman is receiving \$250,000 per year from the State to cover administrative costs; however, these funds are short-term and will cease when the Successor Agency satisfies all of the identified Enforceable Obligation payments. In addition, the formula for administrative costs is always subject to change through legislation or by the Oversight Board. In 2016, the local Oversight Board will be disbanded and one county-wide Oversight Board will be established with appointments made by the Governor.

The City will continue to utilize the funds to cover administrative costs as permitted under state law. The availability of these funds over the long-term is limited.

Conclusion

The Fiscal Year 2013-2014 Budget presents a balanced spending plan with no use of reserves to cover operational expenditures. The budget reflects positive revenue growth, expanding General Fund Reserves, and containment of operating expenditures. This is a testament to the City's commitment to sound fiscal management.

The City Council and Staff remain committed to identifying ways to contain costs, identify savings, improve operational efficiency, and deliver high quality services. A firm focus on building a sound fiscal foundation will position the City to offer a high quality of core public services today and into the future.

I would like to extend my appreciation and thanks to the Executive Team and City employees for their commitment to providing a high level of public service. Their work ethic and unwavering pride is reflected in the community's high quality of life and admiration from neighboring cities that view Kerman as a well-managed and a great City to live, work, do business, and visit. I particularly would like to thank the City Council for its guidance, support and leadership. By working together we will make great strides in "Building a Strong Foundation Today to Support a Better Tomorrow" and ensure that the City will continue improving the quality of life for residents in Kerman.

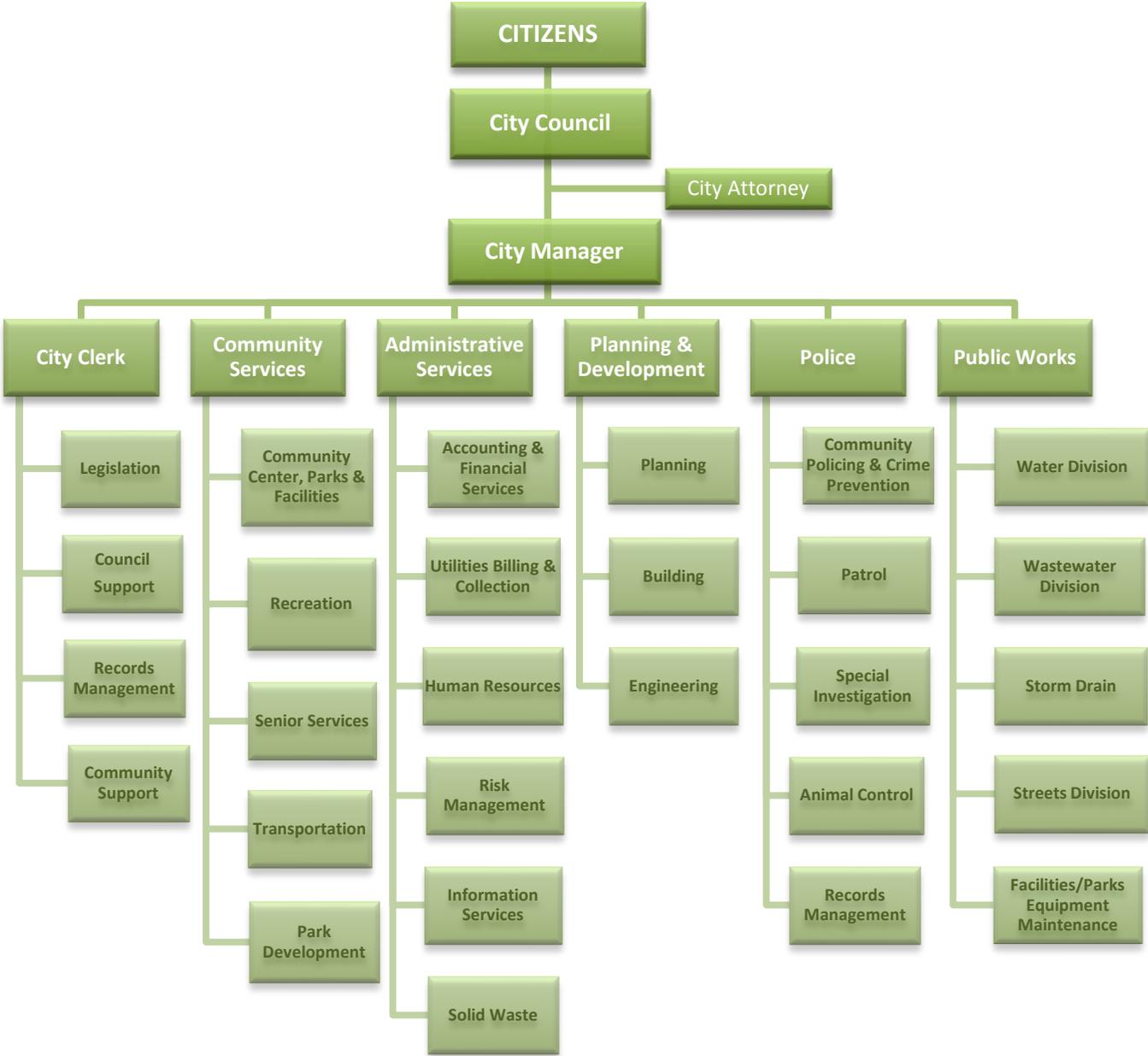
Respectfully submitted,



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 14,225 as of May 2013 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.

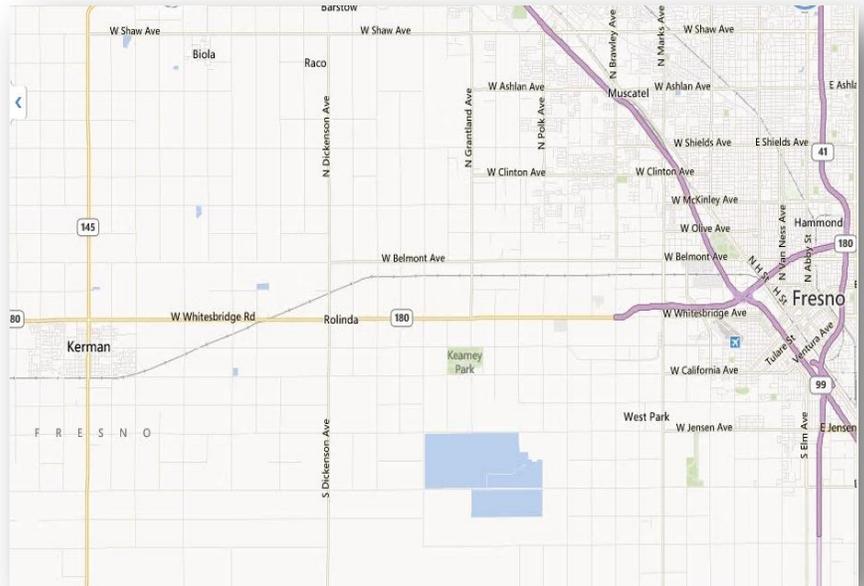
County: Kerman is located in Fresno County.

Area: 3.233 square miles.

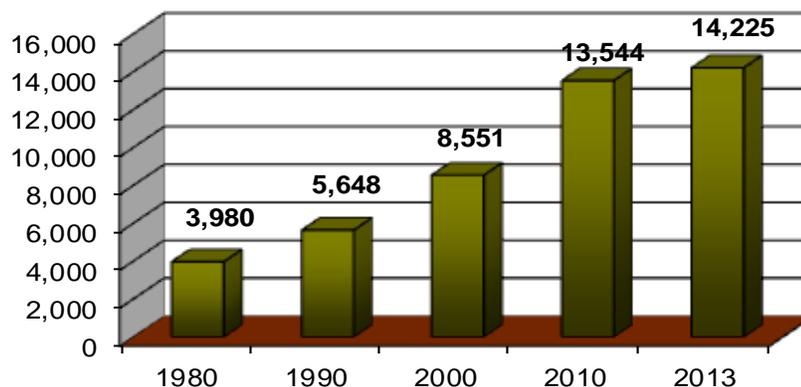
Elevation: 220 feet above sea level.

Credit Rating: A-/Stable - as of January 1, 2013.

Parks: 11 developed parks totaling 47 acres.

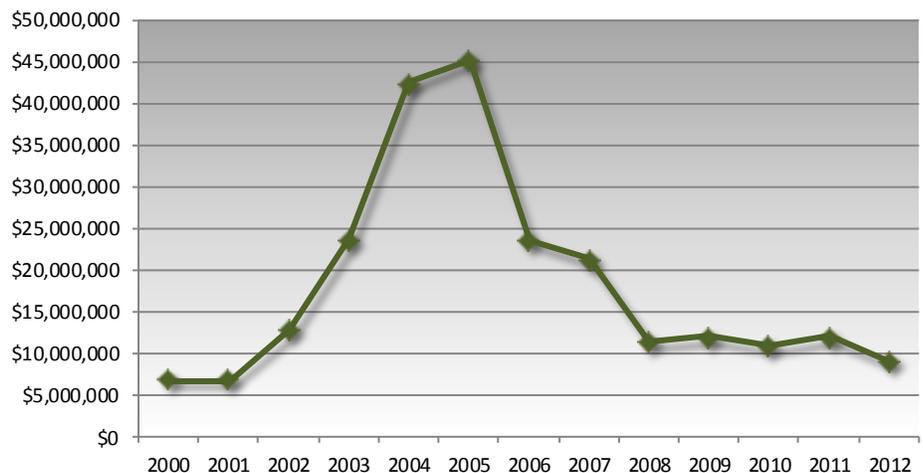


Historical Population Growth

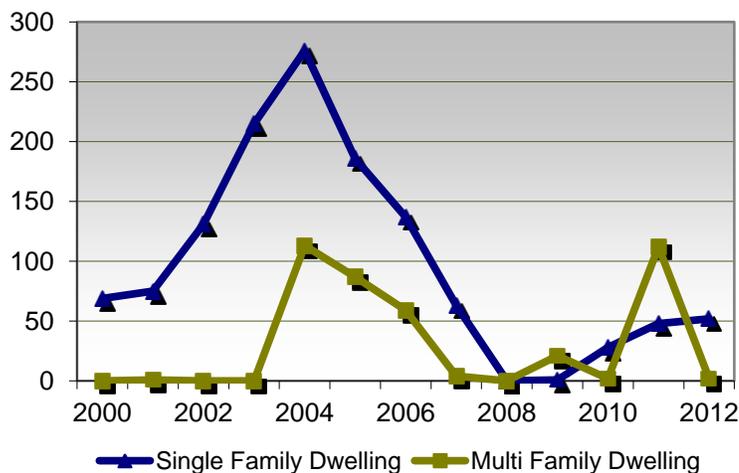


Housing Growth: New housing construction in Kerman peaked during the housing boom years between 2003 and 2007. During this period a total of 1,022 new housing units were developed compared to 576 new units between 1994 and 2002. New housing construction in Kerman slowed dramatically after the collapse of the financial sector. Between 2008 and 2012, a total of 102 new housing permits were issued.

Historical Construction Valuation



Building Permits Issued



Household Income: In 2011 the median household income is \$46,289.

Median Home Price: Average median home price in 2013 is \$139,761.

Total Housing Units: There are a total of 3,908 housing units available with 55% owner-occupied, 39% rental housing and 6% vacant units.

Education/Schools: The community is served by the Kerman Unified School District (KUSD), a District of approximately 4,600 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. In similar schools ranking, KUSD's average on a scale of zero to ten is 8.2. This ranking indicates the decile rank of a school's Academic Performance Index (API) compared with the API's of 100 other schools with similar demographic characteristics.



Demographics



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.

Name of Business	Product/Service	Employees
Kerman Unified School District	Education	475
Mid Valley Disposal	Solid Waste/Recycling	170
Panoche Creek	Almond Packer	140
MEC Ariel Platform	Ariel Lift	135
Sebastian	Communications	70
City of Kerman	Municipal Government	64
Helena Chemical	Chemical	50
Hall Ag Enterprises	Labor Contractors	40



Data Sources

- Population: Department of Finance – May 2013
- Credit Rating: Standard and Poor’s Rating Service – January 2013
- Parks: City of Kerman Parks and Recreation Department
- Education: API.CDE.CA.gov
- Household Income: U.S. Census Bureau, Selected Economic Characteristics
- Housing Median Sales Price and Number of Sales: City-data.com/housing
- Housing Units – Owner Occupied/Rental Units US Census Bureau
- City Development: City of Kerman’s Planning and Development Department
- Building Permits: City of Kerman’s Planning and Development Department
- Largest Employers: Provided by individual employer or business data from internet



Budget Process

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 February and concludes in June. The operating and capital budgets are developed by the City Manager and the Finance Director, with input from each Department Head.

Budget Calendar

January or February: Operating budget preparations begin with 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.

March: Changes to the base budget are submitted to the Finance Director for analysis and may include requests for additional funding to meet program needs for the upcoming year.

April: Recommendations on base budget requests are reviewed by the Finance Director to insure that the requests conform to budget guidelines and have individual merit.

April: Final decisions on the proposed operating budget requests are made by the City Manager, and the preliminary budget presentations to the City Council begin. The proposed utility rate changes are also presented to Council for review and direction, and a public hearing date is set by Council.

May: Preliminary budget presentations to City Council are concluded.

June: A public hearing for utility rate changes is held at the first meeting in June and rates are established to become effective on the first day of the new fiscal year. The proposed 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 a public hearing at the second City Council meeting in June. All changes made during the public process 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, Objectives and Outcome

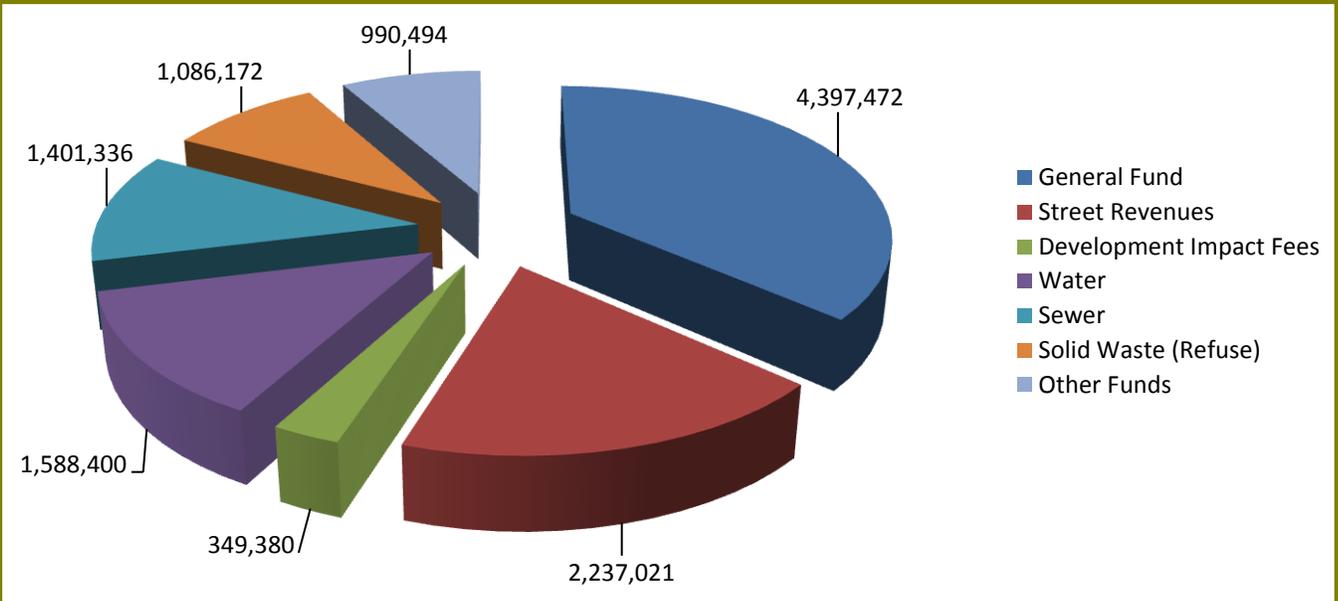
Goal	Objective	Performance Outcomes
Fiscal Sustainability	<ul style="list-style-type: none"> ▪ Balance revenues and expenditures to ensure fiscal stability ▪ Monitor trends in key revenue sources and make adjustments as needed ▪ Provide core services in an efficient and effective manner 	<ul style="list-style-type: 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 in January 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 ▪ Set target participation rates for all programs and activities ▪ Develop phase I of Katy'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 ▪ Explore the use of strategically placed surveillance cameras ▪ 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 ▪ Update format for Five-Year Capital Improvement Plan ▪ Seek grant opportunities to fund key facility and infrastructure projects ▪ Prepare facilities master plan
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 ▪ Complete master landscape plan for Madera Avenue and all major streets ▪ 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 ▪ Work on addressing weakness identified in SWOT analysis ▪ Develop localized training of key management and supervisorial staff ▪ Create employee recognition program
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 and policy documents



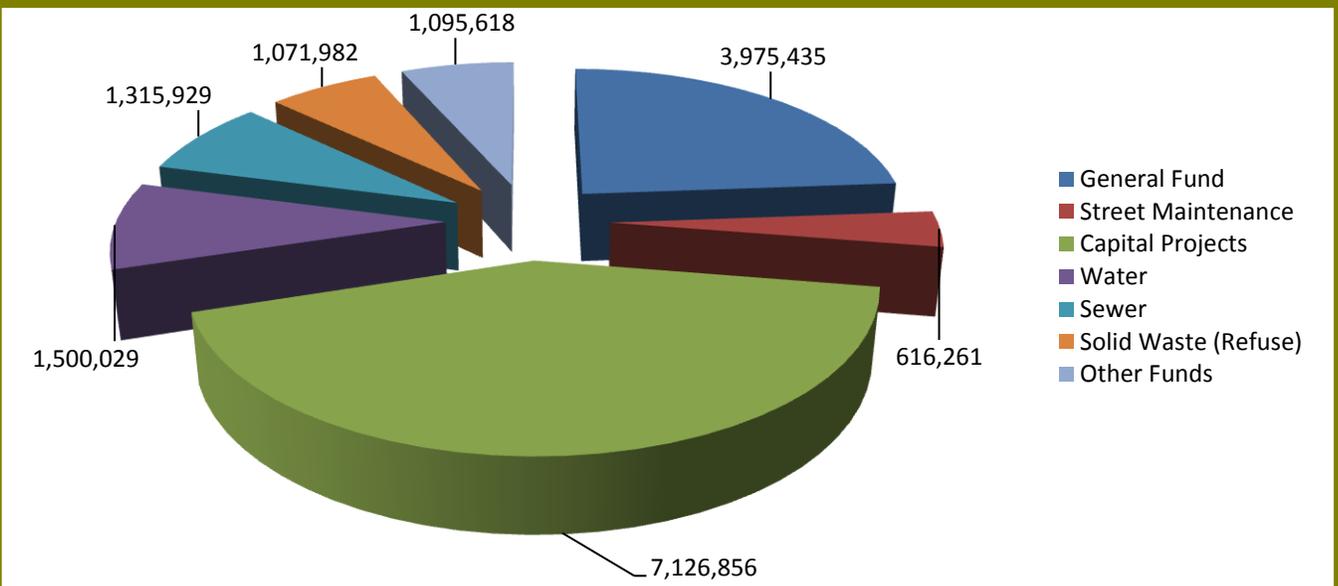
Budget Overview



Revenue/Sources



Expenditures/Uses



City Wide Revenues Summary

Fund	Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year-End	Budget 2013-2014
General Fund						
10	General Fund Revenues	3,461,837	3,711,291	3,975,866	4,214,166	4,397,472
	Sub-Total General Fund	3,461,837	3,711,291	3,975,866	4,214,166	4,397,472
Special Revenue Funds						
10	SLESF Grant	101,183	100,000	100,000	100,000	100,000
10	Safety Grants, Contracts and Projects	0	0	17,200	65,127	57,200
73	Senior Nutrition Site Management	22,389	22,789	16,544	14,644	15,144
75	Lighting & Landscaping District 1	183,351	187,143	194,128	194,128	197,200
80-85, 87	Street Revenues	1,801,887	1,455,332	1,882,124	1,614,500	2,237,021
86	Community Transit	101,968	111,592	106,362	100,000	100,000
Various	Development Impact Fees	542,073	548,764	433,330	264,075	349,380
	Sub-Total Special Revenue Funds	2,752,851	2,425,620	2,749,688	2,352,474	3,055,945
Internal Service Funds						
50	Vehicle/Equipment Charges to Dept's	334,989	426,398	383,943	384,193	367,072
51	Technology Charges to Dept's	74,584	71,696	71,888	72,137	81,077
	Sub-Total Internal Service Funds	409,573	498,094	455,831	456,330	448,149
Enterprise Funds						
41	Water	1,335,853	1,562,929	1,548,500	1,564,254	1,588,400
42	Sewer	1,106,015	1,189,721	1,326,216	1,299,620	1,401,336
43	Solid Waste (Refuse)	952,824	1,020,798	1,044,091	1,068,696	1,086,172
47	Storm Drain Maintenance & Operations	77,469	65,997	73,868	81,975	72,800
	Sub-Total Enterprise Funds	3,472,161	3,839,445	3,992,675	4,014,545	4,148,708
Grand Total All Funds		\$10,096,423	\$10,474,449	\$11,174,060	\$11,037,515	\$12,050,274

City Wide Operational Expenditures Summary

Fund	Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year-End	Budget 2013-2014
General Fund						
10	General Fund Expenditures	3,568,734	3,721,985	4,007,488	3,976,201	3,975,435
	Sub-Total General Fund	3,568,734	3,721,985	4,007,488	3,976,201	3,975,435
Special Revenue Funds						
10	SLESF Grant	101,182	100,000	100,000	100,000	100,000
10	Safety Grants, Contracts and Projects	0	36,220	17,200	58,377	57,200
73	Senior Nutrition Site Management	25,273	20,095	24,867	29,754	24,691
75	Lighting & Landscaping District 1	178,250	206,564	187,712	182,400	178,442
80-85, 87	Street Expenditures	530,731	552,062	591,524	574,599	616,261
86	Community Transit	111,460	119,098	107,323	111,182	118,312
Various	Development Impact Fees	46,275	5,040	4,000	0	0
	Sub-Total Special Revenue Funds	993,171	1,039,079	1,032,625	1,056,312	1,094,906
Internal Service Funds						
50	Vehicle/Equipment Expenditures	393,873	364,613	439,363	457,517	459,108
51	Technology Expenditures	78,838	44,136	80,703	75,703	86,419
	Sub-Total Internal Service Funds	472,711	408,749	520,065	533,220	545,527
Enterprise Funds						
41	Water	1,376,431	1,421,653	1,482,146	1,490,477	1,500,029
42	Sewer	1,043,465	1,259,903	1,381,541	1,373,888	1,315,929
43	Solid Waste (Refuse)	964,646	979,131	1,004,720	1,022,597	1,071,982
47	Storm Drain Maintenance & Operations	63,698	65,450	70,885	67,359	71,446
	Sub-Total Enterprise Funds	3,448,239	3,726,138	3,939,292	3,954,321	3,959,386
Grand Total All Funds		\$8,482,855	\$8,895,951	\$9,499,470	\$9,520,054	\$9,575,255



Fund Balance Summary

Fund Balance Summary

Fund	Description	6/30/2013	2013 - 2014 Budget		6/30/2014
		Fund Balance	Revenue	Expenses*	Balance
<u>General Funds</u>					
10	General Fund	2,228,507.52	4,397,472.00	3,975,435.00	2,650,544.52
11	CIP Administration - DIF	(86,820.00)	11,000.00	-	(75,820.00)
17	General Plan Update - DIF	(57,263.61)	7,880.00	-	(49,383.61)
<u>Special Revenue Funds</u>					
30	Jobs/Housing Mitigation - DIF	47,442.25	-	-	47,442.25
48	Storm Drain Acquisition - DIF	(92,146.68)	7,007.00	-	(85,139.68)
49	Storm Drain Construction - DIF	197,999.47	29,755.00	51,201.00	176,553.47
52	Water Front Footage - DIF	204,061.48	13,605.00	67,500.00	150,166.48
53	Water Oversize - DIF	129,577.55	6,402.00	67,500.00	68,479.55
54	Water Major Facilities - DIF	660,644.48	43,041.00	683,000.00	20,685.48
55	Sewer Front Footage - DIF	13,755.70	14,512.00	-	28,267.70
56	Sewer Oversize - DIF	63,807.44	12,625.00	-	76,432.44
57	Sewer Major Facility - DIF	381,039.94	46,599.00	340,372.00	87,266.94
58	Park Development - DIF	(19,891.66)	43,480.00	20,585.00	3,003.34
59	Park Development - Quimby - DIF	43,765.21	14,360.00	20,585.00	37,540.21
73	Senior Site Mgmt./Nutrition	-	24,691.00	24,691.00	-
75	Landscape & Lighting District	(3,729.84)	197,200.00	178,442.00	15,028.16
80	Streets	-	57,367.00	85,000.00	(27,633.00)
81	Gas Tax - 2105	68,871.10	82,735.00	644,500.00	(492,893.90)
82	Gas Tax - 2106	157,295.37	49,836.00	22,500.00	184,631.37
83	Gas Tax - 2107	535,687.35	102,522.00	398,000.00	240,209.35
84	Gas Tax - 2107.5	(4,925.82)	3,000.00	-	(1,925.82)
85	SB 325 III	3,912.64	8,501.00	10,000.00	2,413.64
86	Transportation	(26,008.51)	100,000.00	118,312.00	(44,320.51)
87	SB 325 VIII	821,246.03	382,703.00	995,007.00	208,942.03
88	Measure C	18,046.35	350,808.00	362,954.00	5,900.35
91	Major Streets - DIF	21,055.15	35,316.00	20,000.00	36,371.15
92	Major Street Signals - DIF	108,998.16	6,010.00	137,000.00	(21,991.84)
93	Major Street Railroad - DIF	285,490.06	7,674.00	267,000.00	26,164.06
95	Traffic Congestion Relief	113,664.84	203,749.00	196,000.00	121,413.84
<u>Internal Service Funds</u>					
50	Vehicle Equipment - ISF	464,498.82	367,072.00	459,108.00	372,462.82
51	Technology - ISF	72,892.75	81,077.00	86,419.00	67,550.75
<u>Enterprise Funds</u>					
41	Water	3,630,825.29	1,588,400.00	1,965,268.00	3,253,957.29
42	Waste Water	8,062,783.68	1,401,336.00	1,412,639.00	8,051,480.68
43	Solid Waste	252,452.88	1,086,172.00	1,071,982.00	266,642.88
47	Storm Drain	1,067,790.02	72,800.00	71,446.00	1,069,144.02
<u>Capital Project Fund</u>					
14	Facilities Construction - DIF	(71,469.64)	33,944.00	52,008.00	(89,533.64)

***Excludes Depreciation Expense**

DIF - Development Impact Fees

ISF - Internal Service Funds



General Fund

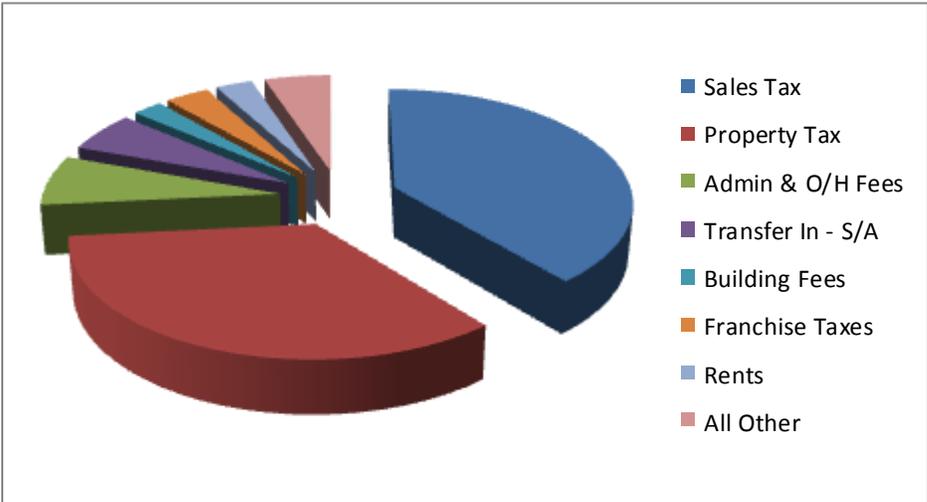


General Fund Overview

In Fiscal Year 2013/2014, total General Fund revenues are projected to exceed expenditures by \$422,037, with \$4,397,472 in projected revenue and \$3,975,435 of projected expenditures. Total revenue of \$4,397,472 represents a \$421,606 or 10.6 percent increase from Fiscal Year 2012/2013 adopted budget. Included in this \$4,397,472 is \$250,000 of revenues to be transferred in for administration of the Successor Agency. General Fund expenditures for Fiscal Year 2013/2014 decreased slightly from \$4,007,488 in Fiscal Year 2012/2013 to \$3,975,435.

The General Fund's top two tax revenue sources (sales tax and property tax) combined account for \$3,229,000 or 77.9 percent of total projected sources of funds in the Fiscal Year 2013/2014 adopted budget.

Sales Tax	1,716,000
Property Tax	1,513,000
Admin & O/H Fees	312,796
Transfer In - S/A	250,000
Building Fees	103,000
Franchise Taxes	150,000
Rents	126,376
All Other	226,300
Total	4,397,472



SALES TAX

Sales tax revenues are projected at \$1.7 million, which will exceed property tax revenues in Fiscal Year 2013/2014. Compared to the Fiscal Year 2012/2013 adopted budget, this reflects an increase of \$412,000 or 31.6 percent. This level of revenue is based on better than anticipated revenue in 2012/2013 as well as conservative projections related to considerable retail development in Kerman. The Fiscal Year 2012/2013 adopted budget represented an 11.1 percent increase over the 2011/2012 audited sales tax figure, but is now projected to be 17.2 percent above 2011/2012. The 2013/2014 target represents a 46.2 percent increase over Fiscal Year 2011/2012



PROPERTY TAX

Property values have remained relatively stable in Kerman. Fiscal Year 2013/2014 property tax revenue is projected at \$1,513,000 which is \$40,000 or 2.7 percent above Fiscal Year 2012/2013 adopted budget amount, and a 2.4 percent increase over Fiscal Year 2011/2012 actuals. As on-going commercial development projects are completed and added to the property tax assessment rolls, we expect to see sizeable increases to property tax revenues in future fiscal years. A large portion of property tax comes from Property Tax In Lieu of Vehicle License Fee Backfill (Tax In-Lieu). We are projecting \$943,470 from Tax In-Lieu for year-end 2012/2013 and \$950,000 in fiscal year 2013/2014.

ADMINISTRATION AND OVERHEAD FEES

Fiscal Year 2013/2014 revenues are remaining the same as the Fiscal Year 2012/2013 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 2013/2014 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 and further commercial development to follow the large construction projects that have taken place in fiscal year 2012/2013, we are making conservative projections for fiscal year 2013/2014. Building Fees are projected at \$103,000 for Fiscal Year 2013/2014, which is \$30,000 or 22.2 percent lower than the 2012/2013 adopted budget and \$122,418 or 54 percent lower than the 2011/2012 audited building fee revenues.

FRANCHISE TAXES

Franchise taxes are projected to increase by \$7,000 or 4.9 percent from the 2012/2013 adopted budget to the 2013/2014 budget. The 2012/2013 adopted budget called for \$143,000 of revenues, while we are now projecting \$148,567 for year-end 2012/2013 and \$150,000 for Fiscal Year 2013/2014. 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, with a 1.9 percent from the Fiscal Year 2012/2013 adopted budget of \$123,956 to the 2013/2014 projection of \$126,376. 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 and from other facilities and parks.



General Fund Overview

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 2013/2014 in this category are \$82,200, with Business License revenue of \$65,000 and Vehicle License Fees of \$7,000. This is consistent with estimated 2012/2013 year-end revenues and about \$7,000 higher than the 2012/2013 adopted budget because we did not anticipate continued receipts of Vehicle License Fees, which continue to come in.

FINES AND PENALTIES

In Fiscal Year 2013/2014, 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. The 2012/2013 adopted budget called for \$65,500 in total. However, that included \$8,000 for COG Vehicle Abatement revenue which was moved to Special Revenues and included in the Safety Grants, Contracts and Projects budget in Fiscal Year 2012/2013 when the former Animal Control/Vehicle Abatement officer resigned and the Police Department took over the vehicle abatement duties of that position.

INTEREST AND MISCELLANEOUS INCOME

Interest Income makes up \$15,000 of this total budget of \$20,600 in Fiscal Year 2013/2014, which is up by \$3,350 over the Fiscal Year 2012/2013 adopted budget.

YOUTH AND RECREATION PROGRAM FEES

This revenue category budget has been reduced from \$49,700 in the 2012/2013 adopted budget to \$36,300 in Fiscal Year 2013/2014, which is a decrease of 30%. The primary reason for this decrease is the elimination of the youth basketball program. Kerman Unified School District has taken over this program.

REIMBURSEMENTS

This revenue category is made up of SB90 Reimbursement and Self Insurance Refund. However, no Self Insurance Refund is anticipated in Fiscal Years 2013/2014. No such refund was received in Fiscal Year 2012/2013 either. In Fiscal Year 2010/2011, \$14,000 was included in this category for reimbursement from the Redevelopment Agency (RDA) for the pool rental. However, that reimbursement has not been received since the RDA was eliminated in Fiscal Year 2011/2012.

OTHER FEES FOR SERVICES

Total Other Fees for Services are projected at \$17,600 for Fiscal Year 2013/2014, 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 (80 percent) of these revenues. The total of \$17,600 is up by 5 percent over the 2012/2013 adopted budget.

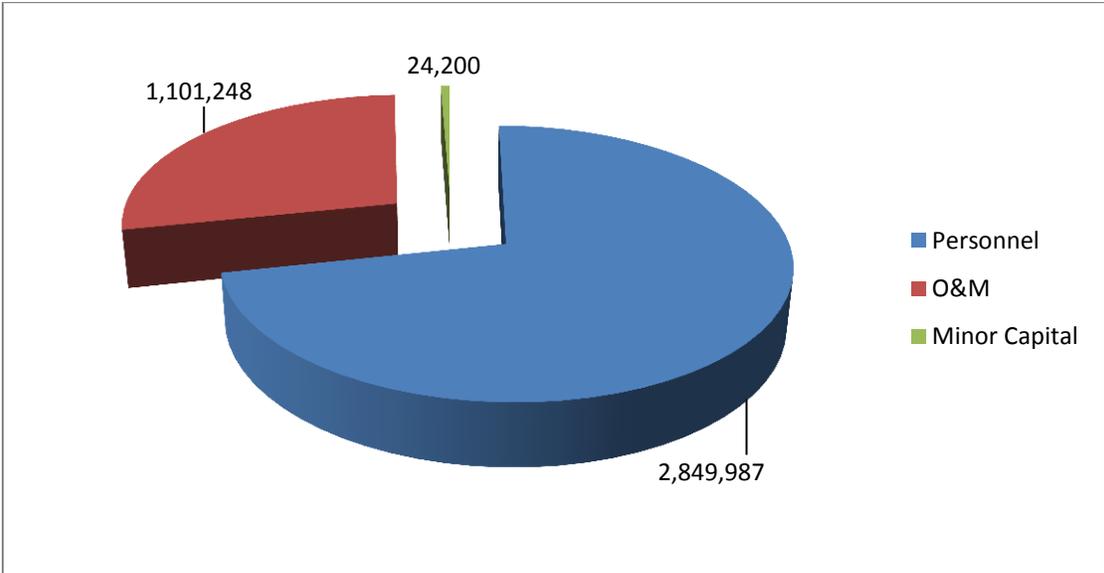


General Fund Overview

EXPENSES

Staff is proposing a \$3,975,435 expense budget for the General Fund in Fiscal Year 2013/2014, a decrease of \$32,053, or 0.8 percent, compared to the Fiscal Year 2012/2013 adopted budget. Of the total 2013/2014 operating budget of \$3,975,435 within the General Fund, personnel expenses make up \$2,849,987 or 71.7 percent. Details of this major expenditure category are discussed below.

Breakdown of Expenditures



SALARY AND BENEFITS

Although the City of Kerman is adding one additional Police Officer position and an Animal Control Officer position and giving a 2 percent cost of living increase to non-management personnel in Fiscal Year 2013/2014, total General Fund personnel costs are decreasing by about \$17,000 or 0.6 percent from the 2012/2013 adopted budget.

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. Although there was an increase of 2.6 percent for miscellaneous members and a 0.3 percent decrease for safety members to the CalPERS retirement contribution rates in Fiscal Year 2013/2014, there is an overall net decrease of 12.35 percent in employee pension and healthcare costs in Fiscal Year 2013/2014 compared to the FY 2012/2013 budget. This decrease is due to an estimated citywide savings of approximately \$180,000 in medical insurance premiums created by changing PPO providers from Blue Shield to Anthem Blue Cross and eliminating HMO coverage through Kaiser as required by Anthem Blue Cross. Estimated savings to the General Fund related to this health insurance provider change is approximately \$87,000.



STAFFING LEVELS

Compared to the Fiscal Year 2013 adopted budget, the net full-time equivalent (FTE) increase in the General Fund is 1.5 FTEs. One employee retired during Fiscal Year 2012/2013 and was replaced by a part time employee working approximately 20 hours per week. Two additional FTEs will be added during the Fiscal Year 2013/2014 budget; one full time Animal Control position and one full time Police Officer through the Federal COPS grant. Therefore the Fiscal Year 2013/2014 budget includes the addition of 2.5 FTEs and the elimination of 1.0 FTE. Below is a list of eliminated and added positions.

Eliminated - 1.0 FTE

Nutrition Coordinator/Van Driver

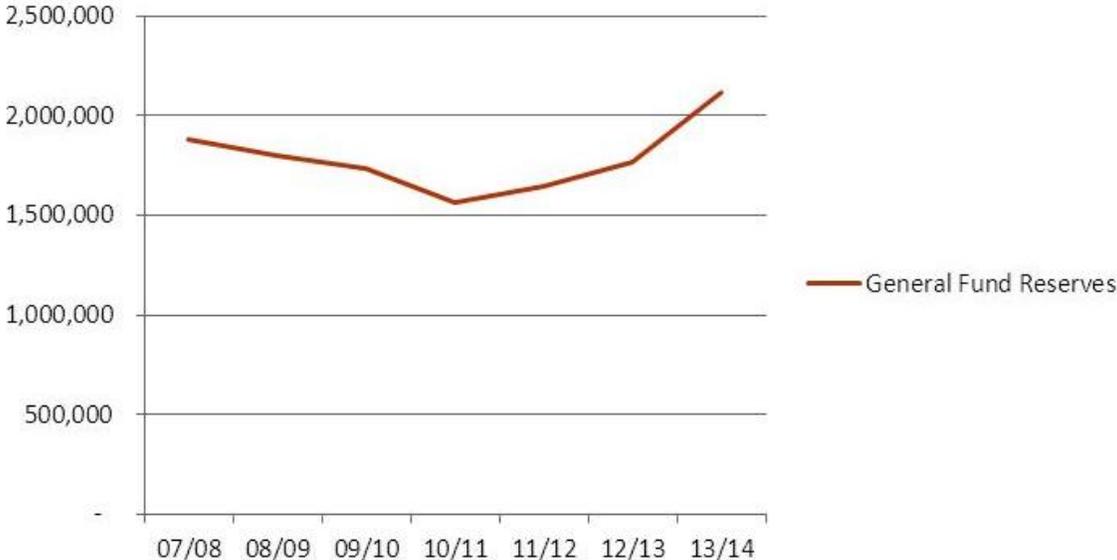
Added Positions - 2.0 FTE

- Animal Control – 1.0
- Police Officer – 1.0
- Part-time Nutrition Coordinator – 0.5

RESERVES

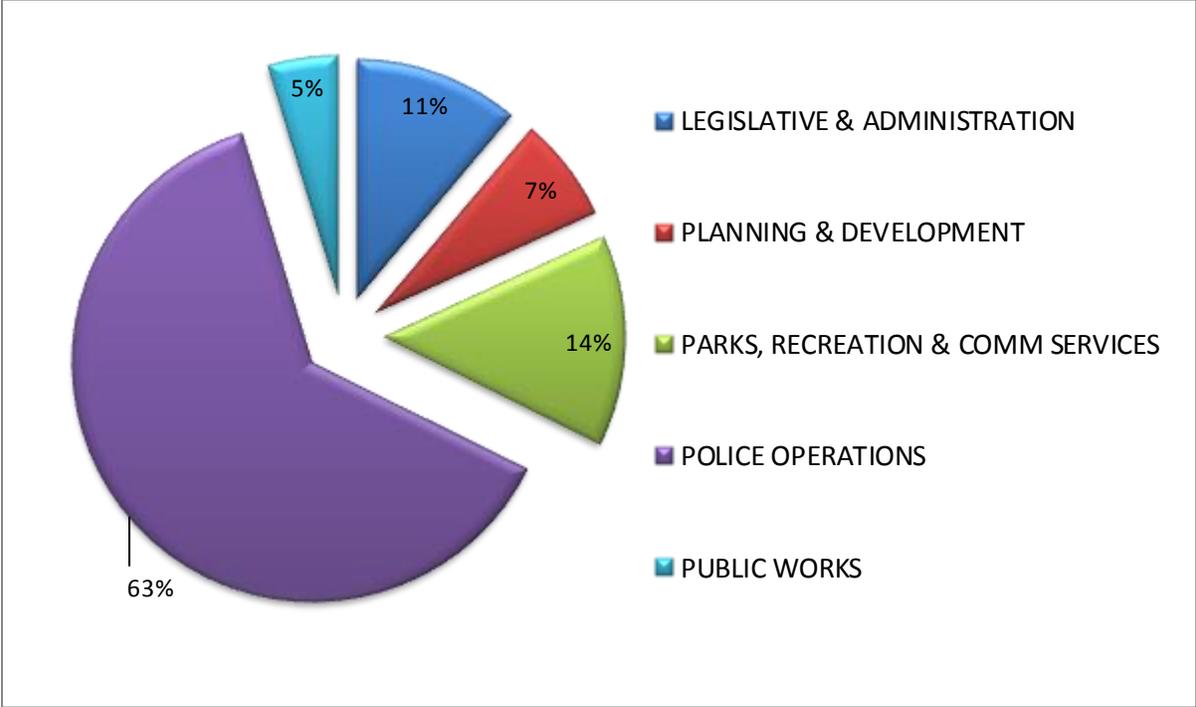
The City's estimated General Fund Reserves are estimated to be approximately \$1,769,749 as of June 30, 2013. Based on the 2013/2014 operational budget expenditures of \$3,975,435, revenues of \$4,397,427 (including \$250,000 to be transferred in for administration of the Successor Agency to the former Kerman Redevelopment Agency) and capital expenditures of \$74,588, the projected General Fund Reserves as of June 30, 2014 are \$2,117,153.

General Fund Reserves



General Fund Overview

General Fund Operating Expenditures

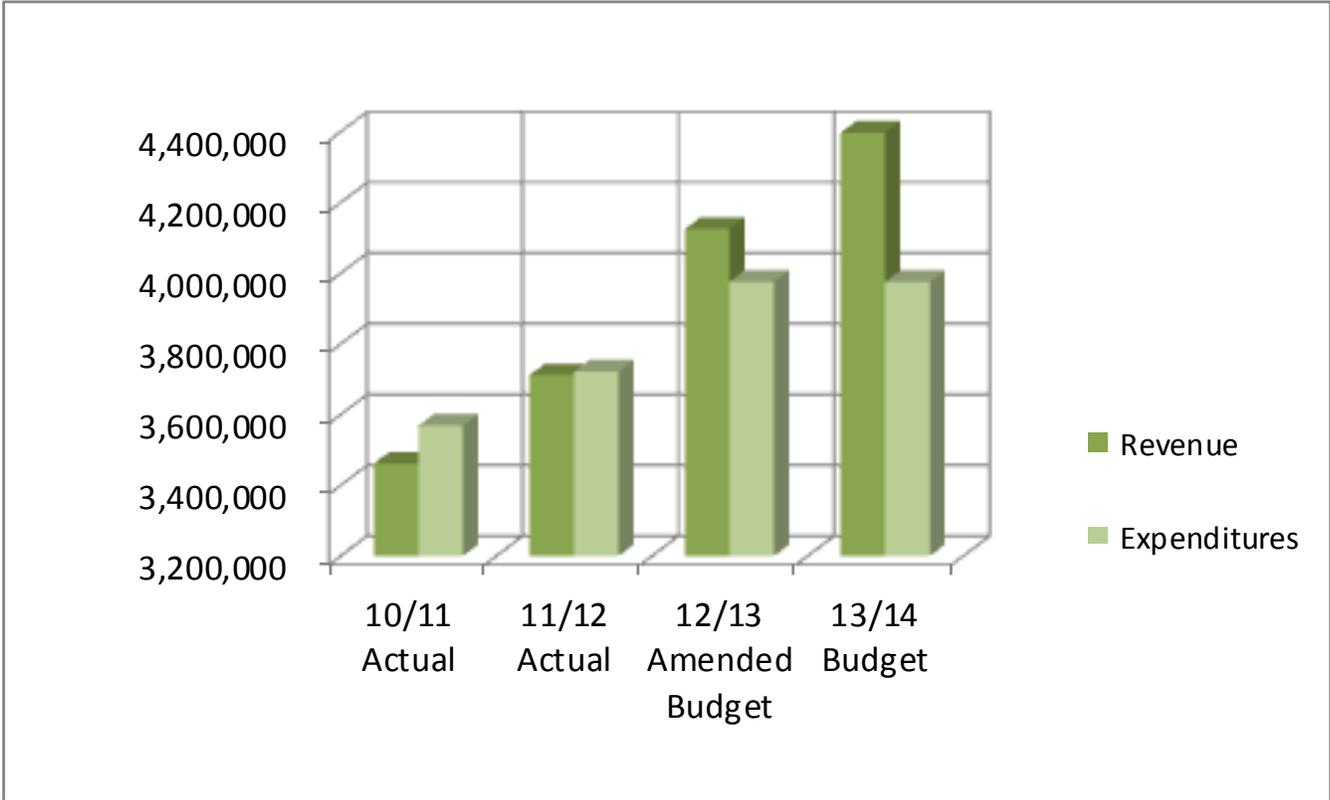


LEGISLATIVE & ADMINISTRATION	\$443,437	11.15%
PLANNING & DEVELOPMENT	\$279,518	7.03%
PARKS, RECREATION & COMM SERVICES	562,631	14.15%
POLICE OPERATIONS	2,502,576	62.95%
PUBLIC WORKS	187,273	4.71%
TOTAL GENERAL FUND OPERATIONS	\$3,975,435	100.00%



General Fund Overview

General Fund Revenue vs. Expenditures



	<u>Revenue</u>	<u>Expenditures</u>	<u>Excess/(Deficit)</u>
10/11 Actual	3,461,837	3,568,734	(106,897)
11/12 Actual	3,711,291	3,721,985	(10,694)
12/13 Amended Budget	4,125,603	3,976,201	149,402
13/14 Budget	4,397,472	3,975,435	422,037



General Fund Summary

General Fund Revenue Summary					
Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	2012-2013	
				Estimated Year-End	Budget 2013-2014
Sales Tax	1,003,290	1,173,625	1,304,000	1,375,900	1,716,000
Property Tax	1,442,801	1,476,614	1,473,000	1,496,402	1,513,000
Admin & Overhead Fees	294,906	312,446	310,771	312,796	312,796
Building Fees	214,628	225,418	135,000	195,250	103,000
Franchise Taxes	145,727	144,445	143,000	148,567	150,000
Rents	70,979	113,932	123,956	120,916	126,376
Licenses and Permits	136,830	74,384	74,600	82,572	82,200
Fines and Penalties	50,716	62,832	66,500	65,000	65,000
Interest and Miscellaneous Income	26,517	33,129	17,250	26,850	20,600
Youth and Recreation Program Fees	34,379	38,597	49,700	30,200	36,300
Reimbursements	25,133	16,510	11,719	4,887	5,000
Other Fees for Services	15,932	39,358	16,370	16,263	17,200
Total Recurring Revenues	3,461,837	3,711,291	3,725,866	3,875,603	4,147,472
Sale of Property	-	-	-	88,563	-
Transfer In - Successor Agency	-	-	250,000	250,000	250,000
Total Non-Recurring Revenues	-	-	250,000	338,563	250,000
Total General Fund Revenue	3,461,837	3,711,291	3,975,866	4,214,166	4,397,472

General Fund Expenditure Summary					
Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	2012-2013	
				Estimated Year-End	Budget 2013-2014
City Council	31,191	31,706	35,760	24,785	30,200
City Attorney	39,940	52,056	45,000	52,000	50,000
General Administration	201,189	180,005	251,835	238,938	229,573
Financial Administration	54,207	73,649	105,744	103,648	104,547
Legislation	34,566	15,907	31,726	30,250	29,117
Planning	133,461	103,935	113,118	118,917	110,332
Engineering	22,399	44,818	25,800	16,500	25,000
Building Inspection	176,541	158,258	152,876	148,048	144,186
Recreation Administration	155,120	167,077	223,480	230,579	224,599
Senior Center Services	151,610	160,513	151,858	143,526	111,542
Aquatics Program	36,310	22,860	26,572	26,379	23,163
Planned Recreation	32,707	36,465	32,490	30,339	29,566
Youth Service Bureau	30,551	33,952	45,512	39,660	45,621
Community Teen Center	142,159	141,167	129,841	128,487	128,140
Police Operations	2,118,433	2,281,249	2,426,294	2,423,489	2,454,228
Animal Control	42,787	39,609	23,292	36,561	48,347
Building/Park Operations	165,563	178,759	181,292	184,095	187,273
Total Expenditures	3,568,734	3,721,985	4,002,488	3,976,201	3,975,435
Operating Transfers Out (to Transit 86.0)	-	-	5,000	-	-
Total Use of Funds	3,568,734	3,721,985	4,007,488	3,976,201	3,975,435



Enterprise Funds



Enterprise Fund Overview

REVENUES

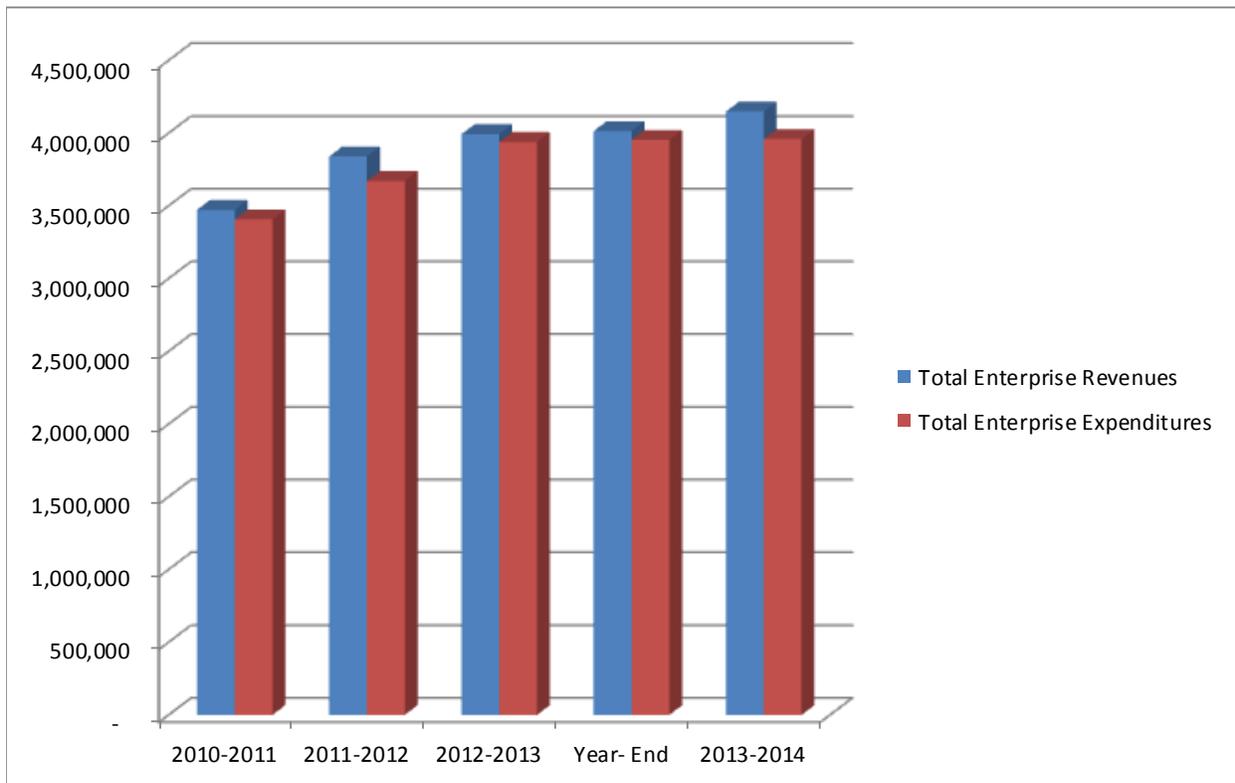
The total combined budgeted revenues of the Enterprise Funds for FY 2013/2014 is \$4,148,708, which is \$134,163 or 3.3 percent higher than the previous fiscal year. The net increase is primarily attributed to the net effect of all of the rate changes among the funds as discussed below.

EXPENDITURES

Aggregated operational expenditures for the Enterprise Funds are \$3,959,386 in Fiscal Year 2013/2014, compared to \$3,939,292 in Fiscal Year 2012/2013, an increase of \$20,095 or 0.5%.

Total Enterprise Revenues and Expenditures

	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	2012/13 Estimated Year- End	Budget 2013-2014
Total Enterprise Revenues	3,472,161	3,839,445	3,992,675	4,014,545	4,148,708
Total Enterprise Expenditures	3,406,989	3,670,561	3,939,292	3,954,321	3,959,386
Revenues in Excess of Expenditures	65,172	168,884	53,383	60,224	189,321



Utility Rate Changes

This Fiscal Year 2013/2014 Adopted Budget includes a number of utility rate adjustments. The average monthly residential Utilities bill is expected to increase by \$3.00 or 4.1 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.

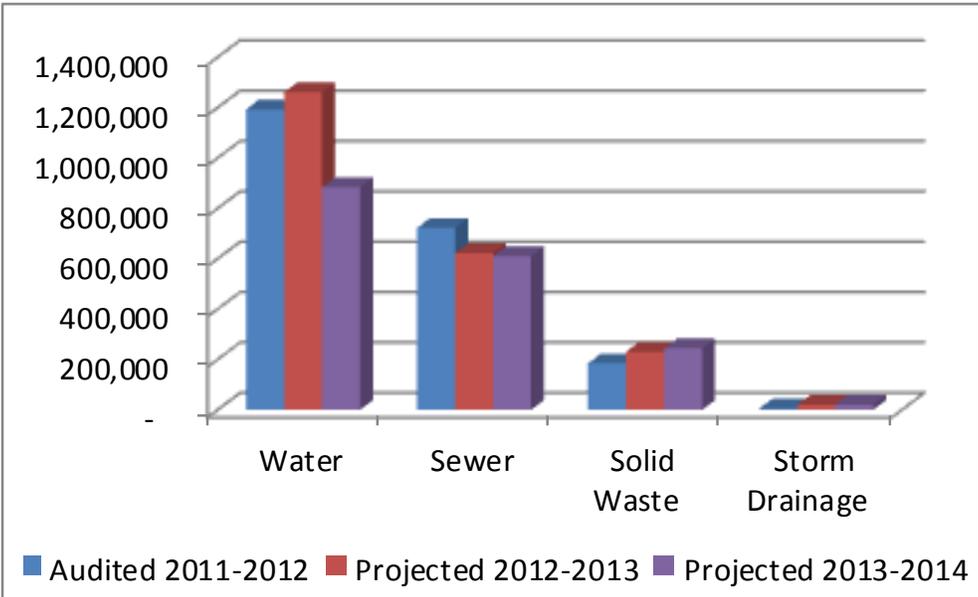
- Water Fund – A rate increase of 2 percent, effective July 1, 2013
- Sewer Fund - A rate increase of 8 percent, effective July 1, 2013
- Solid Waste Fund - A rate increase of 1.8 percent for residential and 2 percent for commercial customers, effective July 1, 2013
- Storm Drain Fund – No rate increase in Fiscal Year 2013/2014

CITY OF KERMAN				
UTILITY RATES - FY 2013/2014				
FY 2012/13	RATES PER MONTH	\$ CHANGE	JULY 2013 RATES	% CHANGE
Unmetered (Flat Rate) Customers				
\$ 28.22	WATER	0.56	\$ 28.78	2.0%
<i>*Based on estimated 19,000 gallons average household usage*</i>				
\$ 26.95	SEWER	2.16	\$ 29.11	8.0%
\$ 15.44	REFUSE	0.28	\$ 15.72	1.80%
\$ 0.85	STREET SWEEPING	0.00	\$ 0.85	0.0%
\$ 16.29	TOTAL SOLID WASTE	0.28	\$ 16.57	1.7%
\$ 1.40	STORM DRAIN	0.00	\$ 1.40	0.0%
\$ 72.86	TOTAL	3.00	\$ 75.86	4.1%
<i>Total increase \$3.00 monthly (4.1%), which is \$36.00 annually for flat rate utility customers.</i>				
Metered Customers (Depends on Usage)				
\$ 25.88	WATER	0.52	\$ 26.40	2.0%
<i>*Based on usage of 16,000 gallons average household usage*</i>				
\$ 26.95	SEWER	2.16	\$ 29.11	8.0%
\$ 15.44	REFUSE	0.28	\$ 15.72	1.80%
\$ 0.85	STREET SWEEPING	0.00	\$ 0.85	0.0%
\$ 16.29	TOTAL SOLID WASTE	0.28	\$ 16.57	1.7%
\$ 1.40	STORM DRAIN	0.00	\$ 1.40	0.0%
\$ 70.52	TOTAL	2.95	\$ 73.47	4.2%
<i>Total increase \$2.95 monthly (4.2%), which is \$35.40 annually for metered utility customers.</i>				
NOTE: Actual Water bills will vary monthly and between customers, based on water usage.				



RESERVES

Enterprise Fund Cash Reserves Summary			
Description	Audited 2011-2012	Projected 2012-2013	Projected 2013-2014
Water	1,193,155	1,261,133	884,265
Sewer	722,637	622,369	611,067
Solid Waste	184,464	230,563	244,752
Storm Drainage	5,071	19,687	21,041
	2,105,327	2,133,752	1,761,126



As can be seen in the chart above, Water Reserves are projected to decrease by approximately \$377,000 in Fiscal Year 2013/2014 and Sewer Reserves are projected to decrease by about \$11,000, while reserves in Solid Waste and Storm Drainage increase about \$14,000 and \$1,500, respectively. Reductions in reserves in Water and Sewer are due to capital project expenditures in Fiscal Year 2013/2014. There are no major capital expenditures budgeted in Solid Waste or Storm Drainage in 2013/2014. See the Capital Projects section of this document for further information on capital expenditures.



Enterprise Fund Overview

WATER

The Water Fund is projected to end fiscal year 2012/13 with a surplus of \$73,777 based on revenues of \$1,564,254 and expenditures of \$1,490,477. With the proposed 2 percent increase in Water rates for fiscal year 2013/14, the Water Fund is projected to have revenues in excess of expenditures of \$88,371 based on revenues of \$1,588,400 and expenditures of \$1,500,029.

With the projected revenues and expenditures for fiscal year 2013/2014, 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 2% increase in User Fees for fiscal year 2013/2014. 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 \$357,066 in fiscal year 2011/2012.

SEWER

The Sewer Fund is projected to end fiscal year 2012/13 with a deficit of \$74,268 based on revenues of \$1,299,620 and expenditures of \$1,373,888. This shortfall will be covered by unrestricted cash reserves in the Sewer Fund. With the 8 percent increase in Sewer rates for fiscal year 2013/14, the Sewer Fund is projected to have revenues in excess of expenditures of \$85,407 based on revenues of \$1,401,336 and expenditures of \$1,315,929.

The Sewer rate increase is necessary to cover the higher cost to operate the newly upgraded and expanded WWTP, service the debt on the SRF loan, and build up cash reserves in the Sewer Fund. The two areas that have shown the greatest increase in costs in the Sewer Fund are the debt service and sewer operations budgets. The debt service budget increased by 82% from the audited FY 2010/11 budget (\$112,518) compared to the proposed FY 2013/14 budget (\$204,536). This is largely due to the debt service payment on the SRF Loan. The sewer operations budget increased by 39% from the audited FY 2010/11 (\$595,083) budget compared to the estimated year-end budget for FY 2012/13 (\$825,874). The sewer operations budget is about 8 percent less in the FY 2013/14 (\$762,485) mostly due to the projected savings in electricity costs resulting from the Solar PV project at the WWTP.

As a condition of the SRF Loan for the WWTP project, the State required the City Council to pass a resolution agreeing to raise sewer rates by \$10 over a four-year period to ensure that the revenues would be available for the debt payment and increased operational costs for the new WWTP. The City Council adopted Resolution No. 08-06 on February 6, 2008, which authorized sewer rate increases of \$2.50 in 2008, 2009, 2010 and 2011 for a total of \$10. This would have resulted in a monthly Sewer rate of \$29.00. The City did impose a \$2.00 increase in 2008, a \$2.50 increase in 2009, a \$0.51 increase in 2010, a \$0.49 increase in 2011, and a \$2.45 increase in 2012 for a total of \$7.95. The current monthly Sewer rate is \$26.95. However, the City opted for lower sewer rate increases in 2010 and 2011 because the new WWTP was not yet operational and the first debt service payment was not due until late 2012. The 8 percent increase will result in a monthly Sewer rate of \$29.11 for single family residential customers.



SEWER FUND RESERVES

The FY 2012/13 year-end balance in the Sewer Fund Reserves is projected to be \$1,032,766. The balance in the Sewer Fund Reserves at the end of FY 2013/14 is projected to be \$677,260. Approximately \$355,506 will be expended on needed capital projects next fiscal year. 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.

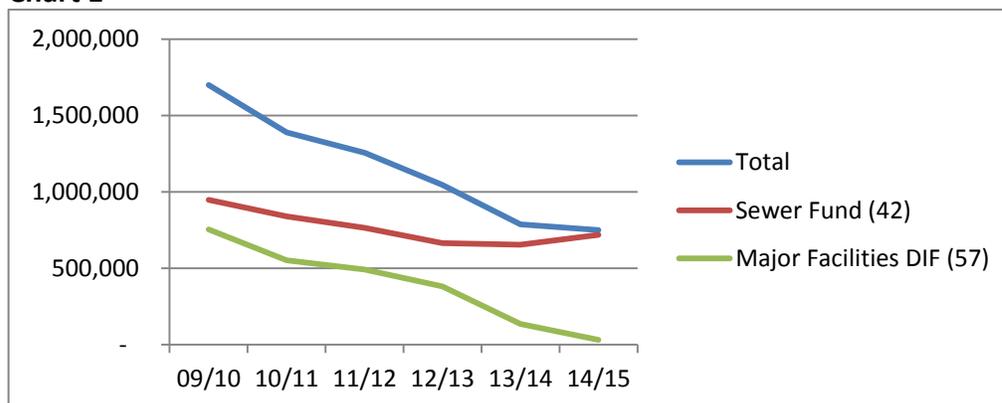
Sewer Major Facilities Development Impact Fees

The City of Kerman adopted Development Impact Fees (DIF) 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 2013/13 year-end balance in the Sewer Major Facilities fees is projected to be \$380,772. However, the balance in the Sewer Major Facilities fees at the end of FY 2013/14 is projected to be \$134,527 based on an estimated beginning cash balance of \$428,300 with expenditures of \$340,372 and revenues of \$46,599 in FY 2013/2014. The expenditures include 50% of the debt service on the SRF Loan totaling \$138,372, \$180,000 for Sludge Drying Beds (reduce from the \$280,000 preliminary figure), and \$22,000 for a Sludge Aerator at the WWTP. Therefore, the Sewer Major Facilities Fund may only have the cash to cover 50% of the debt service payment on the SRF Loan through FY 2014/2015 if there are no capital expenditures from the Fund in FY 2014/2015. Unless development picks ups significantly, a higher percentage or all of the debt payment on the WWTP may need to be covered by Sewer operations beginning in FY 2015/2016, which could impact Sewer Fund Reserves and future Sewer rates in order to cover the annual debt payments.

Chart 1 below illustrates the cash reserves in the Sewer Fund and the Sewer Major Facilities Fund over time.

Chart 1



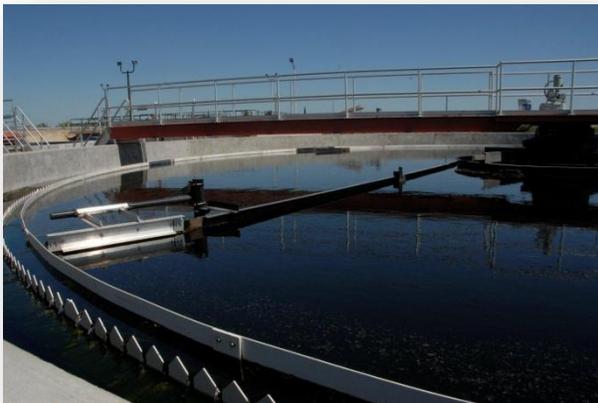
SOLID WASTE

The Solid Waste Fund is projected to end fiscal year 2012/13 with a surplus of \$46,099 based on revenues of \$1,068,696 and expenditures of \$1,022,597. With the 1.8 percent increase in Solid Waste rates for fiscal year 2013/14, the Solid Waste Fund is projected to have revenues in excess of expenditures of \$14,189 based on revenues of \$1,086,172 and expenditures of \$1,071,983.

Expenses are projected to increase by 6.7 percent in Fiscal Year 2013/2014 over the 2012/2013 budget, due primarily to a 35 cent increase in landfill tipping tonnage fees and a 2 percent inflation adjustment based on an increase in the consumer price index (CPI) as stipulated in the contract with Mid Valley Disposal. For a typical single family residence, the 1.8 percent increase in Solid Waste rates will add an additional \$0.28 cents per month to their utility bill. Commercial customers are expected to see an increase of 2 percent.

STORM DRAINAGE

No rate adjustments were proposed for the Storm Drain Fund for Fiscal Year 2013/2014. The Storm Drain fund is projected to end fiscal year 2012/13 with a surplus of \$6,584 based on revenues of \$73,868 and expenditures of \$67,284. The preliminary fiscal year 2013/14 budget for the Storm Drain fund projects revenues in excess of expenditures of \$2,415 based on revenues of \$73,868 and expenditures of \$71,453.



In 2010 a \$6.7 million expansion began on the Waste Water Treatment Plant (WWTP). Funding was made possible with a \$2.0 million grant through the American Recovery and Reinvestment Act (ARRA) and a \$4.7 million loan from the State Water Resources Board Clean Water Revolving Loan Fund. The WWTP project is the largest capital improvement undertaking in the history of the City of Kerman. This state-of-the-art facility increased treatment capacity, improved efficiency and will accommodate for new residential and business development.

Enterprise Fund Summary

Enterprise Fund Sources and Uses of Funds Summary

Description	Water	Sewer	Solid Waste	Storm Drainage	Total
Revenues					
User Fees	1,550,400	1,354,620	1,016,072	65,300	3,986,392
Penalties	24,000	21,000	21,000	0	66,000
Interest Earned	10,000	6,000	2,500	0	18,500
Rent	0	19,716	0	0	19,716
Other Income	4,000	-	46,600	7,500	58,100
Total Sources of Funds	1,588,400	1,401,336	1,086,172	72,800	4,148,708
Operating Expenditures					
Personnel	622,438	533,489	147,570	37,083	1,340,580
Maintenance and Operations	700,091	558,304	918,493	30,359	2,207,246
Debt Service	165,000	204,536	0	0	369,536
Operational Capital Expenditures	12,500	19,600	5,920	4,004	42,024
Subtotal	1,500,029	1,315,929	1,071,982	71,446	3,959,386
CIP - Capital Expenditures	1,758,689	86,709	0	0	1,845,398
Total Uses of Funds	3,258,718	1,402,638	1,071,982	71,446	5,804,784
To/From Reserves	(1,670,318)	(1,302)	14,189	1,354	(1,656,077)



Enterprise Fund Summary

SUMMARY OF ENTERPRISE FUND OPERATIONAL BUDGETS

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	2012/13 Estimated Year- End	Budget 2013-2014	% of Rev's
WATER FUND (41.0)						
Total Water Fund Revenues	1,335,853	1,562,929	1,548,500	1,564,254	1,588,400	
Water Administration & Accounting	\$379,894	\$413,531	\$421,145	\$421,845	\$413,108	
Water - Debt Service	223,387	203,875	203,870	204,056	165,000	
Water Operations	773,150	804,247	857,131	864,576	921,921	
Total Water Fund Operations	<u>1,376,431</u>	<u>1,421,653</u>	<u>1,482,146</u>	<u>1,490,477</u>	<u>1,500,029</u>	
Revenue in Excess of Expenditures	(40,578)	141,276	66,354	73,777	88,371	6%
SEWER FUND (42.0)						
Total Sewer Fund Revenues	1,106,015	1,189,721	1,326,216	1,299,620	1,401,336	
Sewer Administration & Accounting	\$331,864	\$363,097	\$369,933	\$343,473	\$365,820	
Sewer - Debt Service	71,268	67,851	205,776	204,541	204,536	
Sewer Operations	599,083	773,377	805,833	825,874	745,574	
Total Sewer Fund Operations	<u>1,002,215</u>	<u>1,204,326</u>	<u>1,381,541</u>	<u>1,373,888</u>	<u>1,315,929</u>	
Revenue in Excess of Expenditures	103,800	(14,605)	(55,325)	(74,268)	85,407	6%
SOLID WASTE (43.0)						
Total Solid Waste Fund Revenues	952,824	1,020,798	1,044,091	1,068,696	1,086,172	
Solid Waste Administration & Accounting	<u>\$964,646</u>	<u>\$979,131</u>	<u>\$1,004,720</u>	<u>\$1,022,597</u>	<u>\$1,071,982</u>	
Total Solid Waste Fund Operations	<u>964,646</u>	<u>979,131</u>	<u>1,004,720</u>	<u>1,022,597</u>	<u>1,071,982</u>	
Revenue & Transfer in Excess of Expenditures	(11,822)	41,666	39,371	46,099	14,189	1%
STORM DRAIN OPERATIONS FUND (47.0)						
Total Storm Drain Operation Revenues	77,469	65,997	73,868	81,975	72,800	
Storm Drain Maintenance & Operations	<u>63,698</u>	<u>65,450</u>	<u>70,885</u>	<u>67,359</u>	<u>71,446</u>	
Total Sewer Fund Operations	<u>63,698</u>	<u>65,450</u>	<u>70,885</u>	<u>67,359</u>	<u>71,446</u>	
Revenue in Excess of Expenditures	13,771	546	2,983	14,616	1,354	2%
TOTAL ENTERPRISE FUND REVENUE	3,472,161	3,839,445	3,992,675	4,014,545	4,148,708	
TOTAL ENTERPRISE FUND EXPENDITURES	3,406,989	3,670,561	3,939,292	3,954,321	3,959,386	
EXCESS (DEFICIT) REVENUE	\$ 65,172	\$ 168,884	\$ 53,383	\$ 60,224	\$ 189,321	5%

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



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Internal Service Funds



Internal Service Funds Overview

The 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 charges 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 2013/2014 Internal Service Fund budget includes funding of \$404,596 for personnel, contract services, operating supplies and the replacement of scheduled vehicles and computer equipment as needed. It also includes \$448,149 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 2013/2014.



Internal Service Funds Summary

Internal Service Funds Revenue and Expenditure Summary

	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
Revenues					
Charges to Departments	406,073	494,543	453,831	453,830	446,149
Interest Earnings	3,500	3,551	2,000	2,500	2,000
Total Revenues	409,573	498,094	455,831	456,330	448,149
Expenditures					
Maintenance	300,073	289,360	312,338	308,092	312,596
Replacement	99,680	30,551	113,462	130,797	92,000
Total Expenditures	399,753	319,911	425,799	438,889	404,596
Net To (From) Reserves	9,820	178,183	30,032	17,441	43,553



Vehicle Maintenance and Replacement Fund

VEHICLE MAINTENANCE & REPLACEMENT FUND 50.0 4011 & 50.0 4024

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions	0.83	0.88	0.88		0.93
410 10 00 Salaries	41,545	46,034	46,471	46,471	49,631
410 30 00 Overtime	1,488	1,733	2,000	2,000	2,000
410 35 00 Stand By	1,102	1,360	1,386	1,450	1,540
420 00 00 Fringe Benefits	19,016	21,942	24,497	24,497	23,601
TOTAL PERSONNEL	63,151	71,069	74,353	74,418	76,772
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	5,906	4,624	11,500	7,500	10,000
515 01 00 Utilities	7,855	9,177	10,000	9,500	10,000
515 02 00 Fuel	98,854	118,294	120,000	125,000	125,000
521 01 00 Office Supplies & Postage	590	372	500	450	500
521 03 00 Vehicle Supplies - Parts	61,760	56,227	60,000	60,000	60,000
521 06 00 Uniforms	165	174	170	150	170
545 00 00 Vehicle - Equipment Rental Internal	2,931	4,306	3,414	3,414	3,431
546 00 00 Computer - Equipment Rental Internal	1,572	2,090	2,090	2,090	1,016
550 00 00 Insurance	17,590	18,891	20,024	20,024	20,156
551 01 00 Communications - Telephone	2,228	2,032	2,000	2,500	2,500
551 02 00 Communications - Cellular Phone	775	441	325	350	350
554 01 00 Travel - Conferences - Meetings	308	0	350	150	250
560 00 00 Administration & Overhead	53,699	55,847	56,964	56,964	56,964
TOTAL OPERATIONS & MAINTENANCE	254,233	272,475	287,338	288,092	290,336
CAPITAL - 4011					
600 04 03 Alarm System (Monitored)	0	0	0	3,200	0
600 04 13 Small Equipment Replacement	2,729	1,425	3,000	2,500	3,000
600 04 19 Radio System	0	2,156	0	0	0
600 04 05 Vehicle Tow Dolly	0	0	0	0	1,000
600 04 14 Portable Generator	1,003	0	0	0	0
600 04 15 A/C Freon Recovery/Recharge System	0	0	5,000	3,725	0
CAPITAL - 4024					
600 04 33 Patrol Vehicles (3 in 2013/14)	44,000	0	69,672	85,582	63,000
600 04 34 PW Pickup	15,757	17,488	0	0	25,000
600 04 32 Replacement Forklift	13,000	0	0	0	0
TOTAL CAPITAL EXPENDITURES	76,489	21,069	77,672	95,007	92,000
TOTAL DEPARTMENT BUDGET	393,873	364,613	439,363	457,517	459,108
			Budget to Budget Increase/(Decrease)		19,746
			Percentage of Change		4.5%

Budget Highlights:

Three (3) Patrol Vehicles scheduled to be replaced in 13/14.
 One (1) Public Works Pickup scheduled to be replaced in 13/14. This will be a Ford-F250, Compressed natural Gas Vehicle, which will cost about \$42,000, with \$20,000 coming from a grant for alternative fuel vehicles awarded by the San Joaquin Valley Air Pollution Control Board.



TECHNOLOGY MAINTENANCE
51.0 4011

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions	0.10	0.17	0.17		0.17
410 10 00	Salaries	7,256	12,904	13,674	13,674	13,746
420 00 00	Fringe Benefits	2,551	4,865	6,239	6,239	5,083
TOTAL PERSONNEL		9,807	17,769	19,913	19,913	18,829
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	45,840	16,885	25,000	20,000	22,260
TOTAL OPERATIONS & MAINTENANCE		45,840	16,885	25,000	20,000	22,260
CAPITAL						
600 04 00	Capital Outlay - Computers	23,191	9,482	35,790	35,790	45,330
TOTAL CAPITAL EXPENDITURES		23,191	9,482	35,790	35,790	45,330
TOTAL DEPARTMENT BUDGET		78,838	44,136	80,703	75,703	86,419
Budget to Budget Increase/(Decrease)						5,717
Percentage of Change						7.1%

Budget Highlights:

Over-all increase 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



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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 2013/2014 Capital Projects Budget includes substantial Street projects. The Fiscal Year 2013/2014 Special Revenue Funds budget includes \$2,237,021 of Street revenues and \$616,261 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 2013/2014 budget includes \$1,293,450 of grant funding for a capital project that will provide for the purchase and installation of water meters in the remaining homes in Kerman which do not yet have water meters installed. Funding for this project would be provided by a Proposition 84 grant for which the City of Kerman has completed and submitted an application. If the grant is not awarded, the water meter project will not take place in Fiscal Year 2013/2014.



Special Revenue Overview

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), COPS (Community Oriented Policing Services) and GREAT (Gang Resistance Education and Training) 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 2013/2014 budget includes \$157,200 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 \$24,691 of expenditures, with \$9,547 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 2013/2014 budget for this category is \$118,312, with \$18,312 coming from Measure "C".



Special Revenues by Fund

Special Revenue Funds Revenue and Expenditure Summary									
Description	Streets	DIF's	Water Fund	Parks	L&LMD	Public Safety	Nutrition	Transit	Total
Revenues									
Gas Tax	219,539								219,539
Measure "C"	350,683								350,683
Article III and Article VIII	386,179								386,179
Federal and State Grants	995,800		1,293,450	200,000					2,489,250
Traffic Congestion Relief (Prop 42)	203,549								203,549
Street Sweeping	22,687								22,687
Special Assessments					197,200				197,200
Development Impact Fees		349,380							349,380
Public Safety Contracts & Grants						157,200			157,200
Nutrition							15,144		15,144
Local Transit Contributions								100,000	100,000
Interest Income	8,850								8,850
Operating Transfers In	49,734						9,547	18,312	77,593
Total Sources of Funds	2,237,021	349,380	1,293,450	200,000	197,200	157,200	24,691	118,312	4,577,254
Expenditures									
Program Operational Expenditures	616,261	0			178,442	157,200	24,691	118,312	1,094,906
Operational Transfers Out	18,312	231,549							249,861
Transfer to Capital Projects	3,210,200	1,495,201	1,293,450	259,920					6,258,771
Total Uses of Funds	3,844,773	1,726,750	1,293,450	259,920	178,442	157,200	24,691	118,312	7,603,538
Net To (From) Reserves	(1,607,752)	(1,377,370)	0	(59,920)	18,758	0	0	0	(3,026,284)

As can be seen from the above summary, the City of Kerman has numerous capital projects (primarily Street projects) scheduled for Fiscal Year 2013/2014. In total, uses of Special Revenue Funds are projected to exceed sources by slightly over \$3 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 6/30/13

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 \$558,854,065, the City is not at risk of exceeding its legal debt limit.

Assessed Value	\$14,902,775,075
Debt Limit is 3.75% of Assessed Value	\$558,854,065
Less Outstanding Bonded Debt	N/A
Legal Debt Margin	\$ 558,854,065

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, 2012 was \$423,285.



Debt Service Overview

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, 2012 was \$2,639,999.

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, 2012 was \$4,995,720.

California Energy Commission Note Payable

In February of 2012, the City entered into a loan agreement for \$202,000 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 \$13,023 including interest at 3.0%, which begins December 2012 and will mature in June 2021. The outstanding balance on the note at June 30, 2012 was \$202,000.



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Budget by Department



City Council



- 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





Council Member Kanwaldeep S. (Raj) Dhaliwal; Council Member Nathan Fox; Mayor Gary K. Yep; Mayor Pro Tem Douglas Wilcox; Council Member Charles H. Jones

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.



**CITY COUNCIL
10.0 6001**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
410	20 00 Part Time Salaries	14,555	12,655	15,000	13,250	15,000
420	00 00 Fringe Benefits	1,656	1,679	1,660	1,485	1,800
TOTAL PERSONNEL		16,211	14,334	16,660	14,735	16,800
OPERATIONS & MAINTENANCE						
510	11 00 Professional Svc - Hearing	5,017	9,032	4,000	0	0
521	02 00 General Supplies	1,880	586	1,700	750	1,000
546	00 00 Computer Equipment Allocation	0	0	0	0	700
552	01 00 Public Notice	1,392	806	3,000	1,000	1,500
554	01 00 Travel - Conferences - Meetings	1,027	18	3,000	500	3,500
555	06 00 Website Updates and Add Ons	1,060	1,251	1,200	1,000	1,200
556	00 00 Community & Employee Relations	3,207	3,193	4,000	5,800	4,000
570	00 00 Public Relations	1,397	2,485	2,200	1,000	1,500
TOTAL OPERATIONS & MAINTENANCE		14,980	17,372	19,100	10,050	13,400
CAPITAL						
600	03 00 Capital Outlay - Improvements					
600	04 00 Capital Outlay - Machinery & Equipment					
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		31,191	31,706	35,760	24,785	30,200
Budget to Budget Increase/(Decrease)						(5,560)
Percentage of Change						-15.5%

Budget Highlights:

Reduction of over 21% from the 12/13 Budget to the 13/14 Budget due to the elimination of \$4,000 from the Professional Services/Hearing budget, \$1,500 in both the Public Notice and the Travel - Conferences - Meetings budget and a \$700 reduction in the Public Relations budget.



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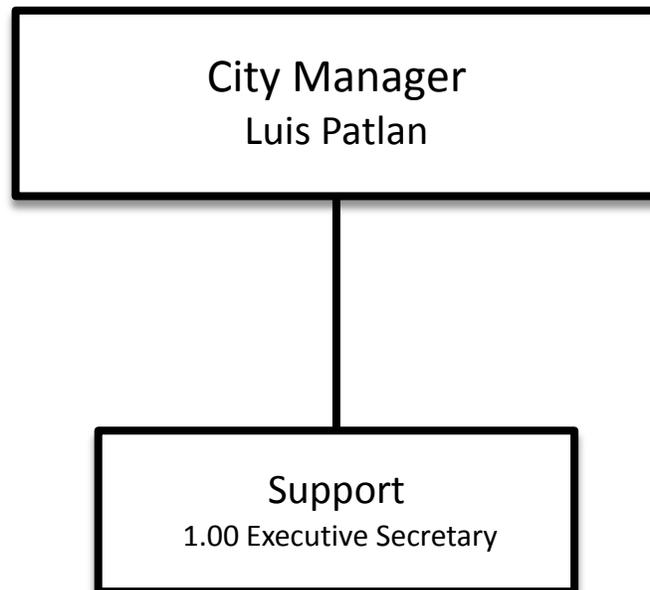


City Manager



- 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





Department Description

The City Manager leads the City in providing quality service to the Kerman residents. His office oversees and manages all City departments by communicating policies from the City Council, providing administrative direction and priorities, establishing and maintaining the processes that lead to overall City planning, and implementation of goals and objectives.

Key Achievements

- ✓ Successful audited financial statement for FY ending June 30, 2012 showing a net increase in general fund reserves of over \$81,000.
- ✓ Concluded meet and confer negotiations with employee bargaining groups resulting in a two-year Memorandum of Understanding through June 30, 2014.
- ✓ Concluded Power Purchase Agreement (PPA) with Borrego Solar for finance, design, installation, and maintenance of Solar PV System at Wastewater Treatment Plant.
- ✓ Concluded the Sale and Purchase Agreement for the sale of 3.75 acres of City-owned property to Panoche Creek Packing for additional expansion.
- ✓ Conducted Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis with department heads and key management staff resulting in the preparation of a vision and mission statement including core competencies for the organization.
- ✓ Appointed to the Board of Directors for the Fresno Economic Development Corporation serving Fresno County representing west-side cities.
- ✓ Prepared weekly updates to the City Council to keep the Council apprised of ongoing activities, projects, and issues.
- ✓ Prepared Final Mitigated Negative Declaration and processed all land use entitlements for Mid Valley Disposal, Inc. recycling and transfer station expansion project including conditional use permit, annexation, and rezone.
- ✓ Prepared and distributed the bi-annual Development Newsletter for spring 2013.
- ✓ Reformatted Fiscal Year 2013/2014 Operating Budget.



Goals

- Serve as the Council's chief advisor in policy development and policy implementation.
- Lead the City's management team to ensure the provision of high quality, cost-effective and customer-focused operations and services.
- Advocate sound and prudent financial management by developing and implementing balanced operating and capital improvement budgets and continue to maintain adequate reserves while leveraging alternative forms of revenue whenever possible.
- Promote transparency in decision making and operations to ensure government accountability through the sharing of information on the City's website to the City Council, all City departments, and the public.
- Promote positive public and intergovernmental relations by being accessible and participating in local and regional activities and events.
- Invest in organizational and professional development to ensure efficient and effective operations and delivery of public services.
- Promote smart community planning and economic development that will create, attract, and retain jobs and ensure a diverse local economy.



**CITY MANAGER
10.0 1002**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			1.20		1.86
410 10 00	Salaries	37,986	38,384	56,075	60,804	58,838
410 20 00	Part Time Wages	8,504	2,609	0	0	0
420 00 00	Fringe Benefits	12,070	9,436	17,718	19,212	17,425
TOTAL PERSONNEL		58,560	50,429	73,793	80,016	76,263
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	13,916	4,779	12,000	11,500	9,000
510 02 00	Contract Services - Grant Consultants	15,291	0	0	0	0
510 10 00	Professional Services	750	0	28,531	11,425	6,725
510 11 00	Prof. Services - Emp. Hiring	0	4,013	500	0	500
510 13 00	EDC & EZ	7,170	8,636	9,000	8,636	9,000
515 01 00	Utilities	12,728	13,421	16,000	13,000	14,000
521 01 00	Office Supplies & Postage	1,827	1,806	2,000	1,000	1,500
521 02 00	General Supplies	272	555	500	500	500
521 07 00	Postage	1,176	1,233	1,200	1,600	1,600
540 02 00	Equipment Rental - Lease	9,624	10,566	9,000	9,000	9,000
545 00 00	Vehicle - Equipment Rental - Internal	1,498	2,486	601	601	278
546 00 00	Computer Equipment Allocation	3,850	4,335	6,863	6,863	5,798
550 00 00	Insurance	57,599	61,861	75,647	75,647	76,143
551 01 00	Communications - Telephone	5,579	5,853	6,100	6,500	6,500
551 02 00	Cellular Phone	830	853	900	950	950
552 02 00	Public Notice	1,352	776	500	250	500
554 01 00	Training/Conferences/Meetings	847	534	700	836	700
555 00 00	Dues & Subscriptions	8,320	7,869	8,000	8,000	8,000
555 05 00	Property Taxes	0	0	0	2,614	2,615
TOTAL OPERATIONS & MAINTENANCE		142,629	129,576	178,042	158,922	153,309
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		201,189	180,005	251,835	238,938	229,573
Budget to Budget Increase/(Decrease)						(22,262)
Percentage of Change						-8.8%

Budget Highlights:

Large increases in Professional Services, Computer Equipment Allocation and Computer Equipment Allocation budgets in FY 12/13 and 13/14 due to Successor Agency costs that are being paid by the City and reimbursed from administration fees received by the Successor Agency.



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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
Mark Blum



Department Description

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.

Key Achievements

- ✓ Successful defense and settlement of a claim filed by contractor for work on the City's Wastewater Treatment Plant Expansion Project, resulting in no additional costs to the City.
- ✓ Successful defense of the Kerman Police Department and several of its officers from Pitches Motions filed by criminal defendants'.
- ✓ Assisted the City Manager and Department Heads in the negotiation of lease renewals, easement acquisitions, and a Power Purchase Agreement for a photovoltaic solar project.
- ✓ Assisted the City's Risk Manager to timely respond to claims against the City and to limit the City's involvement in costly litigation.
- ✓ Secured a settlement from the Performance and Completion Bond Company for the completion of improvements in Tract 5478, which is the basis of the claim filed in the Bond Company's liquidation proceedings in the State of Utah.

Goals

- Provide timely and quality legal services to the City Council and Department Heads.
- Evaluate all claims promptly, resolving dispute where appropriate and vigorously defending the City's interest.
- Communicate with the Council and Department Heads to identify and reduce exposure to legal risks.
- Provide support to the City Manager on personnel related matters, including review and update of the City's Personnel Policies and Procedures.



**CITY ATTORNEY
10.0 6003**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
510 10 00	Professional Services	39,940	52,056	45,000	52,000	50,000
TOTAL		39,940	52,056	45,000	52,000	50,000
TOTAL DEPARTMENT BUDGET		39,940	52,056	45,000	52,000	50,000
Budget to Budget Increase/(Decrease)						5,000
Percentage of Change						11.1%

Budget Highlights:

Increase of 11.1% to this budget requested to meet the City's need for Legal Services.



City Clerk



- Administration of local elections
- 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
- Posting and publication of legal notices and documents
- Maintenance of the municipal code
- Prepare and manage the Legislative Division operating budget



City Clerk
Marci Reyes



Department Description

The position of the City Clerk is appointed by the City Council. Responsibilities include administrative support to the City Council, preparation of official agendas, documents and minutes. The City Clerk is the local Elections Official and the filing Officer under the Political Reform Act. The Clerk also serves as the Corporate Secretary to the Kerman Public Finance Authority and the Kerman Redevelopment Successor Agency Oversight Board Committee. The office of the Clerk is committed to providing maximum access to municipal government in an efficient, courteous, and professional manner.

Key Achievements

- ✓ Successfully completed the 2012 General Election.
- ✓ Completed the Fresno County Farm Bureau Future Advocates for Agriculture Concerned about Tomorrow (FAACT) Leadership Training Class. (One-year commitment).
- ✓ All City records archived from 1946 to current.
- ✓ Conducted Mock Student Council Meeting with Liberty Elementary School.

Goals

- To be more proactive with the community and employees on behalf of the City Council.
- Conduct Mock Student Council Meetings for all Kerman area schools.
- Initiate Paperless Agenda through the use of electronics.



**CITY CLERK
10.0 6004**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions				0.04		0.22
410 10 00	Salaries	11,877	5,922	13,154	14,242	13,811
410 20 00	Part Time Wages	4,325	0	0	0	0
420 00 00	Fringe Benefits	4,676	1,657	3,972	4,316	3,905
TOTAL PERSONNEL		20,878	7,579	17,126	18,558	17,717
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services - Codes/Laserfiche	9,494	7,693	10,000	7,500	10,000
510 02 00	Elections	3,038	0	3,200	3,142	0
521 02 00	General Supplies & Postage	650	165	600	500	600
554 01 00	Travel - Conferences - Meetings	294	350	500	250	500
555 00 00	Dues & Subscriptions	212	120	300	300	300
TOTAL OPERATIONS & MAINTENANCE		13,688	8,329	14,600	11,692	11,400
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		34,566	15,907	31,726	30,250	29,117
Budget to Budget Increase/(Decrease)						(2,609)
Percentage of Change						-8.2%

Budget Highlights:

No Election in 13/14

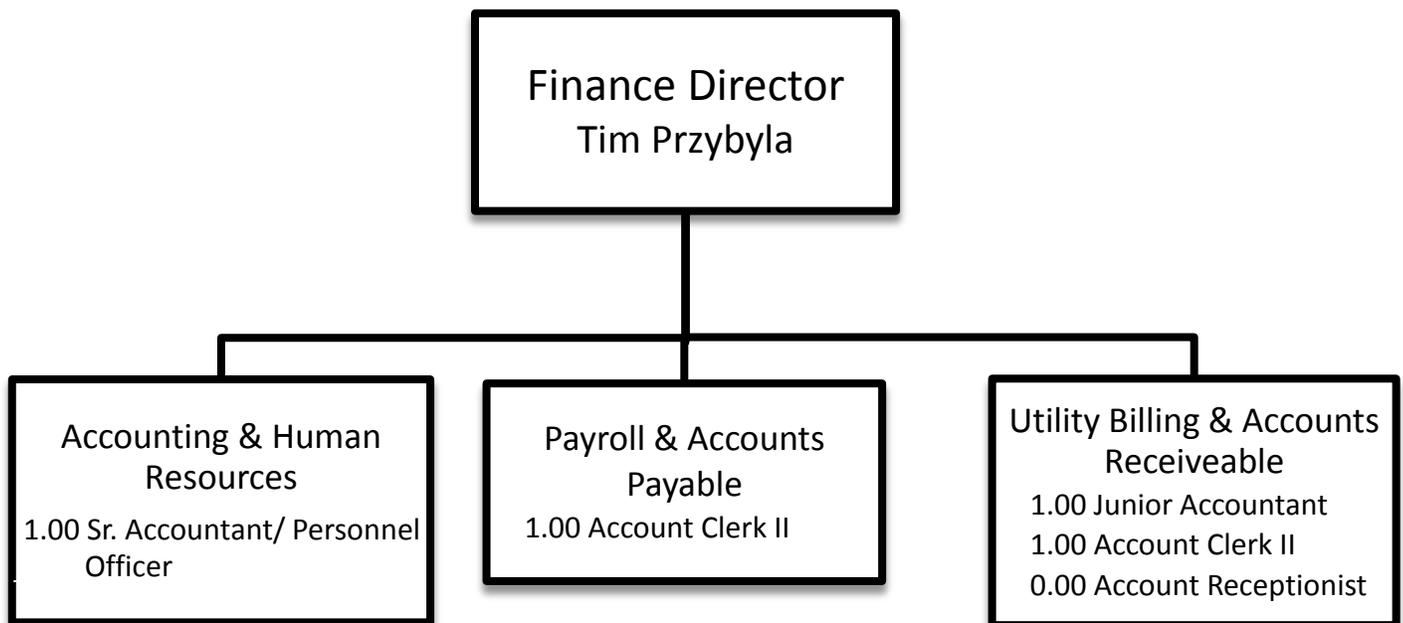


Administrative Services



- 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



Department Description

The Administrative Services Department provides various accounting and business services for the City of Kerman. 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 of Kerman 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

- ✓ Auditor completed audit of financial statements for fiscal year ending June 30, 2013 without any negative findings or recommendations for corrections or improvements.
- ✓ Reformatted budget document to be more user-friendly, informative, and transparent
- ✓ Prepared and submitted the required reports and payments related to the dissolution of the Kerman Redevelopment Agency.
- ✓ Completed RFP and selection of a new Information Technology consultant at a fixed monthly rate and without an hourly cost for service.
- ✓ Reduced City's overall health insurance costs by 35% by switching health care providers.
- ✓ Conducted a health insurance survey of seven different agencies to ensure the City of Kerman's health benefits are comparable with like Cities in our area.
- ✓ Increased our level of understanding of our health insurance benefits through quarterly Health Insurance Committee meetings.
- ✓ Successful award of \$80,000 grant from the Air District to purchase three CNG passage cars and one full-size CNG pick up.
- ✓ Hosted two Liebert Cassidy Whitmore employer relations training sessions in Kerman.
- ✓ Hosted AB1825 bi-annual training in Kerman for Management and Supervisors.
- ✓ Assisted the City Manager with Meet and Confer process.



Goals

- Ensure the City's short and long-term financial status is healthy and sound.
- Provide timely and accurate financial transactions.
- Ensure public funds and assets are invested prudently and are well-managed.
- Submit the City's FY 2013/2014 Budget to the CSMFO and GFOA for review and consideration for the Excellence in Budgeting Awards.
- Purchase a new accounting software package that will meet the City's needs.
- Develop and update job descriptions City-wide.
- Prepare a standardized employee evaluation form.
- Revise the City's Purchasing Ordinance to streamline and improve purchasing.
- Prepare Technology Replacement Policy for maintenance and replacement of technology equipment City-wide.
- Continue to be attentive to employee needs and administer various benefit programs available to employees such as medical/dental plans and retirement planning.



Administrative Services Budget

ADMINISTRATIVE SERVICES 10.0 5005

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			0.13		0.40
410 10 00	Salaries	22,463	11,888	23,974	25,347	24,430
410 20 00	Part-Time Wages	0	43	0	0	0
410 30 00	Overtime	0	8	0	0	0
420 00 00	Fringe Benefits	8,862	6,297	12,009	12,815	9,551
TOTAL PERSONNEL		31,325	18,237	35,983	38,162	33,980
OPERATIONS & MAINTENANCE						
510 10 00	Professional Services - Audit	13,800	13,500	13,800	13,800	13,800
510 14 00	Professional Services - Data Processing	4,394	4,373	4,400	0	4,400
521 01 00	Office Supplies	1,425	1,518	1,200	1,325	250
521 07 00	Postage	0	0	0	0	1,050
540 00 00	Lease Expense (PFA Bond)	2,551	35,378	49,601	49,601	50,307
554 01 00	Travel/Conferences/Meetings	400	244	360	360	360
555 00 00	Dues & Subscriptions	312	400	400	400	400
TOTAL OPERATIONS & MAINTENANCE		22,882	55,413	69,761	65,486	70,567
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		54,207	73,649	105,744	103,648	104,547
Budget to Budget Increase/(Decrease)						(1,197)
Percentage of Change						-1.1%

Budget Highlights:

The \$4,400 for Data Processing was not paid for maintenance on the Blackbaud/Fundware system in 12/13 because we are planning to replace that software system in 13/14. We are budgeting the same amount to support the new system in 13/14.



Water Administration & Accounting Budget

WATER ADMINISTRATION & ACCOUNTING 41.0 5005

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions	2.35	2.47	2.44		2.44
410 10 00	Salaries	140,769	152,256	152,154	152,154	156,618
410 20 00	Part Time Salaries	0	2,507	0	861	0
410 30 00	Overtime	0	77	0	0	0
420 00 00	Fringe Benefits	52,862	61,280	69,618	69,618	58,043
TOTAL PERSONNEL		193,631	216,120	221,772	222,633	214,661
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	4,048	4,042	4,000	4,000	4,000
510 10 00	Professional Services - Audit	4,200	4,000	4,300	4,300	4,300
521 01 00	Office Supplies	3,439	3,703	4,000	4,000	3,350
521 06 00	Uniforms	17	12	10	16	10
521 07 00	Postage	5,500	6,000	6,000	6,000	6,650
540 00 00	Lease Payment (PFA Bond)	38,266	42,660	42,731	42,731	43,340
540 02 00	Equipment Rent - Lease	2,417	1,886	2,000	2,000	2,000
545 00 00	Vehicle - Equipment Rental Internal	2,473	3,548	859	859	511
546 00 00	Computer - Equipment Rental Internal	3,650	4,852	4,852	4,852	3,970
550 00 00	Insurance	12,769	13,709	14,536	14,536	14,631
551 02 00	Communications - Cellular Phone	312	152	300	0	0
554 01 00	Travel - Conferences - Meetings	390	305	350	596	350
555 04 00	Taxes & Assessments (F.I.D.)	616	168	700	700	700
555 05 00	Property Taxes - Fresno County	242	134	250	137	150
560 00 00	Administration & Overhead	107,923	112,240	114,485	114,485	114,485
TOTAL OPERATIONS & MAINTENANCE		186,263	197,410	199,373	199,212	198,447
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		379,894	413,531	421,145	421,845	413,108
Budget to Budget Increase/(Decrease)						(8,037)
Percentage of Change						-1.9%

Budget Highlights:

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



Water Debt Service Budget

WATER DEBT SERVICE 41.0 5006

Description				Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
700	10	00	Debt Service - DWR Principal	52,057	36,633	36,638	38,079	0
700	20	00	Debt Service - DWR Interest	6,330	2,243	2,232	977	0
700	11	00	Debt Service - SRF Loan	165,000	165,000	165,000	165,000	165,000
TOTAL NOTE PAYABLES				223,387	203,875	203,870	204,056	165,000
TOTAL DEPARTMENT BUDGET				223,387	203,875	203,870	204,056	165,000
							Budget to Budget Increase/(Decrease)	(38,870)
							Percentage of Change	-19.1%

Budget Highlights:

Note Payable - Department of Water Resources (DWR). The City entered into a contract with the State of California Dept. of Water Resources in 1993. The loan was for a construction project under the auspices of the California Safe drinking Water Bond Law. Terms of the note called for semi-annual payments of \$19,435 each including interest at 3.41%, which began in October of 1994. The note matured in April of 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 42.0 5005

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Actual	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions	2.10	2.06	2.06		2.06
410 10 00 Salaries	120,262	127,733	126,222	104,237	130,251
410 20 00 Part Time Salaries	0	2,261	0	689	0
410 30 00 Overtime	0	86	0	0	0
420 00 00 Fringe Benefits	45,299	46,979	57,243	50,000	47,924
TOTAL PERSONNEL	165,561	177,059	183,465	154,926	178,175
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	5,146	4,854	5,500	5,500	5,500
510 10 00 Professional Services - Audit	2,800	3,000	3,000	3,000	3,000
521 01 00 Office Supplies	4,876	4,073	5,000	5,000	5,000
521 06 00 Uniforms	0	5	0	7	0
521 07 00 Postage	4,500	5,000	5,000	5,000	5,000
540 00 00 Lease Payment (PFA Bond)	22,960	34,128	34,185	34,185	34,672
540 02 00 Equipment Rent - Lease	1,450	1,132	1,200	1,200	1,200
545 00 00 Vehicle - Equipment Rental Internal	2,123	3,026	103	103	93
546 00 00 Computer - Equipment Rental Internal	3,650	4,852	4,852	4,852	3,420
550 00 00 Insurance	14,333	15,390	16,316	16,316	16,423
551 01 00 Communications - Telephone	142	599	250	575	575
552 01 00 Public Notice	270	0	500	500	500
554 01 00 Training, Travel & Meetings	0	90	250	313	250
555 04 00 Taxes & Assessments (Fresno Irrig. Dist.)	1,000	2,834	1,000	2,797	2,800
555 05 00 Property Taxes - Fresno County	242	134	250	137	150
560 00 00 Administration & Overhead	102,811	106,923	109,062	109,062	109,062
TOTAL OPERATIONS & MAINTENANCE	166,303	186,038	186,468	188,547	187,645
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0
TOTAL DEPARTMENT BUDGET	331,864	363,097	369,933	343,473	365,820
			Budget to Budget Increase/(Decrease)		(4,113)
			Percentage of Change		-1.1%

Budget Highlights:

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



**SEWER - DEBT SERVICE
42.0 5006**

Description				Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
700	16	00	Debt Service - Rev. Bonds Principal	40,000	45,000	45,000	45,000	45,000
700	26	00	Debt Service - Rev. Bonds Interest	31,268	22,851	23,414	21,164	21,164
250	02	00	SRF Loan Set-Aside/Payment	41,250	55,577	0	0	0
700	17	00	Debt Service - SRF Loan Principal	0	0	112,578	114,277	114,536
700	27	00	Debt Service - SRF Loan Interest	0	0	24,783	24,099	23,836
TOTAL NOTE PAYABLES				112,518	123,428	205,776	204,541	204,536
TOTAL DEPARTMENT BUDGET				112,518	123,428	205,776	204,541	204,536
Budget to Budget Increase/(Decrease)								(1,240)
Percentage of Change								-0.6%

Budget Highlights:

Revenue Bonds Payable. In 1981, the City of Kerman issued \$1,200,000 of revenue bonds to construct additional sewer facilities. The City has pledged the revenue derived from these facilities to pay the debt service. Bond principal payments are made each April. Interest at 5.0% is paid semi-annually, each April and October. The outstanding principal balance at June 30, 2012 was \$423,285. 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 50% of the loan from operational reserves. The other 50% will be paid out of the Sewer Major Facilities Impact Fee Fund (Fund 57.0) in 12/13 and 13/14. The total annual loan payment is estimated to be approximately \$276,744 which would result in annual debt service payments of \$138,372 from Fund 42 and \$138,372 coming from Fund 57.



Solid Waste Administration Budget

SOLID WASTE ADMINISTRATION & ACCOUNTING 43.0 5005

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions	1.81	1.78	1.79		1.98
410 10 00 Salaries	101,302	100,450	102,959	102,959	105,810
410 20 00 Part Time Salaries	753	1,050	0	172	0
410 30 00 Overtime	93	198	0	131	0
410 35 00 Standby Pay	83	79	66	100	90
420 00 00 Fringe Benefits	42,548	31,812	51,202	51,202	41,669
TOTAL PERSONNEL	144,779	133,588	154,227	154,564	147,570
OPERATIONS & MAINTENANCE					
510 01 00 Contract Svc. (Mid Valley Disposal)	719,556	758,308	761,726	784,266	812,857
510 06 00 Contract Services - (Utility Billing)	832	833	1,200	1,200	1,200
510 09 00 Professional Services-Legal Expenses	3,914	0	0	0	0
510 10 00 Professional Services-Audit & AVR	3,000	3,300	3,000	3,000	3,000
521 01 00 Office Supplies	167	386	700	700	700
521 02 00 General Supplies - Recycling Grant	3,085	4,591	5,000	0	18,900
521 06 00 Uniforms	12	12	12	12	12
521 07 00 Postage	2,000	2,200	2,200	2,200	2,200
540 00 00 Lease Payment (PFA Bond)	7,653	17,064	17,093	17,093	17,336
540 02 00 Equipment Rent - Lease	967	754	1,000	1,000	1,000
545 00 00 Vehicle - Equipment Rental Internal	1,631	2,436	883	883	854
546 00 00 Computer - Equipment Rental Internal	1,824	2,426	2,426	2,426	2,691
550 00 00 Insurance	1,564	1,681	1,780	1,780	1,792
552 01 00 Public Notice	0	0	100	100	100
560 00 00 Administration & Overhead	14,000	14,560	14,851	14,851	14,851
557 80 00 Transfer to Street Fund - St. Sweeping	34,000	36,992	38,522	38,522	41,000
TOTAL OPERATIONS & MAINTENANCE	794,206	845,543	850,492	868,033	918,493
CAPITAL					
600 03 00 Capital Outlay - Carts	25,661	0	0	0	0
600 04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	0
600 03 99 Capital Outlay - New Accounting Software Sys.	0	0	0	0	5,920
TOTAL CAPITAL EXPENDITURES	25,661	0	0	0	5,920
TOTAL DEPARTMENT BUDGET	964,646	979,131	1,004,720	1,022,597	1,071,982
				Budget to Budget Increase/(Decrease)	67,262
				Percentage of Change	6.7%

Budget Highlights:

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.

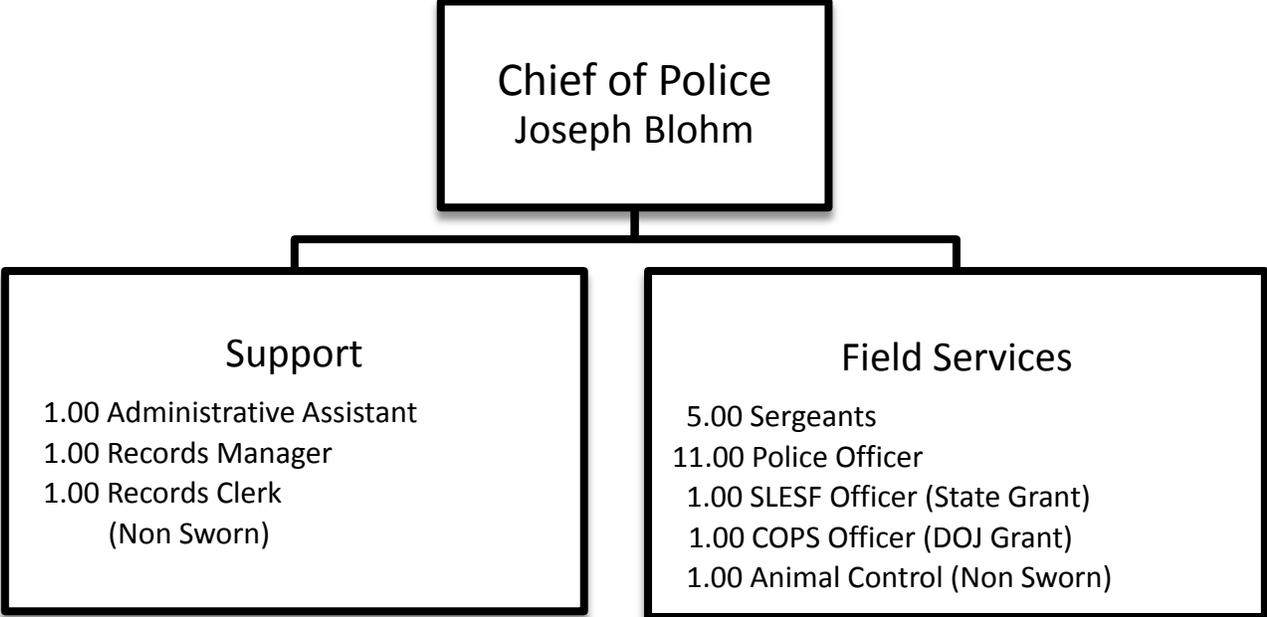
Annual Bond Lease Payment Breakdown is located in the PFA Budget.



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



Department Description

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

- ✓ Modified patrol techniques to enhanced awareness of criminal activity, resulting in a 110% increase in arrests from the previous year, a 92% increase in traffic citations, and a 453% increase in field contacts with suspects.
- ✓ Created a Detective Position to handle follow-up investigations of all the department's major cases.
- ✓ Modified department's administration by creating two sergeant positions to enhance level of supervision of patrol officers and to distribute various duties and responsibilities of supervision.
- ✓ Expanded National Night Out program to include community volunteers, local businesses, and citizens.
- ✓ Improved building security by replacing the front lobby main door with panic release and security entry pad.
- ✓ Established the Vehicle Abatement Program using Reserve Officers.



Goals

- Create a Lieutenant position to delineate a second in command to insure that department's standards of operation and accountability is maintained at all times.
- Improve Officer Training to increase officer's knowledge and proficiency of weapons, tactics, and legal updates.
- Increase staffing by hiring one-full time COPS grant funded officer and recruit seven Level 1 Reserves and six Level 2 Reserves.
- Rewrite the departments Policy and Procedure Manual and use the Lexipol system to ensure policies are current and consistent with new case laws.
- Create full-time Animal Control Officer to enhance animal control efforts City-wide.
- Analyze costs and prepare report to the City Manager for the replacement of used police vehicles with new vehicles on a purchase or lease basis.



**POLICE
10.0 3011**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			22.00		23.00
410 10 00	Salaries	1,041,392	1,047,906	1,105,365	1,105,365	1,148,458
410 20 00	Part Time Salaries	21,703	86,897	94,000	65,000	94,000
410 30 00	Overtime	75,384	35,880	50,000	55,000	50,000
410 35 00	Court Standby	1,713	700	2,500	2,500	2,500
410 36 00	FTO	2,223	1,858	1,000	1,000	1,000
410 38 00	Uniform Allowance	19,250	22,192	22,100	22,100	22,100
410 40 00	Holiday Pay	34,973	35,781	38,495	38,495	42,245
420 00 00	Fringe Benefits	555,899	575,371	628,895	640,000	581,046
TOTAL PERSONNEL		1,752,537	1,806,584	1,942,355	1,929,460	1,941,349
OPERATIONS & MAINTENANCE						
510 11 00	Prof. Services - Emp. Hiring	10,534	10,290	4,000	10,000	4,000
510 12 00	Prof. Services - Lab Criminal	5,233	5,607	6,000	6,000	6,000
510 13 00	Prof. Services - Lab Employees	645	1,405	900	900	900
510 15 00	Sex Assault/Child Abuse Med.	1,900	2,000	3,000	4,300	3,000
510 28 00	Dispatch	148,124	160,312	184,000	183,000	223,211
510 29 00	RMS-CAD	2,013	1,767	2,200	2,200	2,200
510 30 00	Booking Fees	2,598	575	1,000	1,000	1,000
510 31 00	Parking Citations	2,205	3,982	3,600	3,600	3,600
510 32 00	Live Scan Fingerprints	4,841	3,998	3,500	3,500	3,500
515 01 00	Utilities	15,940	15,415	16,000	16,000	16,000
521 01 00	Office Supplies	5,900	6,201	6,000	6,000	3,800
521 02 00	General Supplies	3,687	4,058	6,040	7,940	6,840
521 07 00	Postage	0	0	0	0	2,200
521 10 00	Uniform Supplies	8,173	5,080	4,000	4,000	4,000
521 12 00	Bullet Resistant Vests	590	1,500	1,500	1,500	1,500
521 35 00	Firearms Purchase	1,187	675	1,200	1,200	1,200
530 01 00	Equipment Maintenance - Repair	2,330	7,637	2,500	2,785	2,500
540 02 00	Equipment Rental	4,449	4,482	4,200	4,200	4,200
545 00 00	Vehicle - Equipment Rental Internal	107,955	163,972	180,229	180,229	170,235
546 00 00	Computer - Equipment Rental Internal	6,035	12,070	12,070	12,070	24,092
551 01 00	Communications - Telephone	2,153	2,745	2,200	3,500	3,500
551 02 00	Communications - Cell Phone	5,528	3,533	2,400	2,600	2,600
551 05 00	Live Scan Line	8,258	7,747	8,000	8,000	8,000
551 06 00	MDT Monthly Access	2,743	2,503	3,200	3,200	3,600
552 02 00	Public Notice	791	0	500	500	500
554 01 00	Travel - Meetings	8,033	6,089	6,000	6,105	6,000
554 05 00	Training Supplies	1,922	2,901	3,150	3,150	3,150
555 02 00	Professional Dues and Codes	1,512	1,207	1,550	1,550	1,550
TOTAL OPERATIONS & MAINTENANCE		365,279	437,749	468,939	479,029	512,879
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equip.	617	36,916	15,000	15,000	0
TOTAL CAPITAL EXPENDITURES		617	36,916	15,000	15,000	0
TOTAL DEPARTMENT BUDGET		2,118,433	2,281,249	2,426,294	2,423,489	2,454,228
					Budget to Budget Increase/(Decrease)	27,935
					Percentage of Change	1.2%

Budget Highlights:

Includes one new full time Police Officer, grant - year one funded 75%, year two 50%, year three 25%, year four 0%.



**SLESF GRANT
10.0 3066**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			2.00		2.00
410 10 00	Salaries	61,874	59,246	69,270	69,270	66,007
410 20 00	Part-Time Wages	0	0	0	0	0
410 30 00	Overtime	0	3,805	0	0	0
410 38 00	Uniform Allowance	2,109	0	2,200	2,200	2,200
410 40 00	Holiday Pay	808	1,456	1,868	1,868	2,051
420 00 00	Fringe Benefits	36,391	35,493	26,662	26,662	29,742
TOTAL PERSONNEL		101,182	100,000	100,000	100,000	100,000
TOTAL DEPARTMENT BUDGET		101,182	100,000	100,000	100,000	100,000
TOTAL REVENUE		100,000	100,000	100,000	100,000	100,000
EXCESS (DEFICIT) REVENUE		(1,182)	0	0	0	0
Budget to Budget Increase/(Decrease)						(0)
Percentage of Change						0.0%

Budget Highlights:

No Substantial Changes



Safety Grants, Contracts and Projects Budget

SAFETY GRANTS, CONTRACTS AND PROJECTS 10.0 3999

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
REVENUES					
334 30 01 Avoid the 21 Grant	0	12,720	11,200	11,200	11,200
334 32 02 Homeland Security Grant	0	20,790	0	13,595	0
334 35 03 Special PD Project Revenue	0	3,000	6,000	6,000	6,000
334 35 04 KUSD Resource Officer	0	0		11,807	15,000
334 30 05 COG - Vehicle Abatement	0	0	0	21,000	25,000
334 30 06 DOJ-Bullet Proof Vests	0	0	0	1,525	0
334 40 99 Res. Officer Recruitment Reimb.	0	912	0	0	0
TOTAL REVENUES	0	37,421	17,200	65,127	57,200
EXPENDITURES					
410 30 01 Avoid the 21 Grant-Overtime	0	11,598	10,000	10,000	9,750
420 00 01 Avoid the 21 Grant-Fringe Benefits	0	1,408	1,200	1,200	1,450
410 20 04 KUSD Resource Officer-Part Time Wages	0	0	0	10,250	13,000
420 00 04 KUSD Resource Officer-Fringe Benefits	0	0	0	1,557	2,000
410 20 05 COG - Part Time Wages	0	0	0	6,500	10,000
420 00 05 COG - Fringe Benefits	0	0	0	1,000	1,500
TOTAL PERSONNEL	0	13,006	11,200	30,507	37,700
510 11 00 Prof. Svcs - Res. Officer Hiring	0	912	0	0	0
521 07 05 COG - Postage	0	0	0	750	1,250
521 12 06 DOJ-Bullet Proof Vests	0	0	0	1,525	0
521 40 00 Range Supplies	0	0	0	0	0
554 01 03 Special PD Project Travel/Meetings	0	1,513	6,000	6,000	6,000
554 05 00 Training Supplies	0	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE	0	2,425	6,000	8,275	7,250
600 03 02 Equipment - Homeland Sec Grant	0	20,790	0	13,595	0
600 03 03 Equipment - Special PD Projects	0	0	0	0	0
600 03 05 Equipment - Cog Vehicle Abatement	0	0	0	6,000	12,250
TOTAL CAPITAL EXPENDITURES	0	20,790	0	19,595	12,250
TOTAL EXPENDITURES	0	36,220	17,200	58,377	57,200
				Budget to Budget Increase/(Decrease)	40,000
				Percentage of Change	232.6%
TOTAL REVENUES	0	37,421	17,200	65,127	57,200
EXCESS (DEFICIT) REVENUE	0	1,201	0	6,750	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
10.0 4041**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			0.15		0.70
410 10 00	Salaries	15,211	16,491	6,007	6,007	24,175
410 30 00	Overtime	11	22	650	650	0
410 35 00	Stand By	0	12	0	250	0
420 00 00	Fringe Benefits	7,475	8,193	3,438	15,000	10,530
TOTAL PERSONNEL		22,697	24,718	10,094	21,907	34,705
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	7,256	5,833	5,000	5,500	5,500
521 01 00	Office Supplies	124	459	400	300	300
521 02 00	General Supplies	3,007	2,477	2,000	3,000	3,000
521 06 00	Uniforms	150	194	153	50	153
521 07 00	Postage	322	356	500	150	150
545 00 00	Vehicle - Equipment Rental Internal	2,255	4,903	4,360	4,360	3,581
546 00 00	Computer - Equipment Rental Internal	6,341	385	385	385	58
551 02 00	Cellular Phone	337	284	0	300	300
554 01 00	Travel - Conferences - Meetings	0	0	100	309	300
TOTAL OPERATIONS & MAINTENANCE		19,792	14,891	12,898	14,354	13,342
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	298	0	300	300	300
TOTAL CAPITAL EXPENDITURES		298	0	300	300	300
TOTAL DEPARTMENT BUDGET		42,787	39,609	23,292	36,561	48,347
					Budget to Budget Increase/(Decrease)	25,055
					Percentage of Change	107.6%

Budget Highlights:

Added full-time animal control position back into budget, with salaries and benefits split 70% Animal Control and 30% Streets since this position keeps animals and carcasses out of the streets.



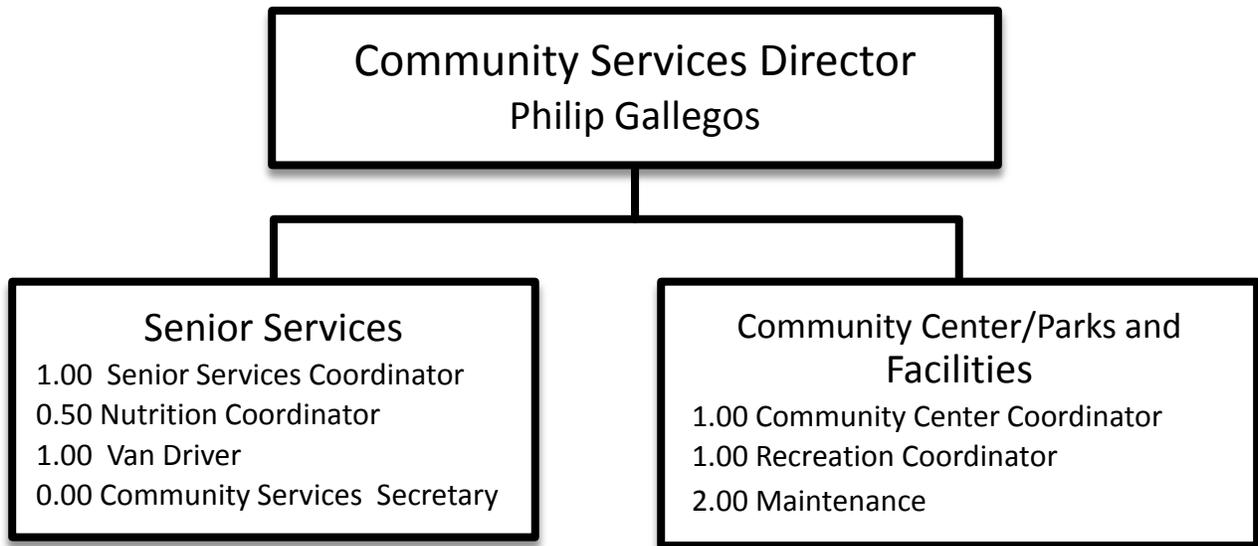
Parks, Recreation and Community Services



- 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



Parks, Recreation and Community Services

Department Description

The 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

- ✓ 2012 Playful City USA Award - National recognition that validates our City's commitment to Play and for providing great recreational opportunities and exceptional parks.
- ✓ Kerman Youth Leadership Academy - The Department submitted a grant proposal to the California Health Collaborative and was awarded funding to implement Kerman Youth Leadership Academy.
- ✓ Community/Teen Center - All carpet replaced under warranty. Removed and replaced recalled/defective fire sprinklers.
- ✓ Katie's Kids Park - Construction has started on Kerman's Katie's Kids Park; with phase one construction estimated to be completed by the end of 2013.
- ✓ HWY 180 Bus Shelter Replacement - Staff's continued insistence netted a new bus shelter on HWY 180. Director worked with the Fresno Rural Transit Agency on design, placement and installation of the shelters.
- ✓ Kanammi Japan Delegation - Staff assisted the Kerman Friendship Across the Sea committee with planning and organization for a visiting delegation. Staff was involved with the execution of daily activities.
- ✓ Hacienda Heights After School Recreation Program - Implemented this new after school program for residents' children ages 5 - 17. Program is funded through Willows Partners.



Parks, Recreation and Community Services

Key Achievements (*Continued*)

- ✓ Serve Kerman Day Litter Pick Up Event - The Department partnered with Kerman Community Services Organization and Mid Valley Disposal. Sixty volunteers helped pick up litter throughout the City along streets and alleys.
- ✓ Earth Day Event - The Department partnered with Kerman Girls Scouts Troop 3100. The event took place at Lions Park on April 21, 2013.
- ✓ Youth Karate and Adult Aerobics Classes – After a brief hiatus the Department brought back these two classes under the directions of new instructors.

Goals

- Provide a wide variety of outdoor and indoor recreation programs to meet the leisure needs of all age groups and interest.
- Provide a high quality and efficient level of maintenance for all park areas and facilities in Kerman.
- Review local transit fare structure and make recommendations for adjustments.
- Expand recreation opportunities, especially for youth.
- Continually strive to improve existing facilities while seeking opportunities for future development.



Recreation and Community Services Budget

RECREATION AND COMMUNITY SERVICES ADMINISTRATION 10.0 2002

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions			2.96		2.71
410 10 00 Salaries	72,428	75,814	110,350	110,350	111,802
410 20 00 Part Time Salaries	4,997	8,601	11,000	11,000	11,000
410 30 00 Overtime	0	0	500	0	500
410 35 00 Standby Pay	0	0	0	0	0
420 00 00 Fringe Benefits	31,049	32,939	47,253	53,500	49,874
TOTAL PERSONNEL	108,474	117,355	169,103	174,850	173,177
OPERATIONS & MAINTENANCE					
515 01 00 Utilities	21,701	18,523	21,000	20,000	20,000
521 01 00 Office Supplies & Postage	386	269	350	704	700
521 02 00 General Supplies	742	1,117	1,000	1,000	1,000
521 06 00 Uniforms	159	162	162	175	162
540 02 00 Equipment Rent - Lease	3,241	3,388	3,200	3,200	3,200
545 00 00 Vehicle - Equipment Rental - Internal	7,888	10,339	12,882	12,882	16,175
546 00 00 Computer - Equipment Rental Internal	10,819	14,383	14,383	14,383	8,835
551 01 00 Communications - Telephone	152	298	350	300	300
551 02 00 Cellular Phone	287	399	350	330	350
554 01 00 Travel/Conferences/Meetings	180	189	0	189	0
555 00 00 Dues & Subscriptions	472	155	200	200	200
555 04 00 Taxes & Assessments (Fresno Irrig. Dist)	0	1,823	1,822	1,867	1,822
TOTAL OPERATIONS & MAINTENANCE	46,027	49,222	53,877	55,229	50,922
CAPITAL					
600 03 00 Capital Outlay - Improvements	619	500	500	500	500
TOTAL CAPITAL EXPENDITURES	619	500	500	500	500
TOTAL DEPARTMENT BUDGET	155,120	167,077	223,480	230,579	224,599
			Budget to Budget Increase/(Decrease)		1,119
			Percentage of Change		0.5%

Budget Highlights:

No substantial changes



Senior Center Services Budget

SENIOR CENTER SERVICES 10.0 2044

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			1.75		1.70
410 10 00	Salaries	91,329	99,347	85,063	80,100	61,730
420 00 00	Fringe Benefits	38,544	40,979	42,306	32,000	23,670
TOTAL PERSONNEL		129,873	140,325	127,369	112,100	85,400
OPERATIONS & MAINTENANCE						
515 01 00	Utilities	11,477	8,004	9,500	9,500	9,500
521 01 00	Office Supplies	0	0	0	0	700
521 02 00	General Supplies & Postage	106	143	0	150	850
557 00 00	City Match to Senior Nutrition Grant (73)	2,680	5,239	8,323	15,110	9,547
545 00 00	Vehicle - Equipment Rental Internal	3,670	4,433	4,166	4,166	3,045
551 01 00	Communications - Telephone	3,804	2,370	2,500	2,500	2,500
TOTAL OPERATIONS & MAINTENANCE		21,737	20,188	24,489	31,426	26,142
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		151,610	160,513	151,858	143,526	111,542
Budget to Budget Increase/(Decrease)						(40,316)
Percentage of Change						-26.5%

Budget Highlights:

Overall budget decrease is not a reduction of services but due to shifting of personnel. Senior Center Coordinator will now be the relief transit driver so a percentage of salary and benefits are expensed to the Transit program (86.0.2049). This will also be a newly hired employee at a lower step on the pay scale.



Senior Nutrition Site Budget

**SENIOR NUTRITION SITE MANAGEMENT
73.0 2046**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			0.71		0.69
410 10 00	Salaries	17,093	8,972	6,672	13,000	5,340
410 20 00	Part Time Salaries	0	0	10,500	5,000	13,000
420 00 00	Fringe Benefits	4,721	5,729	3,242	7,000	1,716
TOTAL PERSONNEL		21,814	14,701	20,413	25,000	20,056
OPERATIONS & MAINTENANCE						
515 01 00	Utilities	510	2,137	1,200	1,200	1,200
521 01 00	Office Supplies	0	0	0	250	250
521 03 00	Nutrition Site Supplies	1,391	1,586	1,550	1,550	1,550
545 00 00	Vehicle - Equipment Rental Internal	464	536	504	504	385
551 01 00	Communications - Telephone	1,094	1,135	1,200	1,250	1,250
TOTAL OPERATIONS & MAINTENANCE		3,459	5,394	4,454	4,754	4,635
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		25,273	20,095	24,867	29,754	24,691
Budget to Budget Increase/(Decrease)						(176)
Percentage of Change						-0.7%

Budget Highlights:

No substantial changes



Aquatics Program Budget

AQUATICS PROGRAM 10.0 2047

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			0.74		0.74
410 10 00	Salaries	5,827	6,118	6,399	6,399	6,853
410 20 00	Part Time Salaries	11,922	11,759	12,000	14,500	12,000
420 00 00	Fringe Benefits	3,702	4,077	3,873	4,680	3,510
TOTAL PERSONNEL		21,451	21,954	22,272	25,579	22,363
OPERATIONS & MAINTENANCE						
521 02 00	Special Supplies	859	906	800	800	800
540 50 00	Pool Rental (KUSD)	14,000	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE		14,859	906	800	800	800
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equip.	0	0	3,500	0	0
TOTAL CAPITAL EXPENDITURES		0	0	3,500	0	0
TOTAL DEPARTMENT BUDGET		36,310	22,860	26,572	26,379	23,163
Budget to Budget Increase/(Decrease)						(3,409)
Percentage of Change						-12.8%

Budget Highlights:

Capital Outlay for a lift at K.U.S.D. pool in 12/13 was not paid for with City funds.



**COMMUNITY TRANSIT
86.0 2049**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			1.88		1.93
410 10 00	Salaries	71,239	73,118	65,424	65,424	75,325
410 20 00	Part Time Salaries	0	0	3,500	6,500	1,000
420 00 00	Fringe Benefits	35,193	38,004	32,791	33,500	33,706
TOTAL PERSONNEL		106,432	111,122	101,715	105,424	110,031
OPERATIONS & MAINTENANCE						
515 02 00	Gasoline/Diesel	2,446	2,797	2,700	2,700	2,700
521 01 00	Office Supplies	744	612	700	500	600
521 02 00	Special Supplies	237	32	200	400	300
521 06 00	Uniforms	199	0	0	0	0
545 00 00	Vehicle - Equipment Rental Internal	422	1,437	1,408	1,408	1,200
551 01 00	Communications - Telephone	345	614	600	750	750
551 02 00	Cellular Phone	635	328	0	0	0
TOTAL OPERATIONS & MAINTENANCE		5,028	5,820	5,608	5,758	5,550
CAPITAL						
600 03 00	Capital Outlay - Improvements	0	2,156	0	0	0
600 03 99	Capital Outlay - New Accounting Software Sys.	0	0	0	0	2,731
TOTAL CAPITAL EXPENDITURES		0	2,156	0	0	2,731
TOTAL DEPARTMENT BUDGET		111,460	119,098	107,323	111,182	118,312
Budget to Budget Increase/(Decrease)						10,989
Percentage of Change						10.2%

Budget Highlights:

Overall budget increase is due to shifting of personnel. Senior Center Coordinator will now be the relief transit driver so a percentage of salary and benefits are expensed to the Transit program - See budget for 10.0.2044.



**PLANNED RECREATION
10.0 2062**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			0.58		0.58
410 10 00	Salaries	9,722	10,196	10,664	10,664	11,421
410 20 00	Part Time Salaries	6,130	6,537	6,000	6,000	6,000
420 00 00	Fringe Benefits	6,198	7,760	4,775	5,700	4,170
TOTAL PERSONNEL		22,050	24,494	21,440	22,364	21,591
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	1,770	2,250	2,250	2,250	2,250
515 01 00	Utilities	1,874	2,557	2,500	2,500	2,500
521 01 00	Office Supplies & Postage	170	351	200	200	200
521 02 00	Program Supplies	6,418	6,470	6,000	3,000	3,000
551 01 00	Communications - Telephone	95	26	100	25	25
551 02 00	Cellular Phone	330	319	0	0	0
TOTAL OPERATIONS & MAINTENANCE		10,657	11,972	11,050	7,975	7,975
CAPITAL						
600 03 00	Capital Outlay	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0
TOTAL DEPARTMENT BUDGET		32,707	36,465	32,490	30,339	29,566
Budget to Budget Increase/(Decrease)						(2,923)
Percentage of Change						-9.0%

Budget Highlights:

Savings of \$3,000 in program supplies reflects the shifting of the Basketball program, which is now administered by K.U.S.D..



**YOUTH SERVICE BUREAU
10.0 2065**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014	
PERSONNEL	Full Time Equivalent (FTE) Positions			0.84		0.84	
410 10 00	Salaries	13,596	14,275	14,930	14,930	15,990	
410 20 00	Part Time Salaries	7,724	9,379	17,620	12,000	17,600	
420 00 00	Fringe Benefits	7,758	9,129	7,792	8,640	6,942	
TOTAL PERSONNEL		29,078	32,783	40,342	35,570	40,531	
OPERATIONS & MAINTENANCE							
521 02 00	Special Supplies	1,128	892	5,080	4,000	5,000	
551 01 00	Communications - Telephone	32	123	90	90	90	
551 02 00	Cellular Phone	313	154	0	0	0	
TOTAL OPERATIONS & MAINTENANCE		1,473	1,169	5,170	4,090	5,090	
CAPITAL							
600 03 00	Capital Outlay	0	0	0	0	0	
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0	
TOTAL DEPARTMENT BUDGET		30,551	33,952	45,512	39,660	45,621	
						Budget to Budget Increase/(Decrease)	110
						Percentage of Change	0.2%

Budget Highlights:

No Substantial Changes



Community Teen Center Budget

COMMUNITY TEEN CENTER 10.0 2069

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			1.65		1.71
410 10 00	Salaries	53,807	53,042	42,358	42,358	46,080
410 20 00	Part Time Salaries	13,286	13,209	14,500	14,500	14,500
410 30 00	Overtime	99	0	250	100	250
420 00 00	Fringe Benefits	28,113	28,169	28,053	28,053	27,720
TOTAL PERSONNEL		95,305	94,420	85,160	85,011	88,550
OPERATIONS & MAINTENANCE						
510 01 00	Contracted Services (Maintenance)	3,737	3,165	3,600	3,600	3,600
515 01 00	Utilities	29,641	27,119	26,000	25,000	26,000
521 01 00	Office Supplies	87	119	300	300	300
521 02 00	General Supplies	5,841	5,785	4,500	4,500	4,500
521 06 00	Uniforms	40	41	41	0	41
545 00 00	Vehicle - Equipment Rental Internal	4,425	6,917	4,926	4,926	0
551 01 00	Communications - Telephone	2,501	2,307	2,500	2,300	2,300
551 02 00	Cellular Phone	316	154	315	350	350
TOTAL OPERATIONS & MAINTENANCE		46,588	45,608	42,181	40,976	37,091
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	266	1,139	2,500	2,500	2,500
TOTAL CAPITAL EXPENDITURES		266	1,139	2,500	2,500	2,500
TOTAL DEPARTMENT BUDGET		142,159	141,167	129,841	128,487	128,140
Budget to Budget Increase/(Decrease)						(1,701)
Percentage of Change						-1.3%

Budget Highlights:

Vehicle - Equipment Rental Internal is based on personnel assigned to vehicles. Currently no vehicles are assigned to personnel allocated in this budget.

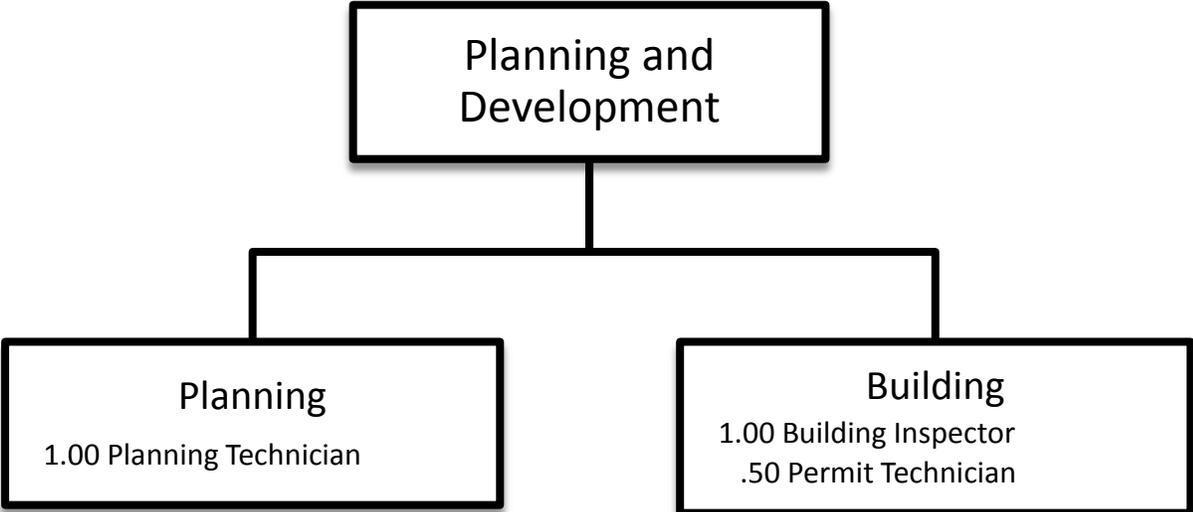


Planning and Development



- 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



Planning and Development

Department Description

The Planning Division administers the General Plan, the local governing policy document that reflects the City's vision of land use and development. They provide technical assistance to the Planning Commission and coordinate Planning Commission meetings; prepare and distribute agenda and maintain minutes and documents. The Building department is responsible for regulating and maintaining construction projects according to State Building and Housing Codes. Building also responsible for issuing building permits, provide plan review, review encroachment permits, grading permits, and issuing business licenses.

Key Achievements

- ✓ Processed various land use entitlements for the Mid-Valley Disposal Recycling and Transfer Station Expansion Project on 28 acres.
- ✓ Processed site plan review for Panoche Creek expansion project on 3.57 acres.
- ✓ Processed conditional use permit for solar photovoltaic array at the Wastewater Treatment Plant.
- ✓ Successful completion of inspections and issued certificate of occupancy for the Hacienda Heights apartment project on the southeast corner of Siskiyou and Gateway.
- ✓ Successful completion of inspections and issued certificate of occupancy for the tenant improvements for the Family Dollar Store.
- ✓ Successful completion of inspections and issued certificate of occupancy for the tenant improvements for the O'Reilly's Auto Parts store.
- ✓ Successful completion of inspections and certificate of occupancy for the Store-Max mini storage on Whitesbridge Road.
- ✓ Successful completion of weed abatement activities on vacant lots throughout City.
- ✓ Successful resolution of substandard housing complaint with repairs made by landlord according to building code.
- ✓ Presented conceptual landscape plans for the median in Madera Avenue to the Kerman Planning Commission.



Planning and Development

Goals

- Update zoning ordinance regulating mobile recycling operations
- Update zoning ordinance regulating cell towers
- Complete residential design guidelines
- Work on Smart Growth Community Master Plan should grant funds be awarded
- Complete the conceptual landscape plans for the Madera Avenue median



Planning and Development Budget

PLANNING 10.0 1008

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL						
	Full Time Equivalent (FTE) Positions			0.14		1.05
410	10 00 Salaries	88,537	63,060	63,629	68,454	65,369
410	20 00 Part Time Salaries	2,850	3,100	4,200	2,000	4,200
420	00 00 Fringe Benefits	30,046	25,032	35,674	38,388	27,238
TOTAL PERSONNEL		121,433	91,192	103,503	108,842	96,806
OPERATIONS & MAINTENANCE						
510	01 00 Contract Services - LAFCo	1,861	2,171	2,750	2,750	2,750
510	10 00 Professional Services	762	4,989	1,500	1,500	1,500
515	01 00 Utilities	957	0	0	0	0
521	01 00 Office Supplies	2,245	1,465	1,200	1,800	1,500
521	07 00 Postage	0	0	0	0	300
545	00 00 Vehicle - Equipment Rental Internal	253	360	0	0	0
546	00 00 Computer - Equipment Rental Internal	4,756	3,115	3,115	3,115	176
551	01 00 Communications - Telephone	511	307	350	200	200
551	02 00 Cellular Phone	210	0	0	0	0
552	01 00 Public Notice	473	285	550	550	550
554	01 00 Travel - Conferences - Meetings	0	50	150	160	150
TOTAL OPERATIONS & MAINTENANCE		12,028	12,742	9,615	10,075	7,126
CAPITAL						
600	03 99 Capital Outlay - New Accounting Software Sys.	0	0	0	0	4,400
600	04 00 Capital Outlay - Machinery & Equipment	0	0	0	0	2,000
TOTAL CAPITAL EXPENDITURES		0	0	0	0	6,400
TOTAL DEPARTMENT BUDGET		133,461	103,935	113,118	118,917	110,332
Budget to Budget Increase/(Decrease)						(2,786)
Percentage of Change						-2.5%

Budget Highlights:

Capital Outlay - Machinery & Equipment - Window Shades for Planning Conference Room.



ENGINEERING
10.0 4007

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
510 01 00	Contract Services	0	0	800	0	0
510 10 00	Professional Services	22,399	44,818	25,000	16,500	25,000
TOTAL		22,399	44,818	25,800	16,500	25,000
TOTAL DEPARTMENT BUDGET		22,399	44,818	25,800	16,500	25,000
Budget to Budget Increase/(Decrease)						(800)
Percentage of Change						-3.1%

Budget Highlights:

No substantial changes



Building Department Budget

BUILDING 10.0 4042

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions			1.09		1.39
410 10 00	Salaries	87,223	62,514	73,562	74,384	75,583
410 30 00	Overtime	415	712	0	500	500
410 35 00	Stand By	283	364	0	350	350
420 00 00	Fringe Benefits	51,102	31,153	38,525	38,930	35,383
TOTAL PERSONNEL		139,023	94,743	112,087	114,164	111,816
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services - Weed Abatement	2,036	2,078	2,500	5,550	5,600
510 10 00	Professional Services	23,486	46,769	25,000	15,000	15,000
521 01 00	Office Supplies	2,458	2,476	2,000	2,370	1,000
521 07 00	Postage	0	0	0	0	1,400
521 06 00	Uniforms	426	433	355	350	355
545 00 00	Vehicle - Equipment Rental Internal	3,488	5,181	4,540	4,540	4,095
546 00 00	Computer - Equipment Rental Internal	1,585	4,034	4,034	4,034	900
551 01 00	Communication - Telephone	651	1,757	720	950	950
551 02 00	Cellular Phone	716	358	340	640	650
554 01 00	Travel - Conferences - Meetings	20	69	100	100	120
555 00 00	Dues & Subscriptions	392	359	1,200	350	2,000
555 01 00	State Fees	1,130	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE		36,388	63,515	40,789	33,884	32,070
CAPITAL						
600 04 00	Capital Outlay - Machinery & Equipment	0	0	0	0	300
555 01 00	State Fees	1,130	0	0	0	0
TOTAL CAPITAL EXPENDITURES		1,130	0	0	0	300
TOTAL DEPARTMENT BUDGET		176,541	158,258	152,876	148,048	144,186
Budget to Budget Increase/(Decrease)						(8,690)
Percentage of Change						-5.7%

Budget Highlights:

No substantial changes



**CIP ADMINISTRATION
11.0 4011**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
410 10 00	Salaries	19,513	0	0	0	0
420 00 00	Fringe Benefits	6,757	0	0	0	0
TOTAL PERSONNEL		26,270	0	0	0	0
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	19,257	5,040	4,000	0	0
545 00 00	Vehicle - Equipment Rental Internal	495	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE		19,752	5,040	4,000	0	0
TOTAL DEPARTMENT BUDGET		46,022	5,040	4,000	0	0
FUNDING						
CIP Admin. - Impact Fees		21,522	27,293	20,000	20,000	11,000
TOTAL FUNDING		21,522	27,293	20,000	20,000	11,000
Budget to Budget Increase/(Decrease)						(4,000)
Percentage of Change						-20.0%

Budget Highlights:

Due to deficit Fund Balance, diminished fee income and lack of activity in this program, no expenses are being charged to Fund 11 in 2013/2014. This Fund started off the 12/13 fiscal year with a cash deficit balance of (\$107,395). As of June 1, 2013, that deficit has been reduced to (\$86,820). We will continue to minimize expenses to this fund until such time that there is a positive cash balance in this Fund.



General Plan Fund Updates Budget

GENERAL PLAN UPDATES 17.0 4007

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
410 10 00 Salaries	12,369	0	0	0	0
410 30 00 Overtime	0	0	0	0	0
420 00 00 Fringe Benefits	4,169	0	0	0	0
TOTAL PERSONNEL	16,538	0	0	0	0
OPERATIONS & MAINTENANCE					
510 02 00 Sphere of Influence/App - LAFCo	0	0	0	0	0
510 10 01 General Plan - Professional Svcs	0	0	0	0	0
545 00 00 Vehicle - Equipment Rental Internal	253	0	0	0	0
TOTAL OPERATIONS & MAINTENANCE	253	0	0	0	0
TOTAL DEPARTMENT BUDGET	16,791	0	0	0	0

Budget Highlights:

Due to deficit Fund Balance, diminished fee income and lack of activity in this program, no expenses are being charged to Fund 17 in 2013/2014. This Fund started off the 12/13 fiscal year with a cash deficit balance of (\$71,242). As of June 1, 2013, that deficit has been reduced to (\$57,264). We will continue to minimize expenses to this fund until such time that there is a positive cash balance in this Fund.



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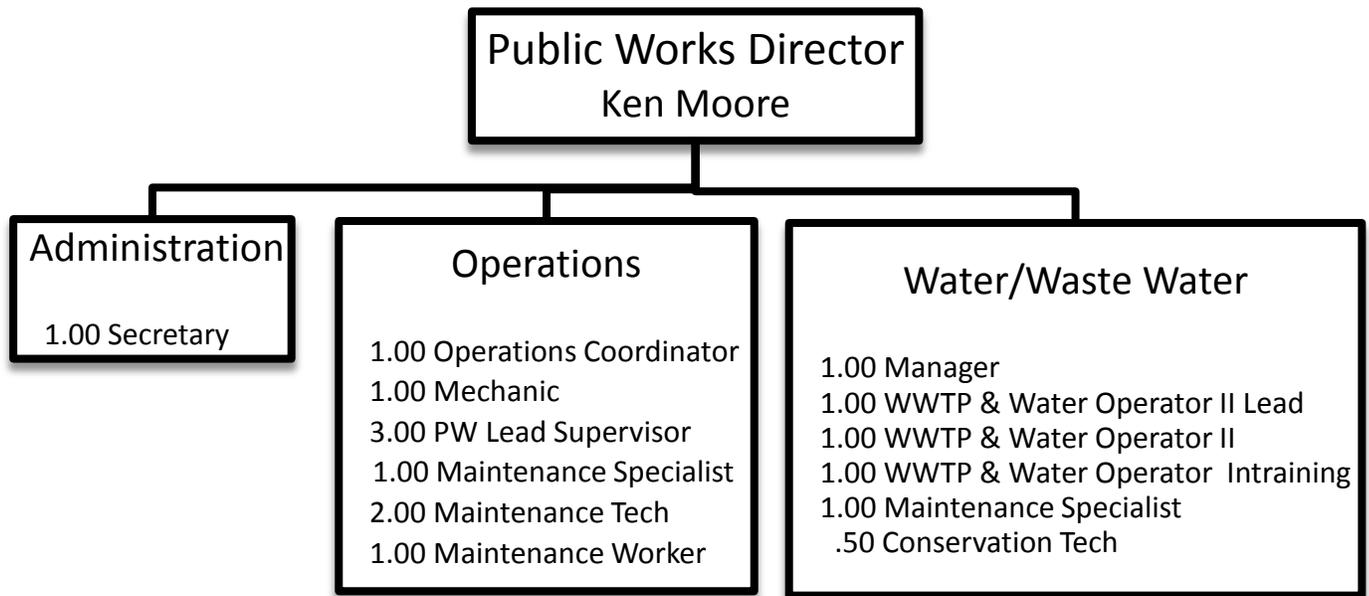


Public Works



- 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





Department Description

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.

Key Achievements

- ✓ Completed several major and minor street reconstruction projects City-wide: Stanislaus Ave. - 8th Street to Madera Ave., 7th Street - California Ave. to E Street.
- ✓ Completed crack filling and sealing program delineated in the CIP
- ✓ Replaced forty cubic yards of curb, gutter and sidewalk to improve safety and eliminate liability.
- ✓ Completed installation of 24-inch parallel sewer trunk line on Del Norte from California to Church Avenue
- ✓ Installed upgraded sewer lift pumps and power supply at the Kearney and Siskiyou Ave. lift station
- ✓ Completed upgrade to SCADA system at the Waste Water Treatment Plant (WWTP),
- ✓ Completed modifications to septic dumper station at WWTP
- ✓ Completed one full year of operation at the expanded WWTP making energy saving changes in operation techniques and lowering BODs from 40+ to less than 2.
- ✓ Added 40 acres to reclamation area (Wagonleitner)
- ✓ Two employees received WWTP grade II certificates.
- ✓ Completed Prop 84 grant application to purchase and install residential water meters
- ✓ Operated the City's water system for a year without a positive bacteria sample and continuously maintained normal operating pressure throughout the year
- ✓ Completed test well for new water well (No. 18)



Goals

- Conduct work load assessment to determine current and future staffing needs.
- Prepare short and long-term plan to re-landscape medians, mow strips, and planters with low maintenance and drought tolerant plants.
- Conduct an inventory of all trees City-wide and prepare a maintenance and replacement cycle.
- Complete development of new Water Well #18 to include full SCADA controls.
- Complete minor and major street projects in a timely manner with little to no inconvenience to the public.
- Complete minor and major capital improvement projects.
- Create succession plan for Public Works Department.
- Replace pumps in Goldenrod/California sewer lift station.
- Complete Waste Water Treatment Plant solar project.
- Complete sludge drying bed project at the WWTP.



Building & Park Maintenance Budget

BUILDING & PARK MAINTENANCE 10.0 4011

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions			1.22		1.32
410 10 00 Salaries	57,968	59,017	55,313	55,313	59,805
410 30 00 Overtime	1,896	2,027	3,000	3,000	3,000
410 35 00 Stand By	1,077	1,156	1,013	1,750	1,173
420 00 00 Fringe Benefits	29,449	29,231	30,677	30,677	24,960
TOTAL PERSONNEL	90,390	91,431	90,003	90,740	88,939
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	4,536	10,609	5,000	4,800	7,500
515 01 00 Utilities	4,396	4,150	4,500	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	513	126	400	400	400
521 03 00 Janitorial Supplies	16,244	18,540	15,500	16,982	15,500
521 04 00 Building Maintenance Supplies	5,150	4,959	8,000	8,250	8,250
521 05 00 Park Supplies	15,802	14,146	16,000	15,000	16,000
521 06 00 Uniforms	307	317	307	307	307
545 00 00 Vehicle - Equipment Rental Internal	9,767	17,269	16,477	16,477	13,556
546 00 00 Computer Equipment Allocation	0	0	0	0	1,142
551 01 00 Communications - Telephone	343	770	325	750	750
551 02 00 Cellular Phone	313	293	375	425	425
554 01 00 Training / Meetings	587	0	250	250	250
TOTAL OPERATIONS & MAINTENANCE	73,012	86,234	82,188	83,695	84,134
CAPITAL					
600 03 00 Capital Outlay/Improvements	2,161	1,095	9,100	9,660	14,200
TOTAL CAPITAL EXPENDITURES	2,161	1,095	9,100	9,660	14,200
TOTAL DEPARTMENT BUDGET	165,563	178,759	181,292	184,095	187,273
			Budget to Budget Increase/(Decrease)		5,981
			Percentage of Change		3.3%

Budget Highlights:

Capital Outlay/Improvements - Rotary Park Men's Restroom Wall Panel Replacement \$4,000 - Coleman Grandstand Security Light Replacement \$2,500 - Kerckhoff Restroom Partition Doors and Hardware, Electrical on Fan & Light \$1,200 - Park Restroom Hand Dryers at Kerckhoff and Lions Park \$1,500. - Police Department Building Repairs \$5,000.



**WATER OPERATIONS
41.0 4011**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions	5.64	5.14	4.33		4.95
410 10 00	Salaries	218,625	235,974	233,487	233,487	261,498
410 20 00	Part Time Salaries	942	0	8,016	5,000	8,016
410 30 00	Overtime	7,555	6,059	6,000	6,000	6,000
410 35 00	Stand By	7,578	7,078	5,620	6,000	5,470
420 00 00	Fringe Benefits	113,100	101,748	130,362	130,362	126,794
TOTAL PERSONNEL		347,800	350,859	383,485	380,849	407,778
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	8,178	34,847	35,000	25,000	35,000
510 10 00	Professional Services	10,673	3,558	20,000	20,000	20,000
510 12 00	Professional Services - Lab Services	9,680	6,244	17,000	17,000	17,000
515 01 00	Utilities	271,621	265,964	275,000	275,000	275,000
521 01 00	Office Supplies	1,096	2,649	2,600	2,600	1,350
521 02 00	Special Supplies	30,317	33,587	26,000	45,500	45,000
521 02 01	Water Meters	11,941	5,002	10,000	10,000	10,000
521 06 00	Uniforms	1,104	1,390	1,283	1,200	1,283
521 07 00	Postage	0	0	0	0	1,250
540 02 00	Equipment Rental - Lease	1,414	1,133	1,500	1,500	1,500
545 00 00	Vehicle - Equipment Rental Internal	31,088	60,842	40,437	40,437	45,015
546 00 00	Computer - Equipment Rental Internal	3,443	4,576	4,576	4,576	5,445
551 01 00	Communications - Telephone	4,561	2,284	2,500	2,500	2,500
551 02 00	Communications - Cellular Phone	3,089	1,993	1,500	1,800	1,800
552 01 00	Public notices/Consumer Conf. Report	1,711	628	2,500	2,500	2,500
554 01 00	Training, Travel & Meetings	1,113	2,151	4,000	2,000	4,000
555 01 00	Dues, Subscriptions & State Fees	22,321	12,552	14,500	19,114	20,000
555 02 00	Upper Kings Basin Water Forum	12,000	13,000	13,000	13,000	13,000
555 05 00	Property Taxes - Fresno County	0	0	250	0	0
TOTAL OPERATIONS & MAINTENANCE		425,350	452,399	471,647	483,727	501,643
CAPITAL						
600 03 00	Cap. Outlay/Improvements	0	989	2,000	0	12,500
TOTAL CAPITAL EXPENDITURES		0	989	2,000	0	12,500
TOTAL DEPARTMENT BUDGET		773,150	804,247	857,131	864,576	921,921
Budget to Budget Increase/(Decrease)						64,790
Percentage of Change						7.6%

Budget Highlights:

HVAC at Public Works Office (50%) \$3,500 - Lift Gate for Hauling Chlorine \$4,000 - Scada System Upgrade \$5,000



Sewer Collection & Operations Budget

SEWER COLLECTION & OPERATIONS 42.0 4011

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL					
Full Time Equivalent (FTE) Positions	4.88	4.28	4.63		4.15
410 10 00 Salaries	222,232	254,018	261,607	261,607	231,435
410 20 00 Part Time Salaries	941	0	8,016	500	0
410 30 00 Overtime	6,091	6,215	6,600	7,000	7,200
410 35 00 Stand By	6,548	8,038	5,596	7,500	6,238
420 00 00 Fringe Benefits	106,352	104,170	143,730	143,730	110,442
TOTAL PERSONNEL	342,164	372,442	425,550	420,337	355,314
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	10,672	49,517	48,500	48,500	48,500
510 10 00 Professional Services	9,545	8,544	13,000	12,250	13,000
510 12 00 Laboratory Testing	7,070	11,341	10,000	10,000	10,000
515 01 00 Utilities	103,017	176,077	183,000	203,000	160,000
515 02 00 Diesel Fuel	14,480	8,871	4,000	0	4,000
521 01 00 Office Supplies & Postage	48	392	400	450	400
521 02 00 Special Supplies	20,785	45,250	26,000	39,300	40,000
521 06 00 Uniforms	921	980	1,107	1,114	1,106
540 00 00 Equipment Rent - Lease	1,413	1,132	1,500	1,500	1,500
545 00 00 Vehicle - Equipment Rental Internal	34,352	55,051	45,561	45,561	43,046
546 00 00 Computer - Equipment Rental Internal	5,493	6,417	6,417	6,417	6,150
550 00 00 Insurance	7,948	8,545	9,048	9,048	9,107
551 01 00 Communications - Telephone	2,580	3,338	2,900	3,695	3,750
551 02 00 Communications - Cellular Phone	2,441	1,693	2,600	1,108	1,100
554 01 00 Training, Travel & Meetings	2,857	1,493	5,000	189	5,000
555 01 00 Dues, Subscriptions & State Fees	33,297	21,305	19,000	23,405	24,000
555 05 00 Property Taxes - Fresno County	0	0	250	0	0
TOTAL OPERATIONS & MAINTENANCE	256,919	399,947	378,283	405,537	370,659
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	989	2,000	0	19,600
TOTAL CAPITAL EXPENDITURES	0	989	2,000	0	19,600
TOTAL DEPARTMENT BUDGET	599,083	773,377	805,833	825,874	745,574
				Budget to Budget Increase/(Decrease)	(60,259)
				Percentage of Change	-7.5%

Budget Highlights:

Capital - Sludge Analyzer \$2,000 - High Pressure Weed Sprayer \$2,600 - SCADA System Upgrade \$5,000 - Dump Trailer \$10,000.



Storm Drain Maintenance & Operations Budget

STORM DRAIN MAINTENANCE & OPERATIONS 47.0 4011

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions	0.50	0.51	0.50		0.51
410 10 00 Salaries	20,410	21,534	21,656	21,656	22,718
410 30 00 Overtime	1,365	1,097	1,400	1,400	1,400
410 35 00 Stand By	1,199	1,098	925	1,000	963
420 00 00 Fringe Benefits	10,965	10,936	12,318	12,318	12,002
TOTAL PERSONNEL	33,939	34,665	36,299	36,374	37,083
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	676	500	1,000	500	1,000
515 01 00 Utilities	796	675	1,000	1,000	1,000
521 01 00 Office Supplies	116	85	100	100	100
521 02 00 General Supplies	4,032	2,087	3,000	2,000	3,000
521 06 00 Uniforms	116	148	116	116	116
521 07 00 Postage	600	750	750	750	800
540 00 00 Lease Payment (PFA Bond)	0	1,706	1,709	1,709	1,734
545 00 00 Vehicle - Equipment Rental Internal	5,102	8,319	8,820	8,820	7,119
546 00 00 Computer - Equipment Rental Internal	1,360	1,144	1,144	1,144	310
550 00 00 Insurance	4,430	4,767	5,043	5,043	5,076
551 02 00 Communications - Cellular Phone	779	873	1,000	1,000	1,000
555 04 00 Taxes & Assessments (Fresno Irrig. Dist.)	4,484	1,213	3,200	1,213	1,500
555 05 00 Property Taxes - Fresno County	242	134	250	137	150
560 01 00 Administration & Overhead	7,026	7,307	7,453	7,453	7,453
TOTAL OPERATIONS & MAINTENANCE	29,759	29,707	34,585	30,985	30,359
CAPITAL					
600 04 00 Capital Outlay - Machinery & Equipment	0	1,078	0	0	2,600
600 03 99 Capital Outlay - New Accounting Software Sys.	0	0	0	0	1,404
TOTAL CAPITAL EXPENDITURES	0	1,078	0	0	4,004
TOTAL DEPARTMENT BUDGET	63,698	65,450	70,885	67,359	71,446
			Budget to Budget Increase/(Decrease)		561
			Percentage of Change		0.8%

Budget Highlights:

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



Landscape & Lighting Budget

LANDSCAPE & LIGHTING 75.0 4011

		Audited	Audited	Adopted	Estimated	Budget
Description		2010-2011	2011-2012	2012-2013	Year- End	2013-2014
PERSONNEL	Full Time Equivalent (FTE) Positions	1.52	1.63	1.29		1.29
410 10 00	Salaries	71,869	70,765	68,372	68,372	63,135
410 20 00	Part Time Salaries	9,216	7,311	9,000	5,000	10,000
410 30 00	Overtime	2,883	3,011	3,000	3,000	3,000
410 35 00	Stand By	1,937	1,989	2,235	2,235	1,913
420 00 00	Fringe Benefits	33,757	42,018	34,640	34,640	28,671
TOTAL PERSONNEL		119,662	125,095	117,248	113,247	106,720
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services	0	110	500	100	500
510 10 00	Professional Services	4,500	3,598	3,500	3,000	3,500
515 01 00	Utilities	27,238	36,851	30,000	30,000	30,000
521 02 00	General Supplies	2,851	5,749	5,000	4,500	5,000
521 06 00	Uniforms	300	362	319	319	319
540 00 00	Lease Payment (PFA Bond)	0	2,560	1,718	2,564	2,600
545 00 00	Vehicle - Equipment Rental Internal	11,376	16,998	15,594	15,594	14,329
546 00 00	Computer - Equipment Rental Internal	1,572	2,090	2,090	2,090	389
550 00 00	Insurance	2,606	2,808	2,967	2,967	2,986
551 02 00	Communications - Cellular Phone	645	325	750	0	500
555 04 00	Taxes & Assessments (F.I.D.)	0	63	70	63	63
560 00 00	Administration & Overhead	7,500	7,800	7,956	7,956	7,956
TOTAL OPERATIONS & MAINTENANCE		58,588	79,314	70,465	69,153	68,143
CAPITAL						
600 03 00	Capital Outlay - Machinery & Equipment	0	2,156	0	0	0
600 03 99	Capital Outlay - New Accounting Software Sys.	0	0	0	0	3,580
TOTAL CAPITAL EXPENDITURES		0	2,156	0	0	3,580
TOTAL DEPARTMENT EXPENDITURES		178,250	206,564	187,712	182,400	178,442
Budget to Budget Increase/(Decrease)						(9,270)
Percentage of Change						-4.9%

Budget Highlights:

Revenue: L & L assessments will generate approximately \$197,200 in FY 2013/14



Street Maintenance – Measure C Budget

STREET MAINTENANCE - MEASURE C 88.0 4011

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PERSONNEL Full Time Equivalent (FTE) Positions	3.99	3.40	3.04		3.04
410 10 00 Salaries	153,492	172,212	173,983	173,983	164,601
410 20 00 Part Time Wages	0	0	0	7,500	5,000
410 30 00 Overtime	3,901	4,396	4,500	4,500	4,500
410 35 00 Stand By	2,650	2,574	2,668	2,668	2,559
420 00 00 Fringe Benefits	70,340	78,837	65,469	77,500	69,634
TOTAL PERSONNEL	230,383	258,019	246,620	266,151	246,294
OPERATIONS & MAINTENANCE					
510 01 00 Contract Services	0	436	5,000	3,000	5,000
521 01 00 Office Supplies	303	527	800	800	800
521 02 00 General Supplies	45,258	24,849	45,000	25,000	45,000
521 06 00 Uniforms	732	789	669	669	669
545 00 00 Vehicle - Equipment Rental Internal	24,448	38,131	36,082	36,082	33,137
546 00 00 Computer - Equipment Rental Internal	1,582	2,090	2,090	2,090	1,913
550 00 00 Insurance	2,606	2,790	2,967	2,967	2,986
551 01 00 Communications - Telephone	432	1,311	1,300	1,600	1,600
551 02 00 Communications - Cellular Phone	393	373	350	65	0
552 02 00 Public Notice	0	371	200	200	200
554 01 00 Travel/Conf/Meetings	600	0	500	500	500
TOTAL OPERATIONS & MAINTENANCE	76,354	71,667	94,958	72,973	91,805
CAPITAL					
600 03 02 Material bunkers (slabs & casons)	950	0	0	0	0
600 03 17 Solar Stop Signs	0	0	8,000	6,680	8,000
600 03 19 Radio System	0	1,078	0	0	0
600 03 20 200 Gal. Spray Tank w/ Gun	0	0	4,500	3,903	0
600 03 30 HVAC Public Works Office 50%	0	0	0	0	3,500
600 03 31 Tack Oil Machine	0	0	0	0	7,700
600 03 99 Capital Outlay - New Accounting Software Sys.	0	0	0	0	5,655
TOTAL CAPITAL EXPENDITURES	950	1,078	12,500	10,583	24,855
TOTAL DEPARTMENT BUDGET	307,687	330,764	354,078	349,707	362,954
				Budget to Budget Increase/(Decrease)	8,876
				Percentage of Change	2.5%

Budget Highlights:

Over-all savings even with increased Capital Expenditures is attributable to savings in Salaries and Benefits.



Street Maintenance – TDA & Other Budget

STREET MAINTENANCE - TDA & OTHER 8x.0 4011 (80, 81, 82, 83, 84, 85, 87)

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014	
FUND 87.0 - ARTICLE VIII							
PERSONNEL							
	Full Time Equivalent (FTE) Positions	0.85	0.85	0.77		1.07	
87.0	4011 410 10 00	Salaries	49,617	43,125	43,714	43,714	51,733
87.0	4011 410 20 00	Part Time Wages	0	0	0	2,775	5,000
87.0	4011 410 30 00	Overtime	1,136	1,108	2,000	2,000	2,000
87.0	4011 410 35 00	Stand By	638	648	674	700	649
87.0	4011 420 00 00	Fringe Benefits	20,420	20,352	21,590	21,590	22,036
TOTAL PERSONNEL		71,811	65,234	67,978	70,779	81,418	
OPERATIONS & MAINTENANCE							
87.0	4011 521 02 00	General Supplies	0	5,826	0	0	0
87.0	4011 521 06 00	Uniforms	0	90	167	167	167
TOTAL OPERATIONS & MAINTENANCE		0	5,916	167	167	167	
CAPITAL							
87.0	4011 600 03 99	Capital Outlay - New Accounting Software Sys.	0	0	0	0	1,422
TOTAL CAPITAL EXPENDITURES		0	0	0	0	1,422	
FUND 80.0 - STREETS							
OPERATIONS & MAINTENANCE							
80.0	4011 510 01 00	Street Sweeping	78,015	79,060	83,000	81,000	85,000
TOTAL OPERATIONS & MAINTENANCE		78,015	79,060	83,000	81,000	85,000	
FUND 81.0 - GAS TAX :							
OPERATIONS & MAINTENANCE							
81.0	4011 510 05 00	Tree Trimming	7,000	3,388	7,000	3,500	7,000
81.0	4011 510 06 00	Traffic Signal Maintenance	1,827	2,512	6,000	2,500	6,000
81.0	4011 515 01 00	Utilities-Net of Transfer in from 10.0.4011	38,344	33,203	37,800	29,946	37,800
TOTAL OPERATIONS & MAINTENANCE		47,171	39,104	50,800	35,946	50,800	
CAPITAL							
81.0	4011 600 03 01	Solar Stop Signs	0	6,559	0	0	0
TOTAL CAPITAL EXPENDITURES		0	6,559	0	0	0	
FUND 82.0 - GAS TAX 2106							
OPERATIONS & MAINTENANCE							
82.0	4011 510 03 00	Engineering	0	0	0	15,000	15,000
TOTAL OPERATIONS & MAINTENANCE		0	0	0	15,000	15,000	
CAPITAL							
82.0	4011 600 03 04	Yard Improvements	7,500	0	7,500	0	7,500
82.0	4011 600 03 05	Upgrade Kearney Ave Median Landscape.	0	530	10,000	10,000	0
TOTAL CAPITAL EXPENDITURES		7,500	530	17,500	10,000	7,500	
FUND 83.0 - GAS TAX 2107							
OPERATIONS & MAINTENANCE							
83.0	4011 510 04 00	Audit	2,000	2,000	2,000	2,000	2,000
TOTAL OPERATIONS & MAINTENANCE		2,000	2,000	2,000	2,000	2,000	
FUND 84.0 - GAS TAX 2107.5							
OPERATIONS & MAINTENANCE							
84.0	4011 510 03 00	Engineering	2,256	12,896	6,000	0	0
TOTAL OPERATIONS & MAINTENANCE		2,256	12,896	6,000	0	0	
FUND 85.0 - GAS TAX ARTICLE III							
OPERATIONS & MAINTENANCE							
85.0	4011 600 03 14	Sidewalk Repair	14,291	10,000	10,000	10,000	10,000
TOTAL OPERATIONS & MAINTENANCE		14,291	10,000	10,000	10,000	10,000	
SUMMARY - STREET MAINT. TDA & OTHER							
TOTAL PERSONNEL		71,811	65,234	67,978	70,779	81,418	
TOTAL OPERATIONS & MAINTENANCE		129,442	138,976	141,967	134,113	152,967	
TOTAL CAPITAL EXPENDITURES		21,791	17,089	27,500	20,000	18,922	
TOTAL DEPARTMENT BUDGET		223,044	221,298	237,445	224,892	253,307	
Budget to Budget Increase/(Decrease)						15,862	
Percentage of Change						6.7%	

Budget Highlights:

No substantial changes



Capital Projects



Capital Projects Overview

The Fiscal Year 2013/2014 Capital Projects Budget includes \$7,126,856 of expenditures, with \$3,634,200 in Street projects, \$2,576,689 in Water Fund projects, \$437,081 in Sewer Fund projects and \$259,920 in Park projects. The remaining projects are under \$100,000 in each capital projects category and amount to \$218,966 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 2013/2014 budget are the \$248,000 Madera Avenue Median Landscaping Renovation Project funded by Section 2107 Gas Tax, the \$286,000 Stanislaus & 16th St. Sidewalk Repair Project and the \$483,000 Local Street Reconstruction Project on 4th, E & G funded by Article VIII, the \$267,000 Goldenrod at Union Pacific Railroad Project funded by Major Street Railroad Development Impact Fees, the \$593,700 RSTP - First & Middleton Project funded by Section 2105 Gas Tax, the \$460,000 CMAQ Whitesbridge & Vineland Signal Project funded the Congestion Mitigation and Air Quality Improvement Program (CMAQ) grant and the \$509,800 RSTP First & Middleton Project funded by the Regional Surface Transportation Program (RSTP).

Some State and Federal projects require a local match to complete the project. For example, the First & Middleton Project mentioned above includes \$593,700 of funding from Gas Tax and \$509,800 of funding from the RSTP.

Water Construction

The two major projects in this category are a \$1.7 million Water Meter System Completion Project which will be funded with \$1,293,450 from a Proposition 84 Grant and \$431,150 from Water Fund Operational Reserves and the \$680,000 Well 18- Drilling, Pump and Motor Project which will be funded from Water Major Facilities Development Impact Fee funds. If the Proposition 84 Grant is not awarded to the City of Kerman, the Water Meter System Completion Project will not take place in Fiscal Year 2013/2014.

Sewer Facilities Construction

Total Sewer Facilities Construction projects amount to \$437,081 in Fiscal Year 2013/2014. The bulk of the funding (\$340,372) for these projects will come from reserves in Sewer Major Facilities Development Impact Fees, including \$180,000 for a Sludge Drying Bed Project, \$138,372 for debt service on the newly expanded Waste Water Treatment Plant and \$22,000 for a Sludge Aerator. Included in the remaining \$96,089 of project expenditures which will be funded from Sewer Operational Reserves is \$56,000 for Lift-Station Pumps at Goldenrod and California Avenues.



Capital Projects Overview

Park Construction Grants

This section of the Capital Projects Budget includes \$259,000 for the development of Katie's Kids Park, to be paid for from grants of \$200,000 and \$59,920 from funds that have been donated to the City of Kerman for this purpose.

Other Capital Project Budget Sections

The other sections included in the Fiscal Year 2013/2014 Capital Projects are minor compared to the above sections and include: the Parks, Facilities and Equipment - General Fund Budget with \$74,588, the Parks Acquisition and Construction Budget with \$41,169, the Facilities Construction Budget with \$52,008 and the Storm Drain Acquisition and Construction Budget with \$51,102.

Capital Improvement Projects by Fund

The following two pages include a list of capital improvement projects by Fund, with abbreviations in the titles to allow space for the information. The descriptions for those abbreviations are as follow:

S/D = Storm Drainage

DIF = Development Impact Fees

Str = Streets

Wtr = Water

Swr = Sewer

Sig = Signals

RR = Railroad

TCR = Traffic Congestion Relief

The pages are also printed in landscape orientation to provide the needed space for all of the project information.



Capital Projects Summary

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by proprietary funds. Below is a summary of budgeted capital funds.

Capital Projects Budget Summary					
Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
PARKS, FACILITIES & EQUIPMENT - GENERAL FUND	66,842	8,264	23,200	23,200	74,588
PARK ACQUISITION & CONSTRUCTION	63,777	40,524	40,592	40,592	41,169
PARK CONSTRUCTION - GRANTS	0	0	311,620	51,700	259,920
CDBG CONSTRUCTION	0	31,972	184,683	305,430	0
FACILITIES CONSTRUCTION	64,926	69,427	51,278	51,278	52,008
WATER CONSTRUCTION	37,053	25,721	1,311,000	39,799	2,576,689
SEWER FACILITIES CONSTRUCTION	4,678,376	1,207,549	563,592	310,601	437,081
STORM DRAIN ACQUISITION & CONSTRUCTION	24,530	0	0	116,916	51,201
STREET CONSTRUCTION	1,226,420	554,016	2,623,100	1,421,680	3,634,200
TOTAL CAPITAL PROJECT EXPENDITURES	6,161,924	1,937,473	5,109,065	2,361,196	7,126,856



Capital Projects Summary

Capital Improvement Projects

FUNDING										
	Gen Fund	Facilities	Water	Sewer	S/D DIF	Wtr DIF	Wtr DIF	Wtr DIF	Swr DIF	Park Dev
Funds	10	14	41	42	49	52	53	54	57	58
Project Totals										
CTC Banquet Chair Replacement	19,500									
New Accounting Software System	64,886		24,089	20,709						
Police Dept. HVAC & Roof Repairs	35,000									
Katie's Kids Park Construction	259,920									
GIS Mapping	20,000		10,000	10,000						
Water Meter System Completion	1,724,600		431,150							
Water Main Extensions for Well 18	135,000					67,500	67,500			
Well 18 - Drilling, Pump & Motor	680,000						680,000			
Secondary Water System Agmt.	3,000						3,000			
HVAC Repair at WWTP Office	10,000			10,000						
Lift-Station Pumps - Goldenrod & CA	56,000			56,000						
Debt Service - SRF Loan	138,372								138,372	
Debt Service - PFA Bond	93,177									20,585
Sludge Drying Beds	180,000								180,000	
Sludge Aerator	22,000								22,000	
Reimbursement-Westco	38,000				18,000					
Reimbursement-Jonathan	31,639				31,639					
Reimbursement-Hair	1,562				1,562					
RSTP-First & Middleton	1,103,500									
Local Street Repairs (Asphalt Repairs)	81,000									
Wooten Park Street Lighting	67,000									
Madera-Median Landscaping Reno	248,000									
Stanislaus & 16th St. Sidewalks	286,000									
Local Street Recon (4th, E & G)	483,000									
Madera Ave. Crosswalk at S.J.	87,000									
Goldenrod @ UP Railroad	267,000									
Vineland Ave. Design/Right Away	56,000									
CMAQ Whitesbridge & Vineland Signal	793,000									
RSTP Vineland Ave. Reconstruction	116,700									
CMAQ Pedestrian Trail Siskiyou/DelNorte	26,000									
TOTALS	7,126,856	74,588	465,239	96,709	51,201	67,500	67,500	683,000	340,372	20,585



Capital Projects Summary

Capital Improvement Projects- Continued											FUNDING				
Funds	Park Acq	Grants	Gas Tax	Gas Tax	Art VIII	Grants	Str DIF	Sig DIF	RR DIF	TCR					
	59	78	81	83	87	89	91	92	93	95					
Project Totals															
CTC Banquet Chair Replacement	19,500														
New Accounting Software System	64,886														
Police Dept. HVAC & Roof Repairs	35,000														
Katie's Kids Park Construction	259,920	259,920													
GIS Mapping	20,000														
Water Meter System Completion	1,724,600	1,293,450													
Water Main Extensions for Well 18	135,000														
Well 18 - Drilling, Pump & Motor	680,000														
Secondary Water System Agmt.	3,000														
HVAC Repair at WWTP Office	10,000														
Lift-Station Pumps - Goldenrod & CA	56,000														
Debt Service - SRF Loan	138,372														
Debt Service - PFA Bond	93,177	20,585													
Sludge Drying Beds	180,000														
Sludge Aerator	22,000														
Reimbursement-Westco	38,000						20,000								
Reimbursement-Jonathan	31,639														
Reimbursement-Hair	1,562														
RSTP-First & Middleton	1,103,500		593,700			509,800									
Local Street Repairs (Asphalt Repairs)	81,000		81,000												
Wooten Park Street Lighting	67,000		67,000												
Madera-Median Landscaping Reno	248,000		248,000												
Stanislaus & 16th St. Sidewalks	286,000			286,000											
Local Street Recon (4th, E & G)	483,000			483,000											
Madera Ave. Crosswalk at S.J.	87,000			87,000											
Goldenrod @ UP Railroad	267,000								267,000						
Vineland Ave. Design/Right Away	56,000				56,000										
CMAQ Whitesbridge & Vineland Signal	793,000					460,000		137,000		196,000					
RSTP Vineland Ave. Reconstruction	116,700					116,700									
CMAQ Pedestrian Trail Siskiyou/DeINorte	26,000					26,000									
Project Totals	7,126,856	20,585	1,553,370	593,700	912,000	1,112,500	20,000	137,000	267,000	196,000					



Parks, Facilities & Equipment Budget

PARKS, FACILITIES & EQUIPMENT 10.0 4024

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
Construction						
Facilities						
600	03 96 South Wing City Hall Improvement	64,231	0	0	0	0
600	03 97 CTC Fire Sprinkler Replacement	0	0	7,200	20,522	0
600	03 98 Police Department HVAC & Roof Repairs	0	0	0	0	35,000
600	03 99 New Accounting Software System	0	0	0	0	20,088
600	03 11 CTC Banquet Chair Replacement	0	0	16,000	2,678	19,500
TOTAL FACILITIES		64,231	-	23,200	23,200	74,588
Katie's Kids Park						
600	05 00 Katie's Kids Park - Design	2,611	0	0	0	0
600	05 01 Katie's Kids Park - Landscaping	0	0	0	0	0
TOTAL KATIES KIDS PARK		2,611	-	-	-	-
Equipment						
600	03 19 New City Radio System (50%)	0	8,264	0	0	0
TOTAL EQUIPMENT		-	8,264	-	-	-
TOTAL DEPARTMENT BUDGET		66,842	8,264	23,200	23,200	74,588
Budget to Budget Increase/(Decrease)						51,388
Percentage of Change						221.5%

Budget Highlights:

The three projects budgeted in 13/14 will repair the HVAC and roof at the Police Department, help to purchase a new accounting software system and replace the worn-out chairs at the Community Teen Center.



CDBG CONSTRUCTION
12.0 4024

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
Expenditures:						
4024	600 03 05 Del Norte Sewer Main (CDBG)	0	31,972	184,683	305,430	0
TOTAL DEPARTMENT BUDGET		0	31,972	184,683	305,430	0
Budget to Budget Increase/(Decrease)						(184,683)
Percentage of Change						-100.0%

Budget Highlights:

No projects for 13/14 - Used \$100k of 13/14 CDBG Funds to complete Del Norte Sewer Main Project in 12/13.



FACILITIES CONSTRUCTION
14.0 4024

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
Construction					
540 00 00 Lease Payment (PFA Bond)	61,226	51,192	51,278	51,278	52,008
TOTAL OPERATIONS & MAINTENANCE	61,226	51,192	51,278	51,278	52,008
Equipment					
600 03 97 CTC Fire Sprinkler Replacement	0	2,169	0	0	0
600 04 19 New City Radio System (50%)	0	8,264	0	0	0
600 04 22 (2) Electric Vehicles - City Match	0	2,885	0	0	0
600 04 37 PD Weapons & Less Lethal Tech	0	4,917	0	0	0
600 04 18 PD Computer/Printers	3,700	0	0	0	0
TOTAL CAPITAL EXPENDITURES	3,700	18,235	0	0	0
TOTAL DEPARTMENT BUDGET	64,926	69,427	51,278	51,278	52,008
			Budget to Budget Increase/(Decrease)		730
			Percentage of Change		1.4%

Budget Highlights:

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



Water Construction Budget

WATER CONSTRUCTION XX.0 4024 (41, 52-54, 78)

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
WATER OPERATIONS					
FUND 41					
600 03 14 Well 10 Replace Foot Valve	14,110	0	0	0	0
600 03 16 GIS Mapping	0	12,500	0	0	10,000
600 03 19 Radio System	0	6,468	0	0	0
600 04 01 Goldenrod School	2,238	0	0	0	0
600 04 23 Generator at Well 15 Major Repair	0	6,753	0	0	0
600 04 37 Water Meter System Completion	0	0	600,000	0	431,150
600 04 39 Valve & Hydrant Replacement	4,240	0	0	0	0
600 04 48 Urban Water Management Plan	0	0	6,000	5,799	0
600 03 99 New Accounting Software System	0	0	0	0	24,089
TOTAL WATER OPERATIONS	20,588	25,721	606,000	5,799	465,239
PROP 84 GRANT					
FUND 78					
600 03 37 Water Meter System Completion	0	0	0	0	1,293,450
TOTAL PROP 84 GRANT	0	0	0	0	1,293,450
WATER FRONT FOOTAGE					
FUND 52					
600 03 36 8" & 12" Water Main Extensions for Well 18	0	0	0	6,000	67,500
TOTAL WATER FRONT FOOTAGE	0	0	0	6,000	67,500
WATER OVERSIZE					
FUND 53					
600 03 01 Water Oversize	16,465	0	0	0	0
600 03 36 8" & 12" Water Main Extensions for Well No. 1E	0	0	0	6,000	67,500
TOTAL WATER OVERSIZE	16,465	0	0	6,000	67,500
WATER MAJOR FACILITIES					
FUND 54					
600 03 35 Well 18 - Test Well	0	0	0	0	0
600 03 36 Well 18 - Drilling, Pump & Motor	0	0	700,000	20,000	680,000
600 04 01 Secondary Water System Agreement	0	0	5,000	2,000	3,000
TOTAL WATER MAJOR FACILITIES	0	0	705,000	22,000	683,000
TOTAL DEPARTMENT BUDGET	37,053	25,721	1,311,000	39,799	2,576,689
				Budget to Budget Increase/(Decrease)	1,265,689
				Percentage of Change	96.5%

Budget Highlights:

Water Meter System Completion project will not happen in FY 13/14, unless Prop 84 grant funding becomes available.



Sewer Facilities Construction Budget

SEWER FACILITIES CONSTRUCTION XX.0 4024 (42, 55-57)

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
SEWER OPERATIONS					
FUND 42					
600 03 02 New Roof at WWTP	24,739	0	0	0	0
600 03 46 W/W Reclamation Nord Property	2,094	0	0	0	0
600 03 63 GIS Mapping	0	12,500	0	0	10,000
600 03 59 WWTP Sludge Dredging	32,155	32,949	0	0	0
600 03 60 Trailer for Portable Generator	0	4,958	0	0	0
600 03 61 Repave WWTP Parking Lot	0	133,784	0	0	0
600 03 62 Kearney & Siskiyou Lift Station Pump Repair	0	0	0	23,605	0
600 03 63 HVAC Repair at WWTP Office	0	0	10,000	2,395	10,000
600 03 64 Lift-Station Pumps - Goldenrod & CA	0	0	0	0	56,000
600 03 19 Radio System	0	4,312	0	0	0
600 03 99 New Accounting Software System	0	0	0	0	20,709
TOTAL SEWER OPERATIONS	58,988	188,503	10,000	26,000	96,709
SEWER FRONT FOOTAGE					
FUND 55					
599 01 00 Front Footage - Del Norte Sewer Main	0	0	100,540	100,540	0
TOTAL SEWER FRONT FOOTAGE	0	0	100,540	100,540	0
SEWER OVERSIZE					
FUND 56					
599 00 00 Sewer Oversize - Del Norte Sewer Mn	0	0	35,690	35,690	0
TOTAL SEWER OVERSIZE	-	-	35,690	35,690	-
SEWER MAJOR FACILITIES					
FUND 57					
600 03 01 Pickup for New WWTP Position	0	21,156	0	0	0
600 03 24 Wastewater Reclamation Pump & Pipe	435,540	165,587	0	0	0
600 03 48 WWTP Expansion	4,091,828	641,522	0	0	0
250 02 00 SRF Set Aside - WWTP Expansion (50%)	0	138,077	0	0	0
700 17 00 Debt Service - SRF Loan Principal	0	0	112,578	114,272	114,536
700 27 00 Debt Service - SRF Loan Interest	0	0	24,783	24,099	23,836
600 03 58 Scada Upgrade for WWTP	32,980	0	0	0	0
600 03 59 WWTP Expansion Change Orders	59,040	52,704	0	0	0
600 03 60 Sludge Drying Beds	0	0	280,000	10,000	180,000
600 03 61 Sludge Aerator	0	0	0	0	22,000
TOTAL SEWER MAJOR FACILITIES	4,619,388	1,019,046	417,362	148,371	340,372
TOTAL DEPARTMENT BUDGET	4,678,376	1,207,549	563,592	310,601	437,081
				Budget to Budget Increase/(Decrease)	(126,511)
				Percentage of Change	-22.4%

Budget Highlights:

Debt Service - SRF Loan Principal - 50% of the WWTP Expansion debt service, remaining 50% from Fund 42.0
 Debt Service - SRF Loan Interest - 50% of the WWTP Expansion debt service, remaining 50% from Fund 42.0
 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 nearly \$5 million State Revolving Fund (SRF) Loan. The first annual loan payment was paid in September of 2012. Fund 42.0 pays 50% of the loan and 50% is paid out of the Sewer Major Facilities Impact Fee Fund (Fund 57.0). The total annual loan payment is approximately \$276,745.



Storm Drain Acquisition & Construction Budget

STORM DRAIN ACQUISITION & CONSTRUCTION 4X.0 4024 (48-49)

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
STORM BASIN ACQUISITION					
FUND 48					
600 01 15 Tract No. 5266 (Capistrano)	0	0	0	0	0
TOTAL STORM DRAIN ACQUISITION	-	-	-	-	-
STORM DRAIN CONSTRUCTION					
FUND 49					
600 03 21 Tract No. 5222 (Boyd)	14,530	0	0	0	0
600 03 23 Crossroads (Kashian)	10,000	0	0	21,171	0
600 03 15 Tract No. 5244 (Westco)	0	0	0	76,225	18,000
600 03 16 Tract No. 5329 (Jonathan)	0	0	0	19,520	31,639
600 03 16 Tract No. 5515 (Hair)	0	0	0	0	1,562
TOTAL STORM DRAIN CONSTRUCTION	24,530	-	-	116,916	51,201
TOTAL DEPARTMENT BUDGET	24,530	0	0	116,916	51,201

Budget Highlights:

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



Park Acquisition & Construction Budget

PARK ACQUISITION & CONSTRUCTION 5x.0 4024 (58-59)

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
FUND 59 - PARK DEVELOPMENT-QUIMBY					
540 00 00 Lease Payment (PFA Bond)	63,777	20,262	20,296	20,296	20,585
TOTAL ACQUISITIONS	63,777	20,262	20,296	20,296	20,585
FUND 58 - PARK DEVELOPMENT					
540 00 00 Lease Payment (PFA Bond)	0	20,262	20,296	20,296	20,585
TOTAL PARK DEVELOPMENT	-	20,262	20,296	20,296	20,585
TOTAL DEPARTMENT BUDGET	63,777	40,524	40,592	40,592	41,169
				Budget to Budget Increase/(Decrease)	577
				Percentage of Change	1.4%

Budget Highlights:

No Substantial Changes

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



Park Construction Grants

PARK CONSTRUCTION - GRANTS 78.0 4024

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
Construction					
600 05 01 Katie's Kids Park Construction-Grant	0	0	200,000	0	200,000
600 05 01 Katie's Kids Park Construction-Donations	0	25,081	99,920	40,000	59,920
600 05 02 Kerman Youth Leadership	0	0	11,700	11,700	0
TOTAL CONSTRUCTION	0	0	311,620	51,700	259,920
TOTAL DEPARTMENT BUDGET	0	0	311,620	51,700	259,920

Budget Highlights:

Katie's Kids Park Construction - This portion of the project is funded by \$200,000 from the Stewardship Council Grant.



**STREET CONSTRUCTION
XX.0 4024 (81, 83, 87-93-95)**

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
<u>CITY PROJECTS</u>					
GAS TAX 2107 (83.0)					
600 03 05 Local Street Repair (Asphalt Repairs/Various)	0	0	0	0	81,000
600 03 32 Wooten Park Street Lighting Project	0	0	72,000	5,000	67,000
600 03 35 Madera Ave. - Median Landscaping Renovation	0	0	0	0	248,000
ARTICLE VIII (87.0)					
600 03 04 Local Street Sealing - Article 8	1,987	0	80,000	79,130	0
600 03 31 Local Street Recon. - 7th Street	0	0	302,300	270,841	0
600 03 29 Sidewalk Repair	65	0	0	0	0
600 03 30 Stanislaus & 16th St. Sidewalk Repair	0	0	0	0	286,000
600 03 34 Local Street Recon. - 4th, E & G	0	0	480,000	37,000	483,000
600 03 33 Madera Ave. Crosswalk at San Joaquin	0	0	53,600	8,000	87,000
600 03 35 Madera Ave. - Median L/S Design/Estimate	0	0	5,000	10,000	0
MAJOR STREET RAILROAD (93.0)					
600 03 01 Goldenrod @ UP Railroad	1,207	0	270,000	3,000	267,000
TOTAL CITY PROJECTS	3,259	0	1,262,900	412,971	1,519,000
FEDERAL GRANTS (89.0)					
600 04 22 (2) Electric Vehicles - CMAQ	3,003	0	0	0	0
TOTAL EQUIPMENT	3,003	0	0	0	0
<u>LOCAL MATCH FOR STATE & FEDERAL PROJECTS</u>					
GAS TAX 2105 (81.0)					
600 03 29 RSTP - Stanislaus Ave. Reconstruction	0	14,500	49,500	37,000	0
600 03 02 RSTP - First & Middleton	0	0	5,100	35,000	593,700
ARTICLE VIII (87.0)					
600 03 60 RSTP Vineland Avenue Design/Right Away	0	0	0	0	56,000
600 03 32 CMAQ Bike Lanes & Sidewalk	53,330	0	152,600	157,048	0
MEASURE C (88.0)					
600 03 29 Congestion Mitig. & Air Quality (CMAQ)	20,200	0	0	0	0
MAJOR STREET SIGNALS (92.0)					
600 03 15 CMAQ Whitesbridge & Vineland Signal Study	10,363	0	0	0	0
600 03 16 CMAQ Whitesbridge & Vineland Signal	0	51,665	226,700	130,000	137,000
TOTAL LOCAL MATCH	83,893	66,165	433,900	359,048	786,700



STREET CONSTRUCTION

XX.0 4024 (81, 83, 87-93-95)

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year- End	Budget 2013-2014
STATE & FEDERAL PROJECTS						
FEDERAL PROJECTS (89.0)						
510	10 00	0	5,882	0	0	0
600	03 01	0	152,560	0	3,078	0
600	03 28	155,900	0	0	0	0
600	03 26	369,929	0	0	0	0
600	03 24	258,800	0	0	0	0
600	03 16	0	0	320,300	0	460,000
600	03 29	20,171	5,369	253,000	251,603	0
600	03 02	0	0	43,600	43,600	509,800
600	03 59	0	16,118	140,000	143,980	0
600	03 60	0	0	0	0	116,700
600	03 61	0	0	0	0	26,000
600	03 00	0	0	142,400	142,400	0
STATE GRANTS (90.0)						
600	03 69	15,437	0	0	0	0
HUT 2103 (TRAFFIC CONGESTION RELIEF) (95.0)						
600	03 02	265,355	0	0	0	0
600	03 03	0	265,983	0	0	0
600	03 16	0	0	0	65,000	196,000
TOTAL STATE & FEDERAL PROJECTS		1,085,592	445,912	899,300	649,661	1,308,500
MAJOR STREETS (91.0)						
600	03 00	0	41,939	0	0	0
600	03 30	15,673	0	0	0	0
600	03 32	35,000	0	27,000	0	20,000
TOTAL REIMBURSEMENTS		50,673	41,939	27,000	-	20,000
TOTAL DEPARTMENT BUDGET		1,226,420	554,016	2,623,100	1,421,680	3,634,200
					Budget to Budget Increase/(Decrease)	1,011,100
					Percentage of Change	38.5%

Budget Highlights:

The City of Kerman has a large amount of Street Improvement Improvement Projects Scheduled for Fiscal Year 13/14.



Employee Information



Employee 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.

There is an overall net 13.8% decrease in employee pension and healthcare costs in Fiscal Year 2014 compared to the FY 2013 budget. This decrease is due to the savings in medical insurance premiums by changing PPO providers from Blue Shield to Anthem Blue Cross and eliminating HMO coverage through Kaiser as required by Anthem Blue Cross.

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 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 increase by 2.6% and will decrease by 0.3% for safety employees in Fiscal Year 2014.

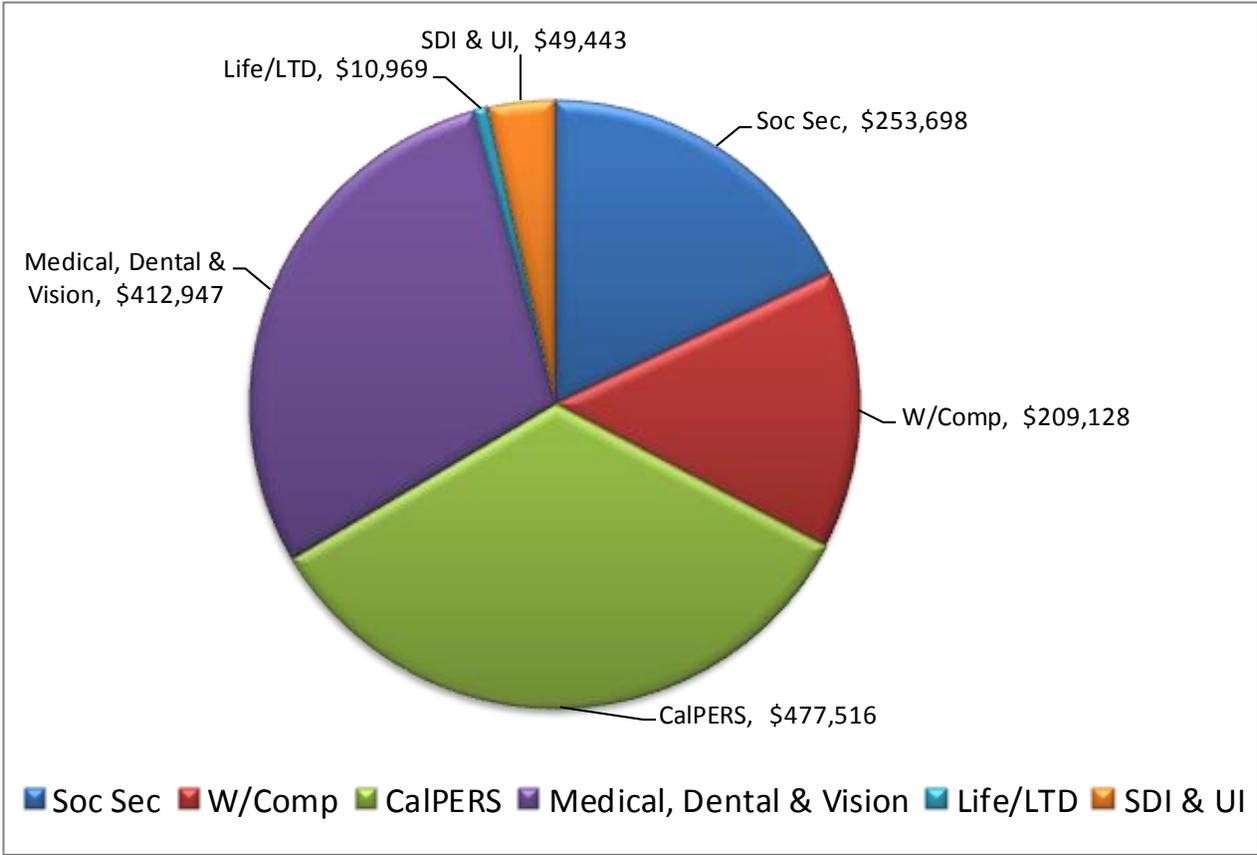
Healthcare

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 received a very competitive quote from Anthem Blue Cross this year. The only stipulation was the City could no longer offer the current HMO plan through Kaiser. After meet and confer sessions with both the KPSEA and KMEA it was decided that the City would change PPO healthcare carriers from Blue Shield to Anthem Blue Shield and discontinue HMO coverage through Kaiser to realize a substantial savings in medical premiums.

There were no changes to dental and vision premium rates for Fiscal Year 2014.



Fiscal Year 2013/2014 Personnel Benefits



Position Allocation by Department

Position Allocation by Department (Full Time Staffing)

	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Adopted Budget 2013-2014	2013-2014 Change
Administrative Services					
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	1.00	0.00
Senior Accountant	1.00	1.00	1.00	1.00	0.00
Total Administrative Services	5.00	5.00	5.00	5.00	0.00
City Clerk					
City Clerk	1.00	1.00	1.00	1.00	0.00
Total City Clerk	1.00	1.00	1.00	1.00	0.00
City Manager					
City Manager	1.00	1.00	1.00	1.00	0.00
Executive Secretary	0.42	1.00	1.00	1.00	0.00
Total City Manager	1.42	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	0.75	1.00	0.25
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	2.00	1.00	(1.00)
Total Community Services	7.00	7.00	7.75	7.00	(0.75)
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	1.00	0.00
Director of Planning & Dev. Services	1.00	0.67	0.00	0.00	0.00
Total Planning & Building	4.00	3.67	3.00	3.00	0.00
Police*					
Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Animal Control	1.00	0.75	0.00	1.00	1.00
Chief of Police	1.00	1.00	1.00	1.00	0.00
Corporal	2.00	2.00	1.00	0.00	(1.00)
Police Officer	10.00	12.00	12.00	13.00	1.00
Records Clerk	1.00	1.00	1.00	1.00	0.00
Records Manager	1.00	1.00	1.00	1.00	0.00
Sergeant	3.00	3.00	4.00	5.00	1.00
Total Police	19.00	20.75	20.00	22.00	2.00
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	1.00	3.00	2.00	2.00	0.00
General Maintenance Worker	5.00	3.00	2.25	1.00	(1.25)
Lead Supervisor	3.00	3.00	3.00	3.00	0.00
Maintenance Specialist	0.00	0.00	2.00	2.00	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	1.00	0.00
WWTP Operator Grade II (Lead)	0.00	0.00	1.00	1.00	0.00
WWTP Water Operator Grade I	3.00	3.00	1.00	1.00	0.00
WWTP Water Operator Grade II	1.00	1.00	1.00	1.00	0.00
Total Public Works	18.00	18.00	17.25	16.00	(1.25)

*Police Department uses Level I & II contract reserves to augment staffing levels throughout the year. As of July 1, 2013 the department had six 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

POSITION ALLOCATION BY FUND

Fiscal Year 2013/2014

Staffing Positions	Internal									
	General Fund	Water	Sewer	Solid Waste	Storm Drain	Service Funds	Senior Nutrition	Landscp Lighting	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%	22.0%	21.0%	10.0%	0.0%	0.0%	0.0%	2.0%	7.5%	0.0%
Finance Director	6.0%	32.0%	18.0%	16.0%	0.0%	15.0%	0.0%	2.0%	6.0%	5.0%
Sr Acct/Personnel Officer	15.0%	30.0%	30.0%	8.0%	0.0%	5.0%	0.0%	0.0%	10.0%	2.0%
Junior Accountant	4.0%	32.0%	30.0%	25.0%	0.0%	7.0%	0.0%	2.0%	0.0%	0.0%
Account Clerk II	10.0%	32.0%	31.0%	25.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%
Account Clerk II	5.0%	35.0%	30.0%	25.0%	0.0%	0.0%	0.0%	5.0%	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 Services Coord.	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%
Bldg Permits Clerk Non-Cert	20.0%	70.0%	5.0%	5.0%	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	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%	30.0%	6.0%	2.0%	3.0%	0.0%	4.0%	24.0%	0.0%
PW Admin. Secretary	2.0%	30.0%	38.0%	15.0%	0.0%	3.0%	0.0%	6.0%	6.0%	0.0%
PW Operations Coord.	5.0%	25.0%	25.0%	0.0%	0.0%	2.0%	0.0%	3.0%	40.0%	0.0%
PW Lead Supervisor	5.0%	25.0%	22.0%	0.0%	0.0%	0.0%	0.0%	0.0%	48.0%	0.0%
PW Lead Supervisor	40.0%	10.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.0%	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.	20.0%	14.0%	16.0%	5.0%	0.0%	5.0%	0.0%	0.0%	40.0%	0.0%
Maintenance Worker	40.0%	5.0%	10.0%	0.0%	10.0%	0.0%	0.0%	0.0%	35.0%	0.0%
PW Maintenance Tech.	12.5%	0.0%	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. I in Trainin	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%
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:										
Account Receptionist	10.0%	38.0%	28.0%	22.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%
Comm Services Secretary	66.5%	0.0%	0.0%	0.0%	0.0%	0.0%	8.5%	0.0%	0.0%	25.0%
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%
Water Conservation	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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). Two new positions added; One Animal Control and One Police Officer.



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Supplemental Information



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.



Budget and Fiscal Policies

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:



Budget and Fiscal Policies

- 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.



Budget and Fiscal Policies

- 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:



Budget and Fiscal Policies

- 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

In 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 2013/13 the City’s appropriation limit is \$13,228,273; the GANN Revenue table identifies the City’s legal appropriation limit as required by Proposition 4.

EXHIBIT A		
GANN REVENUE LIMIT		
<p>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:</p> <p style="margin-left: 40px;">The growth in California Per Capita Income or The growth in the non-residential assessed valuation due to new construction within the City</p>		
<u>2012/2013 REVENUE LIMIT - \$ 12,303,081</u>		
Per City of Kerman, City Council Resolution No. 12-44		
<u>2013/2014 REVENUE LIMIT FACTORS</u>		
POPULATION:*		
January 1, 2013	14,225	January 1, 2012 13,908 2.28% increase
LOCAL ASSESSMENT ROLL: ***		
	<u>Secured</u>	<u>Unsecured</u>
2011/2012 Gross Assessed Value	\$506,953,338	\$21,030,829
CHANGE IN PER CAPITA PERSONAL INCOME*		
2013/2014	5.12%	
<u>CHANGE FACTOR</u>		
Population Change x Change in Per Capita Personal Income		
1.0228 x 1.0512 = 1.0752		
<u>TOTAL 2013/2014 ESTIMATED REVENUE</u>		
PROCEEDS OF TAXES	\$ 4,616,905	
NON-PROCEEDS OF TAXES	<u>5,172,110</u>	
TOTAL APPROPRIATIONS 2013/2014	<u>\$ 9,527,657</u>	
TOTAL 2013/2014 ESTIMATED REVENUE EXEMPT FROM LIMIT	\$ 4,616,905	
2013/2014 REVENUE LIMIT	\$13,228,273	
2013/2014 REVENUE SUBJECT TO LIMIT	<u>4,616,905</u>	
AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	<u>\$ 8,611,368</u>	
*Data provided by State of California, Department of Finance		
***Data provided by Fresno County Assessor’s Office		



Basis for Accounting

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 149](#) 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.



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.



Glossary

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



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Appendices



Appendix A – Budget Adoption Resolution

RESOLUTION NO. 13-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ADOPTING THE FISCAL YEAR 2013/2014 BUDGET

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 2013/2014 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 2012/2013 Budget as detailed in Exhibit 'B' attached hereto;

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.

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 2013/2014 Budget appropriation totals \$16,702,110 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 FY 2013/2014 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 2012/2013 Budget as specified in Exhibit 'B', which is also attached and incorporated by reference.

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 2012/2013 City of Kerman Budget is hereby adjusted according to Exhibit B, attached, and those adjustments become a part of the 2012/2013 City of Kerman Amended Budget.

SECTION 4. The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City's original resolutions; and make a minute of the adoption of the Resolution in the City Council's records and the minutes of this meeting.

SECTION 5. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 6: The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Kerman, held on the 19th day of June, 2013, and adopted at said meeting by the following vote:

AYES: Jones, Wilcox, Dhaliwal, Yep

NOES: None

ABSENT: Fox

ABSTAIN: None

The foregoing resolution is hereby approved.



Gary Yep
Mayor

ATTEST:



Marci Reyes
City Clerk



Exhibit A

Fund	Activity	Description	Personnel	M&O	Sub-Total Operations	Capital	Total
General Fund							
10	6001	City Council	\$16,800	\$13,400	\$30,200	\$0	\$30,200
10	6003	City Attorney	0	50,000	50,000	0	50,000
10	1002	City Manager	76,263	153,309	229,573	0	229,573
10	5005	Administrative Services	33,980	70,567	104,547	0	104,547
10	6004	City Clerk	17,717	11,400	29,117	0	29,117
10	1008	Planning	96,806	7,126	103,932	6,400	110,332
10	4007	Engineering	0	25,000	25,000	0	25,000
10	4042	Building	111,816	32,070	143,886	300	144,186
10	2002	Recreation & Comm Services Admin.	173,177	50,922	224,099	500	224,599
10	2044	Senior Center Services	85,400	26,142	111,542	0	111,542
10	2047	Aquatics Program	22,363	800	23,163	0	23,163
10	2062	Planned Recreation	21,591	7,975	29,566	0	29,566
10	2065	Youth Service Bureau	40,531	5,090	45,621	0	45,621
10	2069	Community Teen Center	88,550	37,091	125,640	2,500	128,140
10	3011	Police Operations	1,941,349	512,879	2,454,228	0	2,454,228
10	4041	Animal Control	34,705	13,342	48,047	300	48,347
10	4011	Buildings & Park Operations	88,939	84,134	173,073	14,200	187,273
Sub-Total General Fund			2,849,987	1,101,248	3,951,235	24,200	3,975,435
Enterprise Funds							
41	5005	Water	214,661	198,447	413,108	0	413,108
41	5006	Water	0	165,000	165,000	0	165,000
41	4011	Water Operations	407,778	501,643	909,421	12,500	921,921
42	5005	Sewer	178,175	187,645	365,820	0	365,820
42	5006	Sewer	0	204,536	204,536	0	204,536
42	4011	Sewer Collection & Operations	355,314	370,659	725,974	19,600	745,574
43	5005	Solid Waste (Refuse)	147,570	918,493	1,066,062	5,920	1,071,982
47	4011	Storm Drain Maintenance & Operations	37,083	30,359	67,442	4,004	71,446
Sub-Total Enterprise Funds			1,340,580	2,576,782	3,917,362	42,024	3,959,386
Internal Service Funds							
50	4011	Vehicle/Equipment Mtnc & Replacement	76,772	290,336	367,108	92,000	459,108
51	4011	Technology Maintenance & Replacement	18,829	22,260	41,089	45,330	86,419
Sub-Total Internal Service Funds			95,601	312,596	408,197	137,330	545,527
Special Revenue Funds							
10	3066	SLESF Grant	100,000	0	100,000	0	100,000
10	3999	Safety Grants, Contracts and Projects	37,700	7,250	44,950	12,250	57,200
11	4011	CIP Administration	0	0	0	0	0
17	4007	General Plan Updates	0	0	0	0	0
73	2046	Senior Nutrition Site Management	20,056	4,635	24,691	0	24,691
75	4011	Lighting & Landscaping District 1	106,720	68,143	174,862	3,580	178,442
80-85, 87	4011	Street Maintenance, TDA and Other	81,418	152,967	234,385	18,922	253,307
86	2049	Community Transit	110,031	5,550	115,581	2,731	118,312
88	4011	Street Maintenance, Operations & Admin	246,294	91,805	338,099	24,855	362,954
Sub-Total Special Revenue Funds			702,218	330,350	1,032,568	62,338	1,094,906
Capital Project Funds							
10	4024	Parks, Facilities & Equipment	0	0	0	74,588	74,588
12	4024	CDBG Construction	0	0	0	0	0
14	4024	Facilities Construction	0	0	0	52,008	52,008
41, 52-54	4024	Water Construction	0	0	0	2,576,689	2,576,689
42, 55-57	4024	Sewer Facilities Construction	0	0	0	437,081	437,081
48, 49	4024	Storm Drain	0	0	0	51,201	51,201
58, 59	4024	Parks Construction	0	0	0	41,169	41,169
78	4024	Parks Construction	0	0	0	259,920	259,920
80, 83, 88-92, 95	4024	Street Construction	0	0	0	3,634,200	3,634,200
Sub-Total Capital Project Funds			0	0	0	7,126,856	7,126,856
Grand Total All Funds			\$4,988,386	\$4,320,977	\$9,309,363	\$7,392,748	\$16,702,110



Exhibit "B"

**City of Kerman
Budget Amendments
Fiscal Year 2012/2013**

Account Number	Description	Original Budget	Budget Amendment	Amended Budget
Revenues				
10.0.3999.334.30.05	COG - Vehicle Abatement	-	21,000	21,000
10.0.0000.325.03.00	Vehicle Abatement - COG	8,000	(8,000)	-
Remove original \$8,000 from General Fund Revenues and add estimated year end revenues to Special Revenues (10.0 3999)				
Total Net Revenue Amendments			\$ 13,000	
Expenditures				
10.0.3999.410.20.05	COG - Part Time Wages	-	6,500	6,500
10.0.3999.420.00.05	COG - Fringe Benefits	-	1,000	1,000
10.0.3999.521.07.05	COG - Postage	-	750	750
10.0.3999.600.03.05	COG - Equipment	-	6,000	6,000
Add expenditures related to the COG Vehicle Abatement program to the PD Special Revenues Budget (10.0 3999)				
43.0.5005.510.01.00	Contract Services (Mid-Valley)	761,726	22,540	784,266
Increase Contract Services budget for Mid Valley Disposal, due to increased services. Will be offset by related revenues.				
50.0.4011.515.02.00	Fuel	120,000	5,000	125,000
50.0.4011.551.01.00	Communications/Telephone	2,000	500	2,500
50.0.4011.600.04.03	Alarm System	-	3,200	3,200
50.0.4024.600.04.33	Patrol Vehicles	66,672	18,910	85,582
Increase Vehicle/Equipment Fund operational budgets for Fuel and Telephone and for capital expenditures on Alarm and Patrol Vehicles. PD replaced on car early and purchased higher-mileage cars in FY 12/13 not scheduled for replacement				
12.0.4024.600.03.05	Del Norte Sewer Main	184,683	120,747	305,430
Increase capital project budget for Del Norte Sewer Main, to be paid for with additional CDBG grant allocations				
52.0.4024.600.03.36	8" & 12" Water Main Extensions for Well 18	-	6,000	6,000
53.0.4024.600.03.36	8" & 12" Water Main Extensions for Well 18	-	6,000	6,000
Increase capital project budget for Water Main Extensions for Well 18, to be paid for Development Impact Fee reserves				
49.0.4024.600.03.23	Crossroads (Kashian)	-	21,171	21,171
49.0.4024.600.03.15	Tract No. 5244 (Westco)	-	76,225	76,225
49.0.4024.600.03.16	Tract No. 5329 (Jonathan)	-	19,520	19,520
Add expenditures for reimbursement to developers for Storm Drain improvements to be paid from from DIF reserves				
Total Expenditure Amendments			\$ 314,063	



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Appendix B – Public Safety Salary Changes Resolution

RESOLUTION NO. 13-37

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN AMENDING 2013-2014 EMPLOYEE SALARY SCHEDULE “C” PUBLIC SAFETY

WHEREAS, the Salary Schedule attached hereto as Exhibit ‘A’ includes the hiring of an additional police officer through a COPS Grant awarded by the Department of Justice and the hiring of an Animal Control Officer position within the Kerman Police Department; and

WHEREAS, due to the ongoing financial uncertainty the City Council eliminated the budgeted but frozen police officer position in the fiscal year 2013/2014 budget; and

WHEREAS, the COPS Grant funded Police Officer will be hired on or after July 1, 2013 with 75% of the salary and benefits cost paid for through the COPS Grant for the first year; 50% of said salary and benefits cost the second year; 25% of said salary and benefits cost for the third year; and the salary and benefits paid 100% by the City of Kerman for one-full year; and

THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN DOES RESOLVE as follows:

1. That the amended salary schedule referenced as Exhibit “C” for Public Safety Employees is hereby approved to include the addition of one full-time Police Officer funded through the Department of Justice COPS Grant and a full-time Animal Control Officer.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 19th day of June, 2013, and approved at said regular meeting by the following vote:

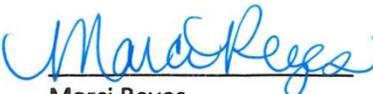
AYES: Jones, Wilcox, Dhaliwal, Yep
NOES: None
ABSENT: Fox
ABSTAIN: None

The foregoing resolution is hereby approved.



Gary Yep
Mayor

ATTEST:



Marci Reyes
City Clerk



EXHIBIT "C"

Public Safety Employees

July 2013 - June 2014

Public Safety	Step A	Step B	Step C	Step D	Step E	Step F	Step G
Sergeant	\$ 4,702	\$ 4,937	\$ 5,184	\$ 5,443	\$ 5,716	\$ 6,001	\$ 6,301
Corporal	\$ 3,942	\$ 4,139	\$ 4,346	\$ 4,564	\$ 4,792	\$ 5,031	\$ 5,283
Police Officer	\$ 3,575	\$ 3,754	\$ 3,942	\$ 4,139	\$ 4,346	\$ 4,563	\$ 4,791
Records Manager	\$ 2,789	\$ 2,928	\$ 3,075	\$ 3,228	\$ 3,390	\$ 3,559	\$ 3,737
Records Clerk	\$ 2,367	\$ 2,486	\$ 2,610	\$ 2,741	\$ 2,878	\$ 3,021	\$ 3,173
Animal Control	\$ 2,486	\$ 2,610	\$ 2,741	\$ 2,878	\$ 3,022	\$ 3,173	\$ 3,252
Administrative Assistant	\$ 2,789	\$ 2,928	\$ 3,075	\$ 3,228	\$ 3,390	\$ 3,559	\$ 3,737



Appendix C – GANN Appropriations Limit Resolution

RESOLUTION 13-36

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE 2013/2014 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

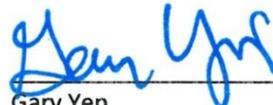
WHEREAS, pursuant to Article XIII B of the California Constitution, and those Government Code sections adopted pursuant to Article XIII B, section 8(f), the City Council chooses to adjust the City's appropriation limit by calculation inflation using the percentage change in per capita personal income 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 2013/2014 at \$13,228,273.

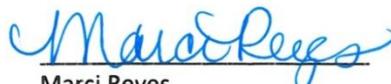
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN that the appropriations limit for the 2013/2014 Fiscal Year for the City of Kerman is established at \$13,228,273, as set forth on Exhibit "A" attached hereto and made a part hereof by this reference.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 19th day of June, 2013, and passed at said meeting by the following vote:

AYES: Jones, Wilcox, Dhaliwal, Yep
NAYS: None
ABSENT: Fox
ABSTAIN: None



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

2012/2013 REVENUE LIMIT - \$ 12,303,081

Per City of Kerman, City Council Resolution No. 12-44

2013/2014 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2013	14,225	January 1, 2012	13,908	2.28% increase
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LOCAL ASSESSMENT ROLL: ***

	<u>Secured</u>	<u>Unsecured</u>
2011/2012 Gross Assessed Value	\$506,953,338	\$21,030,829

CHANGE IN PER CAPITA PERSONAL INCOME*

2013/2014	5.12%
-----------	-------

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income
1.0228 x 1.0512 = 1.0752

TOTAL 2013/2014 ESTIMATED REVENUE

PROCEEDS OF TAXES	\$ 4,616,905
NON-PROCEEDS OF TAXES	<u>5,172,110</u>
TOTAL APPROPRIATIONS 2013/2014	<u>\$ 9,527,657</u>
TOTAL 2013/2014 ESTIMATED REVENUE EXEMPT FROM LIMIT	\$ 4,616,905
2013/2014 REVENUE LIMIT	\$13,228,273
2013/2014 REVENUE SUBJECT TO LIMIT	<u>4,616,905</u>
AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	<u>\$ 8,611,368</u>

* Data provided by State of California, Department of Finance

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



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 13.0

Description	Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year-End	Budget 2013-2014
361 02 00 Lease Income	242,352	239,352	237,853	239,752	243,165
361 01 00 Interest Income	0	0	0	0	
	<u>242,352</u>	<u>239,352</u>	<u>237,853</u>	<u>239,752</u>	<u>243,165</u>

Budget Highlights:

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



Public Finance Authority Annual Lease Payment

City of Kerman Annual Bond Lease Payment Breakdown Fiscal Year 2013/2014

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%	
10 - GF	12.5%	21,670			100%	28,637	50,307
14 - Facility	30%	52,008					52,008
58 - Park			50%	20,585			20,585
59 - Quimby			50%	20,585			20,585
41 - Wtr	25%	43,340					43,340
42 - Swr	20%	34,672					34,672
43 - S/W	10%	17,336					17,336
47 - S/D	1%	1,734					1,734
75 - L & L	1.5%	2,600					2,600
		<u>173,359</u>		<u>41,169</u>		<u>28,637</u>	<u>243,165</u>
FY 13/14 Payment	243,165						
<u>Allocations:</u>							
City Hall	173,359						
Comm Park	41,169						
Bruno Prop.	<u>28,637</u>						
	<u>243,165</u>						



Public Finance Authority Budget

City of Kerman Public Financing Authority Fiscal Year 2013/2014 Budget 13.0

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year-End	Budget 2013-2014
Acquisition						
600 01 96	Community Park	1,360	85	-	-	-
Sub-Total		1,360	85	-	-	-
Maintenance and Operations						
510 10 00	Professional Services-Admin Fee	1,500	1,845	1,500	1,500	1,500
Sub-Total		1,500	1,845	1,500	1,500	1,500
Construction and Equipment						
600 03 14	City Hall Parking Lot					
600 03 18	City Hall Expansion Project (Bonds)					
600 03 19	Planning Building Improvements					
600 03 88	Master Plan Design (Regional Park)		9,000	9,000	-	-
600 04 01	Finance Desks/Modules & Shelves					
600 04 35	Council Chambers Furn & Equip					
600 04 36	Video Conference Equipment					
600 04 37	Projector for Council Chamber	1,325	4,800			
Sub-Total		1,325	13,800	9,000	-	-
Debt Service						
700 01 00	Debt Service - Principal	75,000	75,000	80,000	80,000	85,000
700 02 00	Debt Service - Interest	165,852	165,853	159,753	159,752	156,665
Sub-Total		240,852	240,853	239,753	239,752	241,665
Total Expenditures		243,537	256,583	250,253	241,252	243,165

Budget Highlights:

None



Resolution Adopting PFA Budget

RESOLUTION NO. PFA 13-01

A RESOLUTION OF PUBLIC FINANCE AUTHORITY OF THE CITY OF KERMAN ADOPTING THE FISCAL YEAR 2013-2014 BUDGET

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

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

The Board of Directors has reviewed the proposed final Kerman Public Finance Authority Budget ("Budget") for fiscal year 2013-2014 attached as Exhibit 'A';

- A. The Budget is based upon appropriate estimates and financial planning for the Public Finance Authority acquisitions, capital improvements and debt service;
- 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 2013-2014 appropriation for the Public Finance Authority is **\$243,165**. 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. The Secretary is directed to certify the adoption of this Resolution; record this Resolution in the book of the City's original resolutions; and make a minute of the adoption of the Resolution in the Board of Directors' records and the minutes of this meeting.

SECTION 5. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

The foregoing Resolution was introduced at a regular meeting of the Kerman Public Finance Authority, held on the 19th day of June, 2013, and adopted at said meeting by the following vote:



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

The forgoing resolution is hereby approved.



Gary Yep
Chairman

ATTEST:



Marci Reyes
Secretary



EXHIBIT 'A'

**City of Kerman
Public Financing Authority
Fiscal Year 2013/2014 Budget
13.0**

Description		Audited 2010-2011	Audited 2011-2012	Adopted 2012-2013	Estimated Year-End	Budget 2013-2014
Acquisition						
600 01 96	Community Park	1,360	85	-	-	-
Sub-Total		1,360	85	-	-	-
Maintenance and Operations						
510 10 00	Professional Services-Admin Fee	1,500	1,845	1,500	1,500	1,500
Sub-Total		1,500	1,845	1,500	1,500	1,500
Construction and Equipment						
600 03 14	City Hall Parking Lot					
600 03 18	City Hall Expansion Project (Bonds)					
600 03 19	Planning Building Improvements					
600 03 88	Master Plan Design (Regional Park)		9,000	9,000	-	-
600 04 01	Finance Desks/Modules & Shelves					
600 04 35	Council Chambers Furn & Equip					
600 04 36	Video Conference Equipment					
600 04 37	Projector for Council Chamber	1,325	4,800			
Sub-Total		1,325	13,800	9,000	-	-
Debt Service						
700 01 00	Debt Service - Principal	75,000	75,000	80,000	80,000	85,000
700 02 00	Debt Service - Interest	165,852	165,853	159,753	159,752	156,665
Sub-Total		240,852	240,853	239,753	239,752	241,665
Total Expenditures		243,537	256,583	250,253	241,252	243,165

Budget Highlights:

None

