City Of Kerman

Fiscal Year 2016/17

Adopted Operating and Capital Budgets

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City Council

Mayor Stephen B. Hill
Mayor Pro Tem Gary Yep
Councilmember Rhonda Armstrong
Councilmember Kevin Nehring
Councilmember Bill Nijjer

~ Staff ~

John Kunkel, City Manager
Joseph Blohm, Chief of Police
Kenneth Moore, Public Works Director
Philip Gallegos, Community Services Director
Toni Jones, Finance Director
Marci Reyes, City Clerk
Adopted June 15, 2016

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CITIZEN'S GUIDE TO THE BUDGET

Citizen's Guide

The Citizen's Guide to the Kerman's 2016/17 Operating Budget is offered as to assist you in reviewing this document. Kerman is committed to providing a transparent budget to residents and other interested parties.

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 Actions are listed on Page 14 Departmental accomplishments are listed within each department's beginning on Page 59.

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

A. An overview of City's major revenues begins on Page 18, 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 22, 34, 43 and 50, respectively.

Q. How does the City spend its money?

A. A list of general fund expenditures by department is on Page 29. Beginning on Page 59 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 131 which is in the Capital Projects section of this budget document.

INTRODUCTION

City Manager Transmittal Letter

June 15, 2016

Honorable Mayor and City Council Members:

Presented here is the fiscal year 2016/17 budget for the City of Kerman. This year's budget continues the Council's goal of maintaining core services to our community while keeping Kerman on solid fiscal ground.

Kerman continues to make every effort to present a transparent funding plan for the City. As a result of our efforts, we have for the second consecutive year received the Distinguished Budget Award from the Government Finance Officers Association (GFOA). The City also received a third award from the California Society of Municipal Finance Officers (CSMFO) for Excellence in Budgeting.

> The financial crisis is a stark reminder that transparency and disclosure are essential in today's marketplace.
>
> ~Jack Reed

The economy continues to slowly recover from the recession and the outlook continues to point to greater recovery in the next year.

Local governments continue to struggle with financial impacts in the area of pension and health care.

With the elimination of redevelopment agency's cities have been saddled with an additional burden to help stimulate economic growth. Many economic incentives formally available to cities to help new businesses are simply gone and not available for consideration.

The theme of this year's budget is "Raising Fiscal Confidence". As we move from the concerns of fiscal uncertainty to a more secure financial environment, we must lead the way to show our citizens that the City of Kerman is financially stable and that we are prudent in the management of it. These assurances are shown by:

- Evaluating long range financial forecasting.
- Continue the practice of quarterly tracking sales tax.
- Living out our City motto of "Community Comes First."

The total operating budget for this year is: $17,594,860

The general fund budget is: $4,805,888

Fiscal year 2016/17 budget highlights:

- Continued long range forecasting for the general fund.
- Revenues will be less than projected expenditures.
- Total general fund revenue for the 2016/17 budget year is estimated to be $4,513,887
- Sales tax for the upcoming year is projected to be $1,830,461.

Economic Trends

The US economy remains in a recovery mode from the great recession. While recovery has been improving, it does so at a much slower pace than previous economic recoveries of the past.

Fresno County reported the lowest unemployment rate since 2008, dipping just below the 10 percent mark. The County and the neighboring areas' unemployment rate has steadily dropped in the past six years. The Business Forecasting Center at the University of the Pacific is predicting a 3% job growth rate for the State of California in the upcoming year. This is substantially higher than the rest of the country.

> "New home construction has been growing and is expected to boom in the coming year."
>
> Jim Prandini, Fresno BIA

The economic horizon for the City of Kerman bodes well. We have seen an increase in new home starts. New builders have resurrected two formerly abandoned subdivisions. Construction has started and should continue during all of 2017. Housing prices have risen and increased dramatically, especially in the Kerman area with a median home value of $199,800; a 10.3% increase over the past year.

Retail Growth

The Highway 180 corridor continues to attract national and regional retailers to Kerman. Starbucks Coffee is currently under construction and opening is anticipated in July 2016. Deli Delicious is also doing interior construction and will also be open sometime in June 2016. Sally's Beauty Supply opened early in 2016 and fills a much needed void in the Kerman retail market.

We expect further retail growth during the next fiscal year with possible additions of Jack in the Box restaurants as well as other national retailers.

Budget Concerns

As stated last year, health care and pension costs for city employees continue to be an issue of budgetary concern for the City. Costs in these two areas have risen dramatically in the last few years. Due to changes in the Affordable Health Care Act, the City went from the large employer category to the small employer category. This means that the City's health care rates are based on "age banded rates", which drive the cost of health care premiums up. The City is currently looking at future available options that might help to reduce the City's cost in this area.

Conclusion

Although the fiscal year 2016/17 budget shows a deficit, City Staff will be taking steps to ensure future balanced budgets.

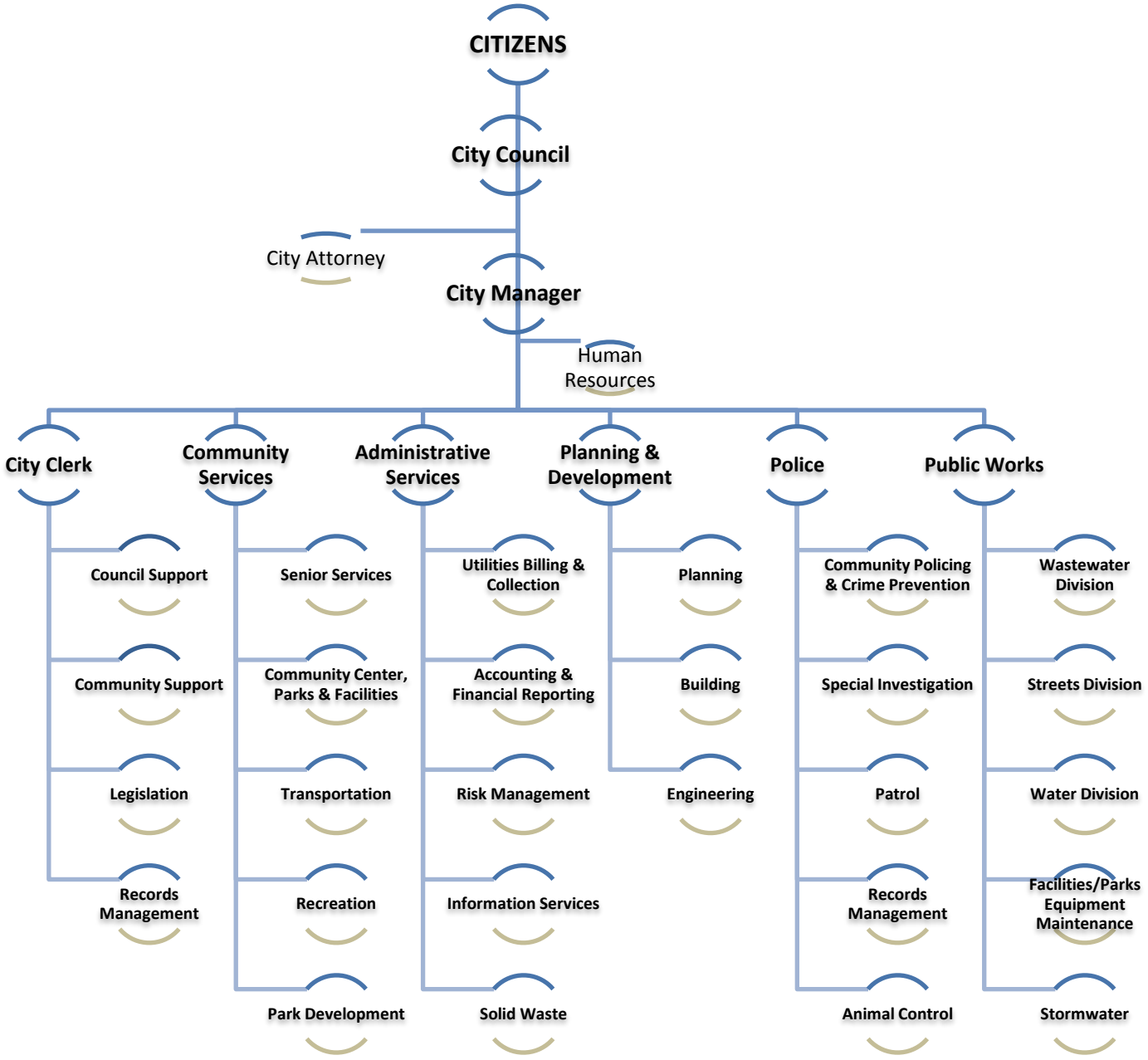
The City Council is fiscally conservative in its philosophy and approach to the annual budget. Therefore, citizens can rested assured that every area of the budget was critically examined to ensure that the funds encumbered were essential for departmental operations.

The men and women employed by the City of Kerman constantly strive to maintain and deliver the highest standard of customer service. Thanks in a large part to their dedication, Kerman truly is a City where "Community Comes First."

Respectfully Submitted,

John Kunkel
City Manager

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 are elected for four-year terms and the Mayor is elected for a two-year term. The Council sets policy and adopts the annual budget. They also appoint the City Manager, City Attorney and City Clerk.

Population:
Kerman's population is 14,366 as of May 2016 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

Parks:
11 developed parks totaling 42 acres. 5 acres of undeveloped neighborhood park land and 52 acres undeveloped land for future community parks.

Housing Growth:
Single-family housing continues to rebound in the City with 48 new homes being built in the Kerman Estates subdivision. During the past fiscal year 15 final occupancy permits were issued.

Household Income:
The median household income is $48,770 (2014).

Median Home Price:
Average median home price for first quarter 2016 was $199,800. Sales prices expected to rise 4.6% within the next year.

Total Housing Units:

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

Education/Schools:

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

City Development:

Commercial and industrial developments are important contributors to local sales and property tax revenues as well as new jobs. New commercial developments include Starbucks, Deli Delicious, and Sally's Beauty. A new dialysis clinic is now operation a with two tenant spaces for lease. Industrial expansions for Mid Valley Disposal Recycling and Transfer Station is now in phase 2 of a 30-acre expansion. Housing development and building continues to rebound with 3 new builders and the resurgence of Bordeaux II in track 5636 that was foreclosed a decade ago.

Largest Employers:

Kerman's largest employers reflect the diversity of the City and the strong agricultural base

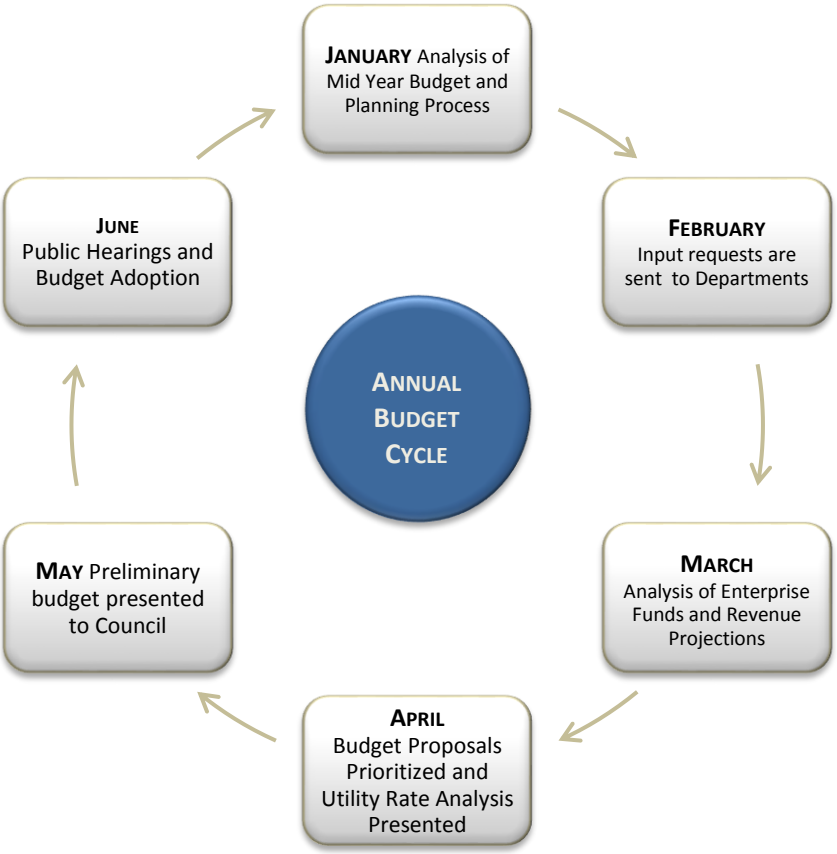
Name of Business	Product/Service	Employees
Kerman Unified School District	Education	480
Mid Valley Disposal	Solid Waste/Recycling	290
Walmart – Kerman	Retail	250
Panoche Creek	Almond Packer	160
MEC Ariel Platform	Ariel Lift	135
Hall Ag Enterprises	Labor Contractors	100
City of Kerman	Municipal Government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

Data Source

Population: Department of Finance California Population Estimates – May 2016
Credit Rating: Standard and Poor's Rating Service
Parks: City of Kerman Parks and Recreation Department
Housing Growth: City of Kerman Planning and Development Department
Household Income: U.S. Census Bureau, Selected Economic Characteristics
Housing median Sales Price: Zillow Home Prices 2016
Housing Units: Fresno Council of Governments
Education: Kerman Unified School District
City Development: City of Kerman Planning and Development Department
Largest Employers: Provided by individual employer or business data from internet

Budget Process

The budget document 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.
The City's annual budget process begins in January and concludes in June when the final budget is adopted.



January: Operating budget preparations begin with the analysis of the current year's budget, which helps to determine the base budget for the following year. The base budget excludes one-time revenue and expenses from the prior year.

February: Budget guidelines and instructions are finalized and distributed to each Department Head for input.

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

April: City departments meet with the City Manager and Finance Director to review the requests. Budget proposals are prioritized, refined, compiled and integrated into the recommended preliminary budget to be presented to the City Council. Proposed utility rate changes are presented to Council the first meeting in April for review and direction, and a public hearing date, if needed, is set in June by the City Council.

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

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

Community Motto

City Motto

A Place Where "Community Comes First"

Organizational Mission

Service.

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

Safety.

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

Livability.

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

Organizational Vision Statement

Facilitating progress while preserving the Community's character.

Organizational Core Values

People

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

Excellence

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

Team

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

Leadership

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

Innovation

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

Strategic Goals

Below is a result of the City Council Strategic Planning Meeting

Goals, Objectives and Action

Goal	Objective	Performance Outcomes
Fiscal Sustainability	▪ 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	▪ Review Quarterly Sales Tax Receipts to track sales tax revenues and report status to Council ▪ Review expenditure versus budget reports for each department on a monthly basis ▪ Conduct mid-year budget review and make adjustments as needed
Quality of Life	▪ 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	▪ Provide annual report to the Council on activities in youth, seniors and parks programs ▪ Install restrooms at Soroptimist Park ▪ Implement code enforcement operations to address minor violations.
Public Safety	▪ 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	▪ Engage the community by expanding neighborhood watch, use of social media, and sponsorship of community-based events. ▪ Expand the Crime Free Multi Family Housing Program ▪ Utilize reserve police officers to enhance staffing ▪ Complete the installation of surveillance equipment ▪ Formation of Citizen Advisory Committee
Capital Investments	▪ 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	▪ Deliver capital projects on time and within budget ▪ Seek grant opportunities to fund key facility and infrastructure projects
Economic Development	▪ Facilitate new commercial and industrial projects ▪ Continue partnership with Kerman Chamber of Commerce ▪ Continue partnership with the Fresno Economic Development Corporation (EDC)	▪ Process land use entitlements within 45 to 60 days ▪ Continued participation with Fresno County as the lead in economic development
Organizational Development	▪ 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	▪ Prepare a long-term staffing/workforce plan ▪ Develop localized training of key management and supervisorial staff
Organizational Transparency	▪ 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	▪ Post, job descriptions on the City website ▪ Create web-portal for employees to access personnel related information and policy documents

Budget Awards

Government Finance Officers Association

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Kerman, California for its annual budget for the fiscal year beginning July 1, 2015.

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

Budget Awards

California Society of Municipal Finance Officer Budget Award

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2015-2016

Presented to the

City of Kerman

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 23, 2016

Jesse Takahashi
CSMFO President

Michael Gomez, Chair
Professional Standards and Recognition Committee

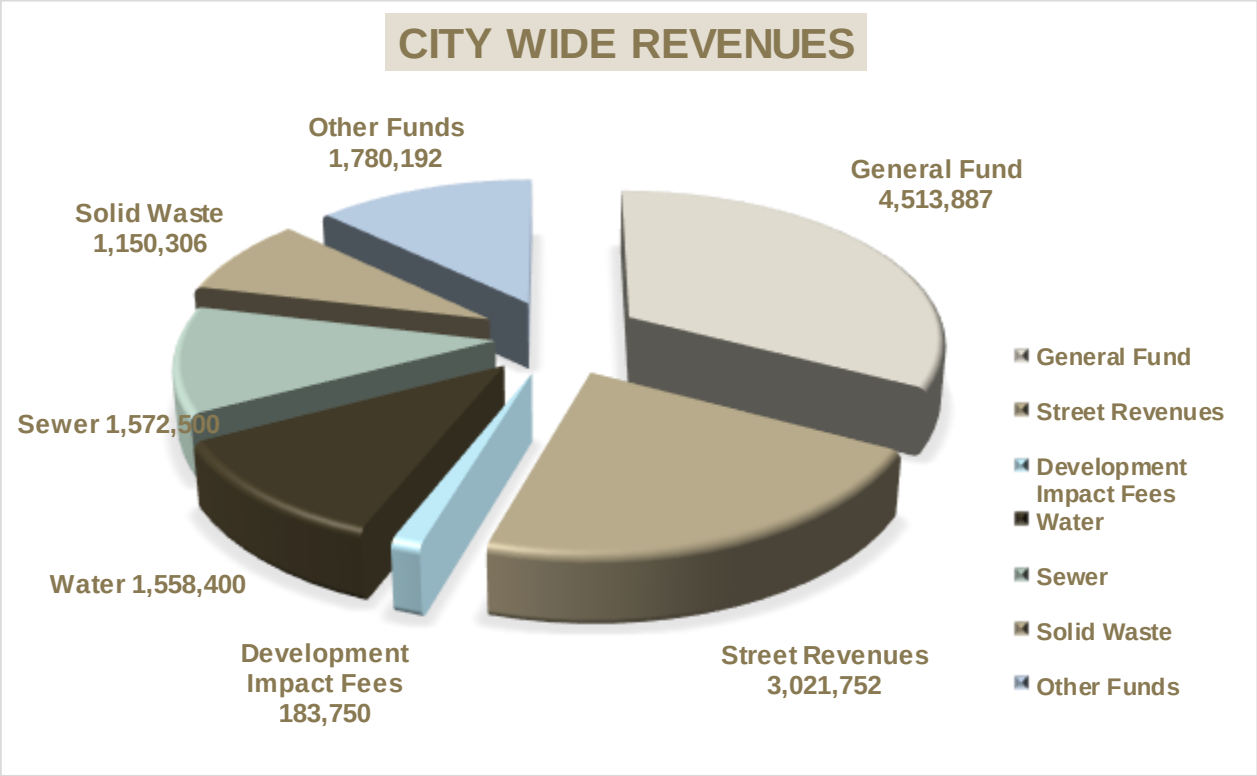
Dedicated Excellence in Municipal Financial Reporting

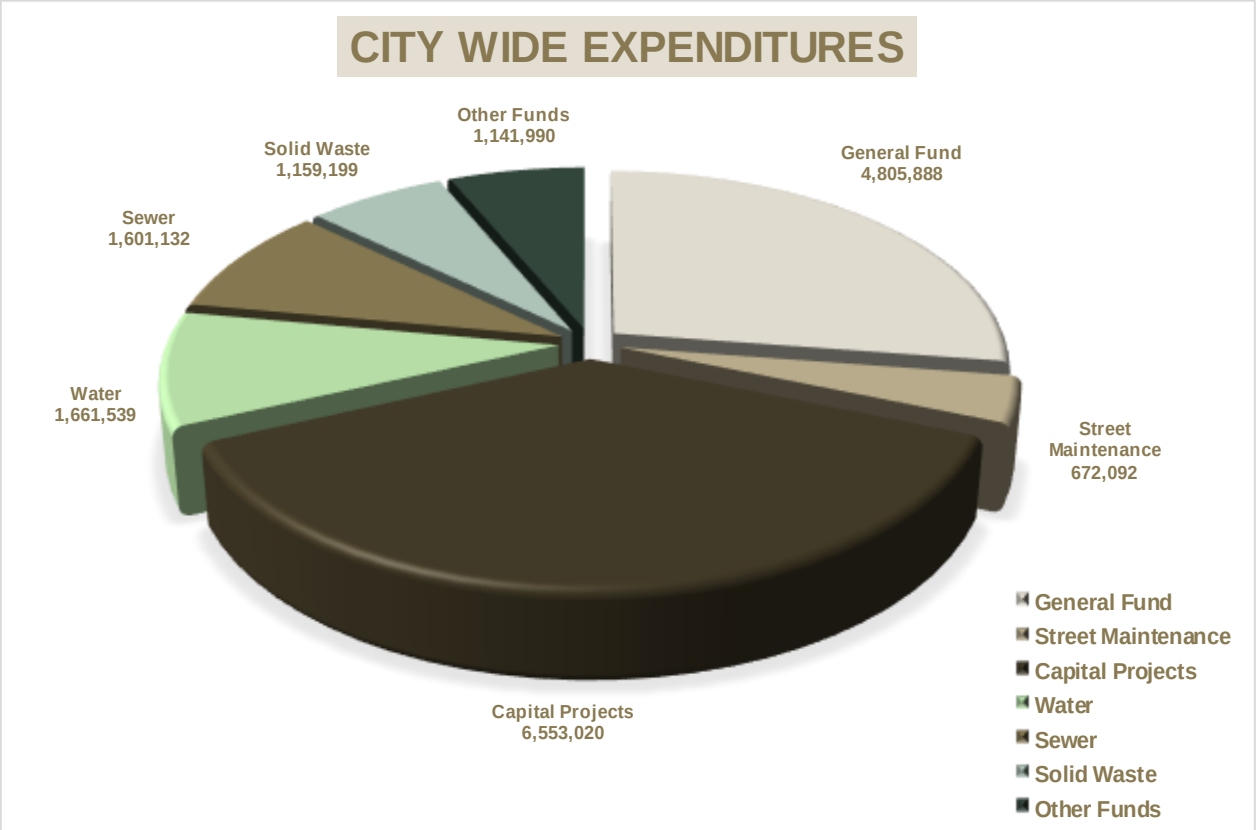
The California Society of Municipal Finance Officers (CSMFO) presented an Excellence in Budgeting Award to the City of Kerman for the fiscal year 2015/16 budget. The CSMFO Budget Awards Program recognizes those agencies that have prepared a budget document that meets certain standards

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

BUDGET OVERVIEW

Citywide Overview





City Summary

City Wide Revenues Summary

Fund	Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year-End	Budget 2016-2017
General Fund						
100	General Fund Revenues	4,409,075	4,849,876	4,509,857	4,798,293	4,513,887
	Sub-Total General Fund	**4,409,075**	**4,849,876**	**4,509,857**	**4,798,293**	**4,513,887**
Special Revenue Funds						
100	SLESF Grant	100,000	100,000	100,000	100,000	100,000
100	COPS Hiring Grant	44,017	33,011	17,986	24,000	4,000
120	CDBG	0	44,367	80,000	150,461	69,305
730	Senior Nutrition Site Management	14,092	24,751	13,144	16,000	16,000
780	Grants - Water Meters	0	37,523	682,930	0	658,184
750	Lighting & Landscaping District 1	207,036	209,279	212,787	212,000	212,777
800-850, 870	Street Revenues	1,965,675	1,298,831	2,995,716	1,265,350	3,021,752
860	Community Transit	101,632	104,768	100,000	100,000	100,000
Various	Development Impact Fees	234,296	205,007	186,180	576,555	183,750
	Sub-Total Special Revenue Funds	**2,666,747**	**2,057,537**	**4,388,743**	**2,444,366**	**4,365,768**
Internal Service Funds						
500	Vehicle/Equipment Charges to Dept's	448,059	524,930	574,351	574,651	490,959
510	Technology Charges to Dept's	81,463	65,865	54,169	54,069	54,517
	Sub-Total Internal Service Funds	**529,522**	**590,795**	**628,520**	**628,720**	**545,476**
Enterprise Funds						
410	Water	1,645,636	1,507,385	1,602,010	1,530,727	1,558,400
420	Sewer	1,434,170	1,504,402	1,534,300	1,554,287	1,572,500
430	Solid Waste (Refuse)	1,088,410	1,122,250	1,147,659	1,146,750	1,150,306
470	Storm Drain Maintenance & Operations	67,192	69,983	73,345	72,600	74,450
	Sub-Total Enterprise Funds	**4,235,408**	**4,204,021**	**4,357,314**	**4,304,364**	**4,355,656**
	Grand Total All Funds	**$11,840,752**	**$11,702,229**	**$13,884,433**	**$12,175,743**	**$13,780,788**

City Wide Operational Expenditures Summary

Fund		Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year-End	Budget 2016-2017
General Fund							
100		General Fund Expenditures	3,993,035	4,223,811	4,649,500	4,709,984	4,805,888
		Sub-Total General Fund	**3,993,035**	**4,223,811**	**4,649,500**	**4,709,984**	**4,805,888**
Special Revenue Funds							
100		SLESF Grant	100,000	106,230	100,000	100,000	100,000
100		Safety Grants, Contracts and Projects	57,168	39,643	62,513	62,513	60,176
730		Senior Nutrition Site Management	26,688	26,667	28,086	19,994	20,029
750		Lighting & Landscaping District 1	181,526	242,908	212,630	196,084	199,923
800-850, 870		Street Expenditures	628,008	675,428	729,566	682,285	672,092
860		Community Transit	108,501	117,278	123,176	129,756	133,029
Various		Development Impact Fees	0	25,692	0	0	0
		Sub-Total Special Revenue Funds	**1,101,890**	**1,233,847**	**1,255,971**	**1,190,632**	**1,185,249**
Internal Service Funds							
500		Vehicle/Equipment Expenditures	510,139	473,544	553,827	515,663	468,508
510		Technology Expenditures	60,972	65,839	69,716	57,948	97,793
		Sub-Total Internal Service Funds	**571,112**	**539,383**	**623,543**	**573,610**	**566,301**
Enterprise Funds							
410		Water	1,418,943	1,404,876	1,551,040	1,525,405	1,661,539
420		Sewer	1,226,177	1,375,064	1,415,640	1,448,824	1,601,132
430		Solid Waste (Refuse)	1,042,768	1,088,653	1,101,816	1,126,087	1,159,199
470		Storm Drain Maintenance & Operations	65,959	70,993	69,880	70,603	62,532
		Sub-Total Enterprise Funds	**3,753,847**	**3,939,586**	**4,138,376**	**4,170,918**	**4,484,402**
Capital Project Funds							
100	8000	Parks, Facilities & Equipment	56,129	61,386	133,000	93,000	229,195
120	8000	CDBG Construction	0	29,991	238,722	174,838	69,305
140	8000	Facilities Construction	52,008	51,362	401,435	61,435	402,095
410, 520-540	8000	Water Construction	99,901	56,569	3,868,205	266,695	2,050,117
420, 550-570	8000	Sewer Facilities Construction	444,901	14,542	75,000	75,000	75,000
480, 490	8000	Storm Drain	6,000	0	6,000	25,612	88,000
580, 590	8000	Parks Construction	41,170	40,658	40,716	40,716	41,238
780	8000	Parks Construction	236,465	68,157	0	0	0
800, 830, 880-920, 95	8000	Street Construction	1,877,953	678,140	3,933,116	1,129,914	3,598,070
		Sub-Total Capital Project Funds	**2,814,527**	**1,000,805**	**8,696,194**	**1,867,210**	**6,553,020**
		Grand Total All Funds	**$12,234,410**	**$10,937,431**	**$19,363,584**	**$12,512,354**	**$17,594,860**

Fund Balance Summary

The beginning fund balances are not provided until after the fiscal year end June 30. This sheet will be updated once the information is available.

Fund Balance Summary					
		6/30/2016	2016 - 2017 Budget		6/30/2017
Fund	Description	Fund Balance*	Revenue	Expenses*	Est. Balance
100	General Fund		4,513,887.00	4,805,888.00	(292,001.00)
110	CIP Administration - DIF		7,500.00	0.00	7,500.00
140	Facilities Construction - DIF		17,000.00	402,095.00	(385,095.00)
170	General Plan Update - DIF		3,500.00	0.00	3,500.00
300	Jobs/Housing Mitigation - DIF		0.00	0.00	0.00
410	Water		1,558,400.00	1,661,539.00	(103,139.00)
420	Sewer		1,572,500.00	1,601,132.00	(28,632.00)
430	Solid Waste		1,150,306.00	1,159,199.00	(8,893.00)
470	Storm Drain		74,450.00	62,532.00	11,918.00
480	Storm Drain Acquisition - DIF		1,125.00	10,000.00	(8,875.00)
490	Storm Drain Construction - DIF		3,100.00	78,000.00	(74,900.00)
500	Vehicle Equipment - ISF		490,959.00	468,508.00	22,451.00
510	Technology - ISF		54,517.00	97,793.00	(43,276.00)
520	Water Front Footage - DIF		2,000.00	0.00	2,000.00
530	Water Oversize - DIF		4,000.00	0.00	4,000.00
540	Water Major Facilities - DIF		29,500.00	5,000.00	24,500.00
550	Sewer Front Footage - DIF		1,400.00	0.00	1,400.00
560	Sewer Oversize - DIF		5,500.00	0.00	5,500.00
570	Sewer Major Facility - DIF		35,350.00	75,000.00	(39,650.00)
580	Park Development - DIF		35,000.00	20,619.00	14,381.00
590	Park Development - Quimby - DIF		10,125.00	20,619.00	(10,494.00)
730	Senior Site Mgmt./Nutrition		16,000.00	20,029.00	(4,029.00)
750	Landscape & Lighting District		212,777.00	199,923.00	12,854.00
800	Streets		89,787.00	86,503.00	3,284.00
810	Gas Tax - 2105		104,454.00	116,065.00	(11,611.00)
820	Gas Tax - 2106		48,437.00	25,000.00	23,437.00
830	Gas Tax - 2107		124,197.00	95,600.00	28,597.00
840	Gas Tax - 2107.5		3,025.00	0.00	3,025.00
850	SB 325 III		10,285.00	10,000.00	285.00
860	Transportation		112,000.00	133,029.00	(21,029.00)
870	SB 325 VIII		463,885.00	679,104.00	(215,219.00)
880	Measure C		391,099.00	339,188.00	51,911.00
910	Major Streets - DIF		7,650.00	55,000.00	(47,350.00)
920	Major Street Signals - DIF		2,500.00	140,000.00	(137,500.00)
930	Major Street Railroad - DIF		4,500.00	315,000.00	(310,500.00)
950	HUT 2103		35,261.00	276,107.00	(240,846.00)

Unaudited Balances
Excludes Depreciation Expense
DIF - Development Impact Fees
ISF - Internal Service Funds

GENERAL FUND

General Fund Overview

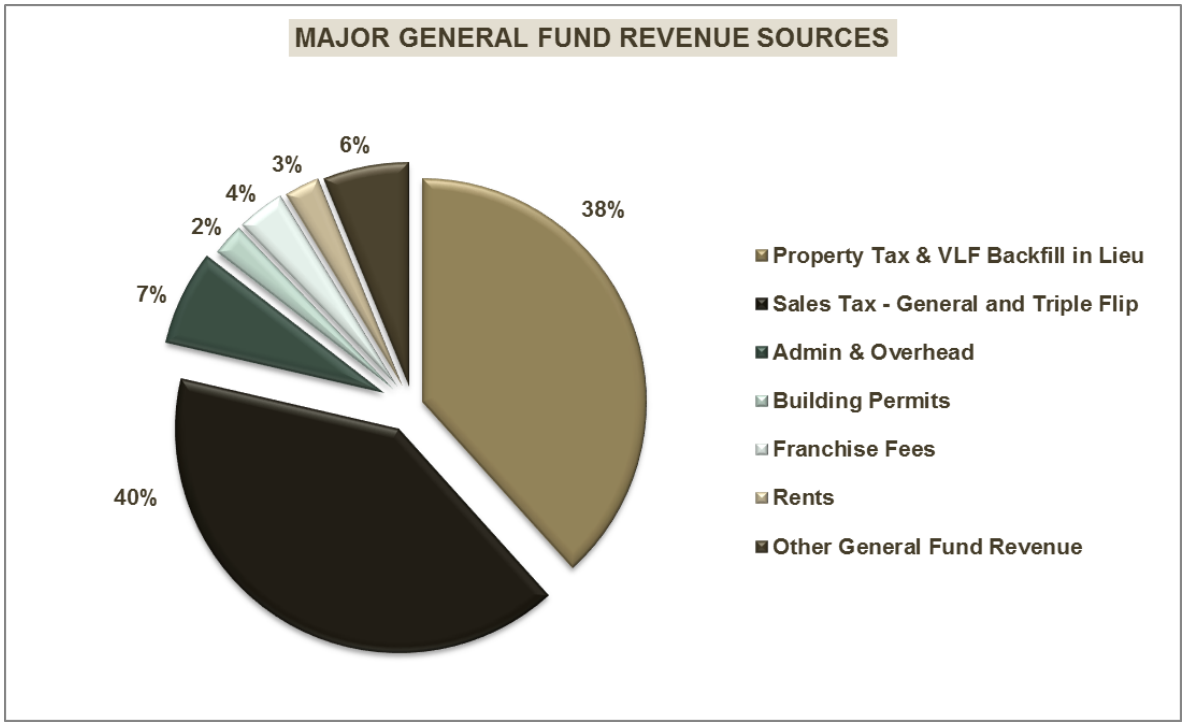
The General Fund covers all expenditure and receipt transactions, except for those special requirements that demand a separate fund account. The accounts of the General Fund reflect the major share of the City's fiscal transactions.

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

In Fiscal Year 2016/2017, total General Fund expenditures are projected to exceed revenues by $292,001 with $4,805,888 in projected expenditures and $4,513,887 of projected revenues. Total revenue of $4,513,887 represents a $12,653 or 0.28 percent increase from Fiscal Year 2015/2016 adopted budget. Included in this $4,513,887 is $5,000 of revenues to be transferred in for administration of the Successor Agency. General Fund expenditures for Fiscal Year 2016/2017 increased from $4,649,500 in Fiscal Year 2015/2016 adopted budget to $4,805,888 or an increase of $156,388 or 3.36 percent.

The General Fund's top two tax revenue sources (sales tax and property tax) combined account for $3,557,961 or 78.82 percent of total projected sources of funds in the Fiscal Year 2016/2017 adopted budget. A summary of General Fund revenues are:

→ Sales Tax	$1,830,461	→ Building Fees	$112,500
→ Property Tax	$1,727,500	→ Franchise Taxes	$156,000
→ Admin & O/H Fees	$ 310,771	→ Rents	$131,579
→ All Other	$ 245,076		



Sales Tax

Sales tax revenues are projected to be at $1.830 million, which is approximately a 1.21% increase over Fiscal Year 2015/2016 adopted budget. Additional outlots in the Walmart shopping center are being developed and should provide a slight increase in sales tax revenue.

Property Tax

Property values have maintained relatively stable in Kerman. Fiscal Year 2016/2017 property tax revenue is projected at $1,727,500 which is $50,000 above Fiscal Year 2015/16 adopted budget. The 2016/17 increase is due to new housing developments along with some commercial developments. A large portion of property tax comes from Property Tax In Lieu of Vehicle License Fee Backfill (Tax In-Lieu). We are projecting $1,108,000 from Tax In-Lieu for Fiscal Year 2015/2016 and $1,100,000 in Fiscal Year 2016/2017.

Administration and Overhead Fees

Fiscal Year 2016/2017 revenues are remaining the same as Fiscal Year 2015/2016 revenues for Administration and Overhead. These fees are charged to the various departments outside of the General Fund for their estimated share of costs related to the infrastructure and administration services provided by the City. No fee increases for administration and overhead are included in the Fiscal Year 2016/2017 budget.

Building and Planning Fees

Building Fee revenue is difficult to predict in an environment with unpredictable residential development and the possibility for rather large commercial development projects. Although we hope to see residential and commercial development continue, we are continuing to make a conservative projection for Fiscal Year 2016/2017. Building Fees are projected at $105,000, Planning and Zoning Fees $5,000, Construction and Demo Fees at $2,500 is budgeted for Fiscal Year 2016/2017.

Franchise Taxes

Franchise taxes are nearly the same for Fiscal Year 2016/2017 as the Fiscal Year 2015/2016 adopted budget. Franchise tax revenue is expected to be at $156,000. Franchise taxes are paid to the City of Kerman by PG&E and Comcast for cable television services.

Rents

Rental income is expected to decrease by 3.65% compared to Fiscal Year 2015/2016 adopted budget because of the termination of the Cricket lease. The Fiscal Year 2016/2017 projection for rental revenues is $131,579. The City's General Fund receives rents from the Community Teen Center, the 942 S. Madera Avenue building, agricultural properties being held for future parks, cell tower lease and from other facilities and parks.

Licenses and Permits

This revenue category is mainly comprised of Business License, Vehicle License Fee, Animal Licenses and Permits and Other Licenses and Permits. Total revenues for Fiscal Year 2016/2017 in this category are $74,900, with Business License revenue of $60,000, Vehicle License Fees of $5,500, Animal License and Permits of $6,000, Alcohol Permits $900, and Other Fees and Permits $2,500.

Fines and Penalties

In Fiscal Year 2016/2017 Fines and Penalties consist of Vehicle Code Fines of $30,000, Towed Vehicle Fees of $13,000, Parking Fines of $5,000 and Criminal Code Fines/Booking Fees of $1,000 for a total of $49,000. This is consistent with estimated 2015/2016 year-end revenues for this category.

Interest and Miscellaneous Income

Interest income and other miscellaneous items make up this total budget of $27,500 in Fiscal Year 2016/2017 which is up by 57 percent over the Fiscal Year 2015/2016 adopted budget.

Youth and Recreation Program Fees

Youth and Recreation program fees are the same for Fiscal Year 2016/2017. Additional recreation programs were added in Fiscal Year 2015/2016 and revenues are projected to be as budgeted for the new programs.

Reimbursements

This revenue category is made up of SB90 Reimbursement and Self Insurance Refund. In Fiscal Year 2014/2015 the State of California paid agencies for several years of reimbursements that were being held by the State. In Fiscal Year 2015/2016 the State paid agencies interest on the monies held by the State amounting to $62,705 for the City of Kerman. Those revenues were one-time revenue sources and no additional monies are expected beyond the annual reimbursements. Also no Self Insurance refund is anticipated in Fiscal Year 2016/2017.

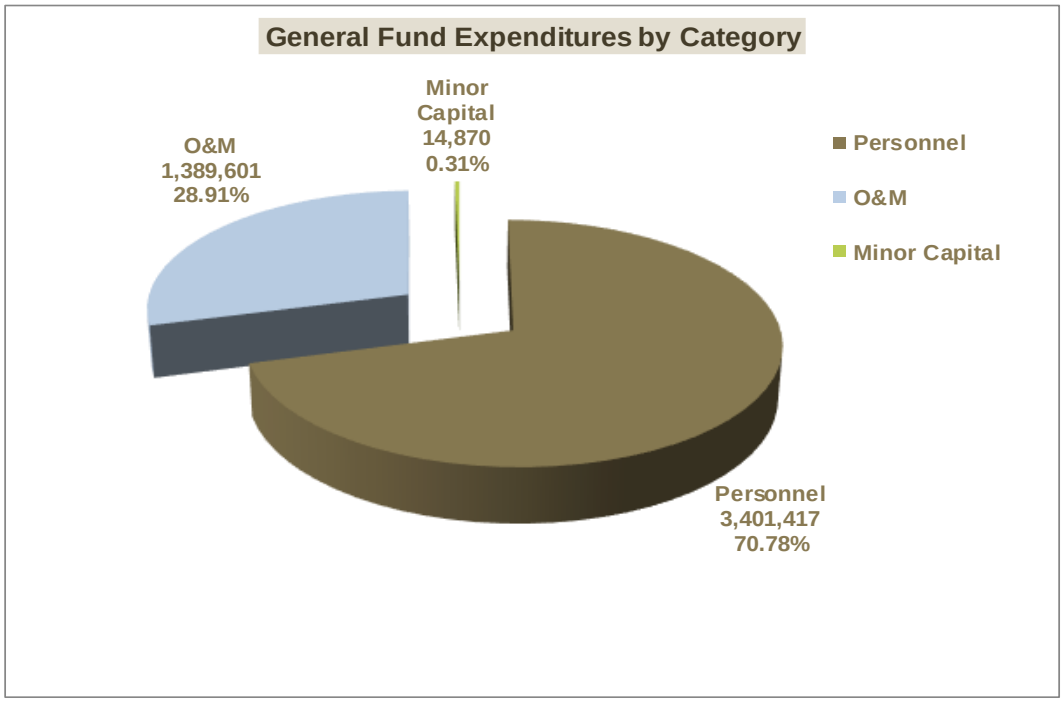
Other Fees for Services

Total Other Fees for Services are projected at $15,150 for Fiscal Year 2016/2017, with $4,500 from Police Department Special Services, $5,000 from Live Scan Finger Printing Fees, $1,500 Proof of Correction Fees, $3,000 Weed Abatement Fees, $1,000 Foreclosure Registration Fees and other Fees for Services $150. These service fees decreased 9 percent compared to Fiscal Year 2015/2016 adopted budget. The primary reason for this decrease is the reduction in weed abatement fees.

Expenses

Staff is proposing a $4,805,888 expense budget for the General Fund in Fiscal Year 2016/2017, an increase of $156,388, or 3.36 percent, compared to the Fiscal Year 2015/2016 adopted budget. Of the total 2016/2017 operating budget of $4,805,888 within the General Fund, personnel expenses make up $3,401,417 or 70.8 percent. Details of this major expenditure category are discussed below.

Breakdown of Expenditures



Salary and Benefits

Personnel expenditures include employee benefits such as pension and health benefits (medical, dental, vision, life and long term disability) for current full time City employees. CalPERS employer contributions for Fiscal Year 2016/2017 are as follows:

- Classic miscellaneous group 7.159 percent, up from 6.709 percent; an increase of 6.7 percent
- Post PEPRA miscellaneous group 6.555 percent, up from 6.237 percent; an increase of 5.1 percent
- Classic safety group at 12.055 percent, up from 11.53 percent; an increase of 4.6 percent
- Post PEPRA safety group 9.418 percent, up from 9.069 percent; an increase of 3.85 percent

Beginning in Fiscal Year 2015/2016 CalPERS began collecting employer contributions towards the City's unfunded liability in addition to normal payroll contributions. The total unfunded liability CalPERS will collect for Fiscal Year 2016/2017 is $53,180 compared to $41,083 for Fiscal Year 2015/2016 for the miscellaneous group and $36,317 compared to $29,820 for Fiscal Year 2015/2016 for the safety group, increases of 29.44 percent and 21.78 percent respectively.

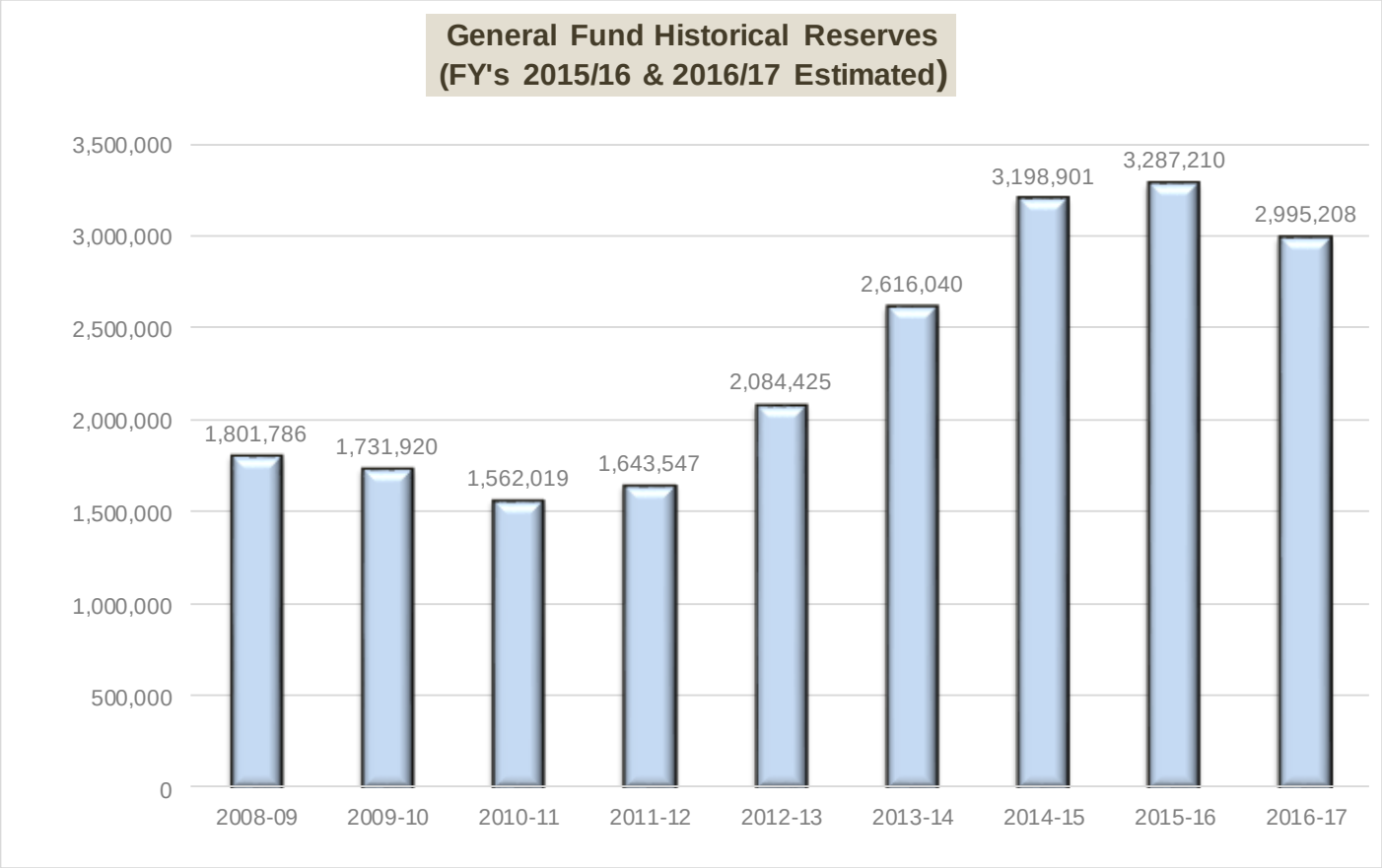
Staffing Levels

Administrative Services expanded one full-time position, a Human Resource Specialist. No other new full time positions were added for Fiscal Year 2016/2017 budget.

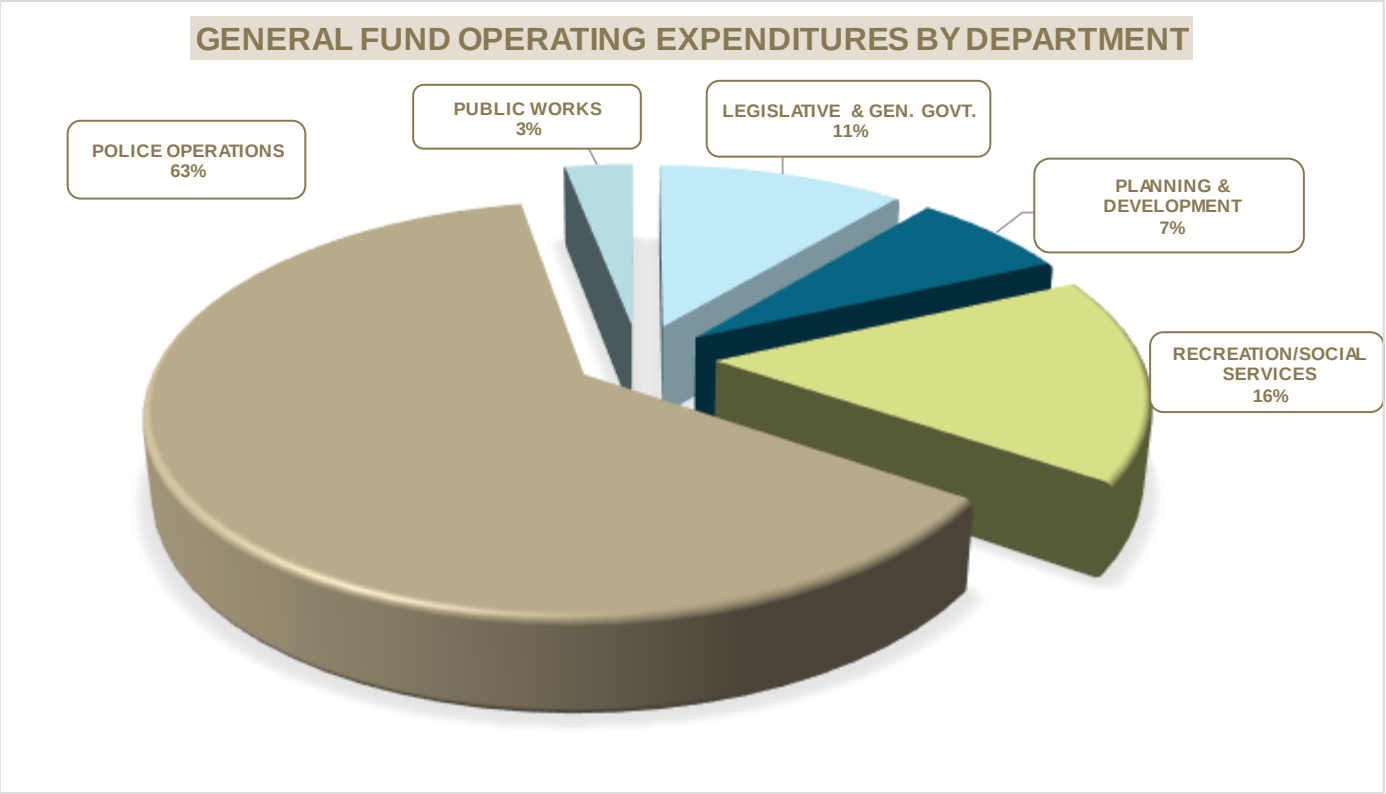
Reserves

The City's estimated General Fund Reserves are estimated to be approximately $3,287,210 as of June 30, 2016. Based on the Fiscal Year 2016/2017 operational budget expenditures of $4,805,888 and revenues of $4,513,887, the General Fund Reserves at June 30, 2017 is projected to be $2,995,209, which reflects a decrease of 9 percent.

General Fund Reserves



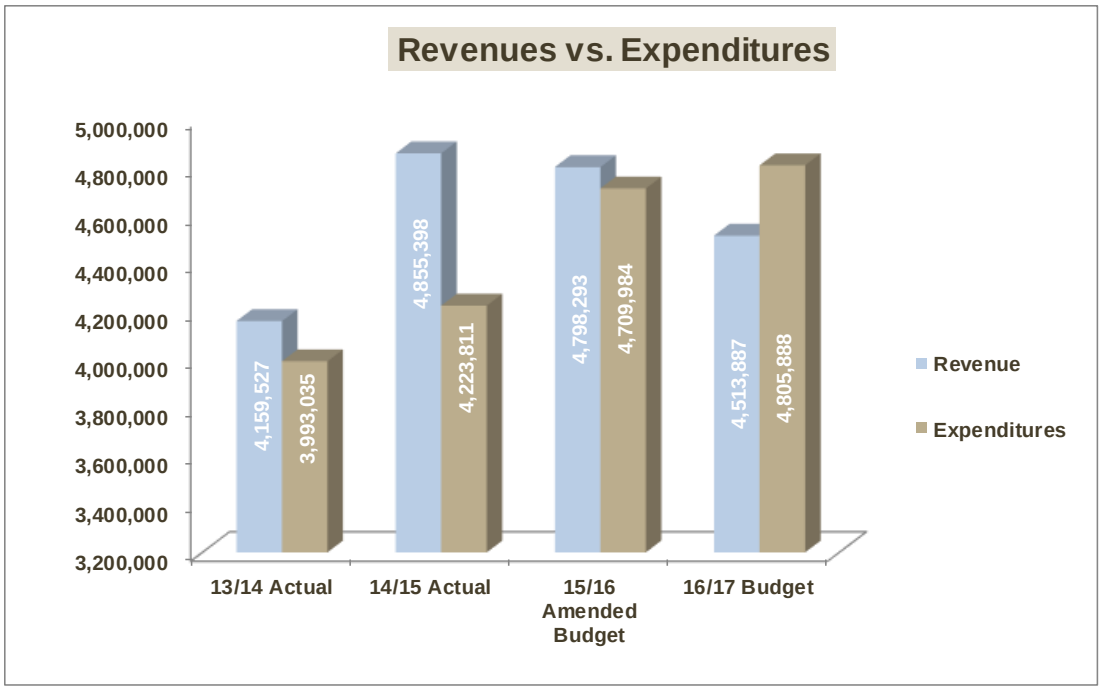
General Fund Operating Expenditures



Total Expenditures of $4.8 Million

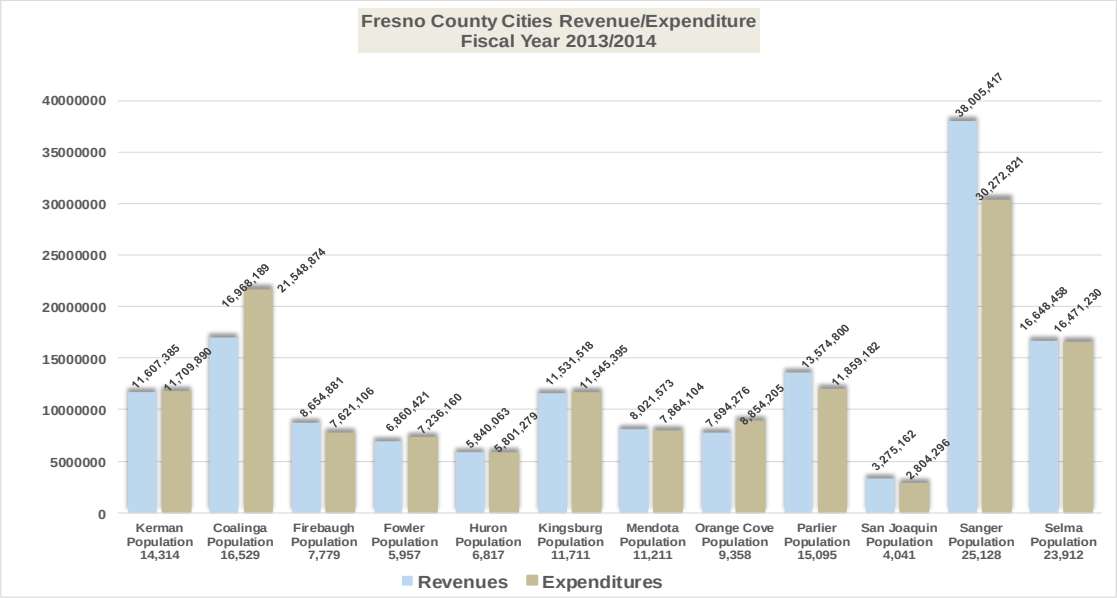
	Expenditure Amount	Percentage
Legislative and General Government	530,613	11.0%
Planning & Development	342,533	7.0%
Recreation/Social Services	786,279	16.4%
Police Operations	3,000,727	62.4%
Public works	145,736	3.0%
Total General Fund Operations	4,805,888	100.0%

General Fund Revenue vs. Expenditures



	Revenue	Expenditures	Excess (Deficit)
13/14 Actual	4,159,527	3,993,035	166,492
14/15 Actual	4,855,398	4,223,811	631,588
15/16 Amended Budget	4,798,293	4,709,984	88,309
16/17 Budget	4,513,887	4,805,888	(292,001)

Data for FY 2014/2015 is pending with the State Controller's office and will be added and disbursed under separate cover if received by September 1st; below is data for FY 2013/2014 for your information.



General Fund Summary

SUMMARY OF GENERAL FUND OPERATIONAL BUDGETS

Activity	Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	2015-2016 Estimated Year- End	Budget 2016-2017	Adopted vs Proposed $ Change	Exp % of Total GF Revenue	Incr/Dec (-) 2015/16 vs. 2014/15 Budget
LEGISLATIVE & GEN. GOVT.									
6001	City Council	$21,989	$29,611	$27,165	$29,815	$30,204	$3,040		11.2%
6003	City Attorney	59,986	37,855	75,000	75,000	75,000	$0		0.0%
1002	General Administration	228,773	199,990	205,256	235,104	259,749	$54,493		26.5%
5005	Administrative Services	98,038	111,356	123,691	121,904	123,614	($77)		-0.1%
6004	City Clerk	27,605	30,263	31,401	30,401	42,046	$10,644		33.9%
	TOTAL LEGISLATIVE & GEN. GOVT.	436,390	409,075	462,513	492,224	530,613	$68,100	11.8%	14.7%
PLANNING & DEVELOPMENT									
1008	Planning	101,707	109,136	182,964	146,014	188,832	$5,867		3.2%
1010	Engineering	40,276	26,291	25,000	35,000	25,000	$0		0.0%
1042	Building	128,565	155,515	123,067	161,267	128,701	$5,635		4.6%
	TOTAL PLANNING & DEVELOPMENT	270,549	290,943	331,031	342,281	342,533	$11,502	7.6%	3.5%
RECREATION/SOCIAL SERVICES									
2002	Recreation Administration	234,547	234,867	293,656	298,340	307,943	$14,288		4.9%
2010	Building Maintenance	45,802	63,241	127,940	136,940	161,542	$33,602		26.3%
2044	Senior Center Services	109,487	100,931	120,651	117,395	116,629	($4,022)		-3.3%
2047	Aquatics Program	21,779	27,728	42,219	42,219	34,174	($8,045)		-19.1%
2062	Planned Recreation	22,556	26,997	33,392	32,092	30,060	($3,332)		-10.0%
2065	Youth and Teen Serivces	37,521	52,566	57,315	54,217	54,177	($3,138)		-5.5%
2069	Community Teen Center	129,628	125,850	56,503	60,903	81,754	$25,251		44.7%
	TOTAL REC/SOC SERVICES	601,320	632,181	731,676	742,106	786,279	$54,603	17.4%	7.5%
POLICE OPERATIONS									
3011	Police Operations	2,483,503	2,708,022	2,915,417	2,925,103	2,943,617	$28,199		1.0%
3041	Animal Control	56,209	57,527	60,312	58,512	57,111	($3,201)		-5.3%
	TOTAL POLICE OPERATIONS	2,539,711	2,765,550	2,975,729	2,983,614	3,000,727	$24,998	66.6%	0.8%
PUBLIC WORKS									
4010	Parks Landscape Maintenance	145,064	126,062	148,551	149,759	145,736	($2,815)		
	TOTAL PUBLIC WORKS	145,064	126,062	148,551	149,759	145,736	($2,815)	3.2%	-1.9%
	TOTAL GENERAL FUND OPERATIONS	3,993,035	4,223,811	4,649,500	4,709,984	4,805,888	$156,389	106.6%	3.4%
	TOTAL GENERAL FUND REVENUE	4,159,527	4,680,398	4,401,234	4,703,815	4,508,887	$107,653		2.4%
	EXCESS (DEFICIT) REVENUE OVER EXPENDITURES	$166,492	$456,588	($248,266)	($6,169)	($297,001)			
	PERCENTAGE OF TOTAL G/F REVENUE	4.00%	9.76%	-5.64%	-0.13%	-6.59%			
	TRANSFER IN FROM SUCCESSOR AGENCY (S/A)	-	175,000	100,000	94,478	5,000			
	EXCESS (DEFICIT) AFTER TRANSFER IN FROM S/A	166,492	631,588	(148,266)	88,309	(292,001)			

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

General Fund Summary

General Fund Revenue Summary

Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	2015-2016 Estimated Year-End	Budget 2016-2017
Sales Tax	1,603,731	1,766,261	1,794,000	1,749,068	1,816,461
Property Tax	1,548,549	1,672,276	1,670,000	1,702,938	1,720,000
Admin & Overhead Fees	312,796	312,796	312,796	312,796	310,771
Building Fees	123,214	147,549	86,000	256,500	112,500
Franchise Taxes	158,829	146,592	150,000	189,702	156,000
Rents	126,879	134,437	136,565	139,878	131,579
Licenses and Permits	78,652	70,680	75,250	79,825	74,900
Fines and Penalties	62,920	47,320	49,500	58,500	49,000
Interest and Miscellaneous Income	52,233	69,300	48,423	67,547	55,026
Youth and Recreation Program Fees	39,608	35,971	45,500	40,500	45,500
Reimbursements	27,669	261,155	16,500	80,205	22,000
Other Fees for Services	24,447	16,061	16,700	17,370	15,150
Total Recurring Revenues	**4,159,527**	**4,680,398**	**4,401,234**	**4,694,830**	**4,508,887**
Transfer In - Successor Agency	249,548	169,478	100,000	94,478	5,000
Total Non-Recurring Revenues	**249,548**	**169,478**	**100,000**	**94,478**	**5,000**
Total General Fund Revenue	**4,409,075**	**4,849,876**	**4,501,234**	**4,789,308**	**4,513,887**

General Fund Expenditure Summary

Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	2015-2016 Estimated Year-End	Budget 2016-2017
City Council	21,989	29,611	27,165	29,815	30,204
City Attorney	59,986	37,855	75,000	75,000	75,000
General Administration	228,773	199,990	205,256	235,104	259,749
Administrative Services	98,038	111,356	123,691	121,904	123,614
City Clerk	27,605	30,263	31,401	30,401	42,046
Planning	101,707	109,136	182,964	146,014	188,832
Engineering	40,276	26,291	25,000	35,000	25,000
Building	128,565	155,515	123,067	161,267	128,701
Recreation Administration	234,547	234,867	293,656	298,340	307,943
Building Maintenance	45,802	63,241	127,940	136,940	161,542
Senior Center Services	109,487	100,931	120,651	117,395	116,629
Aquatics Program	21,779	27,728	42,219	42,219	34,174
Planned Recreation	22,556	26,997	33,392	32,092	30,060
Youth and Teen Serivces	37,521	52,566	57,315	54,217	54,177
Community Teen Center	129,628	125,850	56,503	60,903	81,754
Police Operations	2,483,503	2,708,022	2,915,417	2,925,103	2,943,617
Animal Control	56,209	57,527	60,312	58,512	57,111
Parks Landscape Maintenance	145,064	126,062	148,551	149,759	145,736
Total Expenditures	**3,993,035**	**4,223,811**	**4,649,500**	**4,709,984**	**4,805,888**

General Fund Five-Year Financial Forecast

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

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

	Proposed	ESTIMATED				
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
GF Revenues:						
Sales Tax (1)	1,816,461	1,880,037	1,945,838	2,013,943	2,084,431	2,157,386
Property Tax (2)	1,720,000	1,771,600	1,824,748	1,879,490	1,935,875	1,993,951
Other Revenue	977,426	968,803	968,803	968,803	968,803	968,803
Total Revenue	**4,513,887**	**4,620,440**	**4,739,390**	**4,862,236**	**4,989,109**	**5,120,140**
% Change		**2.36%**	**2.57%**	**2.59%**	**2.61%**	**2.63%**

	Proposed	ESTIMATED				
GF Expenses:	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Personnel (3)	3,401,417	3,453,258	3,497,401	3,533,684	3,551,016	3,557,909
Operations & Maintenance (4)	1,404,471	1,432,561	1,461,212	1,490,436	1,520,245	1,550,650
Total Expenses	4,805,888	4,885,819	4,958,613	5,024,120	5,071,261	5,108,559
% Change		**1.66%**	**1.49%**	**1.32%**	**0.94%**	**0.74%**
Excess Revenue Over Expenditures	(292,001)	(265,379)	(219,223)	(161,884)	(82,152)	11,581
GF Reserve Balance Estimate	2,995,208	2,729,830	2,510,606	2,348,722	2,266,571	2,278,152

Assumptions:

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

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ENTERPRISE FUNDS

Enterprise Funds Overview

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

Revenues

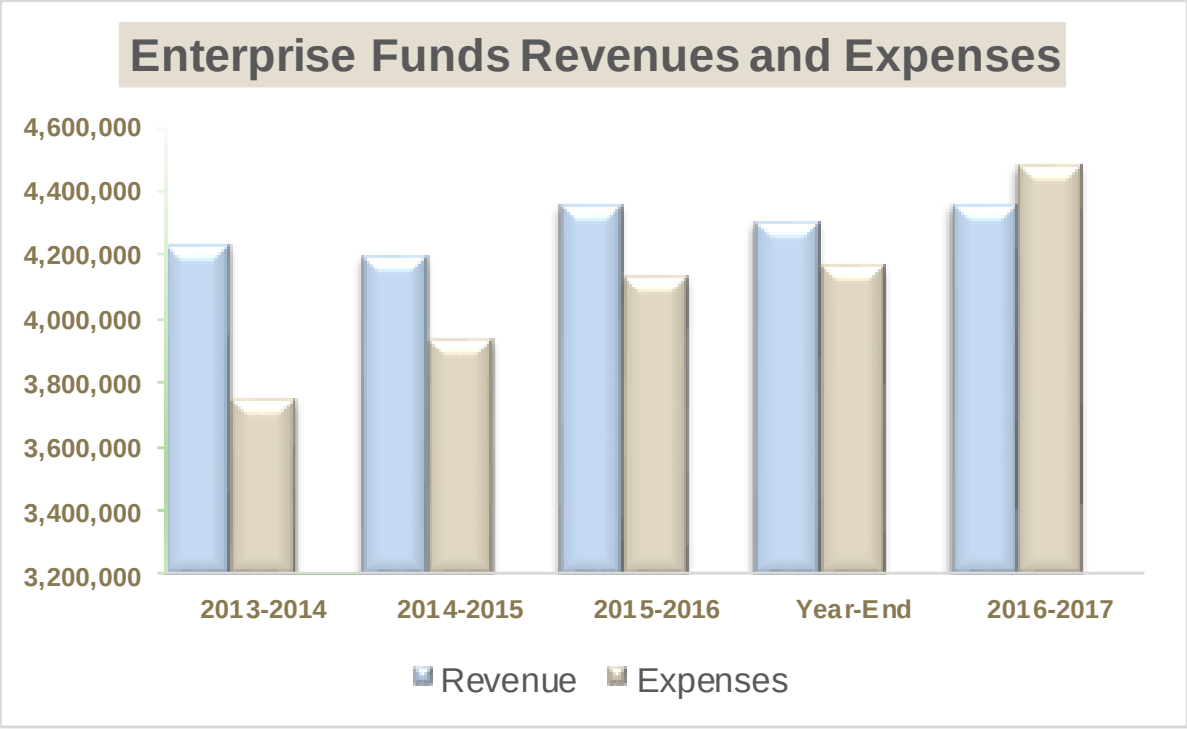
The total combined budgeted revenues of the Enterprise Funds for Fiscal Year 2016/2017 is $4,355,656, which is $1,658 less than Fiscal Year 2015/2016 adopted budget. The net decrease is attributed to a loss in water revenue because of water conservation effects due to the drought.

Expenditures

Aggregated operational expenditures for the Enterprise Funds are $4,484,402 in Fiscal Year 2016/2017, compared to $4,139,376 in Fiscal Year 2015/2016 adopted budget, an increase of $345,026 or 8.34 percent.

Total Enterprise Revenues and Expenditures

	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year-End	Budget 2016-2017
Total Enterprise Revenues	4,235,408	4,204,021	4,357,314	4,304,364	4,355,656
Total Enterprise Expenditures	3,753,847	3,939,586	4,139,376	4,170,918	4,484,402
Revenues in Excess of Expenditures	481,561	264,434	217,938	133,446	(128,746)



Utility Rate

This Fiscal Year 2016/2017 adopted budget includes a number of utility rate adjustments. The average monthly residential utility bill (combined utility services) for Non-Metered Customer is expected to increase by $1.69 or 2.15 percent. Metered Customers are expected to increase by $2.01 or 2.62 percent based on an average usage of 16,000 gallons per month.

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

- Water Fund - A rate increase of $0.75 cents, effective July 1, 2016
- Sewer Fund - A rate increase of $0.75 cents, effective July 1, 2016
- Solid Waste Fund - A rate increase of $0.09 cents, effective July 1, 2016
- Street Sweeping Fund - A rate increase of $0.05 cents, effective July 1, 2016
- Storm Drain Fund - A rate increase of $0.05 cents, effective July 1, 2016

PROPOSED UTILITY RATE CHANGES - FISCAL YEAR 2016-17

Effective July 1, 2016

WATER RATES	Current Rate	Proposed Increase	Proposed Total Base Cost		Flow Cost	Total Cost
Residential (Non-metered)	29.53	0.75	30.28	+	$0.00	30.28
Multi-Family (Non-Metered) per unit	23.98	0.75	24.73	+	$0.00	24.73
Commercial (Non-Metered)	29.53	0.75	30.28	+	$0.00	30.28
Residential & Multi-Family (3/4" Meter)	14.42	0.75	15.17	+	Usage	--- Examples
Residential & Multi-Family (1" Meter)	22.04	0.75	22.79	+	Usage	Below
Commercial (Metered-Rate Determined by Meter Size)						---
3/4" Meter	14.42	0.75	15.17	+	Usage	Examples
1" Meter	22.04	0.75	22.79	+	Usage	Below
1.5" Meter	41.05	0.75	41.80	+	Usage	
2" Meter	94.32	0.75	95.07	+	Usage	
3" Meter	174.24	0.75	174.99	+	Usage	
4" Meter	288.40	0.75	289.15	+	Usage	
6" Meter	573.79	0.75	574.54	+	Usage	
Water Cost per 1,000 Gallons	$ 0.81	0.02	$0.83			

WATER USE EXAMPLES	Base Cost		Flow Cost		Total Cost
16,000 gallons of usage	15.17	+	$13.28	=	$28.45
24,000 gallons of usage	15.17	+	$19.92	=	$35.09

SEWER RATES	Current Rate (Base + Flow)	Proposed Increase	Base Cost		Flow Cost		Total Cost
Residential (Metered/Non-metered)	30.86	0.75	9.20	+	22.41	=	31.61
Multi-Family Residential (Metered/Non-Metered) per unit	19.14	0.75	2.69	+	17.20	=	19.89
Commercial (Non-Metered)	30.86	0.75	9.20	+	22.41	=	31.61
Commercial (Metered)	8.45	0.75	9.20	+	Usage		
Low Strength					$1.10*		
Medium Strength					$1.43*		
High Strength					$2.74*		
*Cost per 1,000 Gallons of Water Usage							

SOLID WASTE	Current Rate	Proposed Increase	Total Cost
Residential Customers	16.03	0.09	16.12
Commercial Customers			1% Increase

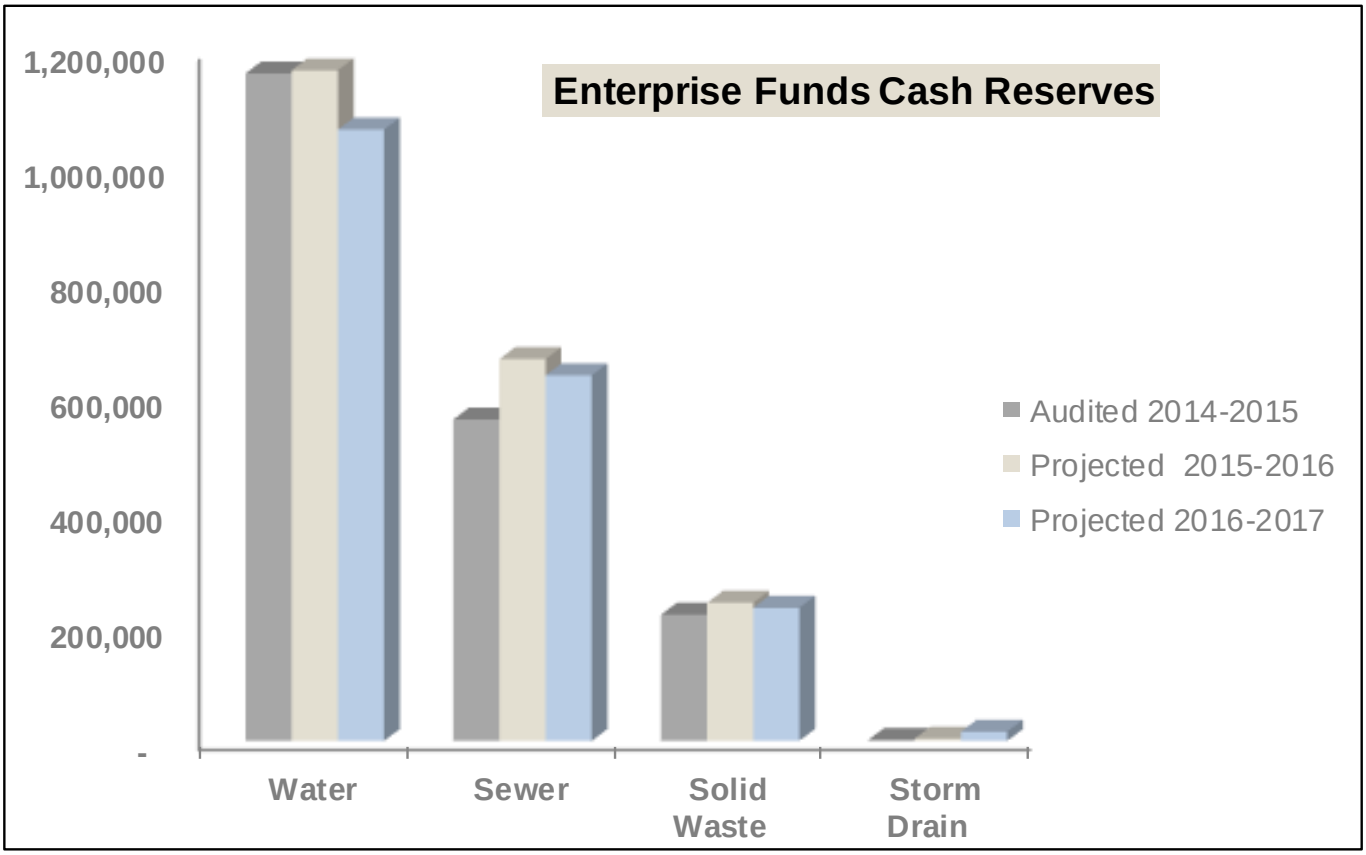
STREET SWEEPING	Current Rate	Proposed Increase	Total Cost
Residential	0.95	0.05	1.00
Multi-Family Residential per unit	0.52	0.05	0.57

STORM DRAIN	Current Rate	Proposed Increase	Total Cost
Residential (Metered/Non-metered)	1.55	0.05	1.60
Commercial (Non-Metered)	1.55	0.05	1.60
Commercial (Metered) - Based on Flow @ .0736 per 1,000 Gallons of Water Usage			

RECAP	Current Rate	Proposed Increase	Total Cost	% Increase
Non-Metered Customers	78.92	1.69	80.61	2.15%
Metered Customers Estimated @ 16,000 gallons of usage with 3/4" meter	76.77	2.01	78.78	2.62%

Reserves

Enterprise Fund Cash Reserves Summary			
Description	Audited 2014-2015	Projected 2015-2016	Projected 2016-2017
Water	1,161,644	1,166,966	1,063,827
Sewer	559,142	664,605	635,974
Solid Waste	219,746	240,409	231,516
Storm Drain	2,023	4,020	15,938
	1,942,555	**2,076,001**	**1,947,255**



As can be seen in the chart above, Water Reserves are projected to decrease by approximately $103,139 in Fiscal Year 2016/2017, Sewer Reserves by $28,631, Solid waste by $8,893 and a projected increase in Storm Drainage by $11,918.

Water

The Water Fund is projected to end Fiscal Year 2015/2016 with a surplus of $5,322 based on revenues of $1,530,727 and expenditures of $1,525,405. With the proposed $0.75 cent increase in Water rates for Fiscal Year 2016/2017, the Water Fund is projected to have expenditures in excess of revenues of $103,139 based on revenues of $1,558,400 and expenditures of $1,661,539.

With the decreased water revenue due to water conservation and an increase in on-going operational costs, staff will diligently work to monitor expenses and is hopeful the actual expenditures will be less than estimated. In 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 $340,073 in Fiscal Year 2014/2015.

Sewer

The Sewer Fund is projected to end Fiscal Year 2015/2016 with a surplus of $105,463 based on revenues of $1,554,287 and expenditures of $1,448,824. With the $0.75 cents increase in Sewer rates for Fiscal Year 2016/2017, the Sewer Fund is projected to have a slight deficit of $28,632 based on revenues of $1,572,500 and expenditures of $1,601,132.

The Sewer rate increase is necessary to cover the higher cost to operate the newly upgraded and expanded WWTP and service the debt on the SRF loan. The debt service was previously budgeted with 50 percent of the expense from Development Impact Fees (DIF's) but due to the downturn in building permits, which generate DIF's, the funds have been depleted in the Sewer Development Impact Fee Fund. In Fiscal Year 2016/2017, $75,000 of the total debt service payment will be paid from the DIF's reserve.

Sewer Fund Reserves

The FY 2015/2016 year-end balance in the Sewer Fund Reserves is projected to be $664,605. The balance in the Sewer Fund Reserves at the end of FY 2016/2017 is projected to be $642,724. The Sewer Fund Reserves have decreased from their peak of $1,699,429 in FY 2009/10 as capital investments have been made to the WWTP.

Sewer Major Facilities Development Impact Fees

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

The FY 2015/2016 year-end balance in the Sewer Major Facilities fees is projected to be $100,000 and is projected to be $60,000 in FY 2016/17 with $35,000 of Development Impact Fees estimated to be collected.

Solid Waste

The Solid Waste Fund is projected to end fiscal year 2015/2016 with a surplus of $20,663 based on revenues of $1,146,750 and expenditures of $1,126,087. With the $0.09 cent increase in Solid Waste rates for Fiscal Year 2016/2017, the Solid Waste Fund is projected to have a slight deficit of $8,893 of expenditures exceeding revenues based on revenues of $1,150,306 and expenditures of $1,159,199.

Expenses are projected to increase by 4.5 percent in Fiscal Year 2016/2017 over the 2015/2016 adopted budget which covers the contract cost based on the consumer price index (CPI) as stipulated in the contract with Mid Valley Disposal.

Storm Drainage

A slight increase in rates of $0.05 cents per customer was needed for ongoing operational costs in the Storm Drain Fund for Fiscal Year 2016/2017. The Storm Drain fund is projected to end Fiscal Year 2015/2016 with a surplus of $1,997 based on revenues of $72,600 and expenditures of $70,603. The Fiscal Year 2016/2017 budget for the Storm Drain fund estimates a surplus of $11,918 based on revenues of $74,450 and expenditures of $62,532.

Enterprise Funds Summary

Enterprise Fund Sources and Uses of Funds Summary

Description	Water	Sewer	Solid Waste	Storm Drainage	Total
Revenues					
User Fees	1,506,500	1,512,500	1,076,206	73,100	4,168,306
Penalties	31,000	25,000	15,000	1,200	72,200
Interest Earned	10,000	5,000	2,500	150	17,650
Rent	-	30,000	-	-	30,000
Other Income	10,900	-	56,600	-	67,500
Total Sources of Funds	**1,558,400**	**1,572,500**	**1,150,306**	**74,450**	**4,355,656**
Operating Expenditures					
Personnel	702,176	585,523	170,086	34,927	1,492,712
Maintenance and Operations	724,363	646,951	981,363	27,605	2,380,283
Debt Service	165,000	268,407	-	-	433,407
Operational Capital Expenditures	70,000	100,250	7,750	-	178,000
Subtotal	**1,661,539**	**1,601,132**	**1,159,199**	**62,532**	**4,484,402**
CIP - Capital Expenditures	970,933	-	-	-	970,933
Total Uses of Funds	**2,632,472**	**1,601,132**	**1,159,199**	**62,532**	**5,455,335**
To/From Reserves	**(1,074,072)**	**(28,632)**	**(8,893)**	**11,918**	**(1,099,679)**

Enterprise Funds Summary

City of Kerman
Enterprise Fund Operational Revenues and Expenditures Summary

SUMMARY OF ENTERPRISE FUND OPERATIONAL BUDGETS

Activity	Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	2015/16 Estimated Year- End	Budget 2016-2017	% of Rev's
	WATER FUND (410)						
	Total Water Fund Revenues	1,645,636	1,507,385	1,602,010	1,530,727	1,558,400	
5005	Water Administration & Accounting	394,499	395,219	439,935	465,997	516,151	
5006	Water - Debt Service	165,000	165,000	165,000	165,000	165,000	
4041	Water Operations	859,445	844,657	946,106	894,407	980,388	
	Total Water Fund Operations	1,418,943	1,404,876	1,551,040	1,525,405	1,661,539	
	Revenue in Excess of Expenditures	226,692.51	102,509	50,970	5,322	(103,139)	-7%
	SEWER FUND (420)						
	Total Sewer Fund Revenues	1,434,170	1,504,402	1,534,300	1,554,287	1,572,500	
5005	Sewer Administration & Accounting	351,511	319,652	347,988	367,355	421,909	
5006	Sewer - Debt Service	202,286	332,728	265,908	265,908	268,407	
4042	Sewer Operations	672,380	722,684	801,744	815,560	910,816	
	Total Sewer Fund Operations	1,226,177	1,375,064	1,415,640	1,448,824	1,601,132	
	Revenue in Excess of Expenditures	207,994	129,338	118,660	105,463	(28,632)	-2%
	SOLID WASTE (430)						
	Total Solid Waste Fund Revenues	1,088,410	1,122,250	1,147,659	1,146,750	1,150,306	
5005	Solid Waste Administration & Accounting	1,042,768	1,088,653	1,102,816	1,126,087	1,159,199	
	Total Solid Waste Fund Operations	1,042,768	1,088,653	1,102,816	1,126,087	1,159,199	
	Revenue & Transfer in Excess of Expenditures	45,642	33,597	44,843	20,663	(8,893)	-1%
	STORM DRAIN OPERATIONS FUND (470)						
	Total Storm Drain Operation Revenues	67,192	69,983	73,345	72,600	74,450	
4047	Storm Drain Maintenance & Operations	65,959	70,993	69,880	70,603	62,532	
	Total Storm Drain Fund Operations	65,959	70,993	69,880	70,603	62,532	
	Revenue in Excess of Expenditures	1,234	(1,010)	3,465	1,997	11,918	16%
	TOTAL ENTERPRISE FUND REVENUE	**4,235,408**	**4,204,021**	**4,357,314**	**4,304,364**	**4,355,656**	
	TOTAL ENTERPRISE FUND EXPENDITURES	**3,753,847**	**3,939,586**	**4,139,376**	**4,170,918**	**4,484,402**	
	EXCESS (DEFICIT) REVENUE	**$ 481,561**	**$ 264,434**	**$ 217,938**	**$ 133,446**	**$ (128,746)**	-3%

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

Enterprise Funds Summary

Enterprise Funds' Revenue Summary
Fiscal Year 2016-2017

Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year-End	Budget 2016-2017
WATER FUND (410)					
User Charges	1,587,999	1,447,115	1,556,010	1,475,000	1,506,500
Interest Earnings	16,135	13,134	12,000	12,000	10,000
Penalties	31,118	28,531	30,000	32,000	31,000
Meters	10,025	7,650	4,000	2,700	2,500
Credit Card Convenience	0	0	0	8,400	8,400
Miscellaneous	359	10,957	0	627	0
	1,645,636	**1,507,385**	**1,602,010**	**1,530,727**	**1,558,400**
SEWER FUND (420)					
User Charges	1,351,121	1,411,376	1,457,800	1,465,000	1,496,500
Septic Dumping Fee	23,513	21,565	15,000	15,000	15,000
Del Norte Sewer Trunk	544	532	500	4,500	1,000
Interest Earnings	7,514	5,644	5,000	5,500	5,000
Property Rental	25,028	31,336	30,000	34,747	30,000
Penalties	26,451	28,071	26,000	25,000	25,000
Sale of Dirt	0	5,879	0	4,540	0
Miscellaneous (PG&E Re	0	0	0	0	0
	1,434,170	**1,504,402**	**1,534,300**	**1,554,287**	**1,572,500**
SOLID WASTE FUND (430)					
Solid Waste Collection	1,021,767	1,051,597	1,073,732	1,070,000	1,076,206
Interest Earnings	3,343	2,875	3,000	2,500	2,500
Penalties	20,251	20,742	20,000	16,000	15,000
Waste Bin Charges	486	0	1,500	5,250	1,500
Grant	5,000	0	0	5,000	5,000
Street Sweeping	37,563	46,914	49,427	48,000	50,100
Miscellaneous	0	122	0	0	0
	1,088,410	**1,122,250**	**1,147,659**	**1,146,750**	**1,150,306**
STORM DRAINAGE FUND (470)					
User Charges	66,691	68,819	72,145	71,000	73,100
Interest Earnings	237	194	200	200	150
Penalties	0	970	1,000	1,400	1,200
Sale of Dirt	265	0	0	0	0
	67,192	**69,983**	**73,345**	**72,600**	**74,450**
TOTAL ENTERPRISE F	**4,235,408**	**4,204,021**	**4,357,314**	**4,304,364**	**4,355,656**

INTERNAL SERVICE FUNDS

Internal Service Funds Overview

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

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

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

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

The Fiscal Year 2016/2017 Internal Service Funds budget includes funding of $566,301 for personnel, contract services, operating supplies and the replacement of scheduled vehicles and computer equipment as needed. It also includes $545,476 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 2016/2017.

Internal Service Funds Summary

Internal Service Funds Revenue and Expenditure Summary	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
Revenues					
Charges to Departments (O & M)	446,148	438,667	476,484	476,484	401,376
Charges to Departments (Replace)	0	0	151,086	151,086	143,200
Miscellaneous/Grant	0	5,456	0	0	0
Interest Earnings	1,522	960	950	1,150	900
Total Revenues	**447,670**	**445,083**	**628,520**	**628,720**	**545,476**
Expenditures					
Operations & Maintenance	437,502	438,851	456,543	423,561	451,301
Replacement	133,610	100,532	167,000	150,049	115,000
Total Expenditures	**571,112**	**539,383**	**623,543**	**573,610**	**566,301**
Net To (From) Reserves	**(123,442)**	**(94,300)**	**4,977**	**55,110**	**(20,825)**

Vehicle Maintenance and Replacement Fund

VEHICLE MAINTENANCE & REPLACEMENT FUND

500 4050 & 500 8000

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	47,317	56,208	55,213	55,213	53,950
410	30	00	Overtime	2,343	2,622	3,000	3,000	3,000
410	35	00	Stand By	1,641	1,853	1,824	1,824	1,639
420	51	00	CalPERS Unfunded Liability	0	0	1,183	1,183	1,392
420	00	00	Fringe Benefits	21,316	27,675	26,418	26,418	29,129
			TOTAL PERSONNEL	**72,618**	**88,359**	**87,638**	**87,638**	**89,110**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	12,065	22,394	10,000	10,000	10,000
515	01	00	Utilities	8,762	9,009	10,000	10,000	10,000
515	02	00	Fuel	127,657	100,894	130,000	100,000	110,000
521	01	00	Office Supplies & Postage	455	252	500	650	800
521	03	00	Vehicle Supplies - Small Equipment	91,107	81,273	0	8,000	6,000
521	03	01	PD Fleet Preventative Maintenance	0	0	16,000	5,000	15,000
521	03	02	PD Fleet Repairs	0	0	16,000	23,500	16,000
521	03	03	Vehicle Preventative Maintenance	0	0	16,000	5,000	17,000
521	03	04	Vehicle Repairs	0	0	16,000	18,000	16,000
521	03	05	Equipment Repairs and Maintenance	0	0	16,000	15,000	16,000
521	06	00	Uniforms	168	287	350	360	360
550	00	00	Insurance	20,643	24,068	21,995	21,472	23,856
550	00	00	Insurance-Vehicles	0		4,500	4,500	4,726
551	01	00	Communications - Telephone	2,984	3,001	2,800	2,500	2,000
551	02	00	Communications - Cellular Phone	284	328	350	300	350
554	01	00	Travel - Conferences - Meetings	0	0	250	250	250
565	00	00	Internal Service Funds	4,454	5,926	6,480	6,480	4,092
560	00	00	Administration & Overhead	56,964	56,964	56,964	56,964	56,964
			TOTAL OPERATIONS & MAINTENANCE	**325,544**	**304,395**	**324,189**	**287,976**	**309,398**
CAPITAL - 4050								
600	04	03	Alarm System (Monitored)	3,200	0	0	0	0
600	04	05	Vehicle Tow Dolly	1,283	0	0	0	0
600	04	13	Small Equipment Replacement	2,217	0	0	0	5,000
600	04	16	Tire Balancer	0	0	7,000	5,655	0
600	04	17	Shop Cooler	0	0	3,000	2,398	0
600	04	18	Vehicle Diagnostic Scanner	0	0	2,000	1,997	0
600	04	19	Used Water Truck	0	0	0	0	65,000
CAPITAL - 8000								
600	04	33	Patrol Vehicles	65,394	62,381	130,000	130,000	0
600	04	34	PW Pickup & Three (3) CNG Vehicles	39,882	0	0	0	0
600	04	36	Bucket Truck (Used)	0	18,409	0	0	0
			TOTAL CAPITAL EXPENDITURES	**111,977**	**80,790**	**142,000**	**140,049**	**70,000**
			TOTAL DEPARTMENT BUDGET	**510,139**	**473,544**	**553,827**	**515,663**	**468,508**
							Budget to Budget Increase/(Decrease)	**(85,319)**
							Percentage of Change	**-15.4%**

TECHNOLOGY MAINTENANCE

510 5051

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	11,273	11,307	14,213	14,213	16,395
410	30	00	Overtime	11	33	0	0	0
420	51	00	CalPERS Unfunded Liability	0	0	305	305	423
420	00	00	Fringe Benefits	3,803	4,398	4,284	4,284	5,829
			TOTAL PERSONNEL	**15,087**	**15,737**	**18,802**	**18,802**	**22,647**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	24,253	30,360	25,768	29,000	30,000
565	00	00	Internal Service Funds	0	0	146	146	146
			TOTAL OPERATIONS & MAINTENANCE	**24,253**	**30,360**	**25,915**	**29,146**	**30,146**
CAPITAL								
600	04	00	Capital Outlay - Computers	21,632	19,741	25,000	10,000	45,000
			TOTAL CAPITAL EXPENDITURES	**21,632**	**19,741**	**25,000**	**10,000**	**45,000**
			TOTAL DEPARTMENT BUDGET	**60,972**	**65,839**	**69,716**	**57,948**	**97,793**
							Budget to Budget Increase/(Decrease)	**28,077**
							Percentage of Change	**40.3%**

Budget Highlights:

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

Main server is scheduled to be replaced in FY 2016/17 for an estimated cost of $15,000

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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, Development Impact Fees and certain State and Federal grants. The Fiscal Year 2016/2017 Capital Projects Budget includes several Street projects. The Fiscal Year 2016/2017 Special Revenue Funds budget includes $3,021,752 of Street revenues and $672,093 of operational expenditures for the maintenance of local streets.

Landscape and Lighting Maintenance District (L&LMD)

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

Development Impact Fees (DIF's)

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

Water Fund

The 2016/2017 budget includes $658,184 of grant funding for a capital project that will provide for the purchase and installation of water meters in many of the remaining homes in Kerman which do not yet have water meters installed. The City received the Proposition 84 grant which requires a $241,000 match that will be funded from the Water Operation Reserve. To encourage conservation, the City will install approximately 500 remaining meters so all properties are metered.

Public Safety

Certain special revenues are collected for specific use on public safety programs or projects. Included in such revenues are grants, such as the SLESF (Supplemental Law Enforcement Services Funds) and COPS (Community Oriented Policing Services) grants. Also included in this category of special revenues are special contracts that the Kerman Police Department (PD) is able to secure with other agencies or businesses, such as Kerman Unified School District to have an officer participate in on-campus programs for students and Fresno Housing Authority. The revenues from these contracts and grants are earmarked for specific purposes by the Kerman Police Department. The Fiscal Year 2016/2017 budget includes $104,000 of revenues and $160,176 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 $20,029 of expenditures, with $4,029 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 2016/2017 budget for this category is $133,029, with $12,000 coming from Measure "C".

Special Revenues by Fund

Special Revenue Funds Revenue and Expenditure Summary Description	Streets	DIF's Other	Water Fund	Parks	L&LMD	Public Safety	Nutrition	Transit	Total
Revenues									
Gas Tax	264,984								264,984
Measure "C"	390,799								390,799
Article III and Article VIII	470,070								470,070
Federal and State Grants	1,751,322		658,184						2,409,506
Comm Development & Block Grants				69,305					69,305
Traffic Congestion Relief (Prop 42)	33,761								33,761
Street Sweeping	22,687								22,687
Special Assessments					212,777				212,777
Development Impact Fees		183,750							183,750
Public Safety Contracts & Grants						104,000			104,000
Nutrition							16,000		16,000
Local Transit								100,000	100,000
Interest Income	5,975								5,975
Operating Transfers In	82,154						4,029	12,000	98,183
Total Sources of Funds	**3,021,752**	**183,750**	**658,184**	**69,305**	**212,777**	**104,000**	**20,029**	**112,000**	**4,381,797**
Expenditures									
Program Operational Expenditures	672,092				199,923	160,176	20,029	133,029	1,185,249
Operational Transfers Out	82,154	518,333							600,487
Transfer to Capital Projects	3,543,070	138,000	1,074,184						4,755,254
Total Uses of Funds	**4,297,316**	**656,333**	**1,074,184**	**0**	**199,923**	**160,176**	**20,029**	**133,029**	**6,540,990**
Net To (From) Reserves	**(1,275,564)**	**(472,583)**	**(416,000)**	**69,305**	**12,854**	**(56,176)**	**0**	**(21,029)**	**(2,159,193)**

As can be seen from the above summary, the City of Kerman has numerous capital projects scheduled for Fiscal Year 2016/2017. In total, uses of Special Revenue Funds are projected to exceed sources by nearly $2.1 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 6/30/16

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 $22,171,565 the City is not at risk of exceeding its legal debt limit.

Assessed Value - $591,241,725
Debt Limit is 3.75% of Assessed Value - $22,171,565
Less Outstanding Bonded Debt - N/A
Legal Debt Margin - $22,171,565
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%. The outstanding balance at June 30, 2015 was $3,390,000.

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, 2015 was $283,285.

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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, 2015 was $2,144,999.

California Department of Water Resources Wastewater Upgrade Loan

The City entered into a revolving loan agreement with the State of California, Department of Water Resources in September 2009. The agreement provides for a loan of up to $4,957,479 for sewer system upgrades. Construction period interest of $38,241 was combined with the loan amount for a final total loan of $4,995,720. Terms of the loan call for annual payments of $276,743 including interest at 1.0%, which began September 2012 and will mature in September 2031. The outstanding balance on the note at June 30, 2015 was $4,306,737.

California Energy Commission Note Payable

In February of 2012, the City entered into a loan agreement for $86,321 with the State of California Energy Commission to retrofit existing street lights with LED technology. Terms of the note call for semi-annual payments of $5,032 including interest at 3.0%, which began December 2012 and will mature in June 2022. The outstanding balance on the note at June 30, 2015 was $63,115.

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BUDGET BY DEPARTMENT

City Council

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

Obligations

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

Mayor Stephen Hill

Mayor Pro Tem Gary Yep

Council Member Rhonda Armstrong

Council Member Kevin Nehring

Council Member Bill Nijjer

City Council Budget

CITY COUNCIL

100 6001

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	20	00	Part Time Salaries	11,946	14,054	15,000	15,000	15,000
420	00	00	Fringe Benefits	1,263	1,680	1,849	1,849	1,898
420	00	00	Fringe Benefits					
420	11	00	FICA Tax Expense	748	880	930	930	930
420	12	00	FICA MED Tax Expense	175	206	218	218	218
420	40	00	Health Insurance Expense			0	0	0
420	50	00	Retirement City Contribution			0	0	0
420	55	00	Worker's Compensation Expense	220	461	447	447	495
420	60	00	SDI	119	133	255	255	255
			Check Total	0	0	0	0	0
			TOTAL PERSONNEL	**13,209**	**15,733**	**16,849**	**16,849**	**16,898**
OPERATIONS & MAINTENANCE								
510	10	00	Prof Services - Chamber Audio System Maintenance	0	0	500	500	-
521	02	00	General Supplies	966	1,943	1,200	1,200	1,000
552	01	00	Public Notice	1,369	765	1,000	2,500	3,000
554	01	00	Travel - Conferences - Meetings		5,546	1,000	2,150	3,690
555	06	00	Website Updates and Add Ons	1,140	0	0	0	0
556	00	00	Community, Employee & Public Relations	4,605	4,524	5,500	5,500	4,500
565	00	00	Internal Service Funds	700	1,100	1,115	1,115	1,117
			TOTAL OPERATIONS & MAINTENANCE	**8,780**	**13,878**	**10,315**	**12,965**	**13,307**
CAPITAL								
600	03	00	Capital Outlay - Improvements - Council Monitors	0	0	0	0	0
600	04	00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**21,989**	**29,611**	**27,165**	**29,815**	**30,204**
							Budget to Budget Increase/(Decrease)	**3,040**
							Percentage of Change	**11.2%**

Budget Highlights:

Travel-Conferences-Meetings - League of CA Cities New Mayor and Council Member Conference, Elections Nov. 2016

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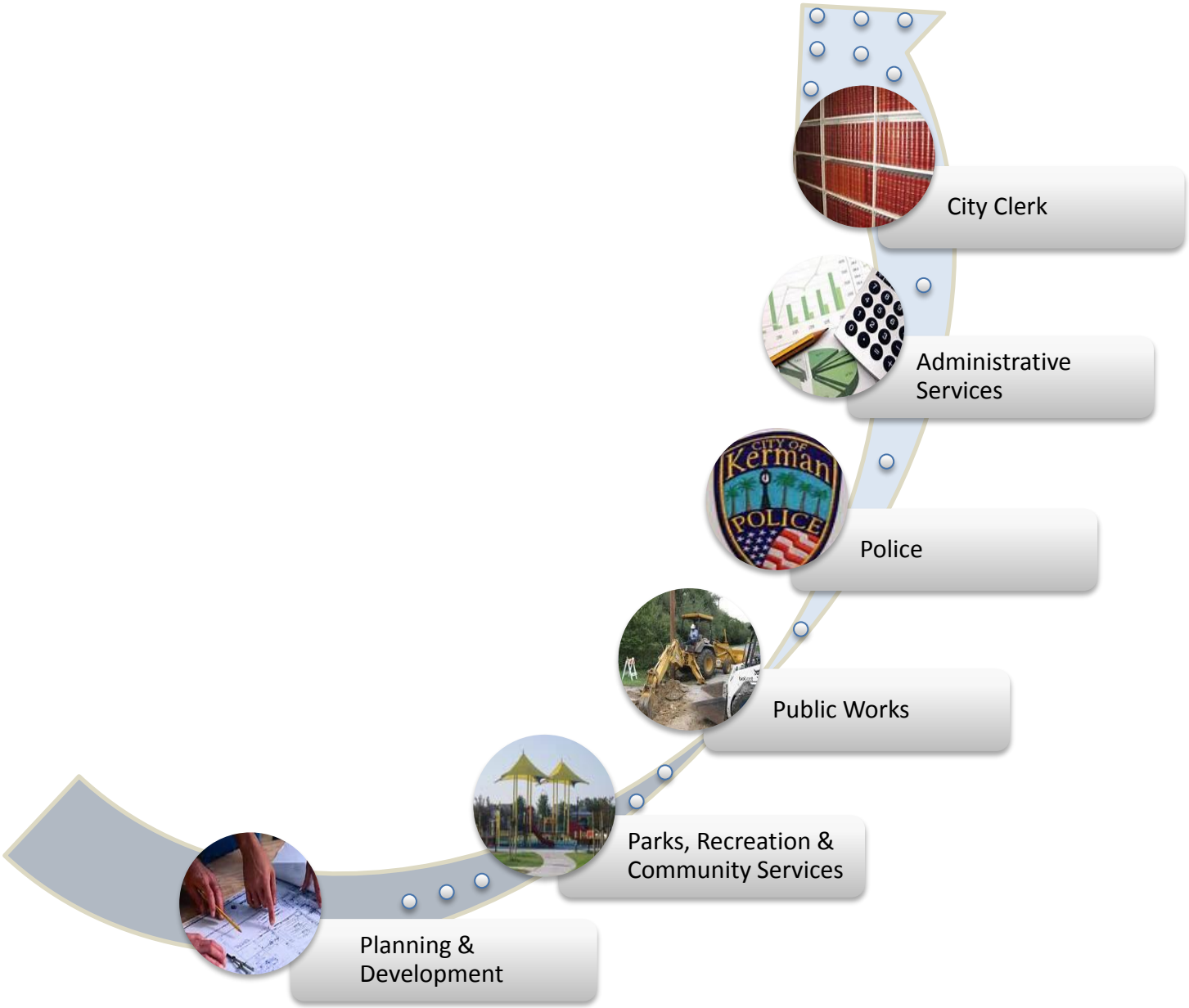
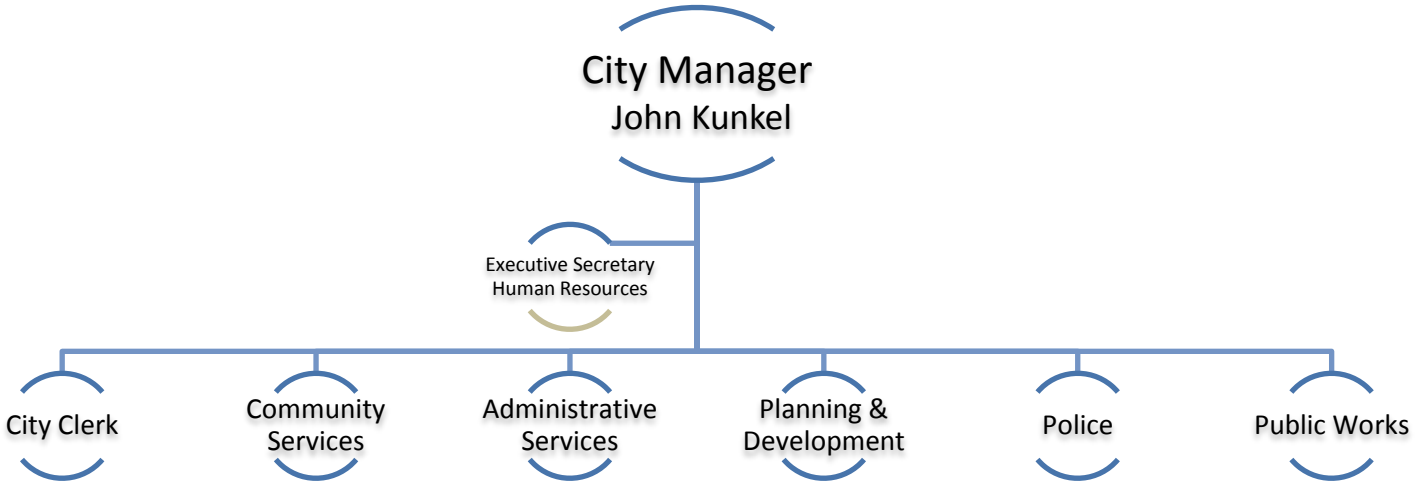
City Manager



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



City Manager

Key Achievements

- ✓ Completed Multijurisdictional Housing element.
- ✓ Maintained a balanced budget.
- ✓ Implemented policy and directives from City Council.
- ✓ Began construction phase of Starbucks Coffee building.
- ✓ Received budget awards from the CSMFO and the GFOA second consecutive and third respectively.
- ✓ Nominated for the League of California Cities Helen Putnam Award for the Hacienda Heights after school program.

Goals

- → Continue to develop economic development strategies in light of the loss of redevelopment agency.
- → Become known as a Business friendly City.
- → Reach out to other Westside cities and become regionally aligned in making those issues germane to our communities heard in County and State matters.

Key Performance Measures

→ **Goal 1**	Add Sales Tax Initiative to ballot
Objective	To construct new parks/fairground area, senior center, and police station
Status	Ballot Measure to Voters 2016 - Goal was evaluated by the City Council during the budgetary process

→ **Goal 2**	Evaluate feasibility of solar for other city buildings and facilities
Objective	Insure that the City is compliant with energy reduction mandates
Status	Ongoing - Anticipated Completion date 2017/18 - Pending voter approval of sales tax inactive in conjunction with the construction of facilities outlined in ballot

→ **Goal 3**	To Insure Kerman's compliance with State Housing Element Requirements
Objective	Increase inventory of low-income, multi-family housing
Status	Project in process - Pending Council approval of the project

→ **Goal 4**	Gateway sign in Jensen and Madera roundabout
Objective	To complete monument sign to City's entrance
Status	Ongoing

GENERAL ADMINISTRATION

100 1002

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	59,677	62,225	64,906	66,000	93,722
420	51	00	CalPERS Unfunded Liability	0	0	1,391	1,391	2,418
420	00	00	Fringe Benefits	18,452	19,923	18,051	20,959	31,916
420	00	00	Fringe Benefits	834	1,617			
420	11	00	FICA Tax Expense	3,690	3,807	3,990	3,990	5,355
420	12	00	FICA MED Tax Expense	869	901	941	941	1,359
420	40	00	Health Insurance Expense	3,186	4,655	3,654	3,654	12,686
420	50	00	Retirement City Contribution	7,138	7,403	6,951	6,951	9,029
420	55	00	Worker's Compensation Expense	2,158	978	1,534	1,534	2,113
420	60	00	SDI Expense	577	562	982	3,890	1,374
			Check Total	0	0	0	0	0
			TOTAL PERSONNEL	**78,130**	**82,148**	**84,348**	**88,350**	**128,057**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services-Sales Tax Consultant/Grants	19,224	2,598	5,000	8,600	5,000
510	10	00	Professional Services - Personnel Matters	2,880	500	0	15,600	2,500
510	13	00	Professional Services - EDC Fresno County	7,318	0	6,000	6,000	6,000
515	01	00	Utilities	11,899	15,805	15,000	15,000	17,000
521	01	00	Office Supplies	906	1,091	1,500	1,500	1,750
521	02	00	General Supplies	244	295	800	800	900
521	07	00	Postage	1,600	77	300	300	300
540	02	00	Equipment Rental - Lease	7,287	0	0	0	0
550	00	00	Insurance	73,809	75,297	70,697	73,143	76,679
551	01	00	Communications - Telephone	7,517	7,872	7,800	8,800	8,000
551	02	00	Cellular Phone	0	0	0	750	1,000
552	02	00	Public Notice / Advertising	0	0	3,000	3,400	750
554	01	00	Training/Conferences/Meetings	371	1,436	1,000	2,700	1,000
555	00	00	Dues & Subscriptions	6,342	6,394	6,500	6,850	7,500
555	05	00	Property Taxes	2,655	0	0	0	0
560	00	00	Administration & Overhead	2,025	2,025	2,025	2,025	2,025
565	00	00	Internal Service Funds	6,567	4,455	1,285	1,285	1,288
			TOTAL OPERATIONS & MAINTENANCE	**150,643**	**117,842**	**120,908**	**146,753**	**131,692**
CAPITAL								
600	03	00	Capital Outlay - Improvements	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**228,773**	**199,990**	**205,256**	**235,104**	**259,749**
							Budget to Budget Increase/(Decrease)	**54,493**
							Percentage of Change	**26.5%**

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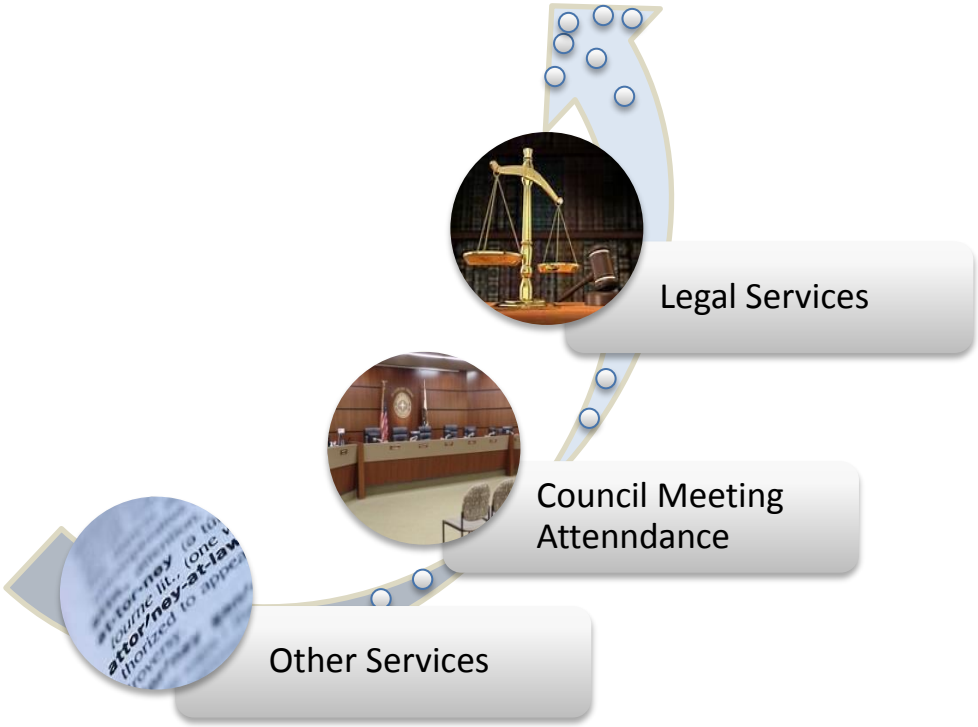
City Attorney



The City Attorney represents and advises the City Council, City Manager, Boards and Commissions, and Department Heads. The City Attorney prepares legal opinions, ordinances, resolutions, contracts, and other documents requested by the Council and Management. The City Attorney investigates and defends claims against the City and resolves them as authorized by the City Council. With the approval of the Council, the City Attorney may initiate litigation to enforce the City's rights or to protect the public health, safety or welfare.

City Attorney
Hilda Cantú Montoy
(Contracted)

City Attorney

Key Achievements

- ✓ Successfully and professionally transitioned as new City Attorney for the City and developed a cooperative working relationship with the Council and Staff.
- ✓ Working with the City Manager and the City Engineer, the City Attorney helped negotiate the agreements with developers for the construction of homes and necessary infrastructure for Subdivision Tract 5478.
- ✓ Assisted City departments in daily operations such as requests for public records, records retention, and Council agendas.
- ✓ Assisted the City Manager and Department Heads with the negotiation and preparation of various contracts, agreements and notices.
- ✓ In consultation with City Engineer, completed major review and update of bid documents and contracts for public works construction which included comprehensive updating of state legal requirements and contract language.
- ✓ Drafted ordinances to comply with state law and guided staff in the development and adoption of medical marijuana and massage ordinances including moratorium and emergency enactments.
- ✓ Coordinated with the City's risk manager and risk management consultants, to timely respond to claims against the City and limit the City's involvement in costly litigation

Goals

- → The City's Memoranda of Understanding with its employee groups are amended every time an MOU expires. The City Attorney, the City Manager and the City's personnel officer should work to develop a comprehensive revision of the MOU's that would integrate all of the amendments and make the MOU's consistent with current practices, laws and policies. The revised MOU's could then be presented as part of the next round of negotiations with employee groups.
- → The City's Municipal Code has been amended on an "as-needed" basis over the last twenty or so years. Although it may be impractical to attempt to update the entire Municipal Code, the City Attorney will work with staff to systematically review, prioritize, and update the Code to ensure it is consistent with current laws and the City's contemporary practices. To the extent possible procedural streamlining to create efficiencies will be considered. Some of this work has already commenced.
- → While electronic communications are invaluable and will continue, the City Attorney will commence providing on-site office hours twice a month to ensure matters are handled proactively and efficiently.

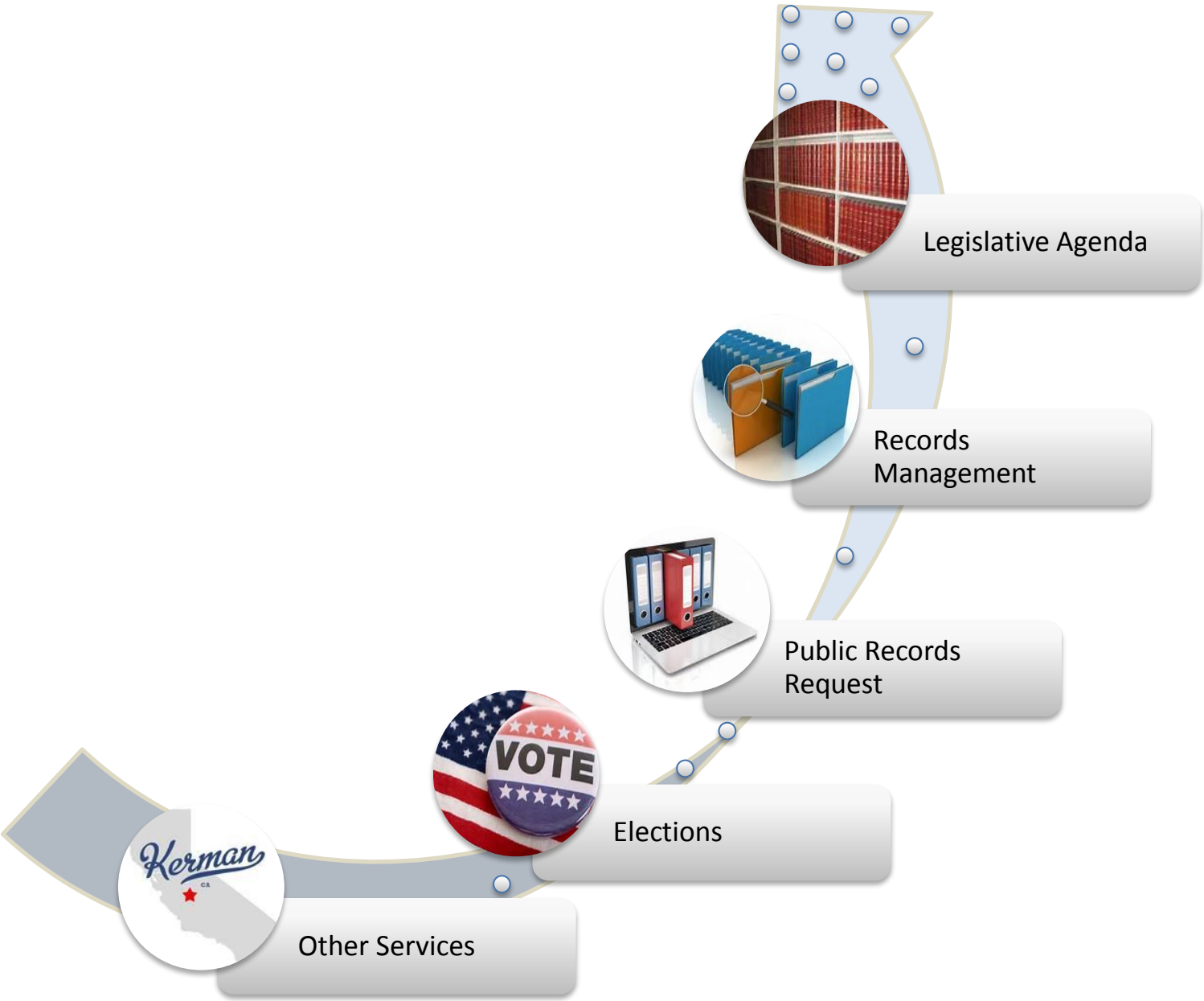
City Attorney Budget

CITY ATTORNEY

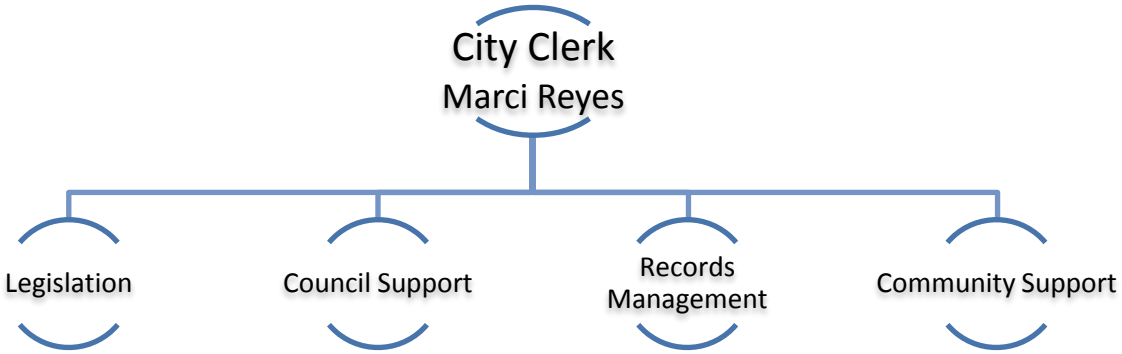
100 6003

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
OPERATIONS & MAINTENANCE								
510	10	00	Professional Services	59,986	37,855	75,000	75,000	75,000
			TOTAL	**59,986**	**37,855**	**75,000**	**75,000**	**75,000**
			TOTAL DEPARTMENT BUDGET	**59,986**	**37,855**	**75,000**	**75,000**	**75,000**
							Budget to Budget Increase/(Decrease)	**0**
							Percentage of Change	**0.0%**

City Clerk


Legislative Agenda
Records Management
Public Records Request
VOTE
Elections
Kerman
Other Services

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



City Clerk

Key Achievements

- ✓ Served as filing officer, processing the City's campaign finance disclosure reports, Form 700 statement of economic interests and AB 1234 Ethics requirements.
- ✓ Upgraded current Agenda Manager Software program for the assembling of City Council and Planning Commission packets.
- ✓ Fulfilled all Public Records Requests and made accessible the City's official records and legislative documents in accordance with the Political Reform Act.
- ✓ Maintained and preserved City Council proceedings and related documents allowing for quick and easy access by other city departments, residents and public.
- ✓ Continued to foster good working relationships with local schools in conducting mock student council meetings. Goldenrod Elementary School held their first mock student council meeting in April.

Goals

- → To effectively administer and coordinate the 2016 Municipal Election by serving as filing officer, processing the City's campaign finance disclosure reports, statement of economic interests and AB 1234 Ethics training.
- → Review and update specific ordinances regarding policy and procedures in conducting Council meetings; zoning, permits, fees/fines, and parking also including the implementation of certain said ordinances.
- → Continue to work with other departments to improve operational processes through efficient and effective methods to ensure we are customer-focused, proactive, consistent and responsible.

Key Performance Measures

→ **Goal 1**	Effectively administer and coordinate 2016 municipal election
Objective	To ensure campaign disclosure statements and election process for council members is completed
Status	Ongoing – Upon completion goal will be evaluated by City Manager during review process.

→ **Goal 2**	Expand interdepartmental electronic filing options for Customer Request Forms
Objective	To be more efficient and responsive to all resident requests
Status	Ongoing - Goal evaluated by the City Manager during the review process

→ **Goal 3**	Apply technology effectively to increase and improve access to materials on-line
Objective	Provide residents with quick access to City information
Status	Ongoing - Goal was evaluated by the City Manager during the review process

→ **Goal 4**	Educate Staff to effectively use records management system
Objective	Continue to encourage staff to use the programs available for research of City documents
Status	Ongoing - Goal was evaluated by the City Manager during the review process

→ **Goal 5**	Improve operation process to ensure the City is customer-focused, proactive, consistent and responsible
Objective	Work with other departments and residents to ensure compliance with Kerman Municipal Code
Status	Ongoing - Goal was evaluated by the City Manager during the review process

City Clerk Budget

CITY CLERK

100 6004

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	13,886	14,726	15,988	15,988	15,988
420	51	00	CalPERS Unfunded Liability	0	0	343	343	412
420	00	00	Fringe Benefits	4,791	4,413	4,257	4,257	4,381
			TOTAL PERSONNEL	**18,676**	**19,139**	**20,588**	**20,588**	**20,781**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	8,267	7,270	9,100	8,650	9,500
510	02	00	Elections	0	2,695	0	0	9,000
521	02	00	General Supplies & Postage	348	217	400	350	450
554	01	00	Travel - Conferences - Meetings	8	0	500	0	1,500
555	00	00	Dues & Subscriptions	305	315	350	350	350
565	00	00	Internal Service Funds	0	627	464	464	465
			TOTAL OPERATIONS & MAINTENANCE	**8,928**	**11,124**	**10,814**	**9,814**	**21,265**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**27,605**	**30,263**	**31,401**	**30,401**	**42,046**
							Budget to Budget Increase/(Decrease)	**10,644**
							Percentage of Change	**33.9%**

Budget Highlights:

Elections - Bi-Annual elections and ballot initiative costs.
Travel/Conferences/Meetings - Clerks Conference through League of CA Cities

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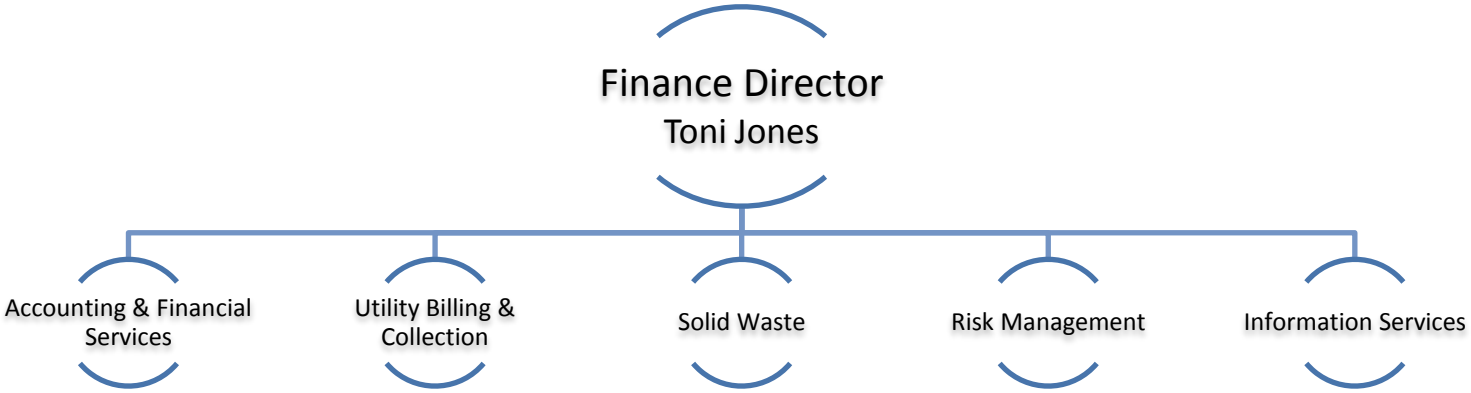
Administrative Services

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



Administrative Services

Key Achievements

- ✓ CSMFO (California Society Municipal Finance Officers) Budget Award - Fiscal Years 2013/14, 2014/15 and 2015/16.
- ✓ GFOA (Government Finance Officers Association) Distinguished Budget Presentation Award - Fiscal Years 2014/15 and 2015/16.
- ✓ Timely completion of annual audits with unqualified (clean) audit and no management points for the past five (5) years.
- ✓ Integrated and trained on new financial accounting system.

Goals

- → Ensure expenditures are consistent with adopted policies.
- → Explore alternatives to expand on-line payment of utilities by customers.
- → Customer outreach once city-wide water meters are installed.
- → Address ADA improvements needed to finance reception area.
- → Move towards paperless documentation.
- → Continue implementation and training on ancillary software module.

Key Performance Measures

→ **Goal 1**	Implement new accounting software
Objective	Improve accounting services and ensure compatibility with new technology
Status	Ongoing - Department continues to add additional modules and is on target for final implementation. Goals were evaluated by the City Manager during the review process.

→ **Goal 2**	Provide training on new software to key city employees in each department
Objective	Create employee efficiency and productivity in completing their daily jobs as it relates to accounting/finance
Status	Ongoing - Goals were evaluated by the City Manager during the review process

→ **Goal 3**	Hold public forums to educate the public about changes in utility billing include option for resident to receive electronic statements and provide electronic payment options
Objective	Offer billing transparency to residents and keep up with technology in paying/receiving utility invoices
Status	Ongoing - Goals were evaluated by the City Manager during the review process

ADMINISTRATIVE SERVICES
100 5005

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	18,825	13,093	21,500	21,500	18,767
410	20	00	Part-Time Wages	1,453	3,735	0	548	0
410	30	00	Overtime	28	159	0	1	0
420	51	00	CalPERS Unfunded Liability	0	0	461	461	484
420	00	00	Fringe Benefits	7,292	5,381	8,334	8,334	7,750
			TOTAL PERSONNEL	**27,598**	**22,369**	**30,294**	**30,844**	**27,002**
OPERATIONS & MAINTENANCE								
510	01	00	Professional Fees	0	10,994	10,000	10,000	12,000
510	10	00	Professional Services-Audit	13,800	14,300	14,300	12,800	12,900
510	14	00	Professional Services-Finance Acct Software Maint	4,400	1,700	4,400	4,464	4,700
521	01	00	Office Supplies	250	1,021	1,500	1,500	1,750
521	02	00	General Supplies	0	826	250	450	500
521	07	00	Postage	1,122	2,060	2,000	2,000	2,500
540	00	00	Lease Expense (PFA Bond)	50,305	49,623	49,753	49,753	50,392
540	02	00	Equipment Rental - Lease (Copier/Postage/Mailer)	0	7,242	8,500	8,500	8,500
551	01	00	Communications - Telephone	0	0	0	0	750
554	01	00	Travel/Conferences/Meetings	242	379	500	500	1,500
555	00	00	Dues & Subscriptions	320	335	350	350	350
565	00	00	Internal Service Funds	0	508	244	244	271
			TOTAL OPERATIONS & MAINTENANCE	**70,440**	**88,987**	**91,797**	**90,560**	**96,112**
CAPITAL								
600	03	99	Capital Outlay - New Accounting Software System	0	0	1,100	0	0
600	04	00	Capital Outlay - Machinery & Equipment	0	0	500	500	500
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**1,600**	**500**	**500**
			TOTAL DEPARTMENT BUDGET	**98,038**	**111,356**	**123,691**	**121,904**	**123,614**
							Budget to Budget Increase/(Decrease)	**(77)**
							Percentage of Change	**-0.1%**

WATER ADMINISTRATION & ACCOUNTING

410 5005

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	134,385	123,731	163,362	163,362	184,773
410	20	00	Part Time Salaries	6,224	17,289	0	1,919	0
410	30	00	Overtime	89	589	0	0	0
420	51	00	CalPERS Unfunded Liability	0	0	3,501	3,501	4,767
420	00	00	Fringe Benefits	49,191	53,207	57,592	57,592	69,656
			TOTAL PERSONNEL	**189,888**	**194,816**	**224,455**	**226,374**	**259,196**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	4,007	2,204	4,000	10,800	11,000
510	10	00	Professional Services	4,300	4,800	5,500	20,750	28,100
510	14	00	Professional Services-Finance Acct Software Maint	0	0	2,500	2,790	2,800
521	01	00	Office Supplies	2,910	4,487	4,500	4,500	5,000
521	07	00	Postage	12,777	8,901	10,000	11,500	10,500
540	00	00	Lease Payment (PFA Bond)	43,340	42,802	42,862	42,862	43,412
540	02	00	Equipment Rent - Lease	1,914	1,931	2,000	2,000	2,000
550	00	00	Insurance	14,180	16,042	23,566	24,381	25,560
551	02	00	Communications - Cellular Phone	180	0	0	0	0
552	01	00	Public Notice	0	0	500	0	500
554	01	00	Travel - Conferences - Meetings	364	198	750	750	750
555	04	00	Taxes & Assessments (F.I.D.)	168	168	175	168	175
555	05	00	Property Taxes - Fresno County	139	140	150	146	150
565	00	00	Internal Service Funds	5,846	3,211	2,545	2,545	2,577
560	00	00	Administration & Overhead	114,485	114,431	114,431	114,431	114,431
			TOTAL OPERATIONS & MAINTENANCE	**204,610**	**199,315**	**213,479**	**237,623**	**246,955**
CAPITAL								
600	03	80	Capital Outlay - Telephone System (20%)	0	0	0	0	9,000
600	04	00	Capital Outlay - Machinery & Equipment	0	1,088	2,000	2,000	1,000
			TOTAL CAPITAL EXPENDITURES	**0**	**1,088**	**2,000**	**2,000**	**10,000**
			TOTAL DEPARTMENT BUDGET	**394,499**	**395,219**	**439,935**	**465,997**	**516,151**
							Budget to Budget Increase/(Decrease)	**76,216**
							Percentage of Change	**17.3%**

Budget Highlights:

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

Professional Services - Rate study estimated cost of $45,000 split 50/50 between water and sewer

WATER DEBT SERVICE
410 5006

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
700	11	00	Debt Service - SRF Loan	165,000	165,000	165,000	165,000	165,000
			TOTAL NOTE PAYABLES	**165,000**	**165,000**	**165,000**	**165,000**	**165,000**
			TOTAL DEPARTMENT BUDGET	**165,000**	**165,000**	**165,000**	**165,000**	**165,000**
							Budget to Budget Increase/(Decrease)	**(0)**
							Percentage of Change	**0.0%**

Budget Highlights:

State Revolving Fund (SRF) Loan. The City entered into another contract with the State of California Department of Water Resources in 2003, which allowed the City to borrow up to approximately $3,300,000 for a major water project and repay the loan over 20 years without interest. Terms of the note now call for semi-annual payments of $82,500 beginning January 1, 2011 and the final payment to be made on January 1, 2028. The balance of the loan as of June 30, 2015 is $2,144,999.

Sewer Administration & Accounting Budget

SEWER ADMINISTRATION & ACCOUNTING
420 5005

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	111,157	87,186	118,656	118,656	146,593
410	20	00	Part Time Salaries	4,094	14,837	0	1,645	0
410	30	00	Overtime	86	474	0	11	0
420	51	00	CalPERS Unfunded Liability	0	0	2,543	2,543	3,782
420	00	00	Fringe Benefits	40,850	40,541	41,828	41,828	54,429
			TOTAL PERSONNEL	**156,186**	**143,038**	**163,027**	**164,682**	**204,804**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	3,752	1,948	5,500	5,500	5,500
510	10	00	Professional Services	4,000	3,500	3,800	19,050	26,400
510	14	00	Professional Services - Finance Acct Software Maint	0	0	2,100	2,790	3,000
521	01	00	Office Supplies	4,768	4,746	5,000	5,000	5,500
521	07	00	Postage	5,000	5,378	6,000	6,900	6,250
540	00	00	Lease Payment (PFA Bond)	34,672	34,241	34,290	34,290	34,730
540	02	00	Equipment Rent - Lease	1,148	1,166	1,200	1,200	1,200
550	00	00	Insurance	24,744	18,005	18,067	18,693	19,596
551	01	00	Communications - Telephone	758	584	600	850	700
552	01	00	Public Notice	0	530	500	500	500
554	01	00	Training, Travel & Meetings	23	0	1,000	1,000	1,000
555	04	00	Taxes & Assessments (Fresno Irrig. Dist.)	2,725	3,890	2,800	2,800	2,800
555	05	00	Property Taxes - Fresno County	139	140	150	146	150
565	00	00	Internal Service Funds	4,534	2,359	1,827	1,827	1,901
560	00	00	Administration & Overhead	109,062	100,127	100,127	100,127	100,127
			TOTAL OPERATIONS & MAINTENANCE	**195,325**	**176,614**	**182,961**	**200,673**	**209,354**
CAPITAL								
600	03	80	Capital Outlay - Telephone System (15%)	0	0	0	0	6,750
600	04	00	Capital Outlay - Machinery & Equipment	0	0	2,000	2,000	1,000
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**2,000**	**2,000**	**7,750**
			TOTAL DEPARTMENT BUDGET	**351,511**	**319,652**	**347,988**	**367,355**	**421,909**
							Budget to Budget Increase/(Decrease)	**73,920**
							Percentage of Change	**21.2%**

Budget Highlights:

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

Professional Services - Rate study estimated cost of $45,000 split 50/50 between water and sewer

Sewer Debt Service Budget

SEWER - DEBT SERVICE

420 5006

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
700	16	00	Debt Service - Rev. Bonds Principal	45,000	50,000	50,000	50,000	55,000
700	26	00	Debt Service - Rev. Bonds Interest	23,836	16,664	14,164	14,164	11,664
700	17	00	Debt Service - SRF Loan Principal	114,536	231,362	158,676	158,676	161,012
700	27	00	Debt Service - SRF Loan Interest	18,914	34,702	43,067	43,067	40,731
			TOTAL NOTE PAYABLES	**202,286**	**332,728**	**265,908**	**265,908**	**268,407**
			TOTAL DEPARTMENT BUDGET	**202,286**	**332,728**	**265,908**	**265,908**	**268,407**
							Budget to Budget Increase/(Decrease)	**2,499**
							Percentage of Change	**0.9%**

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, 2015 was $283,285. The bonds will be paid off in 2021.

SRF Loan - In 2011, the City of Kerman completed the expansion of its Waste Water Treatment Plant. This project was funded by $2 million of ARRA Grant money and a State Revolving Fund (SRF) Loan of nearly $5 million. The first annual loan payment was paid in September of 2012. Sewer Major Facilities (Fund 57) will pay $75,000 of total principle payment due for FY 16/17 in the amount of $236,012. Fund 42 will pay the remaining $161,012 of the principle payment along with the accrued interest due on the loan from operational reserves in fiscal year 2016/17. The remaining principle balance at June 30, 2015 was $4,306,737. The loan will be paid off in 2031.

Solid Waste Administration Budget

SOLID WASTE ADMINISTRATION

430 5005

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	96,519	90,838	101,312	101,312	118,736
410	20	00	Part Time Salaries	3,961	12,264	0	1,370	0
410	30	00	Overtime	218	582	1,000	1,000	1,000
410	35	00	Standby Pay	94	93	203	250	270
420	51	00	CalPERS Unfunded Liability	0	0	2,171	2,171	3,063
420	00	00	Fringe Benefits	37,153	36,638	38,694	38,694	47,017
			TOTAL PERSONNEL	**137,944**	**140,415**	**143,380**	**144,797**	**170,086**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services - (Mid Valley Disposal)	816,966	836,904	849,240	849,240	856,713
510	06	00	Contract Services	1,309	495	1,500	1,500	1,500
510	10	00	Professional Services-Audit	3,000	4,000	4,000	4,000	4,100
510	14	00	Professional Services	0	0	1,600	1,116	1,200
521	01	00	Office Supplies	861	917	2,000	2,000	2,500
521	02	00	General Supplies - Recycling Grant	2,281	0	0	15,566	5,000
521	06	00	Uniforms	24	110	150	150	150
521	07	00	Postage	2,200	2,915	3,500	4,000	3,600
540	00	00	Lease Payment (PFA Bond)	17,336	17,121	17,145	17,145	17,365
540	02	00	Equipment Rent - Lease	765	783	1,000	1,000	1,000
550	00	00	Insurance	1,736	5,238	7,855	8,127	8,520
552	01	00	Public Notice		130	100	100	100
565	00	00	Internal Service Funds	4,346	4,205	3,507	3,507	5,675
560	00	00	Administration & Overhead	14,851	23,840	23,840	23,840	23,840
557	80	00	Transfer to Street Fund - St. Sweeping	39,149	47,447	42,000	48,000	50,100
			TOTAL OPERATIONS & MAINTENANCE	**904,825**	**944,106**	**957,437**	**979,290**	**981,363**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equipment	0	0	2,000	2,000	1,000
600	03	80	Capital Outlay-Telephone System (15%)	0	0	0	0	6,750
600	03	99	Capital Outlay-New Accounting Software System	0	4,132	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**4,132**	**2,000**	**2,000**	**7,750**
			TOTAL DEPARTMENT BUDGET	**1,042,768**	**1,088,653**	**1,102,816**	**1,126,087**	**1,159,199**
							Budget to Budget Increase/(Decrease)	**56,383**
							Percentage of Change	**5.1%**

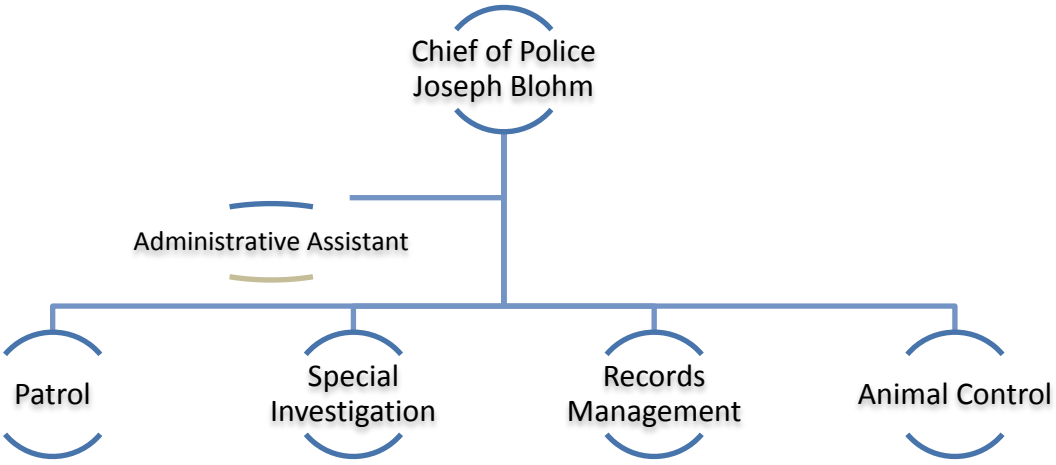
Budget Highlights:

Annual Bond Lease Payment Breakdown is located in the PFA Budget

Police

Patrol
Special Investigations
Records Management
Animal Control
Special Programs
WARNING
NEIGHBORHOOD WATCH
PROGRAM IN FORCE

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



Police

Key Achievements

- ✓ The addition of one police officer to the department which facilitated the expansion of our criminal investigations, crime prevention programs, and patrol operations.
- ✓ The creation of a Lieutenant position which enabled the department to restructure internal management duties and responsibilities.
- ✓ Auto Thefts were down 58% from the previous year and 78% over the past 5 years.
- ✓ Burglaries were down 48% from the previous year.
- ✓ Total Part 1 Crimes were down 13% from the previous year and 30% over the past 5 years

Goals

- → Begin the implementation of a video policing program in our community parks and at our major traffic intersections.
- → Continue to expand our Crime Prevention programs and our Crime Free Multi-Housing Program.
- → Continue to suppress Auto Theft in our community.

Key Performance Measures

→ **Goal 1**	Created Lieutenant position
Objective	Add to the department's hierarchy for stability and future growth
Status	Completed 2016 – Evaluated by the City Manager during the review process

→ **Goal 2**	Revitalize and expand Police Explorer Program
Objective	Continue to utilize Police Explorers to augment the work load of Police Officers
Status	Ongoing – Evaluated by the City Manager during the review process

→ **Goal 3**	Purchase new patrol vehicles
Objective	Provide Patrol Officers with safe reliable vehicles
Status	Completed in 2016 – Purchased 4 cars in the 2015/16 budget

POLICE
100 3011

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	1,149,089	1,237,415	1,340,804	1,340,804	1,334,643
410	20	00	Part Time Salaries	73,049	82,966	94,000	94,000	103,360
410	30	00	Overtime	41,935	51,839	50,000	50,000	50,000
410	35	00	Court Standby	1,682	1,494	2,500	2,500	2,500
410	36	00	FTO	1,122	3,491	5,200	5,200	5,200
410	38	00	Uniform Allowance	21,974	21,825	23,200	23,200	22,100
410	40	00	Holiday Pay	41,612	51,520	51,227	51,227	44,669
420	51	00	CalPERS Unfunded Liability	0	0	29,820	29,820	36,286
420	00	00	Fringe Benefits	631,505	640,227	639,393	639,393	674,378
			TOTAL PERSONNEL	**1,961,967**	**2,090,777**	**2,236,144**	**2,236,144**	**2,273,136**
OPERATIONS & MAINTENANCE								
510	11	00	Professional Services - New Hires	3,022	11,337	6,000	9,000	5,520
510	12	00	Professional Services - Lab Criminal	6,374	7,671	6,000	9,300	8,000
510	13	00	Professional Services - Lab Employees	915	625	1,400	1,400	1,400
510	14	00	Professional Services - Investigations	0	0	0	0	1,500
510	15	00	Assault/Medical Examinations	3,823	6,000	4,000	4,000	4,000
510	28	00	Dispatch	223,212	214,185	227,611	227,611	227,611
510	29	00	RMS-CAD	1,992	2,007	2,200	2,200	2,200
510	30	00	Booking Fees	2,112	1,488	1,200	1,200	1,500
510	31	00	Parking Citations	3,225	2,088	3,600	3,600	3,600
510	32	00	Live Scan Fingerprints	4,090	3,442	4,000	4,000	4,000
515	01	00	Utilities	17,201	18,029	16,500	17,500	17,500
521	01	00	Office Supplies	3,821	3,789	4,500	4,500	4,500
521	02	00	General Supplies	5,338	7,073	7,000	7,000	7,000
521	07	00	Postage	2,208	2,143	2,200	2,200	2,200
521	10	00	Uniform Supplies	796	2,778	4,000	4,000	8,000
521	12	00	Bullet Resistant Vests	0	1,288	1,625	1,625	2,400
521	25	00	Evidence and Property	0	1,200	0	0	1,200
521	35	00	Firearms Purchase	1,454	0	1,200	1,585	1,000
521	40	00	Range Supplies	0	0	0	0	6,000
521	41	00	Range Maintenance	0	0	0	0	500
530	01	00	Equipment Maintenance - Repair	6,743	3,319	3,500	3,500	3,500
540	02	00	Equipment Rental	5,008	4,745	4,500	4,500	4,500
551	01	00	Communications - Telephone	3,699	3,555	3,600	3,600	3,600
551	02	00	Communications - Cell Phone	2,110	2,314	2,200	2,200	2,200
551	05	00	Live Scan Line	7,555	8,134	7,500	7,500	7,500
551	06	00	MDT Monthly Access	3,420	3,365	3,600	3,600	3,600
552	02	00	Public Notice	0	0	500	500	500
554	01	00	Travel - Meetings	6,195	7,691	7,000	12,000	2,000
554	02	00	Training - Post Reimbursable	0	0	0	0	7,000
554	05	00	Training Supplies	2,757	2,375	3,150	3,150	2,500
555	02	00	Professional Dues and Codes	878	1,205	1,550	1,550	1,550
555	04	00	Prof Dues/Subscrip. Forensic Software Upgrade	0	0	3,100	3,100	3,100
555	05	00	Explorer Program	0	0	1,500	1,500	1,500
500	00	00	Ford Explorer Vehicle Loan Payment (1 of 5)	0	0	0	0	30,434
565	00	00	Internal Service Funds (Additional Officer FY 15/16)	0	0	11,625	11,625	0
565	00	00	Internal Service Funds	203,588	295,399	329,913	329,913	277,196
			TOTAL OPERATIONS & MAINTENANCE	**521,536**	**617,245**	**676,274**	**688,959**	**660,311**
CAPITAL								
600			Capital Outlay-Technology Equipment	0	0	0	0	5,450
600			Capital Outlay-Car Alarms (10 Vehicles)	0	0	0	0	1,700
600			Capital Outlay-Install Radar Equipment (4 Vehicles)	0	0	0	0	3,020
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**10,170**
			TOTAL DEPARTMENT BUDGET	**2,483,503**	**2,708,022**	**2,915,417**	**2,925,103**	**2,943,617**
							Budget to Budget Increase/(Decrease)	**28,199**
							Percentage of Change	**1.0%**

Budget Highlights:

100.3011.420.00.00 - Fringe Benefits - Added PERS benefits to part-time employees
100.3011.521.35.00 - Firearms - Replace three rifles
100.3011.521.02.00 - General Supplies - One time additional cost for tactical equipment for SID Unit
100.3011.554.02.00 - Training - POST Reimbursable costs are offset by General Fund revenue code 100.0000.342.40.00

SLESF Grant Budget

SLESF GRANT
100 3050

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	65,063	45,394	63,882	63,882	67,744
410	30	00	Overtime	4,251	6,747	0	0	0
410	35	00	Standby	91	331	0	0	0
410	36	00	FTO	0	590	0	0	0
410	38	00	Uniform Allowance	2,200	2,200	2,200	2,200	2,200
410	40	00	Holiday Pay	2,016	2,236	1,963	1,963	1,963
420	00	00	Fringe Benefits	26,378	48,732	31,955	31,955	28,092
			TOTAL PERSONNEL	**100,000**	**106,230**	**100,000**	**100,000**	**100,000**
			TOTAL DEPARTMENT BUDGET	**100,000**	**106,230**	**100,000**	**100,000**	**100,000**
			TOTAL REVENUE	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**
			EXCESS (DEFICIT) REVENUE	**0**	**(6,230)**	**0**	**0**	**0**
							Budget to Budget Increase/(Decrease)	**0**
							Percentage of Change	**0.0%**

SAFETY GRANTS, CONTRACTS AND PROJECTS
100 3999

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
REVENUES								
334	30	01	Avoid the 21 Grant	18,617	17,913	15,000	15,000	10,000
334	32	02	Homeland Security Grant	6,036	3,477	5,000	5,000	6,000
334	35	03	Fresno Housing Authority	6,000	6,000	6,000	6,000	6,000
334	35	04	KUSD Resource Officer	13,556	13,556	24,888	24,888	25,776
334	30	05	COG - Vehicle Abatement	15,624	0	0	0	0
334	30	06	DOJ-Bullet Proof Vests	0	0	1,625	1,625	2,400
334	30	07	Wal-Mart Special Projects	1,500	0	0	0	0
334	30	08	Video Policing	0	0	10,000	10,000	10,000
			TOTAL REVENUES	**61,334**	**40,946**	**62,513**	**62,513**	**60,176**
EXPENDITURES								
410	30	01	Avoid the 21 Grant-Overtime	14,390	17,679	13,000	13,000	8,000
420	00	01	Avoid the 21 Grant-Fringe Benefits	4,227	3,667	2,000	2,000	2,000
410	20	04	KUSD Resource Officer-Part Time Wages	10,398	12,933	20,000	20,000	20,000
420	00	04	KUSD Resource Officer-Fringe Benefits	3,158	778	4,888	4,888	5,776
410	20	05	COG - Part Time Wages	7,923	69	0	0	0
420	00	05	COG - Fringe Benefits	3,911	24	0	0	0
			TOTAL PERSONNEL	**44,008**	**35,150**	**39,888**	**39,888**	**35,776**
520	00	07	Wal-Mart Special Projects	1,329	283	0	0	0
521	07	05	COG - Postage	0	52	0	0	0
521	12	06	DOJ-Bullet Proof Vests	0	0	1,625	1,625	2,400
554	01	03	Special PD Project Travel/Meetings	690	0	0	0	0
			TOTAL OPERATIONS & MAINTENANCE	**2,019**	**335**	**1,625**	**1,625**	**2,400**
600	03	02	Equipment - Homeland Sec Grant	7,351	4,158	5,000	5,000	6,000
600	03	03	Equipment - Special PD Projects	0	0	6,000	6,000	6,000
600	03	05	Equipment - Cog Vehicle Abatement	3,790	0	0	0	0
600	03	08	Equipment - Video Policing	0	0	10,000	10,000	10,000
			TOTAL CAPITAL EXPENDITURES	**11,141**	**4,158**	**21,000**	**21,000**	**22,000**
			TOTAL EXPENDITURES	**57,168**	**39,643**	**62,513**	**62,513**	**60,176**
			TOTAL REVENUES	**61,334**	**40,946**	**62,513**	**62,513**	**60,176**
			EXCESS (DEFICIT) REVENUE	**4,166**	**1,303**	**0**	**0**	**0**

Budget Highlights:

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

Animal Control Budget

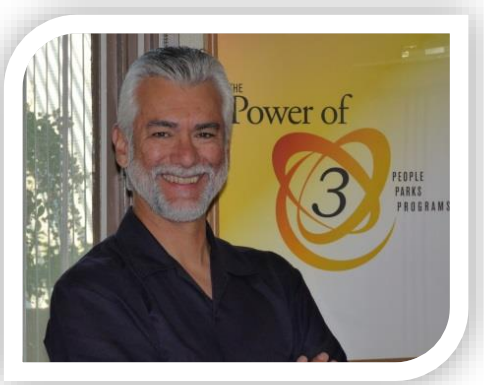
ANIMAL CONTROL
100 3041

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	26,705	26,789	23,977	23,977	25,099
410	30	00	Overtime	28	288	1,000	1,000	1,000
410	35	00	Stand By	0	0	0	0	0
420	51	00	CalPERS Unfunded Liability	0	0	514	514	648
420	00	00	Fringe Benefits	12,302	11,189	8,869	8,869	6,806
			TOTAL PERSONNEL	**39,035**	**38,265**	**34,360**	**34,360**	**33,553**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	10,460	8,365	9,500	9,500	9,500
521	01	00	Office Supplies	12	162	300	300	300
521	02	00	General Supplies	2,459	1,290	3,000	3,000	4,000
521	06	00	Uniforms	151	393	350	350	350
521	07	00	Postage	210	100	150	150	150
551	02	00	Cellular Phone	244	267	300	300	300
554	01	00	Travel - Conferences - Meetings	0	10	4,000	2,500	1,000
565	00	00	Internal Service Funds	3,639	8,676	8,052	8,052	7,958
			TOTAL OPERATIONS & MAINTENANCE	**17,174**	**19,262**	**25,652**	**24,152**	**23,558**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equipment	0	0	300		
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**300**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**56,209**	**57,527**	**60,312**	**58,512**	**57,111**
							Budget to Budget Increase/(Decrease)	**(3,201)**
							Percentage of Change	**-5.3%**

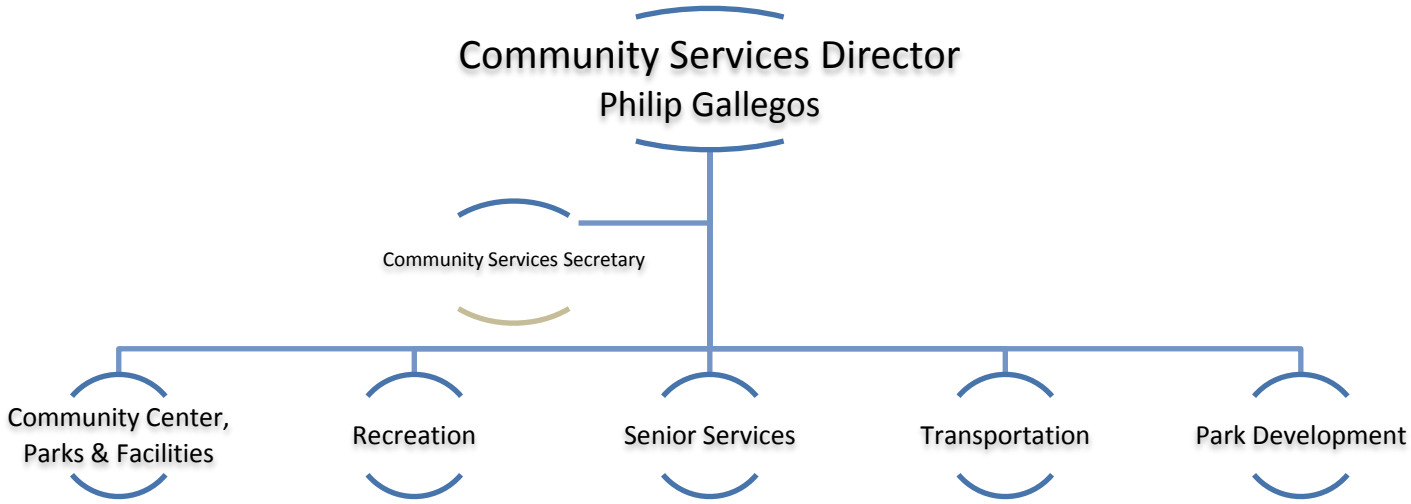
Budget Highlights:

General Supplies - Animal Control Officer with provide preventative shots and euthanasians

Recreation
Senior Services
Transit
Parks & Facilities Management
Park Development



City of The Kerman Parks, Recreation & Community Services Department provide a gateway to a healthy, prosperous and connected community. On any given day, someone is being positively impacted through the Parks, Recreation & Community Services Department. It could be as simple as taking a walk in one of our parks, engaging in a class at one of our facilities, enjoying a senior meal, participating in a sports program, or just receiving the benefits of breathing clean air in our parks. We are partners in combating obesity, physical inactivity, and unhealthy habits. Our staff works hard every day to ensure all members of our community have access to programs, facilities, places, and spaces that make our citizens' lives and our community great. The Community Services Director coordinates and maintains records of the Recreation Commission and also facilitates their meetings.



Parks, Recreation and Community Services

Key Achievements

- ✓ Completion of Katey's Kids Park with the assistance of over 160 residents for the Community Build day and support from several businesses, the Eagle Scouts, Conservation Corps and many others.
- ✓ Accomplished improvements to several parks with the installation of playgrounds, benches and restrooms.
- ✓ Successfully implemented the 2nd Almond Festival in Kerman featuring benefit run/walk, live entertainment, a variety of food, crafts, informational and Ag related vendors and booths, wine tasting, an Almond Baking contest, Kids zone, Agricultural-Related Photo Competition and cars on display.
- ✓ Successful execution of this community sponsored and operated event, 200 families in need received boxes of food along with 700 toys distributed to children.
- ✓ The Department partnered with Fresno County Public Health Department for a yearlong community outreach program to increase consumption of healthy foods and beverages, reduce consumption of less healthy foods and beverages, and increase physical activity.
- ✓ Implemented a new adult open gym basketball program began in January and continues every Tuesday and Thursday night at the middle school gym. Program was started per the request of local residents.
- ✓ Introduced strength training exercise classes free of charge for our senior citizens
- ✓ Received the 2015 Playful City USA Award recognizing Kerman's great recreational opportunities and exceptional parks.

Goals

- → Provide high quality park system that offers a wide variety of recreational opportunities.
- → Provide wide variety of outdoor and indoor recreation programs to meet the leisure needs of all age groups and interests.
- → Provide a high quality and efficient level of maintenance for all park areas and facilities in Kerman.

Key Performance Measures

→ **Goal 1**	Create a Farmers Market in the City of Kerman
Objective	Establish an avenue for locals to sell and purchase the bounty of the rich agricultural area
Status	Ongoing – Working with Fresno State University – will be assessed during next review

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

→ **Goal 3**	Keep all parks and facilities clean and safe
Objective	Provide residents with family-oriented safe places to relax and enjoy
Status	Ongoing – Evaluated by City manager during the review process

RECREATION AND COMMUNITY SERVICES ADMINISTRATION
100 2002

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	108,036	113,727	154,921	154,921	164,679
410	20	00	Part Time Salaries	12,503	13,374	12,700	10,000	6,700
410	30	00	Overtime	0	0	500	500	500
420	51	00	CalPERS Unfunded Liability	0	0	3,320	3,320	4,248
420	00	00	Fringe Benefits	49,439	50,753	67,832	67,832	76,016
			TOTAL PERSONNEL	**169,978**	**177,854**	**239,273**	**236,573**	**252,144**
OPERATIONS & MAINTENANCE								
510	10	00	Professional Services	0	1,191	1,200	1,314	0
515	01	00	Utilities	30,869	29,113	27,000	32,000	28,000
521	01	00	Office Supplies & Postage	638	493	600	600	600
521	02	00	General Supplies	1,424	953	1,200	3,400	1,300
521	06	00	Uniforms	380	461	380	450	380
540	02	00	Equipment Rent - Lease	3,008	3,819	3,200	3,200	3,200
551	01	00	Communications - Telephone	481	305	350	350	350
551	02	00	Cellular Phone	284	312	300	300	300
554	01	00	Travel/Conferences/Meetings	198	893	1,200	1,200	1,200
555	00	00	Dues & Subscriptions	190	515	800	800	800
555	04	00	Taxes & Assessments	1,867	0	0	0	0
565	00	00	Internal Service Funds	25,231	18,958	18,153	18,153	19,670
			TOTAL OPERATIONS & MAINTENANCE	**64,570**	**57,012**	**54,383**	**61,767**	**55,800**
CAPITAL								
600	03	00	Capital Outlay - Improvements	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**234,547**	**234,867**	**293,656**	**298,340**	**307,943**
							Budget to Budget Increase/(Decrease)	**14,288**
							Percentage of Change	**4.9%**

Budget Highlights:

General Supplies - FY 15/16 Increase due to purchase of Christmas lights and decorations for Kannami tree.

Part-Time Salaries - Decrease due to Maintenance worker re-allocated to Building Maintenance budget.

Capital Outlay - Eagle Scout Project

Building Maintenance Budget

BUILDING MAINTENANCE

100 2010

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	0	0	49,536	49,536	54,180
410	20	00	Part-Time Wages	77	7,483	10,000	10,000	24,000
420	51	00	CalPERS Unfunded Liability	0	0	0	0	1,398
420	00	00	Fringe Benefits	12	0	23,754	23,754	30,041
			TOTAL PERSONNEL	**77**	**7,483**	**83,290**	**83,290**	**108,221**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	8,212	33,404	26,500	28,000	26,500
510	10	00	Professional Services	0	3,295	2,500	2,500	2,000
521	02	00	General Supplies	0	0	0	2,500	800
521	03	00	Janitorial Supplies	18,234	3,161	7,500	10,000	9,000
521	04	00	Building Maintenance Supplies	7,645	8,319	8,000	10,500	9,000
521	06	00	Uniforms	1,440	278	150	150	850
551	02	00	Communications - Cellular	0	0	0	0	900
565	00	00	Internal Service Funds	0	0	0	0	4,271
			TOTAL OPERATIONS & MAINTENANCE	**35,531**	**48,457**	**44,650**	**53,650**	**53,321**
CAPITAL								
600	03	00	Capital Improvements	4,647	0	0	0	0
600	03	00	Capital Improve - Police Department Building	5,547	0	0	0	0
600	03	06	Capital Improve - Senior Center Stair Tread Repair	0	3,403	0	0	0
600	03	07	Capital Improve - Kerckhoff Park Elec/Skate Park	0	1,398	0	0	0
600	03	08	Capital Improve - Skate Park Demolition	0	2,500	0	0	0
			TOTAL CAPITAL EXPENDITURES	**10,194**	**7,301**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**45,802**	**63,241**	**127,940**	**136,940**	**161,542**
							Budget to Budget Increase/(Decrease)	**33,602**
							Percentage of Change	**26.3%**

Budget Highlights:

Part-time Wages - Reclassed part time maintenance workers from Recreation budget to Building Maintenance for $10,000 plus additional PT staff needed (2 x 19 hours per week each) for new responsibilities including City Hall, Police Dept, Dental Building, Parks Landscaping Contract Maintenance, Additional restrooms at Katey's and Soroptimist Parks and B Street Park addition.

Communications- Cellular - Moved expenses from CTC Fund (100.2069) and added data card for mobile network services.

Senior Center Services Budget

SENIOR CENTER SERVICES

100 2044

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	60,341	60,738	61,718	67,059	68,034
420	51	00	CalPERS Unfunded Liability	0	0	3,320	3,320	1,755
420	00	00	Fringe Benefits	21,001	19,902	20,186	21,937	23,722
			TOTAL PERSONNEL	**81,342**	**80,640**	**85,224**	**92,316**	**93,511**
OPERATIONS & MAINTENANCE								
515	01	00	Utilities	8,600	6,971	8,500	9,000	9,000
521	01	00	Office Supplies	749	898	600	700	600
521	02	00	General Supplies & Postage	1,025	966	800	800	800
557	73	00	City Match to Senior Nutrition Grant (73)	12,032	2,481	14,942	3,994	4,029
551	01	00	Communications - Telephone	2,694	2,539	2,600	2,600	2,700
565	00	00	Internal Service Funds	3,045	6,437	7,985	7,985	5,989
			TOTAL OPERATIONS & MAINTENANCE	**28,145**	**20,292**	**35,427**	**25,079**	**23,118**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**109,487**	**100,931**	**120,651**	**117,395**	**116,629**
							Budget to Budget Increase/(Decrease)	**(4,022)**
							Percentage of Change	**-3.3%**

Budget Highlights:

100.2044.410.10.00 - Based on FMAAA Audit reclassified wages for CS director from fund 730

Senior Nutrition Site Budget

SENIOR NUTRITION SITE MANAGEMENT

730 2046

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	5,383	5,353	5,341	-	-
410	20	00	Part Time Salaries	12,185	11,817	14,000	13,000	13,000
420	51	00	CalPERS Unfunded Liability	0	0	0	0	335
420	00	00	Fringe Benefits	4,470	4,038	3,292	1,541	1,541
			TOTAL PERSONNEL	**22,037**	**21,208**	**22,633**	**14,541**	**14,876**
OPERATIONS & MAINTENANCE								
515	01	00	Utilities	1,200	1,100	1,200	1,200	1,200
521	01	00	Office Supplies	152	110	250	250	250
521	03	00	Nutrition Site Supplies	1,667	2,113	1,650	1,650	1,600
551	01	00	Communications - Telephone	1,248	1,248	1,248	1,248	1,250
565	00	00	Internal Service Funds	385	888	1,105	1,105	853
			TOTAL OPERATIONS & MAINTENANCE	**4,651**	**5,459**	**5,453**	**5,453**	**5,153**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equipment	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**26,688**	**26,667**	**28,086**	**19,994**	**20,029**
							Budget to Budget Increase/(Decrease)	**(8,057)**
							Percentage of Change	**-28.7%**

Budget Highlights:

730.2046.410.10.00 - Based on FMAAA Audit reclassified wages from Fund 730 to 100.2044.410.10.00

Aquatics Program Budget

AQUATICS PROGRAM

100 2047

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	4,117	6,414	6,785	6,785	7,125
410	20	00	Part Time Salaries	13,071	15,360	16,500	16,500	18,360
410	20	01	KUSD Part-Time Aquatic Staffing	0	0	2,400	2,400	2,200
420	51	00	CalPERS Unfunded Liability	0	0	145	145	184
420	00	00	Fringe Benefits	3,530	5,028	6,841	6,841	5,381
			TOTAL PERSONNEL	**20,719**	**26,802**	**32,671**	**32,671**	**33,249**
OPERATIONS & MAINTENANCE								
521	02	00	Special Supplies	1,060	799	800	800	800
521	03	00	Pool Supplies and Chlorine	0	0	8,623	8,623	0
565	00	00	Internal Service Funds	0	127	125	125	125
			TOTAL OPERATIONS & MAINTENANCE	**1,060**	**926**	**9,548**	**9,548**	**925**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equip.	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**21,779**	**27,728**	**42,219**	**42,219**	**34,174**
							Budget to Budget Increase/(Decrease)	**(8,045)**
							Percentage of Change	**-19.1%**

Community Transit Budget

COMMUNITY TRANSIT

860 2049

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	67,870	74,434	79,420	81,500	82,887
410	20	00	Part Time Salaries	2,551	-	-	-	0
420	51	00	CalPERS Unfunded Liability	0	0	1,702	1,702	2,138
420	00	00	Fringe Benefits	30,707	32,684	33,692	36,692	38,856
			TOTAL PERSONNEL	**101,128**	**107,118**	**114,815**	**119,894**	**123,882**
OPERATIONS & MAINTENANCE								
515	02	00	Gasoline/Diesel	4,003	5,031	5,000	6,500	6,000
521	01	00	Office Supplies	546	404	600	600	600
521	02	00	Special Supplies	187	310	300	300	300
551	01	00	Communications - Telephone	754	863	865	865	875
565	00	00	Internal Service Funds	1,200	1,504	1,597	1,597	1,372
			TOTAL OPERATIONS & MAINTENANCE	**6,690**	**8,112**	**8,362**	**9,862**	**9,147**
CAPITAL								
600	03	00	Capital Outlay-Improvements	0	0	0	0	0
600	03	99	Capital Outlay-New Accounting Software System	683	2,048	0	0	0
			TOTAL CAPITAL EXPENDITURES	**683**	**2,048**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**108,501**	**117,278**	**123,176**	**129,756**	**133,029**
							Budget to Budget Increase/(Decrease)	**9,852**
							Percentage of Change	**8.0%**

Budget Highlights:

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

Planned Recreation Budget

PLANNED RECREATION

100 2062

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	6,862	10,690	11,308	11,308	11,874
410	20	00	Part Time Salaries	4,135	4,060	7,300	6,000	6,000
420	51	00	CalPERS Unfunded Liability	0	0	242	242	306
420	00	00	Fringe Benefits	4,513	5,516	5,408	5,408	5,246
			TOTAL PERSONNEL	**15,510**	**20,266**	**24,258**	**22,958**	**23,426**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	945	630	1,200	1,200	0
515	01	00	Utilities	2,611	2,797	2,500	2,500	2,500
521	01	00	Office Supplies & Postage	2	60	200	200	200
521	02	00	Program Supplies	3,464	3,007	5,000	5,000	3,700
551	01	00	Communications - Telephone	25	25	25	25	25
565	00	00	Internal Service Funds	0	212	209	209	209
			TOTAL OPERATIONS & MAINTENANCE	**7,046**	**6,731**	**9,134**	**9,134**	**6,634**
CAPITAL								
600	03	00	Capital Outlay	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**22,556**	**26,997**	**33,392**	**32,092**	**30,060**
							Budget to Budget Increase/(Decrease)	**(3,332)**
							Percentage of Change	**-10.0%**

Youth Services Budget

YOUTH AND TEEN SERVICES

100 2065

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	9,625	14,966	15,831	15,831	16,624
410	20	00	Part Time Salaries	16,671	19,260	22,000	18,900	20,000
420	51	00	CalPERS Unfunded Liability	0	0	339	339	429
420	00	00	Fringe Benefits	6,554	9,145	9,563	9,563	9,239
			TOTAL PERSONNEL	**32,850**	**43,370**	**47,733**	**44,633**	**46,292**
OPERATIONS & MAINTENANCE								
521	01	00	Office Supplies	48	0	0	0	0
521	02	00	Special Supplies	4,533	8,808	9,200	9,200	7,500
551	01	00	Communications - Telephone	91	91	90	92	92
565	00	00	Internal Service Funds	0	297	292	292	292
			TOTAL OPERATIONS & MAINTENANCE	**4,671**	**9,196**	**9,582**	**9,584**	**7,884**
CAPITAL								
600	03	00	Capital Outlay	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**37,521**	**52,566**	**57,315**	**54,217**	**54,177**
							Budget to Budget Increase/(Decrease)	**(3,138)**
							Percentage of Change	**-5.5%**

Community Teen Center Budget

COMMUNITY TEEN CENTER
100 2069

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	46,333	48,017	0	0	0
410	20	00	Part Time Wages	12,230	13,463	16,500	16,500	32,500
410	30	00	Overtime	0	0	0	0	0
420	51	00	CalPERS Unfunded Liability	0	0	0	0	0
420	00	00	Fringe Benefits	23,446	24,349	1,902	1,902	3,852
			TOTAL PERSONNEL	**82,009**	**85,828**	**18,402**	**18,402**	**36,352**
OPERATIONS & MAINTENANCE								
510	01	00	Contracted Services (Maintenance)	3,016	3,907	3,600	2,000	3,500
510	10	00	Contracted Services (Landscaping Maintenance)	0	0	0	0	0
515	01	00	Utilities	29,122	24,734	26,000	32,000	32,000
521	01	00	Office Supplies	483	657	500	500	600
521	02	00	Special Supplies	10,306	5,985	4,500	4,500	4,000
551	01	00	Communications - Telephone	2,493	2,336	2,400	2,400	3,000
551	02	00	Cellular Phone	284	312	300	300	300
565	00	00	Internal Service Funds	0	816	801	801	802
			TOTAL OPERATIONS & MAINTENANCE	**45,704**	**38,747**	**38,101**	**42,501**	**44,202**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equipment (Tables)	1,915	1,276	0	0	1,200
			TOTAL CAPITAL EXPENDITURES	**1,915**	**1,276**	**0**	**0**	**1,200**
			TOTAL DEPARTMENT BUDGET	**129,628**	**125,850**	**56,503**	**60,903**	**81,754**
							Budget to Budget Increase/(Decrease)	**25,251**
							Percentage of Change	**44.7%**

Budget Highlights:

Part-Time Wages - PT CTC Coordinator needed (24 hours per week) for customer service to alleviate full time staff enabling time for newly assigned building and facility maintenance and repairs.

Cellular Phone - Reallocated expense to building maintenance fund (100.2010)

Capital Outlay - Machinery & Equipment - Replace four (4) round tables

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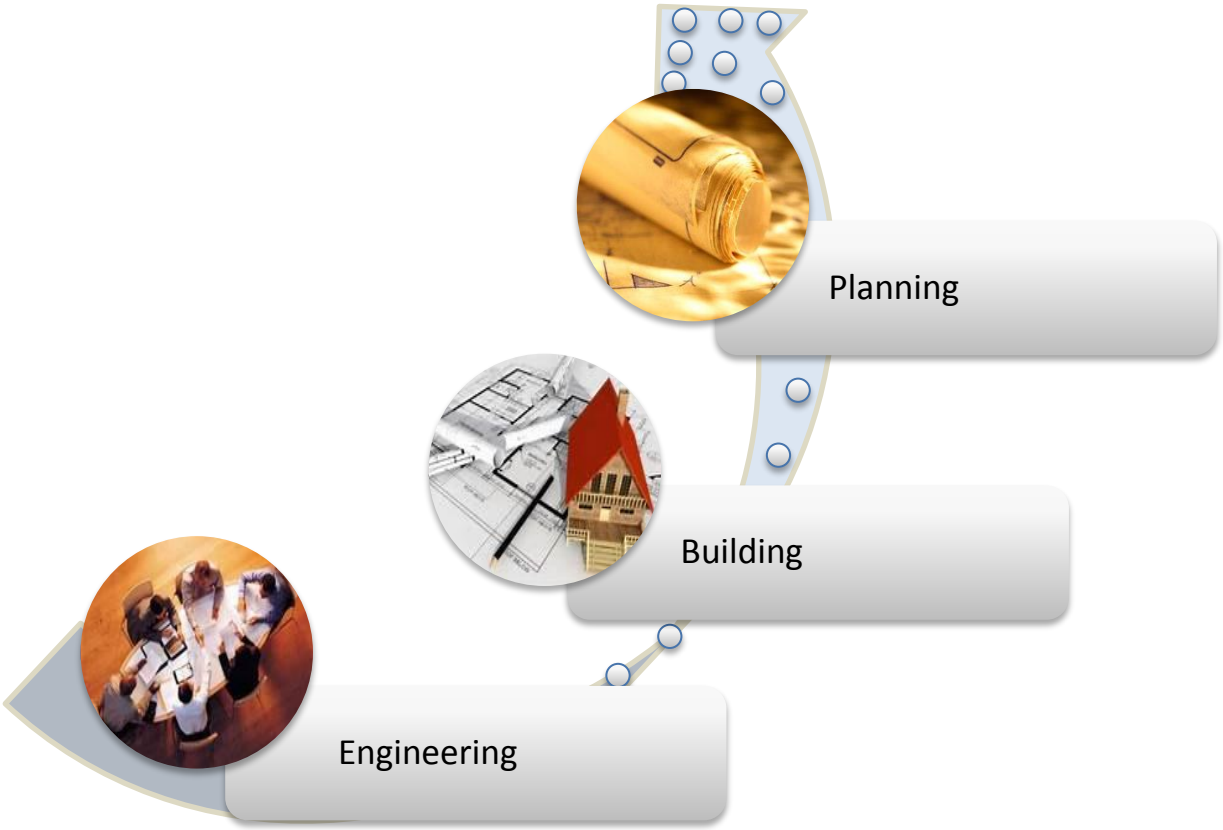
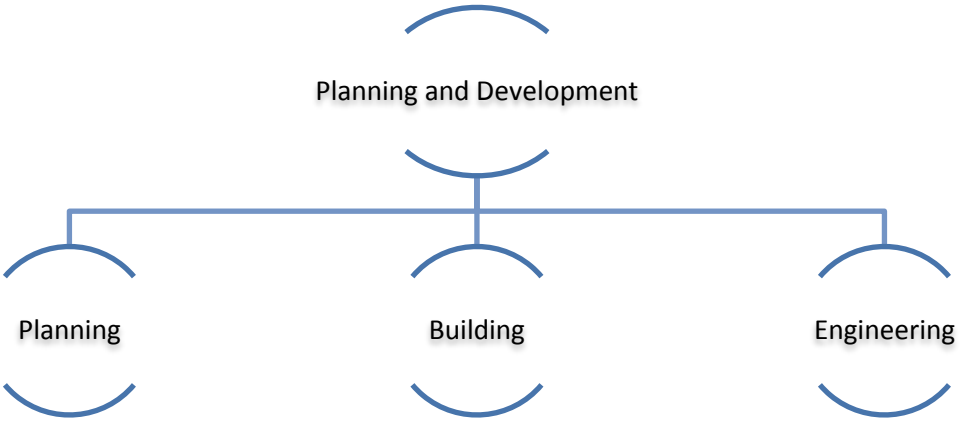
Planning and Development



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



Planning and Development

Key Achievements

- ✓ Began the long awaited task of reducing onsite storage by electronically scanning and cataloguing all building plans.
- ✓ Continued to process land use entitlements, ordinances without the direction of a planning director.
- ✓ Electronically store all permits.
- ✓ Increased staff to accommodate increase in building activity.

Goals

- → Completely scan and store all planning and building department files electronically.
- → Continued education of current staff to enhance knowledge to better serve city and community in land use projects.
- → Utilize current staff to fulfill reporting requirements of the state and other regulatory agencies.

Key Performance Measures

→ **Goal 1**	Complete Multi-Jurisdictional Housing Element
Objective	To Insure Kerman's compliance with State Housing Element Requirements
Status	Completed 2016

→ **Goal 2**	Evaluate Building Codes to encourage water consumption
Objective	Help the City reach its mandated water conservation goal
Status	Ongoing

→ **Goal 3**	Mid Valley Disposal Phase II expansion
Objective	Provide Kerman businesses opportunities for growth and expansion
Status	Ongoing – second phase of a three-phase project

→ **Goal 4**	Continue to Expand the Geographic Information System (GIS)
Objective	Provide City-wide visual aid information to all departments
Status	Ongoing

Planning and Development Budget

PLANNING
100 1008

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	65,726	69,126	68,437	68,437	75,235
410	20	00	Part Time Salaries	2,243	2,407	15,000	15,000	15,000
410	30	00	Overtime	0	4,702	0	0	0
420	51	00	CalPERS Unfunded Liability	0	0	1,467	1,467	1,941
420	00	00	Fringe Benefits	24,982	25,367	26,944	26,944	34,688
			TOTAL PERSONNEL	**92,952**	**101,602**	**111,848**	**111,848**	**126,864**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services - LAFCo	3,253	2,203	2,500	2,500	3,150
510	02	00	Contract Services - Sphere of Influence	0	0	15,000	0	15,000
510	10	00	Professional Services	0	0	50,000	27,000	40,000
521	01	00	Office Supplies	1,415	428	1,500	1,500	1,500
521	07	00	Postage	299	31	300	300	300
551	01	00	Communications - Telephone	381	203	250	250	250
552	01	00	Public Notice	300	300	550	1,600	750
554	01	00	Travel - Conferences - Meetings	55	13	150	150	150
565	00	00	Internal Service Funds	181	1,057	866	866	868
			TOTAL OPERATIONS & MAINTENANCE	**5,884**	**4,235**	**71,116**	**34,166**	**61,968**
CAPITAL								
600	03	99	Capital Outlay - New Accounting Software System	1,100	3,300	0	0	0
600	04	00	Capital Outlay - Machinery & Equipment	1,772	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**2,872**	**3,300**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**101,707**	**109,136**	**182,964**	**146,014**	**188,832**
							Budget to Budget Increase/(Decrease)	**5,867**
							Percentage of Change	**3.2%**

Engineering Budget

ENGINEERING

100 1010

	Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
OPERATIONS & MAINTENANCE						
510 10 00	Professional Services	40,276	26,291	25,000	35,000	25,000
	TOTAL	**40,276**	**26,291**	**25,000**	**35,000**	**25,000**
	TOTAL DEPARTMENT BUDGET	**40,276**	**26,291**	**25,000**	**35,000**	**25,000**
					Budget to Budget Increase/(Decrease)	**0**
					Percentage of Change	**0.0%**

Budget Highlights:

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

Building Department Budget

BUILDING
100 1042

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	72,189	70,754	65,003	65,003	65,644
410	20	00	Part Time Salaries	0	0	0	3,000	0
410	30	00	Overtime	799	1,165	500	500	500
410	35	00	Stand By	396	414	101	101	107
420	51	00	CalPERS Unfunded Liability	0	0	1,393	1,393	1,693
420	00	00	Fringe Benefits	31,193	24,984	20,672	21,122	25,911
420	11	00	FICA Tax Expense	4,375	4,369	4,036	4,036	4,077
420	12	00	FICA MED Tax Expense	1,023	1,022	944	944	953
420	40	00	Health Insurance Expense	10,142	8,381	6,975	6,975	11,186
420	50	00	Retirement City Contribution	8,604	8,364	6,891	6,891	7,249
420	55	00	Worker's Compensation Expense	6,316	2,196	810	810	1,420
420	60	00	SDI Expense	733	652	1,015	1,465	1,026
			Check Total	0	0	0	0	0
			TOTAL PERSONNEL	**104,576**	**97,317**	**87,669**	**91,119**	**93,854**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services - Weed Abatement	4,267	987	5,000	5,000	5,000
510	09	00	Professional Services - Digital Scan Plans	0	0	0	9,000	0
510	10	00	Professional Services - Plan Check	7,930	43,169	15,000	40,000	15,000
521	01	00	Office Supplies	700	914	750	750	750
521	02	00	General Supplies	0	0	0	0	200
521	06	00	Uniforms	49	47	75	75	75
521	07	00	Postage	1,082	332	750	750	750
540	02	00	Equipment Rent	1,232	2,727	2,500	3,250	3,250
551	01	00	Communication - Telephone	1,135	965	1,000	1,000	1,000
551	02	00	Cellular Phone	528	579	600	600	600
554	01	00	Travel - Conferences - Meetings	124	109	150	150	150
555	00	00	Dues & Subscriptions	1,412	393	400	400	1,750
565	00	00	Internal Service Funds	5,303	7,977	9,173	9,173	6,322
			TOTAL OPERATIONS & MAINTENANCE	**23,762**	**58,199**	**35,398**	**70,148**	**34,847**
CAPITAL								
600	04	00	Capital Outlay - Machinery & Equipment	228	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**228**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**128,565**	**155,515**	**123,067**	**161,267**	**128,701**
							Budget to Budget Increase/(Decrease)	**5,635**
							Percentage of Change	**4.6%**

Budget Highlights:

Dues & Subscriptions - 2016 Building Code Books (Updated every three years)

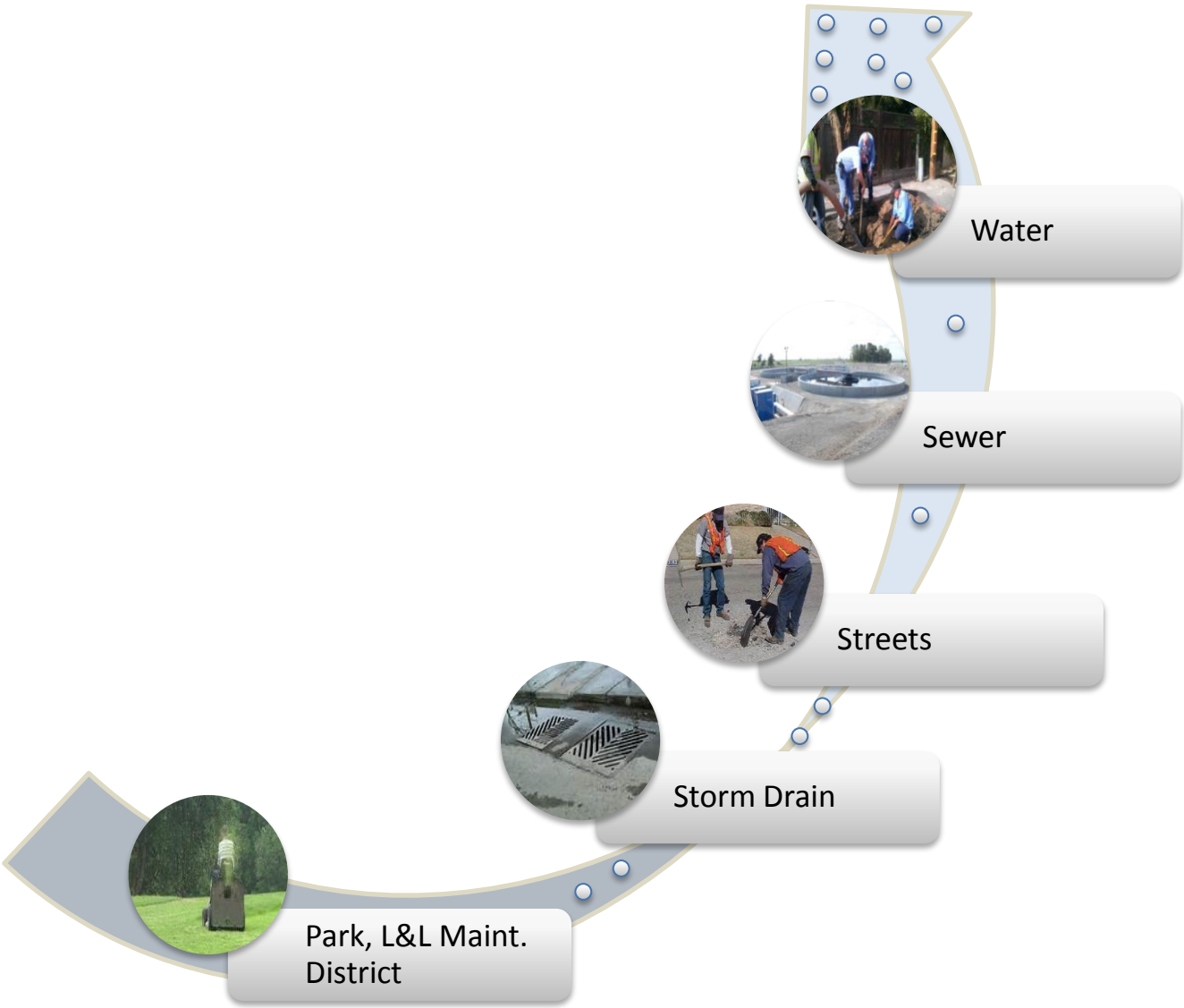
General Plan Fund Updates Budget

GENERAL PLAN UPDATES

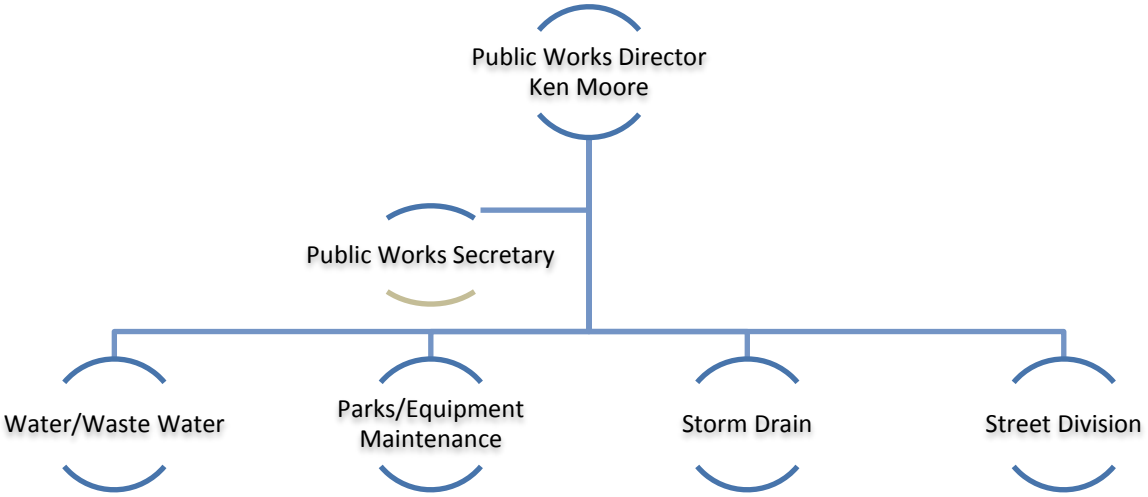
170 1007

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	0	0	0	0	0
410	30	00	Overtime	0	0	0	0	0
420	00	00	Fringe Benefits	0	0	0	0	0
			TOTAL PERSONNEL	**0**	**0**	**0**	**0**	**0**
OPERATIONS & MAINTENANCE								
510	02	00	Sphere of Influence/Application - LAFCo	0	0	0	0	0
510	10	01	Professional Services-Housing Element Plan	0	25,692	0	0	0
510	10	02	Professional Services-Planning Consultant	0	0	0	0	0
			TOTAL OPERATIONS & MAINTENANCE	**0**	**25,692**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**0**	**25,692**	**0**	**0**	**0**

Public Works



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



Public Works

Key Achievements

- ✓ Easements were acquired for a pedestrian trail along California Avenue.
- ✓ Reconstruction of California Avenue from Madera Avenue to Del Norte Avenue.
- ✓ Awarded a grant from California Department of Water Resources to drill a new test well and production well along with three and half miles of water line.
- ✓ Preliminary work has been completed to installed water meters in the remaining unmetered locations throughout the City.
- ✓ Power supply was installed for the Kanami Chistmas Tree.
- ✓ The foundation, plumbing and electrical service was installed for the Katie's Park restroom.
- ✓ Completed a very successful water conservation program. Reduction of the overall water usage in the City by 27.5% compared to 2013.
- ✓ Reduced the residential water leaks from 250 to 88.

Goals

- → Complete Prop 84 meter install project.
- → Complete a groundwater sustainability plan through a joint powers agreement with The North Upper Kings Sub- Basin Groundwater Sustainability Agency.
- → Complete an ADA survey and create a plan to mitigate areas of non-compliance.
- → Develop a water contingency plan to address the net revenue loss due to mandated water conservation measures.

Key Performance Measures

→ **Goal 1**	Construct water well #18 and connect to Kerman water distribution system
Objective	Provide adequate water for all residents as the City grows
Status	Ongoing –State Funds grand May of 2016

→ **Goal 2**	Install 700 water meters
Objective	Comply with mandates
Status	Ongoing – Anticipated completion 2016/17

→ **Goal 3**	Re-landscape all City Medians
Objective	To beautify the City while complying with State water mandate
Status	Ongoing – Anticipated completion 2016/17

→ **Goal 4**	Construction of Pedestrian Bulb-outs at various school locations
Objective	To ensure safety for residents and school children
Status	Ongoing – Anticipated completion 2016/17

Parks Landscape Maintenance Budget

PARKS LANDSCAPE MAINTENANCE

100 4010

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	53,323	39,832	53,727	53,727	52,232
410	30	00	Overtime	2,921	1,984	3,000	3,000	3,000
410	35	00	Stand By	1,915	1,284	1,476	1,476	1,977
420	51	00	CalPERS Unfunded Liability	0	0	1,151	1,151	1,347
420	00	00	Fringe Benefits	27,360	22,884	28,107	28,107	29,521
			TOTAL PERSONNEL	**85,519**	**65,984**	**87,462**	**87,462**	**88,077**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	0	0	0	0	0
515	01	00	Utilities	4,830	5,696	5,000	5,500	6,000
515	02	00	Utilities - Old Town "LME"	15,054	15,054	15,054	15,054	15,054
521	01	00	Office Supplies & Postage	560	415	400	500	500
521	05	00	Park Supplies	16,937	20,006	17,500	17,500	17,000
521	06	00	Uniforms	1,440	0	300	325	325
551	01	00	Communications - Telephone	934	762	750	750	800
551	02	00	Cellular Phone	345	378	400	400	400
554	01	00	Training / Meetings	59	80	250	250	250
555	04	00	Taxes & Assessments (Fresno Irrig. District)	0	1,867	1,875	1,867	1,875
555	05	00	Property Taxes	0	2,668	2,675	2,812	2,850
565	00	00	Internal Service Funds	14,739	13,153	16,885	16,885	9,604
			TOTAL OPERATIONS & MAINTENANCE	**54,898**	**60,078**	**61,089**	**61,843**	**54,658**
CAPITAL								
600	03	08	Capital - Skate Park Demolition	0	0	0	455	0
600	03	00	Capital - Small Equipment Replacement	4,647	0	0	0	3,000
			TOTAL CAPITAL EXPENDITURES	**4,647**	**0**	**0**	**455**	**3,000**
			TOTAL DEPARTMENT BUDGET	**145,064**	**126,062**	**148,551**	**149,759**	**145,736**
							Budget to Budget Increase/(Decrease)	**(2,815)**
							Percentage of Change	**-1.9%**

Water Operations Budget

WATER OPERATIONS

410 4041

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	257,868	241,322	257,281	257,281	261,322
410	20	00	Part Time Salaries	154	8,916	20,000	20,000	20,000
410	30	00	Overtime	7,780	6,150	7,500	8,000	7,500
410	35	00	Stand By	7,973	8,455	7,747	7,747	9,118
420	51	00	CalPERS Unfunded Liability	0	0	5,514	5,514	6,742
420	00	00	Fringe Benefits	112,989	122,034	125,190	125,190	138,298
			TOTAL PERSONNEL	**386,765**	**386,878**	**423,231**	**423,731**	**442,980**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	24,819	34,450	40,000	30,000	40,000
510	10	00	Professional Services	12,077	10,881	10,000	15,000	10,000
510	11	00	Professional Services-GIS Maintenance	0	2,030	2,000	1,500	2,000
510	12	00	Professional Services - Lab Services	10,705	9,584	14,000	9,000	11,000
515	01	00	Utilities	283,760	260,714	250,000	230,000	250,000
521	01	00	Office Supplies	1,301	1,471	1,500	1,200	1,500
521	02	00	Special Supplies	52,290	15,701	15,000	15,000	15,000
521	03	00	Special Supplies - Chlorine	0	31,360	40,000	30,000	40,000
521	02	01	Water Meters	2,750	3,286	5,000	5,000	5,000
521	06	00	Uniforms	985	1,271	1,300	1,300	1,300
521	07	00	Postage	846	196	1,200	1,200	1,200
540	02	00	Equipment Rental - Lease	1,089	1,676	2,500	2,500	2,500
551	01	00	Communications - Telephone	2,767	2,779	2,500	3,000	2,500
551	02	00	Communications - Cellular Phone	1,494	1,602	1,800	1,800	1,800
552	01	00	Public notices/Consumer Conf. Report	100	35	300	300	300
554	01	00	Training, Travel & Meetings	2,025	1,223	2,500	2,100	2,500
555	01	00	State Fees & Permits	8,214	9,537	15,000	12,000	15,000
555	02	00	Upper Kings Basin Water Forum	8,500	8,500	8,500	8,500	8,500
555	03	00	North Kings Groundwater Sustainability Agency	0	0	0	0	14,000
565	00	00	Internal Service Funds	50,565	61,482	59,774	59,774	53,308
			TOTAL OPERATIONS & MAINTENANCE	**464,288**	**457,780**	**472,874**	**429,174**	**477,408**
CAPITAL								
600	03	00	Capital Improvements	8,392	0	0	0	0
600	03	00	Water Conservation Measures	0	0	50,000	25,000	30,000
600	03	20	Capital Improvement - Forklift Trailer	0	0	0	2,599	0
600	03	21	Capital Improvement - Well 9 New Motor	0	0	0	8,816	0
600	03	22	Capital Improvement - Secondary Wtr Main/Vineland	0	0	0	0	25,000
600	03	23	Capital Improvement - Update PLC	0	0	0	0	5,000
600	04	38	Capital Improvement - Leak Detector	0	0	6,500	5,087	0
			TOTAL CAPITAL EXPENDITURES	**8,392**	**0**	**56,500**	**41,501**	**60,000**
			TOTAL DEPARTMENT BUDGET	**859,445**	**844,657**	**946,106**	**894,407**	**980,388**
							Budget to Budget Increase/(Decrease)	**34,283**
							Percentage of Change	**3.6%**

Budget Highlights:

410.4041.600.03.22 - $25,000 Secondary Water Main/Vineland Ave.

410.4041.600.03.23 - $5,000 Update Programmable Logic Controller (PLC)

Sewer Operations Budget

SEWER OPERATIONS

420 4042

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	226,219	186,057	225,531	225,531	239,674
410	30	00	Overtime	6,593	4,688	5,000	6,500	5,000
410	35	00	Stand By	6,983	7,236	7,739	7,739	9,537
420	51	00	CalPERS Unfunded Liability	0	0	4,833	4,833	6,183
420	00	00	Fringe Benefits	90,395	87,152	104,565	104,565	120,324
			TOTAL PERSONNEL	**330,190**	**285,133**	**347,668**	**349,168**	**380,719**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	45,595	51,427	64,000	55,000	50,000
510	10	00	Professional Services	9,437	2,573	10,000	5,500	10,000
510	12	00	Professional Services-Laboratory Testing	4,796	4,550	7,000	5,200	7,000
515	01	00	Utilities	132,281	218,310	220,000	230,000	225,000
515	02	00	Utilities (Lift Station)	2,419	1,575	2,500	2,000	2,000
521	01	00	Office Supplies & Postage	813	486	1,000	1,000	1,200
521	02	00	Special Supplies	54,422	48,812	16,500	20,000	16,500
521	03	00	Special Supplies-Polymer	0	0	19,000	18,000	19,000
521	04	00	Special Supplies-Major Repairs	0	0	14,500	22,000	22,000
521	06	00	Uniforms	886	1,010	1,100	1,200	1,200
540	00	00	Equipment Rent - Lease	1,325	1,369	1,500	1,500	1,500
550	00	00	Insurance	0	9,985	0	0	0
551	01	00	Communications - Telephone	4,021	4,049	4,050	4,050	4,050
551	02	00	Communications - Cellular Phone	926	979	1,100	1,200	1,200
554	01	00	Training, Travel & Meetings	1,541	1,881	2,500	2,000	2,500
555	01	00	State Fees & Permits	28,512	27,447	30,000	30,000	30,000
555	05	00	Property Taxes - Fresno Co - Solar Array	0	372	375	207	225
565	00	00	Internal Service Funds	49,294	56,573	53,951	53,951	44,222
			TOTAL OPERATIONS & MAINTENANCE	**336,266**	**431,397**	**449,076**	**452,808**	**437,597**
CAPITAL								
600	03	00	Capital Outlay	4,642	0	0	0	0
600	03	06	Capital Outlay-HVAC System at WWTP	1,283	0	0	0	0
600	03	08	Capital Outlay-Secondary Meter for Pumping Reclaimed	0	4,201	0	0	0
600	03	09	Capital Outlay-Cat Walk for FKC Sewer Sludge Press	0	0	5,000	5,000	0
600	03	63	Aluminum Biolac Barge - Pontoons for Barge (16/17)	0	1,953	0	3,486	3,000
600	03	20	Capital Outlay-Forklift Trailer	0	0	0	2,599	0
600	03	21	Capital Outlay-WWTP Office Expansion	0	0	0	0	30,000
600	03	22	Capital Outlay-Del Norte/Kearney Flow Monitoring	0	0	0	0	12,000
600	03	23	Capital Outlay-Pond 8 - Finish Grading	0	0	0	2,500	22,500
600	03	24	Capital Outlay-Homa RAS Pump	0	0	0	0	10,000
600	03	25	Capital Outlay-T-8 Gorman Rupp Pump	0	0	0	0	15,000
			TOTAL CAPITAL EXPENDITURES	**5,924**	**6,154**	**5,000**	**13,585**	**92,500**
			TOTAL DEPARTMENT BUDGET	**672,380**	**722,684**	**801,744**	**815,560**	**910,816**
							Budget to Budget Increase/(Decrease)	**109,072**
							Percentage of Change	**13.6%**

Budget Highlights:

420.4042.600.03.21 - $30,000 Expansion of WWTP Office area
420.4042.600.03.22 - $12,000 Del Norte/Kearny Flow Monitoring
420.4042.600.03.23 - $22,500 Pond 8 Grading Project
420.4042.600.03.24 - $10,000 Purchase standby spare Return Activated Sludge (RAS) pump for WWTP for WAS tank.
420.4042.600.03.25 - $15,000 Replace worn out T-8 Gorman Rupp lift pump in headworks.
420.4042.600.03.63 - $3,000 Pontoons for Biolac Barge

Strom Drain Operations Budget

STORM DRAIN OPERATIONS

470 4047

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	22,714	25,396	24,927	24,927	19,878
410	20	00	Part Time	282	0	0	0	0
410	30	00	Overtime	1,486	1,410	1,650	1,650	1,650
410	35	00	Stand By	1,302	1,156	1,372	1,372	1,032
420	51	00	CalPERS Unfunded Liability	0	0	534	534	513
420	00	00	Fringe Benefits	10,917	12,801	13,211	13,211	11,854
			TOTAL PERSONNEL	**36,701**	**40,762**	**41,695**	**41,695**	**34,927**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	1,000	492	1,000	600	1,000
515	01	00	Utilities	726	573	1,000	1,000	1,000
521	01	00	Office Supplies	67	0	100	100	100
521	02	00	General Supplies	2,496	3,307	2,000	3,000	2,500
521	06	00	Uniforms	117	141	120	150	150
521	07	00	Postage	800	989	500	500	500
540	00	00	Lease Payment (PFA Bond)	1,734	1,712	1,714	1,714	1,736
550	00	00	Insurance	4,920	3,928	3,142	3,251	3,408
551	02	00	Communications - Cellular Phone	812	890	1,000	1,000	1,000
555	04	00	Taxes & Assessments (Fresno Irrig. Dist.)	1,213	1,213	1,225	1,213	1,225
555	05	00	Property Taxes - Fresno County	139	140	150	146	150
565	00	00	Internal Service Funds	7,430	8,691	8,781	8,781	7,383
560	00	00	Administration & Overhead	7,453	7,453	7,453	7,453	7,453
			TOTAL OPERATIONS & MAINTENANCE	**28,907**	**29,528**	**28,185**	**28,908**	**27,605**
CAPITAL								
600	03	99	Capital Outlay-New Accounting Software System	351	702	0	0	0
			TOTAL CAPITAL EXPENDITURES	**351**	**702**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**65,959**	**70,993**	**69,880**	**70,603**	**62,532**
							Budget to Budget Increase/(Decrease)	**(7,348)**
							Percentage of Change	**-10.5%**

Budget Highlights:

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

Landscape and Lighting Budget

LANDSCAPE & LIGHTING DISTRICT

750 4075

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	64,135	75,772	62,623	62,623	61,288
410	20	00	Part Time Salaries	10,710	18,902	33,500	15,000	15,000
410	30	00	Overtime	3,384	3,700	2,500	2,500	2,500
410	35	00	Stand By	1,890	2,172	1,805	1,805	1,769
420	51	00	CalPERS Unfunded Liability	0	0	1,342	1,342	1,581
420	00	00	Fringe Benefits	31,925	43,977	33,063	33,063	30,753
			TOTAL PERSONNEL	**112,044**	**144,523**	**134,833**	**116,333**	**112,891**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	25	0	0	0	0
510	10	00	Professional Services-Assessments	3,654	6,090	4,000	4,000	4,000
510	11	00	Professional Services-GIS Mapping	0	1,910	0	0	0
515	01	00	Utilities	30,534	31,751	30,000	31,000	31,500
521	02	00	General Supplies	5,145	6,643	5,000	5,800	6,000
521	06	00	Uniforms	514	460	500	500	550
540	00	00	Lease Payment (PFA Bond)	2,600	2,600	2,572	2,572	2,605
550	00	00	Insurance	2,894	3,274	2,357	2,438	2,556
551	02	00	Communications - Cellular Phone	406	445	425	500	500
555	04	00	Taxes & Assessments (F.I.D.)	63	63	65	63	65
557	41	00	Transfer to Other Funds	895	0	0	0	0
565	00	00	Internal Service Funds	14,795	23,697	24,922	24,922	20,299
560	00	00	Administration & Overhead	7,956	7,956	7,956	7,956	7,956
			TOTAL OPERATIONS & MAINTENANCE	**69,482**	**84,888**	**77,797**	**79,751**	**76,031**
CAPITAL								
600	03	36	Capital Outlay-Bucket Truck	0	10,812	0	0	0
600	03	37	Capital Outlay-Mower	0	0	0	0	11,000
600	03	99	Capital Outlay-New Accounting Software System	0	2,685	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**13,497**	**0**	**0**	**11,000**
			TOTAL DEPARTMENT EXPENDITURES	**181,526**	**242,908**	**212,630**	**196,084**	**199,923**
							Budget to Budget Increase/(Decrease)	**(12,708)**
							Percentage of Change	**-6.0%**

Budget Highlights:

Revenue: L & L assessments will generate approximately $213,000 in FY 2016/17

Street Maintenance – Measure C Budget

STREET MAINTENANCE - MEASURE C

880 4088

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
PERSONNEL								
410	10	00	Salaries	157,142	161,896	172,174	172,174	149,886
410	20	00	Part Time Wages	5,461	6,900	10,000	0	10,000
410	30	00	Overtime	5,315	4,921	4,500	4,500	4,500
410	35	00	Stand By	3,159	3,061	3,137	3,137	2,649
420	51	00	CalPERS Unfunded Liability	0	0	3,690	3,690	3,867
420	00	00	Fringe Benefits	68,025	76,710	78,403	78,403	72,033
			TOTAL PERSONNEL	**239,103**	**253,489**	**271,903**	**261,903**	**242,934**
OPERATIONS & MAINTENANCE								
510	01	00	Contract Services	922	1,454	2,500	2,500	3,000
510	10	00	Professional Services-Pavement Mgmt Maint. Fees	0	0	1,500	1,500	1,500
521	01	00	Office Supplies	284	396	500	500	500
521	02	00	General Supplies	26,027	29,149	25,000	25,000	25,000
521	06	00	Uniforms	663	885	925	925	950
550	00	00	Insurance	2,894	9,821	9,426	9,752	10,224
551	01	00	Communications - Telephone	1,789	1,637	1,650	2,000	2,000
552	01	00	Public Notice	0	130	200	200	200
554	01	00	Travel/Conferences/Meetings	405	438	500	500	500
557	86	00	Transfer to Fund 860 (Transit)	30,294		32,000	11,000	12,000
565	00	00	Internal Service Funds	35,095	43,602	53,700	53,700	40,380
			TOTAL OPERATIONS & MAINTENANCE	**98,373**	**87,512**	**127,901**	**107,577**	**96,254**
CAPITAL								
600	03	99	Capital Outlay-New Accounting Software System	1,414	4,241	0	0	0
600	04	99	Capital Outlay-ADA Projects	0	5,796	0	0	0
600	03	02	First Street and Middleton	20,880	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**22,294**	**10,037**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**359,770**	**351,039**	**399,805**	**369,481**	**339,188**
							Budget to Budget Increase/(Decrease)	**(60,617)**
							Percentage of Change	**-15.2%**

Street Maintenance – TDA and Other Budget

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

	Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
FUND 800 - STREET SWEEPING						
OPERATIONS & MAINTENANCE						
510 01 00	Contract Services-Street Sweeping	80,853	80,075	85,748	85,748	86,503
	TOTAL OPERATIONS & MAINTENANCE	**80,853**	**80,075**	**85,748**	**85,748**	**86,503**
FUND 810 - HIGHWAY USERS TAX 2105						
OPERATIONS & MAINTENANCE						
510 05 00	Tree Trimming	750	0	10,000	5,000	10,000
510 06 00	Traffic Signal Maintenance	7,475	5,247	7,500	8,000	8,000
510 07 00	Street Light Improvement Installment Plan	0	10,065	6,000	10,065	10,065
515 01 00	Utilities-Net of Transfer in from 10.0.4011	39,708	31,921	27,500	27,500	28,000
	TOTAL OPERATIONS & MAINTENANCE	**47,933**	**47,233**	**51,000**	**50,565**	**56,065**
FUND 820 - HIGHWAY USERS TAX 2106						
OPERATIONS & MAINTENANCE						
510 03 00	Professional Services-Engineering	41,921	12,347	20,000	20,000	20,000
	TOTAL OPERATIONS & MAINTENANCE	**41,921**	**12,347**	**20,000**	**20,000**	**20,000**
CAPITAL						
600 03 04	Yard Improvements	0	30	7,500	0	5,000
	TOTAL CAPITAL EXPENDITURES	**0**	**30**	**7,500**	**0**	**5,000**
FUND 830 - HIGHWAY USERS TAX 2107						
OPERATIONS & MAINTENANCE						
510 03 00	Professional Services-GIS Mapping	0	4,773	5,000	5,000	5,000
510 04 00	Professional Services-Audit	2,500	3,500	3,000	4,000	4,000
557 82 00	Transfer To Fund 80-Street Sweeping	0	54,954	0	0	0
	TOTAL OPERATIONS & MAINTENANCE	**2,500**	**63,226**	**8,000**	**9,000**	**9,000**
FUND 840 - HIGHWAY USERS TAX 2107.5						
OPERATIONS & MAINTENANCE						
510 03 00	Professional Services-Engineering	0	0	0	0	0
	TOTAL OPERATIONS & MAINTENANCE	0	0	0	0	0
FUND 850 - ARTICLE III GAS TAX						
OPERATIONS & MAINTENANCE						
600 03 14	Sidewalk Repair	1,494	1,831	10,000	10,000	10,000
	TOTAL OPERATIONS & MAINTENANCE	**1,494**	**1,831**	**10,000**	**10,000**	**10,000**
FUND 870 - ARTICLE VIII GAS TAX						
PERSONNEL						
410 10 00	Salaries	50,731	63,512	63,889	63,889	67,561
410 20 00	Part Time Wages	4,615	8,320	10,000	10,000	10,000
410 30 00	Overtime	1,383	1,609	2,000	2,000	2,000
410 35 00	Stand By	813	893	748	748	1,069
420 51 00	CalPERS Unfunded Liability	0	0	0	0	1,743
420 00 00	Fringe Benefits	23,251	30,042	28,916	28,916	31,987
	TOTAL PERSONNEL	**80,792**	**104,377**	**105,552**	**105,552**	**114,360**
OPERATIONS & MAINTENANCE						
521 06 00	Uniforms	212	392	500	200	200
565 00 00	Internal Service Funds	5,486	12,442	13,672	13,672	12,777
	TOTAL OPERATIONS & MAINTENANCE	**5,698**	**12,834**	**14,172**	**13,872**	**12,977**
CAPITAL						
600 03 17	Solar Stop Signs	6,710	0	0	0	9,000
600 03 18	Traffic Radar Speed Indicator Signs (2) Two	0	0	12,000	12,000	0
600 03 19	Street Sign Replacement	0	0	10,000	5,000	10,000
600 03 25	Trailer for Street Stenciling Operations	0	1,726	0	0	0
600 03 99	New Accounting Software System	336	711	1,067	1,067	0
	TOTAL CAPITAL EXPENDITURES	**7,045**	**2,437**	**23,067**	**18,067**	**19,000**
SUMMARY - STREET MAINTENANCE TDA & OTHER						
	TOTAL PERSONNEL	**80,792**	**104,377**	**105,552**	**105,552**	**114,360**
	TOTAL OPERATIONS & MAINTENANCE	**180,400**	**217,545**	**188,920**	**189,185**	**194,545**
	TOTAL CAPITAL EXPENDITURES	**7,045**	**2,467**	**30,567**	**18,067**	**24,000**
	TOTAL DEPARTMENT BUDGET	**268,237**	**324,389**	**325,039**	**312,804**	**332,905**
					Budget to Budget Increase/(Decrease)	**7,865**
					Percentage of Change	**2.4%**

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CAPITAL PROJECTS

Capital Projects Overview

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

The Fiscal Year 2016/2017 Capital Projects Budget includes $6,564,687 of expenditures, with $3,562,070 in Street projects, $2,119,117 in Water Fund projects, $96,250 in Sewer Fund projects, $6,750 in Solid Waste projects, $56,000 in Storm Drain projects, $11,000 Landscape and Lighting projects, $648,500 in Park & Other Facilities projects and $65,000 in Vehicle/Equipment Replacement.

Street Construction

Streets Capital Projects are paid for from various funding sources, including Measure "C", Article III and Article VIII revenues, Gas Tax, 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 2016/2017 budget are the $822,490 Whitesbridge and Vineland Signal Project funded by Federal Funds, Gas Tax along with Development Impact Fees Funds, $871,830 California and May Reconstruction Project funded by Federal Funds and Local Street Funds, $471,750 Vineland Ave. Widening Project funded by Federal Funds, Gas Tax and Local Street Funds, $418,900 Pedestrian Trail Project funded by Federal Funds and Local Street Funds, and the $315,000 Goldenrod at Union Pacific Railroad Project funded by Development Impact Fees.

Water Construction

The two major projects in this category are a $1,594,117 Water Meter System Completion and Installation Project which will be funded with $658,184 from a Proposition 84 Grant and $935,933 from Water Fund Operational Reserves and the initial $313,000 on the Well 18 Drilling, Pump and Motor project which will be funded from a grant from the State (SDWSRF).

Sewer Facilities Construction

There are some minor projects planned in the FY 2016/2017 budget, the largest is 50% ($30,000) of the cost to expand the office at the Sewer Facilities. The additional $30,000 will be budgeted in Fiscal Year 2017/2018.

Park Construction and Other Facilities

This section of the Capital Projects Budget includes $125,000 to remodel the lobby at City Hall to comply with ADA accessibility and $350,000 for the animal shelter. These two projects will be funded from General Fund reserves.

Capital Projects Summary

CAPITAL IMPROVEMENT PROJECTS
Fiscal Year 2016/2017

PROJECT	FUNDING SOURCE	ESTIMATED COST
Streets		
MedianTransition Plan	Local Street Funds	5,000
Solar Stop Signs	Local Street Funds	9,000
Street Sign Replacements	Local Street Funds	10,000
Street Light Replacement at Community Teen Center	Local Street Funds	5,000
Concrete Repair Project	Local Street Funds	10,000
Median Landscaping Renovation	Local Street Funds	100,000
Madera/Jensen Roundabout Gateway Monument	Local Street Funds	30,000
High Visibility Crosswalk Striping	Local Street Funds	25,000
California & May Reconstruction (RSTP)	Federal Grant/Local Street Funds	871,830
Calif Avenue Sidewalk (CMAQ) (Del Norte/First South Side)	Federal Grant/Local Street Funds	193,100
Pedestrian Safety Improvements (SR2S)	State Grant/Local Street Funds	239,000
RSTP Vineland Ave Widening	Local Street Funds/Federal Grant	471,750
Kearney Blvd. Rehabilitation	Local Street Funds	36,000
CMAQ Pedestrian Trail	Local Street Funds/Federal Grant	418,900
CMAQ Whitesbridge & Vineland Signal	DIF/Federal Grant/CalTrans	822,490
Goldenrod Railroad Crossing Improvements	DIF	315,000
	Total Street Capital Projects	**3,562,070**
Water		
Water Conservation Measures	Water Fund	30,000
Telephone Equipment	Water Fund	9,000
Secondary Water System Planning	Water Fund	5,000
Secondary Water Main - Vineland	Water Fund	25,000
Update Programable Logic Controller	Water Fund	5,000
Fire Hydrant Replacements	Water Fund	10,000
Chromium 6 Treatment Analysis	Water Fund	25,000
Well No. 18 (SDWSRF)	State Grant Funding/DIF	313,000
Double L MHP Water Main (SDWSRF)	State Grant Funding	103,000
Water Meter System Completion	Water Fund/Grant Funding	877,579
Water Meter Installation Project	Water Fund/Grant Funding	716,538
	Total Water Capital Projects	**2,119,117**
Sewer		
Expand WWTP Office	Sewer Fund	30,000
Pond 8 - Finish Grading	Sewer Fund	22,500
Del Norte/Kearney Flow Monitoring	Sewer Fund	12,000
Telephone Equipment	Sewer Fund	6,750
Homa RAS Pump	Sewer Fund	10,000
T-8 Gorman Rupp Pump	Sewer Fund	15,000
	Total Sewer Capital Projects	**96,250**
Solid Waste		
Telephone System	Solid Waste Fund	**6,750**
Storm Drain		
Regrade B Street Basin	Storm Drain DIF's	**56,000**
Landscape and Lighting District		
Mower Replacement	L&LMD Fund	**11,000**
Parks and Other Facilities		
Animal Shelter	General Fund Reserves	350,000
Skate Park	General Fund Reserves	40,000
City Hall Lobby Accessibility Upgrade/Expansion	General Fund Reserves	125,000
Facility Repairs - Police Dept and Senior Center	General Fund Reserves	15,000
Telephone Equipment	General Fund Reserves	22,500
Soroptimist Park Restroom	CDBG Funds	69,305
Soroptimist Park Restroom	General Fund Reserves	20,695
Soroptimist Park Playground Resurfacing	General Fund Reserves	6,000
	Total Parks & Other Facilities	**648,500**
Vehicle/Equipment Replacement Fund		
Water Truck	Vehicle Fund	**65,000**
	Total Major Capital Expenditures	**6,564,687**
	Total Minor Capital Expenditures	353,203
	Total Capital Expenditures	**6,917,890**

PARKS, FACILITIES & EQUIPMENT - GENERAL FUND
100 8000

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
Construction								
			Facilities					
600	03	01	HVAC Unit - 942 S. Madera Ave.	5,525	0	0	0	0
600	05	01	Katie's Kids Park	0	18,047	0	0	0
600	03	02	Park Restroom Upgrades (Kerckhoff & Lions Parks)	0	0	15,000	15,000	0
600	03	03	B Street Playground	0	37,423	7,000	11,000	0
600	03	04	Skate Park Equipment	0	5,500	30,000	0	40,000
600	03	05	Coleman Grandstand Roof/Fascia Replacement	0	0	25,000	0	0
600	03	06	Katie's Kids Park-2nd Restroom Facility	0	0	56,000	0	0
600	03	10	Katie's Kids Park Development	0	0	0	56,000	0
600	03	07	Coleman Scoreboard	0	0	0	11,000	0
600	03	08	City Hall Lobby Accessibility Upgrade/Expansion	0	0	0	0	125,000
600	03	11	CTC Banquet Chair & Table Replacement	13,972	0	0	0	0
600	03	12	Facility Repairs (Paint Police Dept and Sr. Center)	0	0	0	0	15,000
600	03	70	Soroptimist Park - Restroom Addition	0	415	0	0	20,695
600	03	70	Soroptimist Park - Playground Resurfacing	0	0	0	0	6,000
600	03	80	Telephone Equipment (50% - Split with Wtr/Swr/SW)	0	0	0	0	22,500
600	03	96	Decorative Street Furniture	0	0	0	0	0
600	03	97	CTC Fire Sprinkler Replacement	0	0	0	0	0
600	03	98	Police Department HVAC & Roof Repairs	36,632	0	0	0	0
			TOTAL FACILITIES	**56,129**	**61,386**	**133,000**	**93,000**	**229,195**
			Equipment					
600	03	99	New Accounting Software System	4,491	11,324	0	0	0
			TOTAL EQUIPMENT	**4,491**	**11,324**	**-**	**-**	**-**
			TOTAL DEPARTMENT BUDGET	**60,620**	**72,709**	**133,000**	**93,000**	**229,195**
							Budget to Budget Increase/(Decrease)	**96,195**
							Percentage of Change	**72.3%**

CDBG Construction Budget

CDBG CONSTRUCTION
120 8000

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
Expenditures:								
600	03	05	Del Norte Sewer Main (CDBG)	0	0	0	0	0
600	03	06	Katie's Kids Park	0	29,991	158,866	164,838	
600	03	70	Soroptimist Park-Restroom Addition	0	0	79,856	10,000	69,305
			TOTAL DEPARTMENT BUDGET	**0**	**29,991**	**238,722**	**174,838**	**69,305**
							Budget to Budget Increase/(Decrease)	**(169,417)**
							Percentage of Change	**0.0%**

Facilities Construction Budget

FACILITIES CONSTRUCTION

140 8000

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
Construction								
600	03	70	Animal Shelter	0	0	350,000	10,000	350,000
540	00	00	Lease Payment (PFA Bond)	52,008	51,362	51,435	51,435	52,095
			TOTAL OPERATIONS & MAINTENANCE	**52,008**	**51,362**	**401,435**	**61,435**	**402,095**
Equipment								
600	03	00	Capital Equipment	0	0	0	0	0
			TOTAL CAPITAL EXPENDITURES	**0**	**0**	**0**	**0**	**0**
			TOTAL DEPARTMENT BUDGET	**52,008**	**51,362**	**401,435**	**61,435**	**402,095**
							Budget to Budget Increase/(Decrease)	**660**
							Percentage of Change	**0.2%**

Budget Highlights:

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

Water Construction Budget

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

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
WATER OPERATIONS								
FUND 410								
600	03	16	GIS Mapping	9,992	0	0	0	0
600	03	26	Double L Water Main	29,769	2,935	0	0	0
600	03	50	Well 17 Major Repair	17,400	0	0	0	0
600	03	51	Used Mud Vac for Water Repairs	0	25,000	0	0	0
600	04	37	Water Meter System Completion	0	2,309	222,644	10,689	219,395
600	04	39	Water Meter Installation Project	0	0	700,000	15,818	716,538
600	04	41	Secondary Water System Agreement	0	0	5,000	5,000	0
600	04	42	Chromium 6 Treatment Analysis	0	0	50,000	25,000	25,000
600	04	43	Fire Hydrant Replacements	0	0	0	0	10,000
600	03	99	New Accounting Software System	6,022	16,902	0	0	0
			TOTAL WATER OPERATIONS	**63,184**	**47,146**	**977,644**	**56,507**	**970,933**
FUND 780								
600	03	37	Water Meter System Completion-Prop 84 Grant	0	0	682,930	32,076	658,184
600	03	38	Well No. 18 (SDWSRF)	0	0	1,428,000	0	313,000
600	03	39	Double L MHP Water Main (SDWSRF)	0	0	40,000	45,000	103,000
			TOTAL PROP 84 GRANT	**0**	**0**	**2,150,930**	**77,076**	**1,074,184**
WATER FRONT FOOTAGE								
FUND 520								
600	03	36	8" & 12" Water Main Extensions for Well 18	0	0	0	0	0
			TOTAL WATER FRONT FOOTAGE	**0**	**0**	**0**	**0**	**0**
WATER OVERSIZE								
FUND 530								
600	03	00	Reimbursement-Walmart	0	0	27,527	28,620	0
600	03	01	Reimbursement-Covington	0	0	11,885	12,357	0
600	03	36	8" & 12" Water Main Extensions for Well No. 18	0	0	0	0	0
			TOTAL WATER OVERSIZE	**0**	**0**	**39,412**	**40,977**	**0**
WATER MAJOR FACILITIES								
FUND 540								
600	03	00	Reimbursement-Tract 5160	0	0	35,719	9,222	0
600	03	01	Reimbursement-Walmart	0	0	0	45,178	0
600	03	02	Reimbursement-Covington	0	0	0	30,735	0
600	03	36	Well 18 - Drilling, Pump & Motor	36,717	8,564	633,000	2,000	0
600	04	01	Secondary Water System Planning	0	860	0	5,000	5,000
			TOTAL WATER MAJOR FACILITIES	**36,717**	**9,424**	**668,719**	**92,135**	**5,000**
			TOTAL DEPARTMENT BUDGET	**99,901**	**56,569**	**3,868,205**	**266,695**	**2,050,117**
							Budget to Budget Increase/(Decrease)	**(1,818,088)**
							Percentage of Change	**-47.0%**

Sewer Facilities Construction Budget

SEWER FACILITIES CONSTRUCTION

XX0 8000 (420, 550-570)

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
SEWER OPERATIONS								
FUND 420								
600	03	16	GIS Mapping	9,992	0	0	0	0
600	03	00	HVAC Repair at WWTP Office	1,283	0	0	0	0
600	03	62	Lift-Station Pumps - Goldenrod & CA	53,929	0	0	0	0
600	03	99	New Accounting Software System	5,177	14,542	0	0	0
			TOTAL SEWER OPERATIONS	**70,382**	**14,542**	**0**	**0**	**0**
SEWER FRONT FOOTAGE								
FUND 550								
600	03	05	Del Norte Sewer Main	0	0	0	0	0
			TOTAL SEWER FRONT FOOTAGE	**0**	**0**	**0**	**0**	**0**
SEWER OVERSIZE								
FUND 560								
600	03	05	Del Norte Sewer Main	1,395	0	0	0	0
			TOTAL SEWER OVERSIZE	**1,395**	**0**	**0**	**0**	**0**
SEWER MAJOR FACILITIES								
FUND 570								
700	17	00	Debt Service - SRF Loan Principal	114,536	0	75,000	75,000	75,000
700	27	00	Debt Service - SRF Loan Interest	23,836	0	0	0	0
600	03	60	Sludge Drying Beds	234,753	0	0	0	0
			TOTAL SEWER MAJOR FACILITIES	**373,125**	**-**	**75,000**	**75,000**	**75,000**
			TOTAL DEPARTMENT BUDGET	**444,901**	**14,542**	**75,000**	**75,000**	**75,000**
							Budget to Budget Increase/(Decrease)	**0**
							Percentage of Change	**0.0%**

Storm Drain Acquisition and Construction Budget

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

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
STORM DRAIN BASIN ACQUISITION								
FUND 480								
600	03	00	Reimbursement Tract No. 5266-Covington	0	0	0	19,612	10,000
			TOTAL STORM DRAIN ACQUISITION	**0**	**0**	**0**	**19,612**	**10,000**
STORM DRAIN FACILITIES								
FUND 490								
600	03	15	Tract No. 5244 (Westco)	76,725	0	0	0	0
600	03	16	Tract No. 5329 (Jonathan)	51,159	0	0	0	0
600	03	17	Tract No. 5416-Covington Fee Credit Reimb.	0	21,724	0	0	2,000
600	03	19	Tract No. 5515 (Hair)	0	0	0	0	20,000
600	03	23	Crossroads (Kashan) Reimbursement	21,171	0	0	0	0
600	03	24	Regrade B Street Basin	0	0	0	6,000	56,000
			TOTAL STORM DRAIN CONSTRUCTION	**6,000**	**0**	**0**	**6,000**	**78,000**
			TOTAL DEPARTMENT BUDGET	**6,000**	**0**	**0**	**25,612**	**88,000**

Budget Highlights:

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

Park Acquisition and Construction Budget

PARK ACQUISITION & CONSTRUCTION

5x0 8000 (580-590)

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
FUND 580 - PARK DEVELOPMENT								
540	00	00	Lease Payment (PFA Bond)	20,585	20,329	20,358	20,358	20,619
			TOTAL ACQUISITIONS	**20,585**	**20,329**	**20,358**	**20,358**	**20,619**
FUND 590 - PARK DEVELOPMENT-QUIMBY								
540	00	00	Lease Payment (PFA Bond)	20,585	20,329	20,358	20,358	20,619
			TOTAL PARK DEVELOPMENT	**20,585**	**20,329**	**20,358**	**20,358**	**20,619**
			TOTAL DEPARTMENT BUDGET	**41,170**	**40,658**	**40,716**	**40,716**	**41,238**
							Budget to Budget Increase/(Decrease)	**523**
							Percentage of Change	**1.3%**

Budget Highlights:

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

Park Construction Grants

PARK CONSTRUCTION - GRANTS

780 8000

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
Construction								
600	05	03	Katie's Kids Park-Integrated Waste Grant	0	40,325	0	0	0
600	05	01	Katie's Kids Park Construction	233,324	27,832	0	0	0
600	05	02	Tire Amnesty Grant	3,141	0	0	0	0
			TOTAL CONSTRUCTION	**236,465**	**68,157**	**0**	**0**	**0**

Street Construction Budget

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

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
CITY PROJECTS								
GAS TAX 2105 (810)								
600	03	35	Median Transition Plan	0	0	5,000	5,000	5,000
600	03	36	Madera/Jensen Roundabout Gateway Monument	0	0	3,000	1,500	30,000
600	03	37	High Visibility Crosswalk Striping	0	0	28,000	3,000	25,000
GAS TAX 2107 (830)								
600	03	05	Local Street Repair (Asphalt Repairs/Various)	39,150	105,197	0	0	0
600	03	30	Pavement Management System	0	42,448	0	0	0
600	03	32	Wooten Park Street Lighting Project	63,757	0	0	0	0
600	03	33	California-Madera Ave to Del Norte	0	65,164	0	0	0
600	03	31	Stanislaus & 16th Street (Sidewalks, Curbs & Gutters)	25,496	144,572	0	1,712	0
600	03	36	Sidewalk Repairs-Middleton Between 6th & 8th Strs.	0	53,068	0	0	0
600	03	35	Median Transition Plan	20,062	3,832	0	0	0
600	03	38	Madera Ave. Crosswalk at San Joaquin	0	0	2,000	2,000	0
600	03	39	Street Light Replacements at CTC	0	0	0	3,400	5,000
600	03	40	Wayfinding Signage	0	0	20,000	0	0
ARTICLE VIII (870)								
600	03	31	Stanislaus & 16th Street (Sidewalks, Curbs & Gutters)	0	68,817	0	0	0
600	03	33	Madera Ave. Crosswalk at San Joaquin	459	0	0	0	0
600	03	34	Local Street Recon. - 4th, E & G	426,058	0	0	0	0
600	03	18	Concrete Repair Project	0	0	0	115,000	10,000
600	03	39	California Reconstruction Project	0	0	726,000	712,281	0
600	03	35	Median Landscaping Renovation-Phase I	0	0	100,000	25,000	50,000
MAJOR STREET RAILROAD (930)								
600	03	01	Goldenrod @ UP Railroad	556	8,983	0	0	0
HUT 2103 (950)								
600	03	35	Median Landscaping Renovation-Phase I	0	0	100,000	0	0
			TOTAL CITY PROJECTS	**575,538**	**492,079**	**984,000**	**859,393**	**125,000**
LOCAL MATCH FOR STATE & FEDERAL PROJECTS								
GAS TAX 2105 (810)								
600	03	02	RSTP - First & Middleton	105,000	0	0	0	0
600	03	29	RSTP - Stanislaus Ave. Reconstruction	10,013	0	0	0	0
GAS TAX 2106 (820)								
600	03	02	RSTP - First & Middleton	160,000	0	0	0	0
GAS TAX 2107 (830)								
600	03	02	RSTP - First & Middleton	237,996	0	0	0	0
600	03	04	RSTP - California & May Reconstruction	0	0	0	0	0
600	03	09	SR 25 - Pedestrian Safety Improvements	0	3,258	0	2,428	15,000
600	03	07	CMAQ - California Avenue Sidewalk - Phase I	0	930	57,900	20,036	63,600
600	03	07	CMAQ - California Avenue Sidewalk - Phase II	0	0	0	0	3,000
600	03	60	RSTP - Vineland Ave Widening	0	1,299	35,400	29,946	0
ARTICLE VIII (870)								
600	03	60	RSTP - Vineland Ave Widening (North)	33,850	1,299	0	0	3,700
600	03	60	RSTP - Vineland Ave Widening (South)	0	0	56,100	63,721	123,826
600	03	15	RSTP - Kearney Blvd. Rehabilitation	0	0	0	0	4,200
600	03	42	CMAQ - Pedestrian Trail	0	2,231	111,000	19,467	46,511
600	03	41	RSTP - California & May Reconstruction	0	0	133,900	1,330	294,530
MAJOR STREET SIGNALS (920)								
600	03	16	CMAQ - Whitesbridge & Vineland Signal	0	22,586	134,187	13,406	140,000
			TOTAL LOCAL MATCH	**546,858**	**31,602**	**528,487**	**150,334**	**694,367**

STREET CONSTRUCTION

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

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
STATE & FEDERAL PROJECTS								
FEDERAL PROJECTS (890)								
600	03	02	RSTP - First & Middleton	513,623	0	0	0	0
600	03	04	RSTP - California & May Reconstruction	16,081	21,031	577,300	5,318	577,300
600	03	15	RSTP - Kearney Blvd Rehabilitation	0	0	0	0	31,800
600	03	16	CMAQ - Whitesbridge & Vineland Signal	82,172	0	429,758	1,035	426,383
600	03	17	CalTrans - Whitesbridge & Vineland Signal	0	0	30,000	0	30,000
600	03	07	CMAQ - California Ave Sidewalk (Phase I)	0	0	118,700	13,884	104,500
600	03	07	CMAQ - California Ave Sidewalk (Phase II)	0	0	0	0	22,000
600	03	09	SR 25 Pedestrian Safety Improvements	0	528	25,000	25,472	224,000
600	03	38	CMAQ CA Sidewalk-Del Norte/First	0	480	0	0	0
600	03	60	RSTP Vineland Ave. Widening (North)	0	10,509	316,400	0	27,800
600	03	60	RSTP Vineland Ave. Widening (South)	0	0	0	0	316,424
600	03	61	CMAQ Pedestrian Trail Siskiyou to Del Norte	5,665	20,391	274,000	18,513	372,389
MAJOR STREET RAILROAD (930)								
600	03	01	Goldenrod Railroad Crossing Improvements	0	0	294,000	3,000	315,000
HUT 2103 (950)								
600	03	35	Median Landscaping Renovation-Phase I	0	0	0	0	50,000
600	03	16	Whitesbridge & Vineland Signal	117,015	79,832	299,445	0	226,107
			TOTAL STATE & FEDERAL PROJECTS	**734,557**	**132,771**	**2,364,603**	**67,222**	**2,723,703**
MAJOR STREETS (910)								
600	03	00	Reimb. - Tract No. 5191	0	15,059	1,500	1,500	0
600	03	01	Reimb. - Tract No. 5329	0	0	54,526	51,465	55,000
600	03	32	Reimb. - Tract No. 5244 - Westco	21,000	6,628	0	0	0
			TOTAL REIMBURSEMENTS	**21,000**	**21,687**	**56,026**	**52,965**	**55,000**
			TOTAL DEPARTMENT BUDGET	**1,877,953**	**678,140**	**2,420,629**	**1,129,914**	**3,598,070**
							Budget to Budget Increase/(Decrease)	**1,177,441**
							Percentage of Change	**48.6%**

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EMPLOYEE INFORMATION

Employee Benefits

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

Personnel expenditures include employee benefits such as pension and health benefits (medical, dental, vision, life and long term disability) for current full time City employees. Total benefits for Fiscal Year 2016/2017 are projected at $1,584,660

There is an overall net 12.09% increase in personnel benefits in Fiscal Year 2016/2017 compared to the Fiscal Year 2015/16 budget. This increase primarily is a result of additional health insurance premiums due to the national affordable care act provisions, workers compensation and retirement (CalPERS) rate increases.

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 percent for each year worked, with eligibility beginning at 55 years of age (2% at 55). The current miscellaneous formula is 2 percent 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 percent of the total 7 percent 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 percent employee contribution.

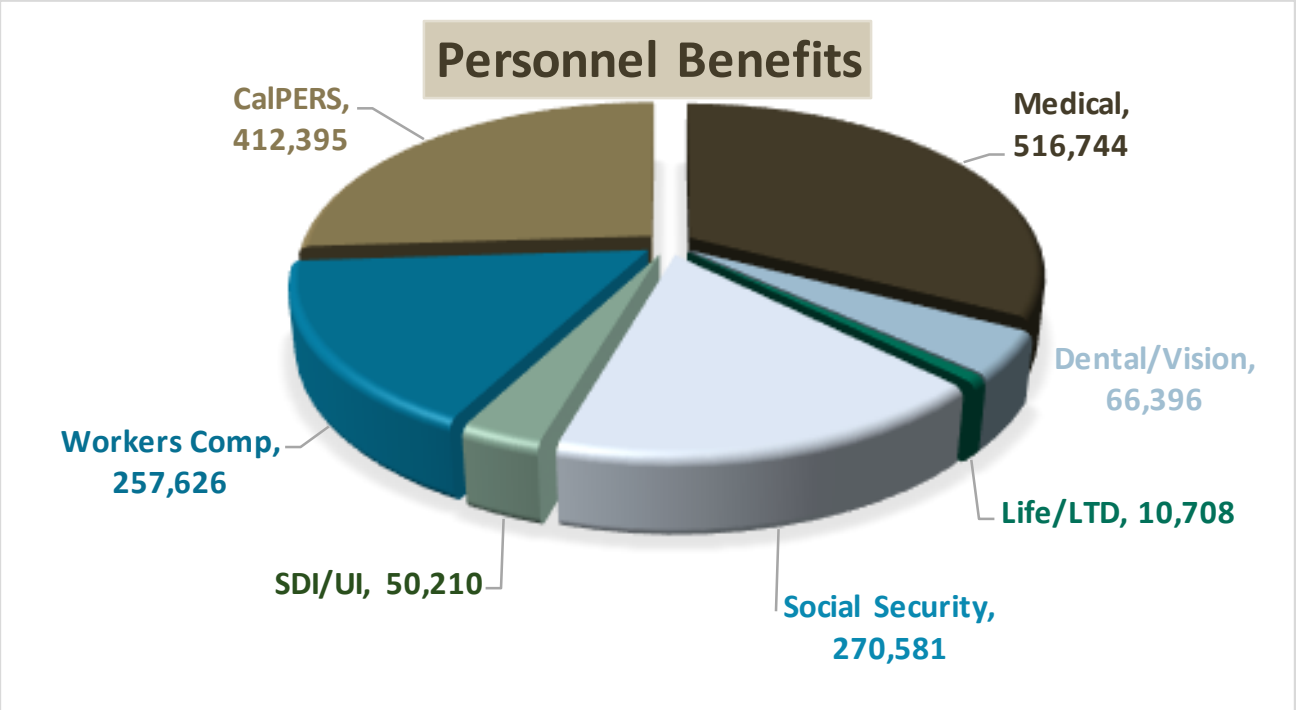
On January 1, 2013 the State of California Public Employees' Pension Reform Act (PEPRA) went into effect. By law, a new employee who has not had prior CalPERS membership and is hired on January 1, 2013 and beyond will have a retirement benefit of 2 percent at 57 (safety) or 2 percent at 62 (miscellaneous) and the employee must pay the full employee contribution amount currently at 6.25 percent for miscellaneous and 9.5 percent for safety members. 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).

CalPERS employer contributions Fiscal Year 2016/2017 for the miscellaneous group is at 7.159 percent, up from 6.709 percent; a 6.71 percent increase. The contribution rates from the Safety group is at 12.055 percent, up from 11.53 percent; a 4.55 percent increase. Beginning in Fiscal Year 2015/2016 CalPERS began collecting employer contributions towards the City's unfunded liability. The contribution for the miscellaneous group is $53,793 compared to $41,083 in fiscal Year 2015/16 or a 31% increase. The contribution for the safety group is $36,286 compared to $29,820 in Fiscal Year 2015/16 or a 22% increase.

Healthcare

The City's healthcare renews annually on July 1st. Employees' healthcare costs are paid 100% by the City and dependent coverage is paid at 70%. Annually the healthcare broker for the City solicits quotes from other carriers and compares those findings against the City's current plan. For Fiscal Year 2016/2017 the City elected to continue with same providers as last Fiscal Year 2015/2016.

Fiscal Year 2016/2017 Personnel Benefits



Position Allocation by Department

Position Allocation by Department

Position Allocation by Department (Full Time Staffing)

	Audited 2013-2014	Adopted 2014-2015	Adopted 2015-2016	Adopted Budget 2016-2017	2016-2017 Change
Administrative Services					
Account Clerk I	0.00	1.00	1.00	2.00	1.00
Account Clerk II	2.00	2.00	2.00	0.00	(2.00)
Account Receptionist	0.00	0.00	1.00	1.00	0.00
Finance Director	1.00	1.00	1.00	1.00	0.00
Junior Accountant	1.00	0.50	0.00	1.00	1.00
Senior Accountant	1.00	0.00	1.00	1.00	0.00
Total Administrative Services	5.00	4.50	6.00	6.00	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	1.00	1.00	1.00	0.00	(1.00)
Human Resource Officer	0.00	0.00	0.00	1.00	1.00
Human Resource Specialist	0.00	0.00	0.00	1.00	1.00
Total City Manager	2.00	2.00	2.00	3.00	1.00
Community Services					
Community Services Director	1.00	1.00	1.00	1.00	0.00
Buildings & Facility Supervisor	1.00	1.00	1.00	1.00	0.00
Maintenance Worker	1.00	1.00	1.00	1.00	0.00
Parks Maintenance Technician	1.00	1.00	1.00	1.00	0.00
Recreation Coordinator	1.00	1.00	1.00	1.00	0.00
Senior Services Coordinator	1.00	1.00	1.00	1.00	0.00
Community Services Secretary	0.00	0.00	1.00	1.00	0.00
Van Driver	1.00	1.00	1.00	1.00	0.00
Total Community Services	7.00	7.00	8.00	8.00	0.00
Planning & Building					
Administrative Secretary	1.00	1.00	1.00	1.00	0.00
Building Inspector	1.00	1.00	1.00	1.00	0.00
Building Permits Clerk	1.00	1.00	0.00	0.00	0.00
Director of Planning & Dev. Services	0.67	0.00	0.00	0.00	0.00
Total Planning & Building	3.67	3.00	2.00	2.00	0.00
Police*					
Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Animal Control	1.00	1.00	1.00	1.00	0.00
Chief of Police	1.00	1.00	1.00	1.00	0.00
Police Officer	13.00	13.00	14.00	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	5.00	5.00	5.00	4.00	(1.00)
Lieutenant	0.00	0.00	0.00	0.00	1.00
Total Police	22.00	22.00	23.00	22.00	(1.00)
Public Works					
Administrative Secretary	1.00	1.00	1.00	1.00	0.00
Automotive Mechanic	1.00	1.00	1.00	1.00	0.00
Director of Public Works	1.00	1.00	1.00	1.00	0.00
General Maintenance Technician	2.00	2.00	2.00	1.00	(1.00)
General Maintenance Worker	1.00	1.00	1.00	2.00	1.00
Lead Supervisor	3.00	3.00	3.00	2.00	(1.00)
Maintenance Specialist	3.00	3.00	3.00	3.00	0.00
Operations Coordinator	1.00	1.00	1.00	1.00	0.00
Water Distribution/Waste Water Mgr	1.00	0.25	0.00	0.00	0.00
WWTP Operator Grade II (Lead)	1.00	1.00	1.00	2.00	1.00
WWTP Water Operator Grade I	1.00	0.00	0.00	0.00	0.00
WWTP Water Operator Grade II	1.00	2.00	2.00	1.00	(1.00)
WWTP Maintenance	0.00	0.00	1.00	2.00	1.00
Water Conservation	0.00	1.00	1.00	1.00	0.00
Total Public Works	17.00	17.25	18.00	18.00	0.00

*Police Department uses Level I & II contract reserves to augment staffing levels throughout the year.

Position Allocation by Fund

PAYROLL ALLOCATION SUMMARY
Fiscal Year 2016/2017

Staffing Positions	General Fund	Water	Sewer	Solid Waste	Storm Drain	Internal 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%
Human Resources Officer	37.5%	25.0%	18.0%	10.0%	0.0%	0.0%	0.0%	2.0%	7.5%	0.0%
Human Resource Specialist	40.0%	25.0%	25.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance Director	5.0%	30.0%	18.5%	16.0%	0.0%	20.0%	0.0%	2.0%	3.5%	5.0%
Sr Acct/Personnel Officer	4.0%	32.0%	35.0%	25.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%
Account Receptionist	10.0%	32.0%	28.0%	25.0%	0.0%	0.0%	0.0%	2.0%	3.0%	0.0%
Jr. Accountant	5.0%	35.0%	20.0%	25.0%	0.0%	0.0%	0.0%	5.0%	10.0%	0.0%
Account Clerk	17.5%	45.0%	25.0%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Account Clerk	4.0%	32.0%	35.0%	25.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%
Comm. Services Director	95.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%
Buildings & Facility Supervisor	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recreation Coord.	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%
Senior Center Coordinator	47.0%	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.0%
Parks & Facility Mtnc. Specialist	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks Maintenance Technician	90.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Van Driver	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
CS Secretary	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Admin Sec/Planning Tech.	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Building Inspector	88.0%	5.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%
Animal Control Officer	70.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.0%	0.0%
Public Works Director	2.0%	29.0%	25.0%	6.0%	2.0%	3.0%	0.0%	4.0%	29.0%	0.0%
PW Admin. Secretary	1.0%	41.0%	30.0%	15.0%	0.0%	3.0%	0.0%	4.0%	6.0%	0.0%
PW Operations Coord.	5.0%	25.0%	20.0%	0.0%	0.0%	2.0%	0.0%	5.0%	43.0%	0.0%
PW Lead Supervisor	0.0%	28.0%	20.0%	0.0%	2.0%	0.0%	0.0%	2.0%	48.0%	0.0%
PW Lead Supervisor	5.0%	15.0%	10.0%	0.0%	0.0%	0.0%	0.0%	40.0%	30.0%	0.0%
Mechanic	0.0%	5.0%	5.0%	0.0%	0.0%	75.0%	0.0%	0.0%	15.0%	0.0%
Maintenance Worker	50.0%	15.0%	15.0%	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%	0.0%
Genereal Maintenance Tech	10.0%	10.0%	10.0%	11.5%	11.0%	0.0%	0.0%	2.5%	45.0%	0.0%
PW Maintenance Specialist	10.0%	10.0%	5.0%	3.0%	6.0%	0.0%	0.0%	20.0%	46.0%	0.0%
PW Maintenance Specialist	15.0%	20.0%	20.0%	0.0%	0.0%	0.0%	0.0%	10.0%	35.0%	0.0%
Maintenance Worker	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maintenance Worker	50.0%	15.0%	15.0%	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%	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%	30.0%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WWTP & Water Op. II Lead	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Conservation	0.0%	70.0%	25.0%	5.0%	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%
Lieutenant (1)	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sergeants (4)	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:										
Building Permits Clerk	20.0%	70.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Nutrition Coordinator	52.5%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	32.5%
Planning/Bldg. Director	70.0%	3.5%	3.5%	0.5%	1.0%	0.0%	0.0%	0.0%	2.5%	0.0%
Building Official	75.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%
Police Officer	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.0%	30.0%	0.0%
WWTP Manager	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

NOTE: With 67 full-time authorized positions and 6 of them vacant, this budget funds 60 full-time positions (plus several part-time employees that are not included in this allocation).

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SUPPLEMENTAL INFORMATION

Budget and Fiscal Policies

Financial Plan Purpose and Organization

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

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

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

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

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

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

Financial Reporting and Budget Administration

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

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

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

Budget Administration. The Council may amend or supplement the budget at any time after its adoption by majority vote of the Council members. The City Manager has the authority to make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances.

General Revenue Management

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

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

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

Enterprise Fund Fees and Rates

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

Appropriations Limitation

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

Fund Balance and Reserves

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

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

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

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

Capital Improvement Management

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

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

Capital Financing and Debt Management

Capital Financing

The City will consider the use of debt financing only for one-time capital improvement projects and only under the following circumstances:

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

Debt Management

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

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

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

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

The City will monitor all forms of debt annually and report concerns and remedies, if needed, to the Council.

The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.

The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

Debt Capacity

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

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

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

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

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

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

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

GANN Revenue Limit

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

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

EXHIBIT 'A'

GANN REVENUE LIMT

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

2015/16 REVENUE LIMIT - $ 13,756,784

Per City of Kerman, City Council Resolution No.15-33

2016/17 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2016	14,366	January 1, 2015	14,284	0.57% increase

LOCAL ASSESSMENT ROLL***	Secured	Unsecured
2014/2015 Gross Assessed Value	591,241,725	30,938,900

CHANGE IN PER CAPITA PERSONAL INCOME*

2016/2017 5.37%

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income

1.0057 x 1.0537 = 1.0597

TOTAL 2016/2017 ESTIMATED REVENUE	
PROCEEDS OF TAXES	6,693,813
NON-PROCEED OF TAXES	6,287,594
TOTAL APPROPRIATIONS 2016/2017	$ 12,981,407
TOTAL 2016/2017 ESTIMATED REVENUE	
EXEMPT FROM LIMIT	6,693,813
2016/2017 REVENUE LIMIT	$ 14,578,148
2016/2017 REVENUE SUBJECT TO LIMIT	6,693,813
AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	$ 7,884,335

* Data provided by State of California, Department of Finance

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

Basis for Accounting/Basis of Budgeting

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

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

Governmental Funds

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

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

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

Proprietary Funds

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

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

Cost Allocations

The City of Kerman uses cost allocation methods for much of its accounting for expenditures. Employees' personnel costs are allocated to different funds and/or departments based on the estimated hours that they spend working in the respective funds or departments. A summary of those personnel cost allocations can be found on Page 144 of this budget document. Costs related to the Internal Service funds are also allocated. For the Vehicle/Equipment Internal Service Fund, costs are allocated to the departments in which the employees utilizing the vehicles work based on per-mile maintenance costs and on the purchase and replacement costs of the vehicles. The costs related to the Technology Maintenance and Replacement Internal Service Fund are allocated to departments based on the cost to purchase, maintain, and replace the technology equipment that is assigned to employees.

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Acronyms and Abbreviations

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

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

PUBLIC FINANCE AUTHORITY

Public Finance Authority Overview

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

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

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

City of Kerman
Public Financing Authority (PFA) Revenue Summary
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	Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
361 02 00	Lease Income	243,165	240,148	241,986	241,985	243,574
		243,165	240,148	241,986	241,985	243,574

Budget Highlights:
Lease Income is collected from various City and RDA funds to service their portion of the debt. The breakdown of those cost allocations can be seen on page PFA-3. In October of 2007, the Kerman Public Finance Authority (PFA) issued the Lease Revenue Bonds in the amount of $3,930,000. The principal payments are made every October1, beginning in 2008 and terminating in 2037. Interest is paid semi-annually each April and October, with interest rates ranging from 3.5% to 4.75%.

Public Finance Authority Annual Lease Payment

City of Kerman
Annual Bond Lease Payment Breakdown
Fiscal Year 2016/2017

Projects

Fund	City Hall Expansion		Community Park		Bruno Property		Total
	Total Project	2,824,951	Total Project	670,870	Total Project	466,655	3,962,476
		71.29%		16.93%		11.78%	
General Fund	12.5%	21,706			100%	28,685	50,392
Facilities	30%	52,095					52,095
Parks			50%	20,619			20,619
Quimby			50%	20,619			20,619
Water	25%	43,412					43,412
Sewer	20%	34,730					34,730
Solid Waste	10%	17,365					17,365
Storm Drain	1%	1,736					1,736
LL&MD	1.5%	2,605					2,605
		173,650		41,238		28,685	243,574

FY 16/17 Payment	243,574
Allocations:	
City Hall	173,650
Comm Park	41,238
Bruno Prop.	28,685
	243,574

Public Finance Authority Budget

City of Kerman
Public Financing Authority
Fiscal Year 2016/2017 Budget
130

			Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	Estimated Year- End	Budget 2016-2017
Acquisition								
600	01	96	Community Park	0	0	0	0	0
			Sub-Total	**-**	0	0	0	0
Maintenance and Operations								
510	10	00	Professional Services-Admin Fee	1,500	1,500	1,500	1,500	1,500
			Sub-Total	**1,500**	**1,500**	**1,500**	**1,500**	**1,500**
Construction and Equipment								
600	03	88	Park Improvements	13,623	0	0	0	0
600	04	37	Projector for Council Chamber	0	0	0	0	0
			Sub-Total	**13,623**	0	0	0	0
Debt Service								
700	01	00	Debt Service - Principal	85,000	85,000	90,000	90,000	95,000
700	02	00	Debt Service - Interest	156,665	153,648	150,486	150,486	147,074
			Sub-Total	**241,665**	**238,648**	**240,486**	**240,486**	**242,074**
			Total Expenditures	**256,788**	**240,148**	**241,986**	**241,986**	**243,574**

Resolution Adopting PFA Budget

RESOLUTION NO. PFA 16-01

A RESOLUTION OF THE KERMAN PUBLIC FINANCING AUTHORITY ADOPTING THE FISCAL YEAR 2016-2017 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 2016-2017 and determines as follows:

A. The Budget is based upon annual debt service payments and administrative fees;

B. All procedural requirements for adopting the Budget were fulfilled and the Board of Directors was fully informed regarding the Authority's current finances, projected revenue, and financial obligations; and

C. It is in the public interest for the Board of Directors to adopt the Public Finance Authority Budget as proposed by the Executive Director.

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

BUDGET APPROPRIATIONS. Based upon the Budget, the total fiscal year 2016-2017 appropriation for the Public Finance Authority is $243,574. The Executive Director, or designee, is authorized to implement the appropriations as detailed in the Budget.

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

A. By majority vote of the Board of Directors;

B. By the Executive Director, or designee, for all appropriation transfers between line items within the Authority's fund.

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

SECTION 5: The foregoing resolution was introduced at a regular meeting of the Kerman Public Finance Authority, held on the 15th day of June, 2016, and adopted at said meeting by the following vote:

AYES: Nehring, Armstrong, Nijjer, Hill

NOES: None

ABSENT: Yep

ABSTAIN: None

Stephen B. Hill
Chairman

ATTEST:

Marci Reyes
Secretary

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APPENDICES

Appendix A – Budget Adoption Resolution

RESOLUTION NO. 16-36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN, CALIFORNIA, ADOPTING THE FISCAL YEAR 2016/2017 BUDGET AND APPROVING ADJUSTMENTS TO THE FISCAL YEAR 2015/2016 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 2016/2017 Budget attached hereto as Exhibit '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 2015/2016 Budget; and

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

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

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

SECTION 2. BUDGET APPROPRIATIONS. The Fiscal Year 2016/2017 Budget appropriation totals **$17,594,860** as shown in Exhibit 'B'. The City Manager, or designee, is authorized to implement the appropriations as detailed in the Budget for City Departments.

ADOPTION. The Fiscal Year 2016/2017 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 2015/2016 Budget.

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

A. By majority vote of the City Council;

B. By the City Manager, or designee, for all appropriation transfers between departments and activities and line items within a City fund;

C. By Department Directors for appropriation transfers between activities and line items within a department;

D. Line item expenditures within activities and departments are not restricted so long as funding is available in the City fund as a whole.

The FY 2015/2016 City of Kerman Budget is hereby adjusted and those adjustments become a part of the 2015/2016 City of Kerman Amended Budget.

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

SECTION 5: The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman, held on the 15th day of June, 2016, and adopted at said meeting by the following vote:

AYES:	Nijjer, Armstrong, Nehring, Hill
NOES:	None
ABSENT:	Yep
ABSTAIN:	None

The foregoing resolution is hereby approved.

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk

City Wide Expenditures Summary (Including Capital Projects)

Fund	Activity	Description	Personnel	M&O	Sub-Total Operations	Capital	Total
General Fund							
100	6001	City Council	$16,898	$13,307	$30,204	$0	$30,204
100	6003	City Attorney	0	75,000	75,000	0	75,000
100	1002	City Manager	128,057	131,692	259,749	0	259,749
100	5005	Administrative Services	27,002	96,112	123,114	500	123,614
100	6004	City Clerk	20,781	21,265	42,046	0	42,046
100	1008	Planning	126,864	61,968	188,832	0	188,832
100	1010	Engineering	0	25,000	25,000	0	25,000
100	1042	Building	93,854	34,847	128,701	0	128,701
100	2002	Recreation & Comm Services Admin.	252,144	55,800	307,943	0	307,943
100	2010	Building Maintenance	108,221	53,321	161,542	0	161,542
100	2044	Senior Center Services	93,511	23,118	116,629	0	116,629
100	2047	Aquatics Program	33,249	925	34,174	0	34,174
100	2062	Planned Recreation	23,426	6,634	30,060	0	30,060
100	2065	Youth Service Bureau	46,292	7,884	54,177	0	54,177
100	2069	Community Teen Center	36,352	44,202	80,554	1,200	81,754
100	3011	Police Operations	2,273,136	660,311	2,933,447	10,170	2,943,617
100	3041	Animal Control	33,553	23,558	57,111	0	57,111
100	4010	Park Landscape Maintenance	88,077	54,658	142,736	3,000	145,736
		Sub-Total General Fund	**3,401,417**	**1,389,601**	**4,791,018**	**14,870**	**4,805,888**
Enterprise Funds							
410	5005	Water	259,196	246,955	506,151	10,000	516,151
410	5006	Water	0	165,000	165,000	0	165,000
410	4041	Water Operations	442,980	477,408	920,388	60,000	980,388
420	5005	Sewer	204,804	209,354	414,159	7,750	421,909
420	5006	Sewer	0	268,407	268,407	0	268,407
420	4042	Sewer Collection & Operations	380,719	437,597	818,316	92,500	910,816
430	5005	Solid Waste (Refuse)	170,086	981,363	1,151,449	7,750	1,159,199
470	4047	Storm Drain Maintenance & Operations	34,927	27,605	62,532	0	62,532
		Sub-Total Enterprise Funds	**1,492,712**	**2,813,690**	**4,306,402**	**178,000**	**4,484,402**
Internal Service Funds							
500	4050	Vehicle/Equipment Mtnc & Replacement	89,110	309,398	398,508	70,000	468,508
510	5051	Technology Maintenance & Replacement	22,647	30,146	52,793	45,000	97,793
		Sub-Total Internal Service Funds	**111,757**	**339,544**	**451,301**	**115,000**	**566,301**
Special Revenue Funds							
100	3050	SLESF Grant	100,000	0	100,000	0	100,000
100	3999	Safety Grants, Contracts and Projects	35,776	2,400	38,176	22,000	60,176
110	1011	CIP Administration	0	0	0	0	0
170	1007	General Plan Updates	0	0	0	0	0
730	2046	Senior Nutrition Site Management	14,876	5,153	20,029	0	20,029
750	4075	Lighting & Landscaping District 1	112,891	76,031	188,923	11,000	199,923
800-850, 870	408x	Street Maintenance, TDA and Other	114,360	194,545	308,905	24,000	332,905
860	2049	Community Transit	123,882	9,147	133,029	0	133,029
880	4088	Street Maintenance, Operations & Admin	242,934	96,254	339,188	0	339,188
		Sub-Total Special Revenue Funds	**744,718**	**383,530**	**1,128,249**	**57,000**	**1,185,249**
Capital Project Funds							
100	8000	Parks, Facilities & Equipment	0	0	0	229,195	229,195
120	8000	CDBG Construction	0	0	0	69,305	69,305
140	8000	Facilities Construction	0	0	0	402,095	402,095
410, 520-540	8000	Water Construction	0	0	0	2,050,117	2,050,117
420, 550-570	8000	Sewer Facilities Construction	0	0	0	75,000	75,000
480, 490	8000	Storm Drain	0	0	0	88,000	88,000
580, 590	8000	Parks Construction	0	0	0	41,238	41,238
780	8000	Parks Construction	0	0	0	0	0
800, 830, 880-920, 95	8000	Street Construction	0	0	0	3,598,070	3,598,070
		Sub-Total Capital Project Funds	**0**	**0**	**0**	**6,553,020**	**6,553,020**
		Grand Total All Funds	**$5,750,605**	**$4,926,365**	**$10,676,970**	**$6,917,890**	**$17,594,860**

Appendix B – GANN Appropriations Limit Resolution

RESOLUTION NO. 16-37

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE 2016/2017 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 XIIIB, 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 XIIIB of the California Constitution, and those Government Code sections adopted pursuant to Article XIIIB, 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 2016/2017 at $14,578,148.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN that the appropriations limit for the 2016/2017 Fiscal Year for the City of Kerman is established at $14,578,148, 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 15th day of June, 2016, and passed at said meeting by the following vote:

AYES: Nijjer, Armstrong, Nehring, Hill

NAYS: None

ABSENT: Yep

ABSTAIN: None

The foregoing resolution is hereby approved.

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk

EXHIBIT 'A'

GANN REVENUE LIMT

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

2015/16 REVENUE LIMIT - $ 13,756,784

Per City of Kerman, City Council Resolution No.15-33

2016/17 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2016 14,366 January 1, 2015 14,284 0.57% increase

LOCAL ASSESSMENT ROLL***	Secured	Unsecured
2014/2015 Gross Assessed Value	591,241,725	30,938,900

CHANGE IN PER CAPITA PERSONAL INCOME*

2016/2017 5.37%

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income

1.0057 x 1.0537 = 1.0597

TOTAL 2016/2017 ESTIMATED REVENUE	
PROCEEDS OF TAXES	6,693,813
NON-PROCEED OF TAXES	6,287,594
TOTAL APPROPRIATIONS 2016/2017	$ 12,981,407
TOTAL 2016/2017 ESTIMATED REVENUE	
EXEMPT FROM LIMIT	6,693,813
2016/2017 REVENUE LIMIT	$ 14,578,148
2016/2017 REVENUE SUBJECT TO LIMIT	6,693,813
AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	$ 7,884,335

* Data provided by State of California, Department of Finance

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

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