

LAKE ELSINORE

CALIFORNIA



ANNUAL
OPERATING
BUDGET
FY 2015-2016



On the Cover:

Vicki Golden - a three time gold medal winner in the X Games Women's Moto X, practices and races at the Lake Elsinore Motocross Park. Golden was also the first woman to compete in freestyle Moto X against an otherwise all-male field, and the first woman to place in the top 10 in the male-dominant Amsoil Arenacross.



ANNUAL OPERATING BUDGET

Fiscal Year 2015-2016

City Council

Steve Manos, Mayor

Brian Tisdale, Mayor Pro Tem

Daryl Hickman

Natasha Johnson

Robert E. Magee

City Manager

Grant Yates

Administrative Services Department

Jason Simpson

Director of Administrative Services

130 South Main Street

Lake Elsinore, California 92530

(951) 674-3124

www.Lake-Elsinore.org



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TRANSMITTAL LETTER

June 9, 2015

The Honorable Mayor and Members of the City Council;

On behalf of City Staff, it is my privilege to submit for your information and consideration the proposed Annual Operating Budget for Fiscal Year 2015-16 for the City of Lake Elsinore.

Once again, staff developed the proposed budget in support of the Mayor and City Council adopted key initiatives and vision statement: Lake Elsinore will be the ultimate lake destination where all can live, work and play, build futures and fulfill dreams.

The City of Lake Elsinore has met or exceeded its budget expectations over the past several years, and, this year, once again the City is well positioned for growth and success in the coming fiscal year. On June 9, 2015 the City Council will consider the adoption of the proposed City of Lake Elsinore Annual Operating Budget FY 2015-16, which includes a summary of the Special Revenue Funds, Capital Improvement Plan (CIP), Agency Funds, the complete Five Year Forecast.

The fiscal year 2015-16 proposed Annual Operating Budget has been developed after a considerable review process. Departmental budget submittals were prepared and reviewed by line item in connection with projected revenues and detailed performance objectives. Five-year revenue and expenditure projections were developed to identify the future impacts of proposed staffing and program changes, as well as the impact of proposed capital improvement projects. The result is this document: a conservative, balanced budget that provides for quality services while effectively utilizing available resources.

This budget document serves not only as a financial plan for the immediate future, but also as a management and communications tool outlining the City Council's vision and key initiatives for the year. By focusing on public safety, improving recreational opportunities and neighborhoods, delivering the highest quality of public services, preserving and enhancing the City's economic prosperity, and celebrating the diversity of our citizens, we have outlined plans that make the City of Lake Elsinore the desirable place to live, work and play.

Each fiscal year, staff and the City Council has the responsibility to identify its budget priorities, immediate and future fiscal issues, community needs, and the resources required to enhance capital programs and services within the City in order to maintain a strong community and take advantage of upcoming growth and development opportunities.



TRANSMITTAL LETTER *(continued)*

CITY OF LAKE ELSINORE PROFILE

The City of Lake Elsinore is a community comprised of approximately 58,426 citizens. The City maintains 18 parks on 71 acres throughout the community, which provide recreation opportunities for both the citizens of Lake Elsinore, as well as surrounding communities. Police and Fire protection are provided through a contract with Riverside County. The Lake Elsinore Unified School District provides 23 schools for 21,819 students. The City of Lake Elsinore prides itself on its community focus and quality of life.

Lake Elsinore residents enjoy perfect climate, blue sky, clean air, world-famous thermal winds for aerial sports and, their crowning jewel, a sparkling 3,000-acre recreational lake for exciting water sports. All of this is set against the spectacular Ortega Mountains and Cleveland National Forest, providing opportunities for hiking, biking, bird watching or just plain relaxing in the beauty that abounds in this outdoor recreation destination. It is impossible to review the economic forces affecting Lake Elsinore and the Inland Empire without predicting a prospering future for the city. The region's geographic location, competitive cost structure and sophisticated logistics have put it in a position to remain one of the fastest growing communities in the Inland Empire.





TRANSMITTAL LETTER (continued)

IMPACT OF LEGISLATION ON THE BUDGET

On May 14, 2015, the Governor presented his May Budget Revision to the proposed budget released in January 2015. Since the January Budget, the state's economy has strengthened and revenues have surged upward, driven by increased capital gains and other income from high-wage earners.

Despite these stronger revenues, the budget remains precariously balanced and faces the prospect of deficits in succeeding years. Compared to the January projections of the Governor's May Revision revenues have increased and the state projects an additional \$6.7 billion through the end of the coming fiscal year. The state's unemployment rate is 6.7 percent which is below the 7.2 percent unemployment rate projected in January. While the state's economic conditions have improved California's poverty rate remains high. The state has an extensive safety net for its neediest residents who live in poverty.

The Governor's Budget - continues to be balanced, pay down budgetary debt from past years, saves for a rainy day, and increases spending for education, the environment, public safety, public works, affordable health care, and CalWORKs. The May Revision forecast are higher than at the Governor's Budget by \$1.7 billion in 2015-16. The May Revision economic forecast reflects steady growth over the next four years. Among the highlights for cities are:

- ◆ Full payment of \$765 million in mandate reimbursements owed to local governments from prior to 2004. Administration officials later announced that payments to local agencies are expected to begin with 45 days.
- ◆ Provides \$5.8 million in backfill payments to several cities and counties where there is insufficient revenue in the county ERAF fund to reimburse the agencies for losses due to the VLF Swap and the "Triple-Flip."
- ◆ Proposes legislation to enhance local enforcement authority by providing all water agencies and local governments a consistent, minimum set of enforcement authorities to achieve the required water conservation standard. Under the proposed legislation, any monetary penalties from this enforcement will be used for local conservation efforts.
- ◆ The \$40 million allocation for Front-Line Public Safety (local police departments) remains unchanged from the January Budget.

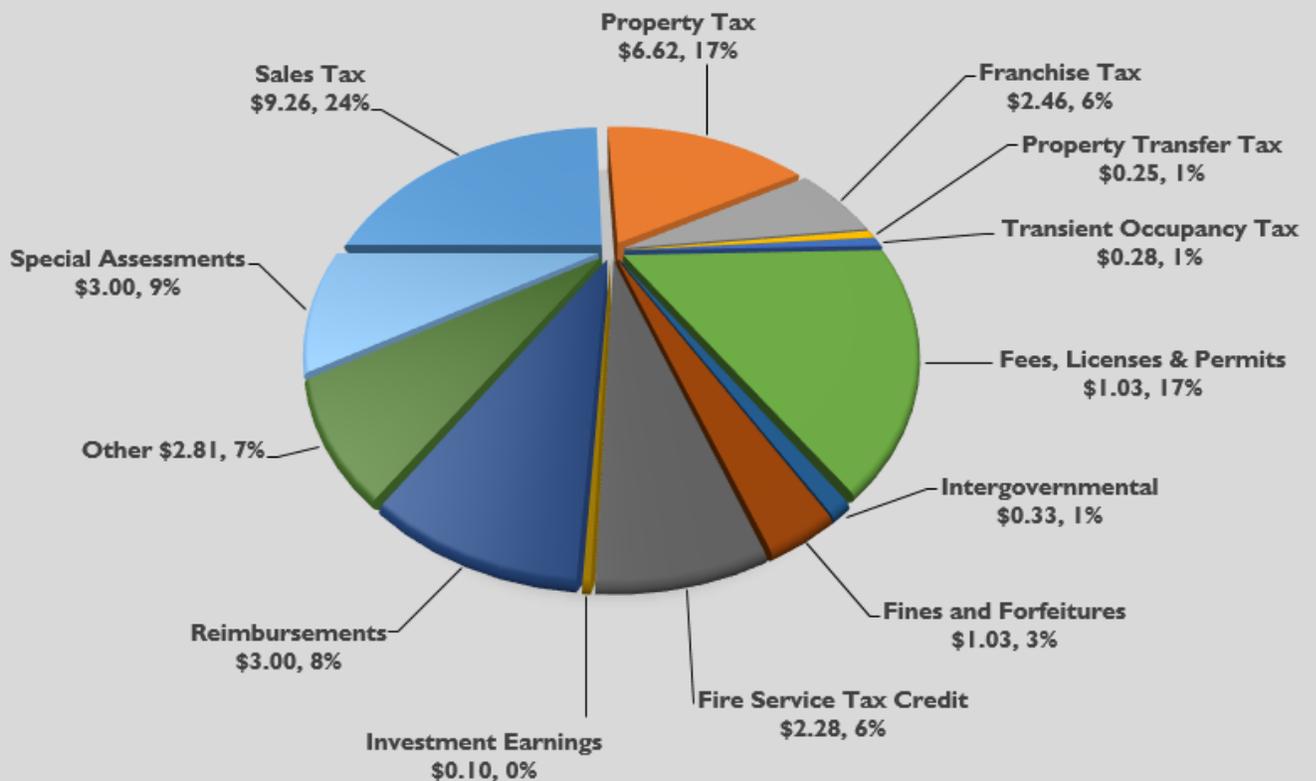


TRANSMITTAL LETTER (continued)

REVENUE AND ECONOMIC CONDITIONS

Fiscal Year 2015-16 General Fund revenues are projected to reach \$38,126,132 an increase of \$2,608,167 or 7.34% from Fiscal Year 2014-15, and reflect the continued growth of the local economy. The City has continued to work with the Chamber of Commerce and the Visitor's Bureau in its effort to encourage the expansion and relocation of industries that generate local sales tax and employment opportunities. The City has also worked with these organizations to develop and market Lake Elsinore as a tourist destination. The following graph details the major components of the City's General Fund revenues.

FISCAL YEAR 2015-16 PROJECTED GENERAL FUND REVENUES
\$38,126,132 (VALUE IN MILLIONS)



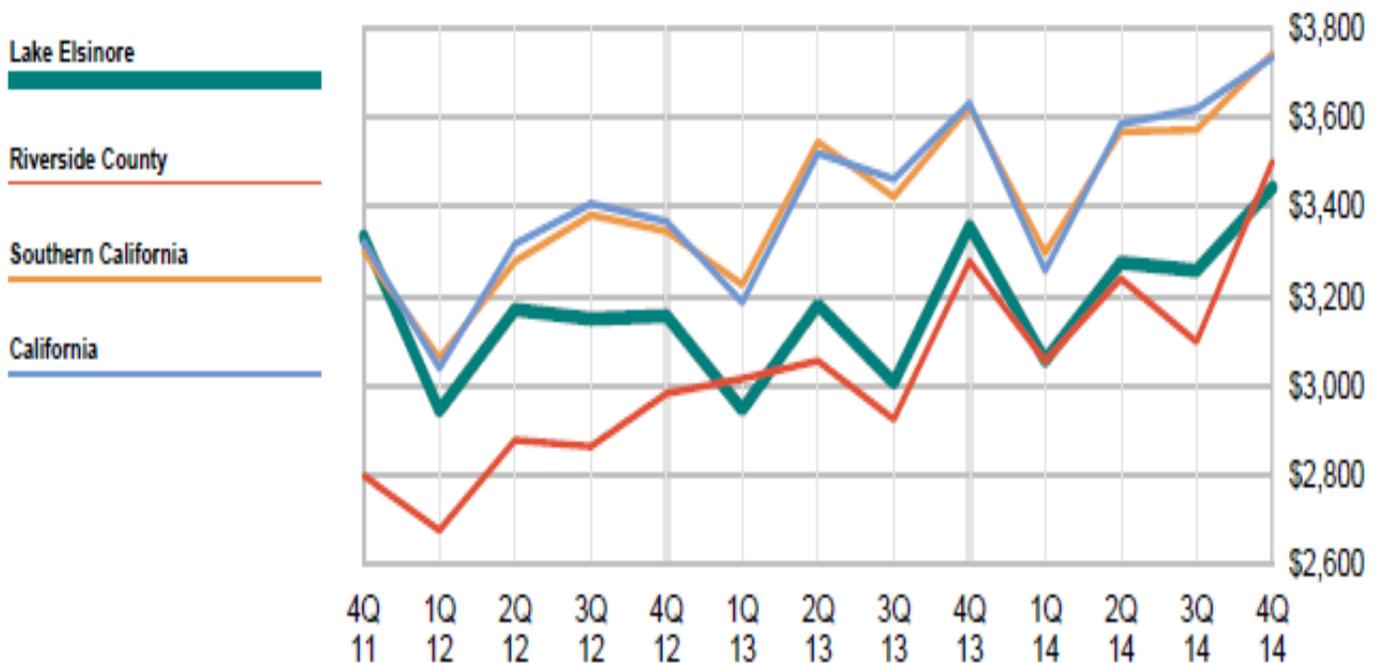


TRANSMITTAL LETTER (continued)

CHANGES IN REVENUES: GENERAL FUND

Sales and Use Tax: Sales and Use Tax revenue is projected to increase 12.04% from an estimated \$8,265,889 in fiscal year 2014-15 to \$9,260,904 in fiscal year 2015-16. This increase is primarily a result of retail development and an anticipated increase in consumer activity as economic indicators begin to show a slight turnaround in the economy. Sales tax is one of the City's largest revenue sources, representing 24.26% of the total General Fund revenue.

Per Capita Sales



Periods shown reflect the period in which the sales occurred - Point of Sale

Source: Hinderliter, deLlamas and Associates

Property Tax: The fiscal year 2015-16 revenue estimate for property taxes is based on an assumed 11.91% increase in assessed valuation. The fiscal year 2015-16 estimate of the \$6,621,212 represents approximately 17.34% of the total General Fund revenues.



TRANSMITTAL LETTER (continued)

Franchise Tax: An overall increase of \$106,088 in fiscal year 2015-16 from \$2,359,500 to \$2,465,588. Franchise fees are the amount of fees paid by phone, cable, natural gas, refuse collection, and electricity companies for use of the public right of way. This tax represents approximately 6.47% of General Fund revenues. This increase is attributed primarily to an anticipated increase in electricity usage and cable subscribers.

Fees, Licenses, and Permits: An overall decrease from \$6,339,875 to \$6,299,006 is projected in Fiscal Year 2015-16. This is a 30.90% decrease in building and planning permit fee activity. This decrease is due to anticipated decrease in residential submittal for development. Staff is anticipating that existing approved residential will continue. This revenue source represent approximately 16.52% of the General Fund revenues.

Property Transfer Tax: The fiscal year 2015-16 revenue estimate has remained relatively flat with a 5% increase based upon a slight increase in home sales. The fiscal year 2015-16 estimate of \$257,250 represents approximately .67% of the total General Fund revenues.

Transient Occupancy Tax (TOT): The City collects a 10% tax on the amount of all transient lodging. TOT revenue is projected to be \$288,750 in fiscal year 2015-16, a 5% increase from the prior fiscal year. The projection is based on the current occupancy rates from existing hotel and motel rooms. TOT represents about 1% of General Fund Revenues.

Intergovernmental: The Intergovernmental revenue represents .87% of the General Fund revenues. Intergovernmental revenue is projected to increase 6.16% from an estimated \$218,407 in fiscal year 2014-15 to \$231,855 in fiscal year 2015-16. The main source of this revenues are grants. Grant revenue is added when they are received. Existing grants from fiscal year 2014-15 will have their revenue rolled forward at the end of the fiscal year to offset the grant expenditures incurred in fiscal year 2015-16.

Special Assessments: These special taxes are assessed to all real property owners. They are used for the ongoing operation and maintenance of the City's parks, open space, storm drains, street lighting along with public safety services. An overall increase of \$262,000 in fiscal year 2015-16 from \$3,101,600 to \$3,363,600. Special Assessments represents 8.82% of the General Fund revenues.

CHANGES IN REVENUES: OTHER FUNDS

Gas Tax: Gas Tax is estimated to decrease by \$129,231 in fiscal year 2015-16 from \$1,332,573 to \$1,203,342. The significant downturn in revenue for fiscal year 2015-16 from the prior year is largely due to falling gasoline prices and consumption as well as true up under the fuel tax swap system and increase use of alternative transportation fuels. Statewide, the fiscal year 2015-16 decline in 2104-2107 HUTA allocations is the fiscal year 2014-15 repayment by the Legislature of a \$100 million loan from these local HUTA allocations to the state general fund.



TRANSMITTAL LETTER (continued)

Measure A: In 1988 when voters approved Measure A, Riverside County's half-cent sales tax for transportation, they set in motion a proactive response to growing congestion by spelling out a list of transportation projects to address the problem. Funds are designated for major highway projects and to improve local streets and roads everywhere in Riverside County.

In 2002, Measure A was extended by Riverside County voters. Now, Measure A will continue to fund transportation improvements through 2039. Measure A revenues are expected to increase for the City in fiscal year 2015-16 \$22,000 from \$1,137,000 to \$1,159,000. The estimated increase is due to an increase in sales tax receipts within the County.

Successor Agency to the Redevelopment Agency (SARDA) Affordable Housing: The Affordable Housing fund revenues include an allocation of Property Tax of \$250,000 pursuant to the new legislation for Administrative costs.

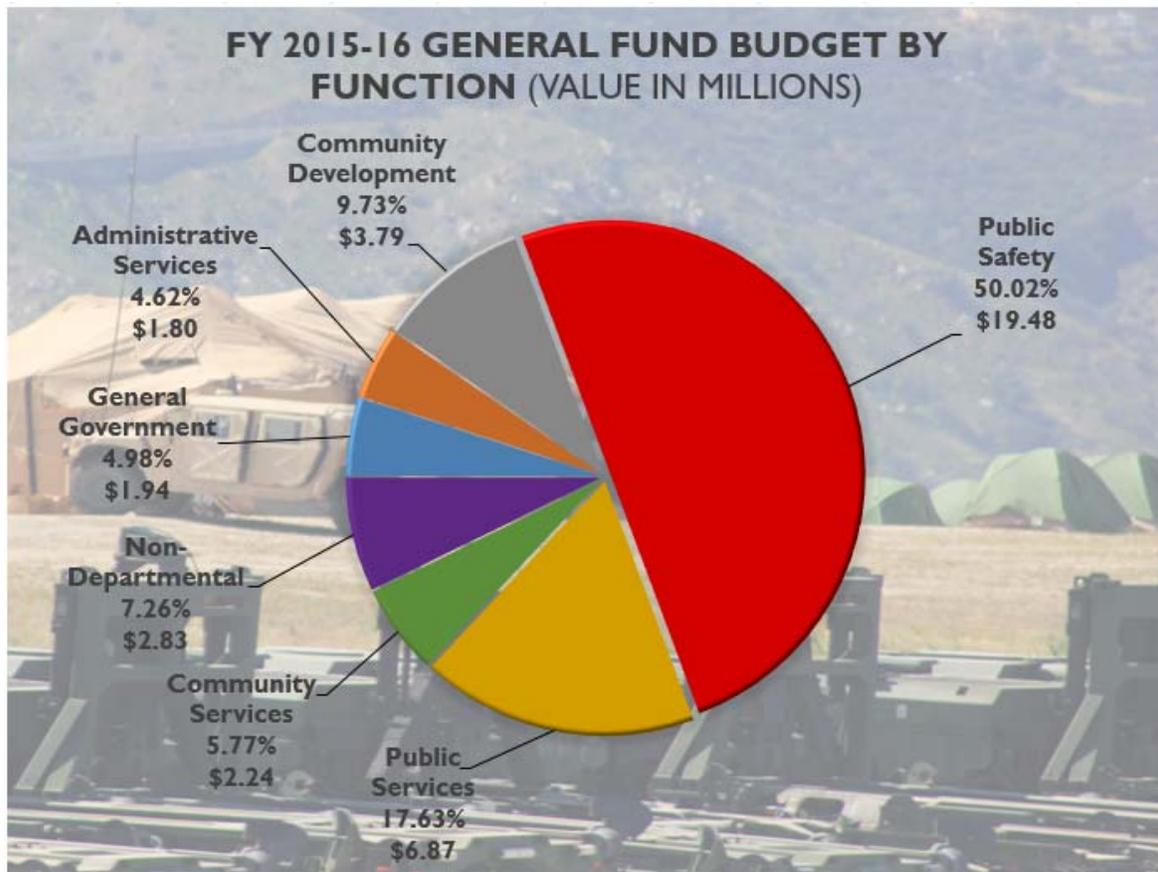


TRANSMITTAL LETTER (continued)

EXPENDITURES

Total General Fund expenditures (excluding operating transfers out) are proposed to be \$38,952,583 in fiscal year 2015-16. This proposed expenditure level results in a shortfall margin of \$826,451 for projected operating revenues over proposed operating expenditures in the General Fund. The shortfall will be mitigated using the General Fund Stabilization Reserve. It is important to note that the City of Lake Elsinore has substantial growth and development capacity, which will increase revenues and offset shortfalls as growth takes place.

Public safety continues to represent the largest single portion of the General Fund operating budget at 52.22%. Proposed expenditures for Police, Fire Services and Animal Control total \$21,685,331 (net of an estimated \$2,288,085 million fire tax credit). Proposed public safety expenditure increases total \$2,466,730 for fiscal year 2015-16 and includes increased personnel costs passed through the County and sharing in the costs of the Southwest Communities Animal Shelter.





TRANSMITTAL LETTER *(continued)*

2015-16 AUTHORIZED STAFFING

The City continues to restructure the organization to ensure core staffing, internally and externally, is in place to meet current and future economic opportunities, while also providing the highest level of service. The City has established a policy of annually focusing on reorganizing department structures in an effort to streamline processes and enhance efficiencies without reducing essential public services to the community. The total City staffing for Fiscal Year 2015-16 is projected to include 84 regular full-time equivalent positions and 14 part-time positions, an increase of 5 full-time and 14 part-time positions from the prior year. These totals include vacant unfunded positions as well as positions due to promotion. Of the 84 positions, 2 of the positions were upgraded, while 5 of the positions were reclassified.

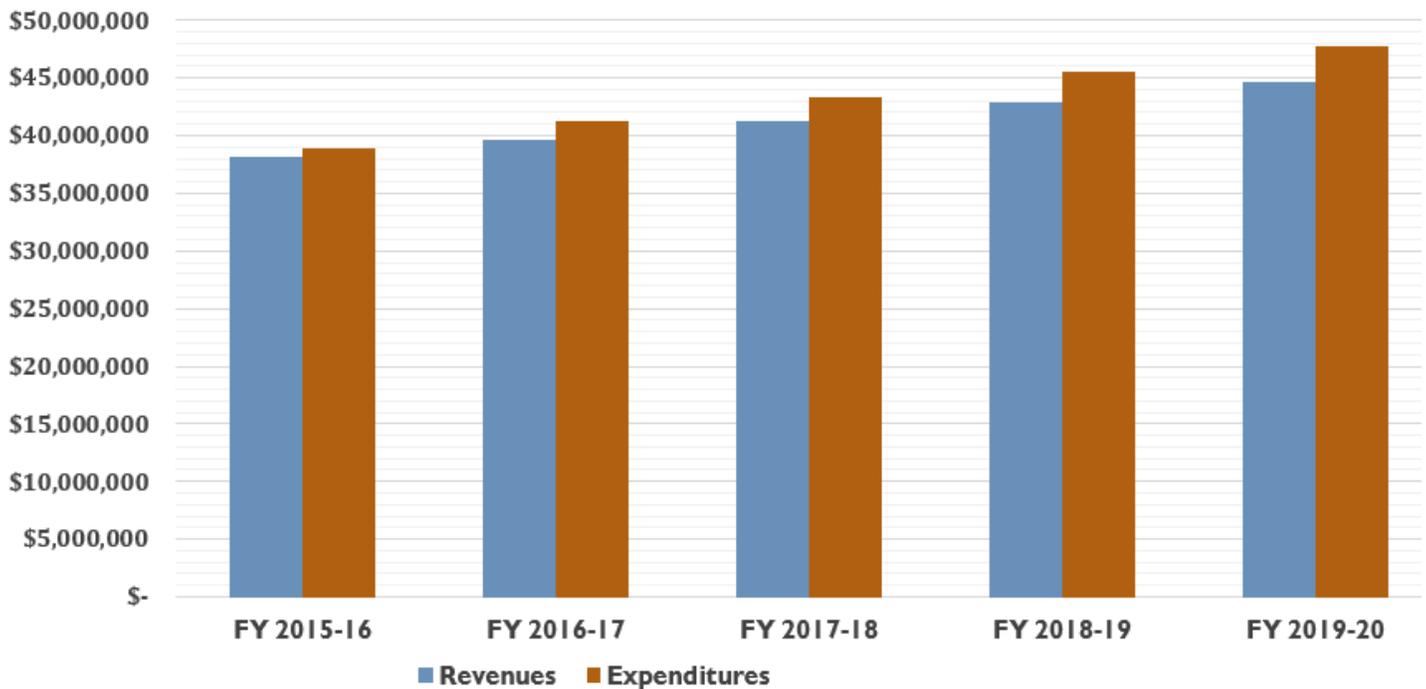
<u>Department</u>	<u>Position Status</u>	<u>Proposed Position</u>
Finance	New Position	Project Accountant – Part Time
Finance	New Position	Accountant I
Public Works	New Position	Engineer Inspector
Community Center	New Position	Aquatics Program Coordinator – PT
Community Center	New Position	Lifeguard – PT
<u>Department</u>	<u>Current Position</u>	<u>Proposed Position</u>
Building & Safety	Community Development Tech II	Senior Community Development Tech
Code Enforcement	Code Enforcement Officer II	Code Enforcement Officer I
Public Works	City Engineer	Principal Engineer
Lake Maintenance	Lake Operations Supervisor	Senior Lead Worker
Recreation	Recreation Manager	Management Analyst
Information Technology	Information Tech I - PT	Information Technician I
Information Technology	IT Administrator	IT Manager



TRANSMITTAL LETTER *(continued)*

FIVE YEAR FINANCIAL PROJECTION

A five-year forecast is developed as part of the budget process to assist in the long range planning and policy development. The five-year forecast provides a tool to evaluate the ability of the City of fund proposed programs, operating costs, and meet the operational requirements of capital improvement projects in the future.



RESERVE POLICY

The City Council previously identified an objective of developing and maintaining a reserve in the General Fund for economic uncertainties and contingencies. In addition, the City Council recently increased the Economic Uncertainty Reserve from 15% to 17.5%.



TRANSMITTAL LETTER *(continued)*

LAKE ELSINORE PUBLIC FINANCE AUTHORITY

The Lake Elsinore Public Financing Authority is a joint exercise of powers between the City of Lake Elsinore and the Lake Elsinore Redevelopment Agency, created by joint powers agreement dated July 25, 1989. The purpose of the LEPFA is to provide financing for public capital improvements for the City and the former Redevelopment Agency. Revenue includes investment earnings and expenditures are restricted for debt service payments.

LAKE ELSINORE RECREATION AUTHORITY

The Lake Elsinore Recreation Authority is a joint exercise of powers between the City of Lake Elsinore and the Lake Elsinore Redevelopment Agency created by a joint powers agreement dated December 1, 1996. The Recreation Authority continues to function without the Agency. The purpose of the Authority is to provide through the issuance of revenue bonds, a financing pool to fund capital improvement projects. These revenue bonds are to be repaid solely from the revenues of certain public obligations.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY (SARDA)

In June 2011, the Governor of California signed ABx1 26, which dissolved redevelopment agencies effective February 1, 2012 and provided for the designation of successor agencies to oversee the completion of previously obligated redevelopment activities. As a result, all assets of the redevelopment agency were transferred to the Successor Agency of the Redevelopment Agency on February 1, 2012 and the City Council began serving as the Successor Agency.

CAPITAL IMPROVEMENT

The City's five-year Capital Improvement Plan (CIP) is presented to the City Council under a separate cover. This program provides a multi-year plan for capital improvements that is updated annually to ensure compliance with the program. The impact of capital projects on maintenance and operating costs were taken into consideration in the development of the operating budget. Circulation, infrastructure, park and redevelopment projects are identified in the CIP budget with estimated five-year project costs totaling \$54,694,804.



TRANSMITTAL LETTER *(continued)*

2015-16 GOALS AND OBJECTIVES

During the 2013-14 Fiscal Year, the City Council adopted the City's Vision Statement. The Vision Statement is used as 1) a tool in the employee hiring/selection process, 2) a guide in conducting city business, and 3) a statement to the citizens affirming what the city as an organization, stands for and the level of service they can expect from the city.

Departmental goals and objectives are updated annually and are included in the Operating Budget section of this document. Goals and objectives are listed by program within each department. The budget document has been formatted to detail the operational goals, objectives, and performance measures of each department. Administrative Services staff has worked with all departments to identify significant accomplishments, as well as to develop qualitative and quantitative performance measures. The goal of the organization is to establish a comprehensive reporting system, which will give the public, City Council, and City Staff the ability to evaluate the level and value of service provided to the community.

The City Council established the following Fiscal Year 2015-16 budget guidelines, or key initiatives, with fiscal stability and community responsibility as they relate to the City's Vision Statement; Public Safety, Recreation, Transportation, Economic Development, Image, Education and Service:

I. MAINTAIN A SAFE AND SECURE ENVIRONMENT

- ◆ Working with our regional partners to respond to calls for police services in a timely manner.
- ◆ Perform public safety educational programs, maintain neighborhood watches, and conduct timely traffic investigations.
- ◆ Encourage community participation in public safety and emergency preparedness.
- ◆ Promote high quality animal control services.
- ◆ Utilize social media to keep the community informed and involved.
- ◆ Minimize the impact of life, property, and the environment from natural hazards and emergency situations.



TRANSMITTAL LETTER *(continued)*

2. ENCOURAGE PROGRAMS FOR ALL AGES

- ◆ Promote family oriented program opportunities at the Community Center.
- ◆ Provide signature special events and cultural opportunities.
- ◆ Maintain a safe and family oriented environment.
- ◆ Maintain the natural beauty of the community.
- ◆ Promote activities and opportunities for children at local parks during the summer months.

3. PROVIDE INFRASTRUCTURE CONCURRENT WITH DEVELOPMENT

- ◆ Continue to maintain local roads and streets.
- ◆ Update the five-year Capital Improvement Program (CIP).
- ◆ Design and construct capital projects within funding the time requirements.
- ◆ Allocate \$54,694,804 for city wide circulation, infrastructure park and redevelopment projects.
- ◆ Maintain significant access and available frontage space on the Inland Empire's main transportation artery (Interstate 15).

4. PROVIDE QUALITY JOBS AND PROMOTE COMMERCE

- ◆ Encourage growth and expansion by providing high quality municipal services, facilities, and economic assistance.
- ◆ Create a business friendly regulatory environment.
- ◆ Promote a jobs/housing balance.
- ◆ Maintain effective marketing program to promote increasing awareness on City's comprehensive, recognizable tourist destination with a range of attractions.
- ◆ Continue to collaborate with current property owners, business owners, business alliances and the Chamber of Commerce in promoting the City's unique location and opportunities.



TRANSMITTAL LETTER *(continued)*

PERFORMANCE MEASURES

The budget document has been formatted to detail the short term operational objectives for completion in fiscal year 2015-16, and the performance measure for evaluating the completion of those objectives. These objectives were developed in a collaborative process with all City staff members in order to collaboratively identify where each department can contribute to the overall long term goals of the City. The objectives were then used by the departments in order to identify and justify their Annual Operating Budget submittals.

Once the objectives were determined, departments developed qualitative and quantitative performance measures. The goal is to establish a comprehensive reporting system which will give the public, City Council, and City staff the ability to evaluate the level and value of service provided to the community.

The short term objectives are detailed by Department in the each Department section of the budget document. This section includes the objectives and performance measures, along with significant accomplishments, and a detail of the expenditure requests and personnel allocations which will be used to meet the identified objectives.

GENERAL FINANCIAL POLICIES

The City of Lake Elsinore receives an independent audit annually and maintains a solid internal audit capacity. The City prepares all annual financial reports in strict compliance with Generally Accepted Accounting Procedures (GAAP), as outlined by the Governmental Accounting Standards Board (GASB). The City maintains a strong system of internal controls, which resulted in an unqualified audit opinion for the past several years.

CONCLUSION

The fiscal year 2015-16 Operating Budget demonstrates the City Council's continued investment in public safety and other services as the City moves forward out of the effects of the recession. The budget was constructed by utilizing a conservative approach in projecting revenues and corresponding expenditures. However, it does include utilization of fund balance to provide for core services to the community. This conservative approach is necessary, as the City must continue to be sensitive to potential changes in the condition of the State and local economy. If there are any legislative actions that create any adverse impacts to the City, or if local conditions change that negatively impact the projected revenue stream, staff will return to the City Council with recommendations to make appropriate adjustments.



TRANSMITTAL LETTER *(continued)*

I would like to express my appreciation to the City Council for providing the direction and support which are crucial to the ability of the City to achieve its goals. I would also like to recognize the contributions of every staff member for not only creating a successful operating budget, also contributing to the City's annual budget process. Their efforts and dedication indicate the meaning of "team" work, which is reflected in this report and in other documents resulting from the annual financial management process. Special recognition should go to the Administrative Services staff for their long hours and dedication to the City and this budget process. I would also like to recognize our Elected Treasurer, Allen Baldwin for his dedication and commitment to the City. His oversight in the budget process is invaluable.

I commend the Mayor, Budget Committee, members of the City Council and Management for their continued interest, dedication and support in conducting business on behalf of the Citizens of Lake Elsinore in a responsible and progressive manner while still preserving an economical quality of the City.

Respectfully Submitted,

Grant Yates

City Manager



RESOLUTION

RESOLUTION NO. 2015-055

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ADOPTING THE FY 2015-16 ANNUAL OPERATING BUDGET AND ESTABLISHING THE CONTROLS ON CHANGES IN THE APPROPRIATIONS

WHEREAS, the City Council has a policy of adopting an annual operating budget to plan expenditures and to match anticipated revenues available in various City accounts in order to make the most efficient use of the City's limited resources for each fiscal year; and

WHEREAS, the City of Lake Elsinore Municipal Code Section 3.04.010 defines the fiscal year for the City of Lake Elsinore as extending from July 1st of each year to and including June 30th of the following year.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City of Lake Elsinore Annual Operating Budget is hereby approved and adopted for the 2014-2015 fiscal year.

SECTION 2. A copy of the City of Lake Elsinore Operating Budget hereby adopted and certified by the City Clerk shall be filed with the City Manager or a designated representative, and a further copy so certified shall be placed and shall remain on file in the Office of the City Clerk where it shall be available for inspection. Copies of the certified budgets shall be made available for the use of departments, offices and agencies of the City.

SECTION 3. That the following controls are hereby placed on the use and transfer of budget appropriations:

- A. No expenditure of funds shall be made unless there is an unencumbered appropriation available to cover the expenditure.
- B. The Department Director may prepare a transfer of appropriations within departmental budget accounts, with the approval of the City Manager.
- C. The City Council must authorize transfers (appropriations) of funds from the Unreserved Fund Balance and transfers between departmental budget accounts.
- D. The City Council must authorize any changes to the Schedule of Authorized Positions. The City Manager may authorize the hiring of temporary or part-time staff as necessary within the limits imposed by the controls listed above.



RESOLUTION (continued)

- E. The City Manager may approve change orders on Public Works contracts approved by the City Council in amounts up to project contingency established by the City Council.
- F. Outstanding encumbrances shown on the City books at June 30, 2015, are hereby appropriated for such contracts or obligations for FY2015-16.

SECTION 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 9th day of June, 2015, by the following vote:

Steve Manos, Mayor

ATTEST:

Diana Giron, Deputy City Clerk

APPROVED AS TO FORM:

Barbara Z. Leibold, City Attorney



RESOLUTION (continued)

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE
CITY OF LAKE ELSINORE } **SS**

I, DIANA GIRON, Deputy City Clerk of the City of Lake Elsinore, California, hereby certify that Resolution No. 2015-055 was adopted by the City Council of the City of Lake Elsinore at a regular meeting held on the 9th day of June, 2015 by the following vote:

AYES: Council Member Magee, Council Member Hickman, Council Member Johnson, Mayor Pro Tem Tisdale, and Mayor Manos

NOES: None

ABSENT: None

ABSTAIN: None

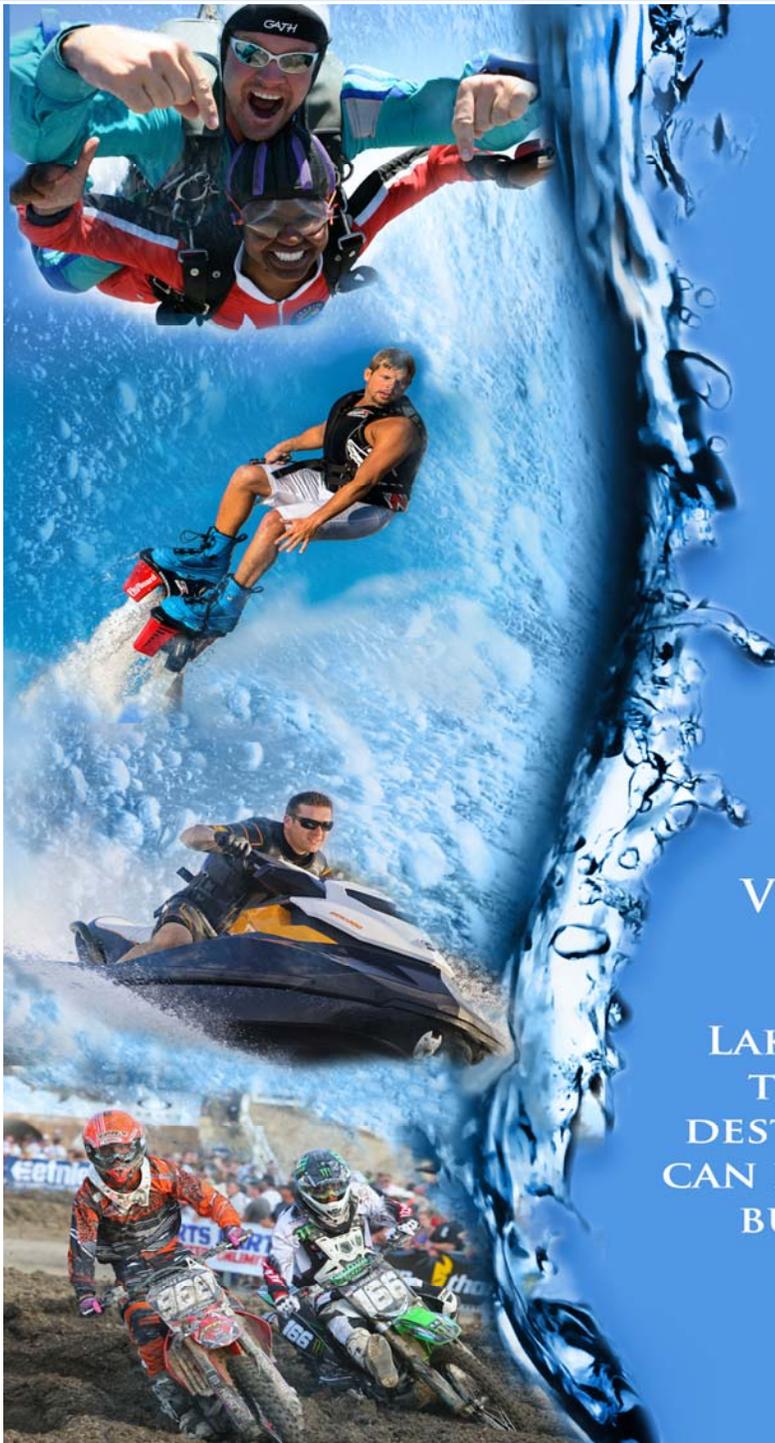
Diana Giron
Deputy City Clerk



CITY OF LAKE ELSINORE
ANNUAL OPERATING BUDGET
FISCAL YEAR 2015-16



VISION STATEMENT



**Action Sports
Capital of the
World**

VISION STATEMENT

THE CITY OF
LAKE ELSINORE WILL BE
THE ULTIMATE LAKE
DESTINATION WHERE ALL
CAN LIVE, WORK, AND PLAY,
BUILD FUTURES AND
FULFILL DREAMS.



VALUE STATEMENT

As employees of the City of Lake Elsinore, in striving to be dedicated to our local government, we value the following:

CITY OF LAKE ELSINORE
Expressions of Extreme Customer Service

C.A.A.R.E.

CUSTOMER SERVICE PERSPECTIVE

- Treat your customer the way you would want to be treated.
- Be overtly courteous, a good listener and extremely respectful.
- Treat your fellow employees as your customers!

AUTHENTIC BEST

- Be your best self and provide sincere customer service.
- Always remember, there is no way that the quality of customer service can exceed the quality of the people who provide it!

ANTICIPATE CUSTOMER NEEDS

- Improve the quality of customer service by preparing in advance for common inquiries.

RESPOND TO CUSTOMER'S NEEDS

- Provide responses that are timely, accurate and complete.
- Respond within a business day, and assure customers that you are personally accessible if they have further concerns.

EXTREME CUSTOMER SERVICE

- Make it extremely easy to do business with!
- Providing Extreme Customer Service is our business.





LOCATOR MAP





COMMUNITY PROFILE

GENERAL CITY DATA

Date of Incorporation	April 9, 1988
Form of Government	City Manager
Area	43 Square Miles
Lake Surface Area	3,000 Acres
Population (2015)	58,426
Annual Average Temperature	78.5 Degrees
Annual Average Rainfall	11"
Number of Police Officers per 1,000 Residents	.92
Number of Fire Stations	4
Number of Parks	18
City Recreation Area and Campground	71 Acres

INCOME AND HOUSING

Median Household Income	\$64,327
Average Household Income	\$75,998
Number of Households	16,343
Median Household Size	3.5
Median Family Size	3.8
Median Age	30.5
Median Housing Price	\$222,500

EDUCATIONAL DATA

LAKE ELSINORE UNIFIED SCHOOL DISTRICT

Number of Schools	23
Number of Teachers	969
Number of Students	21,400
Number of Public Libraries	2



DIRECTORY

ELECTED OFFICIALS

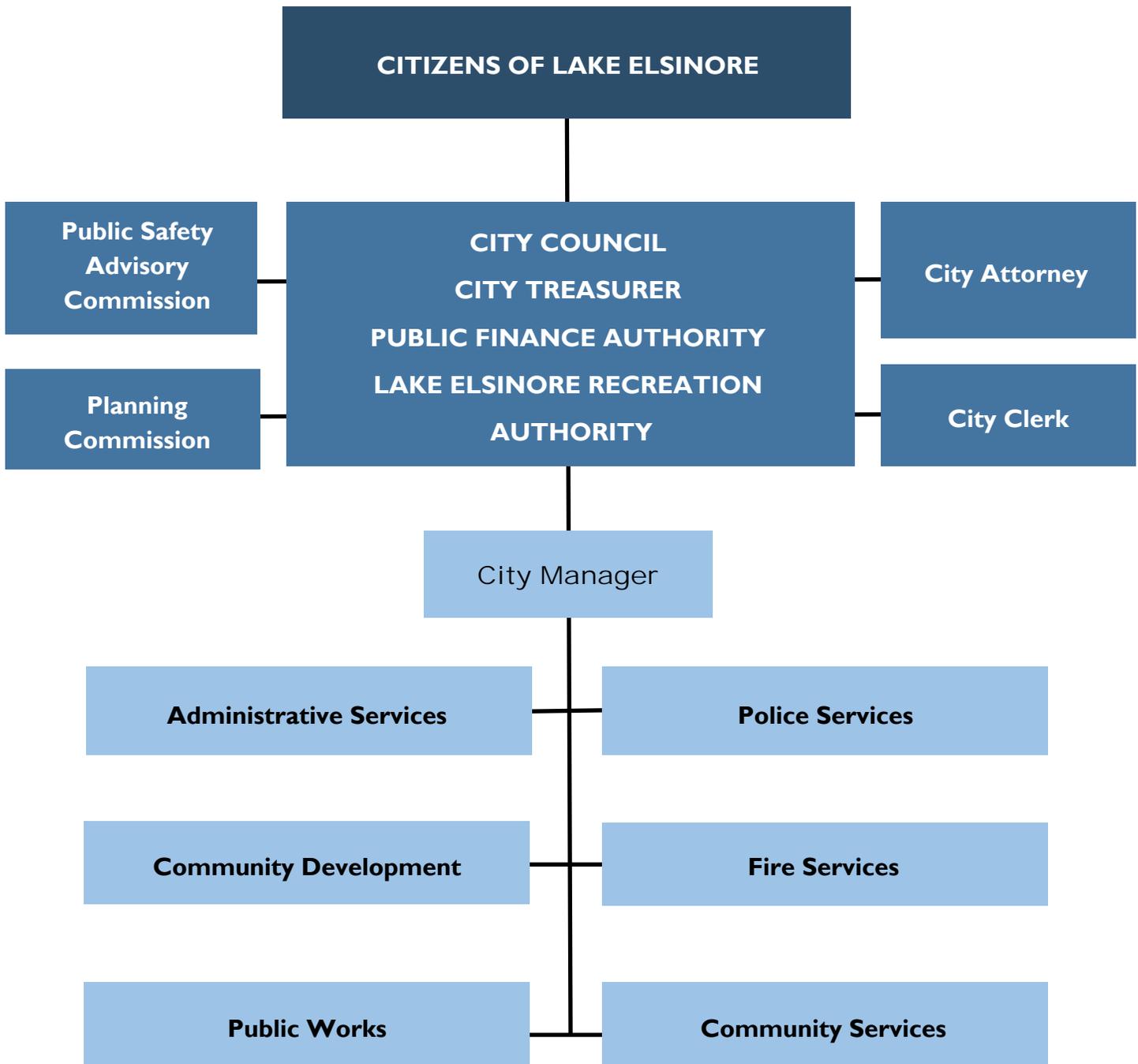
Mayor	Steve Manos
Mayor Pro Tem	Brian Tisdale
Councilmember	Daryl Hickman
Councilmember	Natasha Johnson
Councilmember	Robert E. Magee
Treasurer	Allen Baldwin

EXECUTIVE MANAGEMENT TEAM

City Manager	Grant Yates
City Clerk	Virginia J. Bloom
City Attorney	Barbara Leibold
Director of Administrative Services	Jason Simpson
Director of Community Development	Grant Taylor
Director of Community Services	Johnathan O. Skinner
Director of Public Works	Vacant
Chief of Police	Leonard Hollingsworth
Fire Chief	Shawn Newman



CITY ORGANIZATIONAL CHART





UNDERSTANDING THE BUDGET DOCUMENT

This budget document provides the public with concise and readable information about City government and displays the City's objectives and budget for the Fiscal Year 2015-16.

The budget document begins with the City Manager's transmittal letter, which provides an overview of the FY 2015-16 Operating Budget by highlighting programs and major projects. The budget document is then divided into the following sections:

- ◆ **INTRODUCTION AND OVERVIEW** — The budget document begins with the transmittal letter by the City Manager, which provides an overview of the fiscal year 2015-2016 Operating Budget by highlighting programs, major projects and changes in revenue and expenditure allocations for the upcoming fiscal year. There is an analysis of the impact of legislation on the City budget as well, detailing the City's strategies for mitigating impacts. The introduction section also details the City's Vision Value Statements and includes a Locator Map showing graphically where Lake Elsinore lays within the State of California and the Community Profile lists community demographics. The City Directory outlines the Executive Management Team staff members who work on a daily basis implementing the goals and strategies outlined in the Annual Operating Budget.
- ◆ **FINANCIAL STRUCTURE, POLICY AND PROCEDURES** — The Citywide Organization Chart displays City Departments and reporting structure. The Budgetary Fund Structure provides a quick graphic overview of the City's budgetary fund structure and includes all funds that are subject to appropriation. The Description of Funds provides a narrative description of these funds which are further outlined in the Fund Use by Department section. The Gann Appropriations Limit Section details the appropriations limit for the current fiscal year. The Summary of Accounting Principles explains the basis of budgeting for all appropriated funds. General Financial Policies outlines City policies related to budget preparation, staffing, debt management, fund/district purposes, and financial reporting requirements. The Budget Process and Budget Calendar describe the City's process for preparing this year's Annual Operating and Capital Improvement budgets as well as implementation of budget strategies and policies throughout the fiscal year.
- ◆ **FINANCIAL SUMMARIES** — The Financial Summaries section provides a complete overview and analysis of the total resources budgeted by the organization. The Total Operating Budget Summary presents revenues and other financing sources and expenditures and other financing uses for the prior year, the current year and the budget year in one schedule. There is detail on each specific fund, Citywide fund balance changes, and a complete budget picture for the current and previous two fiscal years. This section includes summaries of revenues and expenditures for all appropriated Operating Budget funds. Revenue and expenditure changes are explained in this section as well. Historical and categorical data are provided for comparative purposes. The Long Term Goals and Objectives provide further detail into the policies and the goals and objectives which drive the budget process. These are linked to each Department's long term goals and objectives, and include a quick reference matrix.



UNDERSTANDING THE BUDGET DOCUMENT (continued)

- ◆ **DEPARTMENTAL INFORMATION** — The Summary of Changes in Authorized Positions, Personnel, and Benefit Costs, and Summary of Budgeted Positions reports detail the position counts for the budgeted, prior and current years and explains all changes in staffing levels. The Department overviews include the department/division description, quantifiable short term objectives and performance measures for each operating division in the General Fund and Internal Service Funds. Budget information is organized by department and/or cost center and a short narrative is provided which details revenue and expenditure changes from the previous year.
- ◆ **CAPITAL IMPROVEMENT AND DEBT** — This section summarizes the budgeted capital expenditures which are further detailed in the separate Capital Improvement Budget. This section provides a summary of all projected Capital Improvement revenues and descriptions of those sources, as well as a description of all Capital Improvement Plan projects. This section also includes forecasts of operating costs associated with Capital Improvement projects which have been included as part of the operating budget. The Debt Administration and Legal Debt Margin sections include financial data on current debt obligations and describe the relationship between current debt levels and legal debt limits as well as their operational impact.
- ◆ **FIVE YEAR FORECAST** — This section outlines the City of Lake Elsinore's five year strategic planning tool which allows the City to fund proposed programs, operating costs, and capital improvement projects in the future.
- ◆ **APPENDIX** — This section provides supplemental financial statistical information such as, property tax information, and comparative City information. There is also a glossary of acronyms and terms to guide the reviewer in understanding this document.

Additional information on the City's fiscal affairs is available in the following documents which are available at [www.lake-elsinore.org/Departments and Services/Finance/Financial Reports](http://www.lake-elsinore.org/Departments_and_Services/Finance/Financial_Reports) or by contacting the Administrative Services Department at (951) 674-3124.



BUDGETARY FUND STRUCTURE

GOVERNMENTAL FUNDS

- ◆ **GENERAL FUNDS**

- ◆ **SPECIAL REVENUE FUNDS**

- ◆ Supplemental Law Enforcement Service Fund (SLESF)
- ◆ Traffic Offender Fund
- ◆ Gas Tax Fund
- ◆ Transportation Uniform Mitigation Fee Fund (TUMF)
- ◆ Measure A Fund
- ◆ Senate Bill 1186 California Disability Access and Education Fee Fund
- ◆ Traffic Safety Fund
- ◆ Lighting, Landscape and Maintenance District (LLMD) Funds
- ◆ Community Development Block Grant (C.D.B.G.)
- ◆ National Pollutant Discharge System (N.P.D.E.S.) Fund

- ◆ **DEBT SERVICE FUNDS**

- ◆ Community Facilities Districts (CFD) Funds

- ◆ **CAPITAL PROJECTS FUNDS**

- ◆ Affordable Housing Fund
- ◆ Developer Agreement Fund
- ◆ Development Impact Fees Funds
- ◆ Total Road Improvement Program (T.R.I.P) Fund
- ◆ Public Education and Government Grant (P.E.G.) Fund
- ◆ Street CIP Fund



BUDGETARY FUND STRUCTURE (continued)

◆ **CAPITAL PROJECTS FUNDS** (continued)

- ◆ Signal CIP Fund
- ◆ Storm Drain CIP Fund
- ◆ Public Improvement In-Lieu Fund
- ◆ AB2766 Fund

PROPRIETARY FUNDS

◆ **INTERNAL SERVICE FUNDS**

- ◆ Insurance Fund
- ◆ Information Systems Fund
- ◆ Support Services Fund
- ◆ Fleet Fund
- ◆ Facilities Fund

FIDUCIARY FUNDS

◆ **PRIVATE PURPOSE TRUST FUNDS**

- ◆ Successor Agency to the Redevelopment Agency (SARDA) Funds
- ◆ Lake Elsinore Recreation Authority (LERA) Funds
- ◆ Lake Elsinore Public Financing Authority (LEPFA) Funds
- ◆ Endowment Trust Fund
- ◆ Trust Deposit Fund
- ◆ Cost Recovery System Fund
- ◆ Lake Maintenance Fund
- ◆ Destratification Equipment Replacement Fund



DESCRIPTION OF FUNDS

The City of Lake Elsinore revenues and expenditures are accounted in a series of funds. Each fund is an autonomous accounting entity, established in accordance with legal and professional accounting standards. Funds are used to segregate the various financial activities of a governmental entity and to demonstrate compliance with specific regulations, restrictions or limitations (i.e., demonstrating that restricted revenues are spent only for allowed purposes).

Funds used in government are classified into three broad categories; governmental, proprietary and fiduciary. Governmental funds include activities usually associated with the operations of a typical state or local government (public safety, general government activities, etc.). Proprietary funds are used in government to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Fiduciary funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent.

The funds utilized by the City of Lake Elsinore are as follows:

GOVERNMENTAL FUNDS

GENERAL FUND

This is the general operating fund for the City, utilized to account for all resources not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific resources that are legally restricted to expenditure for particular purposes:

Supplemental Law Enforcement Services Fund (SLESF) Fund - The City maintains this fund to account for the Supplemental Law Enforcement Services (SLESF) monies, which are exclusively expended to provide front line law enforcement services provided by the State of California. These monies supplement existing services and are unable to be used to supplant any existing funding for law enforcement services provided by the City.

Traffic Offender Fund - This fund is for the purposes of receiving and expending administrative fees generated from charges to drivers who have been arrested for DUI, who are driving on suspended/revoked licenses, or have never been issued a driver's license. These funds may only be used to further the traffic safety goals of the City and are not subject to OTS audit.



DESCRIPTION OF FUNDS (continued)

Gas Tax Fund - The City maintains this fund to account for the Highway User's Tax revenues received from the State of California under Sections 2013, 2015, 2107, of the Streets and Highways Code.

Transportation Uniform Mitigation Fee (TUMF) Fund - Under the TUMF, developers of residential, industrial, and commercial property pay a development fee to fund transportation projects that will be required because of the growth the projects create. The Western Riverside Council of Governments administers the TUMF. The TUMF funds both local and regional arterial projects. Local area projects receive 48.1% of all funds and the funds are programmed in each of five "zones" proportionately to the fees paid. These zone projects are proposed by local jurisdictions.

Measure A Fund - This fund was established to account for the City's share of the County of Riverside's additional one-half percent sales tax allocation. These monies are restricted for use on local streets and roads.

Senate Bill 1186 California Disability Access and Education Fee Fund - This fund collects and tracks the law require State fee of \$1.00 on every applicant for a local business license or renewal. The purpose is to increase disability access and compliance with construction related accessibility requirements and to develop educational resources for businesses in order to facilitate compliance with Federal and State disability laws.

Traffic Safety Fund - Used to account for revenue generated from enforcement of California vehicle codes and city ordinances. These restricted funds maybe used only for traffic signals, school crossing guards, and other related traffic safety expenditures.

Community Development Block Grant (CDBG) - This fund is used to account for grants received from the U.S. Department of Housing and Urban Development (HUD). These grants are used for the community development activities and projects.

National Pollutant discharge system (N.P.D.E.S.) Fund - This is to track fees assessed to property owners for N.P.D.E.S. program, which is mandated by the federal government. This requires cities to clean up storm water runoff.

Lighting, Landscape and Maintenance District (LLMD) Funds - These funds account for revenues derived from annual assessments which are used to pay the costs incurred by the City for landscape maintenance and street light maintenance. Benefit assessments, and a special tax are charged to property owners within the District, and funds are received to provide park maintenance, street lighting, and slope maintenance.



DESCRIPTION OF FUNDS (continued)

DEBT SERVICE FUNDS

Debt Service funds are used to account for the accumulation of resources and payment of all the general long-term debt obligations of the City and related entities.

Community Facilities Districts (CFD) Funds - These funds are used to track the revenue and expenditures related to maintenance, new construction, and debt service payments. These costs are paid for by the benefitted properties within the boundaries of a designated area. The costs are then financed through the issuance of bonds payable over a period of years.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources used for the acquisition and improvement of major capital projects and facilities.

Affordable Housing in Lieu Fund - The Affordable Housing Fund contains the assets as well as loan and rental income from the former Redevelopment Agency which have been transferred to the City of Lake Elsinore.

Developer Agreement Fund - This fund is maintained to account for developer agreement fees.

Development Impact Fees Fund - These funds are used to track revenues and expenditures of fees collected by developers to mitigate impacts of new development in the level of service capacity.

Total Road Improvement Program (T.R.I.P.) Fund - A program offered to local agencies that allow the leverage of their Measure A funds to finance road improvement projects. The use of the funds is restricted to maintenance and construction of public streets and highways.

Public Education and Government Grant (PEG) Fund - This fund is used to track the expenditures used to purchase applicable media equipment.

Street/Signal/Storm Drain CIP Funds - These funds are maintained to account for developer deposits for public improvements as required for an issuance of a building permit.

Public Improvement In-Lieu - This fund accounts for special designated improvements to City property, financed by developer fees.

Assembly Bill 766 Air Pollution Reduction - This account for revenue South Coast Air Quality Board requirements to develop systems to reduce air pollutions.



DESCRIPTION OF FUNDS (continued)

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal Services Funds are used to account for the financing of goods or services by one department to other departments of the City on a cost reimbursement basis.

Insurance - This Internal Service Fund was established to fund and account for the City's liability and property insurance costs.

Information Systems - This Internal Service Fund was developed to fund and account for computer and telephone system operating and maintenance expenses, depreciation of all related computer and telephone equipment over their estimated useful lives, and to accumulate resources for future equipment purchases.

Support Services - This Internal Service Fund was established as a cost center for the City's central copying, printing, and mailing activities.

Fleet - This Internal Service Fund was created to depreciate vehicles and large capital equipment over their estimated useful lives, and to accumulate resources for the purchase of future replacement vehicles and equipment.

Facilities - This Internal Service Fund was established to account for the cost of the City Facilities operations and maintenance.

FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose Trust Funds are used to account for resources held and administered by the reporting government when it is acting in a fiduciary capacity for other governments.

Successor Agency to the Redevelopment Agency (SARDA) Funds - These funds are used to track low and moderate-income projects and payment obligations of the successor agency as a result of the State's dissolution of Redevelopment Agencies.

The Lake Elsinore Recreation Authority (LERA) Funds - These funds are used to account for pay met obligations of the City for the issuance of revenue bonds, a financing pool to fund capital improvement projects. These revenue bonds are to be repaid solely from the revenues of certain public obligations.



DESCRIPTION OF FUNDS (continued)

Successor Agency to the Redevelopment Agency (SARDA) Funds - These funds are used to track low and moderate-income projects and payment obligations of the successor agency as a result of the State's dissolution of Redevelopment Agencies.

The Lake Elsinore Recreation Authority (LERA) Funds - These funds are used to account for payment obligations of the City for the issuance of revenue bonds, a financing pool to fund capital improvement projects. These revenue bonds are to be repaid solely from the revenues of certain public obligations.

Lake Elsinore Public Financing Authority (LEPFA) Funds - These funds are used to account for payment obligations for public capital improvements for the City and the former Redevelopment Agency. The LEPFA has the power to issue special revenue bonds to pay the cost of any public capital improvement.

Endowment Trust Fund - This fund is to account for assets held by the City as a trustee capacity for the Adolph Korn Estate. Money is held for building a nurses home for the proposed medical facility in the City. Until that time, interest earnings from the estate are used as a scholarship fund for college tuition for students seeking a degree in the nursing field.

Trust Deposit Fund - This fund accounts for receipts of deposits paid by developers.

Cost Recovery System Fund - This fund accounts for receipts of deposits. Deposits may be paid by developers used to pay for plans and permits, or by citizens for facility rentals.

Lake Maintenance Fund - This fund accounts for receipts made by Elsinore Valley Municipal Water District (EVMWD) and the City to jointly fund the purchase of water to keep the lake level stabilized.

Destratification Equipment Replacement Fund - This fund accounts for receipts made by Elsinore Valley Municipal Water District (EVMWD), Riverside County, and the City to replace equipment of the axial flow pump destratification system in the lake.



FUND USE BY DEPARTMENT

DEPARTMENT	GF	SPECIAL REVENUE FUNDS										SARDA	SPECIAL ASSESSMENT FUNDS					INTERNAL SERVICE FUNDS					
		SLESF	TOF	DAG	GT	CAS	TSF	CW	LLMD1	CDBG	NPDES		AH	CFD 03-1	CFD 06-05	CFD 07-01	CFD 09-01	CFD 03-2	IN	IT	SS	FL	FA
City Council	X																		X	X	X		
Community Support	X																						
City Clerk	X																		X	X	X		X
City Attorney	X																						
City Manager	X																		X	X	X		X
Finance	X																		X	X	X		X
Human Resources	X																		X	X	X		X
Police	X	X	X				X					X			X				X	X	X	X	
Fire	X											X					X		X		X	X	
Animal Services	X			X																			
Planning & Zoning	X								X										X	X	X		X
Building & Safety	X					X													X	X	X		X
Code Enforcement	X									X									X	X	X		X
Economic Development	X																		X	X	X		X
Fire Prevention	X																		X	X	X		X
Graffiti	X																		X	X	X		X
Engineering	X									X				X		X			X	X	X	X	X
Public Works	X				X										X		X		X	X	X	X	X
Park Maintenance	X							X	X						X		X		X	X	X	X	X
Weed Abatement	X																		X	X	X		X
Lake Maintenance	X																		X	X	X	X	X
Recreation	X																						
Community Center	X																						
Senior Center	X																						
Campground	X																						
Insurance																							
Information Technology																				X			
Support Services																					X		
Fees																						X	
Facilities																							X

GF GENERAL FUND

SPECIAL REVENUE FUNDS:

- SLESF Supplemental Law Enforcement Services Fund
- TOF Traffic Offender Fund
- DAG Developer Agreement Fund
- GT Gas Tax Fund
- CAS Certified Access Specialist Program Fund
- TSF Traffic Safety Fund
- CW Citywide LLMD Fund
- LLMD 1 LLMD No. 1 Fund
- CDBG Community Development Block Grant Fund
- NPDES National Pollutant Discharge Elimination System Fund

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FUND:

- AH Affordable Housing Fund

SPECIAL ASSESSMENT FUNDS:

- CFD 03-01 CFD 2003-15 Law, Fire & Paramedic Services Fund
- CFD 06-05 CFD 2006-05 Park, Open Space & Storm Drain Fund
- CFD 07-01 CFD 2007-15 Law, Fire & Paramedic Services Fund
- CFD 09-01 CFD 2009-15 Park, Open Space & Street Lighting Fund
- CFD 03-2 CFD 2003-2 Fire Tax Services Fund

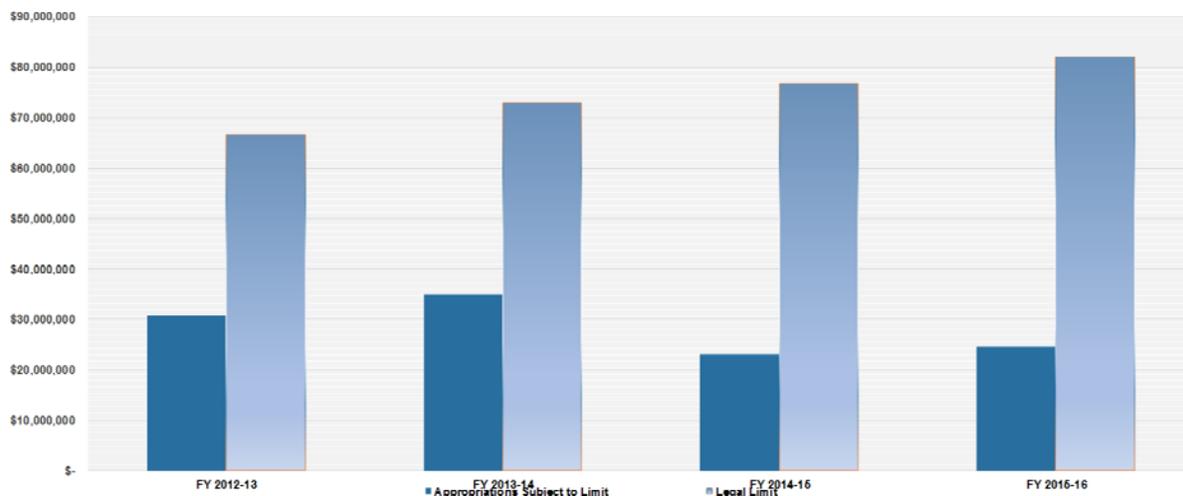


GANN APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in November 1979, and placed limits on the amount of proceeds of taxes that state and local government agencies can receive and spend each year. For cities that incorporated after fiscal year 1978-79, the voters set the initial appropriations limit at the time of incorporation. Proposition III was approved by California voters in June 1990, which provided new adjustment formulas which make the appropriations limit more responsive to local growth issues. Each year the City Council must adopt by resolution the appropriations limit for the following year. Following is the calculation of the City's Gann Appropriations Limit for fiscal year 2015-16:

Fiscal Year 2014-15 Appropriation Limit.....	\$76,832,063
City Population Growth	3.07%
Per Capita Personal Income Change	3.82%
Fiscal Year 2015-16 Appropriations Limit (76,832,063 x 1.0701)	\$82,217,991

Appropriations subject to the limit in the fiscal year 2015-16 budget total \$24,613,077 which is \$57,604,913 less than the computed limit. Additional appropriations to the budget funded by non-tax sources such as service charges, restricted revenues from other agencies, grants or beginning fund balances would be unaffected by the appropriations limit. However, any supplemental appropriations funded through increased tax sources would be subject to the appropriations limit and could not exceed the \$57,604,913 variance indicated. Further, any overall actual receipts from tax sources greater than \$57,604,913 from budget estimates will result in proceeds from taxes in excess of the City's appropriations limit, requiring refunds of the excess within the next two fiscal years or voter approval of an increase in the City's appropriations limit. Voter approval for an increase in the City's appropriations limit is not anticipated in the future due to the margin between the limit and tax revenue.





SUMMARY OF ACCOUNTING PRINCIPLES

FUND ACCOUNTING

The accounts of the City are organized based on funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial section in this report into generic fund types and broad fund categories as follows:

GOVERNMENTAL FUNDS

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds

PROPRIETARY FUNDS

- Internal Service Funds

FIDUCIARY FUNDS

- Private-Purpose Trust Funds

ACCOUNTING BASIS

All governmental funds are accounted for and budgeted using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The primary revenue sources susceptible to accrual are property and sales taxes, franchise fees, transient occupancy taxes, investment income, fines and forfeitures collected by County courts, and motor vehicle-in-lieu subventions.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest due on general long-term debt which is recognized when due.

Proprietary and Fiduciary funds are accounted for and budgeted using the full accrual basis of accounting, i.e., revenues are recognized in the period earned and expenses are recognized in the period incurred.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Outstanding encumbrances at the end of the fiscal year are recorded as reservation of fund balance since the commitments will be paid in the subsequent year. Encumbrances do not constitute expenditures or liabilities.



GENERAL FUND FINANCIAL POLICIES

This process is utilized in order to refine policies as conditions and/or priorities shift. Throughout the year, as policies are refined and or reworked they will be maintained as one document and brought forward to council for review as a part of the budget preparation and adoption process.

FINANCIAL STRATEGIC PLAN PURPOSE AND ORGANIZATION

Annual Operating Budget (AOB)

Through its Annual Operating Budget, the City will link resources with results by:

- I. Identifying community needs for essential services that improve quality of life through strategic planning that:
 - i. Organize the programs required to provide these essential services;
 - ii. Establish program policies and goals, which define the nature and level of program services required;
 - iii. Identify activities performed in delivering program services.
- II. Proposing goals for improving the delivery of program services that:
 - i. Identify and appropriate the resources required to perform program activities and accomplish program goals.
 - ii. Set objectives to measure Performance (progress) pertaining to:
 - ◆ Long term goals that align Council priorities with financial resources;
 - ◆ Output of program activities;
 - ◆ Accomplishment of program objectives;
 - ◆ Expenditure of program appropriations.
- III. The AOB process encompasses the development, implementation, and evaluation of a plan for the provision of services for the upcoming fiscal year. The process includes political, managerial, planning, communication, and financial dimensions. The budget incorporates a long-term perspective, establishes linkages to broad organizational goals, and focuses budget decisions on desired results and outcomes. The AOB is formalized via the following process:
 - i. A budget workshop is held with the City Council to receive Council direction and public comment, prior to budget preparation;



GENERAL FUND FINANCIAL POLICIES (continued)

- ii. Finance team updates policies and procedures for budget preparation, creates the budget process calendar, and prepares the current budget schedules for each department to use in preparing the new budget;
- iii. A budget kickoff workshop is held with the City Manager, Department Directors, and key staff to discuss the status of the current fiscal year budget, discuss the Five Year Financial Forecast, review the upcoming budget process calendar, discuss the impacts of the current economic conditions at the State and Federal levels, and discuss the essential principles and elements of the budget process;
- iv. Individual meetings are held with the Finance team and each department to assist in the budget development process;
- v. The City Manager, in collaboration with the Finance team, holds meetings with each department director (and key staff) to discuss their department budget request;
- vi. A budget workshop is held with the City Council to receive public comment and to review the components of the proposed budget, prior to formal consideration for adoption;
- vii. City Manager submits the proposed AOB and salary plan to the City Council at a public meeting for approval.

Balanced Budget

The City will try and maintain a balanced budget over the period of the fiscal year. This means that:

- I. Operating revenues must fully cover operating expenditures;
- II. Ending fund balance must meet minimum policy levels. For the General Fund, this level has been established at 17.5% of operating expenditures for economic uncertainties and to support the City's credit worthiness, cash flow, and response to local disasters.

Five Year Financial Forecast

The City will prepare a five year financial forecast bi-annually to assist in long range planning and policy development. The five year forecast provides a tool to evaluate the ability of the City to fund proposed programs, operating and maintenance costs, capital expenditures, as well as operating costs related to future capital improvement projects.



GENERAL FUND FINANCIAL POLICIES (continued)

- I. Revenues are projected using a conservative approach, and are based on historical trends, stable residential development projections, internal analysis, and commercial growth that incorporates known development projects. Separate sets of assumptions are developed for major revenue types such as sales tax property tax, community development fees, transient occupancy taxes, and investment income;
- II. Departmental expenditure projections are developed using anticipated cost of living increases for general administrative operating costs. Additional assumptions are incorporated for major expenditure categories such as public safety to ensure that commercial and residential growth projections are addressed to main current service levels. The five year capital improvement program is reviewed with the annual operating budget, and maintenance costs of each proposed project are identified and included in the forecast;
- III. The five-year forecast indicates whether projected revenue growth will support anticipated expenditures for current levels of service. However, as the City continues to grow, it is important to ensure that it can meet increasing demands, and be in a position to respond to possible changes in economic conditions. The five-year forecast is a dynamic tool that requires bi-annual update and review of its underlying assumptions to keep the City in a position of strong fiscal condition.

Capital Improvement Plan (CIP)

- I. CIP Purpose - The purpose of the Capital Improvement Plan (CIP) budget document is to serve as a planning tool, which coordinates the level ranking, financing, and scheduling of major projects undertaken by the City. All projects presented in the five-year CIP budget are carefully programmed to ensure the community's capital improvement needs are met both now and in the future. In addition, the projects provide additional opportunities and access to the City and improve the overall quality of life. This document is dynamic and, consequently, must be revised annually to address changing needs, level rankings, and financial conditions. The City's goal in providing a CIP Budget is to develop a multi-year plan for capital improvement, update it annually, and follow through with all capital improvements in accordance with the plan. It also allows staff to budget operating and maintenance costs into the five year projection in order to determine the total cost of each project before it is undertaken.
- II. CIP Development - This CIP budget document is developed by incorporating input from City Council and key management team members, based on community comments and feedback received throughout the year. This team then, identifies and evaluates community needs in the areas of roads/streets, bridges, public buildings, parks and recreation facilities, and redevelopment projects. Each proposed project is reviewed and discussed to ensure funding, timing, and necessity. A CIP City Council workshop is held to provide the City Council with an opportunity to review each project in detail, and to receive public comments concerning the five-year program.



GENERAL FUND FINANCIAL POLICIES (continued)

- II. Project Manager - Every CIP project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, and periodically report project status.
- III. Project Benefit - Projects must identify a benefit and core value goal.
- IV. Program Objectives - Project phases will be listed as objectives in the program narratives of the programs, which manage the projects
- V. CIP Levels - Projects in the CIP are scheduled in each of five fiscal years based on community needs, as determined by the City Council and availability of funding. Level rankings in each major category (Circulation, Infrastructure, Parks, and RDA) are assigned in accordance with the following guidelines:
 - i. LEVEL I: The project is urgent and must be completed as soon as feasible. Failure to address the project may impact the health, safety, or welfare of the community or have a potential significant impact on the financial well-being of the City. The project must be initiated or financial opportunity losses may result.
 - ii. LEVEL II: The project is important and addressing it is necessary. The project impacts safety, law enforcement, health, welfare, economic base, quality of life.
 - iii. LEVEL III: The project will enhance quality of life and will provide a benefit to the community. Completion of the project will improve the community by providing cultural, recreational, and/or aesthetic value, or is deemed as a necessary improvement to a public facility.
 - iv. Future Years Projects: The project will be an improvement to the community, but does not necessarily need to be completed within a five-year capital improvement program time frame.
- VII. CIP Phases - The CIP will emphasize project planning, with projects progressing through at least two and up to ten of the following phases:
 - i. *Land Acquisitions* - Property acquisition for projects, if necessary.
 - ii. *CIP Administrative Costs* - The administrative costs associated with managing CIP projects are estimated (approximately five to ten percent of estimated construction costs), and are included in each project budget.
 - iii. *PAED* - Performing preliminary engineering and environmental studies, preparing the project report (PR) and Environmental Document (ED), and obtaining approval of the PR and ED.



GENERAL FUND FINANCIAL POLICIES (continued)

- iv. *Design* - Final design, plan and specification preparation and construction cost estimation.
 - v. *Engineering* - Design and construction of all capital improvement and infrastructure projects within the city. These improvements include transportation parks and trails and the municipal buildings that our citizens use every day.
 - vi. *Construction Engineering* - Phase that deals with the designing, planning, construction, and management of infrastructure.
 - vii. *Construction*. Construction contracts.
 - viii. *Furniture, Fixtures, and Equipment* - Vehicles, heavy machinery, computers, office furnishings, other equipment items acquired and installed independently from construction contracts.
- VIII. CIP Operations and Maintenance (O & M) - Future operations and maintenance costs that result from CIP projects are estimated and identified in the CIP project sheets. These incremental future operating costs are incorporated into the five-year forecast.
- IX. CIP Appropriation - The City's annual CIP appropriation for study, design, acquisition and/or construction is based on the projects designated by the Council. Authorization for funding generally occurs only after the preceding project phase has been completed and approved by the Council and costs for the succeeding phases have been fully developed. If project costs at the time of bid award are less than the budgeted amount, the balance will be unappropriated and returned to fund balance or allocated to another project. If project costs at the time of bid award are greater than budget amounts, five basic options are available:
- i. Eliminate the project;
 - ii. Defer the project for consideration to the next fiscal year;
 - iii. Rescope or change the phasing of the project to meet the existing budget;
 - iv. Transfer funding from another specified, lower level ranking project.
 - v. Appropriate additional resources as necessary from fund balance.
- IX. CIP Budget Carryover - Project accounts, which have been appropriated, will not lapse until completion of the project phase.
- X. General Plan Consistency Review - All projects are reviewed and approved by the City's Planning Commission to ensure consistency with the provisions of the City of Lake Elsinore General Plan, while considering the City's long-term vision as developed by the City Council.



GENERAL FUND FINANCIAL POLICIES (continued)

FINANCIAL REPORTING

Annual Reporting

The City will prepare annual financial statements as follows:

- I. The City will contract for an annual audit by a qualified independent certified public accountant (or accounting firm). The City will strive for an unqualified auditors' opinion.
- II. The City will use generally accepted accounting principles in preparing its annual financial statements.
- III. 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; mid-year budget reviews; and interim annual reports.

Budget Amendments

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.

Extended Annual Reporting

The City will prepare extended annual reports as required by federal and state requirements including, but not limited to:

- I. State Controller Report
- II. Street Reports



GENERAL FUND FINANCIAL POLICIES (continued)

FUND BALANCE AND RESERVES

Fund Balance and Reserve Purpose

This section summarized the Fund Balance priorities and policies.

Minimum Fund and Working Capital Balances

The City will maintain a minimum fund balance of at least 17.5% of operating expenditures in the General Fund. This is the consideration the minimum level necessary to maintain the City credit worthiness and to adequately provide for:

- I. Economic uncertainties, local disasters, and financial hardships or downturns in the local or national economy;
- II. Contingencies for unseen operating or capital needs;
- III. 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

Fund Balance Policy

Fund balance is the accumulated excess of actual revenues and other financing sources over actual expenditures and other uses at year-end. In general terms, it represents the City's accumulated "savings" from year to year, as any fund balance realized at year-end is added to (or deducted from if expenditures exceeded revenues for that particular year) the previous year's fund balance. Fund balance is often referred to as "reserves."

This policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements, as well as a fund balance expenditures hierarchy. Fund Balance commitments and assignments ensure that there will be adequate financial resources to protect the City against circumstances such as revenue shortfalls and unanticipated expenditures.



GENERAL FUND FINANCIAL POLICIES (continued)

Fund Balance Components

There are five separate components of fund balance which identify the specific purposes for which amounts can be spent: (1) Nonexpendable Fund Balance; (2) Restricted Fund Balance; (3) Committed Fund Balance; (4) Assigned Fund Balance; (5) Unassigned Fund Balance residual net resources.

- I. *Nonexpendable Fund Balance* - Inherently nonexpendable. Amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items or inventories; or (b) legally required to be maintained intact, such as the principal portion of an endowment.
- II. *Restricted Fund Balance* - Externally enforceable limitations on use. Amounts for a specific purpose that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, other governments' regulations; or (b) imposed by law through constitutional provisions or enabling legislation.
- III. *Committed Fund Balance* - Self-imposed limitations on use. Amounts authorized for specific purposes by a government's highest level of decision making authority (City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the same fiscal year however, the amount can be determined subsequently. The City's committed fund balance includes a reserve for economic uncertainty. It is City policy to maintain a reserve of 17.5% of Annual General Fund appropriations. Amounts are committed to finance any significant unanticipated revenue shortfalls, negative State budget impacts or impacts from natural disasters or other catastrophic events.
- IV. *Assigned Fund Balance* - Limitation resulting from intended use. Amounts that are constrained for specific purposes, but are neither restricted or committed. For all governmental funds other than the General Fund, any remaining amounts not classified as nonexpendable, restricted, or committed are considered assigned. For the General Fund, this policy delegates the authority to assign amounts to be used for specific purposes to the Director of Administrative Services in consultation with the City Manager for the purpose of reporting these amounts in annual financial statements.
- V. *Unassigned Fund Balance* - Residual net resources of the General Fund in excess of what can be classified in one of the other four categories.

Spending Fund Balance

Restricted fund balance should be spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. When an expenditure is incurred for purposes where amounts in any of the unrestricted classifications of fund balance could be used, committed amounts are to be spent first, followed by assigned amounts and then unassigned amounts.



GENERAL FUND FINANCIAL POLICIES (continued)

STAFFING POLICY

Regular Staffing

- I. The budget will fully appropriate the resources needed for authorized regular staffing.
- II. Regular full-time benefitted employees will represent the core work force and the preferred means of staffing ongoing, year-round program activities and services. Each regular employee will:
 - i. Fill an authorized regular position;
 - ii. Receive salary and benefits consistent with labor agreements or other City Council approved compensation plan.
- III. To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:
 - i. The Council will authorize all regular positions.
 - ii. The Human Resources Department will coordinate and approve the hiring of all regular employees.
 - iii. Supplement core staff with a balanced workforce consisting of part-time, contract, and independent contractors.
 - iv. All requests for additional regular positions will include evaluations of:
 - ◆ The necessity, term and expected results of the proposed activity;
 - ◆ Staffing and material costs including salary, benefits, equipment, uniforms, clerical support and facilities;
 - ◆ The ability of private industry to provide the proposed service;
 - ◆ Additional revenues or cost savings, which may be realized.
 - v. Periodically, and before any request for additional regular positions, existing programs will be re-evaluated to determine if services can be provided with existing regular employees.

Project Staffing

- I. Project employees include all employees other than regular employees, temporary staffing, elected officials and volunteers. Project employees will generally augment regular City staffing as extra-help employees, seasonal employees, contract employees, and interns.



GENERAL FUND FINANCIAL POLICIES (continued)

- II. The City Manager and Department Directors will encourage the use of project employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than full-time, year-round staffing is required. Under this guideline, project employees will be hired in conjunction with the annual operating budget on an at-will basis. Moreover, project employee hours will generally not exceed 50% of a regular, full-time position (1,000 hours annually). There may be limited circumstances where the use of project employees on an ongoing basis in excess of this target may be appropriate due to unique programming or staffing requirements. However, any such exceptions must be approved by the City Manager based on the review and recommendation of the Human Resources Department.

Temporary Staffing

- I. Temporary Staffing agencies can be contacted only in the case of a short-term assignment such as sick leave, disability leave, maternity leave, etc.
- II. The City will pay the Temporary Staffing Agency a fair base rate for the employee with a negotiated markup while the temporary employee is providing work for the City

Work Hours

- I. Regular employee, project employee, and temporary employee work hours will be based on the needs of the City and the position.
- II. Employee work hours may be flexed in an effort to minimize overtime.

Overtime Management

- I. Overtime should be used only when necessary and when other alternatives are not feasible or cost effective.
- II. All overtime must be pre-authorized by a Department Director or delegated in accordance with existing policy.
- III. Departmental operating budgets should reflect anticipated annual overtime costs and departments will regularly monitor overtime use and expenditures.
- IV. When considering the addition of regular, project, or temporary staffing, the use of overtime as an alternative will be considered. The department will take into account:
 - i. The duration that additional staff resources may be needed;
 - ii. The cost of overtime versus the cost of additional staff;
 - iii. The skills and abilities of current staff;



GENERAL FUND FINANCIAL POLICIES (continued)

- i. Training costs associated with hiring additional staff;
- ii. The impact of overtime on existing staff;
- iii. The impact on quality of services.

Independent Contractors

Independent contractors are not City employees. They may be used in two situations:

- I. Short-term, peak workload assignments to be accomplished using personnel contracted through an outside employment agency (OEA). In this situation, it is anticipated that City staff will closely monitor the work of OEA employees and minimal training will be required. However, they will always be considered the employees of the OEA and not the City. All placements through an OEA will be coordinated through the Human Resources Department and subject to the approval of the Human Resources Department.
- II. Construction of public works projects and delivery of operating, maintenance or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills and equipment will generally be determined and provided by the contractor. Contract awards will be guided by the City's purchasing policies and procedures.

Productivity

The City will repeatedly monitor and review the City's methods of operation to ensure that services continue to be delivered in the most cost-effective manner possible. This review process encompasses a wide range of productivity issues, including:

- I. Analyzing systems and procedures to identify and remove unnecessary review requirements.
- II. Evaluating the ability of new technologies and related capital investments to improve productivity.
- III. Developing the skills and abilities of all City employees.
- IV. Developing and implementing appropriate methods of recognizing and rewarding exceptional employee performance.
- V. Evaluating the ability of the private sector to perform the same level of service at a lower cost.
- VI. Periodic formal reviews of operations on a systematic, ongoing basis.



GENERAL FUND FINANCIAL POLICIES (continued)

- VII. Maintaining a decentralized approach in managing the City's support service functions. Although some level of centralization is necessary for review and control purposes, decentralization supports productivity by:
- i. Encouraging accountability by delegating responsibility to the lowest possible level;
 - ii. Stimulating creativity, innovation and individual initiative;
 - iii. Reducing the administrative costs of operation by eliminating unnecessary review procedures
 - iv. Improving the ability of the organization to respond to changing needs, and identify and implement cost-saving programs;
 - v. Assigning responsibility for effective operations and citizen responsiveness to the department.

Contracting for Services - Private Sector

- I. General Policy Guidelines:
 - i. Contracting with the private sector for the delivery of services may provide the City with a significant opportunity for cost containment and productivity enhancements. As such, the City is committed to using private sector resources in delivering municipal services as a key element in our continuing efforts to provide cost-effective programs.
 - ii. Private sector contracting approaches under this policy include construction projects, professional services, outside employment agencies and ongoing operating and maintenance services.
 - iii. In evaluating the costs of private sector contracts compared with in-house performance of the service, indirect, direct, and contract administration costs of the City will be identified and considered.
 - iv. Whenever private sector providers are available and can meet established service levels, they will be seriously considered as viable service delivery alternatives using the evaluation criteria outlined below.
 - v. For programs and activities currently provided by City employees, conversions to contract services will generally be made through attrition, reassignment or absorption by the contractor.



GENERAL FUND FINANCIAL POLICIES (continued)

Contracting for Services - Government Services Contracts

- I. General Policy Guidelines:
 - i. Contracting with other government entities for the delivery of services such as police and fire provides the City with significant opportunities for cost containment and productivity enhancements. The City utilizes government service contracts to deliver municipal services as a key element in the City's continuing efforts to provide cost-effective programs.
 - ii. Police Contract Services – The City contracts with the Riverside County Sherriff's Department for police services. Under this contract the City maintains a ratio of one (1) uniformed police officer for every one thousand two hundred twenty-seven (1,227) residents. The City's goal is to have and maintain a ration of one (1) uniformed police officer for every one thousand (1,000) residents. Contracting with the County facilitates an efficient, effective and affordable model of policing for the community. The police contract allows the city to partner with the County to leverage resources to reduce costs for supervision, administration, training, clerical support, vehicles and equipment.
 - iii. Fire Contract Services - The City contracts with the Riverside County Fire Department for all fire services. Contracting with the County facilitates an efficient, effective and affordable model of fire protection, disaster preparedness, fire prevention, and emergency operation services for the community. The fire contract allows the City to partner with the County to leverage resources to reduce costs for supervision, administration, training, clerical support, vehicles and equipment.

Contracting for Services - Regional Approach

- I. A regional approach to public services leverages economies of scale to improve outcomes and services to the citizens. Therefore, prior to entering into private or government service contracts, the City will require the completion of a systematic assessment to determine whether a regional approach to providing services is necessary.
 - i. Animal Control Services - The City contracts with Animal Friends of the Valleys for animal control services and the County of Riverside (via the Southwest Community Financing Authority) for animal sheltering services. Contracting with multi-agencies for these services demonstrates a regional approach of leveraging resources to provide efficient services (at a reduced cost).



GENERAL FUND FINANCIAL POLICIES (continued)

INVESTMENT POLICY

Introduction

The purpose of the Investment Policy is to set the policies and procedures that enhance opportunities for a prudent and systematic investment program and to organize and formalize investment-related activities.

The investment policy and practices of the City of Lake Elsinore (the “City”) are, in every case, subject to and limited by applicable provisions of state law and to prudent money management principles. All funds will be invested in accordance with the City’s Investment Policy, and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.).

Scope

The investment policy applies to all financial assets, except bond proceeds and retirement funds, accounted for in the City of Lake Elsinore Comprehensive Annual Financial Report (CAFR) and any new fund created by the City Council, unless specifically exempted. The investment of bond proceeds will be governed by the provisions of relevant bond documents.

Objectives

The primary objectives, in priority order, of the City’s investment activities shall be:

- I. Safety of Principal - Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The City shall seek to preserve principal by mitigating two types of risk: credit risk and interest rate risk.
 - i. Credit Risk - The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:
 - ◆ Limiting investments to the types of securities listed in the Authorized Investments section of this Investment Policy.
 - ◆ Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
 - ii. Interest Rate Risk - The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:



GENERAL FUND FINANCIAL POLICIES (continued)

- ◆ Structuring the investment portfolio with marketable securities so that securities can be liquidated to meet cash flow needs or structuring the portfolio to mature to meet cash requirements for ongoing operations.
- II. Liquidity - Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the City's investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements.
- III. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Prudence

In managing its investment program, the City will observe the "Prudent Investor" standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments will be made with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law. This standard of prudence shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Performance Evaluation

Investment performance is to be continually monitored and evaluated by the Director of Administrative Services. The City's primary portfolio performance will be measured against a total return index with securities with similar attributes and similar average maturity, e.g., the Merrill Lynch 1-5 Year U.S. Treasury Index.

Delegation of Authority

In accordance with the City Council Policy of the City of Lake Elsinore and under authority granted by the City Council, the City Treasurer's function and responsibility for investing the unexpended cash in the City Treasury has been delegated to the City Manager.



GENERAL FUND FINANCIAL POLICIES (continued)

The responsibility for conducting the City's investment program has been delegated to the Director of Administrative Services, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for all investment activities. No person may engage in an investment transaction except as provided under the terms of the policy and the procedures established by the Director of Administrative Services. Portfolio management and transactions may be delegated to an independent investment advisor registered with the SEC.

Investment Procedures

The Director of Administrative Services shall establish written investment procedures and a system of controls to regulate the operation of the investment program and the activities of subordinate officials consistent with this policy. The procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of the policy and the procedures established by the Director of Administrative Services.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper executions of the investment program, or impairs their ability to make impartial investment decisions. Additionally, the City Officials are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

Safekeeping and Custody

To protect against fraud or embezzlement of losses caused by collapse of an individual securities dealer, all securities owned by the City shall be held in safekeeping by a third party bank / trust department. All security transactions entered into by the City of Lake Elsinore shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the City of Lake Elsinore by book entry, physical delivery, or by third party custodial agreement as required by CGC 53601. Securities held custody of the City shall be independently audited on an annual basis to verify investment holdings.

Diversification

The City of Lake Elsinore will diversify its investments by security type and institution. It is the policy of the City of Lake Elsinore to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:



GENERAL FUND FINANCIAL POLICIES (continued)

- I. Maturities selected shall provide for stability of income and liquidity.
- II. Disbursement and payroll dates shall be covered through maturity investments and marketable securities.

Internal Control

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Finance Staff on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies and procedures and reported to City Council.

Reporting

Each month the Director of Administrative Services shall submit to City Council, the City Manager, and the City Treasurer a monthly report of investment transactions. The report shall also include a detailed security report. If all funds are placed in LAIF, FDIC- insured accounts, and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The Director of Administrative Services shall maintain a complete and timely record of all investment transactions. Additionally, every quarter the Director of Administrative Services shall render to the City Manager, City Council and the City Treasurer a quarterly investment report, which City of Lake Elsinore Investment Policy shall include, at a minimum, the following information for each individual investment:

- I. Type of investment instrument (i.e., Treasury Bill, medium term note);
- II. Issuer name (i.e., General Electric Credit Corporation);
- III. Purchase date (trade and settlement date);
- IV. Maturity date;
- V. Par value;
- VI. Purchase price;
- VII. Current market value and the source of the valuation;
- VIII. Overall portfolio yield based on cost.

The quarterly report also shall

- I. State compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance;
- II. Include a description of any of the City's funds, investments, or programs that are under the management of contracted parties, including lending programs;



GENERAL FUND FINANCIAL POLICIES (continued)

- III. Include a statement denoting the ability of the City to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

Authorized Financial Dealers and Institutions

The Director of Administrative Services will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness with at least five years of operation. The Director of Administrative Services will review the financial condition and registrations of qualified bidders annually. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- I. Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines to be submitted annually;
- II. Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties);
- III. Proof of state registration;
- IV. Complete broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties);
- V. Certification of having read and understood and agreeing to comply with the City's Investment Policy prior to commencing trading;
- VI. Evidence of adequate insurance coverage.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Director of Administrative Services. The City may also use broker/dealers approved and evaluated by an SEC registered investment advisor acting in a fiduciary capacity for the City. The City is required to obtain at least 3 competing bids from different broker/dealers for every purchase or sale of a security.

Authorized Investments

Investment of City funds is governed by the California Government Code sections 53601 et seq. Unless otherwise specified in this section, no investment shall be made in any security, other than a security underlying a repurchase agreement as authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years. The Director of Administrative Services, or designee, is authorized to purchase the following investment instruments:

- I. U.S. Treasury, notes, bonds, bills, or other certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.



GENERAL FUND FINANCIAL POLICIES (continued)

- II. Federal agency or United States government-sponsored enterprise obligations, participation, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises including debt guaranteed under the FDIC's Temporary Liquidity Guarantee Program, which is backed by the full faith and credit of the U.S. Government. No more than 40% of the City's portfolio may be invested in any one federal agency.
- III. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency, provided that such obligations are rated in one of the top three rating categories by a NRSRO and are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power, or electric system.
- IV. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California, provided that such obligations are rated in one of the top three rating categories by a NRSRO and are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power, or electric system.
- V. Repurchase Agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 30 days. The City may enter into repurchase agreements with primary government securities dealers rated "A" or better by two nationally recognized rating services. Counterparties should also have:
 - i. a short-term credit rating in the highest category by a nationally recognized statistical rating organization (NRSRO);
 - ii. minimum assets and capital size of \$25 billion in assets and \$350 million in capital;
 - iii. five years of acceptable audited financial results;
 - iv. a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102% of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term



GENERAL FUND FINANCIAL POLICIES (continued)

of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must also be calculated each time there is a substitution of collateral. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a Master Repurchase Agreement with each counter party with which it enters into repurchase agreements.

- VI. Bills of exchange or time drafts drawn on and accepted by a commercial bank and brokered to investors in the secondary market, otherwise known as bankers' acceptances. Purchases of bankers' acceptances may not exceed 180 days' maturity, or 40% of the City's surplus money that may be invested. However, no more than 30% of the City's surplus funds may be invested in the bankers' acceptances of any one commercial bank. Eligible bankers' acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one NRSRO.
- VII. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (i) or paragraph (ii) below:
- i. The entity meets the following criteria:
 - ◆ Is organized and operating in the United States as a general corporation.
 - ◆ Has total assets in excess of five hundred million dollars (\$500,000,000).
 - ◆ Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
 - i. The entity meets the following criteria:
 - ◆ Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - ◆ Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
 - ◆ Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.



GENERAL FUND FINANCIAL POLICIES (continued)

The City may invest no more than 25% of its portfolio in eligible commercial paper with a maximum maturity of 270 days, and the City may purchase no more than 10% of the outstanding commercial paper of any single issuer.

- VIII. Medium term notes with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subsection must be rated in one of the top three rating categories by a NRSRO and shall not be on credit watch for a potential downgrade by a NRSRO. Purchases of medium term notes may not exceed 30% of the City's portfolio.
- IX. FDIC-insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. Any amounts invested in excess of the FDIC insured deposit limit must be collateralized in accordance with California Government Code Section 53561.
- X. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Securities eligible for investment under this subdivision shall be rated with the highest letter and number rating by a NRSRO for short-term ratings and in the second highest category for longer-term ratings. Purchases of negotiable certificates of deposit may not exceed 30% of the portfolio.
- XI. State of California's Local Agency Investment Fund (LAIF). Investment in LAIF may not exceed \$50 million. The LAIF portfolio should be reviewed periodically.
- XII. California Asset Management Program (CAMP).
- XIII. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). The purchase price of shares shall not exceed 20 percent of the investment portfolio of the City. To be eligible for investment pursuant to this subdivision these companies shall either:
 - i. Attain the highest ranking letter or numerical rating provided by not less than two of the three largest NRSRO; or
 - ii. Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of \$500,000,000.



GENERAL FUND FINANCIAL POLICIES (continued)

- XIV. Insured savings account or money market account. To be eligible to receive local agency deposits, a financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation.
- XV. Supranational, specifically the International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank, purchases restricted to debt denominated in U.S. dollars. Supranational eligible for investment under this subsection must be rated in one of the top two rating categories by a NRSRO. Purchases of supranational may not exceed 30% of the City's portfolio.
- XVI. Asset-Backed Securities (ABS) - ABS eligible for investment under this subsection must be rated in one of the top two rating categories by a NRSRO. Credit rating of issuer's debt must be rated in one of the top three rating categories by a NRSRO. Purchase of ABS may not exceed 20% of the City's portfolio.

Credit criteria, sectors, and issuers percentages for investments listed in this section will be determined at the time the security is purchased. A decline in the overall investment balances that causes the percent to any investment above its maximum policy limit will not be considered out of compliance. The City may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed rating category for that given investment type, the Director of Administrative Services shall notify the City Manager, the City Treasurer, and City Council and recommend a plan of action. Notwithstanding anything herein to the contrary, with the exception of the U.S. Treasury, federal agency institutions, and government sponsored enterprises no more than 5% of the City's portfolio may be invested in securities issued by any one corporate, financial, or municipal issuer.

Prohibited Investments

Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are thereby prohibited include, but are not limited to, inverse floaters, derivatives, range notes, interest only strips that are derived from a pool of mortgages, or in any investment that could result in zero interest accrual if held to maturity.

Legislative Changes

Any State of California legislative action that further restricts allowable maturities, investment type or percentage allocations will be deemed to be incorporated into the City of Lake Elsinore's investment policy and will supersede any and all applicable language.

Interest Earnings

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.



GENERAL FUND FINANCIAL POLICIES (continued)

Policy Review

The City of Lake Elsinore's investment policy shall be adopted by the City Council on an annual basis. This investment policy shall be reviewed at least annually to insure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to the City Council for approval.

Ethics and Conflict of Interest

Officers and employees involved in the investment process will refrain from personal business activity that conflicts with the proper execution of the investment program or impairs their ability to make impartial investment decisions. In addition, no funds will be invested in negotiable certificates of deposit issued by, or non-negotiable time deposits under contract with a State or Federal credit union if a member of the City Council or any person with investment decision making authority in the finance department, manager's department of the City also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the State or Federal credit union issuing the negotiable certificates of deposit or in which the non-negotiable time deposit is proposed to be deposited. Additionally, officers and staff involved in the investment of public funds are required to annually file a Fair Political Practices Commission Statement of Economic Interest form

INVESTMENT PROCEDURES

INTERNAL CONTROL GUIDELINES

- I. Objectives Of Internal Control - Internal control is the plan of the organization and all the related systems established by the management's objective of ensuring, as far as practicable:
 - i. The orderly and efficient conduct of its business, including adherence to management policies.
 - ii. The safeguarding of assets.
 - iii. The prevention or detection of errors and fraud.
 - iv. The accuracy and completeness of the accounting records.
 - v. The timely preparation of reliable financial information.
- II. Limitations Of Internal Control - No internal control system, however elaborate, can by itself guarantee the achievement of management's objectives. Internal control can provide only reasonable assurance that the objectives are met, because of its inherent limitations, including:
 - i. Management's usual requirement that a control be cost-effective.
 - ii. The direction of most controls at recurring, rather than unusual, types of transactions.



GENERAL FUND FINANCIAL POLICIES (continued)

- i. Human error due to misunderstanding, carelessness, fatigue, or distraction.
 - ii. Potential for collusion that circumvents controls dependent on the segregation of functions.
 - iii. Potential for a person responsible for exercising control abusing that responsibility; a responsible staff member could be in a position to override controls which management has set up.
- III. Elements Of Internal Control - Are the means by which an organization can satisfy the objectives of internal control. These elements are:
- i. Organization - Specific responsibility for the performance of duties should be assigned and lines of authority and reporting clearly identified and understood.
 - ii. Personnel - Personnel should have capabilities commensurate with their responsibilities. Personnel selection and training policies together with the quality and quantity of supervision are thus important.
 - iii. Segregation Of Functions - Segregation of incompatible functions reduces the risk that a person is in a position both to perpetrate and conceal errors or fraud in the normal course of duty. If two parts of a transaction are handled by different people, collusion is necessary to conceal errors or fraud. In particular, the functions that should be considered when evaluating segregation of functions are authorization, execution, recording, custody of assets, and performing reconciliations.
 - iv. Authorization - All transactions should be authorized by an appropriate responsible individual. The responsibilities and limits of authorization should be clearly delineated. The individual or group authorizing a specific transaction or granting general authority for transactions should be in a position commensurate with the nature and significance of the transactions. Delegation of authority to authorize transactions should be handled very carefully.
 - v. Controls Over An Accounting System - Controls over an accounting system include the procedures, both manual and computerized, carried out independently to ascertain that transactions are complete, valid, authorized, and properly recorded.

CASH CONTROLS

Procedures performed by external auditors with respect to cash receipts.

- I. City procedures and controls are reviewed. Some of the system strengths are:
 - i. Receipts are controlled upon receipt by proper registration devices.



GENERAL FUND FINANCIAL POLICIES (continued)

- ii. Receipts are reconciled on a daily basis.
 - iii. Amounts are deposited intact.
 - iv. Bank reconciliations are reviewed.
 - v. Prompt posting of cash receipt entries in books.
 - vi. Proper approval required for write-offs of customer accounts.
 - vii. Checks are restrictively endorsed upon receipt or when run through cash register.
 - viii. Adequate physical security over cash.
 - ix. Individuals that handle cash do not post to customer account records or process billing statements.
 - x. Adequate supervision of Finance Department operations.
- II. Significant revenues are confirmed directly with payer and compared with City books to make sure amounts are recorded properly.
- III. Cash balances are substantiated by confirming all account balances recorded in books. Bank reconciliations are reviewed for propriety and recalculated by the auditor. All significant reconciling items on bank reconciliations are verified as valid reconciling items by proving to subsequent bank statements.

Function Responsibility

- I. Formal Investment Policy should be:
- i. Prepared by the Senior Accountant
 - ii. Reviewed and approved by the Director of Administrative Services
 - iii. Approved by the City Council
- II. Develop Investment Strategy
- i. Maintained by Registered Investment Advisor
- III. Investment Strategy
- i. Reviewed and approved by the Director of Administrative Services
- IV. Execution of investment transactions
- i. Reviewed and approved by the Registered Investment Advisor



GENERAL FUND FINANCIAL POLICIES (continued)

- V. Timely recording of investment transactions
 - i. Recorded by the Finance Manager or Senior Accountant
 - ii. Reviewed and approved by the Director of Administrative Services
- VI. Recording of investment transactions in the City's records
 - i. Recorded by the Finance Manager or Senior Accountant
 - ii. Reviewed and approved by the Director of Administrative Services
- VII. Recording of investment transactions in the accounting records
 - i. Recorded by the Account Specialist
- VIII. Verification of investment, i.e., match broker confirmation to City's records
 - i. Recorded by the Finance Manager or Senior Accountant
 - ii. Reviewed and approved by the Director of Administrative Services
- IX. Safeguarding of Assets and Records
 - i. Recorded by the Finance Manager or Senior Accountant
 - ii. Reviewed and approved by the Director of Administrative Services
- X. Reconciliation of City's records to the accounting records
 - i. Recorded by the Finance Manager or Senior Accountant
 - ii. Reviewed and approved by the Director of Administrative Services
- XI. Reconciliation of City's records to bank statements and safekeeping records
 - i. Recorded by the Finance Manager or Senior Accountant
 - ii. Reviewed and approved by the Director of Administrative Services
- XII. Annual review of the financial institution's financial condition, safety, liquidity, and potential yields of investment instruments
 - i. Reviewed and approved by the Director of Administrative Service
- XIII. No less than an annual review of investment portfolio
 - i. Prepared by Director of Administrative Services
 - ii. Reviewed and approved by an Independent Auditors



GENERAL FUND FINANCIAL POLICIES (continued)

CAPITAL FINANCING AND DEBT MANAGEMENT

Capital Financing

- I. The City will consider the use of debt financing only for one-time capital improvement projects and only under the following circumstances:
 - i. When the project's useful life will exceed the term of the financing;
 - ii. When project revenues or specific resources will be sufficient to service the long-term debt.
- II. 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.
- III. 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.
- IV. Transportation related impact fees are a major funding source in financing transportation system improvements. However, revenues from these fees are subject to significant fluctuation based on the rate of new development. Accordingly, the following guidelines will be followed in designing and building projects funded with transportation impact fees:
 - i. The availability of transportation impact fees in funding a specific project will be analyzed on a case-by-case basis as plans and specification or contract awards are submitted for City Manager or Council approval.
 - ii. If adequate funds are not available at that time, the Council will make one of two determinations:
 - ◆ Defer the project until funds are available;
 - ◆ Based on the high-priority of the project, advance funds from the General Fund, which will be reimbursed as soon as funds become available. Repayment of General Fund advances will be the first use of transportation impact fee funds when they become available.
- V. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements:



GENERAL FUND FINANCIAL POLICIES (continued)

- i. Factors Favoring Pay-As-You-Go Financing:
 - ◆ Current revenues and adequate fund balances are available or project phasing can be accomplished;
 - ◆ Existing debt levels adversely affect the City's credit rating;
 - ◆ Market conditions are unstable or present difficulties in marketing.
- ii. Factors Favoring Long Term Financing:
 - ◆ Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings;
 - ◆ The project securing the financing is of the type, which will support an investment grade credit rating;
 - ◆ Market conditions present favorable interest rates and demand for City financings;
 - ◆ A project is mandated by state or federal requirements, and resources are insufficient or unavailable;
 - ◆ The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.

Debt Management

- I. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
- II. 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.
- III. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
- IV. 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.
- V. The City will monitor all forms of debt annually and report concerns and remedies, if needed, to the Council.
- VI. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.



GENERAL FUND FINANCIAL POLICIES (continued)

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

Debt Capacity

- I. 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 the City only use general purpose debt financing for high-priority projects where the City cannot reasonably use other financing methods for two key reasons:
- i. Funds borrowed for a project today are not available to fund other projects tomorrow;
 - ii. 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.

Independent Disclosure Counsel

The following criteria will be used on a case-by-case basis in determining whether the City should retain the services of an independent disclosure counsel in conjunction with specific project financings:

- I. The City will generally not retain the services of an independent disclosure counsel when all of the following circumstances are present:
 - i. The revenue source for repayment is under the management or control of the City, such as general obligation bonds, revenue bonds, lease-revenue bonds or certificates of participation;
 - ii. The bonds will be rated or insured.
- II. The City will consider retaining the services of an independent disclosure counsel when one or more of following circumstances are present:
 - i. The financing will be negotiated, and the underwriter has not separately engaged an underwriter's counsel for disclosure purposes;
 - ii. The revenue source for repayment is not under the management or control of the City, such as land-based assessment districts, tax allocation bonds or conduit financings;
 - iii. The bonds will not be rated or insured;
 - iv. The City's financial advisor, bond counsel or underwriter recommends that the City retain an independent disclosure counsel based on the circumstances of the financing.



GENERAL FUND FINANCIAL POLICIES (continued)

Land-Based Financings

- I. Public Purpose. There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements. This should include a finding by the Council as to why this form of financing is preferred over other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.
- II. Eligible Improvements. Except as otherwise determined by the Council when proceedings for district formation are commenced, preference in financing public improvements through a special tax district will be given for those public improvements that help achieve clearly identified community facility and infrastructure goals in accordance with adopted facility and infrastructure plans as set forth in key policy documents such as the General Plan, Specific Plan, Facility or Infrastructure Master Plans, or Capital Improvement Plan. Such improvements include study, design, construction and/or acquisition of:
 - i. Public safety facilities;
 - ii. Major transportation system improvements, such as freeway interchanges; bridges; intersection improvements; construction of new or widened arterial or collector streets (including related landscaping and lighting); sidewalks and other pedestrian paths; transit facilities; and bike paths;
 - iii. Storm drainage, creek protection and flood protection improvements;
 - iv. Parks, trails, community centers and other recreational facilities;
 - v. Open space;
 - vi. Cultural and social service facilities;
 - vii. Other governmental facilities and improvements such as offices, information technology systems and telecommunication systems.
- III. Active Role. Even though land-based financings may be a limited obligation of the City, we will play an active role in managing the district. This means that the City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer and underwriter. Any costs incurred by the City in retaining these services will generally be the responsibility of the property owners or developer, and will be advanced via a deposit when an application is filed; or will be paid on a contingency fee basis from the proceeds from the bonds.



GENERAL FUND FINANCIAL POLICIES (continued)

- IV. Credit Quality. When a developer requests a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build-out. This may include detailed background, credit and lender checks, and the preparation of independent appraisal reports and market absorption studies. For districts where one property owner accounts for more than 25% of the annual debt service obligation, a letter of credit further securing the financing may be required.
- V. Reserve Fund. A reserve fund should be established in the lesser amount of: the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
- VI. Value-to-Debt Ratios. The minimum value-to-date ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the assessment or special tax debt. In special circumstances, after conferring and receiving the concurrence of the City's financial advisor and bond counsel that a lower value-to-debt ratio is financially prudent under the circumstances, the City may consider allowing a value-to-debt ratio of 3:1. The Council should make special findings in this case.
- VII. Appraisal Methodology. Determination of value of property in the district will be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal by an independent Member Appraisal Institute (MAI). The definitions, standards and assumptions to be used for appraisals will be determined by the City on a case-by-case basis, with input from City consultants and district applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission.
- VIII. Capitalized Interest During Construction. Decisions to capitalize interest will be made on case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.
- IX. Maximum Burden. Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property; and total property taxes, special assessments and special taxes payments collected on the tax roll should generally not exceed 2%.
- X. Benefit Apportionment. Assessments and special taxes will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by, or burden attributed to, each parcel with respect to its financed improvement. Any annual escalation factor should generally not exceed 2%.
- XI. Special Tax District Administration. In the case of Mello-Roos or similar special tax districts, the total maximum annual tax should not exceed 110% of annual debt service. The rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.



GENERAL FUND FINANCIAL POLICIES (continued)

- XII. Foreclosure Covenants. In managing administrative costs, the City will establish minimum delinquency amounts per owner, and for the district as a whole, on a case-by-case basis before initiating foreclosure proceedings.
- XIII. Disclosure to Bondholders. In general, each property owner who accounts for more than 10% of the annual debt service or bonded indebtedness must provide ongoing disclosure information annually as described under SEC Rule 15(c)-12.
- XIV. Disclosure to Prospective Purchasers. Full disclosure about outstanding balances and annual payment should be made by the seller to prospective buyers at the time that the buyer bids on the property. It should not be deferred to after the buyer has made the decision to purchase. When appropriate, applicants or property owners may be required to provide the City with a disclosure plan.

Conduit Financing

- I. The City will consider requests for conduit financing on a case-by-case basis using the following criteria:
- i. The City's bond counsel will review the terms of the financing, and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant;
 - ii. There is a clearly articulated public purpose in providing the conduit financing;
 - iii. The applicant is capable of achieving this public purpose.
- II. This means that the review of requests for conduit financing will generally be a two-step process:
- i. First asking the Council if they are interested in considering the request, and establishing the ground rules for evaluation it;
 - ii. And then retuning 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.
- III. 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 the costs in evaluating the request; however, this should also be determined on a case-by-case basis.



GENERAL FUND FINANCIAL POLICIES (continued)

Refinancing's

- I. General Guidelines. Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancing's will be considered (within federal tax law constraints) under the following conditions:
 - i. There is a net economic benefit;
 - ii. It is needed to modernize covenants that are adversely affecting the City's financial position or operations;
 - iii. The City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other sources.
- II. Standards for Economic Savings. In general, refinancing's for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.
 - i. Refinancing's that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt.
 - ii. Refinancing's with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective.

INTERFUND TRANSFERS AND LOANS POLICY

Establishment of Various Funds

The City has established various funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund equity.

Transfer between Funds

Any transfers between funds for operating purposes are set forth in the budget. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons, and are not intended to result in a transfer of financial resources. In summary, interfund transfers result in a change in fund equity; interfund borrowings do not, as the intent is to repay the loan in the near term.

Interfund Loans

Interfund loans may be appropriate whenever the loan is expected to be repaid within the immediate future. The most common use of interfund loans is for grant programs, where costs are incurred before drawdowns are initiated and received. Receipt of funds is typically received shortly after the request for funds has been made.



GENERAL FUND FINANCIAL POLICIES (continued)

APPROPRIATIONS LIMITATION

Adopting a Resolution

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.

Supporting Documentation Available for Review

The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least fifteen days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with final approval of the budget.

Calculating Appropriations

The City will strive to develop revenue sources, both new and existing, which are considered non-tax proceeds, in calculating its appropriations subject to limitation.

Review of User Fees and Charges

The City will annually review user fees and charges and report to the Council the amount of program subsidy, if any that is being provided by the General Fund. An annual inflator is automatically calculated each year based on changes in the Consumer Price Index.

Support of Legislation or Initiatives

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

Voter Approval to Amend Appropriation Limit

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



BUDGET AND STRATEGIC PLANNING PROCESS

The City of Lake Elsinore continues to improve the budgeting process every year in order to maximize service delivery in a challenging economy. The Lake Elsinore Municipal Code requires that the City Manager submit the proposed annual operating budget and salary plan to the City Council for approval. The Municipal Code also requires that each head of department compile annual revenue and expenditure estimates for the City Manager to present in the annual operating budget. The following is an overview of the steps used to compile the budget for fiscal year 2015-16. The Annual Budget sets forth as a strategic resource allocation plan that addresses the City Council's Strategic Goals. The budget can be thought of as a policy document, financial plan, operations guide, and communication device all in one document as a guide for the public as well as staff.

The budget also performs the following:

- ◆ Determines the quality and quantity of the City programs and services.
- ◆ Details expenditure requirements and the estimated revenue available to meet these requirements.
- ◆ Connects the activities of individual City Departments to the City Council's Strategic Goals.
- ◆ Sets targets and provides a means of measuring actual accomplishments against goals.

The Annual Budget provides the legal authority for expenditures and means for control of municipal operations throughout the fiscal year. Accordingly, the City Council mandates that a budget be adopted prior to the beginning of the fiscal year, which begins July 1st of each year.

The budget process gives the department director an opportunity to justify departmental work programs, to propose changes in services, and to recommend revisions in organizational structure and work methods. It also enables the City Manager to review these aspects and make appropriate recommendations to the City Council.

Presenting the preliminary annual operating budget to the City Council usually takes place in May of each year, which allows the Council to judge the adequacy of the proposed operating programs, to determine basic organizational and personnel staffing requirements and to establish the level of municipal services to be rendered with the available resources. The proposed annual budget is presented at one of the City Council meetings during the month of June of each year for adoption.

The City of Lake Elsinore fiscal year begins each July 1st and concludes on June 30th. In accordance with fundamental democratic principles, the City embraces citizen participation, especially in key planning and resource allocation activities. In addition, departments obtain citizen input through Board and Commission meetings, Mayor's Forums, public hearings, and other forms of written and oral communication.

The Administrative Services Department began the annual budget process in January. The budget team updated the policies and procedures for budget preparation, created the budget process calendar, and prepared current budget schedules for each department to use in preparing the new budget.



BUDGET AND STRATEGIC PLANNING PROCESS (continued)

In February, a Budget Kickoff Workshop was held with the City Manager, Department Directors, and key staff. This workshop included a briefing on the status of the current fiscal year budget, a review of the fiscal year 2015-16 budget process calendar, the impacts of the current economic condition at the State and Federal levels, and a discussion on essential principals and elements of the budget process. Staff was instructed on the key components of the departmental budget requests, which included:

- ◆ Develop performance measures based on the objectives which will be used to measure the effectiveness of each department objective;
- ◆ Review and evaluate current goals and performance measures;
- ◆ Identify new goals and programs based on the long term goals;
- ◆ Identify the impacts of new programs on existing resources, examine organizational efficiency, and reallocate existing resources to address these impacts;
- ◆ Identify additional resource requirements (if existing resources will be exhausted).

The operating budget preparation guidelines were distributed at this time. The guidelines serve to outline roles and responsibilities as well as to introduce newly defined policies and procedures to be used in preparing the fiscal year 2015-16 budget. Clearly defined budget requirements and time sensitive budget document objectives were discussed, ensuring complete and accurate understanding by all. With this approach, the policies and priorities that guide expenditure considerations were incorporated into the proposed budget prior to formal submission to the City Council.

For the purpose of budget preparation and formulation, department budget submittals consisted of detail by expenditure line item. Specific justification was required for the following:

- ◆ Significant expenditure changes
- ◆ Personnel costs, including all temporary personnel costs and proposed staffing reclassifications
- ◆ Contracted services and supplies
- ◆ Purchases of new equipment (greater than \$5,000)
- ◆ All special project expenses and one-time expenses
- ◆ Travel, conference, and education expenses

Review and analysis was conducted of each department's request. The review of the budget requests included comparative analysis of historical and current expenditure levels. Revenue estimates were compiled from department projections. Five-year revenue and expenditure projections were developed by the Administrative Services Department to assist in identifying the long-range impacts of proposed staffing and program changes. The information was compiled for City Manager review.



BUDGET AND STRATEGIC PLANNING PROCESS (continued)

The last two weeks in April, the City Manager and key Administrative Services Department staff later held individual meetings with each department to go over their proposed departmental objectives and performance measures and to ensure that they complied with the over all goals of the organization. Once the objectives and performance measures were reviewed, a second meeting was held to discuss each department budget request and to obtain additional information to assist in the assessment of the requests. The evaluation and final recommendation involved assigning relative priorities to the department requests and then comparing the associated costs to available funding resources. Following this review, department Directors adjusted line item requests in accordance with the City Manager's direction.

Finally, a budget workshop is held on May 26, 2015, with the City Council to receive public comment and to review the components of the proposed budget, prior to formal consideration for adoption. Any changes or modifications based on this review were prepared by Administrative Services staff.

The City Council approved the annual operating and the CIP budget submitted by the City Manager in June. All appropriations lapse at year-end, except for those relating to encumbrances, which are approved for carryover to the subsequent year. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to make adjustments within departmental budgets. Adjustments between departments and additional appropriations require the approve of the City Council.

Budgetary controls are maintained to ensure compliance with the budget as approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level.

The City has a formalized midyear budget review process which is used to fine tune the appropriations and revenue projections halfway through the fiscal year. The Administrative Services Department begins this process in December by analyzing revenue projections, contract costs, and the impacts of legislation from the State and Federal Government. City Council priorities are reevaluated along with any new or modified programs. This is all compiled into an updated five year projection which is reviewed by the City Manager, who directs the head of departments in early January to review their individual budgets to identify any savings or to request additional funds to meet the needs of adjusted estimates. Each department also reviews their performance measures to ensure that they are on track to complete their objectives. This information is compiled into a final budget summary document which ensures that sufficient funding is available to meet the updated objectives and priorities for the remaining fiscal year. This document is taken to City Council for adoption at the end of January or early February.



BUDGET CALENDAR

JANUARY

Mid-year budget analysis and revision
Prepare agenda reports and proposed mid-year budget documents
Council adoption of mid-year operating and CIP budgets

FEBRUARY

Development of budget parameters/strategic goals
Distribution of Budget Preparation Guidelines
Budget workshop with key City staff
Development of program goals and objectives
Development of performance measures
“New” Budget requests submitted to Finance for review
Proposed CIP (Capital Improvement Plan) projects submitted to Finance

MARCH

Department operating budget submittals reviewed
All non-fee based revenue estimates completed by Finance
User Fee Study completed and for City review
Budget analysis prepared for review by City Manager
User Fee adoption

APRIL

Preliminary Operating and CIP budgets prepared
Fee based revenue estimates completed by Finance
Budget analysis prepared for review by City Manager
CIP project timing and priorities modified based on available revenues
Five-year financial projection completed

MAY

Public Budget workshop with City Council allowing for public input

JUNE

Prepare agenda reports and proposed budget documents
Council adoption of final Operating and CIP budgets
Council adoption of schedule of authorized positions and Gann Appropriations Limit

ONGOING

Monthly budget/actual reports reviewed and sent to Departments
Quarterly financial statements prepared and presented to City Council



TOTAL OPERATING BUDGET SUMMARY

	<u>Actual FY2013-14</u>	<u>Budgeted FY2014-15</u>	<u>Adopted FY2015-16</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Beginning Operating	\$ 13,967,501	\$ 11,307,650	\$ 10,035,883	\$ (1,271,767)	-11.25%
<u>Revenue and Other Financing Sources:</u>					
Sales Tax	\$ 8,031,486	\$ 8,265,889	\$9,260,904	\$ 995,015	12.04%
Property Tax	5,495,091	5,916,787	6,621,211	704,424	11.91%
Property Transfer Tax	274,518	245,000	257,250	12,250	5.00%
Franchise Tax	2,275,619	2,359,500	2,465,588	106,088	4.50%
Fire Service Tax Credit	1,917,662	2,018,889	2,28,085	269,196	13.33%
Transient Occupancy Tax	462,169	275,000	288,750	13,750	5.00%
Licenses , Permits & Fees	5,606,991	6,339,875	6,299,006	(40,869)	-0.64%
Fines & Forfeitures	1,093,866	985,950	1,031,450	45,500	4.61%
Intergovernmental	277,417	318,406	331,855	13,449	4.22%
Investment Earnings	168,608	105,000	105,000	-	0.00%
Reimbursements	1,706,289	3,876,092	3,001,432	(874,660)	-22.57%
Other	960,959	1,709,977	2,812,001	1,102,024	64.45%
Special Assessments	2,101,774	3,101,600	3,363,600	262,000	8.45%
Total Revenues and Other Financing Uses	30,372,449	35,517,965	38,126,132	2,608,167	7.34%
<u>Expenditures and Other Financing Sources:</u>					
Salaries & Benefits	(6,820,047)	(9,354,340)	(9,722,530)	(368,190)	3.94%
Operation & Maintenance	(23,330,866)	(25,871,622)	(25,329,730)	541,892	-2.09%
Capital Outlay	(98,581)	(133,430)	-	133,430	-100.00%
Charges for Service	-	-	(2,482,873)	(2,482,873)	n/a
Debt Service	(761,282)	(1,446,245)	(1,417,450)	28,975	-3.20%
Total Expenditures and Other Financing Uses	(31,010,775)	(36,805,637)	(38,952,583)	(2,146,946)	5.83%



TOTAL OPERATING BUDGET SUMMARY (continued)

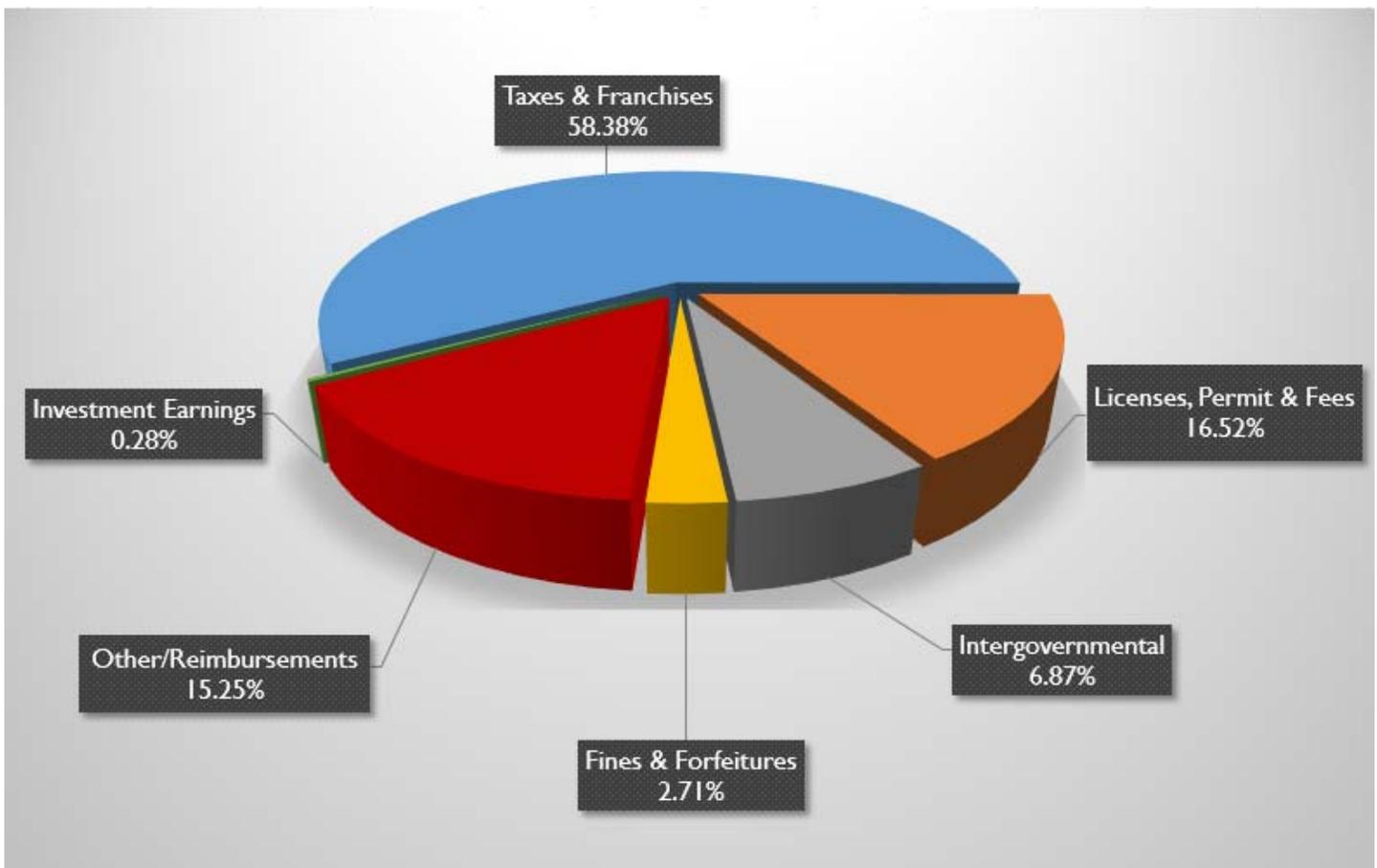
	<u>Actual FY2013-14</u>	<u>Budgeted FY2014-15</u>	<u>Adopted FY2015-16</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
<u>Operating Transfers In/</u>					
Operating Transfers In	153,599	-	-	-	n/a
Prior Period Adjustments	749,290	400,000	-	(400,000)	-100.00%
Transfers to CIP	(938,665)	-	-	-	n/a
Operating Transfers Out	(1,985,749)	(348,098)	(425,000)	(40,902)	10.65%
Total Operating Transfers	(2,021,525)	15,902	(425,000)	(440,902)	
Ending Operating Fund Balances:					
	<u>\$ 11,307,650</u>	<u>\$ 10,035,883</u>	<u>\$ 8,784,432</u>		

This schedule presents all appropriated funds in the aggregate for purposes of comparing total operating budget activity and fund balances. Additional schedules in this section detail revenue for each fund by category in detail and explain any significant changes from the previous year. Expenditure detail for major funds can also be found in this section with the category expenditure detail by department for the General Fund, Successor to the Redevelopment Agency, and Internal Services funds found in the departmental section.



MAJOR REVENUE SOURCES

The following chart details the major sources of revenue for the City of Lake Elsinore Fiscal Year 2015-2016 Annual Operating Budget:



DESCRIPTION OF THE MAJOR REVENUE SOURCES:

Tax and Franchises

This category includes Sales and Use Tax, Property Tax, Property Transfer Tax, Franchise Tax, Transient Occupancy Tax (TOT), and Special Assessments.

Licenses, Permits & Fees

The California Government Code and State Constitution authorizes the City to assess certain license and permit fees as a means of recovering the cost of regulating various activities. Examples include building permits and business licenses.



MAJOR REVENUE SOURCES (continued)

Intergovernmental

This revenue include grants and other sources of revenue from governmental agencies. Major intergovernmental revenues include Motor Vehicle in Lieu and the Moto Vehicle in Lieu Triple Flip, FEMA Grants, Fire Grants, Law Enforcement Grants, Transportation Revenue and Lake Grants, and Fire Service Tax Credit.

Fines and Forfeitures

The City Vehicle and Penal Codes impose fines and penalties for traffic and parking violations. These revenues are collected by Riverside County through the County court system and a portion distributed to the City, less an administrative fee. The City has the responsibility for administering and collecting parking citation fines.

Other/Reimbursements

This category of revenue includes the recovery of personnel costs that are allocated to various capital improvement projects, and are thus reimbursed by various special revenue funding sources. Also included in this category is the Lake Elsinore Recreation Authority RDA lease payment. This payment is reimbursing the General Fund for making the debt service payment on this bond.

Investment Earnings

The City pools its available cash from various funds and invests in instruments allowed in the City's investment policy approved by City Council. Earnings are allocated to various funds on the basis of proportionate cash balances.

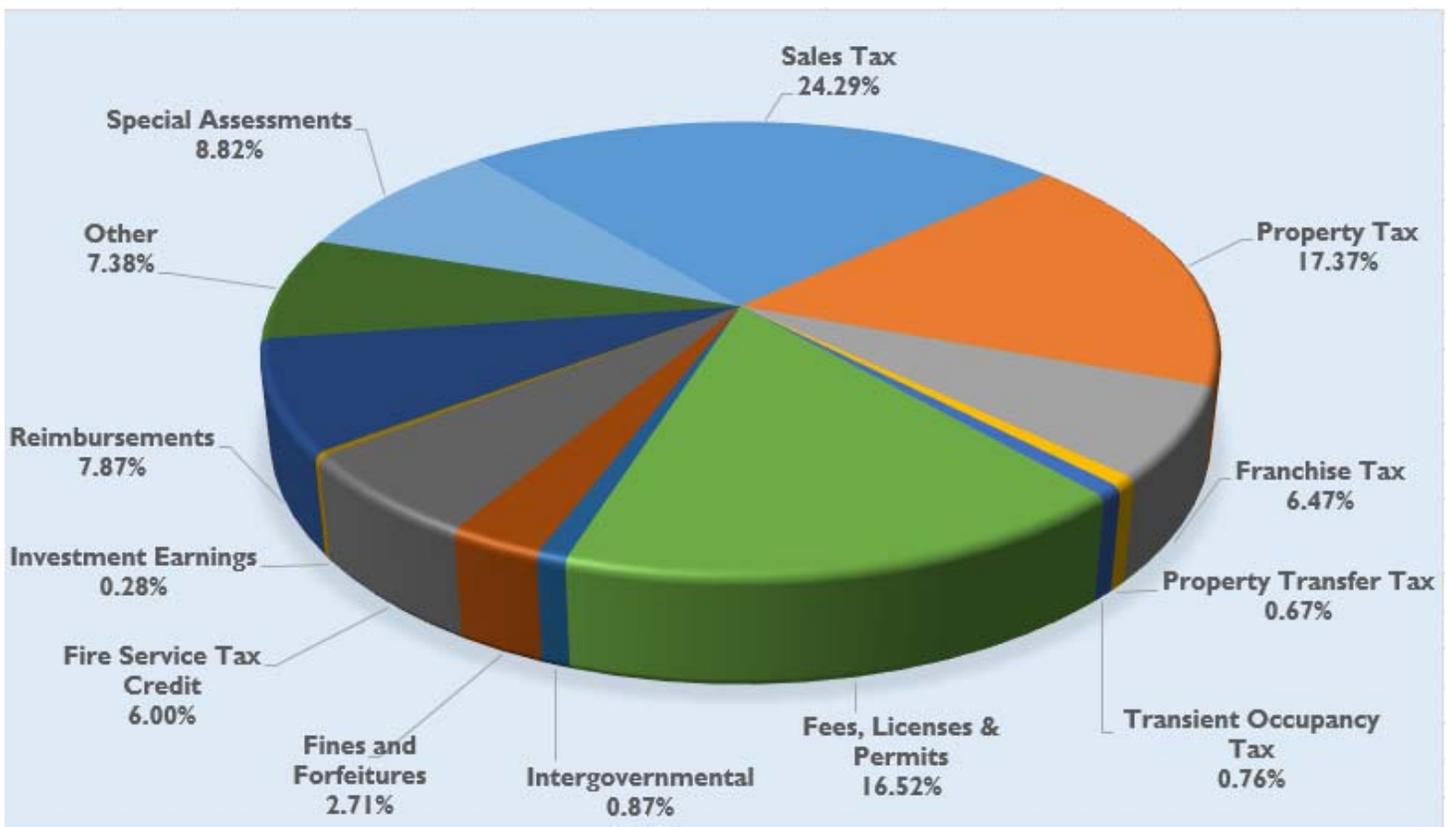
REVENUE ESTIMATON:

All revenue estimates are developed by the City of Lake Elsinore Finance Department. The estimates are developed using historical trend data and estimates of commercial and residential construction, assessed valuation, retail sales, population, changes in consumer price index's, and general economic factors. Property tax revenue estimates are derived by the Finance Department, with input from an outside consultant, and considers factors such as new and closed retailers, business types, population changes, price fluctuations and the general economy. Licenses, permits, and service charges are estimated using building forecasts of the development community, changes in consumer price indexers, established fees for services and programs, and historical trend data. The revenue estimates for TOT are derived using average room rates, projected changes in room occupancy, special events, and feedback from the Chamber of Commerce.



GENERAL FUND REVENUES

As demonstrated in the following chart, Sales and Use Tax is the largest revenue source for the General Fund, and represents 24.29% of total General Fund revenue. Lake Elsinore is maintaining a strong and diverse sales tax base by promoting economic development in areas such as manufacturing, industrial, and retail businesses.



Property Tax is the second largest source of revenue for the General Fund. The Property Tax estimate of \$6,621,212 represents approximately 17.37% of total General Fund revenues.

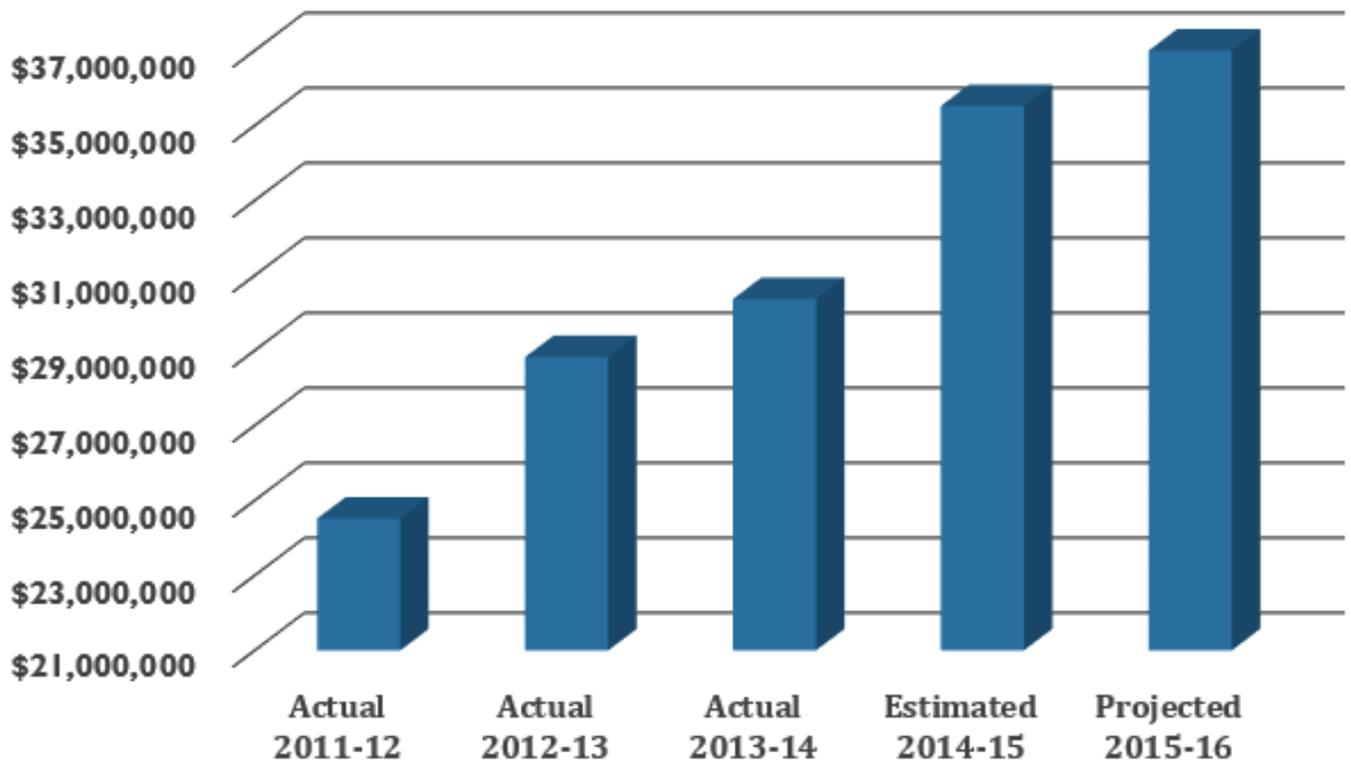
Fees, Licenses and Permits represents the third largest source of revenue for the General Fund. The estimate \$6,299,006 represents approximately 16.52% of total General Fund revenues.



GENERAL FUND REVENUES (continued)

As the following graph details, General Fund revenues have begun to slightly increase over the five fiscal years as a result of recovery from the nationwide recession. Fiscal year 2013-14 shows steady growth from fiscal year 2012-13 due to increases in taxes and development activity. There was a jump in fiscal year 2014-15, partly due to the reprogramming revenue and expenditures related to public safety from Special Assessments to the General Fund. Fiscal year 2015-16 shows steady growth due to development activity as economic indicators continue to show positive signs of growth.

FIVE YEAR COMPARISON



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BUDGET SUMMARIES OVERVIEW

The Budget Summaries Section includes a breakdown of revenues and expenditures by funds including General fund specifics and City Totals.

The graphs and summaries presented include the following:

GENERAL FUND REVENUES	40
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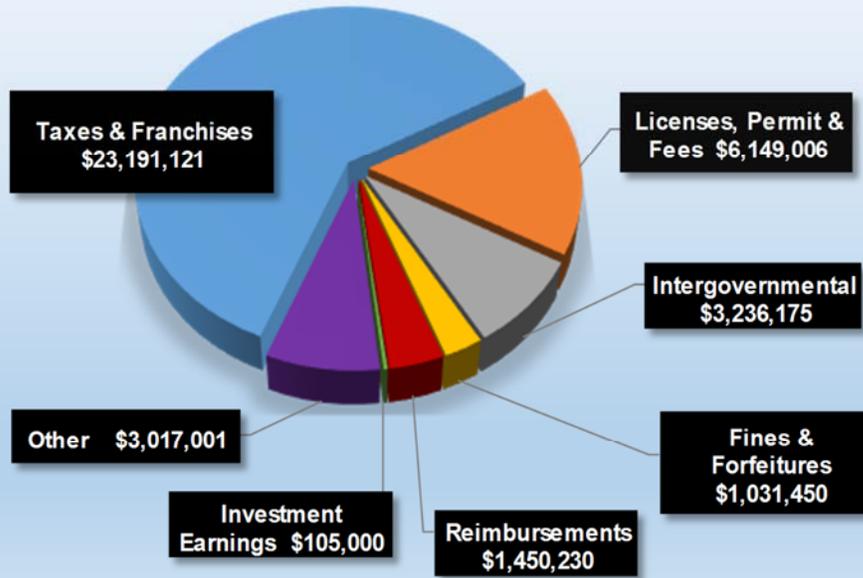


Lake Elsinore Motocross Track - Vicki Golden

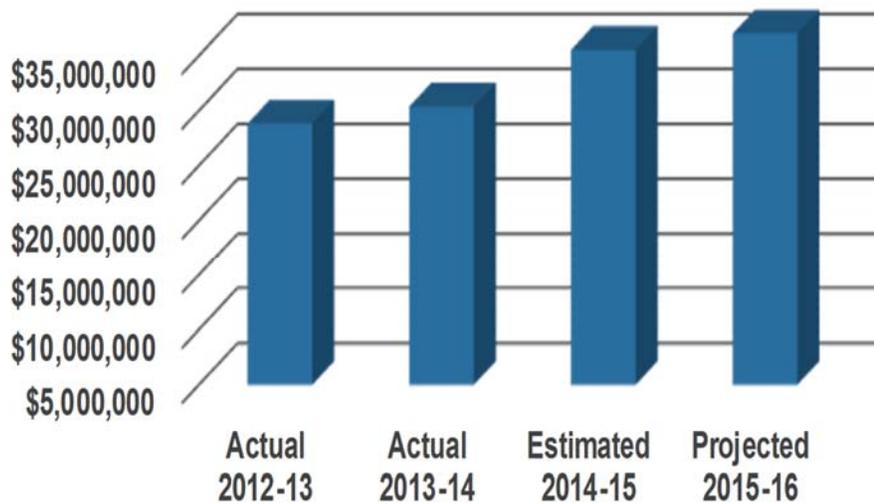


GENERAL FUND REVENUES

FISCAL YEAR 2015-16
PROJECTED GENERAL FUND REVENUES



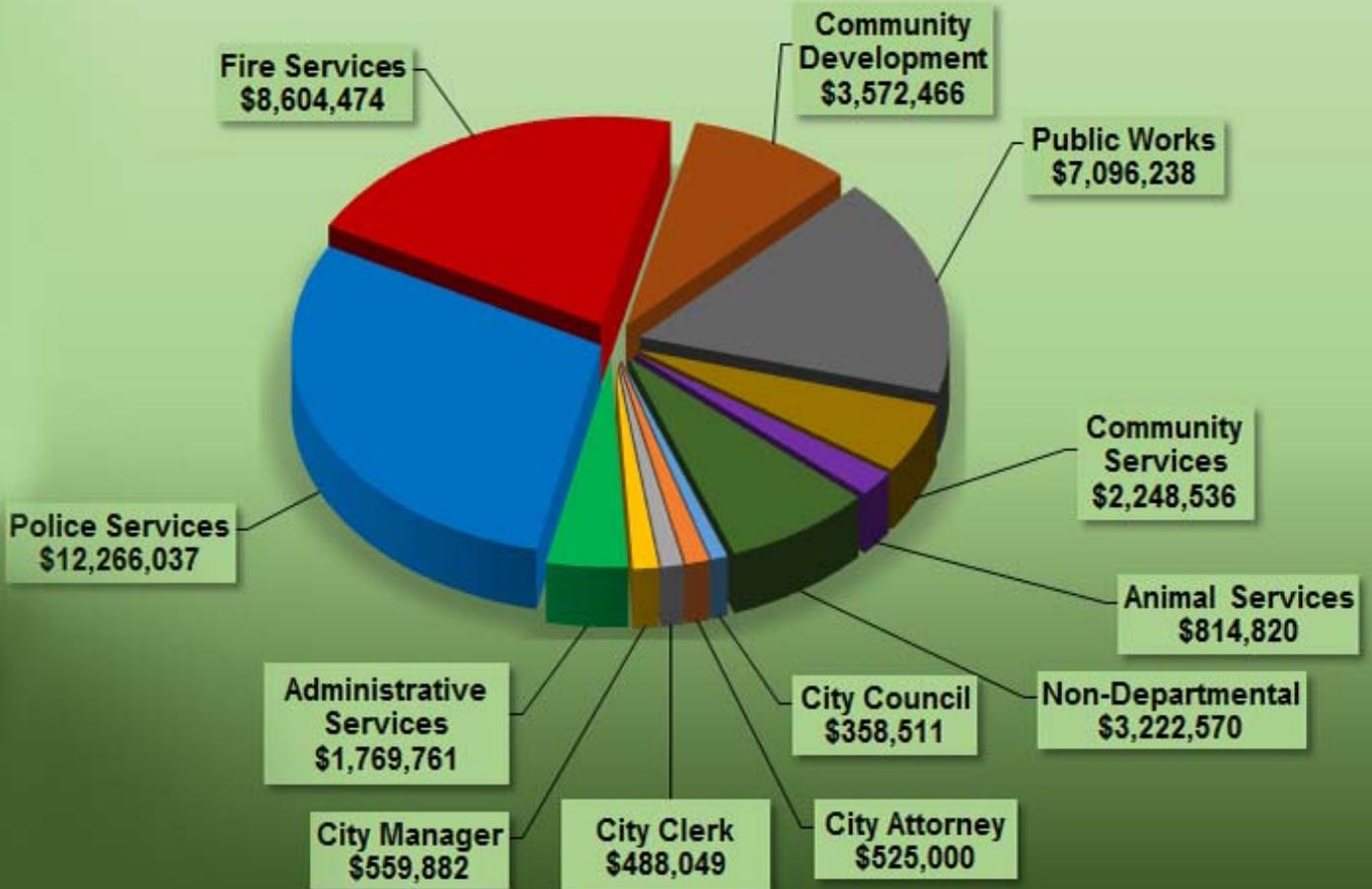
FOUR YEAR COMPARISON





EXPENDITURE BY DEPARTMENT GENERAL FUND

FISCAL YEAR 2015-16 PROJECTED EXPENDITURES \$41,526,344 (Excluding Operating Transfers Out)





EXPENDITURE SUMMARY BY DEPARTMENT- GENERAL FUND

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 ADOPTED
<u>CITY COUNCIL</u>				
Salaries & Benefits	\$71,310	\$65,219	\$79,411	\$94,630
Operation & Maintenance	185,265	176,575	195,450	130,350
Charges for Services	1,201	841	150	84,001
Total	<u>\$257,776</u>	<u>\$242,635</u>	<u>\$275,011</u>	<u>\$308,981</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 ADOPTED
<u>COMMUNITY SUPPORT</u>				
Salaries & Benefits	\$ --	\$ --	\$ --	\$13,520
Operation & Maintenance	--	--	--	77,005
Total	<u>--</u>	<u>--</u>	<u>--</u>	<u>\$90,525</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 ADOPTED
<u>CITY CLERK</u>				
Salaries & Benefits	\$223,853	\$269,170	\$324,950	\$342,940
Operation & Maintenance	63,453	29,281	91,750	67,300
Charges for Services	3,203	1,740	1,500	77,939
Total	<u>\$290,509</u>	<u>\$300,191</u>	<u>\$418,200</u>	<u>\$488,179</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 ADOPTED
<u>CITY ATTORNEY</u>				
Operations & Maintenance	\$366,912	\$358,230	\$315,000	\$525,000
Total	<u>\$366,912</u>	<u>\$358,230</u>	<u>\$315,000</u>	<u>\$525,000</u>



CITY OF LAKE ELSINORE
ANNUAL OPERATING BUDGET
FISCAL YEAR 2015-16



<u>CITY MANAGER</u>	<u>FY 12-13 ACTUALS</u>	<u>FY 13-14 ACTUALS</u>	<u>FY-14-15 BUDGETED</u>	<u>FY 15-16 ADOPTED</u>
Salaries & Benefits	\$345,421	\$408,804	\$439,284	\$472,190
Operation & Maintenance	63,453	45,823	17,825	\$20,200
Charges for Services	10,279	7,952	8,000	67,622
Total	<u>\$420,069</u>	<u>\$465,109</u>	<u>\$465,109</u>	<u>\$560,012</u>

<u>ADMINISTRATIVE SERVICES</u>	<u>FY 12-13 ACTUALS</u>	<u>FY 13-14 ACTUALS</u>	<u>FY-14-15 BUDGETED</u>	<u>FY 15-16 ADOPTED</u>
Division: Finance				
Salaries & Benefits	\$648,230	\$557,563	\$901,960	\$982,160
Operation & Maintenance	149,545	267,164	86,515	278,170
Charges for Services	6,415	3,429	1,500	188,891
Total	<u>\$825,713</u>	<u>\$828,616</u>	<u>\$989,975</u>	<u>\$1,449,221</u>

<u>ADMINISTRATIVE SERVICES</u>	<u>FY 12-13 ACTUALS</u>	<u>FY 13-14 ACTUALS</u>	<u>FY-14-15 BUDGETED</u>	<u>FY 15-16 ADOPTED</u>
Division: Human Resources				
Salaries & Benefits	\$377,892	\$271,034	\$198,942	\$245,520
Operation & Maintenance	16,489	36,591	58,445	83,770
Charges for Services	1,902	294	3,320	46,727
Total	<u>\$396,283</u>	<u>\$307,919</u>	<u>\$260,707</u>	<u>\$376,017</u>

<u>PUBLIC SAFETY</u>	<u>FY 12-13 ACTUALS</u>	<u>FY 13-14 ACTUALS</u>	<u>FY-14-15 BUDGETED</u>	<u>FY 15-16 ADOPTED</u>
Division: Police Services				
Salaries & Benefits	\$ -	\$ 73,730	\$ 78,047	\$ 90,260
Operation & Maintenance	7,546,469	10,194,612	1,0903,892	11,663,885
Charges for Services	1,835	36,058	10,000	75,327
Capital Outlay		47,511	-	-
Total	<u>\$7,548,304</u>	<u>\$10,351,911</u>	<u>\$10,991,939</u>	<u>\$11,799,472</u>



	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
<u>PUBLIC SAFETY</u>				
Division: Fire Services				
Operation & Maintenance	13,625	5,416,245	7,385,735	6,604,025
Capital Outlay				276,624
Charges for Service	-	24,658	5,500	-
Total	<u>\$33,935,908</u>	<u>\$5,440,903</u>	<u>\$7,391,235</u>	<u>\$6,880,649</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
<u>PUBLIC SAFETY</u>				
Division: Animal Services				
Operation & Maintenance	\$393,059	\$395,887	\$515,988	\$504,800
Other	92,102	527	319,439	310,020
Total	<u>\$485,161</u>	<u>\$396,414</u>	<u>\$835,427</u>	<u>\$814,820</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
<u>COMMUNITY DEVELOPMENT</u>				
Division: Planning and Zoning				
Salaries & Benefits	\$495,302	\$639,429	\$795,636	\$866,780
Operation & Maintenance	267,835	192,871	390,870	213,020
Charges for Services	2,377	1,238	1900	185,423
Total	<u>\$765,514</u>	<u>\$827,537</u>	<u>1,188,406</u>	<u>\$1,265,223</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
<u>COMMUNITY DEVELOPMENT</u>				
Division: Building and Safety				
Salaries & Benefits	\$383,875	\$499,174	\$648,207	\$801,360
Operation & Maintenance	95,704	114,403	135,400	140,230
Charges for Services	9,359	8,958	4,150	147,847
Total	<u>\$488,938</u>	<u>\$622,535</u>	<u>\$787,757</u>	<u>\$1,089,437</u>



CITY OF LAKE ELSINORE
ANNUAL OPERATING BUDGET
FISCAL YEAR 2015-16



	FY 12-13	FY 13-14	FY-14-15	FY 15-16
COMMUNITY DEVELOPMENT	ACTUALS	ACTUALS	BUDGETED	PRELIMINARY
Division: Code Enforcement				
Salaries & Benefits	\$146,214	\$173,111	\$386,179	\$463,900
Operation & Maintenance	14,849	35,641	25,670	13,000
Charges for Services	15,068	8,310	8,600	80,244
Total	<u>\$176,131</u>	<u>\$217,062</u>	<u>\$420,449</u>	<u>\$557,144</u>

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
COMMUNITY DEVELOPMENT	ACTUALS	ACTUALS	BUDGETED	PRELIMINARY
Division: Economic Development				
Salaries & Benefits	\$133,912	\$123,260	127,179	\$137,410
Operation & Maintenance	53,511	44,210	88,020	97,020
Charges for Services	241	8,036	-	19,925
Total	<u>\$187,664</u>	<u>\$175,506</u>	<u>\$215,199</u>	<u>\$254,355</u>

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
COMMUNITY DEVELOPMENT	ACTUALS	ACTUALS	BUDGETED	PRELIMINARY
Division: Fire Prevention				
Operation & Maintenance	\$95,704	\$181,013	\$231,940	\$249,860
Charges for Services	9,359	8,959	900	31,224
Total	<u>\$105,063</u>	<u>\$189,972</u>	<u>\$232,840</u>	<u>\$281,084</u>

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
COMMUNITY DEVELOPMENT	ACTUALS	ACTUALS	BUDGETED	PRELIMINARY
Division: Graffiti				
Salaries & Benefits	\$ -	\$167,973	\$180,589	\$99,260
Operation & Maintenance		1,612	1,850	15,100
Charges for Services		9,684	10,150	18,816
Total	<u>\$ -</u>	<u>\$179,269</u>	<u>\$192,589</u>	<u>\$133,176</u>



Funding Source: General Fund

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
PUBLIC WORKS				
Division: Engineering				
Salaries & Benefits	\$376,792	\$429,259	\$1,015,088	\$ 1,279,018
Operation & Maintenance	422,933	860,003	620,150	976,910
Charges for Services	2,539	3,333	6,000	183,244
Total	<u>\$ 694,221</u>	<u>\$1,292,595</u>	<u>1,641,238</u>	<u>\$ 2,439,172</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
PUBLIC WORKS				
Division: Administration				
Salaries & Benefits	\$200,772	\$259,058	\$729,187	\$758,970
Operation & Maintenance	30,101	120,851	100,613	97,270
Capital Outlay	13,499	-	-	376,953
Charges for Services	1,049	-	-	-
Total	<u>\$245,421</u>	<u>\$379,908</u>	<u>\$829,800</u>	<u>\$1,233,193</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 ADOPTED
PUBLIC WORKS				
Division: Park Maintenance				
Salaries & Benefits	\$397,433	\$423,892	\$427,024	\$473,060
Operation & Maintenance	886,841	928,302	798,600	968,720
Capital Outlay	54,024	61,796	36,050	113,714
Charges for Services	1,678	-	-	-
Total	<u>\$176,131</u>	<u>\$1,413,990</u>	<u>\$1,261,674</u>	<u>\$1,555,494</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
PUBLIC WORKS				
Division: Weed Abatement				
Salaries & Benefits	\$250,277	\$167,973	\$369,478	\$411,970
Operation & Maintenance	30,096	20,043	20,100	24,800
Charges for Services	12,227	3,564	2,500	78,519
Capital Outlay	1,678	-	-	-
Total	<u>\$176,131</u>	<u>\$191,580</u>	<u>\$392,078</u>	<u>\$515,289</u>



CITY OF LAKE ELSINORE
ANNUAL OPERATING BUDGET
FISCAL YEAR 2015-16



LAKE SERVICES	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	ACTUALS	ACTUALS	BUDGETED	PRELIMINARY
Division: Lake Maintenance				
Salaries & Benefits	\$ -	\$765,009	\$377,018	\$329,130
Operation & Maintenance	-	887,921	1,037,610	1,162,510
Charges for Services	-	28,869	39,550	67,610
Capital Outlay	-	16,667	16,700	-
Total	\$ -	\$1,698,466	\$1,470,878	\$1,502,790



Lupine's bloom along the shores of the lake.



CITY OF LAKE ELSINORE
ANNUAL OPERATING BUDGET
FISCAL YEAR 2015-16



	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
COMMUNITY SERVICES				
Division: Recreation				
Salaries & Benefits	\$156,323	\$195,284	\$594,507	%570,100
Operation & Maintenance	58,981	61,164	97,300	126,100
Charges for Services	1,926	603	1,000	114,696
Total	<u>\$217,230</u>	<u>\$257,051</u>	<u>\$692,807</u>	<u>\$810,896</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
COMMUNITY SERVICES				
Division: Community Center				
Salaries & Benefits	\$301,269	\$318,833	\$385,484	\$417,180
Operations & Maintenance	180,846	189,322	202,830	210,650
Charges for Services	20,716	25,329	16,500	105,622
Total	<u>\$508,737</u>	<u>\$533,484</u>	<u>\$604,814</u>	<u>\$738,312</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
COMMUNITY SERVICES				
Division: Senior Center				
Salaries & Benefits	\$130,536	\$122,642	\$125,820	\$152,780
Operations & Maintenance	65,413	42,256	58,800	82,590
Charges for Services	4,343	5,175	24,000	38,464
Total	<u>\$206,927</u>	<u>\$177,073</u>	<u>\$208,620</u>	<u>\$273,834</u>

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PRELIMINARY
COMMUNITY SERVICES				
Division: Campground				
Salaries & Benefits	\$ -	\$ -	\$ -	\$13,020
Operations & Maintenance	-	-	-	388,851
Charges for Services	-	-	-	22,833
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$425,214</u>



DEPARTMENTAL EXPENDITURE BY CATEGORY

FISCAL YEAR 2015-16

Department	Salaries & Benefits	Operation & Maintenance	Capital Outlay	Charges for Services	Total
City Council	\$ 94,630	\$ 130,350	\$ -	\$ 84,001	\$308,981
Community Support	13,520	77,010	-	-	90,530
City Clerk	342,940	67,300	-	77,939	488,179
City Attorney	-	525,000	-	-	525,000
City Manager	472,190	20,200	-	67,622	560,012
Administrative Services					
Finance	982,160	278,170	-	188,891	1,449,221
Human Resources	245,520	83,770	-	46,727	376,017
Public Safety					
Police Services	90,260	11,633,890	75,327	-	11,799,477
Fire Services	-	6,604,030	-	276,624	6,880,654
Animal Services	-	814,820	-	-	814,820
Community Development					
Planning & Zoning	866,780	213,020	-	185,423	1,265,223
Building & Safety	801,360	140,230	-	147,847	1,089,437
Code Enforcement	463,900	13,000	-	80,244	557,144
Economic Development	137,410	97,020	-	19,925	254,355
Fire Inspection Program	-	249,860	-	31,244	281,104
Graffiti	99,260	15,100	-	18,816	133,176
Public Works					
Engineering	1,279,020	976,910	-	183,244	2,439,174
Administration	758,970	97,270	-	376,953	1,233,193
Park Maintenance	473,060	968,720	-	113,714	1,555,494
Weed Abatement	411,970	24,800	-	78,519	515,289
Lake Services					
Lake Maintenance	329,130	1,162,510	-	67,610	1,559,250
Community Services					
Recreation	570,100	126,100	-	114,696	810,896
Community Center	417,180	210,650	-	105,622	733,452
Senior Center	152,780	82,590	-	38,464	273,834
Campground	13,020	388,850	-	22,833	424,703
Non-Departmental	677,370	2,545,200	-	-	3,222,570
Total	\$ 9,692,530	\$27,546,370	\$ 75,327	\$ 2,326,938	\$39,641,165



SUMMARY OF AUTHORIZED POSITIONS

DEPARTMENT	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
City Council	5.00	5.00	5.00	5.00
City Treasurer	1.00	1.00	1.00	1.00
City Manager	3.00	3.00	3.00	3.00
Administrative Services				
Finance	7.00	8.00	7.00	9.00
Human Resources	4.00	3.00	3.00	3.00
Community Development				
Planning & Zoning	5.00	5.00	5.00	5.00
Planning Commission	5.00	5.00	7.00	7.00
Economic Development	1.00	1.00	1.00	1.00
Building & Safety	8.00	8.00	8.00	8.00
Code Enforcement	4.00	4.00	4.00	4.00
Graffiti	2.00	1.00	2.00	2.00
Police	1.00	1.00	1.00	1.00
Public Works				
Engineering				
Administration	8.00	10.00	10.00	10.00
Park Maintenance	6.00	5.00	5.00	5.00
Weed Abatement	4.00	4.00	5.00	5.00
Lake Maintenance	4.00	4.00	2.00	3.00
Community Services				
Recreation	2.00	3.00	6.00	6.00
Community Center	15.00	15.00	18.00	29.00
Senior Center	2.00	2.00	2.00	4.00
Internal Service Fund				
Information Technology	-	-	-	3.00
Fleet	-	-	-	2.00
Facility Maintenance	-	-	-	1.00
Total Authorized Positions	<u>105.00</u>	<u>108.00</u>	<u>111.00</u>	<u>130.00</u>



CORE STAFFING ALLOCATION PLAN BY DEPARTMENT

	AUTHORIZED FY 2014-15	CHANGES	AUTHORIZED FY 2015-16
<u>CITY COUNCIL</u>			
Council Member	5.00	0.00	5.00
<u>CITY TREASURER</u>			
City Treasurer	1.00	0.00	1.00
<u>CITY CLERK</u>			
City Clerk	1.00	0.00	1.00
Deputy City Clerk	1.00	0.00	1.00
Office Specialist II	1.00	0.00	1.00
Total	3.00	0.00	3.00
<u>CITY MANAGER</u>			
City Manager	1.00	0.00	1.00
Executive Assistant	1.00	1.00	1.00
Management Analyst	1.00	(1.00)	1.00
Total	3.00	0.00	3.00
<u>ADMINISTRATIVE SERVICES</u>			
<u>FINANCE</u>			
Director of Administrative Services	1.00	0.00	1.00
Finance Manager	1.00	0.00	1.00
Finance Administrator	1.00	0.00	1.00
Fiscal Officer	1.00	0.00	1.00
Graphics Technician	1.00	0.00	1.00
Project Accountant - PT	-	1.00	1.00
Accountant I	-	1.00	1.00
Account Specialist II	2.00	0.00	2.00
Total	7.00	2.00	9.00
<u>HUMAN RESOURCES</u>			
Human Resources Administrator	1.00	0.00	1.00
Human Resources/ Risk Management Analyst	0.00	1.00	1.00
Human Resources Specialist	0.00	1.00	1.00
Total	3.00	0.00	3.00



CORE STAFFING ALLOCATION PLAN BY DEPARTMENT

	AUTHORIZED FY 2014-15	CHANGES	PROPOSED FY 2015-16
<u>POLICE SERVICES</u>			
Account Specialist II	<u>1.00</u>	-	<u>1.00</u>
<u>COMMUNITY DEVELOPMENT</u>			
<u>PLANNING COMMISSION</u>			
Planning Commissioner - PT	<u>5.00</u>	-	<u>5.00</u>
<u>PLANNING & ZONING</u>			
Community Development Director	1.00	-	1.00
Planning Manager	1.00	-	1.00
Senior Planner	1.00	-	1.00
Associate Planner	2.00	-	2.00
Community Development Technician	0.00	-	1.00
Office Specialist III	1.00	-	1.00
Total	<u>7.00</u>	-	<u>7.00</u>
<u>BUILDING & SAFETY</u>			
Building & Safety Manager	1.00	0.00	1.00
Building Inspector	2.00	0.00	2.00
Building Inspector - PT	1.00	0.00	1.00
Senior Community Development Technician	0.00	1.00	1.00
Community Development Technician II	1.00	(1.00)	-
Community Development Technician	1.00	-	1.00
Office Specialist I	1.00	0.00	1.00
Total	<u>8.00</u>	-	<u>7.00</u>
<u>CODE ENFORCEMENT</u>			
Code Enforcement Supervisor	1.00	-	1.00
Code Enforcement Officer II (Unfunded)	2.00	-	2.00
Code Enforcement Officer I	-	2.00	2.00
Community Development Technician	1.00	-	1.00
Total	<u>4.00</u>	<u>2.00</u>	<u>6.00</u>
<u>ECONOMIC DEVELOPMENT</u>			
GIS Analyst	<u>2.00</u>	-	<u>2.00</u>
<u>GRAFFITI</u>			
Graffiti Technician	<u>2.00</u>	-	<u>2.00</u>



CORE STAFFING ALLOCATION PLAN BY DEPARTMENT

	AUTHORIZED		PROPOSED
	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>FY 2015-16</u>
<u>PUBLIC SERVICES</u>			
ENGINEERING			
Director of Public Works	1.00	0.00	1.00
City Engineer	1.00	(1.00)	-
Principal Civil Engineer	-	1.00	1.00
Engineer Inspector	1.00	1.00	2.00
Senior Engineer Technician	3.00	0.00	3.00
Management Analyst	1.00	0.00	1.00
Administrative Assistant	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>
Total	<u>8.00</u>	<u>1.00</u>	<u>9.00</u>
PUBLIC WORKS ADMINISTRATION			
Public Works Superintendent	1.00	-	1.00
Senior Lead Worker	1.00	-	1.00
Equipment Operator	1.00	-	1.00
Maintenance Worker II	2.00	-	2.00
Maintenance Worker I (unfunded)	3.00	-	3.00
Maintenance Worker I - PT (unfunded)	1.00	-	1.00
Office Specialist III	<u>1.00</u>	<u>-</u>	<u>1.00</u>
Total	<u>10.00</u>	<u>-</u>	<u>10.00</u>
PARKS MAINTENANCE			
Lead Worker	1.00	-	1.00
Park Specialist	1.00	-	1.00
Maintenance Worker II	1.00	-	1.00
Maintenance Worker I	<u>2.00</u>	<u>-</u>	<u>2.00</u>
Total	<u>5.00</u>	<u>-</u>	<u>5.00</u>
WEED ABATEMENT			
Senior Lead Worker	1.00	-	1.00
Equipment Operator	1.00	-	1.00
Maintenance Worker II	1.00	-	1.00
Maintenance Worker I	<u>2.00</u>	<u>-</u>	<u>2.00</u>
Total	<u>5.00</u>	<u>-</u>	<u>5.00</u>



CORE STAFFING ALLOCATION PLAN BY DEPARTMENT

	<u>AUTHORIZED FY 2014-15</u>	<u>CHANGES</u>	<u>PROPOSED FY 2015-16</u>
<u>LAKE SERVICES</u>			
LAKE MAINTENANCE			
Lake Operations Supervisor	1.00	(1.00)	-
Senior Lead Worker	-	1.00	1.00
Lead Worker	1.00	-	1.00
Maintenance Worker II	1.00	0.00	1.00
Total	3.00	-	3.00
<u>COMMUNITY SERVICES</u>			
RECREATION			
Director of Community Services	1.00	-	1.00
Recreation Manager	1.00	(1.00)	-
Management Analyst	-	1.00	1.00
Project Analyst - PT	1.00	-	1.00
Special Events Coordinator	1.00	-	1.00
Volunteer Coordinator - PT	1.00	-	1.00
Office Specialist II	1.00	-	1.00
Total	6.00	-	6.00
COMMUNITY CENTER			
Supervisor - Recreation	1.00	-	1.00
Recreation Aide - PT	6.00	5.00	11.00
Recreation Specialist - PT	2.00	-	2.00
Recreation Leader - PT	2.00	3.00	5.00
Aquatics Program Coordinator - PT	-	2.00	2.00
Lifeguard - PT	-	1.00	1.00
Water Safety Instructor - PT	6.00	1.00	7.00
Total	17.00	12.00	29.00
SENIOR CENTER			
Community Services Coordinator	1.00	-	1.00
Bus Driver - PT	1.00	-	1.00
Recreation Leader - PT	1.00	1.00	2.00
Total	3.00	1.00	4.00



CORE STAFFING ALLOCATION PLAN BY DEPARTMENT

	AUTHORIZED FY 2014-15	CHANGES	PROPOSED FY 2015-16
INTERNAL SERVICE FUNDS			
INFORMATION TECHNOLOGY			
Information Technology Administrator	1.00	-	1.00
Information Technician I	-	1.00	1.00
Information Technology Database Analyst	1.00	-	1.00
Total	2.00	1.00	3.00
FLEET			
Chief Mechanic	1.00	-	1.00
Mechanic	1.00	-	1.00
Total	2.00	-	2.00
FACILITY MAINTENANCE			
Maintenance Worker II	1.00	-	1.00
GENERAL FUND TOTAL	111.00	19.00	130.00



A day at the Races- Lake Elsinore Motocross Park



GENERAL FUND OVERVIEW BY DEPARTMENT

The following section includes an expenditure summary with narrative account of the General Fund Operating Budget. The City functions have been categorized by department and operating program, and are presented in the following order:

DEPARTMENT

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City Attorney	67
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Economic Development.....	102
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General Fund Overview by Department (cont'd)

DEPARTMENT

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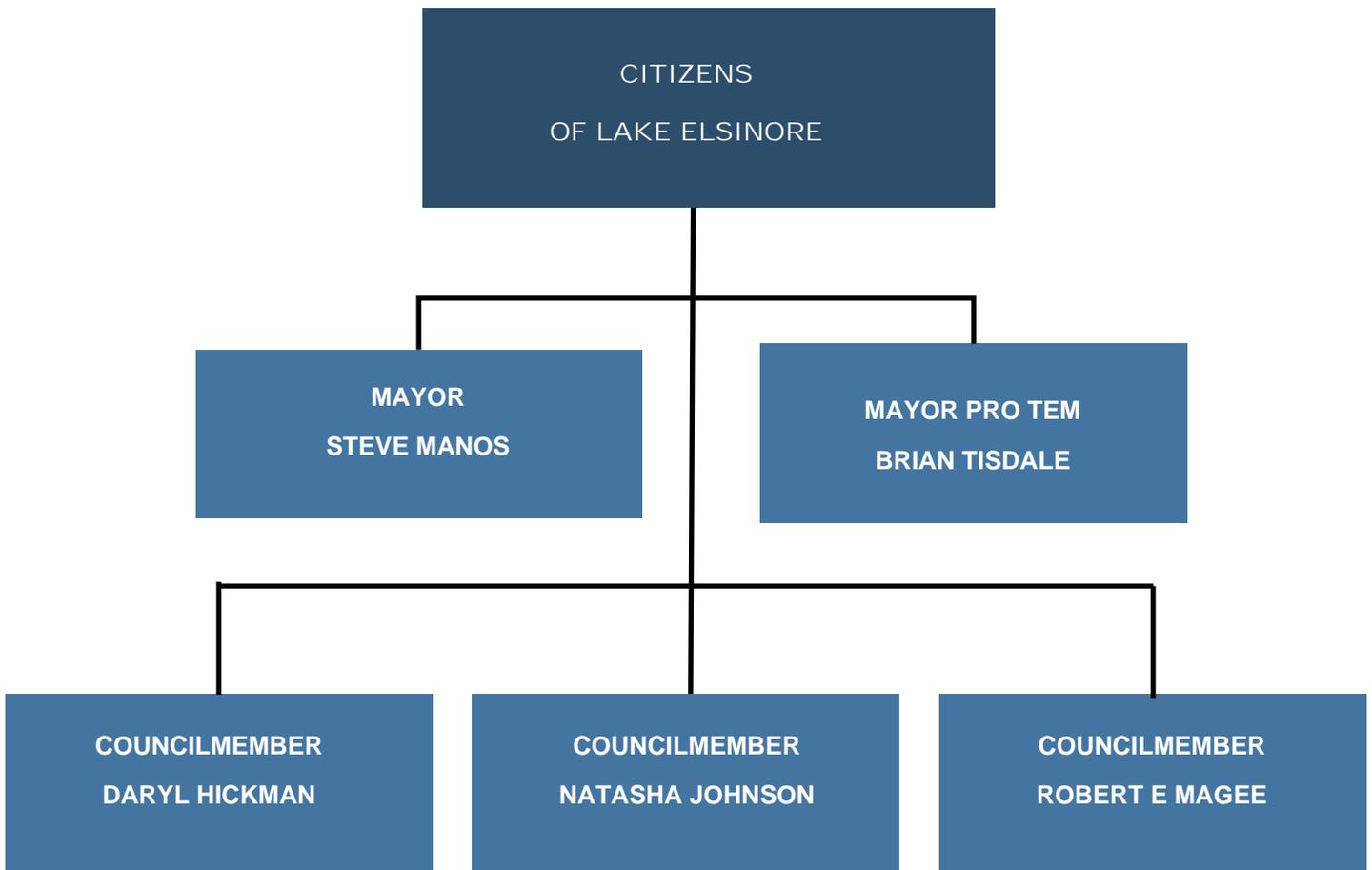


Lake Elsinore Motocross Track - Lucas Oil Series



CITY COUNCIL

***Mission:** To provide an overall quality of life in the City of Lake Elsinore by enhancing our security, recreation, and neighborhoods, delivering quality public services, preserving and enhancing the City's economic prosperity, embracing the diversity of our citizens, and making Lake Elsinore a desirable place to raise a family. The City Council oversees two additional programs; Public Safety Advisory Committee and Citizen Corp.*





CITY COUNCIL EXPENDITURE & PERSONNEL SUMMARIES

Division: City Council

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>ADOPTED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$71,310	\$67,160	\$85,061	\$94,250
Operation & Maintenance	185,265	189,937	182,763	129,350
Charges for Services	<u>1,201</u>	<u>2,150</u>	<u>7,350</u>	<u>85,001</u>
Total	<u>\$257,776</u>	<u>\$259,247</u>	<u>\$275,174</u>	<u>\$308,871</u>

Division: City Council

AUTHORIZED

ADOPTED

PERSONNEL SUMMARY

FY 2014-15

CHANGES

2015-16

Councilmember	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>
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Division: Community Support

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>ADOPTED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ --	\$ --	\$ --	\$13,520
Operation & Maintenance	--	--	--	<u>64,005</u>
Total	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$77,525</u>



Council Chambers



ACCOMPLISHMENTS & GOALS



Division: **City Council**

***Mission:** The City Council is elected by the voters of Lake Elsinore to establish and adopt overall policies, legislative and otherwise to give direction to the City Manager to ensure effective and efficient operation of the City, and to identify the types and levels of programs and services to be provided to its residents. The Mayor and City Council serve to provide an overall quality of life in the City of Lake Elsinore by enhancing security, recreation, and neighborhoods, delivering quality public services, preserving and enhancing the City's economic prosperity, and embracing the diversity of the citizens.*

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - **City Council**

- Secured more than \$8 million in bond financing to establish and implement a full scale pavement management program and complete critical roadway improvements.
- Refinanced more than \$12 million in bonds, reducing property taxes for thousands of property owners and securing much needed funding to complete critical projects and improvements in the community.
- Continued studying four alternatives as part of the Project Approval & Environmental Document (PA&ED) phase of the I-15/Railroad Canyon Road & Franklin Interchange Project and launched public out reach including hosting two public outreach meetings to gather valuable feedback from the community.
- Offered Free Boating on Wednesdays and Sundays for eight weeks during summer to increase tourism, economic development, and enjoyment of Lake Elsinore. The effort was also undertaken to determine what, if any, impact increased activities have on the water quality. More than 1,500 vessels were launched for free, most of which occurred at La Laguna Resort & Boat Launch.
- Welcomed the City's first quint fire truck at Station #97 in Rosetta Canyon.
- Provided eight home owners with up to \$5,000 in grants as part of the City Home Improvement Program (CHIP) for exterior beautification projects.
- Increased financial support and instituted new initiatives with the local Chamber of Commerce for economic development and visitor's bureau activities including initiating efforts for a tourism/business improvement district.
- Actively participated and supported the Pathway Project to address local homelessness.
- Approved updates and revisions to many outdated City ordinances and policies to ensure it aligns with today's environmental and the needs of the growing community.
- Expanded business recognition and collaboration efforts including new business announcements, business of the quarter, business of the year and business retention visits.



ACCOMPLISHMENTS & GOALS



GOALS FISCAL YEAR 2014-15 - City Council

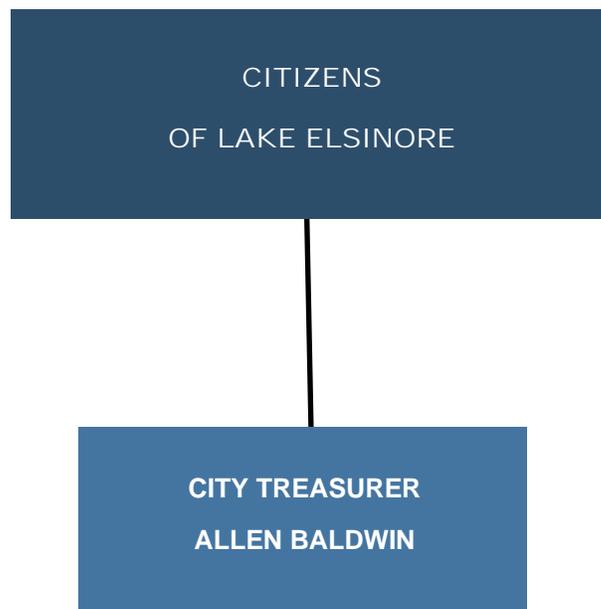
- Maintain regular, ongoing participation in regional, statewide, and national intergovernmental committees such as the League of California Cities, western Regional Council of Governments, and Riverside Transit Agency.
- Maintain and participate in ongoing communication and regional efforts to address local homeless issues to ensure mutually beneficial options for the community, the homeless, and the region.
- Consider launching a new series or events with the Mayor to engage in one-on-one communication with residents and businesses.
- Support and participate in City’s website redesign to ensure improved communication and access to key services 24/7.
- Seek opportunities to launch healthy cities initiatives within the community.
- To establish a formal process and provide financial assistance to local non-profit agencies for community programs that benefit the citizens of Lake Elsinore.
- Support policy decisions that improve traffic congestion at all five intersections within the City including Central Avenue, Main Street and Camino Del Norte.
- Select a preferred design alternative and move forward in securing the necessary approvals and funding to expedite the I-15 Railroad Canyon Road and Franklin Street Interchange Project.
- Review and prioritize the City’s Capital Improvement Projects including the establishment of realistic timelines and/or financial constraints.
- Assess City-wide revenue resources including adopting new fee schedules and reviewing applicable franchise agreement fees.

	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES - City Council	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Provide ongoing financial assistance to a variety of local community groups.	\$43,000	\$xxxxxxx	\$38,000
Number of community organizations supported			
Through General Fund	8	xx	6
Number of outside regional organization meetings attended	25	48	48
Number of businesses recognized through Business of the Quarter and Business of the Year program.	4	5	5



CITY TREASURER

Mission: The City Treasurer is elected by the voters of Lake Elsinore to monitor and validate the safe collection, investment, custody and disbursement of City Funds. The City Treasurer serves a four year term and works closely with the City Manager and Administrative Services Departments. The City Treasurer is a member of the Mayor's Audit and Budget Committee.

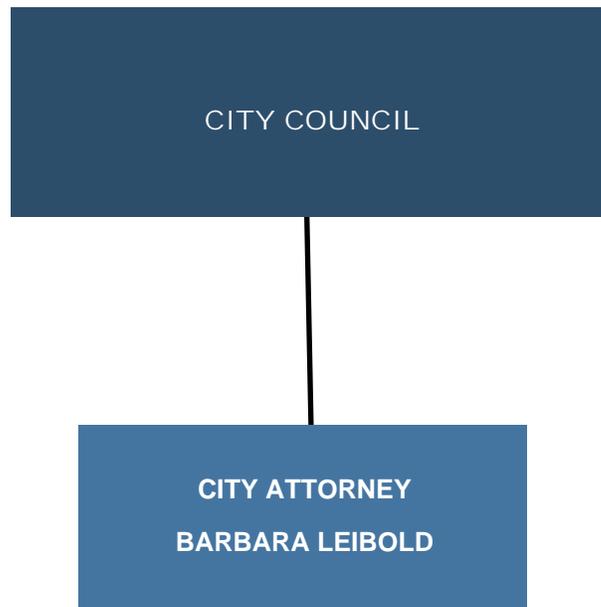




CITY OF LAKE ELSINORE
ANNUAL OPERATING BUDGET
FISCAL YEAR 2015-16



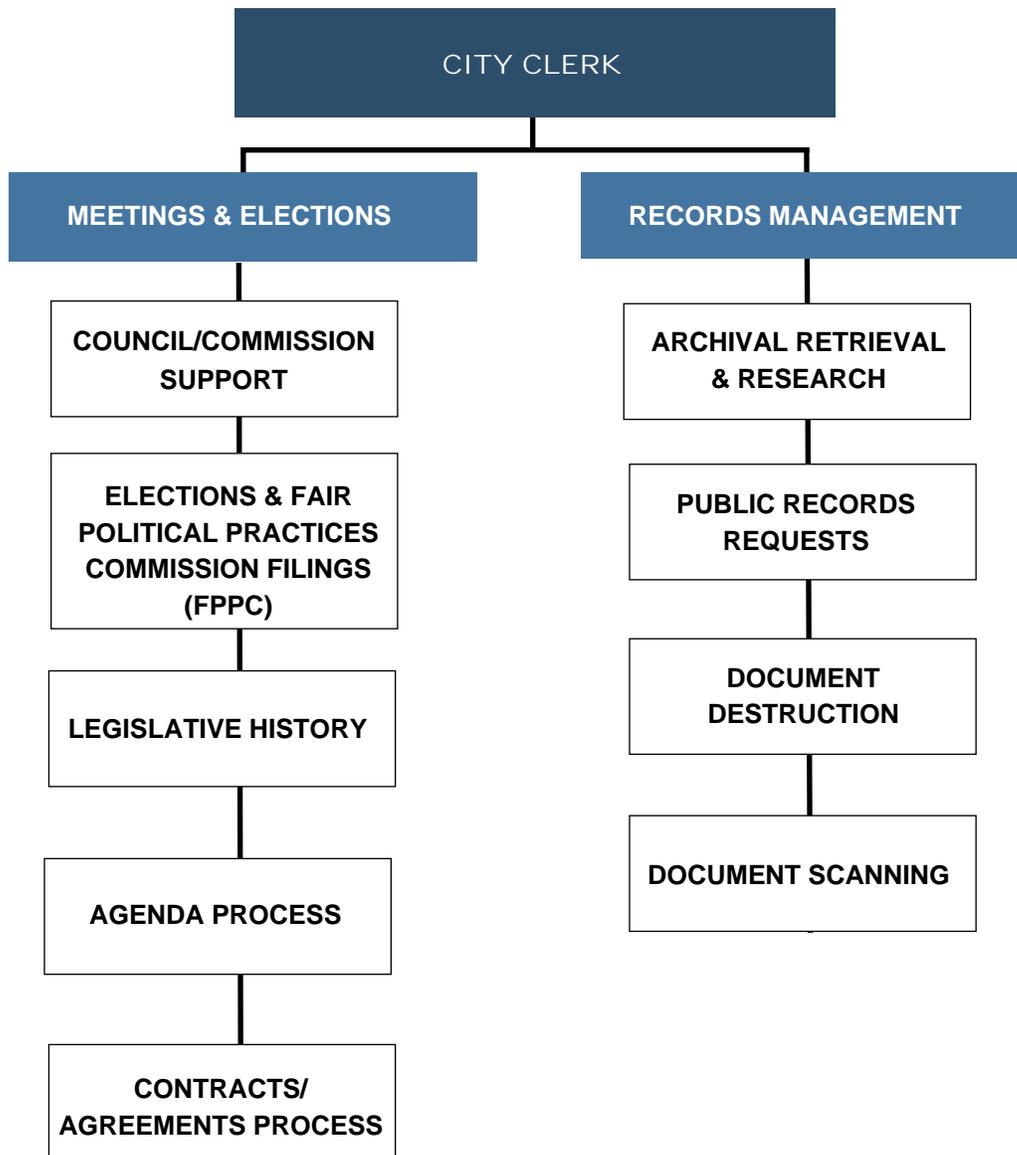
CITY ATTORNEY





CITY CLERK

Mission: To compile and maintain the official records of the City and to make them readily accessible to all; to conduct fair and impartial municipal elections; to prepare, certify, and/or adhere to public notice requirements with regard to legal documents, ordinances, resolutions, public hearings, etc./ to codify and disseminate the City's Municipal Code; to promote public awareness of the processes of government; to provide meeting, administrative, and legislative support to the Mayor, City Councilmembers, and its Commissions and Committees.





CITY CLERK EXPENDITURE & PERSONNEL SUMMARIES

Division: City Clerk

Funding Source: General Fund

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PROPOSED
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$223,853	\$296,170	\$34,950	\$342,810
Operation & Maintenance	63,453	29,281	91,750	143,239
Materials and Supplies	<u>3,203</u>	<u>1,740</u>	<u>1,500</u>	<u>2,000</u>
Total	<u>\$290,509</u>	<u>\$300,191</u>	<u>\$418,200</u>	<u>\$488,049</u>

	AUTHORIZED FY 2014-15	CHANGES	PROPOSED 2015-16
<u>PERSONNEL SUMMARY</u>			
City Clerk	1.00	0.00	1.00
Deputy City Clerk	1.00	0.00	1.00
Office Specialist II	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>
Department Total	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>



Lake Elsinore Cultural Center



CITY CLERK ACCOMPLISHMENTS & GOALS

ACCOMPLISHMENTS FISCAL YEAR 2014-15

- Implemented an electronic staff report and agenda management system to streamline the preparation process, reduce errors, tracking of legislative actions, uniformity of Staff Reports, Resolutions, Ordinances and Agreements and assist with document management.
- Updated the City's website to incorporate electronic agendas for public access and improvements.
- Created a legislative calendar for better administration and tracking of Council appointments to other legislative organizations.
- Train personnel for upcoming City General Election.
- Training of personnel on FPPC filing requirements of Statements of Economic Interests, Campaign reporting and Ethics Training.
- Development of a Contracts Management and Tracking System.
- Review of all off-site storage documents for purging of documents pursuant to records retention schedule.

GOALS FISCAL YEAR 2015-16

- Implement a Records Management program for citywide records naming and filing system; and better implementation of record retention schedules.
- Finalize City Clerk's Department Procedures Manual.
- Review and revise all Council Policies with City Attorney.
- Continue education of director and staff for certification programs and association committees.
- Implement a City Clerk's fee schedule for services.
- Create a City Directory to include all commissions, committees and ad hoc advisory groups.
- Implement an electronic voting system on the dais for legislative tracking purposes and transparency.
- Build Council Member webpages identifying which subcommittees and other legislative bodies each participate in on behalf of the city.



CITY CLERK PERFORMANCE MEASURES

PERFORMANCE MEASURES - <i>City Clerk</i>	FY 2013-14	FY 2014-15	FY 2015-16
	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Average time for distributing of Council packets before meetings	96 hours	96 hours	96 hours
Average time to finalize meeting minutes	2 weeks	2 weeks	2 weeks
Average processing of ordinances and resolutions from time of adoption	6 weeks	2 weeks	2 weeks
Average processing of contracts from time of City Council action	6 weeks	2 weeks	2 weeks
Number of City Council agenda packets prepared	26	27	27
Number of claims processed	22	26	30
Number of resolutions processed	80	68	80
Number of proclamations prepared	65	75	75
Number of ordinances processed	10	15	15
Number of public records requests	265	275	
Approve all minutes at regularly scheduled City Council meetings with a 98% accuracy level	100%	100%	100%
Deliver and post all City Council agendas 96 hours prior to meeting	95%	100%	100%

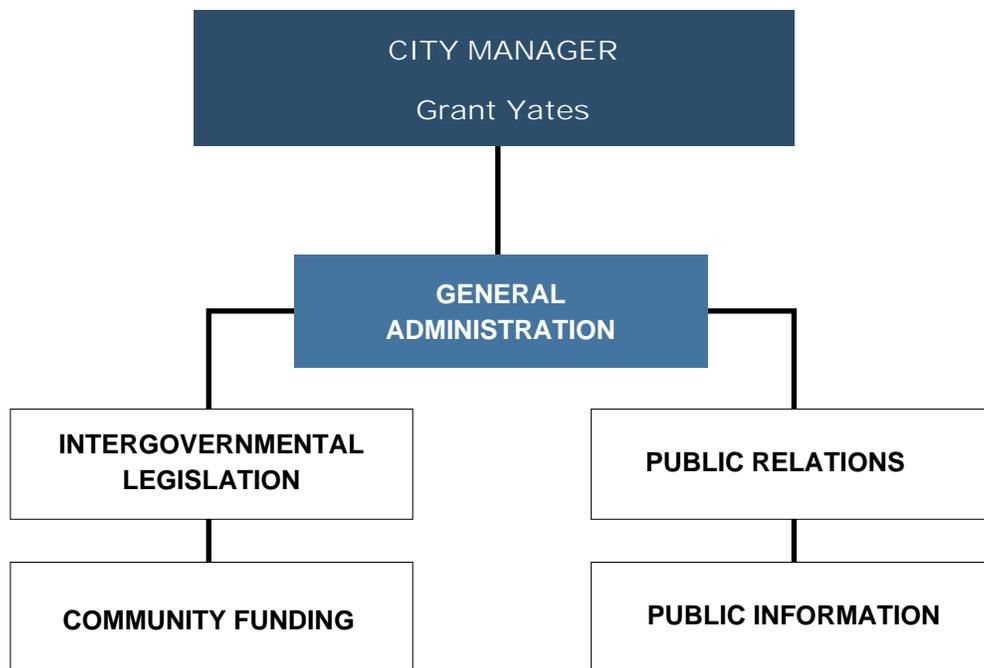


Lake Elsinore City Hall - 130 S. Main Street



CITY MANAGER

***Mission Statement:** The City Manager is appointed by the City Council to serve as the Chief Administrative Officer of the organization. The City Manager's Office coordinates the implementation of policy and programs established by the City Council. The City Manager provides overall direction to the administration of City programs and services; coordinates economic development and marketing activities; intergovernmental relations, lobbying, and public relations efforts; oversees interdepartmental programs for strategic planning, emergency preparedness and animal control. The City Manager's Office is committed to the policy of providing extreme customer services to the community, and promoting overall safety to the staff and citizens of Lake Elsinore.*





CITY MANAGER EXPENDITURE & PERSONNEL SUMMARIES

Division: City Manager

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$345,421	\$408,404	\$439,284	\$472,060
Operation & Maintenance	63,453	45,823	17,825	12,200
Charges for Services	10,279	7,952	8,000	75,622
Total	<u><u>\$420,069</u></u>	<u><u>\$465,109</u></u>	<u><u>\$465,109</u></u>	<u><u>\$559,882</u></u>

	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
City Manager	1.00	0.00	1.00
Executive Assistant	1.00	0.00	1.00
Management Analyst	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>
Department Total	<u><u>3.00</u></u>	<u><u>3.00</u></u>	<u><u>3.00</u></u>



Veteran's Memorial - Diamond Stadium



CITY MANAGER ACCOMPLISHMENTS & GOALS



ACCOMPLISHMENTS FISCAL YEAR 2014-15 - City Manager

- Presented a balanced budget to City Council while providing high quality services for the community and launched efforts for a user fee and development impact fee study to ensure long-term financial stability.
- Restructured City departments including restructured the Parks & Recreation Department into Community Services, and filled key positions within City Hall in due to resignations, retirements and/or additional staffing needs.
- Completed the long-awaited Veteran's Memorial at the Diamond Stadium and hosted a special Veterans Memorial Unveiling & Observance Ceremony. More than 170 memorial bricks were placed to honor the brave men and women who have served to preserve our freedom.
- Received a Public Relations Society of America (PRSA) Inland Empire Polaris Award and California Association of Public Information Officers (CAPIO) Excellence in Communications Award for our community relations efforts through the Clean Extreme event and program.
- Hosted another successful Clean Extreme event for 2015 along the Grand Avenue/ Highway 74 corridor. Hundreds of volunteers and dozens of donors participated.
- Leveraged opportunities to create short, relatable videos of key events and activities in the City to post on YouTube and promote on Facebook. In total, these videos have been viewed more than 5,000 times.
- Launched Regional Coordinated Marketing Program with surrounding Southwest Communities Financing Authority to promote responsible animal control measures throughout the region.
- Maintained regular, ongoing communications with the community through various media outreach opportunities including the website, social media, and newspapers. Increased followers on social media sites including Facebook and Twitter by more than 1,000 people.
- Increased City-wide transparency and access by conducting three community workshops and/or study sessions with City Council to strategize priorities for the future of the City including Capital Improvement Projects, development Standards, and Budget Planning.
- Coordinated and participated in the Riverside County 2015 Point-in-Time Homeless Count.
- Hosted and actively participated in several regional task force meetings to address regional concerns and challenges.



CITY MANAGER ACCOMPLISHMENTS & GOALS

GOALS FISCAL YEAR 2015-16 - **City Manager**

- Establish core values and facilitate ongoing communication and collaboration across departments.
- Continue to foster positive working relationships with area stakeholders by participating in regional, collaborative meetings with surrounding cities, agencies and stakeholders.
- Finalize City-wide Strategic Plan with short and long-term goals.
- Review and develop a plan of proposed updates to existing, outdated ordinances, policies and procedures to ensure they are up-to-date and align with today's standard practices.
- Identify short and long-term facility needs for City Hall including completing minor renovations such as a new City Council area and server room.
- Explore opportunities to conduct a community-wide citizen survey to gather feedback on services, projects and plans for the future.
- Create a three-year communications and community outreach plan.
- Maintain regular, ongoing communications with the community through various media outreach opportunities including the website, social media, and newspapers. Increase the City's social media following by 25%. This includes launching an Instagram account for the City.
- Promote, support, and grow community engagement through activities such as the City's Clean Extreme and Veterans Observation Day events to build positive relationships and community pride.
- Kick off efforts to identify short and long-term projects to improve and maintain the Lake's water quality in coordination with local and regional partners.
- Launch a redesigned website with increased functionality to allow residents and businesses to complete transactions and service requests online.
- Collaborate with Elsinore Valley Municipal Water District to identify ways to conserve water in alignment with Executive Order for the Drought.



CITY MANAGER PERFORMANCE MEASURES

PERFORMANCE MEASURES- City Manager	FY 2013-14 <u>ACTUALS</u>	FY 2014-15 <u>TARGET</u>	FY 2015-16 <u>TARGET</u>
Conduct Community Workshops/Study Session to strategize regarding future Capital Improvement Projects and Budget Planning.	2	3	2
Meet weekly with the Executive Management team to brainstorm and collaborate regarding key projects and programs within the City.	80%	80%	80%
Host a State of the City Program on behalf of the City Council in coordination with the Chamber of Commerce.	1	1	1
Restructure and hire key personnel or consultants To create a core staffing model for the City.	100%	100%	100%
Initiate and attend monthly collaboration meetings with the Elsinore Valley Municipal Water District.	8	9	8
Increase followers on social media sites (e.g., Facebook and Twitter) by 25%	1,454	2,360	2,950
Host a minimum of one large Clean Extreme event and Expand participation by 10% per year.	700	Unknown	770
Review and update outdated ordinances, policies and procedures.	4	16	6

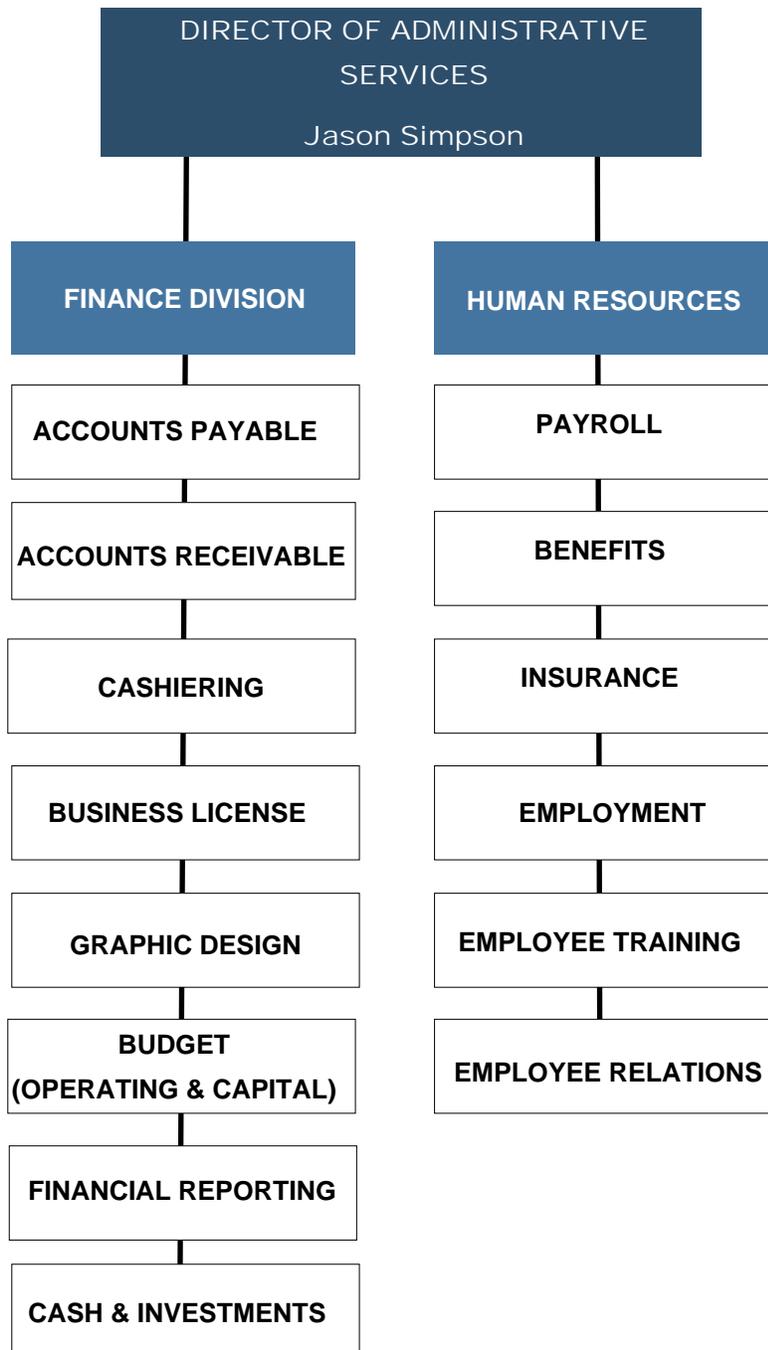
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ADMINISTRATIVE SERVICES

Mission: The Administrative Services Department provides customer support for all City Departments, to provide timely and accurate financial information and to pursue continuous improvement practices across all City Departments. The Department is comprised of 4 Divisions; Finance, Risk Management, Human Resources and Information Technology.





ADMINISTRATIVE SERVICES EXPENDITURE & PERSONNEL SUMMARIES

Division: Finance

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$648,230	\$557,563	\$901,960	\$973,450
Operation & Maintenance	149,545	267,164	86,515	276,670
Charges for Services	6,415	3,429	1,500	190,391
Total	<u>\$846,042</u>	<u>\$881,221</u>	<u>\$992,975</u>	<u>\$1,440,511</u>

Division: Human Resources

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$377,892	\$271,034	\$198,942	\$245,480
Operation & Maintenance	16,489	36,591	58,445	80,270
Charges for Services	1,902	294	3,32	50,227
Total	<u>\$396,283</u>	<u>\$307,919</u>	<u>\$260,707</u>	<u>\$375,977</u>



Lucas Oil Off-Road Series- Lake Elsinore



ADMINISTRATIVE SERVICES EXPENDITURE & PERSONNEL SUMMARIES

Division: Finance	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Director of Administrative Services	1.00	0.00	1.00
Finance Manager	1.00	0.00	1.00
Finance Administrator	1.00	0.00	1.00
Fiscal Officer	1.00	0.00	1.00
Graphics Technician	1.00	0.00	1.00
Accountant I	0.00	1.00	1.00
Account Specialist II	<u>2.00</u>	<u>0.00</u>	<u>2.00</u>
Department Total	<u>8.00</u>	<u>(1.00)</u>	<u>8.00</u>

Division: Human Resources	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Human Resources Administrator	1.00	0.00	1.00
Human Resources/Risk Mgmt. Analyst	1.00	0.00	1.00
Human Resources Specialist	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>
Department Total	<u>3.00</u>	<u>(1.00)</u>	<u>3.00</u>



ADMINISTRATIVE SERVICES ACCOMPLISHMENTS & GOALS

Division: Finance

Mission Statement: The Finance Division is responsible for general accounting, payroll, accounts payable, cash management, fixed assets, special districts formation and administration, accounts receivable, cashiering, business license. Financial transactions are recorded in compliance with Generally Accepted Accounting Principles (GAAP). In addition, the Department oversees the annual budget, city audits, and the comprehensive annual financial report (CAFR).

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Finance

- Completed prep and laser fiche scanning of Fiscal Years 2009-2015 Accounts Payable Documents.
- Continued to improve centralized grant tracking and reporting for improved recording and audit results.
- Refunded eight Community Facilities Districts with a Net Present Value savings of nearly 12% or \$12.7 million.
- Issued Community Facilities District bonds for the Summerly project in order to fund infrastructure improvements within the development.
- Completed Total Road Improvement Program (T.R.I.P.) Certificates of Participation financing in the amount of \$7,965,000 to fund ongoing Pavement Management Program.
- Conducted informal bid process and selected software provider for new accounting and community development systems.
- Completed conversion, implementation, and training for the new accounting system.
- Completed User Fee and Development Impact Fee studies and updated Citywide fee schedule.
- Completed Comprehensive Annual Financial Reports (CAFR) by December 31, 2014.
Completed Fall/Winter and Summer Activity Guides.
Ads for Visitor's Guide, and Chamber of Commerce City Map,
Ongoing: Storm and Outlet Center Electronic Sign designs for upcoming events.
Completed FY 2015-16 Operating Budget Book.
Updated various departments forms and applications.



ADMINISTRATIVE SERVICES ACCOMPLISHMENTS & GOALS

GOALS FISCAL YEAR 2015-16 - Finance

- Reduce CAFR completion time to 5 months from close of fiscal year.
- Reduce Fiscal Agent Activity Recording to one month after statements are received.
- Utilize new accounting software to streamline daily financial operations and improve internal controls.
- Obtain Certificate of Achievement of Excellence in Financial Reporting from GFOA.
- Implement the Positive Pay system with Incode Accounting Software and bank.

Division: Finance	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Percentage of bank reconciliations performed before the close of the subsequent month.	100%	100%	100%
Invoices processed per year	3,233	3,400	3,400
Number of new business licenses issued per year	300	350	375
Number of business licenses renewed.	1,500	1,600	1,700
Complete quarterly reporting to State and County by the 15 th of the subsequent month.	4	4	4
Complete monthly reporting to County for MSHCP and TUMF within 10 days of the reporting month end.	12	12	12
Complete and distribute monthly internal reports within 30 days of month end.	12	12	12
Prepare and present investment reporting to Council in the second council meeting of each month	8	12	12
Months from close of fiscal year to completion of annual audit	5	5	5
Months from close of fiscal year and audit to completion of CAFR.	11	6	6
Complete monthly budget reports for each City department including special revenue funds by the second of each month	12	12	12
Management letter comments as a result of City's annual audit			
CSMFO and GFOA award winning budgets prepared.	2	2	2



ADMINISTRATIVE SERVICES ACCOMPLISHMENTS & GOALS

Division: Human Resources

Mission Statement: The Human Resources Division is to maintain a comprehensive employment package for the City. The Division is involved in compensation studies, labor negotiations, and comprehensive personnel management including benefits analysis, self-insurance liability, workers compensation and recruitment and advertising personnel administration.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Human Resources

- Completed new Full-time Employee Evaluation and Guidelines.
- Continued to coordinate Health and Wellness Fair during open enrollment.
- Provided continuous information and resources on Affordable Health Care Program through Covered California.
- Streamlined the job application process.
- Sent out an RFQ for Benefit Broker Services, selection in process.
- Established a College Internship Program.
- Communicated and Enrolled Management and Supervisors in Training and Development Courses.
- Gave recommendations for personnel management, review evaluations advised management on progression plans.
- Assisted in employee investigations, meetings and hearings.
- Attended HR Academy through JPIA.
- Improved employee evaluation process.
- Held first City sponsored Blood Drive through Red Cross.
- Assisted with the creation of the employee C.A.A.R.E. award.



ADMINISTRATIVE SERVICES ACCOMPLISHMENTS & GOALS

GOALS FISCAL YEAR 2015-16 - Human Resources

- Implement new employee evaluation program.
- Revise the current Rules and Regulations Handbook.
- Establish a Health and Wellness Program.
- Participate in the American Heart Association/Southwest Riverside County Heart Walk.
- Improve the new hire orientation process.
- Continue to communicate available benefits to staff and encourage staff to utilize these benefits and resources.
- Continue to host employee events and activities.

ADMINISTRATIVE SERVICES PERFORMANCE MEASURES

Division: Human Resources	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Number of recruitments conducted	17	15	xx
Percentage of recruitments within a six week timeline	2%	3%	xx
Number of applications processed	600	700	xxx
Number of employee safety meetings	4	4	4
Number of mid-management meetings	48	48	48
Number of training days provided per employee	NA	10	xx
Number of employees receiving recognition awards	20	5	xx
Number of employee quarterly luncheons	NA	2	xx
Number of administrative support group meetings	2	12	xx
Percentage of evaluations processed within prescribed timeframes	NA	20%	xx

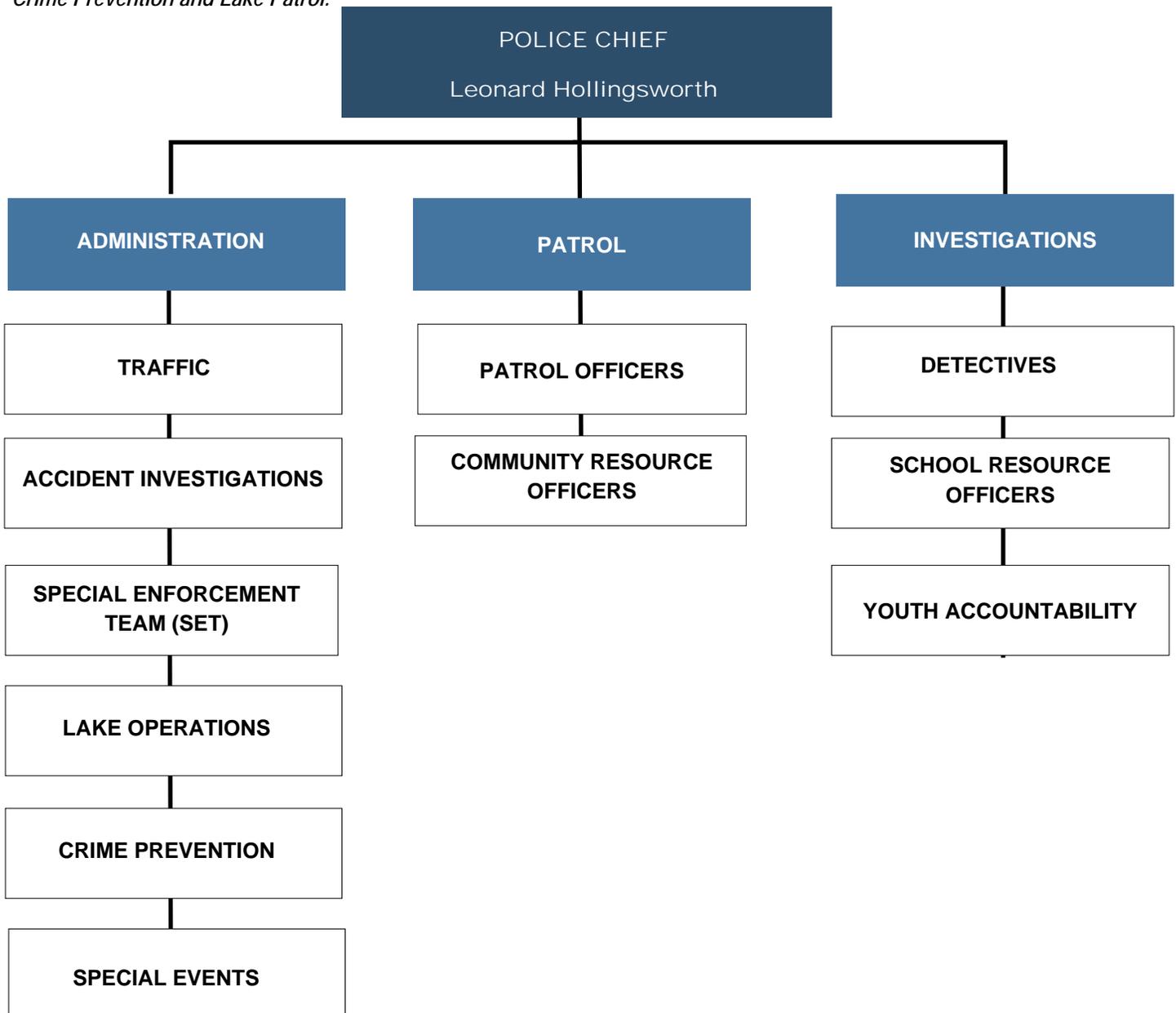
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POLICE SERVICES

Mission: The Police Department is tasked with ensuring the safety of our community while maintaining the outstanding quality of life we all enjoy. The City contracts with the Riverside County Sheriff's Department for Police Services. The Lake Elsinore Police Department provides the City of Lake Elsinore with the highest quality law enforcement services possible while ensuring the safety of the community and responding to quality of life issues within the community. The Police Department identifies legal options and strategies for implementing and achieving the goals, objectives and policies of City Council. The Lake Elsinore Police Department provides a wide range of services to the community, including Administrative Bureau, Detective Bureau, Patrol Operations, Traffic Bureau, Special Enforcement, Special Event Services, Crime Prevention and Lake Patrol.





POLICE SERVICES EXPENDITURE & PERSONNEL SUMMARIES

Division: Police Services

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ -	\$ 73,730	\$78,047	\$90,260
Operation & Maintenance	7,546,469	10,194,612	10,903,892	11,623,885
Charges for Service	1,835	13,500	10,000	85,327
Capital Outlay	-	<u>16,500</u>	-	-
Total	<u>\$7,548,304</u>	<u>\$8,321,850</u>	<u>\$10,991,939</u>	<u>\$11,799,472</u>

Division: Police Services

Funding Source: Supplement Law Enforcement Services Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Operation & Maintenance	\$164,526	\$ 79,500	\$100,000	\$xxx,xxx
Charges for Service	1,978	10,500	-	xx,xxx
Capital Outlay	<u>14,941</u>	<u>10,000</u>	-	-
	<u>\$181,445</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$xxx,xxx</u>

Division: Police Services

AUTHORIZED

PROPOSED

PERSONNEL SUMMARY

FY 2014-15

CHANGES

2015-16

Account Specialist II	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>
Department Total	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>



POLICE SERVICES ACCOMPLISHMENTS AND GOALS

Division: Police Administration

Mission Statement: The Police Administration Division is responsible for providing leadership, direction and general administrative support required for effective and efficient law enforcement. The division also includes budget coordination and management, personnel and payroll administration, planning, organizational development and community support. Additionally, this division ensures cooperation between the Police Department and the City Council, City Manager, and other departments.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Police Administration

- Implementation of a Child Safety Education Program.
- Continued cooperation with City of Lake Elsinore in planning and staffing of public safety personnel for over 17 special events occurring in the City.
- Initiated an outreach to the local Spanish Speaking Community.

GOALS FISCAL YEAR 2015-16 - Police Administration

- The submission and approval of grant application to Department of Boating & Waterways for a new police patrol boat in 2016.
- Working together to maintain and possibly increase patrol hour funding at an optimal level for public safety.
- Implementation of Crime Free Business Program modeled after the Crime Free Multi Housing Program within local business community.
- Continued open working relationship with City of Lake Elsinore in the growth and development of special events within the City.
- Continue and expand the Spanish Speaking community outreach to include neighborhood watch.
- Develop and implement efforts to reach and communicate with sub-communities within the city.



POLICE SERVICES PERFORMANCE MEASURES

Division: Police Administration

PERFORMANCE MEASURES

	FY 2013-14	FY 2014-15	FY 2015-16
	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Number of volunteers	25	27	27
P.O.S.T. training compliance	NA	63%	100%
Percent of City Council and Public Safety Advisory Committee meetings	98%	98%	100%
Number of Livescans taken	11	10	29



Lake Elsinore Sheriffs Station



POLICE SERVICES ACCOMPLISHMENTS AND GOALS

Division: Patrol Services

Mission Statement: The mission of the Patrol Services Division is to provide our community with police services through the determined pursuit of violators and by using innovative crime prevention tactics. This is accomplished through a partnership with the community that uses mutual trust and transparency to enhance quality of life issues while reducing crime and protecting the individual rights of every citizen. The Patrol Services Division is made up of officers assigned to Patrol, Traffic and Community Services.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Patrol Services

- Expansion of the Crime Free Multi Housing Program to a number of new communities participating in the program.
- Joint operation by Special Enforcement Team with DOJ and Code Enforcement resulted in the closure of two "Internet Cafes" conducting illegal gambling.
- Conducted an AB109 compliance check that visited seventy-eight locations and resulted in the arrest of thirteen individuals and the recovery of weapons and stolen property.
- Solved several in-progress burglaries where suspects were arrested and property recovered.
- Realigning of traffic enforcement policy to reduce DUI related collisions by targeting major thoroughfares of the city resulted in a 37% reduction in DUI related collisions.
- Zero fatalities on the water during Lake Season by focusing on strict enforcement of vessel safety inspections and hazardous boating violations.

GOALS FISCAL YEAR 2014-15 - Patrol Services

- Ensure effective, fair and efficient law enforcement in the community.
- Increase level of training for patrol officers and supervision to maintain a high level of competency and keep officers abreast of current crime trends.
- Maintain quick response on priority 1 and 2 calls, while also ensuring a high level of proactive enforcement.
- Use Problem Oriented Policing concepts to establish and maintain good communication with the public we serve.
- Continue to use crime mapping and statistical data during deployment strategies.
- Reduce the number of injury traffic collisions through enforcement and public education in traffic, pedestrian and bicycle safety.
- Maintain a high visibility, crime deterring presence in business and residential areas.
- Increased and varied special operations to include prostitution stings, narcotic enforcement, and BAIT car operations.



POLICE SERVICES PERFORMANCE MEASURES

Division: Patrol Services	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Number of general patrol officer hours provided per day	130.8	130.8	130.8
Response time for Priority 1 calls (minutes)	8.45	6.72	6.72
Response time for Priority 2 calls (minutes)	18.53	18.53	18.53
Number of traffic collision investigations	275	560	-
Number of high visibility traffic checkpoints	4 of 11	12	9
Number of priority calls	359	468	-
Overall calls for service	35247	47,837	-
Number of boating citations	287	425	-
Number of DUI arrests	142	203	-





POLICE SERVICES ACCOMPLISHMENTS AND GOALS

Division: Investigations

Mission Statement: The Investigations Bureau conducts follow-up investigations of initial reports handled by Patrol Services. The Investigations Bureau is comprised of a Crimes Against Property Division and Crimes Against Persons Division. Investigators from either division may also be utilized at times to initiate and complete investigations that are high profile in nature, in order to speed up the investigative process, and provide a single source contact for victims and prosecutors. The Investigation Bureau's focus is to take initial investigations conducted by Patrol Services, and resources, to ensure the identity and successful prosecution of criminal offenders. The Investigations Bureau is also comprised of School Resource Officers (SRO) and the Youth Accountability Team (YAT).

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Investigations

- Solved a night club stabbing involving a gang related conspiracy with six suspects.
- Solved several child molestation cases that resulted in convictions with significant prison sentences.
- Solved several identity theft cases through forensic analysis of computers.
- Identified and arrested several burglary suspects through video surveillance and press releases which cultivated community involvement and support.
- Immediately acted upon information about threats of school violence at our local high schools and successfully identified and arrest the perpetrators in each case.

GOALS FISCAL YEAR 2015-16 - Investigations

- Obtain/maintain funding for continued training to maintain high competency levels.
- Maintain high quality level of investigations that will result in successful prosecutions.
- Continue to provide effective and efficient investigations of criminal violations.
- Contact victims of crimes in a timely manner.
- Act as a liaison between the District Attorney's office and the victim (s) to ensure successful prosecution.
- Enhance and expand our sex registrant compliance program.
- Enhance and expand our parole and probation compliance programs.



POLICE SERVICES PERFORMANCE MEASURES

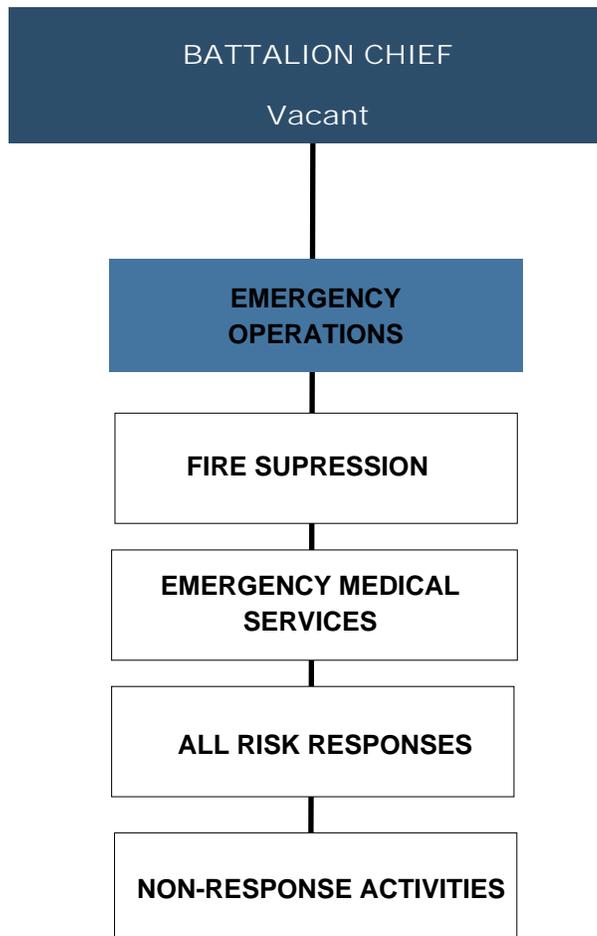
Division: Investigations	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Number of Crime Free Housing checks	27	20	25
Number of cases closed by investigations unit	641	700	650
Case closure rate	44%	59%	60%
Number of open cases per detective	12	12	12





FIRE SERVICES

Mission: The Fire Department maintains the highest levels of fire and disaster preparedness, prevention, and community involvement in order to ensure the safety of both our residents and visitors. The City contracts with the Riverside County Fire Department for Fire Services. Emergency Operations provides comprehensive emergency services utilizing a highly trained work force, progressive technology and modern equipment to provide Fire and Paramedic services. The Lake Elsinore Fire Department is dedicated to protect life, property, and the environment throughout the City, accomplished by a comprehensive emergency service response program utilizing responsible fiscal management, a highly trained work force, progressive technology and modern equipment.





FIRE SERVICES ACCOMPLISHMENTS & GOALS

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Fire Services

- Successfully deployed the ALS Fire/Rescue Boat 85 on all three holiday weekends of the Summer.
- Placed ALS Quint 97 in-service at Rosetta Canyon Station.
- Funded and hired a Fire Systems Inspector for the city Fire Marshal.
- Relocate City Battalion Chiefs office to Station 97 Rosetta Canyon.
- Reviewed Lake Elsinore Wildland Fire Protection Contract with Cal Fire to ensure adequate coverage and remove developed areas that no longer need to be protected.

GOALS FISCAL YEAR 2014-15 - Fire Services

- Renew Lake Elsinore's Wildland Fire Protection Agreement with Cal Fire.
- Work with the city on its fee study to help insure fiscal sustainability of our fire protection system.



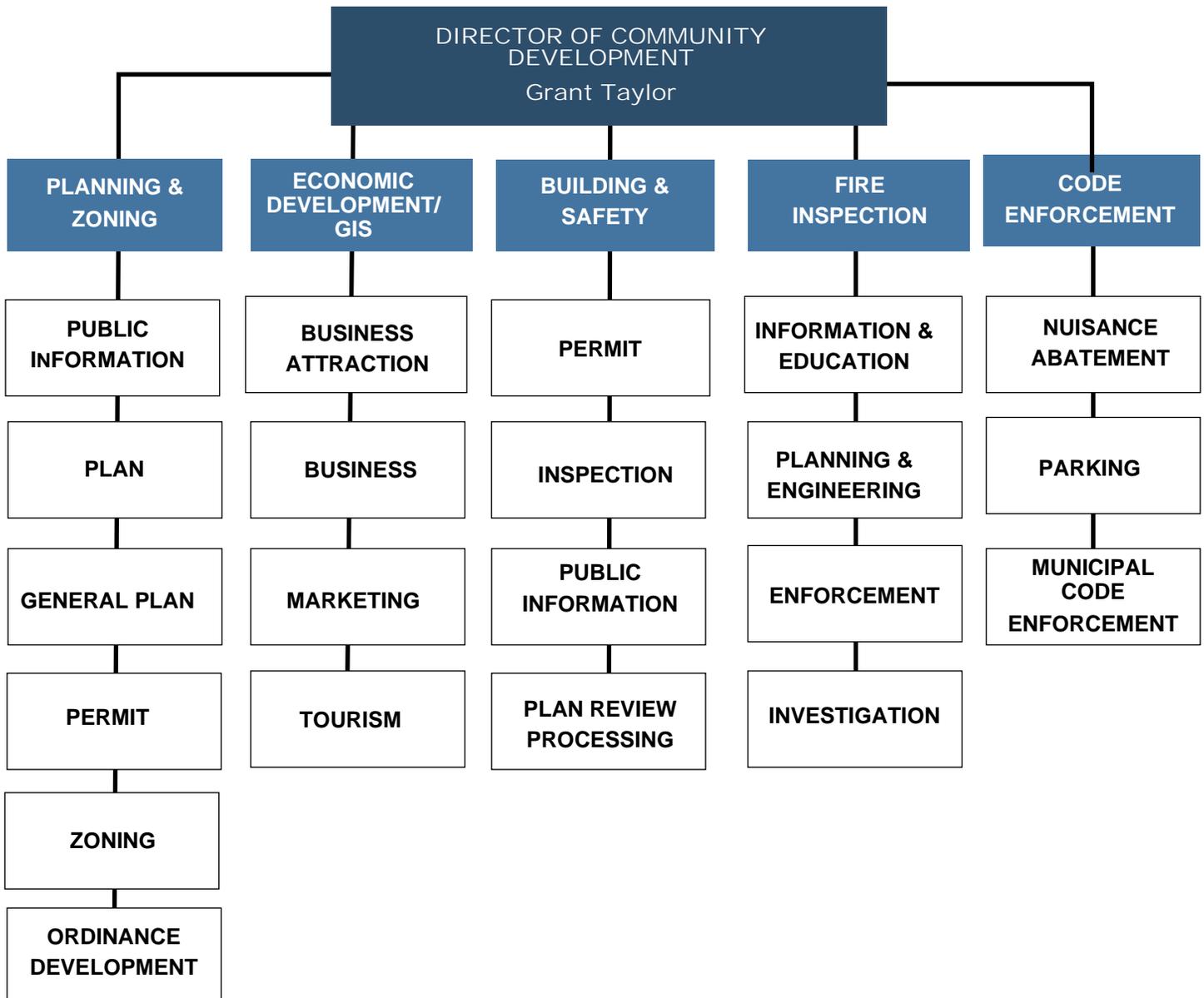
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COMMUNITY DEVELOPMENT DEPARTMENT

Mission: Community Development is a multi-disciplinary department providing a range of planning, development services, and affordable housing and relate programs to citizens, elected officials, appointed boards, commissions, and City Departments. The department ensures that all development is consistent with the Municipal and Building Codes, the goals of the community, life safety, and neighborhood preservation. The Community Development Department is composed of six divisions: Planning Commission, Planning & Zoning, Economic Development/GIS, Building & Safety, Fire Inspection, and Code Enforcement. The Community Development activities are primarily involved in the Planning Division, which provides support for the Planning Commission, and assists the Commission and the community if fulfilling the vision, goals, and policies as defined by the City Council.





COMMUNITY DEVELOPMENT
EXPENDITURE & PERSONNEL SUMMARIES

Division: **Planning and Zoning**

Funding Source: **General Fund**

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$495,302	\$639,429	\$795,636	\$857,600
Operation & Maintenance	267,835	192,871	390,870	211,820
Charges for Services	<u>2,377</u>	<u>1,238</u>	<u>1,900</u>	<u>186,623</u>
Total	<u>\$765,514</u>	<u>\$827,537</u>	<u>\$1,188,406</u>	<u>\$1,256,043</u>

Division: **Building and Safety**

Funding Source: **General Fund**

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$383,875	\$499,174	\$648,207	\$463,730
Operation & Maintenance	95,704	114,403	135,400	11,000
Charges for Services	<u>9,359</u>	<u>8,958</u>	<u>4,150</u>	<u>84,244</u>
Total	<u>\$488,938</u>	<u>\$622,535</u>	<u>\$787,757</u>	<u>\$556,974</u>

Division: **Code Enforcement**

Funding Source: **General Fund**

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$146,214	\$173,111	\$386,179	\$463,730
Operation & Maintenance	14,849	35,641	25,670	9,000
Charges for Services	<u>15,068</u>	<u>8,310</u>	<u>8,600</u>	<u>84,244</u>
Total	<u>\$176,131</u>	<u>\$217,062</u>	<u>\$420,449</u>	<u>\$556,974</u>



COMMUNITY DEVELOPMENT
EXPENDITURE & PERSONNEL SUMMARIES (cont'd)

Division: **Economic Development**

Funding Source: **General Fund**

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PROPOSED
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$133,912	\$121,775	\$121,179	\$137,407
Operation & Maintenance	53,511	64,770	133,470	97,020
Charges for Services	<u>241</u>	<u>11,000</u>	-	<u>19,925</u>
Total	<u>\$187,664</u>	<u>\$197,545</u>	<u>\$260,649</u>	<u>\$254,352</u>

Division: **Fire Prevention**

Funding Source: **General Fund**

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PROPOSED
<u>EXPENDITURE SUMMARY</u>				
Operation & Maintenance	\$95,704	\$181,013	\$231,940	\$280,834
Charges for Services	<u>9,359</u>	<u>8,959</u>	<u>900</u>	<u>250</u>
Total	<u>\$105,063</u>	<u>\$189,972</u>	<u>\$232,840</u>	<u>\$281,084</u>

Division: **Graffiti**

Funding Source: **General Fund**

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PROPOSED
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ -	\$167,973	\$180,589	\$ 99,250
Operation & Maintenance	-	1,612	1,850	3,100
Charges for Services	-	<u>9,684</u>	<u>10,150</u>	<u>30,816</u>
Total	<u>\$ -</u>	<u>\$179,269</u>	<u>\$192,589</u>	<u>\$ 133,166</u>



COMMUNITY DEVELOPMENT ACCOMPLISHMENTS AND GOALS

Division: **Planning and Zoning**

***Mission:** The Planning & Zoning Division provides a variety of planning services to the community, including reviewing and processing of development proposals for conformance with City policies and regulations. In addition, staff provides support to the Planning Commission and City Council and assist the general public and development applicants regarding planning information and application process.*

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Planning and Zoning

- Adoption of Consistency Zoning- Phase IV bringing zoning in the Riverview District and Country Club Heights into conformance with the adopted General Plan.
- Adoption of Consistency Zoning - Phase V bringing zoning in the Lake Edge District into conformance with the adopted General Plan.
- Adoption of a new Lakeshore Residential (L) zoning district.
- Completion of a new Shorefront Guide to Lake Stewardship brochure to provide public with details regarding how best to approach development along the lake.
- Adoption of Consistency Zoning Project - Phase VI by bringing zoning in the Ballpark, Lake Elsinore Hills, Historic, and Alberhill Districts into alignment with the General Plan.
- Provided professional planning services to the public that is customer friendly, responsive, efficient and effective.
- Demonstrated compliance with goals and policies set forth in the 2014-2021 Housing Element.

GOALS FISCAL YEAR 2015-16 - Planning and Zoning

- Reformat the Residential Zoning Districts set forth in Title 17 (Zoning) the Lake Elsinore Municipal Code in order to make it easier for the public to understand.
- Reformat the Commercial Zoning Districts set forth in Title 17 (Zoning) the Lake Elsinore Municipal Code in order to make it easier for the public to understand.
- Update the City's rules to implement the California Environmental Quality Act.



COMMUNITY DEVELOPMENT ACCOMPLISHMENTS AND GOALS

GOALS FISCAL YEAR 2015-16- Planning and Zoning Cont'd

- Provide professional planning services to the public that is customer friendly, responsive, efficient and effective.
- Continue to review, update and implement City regulations, development codes and specific plans to meet the needs of the community and to comply with legislative changes.
- Promote balanced community development with the proper mix of residential, employment opportunities, commercial/retail services and recreation and cultural opportunities for the residents of the City.
- Provide continuing professional and technical support and services to the Planning Commission.
- Maintain Staff participation with regional and local agencies and districts to ensure coordination of efforts related to land use planning, transportation and environmental issues.

COMMUNITY DEVELOPMENT PERFORMANCE MEASURES

Division: Planning and Zoning	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Current planning applications processed	50	60	60
Advance planning application processed	20	16	16
Over-the-counter permit approvals	120	150	150
Landscaping plans received, plan checked & approved	12	28	28
Customers helped at counter, by telephone & via e-mail	10,400	12,500	12,500
Public Records Requests	120	250	300
Number of pre-application meetings scheduled	NA	150	150
Percent of all customer requests responded to in 24 hrs.	NA	70%	75%
Percent of updated permit handouts	NA	100%	100%
Issue all comment letters within 30 days of receipt application	100	100	100



COMMUNITY DEVELOPMENT ACCOMPLISHMENTS AND GOALS

Division: Economic Development/GIS

Mission: Economic Development Division is responsible for maintaining a sound and diverse economic base for business development and tourism for the City. Economic Development partners have been a key component to the City's success as they have worked together with City Council and City Staff. This Division builds professional partnerships to create a strong healthy economy and enhance our exceptional quality of life.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Economic Development/GIS

- Represented the City of Lake Elsinore at two ICSC Conferences and two Fred Hall Shows to further economic development and tourism.
- Provided specialized assistance to 9 Lake Elsinore companies.
- Worked closely with Discover IE/Visit California and globally promote Lake Elsinore.
- Provided analyses and maps for Phases IV, V and VI of the Zoning Consistency Project.
- Migrated one hardcopy Specific Plans into digital GIS format
- Updated all web-based GIS Gallery maps.
- Installed Arc 6 programs on new computers as needed.
- Acquired new 2014 aerial photography.

GOALS FISCAL YEAR 2015-16 - Economic Development/GIS

- Work closely with the Chamber of Commerce and other economic development organizations to further economic development opportunities in the city and the media.
- Represent Lake Elsinore at Economic Development/Tourism specific Trade Shows.
- Outreach to local businesses and provide assistance as identified.
- Create interactive online GIS mapping site.
- Continue to convert hardcopies of Specific Plans into digital GIS format.



COMMUNITY DEVELOPMENT PERFORMANCE MEASURES

Division: Economic Development/GIS	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Number of general requests	100	125	125
Number of local site visits	10	12	12
Number of trade show/business attraction events	5	5	5
Number of media, networking events, speaking events	20	30	30
Number of ads places	5	8	8
Companies assisted in conjunction with the Economic Development Program	1	12	12
Membership in Economic Development related organizations	5	7	7
Number of major studies/analyses provided GIS assistance	30	5	5
Number of City department mapping requests completed	15	130	130
Number of web maps updated	0	20	20
Percentage of shape files to Geo-database migration completed	NA	90%	90%
Number of County data updates	NA	4	4



Lake Elsinore Center - Business Improvements



COMMUNITY DEVELOPMENT ACCOMPLISHMENTS AND GOALS

Division: Building and Safety

***Mission Statement:** The Building Division is responsible for enforcing the City's Building and Safety codes along with State laws; performing plan checks on construction documentation to ensure that project proposals meet city codes; distributing plans for review by other agencies or City departments; issuing building permits after plans are completed and corrected; completing final inspections; implements certain State Laws such as the California Disabled Access Regulations; is responsible for updating Building and Fire codes required by the State of California; provides guidance to the general public and development community regarding the Uniform Building codes and project applications.*

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Building and Safety

- Increased Staff levels at counter
- Began Laser fiche scanning 100% of Building Plans, and permits are scanned now maintaining.
- Demo of 2 structures, fully rehabbed 2 structures, and 6 structures through the receivership program.
- Receivership program in full operation.
- Updated staff with latest technology.

GOALS FISCAL YEAR 2015-16 - Building and Safety

- Continue to work with all department through the AS400 system for fees and approvals.
- Promote staff and add a part time Building Inspector.
- Continue to cross train Code, Building and Fire.
- Provide electronic access of archived plans and documents to the public through the internet using Laser fiche and schedule building permits through the web site.
- Fix computer system to show accurate count of building permits with all departments.
- Continue to update the Building & Safety Division's website.
- Automate the phone inspection request process through the website.
- Continue to work with other departments for fees.



COMMUNITY DEVELOPMENT PERFORMANCE MEASURES

Division: Building and Safety	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Total building permits issued	2,500	4,239	4,000
Number of inspections performed	35,000	20,138	40,000
Number of initial plan review completed	500	595	800
Percentage of initial plan re-reviews completed within 10 working days	100%	100%	100%
Number of residential plan reviews completed	400	313	500
Percentage of residential plan re-reviews completed within 7 working days	100%	100%	100%
Number of commercial plan reviews completed	10	26	30
Percentage of commercial plan re-reviews completed within 10 working days	100%	100%	100%
Number of Certificates of Occupancy inspections Performed	90	87	100



New Homes - Canyon Hills



COMMUNITY DEVELOPMENT ACCOMPLISHMENTS AND GOALS

Division: Fire Inspection

Mission: The Fire Prevention Division is to preserve and enhance the quality of life for the citizens of Lake Elsinore through the application of a comprehensive fire and hazard program.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Fire Inspection

- Evaluated Fire Planning processes and refined to provide comprehensive customer service in coordination with the Chamber of Commerce including form creation, plan intake process and including inspection process.
- Placed forms on the internet for ease of use.
- Evaluate and refine the Fire Department fee schedule.
- Conducted all of the school inspections inside the City of Lake Elsinore to improve child safety.
- All new and changed Residential Care Facilities inspections inside the City of Lake Elsinore have been inspected by in house staff.
- Conducted business license inspections with the Building Department to better customer safety.
- All fireworks shows and pyrotechnic special effects have been reviewed and inspected by our personnel.
- Tablets have been utilized to enhance customer services and streamline the inspection process by providing inspector access to all case related documents in and out of the office to better serve the public.



COMMUNITY DEVELOPMENT ACCOMPLISHMENTS AND GOALS

GOALS FISCAL YEAR 2015-16 - Fire Inspection

- Continue to develop and refine forms, process, and procedures and improve the Fire website.
- Utilize new incoming software to better streamline inspection process and conduct on time inspections to obtain public safety.
- Work to better promote public awareness for the benefits of fire and hazard prevention.
- Implement an Annual Fire Inspection Program in order to provide fire and life safety inspections to all businesses in the City.
- Explore better ways to notify and contact building owners for the system maintenance requirements.
- Obtain comprehensive inspection software to streamline and track annual/operating permit inspections.

COMMUNITY DEVELOPMENT PERFORMANCE MEASURES

Division: Fire Inspection	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Number of businesses inspected	200	240	240
Number of plan checks	200	275	228
Number of fire planning review	50	60	100
Number of fire construction inspections	1,000	1,411	1,500
Number of school/care facility inspections	40	22	46
Number of special events/fireworks inspections	40	31	41



COMMUNITY DEVELOPMENT ACCOMPLISHMENTS AND GOALS

Division: Code Enforcement

Mission Statement: The Code Enforcement Division provides a variety of services to the community, including; monitoring regional agencies and programs; and coordinating with outside agencies to protect the quality of life within the community. This Division provides commercial and residential neighborhood preservation to ensure a high quality standard of living and sustainability in communities. The Code Enforcement Division identifies substandard housing to promote life, health and safety standards.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Code Enforcement

- Updated staff with latest technology.
- Established the Nuisance Abatement Board and Receivership Program.
- Continue to establish relationship with the Lake Elsinore Police Department. (Riverside County Sheriff's Department) by attending briefings.
- Increased staffing levels to include weekend coverage to enforce the city's Municipal Code.

GOALS FISCAL YEAR 2015-16 - Code Enforcement

- Continue to coordinate with Riverside County Sheriff's Department to provide better support for Code Enforcement personnel in field situations.
- Educate staff with new technology to better service the citizens of Lake Elsinore.
- Continue to maintain a level of excellence in the enforcement of codes.
- Continue to train Code Enforcement Officers to get Building Inspector certifications for Post Disaster Certification.
- Continue to educate the public through public media and website.
- Continue to provide additional enforcement of nuisance violations and increase the quality of life in the City of Lake Elsinore.



COMMUNITY DEVELOPMENT PERFORMANCE MEASURES

Division: Code Enforcement	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Neighborhood Enhancement Team (NET) Project areas completed	-	-	-
Number of houses placed in structure abatement	11	10	5
Number of nuisance cases processed	1,500	1,600	2,000
Number of nuisance cases resolved	1,000	1,500	1,900
Number of nuisance abatement hearing held	-	10	36
Number of citation hearings held	11	40	80
Code Enforcement Concerns responded to within 3 working days	100%	100%	100%
Percent of resource information made available to the public within 24 hours	100%	100%	100%
Number of closed cases	NA	1,500	2,000



View from the hills above Main Street

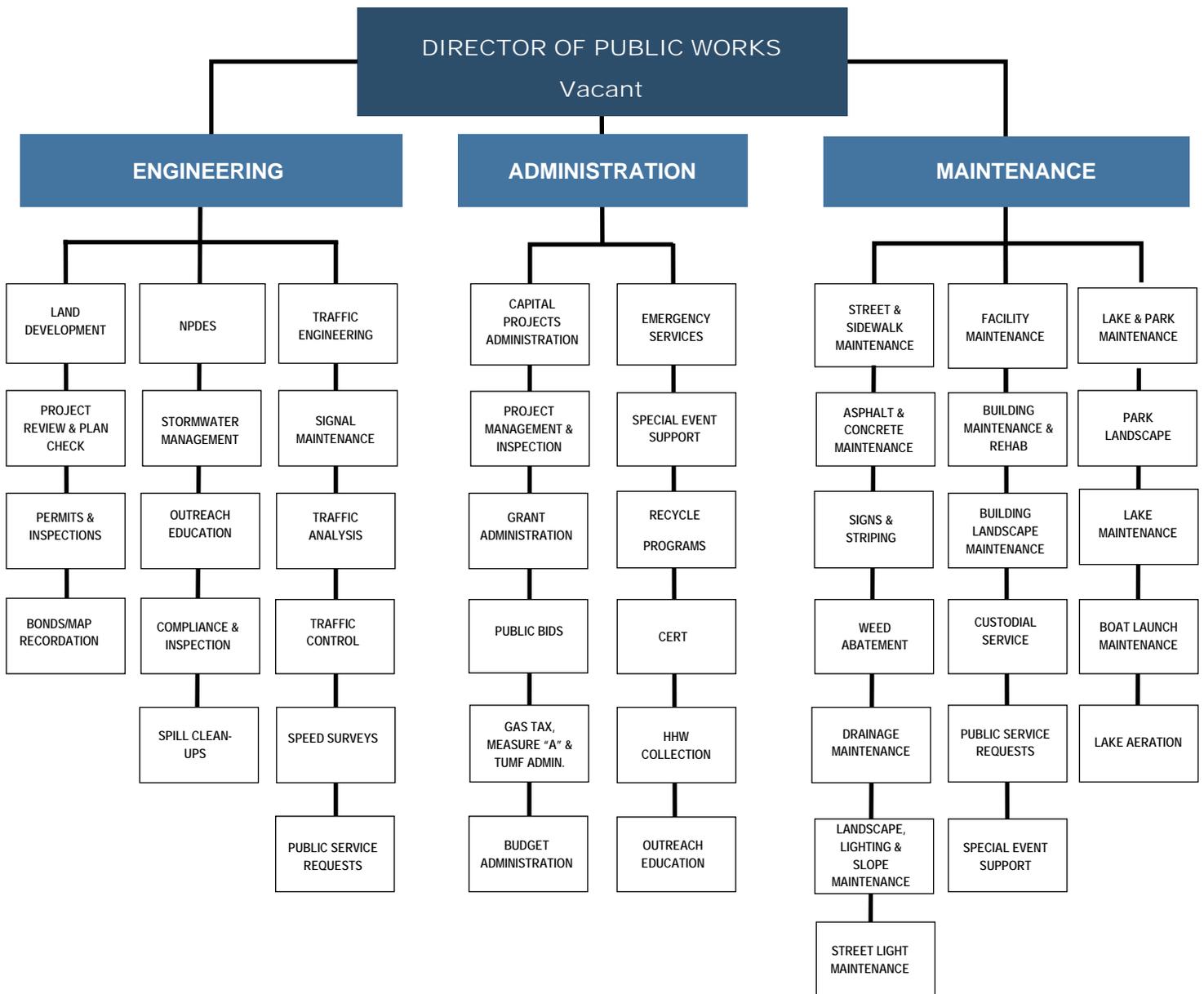
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PUBLIC WORKS DEPARTMENT

Mission: The mission of the Public Works Department is to provide high-quality, responsive and cost-effective engineering and operational services that support current and future infrastructure and circulation improvements, public safety, and environmental assets within the City of Lake Elsinore. This is accomplished through design, construction and engineering oversight of private and public improvements projects; maintenance of the City's public roadways and bike lanes, street lighting, traffic systems, sidewalks, public landscaping, graffiti control, and drainage facilities; implementation and regulation of water quality, pollution prevention and flood damage prevention measures designed for the protection of life, property, water courses and lake in the city. The measures include enforcement of higher construction standards, street sweeping, solid waste management, and recycling programs; public emergency response training, and responding to and aiding in recovery from earthquakes, storms and other emergencies.





PUBLIC WORKS

EXPENDITURE & PERSONNEL SUMMARIES

Division: **Engineering**

Funding Source: General Fund

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$376,792	\$429,259	\$1,015,088	\$ 1,142,898
Operation & Maintenance	422,933	860,003	620,150	970,910
Charges for Services	<u>2,539</u>	<u>3,333</u>	<u>6,000</u>	<u>189,244</u>
Total	<u>\$ 694,221</u>	<u>\$1,292,595</u>	<u>1,641,238</u>	<u>\$ 2,303,052</u>

Division: **Administration**

Funding Source: General Fund

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$200,772	\$259,058	\$729,187	\$758,630
Operation & Maintenance	30,101	120,851	100,613	101,270
Charges for Services	13,499	-	-	376,953
Capital Outlay	<u>1,049</u>	-	-	-
Total	<u>\$245,421</u>	<u>\$379,908</u>	<u>\$829,800</u>	<u>\$ 1,236,853</u>

Division: **Park Maintenance**

Funding Source: General Fund

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$397,433	\$423,892	427,024	\$472,840
Operation & Maintenance	886,841	928,302	798,600	934,670
Charges for Services	54,024	61,796	36,050	147,764
Capital Outlay	<u>1,678</u>	-	-	-
Total	<u>\$1,339,976</u>	<u>\$1,413,190</u>	<u>\$1,261,674</u>	<u>\$ 1,555,274</u>



PUBLIC WORKS EXPENDITURE & PERSONNEL SUMMARIES

Division: **Weed Abatement**

Funding Source: **General Fund**

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$250,277	\$167,973	\$369,478	\$411,780
Operations & Maintenance	30,096	30,325	20,700	22,300
Charges for Services	12,227	4,575	10,500	2,500
Capital Outlay	<u>1,678</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$294,278</u>	<u>\$380,668</u>	<u>\$397,178</u>	<u>\$ 515,099</u>



PUBLIC WORKS EXPENDITURE & PERSONNEL SUMMARIES

Division: Engineering	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Director of Public Works	1.00	0.00	1.00
City Engineer	1.00	0.00	1.00
Engineer Inspector	1.00	0.00	1.00
Senior Engineer Technician	3.00	0.00	3.00
Administrative Assistant	1.00	0.00	1.00

Division: Administration	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Public Works Superintendent	1.00	0.00	1.00
Senior Street Operation Lead Worker	1.00	0.00	1.00
Equipment Operator	1.00	0.00	1.00
Maintenance Worker II	2.00	0.00	2.00
Maintenance Worker I	3.00	0.00	3.00
Maintenance Worker I - PT	1.00	0.00	1.00
Office Specialist III	1.00	0.00	1.00

Division: Park Maintenance	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Lead Worker	1.00	0.00	1.00
Park Specialist	1.00	0.00	1.00
Maintenance Worker II	1.00	0.00	1.00
Maintenance Worker I	2.00	0.00	2.00



PUBLIC WORKS EXPENDITURE & PERSONNEL SUMMARIES

Division: Weed Abatement	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Senior Lead Worker	1.00	0.00	1.00
Equipment Operator	1.00	0.00	1.00
Maintenance Worker II	1.00	0.00	1.00
Maintenance Worker I	<u>2.00</u>	<u>0.00</u>	<u>2.00</u>
Total	5.00	0.00	5.00

Division: Facility Maintenance	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Maintenance Worker I	1.00	0.00	1.00

Division: Lake Maintenance	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Supervisor	1.00	0.00	1.00
Lead Worker	1.00	0.00	1.00
Maintenance Worker II	0.00	0.00	0.00

Division: Lake Aeration	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Maintenance Worker II	1.00	0.00	1.00

Division: Vehicle & Equipment Maintenance	AUTHORIZED		PROPOSED
<u>PERSONNEL SUMMARY</u>	<u>FY 2014-15</u>	<u>CHANGES</u>	<u>2015-16</u>
Chief Mechanic	1.00	0.00	1.00
Mechanic	1.00	0.00	1.00



PUBLIC WORKS

ACCOMPLISHMENTS & GOALS

Division: Engineering

Mission: The Engineering Divisions are responsible for the development of public infrastructure and all physical improvement within the public right-of-way. These improvements include the development of public streets (roadways, curbs, gutters, and sidewalks), traffic controls including: signal, striping, and signage, sewer systems, and storm drains. The Department provides public counter support, development review for grading, drainage and traffic issues, and timely inspections of Capital Improvement and private development projects.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Engineering

- Completed McVicker Dog Park Fencing Project.
- Completed slurry seal project for over 30 streets citywide (Phase 1) of the Pavement Management Plan (PMP)
- Completed downtown Main Street Rehabilitation overlay project from Sulphur to Heald Avenue.
- Completed traffic signal installation at Via Scenica/Summerhill Dr.
- Completed traffic signal installation at Canyon Hills Road/Sage Lane.
- Completed traffic signal repair at Casino/Diamond Drive.
- Completed street rehabilitation of the service road at the Diamond Stadium.
- Completed the planning/design and initiated construction of the EV charging station project.
- Completed the planning and initiated design of the HVAC system for the Diamond Stadium
- Completed the planning and initiated design of the restroom facilities at the Diamond Stadium.
- Completed design and initiated construction of the City Welcome Ground Monuments project.
- Completed design and initiated construction of the Senior Center ADA sidewalk project.
- Completed design and initiated construction of the Lakepoint Park Electrical enclosures project.
- Completed design and initiated construction of the joint Grand Avenue Street Rehabilitation Project with Riverside County.
- Completed the planning and initiated the PA&ED phase for the Temescal Canyon Bridge project.
- Completed planning and commenced design/build of the playground equipment project at Machado, Summerlake, and Yarborough Parks.



CITY OF LAKE ELSINORE
ANNUAL OPERATING BUDGET
FISCAL YEAR 2015-16

PUBLIC WORKS

ACCOMPLISHMENTS & GOALS



ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Engineering (cont'd)

- Completed the planning and initiated the design of Whisker's Beach improvement project.
- Completed the planning and design of SCADA telemetry improvement for the lake axial flow pump mixing system.
- Completed the planning and initiated the design of the Collier Median project at the Outlet Mall.
- Completed planning and commenced design/build of the Serenity Skate Park project.
- Continued lead agency status for SMARA implementation.
- Updated speed limits at various locations for enforcement purposes.
- Completed requirements of the NPDES and FEMA annual reporting process.



PUBLIC WORKS ACCOMPLISHMENTS & GOALS

GOALS FOR FY 15-16 - **Engineering Division**

- Ensure completion of Capital Improvement Projects in a cost-effective and timely manner.
- Facilitate development activity by continuing to implement efficient processing procedures.
- Continue to improve responsiveness to resident concerns.
- Continue productive working relationship with CalTrans, RCTC, County of Riverside HHW and WRCOG.
- Continue to work with CR&R on consumer education for mandatory commercial recycling program.
- Update Grading Ordinance & Construction Standards, including Engineering Division information/forms on the City's website.
- Implement new ordinance to facilitate street light installation in older developments.
- Maintain National Flood Insurance program (NFIP) discounts for property owners within the City by implementing various FEMA/NFIP activities.
- Commenced the Citywide Sidewalk inventory and survey project.
- Commenced the update of the Parks Facilities Master Plan.
- Commenced the update of the Citywide Storm Drain Master Plan.
- Commenced the Third Street drainage improvement project planning and conceptual design.
- Initiated planning, environmental documentation, and design of the Gunnerson Street rehabilitation project.
- Initiated I-15/Railroad Canyon Southbound exit ramp deceleration lane project construction bidding.



Division: **Park Maintenance**

Mission: The Maintenance Division is responsible for all City street & sidewalks, parks, facilities, and lake maintenance. Street maintenance provides well-maintained right-o-way areas for the safety and mobility of motorists, bicyclists and pedestrians, including traffic signing and striping as directed b the Engineering Division. This program will also maintain city owned storm drains, catch basins, and surface drainage facilities, and monitor illegal dump areas in support of the City's NPDES program. Park maintenance provide services to included mowing and trimming of turf areas, pruning shrubs and ground cover, trimming trees, applying fertilizer applications, letter removal, weed control, repair and monitoring of irrigation systems, replacement of plant materials. Lake maintenance maximizes the beneficial use of the City's unique aquatic resources for the betterment of the community by developing and implementing measures to protect water quality stabilize the Lake-level, enhance wildlife habitat, ensure public safety and expand recreational lake activities.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - **Park Maintenance**

- Added a Teen CERT Class and a Spanish Cert Class to current CERT schedule for public outreach.
- Public Works staff completed certification in Confined Space training.
- Implements a citywide Heatwurx Program.
- Conducted annual Public Works Week; supported various special events and programs.
- Planned and facilitated 2014 Shake Out Expo.
- Implemented new facilities work order tracking system.
- The right-of-ways and LLMD landscaping were renovated citywide with drought tolerant plant materials and the existing irrigation was converted to water to water efficient irrigation.



PUBLIC WORKS ACCOMPLISHMENTS & GOALS

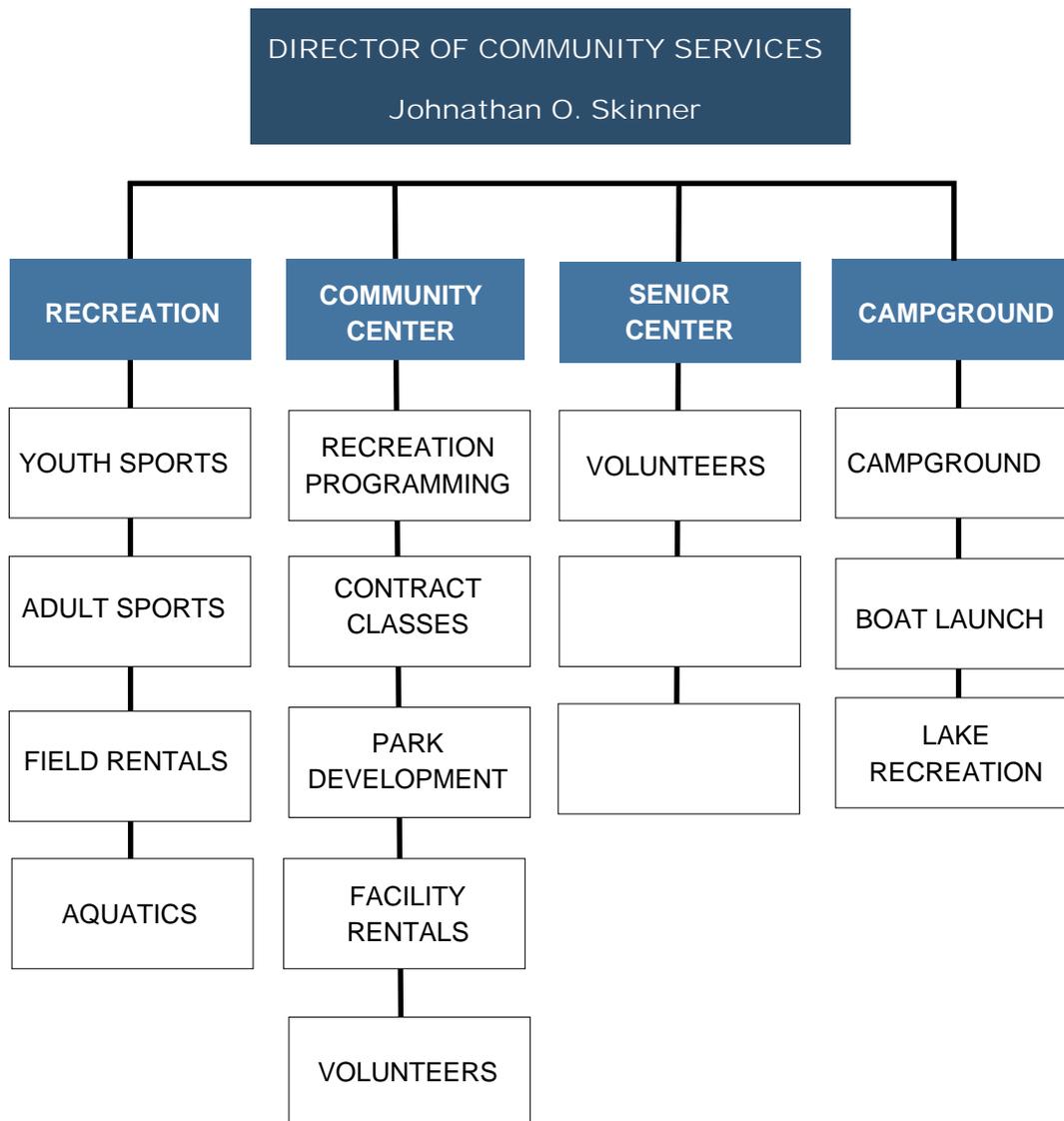
GOALS FOR FY 15-16 - **Park Maintenance**

- Continue effective preventative signal/communication equipment maintenance program to minimize equipment failures. Collaborate with Riverside County on citywide signal inventory.
- Implement several maintenance programs including crack sealing, concrete removal & replacement, pothole repairs and drainage maintenance to reduce costs.
- Sports lighting cost analysis.
- Finalize retrofitting City owned street lights from high pressure sodium to Led.
- Parks parking lot striping.
- Develop cost analysis for sports turf renovation.
- Axial flow pumps - design and complete installation of SCADA system.
- Continue eradication of Tamarisk (invasive plant).
- Hydro seed levee system with a mix of wild flowers for erosion control.
- Development/Opening of Summerly Neighborhood and Rosetta Canyon Park.
- Install additional restroom building at Elmgrove Beach.
- Provide staff with Herbicide Training (Public Works Operations).
- Complete tire removal off the levee system.
- Evaluate and purchase new fleet maintenance software.
- Convert existing turf & irrigation citywide to drought tolerant plants using drip irrigation systems.
- Implement new Spanish CERT classes for public outreach.
- Conduct NIMS/SIMS training for new personnel.



COMMUNITY SERVICES

The Community Services Department provide a variety of programs that educate, entertain and enrich the community. The Department delivers exceptional special events for the entire family. Arrange for services and programs that are needed by those with special needs, teens, and seniors. Provide professional leadership through recreational programs, services, and events that enhance the quality of life in the community.





COMMUNITY SERVICES EXPENDITURE & PERSONNEL SUMMARIES

Division: Recreation

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ 156,323	\$195,284	\$594,507	\$568,830
Operation & Maintenance	58,981	61,164	97,300	124,100
Charges for Services	<u>1,926</u>	<u>603</u>	<u>1,000</u>	<u>116,696</u>
Total	<u>\$217,230</u>	<u>\$257,051</u>	<u>\$692,807</u>	<u>\$809,626</u>

Division: Community Center

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Personnel Services	\$301,269	\$318,833	\$385,484	\$422,040
Contract Services	180,846	189,322	202,830	198,050
Materials and Supplies	20,716	25,329	16,500	12,600
Capital Outlay	<u>5,906</u>	-	-	-
Total	<u>508,737</u>	<u>\$459,693</u>	<u>\$604,814</u>	<u>\$738,312</u>

Division: Senior Center

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Personnel Services	\$130,536	\$122,642	\$133,752	\$154,330
Contract Services	65,413	42,256	58,800	58,590
Materials and Supplies	4,343	5,175	24,000	62,464
Capital Outlay	<u>6,635</u>	-	-	-
Total	<u>\$206,927</u>	<u>\$203,700</u>	<u>\$208,620</u>	<u>\$275,384</u>



COMMUNITY SERVICES EXPENDITURE & PERSONNEL SUMMARIES

Division: Campground

Funding Source: General Fund

	FY 12-13 ACTUALS	FY 13-14 ACTUALS	FY-14-15 BUDGETED	FY 15-16 PROPOSED
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ -	\$ -	\$ -	\$13,530
Operations & Maintenance	-	-	-	378,851
Charges for Services	-	-	-	<u>32,833</u>
Total	\$ -	\$ -	\$ -	<u>\$ 425,214</u>



La Laguna Resort and Boat Launch



COMMUNITY SERVICES

EXPENDITURE & PERSONNEL SUMMARIES

<u>COMMUNITY SERVICES</u>	<u>AUTHORIZED</u>	<u>CHANGES</u>	<u>PROPOSED</u>
	<u>FY 2014-15</u>		<u>FY 2015-16</u>
RECREATION			
Director of Community Services	1.00	0.00	1.00
Recreation Manager	1.00	0.00	1.00
Project Analyst - PT	1.00	0.00	1.00
Special Events Coordinator	1.00	0.00	1.00
Volunteer Coordinator - PT	1.00	0.00	1.00
Office Specialist II	1.00	0.00	1.00
Total	<u>6.00</u>	<u>0.00</u>	<u>6.00</u>
COMMUNITY CENTER			
Supervisor - Recreation	1.00	0.00	1.00
Recreation Aide - PT	3.00	3.00	6.00
Recreation Specialist - PT	1.00	1.00	2.00
Recreation Leader - PT	2.00	0.00	2.00
Water Safety Instructor - PT	6.00	0.00	6.00
Total	<u>13.00</u>	<u>4.00</u>	<u>17.00</u>
SENIOR CENTER			
Community Services Coordinator	1.00	0.00	1.00
Bus Driver - PT	1.00	0.00	1.00
Recreation Leader - PT	1.00	0.00	1.00
Total	<u>3.00</u>	<u>0.00</u>	<u>3.00</u>
LA LAGUNA CAMPGROUND & LAKE RECREATION			
Campground and Lake Recreation	0.00	1.00	1.00
Recreation Specialist - PT	0.00	2.00	2.00
Recreation Leader - PT	0.00	3.00	3.00
Volunteer Campground Host	0.00	16.00	16.00
Total	<u>0.00</u>	<u>16.00</u>	<u>16.00</u>
Department Total	<u><u>20.00</u></u>	<u><u>22.00</u></u>	<u><u>32.00</u></u>



COMMUNITY SERVICES ACCOMPLISHMENTS & GOALS

Division: Recreation

Mission: The Recreation Division is responsible for providing comprehensive, Citywide recreation programs that meet the recreation and human services need within the community.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Recreation

- Obtained DBW Grant for the Lake Elsinore Aquatics Center.
- Obtained the Housing-Related Parks Program Grant.
- Developed programming for the Arts with Studio 395.
- Continued the process to develop specific categories for “Park User Fees”.
- Gave specific input for Murrieta Creek and Butterfield Trail programs.

GOALS FISCAL YEAR 2015-16 - Recreation

- Implement park construction utilizing the Housing-Related Parks Program Grant.
- Seek alternative revenue sources through grants, stimulus funding, and fees.
- Implementation of the “Park User Fee” study to increase revenue for facility rentals.
- Assist with administration of CDBG funds for improvements to Lakepoint Park.
- Continue to foster partnership with Studio 395 to offer additional art programs.
- Continue to participate in the Regional Trails programs.

Division: Recreation

PERFORMANCE MEASURES

	FY 2013-14	FY 2014-15	FY 2015-16
	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Process special event applications	26	22	xx
Number of private rentals held at the Cultural Center	20	12	xx
Community meetings at the Cultural Center	15	20	xx
Co-Sponsored events	6	7	xx
Number of new recreation programs implemented	5	5	x



COMMUNITY SERVICES ACCOMPLISHMENTS & GOALS

Division: **Community Center**

Mission: The Community Center Division provides an array of activities that are both educational and entertaining for the community.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - **Community Center**

- Collaborated with HOA's to develop seasonal events.
- Worked with youth organizations to develop and present comprehensive field use and allocation agreement to Council.. Document was received and filed February 10, 2015.
- Expanded Winterfest event to serve 8,000 - 10,000 residents. Included event parade and 50 vendors.
- Developed McVicker Skate Park Policy with full implementation March 2015.
- Began agreement with new Recreation Software Company to improve online and in-house registration procedures.

GOALS FISCAL YEAR 2015-16 - **Community Center**

- Rebuild, expand, and enhance Concerts in the Park series by evaluating performers and event location.
- Formalize agreement for contract instructors to include tiered registration fee split based on amenities used.
- Seek additional sponsorship opportunities for special events by making personal connections with business and residents.
- Expand recreation classes and recreation class registrations through recruitment of new instructors and implementation of new registration system.
- Collaborate with LEUSD to formalize a comprehensive Joint Use Agreement and expand the programs offered at school facilities.
- Create resident funded scholarship program (LEAP- Lake Elsinore All Play) for recreation classes by offering residents an opportunity to contribute at time of program registration.



COMMUNITY SERVICES ACCOMPLISHMENTS & GOALS

Division: Community Center

PERFORMANCE MEASURES

	FY 2013-14	FY 2014-15	FY 2015-16
	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Special Events	6	12	XX
Rentals	15	24	XX
Number of classes offered	33	30	XX
Number of new classes	5	3	X
Community Center users	40,000	42,700	XX,XXX
Community meetings	15	15	15



Lake Elsinore Community Center



COMMUNITY SERVICES ACCOMPLISHMENTS & GOALS

Division: Senior Center

Mission: The Senior Center Division provides a wide variety of recreational, self-enrichment and education programs for the over 50 generation. The facility includes a state of the art computer lab, billiard room, television lounge, a reading room, dining hall, activity room, patio areas, garden boxes and a service kitchen. The division provides social , recreational, physical and educational opportunities at low or no cost.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - Senior Center

- Offered more than 10 new day trip locations using our City Van. Collaborated with more than 8 new service providing agencies to provide more than 10 new programs, as well as providing new programs offered by other agencies we already had relationships with.
- Used community support through the Rotary Club, Lowes Hero Program and senior volunteers to get doors painted, garden prepped, and some additional cleaning at the Center.

GOALS FISCAL YEAR 2015-16 - Senior Center

- Continue to develop relationships and collaborations with agencies to provide health, education and health related services for the senior population.
- Introduce a membership concept with the use of the Rec1 software to upgrade our registration procedures for programs & services; streamline money handling; and increase general revenue.
- Develop a Code of Conduct that each participant will need to review and agree to before participating in programs; to be implemented with the new membership program.
- Develop programs that encourage active participation and challenges the creativity of the participants.

Division: Senior Center	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Offer health education & screenings per year	36	48	48
Number of private rentals	12	12	6
Community meetings at Senior Center	16	16	10
Average daily program attendance	100	120	120
New programs and classes	4	5	5



COMMUNITY SERVICES ACCOMPLISHMENTS & GOALS

Division: La Laguna Campground and Lake Recreation

Mission: The La Laguna Resort (campground) and Boat Launch is a recreational facility providing camping, lake and recreational activities to the community and guests. As a “destination location”, La Laguna strives to be the premier campground that serves as a multiuse venue for campers, special events and groups and organizations to experience Lake Elsinore.

ACCOMPLISHMENTS FISCAL YEAR 2014-15 - La Laguna Campground & Lake Recreation

- Hired Campground Consultant to review La Laguna Resort and Boat Launch facilities to identify best and highest use.
- Held City sponsored organization luncheon on premises.

GOALS FISCAL YEAR 2014-15 - La Laguna Campground & Lake Recreation

- Supervision of La Laguna Resort and Boat Launch.
- Hire consultant and develop Master Plan for La Laguna Resort (campground).
- Implement Customer Service Training with staff.
- Begin reconstruction of campground.
- Develop and implement marketing program to increase campers and fishing.
- Increase annual campground occupancy by 5% from 11% to 16%.
- Develop fish stocking program to increase fishing on the lake.
- Implement water classes (Paddle Boarding, etc.) to increase use of lake recreation.

Division: La Laguna Campground & Lake Recreation	FY 2013-14	FY 2014-15	FY 2015-16
PERFORMANCE MEASURES	<u>ACTUALS</u>	<u>TARGET</u>	<u>TARGET</u>
Campground Occupancy	-	11%	16%
Number of special events by City	-	-	2
Annual Fish Stocking	-	-	1
Corporate Functions	-	-	1
Corporate Sponsorship of Activities	-	-	1

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NON-DEPARTMENTAL

Division: Non-Departmental

Mission: The Non-Departmental Division is a cost center for general administrative expenditures such as retiree medical premiums, sales tax agreements, property tax administration fee, and miscellaneous banking fees.

Division: Non-Departmental

Funding Source: General Fund

	FY 12-13	FY 13-14	FY-14-15	FY 15-16
	<u>ACTUALS</u>	<u>ACTUALS</u>	<u>BUDGETED</u>	<u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ 679,398	\$570,505	\$652,000	\$677,370
Operation & Maintenance	1,245,845	1,136,201	1,069,500	990,000
Charges for Services	1,196	2,674	5,000	-
Debt Service	-	761,282	1,124,050	1,130,200
Transfers	-	285,504	364,098	425,000
Total	<u>\$2,355,519</u>	<u>\$2,756,166</u>	<u>\$3,214,648</u>	<u>\$3,222,570</u>

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INTERNAL SERVICE FUNDS

Division: Insurance

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Operation & Maintenance	\$ -	\$462,132	\$437,300	\$567,320
Total	\$ -	\$462,132	\$437,300	\$567,320

Division: Information Systems

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ -	163,617	\$230,858	\$ 366,030
Operation & Maintenance		306,109	260,153	406,450
Charges for Services	-	44,417	42,533	25,250
Capital Outlay	-	9,745	111,230	31,250
Total	\$ -	\$523,888	\$644,774	\$828,980

Division: Support Services

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Operation & Maintenance	\$ -	\$ -	\$ -	\$126,300
Capital Outlay	-	-	-	\$ 5,000
Total	\$ -	\$ -	\$ -	\$131,300



INTERNAL SERVICE FUNDS

Division: Fleet

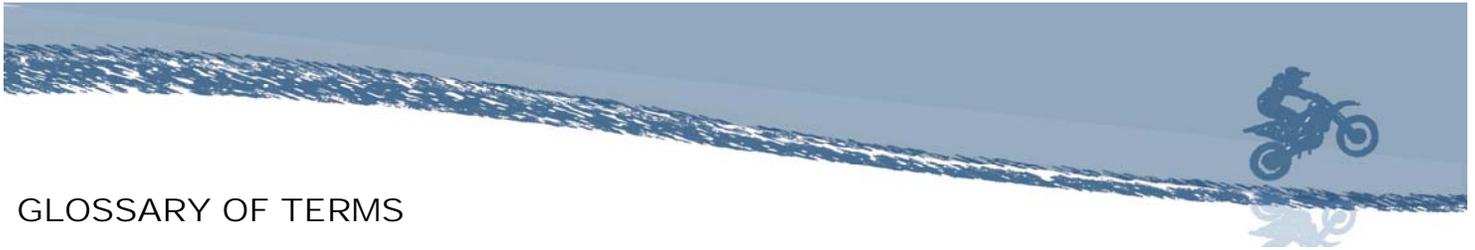
Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ -	\$72,338	\$200,419	\$243,460
Operation & Maintenance		261,364	229,970	229,970
Charges for Services	-	76,198	70,000	70,000
Total	\$ -	\$409,949	\$500,389	\$543,430

Division: Facilities

Funding Source: General Fund

	FY 12-13 <u>ACTUALS</u>	FY 13-14 <u>ACTUALS</u>	FY-14-15 <u>BUDGETED</u>	FY 15-16 <u>PROPOSED</u>
<u>EXPENDITURE SUMMARY</u>				
Salaries & Benefits	\$ -	\$89,119	\$87,072	\$96,910
Operation & Maintenance		197,036	190,150	199,950
Charges for Services	-	12,660	13,650	13,650
Total	\$ -	\$209,696	\$290,872	\$213,600



GLOSSARY OF TERMS

ACCRUAL BASIS - The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the period in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACTUAL - Represents the actual costs from the results of operations.

ADOPTED - Represents the budget as approved by the City Council.

AGENCY FUND - A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

APPROPRIATION - A legal authorization granted by the City Council to make expenditures and incur obligations for specific purposes.

AUDIT - A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

BALANCE SHEET - The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

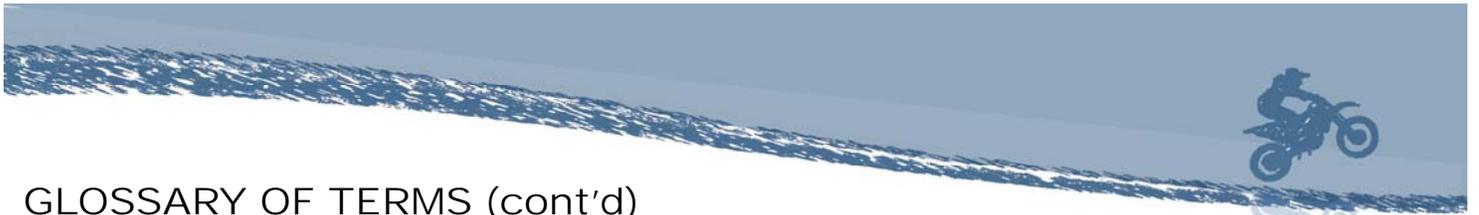
BUDGETARY CONTROL - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

CAPITAL EXPENDITURES - Expenditures resulting in the acquisition of or addition to the government's general fixed assets having a unit cost of greater than \$5,000 and a useful life exceeding five years.

CAPITAL IMPROVEMENT PROGRAM (CIP) - A comprehensive plan which projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvements plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term CIP.

CAPITAL OUTLAY - Expenditures which qualify as capital costs according to accounting standards. This includes furniture, fixtures, machinery, equipment, and other relatively minor fixed assets.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - Funds allocated to local government from the federal government, usually through a local clearinghouse (Riverside County Economic Development Agency), based on a formula, but required to be applied for and required to be used within a broad functional area such as community development.



GLOSSARY OF TERMS (cont'd)

CONTINGENCY - A budgetary reserve set aside for emergency or unanticipated expenditures.

DEBT SERVICE FUND - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Sometimes referred to as a Sinking Fund.

DESIGNATED FUND BALANCE - Management's intended use of available expendable financial resources in governmental fund reflecting actual plans approved by the City Council.

ENCUMBRANCE - Obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, cancelled, or when the actual liability is set up.

ESTIMATED - Represents the original adopted budget plus any approved changes and anticipated year-end adjustments.

EXPENDITURES - Decreases in net financial resources that include current operating expenses that require the current or future use of net current assets, debt services, and capital outlays.

FEES - Charges for specific services.

FISCAL YEAR - The period designated by the City for the beginning and ending of financial transactions. The fiscal year begins July 1 and ends June 30.

FRANCHISE - A special privilege granted by a government, permitting the continued use of public property, such as refuse disposal and cable television, and usually involving the elements of monopoly and regulation.

FULL-TIME EQUIVALENTS (FTE) - The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Most full-time employees are paid for 2,080 hours in a year.

FUND - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances and changes therein which are segregated for the purpose of carry on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

GANN APPROPRIATIONS LIMIT - This term refers to Article XIII B of the California State Constitution that places limits on the amount of proceeds from taxes that state and local governmental agencies can receive and spend each year.

GENERAL FUND - The fund used to account for all financial resources except those required to be accounted for in another fund (i.e., enterprise or grant funds). Usually, the General Fund is the largest fund in a municipality.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - The uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.



GLOSSARY OF TERMS (cont'd)

GOALS - The desired result of accomplishments within a given time frame.

GRANTS - Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

INTERNAL SERVICE FUNDS - A fund used to account for financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

LONG-TERM DEBT - Debt with a maturity of more than one year after the date of issue.

MODIFIED ACCRUAL BASIS - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become susceptible to accrual that is when they become both “measurable” and “available” to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis for accounting.

OBJECTIVES - The necessary steps that need to be accomplished to achieve a desired goal.

OPERATING BUDGET - Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

OPERATIONS & MAINTENANCE - Supplies and other materials used in the normal operations of City departments. Includes items such as books, maintenance materials, and contractual services.

REVENUES - The yield of taxes and other resources of income that a governmental unit collects and receives for public use.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY (SARDA) - Successor agency established due to ABx1 26 which dissolved the Redevelopment Agencies. Established to pay the debts and obligations and to perform the obligated activities of the former Lake Elsinore Redevelopment Agency (RDA).

SPECIAL ASSESSMENT - A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

TAXES - Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges.

TRANSFERS IN/OUT - Authorized exchanges of cash or other resources between funds.

UNDESIGNATED FUND BALANCE - Available expendable financial resources in a governmental fund that are not the object of tentative management plans (i.e. designations).

USER CHARGES/FEES - The payment of a fee for direct receipt of a public service by the party benefiting from the service (i.e., building permit fees, recreation classes).



GLOSSARY OF TERMS (cont'd)

GLOSSARY

Asset-Backed Securities (ABS): Bonds created from various types of consumer debt. The primary types of ABS are mortgages, home equity loans, auto loans, leases, credit card receivables and student loans.

Bankers Acceptance: A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These monies are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Broker: Someone who brings buyers and sellers together and is compensated for his/her service.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

Collateralization: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper: An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City of Lake Elsinore. It includes five combine statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Dealer: Someone who acts as a principal in all transactions, including buying and selling from his/her own account.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivative: Securities that are based on, or derived from, some underlying asset, reference date, or index.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Deposit Insurance Corporation (FDIC): Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

Interest Rate: The annual yield earned on an investment, expressed as a percentage.

Issuer: Any corporation, government unit or financial institution which borrows money through the sale of securities.

Liquidity: Refers to the ability to rapidly convert an investment into cash.

Local Agency Investment Fund (LAIF): A special fund in the State Treasury which local agencies may use to deposit funds for investment. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the LAIF account. The State keeps an amount for reasonable costs of making the investments, not to exceed one-quarter of one per cent of the earnings.

Local Government Investment Pool (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

