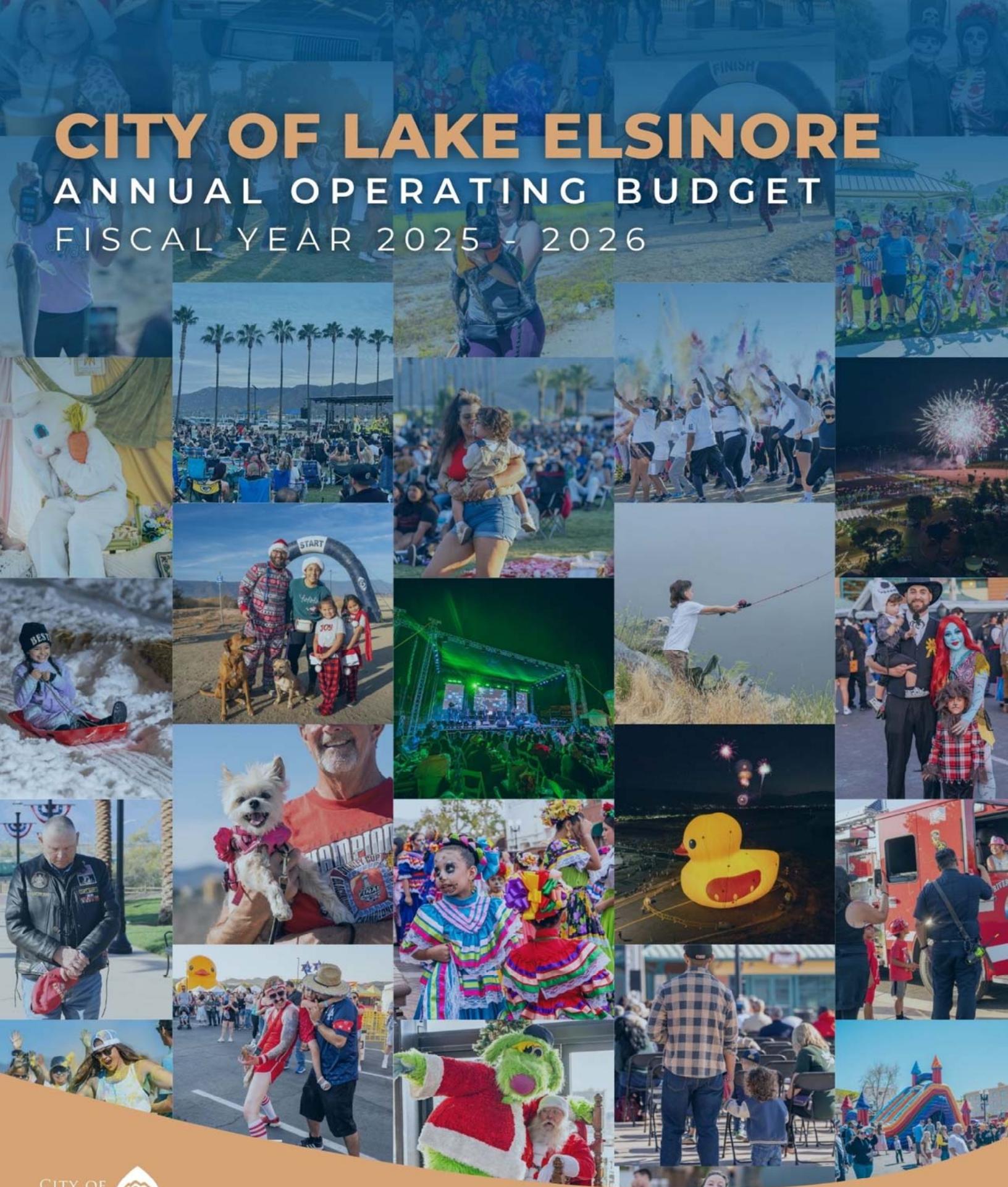


# CITY OF LAKE ELSINORE

## ANNUAL OPERATING BUDGET

FISCAL YEAR 2025 - 2026







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# Introduction



# Transmittal Letter

June 24, 2025

The Honorable Mayor and Members of City Council:

On behalf of City Staff, it is my privilege to present the Annual Operating Budget for FY 2025-2026 for the City of Lake Elsinore. This year's budget represents the City's commitment to providing high-quality municipal services, while supporting our residents and their priorities and making sound financial decisions to remain sustainable. 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. The FY 2025-2026 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 budget that provides for quality services while effectively utilizing available resources.

## **City of Lake Elsinore Profile**

The City of Lake Elsinore is a community comprised of approximately 73,595 citizens. The City maintains 20 parks on 173 acres throughout the community, which provide recreation opportunities for both the citizens of Lake Elsinore, and surrounding communities. Police and Fire protection are provided through a contract with Riverside County. The Lake Elsinore Unified School District provides 25 schools for over 21,000 students. The City of Lake Elsinore prides itself on its community focus and quality of life. Lake Elsinore residents enjoy a 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.

## **Economic Indicators**

The City of Lake Elsinore continues a march of economic expansion and increased economic opportunities for residents within both the community and the region.

- Population: 73,595 July 1, 2024 up 3% from the previous year (Source: United States Census Bureau).
- Unemployment: Lake Elsinore - as of June 2025 is 5.8%, County of Riverside - 6.0%, and State of California - 5.4% (Source: EDD).
- Number of Households: 21,428 in 2025 from 20,951 in 2024.
- Median Household Income: \$124,000 in 2024, up \$27,473 from 2023.
- Median Home Value: \$603,000 in 2024.



## **Impact of Legislation on the Budget**

A number of legislative changes have profound fiscal impacts on the City, including:

### Measure Z

On November 3, 2020, residents of the City of Lake Elsinore voted in favor of Measure Z, a locally controlled one cent, or one percent, transaction and use tax to generate unrestricted general fund dollars to address City service, public safety, and local recovery needs. Measure Z will ensure the City is self-reliant for current public safety needs and is prepared for any health or catastrophic emergency.

Nearly all the sales tax generated locally goes to the State or the County. Measure Z requires all funds to be used in Lake Elsinore, ensuring that a higher percentage of sales tax dollars are local for City services. By law, no Measure Z funds can be taken by the state, county, or federal government.

### California Senate Bill 1383

On January 1, 2022, California Senate Bill 1383 will go into effect, requiring the recycling of organic waste. The law is in response to a statewide effort to reduce emissions of short-lived climate pollutants (SLCP) to achieve the state's climate goals and the 75 percent organic waste diversion goal by 2025. The financial impact to the City's budget is not yet fully known, but it is anticipated that the City will provide administrative oversight for the program and potential economic impacts to commercial development are expected.

Tariffs continue to be a topic of discussion but have not yet had a strong impact on price increases. Inflation, though still elevated, has cooled, but is still concern as food and fuel prices remain high.

## **2025-2026 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 to conducting city business
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.

The City Council established the following FY 2025-2026 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, Education and Service. These guidelines were then used by each Department to develop Short Term Objectives for completion in the upcoming fiscal year and are reflected in the Department Information section of the budget document.

## **Objectives and Performance Measures**

The budget document has been formatted to detail the short-term operational objectives for completion in FY2024-2025, and the performance measures 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 to justify their Proposed Annual Operating Budget submittals. The short-term objectives are detailed by the Department in the Departmental Information section of this budget document.

Each Department section also includes the objectives and performance measures, along with significant accomplishments, and a detail of the expenditure requests and personnel allocation which will be used to meet objectives. The objectives were then used by the departments to identify and justify their Annual Operating Budget submittals.

### **Long-Range Financial Forecast**

Prior to the passage of Measure Z, the ten-year financial projection reflected a structural deficit as expenditures were increasing at a faster rate than revenues. The rising cost of Public Safety was the main cause of the deficit. Currently, the rising cost of Public Safety will continue to weigh on the City's finances. However, new projections that include Measure Z show a budget surplus for the City. A trend that should continue throughout the next ten years.

### **General Fund Analysis**

Fiscal Year 2025-26 Ending Fund Balance is projected to be \$20,841,585. Total Reserves, at 25.5% of expenditures, total \$19,766,904, with another \$1,074,681 as non-spendable.

#### **General Fund Revenue Highlights**

FY 2025-26 General Fund revenues are projected to reach \$77,486,230, an increase of \$4,937,480 or 6.81% from FY24-25 Adopted Budget and reflects continued growth of the local economy. The City has continued to work with the Chamber of Commerce and 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.

- Sales and Use Tax (\$16,127,500) is projected to be a decrease of 2.98% compared to the prior fiscal year.
- Property Taxes (\$12,476,320) are projected to increase, or 5.88%, as a function of continued building activity and as Proposition 8 reassessments continue to reverse increasing the overall assessed valuation of homes in Lake Elsinore.
- Licenses and Permits: (\$3,089,000) are projected to increase by \$369,610 or 13.59%.
- Fees: (\$5,839,040) are projected to decrease by \$249,380 or 4.1%
- Fines & Forfeitures: (\$1,033,860) are projected to increase 12.78% compared to the prior fiscal year approved budget.
- Special Assessments: These special taxes are assessed to all real property owners. They are used for ongoing operation and maintenance of the City's parks, open space, storm drains, street lighting along with public safety services. These assessments are anticipated to be \$7,975,510, an increase of \$1,330,550, which represents 20.02%.
- Franchise Tax: An overall increase of \$721,090 from FY 24-25 to a projected FY 2024-2025. 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.



## General Fund Expenditure Highlights

The City's Operating Budget of the General Fund is projected to be \$77,486,230 in FY 2025-2026. This proposed expenditure level results in an increase of \$4,937,480 or 6.81%. The increase is due primarily to the continuing rising public safety contract costs. The City contracts with Riverside County to provide both Police and Fire Services. Public safety continues to represent the largest single portion of the General Fund operating budget at 49.48%. Proposed expenditures for Police, Fire Services, Animal Control, and Emergency Services total \$38,342,680, an increase of \$4,051,850.

- Police (\$22,384,110) increased by \$2,852,200, or 14.6%, over the prior year.
- Fire Suppression (\$13,250,020) increased by \$1,073,300 or 8.81% over the prior year.
- Fire Prevention (\$939,880) increased by \$29,140 or 3.20% over the prior year.
- Emergency Services (\$530,6220) increased by \$89,200 or 20.21% over the prior year.
- Public Works (\$5,343,470) increased by \$321,370 or 6.40% over the prior year.

## **Major Special Revenue Funds**

Special Revenue Funds are used to account for activities paid by taxes or other designated revenue sources that have specific limitations on use according to law. The top five Major Special Revenue funds are highlighted below for FY 2025-2026.

1. Measure Z: \$17,177,000
2. Launch Pointe: \$4,196,900
3. Measure A: \$2,147,000
4. Citywide L.L.M.D.: \$2,160,230

## **Internal Services Funds**

Internal Service Funds are used to account for the funding of goods and services provided by one department to other benefitting departments on a cost-reimbursement basis. Additionally, the City maintains several Replacement Funds designed to accumulate resources for the future replacement of City equipment, technology, and facilities.

- Insurance Fund: Projected expenses total \$1,229,975, which covers the cost of administering the City's liability, worker's compensation, and property insurance programs.
- Information Technology Fund: Projected expenses total \$2,446,780, which provides for the operation and management of the City's computer and telephone systems.
- Support Services Fund: Projected expenses are \$102,400, which provides for the operation of the City's central printing and mail activities.
- Vehicle and Equipment Fund: Projected expenses total \$1,892,915, which provides for the operation and replacement of City vehicles and heavy equipment that have reached the end of their useful life.
- Facilities Fund: Projected expenses total \$1,185,560, which provides for the operation, maintenance, and replacement of City buildings, equipment, systems, and fixtures within City-owned facilities.

## **Lake Elsinore Public Finance Authority**

The Lake Elsinore Public Finance Authority (LEPFA) 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 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 to 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 purpose of the Lake Elsinore Recreation 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 revenue of certain public obligations. Currently, we do not have active accounts within the Lake Elsinore Recreation Authority.

### **Lake Elsinore Facilities Financing Authority**

On September 13, 2016, City Council formed the Lake Elsinore Facilities Financing Authority consisting of the City and the Parking Authority to issue lease revenue bonds. The use of lease revenue bonds to finance general infrastructure is commonly used by cities in California. Under this financing structure, a joint powers authority is utilized for the sole purpose of issuing bonds for the benefit of the issuer.

### **Successor Agency to the Redevelopment Agency (SARDA)**

SARDA obligations are paid with Property Tax Increment dollars that were formerly allocated to the Redevelopment Agency. Expenditures for FY 2025-2026 total \$13,895,600.

### **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, Facilities, Infrastructure, Park, and Successor Agency projects are identified in the CIP budget with estimated current year costs totaling \$118,916,160.

### **2025-2026 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 authorized positions for FY 2025-2026 is 221, five of which are City Council members, five City Planning Commissioners, five Public Safety Advisory Commissioners, and one Treasurer, leaving 137 regular full-time equivalent positions, 33 unfunded, and 68 part-time positions.

### **Five-Year Forecast**

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 to fund proposed programs, operating costs, and meet the operational requirements of capital improvement projects in the future. For FY 2025-2026, General Fund revenues are projected to match expenditures and transfer out while fully funding the uncertainty



reserve at 20% of total expenditures. The ending fund balance is projected to be \$20,841,585. The value of long-range fiscal planning is to proactively alert decision makers early enough to course-correct, and implement the necessary measures to ensure long-term fiscal solvency. The City of Lake Elsinore is fortunate to only be 30% built out and has a lot of room for future revenue growth. In order to remain fiscally solvent, the City must address these rising public safety costs to ensure ongoing revenues are adequate to cover ongoing expenditures. With the passage of Measure Z, the City is in a better position to meet its future obligations. However, the City will have to study alternative, more cost-effective law enforcement delivery models. Additionally, City management staff created several possible scenarios comprising expenditure reduction measures that will be necessary to balance the General Fund and ensure long-term fiscal solvency.

## **General Financial Policies**

### **Accounting, Auditing, and Financial Reporting Policy**

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 has resulted in an unqualified audit opinion for the past several years.

### **Reserve Policy**

The City Council previously identified an objective of developing and maintaining a reserve in the General Fund for economic uncertainties and contingencies at 20%.

### **Conclusion**

The FY 2025-2026 Operating Budget demonstrates the City Council's continued investment in Public Safety and other services. I am committed to working with the City Council to develop viable solutions in the coming year to ensure that the City's operating revenues are sufficient to cover its operating expenditures, while maintaining adequate reserves.

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 to creating a successful operating budget.

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 the economic quality of the City.

Respectfully submitted,

Jason Simpson

City Manager



# Five Year Financial Forecast - General Fund

In addition to the Annual Operating Budget and Capital Improvement Program, the City of Lake Elsinore also prepares a Five-Year Financial Projection for the General Fund. The long-range forecasts serve as a strategic planning tool to help evaluate the City's ability to meet its long-term obligations. The benefit of long-range planning is to alert decision makers of trends in time to implement changes, if necessary.

## General Fund Revenue

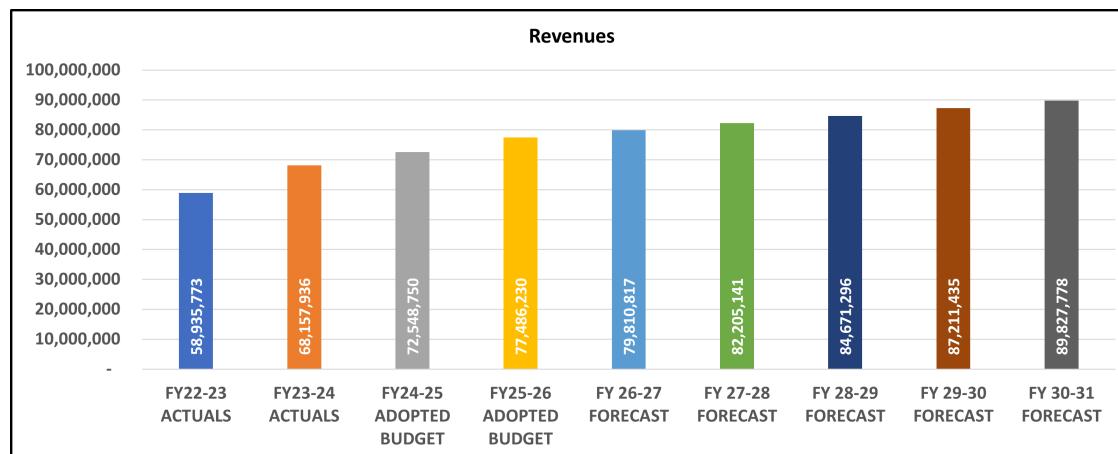
General Fund Revenue is projected by line item using a combination of known information and anticipated trends for the coming five-year period. The City's Budget Team works in tandem with Community Development to identify future projects that could affect revenue levels, such as the addition of new housing developments and commercial establishments. The City also utilizes Sales and Property Tax consultants to assist with identifying statewide trends that may impact City revenues. Revenues were projected at a 3% adjustment rate.

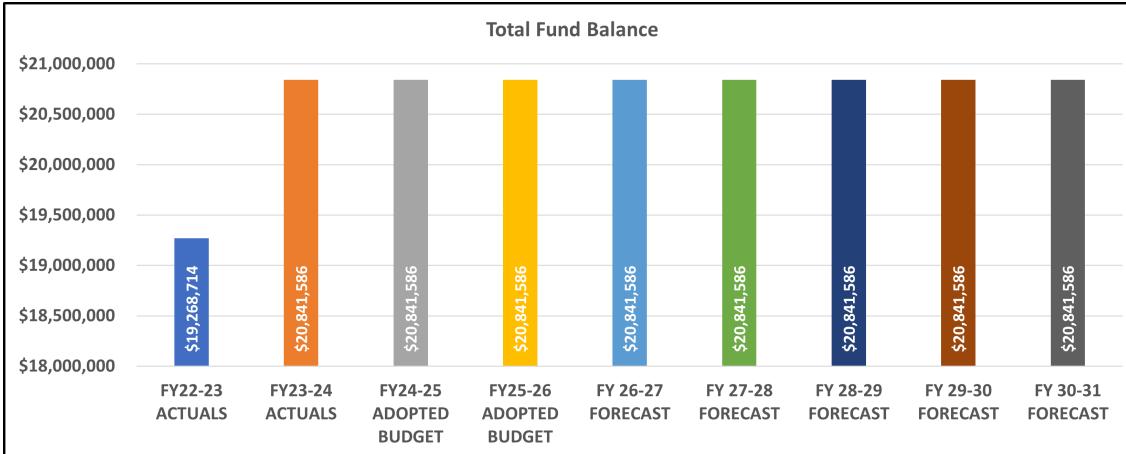
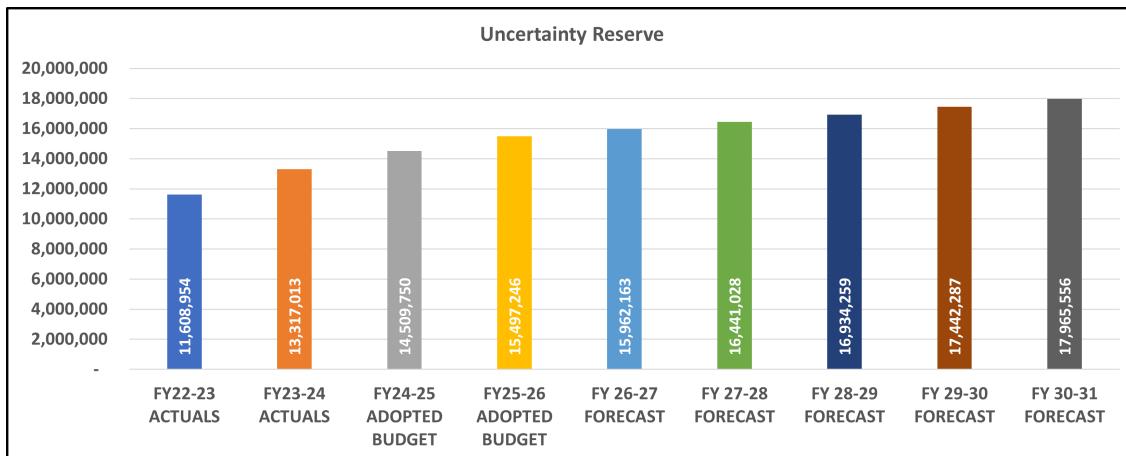
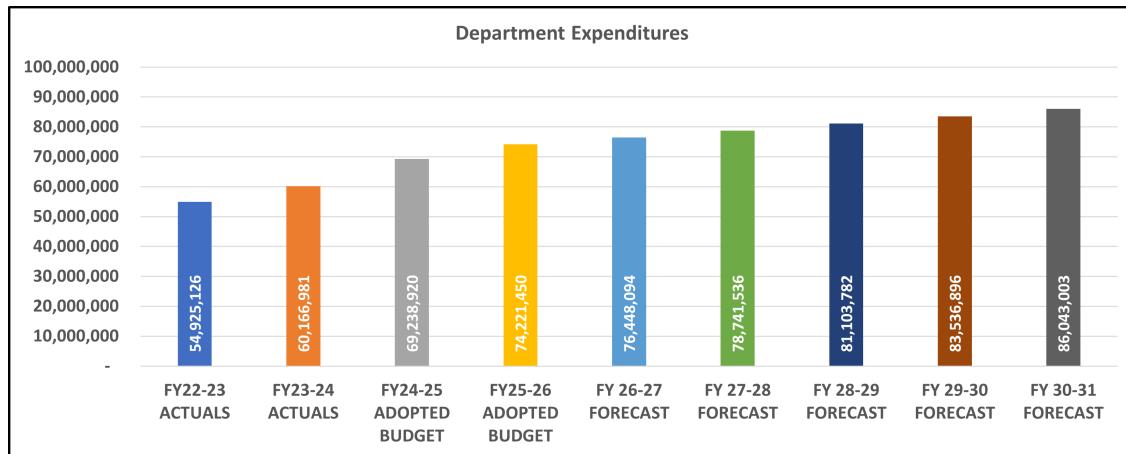
Lake Elsinore's receipts from January through March were 3.6% below the first sales period in 2024. Overall the revenues will be forecasted at a 3% increase from other funding sources.

- Tax revenues – projected based on recent growth trends combined with known changes in the economy, such as the addition of new businesses or hotels.
- Licenses, Permits and Service Charges – projected based on development projects for which the City has received a planning application and is actively pursuing building permits.
- Intergovernmental revenues – projected based on the growth in the City's overall assessed valuation, as this revenue source reflects Property Tax in Lieu of Vehicle License Fees.
- Reimbursements – revenue source primarily reflects the transfer of funds from the Capital Improvement Program (CIP) to reimburse the Public Works department for the administration of the CIP program

## General Fund Expenditures

General Fund Expenditures trends are developed using a number of economic assumptions that are applied to the category of expenditures. For Salary and Benefit projections, the City's Budget Team reflects any anticipated changes in staffing levels, CalPers pension contribution rates, negotiated terms from the City's employment contacts, and Public Safety Contract projections received from the County of Riverside. General fund expenditures were projected at a 3% adjustment rate.





# History of Lake Elsinore

- **Prehistory**

- Luiseno Indians, the earliest known inhabitants, call the lake Entengvo Wumoma, which freely translates into Hot Springs by the Little Sea.
- Native American pictographs can be found on rocks on the Ortega Mountains and samples are also on display at the Historical Society Museum.

- **Settlement**

- Spaniards call the lake Laguna Grande; later part of the Mexican land grant, Rancho La Laguna.
- The 12,832 acres California Rancho is acquired and settled by Don Agustin Machado in 1858.
- Machado's adobe house became part of the historic Butterfield stage route, as a relay station for mail and passengers, and still stands today near Grand Avenue.

- **Founders of Lake Elsinore**

- In 1883, the Machado Rancho is sold to City founder Franklin Heald for \$24,000, realizing a dream that will endure and evolve as the future City of Lake Elsinore.
- City founders include Franklin Heald, Donald Graham, William Collier, and Margaret Collier Graham (sister to William and wife to Donald).
- Margaret picks the name "Elsinore" because she likes the sound, a name taken from Shakespeare's Hamlet.
- It is the first 'brand' of three the City will later adopt.

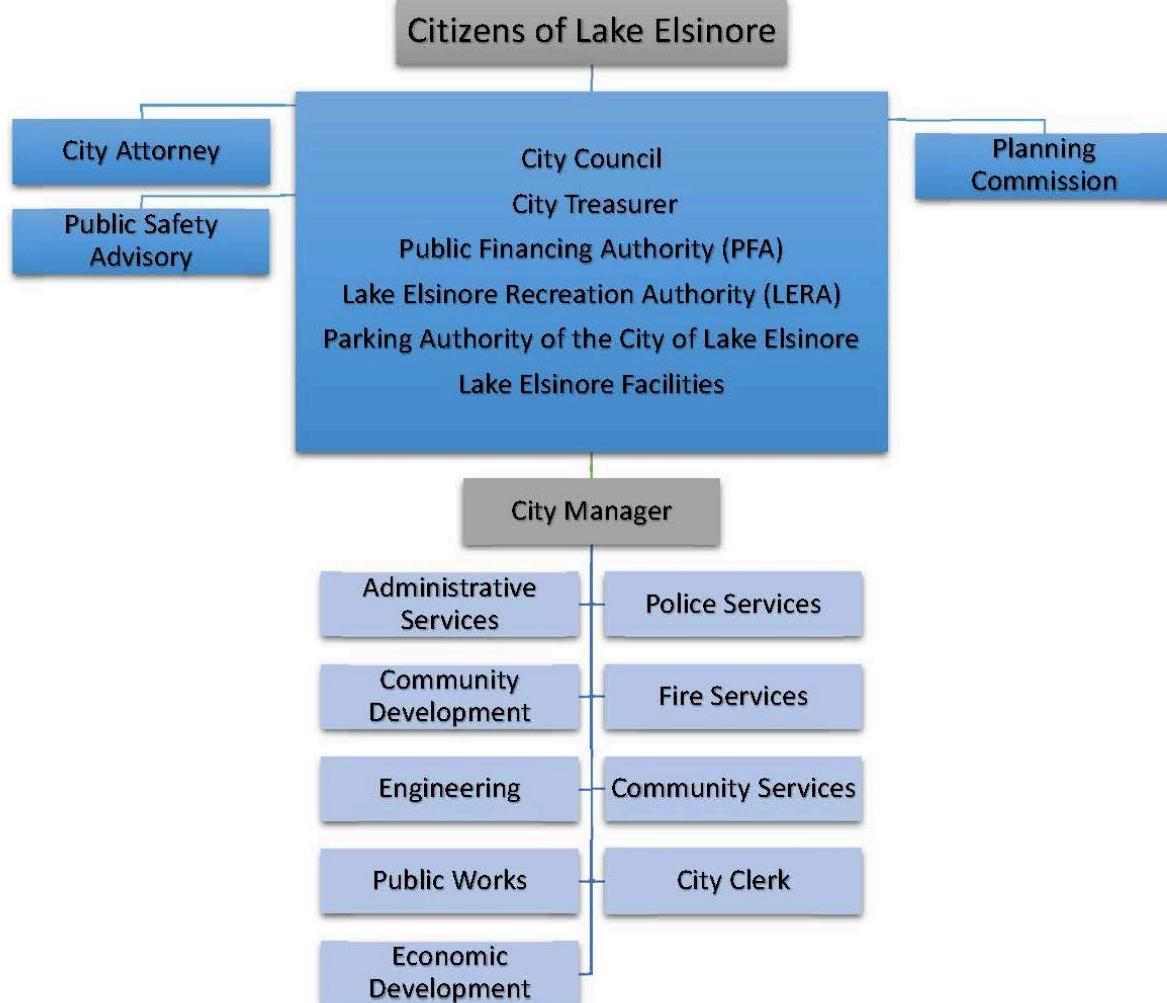
- **Lake Elsinore Becoming a City**

- Residents vote to incorporate on April 9, 1888.
- City officially incorporated on April 20, 1888.
- At the time, Elsinore is in San Diego County.
- In 1893, the City became part of the newly formed County of Riverside.
- In 1888, the city's population was approximately 1,000.



- Industries
  - In 1888, the industries that supported the economy included coal and clay mining, gold mining, ranching and agriculture (fruit, nuts).
  - The Good Hope Mine yields two million dollars worth of gold during working years and is operated on and off for 90 years before high groundwater ends its run.
  - The railroad first served the town in 1885; the Sante Fe train depot still stands at the corner of Graham Avenue and Spring St. and now serves as the Lake Elsinore Valley Chamber of Commerce headquarters.
- A Golden Age
  - The 1920s established Elsinore as a playground for the rich and glamorous.
  - The Valley hosts Olympic teams for training and high-speed boat racing.
- It's the Lake
  - By popular vote, in 1972 citizens approved a new name: the City of Lake Elsinore.
  - This name change is favored as a way to promote the city as a lake-oriented destination area.
  - The state of California Parks and Recreation Department owned the lake and a campground recreation area until 1993, when the lake assets and water rights were turned over to the City and EVMWD.
- Baseball and Beyond
  - Historic Main Street and City Hall are completely renovated in 1989.
    - Currently, the city is in the process of expanding City Hall to accommodate the need for the city.
  - The Lake Elsinore Outlet Center opens in 1991, boasting over 100 factory outlets.
  - Professional baseball comes to town with the opening of the Lake Elsinore Diamond in 1994, home of the Lake Elsinore Storm, an affiliate of the Anaheim Angels and later, with the San Diego Padres
- Dream Extreme
  - A new logo and slogan 'Dream Extreme' were adopted in 2006 to catch the City's image with robust economic progress during the largest growth boom in the City's history.
  - Lake Elsinore's population is nearly 50,000 in 2007.
  - For the third time since the City's founding, a distinctive brand identity is used to position the City for the future: Dream Extreme!
  - Major "big box" retailers and dozens of new retail and commercial businesses opened between 2006 and 2008.
  - In 2008, the City celebrated its 120th anniversary, choosing the theme 'The Spirit of the Dream' to honor the founders and those who have forged the City's progress to date.
  - As one citizen puts it, "Dream Extreme means when you look back on your life 20 years from now, you can say you've lived it your way, and you did it right here, in Lake Elsinore." We couldn't agree more!







### CITY COUNCIL

Brian Tisdale, Mayor

Robert E. Magee, Mayor Pro Tem

Steve Manos

Natasha Johnson

Timothy J. Sheridan

### CITY TREASURER

Edwin Castro

### CITY MANAGER

Jason Simpson

### ASSISTANT CITY MANAGER

Shannon Buckley

130 South Main Street

Lake Elsinore, California 92530

(951) 674-3124

[www.lake-elsinore.org](http://www.lake-elsinore.org)



## Executive Manager

City Manager	Jason Simpson
Assistant City Manager	Shannon Buckley
City Clerk	Candice Alvarez
City Attorney	Barbara Leinbold
City Engineer	Remon Habib
Chief of Police	James Rayls
Fire Chief	Dustin Reed
Director of Community Development	Damaris Abraham
Director of Community Services	Johnathan O. Skinner
Director of Economic Development &	Gina Gonzalez
Legislative Affairs	

## Budget Team

Assistant Admin. Services Director	Brendan Rafferty
Finance Manger	Nancy Lassey
Fiscal Officer	Domenico Piazza
Senior Accountant	Andrew Zavala
Account Specialist	Joanne Jackson
Account Specialist	Matthew Maternowski

# Understanding the Budget

This budget document provides the public with concise and readable information about City government and displays the objectives and budget for the City of Lake Elsinore for FY2024-2025. The budget document is 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 FY2024-2025 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 as recent economic indicators. The introduction section details Lake Elsinore's Mission and Value Statements. The Goals and Objectives provide further detail into the policies, goals and objectives which drive the budget process. These are linked to each Department's goals and objectives. The Locator Map shows 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 and the Finance Team who work daily 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 graphically depicted in the Fund Use by Department section. The Gann Appropriations Limit Section details the appropriations limit for the current fiscal year. Budget and Fiscal Policies outlines City policies related to budget preparation, financial reporting requirements, fund balance and reserves, contingency planning, staffing, asset management/replacement, investments, and financing and debt management. The Budget Process and Budget Calendar sections describe the City's process for preparing this year's Annual Operating budget.

## FINANCIAL SUMMARIES

The Financial Summaries section provides a complete overview and analysis of the total resources budgeted by the organization. There is detail on each specific fund, 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. Fund balance, revenue and expenditure changes are explained in this section as well. Historical and categorical data are provided for comparative purposes.

## DEPARTMENTAL INFORMATION

The Departmental Information Section includes the department/program description, mission statements, and expenditures, staffing levels, goals and performance measures for each operating program in the General Fund and Internal Service Funds.



## 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. 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 project the impacts of proposed programs, operating costs, and capital improvement projects in the future. This forecast assists in long-range planning and policy development by ensuring that resources will be available to meet the needs of our community into the future.

## SUPPLEMENTAL INFORMATION AND APPENDIX

This section provides supplemental financial statistical information such as property tax information, and comparative City information. There is also a glossary of terms to guide the reviewer in understanding this document.

Additional information on the City's finances is available in the following documents, which are available in the [Annual Operating Budget Document](#).

For further information, please contact the Lake Elsinore Administrative Services Department at (951) 674 - 3124.



**CITY OF LAKE ELSINORE**  
**DREAM EXTREME 2040**



The City of Lake Elsinore adopted, in July 2020, the Dream Extreme 2040 Plan. This is the city's first long-term strategic plan to assist the city in its pursuit of achieving its vision. The plan serves as a living document that will be updated regularly to provide a framework to guide all decision-making over the next 20 years by identifying key Anchors, Aspirations, and Strategies. Anchors are the unique community assets and opportunities of Lake Elsinore (The Lake, Downtown, and Action Living). The Aspirations encapsulate what we hope to achieve in Lake Elsinore's future. Finally, the strategies comprise potential actions that the City can implement in order to achieve the aspirations. All strategies relate back to one or more anchors.

Anchors for the City of Lake Elsinore

Anchors are assets that make the City unique—they are what make Lake Elsinore special and what will drive the future of our community. While a wide range of possibilities can be imagined for Lake Elsinore's future, structuring the vision plan around these three anchors helps to guide the City's decision-making and efforts focus on the assets that matter most to the Lake Elsinore community.

- The Lake - The Lake shapes the city's identity, supports an ecosystem rich with natural beauty, and offers unique recreational opportunities. The largest natural freshwater lake in Southern California, Lake Elsinore enables both extreme activities and everyday recreation. As the terminus of the San Jacinto River, Lake Elsinore faces unique ecological challenges. Protecting, enhancing, and celebrating the Lake is critical to Lake Elsinore's City and community health.
- Downtown - Lake Elsinore's Downtown is a vibrant central hub that brings the community together. Enhancing the quality of the Downtown experience and building its strong sense of place will shape the City's identity as a unique place to live, work, and play.
- Action and Adventure - The City has long been a destination for action sports and extreme activities. The community embraces life and dares to push the boundaries to achieve its goals. Lake Elsinore's programs, facilities, and natural environment will define the city as a destination for action and adventure for both visitors and residents.
- In an effort to incorporate our Dream Extreme 2040 Plan into the city's budget process, City of Lake Elsinore departments developed performance measures and long-term goals based on their aspirations.

Aspirations for the City of Lake Elsinore

Aspirations are broad, long-term goals grounded in the three anchors on the preceding page. Aspirations are cross-cutting, meaning they address multiple anchors and serve as organizing principles for what Lake Elsinore will be in 2040.



**Aspiration #1:** Be the destination for the action sports industry in Southern California. Lake Elsinore will be a world-class city known as the destination for extreme sports and outdoor activities in Southern California—the Action Sports Capital of the world, using the following strategies:

Expand investments in extreme sport activities.

Broaden Lake Elsinore's Appeal as a tourist destination.

Proactively attract and grow businesses supporting the City's Dream Extreme vision.



**Aspiration #2:** Grow a vibrant and active city where our residents thrive. Lake Elsinore will be known for its high quality of life, attracting new residents who value diverse housing options, outstanding education opportunities, and high standards of public safety and resilience. A wide range of people – from young families to active retirees—will choose Lake Elsinore as the ideal place to live an active lifestyle and Dream Extreme by implementing the following strategies:



Market the City to corporations, businesses, and developers to attract desired economic and residential development.

Promote public health and strengthen Lake Elsinore's identification as a community for active lifestyles.

Ensure Lake Elsinore is family-friendly.

Identify opportunities to improve transportation networks and reduce transportation-related costs.

Encourage and attract the development of a regional healthcare center.

Increase access to education in Lake Elsinore.



**Aspiration #3:** Foster our natural resources - the Lake and our surroundings are the heart of our community. Lake Elsinore will be a leading example of active urban living. Innovative land management and urban development will integrate natural assets, active living amenities, and the built environment by implementing the following strategies:

Continue efforts to beautify and activate the waterfront, diversify and grow Lake Elsinore's economy.

Increase connections to nature.

Plan for resilience and sustainability.

Improve water management efforts at the Lake.



**Aspiration #4:** Dream Extreme in our City governance, seeking innovative, inclusive, and enduring solutions. Lake Elsinore will set a high standard for innovative governance with streamlined city processes, aided by technology that fosters a fiscally sound future, sustainable economic development, and responsive public service by implementing the following strategies:

Develop community engagement strategies to foster more inclusive city governance.

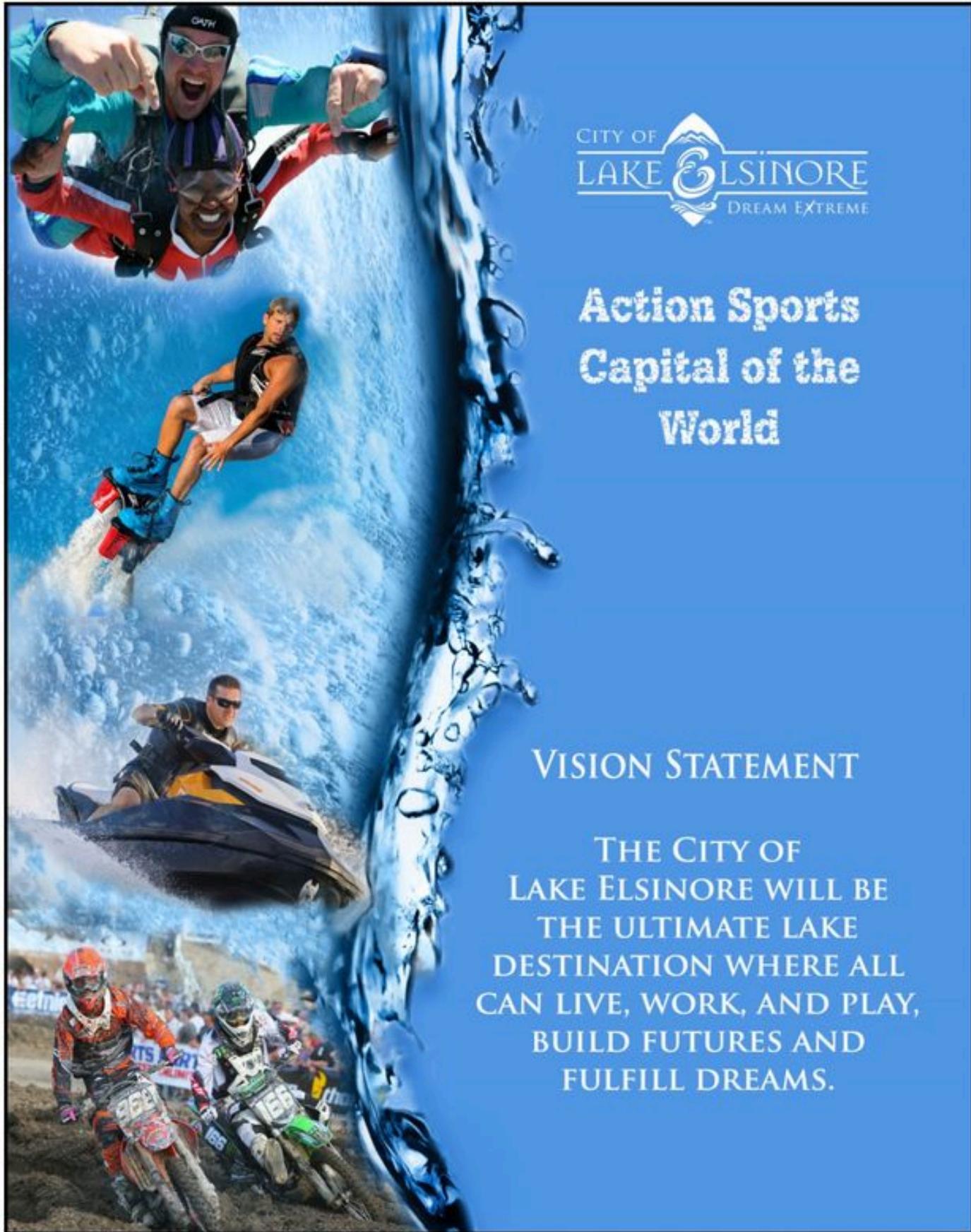
Safeguard the City's long-term fiscal health through boosting and diversifying sources.

Increase partnerships with public, private, or non-profit organizations

Embrace technology to support the delivery of City services.

Allocate public resources effectively and efficiently, creating fiscal models that ensure sustainability.

Continue to build a culture of innovation throughout the organization.



## 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.

# 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

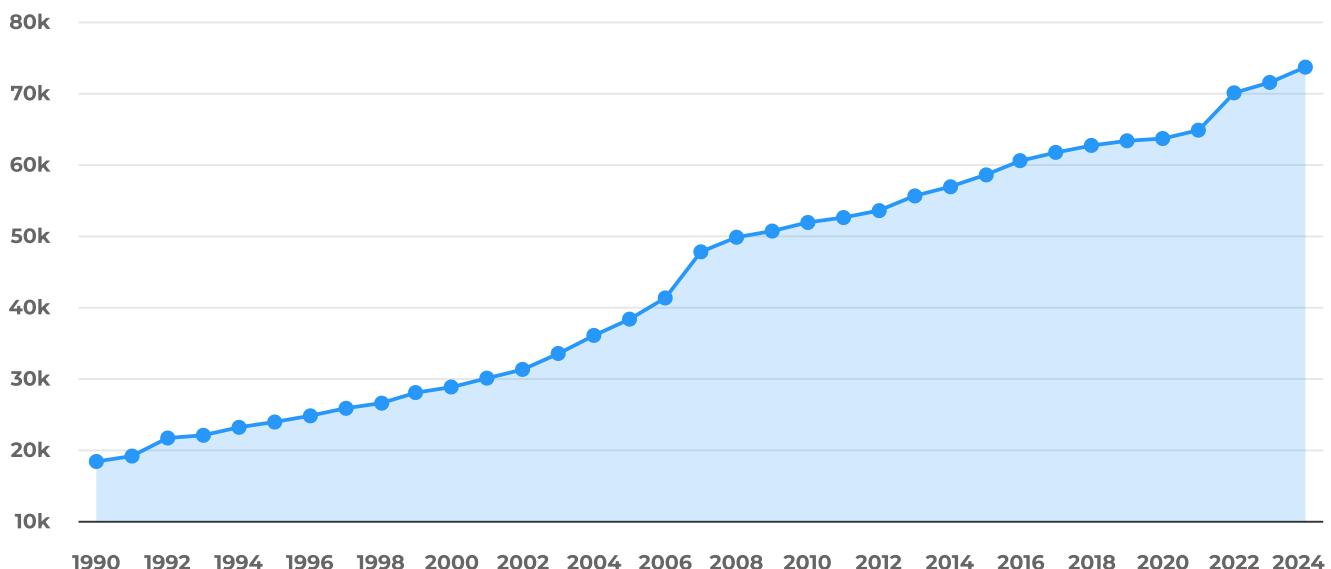
- Make it extremely easy to do business with!
- Providing Extreme Customer Service is our business.





# Demographics

## Population



\* Data Source: Client entered data for year 2024

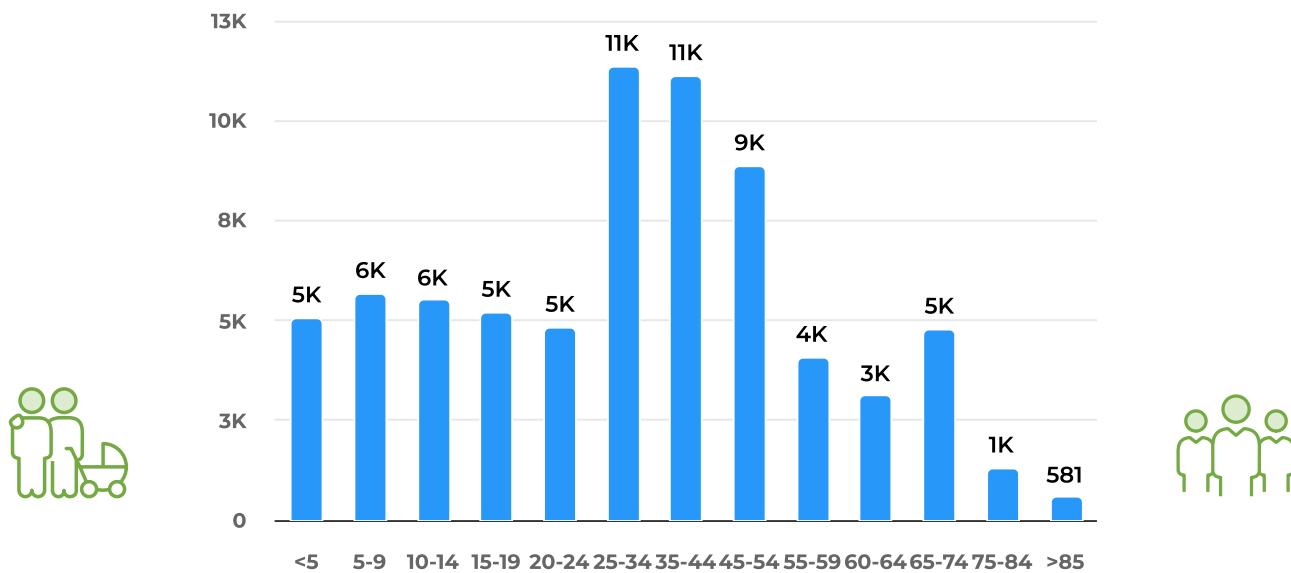


DAYTIME POPULATION  
**57,202**

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

\* Data Source: American Community Survey 5-year estimates

## POPULATION BY AGE GROUP



*Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.*

\* Data Source: American Community Survey 5-year estimates

## Household

TOTAL HOUSEHOLDS

**21,428**

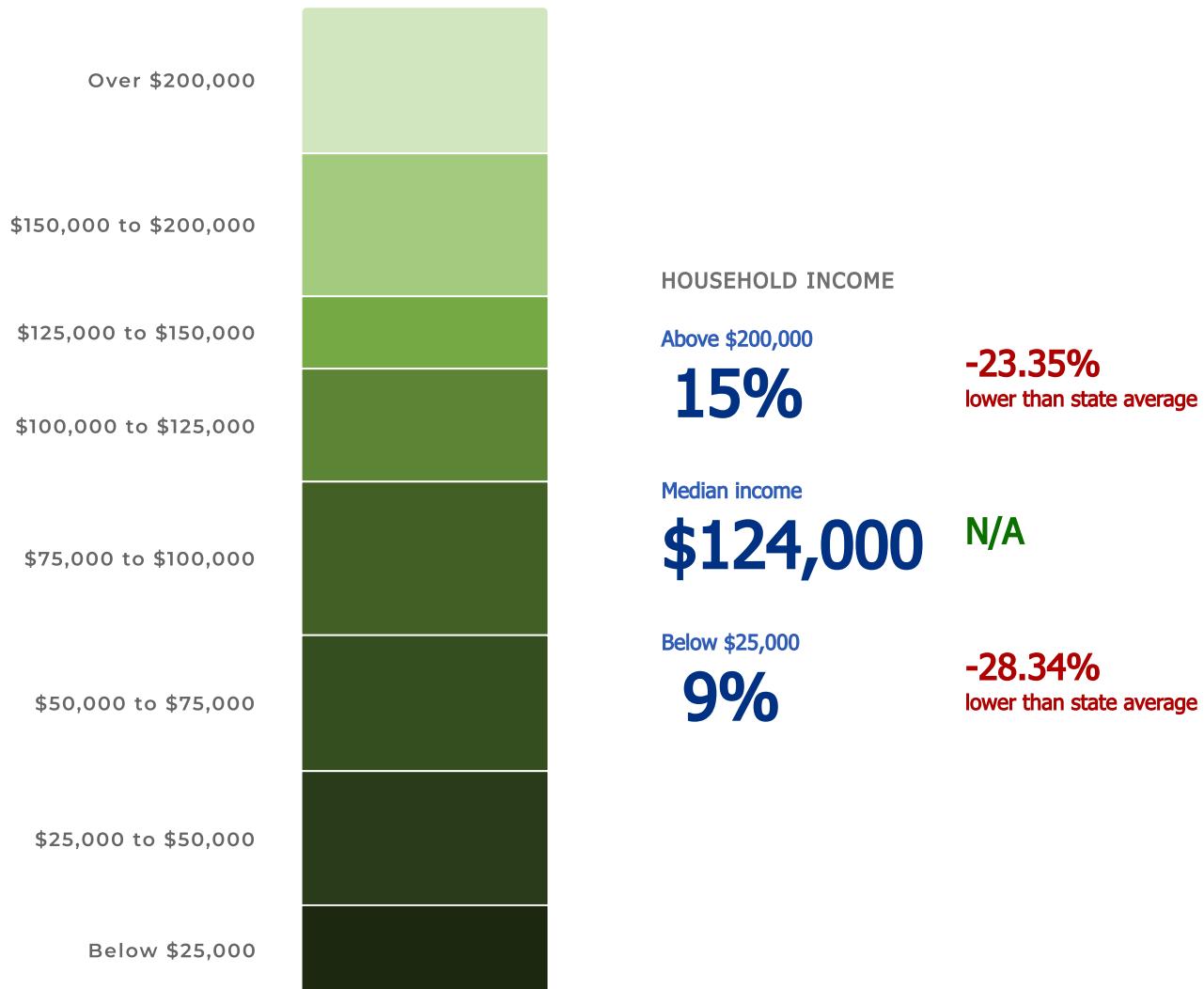
Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.

\* Data Source: Lake Elsinore, CA 2024



## Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



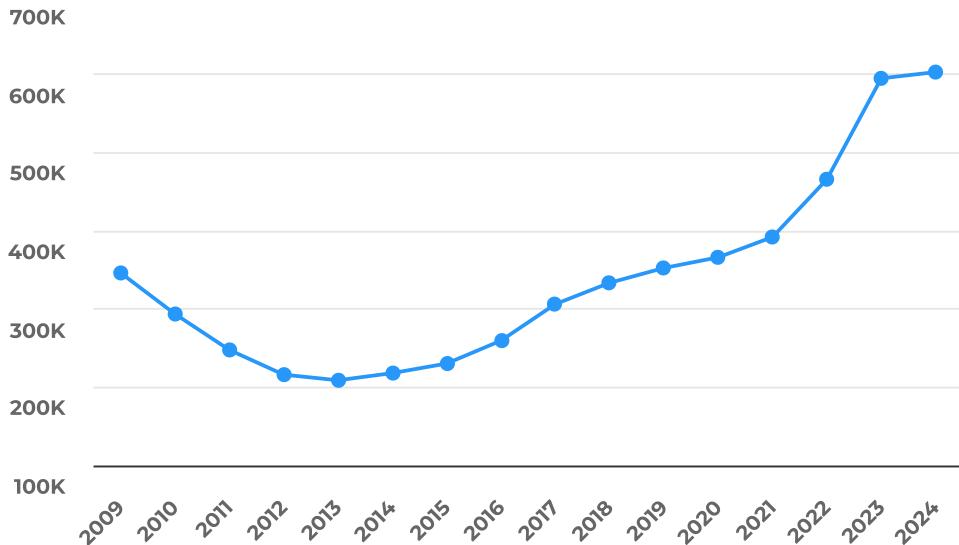
\* Data Source: Lake Elsinore, CA 2024

## Housing



2024 MEDIAN HOME VALUE

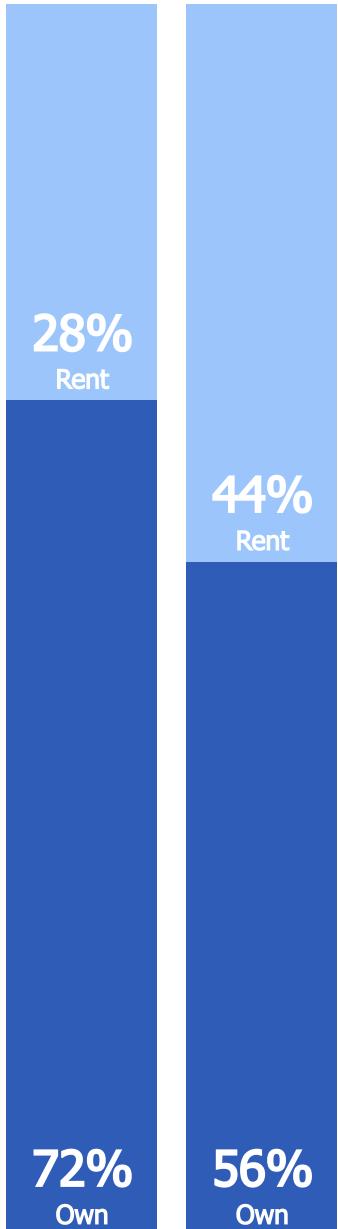
# \$603,000



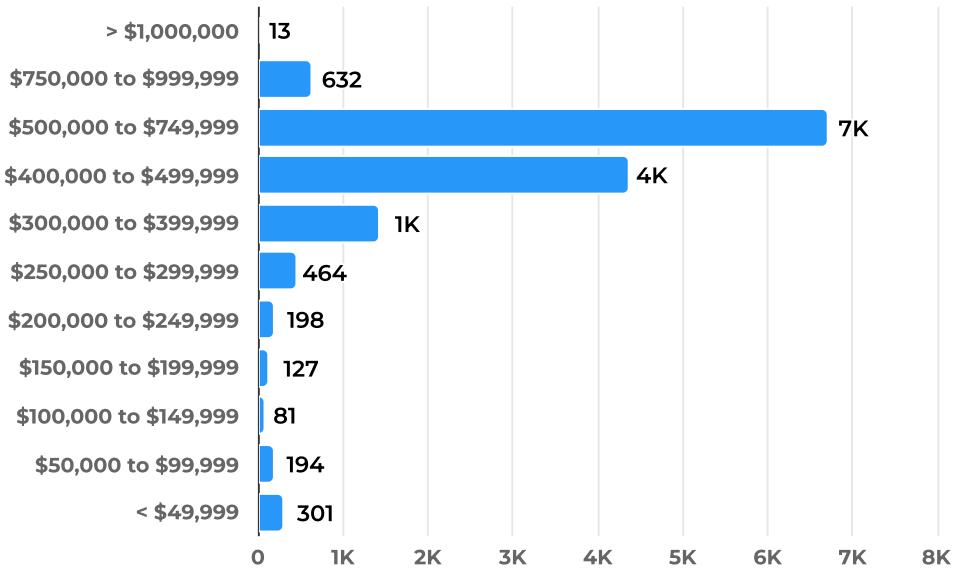
\* Data Source: Lake Elsinore, CA 2024

HOME OWNERS VS RENTERS

Lake Elsinore State Avg.



### HOME VALUE DISTRIBUTION



\* Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.

\* Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.



## Government Finance Officers Association Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Lake Elsinore for its annual budget for the fiscal year beginning July 1, 2024. In order to receive this award, a government unit must publish a budget document that meets program criteria such as a policy document, operations guide, financial plan, and communication device. The award is valid for a period of one year only. The City of Lake Elsinore has received this award since 2016. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

### *Distinguished Budget Presentation Award*

PRESENTED TO

**City of Lake Elsinore  
California**

For the Fiscal Year Beginning

**July 01, 2024**

*Christopher P. Morill*

Executive Director



## FY 2024 - 2025 California Society of Municipal Finance Officers Award

The California Society of Municipal Finance Officers (CSMFO) recognizes those entities with highly professional budget documents with two levels of certificates. The first level is the "Meritorious Budget Award", which requires the entity to meet a very specific list of criteria defined by CSMFO. The second level is the "Operating Budget Excellence Award", which requires that the organization meet even higher criteria, which effectively enhances the usability of the document.

In preparing this year's Fiscal Budget, staff have once again followed CSMFO's criteria. This document will be submitted to the CSMFO for the Fiscal Year 2025-26 budget award.



# Financial Structure, Policies, and Procedures



## Basis of Budgeting

This budget document provides the public with concise and readable information about the City government and displays the objectives and budget for the City of Lake Elsinore for FY2025-2026. The budget document is 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 FY2025-2026 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 as recent economic indicators. The introduction section details Lake Elsinore's Mission and Value Statements. The Goals and Objectives provide further detail about the policies, goals and objectives which drive the budget process. These are linked to each department's goals and objectives. The Locator Map shows graphically where Lake Elsinore lies within the State of California and the Community Profile lists community demographics. The City Directory outlines the Executive Management Team and the Finance Team who work daily 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 graphically depicted in the Fund Use by Department section. The Gann Appropriations Limit Section details the appropriations limit for the current fiscal year. Budget and Fiscal Policies outline City policies related to budget preparation, financial reporting requirements, fund balance and reserves, contingency planning, staffing, asset management/replacement, investments, and financing and debt management. The Budget Process and Budget Calendar sections describe the City's process for preparing this year's Annual Operating budget.

### **FINANCIAL SUMMARIES**

The Financial Summaries section provides a complete overview and analysis of the total resources budgeted by the organization. There is detail on each specific fund, 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. Fund balance, revenue and expenditure changes are explained in this section as well. Historical and categorical data are provided for comparative purposes.



## DEPARTMENTAL INFORMATION

The Departmental Information Section includes the department/program description, mission statements, and expenditures, staffing levels, goals and performance measures for each operating program in the General Fund and Internal Service Funds.

## 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. 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

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## SUPPLEMENTAL INFORMATION AND APPENDIX

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Additional information on the City's finances is available in the following documents, which are available in the [Annual Operating Budget Document](#)

For further information, please contact the Lake Elsinore Administrative Services Department at (951) 674-3124.



**RESOLUTION NO. 2025-38**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE,  
CALIFORNIA, ADOPTING THE FISCAL YEAR 2025-26 ANNUAL OPERATING  
BUDGET AND ESTABLISHING THE CONTROLS ON CHANGES IN THE  
APPROPRIATIONS**

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

**Whereas**, the City of Lake Elsinore (City) Municipal Code Section 3.04.010 defines the fiscal year for the City of Lake Elsinore as extending from July 1<sup>st</sup> of each year to and including June 30<sup>th</sup> 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 2025-26 fiscal year and as amended herein for the 2024-25 fiscal year as attached per Exhibit A to this Resolution.

**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.
- (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, 2025, that are approved by the City Manager, are hereby appropriated for such contracts or obligations for FY2025-26.

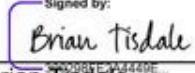
CC Reso No. 2025-38  
Page 2 of 2

(g) The City of Lake Elsinore Annual Operating Budget is hereby approved.

**Section 4.** This Resolution shall take effect immediately upon its adoption.

**Section 5.** The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original Resolutions.

**Passed and Adopted** at a regular meeting of the City Council of the City of Lake Elsinore, California, this 24<sup>th</sup> day of June 2025.

Signed by:  
  
\_\_\_\_\_  
Brian Tisdale  
Mayor

Attest:

DocuSigned by:  
  
\_\_\_\_\_  
Candice Alvarez, MMC  
City Clerk

STATE OF CALIFORNIA      )  
COUNTY OF RIVERSIDE      ) ss.  
CITY OF LAKE ELSINORE      )

I, Candice Alvarez, MMC, City Clerk of the City of Lake Elsinore, California, do hereby certify that Resolution No. 2025-38 was adopted by the City Council of the City of Lake Elsinore, California, at the Regular meeting of June 24, 2025 and that the same was adopted by the following vote:

AYES:    Council Members Manos, Sheridan, and Johnson; and Mayor Tisdale  
NOES:    Mayor Pro Tem Magee  
ABSENT: None  
ABSTAIN: None

DocuSigned by:  
  
\_\_\_\_\_  
Candice Alvarez, MMC  
City Clerk

# Budgetary Fund Structure

## Governmental Funds

### General Fund

#### Special Revenue

Supplemental Law Enforcement Services

Measure Z

The Anchor

American Rescue Plan

Traffic Offender

Affordable Housing in Lieu

Developer Agreement

Gas Tax

Measure A

Senate Bill 821 Bicycle and Pedestrian Facilities Program

Senate Bill 1186 California Disability Access and Education Fee

Traffic Safety

Lighting, Landscape and Maintenance Districts

Geothermal

Community Development Block Grant

National Pollutant Discharge Elimination System

Public Education and Government Grant

Assembly Bill 2766 Motor Vehicle Subvention

Low/Moderate Income Housing



**Debt Service**

2013 Lease Revenue Bonds

2016 Lease Revenue Bonds

**Capital Projects**

Miscellaneous General Projects

Transportation Uniform Mitigation Fee

Total Road Improvements

Development Impact Fees

Storm Drain

Quimby

Traffic Impact Fee

Assessment Districts

Community Facilities Districts

Public Improvement In-Lieu

Diamond Stadium

**Proprietary Funds**

**Internal Service Funds**

Insurance Services

Information Technology Services

Support Services

Fleet Services

Facilities Services

**Enterprise Fund**

Launch Pointe Fund

## Fiduciary Funds

### Private-Purpose Funds

Successor Agency to the Redevelopment Agency (SARDA) Debt Service Fund

Permanent Endowment Trust Fund

### Agency Funds

Developer Deposit Trust

Lake Maintenance

Destratification Equipment Replacement



## Description of Funds

The City of Lake Elsinore's revenues and expenditures are accounted for 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 the 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 by the 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 appropriated funds utilized by the City of Lake Elsinore, governmental, fiduciary, and proprietary, are detailed below. The City of Lake Elsinore details the Capital Improvement Funds in a separate document, although the Capital Improvement Plan and its operating impacts are outlined in this budget document in the Capital Improvement and Debt Section.

### **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 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 balances since the commitments will be paid in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

### **Governmental Funds**

#### **General Funds**

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 purposes:

- **Supplemental Law Enforcement Services Fund (SLESF)** - 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.
- **Measure Z** - This fund is used to track the uses of the one-cent Transactions Use Tax, known as Measure Z, approved by the City of Lake Elsinore voters on November 3, 2020. Measure Z requires all funds to be used in Lake Elsinore, ensuring that a higher percentage of sales tax dollars stay local for City services. By law, no Measure Z funds can be taken by the state, county, or federal government.
- **The Anchor** - This fund is used to account for operating expenditures and revenues received, such as grants from The Anchor, a crisis-stabilization housing complex owned by the City of Lake Elsinore and operated by Social Work Action Group (SWAG) serving chronic homeless individuals from Lake Elsinore, Wildomar and adjacent county areas.
- **Traffic Offender** - 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 an OTS audit.
- **Affordable Housing In-Lieu** - The Affordable Housing Fund contains assets as well as loan and rental income from the former Redevelopment Agency which has been transferred to the City of Lake Elsinore.
- **Developer Agreement** - This fund is maintained to account for developer fees based on developer agreements.
- **Gas Tax** - 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, and 2107.5 of the Streets and Highways Code. This fund also accounts for the gasoline and vehicle taxes pursuant to the Road Repair and Accountability Act of 2017 (SB1). Monies are collected by the State of California and allocated to local agencies for street and road projects and other transportation uses.
- **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 821 Bicycle and Pedestrian Facilities Program** - This fund tracks the grant revenue and expenditures received from RCTC for eligible projects. Each year, 2% of the Local Transportation Fund (LTF) revenue is made available for use on bicycle and pedestrian facility projects through the Commission's SB 821 Program. All the cities and the county are notified of the SB 821 Program estimate of available funding and are requested to submit project proposals. Eligible projects include sidewalks, bike paths (Class I), bike lanes (Class II), bike routes (Class III), and access ramps or curb cuts.
- **Senate Bill 1186 California Disability Access and Education Fee** - This fund collects and tracks the law requiring a State fee of \$4.00 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 to facilitate compliance with Federal and State disability laws.
- **Traffic Safety** - Used to account for revenue generated from enforcement of California vehicle codes and City Ordinances. These restricted funds may be used only for traffic signals, school crossing guards, and other related traffic safety expenditures.
- **Lighting, Landscape and Maintenance District** - These funds account for revenues derived from annual assessments which are used to pay the costs incurred by the City for landscape maintenance and streetlight maintenance. Benefit assessments and a special tax are charged to property owners within the district (City), and funds are received to provide recreation, park development, street lighting, slope maintenance, refuse collection, emergency road construction and maintenance, and library services.

- **Geothermal Fund** - A fund to track expenditures on State grant monies used to maintain hot water wells owned by the City.
- **Community Development Block Grant** - 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 community development activities and projects.
- **National Pollutant Discharge Elimination System** - This is to track fees assessed to property owners for the NPDES program, which is mandated by the federal government. This requires cities to clean up storm water runoff.
- **Public Education and Government Grant** - This fund is used to track the expenditures used to purchase applicable media equipment.
- **Assembly Bill 2766 Motor Vehicle Subvention** - State funds that are available to implement programs and projects that reduce air pollution from motor vehicles.
- **Low/Moderate Housing** - This account is used to track low and moderate-income projects, expenditures for this fund are restricted to low- and moderate-income housing projects.
- **American Rescue Plan** - This bill provides additional relief to address the continued impact of COVID-19 (i.e., coronavirus disease 2019) on the economy, public health, state and local governments, individuals, and businesses.

### **Debt Service Funds**

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

- **2013 Lease Revenue Bonds** - This account is used to account for the payment of interest and principal of the refunding of the Variable Rate Revenue Refunding Bonds 2000 Series A. The 2000 Revenue Bonds were originally issued in the amount of \$15,660,000 to finance the purchase of the lake from the State of California and the transfer of the Lake Elsinore recreation area and developing the levee and flood control facilities.
- **2016 Lease Revenue Bonds** - This account is used to account for the payment of interest and principal of the Lake Elsinore Facilities Financing Authority Lease Revenue Bonds, Series 2016A. The bonds were issued in the amount of \$10,410,000 to finance the acquisition and construction of Launch Pointe.

### **Capital Project Funds**

Capital project funds are used to account for financial resources to be used for the acquisition or construction of capital improvement projects and redevelopment projects and administrative expenses.

- **Miscellaneous General Projects** - This is to account for miscellaneous general projects of the City.
- **Transportation Uniform Mitigation Fee** - 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 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.
- **Total Road Improvement Program** - To account for projects related to road improvements, financed by debt proceeds.

- **Development Impact Fees** - These funds are used to track revenues and expenditures of fees collected by developers to mitigate the impact of new development on the level of service capacity.
- **Storm Drains** - To account for the capital improvements to upgrade the storm drains within the City that are financed by development fees.
- **Quimby** - These funds are for the improvement and development of parks that are financed by development fees.
- **Traffic Impact Fee** - This account is to track revenues and expenditures of fees collected by developers to mitigate the impact of new development on traffic.
- **Assessment Districts** - To account for the receipt of special assessments and taxes that will be used to pay interest and principal on bonds
- **Community Facilities District** - These funds are established by the City as a means of obtaining community funding to be used to pay for public works and other public services, maintenance, new construction, and debt service payments.
- **Public Improvement In-Lieu** - This fund accounts for special designated improvements to City property, financed by developer fees.
- **Lake Elsinore Diamond Stadium** - This fund is used to track revenue and expenditures for Lake Elsinore Diamond Stadium. The Successor Agency is the owner of the Lake Elsinore Diamond Stadium, which will require significant capital repairs and maintenance in future years.

## 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 Services** - This Internal Service Fund was established to fund and account for the City's liability, worker's compensation, and property insurance costs.
- **Information Technology** - This Internal Service Fund was developed to fund and account for computer and telephone systems 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. This fund was also formed to account for computer and telephone accumulated depreciation from future equipment purchases.
- **Support Services** - This Internal Service Fund was established as a cost center for the City's central duplicating, printing, and mailing activities.
- **Fleet Services** - 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 Services** - This Internal Service Fund was established to account for the cost of the City Facilities operations and maintenance.

### Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a

continuing basis be financed or recovered primarily through user charges.

- **Launch Pointe** - This Fund was established to account for the cost of the operations and maintenance of the new campground.

## 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) Debt Service Fund** - This fund is used to account for payment obligations of the Successor Agency as a result of the State's dissolution of Redevelopment Agencies.
- **Endowment Trust Fund** - This fund is to account for assets held by the City in a trustee capacity for the Adolph Korn Estate. Money is held for build a nurses' home for the proposed medical facility in the City. Until that time, interest earnings from the estate were used as a scholarship fund for college tuition for students seeking a degree in the nursing field.

### Agency Funds

Agency Funds are a fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or funds.

- **Developer Deposit Trust** - This fund is used to account for receipts of deposits paid by developers.
- **Lake Maintenance** - This fund is used to account for receipts made by Elsinore Valley Municipal Water District and the City to jointly fund the purchase of water to keep the lake level stabilized.
- **Desratification Equipment Replacement** - This fund is used to account for receipts made by Elsinore Valley Municipal Water District, Riverside County, and the City to replace equipment for the axial flow pump desratification system in the lake.

# Fund Use by Department

FUNDING SOURCE BY DEPARTMENT	OPERATING DEPARTMENTS																	CIP								
	City Council	Community Support	City Treasurer	City Clerk	City Attorney	City Manager	Finance	Human Resources	Police Services	Fire Services	Fire Prevention	Animal Services	Emergency Services	Planning & Zoning	Building & Safety	Code Enforcement	Economic Development	Engineering	Public Works	Park Maintenance	Lake Maintenance	Community Center	Recreation	Senior Center	Launch Pointe	Insurance
<b>Governmental Fund</b>																										
Fund 100 General Fund	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
<b>Special Revenue Funds</b>																										
Fund 101 SLESF													●													
Fund 102 Measure Z	●								●	●	●	●		●	●	●									●	
Fund 104 Traffic Offender									●																	
Fund 108 American Rescue Plan																										
Fund 110 Gas Tax																		●								
Fund 112 Measure A																										
Fund 113 SB821																										
Fund 114 SB1186																										
Fund 115 Traffic Safety									●					●	●											
Fund 130 & 135 LLMD Districts																										
Fund 155 NPDES																										
Fund 160 PEG																										
Fund 606 AB2766																										
<b>Debt Service Funds</b>													●													
Fund 602 LERA 2013																										
Fund 402 LEFFA 2017																			●							
<b>Capital Projects Funds</b>																										
Fund 105 Miscellaneous General Fund																										
Fund 111 TUMF																										
Fund 121 TRIP																										
Fund 116-120 & 232 DIF																										
Fund 211 Storm Drain Fee																										
Fund 221 Quimby																										
Fund 205 Traffic Impact																										
Fund 352 & 393 Assessment Districts																										
Fund 330-350, 354-396, 650-655 CFD's																										
Fund 605 Public Improvement In-Lieu																										
Fund 540 Diamond Stadium																										
<b>Internal Service Funds</b>																										
Fund 300 Insurance	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Fund 305 Information Technology	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Fund 310 Support Services	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Fund 315 Fleet	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Fund 320 Facilities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Enterprise Fund</b>																										
Fund 180 Launch Pointe																			●							
<b>Agency Funds</b>																										
Fund 630 Lake Maintenance																			●							
Fund 631 Destratification Equipment																			●							

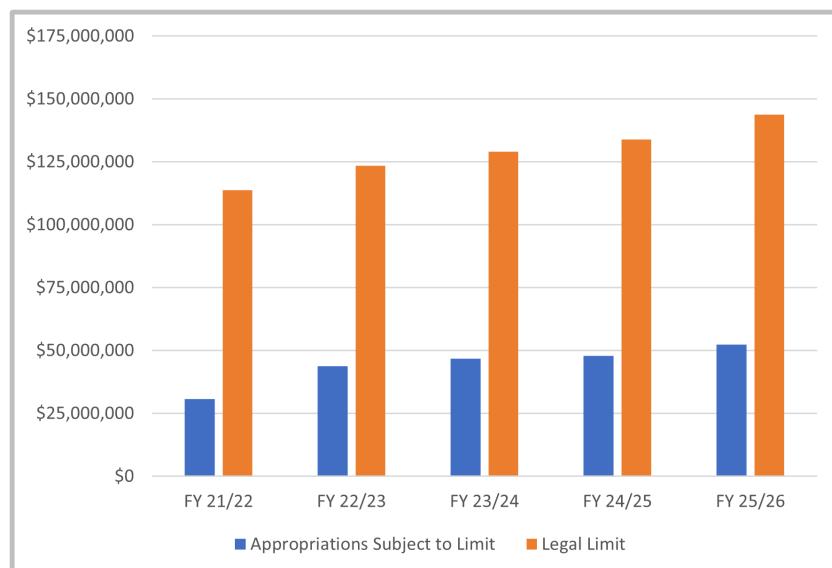


## GANN Appropriations Limit

Article XIIIIB 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 FY1978-1979, the voters set the initial appropriations limit at the time of incorporation. Proposition 111 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.

Fiscal Year 2024-25 Appropriation Limit	\$133,841,190
City Population Growth	1.01%
Per Capita Personal Income Change	1.06%
Fiscal Year 2023-24 Appropriations Limit	\$143,842,430

Appropriations subject to the limit in the FY2025-26 budget totaled \$52,399,860, which is \$91,442,570 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 \$91,442,570 variance indicated. Further, any overall actual receipts from tax sources greater than \$91,442,570 from budget estimates will result in proceeds from taxes in 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.



# Budget and Strategic Planning Process

## ANNUAL OPERATING BUDGET (AOB)

The Annual Budget sets forth 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's 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 annual proposed 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 annual proposed budget is presented at one of the City Council meetings during the month of June of each year for adoption.

## FIVE-YEAR FINANCIAL FORECAST

The City will prepare a five-year financial forecast 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. 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. 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 the main current service levels.

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 an annual update and review of its underlying assumptions to keep the City in a position of strong fiscal condition.

### **CAPITAL IMPROVEMENT PLAN (CIP)**

The purpose of the 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 to determine the total cost of each project before it is undertaken.

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. Each proposed project is reviewed and discussed, ensuring 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.

The capital improvements presented in the budget are the City's major projects, which exceed \$30,000 in cost, have long-term life spans, and are generally non-recurring. These projects include land and right of way acquisition, design, construction or rehabilitation of public buildings or facilities, public infrastructure design and construction, park design and construction, and redevelopment projects.

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.

Projects must identify a benefit. In determining the relative merit of a proposed project, key management team members evaluate projects for feasibility, community enhancement, infrastructure and historic preservation, and safety.

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, Facilities, Infrastructure, Parks, and SARDA/Housing) are assigned in accordance with the following guidelines:

**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.

**LEVEL II:** The project is important and addressing it is necessary. The project impacts safety, law enforcement, health, welfare, economic base, and quality of life.



LEVEL III: The project will enhance the 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.

Future Years Projects: The project will be an improvement for the community but does not necessarily need to be completed within a five-year capital improvement program timeframe.

The administrative costs associated with managing CIP projects are estimated (generally as five to ten percent of estimated construction costs) and included in each project budget.

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.

The City's annual CIP appropriation for study, design, acquisition and/or construction is based on the projects designated by the Council CIP Plan. Adoption of the CIP Plan appropriation does not automatically authorize funding for specific project phases. This authorization 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 the 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:

- Eliminate the project;
- Defer the project for consideration in the next CIP Plan period;
- Re-scope or change the phasing of the project to meet the existing budget;
- Transfer funding from another specified, lower-level ranking project;
- Appropriate additional resources as necessary from fund balance.

Project accounts, which have been appropriated, will not lapse until completion of the project phase. Project phases will be listed as objectives in the program narratives of the programs which manage the projects.

All projects are evaluated 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. The proposed Circulation, Facilities, Infrastructure, Park, and Successor Agency/Housing projects are reviewed and approved by the Planning Commission.

# Financial Reporting

## ANNUAL REPORTING

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. The City will use generally accepted accounting principles in preparing its annual financial statements and will strive to meet the requirements of the GFOA's Award for Excellence in Financial Reporting program. The City will issue audited financial statements within 180 days of year-end.

## BUDGET ADJUSTMENTS

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 the State Controller Report and Street Reports.



# Fund Balance and Reserves

## FUND BALANCE POLICY

Fund balance represents the accumulation of actual revenues and other financing sources in excess of 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 balances are often referred to as "reserves".

## RESERVE FOR ECONOMIC UNCERTAINTY

The City will maintain a minimum fund balance of at least 17.5% of operating expenditures in the General Fund, in order to adequately provide resources in the event of an unexpected draw on City finances. Eligible uses of these reserve funds include:

- Expenditures due to local disasters/acts of nature
- Loss of major revenue source(s) due to financial hardship or economic downturn
- State-imposed take of local revenue/mandated payments
- Significant unanticipated expenditures
- Significant payout of Comprehensive Annual Leave for employees leaving City service

## 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 COMPONENTS

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. The Policy also authorizes and directs the Director of Finance to prepare financial reports and categorize fund balances per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

There are five separate components of fund balance which identify the specific purposes for which amounts can be spent: (1) Nonexpendable Fund Balance – inherently nonexpendable; (2) Restricted Fund Balance – externally enforceable limitations on use; (3) Committed Fund Balance – self-imposed limitations on use; (4) Assigned Fund Balance – limitation resulting from intended use; (5) Unassigned Fund Balance – residual net resources.

- Nonexpendable Fund Balance - 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.
- Restricted Fund Balance - Amounts for a specific purpose that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments' regulations; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - 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 fiscal reporting period. 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 20% of the 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.
- Assigned Fund Balance - Amounts that are constrained for specific purposes, but are neither restricted nor 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 Finance Director in consultation with the City Manager for the purpose of reporting these amounts in annual financial statements.
- Unassigned Fund Balance - Residual net resources of the General Fund in excess of what can be classified as one of the other four categories.

#### **HIERARCHY OF SPENDING FUND BALANCE**

Restricted fund balance should be spent first when an expenditure is incurred for which both restricted and unrestricted fund balances are 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.

## Contingency Planning

In response to adverse financial and economic conditions that could negatively impact the City's fiscal health, a Contingency Plan will provide for a measured response to potential fiscal challenges, as opposed to reactionary decision-making that could hinder the long-term financial solvency of the City.

In accordance with Budget Policies, the City will strive to maintain reserves in the amount of 20% of General Fund operating expenditures. Eligible uses of these reserve funds are outlined in the policy. However, this Contingency Plan will address the hierarchy of utilizing reserve funds, in the event the City experiences significant or sudden fiscal constraints.

The type of fiscal challenge will dictate the appropriate budgetary measures to implement in order to ensure solvency. If the fiscal constraint cannot be absorbed by annual budgetary savings, the following hierarchy shall be followed: One-Time Events and Ongoing Fiscal Constraints.

- One-Time Events - In the event the City is faced with a non recurring fiscal constraint, such as a state-mandated payment or a natural disaster, the use of reserve funds is an appropriate mitigation. The Reserve for Contingencies shall be utilized first, and fully exhausted prior to utilizing the Economic Uncertainty Reserve.
- Ongoing Fiscal Constraints - In the event the City experiences the loss of a major revenue source outside the City's control (i.e. acts of legislation, corporate decisions and/or economic downturn), the City will need to adjust its operations in order to maintain a balanced budget. Circumstances may arise when the City is unable to react quickly enough to offset a sudden loss in revenue, and will be required to utilize reserves to supplant the current Operating Budget. The Reserve for Contingencies shall be utilized first, and fully exhausted prior to utilizing the Economic Uncertainty Reserve. Continued use of reserve funds should not exceed two budget cycles, to allow adequate time for the implementation of operational changes, while limiting the ongoing dependency on reserves. Implementation of Contingency Plan actions requires the majority approval of the City Council.



# Staffing Policy

## REGULAR STAFFING

The budget will fully appropriate the resources needed for authorized regular staffing. Regular full-time benefitted employees will represent the core work force and the preferred means of staffing ongoing, year-round program activities and services. The City will strive to provide competitive compensation and benefit schedules for its authorized regular work force. Each regular employee will fill an authorized regular position; receive salary and benefits consistent with City Council approved labor agreements.

To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:

- City Council will authorize all regular positions.
- The Human Resources Department will coordinate and approve the hiring of all regular employees.
- Supplement core staff with a balanced workforce consisting of part-time, contract and independent contractors.
- 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.
- 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.
- The City will make every effort to conduct an internal recruitment to fill regular positions. The City will evaluate the advantages and disadvantages of conducting an internal recruitment versus an external recruitment on a case-by-case basis.

## PROJECT STAFFING

The hiring of project employees will not be used as an incremental method for expanding the City's regular work force. 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, interns and work-study assistants. 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 for up to one year at a time 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 Administrative Services Department.

## TEMPORARY STAFFING

Temporary Staffing agencies can be contacted only in the case of a short-term assignment such as sick leave, disability leave, maternity leave, etc. 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**

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

## **OVERTIME MANAGEMENT**

Overtime should be used only when necessary and when other alternatives are not feasible or cost effective. All overtime must be pre-authorized by a Department Director or delegated in accordance with existing policy. Departmental operating budgets should reflect anticipated annual overtime costs and departments will regularly monitor overtime use and expenditures.

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: the duration that additional staff resources may be needed; the cost of overtime versus the cost of additional staff; the skills and abilities of current staff; training costs associated with hiring additional staff; the impact of overtime on existing staff; and the impact on quality of services.

## **INDEPENDENT CONTRACTORS**

Independent contractors are not City employees. They may be used in two situations: short-term, peak workload assignments and construction of public works projects.

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 Administrative Services Department.

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:

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



- Stimulating creativity, innovation, and individual initiative.
- Reducing the administrative costs of operation by eliminating unnecessary review procedures.
- Improving the ability of the organization to respond to changing needs and identify and implement cost saving programs.
- Assigning responsibility for effective operations and citizen responsiveness to the department.

### **PRIVATE SECTOR CONTRACTS**

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. Private sector contracting approaches under this policy include construction projects, professional services, outside employment agencies and ongoing operating and maintenance services. 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.

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. 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.

Within the general policy guidelines stated above, the cost effectiveness of contract services in meeting established service levels will be determined on a case-by-case basis using the following criteria:

- Is a sufficient private sector market available to competitively deliver this service and assure a reasonable range of alternative service providers?
- Can the contract be effectively and efficiently administered?
- What are the consequences if the contractor fails to perform, and can the contract reasonably be written to compensate the City for any such damages?
- Can a private sector contractor better respond to expansions, contractions, or special requirements of the service?
- Can the work scope be sufficiently defined to ensure that competing proposals can be fairly and fully evaluated, as well as the contractor's performance after bid award?
- Does the use of contract services provide us with an opportunity to redefine service levels?
- Will the contract limit our ability to deliver emergency or other high priority services?
- Overall, can the City successfully delegate the performance of the service but still retain accountability and responsibility for its delivery?

### **GOVERNMENT SERVICE CONTRACTS**

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.

The metric of one officer per 1,000 residents is an outdated measure of service. It does not accurately reflect the service levels needed by communities, given each City's unique characteristics. To gauge the effectiveness and need

for additional police services, cities must regularly review crime statistics, trends, and response times. The City contracts with Riverside County Sheriff's Department for police services. Under this contract the City maintains 130.8 hours of law enforcement services a day. Due to facing millions in law enforcement cost increases, the City has been unable to increase this service level for more than a decade. However, in recent years, we have refocused our service priorities to include Community-Based Policing, Problem-Oriented Policing, and Special Enforcement Teams to tackle critical quality of life issues. 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.

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.

### **REGIONAL CONTRACTS**

A regional approach to public services leverages economies of scale to improve outcomes and services to the citizens. Therefore, prior to entering 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. 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).



# Asset Management and Replacement Policy

## ASSET MANAGEMENT AND REPLACEMENT (AMR)

AMR is the practice of strategically managing the life cycle of the City's capital infrastructure to achieve the greatest return on every tax dollar invested. The capital infrastructure's life-cycle includes how the asset is planned, designed, constructed, operated, maintained, replaced, and disposed of. Capital infrastructure includes streets, roads, public facilities, parks, and drainage facilities.

- Streets and Roads - Assets related to the provision of transportation (e.g., pedestrians, bicycles, and vehicles)
- Public Facilities - Building and land assets used for a diverse range of services, including community services, recreation, accommodation, and municipal administration.
- Parks - Assets which provide opportunities for organized and informal recreation activities, provide aesthetic and cultural value to the community, and provide public spaces for social interaction.
- Drainage Facilities - Assets which provide a measure of flooding protection to the community from storm water runoff and those assets which improve the water quality of the runoff going into main drains and waterways.

## PROCESS

As assets age, their performance will deteriorate. Therefore, a process must be applied to determine when the ability of an asset to meet service standards deteriorates to an unacceptable level. This means considering all management options and strategies as part of the asset lifecycle, from planning to disposal. The objective of managing the assets in this manner is to look at long-term cost impacts when making asset management decisions. The AMR Plan is based on applicable management studies, best practices, and analysis and should be updated every five years. The actual replacement of assets is dependent on staff analysis and recommendation after a review of any variables.

## POLICY

The purpose of the Asset Management and Replacement Policy (AMRP) is to demonstrate the City's commitment to the responsible management of the City's capital infrastructure. The Policy ensures adequate provisions are made for the long-term replacement of the City's capital infrastructure by:

- Incorporating appropriate asset management best practices to ensure that the City delivers the highest appropriate level of service through its assets;
- Applying transparent and responsible financial management of City assets.
- Meeting or surpassing legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.

## FUNDING STRATEGY

The funding of the AMRP will be based on:

- An evaluation of available funds in the General Fund, Special Reserve Funds, and the Internal Service Funds;
- A comparison of available funds against the requirements of the AMR Plan;
- Establishment of a separate AMAR Fund and Policy that best meets the needs of the City.



When established, the drafting of the current AMAR Fund Policy will be dependent on Council guidance and direction based on the analysis of the completed management studies.

The purpose of the Asset Management Fund is to:

- Accumulate earnings to provide a long-term funding source for the replacement/rehabilitation of City infrastructure while preserving the principal balance of the Fund;
- Provide financial reserves to respond to natural disasters and other emergencies;
- Provide a source for internal loans and liquidity;
- Serve as collateral for City debt issues;
- Asset Management Fund assets may not be used for any purpose without the approval of the City Council.

### **REPLACEMENT FUNDS**

The Information Technology Fund has been established as an Internal Service Fund, for the purpose of accumulating the funds necessary to replace the City's technology infrastructure (hardware and software). Annually, each department owning an eligible technology-related asset contributes an amount equivalent to the estimated cost to replace the item at the end of its useful life. Eligible assets funded through the Information Technology Fund include those technology-related assets that have a useful life longer than three years and cost in excess of \$5,000.

The Fleet Fund has been established as an Internal Service Fund, for the purpose of accumulating the funds necessary to replace the City's fleet and major equipment. Annually, each department owning an eligible vehicle or piece of large equipment contributes an amount equivalent to the estimated cost to replace the item at the end of its useful life. Eligible assets funded through the Fleet Fund include vehicles and large equipment items that have a useful life longer than three years and cost in excess of \$10,000.



# Investment Policy

## INTRODUCTION

The purpose of this document is to set out the policies and procedures that enhance opportunities for a prudent and systematic investment program and to organize and formalize investment-related activities. The investment policies 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 applicable provisions of Chapter 4 of Part 1 of Division 2 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:

**A. Safety of Principal:** Safety of Principal is the foremost objective of the City. Investments in 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.

**1. 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:

- a. Limiting investments to the types of securities listed in the Authorized Investments section of this Investment Policy.
- b. 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.

**2. 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 the market interest rates, by:

- a. Structuring the investment portfolio with marketable securities so that securities can be liquidated to meet cash flow needs or structuring the portfolio to meet cash requirements for ongoing operations.

**B. 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.

**C. 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 Assistant City Manager. 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 or his designee. The responsibility for conducting the City's investment program has been delegated to the Assistant City Manager, 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 Assistant City Manager. Portfolio management and transactions may be delegated to an independent investment advisor registered with the SEC.

### **INVESTMENT PROCEDURES**

The City Manager or his designee 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 references 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 procedures established by the City Manager or his designee.

## **ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with the proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally, 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 the 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 a 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 in custody of the City shall be independently audited on an annual basis to verify investment holdings. All exceptions to this safekeeping policy must be approved by the City Manager in written form and included in monthly reporting to the City Council.

## **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:

- Maturities selected shall provide for stability of income and liquidity.
- 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 City Manager or his designee shall submit to the City Council 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 City Manager or his designee shall maintain a complete and timely record of all investment transactions.

Additionally, every quarter the City Manager or his designee shall render to the City Council and the City Treasurer a quarterly investment report, which shall include, at a minimum, the following information for each individual investment:

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

The quarterly report shall a) state compliance of the portfolio to the statement of investment policy, or the manner in which the portfolio is not in compliance; b) include a description of the City's funds, investments, or programs that are under the management of contracted parties, including lending programs; and c) 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 shall not, be available.

#### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The City Manager or his designee 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 City Manager or his designee 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:

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

An annual review of the financial condition and registrations of qualified bidders will be conducted by the City Manager or his designee. The City may also use brokers/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 brokers/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 City Manager or his designee is authorized to purchase the following investment:

- 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.
- 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 in federal agencies or United States government-sponsored enterprises. No more than 40% of the City's portfolio may be invested in any one federal agency.
- 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.
- Registered treasury notes or bonds 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 the other 49 United States. In addition to California, provided that such obligations are rated in one of the top three rating categories by an NRSRO and are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power, or electric system.
- 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 its equivalent 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; and (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 the repurchase agreement 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 of more than one day, the value of the underlying securities must be reviewed on an ongoing 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 counterparty with which it enters into repurchase agreements.

- Bills of exchange or time drafts drawn on and accepted by a commercial bank and brokered by 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.
- 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 the following conditions in

either paragraph (1) or paragraph (2) below:

1. The entity meets the following criteria: (a) is organized and operating in the United States as a general corporation. (b) has total assets in excess of five hundred million dollars (\$500,000,000). (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
2. The entity meets the following criteria: (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (b) Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

The City may invest no more than 25% of its portfolio in eligible commercial paper with a maximum maturity of 270 days.

- Medium-term notes with a maximum remaining maturity of five years or less are 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 an 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.
- 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.
- 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. Purchases are limited to securities rated in a rating category of "AA" (long-term) or "A-1" (short-term) or their equivalents or better by a NRSRO. Purchases of negotiable certificates of deposit may not exceed 30% of the portfolio.
- State of California's Local Agency Investment Fund (LAIF). Investment in LAIF may not exceed \$75 million. The LAIF portfolio should be reviewed periodically.
- California Asset Management Program (CAMP).
- 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:

1. Attain the highest ranking letter or numerical rating provided by not less than two of the three largest NRSRO; or
2. 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.

- 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.

- Supranational-specifically the International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.
  1. Purchases are restricted to debt denominated in U.S. dollars.
  2. Supranational eligible for investment under this subsection must be rated in one of the top two rating categories by an NRSRO.
  3. Purchases of supranational may not exceed 30% of the City's portfolio.
- Asset-Backed Securities (ABS)
  1. ABS eligible for investment under this subsection must be rated in a rating category of "AA" or its equivalent or better by a NRSRO with a maximum remaining maturity of 5 years or less.
  2. The purchase of ABS may not exceed 20% of the City's portfolio.
- Placement Service Deposits (PSD) where funds may be placed with a bank that uses a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States (CGC § 53601.8).

Credit criteria and 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 percentage of 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 City Manager or his designee shall notify the City Treasurer and City Council and recommend a plan of action. Notwithstanding anything herein to the contrary, except for 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 except as authorized by Code Section 53601.6.

### **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.

## **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.



# Capital Financing and Debt Management Policy

This Debt Management Policy (the “Debt Policy”) establishes the parameters within which debt may be issued and administered by the City of Lake Elsinore and Covered Entities. Additionally, these policies apply to debt issued by a Covered Entity on behalf of assessment, community facilities, or other special districts, and conduit-type financing by a Covered Entity for multifamily housing or industrial development projects.

The Debt Policy may be utilized by staff of the Covered Entities with the discretion to deviate as determined appropriate by the City Manager/Executive Director or Finance Director and may be amended by the governing board of the applicable Covered Entity as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the Covered Entities.

## **PURPOSE**

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by a Covered Entity.

The Covered Entities hereby recognize that a fiscally prudent debt policy is required in order to:

- Maintain the Covered Entities’ sound financial position.
- Ensure the Covered Entities have the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Covered Entities’ credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Covered Entities.

## **POLICY**

### A. Purposes for Which Debt May Be Issued

1. Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City. Long-term debt financing is appropriate when the following conditions exist:

- a. When the project is financed, it is necessary to provide basic services.
- b. When the project is financed, it will provide benefit to constituents over many years.
- c. When total debt does not constitute an unreasonable burden to the Covered Entities and the City’s taxpayers and/or ratepayers, as applicable.
- d. When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

Long-Term Debt financing will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

The Covered Entities may use long-term debt financing subject to the following conditions:



- a. The project to be financed must be approved by the governing board of the Covered Entity.
- b. The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- c. The Covered Entity estimates that sufficient revenues will be available to service the debt through its maturity.
- d. The Covered Entity determines that the issuance of the debt will comply with the applicable state and federal law.

2. Short-Term Debt. Short-term debt may be issued to provide financing for the Covered Entities' operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Covered Entities may undertake lease-purchase financing for equipment.

3. Financings on Behalf of Other Entities. The Covered Entities may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the Covered Entities. In such cases, the Covered Entities shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

#### B. Types of Debt

The following types of debt are allowable under this Debt Policy:

1. General obligation bonds (GO Bonds)
2. Bond or grant anticipation notes (BANs)
3. Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
4. Other revenue bonds and COPs
5. Tax and revenue anticipation notes (TRANs)
6. Land-secured financing, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes.
7. Tax increment financing to the extent permitted under state law
8. Conduit financing, such as financing for affordable rental housing and qualified 501(c)(3) organizations

The governing body may, from time to time, find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

#### C. Relationship of Debt to Capital Improvement Program and Budget



The City and Covered Entities are committed to long-term capital planning. The City and Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the capital budget and the capital improvement plan.

The City and Covered Entities shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City and Covered Entities shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Covered Entities shall integrate their debt issuances with the goals of the capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of their public purposes.

The Covered Entities shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The Covered Entities shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

#### D. Policy Goals Related to Planning Goals and Objectives

The City and Covered Entities are committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Covered Entities intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the annual operations budget.

It is a policy goal of the City and the Covered Entities to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City and the Covered Entities will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Covered Entities to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

#### E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Covered Entities shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the Covered Entities will periodically review the requirements of and will remain in compliance with the following:

1. Any continuing disclosure undertakings entered into by the Covered Entities in accordance with SEC Rule 15c2-12.
2. Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
3. Investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Covered Entities upon the submission of one or more written requisitions by the City Manager/Executive Director or Finance Director, or his or her written designee, or (b) by the Covered Entity, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Covered Entity.



# Inter-Fund Transfers and Loan 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 inter-fund borrowings, which are usually made for temporary cash flow reasons, and are not intended to result in a transfer of financial resources. In summary, inter-fund transfers result in a change in fund equity; inter-fund borrowings do not, as the intent is to repay the loan in the near term.

## INTER-FUND LOANS

Inter-fund loans may be appropriate whenever the loan is expected to be repaid within the immediate future. The most common use of inter-fund 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.



## Budget Process

The City of Lake Elsinore's 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 begins the annual budget process in February each year. The budget team updates the policies and procedures for budget preparation, creates the budget process calendar, and prepares current budget schedules for each department to use in preparing the new budget. A budget kickoff workshop was held with the City Manager, Department Directors, and Department Analysts. This workshop included a briefing on the status of the current fiscal year budget, a review of the budget process calendar, and discussion on essential principals and elements of the budget process. Staff are provided with a practical application to assist in the development of the departmental budget requests, which include:

- Review and evaluate current goals (and performance measurements)
- Identify new goals and programs
- Identify the impacts of new programs on existing resources, examine organizational efficiency and locate existing resources to address the impacts
- Identify additional resource requirements (if existing resources will be exhausted)

The operating budget preparation guidelines are distributed at this time. The guidelines outline the policies and procedures to be used in preparing the annual budget. Clearly defined budget requirements and time-sensitive budget document objectives are discussed, ensuring complete and accurate understanding by all.

Milestones are outlined in the guidelines, along with the concurrent development of financial projections, objectives, and requirements at the staff level. With this approach, the policies and priorities that guide expenditure considerations are incorporated into the proposed budget prior to formal submission to the City Council. Assistance is provided to each department in reviewing historical expenditure information, personnel costs, and in refining departmental goals, objectives, and performance measures.

For the purpose of budget preparation and formulation, department budget submittals consist of details by expenditure line item. Specific justification is required for the following:

- Significant expenditure changes
- Personnel costs, including all temporary personnel costs and proposed staffing reclassifications
- Contracted services
- Purchases of new equipment (greater than \$5,000)

Analysis is conducted at each department's request. Five-year revenue and expenditure projections are developed by the Administrative Services Department to assist in identifying the long-range impacts of proposed staffing and program changes. The information is compiled for the City Manager's review.

In the last two weeks of April, the City Manager and key Administrative Services Department staff held meetings with each Department Director to discuss their department budget requests and to obtain additional information to assist in the assessment of the requests.

## Budget Calendar

Month	Description	Timeline
January	Mid-year budget analysis and revision Prepare agenda reports and proposed mid-year budget documents Development of budget parameters/strategic goals	January 13 January 21 January 31
February	Distribution of Budget Preparation Guidelines Budget workshop with key City staff Council adoption of mid-year operating and CIP budgets 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 Budget requests submitted to Finance for review	February 3 February 10 February 11 February 28 February 28 February 28 February 28 February 28
March	Department operating budget submittals reviewed All non-fee based revenue estimates completed by Finance All fee based revenue estimates submitted to Finance Budget analysis prepared for review by City Manager	March 6 March 6 March 6 March 13
April	Preliminary Operating and CIP budgets prepared Department Hearings with City Manager CIP project timing and priorities modified based on available revenues Five-year financial projection completed	April 3 April 17 April 24 April 24
May	Planning Commission - CIP Conformance with General Plan Prepare agenda reports and proposed budget documents Measure Z - Meeting on Operation Budget/CIP	May 20 May 29 May 31
June	Council adoption of final Operating Budget Council adoption of Schedule of Authorized Positions and Gann Appropriations Limit Public Hearing for the adoption of CIP Budget	June 24 June 24 June 24
Ongoing	Monthly budget/actual reports reviewed & sent to Departments Quarterly financial statements prepared and presented to City Council	Monthly Quarterly



# Financial Summary



# Fund Balance Summary - All Funds

	BEGINNING FUND BALANCE	REVENUES	APPROPRIATIONS	PROJECTED ENDING FUND BALANCE
<b>FY2025-26 ADOPTED OPERATING BUDGETS</b>				
Fund: 100 General Fund	20,841,585	77,486,230	77,486,230	20,841,585
Fund: 101 Supplemental Law Enf. (SLESF)	-	225,000	225,000	-
Fund: 102 Measure Z	9,914,438	17,175,000	27,089,438	-
Fund: 103 The Anchor	-	1,386,770	1,386,770	-
Fund: 104 Traffic Offender Fund	-	25,000	25,000	-
Fund: 106 Affordable Housing In-Lieu	4,695,205	500,000	5,195,205	-
Fund: 107 Developer Agreement	488,599	606,100	1,094,699	-
Fund: 108 American Rescue Plan	1,227,191	11,000	1,238,191	-
Fund: 110 State Gas Tax Fund (Oper & CIP)	133,751	2,042,811	2,176,562	-
Fund: 114 SB1186 Cas Education Fund	88,429	16,000	104,429	-
Fund: 115 Traffic Safety Fund	-	70,000	70,000	-
Fund: 130 City-Wide Llmd Fund	-	2,160,230	2,160,230	-
Fund: 135 LLMD No. 1	1,725,335	823,020	2,548,355	-
Fund: 155 NPDES	-	1,055,150	1,055,150	-
Fund: 180 Launch Pointe	11,469,704	4,196,900	5,855,460	9,811,144
Fund: 300 Insurance Services	908,873	1,229,975	1,229,975	908,873
Fund: 305 Information Systems Services	2,393,872	2,446,780	2,446,780	2,393,872
Fund: 310 Support Services	80,933	1,024,000	102,400	1,002,533
Fund: 315 Fleet Services	2,814,926	1,892,915	1,892,915	2,814,926
Fund: 320 Facilities Services	1,996,109	1,185,560	1,185,560	1,996,109
Fund: 330 CFD 2015-2S Maintenance Services	-	820,150	820,150	-
Fund: 341 CFD 2017-1S Mission Trail Services	-	10,750	10,750	-
Fund: 342 CFD 2007-5S Red Kite Services Fund	-	16,550	16,550	-
Fund: 343 CFD 2006-2S Viscaya Services Fund	-	60,420	60,420	-
Fund: 344 CFD 2005-2S Alberhill Ranch	-	203,900	203,900	-
Fund: 358 CFD 2007-4S Makenna	-	32,220	32,220	-
Fund: 362 CFD 2006-8S Running Deer Estates	-	119,440	119,440	-
Fund: 367 CFD 2006-1S Summerly	-	603,020	603,020	-
Fund: 373 CFD 2005-5S Wasson Canyon	-	6,330	68,330	(62,000)
Fund: 650 CFD 2003-1S Law, Fire & Paramedic	-	3,661,890	3,661,890	-
Fund: 651 CFD 2006-5S Park, Open Space	-	124,430	124,430	-
Fund: 652 CFD 2007-1S Law, Fire & Paramedic	-	124,480	124,480	-
Fund: 653 CFD 2009-1S Park, Open Space	-	821,690	821,690	-
Fund: 655 CFD 2015-1S Law, Fire & Paramedic	-	1,481,730	1,481,730	-
<b>OPERATING BUDGET SUBTOTALS</b>		<b>58,778,950</b>	<b>123,645,441</b>	<b>142,717,349</b>
				<b>39,707,042</b>
<b>FY2025-26 ADOPTED AD/CFD/LERA/PFA BUDGETS</b>				
Fund: 331 CFD 2006-1 IA CC Summerly	4,236	199,330	203,566	-
Fund: 332 CFD 2006-1 IA B Summerly	5,485	194,100	199,585	-
Fund: 333 CFD 2015-4 Terracina	-	892,040	892,040	-
Fund: 334 CFD 2015-5 Trieste	2,976	171,520	174,496	-
Fund: 335 CFD 2003-2 IA E Canyon Hills	1,020	186,480	187,500	-
Fund: 336 CFD 2006-1 IA FF Summerly	13,408	235,410	248,818	-
Fund: 337 CFD 2016-2 Canyon Hills	-	1,377,790	1,377,790	-
Fund: 338 CFD 2006-1 IA JJ Summerly	13,515	352,930	366,445	-
Fund: 339 CFD 2006-1 IA KK Summerly	-	289,770	289,770	-
Fund: 340 CFD 2006-1 IA EE Summerly	24,860	311,910	336,770	-
Fund: 345 CFD 2003-2 IA D Canyon Hills	21,484	2,019,360	2,040,844	-
Fund: 346 CFD 2014-1 Southshore	-	3,000	3,000	-
Fund: 347 CFD 2006-1 IA A Summerly	1,589	260,100	261,689	-
Fund: 350 CFD 98-1 Summerhill	93,231	1,110,400	1,203,631	-
Fund: 351 CFD 2006-1 IA II Summerly	68,843	455,600	524,443	-
Fund: 355 RAD 2021-1 Canyon Hills Improvement	238,854	1,181,800	1,420,654	-



Fund: 357 CFD 2003-2 IA A Canyon Hill	192,632	1,027,020	1,219,652	-
Fund: 359 CFD 2021-1 IA 2 Tuscany Valley	-	11,000	11,000	-
Fund: 361 CFD 2022-2 Lakeshore	1,309	11,000	12,309	-
Fund: 363 CFD 2023-1 Lakeside	-	11,000	11,000	-
Fund: 364 CFD 2023-2 Coastal Mission Trail	-	11,000	11,000	-
Fund: 366 CFD 2005-6 City Center Townhomes	-	282,350	282,350	-
Fund: 368 CFD 2006-2 Viscaya	1,589	559,510	561,099	-
Fund: 369 CFD 2004-3 IA 1 Rosetta Canyon	56,660	1,825,800	1,882,460	-
Fund: 370 CFD 2006-1 IA HH Summerly	-	353,160	353,160	-
Fund: 371 CFD 2005-1 Serenity	18,555	688,200	706,755	-
Fund: 372 CFD 2005-2 IA A Alberhill Ranch	106,138	1,711,830	1,817,968	-
Fund: 374 CFD 2005-4 Lake View Villas	-	11,000	11,000	-
Fund: 375 CFD 2006-4 Rosetta Hills	4,258,573	325,400	4,583,973	-
Fund: 376 CFD 2006-3 La Strada	-	11,000	11,000	-
Fund: 377 CFD 2006-6 Tessara	63,775	234,680	298,455	-
Fund: 378 CFD 2006-8 Running Deer Estates	512,463	242,035	754,498	-
Fund: 379 CFD 2022-1 Alberhill	-	564,120	564,120	-
Fund: 380 CFD 2015-4S Terracina Services	-	244,200	244,200	-
Fund: 384 CFD 2003-2 IA B Canyon Hills	52,205	2,084,900	2,137,105	-
Fund: 385 CFD 2004-3 IA 2 Rosetta Canyon	104,222	2,008,810	2,113,032	-
Fund: 386 CFD 2007-4 Makenna Court	7,876	197,590	205,466	-
Fund: 387 CFD 2007-5 Red Kite	-	134,600	134,600	-
Fund: 388 CFD 2007-6 Holiday Inn Express	-	7,010	7,010	-
Fund: 390 CFD 2003-2 IA C Canyon Hills	112,907	899,540	1,012,447	-
Fund: 392 CFD 95-1 Civic Center	26,014	96,986	123,000	-
Fund: 394 CFD 2005-5 Wasson Canyon	4,264	301,930	306,194	-
Fund: 395 CFD 2018-1 Wasson Canyon II	-	11,000	11,000	-
Fund: 396 CFD 2019-2 Nichols Ranch	-	451,170	451,170	-
Fund: 397 CFD 2019-1 Westlake	28,018	391,970	419,988	-
Fund: 398 CFD 2021-1 IA 1 Tuscany Valley	-	11,000	11,000	-
Fund: 400 LE Financing Authority Fund	8,342,451	289,000	558,320	8,073,131
Fund: 402 LEFFA 2017 Local Obligation Bonds	3,730,344	160,000	289,900	3,600,444
Fund: 403 LEFFA 2020A Revenue Refunding Bond	13,326,761	489,600	2,179,200	11,637,161
Fund: 404 LEFFA 2021 Revenue Refunding Bonds	29,268,476	750,000	2,260,000	27,758,476
Fund: 405 LEFFA 2021B Revenue Refunding Bds	10,006,764	404,000	576,000	9,834,764
Fund: 406 LEFFA 2021A Revenue Refunding Bds	-	1,058,070	1,058,070	-
Fund: 407 LEFFA 2022A Revenue Refunding Bds	6,310,825	9,500,000	10,994,900	4,815,925
Fund: 510 Sarda Area I, II, III Funds	497,444	22,366,150	13,895,600	8,967,994
Fund: 603 Public Purpose Trust - Carl Graves	3,860	4,500	640	7,720
Fund: 604 Endowment Trust - Adolph Korn	870	1,500	630	1,740
Fund: 617 Sarda Housing	66,738,490	7,077,550	3,125,000	70,691,040
Fund: 630 Lake Water Management Escrow	769,135	1,650,000	2,419,135	-
Fund: 631 Desratification Equipment	-	100,000	100,000	-
Fund: 739 LEPFA 2014 Series B Fund	13,362,941	611,320	1,345,410	12,628,851
Fund: 740 LEPFA 2015 Fund	81,303,684	3,752,520	7,330,130	77,726,074
<b>Fund: AD/CFD/LERA/PFA SUBTOTALS</b>	<b>239,698,746</b>	<b>72,176,561</b>	<b>76,131,987</b>	<b>235,743,320</b>

**FY2025-26 ADOPTED CAPITAL BUDGET**

Fund: 109 Sb1 Road Maintenance And Rehab	1,804,110	1,969,671	3,773,781	-
Fund: 111 Tumf Capital Project Fund	-	9,510,000	9,510,000	-
Fund: 112 Measure 'A' Fund	867,193	2,147,000	3,014,193	-
Fund: 113 SB821 Fund	-	182,230	182,230	-
Fund: 116 City Hall/P.W. Dif Fund	-	261,000	261,000	-
Fund: 117 Community Center Dif Fund	714,958	151,000	865,958	-
Fund: 118 Lake Side Facilities Dif Fund	-	230,000	230,000	-
Fund: 119 Animal Shelter Facility Dif Fund	-	76,100	76,100	-
Fund: 140 Geothermal Fund	14,926	500	15,426	-
Fund: 150 CDBG Fund	-	1,581,230	1,581,230	-
Fund: 160 PEG Grant Fund	-	12,600	12,600	-
Fund: 202 La Strada Rbbd Fund	27,631	2,500	30,131	-
Fund: 203 Summerly Traffic Infrastructure	3,748,848	135,000	3,883,848	-



Fund Balance Summary - All Funds

Fund: 205 Traffic Impact Fee Fund	766,000	545,000	1,311,000	-
Fund: 221 Quimby Fund	-	46,000	46,000	-
Fund: 231 Library Cip Dif Fund	1,087,961	80,000	1,167,961	-
Fund: 232 Fire Protection Dif Fund	1,461,073	355,000	1,816,073	-
Fund: 500 Capital Improvement Plan Fund	9,807,046	70,035,560	79,842,606	-
Fund: 540 Sarda Diamond Stadium Fund	(166,866)	1,463,371	1,296,505	-
Fund: 605 Public Improvements In-Lieu Fund	2,142,846	365,000	2,507,846	-
Fund: 606 AB2766 Air Pollution Reduction Fund	194,838	81,000	275,838	-
<b>CAPITAL BUDGET SUBTOTALS</b>	<b>24,039,131</b>	<b>90,339,762</b>	<b>114,378,892</b>	<b>-</b>
<b>TOTALS</b>	<b>\$322,516,827</b>	<b>\$286,161,764</b>	<b>\$ 333,228,228</b>	<b>\$ 275,450,362</b>



# Major Revenue Sources

	General Fund	Special Revenue Debt Funds/CIP	Internal Service Funds	Enterprise Funds	SARDA	Total Revenues
<b>TAXES</b>						
Sales Tax	\$ 16,127,500					\$ 16,127,500
Measure Z		16,825,000				16,825,000
Property Tax	12,476,230				22,346,150	34,822,380
Franchise Tax	3,585,000					3,585,000
Property Transfer Tax	400,000					400,000
Other Tax	17,510					17,510
Transient Occupancy Tax	621,960					621,960
Fire Service Tax Credit/Destratification	5,362,550	100,000				5,462,550
PEG Fees		12,000				12,000
<b>LICENSES, PERMITS &amp; FEES</b>						
Building Permit Fee	1,740,000					1,740,000
Other Licenses & Permits						
Business License	434,270					434,270
Special Event Fees	75,000					75,000
Encroachment Permit	167,050					167,050
D.A. Prop 64	2,146,380					2,146,380
Other	301,350					301,350
Temp/Conditional Use Permit	41,200					41,200
Fees						
City Clerk	13,850					13,850
Community Development	1,916,390					1,916,390
Engineering	2,160,410					2,160,410
Community Services	560,610					560,610
Administration	525,100					525,100
Facility Rentals - Other	109,000					109,000
Fire Prevention	744,340					744,340
DIF Fees		2,599,500				2,599,500
Affordable Housing In-Lieu		440,000				440,000
Developer Agreement		550,000				550,000
NPDES		1,055,150				1,055,150
Launch Pointe			4,155,000			4,155,000
Charges For Service			7,779,230			7,779,230
CASp		14,000				14,000
T.U.M.F.		9,508,500				9,508,500
Diamond Stadium		1,463,371				1,463,371
<b>INTERGOVERNMENTAL</b>						
Vehicle License Fees	112,670					112,670
State Mandate Costs	200,000					200,000
Gas Tax		2,005,311				2,005,311
Federal/County/State Grants		350,000				350,000
Measure A		2,122,000				2,122,000
SB821		182,230				182,230
CDBG		1,581,230				1,581,230
AB2766		75,000				75,000
<b>FINES &amp; FORFEITURES</b>	1,033,860					1,033,860
<b>INVESTMENT EARNINGS</b>	850,000	11,194,610		41,900	20,000	12,106,510

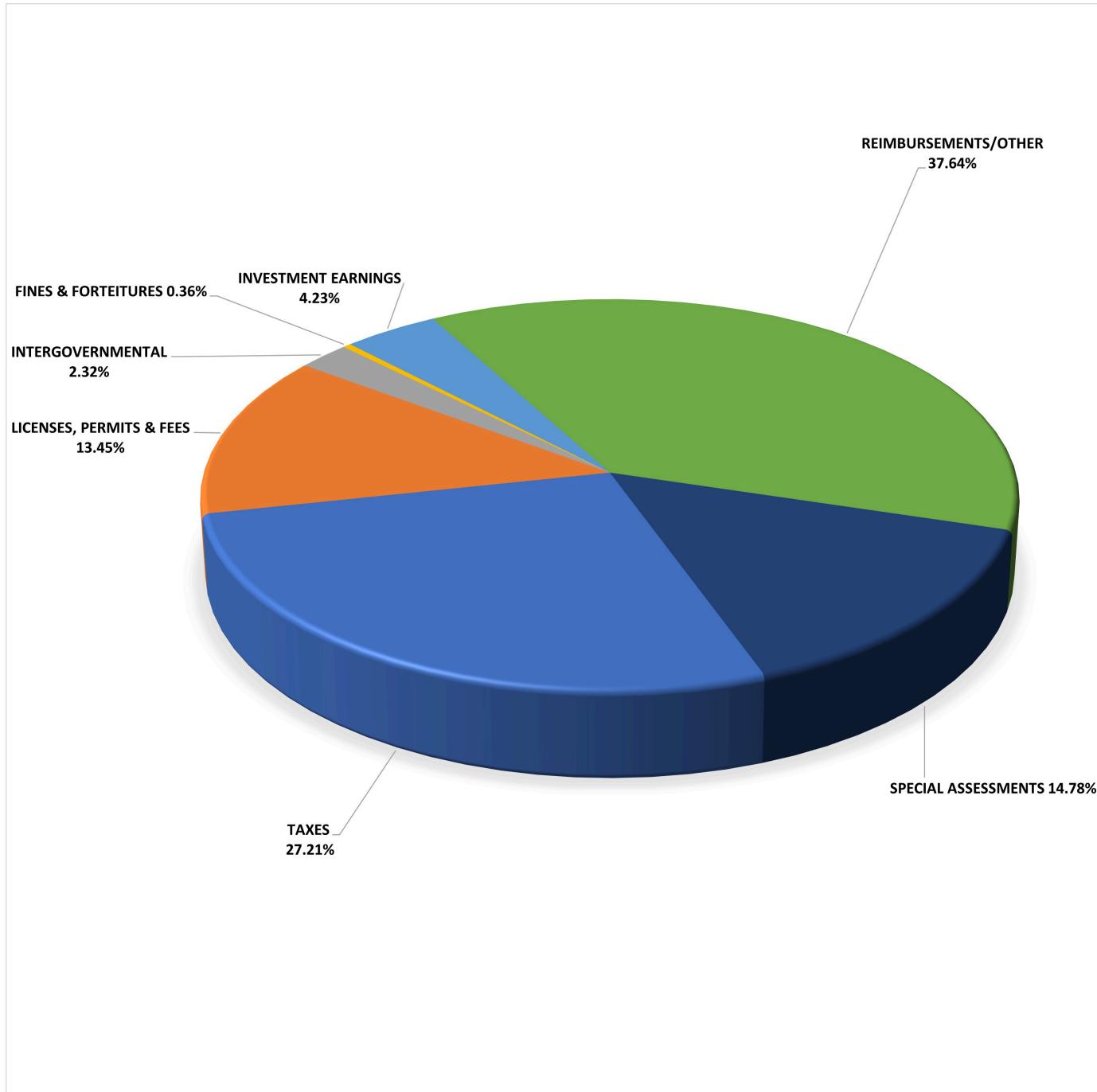


**REIMBURSEMENTS/OTHER**

Capital Improvement Program	74,858,110	74,858,110
Public Safety	320,000	320,000
Street Program	1,000,000	1,000,000
Other	16,468,490	15,067,641
<b>SPECIAL ASSESSMENTS</b>	<b>7,975,510</b>	<b>34,329,601</b>
<b>TOTAL REVENUE and OTHER SOURCES</b>	<b>\$ 77,486,230</b>	<b>\$ 174,333,254</b>

	General Fund	Special Revenue Debt Funds	Internal Service Funds	Enterprise Funds	SARDA	Total Revenues
TAXES	\$ 38,590,750	\$ 16,937,000	\$ -	\$ -	\$ 22,346,150	\$ 77,873,900
LICENSES, PERMITS & FEES	10,934,950	15,630,521	7,779,230	4,155,000	-	38,499,701
INTERGOVERNMENTAL	312,670	6,315,771	--	--	-	6,628,441
FINES & FORFEITURES	1,033,860	--	--	--	-	1,033,860
INVESTMENT EARNINGS	850,000	11,194,610	--	41,900	20,000	12,106,510
REIMBURSEMENTS/OTHER	17,788,490	89,925,751	--	--	-	107,714,241
SPECIAL ASSESSMENTS	7,975,510	34,329,601	--	--	-	42,305,111
<b>TOTAL REVENUE and OTHER SOURCES</b>	<b>\$ 77,486,230</b>	<b>\$ 174,333,254</b>	<b>\$ 7,779,230</b>	<b>\$ 4,196,900</b>	<b>\$ 22,366,150</b>	<b>\$ 286,161,764</b>





## General Fund Revenues

The General Fund is the main operating fund for the City of Lake Elsinore. It is used to account for all financial resources for the City that are not restricted to a special purpose and otherwise required to be accounted for in another fund. The General Fund provides the resources necessary to sustain the day-to-day activities and pays for all administrative and operating expenditures.

### Taxes: 49.85%

**Sales and Use Tax:** In accordance with the California Revenue and Taxation code, the State of California imposes 8.75% sales and use tax on all taxable sales in the City. Of the 8.75%, the City receives 1% of the taxable sales in the City. As a result, the FY2025-2026 revenue projections for sales tax reflect a 3.0% reduction from FY2024-2025 estimates.

**Property Tax:** The valuation of property tax in the City is determined by the Riverside County Tax Assessor. The County levies a base tax at the rate of 1% of the assessed valuation. Approximately 4.78% of the base 1% levy is allocated to the City. The FY2025-2026 revenue estimate for property tax reflects a 5.9% increase over the projected FY2024-2025 amount.

**Franchise Fee:** The City imposes fees primarily on refuse hauling, gas, electric, and cable television operating in the City. The fee is 5% of gross receipts for utility companies and \$3,000 per year for towing companies. Overall, a 25% increase is projected in FY2025-2026 from the FY2024-2025 estimated amounts.

**Property Transfer Tax:** The Lake Elsinore Municipal Code authorizes the imposition of a transfer tax on real property sold in the City. The tax rate is \$0.275 for each \$500 purchase value. Overall, a 5.6% increase is projected in FY2025-2026 from FY2024-2025.

**Transient Occupancy Tax (TOT):** This is a 10% tax collected by the City on the amount of all transient (30 days or less) lodging rentals. TOT is projected to remain steady at \$621,960.

**Fire Service Tax Credit:** The City receives an estimated credit on its quarterly invoices from the County Fire Department. This credit is a structural fire tax incorporated with property tax that is assessed to homeowners within the County. The Fire Service Tax Credit for FY2025-2026 is estimated at \$5,362,550, steady from the prior year.

### Reimbursements & Other: 22.96%

This category is projected to increase by 16.8% over the prior year to \$15,235,670 in FY2025-2026. Reimbursements include the transfer of funds from Capital Improvement Program (CIP) projects to offset administration charged to the General Fund. This amount fluctuates each year, as CIP activity varies. Measure Z funds also increased from the prior year.

### License, Permits & Fees: 13.77%

**Building Permits:** These charges comprise building permit activities within the City. This category is projected to decrease by \$69,920 from the prior year.

**Fees:** These charges are projected to decrease 4.1% from \$6,088,420 to \$5,839,040 in FY2025-2026.

**License and Permits and Other:** Projected to be \$3,089,000 for FY2025-2026.

#### **Special Assessments: 10.29%**

Fees or service charges are imposed on the user for a service type for operating activities and does not result in the purchase or construction of fixed assets. In FY2025-2026, Special Assessment revenue is projected to increase to \$1,330,550 from an estimated \$6,644,960 in FY2024-2025 to \$7,975,510 in FY2025-2026.

#### **Intergovernmental: 0.7%**

Intergovernmental revenues include grants and other sources of revenue from governmental agencies. Major intergovernmental revenues include the Motor Vehicle in Lieu and the Motor Vehicle in Lieu Triple Flip, FEMA Grants, Lake Grants, and Homeless Grants. The estimated intergovernmental revenue for FY2025-2026 decreased by \$80,320.

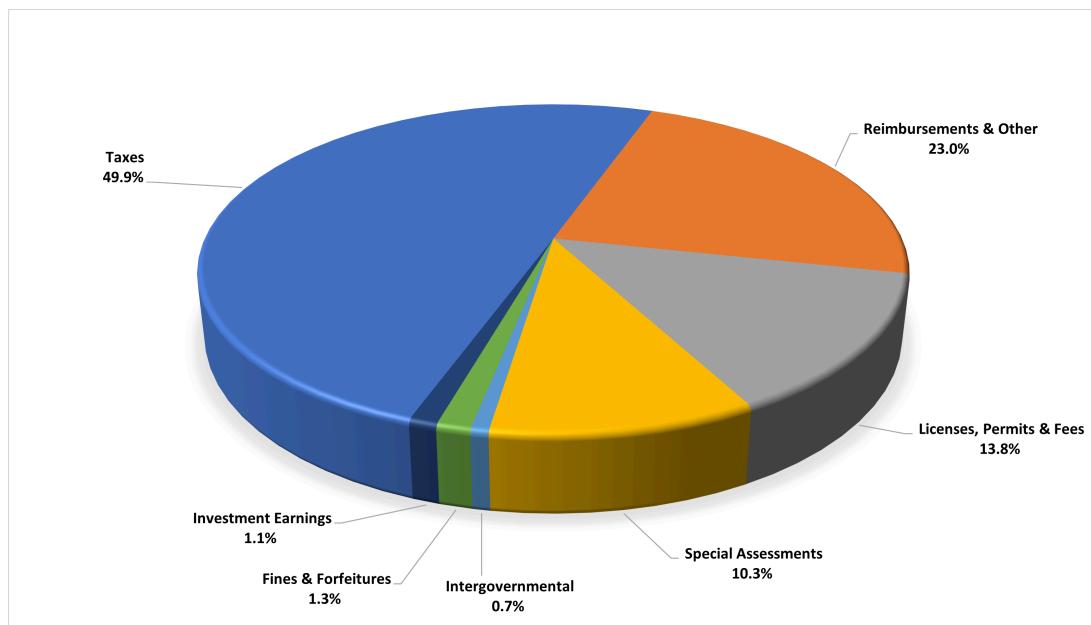
#### **Fines & Forfeitures: 1.33%**

The City Vehicle and Penal Codes impose fines and penalties for traffic violations and vehicular parking. These revenues are collected by Riverside County through the County court system and a portion is distributed to the City, less an administrative fee. The City has the responsibility for administering and collecting parking citation fines. In FY2025-2026, \$1,033,860, an increase of \$117,190 from the prior year.

#### **Investment Earnings: 1.1%**

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. Projected investment earnings for FY2025-2026 have increased by \$26,670 from the prior fiscal year.

## General Fund Revenue FY 2025-2026



# Expenditures Summary by Department - General Fund

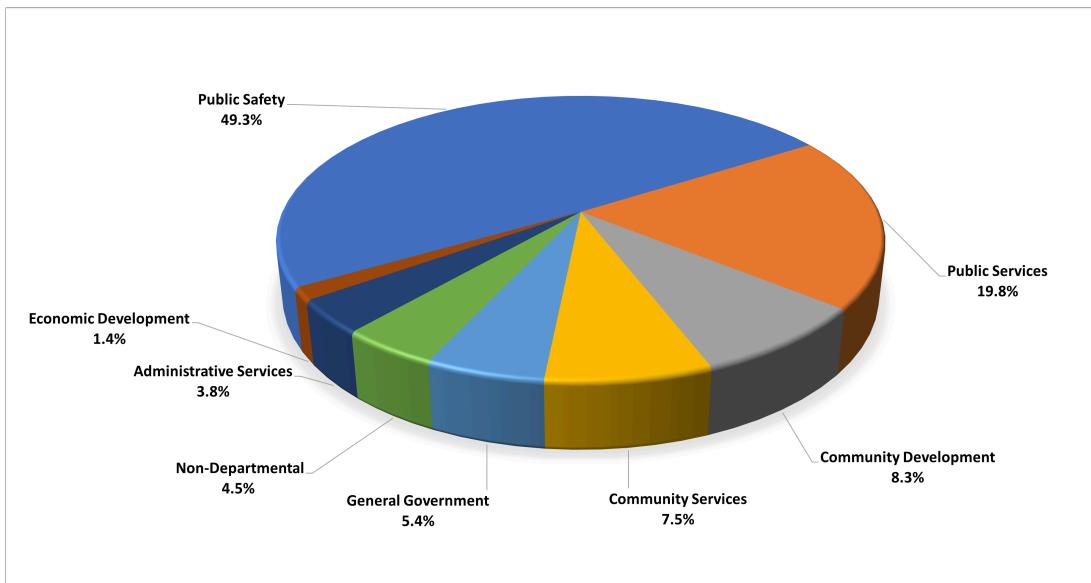
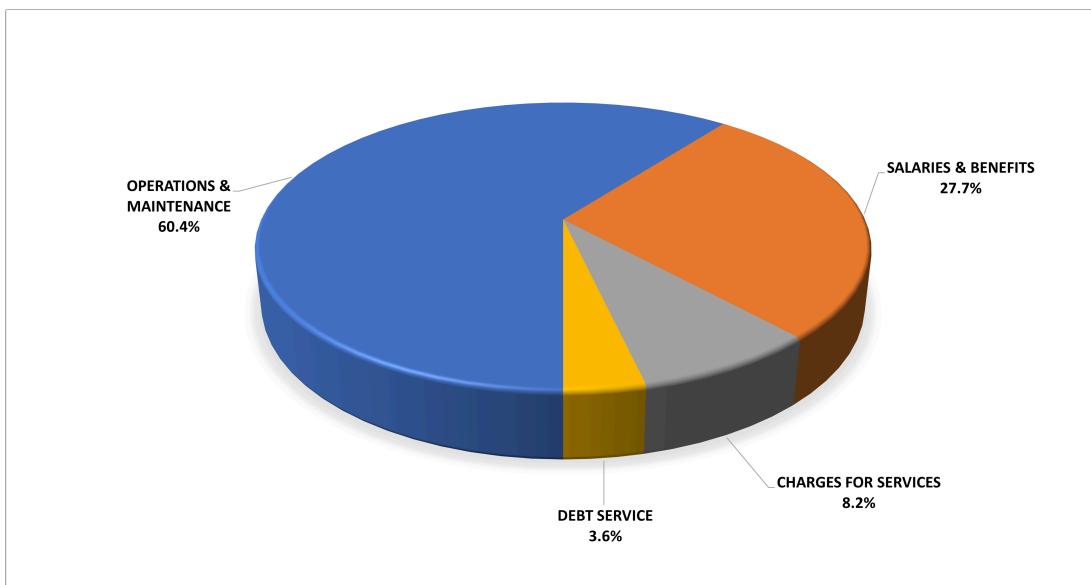
	<b>SALARIES &amp; BENEFITS</b>	<b>OPERATIONS &amp; MAINTENANCE</b>	<b>DEBT SERVICE</b>	<b>CHARGES FOR SERVICES</b>	<b>TOTAL</b>
<b>General Government</b>					
City Council	\$ 202,190	\$ 107,900	\$ -	\$ 124,150	<b>434,240</b>
Community Support	448,580	82,100	-	130,930	<b>661,610</b>
City Clerk	658,460	127,890	-	180,080	<b>966,430</b>
City Attorney	-	661,380	-	15,370	<b>676,750</b>
City Manager	1,263,320	43,700	-	133,960	<b>1,440,980</b>
<b>Total General Government</b>	<b>2,572,550</b>	<b>1,022,970</b>	-	<b>584,490</b>	<b>4,180,010</b>
<b>Administrative Services</b>					
Finance	1,415,810	189,900	-	266,430	<b>1,872,140</b>
Human Resources	800,960	172,540	-	95,730	<b>1,069,230</b>
<b>Total Administrative Services</b>	<b>2,216,770</b>	<b>362,440</b>	-	<b>362,160</b>	<b>2,941,370</b>
<b>Public Safety</b>					
Police Services	-	22,125,050	-	259,060	<b>22,384,110</b>
Fire Services	-	12,854,380	-	395,640	<b>13,250,020</b>
Fire Prevention	-	774,470	-	165,410	<b>939,880</b>
Animal Services	-	1,005,000	233,050	-	<b>1,238,050</b>
Emergency Services	278,780	111,650	-	140,190	<b>530,620</b>
<b>Total Public Safety</b>	<b>278,780</b>	<b>36,870,550</b>	<b>233,050</b>	<b>960,300</b>	<b>38,342,680</b>
<b>Community Development</b>					
Planning & Zoning	1,347,180	598,360	-	330,570	<b>2,276,110</b>
Building & Safety	1,341,750	133,850	-	359,950	<b>1,835,550</b>
Code Enforcement	1,359,540	523,200	-	469,370	<b>2,352,110</b>
<b>Total Community Development</b>	<b>4,048,470</b>	<b>1,255,410</b>	-	<b>1,159,890</b>	<b>6,463,770</b>
<b>Economic Development</b>					
Economic Development	610,430	414,450	-	77,310	<b>1,102,190</b>
<b>Total Economic Development</b>	<b>610,430</b>	<b>414,450</b>	-	<b>77,310</b>	<b>1,102,190</b>
<b>Public Services</b>					
Engineering	2,527,330	1,382,840	-	415,280	<b>4,325,450</b>
Public Works - Administration	3,374,670	272,520	-	1,696,280	<b>5,343,470</b>
Park Maintenance	1,940,260	2,322,500	-	-	<b>4,262,760</b>
Lake Maintenance	381,050	1,045,400	-	-	<b>1,426,450</b>
<b>Total Public Services</b>	<b>8,223,310</b>	<b>5,023,260</b>	-	<b>2,111,560</b>	<b>15,358,130</b>
<b>Community Services</b>					
Recreation	1,867,150	497,850	-	341,790	<b>2,706,790</b>
Community Center	544,890	529,200	-	190,230	<b>1,264,320</b>
Senior Center	504,750	72,250	-	357,170	<b>934,170</b>
Neighborhood Center	556,620	159,250	-	212,150	<b>928,020</b>
<b>Total Community Services</b>	<b>3,473,410</b>	<b>1,258,550</b>	-	<b>1,101,340</b>	<b>5,833,300</b>
<b>Non-Departmental</b>					
Non-Departmental	64,000	632,000	2,568,780	-	<b>3,264,780</b>
<b>Total Non-Departmental</b>	<b>64,000</b>	<b>632,000</b>	<b>2,568,780</b>	-	<b>3,264,780</b>
<b>Total Expenditures By Department</b>	<b>\$21,487,720</b>	<b>\$ 46,839,630</b>	<b>\$ 2,801,830</b>	<b>\$ 6,357,050</b>	<b>\$77,486,230</b>



The General Fund is the main operating fund for the City of Lake Elsinore. It is used to account for all financial resources for the city that are not restricted to a special purpose and otherwise required to be accounted for in another fund. The General Fund provides the resources necessary to sustain the day-to-day activities and pays for all administrative and operating expenses.

The proposed budget of \$77,486,230 million reflects an increase in General Fund expenditures of \$4,937,480 or 6.81 % from the fiscal year 2024-25 projected budget.

The City has continued to focus on reorganizing department structures to streamline processes and enhance efficiencies without reducing essential public services to the community. The following is a summary of important items by the department in the proposed Annual Operating Budget for the Fiscal Year 2025-2026.



# Summary of Revenues, Expenditures, and Changes in Fund Balance - General Fund

	FY22-23 ACTUALS	FY23-24 ACTUALS	FY24-25 ADOPTED BUDGET	FY25-26 ADOPTED BUDGET	\$Inc/(Dec)	% Inc/ (Dec)
<b>Revenues:</b>						
Sales Tax	\$ 15,746,683	\$ 15,565,562	\$ 16,622,230	\$ 16,127,500	\$ (494,730)	-2.98%
Property Tax	10,453,295	11,305,500	11,783,690	12,476,230	692,540	5.88%
Franchise Tax	3,302,290	3,394,285	2,883,910	3,605,000	721,090	25.00%
Building Permit Fee	953,803	2,090,044	1,809,920	1,740,000	(69,920)	-3.86%
Property Transfer Tax	368,479	337,420	378,640	400,000	21,360	5.64%
Other Taxes	657,963	645,349	639,470	639,470	-	0.00%
Licenses & Permits	1,901,867	2,421,732	2,719,390	3,089,000	369,610	13.59%
Intergovernmental	347,004	500,792	619,900	539,580	(80,320)	-12.96%
Fees	3,614,438	3,656,772	6,088,420	5,839,040	(249,380)	-4.10%
Fines & Forfeitures	843,740	915,289	916,670	1,033,860	117,190	12.78%
Tax Credit	3,869,416	5,245,343	5,382,550	5,382,550	-	0.00%
Investment Earnings	435,013	1,198,322	823,330	850,000	26,670	3.24%
Reimbursements & Other	9,332,069	12,809,881	13,703,100	16,468,490	2,765,390	20.18%
Special Assessments	5,957,127	6,694,804	6,644,960	7,975,510	1,330,550	20.02%
Reimbursements - Public Safety	352,586	376,840	532,570	320,000	(212,570)	-39.91%
Reimbursements - Street Program	800,000	1,000,000	1,000,000	1,000,000	-	0.00%
<b>Total Revenues</b>	<b>58,935,773</b>	<b>68,157,936</b>	<b>72,548,750</b>	<b>77,486,230</b>	<b>4,937,480</b>	<b>6.81%</b>
<b>Expenditures by Department:</b>						
<b>General Government:</b>						
City Council	\$ 291,612	\$ 328,284	\$ 386,560	\$ 434,240	\$ 47,680	12.33%
Community Support	405,457	560,637	645,280	661,610	16,330	2.53%
City Clerk	741,437	777,149	1,124,900	966,430	(158,470)	-14.09%
City Attorney	851,967	544,939	675,190	676,750	1,560	0.23%
City Manager	1,338,511	1,423,862	1,389,040	1,440,980	51,940	3.74%
<i>Administrative Services</i>						
Finance	1,391,476	1,509,782	1,766,370	1,872,140	105,770	5.99%
Human Resources	542,186	651,007	811,750	1,069,230	257,480	31.72%
<b>Public Safety:</b>						
Police Services	16,727,969	17,972,348	19,531,910	22,384,110	2,852,200	14.60%
Fire Services	9,409,288	11,345,582	12,176,720	13,250,020	1,073,300	8.81%
Animal Services	906,465	947,283	1,230,040	1,238,050	8,010	0.65%
Emergency Services	417,936	354,311	441,420	530,620	89,200	20.21%
<b>Community Development:</b>						
Planning	1,966,663	1,703,352	2,309,960	2,276,110	(33,850)	-1.47%
Building & Safety	1,517,827	1,437,059	1,812,220	1,835,550	23,330	1.29%
Code Enforcement	1,711,941	2,184,964	2,269,360	2,352,110	82,750	3.65%
Economic Development	339,820	642,684	1,122,930	1,102,190	(20,740)	-1.85%
Fire Prevention	575,673	699,071	910,740	939,880	29,140	3.20%
<b>Public Services:</b>						
Engineering	3,157,786	3,118,673	4,241,200	4,325,450	84,250	1.99%
Public Works	4,254,745	4,796,649	5,022,100	5,343,470	321,370	6.40%
Park Maintenance	3,417,791	3,562,563	4,067,600	4,262,760	195,160	4.80%
Lake Maintenance	1,364,282	1,528,887	1,419,060	1,426,450	7,390	0.52%
<b>Community Services:</b>						
Recreation	1,381,043	1,679,649	2,384,170	2,706,790	322,620	13.53%
Community Center	869,954	905,464	1,449,220	1,264,320	(184,900)	-12.76%
Senior Center	692,979	745,921	956,560	934,170	(22,390)	-2.34%
Neighborhood Center	650,318	746,861	1,094,620	928,020	(166,600)	-15.22%
<b>Non-Departmental - Operating</b>	<b>3,119,643</b>	<b>6,418,083</b>	<b>3,309,830</b>	<b>3,264,780</b>	<b>(45,050)</b>	<b>-1.36%</b>
<b>Total Expenditures</b>	<b>58,044,769</b>	<b>66,585,064</b>	<b>72,548,750</b>	<b>77,486,230</b>	<b>4,937,480</b>	<b>6.81%</b>
Excess of Revenues Over (Under) Expenditures	891,004	1,572,871	-	-	-	-
<b>Operating Transfers:</b>						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers out	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures & Op Transfers In/(Out)	891,004	1,572,871	-	-	-	-



## Summary of Revenues, Expenditures, and Changes in Fund Balance - General Fund

### Estimated Year-End Adjustments

Fund Balance, Beg. of Year	18,377,710	19,268,714	20,841,585	20,841,585
Fund Balance, End of Year	<u>\$ 19,268,714</u>	<u>\$ 20,841,585</u>	<u>\$ 20,841,585</u>	<u>\$ 20,841,585</u>

### Detail of Fund Balance

#### *Nonspendable:*

Deposits and prepaid items	\$ 23,690	\$ 74,681	\$ 74,681	\$ 74,681
Loans Receivable	1,000,000	1,000,000	1,000,000	1,000,000

#### *Assigned*

Uncertainty reserve (20%)	11,608,954	13,317,013	14,509,750	15,497,246
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#### *Unassigned*

Unallocated reserve	6,636,070	6,449,891	5,257,154	4,269,658
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<b>Total Fund Balance (net)</b>	<b>\$ 19,268,714</b>	<b>\$ 20,841,585</b>	<b>\$ 20,841,585</b>	<b>\$ 20,841,585</b>
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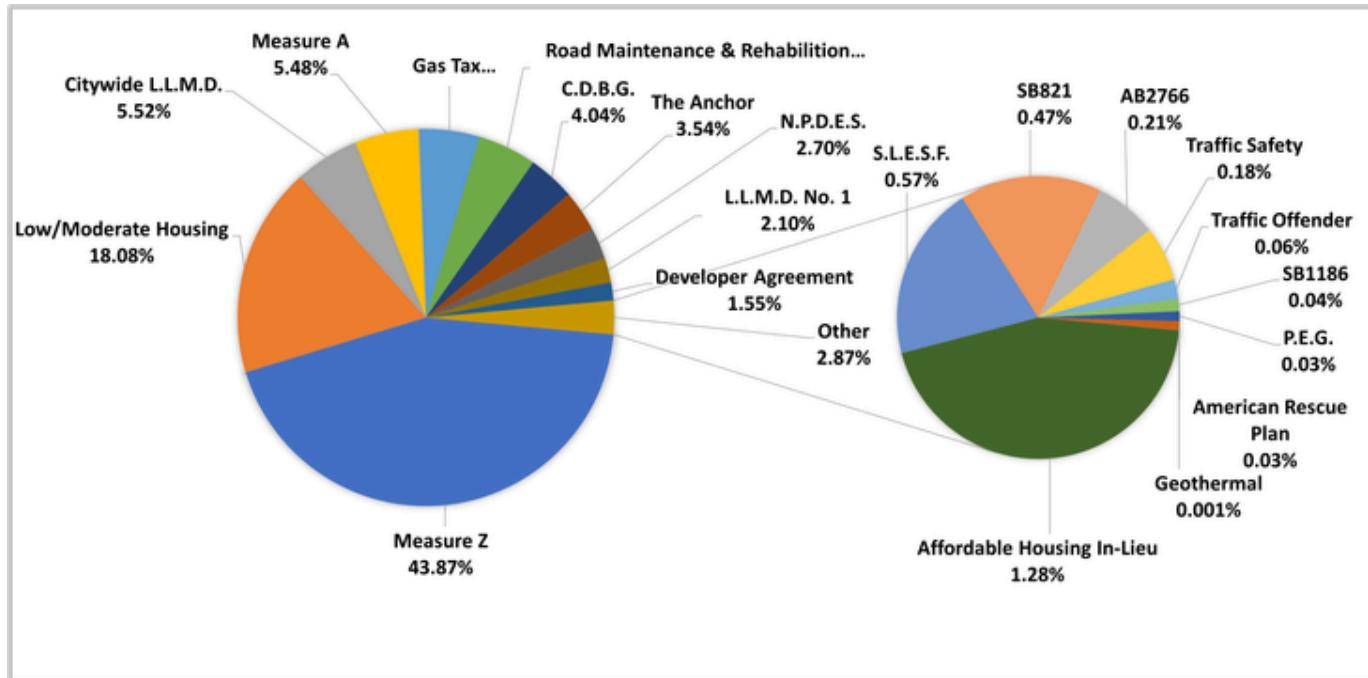


# Summary of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds

	FY 22-23 ACTUALS	FY 23-24 ACTUALS	FY 24 - 25 ADOPTED BUDGET	FY25-26 ADOPTED BUDGET	\$ Inc/ (Dec)	% Inc/ (Dec)
<b>Revenues:</b>						
S.L.E.S.F.	\$ 175,879	\$ 207,203	\$ 267,000	\$ 225,000	\$ (42,000)	-15.73%
Measure Z	16,097,936	16,902,526	17,044,000	17,175,000	131,000	0.77%
The Anchor	875,798	840,390	1,020,980	1,386,770	365,790	35.83%
Traffic Offender	19,250	27,000	30,570	25,000	(5,570)	-18.22%
Affordable Housing In-Lieu	96,572	771,081	500,000	500,000	-	n/a
Developer Agreement	29,395	634,889	204,000	606,100	402,100	197.11%
American Rescue Plan	10,032,649	306,528	4,762,435	11,000	(4,751,435)	-99.77%
Road Maintenance & Rehab Prog	1,583,374	1,858,233	1,861,959	1,969,671	107,712	5.78%
Gas Tax	1,832,077	1,999,069	2,007,248	2,042,811	35,563	1.77%
Measure A	2,397,691	2,338,993	2,303,000	2,147,000	(156,000)	-6.77%
SB821	-	234,989	150,000	182,230	32,230	21.49%
SB1186	12,372	14,940	22,000	16,000	(6,000)	-27.27%
Traffic Safety	157,457	142,637	235,000	70,000	(165,000)	-70.21%
Citywide L.L.M.D.	1,940,031	2,107,119	2,109,162	2,160,230	51,068	2.42%
L.L.M.D. No. 1	756,912	882,202	821,140	823,020	1,880	0.23%
Geothermal	175	587	300	500	200	66.67%
C.D.B.G.	476,802	29,000	1,317,890	1,581,230	263,340	19.98%
N.P.D.E.S.	352,495	452,342	1,551,150	1,055,150	(496,000)	-31.98%
P.E.G.	16,093	11,753	15,600	12,600	(3,000)	-19.23%
AB2766	116,081	80,548	66,000	81,000	15,000	22.73%
Low/Moderate Housing	2,423,716	2,004,803	7,077,550	7,077,550	-	n/a
<b>Total Revenues</b>	<b>39,392,756</b>	<b>31,846,832</b>	<b>43,366,984</b>	<b>39,147,862</b>	<b>(4,219,122)</b>	<b>-9.73%</b>
<b>Expenditures:</b>						
S.L.E.S.F.	\$ 175,879	\$ 207,203	\$ 267,000	\$ 225,000	\$ (42,000)	-15.73%
Measure Z	14,858,132	18,961,746	26,526,026	27,089,438	563,412	2.12%
The Anchor	872,315	1,083,404	1,020,980	1,386,770	365,790	35.83%
Traffic Offender	19,250	27,000	30,570	25,000	(5,570)	-18.22%
Affordable Housing In-Lieu	31,167	31,409	4,940,533	5,195,205	254,672	5.15%
Developer Agreement	28,513	160,576	649,134	1,094,699	445,565	68.64%
American Rescue Plan	2,918,795	5,452,711	4,762,435	1,238,191	(3,524,244)	-74.00%
Road Maintenance & Rehab Prog	2,218,918	5,389	3,710,801	3,773,781	62,980	1.70%
Gas Tax	1,998,279	1,629,615	2,384,694	2,176,562	(208,132)	-8.73%
Measure A	2,909,097	2,472,285	3,059,373	3,014,193	(45,180)	-1.48%
SB821	51,336	251,906	150,000	182,230	32,230	21.49%
SB1186	1,567	1,869	2,100	104,429	102,329	4872.81%
Traffic Safety	157,457	142,637	235,000	70,000	(165,000)	-70.21%
Citywide L.L.M.D.	2,044,119	2,107,119	2,213,250	2,160,230	(53,020)	-2.40%
L.L.M.D. No. 1	369,546	310,701	809,120	2,548,355	1,739,235	214.95%
Geothermal	-	-	14,339	15,426	1,087	7.58%
C.D.B.G.	142,861	63,958	1,317,890	1,581,230	263,340	19.98%
N.P.D.E.S.	248,828	589,963	1,555,952	1,055,150	(500,802)	-32.19%
P.E.G.	-	91,707	23,823	12,600	(11,223)	-47.11%
AB2766	6,000	258,675	182,655	275,838	93,183	51.02%
Low/Moderate Housing	902,433	828,364	1,050,000	3,125,000	2,075,000	197.62%
<b>Total Expenditures</b>	<b>29,954,494</b>	<b>34,678,237</b>	<b>54,905,675</b>	<b>56,349,327</b>	<b>1,443,652</b>	<b>2.63%</b>
Excess of Revenues Over (Under) Expenditures	9,438,262	(2,831,406)	(11,538,691)	(17,201,465)	(2,775,470)	-29.41%
Fund Balance, Beg. of Year	100,654,831	110,093,093	107,261,687	79,503,704		
Fund Balance, End of Year	<u>\$110,093,093</u>	<u>\$107,261,687</u>	<u>\$ 95,722,996</u>	<u>\$62,302,239</u>		



## Special Revenue Funds - Revenue Percentage



# Summary of Revenues, Expenditures, and Changes in Fund Balance - Debt Service Funds

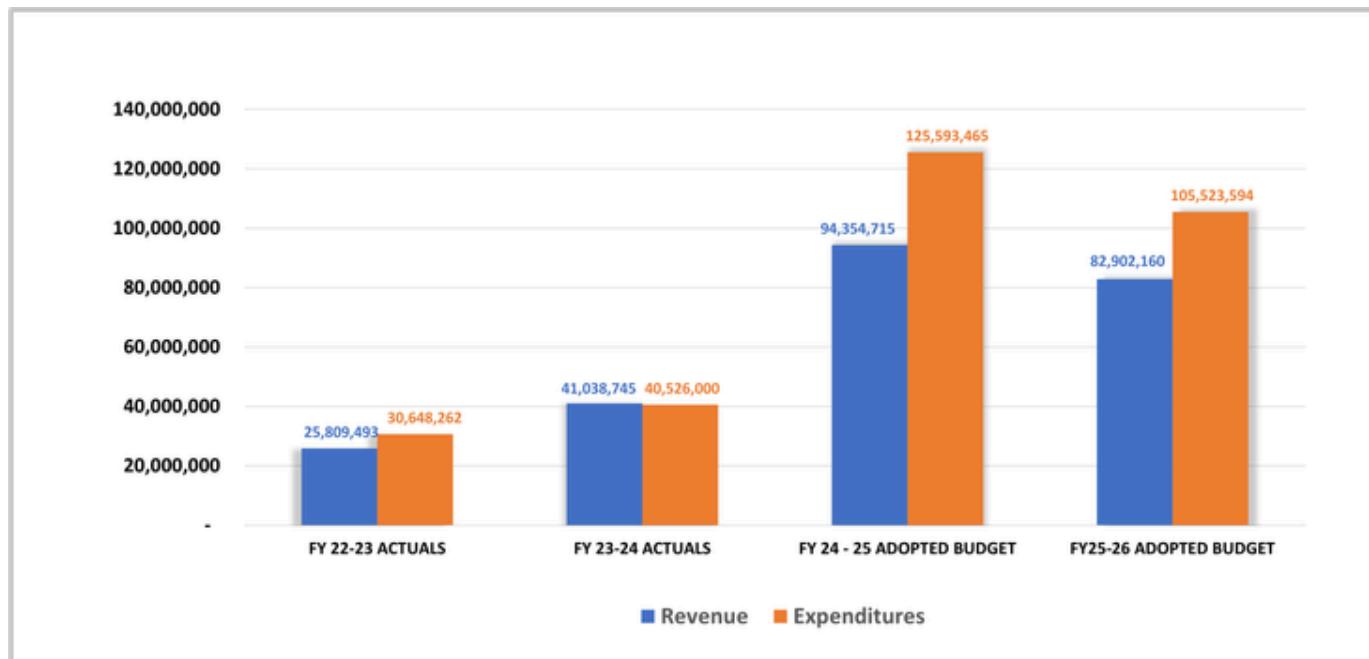
	FY 22-23 ACTUALS	FY 23-24 ACTUALS	FY 24 - 25 ADOPTED BUDGET	FY25-26 ADOPTED BUDGET	\$ Inc/ (Dec)	% Inc/ (Dec)
<b>Revenues:</b>						
2014 Revenue Bonds Series B	\$ 664,843	\$ 632,343	\$ 611,320	\$ 611,320	\$ -	n/a
2015 Revenue Bonds Series	3,632,560	3,488,700	3,752,520	3,752,520	-	n/a
2015 Revenue Bonds Series A	-	-	-	-	-	n/a
2017 Revenue Bonds Series	164,987	161,956	160,000	160,000	-	n/a
2021 Revenue Bonds Series	776,797	771,388	750,000	750,000	-	n/a
2021 Revenue Bonds Series B	417,183	412,183	404,000	404,000	-	n/a
2020 Tax Allocation Reserve Bond A	268,134	268,134	489,600	489,600	-	n/a
2016 Lease Revenue Bonds Series A	299,024	294,189	289,000	289,000	-	n/a
2021 Lease Revenue Bonds Series A	1,063,196	1,064,622	1,065,505	1,058,070	(7,435)	-0.70%
2022 Lease Revenue Bonds Series A	2,320,792	2,739,077	4,061,890	9,500,000	5,438,110	133.88%
<b>Total Revenues</b>	<b>9,607,517</b>	<b>9,832,592</b>	<b>11,583,835</b>	<b>17,014,510</b>	<b>5,430,675</b>	<b>46.88%</b>
<b>Expenditures:</b>						
2014 Revenue Bonds Series B	1,308,563	1,316,063	1,331,320	1,345,410	\$ 14,090	1.06%
2015 Revenue Bonds Series	6,924,209	7,060,349	7,197,520	7,330,130	132,610	1.84%
2017 Revenue Bonds Series	289,994	291,963	293,550	289,900	(3,650)	-1.24%
2021 Revenue Bonds Series	2,203,270	2,222,314	2,260,000	2,260,000	-	n/a
2021 Revenue Bonds Series B	523,357	558,357	575,900	576,000	100	0.02%
2020 Tax Allocation Reserve Bond A	518,898	518,898	1,764,600	2,179,200	414,600	23.50%
2016 Lease Revenue Bonds Series A	561,190	561,640	565,000	558,320	(6,680)	-1.18%
2021 Lease Revenue Bonds Series A	1,062,045	1,072,209	1,075,000	1,058,070	(16,930)	-1.57%
2022 Lease Revenue Bonds Series A	1,563,243	2,793,456	22,785,580	10,994,900	(11,790,680)	-51.75%
<b>Total Expenditures</b>	<b>14,954,768</b>	<b>16,395,248</b>	<b>37,848,470</b>	<b>26,591,930</b>	<b>(11,256,540)</b>	<b>-29.74%</b>
Excess of Revenues Over (Under) Expenditures	(5,347,251)	(6,562,656)	(26,264,635)	(9,577,420)	16,687,215	-63.53%
Fund Balance, Beg. of Year	212,942,329	207,595,078	201,032,422	174,767,787		
<b>Fund Balance, End of Year</b>	<b>\$ 207,595,078</b>	<b>\$ 201,032,422</b>	<b>\$ 174,767,787</b>	<b>\$ 165,190,367</b>		



# Summary of Revenues, Expenditures, and Changes in Fund Balance - Capital Project Funds

	FY 22-23 ACTUALS	FY 23-24 ACTUALS	FY 24 - 25 ADOPTED BUDGET	FY25-26 ADOPTED BUDGET	\$ Inc/ (Dec)	% Inc/ (Dec)
<b>Revenues:</b>						
Miscellaneous General Projects	\$ -	\$ 371	\$ -	\$ -	\$ -	n/a
T.U.M.F.	273,024	1,080,036	10,000,000	9,510,000	(490,000)	-4.90%
City Hall/Public Works D.I.F.	68,429	400,587	204,000	261,000	57,000	27.94%
Community Center D.I.F.	46,299	274,684	104,000	151,000	47,000	45.19%
Lake Facilities D.I.F.	66,789	394,289	165,000	230,000	65,000	39.39%
Animal Shelter D.I.F.	28,421	170,046	40,600	76,100	35,500	87.44%
T.R.I.P.	501,432	499,830	-	-	-	n/a
La Strada RBBB	349	1,195	-	2,500	2,500	n/a
ELSP - Summerly Traffic Fee	49,283	168,527	35,000	135,000	100,000	285.71%
Traffic Impact	202,445	937,514	456,000	545,000	89,000	19.52%
Storm Drains	394,843	310,526	260,000	1,110,000	850,000	326.92%
Quimby	114,925	180,726	128,500	46,000	(82,500)	-64.20%
Library D.I.F.	32,292	141,788	51,000	80,000	29,000	56.86%
Fire D.I. F.	87,705	427,412	120,000	355,000	235,000	195.83%
Capital Improvement Plan	23,918,721	32,927,266	82,690,615	70,035,560	(12,655,055)	-15.30%
Diamond Stadium	-	2,658,860	-	-	-	n/a
Public Improvement In-Lieu	24,535	465,086	100,000	365,000	265,000	265.00%
Total Revenues	<u>25,809,493</u>	<u>41,038,745</u>	<u>94,354,715</u>	<u>82,902,160</u>	<u>(11,452,555)</u>	<u>-12.14%</u>
<b>Expenditures:</b>						
Miscellaneous General Projects	\$ 98,524	\$ 72,627	\$ 21,355	\$ -	\$ (21,355)	-100.00%
T.U.M.F.	306,851	641,672	10,000,000	9,510,000	(490,000)	-4.90%
City Hall/Public Works D.I.F.	246,039	243,053	276,316	261,000	(15,316)	-5.54%
Community Center D.I.F.	-	-	400,000	865,958	465,958	116.49%
Lake Facilities D.I.F.	-	55,702	220,032	230,000	9,968	4.53%
Animal Shelter D.I.F.	28,513	160,576	40,600	76,100	35,500	87.44%
T.R.I.P.	500,008	499,081	491,675	-	(491,675)	-100.00%
La Strada RBBB	-	-	-	30,131	30,131	n/a
ELSP - Summerly Traffic Fee	-	-	3,520,332	3,883,848	363,516	10.33%
Traffic Impact	306,263	343,275	627,912	1,311,000	683,088	108.79%
Storm Drains	22,809	3,661	3,676,359	2,678,566	(997,793)	-27.14%
Quimby	280,213	266,100	131,364	46,000	(85,364)	-64.98%
Library D.I.F.	-	366,978	934,546	1,167,961	233,415	24.98%
Fire D.I. F.	-	-	948,879	1,816,073	867,194	91.39%
Capital Improvement Plan	25,615,756	34,237,496	100,486,997	79,842,606	(20,644,391)	-20.54%
Diamond Stadium	3,243,286	3,635,778	1,887,031	1,296,505	(590,526)	-31.29%
Public Improvement In-Lieu	-	-	1,930,067	2,507,846	577,779	29.94%
Total Expenditures	<u>30,648,262</u>	<u>40,526,000</u>	<u>125,593,465</u>	<u>105,523,594</u>	<u>(20,069,871)</u>	<u>-15.98%</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,838,769)</u>	<u>512,745</u>	<u>(31,238,750)</u>	<u>(22,621,434)</u>	<u>8,617,316</u>	<u>-27.59%</u>
<b>Operating Transfers:</b>						
Operating Transfers In	1,985,505	889,178	1,955,046	1,463,371	(491,675)	-25.15%
Operating Transfers Out	-	-	-	-	-	n/a
	<u>1,985,505</u>	<u>889,178</u>	<u>1,955,046</u>	<u>1,463,371</u>	<u>(491,675)</u>	<u>-25.15%</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,853,264)</u>	<u>-</u>	<u>1,401,922</u>	<u>(29,283,704)</u>	<u>(21,158,063)</u>	<u>\$ 8,125,641</u>
Fund Balance, Beg. of Year	53,859,942	51,006,678	52,408,600	23,124,896		
Fund Balance, End of Year	<u>\$ 51,006,678</u>	<u>\$ 52,408,600</u>	<u>\$ 23,124,896</u>	<u>\$ 1,966,833</u>		





# Summary of Revenues, Expenditures, and Changes in Fund Balance - Internal Service Funds

	<b>FY 22-23 ACTUALS</b>	<b>FY 23-24 ACTUALS</b>	<b>FY 24 - 25 ADOPTED BUDGET</b>	<b>FY25-26 ADOPTED BUDGET</b>	<b>\$ Inc/ (Dec)</b>	<b>% Inc/ (Dec)</b>
<b>Revenues:</b>						
Insurance Services	\$ 774,023	\$ 405,327	\$ 967,710	\$ 1,229,975	\$ 262,265	27.10%
Information Systems Services	2,064,027	2,125,589	2,203,990	2,446,780	242,790	11.02%
Support Services	114,980	127,438	127,496	1,024,000	896,504	703.16%
Fleet Services	1,707,738	2,614,813	1,142,210	1,892,915	750,705	65.72%
Facilities Services	988,478	1,375,084	1,158,610	1,185,560	26,950	2.33%
<b>Total Revenues</b>	<b>5,649,246</b>	<b>6,648,251</b>	<b>5,600,016</b>	<b>7,779,230</b>	<b>2,179,214</b>	<b>38.91%</b>
<b>Expenditures:</b>						
Insurance Services	\$ 719,218	\$ 1,069,424	\$ 1,059,690	\$ 1,229,975	\$ 170,285	16.07%
Information Systems Services	1,384,323	2,364,075	2,103,634	2,446,780	343,146	16.31%
Support Services	104,599	115,800	115,906	102,400	(13,506)	-11.65%
Fleet Services	1,460,649	1,929,945	1,161,475	1,892,915	731,440	62.98%
Facilities Services	868,647	1,423,153	1,178,286	1,185,560	7,274	0.62%
<b>Total Expenditures</b>	<b>4,537,436</b>	<b>6,902,397</b>	<b>5,618,991</b>	<b>6,857,630</b>	<b>1,238,639</b>	<b>22.04%</b>
Excess of Revenues Over (Under) Expenditures	1,111,810	(254,146)	(18,975)	921,600	3,417,853	-1344.84%
<b>Operating Transfers:</b>						
Operating Transfers In	-	-	-	-	-	n/a
Operating Transfers Out	-	-	-	-	-	n/a
	-	-	-	-	-	n/a
Excess of Revenues Over (Under) Expenditures	1,111,810	-	(254,146)	(18,975)	921,600	<u>\$ 3,417,853</u>
Fund Balance, Beg. of Year	7,322,236	8,434,046	8,179,900	8,160,925		
<b>Fund Balance, End of Year</b>	<b>\$ 8,434,046</b>	<b>\$ 8,179,900</b>	<b>\$ 8,160,925</b>	<b>\$ 9,082,525</b>		



## Summary of Revenues, Expenditures, and Changes in Fund Balance - Successor Agency Funds

	<b>FY 22-23 ACTUALS</b>	<b>FY 23-24 ACTUALS</b>	<b>FY 24 - 25 ADOPTED BUDGET</b>	<b>FY25-26 ADOPTED BUDGET</b>	<b>\$ Inc/ (Dec)</b>	<b>% Inc/ (Dec)</b>
<b>Revenues:</b>						
SARDA	\$ 15,790,851	\$ 22,407,127	\$ 22,366,153	\$ 22,366,150	\$ (3)	0.00%
Total Revenues	<u>15,790,851</u>	<u>22,407,127</u>	<u>22,366,153</u>	<u>22,366,150</u>	<u>(3)</u>	<u>0.00%</u>
<b>Expenditures:</b>						
SARDA	\$ 5,372,060	\$ 7,150,350	\$ 9,636,180	\$ 13,895,600	\$ 4,259,420	44.20%
Total Expenditures	<u>5,372,060</u>	<u>7,150,350</u>	<u>9,636,180</u>	<u>13,895,600</u>	<u>4,259,420</u>	<u>44.20%</u>
Excess of Revenues Over (Under) Expenditures	<u>10,418,792</u>	<u>15,256,777</u>	<u>12,729,973</u>	<u>8,470,550</u>	<u>4,259,417</u>	<u>27.92%</u>
<b>Operating Transfers:</b>						
Operating Transfers In	-	-	-	-	-	n/a
Operating Transfers Out	1,985,505	889,178	-	-	(889,178)	n/a
	<u>1,985,505</u>	<u>889,178</u>	<u>-</u>	<u>-</u>	<u>(889,178)</u>	<u>n/a</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>12,404,297</u>	<u>-</u>	<u>16,145,955</u>	<u>-</u>	<u>8,470,550</u>
	<u>-</u>	<u>12,404,297</u>	<u>-</u>	<u>16,145,955</u>	<u>-</u>	<u>\$ 3,370,240</u>
Fund Balance, Beg. of Year	<u>(46,897,699)</u>	<u>(34,493,402)</u>	<u>(18,347,448)</u>	<u>(5,617,475)</u>		
Fund Balance, End of Year	<u>\$ (34,493,402)</u>	<u>\$ (18,347,448)</u>	<u>\$ (5,617,475)</u>	<u>\$ 2,853,076</u>		



# Summary of Revenues, Expenditures, and Changes in Fund Balance - Launch Pointe

	<b>FY 22-23 ACTUALS</b>	<b>FY 23-24 ACTUALS</b>	<b>FY 24 - 25 ADOPTED BUDGET</b>	<b>FY25-26 ADOPTED BUDGET</b>	<b>\$ Inc/ (Dec)</b>	<b>% Inc/ (Dec)</b>
<b>Revenues:</b>						
Launch Pointe	\$ 3,359,095	\$ 3,751,453	\$ 5,501,900	\$ 4,196,900	\$ (1,305,000)	-23.72%
Total Revenues	<u>3,359,095</u>	<u>3,751,453</u>	<u>5,501,900</u>	<u>4,196,900</u>	<u>(1,305,000)</u>	<u>-23.72%</u>
<b>Expenditures:</b>						
Launch Pointe	\$ 4,712,145	\$ 5,472,361	\$ 6,500,808	\$ 5,855,460	\$ (645,348)	-9.93%
Total Expenditures	<u>4,712,145</u>	<u>5,472,361</u>	<u>6,500,808</u>	<u>5,855,460</u>	<u>(645,348)</u>	<u>-9.93%</u>
Excess of Revenues Over (Under) Expenditures	(1,353,050)	(1,720,908)	(998,908)	(1,658,560)	(1,950,348)	113.33%
<b>Operating Transfers:</b>						
Operating Transfers In	-	-	-	-	-	n/a
Operating Transfers Out	-	-	-	-	-	n/a
	-	-	-	-	-	n/a
Excess of Revenues Over (Under) Expenditures	-	(1,353,050)	(1,720,908)	(998,908)	(1,658,560)	\$ (1,950,348) -
Fund Balance, Beg. of Year	16,353,763	15,000,713	13,279,805	12,280,897		
Fund Balance, End of Year	<u>\$ 15,000,713</u>	<u>\$ 13,279,805</u>	<u>\$ 12,280,897</u>	<u>\$ 10,622,337</u>		



# City of Lake Elsinore Departments



# Summary of Changes in Authorized Positions, Personnel and Benefit Costs

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 total authorized positions for FY2025-2026 are 221, 16 of which are City Council members, City Planning Commissioners, Public Safety Advisory Commissioners, and Treasurer. The City maintains 155 regular full-time equivalent positions, 50 part-time positions (of which 40 positions are unfunded).

Overall, there are 6 new positions included in this budget to be added to the schedule of authorized positions.

## Engineering

NPDES Administrator

Senior Engineering Technician

Engineering Technician II

## Recreation

Senior Special Events Coordinator

Recreation Specialist - Part-time (7)

## Senior Center

Recreation Leader - Part-time

In addition to the changes above, the following positions are being re-classed due to promotions and/or to better suit the restructure of the organization.

## Community Support

Previous - Community Support Manager

Approved - Assistant Director of Community Support

## Human Resources

Previous - Payroll Specialist

Approved - Senior Human Resource Specialist

## Building & Safety

Previous - Senior Community Development Technician

Approved - Senior Building Inspector



Previous - Community Development Technician I

Approved - Community Development Technician II

#### **Public Works Administration**

Previous - Maintenance Worker I (3)

Approved - Maintenance Worker II (2)

Approved - Maintenance Worker III (1)

Previous - Account Specialist II

Approved - Account Specialist III

#### **Public Works Parks**

Previous - Maintenance Worker I

Approved - Maintenance Worker II

#### **Recreation**

Previous - Special Events Coordinator

Approved - Senior Special Events Coordinator

#### **Facility Maintenance**

Previous - Maintenance Worker I (2)

Approved - Custodian (2)

The City contributes to the California Public Employees Retirement System (CalPERS), a multiple-employer public employee defined benefit pension plan for all authorized employees and temporary employees who work more than 1,000 hours per fiscal year, or who have previously been part of CalPERS pension program. CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by the State statute and City ordinance, with the City providing the following benefits:

- Tier 1: 2.5% at 55 formula for employees hired prior to July 1, 2011
- Tier 2: 2.0% at 60 formula for employees hired between July 1, 2011 and January 1, 2013 or hired from a Reciprocal Agency within 6 month break in service
- Tier 3: 2.0% at 62 formula for employees, new to CalPERS, hired after January 1, 2013, and was not a member of a Reciprocal Agency or had a break in service longer than six (6) months.

CalPERS acts as a common investment and administrative agent for participating public entities with the State of California.



## Summary of Budgeted Positions

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
<b>Department</b>					
City Council	5.00	5.00	5.00	5.00	5.00
Community Support	3.00	5.00	5.00	5.00	5.00
City Treasurer	1.00	1.00	1.00	1.00	1.00
City Clerk					
Public Safety Advisory Comm	5.00	5.00	5.00	5.00	5.00
City Clerk	3.00	3.00	3.00	3.00	3.00
City Manager	3.50	4.00	4.00	4.00	4.00
Administrative Services					
Finance	9.33	9.66	9.66	9.66	9.66
Human Resources	2.33	2.66	2.66	3.66	3.66
Community Development					
Planning Commission	5.00	5.00	5.00	5.00	5.00
Planning & Zoning	9.40	12.00	13.00	13.00	12.00
Building & Safety	6.50	7.00	7.00	7.00	7.00
Code Enforcement	8.05	9.00	9.00	9.00	9.00
Economic Development	0.05	2.00	3.00	3.00	3.00
Engineering	12.00	14.00	15.00	15.00	18.00
Public Safety					
Fire Prevention	2.00	2.00	2.00	2.00	0.00
Emergency Services	0.00	1.00	1.00	1.00	1.00
Public Works					
Public Works Administration	18.00	20.00	20.00	20.00	20.00
Park Services	12.00	12.00	12.00	12.00	12.00
Lake Services	2.00	2.00	2.00	2.00	2.00
Community Services					
Recreation	5.25	6.75	14.75	15.75	21.75
Community Center	20.00	23.00	23.00	23.00	23.00
Senior Center	6.00	7.00	7.00	7.00	8.00
Neighborhood Center	10.00	11.00	11.00	11.00	11.00
Internal Service Funds					
Insurances Services	0.34	0.68	0.68	0.68	0.68
Information Technology	4.00	5.00	5.00	6.00	5.00
Fleet Services	3.00	3.00	3.00	3.00	3.00
Facilities Services	3.00	3.00	3.00	3.00	3.00
Launch Pointe	24.25	20.25	20.25	20.25	20.25
<b>Total Authorized Positions</b>	<b>183.00</b>	<b>201.00</b>	<b>212.00</b>	<b>215.00</b>	<b>221.00</b>



## Department Performance Measures & Goals

In an effort to incorporate our Dream Extreme 2040 Plan into the city's budget process, the City of Lake Elsinore department developed performance measures and long-term goals based on the aspirations.



**ASPIRATION 1**

**Be the destination for the action sports industry** in Southern California.



**ASPIRATION 2**

**Grow a vibrant and active City** where our residents thrive.



**ASPIRATION 3**

**Foster our natural resources** - the Lake and our surroundings are the heart of our healthy community.



**ASPIRATION 4**

**Dream Extreme in our City governance**, seeking innovative, inclusive, and enduring solutions.



## City Council

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Increase participation in state, regional, and local meetings to represent the City.	Increase partnerships	50+	75+	80+
	City Council Regular and Special Meetings	Ensure the public has access to regular and special council meetings	24	23	24
	Public Access to the State of the City Address	Increase State of the City Attendance	400	420	430

## Community Support

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Improve Lake Water Quality	Have no closures of the Lake due to poor water quality (in months)	2	0	0
	Provide More Public Transit Options for our Resident	Add additional Public Transit Systems	0	0	1
	Expand Social Media Reach	Increase engagement	17,250	23,000	25,000
	Increase participation in Homeless Taskforce	Increase engagement	17	19	25



## City Clerk

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Implement and utilize technology to improve efficiency in the City Clerk's Office.	Percentage of electronic delivery of agenda and materials	100%	100%	100%
	Increase transparency by providing accurate information and records to customers in a timely manner.	Number of Public Records Requests processed	588	635	600
	Implement and utilize technology to improve efficiency in the City Clerk's Office.	Number of Documents Scanned	13,300	11,300	15,000
	Implement and utilize technology to improve efficiency in the City Clerk's Office. Increase transparency by providing accurate information and records to customers in a timely manner.	Percentage of Conflict of Interest Code filings, Campaign Statements, and Ethics Code Certifications filed on time	76%	99%	100%
	Improve efficiencies for passport services and public records dissemination.	Number of Passport Applications Processed	363	175	200

**City Manager**

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Increase Community Engagement	Community Update Presentations	12	15	17
	Provide More Public Transit Options to our Residents	Launch a Microtransit Pilot Program	0	0	1
	Increase Partnership with Chamber of Commerce	State of the City	1	1	1
	Affordable Housing	Affordable Housing Projects	1	1	1

**Finance**

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Monitor for need of an additional Payable Clerk	Payable Invoices Paid Per Year	20,269	18,000	20,000
	Monitor the need for additional Business License Clerk.	Number of New Business License and Renewals Issued Per Year	311 / 1,392	455 / 1,344	500 / 1,400
	Monitor the need for additional Cashier or improved online services	Number of Cash Receipts Processed	7,222	7,500	7,750



## Human Resources

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Provide exceptional service and positive interaction at every opportunity	Average number of days to fill a full-time vacancy	94	112	90
	Provide exceptional service and positive interaction at every opportunity	Average number of days to fill a part-time vacancy	66	44	40
	Provide exceptional service and positive interaction at every opportunity	Full-Time Turnover Rate	9%	5%	4%
	Provide exceptional service and positive interaction at every opportunity	Part-Time Turnover Rate	64.6%	50%	45%
	Provide exceptional service and positive interaction at every opportunity	Absenteeism (sick)	9%	12%	10%

## Fire Prevention

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Create and launch the Annual Business Inspection program	Utilizing the established User Fees, we will create an accountability tool and program to successfully capture all businesses licensed in the City and perform all necessary inspections.	0	0	100%



Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Update the Fire Marshals website to be more user-friendly	Update the Fire Marshals website to be more user-friendly	0	25%	75%
	Work with local communities and the general public to spread awareness of high fire zones and defensible space.	Schedule meetings or attend public safety events and speak with home/landowners about ways that they can make their properties more fire-resistant and connect them with the appropriate entities to assist them.	0	2 Communities Served	6 Communities Served

## Animal Services

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Licensed Animals in the City	Increase in the Number of Licensed Animals in the City	10%	10%	15%
	Increase Animal Control Response Time	Animal Control Officers	1	2	2
	Decrease the Incidence of Lost Pets in the City	Provide Free Microchipping Vouchers to Residents	0	100	250
	Promote Responsible Pet Ownership and Reduce Overpopulation	Provide Free Spay/Neuter Vouchers for Residents	0	100	110

## Emergency Services

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Continue to keep Emergency Operations Center staff ready for all emergency incidents	Emergency Operations Center Table Top Exercise, Functional Exercise, and Incidents	1	2	2
	Continuing to strengthen relationships with local, county, state, and federal partners	City Emergency Expos, Trainings, and Pre-Disaster Planning Meetings	12	16	18
	Provide emergency readiness information and updates for the community quarterly	Community-based disaster preparedness quarterly meetings	0	1	4
	Encourage community participation in emergency preparedness.	Community Emergency Response Team (CERT) & LISTOS training for the community	2	2	4

## Planning & Zoning

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	General Plan Update	Complete initial draft, environmental review, and final adoption	50%	90%	100%
	Zoning Code Update	Complete initial draft, public review, and final adoption	0%	50%	100%
	Assist with promoting the growth of the City's commercial corridor areas	Develop draft Commercial Design Guidelines, conduct outreach workshops with stakeholders, and final adoption	n/a	n/a	70%



Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Use technology to capture and preserve institutional knowledge	Digitize and manage all planning records	75%	100%	100%
	Streamline entitlement process	Update application forms, create entitlement process guidelines, and build out planning application workflows in EnerGov	100%	100%	100%

## Building & Safety

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Continue online permitting through the online portal	Building Permits Issued	3,670	3,000	3,000
	Inspections logged through the I Pad	Number of Inspections Performed	16,825	15,000	15,000
	All plan reviews are done electronically.	Plan Reviews Completed	1,339	1,000	1,000
	Completed in-house review times within 7 days Solar within 3 days.	Plan Reviews Completed in 10 days and rechecks in 5 days.	100%	100%	100%
	Work with business owners for a safer community	Number of Certificate of Occupancies Issued	115	100	100



## Code Enforcement

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Keeping Lake Elsinore as the number one destination for action sports.	Providing a safe and pleasurable environment through the fair and impartial enforcement of City and State Codes.	100%	100%	100%
	Continue to enhance the quality of life for residents, businesses and visitors.	Uphold Lake Elsinore's property maintenance standards.	100%	100%	100%
	Making sure Lake Elsinore continues to be a safe place to raise a family.	Maintaining the quality of life for our residents by actively enforcing municipal codes in a fair and effective manner.	100%	100%	100%
	Ensure Lake Elsinore remains a top destination for businesses and visitors.	Take a proactive approach to addressing blighted conditions.	100%	100%	100%
	Maintain ongoing collaborations with city partners.	Continue weekly/biweekly outreaches and maintain an active role in the homeless task force.	100%	100%	100%

## Economic Development

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Develop Tourism backbone and develop tourism board	Create a website, visitors guide, and create a tourism bureau	-	-	100%

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Promote Action Sports, and attract action sports industries.	Adopt an Action Sport Industry Plan, create action sports ad-hoc with stakeholders, work to bring back the Grand Prix, and develop events activating the lake.	-	-	On-Going
	Increase new retail opportunities.	Facilitate new commercial development centers (neighborhood, hotel, entertainment).	-	-	On-Going
	Downtown revitalization/programs.	Engage Urban Land Institute (increase visitors by 10–15%).	-	-	75%
	Promote local business expansion opportunities for Lake Elsinore's existing businesses and industries.	Kick off the Comprehensive Economic Development Strategy Plan (5 years), and introduce EconDev Strategic Plan.	-	-	100%
	Expand and diversify the economic development.	Attend the Site Selectors, SelectUSA conference to recruit, host 2 new fam tours, and create a manufacturing council in support of industry.	-	-	50%

## Engineering

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Ensure the City's roadway, pedestrian, and bike lane infrastructure is highly functional	Roadway pavement, sidewalk constructed/repaired	2,019,840 SF	2,500,000 SF	2,600,000 SF
	Improve the City's drainage network and implement Master Drainage Plan Facilities	Drainage lines were constructed to include cross gutters. New catch basins constructed	28,600 SF	25,000 SF	25,500 SF



Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Improve water quality within the City and the Lake's watershed to satisfy NPDES requirements	Catch basins retrofitted with trash capture inserts. Water quality elements constructed or improved	190	210	200

### Public Works - Parks

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Maintain the natural beauty of the community	Number of trees trimmed in parks and beaches each year.	2,068	2,500	2,500
	Promote energy efficient operations & development	Average number of park site energy efficiency lighting system conversions each year.	23	58	30
	Provide highly functional and sustainable City Facilities and Infrastructure	Average number of City park rehabilitation and repair projects completed each year.	20	15	10
	Promote community involvement	Average number of park maintenance requests completed each year.	127	125	125



**Public Works - Lakes**

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Minimize the impact on life, property and the environment from natural hazards and emergency situations.	Total number of lake buoys replaced each year.	32	140	50
	Continue to maintain beaches and water ways.	Total number of signs replaced, repaired and installed.	64	100	60

**Public Works - Streets**

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Minimize the impact on life, property and the environment from natural hazards and emergency situations.	Total number of storm drain inlets inspected/cleaned.	547	700	800
	Continue to maintain local roads and streets.	Total number of street signs replaced, repaired and installed.	694	750	800
	Continue to maintain local roads and streets.	Total linear sq. ft. of asphalt potholes repaired each year.	971	1,500	2,000
	Continue to maintain local roads and streets.	Total sq. ft. of asphalt repairs completed each year.	95,000	15,000	200,000
	Maintain the natural beauty of the community.	Total linear sq. ft. of asphalt cracks fills completed each year.	300,000	400,000	500,000



## Community Services - Recreation

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Improve the overall access to health-related recreation programming	Host two signature events and a monthly walking/hiking club promoting healthy recreation. Number of attendees.	800	1,200	1,500
	Promote high quality Parks and Recreation Program and Cultural Services	Number of people in attendance at cultural events	9,000	12,000	13,000
	Offer signature events to the community	Number of signature events hosted per year	6	8	9

## Community Services - Community Center

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Increase and maintain the number of programs offered at the LCC.	Maintain recreational use at 75%	65%	75%	80%
	Provide quality adult opportunities through league play and drop in.	Number of Adult Sports/Fitness Offerings	3	4	5
	Encourage community participation in water preparedness.	Number of swim programs offered	30	56	60
	Provide clean, accessible and affordable rental opportunities.	Number of rentals per year	17	22	25

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Develop community engagement strategies through social media.	Number of followers on LE Recreation social media	0	1,500	2,000

## Community Services - Senior Center

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Encourage and promote daily programming.	Increase programming by 5%	6%	7%	5%
	Enhance experiences for daily programs.	Increase travel or in-house programs 1 every other month	24	28	34
	Foster a healthy Senior Community through a variety of opportunities.	Ongoing health classes and screenings as well as health fairs at the Senior Center	204	216	220
	Growing Programs and events that support and fosters inclusivity within our special needs community.	Provide sensory room or alternative recreation options at major City events and monthly programs	12	18	22



## Community Services - Neighborhood Center

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Increase STEM programming, including Science Camp, Youth Room curriculum and Weekend Workshops.	Implement STEM programming in the Youth Room.	3	4	8
	Improve Youth Room membership registration and daily use.	Increase of Youth Room members by 100%	18	20	40
	Create and host new staff run programs and events such as Weekend Workshops, Blacklight Crafts, Bingo Nights, and Storytime.	Increase staff run programs and events by 100%	2	4	8
	Provide clean, accessible and affordable rental opportunities.	Number of rentals per year	1	2	5
	Create new programming through partnership with LEUSD.	Expand ELP (afterschool program) at 10%	5 Schools (3rd - 5th grade)	7.5 Schools per semester (TK - 5th grade)	15 Schools all year long (TK - 5th grade)

## Internal Service Funds - Information Technology

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Foster an organizational structure aligning resources with demand.	Percentage of computers replaced by adhering to a lifecycle replacement program.	20%	20%	20%
	Foster an organizational structure aligning resources with demand.	Reduce the number of open help desk tickets to an average of 50.	40	40	40
	Expand digital services to residents/businesses to maximize efficiencies.	Percentage of city services accessible to residents/businesses via digital platforms.	50%	50%	50%
	Enable systems to safeguard against cyber threats.	Number of security incidents or data breaches.	10%	10%	10%

## Enterprise Fund - Launch Pointe Resort

Dream Extreme Aspiration	Long Term Goal	Performance Measure	FY 2023-24 Actuals	FY 2024-25 Projected	FY 2025-26 Target
	Broaden Lake Elsinore's appeal as a tourist destination	Host themed weekends and activities at Launch Pointe attracting new and returning visitors to the resort.	8	12	15
	Ensure Launch Pointe is family friendly	Offering easy access to public amenities and events at Launch Pointe.	4	6	8
	Implement and enhance the Annual Dream Extreme Derby	Increase participation of teams at 5% growth YOY.	60	65	70
	Become a one stop shop for Fishing access	Become a distribution site for State of California Fishing License.	n/a	20	25



# General Fund



# General Fund Department Summary

The following section includes an expenditure summary with a narrative account of the General Fund Operating Budget. Each Department section includes the short-term objectives staff have developed for the upcoming fiscal year, which are used to develop their operating budgets. Each Department's objectives are measurable and include performance measures which demonstrate the progress made in the recent fiscal years towards their objectives.

The General Fund serves as the City Council's primary operating fund used to finance the majority of City services, including Public Safety, Public Works, Community Development and City Administration. The primary sources of revenue for the General Fund include Sales Tax, Property Tax, Transient Occupancy Tax, Development-related revenue, and other revenues that are not specifically designated to be accounted for in another fund. General Fund revenue may be appropriated by the City Council on any expenditure that serves a public purpose.

## General Government

- City Council
- City Treasurer
- Community Support
- City Clerk
- City Attorney
- City Manager
- Administrative Services
- Finance
- Human Resources

## Public Safety

- Police Services
- Fire Services
- Fire Prevention
- Animal Services
- Emergency Services

## Community Development

- Planning & Zoning
- Building & Safety
- Code Enforcement

## Economic Development

- Economic Development

## Public Service

- Engineering
- Public Works
- Administration
- Park Services
- Lake Services

## Community Service

- Recreation
- Community Center
- Senior Center
- Neighborhood Center

## Non-Department

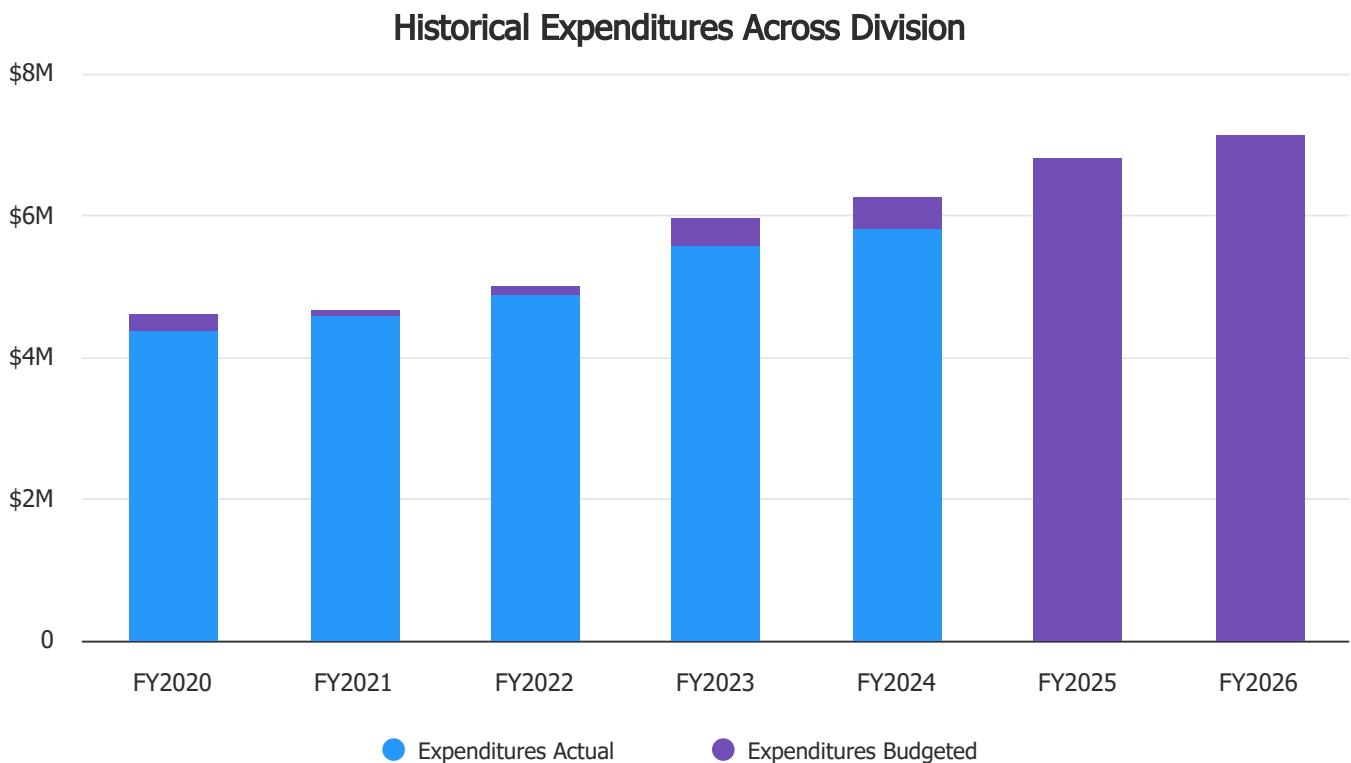


# General Government

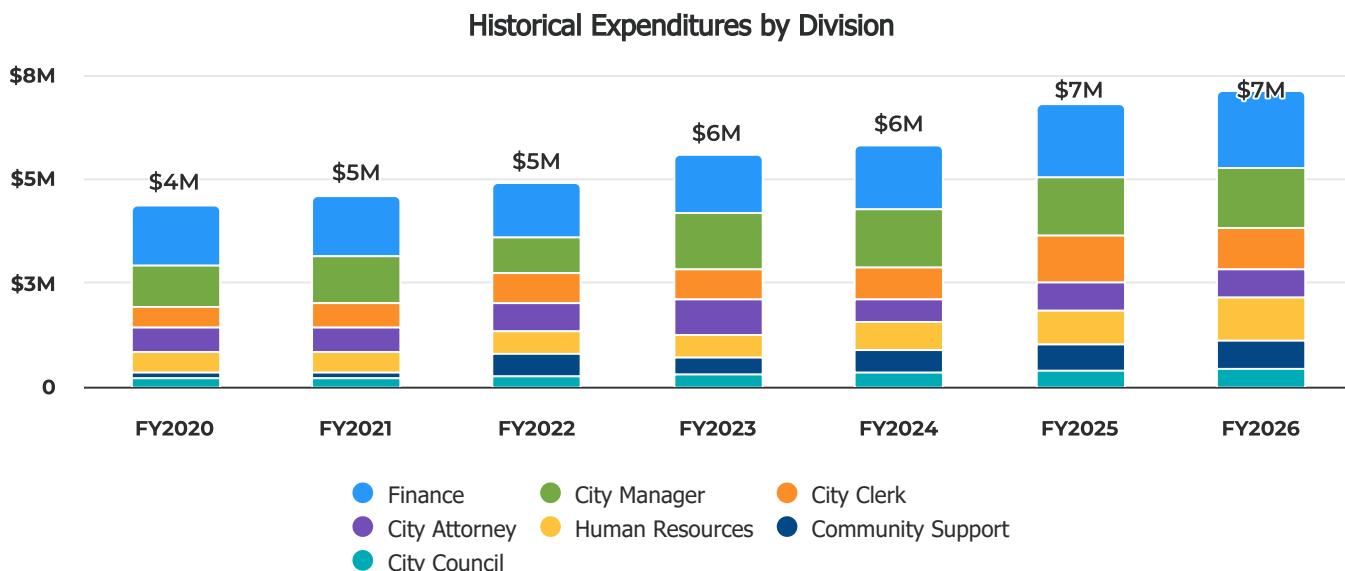
## Mission

The General Government Division is composed of the City Council, Community Support, City Clerk, City Manager, and Administration Services (Finance and Human Resources) to serve the City of Lake Elsinore.

## Expenditure Summary



## Expenditures by Division



### FY26 Expenditures by Division



● Finance	<b>\$1,872,140</b>	26.29%
● City Manager	<b>\$1,440,980</b>	20.23%
● Human Resources	<b>\$1,069,230</b>	15.01%
● City Clerk	<b>\$966,430</b>	13.57%
● City Attorney	<b>\$676,750</b>	9.50%
● Community Support	<b>\$661,610</b>	9.29%
● City Council	<b>\$434,240</b>	6.10%

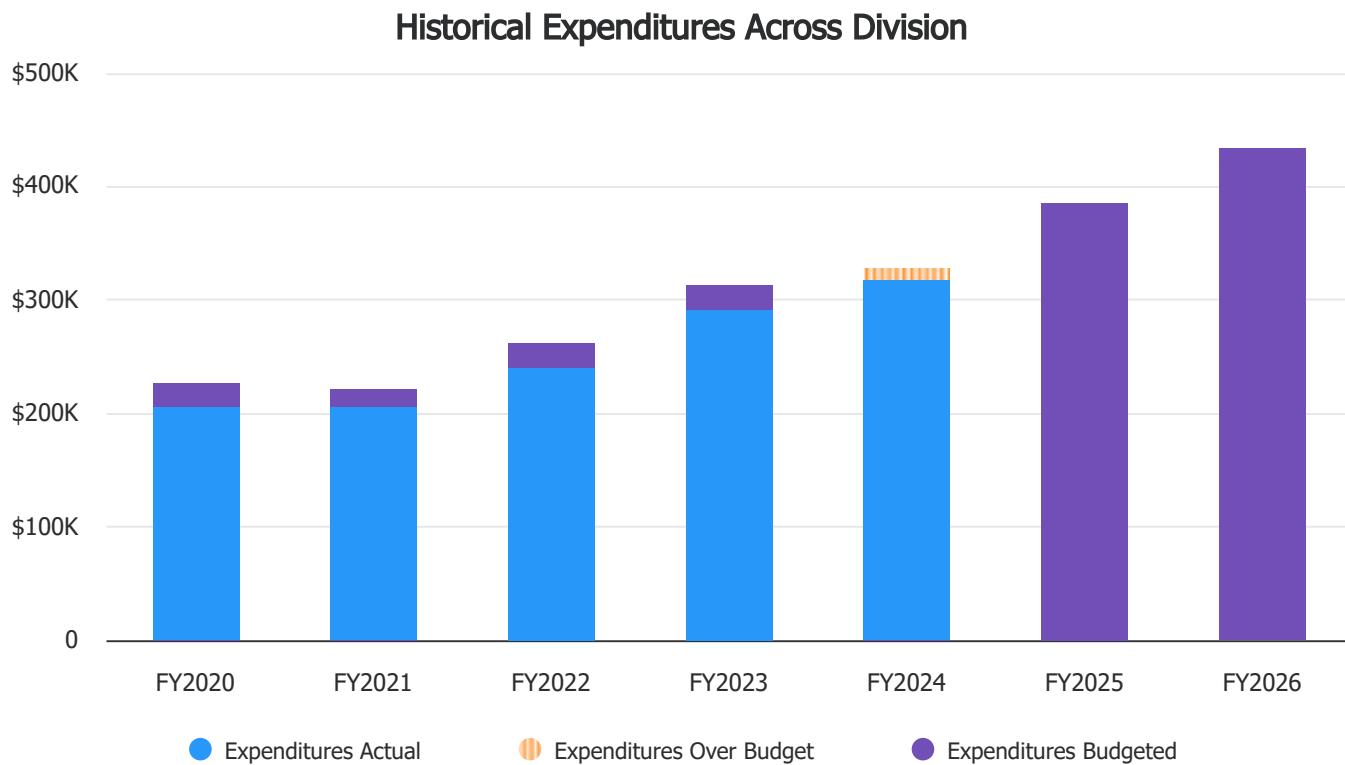
# City Council

## Mission

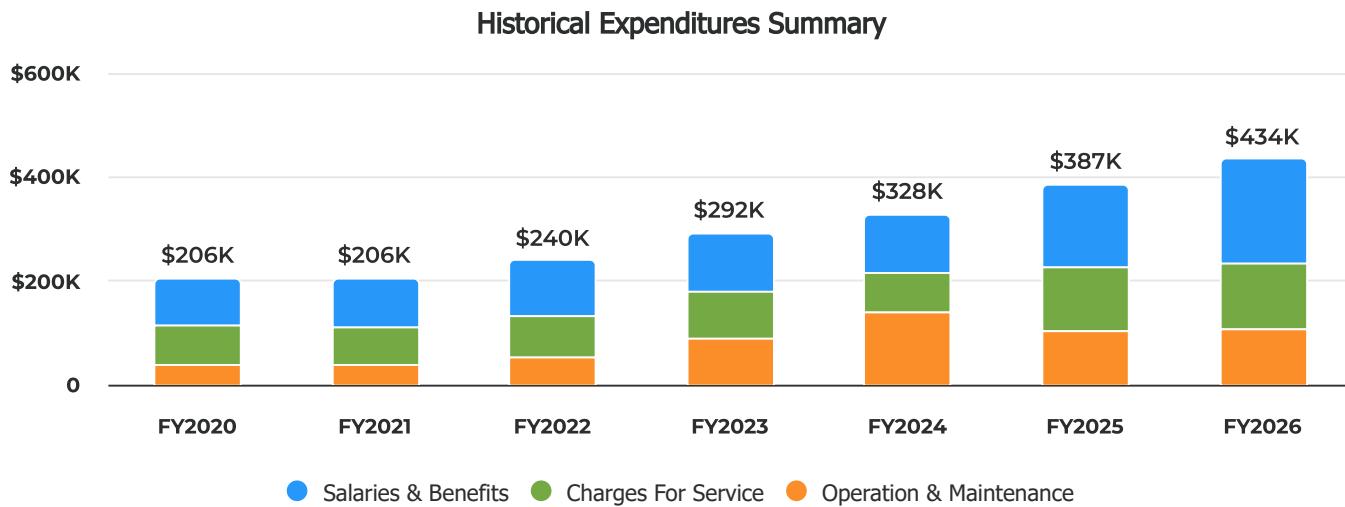
The City Council is elected by the voters of Lake Elsinore to establish and adopt overall policies, legislative and otherwise, to give direction to the City Manager, to ensure the effective operation of the City, and to identify the types and levels of programs and services to be provided to its residents. 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.



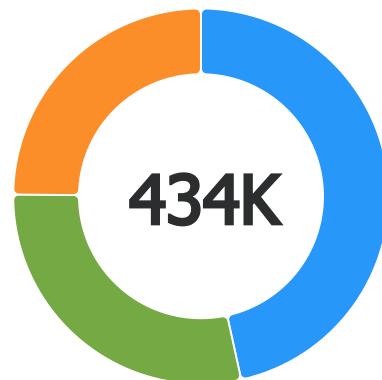
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures Summary



● Salaries & Benefits	\$202,190	46.56%
● Charges For Service	\$124,150	28.59%
● Operation & Maintenance	\$107,900	24.85%

## Personnel Allocation

	CITY COUNCIL	Council Member	AUTHORIZED	CHANGES	AUTHORIZED
			FY24-25		FY25-26
			Total	5.00	-

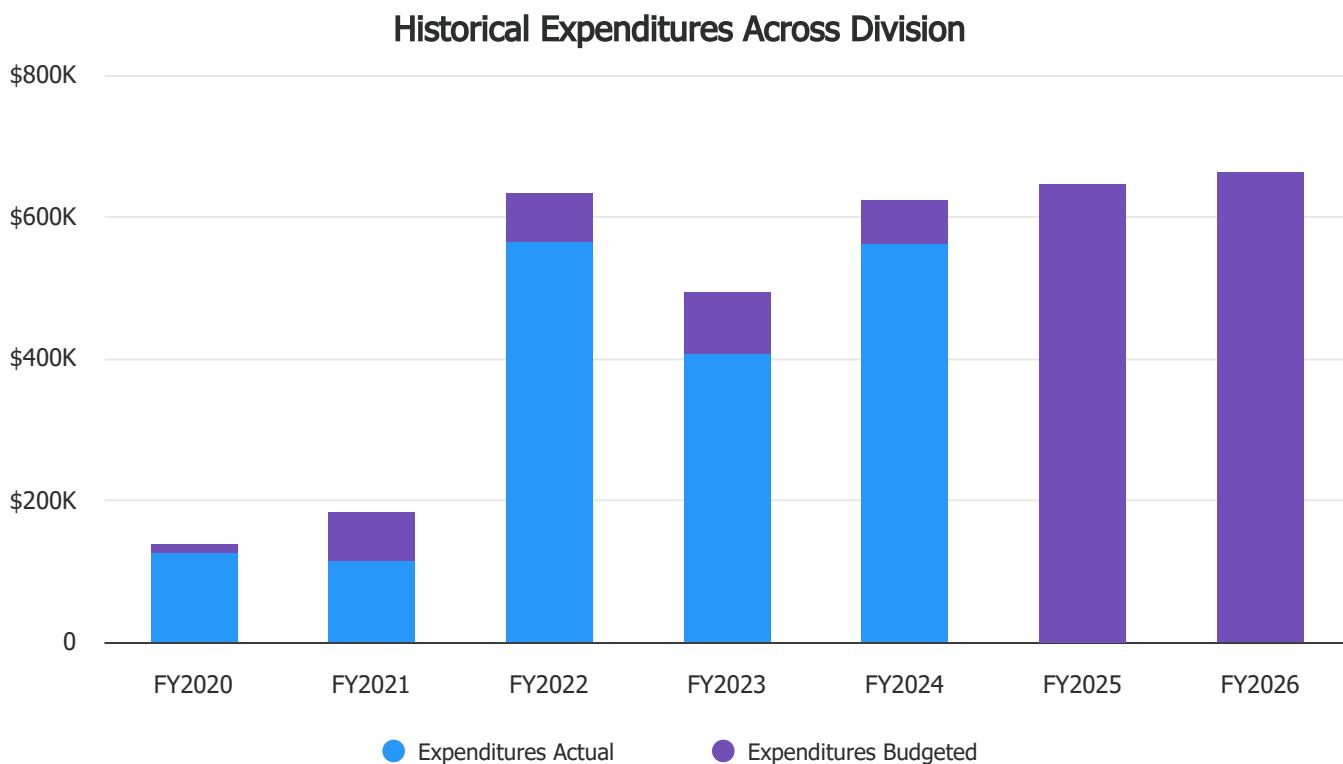


# Community Support

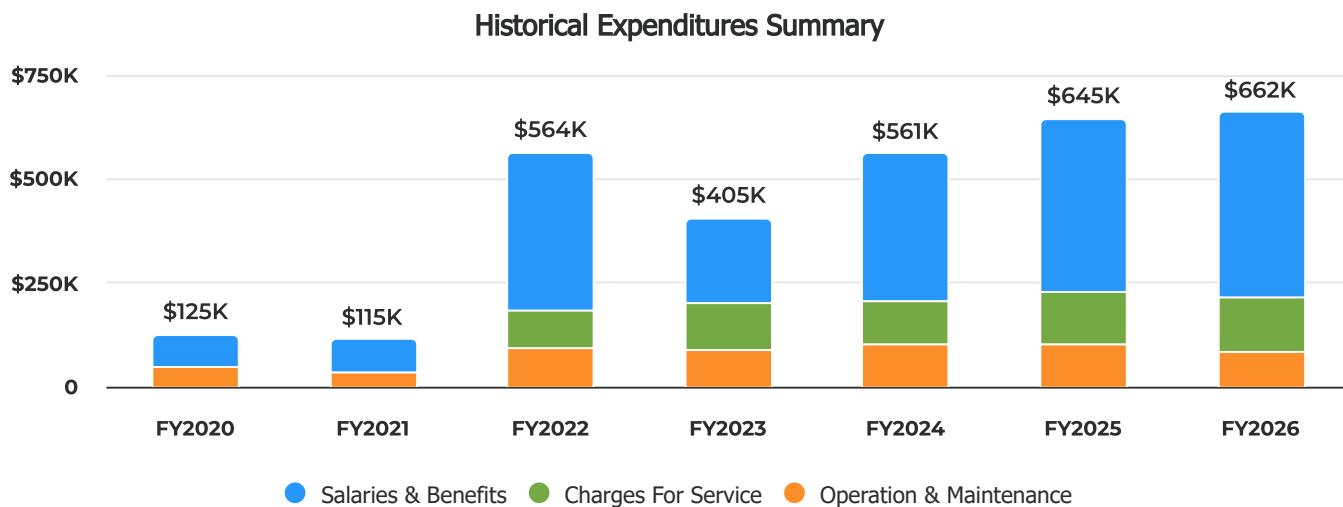
## Mission

Each year, the City of Lake Elsinore allocates funds toward the Community Support Program to serve as a funding resource to nonprofit organizations that provide programs or services that benefit Lake Elsinore residents. Community Support funds are intended to augment the efforts of non-profit organizations to benefit residents, neighborhoods, and communities in Lake Elsinore. It is the City's policy to have a program that can ensure all requests are evaluated consistently prior to entering into agreements for specific measurable services. Once the agreement is executed, the City will hold recipients accountable for providing the agreed-upon services within the specific timeframe.

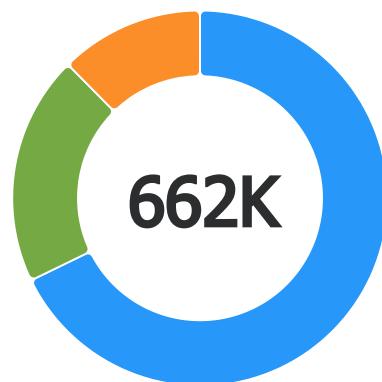
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures Summary



● Salaries & Benefits	\$448,580	67.80%
● Charges For Service	\$130,930	19.79%
● Operation & Maintenance	\$82,100	12.41%

## FY 2024 - 2025 Accomplishments

- Expanded Nanobubble Technology: Installed two additional nanobubble barges on Lake Elsinore, enhancing water quality and advancing the city's lake management efforts.
- Supported Community Water Quality: Assisted the Summerly HOA in addressing water quality issues in their stormwater ponds, providing guidance and solutions for long-term improvement.
- State of the City Collaboration: Worked closely with the mayor to develop and support the 2024 State of the City address, highlighting key city initiatives and future plans.
- Launched Council Connection: Created the "Council Connection," a regular update system to keep the City Council informed on departmental activities and citywide projects.
- Fellow: Hired a WRCOG Fellow to support city initiatives and provide additional capacity for important projects.
- Secured Emergency Permit: Collaborated with the Army Corps of Engineers to obtain an emergency permit addressing the water quality impacts of the Airport Fire.
- Achieved Federal Recognition: Successfully worked with Congress to include Lake Elsinore in the 2024 Water Resource Development Act, opening opportunities for federal support and funding.

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b>COMMUNITY SUPPORT</b>			
Director of Community Support (Unfunded)	1.00	-	1.00
Assistant Director of Community Support	-	1.00	1.00
Community Support Manager	1.00	(1.00)	-
Senior Management Analyst (Unfunded)	1.00	-	1.00
Management Analyst	1.00	-	1.00
Administrative Assistant (Unfunded)	1.00	-	1.00
Total	<u>5.00</u>	<u>-</u>	<u>5.00</u>



## 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.

Citizens of Lake Elsinore

Treasurer

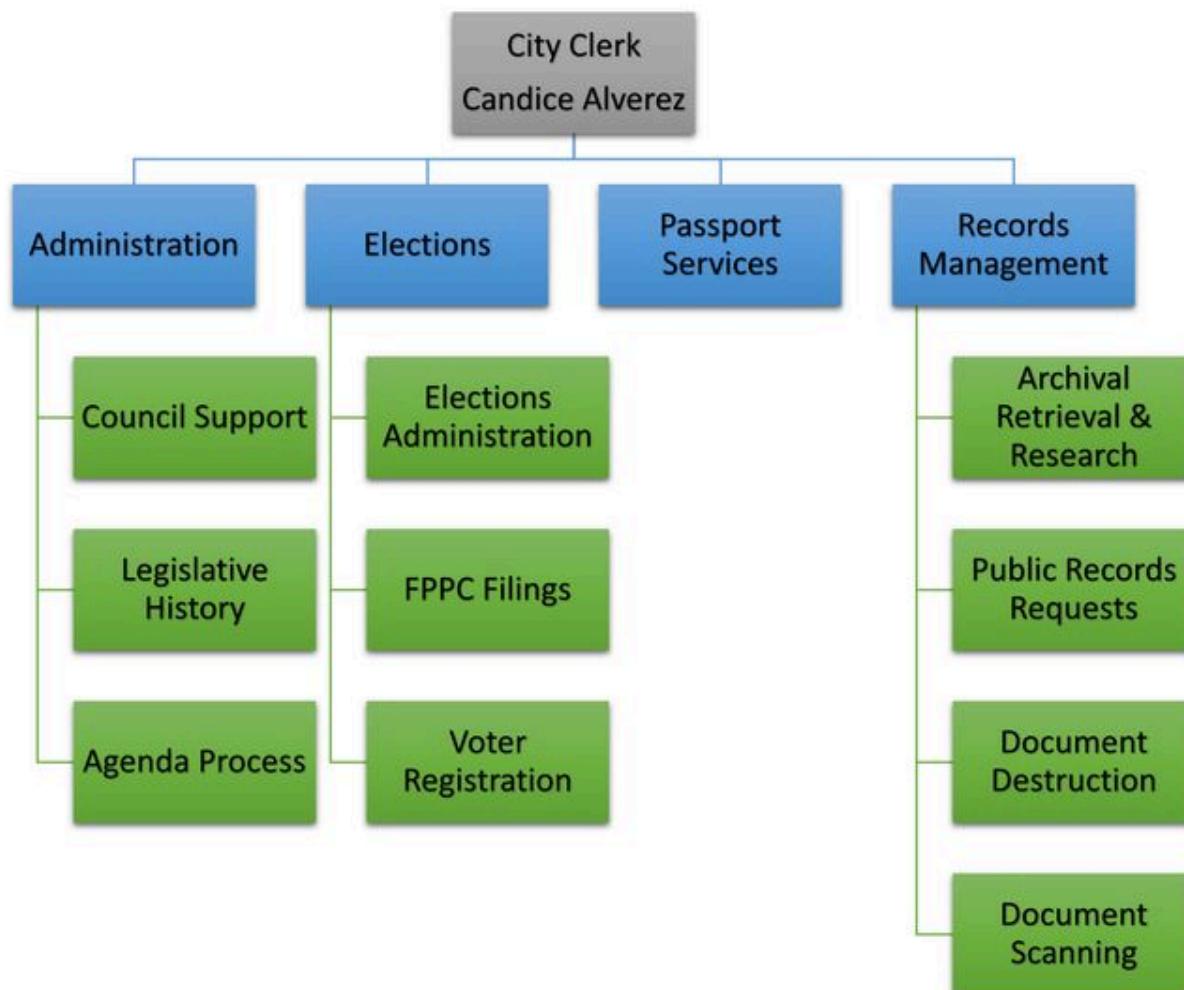
Edwin Castro



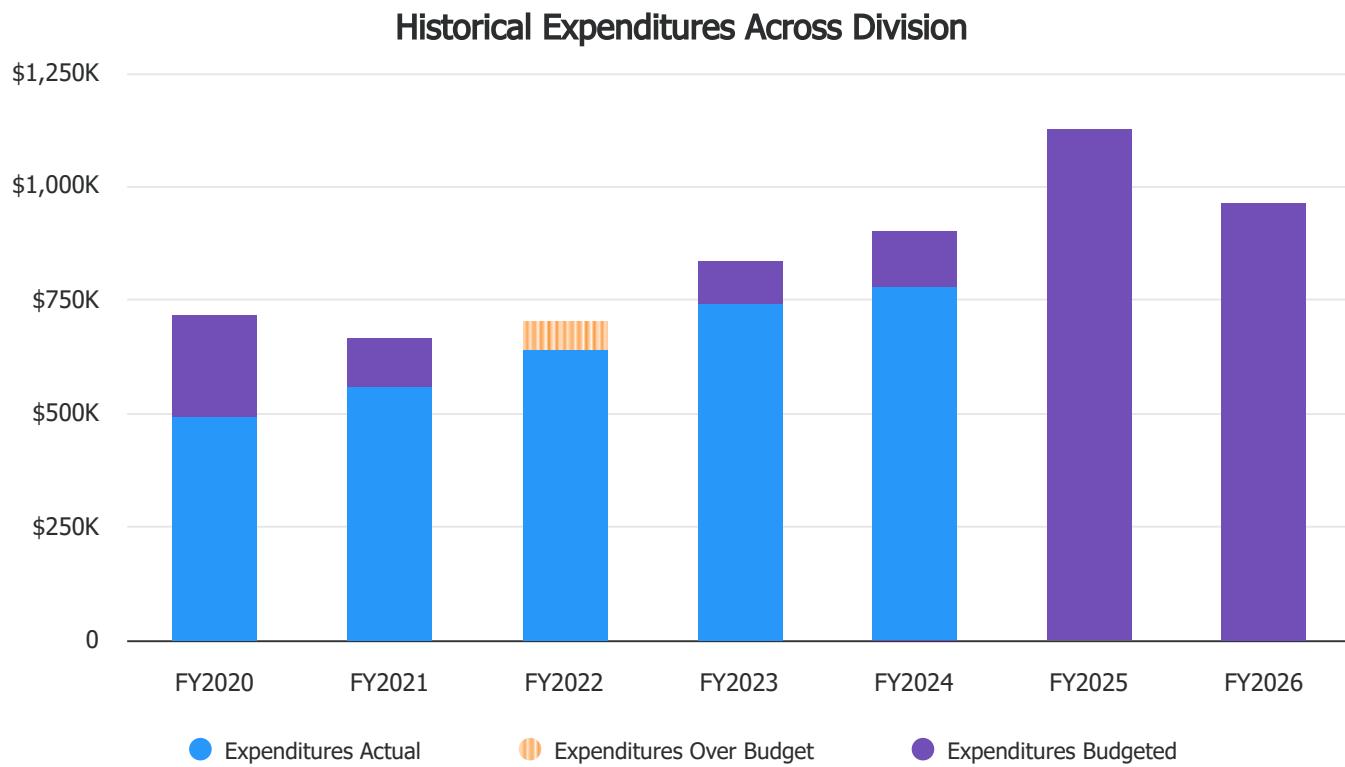
# City Clerk

## Mission

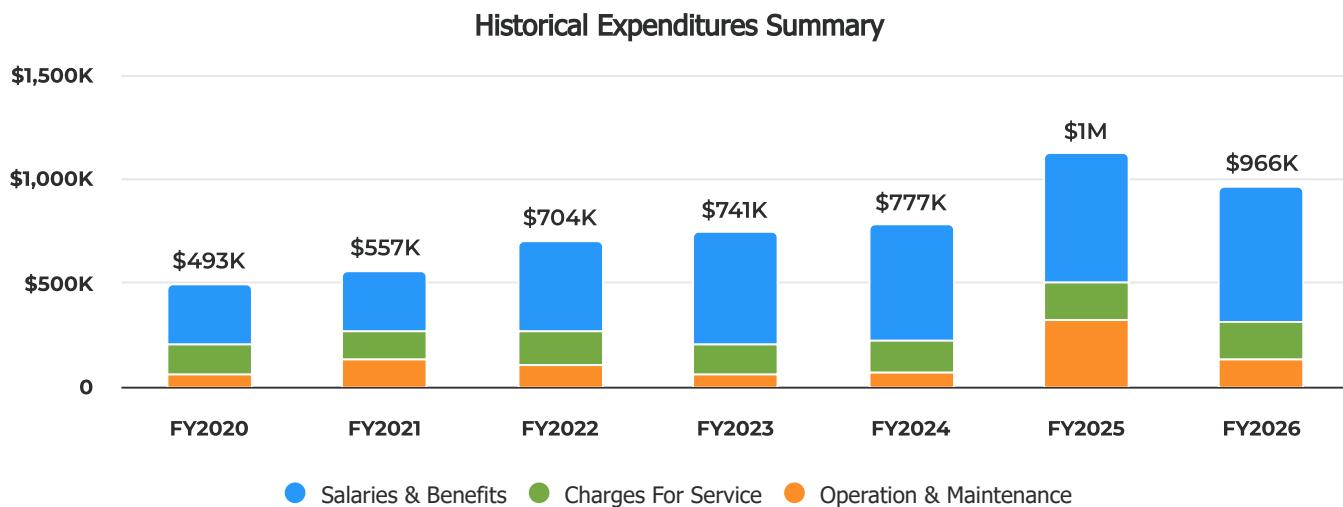
The City Clerk compiles and maintains the official records of the City, making them readily accessible and ensuring transparency to the public. Appointed by the City Manager, the City Clerk is the local official who administers democratic processes by conducting fair and impartial municipal elections. Additionally, the City Clerk acts as the Compliance Officer for Federal, State and local statutes and prepares, certifies and/or adheres to public notice requirements with regard to legal documents, ordinances, resolutions, and public hearings. The City Clerk's department also codifies and disseminates the City's Municipal code, promotes public awareness of government processes, provides meeting, administrative, and legislative support to the Mayor, City Council members, and Commissioners, and arranges for both ceremonial and official functions.



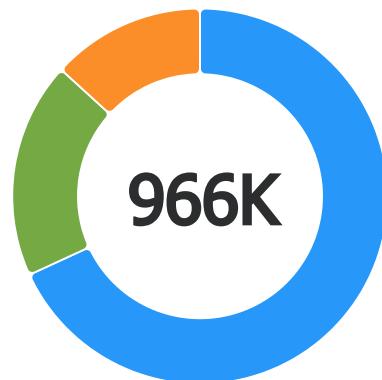
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures Summary



● Salaries & Benefits	\$658,460	68.13%
● Charges For Service	\$180,080	18.63%
● Operation & Maintenance	\$127,890	13.23%

## FY 2024 - 25 Accomplishments

- Provided comprehensive training opportunities for staff, focusing on critical areas such as election administration, public records management, and the California Public Records Act.
  - These sessions were designed to enhance the team's expertise and ensure that they are well-equipped to handle their responsibilities with efficiency and professionalism. By investing in ongoing education and skill-building, the office not only improved its service delivery but also reinforced its commitment to maintaining a knowledgeable and capable workforce.
- Delivered exceptional support to the city's legislative processes, particularly in agenda management and meeting preparation.
  - The office ensured that all agendas were meticulously organized, all necessary documents were prepared and distributed in a timely manner, all meetings were conducted smoothly, and all follow-up items were completed appropriately. This role was crucial in facilitating the city's decision-making processes and ensuring that legislative operations were transparent, well-documented, and aligned with regulatory standards.
- Processed 429 Public Records Requests, ensuring timely responses and compliance with the California Public Records Act.
  - The City Clerk's Office streamlined the records request process by implementing best practices, reducing response times, and enhancing transparency for the public.
- Modernized Passport Processing Services, increasing efficiency and customer satisfaction.
  - The office processed 89 passport applications, ensuring residents received high-quality assistance in meeting federal travel documentation requirements.
  - Staff maintained 100% compliance with the U.S. Department of State's Passport Acceptance Facility Oversight guidelines during an inspection, earning commendations for professionalism and service quality.
- Successfully Administered the November 2024 General Election, ensuring a smooth, transparent, and legally compliant election process.
  - Coordinated with the Riverside County Registrar of Voters to manage polling locations, ensure voter accessibility, and provide accurate election materials.
  - Provided essential training and support to election workers, ensuring an informed and well-prepared election team.
- Enhanced Commission and Board Appointment Processes, ensuring efficient recruitment, onboarding, and training of new commissioners.
  - The office managed the application and selection process for city commissions, improving transparency and accessibility for applicants.
  - New appointees were provided with comprehensive orientation materials to help them better understand their roles and responsibilities.
- Implemented Digital Advancements in Records Management, improving efficiency and accessibility.
  - Continued progress in the digitization of historical records, preserving critical documents while making them more accessible to staff and the public.
  - Scanned and Digitized 7,607 Documents, enhancing accessibility, transparency, and long-term preservation of city records.
- Provided High-Quality Customer Service to Residents and City Staff, reinforcing the office's role as a vital resource for the community.



- The office handled customer inquiries related to records, elections, commissions, and city operations, providing clear and accurate guidance.
- Processed and Managed 242 Contracts and Agreements, ensuring compliance with city policies and legal requirements.
  - The City Clerk's Office plays a crucial role in reviewing, organizing, and facilitating the execution of agreements to support city operations and projects.
  - By maintaining meticulous records and ensuring timely processing, the office enhanced efficiency, minimized risks, and upheld transparency in municipal contracting.

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>CITY CLERK</u></b>			
City Clerk	1.00	-	1.00
Deputy City Clerk	1.00	-	1.00
Administrative Assistant	1.00	-	1.00
Total	<u>3.00</u>	<u>-</u>	<u>3.00</u>

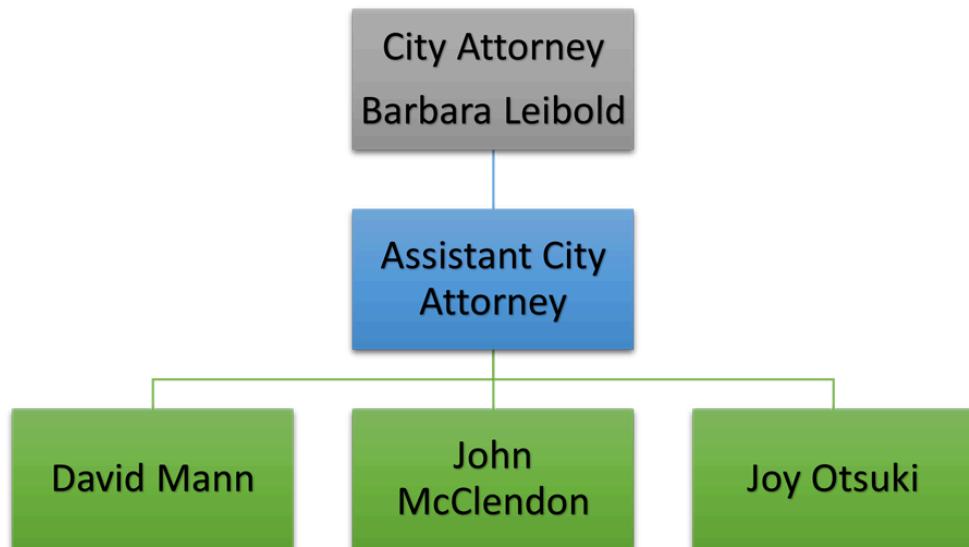
# City Attorney

## Mission

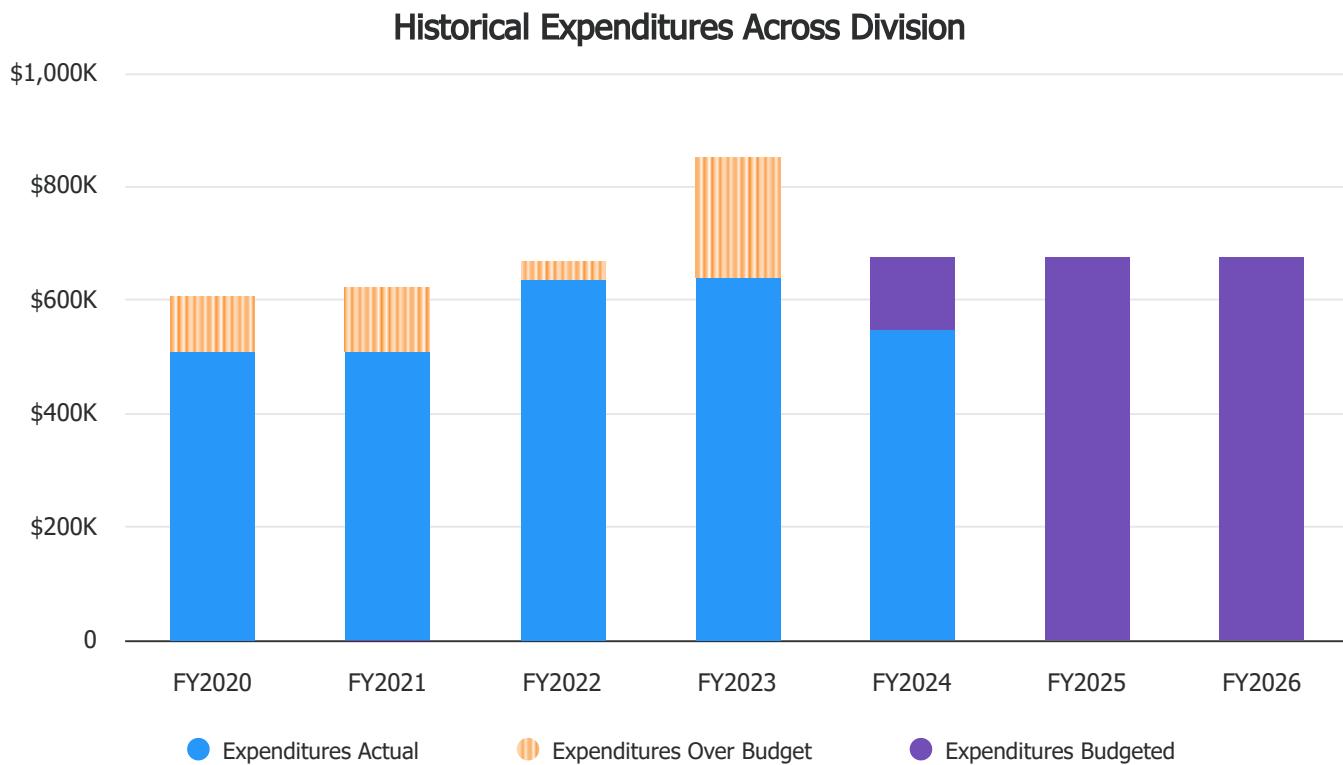
The mission of the City Attorney's Office is to provide the City with the highest quality, responsive and preventative legal services and to identify legal options and strategies for implementing and achieving the City Council's goals, objectives and policies.

The City Attorney's office provides a wide range of professional legal services from complex and sophisticated transactions and litigation to general matters of municipal law, including open meeting laws, conflicts of interest, public records, public contracts, election laws, planning and zoning, water and environmental laws, mining laws and redevelopment dissolution. The City Attorney's Office strives to provide effective analysis and preparation/review of resolutions, ordinances, contracts and other legal documents necessary to accomplish the City's municipal functions and City Council goals.

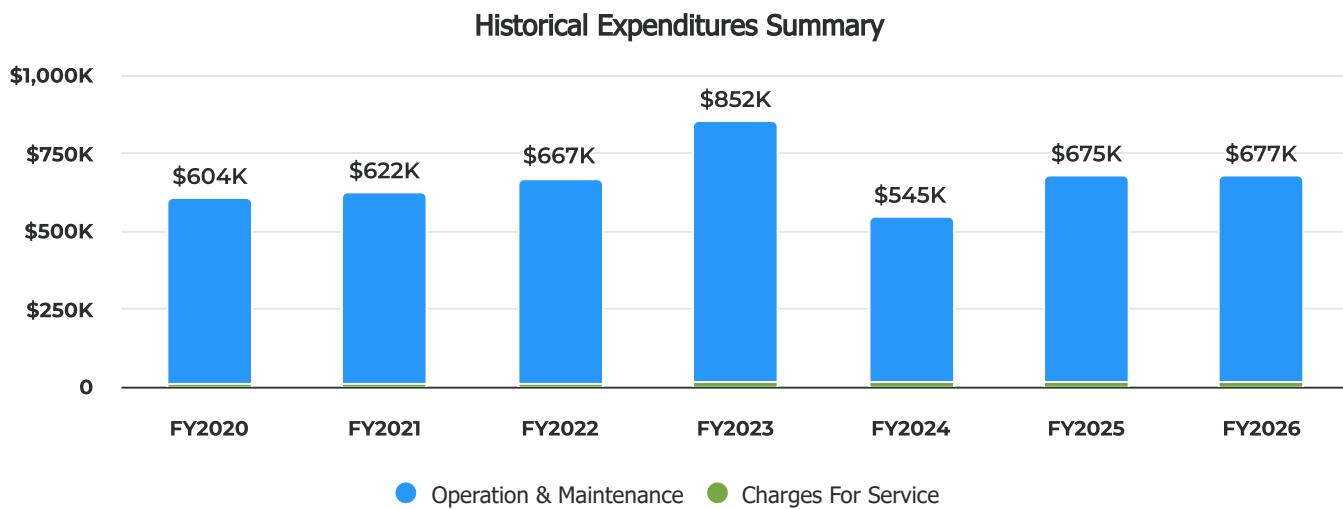
The City Attorney is appointed by the Lake Elsinore City Council. The City Attorney serves as legal advisor to the City Council, Successor Agency, City commissions, City Manager, City Clerk and City Departments. City Attorney services are performed under contract with the law firm of Leibold McClendon & Mann.



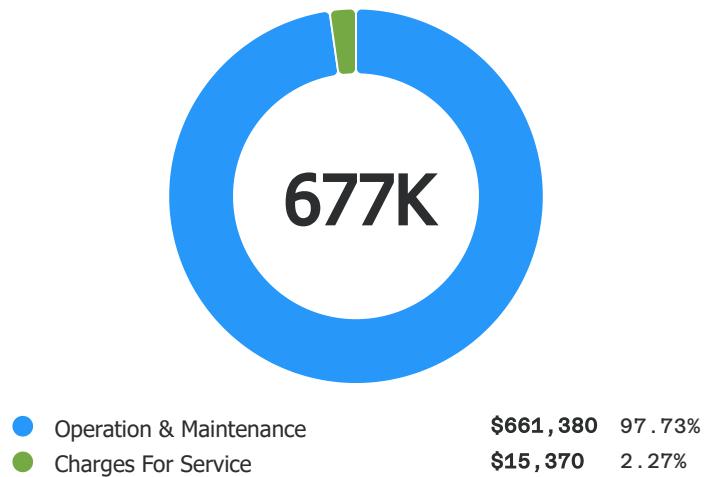
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



## FY 2024 - 25 Accomplishments

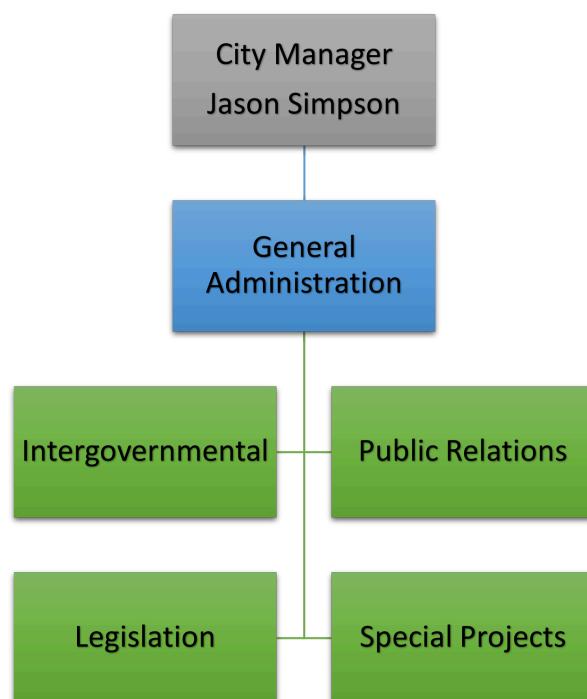
- Provided timely, cost-effective quality legal services to advance City Council's goals and priorities.
- Prepared/reviewed & approved Council and Planning Commission agenda reports & attachments, including ordinances, resolutions, & contracts; attended all City Council and Commission meetings.
- Represented City and assisted staff in contract and bidding issues involving public works projects, including City Hall and other City projects.
- Represented City in real property negotiations, including acquisition of downtown sites, affordable housing sites, open space/preservation sites, Murietta Creek Trail ROW, Temescal Canyon Bridge project ROW, and surplus property disposition.
- Advanced City interests with RCA/CDFW/USFW to implement Back Basin 770 acre MSHCP plan, including negotiated amendments to SAAs and purchase of mitigation lands.
- Assisted City in addressing Summerly odor issues in meetings with Summerly HOA and EVMWD.
- Led City team in discussions with non-federal sponsors in evaluating and closing out Army Corps of Engineer's CAP wetlands project proposals.
- Assisted staff with CHW project entitlements; represented City in negotiating and preparing loan and affordable housing regulatory agreements and coordinating closing.
- Prepared City submittals and project documents in compliance with Riverside County \$5 million County ARPA funding and LMIHAF commitments for Mary McDonald Riley Street Senior project.
- Assisted City staff regarding enforcement actions and implementation of cannabis regulations and Development Agreements, including collection efforts, Compliance Agreements, proposed amendments to LEMC and DAs.
- Advised City on matters involving Launch Point operations and agreements.
- Guided City Council regarding threats of litigation and limiting risks, litigation strategy in pending litigation matters, and mediation/settlement discussions.
- Assisted City Clerk in November 2024 Election matters.
- Secured City reimbursement of attorney fees for defense costs in CEQA challenge to Kassab Travel project entitlements and other costs recovery matters.
- Advised Successor Agency and secured RPTTF funding for enforceable obligations, including bonded indebtedness, Stadium, Summerly DDA and repayment of LMIHF Loan (paid in full).
- Negotiated with Storm regarding Stadium agreements, operations and special events; prepared Eleventh Amendment to Stadium Interim Management Agreement, secured DOF approval for RPTTF funding continued operations and capital projects.



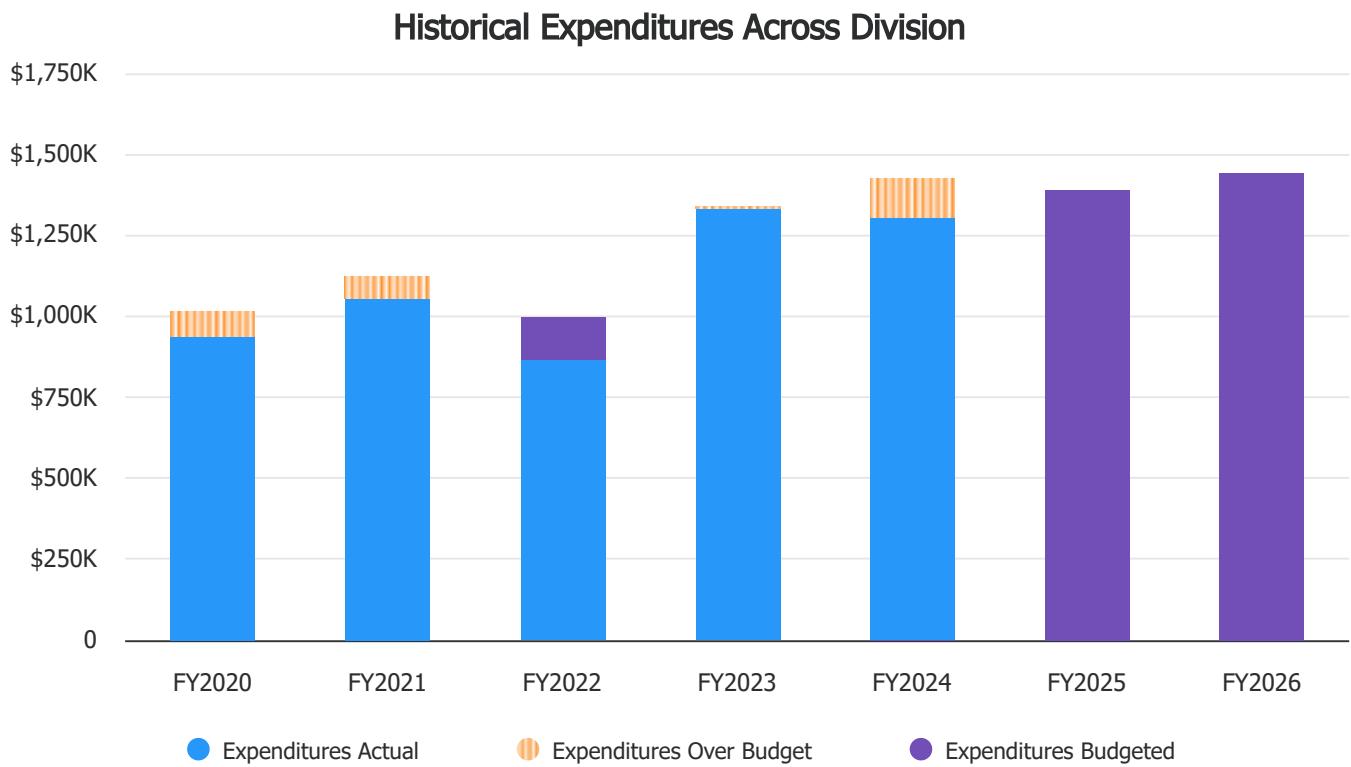
# City Manager

## Mission

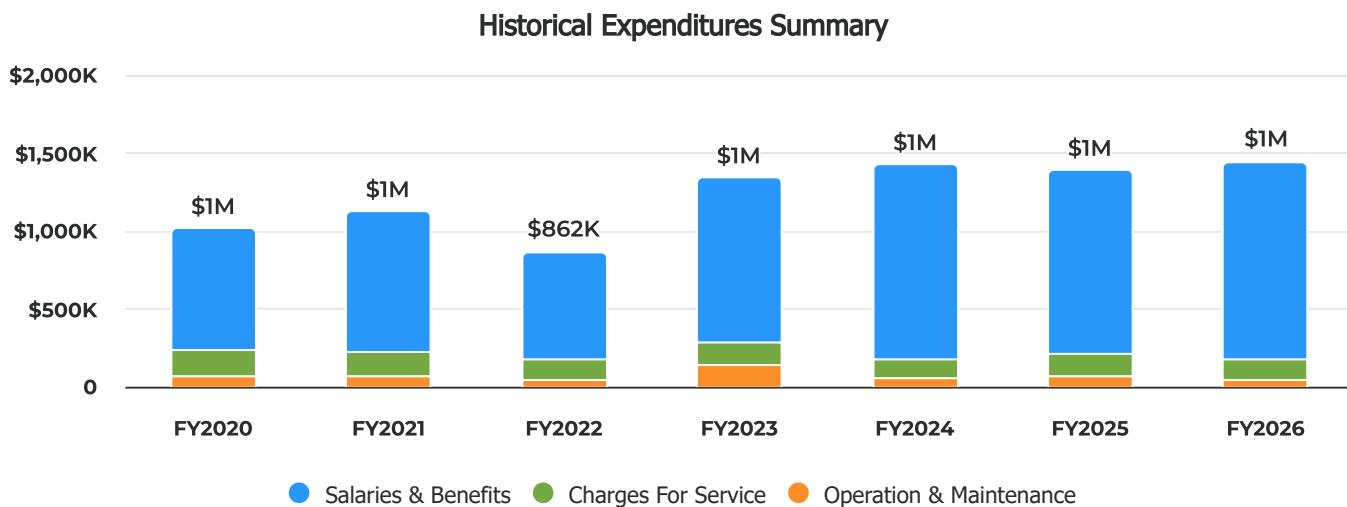
The City Manager is appointed by the City Council to serve as the Chief Administrative Officer of the organization. The City Manager's Office coordinates the implementation of policy and programs established by the City Council. The City Manager provides overall direction to the administration of City 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 service to the community, and promoting overall safety to the staff and citizens of Lake Elsinore.



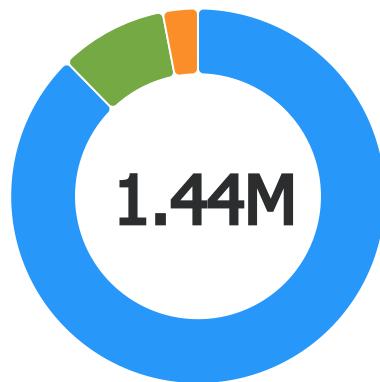
## Expenditure Summary



## Expenditure Summary



### FY26 Expenditures Summary



● Salaries & Benefits	\$1,263,320	87.67%
● Charges For Service	\$133,960	9.30%
● Operation & Maintenance	\$43,700	3.03%

## FY 2024 - 2025 Accomplishments

- Broke ground on a new City Hall building that will serve as a modern hub for municipal services, designed to meet the growing needs of our residents and provide a welcoming space for public engagement and local governance.
- Finished the design of a new modern library on Main Street.
- Reorganized and restructured some departments to fill critical vacancies in the City including Lake Management, Economic Development, Planning and Community Development.
- Applied for funding opportunities to support high-priority issues in the community, including homelessness, transportation, pedestrian pathways, the Lake and public safety.
- Continued critical conversations and relationship building with outside agencies and entities to reduce delays and encourage progress for current and future development.
- Continued to foster positive working relationships with area stakeholders by participating in regional, collaborative meetings with surrounding cities, agencies and stakeholders.
- Identified and facilitate the purchase and/or acquisition of key properties throughout the City that provide valuable resources for future community projects.
- Created and promoted professional development opportunities throughout the organization to allow for positive succession among employees.
- Improved public information resources and department collaboration to communicate capital improvement and privately funded projects under review, approved, under construction and recently completed within the City.
- Expanded Engage LE efforts to promote opportunities for civic engagement and solidify the City as the primary source of information through Alert LE, digital Soofa Signs, social media, a Citizen's Academy program, and other digital tools.
- Facilitated ongoing communication and collaboration across departments.
- Proactively engage with property owners and business owners to promote and support their success whenever possible.
- Used city council subcommittees to effectively manage complex tasks and projects that require additional oversight, discussion and approval.
- Supported and assisted all departments, when needed, in prioritizing, communicating, and completing their goals.
- Hosted the 2024 State of the City Address.

## Personnel Allocation

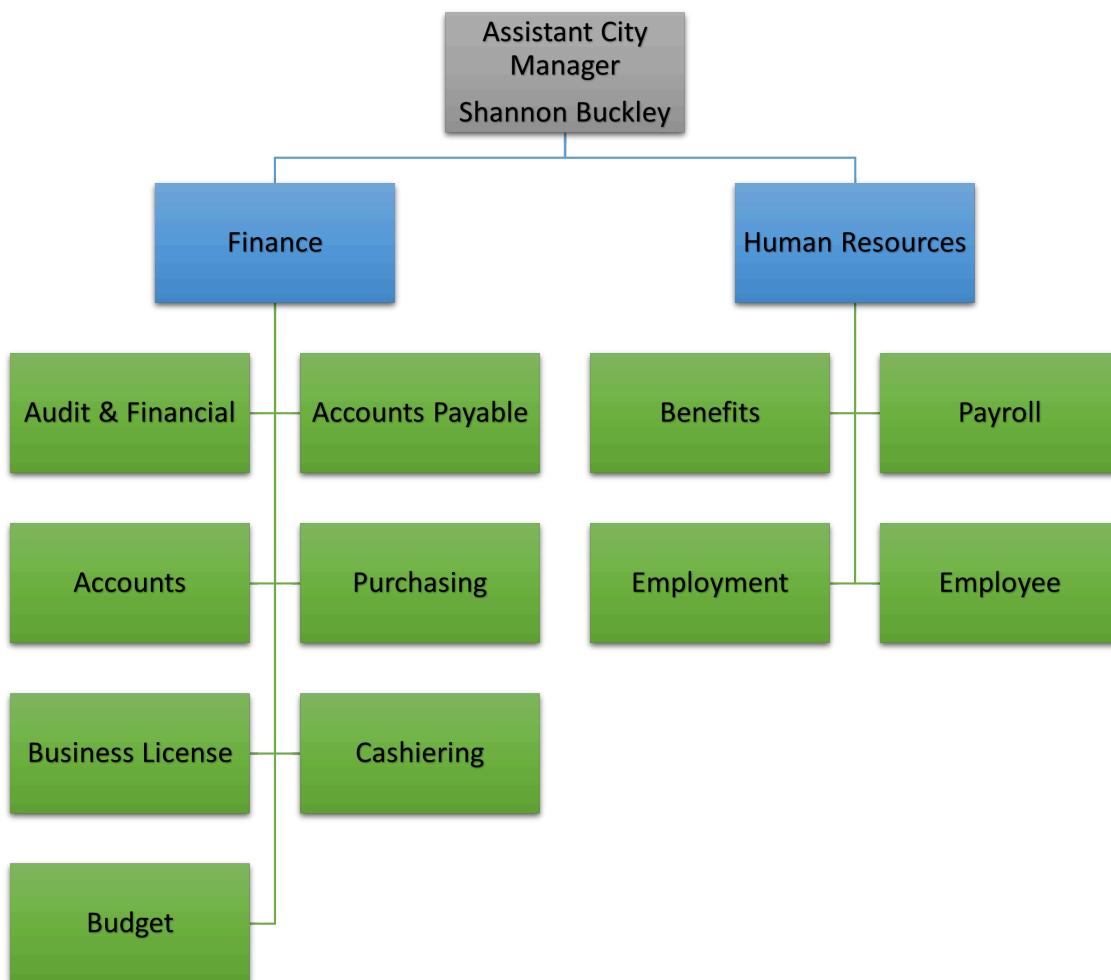
	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>CITY MANAGER</u></b>			
City Manager	1.00	-	1.00
Assistant City Manager	1.00	-	1.00
Executive Assistant II	1.00	-	1.00
Executive Assistant I	1.00	-	1.00
Total	<u>4.00</u>	<u>-</u>	<u>4.00</u>



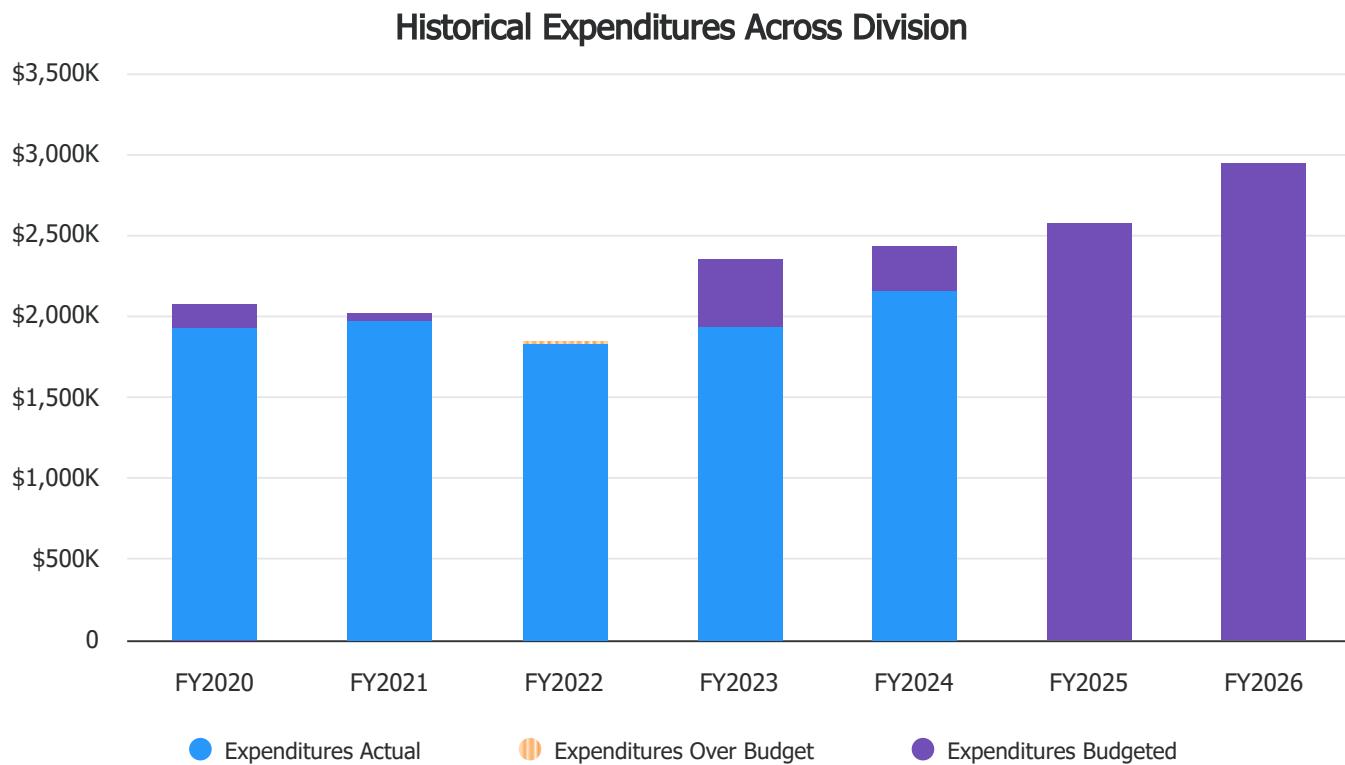
# Administrative Services

## Mission

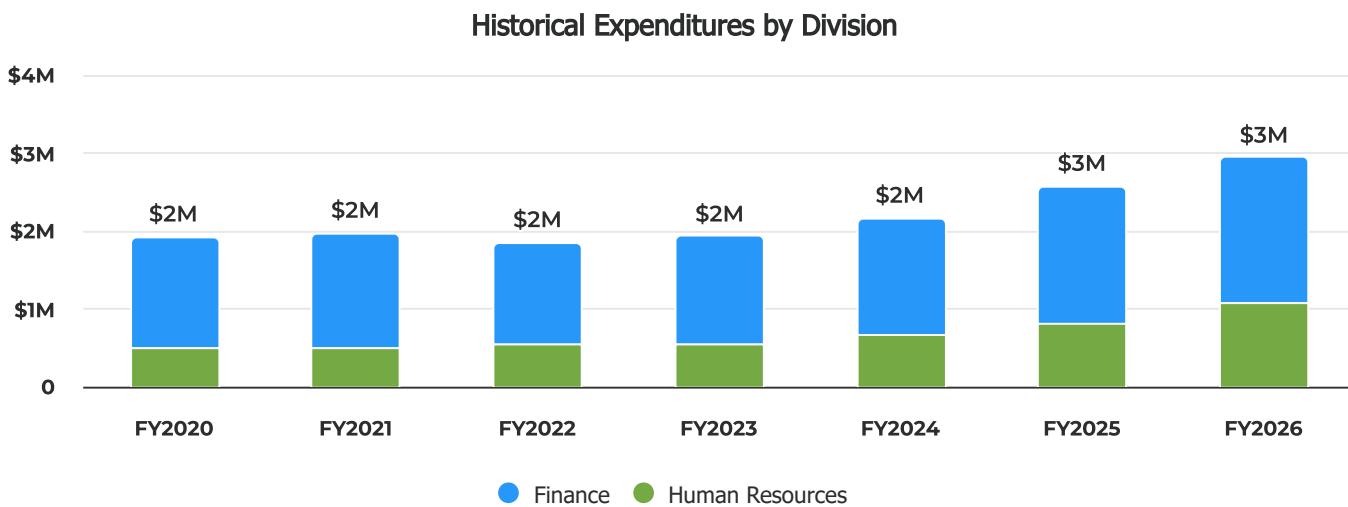
The Administrative Services Department's responsibilities include cash and investment management, financial reporting, coordination and preparation of the Annual Operating Budget and Capital Improvement Plan, external and internal audits, payroll, accounts receivable, financial oversight, business licensing, purchasing and contracting, financial management of Police, Animal Control and Fire contracts, and administration of all city funds and accounts. The Department is composed of Finance and Human Resources.



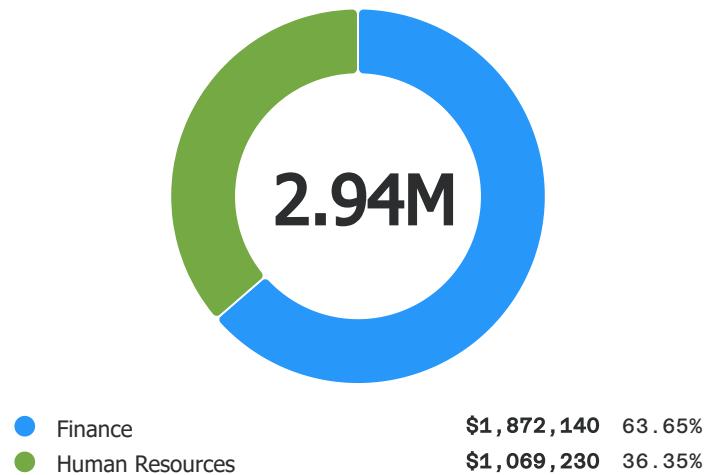
## Expenditure Summary



## Expenditures by Division



### FY26 Expenditures by Division



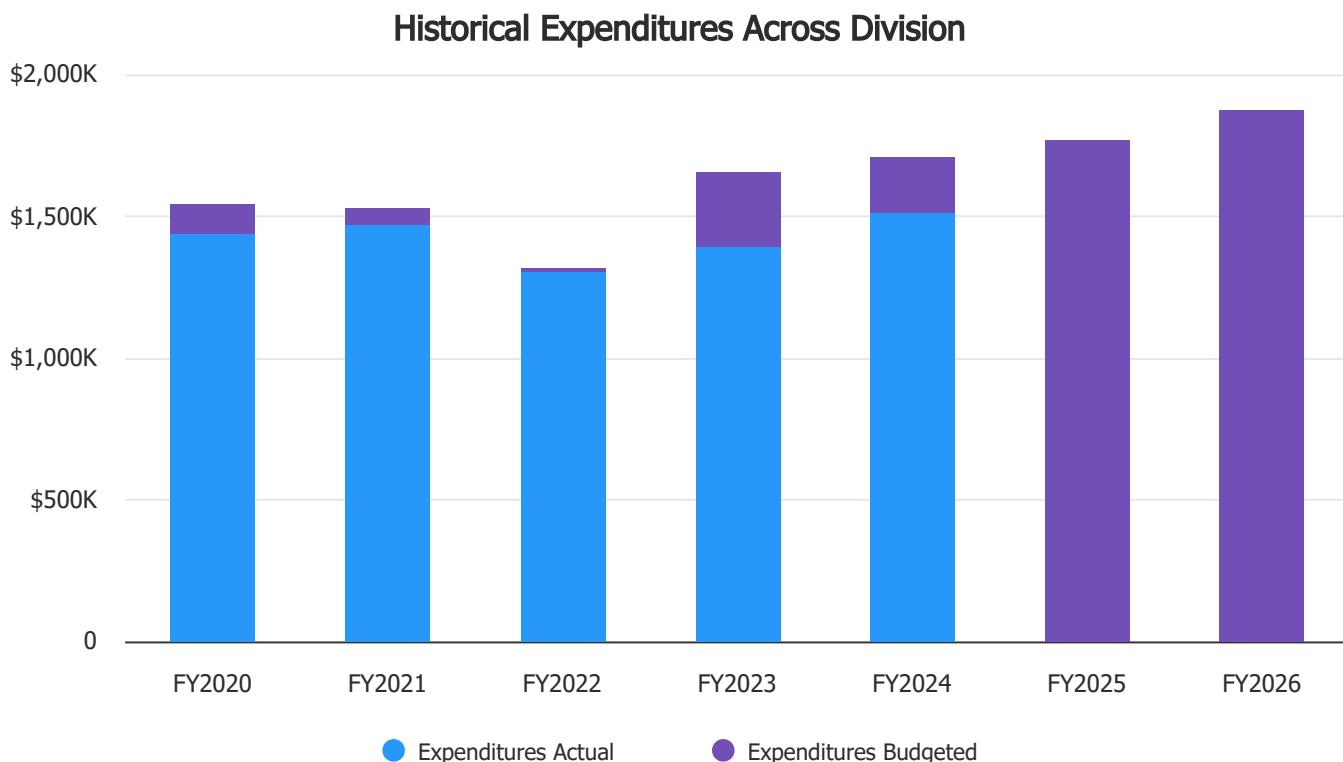
# Finance

## Mission

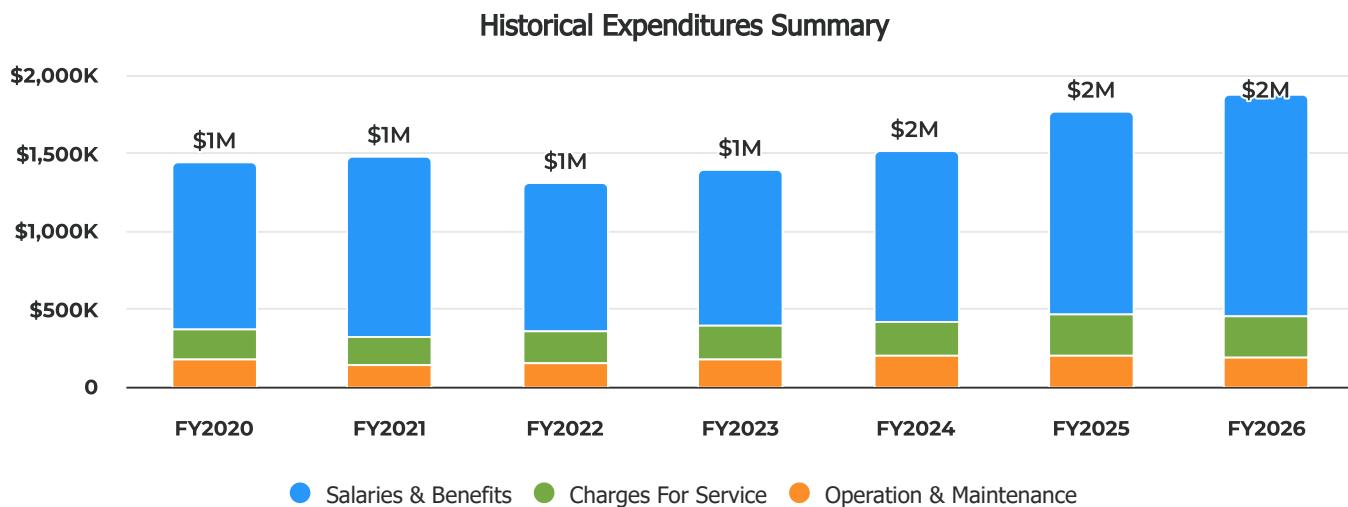
The Finance Division develops fiscal policies to ensure a financially strong City government, provides finance - based services and facilitates growth in the City through the effective and efficient management of resources and processes.

The Finance Division administers the financial and treasury affairs of the City of Lake Elsinore. It serves as an indispensable partner on topics requiring economic, financial and fiduciary inputs and expertise. As such, the division provides the City's departments and residents with dependable and efficient quality services in Cash Management, Accounting and Financial Reporting, Procurement, Grants and Contracts, as well as its internal and external audit partners.

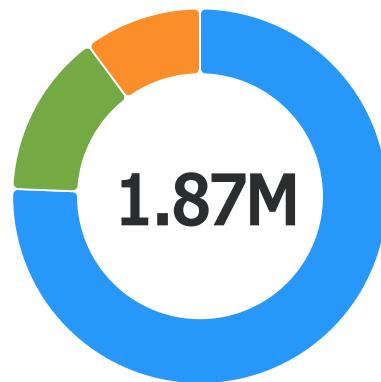
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



● Salaries & Benefits	\$1,415,810	75.63%
● Charges For Service	\$266,430	14.23%
● Operation & Maintenance	\$189,900	10.14%

## FY 2024 - 2025 Accomplishments

- Completed the Annual Comprehensive Financial Statements (ACFR) for June 30, 2023, by January 30, 2024.
- Received the Governmental Finance Officers Associations (GFOA) award of Excellence in reporting for the FY 2022-23 ACFR.
- Applied for the Governmental Finance Officers Associations (GFOA) award of Excellence in reporting for the FY 2023-2024 ACFR.
- Updated the Investment Policy for June 2024.
- Complete annual audit within 5 months from close of fiscal year.
- Complete and submit the ACFR to GFOA prior to December 31, 2025.
- Received GFOA award for Excellence in reporting for the FY 2023-2024.
- Apply and Receive GFOA award for Excellence in reporting for the FY 2024-2025 ACFR.
- Complete Implementation of ACFR Building Module in Financial System software.
- Prepare Manuals for accounts payable, accounts receivable, cashiering, banking, business license processing, debt service, warrant reporting, investment reporting, new vendors, journal entry, and interest allocation.
- Prepare and obtain approval for a new Uncollectible Receivable Policy.

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>FINANCE</u></b>			
Director of Administrative Services (Unfunded)	0.33	-	0.33
Assistant Director of Administrative Services	0.33	-	0.33
Finance Manager	1.00	-	1.00
Fiscal Officer	1.00	-	1.00
Senior Accountant (1 Unfunded)	2.00	-	2.00
Accountant I (1 Unfunded)	2.00	-	2.00
Account Specialist III	1.00	-	1.00
Account Specialist II (1 Unfunded)	2.00	-	2.00
Total	9.66	-	9.66



# Human Resources

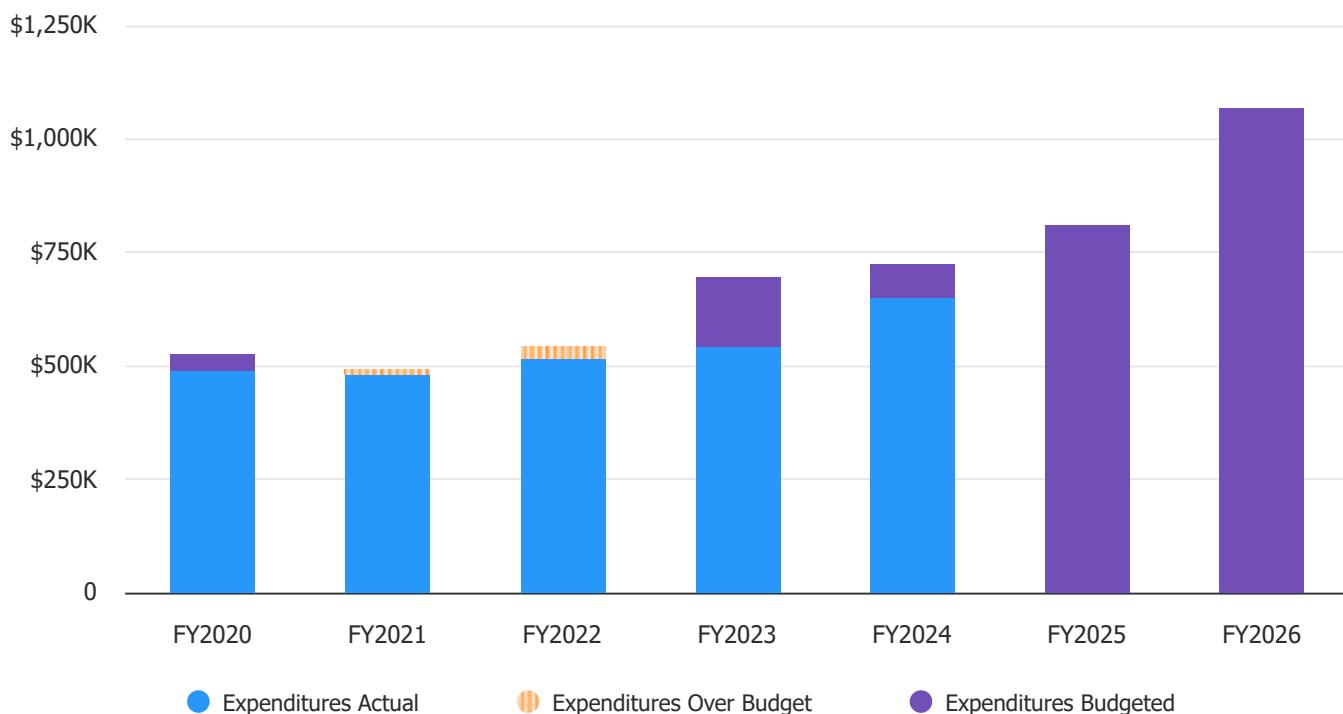
## Mission

The Human Resources division is part of the Administrative Services Department, which also includes the Finance Division. Its focus is on meeting the personnel and support needs of the City, according to all applicable employment standards and labor laws. The goal of the division is to develop and manage a diverse and skilled workforce.

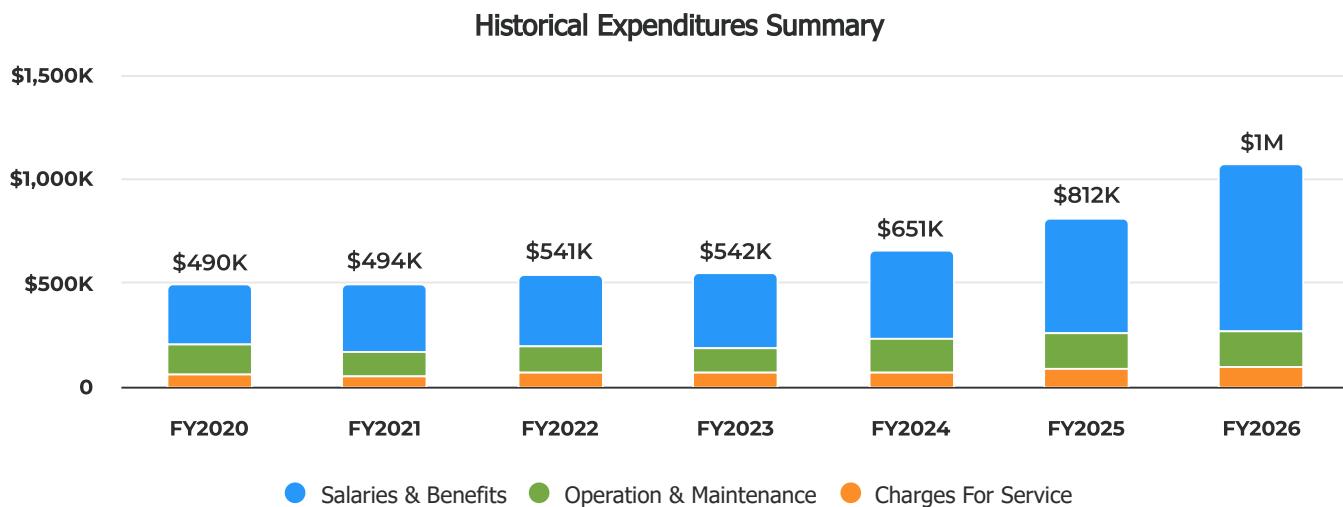
The division's functions include recruitment, benefits, job descriptions, salary surveys, training, performance evaluations and labor relations. The division serves both the City's employees and prospective employees.

## Expenditure Summary

### Historical Expenditures Summary



# Expenditures Summary



## FY26 Expenditures by Object Summary



● Salaries & Benefits	\$800,960	74.91%
● Operation & Maintenance	\$172,540	16.14%
● Charges For Service	\$95,730	8.95%

## FY 2024 - 2025 Accomplishments

- Attended 2024 JPIA Risk Conference
- Hosted the 2024 Employee Service Award Luncheon
- 2024 Health Open Enrollment was successfully managed
- Held safety trainings administered by CJPIA
- Held citywide training for workplace violence prevention
- Continued accurate payrolls
- Continued to hold quarterly safety meetings
- Hired/onboarded 8 employees
- Managed and administered new online evaluation process
- Processed all workers' compensation claims
- Created new payroll calendar
- Updated holidays and work schedules in Paychex
- Held employee morale days
- Reported payroll to CalPERS every pay period
- Completed payroll AP packets every pay period
- Paid/reconciled benefit invoices every month
- Assisted employees with pay and benefit questions/changes/enrollments
- Assisted employees with general questions
- Completed APER and GCC for State Controller's Office
- Reported quarterly State taxes through EDD
- Completed new policies

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>HUMAN RESOURCES</u></b>			
Director of Administrative Services (Unfunded)	0.33	-	0.33
Assistant Director of Administrative Services	0.33	-	0.33
Human Resources Manager	1.00	-	1.00
Senior Human Resources Specialist	-	1.00	1.00
Human Resource Specialist	1.00	-	1.00
Payroll Specialist	1.00	(1.00)	-
Total	3.66	-	3.66



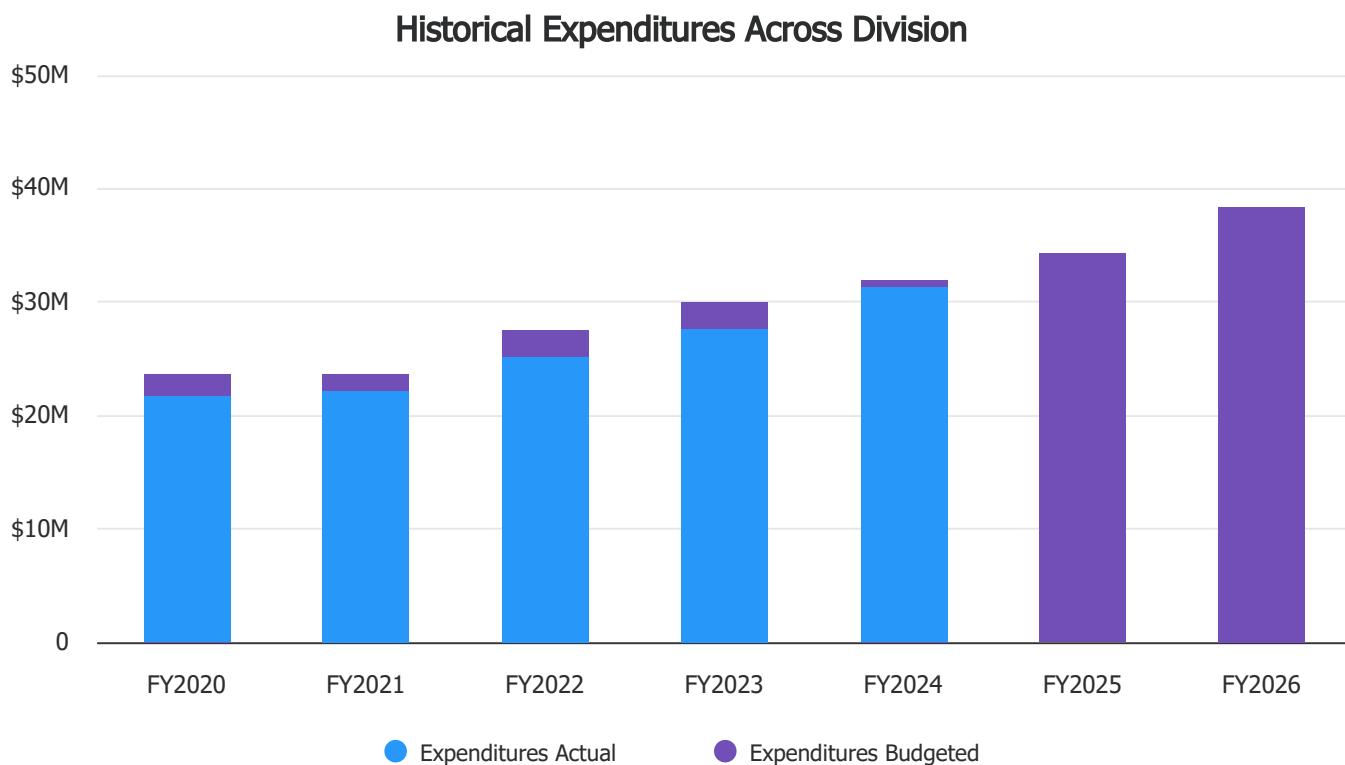
## Public Safety

### Mission

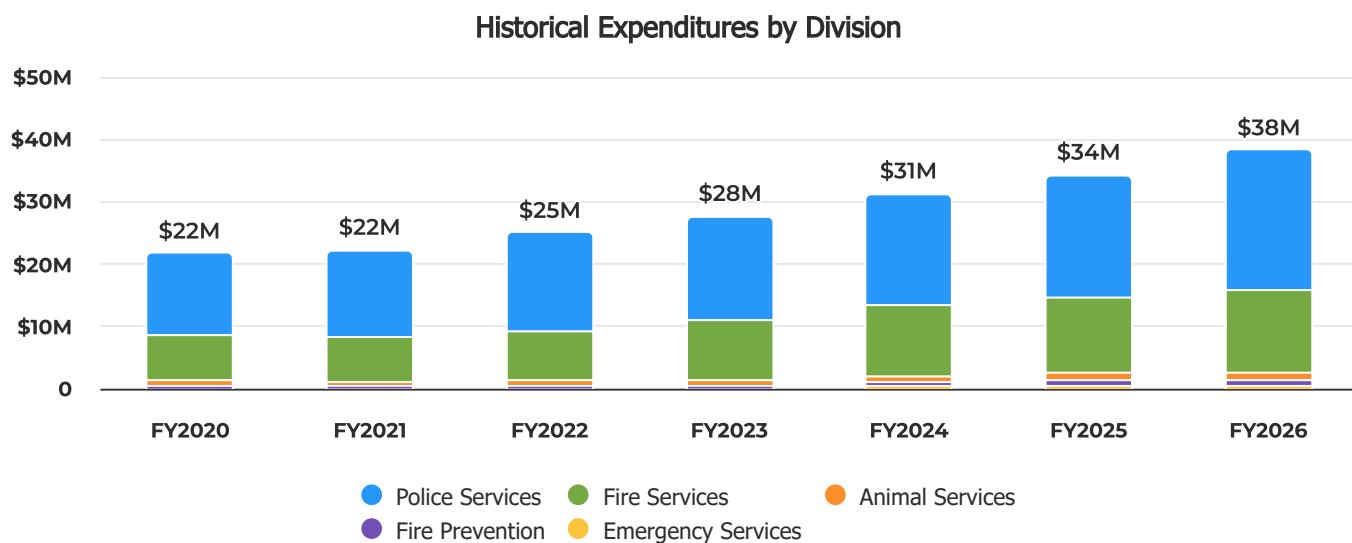
The Public Safety Division is composed of the collaboration of Police Services, Fire Services (Fire Suppression and Fire Prevention), Animal Services, and Emergency Services to serve the City of Lake Elsinore.



## Expenditure Summary



## Expenditures by Division



### FY26 Expenditures by Division

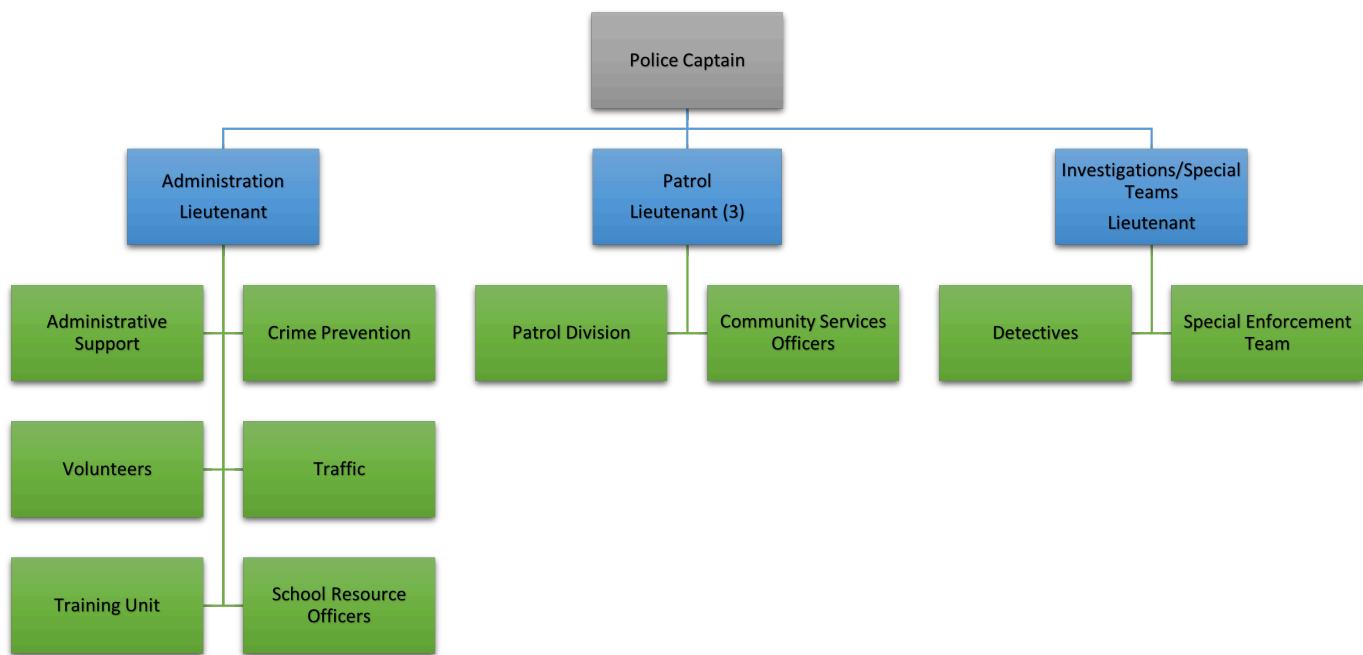


● Police Services	\$22,384,110	58.38%
● Fire Services	\$13,250,020	34.56%
● Animal Services	\$1,238,050	3.23%
● Fire Prevention	\$939,880	2.45%
● Emergency Services	\$530,620	1.38%

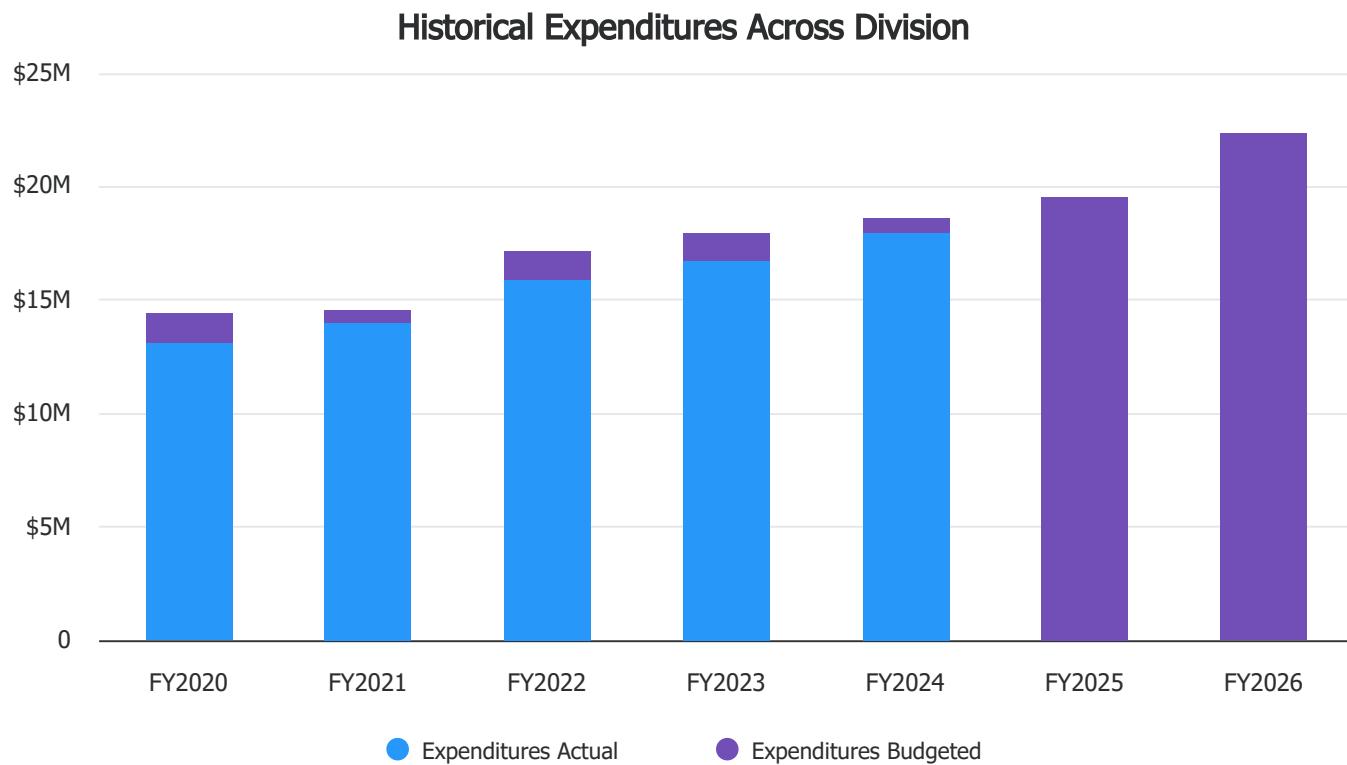
# Police Services

## Mission

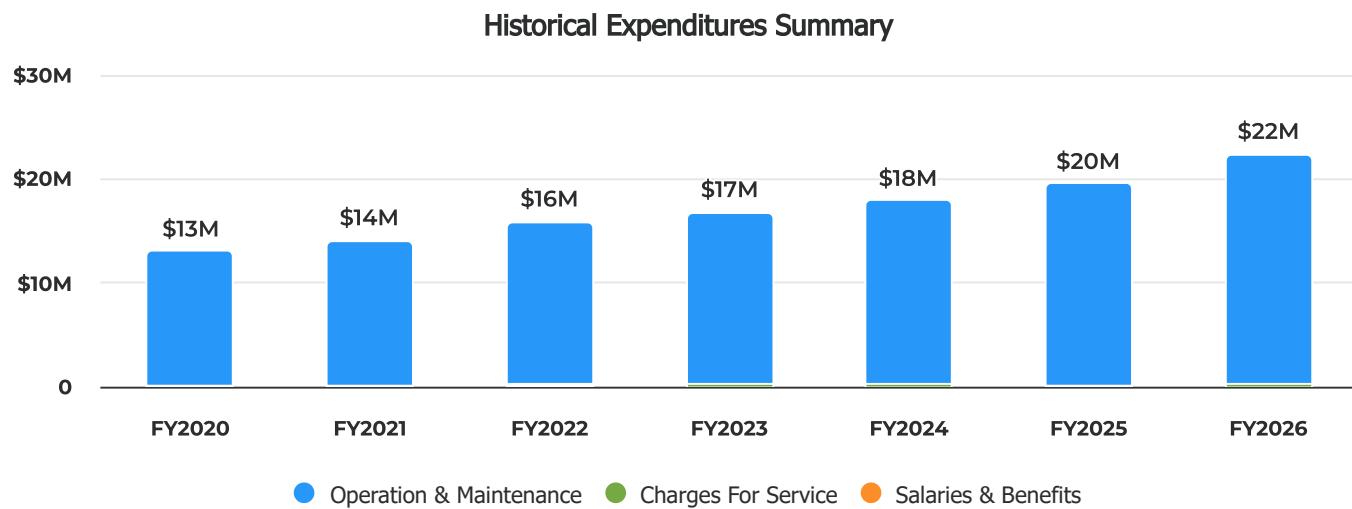
The mission of the Lake Elsinore Sheriff's Station is to provide our community with law enforcement services through the determined pursuit of criminal offenders and by using innovative crime prevention tactics. This is accomplished through a partnership with the community that uses mutual trust and transparency to enhance the quality of life for our residents, while reducing crime and protecting the individual rights of every citizen. Service above self.



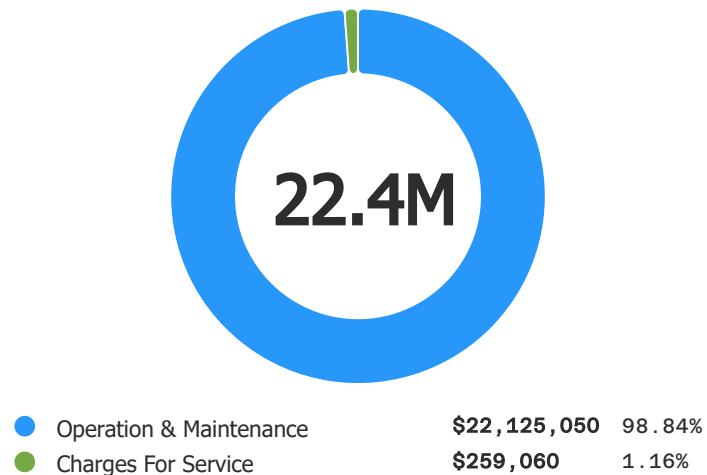
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



## FY 2024 - 2025 Accomplishments

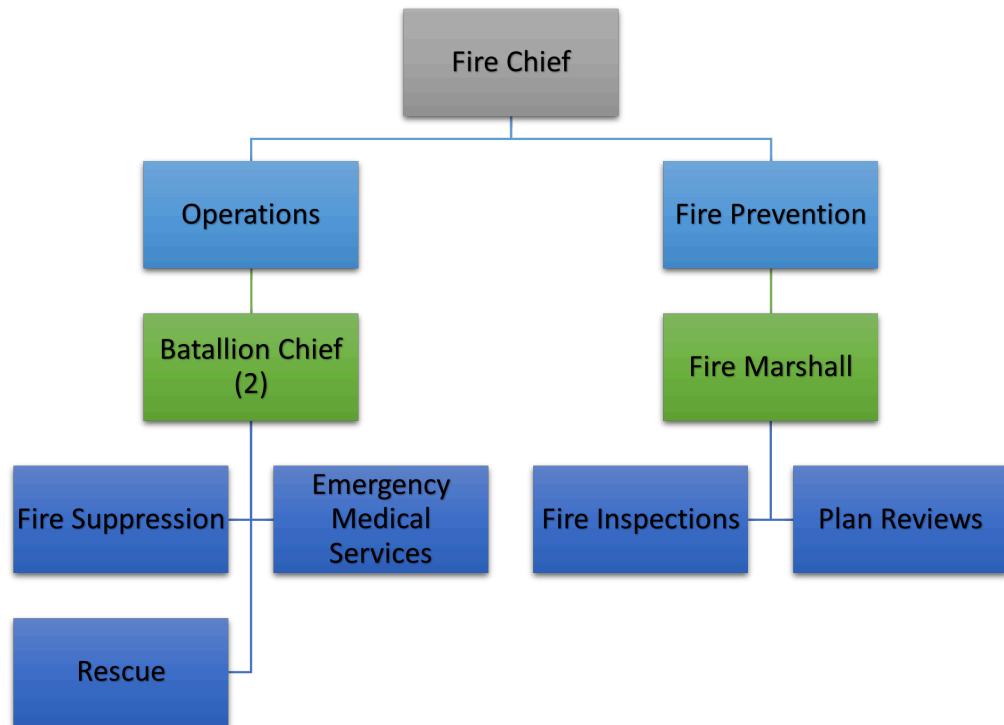
- **Strengthened Homeless Outreach Partnerships:** We forged a stronger, more collaborative relationship with Code Enforcement, SWAG, and other key stakeholders dedicated to homelessness outreach. This strategic partnership has led to a measurable decline in homelessness citywide, underscoring our commitment to proactive community welfare and lasting solutions.
- **Burglary Suppression Team's Success:** Our Burglary Suppression Team has continued to work closely with local retailers, employing cutting-edge investigative methods. This dedicated unit has been pivotal in reducing theft, safeguarding local businesses, and maintaining a secure community environment.
- **Community Services Team's Proactive Engagement:** The Community Services Team has been at the forefront of engaging with residents to address quality-of-life issues, while building stronger ties with the citizens of Lake Elsinore. This proactive approach has not only enhanced community relations but also contributed to a safer and more supportive atmosphere for all residents.
- **Enhanced Crime-Free Multi-Housing Program:** Through targeted revitalization, our Crime-Free Multi-Housing Program has been significantly strengthened, creating safer living environments and dramatically reducing crime within multi-family housing complexes across the city.
- **Maximized Measure Z Funds for Public Safety:** In close collaboration with the City Manager and City Council, we strategically allocated Measure Z funds to enhance public safety services. This joint effort has strengthened our operational capabilities, enabling us to more effectively meet the needs of our community.
- **Significant Reduction in DUI-Related Collisions:** Through focused enforcement and robust community partnerships, we've made significant strides in decreasing DUI-related collisions and injuries. Our targeted strategies, including proactive patrols and DUI checkpoints, have yielded tangible results. Notably, for the fourth consecutive year, a deputy from the Lake Elsinore Station was honored with the MADD "Top Cop" award for leading the county in DUI arrests.



# Fire Services

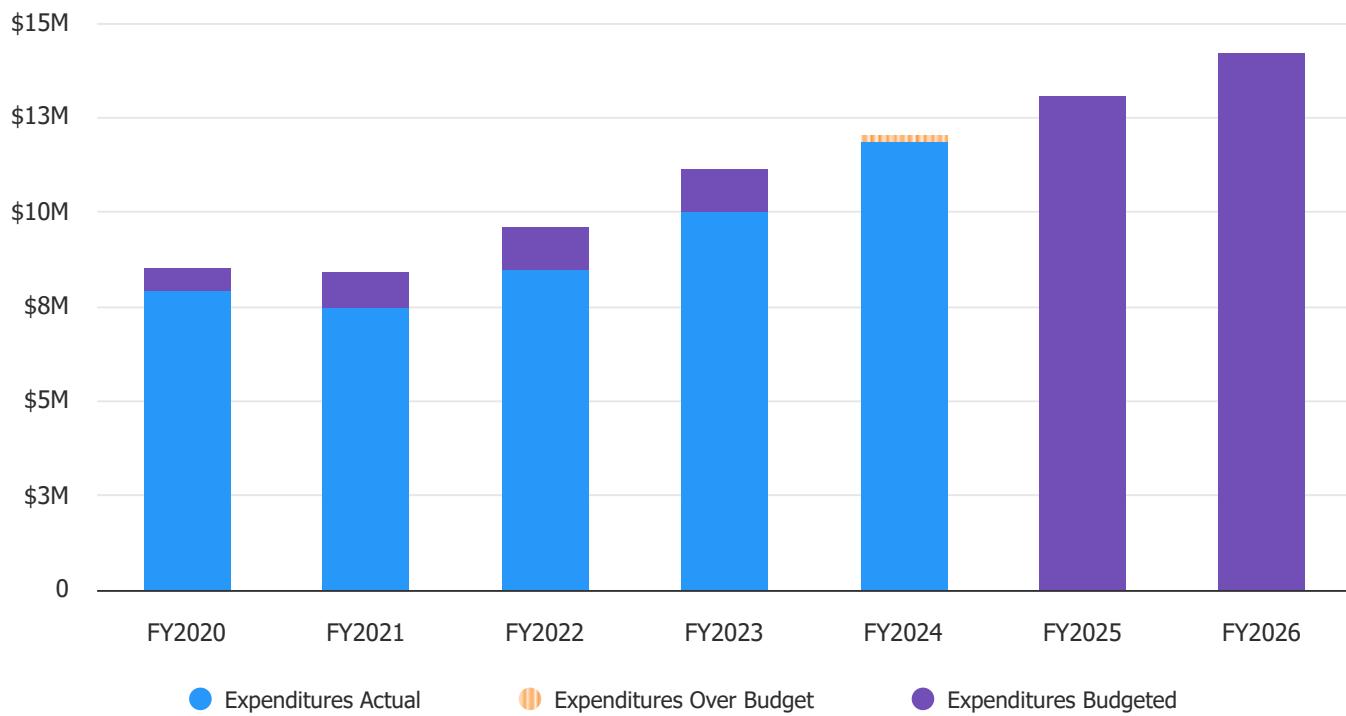
## Mission

The Fire Services Division contracts with both Riverside County Fire and Cal Fire. This coordination provides the citizens of Lake Elsinore with fire, emergency response as well as prevention, with the highest service.

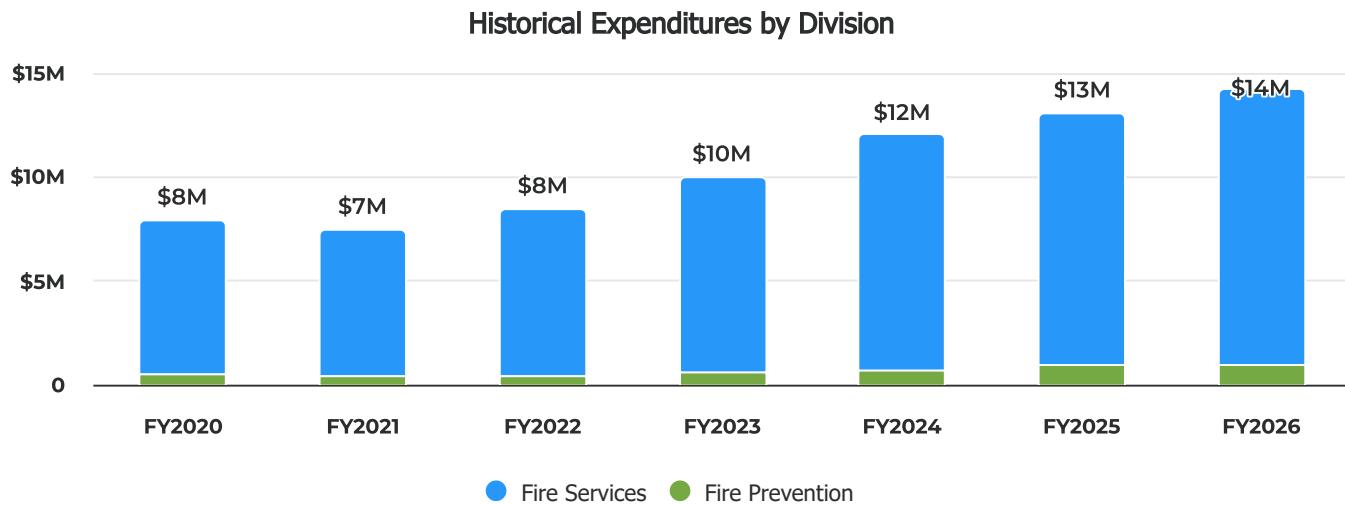


## Expenditure Summary

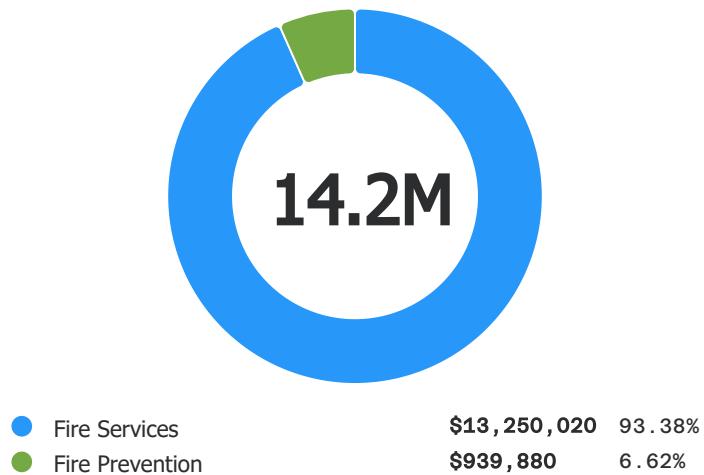
**Historical Expenditures Across Division**



## Expenditures by Division



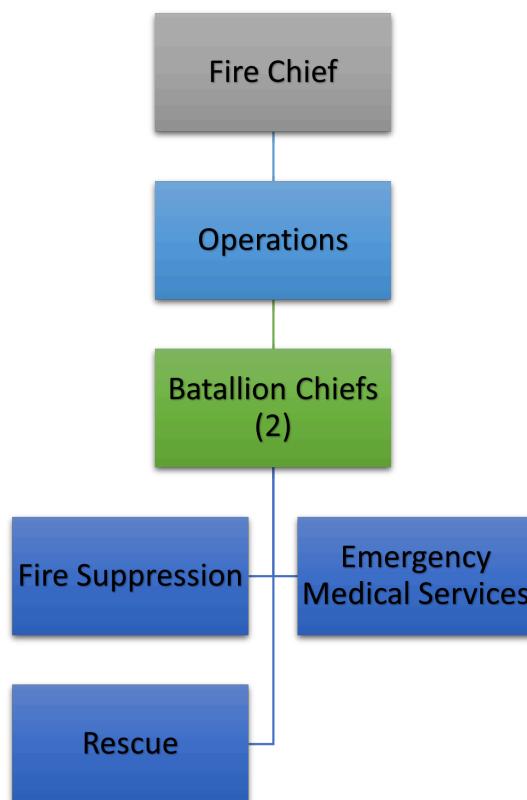
### FY26 Expenditures by Division



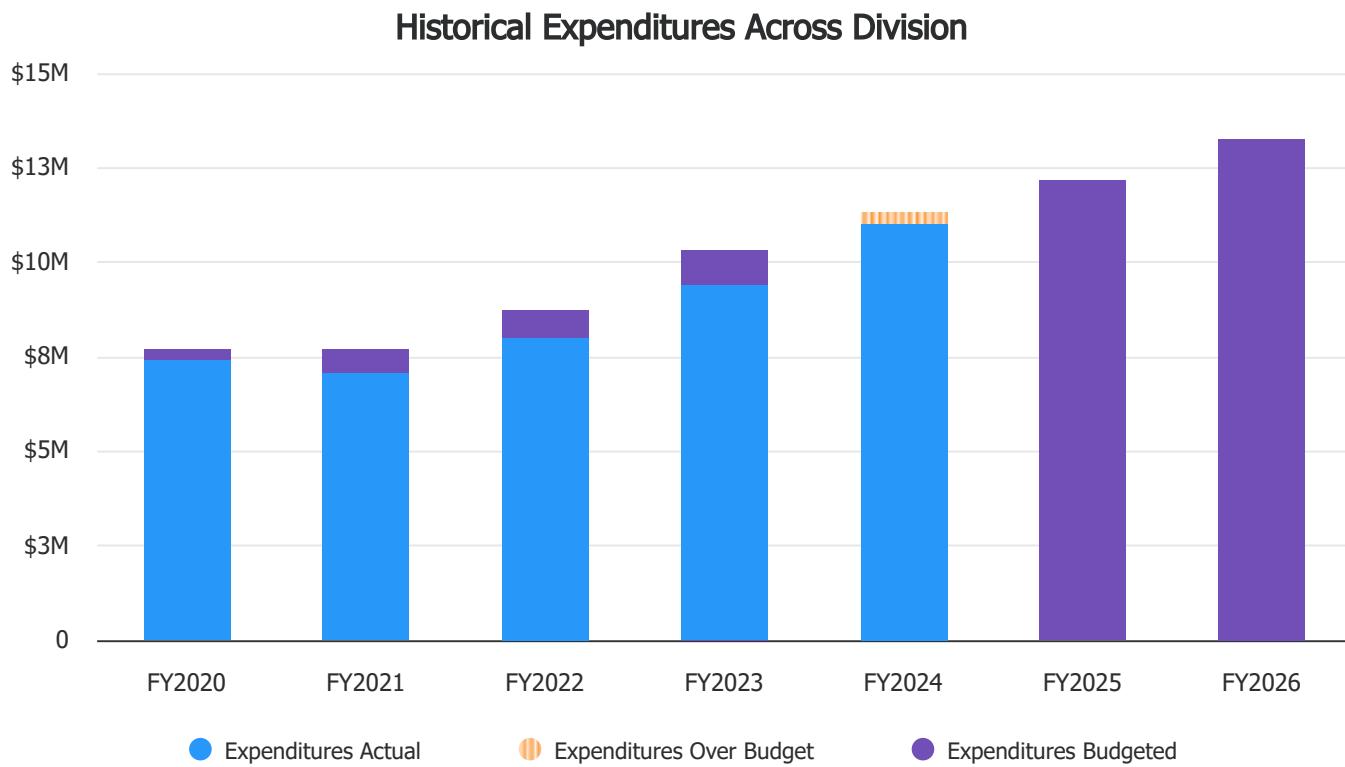
# Fire Suppression

## Mission

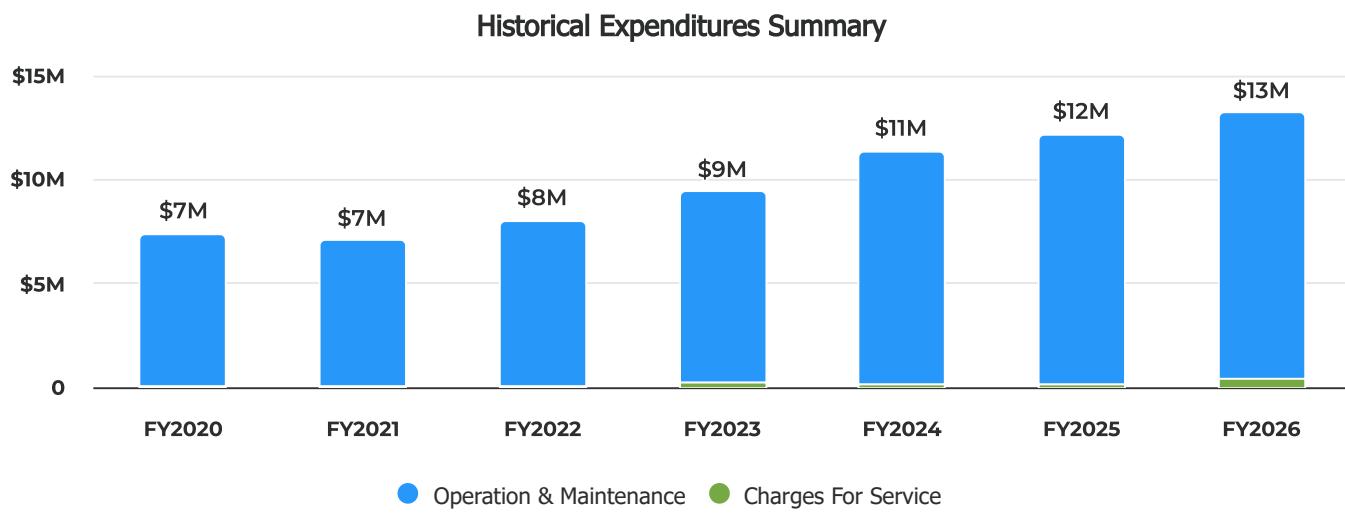
The Lake Elsinore Fire Department maintains the highest levels of fire and disaster preparedness, prevention, and community involvement in order to ensure the safety of both our residents and visitors. The City contracts with the Riverside County Fire Department for Fire Services. Emergency Operations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



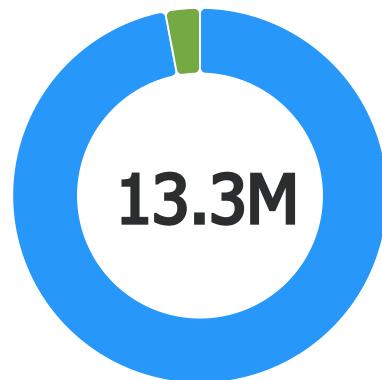
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



● Operation & Maintenance	\$12,854,380	97.01%
● Charges For Service	\$395,640	2.99%

## FY 2024 - 2025 Accomplishments

### Incident Stats and response times

- 15,226 Incidents ran (Total for the city and Unincorporated area of LE)
- 9,750 Incidents ran by City units
- Fires- 1507 for Battalion 2
- 1,041 For the city
- Medical – 10,215 for Battalion 2
- 6,289 For the City
- Traffic/Collision – 210 For Battalion 2
- 131 For the City
- Other’s – 3,295 For Battalion 2
- 2, 275 For the City

### Response Times (From time of Dispatched to time on the road lights and sirens, From time of dispatch to time the Fire Personnel arrive at scene

- 2 Minutes and 12 Seconds.
- 4.4 Minutes This is under the required goal of 5 Minutes

### Community engagement conducted throughout the year

- Fireplace and Heating Safety Awareness
- Wildfire Mitigation Planning
- Change Your Clock, Change Your smoke detector battery (Daylight Saving Time)
- Wildfire Preparedness Month
- National Safety Month
- Fourth of July Fireworks Safety
- Community Wildfire Defense Campaigns
- Holiday Fire Safety
- Exit Drills in the Home (EDITH)
- Breakfast with Santa
- Shop with a Firefighter

### Our Command Center (ECC) achieved accreditation status

- 340<sup>th</sup> in the country
- 1<sup>st</sup> in California
- With this achievement, our Emergency Dispatchers will continue to provide critical Pre-Hospital instructions to callers, such as CPR and bleeding control guidance, enabling life safety interventions by citizens before first responders arrive. The accreditation also paves the way for potential future integration of the Emergency Communication Nurse System, which would allow registered nurses to triage low acuity calls and ensure patients receive the most appropriate level of care.



## **Lake Elsinore Fuel Break**

- Crews have begun work on the Lake Elsinore Fuel break, constructing miles of fuel breaks to protect Lake Elsinore in the event of any wildland fire coming down the hill from the Ortega highway.

## **Airport fire**

- On Monday, September 8th, a new fire known as the Airport Fire was ignited, quickly spreading across several thousand acres over the course of two weeks. As the fire moved toward El Cariso Village and began threatening the City of Lake Elsinore, a massive firefighting effort was launched. In response, CAL FIRE and Riverside County Fire deployed an unprecedented surge of over 60 fire engines within a 24-hour period to protect lives, property, and critical infrastructure. This emergency response marked the largest mobilization of resources ever coordinated within a 24-hour window in Riverside County. The strategic surge was an overwhelming success, providing the necessary resources to safeguard the city. The operation is now being studied by fire departments and emergency management agencies as a model for future large-scale response efforts.

## **New hire of personnel**

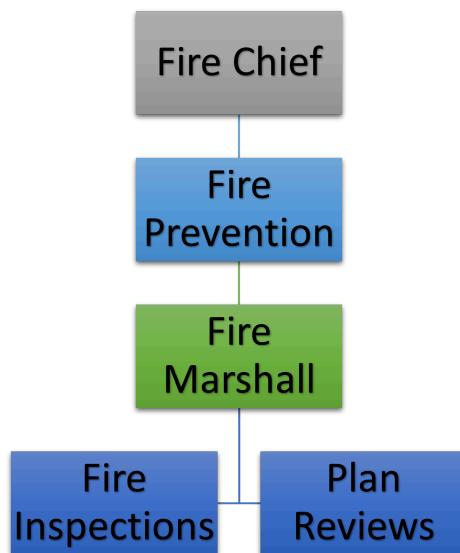
- Division Chief 3105 Dustin Reed was hired as the new Fire Chief of Lake Elsinore on November 1<sup>st</sup>, 2024
- Battalion Chief Cody Wright transferred to Lake Elsinore as the new Battalion Chief 3112 on July 7<sup>th</sup>, 2024.
- Chief Lonny Olson promoted to his new position of Chief 3103, Western Operations.
- Traci Williams was promoted to AFM Assistant Fire Marshal for the City of Lake Elsinore on October 1<sup>st</sup> 2024.



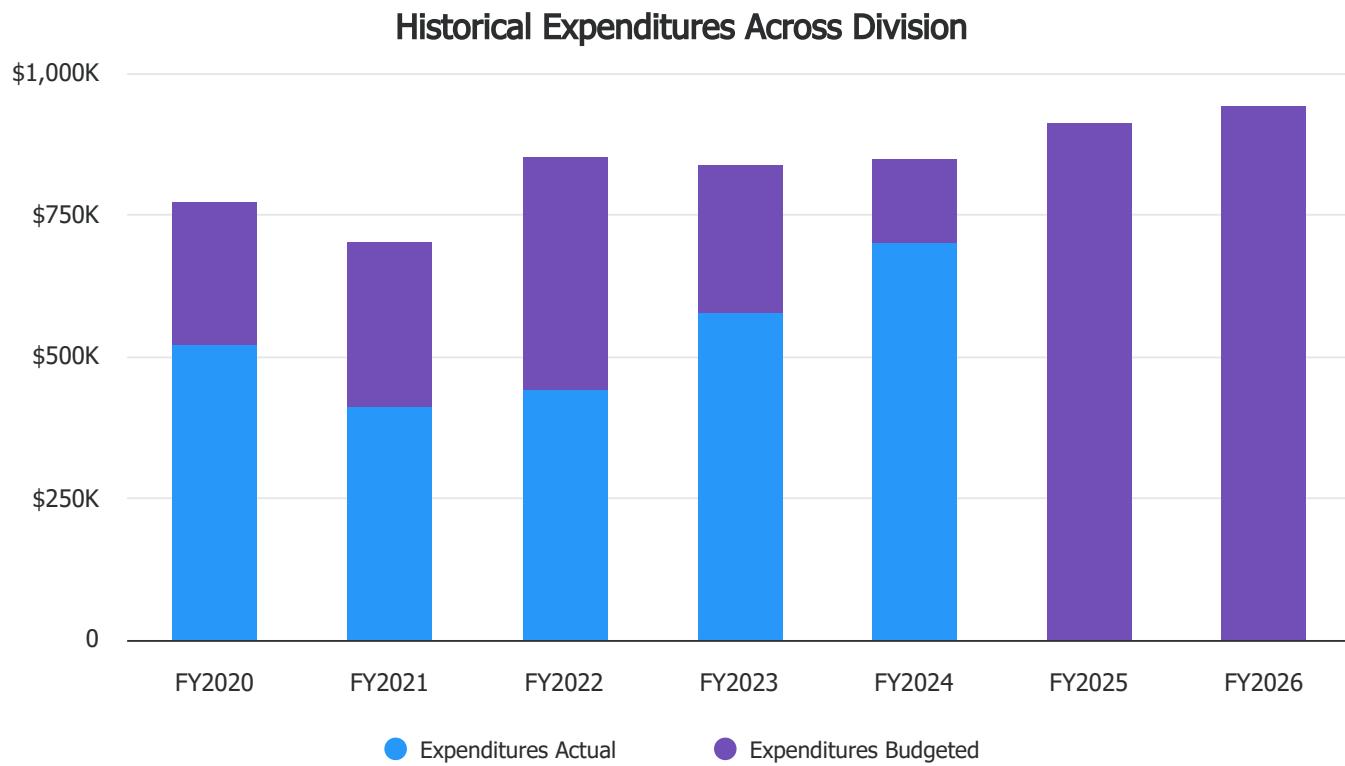
# Fire Prevention

## Mission

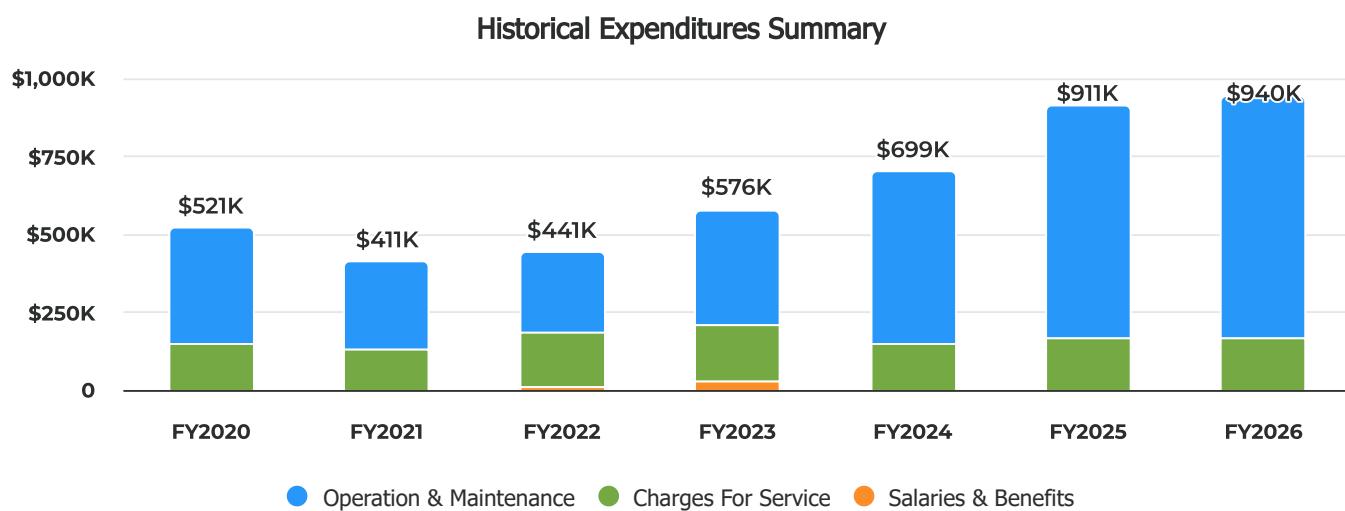
The Lake Elsinore Office of the Fire Marshal enforces the 2019 edition of the California Code of Regulations, Titles 19 and 24. This includes the California Fire Code, California Building Code, and California Residential Code. The Fire Department conducts business license inspections to promote fire safety for business owners, their employees, and the general public.



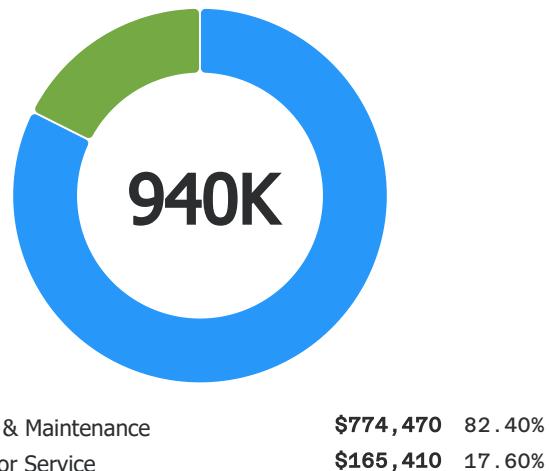
## Expenditure Summary



## Expenditures Summary



## FY26 Expenditures by Object Summary



## FY 2024 - 2025 Accomplishments

- Completed 100% of our state mandated inspections
- Hosted one of 2 Office of the State Fire Marshals courses on Outdoor Aerial Fireworks Displays held in Southern California
- Worked with Code Enforcement to successfully update and streamline the Weed Abatement program
- Worked with Community Services to successfully update and streamline the Special Events process
- Completed 257 plan reviews
- Conducted 90 annual inspections
- Completed 701 weed abatement inspections

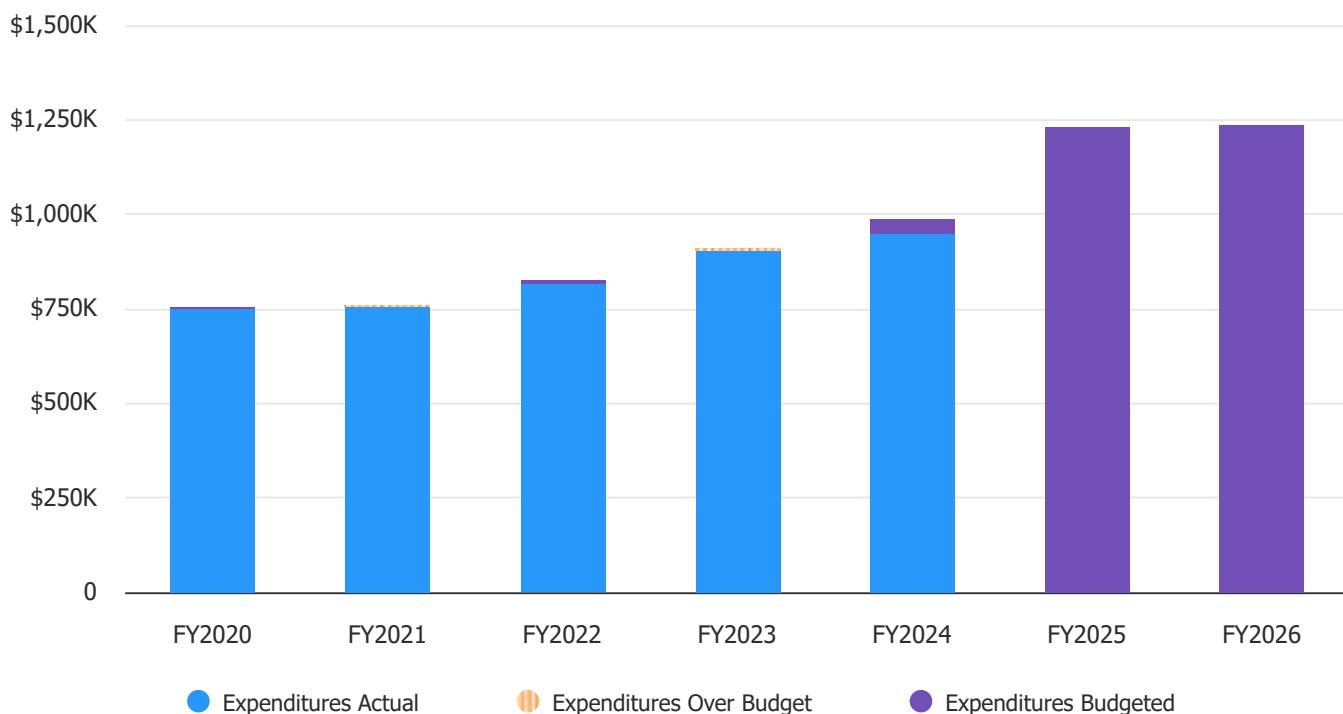
# Animal Services

## Mission

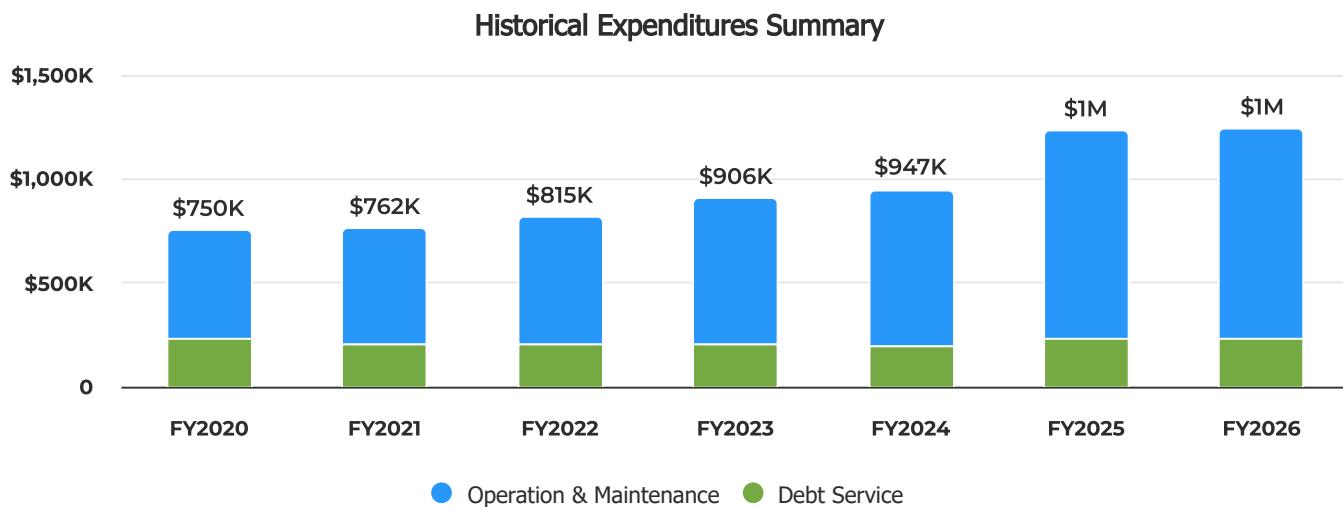
To contract with and support the Animal Friends of the Valley to provide adequate and reasonable animal control sheltering and field services for our residents, including: dog and cat licensing, community patrols, spay and neuter, micro-chipping and adoption services to protect the public safety of our community while reducing overpopulation and saving animal lives.

## Expenditure Summary

**Historical Expenditures Across Division**



## Expenditures Summary



### FY26 Expenditures by Object Summary



## FY 2024 - 2025 Accomplishments

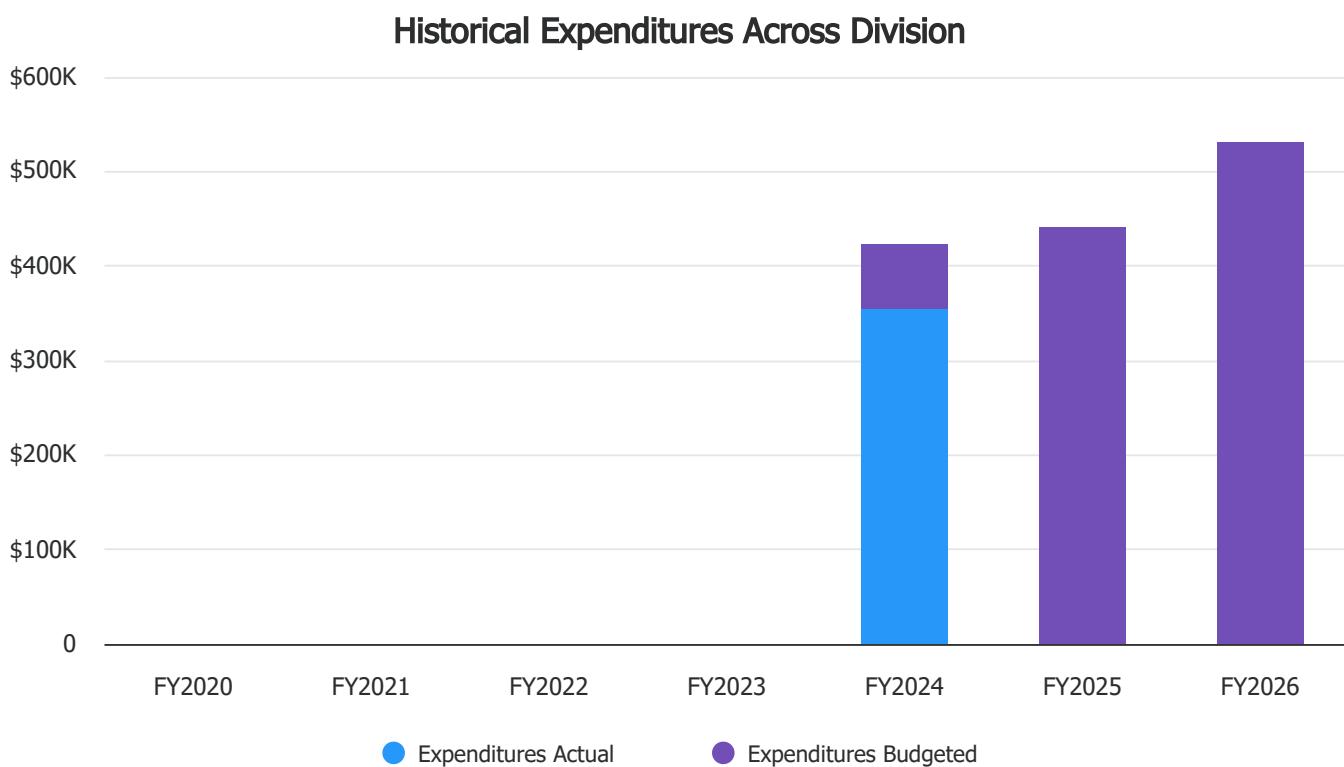
- Established a Spay and Neuter Voucher Program for Lake Elsinore residents, promoting responsible pet ownership and reducing the stray animal population through accessible, affordable veterinary care.
- Further explored funding and cost recovery opportunities to phase in future increases in the total number of active animal control patrol hours per day.
- Developed a tool to do a thorough analysis of our sheltering numbers to understand the areas of greatest impact to identify ways to reduce long-term costs.
- As part of the overall fee study, align existing animal control fees, fines and services with the other cities in Southwest Riverside County.
- Expanded efforts to educate the community about responsible pet ownership and overall animal control costs and statistics in the City.
- Supported the Animal Friends of the Valleys marketing and donor development opportunity by sharing critical animal control messages through the City's existing communication channels.

# Emergency Services

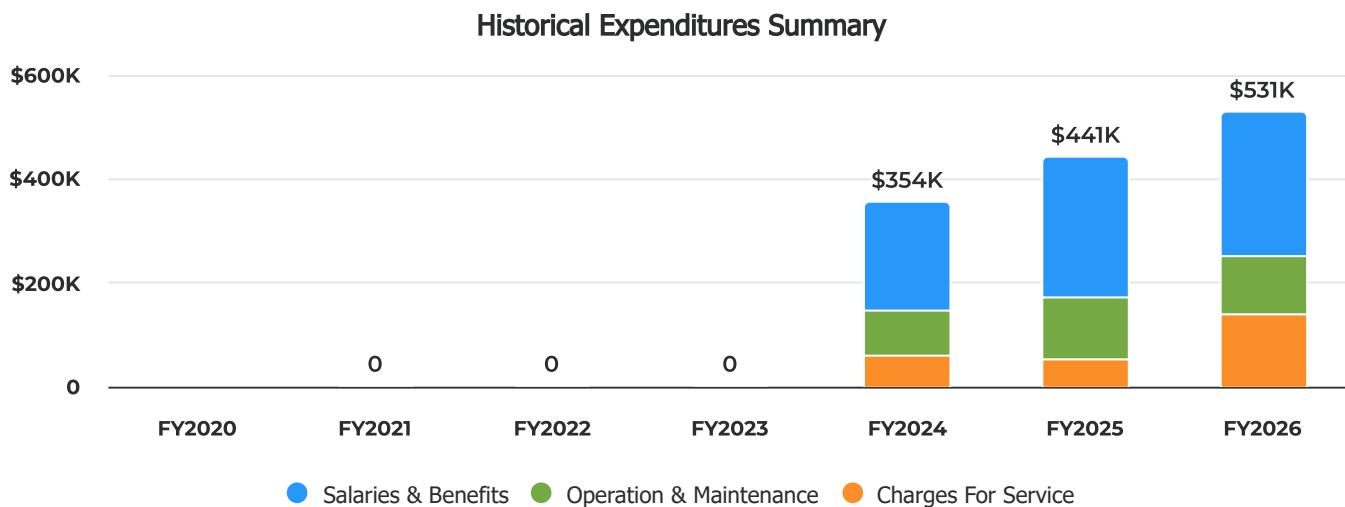
## Mission

The City of Lake Elsinore Emergency Services strives to promote a secure and resilient city with the capabilities required across the whole community to prevent, protect against, mitigate, respond to and recover from threats and hazards that pose the greatest risk.

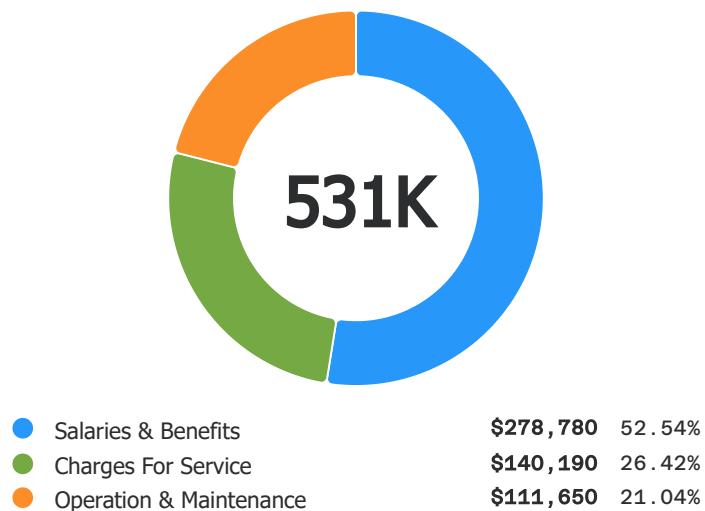
## Expenditure Summary



## Expenditures by Summary



### FY26 Expenditures by Object Summary



## FY 2024 - 2025 Accomplishments

- Developed the City's own WebEOC system and training City EOC Staff
- Attended 2025 California Emergency Services Association Conference (CESA)
- Continue to hold monthly meeting with local partners (Cities, Law Enforcement, Fire, Utilities/School Districts, and County).
- Completed and Incident Command/Standardized Emergency Management System/ National Incident Management System (ICS/SEMS/NIMS) training to all fulltime city staff.
- Completed October 2024 Great Shake Out
- Facilitated an Emergency Preparedness Expo in Sept. 2024 at the Lowe's Parking lot for the community.

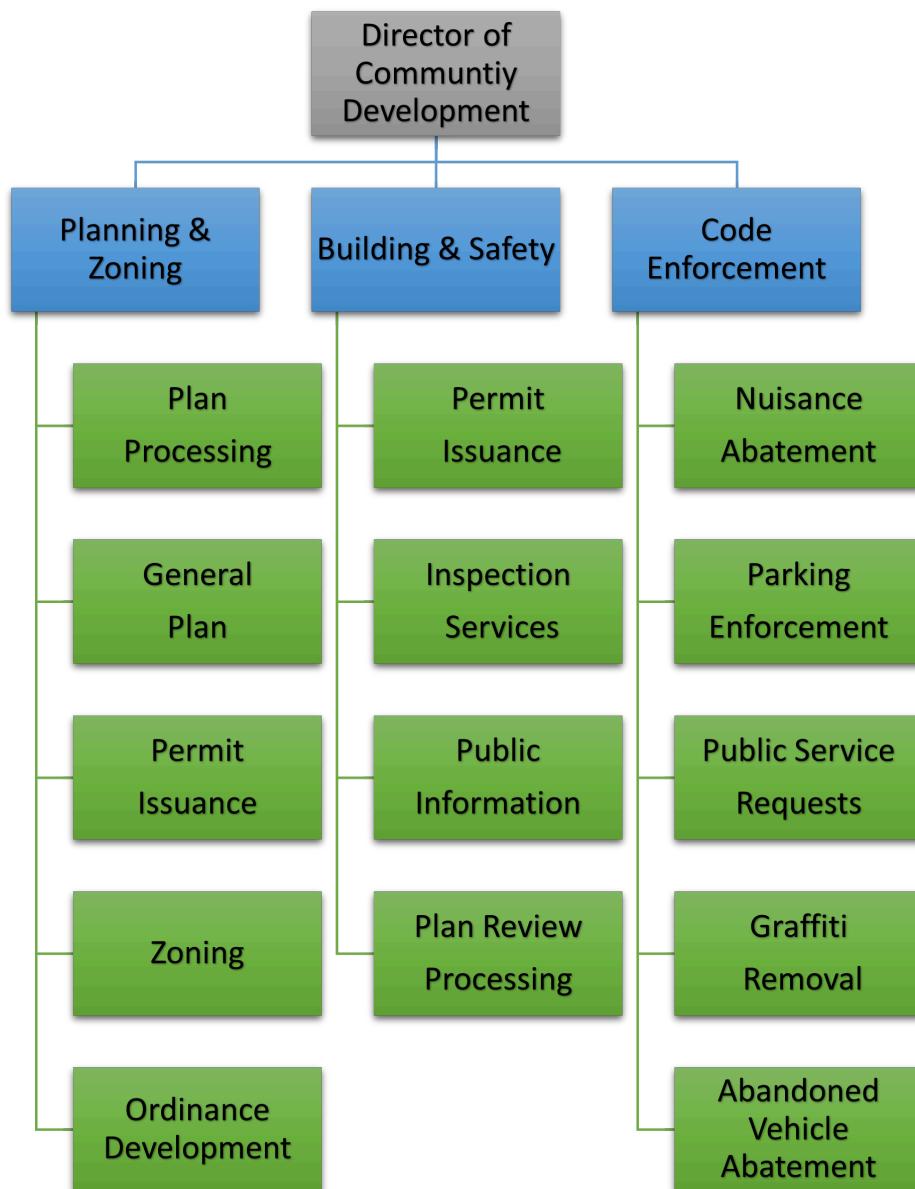
## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>EMERGENCY SERVICES</u></b>			
Emergency Services Manager	1.00	-	1.00
Total	1.00	-	1.00

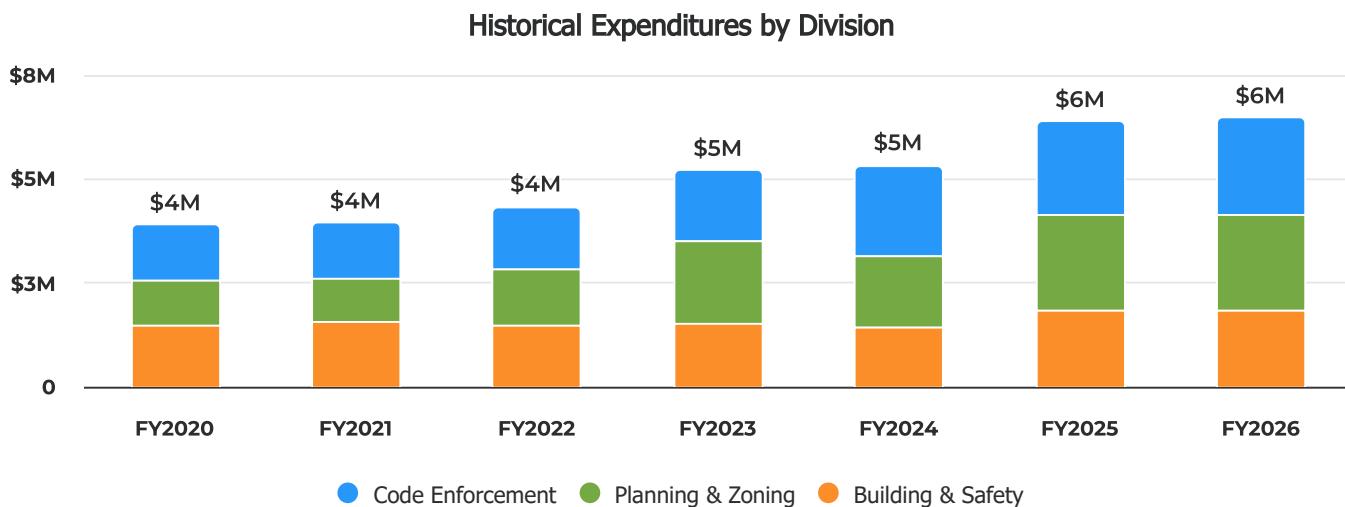
# Community Development

## Mission

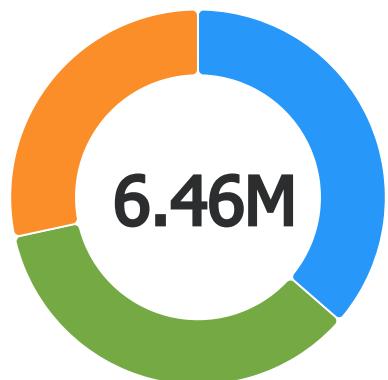
Community Development is a multidisciplinary department providing a range of planning, development services, and affordable housing and related programs to citizens, elected officials, appointed boards, commissions, and City Departments. The department ensures that all development is consistent with the Municipal and Building Codes, the goals of the community, life safety, and neighborhood preservation. The Community Development Department consists of three divisions: Planning & Zoning, Building & Safety, and Code Enforcement.



## Expenditures by Division



### FY26 Expenditures by Division

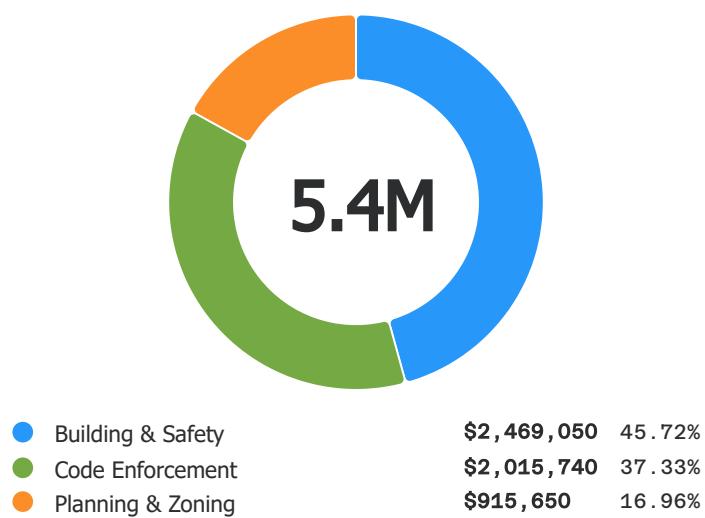


● Code Enforcement	\$2,352,110	36.39%
● Planning & Zoning	\$2,276,110	35.21%
● Building & Safety	\$1,835,550	28.40%

## Revenues by Department



### FY26 Revenues by Department

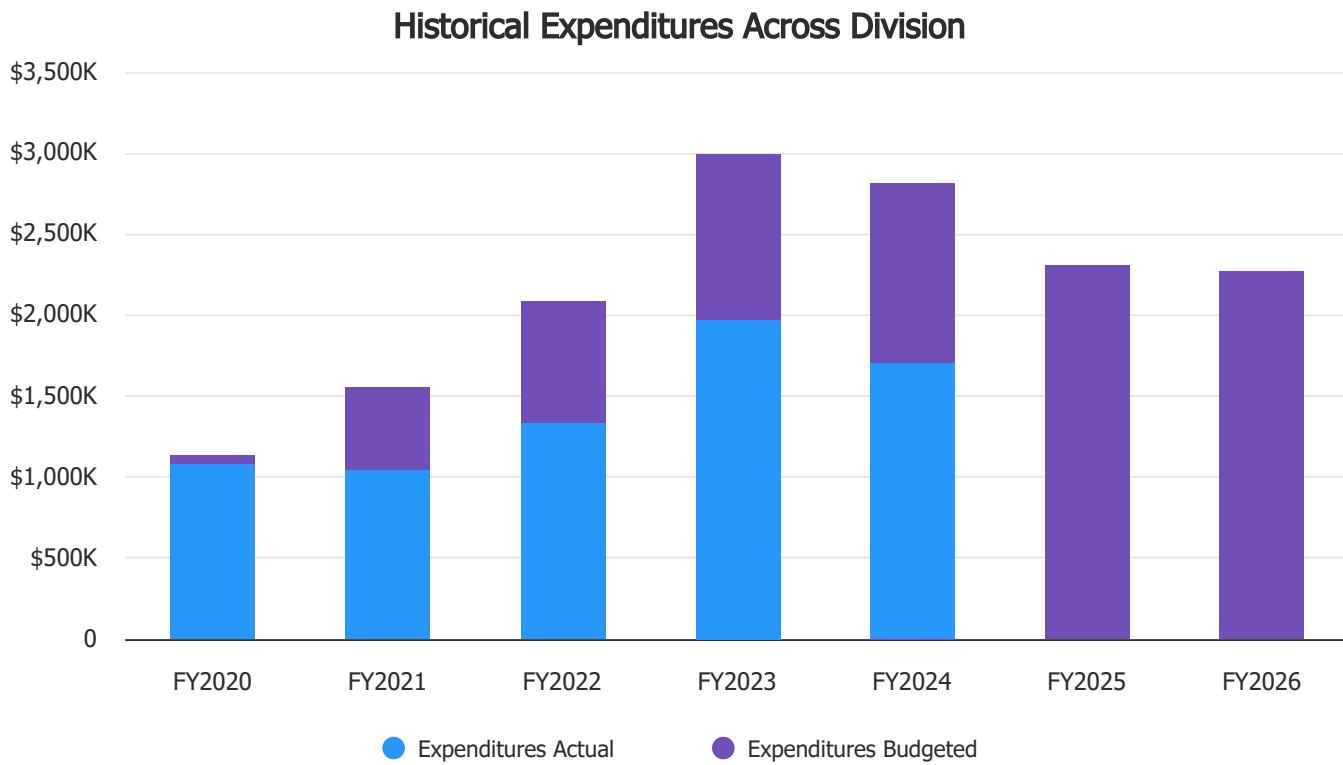


# Planning & Zoning

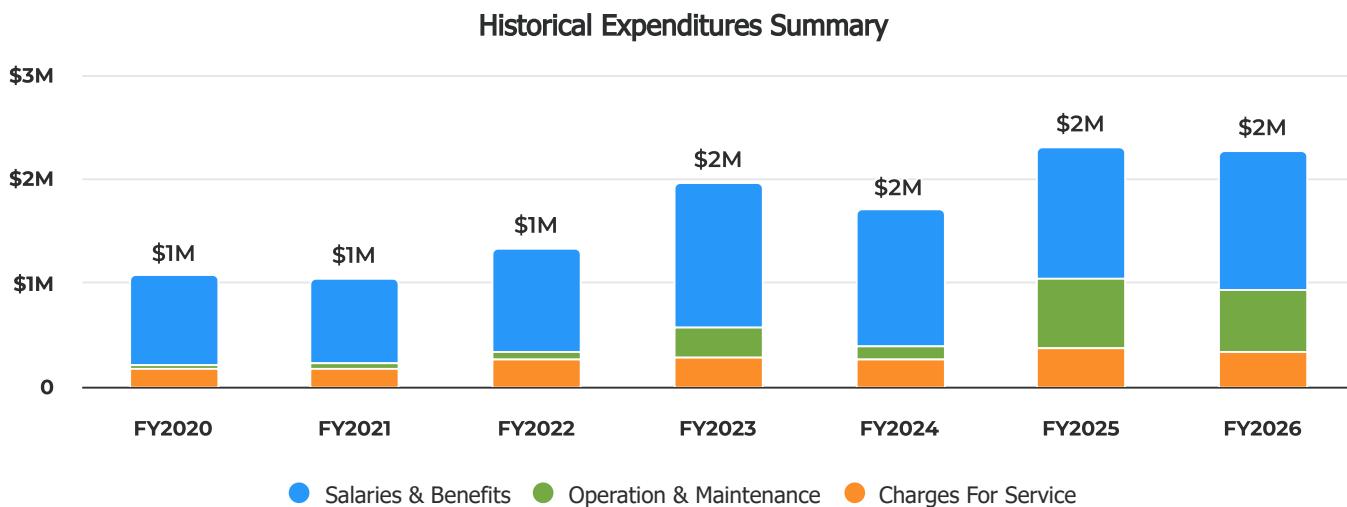
## Mission

The Planning Division of the Community Development Department operates to assist citizens, businesses, and City departments in managing land to ensure that land use complies with the General Plan and Zoning regulations and meets the needs of the City and its citizens. The Planning Division does this by maintaining records of zoning districts, subdivision maps, site plans, conditional use permits, etc. The Division also coordinates with the Planning Commission to process and review site plans and subdivision maps and approves land use and other zoning applications. In addition, the Division works with the Planning Commission and City Council to modify and update the City's General Plan and Zoning Ordinance. The General Plan, which defines the long-range goals and intentions regarding the nature and direction of future development within the City, contains elements on land use, transportation, park and recreational facilities, urban design, and housing, as well as details regarding the City's zoning districts.

## Expenditure Summary



# Expenditures Summary

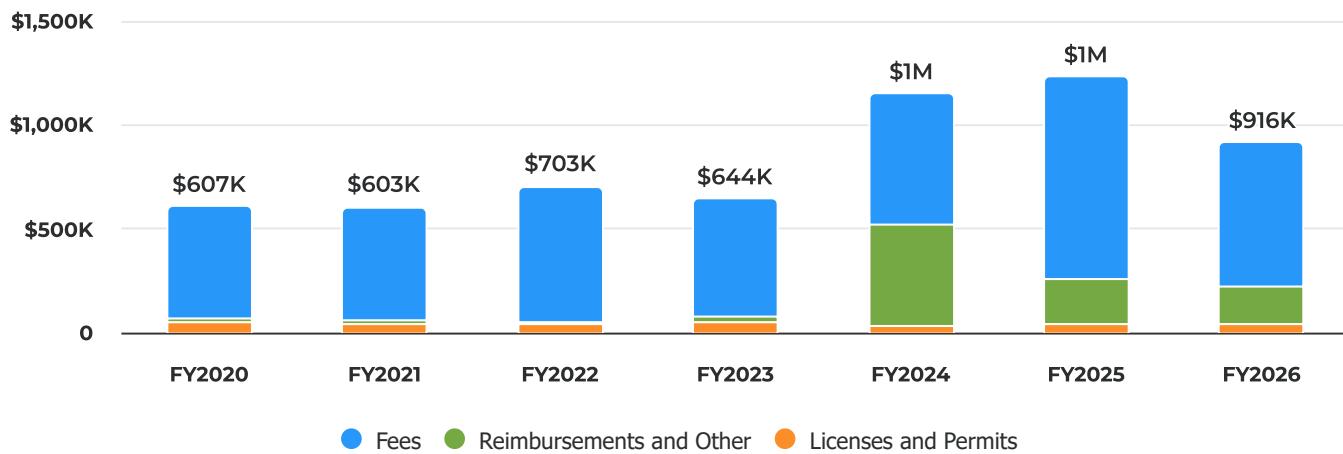


## FY26 Expenditures by Object Summary

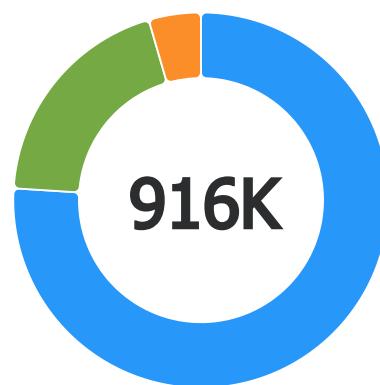


● Salaries & Benefits	\$1,347,180	59.19%
● Operation & Maintenance	\$598,360	26.29%
● Charges For Service	\$330,570	14.52%

## Revenues by Object Summary



### FY26 Revenues by Object Summary



● Fees	\$696,010	76.01%
● Reimbursements and Other	\$178,440	19.49%
● Licenses and Permits	\$41,200	4.50%

# FY 2024 - 2025 Accomplishments

- General Plan Update
  - Completed Existing Conditions Analysis
  - Completed Visioning Guiding Principles
  - Developed Land Use and Transportation Alternatives
  - Completed Outreach Events:
    - Stakeholder Interviews
    - Three City Council Study Sessions
    - One Joint City Council/Planning Commission Session
    - Two Pop Up Events
    - Online Questionnaire
    - One Native American Tribes Listening Session
  - Draft Land Use Plan 90% complete
  - Draft of various General Plan Elements underway
- Climate Action and Adaptation Plan
  - Built and Launched a Project Webpage
  - Completed Policy Audit Review
  - Completed GHG data inventory
  - Completed Community Outreach Plan
  - Completed Risk and Vulnerability Assessment
  - Conducted online questionnaire and held the 1<sup>st</sup> Pop-Up event at Santa Dash
- Historic Resources Inventory
  - Kicked-off the major update to the City's Historic Resources Inventory
  - Completed research of existing inventories
  - Completed initial field survey
- Commercial Design Guidelines
  - Kicked off the City's first comprehensive Commercial and Industrial Design Guidelines that would create development and design standards for all commercial properties including site layout, architectural, landscaping, and placemaking opportunities
- Submitted Housing Element Annual Report
- Submitted Water Efficient Landscaping Annual Report
- Planning Applications
  - Major Development Projects Completed:
    - Elsinore Market
    - Starbucks Coffee Shop – Collier
    - Ortega Plaza
    - Lakeshore Plaza Revitalization
    - Evergreen Stater Bros
    - Fleming and Sons Concrete Yard
  - Major Development Projects in Process: 56
  - Minor Applications Processed (Single-Family, ADUs, Signs, Landscape, Temporary Use Permits): 101

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>PLANNING &amp; ZONING</u></b>			
Director of Community Development	1.00	-	1.00
Assistant Director of Community Development (Unfunded)	1.00	-	1.00
Planning Manager (Unfunded)	1.00	-	1.00
Principal Planner (1 Unfunded)	2.00	-	2.00
Cannabis Coordinator (Unfunded)	1.00	(1.00)	-
Senior Planner (Unfunded)	1.00	-	1.00
Associate Planner (1 Unfunded)	2.00	-	2.00
Assistant Planner	1.00	-	1.00
Community Development Technician I	2.00	-	2.00
Administrative Assistant	1.00	-	1.00
Total	<u>13.00</u>	<u>(1.00)</u>	<u>12.00</u>

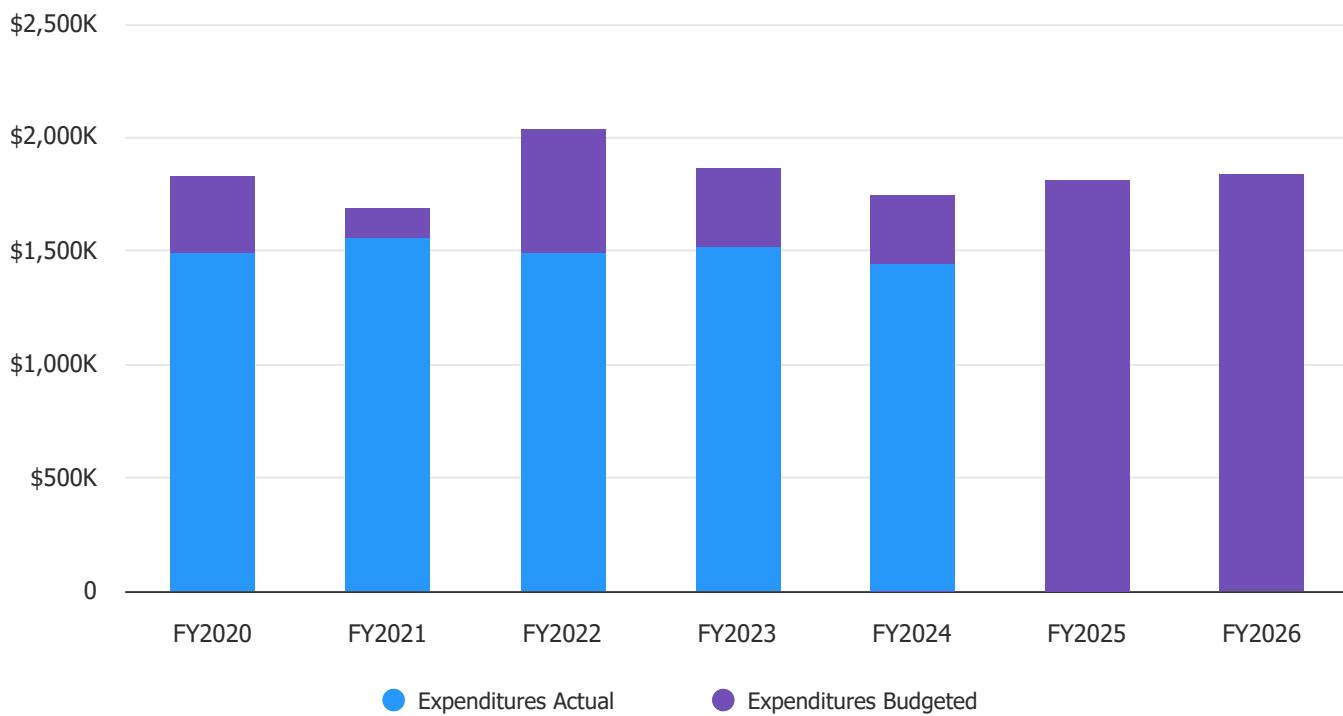
# Building & Safety

## Mission

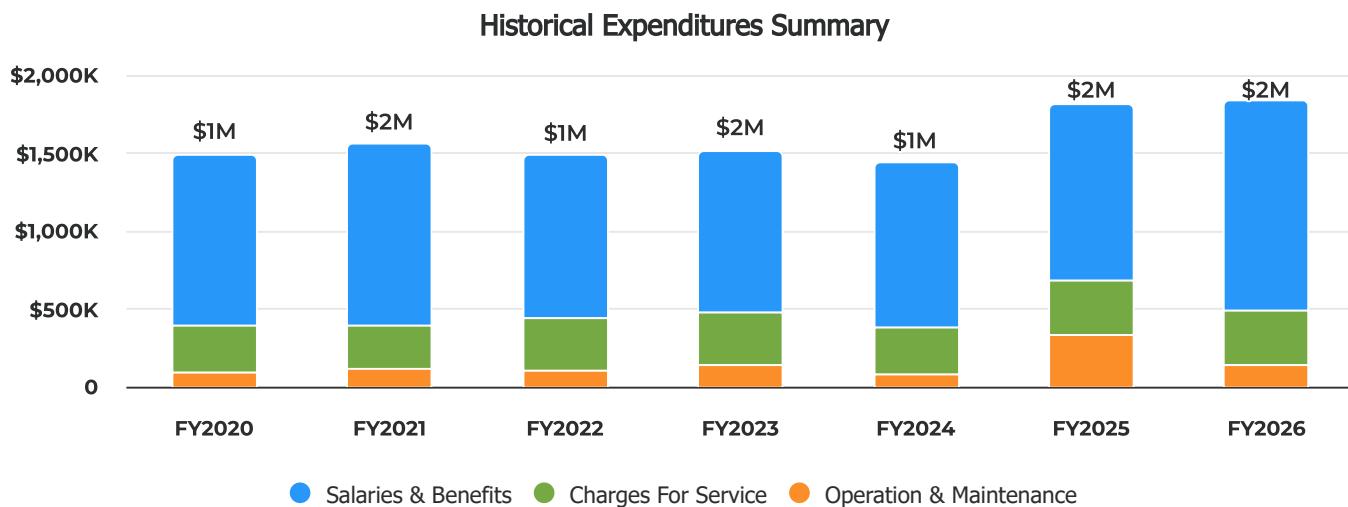
The Planning Division of the Community Development Department operates to assist citizens, businesses, and City departments in managing land to ensure that land use complies with the General Plan and Zoning regulations and meets the needs of the City and its citizens. The Planning Division does this by maintaining records of zoning districts, subdivision maps, site plans, conditional use permits, etc. The Division also coordinates with the Planning Commission to process and review site plans and subdivision maps and approves land use and other zoning applications. In addition, the Division works with the Planning Commission and City Council to modify and update the City's General Plan and Zoning Ordinance. The General Plan, which defines the long-range goals and intentions regarding the nature and direction of future development within the City, contains elements on land use, transportation, park and recreational facilities, urban design, and housing, as well as details regarding the City's zoning districts.

## Expenditure Summary

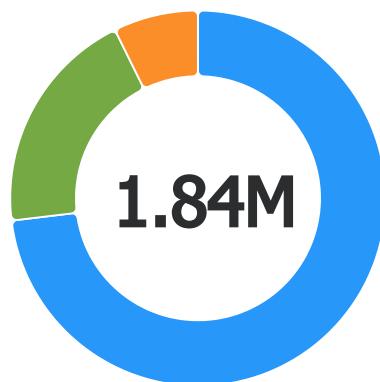
**Historical Expenditures Across Division**



## Expenditures Summary

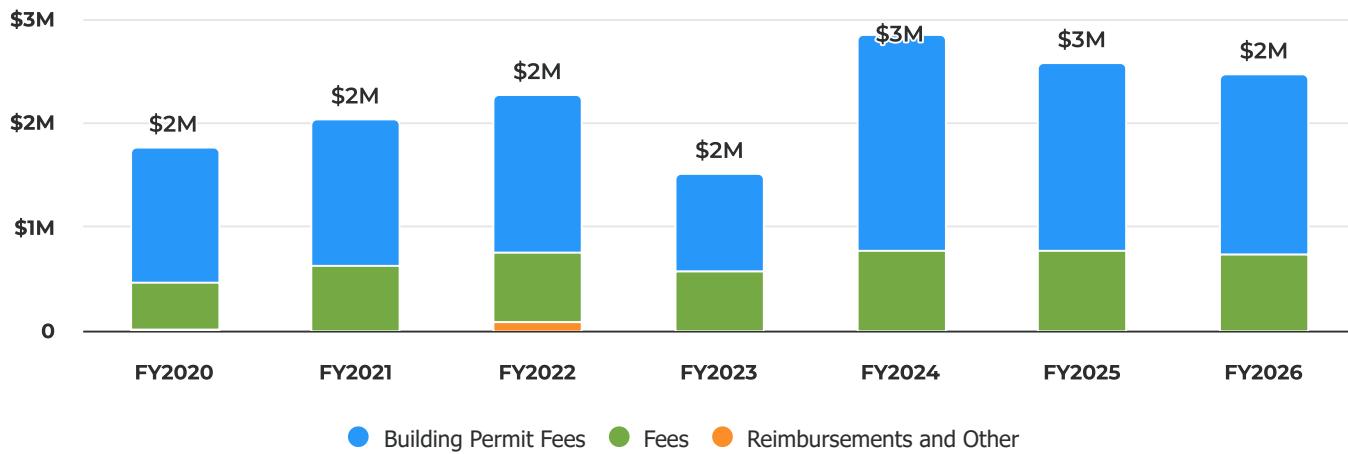


### FY26 Expenditures by Object Summary

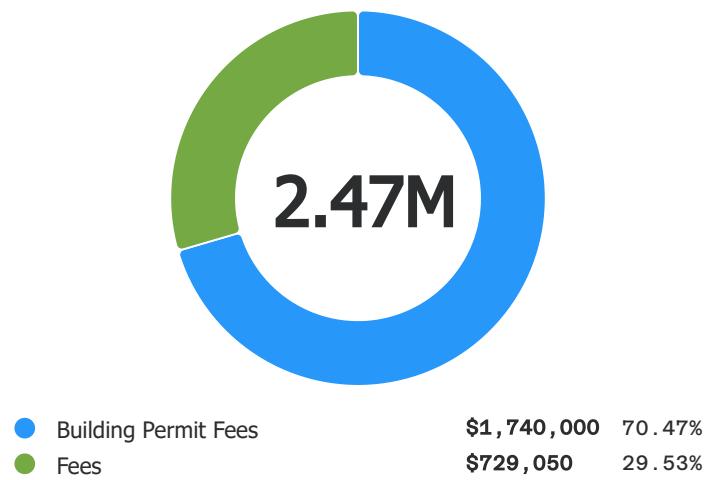


● Salaries & Benefits	\$1,341,750	73.10%
● Charges For Service	\$359,950	19.61%
● Operation & Maintenance	\$133,850	7.29%

## Revenues by Object Summary



### FY26 Revenues by Object Summary



## FY 2024 - 2025 Accomplishments

- Increased staff levels at counter with a new Counter Tech
- Completed Laserfiche scanning of Building Plans and Permits
- Structure Abatement program in full operation for dilapidated housing
- Updated staff with latest technology and computer systems
- Completed IG inspect and Energov upgrades and training
- Electronic permitting and plan checking through the online portal a success
- Developed a Permit Ready Accessory Dwelling Unit (PRADU) Program

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>BUILDING &amp; SAFETY</u></b>			
Building & Safety Manager	1.00	-	1.00
Senior Building Inspector	-	1.00	1.00
Senior Community Development Technician	1.00	(1.00)	-
Building Inspector	2.00	-	2.00
Community Development Technician II	-	1.00	1.00
Community Development Technician I	2.00	(1.00)	1.00
Administrative Assistant	1.00	-	1.00
Total	7.00	-	7.00

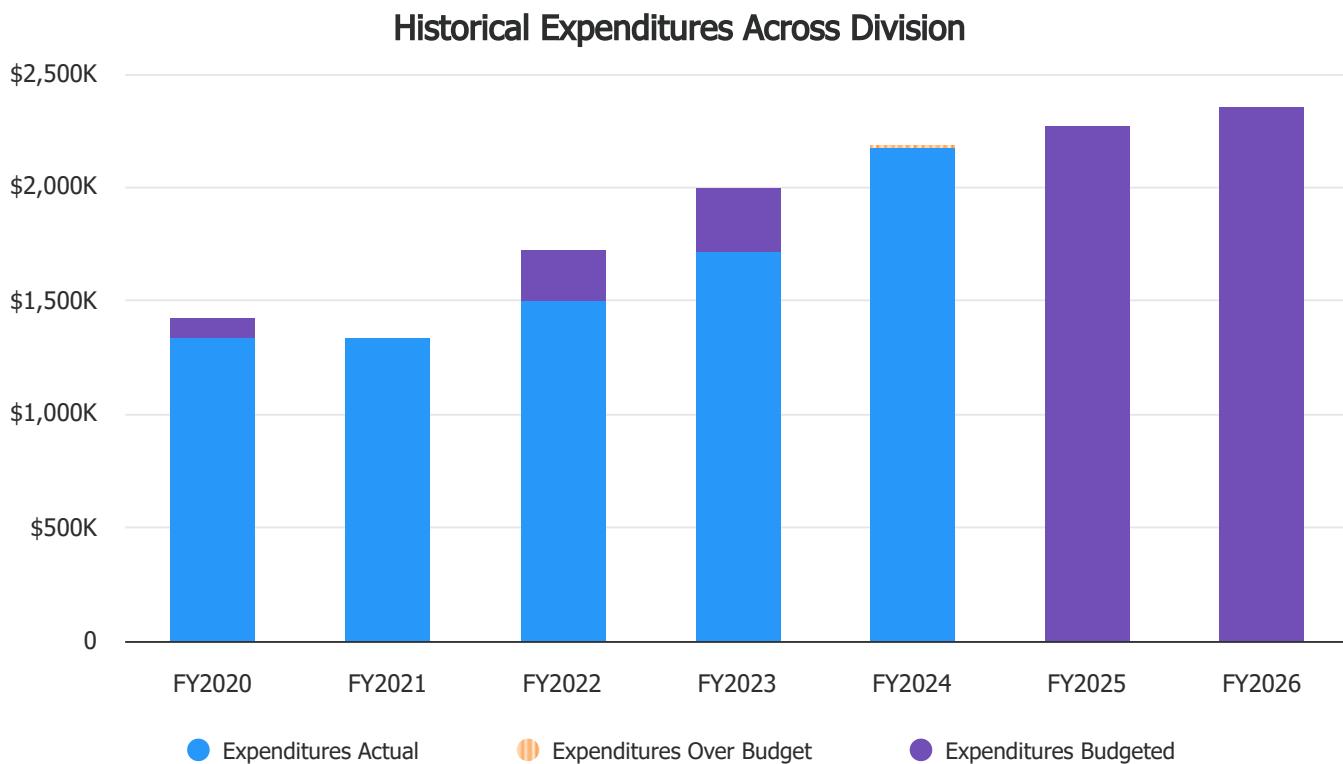


# Code Enforcement

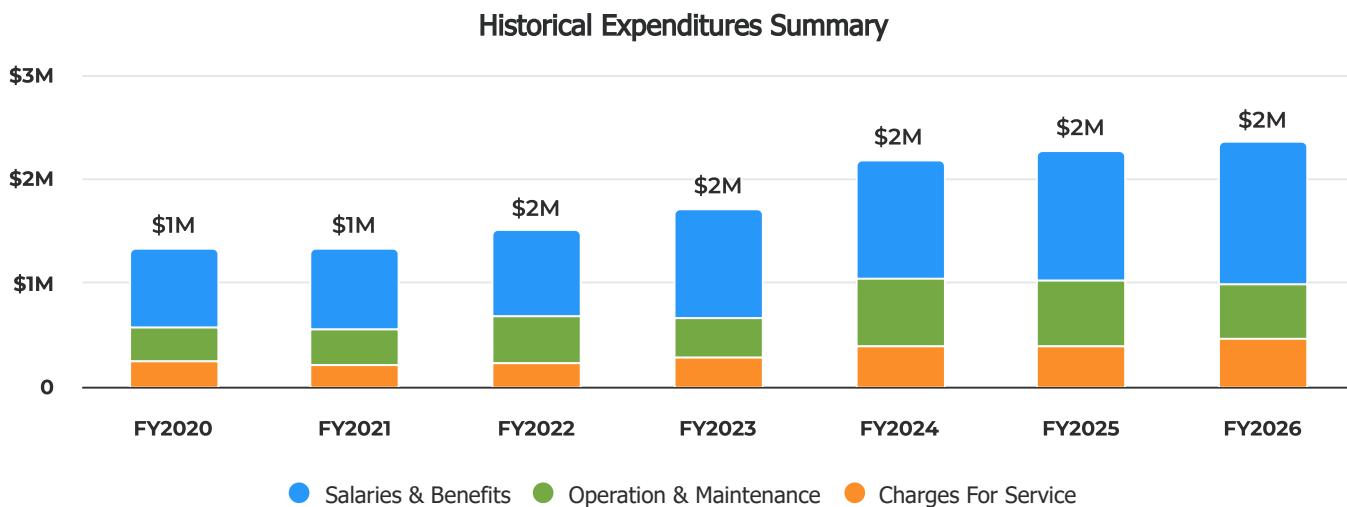
## Mission

The Code Enforcement Division is dedicated to enhancing the quality of life in the City of Lake Elsinore through public awareness, education and fair and impartial enforcement of City and State Codes. Their dedicated, enthusiastic, professionally trained officers are committed to serving the community.

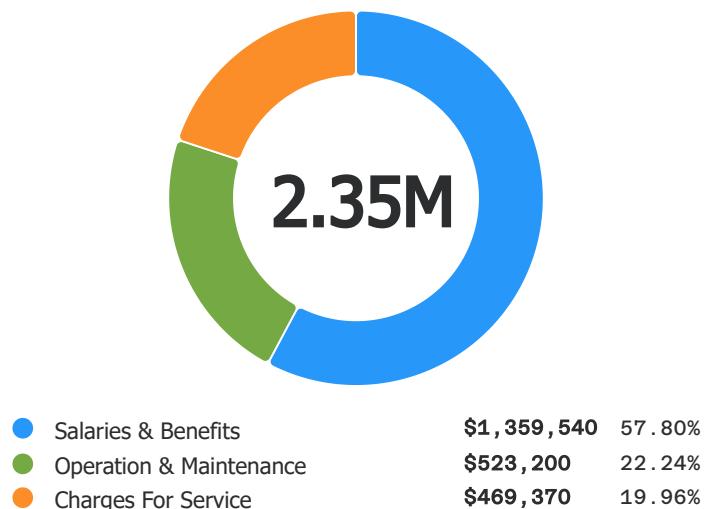
## Expenditure Summary



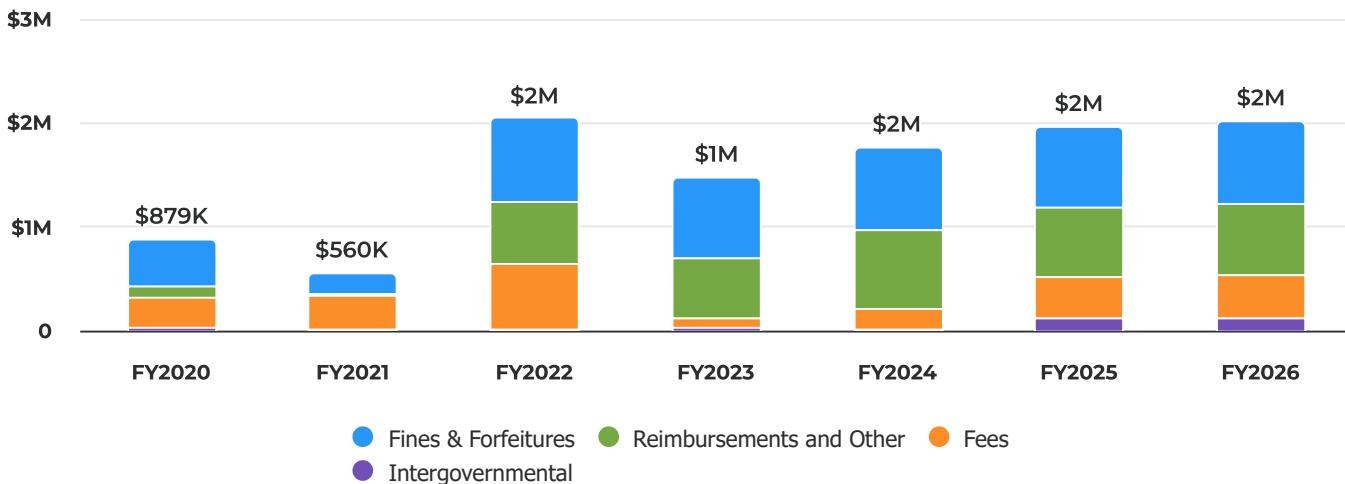
## Expenditures Summary



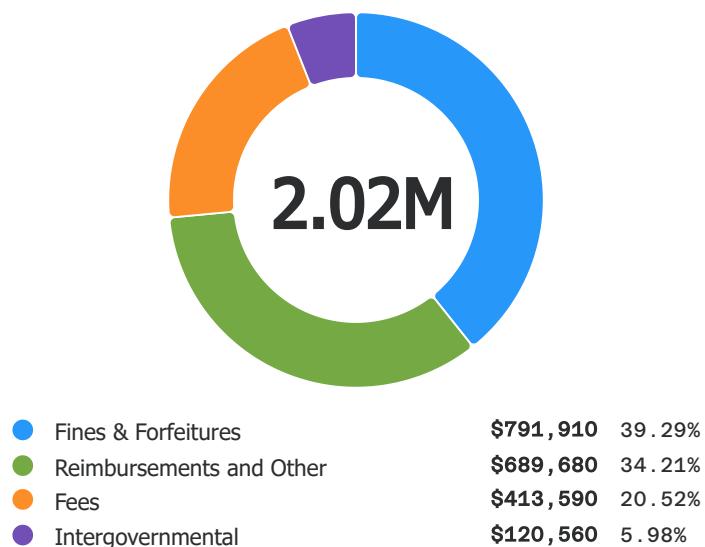
### FY26 Expenditures by Object Summary



## Revenues by Object Summary



### FY26 Revenues by Object Summary



## FY 2024 - 2025 Accomplishments

- All code enforcement officers completed the advanced emergency vehicle operations training through the San Bernardino County Sheriff's Department.
- Officer Alex Tracey successfully completed his probationary period.
- The Graffiti Tracker program was fully implemented.
- Code Enforcement Staff continue to partner with the Police and SWAG to address homelessness in the City of Lake Elsinore proactively.
- After-hours outreach has been implemented to address complaints from the business community.
- Successfully abated numerous illegal taco, fruit, and flower vendors through administrative fines and confiscation of products and equipment.
- Reimbursement of \$53,000 from the Abandoned Vehicle Abatement fund, which went towards the purchase of 3 new vehicles.

## Personnel Allocation

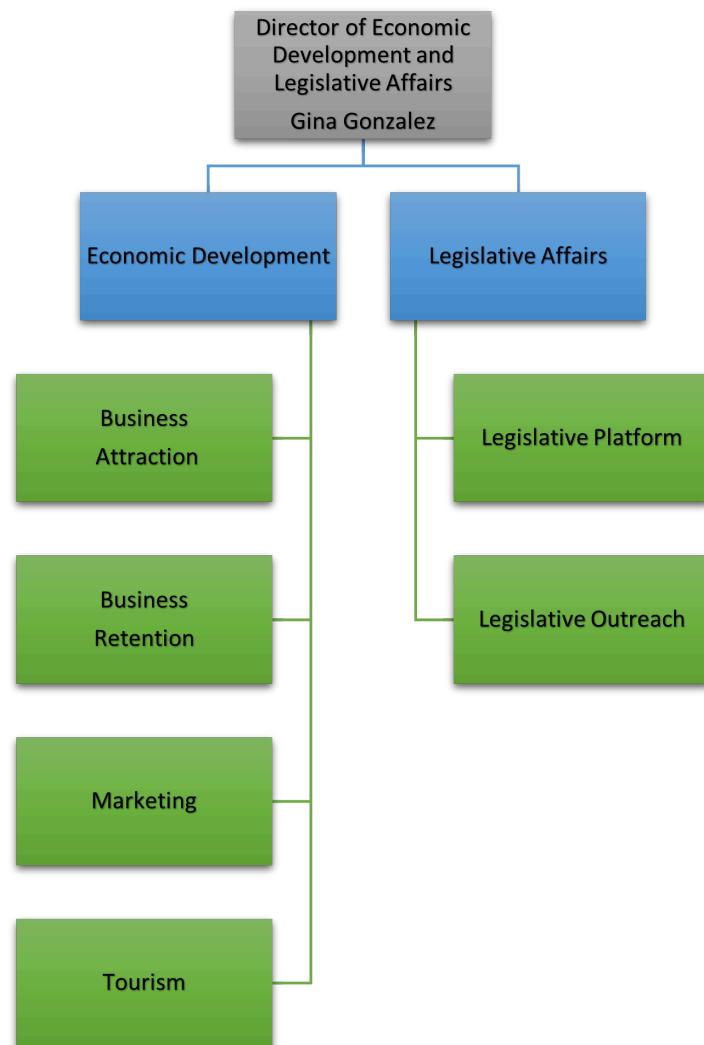
	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>CODE ENFORCEMENT</u></b>			
Code Enforcement Manager	1.00	-	1.00
Code Enforcement Supervisor	1.00	-	1.00
Code Enforcement Officer II	3.00	-	3.00
Code Enforcement Officer I (1 Unfunded)	2.00	-	2.00
Parking Enforcement Officer - PT (Unfunded)	1.00	-	1.00
Community Development Technician II	-	1.00	1.00
Community Development Technician I	1.00	(1.00)	-
<b>Total</b>	<b>9.00</b>	<b>-</b>	<b>9.00</b>



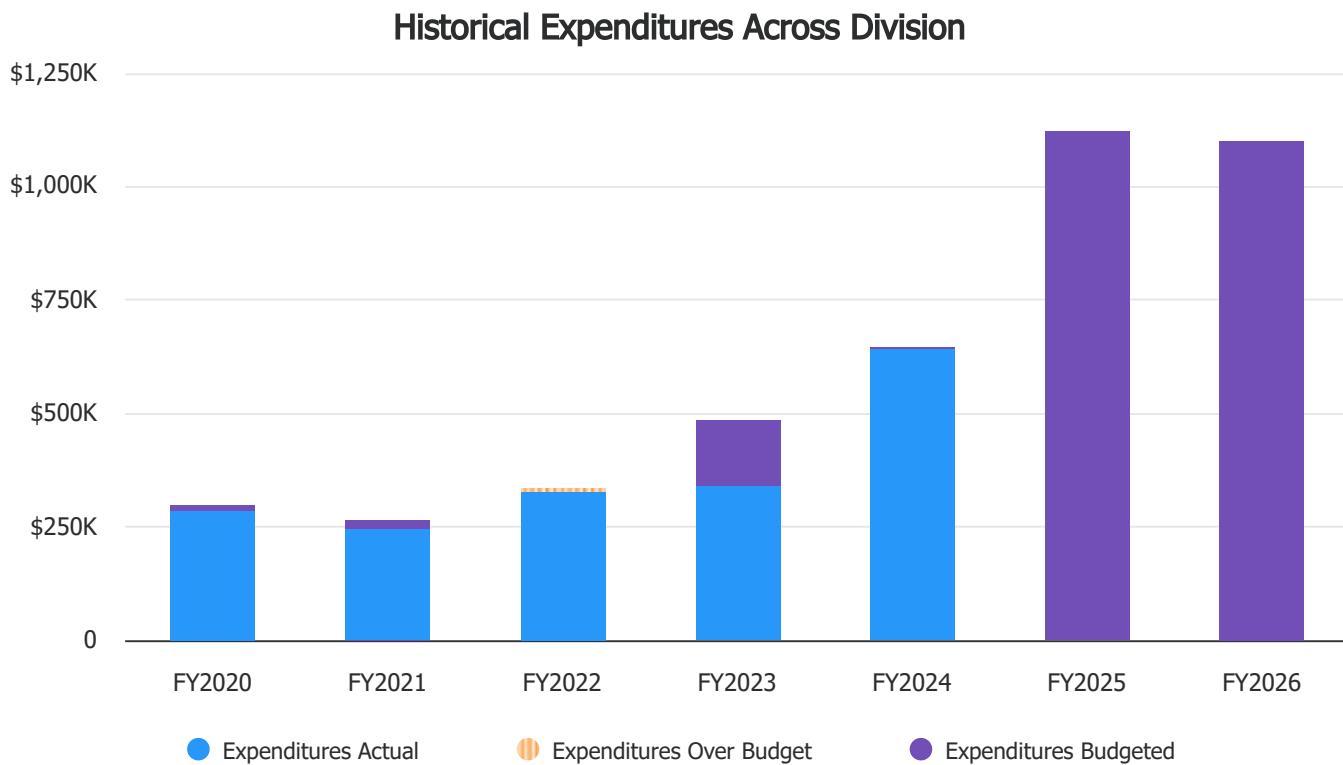
# Economic Development

## Mission

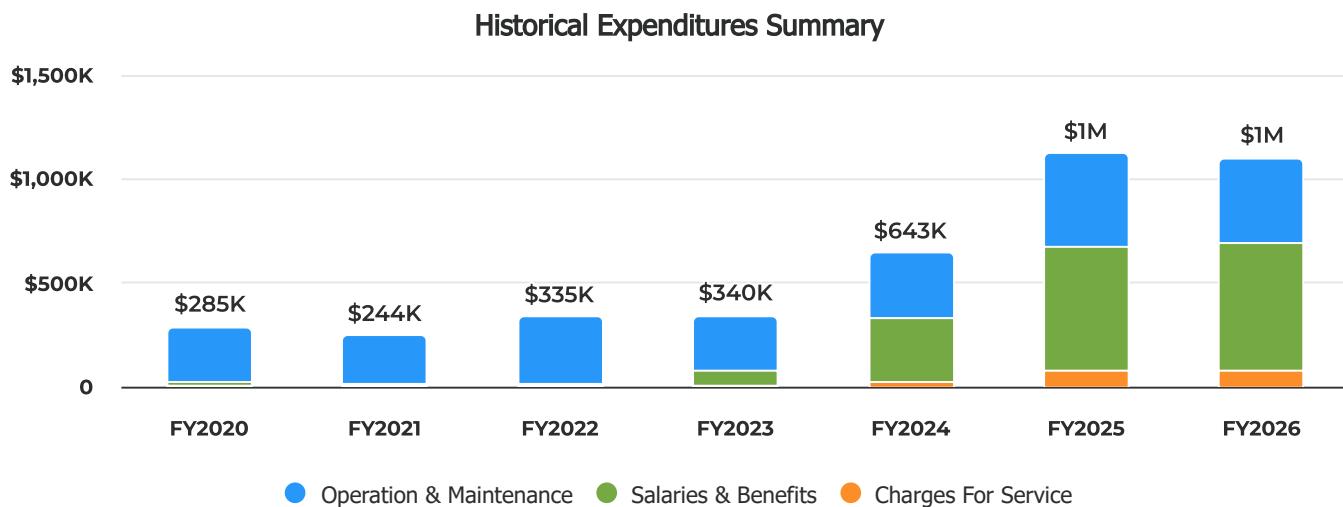
Economic development is about fostering economic vitality and diversification, and enriching the quality of life of its residents by recommending strategies that: Promote and assist in the attraction of new business, new jobs and new development opportunities. Retain, grow and promote existing businesses while expanding economic opportunities. Recruiting businesses in key industries increases and maximizes Lake Elsinore's competitiveness in the regional and global market.



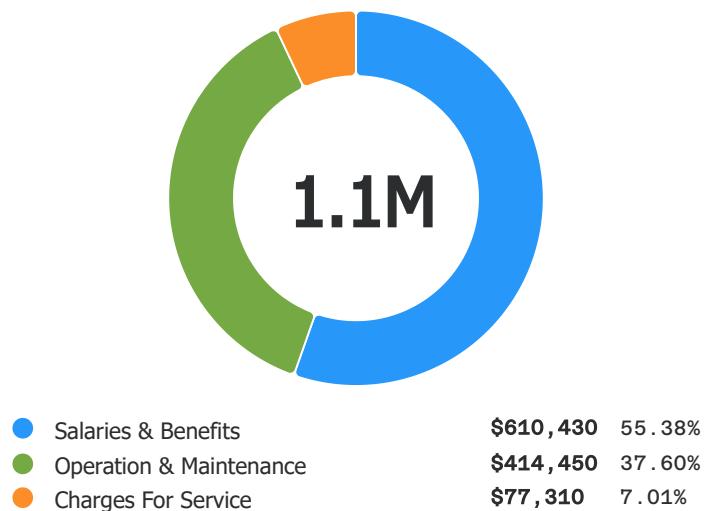
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



## Personnel Allocation

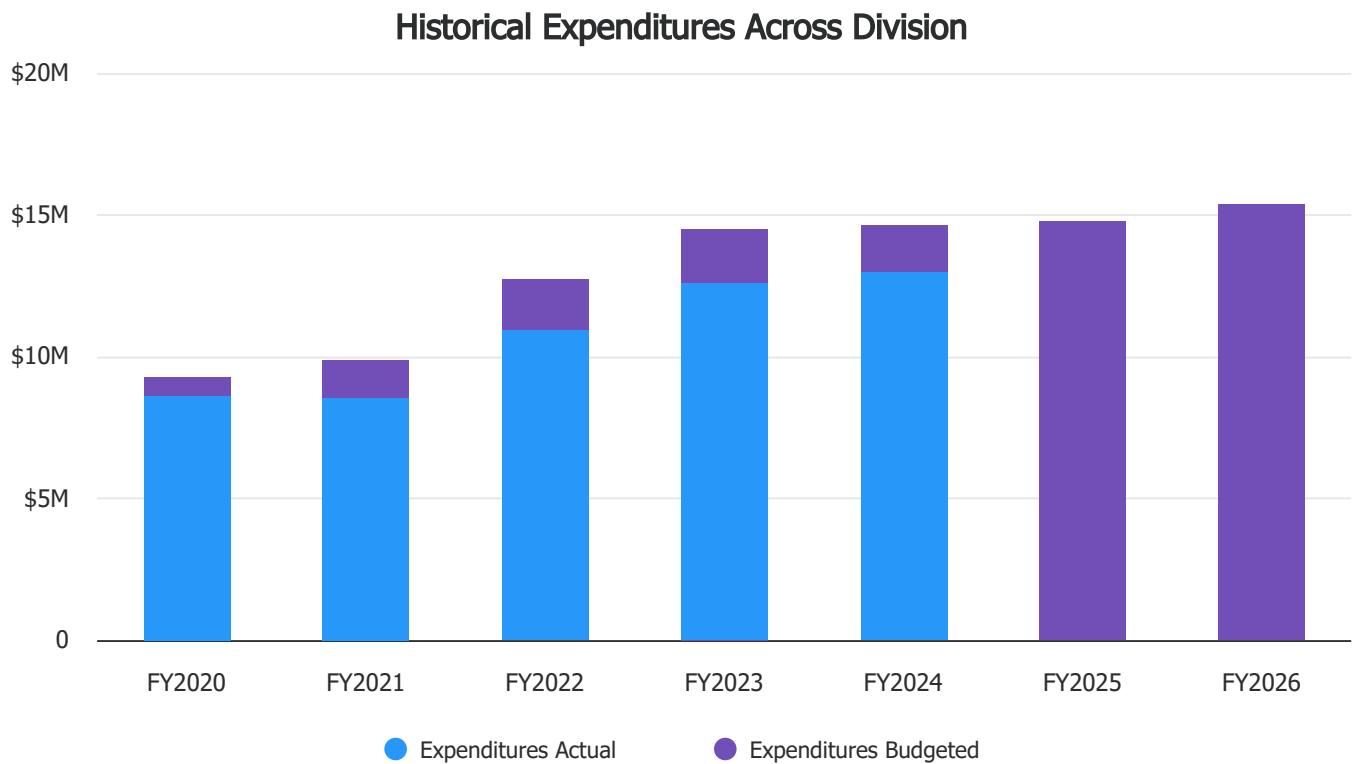
	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b>ECONOMIC DEVELOPMENT</b>			
Director of Economic & Legislative Affairs	1.00	-	1.00
Economic Development Manager	1.00	-	1.00
Management Analyst (Unfunded)	1.00	-	1.00
Total	3.00	-	3.00

# Public Services

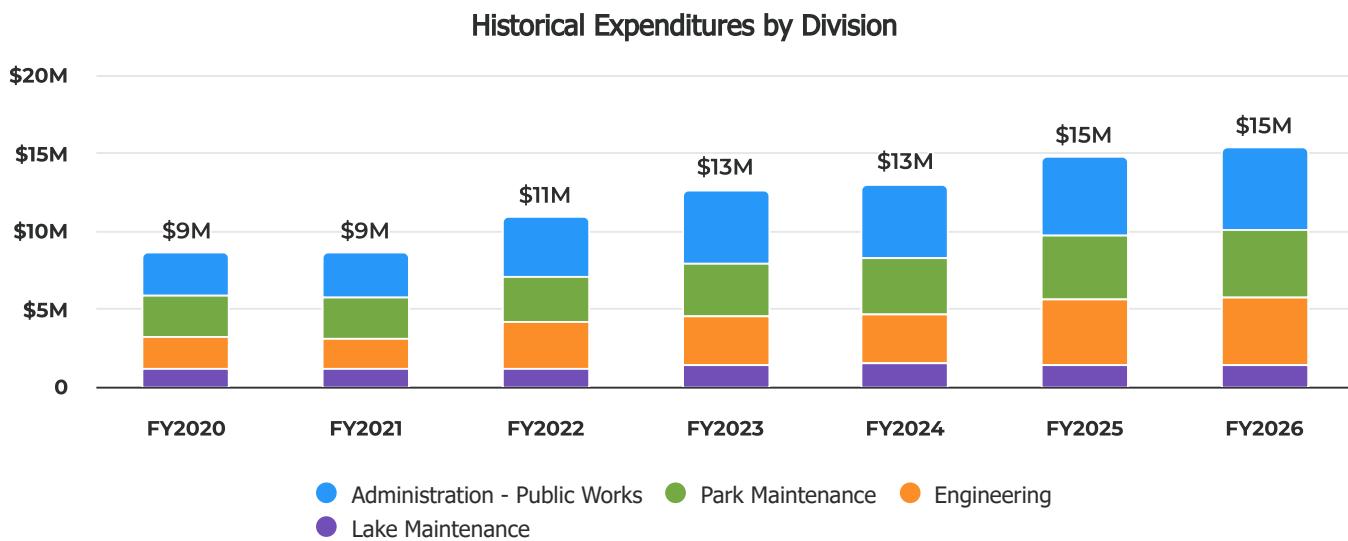
## Mission

Public Services are comprised of Engineering, Public Works - Administration, Park Maintenance, and Lake Maintenance.

## Expenditure Summary



## Expenditures by Division



### FY26 Expenditures by Division

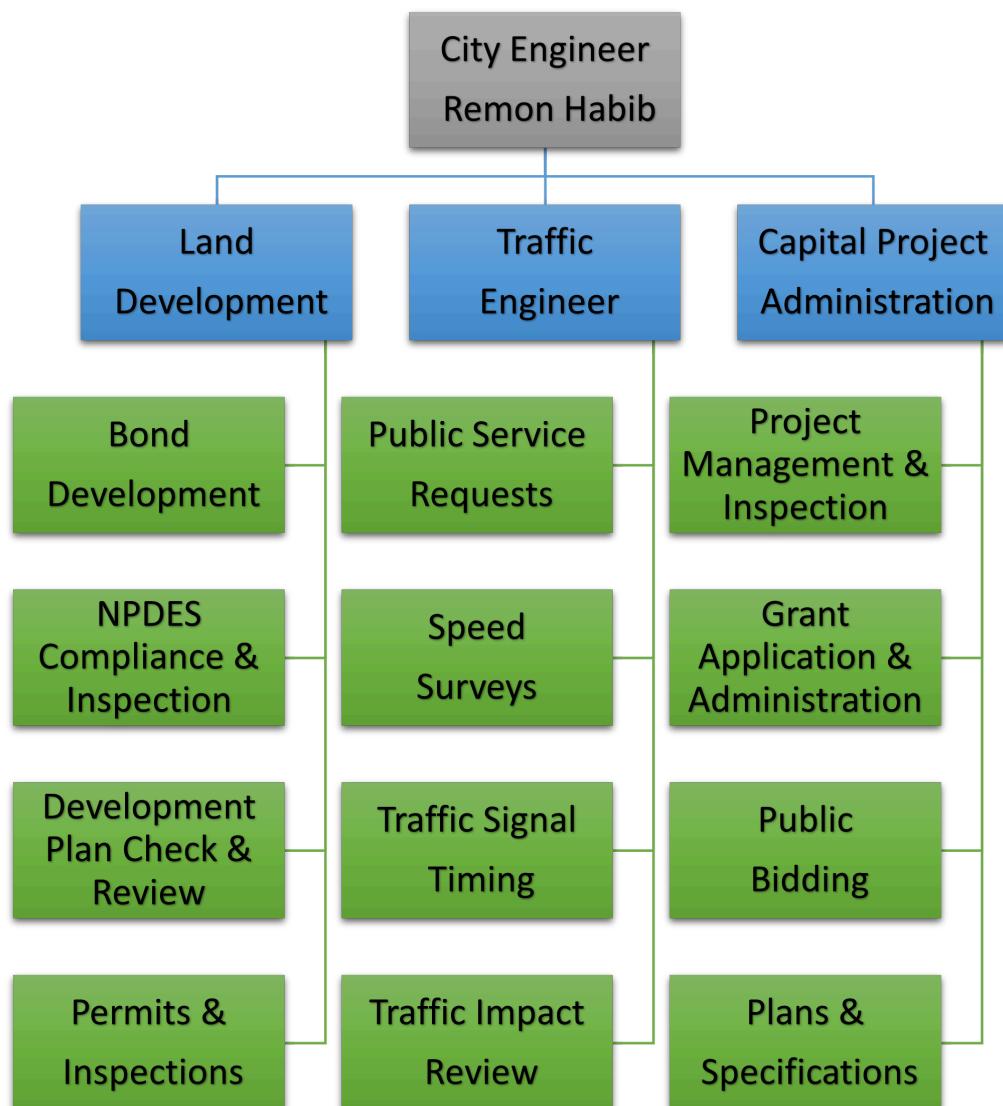


● Administration - Public Works	\$5,343,470	34.79%
● Engineering	\$4,325,450	28.16%
● Park Maintenance	\$4,262,760	27.76%
● Lake Maintenance	\$1,426,450	9.29%

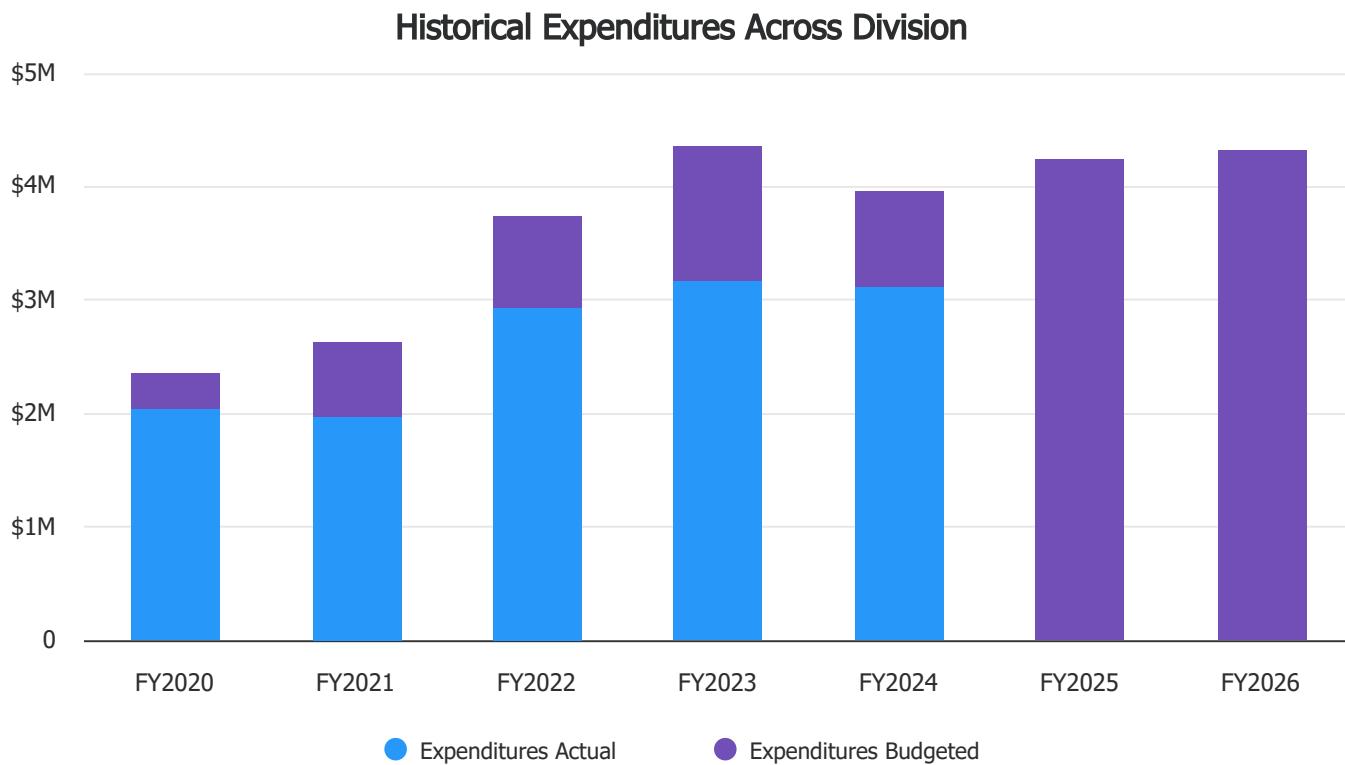
# Engineering

## Mission

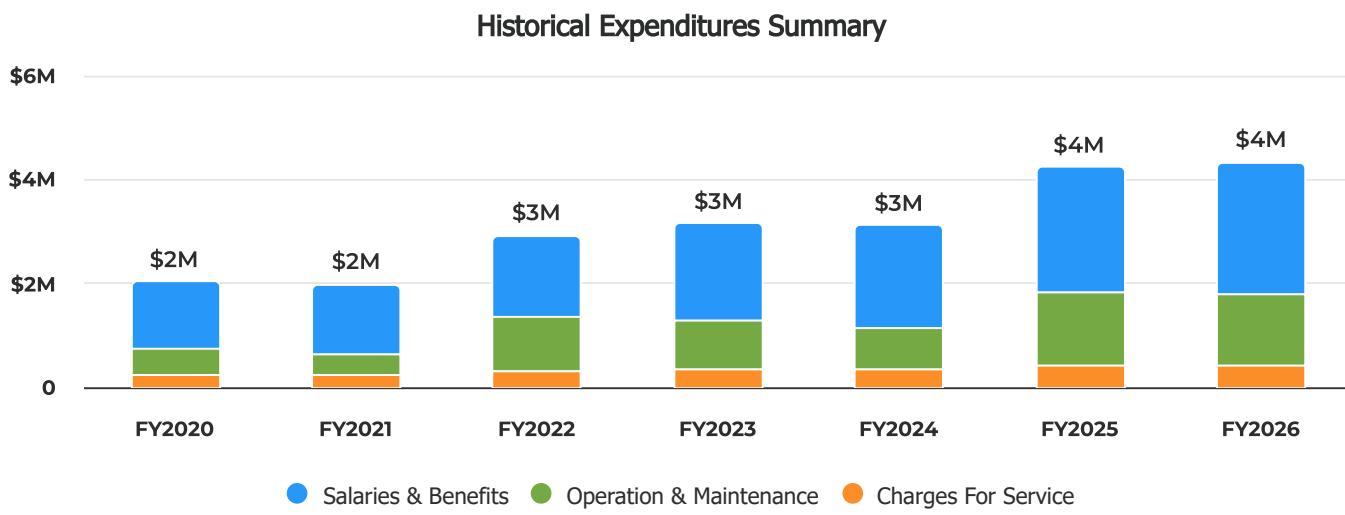
The Engineering Division is responsible for the development of public infrastructure and all physical improvements within the public right-of-way. These improvements include the development of public streets (roadways, curbs, gutters and sidewalks), traffic controls including signals, striping, signage 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.



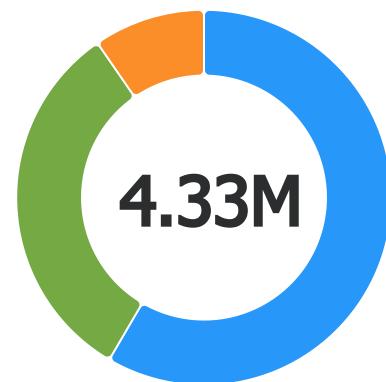
## Expenditure Summary



## Expenditures Summary

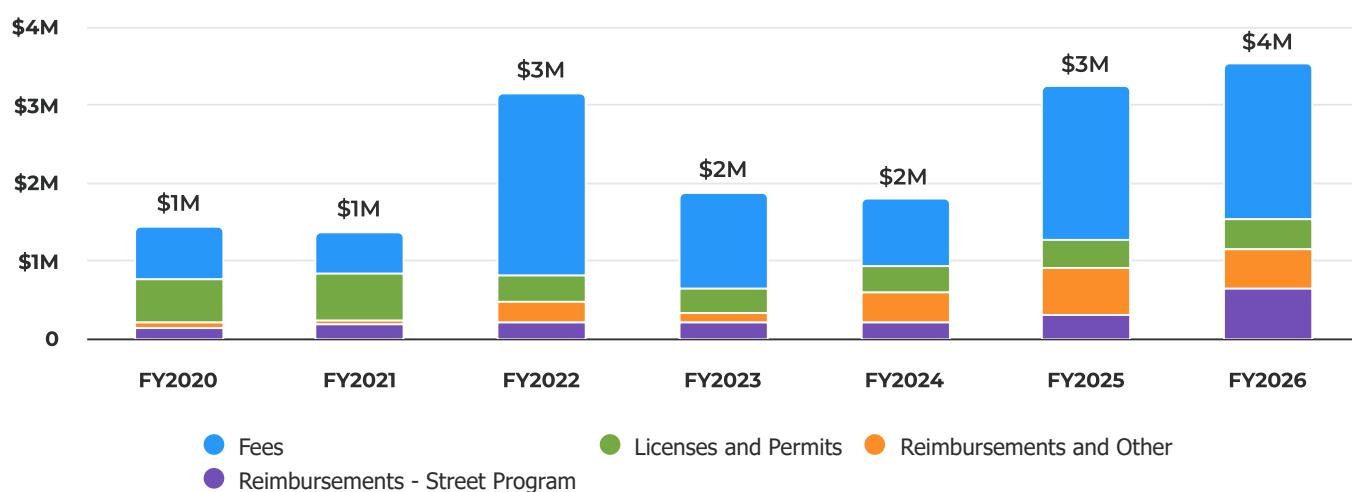


## FY26 Expenditures by Object Summary

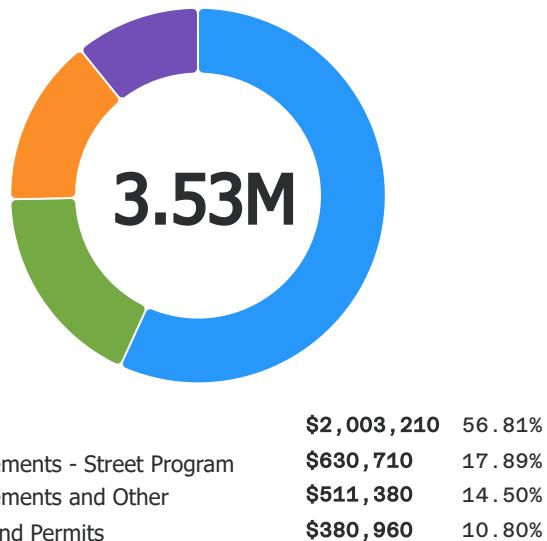


● Salaries & Benefits	\$2,527,330	58.43%
● Operation & Maintenance	\$1,382,840	31.97%
● Charges For Service	\$415,280	9.60%

## Revenues by Object Summary



## FY26 Revenues by Object Summary



## FY 2024 - 2025 Accomplishments

- Won the ACEC Engineering Excellence Award for 2025 for the I15 Railroad Canyon Road Interchange Project
- Completed the Environmental Document for I15 Central Ave Interchange
- Completed the Transportation Art Project at I15 Railroad Canyon Road Interchange and I15 Main Street Interchange.
- Completed the I15 Main Street Interchange Improvement Project.
- Completed the Main Street Pavement Rehab, Intersection Aesthetic Improvements, and IT Infrastructure Project
- Completed the Avenues Drainage Improvement Project.
- Completed final design for Murrieta Creek Multi-Use Trail Project; begin construction in FY 25/26
- Completed HSIP Cycle 9 Traffic Signal Improvements
- Completed I-15 Nichols Road Interchange Improvement Project PSR-PDS
- Completed SB 821/CDBG Lakeshore Sidewalk Improvement final design; begin construction.
- I-15 Franklin Street Interchange Final Design phase is anticipated to be completed early 2028.
- I-15 Central Ave Interchange Improvement Project Final Design Phase is anticipated to be completed FY27/28.
- Completed NPDES Annual Report for 2024.
- Successfully Completed the CRS Recertification for 2024.
- Completed final design for the Bushman Storm Drain Improvement Project
- Completed design for the Pope Circle Drainage Improvement Project
- Citywide Catch Basin Inserts installation is under way per NPDES requirements – Installation is ongoing.

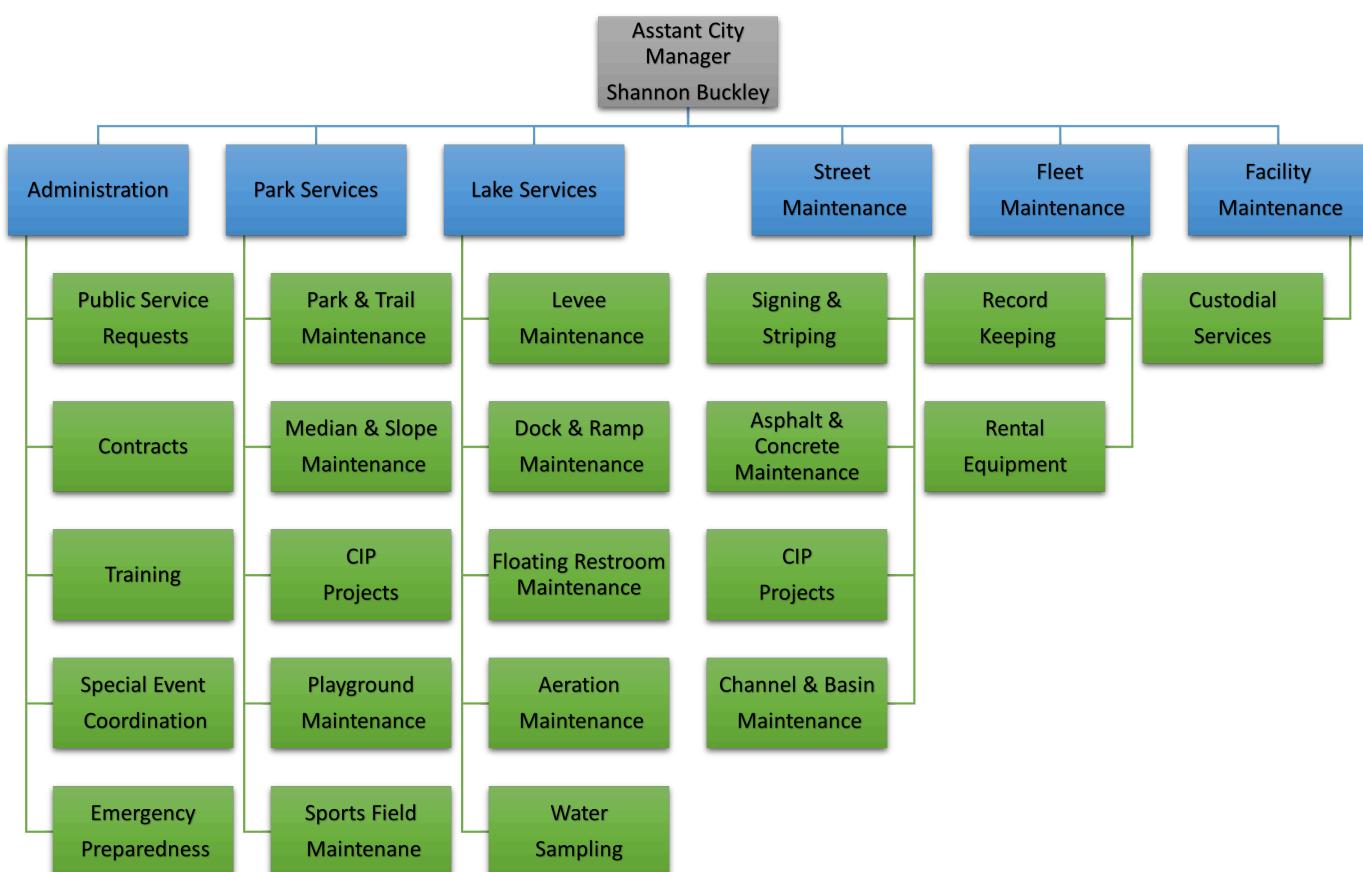
## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>ENGINEERING</u></b>			
City Engineer	1.00	-	1.00
City Traffic Engineer (Unfunded)	1.00	-	1.00
Assistant City Engineer	1.00	-	1.00
Senior Civil Engineer (1 Unfunded)	2.00	-	2.00
NPDES Administrator	-	1.00	1.00
Land Development Engineer	1.00	-	1.00
CIP Engineer	1.00	-	1.00
Associate Engineer (Unfunded)	1.00	-	1.00
Senior Construction Inspector	1.00	-	1.00
Assistant Engineer (Unfunded)	1.00	-	1.00
Engineering Inspector (1 Unfunded)	2.00	-	2.00
CIP Specialist	1.00	-	1.00
Senior Engineering Technician (Unfunded)	-	1.00	1.00
Engineering Technician II	-	1.00	1.00
Engineering Technician I	1.00	-	1.00
Administrative Assistant	1.00	-	1.00
<b>Total</b>	<b>15.00</b>	<b>3.00</b>	<b>18.00</b>

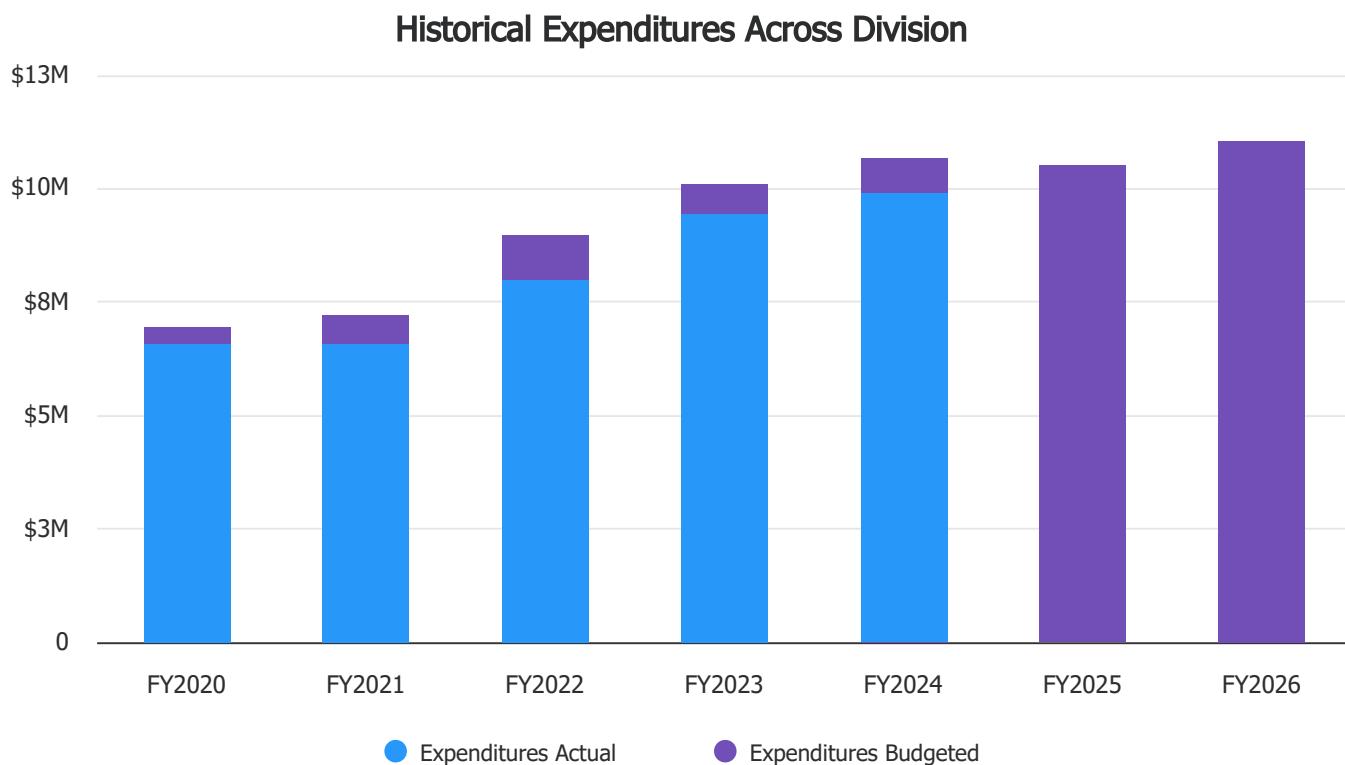
# Public Works

## Mission

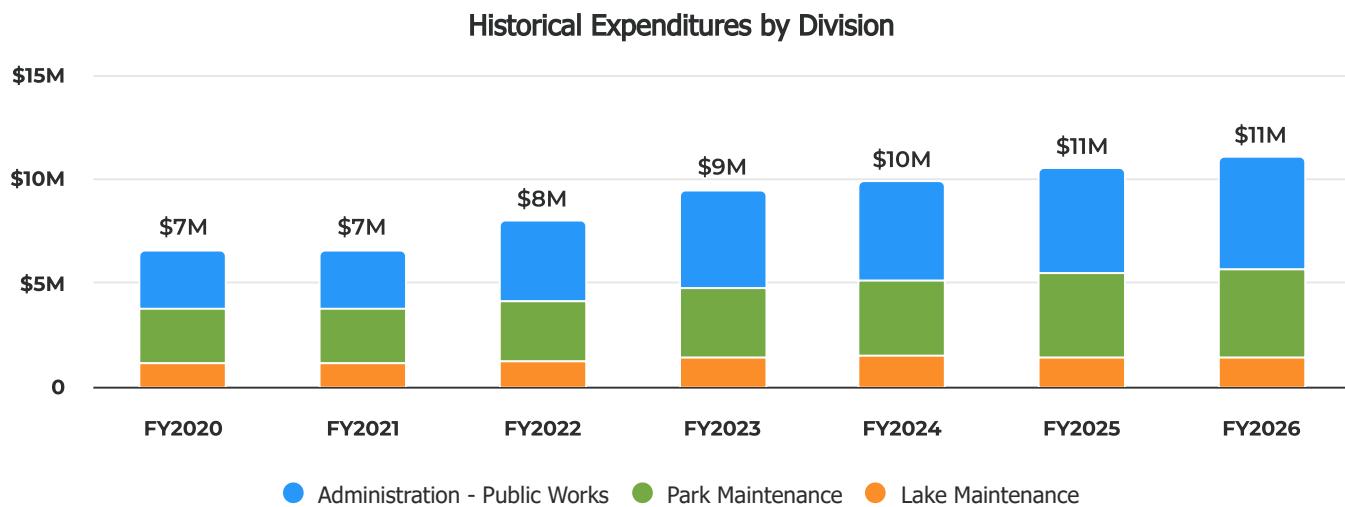
The Public Works Department provides high-quality, responsive and cost-effective engineering and operational services that support current and future infrastructure and circulation improvements, public safety, and environmental assets within the City of Lake Elsinore. This is accomplished through oversight of private and public improvement 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.



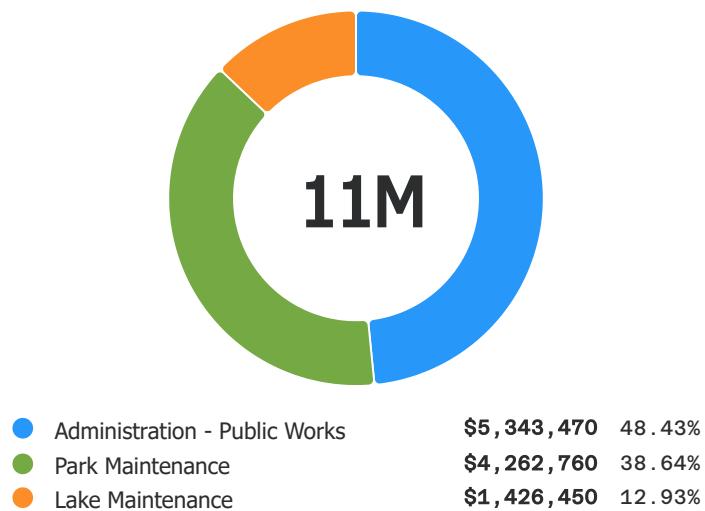
## Expenditure Summary



## Expenditures by Division

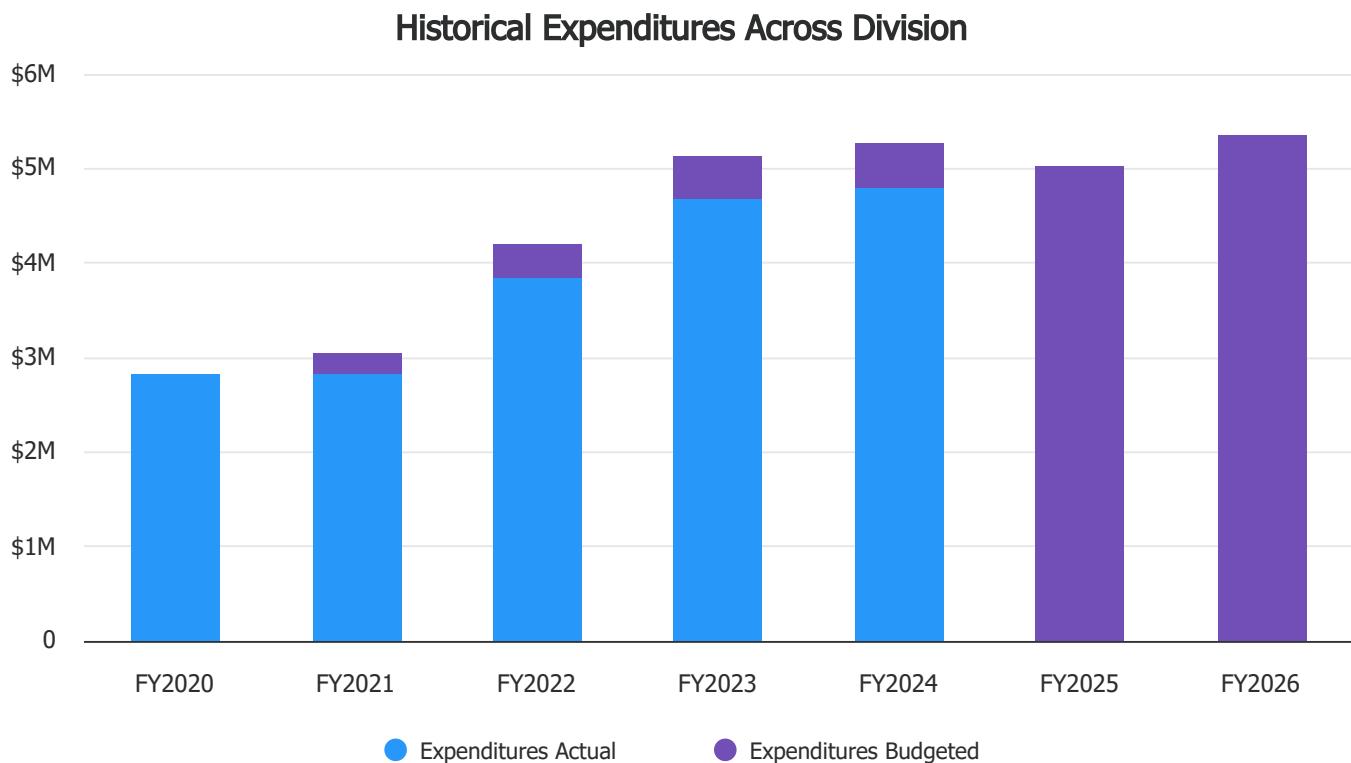


### FY26 Expenditures by Division

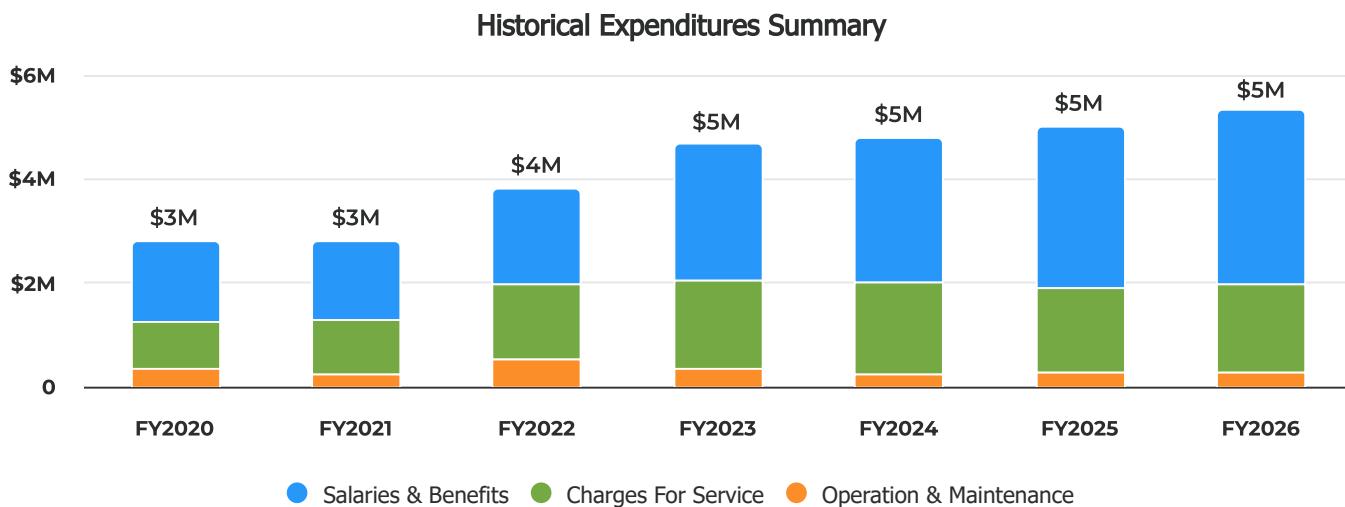


# Administration - Public Works

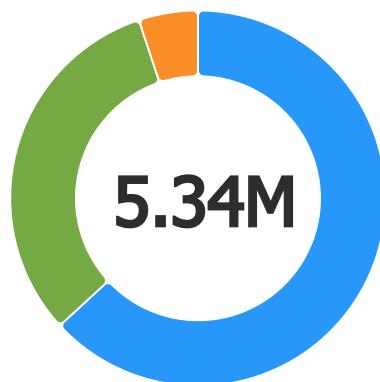
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



● Salaries & Benefits	\$3,374,670	63.16%
● Charges For Service	\$1,696,280	31.74%
● Operation & Maintenance	\$272,520	5.10%

## FY 2024 - 2025 Accomplishments

- Lane Widening - Lakeshore Dr. & Illinois St.
- Grind and Pave - Laurelwood Ct. & Broadway St.
- Crack seal and Seal Coat - Surapine St. & Teakwood St.
- Crack fill and Seal Coat - Rqqet Club Way

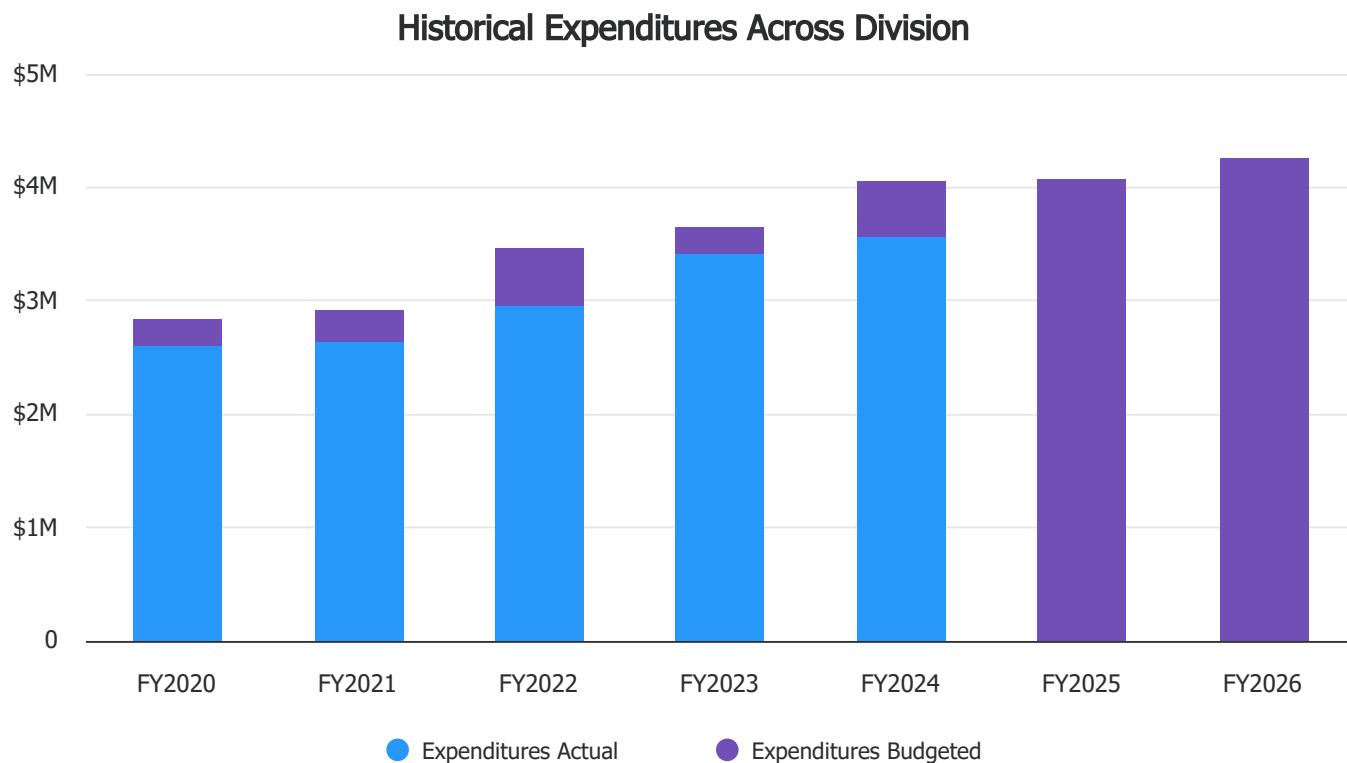
## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>PUBLIC WORKS ADMINISTRATION</u></b>			
Public Works Manager	1.00	-	1.00
Public Works Superintendent	1.00	-	1.00
Management Analyst	1.00	-	1.00
Public Works Supervisor	1.00	-	1.00
Public Works Inspector	1.00	-	1.00
Lead Worker	1.00	-	1.00
Maintenance Worker III	2.00	1.00	3.00
Maintenance Worker II	5.00	2.00	7.00
Maintenance Worker I	5.00	(3.00)	2.00
Account Specialist III	-	1.00	1.00
Account Specialist II	1.00	(1.00)	-
Administrative Assistant	1.00	-	1.00
Total	20.00	-	20.00

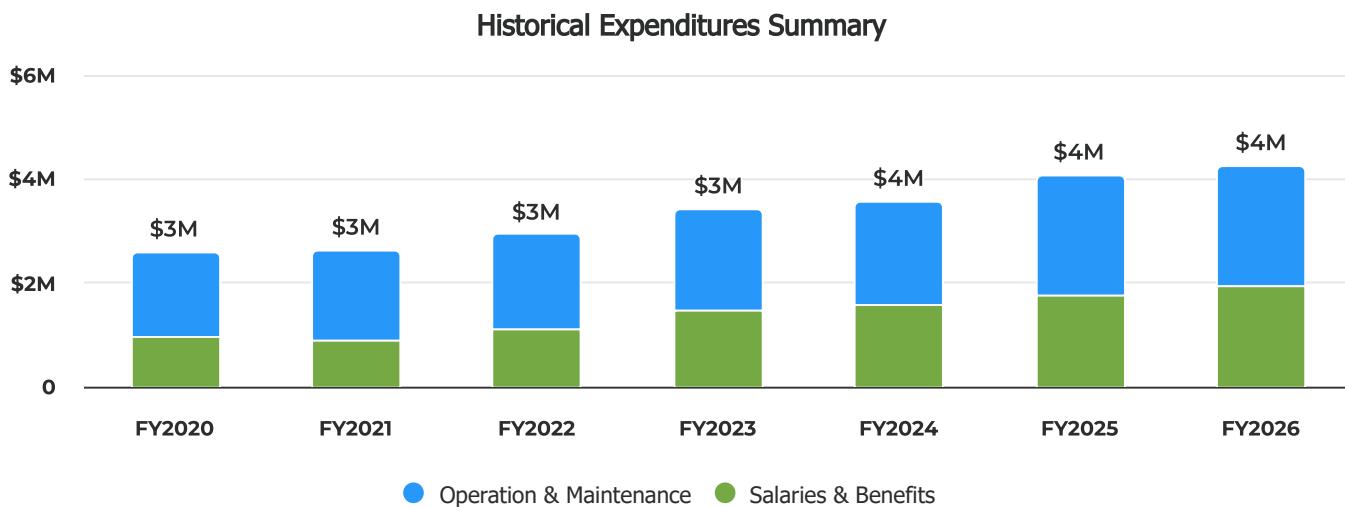


# Park Maintenance

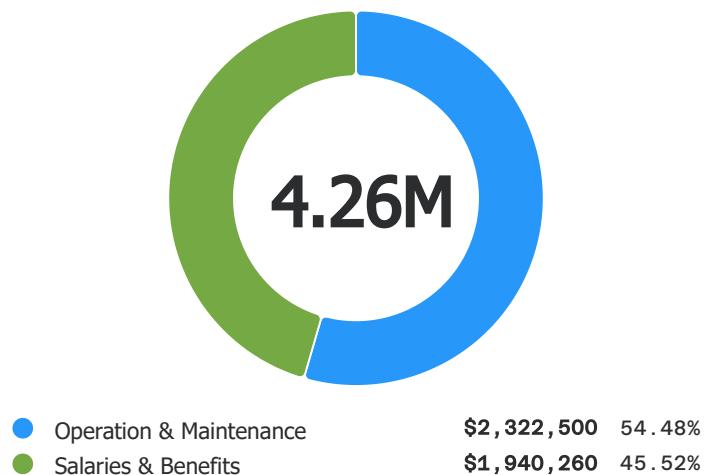
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



## FY 2024 - 2025 Accomplishments

- New landscaping Running Deer and Lincoln Street
- A pedestrian gate was installed at Christensen Park to create a more solid barrier between the playground and Canyon Hills Rd.
- New Stovepipe Creek Park
- New drainage basins in the Nichols Ranch Community
- Veterans walk/monument at Storm Stadium - new grass and palm trees
- New monument signs and bollards were installed at the stadium at Diamond and Pete Lehr, Diamond and Malaga and along the main entrance walk.
- New trash cans were installed along the Levee and at Elm Grove Beach.
- Elm Grove Beach received new porta potty enclosures.
- A new monument sign was placed for Swick and Matich Park and the Seaport Boat launch Monument sign was relocated.
- The Levee Disc golf course is nearing completion. All baskets and throwing pads have been installed. Lights have been installed along the levee rd. Obstacles are being installed for the Disc Golf course.
- New parking lot gates have been installed at Seaport boat Launch/Swick and Matich Park Parking lots, a new walkway was added for the baseball fields, the parking lot entrance has been widened and a new striping plan has been implemented.
- Signs, bouys and fishing amenities have been added to the new Launch Pointe Marina docks.
- New bollards have been installed at Summerly Park to prevent unauthorized vehicles from entering.
- New anti-vandal fencing has been installed at Serenity Park.
- New cement will be installed at Creekside Park to replace lifted and broken cement.

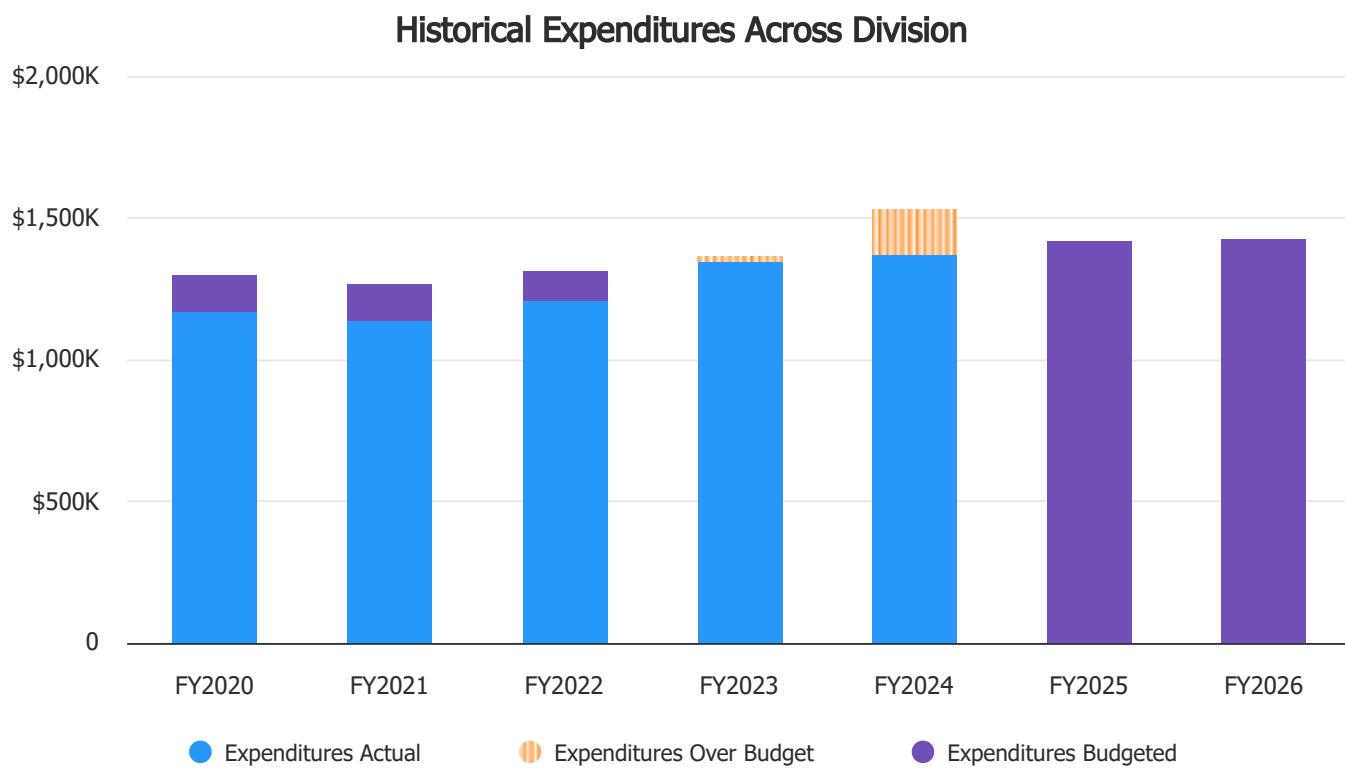
## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b>PARKS MAINTENANCE</b>			
Public Works Supervisor	1.00	-	1.00
Lead Worker	1.00	-	1.00
Maintenance Worker III	1.00	-	1.00
Maintenance Worker II	7.00	1.00	8.00
Maintenance Worker I	2.00	(1.00)	1.00
Total	12.00	-	12.00

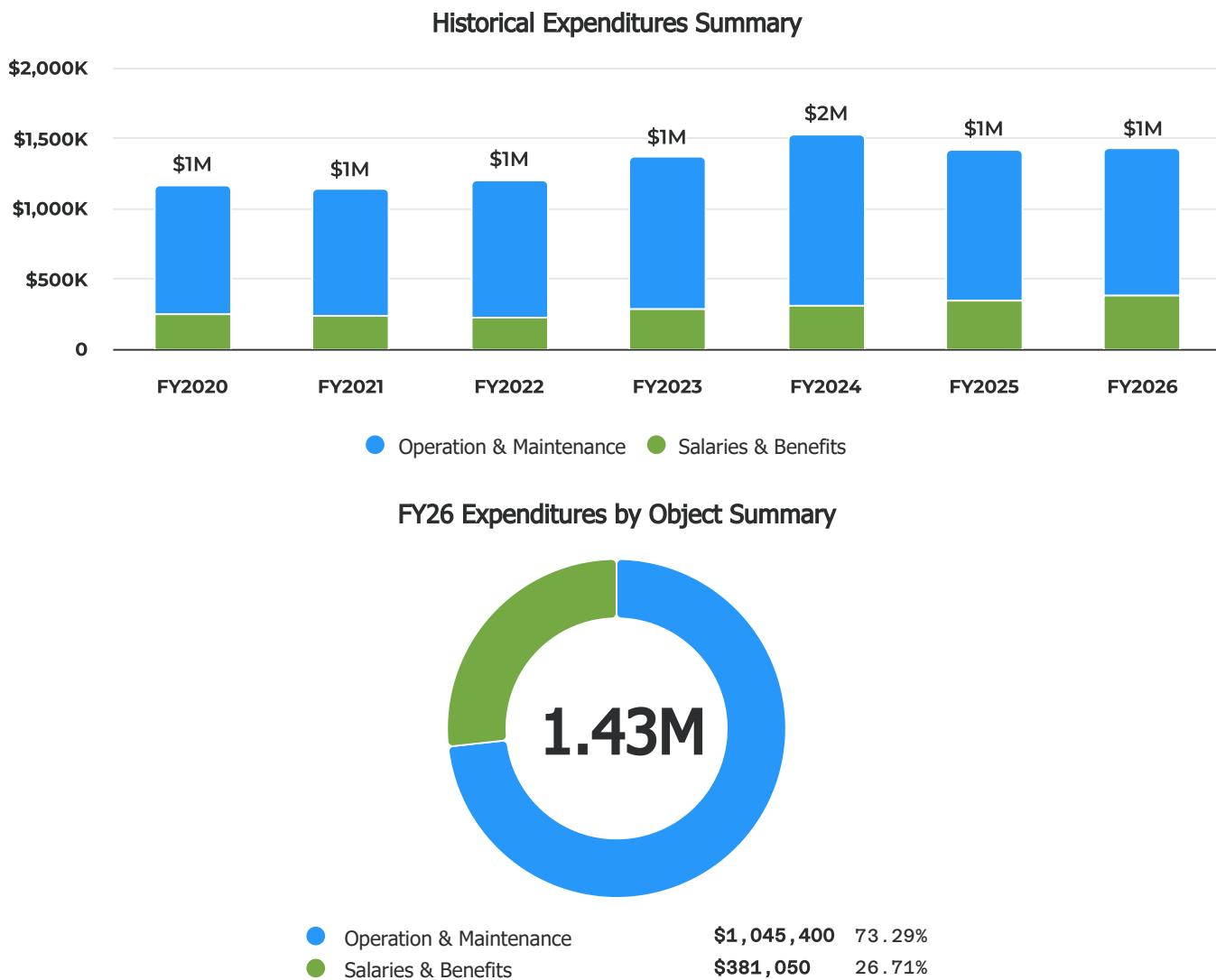


# Lake Maintenance

## Expenditure Summary



## Expenditures Summary



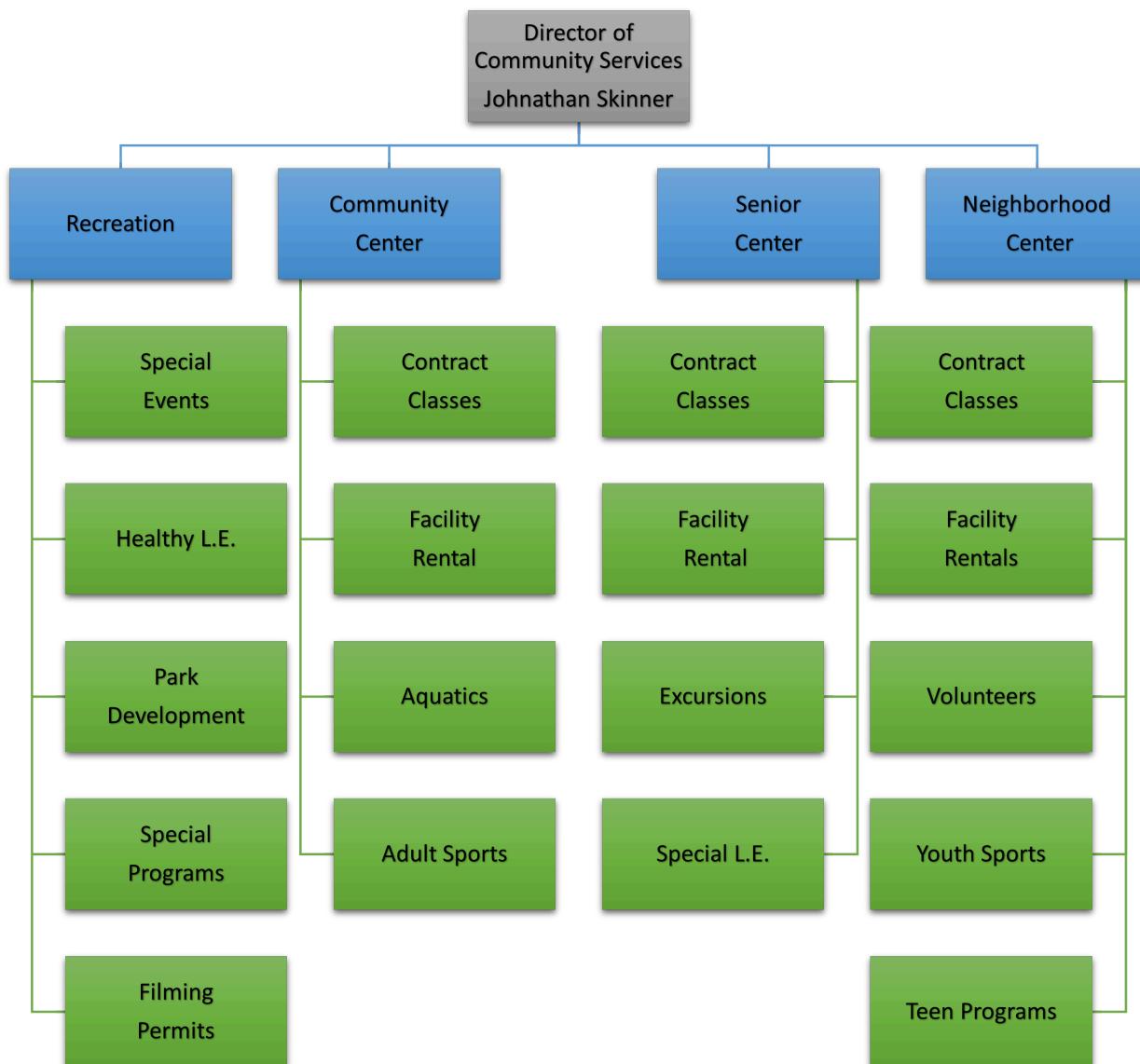
## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b>LAKE SERVICES</b>			
LAKE MAINTENANCE			
Maintenance Worker II	2.00	-	2.00
Total	2.00	-	2.00

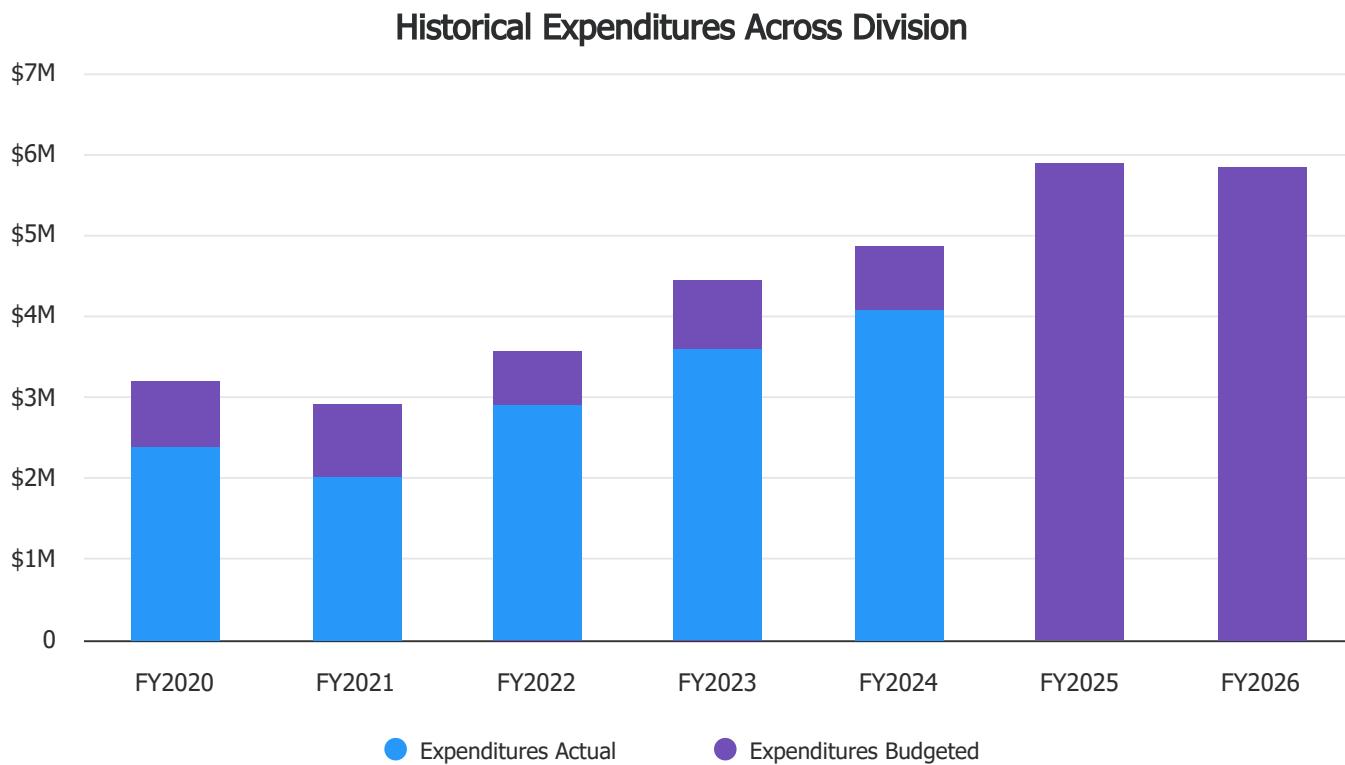
# Community Services

## Mission

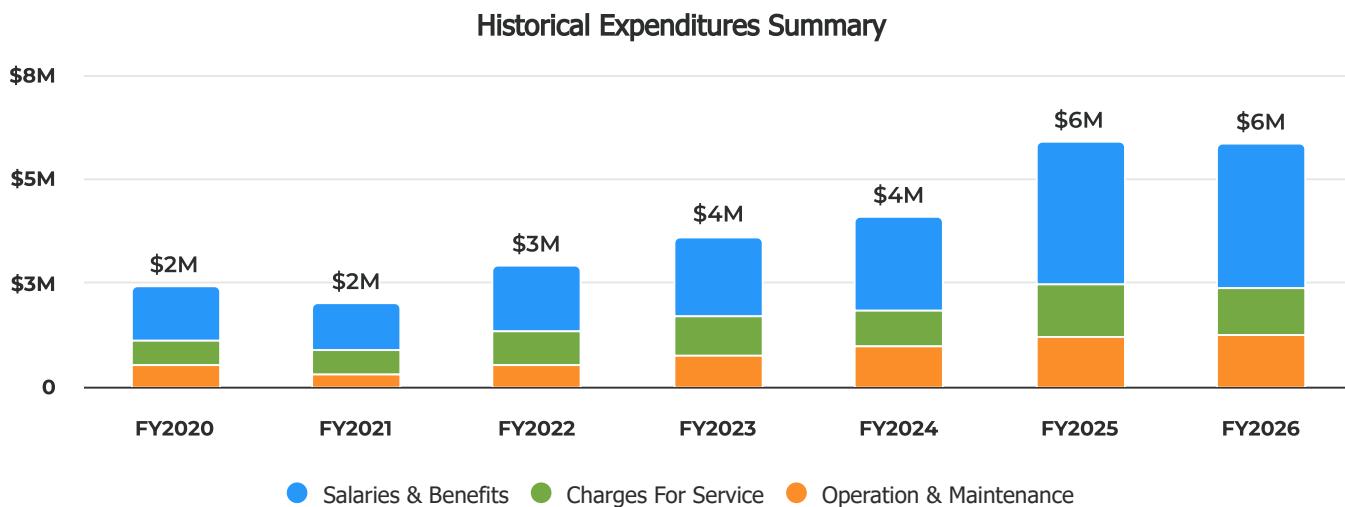
The Community Services Department provides a variety of programs that educate, entertain, and enrich the community. The Department delivers exceptional special events for the entire family. Arranges for services and programs that are needed by those with special needs, teens, and seniors. Provides professional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



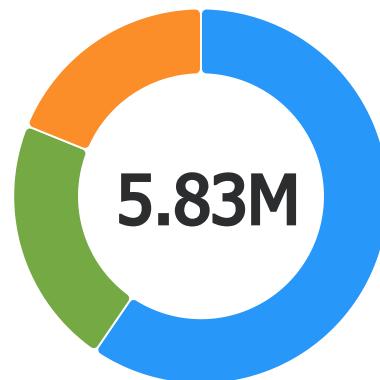
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



● Salaries & Benefits	\$3,473,410	59.54%
● Operation & Maintenance	\$1,258,550	21.58%
● Charges For Service	\$1,101,340	18.88%

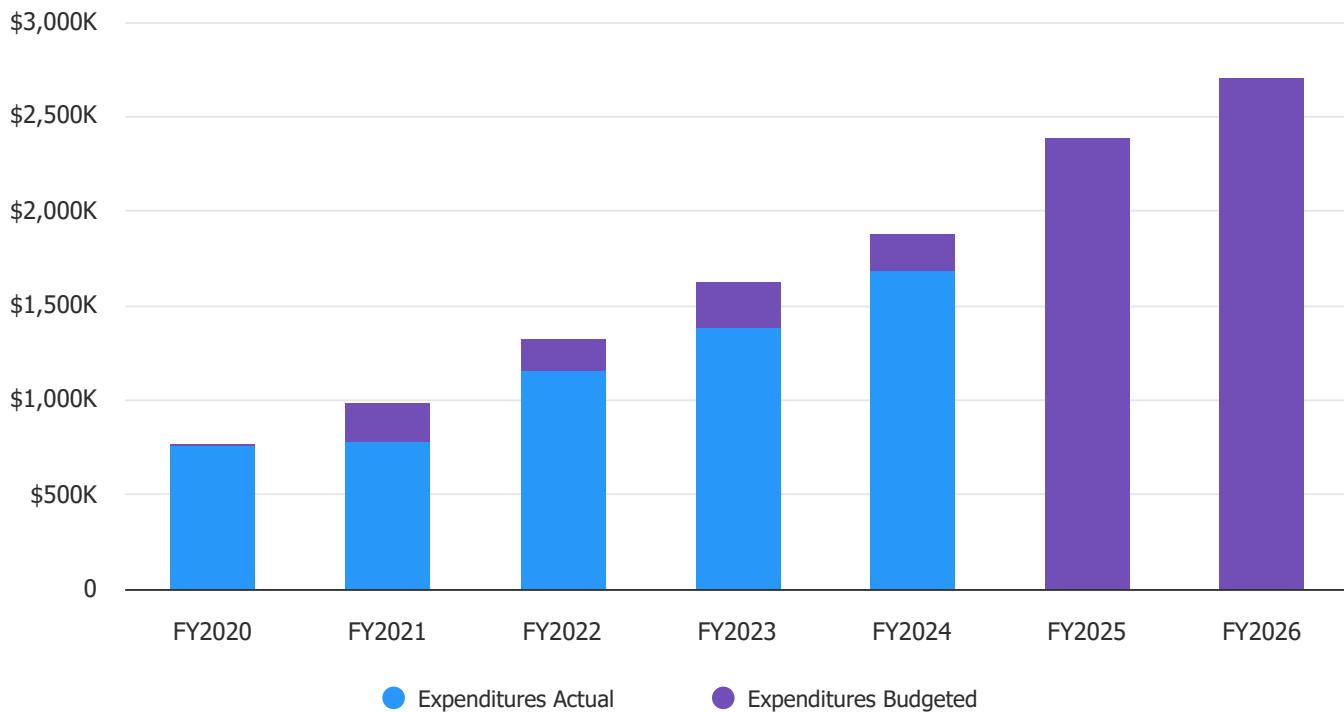
# Recreation

## Mission

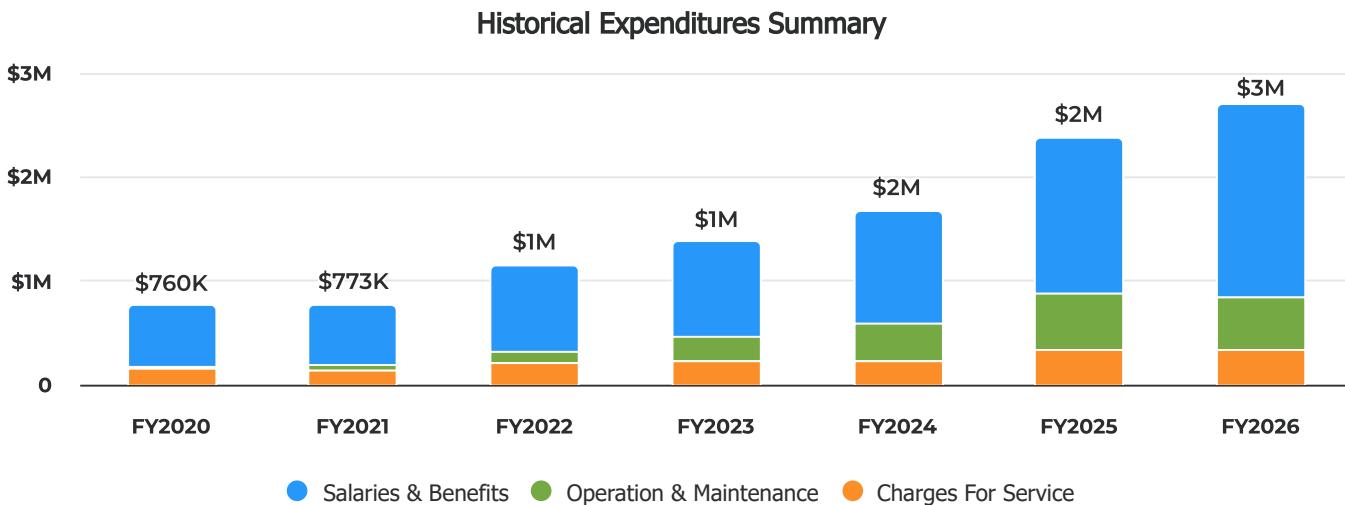
The City of Lake Elsinore strives to offer its residents quality and affordable programming for the young, the young at heart and for our four legged family members. The Recreation Division provides recreational programs and services year round for everyone's benefit.

## Expenditure Summary

**Historical Expenditures Across Division**



## Expenditures Summary

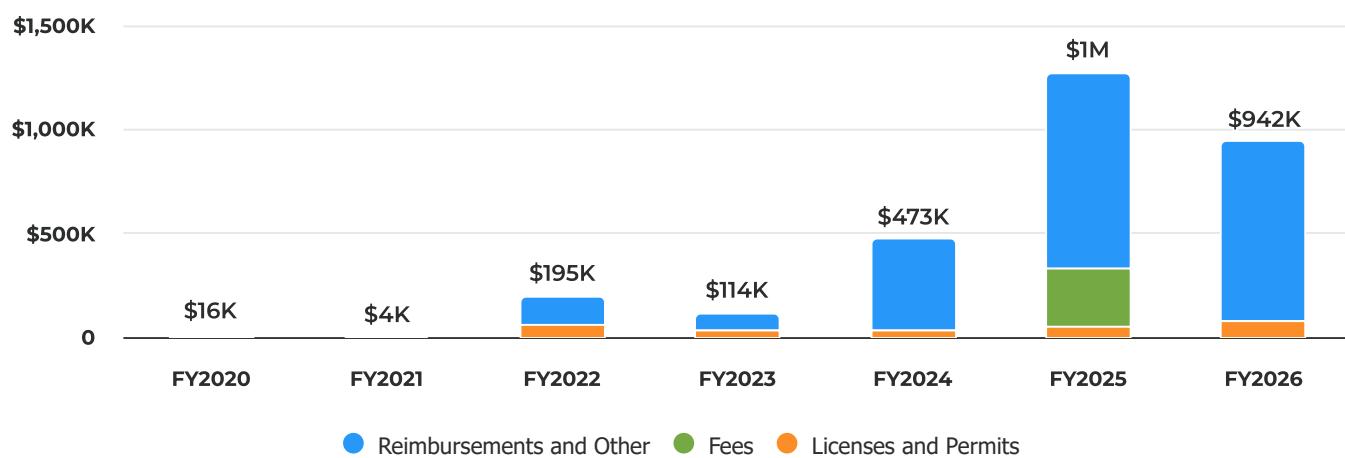


### FY26 Expenditures by Object Summary

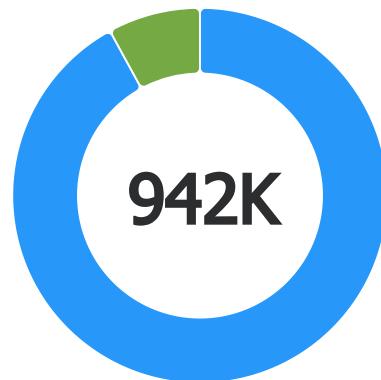


● Salaries & Benefits	\$1,867,150	68.98%
● Operation & Maintenance	\$497,850	18.39%
● Charges For Service	\$341,790	12.63%

## Revenues by Object Summary



## FY26 Revenues by Object Summary



● Reimbursements and Other	\$867,000	92.04%
● Licenses and Permits	\$75,000	7.96%

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>RECREATION</u></b>			
Director of Community Services	1.00	-	1.00
Assistant Director of Community Services	0.75	-	0.75
Senior Management Analyst	1.00	-	1.00
Special Events Manager	1.00	-	1.00
Management Analyst	1.00	(1.00)	-
Senior Special Events Coordinator	-	1.00	1.00
Special Events Coordinator	1.00	(1.00)	-
Administrative Assistant	1.00	-	1.00
Project Assistant - PT	1.00	-	1.00
Recreation Specialist - PT	8.00	7.00	15.00
Total	<u>15.75</u>	<u>6.00</u>	<u>21.75</u>

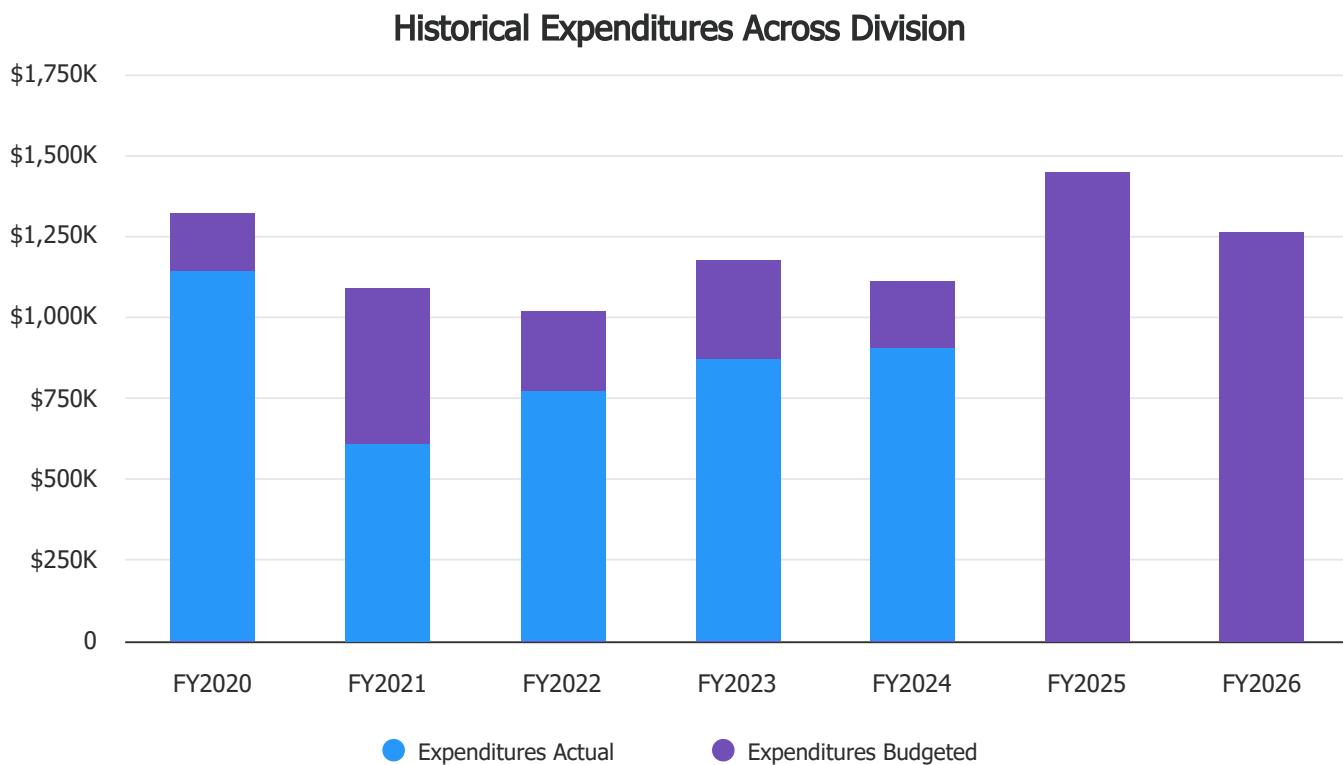


# Community Center

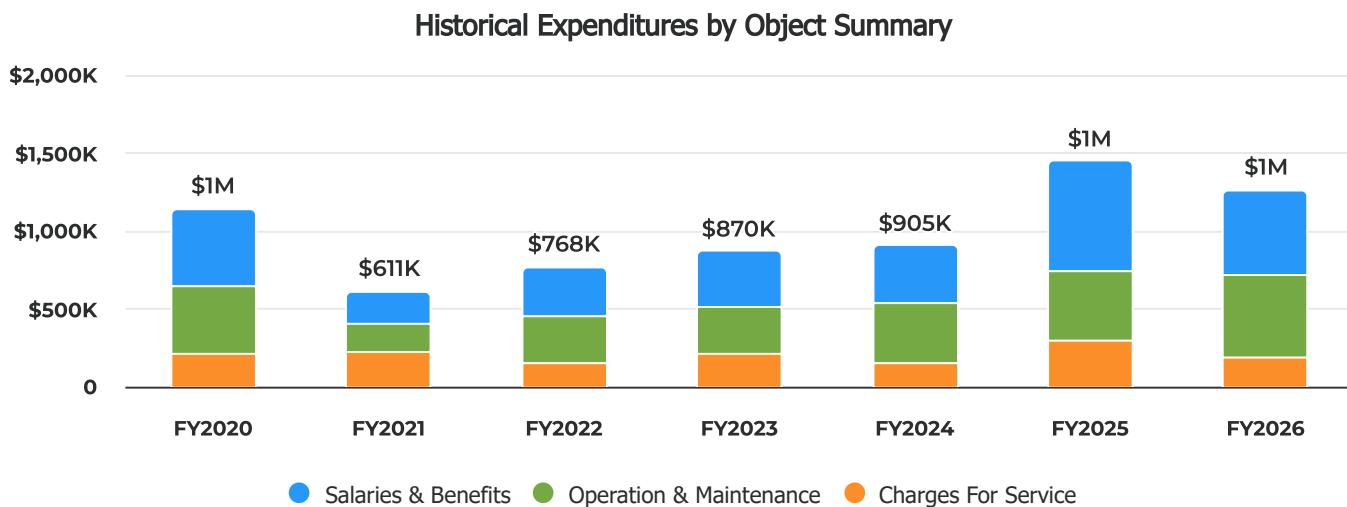
## Mission

Originally built in the 1950s as a movie theater, the Lake Community Center was renovated in 1990 to become the city's first Senior & Community Center offering senior programs, after-school programs, drop-in sports and recreational classes. Currently, the center still operates programs for all ages.

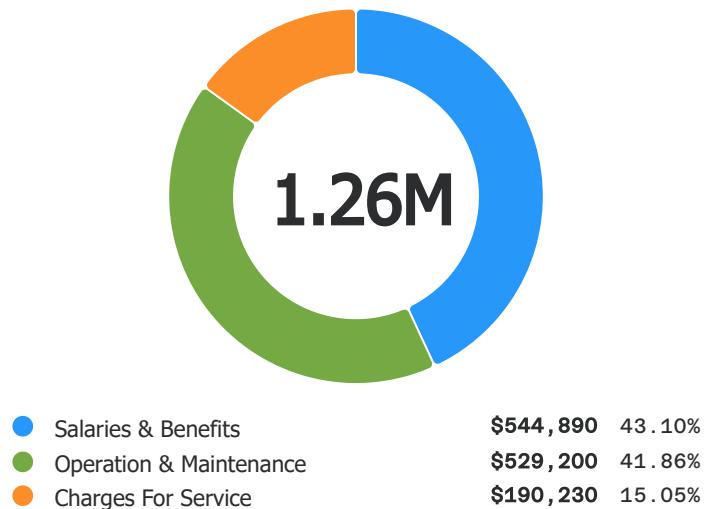
## Expenditure Summary



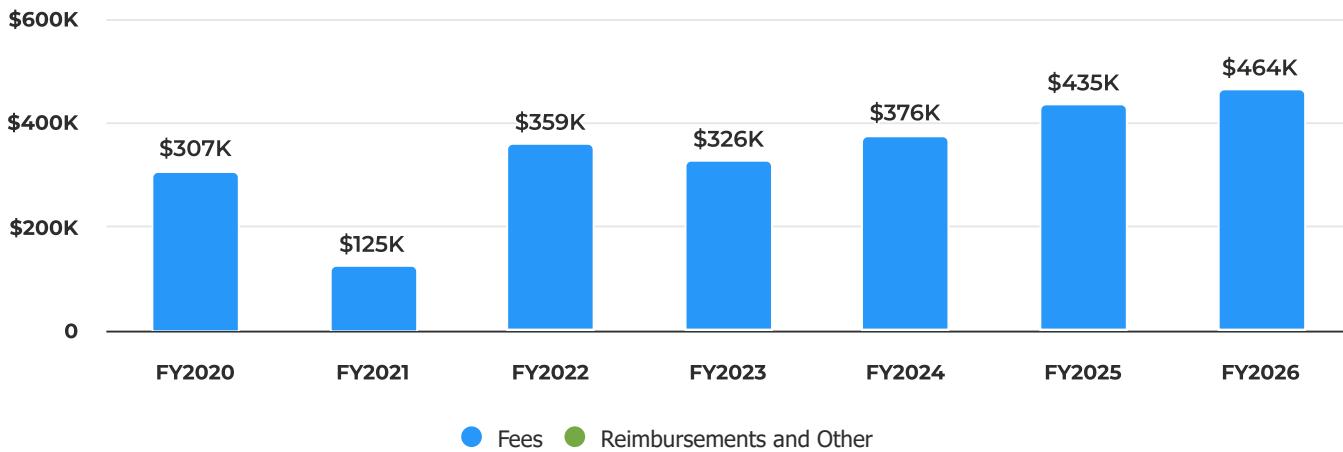
## Expenditures by Object Summary



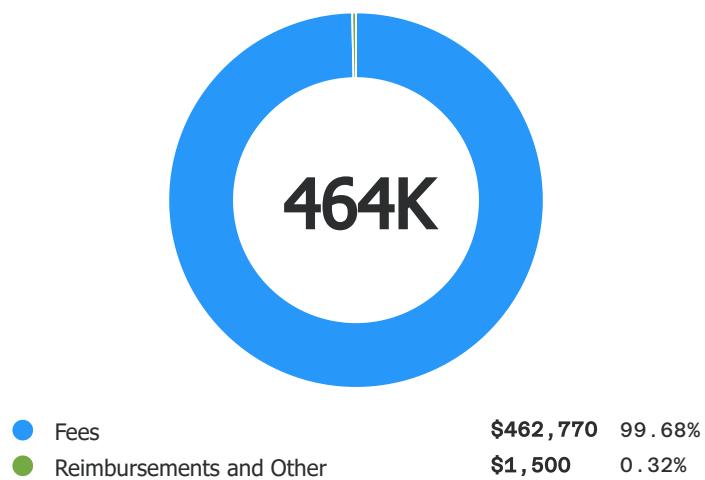
### FY26 Expenditures by Object Summary



## Revenues by Object Summary



### FY26 Revenues by Object Summary



## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b>COMMUNITY CENTER</b>			
Recreation Supervisor (Unfunded)	1.00	-	1.00
Community Services Coordinator	1.00	-	1.00
Aquatics Program Coordinator - PT	1.00	-	1.00
Recreation Specialist - PT	1.00	-	1.00
Water Safety Instructor - PT	9.00	-	9.00
Recreation Leader - PT	4.00	-	4.00
Recreation Aide - PT (4 Unfunded)	6.00	-	6.00
Total	23.00	-	23.00

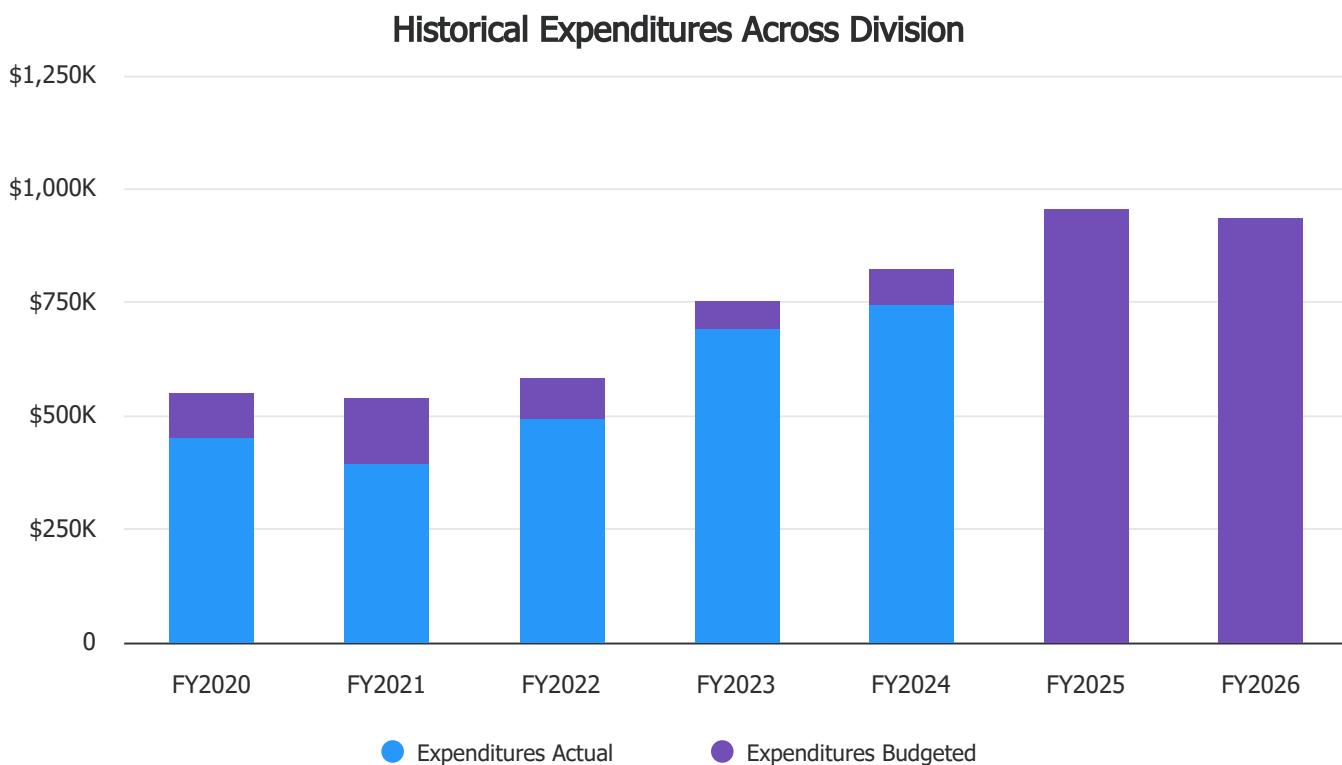


## Senior Center

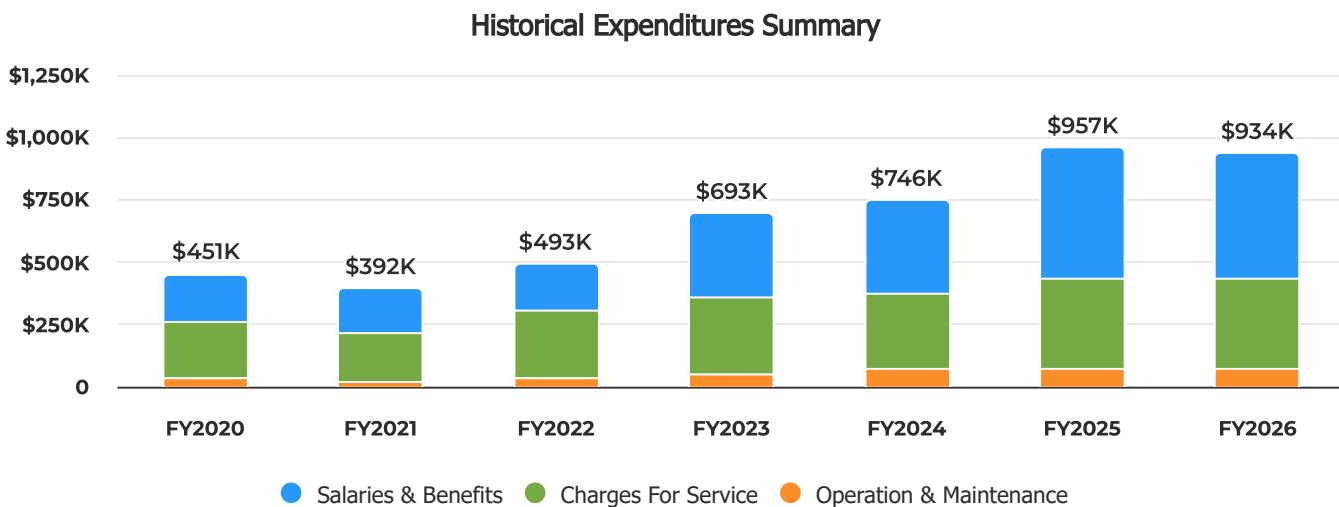
### Mission

The Lake Elsinore Senior Activity Center provides a wide variety of recreational, self-enrichment and educational programs for participants 55 and older. The facility includes a state-of-the-art computer lab, a billiard room, a television lounge, a reading room, dining hall, patio areas, and a service kitchen. This center provides social, recreational, physical and educational opportunities at low or no cost.

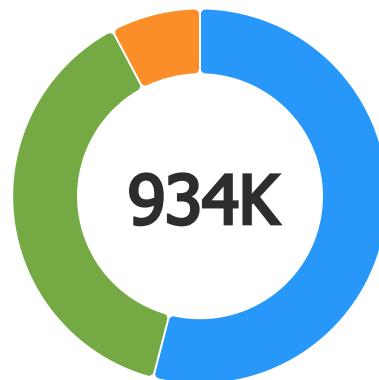
## Expenditure Summary



## Expenditures Summary

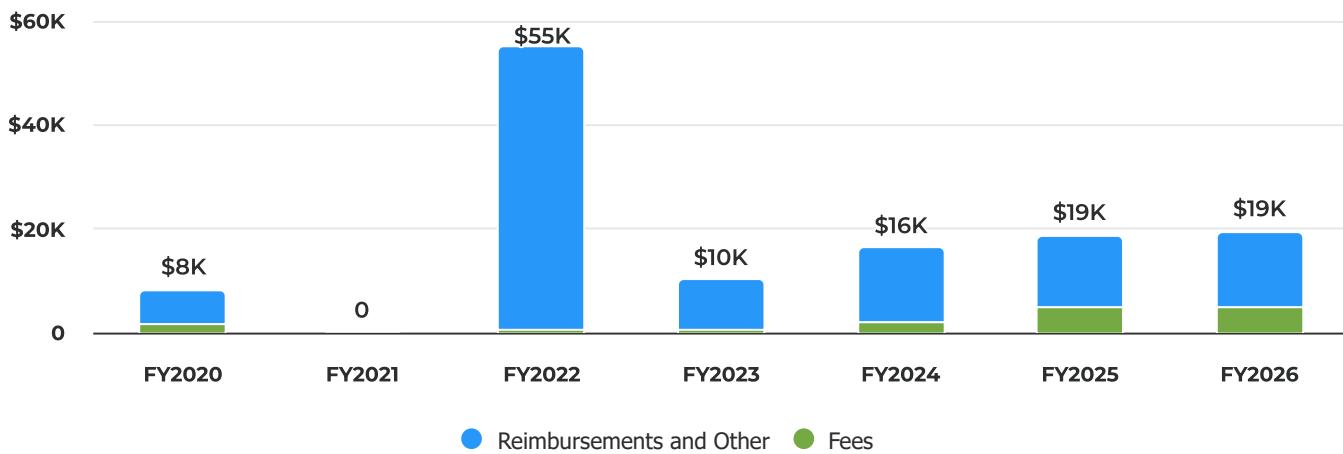


### FY26 Expenditures by Object Summary

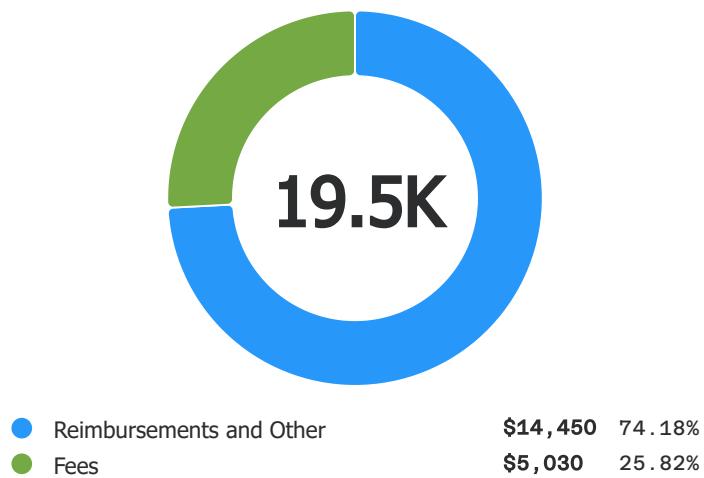


● Salaries & Benefits	\$504,750	54.03%
● Charges For Service	\$357,170	38.23%
● Operation & Maintenance	\$72,250	7.73%

## Revenues by Object Summary



### FY26 Revenues by Object Summary



## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b>NEIGHBORHOOD CENTER</b>			
Recreation Supervisor	1.00	-	1.00
Community Services Coordinator	1.00	-	1.00
Recreation Specialist - PT	1.00	-	1.00
Recreation Leader - PT (2 Unfunded)	4.00	-	4.00
Recreation Aide - PT (2 Unfunded)	4.00	-	4.00
Total	11.00	-	11.00

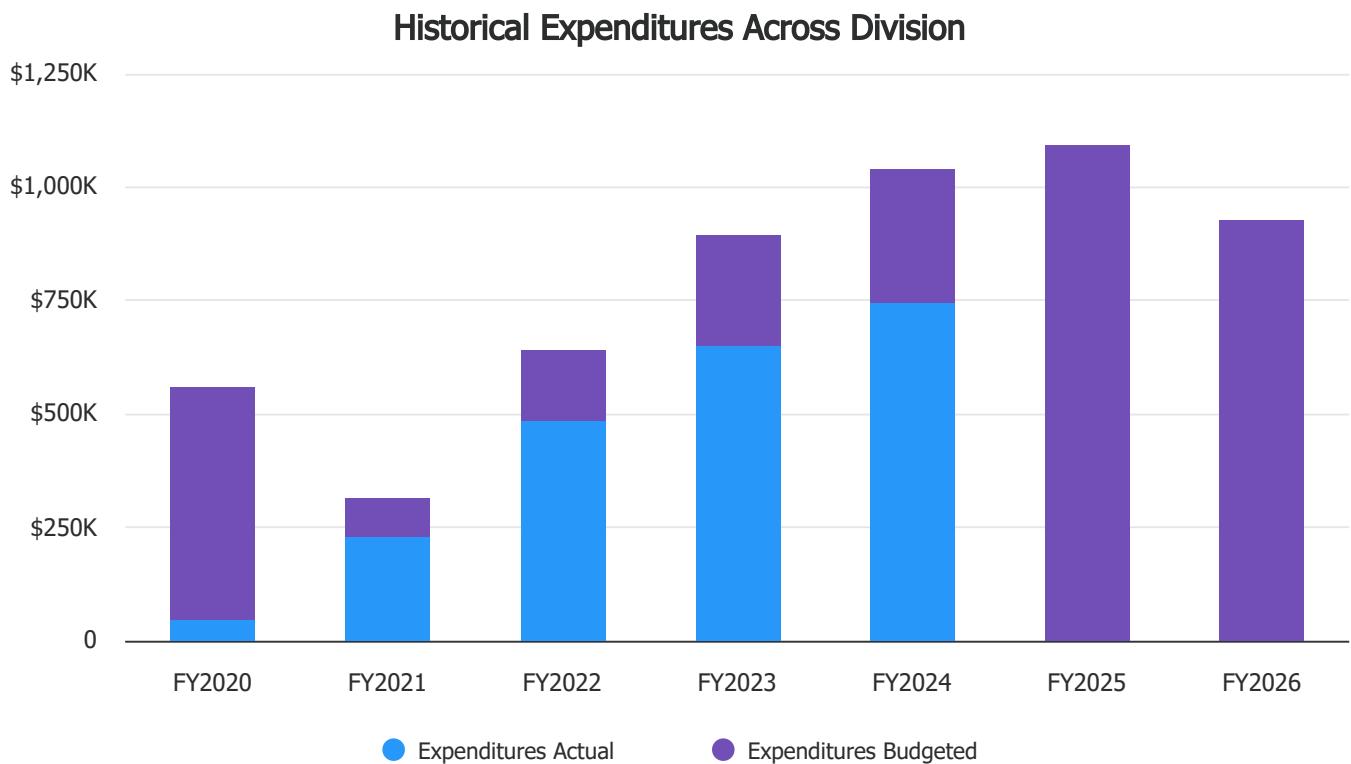


# Neighborhood Center

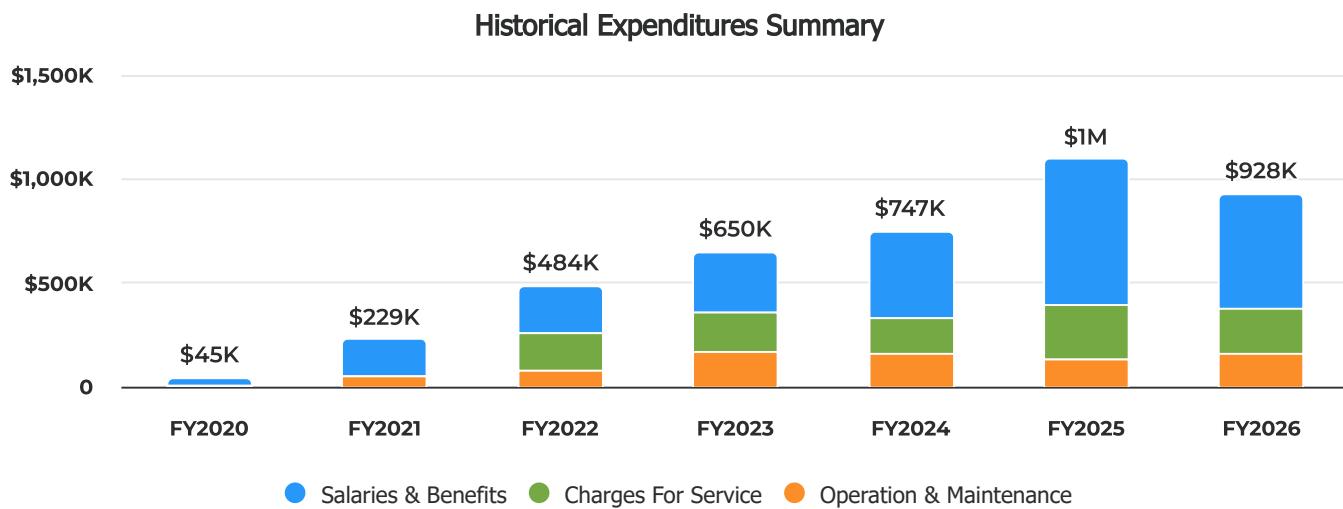
## Mission

Formerly known as the Old Sheriff's Station, the City of Lake Elsinore was deeded this facility in 2016 from the County of Riverside and later refurbished from what was once used as a Sheriff Station and Courthouse, to a renovated facility for the expansion of City recreational programming. The City utilized a Community Development Block Grant (CDBG) for the renovation of the project, identified in the Capital Improvement Project (CIP) sheet as "The Lake Elsinore Neighborhood Center."

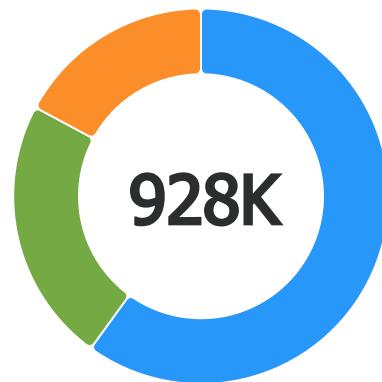
## Expenditure Summary



## Expenditures Summary



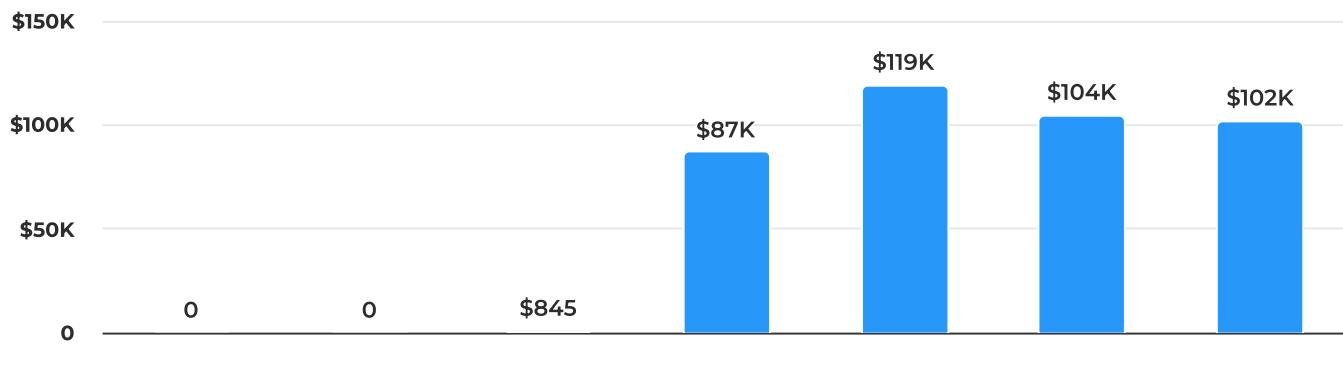
### FY26 Expenditures by Object Summary



- Salaries & Benefits
- Charges For Service
- Operation & Maintenance

Object	Amount	Percentage
Salaries & Benefits	\$556,620	59.98%
Charges For Service	\$212,150	22.86%
Operation & Maintenance	\$159,250	17.16%

## Revenues by Object Summary



### FY26 Revenues by Object Summary



## Personnel Allocation

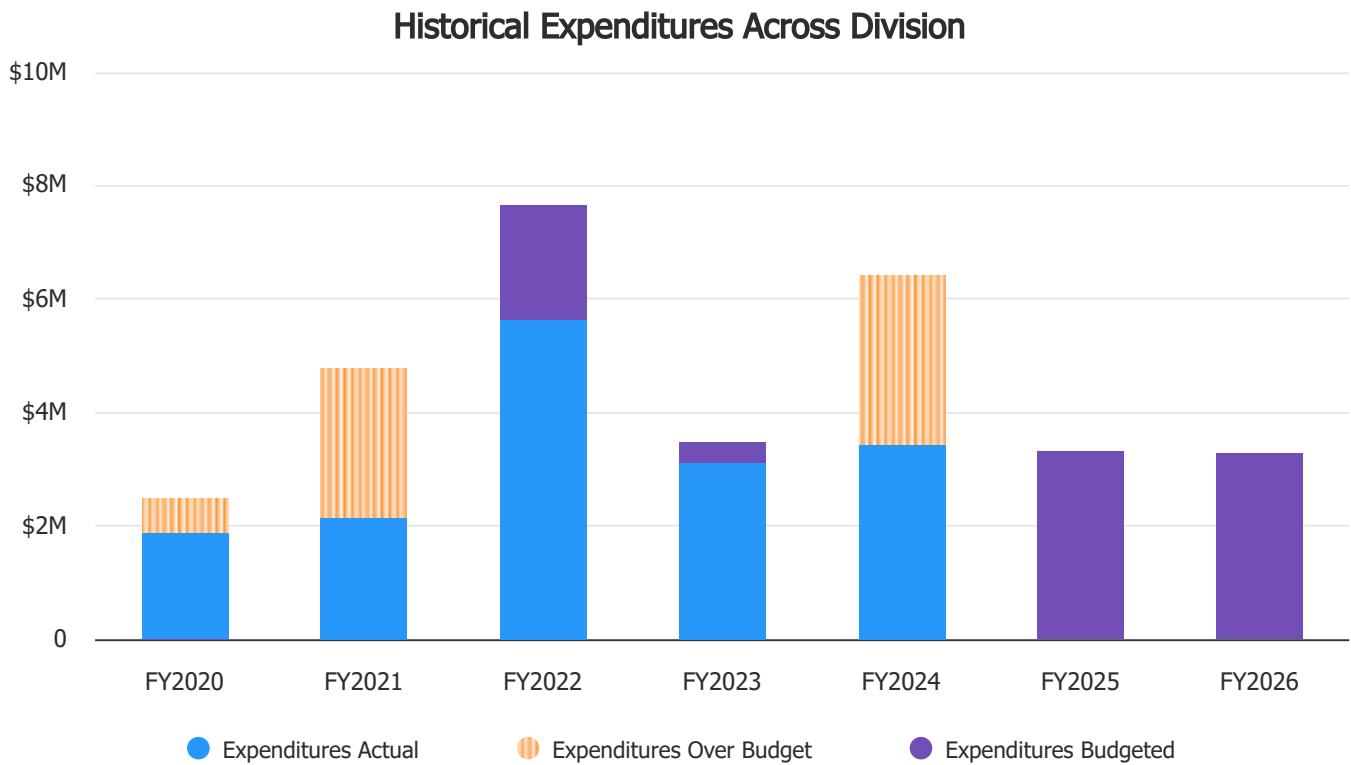
	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b>NEIGHBORHOOD CENTER</b>			
Recreation Supervisor	1.00	-	1.00
Community Services Coordinator	1.00	-	1.00
Recreation Specialist - PT	1.00	-	1.00
Recreation Leader - PT (2 Unfunded)	4.00	-	4.00
Recreation Aide - PT (2 Unfunded)	4.00	-	4.00
Total	11.00	-	11.00

# Non-Departmental

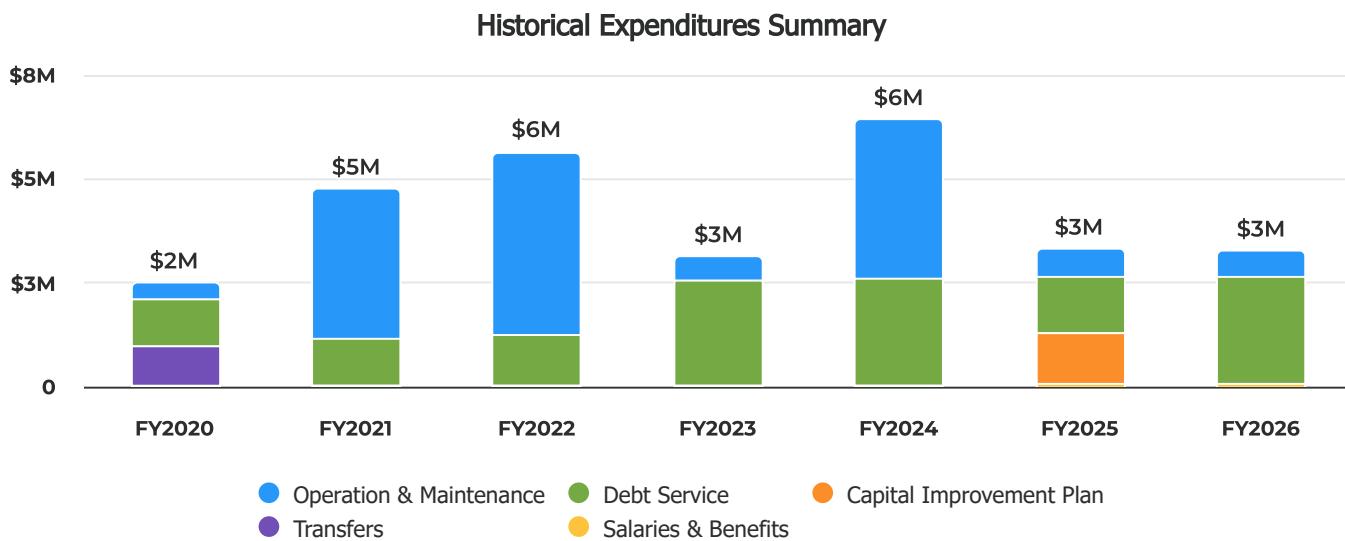
## Mission

The Non-Departmental Division is a cost center for general administrative expenditures such as CalPERS Replacement Benefit, County Property Tax Administration Fees, and various Trustee Fees and Costs. It also reflects the Debt Service payment for the 2013 Recreation Authority Lease Revenue Bonds.

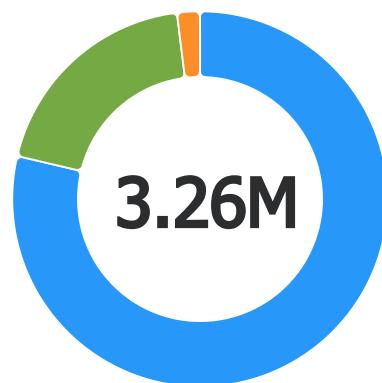
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



● Debt Service	\$2,568,780	78.68%
● Operation & Maintenance	\$632,000	19.36%
● Salaries & Benefits	\$64,000	1.96%

# Internal Service Funds



# Internal Services Funds Summary

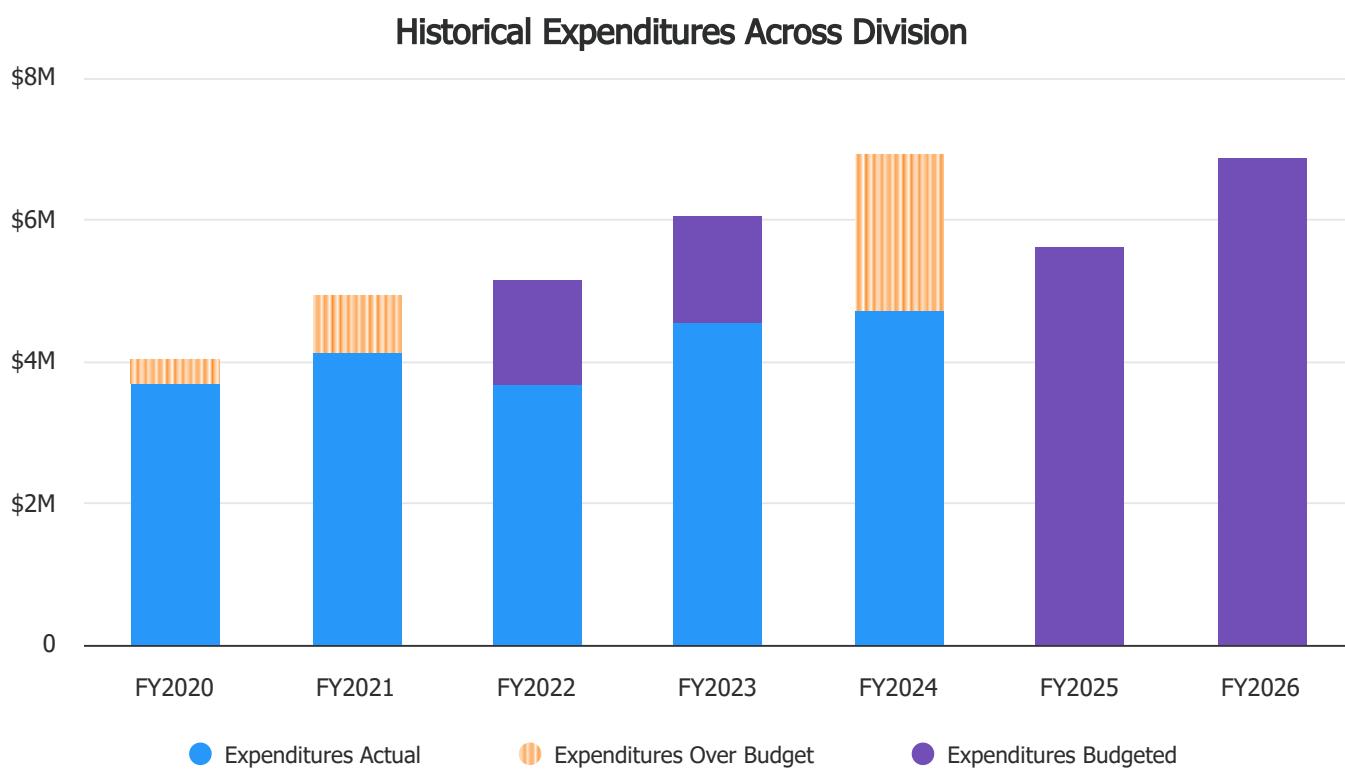
## Mission

Internal Service Funds (ISFs) are used to account for the funding of goods and services provided by one department to other benefitting departments on a cost-reimbursement basis. The following section includes an expenses summary of each of the Internal Services Fund.

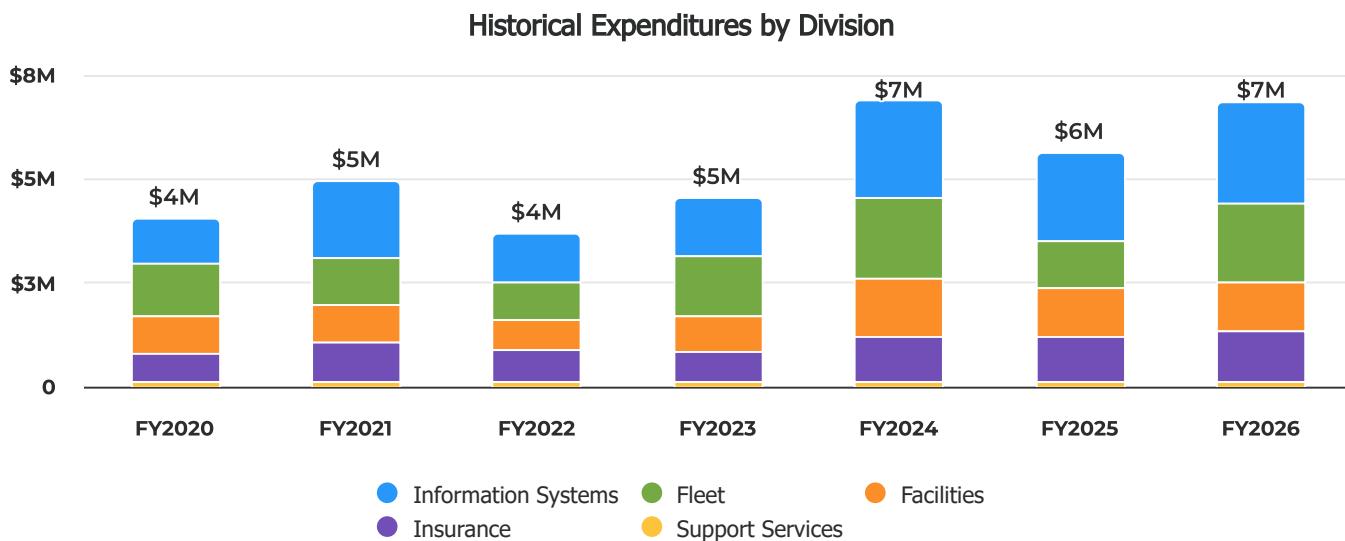
## Internal Service Fund Overview Departments

- Insurance Services
- Information Technology
- Support Services
- Fleet Services
- Facility Services

## Expenditure Summary



## Expenditures by Division



**FY26 Expenditures by Division**



● Information Systems	\$2,446,780	35.68%
● Fleet	\$1,892,915	27.60%
● Insurance	\$1,229,975	17.94%
● Facilities	\$1,185,560	17.29%
● Support Services	\$102,400	1.49%

# Insurance Services

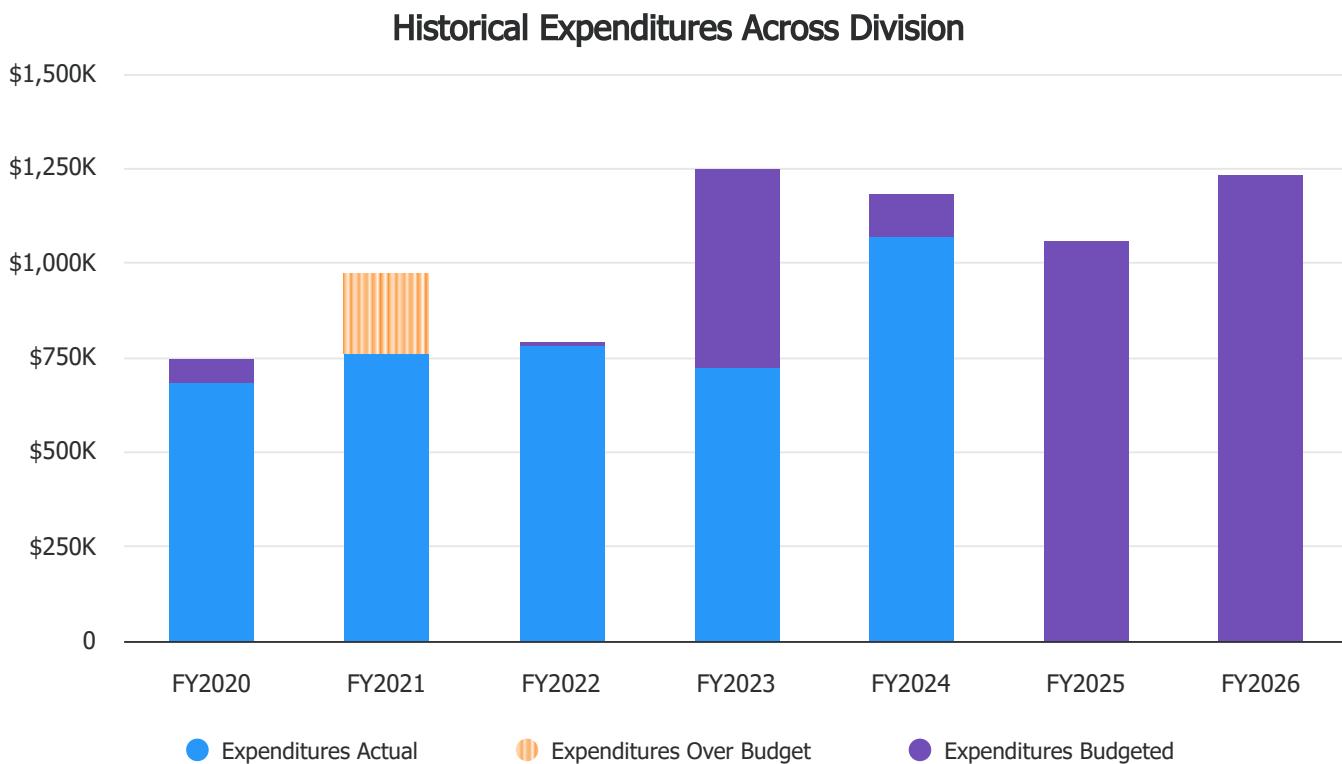
## Mission

The purpose of the Risk Management Division of the Administrative Services Department is to reduce the financial impact of claims, lawsuits, and employee injuries to the City; to reduce the corresponding frequency and severity of these events through the application of professional risk management practices; and to provide a safe environment for employees to work and the public to enjoy.

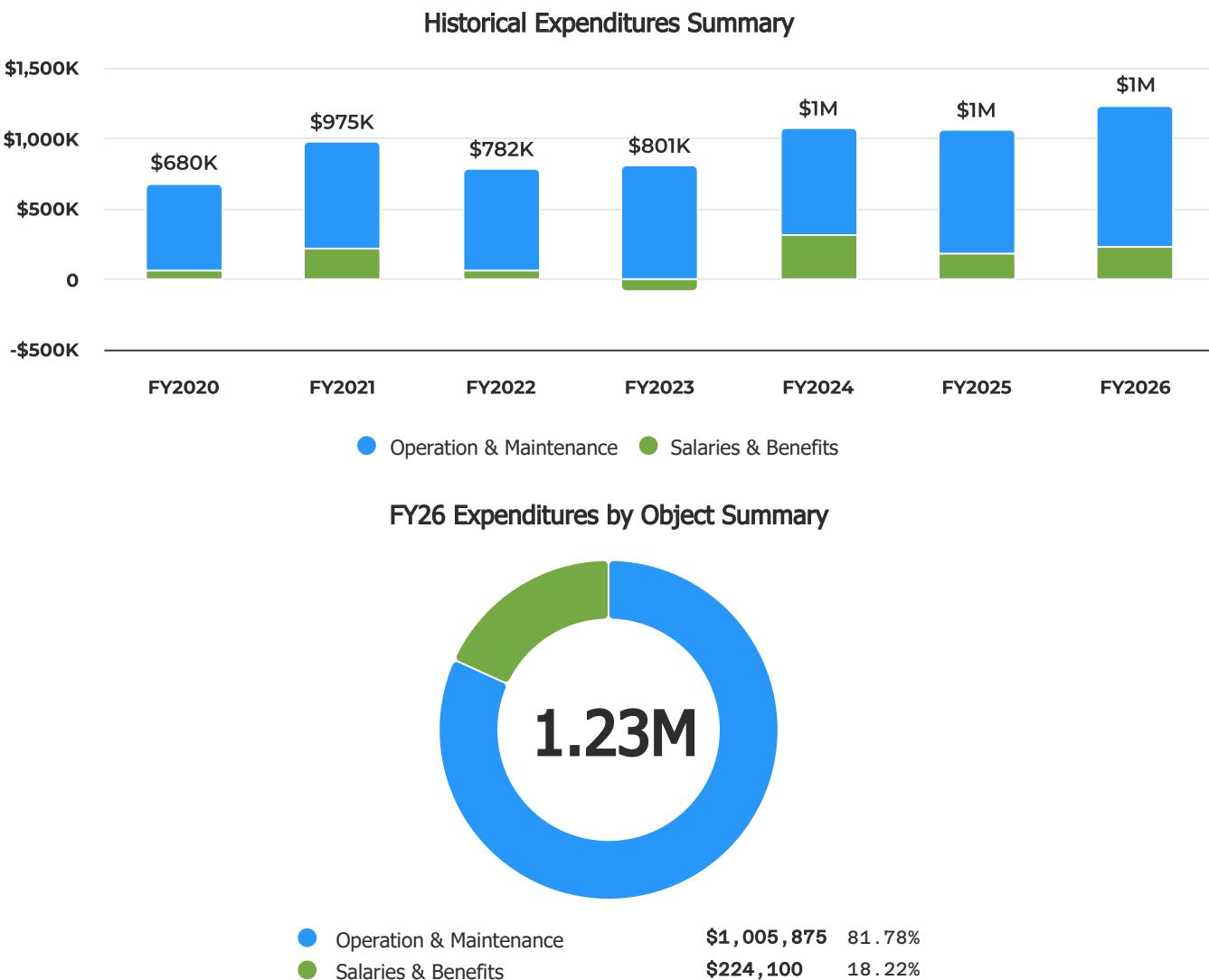
The City of Lake Elsinore is a member of the California Joint Powers Insurance Authority (CJPIA), which is a self-insurance pool which provides liability protection of all of its members. Through the CJPIA, the City is able to procure General Liability, Workers' Compensation, Property, Crime, Environmental liability and Special Events insurance coverage. CJPIA provides third-party claims administration through Southern California Risk Management Associates (SCRMA), Alliant and Carl Warren Co. to investigate and process claims.

The allocation method for this fund is based on expenditure less investment income and direct charges to police and fire to achieve the net cost to be allocated. The net cost is then allocated based on the total number of personnel per department.

## Expenditure Summary



## Expenditures Summary



## FY 2024 - 2025 Accomplishments

- Reported monthly claims log to City Manager within 14 day after month-end.
- Updated Property and Vehicle schedules with current replacement value.
- Reviewed premiums to ensure City is being cost effective

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>INTERNAL SERVICES</u></b>			
<b>RISK</b>			
Director of Administrative Services (Unfunded)	Total 0.34	-	0.34
Assistant Director of Administrative Services	0.34	-	0.34
	Total 0.68	-	0.68



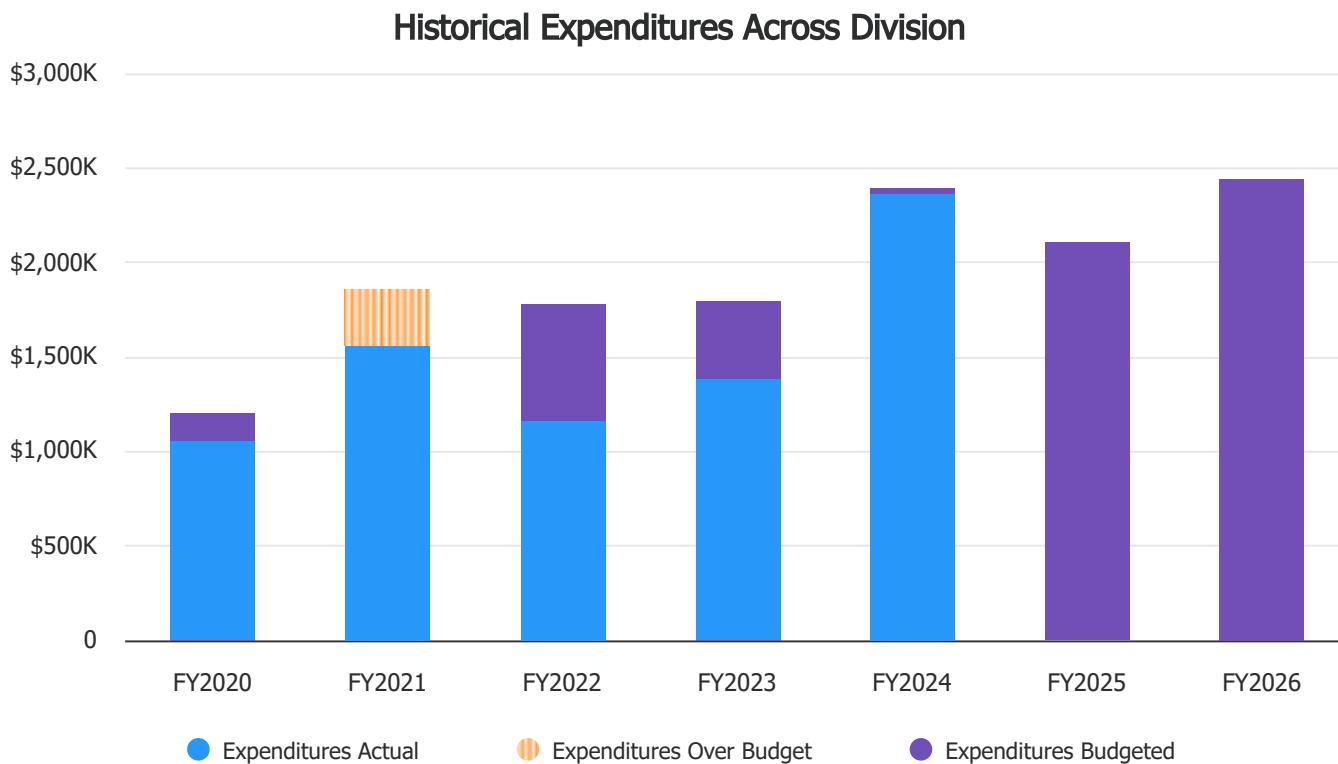
# Information Technology

## Mission

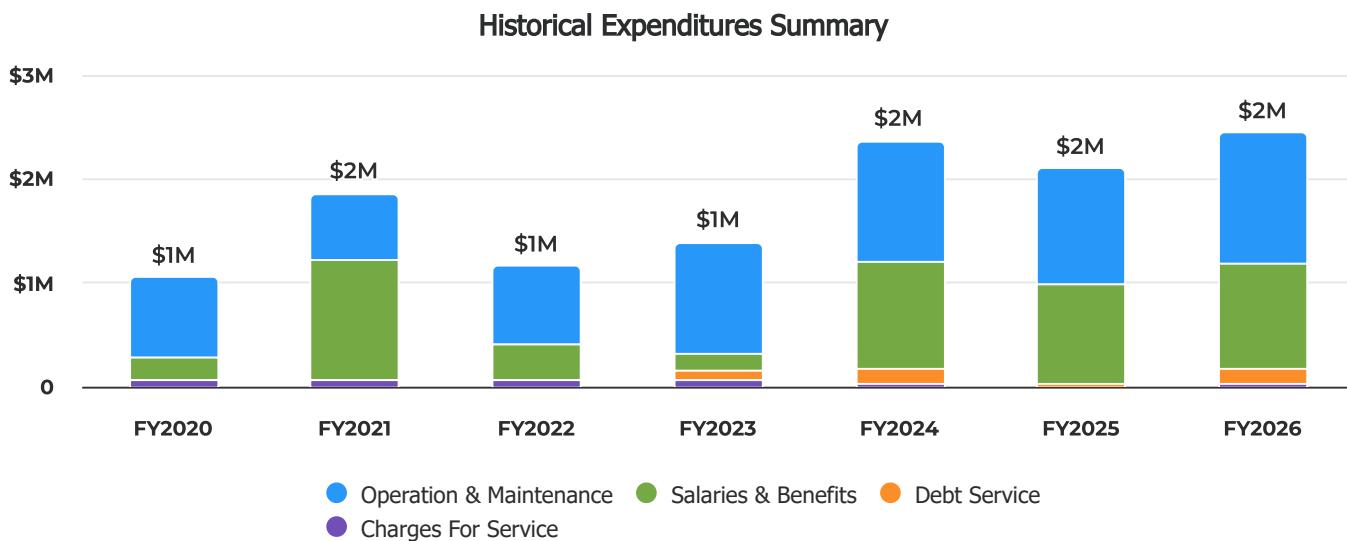
Information Technology (IT) is charged with providing the highest quality of leadership, support, and essential services to the organization's Operating Departments to maintain service levels necessary to efficiently and effectively meet all departmental program requirements at City Hall and off-site facilities. This department establishes policy and direction for the City with respect to technology-related initiatives, including strategic planning, project management and implementation of technology-based policies and procedures. IT maintains City technology infrastructure, including all workstations, servers, mobile devices, communication services, networking appliances and related equipment. This department also manages software and applications utilized by City staff and the public, including the City website, databases, electronic document management systems, "Cloud" based platforms and other software solutions implemented by the City. IT provides support and customer service to all City staff with respect to information technology-related service requests (Help Desk). IT is responsible for the electronic and physical security of all City-owned and operated facilities.

The allocation method for this fund is based on expenditure less investment income plus a ten percent markup (for replacement cost) to equal the net cost to be allocated. The net cost is then allocated based on the total number of workstations per department.

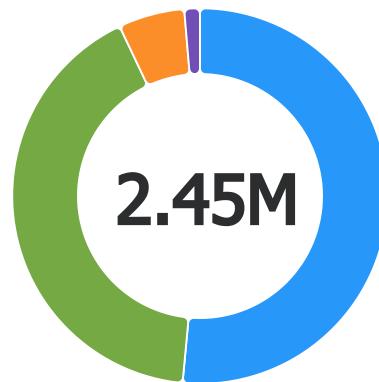
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



Operation & Maintenance	\$1,259,600	51.48%
Salaries & Benefits	\$1,014,860	41.48%
Debt Service	\$139,600	5.71%
Charges For Service	\$32,720	1.34%

## FY 2024 - 2025 Accomplishments

- **Network Infrastructure Upgrades:**
  - Successfully upgraded the city's network infrastructure to enhance speed, reliability, and security.
  - Completed installation of fiber optic cables, resulting in a 40% increase in data transmission efficiency.
  - Implemented advanced firewall systems to protect against cyber threats.
- **Cybersecurity Enhancements:**
  - Conducted comprehensive cybersecurity training for all city employees to improve awareness and preventive measures.
  - Deployed multi-factor authentication (MFA) across all city systems, reducing unauthorized access incidents by 50%.
  - Established a real-time monitoring system to detect and respond to security breaches immediately.
- **Citizen Engagement Platforms:**
  - Launched a user-friendly city portal that provides residents with easy access to services, updates, and resources.
  - Introduced a mobile app for reporting city issues, allowing citizens to submit requests and track their status in real-time.
- **IT Support and Customer Service:**
  - Enhanced IT helpdesk services by reducing response times and increasing customer satisfaction scores.
  - Introduced remote support capabilities, enabling efficient troubleshooting and resolution of technical issues.
- **Smart City Initiatives:**
  - Upgraded the City's current surveillance systems, improving video quality and adding additional facial and license plate recognition features.
  - Installed over 100 new surveillance cameras in high-crime areas, improving public safety and deterring criminal activity.

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>INFORMATION TECHNOLOGY</u></b>			
Assistant Director of Information Technology	1.00	-	1.00
Information Technology Manager (Unfunded)	1.00	(1.00)	-
Information Technology Administrator	1.00	-	1.00
GIS Technician I	1.00	-	1.00
Information Technician II	1.00	-	1.00
Information Technician I	1.00	-	1.00
Total	6.00	(1.00)	5.00



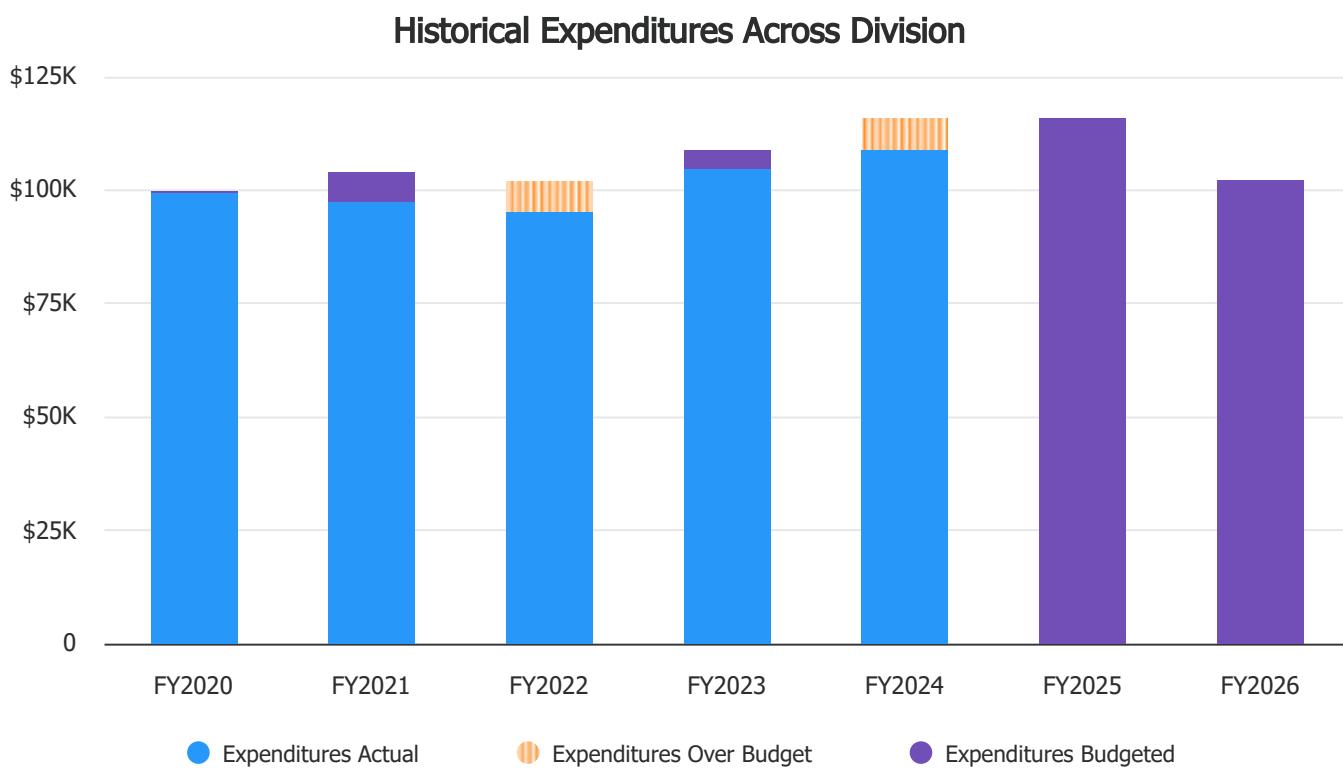
# Support Services

## Mission

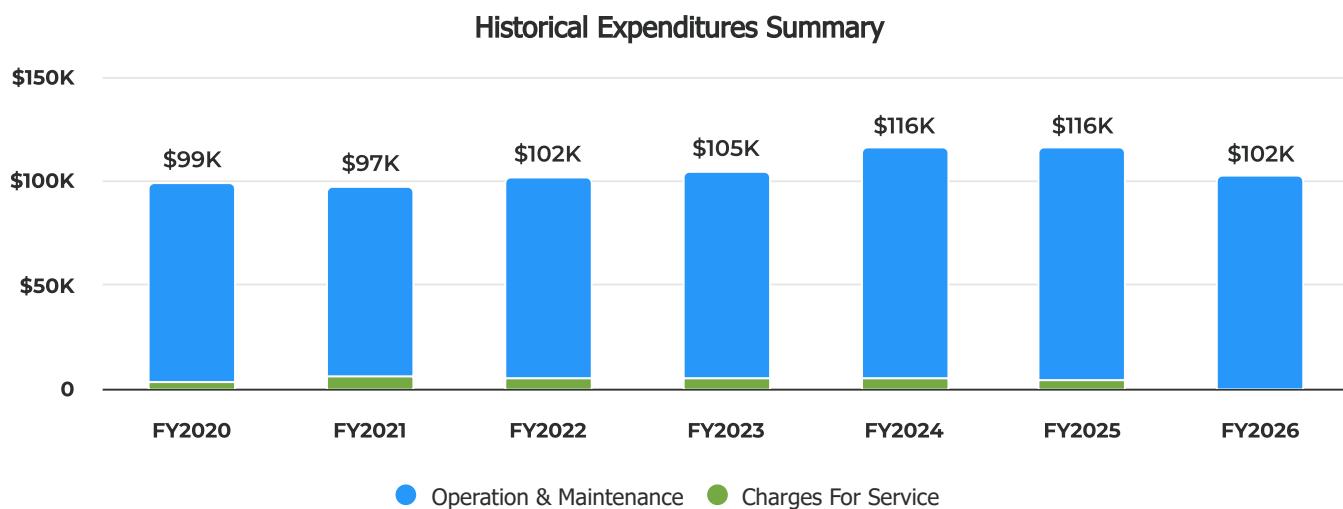
The Support Services Fund is the cost center for the City's central duplicating, printing, and mailing activities. It is also used to depreciate all related copying and mailing equipment over their useful lives, and to accumulate resources for the purchase of future equipment. Departments are charged based on a count of copies made in the previous fiscal year.

The allocation method for this fund is based on expenditure less investment income plus a ten percent markup (for replacement cost) to equal the net cost to be allocated. The net cost is then allocated based on the total number of copy counts per department.

## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



# Fleet Services

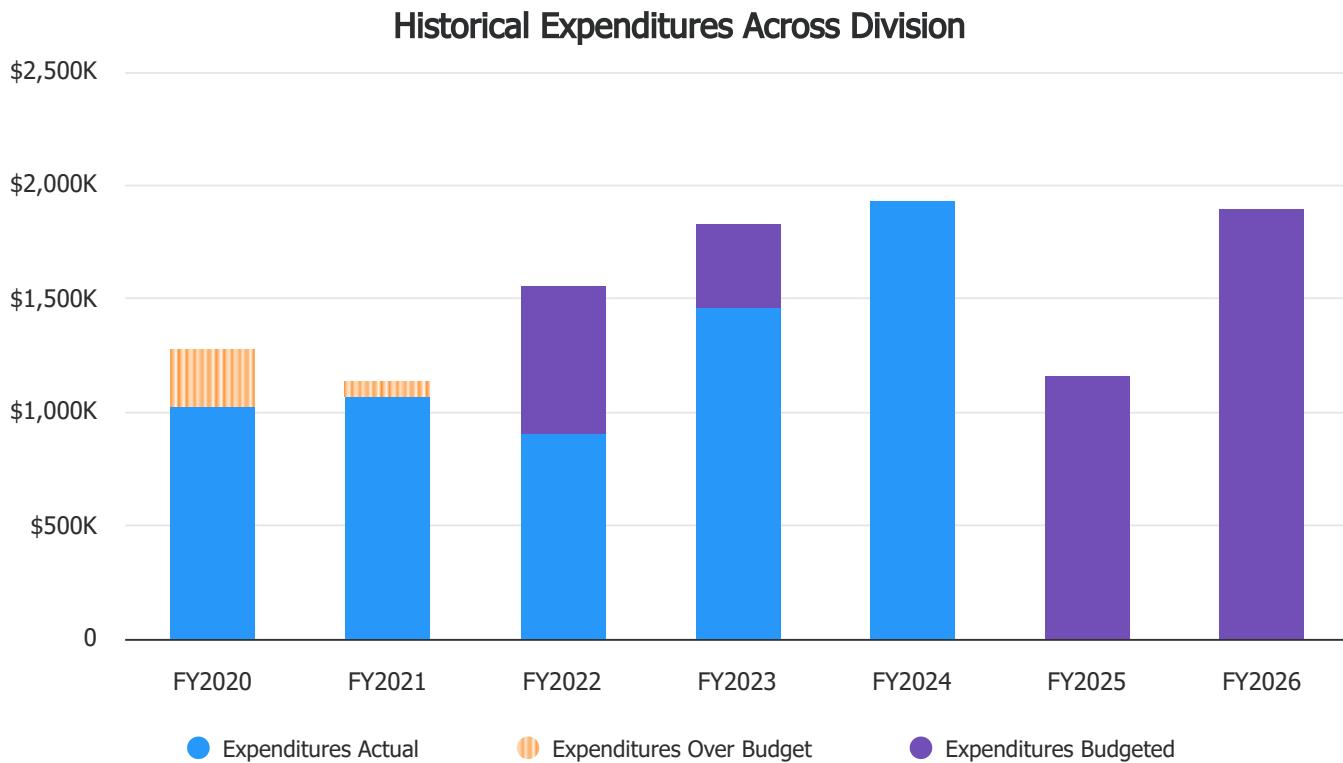
## Mission

The Fleet Division of the Public Works Department provides high-quality, cost-effective and sustainable fleet management and maintenance services to our customer departments.

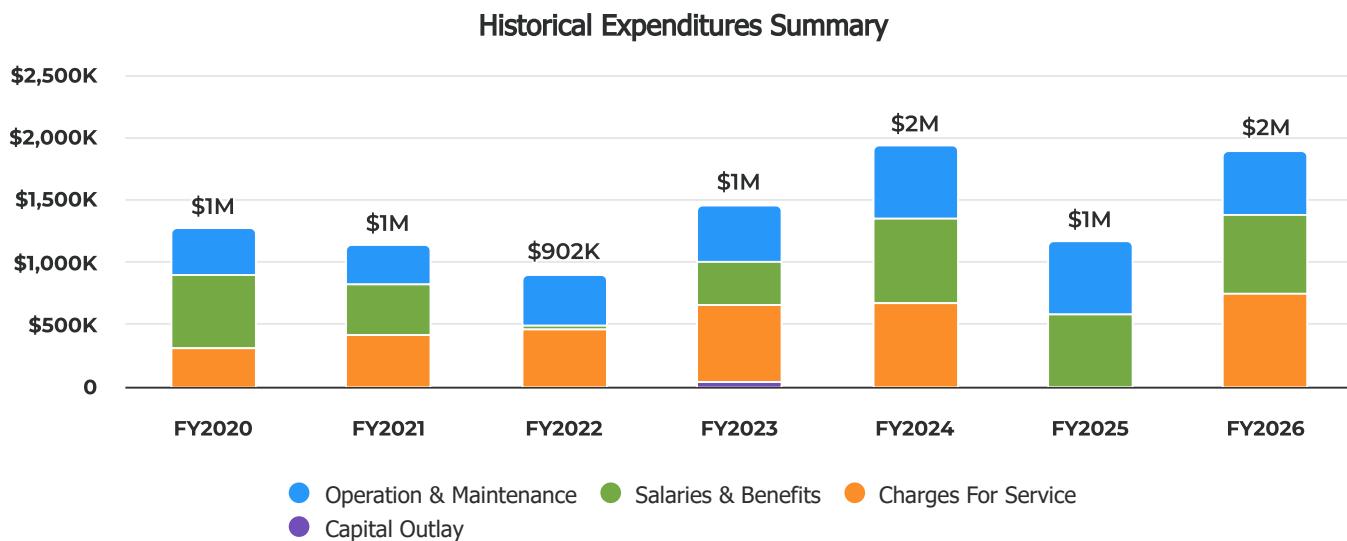
The division provides fleet services to six City departments with a combined municipal fleet total of approximately 172 units. The division is responsible for asset management, maintenance and repairs, vehicle acquisitions and dispositions, equipment specifications, and the shared motor pool program.

The allocation method for this fund is based on expenditure less investment income plus a ten percent markup (for replacement cost) to equal the net cost to be allocated. The net cost is then allocated based on the depreciation per department.

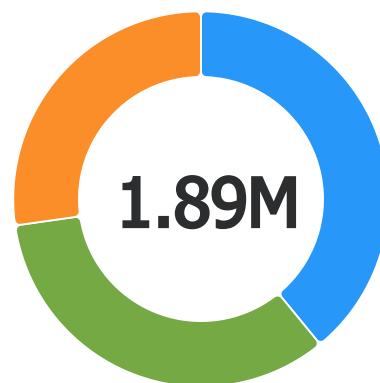
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



● Charges For Service	\$739,540	39.07%
● Salaries & Benefits	\$637,375	33.67%
● Operation & Maintenance	\$516,000	27.26%

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED
			FY25-26
<b>FLEET</b>			
Public Works Supervisor	1.00	-	1.00
Lead Worker	1.00	-	1.00
Maintenance Worker II	1.00	-	1.00
Total	3.00	-	3.00



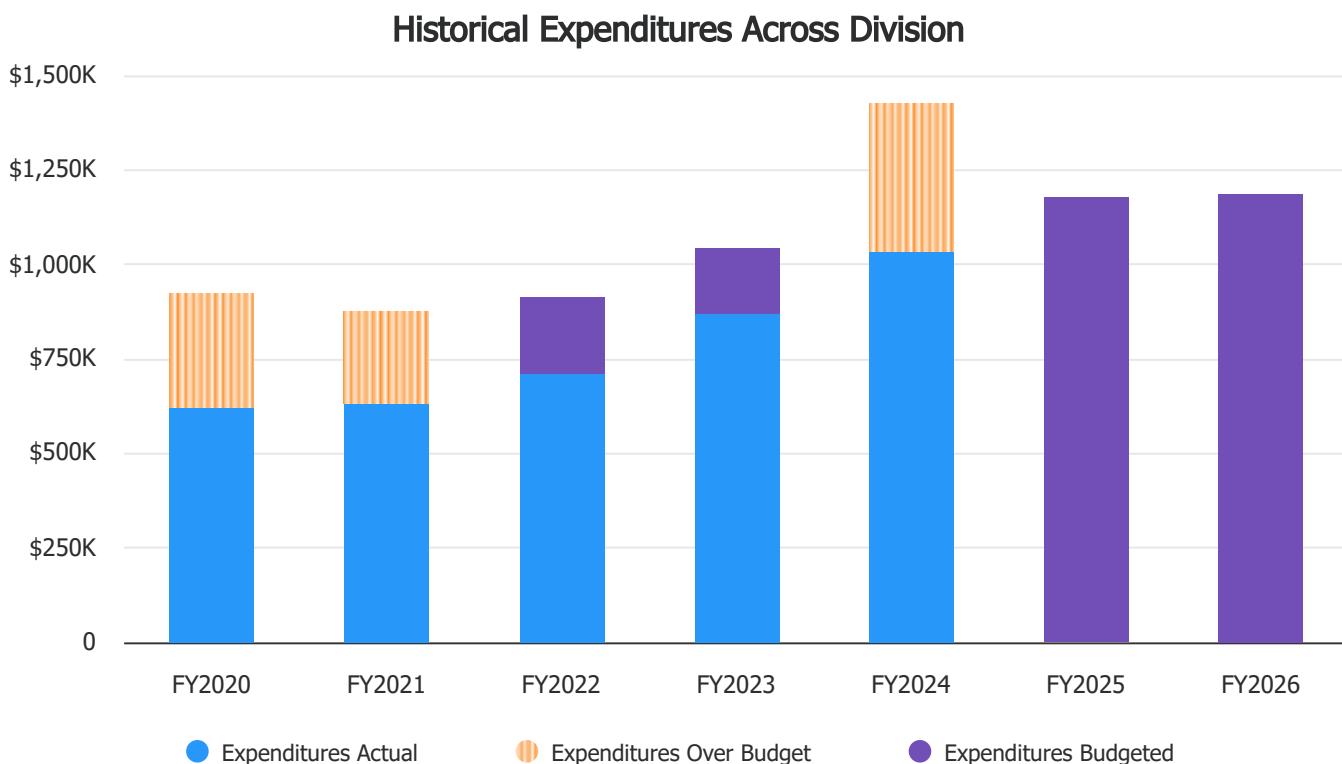
# Facility Services

## Mission

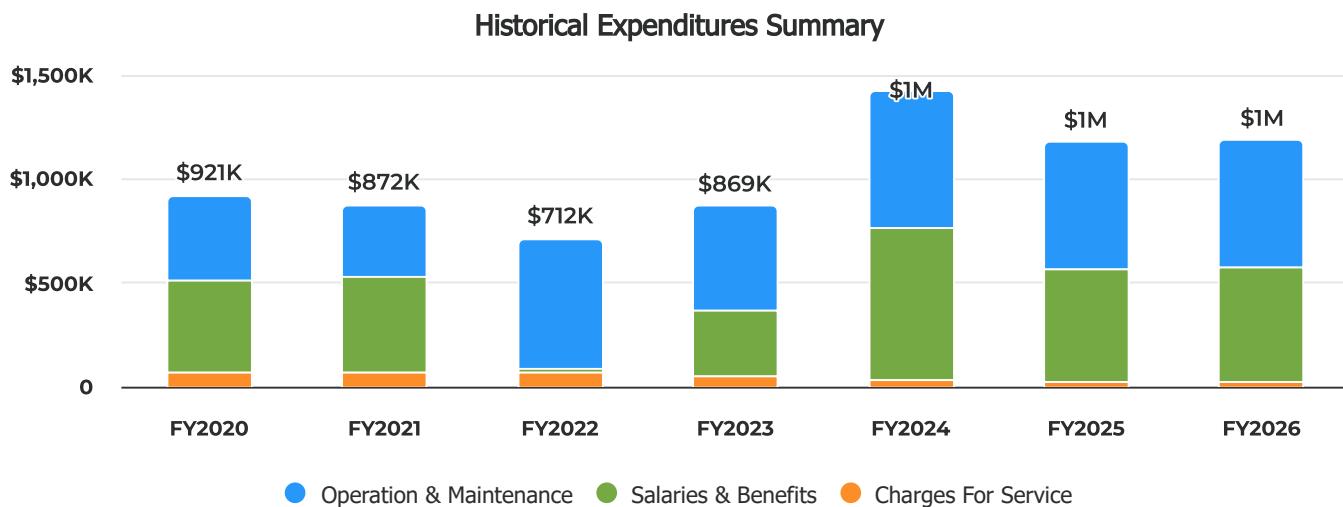
The Facility Division of the Public Works Department provides day-to-day maintenance and repair, modernization, and improvement services, including emergency repairs, deferred maintenance, and tenant improvements to all citywide facilities.

The allocation method for this fund is based on expenditure less investment income plus a ten percent markup (for replacement cost) to equal the net cost to be allocated. The net cost is then allocated based on the square footage and number of employees per department.

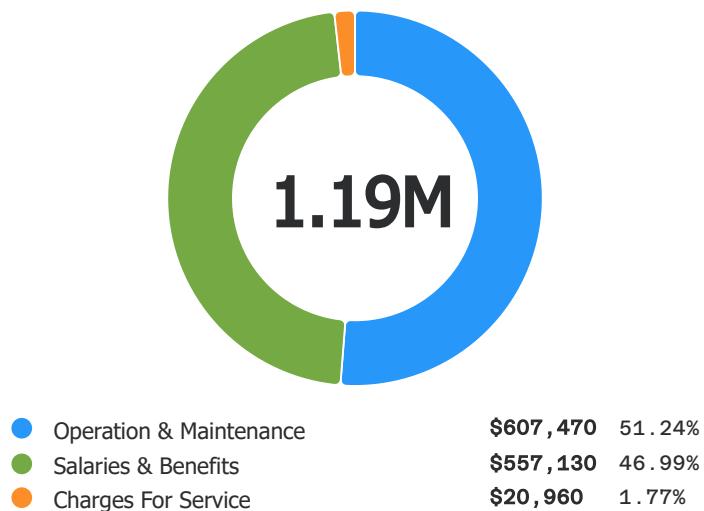
## Expenditure Summary



## Expenditures Summary



### FY26 Expenditures by Object Summary



## FY 2024 - 2025 Accomplishments

### Launch Pointe - Community Hall

- Installed perlite ceramic coated window film

### Senior Center

- L.E.D. Garden lights
- Signage
- Clearview fencing

### Poe Street

- Installed a block wall

### Public Works

- Solar Rear Gate

### Diamond Stadium

- L.E.D. Backlit City Crest installed

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>FACILITY MAINTENANCE</u></b>			
Maintenance Worker II	1.00	-	1.00
Maintenance Worker I	2.00	(2.00)	-
Custodian	-	2.00	2.00
Total	<u>3.00</u>	-	<u>3.00</u>



# Enterprise Fund

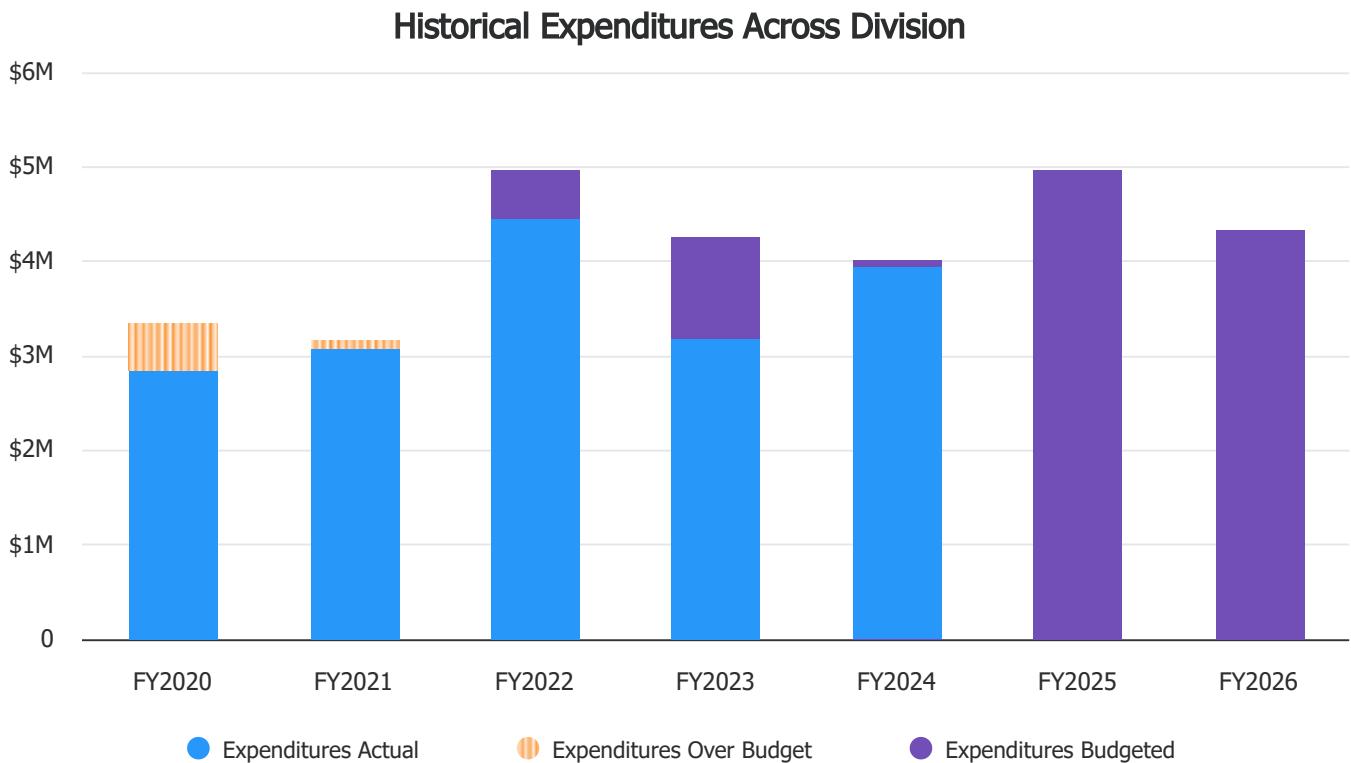


# Launch Pointe Resort

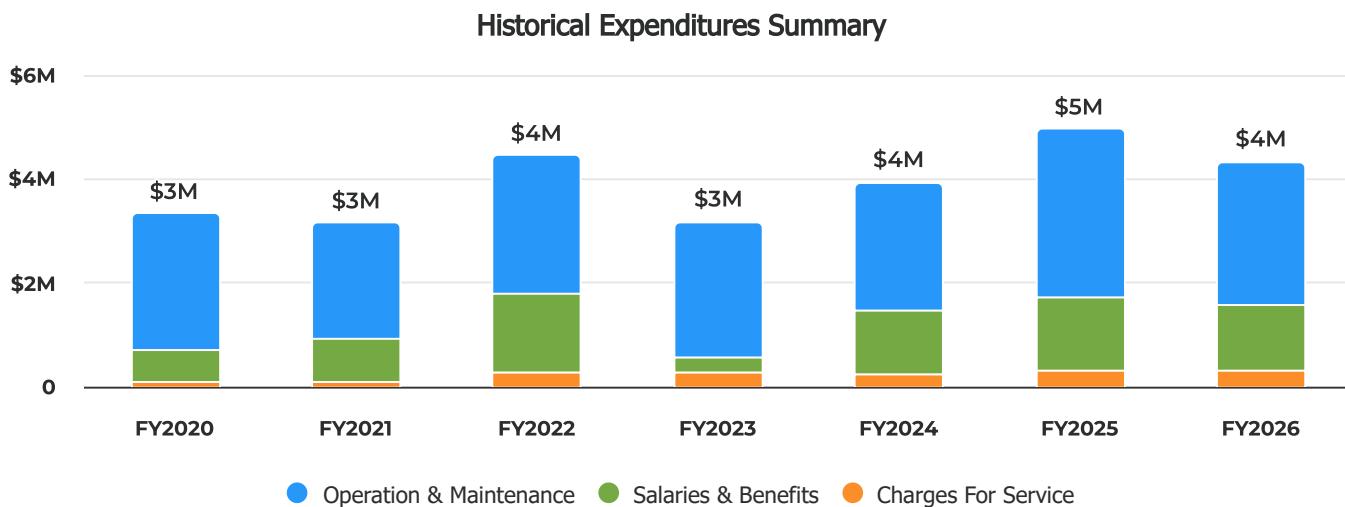
## Mission

The Enterprise Fund is used to separately account for self-supporting activities that are supported by rates and/or fees. This fund includes Launch Pointe RV Resort. Established to finance and account for the operation and maintenance of facilities and services which are predominately self-supported by user charges.

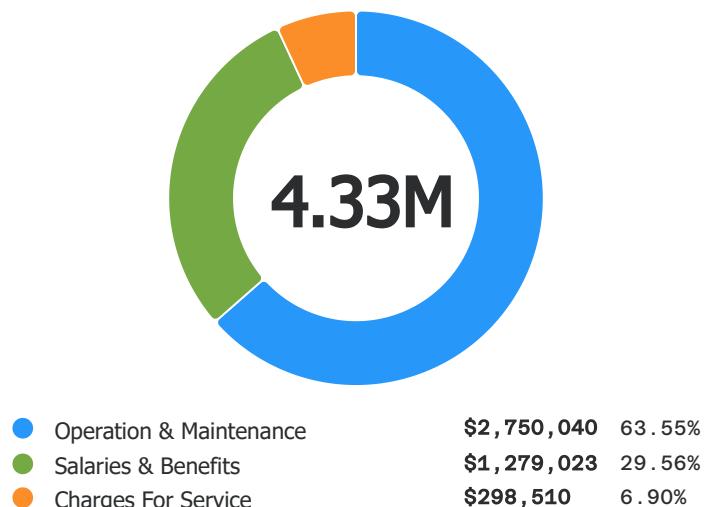
## Expenditure Summary



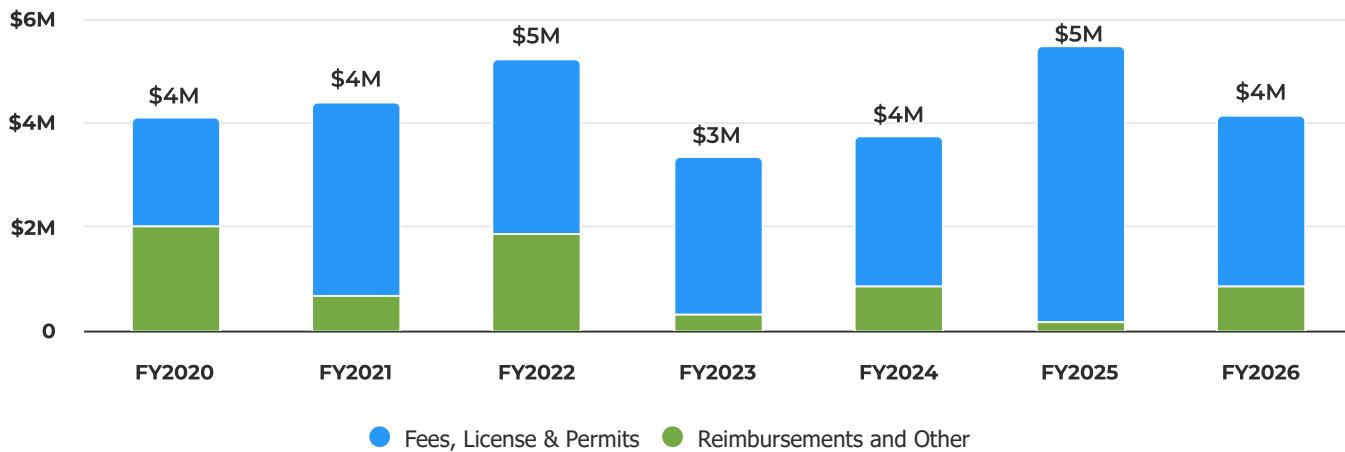
## Expenditures Summary



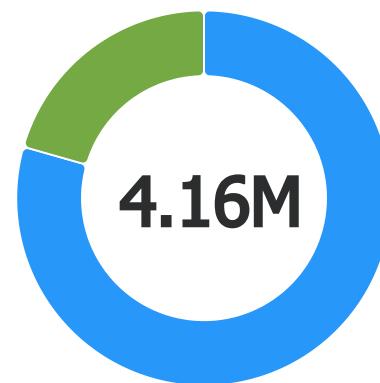
### FY26 Expenditures by Object Summary



## Revenues by Object Summary



### FY26 Revenues by Object Summary



● Fees, License & Permits    ● Reimbursements and Other

## Personnel Allocation

	AUTHORIZED FY24-25	CHANGES	AUTHORIZED FY25-26
<b><u>ENTERPRISE FUND</u></b>			
LAUNCH POINTE			
Assistant Director of Community Services	0.25	-	0.25
Recreation Supervisor	1.00	-	1.00
Community Services Coordinator	4.00	-	4.00
Recreation Specialist - PT	2.00	-	2.00
Recreation Leader - PT (1 Unfunded)	2.00	-	2.00
Recreation Aide - PT ( 5 Unfunded)	11.00	-	11.00
Total	20.25	-	20.25



## Other Entities



## Other Entities Summary

The financial statements of the City of Lake Elsinore include the financial activities of the City, the Lake Elsinore Public Financing Authority, the Lake Elsinore Recreation Authority (currently the City of Lake Elsinore does not have any active accounts), and the Lake Elsinore Financing Authority. While each is a separate legal entity, the City Council, acting as Council and Board of Directors, exercises oversight responsibility for each. Each was organized for the benefit of the City and its residents and conducts all activities within its boundaries.

**Lake Elsinore Public  
Finance Authority**

**Lake Elsinore  
Recreation Authority**

**Lake Elsinore  
Facilities Financing  
Authority**

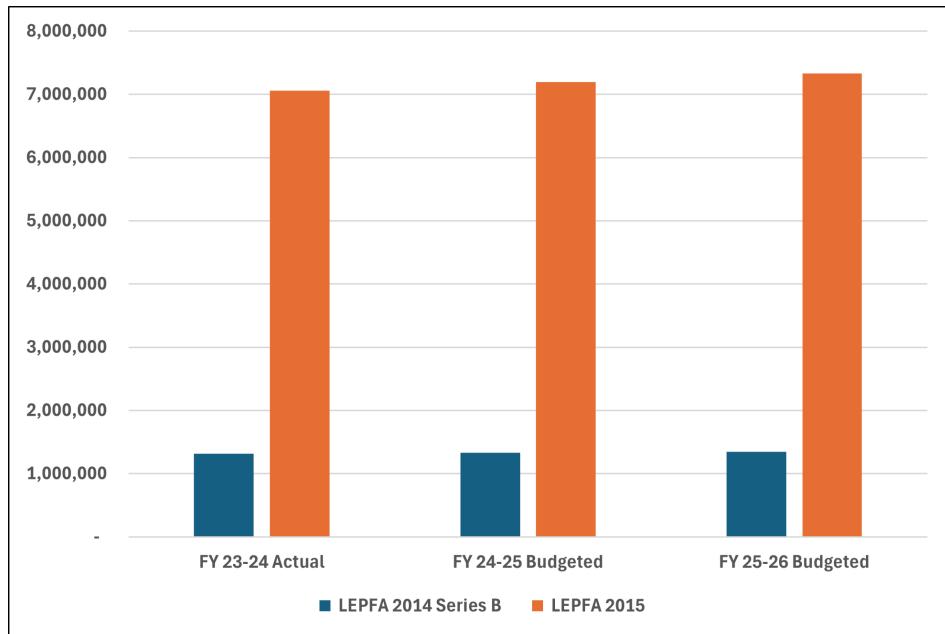
**Successor To The Lake  
Elsinore  
Redevelopment  
Agency**

# Lake Elsinore Public Finance Authority

## Mission

The Lake Elsinore Public Finance Authority (LEPFA) 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 July 25, 1989. The LEPFA provides financing for public capital improvements for revenue bonds to pay the cost of any public capital improvement.

Name	FY 23-24 Actual	FY 24-25 Budgeted	FY 25-26 Budgeted
LEPFA 2014 Series B	1,316,063	1,331,320	1,345,410
LEPFA 2015	7,060,349	7,197,520	7,330,130
<b>Total</b>	<b>8,376,412</b>	<b>8,528,840</b>	<b>8,675,540</b>



## **Lake Elsinore Recreation Authority**

### **Mission**

The Lake Elsinore Recreation Authority (LERA) 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 LERA continues to function without the Agency. The purpose of the LERA 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.

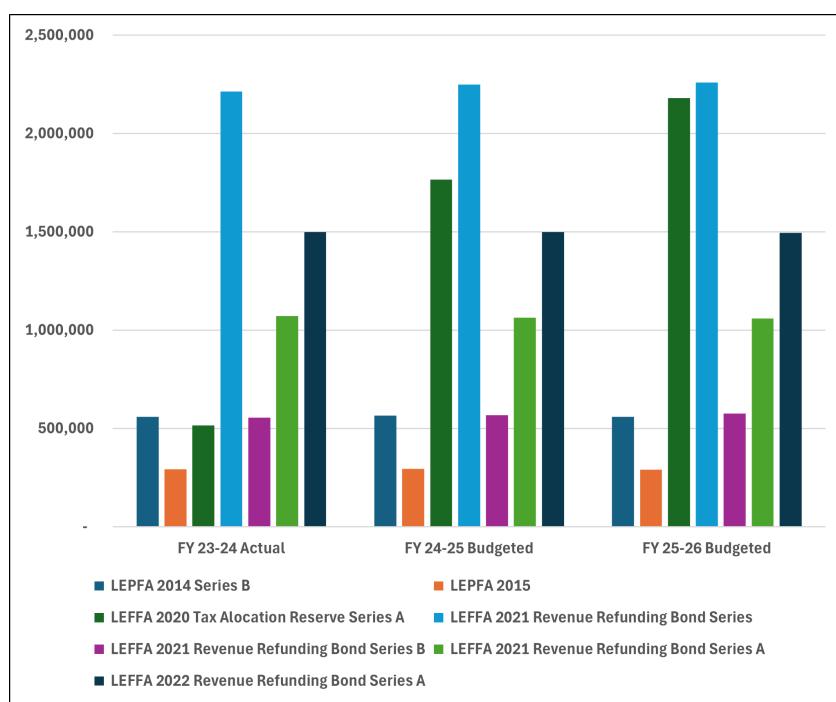
Currently, the City of Lake Elsinore does not have active accounts within the Lake Elsinore Recreation Authority.

# Lake Elsinore Facilities Financing Authority

## Mission

On April 12, 2016, City Council conceptually approved proceeding with the issuance of lease revenue bonds to finance the development of the La Laguna Resort. Under this financing structure, a joint powers authority is utilized for the sole purpose of issuing bonds for the benefit of the issuer. Therefore, on September 13, 2016, City Council formed the Lake Elsinore Facilities Financing Authority (LEFFA), a joint powers agreement between the City and Lake Elsinore Parking Authority (approved and formed on August 23, 2016) to issue the lease revenue bonds.

Name	FY 23-24 Actual	FY 24-25 Budgeted	FY 25-26 Budgeted
LEFFA 2016 Lease Revenue Series A	559,013	565,000	558,320
LEFFA 2017 Local Obligation Bond	291,963	293,550	289,900
LEFFA 2020 Tax Allocation Reserve Series A	515,000	1,764,600	2,179,200
LEFFA 2021 Revenue Refunding Bond Series	2,213,000	2,248,885	2,260,000
LEFFA 2021 Revenue Refunding Bond Series B	554,100	567,900	576,000
LEFFA 2021 Revenue Refunding Bond Series A	1,072,209	1,063,875	1,058,070
LEFFA 2022 Revenue Refunding Bond Series A	1,498,400	1,499,650	1,494,900
<b>Total</b>	<b>6,703,684</b>	<b>8,003,460</b>	<b>8,416,390</b>

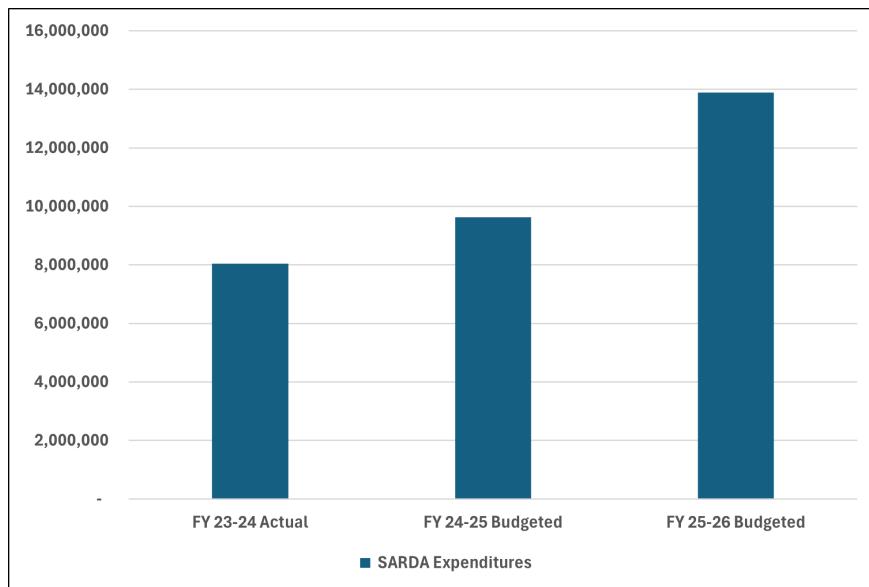


# Successor to The Lake Elsinore Redevelopment Agency

## Mission

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 (SARDA) on February 1, 2012 and the City Council began serving as the Successor Agency.

Name	FY 23-24 Actual	FY 24-25 Budgeted	FY 25-26 Budgeted
SARDA Expenditures	8,039,527	9,636,180	13,895,600
<b>Total</b>	<b>8,039,527</b>	<b>9,636,180</b>	<b>13,895,600</b>



# Capital Improvement Projects



# Capital Improvement Plan

The purpose of the CIP Budget Document is to serve as a planning tool, which coordinates the financing and scheduling of major projects undertaken by the City. The CIP document is prepared in accordance with generally accepted accounting principles.

This document is dynamic and, consequently, must be revised annually to address changing needs, priorities, and financial conditions. The capital improvements presented in this document are the City's major projects, which exceed \$20,000 in cost, have long-term life spans, and are generally non-recurring. These projects include land and right-of-way acquisition, design, construction or rehabilitation of public buildings or facilities, public infrastructure design and construction, and park design and construction.

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. In determining the relative merit of a proposed project, key management team members evaluate projects for feasibility, community enhancement, and safety.

## Capital Budget Process

This CIP budget document was developed by incorporating input from key management team members, based on community comments and feedback received throughout the year. The team then identified and evaluated community needs in the areas of roads and streets, bridges, public buildings, and parks and recreation facilities. Each proposed project was reviewed and discussed, ensuring funding, timing, and necessity were appropriately addressed. The CIP City Council workshop held on June 25, 2024, provided the City Council with an opportunity to review each project in detail, and to receive public comments concerning the five-year plan. All projects were evaluated by the City's Planning Commission to ensure consistency with the City of Lake Elsinore General Plan, while considering the City's long-term vision as developed by the City Council. The proposed circulation, facilities, infrastructure, and park projects were reviewed and approved by the Planning Commission.

Projects in this document have been scheduled in each of the five fiscal years based on community needs, as determined by the City Council and availability of funding. Priority rankings in each major category have been assigned in accordance with the priority guidelines, as follows:

**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.

**LEVEL II:** The project is important and addressing it is necessary. The project impacts safety, law enforcement, health, welfare, economic base, and quality of life.

**LEVEL III:** The project will enhance the 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.

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.

The fiscal years 2025-30 CIP identifies a total of 76 projects consisting of 38 Circulation Projects totaling \$489,682,337; 12 Facilities Projects totaling \$129,076,267, 9 Infrastructure Projects totaling \$16,921,815; and 17 Park Projects totaling \$100,776,265. The total cost to complete all the proposed projects is \$736,456,684, of which \$118,916,160 is programmed for FY2025-2026.

The administrative costs associated with managing the development of these projects have been estimated (generally as five to ten percent of estimated construction costs) and programmed in each project budget.

Future operations and maintenance costs that result from the projects included in the CIP budget have been estimated for each project. These incremental future operating costs have been incorporated into the five-year operating budget forecast in the next section of this document. The estimates reflect operating and maintenance costs only. There are no anticipated personnel costs in relation to CIP projects yet. Personnel requirements are evaluated on an annual basis as part of that year's annual operating budget process.

The following pages include a summary of projected CIP revenues; CIP projects included in the five-year CIP budget by type of project and priority, and a description of major CIP revenue sources. A separate CIP budget document is prepared by the City that includes complete details for each project including project description, scope, location map, level, responsible department, sources of funding, and annual project cost with details of administration, design, engineering, and construction.

Additional information on the City's finances is available in the following documents, which are available in the [Capital Improvement Program Budget](#).



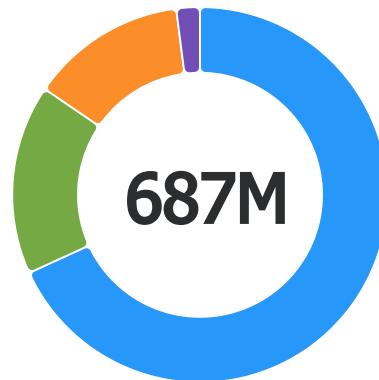
# Projected Revenue Summary

Funding Source	Available Fund Balance	Projected 2025-2026 Revenue	Projected 2026-2027 Revenue	Projected 2027-2028 Revenue	Projected 2028-2029 Revenue	Projected 2029-2030 Revenue	Projected Funds Available
Assembly Bill 2766	\$ 194,838	\$ 81,000	\$ 82,620	\$ 84,270	\$ 85,960	\$ 87,680	\$ 616,368
Community Development Block Grant		1,179,890					1,179,890
<u>Development Impact Fees (DIF)</u>							
Animal Shelter		76,100	77,620	79,170	80,750	82,370	396,010
City Hall/Public Works		261,000	266,220	271,540	276,970	282,510	1,358,240
Community Center	714,958	151,000	154,020	157,100	160,240	163,440	1,500,758
Fire Protection	1,461,073	355,000	362,100	369,340	376,730	384,260	3,308,503
Lake Side Facilities		230,000	234,600	239,290	244,080	248,960	1,196,930
Library	1,087,961	80,000	81,600	83,230	84,890	86,590	1,504,271
Quimby		46,000	46,920	47,860	48,820	49,800	239,400
Gas Tax	133,751	2,042,811	2,083,670	2,125,340	2,167,850	2,211,210	10,764,632
Geothermal	14,326	300	310	320	330	340	15,926
<u>Grants</u>							
Active Transportation Program		2,800,000	1,124,000				3,924,000
American Rescue Program Act	886,406						886,406
Library Facilities Improvement Program		9,798,290					9,798,290
Energy Efficiency and Conservation		125,030					125,030
FEMA				675,000			675,000
HBP		75,000	25,075,000				25,150,000
HBRRP				2,000,000			2,000,000
HSIP		440,000	2,405,000	2,097,260			4,942,260
Measure A	867,193	2,147,000	2,189,000	2,232,000	2,276,000	2,321,000	12,032,193
Measure Z	9,914,438	17,175,000	17,518,500	17,868,870	18,226,250	18,590,780	99,293,838
NPDES		1,055,150	1,076,250	1,097,780	1,119,740	1,142,130	5,491,050
<u>Successor Agency</u>							
Affordable Housing	5,408,632	500,000	510,000	520,200	530,600	541,210	8,010,642
Tax Increment		1,296,505					1,296,505
<u>Reimbursements/Other</u>							
Capital Contributions	8,866,827	14,415,160	1,892,100	1,929,940	1,968,540	2,007,910	31,080,477
Developer Agreement Fees	488,599	606,100	618,220	630,580	643,190	656,050	3,642,739
Public In Lieu	2,990,325	365,000	372,300	379,750	387,350	395,100	4,889,825
Public Education Grant		12,600	12,850	13,110	13,370	13,640	65,570
Storm Drain Fee	1,568,566	1,110,000	1,132,200	1,154,840	1,177,940	1,201,500	7,345,046
Summerly Traffic Infrastructure Fee	3,748,848	135,000	137,700	140,450	143,260	146,130	4,451,388
Traffic Impact Fee	766,000	545,000	555,900	567,020	578,360	589,930	3,602,210
Senate Bill 1	1,804,110	1,969,671	2,009,060	2,049,240	2,090,220	2,132,020	12,054,321
Senate Bill 821		182,230					182,230
Total Road Improvement Program		10,900,000					10,900,000
Transportation Uniform Mitigation Fee		9,510,000	24,000,000	6,500,000			40,010,000
<b>TOTAL REVENUE</b>	<b>\$ 40,916,851</b>	<b>\$ 79,665,837</b>	<b>\$ 84,017,760</b>	<b>\$ 43,313,500</b>	<b>\$ 32,681,440</b>	<b>\$ 33,334,560</b>	<b>\$ 313,929,948</b>



## Capital Improvement Plan - Project Types

FY26 - FY30 Capital Costs By Project Type (including Future Budgeted)



● Circulation	\$468,504,740	68.17%
● Facilities	\$112,335,567	16.35%
● Parks	\$92,481,420	13.46%
● Infrastructure	\$13,905,454	2.02%

### Circulation

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Circulation</b>	\$57,831,724	\$126,931,061	\$41,212,978	\$122,867,200	\$110,263,486	\$9,398,291	\$468,504,740

### Facilities

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Facilities</b>	\$39,867,610	\$11,032,100	\$5,075,857	\$14,220,000	\$41,070,000	\$1,070,000	\$112,335,567

### Parks

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Parks</b>	\$14,420,420	\$15,342,200	\$4,942,200	\$7,592,200	\$2,592,200	\$47,592,200	\$92,481,420

### Infrastructure

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Infrastructure</b>	\$6,796,406	\$2,250,000	\$2,487,024	\$742,024	\$175,000	\$1,455,000	\$13,905,454



# FY 2025 - 2026 Annual Capital Projects Itemized

67 Projects Totaling \$118,916,160

## Circulation Requests (34 Projects = \$57,831,724)

- **ANNUAL CITYWIDE ASPHALT MAINTENANCE PROGRAM \$2,020,000**
  - This project includes annual crack sealing and street resurfacing services throughout the city.
- **ANNUAL CITYWIDE DIRT ROAD PAVING PROGRAM \$535,000**
  - The purpose of the program is to identify and create a plan to pave dirt roads throughout the City. Some of these roads have become impossible to drive on during weather-related events and need repair.
- **ANNUAL CITYWIDE LANDSCAPE RENOVATION PROGRAM \$3,020,000**
  - This project provides rehabilitating landscaping, median, and irrigation equipment within city-maintained right-of-way areas. Areas for improvement currently include Lakeshore Drive, Lincoln Street, Terra Cotta Road, and Railroad Canyon Road.
- **ANNUAL CITYWIDE SIDEWALK IMPROVEMENT PROGRAM \$345,000**
  - This project includes designing and constructing sidewalk improvements at various locations within the City.
- **ANNUAL CITYWIDE SIDEWALK SURVEY AND IMPROVEMENTS PROGRAM \$1,485,000**
  - This is an ongoing annual project for the repair and/or replacement of hazardous curbs, gutters, and sidewalks throughout the city. Funding for the Sidewalk Survey Program. As part of the City's Sidewalk Inspection Program. ALL sidewalks are to be inspected on a yearly basis. Having a contractor make repair recommendations and a cost analysis for said repairs would identify the potential hazards citywide. The survey will better serve staff when identifying areas for the concrete contractor.
- **ANNUAL CITYWIDE SIGN INVENTORY \$215,000**
  - Check reflectivity and inventory/GIS/ on all Citywide Street signs. Street signs throughout the City have become faded and many of the metal support poles have failed or are near failure and need replacement. Federal regulations require that signs be replaced when reflectivity has faded.
- **ANNUAL CITYWIDE SLURRY SEAL PROGRAM \$502,000**
  - This project includes the design, inspection, striping, monument preservation, and slurry sealing of asphalt paved roadways maintained by the City. Selected roadways are programmed annually for slurry seal in accordance with the City's Pavement Management Plan.
- **ANNUAL CITYWIDE SURFACE AND MINOR DRAINAGE IMPROVEMENTS \$770,000**
  - This ongoing project provides for the installation of new or replacement drainage facilities located within City right-of-way areas. The location will be determined by the updated Master Drainage Plan that depicts 12 different locations that will need to be upgraded.
- **ANNUAL CITYWIDE TRAFFIC IMPROVEMENTS \$201,000**
  - Traffic safety improvements at various locations throughout the City. These improvements can include video detection, controllers, traffic-related studies and other safety improvements.
- **ANNUAL CITYWIDE TRAFFIC STRIPING PROGRAM \$260,000**
  - This project provides for repairing and/or replacing pavement markings, street striping and legends throughout the City. Our goal is to restripe Stop Bar & Legends in a thermal plastic coating which will extend the life of the striping for up to 5 years instead of 1 to 2 years with regular striping paint.



- **AUTO CENTER DRIVE BRIDGE SEISMIC RETROFIT \$500,000**
  - This project includes the seismic retrofit of the bridge over the San Jacinto River at Auto Center Drive.
- **BROADWAY TRACT PAVING \$2,001,200**
  - Paving rehabilitation for the Broadway Tract neighborhood. The limits are Grand Avenue, Lakeshore Drive, Laurelwood Lane and St. Clair Ave.
- **DOWNTOWN MAIN STREET PARKING & LANDSCAPE IMPROVEMENT \$6,500,000**
  - This project will make improvements to the Main Street Corridor including, but not limited to parking, landscaping, and irrigation equipment within the City's Right-of-Way areas from Interstate 15 to Lakeshore Drive. Project scope to remove and replace all plant material and trees in the parkways and raised planters; repair or replace seating, sidewalks, site furnishings and street lighting; add two entry gateway arches over Main Street.
- **EAST LAKE CIRCULATION \$3,883,848**
  - Construct a four (4) lane road to provide access and circulation for the East Lake Specific Plan and Diamond Specific Plan.
- **GUNNERSON ST RIVERSIDE DR INTERSECTION TRAFFIC SIGNAL IMPROVEMENT \$1,010,000**
  - The project will install traffic signals and curb ramps, modify striping and signage, and relocate utilities at the intersection of Gunnerson Street and Riverside Drive.
- **HIGHWAY SAFETY IMPROVEMENTS (HSIP CYCLE 11) \$710,000**
  - Install Solar-Powered Rectangular Rapid Flashing Beacon (RRFB) systems at existing pedestrian crossings at various locations throughout the City.
- **I-15 FRANKLIN STREET INTERCHANGE IMPROVEMENT \$4,010,000**
  - The Plan Approval/Environmental Document (PA&ED) phase was completed concurrently with the Railroad Canyon Road Interchange Project in August 2017. The project will initiate Final Plans, Specifications, and Estimates (PS&E) for the development of plans, specifications, and construction cost estimates and obtaining any resource agency permits and right-of-way acquisition.
- **I-15 MAIN STREET INTERCHANGE LANDSCAPE IMPROVEMENT PROJECT \$1,500,000**
  - Landscape Improvements throughout the Main Street Interchange.
- **I-15 NICHOLS ROAD INTERCHANGE \$2,500,000**
  - This project will initiate the Project Study Report (PSR) and Plan Approval/Environmental Document (PA&ED) phase of work for future modifications to the existing I-15/Nichols Road Interchange. Scope of work for the phase includes: preparation of preliminary engineering alternative analysis, preparation of preliminary environmental analysis report (PEAR), traffic engineering performance assessment (TEPA), development of a cost estimate and project schedule, traffic impact analysis, value analysis, right-of-way engineering and appraisal, preparation of environmental studies, project management and coordination, preparation of final project report preparation of final environmental assessment report, and other reports as needed.
- **I-15 STATE ROUTE 74 INTERCHANGE \$13,900,000**
  - This project will initiate the Plan Approval/Environmental Document (PA&ED) phase of work for future modifications to the existing I-15/SR 74 Interchange at Central Avenue. Proposed improvements include the construction of a northbound loop entry ramp with acceleration/deceleration lanes; realignment of the northbound entry/exit ramps; widening of the southbound entry/exit ramps, including acceleration/deceleration lanes; widening of SR 74 from Riverside Drive to Central Avenue from two (2) to four (4) lanes; widening of Collier Avenue to Camborn Avenue from six (6) to eight (8) lanes; and construction of the Riverside Drive overcrossing and road extensions.

- **LAKESHORE DRIVE SIDEWALK IMPROVEMENTS SB-821 \$1,327,670**
  - Construct an ADA-compliant sidewalk, curb, gutter and curb ramps on Lakeshore Drive to Herbert. The work will include minor grading behind the pavement, and installation of curb, gutter, sidewalk and ramps.
- **LAKESHORE PAVING REHABILITATION \$1,969,671**
  - This project represents the City's efforts to proactively maintain and extend the useful life of aging asphalt roadway surfaces.
- **LAKE STREET WIDENING \$150,000**
  - This project will realign and widen Lake Street. This multi-functional corridor will provide wildlife linkage, meandering pedestrian and bicycle paths, utility easements, a perennial flowing creek, ponds, and a native re-vegetated landscape. With the landscape corridors and edges on both sides of Lake Street and the landscaped roadway median, this Lake Street entry will form a broad canopy of the native landscape. Lake Street's cross-section will vary from six (6) to eight (8) lanes, the eight (8) lanes occurring near the Temescal Canyon Road intersection and transitioning to six (6) lanes as it approaches Nichols Road. Bike lanes will be provided on both sides of the street. In addition, a newly widened bridge will extend over Temescal Creek along Lake Street.
- **LIMITED STREET SIDEWALK IMPROVEMENTS \$51,000**
  - The project will install concrete sidewalks, curb & gutter, and ADA ramps on the south side of Limited Street between Kellogg Street and Main Street. The pedestrian crossing at Langstaff Street and Main Street will be enhanced with a rectangular rapid flashing beacon and advanced yield line pavement markings and signs
- **MAIN STREET PAVEMENT REHABILITATION, PED SAFETY AND IT INFRASTRUCTURE \$160,000**
  - Project scope consists of pavement rehabilitation from Lakeshore Drive to the I-15 Freeway. The scope also includes pedestrian safety crosswalk improvements at Library Street and at City Hall crossing. The project includes Information Technology infrastructure throughout Main Street and other side roads for the purpose of future installation of data and power wiring. The project also includes aesthetic improvements to crosswalks and intersections along Main Streets in addition to installation of ADA Ramps.
- **MOUNTAIN & AVOCADO WAY TRACT PAVING REHABILITATION (ADJACENT TO RUNNING DEER) \$5,000**
  - Project Improvements include grind and overlay of existing residential neighborhood around Mountain Street. Restriping and minor road and surface drainage where needed.
- **RAILROAD CANYON ROAD SAFETY IMPROVEMENTS PROJECT HSIP12 \$1,175,000**
  - Signal Hardware and Signal timing improvements, relocate utility poles, and install guardrail along the relocated utility poles at Church Road, High Friction Surface Treatment (HFST), and other safety improvements.
- **RIVERWALK LIGHTING & LANDSCAPE IMPROVEMENTS \$1,000,000**
  - This project will make improvements to the City's Riverwalk extending Riverside Drive to the Lake at Seaport including, but not limited to: fresh landscape along existing irrigated slopes; renovate and repair damaged irrigation; replacement of drinking fountains, new benches, new trash cans; Repair or replace damaged cement areas i.e. lifted sidewalks, broken panels; repair or replace damaged or missing bollards; install approximately 87 new solar lights to increase evening usability.
- **SIGNALIZED INTERSECTIONS - HIGHWAY SAFETY IMPROVEMENTS CYCLE 12 \$40,000**
  - The project will improve intersections at thirty (30) locations throughout the City. Improvements will include installing retroreflective signal backplates, pedestrian countdown heads, and leading pedestrian interval (LPI).
- **SPRING STREET SIDEWALK PROJECT \$37,500**
  - Installation of curb, sidewalk and ADA ramps on Limited to Lakeshore on both sides.

- **STREET LIGHTING MASTER PLAN \$341,191**
  - This Street Lighting Master Plan aims to improve the overall lighting infrastructure in our community by providing a comprehensive and strategic approach to street lighting. The plan will involve a detailed assessment of our current lighting system, identification of areas with inadequate lighting, and the development of a roadmap to upgrade and modernize the street lighting network. The goal is to enhance safety, security, and visibility on our streets, creating a more inviting and well-lit environment for residents and visitors.
- **SUMMERHILL DRIVE EXTENSION \$5,479,900**
  - Summerhill Drive will be extended north to Greenwald Avenue per the General Plan with two (2) lanes in each direction along its entire length and a painted median.
- **TEMESCAL CANYON BRIDGE REPLACEMENT & ROAD WIDENING PHASE I \$75,000**
  - This project includes the design, right-of-way acquisition, and construction of a four-lane bridge across Temescal Canyon wash.
- **TERRA COTTA ROAD STREET IMPROVEMENT \$151,744**
  - Widen Terra Cotta Road to the ultimate road section per the City's General Plan Circulation Element. Improvements also include the ultimate intersection improvements at Nichols Road and Terra Cotta Road.

#### Infrastructure Requests ( 9 Projects = \$6,796,406)

- **BUSHMAN AND LAKESHORE STORM DRAIN REPLACEMENT \$300,000**
  - Repair an existing collapsed 36" storm drain located at Bushman and Lakeshore Drive.
- **CAMINO DEL NORTE SEWER EXTENSION \$886,406**
  - Installation of an 8" sewer from Main Street to future Elsinore Hills Road.
- **COLLIER AVENUE CULVERT DRAINAGE IMPROVEMENTS \$600,000**
  - Reconstruct the existing undersized 3' x 5' box culvert and headwalls with a 4' x 8' box culvert which crosses under Collier Avenue. Upsized culvert to alleviate recurring flooding in the area.
- **ELECTRIC VEHICLE CHARGING STATIONS \$140,000**
  - Installation of electric vehicle charging stations at Library Street Parking Lot.
- **MURRIETA CREEK REGIONAL TRAIL CONNECTION \$4,100,000**
  - Acquire easement behind Serenity neighborhood to establish a connection from the MCRT to the Levee Trail (completing the City's connections for the MCRT). Develop easement and Levee Trail with 10' paved bike path and decomposed granite shoulders with solar lighting and retaining wall with screening (vegetation or artist mural). Implement wayfinding signage along MCRT and Levee Trail in accordance with ATP sign guidelines.
- **POPE CIRCLE DRAINAGE \$620,000**
  - Project will construct a storage basin, submersible pump and a storm drain force main to alleviate flooding in the area
- **STORM DRAIN CATCH BASIN INLET FILTER INSTALLATION \$150,000**
  - Install MS4 inlet filters to comply with the mandate of the MS4 permit system.

**Parks Requests (14 Projects = \$14,420,420)**

- **CANYON HILLS PARK UPGRADES \$20,000**
  - This project will make improvements to Canyon Hills Park, including, but not limited to, artificial turf for at least one soccer/ football field, fresh mulch in landscape planters, renovated landscaping, replacing drinking fountains, picnic tables, benches, trash cans, and BBQ grills; installation of desirable palm trees to enhance the aesthetics of the park and provide additional shade, add additional lighting to the dog parks.
- **CITY PARK IMPROVEMENTS \$710,020**
  - This project will include approx. 2,100 feet of ADA compliant sidewalk from the Library Street Parking Lot through City Park all the way to Main St and Graham St. Some of these sidewalks will need new curb, gutter and ramping at roadway intersection. Included in this project will be the design and construction of approx. 75 new parking spaces in a new parking lot area connected to City Park. The parking lot will incorporate underground electrical conduits for electric vehicle charging stations at many of the new parking spaces. Within the existing park, an outdoor live entertainment area will be developed to support special events that are commonly held at the park. This entertainment area will be designed to accommodate small venues of several hundred people and cater to local talent and interests for family enjoyment. Park amenities will be expanded to include restroom facilities, security systems, LED directional and focused lighting and data/communication elements connected to Main St. Water and electrical surface outlets will be installed in areas of the park designated for vendor setup. The project's remaining elements include removal of large dangerous eucalyptus trees and the installation of drought tolerant landscaping and hardscapes throughout. Security fencing will be installed to separate neighboring properties and to assist with directing pedestrian traffic to Main St.
- **CITYWIDE PARK IMPROVEMENTS \$772,000**
  - This project will make improvements to City parks including, but not limited to: fresh mulch in landscape planters and playgrounds, renovate landscaping, field renovations; replacement of drinking fountains, picnic tables, benches trash cans and BBQ grills; remove and replace rubberized playground surfacing; resurfacing of tennis and basketball courts; add shade structures for splash pads, picnic areas, bleachers and dugouts; add automatic locking mechanisms to park restroom buildings; repair or replace damaged cement areas i.e. lifted sidewalks; facility and structure repairs and upgrades; install new trash enclosures and enclose existing enclosures; parking lot slurry, striping and repairs; add backflow enclosures, repair or replace damaged fencing, add pickleball courts.
- **CITYWIDE PARKS INFORMATION TECHNOLOGY UPGRADES \$60,000**
  - Installation of modern surveillance systems to deter criminal activities, protect park assets, and enhance the overall park experience for residents and visitors. The following parks encompass this project: Alberhill Ranch Community, Canyon Hills Community, Christensen Community, City, Lakepoint, Lincoln Street, Machado, McVicker Canyon, Oak Tree, Riverwalk, Rosetta Canyon Community, Serenity, Summerhill, Summerly Community, Swick & Matich, Tuscany Hills, and Yarborough Park.
- **DOCK EXTENSION \$1,360,000**
  - Extend existing boat docks at Launch Pointe Resort by adding approximately 440' of additional dock sections to the existing infrastructure at Launch Pointe Resort.
- **LAKE IMPROVEMENTS \$450,000**
  - Purchase and install 3 new floating restrooms, new buoys and hardware for placement around the lake. The new restrooms would provide functional restrooms for Lake users throughout the year and would replace aging and failing restrooms currently in place. The floating restroom is designed for ease of use, long-term



durability and low maintenance and would help to ensure the City is meeting current unisex and ADA Accessibility Guidelines. Disposal of the old restrooms would take place as well.

• **LAUNCH POINTE AMENITY IMPROVEMENTS** **\$185,000**

- Launch Pointe's proposed Capital Improvement Project aims to enhance the guest experience. To do this, the proposed project will create a new open-air concept group area, make improvements to Vintage Village, improve slopes at the splash pad and playground, add facility enhancing sidewalks and mow curbs, update the aging General Store, Adjust the circulation for RV's checking-in, improve on the Bobber Restaurant, and add activities to the beach at Launch Pointe.
- The new group space will accommodate multiple setups for weddings, family reunions, corporate retreats, and other gatherings with glass garage doors for privacy and stunning lake views. The small kitchen will offer basic amenities, allowing guests to prepare and cook their meals while enjoying the company of friends and family.
- Launch Pointe's Vintage Village is a unique area that offers guests a one-of-a-kind experience. To ensure the area remains a premier destination, the proposed project includes adding a perimeter fence with gabion walls, improved restrooms, market lights, and designated entrances exclusive to Vintage Village guests and events. The perimeter fence with gabion walls will provide a clear boundary for the Vintage Village and add a visual appeal to the area. The improved restrooms will enhance guest comfort and satisfaction, while market lights will create a warm and inviting ambiance in the evenings. The designated entrances exclusive to Vintage Village guests and events will create a sense of exclusivity and enhance the overall guest experience.
- Improvements to the slopes at the splash pad and playground will create reservable spaces like cabanas at the Splash Pad and group picnic areas at the Playground, allowing guests to enjoy the areas with added comfort and convenience. The reservable spaces will include amenities like seating, tables, and shade structures to enhance the guest experience.

• **SNACK BAR IMPROVEMENTS** **\$400,000**

- Currently, not all parks are up to Riverside County Health (food and beverage) standards to be able to serve anything but pre-packaged food. With an upgrade, youth leagues and facility rentals can expand to allow serving of hot food through a secured location within the parks. Serving windows, air conditioning, commercial refrigerators, commercial freezers, shelving, 3 bay stainless sinks, expanding Lakepoint and McVicker.

• **SPECIAL NEEDS MULTI-SPORT PARK** **\$5,970,000**

- The proposed project is a capital improvement initiative that seeks to renovate Christensen Park into a special needs multi-sport park. The park will be transformed into an inclusive and universally accessible environment that caters to local champion league participants as well as visitors from neighboring regions and will be based on the standards set forth by Miracle League, and international non-profit that promotes special needs baseball.
- The primary objective of the project is to create a space where individuals with special needs can engage in various sports activities, including baseball, soccer, and other multi-sport activities. The park will feature artificial turf fields with a baseball layout that is designed to meet the needs of individuals with different abilities.

- In addition to the sports field, the park will also include an accessible playground structure that is equipped with sensory play elements, slides, swings, and other interactive features that cater to children with physical and cognitive disabilities. The playground will be designed to provide a safe and engaging space for children to play and interact with their peers, fostering socialization and inclusion.
- The project will involve significant renovations to the existing park infrastructure, including the installation of new sports equipment, safety features, and accessibility enhancements. The renovated park will also include restrooms, picnic areas, and other amenities that are essential for an enjoyable park experience.
- The proposed special needs multi-sport park will not only provide a much-needed recreational space for the local champion league participants but also attract visitors from neighboring regions. The park will serve as a regional attraction, contributing to the economic growth of the community.
- Overall, this capital improvement project is aimed at creating an inclusive and accessible environment that provides individuals with special needs the opportunity to participate in sports activities and socialize with their peers.

- **SPLASH PAD INSTALLATIONS \$1,025,000**

- Installation of new splash pads at Machado Park and Rosetta Park.

- **SPORTSPLEX \$1,000,000**

- Four field baseball/softball sportsplex and outdoor amphitheater with concession stands, restrooms, and parking. Potential locations are the parcel south of Lakepointe Park, parcel at Spring/Limited with a pedestrian bridge connection to Swick and Matich, or other locations.

- **SUMMERLY PARK IMPROVEMENTS \$1,200,000**

- This project will make improvements to Summerly Park including, but not limited to: fresh mulch in landscape planters, renovating landscaping, field renovations, add shade structures for picnic areas, bleachers and dugouts; add automatic locking mechanisms to park restroom buildings; repair or replace damaged cement areas i.e. lifted sidewalks; facility and structure repairs and upgrades; enclose existing trash enclosure; parking lot slurry, striping and repairs, add backflow enclosures, repair or replace damaged fencing; add facilities/office for staff, add home run fencing; LED lighting upgrades or additions.

- **THE RESERVE AT LAUNCH POINTE \$1,006,400**

- The proposed capital improvement project to expand The Reserve at Launch Pointe has the potential to significantly increase revenues for Launch Pointe. The addition of up to 10 park models will allow for additional lodging options, which can increase occupancy rates and generate more revenue from overnight stays. Additionally, the new rustic venue will provide a unique space for events such as weddings, corporate retreats, and family reunions, which can generate additional revenue from event bookings. The exclusive pool and premium spaces for class A motorhomes will also attract guests seeking a more luxurious experience, allowing for higher rates and potentially longer stays. These enhancements will help Launch Pointe appeal to a wider range of guests, attracting more visitors to the resort and increasing overall revenue. With the expansion of The Reserve at Launch Pointe, Launch Pointe can continue to grow and thrive as a premier RV resort destination in Southern California.

- **TUSCANY HILLS PARK IMPROVEMENTS \$162,000**

- This project includes but not limited to upgrading the snack bar/restroom facilities, roofing repairs, automatic locking doors for the restrooms; enlarging and enclosing the trash enclosure; field renovations and fencing repair; adding additional picnic tables, benches, BBQ grills and trash cans within Tuscany Hills Park.

**Facilities Requests (10 Projects = \$39,867,610)**

- **AMPHITHEATER \$7,900,000**
  - An outdoor amphitheater with tiered lawn seating, stage, picnic area, and a children's play area.
- **BUILDING FACILITIES RENOVATIONS \$640,000**
  - This will improve City facilities, including HVAC replacements, windows, roofing, plumbing, electrical, lighting, exterior/interior wall, flooring, doors, LED parking lot light installation, shade structures, landscaping, concrete, drains, rain gutters, fencing, etc.
- **CITY HALL \$16,847,686**
  - The existing City Hall Facility requires major repairs and upgrades for Americans with Disabilities Act (ADA) compliance, mechanical, electrical, and security systems. There are four separate buildings with adjoining modifications comprising City administrative offices. Previous efforts have exhausted expansion possibilities as current office spaces are insufficient. The new facility will be approximately 35,000 square feet and connect to the existing City Hall. It will include the following amenities:
- **CITY LIBRARY \$10,978,851**
  - This project includes the design and construction of a new City Library for the residents of Lake Elsinore.
- **CITYWIDE FACILITIES INFORMATION TECHNOLOGY UPGRADES \$320,000**
  - Upgrades to the City's surveillance infrastructure to enhance security, deter criminal activities, and improve incident response capabilities. This will encompass the following facilities: City Hall, Cultural Center, Dream Extreme Neighborhood Center, Senior Center, Lake Community Center, Public Works Admin, Emergency Operation Center, Community Development Building, and Launch Pointe.
- **DENC COMPUTER ROOM AND EXPANSION \$525,000**
  - This expansion project will transform the 5,700 square-foot facility at 117 S. Langstaff St., turning the existing and obsolete generator room into a computer room for teens, STEM and other programs by adding approximately 580 square feet of programmable and storage space. It will also expand DENC Multi-Purpose Room storage and add Preschool Room storage. Additional improvements include installation of a ceiling-mounted wireless projector and screen and blinds for windows in the Multi-Purpose Room to make the space more attractive for a variety of programming such as movie nights and private rentals for business meetings, birthday parties, and other engagements. Window blinds will allow for privacy during classes and rentals and enhance the room for rental opportunities of the facility. It will also enhance the appeal of the room as a usable program/event space as well as a rentable space. This new computer room will be utilized as a dedicated and quiet workspace with 8-12 workstations for use by teens during Youth Room hours, STEM program instruction, and other program uses such as day camp. Additional storage will increase program capability and facility functionality. Added storage to preschool room will increase organization of the space and enhance the ability to expand the scope of the class and will include two points of access for outside patio play equipment storage for class.
- **FACILITY ADA (DAC-TRAK) \$300,000**
  - This project aims to improve accessibility in our facilities by implementing a digital tracking system for ADA compliance. The DAC-TRACK system will help monitor and manage compliance with the Americans with Disabilities Act (ADA) regulations in our buildings and facilities. It will enable us to track and document the accessibility features and modifications made to our facilities, ensuring that we meet the required standards and provide equal access to all individuals. Chamber of Commerce, City Hall, Community Center, Cultural



Center, Diamond Stadium, El Unico Restaurant, Fire Station 85, Fire Station 94, Fire Station 97, Launch Pointe, Library Street Parking Lot, Neighborhood Center, Planet Youth, Public Works Administrative Building, Senior Center & Senior Center Annex, Vacant Lot - Cultural Center, Vacant Lot - Limited Avenue & Poe Street, Vacant Lot - Peck Street, Vacant Lot - Sulfur & Graham Street, and Vacant Lot - Whiskers Beach.

- **FIRE STATION \$1,816,073**

- The new fire station will be a modern facility strategically located to optimize emergency response times across the service area.

- **FIRE STATION IMPROVEMENTS \$140,000**

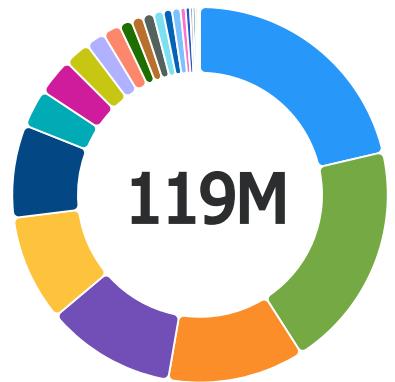
- The fire station facility improvements are designed to modernize and enhance operational efficiency, safety, and response capabilities for fire service personnel. These improvements address aging infrastructure, incorporate current safety standards, and support the growing needs of the community.

- **LAKE COMMUNITY CENTER KITCHEN \$400,000**

- This project will include the remodeling of over 500 square feet of the existing kitchen and pantry area. The primary remodel elements will include updating the existing area to ADA standards. All the kitchen appliances will be replaced. The countertop, flooring, and wall covering are not in compliance with current health and safety codes and will be reconstructed to satisfy these requirements. Exterior windows will be replaced with conforming Title 24 windows.

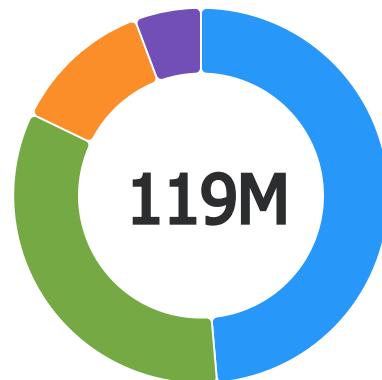
# One Year Plan

## FY26 Total Funding Requested by Source



Unfunded	\$25,402,811	21.36%
Capital Improvement Fund	\$23,281,987	19.58%
Measure Z	\$14,015,918	11.79%
Grant	\$13,238,320	11.13%
Total Road Improvement Program	\$10,900,000	9.17%
TUMF	\$9,510,000	8.00%
Summerly Traffic Impact Fee	\$3,883,848	3.27%
SB 1	\$3,773,781	3.17%
Storm Drain	\$2,678,566	2.25%
Measure A	\$1,987,812	1.67%
Fire Protection DIF	\$1,816,073	1.53%
Traffic Impact Fee	\$1,311,000	1.10%
Community Development Block Grant	\$1,179,890	0.99%
Library DIF	\$1,167,961	0.98%
DAG	\$1,018,599	0.86%
American Rescue Plan Act	\$886,406	0.75%
Community Center DIF	\$865,958	0.73%
Gas Tax	\$539,562	0.45%
National Pollutant Discharge Elimination System	\$450,000	0.38%
Mobile Source Air Pollution	\$275,838	0.23%
City Hall/Public Works DIF	\$261,000	0.22%
Lakeside Facilities DIF	\$230,000	0.19%
SB 821	\$182,230	0.15%
Quimby	\$46,000	0.04%
PEG	\$12,600	0.01%

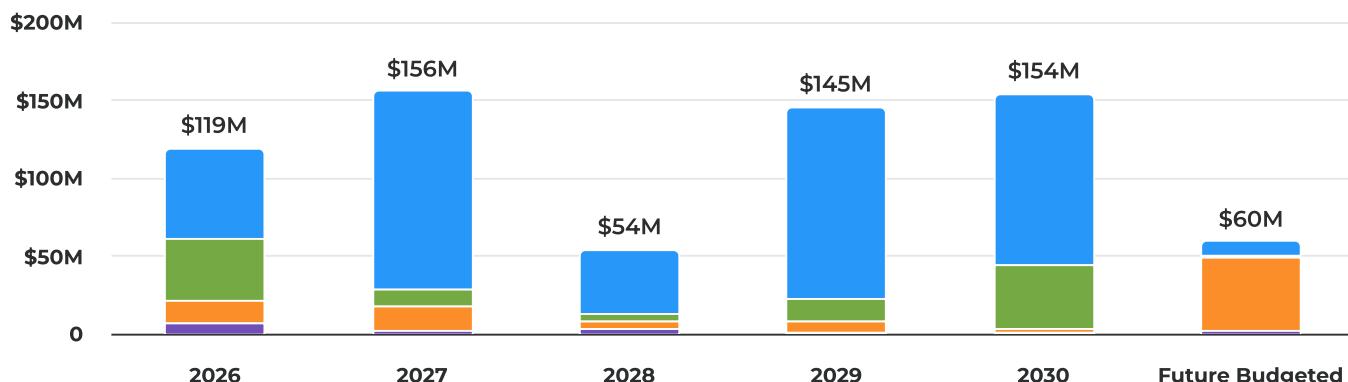
### FY26 Total Funding Requested by Type



● Circulation	\$57,831,724	48.63%
● Facilities	\$39,867,610	33.53%
● Parks	\$14,420,420	12.13%
● Infrastructure	\$6,796,406	5.72%

# Capital Improvement Multi-Year Plan

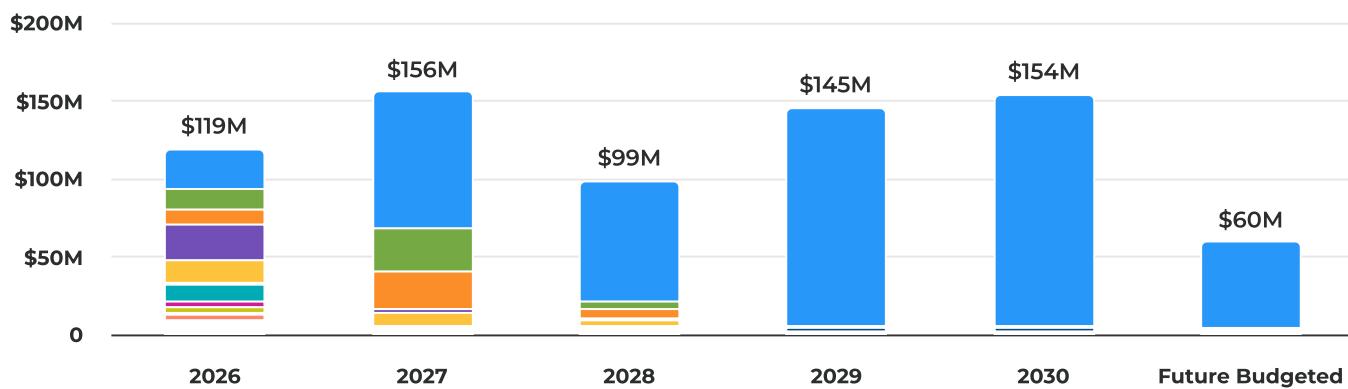
## FY26 - FY30 Total Funding Requested by Department (including Future Budgeted)



### Funding by Department Totals (all years)

● Circulation	\$468,504,740	68.17%
● Facilities	\$112,335,567	16.35%
● Parks	\$92,481,420	13.46%
● Infrastructure	\$13,905,454	2.02%

## FY26 - FY30 Total Funding Requested by Source (including Future Budgeted)

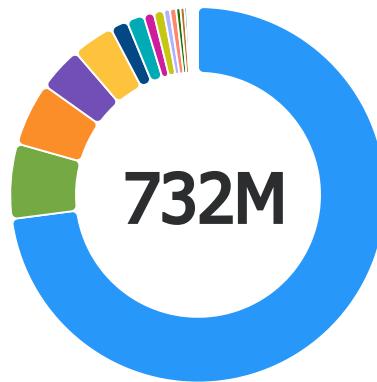
*Funding by Source Totals (all years)*

● Unfunded	\$534,075,962	72.94%
● Grant	\$47,314,580	6.46%
● TUMF	\$40,010,000	5.46%
● Capital Improvement Fund	\$28,024,087	3.83%
● Measure Z	\$26,508,474	3.62%
● Measure A	\$10,918,062	1.49%
● Total Road Improvement Program	\$10,900,000	1.49%
● Storm Drain	\$6,528,566	0.89%
● SB 1	\$6,438,555	0.88%
● Traffic Impact Fee	\$3,887,950	0.53%
● Summerly Traffic Impact Fee	\$3,883,848	0.53%
● Gas Tax	\$2,699,562	0.37%
● Fire Protection DIF	\$2,547,513	0.35%
● Community Development Block Grant	\$1,552,230	0.21%
● National Pollutant Discharge Elimination System	\$1,200,000	0.16%
● Library DIF	\$1,167,961	0.16%
● DAG	\$1,018,599	0.14%
● American Rescue Plan Act	\$886,406	0.12%
● Community Center DIF	\$865,958	0.12%
● Mobile Source Air Pollution	\$616,368	0.08%
● SB 821	\$585,980	0.08%
● City Hall/Public Works DIF	\$261,000	0.04%
● Lakeside Facilities DIF	\$230,000	0.03%
● Quimby	\$92,920	0.01%
● PEG	\$12,600	0.00%



# Capital Improvement Plan - Expenditures

FY26 - FY30 Expenditures by Fund (including Future Budgeted)



Unfunded	\$534,075,962	72.94%
Grant	\$47,314,580	6.46%
TUMF	\$40,010,000	5.46%
Capital Improvement Fund	\$28,024,087	3.83%
Measure Z	\$26,508,474	3.62%
Measure A	\$10,918,062	1.49%
Total Road Improvement Program	\$10,900,000	1.49%
Storm Drain	\$6,528,566	0.89%
SB 1	\$6,438,555	0.88%
Traffic Impact Fee	\$3,887,950	0.53%
Summerly Traffic Impact Fee	\$3,883,848	0.53%
Gas Tax	\$2,699,562	0.37%
Fire Protection DIF	\$2,547,513	0.35%
Community Development Block Grant	\$1,552,230	0.21%
National Pollutant Discharge Elimination System	\$1,200,000	0.16%
Library DIF	\$1,167,961	0.16%
DAG	\$1,018,599	0.14%
American Rescue Plan Act	\$886,406	0.12%
Community Center DIF	\$865,958	0.12%
Mobile Source Air Pollution	\$616,368	0.08%
SB 821	\$585,980	0.08%
City Hall/Public Works DIF	\$261,000	0.04%
Lakeside Facilities DIF	\$230,000	0.03%
Quimby	\$92,920	0.01%
PEG	\$12,600	0.00%

## Unfunded

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Unfunded</b>	\$25,402,811	\$87,123,688	\$77,461,802	\$139,913,364	\$148,590,906	\$55,583,391	\$534,075,962

## Grant

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Grant</b>	\$13,238,320	\$28,604,000	\$4,772,260	\$0	\$0	\$700,000	\$47,314,580



**TUMF**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total TUMF</b>	\$9,510,000	\$24,000,000	\$6,500,000	\$0	\$0	\$0	\$40,010,000

**Capital Improvement Fund**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Capital Improvement Fund</b>	\$23,281,987	\$1,892,100	\$950,000	\$950,000	\$950,000	\$0	\$28,024,087

**Measure Z**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Measure Z</b>	\$14,015,918	\$7,980,556	\$3,112,000	\$700,000	\$700,000	\$0	\$26,508,474

**Measure A**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Measure A</b>	\$1,987,812	\$1,724,000	\$1,750,000	\$1,767,100	\$1,793,050	\$1,896,100	\$10,918,062

**Total Road Improvement Program**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Total Road Improvement Program</b>	\$10,900,000	\$0	\$0	\$0	\$0	\$0	\$10,900,000

**Storm Drain**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Storm Drain</b>	\$2,678,566	\$770,000	\$770,000	\$770,000	\$770,000	\$770,000	\$6,528,566

**SB 1**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total SB 1</b>	\$3,773,781	\$1,332,387	\$1,332,387	\$0	\$0	\$0	\$6,438,555

**Traffic Impact Fee**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Traffic Impact Fee</b>	\$1,311,000	\$555,900	\$541,000	\$545,000	\$519,050	\$416,000	\$3,887,950

**Summerly Traffic Impact Fee**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Summerly Traffic Impact Fee</b>	\$3,883,848	\$0	\$0	\$0	\$0	\$0	\$3,883,848



**Gas Tax**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Gas Tax</b>	<b>\$539,562</b>	<b>\$540,000</b>	<b>\$540,000</b>	<b>\$540,000</b>	<b>\$540,000</b>	<b>\$0</b>	<b>\$2,699,562</b>

**Fire Protection DIF**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Fire Protection DIF</b>	<b>\$1,816,073</b>	<b>\$362,100</b>	<b>\$369,340</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,547,513</b>

**Community Development Block Grant**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Community Development Block Grant</b>	<b>\$1,179,890</b>	<b>\$372,340</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,552,230</b>

**National Pollutant Discharge Elimination System**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total National Pollutant Discharge Elimination System</b>	<b>\$450,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$1,200,000</b>

**Library DIF**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Library DIF</b>	<b>\$1,167,961</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,167,961</b>

**DAG**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total DAG</b>	<b>\$1,018,599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,018,599</b>

**American Rescue Plan Act**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total American Rescue Plan Act</b>	<b>\$886,406</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$886,406</b>

**Community Center DIF**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Community Center DIF</b>	<b>\$865,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$865,958</b>



**Mobile Source Air Pollution**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Mobile Source Air Pollution</b>	\$275,838	\$82,620	\$84,270	\$85,960	\$87,680	\$0	\$616,368

**SB 821**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total SB 821</b>	\$182,230	\$18,750	\$385,000	\$0	\$0	\$0	\$585,980

**City Hall/Public Works DIF**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total City Hall/Public Works DIF</b>	\$261,000	\$0	\$0	\$0	\$0	\$0	\$261,000

**Lakeside Facilities DIF**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Lakeside Facilities DIF</b>	\$230,000	\$0	\$0	\$0	\$0	\$0	\$230,000

**Quimby**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total Quimby</b>	\$46,000	\$46,920	\$0	\$0	\$0	\$0	\$92,920

**PEG**

	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
<b>Total PEG</b>	\$12,600	\$0	\$0	\$0	\$0	\$0	\$12,600



## Description of Revenue Sources

**Air Quality Management District (AQMD)** - An intergovernmental agency established to monitor air quality within a region and to Implement State and Federal air quality standards through the development of regional air quality plans and regulations. Programs are funded in part or fully with AB2766 Subvention Funds and made available to local governments.

**American Rescue Plan** - This bill provides additional relief to address the continued impact of COVID-19 (i.e., coronavirus disease 2019) on the economy, public health, state and local governments, individuals, and businesses.

**Assembly Bill 2766 (AB2766)** - State funds that are available to implement programs and projects that reduce air pollution from motor vehicles.

**Assessment District** - Bonds are issued to generate proceeds to be used to finance the construction of various capital improvements. Bonds are repaid using assessments received from benefiting property owners within the district property boundaries.

**Community Development Block Grant (CDBG)** - Federal funds allocated to local government, based on a formula, but required to be applied for and used within a broad functional area such as community development.

**Community Facilities District (CFD)** - A tool that allows the City to construct desired and authorized public improvements with costs of the projects paid for by the benefited properties within the boundaries of a designated area. The costs are then financed through the issuance of bonds payable over a period of years.

**Development Impact Fees (DIF)** - Fees generated by development applications to offset the effect of development to include infrastructure, fire protection, public facilities and services, libraries, roads, schools, parks, traffic signal mitigation, and open space/public art.

**Federal Highway Administration (FHWA)** - The Federal Highway Administration (FHWA) provides stewardship over the construction, maintenance and preservation of the Nation's highways, bridges and tunnels. FHWA also conducts research and provides technical assistance to state and local agencies in an effort to improve safety, mobility, and livability, and to encourage innovation.

**Gas Tax** - The City maintains this fund to account for Highway User's Tax revenues received from the State of California under Sections 2103, 2105, 2107, and 2107.5 of the Streets and Highways Code.

**General Projects** - City General Funds retained for capital improvement projects.

**Grants** - Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose.

**Highway Bridge Rehabilitation & Replacement (HBRR)** - Authorized by the Federal Transportation Equity Act for the 21st Century (TEA -21), this program provides for the replacement or rehabilitation of public highway bridges over waterways, other topographical barriers, other highways, or railroads.

**Measure A (Local Streets and Roads)** - Funds generated from the on-half percent sales tax levied throughout Riverside County to carry out transportation projects by the county and cities.



**Measure Z** - locally controlled one-cent, or one percent, transactions and use tax to generate unrestricted general fund dollars to address City service, public safety and local recovery needs.

**National Pollutant Discharge Elimination System (NPDES)** - Permit program that controls water pollution by regulating point sources that discharge pollutants into water of the United States.

**Public Improvement in Lieu** - A property owner or land developer may elect to construct capital improvement(s) in lieu of paying fees.

**Quimby** - The City's park-in-lieu or park development fee is assessed under provisions of the Subdivision Map Act which allows the City to require the dedication of land or the payment of a fee in lieu of land to be used for the purchase (or development) of park property.

**Road and Bridge Benefit District (RBBD)** - Road and Bridge Benefit Districts were established to provide funding for the cost of road and bridge improvements to an established area of benefit. The District fees are assessed on new development projects.

**Rule 20A (Southern California Edison)** - The California Public Utilities Commission's (CPUC) Rule 20 sets policies and procedures for the conversion of overhead power lines and other equipment to underground facilities, a process called "undergrounding". Rule 20A projects are paid for by all Southern California Edison (SCE) ratepayers. The city and county governments choose these projects and apply for funding.

**Senate Bill 821 Bicycle and Pedestrian Facilities Program** - Each year 2% of the Local Transportation Fund revenue is made available through the Riverside County Transportation Commission's SB 821 Program for active modes of transportation projects such as sidewalks, access ramps, and bicycle plan development.

**State Highway Operation and Protection Program (SHOPP)** - A Ten-Year plan prepared by Caltrans which provides input for the funding distribution in the State Transportation Improvement Program (STIP) Fund estimates.

**State Transportation Program Local (STPL)** - The State Transportation Program for Local agencies is the biennial five-year plan adopted by the Commission for future allocations of certain state transportation funds for state highway improvements, intercity rail, and regional highway and transit improvements.

**Successor Agency** - This fund is used to account for the successor agency housing and administration activities as a result of the State's dissolution of Redevelopment Agencies.

**Transportation Uniform Mitigation Fee (TUMF)** - Multi-jurisdictional development impact fee paid for by new development to provide the transportation infrastructure necessary to accommodate new development.

**Total Road Improvement Programs (T.R.I.P.)** - California Statewide Communities Development Authority (CSCDA) offers a pooled securitization program to assist local agencies in bonding against future Measure A payments to obtain funding for more projects today. The program does not require a pledge of general fund monies.

**Unspecified** - Funds that have not been identified for various proposed projects.

# Debt Obligation



## Debt Administration

In February 1990, the Public Financing Authority was authorized to issue \$500,000,000 in revenue bonds for the purpose of enabling the Public Financing Authority to acquire certain qualified obligations (the "Local Obligations") of the City or the former Redevelopment Agency. The Bonds were issued to provide funds to finance the acquisition or construction of land, buildings, equipment and other capital improvements. In September 2013, \$14,460,000 principal amount of 2013 Revenue Refunding Bonds, Series A, was issued in accordance with the indenture to provide funds to advance refund the 2000 Revenue Refunding Bonds, Series A. The original purpose of the prior bonds was to finance the Authority's lease of certain City recreation facilities from the City for lease back to the City. In October 2014, \$7,965,000 principal amount of Certificates of Participation, Series 2014A, was issued for various street improvement projects. The City has pledged a portion of future Measure A revenues to repay the Certificates of Participation 2014 Series A. The City's certificates of participation is payable solely from the Measure A revenues.

Issue Date	Entity	Description	Remaining Principal	Remaining Interest	Maturity Date	Rate
2016	LEFFA Lease Revenue Bonds Series A		\$ 8,290,000	\$ 3,437,006	4/1/2046	AA
2017	LEFFA Local Agency Revenue Bond		\$ 4,025,000	\$ 1,673,928	9/1/2044	N/R
2020	LEFFA Tax Allocation Bonds Series A		\$ 11,605,000	\$ 1,445,500	9/1/2030	AA-
2021	LEFFA Local Agency Revenue Refunding Bond Series A		\$ 29,290,000	\$ 8,015,653	9/1/2044	AA
2021	LEFFA Local Agency Revenue Bonds Series B		\$ 9,990,000	\$ 5,547,200	9/1/2047	AA
2021	LEFFA Lease Revenue Bonds Series A		\$ 6,945,000	\$ 470,987	2/1/2032	AA
2022	LEFFA Lease Revenue Bonds Series A		\$ 22,300,000	\$ 18,123,175	4/1/2052	AA
2025	LEFFA Local Agency Revenue Refunding Bond Series A		\$ 77,580,000	\$ 30,226,575	9/1/2040	AA
2014	PFA Local Agency Revenue Bond Series B		\$ -	\$ -	- Refunding	-
2015	PFA Local Agency Revenue Bond		\$ -	\$ -	- Refunding	-
2019	PFA Local Agency Revenue Refunding Bond Series A		\$ -	\$ -	- Refunding	-
2015	SARDA Tax Allocation Bonds		\$ 2,825,000	\$ 515,853	9/1/2038	A+
2018	SARDA Tax Allocation Bonds Series A		\$ 1,670,000	\$ 387,269	9/1/2047	A
2018	SARDA Tax Allocation Bonds Series B		\$ 5,255,000	\$ 1,356,425	9/1/2047	A
2019	SARDA Subordinated Tax Allocation Bonds Series A		\$ 7,920,000	\$ 2,424,500	9/1/2033	A+
2019	SARDA Subordinated Tax Allocation Bonds Series B		\$ 705,000	\$ 7,015	9/1/2025	N/R
2020	SARDA Third Lien Tax Allocation Bonds Series B		\$ 4,375,000	\$ 1,413,200	3/1/2038	A
2020	SARDA Third Lien Tax Allocation Bonds Series C		\$ 2,430,000	\$ 181,153	3/1/2031	A
2014	TRIP Certificate of Participation Series A		\$ 5,215,000	\$ 1,756,000	6/1/2039	N/R



## Legal Debt Margin

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed value. However, this provision was enacted when the assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state. The City's debt limit is \$343,914,647.

<b>Fiscal Year 2025</b>	
Assessed Valuation	\$9,171,057,242
Conversion Percentage	25%
Adjusted Assessed Valuation	2,292,764,311
Debt Limit Percentage	15%
Debt Limit	343,914,647
Total Net Debt Applicable to Limitation-	
Legal Debt Margin	\$343,914,647
<b>Total Debt Applicable to the Limit as a Percentage of Debt Limit</b>	<b>0.00%</b>



# Supplemental Information



## Assessed and Estimated Actual Value of Taxable Property

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With a few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described below.

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value
2016	4,768,722,323	129,261,454	(93,034,816)	4,804,948,961
2017	5,177,285,267	130,180,313	(95,434,240)	2,212,031,340
2018	5,573,186,823	125,275,157	(99,693,567)	5,598,768,413
2019	6,131,330,394	121,282,148	(109,102,106)	6,143,510,436
2020	6,550,002,491	117,440,229	(114,493,687)	6,552,949,033
2021	6,924,168,897	128,326,411	(129,757,835)	6,922,737,473
2022	7,359,819,567	132,056,791	(136,831,201)	7,355,045,157
2023	8,029,561,384	137,500,128	(153,569,787)	8,013,491,725
2024	8,757,116,372	152,982,711	(180,761,681)	8,729,337,402
2025	9,208,250,892	172,655,208	(209,848,858)	9,171,057,242

Source: Riverside County Assessor 2024/25 Combined Tax Rolls



# Principal Secured Property Owners Year Ended June 30, 2025

## Top Ten Property Taxpayers

Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed
Rivers Edge At Lake Elsinore LLC	\$ 65,869,492	0.71%
	64,392,032	0.70%
Ridgestone Partners	55,633,248	0.60%
Walmart Real Estate Business	53,484,861	0.58%
15150 Grand Avenue LLC	47,968,697	0.52%
HELF Canyon Hills Market Place	29,933,507	0.32%
MHC 186	27,661,983	0.30%
Hohr Affinity LLC	27,353,246	0.30%
	24,977,675	0.27%
Costco Wholesale Corporation	24,882,181	0.27%
<b>Top Ten Total</b>	<b>\$ 422,156,922</b>	<b>4.58%</b>

Source: Riverside County Assessor 2024/25 Combined Tax Rolls and the SBE Non-Unitary Tax Roll



## Computation of Direct and Overlapping Bonded Debt

**2024-25 Assessed Valuation: \$9,213,058,252**

<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>	<b>Percentage Applicable</b>	<b>6/30/2025</b>	<b>City Share of Overlapping Debt</b>
<b>Direct and Overlapping Tax and Assessment Debt</b>			
City of Lake Elsinore Community Facilities District			
District No. 90-2	100%	7,815,000	7,815,000
District No. 95-1	100%	120,000	120,000
District No. 98-1	100%	8,350,000	8,350,000
District No. 2003-2, I.A. A, B, C, D, & E	100%	57,235,000	57,235,000
District No. 2004-3 I.A. No. 1 & 2	100%	32,195,000	32,195,000
District No. 2005-1	100%	4,570,000	4,570,000
District No. 2005-2	100%	14,480,000	14,480,000
District No. 2005-5	100%	2,850,000	2,850,000
District No. 2005-6	100%	1,635,000	1,635,000
District No. 2006-1 Improvement Areas	100%	40,145,000	40,145,000
District No. 2006-2	100%	3,435,000	3,435,000
District No. 2006-4	100%	5,025,000	5,025,000
District No. 2006-6	100%	3,510,000	3,510,000
District No. 2006-8	100%	3,615,000	3,615,000
District No. 2007-4	100%	2,320,000	2,320,000
District No. 2007-5	100%	1,535,000	1,535,000
District No. 2015-5	100%	1,800,000	1,800,000
District No. 2016-2	100%	20,399,200	20,399,200
District No. 2019-1	100%	6,480,000	6,480,000
City of Lake Elsinore 1915 Act Bonds	100%	6,310,000	6,310,000
<b>Total Direct and Overlapping Tax and Assessment</b>			<b>\$ 223,824,200</b>
<b>Other Overlapping Tax and Assessment Debt</b>			
EV Metropolitan Water District Community	100%	2,128,000	2,128,000
District No. 2003-1			
Perris Union High School District Community Facilities	7.139%	29,055,000	2,074,236
District No. 92-1			
LEUSD Community Facilities Districts	100%	68,525,374	68,525,374
Lake Elsinore Unified School District	45.878%	91,520,000	41,987,546
Metropolitan Water District	0.226%	17,155,000	38,770
Mount San Jacinto Community College District	6.592%	237,330,000	15,644,794
Perris Union High School District	2.207%	284,456,372	6,277,952
Menifee Union School District	3.568%	184,411,292	6,579,795
Perris School District	0.049%	71,179,571	34,878
<b>Total Other Overlapping Tax and Assessment Debt</b>			<b>\$ 143,291,345</b>
<b>Total Direct/Other and Overlapping Tax and Assessment</b>			<b>\$ 367,115,545</b>
<b>Direct General Fund Debt</b>			
City of Lake Elsinore General Fund Obligations	100%	39,948,245	39,948,245
<b>Total Direct General Fund Debt</b>			<b>\$ 39,948,245</b>



**Overlapping General Fund Debt**

Riverside County General Fund Obligations	2.171%	1,134,209,781	24,623,694
Riverside County Pension Obligations	2.171%	603,055,000	13,092,324
Perris Union High School District General Fund Obligations	2.207%	39,720,566	876,633
Menifee and Perris School District Certificates of Participation	3.568 - 0.049	52,025,565	1,721,143
Western Municipal Water District	4.874%	1,377,594	67,144

**Total Overlapping General Fund Debt**

\$ 40,380,938

**Total Direct and Overlapping General Fund Debt**

\$ 80,329,183

**Overlapping Tax Increment Debt (Successor Agency):**

100.00% \$36,785,000 \$ 36,785,000

**Total Direct General Fund Debt**

\$ 39,948,245

**Total Gross Overlapping Debt**

\$ 444,281,483

**Combined Total Debt**

\$ 484,229,728

**Ratios to 2024 -25 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	3.980%
Total Direct Debt (\$39,948,245)	0.43%
Combined Debt	5.26%
Ratios to Redevelopment Incremental Valuation (\$4,335,103,648)	
Total Overlapping Tax Increment Debt	0.85%



## Comparative City Information

City	Year	Number Employees	Population	Estimated General Fund Revenues	Estimated General Fund Expenditures	Expenditures Per Capita
<b>Lake Elsinore</b>						
	2024	212	73,595	\$68,157,936	\$66,585,064	\$905
	2023	201	71,452	\$58,935,773	\$58,044,772	\$812
	2022	183	69,993	\$51,311,188	\$48,625,292	\$695
	2021	175	64,762	\$59,949,317	\$45,202,392	\$698
	2020	140	63,591	\$54,370,691	\$42,311,820	\$665
<b>Hemet</b>						
	2024	302	89,663	\$77,717,310	\$69,692,828	\$777
	2023	305	89,918	\$69,772,536	\$60,688,229	\$675
	2022	277	89,646	\$69,626,631	\$55,161,595	\$615
	2021	273	84,525	\$62,962,518	\$50,270,666	\$595
	2020	267	85,175	\$54,365,179	\$49,708,090	\$584
<b>Menifee</b>						
	2024	306	115,316	\$105,497,847	\$85,901,653	\$745
	2023	302	106,627	\$96,527,864	\$81,255,693	\$762
	2022	209	99,686	\$72,714,713	\$55,895,128	\$561
	2021	207	97,093	\$65,185,364	\$58,789,409	\$605
	2020	214	93,452	\$61,101,247	\$49,959,120	\$535
<b>Murrieta</b>						
	2024	466	109,177	\$106,549,851	\$90,448,901	\$828
	2023	432	109,177	\$10,001,063	\$78,224,768	\$716
	2022	431	109,998	\$88,827,370	\$67,613,815	\$615
	2021	407	111,183	\$81,447,222	\$71,149,130	\$640
	2020	355	115,172	\$71,716,032	\$53,467,907	\$464
<b>Temecula</b>						
	2024	198	108,700	\$138,480,475	\$143,109,707	\$1,317
	2023	195	108,899	\$144,924,798	\$139,646,241	\$1,282
	2022	178	109,925	\$133,795,830	\$105,645,373	\$961
	2021	173	112,771	\$119,353,336	\$91,974,475	\$816
	2020	177	111,970	\$100,394,398	\$90,566,062	\$809



# Appendix



# Glossary

**Abatement:** A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

**Accounting System:** The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**ACFR:** Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

**Amortization:** The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assessed Valuation:** A value assigned to real estate or other property by a government as the basis for levying taxes.

**Assets:** Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Audit Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Available Funds:** Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

**Betterments (Special Assessments):** Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

**Bond:** A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)



**Bond and Interest Record:** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

**Bonds Authorized and Unissued:** Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

**Bond Issue:** Generally, the sale of a certain number of bonds at one time by a governmental unit.

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Budget:** A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

**Capital Assets:** All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Flow:** The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

**Cash Management:** The process of monitoring the ebb and flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

**Certificate of Deposit (CD):** A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

**Classification of Real Property:** Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

**Collective Bargaining:** The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

**Compliance:** Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.



**Debt Burden:** The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Service:** The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds:** An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

**Equalized Valuations (EQVs):** The determination of the full and fair cash value of all property in the community that is subject to local taxation.

**Equity:** The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

**Estimated Receipts:** A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

**Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.

**Fiduciary Funds:** Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

**Financial Statements:** Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

**Fiscal Year:** The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

**Fixed Assets:** Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

**Fixed Costs:** Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

**Float:** The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

**Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

**Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

**GAAP:** Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

**GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

**GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

**General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

**General Obligation Bonds:** Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

**Governing Body:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.

**Indirect Cost:** Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

**Internal Controls:** Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**Liabilities:** Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

**Line Item Budget:** A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

**Local Aid:** Revenue allocated by the state or counties to municipalities and school districts.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.



**Municipal(s):** (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

**Net Income:** The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

**Note:** A short-term loan, typically with a maturity date of a year or less.

**Objects of Expenditures:** A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

**Official Statement:** A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

**Overlapping Debt:** A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

**Performance Budget:** A budget that stresses output both in terms of economy and efficiency.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Program Budget:** A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

**Proprietary Funds:** Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

**Purchased Services:** The cost of services that are provided by a vendor.

**Refunding of Debt:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve Fund:** An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

**Revaluation:** The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

**Revenues:** Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

**Revenue Anticipation Note (RAN):** A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**Revolving Fund:** Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

**Sale of Real Estate Fund:** A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

**Stabilization Fund:** A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

**Surplus Revenue:** The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

**Tax Rate:** The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

**Tax Title Foreclosure:** The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

**Trust Fund:** In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

**Uncollected Funds:** Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

**Undesignated Fund Balance:** Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**Valuation (100 Percent):** The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.