

Budget Summary

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Overview of the Operating Budget

The City's Operating Budget is a flexible spending plan that is the legal authority for departments to commit financial resources to provide services within the City of Fontana. The total combined Operating Budget for Fiscal Year 2016-17 for all entities is **\$212.1 million** excluding transfers. This amount includes **\$86.2 million** in the General Fund which provides most of the services commonly associated with government including public safety, recreation, parks, planning and development. The remainder includes **\$93.8 million** in other City funds, **\$31.5 million** in the Fire Protection District, **\$654,010** in the Housing Authority, and **\$500** in the Community Foundation. Capital project expenditures, listed in the Seven-Year Capital Improvement Program, have been included and are distributed within the appropriate funds.

Total projected revenues for Fiscal Year 2016-17 for all entities are **\$218.1 million** excluding transfers. This amount includes **\$98.0 million** in the General Fund, **\$88.4 million** in other City funds, **\$30.6 million** in the Fire Protection District, **\$1.1 million** in the Housing Authority, and **\$1,100** in the Community Foundation.

Operating transfers represent the movement of cash between funds within each entity. The Fiscal Year 2016-17 Operating Budget includes **\$34.3 million** of operating transfers for all entities. This amount includes **\$31.6 million** transfers between City funds, **\$2.5 million** transfers between Fire District funds, and **\$166,000** transfers between Housing Authority funds.

Results from Operations that are negative are offset by the use of Fund Balance.

	Revenue	Expenditures	Transfers In	Transfers Out	Results from Operations
General Fund	\$ 98,019,980	\$ 86,209,060	\$ 9,621,300	\$ (20,154,970)	\$ 1,277,250
Other General Funds	6,011,190	16,713,270	12,799,000	-	2,096,920
Other City Funds	82,361,500	77,051,330	9,206,230	(11,471,560)	3,044,840
Fire Protection District	30,575,600	31,472,360	2,460,000	(2,460,000)	(896,760)
Housing Authority	1,144,290	654,010	166,000	(166,000)	490,280
Community Foundation	1,100	500	0	0	600
Totals	\$ 218,113,660	\$ 212,100,530	\$ 34,252,530	\$ (34,252,530)	\$ 6,013,130



Budget Summary

Fiscal Year 2016/2017

Revenue History by Category

	Actual	Actual	Budgeted	Projected	Change	
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Amount	%
Sales Tax	\$31,440,753	\$34,219,833	\$36,000,000	\$37,400,000	\$1,400,000	3.9%
Property Tax	61,638,340	63,587,056	65,867,110	67,255,270	1,388,160	2.1%
Interest & Rentals	8,657,834	7,587,589	6,916,610	5,723,380	(1,193,230)	-17.3%
Franchise Fees	6,276,563	7,428,363	6,810,000	7,270,000	460,000	6.8%
Business Related	5,557,692	5,749,529	5,823,000	6,069,000	246,000	4.2%
Development Related	10,360,977	20,237,883	29,447,375	26,067,700	(3,379,675)	-11.5%
Recreation	2,943,111	3,135,231	3,124,400	3,306,650	182,250	5.8%
Motor Vehicle In-Lieu	85,263	82,854	100,000	100,000	-	0.0%
Reimbursables & Other Revenues	65,086,759	62,502,985	92,170,666	59,447,640	(32,723,026)	-35.5%
From Other Agencies	13,999,471	5,521,538	6,161,930	5,474,020	(687,910)	-11.2%
Debt proceeds	37,083,083	41,104,057	-	-	-	NA
Total Revenues	\$243,129,846	\$251,156,918	\$252,421,091	\$218,113,660	(\$34,307,431)	-13.6%
Operating Transfers In	33,596,978	36,364,915	36,936,581	34,252,530	(2,684,051)	-7.3%
	\$276,726,824	\$287,521,833	\$289,357,672	\$252,366,190	(\$36,991,482)	-12.8%

Revenue History by Entity

	Actual	Actual	Budgeted	Projected	Change	
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Amount	%
City of Fontana	\$205,098,064	\$220,637,327	\$220,673,261	\$186,392,670	(\$34,280,591)	-15.5%
Fontana Fire Protection District	29,535,231	29,395,661	30,151,100	30,575,600	424,500	1.4%
Fontana Housing Authority	8,492,035	1,122,391	1,595,530	1,144,290	(451,240)	-28.3%
Fontana Community Foundation	4,516	1,539	1,200	1,100	(100)	-8.3%
Total Revenues	\$243,129,846	\$251,156,918	\$252,421,091	\$218,113,660	(\$34,307,431)	-13.6%

Budget Summary

Fiscal Year 2016/2017

Expenditure History by Category

	Actual	Actual	Budgeted	Projected	Change	
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Amount	%
Personnel Services	\$75,890,261	\$79,714,433	\$84,300,834	\$85,616,630	\$1,315,796	1.6%
Operating Costs	21,844,244	22,373,096	24,964,805	21,897,550	(3,067,255)	-12.3%
Contractual Services	59,006,204	59,180,542	83,705,949	62,574,770	(21,131,179)	-25.2%
Internal Service Charges	6,889,127	7,498,680	7,964,040	8,604,130	640,090	8.0%
Capital Expenditures	28,937,588	30,317,128	83,685,731	25,717,190	(57,968,541)	-69.3%
Debt Service	5,471,016	48,786,932	6,307,082	3,347,470	(2,959,612)	-46.9%
To Other Agencies	3,708,200	3,633,700	4,098,400	4,342,790	244,390	6.0%
Other	34,774,471	4,571,007	-	-	-	NA
Total Expenditures	\$236,521,111	\$256,075,518	\$295,026,841	\$212,100,530	(\$82,926,311)	-28.1%
Operating Transfers Out	33,596,978	36,364,915	36,936,581	34,252,530	(2,684,051)	-7.3%
	\$270,118,089	\$292,440,433	\$331,963,422	\$246,353,060	(\$85,610,362)	-25.8%

Expenditure History by Entity

	Actual	Actual	Budgeted	Projected	Change	
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Amount	%
City of Fontana	\$204,815,644	\$224,343,062	\$254,633,218	\$179,973,660	(\$74,659,558)	-29.3%
Fontana Fire Protection District	24,728,235	30,086,521	34,449,536	31,472,360	(2,977,176)	-8.6%
Fontana Housing Authority	6,964,347	1,644,258	5,924,087	654,010	(5,270,077)	-89.0%
Fontana Community Foundation	12,885	1,677	20,000	500	(19,500)	-97.5%
Total Expenditures	\$236,521,111	\$256,075,518	\$295,026,841	\$212,100,530	(\$82,926,311)	-28.1%

Budget Summary

Fiscal Year 2016/2017

Revenue by Category and Fund Type

	General	Other General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	FY 2016-17 Total
Sales Tax	\$37,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$37,400,000
Property Tax	22,400,000	-	44,810,270	-	-	45,000	-	67,255,270
Interest & Rentals	4,284,140	100,300	582,180	3,000	622,260	84,000	10,000	5,685,880
Franchise Fees	6,700,000	400,000	207,500	-	-	-	-	7,307,500
Development Related	6,954,000	123,000	3,935,000	-	15,055,700	-	-	26,067,700
Business Related	6,069,000	-	-	-	-	-	-	6,069,000
Recreation	3,296,650	-	10,000	-	-	-	-	3,306,650
Motor Vehicle In-Lieu	100,000	-	-	-	-	-	-	100,000
Reimbursables & Other Revenues	6,420,660	5,315,500	22,439,870	198,430	190,050	19,779,000	5,104,130	59,447,640
From Other Agencies	4,395,530	72,390	1,006,100	-	-	-	-	5,474,020
Total Revenues	\$98,019,980	\$6,011,190	\$72,990,920	\$201,430	\$15,868,010	\$19,908,000	\$5,114,130	\$218,113,660
Operating Transfers In	9,621,300	12,799,000	2,213,300	2,929,720	5,926,000	502,240	260,970	34,252,530
	\$107,641,280	\$18,810,190	\$75,204,220	\$3,131,150	\$21,794,010	\$20,410,240	\$5,375,100	\$252,366,190

Revenue by Entity and Fund Type

	General	Other General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	FY 2016-17 Total
City of Fontana	\$98,019,980	\$6,011,190	\$42,187,420	\$201,430	\$14,950,520	\$19,908,000	\$5,114,130	\$186,392,670
Fontana Fire Protection District	-	-	30,540,600	-	35,000	-	-	30,575,600
Fontana Housing Authority	-	-	261,800	-	882,490	-	-	1,144,290
Fontana Community Foundation	-	-	1,100	-	-	-	-	1,100
Total Revenues	\$98,019,980	\$6,011,190	\$72,990,920	\$201,430	\$15,868,010	\$19,908,000	\$5,114,130	\$218,113,660

Expenditure by Category and Fund Type

	General	Other General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	FY 2016-17 Total
Personnel Services	\$66,531,270	\$3,990,290	\$11,059,200	\$ -	\$500,630	\$2,786,350	\$748,890	\$85,616,630
Operating Costs	4,314,950	7,334,880	7,780,560	20,000	135,600	362,310	1,949,250	21,897,550
Contractual Services	8,547,040	4,970,330	33,948,400	-	948,000	13,634,500	526,500	62,574,770
Internal Service Charges	6,504,900	336,720	1,053,960	-	41,000	618,980	48,570	8,604,130
Capital Expenditures	310,900	81,050	8,526,560	-	13,892,280	740,000	2,166,400	25,717,190
Debt Service	-	-	-	3,111,150	-	236,320	-	3,347,470
To Other Agencies	-	-	3,890,990	-	451,800	-	-	4,342,790
Total Expenditures	\$86,209,060	\$16,713,270	\$66,259,670	\$3,131,150	\$15,969,310	\$18,378,460	\$5,439,610	\$212,100,530
Operating Transfers Out	20,154,970	-	9,253,400	-	2,079,420	2,764,740	-	34,252,530
	\$106,364,030	\$16,713,270	\$75,513,070	\$3,131,150	\$18,048,730	\$21,143,200	\$5,439,610	\$246,353,060

Expenditure by Entity and Fund Type

	General	Other General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	FY 2016-17 Total
City of Fontana	\$86,209,060	\$16,713,270	\$37,288,120	\$3,131,150	\$12,813,990	\$18,378,460	\$5,439,610	\$179,973,660
Fontana Fire Protection District	-	-	28,525,060	-	2,947,300	-	-	31,472,360
Fontana Housing Authority	-	-	445,990	-	208,020	-	-	654,010
Fontana Community Foundation	-	-	500	-	-	-	-	500
Total Expenditures	\$86,209,060	\$16,713,270	\$66,259,670	\$3,131,150	\$15,969,310	\$18,378,460	\$5,439,610	\$212,100,530

Overview of the General Fund Budget

The Budget Development Guidelines adopted by the City Council on February 23, 2016, affirmed the goal for a Contingency Reserve of 15% of annual recurring appropriations, and the Fiscal Year 2016-17 General Fund Operating Budget continues to maintain this goal. General Fund revenues, appropriations and transfers are summarized below:

July 1, 2016 contingency reserve	\$12,448,000
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Sources of funds:

Estimated revenues	\$98,019,980
Transfers in	9,621,300
Reduction to Expenditure Control Budgeting (ECB) Reserve	278,300
 Total sources of funds	 107,919,580

Uses of funds:

Appropriations	(86,209,060)
Transfers out	(20,154,970)
Increase to Economic Uncertainty Reserve	(1,072,550)
 Total uses of funds	 (107,436,580)

June 30, 2017 contingency reserve	\$12,931,000
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Budget Assumptions

Several key budget assumptions were used in preparing the annual budget. These assumptions will be carefully monitored throughout the fiscal year while evaluating budget performance.

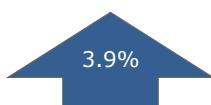
The proposed budget makes no provision for **potential State takeaways**. In the event of a State takeaway, staff will be recommending the use of the Economic Uncertainty Reserve or some other reserve at that time.

The proposed budget assumes no further deterioration in the economy, with continuing slow improvement in some areas.

Revenue Assumptions

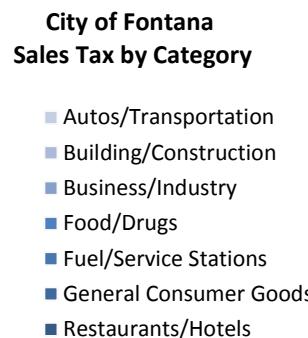
General Fund Revenues

Most General Fund revenues, with the exception of Sales Tax (see explanation below), have been projected with small increases over the current year adjusted budget. FY 2016-17 revenues, excluding transfers, have been projected at \$98.0 million, approximately the same as the current adjusted budget of \$97.8 million.



Sales Tax - \$37.4 million – 38.2% of total General Fund revenue

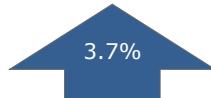
Projected at \$1.4 million higher than the current year adjusted budget, sales tax continues to increase.



Tax Consultant Forecast Statewide Trends By Sales Tax Category	
Auto/Transportation	+4.0%
Building/Construction	+7.0%
Business/Industry	+2.0%
Food/Drugs	+2.5%
Fuel/Service Stations	+2.7%
General Consumer Goods	+2.0%
Restaurants/Hotels	+5.8%
State and County Pools	+8.0%
Total	+4.0%

Budget Summary

Fiscal Year 2016/2017



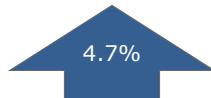
Property Tax - \$22.4 million - 22.8% of total General Fund revenue

Represents an increase from the current year adjusted budget to reflect an estimated 3% increase in City-wide assessed valuation due to the large number of Prop 8 reductions that have previously occurred. The CPI cap for FY 2016-17 is 1.525%. The actual assessed valuation will be available from the County in late July and adjustments will be made through the First Quarter Budget Review as necessary.



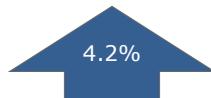
Interest and Rentals - \$4.3 million - 4.4% of total General Fund revenue

Projected to be slightly lower than the current year as investment interest rates continue to be very low.



Franchise Fees - \$6.7 million - 6.8% of total General Fund revenue

Projected to increase over the current year adjusted budget reflecting a slowly recovering economy.



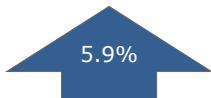
Business Related - \$6.1 million - 6.2% of total General Fund revenue

Projected slightly higher than the current year adjusted budget reflecting a slowly recovering economy.



Development Related - \$7.0 million - 7.1% of total General Fund revenue

Projected to increase over the current year adjusted budget reflecting a slowly recovering economy. Development-related revenues had declined over the past several years due to the slowdown in the economy, especially the meltdown in the real estate market.



Recreation - \$3.3 million - 3.4% of total General Fund revenue

Projected at approximately the same amount as the current year adjusted budget.



Motor Vehicle In-Lieu - \$0.1 million - 0.1% of total General Fund revenue

Several unsuccessful attempts have been made over the past few years to restore the allocation (approximately \$790,000) for newly incorporated annexations which was eliminated during Fiscal Year 2011/12. This \$100,000 represents penalties that continue to flow to the cities.

Budget Summary

Fiscal Year 2016/2017



Other Revenues - \$4.6 million - 4.7% of total General Fund revenue

Includes the excess tax increment from Jurupa Hills agreement, code enforcement fines, and animal licenses. Prior year included one-time proceeds of \$3 million from the sale of the Park and Ride facility south of the I-10 freeway.



Reimbursables - \$1.8 million - 1.8% of total General Fund revenue

Projected lower than the current year adjusted budget, this category reflects amounts received to reimburse expenditures such as weed abatement charges and Bond CFD administrative charges.



From Other Agencies - \$4.4 million - 4.5% of total General Fund revenue

These revenues are received from other City entities such as the Successor to RDA, the Housing Authority and the Fire Protection District for cost allocation and staff reimbursements, and are slightly less than the current year adjusted budget.

From Other Agencies For Cost Allocation and Staff Reimbursements	
Successor to RDA	\$1.13 million
Housing Authority	0.22 million
Fire District	3.05 million
Total	\$4.40 million

Other Fund Revenues

Major changes in other fund revenues from the current adjusted budget include:

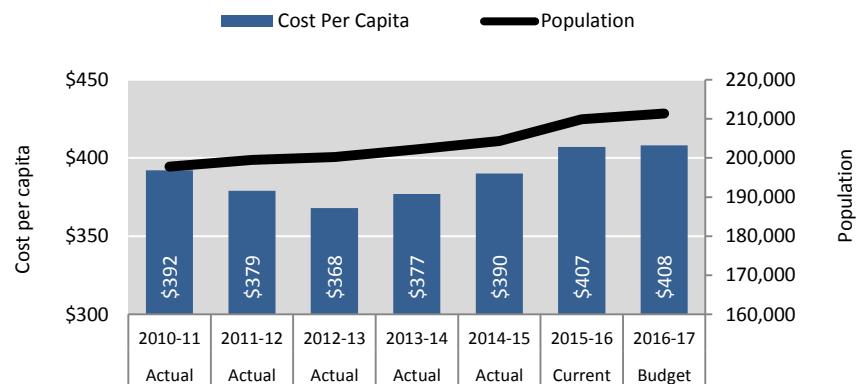
- Changes in one-time revenues for various special revenue and capital project funds.
- Reduction to revenue in the General Debt Service Fund as lease revenue bonds which received funding from the Redevelopment Agency matured.
- Increase in revenue to the Sewer Maintenance and Operations Fund related to rising sewer treatment costs by outside agency that is passed-through to customers through bi-monthly billing.
- Increase in revenue to Fontana Fire District related to increasing assessed valuations.

Expenditure Assumptions

General Fund Expenditures

- Personnel services: net increase of \$1.53 million** Increase in contractual obligations, addition of 2.3 new positions, absorption of grant positions, elimination of one position and other reorganization savings.
- Operating costs: reduction of \$505,000** Reflects continued cost-saving measures implemented by departments across the board.
- Contractual services: reduction of \$388,000** Reflects continued cost-saving measures implemented by departments across the board.
- Internal service charges: increase of \$637,000** Reflects an increase in risk liability and vehicle maintenance and fuel costs.
- Capital expenditures: increase of \$25,000** Reflects continued cost-saving measures implemented by departments across the board.

General Fund Expenditures Per Capita (adjusted by CPI to 2016 dollars)



Other Fund Expenditures

Major changes in other fund expenditures from the current adjusted budget include:

- Changes in one-time expenditures for various special revenue and capital project funds.
- Reduction to expenditures in the General Debt Service Fund reflecting savings from a bond refinancing and the maturity of another bond.
- Increase in expenditures in the Sewer Maintenance and Operations Fund related to rising sewer treatment costs by outside agency.

Financial Challenges Ahead

The City of Fontana continues to enjoy a measure of financial stability afforded by prudent financial decisions and policies that have been implemented by the Mayor and City Council. However, several challenges remain on the horizon.

DOF Denial of OPA Agreement as Enforceable Obligation on ROPS 15-16A, ROPS 15-16B and ROPS 16-17

On April 10, 2015, the City received a determination letter from the Department of Finance related to the City of Fontana Successor Agency Recognized Obligation Payment Schedule (ROPS) 15-16A. In that letter, the DOF disallowed the Ten-Ninety Owner Participation Agreement related to the Jurupa Hills Redevelopment Project Area of the former Fontana Redevelopment Agency. The OPA was originally entered into in 1982 and created an obligation to reimburse Ten-Ninety for infrastructure costs related to the development of Southridge Village with residual tax increment from the Jurupa Hills Project Area. Because of a Participating Owner's Payment Obligation contained within the OPA, the denial of this item on the ROPS represents a loss in revenue to the General Fund of approximately \$2 million in the proposed budget, and continuing each year until FY 2032/33. The item is set for trial on July 29, 2016.

State Budget

As the economy has recovered since the Great Recession, the state has made additional dramatic increases in permanent spending obligations. Barring any significant changes, the budget over the next two years is balanced. In the coming years, the state's commitments will exceed expected revenues. Without taking into account the likelihood of an economic slowdown or recession, the annual shortfall between spending and revenues is forecast to be over \$4 billion by Fiscal Year 2019-20. A large part of this shortfall is attributable to the expiration of the temporary taxes imposed under Proposition 30. This November, the state's voters will be given the choice whether to extend the Proposition 30 income tax rates for another 12 years. Even if the extension is passed, the longer-term budget outlook would be barely balanced.

Since 2000, the state's short periods of balance budgets have been followed by massive budget shortfalls. The sum of the deficits during this period are seven times greater than the sum of the surpluses.

Property Value Reassessments

Proposition 8 allows a temporary reduction in assessed valuation when a property suffers a decline in value. These reassessments continue to be a factor in the annual assessed valuations. The annual Consumer Price Index (CPI) adjustment which provides the basis for changes in assessed valuations state-wide is below the 2% level at 1.525% (cap), although properties that have enjoyed Prop 8 valuation reductions are not subject to this limit. Properties have begun to return to their pre Prop 8 values and are anticipated to continue that trend in FY 2016-17. Assessed valuations will be available from the County in July. True economic recovery for the City of Fontana rests on strong and continuing growth of base values.

Minimum Wage Increases.

Senate Bill No. 3, signed by the Governor in April 2016, increases the minimum wage on or after January 1, 2017, to not less than \$10.50 per hour; on or after January 1, 2018, to not less than \$11 per hour; on or after January 1, 2019, to not less than \$12 per hour; on or after January 1, 2020, to not less than \$13 per hour; on or after January 1, 2021, to not less than \$14 per hour; and on or after January 1, 2022, to not less than \$15 per hour. This will not only add cost to bring wages to the minimum, it will also cause wage compaction issues among positions.

California Public Employees Retirement System (CalPERS)

The City is a member of the California Public Employees Retirement Systems. In April 2013, the CalPERS Board approved a recommendation to change their amortization and smoothing policies. Prior to this change, CalPERS spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. The new policy will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The initial rate changes resulting from this change began in FY 2015-16.

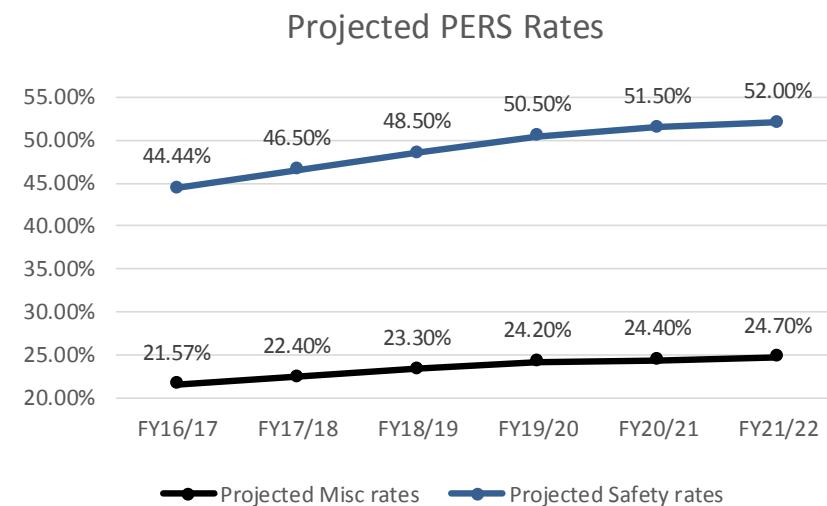
In February 2014, the CalPERS Board adopted an asset allocation strategy that lowers CalPERS' investment risk, but holds their long-term assumed rate of return at 7.5%. In order to mitigate the rate impact, a 20-year amortization period with a five year ramp up was approved. Initial rate changes resulting from this change begin in FY 2016-17.

CalPERS has provided the City with projected rates for the next five years as shown in the chart to the right.

Several years ago, the City Council approved a PERS Rate Stability Reserve to help smooth out rate spikes. The balance of that reserve was increased to \$2.8 million in the FY 2015-16 Operating Budget by allocating to it a portion of the sales proceeds from the Park and Ride property currently in escrow. This reserve will be available to offset PERS rate increases in future years.

Unfunded Liability

Governmental Accounting Standards Board (GASB) Statement No. 45 requires public-sector employers to *recognize* the cost of post-employment benefits over the active service life of their employees rather than on a pay-as-you-go basis. GASB 45 does not require the City to *fund* this benefit, only to report the liability and the funding progress. The annual required contribution



(ARC), an amount actuarially determined in accordance with the parameters of GASB 45, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The ARC for the City of Fontana was last calculated to be \$3.7 million per year and is included in the FY 2016-17 Operating Budget. As required by GASB 45, a new ARC will be calculated during 2018.

Capital Reinvestment Program

Since 1996/1997, the City Council has been investing a portion of the annual General Fund Budget back into the community in the form of capital projects (streets, parks and facilities). While the actual annual investment has varied, the goal has been to reinvest 10% of the total General Fund Budget back into the community. The significance of the Capital Reinvestment Program was underscored by the pavement management report for 2015 which identified a 7.4% backlog of repairs worth \$33 million of necessary road repairs, and the need to invest \$7.25 million annually to maintain the roads in their current condition. A total of \$6.0 million from various funds has been allocated to this critical area in the FY 2016-17 Operating Budget.

Proposition 218

On November 5, 1996, the California electorate approved Proposition 218 affecting a change to the California State Constitution by making numerous changes to local government finance law. This measure impacts the generation and use of many fundamental revenue sources including fees, charges, assessments, and taxes. This proposition also changes the methods by which certain assessments and taxes are challenged by the electorate. The FY 2016-17 Operating Budget fully complies with the provisions of Proposition 218.

Services and Growth

The City of Fontana has experienced significant growth over the past several years. With this growth comes the need to service a growing community. The funding sources for these additional services are revenue growth and the Municipal Services Fiscal Impact Fee Program (MSFIF).

The Economy

While the economy is recovering from the Great Recession, it is a much slower recovery than experienced in the past. The average post-war expansion period is five years, and we are already one year past that which means that another economic downturn could come at any time.

Five-Year Financial Forecast – General Fund

The five-year financial forecast was developed to assist in medium-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 capital improvement projects in the future. The forecast was developed using many assumptions, and thus is not intended to be an exact indicator of revenues and expenditures over the next five years and should be used as a planning guide only.

As the City grows, 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 continual update and review of its underlying assumptions to keep the City in a position of strong fiscal condition.

Revenues were projected using a “realistic conservatism” approach, and were based on historical trends with separate assumptions used for major revenue types such as sales tax, property tax, investment income and development related fees. Revenue projections do not reflect the effect of any future economic downturn.

Departmental **expenditures** were projected using 2% annual increases. PERS rate increases have been projected based on information provided in October 2014.

The forecast anticipates maintaining the current **reserve balances**, with the 15% contingency reserve increasing as expenditures increase.

The five-year financial forecast presented on the following page indicates that projected revenue growth will support anticipated expenditures for current levels of service.

Budget Summary

Fiscal Year 2016/2017

General Fund Five-Year Financial Forecast

	Proposed	Projected				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Sources:						
Revenues	\$98,019,980	\$100,050,373	\$101,747,374	\$103,478,315	\$105,243,874	\$107,044,745
Operating Transfers In	<u>9,621,300</u>	<u>9,762,658</u>	<u>9,906,843</u>	<u>10,053,912</u>	<u>10,203,922</u>	<u>10,356,933</u>
Total Sources	<u>\$107,641,280</u>	<u>\$109,813,031</u>	<u>\$111,654,217</u>	<u>\$113,532,227</u>	<u>\$115,447,797</u>	<u>\$117,401,678</u>
Uses:						
Departmental Budgets	\$86,209,060	\$88,921,807	\$90,743,793	\$92,554,298	\$93,675,656	\$95,510,823
Operating Transfers Out	<u>20,154,970</u>	<u>20,349,806</u>	<u>20,546,716</u>	<u>20,747,609</u>	<u>20,952,568</u>	<u>21,161,677</u>
Total Uses	<u>\$106,364,030</u>	<u>\$109,271,613</u>	<u>\$111,290,509</u>	<u>\$113,301,907</u>	<u>\$114,628,224</u>	<u>\$116,672,500</u>
Results of Operations	<u>\$1,277,250</u>	<u>\$541,418</u>	<u>\$363,708</u>	<u>\$230,320</u>	<u>\$819,573</u>	<u>\$729,178</u>
Beginning Fund Balance	\$26,078,196	\$27,355,446	\$27,896,864	\$28,260,572	\$28,490,891	\$29,310,464
Ending Funding Balance	\$27,355,446	\$27,896,864	\$28,260,572	\$28,490,891	\$29,310,464	\$30,039,642
15% Contingency Reserve	\$12,931,000	\$13,338,000	\$13,612,000	\$13,883,000	\$14,051,000	\$14,327,000
Economic Uncertainty Reserve	7,195,437	7,195,437	7,195,437	7,195,437	7,195,437	7,195,437
Designated for ECB	1,689,440	1,689,440	1,689,440	1,689,440	1,689,440	1,689,440
PERS Rate Stability Reserve	2,759,258	2,759,258	2,759,258	2,759,258	2,759,258	2,759,258
Legal Reserves	2,780,311	2,780,311	2,780,311	2,780,311	2,780,311	2,780,311
Unreserved/Undesignated	\$0	\$134,418	\$224,126	\$183,445	\$835,018	\$1,288,196

Family Fun Nights

Family Fun Nights



Family Fun Nights include themed activities and entertainment celebrating different styles of music.