

# *Introduction*

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## ***Transmittal Letter***

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** Kenneth R. Hunt, City Manager  
**SUBJECT:** Transmittal of the Proposed Operating Budget  
Fiscal Year 2016/2017  
**DATE:** June 15, 2016



It is with pleasure that I present for your review and consideration the Fiscal Year 2016/2017 Proposed Operating Budget for the City of Fontana, the Fontana Fire Protection District, the Fontana Housing Authority, and the Fontana Community Foundation. The budget has been developed with continued guidance by the Mayor and City Council to provide our residents and business community with the highest standard of service that will continue to enhance the overall quality of life and build upon the concept that "All Roads Lead to Fontana," as established by the Mayor and City Council during the 2016 State of the City Address.

This balanced budget proposes a continued, but cautious expansion of services, reflecting the slow economic recovery we have been experiencing over the past few years. We have prepared a budget that works within a framework to align expenditures with conservative revenue estimates. The City is currently fiscally sound and positioned for future economic growth.

The Fiscal Year 2016/2017 Proposed Operating Budget is a policy document that accomplishes City Council goals while living within our means. The "All Roads Lead to Fontana" message encapsulates the various avenues of positive economic activity currently taking place to sustain the City's future growth.

The City of Fontana is now the fastest growing city in San Bernardino County with a population estimated at 210,000. It is an exciting time to live, work and do business in the City of Fontana.

# ***Introduction***

# ***Fiscal Year 2016/2017***

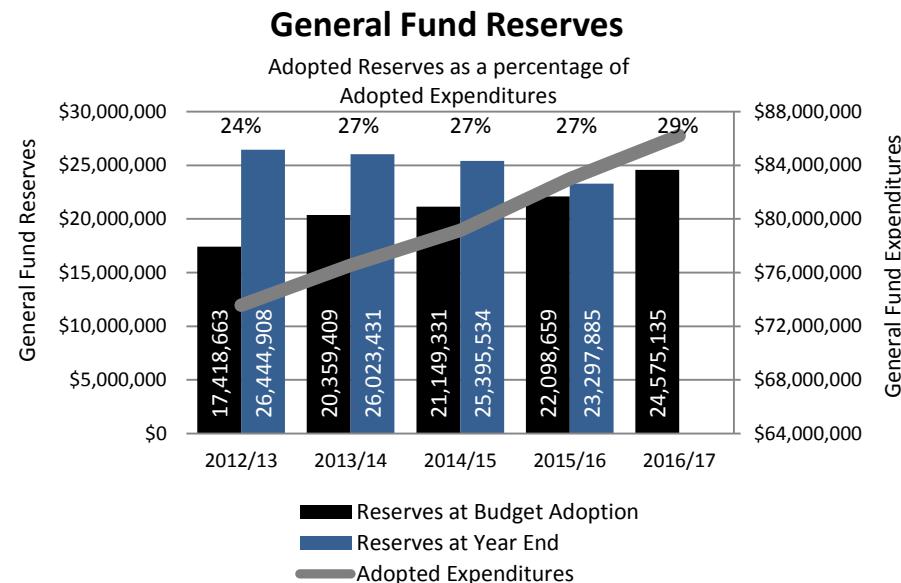
This budget invests in:

- Economic opportunities, such as the Fontana Auto Center
- Establishing a Citywide Public Information/Communications Office to provide focused marketing and branding efforts
- Expanding staff for Animal Services and Fire Protection
- Infrastructure - \$6 million road and sidewalk improvements
- Quality of life amenities, such as the construction of the Miller Park Amphitheater
- Recreation Management System to improve efficiency and customer experience
- Senior Transportation
- Youth Theater Program and the Summer Youth Art Camp expansion

The overall Proposed Budget for Fiscal Year 2016/2017 is \$212 million, an increase of \$11 million over the current year adopted budget. Overall revenues are projected at \$218 million, an increase of \$12 million over the current year adopted budget.

**Reserves.** The City continues to maintain strong General Fund reserves. The Contingency Reserve of \$12.9 million is calculated at 15% of annual appropriations at budget adoption and is intended to be used for specific and defined emergency events such as earthquakes to address immediate needs without impacting City services. All reserves, including the 15% Contingency, Economic Uncertainty, PERS Rate Stability and Expenditure Control Budgeting (ECB), total \$24.6 million for FY 2016-17.

The City's Issuer Credit Rating as provided by Standard and Poor's Ratings Services is AA- with a stable outlook. The City's overall creditworthiness, including its capacity and willingness to meet its financial commitments as they come due, was cited as the primary reason. Standard and Poor's indicated that the stable outlook reflects their view of the City's ability to adjust its budget to sustain very strong reserve levels during the past five fiscal years.



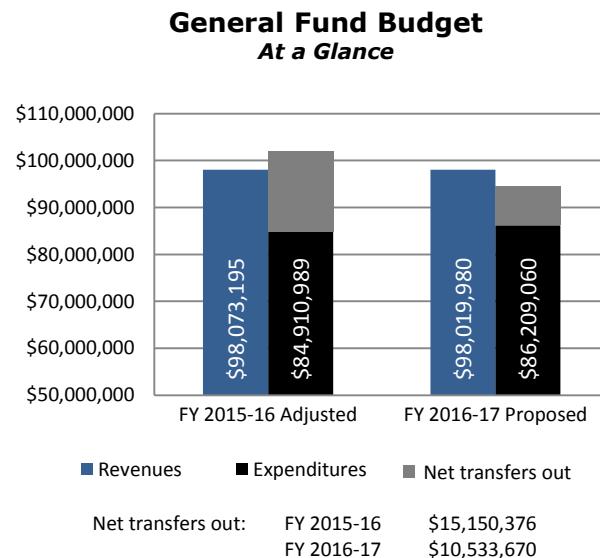
# Introduction

# Fiscal Year 2016/2017

## General Fund

The proposed budget of the City's General Fund is balanced. There are sufficient recurring revenues to cover recurring expenditures. **General Fund revenues** are projected at \$98.0 million, an increase of \$641,680 or 0.66% over the current year *adopted* budget, and a decrease of \$53,215 or 0.05% from the current year *adjusted* budget. Major changes in the revenues include the following:

- an increase in sales tax revenue of \$1.4 million reflecting the positive economic trends seen statewide (prior year included \$1.8 million one-time revenue for "triple flip" unwind)
- an increase in property tax revenue of \$0.8 million reflecting a 3% projected increase in city-wide assessed valuation
- an increase in franchise fees, business and development-related revenues of \$1.1 million reflecting slowly improving economic conditions
- an increase in recreation revenues of \$0.2 million reflecting an improvement in economic conditions
- offset by reductions in other income and reimbursables of \$3.4 million (prior year included \$3.0 million one-time revenue reflecting property sales proceeds); and a reduction to interest of \$0.2 million



**General Fund expenditures** of \$86.2 million reflect an increase of \$3.2 million or 3.9% from the FY 2015-16 *adopted* budget, and an increase of \$1.3 million or 1.5% more than the FY 2015-16 *adjusted* budget. This increase is primarily attributable to an increase in expenditures as follows:

|   |               |
|---|---------------|
| Contractual obligations related to City staff             | \$1.1 million |
| Three new positions added [Police (2) and Admin Svcs (1)] | 0.2 million   |
| Grant positions absorbed by General Fund                  | 0.9 million   |
| Fleet maintenance cost increases                          | 0.4 million   |
| Recurring departmental requests                           | 0.4 million   |
| One-time departmental requests                            | 0.4 million   |
| <b>\$3.4 million total</b>                                |               |

These increases are partially offset by the following expenditure reductions:

|   |               |
|---|---------------|
| Prior year one-time expenditures                  | \$2.0 million |
| Elimination of one position [Management Services] | 0.1 million   |
| <b>\$2.1 million total</b>                        |               |

# Introduction

# Fiscal Year 2016/2017

**General Fund net transfers out** of \$10.5 million reflect a decrease of \$4.9 million or 31.5% from the FY 2015-16 *adopted* budget, and a decrease of \$4.6 million or 30.5% less than the FY 2015-16 *adjusted* budget. This decrease is the result of:

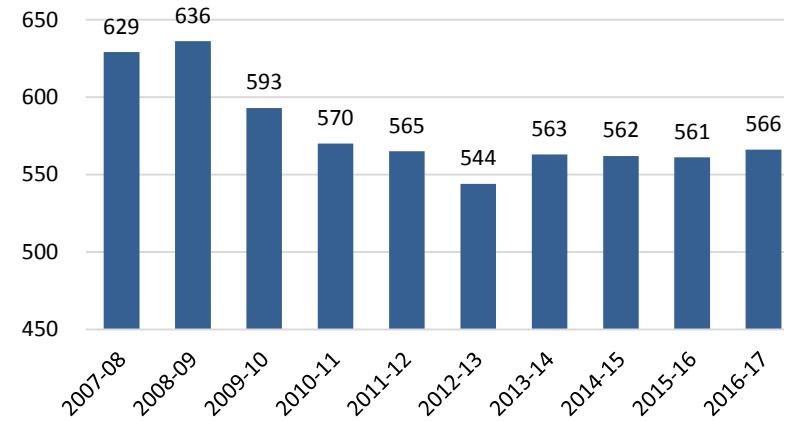
|  |                             |
|--|-----------------------------|
| Increase to transfers in for cost allocation   | -\$0.6 million              |
| Decrease to transfers out for grant matches and other obligations                                    | -0.8 million                |
| Decrease to transfers out to Retiree Medical Benefits Fund pursuant to actuarial study               | -0.8 million                |
| Decrease to transfers out to General Debt Service Fund (savings from refinancing)                    | -0.7 million                |
| Decrease to transfers out for one-time requests (net)  | -2.6 million                |
| Increase to transfers out to Technology Fund for additional funding for Hardware Replacement Program | 0.2 million                 |
| Increase to transfers out to Self Insurance Fund to rebuild reserves                                 | 0.2 million                 |
| Prior year adjustments   | 0.5 million                 |
|  | <b>-\$4.6 million total</b> |

## Organizational Changes

Four new positions have been added, two in the Police Department: one Records Clerk and one Animal Services Officer; one in Administrative Services: one Administrative Analyst; and one in Public Works: one Pump Maintenance Assistant. One position was eliminated from Management Services.

*(Note: three positions were added and one deleted during the current fiscal year)*

## Budgeted Full-Time Positions at Budget Adoption



# Introduction

# Fiscal Year 2016/2017

## City-Wide Budget

Revenues for all entities city-wide have been estimated at \$218 million, with expenditures projected at \$212 million.

|                          | Total Revenues <sup>(1)</sup> |                |                |                                |                | Total Expenditures <sup>(2)</sup> |                |                                |  |  |
|--------------------------|-------------------------------|----------------|----------------|--------------------------------|----------------|-----------------------------------|----------------|--------------------------------|--|--|
|                          | FY 2015-16                    |                | FY 2016-17     | Change from FY 2015-16 Current | FY 2015-16     |                                   | FY 2016-17     | Change from FY 2015-16 Current |  |  |
|                          | Adopted                       | Current        |                |                                | Adopted        | Current                           |                |                                |  |  |
| General Fund             | \$ 97,378,300                 | \$ 98,073,195  | \$ 98,019,980  | \$ (53,215)                    | \$ 82,989,610  | \$ 84,910,989                     | \$ 86,209,060  | \$ 1,298,071                   |  |  |
| Other General Funds      | 5,897,290                     | 5,810,407      | 6,011,190      | 200,783                        | 15,678,820     | 16,691,922                        | 16,713,270     | 21,348                         |  |  |
| Special Revenue Funds    | 40,836,970                    | 50,245,203     | 42,187,420     | (8,057,783)                    | 32,392,800     | 40,309,896                        | 37,288,120     | (3,021,776)                    |  |  |
| Debt Service Funds       | 992,860                       | 992,860        | 201,430        | (791,430)                      | 4,735,420      | 4,735,420                         | 3,131,150      | (1,604,270)                    |  |  |
| Capital Project Funds    | 6,905,750                     | 14,153,979     | 14,950,520     | 796,541                        | 8,450,760      | 12,984,810                        | 12,813,990     | (170,820)                      |  |  |
| Internal Service Fund    | 4,432,860                     | 4,432,860      | 5,114,130      | 681,270                        | 3,926,700      | 4,550,469                         | 5,439,610      | 889,141                        |  |  |
| Enterprise Funds         | 18,208,900                    | 18,208,900     | 19,908,000     | 1,699,100                      | 19,391,160     | 19,449,881                        | 18,378,460     | (1,071,421)                    |  |  |
| Fire Protection District | 30,151,100                    | 30,151,100     | 30,575,600     | 424,500                        | 29,380,620     | 31,295,255                        | 31,472,360     | 177,105                        |  |  |
| Housing Authority        | 980,530                       | 1,590,530      | 1,144,290      | (446,240)                      | 4,170,810      | 5,809,098                         | 654,010        | (5,155,088)                    |  |  |
| Community Foundation     | 1,200                         | 1,200          | 1,100          | (100)                          | 20,000         | 20,000                            | 500            | (19,500)                       |  |  |
| Totals                   | \$ 205,785,760                | \$ 223,660,234 | \$ 218,113,660 | \$ (5,546,574)                 | \$ 201,136,700 | \$ 220,757,740                    | \$ 212,100,530 | \$ (8,657,210)                 |  |  |

<sup>(1)</sup> Excludes operating transfers in and carryover project revenue of \$30 million

<sup>(2)</sup> Excludes operating transfers out and carryover projects of \$81 million

**Other General Funds** include City Technology, Facilities Maintenance, Self Insurance and Retiree Medical Benefits and are funded primarily through operating transfers from the General Fund. They are maintained separately for accounting purposes only and are reported as part of the General Fund in the Comprehensive Annual Financial Report (CAFR). Proposed revenues have increased by \$0.2 million. Proposed expenditures have remained the same.

**Special Revenue Funds** account for specific revenues legally restricted to expenditures for particular purposes such as Gas Tax, Measure I, Asset Seizure funds, Grants, Landscape and Lighting Maintenance Districts and Maintenance Community Facilities Districts. Current year budgeted revenues and expenditures exceed the proposed amounts by \$8.1 million and \$3.0 million, respectively, primarily due to multi-year projects and corresponding revenues included in the current year.

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# Fiscal Year 2016/2017

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**Debt Service Funds** are used to accumulate resources for the payment of principal and interest on the 2010 Lease Revenue Bonds (Fire Station No. 71) and the 2014 Lease Revenue Refunding Bonds (Ventana Land Purchase). This represents all debt obligations of the City with principal outstanding of \$43.8 million at June 30, 2015. Annual debt service payments are approximately \$3.1 million. Revenues and expenditures have decreased by \$0.8 million as a result of the maturity of the 2003 Lease Revenue Bonds and subsequent end to the reimbursement from the former Redevelopment Agency. The additional reduction in expenditures of \$0.8 million reflects savings from the 2014 refinancing bonds.

**Capital Project Funds** are used to account for the acquisition and construction of major capital facilities and are funded by various sources including development impact fees and community facilities district special assessment bond proceeds. The Capital Reinvestment Fund is funded by transfers from the General Fund. Activity in these funds varies significantly from year to year as resources are accumulated and then used to fund large capital projects. The proposed revenues exceed the current year budgeted revenues by \$0.8 million and the proposed expenditures are close to the same as the current year budgeted expenditures. Any amounts unspent at year end will be carried forward into the next year at the First Quarter Budget Review.



The City's only **Internal Service Fund** is used to accumulate costs related to fleet services which are allocated to the benefiting funds and departments through an internal service charge. The fund balance reflects amounts available for future fleet replacements. Revenues have increased by approximately \$0.7 million and expenditures by \$0.9 million reflecting the comprehensive fleet maintenance system.

**Enterprise Funds** account for the City's business-type activities, operating and capital funds for sewer and water. In recent years, the Water Fund has been used to account for expenses related to the water rate case study. The sewer funds account for the billing and collection of sewer charges, and for the operations, maintenance and construction of the City's sewer system. Revenues increased due to increasing costs for wastewater treatment by outside agencies passed through to customer rate, and expenditures decreased reflecting a reduction in capital projects.

# **Introduction**

# **Fiscal Year 2016/2017**

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The **Fontana Fire Protection District** was created effective July 1, 2008, to provide fire suppression, emergency medical, fire prevention and education services within the City limits and unincorporated area within the City's sphere of influence. Revenues to the District include property taxes, fees and special assessments from a Community Facilities District and have been increased from the current year adjusted amount to reflect some recovery in assessed valuations city-wide as well as distributions of excess tax increment resulting from the dissolution of redevelopment.



District expenditures reflect a contractual agreement with the County of San Bernardino and City overhead costs, as well as current year capital costs.

Revenues are expected to increase by \$0.4 million primarily due to increases in assessed valuations, while expenditures are proposed to increase by approximately \$0.2 million.

The **Housing Authority** utilizes funding from the Federal Department of Housing and Urban Development (HUD) grants to improve and develop quality neighborhoods and housing opportunities throughout the City. With the elimination of redevelopment agencies, the Housing Authority became the Successor Agency to the former Low/Moderate Income Housing Fund (LMIHF). Current year expenditures exceed the proposed expenditures by \$5.2 million due to current year project costs.

The **Fontana Community Foundation** was established for the purpose of aiding and assisting in the implementation, improvement and maintenance of public services that preserve and promote the health, welfare and education of local citizens. Current activity in this fund reflects grant application efforts. Both estimated revenues and expenditures have decreased due to lack of activity.

## **Capital Improvement Program**

The seven-year Capital Improvement Program (CIP) is a companion volume to this document. A planning tool, the CIP identifies the capital improvement needs in a manner that assures the most responsible and efficient use of resources. The proposed capital budget for Fiscal Year 2016-17 through 2022-23 is \$414 million and contains 107 projects. Of that amount, the proposed operating budget includes \$20.35 million of funding for new and ongoing projects.

- **Pavement rehabilitation** – funds \$5.70 million from various funds for street overlay and rehabilitation, and construction of new and replacement sidewalks, curbs and gutters.
- **Miller Park Amphitheater** – funds \$5.08 million from the Park Development Fund and the Community Development Block Grant Fund for an amphitheater and a 2,000 square foot stage with integrated storage facility including electrical, water and sewer services, a turf grass performance viewing area with berms for elevated viewing, concrete walkways and dance floor, decomposed granite vendor areas and a decorative water feature.
- **Etiwanda/Slover Intersection** – funds \$6.00 million from the Measure I Fund and the Circulation Mitigation Fund for street widening and traffic signal modifications at Slover Avenue/Airport Drive and Etiwanda Avenue to include improved curb returns, additional turn lanes, associated storm drain facilities, rail crossing upgrades, and required signing and striping modifications, improving overall traffic circulation and capacity at the intersection of Etiwanda Avenue and Slover Avenue.
- **Metrolink Crossings at Juniper Avenue and Sierra Avenue** – funds \$0.75 million for Juniper Avenue and \$0.50 million for Sierra Avenue from the Measure I Fund for construction of six-foot wide sidewalks, curb and gutter on both sides of Juniper Avenue at the Metrolink Crossing. It will also install pedestrian crossing gates, arms and swing gates and will increase accessibility for pedestrian foot traffic.
- **RM Lewis park lights retrofit** – funds \$0.50 million from the Park Development Fund for replacement of sports field lighting fixtures.
- **Various traffic signals** – funds \$0.67 million from the Measure I Fund for new traffic signals at six intersections throughout the City to improve safety and circulation.
- **Street and Sidewalk Installation** – funds \$0.30 million from the Capital Reinvestment Fund to install missing curb, gutter and sidewalks in the City to increase mobility and improve foot traffic.
- **Hardware replacement program** – funds \$0.85 million from City Technology Fund to replace computers, servers, network equipment, etc. throughout the City as needed on an ongoing basis.

# Introduction

# Fiscal Year 2016/2017

The City of Fontana continued to see a number of significant events during the past year despite the slowly recovering economy and resulting budget constraints.

## Significant Events of FY 2015-16

- **2016 United States Conference of Mayors' Childhood Obesity Prevention Awards Program:** Awarded first place for a mid-sized city for the *Healthy Kids for a Healthy Fontana* program and received a \$120,000 grant to support both new and existing programs to address the childhood obesity epidemic.
- **Fontana Forward!:** In conjunction with updating Fontana's state-required General Plan, established an interactive informational website as a planning project to create a vision for the future and shape growth to achieve the vision over the next twenty years.
- **I-15 Duncan Canyon interchange project:** This \$35.8 million project will accommodate projected growth and development in this area. Partially funded by City Development Impact Fees (DIF), County Funds, Measure I Funds, \$1,972,000 in State Local Partnership Program funds and \$12,000,000 in Corridor Mobility Improvements Act (CMIA)/Prop 1B funds, construction began in October 2012 and was completed in October 2015.



- **Duncan Canyon Storm Drain project:** This \$4.2 million project will provide the necessary flood control and drainage to facilitate the future development of the northern area of Fontana. Construction of this segment of storm drain was a cooperative effort between the City of Fontana and the State. Awarded and administered by the California Department of Transportation (Caltrans), construction was started in November 2015 and completed in May 2016.
- **Fire Station No. 73:** This \$6.1 million project is strategically located on the southeast corner of Foothill Boulevard and Banana Avenue to optimize response times to its service area which includes the City of Fontana, unincorporated areas of the County of San Bernardino and the California Speedway. Construction began in October 2014 and the grand opening was held in March 2016.

# Introduction

# Fiscal Year 2016/2017

- **I-15/Baseline Road Interchange:** This project involved the construction of a new south bound loop ramp and improved existing on and off ramps, with intersection improvements at Baseline Avenue and East Avenue which will greatly improve traffic circulation in the area. SANBAG was the lead on this project; the City's share of this project was approximately \$6.0 million.
- **Siena Apartments:** The Housing Authority executed an agreement to develop a 54-unit affordable apartment community located on Juniper Avenue just west of and adjacent to the Toscana Apartments. Palm Communities was awarded TCAC for funding necessary to construct the Siena Apartments. Construction commenced in December 2014 and was completed in April 2016.
- **Minerva Manor Senior Apartments:** The Housing Authority executed an agreement with Elderly Housing Development & Operations Corporation (EHDOC) to develop a 62-unit affordable apartment community located on Juniper Avenue directly across the street from the John Piazza Senior Apartments. Construction commenced in August 2014 and was completed in January 2016 with the grand opening held in February 2016.
- **Valley Kia:** Staff successfully negotiated an Operating Covenant Agreement with Valley KIA to assist with their expansion and relocation to the Fontana Auto Center. The KIA Dealership facility in the Fontana Auto Center opened for business in May 2016.
- **Low-Cost Vaccine Clinics:** In conjunction with the County of Riverside Department of Animal Services, sponsored a number of clinics to license, microchip and vaccinate both dogs and cats at City Hall throughout the year.



- **San Sevaine Trail:** Awarded approximately \$3 million, 78% of the funding needed, from the State of California Department of Parks and Recreation and the Mobile Source Air Pollution Review Committee for the completion of the trail which will enhance the quality of life for several jurisdictions and provide an alternative mode of transportation for the community.
- **Special Olympics:** The Special Olympics World Games Los Angeles 2015 "Flame of Hope" made its way through Fontana on July 19, 2015, before completing its journey at the historic Los Angeles Memorial Coliseum, marking the beginning of the 2015 Special Olympics Games.

## Challenges Ahead

While positioned to take advantage of the continuing economic recovery, the following is a summary of a number of challenges that remain on the horizon. Additional information is available in the Budget Summary section beginning on page 47.

- **DOF Denial of OPA Agreement as Enforceable Obligation on ROPS 15-16A.** The City's General Fund faces a revenue loss of approximately \$2 million annually beginning in Fiscal Year 2016-17. The issue is scheduled for trial on July 29, 2016.
- **State Budget.** The State continues to spend beyond its means. While the state's revenues have lagged expectations, the Governor and the Legislature continue to make major new spending commitments. Without the voters' approval in November to extend the Proposition 30 "temporary" income tax rates for another 12 years, the annual shortfall between spending and revenues is forecast to be over \$4 billion by Fiscal Year 2019-20.
- **California Public Employees Retirement System (CalPERS).** PERS rates continue to rise each year. The City's PERS Rate Stability Reserve is currently funded at \$2.8 million to help smooth out rate spikes.
- **Unfunded Liability.** The annual required contribution to fund the City's retiree health program for both current and future retirees has been calculated to be \$3.7 million for each of the next two years. The program has been closed to new hires since 1990.
- **Property Value Reassessments.** 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. True economic recovery for the City of Fontana rests on strong and continuing growth of base values.
- **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), with a goal 10%. A total of \$6 million from various funds has been allocated in the FY 2016-17 Operating Budget to this critical area.
- **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.

# **Introduction**

# **Fiscal Year 2016/2017**

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- **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.

## **Conclusion**

The Fiscal Year 2016/2017 Budget as proposed is fiscally balanced and continues to support services, maintenance, facilities and infrastructure in line with the priorities of the City Council. I am confident that the commitment from staff and the involvement of our residents will ensure that "All Roads Lead to Fontana" and continue to make it an ideal place to live, work and play. I am proud to be City Manager of such an innovative and excellent organization.

The budget is comprised of three separate volumes: Operating Budget Summary which provides a high-level overview of activities and programs; Operating Budget Detail which provides detail information at the object code level; and Seven-Year Capital Improvement Program (CIP) which presents the City's comprehensive capital spending plan.

I am pleased to report that the City of Fontana has received distinguished budget awards from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) for its Fiscal Year 2015-16 Operating Budget for the twenty-third consecutive year. These awards are presented to cities whose budget documents meet program criteria as a policy document, operations guide, financial plan and communications device.

I would like to take this opportunity to thank the Mayor and City Council for their outstanding leadership and clear direction in building this budget document, as well as the staff members and community partners who have taken the time to participate in this very important process.

Respectfully submitted,



Kenneth R. Hunt  
City Manager

## ***Budget Awards***

### ***Governmental Finance Officers Association (GFOA)***

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The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to the City of Fontana for its annual budget for the fiscal year beginning July 1, 2015.

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

The award is valid for a period of one year. The City of Fontana believes that the current budget continues to meet program requirements and will be submitted to GFOA to determine its eligibility for another award.

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## ***California Society of Municipal Finance Officers (CSMFO) Award***

# *California Society of Municipal Finance Officers*

*Certificate of Award*

## *Operating Budget Excellence Award Fiscal Year 2015-2016*

*Presented to the*

### *City of Fontana*

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

*February 23, 2016*



*Jesse Takahashi*

*Jesse Takahashi*  
CSMFO President



*Michael Gomez, Chair  
Professional Standards and  
Recognition Committee*

*Dedicated Excellence in Municipal Financial Reporting*

## ***City Council Priorities***

Maintaining the City's 15% Fund Balance Reserve is critical to the ongoing financial stability of the City of Fontana. The following prioritized list will be used to evaluate all future funding alternatives generated from new revenue and savings achieved:

- 1. Economic Development Strategy.** Focus on continuing the City Council's Economic Development Strategy.
- 2. Public Safety.** Maintain 40% proactive patrol time and absorb as many previously grant-funded sworn and non-sworn positions into the General Fund when the grant ends as recurring revenues will allow.
- 3. Neglected Infrastructure.** Apply a minimum of 10% of annual General Fund adopted recurring appropriations to discretionary infrastructure projects as defined in the Seven-Year Capital Improvement Program. These funds are to be used whenever possible to leverage outside funding alternatives.
- 4. Community Based Recreational and Cultural Services.** Expand and enhance recreational and cultural services which are key factors to the ongoing health, welfare and quality of life within the community.
- 5. Public Services and Public Works Projects.** Maintain sufficient funding to adequately maintain parks, streets, open space, storm drains and buildings.
- 6. Long-Term Financial Stability.** Live within our means and maintain adequate reserves for emergencies.
- 7. Investment in Newly Annexed Areas.** Invest tax dollars generated from newly annexed areas in those same areas.
- 8. Legislative Advocacy.** Return and reinvest as many tax dollars paid by the City's residents at the State and Federal levels back into this Community as possible.
- 9. Investment in Productivity Enhancing Equipment.** Strive to achieve and excel in efficiency enhancements.

## ***City Council Goals and Objectives***

The following guidelines were structured to reflect the City Council goals and objectives and provide the framework in which the Operating Budget for Fiscal Year 2016/2017 was prepared:

### **GOAL #1      TO CREATE A TEAM**

- ***Work together to provide stability and consistent policy direction***
- ***Communicate goals and objectives to all sectors of the community***
- ***Support the decisions of the majority once made***
- ***Ensure commissions work within clear guidelines to achieve Council goals***

Guideline: Reflect the City's Vision Statement, City Council Goals and Objectives and City Council priorities in the proposed budget.

Guideline: Communicate policies established with the adoption of the annual budget to the community using brochures, monthly Financial Performance Reports and Quarterly Budget Reports.

### **GOAL #2      TO OPERATE IN A BUSINESS-LIKE MANNER**

- ***Become more service oriented***
- ***Improve services through the effective use of technology***
- ***Ensure that the public debate is based on accurate information***
- ***Emphasize staff training and development***
- ***Correct problems immediately***

Guideline: Consider privatization and contracting out programs and services that demonstrate measurable cost effectiveness.

Guideline: Use community responsiveness as a top priority for all contracting decisions.

Guideline: Invest in the utilization of new technologies and staff training to enhance efficiency.

## ***City Council Goals and Objectives - continued***

### **GOAL #3      TO PRACTICE SOUND FISCAL MANAGEMENT**

- ***Produce timely and accurate financial information***
- ***Emphasize capital formation***
- ***Live within our means while investing in the future***
- ***Fully fund liabilities and reserves***
- ***Developing long-term funding and debt management plans***

Guideline: Update and present budgetary information to the City Council through the issuance of monthly Financial Performance Reports and Quarterly Budget Reviews.

Guideline: Strive to reinvest in infrastructure in an amount equal to 10% of recurring appropriations.

Guideline: Set proposed General Fund departmental budgets at a spending level that will be free from reliance upon non-recurring revenue sources or deficit spending.

Guideline: Maintain an Undesignated General Fund Balance equal to 15% of adopted recurring appropriations.

Guideline: Continue to maintain an "Expenditure Control Budget (ECB)" approach to reward departments for not spending their entire budget by providing saving incentives.

Guideline: Prepare a balanced budget that fully funds the City's retiree health benefit costs, the Self Insurance Fund, fleet and equipment replacement costs and debt service obligations.

## ***City Council Goals and Objectives - continued***

### **GOAL #4 TO PROMOTE ECONOMIC DEVELOPMENT**

- ***Concentrate on job creation***
- ***Pursue business retention, expansion and attraction***
- ***Establish a quick, consistent development process***
- ***Be business friendly at all levels of operations***
- ***Strive to constantly improve the City's competitiveness***
- ***Aggressively pursue annexations***

Guideline: Provide for sufficient operational and capital expenditures to adequately service the business and development communities.

Guideline: Provide specific funding for economic development activities such as annexations, business attraction, marketing, expansion and retention.

### **GOAL #5 TO IMPROVE PUBLIC SAFETY**

- ***Increase operational efficiency, visibility and availability***
- ***Emphasize community oriented policing and community involvement***
- ***Utilizing other City programs to help reduce crime***
- ***Combat gang and drug activity***
- ***Maximizing fire and emergency medical service resources***
- ***Minimize community impact from disaster events with emergency disaster preparedness and community awareness***

Guideline: Maintain as a top priority a sworn officer ratio sufficient to achieve a 40% proactive patrol time.

Guideline: Absorb sworn and non-sworn police positions back into the General Fund as grants end and recurring revenues permit.

## ***City Council Goals and Objectives - continued***

### **GOAL #6      TO INVEST IN THE CITY'S INFRASTRUCTURE (STREETS, SEWERS, PARKS, ETC.)**

- ***Maintain and improve the City's existing infrastructure***
- ***Provide for the development of new infrastructure***
- ***Improve the aesthetics of the community***
- ***Focus on relief of traffic congestion***
- ***Create and promote community through people, parks and programs***

Guideline: Prepare the City's Seven-Year Capital Improvement Program (CIP) as part of the Operating Budget process.

Guideline: Provide specific funding to maintain aggressive graffiti removal and proactive Code Compliance functions.

Guideline: Continue to elevate building standards within the community.

Guideline: Retain the historic and natural elements of the community as Fontana continues to develop.

Guideline: Continue to set aside funding for freeway interchange and corridor projects.

Guideline: Provide Measure I outreach to address transportation issues and to bring awareness to residents and businesses of how the City utilizes Measure I funds.

## ***City Council Goals and Objectives - continued***

### **GOAL #7 TO CONCENTRATE ON INTER-GOVERNMENTAL RELATIONS**

- ***Working cooperatively with neighboring jurisdictions***
- ***Establish partnerships with other public agencies providing services to residents***
- ***Pursue financial participation from county, state and federal governments***
- ***Advocate Fontana's position in regional, state and federal organizations***

Guideline: Continue to work with the League of California Cities to keep local revenues "local" in order to provide the services our residents and businesses expect and deserve.

Guideline: Seek financial assistance such as grants and relief from unfunded mandates.

### **GOAL #8 TO INCREASE CITIZEN INVOLVEMENT**

- ***Seek community input***
- ***Inform the public about issues, programs and accomplishments***
- ***Develop future leaders***
- ***Utilize technology to promote communication and linkages in the community***
- ***Promote healthy lifestyle opportunities to Fontana residents of all ages***

Guideline: Provide an opportunity for public review and comment of the proposed budget.

Guideline: Provide easy access to the budget and other financial documents through the City's website.

Guideline: Expand community awareness through Fontana's Government Access Channel "KFON."

Guideline: Hold community meetings throughout the City and meet regularly with faith-based organizations.

Guideline: Enhance the Intra-City Marketing Program.

## ***City Council Goals and Objectives - continued***

### **GOAL #9 TO PROMOTE AFFORDABLE HOUSING**

- ***Facilitate construction of high-quality multi-family housing which also serves to address the affordability needs of this community***
- ***Acquisition, substantial rehabilitation and professional management of selected multi-family properties as a vehicle to reduce crime and code enforcement activity.***

Guideline: Facilitate the acquisition, substantial rehabilitation and professional management of selected apartment buildings and/or neighborhoods located throughout the City.

### **GOAL #10 TO PRESERVE THE LOCAL ENVIRONMENT FOR GENERATIONS TO COME AND TO CREATE A HEALTHY ECONOMIC AND ENVIRONMENTAL FUTURE**

- ***Commit to conservation and efficiency in city buildings and equipment***
- ***Reduce water use in city operations and in the community***
- ***Outreach to businesses and residents to promote energy efficiency in the community***
- ***Enhance existing waste reduction and recycling activities***
- ***Commit to purchasing specific products and goods that are climate friendly***
- ***Create communities and neighborhoods that are attractive, safe and convenient for walkers & bicyclists***
- ***Implement sustainable landscaping and the use of recycled water***
- ***Adopt policies that promote compact and efficient development in new and existing communities***
- ***Promote an environment that encourages healthy eating, regular physical activity and responsible individual choices***
- ***Promote programs that encourage reducing greenhouse gas emissions***
- ***Adopt policies that will attract new green business technologies to Fontana***

Guideline: Continue efforts to ensure projects incorporate Federal guidelines for "Green policies and environmental friendliness."

Guideline: Utilize drought-tolerant landscaping where possible to comply with approved Water Conservation ordinances.