

# **CITY OF FILLMORE**

**CALIFORNIA**



**FISCAL YEAR 2014**

**APPROVED**

**BUDGET**

**INCORPORATED IN 1914**



## 2014 APPROVED BUDGET TABLE OF CONTENTS

### **Section A – Introductory**

Management Letter	A - i
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### **Section B – Maps – City Profile**

City Council, Commissioners, and Staff	B - 1
Description of the City	B - 2
Map – City Boundaries	B - 3
Map – Ventura County	B - 4

### **Section C – Summary Section**

Graph – Citywide Sources and Uses of Funds	C - 2
Graph – Comparison of General Fund Sources	C - 3
Graph – Comparison of General Fund Uses	C - 4
Graph – Comparison of General Fund Sources and Uses	C - 5
Total Compensation – Regular Employees	C - 6
Total Compensation – Part-Time Employees	C - 7
Revenues, Expenditures, and Fund Balances by Fund	C - 8
Revenue by Fund	C - 10
Expenditures by Fund	C - 12

### **Section D –General Fund 101**

General Fund Revenue	D - 14
General Fund Expenditures – City Council	D - 18
General Fund Expenditures – City Attorney	D - 20
General Fund Expenditures – City Clerk	D - 22
General Fund Expenditures – City Administration	D - 24
General Fund Expenditures – Central Support	D - 26
General Fund Expenditures – Government Buildings	D - 28
General Fund Expenditures – Risk Management	D - 30
General Fund Expenditures – Non-Departmental	D - 32
General Fund Expenditures – Police Services	D - 34
General Fund Expenditures – Fire Protection	D - 36
General Fund Expenditures – Animal Control	D - 39
General Fund Expenditures – Code Enforcement	D - 41
General Fund Expenditures – Parking Facilities	D - 43
General Fund Expenditures – Central Garage	D - 45
General Fund Expenditures – Planning	D - 47
General Fund Expenditures – Cable Television/Community Promotion	D - 49
General Fund Expenditures – Economic Development	D - 51



**2014 APPROVED BUDGET  
TABLE OF CONTENTS  
(Continued)**

**Section D --General Fund 101 (continued)**

General Fund Expenditures – Engineering	D - 53
General Fund Expenditures – Building & Safety	D - 55
General Fund Expenditures – Park Maintenance	D - 57
General Fund Transfers Out	D - 59

**Section E - Special Revenue Funds**

Fund 203	Street & Drains	E - 62
Fund 204	Local Transportation	E - 65
Fund 206	Lighting & Landscaping Maintenance District	E - 67
Fund 207	Storm Drains Maintenance District	E - 70
Fund 208	Community Development Block Grant	E - 73
Fund 210	Public Transit	E - 75
Fund 211	Bike Path	E - 77
Fund 212	Solid Waste	E - 79
Fund 231	Housing Asset	E - 82
Fund 304	Recreation	E - 84
Fund 305	Community Pool	E - 89

**Section F - Enterprise Funds**

Fund 301	Sewer	F - 92
Fund 302	Water	F - 97
Fund 303	Town Theater	F - 104

**Section G - Development Impact Fee Funds**

Fund 402	Public Facilities Development Impact Fees	G - 106
Fund 403	Transportation Development Impact Fees	G - 108
Fund 404	Parkland Development Impact Fees	G - 110
Fund 405	Water Development Impact Fees	G - 112
Fund 406	Sewer Development Impact Fees	G - 114
Fund 407	Storm Drain Development Impact Fees	G - 116



**2014 ADOPTED BUDGET  
TABLE OF CONTENTS  
(Continued)**

**Section H - Replacement – Reserves**

Fund 504	Water Replacement Reserve	H - 118
Fund 506	General Fund Reserve	H - 120
Fund 507	Vehicle Replacement Reserve	H - 122
Fund 508	Sewer Rate Stabilization	H - 124

**Section I - Special Program Funds**

Fund 701	Veterans Memorial District	I - 126
Fund 702	National Pollutants Discharge Elimination	I - 129
Fund 708	Fillmore Senior Center	I - 131
Fund 803	Community Facilities District #1	I - 134
Fund 804	Community Facilities District #2	I - 136
Fund 805	State Wastewater Treatment Plan Loan	I - 138
Fund 806	Community Facilities District #3	I - 140
Fund 808	Capital Leases	I - 142
Fund 809	Community Facilities District #5	I - 144
Fund 811	Community Facilities District #6	I - 146

**Section J – Debt Service Funds**

Fund 905	Former Redevelopment Agency Debt Service	I - 148
Fund 932	Successor Redevelopment Agency Debt Service	I - 150

**Section K – Capital Improvement Program**

Fund 450	Traffic Signals	K - 154
Fund 460	Post Office Parking Lot	K - 156
Fund 463	Water Recycling Plant	K - 158
Fund 464	Two Rivers Park	K - 160
Fund 467	Street Projects	K - 162
Fund 471	Riverwalk Weir/Bank	K - 164
Fund 472	Pole Creek Bike Path	K - 166
Fund 474	BTA Bike Path	K - 168
Fund 475	Business Park Infrastructure	K - 170
Fund 479	Sidewalk Repair	K - 172
Fund 480	"A" Street Waterline Replacement	K - 174
Fund 490	Fire Station/Public Works Yard	K - 176



City of  
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**2014 ADOPTED BUDGET  
TABLE OF CONTENTS  
(Continued)**

**Section L - Former Redevelopment Agency**

Fund 901	Low/Moderate Income Housing	L - 178
Fund 902	Capital Projects and Economic Development	L - 180
Fund 931	Successor Low/Moderate Income Housing	L - 184
Fund 932	Successor Debt Service Fund	L - 186
Fund 933	Town Theater	L - 190
Fund 936	Retirement Obligation	L - 192

**Section M – Appendix**

2014 City of Fillmore Budget Resolution	M - 194
2014 GANN Appropriations Limit Resolution	M - 200



**CITY OF FILLMORE**  
CENTRAL PARK PLAZA  
250 Central Avenue  
Fillmore, California 93015-1907  
(805) 524-3701 • FAX (805) 524-5707

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July 1, 2013

Dear Mayor and Members of the City Council:

It is my pleasure to present the approved FY 2014 Annual Budget for the City of Fillmore.

The budgeting process began with the preparation of the Recommended Budget, which was received by the City Council on June 6, 2013 and reviewed during City Council meeting conducted on June 11, June 18, and June 25 of 2013. After extensive review, the City Council approved the budget on June 25, 2013.

The recommended budget can once again be described as an austerity budget due to the City's ongoing financial issues resulting from sales tax matters. However, recent actions by the City Council are expected to lead to resolution of those issues during FY 2014 and allow the City to begin regaining the sound financial footing that it enjoyed for many years.

## **GENERAL FUND**

### **FY 2013 Estimated Actual Revenues and Expenditures**

General Fund revenues are projected to reach \$5,908,882 by year-end, which is \$313,606 less than budgeted revenues of 6,222,448.

General Fund expenditures for FY 2013, taking into consideration mid-year budget adjustments approved by the City Council, are estimated at \$5,466,466, which is \$42,931 less than budgeted expenditures of \$5,509,357.

Estimated revenues are expected to exceed estimated expenditures by \$442,416. Accordingly, the General Fund Balance is expected to be \$327,960 as of June 30, 2013 (end of FY 2013). The General Fund cash balance is expected to be approximately \$1,050,000 as of June 30, 2013 (end of FY 2013).

### **FY 2014 Revenues**

FY 2014 General Fund revenues are budgeted at \$6,030,749. This amount is \$121,867 greater than the FY 2013 estimated year-end revenue.

Following is a comparison of the FY 2014 recommended revenue budget compared to FY 2013 estimated revenues for each revenue category:

<u>Revenue Category</u>	<b>FY 2013 Estimated Actual</b>	<b>FY 2014 Recommended Budget</b>	<b>% Change Increase/ (Decrease)</b>
Taxes	\$3,585,696	\$4,796,290	33.76%
Licenses and Permits	112,000	112,000	0.00%
Fines and Forfeitures	60,445	56,545	-6.45%
Use of Money and Property	25,160	20,460	-18.68%
Intergovernmental	266,416	258,188	-3.09%
Charges for Services	395,829	363,329	-8.21%
Other Revenues	264,006	135,801	-48.56%
Transfers In	1,199,330	288,136	-75.98%
<b>Total General Fund Revenues</b>	<b>\$5,908,882</b>	<b>\$6,030,749</b>	<b>2.06%</b>

The 33.76% increase in the Taxes category is due to anticipated Sales Tax revenues resulting from the expected conclusion during FY 2014 of ongoing negotiations with the State Board of Equalization regarding sales tax sharing agreements. The decrease in the Other Revenues category is the result of a \$190,681 prior period adjustment. The decrease in transfers is the result of a one-time transfer of \$529,555 from the General Reserve Fund to the General Fund in FY 2013. Additionally, the amount of transfers in to the General Fund from the Sewer Fund and Water Fund has been significantly reduced in FY 2014 based on the calculation method utilized prior to FY 2010.

#### FY 2013-14 Expenditures

The FY 2013-14 General Fund expenditure budget is at \$5,944,388. FY 2013 estimated expenditures are \$5,466,466. Therefore, the FY 2014 Approved Budget represents a \$477,922 (8.74%) increase in General Fund budgeted expenditures from FY 2013 estimated expenditures. The following is a summary of the FY 2014 approved expenditure budget compared with FY 2013 estimated expenditures by function:

<u>Cost Center</u>	<b>FY 2013 Estimated Actual</b>	<b>FY 2014 Recommended Budget</b>	<b>% Change Increase/ (Decrease)</b>
City Council	\$11,331	\$15,381	35.74%
City Attorney	485,875	250,000	-48.55%
City Clerk	41,373	36,372	-12.09%
Administration	133,650	160,508	20.10%
Central Support	322,905	322,215	-0.21%
Government Buildings	102,345	102,109	-0.23%
Risk Management	\$372,972	\$159,123	-57.34%
Non-Departmental	(493,517)	0	-100.00%
Police Services	2,935,634	3,044,987	3.73%
Fire Protection	783,151	879,151	12.26%
Animal Control	64,000	67,200	5.00%

Code Enforcement	0	8,500	N/A
Parking Facilities	700	1,500	114.29%
Central Garage	118,720	123,250	3.82%
Planning	74,226	78,421	5.65%
Cable Television/Community Promotion	7,224	12,687	75.62%
Economic Development	47,124	71,643	52.03%
Engineering	34,486	41,326	19.83%
Building & Safety	61,448	112,880	83.70%
Park Maintenance	250,683	278,347	11.04%
Transfers Out	112,136	178,788	59.44%
<b>Total General Fund Expenditures</b>	<b>\$5,466,466</b>	<b>\$5,944,388</b>	<b>8.74%</b>

The increase in Administration is caused by budgeting for a full-time City Manager in FY 2014. The reduction in risk management is the result of a one-time retrospective payment in FY 2013 for liability insurance assessed to many cities by the California Joint Powers Insurance Authority, the City's insurance carrier. The City may receive an additional assessment in FY 2014, as the Authority transitions from a retrospective to prospective rate development methodology. However, it is not possible at this time to accurately estimate the cost. The amount of any assessment, if any, can be incorporated into the budget as part of the mid-year financial review. The decrease in the Non-Departmental budget results from a one-time accounting adjustment in FY 2013 relative to the ongoing sales tax issues being addressed by the City. The increase in the Fire Protection cost is due to the expectation that the Fire Chief/Interim City Manager's compensation will be all be charged to the Fire Protection cost center when a permanent City Manager is in place. It should be noted that retirement contribution rates for those employees covered under the State's Public Employee Retirement System (PERS) increased by 9.2% for safety employees and by 5.9% for miscellaneous (non-sworn) employees.

### Fund Balance

Based on the revenue and expenditure amounts in the Recommended Budget, the June 30, 2014 (end of FY 2014) General Fund Balance is projected to increase by \$86,361 and will total \$411,321.

### SEWER FUND

Sewer Fund revenues for FY 2013 are estimated to be \$7,105,066 and to exceed the budget by \$294,714. Expenditures are estimated at \$6,968,370 and to be \$169,989 below the budget. Additionally, expenditures are expected to exceed revenues by \$174,324. Excluding the \$1,111,000 non-cash item of depreciation on assets, revenues are expected to exceed expenditures by \$936,676.

FY 2014 revenues are projected at \$6,968,370, a \$136,696 decrease over the FY 2013 estimate. The City received a \$305,000 State Prop 50 Integrated Regional Water Management grant in FY 2013 that accounts for this projected revenue reduction. Expenditures are projected at \$7,320,068, a modest \$40,678 increase over the FY 2013 estimate. Additionally, expenditures are projected to exceed revenues by \$351,698. Excluding the \$1,111,000 non-cash item of depreciation on assets, revenues are projected

to exceed expenditures by \$759,302. The Sewer Development Impact Fees Fund, established to fund increases in the sewer infrastructure resulting from new development, is expected to have a \$99,608 fund balance at the end of FY 2014. The Sewer Replacement Fund, established to fund replacement and major repairs to the existing sewer infrastructure, is expected to have a fund balance of \$7,000 at the end of FY 2014. Furthermore, the Sewer Rate Stabilization Fund is projected to have an ending fund balance of \$279,036.

### **WATER FUND**

Water Fund revenue for FY 2013 is estimated at \$3,234,314 and to exceed the budget by \$10,105. Expenditures are estimated at \$2,688,120 at the end of the fiscal year, which will be \$49,572 below the budget. Additionally, revenues are expected to exceed expenditures by \$546,094. Excluding the \$145,000 non-cash item of depreciation on assets, revenues are expected to exceed expenditures by \$691,094.

FY 2014 revenues are projected at \$3,116,594, a \$117,620 decrease over the FY 2013 estimate. This reduction is mainly due to a FY 2013 transfer in of \$85,000 from the Water Development Improvement Fund and various reimbursements in FY 2013. Expenditures are projected at \$2,624,406, a \$63,714 decrease over the FY 2013 estimate. Additionally, revenues are projected to exceed expenditures by \$492,188. Excluding the non-cash item of depreciation on assets, revenues are projected to exceed expenditures by \$637,188. The Water Development Impact Fees Fund, established to fund increases in the water infrastructure resulting from new development, is expected to have a negative fund balance of \$470,339 end of FY 2014. This negative fund balance is the result of a \$750,000 loan received from another fund in a prior year. The Water Replacement Fund, established to fund replacement and major repairs to the existing water infrastructure, is expected to have a fund balance of \$616,189 at the end of FY 2014.

### **COMMUNITY REDEVELOPMENT SUCCESSOR AGENCY**

The FY 2014 Community Redevelopment Successor Agency Budget continues the State-mandated practice of ending redevelopment activity in California. Funds are budgeted for recognized obligations approved by the Successor Agency Board (City Council), the multi-agency Oversight Board, and the State Department of Finance. Those recognized obligations include debt service on tax allocation and revenue bonds and maintenance on properties formerly acquired with redevelopment funds.

### **CAPITAL IMPROVEMENTS**

In keeping with the City's current practice of adopting an austerity budget due to ongoing financial considerations resulting from sales tax issues, no new capital improvement projects are proposed at this time. Should the need to fund critically needed capital improvements arise during FY 2014, the City Council has the authority to make mid-year budget adjustments to provide funds for capital new or expanded capital projects.

## **STAFFING LEVEL CHANGES**

During adoption of the FY 2014 Annual Budget, the City Council added 3.0 Full Time Equivalent (FTE) positions. As a result of these actions, the number of authorized and funded FTE positions increased from 34.68 to 37.68. The added positions are listed as follows:

### **New Positions (FTE)**

- Civil Engineer (1.0) - Engineering
- Senior Maintenance Worker (1.0) – Lighting & Landscape Assessment District and Storm Drain Assessment District Funds
- Fiscal Assistant I (0.5) - Finance
- Maintenance Worker (0.5) – Economic Development

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when measurable and available to finance expenditures of the current fiscal year, and expenditures recorded when the services or goods are received and liabilities incurred.

The City budget is prepared on a basis consistent with generally accepted accounting principles. Appropriations lapse at year-end for all funds, with the exception of Capital Projects Funds, which have project-length budgets.

Expenditures are budgeted at the appropriation account item level according to fund cost center. Overall budgetary control, however, is exercised at the fund level, except for the City's General Fund, where control is exercised at the cost center level. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager is also authorized to make administrative amendments to the budget, provided the amendments do not have a significant policy impact or affect budgeted year-end fund balances.

Comprehensive financial reports are prepared and submitted to the City Council at the first quarter and at mid-year of each fiscal year. The financial reports are reviewed publicly at regularly scheduled City Council meetings. Interim and ad hoc financial reports are made available to the City Council upon request.

## **SUMMARY**

The Annual Budget is a living document that enables the City's policy body to respond to changes in revenue projections and the needs of the community. Additional appropriation requests or expenditure reductions may be presented to the City Council over the next fiscal year as the need arises and as revenues dictate.



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Rigo Landeros  
Interim City Manager



City of  
**FILLMORE**

*"Last Best Small Town"*

**CITY COUNCIL**

Rick Neal, Mayor  
Manuel Minjares, Mayor Pro Tem  
Douglas Tucker, Council Member  
Diane McCall, Council Member  
Steven Conaway, Council Member

**CITY TREASURER**

Shannon Godfrey - Elected

**PLANNING COMMISSION**

Tim Holmgren, Chair  
Mark S. Greenwell  
Christopher Hoy  
Robert Smith

**CITY CLERK**

Nancy Blendermann-Meyer - Elected

**PARKS & RECREATION COMMISSION**

Kenneth Palmer, Chair  
Camilla Conaway, Vice Chair  
Geraldine Lee  
RJ Stump  
Jose Ibarra

**ADMINISTRATIVE STAFF**

Rigo Landeros, Acting City Manager  
Tiffany Israel, City Attorney - Contract

**FILM COMMISSION**

Carrie Broggie, Chair  
Pat Couse  
Nancy Bowlin  
Paul Nielsen  
Yvette Busby



# City of FILLMORE

*"Last Best Small Town"*

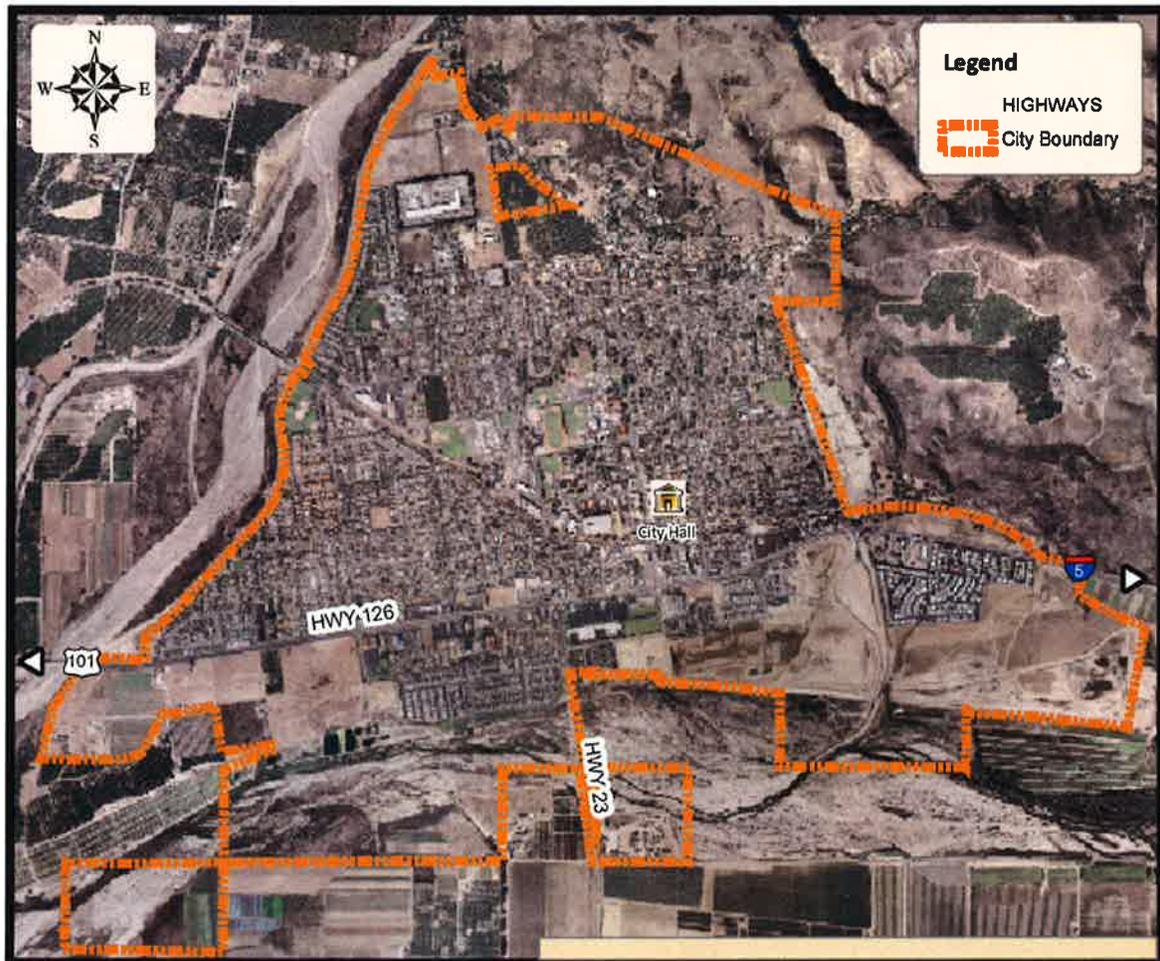
The City of Fillmore, "The Last Best Small Town," is nestled at the base of the Sespe Wildlife Area, bounded on the west by the Sespe Creek, and the Santa Clara River on the south. With a rich agricultural history grounded in citrus and supported by rail lines, Fillmore has grown into a community of over 15,000 citizens who deeply appreciate the town's heritage and tight-knit family spirit. The downtown Central Business District and surrounding neighborhoods are dotted with county landmarks and quaint architecture, which give Fillmore unique qualities that few towns can claim. The following information offers an overview of Fillmore's demographics and governmental structure.

County:	Ventura
Established:	1888
Founder:	Jerome Fillmore
Incorporated:	July 10, 1914
Type of Municipality:	General Law City
Type of Government:	City Manager/City Council
Legislative Districts:	
Congressional:	District 26, Julia Brownley
State Senate:	District 19, Hannah-Beth Jackson
State Assembly:	District 37, Das Williams
Population:	
1990 Census:	11,992
2000 Census:	13,643
2010	15,002 (State Department of Finance)
2011	15,085 (State Department of Finance)
2012	15,145 (State Department of Finance)
2013	15,175 (State Department of Finance)
Square Miles:	3.23
Elevation:	456 feet
Total Housing Units:	4,428
Police:	Ventura County Sheriff's Department
Fire:	Fillmore Fire Department



# City of FILLMORE

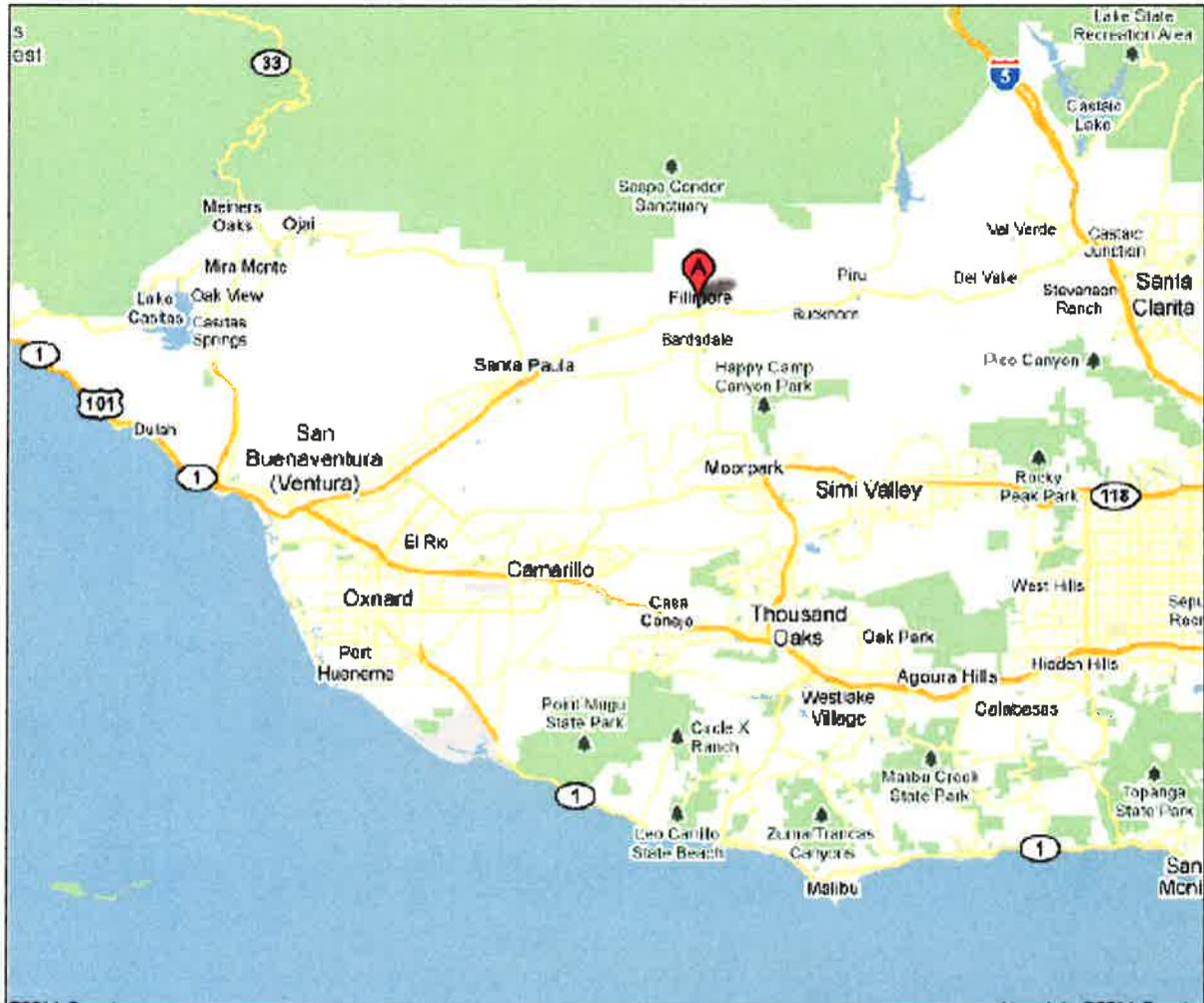
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City of  
**FILLMORE**

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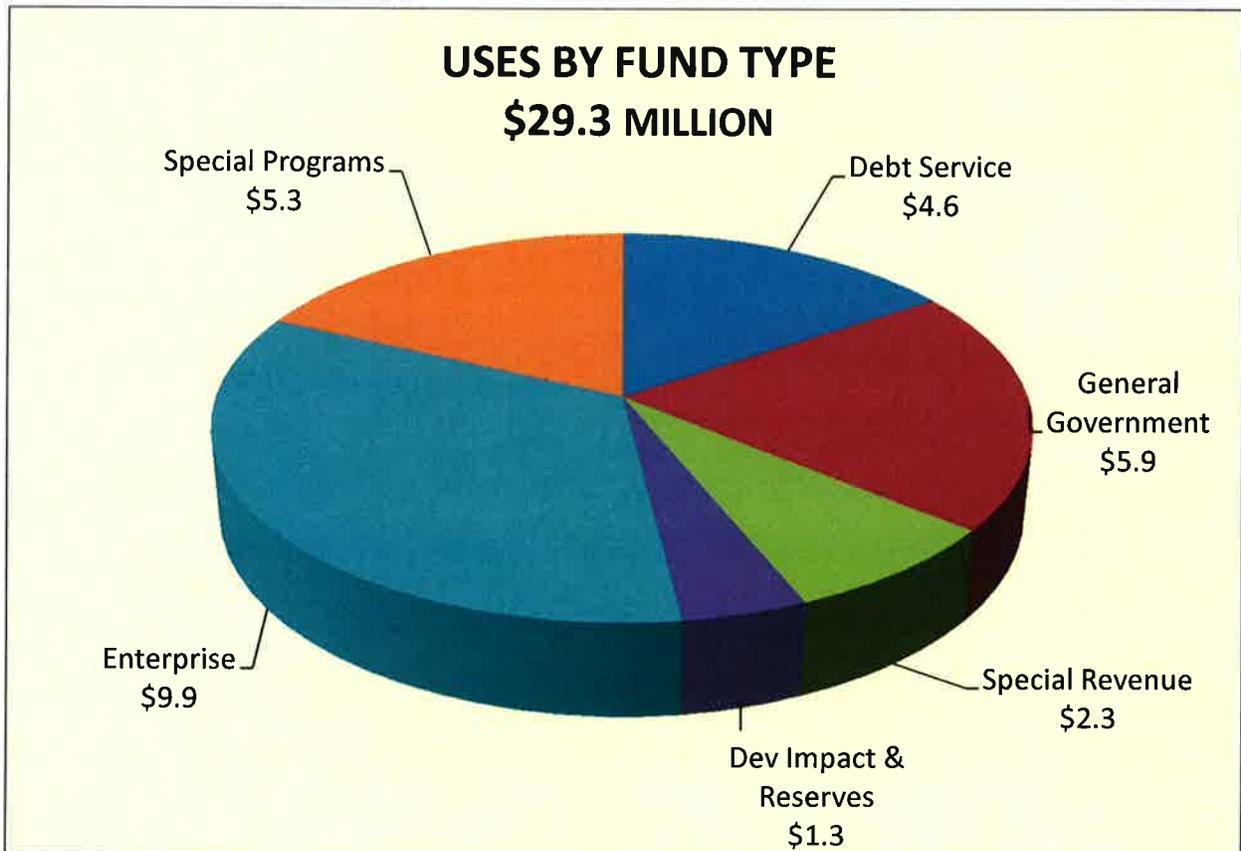
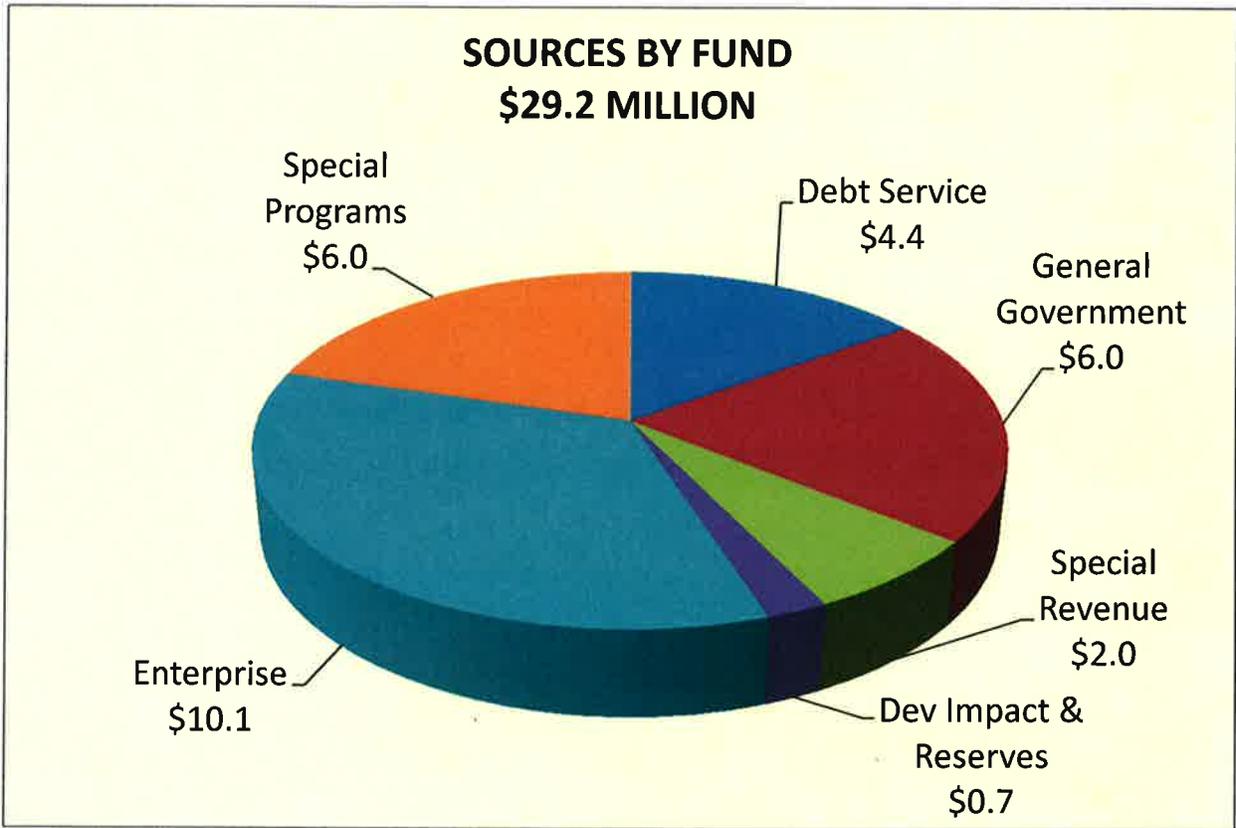
City of  
**FILLMORE**

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**City of Fillmore  
2014 Adopted Budget**

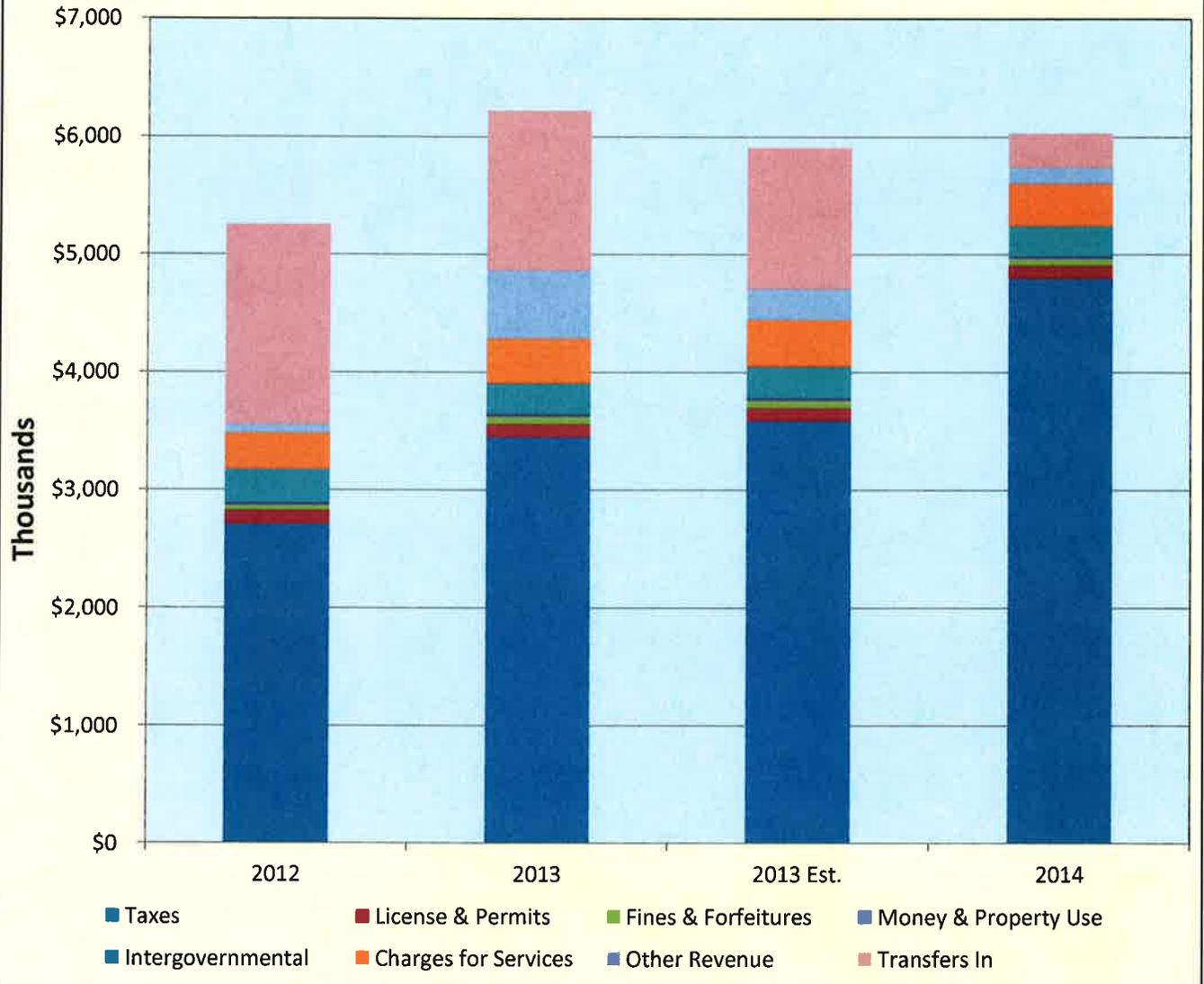
**Summary Section**

**CITY OF FILLMORE  
2014 APPROVED BUDGET**



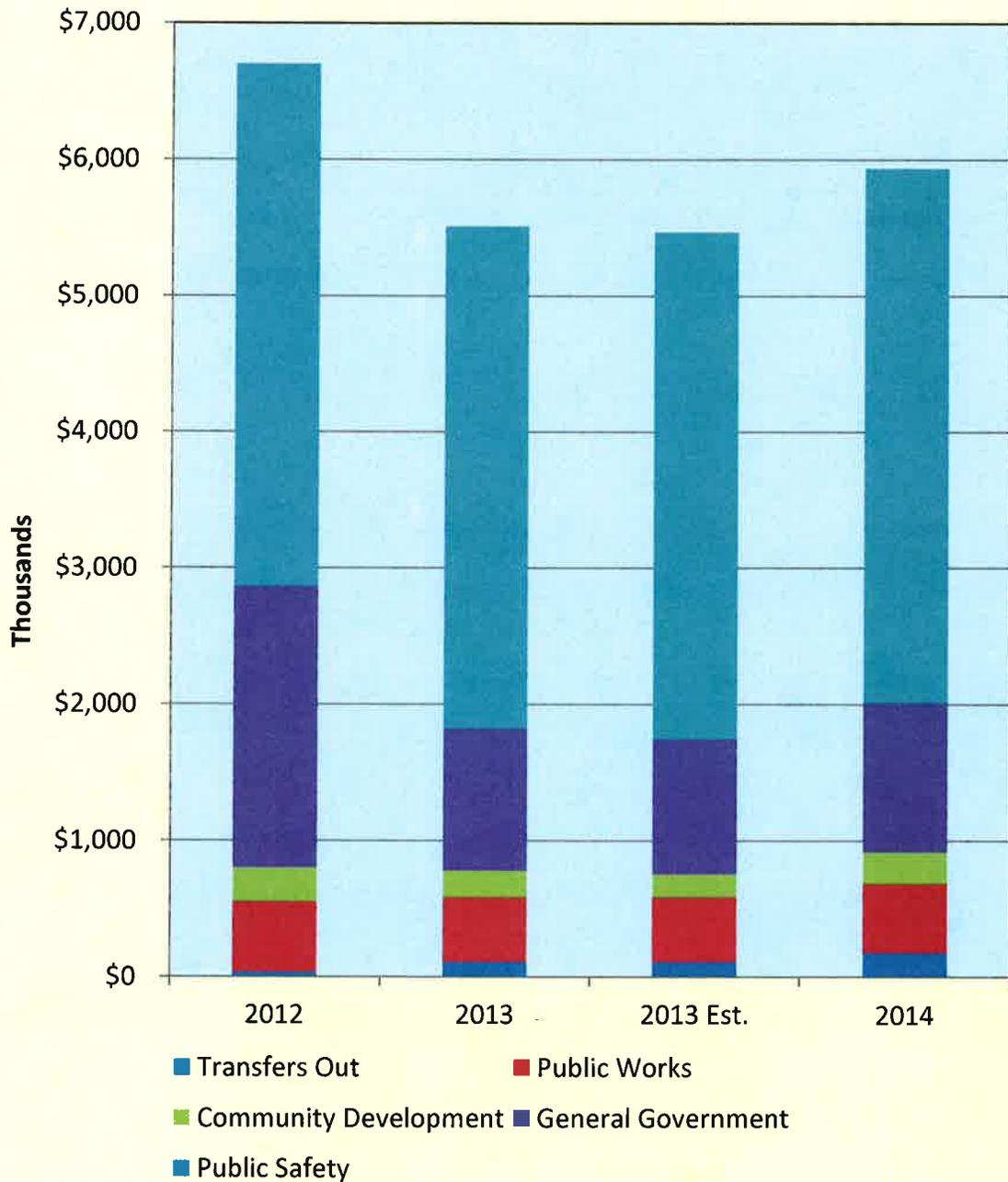
**CITY OF FILLMORE  
2014 APPROVED BUDGET**

**COMPARISON OF GENERAL FUND SOURCES  
FY 2012 through FY 2014**



**CITY OF FILLMORE  
FY 2014 APPROVED BUDGET**

**Comparison of General Fund Uses  
FY 2012 through FY 2013**



CITY OF FILLMORE  
2014 APPROVED BUDGET

