City of La Palma
Agenda Item No. 7

MEETING DATE: MARCH 18, 2014

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBMITTED BY: Ellen Volmert, City Manager
Laurie A. Murray, Administrative Services Manager
Don Pruyn, Interim Finance Director

AGENDA TITLE: Revised Sustainable Financial Plan and Scenarios

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PURPOSE:

To propose a Sustainable Financial Plan and General Fund Revenue Policy meeting the City Council's 2014 goal, as well as recommend solutions to resource/needs gaps under three scenarios as requested by the City Council.

BACKGROUND:

On March 4, 2014, Staff provided a draft Sustainable Financial Plan and General Fund Revenue Policy along with a number of recommendations for changes to fund structure and reserve policies. The Plan provided a projection for fiscal year 2014-15 as well as an extrapolation of revenues and needs, both operating and capital, for an additional 10 years based on a number of assumptions. This effort was in response to the City Council's 2014 balanced budget goal and served as a kickoff to budget planning for the upcoming fiscal year.

At that meeting, the City Council provided additional direction and specifically asked for recommendations from Staff for how to address any gaps under three different planning scenarios; each using a different amount of ongoing General Fund revenues to transfer for non-operating needs such as capital improvements, other one-time projects, achieving and retaining target fund balances, and addressing unfunded liabilities. The direction referenced percentages of a specific taxpayer's contributions. Since this designation would disclose confidential information, Staff has translated the intent of those three scenarios and has evaluated the impact of transferring three different levels of total ongoing General Fund revenue each year. Any one-time revenue would also be used for non-operating, one-time purposes. The percentages used for the scenarios are 12.8% of revenue transferred out of the General Fund, 9.6% transferred out, or 6.4% transferred out to a variety of one-time uses as described in the Revenue Policy. Depending upon the direction of the City Council on March 18, 2014, Staff would complete the Plan and Policy using the chosen percentage, refine the Action Plan associated with the specified percentage transfer and use this direction to prepare a preliminary FY 2014-15 Budget. A number of other financial planning items are upcoming on City Council agendas including a capital improvement planning item also on the March 18, 2014, Agenda and these would also be impacted by the direction given regarding the Sustainable Financial Plan.

SUMMARY:

Financial Plan

In addition to reformatting the Sustainable Financial Plan into more of a strategic plan format, a number of other changes have been made based on March 4, 2014, City Council feedback as well as more detailed Staff discussions and estimates. The attached draft includes an outline for the adopted percent of General Fund revenue to be transferred for non-operating uses as well as the recommended action plan to address the outcomes of that decision. Once direction is provided, those sections will be completed based on direction for the applicable percentage and corresponding action plan.

In summary, the significant changes of note to the Plan include:

- Billboard revenue for the freeway corridor is added beginning in FY 2015-16 based upon the current status of the project. An item is on this evening's agenda relative to that project.
- Water and Sewer target fund balance is calculated based upon the combined fund balance of the operating and capital fund for each utility.
- Technology Fund allocations assume a one-time transfer in from General fund balance to bring the Technology Fund to its target with full allocations of costs in the future maintaining that target level. The transfer is estimated at $216,000.
- One-Time Projects Fund is created to provide for accumulation of funds for projects not appropriate or ready for the capital improvement projections including setting aside funds for unfunded liabilities. Funds are also created for Economic Development and an Emergency Fund which houses the existing committed reserves for economic and capital uncertainties. Interest earnings would continue to accrue to the General Fund.
- The General Revenue Policy is revised to provide for a specific percent of total General Fund ongoing revenues to be transferred out to other funds for one-time uses. Determination of that percentage is part of the City Council discussion of the Plan.
- COR fund balance has been revised to maintain a larger target fund balance, $2 million. While a drawdown of fund balance is anticipated for the remaining large years of street improvement costs and the funds that have been accumulated for that purpose, maintaining a somewhat larger fund balance at the end of the planning period provides additional support for future years when larger street investments will again be required. Expenditures are also updated so that the annual General Fund transfer over the planning period is now $455,000.
- Conservative estimates for projected retirements have been added into the expenditure projections which generally lowers costs in the out years as Tier One employees leave and ultimately increase the number of non-Tier One employees in the organization.
- The March 4 report focused on the capital improvement projections and projections for operating expenditures and revenues in the General Fund. This report adds some preliminary numbers for other one-time projects which are in process, but have not been

approved by the City Council such as energy conservation, unfunded liabilities, technology projects, and possible lease property improvements. This provides for a more complete picture of all possible demands for discretionary revenue known for the planning period.

- The number of recommended new funds has been reduced, committed reserves consolidated into the new funds, and some target fund balances have also been revised.

Revenue Policy

To match the Financial Plan, the Revenue Policy provides for a percent of ongoing revenue to be transferred for non-operating use with that percentage filled in following the City Council's direction on March 18, 2014. This is the only major changes in the Policy since March 4, 2014.

Updated Projections under the Three Scenarios

Certain projection assumptions have been changed for both revenues and expenditures since the March 4, 2014, report as noted above and Staff has included estimated costs for one-time projects under consideration but which are not ready or approved for inclusion in the capital plan. The need to provide one-time funding for these items has to also be considered in this Plan and use of the designated transfer funds for these purposes is included in the Revenue Policy. Potential additional projects, some of which would be capital assets, include:

• Energy Assessment/Street Lights	$2.9 million
• Unfunded OPEB Liabilities	$ 393,000
• Unfunded Retirement Liabilities	$7.2 million
• Unfunded Compensated Absences	$ 606,000
• Tyler Technology	$ 110,000
• Civic Center Replacement	$6-10 million
• Hdl Code Enforcement/Business License	$ 48,400
• 5410 La Palma improvements	$ 200,000

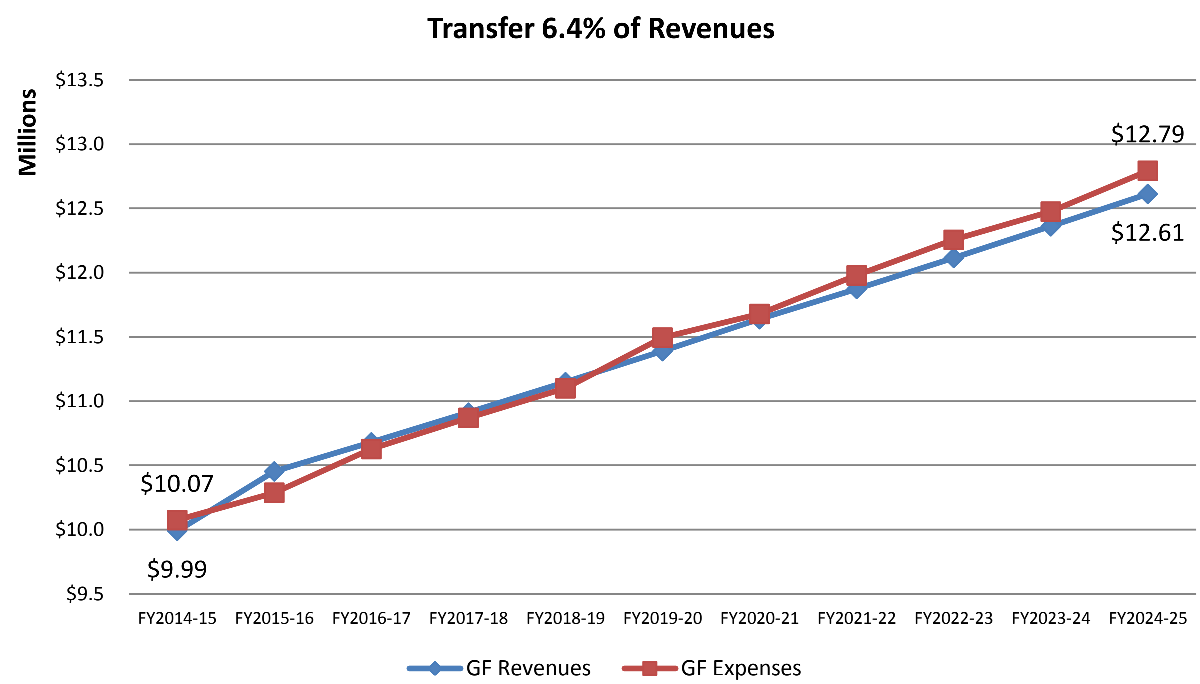
estimated one-time costs are not cumulative as approving one project may preclude the need for another.

Recommended Action Plans under the Three Scenarios

Each of the following scenarios' action plans is cumulative meaning each is designed to be built upon the plans used to balance the transfer of lower percentages of total ongoing revenue. Therefore the plan to meet the challenge of a 9.6% transfer includes all the recommended actions within the 6.4% plan, plus additional items and the 12.8% transfer plan includes all the actions of the other two plans plus additional items. A quick summary of each of the scenarios follows and a detailed year by year spreadsheet for each, as well as for the revised baselines, is included in Attachment 3.

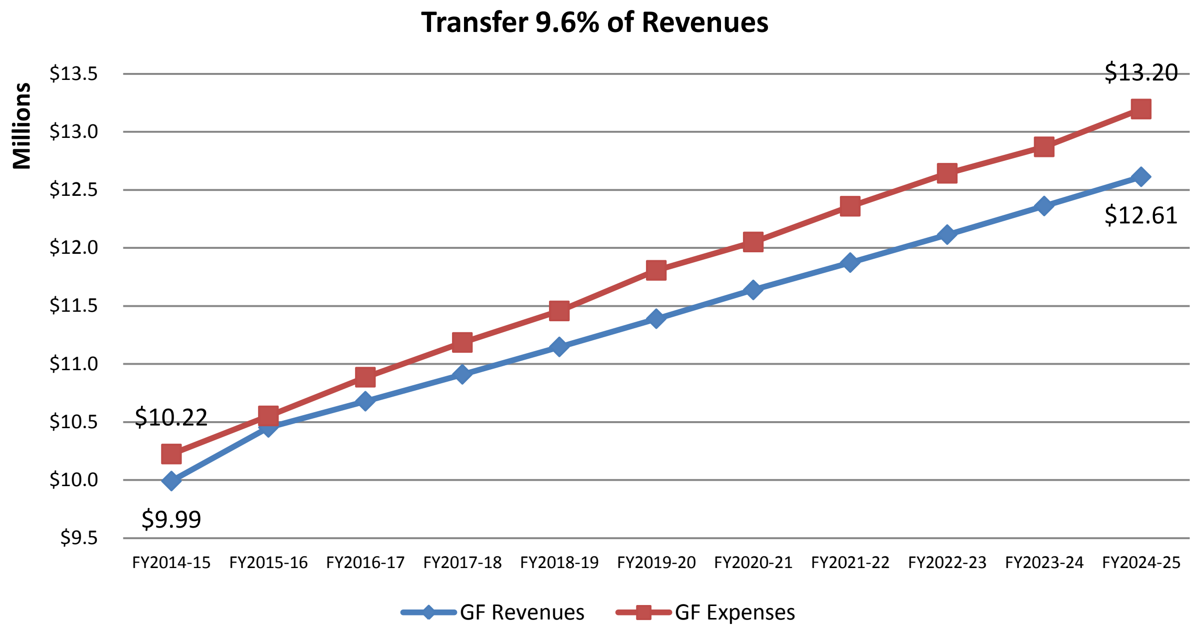
6.4% Transfer Scenario

Proposed COR annual transfer	$455,000
Range of proposed transfer available for other one-time uses	$0 to $50,579
Range of remaining revenues available for ongoing operations	$9,352,254 to $11,805,833
Range of resulting resource gap	-$82,876 to -$180,035



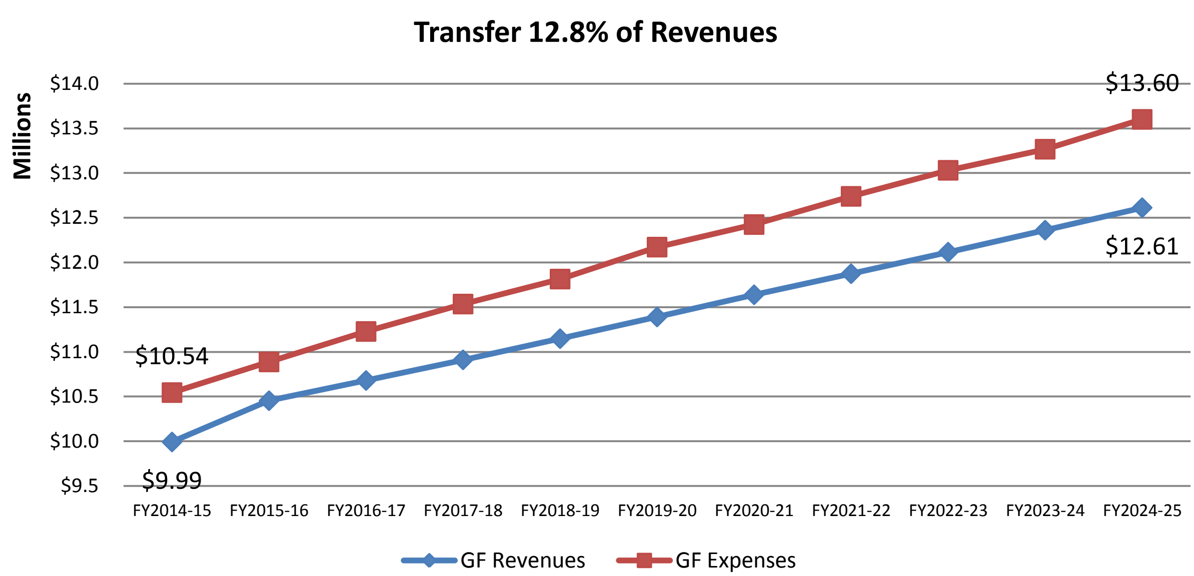
9.6% Transfer Scenario

Proposed COR annual transfer	$455,000
Range of proposed transfer available for other one-time uses	$149,951 to $454,197
Range of remaining revenues available for ongoing operations	$9,032,518 to $11,402,215
Range of resulting resource gap	-$232,827 to -$583,653



12.8% Transfer Scenario

Proposed COR annual transfer	$455,000
Range of proposed transfer available for other one-time uses	$469,686 to 857,816
Range of remaining revenues available for ongoing operations	$8,712,783 to 10,998,597
Range of resulting resource gap	-$522,562 to -$987,271



As requested, for each scenario, Staff has prepared a recommended Action Plan to address the gaps shown above. Each plan builds upon those for the lower percentage transfer options. Each includes a balance of revised operations, reduced services, enhanced revenues, or revised use of reserves as strategies to meet a balanced budget.

6.4% Transfer Scenario Action Plan

1. Several one-time needs in addition to the capital improvements projections have been identified above which would require funding; including funding currently unfunded liabilities, technology improvements, energy improvements, and future Civic Center replacement. Meeting these one-time needs is complicated by the annual transfers needed to fund the committed reserves at the current policy level of 60% and 40% of expenditures as expenditures rise over the planning period. Over the planning period approximately $3 million of the transferred funds are needed to maintain these percentages. To put more of this transfer of funds into one-time uses for which actual needs are anticipated vs. into reserves which can only be used in extreme situations, Staff recommends converting the 60% and 40% target levels to the dollar value of those percentages as of the end of this fiscal year. The dollar value of these reserves would still be maintained for emergency one-time use and could not be used for operations. But the change would free up the automatic escalation for unmet one-time needs which otherwise require either financing or additional transfers at the expense of ongoing operations. Retaining the current dollar value for these reserves still results in very healthy reserves throughout the planning period.

2. The City Council has been discussing the newly transferred property at 5410-14 La Palma (the HUB) and potential leases and uses. While it is too early to know how any lease negotiations for this property will impact costs and revenues, a conservative placeholder for additional revenues is included in this Action Plan beginning in year 5. Annual revenue increases that help to close the gap start at an estimated $50,000 and end at $62,000 per year.

3. The Action Plan assumes that one-time projects not covered by the 6.4% annual transfer will come from other one-time sources such as grants, or fund balance or will be covered through financing mechanisms. Such mechanisms may impact project timing but will result in full funding over the planning period.

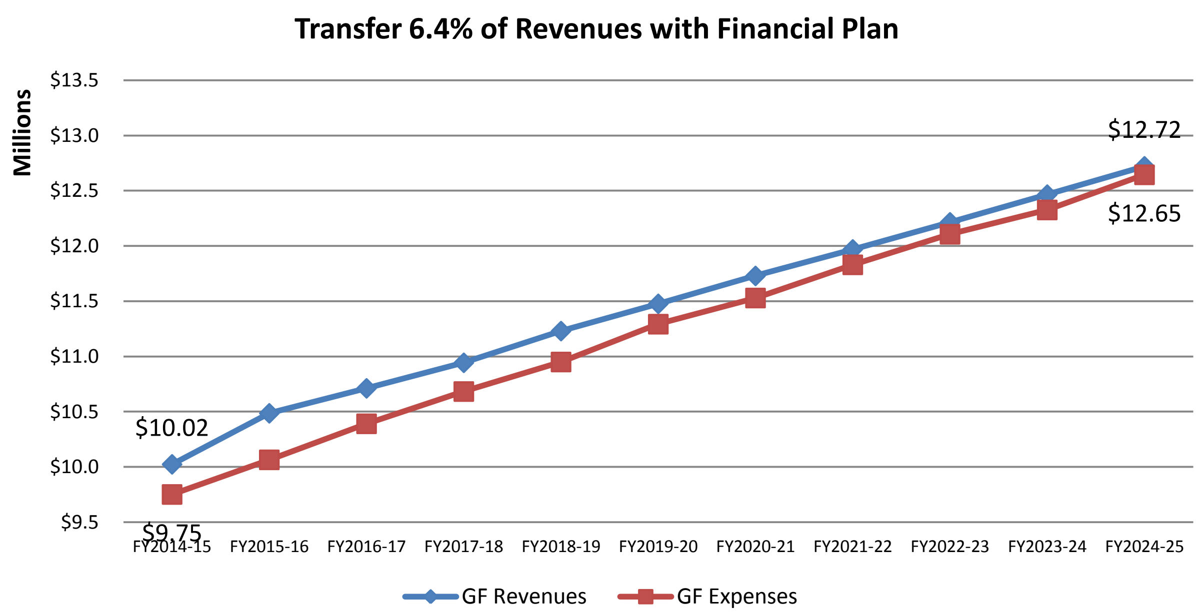
4. Staff recommends reinstituting the half time Parking Enforcement Officer position in the FY 2014-15 Budget. Given the experience of the City during the position's vacancy, the position is anticipated to more than pay for itself and net additional revenue estimated at $33,000 per year.

5. Staff is also recommending either the addition of a part time employee or an equal amount of contract services to act as a citywide Grants Coordinator. Initial funding for the first year of the position would be provided by the new One-Time Projects Fund and the position would be continued only if a positive return on investment was demonstrated after the first year (i.e. future funding is provided by the additional revenue generated). This would be added to the FY 2014-15 Budget.

6. While there is no estimated dollar amount for this recommendation, it is necessary for the Financial Plan to address the City Council's goal that labor relations support the balanced budget plan. Staff recommends that the City adopt a Compensation Policy with specific goals consistent with the intent of the 2014 City Council goal.

7. Staff has not had time to develop a specific recommendation to the City Council on restructuring options in the Police Department or the expected operational and service impacts. However, for the purposes of financial planning and based on discussions to date, this Action Plan assumes a savings of $155,000 annually from that effort, with only a minimal impact to frontline services. More details will be returning to the City Council in the near future, but this savings appears feasible based on early projections. The savings comes in part from not funding one FTE.

Given this Action Plan, if all of the recommendations are implemented, the impact to the City's financial sustainability under the 6.4% scenario is shown in the chart below:



9.6% Transfer Scenario Action Plan

In addition to the recommended actions above, in order to maintain sustainability with a transfer of 9.6% of ongoing General Fund revenues for non-operating uses, Staff recommends the following:

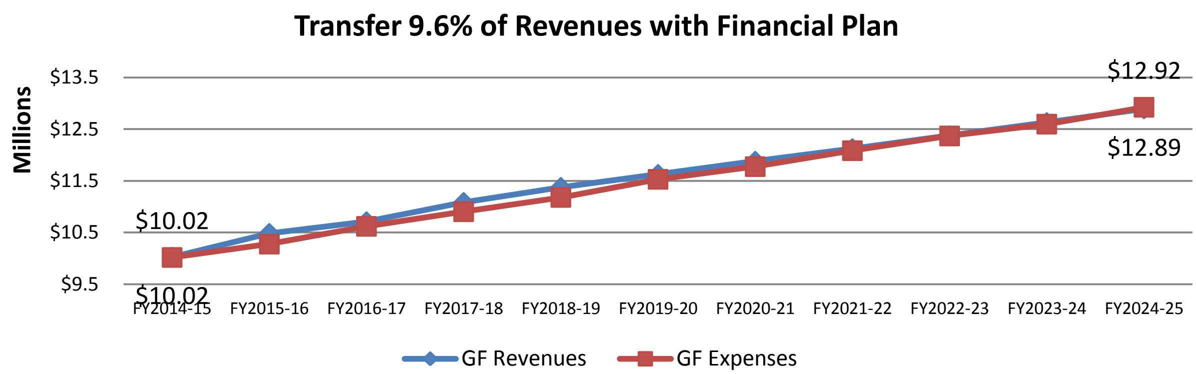
1. Police restructuring requires the elimination of more resources, estimated at $40,000 in additional savings per year, which also results in the elimination of the Police Interaction with Youth (PIY) program and reduces resources available for other crime prevention programs.

2. Fit N Fun would be either reduced from three days per week to two days per week, or a fee would be charged for this currently free program to produce a savings of $6,000 annually.

3. The City's membership in ACC-OC would be eliminated for a savings of $7,800 annually. This would impact certain research and best practices assistance provided to members as well as networking and advocacy opportunities.

4. While still being evaluated for precise numbers and contract issues, the recommended Action Plan for this scenario would require contracting for Police dispatch services for an estimated annual savings of $90,000 and a one-time savings of $150,000. It is not anticipated that this could be implemented prior to FY 2015-16. While the City may want to pursue this recommendation regardless of what scenario is chosen, at the 9.6% level, it becomes almost a necessity. This recommendation requires meet and confer.

5. In addition to these expenditure items, Staff recommends the City place a revenue measure on the 2016 general election ballot to modernize the Utility User Tax. No change is recommended to the rate, but modernization would expand the base of the tax to capture new technologies and protect this revenue source from erosion due to technology changes. Staff would also recommend the City include in the ballot measure the elimination of the exemption for businesses generating more than $25,000 in sales tax revenue. This amount was established in the 1980's and now allows for fast food restaurants and grocery stores to qualify. Where there is a specific business for which the City wants to provide relief, this can be accommodated with a specific agreement. The modernization would be anticipated to generate $115,000 annually and the elimination of the $25,000 exemption, an additional $26,000 annually. If all of the recommendations are enacted, the revised 9.6% scenario chart is represented below:



12.8% Transfer Scenario Action Plan

The 12.8% scenario represents the transfer of over $16 million in ongoing revenue away from operations and into one-time needs over the planning period or about $4 million more than the 9.6% scenario and more than the identified one-time needs for the planning period. More drastic actions are required to maintain a sustainable financial plan under these assumptions. In addition to the recommended actions from both scenarios above, Staff recommends the following:

1. In the first three years of the plan, rather than treat any budget surplus as a one-time revenue for one-time purposes as specified in the Revenue Policy, the surpluses must be maintained in the General Fund to smooth the first year deficit. This action plan includes higher revenue recommendations which would not be realized until FY 2017-18 and therefore more drastic options within the first three years are required.

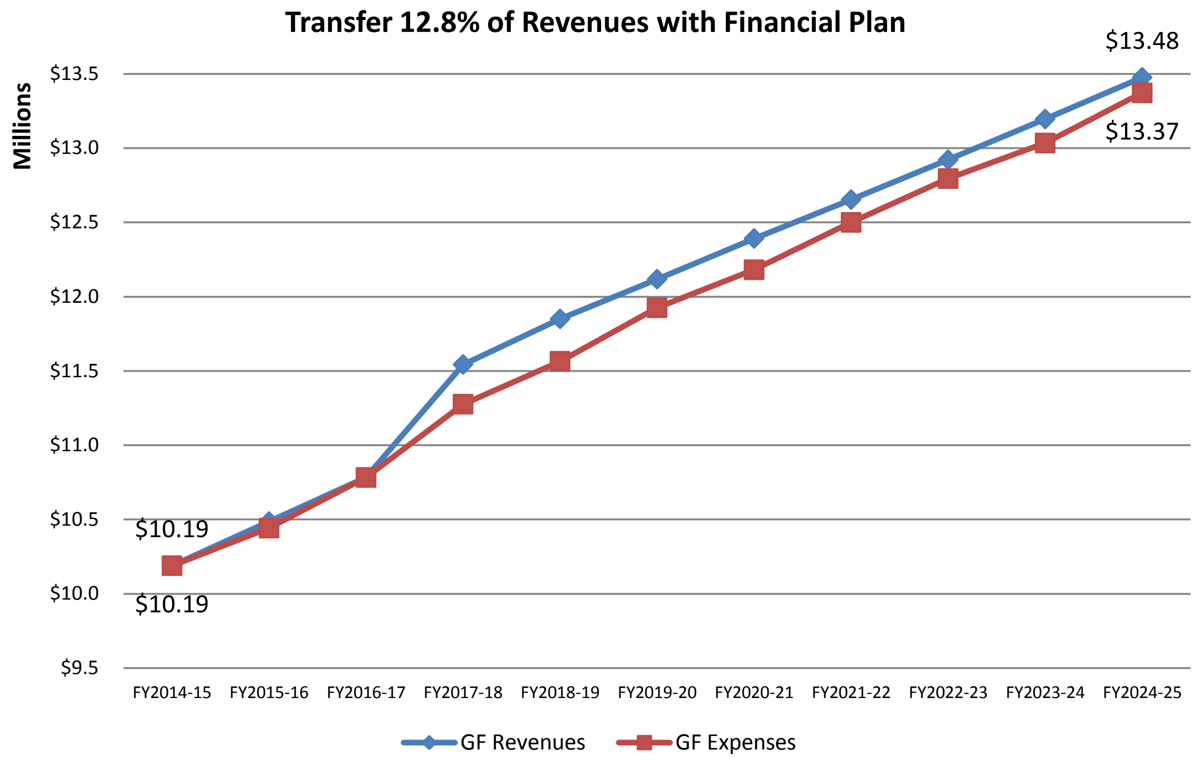
2. Fit N Fun program is either eliminated or charged full cost recovery to create a savings/revenue annually of an additional $46,000.

3. For the first three years of the planning period, employees would need to furlough the equivalent of five (5) 8-hour days, including shift employees in Police. This would have to be carefully managed to avoid increased overtime that would reduce the estimated $110,000 in annual savings. The loss of that amount of productive time would also mean reduced services, longer wait times, and other community impacts. The loss of compensation may also create a “brain drain” and recruitment difficulties. The intent of this element again would be temporary in nature until a revenue measure could be placed on the 2016 ballot and revenue would begin to be realized from it.

4. In addition to these early year measures, the action plan assumes the use of about $110,000 from the new Revenue Volatility Reserve to smooth impacts through the early years of the planning period prior to when the revenue measure recommended below would take effect. Since it anticipates either the revenue measure or the cost savings alternative mentioned below if the measure does not pass, the first three years use of RVR would be considered temporary and due to a significant drop in revenue available for operations.

5. The proposed modernization measure for the UUT would be eliminated and the UUT would remain as it is. Instead of the modernization measure, the City would place a parcel tax measure on the Fall 2016 ballot to provide continuation of the then current level of Police services. The tax would be sized to generate $600,000 annually for law enforcement or an average of $143 per parcel. Most likely, the City would want to base that rate on the type of parcel based on land use so that residential property which bears a larger share of property tax burden would pay a lower rate than commercial properties. While there are advantages of modernizing the UUT separate from the three action plans, it is not advisable to put both measures on the same ballot and the revenue from the parcel tax precludes the need for additional revenue from UUT.

6. Due to the dramatic numbers involved in this scenario, Staff has prepared a recommendation in the eventuality that the recommended parcel tax does not pass. Given the measures already taken by the City and recommended above, options for bridging this level of resource gap are few. If the City had to fill the gap out of reduced expenditures, virtually the only option would be contracting out the City’s police function. Very preliminary estimates are that this could save up to $1 million annually, which would close the gap even though it would take considerable time after a failed vote to actually implement. What other agencies would be interested in taking on the City’s workload is unknown. This is an extremely undesirable option in Staff’s opinion, but there are no other real options that save that amount of money (for example, eliminating all special events would produce about 10% of that savings or less than $100,000). The revised chart for the 12.8% scenario action plan with all recommendations implemented is shown below:



As mentioned above, none of these action plans includes any estimated savings from energy projects which could be as much as $234,000 in the first year of implementation or from lower ongoing costs due to reduced unfunded liabilities and resulting lower retiree health payments or lower Cal-PERS employer rates. It is expected for example, that the City would be able to consider funding its PERS unfunded liability (other than through increased rates) as early as FY 2016-17.

Based on these three scenarios and action plans, Staff recommends that the City Council adopt the 6.4% Transfer Scenario and Action Plan.

ALTERNATIVES:

In the March 4, 2014, City Council report, Staff included a "tool box" listing of available options for City Council to consider. Some of these are included in the recommended scenario action plans. The intent of the toolbox was not to present recommendations, but to highlight the limited choices available to provide long term service and financial sustainability.

Those options not included in the scenario action plans outlined in this report are alternatives which the City Council could consider.

FISCAL IMPACT:

Direction given relative to the recommendations in the Financial Plan as well as the chosen level of ongoing General Fund revenue to transfer for non-operating purposes will have significant financial impact and these are detailed in the scenarios and attached detail. The chosen scenario will be used to complete the draft Plan and Revenue Policy, and provides the framework for preparation of the preliminary budget for next fiscal year. In all scenarios, long term capital needs are fully funded and target fund balances are maintained. In all scenarios, given the recommended actions to close identified resource/needs gaps, a balanced operating budget is maintained. The major difference between the scenarios is the level of services which can be maintained, the need for new revenue, and the level of funding available for other non-capital one-time expenses, including retaining revenue to address unfunded liabilities. At the transfer of 12.8% of annual ongoing General Fund revenue for non-operating purposes, the impact on services in particular is quite dramatic. Even at the 6.4% transfer level, a variety of actions are recommended to ensure ongoing and one-time needs are met in a balanced manner and target fund balances are maintained over the planning period of eleven years.

RECOMMENDED ACTION:

It is recommended that the City Council approve a General Fund ongoing revenue transfer for non-operating use of 6.4%, approve the associated Action Plan, the Sustainable Financial Plan, and the General Fund Revenue Policy consistent with this level of transfer.

APPROVED:

Department Director	Finance	City Manager

Attachments:

1. Sustainable Financial Plan Draft
2. Spreadsheet detail on the Plan, Scenarios, and Action Plan Impacts

Attachment 1

Sustainable Financial Plan

FY 2014-15 – FY 2025-26

March 18, 2014

"Plans are nothing; planning is everything."
Dwight D. Eisenhower

City Manager Ellen Volmert

Administrative Services Manager Laurie Murray

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Executive Summary

This Plan specifically addresses the 2014 Balanced Budget Plan goal of the City Council and provides for important longer term City goals such as to provide a sustainable financial future for the City and its residents; balance the need for quality services and for quality facilities in both the short and long term; allow for flexibility and for modification as changing time and circumstances demand; keep financial planning realistic based upon solid facts and reasonable assumptions; and, be transparent and understandable. The Plan also exists within the context of the City's Vision Statement.

Given the eleven year planning period (upcoming fiscal year plus ten additional years), the Plan should also be viewed in the context of the inherent limitations of projections that far into the future. Recent history is an excellent example of circumstances that would not have been foreseen eleven years ago. Projections have generally been based on averages and therefore individual years will vary based on economic ups and downs as well as other factors. Where known differences from historic averages are known, they have been accounted for in the projections shown.

As with any strategic planning effort, it is important to identify opportunities and challenges within the environment the City must operate in, as well as the assets and liabilities the City has in meeting these opportunities and challenges. The report details both the City's and the environment's most important factors including a small, stable residential base, overall excellent infrastructure, low crime, small tax base, largely built out community, significant freeway frontage and excellent regional location, aging housing stock, small and responsive City organization, and fiscal challenges such as rising pension costs.

This Plan relies on several financial principles. One is to be revenue based, meaning the planning begins with known resources rather than known demands on those resources. Another is to base projections on actual experience together with assumed changes impacting that experience and to ensure all known impacts are identified so as to be as transparent as possible regarding total longer term needs. One of the most important principles is that one time money be identified and used only for one-time needs and this is also documented in the General Fund Ongoing and One-Time Revenue Sustainability Policy which is included as an attachment to this report. Other assumptions made regarding revenue include full future funding of internal service fund needs through allocations, the addition of billboard revenue within the planning period, periodic adjustments to utility rates would continue as needed to fund those enterprise operations, and adequate transfers will occur from ongoing General Fund revenue to fund all identified capital improvements in the planning period while maintaining the target fund balance at the end of that period.

The Plan also implements a number of fund structure changes, including changes to the Reserves Policy. These are designed to maintain adequate reserves while simplifying structure, improving transparency, and providing for priority needs such as the establishment of an Economic Development Fund to provide resources for revenue diversification and improvement as well as building community wealth. The creation of a One-Time Projects Fund also provides opportunity to set aside funds for upcoming projects which are not yet appropriate for inclusion in the capital improvement projection or which are not capital projects such as funding currently unfunded liabilities. The General Fund Revenue Policy provides additional detail about the balancing of ongoing operational needs and one-time needs as well as the priority of setting aside some ongoing revenues for one-time uses in order to provide this balance. The Policy also establishes a Revenue Volatility Reserve which provides limited funding to smooth anticipated revenue volatility impacts to ongoing operations. Such funding may only be utilized for temporary revenue shortfalls and not for a more permanent change to the revenue projections.

Ongoing revenues not transferred for one-time uses are available for ongoing operations. Again, assumptions are that historic averages will be maintained with important exceptions such as anticipated employer pension rates rising faster than has historically been the case. Current operating structures are generally assumed to continue in the baseline projections. Revenue and expenditure needs gaps for the planning period are included for this baseline scenario which includes identified capital needs in addition to operating expenses. The Plan also summarizes some one-time projects under discussion but not yet included in other financial plans to ensure as comprehensive as possible statement of demands. These include items such as unfunded liabilities, energy projects, technology projects and any improvements made to the newly acquired 5410 La Palma property.

Finally, this Plan incorporates the policy decision on the percent of ongoing General Fund revenue that is transferred for one-time use and the resulting Action Plan necessary to bring the resulting operating projections into balance with the remaining revenue. One important such action is the continued review and revision of this Plan as a part of the annual budget development process.

Goals of the Plan

The purpose of the Sustainable Financial Plan is to take a long-term look at the City of La Palma's financial condition and to develop a comprehensive strategy to insure the long term ability of the City to provide a sustainable level and mix of high quality services and to maintain high quality, well functioning community infrastructure.

This plan is designed to meet the following criteria;

1. Provide a sustainable financial future for the City and its residents.

2. Balance the need for quality services and for quality facilities in both the short and long term.

3. Allow for flexibility and for modification as changing time and circumstances demand.

4. Keep financial planning realistic based upon solid facts and reasonable assumptions.

5. Be transparent and understandable.

These specific goals also exist within the context of the City's Vision Statement, citywide goals established by the City Council and the City Manager, and departmental goals established by Department Directors. The City Council goals and La Palma's Vision Statement are attached to this Plan for reference. Departmental goals are identified in the budget document.

Limitations of the Plan

In developing long range plans, it is important to note important limitations to such forecasts. Over the past 36 months La Palma has suffered dual financial blows, the loss of its Community Development Commission (CDC) and the departure of an extremely important taxpayer; events that would have been difficult to predict ten years ago. Reliability of projections are reduced the farther into the future you project, therefore an eleven year projection provides at best a limited benchmark with an increasing margin of error. The planning exercise however is useful in identifying impacts that are not foreseen in the shorter term.

Projections in this Plan are based on existing and historic patterns for both resources and needs, adjusted for the City's current or identified array of services and capital projects. Discussion is also included regarding in process, but as yet unknown one-time projects or needs coming to the City Council within the next few months. However, especially in judging projections beyond the near term (3 years), caution should be used given the need to "expect the unexpected."

The projections also assume a steady rate of growth or reduction which is unlikely to actually occur due to the inevitable economic downturns and recoveries. Particular care must be given to the timing of revenue and expenditure changes while looking at the overall general trends in the Plan.

Finally, for discretionary funds in particular, these projections are subject to the future decisions, priorities, and actions of the City Council and while the community's overarching vision and values as represented in its Vision Statement change very little, needs and priorities regarding specific programs and projects would be expected to change over such an extended period. These limitations must be considered as part of the context of this Sustainable Financial Plan.

Opportunities and Challenges

In developing any strategic plan, it is important to identify the challenges and opportunities in the environment within which the City must operate as well as the assets and liabilities the City has at its disposal to take advantage of opportunities or which could prove a barrier to meeting challenges. La Palma enjoys a number of strengths and opportunities including:

- A stable residential base with a high identification with the community
- High quality residential neighborhoods
- Overall excellent municipal infrastructure

- A safe and low crime community
- Well located in terms of major Southern California attractions and employment centers.
- A stable employee base with most employees averaging over ten years of service
- Significant freeway frontage
- Availability of quality office space
- Significant financial reserves developed over time
- A small and responsive City government and it
- Contains a significant cluster of health offices as well as an acute care hospital.

However, La Palma also faces a number of challenges and threats including:

- A small population upon which to spread the cost of municipal services
- A small tax base which is highly concentrated in a few large taxpayers
- A largely built out community with few opportunities for new development
- The loss of a major sales tax payer has been replaced by a business making up only half the loss and engaged in the same volatile commodities market
- The dissolution of Redevelopment, an important source in infrastructure financing
- Continuing the delivery of high quality services despite shrinking general revenues
- An aging housing stock which will require an increased level of investment by owners and the City
- Tenuous economic recovery in the region and nation
- Significant future fiscal challenges such as increased retirement contribution rates and
- Shrinking employee resources to meet continuing and new demands.

In summary, the City's General Fund is under severe financial pressure. In addition to a serious reduction in sales tax revenue into the foreseeable future, the General Fund must also carry a significant piece of the infrastructure maintenance burden, now that redevelopment dollars are all but gone. Adding to this pressure are demands of maximizing resources through maintaining a state of the art information technology system and absorbing both increasing liability and workers compensation insurance premiums and soaring retirement system contribution rates, in part due to unfunded liabilities.

One-Time and Ongoing General Fund Revenue

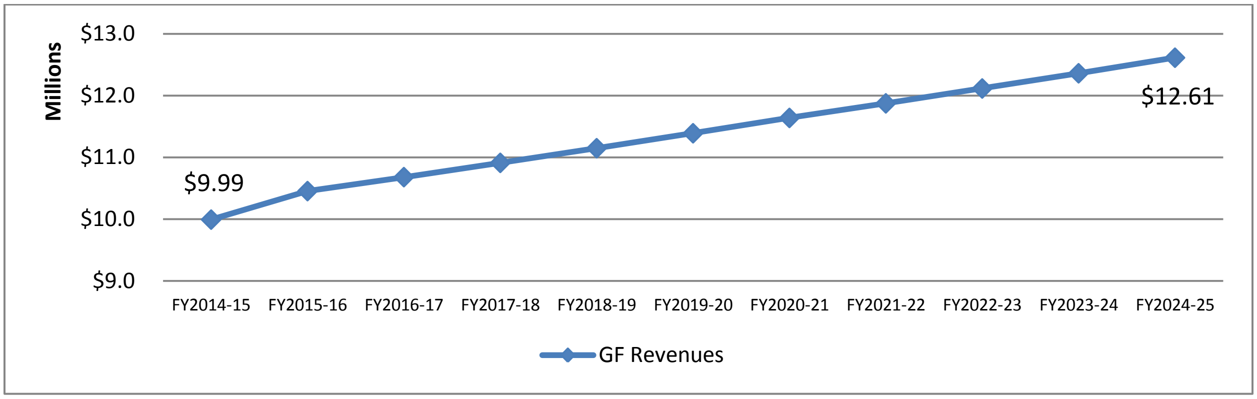
A central principle to effective financial planning and sustainability is the need to separate ongoing revenues and needs from those revenues and expenditures which are one-time in nature. Failure to do so creates a risk that the City would build projects or programs on an unsustainable and unrealistic continuing resource assumption. Similarly, it is essential to base all revenue and expenditure assumptions on the most complete information possible, clearly identifying and including all known needs and resources, even if precise estimates are not yet available so that decision-making is based on evidence from a complete long term picture - preventing to the extent possible, unforeseen surprises.

Baseline projections based on a continuation of existing trends plus known changes, form the basis of this complete assets and needs picture. The baseline projections in this Plan are based on a number of assumptions which need to be understood in order to understand the resulting financial situation. For the most part, this Plan assumes the current and recent revenue trends continue, especially for revenues within the General Fund. This means, for example, that it assumes Street Fund and Measure M2 Fund revenues will continue to be insufficient to fund the level of street infrastructure desired by the community and will require substantial additional funding from the Capital Operating Fund (COR) which is itself primarily funded through General Fund revenue transfers. Exceptions to this general continuing trend assumption include:

- All annual ongoing internal service funds are assumed to be fully funded by charges for service to operating funds and departments. This full funding pledge represents another pressure point upon the General Fund and is a change from recent past practice.
- Projections assume a continued low interest rate return on our invested funds i.e. at the 1% level. However, some very modest increased revenue is projected in light of the City's updated investment policy adopted last year. While current committed reserves are recommended for transfer out to the new Emergency Fund, interest earnings on these reserves is assumed to continue to be credited to the General Fund.
- Baseline projections do not for the most part include any new revenue sources. However, where Staff was reasonably confident based upon current progress on such revenue, such as revenues that could be derived from billboard agreements, this has been included.
- The projections for Utility User Taxes assume a continued full levy of 5%.
- Sales Tax – is generally assumed to follow a 2.5% general increase with the assumption that new potential sources such as the Bulgogi House will roughly compensate for known temporary losses such as when McDonald's will close for construction. Where there is a consideration of net sales tax revenue, the model follows the development agreement requirements including the increased payments to the taxpayer when gross tax proceeds exceed $3 million.
- Transient Occupancy Tax – baseline projections do not include any change in rate.
- Utility User Tax – baseline projections do not include any change in rate, base, or exemptions.
- Use of property revenue – any potential lease revenue from the newly transferred property is not included in the baseline just as potential tenant improvements are not included in baseline expenditures.
- It is assumed that periodic water and sewer utility rate increases will be approved as required to maintain target fund balance in these funds and are the source of funding any demonstrated gaps together with any one-time funds available such as through grants.
- Continued support for a portion of crossing guard services is assumed from the City's school districts.
- As detailed in the Revenue Policy discussion below, it is assumed that adequate transfers from the General Fund will occur annually and cover all one-time needs, including capital improvements, minus funding from other sources such as Street and Measure M2 Funds,

identified for the planning period. Baseline plans assume even funding annually throughout the period to fully fund capital improvements while maintaining target fund balance in COR.

As shown on the attached chart, the results of these assumptions on revenue over the eleven year planning period is a rise from a preliminary $10 million total ongoing revenue in FY 2014-15 to a projected $12.6 million in FY 2024-25. These revenue numbers do not include any use of reserves or one-time revenue. As mentioned, demands on these revenues include not only ongoing operations, but a significant portion of anticipated one-time expenditures such as for capital improvements.



Fund Restructuring

This Plan also recommends changes to the City's current fund structure to provide more transparency and better long term planning. Fund changes do not necessarily impact revenues or fund balance. The recommended changes include:

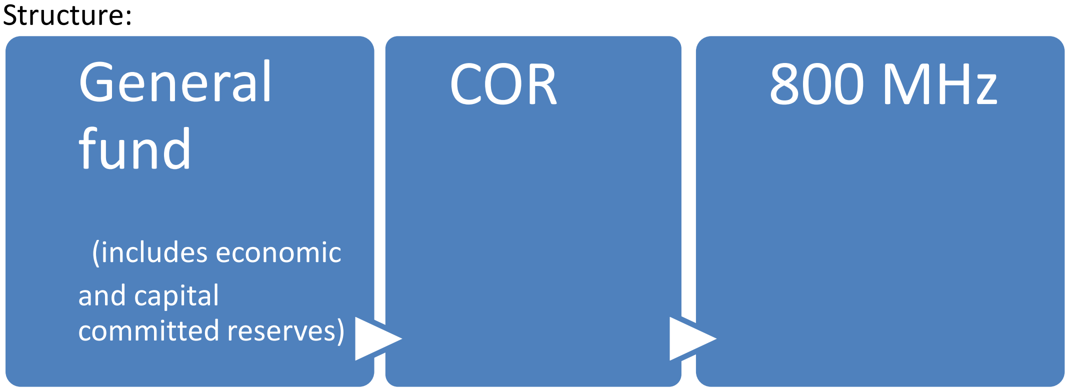
- Four of the five internal service funds would have name changes to better reflect their function. Insurance Fund would become the Risk Management Fund, Building Maintenance and Replacement Fund would become the Facilities Maintenance Fund and capital needs are transferred to the COR, Vehicle Maintenance and Replacement Fund would become the Vehicle and Equipment Replacement Fund and maintenance expenses would be transferred to departmental budgets, and the Computer Maintenance and Replacement Fund would become the Technology Fund. Additionally, the Risk Management Fund would be responsible for funding safety initiatives through interest earnings on the fund and a one-time transfer from General Fund fund balance would bring the Technology fund balance up to its recommended target level (see below).
- The current six utility funds would be simplified to four. One operating fund for Sewer and one for Water and one capital fund for Sewer and one for Water – eliminating the Sewer and Water Replacement Funds. The established fund balance target for the replacement funds would apply to the combined fund balance of each utility.
- The committed reserves currently in the General Fund and dedicated to economic uncertainties and unknown capital needs would be spun out into a new Emergency Fund and retained as committed reserves. This would leave a small cash flow contingency within the General Fund ($250,000) as well as a new committed Revenue Volatility Reserve to

smooth the operating impacts of temporary yet significant drops in General Fund revenue. The RVR is described in more detail in the General Fund Revenue Policy. Interest earnings on the Emergency Fund would be transferred back to the General Fund.

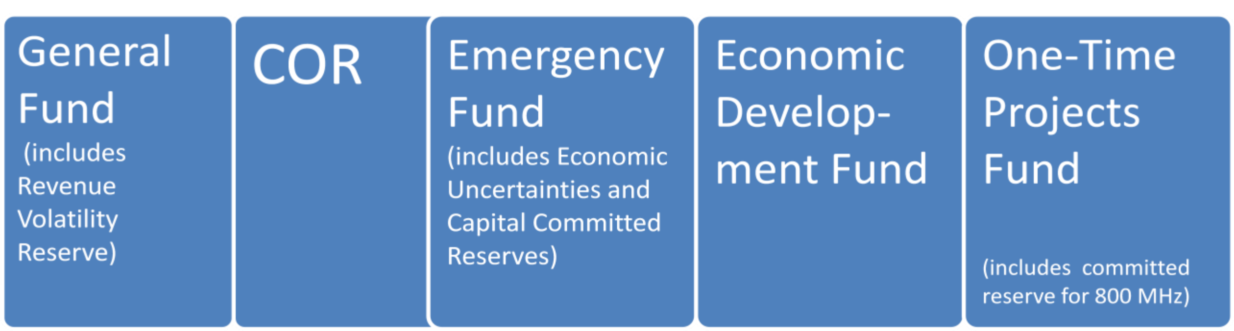
- An Economic Development Fund is created to provide some dedicated funding for economic development projects in the wake of redevelopment dissolution. Specifically the Fund could be used to assist with attracting, growing and retaining businesses which promote the community's economic vitality and strengthen or diversify its tax base. Beyond initial seed funding of $250,000, the Fund would grow through the transfer of some or all of annual Unisource loan repayment revenue to the General Fund.
- A One-Time Project Fund is created which would be dedicated to one-time expenditures that either do not fit into or are too preliminary for the capital improvement forecast. This would include setting aside funds for future payments towards unfunded liabilities. By looking at the General Fund, COR Fund, One-Time Project Fund, and Emergency Fund (Economic Uncertainties and Capital Reserve committed reserves), a complete picture of needs and resources for discretionary spending over the long term comes into view.
- The newly created committed reserve for the 800 MHz project would be placed within the One-Time Project Fund since the majority of those expenses do not create new capital assets for the City.

General Fund supported fund changes are represented in the table below:

Current Structure:



New Structure under the Plan:



Reserve Policy Changes

The City has established a Reserves Policy covering each major fund. The purpose of the recommended changes to this Policy is to ensure appropriate reserves are maintained for fiscal stability and unforeseen situations, to maintain desired service levels, and to avoid undue internal service or utility charges which could negatively impact operating funds, overstate specific needs, or unduly burden rate payers. Fund balances under the Reserves Policy must be rebuilt if they fall below the target level. The changes can be summarized as follows:

- General Fund - In addition to changes in the City's fund structure, this Plan also revises the current Reserves Policy. While the City Council acted last year to commit large portions of General Fund balance for unanticipated operating and capital costs, retaining these monies in the General Fund overstates the funds available for General Fund purposes and understates specific needs for which these funds should be designated. The practice also does not support increased transparency to the organization and the public about available funds and upcoming demands on those funds. These reserves are therefore recommended to be transferred out of the General Fund and into the new Emergency Fund. Interest earnings on these reserves, however, would continue to be credited to the General Fund.
- COR – Existing fund balance from the Building Maintenance and Replacement Fund in excess of the new target level established below are transferred to COR under this Plan, along with responsibility for capital investments on City facilities. So long as full funding over the long term is projected, a large additional reserve in COR is not required. Funding for unforeseen capital needs is provided through the Capital Reserve committed reserve in the Emergency Fund. The revised COR target fund balance is $2 million.
- Water – 10% of reported system value in fund balance represents a continuation of the current target level and is compared to the combined fund balance of the operating and capital funds.
- Sewer Capital – 10% of reported system value in fund balance represents a continuation of the current target level and is compared to the combined fund balance of the operating and capital funds.
- Risk Management – the target fund balance is revised to an even $1 million to represent a prudent reserve in the case of unanticipated claims. Assistance in rebuilding this balance is provided primarily through repayment of the Seasons loan vs. higher allocations to departments.
- Employee Benefits – the target fund balance is revised from 100% to 50% of uncompensated absences. This fund also benefits in the planning period from the repayment of the Seasons loan.
- Facilities Maintenance – the target fund balance is significantly reduced due to the transfer of capital responsibilities to the COR fund. The new target level of $50,000 represents a reasonable contingency for unanticipated maintenance issues which do not rise to the capital project level.
- Vehicle and Equipment Replacement – No change is recommended for this fund as the fund balance is already set to ensure the cash is on hand at the time of the scheduled replacement of each item.

- Technology – while no change is recommended to the target fund balance, the Fund is currently below that target due to several years of underfunding allocations. This Plan calls for a one-time transfer from the General Fund to the Technology Fund to reach the target level and a commitment to maintain the target thereafter through appropriate allocations of charges for service to departments and funds. This includes setting aside funds for eventual replacement.
- One-Time Projects Fund – this new fund sets aside funds for non-capital one-time projects anticipated during the planning period. Fund balance may therefore be made up of both committed reserves for specific purposes (such as the 800 MHz system) or may be undesignated awaiting information on future needs (such as accumulating funds while awaiting a new actuarial valuation for the OPEB Trust prior to making additional Trust contributions). Undesignated target fund balance will therefore fluctuate depending upon the anticipated one-time projects to be funded.
- Economic Development Fund – does not have an established target fund balance as it is anticipated that the amount available in the Fund will fluctuate based upon availability of revenue and specific project appropriations.

General Fund Revenue Policy

Attached to this Plan is a recommended General Fund Revenue Policy which guides investment of General Fund revenues by balancing those resources between competing needs. This guide also assures that budgets and financial plans will be revenue based; meaning that the City as a best practice in financial planning uses available resources as the starting point rather than starting with an assumed continuation of anticipated demands upon those resources. The Policy reinforces the principle stated above that one-time revenues be only used for one-time purposes and that there be transparency regarding the ongoing or one-time nature of revenues and expenditures shown in the Plan. Therefore no one-time monies, other than the Revenue Volatility Reserve established under the Policy are to be used for ongoing expenses. One additional purpose of the Policy is to guard against undue reliance on single sources of revenue for ongoing operations given the volatile nature of the City's revenue base and the limited number of large taxpayers.

Given this purpose, the Policy provides that all one-time revenues be set aside and utilized for one-time projects and it also sets aside XX% of General Fund ongoing revenue to be dedicated to one-time uses vs. to ongoing expenditures. This ensures that one-time needs are not sacrificed for ongoing operations and that operations are not unduly reliant on a single revenue source, jeopardizing sustainability of operations. The City Council determines the appropriate percentage in the Policy and reviews it regularly. The Policy identifies several appropriate uses for these set aside non-operating funds:

- Transfer to COR in support of identified capital projects of citywide value with annual contributions sufficient to show full funding of the CIP within the planning period and maintenance of the target fund balance at the end of the planning period.
- Transfer to the Economic Uncertainties or Capital Reserve committed reserves to maintain target reserve balances

- Transfer to the committed Revenue Volatility Reserve within the General Fund to maintain its target fund balance
- Transfer to the One-time Projects Fund for non-recurring and generally non-capital needs, including contributions towards unfunded liabilities.

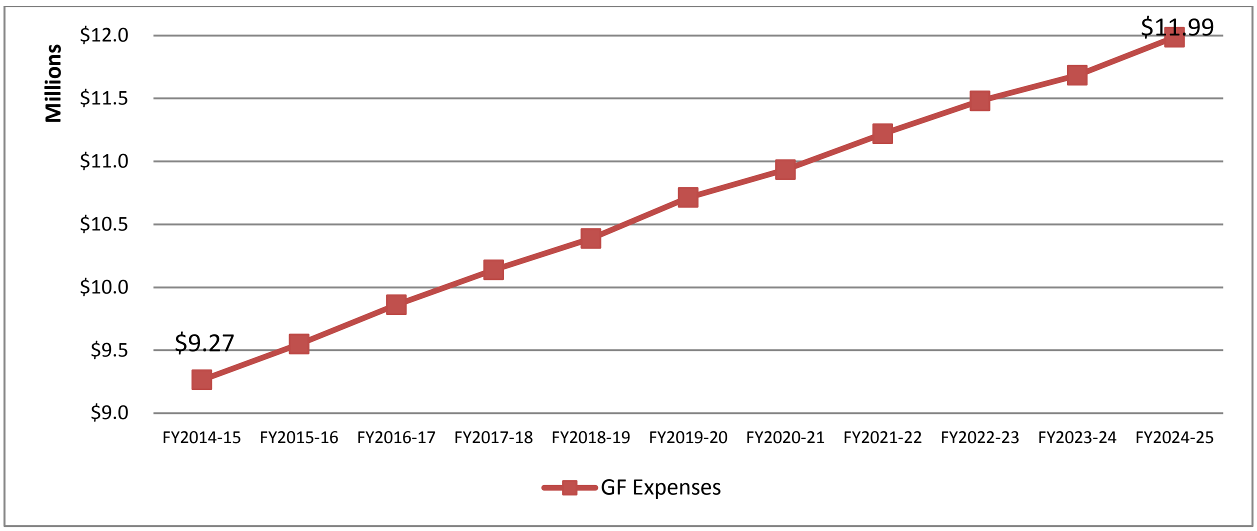
Identified Operating Needs

The remaining ongoing General Fund revenues are available to support ongoing operating needs in the Fund. For purposes of this Plan, several assumptions are made regarding expenditure projections. As with revenue, the baseline generally assumes maintaining current services, plans, and operating methods with adjustment for major known changes such as PERS rate growth. Continued revisions to services and methods of operation are likely and would influence such projections. Several one–time projects for example are under review which could significantly alter capital needs as well as operating costs and these are noted in this Plan. Assumptions should be viewed in the context of the difficulty making such long term projections and the increasing margin of error as projections become more distance. Assumptions of note include:

- Many projections are based on continuation of the average rate of inflation over the last 10 to 15 years. The continuation of that rate which is 2.6% consistently over the next 11 years is unlikely. The 2.6% inflation factor also applies to future salary cost, with the exception for part-time salaries which were increased by 7.5% in fiscal year 2014-15 due to increases in the Minimum Wage Law.
- Projections are based on Staff's best attempt to pull "all monsters out from under the bed" and identify the true costs of both operations and one-time needs, including capital. Therefore, there are significant changes to prior budget estimates, such as full funding of internal service fund expenditures.
- Projections assume current organizational structures, including that the two recent reorganizations and departmental consolidations continue through the planning period.
- Projections assume that the Captain and Code Enforcement Officer positions currently being reviewed will be filled in the coming fiscal year and maintained throughout the 11 year period. As these reviews come forward, changes to this assumption could significantly impact the cost and delivery of the impacted services. (Note: to be adjusted with selected scenario)
- It is assumed that 25% of the Code Enforcement program will be funded through the Successor Agency Housing Fund to support maintenance of existing, aging housing stock.
- It is assumed that the City and its employee associations will agree to a one year extension of the current agreements with no cost of living adjustment or benefit changes in FY 2014-15. All other personnel costs are assumed to be accounted for in the general inflation escalator cost mentioned above. The exception is the 1% rebate to La Palma Police Association represented employees. Since that benefit was for a specific limited period, it is not included beyond FY 2014-15.

- Higher than historic PERS employer rate changes are known for the planning period as CalPERS adjusts their assumptions for funding needs to both account for greater longevity and contributions needed to fully fund the retirement program within 30 years and retire the unfunded liability. This impact is particularly evident for the FY 2015-16 through FY 2021-22 years and rates are assumed to stabilize and/or drop following that period.
- Due to the length of the planning period, Staff has incorporated estimated impacts for retirements including increases to the numbers of non-tier one retirement employees, reducing costs especially in the out years.

The resulting projections for General Fund operating expenditures range from $9.3 million to $12 million. Detail is attached in Appendix D and is summarized in the following chart:



Identified Capital Needs

A large part of the dedicated one-time and ongoing revenues set aside for one-time purposes are assumed to be needed in order to fully fund capital investments over the planning period. In regard to capital needs, the following assumptions have been made:

- The average inflationary rate is assumed to match the historic level as used above, 2.6%. However, for certain types of capital projects, in particular street projects, commodities prices can fluctuate dramatically.
- As mentioned in the revenue discussion, funding from the Streets and Measure M funds is assumed to remain relatively constant meaning that the majority of street project funding inflation is borne by the COR fund.
- The capital projections do not include projections for a number of one-time projects in review, but which have not yet been approved. These projects, which could represent significant impacts to available resources, are described on the next page.

Unknown One-Time Needs	One-Time Cost Estimates
Energy Assessment/Street Lights	$2.9 million
Unfunded OPEB Liabilities	$ 393,000
Unfunded Retirement Liabilities	$ 7.2 million
Unfunded Leave time	$ 606,000
Tyler Technology	$110,000
City Hall Replacement	$6-10 million
Hdl Code Enforcement/Business License	$48,400
5410-14 La Palma improvements	$200,000

- Some of the large capital needs identified in the projections are good candidates for capital financing vs. use of existing and projected revenue. These opportunities would be evaluated for each project as that project comes forward. Therefore, some of the funding gaps noted in this Plan could be addressed through financing mechanisms and these are described in more detail in the Action Plan section of the Plan. Funding some one-time projects may also impact ongoing costs such as energy savings from energy investments or increased operating costs in the water utility if a treatment plant is required.

Resulting Funding Gaps

Based on the projections, assumptions, and recommended changes noted above, many City funds would remain at or above target fund balance levels throughout the long term planning period. However, for some funds a gap exists within that planning window between the total identified demands on resources and the projected level of resources, assuming no additional resources through financing. These are:

- General Fund
- One-time Project Fund
- Water
- Sewer

General/Emergency/One-time Project Funds – The basic source of assets for all of these funds is the same – ongoing or one-time General Fund revenues and transferred fund balances plus interest earnings, designated grant funding, or other one-time revenues such as financing proceeds. Eleven year assets for the funds is projected to total $XX million which represents $XX in ongoing revenue throughout the period plus $XX in estimated beginning reserves (does not include any possible proceeds or payments needed from a financing tool and is net from the assumed even annual funding of COR). Ongoing General Fund operations and one-time project demands on these funds total $XX in addition to the target fund balances of $XX. Addressing this gap of needs vs. resources is an essential part of this plan and rationale for adopting a Policy which establishes a balance between operating and one-time demands through the dedicated transfer of a percent of ongoing revenue for one-time projects.

The City has already made significant changes in operations to minimize this gap and the Action Plan below provides a path to manage the remaining gap in a sustainable way. This path represents a balance between more efficient operations, reductions to some services, improved revenue base for services, and use of one-time monies such as reserves primarily for one-time projects which produce on-going benefits in improved services or reduced costs.

Water – The City has been carefully monitoring water quality, and specifically its arsenic levels, for several years. The potential need for capital or operating changes in the future to continue to ensure water quality has been on the radar and staff has been identifying potential solutions for when current practices might no longer be adequate. It is likely some solution will be needed within the planning period and potentially sooner vs. later. The Plan includes a placeholder for design and construction of a water treatment plant to address this issue. It is possible that a lower cost solution will be found and/or that the estimated costs would be eligible for various grants or assistance. The purpose of showing it within the Plan is to highlight the issue and its potential impact on required water system needs and resources. The Plan also assumes continuing the practice of regular utility rate review and adjustment.

Sewer – Sewer funds are anticipated to remain sustainable for most of the planning period with some issues shown in later years. Given the difficulty of projecting out that far, the drop below fund balance in the final years may or may not result in an actual resource/needs gap. However, showing a projected gap highlights the potential need for rate increases during the planning period and the need for continued rate studies to avoid dramatic rate increases vs. more gradual changes which ease the burden on ratepayers.

Based on transferring XX% of General Fund ongoing revenues for one-time purposes, including COR, the following action plan is needed to provide sustainable and balanced resources for these needs. The gap prior to any action plan items is represented on the following chart:

Action Plan

It is important that this planning exercise is not a one-time event, but is itself sustainable and refreshed continuously over time. Therefore the Plan should be reviewed annually as a part of the budget process. Recommendations on General Fund revenue, fund restructuring and fund balance targets have been described above. In addition to these recommendations, the actions below are recommended for adoption as a part of the Plan and are necessary to make the Plan truly sustainable over the planning period given the percent of General Fund ongoing revenue identified in the Revenue Policy for transfer to non-operating needs. Each of the actions can be categorized as part of four strategies: 1) improved revenue and resource base; 2) revised operations to provide services more efficiently and/or at a higher quality; 3) reductions or elimination of current services; or 4) use of existing or future reserves for one-time investments that reduce ongoing costs or improve quality. While the focus of these actions is on the General Fund, other funds subject to an asset/demand gap as shown above have also been addressed.

The projected results of this Action Plan are noted in the subsequent revised revenue/expenditure chart. The Action Plan would also require revision if the ongoing revenue distribution specified in the Policy is revised by the City Council. The following actions are anticipated to provide for full funding of operations and capital improvements needed over the planning period as well as provide additional funding to the One-Time Project Fund or other one-time uses. Additional savings would accrue should some of the projects identified above for this fund move forward, such as lower energy costs or lower pension costs if the City completed energy projects or funds unfunded pension liabilities.

The resources and needs chart as modified by the action plan is shown below:

(Chart to be inserted once plan is adopted by City Council)

Critical Path Schedule

The following chart indicates the scheduling of the recommended actions in this Plan, important milestones in completion and responsible parties. Performance metrics and measures of success would be built into budget and quarterly reporting, as well as into annual reviews of this Plan.

Review Sustainable Financial Plan, including Action Plan	1/1/15	Administrative Services Director

APPENDIX A

La Palma's Vision

- Vision - The power to imagine a future that sustains the positive values of the present
- Family - People united by common values, convictions, and aspirations
- Pride and Ownership - Caring enough about one's home to invest in it continually
- Opportunity - The chance to prosper according to one's commitment and ability
- Security - Freedom from fear of one's person or property being violated

APPENDIX B

City Council Goals 2014

On January 7, 2014, the La Palma City Council conducted its annual goal setting session. The three priority goals were formally approved on January 21. The goals are:

Receive Staff Plan for a Balanced 2014/15 Budget by the End of February 2014

- All funds including those for infrastructure and facilities
- Recommended policy for the use of Tesoro revenue
- No use of reserves for operations
- Realistic assumptions
- How the plan supports a sustainable future
- How labor negotiations will support the goal

Maintain and Improve Quality of Life

- Beautification
- Continuous improvement of services to the public
- Maintenance of a strong and effective Police Department
- Improvement in communications to the public
- Addressing the school district situation (La Palma kids go to La Palma schools)

Approve a General Plan by the End of the Fiscal Year

APPENDIX C

CITY OF LA PALMA
FINANCIAL POLICIES

GENERAL FUND ONGOING AND ONE-TIME REVENUE SUSTAINABILITY POLICY

POLICY STATEMENT AND PURPOSE

It is the policy of the City of La Palma (City) to establish sound financial policies that are guidelines for prudent decision-making related to financial matters. The purpose of this policy is to provide for a sustainable organization; to promote fiscal and service solvency; to promote fiscal health through financial planning based on projected revenues; and, to provide stability in funding for both the core services and the infrastructure funded through the General Fund.

To do this, the Policy allocates one-time revenues and a percentage of ongoing General Fund revenue towards funding one-time needs, providing a priority for stable annual contributions to capital projects sufficient to provide 10 years of anticipated project funding; maintaining reserves in compliance with the Reserves Policies, and providing a mechanism for smoothing ongoing revenue volatility to support sustainability of ongoing services. It is therefore the policy of the City Council that General Fund revenues shall be used to maintain an effective balance between a sustainable level of services which improve quality of life within the community and providing for the long term capital, infrastructure, and other one-time needs of the community.

SCOPE

This Policy applies and is subordinate to fulfilling the established Reserve Policies. The scope of this Policy is limited to annual General Fund ongoing revenue and one-time, non-recurring revenue and this Policy does not apply to one-time grant revenues, which by their nature are designated for specific purposes.

DEFINITIONS

General Fund Ongoing Revenue – Recurring resources that can generally be counted upon on an annual basis and over which the City Council has significant discretion as to their use. Revenues expected to reoccur for less than five years would generally be excluded from this category. Ongoing revenues are also defined as revenues net of any revenue sharing agreements which may be in place.

One-time Revenues – Non-recurring resources generated by one-time events or which are anticipated to reoccur for less than five years. These may include, but are not limited to, the following:

- Sale of City-owned assets or property
- Litigation settlements
- Development agreements
- Loans

One-Time Expenses – Non-recurring expenses, typically related to short-duration activities or one-time projects, which may include, but are not limited to, the following:

- Projects identified in the City's Capital Reserve Fund Improvement Plan or other long term plan such as:
  - Right of way Projects (streets, sidewalks, curb and gutters)
  - Storm Drains
  - Major facility maintenance, upgrades or renovations
  - Acquisition, design or construction of new facilities
- Equipment replacement where the expected life of the equipment exceeds five years
- Technology replacements or upgrades, including energy conservation and communications technologies
- One time transfers or use to pay down already incurred unfunded liabilities
- Temporary use of the reserves committed to provide additional resources for General Fund operations where a significant and temporary reduction in ongoing General Fund revenues is anticipated
- One time transfers to maintain target fund balance levels in the Economic Uncertainties or Capital Reserve committed reserves as specified in this Policy and in the Reserves Policy.

The examples of One-Time Revenues and One-Time Expenses provided in this Policy are merely examples and do not preclude the City Council from identifying other appropriate One-Time revenue sources or One-Time funding needs, consistent with this Policy.

Existing Fund Balance Reserve Categories – The City Council is committed to maintaining reserve balances at appropriate levels that; protect City assets, assure availability of cash to meet short-term obligations, address unforeseen events, and avoid future debt. The Reserves Policy establishes reserves to address unforeseen emergencies or disasters, legal claims, capital needs, facilities maintenance and vehicle replacement, employee benefits, and technology. Pursuant to Governmental Accounting and Standards Board (GASB) No. 54, the City's existing reserve balances are organized within five classifications, which include: Nonspendable, Restricted, Committed, Assigned and Unassigned.

RESPONSIBILITY

Implementation of the Policy is the responsibility of the City Manager and the Administrative Services Director.

BACKGROUND

The City of La Palma is committed to maintaining a structurally balanced budget, where ongoing expenditures are aligned and supported by ongoing revenues and longer term one-time needs such as capital improvements are supported by both one-time revenues and on-going revenues where these are available without sacrificing the maintenance of core services. The General Fund faces a significant challenge in this regard due to a lack of diversification in its revenue base and reliance on a single significant revenue source tied to a volatile commodities market. This has been especially evident in recent years with the loss of a major sales tax generator. A major principle of this Policy is that available resources shall be balanced so as not to overly damage ongoing needs to fund future needs or sacrifice long term needs for ongoing expenditures. While the reliability of projections decreases significantly in the longer term, such projections offer a useful planning tool for evaluating long term impacts of current decision making.

The City is also committed to assuring that one-time resources such as year-end budget surpluses are utilized only for one-time needs. By their nature, one-time revenues cannot be relied upon to support ongoing services in the long term. Furthermore, use of one-time revenues to fund ongoing programs jeopardizes sustaining a consistent level and quality of services and undermines its commitment to fiscal health and discipline.

In the course of regular City business, a variety of one-time events may occur, such as the sale of City property or approval of a development agreement, resulting in one-time revenues to the City. Depending upon the source, timing, and nature of these funds, they may be restricted to some purpose, or may be unrestricted and available to further City and community goals. In aligning one-time resources with one-time needs, this Policy helps ensure sufficient resources are set aside for funding future one-time capital, infrastructure, technology or other needs vs. additional unsustainable services.

PROCEDURE

A. Allocation of General Fund Ongoing Revenues for Non-operating Needs – As a part of the annual budget process, Staff shall develop a ten year capital improvement and other one-time needs projection that includes all known one-time projects/needs based on existing capital and master plans as well as projections for other known one-time expenditure needs such as unfunded liabilities. Staff shall assume that XX% of projected ongoing General Fund revenues, in addition to any projected one-time revenues, shall be devoted to these one-time needs and shall not be available for ongoing General Fund operations. The recommended budget plan shall include recommendations for distribution of these funds based upon the total projected long term one-time needs identified.

B. <u>One-Time Revenue Allocation -</u> Any one-time revenue received into the General Fund shall be allocated for one-time uses as directed by the City Council. If a General Fund budget surplus is identified after the close of a fiscal year, the surplus shall likewise be transferred out of the General Fund and distributed for one-time needs based upon a plan approved by the City Council.

C. <u>Types of One-Time Uses -</u> As defined above, this may include:

1. Build Economic Uncertainties or Capital Reserve Committed Reserves – Target reserve levels are established for the Economic Uncertainties and Capital Reserve committed reserves of the One-Time Projects Fund. If expenditures from these reserves are necessary, they need to be rebuilt over time. Therefore, one-time revenues may be transferred to these reserves to retain the target levels established by policy.

2. COR Fund Transfer – The COR serves as a resource for all non-proprietary fund capital projects and supplements special revenue funds such as Street and Measure M2. This Policy designates that sufficient regular annual transfers into the COR will be made to demonstrate full funding of anticipated projects within the planning period. Additional funding beyond this regular contribution may also be made to the COR to either lower future annual contributions or increase the COR fund balance beyond the target level.

3. Other One-Time Uses – Transfers may be made to other funds or committed reserves to provide for other one-time investments which provide general benefit to the organization or community through ongoing capacity improvement, cost savings or efficiencies. Such one-time investments may include, but are not limited to, technology, energy, communications or economic development.

4. Revenue Volatility Committed Reserve (RVR) – The RVR serves as a General Fund resource for smoothing typical cycles of ongoing revenues by setting funds aside in years with better than average revenue and utilizing that accumulated revenue in years with significant but temporary revenue decreases. In no case may the RVR be used to support General Fund ongoing expenditures when the revenue reduction is not temporary but considered ongoing. The target fund balance for the RVR committed reserve is $1.0 million since this fund is intended only for temporary revenue shortfalls. Significant revenue loss is defined as at least 5% of the General Fund's prior year revenue. Temporary is defined as no more than 5 years in expected duration.

Staff shall recommend and the City Council shall determine how to allocate revenues between these uses.

D. Use of One-Time Revenue **-** When One-Time revenues are received which were not budgeted for the year, the City Council may determine where such one-time revenues should be allocated based upon the needs identified above.

When there is a shortfall in budgeted One-Time revenues, the City Manager shall present a plan to address impacts, including reducing, eliminating or delaying expenditures or substituting other One-Time Revenue.

ADOPTION

This policy was adopted on March 18, 2014, and is to be reviewed by the City Council as part of the annual review of all financial policies in the budget development and adoption process. Any changes to this Policy must be approved by action of the City Council.

APPENDIX D

(To Be inserted once a plan is chosen)

Attachment 2

Capital Operating Reserve
10 Year Projection

3/13/2014	FY 2014-15	FY 2015-16	FY 2015-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Fy 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Totals		
COR Fund (Reserve $2M)														
Beginning Balance	$ 4,948,728	$ 1,524,290	$ 1,047,337	$ 925,818	$ 1,151,131	$ 1,291,042	$ 1,405,124	$ 1,488,705	$ 1,554,286	$ 1,925,943	$ 1,837,997			
Revenues														
Transfer in General Fund	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 5,005,000		
Transfer in Building Fund														
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,948,728	Beginning Balance
Miscellaneous Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Interest on Investments	$ 37,115	$ 11,432	$ 7,855	$ 6,944	$ 8,633	$ 9,683	$ 10,538	$ 11,165	$ 11,657	$ 14,445	$ 13,785	$ 143,253	$ 8,059,605	Total Projects
Total Revenues	$ 492,115	$ 466,432	$ 462,855	$ 461,944	$ 463,633	$ 464,683	$ 465,538	$ 466,165	$ 466,657	$ 469,445	$ 468,785	$ 5,148,253	$ 2,000,000	Reserve
												$ -	$ 5,110,877	COR Funds Needed
Expenditures												$ -	$ 464,625	Annual Amount
Street Projects	$ 1,701,553	$ 629,886	$ 59,374	$ 141,630	$ 228,723	$ 255,601	$ 226,957	$ 25,584	$ -	$ 482,391	$ 194,406	$ 3,946,105	subtract interest	
Facility Projects	$ 2,215,000	$ 313,500	$ 525,000	$ 95,000	$ 95,000	$ 95,000	$ 155,000	$ 375,000	$ 95,000	$ 75,000	$ 75,000	$ 4,113,500	$ 455,000.00	actual annual amount
Total Expenditures	$ 3,916,553	$ 943,386	$ 584,374	$ 236,630	$ 323,723	$ 350,601	$ 381,957	$ 400,584	$ 95,000	$ 557,391	$ 269,406	$ 8,059,605		
Ending Balance	$ 1,524,290	$ 1,047,337	$ 925,818	$ 1,151,131	$ 1,291,042	$ 1,405,124	$ 1,488,705	$ 1,554,286	$ 1,925,943	$ 1,837,997	$ 2,037,376			

City of La Palma

11 Year General Fund Cash Flow Projection

Scenario - Status Quo (No Transfers)

	FY2014-15 Preliminary	**FY2015-16 Projected**	**FY2016-17 Projected**	**FY2017-18 Projected**	**FY2018-19 Projected**	**FY2019-20 Projected**	**FY2020-21 Projected**	**FY2021-22 Projected**	**FY2022-23 Projected**	**FY2023-24 Projected**	**FY2024-25 Projected**	
Property Taxes	3,387,030	3,470,949	3,556,950	3,645,087	3,735,411	3,827,977	3,922,840	4,020,059	4,119,691	4,221,797	4,326,437	
Sales & Use Taxes	2,835,862	2,906,759	2,979,428	3,053,913	3,130,261	3,208,518	3,288,730	3,352,354	3,417,242	3,483,421	3,550,917	
Utility User Tax	1,179,900	1,191,699	1,203,616	1,215,652	1,227,809	1,240,087	1,252,488	1,265,013	1,277,663	1,290,439	1,303,344	
Franchise Fees	394,410	403,760	413,334	423,137	433,174	443,451	453,975	464,750	475,782	487,079	498,647	
Transient Occupancy	275,000	281,875	288,922	296,145	303,549	311,137	318,916	326,889	335,061	343,437	352,023	
Business License	171,000	175,275	179,657	184,148	188,752	193,471	198,308	203,265	208,347	213,556	218,894	
Permits	102,700	105,200	107,763	110,389	113,081	115,841	118,669	121,569	124,540	127,586	130,708	
Intergovernmental	17,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Charges for Service	521,750	535,661	547,021	558,636	570,511	582,654	595,069	607,764	620,745	634,018	647,591	
Fines & Forfeitures	150,350	153,357	156,424	159,553	162,744	165,999	169,319	172,705	176,159	179,682	183,276	
Use of Money & Property	368,122	612,162	621,113	630,274	639,649	649,245	659,067	669,120	679,410	689,942	700,724	
Other Income	305,500	306,638	307,801	308,991	310,208	311,453	312,726	314,029	315,361	316,723	318,117	
Transfers In	283,100	290,178	297,432	304,868	312,489	320,302	328,309	336,517	344,930	353,553	362,392	
Total GF Revenues	9,991,724	10,453,511	10,679,460	10,910,791	11,147,638	11,390,133	11,638,416	11,874,032	12,114,931	12,361,235	12,613,070	125,174,942
Administration	1,421,944	1,466,195	1,502,242	1,543,740	1,580,145	1,628,512	1,662,543	1,705,491	1,740,694	1,769,525	1,814,837	17,835,869
Police	5,429,667	5,611,179	5,811,180	5,977,409	6,129,759	6,329,492	6,453,228	6,622,003	6,806,304	6,939,837	7,119,089	69,229,146
Community Services	1,981,493	2,039,411	2,101,020	2,158,048	2,207,869	2,271,676	2,324,262	2,384,850	2,413,732	2,445,335	2,508,726	24,836,421
Community Development	432,241	432,350	446,555	458,995	469,425	483,841	494,185	507,088	519,430	529,513	543,216	5,316,838
Subtotal Operating	9,265,345	9,549,136	9,860,996	10,138,192	10,387,198	10,713,521	10,934,217	11,219,432	11,480,159	11,684,211	11,985,868	117,218,275
Transfer to COR	-	-	-	-	-	-	-	-	-	-	-	
Transfer to 60/40	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Other	-	-	-	-	-	-	-	-	-	-	-	
Subtotal Transfer Out	-	-	-	-	-	-	-	-	-	-	-	
Total GF Expenses	9,265,345	9,549,136	9,860,996	10,138,192	10,387,198	10,713,521	10,934,217	11,219,432	11,480,159	11,684,211	11,985,868	117,218,275
GF Surplus/(Deficit)	**726,379**	**904,376**	**818,464**	**772,600**	**760,440**	**676,612**	**704,199**	**654,600**	**634,772**	**677,024**	**627,202**	7,956,667

Scenario - Transfer 6.4% of Revenues

	FY2014-15 Preliminary	FY2015-16 Projected	FY2016-17 Projected	FY2017-18 Projected	FY2018-19 Projected	FY2019-20 Projected	FY2020-21 Projected	FY2021-22 Projected	FY2022-23 Projected	FY2023-24 Projected	FY2024-25 Projected	
Property Taxes	$ 3,387,030	$ 3,470,949	$ 3,556,950	$ 3,645,087	$ 3,735,411	$ 3,827,977	$ 3,922,840	$ 4,020,059	$ 4,119,691	$ 4,221,797	$ 4,326,437	
Sales & Use Taxes	$ 2,835,862	$ 2,906,759	$ 2,979,428	$ 3,053,913	$ 3,130,261	$ 3,208,518	$ 3,288,730	$ 3,352,354	$ 3,417,242	$ 3,483,421	$ 3,550,917	
Utility User Tax	$ 1,179,900	$ 1,191,699	$ 1,203,616	$ 1,215,652	$ 1,227,809	$ 1,240,087	$ 1,252,488	$ 1,265,013	$ 1,277,663	$ 1,290,439	$ 1,303,344	
Franchise Fees	$ 394,410	$ 403,760	$ 413,334	$ 423,137	$ 433,174	$ 443,451	$ 453,975	$ 464,750	$ 475,782	$ 487,079	$ 498,647	
Transient Occupancy	$ 275,000	$ 281,875	$ 288,922	$ 296,145	$ 303,549	$ 311,137	$ 318,916	$ 326,889	$ 335,061	$ 343,437	$ 352,023	
Business License	$ 171,000	$ 175,275	$ 179,657	$ 184,148	$ 188,752	$ 193,471	$ 198,308	$ 203,265	$ 208,347	$ 213,556	$ 218,894	
Permits	$ 102,700	$ 105,200	$ 107,763	$ 110,389	$ 113,081	$ 115,841	$ 118,669	$ 121,569	$ 124,540	$ 127,586	$ 130,708	
Intergovernmental	$ 17,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	
Charges for Service	$ 521,750	$ 535,661	$ 547,021	$ 558,636	$ 570,511	$ 582,654	$ 595,069	$ 607,764	$ 620,745	$ 634,018	$ 647,591	
Fines & Forfeitures	$ 150,350	$ 153,357	$ 156,424	$ 159,553	$ 162,744	$ 165,999	$ 169,319	$ 172,705	$ 176,159	$ 179,682	$ 183,276	
Use of Money & Property	$ 368,122	$ 612,162	$ 621,113	$ 630,274	$ 639,649	$ 649,245	$ 659,067	$ 669,120	$ 679,410	$ 689,942	$ 700,724	
Other Income	$ 305,500	$ 306,638	$ 307,801	$ 308,991	$ 310,208	$ 311,453	$ 312,726	$ 314,029	$ 315,361	$ 316,723	$ 318,117	
Transfers In	$ 283,100	$ 290,178	$ 297,432	$ 304,868	$ 312,489	$ 320,302	$ 328,309	$ 336,517	$ 344,930	$ 353,553	$ 362,392	
Total GF Revenues	$ 9,991,724	$ 10,453,511	$ 10,679,460	$ 10,910,791	$ 11,147,638	$ 11,390,133	$ 11,638,416	$ 11,874,032	$ 12,114,931	$ 12,361,235	$ 12,613,070	
Administration	$ 1,421,944	$ 1,466,195	$ 1,502,242	$ 1,543,740	$ 1,580,145	$ 1,628,512	$ 1,662,543	$ 1,705,491	$ 1,740,694	$ 1,769,525	$ 1,814,837	
Police	$ 5,429,667	$ 5,611,179	$ 5,811,180	$ 5,977,409	$ 6,129,759	$ 6,329,492	$ 6,453,228	$ 6,622,003	$ 6,806,304	$ 6,939,837	$ 7,119,089	
Community Services	$ 1,981,493	$ 2,039,411	$ 2,101,020	$ 2,158,048	$ 2,207,869	$ 2,271,676	$ 2,324,262	$ 2,384,850	$ 2,413,732	$ 2,445,335	$ 2,508,726	
Community Development	$ 432,241	$ 432,350	$ 446,555	$ 458,995	$ 469,425	$ 483,841	$ 494,185	$ 507,088	$ 519,430	$ 529,513	$ 543,216	
Subtotal Operating	$ 9,265,345	$ 9,549,136	$ 9,860,996	$ 10,138,192	$ 10,387,198	$ 10,713,521	$ 10,934,217	$ 11,219,432	$ 11,480,159	$ 11,684,211	$ 11,985,868	
Calculated Transfer Out:	$ 639,470	$ 669,025	$ 683,485	$ 698,291	$ 713,449	$ 728,969	$ 744,859	$ 759,938	$ 775,356	$ 791,119	$ 807,236	**$ 8,011,196**
Transfer to COR	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	**$ 5,005,000**
Transfer to 60/40	$ 354,254	$ 283,790	$ 311,861	$ 277,195	$ 249,007	$ 326,323	$ 220,696	$ 285,215	$ 260,726	$ 204,052	$ 301,657	**$ 3,074,777**
Transfer to Other	$ -	$ -	$ -	$ -	$ 9,442	$ -	$ 69,163	$ 19,723	$ 59,629	$ 132,067	$ 50,579	**$ 340,604**
Subtotal Transfer Out	$ 809,254	$ 738,790	$ 766,861	$ 732,195	$ 713,449	$ 781,323	$ 744,859	$ 759,938	$ 775,356	$ 791,119	$ 807,236	
Total GF Expenses	$ 10,074,599	$ 10,287,926	$ 10,627,857	$ 10,870,387	$ 11,100,647	$ 11,494,845	$ 11,679,076	$ 11,979,370	$ 12,255,514	$ 12,475,330	$ 12,793,104	
GF Surplus/(Deficit)	**$ (82,876)**	**$ 165,585**	**$ 51,603**	**$ 40,404**	**$ 46,991**	**$ (104,711)**	**$ (40,660)**	**$ (105,338)**	**$ (140,583)**	**$ (114,095)**	**$ (180,035)**	$ (463,713)

Scenario - Transfer 6.4% of Revenues with Financial Plan

	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	
	Preliminary	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	
Property Taxes	$ 3,387,030	$ 3,470,949	$ 3,556,950	$ 3,645,087	$ 3,735,411	$ 3,827,977	$ 3,922,840	$ 4,020,059	$ 4,119,691	$ 4,221,797	$ 4,326,437	
Sales & Use Taxes	$ 2,835,862	$ 2,906,759	$ 2,979,428	$ 3,053,913	$ 3,130,261	$ 3,208,518	$ 3,288,730	$ 3,352,354	$ 3,417,242	$ 3,483,421	$ 3,550,917	
Utility User Tax	$ 1,179,900	$ 1,191,699	$ 1,203,616	$ 1,215,652	$ 1,227,809	$ 1,240,087	$ 1,252,488	$ 1,265,013	$ 1,277,663	$ 1,290,439	$ 1,303,344	
Franchise Fees	$ 394,410	$ 403,760	$ 413,334	$ 423,137	$ 433,174	$ 443,451	$ 453,975	$ 464,750	$ 475,782	$ 487,079	$ 498,647	
Transient Occupancy	$ 275,000	$ 281,875	$ 288,922	$ 296,145	$ 303,549	$ 311,137	$ 318,916	$ 326,889	$ 335,061	$ 343,437	$ 352,023	
Business License	$ 171,000	$ 175,275	$ 179,657	$ 184,148	$ 188,752	$ 193,471	$ 198,308	$ 203,265	$ 208,347	$ 213,556	$ 218,894	
Permits	$ 102,700	$ 105,200	$ 107,763	$ 110,389	$ 113,081	$ 115,841	$ 118,669	$ 121,569	$ 124,540	$ 127,586	$ 130,708	
Intergovernmental	$ 17,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	
Charges for Service	$ 521,750	$ 535,661	$ 547,021	$ 558,636	$ 570,511	$ 582,654	$ 595,069	$ 607,764	$ 620,745	$ 634,018	$ 647,591	
Fines & Forfeitures	$ 183,350	$ 186,357	$ 189,424	$ 192,553	$ 195,744	$ 198,999	$ 202,319	$ 205,705	$ 209,159	$ 212,682	$ 216,276	
Use of Money & Property	$ 368,122	$ 612,162	$ 621,113	$ 630,274	$ 689,649	$ 703,442	$ 717,511	$ 731,861	$ 746,499	$ 761,429	$ 776,657	
Other Income	$ 305,500	$ 306,638	$ 307,801	$ 308,991	$ 310,208	$ 311,453	$ 312,726	$ 314,029	$ 315,361	$ 316,723	$ 318,117	
Transfers In	$ 283,100	$ 290,178	$ 297,432	$ 304,868	$ 312,489	$ 320,302	$ 328,309	$ 336,517	$ 344,930	$ 353,553	$ 362,392	
Total GF Revenues	$ 10,024,724	$ 10,486,511	$ 10,712,460	$ 10,943,791	$ 11,230,638	$ 11,477,330	$ 11,729,860	$ 11,969,774	$ 12,215,020	$ 12,465,721	$ 12,722,003	
Administration	$ 1,421,944	$ 1,466,195	$ 1,502,242	$ 1,543,740	$ 1,580,145	$ 1,628,512	$ 1,662,543	$ 1,705,491	$ 1,740,694	$ 1,769,525	$ 1,814,837	
Police	$ 5,274,667	$ 5,456,179	$ 5,656,180	$ 5,822,409	$ 5,974,759	$ 6,174,492	$ 6,298,228	$ 6,467,003	$ 6,651,304	$ 6,784,837	$ 6,964,089	
Community Services	$ 1,981,493	$ 2,039,411	$ 2,101,020	$ 2,158,048	$ 2,207,869	$ 2,271,676	$ 2,324,262	$ 2,384,850	$ 2,413,732	$ 2,445,335	$ 2,508,726	
Community Development	$ 432,241	$ 432,350	$ 446,555	$ 458,995	$ 469,425	$ 483,841	$ 494,185	$ 507,088	$ 519,430	$ 529,513	$ 543,216	
Subtotal Operating	$ 9,110,345	$ 9,394,136	$ 9,705,996	$ 9,983,192	$ 10,232,198	$ 10,558,521	$ 10,779,217	$ 11,064,432	$ 11,325,159	$ 11,529,211	$ 11,830,868	
Calculated Transfer Out:	$ 641,582	$ 671,137	$ 685,597	$ 700,403	$ 718,761	$ 734,549	$ 750,711	$ 766,066	$ 781,761	$ 797,806	$ 814,208	**$ 8,062,581**
Transfer to COR	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	**$ 5,005,000**
Transfer to 60/40												**$ -**
Transfer to Other	$ 186,582	$ 216,137	$ 230,597	$ 245,403	$ 263,761	$ 279,549	$ 295,711	$ 311,066	$ 326,761	$ 342,806	$ 359,208	**$ 3,057,581**
Subtotal Transfer Out	$ 641,582	$ 671,137	$ 685,597	$ 700,403	$ 718,761	$ 734,549	$ 750,711	$ 766,066	$ 781,761	$ 797,806	$ 814,208	
Total GF Expenses	$ 9,751,928	$ 10,065,272	$ 10,391,594	$ 10,683,594	$ 10,950,959	$ 11,293,071	$ 11,529,928	$ 11,830,498	$ 12,106,920	$ 12,327,017	$ 12,645,076	
GF Surplus/(Deficit)	**$ 272,796**	**$ 421,239**	**$ 320,866**	**$ 260,197**	**$ 279,679**	**$ 184,260**	**$ 199,932**	**$ 139,276**	**$ 108,100**	**$ 138,704**	**$ 76,927**	$ 2,401,977

Scenario - Transfer 9.6% of Revenues

	FY2014-15 Preliminary	FY2015-16 Projected	FY2016-17 Projected	FY2017-18 Projected	FY2018-19 Projected	FY2019-20 Projected	FY2020-21 Projected	FY2021-22 Projected	FY2022-23 Projected	FY2023-24 Projected	FY2024-25 Projected	
Property Taxes	$ 3,387,030	$ 3,470,949	$ 3,556,950	$ 3,645,087	$ 3,735,411	$ 3,827,977	$ 3,922,840	$ 4,020,059	$ 4,119,691	$ 4,221,797	$ 4,326,437	
Sales & Use Taxes	$ 2,835,862	$ 2,906,759	$ 2,979,428	$ 3,053,913	$ 3,130,261	$ 3,208,518	$ 3,288,730	$ 3,352,354	$ 3,417,242	$ 3,483,421	$ 3,550,917	
Utility User Tax	$ 1,179,900	$ 1,191,699	$ 1,203,616	$ 1,215,652	$ 1,227,809	$ 1,240,087	$ 1,252,488	$ 1,265,013	$ 1,277,663	$ 1,290,439	$ 1,303,344	
Franchise Fees	$ 394,410	$ 403,760	$ 413,334	$ 423,137	$ 433,174	$ 443,451	$ 453,975	$ 464,750	$ 475,782	$ 487,079	$ 498,647	
Transient Occupancy	$ 275,000	$ 281,875	$ 288,922	$ 296,145	$ 303,549	$ 311,137	$ 318,916	$ 326,889	$ 335,061	$ 343,437	$ 352,023	
Business License	$ 171,000	$ 175,275	$ 179,657	$ 184,148	$ 188,752	$ 193,471	$ 198,308	$ 203,265	$ 208,347	$ 213,556	$ 218,894	
Permits	$ 102,700	$ 105,200	$ 107,763	$ 110,389	$ 113,081	$ 115,841	$ 118,669	$ 121,569	$ 124,540	$ 127,586	$ 130,708	
Intergovernmental	$ 17,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	
Charges for Service	$ 521,750	$ 535,661	$ 547,021	$ 558,636	$ 570,511	$ 582,654	$ 595,069	$ 607,764	$ 620,745	$ 634,018	$ 647,591	
Fines & Forfeitures	$ 150,350	$ 153,357	$ 156,424	$ 159,553	$ 162,744	$ 165,999	$ 169,319	$ 172,705	$ 176,159	$ 179,682	$ 183,276	
Use of Money & Property	$ 368,122	$ 612,162	$ 621,113	$ 630,274	$ 639,649	$ 649,245	$ 659,067	$ 669,120	$ 679,410	$ 689,942	$ 700,724	
Other Income	$ 305,500	$ 306,638	$ 307,801	$ 308,991	$ 310,208	$ 311,453	$ 312,726	$ 314,029	$ 315,361	$ 316,723	$ 318,117	
Transfers In	$ 283,100	$ 290,178	$ 297,432	$ 304,868	$ 312,489	$ 320,302	$ 328,309	$ 336,517	$ 344,930	$ 353,553	$ 362,392	
Total GF Revenues	$ 9,991,724	$ 10,453,511	$ 10,679,460	$ 10,910,791	$ 11,147,638	$ 11,390,133	$ 11,638,416	$ 11,874,032	$ 12,114,931	$ 12,361,235	$ 12,613,070	
Administration	$ 1,421,944	$ 1,466,195	$ 1,502,242	$ 1,543,740	$ 1,580,145	$ 1,628,512	$ 1,662,543	$ 1,705,491	$ 1,740,694	$ 1,769,525	$ 1,814,837	
Police	$ 5,429,667	$ 5,611,179	$ 5,811,180	$ 5,977,409	$ 6,129,759	$ 6,329,492	$ 6,453,228	$ 6,622,003	$ 6,806,304	$ 6,939,837	$ 7,119,089	
Community Services	$ 1,981,493	$ 2,039,411	$ 2,101,020	$ 2,158,048	$ 2,207,869	$ 2,271,676	$ 2,324,262	$ 2,384,850	$ 2,413,732	$ 2,445,335	$ 2,508,726	
Community Development	$ 432,241	$ 432,350	$ 446,555	$ 458,995	$ 469,425	$ 483,841	$ 494,185	$ 507,088	$ 519,430	$ 529,513	$ 543,216	
Subtotal Operating	$ 9,265,345	$ 9,549,136	$ 9,860,996	$ 10,138,192	$ 10,387,198	$ 10,713,521	$ 10,934,217	$ 11,219,432	$ 11,480,159	$ 11,684,211	$ 11,985,868	
Calculated Transfer Out:	$ 959,205	$ 1,003,537	$ 1,025,228	$ 1,047,436	$ 1,070,173	$ 1,093,453	$ 1,117,288	$ 1,139,907	$ 1,163,033	$ 1,186,679	$ 1,210,855	**$ 12,016,794**
Transfer to COR	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	**$ 5,005,000**
Transfer to 60/40	$ 354,254	$ 283,790	$ 311,861	$ 277,195	$ 249,007	$ 326,323	$ 220,696	$ 285,215	$ 260,726	$ 204,052	$ 301,657	**$ 3,074,777**
Transfer to Other	$ 149,951	$ 264,747	$ 258,368	$ 315,241	$ 366,167	$ 312,129	$ 441,592	$ 399,692	$ 447,307	$ 527,627	$ 454,197	**$ 3,937,018**
Subtotal Transfer Out	$ 959,205	$ 1,003,537	$ 1,025,228	$ 1,047,436	$ 1,070,173	$ 1,093,453	$ 1,117,288	$ 1,139,907	$ 1,163,033	$ 1,186,679	$ 1,210,855	
Total GF Expenses	$ 10,224,551	$ 10,552,673	$ 10,886,224	$ 11,185,628	$ 11,457,371	$ 11,806,974	$ 12,051,505	$ 12,359,339	$ 12,643,192	$ 12,870,889	$ 13,196,723	
GF Surplus/(Deficit)	**$ (232,827)**	**$ (99,161)**	**$ (206,765)**	**$ (274,836)**	**$ (309,733)**	**$ (416,841)**	**$ (413,089)**	**$ (485,307)**	**$ (528,261)**	**$ (509,654)**	**$ (583,653)**	**$ (4,060,127)**

Scenario - Transfer 9.6% of Revenues with Financial Plan

	FY2014-15 Preliminary	FY2015-16 Projected	FY2016-17 Projected	FY2017-18 Projected	FY2018-19 Projected	FY2019-20 Projected	FY2020-21 Projected	FY2021-22 Projected	FY2022-23 Projected	FY2023-24 Projected	FY2024-25 Projected	
Property Taxes	$ 3,387,030	$ 3,470,949	$ 3,556,950	$ 3,645,087	$ 3,735,411	$ 3,827,977	$ 3,922,840	$ 4,020,059	$ 4,119,691	$ 4,221,797	$ 4,326,437	
Sales & Use Taxes	$ 2,835,862	$ 2,906,759	$ 2,979,428	$ 3,053,913	$ 3,130,261	$ 3,208,518	$ 3,288,730	$ 3,352,354	$ 3,417,242	$ 3,483,421	$ 3,550,917	
Utility User Tax	$ 1,179,900	$ 1,191,699	$ 1,203,616	$ 1,356,652	$ 1,372,809	$ 1,389,087	$ 1,404,488	$ 1,421,013	$ 1,437,663	$ 1,454,439	$ 1,472,344	
Franchise Fees	$ 394,410	$ 403,760	$ 413,334	$ 423,137	$ 433,174	$ 443,451	$ 453,975	$ 464,750	$ 475,782	$ 487,079	$ 498,647	
Transient Occupancy	$ 275,000	$ 281,875	$ 288,922	$ 296,145	$ 303,549	$ 311,137	$ 318,916	$ 326,889	$ 335,061	$ 343,437	$ 352,023	
Business License	$ 171,000	$ 175,275	$ 179,657	$ 184,148	$ 188,752	$ 193,471	$ 198,308	$ 203,265	$ 208,347	$ 213,556	$ 218,894	
Permits	$ 102,700	$ 105,200	$ 107,763	$ 110,389	$ 113,081	$ 115,841	$ 118,669	$ 121,569	$ 124,540	$ 127,586	$ 130,708	
Intergovernmental	$ 17,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	
Charges for Service	$ 521,750	$ 535,661	$ 547,021	$ 558,636	$ 570,511	$ 582,654	$ 595,069	$ 607,764	$ 620,745	$ 634,018	$ 647,591	
Fines & Forfeitures	$ 183,350	$ 186,357	$ 189,424	$ 192,553	$ 195,744	$ 198,999	$ 202,319	$ 205,705	$ 209,159	$ 212,682	$ 216,276	
Use of Money & Property	$ 368,122	$ 612,162	$ 621,113	$ 630,274	$ 689,649	$ 703,442	$ 717,511	$ 731,861	$ 746,499	$ 761,429	$ 776,657	
Other Income	$ 305,500	$ 306,638	$ 307,801	$ 308,991	$ 310,208	$ 311,453	$ 312,726	$ 314,029	$ 315,361	$ 316,723	$ 318,117	
Transfers In	$ 283,100	$ 290,178	$ 297,432	$ 304,868	$ 312,489	$ 320,302	$ 328,309	$ 336,517	$ 344,930	$ 353,553	$ 362,392	
Total GF Revenues	$ 10,024,724	$ 10,486,511	$ 10,712,460	$ 11,084,791	$ 11,375,638	$ 11,626,330	$ 11,881,860	$ 12,125,774	$ 12,375,020	$ 12,629,721	$ 12,891,003	
Administration	$ 1,413,944	$ 1,478,195	$ 1,524,242	$ 1,535,740	$ 1,572,145	$ 1,620,512	$ 1,654,543	$ 1,697,491	$ 1,732,694	$ 1,761,525	$ 1,806,837	
Police	$ 5,234,667	$ 5,326,179	$ 5,526,180	$ 5,692,409	$ 5,844,759	$ 6,044,492	$ 6,168,228	$ 6,337,003	$ 6,521,304	$ 6,654,837	$ 6,834,089	
Community Services	$ 1,975,493	$ 2,033,411	$ 2,095,020	$ 2,152,048	$ 2,201,869	$ 2,265,676	$ 2,318,262	$ 2,378,850	$ 2,407,732	$ 2,439,335	$ 2,502,726	
Community Development	$ 432,241	$ 432,350	$ 446,555	$ 458,995	$ 469,425	$ 483,841	$ 494,185	$ 507,088	$ 519,430	$ 529,513	$ 543,216	
Subtotal Operating	$ 9,056,345	$ 9,270,136	$ 9,591,996	$ 9,839,192	$ 10,088,198	$ 10,414,521	$ 10,635,217	$ 10,920,432	$ 11,181,159	$ 11,385,211	$ 11,686,868	
Calculated Transfer Out:	$ 962,373	$ 1,006,705	$ 1,028,396	$ 1,064,140	$ 1,092,061	$ 1,116,128	$ 1,140,659	$ 1,164,074	$ 1,188,002	$ 1,212,453	$ 1,237,536	**$ 12,212,528**
Transfer to COR	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	**$ 5,005,000**
Transfer to 60/40												**$ -**
Transfer to Other	$ 507,373	$ 551,705	$ 573,396	$ 609,140	$ 637,061	$ 661,128	$ 685,659	$ 709,074	$ 733,002	$ 757,453	$ 782,536	**$ 7,207,528**
Subtotal Transfer Out	$ 962,373	$ 1,006,705	$ 1,028,396	$ 1,064,140	$ 1,092,061	$ 1,116,128	$ 1,140,659	$ 1,164,074	$ 1,188,002	$ 1,212,453	$ 1,237,536	
Total GF Expenses	$ 10,018,719	$ 10,276,841	$ 10,620,392	$ 10,903,332	$ 11,180,259	$ 11,530,649	$ 11,775,876	$ 12,084,506	$ 12,369,160	$ 12,597,664	$ 12,924,404	
GF Surplus/(Deficit)	**$ 6,005**	**$ 209,671**	**$ 92,067**	**$ 181,460**	**$ 195,379**	**$ 95,681**	**$ 105,984**	**$ 41,267**	**$ 5,859**	**$ 32,057**	**$ (33,401)**	$ 932,030

Scenario - Transfer 12.8% of Revenues

	FY2014-15 Preliminary	FY2015-16 Projected	FY2016-17 Projected	FY2017-18 Projected	FY2018-19 Projected	FY2019-20 Projected	FY2020-21 Projected	FY2021-22 Projected	FY2022-23 Projected	FY2023-24 Projected	FY2024-25 Projected	
Property Taxes	$ 3,387,030	$ 3,470,949	$ 3,556,950	$ 3,645,087	$ 3,735,411	$ 3,827,977	$ 3,922,840	$ 4,020,059	$ 4,119,691	$ 4,221,797	$ 4,326,437	
Sales & Use Taxes	$ 2,835,862	$ 2,906,759	$ 2,979,428	$ 3,053,913	$ 3,130,261	$ 3,208,518	$ 3,288,730	$ 3,352,354	$ 3,417,242	$ 3,483,421	$ 3,550,917	
Utility User Tax	$ 1,179,900	$ 1,191,699	$ 1,203,616	$ 1,215,652	$ 1,227,809	$ 1,240,087	$ 1,252,488	$ 1,265,013	$ 1,277,663	$ 1,290,439	$ 1,303,344	
Franchise Fees	$ 394,410	$ 403,760	$ 413,334	$ 423,137	$ 433,174	$ 443,451	$ 453,975	$ 464,750	$ 475,782	$ 487,079	$ 498,647	
Transient Occupancy	$ 275,000	$ 281,875	$ 288,922	$ 296,145	$ 303,549	$ 311,137	$ 318,916	$ 326,889	$ 335,061	$ 343,437	$ 352,023	
Business License	$ 171,000	$ 175,275	$ 179,657	$ 184,148	$ 188,752	$ 193,471	$ 198,308	$ 203,265	$ 208,347	$ 213,556	$ 218,894	
Permits	$ 102,700	$ 105,200	$ 107,763	$ 110,389	$ 113,081	$ 115,841	$ 118,669	$ 121,569	$ 124,540	$ 127,586	$ 130,708	
Intergovernmental	$ 17,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	
Charges for Service	$ 521,750	$ 535,661	$ 547,021	$ 558,636	$ 570,511	$ 582,654	$ 595,069	$ 607,764	$ 620,745	$ 634,018	$ 647,591	
Fines & Forfeitures	$ 150,350	$ 153,357	$ 156,424	$ 159,553	$ 162,744	$ 165,999	$ 169,319	$ 172,705	$ 176,159	$ 179,682	$ 183,276	
Use of Money & Property	$ 368,122	$ 612,162	$ 621,113	$ 630,274	$ 639,649	$ 649,245	$ 659,067	$ 669,120	$ 679,410	$ 689,942	$ 700,724	
Other Income	$ 305,500	$ 306,638	$ 307,801	$ 308,991	$ 310,208	$ 311,453	$ 312,726	$ 314,029	$ 315,361	$ 316,723	$ 318,117	
Transfers In	$ 283,100	$ 290,178	$ 297,432	$ 304,868	$ 312,489	$ 320,302	$ 328,309	$ 336,517	$ 344,930	$ 353,553	$ 362,392	
Total GF Revenues	$ 9,991,724	$ 10,453,511	$ 10,679,460	$ 10,910,791	$ 11,147,638	$ 11,390,133	$ 11,638,416	$ 11,874,032	$ 12,114,931	$ 12,361,235	$ 12,613,070	
Administration	$ 1,421,944	$ 1,466,195	$ 1,502,242	$ 1,543,740	$ 1,580,145	$ 1,628,512	$ 1,662,543	$ 1,705,491	$ 1,740,694	$ 1,769,525	$ 1,814,837	
Police	$ 5,429,667	$ 5,611,179	$ 5,811,180	$ 5,977,409	$ 6,129,759	$ 6,329,492	$ 6,453,228	$ 6,622,003	$ 6,806,304	$ 6,939,837	$ 7,119,089	
Community Services	$ 1,981,493	$ 2,039,411	$ 2,101,020	$ 2,158,048	$ 2,207,869	$ 2,271,676	$ 2,324,262	$ 2,384,850	$ 2,413,732	$ 2,445,335	$ 2,508,726	
Community Development	$ 432,241	$ 432,350	$ 446,555	$ 458,995	$ 469,425	$ 483,841	$ 494,185	$ 507,088	$ 519,430	$ 529,513	$ 543,216	
Subtotal Operating	$ 9,265,345	$ 9,549,136	$ 9,860,996	$ 10,138,192	$ 10,387,198	$ 10,713,521	$ 10,934,217	$ 11,219,432	$ 11,480,159	$ 11,684,211	$ 11,985,868	
Calculated Transfer Out:	$ 1,278,941	$ 1,338,049	$ 1,366,971	$ 1,396,581	$ 1,426,898	$ 1,457,937	$ 1,489,717	$ 1,519,876	$ 1,550,711	$ 1,582,238	$ 1,614,473	**$ 16,022,393**
Transfer to COR	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	**$ 5,005,000**
Transfer to 60/40	$ 354,254	$ 283,790	$ 311,861	$ 277,195	$ 249,007	$ 326,323	$ 220,696	$ 285,215	$ 260,726	$ 204,052	$ 301,657	**$ 3,074,777**
Transfer to Other	$ 469,686	$ 599,259	$ 600,110	$ 664,386	$ 722,891	$ 676,614	$ 814,021	$ 779,661	$ 834,985	$ 923,186	$ 857,816	**$ 7,942,616**
Subtotal Transfer Out	$ 1,278,941	$ 1,338,049	$ 1,366,971	$ 1,396,581	$ 1,426,898	$ 1,457,937	$ 1,489,717	$ 1,519,876	$ 1,550,711	$ 1,582,238	$ 1,614,473	
Total GF Expenses	$ 10,544,286	$ 10,887,185	$ 11,227,967	$ 11,534,773	$ 11,814,096	$ 12,171,459	$ 12,423,935	$ 12,739,308	$ 13,030,870	$ 13,266,449	$ 13,600,341	
GF Surplus/(Deficit)	**$ (552,562)**	**$ (433,674)**	**$ (548,507)**	**$ (623,981)**	**$ (666,458)**	**$ (781,325)**	**$ (785,518)**	**$ (865,276)**	**$ (915,939)**	**$ (905,214)**	**$ (987,271)**	**$ (8,065,725)**

Scenario - Transfer 12.8% of Revenues with Financial Plan

	FY2014-15 Preliminary	FY2015-16 Projected	FY2016-17 Projected	FY2017-18 Projected	FY2018-19 Projected	FY2019-20 Projected	FY2020-21 Projected	FY2021-22 Projected	FY2022-23 Projected	FY2023-24 Projected	FY2024-25 Projected	
Property Taxes	$ 3,387,030	$ 3,470,949	$ 3,556,950	$ 4,245,087	$ 4,355,459	$ 4,468,701	$ 4,584,887	$ 4,704,094	$ 4,826,401	$ 4,951,887	$ 5,080,636	
Sales & Use Taxes	$ 2,835,862	$ 2,906,759	$ 2,979,428	$ 3,053,913	$ 3,130,261	$ 3,208,518	$ 3,288,730	$ 3,352,354	$ 3,417,242	$ 3,483,421	$ 3,550,917	
Utility User Tax	$ 1,179,900	$ 1,191,699	$ 1,203,616	$ 1,215,652	$ 1,227,809	$ 1,240,087	$ 1,252,488	$ 1,265,013	$ 1,277,663	$ 1,290,439	$ 1,303,344	
Franchise Fees	$ 394,410	$ 403,760	$ 413,334	$ 423,137	$ 433,174	$ 443,451	$ 453,975	$ 464,750	$ 475,782	$ 487,079	$ 498,647	
Transient Occupancy	$ 275,000	$ 281,875	$ 288,922	$ 296,145	$ 303,549	$ 311,137	$ 318,916	$ 326,889	$ 335,061	$ 343,437	$ 352,023	
Business License	$ 171,000	$ 175,275	$ 179,657	$ 184,148	$ 188,752	$ 193,471	$ 198,308	$ 203,265	$ 208,347	$ 213,556	$ 218,894	
Permits	$ 102,700	$ 105,200	$ 107,763	$ 110,389	$ 113,081	$ 115,841	$ 118,669	$ 121,569	$ 124,540	$ 127,586	$ 130,708	
Intergovernmental	$ 17,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	
Charges for Service	$ 521,750	$ 535,661	$ 547,021	$ 558,636	$ 570,511	$ 582,654	$ 595,069	$ 607,764	$ 620,745	$ 634,018	$ 647,591	
Fines & Forfeitures	$ 183,350	$ 186,357	$ 189,424	$ 192,553	$ 195,744	$ 198,999	$ 202,319	$ 205,705	$ 209,159	$ 212,682	$ 216,276	
Use of Money & Property	$ 368,122	$ 612,162	$ 621,113	$ 630,274	$ 689,649	$ 703,442	$ 717,511	$ 731,861	$ 746,499	$ 761,429	$ 776,657	
Other Income	$ 305,500	$ 306,638	$ 307,801	$ 308,991	$ 310,208	$ 311,453	$ 312,726	$ 314,029	$ 315,361	$ 316,723	$ 318,117	
Transfers In	$ 283,100	$ 290,178	$ 297,432	$ 304,868	$ 312,489	$ 320,302	$ 328,309	$ 336,517	$ 344,930	$ 353,553	$ 362,392	
Subtotal GF Revenues	$ 10,024,724	$ 10,486,511	$ 10,712,460	$ 11,543,791	$ 11,850,686	$ 12,118,055	$ 12,391,907	$ 12,653,809	$ 12,921,729	$ 13,195,811	$ 13,476,202	
RVR Transfer In	$ 165,000	$ -	$ 71,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total GF Revenues	$ 10,189,724	$ 10,486,511	$ 10,783,460	$ 11,543,791	$ 11,850,686	$ 12,118,055	$ 12,391,907	$ 12,653,809	$ 12,921,729	$ 13,195,811	$ 13,476,202	
Administration	$ 1,396,694	$ 1,440,945	$ 1,476,992	$ 1,535,740	$ 1,572,145	$ 1,620,512	$ 1,654,543	$ 1,697,491	$ 1,732,694	$ 1,761,525	$ 1,806,837	
Police	$ 5,170,807	$ 5,262,319	$ 5,462,320	$ 5,692,409	$ 5,844,759	$ 6,044,492	$ 6,168,228	$ 6,337,003	$ 6,521,304	$ 6,654,837	$ 6,834,089	
Community Services	$ 1,911,883	$ 1,969,801	$ 2,031,410	$ 2,112,048	$ 2,161,869	$ 2,225,676	$ 2,278,262	$ 2,338,850	$ 2,367,732	$ 2,399,335	$ 2,462,726	
Community Development	$ 426,971	$ 427,080	$ 441,285	$ 458,995	$ 469,425	$ 483,841	$ 494,185	$ 507,088	$ 519,430	$ 529,513	$ 543,216	
Subtotal Operating	$ 8,906,355	$ 9,100,146	$ 9,412,006	$ 9,799,192	$ 10,048,198	$ 10,374,521	$ 10,595,217	$ 10,880,432	$ 11,141,159	$ 11,345,211	$ 11,646,868	
Calculated Transfer Out:	$ 1,283,165	$ 1,342,273	$ 1,371,195	$ 1,477,605	$ 1,516,888	$ 1,551,111	$ 1,586,164	$ 1,619,688	$ 1,653,981	$ 1,689,064	$ 1,724,954	**$ 16,816,088**
Transfer to COR	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	$ 455,000	**$ 5,005,000**
Transfer to 60/40												**$ -**
Transfer to Other	$ 828,165	$ 887,273	$ 916,195	$ 1,022,605	$ 1,061,888	$ 1,096,111	$ 1,131,164	$ 1,164,688	$ 1,198,981	$ 1,234,064	$ 1,269,954	**$ 11,811,088**
Subtotal Transfer Out	$ 1,283,165	$ 1,342,273	$ 1,371,195	$ 1,477,605	$ 1,516,888	$ 1,551,111	$ 1,586,164	$ 1,619,688	$ 1,653,981	$ 1,689,064	$ 1,724,954	
Total GF Expenses	$ 10,189,520	$ 10,442,419	$ 10,783,201	$ 11,276,797	$ 11,565,086	$ 11,925,632	$ 12,181,381	$ 12,500,120	$ 12,795,140	$ 13,034,274	$ 13,371,822	
GF Surplus/(Deficit)	**$ 204**	**$ 44,092**	**$ 259**	**$ 266,995**	**$ 285,600**	**$ 192,422**	**$ 210,526**	**$ 153,689**	**$ 126,589**	**$ 161,537**	**$ 104,381**	$ 1,546,293