

PRELIMINARY FEASIBILITY STUDY ANALYSIS

INCORPORATE LAKE GREGORY

In October 2015, the Local Agency Formation Commission for San Bernardino County (LAFCO) presented the report prepared by the Rosenow Spevacek Group (RSG) related to the Preliminary Incorporation Feasibility Analysis for the Rim of the World communities, as requested by the Second District Supervisor Janice Rutherford. The report identified its intended purpose to provide a guidepost for future discussions, not conclusive evidence on feasibility, yet it was considered to be just that – evidence that incorporation would not be feasible without substantial change in the historical sharing of revenues in San Bernardino County.

Amidst concern that ownership of Lake Gregory was going to be transferred to another outside agency, several citizens came together with the aim to protect our local interest in the lake. Because only a town council or a special district can negotiate with the County for control of the lake, we formed Incorporate Lake Gregory and began examining the feasibility of cityhood. Incorporation puts the decision making for our community here with our community. By electing a local town council, we will have a representative government that is made up of people we know and see in our community. It gives our local community the ability to decide on things like land use, zoning, construction, short-term rentals and the revitalization of commercial areas.

Two years after the Rim of the world study, in October 2017, a group of concerned citizens in the Crestline/Lake Gregory area undertook to delve further into the question of incorporation, but for only the areas defined by LAFCO in 2010 as the Crest Forest community – the communities of Cedarpines Park, Crestline, Valley of the Moon, Lake Gregory, San Moritz, etc. In October 2018, these citizens, the Committee to Incorporate Lake Gregory(ILG), hired a consultant to prepare a new preliminary feasibility study for this incorporation effort. The remainder of this report will summarize the proposal defined for incorporation, the financial feasibility assumptions, and timeline of actions.

Everyone involved in this effort to this point, just as those who join, see the many ways that incorporation brings the following and more:

- A stronger bond in who we are as a community;
- Local control of our assets;
- The ability to have our needs be heard immediately and not as part of a greater landscape that does not meet our specific concerns;
- People charged with the duty of addressing our immediate concerns, such as public safety and infrastructure;
- A way to ensure the longevity of the very things that make this the place we are so proud of.

In essence, the people involved in this effort to this point are working toward the good of our community as a whole.

The incorporation policies adopted by LAFCO provide direction in the pursuit of incorporation. The policies applicable to the current application are:

- *The Commission defines "financial feasibility" to mean the ability of a new city to maintain pre-incorporation service levels, with sufficient resources to provide a municipal-level law enforcement service consistent with the recommendations of the County Sheriff.*
- *In determining feasibility, the Commission will consider only those revenues that are currently available to all general law cities. It will not consider revenues derived through special taxes or assessments, nor will it consider hypothetical revenues available through possible actions of a future city council (e.g., utility user's taxes) in the determination of financial feasibility.*
- *In determining feasibility, the Commission requires that proposed staff salary costs shall be based on an average of similar-sized cities or those cities which have the most comparable population within San Bernardino and Riverside Counties.*
- *In determining compliance with Government Code Section 56720, the Commission finds that a "reasonable reserve" is a contingency fund equal to 10% of the projected general and special funds of the new city.*
- *The Commission requires that a new city shall assume jurisdiction over all community-based special districts serving the incorporation area. A clear and compelling rationale must be provided if the continued overlay of a community-based district is proposed.*
- *In order to qualify for incorporation, the community in question must contain a minimum of 10,000 people as determined by available census data or other reliable means (e.g., utility connections), and the sales tax revenues attributable to the study area must at least cover the expected administrative and legislative costs of the new city.*

THE APPLICATION

The Committee to Incorporate Lake Gregory has identified the elements to be included with the application for the new town, which will assume the responsibility for all community-based special districts in compliance with LAFCO policy. In addition, the town would assume all law enforcement and fire protection/emergency medical response operations and contract for the provision of those services. Specifically, the proposal is defined as follows:

Reorganization to include Incorporation of the Town of Lake Gregory, Establishment of the Crestline Sanitation District and Crestline Village Water District as Subsidiary Districts of the Town, Dissolution of County Service Areas 18 (Cedarpines Park), County Service Area 68, CSA 70 Zone R-2 (Twin Peaks), R-23 (Mile High Park) and R-44 (Sawpit Canyon), Detachment from County Service Areas 54 (street lighting) and 70 (unincorporated countywide), Rim of the World Park and Recreation District and San Bernardino County Fire Protection District, its Mountain Service Zone and Service Zone FP-5

What do these changes mean?

Reorganization to include Incorporation of the Town of Lake Gregory,

Incorporation is the formation of a municipal form of government – either called a City or Town. Whatever the moniker, it is a municipality under the eyes of the State of California subject to the requirements of the California Government Code

Establishment of the Crestline Sanitation District and Crestline Village Water District as Subsidiary Districts of the Town,

The Districts will remain independent special districts; however, the respective boards of directors will be replaced with the Town Council, as the ex-officio board for each. The Districts will be required to be financed through its separate revenue sources and operated separately, but its administrative charges can be repaid to the Town for its work for the agencies (general administration, legal counsel, meeting expenses, etc.).

Dissolution of County Service Area 18 (Cedarpines Park), County Service Area 68 (Valley of the Moon), CSA 70 Zone R-2 (Twin Peaks), R-23 (Mile High Park) and R-44 (Sawpit Canyon)

These agencies will be extinguished, and their operations assumed by the new municipality. The municipality will assume all rights, obligations, assets and liabilities, and debts. No contractual obligation can be impaired by this action.

Detachments from the Rim of the World Park and Recreation District, County Service Area 54 (streetlights) and 70, CSA 70 Zones R-2 (Twin Peaks), R-23 (Mile High Park), R-40 (Sawpit Canyon), San Bernardino County Fire Protection District, its Mountain Service Zone and Service Zone FP-5

The territory of the new municipality will be removed from these larger agencies and the municipality will assume the services they perform. Fire protection will be by contract with the San Bernardino County Fire Protection District (SBCFPD) for the defined level of service to be determined by the Town Council.

The Committee is seeking to hold an election on the question of incorporation at the November 3, 2020 general election. At that time, several items will be proposed to be considered on that ballot:

1. The incorporation ballot measure is proposed to include the conditions:
 - a. That the City Manager, City Clerk, City Treasurer, and City Attorney will be appointed rather than elected;
 - b. That all facilities and/or equipment used to deliver services within the community will be transferred to the newly incorporated Town for the future provision of those services; and,
 - c. That the Town Council members, after those elected at the time of incorporation, shall be elected from Districts rather than at-large.
2. A ballot measure that allows the community to choose the name of the future town as either Town of Lake Gregory or Town of Crestline.
3. The selection of the first Town Council.

Item #1.c above defines the Committee’s preference for future Town Council elections to be “from districts.” The election of future Town Council members from districts is defined by California Government Code Section 34871, which reads in part as:

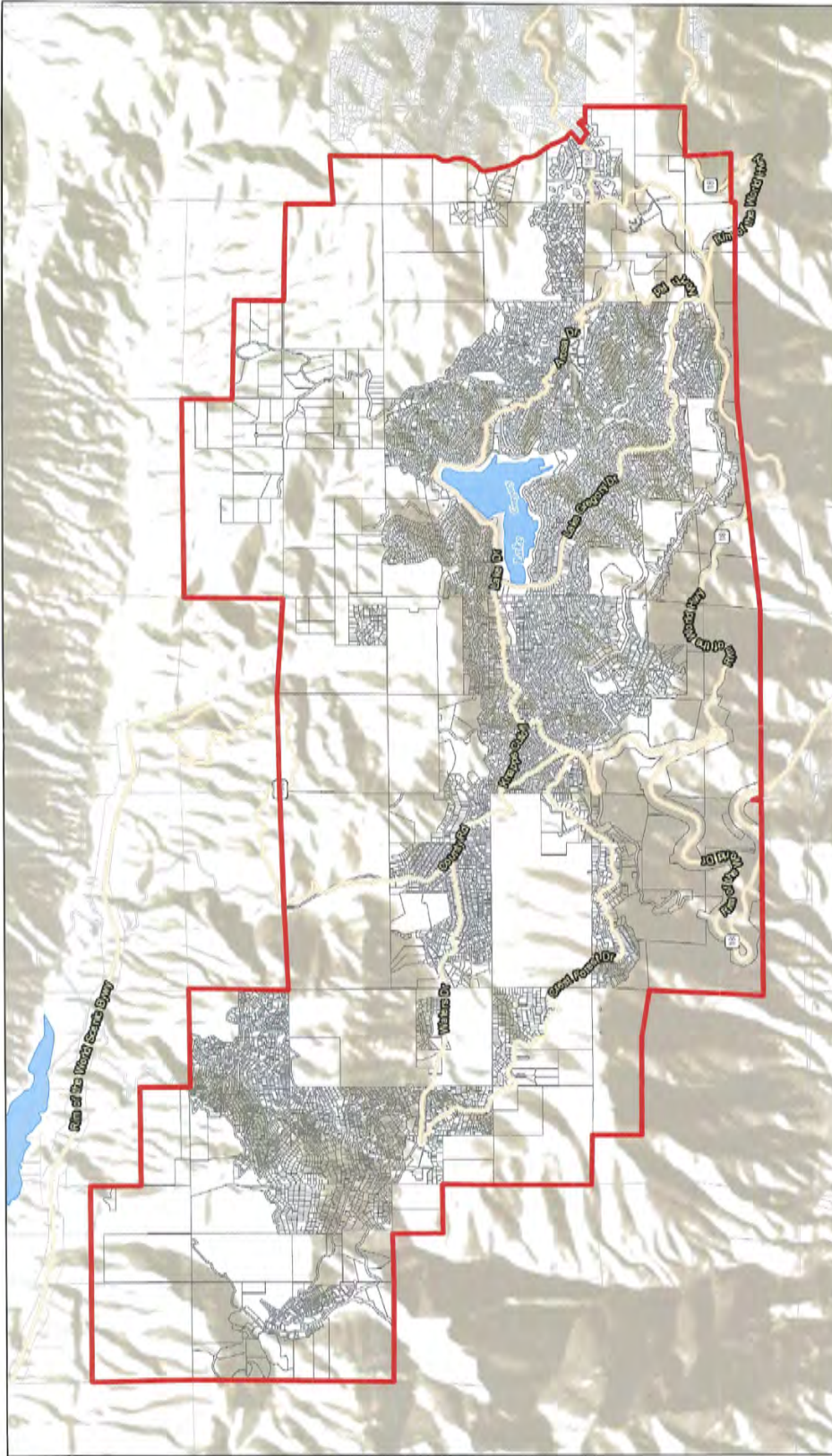
“The term “from districts” shall mean the election of members of the legislative body who are residents of the district from which they are elected by the voters of the entire city.”

It is the position of the Committee that the division of the new Town into five districts will provide for the election of representatives with an understanding of the uniqueness of the individual communities that make up the incorporation effort, will allow for the entire Town to select these representatives, and the boundaries of the district divisions to be adjusted following each decennial federal census. During the first year, the Town Council will establish the boundaries for the districts pursuant to the provision of Government Code Section 34884. The first election in 2022 will select representatives from two of the five Council Districts. Should the electors choose an at-large selection method for members of the Town Council, there will be no districts defined for future elections.

The following map outlines the territory within the incorporation proposal. This map is reflective of the community definition as adopted by LAFCO during its service review in 2010 for both Crest Forest and Lake Arrowhead.¹ It’s use of this boundary is reflective of the sphere of influence assigned the Crestline Sanitation District and Crestline Village Water District that was based upon topography, parcel lines, and privately-owned parcels. The accompanying spreadsheet provides an outline of the change in services anticipated through the proposed incorporation.

One of the policy declarations of LAFCO specifies that the area proposed for incorporation must include a minimum of 10,000 residents. The population of the incorporation area was derived from a report developed by the staff of LAFCO from the ESRI Business Analyst software as of September 15, 2018, showing that for 2018 the population of the proposed Town of Lake Gregory was 11,362 full-time residents within 4,589 households. In addition, the County Registrar of Voters has determined that as of February 27, 2019 there are 6,295 voters within the incorporation boundary.

¹ Staff Report Dated November 30, 2010 for December 8, 2010 Hearing, Item 9 -- Crest Forest and Lake Arrowhead Review Providing for Community Definition and Review of the Regional Services of Streetlighting and Fire Protection and Sphere of Influence Update/ Amendment



<p>Proposed Incorporation for Town of Lake Gregory</p> <p>Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.</p>	<p>0 0.375 0.75 1.5 Miles</p> <p>N</p>	<p> Boundary for Proposed Town of Lake Gregory</p>
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Map Date: 10/28/2015

SERVICE TYPE	CURRENT PROVIDER	PROPOSED PROVIDER	FUNDING SOURCE
General Government			
Administrative Services			
Finance	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Human Resources	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Business Registration	County of San Bernardino for limited types of businesses	Town of Lake Gregory	General Ad Valorem Tax and Business License Fee
Community Development			
Land Use Administration	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Planning	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Building & Safety	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Code Compliance	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Fire Hazard Abatement	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Fire and Paramedic	San Bernardino County Fire Protection District, its Mountain Service Zone and Zone FP-5	Town of Lake Gregory with contract for service with County Fire	Share of Ad Valorem Taxes and Special Tax with Zone FP-5
Sheriff/Police	County of San Bernardino (law enforcement) California Highway Patrol (traffic control outside of state highway)	Town of Lake Gregory through contract with County Sheriff	General Ad Valorem Tax
Parks and Recreation			
Local Park Programs	Rim of the World Park and Recreation District and CSA 18	Town of Lake Gregory	Transfer of RWPRD special tax of \$22 per parcel and ad valorem share from CSA 18 and charges for service
Regional Facilities	County of San Bernardino Regional Parks	Town of Lake Gregory or County of San Bernardino	Concessions and share of general ad valorem tax
Street Lighting			
State Highways	CalTRANS	CalTrans	
Local Streets	CSA 54	Town of Lake Gregory	General Ad Valorem Tax
Water			
Regional State Water Project	CLAWA	CLAWA	Share of General Ad Valorem and Special Tax
Domestic	Crestline Village Water District, CLAWA Retail Service Zones and Mutual Water Companies	Crestline Village Water District to become subsidiary district of Town, no change to CLAWA or Mutual Water Companies	Fees and charges for water used and CVWDs share of the general ad valorem tax
Recycled Water			
Wastewater Collection and Treatment			
Sewer	Crestline Sanitation District	Crestline Sanitation District to become subsidiary district of Town	Fees and charges for collection and treatment and share of the general ad valorem tax
On-site septic systems	private property owner	private property owner	
Transportation Network			
State Highways	CalTRANS	CalTRANS	
Arterials and Collector	County of San Bernardino Public Works	Town of Lake Gregory	Transportation Funds from the State of California
Local County Maintained Roads	County of San Bernardino Public Works	Town of Lake Gregory	Transportation Funds from the State of California
Local non-County Maintained Roads	CSA 18, CSA 68, CSA 70 Zone R-2, R-23, and R-44	Town of Lake Gregory	Share of general ad valorem tax and special taxes approved by voters
Transit	Mountain Transit	Mountain Transit	
Flood Control and Drainage			
Local Drainage Facilities	San Bernardino County Flood Control District and its Zone 5	Town of Lake Gregory	Share of General Ad Valorem Tax
Regional Facilities	San Bernardino County Flood Control District and its Zone 5	San Bernardino County Flood Control District	Share of General Ad Valorem Tax
Solid Waste Management			
Collection	San Bernardino County Solid Waste Management franchise with Burtac	Town of Lake Gregory through franchise with Burtac	Fees and Charges
Local Transfer Station	San Bernardino County Solid Waste Management	San Bernardino County Solid Waste Management	Share of General Ad Valorem Tax and Special Tax of \$85.14 per parcel
Utilities			
Cable/Internet/Phone			
Telephone			
Power	Southern California Edison	Southern California Edison	
Natural Gas	Southern California Gas	Southern California Gas	
Schools	Rim of the World Unified School District	Rim of the World Unified School District	Share of General Ad Valorem Tax

FINANCIAL FEASIBILITY

The process for incorporation, both State law and local policy, necessitates the development of a preliminary feasibility study to estimate feasibility for a community to begin the arduous process for official incorporation. This preliminary feasibility study is designed to help determine whether to move forward to seek the signatures necessary to request LAFCO to consider the application and prepare the Comprehensive Fiscal Analysis required by state law (Government Code Section 56800). Because of that, certain assumptions and estimates have been used in this study's development. Gathering the necessary information from the various sources has been a challenge due to the sources' unfamiliarity with the process (the last incorporation processed was in 1991). The estimates and assumptions used in this analysis are outlined in the narrative that follows. Several data sources have been used in the preparation of this document, including, but not limited to:

- RSG Study Dated September 23, 2015
- San Bernardino County:
 - County Administrative Office
 - County Public Works Department
 - Sheriff Department
 - Auditor-Controller
 - Assessor
 - Adopted Budget for the Fiscal Year 2018-19
- Local Agency Formation Commission for San Bernardino County
- ESRI Business Analyst
- City of Big Bear Lake Adopted Budget
- San Bernardino County Transportation Authority (SBCTA formerly known as SanBAG)

The full spreadsheets of the Preliminary Financial Feasibility Study are included with this document, provided as Exhibit B –Feasibility Study Forecast Current Sources along with the background documentation and Exhibit C –Feasibility Study Forecast with Passage of Assembly Bill 818.

REVENUES

Should the incorporation be approved by LAFCO and the election be successful, the new Town would have a transitional year (anticipated to be December 2020 to June 30, 2021) in which the County would continue to provide some services and receive some revenues for those services. The cost of this transition year is unknown at this time and is not estimated since few costs of service figures for FY 2017-18 have been provided to the Committee from those service providers.

Following is a description of the revenue sources for the proposed Town of Lake Gregory. These estimates have used Fiscal Year 2017-18 data which has been increased for the Transition Year (initially by 6% and moving forward by 2% for revenues and 3% for expenses) to accommodate a projection for the Transition Year of Fiscal Year 2020-21 and beyond.

GENERAL AD VALOREM PROPERTY TAX

Government Code Section 56810 sets forth the methodology required to determine the property tax share attributable to the proposed new Town from the County General Fund. This calculation is based on the total net cost of providing service to the community during the last fiscal year in which audited costs can be derived. Information has not been provided to the Committee on these costs, so this report has established a per capita methodology to develop the cost allocations for these computations using the RSG study of 2015 as well as the County Adopted Budget for Fiscal Year 2018-19 that shows actual net county cost for the Fiscal Year 2017-18. The following chart identifies the methodology and uses the Auditor's ratio established during the RSG study.

PROPERTY TAX SHARE TRANSFER			
Annual Net costs for 2017-18			
	Net County Cost from 2018-19 Budget (shown as Actual 2017-18)	Per capita Cost (net county cost /unincorporated population 311,659 (Department of Finance)	Town of Lake Gregory allocation (per capita times 11,362)
Land Use Administration	\$ 1,751,867	5.62	\$63,867
Planning	\$ 2,959,518	9.50	\$107,894
Code Enforcement	\$ 3,526,737	11.32	\$128,573
Building and Safety	\$ 341,150	1.09	\$12,437
Land Development	\$ 322,327	1.03	\$11,751
Fire Hazard Abatement	\$ 173,653	0.56	\$6,331
	Net Cost from Rim of the World Study	Per Capita Cost (ROW cost / 23448 ROW population)	Town of Lake Gregory Allocation
Public Works Response Dated January 23, 2019			\$1,617,691
Animal Control (taken from ROW Study)	\$ 141,649	6.04	\$68,638
Law Enforcement (taken from ROW Study)	\$ 3,966,189	169.15	\$1,921,863
Total			\$3,939,044
Auditor's Ratio from ROW study			62.31%
Base Year Property Tax Revenue			2,454,418
Growth Rate Adjustment			6.00%
Adjusted First Year			2,601,683
Property Tax Share Computation			
Assessed Value of Incorporation as of 12/7/18			1,219,946,653
General Tax Levy			12,199,467
Property Tax Allocation Adjusted for Growth			2,601,683
Property Tax Share to Town			21.33%

It needs to be noted here that the Auditor's ratio used in the RSG study as published was listed as 11.7488%. However, the documentation in the LAFCO records for the RSG study identifies, by a letter from the County Auditor-Controller dated February 26, 2015, that the ratio actually was 62.31%. A copy of this correspondence is included as Exhibit F. This would have made a substantial difference in the overall revenues included the report issued in September 2015, but no explanation for this discrepancy has been found as of the date of this report. However, this Auditor-Controller determined ratio percentage has been used in the calculation for the Preliminary Feasibility Study since the County Administrative Office or County Auditor-Controller has not provided an update as of the preparation of this report.

SALES TAX

The determination of the sales tax revenue was based on the historical quarterly data provided by the County Administrative Office for the community and the assumption that it would receive the full 1% of the general sales tax levy. The assumptions for growth identify an annual increase of 2%, less than the current Consumer Price Index (CPI) of 3.2% for the following fiscal years. The information provided by the County is included as Exhibit G.

TRANSIENT OCCUPANCY TAXES

Transient Occupancy Tax for the County of San Bernardino is currently set at 7%. The new Town of Lake Gregory will succeed to this special tax that will be a condition of approval for its formation. This revenue source has been identified by the data provided by the County Administrative Office using the boundary for the incorporation that includes the revenues of Crestline and a portion of the Twin Peaks area (based on parcel delineation). This revenue source has been identified by the data provided by the County Administrative Office and assumes that existing collections will grow by 2.5% annually, less than the current CPI of 3.2%. In addition, it was identified by the County in its presentation of the data that collections are projected to increase, since entities such as AirBNB are collecting the Transient Occupancy Tax (TOT) for its users rather than relying on property owners to provide payment. The information provided is included as Exhibit H.

DISSOLVING DISTRICTS

The general ad valorem tax share of County Service Area (CSA) 18, CSA 68 and CSA 70 Zone R-2 are identified from the audits for these agencies and are listed for general discretionary use. The special tax revenues designated for road, snow removal or road repairs are listed under the Transportation revenue section outlined below. Fund balance accruing to the new Town is estimated from the FY 2017-18 audits for these districts.

DETACHED DISTRICTS

For the districts identified for detachment, there are two types of revenues identified in the Preliminary Feasibility Study – general ad valorem taxes that are general fund sources and special taxes that are restricted in their use. The Spreadsheet identifies these two types of revenue streams distinctly:

- General Ad Valorem share of detached districts – the revenues from the general ad valorem taxes of the detaching districts were determined using the data from the Property Tax Division provided during the RSG study, evaluated by the Tax Rate Areas included in the incorporation.
- The Special Tax revenues associated with the detaching Rim of the World Park District and SBCFPD Zone FP-5 were determined by the estimated number of private parcels within the proposed Incorporation and their affected area. These revenues are restricted in their use to only those identified in the original formation documents.

FEES AND CHARGES

The information included in the Preliminary Feasibility Study for items such as Animal Control Fees, Fines, and Forfeitures, Community Development Charges, Public Works Fees, COPS Grant/SLESF (Prop 172 funding) etc. were developed using the information from the RSG study. Those revenues were divided by the population of the RSG study to arrive at per capita revenue then multiplied by the population of the Town of Lake Gregory.

BUSINESS LICENSE

The Incorporation of the Town of Lake Gregory provides for the inclusion of a business license fee administered by the Town. In reviewing different models from Cities in San Bernardino County, it was determined that using the City of Highland model as a base would be appropriate. The calculation includes the first-year cost of approximately \$500 for the individual license plus the necessary inspections to support its issuance; followed by a maintenance license fee annually. The number of businesses was estimated as 200.

SUBSIDIARY DISTRICTS

The revenues for the Preliminary Feasibility Study identify an operating transfer in of resources from the Crestline Sanitation District and Crestline Village County Water District for the administrative operations assumed by the Town from these agencies. Those operations include, but not limited to, the function of general manager, board of directors' operations, finance, billing, legal expenses. The balance of the revenues and expenses will remain with the individual districts and are shown at the end of this study.

	FORECAST					
	TRANSITION YEAR 2021 - 6 months	YEAR ENDING JUNE 30				
		2022	2023	2024	2025	2026
		2%	2%	2%	2%	2%
REVENUE						
GENERAL FUND:						
Property Tax	\$ 1,300,842	\$ 2,653,717	\$ 2,706,791	\$ 2,760,927	\$ 2,816,145	\$ 2,872,468
Property Transfer Tax	\$ 23,759	\$ 48,705	\$ 49,923	\$ 51,171	\$ 52,450	\$ 53,761
General Ad Valorem Tax Share from Dissolved Districts						
CSA 18 general ad valorem share 2017		\$ 117,885	\$ 120,243	\$ 122,648	\$ 125,101	\$ 127,603
CSA 68 general ad valorem share		\$ 47,057	\$ 47,998	\$ 48,958	\$ 49,937	\$ 50,936
R-2 General Ad Valorem		\$ 18,176	\$ 18,540	\$ 18,911	\$ 19,289	\$ 19,675
General Ad Valorem Tax Detached Districts						
CSA 54 general ad valorem share		\$ 34,165	\$ 34,848	\$ 35,545	\$ 36,256	\$ 36,981
SBCFPD and its Mountain Service Zone		\$ 3,761,867	\$ 3,837,104	\$ 3,913,846	\$ 3,992,123	\$ 4,071,966
Sales and Use Tax (50% of ROW study)	\$ 165,833	\$ 331,665	\$ 338,298	\$ 345,064	\$ 351,966	\$ 359,005
Transient Occupancy Tax	\$ 131,651	\$ 263,302	\$ 269,885	\$ 276,632	\$ 282,164	\$ 289,218
Off Highway License Subvention		\$ 700	\$ 700	\$ 700	\$ 700	\$ 700
Animal Control Fees	\$ 24,680	\$ 49,360	\$ 50,347	\$ 51,354	\$ 52,381	\$ 53,429
Fines and Forfeitures		\$ 24,656	\$ 25,149	\$ 25,652	\$ 26,165	\$ 26,688
Community Development Charges	\$ 157,150	\$ 471,449	\$ 480,878	\$ 490,496	\$ 500,306	\$ 510,312
Public Works Fees	\$ 20,569	\$ 61,706	\$ 62,940	\$ 64,199	\$ 65,483	\$ 66,793
Franchise Fees	\$ 155,150	\$ 310,300	\$ 318,058	\$ 326,009	\$ 334,159	\$ 342,513
Business License		\$ 103,800	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Total Discretionary funds	\$ 1,979,632	\$ 8,298,510	\$ 8,406,702	\$ 8,577,111	\$ 8,749,625	\$ 8,927,048
Special Taxes restricted use:						
FP-5 Special Tax for Fire Protection (13,323 private parcels)		\$ 2,158,030	\$ 2,222,771	\$ 2,289,454	\$ 2,358,138	\$ 2,428,882
Rim of the World Park Special Tax (\$22 times 12323)		\$ 271,106	\$ 271,106	\$ 271,106	\$ 271,106	\$ 271,106
MISCELLANEOUS FUNDS:						
Community Development Block Grant						
COPS Grant/SLESF		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Operating Transfer In from Subsidiary Districts for costs						
Crestline Village Water District		\$ 641,360	\$ 660,600	\$ 680,418	\$ 700,811	\$ 721,835
Crestline Sanitation District		\$ 770,951	\$ 790,246	\$ 810,226	\$ 834,533	\$ 859,568
Non-Restricted Fund Balance Dissolved Districts						
CSA 18 41% of balance	\$ 166,297					
CSA 68	\$ 133,874					
R-2	\$ 57,807					
TOTAL REVENUE	\$ 2,337,610	\$ 12,239,957	\$ 12,451,425	\$ 12,728,315	\$ 13,014,213	\$ 13,308,439

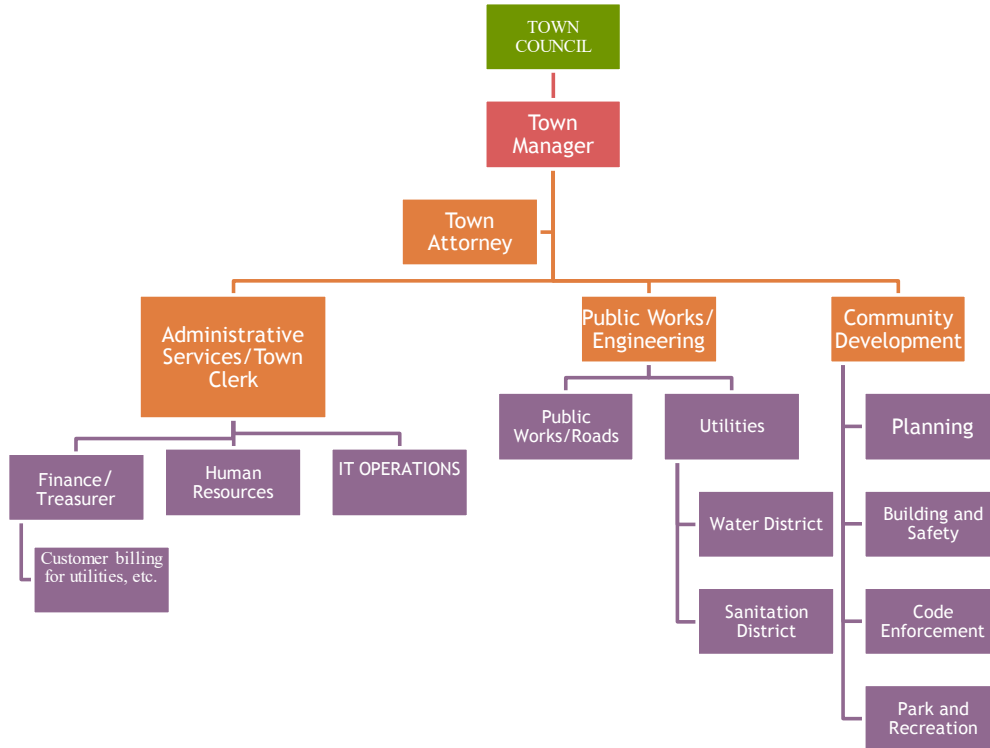
EXPENDITURES:

Staffing Structure and Personnel Costs:

LAFCO policy requires that staffing costs be the average of similar sized or comparable population cities in San Bernardino and Riverside Counties. The spreadsheet of these comparisons is included as Exhibit I. In preparing this Preliminary Feasibility Analysis, this comparison was developed using the following Cities which was expanded to include comparable Alpine-type cities throughout the state due to the unique nature of incorporating the Town of Lake Gregory:

CITY NAME	POPULATION (Department of Finance Estimate for 2017)
San Bernardino County	
Adelanto	35,2936
Big Bear Lake	5,512
Grand Terrace	12,524
Riverside County	
Calimesa	8,876
Canyon Lake	11,018
Alpine Counties/Cities	
Anderson	10,263
Mammoth Lakes	8,316
Placerville	10,642
Shasta Lake	10,143
Tehachapi	12,299

The organizational structure for the new Town has been selected by the Committee as follows:



The expenditures used in this review were estimated using the Committee’s direction that contracts for service will be used where there is the potential for an ebb and flow to the operations (such as planning and building and safety) which are fee supported and a lean administration during the early years of incorporation as the Town develops its policies, procedures, and philosophy.

The spreadsheet of these comparisons is included as Exhibit I. The expenditures used in this review were estimated using the Committee’s direction that contracts for service will be used where there is the potential for an ebb and flow to the operations (such as planning and building and safety) which are fee supported and a lean administration during the early years of incorporation as the Town develops its policies, procedures, and philosophy.

TOWN COUNCIL

Pursuant to the provisions of Government Code Section 36516, Town Council members can be paid up to \$300 per meeting of the Council (cities up to a population of 35,000) adopted by ordinance. This calculation allows for 16 meetings per year and minor council-related expenses. This calculation does not include the provision of other benefits to council members that may be authorized by law (those that are paid and available for regular town employees).

CITY ADMINISTRATION

The expenses identified for City Administration include the cost of the salary and benefits for the City Manager (with a higher benefit rate than other employees) and Administrative Assistant, the expenses

for conduct of regular Town Council meetings (notice and publication), travel and memberships (such as League of Cities, SBCTA), and the cost of the elections.

CITY ATTORNEY

The Incorporation proposal identifies that this will be a contract position and the expenses in this category are identified for the transition year as 300 hours at \$300 per hour and 600 hours at \$300 per hour for the first full year of operation. This hourly rate is then increased by 3% per year for the forecast retaining the number of hours.

ADMINISTRATIVE SERVICES

The Administrative Services/City Clerk Division will include the following positions: Chief Financial Officer/City Clerk, a Finance Officer/Human Resources Analyst, Information Technology Specialist and three Accounting Clerk/Customer Service Representatives. The transition year does not anticipate the costs associated with the Accounting Clerk/Customer Service Representatives as they will remain a function of the subsidiary districts and transition at the commencement of the first full-year of operations. Expenses also include the costs for professional services to audit the sales tax, transient occupancy tax and property tax receipts, preparation of the annual audit, bank charges, postage charges and office expense.

COMMUNITY SERVICES

The Community Services Division will allow for contract staffing to accommodate the ebbs and flows of the development review process to be fully funded by fees and charges. Full-time staffing positions include Community Services Director, Principal Planner, Code Compliance Officer, Permit/License Specialist, and Administrative Assistant. Only the Community Services Director, Code Compliance Officer, and Administrative Assistant are proposed during the transition year. The costs for this division include the mandatory requirement for the preparation of the General Plan, Housing Element and Environmental Impact Report within the first four full-years of operation. This full expense is estimated at \$800,000, applied as \$200,000 per year.

PUBLIC WORKS/ENGINEERING

It is anticipated that this division will assimilate the positions from the subsidiary districts' general managers for the administration of the districts, overseeing the roads functions funded by the restricted revenues and handling the operation of park and recreation programs transferring from the Rim of the World Park and Recreation District. No expense is anticipated during the transition year as these services will continue to be provided at the subsidiary districts. Expense will commence with the first full-year of operation.

CONTRACTS FOR SERVICE

ANIMAL CONTROL

The contract cost for this service is estimated using the information contained in the RSG Study, divided by the population of that study and then multiplied by the population of the proposed Town of Lake Gregory. This expense was then increased by 6% to provide for the first full year of operation cost, and then maintained across the forecast. This will be a contract negotiated by the new Town Council.

LAW ENFORCEMENT

State law requires that law enforcement services be provided by a municipality. The new Town of Lake Gregory will assume the law enforcement responsibility from the County Sheriff and the traffic control responsibilities (excluding along State Highways) from the California Highway Patrol. LAFCO policies require that financial feasibility include a determination on the provision of a municipal-level law enforcement service. That policy reads:

The Commission defines "financial feasibility" to mean the ability of a new city to maintain pre-incorporation service levels, with sufficient resources to provide a municipal-level law enforcement service consistent with the recommendations of the County Sheriff.

A request was submitted to the San Bernardino County Sheriff office to provide for a proposed municipal level of law enforcement for the new Town of Lake Gregory. The response is included as Exhibit J. The estimated County Schedule A contract was presented for Fiscal Year 2019-20 and has been increased by 6% to bring the projection into the first full year of operations following incorporation with a 3% annual increase thereafter. The proposal provides for an increased level of service utilizing two patrol deputies on duty 24/7 with supplemental traffic relief during the day. It is anticipated that the Town will provide for the co-location of a substation at Town Hall to allow for direct access by the community; however, this will be a consideration of the Town Council once incorporated. Fuel and maintenance costs not included in the proposal have been estimated using the costs for the City of Big Bear Lake. The projection includes the start-up costs included in the contract for the first full year and removed from the following year's forecasts.

Law Enforcement	Number of Personnel	2019-20 Estimated County Schedule A -- Dual Operation Model	TRANSITION YEAR 2020-21 (December to June)	2021-22	2022-23	2023-24	2024-25	2025-26
				6% increase over Estimate	3%	3%	3%	3%
Lieutenant	0.75	\$ 214,240		\$ 220,667	\$ 227,287	\$ 234,106	\$ 241,129	\$ 248,363
Sergeant	2	\$ 489,454		\$ 518,821	\$ 534,386	\$ 550,417	\$ 566,930	\$ 583,938
Detective/Corporal	2	\$ 411,922		\$ 436,637	\$ 449,736	\$ 463,229	\$ 477,125	\$ 491,439
Deputy Sheriff	10	\$ 1,870,040		\$1,982,242	\$2,041,710	\$ 2,102,961	\$ 2,166,050	\$2,231,031
Deputy Sheriff (non-relief)	2	\$ 374,008		\$396,448	\$ 408,342	\$ 420,592	\$ 433,210	\$ 446,206
Sheriff Service Assistant	2	\$ 159,620		\$169,197	\$ 174,273	\$ 179,501	\$ 184,886	\$ 190,433
Office Specialist	3	\$ 219,468		\$232,636	\$ 239,615	\$ 246,804	\$ 254,208	\$ 261,834
Motor Pool Services Assistant	0.5	\$ 39,589		\$41,964	\$ 43,223	\$ 44,520	\$ 45,856	\$ 47,231
4X4 marked units	7	\$ 152,214		\$161,347	\$ 166,187	\$ 171,173	\$ 176,308	\$ 181,597
Unmarked units	2	\$ 14,828		\$15,718	\$ 16,189	\$ 16,675	\$ 17,175	\$ 17,690
Pick up Truck	2	\$ 13,908		\$14,742	\$ 15,185	\$ 15,640	\$ 16,110	\$ 16,593
Citizen on Patrol Ford Escape	1	\$ 5,798		\$6,146	\$ 6,330	\$ 6,520	\$ 6,716	\$ 6,917
Dispatch Services		\$ 204,520		\$216,791	\$ 223,295	\$ 229,994	\$ 236,894	\$ 244,000
Hand Held Radios	17	\$ 24,990		\$26,489	\$ 27,284	\$ 28,103	\$ 28,946	\$ 29,814
Taser Replacement	16	\$ 5,376		\$5,699	\$ 5,870	\$ 6,046	\$ 6,227	\$ 6,414
Administrative Support		\$ 20,656		\$21,895	\$ 22,552	\$ 23,229	\$ 23,926	\$ 24,643
Office Automation		\$ 79,828		\$84,618	\$ 87,156	\$ 89,771	\$ 92,464	\$ 95,238
Services and Supplies		\$ 25,200		\$26,712	\$ 27,513	\$ 28,339	\$ 29,189	\$ 30,065
Vehicle Insurance		\$ 50,653		\$53,692	\$ 55,303	\$ 56,962	\$ 58,671	\$ 60,431
Personnel Liability and Bonding		\$ 139,962		\$148,360	\$ 152,811	\$ 157,395	\$ 162,117	\$ 166,980
Workers Comp Experience Modification		\$ 14,550		\$15,423	\$ 15,886	\$ 16,362	\$ 16,853	\$ 17,359
County Administrative Cost		\$ 166,085		\$176,050	\$ 181,332	\$ 186,772	\$ 192,375	\$ 198,146
TOTAL COST ONGOING		\$ 4,696,909		\$4,972,296	\$5,121,465	\$5,275,109	\$5,433,362	\$5,596,363
Start Up Costs		\$ 172,639		\$ 172,639				
TOTAL		\$ 4,869,548		\$5,144,935	\$5,121,465	\$ 5,275,109	\$ 5,433,362	\$5,596,363

FIRE PROTECTION/EMERGENCY MEDICAL RESPONSE

State law requires a municipality to provide for fire protection but does not define the level of this service. The proposal for incorporation of the Town of Lake Gregory anticipates that responsibility for the provision of fire protection/emergency medical response will return to the Town. The contract cost for the provision of this service by contract with the San Bernardino County Fire Protection District (County Fire) has been estimated by use of the Fiscal Impact Analysis presented by County Fire for the annexation of the Hesperia Fire Protection District (LAFCO 3218 completed in November 2018). This detachment does not anticipate the transfer of Exclusive Operating Areas 10 and 11 for ambulance service transferred to County Fire as a part of the approval for LAFCO 3186 (Crest Forest FPD dissolution) back to the Town due to the size of the area of service. It is anticipated that through the detachment from County Fire and its associated Zones there will be a return of the facilities wholly within the Town of Lake Gregory (Active Station 25 and inactive Stations 24 (Cedarpines Park), 28 (Valley of Enchantment) and 29 (Lake Gregory) and a negotiation on equipment. The requirement for contracting for continuing fire protection/emergency medical response service will be a condition of approval should the proposal be approved by LAFCO.

The forecast does not include an expense for the transition year but commences with the first full year of operation. As shown on the chart that follows, this projection provides for three-man crews to be funded for Station 25 and the payment for one-half the cost of a three-man crew at Station 26, cost for administration, station expense and Household Hazardous Waste Contract.

		Cost per position 2017-18	Estimated cost for 2019-20	TRANSITION YEAR 2020-21 (December to June)		2021-22	2022-23	2023-24	2024-25	2025-26
Fire Protection Contract based upon Hesperia Reorganization LAFCO 3218										
STATION 25										
Captain	3	\$214,295	\$682,037	\$702,498		\$723,573	\$745,280	\$767,638	\$790,668	\$814,388
Engineer	3	\$182,770	\$581,702	\$599,153		\$617,128	\$635,642	\$654,711	\$674,353	\$694,583
Fire fight/Paramedic	3	\$150,789	\$479,916	\$494,314		\$509,143	\$524,417	\$540,150	\$556,354	\$573,045
STATION 26 (1/2 cost shared with Mountain Service Zone beginning with first full year)										
Captain	3	\$214,295	\$682,037	\$702,498		\$361,787	\$374,449	\$385,682	\$397,253	\$409,171
Engineer	3	\$182,770	\$581,702	\$599,153		\$308,564	\$319,364	\$328,945	\$338,813	\$348,977
Fire fight/Paramedic	3	\$150,789	\$479,916	\$494,314		\$254,572	\$263,482	\$271,386	\$279,528	\$287,913
Administration Per LAFCO 3218			\$563,926	\$580,843		\$598,269	\$616,217	\$634,703	\$653,744	\$673,357
Station Expense from 3218 for 2 stations			\$433,283	\$446,281		\$459,669	\$473,459	\$487,663	\$502,293	\$517,362
House hold Hazardous Waste Contract			\$171,849	\$177,005		\$182,315	\$187,784	\$193,418	\$199,221	\$205,197
Proposed Contract Cost			\$4,656,367	\$4,796,059		\$4,015,019	\$4,140,094	\$4,264,297	\$4,392,226	\$4,523,992

NON-DEPARTMENTAL EXPENSE

The forecast includes a line item for non-department expense to cover such miscellaneous items as Association Dues, rent, utilities not assigned, LAFCO apportionment charges, cost for the State Board of Equalization filings and streetlights. This expense is increased in the second full-year of operation and thereafter by 3%.

	FORECAST					
	TRANSITION YEAR 2021 - 6 months	YEAR ENDING JUNE 30				
		2022	2023	2024	2025	2026
EXPENDITURES						
Year over increase		3%	3%	3%	3%	3%
City Council	\$12,800	\$25,600	\$25,600	\$25,600	\$25,600	\$25,600
City Administration	\$176,072	\$433,234	\$384,062	\$457,453	\$406,837	\$482,764
City Attorney	\$90,000	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592
Administrative Services	\$199,387	\$653,008	\$744,113	\$766,437	\$789,430	\$813,113
Community Services	\$166,497	\$709,829	\$725,049	\$738,225	\$754,372	\$571,003
Public Works		\$492,214	\$497,987	\$512,927	\$528,315	\$544,164
CONTRACTS:						
Animal Control		\$131,549	\$131,549	\$131,549	\$131,549	\$131,549
County Dual Operation Model Contract enforcement		\$5,144,935	\$5,121,465	\$5,275,109	\$5,433,362	\$5,596,363
Fire Protection Contract (Projection from Hesperia FPD proposal)		\$85,000	\$87,550	\$90,177	\$92,882	\$95,668
Non-Departmental (rent, utilities, streetlights, LAFCO charges, association dues)	\$ 28,563	\$57,125	\$58,839	\$60,604	\$62,422	\$64,295
Revenue Neutrality Payment	\$0	\$0	\$0	\$0	\$0	\$0
Transition Period Repayment		?				
General Fund Expenditures	\$673,319	\$11,927,513	\$12,101,707	\$12,513,339	\$12,813,685	\$13,051,102
Contingency/Reserve 10% – Established in first full year – augmented annual to maintain 10% of anticipated expenditures		\$500,000	\$500,000	\$251,334	\$30,035	\$23,742
TOTAL EXPENDITURES	\$ 673,319	\$12,427,513	\$12,601,707	\$12,764,673	\$12,843,720	\$13,074,844

ESTABLISHMENT OF RESERVE/CONTINGENCY ACCOUNTS

State law and LAFCO policies require that an incorporation include a reasonable reserve, defined by San Bernardino LAFCO specifically as follows:

- *In determining compliance with Government Code Section 56720, the Commission finds that a "reasonable reserve" is a contingency fund equal to 10% of the projected general and special funds of the new city.*

The RSG report anticipated a 10% Contingency and a 25% Reserve fund. That estimate has not been carried forward to this forecast. In the General Fund, it is anticipated that the proposed incorporation set up a 10% reserve and use fund balance as it is a contingency. In addition, it is forecast that due to the start-up costs associated with the proposed incorporation, it will meet a 10% reserve through a combination of Fund Balance and the establishment of Reserve, but not the letter of this policy for a 10% reserve for the first three years of operation. As shown below in the first full year a \$500,000 allocation to Reserves is proposed with a fund balance which, when combined, exceeds the 10% requirement. This same practice is continued in the second full year of operation. It is anticipated, based upon this forecast, that the Town will meet the 10% Reserve requirement in Fiscal Year 2023-24 along with a contingency (fund balance) of 10.3%.

TOWN OF LAKE GREGORY						
FORECAST						
YEAR ENDING JUNE 30						
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026
TOTAL REVENUE	\$ 2,337,610	\$ 12,239,957	\$ 12,451,425	\$ 12,728,315	\$ 13,014,213	\$ 13,308,439
EXPENDITURES						
General Fund Expenditures	\$673,319	\$11,927,513	\$12,101,707	\$12,513,339	\$12,813,685	\$13,051,102
Contingency/Reserve 10% -- Established in first full year -- augmented annual to maintain 10% of anticipated expenditures		\$500,000	\$500,000	\$251,334	\$30,035	\$23,742
TOTAL EXPENDITURES	\$ 673,319	\$12,427,513	\$12,601,707	\$12,764,673	\$12,843,720	\$13,074,844
Change in Fund Balance	\$ 1,664,291	-\$187,555	-\$150,282	-\$36,358	\$170,493	\$233,595
Beginning Fund Balance	\$ -	\$1,664,291	\$1,476,736	\$1,326,454	\$1,290,096	\$1,460,589
Ending Fund Balance	\$ 1,664,291	\$1,476,736	\$1,326,454	\$1,290,096	\$1,460,589	\$1,694,184
Contingency/Reserve maintained at 10% of proposed expenditures		\$500,000	\$1,000,000	\$1,251,334	\$1,281,369	\$1,305,110

LAFCO policy related to Incorporation states that it will only consider existing revenue sources, as shown below:

In determining feasibility, the Commission will consider only those revenues that are currently available to all general law cities. It will not consider revenues derived through special taxes or assessments, nor will it consider hypothetical revenues available through possible actions of a future city council (e.g., utility user's taxes) in the determination of financial feasibility.

However, there is the potential to return to newly incorporating cities the discretionary funding they lost during the recession and the passage of SB 89 by the State to address the financial repercussions of the recession in 2011. Below is an outline of the current legislation:

AB 818 (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Introduced: 2/20/2019

Summary:

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1,

2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

Sponsored by the League of California Cities, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018 vetoed by the Governor.

Should this legislation pass, it would increase the estimated discretionary revenues of the proposed Town annually as shown on Exhibit C. The table that follows presents a condensed version of the effects for the new Town.

		TRANSITION Year 2020-21- 6 months	FISCAL YEAR 2021-22	FISCAL YEAR 2022-23	FISCAL YEAR 2023-24	FISCAL YEAR 2024-25	FISCAL YEAR 2025-26
REVENUE							
General Fund Total Discretionary Revenue		\$1,979,632	\$8,298,510	\$8,406,702	\$8,577,111	\$8,749,625	\$8,927,048
Miscellaneous Funds		\$357,978	\$3,670,341	\$3,773,617	\$3,880,098	\$3,993,482	\$4,110,286
<i>Potential Revenue from AB 818</i>			\$866,236	\$852,124	\$803,156	\$752,669	\$767,722
Calculation is population (11,362) multiplied by 1.5 (reducing each year by 10%) =17,043 multiplied by rate							
TOTAL REVENUES		\$2,263,839	\$12,855,087	\$13,032,443	\$13,260,365	\$13,495,776	\$13,805,055
TOTAL EXPENDITURES		\$673,319	\$13,120,264	\$12,119,126	\$12,554,502	\$12,843,721	\$13,074,845
Change in Fund Balance		\$1,590,521	(\$265,177)	\$913,316	\$705,863	\$852,055	\$730,210
Ending Fund Balance		\$1,590,521	\$1,325,344	\$2,238,661	\$2,944,524	\$3,596,579	\$4,326,789
10% Reserves			\$1,192,751	\$1,210,171	\$1,251,334	\$1,281,369	\$1,305,110
Percentage of Fund Balance Plus Reserves to Expenditures			19.19	28.45	33.42	37.98	43.07

The signing of this legislation would allow the new Town additional discretionary revenues to assign for reserves, increase levels of law enforcement or other services to be chosen by the Town Council during its budgetary considerations.

REVENUE NEUTRALITY:

Government Code Section 56815 states:

56815. (a) It is the intent of the Legislature that any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons.

This statutory requirement indicates that the revenues lost to the County should match the service obligations transferred. There are no current policies in place by either LAFCO or the County related to this process known to the Incorporation proponents. Therefore, the calculation related to revenue neutrality is estimated as follows in compliance with the statute. The sum of the calculation shows a minor positive impact to the County General Fund. Therefore, no revenue neutrality payment is included in the forecast.

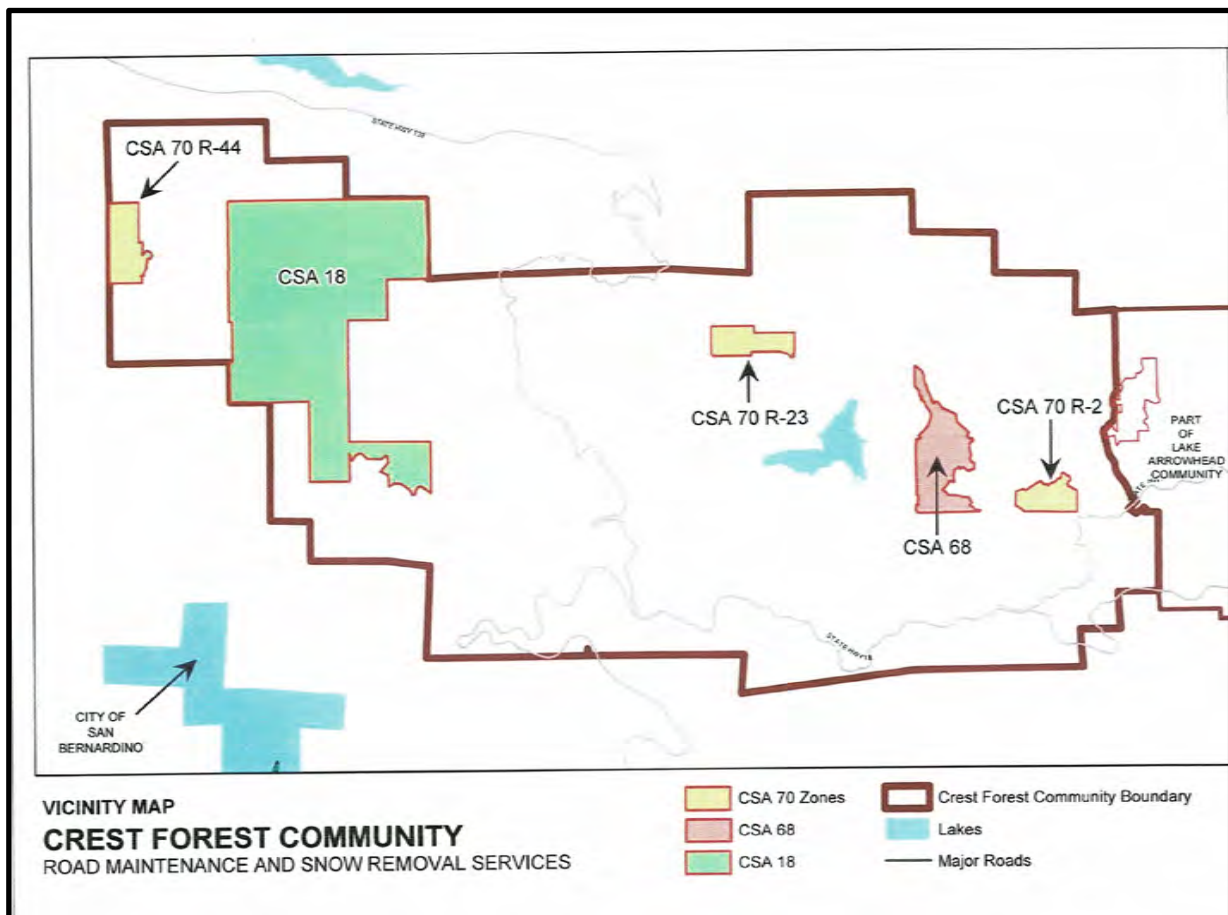
REVENUE NEUTRALITY			
Revenue Transferred			
Property Tax per formula in GC 56810		\$ 2,601,683	
Sales Tax		\$ 607,300	
Transient Occupancy Tax		\$ 263,302	
Property Transfer Tax		\$ 27,740	
Fines and Forfeitures		\$ -	
Franchise Fees		\$ 310,300	
Total Revenue Loss to County		\$ 3,810,325	\$ (3,810,325)
Expenses Transferred (net county cost)			
Land Use Services		\$ 63,867	
Planning		\$ 107,894	
Code Enforcement		\$ 128,573	
Land Development		\$ 22,862	
Fire Hazard Abatement		\$ 6,331	
Public Works		\$ 1,617,691	
Animal Control		\$ 68,638	
Law Enforcement		\$ 1,921,863	
Total Expenditure		\$ 3,937,719	\$ 3,937,719
County Property Tax Admin Fee 1%			\$ 39,377
Net Revenue Impact to County			\$ 88,017
Potential Revenue Neutrality Payment			Zero

TRANSPORTATION RELATED SUBVENTIONS AND TAX REVENUES

The law requires that all County-maintained roads within the incorporation boundary will transition to the Town's ownership and responsibility. This transfer will also include the local drainage facilities as well. The January 23, 2019 letter from County Public Works Department – Transportation Division identifies that 81.71 miles of county-maintained roads will transition to the new Town of Lake Gregory. Included within the assumption of service will be the transfer of Yard 7 to the new Town for its road operations. A map of the location of these roads was provided by the County Transportation Department (copy included as Exhibit L) and is shown below.

In addition, incorporation will include the transfer of ownership and responsibility for the local drainage system and the maintenance of the National Pollution Discharge Elimination System (NPDES) permit currently managed by the County Public Works for the San Bernardino County Flood Control District. The question of the costs associated with the local drainage operation and maintenance along with the NPDES permit has been posed to the County Administrative Office; to date, no response on the increase in revenue transfer and cost has been provided. It is assumed, at this time, that these costs and revenues to support them will be roughly equal.

In addition, the CSAs that provide for road maintenance, snow removal and repair will be dissolved, and their revenues provided to the new Town. The location of these agencies is shown on the map below provided by LAFCO:



The following financial data identifies the revenues and expenditures for each type of road maintenance effort.

State Subventions are identified as “HUTA” which stands for Highway Users Tax Account and “RMRA” which is Road Maintenance and Rehabilitation Account. The revenue information identifies that it was developed using the data for the City of Big Bear Lake as shown in the materials from the California City Finance division of the California League of Cities entitled “*Shared Revenue Estimates: State Revenue Allocations to Cities and Counties*” Updated January 22, 2019. The information on the development of these numbers is included in the document that is shown as Exhibit M. The rates for the receipt of the restricted transportation related subvention revenues are two times that of the City of Big Bear Lake based upon its current population of 5,512 as defined by the State Department of Finance (roughly ½ of the Town of Lake Gregory). The Bradley Burns Sales Tax and the Measure I allocations were provided by the San Bernardino County Transportation Authority personnel.

In addition, the restricted portions of CSA revenues are shown, as these will be a transition to the Town for its management and operation. This calculation was taken from the Audits for these agencies.

		FORECAST				
		YEAR ENDING JUNE 30				
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026
		2%	2%	2%	2%	2%
TRANSPORTATION FUNDS						
Gas Tax-- HUTA (1.5 times population (11,362) = 17,043)						
Estimate City of BBL 2019-20 HUTA multiplied by 2 as these funds are population based)						
		\$ 1,038,264	\$ 1,069,412	\$ 1,101,494	\$ 1,134,539	\$ 1,168,575
Gas Tax-- RMRA (Using BBL Estimate for calculation)						
		\$ 91,233	\$ 93,970	\$ 96,789	\$ 99,693	\$ 102,684
Measure I Local (base is \$154,735 as reported by SBCTA increased by 2% per year from 2018-19)						
	\$ 80,493	\$ 164,206	\$ 167,490	\$ 170,840	\$ 174,257	\$ 177,742
Local Transportation - Bradley Burns transportation sales tax						
		\$ 115,408	\$ 115,408	\$ 115,408	\$ 115,408	\$ 115,408
TOTAL REVENUE		\$ 1,409,111	\$ 1,446,280	\$ 1,484,531	\$ 1,523,897	\$ 1,564,409
Capital Improvement fund Balance from County Transportation (3.2% of 17-18 balance)						
	\$ 1,865,277					
Contract for routine maintenance and snow removal (based on costs provided by County Transportation for Services in 2017-18)						
		\$ 844,943	\$ 870,291	\$ 896,400	\$ 923,292	\$ 950,991
Change in Fund Balance		\$ 1,945,770	\$ 564,168	\$ 575,989	\$ 588,131	\$ 600,605
Prior Year Fund Balance		\$ 1,945,770	\$ 2,509,938	\$ 3,085,927	\$ 3,674,058	\$ 4,274,663
Restricted Fund Balance		\$ 1,945,770	\$ 2,509,938	\$ 3,085,927	\$ 3,674,058	\$ 4,888,080
Dissolved Districts restricted funds:						
CSA 18 (road, snow removal)		\$ 187,800	\$ 187,800	\$ 187,800	\$ 187,800	\$ 187,800
CSA 68 (road maintenance and improvement)		\$ 83,710	\$ 85,803	\$ 87,948	\$ 90,147	\$ 92,400
R-2 (road maintenance and snow removal)		\$ 84,731	\$ 86,850	\$ 89,021	\$ 91,246	\$ 93,527
R-23 (Road maintenance and snow removal)		\$ 17,040	\$ 17,040	\$ 17,040	\$ 17,040	\$ 17,040
R-44 (road maintenance, improvement, snow removal)		\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
TOTAL RESTRICTED REVENUES		\$ 384,281	\$ 388,493	\$ 392,809	\$ 397,233	\$ 401,768
Fund Balance from dissolved districts						
Spec Tax CSA 18		\$ 239,407				
Spec Tax CSA 68 (implemented 2018-19)		\$ -				
Spec Tax R-2		\$ 115,767				
Spec Tax R-23		\$ 42,177				
Former County Service Areas Snow Removal and Routine Road Maintenance Costs						
		\$ 157,471	\$ 162,195	\$ 167,061	\$ 172,073	\$ 177,235
Change in Fund Balance		\$ 226,810	\$ 226,297	\$ 225,748	\$ 225,160	\$ 224,533
Prior Year Fund Balance		\$ 397,351	\$ 624,161	\$ 850,459	\$ 1,076,207	\$ 1,301,367
Restricted Fund Balance		\$ 397,351	\$ 624,161	\$ 850,459	\$ 1,076,207	\$ 1,525,900

It has been estimated that the Town of Lake Gregory would receive a proportionate share of the Capital Improvement reserves from the County Public Works Department. Using the determination that the roads being transferred are 3.2% of the County Maintained Road system, 3.2% of the Capital Improvement Reserve Balance for FY 2017-18 as shown in the adopted County Budget for Fiscal Year 2018-19, or \$1,865,277 is proposed to be transferred to the new Town.

The costs for maintenance shown below will be managed by the Town’s Public Works Department and provides for the estimated expenses for annual maintenance and/or snow removal as follows:

FISCAL YEAR	GENERAL TOWN MAINTAINED ROADS	RESTRICTED CSA – NON-TOWN MAINTAINED ROADS
2021-22	\$844,943	\$157,471
2022-23	\$870,291	\$162,195
2023-24	\$896,400	\$167,061
2024-25	\$923,292	\$172,073
2025-26	\$950,991	\$177,235
TOTAL	\$4,485,950	\$836,035

SUBSIDIARY DISTRICTS

As outlined at the outset of this report, the Crestline Sanitation District and the Crestline Village Water District are proposed to become subsidiary districts of the Town of Lake Gregory. This will mean that they will continue to operate as special districts with the need for an annual budget, annual audit, separate actions for service charges, etc. The Board of Directors of each district and the administration of each agency will fall under the umbrella of the Town, such as customer service, legal counsel, finance, etc. To show the financial impact of this change the following spreadsheets have been prepared. The information has been taken from the Audits for each district for the preceding six years, the adopted budget for Fiscal Year 2018-19, and a forecast through to the end of the Incorporation Preliminary Feasibility study.

CRESTLINE SANITATION DISTRICT

	AUDITS											ADJUSTED BUDGET 2019	FORECAST										
	For the Year Ended June 30,												Provided in Adopted 2019 Crestline Budget										
	2013	2014	2015	2016	2017	2018	YEAR ENDING JUNE 30						Committee Estimate										
		Restated	Restated	Restated			2020	2021	2022	2023	2024		2025										
OPERATING REVENUE																							
Charges for Service:	\$ 2,384,126	\$ 2,379,304	\$ 2,367,153	\$ 2,554,930	\$ 2,785,088	\$ 2,961,067	\$ 3,174,773	\$ 3,416,569	\$ 3,499,211	\$ 3,499,211	\$ 3,489,211	\$ 3,604,187	\$ 3,712,313										
Permits and Inspection	\$ 21,226	\$ 26,589	\$ 24,404	\$ 29,671	\$ 30,040	\$ 30,867	\$ 29,125	\$ 29,125	\$ 29,125	\$ 29,125	\$ 29,125	\$ 29,125	\$ 29,125										
Connection Fees	\$ 7,507	\$ -	\$ 9,082	\$ 14,964	\$ 3,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -										
Other Services	\$ 133,286	\$ 158,488	\$ 121,697	\$ 114,680	\$ 101,226	\$ 208,301	\$ 128,300	\$ 156,800	\$ 150,800	\$ 150,800	\$ 150,800	\$ 150,800	\$ 150,800										
NON-OPERATING REVENUE																							
Property Tax	\$ 952,126	\$ 970,686	\$ 989,877	\$ 1,025,347	\$ 1,076,976	\$ 1,114,730	\$ 1,070,800	\$ 1,086,800	\$ 1,108,536	\$ 1,130,707	\$ 1,153,321	\$ 1,176,387	\$ 1,199,915										
Special Assessments	\$ 28,416	\$ 25,889	\$ 50,662	\$ 9,810	\$ 11,480	\$ 11,410	\$ 27,287	\$ 27,287	\$ 27,287	\$ 27,287	\$ 27,287	\$ 27,287	\$ 27,287										
State Assistance	\$ 12,252	\$ 11,630	\$ 10,894	\$ 10,582	\$ 11,289	\$ 10,662	\$ 11,869	\$ 12,047	\$ 12,228	\$ 12,411	\$ 12,587	\$ 12,783	\$ 12,989										
Investment Income	\$ 47,107	\$ 124,482	\$ 97,148	\$ 141,787	\$ (15,574)	\$ 24,971	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814										
Gain on Sales of Assets	\$ -	\$ -	\$ 12,000	\$ -	\$ 6,372	\$ 12,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -										
Other Income	\$ 16,346	\$ (10,156)	\$ (29,23)	\$ 20,612	\$ 16,800	\$ 20,102	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000										
TOTAL REVENUE	\$ 3,602,592	\$ 3,686,912	\$ 3,680,497	\$ 3,922,383	\$ 4,007,448	\$ 4,384,860	\$ 4,537,978	\$ 4,824,452	\$ 4,923,011	\$ 4,945,365	\$ 4,968,165	\$ 5,096,594	\$ 5,238,233										
EXPENDITURES																							
Salaries and Benefits	\$ 1,595,442	\$ 1,705,162	\$ 1,848,508	\$ 2,143,173	\$ 2,230,018	\$ 2,160,732	\$ 2,472,048	\$ 2,839,774	\$ 2,877,590	\$ 2,912,769	\$ 2,945,813	\$ 2,972,127	\$ 3,001,291										
Maintenance								\$ 1,256,888	\$ 1,327,321	\$ 1,387,018	\$ 1,425,888	\$ 1,468,666	\$ 1,512,726										
Operations								\$ 250,024															
General and Administrative																							
Professional Services	\$ 408,976	\$ 352,257	\$ 256,267	\$ 285,652	\$ 364,657	\$ 225,374	\$ 401,916					\$ 0	\$ 0										
Maintenance								\$ 3,958	\$ 4,038	\$ 4,120	\$ 4,204	\$ 4,330	\$ 4,460										
Operations								\$ 192,032	\$ 155,075	\$ 198,179	\$ 161,346	\$ 166,185	\$ 171,171										
General and Administrative								\$ 253,968															
Services and Supplies	\$ 487,106	\$ 458,814	\$ 469,335	\$ 500,644	\$ 482,722	\$ 601,624	\$ 680,761					\$ 0	\$ 0										
Maintenance								\$ 73,598	\$ 75,032	\$ 76,538	\$ 78,072	\$ 80,414	\$ 82,827										
Operations								\$ 486,354	\$ 488,090	\$ 506,025	\$ 516,153	\$ 531,638	\$ 547,587										
General and Administrative								\$ 126,222															
Utilities	\$ 134,203	\$ 145,410	\$ 157,990	\$ 161,962	\$ 158,065	\$ 168,892	\$ 180,448	\$ 184,059	\$ 187,744	\$ 191,502	\$ 195,334	\$ 201,194	\$ 207,250										
Interest Expense	\$ 10,078	\$ 9,282	\$ 8,934	\$ 8,386	\$ 7,528	\$ 6,760	\$ 6,760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0										
Other Expense	\$ 0	\$ 0	\$ 0	\$ 2,787	\$ 2,699	\$ 2,854	\$ 2,186	\$ -2,186	\$ -2,186	\$ -2,186	\$ -2,176	\$ 0	\$ 0										
Bid Debt Expense								\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700										
Town of Lake Gregory Charge backs									\$ 770,951	\$ 780,246	\$ 810,226	\$ 834,533	\$ 859,588										
TOTAL EXPENDITURES	\$ 2,635,803	\$ 2,723,725	\$ 2,813,029	\$ 3,174,604	\$ 3,311,689	\$ 3,224,256	\$ 3,766,059	\$ 3,883,281	\$ 3,897,355	\$ 4,027,809	\$ 4,111,560	\$ 4,262,787	\$ 4,380,558										
Change in Fund Balance	\$ 966,589	\$ 963,187	\$ 867,468	\$ 747,779	\$ 695,759	\$ 1,170,604	\$ 771,919	\$ 941,071	\$ 1,025,656	\$ 917,456	\$ 856,605	\$ 833,607	\$ 837,674										
Prior period adjustment		\$ -2,116,628	\$ -75,292		\$ -131,028																		
Beginning Fund Balance	\$ 16,877,190	\$ 15,727,151	\$ 16,614,946	\$ 17,482,414	\$ 18,089,195	\$ 18,794,914	\$ 19,965,538	\$ 20,737,457	\$ 21,678,528	\$ 22,704,184	\$ 23,628,640	\$ 24,478,245	\$ 25,311,852										
Ending Fund Balance	\$ 17,843,779	\$ 16,690,338	\$ 17,482,414	\$ 18,230,193	\$ 18,794,914	\$ 19,965,538	\$ 20,737,457	\$ 21,678,528	\$ 22,704,184	\$ 23,628,640	\$ 24,478,245	\$ 25,311,852	\$ 26,149,526										
Depreciation Expense Not Included in table but included in Audit	\$ 589,855	\$ 559,121	\$ 572,325	\$ 565,237	\$ 575,907	\$ 572,405	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975										
	\$ 17,253,924	\$ 15,941,362	\$ 15,761,113	\$ 17,664,956	\$ 18,219,007	\$ 19,438,133	\$ 21,113,553	\$ 22,139,209	\$ 23,066,665	\$ 23,913,270	\$ 24,746,877	\$ 25,584,950											

CRESTLINE VILLAGE WATER DISTRICT													
	AUDITS							ADOPTED BUDGET	COMMITTEE FORECAST				
	For the Year Ended June 30,								YEAR ENDING JUNE 30				
	2013	2014	2015	2016	2017	2018	2019		2020	2021 - Transition Year	2022	2023	2024
		Restated						\$	\$	\$	\$	\$	\$
OPERATING REVENUE													
Water Sales													
Residential	\$ 2,217,972	\$ 2,079,555	\$ 1,990,872	\$ 1,901,000	\$ 2,068,027	\$ 2,445,858	\$ 2,478,573	\$ 2,528,144	\$ 2,603,989	\$ 2,682,108	\$ 2,762,572	\$ 2,846,449	\$ 2,930,812
Business	\$ 276,990	\$ 255,992	\$ 243,485	\$ 191,593	\$ 213,166	\$ 226,906	\$ 246,280	\$ 251,206	\$ 256,230	\$ 261,354	\$ 266,581	\$ 271,913	\$ 277,351
Other	\$ 2,152	\$ 2,656	\$ 4,215	\$ 1,624	\$ 12,419	\$ 72	\$ 8,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Water Services													
Taps and Connection Charges							\$ 5,000						
Turn On/Shutdown Charges	\$ 84,738	\$ 80,696	\$ 75,323	\$ 72,800	\$ 76,338	\$ 81,395	\$ 85,136	\$ 78,548	\$ 78,548	\$ 78,548	\$ 78,548	\$ 78,548	\$ 78,548
TOTAL OPERATING REVENUE	\$ 2,581,852	\$ 2,418,999	\$ 2,314,895	\$ 2,167,027	\$ 2,399,862	\$ 2,754,231	\$ 2,822,989	\$ 2,858,998	\$ 2,939,767	\$ 3,023,011	\$ 3,108,701	\$ 3,196,910	\$ 3,287,712
NON-OPERATING REVENUE													
Property Tax and Assessment	\$ 216,340	\$ 218,087	\$ 211,898	\$ 218,781	\$ 221,721	\$ 210,883	\$ 230,014	\$ 234,614	\$ 239,507	\$ 244,093	\$ 248,975	\$ 253,854	\$ 259,083
Availability Assessments **	\$ 147,460	\$ 147,595	\$ 148,635	\$ 152,778	\$ 141,197	\$ 140,456	\$ 142,000	\$ 146,357	\$ 149,284	\$ 152,270	\$ 155,315	\$ 158,421	\$ 161,590
Investment Income **	\$ 6,893	\$ 7,393	\$ 5,971	\$ 6,780	\$ 10,278	\$ 15,085	\$ 21,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Gain on Sales of Assets **	\$ (12,358)	\$ 38,901	\$ 4,000	\$ -	\$ -	\$ (7,079)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income **	\$ 8,398	\$ 20,460	\$ 10,058	\$ 7,925	\$ 17,793	\$ 13,978	\$ 2,000	\$ 13,102	\$ 12,096	\$ 10,809	\$ 11,139	\$ 11,620	\$ 10,511
Capital Contributions	\$ 5,090	\$ 14,090	\$ 22,050	\$ 13,255	\$ 7,674	\$ 9,755	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Miscellaneous Revenue							\$ 8,000						
TOTAL NON-OPERATING REVENUE	\$ 361,843	\$ 436,526	\$ 402,612	\$ 399,519	\$ 348,663	\$ 403,078	\$ 406,014	\$ 412,073	\$ 418,626	\$ 425,172	\$ 433,429	\$ 441,965	\$ 449,134
TOTAL REVENUE	\$ 2,943,695	\$ 2,855,525	\$ 2,717,507	\$ 2,566,546	\$ 2,798,645	\$ 3,157,309	\$ 3,229,003	\$ 3,271,071	\$ 3,358,393	\$ 3,448,182	\$ 3,542,130	\$ 3,638,905	\$ 3,736,845
EXPENDITURES													
Percentage Increase unless otherwise noted									45	45	45	45	45
Operating Expenses													
Sources of Supply													
Supermission to board expense **	\$68,692	\$96,845	\$62,802	\$66,776	\$77,190	\$61,204	\$69,575	\$97,252	\$70,278	\$72,386	\$74,558	\$76,794	\$79,098
Maintenance - structures and **	\$8,429	\$3,761	\$6,218	\$5,078	\$9,772	\$9,119	\$11,546	\$15,735	\$6,443	\$6,936	\$7,444	\$7,967	\$8,506
Purchased Water **	\$269,692	\$430,221	\$453,320	\$418,872	\$467,628	\$354,059	\$375,000	\$368,985	\$416,918	\$435,680	\$455,285	\$475,773	\$497,183
Pumping													
Maintenance/Repairs Equipm **							\$7,672						
Maintenance/Repairs Struct **	\$2,271	\$6,967	\$14,420	\$9,928	\$2,336	\$27,622	\$7,266	\$18,094	\$18,908	\$9,759	\$26,48	\$21,577	\$22,548
Power **	\$67,048	\$39,257	\$52,076	\$44,369	\$40,894	\$51,795	\$46,000	\$52,578	\$49,444	\$57,417	\$60,000	\$62,700	\$65,522
Water Treatment													
Supermission to board expense **	\$18,908	\$14,320	\$14,325	\$15,145	\$6,388	\$8,065	\$6,900	\$12,889	\$13,437	\$14,042	\$14,674	\$15,334	\$16,024
Maintenance - structures and **	\$3,611	\$4,809	\$2,849	\$5,112	\$6,152	\$8,520	\$3,000	\$5,176	\$4,408	\$5,652	\$4,906	\$6,172	\$6,450
Maintenance Fixtures Equipm **							\$5,000						
Transmission and distribution													
Maintenance - structures and **	\$169,876	\$195,580	\$215,099	\$211,896	\$172,364	\$199,055	\$203,667	\$192,313	\$200,967	\$210,011	\$219,461	\$229,337	\$239,657
Customer Accounts													
Supermission meter reading **	\$41,191	\$33,052	\$33,344	\$32,172	\$44,372	\$34,765	\$40,920	\$36,483	\$38,124	\$39,840	\$41,633	\$43,506	\$45,464
Administration and General													
Salaries	\$374,043	\$373,177	\$385,155	\$400,589	\$525,296	\$503,284	\$562,079	\$578,838	\$596,308	\$613,488			
Office Supplies and other expense	\$245,468	\$313,484	\$283,281	\$317,192	\$335,745	\$339,494	\$367,348	\$378,388	\$389,719	\$22,841	\$230,350	\$237,261	\$244,379
Property Insurance **	\$88,123	\$99,397	\$90,548	\$72,316	\$35,912	\$7,2890	\$71,290	\$76,531	\$78,827	\$1,192	\$3,627	\$6,136	\$8,720
Employee retirement and benefits	\$82,251	\$619,536	\$1,001,878	\$505,570	\$642,000	\$1,112,948	\$938,342	\$996,492	\$95,487	\$43,150	\$423,94	\$33,006	\$45,996
Maintenance of general plant	\$82,395	\$62,443	\$69,042	\$79,228	\$57,338	\$140,083	\$91,144	\$80,082	\$82,485	\$4,959	\$7,508	\$9,133	\$9,837
Directors Fees	\$7,600	\$7,100	\$6,600	\$7,400	\$8,900	\$6,900	\$6,000	\$8,000	\$8,000				
Collection & handling Charges							\$1,000		\$1,000				
Chargeback from Town of Lake Gregory										\$64,360	\$60,600	\$60,418	\$70,831
TOTAL EXPENDITURES	\$2,293,588	\$2,489,949	\$2,675,887	\$2,191,668	\$2,451,305	\$2,961,433	\$2,822,145	\$2,898,995	\$2,967,238	\$2,435,516	\$2,392,066	\$2,476,121	\$2,563,221
Town of Lake Gregory Chargebacks													
Change in Fund Balance	\$650,107	\$365,576	\$40,620	\$374,878	\$347,340	\$175,876	\$406,858	\$382,106	\$371,135	\$1,012,666	\$1,150,035	\$1,162,784	\$1,173,624
Prior period adjustment													
Beginning Fund Balance		\$14,388,895	\$13,368,028	\$13,438,648	\$13,813,528	\$14,160,836	\$14,336,712	\$14,749,570	\$15,125,676	\$15,496,811	\$16,029,477	\$17,659,513	\$18,822,286
Ending Fund Balance	\$14,388,895	\$14,754,371	\$13,438,648	\$13,813,528	\$14,160,836	\$14,336,712	\$14,749,570	\$15,125,676	\$15,496,811	\$16,029,477	\$17,659,513	\$18,822,286	\$19,995,920
** Transactions reviewed by auditors													
Depreciation Expense Not Included in table but included in Audit	\$596,176	\$590,728	\$603,755	\$614,510	\$621,549	\$619,478							

In each case, the fund balance and any reserves for maintenance of facilities and equipment and/or expansion will remain with the respective districts.

CONCLUSION

The completion of the Preliminary Feasibility Study for the incorporation of the Town of Lake Gregory is intended to be used to start the review process: to enable the circulation of the petition to gather the signatures necessary to submit the proposal to LAFCO. Once it receives the submission, LAFCO will initiate its comprehensive review process, anticipated to take about one-year, culminating with a determination by the Commission on whether to send the matter to be decided by a vote of the community. It is the position of the Committee that the study outlines compliance with the intent and policies of the Local Agency Formation Commission for San Bernardino County and shows that incorporation is feasible given the service parameters established.

It is the position of the Committee that incorporating the Town, as outlined in the study, is feasible, it will provide local control of the community by residents who reside within it, it will allow for local control of the community's financial resources to provide the range and level of service desired by the community, such as an increase in local law enforcement, and it will provide a voice for the community within the larger arenas of San Bernardino County on regional issues such as the operation of Lake Gregory Regional Park, general road systems through SBCTA etc.

LISTING OF EXHIBITS:

- A.** Map of Proposed Incorporation of Town of Lake Gregory
- B.** Town of Lake Gregory Forecast – Current Sources
- C.** Town of Lake Gregory Forecast – Potential Passage of AB 818
- D.** Listing of Service Providers – Current and Proposed
- E.** Property Tax Share Transfer
- F.** San Bernardino County Auditor-Controller Letter Dated February 26, 2015
- G.** County Administrative Office Response on Sales Tax Receipts
- H.** County Administrative Office Response on Transient Occupancy Tax Receipts
- I.** Salary Comparisons as Required by LAFCO Policy
- J.** San Bernardino County Sheriff Response for Law Enforcement Contract
- K.** Fire Protection Contract Estimate Use of Fiscal Impact Analysis for LAFCO 3218
Annexation of Hesperia Fire Protection District by San Bernardino County Fire Protection
District et al
- L.** San Bernardino County Transportation Department Response on Costs
- M.** California League of Cities report entitled *“Shared Revenue Estimates: State Revenue
Allocations to Cities and Counties”* Updated January 22, 2019
- N.** Crestline Sanitation District Forecast
- O.** Crestline Village Water District Forecast

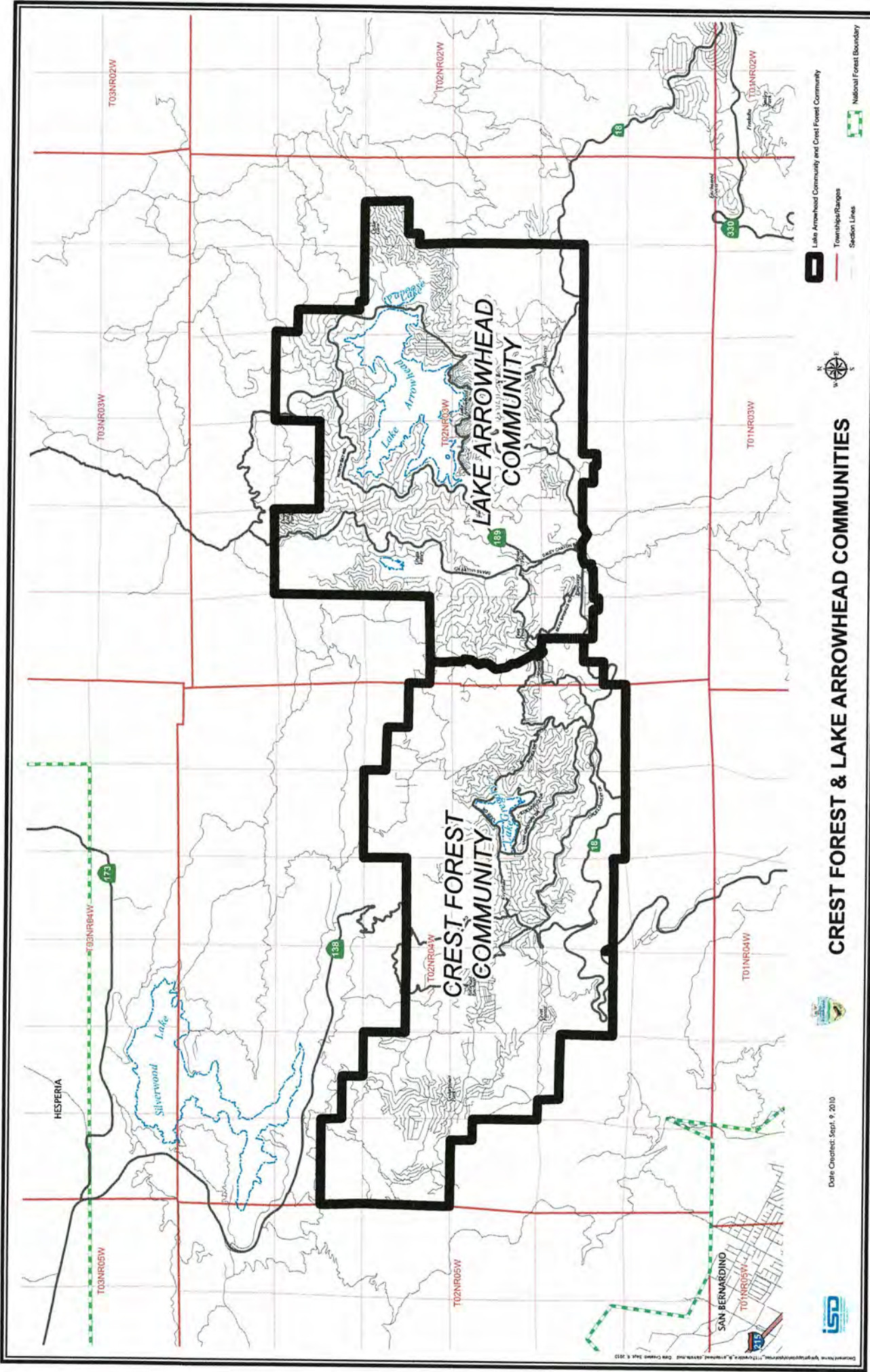
EXHIBIT A

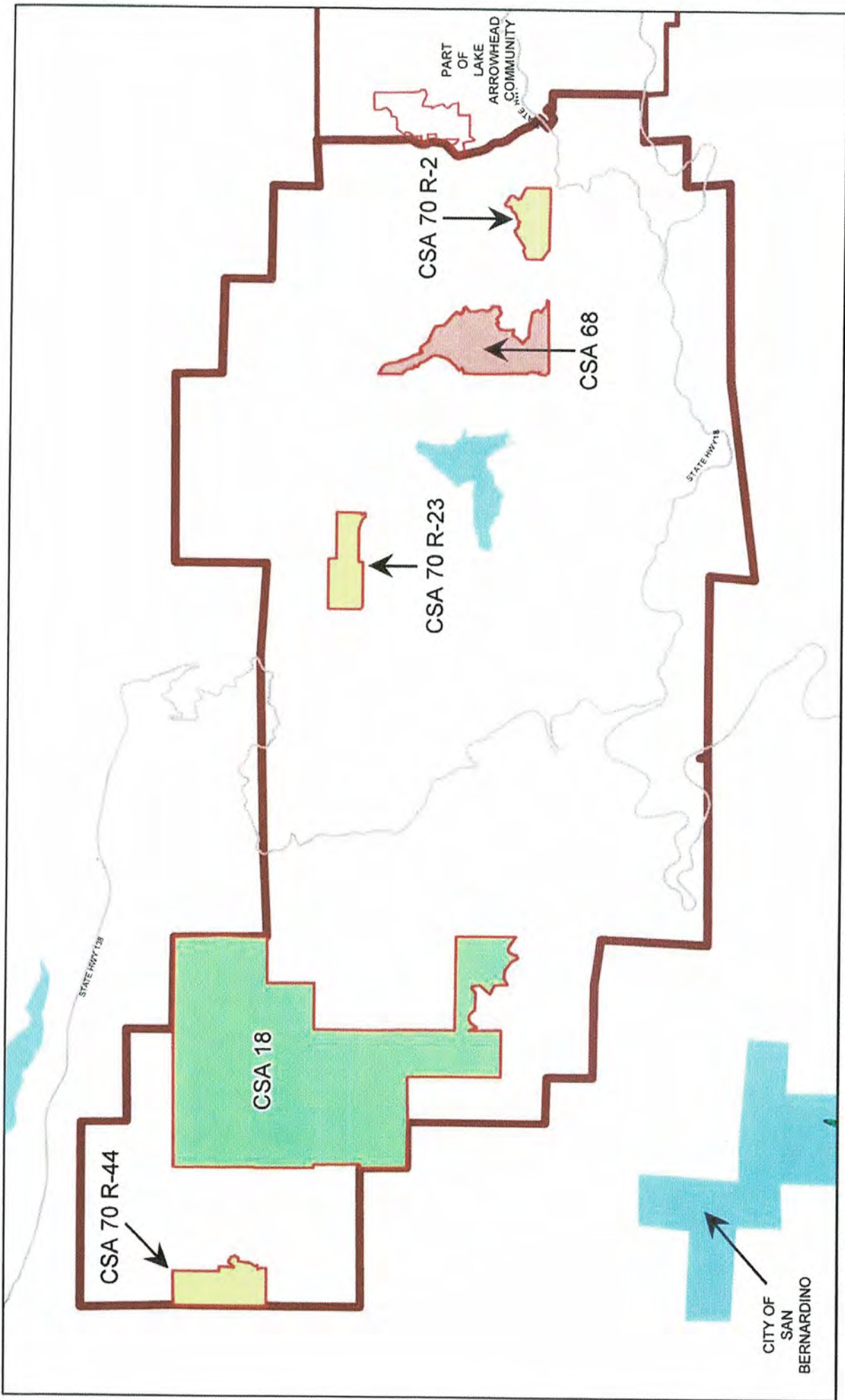
MAP OF PROPOSED INCORPORATION OF LAKE GREGORY

**MAP OF LAFCO DEFINITION OF COMMUNITY
BOUNDARIES FOR
CREST FOREST AND LAKE ARROWHEAD**

CERTIFICATION OF VOTERS WITHIN COMMUNITY

MAP OF ROAD DISTRICTS





VICINITY MAP
CREST FOREST COMMUNITY
 ROAD MAINTENANCE AND SNOW REMOVAL SERVICES

CSA 70 Zones
 CSA 70 R-44
 CSA 18
 CSA 70 R-23
 CSA 68
 CSA 18

Crest Forest Community Boundary
 Lakes
 Major Roads



Registrar of Voters

Bob Page
Interim Registrar of Voters

February 27, 2019

Committee to Incorporate Lake Gregory
Rollings & McDonald Consulting
Macland.48@gmail.com

Attention: Kathleen Rollings-McDonald

To Whom It May Concern:

On February 25, 2019, the San Bernardino County Registrar of Voters received a request to provide the number of registered voters residing within the boundaries for the proposed Incorporation of the Town of Lake Gregory.

After examining the voter registration records within this area, the Registrar of Voters certifies the following information as of February 27, 2019:

Registered voters within area: 6,295

An invoice for services rendered for this request will be provided later.

If you have any questions, please contact the Registrar of Voters at (909) 387-8300.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa Eickman".

Melissa Eickman
Public Information Manager

ME/yh

BOARD OF SUPERVISORS

ROBERT A. LOVINGOOD
Chairman, First District

JANICE RUTHERFORD
Second District

DAWN ROWE
Third District

CURT HAGMAN
Vice Chairman, Fourth District

JOSIE GONZALES
Fifth District

Gary McBride
Chief Executive Officer

EXHIBIT B

**TOWN OF LAKE GREGORY FEASIBILITY FORECAST
CURRENT SOURCES**

TOWN OF LAKE GREGORY							
FORECAST							
YEAR ENDING JUNE 30							
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026	
		2%	2%	2%	2%	2%	
REVENUE							
GENERAL FUND:							
Property Tax	\$ 1,300,842	\$ 2,653,717	\$ 2,706,791	\$ 2,760,927	\$ 2,816,145	\$ 2,872,468	
Property Trabsfer Tax	\$ 23,759	\$ 48,705	\$ 49,923	\$ 51,171	\$ 52,450	\$ 53,761	
General Ad Valorem Tax Share from Dissolved Districts							
CSA 18 general ad valorem share 2017		\$ 117,885	\$ 120,243	\$ 122,648	\$ 125,101	\$ 127,603	
CSA 68 general ad valorem share		\$ 47,057	\$ 47,998	\$ 48,958	\$ 49,937	\$ 50,936	
R-2 General Ad Valorem		\$ 18,176	\$ 18,540	\$ 18,911	\$ 19,289	\$ 19,675	
General Ad Valorem Tax Detached Districts							
CSA 54 general ad valorem share		\$ 34,165	\$ 34,848	\$ 35,545	\$ 36,256	\$ 36,981	
SBCFPD and its Mountain Service Zone		\$ 3,761,867	\$ 3,837,104	\$ 3,913,846	\$ 3,992,123	\$ 4,071,966	
Sales and Use Tax (50% of ROW study)	\$ 165,833	\$ 331,665	\$ 338,298	\$ 345,064	\$ 351,966	\$ 359,005	
Transient Occupancy Tax	\$ 131,651	\$ 263,302	\$ 269,885	\$ 276,632	\$ 282,164	\$ 289,218	
Off Highway License Subvention		\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	
Animal Control Fees	\$ 24,680	\$ 49,360	\$ 50,347	\$ 51,354	\$ 52,381	\$ 53,429	
Fines and Forfeitures		\$ 24,656	\$ 25,149	\$ 25,652	\$ 26,165	\$ 26,688	
Community Development Charges	\$ 157,150	\$ 471,449	\$ 480,878	\$ 490,496	\$ 500,306	\$ 510,312	
Public Works Fees	\$ 20,569	\$ 61,706	\$ 62,940	\$ 64,199	\$ 65,483	\$ 66,793	
Franchise Fees	\$ 155,150	\$ 310,300	\$ 318,058	\$ 326,009	\$ 334,159	\$ 342,513	
Business License		\$ 103,800	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	
Total Discretionary funds	\$ 1,979,632	\$ 8,298,510	\$ 8,406,702	\$ 8,577,111	\$ 8,749,625	\$ 8,927,048	
Special Taxes restricted use:							
FP-5 Special Tax for Fire Protection (13,323 private parcels)		\$ 2,158,030	\$ 2,222,771	\$ 2,289,454	\$ 2,358,138	\$ 2,428,882	
Rim of the World Park Special Tax (\$22 times 12323)		\$ 271,106	\$ 271,106	\$ 271,106	\$ 271,106	\$ 271,106	
MISCELLANEOUS FUNDS:							
Community Development Block Grant							
COPS Grant/SLESF		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Operating Transfer In from Subsidiary Districts for costs							
Crestline Village Water District		\$ 641,360	\$ 660,600	\$ 680,418	\$ 700,811	\$ 721,835	
Crestline Sanitation District		\$ 770,951	\$ 790,246	\$ 810,226	\$ 834,533	\$ 859,568	
Non-Restricted Fund Balance Dissolved Districts							
CSA 18 41% of balance	\$ 166,297						
CSA 68	\$ 133,874						
R-2	\$ 57,807						
TOTAL REVENUE	\$ 2,337,610	\$ 12,239,957	\$ 12,451,425	\$ 12,728,315	\$ 13,014,213	\$ 13,308,439	
EXPENDITURES							
Year over increase		3%	3%	3%	3%	3%	
City Council	\$12,800	\$25,600	\$25,600	\$25,600	\$25,600	\$25,600	
City Administration	\$176,072	\$433,234	\$384,062	\$457,453	\$406,837	\$482,764	
City Attorney	\$90,000	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592	
Administrative Services	\$199,387	\$653,008	\$744,113	\$766,437	\$789,430	\$813,113	
Community Services	\$166,497	\$709,829	\$725,049	\$738,225	\$754,372	\$571,003	
Public Works		\$492,214	\$497,987	\$512,927	\$528,315	\$544,164	
CONTRACTS:							
Animal Control		\$131,549	\$131,549	\$131,549	\$131,549	\$131,549	
County Dual Operation Model Contract		\$5,144,935	\$5,121,465	\$5,275,109	\$5,433,362	\$5,596,363	
Fuel and Maintenance for law enforcement		\$85,000	\$87,550	\$90,177	\$92,882	\$95,668	
Fire Protection Contract (Projection from Hesperia FPD proposal)		\$4,015,019	\$4,140,094	\$4,264,297	\$4,392,226	\$4,523,992	
Non-Departmental (rent, utilities, streetlights, LAFCO charges, association dues)	\$ 28,563	\$57,125	\$58,839	\$60,604	\$62,422	\$64,295	
Revenue Neutrality Payment	\$0	\$0	\$0	\$0	\$0	\$0	
Transition Period Repayment		?					
General Fund Expenditures	\$673,319	\$11,927,513	\$12,101,707	\$12,513,339	\$12,813,685	\$13,051,102	
Contingency/Reserve 10% -- Established in first full year -- augmented annual to maintain 10% of anticipated expenditures		\$500,000	\$500,000	\$251,334	\$30,035	\$23,742	
TOTAL EXPENDITURES	\$ 673,319	\$12,427,513	\$12,601,707	\$12,764,673	\$12,843,720	\$13,074,844	

TOWN OF LAKE GREGORY						
FORECAST						
YEAR ENDING JUNE 30						
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026
Change in Fund Balance	\$ 1,664,291	-\$187,555	-\$150,282	-\$36,358	\$170,493	\$233,595
Beginning Fund Balance	\$ -	\$1,664,291	\$1,476,736	\$1,326,454	\$1,290,096	\$1,460,589
Ending Fund Balance	\$ 1,664,291	\$1,476,736	\$1,326,454	\$1,290,096	\$1,460,589	\$1,694,184
Contingency/Reserve maintained at 10% of proposed expenditures		\$500,000	\$1,000,000	\$1,251,334	\$1,281,369	\$1,305,110
FORECAST						
YEAR ENDING JUNE 30						
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026
		2%	2%	2%	2%	2%
TRANSPORTATION FUNDS						
Gas Tax -- HUTA (1.5 times population (11,362) = 17,043)						
Estimate City of BBL 2019-20 HUTA multiplied by 2 as these funds are population based)		\$ 1,038,264	\$ 1,069,412	\$ 1,101,494	\$ 1,134,539	\$ 1,168,575
Gas Tax -- RMRA (Using BBL Estimate for calculation)		\$ 91,233	\$ 93,970	\$ 96,789	\$ 99,693	\$ 102,684
Measure I Local (base is \$154,735 as reported by SBCTA increased by 2% per year from 2018-19)	\$ 80,493	\$ 164,206	\$ 167,490	\$ 170,840	\$ 174,257	\$ 177,742
Local Transportation - Bradley Burns transportation sales tax		\$ 115,408	\$ 115,408	\$ 115,408	\$ 115,408	\$ 115,408
TOTAL REVENUE		\$ 1,409,111	\$ 1,446,280	\$ 1,484,531	\$ 1,523,897	\$ 1,564,409
Capital Improvement fund Balance from County Transportation (3.2% of 17-18 balance)	\$ 1,865,277					
EXPENDITURES (INCREASED BY 3% ANNUALLY):						
Contract for routine maintenance and snow removal (based on costs provided by County Transportation for Services in 2017-18) increased by 6%		\$ 895,640	\$ 922,509	\$ 950,184	\$ 978,690	\$ 1,008,050
Change in Fund Balance	\$ 1,945,770	\$ 513,471	\$ 523,771	\$ 534,347	\$ 545,207	\$ 556,358
Prior Year Fund Balance		\$ 1,945,770	\$ 2,459,241	\$ 2,983,013	\$ 3,517,360	\$ 4,062,567
Restricted Fund Balance	\$ 1,945,770	\$ 2,459,241	\$ 2,983,013	\$ 3,517,360	\$ 4,062,567	\$ 4,618,925
Dissolved Districts restricted funds:						
CSA 18 (road, snow removal)		\$ 187,800	\$ 187,800	\$ 187,800	\$ 187,800	\$ 187,800
CSA 68 (road maintenance and improvement)		\$ 83,710	\$ 85,803	\$ 87,948	\$ 90,147	\$ 92,400
R-2 (road maintenance and snow removal)		\$ 84,731	\$ 86,850	\$ 89,021	\$ 91,246	\$ 93,527
R-23 (Road maintenance and snow removal)		\$ 17,040	\$ 17,040	\$ 17,040	\$ 17,040	\$ 17,040
R-44 (road maintenance, improvement, snow removal)		\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
TOTAL RESTRICTED REVENUES		\$ 384,281	\$ 388,493	\$ 392,809	\$ 397,233	\$ 401,768
Fund Balance from dissolved districts						
Spec Tax CSA 18	\$ 239,407					
Spec Tax CSA 68 (implemented 2018-19)	\$ -					
Spec Tax R-2	\$ 115,767					
Spec Tax R-23	\$ 42,177					
Former County Service Areas Snow Removal and Routine Road Maintenance Costs (Increased by 3% annually)		\$ 157,471	\$ 162,195	\$ 167,061	\$ 172,073	\$ 177,235
Change in Fund Balance	\$ 226,810	\$ 226,297	\$ 225,748	\$ 225,160	\$ 224,533	
Prior Year Fund Balance		\$ 397,351	\$ 624,161	\$ 850,459	\$ 1,076,207	\$ 1,301,367
Restricted Fund Balance	\$ 397,351	\$ 624,161	\$ 850,459	\$ 1,076,207	\$ 1,301,367	\$ 1,525,900

	Base Year 2017-18	TRANSITION YEAR 2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
GENERAL FUND							
City Manager Division							
City Manager							
SALARY	\$ 167,249	\$ 88,717	\$ 188,240	\$ 193,887	\$ 199,704	\$ 205,695	\$ 211,865
BENEFIT (45%)	\$ 58,537	\$ 40,233	\$ 84,708	\$ 87,249	\$ 89,867	\$ 92,563	\$ 95,339
Growth Rate	3%						
Administrative Assistant							
Salary	\$ 45,384	\$ 24,394	\$ 52,447	\$ 54,020	\$ 55,641	\$ 57,310	\$ 59,029
Benefit (35%)	\$ 15,884	\$ 8,538	\$ 18,356	\$ 18,907	\$ 19,474	\$ 20,059	\$ 20,660
Growth Rate	3%						
Services and Supplies							
Notices, Office Expense	\$ 17,250	\$ 8,884	\$ 18,301	\$ 18,850	\$ 19,227	\$ 19,612	\$ 20,004
Travel & Memberships	\$ 10,000	\$ 5,306	\$ 10,824	\$ 11,149	\$ 11,372	\$ 11,599	\$ 11,831
Election	\$ 58,600		\$ 60,358		\$ 62,169		\$ 64,034
Growth Rate	3%						
		\$ 176,072	\$ 433,234	\$ 384,062	\$ 457,453	\$ 406,837	\$ 482,764

	Base Year 2017-18	TRANSITION YEAR 2020-21 (December to June)	2021-22	2022-23	2023-24	2024-25	2025-26
GENERAL FUND							
Administrative Services/City Clerk							
Chief Financial Officer/City Clerk							
SALARY	\$ 124,430	\$ 66,023	\$ 140,088	\$ 144,290	\$ 148,619	\$ 153,078	\$ 157,670
BENEFIT (35%)	\$ 43,551	\$ 23,108	\$ 49,031	\$ 50,502	\$ 52,017	\$ 53,577	\$ 55,184
Growth Rate	3%						
Finance Supervisor/Human Resources							
SALARY	\$ 87,256	\$ 43,628	\$ 89,874	\$ 92,570	\$ 95,347	\$ 98,207	\$ 101,154
Benefit (35%)	\$ 30,540	\$ 15,270	\$ 31,456	\$ 32,399	\$ 33,371	\$ 34,373	\$ 35,404
Growth Rate	3%						
Accounting Clerk/Customer Service Technician(3)							
SALARY	\$ 48,000	\$ 49,440	\$ 152,770	\$ 157,353	\$ 162,073	\$ 166,935	\$ 171,944
Benefit (35%)	\$ 16,800	\$ 17,304	\$ 53,469	\$ 55,073	\$ 56,726	\$ 58,427	\$ 60,180
Growth Rate	3%						
It Specialist							
SALARY	\$ 76,086	\$ 38,043	\$ 78,369	\$ 80,720	\$ 83,141	\$ 85,635	\$ 88,205
Benefit (35%)	\$ 26,630	\$ 13,315	\$ 27,429	\$ 28,252	\$ 29,099	\$ 29,972	\$ 30,872
TOTAL SALARIES AND BENEFITS		\$ 199,387	\$ 622,484	\$ 641,159	\$ 660,394	\$ 680,205	\$ 700,612
SERVICES AND SUPPLIES							
Professional Services includes auditing services, sales and property tax consultants, TOT audits							
Bank Charges			\$ 14,344	\$ 14,774	\$ 15,217	\$ 15,674	\$ 16,144
Postage Charges			\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255
Office Expense			\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956
TOTAL SERVICES AND SUPPLIES		\$ -	\$ 30,524	\$ 102,954	\$ 106,043	\$ 109,224	\$ 112,501
TOTAL ADMINISTRATIVE SERVICES		\$ 199,387	\$ 653,008	\$ 744,113	\$ 766,437	\$ 789,430	\$ 813,113
*Transition year paid by Districts							

	Base Year 2017-18		TRANSITION YEAR 2020-21 (December to June)		2021-22	2022-23	2023-24	2024-25	2025-26
GENERAL FUND									
Public Works/Engineering									
Public Works Director									
SALARY	\$	123,899			\$ 135,427	\$ 139,490	\$ 143,675	\$ 147,985	\$ 152,425
BENEFIT (35%)	\$	43,365	\$	-	\$ 47,400	\$ 48,822	\$ 50,286	\$ 51,795	\$ 53,349
Growth Rate		3%							
Utilities Operations Manager									
Salary	\$	95,352			\$ 100,177	\$ 103,182	\$ 106,278	\$ 109,466	\$ 112,750
Benefit (35%)	\$	33,373	\$	-	\$ 35,062	\$ 36,114	\$ 37,197	\$ 38,313	\$ 39,462
Growth Rate		3%							
Administrative Analyst									
Salary	\$	76,086			\$ 78,369	\$ 80,720	\$ 83,141	\$ 85,635	\$ 88,205
Benefit (35%)	\$	26,630	\$	-	\$ 27,429	\$ 28,252	\$ 29,099	\$ 29,972	\$ 30,872
Growth Rate		3%							
Park and Recreation Coordinator (Part-time 1040 hours)									
Salary	\$	69,400	\$	34,700	\$ 35,741	\$ 36,813	\$ 37,918	\$ 39,055	\$ 40,227
Benefit (35%)	\$	24,290	\$	12,145	\$ 12,509	\$ 12,885	\$ 13,271	\$ 13,669	\$ 14,079
Growth Rate		3%							
Services and Supplies									
Office Expense									
					\$ 7,000	\$ 7,210	\$ 7,426	\$ 7,649	\$ 7,879
Computer Hardware & Software									
					\$ 13,100	\$ 4,500	\$ 4,635	\$ 4,774	\$ 4,917
TOTAL COST			\$	-	\$ 492,214	\$ 497,987	\$ 512,927	\$ 528,315	\$ 544,164

	Base Year 2017-18	TRANSITION YEAR 2020-21 (December to June)	2021-22	2022-23	2023-24	2024-25	2025-26
GENERAL FUND							
Community Services							
Community Services Director							
SALARY	\$ 123,899	\$ 65,742	\$ 135,427	\$ 139,490	\$ 143,675	\$ 147,985	\$ 152,425
BENEFIT (35%)	\$ 43,365	\$ 23,010	\$ 47,400	\$ 48,822	\$ 50,286	\$ 51,795	\$ 53,349
Growth Rate	3%						
Principal Planner							
Salary	\$ 75,858		\$ 78,134	\$ 80,478	\$ 82,892	\$ 85,379	\$ 87,940
Benefit (35%)	\$ 26,550		\$ 27,347	\$ 28,167	\$ 29,012	\$ 29,883	\$ 30,779
Growth Rate	3%						
Code Compliance Officer							
Salary	\$ 52,707	\$ 27,144	\$ 54,288	\$ 55,917	\$ 57,594	\$ 59,322	\$ 61,102
Benefit (35%)	\$ 18,447	\$ 9,500	\$ 19,001	\$ 19,571	\$ 20,158	\$ 20,763	\$ 21,386
Growth Rate	3%						
Permit-License Specialist							
Salary	\$ 55,037		\$ 56,688	\$ 58,389	\$ 60,140	\$ 61,945	\$ 63,803
Benefit (35%)	\$ 19,263		\$ 19,841	\$ 20,436	\$ 21,049	\$ 21,681	\$ 22,331
Administrative Assistant							
Salary	\$ 47,611	\$ 24,520	\$ 49,039	\$ 50,511	\$ 52,026	\$ 53,587	\$ 55,194
Benefit	\$ 16,664	\$ 8,582	\$ 17,164	\$ 17,679	\$ 18,209	\$ 18,755	\$ 19,318
TOTAL SALARIES AND BENEFITS		\$ 158,497	\$ 504,329	\$ 519,459	\$ 535,042	\$ 551,094	\$ 567,626
SERVICES AND SUPPLIES							
General Plan/EIR Preparation			\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
General Office Expense			\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377
Computer Hardware and Software		\$ 8,000	\$ 2,500	\$ 2,500			
Office Furnishings and Fixtures							
SERVICES A		\$ 8,000	\$ 205,500	\$ 205,590	\$ 203,183	\$ 203,278	\$ 3,377
TOTAL COST		\$ 166,497	\$ 709,829	\$ 725,049	\$ 738,225	\$ 754,372	\$ 571,003

REVENUE NEUTRALITY

Revenue Transferred Historic Formula

Property Tax per formula in GC 56810	\$ 2,601,683	
Sales Tax	\$ 607,300	
Transient Occupancy Tax	\$ 166,289	
Property Transfer Tax	\$ 27,740	
Fines and Forfeitures	\$ -	
Franchise Fees	\$ 310,300	
Total Revenue Loss to County	\$ 3,713,312	\$ (3,713,312)

Expenses Transferred (net county cost)

Land Use Services	\$ 63,867	
Planning	\$ 107,894	
Code Enforcement	\$ 128,573	
Land Development	\$ 22,862	
Fire Hazard Abatement	\$ 6,331	
Public Works	\$ 1,617,691	
Animal Control	\$ 68,638	
Law Enforcement	\$ 1,921,863	
Total Expenditure	\$ 3,937,719	\$ 3,937,719

County Property Tax Admin Fee 1%		\$ 39,377
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Net Revenue Impact to County		\$ 185,030
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Potential Revenue Neutrality Payment

Zero

TOTAL VALUE

Unincorporated County	\$ 33,524,965,334
Town of Lake Gregory	\$ 1,214,830,036
percentage	4%
ADELANTO	\$ 2,075,360,322
BARSTOW	\$ 1,374,953,659
GRAND TERRACE	\$ 1,072,382,861
LOMA LINDA	\$ 2,212,253,177
TWENTYNINE PALMS	\$ 891,647,301
YUCCA VALLEY	\$ 1,696,403,586

EXHIBIT C

**TOWN OF LAKE GREGORY FEASIBILITY FORECAST
POTENTIAL PASSAGE OF AB 818**

TOWN OF LAKE GREGORY						
FORECAST						
YEAR ENDING JUNE 30						
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026
		2%	2%	2%	2%	2%
REVENUE						
GENERAL FUND:						
Property Tax	\$ 1,227,041	\$ 2,653,717	\$ 2,706,791	\$ 2,760,927	\$ 2,816,145	\$ 2,872,468
Property Transfer Tax (formula from RSG study)	\$ 23,789	\$ 48,705	\$ 49,923	\$ 51,171	\$ 52,450	\$ 53,761
General Ad Valorem Tax Share from Dissolved Districts						
CSA 18 general ad valorem share 2017		\$ 117,885	\$ 120,243	\$ 122,648	\$ 125,101	\$ 127,603
CSA 68 general ad valorem share		\$ 47,057	\$ 47,998	\$ 48,958	\$ 49,937	\$ 50,936
R-2 General Ad Valorem		\$ 18,176	\$ 18,540	\$ 18,911	\$ 19,289	\$ 19,675
General Ad Valorem Tax Detached Districts						
CSA 54 general ad valorem share		\$ 34,165	\$ 34,848	\$ 35,545	\$ 36,256	\$ 36,981
SBCFPD and its Mountain Service Zone		\$ 3,761,867	\$ 3,837,104	\$ 3,913,846	\$ 3,992,123	\$ 4,071,966
Sales and Use Tax (50% of ROW study)	\$ 165,833	\$ 331,665	\$ 338,298	\$ 345,064	\$ 351,966	\$ 359,005
Transient Occupancy Tax	\$ 131,651	\$ 263,302	\$ 269,885	\$ 276,632	\$ 282,164	\$ 289,218
Off Highway License Subvention		\$ 700	\$ 700	\$ 700	\$ 700	\$ 700
Animal Control Fees	\$ 24,680	\$ 49,360	\$ 50,347	\$ 51,354	\$ 52,381	\$ 53,429
Fines and Forfeitures		\$ 24,656	\$ 25,149	\$ 25,652	\$ 26,165	\$ 26,688
Community Development Charges	\$ 157,150	\$ 471,449	\$ 480,878	\$ 490,496	\$ 500,306	\$ 510,312
Public Works Fees	\$ 20,569	\$ 61,706	\$ 62,940	\$ 64,199	\$ 65,483	\$ 66,793
Franchise Fees	\$ 155,150	\$ 310,300	\$ 318,058	\$ 326,009	\$ 334,159	\$ 342,513
Business License		\$ 103,800	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Total Discretionary funds	\$ 1,905,861	\$ 8,298,510	\$ 8,406,702	\$ 8,577,111	\$ 8,749,625	\$ 8,927,048
Special Taxes restricted use:						
Rim of the World Park Special Tax (\$22 times 12323)		\$ 271,106	\$ 271,106	\$ 271,106	\$ 271,106	\$ 271,106
FP-5 Special Tax for Fire Protection (13,323 private parcels)		\$ 2,158,030	\$ 2,222,771	\$ 2,289,454	\$ 2,358,138	\$ 2,428,882
MISCELLANEOUS FUNDS:						
Community Development Block Grant						
COPS Grant/SLESF		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Operating Transfer In from Subsidiary Districts for costs						
Crestline Village Water District		\$ 641,360	\$ 660,600	\$ 680,418	\$ 700,811	\$ 721,835
Crestline Sanitation District		\$ 770,951	\$ 790,246	\$ 810,226	\$ 834,533	\$ 859,568
Non-Restricted Fund Balance Dissolved Districts						
CSA 18 41% of balance	\$ 166,297					
CSA 68	\$ 133,874					
R-2	\$ 57,807					
Potential Revenues from Return of Property Tax In Lieu of Motor Vehicle Fees through AB 818 as Proposed by Assemblymember Cooley						
\$52.00 per capita multiplied by population 11362 times 1.5 (17043) for first year , reducing by 10% each year						
		\$ 886,236	\$ 852,124	\$ 803,156	\$ 752,669	\$ 767,722
Total Miscellaneous Funds	\$ 357,978	\$ 4,556,577	\$ 4,625,741	\$ 4,683,254	\$ 4,746,151	\$ 4,878,008
TOTAL REVENUES	\$ 2,263,839	\$ 12,855,087	\$ 13,032,443	\$ 13,260,365	\$ 13,495,776	\$ 13,805,055
EXPENDITURES						
City Council	\$12,800	\$25,600	\$25,600	\$25,600	\$25,600	\$25,600
City Administration	\$176,072	\$433,234	\$384,062	\$457,453	\$406,837	\$482,764
City Attorney	\$90,000	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592
Administrative Services	\$199,387	\$653,008	\$744,113	\$766,437	\$789,430	\$813,113
Community Services	\$166,497	\$709,829	\$725,049	\$738,225	\$754,372	\$571,003
Public Works		\$492,214	\$497,987	\$512,927	\$528,315	\$544,164
CONTRACTS:						
Animal Control		\$131,549	\$131,549	\$131,549	\$131,549	\$131,549
County Dual Option Contract		\$5,144,935	\$5,121,465	\$5,275,109	\$5,433,362	\$5,596,363
Fuel and Maintenance for law enforcement		\$85,000	\$87,550	\$90,177	\$92,882	\$95,668
Fire Protection Contract (Projection from Hesperia FPD proposal)		\$4,015,019	\$4,140,094	\$4,264,297	\$4,392,226	\$4,523,992
Non-Departmental (rent, utilities, streetlights, LAFCO charges, association dues)	\$ 28,563	\$57,125	\$58,839	\$60,604	\$62,422	\$64,295
Revenue Neutrality Payment	\$0	\$0	\$0	\$0	\$0	\$0
Transition Period Repayment						
General Fund Expenditures	\$673,319	\$11,927,513	\$12,101,707	\$12,513,339	\$12,813,686	\$13,051,103

TOWN OF LAKE GREGORY						
FORECAST						
YEAR ENDING JUNE 30						
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026
Contingency/Reserve 10% -- Established in first full year -- augmented annual to meet 10%		\$1,192,751	\$17,419	\$41,163	\$30,035	\$23,742
TOTAL EXPENDITURES	\$ 673,319	\$13,120,264	\$12,119,126	\$12,554,502	\$12,843,721	\$13,074,845
Change in Fund Balance	\$ 1,590,521	\$ (265,177)	\$ 913,316	\$ 705,863	\$ 652,055	\$ 730,210
Beginning Fund Balance	\$ -	\$1,590,521	\$1,325,344	\$2,238,661	\$2,944,524	\$3,596,579
Ending Fund Balance	\$ 1,590,521	\$1,325,344	\$2,238,661	\$2,944,524	\$3,596,579	\$4,326,789
Contingency/Reserve maintained at 10% of proposed expenditures		\$1,192,751	\$1,210,171	\$1,251,334	\$1,281,369	\$1,305,110
FORECAST						
YEAR ENDING JUNE 30						
	TRANSITION YEAR 2021 - 6 months	2022	2023	2024	2025	2026
		2%	2%	2%	2%	2%
TRANSPORTATION FUNDS						
Gas Tax -- HUTA (1.5 times population (11,362) = 17,043)						
Estimate City of BBL 2018-19 HUTA multiplied by 2 as these funds are population based)		\$ 1,038,264	\$ 1,069,412	\$ 1,101,494	\$ 1,134,539	\$ 1,168,575
Gas Tax -- RMRA (Using BBL Budget for calculation)		\$ 91,233	\$ 93,970	\$ 96,789	\$ 99,693	\$ 102,684
Measure I Local (base is \$154,735 as reported by SBCTA increased by 2% per year from 2018-19)	\$ 80,493	\$ 164,206	\$ 167,490	\$ 170,840	\$ 174,257	\$ 177,742
Local Transportation - Bradley Burns transportation sales tax		\$ 115,408	\$ 115,408	\$ 115,408	\$ 115,408	\$ 115,408
TOTAL REVENUE		\$ 1,409,111	\$ 1,446,280	\$ 1,484,531	\$ 1,523,897	\$ 1,564,409
Capital Improvement fund Balance from County Transportation (3.2% of 17-18 balance)	\$ 1,865,277					
EXPENDITURES (INCREASED BY 3% ANNUALLY)						
Contract for routine maintenance and snow removal (based on costs provided by County Transportation for Services in 2017-18 increased by 6% for first year)		\$ 895,640	\$ 922,509	\$ 950,184	\$ 978,690	\$ 1,008,050
Change in Fund Balance	\$ 1,945,770	\$ 513,471	\$ 523,771	\$ 534,347	\$ 545,207	\$ 556,358
Prior Year Fund Balance		\$ 1,945,770	\$ 2,459,241	\$ 2,983,013	\$ 3,517,360	\$ 4,062,567
Restricted Fund Balance	\$ 1,945,770	\$ 2,459,241	\$ 2,983,013	\$ 3,517,360	\$ 4,062,567	\$ 4,618,925
Dissolved Districts restricted funds:						
CSA 18 (road, snow removal)		\$ 187,800	\$ 187,800	\$ 187,800	\$ 187,800	\$ 187,800
CSA 68 (road maintenance and improvement)		\$ 83,710	\$ 85,803	\$ 87,948	\$ 90,147	\$ 92,400
R-2 (road maintenance and snow removal)		\$ 84,731	\$ 86,850	\$ 89,021	\$ 91,246	\$ 93,527
R-23 (Road maintenance and snow removal)		\$ 17,040	\$ 17,040	\$ 17,040	\$ 17,040	\$ 17,040
R-44 (road maintenance, improvement, snow removal)		\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
TOTAL RESTRICTED REVENUES		\$ 384,281	\$ 388,493	\$ 392,809	\$ 397,233	\$ 401,768
Fund Balance from dissolved districts						
Spec Tax CSA 18	\$ 239,407					
Spec Tax CSA 68 (implemented 2018-19)	\$ -					
Spec Tax R-2	\$ 115,767					
Spec Tax R-23	\$ 42,177					
Former County Service Areas Snow Removal and Routine Road Maintenance Costs		\$ 157,471	\$ 162,195	\$ 167,061	\$ 172,073	\$ 177,235
Change in Fund Balance	\$ 226,810	\$ 226,297	\$ 225,748	\$ 225,160	\$ 225,160	\$ 224,533
Prior Year Fund Balance	\$ 397,351	\$ 624,161	\$ 850,459	\$ 1,076,207	\$ 1,301,367	\$ 1,525,900

EXHIBIT D

**LISTING OF SERVICE PROVIDERS
CURRENT AND PROPOSED**

SERVICE TYPE	CURRENT PROVIDER	PROPOSED PROVIDER	FUNDING SOURCE
General Government			
Administrative Services			
Finance	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Human Resources	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Business Registration	County of San Bernardino for limited types of businesses	Town of Lake Gregory	General Ad Valorem Tax and Business License Fee
Community Development			
Land Use Administration	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Planning	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Building & Safety	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Code Compliance	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Fire Hazard Abatement	County of San Bernardino	Town of Lake Gregory	General Ad Valorem Tax
Fire and Paramedic			
	San Bernardino County Fire Protection District, its Mountain Service Zone and Zone FP-5	Town of Lake Gregory with contract for service with County Fire	Share of Ad Valorem Taxes and Special Tax with Zone FP-5
Sheriff/Police			
	County of San Bernardino (law enforcement) California Highway Patrol (traffic control outside of state highway)	Town of Lake Gregory through contract with County Sheriff	General Ad Valorem Tax
Parks and Recreation			
Local Park Programs	Rim of the World Park and Recreation District and CSA 18	Town of Lake Gregory	Transfer of RWPRD special tax of \$22 per parcel and ad valorem share from CSA 18 and charges for service
Regional Facilities	County of San Bernardino Regional Parks	Town of Lake Gregory or County of San Bernardino	Concessions and share of general ad valorem tax
Street Lighting			
State Highways	CalTRANS	CalTrans	
Local Streets	CSA 54	Town of Lake Gregory	General Ad Valorem Tax
Water			
Regional State Water Project	CLAWA	CLAWA	Share of General Ad Valorem and Special Tax
Domestic	Crestline Village Water District, CLAWA Retail Service Zones and Mutual Water Companies	Crestline Village Water District to become subsidiary district of Town, no change to CLAWA or Mutual Water Companies	Fees and charges for water used and CVWD share of the general ad valorem tax
Recycled Water			
Wastewater Collection and Treatment			
Sewer	Crestline Sanitation District	Crestline Sanitation District to become subsidiary district of Town	Fees and charges for collection and treatment and share of the general ad valorem tax
On-site septic systems	private property owner	private property owner	
Transportation Network			
State Highways	CalTRANS	CalTRANS	
Arterials and Collector	County of San Bernardino Public Works	Town of Lake Gregory	Transportation Funds from the State of California
Local County Maintained Roads	County of San Bernardino Public Works	Town of Lake Gregory	Transportation Funds from the State of California
Local non-County Maintained Roads	CSA 18, CSA 68, CSA 70 Zone R-2, R-23, and R-44	Town of Lake Gregory	Share of general ad valorem tax and special taxes approved by voters
Transit	Mountain Transit	Mountain Transit	
Flood Control and Drainage			
Local Drainage Facilities	San Bernardino County Flood Control District and its Zone 5	Town of Lake Gregory	Share of General Ad Valorem Tax
Regional Facilities	San Bernardino County Flood Control District and its Zone 5	San Bernardino County Flood Control District	Share of General Ad Valorem Tax
Solid Waste Management			
Collection	San Bernardino County Solid Waste Management Franchise with Burrtec	Town of Lake Gregory through franchise with Burrtec	Fees and Charges
Local Transfer Station	San Bernardino County Solid Waste Management	San Bernardino County Solid Waste Management	Share of General Ad Valorem Tax and Special Tax of \$85.14 per parcel
Utilities			
Cable/Internet/Phone			
Telephone			
Power	Southern California Edison	Southern California Edison	
Natural Gas	Southern California Gas	Southern California Gas	
Schools			
	Rim of the World Unified School District	Rim of the World Unified School District	Share of General Ad Valorem Tax

EXHIBIT E

**PROPERTY TAX SHARE TRANSFER
(including background documents)**

PROPERTY TAX SHARE TRANSFER

Annual Net costs for 2017-18

	Net County Cost from 2018-19 Budget (shown as Actual 2017-18)	Per capita Cost (net county cost /unincorporated population 311,659 (Department of Finance)	Town of Lake Gregory allocation (per capita times 11,362)
Land Use Administration	\$ 1,751,867	5.62	\$63,867
Planning	\$ 2,959,518	9.50	\$107,894
Code Enforcement	\$ 3,526,737	11.32	\$128,573
Building and Safety	\$ 341,150	1.09	\$12,437
Land Development	\$ 322,327	1.03	\$11,751
Fire Hazard Abatement	\$ 173,653	0.56	\$6,331
	Net Cost from Rim of the World Study	Per Capita Cost (ROW cost / 23448 ROW population)	Town of Lake Gregory Allocation
Public Works Response Dated January 23, 2019			\$1,617,691
Animal Control (taken from ROW Study)	\$ 141,649	6.04	\$68,638
Law Enforcement (taken from ROW Study)	\$ 3,966,189	169.15	\$1,921,863
Total			\$3,939,044
Auditor's Ratio from letter dated 2/26/15			62.31%
Base Year Property Tax Revenue			2,454,418
Growth Rate Adjustment			6.00%
Adjusted First Year			2,601,683
Property Tax Share Computation			
Assessed Value of of Incorporation as of 12/7/18			1,219,946,653
General Tax Levy			12,199,467
Property Tax Allocation Adjusted for Growth			2,601,683
Property Tax Share to Town			21.33%

PROPERTY TAX SHARE TRANSFER

	Annual Net Costs for ROTW		
	Cost	Revenue	Net Cost
Net Cost of Services Transferred from County			
Planning	\$ 52,900	\$ 52,900	\$ -
Building & Safety	454,196	454,196	-
Public Works	8,330,211	2,852,473	5,477,738
Code Enforcement	152,984	152,984	-
Animal Control	224,573	82,953	141,619
Fire Protection	-	-	-
Law Enforcement (Sheriff)	3,966,189	-	3,966,189
Total	\$ 13,181,053	\$ 3,595,506	\$ 9,585,547
Auditor's Ratio ^{1/}			11.7488%
Base Year Property Tax Revenue Transfer to Town (2013-14)			\$ 1,126,187
Property Tax Revenue Adjustment for AV Growth			4,996,166,823
Assessed Value, 2014-15			5,309,379,875
Assessed Value, 2017-18			6%
Change in AV from Year One to Year Five			1,196,788
Property Tax Revenue Adjusted for AV Growth			4,996,166,823
Property Tax Share Computation			49,961,668
Projected Assessed Value - Year Five			1,196,788
General Tax Levy (1% of Assessed Value)			
Property Tax Revenue Adjusted for AV Growth			2.395%

Note: The cost and revenue data shown above is the same as it is in the scenario where Hilltop is included. This is because the County only provided data for the scenario where all three communities are part of the incorporation. As such, RSG elected to leave the data unchanged, due to the difficulty of determining which costs and revenues are specific to the Hilltop area.
 Source: San Bernardino County

ANALYSIS OF 2018-19 ADOPTED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Land Use Services - Administration
 FUND: General

BUDGET UNIT: 691 1000
 FUNCTION: Public Protection
 ACTIVITY: Other Protection

	2014-15	2015-16	2016-17	(A) 2017-18	2017-18	(B) 2018-19	(B-A)
	Actual	Actual	Actual	Final Budget	Actual	Adopted Budget	Change From Prior Year Final Budget
Requirements							
Staffing Expenses	2,528,765	2,684,008	2,745,799	2,945,149	2,784,064	3,435,361	490,212
Operating Expenses	4,169,156	2,671,037	3,592,513	3,874,499	3,831,631	3,592,463	(282,036)
Capital Expenditures	0	0	34,880	40,000	29,398	0	(40,000)
Total Exp Authority	6,697,921	5,355,045	6,373,193	6,859,648	6,645,093	7,027,824	168,176
Reimbursements	(4,437,582)	(3,775,964)	(4,751,857)	(5,082,658)	(4,893,074)	(5,837,916)	(755,258)
Total Appropriation	2,260,340	1,579,082	1,621,336	1,776,990	1,752,019	1,189,908	(587,082)
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	2,260,340	1,579,082	1,621,336	1,776,990	1,752,019	1,189,908	(587,082)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	22,107	0	0	0	152	0	0
Total Revenue	22,107	0	0	0	152	0	0
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	22,107	0	0	0	152	0	0
Net County Cost	2,238,233	1,579,082	1,621,336	1,776,990	1,751,867	1,189,908	(587,082)
Budgeted Staffing*	36	38	38	41	41	41	0

*Data represents final budgeted staffing

MAJOR REQUIREMENTS AND SOURCES IN 2018-19 ADOPTED BUDGET

Requirements include Staffing Expenses of \$3.4 million to fund 41 budgeted positions. Operating Expenses of \$3.6 million include \$1.8 million for applications development and direct labor charges primarily related to the Accela EZ Online Permitting System upgrade and implementation, \$263,000 in licensing fees for the department's electronic document review software, permitting system and Enterprise Agreement, \$1.2 million for labor related to technology maintenance, facilities maintenance charges, data processing charges, legal services and other expenses, and \$435,000 for COWCAP charges. Reimbursements of \$5.8 million are primarily comprised of transfers in from the other Land Use Services budget units for administrative support.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$587,082, primarily due to increased Reimbursements from other Land Use Services divisions for recovery of administrative costs. An increase in Staffing Expenses of \$490,212 is primarily due to negotiated salary increases and retirement costs.



ANALYSIS OF 2018-19 ADOPTED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Land Use Services - Planning
 FUND: General

BUDGET UNIT: 695 1000
 FUNCTION: Public Protection
 ACTIVITY: Other Protection

	2014-15	2015-16	2016-17	(A) 2017-18	2017-18	(B) 2018-19	(B-A)
	Actual	Actual	Actual	Final Budget	Actual	Adopted Budget	Change From Prior Year Final Budget
Requirements							
Staffing Expenses	2,111,326	2,177,629	2,220,494	2,901,903	2,157,428	2,991,067	89,164
Operating Expenses	8,843,851	5,906,917	4,952,793	3,891,334	3,847,896	3,709,906	(181,428)
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	10,955,177	8,084,546	7,173,287	6,793,237	6,005,324	6,700,973	(92,264)
Reimbursements	(17,224)	(455,002)	(194,859)	(150,000)	(161,184)	(160,000)	(10,000)
Total Appropriation	10,937,953	7,629,544	6,978,428	6,643,237	5,844,140	6,540,973	(102,264)
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	10,937,953	7,629,544	6,978,428	6,643,237	5,844,140	6,540,973	(102,264)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	507,999	399,892	(625)	0	0	0	0
Fee/Rate	2,350,023	2,473,442	1,431,380	1,902,000	1,862,490	1,814,555	(87,445)
Other Revenue	102,579	302,520	500,277	0	982,132	0	(87,445)
Total Revenue	2,960,601	3,175,854	1,931,032	1,902,000	2,844,622	1,814,555	(87,445)
Operating Transfers In	0	0	0	0	40,000	0	0
Total Financing Sources	2,960,601	3,175,854	1,931,032	1,902,000	2,884,622	1,814,555	(87,445)
Net County Cost	7,977,352	4,453,690	5,047,396	4,741,237	2,959,518	4,726,418	(14,819)
Budgeted Staffing*	31	31	29	30	30	30	0

*Data represents final budgeted staffing

OPERATIONS AND COMMUNITY SERVICES

MAJOR REQUIREMENTS AND SOURCES IN 2018-19 ADOPTED BUDGET

Requirements include Staffing Expenses of \$3.0 million to fund 30 budgeted positions. Operating Expenses of \$3.7 million include \$1.2 million in professional services related to the utilization of consultant services, \$43,400 for COWCAP, \$435,000 in County Counsel expenses related to legal aspects of various planning projects, and \$1.5 million in transfers to the Land Use Services - Administration budget unit for administrative support.

Sources of \$1.8 million include \$925,000 in revenue from applicants for project expenses and \$889,555 in fees for current services.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$102,264 primarily due to a reduction in COWCAP.

Sources are decreasing by \$87,445 primarily as a result of the completion of, and varying demand for, Environmental Impact Report projects.



ANALYSIS OF 2018-19 ADOPTED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Land Use Services - Code Enforcement
 FUND: General

BUDGET UNIT: 693 1000
 FUNCTION: Public Protection
 ACTIVITY: Other Protection

	2014-15	2015-16	2016-17	(A) 2017-18	2017-18	(B) 2018-19	(B-A)
	Actual	Actual	Actual	Final Budget	Actual	Adopted Budget	Change From Prior Year Final Budget
Requirements							
Staffing Expenses	2,665,772	2,922,007	3,071,057	3,885,943	3,020,797	3,917,276	31,333
Operating Expenses	2,713,123	3,035,835	2,048,778	2,501,015	2,223,279	3,038,411	537,396
Capital Expenditures	0	10,348	149,399	52,000	0	0	(52,000)
Total Exp Authority	5,378,895	5,968,191	5,269,233	6,438,958	5,244,076	6,955,687	516,729
Reimbursements	(387,232)	(384,523)	(348,585)	(370,002)	(539,141)	(297,172)	72,830
Total Appropriation	4,991,663	5,583,668	4,920,648	6,068,956	4,704,935	6,658,515	589,559
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	4,991,663	5,583,668	4,920,648	6,068,956	4,704,935	6,658,515	589,559
Sources							
Taxes	3	3	2	0	5,323	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	39,462	600,000	183,696	400,000	(200,000)
Fee/Rate	568,703	681,937	951,189	760,000	969,199	850,000	90,000
Other Revenue	160,239	194,787	15,708	3,500	19,980	3,500	0
Total Revenue	728,945	876,727	1,006,361	1,363,500	1,178,198	1,253,500	(110,000)
Operating Transfers In	278,084	0	0	0	0	0	0
Total Financing Sources	1,007,029	876,727	1,006,361	1,363,500	1,178,198	1,253,500	(110,000)
Net County Cost	3,984,634	4,706,941	3,914,288	4,705,456	3,526,737	5,405,015	699,559
Budgeted Staffing*	30	33	35	37	37	40	3

*Data represents final budgeted staffing.

OPERATIONS AND COMMUNITY SERVICES

MAJOR REQUIREMENTS AND SOURCES IN 2018-19 ADOPTED BUDGET

Staffing Expenses of \$3.9 million fund 40 budgeted positions. Operating Expenses of \$3.0 million include \$179,000 for the demolition of derelict properties, \$175,000 for graffiti abatement contracts, \$400,000 for enforcement of unpermitted truck facilities in Bloomington, \$50,000 for the Short-Term Rental Hotline, and \$96,000 for waste tire enforcement/cleanup. Other major expenditures include \$350,000 in vehicle service charges, \$40,000 for illegal dumping enforcement, \$517,000 which includes COWCAP, facilities charges, data processing charges, legal services and other expenses, and \$558,481 in transfers to Land Use Services - Administration division for administrative support.

Sources of \$1.3 million are primarily related to administrative citations and home rental permits.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$589,559 primarily due to increased enforcement of unpermitted truck facilities in Bloomington and an increase of \$137,396 in transfers to the Fire Hazard Abatement (FHA) division for enforcement assistance at Regional Parks and Flood Control sites and for the Waste Tire Enforcement grant.

Sources are decreasing by \$110,000 primarily due to the decrease in one-time state grant funding.



ANALYSIS OF 2018-19 ADOPTED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Land Use Services - Building & Safety
 FUND: General

BUDGET UNIT: 692 1000
 FUNCTION: Public Protection
 ACTIVITY: Other Protection

	2014-15	2015-16	2016-17	(A) 2017-18	2017-18	(B) 2018-19	(B-A)
	Actual	Actual	Actual	Final Budget	Actual	Adopted Budget	Change From Prior Year Final Budget
Requirements							
Staffing Expenses	1,340,231	1,637,580	1,864,781	1,756,446	1,724,271	2,435,660	679,214
Operating Expenses	3,387,203	3,913,023	4,108,851	4,585,342	4,428,515	4,177,261	(408,081)
Capital Expenditures	0	0	49,800	0	0	0	0
Total Exp Authority	4,727,434	5,550,603	6,023,431	6,341,788	6,152,786	6,612,921	271,133
Reimbursements	(92,624)	(28,176)	(24,992)	(2,684)	(7,869)	(4,734)	(2,050)
Total Appropriation	4,634,810	5,522,427	5,998,438	6,339,104	6,144,917	6,608,187	269,083
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	4,634,810	5,522,427	5,998,438	6,339,104	6,144,917	6,608,187	269,083
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	5,248,436	5,177,110	5,671,126	5,680,000	5,788,753	5,800,000	120,000
Other Revenue	18,420	75,192	53,071	3,000	15,014	10,000	7,000
Total Revenue	5,266,856	5,252,302	5,724,197	5,683,000	5,803,767	5,810,000	127,000
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	5,266,856	5,252,302	5,724,197	5,683,000	5,803,767	5,810,000	127,000
Net County Cost	(632,046)	270,125	274,242	656,104	341,150	798,187	142,083
Budgeted Staffing*	23	21	23	23	23	23	0

*Data represents final budgeted staffing.

MAJOR REQUIREMENTS AND SOURCES IN 2018-19 ADOPTED BUDGET

Staffing Expenses of \$2.4 million fund 23 budgeted regular positions. Operating Expenses of \$4.2 million are comprised mostly of transfers to Land Use Services - Administration for administrative support, vehicle services charges, COWCAP, and consultants.

Sources of \$5.8 million are primarily related to fees charged for permit and plan reviews.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$269,083 primarily due to negotiated salary increases, which is partially offset by a decrease in Operating Expenses as a result of less outside consultant work being performed.

Sources are increasing by \$127,000 primarily due to a restructuring of the division's permit inspection and plan review fees, and miscellaneous fees.



ANALYSIS OF 2018-19 ADOPTED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Land Use Services - Land Development
FUND: General

BUDGET UNIT: 696 1000
FUNCTION: Public Protection
ACTIVITY: Other Protection

	2014-15	2015-16	2016-17	(A) 2017-18	2017-18	(B) 2018-19	(B-A)
	Actual	Actual	Actual	Final Budget	Actual	Adopted Budget	Change From Prior Year Final Budget
Requirements							
Staffing Expenses	817,417	851,765	774,379	911,281	826,214	979,936	68,655
Operating Expenses	409,325	306,669	330,421	417,742	373,734	342,957	(74,785)
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	1,226,741	1,158,434	1,104,800	1,329,023	1,199,948	1,322,893	(6,130)
Reimbursements	(295,943)	(410,485)	(473,967)	(350,000)	(254,812)	(325,000)	25,000
Total Appropriation	930,798	747,949	630,833	979,023	945,136	997,893	18,870
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	930,798	747,949	630,833	979,023	945,136	997,893	18,870
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	464,348	341,508	280,527	295,000	270,186	274,650	(20,350)
Other Revenue	15,152	(2,568)	(17,345)	0	52,141	0	0
Total Revenue	479,499	338,940	263,182	295,000	322,327	274,650	(20,350)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	479,499	338,940	263,182	295,000	322,327	274,650	(20,350)
Net County Cost	451,299	409,009	367,650	684,023	622,809	723,243	39,220
Budgeted Staffing*	8	8	8	8	8	8	0

*Data represents final budgeted staffing.

MAJOR REQUIREMENTS AND SOURCES IN 2018-19 ADOPTED BUDGET

Staffing Expenses of \$979,936 fund 8 budgeted regular positions. Operating Expenses of \$342,957 include expenses for County Counsel, computer software, and transfers to Land Use Services - Administration budget unit for administrative support. Reimbursements of \$325,000 are comprised mostly of transfers from the Building and Safety and Planning budget units for work performed.

Sources of \$274,650 are primarily from fees for project-related expenses from applicants.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$18,870, primarily due to negotiated salary increases and retirement costs.

Sources are decreasing by \$20,350 due to an anticipated reduction in land development fee based applications.



ANALYSIS OF 2018-19 ADOPTED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Land Use Services - Fire Hazard Abatement
 FUND: General

BUDGET UNIT: 694 1000
 FUNCTION: Public Protection
 ACTIVITY: Other Protection

	2014-15	2015-16	2016-17	(A) 2017-18	2017-18	(B) 2018-19	(B-A)
	Actual	Actual	Actual	Final Budget	Actual	Adopted Budget	Change From Prior Year Final Budget
Requirements							
Staffing Expenses	779,801	738,743	826,932	1,099,533	978,603	1,207,409	107,876
Operating Expenses	1,269,894	1,334,858	1,316,316	1,592,597	1,558,759	1,797,571	204,974
Capital Expenditures	0	0	49,800	0	0	0	0
Total Exp Authority	2,049,695	2,073,601	2,193,048	2,692,130	2,537,362	3,004,980	312,850
Reimbursements	0	0	(13,666)	0	(259,367)	(250,000)	(250,000)
Total Appropriation	2,049,695	2,073,601	2,179,382	2,692,130	2,277,995	2,754,980	62,850
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	2,049,695	2,073,601	2,179,382	2,692,130	2,277,995	2,754,980	62,850
Sources							
Taxes	122,685	71,899	64,197	80,000	90,513	80,000	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	1,935,313	1,796,874	1,784,110	2,267,273	1,960,095	2,236,573	(30,700)
Other Revenue	12,427	40,113	43,151	25,000	53,734	54,299	29,299
Total Revenue	2,070,425	1,908,885	1,891,458	2,372,273	2,104,342	2,370,872	(1,401)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	2,070,425	1,908,885	1,891,458	2,372,273	2,104,342	2,370,872	(1,401)
Net County Cost	(20,730)	164,716	287,924	319,857	173,653	384,108	64,251
Budgeted Staffing*	17	14	17	17	17	17	0

*Data represents final budgeted staffing.

MAJOR REQUIREMENTS AND SOURCES IN 2018-19 ADOPTED BUDGET

Requirements include Staffing Expenses of \$1.2 million to fund 17 budgeted positions. Operating Expenses of \$1.8 million include \$620,000 for contract weed abatement services, \$776,726 for transfers to Land Use Services - Administration and Code Enforcement budget units for administrative and field work support, \$110,000 for vehicle service charges, and \$290,845 for general operating expenses. These expenses are necessary to identify and mitigate fire hazard risks throughout the County.

Sources of \$2.4 million are primarily from contracts with cities and fire protection districts (\$306,573), administrative citations (\$280,000), and charges to property owners for abatement services (\$1.0 million).

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$62,850 primarily due to negotiated salary increases and retirement costs and an increase in transfers out to the Code Enforcement division for front counter and call center assistance, and to Land Use Services - Administration for administrative support. This is offset by an increase in reimbursements from the Code Enforcement division for enforcement assistance at Regional Parks and Flood Control sites and for the Waste Tire Enforcement grant.

Sources are decreasing by \$1,401 primarily due to lower special tax assessment revenues as a result of decreased abatement activity.



E-1: City/County Population Estimates with Annual Percent Change
January 1, 2017 and 2018

State/County/City	Total Population		Percent Change
	1/1/2017	1/1/2018	
San Bernardino	2,155,590	2,174,938	0.9
Adelanto	35,295	35,293	0.0
Apple Valley	73,349	73,984	0.9
Barstow	24,310	24,411	0.4
Big Bear Lake	5,404	5,512	2.0
Chino	85,983	86,757	0.9
Chino Hills	79,498	83,159	4.6
Colton	53,482	53,724	0.5
Fontana	210,071	212,000	0.9
Grand Terrace	12,492	12,524	0.3
Hesperia	93,590	94,829	1.3
Highland	54,167	54,761	1.1
Loma Linda	23,889	23,946	0.2
Montclair	39,012	39,326	0.8
Needles	5,183	5,177	-0.1
Ontario	175,157	177,589	1.4
Rancho Cucamonga	175,282	176,671	0.8
Redlands	70,851	71,196	0.5
Rialto	106,455	107,041	0.6
San Bernardino	220,083	221,130	0.5
Twentynine Palms	26,491	27,046	2.1
Upland	76,937	77,017	0.1
Victorville	123,944	123,701	-0.2
Yucaipa	54,317	54,651	0.6
Yucca Valley	21,752	21,834	0.4
Balance of County	308,596	311,659	1.0

E-1 Population Estimates for Cities, Counties, and the State — January 1, 2017 and 2018

May 2018

- [E-1 2018 Press Release](#)
- [E-1 Cities, Counties, and the State Population Estimates with Annual Percent Change— January 1, 2017 and 2018](#)
- [Tables of January 2018 City Population Ranked by Size, Numeric, and Percent Change](#)

Contents

This report provides revised population estimates as of January 1, 2017 and provisional population estimates as of January 1, 2018 for the state, counties, and cities and includes a calculation of annual percent change. These population estimates incorporate 2010 census counts.

Methodology

City and Unincorporated Area Estimates. The Housing Unit Method (HUM) is used to estimate total and occupied housing units, household size, household population, and group quarters population. American Community Survey (ACS) data were used to distribute 2010 census housing units into our standard housing types (single detached units, single attached units, two to four units, five plus or apartment units, and mobile homes). Housing units are estimated by adding new construction and annexations and subtracting demolitions, and adjusting for units lost or gained by conversions. Annual housing unit change data are supplied by local jurisdictions and the U.S. Census Bureau. Occupied housing units are estimated by applying a derived civilian vacancy rate to the estimated civilian housing units. Vacancy rates are based on 2010 Census benchmark data, adjusted to incorporate the directional changes described by the latest available ACS data. Exact data on foreclosures or other housing market indicators are not reliably available to adjust vacancy rates and are not used.

Military occupied housing units are added to civilian occupied housing units to calculate total occupied housing units. Military surveys are used to track military changes including base realignments and closures. Household population estimates are derived by multiplying the number of occupied housing units by the current persons per household. The persons per household estimates are based on 2010 census benchmark data and are adjusted by raking the current county population series into these estimates. The group quarters population is based on the Census Bureau's 2010 SF1 File counts on group quarters and annually adjusted using reported changes for group quarters by state, federal, and local agencies. The household and group quarters populations are summed to produce the initial city population estimates. These estimates are aligned to the county estimates described below.

County Estimates. County population estimates were developed using three separate methods.

County Driver License Address Change (DLAC) Method. A modified version of the state DLAC method is used for counties. County-level estimated population results from changes in annual counts for births, deaths, school enrollment, foreign and domestic migration, medical care enrollment data for the population 65 and over, and group quarters population.

Ratio-Correlation Method. This method models change in household population as a function of changes in the distributions of births, deaths, driver licenses, public elementary school enrollment, labor force, and county housing unit counts. Estimates of county group quarters are added.

Administrative Records (ADREC) Method. County population estimates are derived using the U.S. Census Bureau ADREC Method, which are updated from their most recent estimates series and the Demographic Research Unit's (DRU) own estimated half-year migration data along with the most recent vital statistics (from the California Department of Public Health) and group quarters data obtained from several state and local sources. The DRU's half-year migration data are calculated using the percentage of change in net migration in two consecutive years.

State Estimate. The state population was estimated from averaging three methods.

State Driver License Address Change (DLAC) Method. This component method separately estimates the population under age 18, 18 through 64, and 65 years and older. Administrative records such as births, deaths, driver license address changes, legal migration to the United States, medical care enrollment data for the population 65 and over, immigration, public elementary school enrollments, and group quarters population are the data used in this method. All data are in summary tables and do not reveal the identity of any individual.

Administrative Records (ADREC) Method. State January population estimates are derived by using the ADREC estimated migration data on the percentage of change in net migration in two consecutive years along with vital statistics and group quarters data.

County Driver License Address Change (DLAC) Method. The modified DLAC Method used in county estimates is compiled and summed to produce the third state estimate.

Data Considerations

Sources. Data used in estimation models come from administrative records of several state and federal government departments and agencies, and from the local jurisdictions for which Finance produces population estimates. Because timeliness and coverage in these series vary, corrections, smoothing, and other adjustments may be applied. Changes to 2010 Summary File 1 data in the classification of student housing on or near campus was necessary to remain consistent with the census group quarters definition. In only a few instances, some student housing (residence hall and apartment units) counted as household population in the census was redefined as group quarters student housing population. College dorm group quarters population is defined as student population living in residence halls and apartment units located on or near college campuses.

Suggested Citation

State of California, Department of Finance, *E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2017 and 2018*. Sacramento, California, May 2018.

Contact Information

For questions on the E-1, contact Doug Kuczynski or John Boyne in the Demographic Research Unit at 916-323-4086 or e-mail at ficalpop@dof.ca.gov.



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- [E-2 California County Population Estimates and Components of Change by Year](#)
- [Graphic-California counties and the states they resemble](#)
- [2020 Census Information Page](#)
- [Baseline 2016 Population Projections for California and California Counties](#)
- [Public K-12 Graded Enrollment and High School Graduate Projections by County](#)

EXHIBIT F

SAN BERNARDINO COUNTY AUDITOR-CONTROLLER

LETTER DATED FEBRUARY 26, 2015

AUDITOR-CONTROLLE TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

- 222 West Hospitality Lane, Fourth Floor
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 386-8830
- 172 West Third Street, First Floor
San Bernardino, CA 92415-0360 • (909) 387-8308 • Fax (909) 387-6716

LARRY WALKER
Auditor-Controller/
Treasurer/Tax Collector

February 26, 2015

Kathleen Rollings-McDonald
Executive Officer
Local Agency Formation Commission
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

RE: PROPOSED INCORPORATION OF THE RIM OF THE WORLD COMMUNITY

Dear Ms. Rollings-McDonald:

As required under Government Code Section 56810, the Auditor-Controller/Treasurer/
Tax Collector is hereby submitting the proportion which property tax revenue bears to
total general revenue for each affected local agency, for the fiscal year ended June 30,
2014.

Affected Local Agency		General Revenue	Property Taxes	Property Taxes %
AB01-GA01	County of San Bernardino	706,588,191	440,258,274	62.31%
UD39-GA01	County Service Area 54	35,054	34,521	98.48%

County Service Area 70 no longer receives any ad valorem taxes, therefore the revenue ratio was not provided. If you have any questions or need additional information, please feel free to contact Linda Santillano, Property Tax Manager at (909)386-8829.

Sincerely,

Larry Walker
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By:

Sonia Hermosillo
Chief Deputy Controller

LDW:OV:SH:LS:tr

RECEIVED
MAR 02 2015

LAFCO
San Bernardino County

EXHIBIT G

**COUNTY ADMINISTRATIVE OFFICE RESPONSE ON SALES
TAX RECEIPTS FOR TOWN OF LAKE GREGORY**

SAN BERNARDINO COUNTY
 HISTORICAL SALES TAX BY QUARTER
 CASH BASE - GEO NAME: LAKE GREGORY

ECONOMIC CATEGORY	2018Q3	2018Q2	2018Q1	2017Q4	2017Q3	2017Q2	2017Q1	2016Q4	2016Q3	2016Q2	2016Q1	2015Q4	2015Q3	2015Q2
NOT CATEGORIZED	1,267	1,043	939	1,299	1,417	2,209	3,177	1,299	1,350	2,721	1,803	2,631	2,763	4,101
BUSINESS TO BUSINESS	1,578	1,544	730	7,773	(586)	2,438	624	4,297	238	1,488	(191)	2,223	1,818	1,380
CONSTRUCTION	9,293	9,290	2,989	4,193	6,105	5,183	2,765	6,675	4,225	4,295	3,010	3,803	4,219	4,131
FOOD PRODUCTS	80,928	27,402	21,927	46,709	52,479	40,853	35,622	38,688	43,629	37,623	33,279	36,321	40,490	36,102
GENERAL RETAIL	6,447	7,182	4,522	4,935	4,305	5,175	4,869	4,042	4,325	4,429	3,617	4,026	4,846	3,908
MISCELLANEOUS	599	232	427	376	544	486	378	441	409	665	464	823	881	268
TRANSPORTATION	14,727	11,560	12,445	13,544	15,480	12,635	11,604	12,747	16,489	12,404	12,472	15,128	13,825	13,119
Grand Total	114,839	58,253	43,979	76,829	79,744	68,979	59,039	66,189	70,665	63,625	54,454	64,955	68,942	63,009

*On May 7, 2018 California Department of Tax and Fee Administration switched to a new system to process sales tax returns which caused multiple tax returns to remain unprocessed in 2018Q1 and 2018Q2. They are currently working on processing them which is potentially why there is an increase in the amount collected in 2018Q3.

Received 2/28/19

SAN BERNARDINO COUNTY
HISTORICAL SALES TAX BY QUARTER
CASH BASE - GEO NAME: LAKE GREGORY

ECONOMIC CATEGORY	2015Q1	2014Q4	2014Q3	2014Q2	2014Q1	2013Q4	2013Q3	2013Q2	2013Q1	2012Q4	2012Q3	2012Q2	2012Q1	2011Q4	2011Q3	2011Q2	2011Q1
NOT CATEGORIZED	2,157	2,611	6,271	4,046	2,823	4,355	3,775	4,128	8,531	4,879	11,912	7,674	7,398	8,447	9,660	9,034	7,629
BUSINESS TO BUSINESS	798	1,243	932	1,211	993	1,105	1,585	1,012	871	826	848	1,605	521	1,012	827	957	640
CONSTRUCTION	3,175	3,659	4,089	4,313	2,950	3,533	4,200	4,334	2,753	3,651	4,197	4,171	2,678	3,586	4,232	4,015	2,699
FOOD PRODUCTS	30,771	35,313	45,379	40,262	29,634	46,862	38,185	46,140	35,294	37,389	40,579	35,359	30,842	38,388	37,181	37,672	22,613
GENERAL RETAIL	3,735	4,218	4,317	3,561	4,452	4,505	4,601	4,832	3,874	4,806	4,894	4,853	3,299	3,415	4,126	4,417	3,151
MISCELLANEOUS	528	1,014	933	429	306	357	529	639	292	473	335	726	600	501	651	418	332
TRANSPORTATION	12,254	14,986	16,120	16,038	14,938	16,233	18,045	15,689	15,541	19,148	16,233	17,081	15,329	16,474	18,169	14,686	14,999
Grand Total	53,358	63,044	78,041	69,860	56,096	76,950	70,920	76,774	67,156	71,172	78,998	71,469	60,607	71,823	74,846	71,199	52,063

EXHIBIT I

**SALARY COMPARISONS AS REQUIRED BY
LAFCO POLICY**

SALARY COMPARISON REQUIRED BY LAFCO POLICY

COUNTY OF SAN BERNARDINO

COUNTY OF RIVERSIDE

ALPINE COUNTIES OR CITY TYPE

	CITY OF ADELANTO	CITY OF BIG BEAR LAKE	CITY OF GRAND TERRACE	AVERAGE OF CITIES	CITY OF CALIMESA	CITY OF CANYON LAKE	AVERAGE OF CITIES	CITY OF ANDERSON	Town of Mammoth Lakes	CITY OF PLACERVILLE	CITY OF SHASTA LAKE	CITY OF TEHACHAPI	AVERAGE OF CITIES	TOWN OF LAKE GREGORY
POPULATION*	35,293	5,512	12,524		8,876	11,018		10,263	8,316	10,642	10,143	12,299	11,362	10,510
COMPENSATION**														
CITY MANAGER														
YEAR REPORTED	2016	2016	2017		2017	2017		2017	2017	2017	2017	2017	2017	
SALARY	\$ 149,918	\$ 221,000	\$ 213,475		\$ 189,985	\$ 130,000		\$ 137,453	\$ 187,968	\$ 142,826	\$ 139,369	\$ 176,996	\$ 167,249	
OTHER SALARY	\$ 37,302	\$ -	\$ 5,442		\$ 12,350	\$ 11,507		\$ 8,012	\$ 43,051	\$ 5,570	\$ -	\$ 18,091	\$ 11,106	
BENEFITS	\$ 15,092	\$ 123,842	\$ 21,923		\$ 37,400	\$ 11,499		\$ 34,835	\$ 43,051	\$ 39,333	\$ 38,662	\$ 53,504	\$ 35,475	
TOTAL	\$ 201,512	\$ 344,842	\$ 240,840	\$ 262,398	\$ 239,735	\$ 153,006	\$ 196,371	\$ 180,300	\$ 231,019	\$ 187,729	\$ 178,031	\$ 248,591	\$ 205,134	\$ 213,830
TITLE	City Clerk/ Director of Administration	Asst City Mgr Finance Director	Assistant City Manager		Deputy City Manager/City Clerk	Director of Admin Services		Asst. City Manager/ Finance	Admin Services/ Finance Director	Director of Finance	Finance Director	Finance Director		
YEAR REPORTED	2017	2016	2017		2017	2017		2017	2017	2017	2,017	2017		
SALARY	\$ 131,363	\$ 146,961	\$ 128,638		\$ 131,545	\$ 81,815		\$ 119,180	\$ 147,900	\$ 100,346	\$ 99,229	\$ 138,178	\$ 124,430	
OTHER SALARY	\$ 44,432	\$ 37,051	\$ 7,600		\$ 13,954	\$ 6,871		\$ 8,215	\$ 38,196	\$ 10,665	\$ 38,478	\$ 42,935	\$ 18,226	
BENEFITS	\$ 11,715	\$ 106,449	\$ 8,915		\$ 28,391	\$ 102,640	\$ 131,288	\$ 32,871	\$ 186,096	\$ 35,427	\$ 137,707	\$ 202,360	\$ 172,273	
TOTAL	\$ 187,510	\$ 290,461	\$ 145,153	\$ 207,708	\$ 159,936	\$ -	\$ 81,232	\$ 160,266	\$ 186,096	\$ 146,438	\$ 137,707	\$ 202,360	\$ 166,574	\$ 172,273
TITLE	Public Service EOC	Public Works Director/City Engineer	Public Works Director		Public Works Director			Director of Public Works	Public Works Director	Director of Community Services	Public Works Director	Public Works		
YEAR REPORTED	2017	2016	2017		2017			2017	2017	2017	2017	2017		
SALARY	\$ 88,251	\$ 124,441	\$ 116,202		\$ 62,801			\$ 102,878	\$ 158,295	\$ 112,820	\$ 124,019	\$ 95,565	\$ 109,168	
OTHER SALARY	\$ 10,590	\$ 15,824	\$ 2,850		\$ 18,431			\$ 4,261	\$ -	\$ 17,003	\$ -	\$ 15,562	\$ 11,559	
BENEFITS	\$ 17,177	\$ 78,867	\$ 13,297		\$ 81,232			\$ 31,042	\$ 31,966	\$ 14,028	\$ 34,928	\$ 16,674	\$ 23,464	
TOTAL	\$ 116,018	\$ 219,132	\$ 132,349	\$ 155,833	\$ 162,464		\$ 81,232	\$ 138,181	\$ 190,261	\$ 143,851	\$ 158,947	\$ 127,801	\$ 144,191	
TITLE**/**		Community Development Director	Community Development Director						Community & Economic Development	Director of Development Services	Development Services Director	Development Services Director		
YEAR REPORTED		2015	2017						2017	2017	2017	2017		
SALARY		\$ 77,138	\$ 131,619						\$ 145,693	\$ 117,353	\$ 118,250	\$ 128,375	\$ 123,899	
OTHER SALARY		\$ 17,162	\$ 8,426						\$ 16,890	\$ 4,516	\$ -	\$ 15,822	\$ 12,124	
BENEFITS		\$ 58,177	\$ 19,482						\$ 162,583	\$ 19,853	\$ 34,437	\$ 41,350	\$ 28,780	
TOTAL		\$ 152,477	\$ 159,527	\$ 156,002					\$ 162,583	\$ 141,722	\$ 152,687	\$ 185,546	\$ 160,634	\$ 164,803
TITLE						Deputy City Clerk				City Clerk/Human Resources Officer	City Clerk			
YEAR REPORTED						2017				2017	2017			
SALARY						\$ 34,767				\$ 54,057	\$ 79,075		\$ 67,596	
OTHER SALARY						\$ 6,726				\$ 1,951	\$ -		\$ 4,338	
BENEFITS						\$ 10,177				\$ 29,122	\$ 29,825		\$ 28,408	
TOTAL						\$ 51,670				\$ 85,129	\$ 108,900		\$ 107,541	\$ 100,341

*Population figures taken from the California Department of Finance Estimates
 **Data on Salaries/Benefits from Transparent California Database for Cities
 ***Government Compensation in California Database, California State Controller's Office for those salaries not report to Transparent California

EXHIBIT J

**SAN BERNARDINO COUNTY SHERIFF RESPONSE
FOR LAW ENFORCEMENT CONTRACT**

Estimated 2019-20 Costs - Not Final

**SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
TOWN OF LAKE GREGORY
FY 2019-20**

DUAL OPERATION MODEL

<u>LEVEL OF SERVICE</u>	<u>FY 2019-20 COST</u>
0.75 - Lieutenant	214,240 ¹
2.00 - Sergeant	489,454 ¹
2.00 - Detective/Corporal	411,922 ¹
10.00 - Deputy Sheriff	1,870,040 ¹
2.00 - Deputy Sheriff (non-relief)	374,008 ¹
2.00 - Sheriff's Service Specialist	159,620 ¹
3.00 - Office Specialist	219,468 ¹
0.50 - Motor Pool Services Assistant	39,589 ¹
7.00 - 4X4 Marked Unit	152,214 ²
2.00 - Unmarked Unit	14,828 ²
2.00 - Pickup truck	13,908 ²
1.00 - Ford Escape (Citizen On Patrol)	5,798 ²
Dispatch Services	204,520 ¹
17.00 - Handheld Radios (HTs) (Amortization, Access & Maintenance)	24,990
16.00 - Taser Replacement (Amortized over 5-years)	5,376
Administrative Support	20,656
Office Automation	79,828
Services & Supplies	25,200
Vehicle Insurance	50,653
Personnel Liability & Bonding	139,962
Workers' Comp Experience Modification	14,550
County Administrative Cost	166,085
Startup Cost	172,639
Estimated Cost for 2019-20:	\$ 4,869,548 ¹

Monthly Payment Schedule

1 st payment due July 15, 2019:	\$405,803
2 nd through 12 th payments due the 5 th of each month:	\$405,795

¹ Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action. Changes in salary and benefit costs will be billed to the Town on a quarterly invoice.

² Vehicle costs do not include fuel and maintenance. The Town is responsible for fuel, repair and maintenance of all contract vehicles, including collision damage. All fuel, repair and maintenance costs incurred by the County will be billed to the Town on a quarterly invoice.

**SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
TOWN OF LAKE GREGORY
FY 2019-20**

LEVEL OF SERVICE SUMMARY

<u>SAFETY:</u>		<u>GENERAL:</u>	
Lieutenant	0.75	Sheriff's Service Specialist	2.00
Sergeant	2.00	Office Specialist	3.00
Detective/Corporal	2.00	Motor Pool Services Asst	0.50
Deputy Sheriff	12.00	Dispatchers	2.07
	<u>16.75</u>		<u>7.57</u>

VEHICLES:

Marked Patrol Units-SUV	7
Unmarked Units Code 3	2
SUV's & Pickup Trucks	2
Citizen Patrol	1
	<u>12</u>

Additional Costs Billed Quarterly:

The Town will be billed separately on a quarterly basis for the following items:

- Increases to salaries and benefits resulting from Board of Supervisors-approved changes to Memorandums of Understanding with the County's various employee organizations.
- Actual overtime cost (overtime is not included in the proposed costs).
- Actual on-call cost (on call pay for safety employees for 2018-19 is \$185 per week and subject to change).
- Actual cost of vehicle fuel, repairs and maintenance, including the cost of collision repair (These are estimated at \$7,000 per vehicle, per year, and are not included in this proposal).
- Professional services from private vendors and other services, supplies and personnel costs above the contract formula

Assumptions:

- Estimated costs for this proposal are based on the current FY2018-19 Salaries.
- Anticipated increases to Salaries for FY2019-20 are between 5% and 7%, depending on contract negotiations between County and employees' unions.
- Estimated costs for this proposal include FY2019-20 vehicle, benefits, and liabilities rates used for Contract City Schedule A's.
- Increases to Salaries and Benefits will also cause other cost elements of the model to increase as well: (i.e. COWCAP).
- Other costs such as Vehicle Cost, Vehicle Insurance, Personnel Liability and Bonding are based on FY2019-20 rates, and are adjusted in a yearly basis by County Risk Management.
- The model used is based on a "Dual Ops" station, with assigned personnel to deployed from the Twin Peaks station.
- Personnel estimates are based on the projected patrol area of the Town in comparison to the Big Bear Lake station patrol area.

EXHIBIT K

**FIRE PROTECTION CONTRACT ESTIMATE FOR TOWN OF
LAKE GREGORY**

**EXCERPTS FROM FISCAL IMPACT ANALYSIS
FOR LAFCO 3218 – ANNEXATION OF
HESPERIA FIRE PROTECTION DISTRICT BY SAN BERNARDINO
COUNTY FIRE PROTECTION DISTRICT ET AL**

		Cost per position 2017-18	Estimated cost for 2019-20	TRANSITION YEAR 2020-21 (December to June)		2021-22	2022-23	2023-24	2024-25	2025-26
Fire Protection Contract based upon Hesperia Reorganization LAFCO 3218										
STATION 25										
Captain	3	\$214,295	\$682,037	\$702,498		\$723,573	\$745,280	\$767,638	\$790,668	\$814,388
Engineer	3	\$182,770	\$581,702	\$599,153		\$617,128	\$635,642	\$654,711	\$674,353	\$694,583
Firefight/Paramedic	3	\$150,789	\$479,916	\$494,314		\$509,143	\$524,417	\$540,150	\$556,354	\$573,045
STATION 26 (1/2 cost shared with Mountain Service Zone beginning with first full year)										
Captain	3	\$214,295	\$682,037	\$702,498		\$361,787	\$374,449	\$385,682	\$397,253	\$409,171
Engineer	3	\$182,770	\$581,702	\$599,153		\$308,564	\$319,364	\$328,945	\$338,813	\$348,977
Firefight/Paramedic	3	\$150,789	\$479,916	\$494,314		\$254,572	\$263,482	\$271,386	\$279,528	\$287,913
Administration Per LAFCO 3218			\$563,926	\$580,843		\$598,269	\$616,217	\$634,703	\$653,744	\$673,357
Station Expense from 3285 for 2 stations			\$433,283	\$446,281		\$459,669	\$473,459	\$487,663	\$502,293	\$517,362
Household Hazardous Waste Contract			\$171,849	\$177,005		\$182,315	\$187,784	\$193,418	\$199,221	\$205,197
Proposed Contract Cost			\$4,656,367	\$4,796,059		\$4,015,019	\$4,140,094	\$4,264,297	\$4,392,226	\$4,523,992

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San Bernardino County

LAFCO Action #3218

Reorganization to include Divestiture of the
Hesperia Fire Protection District's
Fire Powers, and Annexation into the
San Bernardino County Fire Protection District

Plan for Service

October, 2017



LAFCO Action #3218

Reorganization to include Divestiture of the
Hesperia Fire Protection District's Fire Powers, and
Annexation into the
San Bernardino County Fire Protection District

Plan for Service

October, 2017

of HFPD with funds provided as described in the Financial Analysis Report. (Attached as Appendix F)

8. Service/Staffing Plan

A. Facilities and Equipment

SBCFPD will take ownership of all stated facilities and vehicles upon completion of the annexation.

B. Equipment and Station Replacement Fund

Once the annexation process is completed SBCFPD proposes to establish a capital replacement program for the replacement of HFPD property and remodeling or replacement of stations as needed. SBCFPD proposes the vehicle replacement program be based on an age replacement schedule. Some vehicles may need replacement sooner while others may be extended depending on the mechanical history of the vehicle. Any replacement schedule will need to meet SBCFPD's available funding and replacement policies. SBCFPD recommends the following vehicle and apparatus replacement schedule:

Table 2. Proposed Vehicle Apparatus and Replacement Schedule

• Engine	20 years (10 to 12 years frontline/8 to 10 years reserve)
• Ladder Truck	20 years (10 to 12 years frontline/8 to 10 years reserve)
• Water Tender	20 years
• Brush Engine	20 years
• Squad/Ambulance	7 years (5 years frontline/2 years reserve)
• Staff Vehicle	7 years
• Command Vehicle	7 years (5 years frontline/2 years reserve)

Through the annexation process full evaluation of the status of the HFPD's vehicles, assets, and stations will be performed. SBCFPD estimates the needs for the replacement fund at approximately \$400,000 to \$500,000 per year to fund equipment and station replacements into the future.

C. Service Level

The three identified fire stations would be staffed daily with 19 full-time employees as shown in the table below. There is no reduction from the staffing currently provided under contract. Each unit would provide Advanced Life Support services and the fire stations will be supervised by a Battalion Chief who will be on-duty twenty-four hours per day, seven days per week and respond to all incidents requiring a Chief Officer within the City. County Fire Station 22 would cover a portion of the

Hesperia Fire Protection District Reorganization - Proposed Plan for Service

northeast area of the city. A future goal would be to add an additional paramedic ambulance or paramedic squad to run the high volume of low priority medical aids in the City. This plan would use the Priority Dispatch Program to reduce the call volume for the engine companies and keep them available in their areas for major emergencies.

The annual estimated cost for this staffing plan including station and equipment replacement is \$10,541,327 on estimates of fiscal 2017/18 costs and will be refined in the annexation process. This cost relies upon the application of property tax revenues and CFD tax revenues in order to fund the level of service.

Table 3. Proposed Service and Staffing Plan

Position	#	Annual Operating Cost
Assistant Chief	0.4524	142,832
Battalion Chief	1.3572	305,855
Captain	6.0	1,285,770
Engineer	9.0	1,644,930
Firefighter/PM	6.0	904,734
Ambulance Operator PM	15.0	1,090,170
Ambulance Operator EMT	15.0	897,210
Collection Officer	2.0	146,270
<u>PSE Ambulance Billing</u>	<u>1.0</u>	<u>25,033</u>
Total Personnel Costs	55.81	6,442,805
Admin Services and Supplies		2,147,061
Station Expenses		824,829
Administration Overhead		631,470
HHW Collections		5,118
* Fire Prevention		479,581
Total Services and Supplies		\$4,088,059
Capital Improvement		375,000
Total		\$10,905,864

* Fire Prevention includes 50% funding of Fire Prevention Supervisor, Fire Prevention Specialist, Fire Prevention Officer, Office Assistant III, and Front Counter Technician. Also included are Services and Supplies for Fire Prevention.

Hesperia Fire Protection District Reorganization - Proposed Plan for Service

Daily Staffing:

- Station 301 - REMAINS CLOSED (Property Transfers / Untenable buildings undergoing demolition. Demolition of the Fire Station Building and the Apparatus Bay butler building will be the responsibility of the City of Hesperia and are planned to be completed prior to the anticipated annexation transfer date.)
- Station 302 - Paramedic Engine and two Paramedic Ambulances (Captain, Engineer, FF/PM + AO/PM, AO/EMT + AO/PM, AO/EMT)
- Station 303 - Household Hazardous Waste Facility (Two HHW Technicians Tuesdays and Thursdays, 9:00am – 1:00pm; Saturdays, 9:00am – 3:00pm)
- Station 304- Paramedic Ladder Truck and two Paramedic Ambulances (Captain, Engineer, FF/PM + AO/PM, AO/EMT + AO/PM, AO/EMT)
- Station 305 - Paramedic Engine and Paramedic Ambulance (Captain (County Paid), Engineer, FF/PM (County Paid) + AO/PM, AO/EMT)

TABLE 4					
TRANSFERRED BUILDINGS AND FACILITIES					
Appendix	Station Designator	Street Address	APN Number	APN Number	APN Number
Appendix G	Station 301	9430 11th Ave	0409-032-23-0000	0409-032-24-0000	0409-032-25-0000
Appendix H	Station 302	17288 Olive St	0410-182-28-0000		
Appendix I	Station 303	17443 Lemon St	0410-021-42-0000		
Appendix J	Station 304	15660 Eucalyptus St	0406-072-24-0000		
Appendix K	Station 305	8331 Caliente Rd	3039-351-09-0000		

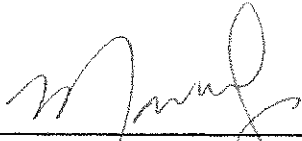
Preliminary Titles Attached as Appendices G – K as described.

**TABLE 5
TRANSFERRED VEHICLES AND EQUIPMENT**

Yr	Make	Model	Lic No	Assignment
2007	FORD	EXPEDITION 4X4	1245291	BC141
1992	INTERNATIONAL	4900	346599	WT14
2007	KME	PREDATOR 6925	1245517	ME301
2007	KME	PREDATOR 6926	1245518	ME302
1999	E-1	QUINT	1031897	MT304
1997	INT/MASTER BODY	4800 4X4	053557	BE302
1997	E-1	CYCLONE	043621	ME304A
2006	KME	EXCEL 6411	1245255	ME301
2006	PIERCE	ARROW		MT304
1998	INT/MASTER BODY	4800 4X4	043437	WT301
2015	FORD/WHEELED COACH	F450 4X4	1423186	MA304
2006	FORD	F350 4X4	1235255	MA305A
2007	FORD/MEDTEC	F350 4X4	1243257	MA302A
2008	FORD/MEDTEC	F350 4X4	1281326	MA304
2008	FORD/MEDTEC	F350 4X4	1281351	MA305
2003	FORD	F350	1321016	MA302
2003	WELLS CARGO	TRAILER	1220447	HM304
1998	CHEVROLET	C3500	377968	UT304
2013	FORD/WHEELED COACH	F450 4X4	1409739	MA301
2007	FORD	EXPEDITION 4X4	1245288	BC140
2016	FORD	F450 4X4	***NEW***	MA305
1980	KOHLER	15RMH62		STA 301
1996	GENERAC	96A05507-5/4ZK06496		STA 304
2009	CATERPILLAR	LC5		STA 305
1985	CLARK	CCS25MB		PROGRAM

Hesperia Fire Protection District Reorganization - Proposed Plan for Service

I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief as of the date prepared. This plan may be revised and updated through the LAFCO process as more information becomes available.



Mark A. Hartwig
Fire Chief
San Bernardino County Fire District

Date 10-4-2017



Nils Bentson
City Manager
Hesperia Fire Protection District

Date 10-5-17

3/19/2018 REVISED Hesperia Fire Protection District Five Year Financial Analysis		2016/2017	Cost Per	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Positions	Current Contract	Position Forecast FY 2017/18	Position Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Expenditures									
Staffing		Inflation Rate		3.0%		3.0%		3.0%	
Station 802 (ME and 2 MA's)									
Captain	3.00	547,355	214,295	642,885	662,172	682,037	702,498	723,573	745,280
Engineer	3.00	564,054	182,770	548,310	564,759	581,702	599,153	617,128	635,642
Firefighter / Paramedic	8.00	455,664	150,789	452,367	465,938	479,916	494,314	509,143	524,417
Ambulance Operator / Paramedic	6.00	409,290	72,678	436,068	449,150	462,625	476,503	490,798	505,522
Ambulance Operator / EMT	6.00	346,974	59,814	358,884	369,651	380,740	392,162	403,927	416,045
Station 304 (MT and 2 MA's)									
Captain	3.00	647,355	214,295	642,885	662,172	682,037	702,498	723,573	745,280
Engineer	3.00	564,054	182,770	548,310	564,759	581,702	599,153	617,128	635,642
Firefighter / Paramedic	8.00	455,664	150,789	452,367	465,938	479,916	494,314	509,143	524,417
Ambulance Operator / Paramedic	6.00	204,645	72,678	436,068	449,150	462,625	476,503	490,798	505,522
Ambulance Operator / EMT	6.00	173,467	59,814	358,884	369,651	380,740	392,162	403,927	416,045
Station 305 (ME and 2 MA) (Cost share with County)									
Engineer	3.00	564,054	182,770	548,310	564,759	581,702	599,153	617,128	635,642
Ambulance Operator / Paramedic	3.00	409,290	72,678	218,034	224,575	231,312	238,252	245,299	252,761
Ambulance Operator / EMT	3.00	346,974	59,814	179,442	184,825	190,370	196,081	201,964	208,022
Administration and Chief Officers									
Assistant Chief (Cost spread through the Division)	0.45	131,295	315,721	142,832	147,117	151,531	156,077	160,759	165,582
Battalion Chief (Cost spread through the Division)	1.36	303,386	229,357	305,855	315,030	324,481	334,215	344,242	354,589
Collection Officer (Ambulance Billing)	2.00	133,248	73,135	146,270	150,658	155,128	159,833	164,628	169,567
PSE (Ambulance Billing)	1.00	19,080	25,033	25,033	25,784	26,598	27,354	28,175	29,020
Fire Prevention									
Fire Prevention Supervisor	0.50	116,840	170,884	85,442	88,005	90,645	93,365	96,166	99,051
Fire Prevention Officer / Arson	0.50	88,337	219,586	109,793	113,087	116,479	119,974	123,573	127,260
Fire Prevention Specialist	0.50	55,029	140,572	70,285	72,395	74,566	76,803	79,108	81,481
Fire Prevention Officer	0.50	51,079	129,351	64,675	66,616	68,514	70,373	72,199	74,007
Front Counter Technicians	0.50	32,750	81,411	40,706	41,927	43,185	44,480	45,815	47,189
Office Assistant II	0.50	23,217	57,714	28,857	29,723	30,614	31,533	32,479	33,453
TOTAL STAFFING	58.81	6,743,921		6,042,563	7,047,840	7,259,276	7,477,053	7,701,365	7,932,406
Administration Services and Supplies									
Dispatch (CONFIRE)		Inflation Rate		2.0%		2.0%		3.0%	
MIS (CONFIRE)				385,639	399,352	405,152	417,307	429,826	442,721
800 Radio / Paging / Maintenance				158,927	162,106	166,969	171,978	177,137	182,451
County Overhead / HR / Payroll / ATC				31,345	31,972	32,631	33,319	34,037	34,785
Equipment				768,060	783,421	800,924	819,132	838,065	857,747
Professional Services				84,923	86,621	88,220	89,827	91,444	93,071
Office Expenses				185,250	188,955	192,624	196,256	200,852	205,416
Maintenance				11,594	11,825	12,061	12,301	12,546	12,795
Miscellaneous				92,837	94,714	96,596	98,482	100,372	102,267
Insurance				117,209	119,553	121,940	124,374	126,854	129,380
MIS Equipment Replacement				276,373	281,900	287,427	292,954	298,481	304,008
Total		1,431,653		2,147,061	2,190,002	2,235,702	2,283,373	2,332,075	2,381,867
Station Expenses									
Vehide Maintenance/Fuel				425,658	434,171	442,196	450,612	459,431	468,659
Utilities				107,892	110,050	112,254	114,502	116,795	119,133
General Maintenance				42,473	43,339	44,228	45,137	46,067	47,017
Medical Supplies				235,300	240,006	244,720	249,442	254,172	258,910
Clothing				13,500	13,770	14,043	14,319	14,597	14,877
Total		1,012,389		814,823	841,326	866,565	892,562	918,339	944,919
Prevention Services and supplies									
MIS (CONFIRE)				17,490	17,840	18,175	18,527	18,894	19,279
800 Radio / Paging / Maintenance				1,381	1,409	1,451	1,495	1,540	1,586
Equipment				2,713	2,767	2,850	2,935	3,023	3,114
Professional Services				15,629	15,941	16,240	16,512	16,742	17,042
Office Expenses				7,415	7,563	7,709	7,854	8,004	8,151
County Overhead / HR / Payroll / ATC				17,510	17,969	18,501	19,056	19,627	20,216
Miscellaneous				4,176	4,256	4,337	4,418	4,504	4,594
Insurance				7,244	7,391	7,532	7,641	7,751	7,875
Vehide Maintenance/Fuel				6,163	6,287	6,425	6,569	6,720	6,877
Total		48,176		79,812	81,410	83,861	86,377	88,968	91,637
Household Hazardous Waste Collection		6,010		5,118	5,220	5,377	5,538	5,704	5,876
Administration and Overhead Costs		566,837		631,470	644,099	663,422	683,325	703,825	724,940
TOTAL SERVICES AND SUPPLIES		3,065,065		3,888,800	3,762,066	3,474,928	3,991,176	4,110,911	4,234,238
Total Staffing and Services / Supplies (County Fire Contract)		9,808,986		10,530,864	10,809,906	11,134,204	11,468,230	11,812,276	12,166,644
Other Costs									
Household Hazardous Waste Contract		152,686		157,267	161,985	166,844	171,849	177,005	182,315
Other Administration Costs		94,243		57,766	0	0	0	0	0
Capital Expenses (Vehicles and Buildings)		344,000		0	180,000	183,600	187,272	191,017	194,838
Sub-total Other Costs		590,929		215,033	341,985	350,444	359,121	368,022	377,153
HFCD CalPERS		377,621		675,542	0	0	0	0	0
Total Other Costs		968,550		890,575	341,985	350,444	359,121	368,022	377,153
TOTAL EXPENDITURES		10,777,516		11,421,439	11,151,891	11,484,608	11,827,351	12,180,298	12,543,797
Revenue:									
Property Tax Revenue		4,208,332		4,491,739	4,209,245	4,261,901	4,349,652	4,438,920	4,529,248
Property Tax-RDA Pass Through (Operations Fund 200)		1,708,007		1,869,469	1,766,648	1,854,981	1,947,730	2,045,116	2,147,372
Property Tax-RDA Pass Through (Capital Fund 502)		767,365		850,698	803,872	844,065	886,269	930,582	977,111
Property Tax-VVEDA Pass Through		154,033		161,763	152,886	160,509	168,535	176,962	185,810
Sub-total Property Taxes		6,837,737		7,373,679	6,932,651	7,122,457	7,352,185	7,621,580	7,902,541
Sub-total Property Taxes to FPD 1000 Admin (6%)		410,266		442,418	415,928	427,287	441,131	457,295	474,158
Sub-total Property Taxes to FPD 1000 Operations (94%)		6,427,471		6,931,211	6,516,723	6,695,170	6,911,054	7,164,285	7,428,383
Special Assmt-CPD 94-01		596,539		621,626	634,534	647,021	659,951	673,160	686,623
Special Assmt-CPD 2005-1		222,729		227,246	231,794	236,430	241,158	245,982	250,901
Use of Money and Property		63,479		91,904	53,326	53,326	53,326	53,326	53,327
Charges for Service		3,383,523		3,252,752	3,317,807	3,384,163	3,451,846	3,520,883	3,591,301
Grants		0		0	0	0	0	0	0
Household Hazardous Waste		152,686		157,267	161,985	166,844	171,849	177,005	182,315
Other revenue		4,215		2,200	80,906	80,906	79,936	79,936	79,936
TOTAL DISTRICT REVENUE		11,261,490		11,738,897	11,412,783	11,680,146	11,968,262	12,329,872	12,705,045
Revenue Over (Under) Expenditures		483,974		307,459	260,892	205,499	140,911	149,574	161,248
Fund Balance									
Beginning Fund Balance/Reserves		5,156,622		4,293,328	4,600,782	4,111,675	4,317,174	4,458,085	4,607,459
Revenue Over (Under) Expenditures		(683,239)		307,459	260,892	205,499	140,911	149,574	161,248
One-Time Payment to HFCD		0		0	(750,000)	0	0	0	0
TOTAL Ending Balance of Reserves		4,283,383		4,000,782	4,111,675	4,317,174	4,458,085	4,607,659	4,768,707

Notes:
Salaries and Benefits are increased by Staffing Inflation Rate
Service and Supplies are increased by Service and Supply Inflation Rate
PERS amounts provided in November 2015 CalPERS report, page 5.
Household Hazardous Waste is cost to operate facility
Other Administration Costs For FY 2016/17 include Post Employment Benefits, Financial Audit, CFD Administration, CalPERS Report, State Controller Reporting. For FY 2017/18 and Beyond Post Retirement Benefits and CFD Administration if required.
Secured/Unsecured Property Taxes are increased 3.000% (over the 2016/17 Revised of \$3,914,090) for FY 2017/18 and 2.980% annually thereafter; HOPTL is decreased 4.000% annually
Secured/Unsecured Property Taxes are decreased 6.000% annually; Prior Supplemental is increase 2.500% annually.
Secured/Unsecured Property Taxes have been reduced to reflect the 1.4916% share of 1% general tax levy that will be going directly to the City.
Charges for Service are increased 2.0% Annually
Additional revenues listed for call tower leases under: FY 18/19 8/19/20 (agreement completed in 2020). All other revenues unchanged.

I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief as of the date prepared. This plan will be revised and updated through the LAFCD process as more information becomes available.

Mark A. Harwig	Date	Nils Benken	Date
Fire Chief		City Manager	
San Bernardino County Fire District		Hesperia Fire Protection District	

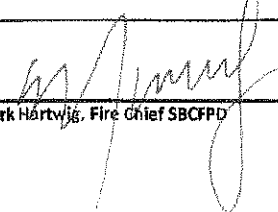
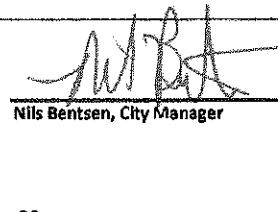
City of Hesperia - FY 17/18 Proposed Contract Annual Budget

Salaries and Benefits	Number of Positions	Average Cost Per Position	SBCFPD Proposed Existing Staffing
Suppression			
Captain	6	214,295	1,285,770
Engineer	9	182,770	1,644,930
Fire Fighter/PM	6	150,789	904,734
Ambulance Operator/EMT	15	59,814	897,210
Ambulance Operator/PM	15	72,878	1,090,170
Suppression Total	61		\$ 6,822,816
Non-Suppression			
Collection Officer	2	73,135	146,270
PSE	1	25,033	25,033
Non-Suppression Total	3		\$ 171,303
Chief Officers			
SBCFPD Assistant Chief 45.24% of (1)	0.4524	315,721	142,832
Battalion Chief 45.24% of (3)	1.3572	225,357	305,855
Chief Officers Total	1.8098		\$ 448,687
Total Salaries and Benefits	55.81		\$ 6,442,805
Operating Expenses			
Services and Supplies (includes costs formerly budgeted in Stations, such as insurances and other uncontrollable costs)		2,147,061	715,408
Station Expenses			
C301		148,038	(91,150)
C302	\$30k increase	314,711	(17,048)
C304		201,926	19,137
C305 (city portion)		160,154	(98,499)
HHW Collection Station		5,118	(892)
Fire Prevention (includes charges for 3 FTEs)		\$ 479,581	\$ 63,352
Total Operating Expenses		\$ 3,466,589	(125,100)
Administrative Overhead Costs		631,470	84,633
Total S&B and Operating Expenses		\$ 10,630,883	
Total Annual Requirements		\$ 10,630,883	

It is mutually agreed by the undersigned that this document outlines a month to month "continuation only" contract for the provision of fire, rescue and emergency medical services. The contract as negotiated includes no service enhancements in order to facilitate the current annexation process between the Hesperia Fire Protection District and the San Bernardino County Fire District.

It is further understood that revenues may be passed between the Hesperia Fire Protection District and the San Bernardino County Fire District to facilitate ongoing service.

This contract is payable on a monthly basis and will terminate upon successful certification of the annexation by LAFCO. In the event that the LAFCO annexation process is unsuccessful or terminated by the Hesperia Fire Protection District, then this zero growth contract will be terminated and a new unique contract for Emergency Services and Fire Protection may be negotiated to fulfill the remainder of the fiscal year. Any newly negotiated contract will contain provisions that the City of Hesperia and the Hesperia Fire Protection District will be responsible for any further accrued unfunded liability for said contracted employees, as set forth by SBCERA."

	5-12-2017		5-12-17
Mark Hartwig, Fire Chief SBCFPD	Date	Nils Bentsen, City Manager	Date

City of Hesperia
MEMORANDUM



DATE: June 26, 2017
To: Kathleen Rollings-McDonald, LAFCO-San Bernardino Executive Officer
FROM: Nils Bentsen, City Manager *NB*
 Brian D. Johnson, Assistant City Manager, Management Services *BDJ*
 George Pirsko, Senior Financial Analyst *GP*
SUBJECT: Detail of Five Year Financial Plan Charges For Services Revenue

Background

The Hesperia Fire Protection District (HFPD) and the County of San Bernardino Fire Department (County Fire) have submitted an application for annexation with LAFCO-San Bernardino to annex the HFPD into County Fire. Part of the application is a five-year financial plan that identifies the expenditures and revenues. For revenues, after property taxes, the next largest revenue source is Charges for Service. The following table shows more detail of this revenue than provided in the five-year plan.

Five-Year Financial Plan For Services For LAFCO Annexation #3217 & 3218
 Charges For Services-Detail

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Charges For Services:						
Fire Hazard Inspection	146,766	149,701	152,695	155,749	158,864	162,042
Prevention/Development	171,276	174,701	178,195	181,758	185,394	189,101
Ambulance:						
Paramedic Ambulance Fees	2,362,686	2,410,235	2,458,734	2,508,201	2,558,656	2,610,119
GEMT	391,000	398,820	406,796	414,932	423,231	431,696
Ambulance Membership	11,025	10,950	10,875	10,800	10,725	10,650
EMS Response Fees	170,000	173,400	176,868	180,405	184,013	187,694
Sub-total Ambulance	<u>2,934,711</u>	<u>2,993,405</u>	<u>3,053,273</u>	<u>3,114,339</u>	<u>3,176,628</u>	<u>3,240,158</u>
Sub-total Charges For Services	3,252,752	3,317,807	3,384,163	3,451,846	3,520,883	3,591,301

Fire Hazard Inspection

This revenue tracks fees for the annual fire hazard inspections of commercial buildings performed by fire personnel.

Prevention/Development

This group of revenues track the various fees and charges for either new construction, or modifications to existing buildings, for fire safety code compliance. Some of the development related revenues in this group are plan reviews for alarm systems, sprinkler systems, and water systems as well as on site inspections.

Ambulance-Paramedic Ambulance Fees

This is the largest revenue source for the Charges for Service group and represents the collections for those needing transportation from the scene to the hospital. The revenue comes from either the patient or the patient's insurance provider whether that is a private insurance



company or a government operated provider such as Medi-Cal. The Paramedic Ambulance Fees are 80.6% of the Ambulance revenue group.

Ambulance-GEMT

GEMT is Ground Emergency Medical Transportation and represents a program with the State of California that HFPD participates in to receive reimbursements to offset some of the revenue lost on transporting Medi-Cal patients. Medi-Cal reimburses for transports at amounts well below the cost of providing the service. Compared to County Fire, HFPD has very limited overhead costs that factor into the claimed reimbursements. The GEMT is 13.3% of the Ambulance revenue group.

Ambulance-Ambulance Membership

HFPD administers a program that allows residents to pay an annual 'membership' fee that covers the cost of transport. The five-year financial plan anticipates this revenue to decrease over time. The Ambulance Membership revenue is 0.3% of the Ambulance revenue group.

Ambulance-EMS Response Fees

Upon responding to the scene of a call, a patient may refuse to have the ambulance crew transport the patient to a hospital. This revenue account tracks the fees collected from those patients who refuse transport but receive on scene treatment. The EMS Response Fees are 5.8% of the Ambulance revenue group.

EXHIBIT L

**SAN BERNARDINO COUNTY TRANSPORTATION
DEPARTMENT RESPONSE ON COSTS OF
SERVICE FISCAL YEAR 2017-18**



Department of Public Works

- Flood Control
- Operations
- Solid Waste Management
- Surveyor
- Transportation

Kevin Blakeslee, P.E.
Director

January 23, 2019

Samuel Martinez, Executive Officer
1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490

RE: PROPOSED INCORPORATION OF THE TOWN OF LAKE GREGORY

Dear Mr. Martinez,

Per the request in your letter of December 27, 2018, the San Bernardino County Department of Public Works (DPW) has prepared cost information on transportation activities within the unincorporated community of Crestline (Yard 7), and a list and map of roads, totaling 81.71 miles, maintained by the County (attached). The Transportation expenditures are grouped in the following categories: Routine Road Maintenance, Snow Removal, and Roadway Projects. These expenditures are based on actual costs tracked through the County's cost accounting system by road name and section or work order number.

Routine Road Maintenance:

FY	Expenditure
2015/2016	746,679.32
2016/2017	664,545.14
2017/2018	766,042.20
Grand Total	2,177,266.66
Average Cost	725,755.55

Road Snow Removal:

FY	Expenditure
2015/2016	145,441.96
2016/2017	127,634.17
2017/2018	84,489.60
Grand Total	357,565.73
Average Cost	119,188.58

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Completed Projects Past 5 Years:

FY	Project Name	Expenditure
2013/2014	Yard 7 Overlay	293,402.09
2013/2014	Yard 7 Chip Seal	426,964.62
2014/2015	Yard 7 Chip Seal	606,129.19
2014/2015	Yard 7 Overlay	277,600.93
2014/2015	Drainage Improvement	375,949.00
2015/2016	No projects	None
2016/2017	Yard 7 Chip Seal	606,067.57
2016/2017	Crest Forest Drive ADA Ramps	32,101.39
2016/2017	Altdorf Drive and Other Roads, Chip Seal	526,467.76
2016/2017	Yard 7 Overlay	691,118.19
2017/2018	No projects	None
Grand Total		3,835,800.74

The Road Routine Maintenance and Snow Removal are generally funded with State Highway Users Tax Account (Gas Tax) and Measure I sales and use tax Local Streets Program (Measure I) revenues; and the Roadway Projects can be funded with Gas Tax, Measure I, federal/State grant funds and/or miscellaneous revenues.

If you have any further questions, please contact me at (909) 387-7916.

Sincerely,



MAZIN KASEY, P.E.
Deputy Director – Transportation

Attached

Incorporating Town of Lake Gregory
County Maintained Road List (Yard 7)

Road Number	Road Name	Limits	Length
110250	ALBRUN COURT	ALBRUN DR SOUTH N 0.03M	0.03
110300	ALBRUN DRIVE NORTH	ALBRUN DR SOUTH NELY/ALTDORF DR	0.24
110325	ALBRUN DRIVE SOUTH	CREST FOREST DR SELY/ALTDORF DR	0.67
110950	ALDER LANE	SEQUOIA PL E/REDWOOD LANE	0.19
111250	ALDER ROAD	STRAIGHT WAY N/LAKE DR SCENIC DR E/.04M	0.10
114400	ALPINE DRIVE	NE, BERNARD DR	0.18
116800	ALTDORF DRIVE	CRESTA DR SELY/BERNARD DR	1.54
117100	ALTHORN COURT	LAKE GREGORY DR N .06M	0.06
125950	ARBULA DRIVE	VALLE DR NLY/BASEL DR	0.78
125950	ARBULA DRIVE	BASEL DR NELY/AROSA DR	0.66
128950	AROSA DRIVE	NORTH RD NW/DART CYN RD .38M SLY, AROSA DR	1.18
131950	ARTH DRIVE	NWLY/AROSA DR	0.38
141700	AZALIA LANE	SEQUOIA PL E/JUNIPER LANE JUNIPER LANE E/REDWOOD WAY	0.11
141700	AZALIA LANE	REDWOOD WAY E/REDWOOD DR	0.05
141700	AZALIA LANE		0.15
151350	BALFRIN DRIVE	VALLE DR NLY/BERNE DR	0.28
152550	BALSAM LANE	REDWOOD WAY E&SE/SH138 SAN MORITZ DR ELY/SONOMA DR	0.29
157500	BASEL DRIVE		0.79
157500	BASEL DRIVE	SONOMA DR E&SE/1.00M SELY, VALLE DR .01M W/LAKE GREGORY DR	1.05
158100	BASIL COURT	E/LK GRGRY DR	0.01

165000	BERGSCHRUND DRIVE	BERNARD DR N&E/NESTHORN DR	0.56
165600	BERNARD DRIVE	ALPINE DR E&S/LAKE GREGORY DR	1.53
165900	BERNE DRIVE	SAN MORITZ DR SLY/BASEL DR	0.43
165900	BERNE DRIVE	BASEL DR NE/BALFRIN DR	0.10
165900	BERNE DRIVE	BALFRIN DR SLY/VALLE DR	0.38
167550	BIG OAK ROAD	DEER TRAIL N&E/FERN DR	0.35
170400	BLIND TRAIL	SUNSET E .05	0.05
175950	BOOTHE LANE	FOREST DR NW/LAUREL LANE	0.16
177600	BOWL ROAD	SHADY E&N/WILDWOOD GLENWOOD DR E/.05M	0.58
179900	BRIARWOOD LANE	E,FERNWOOD DR	0.22
182250	BROOKSIDE ROAD	SH138 E+W/SEQUOIA LN	0.70
190050	BYRON ROAD	SEELY E/SH138 CHATEAU DR NLY/.10M	0.05
200400	CALANDA DRIVE	NW,CHILLON DR	0.23
219900	CEDAR DRIVE	OAK N .06M	0.06
220500	CEDAR LANE	LAKE DR NLY/KNAPPS CUTOFF SEQUOIA LANE NW/VISTA	0.21
221550	CEDAR WAY	LANE	0.26
225450	CHAMOIS DRIVE	NORTH RD N .33M	0.33
226500	CHATEAU DRIVE	.21M S,CALANDA DR NW .69M	0.69
226500	CHATEAU DRIVE	AROSA DR NE .47M	0.47
231300	CHILLON DRIVE	CALANDA DR NLY/AROSA DR	0.50
231300		AROSA DR NLY .28M	0.28
243300	CLOUD VIEW ROAD	SHADY DELL NE/BLIND TRAIL	0.14
259950	COULTER PINE ROAD	PLAYGROUND DR NW .27M MOZUMDAR DR SLY/WATERS	0.27
265200	CREST FOREST DRIVE	DR	0.81
265200	CREST FOREST DRIVE	WATERS DR SELY/CRESTLINE RD	2.68
265200	CREST FOREST DRIVE	CRESTLINE RD ELY/SH18	3.26
264750	CRESTA DRIVE	LAKEVIEW NE/BERNARD DR	0.64

264900	CRESTA LANE	CRESTA N/SCENIC	0.03
265350	CRESTLINE CUTOFF	CREST FOREST E/SH138	0.42
265500	CRESTLINE ROAD	CREST FOREST DR E/SH138 .05M SW,DARFO DR	0.37
286050	DARFO COURT	NE/DARFO DR	0.05
286200	DARFO DRIVE	DAVOS NW/EDELWEISS	0.70
286500	DART CANYON ROAD	LAKE DR NLY/ERLACH DR	0.35
286500	DART CANYON ROAD	ERLACH DR N/EDELWEISS DR	0.31
286500	DART CANYON ROAD	EDELWEISS NLY 1.30M	1.30
288300	DAVIDSON LANE	FOREST DR NW/TETLEY LN	0.10
288450	DAVOS COURT	DONNER DR E/DAVOS DR .08M SE,DELLE DR	0.05
288600	DAVOS DRIVE	NLY/EDELWEISS DR	0.53
290550	DEER TRAIL	FERN DR NLY/BIG OAK RD	0.33
294750	DELLE DRIVE	LAKE DR NWLY/DARFO DR	0.95
301800	DONNER DRIVE	DARFO DR NLY/DARFO DR	0.29
302250	DORN DRIVE	DELLE DR NLY/EDELWEISS DR	0.57
304950	DUNANT DRIVE	DORN DR NLY/DAVOS DR LAKE DR NELY/DART CYN ROAD	0.24 1.32
313750	EDELWEISS DRIVE	DART CANYON RD N/EDELWEISS DR	0.35
330850	ERLACH DRIVE		
346500	FAULHORN DRIVE	VALLE DR S/NESTHORN DR	0.08
346500	FAULHORN DRIVE	NESTHORN DR E/VALLE DR LAKE GREGORY DR	0.42
347100	FELSEN DRIVE	NE/FAULHORN DR	0.43
347700	FERN COURT	FERN DR E .03M	0.03
347850	FERN DRIVE	CREST FOREST DR N/LAKE DR	0.41
348800	FERNWOOD DRIVE	WATERS DR N/BRIARWOOD LN	0.14
349200	FIDEN COURT	FAULHORN DR NE .06M	0.06

349350	FIENO COURT	.12M SLY,FELSON DR NW/FELSEN DR	0.12
351750	FINHAUT DRIVE	LAKE GREGORY DR ELY/FELSEN DR	0.49
352350	FIR LANE	FOREST CIRCLE E/SPRUCE DR	0.30
360000	FOREST CIRCLE	WATERS DR NE&S/WATERS DR	0.31
360150	FOREST DRIVE	TETLEY LANE E/LUPIN LANE	0.28
360300	FOREST LANE	FOREST DR NW/LAUREL LANE	0.13
361050	FOREST SHADE ROAD	BOWL RD E&N/PIONEER CAMP RD	0.31
361050	FOREST SHADE ROAD	PIONEER CAMP RD N/LAKE DR	0.13
369150	FRIENDLY LANE	PIONEER CAMP RD N/LAKE DR	0.10
377800	GENEVA DRIVE	BERNARD E/LAKE GREGORY DR	0.07
377800	GENEVA DRIVE	LAKE GREGORY DR ELY/NESTHORN DR	0.34
381400	GLEN ROAD	CREST FOREST DR N/PONDROSA DR	0.10
383600	GLENWOOD DRIVE	.04MW,BRIARWOOD L E/.06ME,FERNWOOD D	0.28
389950	GRANDVIEW DRIVE	VALLEY VIEW DR NE .12M CRST FOREST DR E/CRST	0.12
392200	GREAT VIEW DRIVE	FOREST DR	0.96
394000	GREGORY PLACE	LAKE DR N/ZURICH DR	0.02
408300	HEATHERLY LANE	STRAIGHT WAY N .03M	0.03
410100	HEMLOCK LANE	REDWOOD DR E .06M	0.06
413400	HIGH ROAD	DEER TRAIL N/BIG OAK RD	0.19
417300	HILLCREST DRIVE	CREST FOREST DR N .07M MANZANITA DR N&E/SPRINGY	0.07
418200	HILLSIDE DRIVE	PATH	0.39
426150	HORST COURT	HORST DR N .02M	0.02
426300	HORST DRIVE	LAKE GREGORY DR ELY/BERGSHRUND DR	0.90
428550	HUNT LANE	.07M S,FOREST DR N/ TETLEY DR	0.27

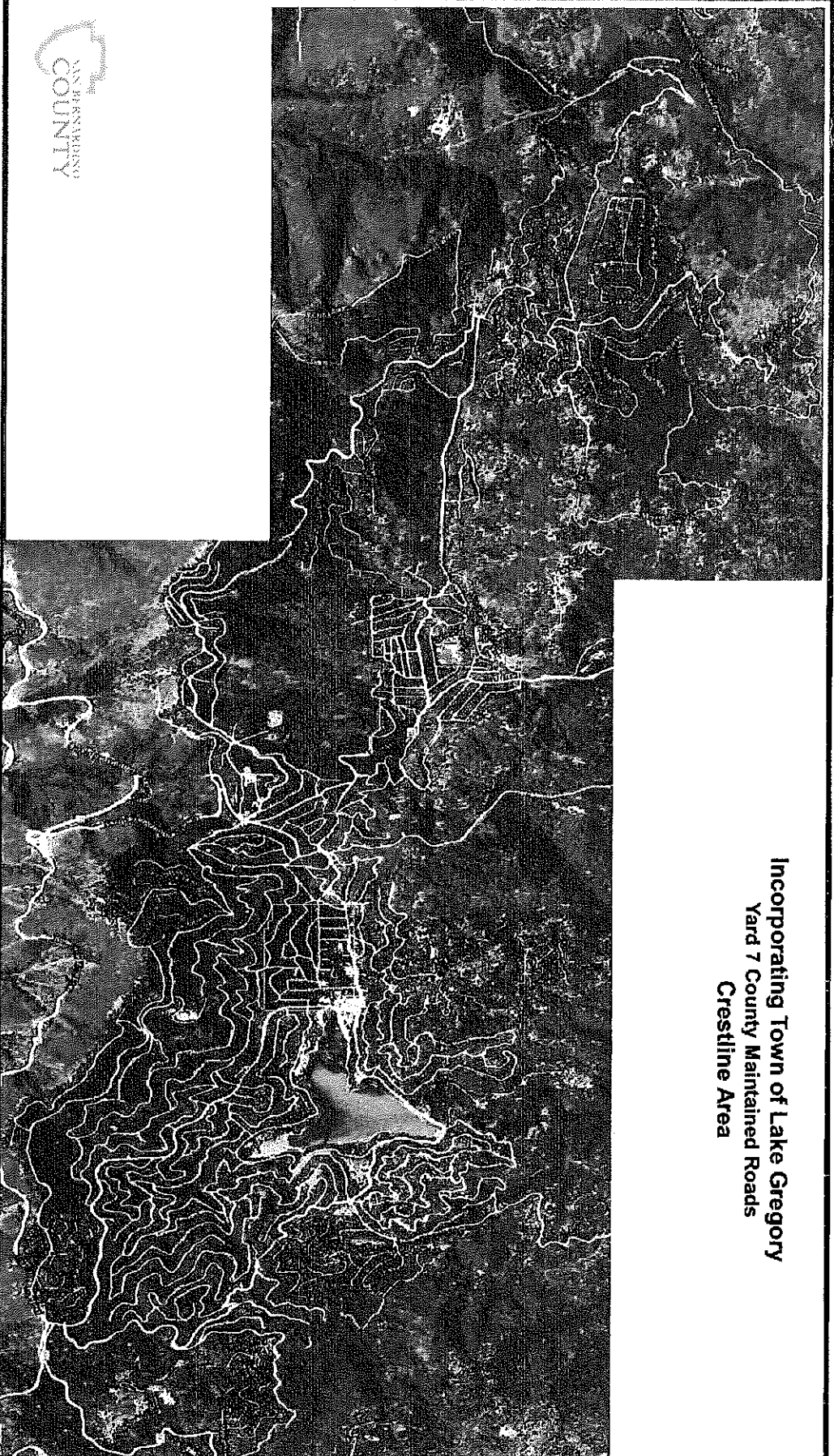
454100	JUNGFRAU DRIVE	BERNARD NW/END	0.61
455150	JUNIPER LANE	.04M W,LUPIN LN E/LUPIN LN	0.04
455150	JUNIPER LANE	LUPIN LANE(S	0.03
459200	KAY ROAD	LEG)E&NE/AZALIA LANE	0.14
468050	KNAPPS CUTOFF	SH138 NE/KNAPPS CO	0.37
468800	KNOLL DRIVE	SH138 ELY/LAKE DRIVE	0.20
481200	LAKE DRIVE	CEDAR LOOP NE/CEDAR	1.15
481200	LAKE DRIVE	SH138 NE/LAKE GREGORY DR	1.26
481800	LAKE GREGORY DRIVE	LKE GRGRY DR E/DART CYN RD	2.24
483000	LAKEVIEW DRIVE	LAKE DR SE&S/SH189	0.82
488250	LAUREL LANE	SCENIC DR ERLY/0030M	0.37
488850	LAUSANNE DRIVE	E,CRESTA DR	0.42
490050	LEAFY LANE	WATERS DR SE/REDWOOD LN	0.10
490800	LEE BERT WAY	JUNGFRAU NW/BERNARD	0.04
496950	LINX DRIVE	STRAIGHT WAY N/LAKE DR	0.10
501750	LOG LANE	STRAIGHT WAY N/END	0.08
501750	LOG LANE	SCENIC ELY/CRESTA	0.11
505200	LOTITO COURT	REDWOOD WAY N/AZALIA LN	0.01
507150	LUGANO COURT	AZALIA LN N/WATERS DR	0.05
508350	LUPIN LANE	0000	0.13
508350	LUPIN LANE	END E/LAKE GREGORY DR	0.04
527700	MANZANITA DRIVE	JUNGFRAU E/END	0.33
529350	MAPLE LANE	FOREST DR N/JUNIPER LANE	0.12
535200	MATTERHORN COURT	JUNIPER N/WATERS	0.07
538800	MEADOW LANE	OLD MILL RD NE/LAKE DR	0.10
559500	MOJAVE RIVER ROAD	AZALIA LANE N/WATERS DR	0.52
563400	MONTREAUX COURT	END E/SAXON	0.04
563550	MONTREAUX DRIVE	BYRON N/END	0.31
564750	MORITZ COURT	CREST FOREST DR ELY .52M	0.04
564300	MORMAN SPRINGS ROAD	MONTREAUX DR SE/END	0.20
		HORST ELY/SAN MORITZ	
		END N/SAN MORITZ DR	
		CEDAR NLY/KAY	

571950	MOZUMDAR DRIVE	CRST FOREST N 0128M	1.28
571950	MOZUMDAR DRIVE	0128M N,CREST FOREST DR N/END	0.06
589550	NESTAL COURT	LAKE GREGORY ELY/NESTHORN	0.08
589700	NESTHORN DRIVE	VALLE DR SLY/NESTAL CT	0.64
589700	NESTHORN DRIVE	NESTAL CT SLY/FAULHORN DR	0.20
590300	NEVE COURT	LAKE GREGORY DR N/END	0.08
595275	NOB PLACE	WATERS DR N/SEELEY DR	0.07
596750	NORTH ROAD	LAKE GREGORY DR N/AROSA DR	0.68
596750	NORTH ROAD	AROSA DR N&E/0090M N&E,CHAMOIS DR	1.00
596750	NORTH ROAD	0100M E,AROSA DR E/SH189	0.34
597800	NORTH VILLAGE LANE	WEST VILLAGE E/CREST FORST	0.11
602350	OAK DRIVE	END S&NE/PONDEROSA DR	0.24
602800	OAK LANE	SH138 E/SEQUOIA LANE	0.22
609550	OLD MILL ROAD	LAKE DR N/SH138	1.51
612850	OLTEN DRIVE	BERNARD NLY/LAKE GREGORY	0.03
623500	OUTER LAKE GREGORY DRIVE	LAKE GREGORY DR E 0.05M	0.05
623650	OUTLOOK LANE	VALLEY RD E&N .08	0.08
624700	OWINGS WAY	STRAIGHT WAY N/END	0.03
640750	PARK LANE	WILDWOOD E&N/PIONEER CAMP	0.19
655750	PINE LANE	SH138 E/SEQUOIA LN	0.21
660550	PIONEER CAMP ROAD	LAKE E/STRAIGHT WAY 0000	0.14
660550	PIONEER CAMP ROAD	STRAIGHT WAY E/STRAIGHT WY	0.26
660550	PIONEER CAMP ROAD	STRAIGHT WY E/FOREST SHADE	0.08
663700	PLAYGROUND DRIVE	0050M W,SUMMIT DR ERLY/CREST FOREST	0.86
666850	PONDEROSA DRIVE	CRST FORST DR E/CRST FORST	0.63

667700	POPLAR LANE	BROOKSIDE RD NE/END BALSAM LN N&NE/AZALIA LANE	0.03 0.05
692650	REDWOOD DRIVE		
692650	REDWOOD DRIVE	AZALIA LANE NE/SH138	0.12
692950	REDWOOD LANE	AZALIA LN NE&N/WATERS DR AZALIA LN SE&N/BALSAM LANE	0.11 0.23
693100	REDWOOD WAY		
706600	ROCKY DELL	FERN NE/PIONEER CAMP FOREST SHADE	0.25
706750	ROCKY LOOP	W&N/WILDWOOD WILDWOOD N/PIONEER CAMP RD	0.11 0.04
706750	ROCKY LOOP		
709300	ROSE HILL DRIVE	ROCKY DELL N&W/LAKE DR LAKE GREGORY DR	0.14
728850	SAN MORITZ DRIVE	E&NE/AROSA DR	1.54
728900	SAN MORITZ WAY	SAN MORITZ DR NLY/LAKE DR	0.42
734850	SAWPIT CANYON ROAD	CREST FOREST DR NW 0154M 0154M NW,CRST FRST N 0024M	1.54 0.24
734850	SAWPIT CANYON ROAD		
735000	SAXON DRIVE	BASEL N/MATTERHORN CT	0.03
735300	SCENIC DRIVE	CREST FOREST NE/BOWL	0.93
739200	SEELEY DRIVE	WATERS DR NE+SW/NOB PL FIR N/BYRON	0.20 0.12
739350	SEELEY LANE		
739500	SEELEY WAY	CREST FOREST DR NE/SH138	0.40
741150	SEQUOIA LANE	OAK N/BROOKSIDE	0.01
741150	SEQUOIA LANE	BROOKSIDE N/PINE	0.04
741150	SEQUOIA LANE	PINE LN N/CEDAR WAY	0.05
741150	SEQUOIA LANE	CEDAR WAY N/END	0.03
741300	SEQUOIA PLACE	FOREST DR NW/LAUREL LANE	0.11
745050	SHADY DELL	KNAPPS CO NW/VALLEY	0.31
745200	SHADY LANE	FERN NE/BOWL	0.08
745200	SHADY LANE	WILDWOOD LN SW/BOWL RD	0.12
752250	SHORT WAY	OLD MILL NW/WOODSEY	0.15

759900	SKYLAND DRIVE	CREST FOREST NW/CRST FORST	1.18
760115	SKYVIEW COURT	END E/SKYVIEW LANE	0.06
760175	SKYVIEW LANE	.05M S, SKYVIEW CT NLY/WATERS DR	0.17
765900	SOUTH VILLAGE LANE	W VILLAGE LN E/CRST FST DR	0.13
767850	SPRINGWATER ROAD	SPRINGY PATH E/LAKE DR	0.28
768000	SPRINGY PATH	LAKE DR N .08M	0.08
768900	SPRUCE DRIVE	WATERS DR NW/SEELEY LN	0.16
774900	STRAIGHT WAY	LEAFY LN E/PIONEER CAMP RD PLAYGROUND	0.26
777300	SUMMIT DRIVE	NW/PLAYGROUND	0.15
784650	SUNSET LANE	WOODSEY NLY/BLIND TRAIL	0.08
789300	SYCAMORE LANE	BALSAM ELY/BALSAM	0.22
811700	TETLEY LANE	FOREST DR N/WATERS DR	0.20
815800	THOUSAND PINES ROAD	LAKE DR NE/ZURICH DR	0.31
815800	THOUSAND PINES ROAD	ZURICH DR NLY/END	0.20
833150	TYROL COURT	END N/TYROL DR	0.02
833300	TYROL DRIVE	FOREST SHADE NE/LK GRGY DR SAN MORITZ DR	0.17
841900	VALLE DRIVE	SLY/FAULHORN DR	0.51
841900	VALLE DRIVE	FAULHORN NE/BALFRIN BALFRIN DR	0.25
841900	VALLE DRIVE	SE&NW/0076ME&NW,ARBULA DR	1.14
842800	VALLEY COURT	VALLEY RD NW/END	0.05
842900	VALLEY DRIVE	END,MAINT N/DART CYN RD	0.13
843000	VALLEY ROAD	SH138 NLY/BROOKSIDE PLAYGROUND NE/CREST FOREST	0.36
843800	VALLEY VIEW DRIVE		0.23
843800	VALLEY VIEW DRIVE	CREST FOREST E/CREST FORST	0.35
852200	VISTA LANE	SH138 E/CEDAR WAY	0.04
862400	WABERN COURT	WABERN DR ELY/END 0027M WLY,WABERN CT	0.04
862550	WABERN DRIVE	ELY/WYLERHORN DR	0.55
864200	WALD COURT	WYLERHORN NW/END	0.07

870950	WATERMAN CANYON ROAD	END NE/CRESTLINE CUTOFF	0.31
871100	WATERS DRIVE	CREST FOREST E/TETLEY LANE	1.09
871100		TETLEY LANE E/SH138	0.54
872600	WEISSHORN DRIVE	WABERN NLY/WYLERHORN	0.57
874100	WEST VILLAGE LANE	S EDGE,SO. VILLAGE LN N/NO. VILLAGE	0.08
878000	WILDROSE LANE	STRAIGHT WAY N/LAKE DR	0.11
878450	WILDWOOD LANE	PIONEER CAMP ELY/BOWL RD	0.38
878450	WILDWOOD LANE	BOWL RD E/ROCKY LOOP	0.06
884750	WOODLAND ROAD	CREST FOREST DR NW/SEELEY	0.29
885500	WOODSEY ROAD	KNAPPS CO N/SUNSET LANE	0.06
885500	WOODSEY ROAD	SUNSET LANE NE/END	0.22
886400	WYLERHORN DRIVE	ZURICH DR NE/ZERMATT DR	1.10
898400	ZELL COURT	ZURICH ELY/END	0.22
898600	ZERMATT DRIVE	ZURICH DR NLY/WYLERHORN DR	0.74
898900	ZUGER COURT	END N/ZUGER DR	0.05
899000	ZUGER DRIVE	END E/THOUSAND PINES RD	0.35
899300	ZURICH COURT	ZURICH DR N&W/END	0.05
899400	ZURICH DRIVE	.48M W,THOUSAND PINES RD E .02M	0.02
899400	ZURICH DRIVE	.46MW,THOUSAND PINESE/THSND PINES RD	0.46
899400	ZURICH DRIVE	THOUSAND PINES RD E/LAKE D	0.61
Total Length:			81.71



**Incorporating Town of Lake Gregory
Yard 7 County Maintained Roads
Crestline Area**

EXHIBIT M

**CALIFORNIA LEAGUE OF CITIES REPORT
ENTITLED *"SHARED REVENUE ESTIMATED: STATE REVENUE
ALLOCATIONS TO CITIES AND COUNTIES"***

UPDATED JANUARY 22, 2019

Shared Revenue Estimates: State Revenue Allocations to Cities and Counties
Local Streets and Roads Estimates: 2018-19, 2019-20
Including Highway Users Tax Account (HUTA) and
Road Maintenance and Rehabilitation Account (RMRA)

The state of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel and registration taxes on motor vehicles with allocations dedicated to transportation purposes. These allocations flow through the Highway Users Tax Account (HUTA), the familiar gasoline tax revenues that have been in place for decades, and the Road Maintenance and Rehabilitation Account which allocates much of the revenue from the Road Repair and Accountability Act of 2017 (SB1 Beall).

California taxes on motor vehicle fuels include the gasoline tax, diesel fuel tax, and the use fuel tax. Taxes on aircraft jet fuel are transferred to the state Aeronautics Account. Taxes on fuel used for other motor vehicles are transferred to the state Highway Users Tax Account include:

- The “gasoline tax” and “diesel fuel tax” imposed on the use of vehicle fuels at the rate of 13 cent per gallon for diesel fuel and 18 cent per gallon for gasoline, which includes the 9 cent per gallon rate added by Proposition 111 (1994).
- The “use fuel tax” is imposed on vendors and users of motor vehicle fuels that are not taxed under either the gasoline or diesel fuel tax, such as liquefied petroleum gas, ethanol, methanol and natural gas (both liquid and gaseous) for use on state highways. Use Fuel Tax rates vary depending on the type of fuel.
- Variable rate per gallon gasoline diesel fuel excise taxes imposed in 2010-11 in a complicated arrangement known as the “fuel tax swap.” The fuel tax swap replaced the previous Proposition 42 sales tax on gasoline.

Other transportation taxes are allocated to cities and counties through the Road Maintenance and Rehabilitation Account (RMRA) which allocates revenue from the Road Repair and Accountability Act of 2017 (SB1 Beall) to local streets and roads and other transportation uses. Revenue allocated through the RMRA includes:

- An additional 12 cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- An additional 20 cent per gallon increase to the diesel fuel excise tax effective November 1, 2017 with half of the revenues going to the state Trade Corridor Enhancement Account (TCEA) and half to the RMRA.
- An additional vehicle registration tax called the “Transportation Improvement Fee” with rates based on the value of the motor vehicle effective January 1, 2018.
- An additional \$100 vehicle registration tax on zero emissions vehicles of model year 2020 or later effective July 1, 2020.

The Road Repair and Accountability Act of 2017 (SB1 Beall) also adopted annual inflationary adjustments to all per-gallon motor vehicle fuel excise taxes including the rates allocated through the Highway Users Tax Account (HUTA).

Highway Users Tax Account (HUTA)

Revenue Allocations – Streets & Highways Code Sec 2103-2108 “HUTA”

Cities and counties receive revenue from the motor vehicle fuel taxes imposed pursuant to Revenue and Taxation Code Section 7360(a) and (b) through the Highway User Tax Account under the following formulas outlined in the Streets and Highways code and illustrated in Figure 1.

Section 2104. Section 2104 allocates funds to counties with designated allotments for engineering and administration, snow removal, heavy rainfall / storm damage as well as county streets, roads and public mass transit guideways and facilities.

Section 2105. Section 2105(a) allocates 11.5 percent of the tax revenues in excess of 9 cents per gallon (i.e. the Proposition 111 rate) monthly among counties based on population.

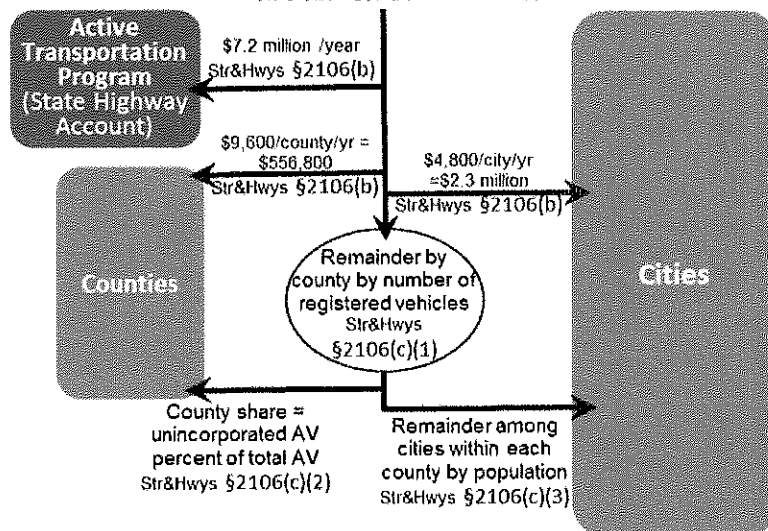
Section 2105(b) allocates 11.5 percent of the tax revenues in excess of 9 cents per gallon (i.e. the Proposition 111 rate) monthly among cities based on population.

Section 2106. Revenues equal to 1.04 cents per gallon are allocated as follows:

- \$7.2 million per year to the State Bicycle Transportation Account.
- \$400 per month to each city (\$2,308,800 per year among the 481 eligible cities¹)
- \$800 per month to each county (\$556,800 per year among the 58 counties)
- The residual amount to each county and the cities in that county based on registered vehicles. In each county, from this amount, the county receives an allotment based on the share of assessed value of the county which is in the unincorporated area. The remainder is allocated to the cities within the county based on population.

Streets & Highways Code Section 2106

Revenues equal to 1.04 cents per gallon
are allocated as follows:



¹ The city of Rolling Hills has only private streets and is therefore not eligible to receive these allocations.

Section 2107. This section provides monthly allocations to cities of 1.315 cents per gallon of gasoline, 1.8 cents per gallon of diesel, and 2.59 cents per liquefied petroleum gas (LPG), as follows.

- a. Each city with snow removal costs in excess of \$5,000 is allocated 50 percent of the cost exceeding \$5,000.
- b. The remainder is allocated to cities based on population.

Section 2107.5. These funds (about \$2.6 million per year) are allocated to cities annually in July based on population as follows:

Streets & Highway Code §2107.5	
City Population	Annual Allocation
over 500,000	\$ 20,000
100,000 to 500,000	\$ 10,000
50,000 to 99,999	\$ 7,500
25,000 to 49,999	\$ 6,000
20,000 to 24,999	\$ 5,000
15,000 to 19,999	\$ 4,000
10,000 to 14,999	\$ 3,000
5,000 to 9,999	\$ 2,000
less than 5,000	\$ 1,000

Section 2107.5 funds must be used for engineering costs and administrative expenses related to city streets. Cities with populations under 10,000 may also expend the moneys for street construction or acquisition of street rights-of-way.

Section 2103 HUTA and the 2010 Gasoline Sales Tax – Excise Tax Swap

In March 2010 as a part of a special budget session called by Governor Schwarzenegger, the Legislature enacted a swap of state sales taxes on gasoline for a gasoline excise tax. Intended to be “revenue neutral,” the fuel tax swap provided the Legislature with greater flexibility in the use of funds, in particular relieving the general fund from the cost of state transportation debt service payments. The fuel tax swap:

1. Repealed the state sales tax on gasoline (local rates including the Bradley Burns are NOT affected);
2. Increased the excise tax on gasoline by 17.322 cents and added an annual adjustment mechanism intended to ensure the new excise tax provides, over time, the same amount of revenues expected from the sales tax on gas (no more, no less);
3. Increased the sales tax on diesel by 1.75 percent and allocates 75 percent to local transit agencies and 25 percent to state transit programs. The excise tax on diesel is reduced from 18 cents to 13.6 cents. Sales tax revenues from diesel must go to transit funding.
4. Provided for a specific allocation of the funds among state and local transportation needs.

Revenues from the new Section 2103 excise tax rate are now allocated as follows:

1. State transportation debt service;
2. Remainder allocated:
 - a. 44 percent to the State Transportation Improvement Program (STIP);
 - b. 12 percent State Highway Operation and Protection Program (SHOPP);
 - c. 44 percent evenly split between cities and counties using current HUTA formulas.

Section 2103 funds are allocated to cities on a per capita basis and to counties 75 percent based on the proportion of registered vehicles and 25 percent based on the proportion of maintained county road miles.

The law includes expressed legislative intent to fully replace the local streets and road funds cities and counties would have received under Proposition 42 state sales tax on gasoline with allocations from the new higher motor vehicle excise tax (HUTA) rate.

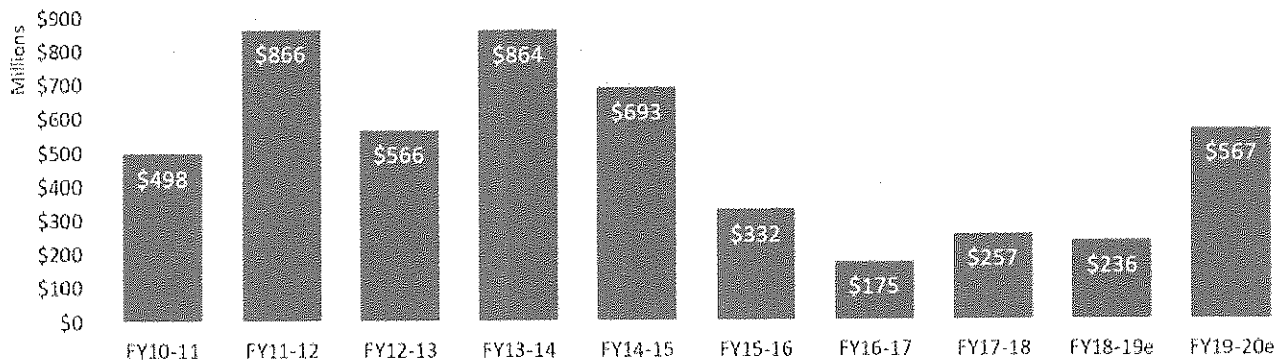
However, the swap created certain revenue effects related to the timing and receipt of revenues. In particular, the law provides that the new excise tax rate be adjusted annually by the BOE to garner an amount of revenues equal to what Prop42 would have provided in the prior year. Thus, the annual Sec 2103 funds are always “looking backward.” If the Section 2103 amounts generate less than Prop42 would have, the difference will not be made up until the following year.

In the years following the swap, there were a number of snafus and changes in interpretation of the Section 2103 allocation. In FY2011-12 SCO allocated more money to cities and counties and did not fully backfill state transportation programs for weight fees that were used for debt service and loans that those funds would have otherwise received. This was contrary to the Legislature’s intention, but the statute was not clear. The statute was clarified in the 2013 budget to clarify the original intent of the weight fee swap to fully backfill state transportation funds. [Streets & Highways Code 2103 (a)(1)(D)].

In February of 2018, the Board of Equalization failed to take action on the staff recommendation to increase the variable gasoline tax rate by 4 cents per gallon. This assumed rate increase had been built into the statewide revenue estimates computed by the California Department of Finance in the January 2018 Governor’s Proposed Budget and in the individual city and county revenue allocation estimates provided in January 2018. The Governor’s May 2018 revision included a 253.3 million downward revision in expected Section 2103 variable gas tax rate funds.

The Section 2103 Local Streets and Roads allocation to cities and counties have varied and declined dramatically and, due to BOE’s failure to enact a rate increase in 2018 will fall to \$236 million for FY2018-19.

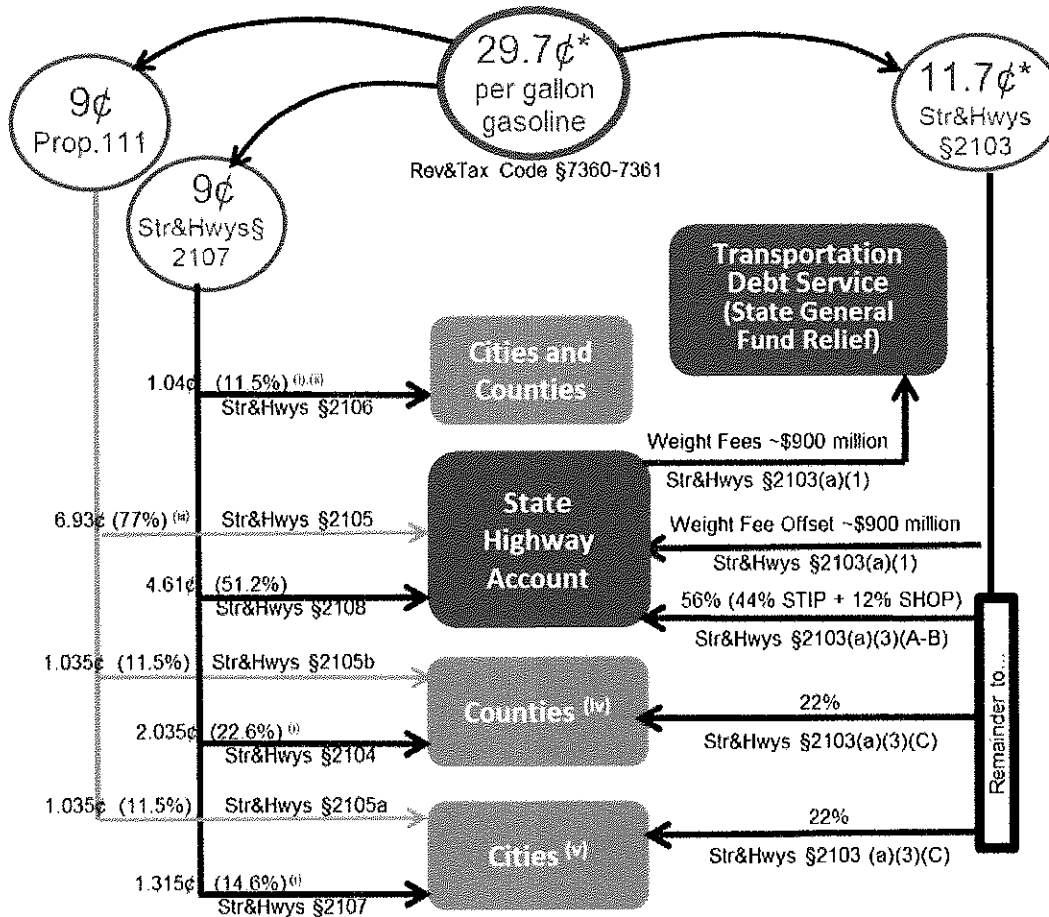
Streets & Highways Code Section 2103 Variable Gas Tax Allocations to Cities and Counties



The Road Repair and Accountability Act of 2017 (SB1 Beall) removes BOE’s discretionary rate setting role over the Section 2103 variable rate and resets the variable rate at 17.3 cents per gallon on July 1, 2019, up from the current 11.7 cents. This adjustment will add roughly \$350 million of LSR revenue, more doubling Section 2103 revenue allocations for FY2019-20 over the prior year.

Price-Based (Fuel Tax Swap) Rates		
Effective Date	Variable Rate	Total Rate / Gallon
July 1, 2010	\$0.173	\$0.353
July 1, 2011	\$0.177	\$0.357
July 1, 2012	\$0.180	\$0.360
July 1, 2013	\$0.215	\$0.395
July 1, 2014	\$0.180	\$0.360
July 1, 2015	\$0.120	\$0.300
July 1, 2016	\$0.098	\$0.278
July 1, 2017	\$0.117	\$0.297
July 1, 2018	\$0.117	\$0.297
July 1, 2019	\$0.173	\$0.353

Allocation of Highway User Tax Revenues



*This is the current rate through June 30, 2018. In February 2018, the BOE will announce a rate adjustment effective July 1, 2018. Effective July 1, 2019 the §2103 rate is reset to 17.3 cents per gallon and adjusted annually for inflation thereafter. For current rates see https://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm

- (i) The 4.39¢ local share of diesel fuel tax is allocated 1.8¢ to counties and 2.59¢ to cities.
- (ii) Str&Hwy Code §2106 funds are distributed based on registered vehicles, assessed property valuation, and population.
- (iii) A portion of funds in State Highway Account is allocated among counties and cities for Regional Transportation Improvement Programs.
- (iv) County apportionments are based on numbers of registered vehicles and county road mileage.

Changes to HUTA Allocated Rates, Including the Variable Rate by the Road Repair and Accountability Act of 2017 (SB1 Beall)

In addition to increasing various fuel and motor vehicle registration taxes, the Road Repair and Accountability Act of 2017 (SB1 Beall) will reset the price-based gasoline excise tax to its 2010 year original 17.3 cent per gallon rate on July 1, 2019 and eliminate the complicated and problematic price-based rate adjustment procedure.

With regard to diesel fuel taxes, SB1 eliminated upon its enactment the price-based adjustment mechanism applied to the diesel fuel tax rate. The diesel fuel tax rate will remain at its current 16 cents per gallon until July 1, 2020.

On July 1, 2020, and every July 1 thereafter, the gasoline and diesel fuel excise tax rates including the 18 cent per gallon base rate, the 17.3 percent per gallon rate, the diesel fuel excise tax rate and vehicle registration taxes will be increased by the change in the California Consumer Price Index.

Use of Funds: HUTA

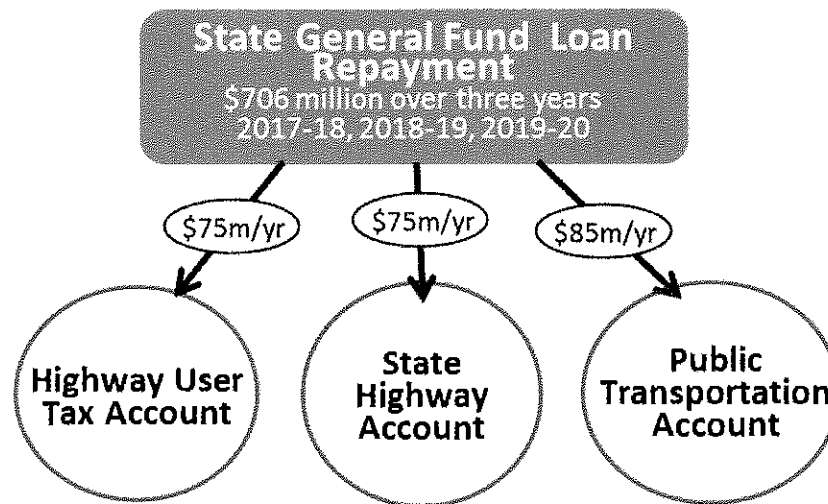
The use of local Motor Vehicle Fuel Tax funds is restricted by Article XIX of the California State Constitution and by Streets and Highways Code Section 2101. All Motor Vehicle Fuel Tax funds allocated from the Highway Users Tax Account must be expended for the following:

- (a) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.
- (b) The research and planning for exclusive public mass transit guideways (and their related fixed facilities), the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.
- (c) The construction and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways.
- (d) The payment of principal and interest on voter-approved bonds issued for the purposes specified above.

Three Year State General Fund TCRF Loan Repayment Funds

SB1 stipulates the repayment of \$706 million by the state General Fund to transportation funds over three fiscal years: 2017-18, 2018-19, and 2019-20. Under SB1, \$75 million are to be allocated to local streets and roads from repayments of Transportation Congestion Relief Funds (TCRF) in each of these three years. These funds are allocated half to cities and half to counties with the city funds allocated among cities on a per capita basis, the county funds allocated among counties based on numbers of registered vehicles and county road mileage. These revenues may be deposited in local HUTA funds.²

² Note that the "loan repayment" is between the state general fund and state transportation funds. From an accounting standpoint this is NOT a debt repayment to local agencies, it is simply revenue.



However, these TCRF funds carry slightly different use requirements than HUTA funds. TCRF funds may be expended only for street and highway maintenance, rehabilitation, reconstruction or storm damage repair. For these purposes,

- “Maintenance” means patching and/or overlay and sealing.
- “Reconstruction” includes any overlay, sealing or widening of the roadway, if the widening is necessary to bring the roadway width to the state minimum standards, but does not include widening for the purpose of traffic capacity.
- “Storm damage repair” is repair or reconstruction of local streets and highways and related drainage improvements that have been damaged due to winter storms and flooding, and construction of drainage improvements to mitigate future roadway flooding and damage problems, in those jurisdictions that have been declared disaster areas by the President of the United States.

Road Maintenance and Rehabilitation Account (RMRA)

Revenue Allocations – Streets & Highways Code Sec 2031 “RMRA”

The Road Repair and Accountability Act of 2017 (SB1 Beall) is a significant new investment in California’s transportation systems of about \$5.2 billion per year. The Act increases per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration taxes, stabilizes the problematic price-based fuel tax rates and provides for inflationary adjustments to rates in future years. The Act will more than double local streets and road funds allocated through the Highway Users Tax Account, allocating funds from new taxes through a new Road Maintenance and Rehabilitation Account (RMRA).

The RMRA receives funds³ from the following new taxes imposed under the Road Repair and Accountability Act of 2017:

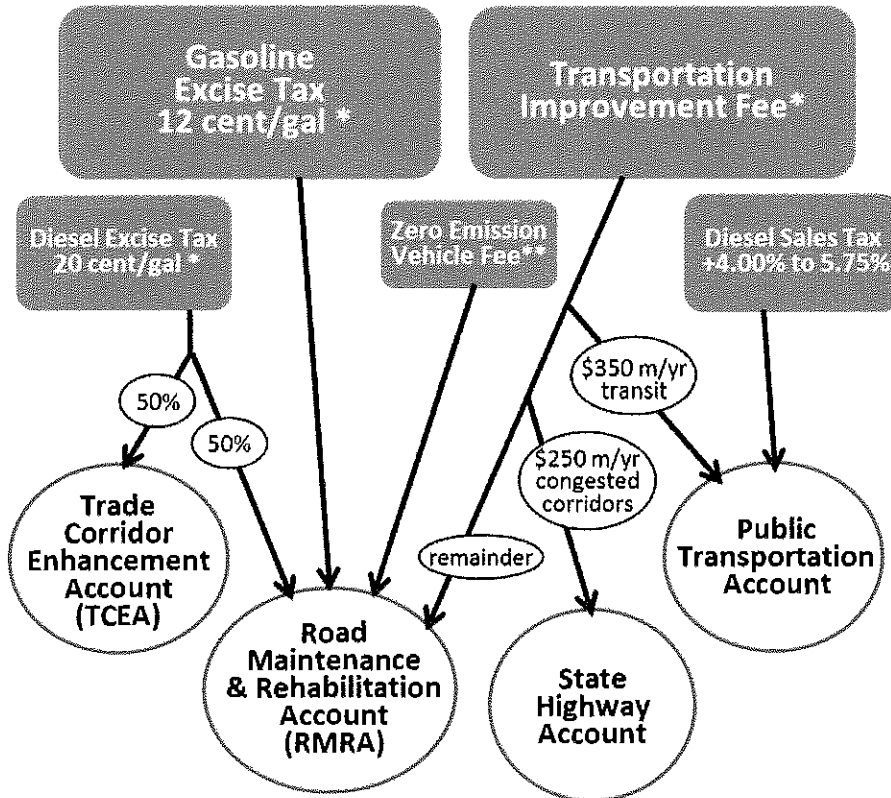
- A 12 cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- A 20 cent per gallon increase to the diesel fuel excise tax effective November 1, 2017, half of which will be allocated to Trade Corridors Enhancement Account (TCEA) with the remaining half to the RMRA.

³ In addition, funds from a 4 percent increase in the diesel sales tax to 5.75 percent from the prior 1.75 percent effective November 1, 2017 are allocated to the Public Transportation Account.

- A new vehicle registration tax called the “transportation improvement fee,” effective January 1, 2018, based on the market value of the vehicle.
- An additional new \$100 vehicle registration tax on zero emission vehicles model year 2020 and later effective July 1, 2020.
- Annual rate increases to these taxes beginning July 1, 2020 (July 1, 2021 for the ZEV fee), and every July 1 thereafter for the change in the California Consumer Price Index. The first adjustment to be made on July 1, 2020 will cover CPI change for two years: November 1, 2017 through November 12, 2019.

Transportation Improvement Fee (Vehicle Registration Tax) SB1 (2017) Rev&Tax §11050	
Vehicle Value	Fee
Under \$5,000.....	\$25
\$5,000-\$24,999.....	\$50
\$25,000-\$34,999.....	\$100
\$35,000-\$59,999.....	\$150
\$60,000 and over.....	\$175

Road Maintenance and Rehabilitation Account Revenues



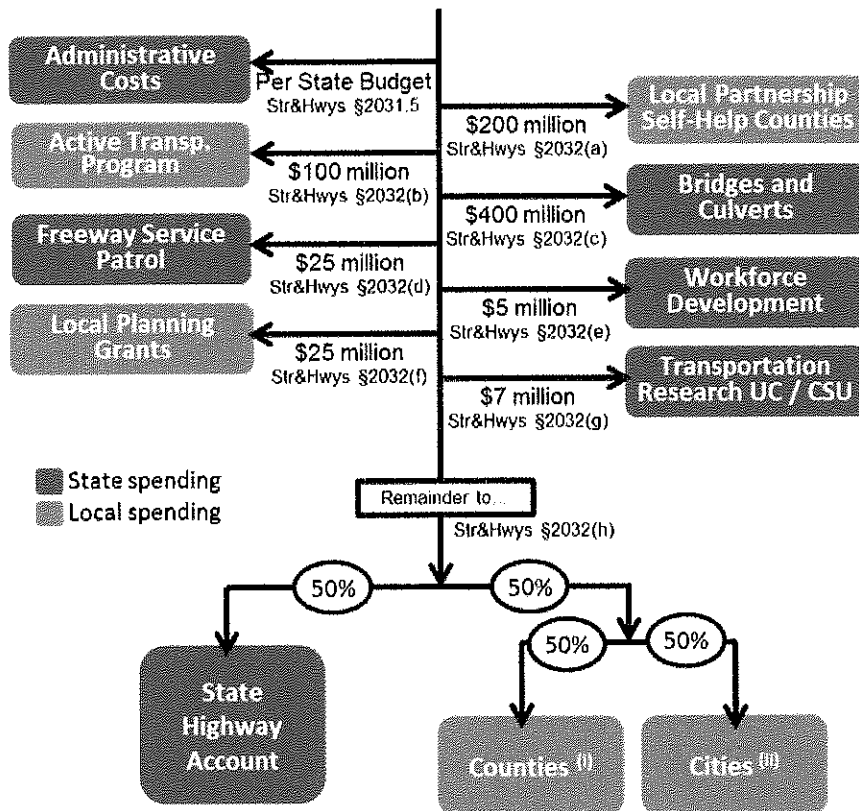
* adjusted for inflation annually beginning 7/1/2020
 ** effective 7/1/2020 adjusted for inflation annually beginning 7/1/2021

The Road Repair and Accountability Act directs the State Controller to allocate, on a monthly basis, fifty percent of the revenues in the RMRA to the State Highway Operation and Protection Program (SHOP) in the State Highway Account and half to cities and counties. But there are a series of specific program allocations, subject to appropriation in the annual state budget, to be taken out first:

1. Administrative costs.
2. \$200 million for the State-Local-Partnership Program for existing and aspiring self-help jurisdictions.

3. \$100 million annually for the Active Transportation Program for the purpose of encouraging increased use of active modes of transportation, such as biking and walking.
4. \$400 million for state bridge and culvert maintenance and rehabilitation.
5. \$25 million for the state’s Freeway Service Patrol program.
6. \$5 million for five years through FY 2021-22 for pre-apprenticeship training programs of the California Workforce Development Board.
7. \$25 million for local planning grants to encourage local and regional planning.
8. \$7 million for transportation research and transportation-related workforce education, training, and development including \$5 million to the University of California and \$2 million to the California State University.

Allocation of Road Maintenance and Rehabilitation Account Revenues



(i) County apportionments are based on numbers of registered vehicles and county road mileage.
 (ii) City apportionments are based on population.

Use of Funds: RMRA [Streets and Highways Code Section 2030]

The use of RMRA local streets and roads funds is similar but, not identical, to HUTA use rules. Pursuant to Streets and Highways Code Section 2030, RMRA local streets and roads allocations must be used for projects “that include, but are not limited to,” the following

- Road maintenance and rehabilitation
- Safety projects

- Railroad grade separations
- Traffic control devices
- Complete street components, “including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm-water capture projects in conjunction with any other allowable project.”

RMRA funds may also be used to satisfy a match requirement in order to obtain state or federal funds for eligible projects.

SB1 also contains non-obligatory intent language regarding the use of funds. “To the extent possible and cost effective,” cities and counties are to use a use:

- advanced recycling techniques that reduce greenhouse gas emissions;
- automotive technologies, ZEV fueling, infrastructure-to-vehicle;
- communications autonomous vehicle systems;
- resiliency re climate change, fires, floods, sea level rise; and
- complete street elements, access for bicycles, pedestrians.

If a city or county has an average Pavement Condition Index that meets or exceeds 80, the city or county may spend its RMRA funds on transportation priorities other than these. [Streets and Highways Code Sec 2037]

Maintenance of Effort: RMRA [Streets and Highways Code Sec 2036]

The Road Repair and Accountability Act contains a local agency maintenance of effort (MOE) requirement that applies to funds allocated through the RMRA. The Act states that the MOE requirement is to ensure that these new roads funds do not supplant existing levels of city and county general revenue spending on streets and roads. The MOE for the receipt of RMRA funds state that a city or county must maintain general fund spending for street, road, and highway purposes at no less than average of 2009–10, 2010–11, and 2011–12 years. In making this calculation an agency may exclude one-time funds. A city or county that fails to comply in a particular year may make it up with in additional expenditures in the following year.

The Act provides that the State Controller may perform audits to ensure compliance with these MOE rules. If the State Controller determines that a city or county has not met it’s MOE, the agency will be required to reimburse the state for the funds it received during that fiscal year. However, a city or county that fails to comply in a particular fiscal year may expend during that fiscal year and the following fiscal year a total amount that is sufficient to comply. Any funds withheld or returned as a result of a failure to comply will be reapportioned to the other counties and cities whose expenditures are in compliance.

For further guidance, see the State Controller’s *“Guidelines Relating to Gas Tax Expenditures for Cities and Counties.”*

Spending Plans and Reports: RMRA [Streets and Highways Code Sec 2034]

The Road Repair and Accountability Act stipulates that, prior to receiving RMRA funds in a fiscal year, a city or county must submit to the California Transportation Commission (CTC) a project list pursuant to an adopted budget. The list must include for each project: description, location, schedule, useful life. [Streets and Highways Code Sec 2034(a)]

The Road Repair and Accountability Act also requires that a city or county submit to the CTC an annual report of project completion in order to receive RMRA funds. The report must include descriptions of all projects for which

RMRA funds were expended including: description, location, funds expended, completion date, estimated useful life of the project.

There are no additional use or reporting requirements on Highway Users Tax Account funds (Streets and Highways Code Sec 2103-2107) or on the three year transportation loan repayment funds.

Budgeting and Accounting for RMRA Funds: The ~60 Day Delay

The allocation of Road Maintenance and Rehabilitation Account (RMRA) revenues to cities and counties takes many weeks. It takes the State Controller's Office roughly 30 to 60 days from the time of revenue collection by the state, through the various statutory set asides to distribute the funds to cities and counties in monthly allocations. Consequently, the estimates shown in this report are for revenues collected for July through June are not received on a cash basis by local agencies until September through August. That is, the FY2018-19 figure for your agency is revenues collected in and for July 2018 through June 2019, but distributed in monthly allocations September 2018 through August 2019. Cities and counties thus have two choices in the budgeting and accounting of RMRA revenues:

- 1) apply a 60 day accrual policy to RMRA funds (*recommended*); or
- 2) adjust RMRA budgets downward (especially in FY2017-18) to reflect a distributed cash basis.

Local Streets and Roads (HUTA and RMRA) Revenue Estimates for FY2018-19 and FY2019-20

City by city and county by county estimates were generated using a model reflecting the local allocation formulas, latest population figures used by the State Controller for allocations and state Department of Finance (DOF) estimates of statewide HUTA and RMRA tax revenues provided in the Governor's 2017-18 budget proposal and in analyses of SB1(Beall), The Road Repair and Accountability Act of 2017.

HUTA

The Streets and Highways Code Section 2104-2107 allocations are based on the base 18 cent per gallon rate that does not change. As a result, those allocations are more stable, although they are now declining with fuel efficiency and increasing use of alternative transportation fuels. Statewide fuel consumption (gallons) has been relatively flat in recent years. The estimates released this month by the State Department of Finance for FY2018-19 are **about 1 percent down from prior (May 2018) estimates** for the year. Nevertheless, they indicate that FY2018-19 allocations to cities and counties from the Section 2104-2107 base HUTA will increase about 3.8 percent over FY2017-18 actuals. FY2019-20 allocations of Section 2104-2107 base HUTA are projected to *decline* by about 0.5 percent from the current year.

Revenue from the price-based rate allocated pursuant to Streets and Highways Code Section 2103 are currently affected by the complex fuel tax swap adjustment procedure which has caused wide swings. The significant downturns in revenue for many years through FY2018-19 have been largely due to falling gasoline prices and consumption as well as "true ups" under the fuel tax swap system.

State Department of Finance estimates for Section 2103 revenues in FY2018-19 are **about 6.7 percent down from May 2018 estimates** for the year. Section 2103 HUTA allocations for FY2018-19 are projected to **decrease** about 8.2 percent from FY2017-18, about 35 percent above the low 2016-17 year allocations. As described earlier, the Section 2103 rate will be reset to 17.3 cents per gallon on July 1, 2019. DOF estimates Section 2103

revenues to cities and counties will increase 140 percent from \$236 million in FY2018-19 to \$567.2 million in FY2019-20.

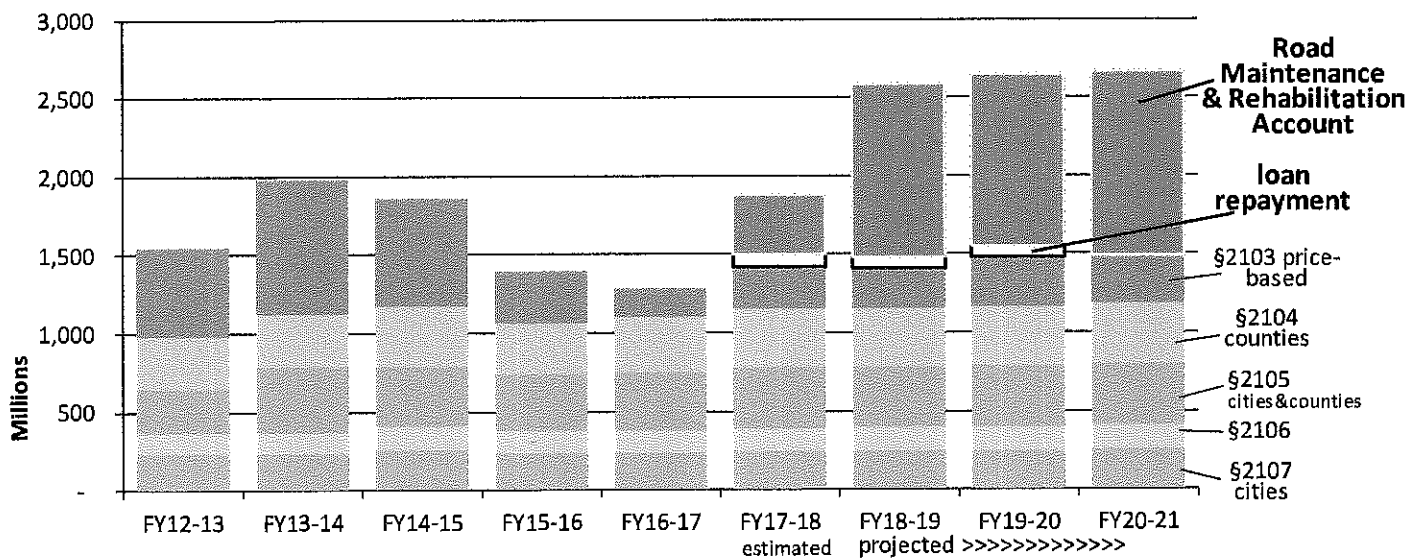
All together, DOF estimates for FY2018-19 Section 2103-2107 HUTA revenues are **about 2 percent down from prior (May 2018) estimates** due to lower than predicted fuel consumption.

RMRA

The new Road Repair and Accountability Act (SB1) taxes that provide funding to cities and counties through the Revenues to the Road Maintenance and Rehabilitation Account (RMRA) began on November 1, 2017 when the new per-gallon fuel excise taxes took effect. On January 1, 2018, the new vehicle registration tax, the "Transportation Improvement Fee," took effect. Cities, counties and other recipients of these revenues are now seeing the first full year of these revenues in FY2018-19. The zero emission vehicle registration tax begins on July 1, 2020.

DOF estimates of RMRA revenues for 2018-19 are 4.6 percent down from May 2018 estimates. While also due to lower than predicted fuel consumption, the effect on RMRA revenues to cities and counties differs from HUTA because there are certain fixed allocations of funds prior to the city and county allocations. RMRA funds for 2019-20 are estimated to grow by 4.4 percent over the current year.

California Local Streets and Roads Program - State Funds to Cities and Counties



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ATTACHMENTS:

- A) Local Streets and Roads - Projected Individual City Revenues – FY2018-19
- B) Local Streets and Roads - Projected Individual City Revenues – FY2019-20
- C) Local Streets and Roads - Projected Individual County Revenues – FY2018-19*
- D) Local Streets and Roads - Projected Individual County Revenues – FY2019-20*

**coming soon.*

Local Streets and Roads - Projected FY2019-20 Revenues

Based on State Dept of Finance statewide revenue projections as of January 2019
 Estimated 15 January 2019

	Highway Users Tax Acct (HUTA) Streets & Highways Code					TOTAL HUTA	TCRF Loan Repayment ⁽⁶⁾	SBI Road Maintnc Rehab Acct ⁽⁷⁾	TOTAL
	Sec2103 ⁽³⁾	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾				
SACRAMENTO COUNTY									
CITRUS HEIGHTS	748,232	488,067	335,794	640,902	7,500	2,220,496	98,935	1,452,092	3,771,522
ELK GROVE	1,467,927	967,520	654,165	1,257,361	10,000	4,346,973	194,096	2,848,801	7,389,870
FOLSOM	669,052	436,418	300,767	573,080	7,500	1,986,817	88,465	1,298,426	3,373,708
GALT	221,900	144,744	102,962	190,070	6,000	665,675	29,341	430,640	1,125,656
ISLETON	7,139	4,656	7,958	6,115	1,000	26,867	944	13,854	41,665
RANCHO CORDOVA	632,916	412,847	284,782	542,127	7,500	1,880,171	83,687	1,228,297	3,192,155
SACRAMENTO	4,275,817	2,789,088	1,886,287	3,662,475	20,000	12,643,667	565,368	8,298,063	21,507,098
SAN BENITO COUNTY									
HOLLISTER	313,029	204,187	131,042	268,127	6,000	922,385	41,390	607,495	1,571,270
SAN JUAN BAUTISTA	15,974	10,420	11,242	13,683	1,000	52,319	2,112	31,001	85,433
SAN BERNARDINO COUNTY									
ADELANTO	301,004	196,343	126,587	257,626	6,000	886,760	39,800	584,157	1,510,717
APPLE VALLEY	630,988	411,589	258,004	540,476	7,500	1,848,557	83,432	1,224,556	3,156,546
BARSTOW	208,194	135,804	88,344	178,330	5,000	615,673	27,528	404,042	1,047,243
BIG BEAR LAKE	47,010	30,664	23,664	415,793	2,000	519,132	6,216	91,233	616,580
CHINO	739,925	482,648	301,718	633,787	7,500	2,155,579	97,836	1,435,970	3,689,385
CHINO HILLS	709,239	462,632	289,404	607,503	7,500	2,076,278	93,779	1,376,417	3,546,474
COLTON	458,196	298,879	188,666	392,471	7,500	1,345,711	60,585	889,220	2,295,516
FONTANA	1,808,086	1,179,403	730,351	1,548,726	10,000	5,276,567	239,073	3,508,947	9,024,587
GRAND TERRACE	106,814	69,674	47,662	91,492	3,000	318,641	14,123	207,293	540,057
HESPERIA	808,769	527,555	329,344	692,756	7,500	2,355,923	106,939	1,569,575	4,042,437
HIGHLAND	467,041	304,648	192,215	400,046	7,500	1,371,449	61,754	906,384	2,339,587
LOMA LINDA	204,228	133,217	86,753	174,933	5,000	604,131	27,004	396,345	1,027,481
MONTCLAIR	335,400	218,779	139,390	287,289	6,000	966,858	44,348	650,910	1,662,115
NEEDLES	44,153	28,801	22,518	37,820	2,000	135,291	5,838	85,688	226,817
ONTARIO	1,514,605	987,967	612,582	1,297,343	10,000	4,422,497	200,288	2,939,388	7,562,154
RANCHO CUCAMONGA	1,506,776	982,860	609,441	1,290,637	10,000	4,399,713	199,233	2,924,194	7,523,140
REDLANDS	607,210	386,079	248,462	520,109	7,500	1,779,360	80,288	1,178,410	3,038,058
RIALTO	912,922	565,493	371,138	781,968	10,000	2,671,521	120,711	1,771,704	4,563,935
SAN BERNARDINO	1,885,953	1,230,195	761,597	1,615,424	10,000	5,503,170	249,369	3,660,063	9,412,602
TWENTYNINE PALMS	230,667	150,463	97,362	197,579	6,000	682,072	30,500	447,656	1,160,228
UPLAND	656,856	428,463	268,384	562,633	7,500	1,923,835	86,852	1,274,757	3,286,445
VICTORVILLE	1,055,010	688,176	428,155	909,674	10,000	3,085,016	139,498	2,047,454	5,271,968
YUCAIPA	466,102	304,036	191,838	399,243	7,500	1,368,719	61,630	904,563	2,334,912
YUCCA VALLEY	186,216	121,467	79,525	159,504	5,000	551,712	24,622	361,388	937,723

Local Streets and Roads - Projected FY2018-19 Revenues

Based on State Dept of Finance statewide revenue projections as of January 2019
 Estimated 15 January 2019

	Highway Users Tax Acct (HUTA) ⁽¹⁾ Streets & Highways Code					TOTAL HUTA	TCRF Loan Repayment ⁽⁵⁾	Road Maintnrc Rehab Acct ⁽⁷⁾	TOTAL
	Sec2103 ⁽³⁾	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾				
SACRAMENTO COUNTY									
CITRUS HEIGHTS	311,204	491,002	337,825	644,862	7,500	1,792,393	98,935	1,391,152	3,282,479
EIK GROVE	610,538	963,278	658,148	1,265,130	10,000	3,507,094	194,096	2,729,246	6,430,436
FOLSOM	276,271	439,043	302,583	576,621	7,500	1,604,017	88,465	1,243,935	2,936,417
GALT	92,292	145,614	103,564	191,244	6,000	538,714	29,341	412,568	980,623
ISLETON	2,969	4,684	7,977	6,152	1,000	22,783	944	13,272	36,999
RANCHO CORDOVA	263,241	415,329	286,499	545,477	7,500	1,518,047	83,687	1,176,749	2,778,483
SACRAMENTO	1,778,391	2,805,861	1,907,888	3,685,105	20,000	10,197,245	565,368	7,949,819	18,712,432
SAN BENITO COUNTY									
HOLLISTER	130,195	205,415	131,816	269,784	6,000	743,210	41,390	582,000	1,366,600
SAN JUAN BAUTISTA	6,644	10,483	11,282	13,767	1,000	43,176	2,112	29,700	74,988
SAN BERNARDINO COUN									
ADELANTO	125,193	197,524	126,328	269,419	6,000	714,464	39,800	559,642	1,313,906
APPLE VALLEY	262,440	414,065	259,557	543,816	7,500	1,487,376	83,432	1,173,165	2,743,974
BARSTOW	86,592	136,620	88,857	179,432	5,000	496,501	27,528	387,086	911,115
BIG BEAR LAKE	19,562	30,849	23,780	416,042	2,000	492,223	6,216	87,404	585,843
CHINO	307,749	485,551	303,539	637,703	7,500	1,742,042	97,836	1,375,707	3,215,585
CHINO HILLS	294,986	465,414	291,150	611,256	7,500	1,670,306	93,779	1,318,653	3,082,738
COLTON	190,572	300,676	189,793	394,896	7,500	1,083,437	60,585	851,902	1,995,924
FONTANA	752,016	1,186,496	734,801	1,558,296	10,000	4,241,609	239,073	3,361,687	7,842,369
GRAND TERRACE	44,426	70,093	47,925	92,057	3,000	257,501	14,123	198,593	470,217
HESPERIA	336,382	530,727	331,334	697,036	7,500	1,902,979	106,939	1,503,705	3,513,623
HIGHLAND	194,251	306,480	193,364	402,518	7,500	1,104,113	61,754	868,346	2,034,213
LOMA LINDA	84,942	134,018	87,256	176,014	5,000	487,230	27,004	379,712	893,946
MONTCLAIR	139,499	220,095	140,215	289,064	6,000	794,878	44,348	623,593	1,462,814
NEEDLES	18,364	28,974	22,626	38,053	2,000	110,018	5,838	82,092	197,948
ONTARIO	629,952	993,908	616,310	1,305,359	10,000	3,555,530	200,268	2,816,031	6,571,829
RANCHO CUCAMONGA	626,696	988,771	613,149	1,298,612	10,000	3,537,227	199,233	2,801,475	6,537,934
REDLANDS	252,550	398,461	249,956	523,323	7,500	1,431,790	80,288	1,128,956	2,641,034
RIALTO	379,701	599,074	373,385	786,800	10,000	2,148,960	120,711	1,697,351	3,967,021
SAN BERNARDINO	784,403	1,237,593	766,239	1,625,405	10,000	4,423,641	249,369	3,506,462	8,179,472
TWENTYNINE PALMS	95,939	151,368	97,930	198,800	6,000	550,037	30,500	428,869	1,009,406
UPLAND	273,198	431,039	270,000	566,110	7,500	1,547,848	86,852	1,221,260	2,855,960
VICTORVILLE	438,798	692,315	430,752	909,258	10,000	2,481,123	139,498	1,961,529	4,582,150
YUCAIPA	193,861	305,864	192,985	401,709	7,500	1,101,919	61,630	866,602	2,030,151
YUCCA VALLEY	77,451	122,198	79,983	160,490	5,000	445,121	24,622	346,222	815,966

SB1

Local Streets and Roads - Projected FY2019-20 Revenues

Based on State Dept of Finance statewide revenue projections as of January 2019

Estimated 15 January 2019

	Highway Users Tax Acct (HUTA) ⁽¹⁾ Streets & Highways Code					TOTAL HUTA	TCRF Loan Repayment ⁽⁶⁾	Road Maintnc Rehab Acct ⁽⁷⁾	TOTAL
	Sec2103 ⁽⁵⁾	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾				
SACRAMENTO COUNTY									
CITRUS HEIGHTS	748,232	488,067	335,794	640,902	7,500	2,220,496	98,935	1,452,092	3,771,622
ELK GROVE	1,467,927	957,520	654,165	1,257,361	10,000	4,346,973	194,096	2,848,801	7,389,870
FOLSOM	669,052	436,418	300,767	573,080	7,500	1,966,517	88,465	1,298,426	3,373,708
GALT	221,900	144,744	102,962	190,070	6,000	665,675	29,341	430,640	1,125,656
ISLETON	7,139	4,656	7,958	6,115	1,000	26,867	944	13,854	41,665
SACRAMENTO	632,916	412,847	284,782	542,127	7,500	1,880,171	83,687	1,228,297	3,192,155
SAN BENITO COUNTY	4,275,817	2,789,088	1,896,287	3,662,475	20,000	12,643,667	565,368	8,298,063	21,507,098
HOLLISTER	313,029	204,187	131,042	268,127	6,000	922,385	41,390	607,495	1,571,270
SAN JUAN BAUTISTA	15,974	10,420	11,242	13,683	1,000	52,319	2,112	31,001	86,433
SAN BERNARDINO COUNTY									
ADELANTO	301,004	196,343	125,587	257,826	6,000	886,760	39,800	584,157	1,510,717
APPLE VALLEY	630,988	411,589	258,004	540,476	7,500	1,848,557	83,432	1,224,556	3,156,546
BARSTOW	208,194	135,804	88,344	178,330	5,000	615,673	27,528	404,242	1,047,243
BIG BEAR LAKE	47,010	30,664	23,664	415,783	2,000	519,132	6,216	91,233	616,580
CHINO	739,925	482,648	301,718	633,787	7,500	2,165,579	97,836	1,435,970	3,699,385
CHINO HILLS	709,239	462,632	289,404	607,503	7,500	2,076,278	93,779	1,376,417	3,546,474
COLTON	458,196	298,879	188,666	392,471	7,500	1,345,711	60,585	889,220	2,295,516
FONTANA	1,808,086	1,179,403	730,351	1,548,726	10,000	5,276,567	239,073	3,508,947	9,024,587
GRAND TERRACE	106,814	69,674	47,662	91,492	3,000	316,641	14,123	207,293	540,057
HESPERIA	808,769	527,555	329,344	692,756	7,500	2,365,923	106,939	1,569,575	4,042,437
HIGHLAND	467,041	304,648	192,215	400,046	7,500	1,371,449	61,754	906,384	2,339,587
LOMA LINDA	204,228	133,217	86,753	174,933	5,000	604,131	27,004	396,345	1,027,481
MONTCLAIR	335,400	218,779	139,390	287,289	6,000	986,858	44,348	650,910	1,682,115
NEEDLES	44,153	28,801	22,518	37,820	2,000	135,291	5,838	85,688	226,817
ONTARIO	1,514,605	987,967	612,582	1,297,343	10,000	4,422,497	200,268	2,939,388	7,562,154
RANCHO CUCAMONGA	1,506,776	982,860	609,441	1,290,637	10,000	4,399,713	199,233	2,924,194	7,523,140
REDLANDS	607,210	396,079	248,462	520,109	7,500	1,779,360	80,288	1,178,410	3,038,058
RIALTO	912,922	595,493	371,138	781,968	10,000	2,671,521	120,711	1,771,704	4,563,935
SAN BERNARDINO	1,886,953	1,230,195	761,597	1,615,424	10,000	5,503,170	249,369	3,660,063	9,412,602
TWENTYNINE PALMS	230,667	150,463	97,362	197,579	6,000	682,072	30,500	447,656	1,160,228
UPLAND	656,856	428,463	268,384	562,633	7,500	1,923,835	86,852	1,274,757	3,285,445
VICTORVILLE	1,055,010	688,176	428,155	903,674	10,000	3,085,016	139,498	2,047,454	5,271,968
YUCAIPA	466,102	304,036	191,838	399,243	7,500	1,368,719	61,630	904,563	2,334,912
YUCCA VALLEY	166,216	121,467	79,525	159,504	5,000	551,712	24,622	361,388	937,723

SBI

Local Streets and Roads - Projected FY2019-20 Revenues

Based on State Dept of Finance statewide revenue projections as of January 2019

Estimated 15 January 2019

	Highway Users Tax Acct (HUTA) Streets & Highways Code				TOTAL HUTA	TCRF Loan Repayment ⁽⁶⁾	Road Maintnc Rehab Acct ⁽⁷⁾	TOTAL
	Sec2103 ⁽⁵⁾	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾				
VENTURA COUNTY							SBI	
CAMARILLO	586,272	382,421	251,502	502,175	7,500	1,729,870	77,520	1,137,776
FILMORE	136,058	88,750	62,053	116,542	4,000	407,403	17,990	264,048
WOODRICK	315,938	206,084	137,746	270,618	6,000	936,385	41,775	613,139
OJAI	65,492	42,720	32,369	56,097	2,000	198,668	8,660	127,100
OXNARD	1,761,170	1,148,800	745,897	1,508,540	10,000	5,174,407	232,870	3,417,896
PORT HUENEME	204,083	133,122	90,678	174,809	5,000	607,693	26,985	1,030,742
SAN BUENAVENTURA	948,981	619,014	404,129	812,855	10,000	2,794,979	125,479	1,841,684
SANTA PAULA	265,567	173,228	116,550	227,473	6,000	788,817	35,114	515,385
SIMI VALLEY	1,098,157	716,320	466,902	940,632	10,000	3,232,011	145,203	2,131,189
THOUSAND OAKS	1,110,404	724,309	472,056	951,123	10,000	3,267,891	146,823	2,154,957
YOLO COUNTY								
DAVIS	585,956	382,216	240,393	501,904	7,500	1,777,969	77,478	1,137,164
WEST SACRAMENTO	461,940	301,321	190,530	395,678	7,500	1,356,969	61,080	896,486
WINTERS	62,191	40,567	29,805	53,270	2,000	187,834	8,223	120,695
WOODLAND	515,356	336,163	212,006	441,431	7,500	1,512,456	68,143	1,000,149
YUBA COUNTY								
MARYSVILLE	102,959	67,159	42,591	86,190	3,000	303,889	13,614	199,811
WHEATLAND	29,825	19,455	15,747	25,547	1,000	91,573	3,944	57,881
Statewide Total	\$283,608,500	\$184,996,000	\$114,189,347	\$246,856,500	\$2,701,500	\$869,851,847	\$37,500,000	\$550,398,000
								\$1,420,249,847

Notes:

1. The Highway Users Tax is also known as the "Motor Vehicle Fuel Tax", the "Gasoline Excise Tax" and "Article XIX Revenues."
2. Rolling Hills has no public streets and is therefore not eligible for Highway Users Tax allocations.
3. Str&HwysCode §§ 2103, 2105, 2106, 2107 and RMRRA amounts are paid monthly. Includes special payments for snow removal.
4. Str&HwysCode § 2107.5 amounts are typically paid by the State Controller once per year in July.
5. Str&HwysCode § 2103 allocations replace the former Prop42 revenues. This is the price-based fuel tax rate, adjusted annually by the BOE until 2019.
6. Pursuant to the Road Repair and Accountability Act of 2017, the state general fund will repay loans from transportation funds totaling \$706 million over three years and in monthly installments beginning FY2017-18. Local streets and roads will be paid \$225 million in each year, half to cities, half to counties. See Gov Code Sec 16321.
7. Road Maintenance and Rehabilitation Account (RMRRA - Streets and Highways Code Sec 2030 et sec.) Includes funds from the following taxes enacted by the Road Repair and Accountability Act of 2017: the 12 cent gasoline excise tax, 20 cent diesel fuel excise tax, transportation improvement fees and transportation loan repayments.

Measure | Pass Through Calculation

	Population	Revenue	\$1,260,827.00 Total MSI Revenue FY 2018
BBL	5512	10.40%	\$394,415.69 BBL Share
County	36119	68.16%	\$711,675.70 County Share
Lake Gregory	11362	21.44%	\$154,735.60 Lake Gregory Share
	52993		

Bradley Burns Revenue Generation

	BBL	County	Lake Gregory	Final County (County-Lake Gregory)
Sep				
Oct				
Nov				
Dec	531294	532120	33298	498822
Jan				
Feb				
Mar	573759	512827	22276	490551
Apr				
May				
Jun	458673	396748	29198	367550
Jul				
Aug				
Sep	375394	336593	30636	305957
Total	1939120		115408	1662880
Percentage	52.16%		3.10%	44.73%

Re: Information for SBCTA

Kathy McDonald <macland.48@gmail.com>
To: Louis Vidaure <lvidaure@gosbcta.com>

Fri, Jan 25, 2019 at 11:32 AM

Morning Louis,

I have forwarded on your response to the committee but I do have a couple of questions since there were no description or details included:

1. Can you provide a brief explanation on the Measure I pass through as to why BBL share with 10.4% of the population would be more than 2 times that of Lake Gregory with 21.4% of the population. I could speculate but it would be helpful to have your response.
2. The Bradley Burns is the Local Transportation Sales Tax distribution which is restricted to transportation uses. Correct?

Thanks -- Kathy

KATHLEEN ROLLINGS-McDONALD
Rollings & McDonald Consulting
Phone: (909)801-9568

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EXHIBIT N

CRESTLINE SANITATION DISTRICT

FORECAST

CRESTLINE SANITATION DISTRICT

AUDITS

ADOPTED

FORECAST

For the Year Ended June 30,

BUDGET

Provided in Adopted 2019 Crestline Budget

YEAR ENDING JUNE 30

Committee Estimate

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUE													
Charges for Service:	\$ 2,384,126	\$ 2,279,304	\$ 2,367,153	\$ 2,554,930	\$ 2,785,088	\$ 2,965,067	\$ 3,174,773	\$ 3,416,690	\$ 3,499,211	\$ 3,499,211	\$ 3,499,211	\$ 3,499,211	\$ 3,499,211
Permits and Inspection	\$ 2,128	\$ 26,589	\$ 24,404	\$ 29,671	\$ 30,040	\$ 30,867	\$ 29,125	\$ 29,215	\$ 29,125	\$ 29,125	\$ 29,125	\$ 29,125	\$ 29,125
Connection Fees	\$ 7,507	\$ -	\$ 9,082	\$ 14,964	\$ 3,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services	\$ 133,286	\$ 158,488	\$ 121,667	\$ 114,980	\$ 101,216	\$ 208,301	\$ 128,300	\$ 156,800	\$ 150,800	\$ 150,800	\$ 150,800	\$ 150,800	\$ 150,800
NON-OPERATING REVENUE													
Property Tax	\$ 952,426	\$ 970,686	\$ 989,877	\$ 1,025,347	\$ 1,076,976	\$ 1,114,720	\$ 1,070,800	\$ 1,086,600	\$ 1,108,598	\$ 1,130,767	\$ 1,159,321	\$ 1,179,387	\$ 1,109,215
Special Assessments	\$ 28,416	\$ 26,889	\$ 50,682	\$ 9,810	\$ 11,480	\$ 11,410	\$ 27,297	\$ 27,297	\$ 27,297	\$ 27,297	\$ 27,297	\$ 27,297	\$ 27,297
State Assistance	\$ 12,252	\$ 11,620	\$ 10,994	\$ 10,582	\$ 11,299	\$ 10,682	\$ 11,869	\$ 12,047	\$ 12,228	\$ 12,228	\$ 12,228	\$ 12,228	\$ 12,228
Investment Income	\$ 47,107	\$ 124,482	\$ 97,148	\$ 141,787	\$ (15,574)	\$ 24,971	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814	\$ 94,814
Gain on Sale of Assets	\$ -	\$ -	\$ 12,000	\$ -	\$ 6,372	\$ 12,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 16,946	\$ (10,186)	\$ (2,520)	\$ 20,612	\$ 16,800	\$ 20,102	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL REVENUE	\$ 3,601,392	\$ 3,668,912	\$ 3,680,497	\$ 3,972,383	\$ 4,007,448	\$ 4,399,860	\$ 4,577,978	\$ 4,879,452	\$ 4,973,011	\$ 4,985,385	\$ 4,988,165	\$ 5,096,394	\$ 5,210,233
EXPENDITURES													
Salaries and Benefits	\$ 1,595,442	\$ 1,705,182	\$ 1,846,593	\$ 2,143,173	\$ 2,220,013	\$ 2,180,732	\$ 2,472,048	\$ 2,889,774	\$ 2,877,590	\$ 2,922,768	\$ 2,949,813	\$ 2,971,127	\$ 3,001,291
Maintenance	\$ 408,976	\$ 352,257	\$ 256,267	\$ 285,652	\$ 360,657	\$ 223,374	\$ 401,916	\$ 395,054	\$ 410,888	\$ 387,018	\$ 425,889	\$ 468,666	\$ 512,726
Professional Services	\$ 1,106,504	\$ 1,126,888	\$ 1,137,321	\$ 1,387,018	\$ 1,327,831	\$ 1,387,018	\$ 1,425,889	\$ 1,468,666	\$ 1,468,666	\$ 1,468,666	\$ 1,468,666	\$ 1,468,666	\$ 1,468,666
Operations	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896	\$ 89,896
General and Administrative	\$ 489,106	\$ 459,814	\$ 469,395	\$ 500,644	\$ 492,722	\$ 601,624	\$ 600,761	\$ 705,558	\$ 705,092	\$ 705,538	\$ 709,072	\$ 804,116	\$ 824,827
Services and Supplies	\$ 134,203	\$ 145,450	\$ 157,990	\$ 161,982	\$ 158,085	\$ 168,892	\$ 190,418	\$ 187,744	\$ 187,744	\$ 187,744	\$ 187,744	\$ 187,744	\$ 187,744
Maintenance	\$ 130,076	\$ 62,082	\$ 80,934	\$ 80,386	\$ 79,528	\$ 66,760	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186
Operations	\$ 0	\$ 0	\$ 0	\$ 2,787	\$ 2,699	\$ 28,854	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700
General and Administrative	\$ 134,203	\$ 145,450	\$ 157,990	\$ 161,982	\$ 158,085	\$ 168,892	\$ 190,418	\$ 187,744	\$ 187,744	\$ 187,744	\$ 187,744	\$ 187,744	\$ 187,744
Utilities	\$ 130,076	\$ 62,082	\$ 80,934	\$ 80,386	\$ 79,528	\$ 66,760	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186	\$ 77,186
Interest Expense	\$ 0	\$ 0	\$ 0	\$ 2,787	\$ 2,699	\$ 28,854	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700
Other Expense	\$ 0	\$ 0	\$ 0	\$ 2,787	\$ 2,699	\$ 28,854	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700
Bad Debt Expense	\$ 0	\$ 0	\$ 0	\$ 2,787	\$ 2,699	\$ 28,854	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700
Town of Lake Gregory Chargebacks	\$ 0	\$ 0	\$ 0	\$ 2,787	\$ 2,699	\$ 28,854	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700
TOTAL EXPENDITURES	\$ 3,635,803	\$ 2,723,725	\$ 2,813,029	\$ 3,171,604	\$ 3,311,689	\$ 3,324,236	\$ 3,755,059	\$ 3,883,381	\$ 3,897,355	\$ 4,027,808	\$ 4,111,850	\$ 4,281,787	\$ 4,390,359

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Change in Fund Balance	\$ 966,599	\$ 963,187	\$ 967,468	\$ 970,779	\$ 985,789	\$ 1,270,624	\$ 771,919	\$ 941,072	\$ 1,025,656	\$ 977,456	\$ 956,605	\$ 983,607	\$ 987,674
Prior period adjustment	\$ 16,877,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ 17,942,779	\$ 15,690,388	\$ 17,482,414	\$ 18,280,193	\$ 18,794,514	\$ 19,965,538	\$ 20,737,457	\$ 21,678,528	\$ 22,704,184	\$ 23,681,640	\$ 24,678,245	\$ 25,311,852	\$ 26,149,525
Ending Fund Balance	\$ 18,909,388	\$ 16,653,575	\$ 18,449,882	\$ 19,250,972	\$ 19,780,303	\$ 21,236,162	\$ 22,508,376	\$ 23,629,556	\$ 24,730,840	\$ 25,708,096	\$ 26,734,851	\$ 27,515,459	\$ 28,503,199

Depreciation Expense Not Included in table but included in Audit

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Depreciation Expense	\$ 589,855	\$ 559,121	\$ 572,325	\$ 565,237	\$ 575,907	\$ 527,405	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975	\$ 564,975
Net Position (Fund Balance minus accumulated Depreciation)	\$ 17,352,924	\$ 15,131,267	\$ 17,910,113	\$ 17,714,956	\$ 18,218,607	\$ 19,438,133	\$ 20,172,482	\$ 21,113,553	\$ 22,139,209	\$ 23,096,665	\$ 23,913,270	\$ 24,746,877	\$ 25,584,550
Net Position Shown in Latest Audit	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Net Position (Fund Balance minus accumulated Depreciation)
 Net Position Shown in Latest Audit

EXHIBIT O

CRESTLINE VILLAGE WATER DISTRICT

FORECAST

CRESTLINE VILLAGE WATER DISTRICT

AUDITS

For the Year Ended June 30.

ADOPTED BUDGET

COMMITTEE FORECAST

YEAR ENDING JUNE 30

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUE													
Water Sales													
Residential	\$ 2,217,972	\$ 2,079,555	\$ 1,990,872	\$ 1,901,010	\$ 2,098,027	\$ 2,445,958	\$ 2,478,573	\$ 2,528,144	\$ 2,609,989	\$ 2,682,108	\$ 2,762,572	\$ 2,845,449	\$ 2,930,812
Business	\$ 276,990	\$ 255,992	\$ 243,485	\$ 191,593	\$ 213,198	\$ 226,906	\$ 246,280	\$ 251,206	\$ 256,230	\$ 261,354	\$ 266,581	\$ 271,913	\$ 277,351
Other	\$ 2,152	\$ 2,656	\$ 4,215	\$ 1,624	\$ 12,419	\$ 72	\$ 8,000	\$ 10,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Water Services													
Taps and Connection Charges													
Turn On/Shut Off Charges	\$ 84,738	\$ 80,696	\$ 75,323	\$ 72,801	\$ 76,338	\$ 81,395	\$ 85,136	\$ 78,548	\$ 78,548	\$ 78,548	\$ 78,548	\$ 78,548	\$ 78,548
TOTAL OPERATING REVENUE	\$ 2,581,852	\$ 2,418,899	\$ 2,313,895	\$ 2,167,027	\$ 2,399,982	\$ 2,754,231	\$ 2,822,989	\$ 2,858,898	\$ 2,939,767	\$ 3,023,011	\$ 3,108,701	\$ 3,196,910	\$ 3,287,712
NON-OPERATING REVENUE													
Property Tax and Assessment	\$ 206,340	\$ 208,087	\$ 211,898	\$ 218,781	\$ 221,721	\$ 230,883	\$ 230,014	\$ 234,614	\$ 239,307	\$ 244,093	\$ 248,975	\$ 253,954	\$ 259,033
Availability/Assessments	\$ 147,480	\$ 147,595	\$ 148,635	\$ 152,778	\$ 141,197	\$ 140,456	\$ 142,000	\$ 146,337	\$ 149,284	\$ 152,270	\$ 155,315	\$ 158,421	\$ 161,590
Investment Income	\$ 6,893	\$ 7,393	\$ 5,971	\$ 6,780	\$ 10,278	\$ 15,085	\$ 21,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Gain on Sale of Assets	\$ (12,358)	\$ 38,901	\$ 4,000	\$ 4,000	\$ -	\$ (7,079)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 8,398	\$ 20,460	\$ 10,058	\$ 7,925	\$ 17,793	\$ 13,978	\$ 2,000	\$ 13,102	\$ 12,086	\$ 10,809	\$ 11,139	\$ 11,620	\$ 10,511
Capital Contributions	\$ 5,090	\$ 14,090	\$ 22,050	\$ 13,255	\$ 7,674	\$ 9,755	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Miscellaneous Revenue							\$ 8,000						
TOTAL NON-OPERATING REVENUE	\$ 361,843	\$ 436,526	\$ 402,612	\$ 399,519	\$ 398,663	\$ 403,078	\$ 406,014	\$ 412,073	\$ 418,626	\$ 425,172	\$ 433,429	\$ 441,995	\$ 449,134
TOTAL REVENUE	\$ 2,943,695	\$ 2,855,425	\$ 2,716,507	\$ 2,566,546	\$ 2,798,645	\$ 3,157,309	\$ 3,229,003	\$ 3,270,972	\$ 3,358,393	\$ 3,448,182	\$ 3,542,130	\$ 3,638,905	\$ 3,736,845
EXPENDITURES													
Percentage Increase unless otherwise noted													
Operating Expenses													
Sources of Supply													
Supervision labor and expense	\$68,692	\$66,845	\$62,802	\$66,776	\$77,190	\$61,204	\$69,375	\$67,232	\$70,278	\$72,386	\$74,558	\$76,794	\$79,098
Maintenance - structures and improvements	\$8,429	\$3,761	\$6,218	\$5,078	\$9,772	\$61,149	\$11,545	\$15,735	\$16,443	\$16,936	\$17,444	\$17,967	\$18,506
Purchase Water	\$269,692	\$430,221	\$453,320	\$418,872	\$467,626	\$354,059	\$375,000	\$398,985	\$416,918	\$433,690	\$455,285	\$475,773	\$497,183
Pumping							\$7,672						
Maintenance/Repairs Equipment							\$7,266						
Maintenance/Repairs Structures	\$26,271	\$6,967	\$14,420	\$9,928	\$23,356	\$27,622	\$7,266	\$18,094	\$18,908	\$19,759	\$20,648	\$21,577	\$22,548
Power	\$67,048	\$52,257	\$52,076	\$44,359	\$40,994	\$51,795	\$46,000	\$52,578	\$49,944	\$49,417	\$60,000	\$62,700	\$65,522
Water Treatment													
Supervision labor and expense	\$18,908	\$14,320	\$14,325	\$15,145	\$6,388	\$8,065	\$8,500	\$12,859	\$13,437	\$14,042	\$14,674	\$15,394	\$16,024
Maintenance - structures and improvements	\$3,611	\$4,809	\$2,849	\$5,112	\$6,152	\$8,520	\$3,000	\$5,176	\$4,408	\$5,652	\$5,906	\$6,172	\$6,430
Maintenance Fixtures Equipment							\$5,000						
Transmission and distribution													
Maintenance - structures and improvements	\$169,876	\$195,580	\$205,069	\$211,936	\$172,364	\$199,055	\$208,667	\$192,313	\$200,967	\$210,011	\$219,461	\$229,337	\$239,657
Customer Accounts													
Supervision meter reading and expense	\$41,191	\$33,052	\$33,344	\$32,172	\$44,372	\$34,785	\$40,920	\$36,483	\$38,124	\$39,840	\$41,633	\$43,506	\$45,464

Administration and General																
Salaries	\$374,043	\$573,177	\$385,155	\$400,589	\$523,236	\$503,284	\$562,076	\$578,538	3%	\$ 124,488	3%	230,350	3%	237,261	3%	244,379
Office Supplies and other expense	\$245,488	\$313,484	\$288,241	\$317,192	\$335,745	\$389,494	\$367,348	\$378,588	3%	\$ 89,719	3%	83,627	3%	86,136	3%	88,720
Property Insurance	\$88,123	\$99,397	\$90,548	\$72,316	\$35,912	\$72,890	\$71,290	\$76,531	3%	\$ 81,192	3%	420,394	3%	433,006	3%	445,996
Employee retirement and benefits	\$822,251	\$819,536	\$1,001,878	\$505,570	\$642,050	\$1,112,948	\$938,342	\$966,492	3%	\$ 408,150	3%	87,508	3%	90,133	3%	92,837
Maintenance of general plant	\$82,365	\$62,443	\$59,042	\$79,223	\$57,338	\$14,083	\$91,144	\$80,882	3%	\$ 84,959	3%	\$ -	3%	\$ -	3%	\$ -
Directors Fees	\$7,600	\$7,100	\$6,600	\$7,400	\$8,900	\$6,500	\$9,144	\$8,000	3%	\$ 8,000	3%	\$ -	3%	\$ -	3%	\$ -
Collection & handling Charges							\$1,000	\$1,000	3%	\$ 1,000	3%	\$ -	3%	\$ -	3%	\$ -
Chargeback from Town of Lake Gregory										\$ 641,360	3%	660,600	3%	680,418	3%	700,631
TOTAL EXPENDITURES	\$2,293,588	\$2,489,949	\$2,675,887	\$2,191,668	\$2,451,335	\$2,981,433	\$2,822,145	\$2,888,865	2,987,253	\$ 2,435,512	\$ 2,392,090	\$ 2,476,117	\$ 2,563,216			
Town of Lake Gregory Chargebacks																
Change in Fund Balance	\$650,107	\$365,476	\$406,620	\$374,878	\$347,310	\$175,876	\$406,858	\$382,106	3%	\$ 371,139	3%	\$ 1,012,671	3%	\$ 1,150,040	3%	\$ 1,162,788
Prior period adjustment																
Beginning Fund Balance		\$14,388,895	\$13,398,028	\$13,438,648	\$13,813,526	\$14,160,836	\$14,336,712	\$14,748,570	\$ 15,125,676	\$ 15,496,815	\$ 16,509,486	\$ 17,659,528	\$ 18,822,314			
Ending Fund Balance	\$14,388,895	\$14,754,371	\$13,438,648	\$13,813,526	\$14,160,836	\$14,336,712	\$14,748,570	\$15,125,676	\$ 15,496,815	\$ 16,509,486	\$ 17,659,526	\$ 18,822,314	\$ 19,995,943			
** Transition year is average of 6 audit years																
Depreciation Expense Not included in table but included in Audit	\$596,176	\$590,728	\$603,755	\$614,510	\$621,549	\$619,478										
Net Position (Fund Balance minus accumulated Depreciation)										\$10,690,516						
Net Position Shown in Latest Audit										\$10,690,516						
Difference										\$0						