

# Financial Strategic Plans

## 2014 - Financial Strategic Plan Update



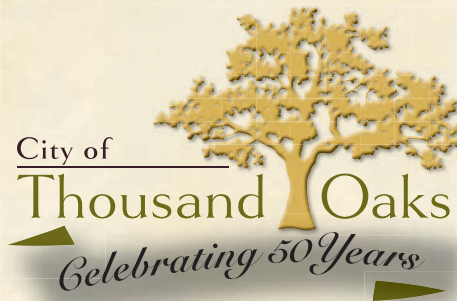
1429 Thousand Oaks Boulevard  
City Hall 1964 – 1973



401 W. Hillcrest Drive  
City Hall 1973 – 1988



2150 Hillcrest Drive  
City Hall 1988 – 1993



2400 Willow Lane  
City Hall 1993 – 1994



2100 Thousand Oaks Boulevard  
City Hall 1994 – Present

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## **Financial Strategic Plan**



# TEN FISCAL YEAR FINANCIAL STRATEGIC PLAN

TEN FISCAL YEARS 2013-14 THROUGH 2022-23



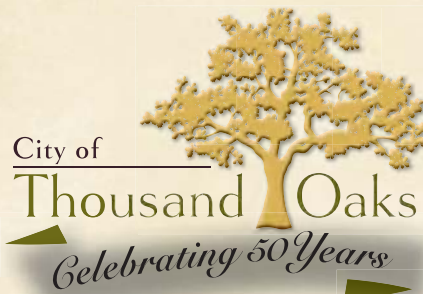
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2100 Thousand Oaks Boulevard  
City Hall 1994 – Present



**Cover:** To celebrate the 50th Anniversary of the City of Thousand Oaks, the cover is dedicated to the five City Halls that staff has used from the City's incorporation on October 7, 1964 to present.

**Cover Design & Graphics:** Priscilla Holmes, [ProHolmesDesign.com](http://ProHolmesDesign.com)

**Printing:** City of Thousand Oaks Print Shop

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City Manager's Office  
**MEMORANDUM**

2100 Thousand Oaks Boulevard • Thousand Oaks, CA 91362  
Phone 805/449.2121 • Fax 805/449.2125 • [www.toaks.org](http://www.toaks.org)

December 16, 2014

Honorable Mayor and Members of City Council

Re: City of Thousand Oaks Ten-Year Financial Strategic Plan (2014-2023)

On behalf of the entire management team, it is my pleasure to submit the City of Thousand Oaks Ten-Year Financial Strategic Plan (2014 - 2023) (Plan). This Plan is based on a comprehensive analysis and projects a potential financial future for the City with respect to its ability to continue to provide a full array of municipal services to local residents and businesses.

To provide historical perspective, this Plan represents a comprehensive update of the City's initial ten-year plan, which was adopted by City Council on February 22, 2005. The City's initial plan provided City Council with critical information and projections that included forecasting future revenues and expenditures of the General Fund. Staff has broadened the scope in the 2014 Plan to include analysis of the City's major operating funds and other minor funds that have or might have a direct impact on the General Fund.

This Plan provides a snapshot of actual financial results for the five most recent fiscal years along with ten fiscal years of forecasted projections using both narrative and graphs to explain what has occurred and what projections suggest is trending. The Executive Summary provides a high-level overview of the Plan, general assumption factors used, and a brief analysis of each fund.

The vision provided by the 2005 Plan paired with leadership from City Council and management, and employee participation through the Brainstorming Action Group (BAG) positioned the City to maintain financial stability with limited impacts on core City services. This 2014 Plan offers a framework for the future financial stability of the City in order to ensure the City continues to remain a desirable place to live, work, recreate, and raise a family.

I would like to personally acknowledge and thank the leadership of Finance Director John F. Adams in preparing this document. His team in the Finance Department worked long and hard with all City departments to make this Plan a reality. It has truly been a team effort and all who have taken part should be very proud of their collective efforts in developing this valuable financial planning tool that will be relied upon to chart the course for the City's future.

If you have questions or comments regarding this document, please let me know. The City of Thousand Oaks' Financial and Budget documents, as well as ten fiscal years of financial history through its financial transparency tool, can be viewed on the City's website at [www.toaks.org](http://www.toaks.org).

Respectfully submitted,

Scott Mitnick  
City Manager

# Thousand Oaks City Council



Claudia Bill-de la Peña  
Councilmember



Al Adam  
Mayor



Joel Price  
Mayor Pro Tem



Andrew P. Fox  
Councilmember

## Executive Team

Scott Mitnick  
Tracy Noonan  
Andrew Powers  
John F. Adams  
Jim Friedl  
Tim Hagel  
Linda D. Lawrence

City Manager  
City Attorney  
Assistant City Manager  
Finance Director  
General Manager, CRPD  
Police Chief  
City Clerk

Barry McComb  
John C. Prescott  
Gary Rogers  
Nancy Schram  
Theodore Smith  
Jay Spurgin

Cultural Affairs Director  
Community Development Director  
Deputy City Manager/H R Director  
Acting Library Services Director  
Fire Chief  
Public Works Director

## Acknowledgements

City Council - Finance/Audit Committee and Capital Facilities Committee

Past Councilmembers - Dennis Gillette, Tom Glancy, and Jacqui V. Irwin also played key roles in the development of the Financial Strategic Plan during their tenure on the City Council.



Dennis Gillette  
Former Councilmember



Tom Glancy  
Former Councilmember



Jacqui V. Irwin  
Former Councilmember

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A special thanks to the other City departments, whose cooperation and input help put this document together.



# City Mission Statement

*“Extraordinary service to the citizens we serve is our purpose.”*

## City Customer Service Philosophy

*“The City of Thousand Oaks is committed to: Maintain a desirable living environment while ensuring that change reinforces both environmental quality and economic vitality; Respect the role of citizens, City Council, and staff in establishing and implementing policies and programs; Provide excellent community services in a fair, efficient, and responsive manner; and, Promote public confidence and trust.”*

On March 4, 2014, City Council reaffirmed the Citywide Top Ten Priorities for FY 2014-2015 as part of its annual Goals Setting Workshop.

## Citywide Goals for Fiscal Year 2013-14 & 2014-15

- A. Provide municipal government leadership which is open and responsive to residents, and is characterized by ethical behavior, stability, promoting public trust, transparency, confidence in the future, and cooperative interaction among civic leaders, residents, business representatives, and staff, while recognizing and respecting legitimate differences of opinion on critical issues facing the City.
- B. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California’s most desirable places to live, work, visit, recreate, and raise a family.
- C. Maintain strong commitment to public safety (including Police, Fire, Emergency Medical Services, and Emergency Management) to ensure City remains one of the safest Cities in the United States with a population over 100,000.
- D. Complete ring of open space around the City; Protect and preserve ridgelines, natural habitat, and designated open space areas.
- E. Provide and enhance essential infrastructure to ensure that the goals and policies of the Thousand Oaks General Plan are carried out and the City retains its role and reputation as a leader in protecting the environment and preserving limited natural resources.
- F. Continue City’s commitment to community and cultural programs and services (such as Performing Arts/Theatres, Libraries, TOTV, Visual Arts, Youth and Senior Programs).
- G. Participate in public-private and multi-jurisdictional opportunities to ensure residents have access to high levels of parks, recreation, education and leisure programs and services.
- H. Maintain a strong local employment base geared toward retaining high quality businesses; Sustain a healthy business community; and, Diversify the local economy, with a specific emphasis on small businesses and high technology/biomedical jobs.
- I. Implement high quality revitalization projects within Thousand Oaks Boulevard and Newbury Road Areas; Develop a pedestrian-oriented, viable, and self sustaining “Downtown;” and, continue to support production of long-term affordable housing.
- J. Prepare for transition of City workforce by ensuring that sufficient succession planning takes place to develop an employment base which is reflective of the community’s demographics.

# Citywide Top Ten Priorities for Fiscal Year 2013-14

1. Maintain a balanced budget, review pension and healthcare plans, and develop a plan to obtain long-term financial stability and independence
2. Maintain existing levels of front-line police patrol services. Work with Conejo Valley Unified School District on anti-drug campaign, Social Host Ordinance, bullying, and making schools safe and more secure. Develop implementation plan to install surveillance cameras at major intersections.
3. Begin construction of new Newbury Park Fire Station No. 35 on Mitchell Road and obtain agreement to construct a full-service Westlake Fire Station.
4. Work with Conejo Valley Unified School District to: Develop a plan for Kelley Road; Develop plan for Conejo Center Drive property; Update agreement to provide public access to school sports facilities: and, Develop a more comprehensive and current Emergency Preparedness Plan.
5. Increase attendance at Kavli Theatre and Scherr Forum Theatre, complete Kavli Theatre improvements, prepare for Civic Art Plaza's 20th Anniversary celebration in 2014, and protect existing library service levels.
6. Prepare for City's 50th Anniversary Celebration in 2014, including hosting Amgen Tour of California, Conejo Valley Days Parade, and two Community Engagement Programs.
7. Review and revise City's Campaign Finance Ordinance.
8. Develop plans for Hampshire Road property, undeveloped Seventh Day Adventist Church properties, and undeveloped Rancho Conejo properties.
9. Acquire more open space and effectively manage existing open space parcels. Further explore restoration of funding for Community Recreational Open Space Endowment Fund (CROSEF).
10. Implement and enhance environmental programs, including obtaining 100% energy self-sufficiency at Hill Canyon Wastewater Treatment Plant.





# Executive Summary

## PURPOSE

This Financial Strategic Plan (Plan) will serve as an information and policy document that is designed to assist City Council and staff in the effective and efficient management of City services, finances, operations, facilities, and capital improvement projects over both the short-term and long-term. Developing a comprehensive Plan is a hallmark of prudent financial management that will enable the City to proactively prepare for the future.

## BACKGROUND

The City of Thousand Oaks was incorporated on October 7, 1964 as a General Law city and celebrated its 50th anniversary this year. It is Ventura County’s largest city in terms of land area with 55.5 square miles, and is second largest city in terms of population with an estimated population of 129,039, as of January 1, 2014. The City operates under a Council – Manager form of government and provides an array of municipal and enterprise services to its residents, including:



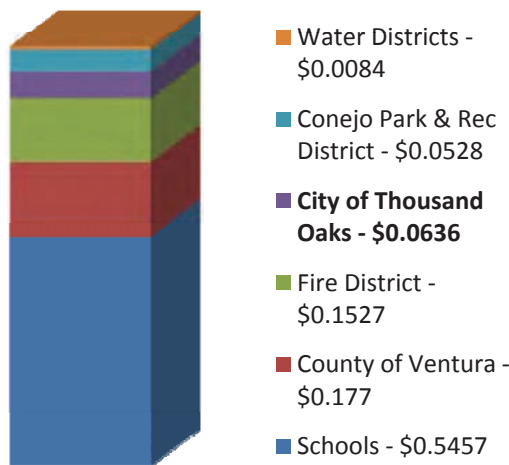
### Municipal Services

- General Governance
- Administrative Oversight
- Public Works/Highways/Streets/Engineering
- Community Development/Planning/Building
- Library
- Cultural Affairs
- Public Safety (Police)
- Community Services (Senior/Teen/Recreation)

### Enterprise Services

- Golf Course
- Solid Waste Management
- Theatres
- Transportation
- Wastewater
- Water

Thousand Oaks is a very low-tax city that incorporated without a general municipal property tax. Although the City now receives a small portion of local Property Tax revenue (approximately six cents per dollar paid as shown in the chart below), this represents only approximately 11% of the General Fund budget. For FY 2013-14, the City’s maximum Property Tax rate was 1.055% compared to a county average of 1.092% and a state average of 1.139%.



1% Property Tax Allocation

The City is largely reliant on Sales Tax to fund its municipal services, as it comprises 39% of the General Fund revenue budget. The City receives only 0.967% of the 7.5% Sales Tax and has not passed any voter-approved add-ons. Of the 482 cities in the state, 123 cities, or 25.5%, have enacted a Sales Tax add-on, and an additional 250 cities, or 51.9%, are part of a county enacted Sales Tax add-on. Sales Tax is a revenue source that responds quickly to economic cycles, and is prone to large fluctuations both positively and negatively.

The City also has a 10% Transient Occupancy Tax and a Business Tax, which are also impacted by economic cycles, although this has a lesser impact on the City’s finances as they comprise 4.4% and 2.9% of General Fund revenues respectively. Additional information on the City’s revenue sources can be found in the General Fund Summary. Refer to page A-13 and A-14 for a revenue fact sheet.

In addition to being a very low-tax city, Thousand Oaks is approaching residential build-out and a significant amount of the non-residential sector square footage anticipated by the General Plan is already built. The existing residential sector comprises approximately 96% of the dwelling units anticipated by the General Plan, and the non-residential sector comprises about 81% of the square footage anticipated by the General Plan at build-out. As anticipated by the 2005 Financial Strategic Plan (2005 FSP), the community has transitioned from a growth-oriented community to a maintenance-oriented community.

From 2005 to 2010, the City experienced a sharp decline in building permits. Since then, the strengthening economy has led to an increase in building permit volume, although not back to the levels of 2005. Developers are focusing on renovation of existing structures and infill projects. Revenue streams from development-related activities will not be as robust as in the decades up to the early 2000's, and the City is faced with increasing maintenance costs for aging infrastructure. These factors contribute to the importance of this Plan in preparing the City for the next 50 years.



This Plan builds upon the first financial strategic model introduced to the City in February 2005. The initial model forecasted both revenues and allocations/expenditures based on past history, growth index factors, current economic trends, and consultants' projections. Staff has widened the scope of the 2005 FSP to include all major funds in addition to the General Fund, as well as minor funds that could impact the General Fund over the next ten fiscal years.

### **CITY RESERVE POLICY**

The establishment of, and adherence to, a sound reserve policy is a hallmark of prudent financial practice. The City maintains a 20% reserve policy which is comprised of a 15% Working Capital Reserve and a 5% Emergency Reserve. The City currently has reserves set aside that adheres to the reserve policy and is available in case of severe financial distress.

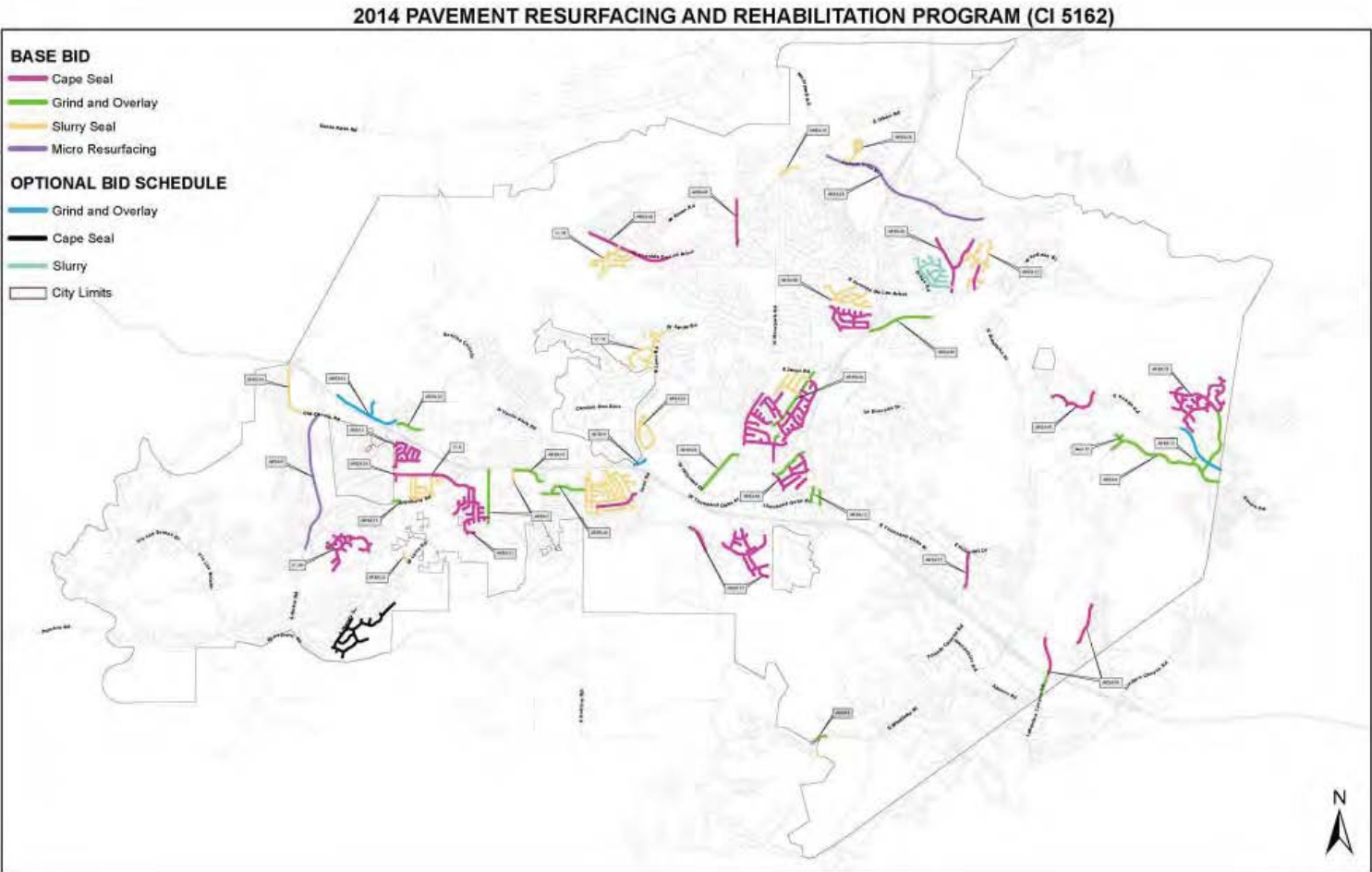
### **RECENT AND ONGOING CHALLENGES FROM THE STATE AND COUNTY**

Since the adoption of the 2005 FSP, the City has faced significant fiscal challenges due to the worldwide economic downturn, federal government funding reductions, and raids on local revenue from the state and county. One of the biggest challenges the City currently faces is how to continue economic development in the wake of the unexpected and premature dissolution of the City's Redevelopment Agency (RDA) by the state. The RDA contributed millions of dollars toward capital improvement projects throughout the Project Areas, providing a means for economic development and revitalization of these areas. The dissolution of RDAs resulted in the elimination of several major projects, including public improvements along Auto Mall Drive. The estimated annual on-going loss of City RDA funds is \$1.5 million in local property tax revenue now being forwarded to the state and county. In addition, \$12.7 million have been taken by the state due to ERAF takeaways.



The RDA also was a major contributor toward affordable housing projects in the City. Over 2,000 affordable housing units and \$50+ million in funds were contributed by the RDA during its existence. The City is now faced with the challenge of continuing to provide affordable housing without RDA funds. The estimated annual on-going loss of City RDA funds is \$4.0 million in local property tax revenue set-aside for housing is now being forwarded to the state and county.

The state recently passed legislation eliminating the use of Transportation Development Act (TDA) funds for street maintenance and improvements beginning in July 2014. This legislation will result in an estimated recurring annual loss to the City of at least \$1.9 million for street maintenance. There are 377 miles of streets throughout the City that require ongoing maintenance efforts in order to maintain the existing quality of streets. Although the City’s average annual street maintenance costs are approximately \$8.0 million, in 2014 the City has planned to resurface and rehabilitate approximately 50 miles of City streets at a cost of \$10 million, leveraging traditional gasoline tax revenue with the remaining balance of TDA funds. A graphic of the planned 2014 resurfacing and rehabilitation program is presented below. The loss of TDA funds will greatly affect the City’s ability to maintain and improve existing City street infrastructure at levels funded in the past.



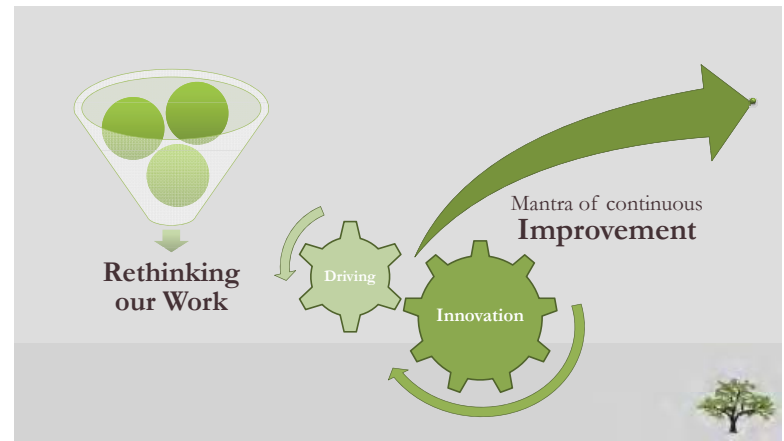
Further state takeaways included legislation that shifted motor vehicle license fee revenue away from cities to fund state law enforcement grants resulting in an estimated recurring annual loss to the City of \$0.4 million, and the state’s elimination of funding for libraries, resulting in a recurring annual loss of approximately \$45,000 in library revenue. The City has also been forced to deal with the elimination of the longstanding Library Participation Agreement with Ventura County, resulting in an estimated recurring annual loss of \$0.4 million in library revenue. An additional takeaway includes former Surface Transportation Program (STP) funding used for streets and roads now being claimed by the Ventura County Transportation Commission, resulting in an estimated recurring annual loss of \$0.6 million.

These revenue reductions amount to approximately \$4.2 million in annual recurring losses to City revenues. Despite the passage of Proposition 22 in November 2010 by voters, which was designed to protect local revenues sources and prohibit the state from further raiding local revenues to balance its budget in Sacramento, recent state takeaways highlight the importance of the City’s need to reduce its reliance on state and county revenue sources.



## PEOPLE STRATEGY

The City has embarked on an organization-wide “People Strategy” to lay the framework that best aligns staffing with future service level needs. The City has transitioned to a maintenance community; technological advances are constantly changing the way people work; and openness, transparency, and public outreach have become more important than ever. There is a need to ensure the City’s workforce is structured and prepared to continue to provide effective municipal services to the public. With close to 50% of the City’s workforce projected to retire within seven years, staff is proactively planning for this transition. The People Strategy aims to prepare for the future by aligning efforts; optimizing the talent in the organization and developing a strong leadership base for the future. Emphasis will be placed on collaboration across all departments, continuous improvement of processes, and meaningful civic engagement and outreach in order to build upon the existing foundation to ensure continued effective service delivery and to strengthen the City’s brand.



## 2013 COMMUNITY ATTITUDE SURVEY

In an effort to understand the residents’ priorities, concerns, and satisfaction of City services and facilities, a Community Attitude Survey (Survey) is performed by the City every two years. With the most recent Survey conducted, the results of the Survey provide City Council and Staff information that is used to make strategic decisions on how to best allocate financial resources in the future. It is important for the Survey to be used in conjunction with this Plan to assist in guiding the vision of the City’s future. The overall results showed that resident satisfaction remains high in the areas of quality of life, overall performance, specific services, staff performance, and communication.

The Survey results indicate residents rank fire services, police services, and maintenance of streets and roads as the highest priorities. Resident satisfaction of fire and police services both rank high with an 87% and 76% rating of very satisfied, respectively. Satisfaction of the maintenance of streets and roads was lower with 51% of respondents very satisfied. Satisfaction of other City services, including library, maintenance of public landscape, cultural and performing arts, and open space preservation all ranked higher than maintenance of streets and roads. Comparing the spending priority of streets and roads 95% to the satisfaction at only 51%, the Survey results highlight the need for continued and perhaps heightened emphasis on maintaining streets and roads. Fire and police services continue to rank high in spending priority, as does economic development of the City at 90%.

2013 Community Attitude Survey			
Categories	Importance of Service (Extremely/Very)	Satisfaction with Service (Very Satisfied)	Spending Priority (High/Medium)
Fire Services	95%	87%	98%
Police Services	88%	76%	95%
Streets and Roads	85%	51%	95%
Open Space	73%	59%	82%
Economic Development	70%	31%	90%
Traffic	70%	36%	N/A
Library Services	68%	70%	83%

## VISIONING 2064

As part of the City's 50<sup>th</sup> anniversary, City Council prepared for the next 50 years through its Visioning 2064 Program. This was a community exercise to develop a general roadmap with guiding principles for the City over the next 50 years. Five focus areas were created: Civic & Community, Economy, Environment, Infrastructure, and Municipal Services. In conjunction with City staff, City Council held monthly Visioning 2064 meetings with the community



in order to strategize and plan for the vision and shape of the City's future. This Plan includes guiding principles to be considered by the City Council in policy deliberations.



## ORGANIZATION OF THE FINANCIAL STRATEGIC PLAN DOCUMENT

Following this Executive Summary, the Plan document is organized by City fund. Per governmental accounting standards, revenues and expenditures must be accounted for in separate funds specific to their purpose, with the General Fund used to account for all non-specific revenues and expenditures/expenses, such as Sales Tax. The following funds have been analyzed and included within the Plan document as they are used to account for the main municipal services the City provides:

### Governmental Funds

- General Fund
- Library Fund
- State Gas Tax Fund
- Capital Improvements Fund
- Lighting Fund
- Landscape Fund
- Stormwater Fund

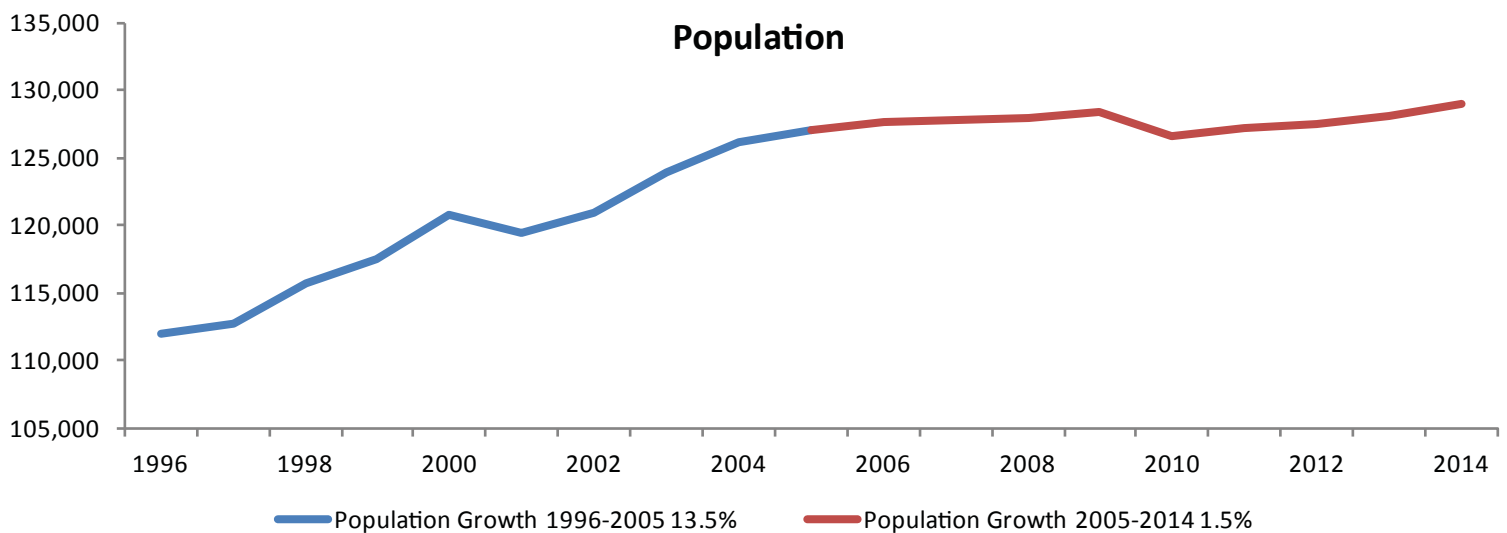
### Enterprise (Business-type) Funds

- Water Fund
- Wastewater Fund
- Solid Waste Fund
- Transportation Fund
- Golf Course Fund
- Theatres Fund

## ASSUMPTIONS

In order to project ten years of revenue and expenditure data, several assumptions were integrated. Staff researched key data trends that have the potential to impact revenues and expenditures over the next ten years, such as inflation and the City's population growth.

- The inflation rate for the region during the past ten years has averaged 2.5% per year, as measured by the Consumer Price Index (CPI), All Urban Consumers (Los Angeles-Riverside-Orange County – All Items).
- The City's population has grown slowly over the past ten years, increasing only 1.5% since January 2005 in comparison to 13.5% during the prior ten years as depicted on the chart on the next page, further emphasizing that the City has reached build-out.



Staff also took into consideration historical trends, the recent Great Recession, the City reaching residential build-out, and the current and future economic environment in determining revenue and expenditure/expense assumptions. As fluctuations can, and often do, occur, this Plan attempts to provide a range of potential impacts to revenues and expenditures/expenses. Although discussion is not included in each fund narrative on impacts outside the most likely assumption, graphs presented throughout the document reflect this range through shading above and below the projected trend line.

One of the goals of this Plan is to anticipate future financial needs of the City. Staff will be able to proactively strategize and plan for the future. New programs or services, changes in staffing levels, and additional General Fund support of other funds that do not currently exist are not projected in this Plan. The Plan presents a financial picture of the performance of funds citywide based on revenue and expenditure/expense projections and depicts whether additional financial support will be needed; or whether there is the potential for growth in additional capacity via new programs or positions.

Assumptions for major revenues and expenditures are discussed as follows:

**Revenues:**

Sales Tax (2.5% annual increase) - Trends over the past ten years including: past declines in revenue, modest increases since the Great Recession, conservative projections from the City’s Sales Tax consultant, limited growth potential due to the City being close to commercial build-out, and robust development occurring in neighboring cities, support a projected a 2.5% annual increase. Other key considerations include rising inflation which correlates to a rise in the price of goods, increasing emphasis on attracting tourists, and slow increase in population which both increase the consumer base. Current Sales Tax rate within the City limit is 7.5%, but the City only receives about 13% of the 7.5%, which is about 1% of sales.

Property Tax (2.5% annual increase) - In accordance with Proposition 13, assessed valuation of properties can increase at a maximum annual rate of 2% based on CPI. Considering the current real estate market reflects a steady growth in home value, the City only experienced one year of negative assessed valuation change during the recent housing downturn, and the value of potential Proposition 8 recaptures estimated at \$1.7 billion in assessed value, 2% annual increase is a reasonable assumption.



Property Tax In-Lieu (Motor Vehicle License Fee) (2% annual increase) - Property Tax In-Lieu of Motor Vehicle License Fee growth is linked to assessed valuation, therefore the annual increase mirrors the increase in Property Tax revenue based on the budget deal in 2004.

Franchise Fees (2% annual increase) - The City currently has three Franchise Fees: Refuse Franchise Fee at 8%, increasing to 9% in 2015, Cable Franchise Fee at 5%, and Utility Franchise Fee at 2%. Although the rates of these services can increase from year to year, and the 10-year trend is a 4% increase, consideration was given to several factors. First, the promotion of energy efficiency and movement towards solar energy would likely impact Utility Franchise Fees. In addition, the City has seen a steady decline in the Franchise Fee revenue from traditional cable providers as there is an increasing trend towards satellite and internet providers. The City also recently negotiated with its refuse providers to reduce residential rates by 1% through 2021 and 50% decrease in the CPI rate escalator for commercial customers in 2016. Based on the above mentioned factors, Franchise Fees are projected to increase at a modest rate of 2%.

Transient Occupancy Tax (TOT) (2.5% annual increase) - The current TOT rate within City limits is 10% and can only be changed with majority voter approval. Similar to Sales Tax, TOT is tied to economic activity and consumer confidence. Although increases have been higher in the past five fiscal years, this was partly due to the addition of new hotels built in the City. No new hotels are currently anticipated during the next ten years.

Gasoline Tax (0.5% annual increase) - Minimal increase primarily due to declining Gas Tax revenues resulting from development of more fuel efficient cars, including hybrid and electrical cars, offset by the rise in gasoline prices and growth in population.

#### **Expenditures:**

Salaries and Benefits - Staff analyzed all salaries and benefits and expects a 2% to 3% total cost increase. CalPERS employer rate - expected to increase from 16.778% of salary in FY 2014-15 to 24.3% of salary in FY 2022-23 per independent professional actuary.

Police Contract (4% annual increase) - The City contracts with Ventura County Sheriff Department (VCSD) for police services. VCSD has suggested for the current year to use 4%. In reviewing the past 10 years the average increase has been 4.8%.

Maintenance and Operations (2% annual increase) - Consideration given to inflation rate and historical trend of all components of maintenance and operations, including Water, Electricity, Professional/Contractual Services, Repairs & Maintenance, as well as the other parts of daily operations. While the ranges for projected annual increase for the individual components vary from 0 % to 6%, as a whole maintenance and operations is projected to increase 2% annually.

Transfers Out - Amount varies annually based upon General Fund amount required to provide support to other funds, debt service costs, and/or open space transfer.

Capital Improvements - Varies annually based upon the five-year Capital Improvement Plan, 15-year Facilities Plan, and Water and Wastewater Financial Plans. Policy is that capital projects are funded from capital improvement reserves available in a respective fund's fund balance and grant funding, as available.

## FUND SUMMARIES

The Plan forecasts revenues and expenditures/expenses for governmental and enterprise funds over the next ten fiscal years (through fiscal year 2022-23). A history of actuals is provided in some of the charts to provide context for the projections over the next ten years. A brief summary of the projected performance of each fund is provided below, with detailed narratives provided on pages 15-48 and financials in the Appendix. As previously discussed, this Plan assumes no new programs or services, no changes in staffing levels, and no additional General Fund subsidies of other funds even if the fund is projected to require support within the next ten years.

General Fund - With the economy regaining strength and the housing market rebounding, the General Fund has experienced a 2.8% increase in revenue over the past five fiscal years. General Fund revenue is projected to continue increasing over the next ten fiscal years, although not at the levels experienced prior to the Great Recession. As a low-tax City, there is a strong reliance on the taxes the City receives, particularly sales tax. However, the City has limited ability to raise taxes or enact new taxes, and would need to use the ballot process in order to implement changes to taxes to increase funding for City services.

The City implemented short and long-term gap-closing strategies, leading to a decrease in General Fund expenditures of \$5.7 million, or 8.2%, during the past five fiscal years. With short-term strategies no longer needed to balance the budget, focus is now on long-term strategies, such as the aforementioned People Strategy, and the City's Process Improvement Program which focuses on implementing process improvements to maximize efficiencies and streamline operations. Initiatives like these are intended to have a positive impact on General Fund expenditures over the next ten fiscal years.

Despite these savings, annual increases in expenditures are projected to exceed annual increases in revenues over the next ten fiscal years due to slower growth in sales tax and reduced investment earnings, combined with increases in various expenditures including police contract costs, utilities costs, personnel costs, capital improvement and maintenance costs from aging infrastructure and inflation leading to an overall increase in expenditures.

Based on current projections, fund balance will begin declining in FY 2015-16 and each fiscal year thereafter, with a total projected reduction in fund balance of \$22.7 million between FYs 2014-15 and 2022-23. Due to the City's strong reserve policies, it is positioned to absorb some of this reduction over the next ten years, however, this decline on fund balance impacts the amount available for funding capital maintenance and improvements. Therefore, strategies should be put in place to strengthen the position of the General Fund as the Plan projects that areas traditionally funded without General Fund support, such as streets and roads will need additional support.

Library Fund - Library Fund revenues are derived primarily from Property Taxes and General Fund financial support. Approximately \$0.5 million in annual revenue was eliminated over the past five fiscal years due to termination of the County Participation Agreement and loss of state grant funding.

Revenues and operating expenditures are projected to steadily increase each year while capital expenditures are projected to decline due to the completion of major capital projects and only minor capital projects planned in the future. The decline in capital expenditures is projected to result in General Fund financial support of \$1.7 million in FY 2014-15, down from \$2.6 million in FY 2013-14, ultimately reaching \$1.9 million in FY 2022-23.

State Gas Tax Fund - State Gas Tax revenue funds a majority of the construction, improvement, and maintenance of City streets and sidewalks. Funding is also received from state and federal grants for specific projects, such as the recently completed Wendy Drive/101 interchange project. Traditionally, Transportation Development Act (TDA) revenue has been eligible to be spent on maintenance of streets and roads after the City has met its transit requirements. However, due to recent legislation that was passed, beginning in FY 2014-15, TDA funds must solely be spent on transit and are no longer eligible for streets and roads. This is a major loss in revenue funding for the maintenance of streets and roads as the City's TDA revenue for streets and roads has average \$1.9 million over the past ten fiscal years. An additional takeaway includes former Surface Transportation Program (STP) funding used for streets and roads now being claimed by the Ventura County Transportation Commission, resulting in an estimated recurring annual loss of \$0.6 million. In addition, state Gas Tax revenue has steadily declined over the past five fiscal years and is projected to continue to decline due to increasing use of alternative fuel vehicles and the increase in fuel economy of vehicles.

Based on projected revenues and expenditures, the Fund will have a negative fund balance beginning in FY 2014-15. The anticipated minimum requirement of maintaining the current level of service for City's streets per the pavement management cost plan is \$8.0 million, with costs projected to increase based on recent trends. As previously mentioned, streets and roads are of high importance to residents and are a top spending priority per the 2013 Community Attitude Survey. With revenue projected to continue a downward trend and then flatten, the City will need to seek additional revenue sources and develop alternative resurfacing methods in order to maintain existing levels of pavement condition index.

Capital Improvements Fund - The primary revenue source for the Capital Improvements Fund is from Developer Fees. This Fund has enabled the City to fund various infrastructure improvements related to development occurring throughout the City. Developer Fee revenue averaged \$3.0 million annually prior to FY 2008-09 and decreased to \$0.6 million annually the past five fiscal years. This significant decline in Developer Fee revenue can be attributed to the City reaching build-out and the economic downturn. This decline in Developer Fee revenue is projected to continue over the next ten fiscal years as the potential for new large-scale development projects is limited.

Based on declining revenue and planned capital improvement projects, the Fund is projected to have a negative fund balance beginning in FY 2020-21. Without fund balance available, the Capital Improvements Fund will not be a funding source for future capital improvement projects. Planned capital improvement projects will have to be delayed until alternative funding can be identified.

Lighting Fund - The Lighting Fund provides funding for the City's street lighting and traffic signal safety lighting. The two primary revenue sources in the Lighting Fund are Property Tax and Special Assessments, totaling approximately \$1.5 million. The largest expenditure in the Fund is for electricity totaling approximately \$1.1 million. With revenues projected to increase at a slower rate than expenditures, the Fund has a structural imbalance and will require revenue support as early as FY 2014-15. Staff is aware of the challenges facing the Fund and is in the process of strategizing on ways to reduce electricity consumption, such as the conversion of street lights from traditional High-Pressure Sodium (HPS) light bulbs to Light-Emitting Diodes (LED) which is estimated to reduce costs by \$40,000 annually.

Landscape Fund - The Landscape Fund provides funding for landscaped medians and parkways located within the City's Landscape Assessment District. The two primary revenue sources in the Fund are Property Tax and Special Assessments, totaling approximately \$4.0 million. Contracted landscaping services and water are the two largest expenditures in the Fund. Based on projected revenues and expenditures, the Fund will steadily draw upon its fund balance to support operations over the upcoming ten fiscal years, however the Fund is not projected to have a negative fund balance. Based on expenditures outpacing revenues, staff is actively identifying ways to reduce expenditures, including utilization of water conservation techniques such as installation of drought-resistant landscaping.



Stormwater Fund - The Stormwater Fund ensures the City is compliant with the Clean Water Act and the Stormwater Quality Management Program. Revenue is fairly minimal, totaling approximately \$0.5 million from the City's share of a countywide special assessment and the sale of reclaimed water by Hill Canyon Treatment Plant. The Fund has operated with General Fund support in two of the past five fiscal years. As expenditures continue to exceed revenue, this fund will require increased support from the General Fund, projected to reach \$1.8 million annually by FY 2022-23 due to stringent new federal and state permit requirements.

Water Fund - The City's water utility serves approximately 17,000 accounts with potable drinking water daily. The revenue to support the Water Fund's operations is primarily from the sale of water to customers. City Council recently adopted the Water Financial Plan which implemented a 3.1% adjustment in base rates in February 2014 and January 2015, as well as a water pass-thru component rate to mitigate the uncertainty in wholesale water costs.

The net position of the Water Fund is projected to steadily increase. This will enable the Fund to set aside reserves as recommended in the Water Financial Plan for capital improvements and to ensure financial stability of the Fund. The Plan also includes the potential debt issuance of \$24.0 million in FY 2015-16 to fund major capital projects.

Wastewater Fund - The City's wastewater utility serves approximately 37,000 accounts through the operation of the Hill Canyon Wastewater Treatment Plant, which is expected to be 100% renewable energy by FY 2014-15. The revenue to support the Wastewater Fund's operations is primarily from service charges and fees. The recent City Council adopted Wastewater Financial Plan implemented a 5.5% and 5.0% adjustment in service charge in February 2014 and January 2015, respectively. This is the first increase since 2004 and was necessary to fund increased capital expenses for infrastructure improvements.

The net position of the Fund is projected to steadily increase. This will enable the Fund to set aside reserves as recommended in the Wastewater Financial Plan for capital improvements and to ensure financial stability of the Fund. The Plan also includes the potential debt issuance of \$11.8 million in FY 2019-20 to fund major capital projects.

Solid Waste Fund - The Solid Waste Fund receives revenue from various sources averaging \$1.5 million over the past five fiscal years, with the primary revenue source coming from commercial recycling fees. Expenses are increasing due to rising costs in contracted services and salaries and benefits. With the recent construction of the Household Hazardous Waste Facility, the Fund is anticipated to realize annual savings of approximately \$60,000 due to reduced staff time and mobilization costs for events. Net position is projected to decline from \$6.7 million in FY 2012-13 to \$3.0 million in FY 2022-23 due to annual expenses exceeding revenues.

Transportation Fund - The City's Thousand Oaks Transit (TOT) provides convenient, reliable, and affordable public transportation services. The City has contracted with MV Transportation since 2004 to operate the TOT. The Transportation Fund receives revenues from Sales Tax on gasoline, bus and Dial-a-Ride (DAR) fares, and grants. The Fund has also been operating with support from the Air Quality Developer Fee Fund to meet the 20%/10% farebox requirements. Although revenue fluctuates depending upon grants received for capital projects, revenue and expenses are projected to increase proportionately over the next ten fiscal years with the Fund projected to experience a positive net position.

As briefly mentioned, the Fund requires a 20% fare-box return for bus service and a 10% return for Dial-a-Ride service to comply with TDA requirements in order to continue receiving funding. Excluding FY 2012-13, the required farebox returns have not been met during the past five fiscal years, thus the Transportation Fund has been supported by the Air Quality Developer Fee Fund (in lieu of General Fund financial support) to meet farebox requirements. With recent legislation eliminating the ability to use TDA funds on streets, the City will have greater funding available for transit operations. Although the support is projected to decline annually from \$75,000 in FY 2013-14 to \$30,000 in FY 2022-23, the Air Quality Developer Fee Fund is projected to be unable to continue this support, requiring funding to come from another City source.

Golf Course Fund - The Los Robles Greens Golf Course (LRGGC) generates approximately \$4.5 million per year in gross revenues with matching expenses and has been managed by Evergreen Alliance Golf Limited (EAGLE) since 2007. The agreement with EAGLE is projected to provide approximately \$0.7 million annually to the Golf Course Fund to cover costs outside of the agreement such as depreciation, debt service, and City cost allocation. This ensures that LRGGC remains a self-supporting business enterprise with no General Fund support anticipated in the next ten fiscal years.

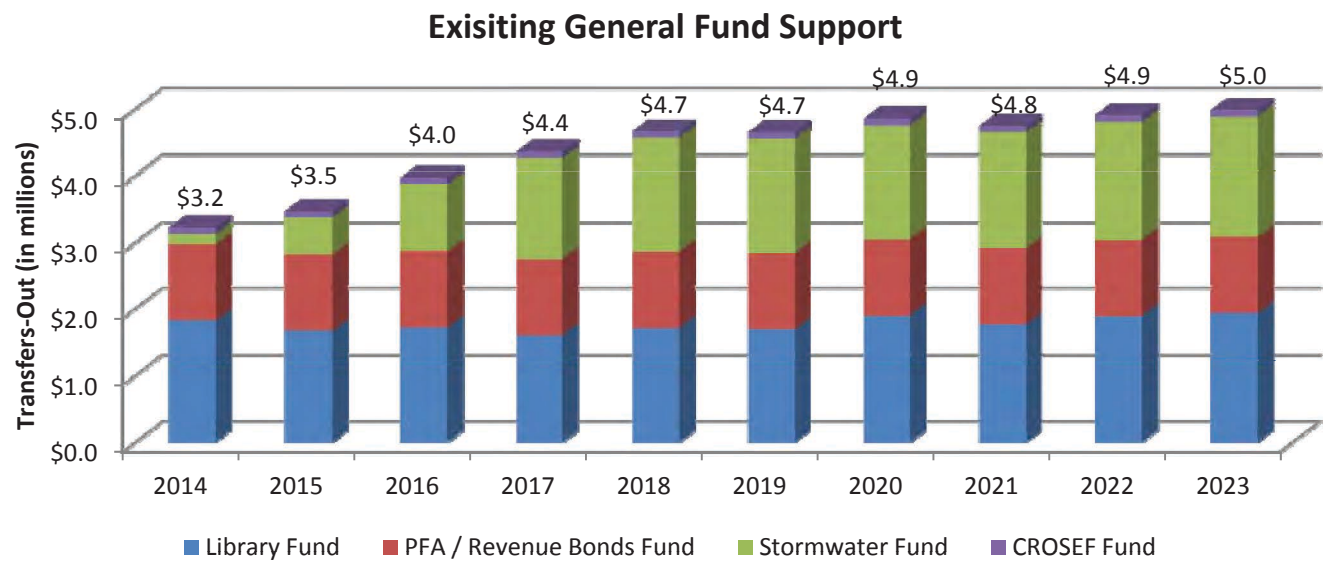
Theatres Fund - Currently, the General Fund does not provide operating funding for the Theatres Fund. However, the theatres have experienced decreasing revenues due to declines in performances and attendance, requiring the Fund to draw down on its reserves over the past five fiscal years. Staff has worked diligently to increase attendance at performances by strengthening its marketing efforts and bringing in well-known artists and shows. An Ad Hoc City Council Theatres Fund Budget Committee (Committee) was formed by City Council in June 2013, with a goal to formulate options for long-term strategies to achieve a balanced Theatres Fund budget by June 2016. On March 4, 2014, the City Council approved a plan, which if the Theatres Fund can successfully implement the recommendations, should result in the Theatres Fund becoming financial stable. This Plan assumes successful implementation of many of the Committee recommendations, resulting in net position slowly growing over the next decade and eliminating the need of General Fund financial support for capital improvements.

## **CONCLUDING RESULTS**

The City is currently in good fiscal health with a balanced budget in fiscal year 2014-15. Strong City Council leadership and staff management combined with sound financial and reserve policies have enabled the City to weather economic downturns with minimal impact on public services. The City's transition to a maintenance community will present unique challenges that the City has not faced during the past fifty years. Slow population growth, slow economic growth, and a shifting focus from new development to rehabilitation of existing development all combine to lead to a slower growth in revenue over the next ten fiscal years than the City has experienced in the past.

Based on projections, most funds have adequate fund balance over the next ten fiscal years. Although the General Fund is projected to maintain a positive fund balance throughout the duration of the Plan years, it is nonetheless projected to draw upon fund balance beginning in fiscal year 2015-16 in order to meet operating and capital requirements of existing services and programs. Thus, little capacity exists for the General Fund to support existing or additional services and programs that have historically been supported with non-General Fund revenue such as streets and roads. The draw down upon fund balance also impacts the reserve available for capital projects. Although not projected in this Plan, further cuts or takeaways by the federal, state, or county government would significantly strain the City's ability to provide outstanding services to residents.

The graph presented below shows total support the General Fund is projected to give to other funds over the next ten fiscal years increasing from approximately \$3.2 million to \$5.0 million. The primary reason for this increase is the projected costs of stormwater permit compliance. The Plan only projects ongoing support to those funds that currently receive General Fund support. Therefore, funds that are projected to require future financial support are not included in this graph.

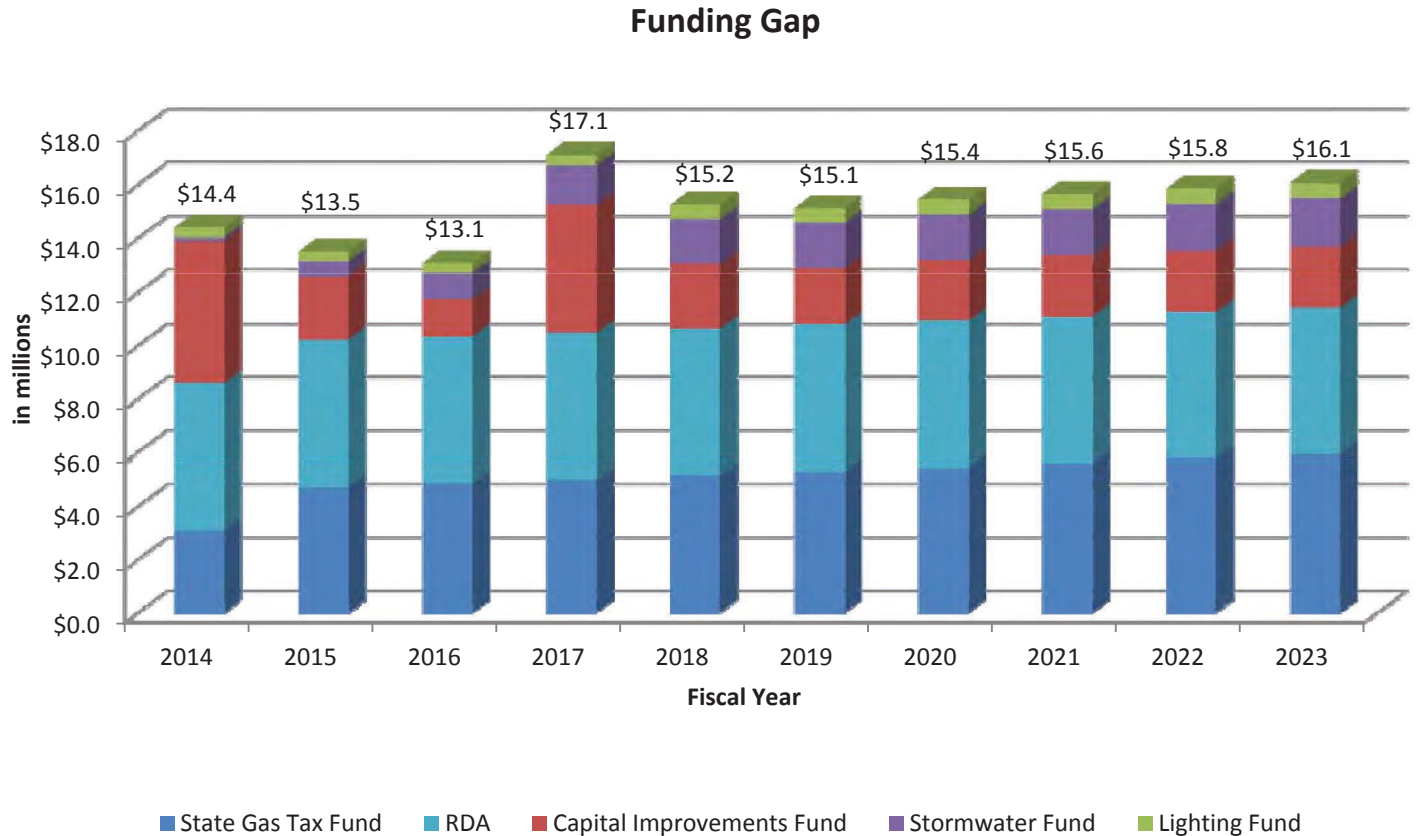


The recent City Council adoption of the Water and Wastewater Financial and Asset Management Plans addressed projected challenges in funding necessary capital improvements for those utilities. This Plan projects that the City Council adoption of rate adjustments and reserve policies recommended by the Financial Plans will ensure on-going financial stability of both the Water and Wastewater Funds.

Immediate Challenges - In order to maintain existing programs, service levels, and quality of infrastructure, the following funding challenges should be addressed within the next two fiscal years:

- The *State Gas Tax Fund* is projected to be unable to meet annual maintenance and capital improvement needs of the City’s street and sidewalk infrastructure in order to maintain existing levels of service and pavement quality. The gap is \$3.1 million in FY 2013-14 and is projected to grow to \$5.9 million in FY 2022-23.
- The *Capital Improvements Fund* is projected to deplete available fund balance and will no longer be a funding source for major capital improvement projects. This fund has been relied on in the past for major projects such as the Wendy Drive/101 interchange and Moorpark Road/101 interchange improvements.
- The *Lighting Fund* is projected to be unable to meet operational expenditure needs to provide lighting for street lights and traffic signal safety lights, as well as electricity for traffic signals beginning in FY 2013-14.
- The *Stormwater Fund* is projected to require additional funding support due to projected increased costs of stormwater permit compliance.
- The dissolution of Redevelopment Agencies eliminated local Property Tax revenue to support capital projects and affordable housing funding. This revenue is now remitted to the County. A new revenue source will need to be identified to continue supporting the revitalization and rehabilitation within the project areas and the contribution towards affordable housing within the City.

The graph presented below shows the funding gap discussed in the immediate challenges. This is projected to range between \$13.1 million and \$17.1 million over the next ten fiscal years, averaging approximately \$15.1 million annually.

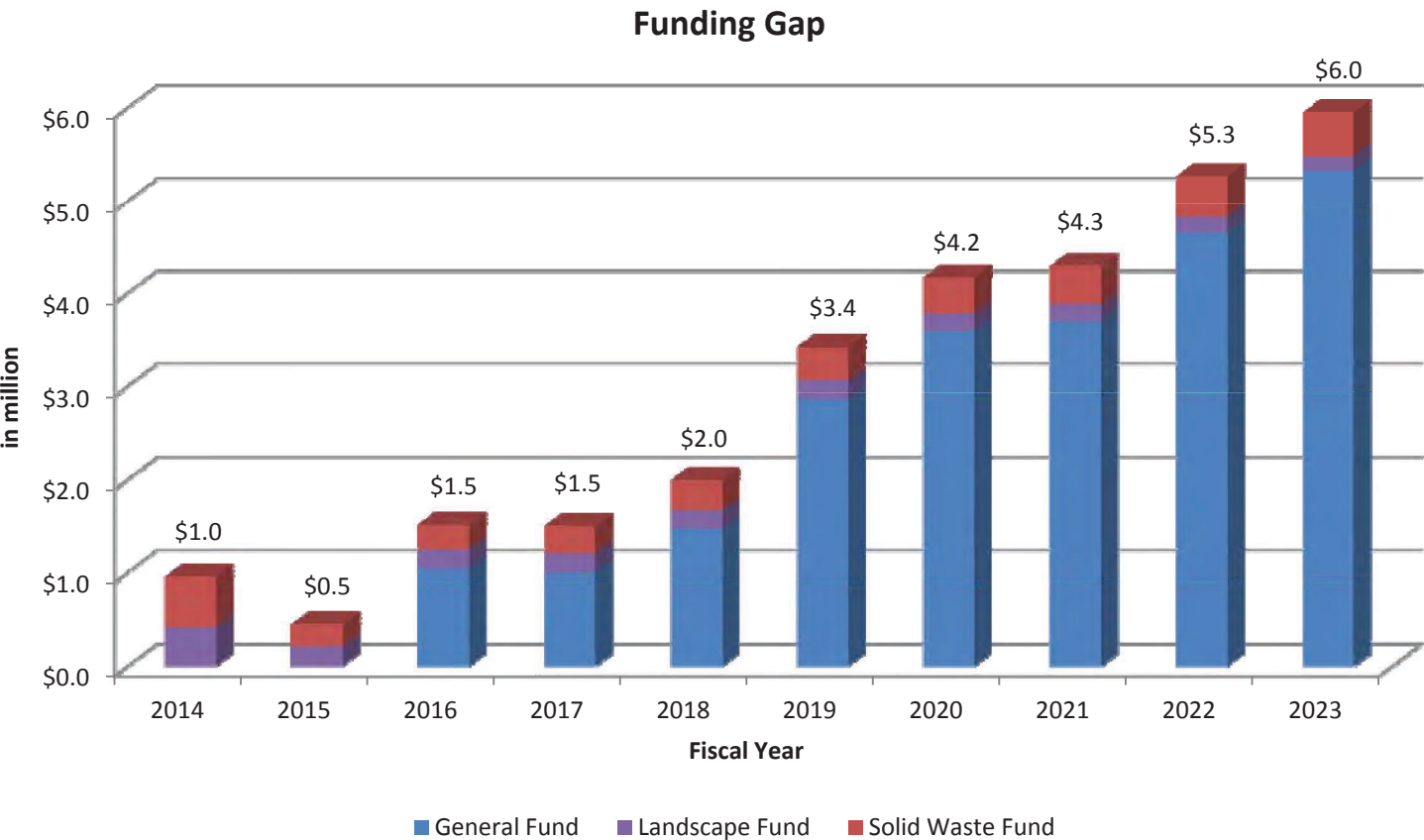


Long-term Challenges - The development of this Plan highlights future issues and allows City Council and staff adequate time to begin developing strategies over the coming fiscal years to bring revenues in alignment with expenditures/expenses.

- The *General Fund's* fund balance is projected to start declining in FY 2015-16. This decline will limit the ability of the General Fund to continuing providing support for other funds and will limit the amount of reserves available for capital projects.
- The *Landscape Fund* is projected to have an on-going structural imbalance as annual expenditures are greater than annual revenue.
- The *Solid Waste Fund* is projected to have on-going structural imbalance as annual expenditures are greater than annual revenue.
- Due to the elimination of TDA funds for streets, the funding available for the operation of the City's transit program is greater. Staff is in development of a Transit Master Plan to strategically plan for the future of Thousand Oaks Transit.



The graph presented below shows the funding gap discussed in the long-term challenges. This is projected to range between \$0.5 million and \$6.0 million over the next ten fiscal years, averaging approximately \$3.0 million annually.



This Plan serves as a roadmap to focus the City’s efforts in specific areas in order to strategize ways to increase revenues, decrease dependency on the General Fund, and develop more efficient methods of operating so that the City continues delivering excellent services to its residents. With both immediate and long-term challenges identified, the City has a clearer picture of the future and can ensure the fiscal sustainability of the City.

# GENERAL FUND



CIVIC ARTS PLAZA

The General Fund is the chief operating fund for the majority of core City services and operations, including:

- Community services (Teen/Adult Center, TOTV, Arts)
- Community development (Housing, Building, Code Enforcement, COSCA, Planning and Zoning)
- General administration (City Council, City Manager, City Attorney)
- General support services (Human Resources, City Clerk, Finance)
- Public Works (Development, Construction, Engineering, Streets and Roads, Fleet, Landscaping, MSC)
- Public safety (Police, Animal Control)

## RECENT CHALLENGES OVERCOME

The City was faced with challenges due to the Great Recession and major takeaways from the state, leading to a decline in General Fund revenue in FYs 2008-09 to 2009-10. The City was able to balance its budget with a corresponding reduction in expenditures through the implementation of several short-term and long-term gap-closing strategies. Short-term gap-closing strategies included the elimination of the open space transfer and deferral of maintenance. These have been restored and this Plan does not include any further short-term gap-closing strategies. As a part of long-term gap-closing strategies, the City reduced General Fund funded staff by over 77 positions mainly through retirements and attrition, greatly reducing salary and benefit costs while still maintaining existing service levels.

## GENERAL FUND REVENUE

Revenue is derived from a variety of sources and is considered discretionary, as there are few restrictions on how it may be used to provide services and support operations. The City's core municipal services rely heavily on General Fund revenues.

Revenue is primarily derived from taxes such as Sales, Property Tax in-Lieu of Motor Vehicle License Fee, (PTVLF) Property, Transient Occupancy, and Franchise Fees. Total General Fund revenue in FY 2012-13 was \$68.2 million, with tax revenue accounting for \$42.8 million, or 63% of total revenue. Sales Tax is the largest revenue source for the General Fund, totaling \$25.7 million, or 38%, in FY 2012-13. PTVLF is the second largest revenue source in the General Fund. The table on the next page shows the revenue sources in ranking order based on FY 2012-13 actual receipts.

The General Fund also receives revenues from other financing sources, which is comprised of transfers-in from other funds and proceeds from sale of property. This totaled \$1.8 million in FY 2012-13, with transfers-in primarily from Gas Tax and Traffic/Bicycle Safety Funds for maintenance of streets and roads.

## General Fund

### Comparison of General Fund Revenues For the Fiscal Years 2008-09 and 2012-13

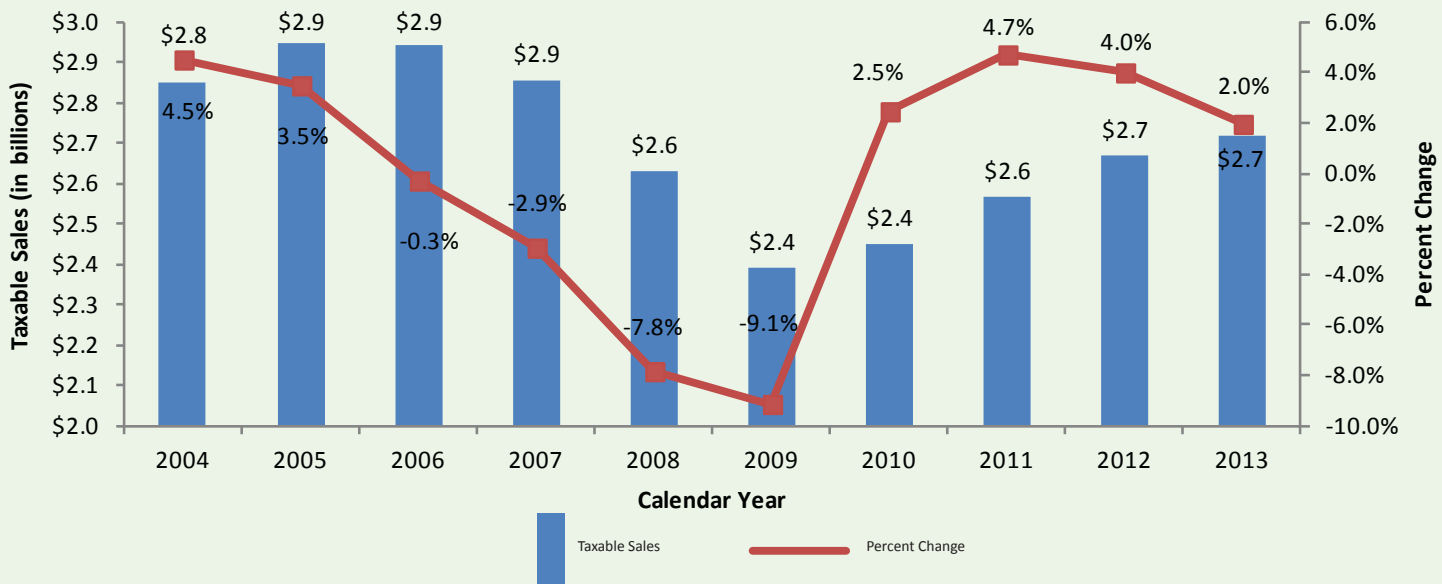
	FY 2008-09	FY 2012-13		Five-Year
	Actuals	Actuals	% of total	% Change
1. Sales Tax	\$ 23,797,091	\$ 25,695,545	37.69%	7.98%
2. PTVLF	10,225,069	9,894,767	14.51%	-3.23%
3. Property tax	7,425,527	7,740,472	11.35%	4.24%
4. Franchise fees	5,282,425	6,204,828	9.10%	17.46%
5. Charges for services	5,032,416	5,949,658	8.73%	18.23%
6. Licenses and permits	5,206,207	5,101,683	7.48%	-2.01%
7. Transient occupancy tax	2,493,840	3,162,291	4.64%	26.80%
8. Other financing sources	2,450,169	1,836,226	2.69%	-25.06%
9. Other revenue	666,517	786,349	1.15%	17.98%
10. Intergovernmental revenue	406,281	773,047	1.13%	90.27%
11. Use of money & property	2,955,891	723,455	1.06%	-75.52%
12. Fines & forfeitures	406,417	319,768	0.47%	-21.32%
Total	\$ 66,347,850	\$ 68,188,089	100.00%	2.77%

Although several revenue categories did experience strong increases over the past five years, the overall five-year increase was only 2.77%. This trend of modest growth in revenue is projected to continue.

**SALES TAX** accounts for approximately 38% of General Fund revenue and other financing sources, making it the single largest revenue source in the General Fund. The City has been successful in developing a diverse retail base that maximizes Sales Tax revenue and generally offsets cyclical economic elasticity. The City has welcomed the addition of several new restaurants and auto dealers over the past few years and revitalization projects of commercial and retail properties are occurring throughout the City. This is a testament to the City's continued focus on economic development and strong relations with the local business community. While the City experienced a decline in taxable sales during the Great Recession, the strengthening of the local economy is evident, as taxable sales have gradually increased over the past few calendar years as depicted in the chart below.

## General Fund

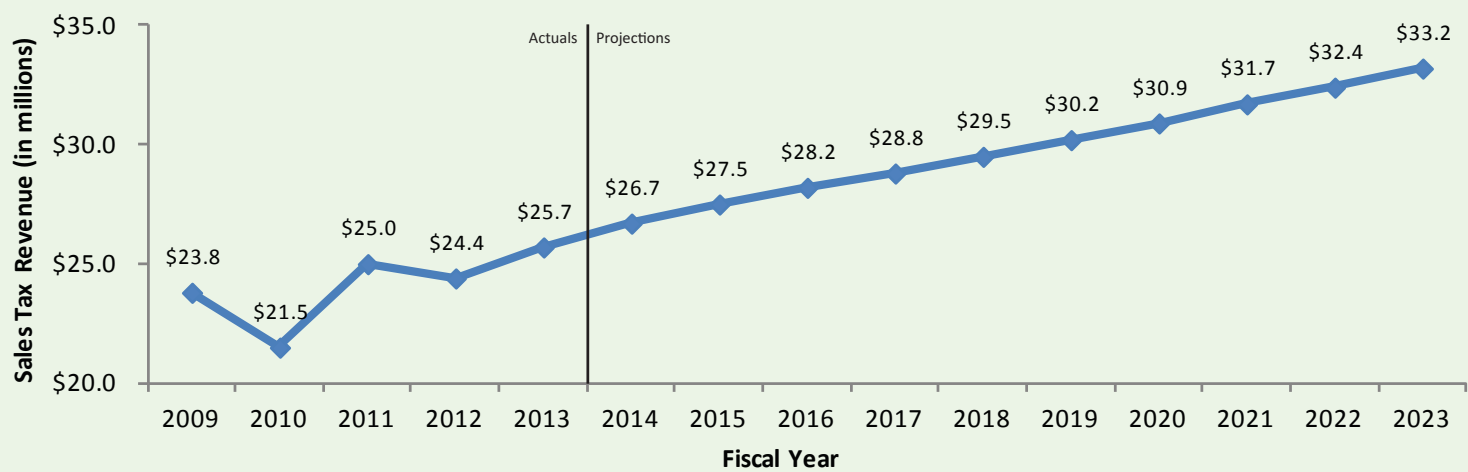
### Taxable Sales Trend By Calendar Year For the Calendar Years 2004 through 2013



Actual Sales Tax revenue experiences fluctuations not only due to economic trends, but also due to the Sales Tax Triple Flip implemented by the state in FY 2004-05. This budget-balancing scheme by the state reduced the allocation of Sales Tax to municipalities by 0.25% in order to repay the state’s economic recovery bond program. The complicated Sales Tax Triple Flip formula can create wide variances in the City’s Sales Tax revenue due to payments made from outdated estimates and reconciling payments or reductions for prior year activities. The Sales Tax Triple Flip is projected to end in FY 2016-17, when the bonds are fully paid.

Sales Tax revenue is projected to grow at a conservative rate of 2.5% annually over the next ten fiscal years, but it is not anticipated the City will experience large increases as in the past. Although the economy is gradually improving which will increase Sales Tax revenue, the City is near build-out commercially limiting the annual Sales Tax growth the City will experience. In addition, major retail development projects occurring in nearby cities, such as the construction of Target in Westlake Village, will further limit the growth of the City’s Sales Tax revenue.

**General Fund**  
**Sales Tax Revenue Cash Receipts**  
**For the Fiscal Years 2008-09 through 2022-23**



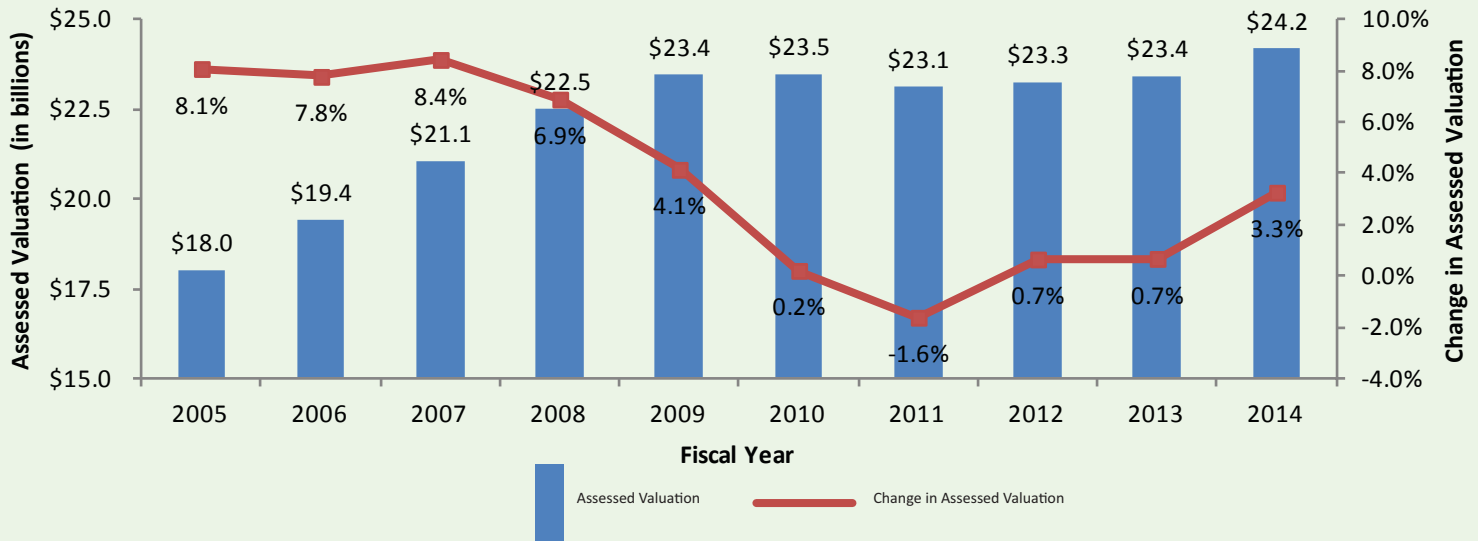
**PROPERTY TAX IN-LIEU (MOTOR VEHICLE LICENSE FEE) (PTVLF)** account for approximately 15% of General Fund revenue and other financing sources, with FY 2012-13 revenue totaling \$9.9 million. PTVLF is the City’s share of vehicle registration fees. The state has relied on PTVLF revenues in the past to balance its budget, permanently reducing the PTVLF rate from 2% to 0.65% in FY 2004-05, known as the PTVLF Swap, and replacing the takeaway of revenue with a like amount of Property Taxes. This is increased annually in proportion to the growth in gross assessed valuation in the City. This state trend of raiding PTVLF continued in FY 2011-12, with the elimination of approximately \$130 million in annual PTVLF revenue through SB 89 and approximately another \$5.0 billion in Sales Tax through AB 118 to pay for public safety realignment programs. This eliminated approximately \$0.4 million in annual City PTVLF General Fund revenue, while only increasing Supplemental Law Enforcement Services revenue by \$0.2 million.

During the last five fiscal years, PTVLF has experienced a decline in revenue, from \$10.2 million in FY 2008-09 to \$9.9 million in FY 2012-13. Assuming there are no further state raids on this revenue source, PTVLF is projected to grow at a conservative rate of 2% annually, mirroring the projected growth in assessed valuation, reaching \$11.9 million in FY 2022-23.

**PROPERTY TAX** accounts for approximately 11% of General Fund revenue and other financing sources, with FY 2012-13 revenue totaling \$7.7 million, including Property Transfer Tax. The City has historically had a strong Property Tax base as evidenced with only one year of negative growth in assessed valuation during the past five years, despite the housing crisis. The City’s net taxable assessed value increased 0.7% in FY 2012-13 and 3.3% in FY 2013-14 as shown in the graph on the next page. Further signs of a strengthening housing recovery are reflected in the increase of the median home price in the City to \$577,500, a 15.5% increase in calendar year 2013 compared to calendar year 2012. Although housing prices are rebounding, the median home price in the City is still below the high median price of \$710,000 from 2006.



## General Fund Assessed Valuation For the Fiscal Years 2004-05 through 2013-14



County Assessors will use 0.454% as the Proposition 13 inflation adjustment factor for FY 2014-15, which is less than the maximum 2.0% allowed per Proposition 13. This is only the eighth year since the passage of Proposition 13 that the inflation adjustment factor has been less than the 2.0% maximum allowed. Although CPI is only 0.454%, a 2.0% increase is still expected to be met due to 1) assessed values for FY 2013-14 increased 3.2%, or 1.2% more than the anticipated 2.0%, and 2) the recapturing of Proposition 8 reductions in assessed value from prior fiscal years.

Based on historical trend and the recovery in the housing market, Property Tax (including Property Transfer Tax) is projected to steadily increase to \$9.3 million by FY 2022-23, remaining a stable source of revenue for the General Fund.

**FRANCHISE FEES** are received from a franchisee for “rental” or “toll” for the use of city streets and right-of-ways. These taxes are imposed on refuse, cable, and utility businesses. Refuse Franchise Fees are currently 8% but are increasing to 9% in 2015, cable are 5%, and utilities are 2% of gross annual receipts, respectively. Franchise Fees have consistently experienced growth from year to year, with an average increase of 4% in the last five fiscal years. FY 2012-13 revenue totaled \$6.2 million, or 9% of total General Fund revenue. Franchise Fees are projected to grow by 2.0% annually over the next ten fiscal years, reaching \$7.5 million in FY 2022-23. Projections are lower than recent historical increases due to various factors, including: achievements in energy efficiency, containment in refuse rate increases, and an increasing trend toward non-traditional cable such as internet.

Successful negotiations in 2013 between staff and the current refuse haulers will lead to approximately \$6.0 million in savings to residential customers in the City through FY 2020-21 while simultaneously increasing General Fund revenue. The refuse franchise fee was increased 1%, from 8% to 9%, resulting in approximately \$170,000 in additional annual revenue to the General Fund. In addition, a term extension fee of \$750,000 was negotiated, which will result in an increase to the General Fund revenue in the amount of \$0.1 million annually from FY 2013-14 through FY 2019-20 and \$50,000 in FY 2020-21. In addition, approximately \$136,000 in green waste disposal costs (General Fund expenditure) and \$24,000 in special event collection costs will be avoided through the term of the contract. This is a prime example of a forward-thinking, proactive approach staff has taken to not only increase revenue and decrease expenditures in the General Fund, but also achieve cost-savings for City residents.

**CHARGES FOR SERVICES** are primarily comprised of cost allocation revenue, which is the recovery of costs incurred by the General Fund for administrative support functions, such as financial administration and human resources administration. Through the development of an annual cost allocation plan, each specific governmental fund and enterprise fund is charged an appropriate percentage of the cost of these services. Cost allocation revenue was \$4.3 million in FY 2012-13, or 72% of total charges for services revenue of \$6.0 million. Since this revenue source is based on the cost of providing General Fund administrative support, it is projected to gradually increase over the next ten fiscal years as expenditures increase, reaching \$5.3 million in FY 2022-23.

Other revenue in this category is comprised of fees charged for the actual cost of providing service for planning cases, building record fees, environmental reviews, and tow fees. These fees are established through the City’s adopted User Fee schedule that is reviewed on a biennial basis to ensure fee amounts are appropriate in relation to the cost of providing the service. In addition, since FY 2011-12, the City has received \$325,000 in annual revenue from the reverse contracting agreement with the Ventura County Sheriff for reimbursement of patrol services in unincorporated areas within the City. As this partnership has been beneficial to both the City and the Sheriff, this revenue is projected to continue during the next ten fiscal years.

**LICENSES AND PERMITS** are established through the City’s adopted Municipal Code or User Fees, which includes business licenses, building permits, public works permits, and other miscellaneous municipal code permits. Licenses and permits revenue totaled \$5.1 million in FY 2012-13. The two primary revenue sources are from building permits and business licenses, which totaled \$2.6 million and \$2.1 million in FY 2012-13, respectively. Although business license revenue is a rather stable source of revenue even during the economic downturn, permit revenue is greatly reliant upon the state of the economy and experienced wide fluctuations over the past five fiscal years. Building permit revenue hit a low of \$1.9 million in FY 2009-10 compared to a high of \$5.8 million in FY 1998-99 and public works permit revenue reached its lowest point in FY 2012-13 of \$0.5 million, down from \$1.0 million in FY 2008-09. With the City at residential build-out and nearing commercial build-out, permit revenue is projected to only experience slight growth over the next ten fiscal years.

**TRANSIENT OCCUPANCY TAX (TOT)** is charged by hotel and motel operators to guests at a rate of 10%. Revenue totaled \$3.2 million in FY 2012-13, the highest the City has received since inception of the tax. Although TOT revenue experienced a slight decline during the economic downturn, it was aided by the addition of new hotels in the City. TOT revenue is projected to continue to experience moderate growth over the next ten fiscal years, reaching \$3.7 million in FY 2022-23. Although no new hotels are currently projected to be constructed, the recent formation of the Conejo Valley Tourism Improvement District, with a goal of promoting and marketing the Conejo Valley as a popular tourist destination, will aid in increasing the TOT revenue for the City.

**GENERAL FUND EXPENDITURES**

The General Fund provides support for the efficient and effective operation of services provided to the citizens of Thousand Oaks. The organizational structure of the City is comprised of the following departments, which all receive General Fund support for their operations in one way or another:

- |                    |                         |
|--------------------|-------------------------|
| • City Attorney    | • City Clerk            |
| • City Council     | • Community Development |
| • City Manager     | • Human Resources       |
| • Cultural Affairs | • Library               |
| • Finance          | • Public Works          |
| • Police           |                         |

The General Fund provides support in the areas of personnel, maintenance and operations, capital improvements, debt service, and transfers-out for related expenditures. General Fund expenditures and transfers-out in FY 2012-13 totaled \$64.0 million. This represents a decrease from \$69.7 million in FY 2008-09, primarily due to a reduction of \$5.1 million in salaries and benefits expenditures as seen on the chart below. Each department experienced a decline with the exception of the Police Department which increased 3% due to annual increases in contract rates and City Council which experienced less than a 1% increase.

**General Fund**  
**Comparison of General Fund Expenditures by Department**  
**For the Fiscal Years 2008-09 and 2012-13**

Department	FY 2008-09 Actuals	FY 2012-13 Actuals	% of Total	Five-Year % Change
1. Police	\$ 24,896,984	\$ 25,642,089	40.07%	2.99%
2. Public Works	11,887,901	10,140,576	15.85%	-14.70%
3. Finance	8,897,133	8,130,871	12.70%	-8.61%
4. Community Development	8,044,263	6,640,864	10.38%	-17.45%
5. City Manager	4,032,272	2,826,425	4.42%	-29.90%
6. Human Resources	2,035,770	1,785,854	2.79%	-12.28%
7. City Attorney	1,597,840	1,285,253	2.01%	-19.56%
8. Cultural Affairs	1,362,883	1,124,944	1.76%	-17.46%
9. City Clerk	1,083,527	1,008,053	1.57%	-6.97%
10. City Council	252,238	253,967	0.40%	0.69%
Total by department	\$ 64,090,811	\$ 58,838,896	91.95%	-8.19%
Transfers Out	3,870,904	3,389,988	5.30%	-12.42%
Capital/Facility Improvements	1,749,860	1,760,606	2.75%	0.61%
Total expenditures	\$ 69,711,575	\$ 63,989,490	100.00%	-8.21%

**PERSONNEL COSTS** are currently the largest General Fund expenditure totaling \$25.5 million, or 39.5%, of General Fund expenditures and transfers-out for FY 2012-13. There are 219 full-time and designated part-time General Fund positions, excluding police, across all departments in FY 2013-14. This is a reduction of 77 positions, or 19%, from FY 2008-09. In addition, the General Fund also supports 108 police positions, five City Councilmembers, and five Planning Commissioners, as well as several hourly positions. Citywide staffing levels were adjusted not only in an effort to help balance the budget, but also in response to advances in process streamlining, department efficiencies, and long-term organizational needs. In addition, a change in activity levels since the City has reached residential build-out and has transitioned from a “growth” to a “maintenance” community and the state elimination of the City’s Redevelopment Agency also contributed to the reduction of citywide positions. Citywide, staffing levels were reduced by over 100 positions.

**General Fund**  
**Position History**  
**For the Fiscal Years 2008-09 and 2012-13**

Department	FY 2008-09 Actuals	FY 2012-13 Actuals	Variance	Five-Year % Change
1. Police *	115.00	108.00	(7.00)	-6.09%
2. Public Works	110.15	86.53	(23.62)	-21.44%
3. Community Development	75.00	50.50	(24.50)	-32.67%
4. Finance	59.00	47.95	(11.05)	-18.73%
5. City Manager	13.00	13.00	-	0.00%
6. City Clerk	9.00	7.00	(2.00)	-22.22%
7. Human Resources	8.50	6.50	(2.00)	-23.53%
8. City Attorney	6.00	5.00	(1.00)	-16.67%
9. Cultural Affairs	8.70	2.55	(6.15)	-70.69%
Total	404.35	327.03	(77.32)	-19.12%

\* FY 2008-09 includes 2 city support positions.

No City-funded administrative support for City Council

General Fund expenditures for retirement benefits totaled \$4.6 million, or 54% of employee benefit costs in FY 2012-13. Retirement costs include pension benefits as the City does not participate in Social Security, and retiree healthcare benefits for eligible full-time and designated part-time employees. The City contracts with CalPERS to provide retirement benefits to full-time employees and is self-funded for retirement benefits for hourly employees. Although the City's CalPERS employer rate is projected to rise from 16.778% of salary in FY 2014-15 to 24.3% of salary in FY 2022-23, the City is in better financial shape than many other municipalities. City Council and management resisted the statewide trend to enhance pension benefits for employees, understanding that enhanced benefits were not financially sustainable in the long run. In addition, the City recently negotiated with bargaining units to have all employees pay their 7% employee share, with full implementation in July 2014, reducing General Fund expenditures by \$1.2 million beginning in FY 2014-15. City Council also adopted a resolution to forego their annual increase in salary and pay their share of employee cost of pension benefits effective December 2014.

Staff continues to evaluate the long-term structure of the City workforce through implementation of a "People Strategy" that provides the staffing levels needed to operate efficiently and continue providing high levels of municipal services. Focus is to align the organizational structure in a way that emphasizes collaboration across departments, innovations of our work product, and meaningfully engaging the public. The People Strategy and this Plan project no new programs or services will be implemented that would require an increase in net staffing levels. Salaries and benefits expenditures are projected at \$33.5 million by FY 2022-23.

**POLICE CONTRACT SERVICES** is currently the next largest General Fund expenditure totaling \$25.1 million, or 39%, of General Fund expenditures and transfers-out in FY 2012-13. An additional \$0.5 million was incurred for such items as equipment, repairs and maintenance, utilities, and training for a total law enforcement expenditure of \$25.6 million. The City contracts with the Ventura County Sheriff's Department for police services. Although there was a slight decline (\$0.2 million) in costs in FY 2012-13 due to savings from temporarily vacant positions, contract rates continue to rise and are projected to increase 4% annually over the next ten fiscal years. These adjustments will result in police contract expenditures of \$37.5 million by FY 2022-23, which would make it the largest General Fund expenditure, surpassing salaries and benefits.

Periodically, staff performs an audit of the police contract to ensure the City is appropriately charged for the service it receives, and evaluates the efficiency of the City continuing to contract for police services as opposed to establishing its own police department. Staff is currently performing this review with results anticipated in early 2015.

**MAINTENANCE AND OPERATIONS** expenditures (excluding law enforcement services) totaled \$8.4 million in FY 2012-13. This is comprised of various items such as supplies and equipment, repairs and maintenance, professional/contractual services, utilities, insurance, equipment, and travel/training costs offset by chargebacks. The major components of maintenance and operations are utilities and professional/contractual services. Electricity and water which are the two biggest portions of utilities are projected to increase annually by 2%. Professional/contractual services are primarily for financial and public work services and are also projected to increase annually by 2%.

With the implementation of a short-term gap closing strategy to defer building maintenance, this expenditure category saw a reduction over the past five fiscal years. Going forward, maintenance will no longer be deferred and maintenance and operations expenditures are projected to gradually increase over the next ten fiscal years, reaching \$11.7 million in FY 2022-23.

**OPERATING TRANSFERS-OUT** provide General Fund financial support to the Library, Public Financing Authority (PFA) Debt Service, Community Recreation Open Space Endowment (CROSEF), and Stormwater Funds. The transfers-out vary by year for the Library and Stormwater funds depending upon the difference between revenues and expenditures for that year, while the transfers-out to the PFA and CROSEF funds are a pre-determined amount and easily projected in this Plan. Transfers-out to other funds totaled \$3.4 million in FY 2012-13, with transfers-out projected to slightly increase to \$4.9 million in FY 2022-23.

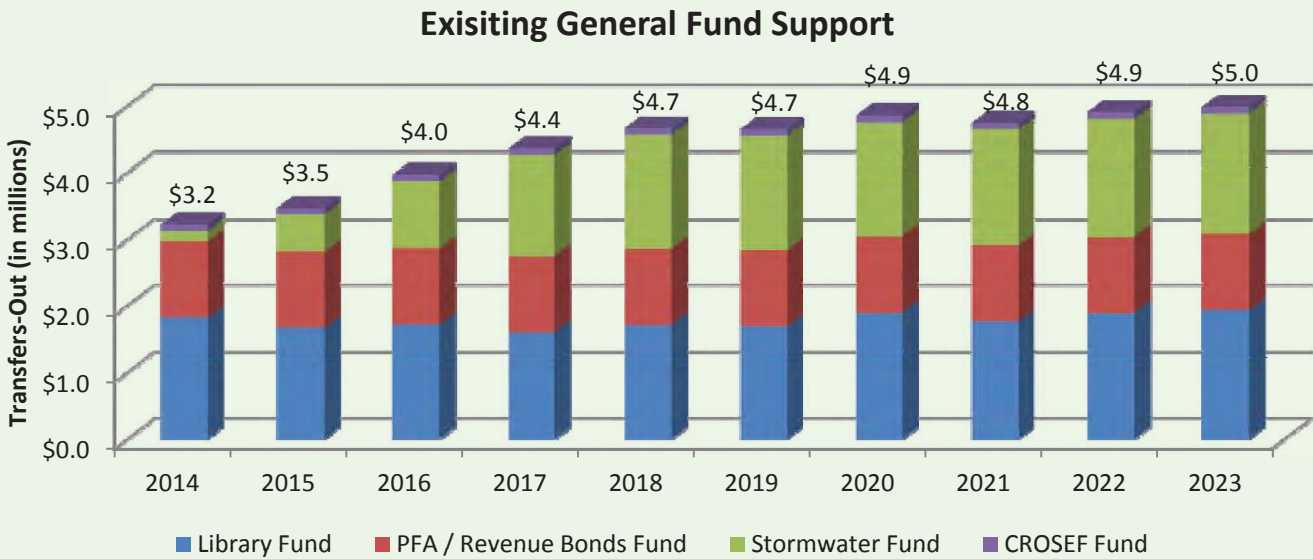


The largest financial support the General Fund provides to other funds is to assist the Library Fund for operations and capital improvement. The projected General Fund financial support of \$2.3 million in FY 2013-14 declines to \$1.7 million the next fiscal year and reaches \$1.9 million in FY 2022-23. This is primarily due to major capital projects reaching completion in FY 2013-14. The on-going challenge is to find ways to make the Library Fund more self reliant and less dependent on General Fund financial support for its operations.

The annual transfer to the PFA for debt service is for the annual principal and interest payments on the 2010 Library Refunding Lease Revenue Bonds. The issuance of \$16,405,000 in bonds redeemed the 2002 Refunding Certificates of Participation debt issuance. These bonds are payable solely from and secured by a pledge of revenues consisting primarily of lease payments made by the City pursuant to a lease agreement. As of June 30, 2014, \$14.4 million was outstanding with annual principal and interest payments of \$1.2 million. The bonds will be fully paid in FY 2031-32.

On February 8, 2000, City Council established a transfer-out from the General Fund to CROSEF in the amount of 10% of net available fund balance (not to exceed \$100,000) at June 30 of the previous year. City Council adopted the Governmental Fund Balance Policy in June 2011 to comply with Governmental Accounting Standards Board Statement No. 54, which revised the calculation to use the unassigned fund balance category. The transfer was eliminated as part of the short-term gap closing strategies beginning in FY 2008-09, but was restored in FY 2011-12 with a transfer of \$7,576 per the policy. The transfer was restored to \$100,000 in FYs 2012-13 and 2013-14 and projected to occur in fiscal years with a positive unassigned fund balance.

On April 21, 1992, City Council approved an Implementation Agreement with Ventura County, the Ventura County Flood Control District, and other county cities to develop an integrated Stormwater Discharge Management Program with the objective of improving water quality in the Calleguas Creek and other watersheds. The Stormwater Fund receives a portion of the county’s property tax special assessment to assist with stormwater regulation costs, however, the revenue received is short of the expenditures necessary to comply with stormwater regulations. The General Fund began supporting the Stormwater Fund in FY 2007-08. The Stormwater Fund received additional revenue from sales of reclaimed water over the past few years, which alleviated the need for General Fund financial support, however, the General Fund’s support is projected to continue each of the next ten fiscal years, reaching \$1.8 million in FY 2022-23 due to new stringent stormwater permit requirements which is projected to greatly increase costs for permit compliance.



**CAPITAL IMPROVEMENTS** are funded through the use of General Fund reserves with projects reviewed on an individual basis. Capital improvements include street, transportation/traffic, landscape/streetscape, stormwater, open space, and facility projects. Capital improvements expenditures vary annually depending upon needs and the availability of General Fund reserves and totaled \$1.8 million in FY 2012-13 and have averaged \$1.7 million over the past five fiscal years.

Future capital improvements are projected using the Capital Improvement Program Budget, which includes a five-year plan of expected capital projects. In addition, staff also prepares a Facilities Fifteen-Year Maintenance Plan to project necessary improvements and/or maintenance to the City’s buildings. The major capital project occurring with General Fund support currently is the Erbes Road Improvements project in the amount of \$3.1 million for widening and undergrounding of utilities along Erbes Road.

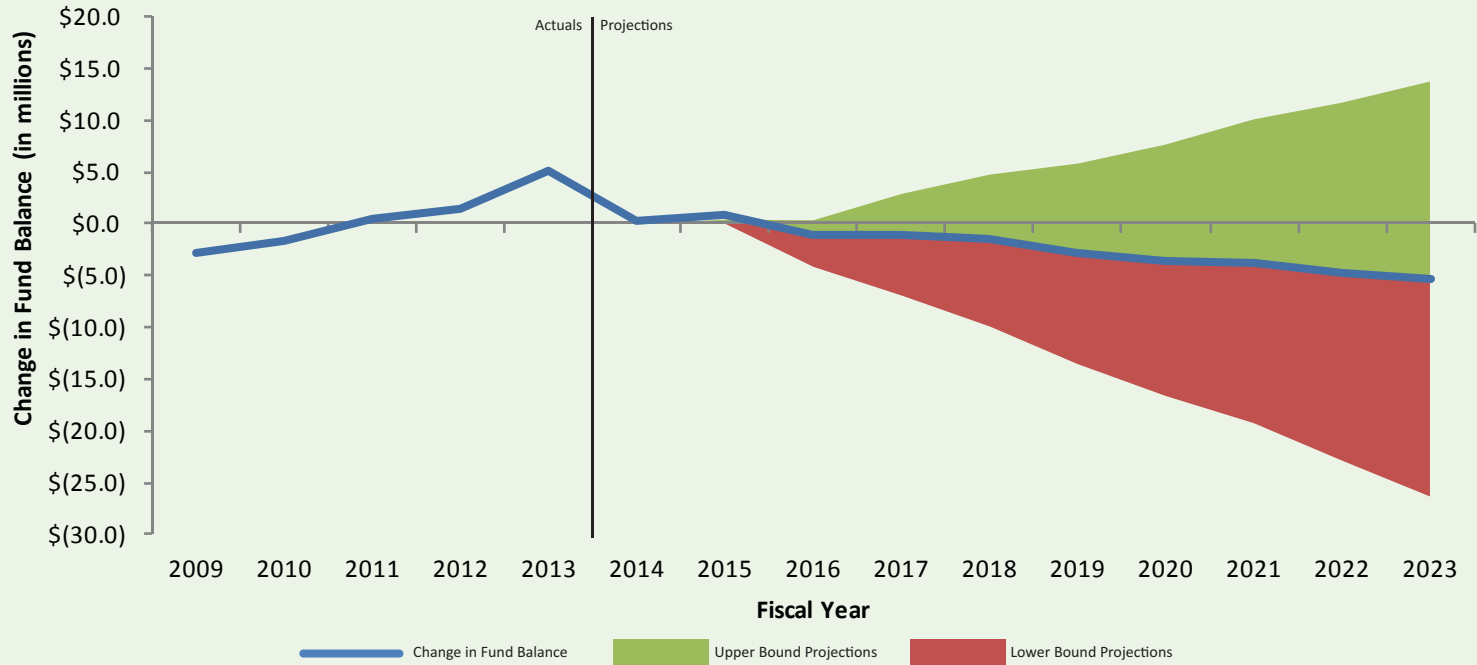
**FUND BALANCE**

To support long term financial planning, City Council approved the Governmental Fund Balance Policy on June 14, 2011. This policy establishes fund balance classifications, as well as the General Fund’s commitments to set-aside 5% for emergency contingency and 15% in working capital reserve. As of June 30, 2013, the City’s General Fund fund balance included \$83.6 million that was nonspendable, committed, or assigned for a specific purpose, and \$1.1 million available for discretionary purposes.

Based on the revenue and expenditure projections presented in this Plan, fund balance is projected to begin declining in FY 2015-16 and each year thereafter, with a total reduction in fund balance of \$22.8 million between FYs 2014-15 and 2022-23. This Plan assumes no new programs or services, no changes in staffing levels, and no additional General Fund subsidies of other funds, even if the fund is projected to require support.

Each fiscal year, the City will have to prioritize spending in an environment with rising costs and slower-growing revenues. New solutions and approaches will be needed to sustain existing programs and service levels. With this in mind, the City should consider developing strategies to become financially independent from the federal government, state, and county.

**General Fund**  
**Fund Balance**  
**For the Fiscal Years 2008-09 through 2022-23**



**General Fund**  
**Summary of Projected General Fund Revenues and Expenditures**  
**For the Fiscal Years 2013-14 through 2022-23**

General Fund Revenue Projections:

General Fund Revenues:	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Taxes and Fees	\$ 44,352,410	\$ 44,814,927	\$ 45,834,800	\$ 46,878,180	\$ 47,945,580	\$ 49,037,570	\$ 50,154,750	\$ 51,297,660	\$ 52,466,910	\$ 53,663,150
Licenses and Permits	5,251,130	5,000,000	5,100,000	5,202,000	5,306,040	5,412,161	5,520,404	5,630,812	5,743,428	5,858,297
Fines and Penalties	323,480	315,100	318,270	321,500	324,760	328,040	331,350	334,710	338,100	341,510
Revenue From Use of Money	1,646,090	1,463,999	1,469,150	1,481,670	1,497,610	1,514,010	1,530,870	1,548,210	1,565,010	1,582,300
Charge for Current Services	5,853,494	5,852,518	5,971,640	6,093,630	6,218,550	6,346,460	6,477,420	6,611,530	6,748,850	6,889,440
Revenue From Other Agencies	10,431,750	10,426,564	10,630,140	10,837,790	11,049,590	11,265,630	11,485,990	11,710,750	11,940,010	12,173,860
Reimbursements	1,472,762	332,950	332,950	332,950	332,950	332,950	332,950	332,950	332,950	332,950
Other Revenue	88,005	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Total General Fund Revenues	69,419,121	68,267,058	69,717,950	71,208,720	72,736,080	74,297,821	75,894,734	77,527,622	79,196,258	80,902,507
Transfers From Other Funds:										
Gas Tax Funds	920,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000	810,000
Traffic Safety Funds	600,000	812,000	828,240	844,810	861,710	878,950	896,530	914,470	932,760	951,420
Other Funds	280,000	213,000	212,120	212,250	212,410	212,570	200,000	200,000	200,000	200,000
Total Transfers From Other Funds	1,800,000	1,835,000	1,850,360	1,867,060	1,884,120	1,901,520	1,906,530	1,924,470	1,942,760	1,961,420
Total Revenue Available	71,219,121	70,102,058	71,568,310	73,075,780	74,620,200	76,199,341	77,801,264	79,452,092	81,139,018	82,863,927
General Fund Expenditure Projections:										
Operating Expenditures:										
Salaries	\$ 17,520,566	\$ 18,323,471	\$ 18,854,490	\$ 19,401,480	\$ 19,964,550	\$ 20,544,240	\$ 21,141,080	\$ 21,755,580	\$ 22,388,140	\$ 23,039,550
Fringe Benefits	7,983,478	8,344,736	8,624,170	9,054,410	9,407,200	9,779,840	10,130,750	10,315,390	10,409,540	10,505,510
Maintenance and Operations	8,431,217	9,988,681	10,188,700	10,392,780	10,600,960	10,813,270	11,029,840	11,250,710	11,476,020	11,705,840
Police Contract Services	26,645,694	27,400,900	28,496,940	29,636,820	30,822,300	32,055,200	33,337,410	34,670,910	36,057,750	37,500,060
Capital Outlay	912,659	1,219,492	1,243,890	1,268,790	1,294,190	1,320,090	1,346,510	1,373,470	1,400,960	1,429,000
Use of Asset Replacement Funds	(912,659)	(1,219,492)	(1,243,890)	(1,268,790)	(1,294,190)	(1,320,090)	(1,346,510)	(1,373,470)	(1,400,960)	(1,429,000)
Total Operating Expenditures	60,580,955	64,057,788	66,164,300	68,485,490	70,795,010	73,192,550	75,639,080	77,992,590	80,331,450	82,750,960
Capital Improvements and Debt Service:										
Capital/Facilities Improvements	6,315,322	1,202,000	1,970,000	1,030,000	630,000	1,222,000	892,000	405,000	555,000	450,000
Transfers to Other Funds:										
Library Fund	2,312,644	1,666,215	1,718,060	1,605,870	1,711,650	1,694,780	1,900,790	1,764,070	1,897,510	1,935,660
PFA Fund	1,156,800	1,160,400	1,158,000	1,154,800	1,154,800	1,155,900	1,158,100	1,156,100	1,153,100	1,154,100
Stormwater Fund	550,000	1,000,000	1,500,000	1,700,000	1,700,000	1,700,000	1,700,000	1,730,000	1,760,000	1,800,000
CROSEF Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Transfers to Other Funds	4,119,444	3,926,615	4,476,060	4,560,670	4,666,450	4,650,680	4,858,890	4,750,170	4,910,610	4,989,760
Total Estimated Expenditures	71,015,721	69,186,403	72,610,360	74,076,160	76,091,460	79,065,230	81,389,970	83,147,760	85,797,060	88,190,720
Change in Fund Balance	\$ 203,400	\$ 915,655	\$ (1,042,050)	\$ (1,000,380)	\$ (1,471,260)	\$ (2,865,889)	\$ (3,588,706)	\$ (3,695,668)	\$ (4,658,042)	\$ (5,326,793)

# LIBRARY FUND



GRANT R. BRIMHALL LIBRARY

*Main entrance (photo courtesy of Thousand Oaks Library)*

The Library Fund serves the diverse informational and leisure pursuits of the community by providing knowledgeable, courteous, and effective assistance, materials, and resources for research and life-long learning in a variety of print and electronic formats. The libraries also provide cultural and informative programs, and pleasant library facilities for the enjoyment of users of all ages and interests. The City has two libraries for patrons to enjoy, the Grant R. Brimhall Main Library and the Newbury Park Branch Library.

Library Fund revenues are derived mostly from property tax and General Fund financial support. Property tax accounted for 66% of all revenues, or \$5.5 million, in FY 2012-13. General Fund support has been approximately \$2.0 million annually over the past five fiscal years. Support varies annually in order to ensure revenues match expenditures, so the fund is balanced.

Although Property Tax revenues have been rather consistent over the past five fiscal years, and are projected to steadily increase at about 2% annually, the Library Fund faced significant challenges due to the elimination of two recurring revenues from county and state sources. Per a long-standing agreement with Ventura County, the City received an annual county Library payment derived from local Property Taxes for servicing residents in the unincorporated areas of Thousand Oaks. However, effective FY 2011-12, the agreement was terminated by the county in order to transfer local Conejo Valley library Property Tax revenues from the Thousand Oaks Library system to support county libraries located in West Ventura County. This decision resulted in the loss of approximately \$0.4 million in recurring Library Fund revenue. Also effective FY 2011-12, the Library was a victim of the Governor's first round of "Trigger" cuts to balance the state budget, which equated to a loss in recurring revenue of approximately \$45,000.

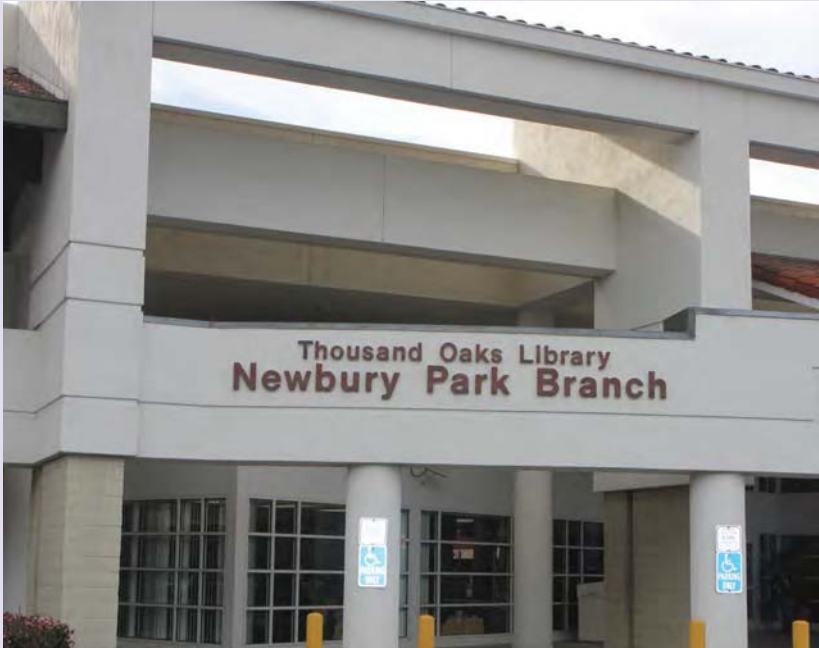
In an effort to reduce expenditures to compensate for reductions in revenue, the Library evaluated its organizational structure and underwent reductions in staffing levels and hours worked by the remaining staff. A total of 22 positions or 32% were reduced between FYs 2008-09 and 2013-14. The staff reductions reduced salary and benefits expenditures, which account for the majority of the Library's fiscal year 2013-14 budget at 61% of the Library's expenditures. Maintenance and operations comprise of 29% of the Library's expenditures, while capital comprises the remaining 10% of the Library's expenditures.



With major capital projects recently completed, such as upgrades to the mechanical and fire suppression systems and repaving the parking lots at both libraries, projected minimal capital expenditures in the next ten fiscal years assist in reducing General Fund financial support to the Library Fund. As shown in the graph below, the projected General Fund financial support of \$2.3 million in FY 2013-14 declines to \$1.7 million in FY 2014-15; reaching \$1.9 million in FY 2022-23.

The ultimate goal of the Library Fund is to become more self reliant and less dependent on General Fund financial support. Since the largest revenue source is Property Tax, which is governed by Proposition 13 and limited to a 2% CPI increase annually, the challenge for the Library Fund is how to increase revenue and/or decrease expenditures to lessen the Fund’s financial dependence on the General Fund. Staff will develop strategies to bring in other revenue sources and reduce expenditures by streamlining processes and improving efficiencies.

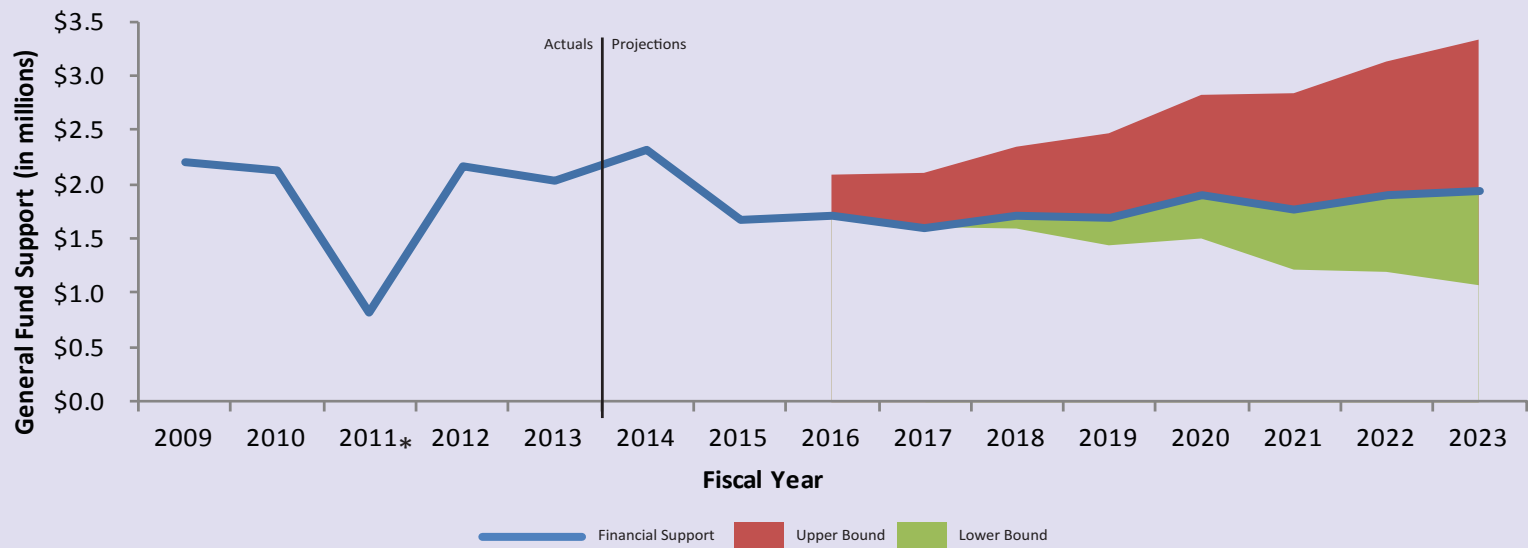
Based on the results of the 2013 Community Attitude Survey, 67.6% of residents polled believe library services are extremely or very important and 70.2% were very satisfied with library services, the third highest satisfaction rate of City services. Despite being faced with challenges, the libraries continue to provide excellent service and remain a popular destination in the community.



NEWBURY PARK BRANCH LIBRARY

Main entrance

General Fund Financial Support  
For the Fiscal Years 2008-09 through 2022-23



\*Note: In fiscal year 2010-11, the Library Fund had beginning reserves of \$1.0 million attributed to Ventura County’s one-time payment for underpayment of services provided to residents of unincorporated areas from FYs 2000-01 through 2009-10.



# STATE GAS TAX FUND

The State Gas Tax Fund is responsible for the construction, improvement, and maintenance of City streets, roads, and sidewalk infrastructure. The major funding source for the State Gas Tax Fund is from state excise taxes imposed on various transportation fuels, which are referred to as Gas Tax or Highway User's Tax (HUT) funds. Gas Tax revenues in FY 2012-13 were \$7.3 million and are expected to decline to \$3.4 million by FY 2022-23.

According to the City's 2013 Community Attitude Survey (Survey), maintaining streets and roads is the third most important City service to our residents, with 23% of respondents stating it was extremely important and 62% of respondents stating it was very important. Managing traffic congestion was also ranked as a highly

important service to City residents. The results presented in the Survey highlight the importance of maintaining City streets and traffic-related infrastructure in order to continue to achieve high resident satisfaction and quality of life.

State and federal street and highway-related grants are also accounted for in the State Gas Tax Fund. State and federal grants have provided significant funding for several major infrastructure projects in the past and most recently: \$30 million for the 101/23 interchange improvement project (approximately \$15 million of which is loaned by the City's General Fund and will be repaid by fiscal year 2015-16), \$10 million for the Wendy Drive/101 interchange improvement project, and \$4 million for the Erbes Road improvement project. The City has also been successful in receiving grant funds for various bicycle lane and crosswalk projects, improving and enhancing the safety of City streets for bicyclists and pedestrians. Despite the City's experience of obtaining significant funding from state and federal sources, including the recent American Recovery and Reinvestment Act (ARRA) grant program of 2009, this trend is not expected to continue.

In addition to the aforementioned revenue sources, the City has also allocated a portion of Transportation Development Act (TDA) funds towards street-related purposes each year. Prior regulations allowed TDA funds to be spent on street-related expenses if there were no unmet transit needs. However, beginning in July 2014, the City may not use TDA funds towards street-related purposes, as funds must be spent solely on transit. This will present a major challenge to the City as TDA funds have been a significant funding source for City street and transportation/traffic related projects over the past ten fiscal years, averaging \$1.9 million in revenue per fiscal year.

In prior years, the City was allocated Surface Transportation Program (STP) funds for streets and roads, in the amount of \$0.6 million per fiscal year. However, beginning September 2013, the Ventura County Transportation Commission will no longer be allocating STP funds to the City, but rather will be using it to fund county-wide highway improvements.



### ERBES ROAD IMPROVEMENTS

*Construction taking place on Erbes Road to enhance pedestrian and bicycle accessibility and safety and improve the intersection of Erbes Road and Hillcrest Drive to reduce congestion. Project estimated to be completed in Spring 2015*

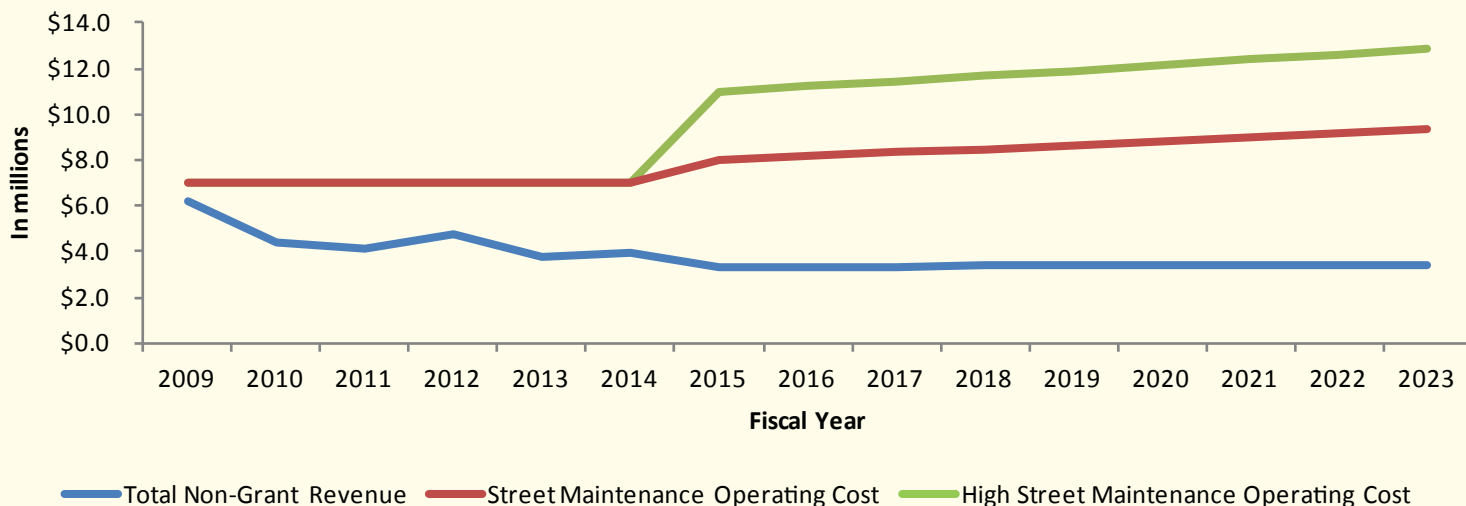


### 101/23 INTERCHANGE EXPANSION

*Project to widen the Southbound Route 23 to the Northbound Route 101 connector to two lanes and add a soundwall on the Northbound side of the 101 freeway. Project estimated to be completed in 2016*

The State Gas Tax Fund has experienced a decline in fund balance from a high of \$15.6 million in FY 2009-10 to just \$2.2 million in FY 2012-13. Based on current revenue projections and expenditure needs, in order to maintain City streets and traffic infrastructure at current levels, the Fund is projected to be negative by FY 2014-15. The State Gas Tax Fund is the revenue source used to pay for a majority of the costs associated with the construction, improvement, and maintenance of street and traffic-related infrastructure. With the elimination of TDA as a source of revenue, coupled with the decline in state and federal grant funding, a significant burden will be placed on the General Fund to support these activities. As depicted in the graph below, street maintenance costs average about \$8.0 million per year, and expecting to grow to \$9.4 million per year, with an average of \$3.4 million expenditures covered by the State Gas Tax Fund. To maintain the streets in pristine condition, according to the pavement management plan, street maintenance costs are expected to grow to \$12.9 million a year.

**Total Non-Grant Revenue and Street Maintenance Operating Cost Comparison  
For the Fiscal Years 2008-09 through 2022-23**





# CAPITAL IMPROVEMENTS FUND

The Capital Improvements Fund, which primarily consists of Developer Impact Fees, is responsible for the improvement and addition of City infrastructure such as interchanges, roads, bridges, traffic signals, and sidewalks. New developments are charged Development Impact Fees to pay a portion of the necessary costs of improvements to existing and additional infrastructure as a result of increased traffic burden placed on City infrastructure.

Developer Impact Fees have been a significant source of revenue for the City in terms of funding for various infrastructure improvements and additions over the years. Major projects that were completed with the assistance of Developer Impact Fees include the recent Wendy Drive interchange project, and the Moorpark Road, Borchard Road, and Lynn Road interchange projects.

As the number of new developments have declined over the past five fiscal years due to the state of the economy and the City reaching build-out, Developer Fee revenue has also experienced a similar decline. Revenue was \$1.1 million in FY 2012-13 and is projected to be \$0.1 million in FY 2022-23. Revenue is projected to average \$0.2 million over the next ten fiscal years.

As the graph on the top of the next page illustrates, the Fund will use existing fund balance over the next ten fiscal years, reaching a negative position by FY 2020-21, or sooner, if lower-than-expected developer impact fees revenues are received.



ROUTE 101 AT WENDY DRIVE INTERCHANGE IMPROVEMENTS

*Construction taking place on the Route 101 at Wendy Drive Interchange Improvements Project.*

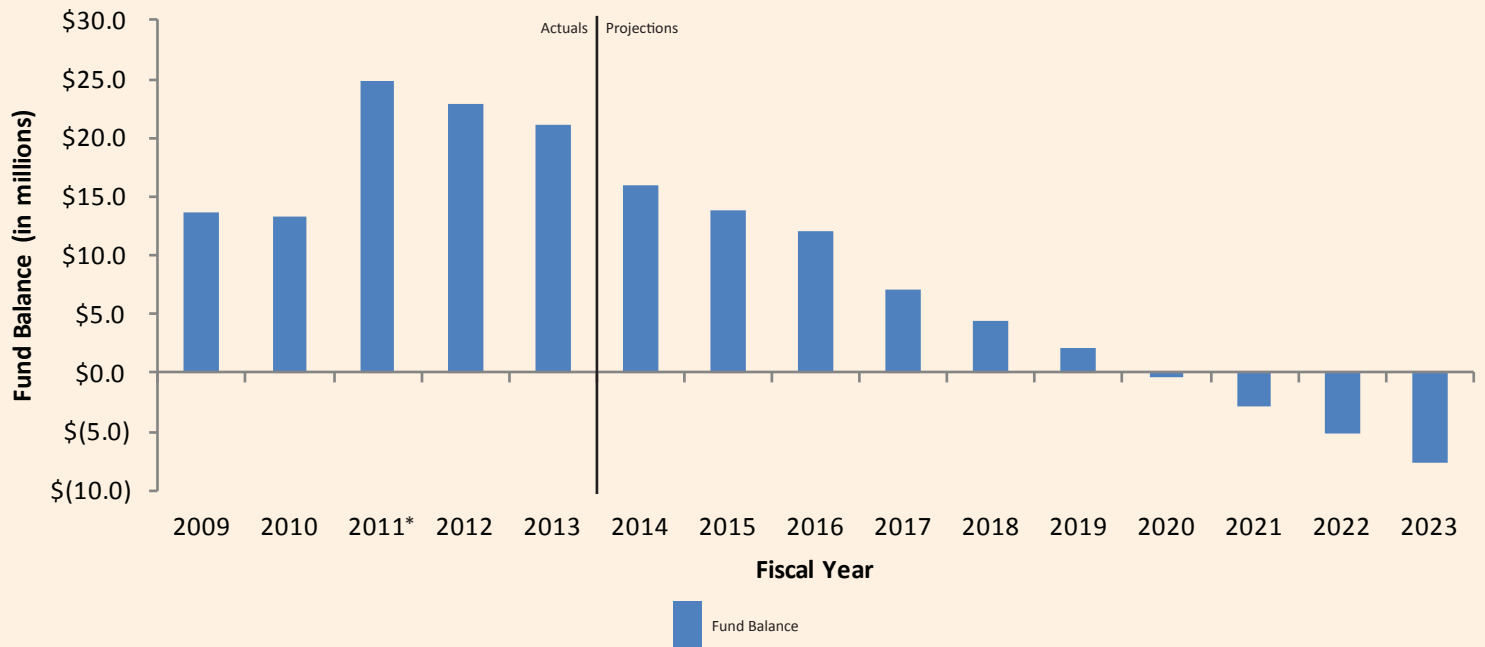


ROUTE 101 AT WENDY DRIVE INTERCHANGE IMPROVEMENTS

*The newly reconstructed Wendy Drive Bridge*



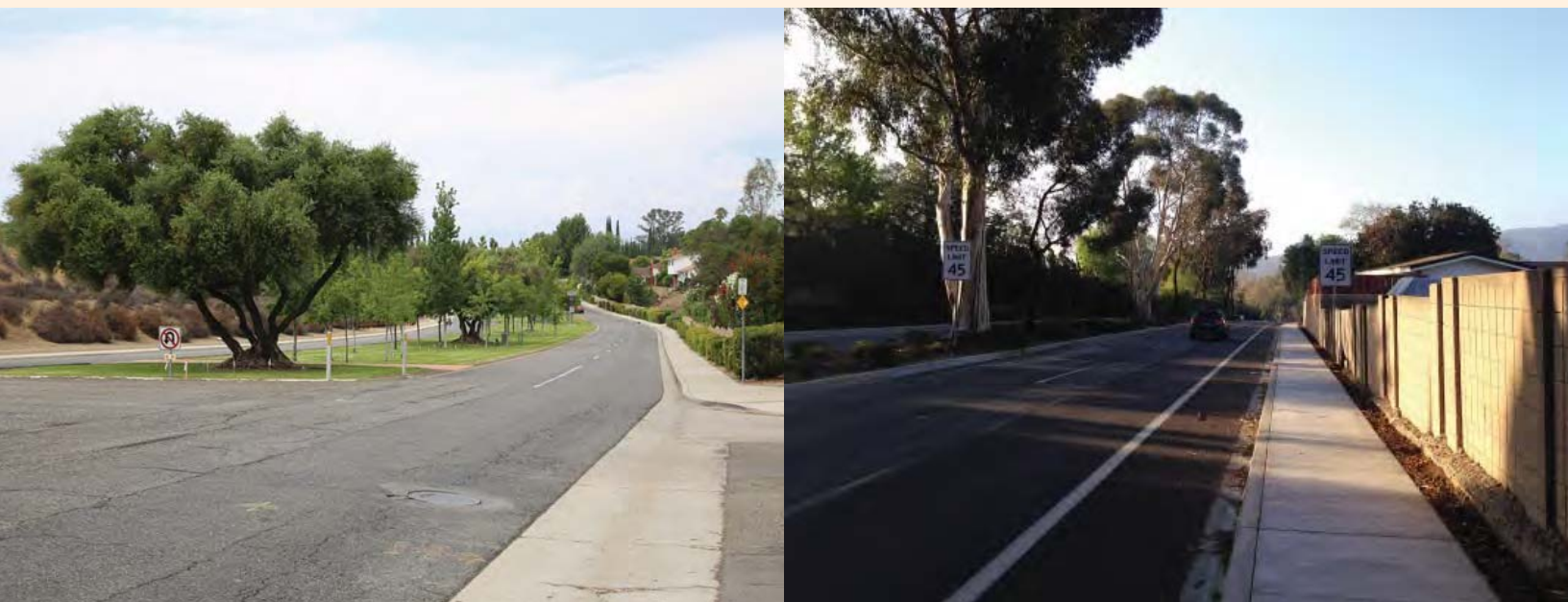
## Fund Balance For the Fiscal Years 2008-09 through 2022-23



*\*Note: fiscal year 2010-11 increase in fund balance due to a reclassification of unearned revenue as revenue*

The 2013-2015 biennial Capital Improvement Program Budget includes all planned capital projects for the next five fiscal years. Future projects are prioritized based upon safety requirements, needs of the community, and available budget. Capital expenditures have averaged \$1.7 million over the past five fiscal years.

Due to the projected negative fund balance beginning in FY 2020-21, this Fund will not be a major funding source of future projects within the City. This will present a significant challenge to the City in terms of improving existing traffic and transportation-related infrastructure and will necessitate the City to look for alternative funding sources.



Lynn Road Bike Lanes

*Before and after pictures of the new bike lanes installed on Lynn Road between Hillcrest and Arboles*

# LIGHTING FUND

The Lighting Fund provides maintenance of the City's 7,400 street lights, 500 safety lights at signalized intersections, and 138 traffic signals located within the City's Landscape and Lighting District (LLAD) 79-2. The LLAD was established in 1979 by City Council and is currently comprised of six lighting zones throughout the City. Within the lighting zones, only properties that benefit from the local street lighting maintenance and improvements are assessed. 90% of approximately 43,000 parcels within City limits are within the lighting district. Maintenance of lights and traffic signals outside of the LLAD are funded by the General Fund and/or Developer Fees. The continued maintenance of street lighting and traffic signals promotes safe streets and intersections throughout the City.

There are two main revenue sources in the Lighting Fund, Property Taxes and Special Assessments. Property Tax revenue is the largest revenue source, at approximately 76% of revenue, or \$1.2 million in FY 2012-13. The Special Assessment revenue in FY 2012-13 equaled approximately \$0.3 million for lighting. The Special Assessment per parcel is \$12.76 in FY 2012-13, increasing 3% to \$13.14 in FY 2013-14.

Staff reviews the assessment amounts annually by taking into consideration the expected cost of providing services in the upcoming year and calculating the revenue required by each zone to compensate the LLAD for those services. Legally, assessment rates are capped at an annual increase of 3% per year, even if the zone does not anticipate collecting adequate revenue to offset expenditures. Therefore, special assessment revenue is projected to increase 3% annually, reaching \$0.4 million in FY 2022-23.

The Lighting Fund receives approximately \$0.1 million in an annual transfer-in from the Signal Maintenance Developer Fee Fund. The Signal Maintenance Developer Fee is charged to new developments for 20-year maintenance costs of new traffic signals that are required to be constructed due to increased traffic flow from the development. This transfer-in is expected to end in FY 2016-17.



MSC EXPANSION

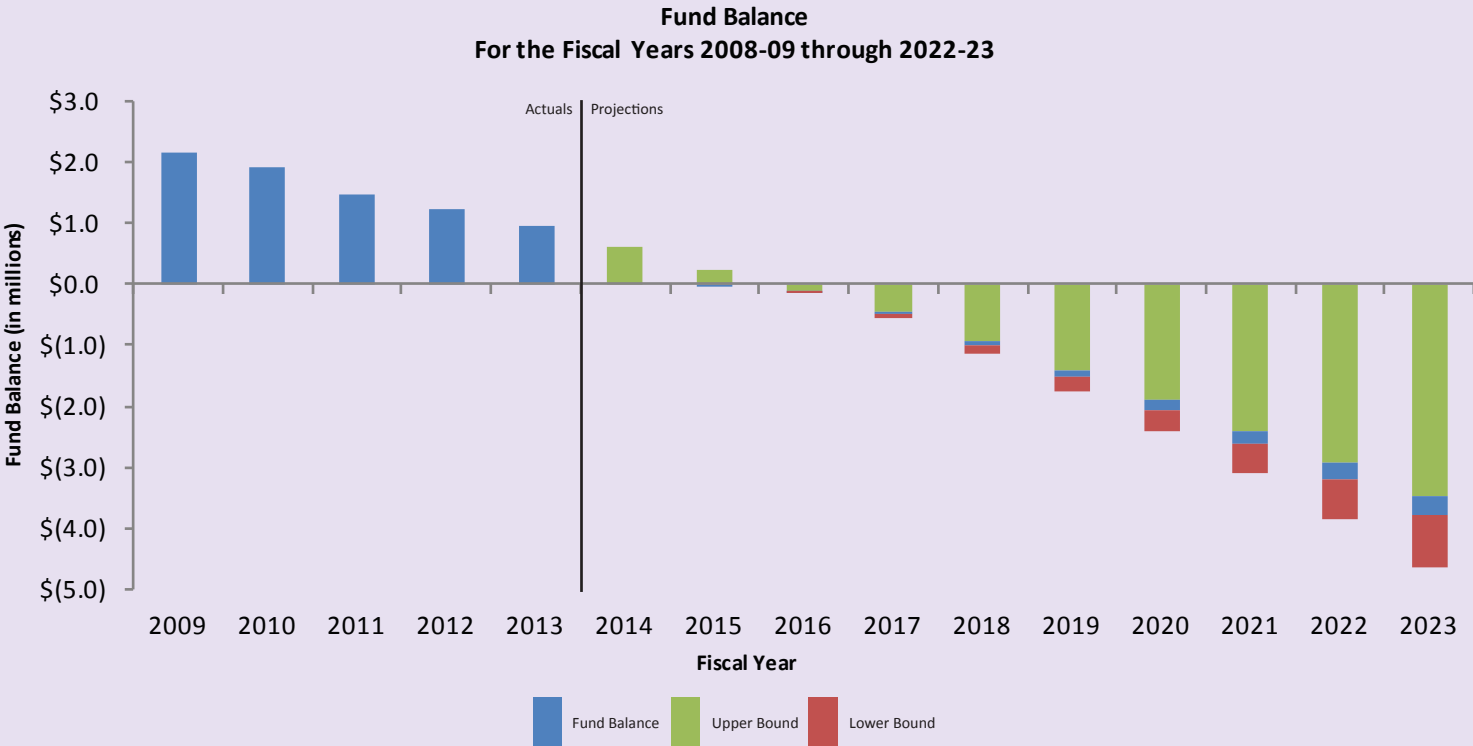
*New lighting installed as part of the MSC Expansion Project*

The major expenditure in the Lighting Fund is electricity, with approximately \$1.1 million spent in FY 2012-13. This was the equivalent of 68% of the total maintenance and operations expenditures for the Fund. With electricity costs projected to increase 2% annually, this expenditure will continue to increase without introduction of energy efficiency measures.

Despite having a \$2.1 million fund balance just five fiscal years ago, there is a structural imbalance in the Fund due to expenditures equaling approximately \$0.3 million more than annual revenues. This deficit is projected to increase in FY 2013-14 and beyond and depletion of fund balance in FY 2014-15.

As mentioned previously, the Lighting Fund is heavily reliant on Special Assessments and Property Taxes for support. Any potential increase requires a Proposition 218 vote and is limited to an annual inflationary increase of 3%. With expenditures projected to increase due to rising electricity costs, staff will need to develop strategies to reduce electricity costs and achieve efficiencies within the LLAD in order to structurally balance the Fund without relying on the General Fund for assistance.

Staff is aware of the challenges in the Lighting Fund and has already taken action to reduce expenditures. The City recently signed a new signal maintenance contract which provided savings by switching maintenance from monthly to quarterly. Two capital projects are in the planning stages, Light-Emitting Diodes (LED) conversion of traffic signal safety lights and streetlight acquisition and LED retrofit. LED lighting fixtures use approximately half the energy of existing High-Pressure Sodium (HPS) lights and have an estimated lifespan of 15 years, or five times longer than the traditional HPS lights. Conversion of these lights is estimated to reduce electricity usage by over 250,000 kWh annually, along with providing better visibility for motorists and pedestrians. This project was completed in October 2014 at a cost of \$350,000 and should achieve annual savings of approximately \$40,000 with total savings exceeding the cost of the project in year nine. The City has partnered with Southern California Edison (SCE) to fund this project with a non-interest loan to be paid back over 10 years. Staff is also evaluating the financial feasibility of acquiring 7,314 streetlights in the City owned by SCE, in light of new legislation and lighting technologies.



*\*Note: 2010-11 drop in fund balance due to increased maintenance costs of the City's traffic lights*



# LANDSCAPE FUND

The Landscape Fund provides landscape maintenance of public facilities, center medians, and parkways located within the City's Landscape and Lighting District (LLAD) 79-2. The General Fund provides financial support for landscape maintenance outside of the LLAD. The LLAD was established in 1979 by City Council and is currently comprised of 39 landscape zones throughout the City. These zones correlate to specific parcels, developments, or subdivisions. Of the approximately 43,000 parcels within City limits, 40% reside within the landscape district.



Oak Tree

*One of the many oak trees that adorns the City's landscape*

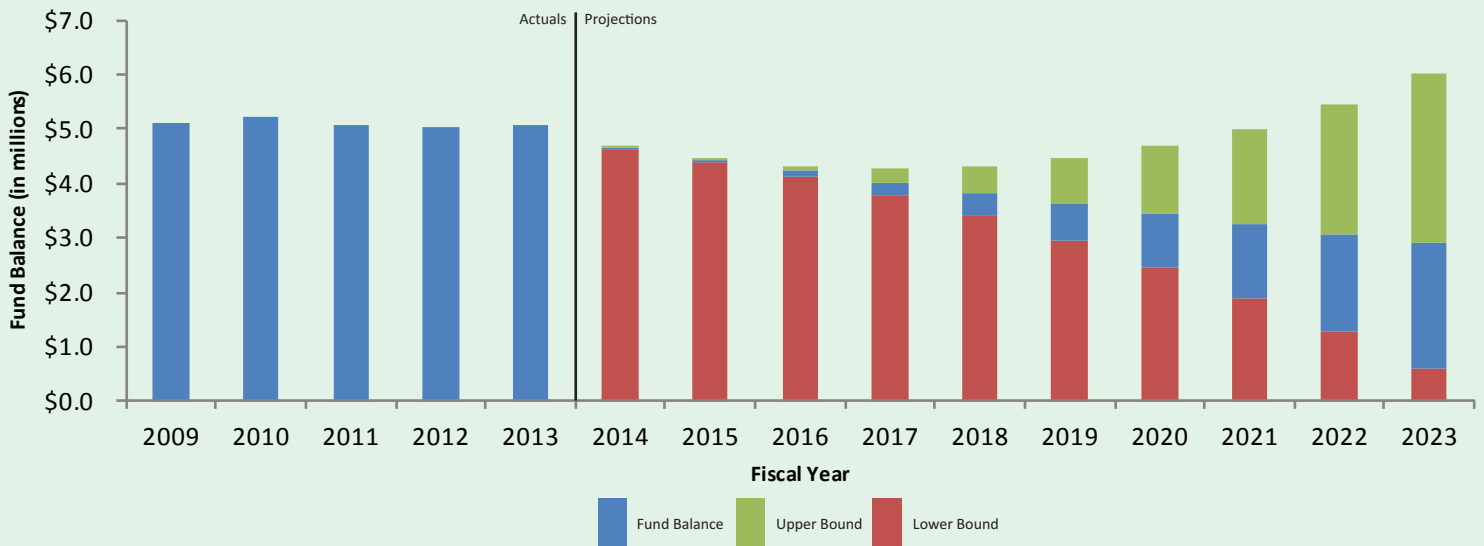
Maintenance of 10.5 million square feet of landscaping, 27,000 trees, graffiti removal, and weed abatement is provided by two main revenue sources, Special Assessments and Property Taxes. The Special Assessment amounted to approximately \$3.3 million, or 82%, in FY 2012-13. The annual assessment for landscaping varies from \$31.16 to \$392.16 in FY 2013-14, based on a formula which considers benefit received. Property Tax revenue totaled \$0.6 million in FY 2012-13.

Staff reviews the assessment amounts annually by taking into consideration the expected cost of providing services in the upcoming year and calculating the revenue required by each zone to compensate the LLAD for those services. Legally, assessment rates are capped at an annual increase of 3% per year, even if the zone does not anticipate collecting adequate revenue to offset expenditures. Therefore, Special Assessment revenue is projected to increase 3% annually, reaching \$4.1 million in FY 2022-23.

The Landscape Fund has been instrumental in not just the continued maintenance and beautification of landscape throughout the City, but also on improving and enhancing existing landscape areas and irrigation systems in order to lower maintenance costs, improve operational efficiency, and achieve water conservation. On-going landscaping capital projects focus on upgrading existing landscaping. Water is one of the largest expenditures in the Fund at approximately \$1.0 million per year.



### Fund Balance For the Fiscal Years 2008-09 through 2022-23



Expenditures in the Landscape Fund totaled \$4.0 million in FY 2012-13. Expenditures were higher compared to previous fiscal years due to increased landscaping and water costs. Expenditures are projected to grow to \$5.0 million in FY 2022-23 due to increasing landscaping and water costs.

Although the Landscape Fund has consistently maintained approximately \$5.0 million in fund balance over the past five fiscal years, based on projected revenue and expenditures in the next ten fiscal years, the Fund anticipates a decrease in fund balance. The Landscape Fund is heavily reliant on Special Assessments and Property Taxes for support, in which the City is limited in its ability to increase via a Proposition 218 vote. With expenditures projected to increase due to rising water and landscaping service costs, staff will need to develop strategies to conserve water and achieve efficiencies. These efforts include the introduction of xeriscape, which utilizes water-conserving techniques and thereby reduces expenditures.

The City maintains a recommended Landscape District reserve of an amount equal to one-half of the current fiscal year expenses. The rationale for the reserve is that the Fund will pay expenditures during the first part of the subsequent fiscal year, but the first receipt of assessment district revenue is received six months into that fiscal year. The reserve is intended to cover the expenditures to be paid during the first six months of that fiscal year. This is a recommended LLAD best practice.

#### XERISCAPING

Landscaping and gardening that reduces or eliminates the need for supplemental water from irrigation. This can be done by, among other things, creating more efficient irrigation, selecting plants that require less water, and planting plants where they would use the available resources more efficient.

An example of a xeriscape at Newbury Gateway Park



# STORMWATER FUND

The Stormwater Fund provides resources to ensure that the City is compliant with the Clean Water Act and the federally mandated Stormwater Quality Management Program. This program establishes the requirements of National Pollutant Discharge Elimination System (NPDES) permits. The permits provide for regulations in the areas of illicit discharge/dumping response and abatement, public education and outreach, public infrastructure maintenance, construction site pollution controls, on-going monitoring, and new development discharge controls.



Stormwater Quality Drainage Basin

*Stormwater Quality Drainage Basin at Chase Bank Bioswale*

On April 21, 1992, City Council approved an Implementation Agreement with Ventura County, those cities within the county, and the Ventura County Flood Control District (now Watershed Protection District) to develop an integrated regional Stormwater Quality Management Program. On August 22, 1994, a countywide permit was issued by the Regional Water Quality Control Board (RWQCB). The City operates as a co-permittee with the Watershed Protection District as the principal permittee. The RWQCB subsequently renewed the permit on July 27, 2000, and in July 2010, the RWQCB issued the third permit, which became effective in October 2010. On October 13 and November 17, 2009, City Council approved the Second and Third Amendments to the 1992 Implementation agreement with Ventura County Watershed Protection District to coordinate and comply with the new permit.

The Stormwater Fund receives revenue primarily from Special Assessment Taxes and effluent water sales, which together totaled approximately \$0.5 million in FY 2012-13. Special Assessment Taxes are collected as part of Property Taxes for the NPDES annual permits and can only be increased by a ballot vote of the county. Beginning in FY 2009-10, the Stormwater Fund began receiving revenue from Calleguas Municipal Water District for the sale of reclaimed water discharged from Hill Canyon Wastewater Treatment Plant. On May 28, 2013, the City executed a new long term agreement for effluent water sales with Camrosa Water District. Projected FY 2013-14 revenue from the sale of effluent water is \$0.2 million.





### Stormwater Quality Drainage Basin

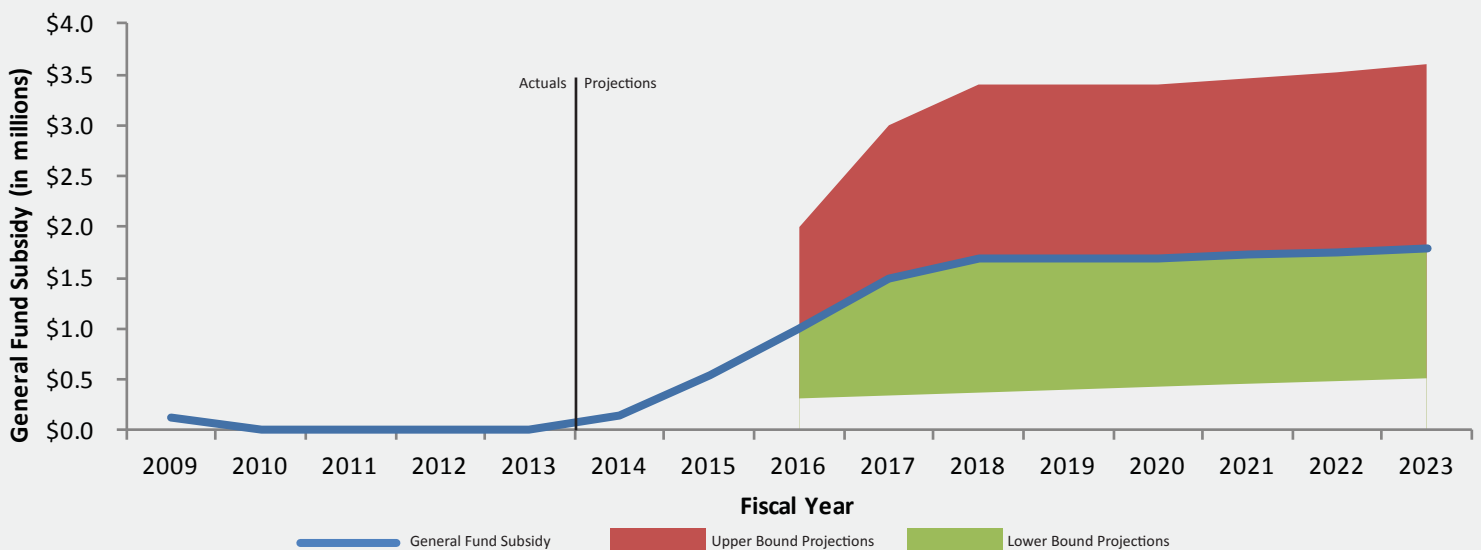
*Stormwater Quality Drainage Basin at  
Newbury Gateway Park*

Expenditures in the Stormwater Fund totaled \$0.7 million in FY 2012-13. Expenditures were higher compared to previous fiscal years due to an increase in maintenance and operations costs including various stormwater studies and creek monitoring services. In FY 2013-14, salaries and benefits costs are projected to be \$0.5 million and maintenance and operations costs \$0.5 million. Expenditures are expected to increase in FY 2015-16 to \$1.5 million and continue to grow to \$2.3 million in FY 2022-23 due to new permit requirements.

In two of the most recent five fiscal years, expenditures have exceeded revenues in the Stormwater Fund, requiring a transfer from the General Fund. Expenditures are projected to exceed revenues each year during the next ten fiscal years. In FY 2013-14, the fund balance will be depleted and an estimated \$0.2 million General Fund transfer will be required. The General Fund transfer is projected to increase each fiscal year as expenditure increases outpace revenue increases, reaching \$1.8 million in FY 2022-23.

Staff is researching ways to decrease expenditures of the Stormwater Fund in order to limit the reliance on the General Fund and looking at additional revenue enhancement opportunities. Since the special assessment revenue the Fund receives is a portion of the countywide special assessment, the City does not have the ability to increase the assessment amount. Increasing the assessment would require a countywide vote and based on survey research, there is limited support from the public to increase the assessment at this time.

### General Fund Support For the Fiscal Years 2008-09 through 2022-23



# WATER FUND

The Water Fund is responsible for the operation and maintenance of the City's water storage and infrastructure system distributing up to 15 million gallons of high quality water each day to serve approximately 17,000 accounts. This includes the operation of reservoir storage facilities, pump stations, Calleguas Municipal Water District (CMWD) turnouts, pressure regulating stations, groundwater wells, and pipelines.

Virtually all of the water supplied to Thousand Oaks residents is imported from Northern California through the California Aqueduct. The Metropolitan Water District of Southern California (MWD) treats the water at the Joseph Jensen Filtration Plant in Granada Hills. The water is then piped to Ventura County where CMWD distributes the water to three main retail purveyors. The City serves

the central portion of Thousand Oaks, the Ventu Park area, and Kelley Estates area in Newbury Park. California American Water Company and California Water Service Company serve the rest of the City.

Activities in the Water Fund are categorized into two functions, operating and capital. The Water Operating Fund accounts for business activities that provide on-going services to users and is mostly financed by user charges. Water Capital Funds are used for the acquisition or construction of major water capital facilities.

The Water Fund derives its revenues primarily from sales of water. Metered water sales typically account for approximately 75% of revenues in both the operating and the capital funds. During FY 2012-13, revenues for the Water Operating Fund totaled \$23.6 million, while the Water Capital Fund totaled \$2.1 million, for a total of \$25.7 million. In recent years, water rate adjustments were implemented to offset increases in water purchase costs and to finance future capital projects. The 2013 City Council adopted Water Financial Plan included a 3.1% adjustment in base rates in February 2014 and January 2015 to ensure the ability to fund operations, maintenance, and capital infrastructure during the next two fiscal years. A water pass-through component rate was also implemented to mitigate uncertainty in the cost of purchased wholesale water, which is the most significant cost driver.

Connection fees are one-time charges imposed on new or expanded connections to recover capital costs associated with providing water infrastructure, minimize the need for debt, and help maintain cash reserves. As the City is at build-out and new customers are served by existing water infrastructure, the fee was recently changed from a development impact fee to a system buy-in fee, with a corresponding fee adjustment from \$4,420 to \$7,412, as recommended in the adopted 2013 Water Financial Plan.



Rolling Oaks Reservoir

*New fencing and other security enhancements at the Rolling Oaks Reservoir as part of the Reservoir Security Enhancement Project*



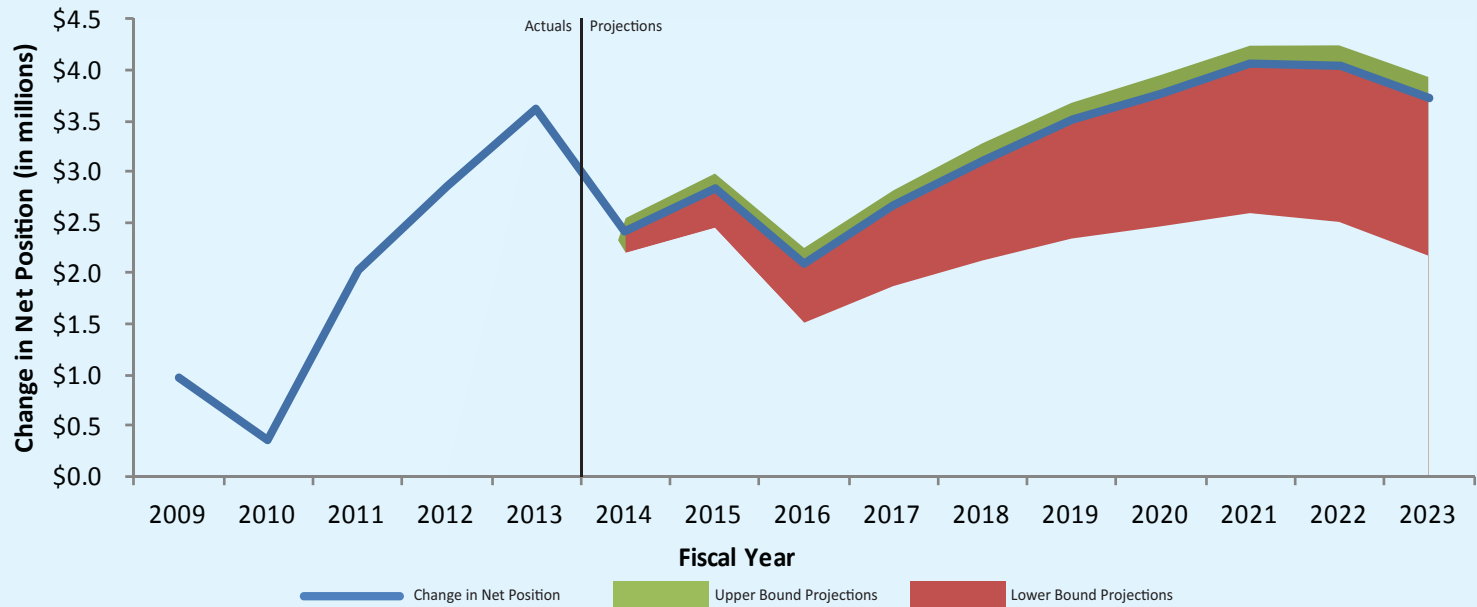
During FY 2012-13, expenses for the Water Operating Fund totaled \$20.4 million. The cost of purchased water in the amount of \$15.0 million, or 71%, is the largest expense. Water costs are set by CMWD and are projected to increase 3.4% in FY 2013-14 and 4.8% to 6.0% annually thereafter. Salary and benefits expenses are the second highest expense at approximately \$3.2 million or 15%. Capital improvements, contract services, and materials and supplies totaling \$1.7 million account for all of the expenses in the Water Capital Fund. Expenses for the overall Water Fund totaled \$22.1 million.

In FY 2013-14, revenues and expenses for the Water Fund are projected at \$25.1 million and \$22.7 million, respectively, while capital improvements are projected at \$6.7 million. Revenues are projected to increase annually between 3% and 6%, while expenses are projected to annually increase between 4% and 5% over the next 8 fiscal years, with the exception of FY 2015-16. In order to fund capital projects planned in the next ten fiscal years, such as the North Pleasant Valley Regional Desalter, \$24.0 million in bonds could potentially be issued in FY 2015-16, as recommended in the adopted 2013 Water Financial Plan.

The Water Fund’s net position increased \$4.4 million, or 7.7%, during FY 2012-13. Net position is projected to grow at a steady rate of \$2.0 million to \$4.0 million annually over the next ten fiscal years. This growth will help ensure the financial stability of the Fund and establish an operating reserve (25% of operating budget, or currently \$5.2 million), emergency reserve (\$4.0 million), and capital reserve (\$6.3 million), as recommended by the adopted 2013 Water Financial Plan.

On-going monitoring of costs to maintain existing infrastructure and water supplies should be continued through the current practice of evaluating water rates every two fiscal years to address current financial challenges, as well as to ensure uninterrupted service and fiscal sustainability. The establishment and future of reserves will assist in the stabilization of water rates by providing for funds to meet unanticipated needs. Staff is exploring ways to achieve efficiencies in operations, thereby reducing operating costs. One such topic currently being researched is Automated Metering Infrastructure (AMI) meters which enable meter data to be transmitted wirelessly and instantaneously. This has the dual purpose of making operations more efficient and conservation of water through access to data at any time.

**Change in Net Position  
For the Fiscal Years 2008-09 through 2022-23**



# WASTEWATER FUND



Hill Canyon Treatment Plant

The Wastewater Fund is responsible for providing a safe and reliable wastewater collection and treatment system for the residents of Thousand Oaks. The wastewater collection infrastructure includes over 400 miles of wastewater collection mains and over 8,000 wastewater maintenance holes. The planning, administration, operation, and maintenance of wastewater collection, interceptor systems, and the Hill Canyon Wastewater Treatment Plant (HCTP), are accounted for in the Wastewater Fund.

HCTP is a modern 14 million gallon capacity advanced tertiary wastewater treatment plant serving 90% of the residents and businesses of Thousand Oaks. The facility treats an average of 9.0 million gallons of wastewater per day generated from over 37,000 residential, commercial, and industrial accounts.

Similar to the Water Fund, activities in the Wastewater Fund are categorized into two functions, operating and capital. The Operating Fund accounts for business activities that provide on-going services to users and is financed primarily by user charges. Capital Project Funds are used for the acquisition or construction of major wastewater capital facilities.

Revenues are funded by existing and new system users through service charges and fees. The Wastewater Fund maintained a monthly residential wastewater rate of \$25.45 since 2004 by means of efficient operations and use of renewable energy sources. In order to provide funding for needed infrastructure improvements and asset management, a 5.5% adjustment on February 28, 2014 (\$26.85) was implemented, to be followed by a 5% adjustment in January 2015 (\$28.20) as recommended by the City Council adopted 2013 Wastewater Financial Plan.

During FY 2012-13, service charges and fees totaled \$17.6 million and \$1.7 million, respectively. Service charges are projected at \$17.3 million in FY 2013-14 with growth at 4% to 5% annually thereafter. Service fees are projected to remain constant at \$1.3 million annually starting in FY 2013-14.

Connection fees are one-time charges imposed on new or expanded connections to recover capital costs associated with providing wastewater infrastructure, minimize the need for debt, and help maintain cash reserves. As the City is at build-out and new customers are served by existing wastewater infrastructure, the fee was recently changed from a development impact fee to a system buy-in fee, with a corresponding fee decrease from \$10,264 to \$7,288, as recommended by the adopted 2013 Wastewater Financial Plan.

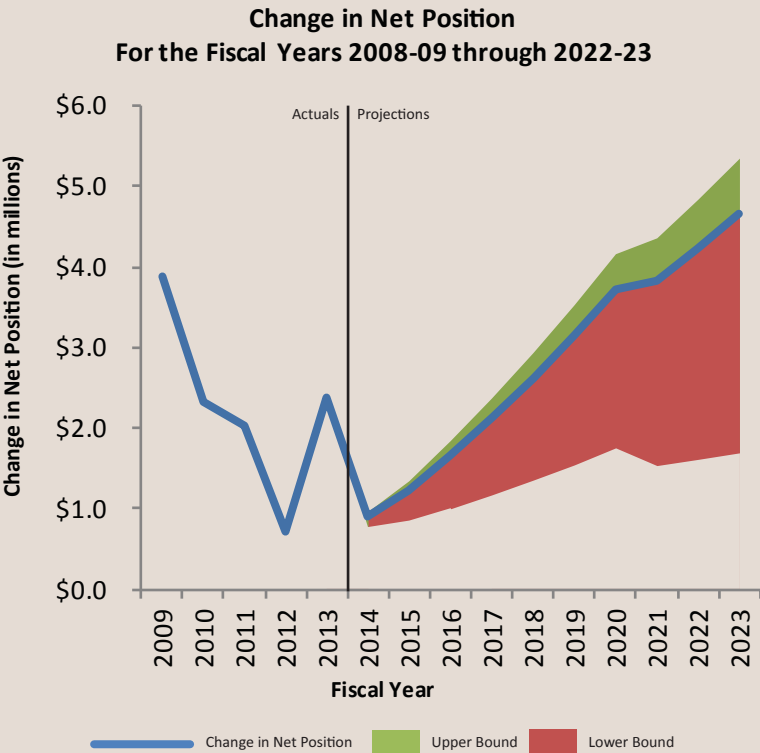
In FY 2012-13, expenses for the Wastewater Fund totaled \$18.9 million, primarily comprised of \$6.1 million, or 32%, in salary and benefits costs; \$5.3 million, or 28%, in depreciation; \$3.5 million, or 19%, in contracted services; and \$2.1 million, or 11%, in materials and supplies. The Wastewater Fund is obligated to three outstanding debt issues; a revenue bond and two state fund revolving loans. Annual debt service of \$3.5 million is projected until paid off, which is scheduled to occur in FYs 2018-19 through 2022-23. Salary and benefits are projected to increase 3.6% annually, while maintenance and operation expenses are projected to increase 3.3% annually.

The Wastewater Fund’s net position increased \$2.2 million, or 1.5%, during FY 2012-13. Net position is projected to grow at a steady rate of \$1.0 million to \$4.6 million annually over the next ten fiscal years. This growth will help ensure the financial stability of the Fund and maintain an operating reserve (25% of operating budget, or currently \$3.7 million), emergency reserve (\$2.4 million), and capital reserve (\$9.1 million), as recommended by the adopted 2013 Wastewater Financial Plan.

The City has over \$35.7 million in capital improvement projects between FYs 2014-15 and 2022-23 scheduled in the Wastewater Rate Financial Plan. The most significant expenses are expected to occur in FYs 2013-14 and 2014-15, with projects totaling over \$20.0 million. Major projects include maintenance hole-relining, biosolids dewatering/drying improvements, and digester equipment upgrades. In order to fund major capital expenses projected in FY 2019-20, \$11.8 million in bonds could potentially be issued, as recommended in the adopted 2013 Wastewater Financial Plan.

Staff has been extremely proactive and creative in generating additional revenue and reducing operating costs at HCTP. The progressive energy policies related to the use of solar and cogeneration electrical power generate nearly 100% of HCTP’s energy demands onsite. Restaurant grease and waste materials with a high organic content provide an additional source of digester gas for the cogeneration process and are brought in by producers paying discharge fees totaling \$0.4 million in revenue annually to the Wastewater Fund. Reclaimed water is also sold to Camrosa Water District resulting in approximately \$0.5 million in additional revenue to the Wastewater Fund.

The Wastewater Fund is operating in an environment where, without rate adjustments, revenues from rates could be outpaced by operating expenses and costs to maintain existing infrastructure. As a result, the practice of evaluating wastewater rates every two fiscal years should be continued to ensure fiscal sustainability. In addition, staff will evaluate additional revenue enhancement opportunities to further increase revenue generated by the HCTP.



# SOLID WASTE FUND



## MSC Expansion

*New Household and Small Business Hazardous Waste Collection Facility as part of the MSC Expansion project*

The City is recognized by the State of California for designing, implementing, and operating model programs that support waste reduction and recycling. Award-winning programs include monthly hazardous waste collections, cost effective curbside recycling, community grants, home composting workshops, and various innovative activities. These efforts contribute to saving landfill space, energy, and recycling resources.

Some of the City's innovative programs include:

- Green Business Certification Program (GBCP) – incentivizes, assists, and rewards small and medium sized businesses that demonstrate a substantial and purposeful commitment to environmental stewardship through water conservation, solid waste reduction, energy conservation, and pollution prevention. Businesses that meet the program's criteria will be certified as "green" businesses and marketed as such to the Thousand Oaks community.
- Materials Reuse Program – takes useable household products collected at the City's monthly Household Hazardous Waste Collection events and makes them available to the public free of charge, saving the City disposal costs and residents the cost of new products.
- Recycling/Composting Programs – bulky item/neighborhood cleanup and computer equipment drop-off events. Cost-effective "Earth Machine" compost bins are offered to residents for purchase.

The City has exclusive franchise agreements with Waste Management and Newbury Disposal to provide solid waste discard and waste diversion programs, such as trash services, bulky item pick-ups, curbside recycling, and green waste programs. The City establishes and regulates the rates and services of the haulers to ensure that residents and businesses are provided with exceptional service at reasonable rates. Service charges are billed directly to the customer by the hauler and the hauler pays fees to the city. The purpose of the exclusive franchise system is to encourage waste reduction, reduce traffic air pollution by limiting haulers to geographic zones, and to prevent interruption of service.

Since 1990, the City has offered a monthly Household Hazardous Waste (HHW) program that allows the public to drop off common household chemicals, batteries, paint, and e-waste for safe collection, disposal, or recycling by an on-site contractor, at the Municipal Service Center (MSC). This program has averaged 400 participants safely disposing of 30,000 to 40,000 pounds of HHW at each event.



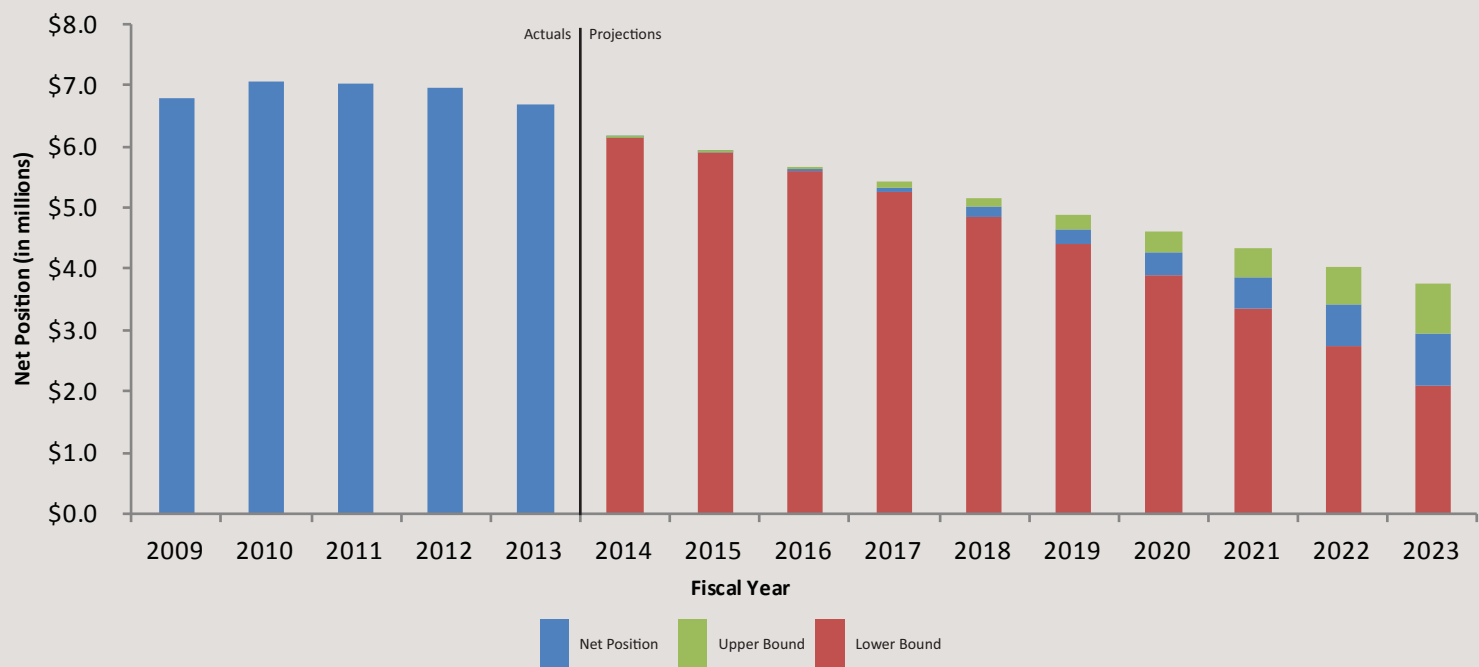
Based on the outstanding success of this program, the City recently finished construction of a brand new 3,900 square foot permanent HHW collection facility at the MSC. It is anticipated that the HHW collection facility will lead to annual operating savings of \$63,000 for the City due to reduced involvement of City staff and mobilization cost savings realized from having a permanent facility staffed by an on-site contractor.

Revenues for the Solid Waste Fund are generated from a variety of sources. In FY 2012-13, revenues totaling \$1.6 million originated primarily from commercial recycling (35%), landfill facility fee (17%), state recycling grants (16%), residential recycling (16%), and temporary drop box & bins (10%). Revenues have remained relatively constant for the past five fiscal years averaging between \$1.4 million and \$1.6 million and are projected to remain constant over the next 10 fiscal years.

Expenses for the Solid Waste Fund for FY 2012-13 totaling \$1.9 million were primarily comprised of salary and benefits (47%) and contracted services (37%). Expenses for the past five fiscal years consistently increased from \$1.2 million in FY 2008-09 to \$1.9 million in FY 2012-13. The increase reflects rising costs in contracted services and additional salary and benefits expenses due to staff involvement on the construction of the new HHW collection facility. Beginning in FY 2014-15, salary and benefits are expected to decrease significantly, as staff will be reassigned after the completion of the project; however, contracted services are projected to steadily increase.

Although the Solid Waste Fund is currently self-sufficient with a \$6.7 million net position at the end of FY 2012-13, a structural imbalance currently exists in the Fund due to expenses projected to be approximately \$0.2 million greater than revenues in FY 2014-15 and increasing to \$0.5 million over the next eight fiscal years. As the result of projected flat revenues and increasing expenses, the Fund will draw down upon its reserves. Despite the fact net position of the Solid Waste Fund is projected to be approximately \$3.0 million in FY 2022-23, staff will proactively address the structural imbalance of the Fund in the coming years by reviewing fee structures, strategizing on new revenue enhancements, and seeking ways to achieve operating efficiencies to preserve the Fund’s net position and ensure fiscal sustainability.

**Net Position  
For the Fiscal Years 2008-09 through 2022-23**



# TRANSPORTATION FUND



The Transportation Fund administers convenient, reliable, and affordable public transportation services to the residents of the Conejo Valley to help reduce traffic, air pollution, and conserve energy resources. The City has contracted with MV Transportation since 2009 to operate and manage the City's two transportation services – Thousand Oaks Transit (TOT) and Senior Dial-a-Ride (DAR), including para-transit services pursuant to the American with Disabilities Act (ADA).

The City's bus service, TOT, specializes in intracity transport providing quality and affordable bus service to over 150,000 riders annually, while relieving congestion on city streets. As of July 2014, bus service consists of seven City-owned and maintained compressed natural gas buses, operating on four routes, Monday through

Saturday. DAR provides door-to-door transportation service to seniors and ADA cardholders traveling to destinations within Thousand Oaks and surrounding cities. DAR provides service to approximately 85,000 riders annually.

The City's transit system is continuously focused on providing exemplary service and implemented several service modifications and enhancements during recent years. For example, bus routes were modified through stop additions, consolidation, and relocation to increase route frequency and reduce route times. Fares and fee structures were also revised to more accurately reflect service cost, as well as to ensure the required farebox levels to minimize support from other funds. In addition, service hours were extended with enhanced reservations to improve on-time performance and reduce operating costs. Pilot and demonstration programs such as the Summer Beach Bus and the Metrolink Commuter Shuttle services simplified commutes, reduced vehicle traffic, and improved air quality.

In FY 2012-13, total revenue in the Transportation Fund was \$5.7 million. The primary revenue source is Transportation Development Act (TDA) revenue (sales tax on gasoline), which totaled \$3.0 million, or 53% of the Fund's total revenue. This revenue is allocated based on population, taxable sales, and transit performance. In past years, the City has been able to use a portion of TDA revenue for streets and road purposes, but beginning in July 2014, 100% of TDA revenue must be used for transit purposes. An additional \$1.7 million, or 29% of the Fund's revenue, was from federal and state assistance, which fluctuates greatly based on grants received for capital projects. Bus and DAR fares totaled \$0.3 million, representing 6% of the Fund's total revenue. The remaining revenue consisted of miscellaneous income, rental revenue, and interest earnings. Revenue is projected to steadily increase to \$6.0 million in FY 2022-23.



Thousand Oaks Transit Center

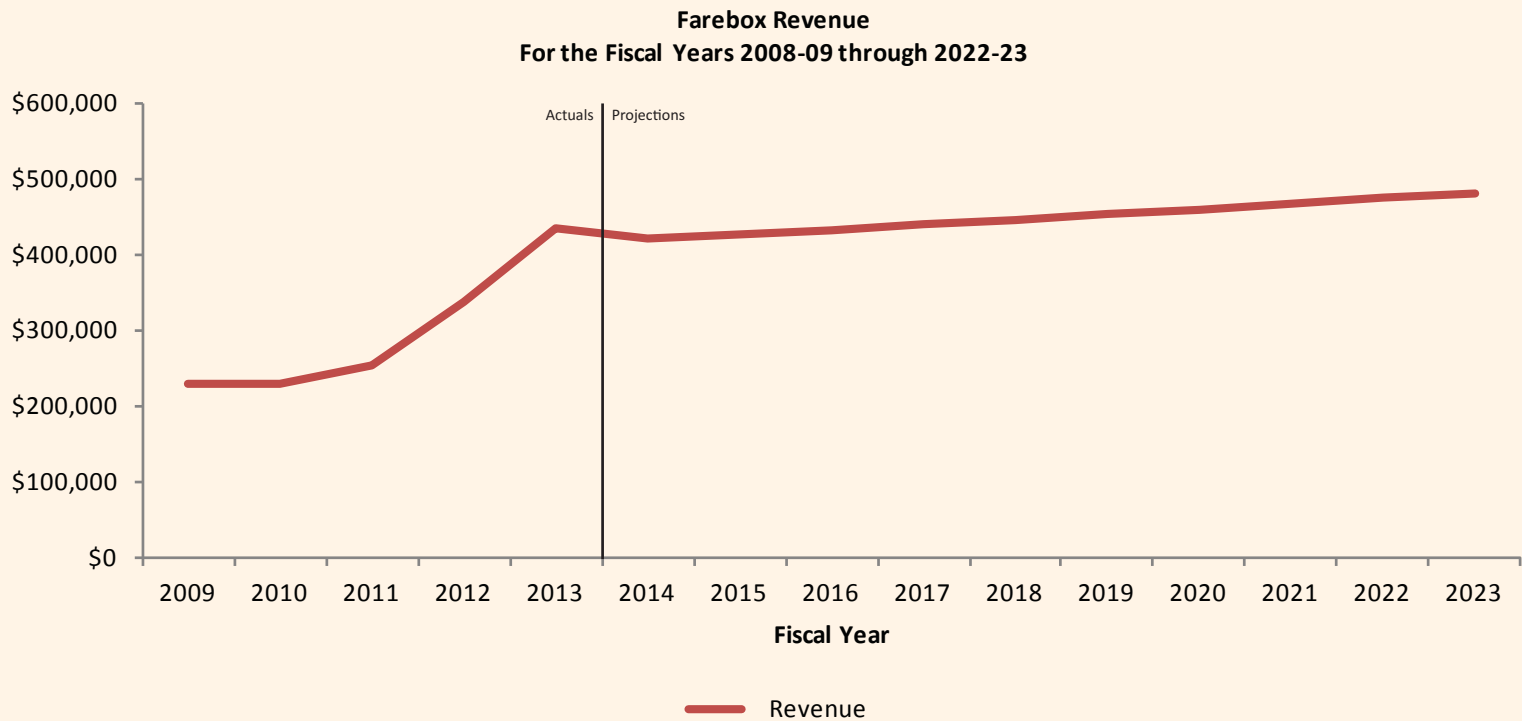
*Transit center located on Rancho Road*

In FY 2012-13, total expenses in the Transportation Fund were \$4.7 million. The primary expense was contract services with MV Transportation, the operator of TOT, in the amount of \$2.5 million, or 54% of the Fund’s total expenses. Materials and supplies totaled \$1.0 million and depreciation totaled \$0.3 million. FYs 2013-14 and 2014-15 expenses are projected at \$5.1 million and \$5.2 million, respectively, followed by an estimated 2% growth over the next eight fiscal years. This consistent trend in rising expenses is primarily due to increases in contract services. The stabilization of net position is reflected in the chart below.

The Transportation Fund has planned several capital improvement projects in the upcoming fiscal years per the 2013-2015 Capital Improvement Program Budget. Major capital projects include the purchase of new buses and DAR vans, solar bus parking canopy, and bus equipment enhancements. Because funding for transportation capital projects is dependent on approved eligible grants, capital projects are only projected through FY 2016-17. If grant funding is unavailable, budgeted projects will be placed on hold until alternative funding sources are identified.

TDA requires a transit claimant to maintain a ratio of fare revenues, plus local support to operating costs of 20% or greater in an urbanized area for bus service and 10% or greater for DAR service. In past fiscal years, the City has not met this requirement and has transferred funds from the Air Quality Developer Fee Fund to meet the farebox requirements.

Due to the elimination of TDA funds for streets, the funding available for the operation of the City’s transit program is greater. Staff is in development of a Transit Master Plan to strategically plan for the future of Thousand Oaks Transit.



# GOLF COURSE FUND

The City's par 70 Los Robles Green Golf Course (LRGGC) serves as a premier golfing destination in the Conejo Valley. An average of 75,000 rounds are played on the course every year, with nearly half of those being played by resident golf cardholders. Continued promotion and patronage of the banquet facility and restaurant area supplement the Fund's revenues, ensuring that LRGGC is self-supporting and requires no financial support from the City's General Fund. The golf course has been managed by Evergreen Alliance Golf Limited (EAGLE) since 2007.



The Gardens at Los Robles Golf Course

*Wedding setup at the new Outdoor Event Center at Los Robles Greens Golf Course. Opened Fall 2013  
Picture courtesy of Katie Jackson Photography*

The LRGGC Complex generates approximately \$4.5 million per year in gross revenues with expenses approximately the same. The agreement with EAGLE generates approximately \$0.7 million annually in net income to the Fund, which covers costs outside of the agreement, such as: depreciation, debt service, and City cost allocation expenses, ensuring LRGGC is self-supporting.

Revenues include green fees, cart rentals, driving range fees, membership fees, food and beverage sales, pro shop, and rental income from the Janss House. Expenses include maintenance and operations, debt service, capital improvements, and a transfer to the Community Recreation Open Space Endowment Fund for the development and purchase of open space based on the number of non-resident golfers each year.

In 2013, the LRGGC opened a new 1.7-acre outdoor event center, transforming a vacant parcel of land into a rustic Italian setting. Aptly named "The Gardens at Los Robles Greens," the facility features a tranquil space to accommodate up to 400 guests, a built-in dance floor, sound system, stage, bridal room, bar, and restrooms. The center is surrounded by beautiful landscaping, including lush trees and a peaceful waterfall transporting guests to an Italian countryside. The initial feedback has been overwhelmingly positive from the community, and it is projected that the opening of this beautiful facility will increase the net revenue of the LRGGC.





### Banquet and Community Center

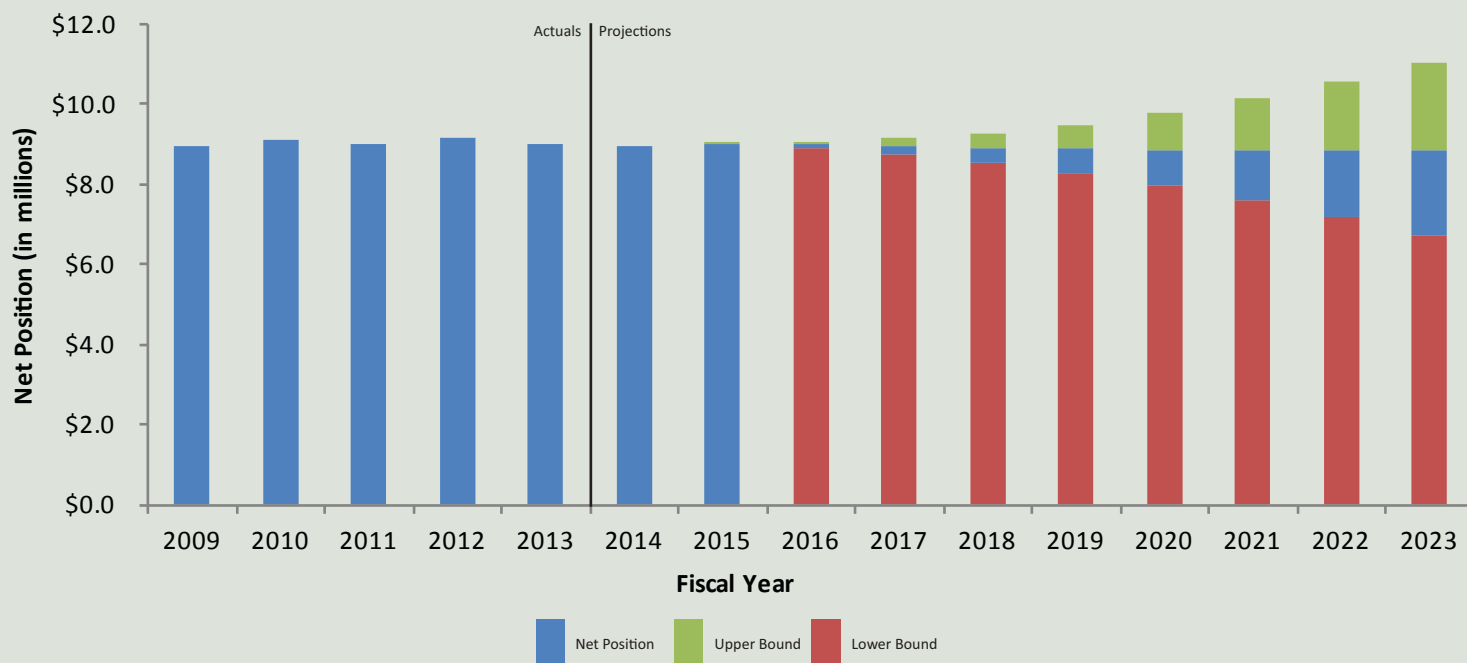
Overlooking the 18th hole, Los Robles offers a 22,000 square foot banquet facility and clubhouse. The banquet facility features a full bar and grill, a luxurious banquet and community center perfect for hosting weddings, receptions, banquets, and other special events.

*Picture courtesy of Los Robles Greens Golf Course*

Construction of “The Gardens” required the use of reserves in FY 2013-14. The additional revenue projected to be generated through the use of this facility will exceed the cost of the facility and will serve to strengthen the net position of the Golf Course Fund as a whole, and supporting the financial health of the LRGGC.

The consistency and quality of the golf course conditions is one of the major reasons LRGGC has continued to be successful in generating revenue and maintaining golfer attendance. Despite the downturn of the economy and decreased revenues, the fund was able to maintain a positive net position that is projected to grow back to its previous level over the next few fiscal years. City staff and EAGLE maintain a strong cooperative partnership, focusing on continued course and facility improvements over the next ten fiscal years to ensure LRGGC remains a premiere golf course, without reliance on the General Fund.

**Net Position  
For the Fiscal Years 2008-09 through 2022-23**



# THEATRES FUND



Kavli Theatre Lobby Renovation

*Before and after pictures of work done during the Kavli Theatre Lobby Renovation that was completed in October 2013*

The Theatres Fund is responsible for the operation and maintenance of the Fred Kavli Theatre (1,800 seating capacity) and the Janet and Ray Scherr Forum Theatre (400 seating capacity).

The theatres host over 350 performances and welcome 200,000 patrons each year. Performances include touring Broadway musicals, popular headline entertainers, plays, award-winning children's programs, international ballet, folk and modern dance companies, classical music, choral ensembles, comedy, distinguished speakers, films, magic, jazz, big bands, and community programs. In addition, the Scherr Forum also hosts the biweekly City Council and Planning Commission meetings, and other City functions.

The Theatres Fund generates revenue to cover maintenance and operating expenses while building net position to fund future capital improvements. However, beginning in FY 2007-08, the decline in the economy impacted operations decreasing both the number of shows presented and attendance. Due to the on-going decline of net position, the General Fund has funded various theatre capital projects over the last five fiscal years; the most recent being the Kavli Theatre Lobby Renovation, completed in October 2013.

As the City Council's policy is for the Theatres Fund to be self-supporting for operations, the Theatres Fund has used reserves to fund operating shortfalls in recent fiscal years with net position decreasing \$1.8 million over the last five fiscal years.

Factors responsible for the operating shortfalls during that time are highlighted below:

- Compared to fiscal year 2008-09, Theatres rental and fee revenues have decreased by \$0.5 million. The decrease in revenues was primarily due to an 18% decline in the number of performances and 30% decline in attendance over the last five fiscal years. User Fee discounts and waivers, extended to community organizations, have also contributed to decreased revenues.
- Expenses have remained relatively flat over the past five fiscal years, due to the decrease in performances, which reduced labor and utility costs, offset by increased advertising costs.

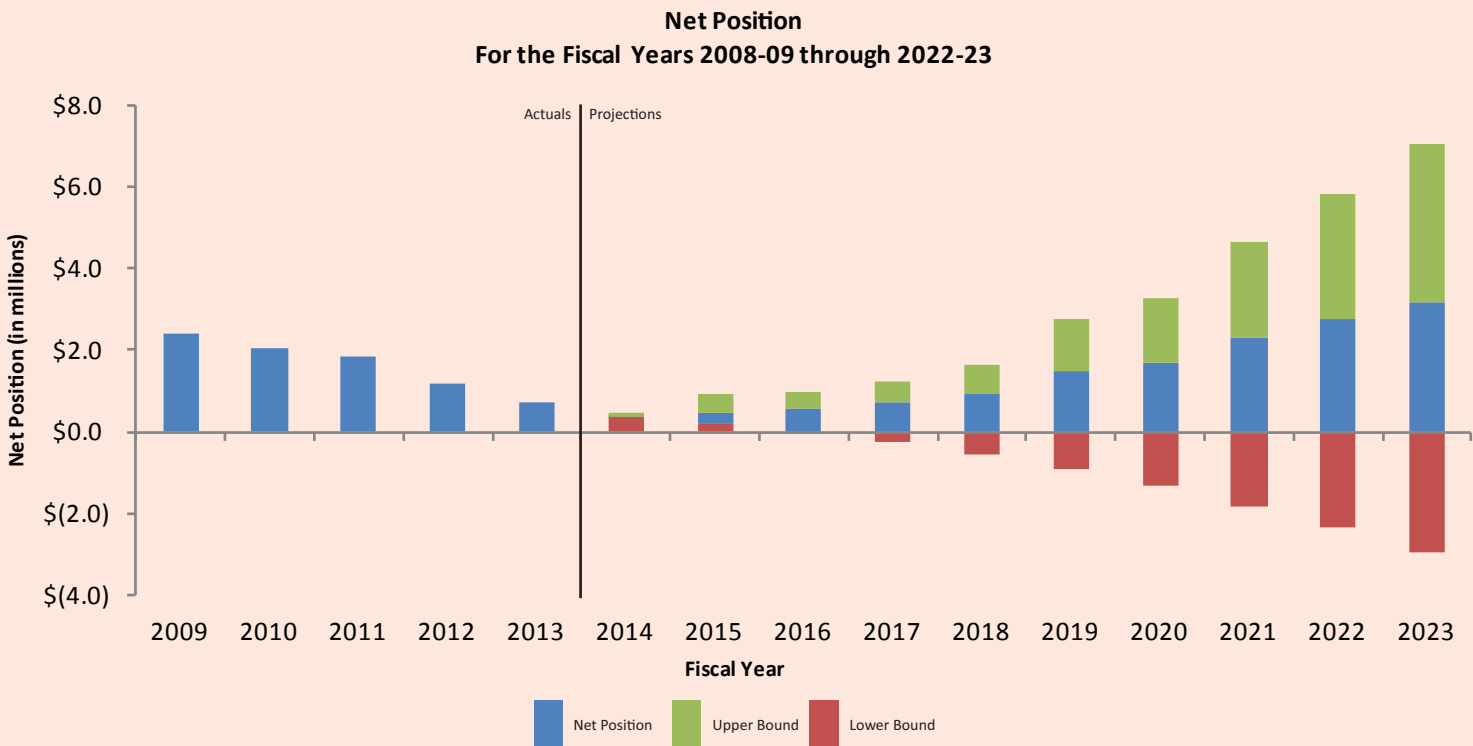
FY 2012-13 Theatres Fund revenues and expenses were \$3.6 million and \$4.1 million, respectively, resulting in a net operating loss of \$0.5 million. Total revenue increased \$0.1 million compared to FY 2011-12. Total expenses for FY 2012-13 were comparable to FY 2011-12. Between FY 2008-09 and FY 2012-13, the Theatres fund has had an operating loss of \$1.8 million.

To address the on-going structural imbalance in the Theatres Fund, in June 2013, City Council approved the formation of an Ad Hoc City Council Theatres Fund Budget Committee (Committee) with the Mayor representing the Finance Audit Committee and the Mayor Pro Tem representing the Cultural Arts Review Committee. The mandate of the Committee was to work with staff to develop long-term strategies to achieve a balanced Theatres Fund Budget by June 2016.

The Committee developed various cost savings and revenue enhancing recommendations which, if fully implemented, are intended to realize additional revenue to the Theatres Fund of \$0.1 million in FY 2013-14, \$0.6 million in FY 2014-15, and \$0.8 million in FY 2015-16.

Revenues are expected to grow approximately 2% each fiscal year for the next ten fiscal years. FY 2013-14 revenues and expenses are projected to be \$3.9 million and \$4.2 million, respectively, further decreasing net position by \$0.3 million. Assuming implementation of many of the Committee recommendations and completion of planned maintenance and capital improvement projects, reserves are projected to increase \$0.1 million in FY 2014-15 and \$0.5 million in FY 2015-16. The ten-year projection shows that reserves will build back up to approximately \$3.2 million, which would be available for future capital improvement projects.

With implementation of the Committee recommendations, the City should meet the challenge of continuing to provide diverse, local, national and international shows enhancing the quality of life for the citizens of Thousand Oaks, without General Fund financial support.







# **APPENDIX**

**Summary of Projected Library Fund Revenues and Expenditures  
For the Fiscal Years 2013-14 through 2022-23**

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## State Gas Tax Fund

### Summary of Projected State Gas Tax Fund Revenues and Expenditures For the Fiscal Years 2013-14 through 2022-23

	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
State Gas Tax Fund Revenue Projections:										
State Gas Tax Fund Revenue:										
Intergovernmental Revenue	\$ 14,028,343	\$ 3,393,300	\$ 5,726,350	\$ 7,106,750	\$ 6,659,240	\$ 3,375,820	\$ 3,392,480	\$ 3,409,220	\$ 3,426,040	\$ 3,442,950
Total State Gas Tax Fund Revenue	14,028,343	3,393,300	5,726,350	7,106,750	6,659,240	3,375,820	3,392,480	3,409,220	3,426,040	3,442,950
Total Revenue Available	\$ 14,028,343	\$ 3,393,300	\$ 5,726,350	\$ 7,106,750	\$ 6,659,240	\$ 3,375,820	\$ 3,392,480	\$ 3,409,220	\$ 3,426,040	\$ 3,442,950
State Gas Tax Fund Expenditure Projections:										
Operating Expenditures:										
Maintenance and Operations	\$ 773,058	\$ 2,070,000	\$ 470,000	\$ 1,970,000	\$ 470,000	\$ 1,970,000	\$ 470,000	\$ 1,970,000	\$ 470,000	\$ 1,970,000
Capital Outlay	75,000									
Total Operating Expenditures	848,058	2,070,000	470,000	1,970,000	470,000	1,970,000	470,000	1,970,000	470,000	1,970,000
Capital Improvements and Debt Service:										
Capital/Facilities Improvements	13,254,725	1,074,860	4,442,160	4,318,330	5,366,570	578,880	2,091,250	603,670	2,116,150	628,700
Transfers to Other Funds:	912,000	912,000	814,190	818,420	822,670	826,940	831,230	835,550	839,890	844,250
Total Estimated Expenditures	\$ 15,014,783	\$ 4,056,860	\$ 5,726,350	\$ 7,106,750	\$ 6,659,240	\$ 3,375,820	\$ 3,392,480	\$ 3,409,220	\$ 3,426,040	\$ 3,442,950
Change in Fund Balance	\$ (986,440)	\$ (663,560)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Improvements Fund  
Summary of Projected Capital Improvements Fund Revenues and Expenditures  
For the Fiscal Years 2013-14 through 2022-23

	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Capital Improvements Fund Revenue Projections:										
Capital Improvements Fund Revenue:										
Use of Money and Property	\$ 141,900	\$ 141,900	\$ 143,340	\$ 144,850	\$ 146,730	\$ 148,640	\$ -	\$ -	\$ -	\$ -
Charges for Current Services	144,000	265,800	241,000	241,000	241,000	110,000	110,000	110,000	110,000	110,000
Total Capital Improvements Fund Revenue	285,900	407,700	384,340	385,850	387,730	258,640	110,000	110,000	110,000	110,000
Total Revenue Available	\$ 285,900	\$ 407,700	\$ 384,340	\$ 385,850	\$ 387,730	\$ 258,640	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
Capital Improvements Fund Expenditure Projections:										
Operating Expenditures:										
Capital Outlay	\$ 5,031,754	\$ 2,213,700	\$ 1,765,000	\$ 5,126,500	\$ 2,780,420	\$ 2,355,416	\$ 2,355,416	\$ 2,355,416	\$ 2,355,416	\$ 2,355,416
Total Operating Expenditures	5,031,754	2,213,700	1,765,000	5,126,500	2,780,420	2,355,416	2,355,416	2,355,416	2,355,416	2,355,416
Transfers to Other Funds	430,000	422,500	325,000	322,500	200,000	200,000	200,000	200,000	200,000	200,000
Total Estimated Expenditures	\$ 5,461,754	\$ 2,636,200	\$ 2,090,000	\$ 5,449,000	\$ 2,980,420	\$ 2,555,416	\$ 2,555,416	\$ 2,555,416	\$ 2,555,416	\$ 2,555,416
Change in Fund Balance	\$ (5,175,854)	\$ (2,228,500)	\$ (1,705,660)	\$ (5,063,150)	\$ (2,592,690)	\$ (2,296,776)	\$ (2,445,416)	\$ (2,445,416)	\$ (2,445,416)	\$ (2,445,416)



**Lighting Fund**  
Summary of Projected Lighting Fund Revenues and Expenditures  
For the Fiscal Years 2013-14 through 2022-23

Lighting Fund Revenue Projections:

Lighting Fund Revenue:	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Taxes	\$ 1,146,300	\$ 1,167,500	\$ 1,190,850	\$ 1,214,720	\$ 1,239,050	\$ 1,263,870	\$ 1,289,180	\$ 1,315,020	\$ 1,341,350	\$ 1,368,230
Use of Money and Property	6,000	6,000	6,510	6,590	6,700	6,810	6,920	7,030	7,140	7,250
Charges for Current Services	340,000	350,000	357,000	364,140	371,430	378,860	386,440	394,170	402,060	410,110
Other	13,000	13,000	13,260	13,540	13,820	14,110	14,400	14,700	15,010	15,320
Total Lighting Fund Revenue	1,505,300	1,536,500	1,567,620	1,598,990	1,631,000	1,663,650	1,696,940	1,730,920	1,765,560	1,800,910
Transfers From Other Funds:	130,000	127,500	125,000	122,500	-	-	-	-	-	-
Total Revenue Available	\$ 1,635,300	\$ 1,664,000	\$ 1,692,620	\$ 1,721,490	\$ 1,631,000	\$ 1,663,650	\$ 1,696,940	\$ 1,730,920	\$ 1,765,560	\$ 1,800,910

Lighting Fund Expenditure Projections:

Operating Expenditures:										
Salaries	\$ 110,628	\$ 116,699	\$ 120,210	\$ 123,820	\$ 127,550	\$ 131,380	\$ 135,330	\$ 139,400	\$ 143,580	\$ 147,890
Fringe Benefits	57,133	51,820	53,630	56,530	58,880	61,370	63,700	64,850	65,350	65,850
Maintenance and Operations	1,844,154	1,840,204	1,878,030	1,916,800	1,956,500	1,997,160	2,038,810	2,081,470	2,125,180	2,169,960
Total Operating Expenditures	2,011,915	2,008,723	2,051,870	2,097,150	2,142,930	2,189,910	2,237,840	2,285,720	2,334,110	2,383,700
Total Estimated Expenditures	\$ 2,011,915	\$ 2,008,723	\$ 2,051,870	\$ 2,097,150	\$ 2,142,930	\$ 2,189,910	\$ 2,237,840	\$ 2,285,720	\$ 2,334,110	\$ 2,383,700
Change in Fund Balance	\$ (376,615)	\$ (344,723)	\$ (359,250)	\$ (375,660)	\$ (511,930)	\$ (526,260)	\$ (540,900)	\$ (554,800)	\$ (568,550)	\$ (582,790)

Landscape Fund

Summary of Projected Landscape Fund Revenues and Expenditures

For the Fiscal Years 2013-14 through 2022-23

Landscape Fund Revenue Projections:

Landscape Fund Revenue:

Taxes	\$ 645,700 \$	655,700 \$	668,820 \$	682,250 \$	695,930 \$	709,890 \$	724,130 \$	738,670 \$	753,480 \$	768,600
Use of Money and Property	40,700	40,700	41,110	41,530	41,950	42,380	42,810	43,250	43,690	44,130
Charges for Current Services	3,400,000	3,480,000	3,549,600	3,620,600	3,693,020	3,766,890	3,842,230	3,919,080	3,997,470	4,077,420
Other	10,000	10,000	10,200	10,410	10,620	10,840	11,060	11,290	11,520	11,760
Total Landscape Fund Revenue	4,096,400	4,186,400	4,269,730	4,354,790	4,441,520	4,530,000	4,620,230	4,712,290	4,806,160	4,901,910
Total Revenue Available	\$ 4,096,400 \$	4,186,400 \$	4,269,730 \$	4,354,790 \$	4,441,520 \$	4,530,000 \$	4,620,230 \$	4,712,290 \$	4,806,160 \$	4,901,910

Landscape Fund Expenditure Projections:

Operating Expenditures:

Salaries	\$ 537,469 \$	544,606 \$	560,660 \$	577,190 \$	594,210 \$	611,740 \$	629,790 \$	648,380 \$	667,520 \$	687,230
Fringe Benefits	291,947	279,855	288,660	302,270	313,380	325,140	336,180	341,870	344,660	347,490
Maintenance and Operations	3,693,057	3,573,603	3,626,980	3,681,300	3,736,530	3,792,680	3,849,790	3,907,850	3,966,900	4,026,930
Total Operating Expenditures	4,522,473	4,398,064	4,476,300	4,560,760	4,644,120	4,729,560	4,815,760	4,898,100	4,979,080	5,061,650
Total Estimated Expenditures	\$ 4,522,473 \$	4,398,064 \$	4,476,300 \$	4,560,760 \$	4,644,120 \$	4,729,560 \$	4,815,760 \$	4,898,100 \$	4,979,080 \$	5,061,650
Change in Fund Balance	\$ (426,073) \$	(211,664) \$	(206,570) \$	(205,970) \$	(202,600) \$	(199,560) \$	(195,530) \$	(185,810) \$	(172,920) \$	(159,740)

## Stormwater Fund

### Summary of Projected Stormwater Fund Revenues and Expenditures For the Fiscal Years 2013-14 through 2022-23

	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Stormwater Fund Revenue Projections:										
Stormwater Fund Revenue:										
Charges for Current Services	\$ 617,100	\$ 350,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 510,000	\$ 520,000	\$ 530,000
Other	500	-	-	-	-	-	-	-	-	-
Total Stormwater Fund Revenue	617,600	350,000	500,000	500,000	500,000	500,000	500,000	510,000	520,000	530,000
Transfers From Other Funds:										
General Fund	153,078	550,000	1,000,000	1,500,000	1,700,000	1,700,000	1,700,000	1,730,000	1,760,000	1,800,000
Total Transfers From Other Funds	153,078	550,000	1,000,000	1,500,000	1,700,000	1,700,000	1,700,000	1,730,000	1,760,000	1,800,000
Total Revenue Available	770,678	900,000	1,500,000	2,000,000	2,200,000	2,200,000	2,200,000	2,240,000	2,280,000	2,330,000
Stormwater Fund Expenditure Projections:										
Operating Expenditures:										
Salaries	\$ 330,000	\$ 330,000	\$ 336,600	\$ 343,300	\$ 350,200	\$ 357,200	\$ 364,300	\$ 371,600	\$ 379,000	\$ 386,600
Fringe Benefits	145,000	145,000	147,900	150,900	153,900	157,000	160,100	163,300	166,600	169,900
Maintenance and Operations	465,224	425,000	1,015,500	1,505,800	1,695,900	1,685,800	1,675,600	1,705,100	1,734,400	1,773,500
Total Operating Expenditures	940,224	900,000	1,500,000	2,000,000	2,200,000	2,200,000	2,200,000	2,240,000	2,280,000	2,330,000
Total Estimated Expenditures	940,224	900,000	1,500,000	2,000,000	2,200,000	2,200,000	2,200,000	2,240,000	2,280,000	2,330,000
Change in Fund Balance	\$ (169,546)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Water Fund

Summary of Projected Water Fund Revenues and Expenditures  
For the Fiscal Years 2013-14 through 2022-23

	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Water Fund Revenue Projections:										
Water Fund Revenue:										
Sales of Water and Wastewater Services	\$ 24,462,156 \$	26,053,825 \$	27,713,471 \$	29,455,021 \$	31,288,480 \$	32,966,103 \$	34,526,025 \$	36,098,094 \$	37,431,049 \$	38,655,945
Theatre Rentals and Fees										
Charges for Services and Supplies										
Bus and Subsidized Taxi Fares										
Green Fees, Cart Rentals and Course Memberships										
Recycling Fees										
Fees for Service	193,700	193,700	193,700	193,700	193,700	193,700	193,700	193,700	193,700	193,700
Other	410,004	394,838	392,004	461,645	413,076	421,254	431,898	455,359	479,803	481,940
Total Water Fund Revenue	25,065,860	26,642,363	28,299,175	30,110,366	31,895,256	33,581,057	35,151,623	36,747,153	38,104,552	39,331,585
Total Revenue Available	\$ 25,065,860 \$	26,642,363 \$	28,299,175 \$	30,110,366 \$	31,895,256 \$	33,581,057 \$	35,151,623 \$	36,747,153 \$	38,104,552 \$	39,331,585
Water Fund Expenditure Projections:										
Operating Expenditures:										
Salaries	\$ 2,379,578 \$	2,450,965 \$	2,524,494 \$	2,600,229 \$	2,678,236 \$	2,758,583 \$	2,841,341 \$	2,926,581 \$	3,014,378 \$	3,104,810
Fringe Benefits	1,140,920	1,197,965	1,257,864	1,320,757	1,386,795	1,456,135	1,528,941	1,605,388	1,685,658	1,769,941
Maintenance and Operations	19,134,376	20,150,455	22,417,165	23,529,929	24,715,232	25,860,007	27,008,836	28,162,905	29,358,391	30,732,565
Total Operating Expenditures	22,654,874	23,799,385	26,199,523	27,450,915	28,780,263	30,074,725	31,379,118	32,694,874	34,058,427	35,607,316
Total Estimated Expenditures	\$ 22,654,874 \$	23,799,385 \$	26,199,523 \$	27,450,915 \$	28,780,263 \$	30,074,725 \$	31,379,118 \$	32,694,874 \$	34,058,427 \$	35,607,316
Change in Fund Balance	\$ 2,410,986 \$	2,842,978 \$	2,099,652 \$	2,659,451 \$	3,114,993 \$	3,506,332 \$	3,772,505 \$	4,052,279 \$	4,046,125 \$	3,724,269



## Wastewater Fund

### Summary of Projected Wastewater Fund Revenues and Expenditures For the Fiscal Years 2013-14 through 2022-23

	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Wastewater Fund Revenue:										
Sales of Water and Wastewater Services	\$ 17,936,774	\$ 18,724,315	\$ 19,636,415	\$ 20,594,496	\$ 21,600,881	\$ 22,658,007	\$ 23,768,430	\$ 24,816,294	\$ 25,793,606	\$ 26,810,416
Fees for Service	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100
Other	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600
Total Wastewater Fund Revenue	20,309,474	21,097,015	22,009,115	22,967,196	23,973,581	25,030,707	26,141,130	27,188,994	28,166,306	29,183,116
Total Revenue Available	\$ 20,309,474	\$ 21,097,015	\$ 22,009,115	\$ 22,967,196	\$ 23,973,581	\$ 25,030,707	\$ 26,141,130	\$ 27,188,994	\$ 28,166,306	\$ 29,183,116

#### Wastewater Fund Revenue Projections:

##### Wastewater Fund Revenue:

Sales of Water and Wastewater Services	\$ 17,936,774	\$ 18,724,315	\$ 19,636,415	\$ 20,594,496	\$ 21,600,881	\$ 22,658,007	\$ 23,768,430	\$ 24,816,294	\$ 25,793,606	\$ 26,810,416
Fees for Service	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100	1,319,100
Other	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600	1,053,600
Total Wastewater Fund Revenue	20,309,474	21,097,015	22,009,115	22,967,196	23,973,581	25,030,707	26,141,130	27,188,994	28,166,306	29,183,116
Total Revenue Available	\$ 20,309,474	\$ 21,097,015	\$ 22,009,115	\$ 22,967,196	\$ 23,973,581	\$ 25,030,707	\$ 26,141,130	\$ 27,188,994	\$ 28,166,306	\$ 29,183,116

#### Wastewater Fund Expenditure Projections:

##### Operating Expenditures:

Salaries	\$ 4,512,640	\$ 4,648,019	\$ 4,787,460	\$ 4,931,084	\$ 5,079,016	\$ 5,231,387	\$ 5,388,328	\$ 5,549,978	\$ 5,716,477	\$ 5,887,972
Fringe Benefits	1,841,185	1,937,245	2,035,407	2,137,927	2,246,073	2,365,127	2,490,384	2,622,153	2,760,760	2,901,548
Maintenance and Operations	13,054,731	13,284,399	13,519,224	13,764,577	14,015,844	14,273,428	14,542,744	15,184,225	15,455,322	15,739,504
Total Operating Expenditures	19,408,556	19,869,663	20,342,091	20,833,588	21,340,933	21,869,942	22,421,456	23,356,356	23,932,559	24,529,024
Total Estimated Expenditures	\$ 19,408,556	\$ 19,869,663	\$ 20,342,091	\$ 20,833,588	\$ 21,340,933	\$ 21,869,942	\$ 22,421,456	\$ 23,356,356	\$ 23,932,559	\$ 24,529,024

#### Change in Fund Balance

Change in Fund Balance	\$ 900,918	\$ 1,227,352	\$ 1,667,024	\$ 2,133,608	\$ 2,632,648	\$ 3,160,765	\$ 3,719,674	\$ 3,832,638	\$ 4,233,747	\$ 4,654,092
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Solid Waste Fund

Summary of Projected Solid Waste Fund Revenues and Expenditures

For the Fiscal Years 2013-14 through 2022-23

	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Solid Waste Fund Revenue Projections:										
Solid Waste Fund Revenue:										
Recycling Fees	\$ 1,278,122	\$ 1,290,904	\$ 1,303,850	\$ 1,316,930	\$ 1,330,130	\$ 1,343,450	\$ 1,356,910	\$ 1,370,500	\$ 1,384,230	\$ 1,398,090
Other	217,847	219,646	221,480	223,330	225,470	227,630	229,820	232,030	234,260	236,520
Total Solid Waste Fund Revenue	1,495,969	1,510,550	1,525,330	1,540,260	1,555,600	1,571,080	1,586,730	1,602,530	1,618,490	1,634,610
Total Revenue Available	\$ 1,495,969	\$ 1,510,550	\$ 1,525,330	\$ 1,540,260	\$ 1,555,600	\$ 1,571,080	\$ 1,586,730	\$ 1,602,530	\$ 1,618,490	\$ 1,634,610
Solid Waste Fund Expenditure Projections:										
Operating Expenditures:										
Salaries	\$ 660,104	\$ 486,563	\$ 499,980	\$ 513,830	\$ 528,080	\$ 542,730	\$ 557,810	\$ 573,310	\$ 589,260	\$ 605,690
Fringe Benefits	302,699	199,042	205,850	215,820	224,250	233,120	241,610	246,800	250,210	253,720
Maintenance and Operations	1,064,837	1,067,614	1,087,675	1,108,137	1,129,008	1,150,296	1,172,011	1,194,159	1,216,751	1,239,794
Total Operating Expenditures	2,027,640	1,753,219	1,793,505	1,837,787	1,881,338	1,926,146	1,971,431	2,014,269	2,056,221	2,099,204
Total Estimated Expenditures	\$ 2,027,640	\$ 1,753,219	\$ 1,793,505	\$ 1,837,787	\$ 1,881,338	\$ 1,926,146	\$ 1,971,431	\$ 2,014,269	\$ 2,056,221	\$ 2,099,204
Change in Fund Balance	\$ (531,671)	\$ (242,669)	\$ (268,175)	\$ (297,527)	\$ (325,738)	\$ (355,066)	\$ (384,701)	\$ (411,739)	\$ (437,731)	\$ (464,594)

**Transportation Fund**  
Summary of Projected Transportation Fund Revenues and Expenditures  
For the Fiscal Years 2013-14 through 2022-23

Transportation Fund Revenue Projections:

Transportation Fund Revenue:

Bus and Subsidized Taxi Fares	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Federal Assistance	\$ 366,422 \$	372,503 \$	378,770 \$	385,230 \$	391,880 \$	398,730 \$	405,780 \$	413,050 \$	420,530 \$	428,240
State Tax Subventions	5,290,000	750,000	3,750,000	2,120,300	795,906	811,824	828,061	844,622	861,514	878,745
Other	3,156,620	4,288,186	3,251,950	3,316,989	3,383,329	3,450,995	3,520,015	3,590,416	3,662,224	3,735,468
	833,160	891,866	902,440	913,321	924,606	936,222	948,164	960,448	973,073	986,054
Total Transportation Fund Revenue	9,646,202	6,302,555	8,283,160	6,735,840	5,495,721	5,597,771	5,702,020	5,808,536	5,917,341	6,028,507
Total Revenue Available	\$ 9,646,202 \$	6,302,555 \$	8,283,160 \$	6,735,840 \$	5,495,721 \$	5,597,771 \$	5,702,020 \$	5,808,536 \$	5,917,341 \$	6,028,507

Transportation Fund Expenditure Projections:

Operating Expenditures:

Salaries	\$ 142,635 \$	142,907 \$	146,400 \$	150,000 \$	153,700 \$	157,500 \$	161,400 \$	165,420 \$	169,550 \$	173,780
Fringe Benefits	56,064	49,171	50,940	53,650	55,880	58,240	60,450	61,630	62,230	62,870
Maintenance and Operations	4,948,208	4,986,712	5,080,046	5,175,247	5,272,352	5,371,399	5,472,427	5,575,476	5,680,585	5,787,797
Total Operating Expenditures	5,146,907	5,178,790	5,277,386	5,378,897	5,481,932	5,587,139	5,694,277	5,802,526	5,912,365	6,024,447
Total Estimated Expenditures	\$ 5,146,907 \$	5,178,790 \$	5,277,386 \$	5,378,897 \$	5,481,932 \$	5,587,139 \$	5,694,277 \$	5,802,526 \$	5,912,365 \$	6,024,447

Change in Fund Balance

	\$ 4,499,295 \$	1,123,765 \$	3,005,774 \$	1,356,943 \$	13,789 \$	10,632 \$	7,743 \$	6,010 \$	4,976 \$	4,060
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Golf Course Fund										
Summary of Projected Golf Course Fund Revenues and Expenditures										
For the Fiscal Years 2013-14 through 2022-23										
	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Golf Course Fund Revenue Projections:										
Golf Course Fund Revenue:										
Green Fees, Cart Rentals and Course Memberships	\$ 4,466,000 \$	4,494,200 \$	4,548,220 \$	4,603,050 \$	4,658,660 \$	4,715,060 \$	4,772,250 \$	4,830,250 \$	4,889,050 \$	4,948,660
Other	40,000	40,000	40,400	40,810	41,330	41,850	42,480	43,120	43,770	44,430
Total Golf Course Fund Revenue	4,506,000	4,534,200	4,588,620	4,643,860	4,699,990	4,756,910	4,814,730	4,873,370	4,932,820	4,993,090
Total Revenue Available	\$ 4,506,000 \$	4,534,200 \$	4,588,620 \$	4,643,860 \$	4,699,990 \$	4,756,910 \$	4,814,730 \$	4,873,370 \$	4,932,820 \$	4,993,090
Golf Course Fund Expenditure Projections:										
Operating Expenditures:										
Maintenance and Operations	\$ 4,460,606 \$	4,367,373 \$	4,511,960 \$	4,582,035 \$	4,631,640 \$	4,681,785 \$	4,732,470 \$	4,783,725 \$	4,835,550 \$	4,887,975
Total Operating Expenditures	4,460,606	4,367,373	4,511,960	4,582,035	4,631,640	4,681,785	4,732,470	4,783,725	4,835,550	4,887,975
Transfers to Other Funds:	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Estimated Expenditures	\$ 4,560,606 \$	4,467,373 \$	4,611,960 \$	4,682,035 \$	4,731,640 \$	4,781,785 \$	4,832,470 \$	4,883,725 \$	4,935,550 \$	4,987,975
Change in Fund Balance	\$ (54,606) \$	66,827 \$	(23,340) \$	(38,175) \$	(31,650) \$	(24,875) \$	(17,740) \$	(10,355) \$	(2,730) \$	5,115



## Theatres Fund

### Summary of Projected Theatres Fund Revenues and Expenditures For the Fiscal Years 2013-14 through 2022-23

	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016	Projected 2016/2017	Projected 2017/2018	Projected 2018/2019	Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
\$ 3,063,800 \$	3,277,590 \$	3,588,767 \$	3,660,680 \$	3,734,020 \$	3,808,830 \$	3,885,150 \$	3,962,990 \$	4,042,400 \$	4,123,360	
300,000	395,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000
498,841	505,528	515,460	525,590	536,010	546,650	557,510	568,580	579,870	591,390	
3,862,641	4,178,118	4,594,227	4,676,270	4,760,030	4,845,480	4,932,660	5,021,570	5,112,270	5,204,750	
\$ 3,862,641 \$	4,178,118 \$	4,594,227 \$	4,676,270 \$	4,760,030 \$	4,845,480 \$	4,932,660 \$	5,021,570 \$	5,112,270 \$	5,204,750	

Theatres Fund Revenue Projections:

Theatres Fund Revenue:

Theatre Rentals and Fees

Donations

Other

Total Theatres Fund Revenue

Total Revenue Available

Theatres Fund Expenditure Projections:

Operating Expenditures:

Salaries

Fringe Benefits

Maintenance and Operations

Total Operating Expenditures

Total Estimated Expenditures

Change in Fund Balance

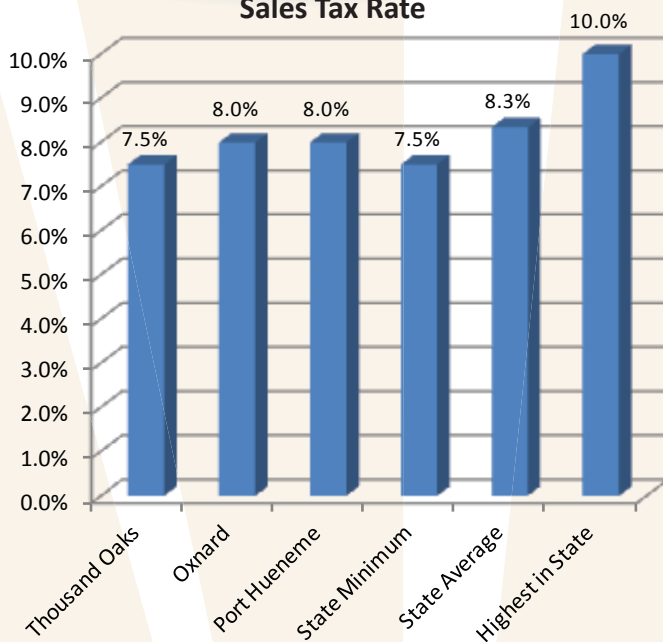
\$ 1,433,437 \$	1,387,837 \$	1,418,410 \$	1,449,850 \$	1,482,110 \$	1,515,230 \$	1,549,240 \$	1,584,140 \$	1,619,980 \$	1,656,760	
574,553	462,326	474,340	486,760	499,600	512,850	526,580	540,770	555,430	570,600	
2,182,251	2,233,591	2,609,380	2,587,400	2,563,650	2,279,090	2,654,760	2,292,620	2,461,690	2,541,000	
4,190,241	4,083,754	4,502,130	4,524,010	4,545,360	4,307,170	4,730,580	4,417,530	4,637,100	4,768,360	
\$ 4,190,241 \$	4,083,754 \$	4,502,130 \$	4,524,010 \$	4,545,360 \$	4,307,170 \$	4,730,580 \$	4,417,530 \$	4,637,100 \$	4,768,360	
\$ (327,600) \$	94,364 \$	92,097 \$	152,260 \$	214,670 \$	538,310 \$	202,080 \$	604,040 \$	475,170 \$	436,390	

# Visioning 2064 - Economy Meeting

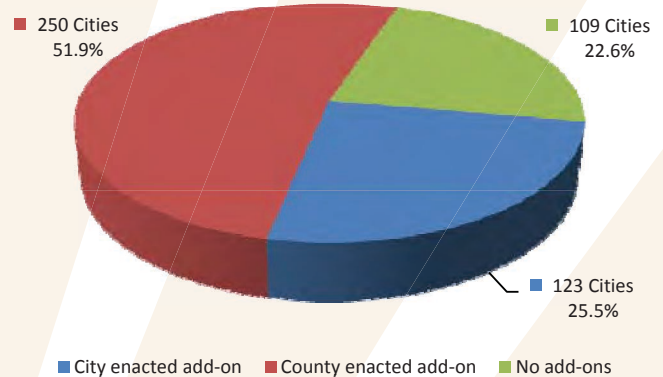
## Fiscal Sustainability - Revenue Fact Sheet

### September 16, 2014

**Sales Tax Rate**



**Sales Tax Add-Ons to State 7.5% Tax Rate**



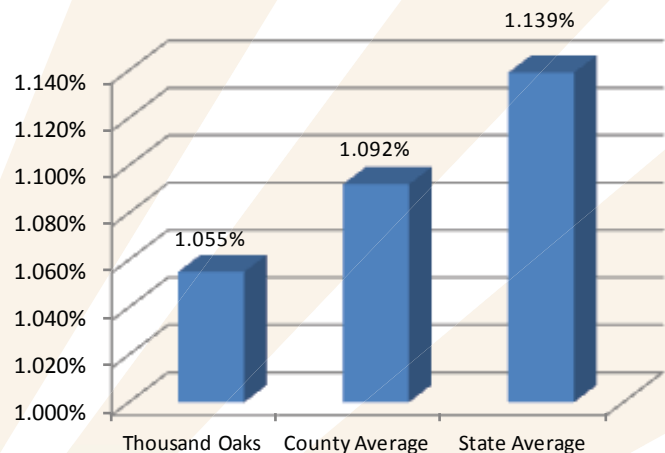
\*Three cities in Los Angeles County with a 10.0% sales tax rate

\*City's portion of sales tax is 1.0% or 1 cent per dollar spent

\*A voter approved 0.5% sales tax add-on would generate approximately \$12.5 million in additional annual sales tax revenue

**Property Tax Rate**

Data based on 2013



\*City's fiscal year 2013-14 tax rate is comprised of the following:

- \*Prop 13 - 1.0%
- \*Conejo Valley Unified School District Bond - 0.0327%
- \*Ventura Community College Bond - 0.0167%
- \*Metropolitan Water - 0.0035%
- \*Total tax rate - 1.0529%

\*(excludes any voter approved special assessment)

\*City has the 21st highest assessed valuation, but only receives the 81st highest amount of property tax dollars



[www.toaks.org/2064](http://www.toaks.org/2064)  
#to2064

## Transient Occupancy Tax

- \*The City has a 10.0% Transient Occupancy Tax Rate
- \*429 cities and 6 counties have implemented a Transient Occupancy Tax
- \*Average Transient Occupancy Tax Rate is 9.75% with a range from 2.0% to 15.0%
- \*General tax imposed on occupants for privilege of occupying room(s) in hotel, motel, inn, etc.

## Business Licenses

- \*Minimum Business License tax for the City is \$20 based on gross receipts of \$0 to \$15,000
- \*Average Business License tax for the City is \$150
- \*11,678 business licenses issued in fiscal year 2013-14

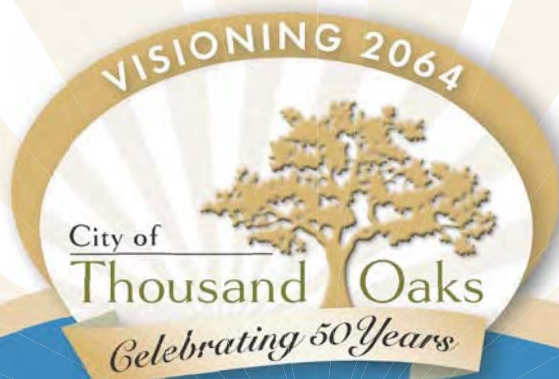
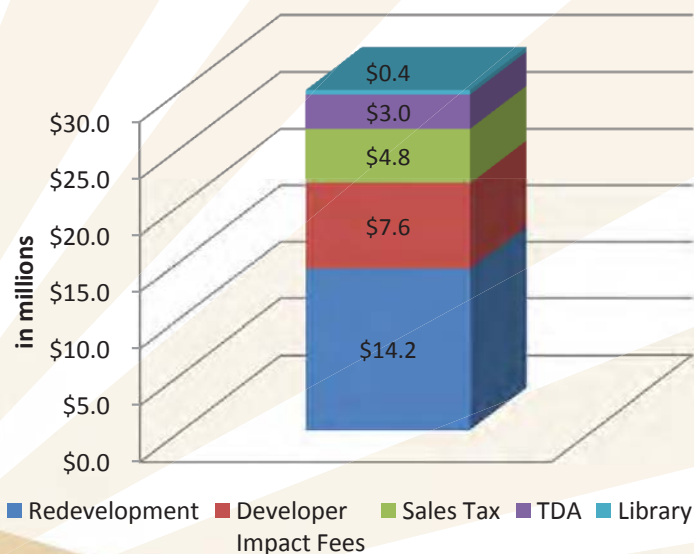
## Utility User Tax

- \*The City does not assess a Utility User Tax
- \*154 cities and 4 counties have a Utility User Tax ranging from 1.0% to 11.0%

## Revenue Declines / Takeaways

- \*Sales Tax - \$4.8 million decline from peak in 2006 of \$29.9 million due to recession
- \*Redevelopment - \$7.2 million in annual tax increment revenue eliminated by the state
- \*Library - \$350,000 and \$50,000 annual revenue eliminated by the county and state, respectively
- \*Developer Impact Fees - \$7.6 million decline from peak in 2003 of \$8.0 million due to City at build-out
- \*Transit Development Act (TDA) - \$3.0 million annual revenue no longer available for street and road maintenance

Revenue Declines / Takeaways



[www.toaks.org/2064](http://www.toaks.org/2064)  
#to2064

# GLOSSARY

**Assessed Valuation** – The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

**Capital Assets** – Assets of significant value and having a useful life of several years (the term fixed assets is also used).

**Capital Improvement** – Typically capital improvements include new street improvements, construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

**Capital Improvement Budget** – A financial plan of authorized expenditures for tangible, long-term construction of, or improvement to, public physical facilities/infrastructure.

**Capital Improvement Program (CIP)** – A comprehensive 5-year plan of implementing proposed capital projects which identifies priorities as to need, cost and method of financing during the 5 years. The first 2 years of the CIP are typically adopted as the current capital budget.

**Capital Outlay** – Expenditures for the acquisition of capital assets.

**Enterprise/Proprietary Funds** – These funds are used to account for City operations that are financed and operated in a manner to private business enterprises. The intent of the City in using this type of fund is to see that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

**Expenditure** – The actual payment for goods and services.

**Fiduciary Funds** – These funds are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs..

**Fiscal Year** – A 12-month period of time to which the budget applies. For the City of Thousand Oaks it is July 1 through June 30.

**Franchise Fee** – A regulatory fee charged to utility companies for the privilege of doing business in the City of Thousand Oaks, i.e. trash, gas, electric, and water franchise fees.

**Fund** – An accounting entity with a set of self-balancing revenue and expenditure accounts used to record the financial affairs of a governmental organization.

**Fund Balance** – The difference between the assets (revenues and other resources) and liabilities (expenditures incurred or committed to) for a particular fund.

**General Fund** – The General Fund is the general operating fund of the City. All revenues and receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenditures and capital improvement costs that are not paid through other funds.

**Golf Course Fund** – This fund was established as a separate fund to account for the operations of the Los Robles Golf Course.

**Governmental Fund** – Funds generally used to account for tax-supported activities. City of Thousand Oaks governmental funds include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

# GLOSSARY

**Infrastructure** – The physical assets of the City, i.e., streets, water, wastewater, public buildings, and the support structures within a development.

**Interest** – Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City’s Investment Policy in accordance with the California Government Code.

**Interfund Transfers** – Monies moved from one fund to another. The money is transferred to finance the operations of another fund or to reimburse the fund for expenses.

**Landscape & Lighting Districts** – The various Thousand Oaks Maintenance Districts and the Thousand Oaks Citywide Lighting District were established to provide landscape/open space maintenance and street lighting throughout the City of Thousand Oaks. Property taxes and service fees are levied specifically for these purposes.

**Library Fund** – Property taxes, library assistance from the State of California, and other revenues are restricted for library maintenance and operations expenditures in this fund.

**Maintenance and Operations** – The category of line items that describe non-salary and non-capital outlay expenditures.

**Operating Expenses** - Expenditures for materials, supplies, and services which are ordinarily consumed within a fiscal year and which are not included in program inventories.

**Property Tax** – A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property.

**Proprietary Funds** – These funds are used to account for City operations that are financed and operated in a manner to private business enterprises. The intent of the City in using this type of fund is to see that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

**Reserve** – An account used to indicate that a portion of a fund’s balance is legally restricted for a specific purpose and is, therefore, not available for general appropriations.

**Retained Earnings** – An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

**Revenue** – Income received through such sources as taxes, fines, fees, grants, or service charges that can be used to finance operations or capital assets.

**Sales Tax** – The single largest source of General Fund revenue of the City of Thousand Oaks. Of the 7.50% paid when shopping in Thousand Oaks, 1.0% is returned to the City.

**Solid Waste Management Fund** – Fund was established to account for the solid waste management activities of the City, which includes recycling, source reduction, hazardous waste disposal, composting, etc.

**Special Revenue Funds** – Special Revenue Funds are utilized to account for revenues derived from specific sources, which are legally restricted to expenditures for specified purposes.

**State Gas Tax Funds** – Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to cities throughout the state. These funds are restricted to expenditures for transit and street-related purposes only.



# GLOSSARY

**Transient Occupancy Tax** – This is a hotel/motel tax imposed for general purposes. The tax is currently 10% of hotel/motel receipts.

**Transportation Fund** – This is a separate fund established to account for the expenses of operating the Thousand Oaks Transit (TOT) operations. The fare revenues, as well as operating transfers from the City, are recognized in this fund.

**Vehicle License Fees** – A share of the revenue derived from registration fees charged by the State.

**Wastewater Utility Fund** – The establishment of a separate fund to account for the operations of the City’s wastewater utility, a self-supporting activity which renders services on a user-charge basis to residents and businesses located in Thousand Oaks.

**Water Utility Fund** – The establishment of a separate fund to account for the operation of the City’s water utility, a self-supporting activity which renders services on a user-charge basis to residents and businesses located in Thousand Oaks.