

CITY BUDGET SUMMARY

Fiscal Year 2011-12

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MEMORANDUM

CITY MANAGER'S OFFICE



Date: June 9, 2011
To: Mayor and Members of the City Council
By: Jack Lam, AICP, City Manager
Subject: FISCAL YEAR (FY) 2011-12 BUDGET

Achieving A Budgetary “Soft Landing”

The nationwide economic downturn has caused fiscal challenges for all levels of government. During the past three years, Rancho Cucamonga, like other jurisdictions, has had to endure multiple years of revenue declines, resulting in the need to take actions to reduce annual budgets in order to adjust to the realities of diminished resources. The accompanying challenge has been to help maintain, as much as possible, reasonable stability of programs of service even as revenues declined.

Rancho Cucamonga’s budgetary strategy has been to achieve a “soft landing” through gradual, strategic budget reductions combined with the judicious use of reserve funds so that services, while under intense fiscal pressure, would not suffer major dislocations but have some measure of stability. All this has been achieved through austerity measures, cutbacks in materials and supplies, staff reductions, salary reductions through furloughs, rebidding of contracts, organizational restructuring, re-distribution of workload, aggressive grant writing, and strategic use of reserves. While services may be “frayed around the edges,” the core parts of all our public services remain relatively intact.

The “soft landing” approach has the following benefits:

- Allows time to adequately analyze financial impacts without the consequences of knee-jerk reactions.
- Minimizes disruption to services for the public and business community
- Enables a more rational approach to organizational restructuring, adaptive training, and other structural adjustments
- Enables more gradual personnel cutbacks through attrition and measured restructuring which helps maintain the morale of the organization which must shoulder a greater workload with less staff
- Enables time to achieve orderly rebidding of all contract services

- Demonstrates to Financial Rating Agencies a credible approach that reflects sound fiscal practices that achieve the financial and program stability these agencies look for.

The FY 2010-11 Budget now reflects the opportunity to eliminate the primary use of reserve funds as revenue decline has reached a plateau. The budgetary adjustments that have been made these past three years now align with what the economists believe is the bottom of the revenue curve. As the economic downturn hits the bottom, economists predict the economy will remain in a trough for a number of years as revenue growth struggles to recover. Any revenue growth will also be accompanied by a rise in the prices of goods, supplies, and services. This combination of economic forces will require maintaining careful budget planning and discipline.

The following sections describe the different operating budgets and the reduction in the use of reserves over time, as well as the accompanying budget reductions achieved in the past several years. In essence, the FY 2011-12 General Fund operating budget has been reduced to levels prior to FY 2006-07. Especially significant is that during the early part of this time period, population continued to grow, the new Central Park Senior/Community Center came on line, as well as the new Victoria Gardens Cultural Center/Library/police substation, 5 new parks (including Central Park), the City took over Foothill Blvd, added a new animal services program, created a new Family Resource Center, absorbed fixed cost increases beyond our control and State raids on local revenue. Departments and employees have contributed greatly to make it all work.

Operating Budgets

The operating budgets in Rancho Cucamonga are comprised of the following:

- City General Fund
- Fire District Operational Funds
- Library Operational Fund

In addition, the complete City budget includes the Special Funds, many of which are restricted from use for general municipal operations.

Operating Budget Comparisons

City General Fund. The City General Fund budget, which supports the majority of City services, is made up of a number of major revenue sources. General Fund revenue for FY 2011-12 is projected to be \$63,103,030, which is \$308,950 or 0.5% higher than in FY 2010-11. Key City General Fund revenues include:

- Sales Tax
- Vehicle License Fees (VLF and Motor Vehicle In Lieu)
- Franchise Fees

- Property Tax
- Development Fees
- Business Licenses
- Transient Occupancy Tax (TOT)

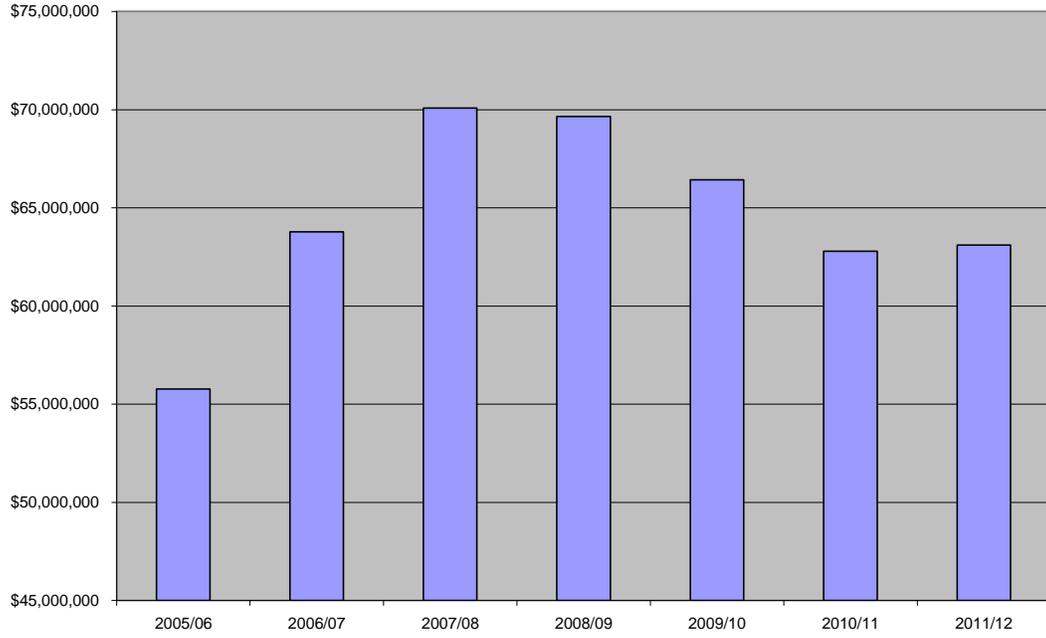
The most significant revenue source in the City General Fund is sales tax. Sales tax, which represents 35.4% of total General Fund revenues, has just begun to show signs of some growth again, although very modest. The sales tax forecast for FY 2011-12 is \$22,457,810 or 4.4% higher than FY 2010-11.

Vehicle License Fees and Motor Vehicle In Lieu fees have increased \$367,920 or 2.5% from FY 2010-11. Franchise fees have declined \$268,220 or 4.5% from FY 2010-11 due primarily to reductions in gas and electric franchise fees. Property Tax revenues have increased slightly overall by \$119,150 or 3.1% from FY 2010-11.

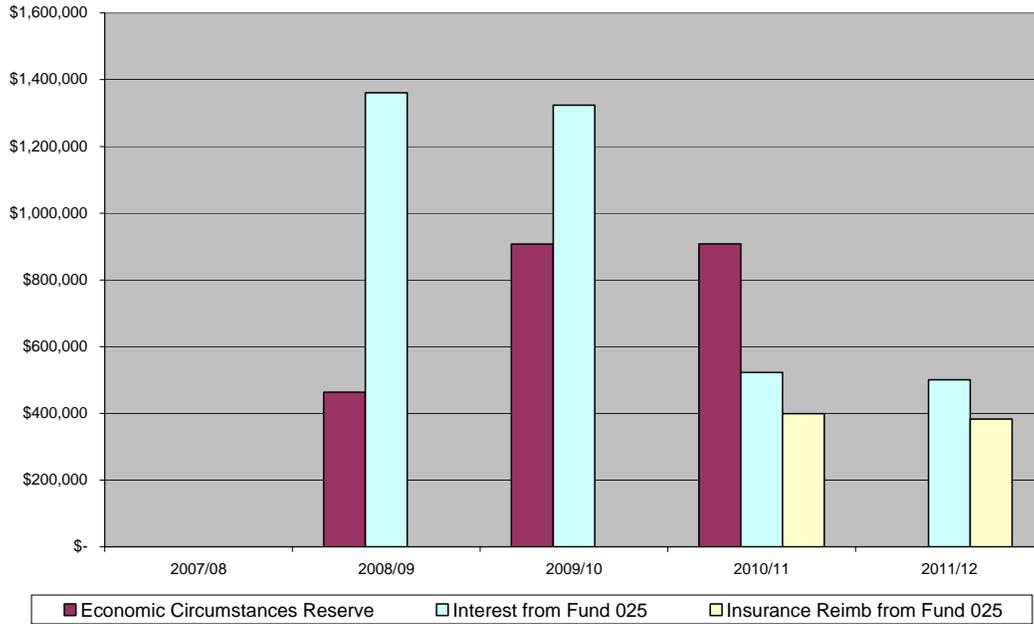
Development fees have increased \$430,000 (excludes special services fees) or 15.0% from FY 2010-11. Business Licenses revenue has increased \$50,770 or 2.4% from FY 2010-11. The Transient Occupancy Tax has increased \$98,880 or 5.9% from FY 2010-11. Increases in these revenue sources indicate a slight improvement in the local economy.

Overall, the combination of some small revenue increases, paired with other decreases, results in a slight upward trend; however, the increases in revenue are largely offset by corresponding increases in fixed costs, including fuel, water, utility costs and PERS increases. The remaining available revenue has all been used to meet the City Council goal of eliminating the use of the Change in Economic Circumstances Reserve in FY 2011-12. Over the last several years, the City has used this reserve to achieve a “soft landing.”

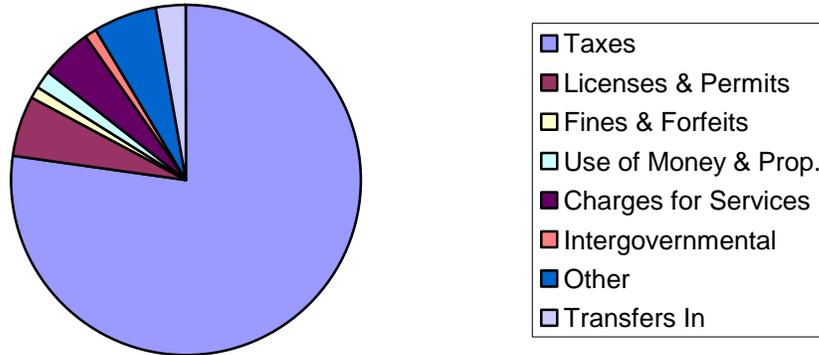
**City General Fund
Budget Comparison**



**City General Fund
Drawdown on Use of Reserves**



**City General Fund Revenue Sources
Fiscal Year 2011-12**

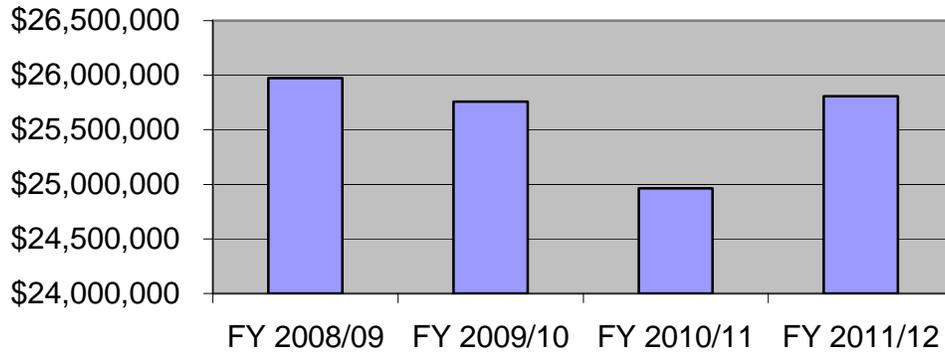


At the same time as the economy has been slumping, the City has been awarded an AA credit rating, the highest rating it has ever achieved. This rating increase occurred in spite of necessary budget reductions, because the City demonstrated a rational, sound and fiscally prudent approach to its budgetary challenges. As just one example, Rancho Cucamonga is one of a very few municipal agencies who has no unfunded post employment benefit liabilities.

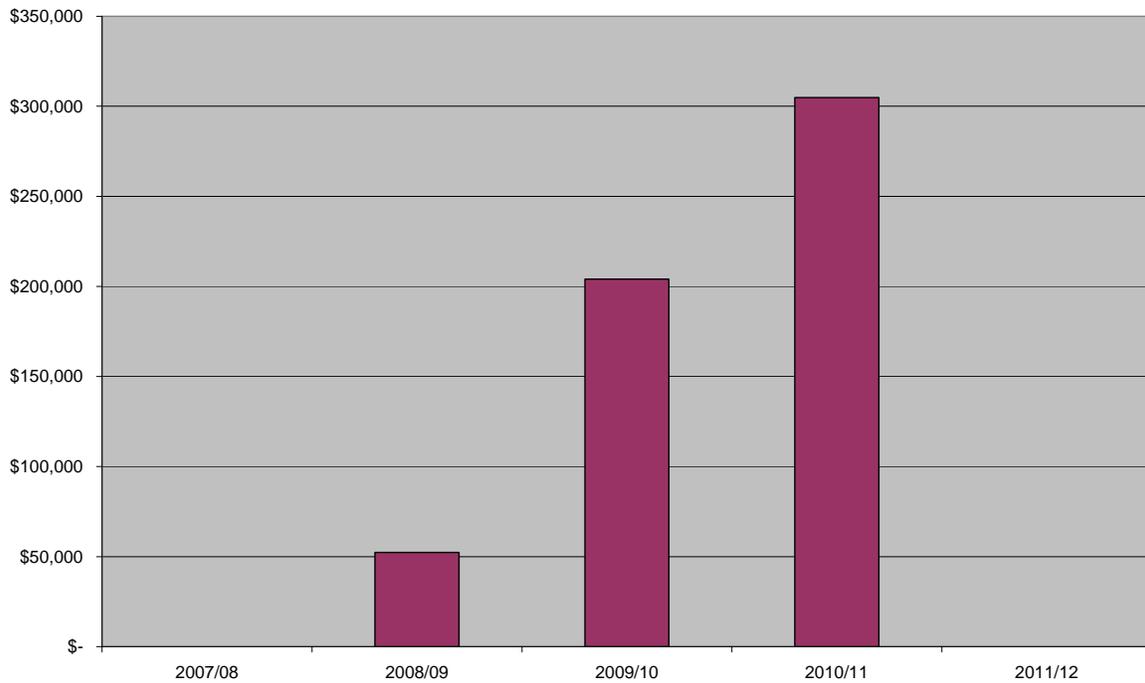
Fire District and Library Funds. The principle revenue source for the Fire District and Library budgets is property tax. Property tax revenues are more important to the Fire District and the Library as their respective shares of each property tax dollar are greater than what the City General Fund receives. This is because as a post-Proposition 13 City, Rancho Cucamonga is a low property tax city.

The Fire District General Fund Property Tax revenue has increased slightly by \$55,620 or 0.4% from FY 2010-11. Property Tax revenue for the Fire District's two Community Facilities Districts (CFDs) increased slightly over FY 2010-11 due to modest CPI increases. Additionally, with the maturation of the Fire District Inspection Program, there has been a slight increase in inspection revenue as more businesses are being inspected on an annual basis. The Rancho Cucamonga Fire District also has no unfunded post employment benefit liabilities.

Fire District Operating Funds Budgetary Comparison



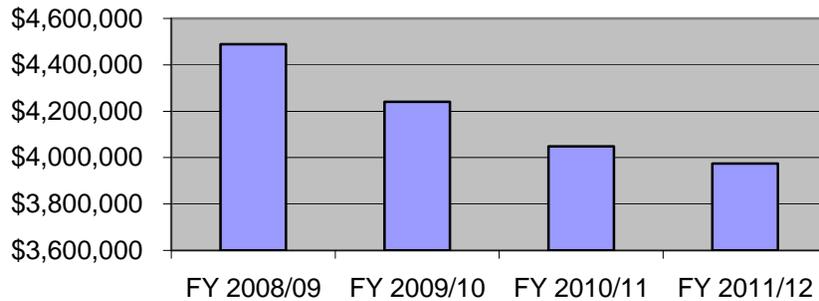
Rancho Cucamonga Fire Protection District Drawdown on Use of Reserves



The Library's Property Tax has declined \$49,610 or 1.5% from FY 2010-11. A portion of the Library's Property Tax is passed through to it by the City's Redevelopment Agency. As the Agency is expected to experience one more year of decline in tax increment revenues, the Library's revenues were also impacted. Additionally, the

Library is experiencing further declines due to State takeaways. The Rancho Cucamonga Library also has no unfunded post employment benefit liabilities.

**Library Fund
Budgetary Comparison**



Operating Budget Analysis

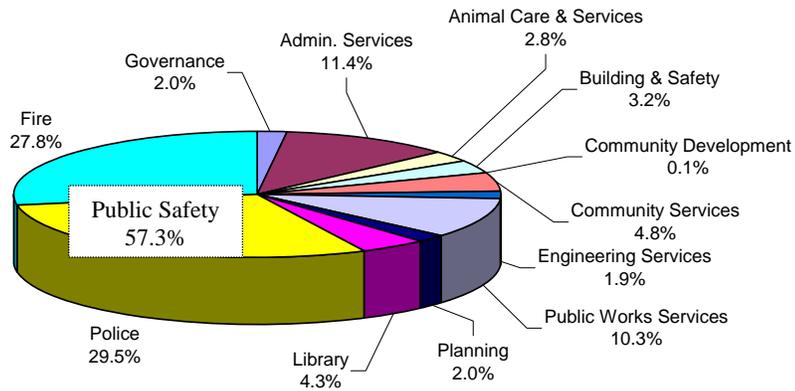
As noted above, the City is seeing the first sustained signs that the substantial declines of the past few years have leveled off, including some areas of small revenue growth. At the same time, however, there are certain unavoidable fixed operating cost increases which are occurring. These include fuel, utilities (gas, water, electricity) and CalPERS cost increases of \$878,560 on the City side and \$676,740 on the Fire side. Staff is working to offset these increases to the degree possible by improving water efficiency and drought tolerant landscaping, switching to hybrid, electric and CNG vehicles where possible, and implementing a second and lower cost pension tier for new employees. Further, staff reductions are currently at the 76.1 FTE level. After readjusting and aligning expenditures to minimize staffing costs, incorporating all eligible one-time funding as well as [negotiated] labor cost savings (over \$881,400 citywide), and identifying the known challenges still outstanding, the following are recommendations for the FY 2011-12 Operating Budget:

- **City General Fund Budget.** Overall, the FY 2011-12 General Fund Budget is \$63,103,030 and does not require the use of primary General Fund reserves. The operating budget represents a \$308,950 or 0.5% increase from FY 2010-11. The recommended expenditure levels still provides for a continuation of essential public services, including critical public safety services as outlined in the following pages.
- **Sheriff Contract Costs.** Although under current San Bernardino County labor contracts, some sworn and non-sworn personnel are scheduled for wage increases, the City has chosen not to budget for these increases which would otherwise add several hundred thousand dollars in cost to the City's law enforcement contract even as Rancho Cucamonga's revenues are only beginning to show signs of recovery. It is anticipated that through strategic

management of staffing, the Police Chief will be able to bridge this gap thus avoiding any additional hits to the General Fund, while the County has already begun working to renegotiate all of its labor contracts although no final results are yet available as of the date of this memorandum.

- **Fire District Budget.** The FY 2011-12 operating budget for the Fire Department is \$25,807,800. This is an \$843,220 or 3.4% increase over FY 2010-11. The budget is balanced without the use of reserves. The budget incorporates fixed operating cost increases and redistributes operating expenses in various areas. The budget preserves all required minimum first responder positions including accommodating the staffing for the future Hellman Fire Station through a reallocation of existing personnel, while reducing overtime and leaving other support positions vacant. The District's capital budget of \$1,201,490 includes the remaining capital funding for the Hellman Fire Station. The construction of the station is anticipated to be completed during the 2011-12 fiscal year.
- **Library Budget.** The FY 2011-12 Library budget is \$3,974,210 which represents a reduction of \$74,540 or 1.8% from 2010-11. Like the Fire District, Library revenues are primarily property tax related. However, the Library has absorbed anticipated losses of State funding in the amount of \$132,000 from the CLSA Direct Loan and Public Library Foundation programs. Keeping a number of positions vacant and implementing successful grant programs have helped shore-up services. The Library has also reduced its book replacement budget, but otherwise has been able to keep its hours fully intact at this time.

**City Operating Budget
City General Fund, Library Fund, and Fire District Funds
FY 2011-12**



Special Funds Summary

- Special Districts.** The City's special districts include various CFD or Mello-Roos districts and 11 different landscape maintenance districts and 10 different lighting districts. Revenues in the City's various special districts continue to fluctuate but overall appear to be flat-lining and in some cases showing small signs of improvement as foreclosed properties are re-sold and their delinquent assessments brought current. Unfortunately, the lighting and landscape districts, most of which were created prior to Proposition 218 in 1996 and thus have no index to adjust for rising costs, are showing significant signs of stress as a result of recent water rate increases and the impact of overall rising costs. With the increases in water rates and other costs, residents in the LMDs will see a direct impact as this change will hasten the need for Proposition 218 elections in those districts without inflation indexes. During the 2010-11 fiscal year, staff began the process of bringing Landscape Maintenance Districts 1 and 2, among the largest of all the City's landscape maintenance districts, to the voters in those districts for review of a potential Proposition 218 assessment increase. Other districts will follow in future years and those districts whose voters choose to maintain their assessments at their [current] 1996 levels will likely require enhanced fiscal austerity measures including different landscape maintenance levels and potentially even reducing some landscaping as recently occurred in LMD 8. All actions are intended to provide the best results possible while ensuring each LMD maintains self-sufficiency.

- **Capital Improvement Program (CIP).** The CIP contains priorities for improvements to the City's infrastructure over a 5-10 year period of time. It is annually reviewed and updated and its implementation is dependent upon the availability of capital and special funds. Since these special funds are legally restricted, they must remain separate from and cannot be utilized for general operating costs. While these special funds can be eroded by economic conditions, the fiscal impacts are different from those in the operating funds. Capital projects often span many years, as they move from design and environmental review to plan check and ultimately construction. Some of the capital improvements that are planned to begin or continue in the upcoming fiscal year include: Etiwanda Avenue Grade Separation at Metrolink Tracks; construction of storm drains on Archibald Avenue from Church to Palo Alto and on Lemon Avenue from Haven Avenue to 1,300 feet west; Public Works Services Center expansion/remodel; undergrounding of utilities on Arrow Route and Base Line Road; and the improvements to the Base Line and I-15 Freeway interchange.

City Council Goals

Each year, the City Council establishes three to five main goals for the City of Rancho Cucamonga. Underneath each of the goals, are approximately five to fifteen different objectives that actualize each goal in terms of operational outputs for the various City departments. More detailed information on the many different objectives can be found on the City website at <http://www.cityofrc.us/cityhall/council/default.asp> . The four main City Council Goals for 2011 are:

- PUBLIC SAFETY – proactively develop public safety programs and facilities to meet community needs.
- PARKS AND RECREATION DEVELOPMENT – proceed with planning and development of major parks and recreational projects.
- ENHANCING PREMIER COMMUNITY STATUS – as the community matures, undertake programs and projects to enhance Rancho Cucamonga's position as the premier community in our region.
- MID AND LONG RANGE PLANNING – begin efforts to develop mid-range and long-term goals and vision for the City.

Department Budgets

Police Department

In FY 2010-11, because of large operational cost increases, special programs and support operations were reduced to maintain an emphasis on Patrol Services and keep the contract cost-neutral except for non-personnel increases that were unavoidable. Many special programs were reduced or eliminated. The Department adapted by implementing special hours of work, modified beat patterns, and creative shift adjustments whenever possible. COPS grant funding was utilized to support special projects requiring overtime. These special projects are Parolee Compliance, Sex Registrant Compliance, Bike Patrol (P.E. Trail and shopping centers), Special Investigations, Tactical Response, and Holiday Shopping Patrol Enhancement.

The Department also made a diligent effort to keep overtime costs at a minimum regardless of personnel injuries and mandatory court overtime to stay within budget. For FY 2011-12 the only areas where increases are expected are Vehicle Depreciation/Vehicle Insurance/Liability/Administrative Costs which are minimal overall but unavoidable. Like other departments, increases in fuel costs will be significant in FY 2011-12. The very nature of the law enforcement mission results in these costs remaining some of the more significant aspects of the budget.

The Department has also been utilizing grant and asset seizure funding to supplement equipment needs. In many cases, it was able to utilize these funds independently from relying on budgeted funds. This is a prudent practice whenever possible; however, it is not always feasible as it cannot be forecasted if these funds will always continue and if they do, at what levels. Overall the Police Department foresees that, just as with other City Departments, it can continue operating with the same basic budget parameters as was utilized for the 2010-11 fiscal year except for the changes noted above. Emphasis will continue to remain on Patrol Services as this is the core component in maintaining the low levels of crime, and high levels of community safety, for which Rancho Cucamonga has become known for.

Fire District Budget

The operating budget for the Fire Department does not require the use of reserves. The budget redistributes operating expenses in various areas for greater functional accountability with respect to expenditures. While property tax revenues are projected to increase modestly, these increases are more than offset by fixed operating cost increases. By engaging in an internal review process the budget netted further expenditure savings from its various programs and the budget now incorporates all projected fixed operating cost increases including PERS, health insurance costs, worker's compensation rates and increased fuel costs. The budget maintains all required minimum first responder positions while reducing overtime and leaving other support positions vacant.

The District's capital budget of \$1,201,490 includes the remaining portions of the capital funding for the Hellman Fire Station to complete the station which began construction in FY 2010-11. Thus far the Hellman Station project is on time and within its budget and should be operational by the end of 2011.

Redevelopment Agency

The State's take-away of more than \$32 million for FY 2009-10 and more than \$6 million in FY 2010-11 will have a significant impact on the Rancho Cucamonga Redevelopment Agency's Redevelopment Plan. The magnitude of these losses means the indefinite postponement of the long-awaited Central Park Phase II as well as the Arrow/I-15 interchange infrastructure project. In the interim, the Agency will continue to work on smaller capital projects provided for in the Redevelopment Plan, while emphasizing programs that attract, retain and grow businesses; focus on job creation and employment assistance; assist individuals and families with housing needs; and implement projects that can help eliminate barriers to economic progress.

Continuation of funding for the Inland Empire Small Business Assistance Center — which provides one-on-one counseling and business workshops to Rancho Cucamonga businesses — remains a priority as part of the Agency's overall business support activities. Additionally, leveraging its resources through public and private partnerships will allow the Redevelopment Agency to further develop employment assistance resources and events such as regional job fairs, as well as business expansion efforts including International trade/exporting assistance for local companies.

As part of the work program for the upcoming fiscal year, the Redevelopment Agency will continue to work with local and county organizations to assist homeowners facing foreclosure issues, and will continue to support ongoing programs that assist individuals and families in obtaining quality, affordable workforce housing in the city of Rancho Cucamonga.

The Agency will also fund a number of significant infrastructure projects identified in the Capital Improvement Program which will help stimulate the local economy and create jobs as well as addressing local infrastructure needs. These infrastructure projects include:

- Archibald Avenue Storm Drain from Church to Palo Alto
- Hellman Avenue Storm Drain (Lower Reach)
- Etiwanda Avenue Grade Separation
- Base Line Road at I-15 Interchange

Administrative Services Department

FY 2011-12 represents a turning point for Administrative Services. As with other City Departments, the last several years have focused on cutting costs, deferring replacement items and hardware/software upgrades, postponing non-critical projects

and reducing costs to help balance the City Budget. As attrition continues due to an uptick in retirements (currently at 76.1 FTE), there is increased pressure on Human Resources as the City must fill some critical vacated positions. Similarly, as the City strives to take advantage of favorable economic conditions to bid out key infrastructure or capital projects, or replace certain capital equipment, the primary task for Purchasing is to properly staff and manage increasing numbers of procurements in a highly competitive business environment that is very challenging to operate within.

Key infrastructure such as the City's desktop computer hardware and software is now approaching between 5-7 years old and replacement can no longer be deferred. The same applies to the City's telephone and voice mail infrastructure. Failure rates are increasing and soon the current systems will become de-supported by the original manufacturer. Further delaying replacements may in many cases result in greater expense in future years as well as more difficult upgrades.

With changes in the law, such as the Fair Labor Standards Act, Family Medical Leave Act, Government Accounting Standards Board requirements for auditing and budgeting, California's Proposition 26 relating to fees and the ever evolving case law on Proposition 218, Finance and Special Districts are faced with additional training requirements as well as the need to review potential modifications to internal procedures, fees and charges and business processes in order to stay in compliance with the law. These goals are being accomplished within a budget that is primarily flat, however, internally and reflected in the budget, are efforts to start the first phases of planning, replacement and reorganization to ensure the City is optimally positioned to operate and provide the most cost effective and efficient and highest quality services in the future.

Animal Care and Services Department

The Animal Care and Services Department has seen growth in almost all programs during the last year. The medical program is routinely doing almost all spay & neuter surgeries in house and has expanded the ability to do rehabilitative surgeries. The Center commonly treats many diseases & injuries which are the cause for euthanasia in other facilities. Community partnerships with local education institutions have been created to provide ROP, RVT, and Vet Students. Rescue partners have increased to 110 and 723 Center pets were placed with partners in 2010, an increase of just over 200 compared to our figures in 2007, our first full year of City operations.

Outreach activities have also increased to 242 events in 2010 (at least 2 each week) and our internet presence has grown to listings on 10 websites (including our RC Pets) generating from 60,000 to 80,000 hits per week on Center pets. The volunteer program has also grown by 21 volunteers and just over 1,490 hours in 2010. Also increased has been the participation in the foster and Trap-Neuter-Release programs as well.

The Animal Care & Services Department has faced significant challenges these last few years because of the increasing number of animals being turned in to the Center due to

the economic conditions. Because the Center has a goal of building a community in which every adoptable pet can find a home, as mentioned above, efforts have increased to place more adoptable pets through adoption promotion, outreach (both in person & virtual), rescue placement, and medical & behavioral rehabilitation. These activities have successfully increased placement but not to the extent needed to match the increased numbers. Staff is currently working on measures to address these concerns and reduce the number of pets coming into the Center.

Building and Safety Department

The Building and Safety department budget for FY 2011-12 reflects compliance and enforcement of new building codes for green building standards and residential fire sprinklers that went into effective January 1, 2011. The department will utilize reduced staff but with increased cross training so that services can be provided without substantial impact to our residents and customers. The department will continue to actively work on the enforcement of mobile home park issues, abatement of the nuisances related to foreclosed properties and collaborate with other departments on special city projects.

City Clerk/Records Management Department:

The City Clerk's Office/Records Management Department prepares agendas and minutes for the Redevelopment Agency, Fire District and City Council meetings as well as agendas for the various City Council subcommittees. The Department responds to requests for public records, processes claims and handles passport applications. On an on-going basis, the Department coordinates the City-wide Records Management Program, accepts Campaign Financial Disclosure Statements and Statements of Economic Interests and oversees the municipal election process. As a Municipal election is not planned for Fiscal Year 2011-12, there is a reduction of \$140,000 in the Department's operating budget.

The Department also maintains the depository of contracts, agreements, and official City Council actions; and insures the timely availability of these and other records to the Council, public, other agencies and staff.

City Management

City Management, which was among the first in attriting and not filling staff as the current economic recession began several years ago, continues to lead by example. Despite being down several key management positions in a small department, City Management continues to lead the way into the future. The award winning Healthy RC program, a cooperative program involving multiple departments and outside public, private and non-profit agencies, is led and directed from City Management. Healthy RC enters its second year of the Robert Wood Johnson grant with major initiatives including creating comprehensive policies for farmers market and community gardens. Rancho

Cucamonga's Healthy RC program was recently highlighted nationwide on the Michelle Obama's Healthy Communities blog.

City Management also coordinates between community partners issues involving school safety, including crossing guards and the Safe Routes to School program (also grant funded). Staff support for the Mayor's active role on the League of California Cities Board of Directors is provided from the office, as well as support for the Mayor Pro Tem's leadership of the Legislative Task Force for the Inland Empire Division of the League of California Cities, and all regional legislative and policy activities of the City Council. The City's Green RC program is also led and directed from City Management and is coordinating efforts to improve energy efficiency citywide, reduce the City's carbon footprint, and ultimately reduce costs for the City by going green. In addition, City Management remains closely involved with Human Resources in supporting Team RC and coordinating the City Council Goals and Objectives for CY 2011.

Community Services Department

The Community Services Department will continue to offer high quality programs and services to Rancho Cucamonga residents in FY 2011-12, while also continuing to trim operating costs and streamline operations. The Department is placing significant new emphasis on fund development activities including forming of additional partnerships, securing more program sponsorships and seeking more grant funding. Staff will continue to support the efforts of the Rancho Cucamonga Community and Arts Foundation as they conduct their fundraising and giving activities on behalf of the Lewis Family Playhouse.

During the upcoming year, the Department will focus on expanding the most important community programs including youth sports, family special events and senior activities. At the same time, staff will be identifying any current programs which would not be considered core services, and work with community partners to further assist in these areas. The Senior Transportation program is an important service within the community, providing senior citizens with needed transportation to and from the Senior Center as well as trips to the doctor and for shopping. Historically, these services have been funded by community partners and grant funding. In FY 2011-12, it will be necessary for a portion of these expenses to be funded through the City's General Fund to insure the continued availability of the core senior transportation program. The remainder of the funding will be provided through expanded fundraising efforts at the Senior Center.

Community Services will also move forward on the currently funded park development projects in FY 2011-12, including design of the new grant funded neighborhood park in southwest Cucamonga, playground improvements at Etiwanda Creek and Lions Parks, and parking improvements at Etiwanda Creek Park.

Community Services staff will continue to assist the community in their fundraising efforts to construct the Freedom Courtyard at Central Park in tribute to the country's

past, present and future Veterans. The specific scope and construction plans for Phase I of this project will be completed in FY 2011-12.

Engineering Services Department

Despite cut backs and vacant unfilled positions the Engineering Services Department has made a continuous effort to maintain its level of service to the community. The Department consists of Admin/Budget, Land Development, Traffic Management, Capital Project Management, Environmental Programs and its very own Rancho Cucamonga Municipal Utility. Staff is always working on every section of the Department as they are needed to ensure that with the limited resources available, tasks are completed as effectively and efficiently as possible.

There has been a great amount of activity during this Fiscal Year Budget within the Capital Improvement Section (CIS) as it leveraged all available capital funds. The CIS has also supported other departments in order to assist their work efforts. The CIS is providing project management services to the Fire District for the Hellman Fire Station project. Another project that has been completed is the final phase of the Pacific Electric Trail. With the reconstruction of the Foothill Bridge, the P.E. trail will be continuous from I-15 to the Los Angeles County line. The Hellman Avenue Master Plan Storm Drain Phase 2, when completed, will provide the public with relief from annual reoccurring floods and help reduce flood insurance in the area. The widening of the intersection at 8th Street and Hellman Avenue as well as railroad crossing improvements are key elements of this project that will enhance traffic safety in the area. This project is funded through the Redevelopment Agency. Another project, which is funded through Measure I, will be the Archibald Avenue Storm Drain and Street Rehabilitation- from Foothill Blvd to Base Line

Library Services Department

The principle revenue source for the Library budget (approximately 81%) is property tax. As in previous years, the result of increased delinquencies, overall declining property values and new foreclosures, property tax revenues have fallen. In addition, due to budget cuts at the State level, for the first time, the Library does not anticipate receiving any funding from the California State Library this year. This amount will be approximately \$200,000 (5%).

To address these revenue issues, the Library will continue keeping a number of positions vacant. The Library has also been successful in applying for and implementing new grant-funded programs, had a successful 2011 "Library Telethon" fundraising campaign, continues to receive strong support from both the Friends of the Library and Library Foundation, and has implemented a new revenue-generating passport acceptance agency. All of these have helped shore-up revenues. In addition, the Library has again made reductions to its book replacement budget, but otherwise has been able to keep most of its services and all of its hours fully intact at this time.

Planning Department

Fiscal year 2011-12 will be a busy year for the Planning Department with a focus on several areas – from core services to ongoing special projects. The department will undertake a comprehensive update to the City's Development Code. In addition, work will begin on the new State cycle for Regional Housing Needs Assessment compliance and zoning consistency. Further, the Planning Department will develop and adopt a new Green Building Ordinance that will address resource efficient construction for both public and private buildings and will start implementation of a newly adopted Historic Preservation Ordinance.

In fiscal year 2011-12, Planning Department core services and programs will continue to be a high priority, despite an attrition rate of 36% in the Department from fiscal year 2006-07 staffing levels. Among the core services are: processing applications for new development; assisting residents and businesses with development and zoning requests; assisting with grant funding for home improvements for low-to-moderate income homeowners; continuing a myriad of Historic Preservation activities; and continuing to provide excellent Planning staff support to the public, the City Council, the Planning and Historic Preservation Commission, related development committees, and all City departments.

Public Works Services Department

Public Works Services is responsible for maintaining the City's facilities and infrastructure including streets, storm drains, sidewalks, City vehicles, general landscaping, park landscaping, Landscape Maintenance Districts, and all City-owned buildings. The Public Works Services Department is comprised of Facilities Maintenance, Streets and Storm Drain Maintenance, Fleet Maintenance, Parks and Landscape Maintenance Divisions, and Administration. Public Works maintains the city's infrastructure including approximately 520 miles of roadway, 186 signalized intersections, 72,000 trees, 29 parks and 14 City facilities.

FY 2011-12 includes several new projects, including: the refinishing of several tennis courts at various parks throughout the city; phase 1 of the Etiwanda Creek Park Sports Lighting, which will replace obsolete fixtures and provide better lighting to the playing fields; and new HVAC controls at the Civic Center. The HVAC project received over \$1M in grant funding last year from the American Recovery and Reinvestment Act of 2009 (ARRA) under the Energy Efficiency and Conservation Block Grant (EECBG) program for the replacement of the 19 year old variable air volume boxes at the Civic Center and the HVAC control system at Civic Center with more efficient systems including a centralized control station and digital controls on all HVAC distribution and monitoring equipment. The system will provide much greater efficiency in controlling air conditioning and heating comforts as well as a variety of heating and cooling strategies, which can be easily modified from a central station or off site using web based access.

The budget will continue the Street Name Sign Replacement program, as well as the Illuminated Street Name Sign (ISNS) Replacement project. The ISNS project will replace the existing illuminated signs with new standards which will generate approximately 50% less energy costs than the old standard. Also to be completed will be the Sports Lighting Replacement at the Adult Sports Complex and the Epicenter.

The long awaited Public Works Services building will break ground in July 2011 and is anticipated to be completed by December 2012. This new building will have several “green” features such as California native/drought tolerant landscaping, subterranean and drip irrigation, large windows and light wells taking full advantage of natural lighting and allowing for daylight harvesting, LED parking lot lights, solar panels that will cover 50% of the roofline for the generation of electricity, a smaller solar panel system that will supplement the heating of water, pervious pavement, and the use of sustainable finishes throughout the building. The building will alleviate the overcrowding of the current building and provide for more storage.

The use of Compressed Natural Gas (CNG) vehicles continues to expand. Our CNG fleet count currently stands at 10 (9 heavy duty, 1 light duty) with 6 more on order for FY 2010-11 and 3 have been requested in the FY 2011-12 budget. The FY 2011-12 budget includes the expansion of the CNG fueling station which includes an additional sphere and compressor to accommodate the expanding CNG fleet. Staff has submitted a grant request to the MSRC/AQMD for funding assistance for two of the vehicles (\$60,000) in the FY 2011-12 budget as well as half of the cost to expand the CNG fueling station. We will also be using MSRC/AQMD funding (50%) to complete the Fleet Shop modifications to accommodate the repair of CNG vehicles within our existing shop.

The remaining diesel vehicles have all been retrofitted to the latest emission standards; and, the City is committed to the use of alternative fuels for replacement vehicles as they become available and applicable to our needs. The city’s fleet of 31 hybrid vehicles averaged 25.17 MPG last year, more than doubling the average MPG of the vehicles that they replaced (11.1 MPG) which resulted in a reduction in gasoline consumption of 8,204 gallons of gasoline for the year. This is significant in the face of increasing fuel costs.

Fiscal Summary

The FY 2011-12 Budget is a product of continuing departmental operating budget reductions which will eliminate budgeting for primary use of reserves. The following is a summation of all FY 2011-12 City Budgets:

City General Fund	\$ 63,103,030
Library Services	\$ 3,974,210
Fire Protection District	\$ 27,009,290
Special Funds (including CIP)	\$ 72,084,750
Redevelopment Agency	\$134,758,100

Summary

The gradual reduction of the operating budgets along with a commensurate phase out of reserve fund use have yielded greater stability of services for the community. Looking back from this point it is clear that the City's more conservative approach to budgeting over the years has ensured an adequate reserve fund that has enabled the City to structure a logical transition during this economic downturn. This has benefited the community as well as the organization and the resulting budget provides a sound platform for the future as the City continues to navigate through the remainder of the downturn. The fiscal discipline that the City Council has maintained has enabled a much better outcome for Rancho Cucamonga than in many other places. Further, the cooperation of the City's labor groups has also contributed to the cost saving budget solutions as all employees have worked hard to help sustain core city services and have made sacrifices along the way. The employees take great pride in the work they do and support the organization and the community in an outstanding way.

Each year, no matter how difficult, the City must balance its budget. Yet, no matter how diligent we are, we must recognize that the State has yet to solve its own fiscal problems. Often, as we have seen from the past, the State has an appetite for taking away local revenues. The City must continue to make its concerns heard and work with other jurisdictions and organizations such as the League of California Cities and the Community Redevelopment Association to fight against any new take away of local revenues. In the meantime, the budgets presented, while still lean, are balanced within the resources available to our jurisdiction, without the use of operational reserves; the caveat, of course, is that this state of balance is pending any further State impacts to local revenues. Continued fiscal discipline cannot be overemphasized.

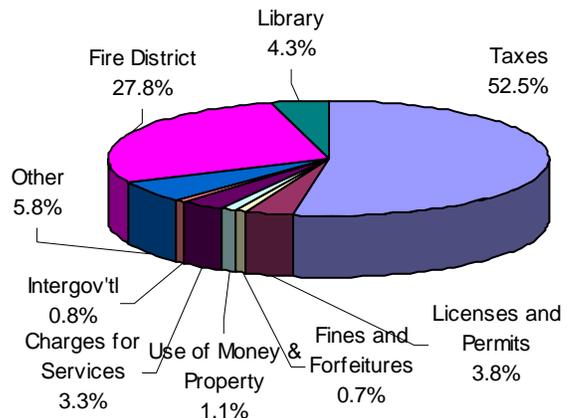
WHERE THE MONEY COMES FROM

FISCAL YEAR 2011-12

Taxes:	\$ 48,753,510
<i>Property tax \$18,819,880*</i>	
<i>Sales tax \$22,457,810</i>	
<i>Franchise fees \$5,725,030</i>	
<i>Transient occup. tax \$1,750,790</i>	
Licenses and Permits	3,484,060
Fines and Forfeitures	642,380
Use of Money & Property	1,022,680
Charges for Services	3,085,820
Intergovernmental	738,380
Other	5,376,200
Subtotal-City General Fund	63,103,030
Fire District Funds	25,807,800
<i>Property tax \$21,430,970</i>	
<i>(CFD 85-1: \$6,345,130; CFD 88-1: \$1,182,690)</i>	
<i>Operating transfers in \$2,771,490**</i>	
<i>Licenses and permits \$627,170</i>	
<i>Charges for services \$48,140</i>	
<i>Other \$930,030 (OPEB trust: \$607,610)</i>	
Library Fund	3,974,210
<i>Property tax \$3,226,270</i>	
<i>Grants/donations \$125,000</i>	
<i>Fines and other \$622,940</i>	
Total Operating Revenues	\$ 92,885,040

*includes \$14,817,850 Property Tax In-Lieu of VLF

Operating Budget



WHERE THE MONEY GOES

FISCAL YEAR 2011-12

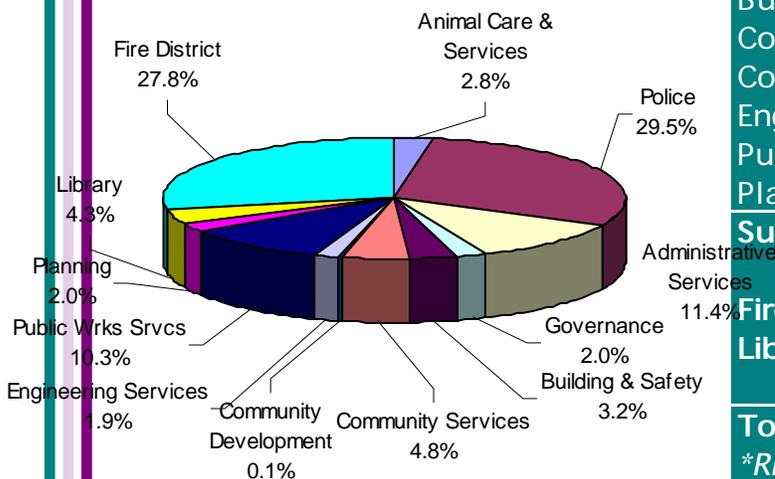
Governance	\$ 1,816,760
Police	27,385,770
Administrative Services	10,591,560
Animal Care & Services	2,570,490
Building & Safety	3,014,770
Community Development	112,380
Community Services	4,441,890
Engineering Services	1,745,040
Public Works Services	9,525,610
Planning	1,898,760
Subtotal-City General Fund	63,103,030
Fire District Funds*	25,807,800
Library Fund	3,974,210

Total Operating Expenditures \$ 92,885,040

*RDA Fire Fund capital outlay funding: \$4,904,450

Usage of Fire capital funding: \$1,201,490

Total Fire Budget: \$31,913,740



Snapshot of the City of Rancho Cucamonga

(Information obtained from June 30, 2010 CAFR)

General Information:

The City of Rancho Cucamonga currently has an estimated population of 178,904 and encompasses approximately 40.2 square miles. It is located between the cities of Upland to the west, Ontario to the south, Fontana to the east and is in the western section of San Bernardino County which is in the southern part of the State of California. The local economy includes a diverse business base of office, light manufacturing and distribution, and retail which emphasizes the City's efforts at attracting and retaining sales tax generating businesses to help provide a stable financial base.

Government:

The City of Rancho Cucamonga (the City) was incorporated in 1977 as a general law city under the provisions of the Government Code of the State of California, and operates under the Council-Manager form of city government. The City officials elected at large include a Mayor and four City Council members, a City Clerk and a City Treasurer. The Mayor and Council members are elected on a staggered basis for a term of four years. There is no limit on the number of terms an individual can serve as Mayor or as Council members. The Mayor and City Council appoint the City Manager and City Attorney.

Population:

2000—125,585	2004—154,780	2008—177,736
2001—132,663	2005—161,830	2009—178,904
2002—137,119	2006—172,331	2010—165,269 (Census data)
2003—146,666	2007—174,308	

Capital Asset Statistics:

Police:

Stations: 1
Patrol units: 59

Public Works:

Streets (miles): 521
Streetlights: 15,938
Traffic signals: 209

Fire:

Fire Stations: 6

Parks and Recreation:

Parks: 31
Acreage: 343
Community centers: 6

Overview of Departmental Operating Budgets

Note: The number of full-time and part-time staff for each department indicates the total number of employees assigned to the department, regardless of funding source.

City Council

CITY COUNCIL PRIORITIES 2011-12

"Dedicated to creating and maintaining a well-balanced community, that is a safe and fulfilling place to live, grow, work and play."

The four key goals for the upcoming fiscal year established by the City Council are as follows:

- **Public Safety:** Proactively develop public safety programs and facilities to meet community needs.
- **Enhance Premier Community Status:** As the community matures, undertake programs and projects to enhance Rancho Cucamonga's position as the premier community in our region.
- **Mid and Long Range Planning:** Begin efforts to develop mid-range and long-term goals and vision for the City.
- **Parks and Recreation Development:** Proceed with planning and development of major parks and recreational projects.

As a body of elected officials, the separately elected Mayor and four-member City Council establish local laws, set policy, approve programs, adopt the annual budget and appropriate funds. As elected representatives of the citizens, the City Council is responsible to all of the people, and as such devotes its energies to making decisions which are in the best interest of the public welfare. The Mayor and City Council members serve overlapping four-year terms.

The City Council also serves as the Redevelopment Agency Board and the Board of Directors for the Rancho Cucamonga Fire Protection District (a subsidiary district of the City).

The City Council meets the first and third Wednesday of the month at City Hall to discuss and vote on pertinent issues facing the City and its residents. In addition, the City Council is responsible for appointing the City Manager, City Attorney, and members of certain boards and commissions.



CITY COUNCIL		
	FY 2010-11	FY 2011-12
Budget	\$ 145,270	\$ 143,630
Mayor/City Council Members*	5.0	5.0
<i>*Part-Time Employees</i>		

City Clerk

City Treasurer

The City Clerk is an elected official charged with the responsibility of maintaining records of City Council actions and recordation of minutes for all meetings of the City Council. In addition, the City Clerk is responsible for all documents and duties associated with municipal elections.

The City Treasurer is an elected official charged with the responsibility for the custody and investment of all City funds. The Treasurer is the City's official "signature" for all financial transactions made. The Deputy City Manager/ Administrative Services has been appointed as Deputy City Treasurer and has the authority to handle treasury functions needing daily attention.



CITY CLERK				
	FY 2010-11		FY 2011-12	
Budget	\$	2,810	\$	2,810
Full-Time Employees		n/a		n/a
Part-Time Employees		1.0		1.0



CITY TREASURER				
	FY 2010-11		FY 2011-12	
Budget	\$	6,050	\$	6,210
Full-Time Employees		n/a		n/a
Part-Time Employees		1.0		1.0

2011-12 BUDGET HIGHLIGHTS

City Clerk

- Assist in coordinating filing of documents for the Fair Political Practices Commission and administration of the City's Conflict of Interest Code.
- Ensure the preparation of minutes for all City Council, Redevelopment Agency, Fire Protection District, and City Council subcommittees.
- Oversee the swearing in and orientation of appointees.
- Administer, in conjunction with the Records Management Department, all efforts associated with any municipal elections within the City of Rancho Cucamonga.

City Treasurer

- Maintain funds in secure and liquid investments.
- Structure maturities to meet City needs throughout the year.
- Present the City's investment policy to the City Council for annual approval.

City Manager's Office

2011-12 BUDGET HIGHLIGHTS

- Continue to provide support for the City Council and leadership for all departments.
- Continue to administer ongoing core programs such as the Community Information Program and the Legislative Program.
- Monitor the City's budget and changes in economic conditions at the local, state and federal level, throughout the year.
- Oversee the City's Healthy RC and Green initiatives.



As the administrative head of city government, the City Manager is appointed by the City Council to enforce municipal laws, direct daily operations of the City, make recommendations to the Council, prepare and observe the municipal budget, appoint and supervise all City department heads and employees, and supervise the operation of all City departments.

The City Manager's Office also oversees contracts and agreements covering law enforcement, school crossing guards, and cable television. This office also participates in a number of intergovernmental agencies that affect Rancho Cucamonga and our region.

The City Manager's Office actively monitors state, local and federal legislation that may impact Rancho Cucamonga; coordinates special projects and programs; oversees the community information program and publications; responds to and follows-up on citizen inquiries and concerns regarding City programs and services; operates and manages RCTV-3, the government access channel; and produces the live broadcasts of City Council meetings.

The City Manager's Department also supervises the Records Management Department. See separate budget summary page for an overview of the Records Management Department.

CITY MANAGER'S OFFICE		
	FY 2010-11	FY 2011-12
Budget	\$ 1,221,180	\$ 1,209,440
Projected Salary Savings	\$ (123,320)	\$ -
Budget, Net	\$ 1,097,860	\$ 1,209,440
Full-Time Emp-Auth.	9.0	9.0
Projected Vacancies	(1.0)	-
Full-Time Emp-Funded	8.0	8.0
Part-Time Emp-Auth.	1.6	3.2
Projected Vacancies	-	-
Part-Time Emp-Funded	1.6	3.2

Records Management

The Records Management Department operates under the administrative direction of the City Manager's Office to organize, coordinate, and administer the daily operations of the Records Management Department including agenda management, legislation, and records management. The Department provides ancillary technical support regarding research requests from staff, officials, and the general public as part of its records maintenance duties, including maintenance of the Municipal and Zoning Code and Conflict of Interest Code.

Records Management serves as the single point of contact to provide information to the community and general public relating to official City records as well as administering the City's Passport Application Acceptance Program. In line with this critical function, the Department maintains the "RC Live" service that allows for live web casting of regularly scheduled City Council meetings. The Records Management Department also maintains and updates placement of the City Council agenda packet on the City's website, prepares all agenda and minutes for the City Council, Redevelopment Agency, Fire Protection District, and all City Council subcommittees. Additionally, the Department is responsible for assisting with proclamations, resolutions, ordinances, agreements, bid openings, contracts, records management, archiving and records destructions, and compliance with legal advertisements and public notification information. Finally, on a bi-annual basis, the Records Management Department coordinates and assists the City Clerk to administer all efforts associated with municipal elections in the City of Rancho Cucamonga.

2011-12 BUDGET HIGHLIGHTS

- Continue efforts at providing the community with public information and documentation that relate to City records.
- Provide assistance to all departments with the maintenance and disposition of their records.
- Continue preparing all City Council, Redevelopment Agency, Fire Protection District, and City Council Subcommittee agendas and minutes and assist with coordination of proclamations presented at Council meetings
- Continue oversight of the City's Passport Application Acceptance Program.

RECORDS MANAGEMENT		
	FY 2010-11	FY 2011-12
Budget	\$ 618,490	\$ 454,670
Projected Salary Savings	\$ (26,960)	\$ -
Budget, Net	\$ 591,530	\$ 454,670
Full-Time Emp-Auth	5.0	5.0
Projected Vacancies	(1.0)	-
Full-Time Emp-Funded	4.0	4.0
Part-Time Emp-Auth	1.4	1.4
Projected Vacancies	-	-
Part-Time Emp-Funded	1.4	1.4



Police

2011-12 BUDGET

HIGHLIGHTS

- Continue to focus efforts on sustaining several key initiatives, including the Graffiti Tracker System, the Campus Awareness, Narcotic Intervention, Narcotic Education (CANINE) Program and the National Night Out.
- Continue on-going educational programs for retail businesses through Retail Theft Team.
- Ensure that over 95 volunteers have proper training, equipment and vehicles, required to provide efficient and effective service to the community.
- Continue utilizing grant and asset seizure funding to supplement equipment needs.



Since incorporation, law enforcement services in the City have been provided through a contract with the San Bernardino County Sheriff's Department. The low crime rate that the City continues to enjoy is a direct result of the hard work and dedication of the men and women of the Police Department and the positive interaction and participation by the community in crime prevention activities.

The Police Department has one of the largest volunteer units in the Inland Empire, which includes Line Reserves, Citizen Patrol, Equestrian Patrol and Explorers. The number of volunteer hours dedicated to the Department and the City continues to be the highest in the County. Many of these volunteers have been residents within the City for some time, which also attests to the community's involvement of working together to provide a better place to live.

Public safety is the City's highest priority. The City has expended funds in prior years to add equipment and personnel to enhance Police services to meet increased service needs. The City will continue to take advantage of any available Federal and State funding opportunities. As the community continues to grow, the challenge will be to continue addressing these increased needs that affect the "quality of life" in Rancho Cucamonga and define our community as a safe one.

Through the Department's successful transition to a new staffing schedule, the Department has been able to continue to provide core patrol services but at a 6% savings.

POLICE		
	FY 2010-11	FY 2011-12
Budget	\$ 28,364,040	\$ 28,065,770
Projected Budget Savings	(800,000)	(680,000)
Budget, Net	\$ 27,564,040	\$ 27,385,770
Full-Time Employees		
Safety Personnel	143.0	135.0
Full-Time Employees		
Non-Safety Personnel	44.0	39.0

Fire District

The Fire District's mission is to serve the community by reducing risks to life, property and the environment through the delivery of effective and efficient emergency and non-emergency services. The Fire District is a subsidiary district of the City and has its own statutory funding, plus funding from pass through agreements with the Redevelopment Agency. The City Council serves as the Fire District Board of Directors.

Direct emergency services provided by the Fire District include, structural and wildland fire suppression, emergency medical services, hazardous materials response and technical rescue. Direct risk reduction activities include fire prevention and inspection, public education and emergency management and disaster preparedness.

The Fire District supports these services through progressive executive and personnel management, personnel development and training, advanced planning and financial administration and logistical support which includes apparatus and facilities maintenance, communications and information technology.

Programs in support of these services include: advanced pre-hospital medical care provided by firefighters trained as paramedics and emergency medical technicians utilizing state-of-the-art cardiac monitoring equipment, specialized training and apparatus for fighting fires in the high fire hazard areas of the community and specially trained and equipped crews for completing complicated rescues of people in confined spaces, trapped in vehicles or injured in the rugged foothills. Also offered are fire inspection and weed abatement services, home-generated sharps disposal program, Community Emergency Response Team (CERT) training and juvenile fire-setter intervention services.

2011-12 BUDGET HIGHLIGHTS

- Funding provided for completion of the construction of the Hellman Station.
- No reserves will be used to balance the FY 2011-12 budget.
- Redistributed operating expenditures into various areas for greater functional accountability.
- Continue to administer the Weed and Fire Hazard Abatement Program.



FIRE DISTRICT OPERATING BUDGET

	FY 2010-11 *	FY 2011-12 *
Budget	\$ 25,696,050	\$ 25,807,800
Projected Salary Savings	\$ (731,470)	\$ -
Budget, Net	\$ 24,964,580	\$ 25,807,800
Full-Time Emp-Auth	116.0	116.0
Projected Vacancies	(4.0)	(3.0)
Full-Time Emp-Funded	112.0	113.0
<i>Safety Personnel</i>	91.0	92.0
<i>Non-Safety Personnel</i>	21.0	21.0
Part-Time Emp-Auth	10.0	10.0
Projected Vacancies	(1.0)	-
Part-Time Emp-Funded	9.0	10.0
<i>*RDA Fire Fund cap. outlay funding</i>	<i>\$ 13,673,750</i>	<i>\$ 4,904,450</i>
<i>Usage of Fire capital funding</i>	<i>\$ 594,830</i>	<i>\$ 1,201,490</i>
<i>Total Fire Budget</i>	<i>\$ 39,233,160</i>	<i>\$ 31,913,740</i>



Administrative Services

2011-12 BUDGET HIGHLIGHTS

- Replace key infrastructure within the City organization including desktop computer hardware and software as well as the City's telephone and voice mail systems.
- Continue Team RC, organizational development.
- Continue multi-year project to revamp the City's budget to an enhanced performance-based management tool.
- Install a customer relations management program to facilitate citizen contacts.
- Continue GIS support of all City operations and particularly monitor the City's Special Districts, including several dozen landscape, lighting, and community facilities districts.
- Complete revision of the City's Purchasing Manual to update and refresh best practices and policies.



Administrative Services is unique in comparison to other City departments in that it is primarily a key "service" department as opposed to a "line" department. While line departments typically provide service primarily to the public, the Administrative Services Department, while providing some direct public services, primarily provides extensive services and support to internal staff of the various City departments.

The Department's major service divisions are: Administration, Finance (including Business Licenses and Treasury Management), Geographic Information Systems (GIS), Information Services (IS), Personnel, Purchasing, Risk Management, and Special District Administration.



Human Resources Division

ADMINISTRATIVE SERVICES		
	FY 2010-11	FY 2011-12
Budget	\$ 10,892,220	\$ 10,930,160
Projected Salary Savings	\$ (457,800)	\$ -
Proj. Furloughs-Citywide	\$ (107,880)	\$ (338,600)
Budget, Net	\$ 10,326,540	\$ 10,591,560
Full-Time Emp-Auth	59.0	59.0
Projected Vacancies	(5.0)	-
Full-Time Emp-Funded	54.0	53.0
Part-Time Emp-Auth	3.9	8.2
Projected Vacancies	(0.9)	-
Part-Time Emp-Funded	3.0	7.3



Animal Care and Services

The department reorganized its personnel last budget year, in order to increase efficiency while operating with existing staff. This allows the department to add total personnel hours to help with key functions, without increasing costs.

The Animal Care and Services Department has completed its third full year of operations and continues to refine its operations to ensure that it provides quality services for its two- and four-legged clients. It has increased its trap, neuter, and release (TNR); rescue; foster; and medical programs, as well as the community education and service programs.

The Department oversees the following program areas:

Animal Care: General animal care and adoption related services; microchip services; and cleaning/maintenance services.

Community and Information Programs: Volunteer programs; adoption promotions; foster care; community outreach; public spay/neuter voucher program; and community information/education products to advance the Center's goal of building a community in which every adoptable pet finds a home.

Field Services: Field operations (animal pickup, investigations, canvassing); enforcement of animal regulations; animal licensing; and community education.

Veterinarian Services: Medical supplies, medication, and other supplies for use by in-house veterinarian in new surgical facility; and contract for outside veterinary services for specialty area and after hours care.

2011-12 BUDGET HIGHLIGHTS

- Continue with first full year of license canvassing program to increase licensing compliance, generate educational opportunities, and increase community interaction.
- Expand the pilot Trap/Neuter/Release Program for feral cats to become an ongoing operation.
- Continue to transition surgical and emergency services and community programs from outside contractors to in-house programs.
- Continue to develop the volunteer, rescue group and foster care programs.
- Continue to publicize our adoptable pets with a full year calendar of events and promotions.



ANIMAL CARE AND SERVICES		
	FY 2010-11	FY 2011-12
Budget	\$ 2,648,410	\$ 2,570,490
Projected Salary Savings	\$ (130,700)	\$ -
Budget, Net	\$ 2,517,710	\$ 2,570,490
Full-Time Emp-Auth	23.0	23.0
Projected Vacancies	(2.0)	-
Full-Time Emp-Funded	21.0	21.0
Part-Time Emp-Auth	9.0	9.6
Projected Vacancies	-	-
Part-Time Emp-Funded	9.0	9.6

Economic and Community Development

2011-12 BUDGET HIGHLIGHTS

- Coordinate services of Redevelopment, Planning, Engineering, Public Works, and Building and Safety under a common umbrella.
- Support the City Manager's Office in monitoring and ensuring efficient and timely implementation of the City Council's goals and key Capital Projects.
- Provide effective coordination and monitoring of all Economic and Community Development programs and budgets that cross over division lines. This will include the implementation of milestones and tracking timelines for accomplishment of the Department established annual goals and objectives.
- Focus on all Department services related to problem solving, strategic planning, customer service issues, inter-departmental grants, and provide assistance on special projects.

The Department encompasses all Economic and Community Development activities including Planning, Engineering, Public Works, Building and Safety and Code Enforcement. The Department coordinates the activities, work products, and processes of these areas with the City Manager's Office and other City Departments. In addition, the Department coordinates implementation of the City's Economic and Community Development goals and objectives and capital projects planning programs.



ECONOMIC AND COMMUNITY DEVELOPMENT

	FY 2010-11	FY 2011-12
Budget	\$ 201,510	\$ 112,380
Projected Salary Savings	\$ (143,530)	\$ -
Budget, Net	\$ 57,980	\$ 112,380
Full-Time Emp-Auth	2.0	2.0
Projected Vacancies	(1.0)	-
Full-Time Emp-Funded	1.0	1.0

Planning

The Planning Department functions as the professional and technical advisor to the Planning Commission, Historic Preservation Commission and City Council on policy matters and issues concerning the physical development of the community. To provide a comprehensive planning program, the Department is divided into two sections: Current Planning and Advanced Planning.

The primary objectives of the Planning Department are: to develop comprehensive plans for a quality community; to implement the plans through efficient and effective management of growth and review of all development proposals; and to maintain a balanced, quality environment in developed areas of the community. The Department also supports the City's Planning Commission and Historic Preservation Commission.



2011-12 BUDGET

HIGHLIGHTS

- Undertake a comprehensive update to the City's Development Code.
- Work with SCAG and SANBAG on new State cycle for RHNA compliance and zoning consistency.
- Develop and adopt a new Green Building Ordinance to address resource efficient construction for both public and private buildings.
- Implement newly adopted Historic Preservation Ordinance.
- Administer funding received from the Neighborhood Stabilization Program (NSP) and the Energy Efficiency and Conservation Block Grant (EECBG)
- Continue involvement in city-wide sustainability efforts for Rancho Cucamonga.
- Continue to ensure the quality of design and development within the City.
- Continue to seek out grant funding for the Etiwanda Depot, historic preservation efforts, the City's home improvement program, and the Route 66 improvements.



PLANNING

	FY 2010-11	FY 2011-12
Budget	\$ 2,602,200	\$ 1,898,760
Projected Salary Savings	\$ (666,930)	\$ -
Budget, Net	\$ 1,935,270	\$ 1,898,760
Full-Time Emp-Auth	24.0	24.0
Projected Vacancies	(6.0)	-
Full-Time Emp-Funded	18.0	17.0
Part-Time Emp-Auth	2.6	2.9
Projected Vacancies	(2.6)	-
Part-Time Emp-Funded	-	0.3
Planning Commissioners*	5.0	5.0
<i>*Part-Time Employees</i>		

Engineering Services

2011-12 BUDGET

HIGHLIGHTS

- Complete Pacific Electric Trail with new pedestrian bridge at the west end of the City.
- Design, bid, and award a new Household Hazardous Waste Facility to provide a permanent home for collection of e-Waste and household wastes.
- Begin work on Hellman Avenue and East Avenue Storm Drains.
- Complete the environmental review for the Base Line and I-15 Interchange Project.
- Implement traffic congestion mitigation measures, citywide.
- Manage an ambitious Capital Improvement Program for FY 2011-12 totaling \$49,546,380.



The Engineering Services Department's mission is to provide effective and efficient stewardship of the City's public infrastructure, including land development, integrated waste, the City's sub-compact municipal utility, and the City transportation system.

There are six Engineering Services sections. The Engineering **Admin/Budget Section** provides management and fiscal support to all Engineering sections and is responsible for the development and administration of the Engineering Services and Capital Improvement budgets. The **Land Development Section** is responsible for processing, reviewing, and inspecting the construction of developer-funded infrastructure improvements. The **Transportation Management Section** oversees the City's traffic systems and designs; provides project management for traffic-related capital projects; and maintains, monitors and analyzes accident and traffic volume records. The **Capital Project Management Section** designs and manages the construction of City-funded public improvement projects. The **Environmental Programs Section** is responsible for the City's refuse collection contracts, recycling programs, and the monitoring and enforcement of federal regulations regarding discharges into the public storm drain system. The **Rancho Cucamonga Municipal Utility Section** is responsible for the operation of the City's electrical distribution system, project management of electric infrastructure capital projects, and administration of the Municipal Utility.

ENGINEERING SERVICES DEPARTMENT		
	FY 2010-11	FY 2011-12
Budget	\$ 2,761,890	\$ 2,492,800
Projected Salary Savings	\$ (160,500)	\$ -
Cap. Proj. Salary Reimb.	\$ (719,620)	\$ (747,760)
Budget, Net	\$ 1,881,770	\$ 1,745,040
Full-Time Emp-Auth	45.0	44.0
Projected Vacancies	(4.0)	-
Full-Time Emp-Funded	41.0	38.0
Part-Time Emp-Auth	0.6	-
Projected Vacancies	-	-
Part-Time Emp-Funded	0.6	-

Public Works Services

The Public Works Services Department's mission is to provide effective and efficient stewardship of the City's public works infrastructure. The Department is comprised of the following sections:

- Facilities: Serving 14 facilities (1 million square feet)
- Parks: Maintaining 29 parks, 125 street frontage miles of landscape;
- Street/Storm Drain: Care for 520 roadway miles and 2,272 catch basins
- Fleet: Maintains 205 vehicles and 275 pieces of equipment
- Program Management
- Other Services: Processes almost 10,000 requests for service annually

In addition to the above services, the Public Works Services staff is also responsible for the maintenance of paseos, urban forestry trails, traffic signals, regulatory signs, and graffiti removal. You can find staff working all hours of the day, nights and weekends to keep Rancho Cucamonga a beautiful and safe place to live and work.



2011-12 BUDGET

HIGHLIGHTS

- Break ground on the Public Works Service Center Building replacement.
- Install new HVAC controls at the Civic Center.
- Complete retrofit of sports lighting at the Adult Sports Complex.
- Continue commitment to greener fleet by replacing vehicles and equipment with alternative fuel options.
- Continue monitoring water usage for city-wide landscaping and retrofitting locations with reclaimed water where available from CVWD.
- Continue work on other energy efficiency projects.



PUBLIC WORKS SERVICES

	FY 2010-11	FY 2011-12
Budget	\$ 10,123,010	\$ 9,780,320
Projected Salary Savings	\$ (711,800)	\$ -
Cap. Proj. Salary Reimb.	\$ (139,350)	\$ (254,710)
Budget, Net	\$ 9,271,860	\$ 9,525,610
Full-Time Emp-Auth	148.0	148.0
Projected Vacancies	(9.0)	-
Full-Time Emp-Auth	139.0	138.0
Part-Time Emp-Auth	51.7	50.6
Projected Vacancies	(7.0)	-
Part-Time Emp-Funded	44.7	43.6

Building and Safety

2011-12 BUDGET

HIGHLIGHTS

- Enforce the new building codes for green building and residential fire sprinklers.
- Continue to enforce the abatement of the nuisances related to foreclosed properties.
- Provide and coordinate the activities of neighborhood clean-ups.
- Work with businesses to ensure compliance with shopping cart ordinance.
- Collaborate with other City departments on special citywide projects.



The Building and Safety Division, in partnership with the community:

- Supports community improvements through plan checking, permit and inspection services to meet state mandated regulations and municipal codes.
- Works with other City departments to apply regulations and conditions to construction projects.
- Enforces the City ordinances and municipal codes through the Code Enforcement Unit.
- Coordinates and assists other City departments in managing building capital improvement projects.

Building and Safety enforces a series of nationally recognized standard codes as well as indirect mandates from state regulatory agencies, in matters pertinent to energy, physically handicapped persons, places of assembly, and housing. Field inspections and follow-up are performed by field inspectors. Plan checking is accomplished by an in-house plan check staff and through the use of contract engineers, in order to meet the goal of quality service to the development community.

The **Fire New Construction Unit** provides plan checking and inspection for California Fire Code compliance. This unit, along with the **Building Inspection Unit**, performs all fire, life, and safety inspection activities.

The **Code Enforcement Unit** is responsible for the enforcement of the City's zoning, sign, public nuisance, noise, and various City codes. This unit also directs the Code Enforcement Volunteer Program.

BUILDING AND SAFETY		
	FY 2010-11	FY 2011-12
Budget	\$ 3,360,250	\$ 3,065,040
Projected Salary Savings	\$ (303,520)	\$ -
Cap. Proj. Salary Reimb.	\$ (100,580)	\$ (50,270)
Budget, Net	\$ 2,956,150	\$ 3,014,770
Full-Time Emp-Auth	32.0	32.0
Projected Vacancies	(3.0)	-
Full-Time Emp-Funded	29.0	29.0
Part-Time Emp-Auth	0.7	0.7
Projected Vacancies	(0.7)	-
Part-Time Emp-Funded	-	-

Community Services

Community Services provides a wide variety of programs, services and facilities to the residents of Rancho Cucamonga to enhance the quality of life for individuals of all ages. Department activities are coordinated through seven Divisions: Administration, Youth and Adult Sports, Youth and Family Programs, Special Events, Cultural Arts/Playhouse Operations, and Seniors and Human Services.

Each year, thousands of community members benefit from participating in activities conducted by the Department in programs such as: Playschool, youth activities, Teen Center programs, workshops and activities, excursions, adult and youth recreation classes, sports programs and senior citizen services. Many more residents enjoy picnics in our parks, meeting room rentals and athletic field uses through facility reservations that are coordinated through the Department. A number of special events are held each year for residents including Cinco de Mayo festivities, Movies in the Park, Concerts in the Park and the Founders Festival Community Parade. A number of rentals and commercial filming takes place at the Epicenter Stadium each year. The Department also assists dozens of community organizations in their mission with facility usage and partnership efforts.

Lastly, the Department provides opportunities for the community to experience and enjoy professional Theatre, Young Audience productions, and family entertainment, along with exciting guest artist performances at the Lewis Family Playhouse at the Victoria Gardens Cultural Center.

2011-12 BUDGET HIGHLIGHTS

- In spite of a loss of critical grant funding, the Department was able to provide for full funding of the Senior Transportation Program through budgetary discipline and proactive fundraising efforts.
- Continue high quality programs and services.
- Identify and secure alternative non-General Fund revenues for programs and services.
- Enhance efforts to forge new partnerships.
- Emphasize expanding self-supporting activities with community groups and volunteers as well as offering low cost family special events.

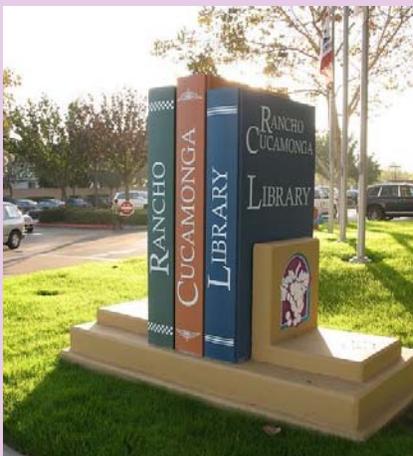


COMMUNITY SERVICES		
	FY 2010-11	FY 2011-12
Budget	\$ 4,797,970	\$ 4,441,890
Projected Salary Savings	\$ (358,730)	\$ -
Budget, Net	\$ 4,439,240	\$ 4,441,890
Full-Time Emp-Auth	46.0	47.0
Projected Vacancies	(3.0)	-
Full-Time Emp-Funded	43.0	44.0
Part-Time Emp-Auth	191.4	175.9
Projected Vacancies	(15.5)	-
Part-Time Emp-Funded	175.9	158.0

Library Services

2011-12 BUDGET HIGHLIGHTS

- Continue to provide an outstanding level of service and programs through the City's "Three Amazing Libraries".
- Continue to meet the ever-growing demand for library services in the City.
- Continue to work on developing the second floor of the Paul A. Biane Library at Victoria Gardens.



The Rancho Cucamonga Public Library strives to inform and enrich our community by providing access to traditional and technologically-innovative resources. The Department supports and encourages education and the love of reading in a welcoming atmosphere with a knowledgeable, service-oriented staff.

Programs and services offered at the **Archibald Library and the Paul A. Biane Library at Victoria Gardens** include:

- Children's services, and special events programs and events tied to the performing arts and children's theater.
- Adult information services.
- Adult and family literacy services.
- Public-access computing services and free weekly computer classes.
- Teen services and programming in the Teen Scene locations.
- Children's Homework Center.
- Reading Enhancement Center.

The Library also offers the following services to the Community:

- Outreach Services, featuring bookmobile service to children and delivery service to the homebound and infirmed elderly.
- A full service **Virtual Library**, accessible on-line, 24/7.
- Administrative support for the Rancho Cucamonga Public Library Foundation and the PAL Fundraising Campaign.

LIBRARY		
	FY 2010-11	FY 2011-12
Budget	\$ 4,312,280	\$ 3,974,210
Projected Salary Savings	\$ (263,530)	\$ -
Budget, Net	\$ 4,048,750	\$ 3,974,210
Full-Time Emp-Auth	29.0	29.0
Projected Vacancies	(3.0)	-
Full-Time Emp-Funded	26.0	26.0
Part-Time Emp-Auth	36.2	37.6
Projected Vacancies	(0.4)	-
Part-Time Emp-Funded	35.8	37.2

Redevelopment Agency

The Redevelopment Agency utilizes a special restricted fund that is not part of the City's General Fund. The Rancho Cucamonga Redevelopment Agency administers a variety of economic development, redevelopment, and housing-related programs that support businesses and residents in the City of Rancho Cucamonga. Established in 1981, the Agency has assisted in the elimination of blighted conditions, resulting in the development of new public facilities and affordable housing projects, improved infrastructure, and in the creation of a strong local economy through business attraction/retention, work force development, and tourism efforts.

In the upcoming fiscal year, the Rancho Cucamonga Redevelopment Agency will continue its efforts to expand the City's business base, thereby generating additional revenue for the City and additional employment opportunities for local residents. Agency efforts will continue to target office development and the recruitment of large corporate users; support related infrastructure projects; focus on the creation of additional work force housing opportunities; and increase efforts to expand local tourism.



2011-12 BUDGET HIGHLIGHTS

- Continue to provide funding for significant infrastructure projects identified in the Capital Improvement Program which stimulate the local economy and provide for local employment opportunities.
- Continue to work with Victoria Gardens to implement Phase II.
- Continue to promote Rancho Cucamonga as the business destination for corporate and technology businesses.
- Continue aggressive promotion of local amenities and attractions in order to boost local tourism.
- Continue to administer First Time Homebuyers Program.
- Continue funding for the Small Business Assistance Center.
- Explore public and private partnerships to present job fairs.
- Work with local and county organizations to assist homeowners as they face foreclosure issues.

REDEVELOPMENT AGENCY

	FY 2010-11*	FY 2011-12*
Budget	\$ 179,362,530	\$ 134,758,100
Full-Time Employees	7.0	7.0
Part-Time Employees	n/a	n/a

*Includes RDA Fire Fund capital outlay funding

Capital Improvement Program

The City's Capital Improvement Program (CIP) for Fiscal Year 2011-12 will provide needed infrastructure improvements city-wide. The following is a listing by category. (Note: Funds for these projects come from a variety of sources including Special Funds, Redevelopment Agency and Special Districts. These funds are non-General Fund revenues and typically are restricted in how they can be spent. The amounts budgeted will fluctuate annually). A description of each category along with the respective projects planned for Fiscal Year 2011-12 are as follows:

CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR 2011-12	
Beautification	\$ 1,458,650
Drainage	3,090,000
Facilities	1,817,000
Miscellaneous	1,561,930
Municipal Utility	60,000
Parks	1,152,500
Railroad Crossings	2,000,000
Streets	38,026,300
Traffic	380,000
TOTAL	\$ 49,546,380

Some of the more significant capital improvement projects are discussed below:

The **Beautification** category includes median island retrofit on Haven Avenue from 4th to 19th Street, landscape renovations, and paseo lighting retrofits.

Within the **Drainage** category, the City will install Master Plan storm drains on Archibald Avenue and on Lemon Avenue.

The **Facilities** category includes the Public Works Services building expansion and remodel, as well as design and plan review for the Banyan Station expansion and the Jersey Station Training Facility.

Within the **Parks** category projects planned include a parking lot renovation and playground improvements at Etiwanda Creek Park.

The **Miscellaneous** category includes the undergrounding of utilities on Arrow Route and on Base Line Road.

The **Streets** category includes the Base Line Road at I-15 Interchange capital improvements, the planning and construction of the Wilson Avenue extension east to Wardman Bullock Road, and local street pavement rehabilitation at various locations.