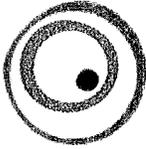


**Preliminary Feasibility Report  
Dated September 23, 2015**

**Attachment 2**



RSG

BETTER COMMUNITIES. BOLDER FUTURES.

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DATE: September 23, 2015

Via Electronic Mail

TO: Kathleen Rollings-McDonald, Executive Officer  
Samuel Martinez, Assistant Executive Officer  
SAN BERNARDINO COUNTY LAFCO

FROM: Jim Simon, Principal  
Alexa Smittle, Principal  
Jane Carlson, Associate  
Michael Dietz, Research Assistant

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**SUBJECT: ASSUMPTIONS SUMMARY  
INCORPORATION FEASIBILITY ANALYSIS**

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Rosenow Spevacek Group, Inc. ("RSG") drafted an Incorporation Feasibility Analysis ("IFA") to determine the preliminary feasibility of a potential new city in San Bernardino County. RSG prepared the IFA to assist the San Bernardino Local Agency Formation Commission ("LAFCO") in determining whether or not further investigation into a proposed City of Rim of the World ("City" and "Rim of the World") is warranted. This IFA reviews potential impacts upon Rim of the World, as well as related agencies, such as the County of San Bernardino ("County") and other agencies presently providing services to the area. An IFA is an initial assessment of the potential service model for a new city, and the revenues and expenditures that the new city may incur. It is not a comprehensive feasibility analysis, nor a thorough investigation into service delivery options. The information provided in this IFA is intended to act as a guidepost for further discussions, and should not be considered conclusive findings of feasibility.

Rim of the World is located in the San Bernardino Mountains, off of Highway 18 between San Bernardino and Big Bear Lake. The proposed City would be comprised of several existing communities, including Arrowbear Park, Blue Jay, Cedar Glen, Crestline, Green Valley Lake, Lake Arrowhead, Running Springs, Sky Forest, and Twin Peaks. A second incorporation scenario was also developed, which excluded the communities of Arrowbear Park, Green Valley Lake, and Running Springs, collectively known as the "Hilltop". In total, approximately 29,000 people are full-time residents, though a number of second homes/vacation homes are also located in the area. Lake Arrowhead is the largest of the existing communities, and most commercial development is located there.

This remainder of this memorandum summarizes the primary methodology used and assumptions made in the IFA.

FISCAL HEALTH  
ECONOMIC DEVELOPMENT  
REAL ESTATE, HOUSING  
AND HEALTHY COMMUNITIES

## SOURCES & ASSUMPTIONS

Due to the nature and scope of an IFA, as well as the limited data of some sources, RSG made certain assumptions and estimates based on comparable cities, staff experience, and general best practices. These assumptions are described in this memorandum. While RSG has made every effort to accurately ascertain service demands, costs, and any resulting revenues, a number of factors cannot be predicted, including details of the incorporation beyond the scope of this IFA, decisions that may be made by a future City Council, regional or national economic trends, changes to state or federal law, and natural disasters.

RSG reviewed a number of data sources to ensure all numbers were as accurate as possible. These sources include, but are not limited to, the following:

- San Bernardino County;
- San Bernardino County LAFCO;
- CoreLogic's MetroScan Database;
- ESRI Business Analyst;
- Bureau of Labor Statistics;
- City of Big Bear Adopted Budgets; and
- Audits and/or budgets of various county service areas and special districts.

RSG's forecast begins at the start of fiscal year 2017-18, but does not include the necessary adjustments for a transition year, given the uncertainty of when, if at all, incorporation would occur.

### Service Districts

The Rim of the World is currently served by a large number of County Service Areas ("CSAs") and special districts, and this IFA generally assumes that the proposed City will take over the various services they provide. Most CSAs are related to road maintenance, and the majority of these are proposed to dissolve as a result of incorporation, with their services and property tax shares to be assumed by the City. The same is true for the Rim of the World Recreation and Park District, and CSA 70 for dam maintenance. Water and sanitation districts include Crestline Lake Arrowhead Water Agency, the Lake Arrowhead Community Services District, Running Springs Water District, Arrowbear Park County Water District, Crestline Village Water District, and Crestline Sanitation District. These districts are assumed to dissolve or be unaffected depending on if the Hilltop is included in the incorporation area. If dissolved, responsibilities and revenues attributable to the districts would transfer to the the proposed City. However, it is important to note that many of the revenues associated with these districts, particularly water and sewer districts, are restricted to the purpose for which they are collected. When dissolved, the districts would become enterprise funds within the proposed City, and would not contribute to the General Fund.

In the primary incorporation scenario including the Hilltop area, fire services provided by Arrowbear Park County Water District and Running Springs Water District will be assumed by the City. These two districts are located within the Hilltop area, so in the second incorporation scenario excluding Hilltop these districts would remain unaffected. In either scenario, the incorporated area served by the County Fire Protection District Mountain Service Zone would be detached, with associated revenues and services transferring to the City, including ambulance and paramedic service. LAFCo is in the process of dissolving the Crest Forest Fire Protection

District with responsibilities and revenues transferring to the County Fire Protection District Mountain Service Zone. As such, RSG incorporated the Crest Forest Fire Protection District service costs and revenues into the analysis. Please note that in some cases, certain districts have additional powers; however, extrapolating expenditure and revenue data by service type was not easily discerned from district budgets, and as such, were left whole. The San Bernardino Mountains Community Hospital District was assumed to remain unchanged.

#### Assessed Value Forecast

The findings presented in this analysis assume a 2.0% growth rate in secured assessed value per year and a 0.0% annual growth rate in unsecured assessed value. This is a conservative growth rate so as to not risk overstating property tax revenues. A portion of the Lake Arrowhead community is within the County's Cedar Glen Redevelopment Project Area. Tax increment generated in this Project Area would be allocated to the San Bernardino County Redevelopment Property Tax Trust Fund ("RPTTF") and disseminated to taxing agencies after certain redevelopment debts are paid. Based on a high-level review of tax increment and debt obligations of the County Successor Agency, an adjustment was made to the assessed value forecast to incorporate property tax shifts into the RPTTF. The forecast additionally incorporates assessed value resulting from new home construction, which is estimated based upon median home sales data, anticipated population growth, and average persons per household. For the purposes of this IFA, the analysis assumes that all new construction will occur in Lake Arrowhead; RSG acknowledges that growth will occur in other communities, but anticipates most of the growth in the proposed City is likely to occur in Lake Arrowhead, so this growth is unchanged between the two scenarios.

#### Population Forecast

RSG examined multiple sources of population growth data to determine a reasonable growth rate to adopt for this analysis. The US Census actually indicates a slightly negative growth rate (-.83%) from 2000 to 2010. However, RSG believes this decrease in population is likely due, in part, to the 2003 fire that destroyed a significant number of homes in the area, as well the Great Recession, which could have encouraged residents to relocate for jobs in more urbanized areas. ESRI Business Analyst estimated growth between 2010 and 2014 to be at 1.25%, and projected that growth from 2015 to 2019 will occur at a 2.48% growth rate. In light of the varying data existing for this area, RSG determined that a 1.0% population growth rate was both conservative and realistic for this analysis. ESRI Business Analyst was also used to calculate the 2014-15 population of 29,198.

#### Staffing Structure and Personnel Costs

This analysis was completed by adopting the City of Big Bear Lake's staffing structure and salary schedule as a skeleton model for Rim of the World, and then modifying it to adapt to its own unique circumstances. These changes were determined based upon RSG's experience with municipal governments, and guidance from LAFCo staff.

#### Starting Values

Following incorporation, the new City would have an initial transition year, wherein certain services and revenues would be shared between the County and City. As this transition year is difficult to predict at this time, this projection begins by assuming a \$0 cash balance for the first full year of General Fund operation, 2017-18. The same is true for the City's Road Fund. Following the dissolution and detachment of a number of CSAs and Special Districts, the City

would “inherit” some unencumbered cash amounts. For the purposes of this IFA, existing unencumbered cash amounts are assumed to remain static until FY 2017-18, when they are infused into the cash flow.

## REVENUES

### Property Taxes

Property taxes for the Rim of the World were determined utilizing a computation to establish an Auditor’s Ratio, which helps to model a likely property tax share for the proposed City. This share is estimated at 2.66% (2.39% without Hilltop). One percent of the assessed value each year is collected by the County Tax Collector, and distributed to taxing agencies pursuant to their property tax share. Ultimately, the City’s percent share could change, pending the dissolution of various CSAs and Special Districts if their shares are transferred to the City, as discussed later. For this IFA, property taxes associated with CSAs and special districts were kept separate. Property tax revenues shown are net of a 1.0% fee to account for County Auditor Controller charges for service.

### Sales Taxes

Sales tax revenue was based on historical quarterly data provided by the County, which was then assumed to grow with the Consumer Price Index (“CPI”) each year. CPI was defined as the average annual change in CPI between December 2004 and December 2014 (2.13%), according to the Bureau of Labor Statistics. RSG assumed that the Economic Recovery Bonds that require the “Triple-Flip” sales tax split will be retired by the time of incorporation, pursuant to estimates from California Department of Finance. The new City would therefore receive a full 1% of the general sales tax levy.

An analysis was also executed to estimate unallocated taxable sales revenue using state-wide and county-wide taxable sales data from the State Board of Equalization to determine a proportionate share to be allocated to the proposed City.

### Property Transfer Taxes

RSG used CoreLogic’s MetroScan database to obtain property sales data for the fiscal year 2013-14. Supplementary housing stock information was derived from an ESRI Business Analyst estimate. RSG then projected housing turnover based upon an average turnover rate, which RSG set at 5.0% based upon industry experience and best practices. Sales value appreciation rates were determined based on data from the California Association of Realtors, which was then scaled back in future years to account for market variability and unpredictability.

### Transient Occupancy Taxes (“TOT”)

This analysis relies on data provided by San Bernardino County LAFCO, and assumes that existing TOT collections will grow equivalent to the CPI.

### Other Revenues

Other revenues, including the Off-Highway Vehicle License Subvention, Franchise Fees, Fines & Forfeitures, and Gas Tax revenues, were calculated in a variety of ways. The Off-Highway Vehicle License subvention is a per capita estimate drawn from the County’s apportionment. The per capita rate was kept static in the model based on conversations with State staff, but revenues are still increased when the population of the City grows, allowing for very small

increases throughout the IFA's forecast. Franchise Fee data was provided by the County, translated into a per capita figure, and grows only with increases in population. Fines and Forfeitures were estimated by using the 2014-15 value from the City of Big Bear Lake's operating budget, as this was determined to be the most comparable city, and calculating a proportional equivalent for Rim of the World, which was then inflated by CPI every year. Proportional equivalents based upon Big Bear Lake's revenues were also applied to calculate most of the revenues derived from the Highway Users Tax and gas tax subventions that accrue to the Road Fund. The exception would be the snow removal reimbursement portion of Sec. 2107, for which Rim of the World's subvention is assumed to be the same as Big Bear Lake's, as snowfall is more closely based upon geography, rather than population. Lastly, fixed revenues from Sec. 2107.5 were derived from population, per the California Highway User's Tax.

## EXPENDITURES

### City Council

City Council stipends were based upon the City of Big Bear Lake's stipends for the fiscal year 2014-15, and are assumed to remain static. Office expenses and travel expenses were also drawn from the City of Big Bear Lake's budget, but were inflated at CPI.

### City Administration

City Administration includes a city manager, city clerk, an operations officer, a permit-license specialist, and an administrative clerk, similar to the City of Big Bear Lake<sup>1</sup>. The salaries and benefits ratios of Big Bear Lake employees are utilized, and inflated at the aforementioned salary growth rate of 3.0% per year. Notices, Office Expenses, and Travel and Memberships are separate costs, but are drawn from the City of Big Bear Lake's comparable government. Capital Outlay is assumed to cost \$1,000 per employee in the first year, and \$250 per employee in following years, largely for computer equipment. Codification is assumed to be \$10,000 start up cost, with maintenance and updating cost of \$2,500 per year after the first year. Elections are estimated to cost \$2.50 per person, every other year. These assumptions are made based upon RSG's experience in other communities.

### City Attorney

This cost is based on what the City of Big Bear Lake is currently paying for their City Attorney contract. It was then inflated at an annual contract increase of 3.0%, which is the typical annual salary increase for the City of Big Bear Lake, according to their Memorandum of Understanding.

### Human Resources

This analysis takes the salaries and benefits ratios of Big Bear Lake employees and applies them to the staffing structure identified in the Personnel Costs analysis. They are then inflated at the salary growth rate of 3.0% per year. Costs for Supplies and Services are taken from the City of Big Bear Lake's Human Resources Department. Capital Outlay is assumed to cost \$1,000 per employee in the first year, and \$250 per employee for every year thereafter, inflated at CPI.

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<sup>1</sup> The operations officer and permit license specialist are allocated to various departments. Their pro-rata share of cost is included in the departments similar to the Big Bear model.

#### Finance

This analysis takes the salaries and benefits ratios of Big Bear Lake employees and applies them to the staffing structure identified in the Personnel Costs analysis. They are then inflated at the salary growth rate of 3.0% per year. All Supplies and Services costs come from the City of Big Bear Lake, as well. Capital Outlay is assumed to cost \$1,000 per employee in the first year, and \$250 per employee for every year thereafter, inflated at CPI. Additionally, finance software is assumed to cost a one-time expense of \$10,000 and annual update costs of \$1,000 per year. This assumption is made as an estimate based upon RSG's own experience.

#### Community Development

This analysis takes the salaries and benefits ratios of Big Bear Lake employees and applies them to the staffing structure identified in the Personnel Costs analysis. They are then inflated at the salary growth rate of 3.0% per year. Office Expenses are drawn from the City of Big Bear Lake's budget. General Plan, Zoning Code, and the General Plan Environmental Impact Report preparation costs are all sourced from RSG's research, which included a survey of various planning firms and community development officials. RSG estimates the General Plan will cost \$1,100,000, with the costs spread evenly across the first four years. RSG estimates the Zoning Code will cost \$175,000, and be prepared in the year following completion of the General Plan. Capital Outlay is assumed at \$1,000 per employee in the first year, and \$250 per employee for every year thereafter, inflated at CPI.

#### Public Works

This analysis takes the salaries and benefits ratios of Big Bear Lake employees and applies them to the staffing structure identified in the Personnel Costs analysis. They are then inflated at the salary growth rate of 3.0% per year. Office Expenses and the cost of NPDES Program Implementation are drawn from the City of Big Bear Lake's budget and inflated at CPI. AB 939 Solid Waste Program costs are assumed to be \$.53 per citizen, annually, and capital outlay is assumed to cost \$1,000 per employee in the first year, and \$250 per employee for every year thereafter, inflated at CPI.

#### Animal Control

This cost is based on the County-estimated cost of service for animal control, and assumes a contract of equal cost will be entered into for service. It was then inflated at an annual contract increase of 3.0%.

#### Law Enforcement

This cost is based on what the City of Big Bear Lake is currently paying for their Law Enforcement contract. It was then inflated at an annual contract increase of 3.0%, which is the typical annual salary increase for the City of Big Bear Lake, according to their Memorandum of Understanding.

#### Non-Departmental

The estimate of \$1,000 for LAFCO fees is an estimate based on RSG's experience. The insurance figure of \$400,000 is derived from the City of Big Bear Lake's, which falls within a range of \$350,000 to \$500,000. The cost of the information technology ("IT") contract, and the cost and amount of space leased for City Hall, including the operating expense ratio, were estimated by RSG.

#### Other Expenses

RSG budgeted for a 10% contingency expenditure each year. Additionally, a reserve was constructed equal to 25% of the proposed City's total expenditures in the first year of the forecast. The reserve is augmented annually to maintain that ratio. It is further worth noting that RSG examined the need for revenue neutrality payments, but the current County expenses exceed revenues, therefore no payments are anticipated. Note that if expenditures currently associated with CSAs and special districts are assumed by the City, the contingency expenditures and anticipated reserve set aside would be impacted.

#### Fire District

The costs to provide fire originate from existing districts to be detached or dissolved. These costs are incorporated into the CSA/Special District analysis and detailed later in this report.

#### Road Fund

Capital outlay associated with the Road Fund includes supplies for road maintenance in an amount that mirrors Big Bear's budgeted amount for 2014-15. This number is substantially less than the County stated its 2013-14 expenditures in the area were. RSG has made this adjustment based on the premise that extraordinary expenditures took place in 2013-14, as discussed with LAFCo staff. Note that while kept separate in this IFA, road maintenance performed within the dissolved CSAs would fall to Public Works, increasing total expenditures.

#### CSA/Special District Analysis

As mentioned earlier, there are over 30 CSAs and special districts providing road maintenance, snow plowing, sanitation, water, fire protection, and other services to the proposed City. In order to estimate the potential financial impact, RSG first obtained a Plan for Services model from LAFCo. The model detailed which districts were proposed to be dissolved, detached, or unaffected by the two incorporation scenarios.

In the case of CSAs and special districts that are entirely within the proposed City, RSG used the most recent audited financial statements to determine unencumbered cash balances, annual revenues, and expenditures that would be transferred or assumed by the new City. CSA and district cash balances, revenues, and expenditures were organized into three groups for illustrative purposes: "General", "Road", and "Water and Sewer".

Revenues from the CSAs and districts consist of property tax revenue and fees for services. RSG conducted a weighted 1% general levy property tax breakdown analysis to estimate the shares of property taxes that would transfer from the existing districts to the new City. This percentage share was totaled and applied to 1% of the projected assessed value. Revenues generated within the districts from fees such as special assessments or contract fees were identified using the most recent audited financial statements. The amount earned by the dissolved or detached CSAs and districts in the most recent audits were transferred to the new City and inflated annually by CPI.

Expenditures vary widely across the districts but generally include costs to provide services, facility maintenance, and staff. A certain amount of cost savings is anticipated with the consolidation of services into a centralized city staffing model, however, without further analysis it is difficult to estimate exactly how much this will be. It is RSG's understanding that the CSAs performing road maintenance already benefit from shared resources through the County, and

therefore no cost savings is anticipated by this IFA. However, costs associated with the various water and sanitation districts are assumed to benefit from a 15% reduction for the consolidation of management, finance, and other administrative expenditures. In addition to service expenditures, RSG attempted to incorporate bond debt service associated with the special districts, to the extent the information was available in the audits.

Particular attention was paid to the County Fire Protection District Mountain Service Zone because only a portion of this district's responsibilities and revenues will transfer to the new City. In order to analyze this district detachment, RSG estimated which portion of this district's assessed value was based within the new City's boundaries and then prorated the transferred unencumbered cash balance, revenues, and expenditures by the same factor. The Lake Arrowhead Ambulance and PM1 Lake Arrowhead Paramedic were assumed to be dissolved. Crest Forest Fire Protection District was also assumed to be dissolved by the time of incorporation.

The County Fire Protection District Mountain Service Zone's costs to provide fire protection, combined with the fire protection costs from the Crest Forest Fire Protection District, the Running Springs Water District, and the Arrowbear Park Water District, comprise the proposed City's estimated fire protection costs. There could be costs savings realized by consolidating these districts into one centralized fire protection service but further analysis is needed to determine the exact amount.

Please note that any future analysis should incorporate a more detailed forecast of revenues and expenditures associated with the dissolution and/or detachment of the many county service areas and special districts that currently serve the existing communities. Many of these Special District funds, particularly those related to water and sewer, would become enterprise funds within the proposed City. These revenues are would not belong to the City's General Fund, and can only be used to provide the service for which they were collected. To more clearly see the impact of the proposed dissolutions, most CSAs and special districts are shown separately from the core City services.

#### CONCLUDING REMARKS

Inclusive of all City funds, the City's Road and Water funds, and the various CSA and special district funds, the proposed City is shown to face some financial challenges. However, the greater issues surrounding development of a personnel model, and dissolution and detachment of districts – particularly fire service which is far and away the highest cost shown here – may warrant further investigation to determine effective and efficient service delivery in a manner that achieves the objectives of the incorporation proponents.

**Rim of the World  
Feasibility Analysis Spreadsheets**

GENERAL FUND SUMMARY

	Base Year 2014-15	Annual City Operating Budget				
		2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$ -	\$ -	\$ (5,615,000)	\$ (11,704,500)	\$ (18,112,100)	\$ (25,120,300)
<b>Revenues by Source</b>						
Property Taxes	1,475,100	1,568,200	1,597,900	1,628,500	1,660,200	1,691,900
Sales Taxes	1,346,600	1,434,500	1,465,000	1,496,200	1,528,100	1,560,700
Property Transfer Taxes	121,500	135,300	139,800	143,200	147,800	151,300
Transient Occupancy Taxes	824,700	878,500	897,300	916,400	936,000	955,900
Off Highway License Subvention	1,700	1,800	1,800	1,800	1,900	1,900
Animal Control Fees	103,300	123,400	130,900	138,900	147,300	156,300
Fines & Forfeitures	63,300	66,600	67,300	67,900	68,600	69,300
Franchise Fees	750,000	772,700	780,500	788,300	796,100	804,100
Community Development Fees	917,300	1,002,400	1,032,500	1,063,600	1,095,400	1,128,300
Public Works Fees	120,000	131,200	135,100	139,200	143,400	147,600
Interest Earnings	-	-	-	-	-	-
<b>Total</b>	<b>\$ 5,723,500</b>	<b>\$ 6,114,600</b>	<b>\$ 6,248,100</b>	<b>\$ 6,384,000</b>	<b>\$ 6,524,800</b>	<b>\$ 6,667,300</b>
<b>Expenditures by Department</b>						
City Council	25,600	25,600	25,600	25,800	25,800	25,800
City Administration	604,800	569,700	665,800	604,400	704,800	641,100
City Attorney	154,000	168,300	173,300	178,500	183,900	189,400
Human Resources	268,200	291,200	300,000	309,100	318,400	328,000
Finance	422,600	447,600	461,000	474,700	488,900	503,700
Community Development	928,700	1,282,600	1,312,800	1,344,100	1,376,000	1,309,100
Public Works	845,800	912,100	939,200	967,100	995,700	1,025,100
Animal Control	279,700	334,000	354,300	375,900	398,800	423,100
Law Enforcement	4,939,200	5,897,600	6,256,800	6,637,800	7,042,000	7,470,900
Non-Departmental	543,500	582,700	596,400	610,500	624,900	639,600
Transition Period Loan Repayment	TBD	TBD	TBD	TBD	TBD	TBD
Revenue Neutrality Payment	-	-	-	-	-	-
Contingency (10% of Expenditures)	901,000	1,051,000	1,109,000	1,153,000	1,216,000	1,256,000
Reserve Fund (25% of Expenditures)	2,253,000	167,200	143,400	110,700	157,800	99,200
<b>Total</b>	<b>\$ 12,166,100</b>	<b>\$ 11,729,600</b>	<b>\$ 12,337,600</b>	<b>\$ 12,791,600</b>	<b>\$ 13,533,000</b>	<b>\$ 13,911,000</b>
Net Revenue / (Deficit)	(6,442,600)	(5,615,000)	(6,089,500)	(6,407,600)	(7,008,200)	(7,243,700)
Ending Fund Balance	\$ (6,442,600)	\$ (5,615,000)	\$ (11,704,500)	\$ (18,112,100)	\$ (25,120,300)	\$ (32,364,000)

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**ROAD FUND SUMMARY**

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	Base Year 2014-15	Annual City Operating Budget				
		2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$ -	\$ -	\$ (1,662,600)	\$ (3,368,500)	\$ (5,118,500)	\$ (6,913,700)
Revenues by Source						
Gas Tax (Sec. 2105)	1,700	1,800	1,800	1,800	1,900	1,900
Gas Tax (Sec. 2106)	165,200	170,200	171,900	173,700	175,400	177,200
Gas Tax (Sec. 2107)	125,400	125,400	125,400	125,400	125,400	125,400
Gas Tax (Sec. 2107.5)	6,000	6,000	6,000	6,000	6,000	6,000
Interest Earnings	-	-	-	-	-	-
Total	\$ 298,300	\$ 303,400	\$ 305,100	\$ 306,900	\$ 308,700	\$ 310,500
Expenditures by Department						
Road Maintenance	1,837,300	1,966,000	2,011,000	2,056,900	2,103,900	2,152,000
Total	\$ 1,837,300	\$ 1,966,000	\$ 2,011,000	\$ 2,056,900	\$ 2,103,900	\$ 2,152,000
Net Revenue / (Deficit)	(1,539,000)	(1,662,600)	(1,705,900)	(1,750,000)	(1,795,200)	(1,841,500)
Ending Fund Balance	\$ (1,539,000)	\$ (1,662,600)	\$ (3,368,500)	\$ (5,118,500)	\$ (6,913,700)	\$ (8,755,200)

CSA/SPECIAL DISTRICT ANALYSIS

	Base Year 2014-15	Annual City Operating Budget				
		2017-18	2018-19	2019-20	2020-21	2021-22
Unrestricted Cash from Dissolved Districts						
General	-	8,031,000				
Road Districts	-	1,920,200				
Water and Sewer Districts	-	16,546,300				
Total	\$ -	\$ 26,497,500				
Beginning Fund Balance	\$ -	\$ 26,497,500	\$ 28,332,800	\$ 30,311,900	\$ 32,342,200	\$ 34,411,700
Dissolved District Revenues						
Property Taxes from Dissolved Districts	18,051,900	19,182,400	19,551,700	19,928,400	20,312,600	20,704,600
Fees for Services and Special Assessments						
General	8,546,300	9,104,400	9,298,400	9,496,500	9,698,900	9,905,600
Road Districts	1,044,800	1,112,900	1,136,600	1,160,800	1,185,500	1,210,800
Water and Sewer Districts	40,302,800	42,934,700	43,849,600	44,784,000	45,738,300	46,713,000
Interest Earnings	-	82,800	88,600	94,800	101,100	107,600
Total	\$ 67,945,800	\$ 72,417,200	\$ 73,924,900	\$ 75,464,500	\$ 77,036,400	\$ 78,641,600
Dissolved Districts Expenditures						
Fire Protection	19,188,800	20,441,800	20,877,400	21,322,300	21,776,700	22,240,800
Operating Expenditures						
General	8,093,400	8,621,900	8,805,600	8,993,200	9,184,800	9,380,500
Road Districts	1,012,400	1,078,500	1,101,500	1,125,000	1,149,000	1,173,500
Water and Sewer	35,961,100	38,309,400	39,125,800	39,959,600	40,811,100	41,680,800
Debt Service	3,323,900	2,130,300	2,035,500	2,034,100	2,045,300	1,952,900
Total	\$ 67,579,600	\$ 70,581,900	\$ 71,945,800	\$ 73,434,200	\$ 74,966,900	\$ 76,428,500
Net Revenue / (Deficit)	366,200	1,835,300	1,979,100	2,030,300	2,069,500	2,213,100
Ending Fund Balance	\$ 366,200	\$ 28,332,800	\$ 30,311,900	\$ 32,342,200	\$ 34,411,700	\$ 36,624,800

2014 POPULATION ESTIMATES

Jurisdiction	Total	%
San Bernardino County	2,085,669	100.0%
<i>Incorporated Cities</i>	<i>1,788,244</i>	<i>85.7%</i>
San Bernardino	212,721	10.2%
Fontana	202,177	9.7%
Rancho Cucamonga	172,299	8.3%
Ontario	167,382	8.0%
Victorville	120,590	5.8%
Rialto	101,429	4.9%
Hesperia	91,506	4.4%
Chino	81,747	3.9%
Chino Hills	76,131	3.7%
Upland	75,147	3.6%
Apple Valley	70,755	3.4%
Redlands	69,882	3.4%
Highland	54,033	2.6%
Colton	53,057	2.5%
Yucaipa	52,654	2.5%
Montclair	37,374	1.8%
Adelanto	32,511	1.6%
Twentynine Palms	26,576	1.3%
Loma Linda	23,614	1.1%
Barstow	23,292	1.1%
Yucca Valley	21,053	1.0%
Grand Terrace	12,285	0.6%
Big Bear Lake	5,121	0.2%
Needles	4,908	0.2%
<i>Unincorporated</i>	<i>297,425</i>	<i>14.3%</i>
<b>Rim of the World</b>	<b>29,198</b>	<b>1.4%</b>

Sources: California Department of Finance and ESRI Business Analyst

POPULATION FORECAST

	Base Year					
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
RSG Estimated Growth Rate (1%)	29,198	30,083	30,384	30,687	30,994	31,304
Growth Rates						
US Census Figures, 2000-2010	-0.83%					
ESRI Business Analyst Estimates, 2010-14	1.25%					
ESRI Business Analyst Estimates, 2014-19	2.48%					

ASSESSED VALUE FORECAST

	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Lake Arrowhead AV</i>						
Prior Year Secured AV Plus 2.00%	3,932,379,712	4,173,080,000	4,256,540,000	4,341,670,000	4,428,500,000	4,517,070,000
Prior Year Unsecured AV Plus 0.00%	41,719,123	41,719,100	41,719,100	41,719,100	41,719,100	41,719,100
Cedar Glen RDA Adjustment	(64,654,548)	(80,117,225)	(85,478,981)	(90,947,971)	(96,526,342)	(102,216,280)
Projected New Residential Value		23,360,700	24,184,200	25,021,800	25,873,700	26,740,200
<b>Total</b>	<b>3,909,444,287</b>	<b>4,158,042,575</b>	<b>4,236,964,319</b>	<b>4,317,462,929</b>	<b>4,399,566,458</b>	<b>4,483,313,020</b>
<i>Crest Forest AV</i>						
Prior Year Secured AV Plus 2.00%	1,079,350,700	1,145,420,000	1,168,330,000	1,191,700,000	1,215,530,000	1,239,840,000
Prior Year Unsecured AV Plus 0.00%	7,371,836	7,371,800	7,371,800	7,371,800	7,371,800	7,371,800
<b>Total</b>	<b>1,086,722,536</b>	<b>1,152,791,800</b>	<b>1,175,701,800</b>	<b>1,199,071,800</b>	<b>1,222,901,800</b>	<b>1,247,211,800</b>
<i>Hilltop AV</i>						
Prior Year Secured AV Plus 2.00%	798,241,682	847,100,000	864,040,000	881,320,000	898,950,000	916,930,000
Prior Year Unsecured AV Plus 0.00%	10,813,169	10,813,200	10,813,200	10,813,200	10,813,200	10,813,200
<b>Total</b>	<b>809,054,851</b>	<b>857,913,200</b>	<b>874,853,200</b>	<b>892,133,200</b>	<b>909,763,200</b>	<b>927,743,200</b>
<i>ROTW AV</i>						
Prior Year AV Plus 2.00%	5,805,221,674	6,168,747,575	6,287,519,319	6,408,667,929	6,532,231,458	6,658,268,020
<i>ROTW Without Hilltop AV</i>						
Prior Year AV Plus 2.00%	4,996,166,823	5,310,834,375	5,412,666,119	5,516,534,729	5,622,468,258	5,730,524,820

Source: County Assessor's 2014-15 Secured and Unsecured Tax Rolls

Note: For estimating purposes only, all new growth put into Lake Arrowhead SubArea

TRANSIENT OCCUPANCY TAX

	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Lake Arrowhead TOT</i>						
Prior Year TOT Plus 2.13%	725,600	773,000	789,500	806,300	823,500	841,000
<i>Crest Forest TOT</i>						
Prior Year TOT Plus 2.13%	74,700	79,600	81,300	83,000	84,800	86,600
<i>Hilltop TOT</i>						
Prior Year TOT Plus 2.13%	24,400	25,900	26,500	27,100	27,700	28,300
<i>ROTW TOT</i>						
Prior Year TOT Plus 2.13%	824,700	878,500	897,300	916,400	936,000	955,900
<i>ROTW Without Hilltop TOT</i>						
Prior Year TOT Plus 2.13%	800,300	852,600	870,800	889,300	908,300	927,600

Source: Hotel Transient Occupancy Tax - Unincorporated Communities, 2013-14 Fiscal Year

PROPERTY TRANSFER TAXES

		Base Year					
		2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Total Property Sales (2013-14)	\$ 276,412,249						
2013-14 Transfer Tax (Co. Share)	304,053						
<i>(\$1.10 / \$1,000 transferred, will be split in half with incorporation)</i>							
Projected Turnover							
Residential Resale Volume		\$ 220,820,000	\$ 246,000,000	\$ 254,200,000	\$ 260,400,000	\$ 268,750,000	\$ 275,000,000
Projected Existing Housing Stock		24,302	24,600	24,700	24,800	24,900	25,000
Turnover Rate	5.0%	1,220	1,230	1,240	1,240	1,250	1,250
Median Resale Price (2013-14)	\$ 162,000	\$ 181,000	\$ 200,000	\$ 205,000	\$ 210,000	\$ 215,000	\$ 220,000
Appreciation Rate (2014)	11.8%						
Appreciation Rate (2015)	5.2%						
Appreciation Rate (Later Yrs)	2.5%						
Property Transfer Taxes (Projected)		\$ 121,500	\$ 135,300	\$ 139,800	\$ 143,200	\$ 147,800	\$ 151,300

Sources: ESRI Business Analyst and CoreLogic's MetroScan Database

ESTIMATED 2014-015 AUDITOR'S RATIO

	2014-15 Adopted Budget Figures	
	General	Total
Taxes (Excluding Property Tax)	282,843,627	
1991 Realignment	209,149,972	
2011 Realignment	304,905,462	
State, Federal, or Government Aid	1,573,072,710	
Fee/Rate	893,328,166	
Other Revenue	122,895,072	
Subtotal	\$ 3,386,195,009	\$ -
Property Taxes	450,800,000	450,800,000
Total	\$ 3,836,995,009	\$ 450,800,000
<b>Estimated Auditor's Ratio</b>	<b>11.7488%</b>	

Source: San Bernardino County Budget, 2014-15

PROPERTY TAX SHARE TRANSFER

	Annual Net Costs for ROTW		
	Cost	Revenue	Net Cost
Net Cost of Services Transferred from County			
Planning	\$ 65,878	\$ 65,878	\$ -
Building & Safety	565,624	565,624	-
Public Works	10,373,862	3,552,270	6,821,592
Code Enforcement	152,984	152,984	-
Animal Control	279,667	103,304	176,363
Fire Protection	-	-	-
Law Enforcement (Sheriff)	4,939,214	-	4,939,214
Total	\$ 16,377,229	\$ 4,440,060	\$ 11,937,169
Auditor's Ratio /1			11.7488%
Base Year Property Tax Revenue Transfer to Town (2013-14)		\$	1,402,474
Property Tax Revenue Adjustment for AV Growth			
Assessed Value, 2014-15			5,805,221,674
Assessed Value, 2017-18			6,168,747,575
Change in AV from 2014-15 to 2017-18			6%
Property Tax Revenue Adjusted for AV Growth			1,490,298
Property Tax Share Computation			
Projected Assessed Value - Year One			5,805,221,674
General Tax Levy (1% of Assessed Value)			58,052,217
Property Tax Revenue Adjusted for AV Growth			1,490,298
Property Tax Share to Town			2.567%

Source: San Bernardino County

PROPERTY TAXES

		Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Property Taxes	2.567%	\$ 1,490,000	\$ 1,584,000	\$ 1,614,000	\$ 1,645,000	\$ 1,677,000	\$ 1,709,000
Less: County Admin. Fee	-1.00%	<u>(14,900)</u>	<u>(15,800)</u>	<u>(16,100)</u>	<u>(16,500)</u>	<u>(16,800)</u>	<u>(17,100)</u>
Net Property Tax		1,475,100	1,568,200	1,597,900	1,628,500	1,660,200	1,691,900
<b>TOTAL</b>		<b>\$ 1,475,100</b>	<b>\$ 1,568,200</b>	<b>\$ 1,597,900</b>	<b>\$ 1,628,500</b>	<b>\$ 1,660,200</b>	<b>\$ 1,691,900</b>

SALES TAXES

	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Prior Year Sales Tax Plus 2.1%	1,243,800	1,325,000	1,353,200	1,382,000	1,411,500	1,441,600
Unallocated Sales Tax Adjustment Estim	102,800	109,500	111,800	114,200	116,600	119,100
<b>Total Sales Tax</b>	<b>1,346,600</b>	<b>1,434,500</b>	<b>1,465,000</b>	<b>1,496,200</b>	<b>1,528,100</b>	<b>1,560,700</b>

*Note: California Department of Finance estimates that the Economic Recovery Bonds that require the California State "Triple-Flip" sales tax split will be retired by the time of incorporation.*

*Source: San Bernardino County, Historical Sales Tax by Quarter*

ADJUSTMENT TO TAXABLE SALES REVENUE ESTIMATE

Taxable Sales by Jurisdiction (Reported in Thousands of Dollars)	California <sup>1</sup>	San Bernardino County <sup>1</sup>	ROTW <sup>2</sup>
Direct Allocation of Total Taxable Sales (000's)			
Q4, 2013	\$ 138,584,504	\$ 7,569,103	31,087
Q3, 2013	131,397,016	6,939,458	33,046
Q2, 2013	130,550,316	6,919,273	30,891
Q1, 2013	<u>120,647,708</u>	<u>6,512,756</u>	<u>25,988</u>
Total	521,179,544	27,940,590	121,011
Study Area Share of Direct Allocations	0.0232%	0.4331%	
Indirect Allocation of Total Taxable Sales (000's)			
Q4, 2013	130,255	924,835	
Q3, 2013	66,522	766,695	
Q2, 2013	90,113	793,795	
Q1, 2013	<u>76,111</u>	<u>751,908</u>	
Total	232,746	2,312,398	
Times: Study Area Share of Direct:	0.0232%	0.4331%	
Study Area Indirect Allocations	<u>54</u>	<u>10,015</u>	
Total			<u>10,069</u>
Total Adjusted Taxable Sales (in thousands)			\$ 131,080

<sup>1</sup> Quarterly Taxable Sales Reports (Table 2) and State Board of Equalization

<sup>2</sup> San Bernardino LAFCO

## OTHER REVENUES

		Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Off-Highway Vehicle License Subvention		1,700	1,800	1,800	1,800	1,900	1,900
SCO Per Capita (2014-15)	0.06						
Growth Rate	0%						
Franchise Fees		750,000	772,700	780,500	788,300	796,100	804,100
Base Year Estimate (14-15)	25.69						
Growth Rate	0.0%						
Fines & Forfeitures		63,300	66,600	67,300	67,900	68,600	69,300
Base Year Per Capita Estimate (14-15)	2.17						
Growth Rate	2.1%						
2014-15 Gas Tax (to Road Fund)							
Gas Tax (Sec. 2103) Per Capita	12.93	377,600	389,000	392,900	396,800	400,800	404,800
Gas Tax (Sec. 2105) Per Capita	5.94	173,500	178,800	180,600	182,400	184,200	186,000
Gas Tax (Sec. 2106) Per Capita	5.66	165,200	170,200	171,900	173,700	175,400	177,200
Gas Tax (Sec. 2107) Per Capita	7.88	230,100	237,100	239,500	241,900	244,300	246,700
Gas Tax (Sec. 2107 - Snow Removal)	125,380	125,400	125,400	125,400	125,400	125,400	125,400
Growth Rate	0%						
Gas Tax (Sec. 2107.5)	Fixed Pmt	6,000	6,000	6,000	6,000	6,000	6,000
Projected Population		29,198	30,083	30,384	30,687	30,994	31,304

Sources: San Bernardino County and City of Big Bear Lake Operating Budget, 2014-15

FEEES FOR SERVICES

		Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Community Development Fees		\$ 917,300	\$ 1,002,400	\$ 1,032,500	\$ 1,063,600	\$ 1,095,400	\$ 1,128,300
14-15 Cost for Services	\$ 917,300						
% of Costs Offset	100.00%						
Public Works Fees		120,000	131,200	135,100	139,200	143,400	147,600
14-15 Cost for Services	\$ 744,700						
% of Costs Offset	16.12%						
Animal Control Fees		103,300	123,400	130,900	138,900	147,300	156,300
14-15 Cost for Services	\$ 279,700						
% of Costs Offset	36.94%						
TOTAL		1,140,600	1,257,000	1,298,500	1,341,700	1,386,100	1,432,200

## REVENUE NEUTRALITY CALCULATIONS

2014-15 Estimates

Revenue Transferred		
Property Tax	\$	1,402,474
Sales Tax		983,101
Property Tax In Lieu		327,700
Property Transfer Tax		152,027
Fines & Forfeitures (Cost Offset)		-
Franchise Fees		26
Total Revenue Loss to County		\$ (2,865,328)
Expenses Transferred (Net of Revenue Offsets)		
Planning		-
Building & Safety		-
Engineering		6,821,592
Animal Control		176,363
Fire Protection		-
Law Enforcement (Sheriff)		4,939,214
Total Expenditure Reduction		11,937,169
County Property Tax Admin. Fee of 1.00%		(14,025)
Net Revenue Impact to County - Positive/(Negative)	\$	9,057,816
Potential Revenue Neutrality Payment		Zero

PERSONNEL COSTS

Department	ROTW (Proposed)		
	Salary	Positions	Total Salary
<b>Administrative</b>			
City Manager	221,000	1.00	221,000
City Clerk/Administrative Analyst	64,958	1.00	64,958
Chief Operations Officer	142,500	0.35	49,875
Permit-License Specialist	55,037	0.10	5,504
Administrative Clerk	38,189	1.00	38,189
<b>Dept. Benefits Ratio</b>	<b>35%</b>		<b>132,834</b>
<b>Human Resources</b>			
Chief Operations Officer	142,500	0.50	71,250
Senior Human Resources Specialist	76,086	1.00	76,086
Administrative Assistant	47,611	1.00	47,611
<b>Dept. Benefits Ratio</b>	<b>35%</b>		<b>68,232</b>
<b>Finance</b>			
Chief Operations Officer	142,500	0.05	7,125
Finance Supervisor	87,256	1.00	87,256
Office Specialist	30,000	1.00	30,000
Accountant	60,798	2.00	121,597
Accounting Technician	54,870	1.00	54,870
<b>Dept. Benefits Ratio</b>	<b>35%</b>		<b>105,297</b>
<b>Public Works/Engineering</b>			
Director of Public Works	123,000	1.00	123,000
Chief Operations Officer	142,500	0.10	14,250
Associate Engineer	87,256	2.00	174,512
Crew Leader - Street Maintenance	51,397	1.00	51,397
Crew Leader - Facilities/Parks	51,397	1.00	51,397
Maintenance Worker II - Street Maintenance	46,259	4.00	185,037
Maintenance Worker - Facilities/Parks	37,960	2.00	75,920
Mechanic II	64,875	1.00	64,875
Administrative Assistant	47,611	1.00	47,611
<b>Dept. Benefits Ratio</b>	<b>35%</b>		<b>275,800</b>

Community Development			
Community Development Director	130,750	1.00	130,750
City Planner	96,158	1.00	96,158
Principal Planner	83,450	1.00	83,450
Associate Planner	75,858	1.00	75,858
Senior Code Compliance Officer	66,082	1.00	66,082
Code Compliance Officer	52,707	1.00	52,707
Senior Plans Examiner	77,293	1.00	77,293
Permit-License Specialist	55,037	0.90	49,533
Administrative Assistant	47,611	1.00	47,611
Dept. Benefits Ratio	35%		237,805

**TOTAL STAFF** **33.00** **\$ 819,967**

City Attorney  
Total Estimated Contract Services and Contract 154,000

Law Enforcement  
Total Estimated County Contract 4,939,214

Animal Control  
Total Estimated County Contract 279,700

**TOTAL PERSONNEL (INCLUDING CONTRACTED STAFF) 6,192,881**

*Note: Although this staffing structure is modeled after the City of Big Bear Lake's, significant changes have been made to adapt it to ROTW's own unique circumstances. These changes include the dissolution, creation, and consolidation of various departments, the elimination or addition of various positions, and minor changes to time allocation.*

*Source: City of Big Bear Lake 2014-15 Operating Budget and 2014-15 Salary Schedule*

CITY COUNCIL

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
City Council Stipends	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600
Supplies & Services						
Office Expenses		500	500	500	600	600
2015 Cost	500					
Growth Rate	2.1%					
Travel & Memberships		500	500	500	600	600
2015 Cost	500					
Growth Rate	2.1%					
TOTAL	\$ 25,600	\$ 25,600	\$ 25,600	\$ 25,800	\$ 25,800	\$ 25,800
Department Personnel	-	-	-	-	-	-

Source: Big Bear Lake 2014-15 Operating Budget

Item Detail and Assumptions	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies & Services						
Contract with Law Firm						
2015 Cost	154,000	\$ 154,000	\$ 168,300	\$ 173,300	\$178,500	\$183,900
Base Cost Growth Rate	3.0%					
TOTAL		\$ 154,000	\$ 168,300	\$ 173,300	\$178,500	\$183,900
TOTAL		\$ 154,000	\$ 168,300	\$ 173,300	\$178,500	\$183,900
Department Personnel		-	-	-	-	-

Source: City of Big Bear Lake Operating Budget, 2014-15

CITY MANAGER

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
City Manager	\$ 298,400	\$ 326,100	\$ 335,900	\$346,000	\$356,400	\$367,100
2015 Cost	221,000					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
City Clerk/Administrative Analyst	87,700	95,800	98,700	101,700	104,800	107,900
2015 Cost	64,958					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Chief Operations Officer	67,300	73,500	75,700	78,000	80,300	82,700
2015 Cost	49,875					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Permit-License Specialist	7,400	8,000	8,200	8,400	8,700	9,000
2015 Cost	5,504					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Administrative Clerk	51,600	56,300	58,000	59,700	61,500	63,300
2015 Cost	38,189					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Supplies & Services						
Notices and Office Expenses	2,000	2,100	2,200	2,200	2,300	2,300
2015 Cost	2,000					
Growth Rate	2.1%					
Travel & Memberships	3,900	4,200	4,300	4,400	4,500	4,600
2015 Cost	3,925					
Growth Rate	2.1%					
Codification Services	10,000	2,800	2,900	3,000	3,100	3,200
2015 Cost	10,000					
Growth Rate	2.1%					
Elections	73,000	-	79,000	-	82,200	-
2015 Cost per Registered Voter	2.50					
Per Capita Costs	see below					
Capital Outlay						
Computer Hardware & Software	3,500	900	900	1,000	1,000	1,000
2015 Cost	3,450					
Growth Rate	2.1%					
<b>TOTAL</b>	<b>\$ 604,800</b>	<b>\$ 569,700</b>	<b>\$ 665,800</b>	<b>\$604,400</b>	<b>\$704,800</b>	<b>\$641,100</b>
<hr/>						
Department Personnel	3.45	3.45	3.45	3.45	3.45	3.45
<hr/>						
Notes						
Projected Population	29,198	30,985	31,605	32,237	32,882	33,539

Source: City of Big Bear Lake Operating Budget, 2014-15

FINANCE

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Chief Operations Officer	\$ 7,100	\$ 7,700	\$ 7,900	\$ 8,100	\$ 8,300	\$ 8,500
2015 Cost	71,250					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Finance Supervisor	117,800	128,600	132,500	136,500	140,600	144,800
2015 Cost	87,256					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Office Specialist	40,500	44,300	45,600	47,000	48,400	49,900
2015 Cost	30,000					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Accountant	164,200	179,400	184,800	190,300	196,000	201,900
2015 Cost	121,597					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Accounting Technician	74,100	81,000	83,400	85,900	88,500	91,200
2015 Cost	54,870					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Supplies & Services						
Office Expenses	2,500	2,800	2,900	3,000	3,100	3,200
2015 Cost	2,500					
Growth Rate	2.1%					
Travel & Memberships	1,300	1,400	1,400	1,400	1,500	1,500
2015 Cost	1,300					
Growth Rate	2.1%					
Capital Outlay						
Office Equipment & Furnishings	5,100	1,300	1,400	1,400	1,400	1,500
2015 Cost	5,050					
Growth Rate	2.1%					
Financial Software	10,000	1,100	1,100	1,100	1,100	1,200
2015 Cost	10,000					
Growth Rate	2.1%					
<b>TOTAL</b>	<b>\$ 422,600</b>	<b>\$ 447,600</b>	<b>\$ 461,000</b>	<b>\$474,700</b>	<b>\$488,900</b>	<b>\$503,700</b>
<hr/>						
Department Personnel	5.1	5.1	5.1	5.1	5.1	5.1

Source: City of Big Bear Lake Operating Budget, 2014-15

HUMAN RESOURCES

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Chief Operations Officer	\$ 96,200	\$ 105,200	\$ 108,400	\$ 111,700	\$ 115,100	\$ 118,600
2015 Cost	71,250					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Senior Human Resources Specialist	102,700	112,300	115,700	119,200	122,800	126,500
2015 Cost	76,086					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Administrative Assistant	64,300	70,200	72,300	74,500	76,700	79,000
2015 Cost	47,611					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Supplies & Services						
Office Expenses	2,500	2,800	2,900	3,000	3,100	3,200
2015 Cost	2,500					
Growth Rate	2.1%					
Capital Outlay						
Computer Hardware & Software	2,500	700	700	700	700	700
2015 Cost	2,500					
Growth Rate	2.1%					
<b>TOTAL</b>	<b>\$ 268,200</b>	<b>\$ 291,200</b>	<b>\$ 300,000</b>	<b>\$ 309,100</b>	<b>\$ 318,400</b>	<b>\$ 328,000</b>
<hr/>						
Department Personnel	2.50	2.50	2.50	2.50	2.50	2.50

Source: City of Big Bear Lake Operating Budget, 2014-15

Community Development

Item Detail and Assumptions	Annual City Operating Budget						
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22	
Department Expenditures							
Salaries & Benefits							
Community Development Director		\$ 176,500	\$ 192,900	\$ 198,700	\$ 204,700	\$ 210,800	\$ 217,100
2015 Cost	130,750						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
City Planner		129,800	141,800	146,100	150,500	155,000	159,700
2015 Cost	96,158						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Principal Planner		112,700	123,200	126,900	130,700	134,600	138,600
2015 Cost	83,450						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Associate Planner		102,400	112,000	115,400	118,900	122,500	126,200
2015 Cost	75,858						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Senior Code Compliance Officer		89,200	97,500	100,400	103,400	106,500	109,700
2015 Cost	66,082						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Code Compliance Officer		71,200	77,800	80,100	82,500	85,000	87,600
2015 Cost	52,707						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Senior Plans Examiner		104,300	113,900	117,300	120,800	124,400	128,100
2015 Cost	77,293						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Permit-License Specialist		66,900	73,100	75,300	77,600	79,900	82,300
2015 Cost	49,533						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Administrative Assistant		64,300	70,200	72,300	74,500	76,700	79,000
2015 Cost	47,611						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Supplies & Services							
General Plan/EIR Preparation		-	275,000	275,000	275,000	275,000	-
Zoning Code Preparation		-	-	-	-	-	175,000
Office Expenses		2,500	2,800	2,900	3,000	3,100	3,200
2015 Cost	2,500						
Growth Rate	2.1%						
Capital Outlay							
Computer Hardware & Software		8,900	2,400	2,400	2,500	2,500	2,600
2015 Cost	8,900						
Growth Rate	2.1%						
Office Furnishings and Fixtures		-	-	-	-	-	-
<b>TOTAL</b>		<b>\$ 928,700</b>	<b>\$ 1,282,600</b>	<b>\$ 1,312,800</b>	<b>\$ 1,344,100</b>	<b>\$ 1,376,000</b>	<b>\$ 1,309,100</b>
Department Personnel		8.90	8.90	8.90	8.90	8.90	8.90

Source: City of Big Bear Lake Operating Budget, 2014-15

Annual City Operating Budget

Item Detail and Assumptions

Base Year  
2014-15

2017-18

2018-19

2019-20

2020-21

2021-22

Department Expenditures

General

Salaries & Benefits

Director of Public Works

\$ 166,100 \$ 181,500 \$ 186,900 \$ 192,500 \$ 198,300 \$ 204,200

2015 Cost

123,000

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Chief Operations Officer

19,200 21,000 21,600 22,200 22,900 23,600

2015 Cost

14,250

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Associate Engineer

235,600 257,500 265,200 273,200 281,400 289,800

2015 Cost

174,512

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Crew Leader - Facilities/Parks

69,400 75,800 78,100 80,400 82,800 85,300

2015 Cost

51,397

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Maintenance Worker - Facilities/Parks

102,500 112,100 115,500 119,000 122,600 126,300

2015 Cost

75,920

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Mechanic II

87,600 95,700 98,600 101,600 104,600 107,700

2015 Cost

64,875

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Administrative Assistant

64,300 70,200 72,300 74,500 76,700 79,000

2015 Cost

47,611

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Supplies & Services

NPDES Program Implementation

70,000 75,000 77,000 79,000 81,000 83,000

2015 Cost

70,000

Growth Rate

2.1%

AB 939 Solid Waste Program

15,500 17,000 17,500 18,100 18,600 19,200

2015 Cost per Resident

0.53

Growth Rate

2.1%

Office Expenses

2,500 2,800 2,900 3,000 3,100 3,200

2015 Cost

2,500

Growth Rate

2.1%

Computer Hardware & Software

13,100 3,500 3,600 3,600 3,700 3,800

2015 Cost

13,100

Growth Rate

2.1%

SUBTOTAL

\$ 845,800 \$ 912,100 \$ 939,200 \$ 967,100 \$ 995,700 \$ 1,025,100

Road Fund							
Crew Leader - Street Maintenance		69,400	75,800	78,100	80,400	82,800	85,300
2015 Cost	51,397						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Maintenance Worker II - Street Maintenance		249,800	273,000	281,200	289,600	298,300	307,200
2015 Cost	185,037						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Capital Outlay							
Road Maintenance, Snow Removal, & Snow Plow Equipment		1,518,100	1,617,200	1,651,700	1,686,900	1,722,800	1,759,500
2014-15 Big Bear Comp Estimated Cost for Services	1,486,440						
Growth Rate	2.1%						
SUBTOTAL		\$ 1,837,300	\$ 1,966,000	\$ 2,011,000	\$ 2,056,900	\$ 2,103,900	\$ 2,152,000
TOTAL		\$ 2,683,100	\$ 2,878,100	\$ 2,950,200	\$ 3,024,000	\$ 3,099,600	\$ 3,177,100

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Department Personnel		13.10	13.10	13.10	13.10	13.10	13.10
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Source: City of Big Bear Lake Operating Budget, 2014-15

ANIMAL CONTROL

Item Detail and Assumptions	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies & Services						
Contract with County Animal Control	\$ 279,700	\$ 334,000	\$ 354,300	\$375,900	\$398,800	\$423,100
2015 Cost	279,700					
Base Cost Growth Rate	3.0%					
TOTAL	\$ 279,700	\$ 334,000	\$ 354,300	\$375,900	\$398,800	\$423,100
Department Personnel		-	-	-	-	-

Source: City of Big Bear Lake Operating Budget, 2014-15

LAW ENFORCEMENT

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies & Services						
Contract with County Sheriff Department	\$4,939,200	\$5,897,600	\$6,256,800	\$6,637,800	\$7,042,000	\$7,470,900
2015 Cost	4,939,214					
Base Cost Growth Rate	3.0%					
<b>TOTAL</b>	<b>\$4,939,200</b>	<b>\$5,897,600</b>	<b>\$6,256,800</b>	<b>\$6,637,800</b>	<b>\$7,042,000</b>	<b>\$7,470,900</b>
Department Personnel	-	-	-	-	-	-

Source: City of Big Bear Lake Operating Budget, 2014-15

FIRE PROTECTION

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Item Detail and Assumptions	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Costs from Dissolved Districts		20,441,800	20,877,400	21,322,300	21,776,700	22,240,800
Transferred from Crest Forest FPD	4,810,260					
Transferred from Arrowbear Park	320,610					
Transferred from Running Springs	1,703,594					
Transferred from County Fire	12,354,345					
Total 2014-15 Costs	19,188,809					
Growth Rate	2.13%					
Capital Outlay						
TOTAL	\$ 19,188,800	\$ 20,441,800	\$ 20,877,400	\$ 21,322,300	\$ 21,776,700	\$ 22,240,800
Department Personnel	-	-	-	-	-	-

NON-DEPARTMENTAL

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies and Services						
LAFCo Fees	\$ 6,000	\$ 6,300	\$ 6,400	\$ 6,500	\$ 6,600	\$ 6,700
14-15 Cost	6,000					
Growth Rate	2.1%					
Insurance	400,000	426,100	435,200	444,500	454,000	463,700
2015 Cost	400,000					
Growth Rate	2.1%					
IT Support Contract	100,000	109,300	112,600	116,000	119,500	123,100
2015 Cost	100,000					
Growth Rate	3.0%					
City Hall Rent, Utilities, Maintenance	37,500	41,000	42,200	43,500	44,800	46,100
Gross Rent/sf/mo	\$ 2.50					
Gross Leaseable Area	10,000					
Expense Ratio (Utilities, Janitorial, Etc.)	50%					
2015 Cost	37,500					
Growth Rate	3.0%					
Capital Outlay						
<b>TOTAL</b>	<b>\$ 543,500</b>	<b>\$ 582,700</b>	<b>\$ 596,400</b>	<b>\$ 610,500</b>	<b>\$ 624,900</b>	<b>\$ 639,600</b>
Department Personnel	-	-	-	-	-	-

Source: City of Big Bear Lake Operating Budget, 2014-15

## DISTRICT BREAKDOWN

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### General Districts

- Rim of the World P&R
- CSA 70 D-1
- Crest Forest FPD
- SBCFPD Mountain Service Zone
- SBCFPD - Lake Arrowhead Ambulance
- SBCFPD - PM1 Lake Arrowhead Paramedic

### Road Districts

- CSA 18
- CSA 54
- CSA 59
- CSA 68
- CSA 69
- CSA 70 R-13
- CSA 70 R-16
- CSA 70 R-2
- CSA 70 R-22
- CSA 70 R-23
- CSA 70 R-35
- CSA 70 R-4
- CSA 70 R-40
- CSA 70 R-44
- CSA 70 R-46
- CSA 70 R-7
- CSA 70 R-9
- CSA 70 Zone CG
- CSA 79 R-1

### Water and Sewer Districts

- CSA 79
- Arrowbear Park CWD
- CLAWA
- Crestline SD
- Crestline Village WD
- Lake Arrowhead CSD
- Running Springs WD

**Rim of the World  
(No Hilltop)**

**Feasibility Analysis Spreadsheets**

GENERAL FUND SUMMARY

	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$ -	\$ -	\$ (5,050,300)	\$ (10,485,100)	\$ (16,191,400)	\$ (22,399,000)
Revenues by Source						
Property Taxes	1,185,000	1,259,300	1,283,000	1,307,800	1,332,500	1,358,300
Sales Taxes	1,140,200	1,214,600	1,240,500	1,266,900	1,293,900	1,321,500
Property Transfer Taxes	116,200	128,500	131,700	135,000	138,300	141,800
Transient Occupancy Taxes	800,300	852,600	870,800	889,300	908,300	927,600
Off Highway License Subvention	1,400	1,400	1,500	1,500	1,500	1,500
Animal Control Fees	103,300	123,400	130,900	138,900	147,300	156,300
Fines & Forfeitures	50,800	53,500	54,000	54,600	55,100	55,700
Franchise Fees	602,300	620,600	626,800	633,000	639,400	645,700
Community Development Fees	917,300	1,002,400	1,032,500	1,063,600	1,095,400	1,128,300
Public Works Fees	120,000	131,200	135,100	139,200	143,400	147,600
Interest Earnings	-	-	-	-	-	-
Total	\$ 5,036,800	\$ 5,387,500	\$ 5,506,800	\$ 5,629,800	\$ 5,755,100	\$ 5,884,300
Expenditures by Department						
City Council	25,600	25,600	25,600	25,800	25,800	25,800
City Administration	590,400	569,700	650,300	604,400	688,600	641,100
City Attorney	154,000	168,300	173,300	178,500	183,900	189,400
Human Resources	268,200	291,200	300,000	309,100	318,400	328,000
Finance	425,100	450,400	463,900	477,700	492,000	506,900
Community Development	928,700	1,282,600	1,312,800	1,344,100	1,376,000	1,309,100
Public Works	842,700	908,300	935,000	962,300	990,600	1,019,500
Animal Control	279,700	334,000	354,300	375,900	398,800	423,100
Law Enforcement	3,966,200	4,735,800	5,024,200	5,330,200	5,654,800	5,999,200
Non-Departmental	543,500	582,700	596,400	610,500	624,900	639,600
Transition Period Loan Repayment	TBD	TBD	TBD	TBD	TBD	TBD
Revenue Neutrality Payment	-	-	-	-	-	-
Contingency (10% of Expenditures)	802,000	935,000	984,000	1,022,000	1,075,000	1,108,000
Reserve Fund (25% of Expenditures)	2,006,000	154,200	121,800	95,600	133,900	81,900
Total	\$ 10,832,100	\$ 10,437,800	\$ 10,941,600	\$ 11,336,100	\$ 11,962,700	\$ 12,271,600
Net Revenue / (Deficit)	(5,795,300)	(5,050,300)	(5,434,800)	(5,706,300)	(6,207,600)	(6,387,300)
Ending Fund Balance	\$ (5,795,300)	\$ (5,050,300)	\$ (10,485,100)	\$ (16,191,400)	\$ (22,399,000)	\$ (28,786,300)

**ROAD FUND SUMMARY**

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	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	\$ -	\$ -	\$ (1,697,500)	\$ (1,740,000)	\$ (1,784,500)	\$ (1,830,100)
Revenues by Source						
Gas Tax (Sec. 2105)	1,400	1,400	1,500	1,500	1,500	1,500
Gas Tax (Sec. 2106)	132,700	136,700	138,100	139,500	140,900	142,300
Gas Tax (Sec. 2107)	125,400	125,400	125,400	125,400	125,400	125,400
Gas Tax (Sec. 2107.5)	5,000	5,000	6,000	6,000	6,000	6,000
Interest Earnings	-	-	-	-	-	-
Total	\$ 264,500	\$ 268,500	\$ 271,000	\$ 272,400	\$ 273,800	\$ 275,200
Expenditures by Department						
Road Maintenance	1,837,300	1,966,000	2,011,000	2,056,900	2,103,900	2,152,000
Total	\$ 1,837,300	\$ 1,966,000	\$ 2,011,000	\$ 2,056,900	\$ 2,103,900	\$ 2,152,000
Net Revenue / (Deficit)	(1,572,800)	(1,697,500)	(1,740,000)	(1,784,500)	(1,830,100)	(1,876,800)
Ending Fund Balance	\$ (1,572,800)	\$ (1,697,500)	\$ (3,437,500)	\$ (3,524,500)	\$ (3,614,600)	\$ (3,706,900)

**CSA/SPECIAL DISTRICT ANALYSIS**

	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Unrestricted Cash from Dissolved Districts						
General	-	7,348,500				
Road	-	1,177,700				
Water and Sewer	-	13,541,500				
Total	\$ -	\$ 22,067,700				
Beginning Fund Balance	\$ -	\$ 22,067,700	\$ 21,222,100	\$ 20,459,900	\$ 19,683,100	\$ 18,887,300
Dissolved District Revenues						
Property Taxes from Dissolved Districts	15,941,000	16,940,300	17,265,000	17,596,300	17,934,300	18,279,000
Fees for Services						
General	7,148,500	7,615,300	7,777,600	7,943,300	8,112,600	8,285,500
Road Districts	1,003,400	1,068,900	1,091,700	1,115,000	1,138,800	1,163,100
Water and Sewer Districts	15,052,600	16,035,600	16,377,300	16,726,300	17,082,700	17,446,700
Interest Earnings	-	69,000	66,300	64,000	61,500	59,000
Total	\$ 39,145,500	\$ 41,729,100	\$ 42,577,900	\$ 43,444,900	\$ 44,329,900	\$ 45,233,300
Dissolved Districts Expenditures						
Fire Protection	16,560,100	17,641,500	18,017,400	18,401,400	18,793,500	18,793,500
Other Operating Expenditures						
General	7,355,300	7,835,600	8,002,600	8,173,100	8,347,300	8,525,200
Road Districts	986,700	1,051,100	1,073,500	1,096,400	1,119,800	1,143,700
Water and Sewer Districts	13,274,600	14,141,500	14,442,900	14,750,700	15,065,000	15,386,000
Debt Service	2,762,200	1,905,000	1,803,700	1,800,100	1,800,100	1,800,100
Total	\$ 40,938,900	\$ 42,574,700	\$ 43,340,100	\$ 44,221,700	\$ 45,125,700	\$ 45,648,500
Net Revenue / (Deficit)	(1,793,400)	(845,600)	(762,200)	(776,800)	(795,800)	(415,200)
Ending Fund Balance	\$ (1,793,400)	\$ 21,222,100	\$ 20,459,900	\$ 19,683,100	\$ 18,887,300	\$ 18,472,100

2014 POPULATION ESTIMATES

Jurisdiction	Total	%
San Bernardino County	2,085,669	100.0%
<i>Incorporated Cities</i>	<i>1,788,244</i>	<i>85.2%</i>
San Bernardino	212,721	10.2%
Fontana	202,177	9.7%
Rancho Cucamonga	172,299	8.3%
Ontario	167,382	8.0%
Victorville	120,590	5.8%
Rialto	101,429	4.9%
Hesperia	91,506	4.4%
Chino	81,747	3.9%
Chino Hills	76,131	3.7%
Upland	75,147	3.6%
Apple Valley	70,755	3.4%
Redlands	69,882	3.4%
Highland	54,033	2.6%
Colton	53,057	2.5%
Yucaipa	52,654	2.5%
Montclair	37,374	1.8%
Adelanto	32,511	1.6%
Twentynine Palms	26,576	1.3%
Loma Linda	23,614	1.1%
Barstow	23,292	1.1%
Yucca Valley	21,053	1.0%
Grand Terrace	12,285	
Big Bear Lake	5,121	0.2%
Needles	4,908	0.2%
<i>Unincorporated</i>	<i>297,425</i>	<i>14.3%</i>
<b>Rim of the World (Without Hilltop)</b>	<b>23,448</b>	<b>1.1%</b>

Sources: California Department of Finance and ESRI Business Analyst

POPULATION FORECAST

	Base Year					
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
RSG Estimated Growth Rate (1%)	23,448	24,158	24,400	24,644	24,891	25,139
Growth Rates						
US Census Figures, 2000-2010	-0.83%					
ESRI Business Analyst Estimates, 2010-14	1.25%					
ESRI Business Analyst Estimates, 2014-19	2.48%					

ASSESSED VALUE FORECAST

	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Lake Arrowhead AV</i>						
Prior Year AV Plus 2.00%	3,932,379,712	4,173,075,000	4,256,536,500	4,341,667,200	4,428,500,500	4,517,070,500
Prior Year Unsecured AV Plus 0.00%	41,719,123	41,719,100	41,719,100	41,719,100	41,719,100	41,719,100
Cedar Glen RDA Adjustment	(64,654,548)	(80,117,225)	(85,478,981)	(90,947,971)	(96,526,342)	(102,216,280)
Projected New Residential Value		21,912,000	22,680,600	23,481,500	24,305,800	25,163,800
<b>Total</b>	<b>3,909,444,287</b>	<b>4,156,588,875</b>	<b>4,235,457,219</b>	<b>4,315,919,829</b>	<b>4,397,999,058</b>	<b>4,481,737,120</b>
<i>Crest Forest AV</i>						
Prior Year AV Plus 2.00%	1,079,350,700	1,145,419,200	1,168,327,600	1,191,694,200	1,215,528,100	1,239,838,700
Prior Year Unsecured AV Plus 0.00%	7,371,836	7,371,800	7,371,800	7,371,800	7,371,800	7,371,800
<b>Total</b>	<b>1,086,722,536</b>	<b>1,152,791,000</b>	<b>1,175,699,400</b>	<b>1,199,066,000</b>	<b>1,222,899,900</b>	<b>1,247,210,500</b>
<i>Hilltop AV</i>						
Prior Year AV Plus 2.00%	798,241,682	847,099,800	864,041,800	881,322,600	898,949,100	916,928,100
Prior Year Unsecured AV Plus 0.00%	10,813,169	10,813,200	10,813,200	10,813,200	10,813,200	10,813,200
<b>Total</b>	<b>809,054,851</b>	<b>857,913,000</b>	<b>874,855,000</b>	<b>892,135,800</b>	<b>909,762,300</b>	<b>927,741,300</b>
<i>ROTW AV</i>						
Prior Year AV Plus 2.00%	5,805,221,674	6,167,292,875	6,286,011,619	6,407,121,629	6,530,661,258	6,656,688,920
<i>ROTW Without Hilltop AV</i>						
Prior Year AV Plus 2.00%	4,996,166,823	5,309,379,875	5,411,156,619	5,514,985,829	5,620,898,958	5,728,947,620

Source: County Assessor's 2014-15 Secured and Unsecured Tax Rolls

TRANSIENT OCCUPANCY TAX

	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Lake Arrowhead TOT</i>						
Prior Year TOT Plus 2.13%	725,600	773,000	789,500	806,300	823,500	841,000
<i>Crest Forest TOT</i>						
Prior Year TOT Plus 2.13%	74,700	79,600	81,300	83,000	84,800	86,600
<i>Hilltop TOT</i>						
Prior Year TOT Plus 2.13%	24,400	25,900	26,500	27,100	27,700	28,300
<i>ROTW TOT</i>						
Prior Year TOT Plus 2.13%	824,700	878,500	897,300	916,400	936,000	955,900
<i>ROTW Without Hilltop TOT</i>						
Prior Year TOT Plus 2.13%	800,300	852,600	870,800	889,300	908,300	927,600

Source: Hotel Transient Occupancy Tax - Unincorporated Communities, 2013-14 Fiscal Year

PROPERTY TRANSFER TAXES

	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Total Property Sales (2013-14)	\$ 234,963,329					
2013-14 Transfer Tax (Co. Share)	258,460					
<i>(\$1.10 / \$1,000 transferred, will be split in half with incorporation)</i>						
<b>Projected Turnover</b>						
Residential Resale Volume	\$ 211,300,000	\$ 233,600,000	\$ 239,400,000	\$ 245,400,000	\$ 251,500,000	\$ 257,800,000
Projected Existing Housing Stock	19,311	19,500	19,600	19,700	19,800	19,900
Turnover Rate	5.0%	1,000	1,000	1,000	1,000	1,000
Median Resale Price (2013-14)	\$ 189,000	\$ 211,300	\$ 233,600	\$ 245,400	\$ 251,500	\$ 257,800
Appreciation Rate (2014)	11.8%					
Appreciation Rate (2015)	5.2%					
Appreciation Rate (Later Yrs)	2.5%					
Property Transfer Taxes (Projected)	\$ 116,200	\$ 128,500	\$ 131,700	\$ 135,000	\$ 138,300	\$ 141,800

Sources: ESRI Business Analyst and CoreLogic's MetroScan Database

Note: For estimating purposes only, all new growth put into Lake Arrowhead SubArea

ESTIMATED 2014-015 AUDITOR'S RATIO

	2014-15 Adopted Budget Figures	
	General	Total
Taxes (Excluding Property Tax)	282,843,627	
1991 Realignment	209,149,972	
2011 Realignment	304,905,462	
State, Federal, or Government Aid	1,573,072,710	
Fee/Rate	893,328,166	
Other Revenue	122,895,072	
Subtotal	\$ 3,386,195,009	\$ -
Property Taxes	450,800,000	450,800,000
Total	\$ 3,836,995,009	\$ 450,800,000
<b>Estimated Auditor's Ratio</b>	<b>11.7488%</b>	

Source: San Bernardino County Budget, 2014-15

PROPERTY TAX SHARE TRANSFER

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

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

*Source: San Bernardino County*

PROPERTY TAXES

		Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Property Taxes	2.395%	\$ 1,197,000	\$ 1,272,000	\$ 1,296,000	\$ 1,321,000	\$ 1,346,000	\$ 1,372,000
Less: County Admin. Fee	-1.00%	<u>(12,000)</u>	<u>(12,700)</u>	<u>(13,000)</u>	<u>(13,200)</u>	<u>(13,500)</u>	<u>(13,700)</u>
Net Property Tax		1,185,000	1,259,300	1,283,000	1,307,800	1,332,500	1,358,300
<b>TOTAL</b>		<b>\$ 1,185,000</b>	<b>\$ 1,259,300</b>	<b>\$ 1,283,000</b>	<b>\$ 1,307,800</b>	<b>\$ 1,332,500</b>	<b>\$ 1,358,300</b>

Source: San Bernardino County

SALES TAXES

	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
No Hilltop Adjustment Factor	84.67%					
Prior Year Sales Tax Plus 2.1%	1,053,100	1,121,800	1,145,700	1,170,100	1,195,000	1,220,500
Unallocated Sales Tax Adjustment Estim	87,100	92,800	94,800	96,800	98,900	101,000
Total Sales Tax	1,140,200	1,214,600	1,240,500	1,266,900	1,293,900	1,321,500

*Note: California Department of Finance estimates that the Economic Recovery Bonds that require the California State "Triple-Flip" sales tax split will be retired by the time of incorporation.*

*Source: San Bernardino County, Historical Sales Tax by Quarter*

ADJUSTMENT TO TAXABLE SALES REVENUE ESTIMATE

Taxable Sales by Jurisdiction (Reported in Thousands of Dollars)	California <sup>1</sup>	San Bernardino County <sup>1</sup>	ROTW <sup>2</sup>
Direct Allocation of Total Taxable Sales (000's)			
Q4, 2013	\$ 138,584,504	\$ 7,569,103	26,322
Q3, 2013	131,397,016	6,939,458	27,980
Q2, 2013	130,550,316	6,919,273	26,156
Q1, 2013	<u>120,647,708</u>	<u>6,512,756</u>	<u>22,004</u>
Total	521,179,544	27,940,590	102,462
Study Area Share of Direct Allocations	0.0197%	0.3667%	
Indirect Allocation of Total Taxable Sales (000's)			
Q4, 2013	130,255	924,835	
Q3, 2013	66,522	766,695	
Q2, 2013	90,113	793,795	
Q1, 2013	<u>76,111</u>	<u>751,908</u>	
Total	232,746	2,312,398	
Times: Study Area Share of Direct:	0.0197%	0.3667%	
Study Area Indirect Allocations	<u>46</u>	<u>8,480</u>	
Total			<u>8,526</u>
Total Adjusted Taxable Sales (in thousands)			110,988

<sup>1</sup> Quarterly Taxable Sales Reports (Table 2) and State Board of Equalization

<sup>2</sup> San Bernardino County LAFCO

## OTHER REVENUES

		Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Off-Highway Vehicle License Subvention		1,400	1,400	1,500	1,500	1,500	1,500
SCO Per Capita (2014-15)	0.06						
Growth Rate	0%						
Franchise Fees		602,300	620,600	626,800	633,000	639,400	645,700
Per Capita Base Year Estimate (14-15)	25.69						
Growth Rate	0.0%						
Fines & Forfeitures		50,800	53,500	54,000	54,600	55,100	55,700
Per Capita	2.17						
Growth Rate	2.1%						
2014-15 Gas Tax (to Road Fund)							
Gas Tax (Sec. 2103) Per Capita	12.93	303,200	312,400	315,500	318,700	321,900	325,100
Gas Tax (Sec. 2105) Per Capita	5.94	139,300	143,600	145,000	146,500	147,900	149,400
Gas Tax (Sec. 2106) Per Capita	5.66	132,700	136,700	138,100	139,500	140,900	142,300
Gas Tax (Sec. 2107) Per Capita	7.88	184,800	190,400	192,300	194,200	196,200	198,100
Gas Tax (Sec. 2107 - Snow Removal)	125,380	125,400	125,400	125,400	125,400	125,400	125,400
Growth Rate	0%						
Gas Tax (Sec. 2107.5)	Fixed Pmt	5,000	5,000	6,000	6,000	6,000	6,000
Projected Population		23,448	24,158	24,400	24,644	24,891	25,139

Sources: San Bernardino County and City of Big Bear Lake Operating Budget, 2014-15

FEES FOR SERVICES

		Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Community Development Fees	\$	917,300	\$ 1,002,400	\$ 1,032,500	\$ 1,063,600	\$ 1,095,400	\$ 1,128,300
14-15 Cost for Services	\$	917,300					
% of Costs Offset		100.00%					
Public Works Fees		120,000	131,200	135,100	139,200	143,400	147,600
14-15 Cost for Services	\$	744,700					
% of Costs Offset		16.12%					
Animal Control Fees		103,300	123,400	130,900	138,900	147,300	156,300
14-15 Cost for Services	\$	279,700					
% of Costs Offset		36.94%					
<b>TOTAL</b>	\$	1,140,600	\$ 1,257,000	\$ 1,298,500	\$ 1,341,700	\$ 1,386,100	\$ 1,432,200

## REVENUE NEUTRALITY CALCULATIONS

2014-15 Estimates

Revenue Transferred		
Property Tax	\$ 1,126,187	
Sales Tax	832,407	
Property Tax In Lieu	277,469	
Property Transfer Tax	129,229.83	
Fines & Forfeitures (Cost Offset)	-	
Franchise Fees	<u>26</u>	
Total Revenue Loss to County		\$ (2,365,318)
Expenses Transferred (Net of Revenue Offsets)		
Planning	-	
Building & Safety	-	
Engineering	5,477,738	
Animal Control	141,619	
Fire Protection	-	
Law Enforcement (Sheriff)	<u>3,966,189</u>	
Total Expenditure Reduction		9,585,547
County Property Tax Admin. Fee of 1.00%		<u>11,262</u>
Net Revenue Impact to County - Positive/(Negative)		\$ 7,231,490
Potential Revenue Neutrality Payment		Zero

PERSONNEL COSTS

Department	ROTW (Proposed)		
	Salary	Positions	Total Salary
<b>Administrative</b>			
City Manager	221,000	1.00	221,000
City Clerk/Administrative Analyst	64,958	1.00	64,958
Chief Operations Officer	142,500	0.35	49,875
Permit-License Specialist	55,037	0.10	5,504
Administrative Clerk	38,189	1.00	38,189
<u>Dept. Benefits Ratio</u>	<u>35%</u>		<u>132,834</u>
<b>Human Resources</b>			
Chief Operations Officer	142,500	0.50	71,250
Senior Human Resources Specialist	76,086	1.00	76,086
Administrative Assistant	47,611	1.00	47,611
<u>Dept. Benefits Ratio</u>	<u>35%</u>		<u>68,232</u>
<b>Finance</b>			
Chief Operations Officer	142,500	0.05	7,125
Finance Supervisor	87,256	1.00	87,256
Office Specialist	30,000	1.00	30,000
Accountant	60,798	2.00	121,597
Accounting Technician	54,870	1.00	54,870
<u>Dept. Benefits Ratio</u>	<u>35%</u>		<u>105,297</u>
<b>Public Works/Engineering</b>			
Director of Public Works	123,000	1.00	123,000
Chief Operations Officer	142,500	0.10	14,250
Associate Engineer	87,256	2.00	174,512
Crew Leader - Street Maintenance	51,397	1.00	51,397
Crew Leader - Facilities/Parks	51,397	1.00	51,397
Maintenance Worker II - Street Maintenance	46,259	4.00	185,037
Maintenance Worker - Facilities/Parks	37,960	2.00	75,920
Mechanic II	64,875	1.00	64,875
Administrative Assistant	47,611	1.00	47,611
<u>Dept. Benefits Ratio</u>	<u>35%</u>		<u>275,800</u>

Community Development			
Community Development Director	130,750	1.00	130,750
City Planner	96,158	1.00	96,158
Principal Planner	83,450	1.00	83,450
Associate Planner	75,858	1.00	75,858
Senior Code Compliance Officer	66,082	1.00	66,082
Code Compliance Officer	52,707	1.00	52,707
Senior Plans Examiner	77,293	1.00	77,293
Permit-License Specialist	55,037	0.90	49,533
Administrative Assistant	47,611	1.00	47,611
<u>Dept. Benefits Ratio</u>	<u>35%</u>		<u>237,805</u>

**TOTAL STAFF** **33.00** **\$ 819,967**

City Attorney  
Total Estimated Contract Services and Contract 154,000

Law Enforcement  
Total Estimated County Contract 4,939,214

Animal Control  
Total Estimated County Contract 279,700

**TOTAL PERSONNEL (INCLUDING CONTRACTED STAFF) 6,192,881**

*Note: Although this staffing structure is modeled after the City of Big Bear Lake's, significant changes have been made to adapt it to ROTW's own unique circumstances. These changes include the dissolution, creation, and consolidation of various departments, the elimination or addition of various positions, and minor changes to time allocation.*

*Source: City of Big Bear Lake 2014-15 Operating Budget and 2014-15 Salary Schedule*

CITY COUNCIL

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
City Council Stipends	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600
Supplies & Services						
Office Expenses		500	500	500	600	600
2015 Cost	500					
Growth Rate	2.1%					
Travel & Memberships		500	500	500	600	600
2015 Cost	500					
Growth Rate	2.1%					
Capital Outlay						
<b>TOTAL</b>	<b>\$ 25,600</b>	<b>\$ 25,600</b>	<b>\$ 25,600</b>	<b>\$ 25,800</b>	<b>\$ 25,800</b>	<b>\$ 25,800</b>
Department Personnel		-	-	-	-	-

Source: Big Bear Lake 2014-15 Operating Budget

Item Detail and Assumptions	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies & Services						
Contract with Law Firm						
2015 Cost	154,000	\$ 154,000	\$ 168,300	\$ 173,300	\$178,500	\$183,900
Base Cost Growth Rate	3.0%					
Capital Outlay						
<b>TOTAL</b>		<b>\$ 154,000</b>	<b>\$ 168,300</b>	<b>\$ 173,300</b>	<b>\$178,500</b>	<b>\$183,900</b>
Department Personnel		-	-	-	-	-

Source: City of Big Bear Lake Operating Budget, 2014-15

CITY MANAGER

Annual City Operating Budget

Item Detail and Assumptions	Base Year					
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Department Expenditures</b>						
<b>Salaries &amp; Benefits</b>						
City Manager	\$ 298,400	\$ 326,100	\$ 335,900	\$346,000	\$356,400	\$367,100
2015 Cost	221,000					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
City Clerk/Administrative Analyst	87,700	95,800	98,700	101,700	104,800	107,900
2015 Cost	64,958					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Chief Operations Officer	67,300	73,500	75,700	78,000	80,300	82,700
2015 Cost	49,875					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Permit-License Specialist	7,400	8,000	8,200	8,400	8,700	9,000
2015 Cost	5,504					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Administrative Clerk	51,600	56,300	58,000	59,700	61,500	63,300
2015 Cost	38,189					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
<b>Supplies &amp; Services</b>						
Notices and Office Expenses	2,000	2,100	2,200	2,200	2,300	2,300
2015 Cost	2,000					
Growth Rate	2.1%					
Travel & Memberships	3,900	4,200	4,300	4,400	4,500	4,600
2015 Cost	3,925					
Growth Rate	2.1%					
Codification Services	10,000	2,800	2,900	3,000	3,100	3,200
2015 Cost	10,000					
Growth Rate	2.1%					
Elections	58,600	-	63,500	-	66,000	-
2015 Cost per Registered Voter	2.50					
Per Capita Costs	See Below					
<b>Capital Outlay</b>						
Computer Hardware & Software	3,500	900	900	1,000	1,000	1,000
2015 Cost	3,450					
Growth Rate	2.1%					
<b>TOTAL</b>	<b>\$ 590,400</b>	<b>\$ 569,700</b>	<b>\$ 650,300</b>	<b>\$604,400</b>	<b>\$688,600</b>	<b>\$641,100</b>
<hr/>						
Department Personnel	3.45	3.45	3.45	3.45	3.45	3.45
<hr/>						
<b>Notes</b>						
Projected Population	23,448	24,883	25,381	25,888	26,406	26,934

Source: City of Big Bear Lake Operating Budget, 2014-15

FINANCE

Item Detail and Assumptions	Annual City Operating Budget						
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22	
Department Expenditures							
Salaries & Benefits							
Chief Operations Officer		9,600	\$ 10,500	\$ 10,800	\$ 11,100	\$ 11,400	\$ 11,700
2015 Cost	7,125						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Finance Supervisor		117,800	128,600	132,500	136,500	140,600	144,800
2015 Cost	87,256						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Office Specialist		40,500	44,300	45,600	47,000	48,400	49,900
2015 Cost	30,000						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Accountant		164,200	179,400	184,800	190,300	196,000	201,900
2015 Cost	121,597						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Accounting Technician		74,100	81,000	83,400	85,900	88,500	91,200
2015 Cost	54,870						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Supplies & Services							
Office Expenses		2,500	2,800	2,900	3,000	3,100	3,200
2015 Cost	2,500						
Growth Rate	2.1%						
Travel & Memberships		1,300	1,400	1,400	1,400	1,500	1,500
2015 Cost	1,300						
Growth Rate	2.1%						
Capital Outlay							
Office Equipment & Furnishings		5,100	1,300	1,400	1,400	1,400	1,500
2015 Cost	5,050						
Growth Rate	2.1%						
Replace. Cycle (Yrs)	5						
Financial Software		10,000	1,100	1,100	1,100	1,100	1,200
2015 Cost	10,000						
Growth Rate	2.1%						
<b>TOTAL</b>		<b>\$ 425,100</b>	<b>\$ 450,400</b>	<b>\$ 463,900</b>	<b>\$ 477,700</b>	<b>\$ 492,000</b>	<b>\$ 506,900</b>
Department Personnel		5.1	5.1	5.1	5.1	5.1	5.1

Source: City of Big Bear Lake Operating Budget, 2014-15

HUMAN RESOURCES

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Chief Operations Officer	\$ 96,200	\$ 105,200	\$ 108,400	\$ 111,700	\$ 115,100	\$ 118,600
2015 Cost	71,250					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Senior Human Resources Specialist	102,700	112,300	115,700	119,200	122,800	126,500
2015 Cost	76,086					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Administrative Assistant	64,300	70,200	72,300	74,500	76,700	79,000
2015 Cost	47,611					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Supplies & Services						
Office Expenses	2,500	2,800	2,900	3,000	3,100	3,200
2015 Cost	2,500					
Growth Rate	2.1%					
Capital Outlay						
Computer Hardware & Software	2,500	700	700	700	700	700
2015 Cost	2,500					
Growth Rate	2.1%					
<b>TOTAL</b>	<b>\$ 268,200</b>	<b>\$ 291,200</b>	<b>\$ 300,000</b>	<b>\$ 309,100</b>	<b>\$ 318,400</b>	<b>\$ 328,000</b>
<hr/>						
Department Personnel	2.50	2.50	2.50	2.50	2.50	2.50

Source: City of Big Bear Lake Operating Budget, 2014-15

COMMUNITY DEVELOPMENT

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Community Development Director	\$ 176,500	\$ 192,900	\$ 198,700	\$ 204,700	\$ 210,800	\$ 217,100
2015 Cost	130,750					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
City Planner	129,800	141,800	146,100	150,500	155,000	159,700
2015 Cost	96,158					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Principal Planner	112,700	123,200	126,900	130,700	134,600	138,600
2015 Cost	83,450					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Associate Planner	102,400	112,000	115,400	118,900	122,500	126,200
2015 Cost	75,858					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Senior Code Compliance Officer	89,200	97,500	100,400	103,400	106,500	109,700
2015 Cost	66,082					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Code Compliance Officer	71,200	77,800	80,100	82,500	85,000	87,600
2015 Cost	52,707					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Senior Plans Examiner	104,300	113,900	117,300	120,800	124,400	128,100
2015 Cost	77,293					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Permit-License Specialist	66,900	73,100	75,300	77,600	79,900	82,300
2015 Cost	49,533					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Administrative Assistant	64,300	70,200	72,300	74,500	76,700	79,000
2015 Cost	47,611					
Benefit/Salary Ratio	35%					
Growth Rate	3.0%					
Supplies & Services						
General Plan/EIR Preparation	-	275,000	275,000	275,000	275,000	-
Zoning Code Preparation	-	-	-	-	-	175,000
Office Expenses	2,500	2,800	2,900	3,000	3,100	3,200
2015 Cost	2,500					
Growth Rate	2.1%					
Capital Outlay						
Computer Hardware & Software	8,900	2,400	2,400	2,500	2,500	2,600
2015 Cost	8,900					
Growth Rate	2.1%					
Replace. Cycle (Yrs)	5					
Office Furnishings and Fixtures	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 928,700</b>	<b>\$ 1,282,600</b>	<b>\$ 1,312,800</b>	<b>\$ 1,344,100</b>	<b>\$ 1,376,000</b>	<b>\$ 1,309,100</b>
Department Personnel	8.90	8.90	8.90	8.90	8.90	8.90

Source: City of Big Bear Lake Operating Budget, 2014-15

Annual City Operating Budget

Item Detail and Assumptions

Base Year  
2014-15

2017-18

2018-19

2019-20

2020-21

2021-22

Department Expenditures

General

Salaries & Benefits

Director of Public Works

\$ 166,100 \$ 181,500 \$ 186,900 \$ 192,500 \$ 198,300 \$ 204,200

2015 Cost

123,000

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Chief Operations Officer

19,200 21,000 21,600 22,200 22,900 23,600

2015 Cost

14,250

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Associate Engineer

235,600 257,500 265,200 273,200 281,400 289,800

2015 Cost

174,512

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Crew Leader - Facilities/Parks

69,400 75,800 78,100 80,400 82,800 85,300

2015 Cost

51,397

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Maintenance Worker - Facilities/Parks

102,500 112,100 115,500 119,000 122,600 126,300

2015 Cost

75,920

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Mechanic II

87,600 95,700 98,600 101,600 104,600 107,700

2015 Cost

64,875

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Administrative Assistant

64,300 70,200 72,300 74,500 76,700 79,000

2015 Cost

47,611

Benefit/Salary Ratio

35%

Growth Rate

3.0%

Supplies & Services

NPDES Program Implementation

70,000 74,600 76,200 77,800 79,500 81,200

2015 Cost

70,000

Growth Rate

2.1%

AB 939 Solid Waste Program

12,400 13,600 14,100 14,500 15,000 15,400

2015 Cost per Resident

0.53

Growth Rate

2.1%

Office Expenses

2,500 2,800 2,900 3,000 3,100 3,200

2015 Cost

2,500

Growth Rate

2.1%

Computer Hardware & Software

13,100 3,500 3,600 3,600 3,700 3,800

2015 Cost

13,100

Growth Rate

2.1%

SUBTOTAL

\$ 842,700 \$ 908,300 \$ 935,000 \$ 962,300 \$ 990,600 \$ 1,019,500

Road Fund							
Crew Leader - Street Maintenance		69,400	75,800	78,100	80,400	82,800	85,300
2015 Cost	51,397						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Maintenance Worker II - Street Maintenance		249,800	273,000	281,200	289,600	298,300	307,200
2015 Cost	185,037						
Benefit/Salary Ratio	35%						
Growth Rate	3.0%						
Capital Outlay							
Road Maintenance, Snow Removal, & Snow Plow Equipment		1,518,100	1,617,200	1,651,700	1,686,900	1,722,800	1,759,500
2014-15 Big Bear Comp Estimated Cost for Services	1,486,440						
Growth Rate	2.1%						
SUBTOTAL		\$ 1,837,300	\$ 1,966,000	\$ 2,011,000	\$ 2,056,900	\$ 2,103,900	\$ 2,152,000
TOTAL		\$ 2,680,000	\$ 2,874,300	\$ 2,946,000	\$ 3,019,200	\$ 3,094,500	\$ 3,171,500

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Department Personnel		13.10	13.10	13.10	13.10	13.10	13.10
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Source: City of Big Bear Lake Operating Budget, 2014-15

ANIMAL CONTROL

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies & Services						
Contract with County Animal Control	\$ 279,700	\$ 334,000	\$ 354,300	\$375,900	\$398,800	\$423,100
2015 Cost	279,700					
Base Cost Growth Rate	3.0%					
TOTAL	\$ 279,700	\$ 334,000	\$ 354,300	\$375,900	\$398,800	\$423,100
Department Personnel	-	-	-	-	-	-

Source: County of San Bernardino

LAW ENFORCEMENT

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies & Services						
Contract with County Sheriff Department	\$3,966,200	\$4,735,800	\$5,024,200	\$5,330,200	\$5,654,800	\$5,999,200
2015 Cost	3,966,189					
Base Cost Growth Rate	3.0%					
TOTAL	\$3,966,200	\$4,735,800	\$5,024,200	\$5,330,200	\$5,654,800	\$5,999,200
Department Personnel	-	-	-	-	-	-

Source: City of Big Bear Lake Operating Budget, 2014-15

FIRE PROTECTION

Item Detail and Assumptions	Base Year	Annual City Operating Budget				
	2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Costs from Dissolved Districts		17,641,500	18,017,400	18,401,400	18,793,500	18,793,500
Transferred from Crest Forest FPD	4,810,260					
Transferred from County Fire	11,749,796					
Total 2014-15 Costs	16,560,056					
Growth Rate	2.13%					
Capital Outlay						
TOTAL	\$ 16,560,100	\$ 17,641,500	\$ 18,017,400	\$ 18,401,400	\$ 18,793,500	\$ 18,793,500

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Department Personnel	-	-	-	-	-	-
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NON-DEPARTMENTAL

Item Detail and Assumptions	Annual City Operating Budget					
	Base Year 2014-15	2017-18	2018-19	2019-20	2020-21	2021-22
Department Expenditures						
Salaries & Benefits						
Supplies and Services						
LAFCo Fees	\$ 6,000	\$ 6,300	\$ 6,400	\$ 6,500	\$ 6,600	\$ 6,700
14-15 Cost	6,000					
Growth Rate	2.1%					
Insurance	400,000	426,100	435,200	444,500	454,000	463,700
2015 Cost	400,000					
Growth Rate	2.1%					
IT Support Contract	100,000	109,300	112,600	116,000	119,500	123,100
2015 Cost	100,000					
Growth Rate	3.0%					
City Hall Rent, Utilities, Maintenance	37,500	41,000	42,200	43,500	44,800	46,100
Gross Rent/sf/mo	\$ 2.50					
Gross Leaseable Area	10,000					
Expense Ratio (Utilities, Janitorial, Etc.)	50%					
2015 Cost	37,500					
Growth Rate	3.0%					
Capital Outlay						
<b>TOTAL</b>	<b>\$ 543,500</b>	<b>\$ 582,700</b>	<b>\$ 596,400</b>	<b>\$ 610,500</b>	<b>\$ 624,900</b>	<b>\$ 639,600</b>

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Department Personnel - - - - -

Source: City of Big Bear Lake Operating Budget, 2014-15

## DISTRICT BREAKDOWN - NO HILLTOP

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### General Districts

- Rim of the World P&R
- CSA 70 D-1\*
- Crest Forest FPD
- SBCFPD Mountain Service Zone
- SBCFPD - Lake Arrowhead Ambulance Activity
- SBCFPD - PM1 Lake Arrowhead Paramedic

### Road Districts

- CSA 18\*
- CSA 54
- CSA 59
- CSA 68
- CSA 69
- CSA 70 R-13
- CSA 70 R-16
- CSA 70 R-2
- CSA 70 R-22
- CSA 70 R-23
- CSA 70 R-35
- CSA 70 R-4
- CSA 70 R-40
- CSA 70 R-44
- CSA 70 R-46
- CSA 70 R-7
- CSA 70 R-9
- CSA 70 Zone CG
- CSA 79 R-1

### Water and Sewer Districts

- Crestline SD
- Crestline Village WD
- Lake Arrowhead CSD