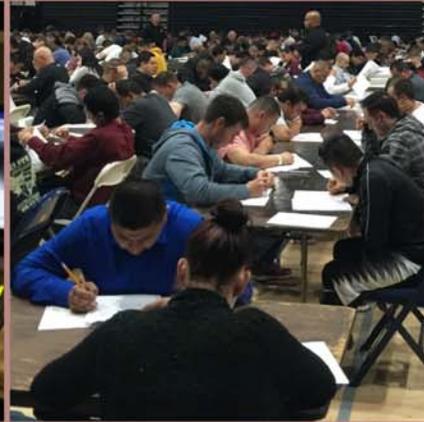


FY 2016-2017

ANNUAL BUDGET





Fiscal Year 2016-2017 ANNUAL BUDGET

Adopted

City Council

Anthony Silva, Mayor

Christina Fugazi, Vice Mayor
Michael Blower, Councilmember
Dan Wright, Councilmember

Susan Lofthus, Councilmember
Elbert Holman Jr., Councilmember
Michael Tubbs, Councilmember

Executive Team

Kurt Wilson, City Manager

Laurie K. Montes, Deputy City Manager
Scott Carney, Deputy City Manager
Christian Clegg, Deputy City Manager

Eric Jones, Chief of Police

Erik Newman, Fire Chief

Matt Paulin, Chief Financial Officer

Gordon MacKay, Public Works Director

David Kwong, Community Development Director

John Luebberke, City Attorney

Tom Krippaehne, City Auditor

Bonnie Paige, City Clerk

DeAnna Solina, Human Resources Director

Mel Lytle, Municipal Utilities Director

Micah Runner, Economic Development Director

John Alita, Community Services Director

M. Nabil Fares, Information Technology Director

Budget Team

Kimberly K. Trammel

Mahin Shah
Laura Mayate-DeAndreis

Imelda Arroyo
Yvonne Perry

Budget Photo Contest Winners

Pauline Keener

Curtice Ervin

Bret Hunter

Graphic Design

Maile Van Renselaar

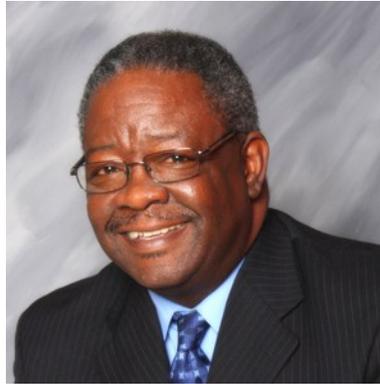
CITY OF STOCKTON CITY COUNCIL



ANTHONY SILVA
MAYOR



CHRISTINA FUGAZI
VICE MAYOR
District 5



ELBERT HOLMAN, JR.
COUNCILMEMBER
District 1



DAN WRIGHT
COUNCILMEMBER
District 2



SUSAN LOFTHUS
COUNCILMEMBER
District 3



MICHAEL BLOWER
COUNCILMEMBER
District 4



MICHAEL TUBBS
COUNCILMEMBER
District 6



City of Stockton

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TAB 1 INTRODUCTION

City of Stockton

Fiscal Year 2016-17

Adopted Annual Budget

Introduction

The following are the documents that make up the Adopted Fiscal Year (FY) 2016-17 Annual Budget. This is a balanced budget that reflects prudent financial practices under the Plan of Adjustment, Council strategic spending and approved labor contracts.

The Introduction section of the Annual Budget reflects the development process from the proposed budget released May 16, 2016 through the budget adoption on June 21, 2016. The steps in the development and changes to the budget are summarized as follows:

- The Budget Message for the FY 2016-17 proposed budget released May 16, 2016 describes the baseline plan for City operations and related budget.
- The staff report for the public hearing held on June 21, 2016 which includes revisions requested by City Council at the budget study session.
- The Council action approving the FY 2016-17 Annual Budget of \$590,142,387 after the inclusion of the revisions summarized below:
 - Workforce Development (\$100,000)
 - Mayor and Council discretionary funding to City & district needs (\$150,000)
 - Funding to address homelessness (\$250,000)
 - Labor union contracts approved on June 7, 2016 (\$5,353,185)
 - Fair Oaks library operations (\$253,000)
- The City Council approved resolution 2016-06-21-1605 which is attached along with the revised schedules impacted by the revisions listed above.

The details of the adopted budget are reflected in the FY 2016-17 Annual Budget pages that follow beginning with Citywide Budget, B-1.

Respectfully submitted,



KURT O. WILSON
CITY MANAGER



STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY OF STOCKTON APPROVING THE FISCAL YEAR 2016-17 ANNUAL BUDGET; APPROVING THE 2016-2021 CAPITAL IMPROVEMENT PROGRAM; APPROVING THE FISCAL YEAR 2016-17 FEE SCHEDULE; AUTHORIZING VARIOUS FUND TRANSFERS AND ADMINISTRATIVE ACTIONS

On May 16, 2016, the City Manager provided to City Council the Proposed Fiscal Year (FY) 2016-17 Annual Budget in accordance with City Charter, Article XIX, Section 1906 along with the 2016-2021 Proposed Capital Improvement Program, and FY 2016-2017 Proposed Fee Schedule; and

The Proposed FY 2016-2017 Annual Budget includes a Statement of Policy for each City department in accordance with City Charter, Article IV, Section 409 which, among other provisions, sets forth department broad goals, objectives and considerations; and

The City Council approved Memoranda of Understanding with the Stockton City Employees' Association, Trades and Maintenance Unit, Operations and Maintenance Unit, Water Supervisory Unit, and modifications to the Unrepresented Management/Confidential and Law Employees' Compensation plan on June 7, 2016 directing the City Manager to include funding for these agreements in the FY 2016-17 budget; and

The City Council scheduled and conducted budget study sessions on June 13, 2016, to review projections and alternative plans, to allow for public discussion, and to provide direction including proposed modifications from the Mayor consistent with the City Charter, Article XIX Section 1907 in the preparation of the annual budget. These workshops included the Proposed FY 2016-17 Annual Budget, Proposed 2016-2021 Capital Improvement Program, and Proposed FY 2016-2017 Fee Schedule; and

On June 21, 2016, the City Council conducted a duly noticed public hearing on the Proposed FY 2016-2017 Annual Budget, the Proposed 2016-2021 Capital Improvement Program, and the Proposed FY 2016-2017 Fee Schedule; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The FY 2016-17 Annual Budget is adopted with the following modifications from the Proposed Budget of \$584,036,202 as submitted by the City Manager:
 - a) Approval by Council of five labor agreements totaling \$5,353,185 and Council input during the budget study sessions to add \$500,000, as shown in Exhibit 1 of this resolution, and

- b) Council direction at the June 21, 2016 Budget Public Hearing to fund operating costs for the Fair Oaks Library in an amount not to exceed \$500,000.
2. The number of full-time positions authorized under the Proposed FY 2016-2017 Annual Budget is 1,647.
3. The 2016-2021 Capital Improvement Program in the total amount of \$549,384,000 is adopted and the specific projects listed for FY 2016-2017 are appropriated.
4. The Proposed Fee Schedule is adopted, effective July 1, 2016. Any fee changes that are not effective July 1, 2016 are duly noted in the Proposed FY 2016-17 Fee Schedule.
5. An appropriation limit is established in the amount of \$310,619,313 for FY 2016-2017 pursuant to the requirements of the California Government Code. The City of Stockton selected the “change in California per capita personal income” for the “change in cost of living” component and the change in annual population for the County of San Joaquin as of January 1, 2016 component in the calculation of the appropriation limit.
6. The City Manager or his designee is authorized to adjust appropriations from the General Fund Contingency account to General Fund Departments, subsidized programs and Internal Service Funds as needed for unexpected expenditures or emergencies that are unanticipated at the time of the budget adoption. The City Manager or his designee will report Contingency uses with each quarterly budget status report.
7. The City Attorney is authorized to enter into contracts for services and supplies where the total cost is below the expenditure limit established in Section 3.68.040 of the Stockton Municipal Code within existing budget appropriation and consistent with established administrative processes.
8. The remaining balances on all capital projects and grant funds are authorized to continue beyond the fiscal year in which they are originally appropriated until project completion, grant expiration or funds are fully expended.
9. Authorize the continuation of FY 2015-2016 appropriations and the use of General Fund expenditure savings to fund FY 2016-2017 one-time expenses as follows:
 - a) Continue expenditure appropriations for Police Air Support \$50,000, Economic Development Incentive programs \$1.2 million, and capital projects for Police and City facilities \$5.8 million, and as included in the FY 2016-17 budget.

- b) Continue the remaining balances from FY 2015-2016 budget into FY 2016-17 as listed in the following table:

Description	Department	Fund	Estimated Amount
Leadership Academy	Human Resources	General Fund	\$85,000
Vehicle Purchases	Municipal Utilities	Wastewater Fund	\$270,000
Housing Projects	Economic Development	Low/Moderate Housing Fund	\$3.2 million
Marketing Communication Plan	Non-Departmental	General Fund	\$100,000
Mobile City Hall	Non-Departmental	General Fund	\$100,000
Homeless Services	Non-Departmental	General Fund	\$7,000
Community Organization Funds	Non-Departmental	General Fund	\$240,000
Radios and Dispatch Center Technology	Fire	General Fund	\$567,000

10. The following administrative actions required to implement the FY 2016-2017 Annual Budget are authorized:
- a) The City Manager or his designee is authorized to abolish positions and/or reduce and reorganize personnel, programs, services, departments, offices, or agencies and take such other action as is necessary to maintain a balanced budget.
 - b) The City Manager is authorized to make adjustments in classifications, including salary and benefit adjustments, to ensure comparability with similar classifications to maintain equity in the City's salary schedules as recommended by the Human Resources Department classification studies and reviews, and to incorporate changes into the Salary Schedule, as appropriate.
 - c) The City Manager or his designee is authorized to make administrative or technical corrections to the FY 2016-2017 Adopted Budget not to exceed \$75,000 per correction.
 - d) The City Manager or his designee is authorized to establish revenue estimates and expenditure appropriations corresponding to receipt or award of grant funding, donations and reimbursements where these special funds and any matching City funds are under the expenditure limit of \$75,000 as established by Ordinance 2015-01-27-1501-01, which amended Section 3.68.040 of the Stockton Municipal Code.
 - e) The City Manager or his designee is authorized to establish revenue estimates and corresponding budget appropriations in General Fund Fire Department as needed during FY 2016-2017 to recognize the

costs, and the subsequent reimbursement of those costs, for providing wild-land firefighting and other disaster response services requested by state or federal governments.

- f) The City Manager or his designee is authorized to fill additional Special Revenue Fund positions, such as grant funded, Measure W, and contract reimbursement positions, if additional funding becomes available.
- g) The indirect cost rate, as detailed in the City of Stockton Full Cost Allocation Plan and OMB-87 Plan ("ICPs"), shall be charged to all departments, and applicable capital project funds, as project funding and regulations permit. The City Manager or his designee is authorized to modify appropriations for changes that result from certified ICPs.
- h) The City Manager or his designee is authorized to transfer funds from eligible capital project funds to the Public Art Fund (306) to implement the FY 2016-2017 Public Art Plan, as approved by Council, including transfers relating to mid-year appropriations to capital projects eligible for public art contributions.
- i) The City Manager or his designee is authorized to prepay the City's annual CalPERS payments in a lump sum consistent with FY 2016-17 budget.
- j) The City Manager or his designee is authorized to approve temporary interfund borrowing within the fiscal year, and at the June 30 fiscal year end, to finance the collection period for tax, grant, and other accounts receivable. Any new interfund loans extending beyond these terms must be approved by the City Council. The City Manager is authorized to repay interfund loans when funding becomes available.
- k) The City Council delegates investment authority to the Chief Financial Officer, acting in capacity of Treasurer, for the period of July 1, 2016 through June 30, 2017 pursuant to Section 53601 and 53607 of the California Government Code.
- l) The City Manager or his designee is authorized to move appropriations and transfer between funds within a single budget unit, such as Municipal Utilities, Federal grant funds, and other funds where multiple funds have been established in the general ledger for operating/tracking purposes and the fund relationship has been identified in the FY 2016-2017 Annual Budget, or established by subsequent City Council action.

- m) Payment of up to \$135,000 is authorized to the Community Partnership for Families for administrative and program costs, including services provided to the City in support of the Office of Violence Prevention by Community Partnership for Families staff, that support community outreach efforts at City of Stockton community centers. The City Manager or his designee is authorized to execute agreements for these services which are funded in the proposed General Fund Non-department appropriation.
- n) Level of Budgetary Control - Budgetary control is established at the following levels: a) General Fund - Department Level; b) Other Funds - Fund level; and c) Capital Fund - Project level. The City Manager or his designee may authorize line item budget transfers within a General Fund department, or within a fund other than the General Fund.
- o) The City Manager or his designee is authorized and directed to take such other actions as are necessary and appropriate to carry out the intent of this resolution.

PASSED, APPROVED, and ADOPTED June 21, 2016.



ANTHONY SILVA
Mayor of the City of Stockton

ATTEST:


BONNIE PAIGE
City Clerk of the City of Stockton



**City of Stockton
FY 2016-17 Proposed Budget with Revisions**

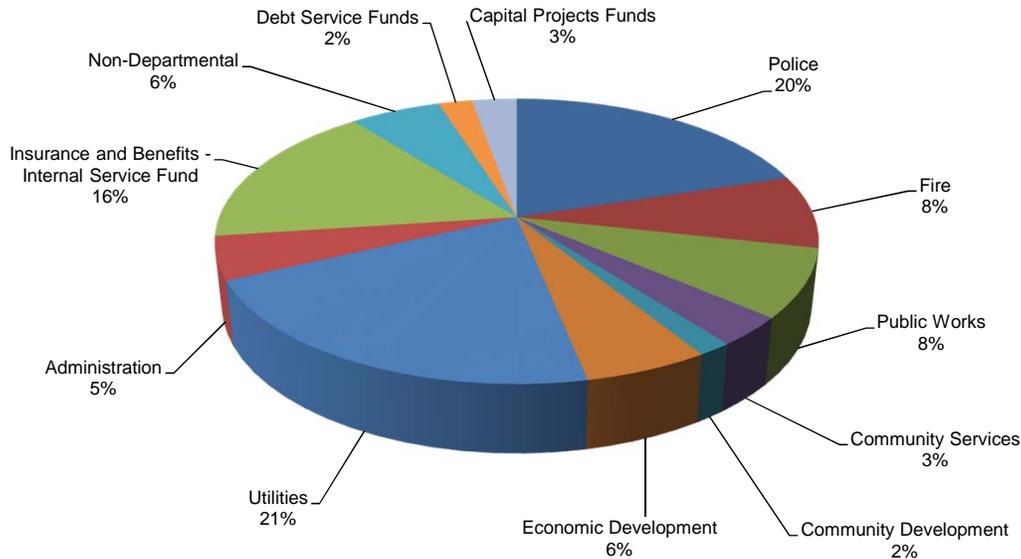
EXHIBIT 1

Fund Description	Fund Number	Page Number	2016-17				Revised Budget
			May 16, 2016 Proposed	Labor Adjustments*	Labor Transfers	Council Revisions	
General Fund							
General Fund without Marshall Plan			181,495,079	1,765,577	227,000	500,000	183,987,656
Measure A funded Marshall Plan		C-6	19,601,368	203,569			19,804,937
General Fund Subtotal	010	C-2	201,096,447	1,969,145	227,000	500,000	203,792,592
Fiscal Sustainability & Reserve Fund	012	K-37	4,758,000	-	-	-	4,758,000
			205,854,447	1,969,145	227,000	500,000	208,550,592
Utilities							
Water Fund	421	J-7	51,911,551	473,883			52,385,434
Wastewater Fund	431	J-9	64,975,921	884,800			65,860,721
Stormwater Fund	441	J-11	6,284,314	96,564			6,380,878
			123,171,786	1,455,248	-	-	124,627,034
Other Community Programs							
Measure W	081	D-11	9,627,248	-			9,627,248
Police Asset Forfeiture	023	D-13	161,879	-			161,879
Police COPS State Grant	024	D-15	960,088	10,885			970,973
Police Special Revenue Grants	025	D-18	2,846,253	-			2,846,253
Fire Dispatch	042	E-11	2,654,280	48,575			2,702,855
Solid Waste & Recycling	047	F-15	2,105,352	54,922			2,160,274
Library Services	041	G-9	11,726,225	284,147			12,010,372
Recreation Services	044	G-19	5,090,407	88,065			5,178,472
Golf Course Fund	481	G-21	2,170,354	1,112			2,171,466
Development Services	048	H-9	10,777,976	214,203			10,992,179
Boat Launching Facilities	045	I-29	158,789	-			158,789
Entertainment Venues	086	I-36	7,875,977	1,949			7,877,926
Parking Authority	418/419	I-39	7,056,201	20,296			7,076,497
Downtown Marina	460	I-43	428,437	-			428,437
Special Purpose (SJAFCA - PEG)	020	K-41	1,678,785	10,738			1,689,523
			65,318,251	734,892	-	-	66,053,143
Capital/ Public Facility Fees							
Capital Project Administration	399/999	F-7	3,882,298	87,398			3,969,696
Street Maintenance (Gas Tax)	030	F-11	7,253,279	186,924			7,440,203
Measure K Sales Tax - Maintenance	082	F-13, M-9	3,925,000	-			3,925,000
Public Facility Administration	999	H-10	174,097	2,709			176,806
Public Facility Fees Funds	900-990	M-10 to M-13	251,977	729			252,706
General Government Capital Funds	301/305/306	M-8	10,733,815	-			10,733,815
Measure K Sales Tax - Capital	080	M-9	33,000	-			33,000
Federal Street Grants	038/304/308	M-9	5,457,000	-			5,457,000
Transportation Dev. Act	034	M-9	209,000	-			209,000
			31,919,466	277,760	-	-	32,197,226
Debt Service	201	L-6	12,479,609	18,420			12,498,029
Housing Grant Funds							
Community Devel. Block Grants	054/062	I-11	4,900,292	-			4,900,292
Emergency Solutions Grant	057	I-13	291,273	-			291,273
HOME Program	058/059	I-15	1,608,613	-			1,608,613
Special Purpose CDBG Programs	053	I-17	1,086,000	-			1,086,000
CalHome & HELP	060/061	I-19, I-20	301,366	-			301,366
Neighborhood Stabilization Program	063/064	I-23, I-24	89,071	-			89,071
			8,276,615	-	-	-	8,276,615
Special Districts							
Lighting Maintenance District	071	F-17	43,217	-			43,217
Assessment District Maintenance	072	F-19	4,580,591	22,387			4,602,978
Tourism and Business Improvement	073	I-30	1,290,000	-			1,290,000
Storm Drain Maintenance District	074	J-13	384,448	-			384,448
			6,298,256	22,387	-	-	6,320,643
Permanent/Special Funds							
Police Special Fund	645	D-21	270,999	-			270,999
Fire Special Fund	646	E-17	83,884	-			83,884
Library Special Funds	614/622/644	G-10 to G-14	27,433	-			27,433
Parks & Recreation Special Fund	643	G-26	58,976	-			58,976
General Government Special Funds	642/627	K-43	131,318	3,038			134,356
			572,610	3,038	-	-	575,648
Low & Moderate Income Housing	329	I-44	5,354,661				5,354,661
Internal Service Funds							
Fleet Services	501	N-10	11,725,494	196,620			11,922,114
Technology and Communication	502-505	N-14 to N-21	16,375,652	294,678			16,670,330
Insurance	541-557	N-24 to N-33	42,267,837	152,873			42,420,710
Retirement	561	N-35	53,401,518	1,124			53,402,642
Compensated Absences	562	N-37	1,020,000	-			1,020,000
			124,790,501	645,295	-	-	125,435,796
TOTAL			584,036,202	5,126,185	227,000	500,000	589,889,387

* Reflects MOUs approved by Council on June 7, 2016. Labor adjustments budget does not equal total \$6.4 million cost due to use of one time fund in the Health ISF, grant funding restrictions, and costs in agency funds (i.e., Successor Agency) that are presented separately from the City budget.

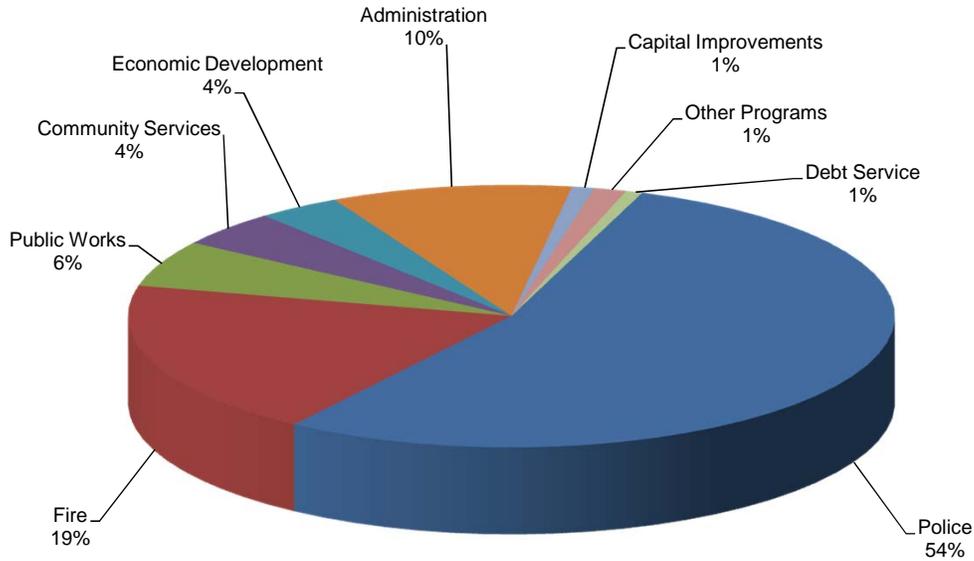
City of Stockton Citywide Budget FY 2016-17 Proposed Budget with Revisions

\$589,889,387



	Operating Budget	Debt Service Budget	Capital Budget	Total	
Program Appropriations					
Police	\$ 117,538,066	\$ -	\$ 1,634,784	\$ 119,172,850	20%
Fire	48,417,456	-	194,900	48,612,356	8%
Public Works	40,660,095	555,739	4,490,000	45,705,834	8%
Community Services	19,673,719	-	-	19,673,719	3%
Community Development	9,133,283	-	-	9,133,283	2%
Economic Development	29,927,653	3,308,905	550,000	33,786,558	6%
Utilities	84,477,897	30,024,468	10,509,117	125,011,482	21%
Administration	24,654,495	-	4,242,230	28,896,725	5%
Insurance and Benefits - Internal	96,843,351	-	-	96,843,351	16%
Non-Departmental Funds					
Non-Departmental	28,311,678	-	5,558,000	33,869,678	6%
Debt Service Funds	-	12,498,030	-	12,498,030	2%
Capital Projects Funds	290,706	-	16,394,815	16,685,521	3%
	<u>\$ 499,928,399</u>	<u>\$ 46,387,142</u>	<u>\$ 43,573,846</u>	<u>\$ 589,889,387</u>	<u>100%</u>
Net Budget					
Internal Service Charges				\$ (124,352,501)	
Interfund Transfers				(26,285,882)	
				<u>\$ 439,251,004</u>	

General Fund Budget FY 2016-17 Proposed Budget with Revisions



Program Appropriations

Police	\$ 110,072,924	54%
Fire	39,012,489	19%
Public Works	11,642,352	6%
Community Services	9,014,000	4%
Economic Development	7,138,634	4%
Administration	20,759,638	10%
Capital Improvements	1,933,000	1%
Other Programs	2,775,682	1%
Debt Service	1,443,873	1%
	<u>\$ 203,792,592</u>	

General Fund - 010
FY 2016-17 Proposed Budget with Revisions
Budget Summary

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Proposed Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projection</u>	<u>Budget</u>
Beginning Available Balance	\$ 3,093,428	\$ 9,751,000	\$ 33,601,587	\$ 52,550,028
Revenues	171,288,443	202,224,368	210,364,262	214,692,343
	<u>171,288,443</u>	<u>202,224,368</u>	<u>210,364,262</u>	<u>214,692,343</u>
Expenditures				
Employee Services	99,917,893	109,017,206	122,633,168	132,398,653
Other Services	27,819,469	30,638,485	37,685,611	42,758,286
Materials & Supplies	3,601,615	4,477,752	5,065,207	4,692,070
Other Expenses	1,141,576	1,547,555	4,686,101	4,638,026
Capital Outlay	28,715	1,306,781	3,684,732	1,799,684
Loan Repayment	1,455,005	1,407,946	1,422,273	1,443,873
Transfer Out	13,178,979	21,323,918	23,277,637	16,062,000
	<u>147,143,252</u>	<u>169,719,643</u>	<u>198,454,729</u>	<u>203,792,592</u>
Net Annual Activity	24,145,191	32,504,725	11,909,533	10,899,751
Reserves				
Prior Period Adjustments				
Reserve for future appropriation	-	(8,842,261)	3,842,261	-
Change in Fund Balance restrictions	(863,499)	188,123	3,196,647	-
Bankruptcy Reserve (a)	(16,624,120)	-	-	-
	<u>(17,487,619)</u>	<u>(8,654,138)</u>	<u>7,038,908</u>	<u>-</u>
Ending Available Balance	9,751,000	33,601,587	52,550,028	63,449,779
Working Capital Reserve - 16.67% (b)	24,528,780	28,292,264	33,082,403	33,972,225
Available Balance after Reserve	\$ (14,777,780)	\$ 5,309,323	\$ 19,467,624	\$ 29,477,554
Available Balance Calculation				
Cash		\$ 34,968,090		
Accounts Receivable		15,444,126		
Prepaid Items/Inventory		600,804		
Due from Other Governments		12,868,730		
Accounts Payable		(16,308,050)		
Deferred Rents		(75,562)		
Encumbrances		(3,196,989)		
Debt Reserves		(1,256,497)		
Bankruptcy Reserve		-		
Other Commitments		(9,443,065)		
Ending Available Balance		<u>\$ 33,601,587</u>		

(a) In FY 2012-13 and FY 2013-14 ending available balance in the General Fund was reserved for bankruptcy costs and settlements as pre- in the Bankruptcy and Sustainability Fund per City Council authorization.

(b) In Compliance with the City's Reserve policy, the proposed FY 2016-17 Annual Budget reflects a sufficient available fund balance for two of working capital, \$20 million for known contingencies and \$4 million for economic uncertainties, infrastructure failures and catastrophic

General Fund - 010
FY 2016-17 Proposed Budget with Revisions
Expenditures by Program

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Proposed Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Expenditures				
<u>Programs</u>				
Police	\$ 80,867,753	\$ 88,870,616	\$ 101,521,054	\$ 110,072,924
Fire	33,444,637	37,044,688	40,627,489	39,012,489
Public Works	6,755,549	7,800,885	10,760,889	11,642,352
Economic Development	803,383	987,623	1,461,149	3,323,634
Office of Violence Prevention	335,506	632,867	1,438,879	1,475,682
Arts Commission	-	-	-	-
	<u>122,206,828</u>	<u>135,336,679</u>	<u>155,809,460</u>	<u>165,527,081</u>
<u>Program Support for Other Funds</u>				
Library	3,999,000	4,275,000	5,312,525	4,489,000
Recreation	2,845,000	3,105,000	3,585,112	3,875,000
Entertainment Venues	2,920,094	3,100,000	3,445,000	3,445,000
RDA Successor Agency	450,462	-	100,000	200,000
Downtown Marina	160,000	215,000	215,000	170,000
Capital Improvement	1,290,000	2,775,000	6,635,000	1,933,000
Administration Building	-	-	-	-
Golf Courses	450,000	450,000	550,000	650,000
Grant Match	64,423	167,918	400,000	300,000
Development Services	1,000,000	1,000,000	1,000,000	1,000,000
Retirement ISF	-	-	500,000	-
Workers Comp ISF	-	-	500,000	-
Information Technology ISF	-	5,236,000	1,035,000	-
Radio ISF	-	1,000,000	-	-
	<u>13,178,979</u>	<u>21,323,918</u>	<u>23,277,637</u>	<u>16,062,000</u>
<u>Administration</u>				
City Council	458,193	453,578	432,220	533,559
City Manager	923,845	1,156,278	1,329,000	1,412,659
City Attorney	676,508	838,622	1,157,512	1,339,924
City Clerk	645,634	670,045	767,000	852,830
City Auditor	938,856	644,743	1,133,112	756,667
Administrative Services	3,300,807	3,713,742	4,260,739	4,997,605
Human Resources	1,430,393	1,630,723	2,117,029	2,333,149
Tax Collection & Election	2,090,591	2,368,539	2,962,734	3,451,300
Other Administration	(483,026)	(140,888)	767,553	1,081,945
Labor Litigation	320,639	315,718	1,018,500	2,000,000
	<u>10,302,440</u>	<u>11,651,100</u>	<u>15,945,399</u>	<u>18,759,638</u>
Debt Service	<u>1,455,005</u>	<u>1,407,946</u>	<u>1,422,273</u>	<u>1,443,873</u>
Contingency	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	<u>\$ 147,143,252</u>	<u>\$ 169,719,643</u>	<u>\$ 198,454,769</u>	<u>\$ 203,792,592</u>
	-	-	(40)	-



City of Stockton

Legislation Text

File #: 16-2800, Version: 1

PUBLIC HEARING ADOPTING THE PROPOSED FISCAL YEAR (FY) 2016-17 ANNUAL BUDGET (WITH REVISIONS); APPROVING THE 2016-21 CAPITAL IMPROVEMENT PROGRAM; APPROVING THE FY 2016-17 FEE SCHEDULE; APPROVING THE FY 2016-17 CALIFORNIA CONSTITUTIONAL APPROPRIATIONS LIMIT; ADOPTING THE FY 2016-17 ANNUAL BUDGET FOR THE PARKING AUTHORITY OF THE CITY OF STOCKTON; AND ADOPTING THE FY 2016-17 ANNUAL BUDGET FOR THE SUCCESSOR AGENCY TO THE FORMER STOCKTON REDEVELOPMENT AGENCY

RECOMMENDATION

It is recommended that the City Council approve a resolution that:

- Adopts the Fiscal Year (FY) 2016-17 Annual Budget and also adopts the Proposed 2016-21 Capital Improvement Program, the Proposed FY 2016-17 Fee Schedule and the FY 2016-17 California Constitutional (Gann) Appropriations Limit.

And it is recommended that the Parking Authority of the City of Stockton (Parking Authority) approve a resolution that:

- Adopts the FY 2016-17 Annual Budget for the Parking Authority (Exhibit 1 to the Parking Authority resolution).

And it is recommended that the Successor Agency to the former Stockton Redevelopment Agency (Successor Agency) approve a resolution that:

- Adopts the FY 2016-17 Annual Budget for the Successor Agency to the former Stockton Redevelopment Agency (Exhibit 1 to the Successor Agency resolution).

It is further recommended that the City Manager be authorized to take appropriate and necessary actions to carry out the purpose and intent of the resolutions.

Summary

It is recommended that the City Council approve a resolution to adopt the City's Annual Budget for FY 2016-17. The City's Proposed Budget was submitted to Council by the City Manager on May 16, 2016 and revised as directed by the Council at its' June 13, 2016 Study Session and in Council resolution 2016-06-07-1209. The City's Annual Budget includes a financial plan for all of the City's funds, and is consistent with the Plan of Adjustment approved by the Bankruptcy court effective February 25, 2015.

The key elements of this Annual Budget are summarized below, and are described in much greater

detail in the Proposed Budget, Capital Improvement Program and Fee Schedule documents, which were released on May 16, 2016 and are available on the City's website.

The other actions proposed in this staff report include approval of the 2016-21 Capital Improvement Program, the FY 2016-17 Fee Schedule, the FY 2016-17 State Constitutional (Gann) Appropriation limit, the FY 2016-17 Parking Authority Budget, the FY 2016-17 Successor Agency Annual Budget, and other administrative financial actions set forth in more detail below.

Since the release of those documents, Council has taken action to approve successor Memoranda of Understanding (MOU's) with various City bargaining units and directed the City Manager to include the financial impact of these actions in the Annual Budget. During the City Council Study Session held on June 13, 2016, amendments to the City Manager's Proposed Budget were suggested. These requests which have now been included in the Annual Budget, have increased the Citywide budget by \$5,853,185 and the General Fund budget by \$2,696,145. The revisions are described in more detail later in this report and included in the revised Annual Budget as outlined in Exhibit 1 to the City Budget Resolution.

Parking Authority Budget

The Parking Authority oversees the downtown parking garages, parking lots, parking enforcement and parking meter operations. In accordance with the settlement agreements reached through the Bankruptcy proceedings, the City Council, by Resolution No. 2013-12-17-1209, authorized the Parking Authority to oversee the operations and management of the City's parking programs within the Downtown Parking District. Prior to 2015, all downtown event parking was provided through the Central Parking District of the City. The FY 2016-17 Budget for the Parking Authority includes annual debt service for the restructured parking garage bonds and Stewart-Eberhardt building bonds, parking operator and parking enforcement revenues and expenditures as set forth Exhibit 1 to the Parking Authority budgeted General Fund subsidy due to higher tax increment revenues anticipated to be received by the Successor Agency in FY 2016-17.

DISCUSSION

Background

As in previous years, this year's budget is constrained by the fiscal reality of our long-term financial outlook and the continued need for fiscal discipline. Two of the guiding principles reflected in the Annual Budget are the need for realistic revenue and expenditure projections and the value of setting aside funds to endure inevitable future fiscal downturns. It should be noted that following the "Great Recession", the U.S. economy is finishing its seventh year of expansion, already two years longer than the average recovery. This Annual Budget follows the direction from the Council to continue the prudent fiscal practices of recent years rather than abandon recent reforms in favor of returning to the undisciplined practices of the past. Consequently, the Annual Budget includes difficult choices and leaves many deserving items unfunded.

Strict adherence to these prudent financial policies has required strong discipline in the face of pressure from well-intentioned stakeholders who sought service enhancements or other well-deserved but costly commitments. In a demonstration of leadership, Council has adhered to its stated fiscal policies by evaluating the long-term impacts of each financial decision prior to making

new financial commitments, and should be applauded for doing so. The decision-making process typically results in the denial of new requests. Although that process is painful in the short-run, it has a long-term positive impact by protecting our ability to deliver essential services and heads off trouble in the out years.

Present Situation

FY 2016-17 Annual Budget

The City Manager's Proposed Budget for FY 2016-17, along with the 2016-21 CIP and the FY 2016-17 Fee Schedule were delivered to Council on May 16, 2016 and a public study session was held on June 13, 2016 to review the proposed budget in detail.

The City's Annual Budget presents proposed appropriations for all funds of the City, not just the General Fund. The appropriations included in this Annual Budget are for operating, capital, debt, transfers, and internal service fund operations for all programs of the City.

Proposed Revisions to the Published FY 2016-17 Proposed Budget

During the Council's Study Session on the proposed budget held on June 13, 2016, Council members discussed and considered the varying needs of Stockton residents. The Council indicated a strong interest in continuing efforts for workforce development, increasing efforts to address issues related to homelessness, and establishing an amount of discretionary funds to be available to each Councilmember and the Mayor for projects that are significant to the residents of Stockton. Accordingly, these associated revisions have now been included in the Annual Budget:

1. \$100,000 for Workforce Development.
2. \$150,000 for discretionary funds to address District and City needs of the Councilmembers and the Mayor.
3. \$250,000 for additional efforts to address issues related to homelessness.

All revisions described here have been adjusted from the Proposed FY 2016-17 Annual Budget and the revised pages are attached to the accompanying City resolution as Exhibit 1 to reflect the above changes (pages B-1, C-1, C-2, and C-5).

Citywide FY 2016-17 Annual Budget

The Annual Budget with the Council revisions totals \$589.9 million including operating, capital, debt, transfers and internal service fund operations for all City programs. This figure represents an overall reduction of \$31.0 million from the FY 2015-16 adopted Annual Budget primarily due to reductions in capital and debt budgets. The operations portion of the City budget remains relatively stable at \$500.0 million. Citywide revenues are budgeted at \$545.7 million for FY 2016-17. Fund summaries and financial schedules showing prior year actuals, FY 2015-16 projections and FY 2016-17 budget have been included for each City budget unit in this document.

A summary of the FY 2016-17 Annual Budget is provided in the table below:

City-wide Expenditure Budget All Funds	2015-16 Current	2016-17 Rev. Proposed	Difference
General Fund*	\$ 216,404,654	\$ 208,550,592	\$ (7,854,062)
Utilities	147,995,446	124,627,034	(23,368,412)
Other Community Programs	60,626,351	66,053,143	5,426,792
Capital/Street Maintenance	36,434,833	32,197,226	(4,237,607)
Debt Service	22,094,225	12,498,029	(9,596,196)
Housing Grant Funds	11,369,894	8,276,615	(3,093,279)
Special Districts/Special Funds	7,284,634	6,896,291	(388,343)
Low & Mod. Income Housing	3,000,040	5,354,661	2,354,621
Internal Services	115,693,416	125,435,796	9,742,380
	<u>\$ 620,903,493</u>	<u>\$ 589,889,387</u>	<u>\$ (31,014,106)</u>

*The 2015-16 General Fund expenditure budget is presented as amended to provide a more appropriate comparison between fiscal years.

Budget Assumptions

This Annual Budget was developed using certain assumptions for baseline costs, such as approved positions and salary and benefit increments in line with approved labor agreements, and ongoing expenditure increases no greater than ongoing revenue increases. Some one-time increases are recommended for funding in this Annual budget to make use of prior year savings. The Annual Budget does not assume salary and benefit cost increases that are subject to ongoing negotiations. Recently approved labor MOUs have been incorporated as revisions to the proposed budget released May 16, 2016. Benefit and insurance costs remained relatively flat with the exception of a 7 percent increase in CalPERS retirement rates. Care has been taken to use prudent budget processes to ensure long term sustainability as measured by the City’s Long-Range Financial Plan (L-RFP).

Strategic Plans

The FY 2016-17 Annual Budget focuses on Council’s strategic priorities of Public Safety, Fiscal Sustainability, Organizational Development, Economic Development, Youth, Infrastructure, and Public Relations/Image. The following General Fund increases, which are described in greater detail in the FY 2016-17 Annual Budget, are tied to these priorities:

Public Safety

<u>Ongoing</u>	<u>One-time</u>	
\$ 4,957,000	\$ -	Addition of 40 Police Officers and 4 public safety staff funded by Measure A Transaction and Use Tax revenue in support of the Marshall Plan on Crime (Marshall Plan)
114,000	-	Administrative Analyst and Community Engagement Coalition Materials in the Office of Violence

58,000	-	Paralegal in City Attorney's Office to support code enforcement activities expanded as part of Marshall Plan implementation
400,000	31,000	Fire Fighters Training Academy, Fire occupational health & safety program, Tactical Emergency Medical training
-	50,000	Air Support program development
-	74,000	Recruitment for Police & Fire sworn staff
158,000	-	Body Camera Program
125,000	-	Transportation Officer Program
\$ 5,812,000	\$ 155,000	Total Public Safety

Fiscal Sustainability

<u>Ongoing</u>	<u>One-time</u>	
\$ 218,000	\$ -	Procurement Improvement Program
\$ 218,000	\$ -	Total Fiscal Sustainability

Organizational Development

<u>Ongoing</u>	<u>One-time</u>	
\$ 134,000	\$ 6,000	Staff Training and Development
146,000	-	Employee Parking Program
15,000	67,000	Technology & Imaging
\$ 295,000	\$ 73,000	Total Organizational Development

Economic Development

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 150,000	Brownfields and economic development grant writing and management services
-	1,850,000	Economic Development Incentives, Job creation activities and Downtown Infrastructure Infill
-	50,000	Growth and development of downtown for implementation of the Urban Land Institute
\$ -	\$ 2,050,000	Total Economic Development

Youth

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 100,000	Youth Work Program
-	60,000	Community Centers Gym Equipment replacement
11,000	-	Library supplies for improved outreach, computer and language classes, and other learning activities
5,000	-	Increased Security and staffing levels at Pixie Woods
5,000	-	Troke Library community programs
-	7,000	Pixie Woods Theme Park PA System
\$ 21,000	\$ 167,000	Total Youth

Infrastructure

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 100,000	Van Buskirk Pond Repairs
-	55,000	Re-key system at City Facilities
-	400,000	Street Resurfacing supplies
\$ -	\$ 555,000	Total Infrastructure

Public Relations/Image

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 340,000	Animal Shelter contract for veterinary services
41,000	-	Security and set up and community events
\$ 41,000	\$ 340,000	Total Public Relations/Image

2016 Emerging Priorities

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 100,000	Workforce Development
-	250,000	Homeless Services
-	150,000	District Based Council Priorities
\$ -	\$ 500,000	Total Emerging Priorities

<u>Total Ongoing</u>	<u>Total One-time</u>	
\$ 6,387,000	\$ 3,840,000	Total New Funding for Council Strategic Priorities

General Fund Operating Budget

The General Fund budget is \$203.8 million, a decrease of \$2.8 million from the FY 2015-16 budget, which included more than \$12 million of one-time expenses mostly funded from the increased General Fund made available under Measure A. The mission critical funding was only available during the initial two-year period after the collection of Measure A tax revenues began while Marshall Plan positions and activities were phased into the budget.

The General Fund is projected to end FY 2015-16 with a fund balance of \$52.5 million that will be used to fund the working capital and known contingency reserves. General Fund expenditure appropriations in the FY 2016-17 Annual Budget are \$10.9 million less than revenues in part due to the exclusion of compensation changes that might result from ongoing labor negotiations. Any additional costs associated with labor agreements will require an appropriation from the fund balance and will be incorporated in the L-RFP to illustrate the long-term financial impact of negotiated items.

<u>General Fund Budget</u>	<u>2015-16 Projected</u>	<u>2016-17 Proposed with Revisions</u>	<u>Proposed vs. 15-16 Projected</u>
Beginning Available Balance	\$ 33,601,587	\$ 52,550,028	\$ 18,948,441
Revenues	<u>210,364,262</u>	<u>214,692,343</u>	<u>4,328,081</u>
Expenditures			
Police	101,521,054	110,072,924	8,551,870
Fire	40,627,489	39,012,489	(1,615,000)
Other Programs	<u>56,306,186</u>	<u>54,707,179</u>	<u>(1,599,007)</u>
	<u>198,454,729</u>	<u>203,792,592</u>	<u>5,337,863</u>
Prior Year Commitments*	<u>7,038,908</u>	<u>-</u>	<u>(7,038,908)</u>
Ending Available Balance	<u>\$ 52,550,028</u>	<u>\$ 63,449,779</u>	<u>\$ 10,899,751</u>

*Adjustments include encumbrance carryover from prior year and one-time appropriations from fund balance including those authorized by Council on December 8, 2015.

The General Fund includes funding from Measure A, a voter-approved Transaction and Use tax of ¾ cents effective April 1, 2014, along with the associated uses, most significantly expenditures for implementation of The City of Stockton’s Marshall Plan on Crime (Marshall Plan). The Annual Budget reflects \$30.2 million of Measure A revenues, of which \$19.8 million, or 66 percent, is budgeted to be spent on public safety. Measure B, which was approved by the voters on April 1, 2014 as an advisory measure to the City Council on expenditures of the tax proceeds generated by Measure A, specifies that 65 percent of the Measure A proceeds should be used towards implementation of the Marshall Plan, with the remaining 35 percent used to help the City emerge from bankruptcy and to restore other City services. This Annual Budget includes planned use of these funds to deliver services and strengthen the General Fund reserves by \$10.3 million.

Since its inception, Measure A has provided an additional \$93.3 million in General Fund revenues that have enabled the City to develop a plan for fiscal sustainability, exit bankruptcy, implement additional public safety efforts including Marshall Plan activity and deliver essential City services.

On May 25, 2016 and June 9, 2016, the Measure A Citizens’ Advisory Committee reviewed the Measures A FY 2016-2017 Proposed Budget (page C-6) along with supporting documents. The Committee approved the proposed budget without revision for recommendation to the City Council, along with an additional recommendation for the City to review its processes related to the retention of police officers. A Measure A summary schedule is provided on the following page.

<u>Measure A Marshall Plan Budget</u>	<u>2015-16 Projected</u>	<u>2016-17 Proposed with Revisions</u>	<u>Proposed vs. 15-16 Projected</u>
Revenues	<u>28,800,000</u>	<u>30,161,000</u>	<u>1,361,000</u>
Expenditures			
Police	14,308,994	18,931,064	4,622,070
Office of Violence Prevention	<u>687,693</u>	<u>873,829</u>	<u>186,136</u>
	<u>14,996,687</u>	<u>19,804,893</u>	<u>4,808,206</u>
Marshall Plan expenses as a % of annual Measure A revenues	52%	66%	
Other City Services			
Mission Critical	5,629,000	-	(5,629,000)
General Fund Services & Reserves	<u>8,174,313</u>	<u>10,356,107</u>	<u>2,181,794</u>
Total Expenditures	<u>28,800,000</u>	<u>30,161,000</u>	<u>1,361,000</u>

In summary, the ongoing General Fund increases contained in the Annual Budget include Marshall Plan staffing and operations for the third full year, normal salary and benefit costs, net of vacancy savings, operational improvements and initial steps toward setting aside appropriate reserves at the direction of Council that will enable the City to continue essential services in the event of an economic downturn or significant unexpected event. The funding for these ongoing costs is supplied through the planned use of increased General Fund revenues, including Measure A, and has been analyzed for long-term sustainability using the Long-Range Financial Plan. One-time expenditure appropriations of \$3.7 million are possible because of General Fund expenditure savings in prior years. Overall, proposed increased spending primarily addresses the Council’s strategic priority of public safety (\$6.0 million) with some efforts towards all of Council’s strategic priorities to enhance service to Stockton’s citizens and improve operational efficiencies.

Retention and Recruitment

During the City’s fiscal crisis, employee compensation and benefits were reduced by necessity as the City struggled to right its financial ship. In addition to benefit reductions, increased pension contribution costs, and base pay reductions through the imposition of unpaid furloughs, City employees received no cost of living adjustments for a number of years. Because of these reductions, the City’s labor market competitiveness was significantly reduced. This situation resulted in employee retention problems, increased turnover and severe recruitment difficulties. In June, 2015 a consultant was hired to study the issue. The consultant report indicated numerous positions across all bargaining units were significantly under market pay levels.

For this year’s budget and labor negotiation processes, Council identified retention and recruitment of employees as a high priority, and took action to set aside funds to address market conditions on December 8, 2015 and with the adoption of the General Fund Reserve policy on March 29, 2016. On June 7, 2016, Council approved Memoranda of Understandings (MOUs) with the Stockton City Employees’ Association, the Trades and Maintenance Unit, the Operation and Maintenance Unit, Water Supervisory Unit and modifications to the Unrepresented Management/Confidential and Law

Employees' Compensation Plan. Information concerning the costs of the approved MOU's was not available at the time the FY 2016-17 Proposed Budget was first published. As a result, revisions to that budget have been made from MOU's approve on June 7, 2016 and further amendments to the Annual Budget may be necessary.

Council approved Resolution 2016-06-07-1209 on June 7, 2016 which authorized and directed the City Manager to include funds in the FY 2016-17 Annual Budget to implement the approved MOU's. This includes a 6 percent salary increase in the first year to address market conditions, with no additional adjustments in the second and third years of the agreements. The costs of these adjustments totals \$4,243,715 in the 2016-17 fiscal year. Additional adjustments for a number of individual employee classifications that were more than 6 percent below market were also approved with a FY 2016-17 cost of \$808,234. Changes to the City's health insurance contribution were also approved at a total cost of \$1,388,424. For 2016-17, the cost of this increase will be borne by the Available Fund Balance in the City's Health Internal Service fund, and there will be no net increase to the budget for health benefits. The net cost of these changes to the Annual Budget is approximately \$5.4 million, of which approximately \$2.2 million is from the General Fund. As agreements are reached with the remaining 5 bargaining units, adjustments to the FY 2016-17 Annual Budget will be presented to Council for approval and amendment of the Annual Budget.

Reserve Policy

Pursuant to Section 1903 of the City Charter, Council is required to adopt a reserve policy that is intended to prudently protect the fiscal solvency of the City. Until recently the City's reserve policy was inadequate as measured by the need to file Bankruptcy, recommended industry benchmarks, and Council practice during the Bankruptcy. The revised policy adopted by Council earlier this year provides a mechanism to establish and fund adequate budgetary reserves. As those reserves grow over time, they will be sufficient to protect the City from economic uncertainties and to maintain services.

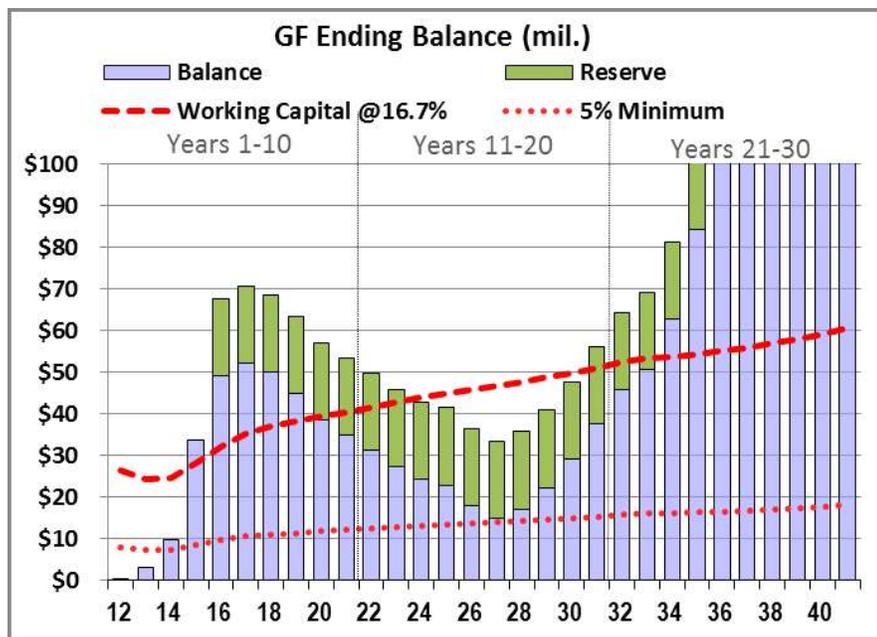
Per the policy, the City will first maintain an available General Fund balance equivalent to two months (17 percent) of operating expenses, and then establish a reserve for known contingencies, unforeseen revenue changes, infrastructure failures, and catastrophic events. Because the new policy also established an automatic process to deposit one-time revenues and expenditure savings into the reserves, the FY 2016-17 Annual Budget reflects a sufficient available fund balance for two months of working capital, \$20 million for known contingencies and \$4 million for economic uncertainties, infrastructure failures and catastrophic events.

While the total reserves are still below established targets, the City is on the path toward maintaining its fiscal solvency for the long-term. These new policies are consistent with the Government Finance Officers' Association best practice recommendations and Governmental Accounting and Standards Board guidance. It is difficult to save for future expenses when the City is faced with so many ongoing service limitations. However, these reserves represent the ability to maintain the City's commitment to current services and protect against service reductions should an economic downturn reduce revenues or a disaster occur.

Long-Range Financial Plan (L-RFP)

The Long-Range Financial Plan (L-RFP) was created as part of the bankruptcy process to demonstrate the financial viability of the Plan of Adjustment over a 30-year period. This window is significantly longer than most long-term forecasts, but was necessary because of significant changes to CalPERS pension rates over time and the long period of time over which debt costs were restructured. The L-RFP has been updated since exiting bankruptcy, and is proving to be a useful framework to make budget decisions. By incorporating the L-RFP into its decision-making process, the Council has an effective tool to forecast the future effects of those decisions. Because so many facets of City services include long-term financial commitments such as labor costs, infrastructure improvements and sufficient reserves, it is imperative for the City to take a long-term view. The L-RFP provides this forward-focused perspective, and as long as the underlying projections are realistic and fiscally conservative, we have the framework to evaluate measured increases.

The L-RFP has been updated to reflect the FY 2016-17 Annual Budget, revenue projections based on third quarter results and approved labor contracts. The L-RFP graph below shows the General Fund available fund balance assuming similar compensation adjustments for bargaining units without successor MOUs and a PERS discount rate that is lower than the rate currently used by PERS. The graph below illustrates the short and long term impact on the General Fund available balance forecast compared to the 17 percent Working Capital reserve and a 5 percent warning level. The green bars represent the portion of the fund balance projected to be set aside to fund Known Contingency and Priority II reserves at the completion of FY 2015-16.



As can be seen in the graph, the available fund balance currently exceeds the Working Capital reserve goal of 17 percent, and is projected to also exceed it at the end of the current fiscal year when available balance will be used to fund the reserves established in the reserve policy. The L-RFP anticipates that the General Fund balance without reserve funds will drop below the goal for a fourteen-year period between 2020 and 2033 before stabilizing again above the 17 percent goal level. At that time, funds above the 17 percent will be used to fund the City’s reserve goals and Council priorities.

Other City Funds

Included in the FY 2016-17 Annual Budget are balanced pro forma schedules for all other City funds grouped by the departments that retain responsibilities for each fund. The pro forma schedules for each fund includes actual expenditures and revenues for the two prior fiscal years, a year-end projection for the FY 2015-16, and a proposed FY 2016-17 budget. A brief bulleted summary of the history, current year issues and significant developments, and descriptions of significant aspects of the FY 2016-17 Annual Budget being proposed is included for each department. Other City Funds include funds for Police, Fire, Economic Development and Public Works; Community Services; Community Development; Municipal Utilities, Administration and Support, Debt, Capital, and Internal Service Funds.

Parking Authority of the City of Stockton

In FY 2011-12, the City defaulted on its parking bond debt service payment. As a result, the City lost control of the Coy, Arena, and the Market Street garages. The City subsequently mediated an agreement with the National Public Finance Guarantee Corporation (the related bond insurer), during the bankruptcy proceedings that created the Parking Authority and regained operational control of the garages. In October 2013, the City contracted with Kimley-Horn & Associates, Inc. to conduct a comprehensive review and assessment of the City's parking program operations and facilities. The consultant recommended several operational and structural changes to the parking programs. The City began implementing those recommendations in December 2013 with the establishment of the Parking Authority as a separate entity from the City. Then in December 2014, the Parking Authority entered into a contract with SP Plus Corporation to manage the facilities and daily parking operations. Now, parking enforcement has transitioned from the Police Department to the Parking Authority. These changes were incorporated into the Parking Authority's initial budget which was effective January 1, 2015 and covered a six-month period. The FY 2015-16 proposed budget for the Parking Authority was the first full year of the Parking Authority's budget and included: debt service for the 2004 Parking Bonds, debt service for the 2006 Parking/Stewart/Eberhardt Building Bonds, the parking operator, and parking enforcement. All of these elements are included in the FY 2016-17 Annual Budget for the Parking Authority.

The Parking Authority's revenues are derived from fees paid for parking within the Parking District and enforcement of parking. These revenues are pledged first to the 2004 Parking Bond debt service, then to operations and maintenance and any other obligation of the District. Tax assessment revenue is also recorded in this fund and is used for parking management and operations of parking facilities and programs within the District. The FY 2016-17 proposed budget for the Parking Authority expenditure budget of \$7.1 million includes funding for parking and technology improvement projects in the amount of \$1.3 million, of which \$800,000 is from one-time bankruptcy funds allocated in FY 2015-16. Parking improvement projects will include technology and revenue enhancement equipment improvements and automation.

Successor Agency to the former Stockton Redevelopment Agency

The Successor Agency depends on the receipt of property tax increment revenues to pay obligations of the former Stockton Redevelopment Agency. In order to receive tax increment funds, the Successor Agency submits a Recognized Obligation Payment Schedule annually to an Oversight Board and the State Department of Finance. After approval by the Oversight Board, tax increment funds up to the amount available and approved on the schedule, is distributed to the Successor Agency by the San Joaquin County Auditor Controller's Office in June for payments due July through December, and in January for payments due January through June.

The use of tax increment funds is restricted, and the Successor Agency does not receive excess tax increment. Excess funds are distributed to taxing entities such as the City of Stockton, San Joaquin County, the State of California (for schools), and special districts.

The Successor Agency's budget consists of three sections: Administration, Project Areas and Debt Service. The Administration budget includes costs of property maintenance, legal expenses, and other services in addition to salaries and overhead. Tax increment is deposited into the Project Area funds then transferred to the Debt Service and Administration funds.

The Successor Agency anticipates paying for all of its debt and enforceable obligations, but continues to anticipate a need for a subsidy from the City's General Fund in the amount of \$200,000 for administrative and operating costs. This subsidy is \$25,000 less than the prior year budgeted amount. As property values increase and more tax increment is available, the need for a General Fund subsidy could further diminish. The Ending Available Balance in the Administration and Project Area budgets will be retained by the San Joaquin County Auditor-Controller for distribution to other taxing entities including the City of Stockton.

2016-2021 Capital Improvement Program (CIP)

The CIP is a five year plan that addresses facility and infrastructure needs for the City. On March 24, 2016, the Planning Commission determined that the proposed 2016-2021 CIP conforms to the City of Stockton 2035 General Plan as required by Government Code Section 65401. The CIP includes a list of projects with a total value of \$549 million. Citywide first year appropriations of \$28.5 million are recommended for the FY 2016-17 Annual Budget, and of this amount, \$6.7 million or 23 percent is from General Fund sources. The first year is the only year of the plan with available funding identified and confirmed. The last four years of the CIP shows an unfunded project need of \$520 million. In order for these unfunded projects to be delivered, additional project funding will need to come from cost efficiencies, one-time cost savings or additional revenues from State and Federal grant funds and other sources.

Five Year Capital Improvement Program

2016-2021

(Dollars in thousands)

	<u>Proposed Budget 2016-17</u>	<u>2017-18 Projecte</u>	<u>2018-19 Projecte</u>	<u>2019-20 Projecte</u>	<u>2020-21 Projecte</u>
General	9,219	1,772	500	2,683	101,426
Transpo	8,815	12,685	8,108	8,898	194,920
Utilities	10,509	28,395	43,549	65,960	51,945
Total CII	<u>28,543</u>	<u>42,853</u>	<u>52,156</u>	<u>77,541</u>	<u>348,291</u>
Funded	21,852	42,853	52,156	75,470	96,992
General	6,691	-	-	-	-
Unfunded	-	-	-	2,071	251,299
Total	<u>28,543</u>	<u>42,853</u>	<u>52,156</u>	<u>77,541</u>	<u>348,291</u>

As shown in the table above, the recommended General Fund allocation for capital projects in FY 2016-17 is \$6.7 million. This amount is comprised of an annual allocation of \$1.1 million, and approximately \$5.6 million of one time funds. Funding is allocated for several projects that address Council’s strategic priorities relative to infrastructure. These projects are:

- Police Facilities
- Public Works Relocation
- Fire Station #2 Kitchen Replacement
- Fire Station #2 Burn Room and Driveway Reconstruction
- Main Police Department Parking Lot Improvements
- McNair Soccer Complex Upgrades
- Panella Park Baseball Diamond Replacement
- Police Department under Freeway Parking Lot Improvements

This level of funding is still far below the amount needed to address existing deficiencies and ongoing needs for maintenance of capital assets essential to functions funded through the General Fund. Highlights of the CIP are discussed in the associated transmittal letter and on pages 3-10 of the 2016 -2021 CIP document.

FY 2016-17 Fee Schedule

The FY 2016-17 Fee Schedule reflects new and changed fees. Proposed new fees are presented for City Wide, Community Development, Fire, Library, Municipal Utilities, Parking and Recreation & Leisure. Proposed fee changes include revisions to Economic Development, Fire, Library, Wastewater and Water fees, Parking, Police, and Recreation & Leisure. Some of these changes are increases and some are decreases.

These few proposed new and changed fees are listed in Section I along with reasons for each change. All other fees are listed in the following sections. No inflationary adjustment has been included in proposed fees based on the change in Consumer Price Index from the prior year.

FY 2016-17 Gann Appropriation Limit

An amendment to the California Constitution intended to limit growth in local government spending requires establishment of a maximum limit for expenditures from general taxes. The law requires that the limit be recalculated and approved annually by the City Council at the beginning of each fiscal year. Generally known as the Gann Limit, it is indexed to specified growth factors approved by the Legislature and applied to revenue appropriations. The total FY 2016-17 revenue appropriations that are subject to the limit has been calculated at \$179,383,067. The City's annual appropriation limit has been calculated in the amount of \$310,619,313 for FY 2016-17 pursuant to the requirements of the California Government Code. The revenues subject to the limit are budgeted to be \$179,383,067 in FY 2016-17 and are well within the State Constitutional appropriations limit.

Continuation of FY 2015-16 Appropriations

Pursuant to Section 1908 of the City Charter, budget appropriations lapse at the end of each fiscal year if not expended or encumbered. With this requirement in place, some Council priority projects can lose funding at year end unless the Council takes action to continue the appropriation into the next fiscal year. A review of City Council approved FY 2015-16 funding for one-time expenses has resulted in the following list of appropriations that are recommended for continuation in FY 2016-17:

Description	Department	Fund	Estimated Amount
Air Support Planning	Police Department	General Fund	\$50,000
Leadership Academy	Human Resources	General Fund	\$85,000
Vehicle Purchases	Municipal Utilities	Wastewater Fund	\$270,000
Housing Projects	Economic Development	Low/Moderate Housing Fund	\$3.2 million
Community Organization Funds	Non-Departmental	General Fund	\$240,000
Economic Development Incentives	Economic Development	General Fund	\$1.2 million
Marketing Communication Plan	Non-Departmental	General Fund	\$100,000
Mobile City Hall	Non-Departmental	General Fund	\$100,000
Homeless Services	Non-Departmental	General Fund	\$7,000
Radios and Dispatch Center Technology	Fire	General Fund	\$567,000

It is also recommended in the budget resolution that \$5.8 million of General Fund available balance at June 30, 2016 be used for Police facility expansions, the related Public Works Department relocation and Police parking lot improvements to accommodate the additional officers and support staff hired as part of the Marshall Plan. These projects are an appropriate use of the funds set aside in prior years for bankruptcy and recovery efforts.

FY 2016-17 Annual Budget Adoption - Looking Forward

Although constrained, this Annual Budget is strong and fiscally prudent. It allows the City to implement the lessons learned through the bankruptcy process, protect and sustain its ability to maintain the current spending levels, and makes incremental progress toward addressing the backlog of service requests from citizens. The financial discipline shown by the City in the aftermath of the second largest bankruptcy in U.S. history must continue as the new baseline for fiscal decision-making. At our current pace, and as more of our economic development initiatives come to fruition, the City is anticipating additional opportunities to make modest enhancements to staffing levels and other ongoing expenditure items in the near future. Caution must continue to be applied, as there will always be many competing priorities for limited funds.

FINANCIAL SUMMARY

This report recommends for adoption the City's FY 2016-17 Annual Budget totaling \$589,951,694 including all City funds. Included in this budget report is the Parking Authority FY 2016-17 Annual Budget and the Successor Agency FY 2016-17 Annual Budget.

The complete documents of the City's Proposed FY 2016-2017 Annual Budget, the Proposed 2016-2021 Capital Improvement Program, and the Proposed FY 2016-17 Fee Schedule are available for review on the City's website www.stocktonca.gov <<http://www.stocktonca.gov>> or in the City Clerk's office.





CITY OF STOCKTON

OFFICE OF THE CITY MANAGER

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May 16, 2016

Honorable Mayor and Council:
City of Stockton, California

BUDGET MESSAGE

Summary

I'm pleased to present the proposed FY 2016-17 Annual Budget for your consideration. It continues to fund the most pressing needs, and reflects the collective goals of the Mayor and Council's Strategic Priorities. However, as in previous years, this year's budget is constrained by the fiscal reality of our long-term financial outlook and continued fiscal discipline is necessary. I would like to thank the Mayor and Council for their continued fiscal leadership. I would also like to thank the budget staff in addition to team members from each Department who have contributed to the creation of this balanced budget.

Stockton has a long history of being out of sync with the spending of other Cities. In the distant past this included outspending our peers with little regard for the long-term impacts. During the fiscal crisis, many cities sought the path of least resistance with respect to budgeting and they took a temporary Band-Aid approach to declining revenues. Stockton made a conscious decision to get off the hamster wheel of annual budgeting by sacrificing to make appropriate long-term adjustments. This painful but necessary process resulted in a reduced but stable financial position and is the reason Stockton has changed places with other cities.

As the recession ended, many cities raced to restore and increase spending while Stockton took a measured and discipline approach to new financial commitments. Those same cities are now struggling to maintain their current levels - contemplating reductions in spending and service, while Stockton is contemplating how to responsibly increase service levels. The City Council's fiscal discipline has begun to pay off. Now a new challenge has emerged as policy decisions will decide which of these paths Stockton will choose going forward.

By any objective measure, the City has made remarkable progress. Not long ago the City was insolvent and topped a number of national lists that highlighted Stockton's shortcomings. Today, Stockton has restored its fiscal health, regained All-America City

status, and been named by *U.S. News and World Report* as one of the top 100 places to live in the country. Today, the City is in a much healthier fiscal position than it has been in many years. Although we have a high level of confidence that we can afford our current spending pattern we also have an obligation to provide the highest levels of service possible to the citizens who pay for those services. Increasing services often comes at a steep and ongoing cost, and before we commit to those costs we must determine that we can afford them.

Several key areas are funded in this budget, and for those that are not we can still rely on partnerships to make progress. From water to homelessness, we have a long list of issues for which the solutions require a collaborative approach, regardless of how much funding the City is providing. This approach will be especially important for addressing critical issues for which we lack the financial resources to affect change. The City's financial picture continues to improve, however, spending demands continue to grow at an even faster pace. The City's new reserve policy is a seminal component of our ability to maintain our fiscal health and withstand unexpected events or changes from the State and Federal level. We will continue to work with our partners to anticipate these incidents and adapt accordingly to mitigate any related impacts.

Financial Projections and Protections

Chapter 9 bankruptcy is different from the other Chapters in several ways. One important distinction is that it afforded the City an opportunity to restructure, but not ignore, its debts. While some debts were reduced, the restructuring process was not an opportunity to uniformly erase all of the City's debt. It was not a temporary affliction whereby we intended to return to previous spending levels. On the contrary, it recalibrated our baseline so that any increases in services are more akin to new increases than restorations of temporary cuts. Service level increases continue to be a priority but they must conform with our ability to pay – not only today, but years in to the future.

The Mayor and Council have placed a high priority on the fiscal health of the City. The lessons from bankruptcy remain permanently etched in our organizational DNA. More than a year has passed since the City's 'exit' from bankruptcy, and some stakeholders have seen this progress as a reason to restore service levels to pre-bankruptcy levels. However, it is important to recognize the continued jurisdiction of the federal court, our obligations to adhere to the court-approved Plan of Adjustment, and our commitment not to repeat the mistakes of the past. All of these bankruptcy-related requirements dictate frugal spending choices that take into account the long-term fiscal consequences of every decision.

Two specific lessons reflected in this document are the need for realistic revenue and expenditure projections and the value of setting aside funds in order to endure the inevitable future fiscal downturn. The economy is finishing its seventh year of expansion,

already two years longer than the average recovery. This Budget assumes the Mayor and Council wish to continue the prudent fiscal practices of recent years rather than abandon recent reforms in favor of returning to the myopic and undisciplined practices of the past. Consequently, the Budget includes difficult choices and leaves many deserving items unfunded.

Strict adherence to these prudent financial policies has proven to require a herculean effort in the face of mounting pressure from well-intentioned stakeholders who seek service enhancements or other well-deserved but costly commitments. In a demonstration of leadership, the City Council has largely adhered to evaluating the long-term impacts of each financial decision prior to making new financial commitments, and should be applauded for doing so. This decision-making process typically results in the denial of new requests. Although that process is painful in the short-run, it has a long-term positive impact by protecting our ability to deliver essential services and heads off trouble in the out years.

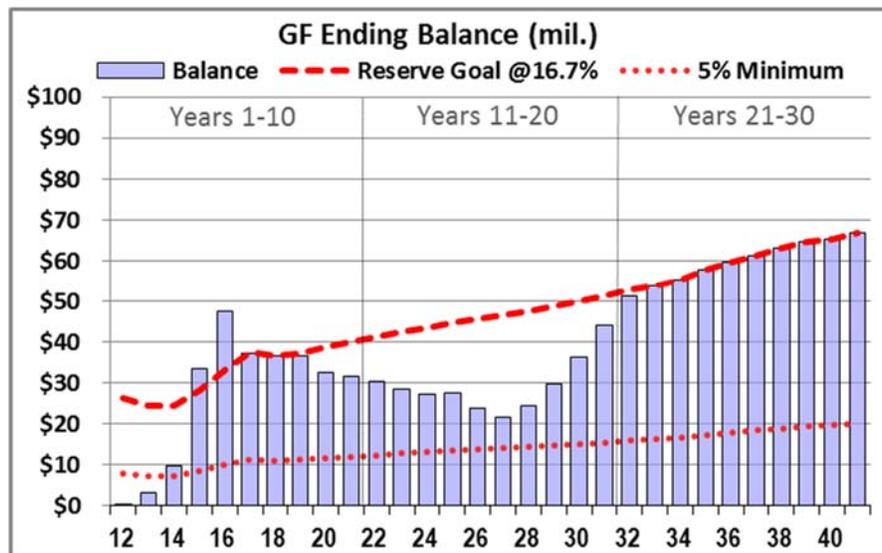
Reserve Policy

Pursuant to Section 1903 of the City Charter, the Council is required to adopt a reserve policy that is intended to prudently protect the fiscal solvency of the City. Until recently the City's reserve policy was inadequate as measured by the need to file Bankruptcy, recommended industry benchmarks, and Council practice during the Bankruptcy. The revised policy adopted by Council earlier this year provides a mechanism to establish and fund reserves. As those reserves grow over time, they will be sufficient to protect the City from economic uncertainties and maintain services. Per the policy, the City will first maintain an available General Fund balance equivalent to two months (17 percent) of operating expenses, and then establish a reserve for known contingencies, unforeseen revenue changes, infrastructure failures, and catastrophic events. Because the new policy also established an automatic process to deposit one-time revenues and expenditure savings into the reserves, the proposed FY 2016-17 Annual Budget reflects a sufficient available fund balance for two months of working capital, \$20 million for known contingencies and \$4 million for economic uncertainties, infrastructure failures and catastrophic events. While the total reserves are still below established targets, the City is on the path toward ensuring its fiscal solvency. These new policies are consistent with the Government Finance Officers' Association best practice recommendations and Governmental Accounting and Standards Board guidance. I acknowledge how difficult it is to save for future expenses when the City is faced with so many ongoing service limitations. However, these reserves represent the ability to maintain our commitment to current services and protect against service reductions should an economic downturn reduce revenues or a disaster occur.

Long-Range Financial Plan

The Long-Range Financial Plan (L-RFP) was created as part of the bankruptcy process to demonstrate the financial viability of the Plan of Adjustment over a 30-year period. This window is significantly longer than most long-term forecasts, but was necessary because of significant changes to CalPERS pension rates over time and the long period of time over which debt costs were restructured. The L-RFP has been updated since exiting bankruptcy, and is proving to be a useful framework to make budget decisions. By incorporating the L-RFP into its decision-making process, the Council has an effective tool to forecast the future effects of those decisions. Because so many facets of City services include long-term commitments such as labor, infrastructure improvements and sufficient reserves, it is imperative for the City to take a long-term view. The L-RFP provides this forward-focused perspective, and as long as the underlying projections are realistic and fiscally conservative, we have the framework to evaluate measured increases.

The L-RFP has been updated to reflect the FY 2016-17 Annual Budget as proposed with the same long-term assumptions for labor and PERS costs assumed during the bankruptcy process. The graph below illustrates the short and long term impact on the General Fund available balance forecast compared to the 17 percent Working Capital reserve and a 5 percent warning level. All funds above the 17 percent Working Capital Reserve are allocated to other reserve categories defined in the City’s new reserve policy.



The two red lines on this chart reflect the range of available fund balance to be maintained for operating reserves. The red dotted line represents the minimum fund balance level of 5 percent of expenditures, and indicates a warning that operating reductions may be required to maintain services. The blue bars depict the General Fund ending available

fund balance at each fiscal year end beginning with actual balances for FY 2011-12 through FY 2014-15 and continuing forward based on forecasts. As can be seen in the graph, the available balance exceeds the 17 percent goal now, and is projected to also exceed it at the end of the current fiscal year when available balance will be used to fund the reserves established in the reserve policy. The L-RFP anticipates that the balance will drop below the goal for a ten year period between 2019 and 2032 before stabilizing again at the 17 percent goal level.

FY 2016-17 Budget Overview

The proposed Budget totals \$584.0 million including operating, capital, debt, transfers and internal service fund operations for all programs of the City. This represents an overall reduction of \$36.9 million from the FY 2015-16 budget primarily due to reductions in capital and debt budgets. The operations portion of the City budget remains relatively stable at \$494.1 million. Citywide revenues are budgeted at \$545.7 million for FY 2016-17. Fund summaries and financial schedules showing prior year actuals, FY 2015-16 projections and FY 2016-17 budget have been included for each City budget unit in this document.

A summary of the proposed FY 2016-17 Annual Budget is provided in the table below:

City-wide Expenditure Budget All Funds	2015-16 Current	2016-17 Proposed	Difference
General Fund*	\$ 209,777,462	\$ 201,096,447	\$ (8,681,015)
Utilities	147,995,446	123,171,786	(24,823,660)
Capital/Street Maintenance	36,434,833	31,919,466	(4,515,367)
Other Community Programs	74,538,177	76,947,117	2,408,940
Debt Service	22,094,225	12,479,609	(9,614,616)
Redev. Low/Mod Housing	3,000,040	5,354,661	2,354,621
HUD/Housing Programs	11,369,894	8,276,615	(3,093,279)
Internal Services	115,693,416	124,790,501	9,097,085
	<u>\$ 620,903,493</u>	<u>\$ 584,036,202</u>	<u>\$ (36,867,291)</u>

*The 2015-16 General Fund expenditure budget is presented as amended to provide a more appropriate comparison between fiscal years.

General Fund

The General Fund budget is \$201.1 million, a decrease of \$8.7 million from the FY 2015-16 budget, which includes more than \$12 million of one-time expenses mostly funded from Measure A mission critical funds. The mission critical funding was only available during the initial two year period after the collection of Measure A tax revenues began while Marshall plan positions and activities were phased into the budget.

The General Fund is projected to end FY 2015-16 with a fund balance of \$52.5 million that will be used to fund the working capital and known contingency reserves. General Fund expenditure appropriations in the FY 2016-17 Annual Budget are \$13.6 million less than revenues in part due to the exclusion of compensation changes that might result from labor negotiations. Any additional costs associated with labor agreements will require an appropriation from the fund balance and will be incorporated in the L-RFP to illustrate the long-term impact of negotiated items.

Revenues

General Fund revenues proposed in the FY 2016-17 Annual Budget are \$214.7 million, which is an increase of \$7.9 million or 3.8 percent from the prior year Adopted Budget, and \$4.3 million or 2.1 percent from the currently anticipated year-end receipts for FY 2015-16.

Property tax revenues continue to recover at a slow but steady rate due to the continued recapturing of property values reduced below Proposition 13 values during the housing market downturn as authorized by Proposition 8. There is a continued steady increase in the median price of single family houses. Median values for single family residential properties still remain well below the peak values experienced in the high growth years of 2002-2007, as discussed below. The proposed FY 2016-17 Annual Budget includes an estimated overall growth in property tax receipts of 3.5 percent.

Residential properties throughout the State received value reductions to lower market value rates from 2008 to 2012, reflecting the drastic impact on property values of the "Great Recession". Under State law, as property values recover from the recession, County Assessors throughout the State have been reviewing properties that received reductions and have begun restoring the values as market values moved upward. In Stockton, a significant number of properties have had their values restored, which resulted in a higher than normal growth in Property Tax receipts received during the last two years. Through FY 2014-15, 72.5 percent of properties awaiting recapturing of values in FY 2012-13 had been fully reinstated, which leaves a number of properties to be processed. It is estimated that this process will probably extend through the next two fiscal years. At that point, the growth rate will be totally governed by the growth of median property values, and the Proposition 13 imposed cap on the growth of existing property. Even with the Proposition 8 restorations, the median value of single family homes in

Stockton remains far below pre-recession levels. The peak year median family residential sales value experienced in 2006 was \$390,000, while the median value in the past year, even with the recently experienced growth, was only \$209,000. This difference illustrates just how hard hit Stockton's real estate values were by the Recession. The Consumer Price Index adjustment on Proposition 13 property values continues to be below the 2 percent cap due to the historically low inflation rates. The Consumer Price Index of Non-Proposition 8 parcels for FY 2016-17 is only 1.525 percent. This compares to a 1.998 percent growth rate in the prior year. Although the growth in median home sales prices has slowed from the prior two years, it continues to show double-digit increases.

Sales tax revenues on an overall basis are proposed to be budgeted at \$77.4 million. This is only a slight increase from the amount anticipated to be collected in FY 2015-16 (\$77.0 million), but actually represents a projected 4.5 percent increase from the base level in Point of Sale proceeds. FY 2015-16 Sales Tax proceeds include approximately \$3.1 million in one-time funds associated with the final true-up of the State "Triple Flip" program. The State, in the close-out of the Triple Flip, owed the City funds from a prior fiscal year. We anticipate the highest growth rates to be in the Building and Construction, Fuel and Service Stations, and Restaurants and Hotels categories, offset by a small fall-off in the Business and Industry category. Revenues from the Sales Tax Incentive Program approved by Council in 2014 will add \$786,000 to the City's sales tax revenues; all of which has been earmarked for Economic Development programs. Measure A revenues are projected to increase 4.7 percent for a total of \$30.2 million.

Utility Users Tax (UUT) revenues are projected to increase 3.3 percent or \$1.1 million overall. Water revenues are anticipated to increase approximately 5 percent on an overall basis. This estimate has two offsetting components. City Water revenue has decreased 5 percent decrease this year as a result of conservation measures, and is budgeted at the same level in FY 2016-17. No revenue from the proposed rate increase has been included in this estimate. CalWater revenue on the other hand, has grown 11 percent this year, and is anticipated to grow an additional 10 percent reflecting rate increases implemented by CalWater both this year and next year. Gas and electric revenues are budgeted to increase 3 percent and 4 percent respectively, and video revenues are budgeted to increase 3 percent. The FY 2015-16 Annual Budget incorporated the impact of State law AB1717, which went into effect January 2016, and enables local governments to charge UUT on prepaid wireless. The projected increase in the Telecommunications Utility tax of 3 percent reflects a full year collections of these revenues. The City will continue to receive prepaid wireless revenues for the next few years until the State law sunsets in 2020. It should be noted that each sector of the UUT revenues continues to be vulnerable to market conditions and industry advancements such as conservation efforts, solar energy usage, cable video alternatives, and federal laws regulating taxation of internet usage.

Other City tax revenues including franchise, business license, hotel/motel, and document transfer are expected to experience modest growth (3 percent) from FY 2015-16

anticipated collection levels. General Fund interest earnings are anticipated to grow significantly from \$350,000 to \$560,000 (60 percent), as a reflection of improved cash balance levels and reserves.

Program Revenues are projected to be down by approximately \$1.2 million, or 9.2 percent from the FY 2015-16 year end projection. This decrease is made up a number of offsetting factors. Approximately \$800,000 of the decrease is due to the impact on the General Fund budget of the formation of the new Joint Powers Authority for fire dispatching services with several neighboring cities. The payments that used to be registered in this category will be placed in a separate fund, as will the expenses associated with the revenue. The net impact on the General Fund will be zero. Revenue from parking citations, included in the Fines and Forfeitures line item in this category are anticipated to be down by approximately \$136,000, as this revenue is now being collected by the Parking Authority. In addition, when comparing the FY 2016-17 revenues to the FY 2015-16 year end projection, a variance of nearly \$300,000 is attributable to the completion of a review and recording of unclaimed checks in FY 2015-16. Offsetting this decreases is a projected increase in Code Enforcement proceeds of approximately \$360,000, reflecting increasing enforcement actions.

Interfund Reimbursement revenues are projected to increase by \$117,000 or 1.4 percent compared to the FY 2015-16 projection reflecting slight increases in the indirect cost allocation and refunds and reimbursement categories, offset by a projection for a slight decrease in rents/leases/concessions.

Transfers In revenue includes an estimate for \$1.1 million for the receipt of Brownfields Economic Development grant funds. The Redevelopment West End Fund paid for project costs that were to be reimbursed by the grant prior to Redevelopment Agency dissolution. At the time of dissolution, the General Fund covered the cash deficit for Redevelopment West End Fund. As a result, the grant funds received are owed to the General Fund.

Expenditures

General Fund expenditures in the FY 2016-17 Annual Budget are anticipated to be \$201 million, which is a decrease from the prior year budget of \$209.7 million. The variation includes removal of \$12 million of one-time funding provided in FY 2015-16 for council priorities. In addition to normal labor, utility and service cost increases, the FY 2016-17 General Fund budget includes expenditure additional funding for 44 new Measure A Police positions, a paralegal position in the Attorney's Office, an analyst position in the Office of Violence Prevention, and a combination of new one-time and ongoing items for Council strategic priorities that total \$9.7 million, and are described below.

Public Safety

A total of \$5.967 million has been added to this area, and includes one-time funding for the Police Department to plan for an Air Support Program and for increased security at various City facilities. There is an ongoing allocation for the Body Camera and Transportation Officer programs and additional funding for promotional materials for the Office of Violence Prevention.

<u>Ongoing</u>	<u>One-time</u>	
\$4,957,000	\$ -	Addition of 40 Police Officers and 4 public safety staff funded by Measure A Transaction and Use Tax revenue in support of the Marshall Plan on Crime (Marshall Plan)
114,000		Administrative Analyst and Community Engagement Coalition Materials in the Office of Violence
58,000		Paralegal in City Attorney's Office to support code enforcement activities expanded as part of Marshall Plan implementation
400,000	31,000	Fire Fighters Training Academy, Fire occupational health & safety program, Tactical Emergency Medical training
	50,000	Air Support program development
-	74,000	Recruitment for Police & Fire sworn staff
158,000	-	Body Camera Program
125,000	-	Transportation Officer Program
\$5,812,000	\$ 155,000	Total Public Safety

Fiscal Sustainability

In the prior two years, the Administrative Services department has been working with a consulting firm to establish improvements in the City's procurement policies, procedures and operations. In FY 2015-16 three positions were added but not funded as part of the proposed procurement changes. Funding for these position was to come from savings established by implementing the procurement changes. For the FY 2016-17 Annual Budget, staff identified ongoing rebates and efficiency savings of approximately \$218,000. These rebates and savings are being directed towards funding the established procurement positions in the department.

<u>Ongoing</u>	<u>One-time</u>	
\$ 218,000	\$ -	Procurement Improvement Program
\$ 218,000	\$ -	Total Fiscal Sustainability

Organizational Development

During the years of economic downturn and the resulting bankruptcy, organizational development efforts were either eliminated or placed on hold. As part of the City's recovery, the Council has stated Organizational Development as one of its strategic goals. To this end, \$368,000 has been appropriated towards funding of a number of programs intended to improve staff training, recruitment, retention and development. The items recommended include the costs for conducting a new Fire Training Academy; Police Lieutenant, Police Sergeant, Fire Captain and Fire Fighter Engine promotional exams, document scanning and digitizing equipment for Public Works, and additional janitorial services at several City facilities.

<u>Ongoing</u>	<u>One-time</u>	
\$ 134,000	\$ 6,000	Staff Training and development
146,000	-	Employee Parking Program
15,000	67,000	Technology & Imaging
\$ 295,000	\$ 73,000	Total Organizational Development

Economic Development

A total of \$2.0 million in one-time funds has been proposed for economic development activities. Funding is included for Incentives for Economic Development, Job Creation Activities and Downtown Infrastructure (\$900,000). The EDD has identified potential projects that will use these funds for activities that support industrial development, higher wages, and expansion of home based and small businesses. Also included is funding for Downtown Infrastructure Infill (\$950,000), one-time funding for a Brownfields and Grant Writing and Management Consultant in the EDD department (\$150,000), and funding for the growth and development of downtown for implementation of the ULI (\$50,000).

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 150,000	Brownfields and economic development grant writing and management services
-	1,850,000	Economic Development Incentives, Job creation activities and Downtown Infrastructure Infill
-	50,000	Growth and development of downtown for implementation of the Urban Land Institute
\$ -	\$2,050,000	Total Economic Development

Youth

A total of \$188,000 has been proposed in support of enhanced youth activities. In FY 2015-16 Annual budget, an appropriation was made for the Youth Work Program. This is being continued in the FY 2016-17 Annual Budget. Also proposed for funding are

funds to replace the public announcement system at Pixie Woods Theme Park, and for gym equipment replacement at various Community Centers (\$60,000). On-going funds are proposed for strategic plan programs at two libraries, to restore performers and programs at the Troke branch library, and for safety needs at Pixie Woods.

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 100,000	Youth Work Program
-	60,000	Community Centers Gym Equipment replacement
11,000	-	Library supplies for improved outreach, computer and language classes, and other learning activities
5,000	-	Increased Security and staffing levels at Pixie Woods
5,000	-	Troke Library community programs
-	7,0000	Pixie Woods Theme Park PA System
\$ 21,000	\$ 167,000	Total Youth

Infrastructure

Several City facilities and buildings are in need of repairs. Most of these repairs fall under Capital Improvements and are discussed in detail in that section of the document. An appropriation of one-time funds in the amount of \$565,000 is included in addition to the capital projects for repairs, replacement and supplies. The largest of these items is a one-time allocation of \$400,000 for asphalt to be used for repaving City streets. Also included are one-time funds for phase one of a re-keying system at various City facilities.

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 100,000	Van Buskirk Pond Repairs
-	55,000	Re-key system at City Facilities
-	400,000	Street Resurfacing supplies
\$ -	\$ 555,000	Total Infrastructure

Public Relations/Image

A total of \$381,000 has been proposed for four projects in the Public Relations/Image program. The largest component is one-time funding (\$340,000) to be used to renew the contract with the San Francisco Society for the Prevention of Cruelty to Animals (SFSPCA) to provide on-site veterinary services at the Stockton Animal Shelter, as well as volunteer and adoption coordination services. This cost will be offset by approximately 30 percent through a revenue sharing agreement. Other smaller amounts of on-going funding is proposed to provide for increased security at community events, increased setup and takedown costs and rental increases at the Civic Auditorium.

<u>Ongoing</u>	<u>One-time</u>	
\$ -	\$ 340,000	Animal Shelter contract for veterinary services
41,000	-	Security and set up and community events
\$ 41,000	\$ 340,000	Total Public Relations/Image

Utility Funds

Most notably, the Municipal Utilities Department (MUD) funds of water, wastewater, and storm water present unique challenges for the future. Storm water fund deficits are so severe that many important capital projects have been delayed for years. The City attempted to address this issue in 2010 with a Proposition 218 vote needing a majority of favorable votes to pass; however, sufficient votes were not received. This situation will require additional analysis in order to maintain the safety and efficiency of the flood control system as well as maintain compliance with our regulatory agencies.

For the Wastewater Fund, in 2010 the City Council approved a five year tiered wastewater rate increase that would provide funding to ensure compliance with the bond covenants and support scheduled capital improvement projects in the Wastewater Utility. FY 2016-17 is the second year these rates will be adjusted according to the Consumer Price Index, resulting in an increase of 1.6 percent. In 2015 the City met the Sanitary Sewer Overflow Spill Reduction Performance Standard of less than seven per 100 miles of sewer pipe and has fulfilled the terms of the Consent Decree. The FY 2016-17 capital improvement budget includes a number of projects for the Wastewater Utility. Included are projects for RWCF Facility Modifications, Sanitary Sewer Pump Station and Forcemain Cathodic Protection repairs, design and construction of several large pipeline repairs, design and construction of sanitary pump stations, sanitary sewer system upgrades.

Water revenues have a direct correlation to the amount of customer water usage. Since we are in the midst of an extreme drought, the mandated water conservation measures have dramatically reduced water usage and, consequently, reduced revenues. In addition to the impact from the drought, the water utility is required to meet annual debt service coverage ratios, support increased water costs for purchased water; and fund future capital project improvements and ongoing maintenance. To ensure adequate bond coverage, the rate stabilization fund will be depleted and some selected capital projects will be delayed. A Proposition 218 ballot measure to increase water rates is currently underway and will be presented for City Council approval in June 2016.

Budgets in all three utility funds have been reduced compared to FY 2015-16 in an effort to maintain good fiscal health and as a result of year to year capital project funding fluctuations. The utility capital budget reduction accounts for \$18.4 million of the total \$24.8 million reduction. Maintaining and improving capital facilities is an important part of the utilities ability to comply with regulations and operate efficiently. Each of these

funds will require close observation and careful analysis going forward to maintain the appropriate level of fiscal health and meet debt coverage ratio requirements. In the interim any new burdens to these funds should not be taken lightly. We will continue to monitor and plan with the idea of returning to Council as needed for further direction.

Internal Service Funds

There are 12 Internal Service Funds (ISF): Three of the funds are managed by the Information Technology Department (Computer Equipment, Radio Equipment, Telephone Equipment), one by the Public Works Department (Fleet), and one by Administrative Services Department (Office Equipment). Seven ISFs are managed by the Human Resources Department (General Liability, Workers Compensation, Health Insurance, Unemployment, Long-Term Disability/Life Insurance, Retirement Benefits and Compensated Absences). These ISFs can be categorized into two categories: Equipment or Benefits. During the course of developing each fund's allocation rates, an evaluation was done and modifications have been made to the methodology used to determine and distribute rates, in addition to evaluation of the costs associated with each fund. Over the last few years, the methodologies for the equipment category of ISFs were improved to follow consistent and logical calculations while eliminating duplications. Rate development methodologies continue to be reviewed annually and further refinements have been incorporated into department charges with now major fluctuations in the FY 2016-17 budget.

At a high level, the equipment-related ISFs of the FY 2016-17 Annual Budget reflect increases consistent with the L-RFP and include public safety expansion and equipment made possible partly by mission critical funding obtained through Measure A revenues. The benefit-related ISFs also reflect comparable increases to the forecast except for the Retirement Fund which applies current CalPERS rates lower than originally forecast (by an average of 3 percent) and 7 percent higher than for the prior year. The Retirement ISF budget increased \$6.8 million from FY 2016-17 as a result of the CalPERS rates and an increase in the number of City employees. It should be noted that many of the ISFs still do not have sufficient reserves to fund all cost incurred, as they were depleted during the City's financial crisis to mitigate the General Fund's financial downturn. Fund Balances and Reserves are still not adequate in a number of the Benefit ISF funds. The City during that period was also forced to delay equipment purchases through the Equipment ISFs which caused vehicles and technology to become increasingly out of date. Fortunately, in recent years, some additional funding has become available to improve this situation. The FY 2016-17 ISFs budget include some additional funding to continue this catch-up process. The City will continue to look for additional funding to improve the financial status of its Internal Service Funds and review each ISF to define appropriated funding and reserve balances.

Capital Improvement Program

The FY 2016-17 budget for the Proposed Capital Improvement Program is \$28.5 million. This is down \$23.3 million from the \$51.8 million included in the prior year capital budget. Of this amount, \$6.7 million or 23 percent is from the General Fund including funding remaining from funds set aside for bankruptcy expenses to be used on key capital projects related to Marshall Plan and critical City infrastructure.

The proposed CIP projects are grouped into three categories: General Government, Transportation and Utilities. The General Government Category includes improvements associated with City owned facilities including Police, Fire, Parks, Golf Courses, Libraries, Community Centers and City Buildings. These projects are funded by the General Fund and for FY 2016-17 include improvements associated with additional facility space to accommodate Police staffing increases, the relocation of the Public Works Department, ADA compliance program, Fire Station improvements, leaking underground fuel tanks, Louis Park Pump House rehabilitation, McNair Soccer Complex upgrades, Panella Park Baseball Diamond replacement, and roof replacement and construction projects for various city facilities.

Transportation Projects proposed for funding in FY 2016-17 include the Active Transportation Plan in Greater Downtown District, maintenance of bridges and pavement throughout the City, traffic calming measures in 16 neighborhoods, construction of ADA accessibility improvements, Harding Way Corridor, Hunter Street Improvements and Bike Lane installation, Miner Avenue complete street improvements, Thornton Road/Lower Sacramento Road/Hammer lane Triangle Left Turn lanes and Wilson Way Corridor.

The Department of Municipal Utilities is continuing to budget new projects in the water enterprise to improve onsite treatment capacity, water system expansions, system improvements, transmission mains, and water well new acquisitions, rehabilitations and abandonments. The Wastewater program continues to fund the multi-year Capital Improvement and Energy Management Plan, and has included funding for a number of projects for the Regional Wastewater Control Facility. The maintenance and repairs for the Stormwater program, as mentioned previously, is greatly constrained because the lack of a fee increase since 1992. For FY 2016-17, a total of \$834,000 is available to address a small number of deficiencies. Without an increase to the Stormwater fee, vital capital improvements necessary to minimize the amount of localized flooding and maintain pace with the regulatory environment will not be possible in future years.

Conclusion

Although constrained, this proposed budget is strong and fiscally prudent. It allows the City to implement the lessons learned through the bankruptcy process, protect and sustain our ability to maintain current spending levels, and makes incremental progress

toward addressing the backlog of service requests from citizens. The financial discipline shown by the City in the aftermath of bankruptcy must continue as the new baseline for fiscal decision-making. I look forward to continued progress toward the Council's Strategic Priorities and to solidifying the City's fiscal health.

Respectfully submitted,



KURT O. WILSON
CITY MANAGER

STOCKTON CITY COUNCIL 2014-2016 STRATEGIC PRIORITIES

Strategic Targets:

- Public Safety
- Fiscal Sustainability
- Organizational Development
- Economic Development
- Youth
- Infrastructure
- Public Relations/Image

Priority Goals:

1. Improve police response times, customer service and follow-ups; hire additional officers and increase diversity
2. Implement the Marshall Plan and institutionalize it
3. Retool public nuisance code enforcement issues
4. Institutionalize modeling for financial forecasting
5. Dedicate monetary resources for improved technology
6. Develop and implement economic development plan to attract and retain businesses and target areas of underserved populations
7. Focus on downtown market rate housing project (ULI Study)
8. Revise General Plan
9. Develop an aggressive marketing and communication plan

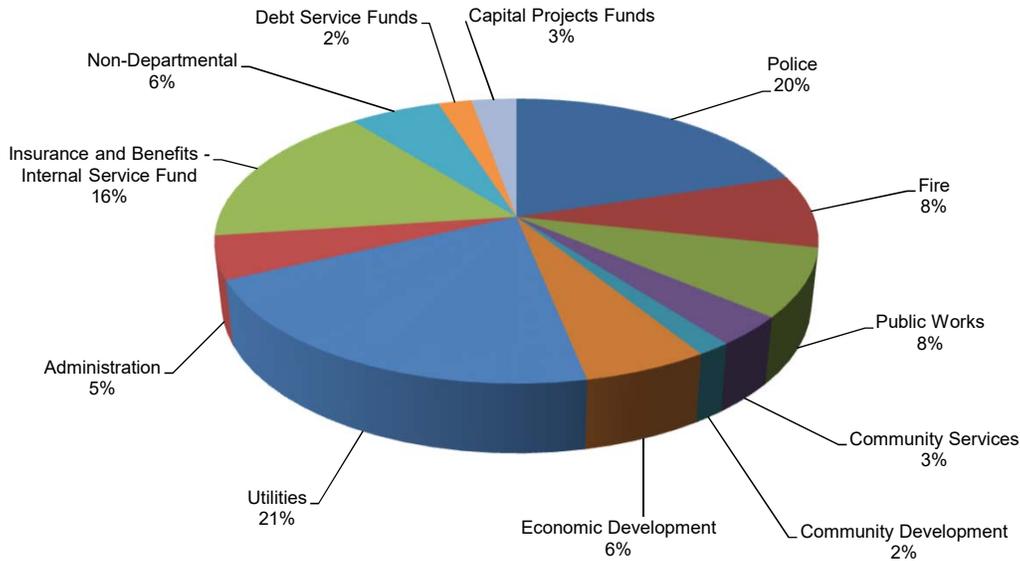
2016 Emerging Priorities

1. Participate in regional partnerships focused on homelessness and address the impacts of homelessness through efficient and targeted use of City resources
2. Workforce development and job creation for at-risk community members

TAB 2 CITYWIDE

**City of Stockton
Citywide Budget
FY 2016-17 Adopted Budget**

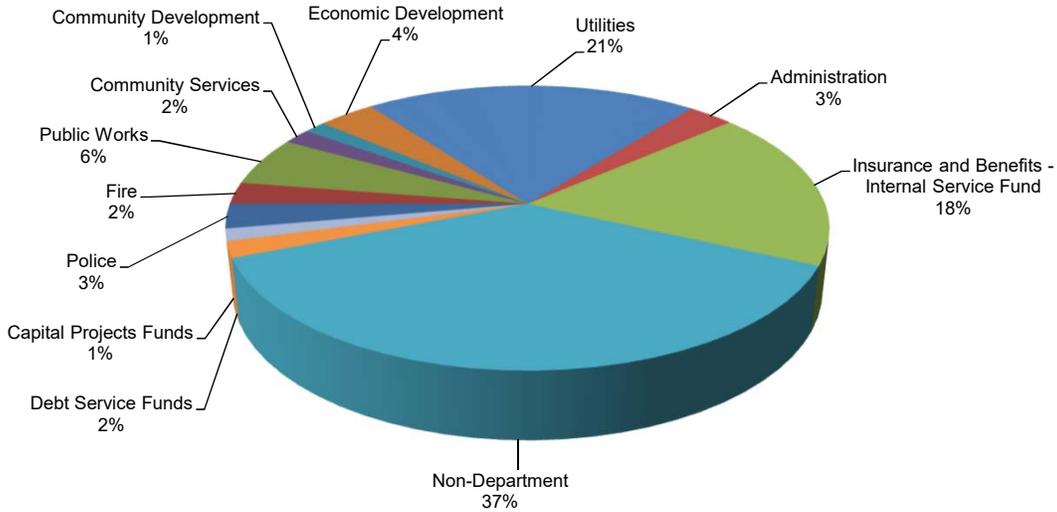
\$590,142,387



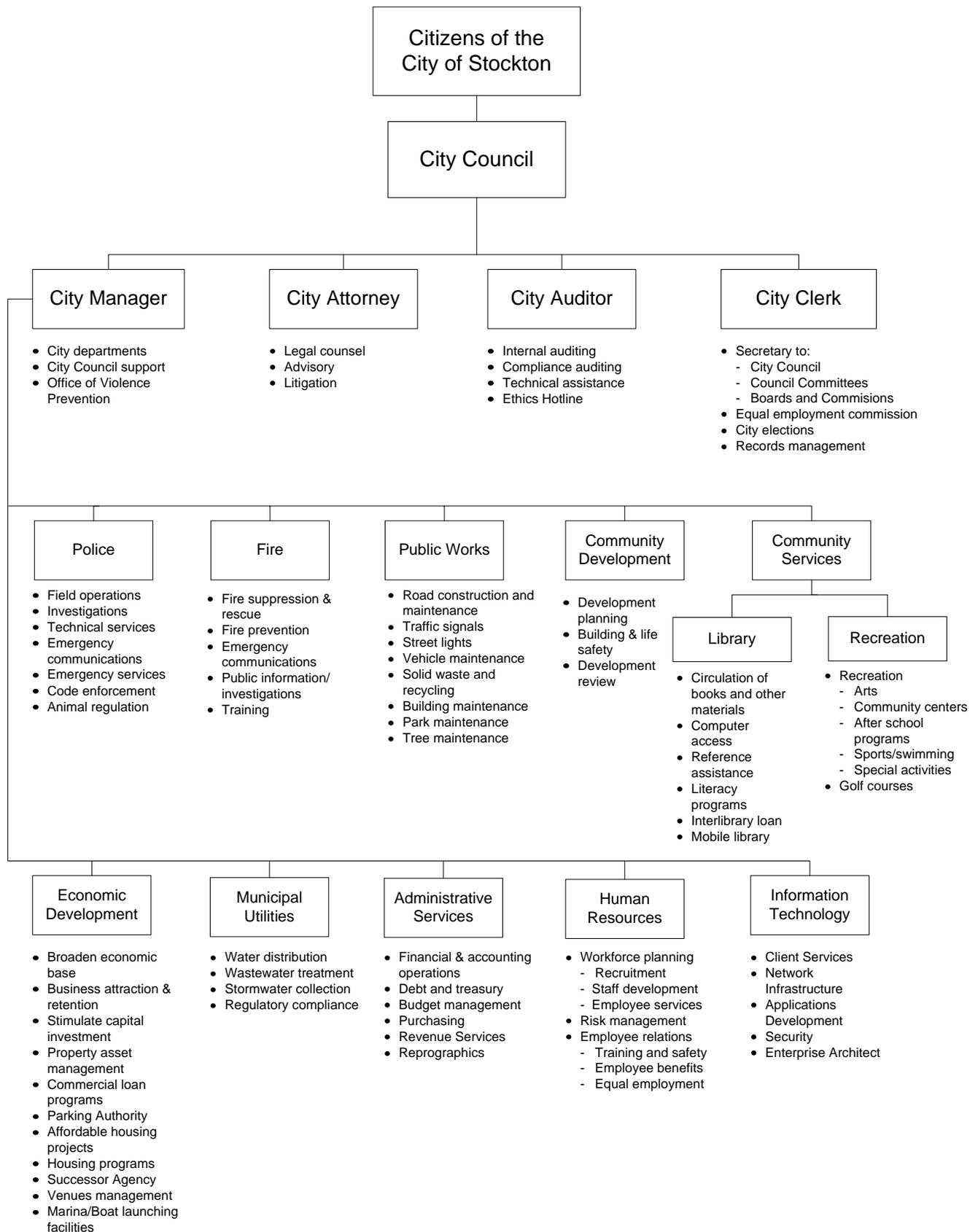
	Operating Budget	Debt Service Budget	Capital Budget	Total	
Program Appropriations					
Police	\$ 117,538,066	\$ -	\$ 1,634,784	\$ 119,172,850	20%
Fire	48,417,462	-	194,900	48,612,362	8%
Public Works	40,660,095	555,739	4,490,000	45,705,834	8%
Community Services	19,926,719	-	-	19,926,719	3%
Community Development	9,133,277	-	-	9,133,277	2%
Economic Development	29,927,654	3,308,905	550,000	33,786,559	6%
Utilities	84,477,896	30,024,468	10,509,117	125,011,481	21%
Administration	24,654,493	-	4,242,230	28,896,723	5%
Insurance and Benefits - Internal	96,843,353	-	-	96,843,353	16%
Non-Departmental Funds					
Non-Departmental	28,311,679	-	5,558,000	33,869,679	6%
Debt Service Funds	-	12,498,029	-	12,498,029	2%
Capital Projects Funds	290,706	-	16,394,815	16,685,521	3%
	<u>\$ 500,181,400</u>	<u>\$ 46,387,141</u>	<u>\$ 43,573,846</u>	<u>\$ 590,142,387</u>	<u>100%</u>
Net Budget					
Internal Service Charges				\$ (124,997,797)	
Interfund Transfers				(26,512,882)	
				<u>\$ 438,631,708</u>	

**City of Stockton
Citywide Revenues
FY 2016-17 Adopted Budget**

\$545,720,557



	<u>Taxes</u>	<u>Program Revenues</u>	<u>Enterprise Revenues</u>	<u>Total</u>	
Program Appropriations					
Police	\$ -	\$ 15,376,913	\$ -	\$ 15,376,913	3%
Fire	-	13,424,888	-	13,424,888	2%
Public Works	-	30,355,121	-	30,355,121	6%
Community Services	-	7,872,750	1,575,097	9,447,847	2%
Community Development	-	7,559,193	-	7,559,193	1%
Economic Development	-	13,029,300	6,456,716	19,486,016	4%
Utilities	-	333,528	114,262,550	114,596,078	21%
Administration	-	15,747,055	-	15,747,055	3%
Insurance and Benefits - Internal	-	99,387,135	-	99,387,135	18%
Non-Departmental Funds					
Non-Department	192,403,200	10,363,890	-	202,767,090	37%
Debt Service Funds	-	10,071,220	-	10,071,220	2%
Capital Projects Funds	-	7,502,001	-	7,502,001	1%
	<u>\$ 192,403,200</u>	<u>\$ 231,022,994</u>	<u>\$ 122,294,363</u>	<u>\$ 545,720,557</u>	<u>100%</u>
Net Budget					
Internal Service Charges				<u>\$ (107,468,675)</u>	
				<u>\$ 438,251,882</u>	



CITY OF STOCKTON

PERSONNEL BY FUND - SUMMARY

FY 2016-17 Adopted Budget

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>
General Fund and Tax-Supported Programs					
Programs					
Police-Sworn	339	380	420	40	460
Police-Non Sworn	192	216	222	5	227
Fire	177	177	178	0	178
Public Works	60	55	58	0	58
Library	59	60	61	1	62
Recreation	24	24	24	0	24
Economic Development	7	8	8	0	8
	858	920	971	46	1,017
Administration					
City Council	8	8	8	0	8
City Manager	10	10	10	0	10
City Attorney	11	11	11	1	12
City Auditor	0	0	0	0	0
City Clerk	6	7	7	0	7
Administrative Services	61	65	77	0	77
Human Resources	15	17	18	0	18
Non Departmental	4	4	4	0	4
Office of Violence Prevention	6	13	13	1	14
	121	135	148	2	150
Total General Fund	979	1,055	1,119	48	1,167
Enterprise Funds					
Parking Authority	3	3	5	0	5
Municipal Utilities	208	217	217	1	218
	211	220	222	1	223
Special Revenue/District Funds					
Community Development Block Grant	6	6	6	(1)	5
Development Services	39	40	40	5	45
Maintenance District	3	4	3	0	3
Redevelopment Successor Agency	2	1	1	0	1
Safe Neighborhood Measure W	48	50	50	0	50
Solid Waste & Recycling	7	9	9	0	9
Street Maintenance/ Gas Tax Fund	64	62	60	0	60
	169	172	169	4	173

PERSONNEL BY FUND - SUMMARY

FY 2016-17 Adopted Budget

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	Staffing Modifications	FY 2016-17 Adopted
Internal Service Funds					
Fleet	27	27	27	0	27
General Liability Insurance	5	3	3	0	3
Workers' Compensation	1	3	3	0	3
Health Benefits	6	6	6	0	6
Information Technology	36	38	39	1	40
Radio	2	2	2	0	2
Telecommunications	1	1	1	0	1
Document Services	2	2	2	0	2
	80	82	83	1	84
Total All Funds	1,439	1,529	1,593	54	1,647

Endnotes

The personnel list reflects several changes that includes interfund and inter department transfers, new positions and elimination of vacant positions, with a net effect of zero. Following are the major changes. The details can be found in Personnel Listing by Fund footnotes.

Mid Year Council Approved Marshal Plan positions	2
Mid Year Council Approved eliminations	0
Pre-approved Measure A & B new positions	44
Proposed CM approved new positions	9
Proposed position eliminations	-1
Total Changes	54

PERSONNEL BY FUND - POLICE DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u>	<u>FY 2016-17</u>	
				<u>Modifications</u>	<u>Adopted</u>	
<u>GENERAL FUND</u>						
010-2410 Police Administration						
Admin Analyst I/II/Sr/Prog Mgr I/II	1	3	3		3	
Community Service Officer I/II	0	1	1		1	
Executive Assistant	1	1	1		1	
Finance Assistant I/II	2	3	3	(1)	2	PD-01
Office Asst I/II/ Office Specialist/ Secretary	4	4	4	(1)	3	PD-02
Program Manager III	1	1	1	(1)	0	PD-03
Police Fiscal Affairs & Planning Manager	0	0	0	1	1	PD-03
Sr Finance Assistant	2	1	1	1	2	PD-01
Supervising Office Assistant	0	0	0	1	1	PD-02
Sworn: Chief of Police	1	1	1		1	
Sworn: Deputy Chief of Police I/II	2	2	2		2	
Sworn: Police Captain	1	1	1		1	
Sworn: Police Lieutenant	2	2	2	2	4	PD-04
Sworn: Police Officer/Trainee	5	6	6	4	10	PD-05
Sworn: Police Sergeant	5	5	5		5	
	27	31	31	6	37	
010-2420 Police Field Services						
Administrative Analyst I/II/Sr/Principal	2	2	2		2	
Code Enforcement Field Manager	1	1	1		1	
Code Enforcement Officer I/II	12	18	18	2	20	PD-06
Code Enforcement Supervisor	1	2	2		2	
Community Service Officer I/II	20	26	26		26	
Graffiti Abatement Technician	4	4	4		4	
Office Asst I/II/ Office Specialist/ Secretary	6	8	8		8	
Police Court Coordinator	1	1	1		1	
Police Records Assistant I/II	1	1	1		1	
Police Services Manager	0	1	1		1	
Program Manager III	1	0	0		0	
Sr Code Enforcement Officer	2	3	3		3	
Sr Community Service Officer	1	1	1		1	
Supervising Office Assistant	1	1	1		1	
Sworn: Police Captain	1	2	2		2	
Sworn: Police Lieutenant	11	11	11	(2)	9	PD-07
Sworn: Police Officer/Trainee	200	231	252	24	276	PD-06
Sworn: Police Sergeant	28	33	35	5	40	PD-06
	293	346	369	29	398	

PERSONNEL BY FUND - POLICE DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2016-17</u> <u>Adopted</u>	
010-2430 Police Investigations						
Community Service Officer I/II	2	2	2		2	
Evidence Technician	14	14	14		14	
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	1	2	PD-08
Police Records Assistant I/II	3	3	3		3	
Sr Evidence Technician	4	4	4	1	5	PD-09
Supervising Evidence Technician	1	1	1		1	
Sworn: Police Captain	1	1	1		1	
Sworn: Police Lieutenant	2	2	2	2	4	PD-07
Sworn: Police Officer/Trainee	50	51	65	7	72	PD-06
Sworn: Police Sergeant	10	10	14	(2)	12	PD-04
	88	89	107	9	116	
010-2462-63 Police Support Services						
Office Asst I/II/ Office Specialist/ Secretary	1	1	2	(1)	1	PD-08
Police Records Assistant I/II/III/Sr	24	26	27		27	
Property Clerk	3	4	5		5	
Property Room Supervisor	1	1	1		1	
Supervising Police Records Assistant	2	2	2		2	
Sworn: Police Captain	1	1	1		1	
	32	35	38	(1)	37	
010-2466-67 Police Animal Control						
Animal Services Assistant I/II	8	8	8		8	
Animal Services Officer	4	4	4		4	
Animal Services Supervisor	1	1	1		1	
Office Asst I/II/ Office Specialist/ Secretary	1	1	2		2	
Police Services Manager	0	1	1		1	
Sr Animal Services Officer	1	1	1		1	
	15	16	17	0	17	
010-2470 Police Telecommunications						
Crime Analyst	4	7	7		7	
Police Records Asst I/II/III	1	1	1	1	2	PD-06
Program Manager II	1	1	1		1	
Police Telecommunicator I/II	37	39	41		41	
Police Telecommunications Supervisor	6	6	6		6	
Police Services Manager				1	1	PD-06
Sworn: Police Sergeant	1	1	0		0	
	50	55	56	2	58	

PERSONNEL BY FUND - POLICE DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2016-17</u> <u>Adopted</u>
Police Grant-Funded					
024-6426 CA COPS Grant: CSO	7	2	2		2
025-6478 CCP Task Force: Crime Analyst	0	1	1		1
025-6478 CCP Task Force: Police Officer	0	1	1		1
025-6478 CCP Task Force: Police Sergeant	0	1	1		1
025-6436 VAWA Grant: Police Officer	1	1	1		1
025-6465 CHP 2012-13: Police Officer	17	17	17		17
025-6468 Firearms Examiner	1	1	1		1
	26	24	24	0	24
Total General Fund	531	596	642	45	687
<u>SPECIAL REVENUE FUNDS</u>					
081-2436 Police Safe Neighborhood Measure W					
Sworn: Police Officer/Trainee	23	25	25		25
Total	23	25	25	0	25
Total Special Revenue Funds	23	25	25	0	25
Total Police	554	621	667	45	712

PERSONNEL BY FUND - FIRE DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
<u>GENERAL FUND</u>						
010-2610 Fire Administration						
Deputy Fire Chief I/II	1	1	1	1	2	FD-01
Executive Assistant	1	1	1		1	
Fire Captain	3	0	0		0	
Fire Chief	1	1	1		1	
Office Asst. I/II/ Office Specialist/ Secretary	3	3	2		2	
Office Technician	0	0	1		1	
Program Manager I/II	2	2	0		0	
Program Manager III	1	1	3	(1)	2	FD-01
Project Manager I/II/III	1	1	1		1	
Supervising Office Assistant	1	1	1		1	
	14	11	11	0	11	
010-2620 Fire Suppression/Rescue						
Fire Battalion Chief	7	6	7		7	FD-02
Fire Captain	45	47	47	(1)	46	
Fire Fighter	47	47	47		47	
Fire Fighter Engineer	49	49	49		49	
	148	149	150	(1)	149	
010-2650 Fire Training						
Fire Battalion Chief	0	1	1		1	
Fire Captain	1	2	2		2	
	1	3	3	0	3	
010-2660 Fire Dispatch						
Emergency Communications Manager	0	0	1		1	
Fire Telecommunicator I/II	10	10	10		10	
Fire Telecommunications Supervisor	3	3	3		3	
Program Manager I/II	1	1	0		0	
	14	14	14	0	14	
Total General Fund	177	177	178	(1)	177	

PERSONNEL BY FUND - FIRE DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2016-17</u> <u>Adopted</u>	
<u>SPECIAL REVENUE FUNDS</u>						
048-2631/2633 Development Services - Fire Prevention						
Deputy Fire Marshal	0	1	0		0	
Fire Battalion Chief	1	1	0		0	
Fire Captain	1	0	0	1	1	FD-02
Fire Prevention Inspector I/II	1	2	3	(1)	2	FD-03
Fire Prevention Manager	0	0	1		1	
Fire Protection Specialist	1	1	1		1	
Office Asst. I/II/ Office Specialist/ Secretary	2	2	1		1	
Plan Checker I/II	1	0	0	1	1	FD-03
Program Manager I/II	0	0	0	1	1	FD-04
Project Manager I/II/III	0	0	1	(1)	0	FD-04
	7	7	7	1	8	
081-2636 Fire Safe Neighborhood Measure W						
Fire Captain	6	6	6		6	
Fire Fighter	14	14	14		14	
Fire Fighter Engineer	5	5	5		5	
	25	25	25	0	25	
Total Special Revenue Funds	32	32	32	1	33	
Total Fire Department	209	209	210	0	210	

PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
<u>GENERAL FUND</u>						
010-3010 Public Works Administration						
Administrative Analyst I/II/Sr/Principal	2	1	1	1	2	PW-01
Executive Assistant	1	1	1		1	
Finance Assistant I/II/Sr	1	1	0		0	
Office Assist I/II/ Office Spec/ Secretary	3	2	2		2	
Office Technician	0	0	1		1	
Program Manager I/II	1	1	1		1	
Program Manager III	1	1	1		1	
Public Works Director	1	1	1		1	
Records Specialist	1	1	1		1	
Supervising Office Assistant	1	1	1		1	
	12	10	10	1	11	
010-3060 Public Works Operations & Maintenance						
Civil Engineer Assoc./Sr.	1	0	0		0	
Deputy Public Works Dir/Ops & Maint	1	1	1		1	
Eng Aide/Traffic Eng Aide/ Eng Tech I/II/Sr	1	1	1	(1)	0	PW-02
Office Assist I/II/ Office Spec/ Secretary	2	2	2		2	
Office Technician	0	0	0	1	1	PW-02
Program Manager I/II	0	0	1		1	
Project Manager I/II/III	1	0	0		0	
Sr Civil Engineer	1	1	1		1	
Sr Public Works Supervisor	1	1	0		0	
Supv Office Assistant	1	1	1		1	
	9	7	7	0	7	
010-3070 Public Works Parks & Street Trees						
Office Assist I/II/ Office Spec/ Secretary	1	1	0		0	
Park Facility Planner	1	0	0		0	
Parks Manager	0	1	1		1	
Parks Superintendent	1	0	0		0	
Project Manager I/II/III	0	0	1		1	
Public Works Field Specialist	3	3	3	(1)	2	PW-03
Public Works Maintenance Worker I/II/Sr	4	4	3		3	
Public Works Supervisor	0	2	3		3	
Sr Facilities Maintenance Supervisor	1	0	0		0	
Sr Parks Supervisor	1	0	0		0	
Sr Tree Surgeon	1	1	1		1	
Tree Surgeon	2	3	4		4	
Tree Worker	1	0	0		0	
	16	15	16	(1)	15	

PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
010-3090 Public Works Facilities Maintenance						
Craft Maintenance Worker I/II	5	5	5		5	
Electrician I/II	2	2	2		2	
Facilities Maint Worker I/II/ Facility Aide	3	3	3	1	4	PW-03
Heating, Ventilation and Air Mechanic	3	3	3		3	
Office Assist I/II/ Office Spec/ Secretary	0	0	1		1	
Program Manager III	1	1	1		1	
Project Manager I/II/III	1	1	2		2	
Public Works Safety Training Officer	1	1	1		1	
Sr Electrician	1	1	1		1	
Public Works/Sr Facilities Maint Supervisor	1	1	1		1	
	18	18	20	1	21	
020-0137 San Joaquin Area Flood Control Agency						
Deputy Public Works Director/City Engineer	1	1	1		1	
Jr/Asst/Assoc Engineer/Traffic Engineer	1	1	1		1	
Office Assist I/II/ Office Spec/ Secretary	1	1	1		1	
Project Manager I/II/III	1	1	1		1	
Sr Civil Engineer	1	1	1		1	
	5	5	5	0	5	
Total General Fund	60	55	58	1	59	

PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
<u>SPECIAL REVENUE FUNDS</u>						
030-3020 Street Maintenance Engineering						
Assistant City Traffic Engineer	1	1	1		1	
City Traffic Engineer	1	1	1		1	
Deputy Public Works Director/Engineering	1	1	1		1	
Engineering Aide/Eng Technician I/II/Sr	2	2	1		1	
Engineering Services Manager	2	1	1		1	
Jr/Asst/Assoc Engineer/Traffic Engineer	13	13	13		13	
Parks Facility Planner	0	1	1		1	
Project Manager I/II/III (CIP-funded)	3	3	3	(1)	2	PW-01
Public Works Inspector	3	3	4		4	
Supv Public Works Inspector	1	1	1		1	
Sr Civil Engineer	1	2	2		2	
	28	29	29	(1)	28	
030-3060 Street Maintenance Operations and Maintenance						
Civil Engineer Assoc/Sr	0	1	1		1	
Engineering Aide/Engineering Technician I/II/Sr	2	2	2	(1)	1	PW-04
Jr Engineer	0	0	0	1	1	PW-04
Maintenance Repair Technician I/II	12	11	10		10	
Public Works Heavy Equipment Operator	3	1	2		2	
Public Works Maint Worker	2	2	2		2	
Parks Supervisor	1	2	1		1	
Public Works Supervisor	2	1	1		1	
Public Works Supervisor/Electrical	1	1	1		1	
Sr Maintenance Repair Technician	5	4	4		4	
Sr Public Works Supervisor	0	1	0		0	
Sr Traffic Signal Electrician	1	1	1		1	
Traffic Signal Electrician/Trainee	7	6	6		6	
	36	33	31	0	31	
Total Gas Tax Fund	64	62	60	(1)	59	

PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
072-6900 Maintenance Assessment District						
Administrative Aide I/II	1	1	0		0	
Assessment District Maint Coordinator	1	1	1		1	
Project Manager I/II/III	1	2	2		2	
	3	4	3	0	3	
047-3080 Solid Waste & Recycling						
Administrative Aide I/II	0	1	1	(1)	0	PW-05
Program Manager III	0	0	0	1	1	PW-05
Project Manager I/II/III	2	3	3		3	
Public Works Field Specialist	1	1	1		1	
Recycling Specialist	1	1	1		1	
Solid Waste Manager	1	1	1		1	
Sr Maintenance Repair Technician	2	2	2		2	
	7	9	9	0	9	
Total Special Revenue Funds	74	75	72	(1)	71	
<u>INTERNAL SERVICE FUNDS</u>						
FLEET						
501-5021 Fleet Administration						
Fleet Manager	1	1	1		1	
Office Assist I/II/ Office Spec/ Secretary	2	2	2		2	
Project Manager I/II	1	1	1		1	
Supervising Mechanic	1	1	1	1	2	PW-06
	5	5	5	1	6	
501-5023 Fleet Equipment Maintenance						
Auto Painter/Repair Worker	1	1	1	(1)	0	PW-06
Facilities Maint Worker I/II/ Facility Aide	2	2	2		2	
Facilities Maint Worker III	1	1	1		1	
Mechanic I/II/III	17	17	17		17	
Welder/Fabricator Specialist	1	1	1		1	
	22	22	22	(1)	21	
Total Internal Service Funds	27	27	27	0	27	
Total Public Works	161	157	157	0	157	

PERSONNEL BY FUND - COMMUNITY SERVICES DEPARTMENT

FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>
<u>SPECIAL REVENUE FUNDS</u>					
LIBRARY					
041-3510 Administration					
Administrative Analyst I/II/Sr/Principal	1	1	1		1
Deputy Dir. of Comm. Svcs/City Librarian	1	1	1		1
Office Asst I/II/ Office Spec./ Secretary	2	2	2		2
Program Manager III	1	1	1		1
	5	5	5	0	5
041-3524-30 Outreach/Technical Services					
Bookmobile Driver/Circulation Assistant	1	1	1		1
Librarian Trainee/I/II	3	2	3	(1)	2
Library Assistant I/II	2	3	2		2
Library Driver/Clerk	1	1	1		1
Office Asst I/II/ Office Spec./ Secretary	2	2	2		2
Supervising Librarian	1	1	1		1
	10	10	10	(1)	9
041-3550 City Branches					
Circulation Assistant I/II	6	6	6		6
Librarian Trainee /I/II	7	7	6	1	7
Library Aide I/II	1	2	2		2
Library Assistant I/II	5	5	6	1	7
Supervising Librarian	1	1	1		1
	20	21	21	2	23
041-3540 County Branches					
Circulation Assistant I/II	6	7	7	(1)	6
Librarian Trainee/I/II	9	8	8		8
Library Aide I/II	2	1	1		1
Library Assistant I/II	6	7	8	1	9
Supervising Librarian	1	1	1		1
	24	24	25	0	25
Total Library Fund	59	60	61	1	62

PERSONNEL BY FUND - COMMUNITY SERVICES DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>
RECREATION					
044-3610 Recreation-Administration					
Administrative Analyst I/II/Sr/Principal	0	1	1		1
Deputy Director of Community Services	1	1	1		1
Director of Community Services	1	1	1		1
Executive Assistant	1	1	1		1
Office Assistant I/II/ Office Specialist	4	4	4		4
	7	8	8	0	8
044-3623-46 Recreation Services					
Recreation Assistant I/II/Sr	11	10	9		9
Recreation Program Coordinator	2	3	4		4
Recreation Supervisor	4	3	3		3
	17	16	16	0	16
Total Recreation Fund	24	24	24	0	24
Total Community Services	83	84	85	1	86

PERSONNEL BY FUND - COMMUNITY DEVELOPMENT DEPARTMENT

FY 2016-17 Adopted Budget

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
<u>DEVELOPMENT SERVICES FUND</u>						
048-1810 Development Services-Administration						
Community Development Director	1	1	1		1	
Community Development Assistant Director	1	1	1		1	
Community Development Tech I/II/Sr	2	4	2		2	
Executive Assistant	1	1	1		1	
Office Asst I/II/ Office Specialist/ Secretary	0	0	1		1	
Planning Technician I/II	0	0	1		1	
Program Manager I/II	2	2	2		2	
Program Manager III	1	1	1		1	
Revenue Assistant I/II	1	1	1		1	
	9	11	11	0	11	
048-1820 Development Services-Planning/ETP						
Assistant/Associate Planner	0	0	0	1	1	CD-01
Community Development Tech I/II	2	1	0	1	1	CD-01
Deputy Dir - Engineering & Transportation	1	1	1		1	
Eng Aide/Engineering Technician I/II/Sr	0	0	1		1	
Junior/Assistant/Associate Civil Engineer	1	1	2	1	3	CD-01
Planning Manager	3	3	3	1	4	CD-01
Sr Planner	2	2	1		1	
	9	8	8	4	12	
048-1830 Development Services-Building						
Community Development Tech I/II/Sr	3	2	2	(1)	1	CD-02
Combination Inspector I/II	6	5	5		5	
Deputy Director - Building	1	1	1		1	
Plan Check Engineer	0	1	1		1	
Plan Checker I/II/Sr	2	3	3	1	4	CD-02
Sr Building Inspector	0	1	1		1	
Supervising Combination Inspector	1	1	1		1	
Supervising Plan Checker/Structural Engineer	1	0	0	1	1	CD-01
	14	14	14	1	15	
Total Community Development	32	33	33	5	38	

PERSONNEL BY FUND - ECONOMIC DEVELOPMENT DEPARTMENT

FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
<u>GENERAL FUND</u>						
010-1700 Economic Development						
Deputy Economic Development Director	1	1	1		1	
Director of Economic Development	1	1	1		1	
Economic Development Analyst I/II/Sr/Princ	2	2	2	1	3	ED-01
Executive Assistant	1	1	1		1	
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1	
Project Manager I/II	0	0	1		1	
Real Property Agent I/II/Sr	0	1	0		0	
Supervising Real Property Agent	1	1	1	(1)	0	ED-02
Total General Fund	7	8	8	0	8	
<u>SPECIAL REVENUE FUND</u>						
054-8120 Housing - Community Development Block Grant						
Administrative Analyst I/II/Sr	1	1	1		1	
Deputy Housing Director	1	1	1		1	
Economic Development Analyst I/II/Sr/Princ	1	0	0		0	
Housing Financial Advisor I/II/Sr	1	2	1	(1)	0	ED-03
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1	
Project Manager I/II/III	1	1	2		2	
	6	6	6	(1)	5	
<u>AGENCY FUND</u>						
633-7310 Successor Agency (RDA)						
Program Manager I/II	1	1	1		1	
Real Property Agent I/II/Sr	1	0	0		0	
	2	1	1	0	1	
<u>ENTERPRISE FUND</u>						
418-4000 Parking Authority						
Administrative Analyst I/II/Sr	0	0	0	1	1	ED-02
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	(1)	0	ED-01
Parking District Supervisor	1	1	0		0	
Parking Enforcement Officer	0	0	2		2	
Program Manager III	0	0	1		1	
Supervising Parking Enforcement Officer	1	1	1		1	
	3	3	5	0	5	
Total Other Funds	11	10	12	(1)	11	
Total Economic Development Department	18	18	20	(1)	19	

PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
<u>WATER FUND</u>						
421-4210 Water Administration						
Deputy Director Water Resource Planning	1	1	1		1	
Sr. Civil Engineer	1	1	1	(1)	0	MD-01
Office Asst I/II/ Office Specialist/ Secretary	1	1	2		2	
Program Manager III	1	1	1		1	
Project Manager I/II	1	1	1	(1)	0	MD-02
	5	5	6	(2)	4	
421-4223 Hydrant Maintenance						
Hydrant Worker/Sr	2	2	2		2	
	2	2	2	0	2	
421-4231 Water Distribution						
Electrical Technician I/II	1	0	0		0	
Office Asst I/II/ Office Specialist/ Secretary	2	2	2	(1)	1	MD-03
Water Field Technician	5	5	5	(1)	4	MD-05
Water Operations Superintendent	1	1	1		1	
Water Systems Operator I/II/Sr	18	17	17	1	18	MD-05
Water/Sewer Equipment Operator	1	1	1		1	
	28	26	26	(1)	25	
421-4234 Water Operations & Maintenance (DWSP)						
Chief Plant Operator	1	1	1		1	
Electrical Technician I/II	1	2	2		2	
Plant Maintenance Mechanic	0	2	3	(1)	2	MD-06
Plant Maintenance Worker I/II	0	2	0		0	
Plant Operator I/II/Sr	8	8	8		8	
Plant Operations Supervisor	0	1	1		1	
Sr Plant Maintenance Mechanic	1	1	1		1	
Water Systems Operator I/II/Sr	3	4	4		4	
	14	21	20	(1)	19	
Total Water	49	54	54	(4)	50	

PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2016-17</u> <u>Adopted</u>	
<u>WASTEWATER FUND</u>						
431-4311 Wastewater Administration						
Assistant MUD Director	1	1	1		1	
Buyer I/II/Sr	1	1	1		1	
Deputy Director Maintenance & Collections	1	0	0		0	
Deputy Director Wastewater	1	0	0		0	
Director of Municipal Utilities	1	1	1		1	
Electrical Technician I/II	0	1	1		1	
Executive Assistant	1	1	1		1	
Materials Specialist	2	2	2		2	
MUD Finance Officer	1	1	1		1	
MUD Safety Officer	1	1	1		1	MD-03
Office Asst I/II/Sr Office Specialist/ Secretary	4	3	3	2	5	MD-04
Office Technician	0	2	1		1	
Program Manager I/II	2	1	1	1	2	MD-07
Program Manager III	1	1	1	(1)	0	MD-07
Regulatory Compliance Officer	1	1	1		1	
GIS Specialist I/II	0	0	0	1	1	MD-08
SCADA/CMMS Manager	1	1	1		1	
Technology Support Specialist I/II	1	1	1		1	
	20	19	18	3	21	
431-4312 Engineering CIP						
Engineering Services Manager	1	1	1		1	
GIS Specialist I/II	1	1	1	(1)	0	MD-08
Junior/Assistant/Associate Civil Engineer	7	7	7		7	
Office Asst I/II/ Office Specialist/ Secretary	2	2	2		2	
Program Manager III	1	0	0		0	
Public Works Inspector	1	1	1		1	
Sr Civil Engineer	1	1	1	1	2	MD-01
Principal Civil Engineer	1	1	1		1	
	15	14	14	0	14	
431-4331 Operations						
Chief Plant Operator	1	1	1		1	
Deputy Director Wastewater	0	1	1		1	
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1	
Office Technician	0	1	1		1	
Plant Maintenance Worker I/II	1	0	0		0	
Plant Operator I/II/Sr	26	25	25		25	
Plant Operations Supervisor	2	2	2		2	
Program Manager III	0	1	1		1	
	31	32	32	0	32	

PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2016-17</u> <u>Adopted</u>	
431-4331 Maintenance						
Electrical Technician I/II	3	3	3		3	
Plant Maintenance Mechanic	9	9	9		9	
Plant Maintenance Worker I/II	2	2	3		3	
Plant Maintenance Supervisor	1	1	1		1	
Sr Plant Maintenance Mechanic	2	3	3		3	
Sr Plant Maintenance Supervisor	0	0	0	1	1	MD-06
	17	18	19	1	20	
431-4332 Sanitary Sewers/Collections						
Collection Systems Operator I/II/Sr	31	36	36	1	37	MD-09
Sr Collection Systems Supervisor	0	0	0	1	1	MD-10
Collection Systems Supervisor	2	2	2		2	
Deputy Director Maintenance & Collections	0	1	1		1	
Plant Maintenance Worker I/II	1	0	0		0	
Program Manager I/II	0	1	1	(1)	0	MD-11
Program Manager III	0	1	1	1	2	MD-11
Project Manager I/II	0	0	0	1	1	MD-02
Public Works Inspector	0	1	1		1	
Office Asst I/II/ Office Specialist/ Secretary	1	2	2	(1)	1	MD-04
Water/Sewer Equipment Operator	2	2	2		2	
	37	46	46	2	48	
431-4333 Sanitary Pump Stations						
Electrical Technician I/II	2	2	2		2	
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1	
Plant Maintenance Machinist	1	1	1		1	
Plant Maintenance Mechanic	8	8	9	2	11	MD-12
Plant Maintenance Worker I/II	3	4	3	(2)	1	MD-12
Plant Maintenance Supervisor	1	1	1		1	
Sr Plant Maintenance Mechanic	2	2	2		2	
Sr Plant Maintenance Supervisor	1	1	1	(1)	0	MD-10
	19	20	20	(1)	19	
431-4341 Environmental Control						
Environmental Control Officer	4	4	4	(1)	3	MD-13
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1	
Sr Environmental Control Officer	1	1	1	1	2	MD-13
Technical Services Supervisor	1	1	1		1	
	7	7	7	0	7	
Total Wastewater	146	156	156	5	161	

PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>
<u>STORMWATER FUND</u>					
441-4410 Stormwater-Policy, Planning, Management					
Office Asst I/II/ Office Specialist/ Secretary	1	0	0		0
Program Manager I/II	1	0	0		0
Public Works Inspector	1	0	0		0
	3	0	0	0	0
441-4431 Stormwater Collections					
Collections Systems Operator I/II/Sr	3	0	0	0	0
	3	0	0	0	0
Total Stormwater	6	0	0	0	0
<u>LABORATORY</u>					
Chemist	2	2	2		2
Laboratory Technician	3	3	3		3
Laboratory Supervisor	1	1	1		1
Microbiologist	1	1	1		1
	7	7	7	0	7
Total Municipal Utilities	208	217	217	1	218

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>
CITY COUNCIL					
Councilmember	6	6	6		6
Executive Assistant to the Mayor	1	1	1		1
Mayor	1	1	1		1
	8	8	8	0	8
CITY MANAGER					
Administrative Aide I/II	2	2	2		2
Assistant to the City Manager	1	1	1		1
City Manager	1	1	1		1
Deputy City Manager I/II	2	2	2		2
Executive Assistant to City Manager	1	1	1		1
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1
Program Manager III	2	2	2		2
	10	10	10	0	10
CITY ATTORNEY					
Assistant City Attorney	1	1	1		1
City Attorney	1	1	1		1
Deputy City Attorney	6	6	6		6
Executive Assistant to City Attorney	1	1	1		1
Paralegal	0	0	0	1	1
Legal Secretary I/II	2	2	2		2
	11	11	11	1	12
CITY CLERK					
Assistant City Clerk I/II	1	1	1		1
City Clerk	1	1	1		1
Deputy City Clerk I/II/Sr	1	4	4		4
Office Specialist	1	0	0		0
Records Research Specialist	1	1	1		1
Supervising Deputy City Clerk	1	0	0		0
	6	7	7	0	7

AT-01

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2016-17</u> <u>Adopted</u>	
NON-DEPARTMENTAL						
Administrative Aide I/II	2	2	2		2	
Program Manager III	2	2	2		2	
	4	4	4	0	4	
OFFICE OF VIOLENCE PREVENTION						
Administrative Analyst I/II/Sr	0	1	0	1	1	ND-01
Office Asst I/II/ Office Specialist/ Secretary	0	1	1		1	
OVP Program Assistant	0	0	1		1	
OVP Manager	0	1	1		1	
Outreach Supervisor	1	1	2		2	
Outreach Worker	5	9	8		8	
	6	13	13	1	14	
Total Non-Departmental	10	17	17	1	18	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
ADMINISTRATIVE SERVICES DEPARTMENT						
<u>GENERAL FUND</u>						
010-1310 Administrative Services Administration						
Assistant Chief Financial Officer	1	1	1		1	
Chief Financial Officer	1	1	1		1	
Executive Assistant	1	1	1		1	
Office Asst I/II/Sepcialist	1	1	2	2	4	AD-01
Program Manager III	1	1	1		1	AD-02
	5	5	6	2	8	
010-1320 Administrative Services Financial Services						
Accountant I/II/Sr	7	8	8	(1)	7	AD-01
Accounting Manager	1	1	1		1	
Deputy City Auditor I/II/Sr	1	1	1	(1)	0	AD-03
Finance Assistant I/II/Sr	7	7	7	1	8	AD-04
Payroll Supervisor	1	1	1		1	
Payroll Technician	0	1	1	(1)	0	AD-04
Program Manager I/II	1	1	2		2	
Supervising Accountant	1	2	2		2	
	19	22	23	(2)	21	
010-1322 Administrative Services Budget Office						
Budget Officer	1	1	1		1	
Program Manager I/II	3	4	0		0	
Budget Analyst I/II/Sr	0	0	4	1	5	AD-03
	4	5	5	1	6	
010-1331 Administrative Services Revenue/Collections						
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	(1)	0	AD-02
Revenue Assistant I/II/Sr	10	10	10		10	
Revenue Collector	2	1	1		1	
Revenue Officer	1	1	1		1	
Supervising Revenue Collector	0	1	0		0	
Supervising Revenue Assistant	1	1	0		0	
Revenue Supervisors	0	0	2		2	
	15	15	15	(1)	14	
010-1340 Administrative Services Purchasing						
Buyer I/II/Sr	2	2	2		2	
Materials Specialist	1	1	1		1	
Materials Supervisor	0	0	0		0	
Office Asst I/II/ Office Specialist/ Secretary	0	0	0		0	
Purchasing Agent	1	1	1		1	
Deputy Director of Procurement	0	0	1		1	
Manager of Procurement	0	0	1		1	
Procurement Specialist	0	0	1		1	
	4	4	7	0	7	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Staffing	FY 2016-17
				Modifications	Adopted
010-1350 Administrative Services Utility Billing/Customer Service					
Customer Service Assistant	2	2	2		2
Revenue Assistant I/II/Sr	8	8	14		14
Revenue Collector	3	3	4		4
Supervising Revenue Assistant	1	1	0		0
Revenue Supervisor	0	0	1		1
	14	14	21	0	21
Total General Fund	61	65	77	0	77
<u>INTERNAL SERVICE FUNDS</u>					
502-5400 Document Services					
Reprographics/Mailroom Supervisor	1	1	1		1
Reprographics/Mailroom Technician I/II	1	1	1		1
	2	2	2	0	2
Total Administrative Services	63	67	79	0	79

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing Modifications</u>	<u>FY 2016-17 Adopted</u>	
HUMAN RESOURCES						
<u>GENERAL FUND</u>						
010-1610 Human Resources Recruitment & Workforce Planning						
Human Resources Analyst I/II/Sr	2	4	4		4	
Human Resources Asst I/II /Specialist	1	1	1		1	
Supervising Human Resource Analyst	1	1	1		1	
	4	6	6	0	6	
010-1620, 1621 Human Resources-Administration & Employee/Labor Relations						
Administrative Aide I/II	1	1	1		1	
Assistant Director of Human Resources	1	1	1		1	
Director of Human Resources	1	1	1		1	
Executive Assistant (Confidential)	1	1	1		1	
Human Resources Analyst I/II/Sr	2	2	2		2	
Human Resources Asst I/II /Specialist	2	1	1		1	
Human Resources Program Assistant	1	1	1		1	
Human Resources Technician	1	2	2		2	
Program Manager III	0	0	1		1	
Supervising Human Resource Analyst	1	1	1		1	
	11	11	12	0	12	
Total General Fund	15	17	18	0	18	
<u>INTERNAL SERVICE FUNDS</u>						
551-5600 Worker's Compensation						
Human Resources Program Assistant	1	1	1	(1)	0	HR-01
Human Resources Manager/Safety Officer	0	1	1		1	
Risk Analyst I/II	0	1	1	1	2	HR-01
	1	3	3	0	3	
552-5510 Health Benefits						
Benefits Analyst	1	1	0		0	
Deputy Director of Human Resources	1	1	1		1	
Human Resources Analyst I/II/Sr				1	1	HR-02
Human Resources Asst I/II /Specialist	1	1	2	(1)	1	HR-02
Human Resources Technician	2	2	2		2	
Supervising Human Resources Analyst	1	1	1		1	
	6	6	6	0	6	
541-5700 General Liability Insurance						
Human Resources Program Assistant	1	1	1		1	
Human Resources Manager/Safety Officer	1	0	0		0	
Liability Claims Investigator I/II	1	1	1		1	
Risk Analyst I/II (Formerly Claims Analyst I)	1	0	0		0	
Risk/Loss Control Specialist	1	1	1		1	
	5	3	3	0	3	
Total Internal Service Funds	12	12	12	0	12	
Total Human Resources	27	29	30	0	30	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2016-17 Adopted Budget

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Staffing</u>	<u>FY 2016-17</u>	
				<u>Modifications</u>	<u>Adopted</u>	
INFORMATION TECHNOLOGY DEPARTMENT						
<u>INTERNAL SERVICE FUNDS</u>						
502-5100 Information Technology						
Director of Information Technology	0	1	1		1	
Executive Assistant	0	1	1		1	
Information Technology Supervisor				3	3	IT-01
GIS Analyst I/II/Sr	2	2	2		2	
GIS Specialist I/II/Sr	1	1	1		1	
GIS Supervisor	1	1	1	(1)	0	IT-01
Network Support Analyst I/II/Sr	4	4	4	0	4	
Network Support Services Supervisor	1	1	1	(1)	0	IT-01
Office Asst I/II/ Office Specialist/ Secretary	2	2	2		2	
Program Manager I/II	0	0	0	2	2	IT-02
Program Manager III	1	1	2		2	IT-03
Systems Analyst I/II/Sr	9	9	9	7	16	IT-04
Technology Officer	1	1	1		1	
Technology Project Coordinator	1	1	1		1	
Technology Support Specialist I/II	10	10	10	(4)	6	IT-01
Technology Systems Supervisor	3	3	3	(3)	0	IT-02
	36	38	39	3	42	
503-5200 Radio						
Technology Support Specialist I/II	1	1	1	(1)	0	IT-03
Project Manager I/II	1	1	1		1	
	2	2	2	(1)	1	
504-5300 Telecommunications						
Technology Support Specialist I/II	1	1	1	(1)	0	IT-03
	1	1	1	(1)	0	
Total Information Technology Department	39	41	42	1	43	

PERSONNEL LISTING - FOOT NOTES
FY 2016-17 Adopted Budget

Police Department

PD-01 Reclassified a Finance Assistant to Senior Finance Assistant
PD-02 Reclassified a Secretary to Supervising Office Assistant
PD-03 Reclassified to Program Manager III to Police Fiscal Affairs & Planning Manager
PD-04 Reclassified 2 Police Sergeants to Lieutenants and moved from Investigations to Administration
PD-05 Moved 4 Police Officers from Field Services to Administration for training & recruitment
PD-06 Established 44 new positions (40 sworn, 4 civilian) under Measure A for FY 2016-17
PD-07 Moved 2 Lieutenants from Field Services to Investigations
PD-08 Moved 1 office support position from Support Services to Investigations
PD-09 Established mid year, 1 new position for Body Camera program through Council Reso # 2015-06-09-1205, under the Marshall Plan

Fire Department

FD-01 Reclassified a Program Manager III to Deputy Fire Chief I
FD-02 Moved 1 Fire Captain to Fire Prevention from Suppression
FD-03 Reclassified 1 Fire Prevention Inspector to Plan Checker I
FD-04 Reclassified 1 Project Manager I to Program Manager I

Public Works Department

PW-01 Reclassified 1 Project Manager I to Administrative Analyst
PW-02 Reclassified 1 Engineering Aide to Office Technician
PW-03 Reclassified 1 Public Works Field Specialist to Public Works Maintenance Worker II
PW-04 Reclassified 1 Engineering Technician as a Junior Engineering Technician
PW-05 Reclassified 1 Secretary position to Program Manager III
PW-06 Reclassified 1 Auto Painter to Supervising Mechanic

Community Services Department

CS-01 Moved 1 Librarian to City Branch Stribley from Outreach
CS-02 Reclassified 1 Circulation Assistant to Library Assistant and moved to City Branches from County Branches
CS-03 Established 1 new position for FY 2016-17 funded by County

Community Development Department

CD-01 Established 5 new positions for FY 2016-17
CD-02 Reclassified 1 Senior Technician to Plan Checker I

Economic Development Department

ED-01 Reclassified 1 Office Specialist to Senior Economic Development Analyst
ED-02 Reclassified 1 Supervising Real Property Agent to Administrative Analyst II
ED-03 Eliminated 1 Housing Financial Advisor position due to external funding reduction

PERSONNEL LISTING - FOOT NOTES
FY 2016-17 Adopted Budget

Municipal Utilities Department

- MD-01 Moved 1 Sr. Civil Engineer from Engineering Division to Water Administration
- MD-02 Moved 1 Project Manager from Administration to Sanitary Sewers/Collections
- MD-03 Moved 1 Office Specialist from Water Distribution to Wastewater Management
- MD-04 Moved 1 Office Specialist from Sanitary Sewers to Wastewater Management
- MD-05 Reclassified 1 Water Field Technician to Water Systems Operator
- MD-06 Reclassified 1 Plant Maintenance Mechanic to Plant Maintenance Supervisor and moved from Water Operations to Wastewater Maintenance
- MD-07 Reclassified 1 Program Manager III to Program Manager II
- MD-08 Moved 1 GIS Specialist from Engineering to Wastewater Administration
- MD-09 Established 1 new position for FY 2016-17
- MD-10 Reclassified 1 Senior Plant Maintenance Supervisor to Senior Collection System Supervisor and moved from Sanitary Pump Stations to Sanitary Sewers
- MD-11 Reclassified 1 Program Manager II to Program Manager III
- MD-12 Reclassified 2 Plant Maintenance Worker positions to Plant Maintenance Mechanics
- MD-13 Reclassified 1 Environmental Control Officer to Senior Environmental Officer

Office Of Violence Prevention

- AT-01 Established 1 new position for FY 2016-17

Office Of Violence Prevention

- ND-01 Established 1 new position for FY 2016-17 under the Marshall Plan

Administrative Services Department

- AD-01 Reclassified 1 Sr. Accountant to Office Specialist and moved to Administration
- AD-02 Moved 1 Office Specialist from Revenue Services to Administration
- AD-03 Reclassified 1 Deputy City Auditor to Budget Analyst I/II/Sr
- AD-04 Reclassified 1 Payroll Technician to Finance Assistant

Human Resources Department

- HR-01 Reclassified 1 Human Resources Program Assistant to Risk Analyst
- HR-02 Reclassified 1 Human Resources Specialist to Human Resources Analyst

Information Technology Department

- IT-01 Reclassified 1 Technology Systems Supervisor, 1 GIS Supervisor, and 1 Network Support Services Supervisor to Information Technology Supervisor
- IT-02 Reclassified 2 Technology Systems Supervisor to Program Manager II
- IT-03 Reclassified 6 Technology Support Specialists to System Analyst
- IT-04 Established mid year, 1 new position for Body Camera program through Council Reso # 2015-06-09-1205, under the Marshall Plan

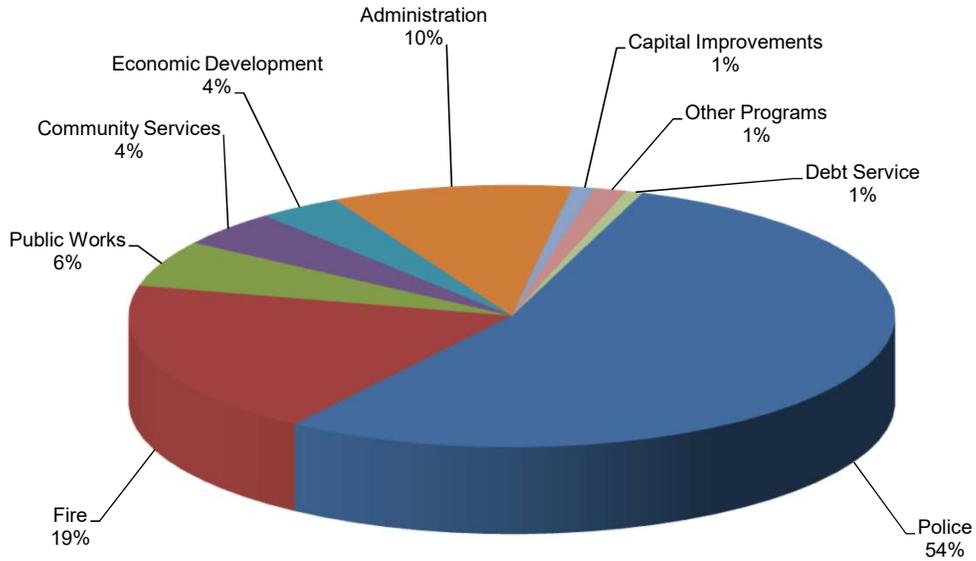
PERSONNEL LISTING - END NOTES
FY 2016-17 Adopted Budget

- (A) Grant funded positions are authorized to be added as grant funding requires; positions may be eliminated when grant funding ends. Positions correspond to the grant period, and do not necessarily correspond to the City's fiscal year.
- (B) The City Manager is authorized to fill additional Library positions if funding is provided for additional Library Services by the County, other cities, and other organizations.
- (C) The City Manager is authorized to fill additional Measure W Police and Fire positions if additional Measure W revenue is available.
- (D) When separations are imminent, but have not yet occurred, the City Manager is authorized to fill unfunded positions, as necessary, subject to availability, for the effective conduct of training and transition, and to avoid excessive overtime.
- (E) The City Manager is authorized to fill Police Officers as Trainees or Officers, and with recommendation of the Human Resources Director, reclassify trainees as Police Officers.
- (F) Persons employed by the City who are later defined by the State of California PERS, the Internal Revenue Service, the City Attorney, or other rulings, to be City employees perform in on-going City activities may be converted to City positions and added to the City's position list during the fiscal year.
- (G) Fire Captains and Firefighters in Fire Prevention may be designated Deputy Fire Marshals.
- (H) Grouping of job classifications does not indicate a "deep classification" or other form of alternative staffing.



TAB 3 GENERAL FUND SUMMARY

General Fund Budget FY 2016-17 Adopted Budget



Program Appropriations

Police	\$ 110,072,924	54%
Fire	39,012,489	19%
Public Works	11,642,352	6%
Community Services	9,014,000	4%
Economic Development	7,138,634	4%
Administration	20,759,638	10%
Capital Improvements	1,933,000	1%
Other Programs	2,775,682	1%
Debt Service	1,443,873	1%
	<u>\$ 203,792,592</u>	

General Fund - 010
FY 2016-17 Adopted Budget
Budget Summary

	FY 2013-14	FY 2014-15	FY 2015-16 Current Budget	FY 2015-16 Projected	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ 3,093,428	\$ 9,751,000	\$ 33,601,587	\$ 33,601,587	\$ 52,550,028
Revenues	171,288,443	202,224,368	206,766,065	210,364,262	214,692,343
	<u>171,288,443</u>	<u>202,224,368</u>	<u>206,766,065</u>	<u>210,364,262</u>	<u>214,692,343</u>
Expenditures					
Employee Services	99,917,893	109,017,206	126,398,955	122,633,168	132,398,653
Other Services	27,819,469	30,638,485	41,678,666	37,685,611	42,758,286
Materials & Supplies	3,601,615	4,477,752	4,812,784	5,065,207	4,692,070
Other Expenses	1,141,576	1,547,555	4,919,658	4,686,101	4,638,026
Capital Outlay	28,715	1,306,781	4,157,489	3,684,732	1,799,684
Loan Repayment	1,455,005	1,407,946	1,422,273	1,422,273	1,443,873
Transfer Out	13,178,979	21,323,918	23,402,637	23,277,637	16,062,000
	<u>147,143,252</u>	<u>169,719,643</u>	<u>206,792,462</u>	<u>198,454,729</u>	<u>203,792,592</u>
Net Annual Activity	24,145,191	32,504,725	(26,397)	11,909,533	10,899,751
Reserves					
Prior Period Adjustments					
Reserve for future appropriation	-	(8,842,261)	3,842,261	3,842,261	-
Change in Fund Balance restrictions	(863,499)	188,123	3,196,647	3,196,647	-
Bankruptcy Reserve (a)	(16,624,120)	-	-	-	-
	<u>(17,487,619)</u>	<u>(8,654,138)</u>	<u>7,038,908</u>	<u>7,038,908</u>	<u>-</u>
Ending Available Balance	9,751,000	33,601,587	40,614,098	52,550,028	63,449,779
Working Capital Reserve - 16.67% (b)	24,528,780	28,292,264	34,472,303	33,082,403	33,972,225
Available Balance after Reserve	\$ (14,777,780)	\$ 5,309,323	\$ 6,141,795	\$ 19,467,624	\$ 29,477,554
Available Balance Calculation					
Cash		\$ 34,968,090			
Accounts Receivable		15,444,126			
Prepaid Items/Inventory		600,804			
Due from Other Governments		12,868,730			
Accounts Payable		(16,308,050)			
Deferred Rents		(75,562)			
Encumbrances		(3,196,989)			
Debt Reserves		(1,256,497)			
Bankruptcy Reserve		-			
Other Commitments		(9,443,065)			
Ending Available Balance		<u>\$ 33,601,587</u>			

(a) In FY 2012-13 and FY 2013-14 ending available balance in the General Fund was reserved for bankruptcy costs and settlements as presented in the Bankruptcy and Sustainability Fund per City Council authorization.

(b) In Compliance with the City's Reserve policy, the FY 2016-17 Annual Budget reflects a sufficient available fund balance for two months (16.67%) of working capital, \$20 million for known contingencies and \$4 million for economic uncertainties, infrastructure failures and catastrophic events.

General Fund - 010
FY 2016-17 Adopted Budget
Revenues

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17
	Actual	Actual	Current Budget	Projected	Adopted Budget
General Tax Revenues					
Property Taxes					
Property Taxes	\$ 27,613,048	\$ 29,572,984	\$ 30,871,000	\$ 30,605,800	\$ 31,670,000
Prior Year Admin Adjustment	401,352	-	-	-	-
In-Lieu of Motor Vehicle Fees	17,947,325	19,600,995	20,745,000	20,625,952	21,416,000
	<u>45,961,725</u>	<u>49,173,979</u>	<u>51,616,000</u>	<u>51,231,752</u>	<u>53,086,000</u>
Sales Tax					
Point of Sale	29,529,435	31,353,821	37,550,000	38,015,908	45,706,000
25% County ERAF Backfill	9,706,219	9,815,968	8,515,000	8,719,592	-
Measure A Transaction Tax	6,573,956	27,811,587	28,125,000	28,800,000	30,161,000
Proposition 172	1,360,160	1,445,329	1,448,000	1,448,000	1,517,000
	<u>47,169,770</u>	<u>70,426,705</u>	<u>75,638,000</u>	<u>76,983,500</u>	<u>77,384,000</u>
Utility Users Tax					
Water	3,401,015	3,355,794	3,278,000	3,424,000	3,593,000
Electric & Gas	18,128,851	19,075,399	19,340,220	19,362,000	19,997,000
Cable	2,509,101	2,636,444	2,557,320	2,721,000	2,802,000
Telecommunications	8,330,429	7,853,186	8,232,900	7,464,000	7,678,000
	<u>32,369,396</u>	<u>32,920,823</u>	<u>33,408,440</u>	<u>32,971,000</u>	<u>34,070,000</u>
Franchise Tax					
PG&E	1,954,929	2,107,623	2,054,280	2,181,000	2,246,000
Cable/Video	2,269,167	2,411,693	2,329,470	2,552,000	2,629,000
Waste Haulers	7,757,019	7,860,527	7,997,820	7,772,000	7,933,000
	<u>11,981,115</u>	<u>12,379,843</u>	<u>12,381,570</u>	<u>12,505,000</u>	<u>12,808,000</u>
Business License Tax	9,367,611	9,662,882	9,417,000	10,635,000	10,955,000
Hotel/Motel Tax	2,080,065	2,377,875	2,175,000	2,621,000	2,700,000
Document Transfer Tax	564,364	587,166	575,000	700,000	720,000
Motor Vehicle License	121,899	1,412	120,000	123,869	120,000
Interest	59,656	259,448	200,250	350,000	560,200
	<u>12,193,595</u>	<u>12,888,783</u>	<u>12,487,250</u>	<u>14,429,869</u>	<u>15,055,200</u>
Program Revenues					
Fire Contracts	3,206,148	3,308,381	3,451,950	3,562,989	3,566,855
Code Enforcement	3,717,028	3,367,098	3,115,454	3,242,792	3,602,719
Charges for Services	1,838,374	2,432,570	2,067,682	2,042,402	1,349,055
Fines & Forfeitures	2,110,758	3,053,866	341,322	425,316	289,507
Revenues from Other Agencies	974,233	1,969,974	1,513,606	2,181,283	1,811,128
Licenses & Permits	362,304	392,299	373,108	430,330	422,693
Sale of Fixed Assets	200,003	521,253	500,000	500,000	500,000
Misc. Other Revenues	(600,658)	(2,232,204)	(69,182)	278,442	(37,320)
	<u>11,808,190</u>	<u>12,813,237</u>	<u>11,293,940</u>	<u>12,663,554</u>	<u>11,504,637</u>
Interfund Reimbursements					
Indirect Cost Allocation	4,664,735	4,500,260	4,668,606	4,430,490	4,518,606
Refunds & Reimbursements	1,684,276	3,108,561	1,913,238	1,680,955	1,771,373
Rents/Leases/Concessions	2,547,474	2,606,112	2,450,527	2,559,648	2,498,433
	<u>8,896,485</u>	<u>10,214,933</u>	<u>9,032,371</u>	<u>8,671,093</u>	<u>8,788,412</u>
Transfers In					
Loan Repayment	-	477,020	-	-	1,086,000
From Admin. Building Fund	-	19,878	-	-	-
From Parking for Debt Service - 417	908,167	909,167	908,494	908,494	910,094
	<u>908,167</u>	<u>1,406,065</u>	<u>908,494</u>	<u>908,494</u>	<u>1,996,094</u>
Total Revenues	<u>\$ 171,288,443</u>	<u>\$ 202,224,368</u>	<u>\$ 206,766,065</u>	<u>\$ 210,364,262</u>	<u>\$ 214,692,343</u>
	-	-	-	-	-

General Fund - 010
FY 2016-17 Adopted Budget
Revenues by Department

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17
	Actual	Actual	Current Budget	Projected	Adopted Budget
General Tax Revenues					
Taxes	\$ 131,546,721	\$ 157,928,279	\$ 164,466,010	\$ 167,021,300	\$ 170,307,000
Licenses & Permits	9,964	38,183	29,612	80,132	69,132
Intergovernmental Revenue	18,772,750	20,889,383	22,181,478	22,284,452	23,150,000
Charges for Services	565,056	563,640	-	-	-
Uses of Money & Property	2,480,697	2,720,373	2,531,980	2,780,012	2,934,502
Reimbursements/Other Revenues	4,815,720	5,062,021	4,588,606	4,380,208	4,318,606
Sale of Fixed Assets	200,003	521,253	500,000	500,000	500,000
	<u>158,390,911</u>	<u>187,723,132</u>	<u>194,297,686</u>	<u>197,046,104</u>	<u>201,279,240</u>
Police Department					
Licenses & Permits	352,340	354,116	343,496	350,198	349,491
Intergovernmental Revenue	134,902	185,833	197,128	197,128	197,128
Charges for Services	3,361,236	3,526,190	3,389,946	3,515,468	3,749,659
Fines & Forfeitures	2,856,918	3,744,369	760,509	716,619	852,507
Uses of Money & Property	68,188	99,995	47,180	158,096	102,700
Reimbursements/Other Revenues	1,248,797	452,385	2,142,660	1,953,624	1,931,477
	<u>8,022,381</u>	<u>8,362,888</u>	<u>6,880,919</u>	<u>6,891,133</u>	<u>7,182,962</u>
Fire Department					
Intergovernmental Revenue	135,804	497,165	-	449,524	-
Charges for Services	3,507,763	3,825,895	4,368,389	4,464,920	3,677,673
Reimbursements/Other Revenues	66,700	102,571	118,266	89,707	125,948
	<u>3,710,267</u>	<u>4,425,631</u>	<u>4,486,655</u>	<u>5,004,151</u>	<u>3,803,621</u>
Public Works					
Licenses & Permits	-	-	-	-	4,070
Uses of Money & Property	118,033	131,313	-	5,686	-
Reimbursements/Other Revenues	56,921	28,534	25,500	21,631	25,680
	<u>174,954</u>	<u>159,847</u>	<u>25,500</u>	<u>27,317</u>	<u>29,750</u>
Administrative Services					
Charges for Services	21,248	97,861	25,300	30,350	39,000
Fines & Forfeitures	29,799	6,384	1,500	7,000	6,000
Uses of Money & Property	(3,635)	-	-	-	-
Reimbursements/Other Revenues	10,198	15,236	200	300,262	218,825
	<u>57,610</u>	<u>119,481</u>	<u>27,000</u>	<u>337,612</u>	<u>263,825</u>
Charter Offices					
Charges for Services	10,621	14,812	21,264	25,520	12,920
Fines & Forfeitures	-	40	-	-	-
	<u>10,621</u>	<u>14,852</u>	<u>21,264</u>	<u>25,520</u>	<u>12,920</u>
Human Resources					
Charges for Services	-	-	-	-	-
Reimbursements/Other Revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic Development					
Charges for Services	-	925	-	-	-
Uses of Money & Property	16,347	11,547	118,547	123,931	123,931
	<u>16,347</u>	<u>12,472</u>	<u>118,547</u>	<u>123,931</u>	<u>123,931</u>
Community Services - Arts					
Uses of Money & Property	(2,815)	-	-	-	-
	<u>(2,815)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers In					
From Parking for Debt Service	908,167	909,167	908,494	908,494	910,094
From Admin. Building Fund	-	19,878	-	-	-
Loan Repayment	-	477,020	-	-	1,086,000
	<u>908,167</u>	<u>1,406,065</u>	<u>908,494</u>	<u>908,494</u>	<u>1,996,094</u>
Total Revenues	<u>\$ 171,288,443</u>	<u>\$ 202,224,368</u>	<u>\$ 206,766,065</u>	<u>\$ 210,364,262</u>	<u>\$ 214,692,343</u>

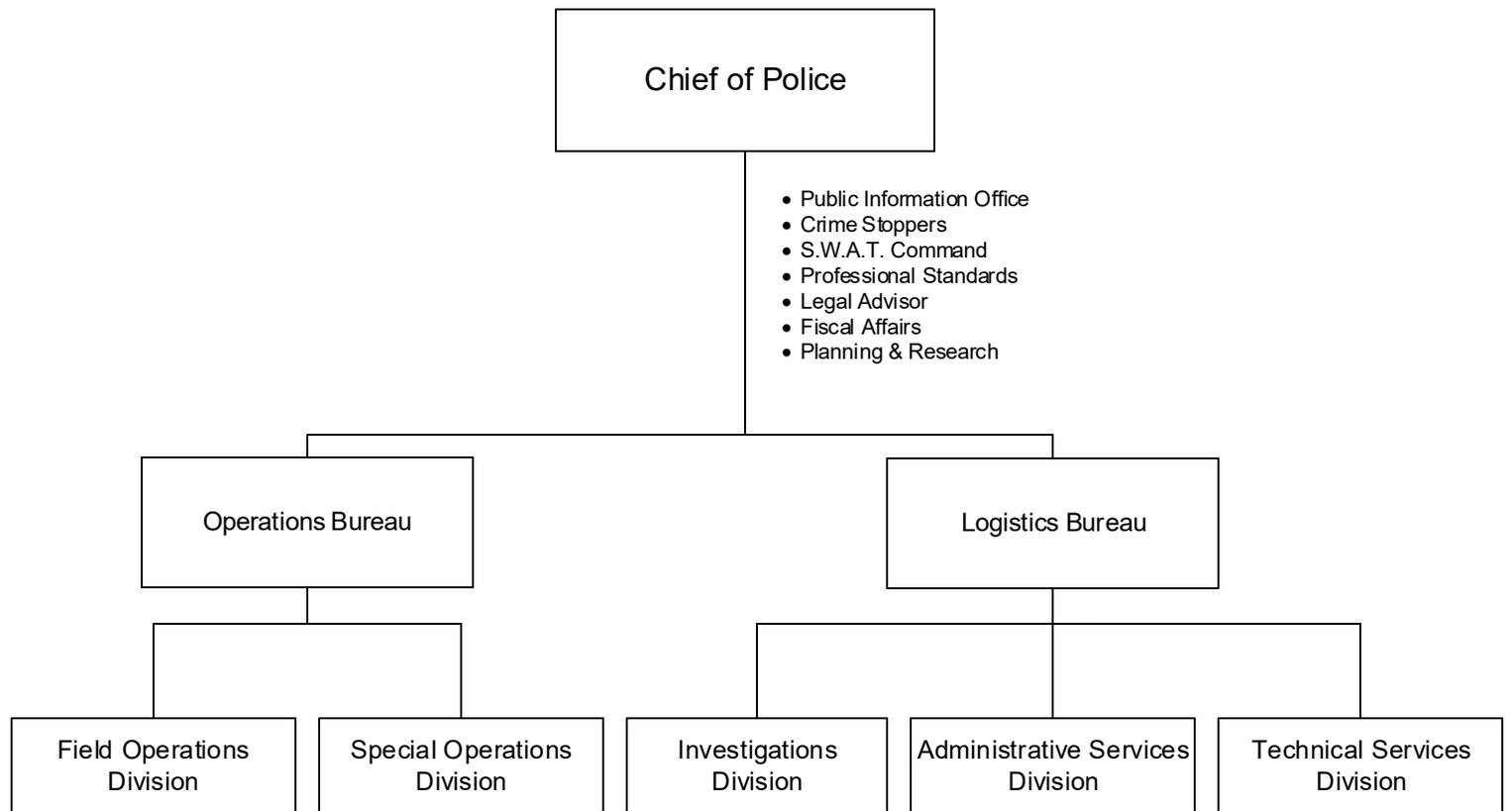
General Fund - 010
FY 2016-17 Adopted Budget
Expenditures by Program

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current</u>	<u>Projected</u>	<u>Adopted</u>
			<u>Budget</u>		<u>Budget</u>
Expenditures					
<u>Programs</u>					
Police	\$ 80,867,753	\$ 88,870,616	\$ 105,332,971	\$ 101,521,054	\$ 110,072,924
Fire	33,444,637	37,044,688	40,856,494	40,627,489	39,012,489
Public Works	6,755,549	7,800,885	10,778,238	10,760,889	11,642,352
Economic Development	803,383	987,623	2,904,142	1,461,149	3,323,634
Office of Violence Prevention	335,506	632,867	1,661,916	1,438,879	1,475,682
Arts Commission	-	-	-	-	-
	<u>122,206,828</u>	<u>135,336,679</u>	<u>161,533,761</u>	<u>155,809,460</u>	<u>165,527,081</u>
<u>Program Support for Other Funds</u>					
Library	3,999,000	4,275,000	5,312,525	5,312,525	4,489,000
Recreation	2,845,000	3,105,000	3,585,112	3,585,112	3,875,000
Entertainment Venues	2,920,094	3,100,000	3,445,000	3,445,000	3,445,000
RDA Successor Agency	450,462	-	225,000	100,000	200,000
Downtown Marina	160,000	215,000	215,000	215,000	170,000
Capital Improvement	1,290,000	2,775,000	6,635,000	6,635,000	1,933,000
Administration Building	-	-	-	-	-
Golf Courses	450,000	450,000	550,000	550,000	650,000
Grant Match	64,423	167,918	400,000	400,000	300,000
Development Services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retirement ISF	-	-	500,000	500,000	-
Workers Comp ISF	-	-	500,000	500,000	-
Information Technology ISF	-	5,236,000	1,035,000	1,035,000	-
Radio ISF	-	1,000,000	-	-	-
	<u>13,178,979</u>	<u>21,323,918</u>	<u>23,402,637</u>	<u>23,277,637</u>	<u>16,062,000</u>
<u>Administration</u>					
City Council	458,193	453,578	432,220	432,220	533,559
City Manager	923,845	1,156,278	1,347,777	1,329,000	1,412,659
City Attorney	676,508	838,622	1,223,946	1,157,512	1,339,924
City Clerk	645,634	670,045	840,416	767,000	852,830
City Auditor	938,856	644,743	1,281,051	1,133,112	756,667
Administrative Services	3,300,807	3,713,742	4,760,279	4,260,739	4,997,605
Human Resources	1,430,393	1,630,723	2,335,459	2,117,029	2,333,149
Tax Collection & Election	2,090,591	2,368,539	3,092,953	2,962,734	3,451,300
Other Administration	(483,026)	(140,888)	1,101,190	767,513	1,081,945
Labor Litigation	320,639	315,718	2,018,500	1,018,500	2,000,000
	<u>10,302,440</u>	<u>11,651,100</u>	<u>18,433,791</u>	<u>15,945,359</u>	<u>18,759,638</u>
Debt Service	<u>1,455,005</u>	<u>1,407,946</u>	<u>1,422,273</u>	<u>1,422,273</u>	<u>1,443,873</u>
Contingency	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	<u>\$ 147,143,252</u>	<u>\$ 169,719,643</u>	<u>\$ 206,792,462</u>	<u>\$ 198,454,729</u>	<u>\$ 203,792,592</u>
	-	-	-	-	-

**General Fund
Measures A and B
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Projected</u>	<u>Adopted Budget</u>
Revenues					
Police					
Measure A Transaction and Use Tax	\$ 6,573,956	\$ 27,811,587	\$ 28,125,000	\$ 28,800,000	\$ 30,161,000
Total Revenues	6,573,956	27,811,587	28,125,000	28,800,000	30,161,000
Expenditures (Public Safety Measure B)					
Police					
Salary & Benefits					
Sworn	-	1,718,905	10,134,637	6,957,468	15,137,793
Non-Sworn	-	741,613	2,454,644	1,870,251	3,115,697
Vacancy Savings	-	-	(2,933,065)	-	(3,640,000)
Other Services	-	396,961	1,202,109	963,972	1,311,512
Materials & Supplies					
Fuel	-	3,935	188,452	88,097	191,700
Other Supplies	5,216	258,183	275,310	279,795	470,610
Equipment					
Office Equipment	-	26,125	-	-	-
Radios	-	375,873	2,226,022	1,821,022	489,465
Vehicles	-	1,102,228	1,288,925	1,321,767	1,281,319
Other Expenses					
Technology Upgrades	-	-	796,000	699,122	-
Training	-	233,567	307,500	307,500	400,340
	5,216	4,857,390	15,940,534	14,308,994	18,758,436
Office of Violence Prevention					
Salary & Benefits					
Non-Sworn	-	77,520	569,900	303,603	597,019
Other Services	-	128,698	315,389	279,184	197,663
Materials & Supplies					
Fuel	-	-	12,000	-	12,000
Other Supplies	-	1,334	10,000	12,000	10,000
Equipment					
Office Equipment	-	-	17,500	17,500	17,500
Radios	-	2,380	-	-	-
Vehicles	-	-	97,774	74,274	-
Other Expenses	-	-	2,000	1,132	8,750
	-	209,932	1,024,563	687,693	842,932
Total Expenditures (Measure B)	\$ 5,216	\$ 5,067,322	\$ 16,965,097	\$ 14,996,687	\$ 19,601,368
Measure B expenditures as a % of annual Measure A revenues	0%	18%	60%	52%	65%

TAB 4 POLICE



- 24 hour patrols/call response
- Programs and Special Units:
 - Patrol rifle team
 - Shotspotter
 - Mobile Field Force
 - Emergency Services Unit
 - Canine Unit
 - Explosive Ordnance Detail
 - Tasers
 - Crisis Negotiation Team
 - Critical Incident Investigation
 - Transportation Officer

- Strategic operations command
- Provide community policing
- Neighborhood Services
 - Health & Safety Code compliance
 - Hotel/Motel permits
 - Rental inspections
 - Neighborhood Blitz Team
 - Graffiti removal
 - Abandoned vehicles
 - Vacant property
- Traffic enforcement
- Event security
- Court Liaison Services
- Programs and Special Units:
 - Peer Support
 - Homeless/transients
 - Taser
 - Crimefree multi-family housing
 - Bicycle patrol
 - Mobile Command Post
 - Air Support
 - School Resource Officers
 - Mental Health liaison
 - Neighborhood/Business Watch

- Crimes against persons and property
- Special investigations
- Community Response Teams (CRT)
- Programs and Special Units:
 - Ceasefire
 - Auto Theft Award
 - FBI Task Force
 - Parole and Corrections Team
 - Multi-Agency Gang Task Force
 - METRO Narcotics
 - Community Corrections Partnership Task Force
 - Delta Regional Auto Theft

- Personnel & Training
 - Recruitment
 - Background Investigations
- Animal Services
 - Operate animal shelter
 - Provide animal control
 - Manage spay/neuter programs
- Programs and Special Units:
 - Field Training Officer
 - Chaplaincy program
 - Volunteers In Police Service (VIPS)
 - Reserve officer program
 - Sentinals
 - Historians
 - Jr. Cadet
 - Honor Guard
 - Emergency Vehicle Operations Center (EVOC)
 - Peer Support Team

- Telecommunications
 - Answer 9-1-1 calls
 - Dispatch calls for police service
- Records
 - Internet, telephone report services
 - Manage police records
- Crime Information Center
- Evidence Identification
 - Process crime scenes
 - Identify and analyze guns and bullets
 - Process fingerprints
- Property Room
 - Store, track and dispose of seized property
- Programs and Special Units:
 - Radios
 - Cameras
 - Body Worn Cameras

POLICE DEPARTMENT



POLICE DEPARTMENT

MISSION STATEMENT

To work in partnership with the people of Stockton to build a safe and secure community.

Budget at a Glance:

Total Expenditures	\$119,172,850
Total Revenues	\$15,376,913
Total Net Cost	\$103,795,937
Total Staff	712

DEPARTMENT DESCRIPTION

The Chief of Police is appointed by the City Manager and under state law, is responsible for the delivery of law enforcement and related emergency services within the City of Stockton. The Chief of Police provides direction over all Police operations including:

- Field Operations Division/Patrol
- Special Operations Division, including neighborhood services and neighborhood blitz, traffic and events, and strategic operations sections
- Investigations Division
- Technical Services Division, including telecommunications, records management, evidence/identification, property room and crime analysis sections
- Administrative Services Division, including personnel and training, and animal services
- Professional Standards Section; fiscal affairs and planning section, and public information office

Other special programs include Special Weapons and Tactics (SWAT) Team, Crisis Negotiations Team, Community Response Teams, Explosive Ordnance Disposal Team (EOD), Mobile Field Force, and the Canine Unit.

KEY CONSIDERATIONS

The Stockton Police Department continues to rebuild its force through implementation of a clear strategic direction focused on combatting crime via the four “P’s” – Pursue, Predict, Prevent, and Partner.

- **Recruitment of Police Officers** in terms of both numbers and representation of Stockton’s diversity continues to be a significant challenge for the Police Department. The hiring of a new Police Officer can take up to eighteen months from the time of the employee selection, through the background investigation process, formal hiring, and probationary status to the end of field training when a new officer can take on a regular assignment. The additional revenue generated through Measure A will allow the hiring of 120 additional sworn officer positions. Beginning in FY 2014-15, the Police Department established a hiring target of 80 officers annually to achieve the added positions by the end of FY 2016-17. While the hiring goals were achieved, the net gain of officers is below target, due to higher than normal attrition. Recruitment and retention continues to be an important focus of the department.

POLICE DEPARTMENT

- **Implementation of the Marshall Plan on Crime (Marshall Plan)**, made possible by the passage of Measure A, will continue to provide funding and guidance to restore police services. FY 2016-17 is the third and final year of the Marshall Plan ramp up. A total of 33 civilian support positions will be funded and filled concurrently with the 120 authorized Police Officer positions noted above. These critical positions include Police Telecommunicators, Records Assistants, Property Clerks, Community Service Officer and Administrative positions. In addition, eleven positions expanded Neighborhood Services and established a Neighborhood Blitz Team, another deliverable of the Marshall Plan. Measure A funds are used to pay for salary and benefits for these 153 positions, and also purchase one-time equipment such as vehicles, radios, and computers, as well as support the corresponding increase to operational expenses.
- **The Transportation Officer Program** provides dedicated staff to process and transport arrestees to the County Jail, thus enabling patrol officers to return to the streets more quickly. This program began with the financial support of the Stockton Police Foundation (Foundation). The Foundation is a 501(c)(3) organization (started in 2013), that raises funding for Police projects, programs, and equipment. The Transportation Officer Program's success garnered enough internal support that as of FY 2016-17 it will be funded by the department's annual General Fund budget.
- **Operation Ceasefire**, one of the Marshall Plan deliverables, continued to host call-ins during the year, targeting the most violent individuals and those at-risk of violence. Funding to continue support of these efforts is included in the Police Department's FY 2016-17 Budget. These funds will pay for additional consulting assistance as the call-ins and enforcement efforts continue. This effort will receive additional support through Office of Violence Prevention in the City Manager's Office.
- **Innovative strategies** such as evidence-based and community policing are critical to meeting the challenges facing the Stockton Police Department as public safety needs change. By leveraging the latest information available from local and national resources, the department is able to develop plans and partnerships necessary to keep the public safe. Examples of these strategies include multi-agency task forces, such as the San Joaquin County Multi-Agency Gang Task Force and Community Corrections Partnership Task Force as well as specific missions to target firearms or fugitives like partnering with the United States Marshals, California Highway Patrol, and Alcohol Tobacco Firearms unit.
- **New funding sources**, such as grants for federal or state programs, continue to be a key component of maintaining Police Department staffing levels as well as funding new equipment and initiatives. The department currently receives funds from the Office of Community Oriented Policing (COPS) and Department of Justice. State funds are received from Vehicle License Fees, fines, fees, forfeitures, and other revenues. In addition, the department works with statewide public safety partners such as the California Police Chiefs Association and California Emergency Management Agency to optimize funding and reimbursement opportunities.
- **Relationships with community partners**, such as other local law enforcement agencies, continue to be critical due to the past five years of economic downturn. As fewer public safety dollars are available, consolidation of resources is often the key element when applying for new dollars from federal and state programs. From the law enforcement side, recent partnerships including the Multi-Agency County-wide Gang Task Force, Firearms Reduction Consortium, and Community Corrections Partnership Taskforce are key examples of combining resources for targeted enforcement efforts that have had great success. Other community partnerships include local agencies such as the Women's Center of San Joaquin

POLICE DEPARTMENT

County, the San Joaquin County District Attorney's Office, including the Victim-Witness Program, and the San Joaquin County Probation Department.

- **The United States Department of Justice's National Initiative for Building Community Trust and Justice** selected the Stockton Police Department, the only California city selected, as one of six pilot sites in the nation. The initiative is a partnership between the Department of Justice and criminal justice experts that invest in training, evidence based strategies, policy development and research to build a nationwide model for furthering trust between law enforcement and the communities they serve.

The Police Department General Fund FY 2016-17 Annual Budget includes additional funding for 44 full-time positions made possible by Measure A revenues, part-time staffing, academy costs for new hires, and funds to cover the cost of enhanced recruiting and training strategies as a result of the implementation of the Marshall Plan. Additional General Fund budget highlights include:

- The existing Shotspotter program will be retained in the two square mile area of South Stockton to assist the department in responding to and investigating gunfire activity.
- The department implemented a body-worn camera program during FY 2015-16 and has included funding in the FY 2016-17 Annual Budget for camera maintenance and repair as well as ongoing staff support to handle the increase in video evidence requests for the District Attorney's Office.
- In FY 2015-16, a capital improvement project began to upgrade the electrical panel at the animal shelter facility, thereby allowing the installation of a donated portable x-ray machine. The engineering plans were completed and approved. The remainder of the upgrade work will be completed in FY 2016-17 from the original project funding.
- Additional funding has been included to continue the City's contract with San Francisco Society for the Prevention of Cruelty to Animals for veterinary services at the animal shelter.
- One-time funding is included for program development of air support. This includes training, policy development, research of aircraft and other law enforcement air support programs.
- Significant one-time purchases include 37 vehicles, radios, and mobile computer data devices for new Marshall Plan Officers. An expansion of Police facilities is planned for the Stewart/Eberhardt Building's fourth floor to accommodate the new Marshall Plan personnel as well as a remodel of the basement of the Main PD building.

**Police Department
FY 2016-17 Adopted Budget**

	General Fund	Measure	Asset	State
	010	W	Seizure	COPS
	010	081	023	024
	<i>See Page D-8</i>	<i>See Page D-11</i>	<i>See Page D-13</i>	<i>See Page D-15</i>
Beginning Available Balance			\$ 215,642	\$ 599,615
Revenues				
Grants	-	-	-	500,000
Program Revenue	7,182,962	4,960,500	15,000	-
Other Revenue	-	-	500	2,000
	7,182,962	4,960,500	15,500	502,000
Expenditures				
Salary & Benefits	87,993,321	4,171,472	-	970,973
Services & Supplies	20,444,819	460,005	161,879	-
Administration Overhead	-	218,345	-	-
Capital Outlay	1,634,784	-	-	-
	110,072,924	4,849,822	161,879	970,973
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Net Annual Activity	(102,889,962)	110,678	(146,379)	(468,973)
Ending Available Balance			\$ 69,263	\$ 130,642
	-	-	-	-

Police Department, Continued
FY 2016-17 Adopted Budget

	<u>Police Special Revenue 025</u>	<u>Special Revenue 645</u>	<u>Police Total</u>
	<i>See Page D-18</i>	<i>See Page D-21</i>	
Beginning Available Balance	\$ 1,651,707	\$ 610,016	
Revenues			
Grants	2,352,356	-	2,852,356
Program Revenue	100,000	125,095	12,383,557
Other Revenue	120,000	18,500	141,000
	<u>2,572,356</u>	<u>143,595</u>	<u>15,376,913</u>
Expenditures			
Salary & Benefits	2,846,253	-	95,982,019
Services & Supplies	-	170,999	21,237,702
Administration Overhead	-	-	218,345
Capital Outlay	-	-	1,634,784
	<u>2,846,253</u>	<u>170,999</u>	<u>119,072,850</u>
Transfers			
Transfer In	-	-	-
Transfer Out	-	(100,000)	(100,000)
	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net Annual Activity	<u>(273,897)</u>	<u>(127,404)</u>	<u>(103,795,937)</u>
Ending Available Balance	\$ 1,377,810	\$ 482,612	
	-	-	-
		Revenues	\$ 15,376,913
		Transfers	-
		Total Sources	<u>\$ 15,376,913</u>
		Expenditures	\$ 119,072,850
		Transfers	100,000
		Total Appropriations	<u>\$ 119,172,850</u>
			-

**Police Department
General Fund - 010
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Total Police Department				
Employee Services	\$ 63,278,709	\$ 68,926,148	\$ 81,118,692	\$ 87,993,321
Other Services	15,099,237	15,554,424	16,885,818	17,199,002
Materials and Supplies	2,007,039	2,546,154	2,687,273	2,367,182
Other Expenses	476,947	715,538	781,680	878,635
Capital Outlay	5,821	1,128,352	3,859,508	1,634,784
Total	<u>\$ 80,867,753</u>	<u>\$ 88,870,616</u>	<u>\$ 105,332,971</u>	<u>\$ 110,072,924</u>
Administration				
Employee Services	5,050,596	5,270,801	5,281,579	6,297,482
Other Services	2,806,074	2,640,821	2,610,757	2,715,069
Materials and Supplies	295,647	346,623	403,565	401,066
Other Expenses	475,408	469,580	470,850	474,850
Total	<u>8,627,725</u>	<u>8,727,825</u>	<u>8,766,751</u>	<u>9,888,467</u>
Marshall Plan - Administration				
Employee Services	-	198,773	488,361	835,977
Other Services	-	32,903	16,208	36,282
Materials and Supplies	-	9,132	1,500	1,000
Other Expenses	-	-	-	-
Total	<u>-</u>	<u>240,808</u>	<u>506,069</u>	<u>873,259</u>
Field Services				
Employee Services	37,643,535	39,154,383	42,251,052	37,895,425
Other Services	4,939,856	5,156,978	5,114,005	4,977,838
Materials and Supplies	1,147,318	1,089,670	870,357	758,140
Other Expenses	904	(11,925)	(4,000)	(3,835)
Capital Outlay	-	-	4,000	4,000
Total	<u>43,731,613</u>	<u>45,389,106</u>	<u>48,235,414</u>	<u>43,631,568</u>
Marshall Plan - Field Services				
Employee Services	-	2,206,792	7,774,528	11,944,338
Other Services	-	351,431	1,055,880	1,084,699
Materials and Supplies	5,216	622,629	856,884	722,410
Other Expenses	-	233,567	307,500	400,340
Capital Outlay	-	1,128,352	1,463,925	1,630,784
Total	<u>5,216</u>	<u>4,542,771</u>	<u>11,458,717</u>	<u>15,782,571</u>
Investigations				
Employee Services	11,781,114	13,029,511	14,336,961	18,704,171
Other Services	1,262,174	1,066,599	1,433,297	1,305,357
Materials and Supplies	261,068	183,008	184,079	150,461
Other Expenses	(39)	3,704	6,000	6,050
Capital Outlay	-	-	20,583	-
Total	<u>13,304,317</u>	<u>14,282,822</u>	<u>15,980,920</u>	<u>20,166,039</u>

**Police Department
General Fund - 010
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Marshall Plan - Investigations				
Employee Services	-	-	298,947	534,624
Other Services	-	-	23,135	48,961
Materials and Supplies	-	3,935	18,900	18,900
Other Expenses	-	-	-	-
Total	<u>-</u>	<u>3,935</u>	<u>340,982</u>	<u>602,485</u>
Support Services				
Employee Services	3,506,030	3,645,590	4,244,454	4,407,871
Other Services	627,579	693,719	833,249	1,256,788
Materials and Supplies	272,213	254,279	222,063	215,705
Other Expenses	250	20,392	750	1,010
Total	<u>4,406,072</u>	<u>4,613,980</u>	<u>5,300,516</u>	<u>5,881,374</u>
Marshall Plan - Support Services				
Employee Services	-	25,726	306,090	384,750
Other Services	-	722	8,921	10,261
Materials and Supplies	-	1,657	7,500	5,000
Other Expenses	-	-	-	-
Total	<u>-</u>	<u>28,105</u>	<u>322,511</u>	<u>400,011</u>
Telecommunications				
Employee Services	5,297,434	5,365,345	5,348,078	5,902,208
Other Services	5,463,554	5,599,346	5,692,401	5,632,438
Materials and Supplies	25,577	34,584	67,425	39,500
Other Expenses	424	220	580	220
Capital Outlay	5,821	-	-	-
Total	<u>10,792,810</u>	<u>10,999,495</u>	<u>11,108,484</u>	<u>11,574,366</u>
Marshall Plan - Telecommunications				
Employee Services	-	29,227	788,642	1,086,475
Other Services	-	11,905	97,965	131,309
Materials and Supplies	-	637	55,000	55,000
Other Expenses	-	-	-	-
Capital Outlay	-	-	2,371,000	-
Total	<u>-</u>	<u>41,769</u>	<u>3,312,607</u>	<u>1,272,784</u>

See summary of Public Safety Measure A funded Marshall Plan expenditures on page C-6.

POLICE DEPARTMENT

MEASURE W FUND (081)

History

- City of Stockton voters approved Measure W in November, 2004 authorizing a one-quarter percent Transaction and Use Tax. (Ordinance No. 038-04 CS, adding Chapter 3.52 to the Stockton Municipal Code).
- This Ordinance provided authorization for the proceeds to be used for police and fire protection services and to contract with the State Board of Equalization to perform all functions necessary for the administration and operation thereof.
- The Police Department uses 50% of the Measure W tax proceeds. These funds primarily pay for Police Officer salaries and benefits, but have also been used to purchase equipment, vehicles, and radios for those Police Officers funded with the proceeds.

FY 2015-16 Events

- Measure W funds pay the salary and benefits for 25 Police Officers.
- Revenues continue to be monitored closely to ensure they are sufficient to cover expenditures and maintain an adequate fund balance.
- The overall budget projection for year-end indicates that the balance in the Measure W Economic Uncertainty Fund will meet or exceed the program guidelines.

FY 2016-17 Budget Changes

- Measure W will pay for salaries, benefits, equipment and supplies for 25 Police Officer positions in FY 2016-17 assigned to Field Operations Division for street patrol.
- Measure W proceeds are anticipated to increase 2% from prior year projections.
- The State Board of Equalization charges a quarterly administration fee for services associated with collection of the Measure W Public Safety Sales Tax. A sales tax audit contract provides auditing/compliance services to ensure sales tax is properly collected and distributed.
- Staff continues to monitor equipment needs that comply with Measure W guidelines to purchase radios, mobile data computers, vests, firearms, ammunition and other essential safety equipment for Police Officers in the field.

**Police and Fire Departments
Measure W - 081(a)
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 2,281,032	\$ 2,991,209	\$ 3,049,867	\$ 2,972,902
Revenues				
Police				
Measure W Sales Tax	4,480,832	4,698,142	4,862,500	4,953,000
Reimbursements	11	-	-	-
Interest	6,150	6,084	5,000	7,500
	<u>4,486,993</u>	<u>4,704,226</u>	<u>4,867,500</u>	<u>4,960,500</u>
Fire				
Measure W Sales Tax	4,480,832	4,698,142	4,862,500	4,953,000
Reimbursements	11	-	-	-
Interest	7,177	7,445	5,000	7,500
	<u>4,488,020</u>	<u>4,705,587</u>	<u>4,867,500</u>	<u>4,960,500</u>
	<u>8,975,013</u>	<u>9,409,813</u>	<u>9,735,000</u>	<u>9,921,000</u>
Expenditures				
Police				
Salary & Benefits	3,339,687	3,865,830	4,040,576	4,171,472
Services & Supplies	609,894	559,624	441,253	460,005
Administration Overhead	209,719	215,787	221,685	218,345
Capital Outlay	-	136,556	-	-
	<u>4,159,300</u>	<u>4,777,797</u>	<u>4,703,514</u>	<u>4,849,822</u>
Fire				
Salary & Benefits	3,756,081	4,084,454	4,255,918	4,370,962
Services & Supplies	61,876	93,087	114,615	151,714
Administration Overhead	224,973	213,147	224,748	224,750
Capital Outlay	62,606	182,670	513,170	30,000
	<u>4,105,536</u>	<u>4,573,358</u>	<u>5,108,451</u>	<u>4,777,426</u>
	<u>8,264,836</u>	<u>9,351,155</u>	<u>9,811,965</u>	<u>9,627,248</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity				
Police	327,693	(73,571)	163,986	110,678
Fire	382,484	132,229	(240,951)	183,074
	<u>710,177</u>	<u>58,658</u>	<u>(76,965)</u>	<u>293,752</u>
Ending Available Balance	\$ 2,991,209	\$ 3,049,867	\$ 2,972,902	\$ 3,266,654
Available Balance Calculation				
Current assets		\$ 3,426,683		
Current liabilities		(376,816)		
Ending Available Balance		<u>\$ 3,049,867</u>		

(a) The portion of Measure W Fund - 081 relating to Fire is also presented in Fire on page E-15

POLICE DEPARTMENT

ASSET SEIZURE FUND (023)

History

Asset seizure accounts were established to allow the Police Department to properly manage the proceeds of the sale of seized property under State and Federal forfeiture laws.

- There are three sources of asset seizure funding. One source are properties from cases adjudicated by the San Joaquin County District Attorney's Office. The other two sources are from cases adjudicated by the Federal government. Each agency allocates a share of the proceeds from their case to the City. These funds are restricted by State and Federal law for expenditures that enhance law enforcement and drug/crime prevention, and cannot be used to supplant existing General Fund programs or operations.
- To comply with state and federal asset seizure laws, the Police Department established the following priority and program expenditures for asset forfeiture proceeds.
 - Purchase of Vice/Narco Unit and Special Weapons and Tactics (SWAT) Team special surveillance and safety equipment, and their related services and supplies.
 - Purchase of Explosive Ordnance Detail (EOD) specialized equipment unique to this unit that does not depend on internal service fund support for replacement.
 - Purchase of Firearms Training System equipment for computer training program scenarios, equipment, and accessories used to train sworn staff in use-of-force decision making to improve officer and citizen safety and reduce liability to the City.

FY 2015-16 Events

- Federal seizure amounts remained low while Local seizure amounts increased slightly.

FY 2016-17 Budget Changes

- Revenues are projected to remain at a low level based on actual amounts received in prior years and known activity throughout the year. With the elimination of the narcotics unit in 2010, very few asset seizure cases are worked by Stockton Police Officers.
- The level of safety equipment and supply purchases is in line with the availability of cash in the fund.
- Planned purchases in FY 2016-17 include ammunition and equipment for the SWAT Team, use of force training equipment, cameras, EOD vests, and a surveillance equipment room.

**Police Department
Asset Seizure - 023
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	Actual	Actual	Projected	Adopted Budget
Beginning Available Balance	\$ 223,749	\$ 146,317	\$ 211,448	\$ 215,642
Revenues				
State/local seizures	18,893	64,942	13,045	12,000
Federal DOJ seizures	368	2,200	2,880	2,500
Federal Treasury seizures	291	-	-	500
Interest	-	-	500	500
	19,552	67,142	16,425	15,500
Expenditures				
State/local seizures	38,496	2,011	10,070	106,800
Federal DOJ seizures	10,369	-	2,161	35,353
Federal Treasury seizures	5,000	-	-	19,726
	53,865	2,011	12,231	161,879
Transfers				
Transfer In	-	-	-	-
Transfer Out - 025	(43,119)	-	-	-
	(43,119)	-	-	-
Net Annual Activity	(77,432)	65,131	4,194	(146,379)
Ending Available Balance	\$ 146,317	\$ 211,448	\$ 215,642	\$ 69,263
Available Balance Calculation				
Cash and interest receivable		\$ 211,448		
Vouchers payable		-		
Ending Available Balance		\$ 211,448		

POLICE DEPARTMENT

STATE CITIZENS OPTIONS FOR PUBLIC SAFETY FUND (024)

History

- The Citizens Options for Public Safety fund was established by the State of California to assist in funding front line law enforcement activities.
- Funds are predominantly used for equipment and public safety programs. During the years of fiscal uncertainty, the City began funding Community Service Officer personnel from this source.

FY 2015-16 Events

- The Police Department purchased officer equipment such as tasers and other safety equipment, photographic equipment, and specialized investigations software. Some replacement rifles for patrol officers will be purchased by the fiscal year end.
- Two Community Service Officer positions were funded during FY 2015-16.

FY 2016-17 Budget Changes

- Revenue projections remain stable as staff continues to monitor any available information from the Board of State Community Corrections on potential changes to funding allocations.
- Two Community Service Officer positions remain funded through this source.
- Funds will be used to purchase equipment and supplies that are one-time in nature and do not require ongoing financial support. Purchases slated for this fiscal year include: training and duty equipment for sworn personnel, specialized investigation equipment, body-worn camera digital storage, various equipment for special teams and neighborhood services, and background investigations equipment.

**Police Department
State COPS - 024
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 260,673	\$ 22,257	\$ 576,388	\$ 599,615
Revenues				
State COPS Grant	205,505	307,760	534,218	500,000
Interest	2,522	3,684	1,048	2,000
	<u>208,027</u>	<u>311,444</u>	<u>535,266</u>	<u>502,000</u>
Expenditures				
State COPS Grant	446,443	307,760	512,039	970,973
	<u>446,443</u>	<u>307,760</u>	<u>512,039</u>	<u>970,973</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(238,416)</u>	<u>3,684</u>	<u>23,227</u>	<u>(468,973)</u>
Ending Available Balance	<u>\$ 22,257</u>	<u>\$ 25,941</u>	<u>\$ 599,615</u>	<u>\$ 130,642</u>
Available Balance Calculation				
Cash and interest receivable		\$ 607,956		
Due from Other Governments		-		
Due to Other Governments		(31,568)		
Ending Available Balance		<u>\$ 576,388</u>		

POLICE DEPARTMENT

SPECIAL REVENUE GRANTS FUND (025)

History

- This fund maintains and finances certain Police Department activities through special revenues including Federal and State Grants and Supplemental Police Services event contracts.
- This fund is intended to provide accountability for restricted sources of revenue.

FY 2015-16 Events

- New grants awarded include:
 - State of California Department of Alcoholic Beverage Control– funding for staff costs, training and equipment dedicated to reduction and eradication of alcohol related crimes which includes the sale of alcohol to minors.
 - Byrne Memorial Justice Assistance – joint funding with San Joaquin County for creation of a Firearms Reduction Consortium, including upgrades for the Integrated Ballistics Identification System, a full-time Firearms Examiner position, training, and overtime for Police, Sheriff, and Probation to conduct firearms missions.
 - Office of Traffic Safety’s AVOID, DUI Enforcement, Distracted Driving and Checkpoints – funded various overtime missions to improve traffic safety.
- Several local businesses and organizations requested additional police services for special events via Supplemental Services Contracts. During FY 2015-16 six organizations are estimated to pay \$150,000 for these services.
- The Community Corrections Partnership Taskforce proactively addresses violent crimes and early-release offenders. Funds cover salaries, overtime and equipment for Task Force participants from Police Departments of Stockton, Lodi, Manteca, and Tracy as well as the San Joaquin County Sheriff.
- Expenditures from the 2011 Federal COPS Hiring Grant continued into its third and final year for 17 entry-level Police Officers.
- The Stockton Police Foundation is a 501(c)(3) organization established in 2013 to serve as an additional resource for the Police Department to purchase needed equipment, fund technology initiatives, and support the Transportation Officer programs. Funds received in this fund from the Foundation are for specific approved items and services.

POLICE DEPARTMENT

SPECIAL REVENUE GRANT FUND (025) (Cont.)

FY 2016-17 Budget Changes

- Per the grant agreement, the 17 Police Officers hired under the 2011 Federal COPS Hiring Grant funds must be retained for at least one additional year and are included in the FY 2016-17 General Fund budget.
- Police Supplemental Service Contracts for event specific overtime assistance continue to be accounted for in this fund. Current contracts include:
 - Stockton Ports – Thursday, Friday, and Saturday home baseball games
 - San Joaquin Regional Transit District – Bus fare evasion missions
 - High School Football – Bear Creek, Lincoln, and McNair
 - Stone Brothers and Weberstown – Holiday mall shopping
 - SMG Stockton Arena and the Bob Hope Theater – Hockey, concerts, and other community events as needed.
 - San Joaquin County Fairgrounds – special events
- Budget for the Community Corrections Partnership Task Force is being increased for additional overtime missions and training for the law enforcement agency members.
- Overall expenditures in this fund will vary based on the amounts of the grants received during the year.
- The Police Department was awarded an additional State COPS Hiring Grant to fund 15 entry-level Police Officer positions. The use of these funds will coincide with the fulfillment of the 120 Police Officers in support of the Marshall Plan with hiring expected in FY 2016-17.

**Police Department
Special Revenue Grants - 025
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 571,225	\$ 32,917	\$ 1,503,375	\$ 1,651,707
Revenues				
Federal Grants	2,370,451	2,451,749	3,001,415	1,616,615
State Grants	723,974	1,870,065	2,290,799	735,741
Other Grants	90,167	21,643	28,400	-
Contract Reimbursements	138,660	141,348	148,243	117,500
Donations	60,806	496,622	207,794	100,000
Interest	3,037	3,397	2,500	2,500
	<u>3,387,095</u>	<u>4,984,824</u>	<u>5,679,151</u>	<u>2,572,356</u>
Expenditures				
Federal Grants	2,400,263	2,451,747	3,064,407	1,616,615
State Grants	1,347,156	1,869,235	2,144,968	1,012,138
Other	146,866	518,265	236,193	100,000
Contract Reimbursements	138,660	141,348	148,243	117,500
	<u>4,032,945</u>	<u>4,980,595</u>	<u>5,593,811</u>	<u>2,846,253</u>
Transfers				
Transfer In - Grant Match				
General Fund - VAWA Match	64,423	(832)	62,992	-
Asset Forfeiture - VAWA Match	43,119	-	-	-
	<u>107,542</u>	<u>(832)</u>	<u>62,992</u>	<u>-</u>
Net Annual Activity	<u>(538,308)</u>	<u>3,397</u>	<u>148,332</u>	<u>(273,897)</u>
Ending Available Balance	<u>\$ 32,917</u>	<u>\$ 36,314</u>	<u>\$ 1,651,707</u>	<u>\$ 1,377,810</u>
Available Balance Calculation				
Cash and interest receivable		\$ 2,110,417		
Accounts Payable		(607,042)		
Due to Other Governments		-		
Ending Available Balance		<u>\$ 1,503,375</u>		



POLICE DEPARTMENT

POLICE SPECIAL REVENUE FUND (645)

History

- The Police Department maintains a variety of special revenue programs in this fund. These programs historically provided accounting and management support for activities that are specific to the funding sources, but do not require the same level of oversight as a grant or contract.
- Revenues in this fund are derived from donations or charges for services from programs.
- The Geraldine Schmidt Trust was established to provide a direct benefit to the Stockton Animal Shelter and provides the majority of the Police Special Revenue fund balance.

FY 2015-16 Events

- Donations for the Cadet Program, miscellaneous equipment and community events continue to decline as non-specific donations are directed to the Stockton Police Foundation.
- As the Pet Overpopulation Program continues its operations, it maintains a steady income to manage the overpopulation programs.
- Funds from the Geraldine Schmidt Trust as well as additional grants and donations are allocated for capital improvements at the Animal Shelter, specifically for an upgrade to the electrical panel which will allow for the installation of a portable x-ray machine.

FY 2016-17 Budget Changes

- Staff continue to review available balances and expend funds for their intended purposes including community events, equipment, and special programs such as Junior Cadets and Sentinels, and Volunteers in Police Service.
- The Pet Overpopulation Fund supports Spay and Neuter Clinics under the guidance of a Memorandum of Understanding with the San Francisco Society for the Prevention of Cruelty to Animals.

**Police Department
Police Special Revenue - 645
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 678,440	\$ 701,531	\$ 578,040	\$ 610,016
Revenues				
Pet Overpopulation Program	194,750	166,734	123,402	125,095
Other Revenue	9,289	123,807	25,746	18,500
	<u>204,039</u>	<u>290,541</u>	<u>149,148</u>	<u>143,595</u>
Expenditures				
Pet Overpopulation Program	168,359	411,644	116,572	125,095
Miscellaneous Expense	12,589	2,388	600	45,904
	<u>180,948</u>	<u>414,032</u>	<u>117,172</u>	<u>170,999</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out - Capital Fund	-	-	-	(100,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net Annual Activity	<u>23,091</u>	<u>(123,491)</u>	<u>31,976</u>	<u>(127,404)</u>
Ending Available Balance	\$ 701,531	\$ 578,040	\$ 610,016	\$ 482,612
Available Balance Calculation				
Cash		\$ 660,916		
Vouchers Payable		(82,876)		
Ending Available Balance		<u>\$ 578,040</u>		



TAB 5 FIRE

Fire Chief

- Govt/community/public relations
- Policy Administration
- Interagency relations
- Negotiation Fire Department Issues
- Staff Development



Finance

- Budget development & administration
- Financial planning
- Payments and procurement oversight
- Revenue contracts billing and administration
- Account maintenance & tracking

Administration

- Office management
- Clerical support and records maintenance
- Grant management
- Payroll
- Personnel
 - Employee services
 - Background investigations
 - Monitor legislation & law
 - Internal affairs
- Resource/Logistics
- CIP and special projects
- SFD online/web management
- Fire technology and data management and coordination

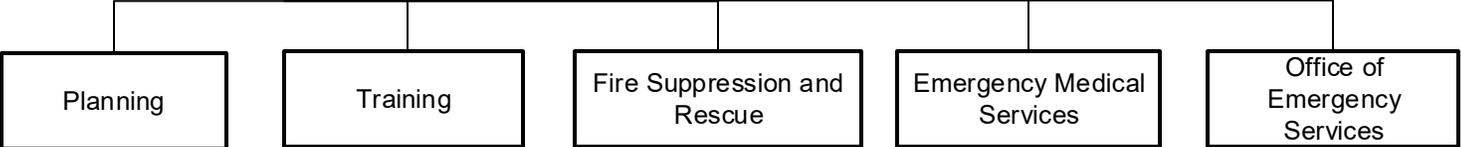
Operations

Fire Prevention

- Public education
- Code enforcement
- Inspection services
- Fire permits
- Plan checking
- Weed/Hazard abatement
- Fire investigations
- Environmental impact reports

Emergency Communications

- Dispatch calls for service
- Manage or coordinate:
 - Telecommunications
 - Computer services
 - Call database
 - Public works dispatch
 - Regional emergency communications
- Dispatch contracts



Planning

- Strategic planning
- Research & development
- Accreditation
- Performance management
- Statistics
- Contract administration
- Special projects

Training

- Provide training:
 - Hazmat
 - Suppression
 - EMS
 - Technical
 - Auxiliary firefighters
 - In-service
 - Recruit
 - Special operations
- Provide photo/video services

Fire Suppression and Rescue

- Provide:
 - Firefighting & Emergency medical help
 - EMS/Hazmat services
 - Technical rescue safety
 - Water rescue
- Inspect pre-fire plans
- Manage & maintain:
 - Fire facilities
 - Apparatus
 - Equipment
 - Maps & drawings
- Evaluations

Emergency Medical Services

- Coordinate emergency medical requirements
- Manage quality assurance program
- Work with county in developing & implementing standards
- Issue certifications

Office of Emergency Services

- Manage emergency operations center
- Disaster planning
- Metropolitan medical disaster plan

FIRE DEPARTMENT



FIRE DEPARTMENT

MISSION STATEMENT

The Stockton Fire Department is committed to providing excellent emergency and non-emergency customer service. Our dedicated members ensure a safe community through public education, prevention, and aggressive fire suppression and rescue activities.

Budget at a Glance:

Total Expenditures	\$48,612,362
Total Revenues	\$13,424,888
Total Net Cost	\$35,187,474
Total Staff	210

DEPARTMENT DESCRIPTION

The Fire Department is responsible for fire protection and related services including emergency medical services in the City of Stockton as well as four bordering county fire districts (Boggs Tract, Eastside, Lincoln and Tuxedo-Country Club that contract for fire services.

The department is organized in five divisions: Administration, Suppression, Fire Prevention, Training, and Emergency Communications.

Administrative Division provides overall policy direction and management support for the department, which include office administration, finance, and planning.

Suppression Division is responsible for emergency and non-emergency services to the community that include fire suppression, emergency responses, mitigation of hazardous materials incidents, technical rescue/Urban Search and Rescue, water/dive rescue, routine fire prevention inspections, and arson investigations.

Fire Prevention Division provides code enforcement, fire safety education, fire prevention inspections, and technical services such as plan checking and managing fire code operational permits to safe guard the lives, welfare, and economy of the community.

Training Division maintains technical and operational proficiency in the suppression division through ongoing prescriptive training that ensures compliance with all statutory mandates and adjusts its programs to assure staff adapt to a constantly changing work environment.

Emergency Communications Division processes fire and emergency medical calls to dispatch Fire Department resources for the Stockton area, City of Lodi, City of Manteca, City of Tracy and Lathrop-Manteca Fire Protection District areas.

The Stockton Fire Department responded to more than 36,000 incidents in 2015 including 2,328 fires, 528 hazardous condition incidents, over 20,000 rescue and emergency medical incidents and the remaining responses for other emergency service calls. The Emergency Communications Division received an average of 145 service calls daily and provided after hours dispatch coverage for Municipal Utilities and Public Works Departments.

FIRE DEPARTMENT

KEY CONSIDERATIONS

Computer Equipment, Software and Technology

- **Mobile Data Computer, Firehouse Report, Staff Evaluations and Tablet Command Data Management Application System** to upgrade the Fire Department's computer system and incident command data management and reporting systems for emergency response was fully deployed in 2015. Staff training for these new systems have been completed. Wireless system connectivity for each application are continuously being monitored to improve data retrieval and processing time.
- **Electronic Patient Care Reporting Application System** was purchased and implemented to meet federal, state and San Joaquin County patient care reporting requirements. This cloud based reporting system replaces the manual patient medical care report process that follows an emergency medical response. The use of mobile tablets, the application system and connectivity to medical centers allow automated handling and faster transmission of patient medical care records to the receiving hospitals, which allows a more efficient and accurate records management process.
- The 2013 Stockton Fire Dispatch Threshold Analysis Report recommended significant investment in **Dispatch Center Computer technology and equipment** to replace and upgrade obsolete and deteriorating dispatch equipment. This effort has begun which will enable continued dispatch services for the City of Stockton and other agencies. In FY 2015-16, the City purchased new consoles for the dispatch center.

Capital Improvements and Equipment

- The Fire Department in collaboration with the Public Works Fleet Division completed the replacement of **Fire Apparatus** through a lease/purchase financing agreement. This included three fire engines and one ladder truck that were beyond the twenty-year useful life. One fire engine was funded through Measure W funds and the remaining three vehicles will be funded through Fleet Internal Service Fund. The department continues to work with the Public Works Fleet Division to implement a comprehensive maintenance and replacement schedule for all Fire apparatus.

Necessary relocation, reconstruction and repairs of **Fire Facilities and Equipment**, including funding for Fire Station No. 2 kitchen, burn room, and driveway repair and improvements are incorporated in the FY 2016-17 annual budget. **Emergency Communications**, Based on the establishment of the San Joaquin County Regional Fire Dispatch Authority, a budget for emergency communications dispatch operations has been set up separate from the General Fund to track all expenses related to the program.

Fire Personnel recruitment continues to be a key issue in the department with the loss of trained and experienced firefighters and managers due to separations. The department has a 10% vacancy level over the past two years. Five new firefighters were hired as trainees and have graduated from the Fire Training Academy in December, 2015. A second Fire Training Academy with 16 Stockton recruits concludes July, 2016. Another Fire Training Academy is tentatively scheduled for October, 2016 to fill additional vacancies. The FY 2016-17 budget includes funding for the academy to cover costs of instructors, training materials books and certifications.

Special Operations of the Fire Department deal with diverse and complex emergency situations that arise. The Water Rescue, Hazardous Materials, Wildland Fire, Tactical Emergency Medical Services, Disaster Preparedness and Urban Search and Rescue teams provide emergency

FIRE DEPARTMENT

services that are outside the scope of typical emergency calls through advanced and specialized training, equipment, organization and teamwork to save lives and property. These teams are staffed with existing Fire personnel that require regular specialized training and are equipped with specialized tools that require regular maintenance to ensure that local, State, and Federal mandates and discretionary service levels are maintained.

Fire and Special emergency operations team members were sent to several specialized training to keep up with the required skills and to update staff certifications. Various safety trainings mandated by Cal OSHA were conducted. Additionally State Fire Marshal classes, including a Hazardous Materials Technician training were conducted onsite with participation from outside agencies. Reimbursements for the cost of the trainings amounting to approximately \$35,000 were collected from these agencies to offset the costs.

The department is working towards obtaining a California Office of Emergency Services Specialized Training Institute (CSTI) site certification to be able to provide required initial and ongoing hazardous material training. The FY 2016-17 Annual Budget includes funds for training and additional equipment for the special operations teams.

Mutual Aid Arrangements provide timely, coordinated, and less costly processes to access vast amounts of required resources for major emergencies. Requests from the State for the deployment of Stockton Fire Department resources to wildland fires to provide emergency assistance have increased in the past two years. The department accommodates such requests when possible. The cost of resources deployed at these incidents are fully reimbursed to the City by the requesting federal or state agency.

Fire Department
FY 2016-17 Adopted Budget

	<u>General Fund 010</u> <i>See Page E-8</i>	<u>Dispatch 042</u> <i>See Page E-11</i>	<u>Development Services 048</u> <i>See Page E-13</i>	<u>Measure W 081</u> <i>See Page E-15</i>
Beginning Available Balance		\$ -		
Revenues				
Program Revenue	3,803,621	2,654,280	2,006,487	4,953,000
Donations	-	-	-	-
Other Revenue	-	-	-	7,500
	<u>3,803,621</u>	<u>2,654,280</u>	<u>2,006,487</u>	<u>4,960,500</u>
Expenditures				
Salary & Benefits	29,024,580	2,070,640	1,985,323	4,370,962
Services & Supplies	9,823,009	534,715	50,385	151,714
Administration Overhead	-	97,500	-	224,750
Capital Outlay	164,900	-	-	30,000
	<u>39,012,489</u>	<u>2,702,855</u>	<u>2,035,708</u>	<u>4,777,426</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(35,208,868)</u>	<u>(48,575)</u>	<u>(29,221)</u>	<u>183,074</u>
Ending Available Balance		\$ (48,575)		

Fire Department, Continued
FY 2016-17 Adopted Budget

	<u>Special Revenue 646</u>	<u>Fire Total</u>
	<i>See Page E-17</i>	
Beginning Available Balance	<u>\$ 83,884</u>	
Revenues		
Program Revenue	-	13,417,388
Donations	-	-
Other Revenue	-	7,500
	<u>-</u>	<u>13,424,888</u>
Expenditures		
Salary & Benefits	-	37,451,505
Services & Supplies	83,884	10,643,707
Administration Overhead	-	322,250
Capital Outlay	-	194,900
	<u>83,884</u>	<u>48,612,362</u>
Transfers		
Transfer In	-	-
Transfer Out	-	-
	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(83,884)</u>	<u>(35,187,474)</u>
Ending Available Balance	<u>\$ -</u>	
	-	-
	Revenues	\$ 13,424,888
	Transfers	-
	Total Sources	<u>\$ 13,424,888</u>
	Expenditures	\$ 48,612,362
	Transfers	-
	Total Appropriations	<u>\$ 48,612,362</u>
		-

**Fire Department
General Fund - 010
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Total Fire Department				
Employee Services	\$ 27,580,291	\$ 29,746,275	\$ 31,599,959	\$ 29,024,580
Other Services	3,475,090	4,486,589	5,317,323	6,726,974
Materials and Supplies	931,981	1,183,527	1,301,737	988,432
Other Expenses	1,441,708	1,449,868	2,514,268	2,107,603
Capital Outlay	15,567	178,429	123,207	164,900
Total	<u>\$ 33,444,637</u>	<u>\$ 37,044,688</u>	<u>\$ 40,856,494</u>	<u>\$ 39,012,489</u>

Administration

Employee Services	1,413,885	1,590,032	1,542,615	1,895,438
Other Services	364,010	476,847	636,297	663,137
Materials and Supplies	23,488	18,294	26,153	23,240
Other Expenses	1,385,486	1,376,636	1,378,669	1,378,669
Total	<u>3,186,869</u>	<u>3,461,809</u>	<u>3,583,734</u>	<u>3,960,484</u>

Fire Suppression

Employee Services	24,074,770	25,559,827	27,236,991	25,816,327
Other Services	2,413,459	3,299,551	3,956,587	3,989,998
Materials and Supplies	877,778	1,127,825	1,175,871	933,251
Other Expenses	3,307	725	3,800	384,410
Capital Outlay	15,567	158,543	123,207	164,900
Total	<u>27,384,881</u>	<u>30,146,471</u>	<u>32,496,456</u>	<u>31,288,886</u>

Training/Emergency Services

Employee Services	585,447	843,595	886,476	1,076,274
Other Services	128,512	107,790	134,832	193,727
Materials and Supplies	14,874	21,607	33,799	31,941
Other Expenses	52,915	68,125	560,299	344,524
Capital Outlay	-	19,886	-	-
Total	<u>781,748</u>	<u>1,061,003</u>	<u>1,615,406</u>	<u>1,646,466</u>

Dispatch

Employee Services	1,506,189	1,752,821	1,933,877	236,541
Other Services	569,109	602,401	589,607	1,880,112
Materials and Supplies	15,841	15,801	65,914	-
Other Expenses	-	4,382	571,500	-
Total	<u>2,091,139</u>	<u>2,375,405</u>	<u>3,160,898</u>	<u>2,116,653</u>



FIRE DEPARTMENT

EMERGENCY COMMUNICATIONS FUND (042)

History

- A 2013 Stockton Fire Dispatch Threshold Analysis report recommended that the City seek regional partnerships in providing fire and emergency dispatch services. The report recommended the creation of a Joint Powers Agency comprised of regional governmental agencies to govern and provide for fire and emergency dispatch services.
- The San Joaquin County Regional Fire Dispatch Authority (Authority) was officially created on October, 2015 with City of Stockton as one of the four original member agencies, to provide emergency and non-emergency dispatch and related services as well as provide facilities and personnel for such services.
- The Authority entered into an operating agreement with the City to provide contract services to the Authority for dispatch services effective July 1, 2016.
- The City also provides administrative support services and also serves as the Authority's Finance Director/controller.

FY 2015-16 Events

- The Notice of Exercise of Joint Powers documents were filed with the California Secretary of State on October 19, 2015.
- The JPA Board of Directors recommended that the newly formed JPA enter into an agreement with City of Stockton to provide contract services to the Authority for emergency and non-emergency dispatch services.
- The Authority entered into an operating agreement with the City to provide contract services to the Authority for dispatch services effective July 1, 2016.

FY 2016-17 Budget Changes

- A new Emergency Communications Fund 042 has been created to account for City expenditures associated with dispatch services to be provided to the Authority. The City will be reimbursed by the Authority for these expenditures.
- A new San Joaquin County Regional Fire Dispatch Authority (Authority) Fund 678 has been created to account for fees to be collected and operating expenditures of the Joint Powers Authority.
- The proposed FY 2016-17 expenditure budget of the Stockton Fire Department Fire Dispatch Division, reflects a budget reduction of approximately 35% from prior year as a result of the above stated changes.
- The City of Tracy will become a fifth member agency of the Authority effective July, 1, 2016.

**Fire Department
Dispatch - 042
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ -	\$ -	\$ -	\$ -
Revenues				
Reimbursement from JPA	-	-	-	2,509,533
Other Reimbursement	-	-	-	144,747
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,654,280</u>
Expenditures				
Salary & Benefits	-	-	-	2,070,640
Services & Supplies	-	-	-	534,715
Utilities & Maintenance	-	-	-	93,000
Other Expenses	-	-	-	4,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,702,855</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,575)</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,575)</u>
Available Balance Calculation				
Current assets		\$ -		
Current liabilities		-		
Ending Available Balance		<u>\$ -</u>		

FIRE DEPARTMENT

DEVELOPMENT SERVICES FUND FIRE PREVENTION (048)

History

- Fire Prevention Division inspects various operations, industrial and commercial buildings, and multi-family dwellings for California Fire Code compliance and life safety. The Fire Prevention Division budget as presented in this section is a portion of the larger Development Services Fund (048).
- Customers are charged various fees for fire prevention inspections and technical services such as plan checking and managing fire code operational permits.
- Fees collected from services finance the operations of the Division.

FY 2015-16 Events

- Processed 278 new operational fire permits and completed 313 plan checks in 2015.
- Continued to develop tracking systems to efficiently track and monitor activities for various fire prevention programs and services.
- With the implementation of new Firehouse software application, initiated a Data Assessment Project to improve reporting, records and data management in the division.
- Implemented a new residential and building permit management software in collaboration with the Community Development Department.
- Launched a full-time Community Care License inspection program.
- Initiated the State/Community educational institutions inspection project.

FY 2016-17 Budget Changes

- Implement recommendations developed from the Data Assessment Project to automate and improve data management and reporting systems including billing and permit processing, tracking and maintenance of occupancy, permit and inspection records and activities.
- Revenue projections for FY 2016-17 are based on the current fee structure. The projection reflects a 4% increase in revenues in anticipation of an increase in construction activities and inspections. A comprehensive fee study to assess and analyze fire prevention fees is pending and, when completed, is expected to recommend fee restructuring.

**Fire Department
Development Services - 048 (a)
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Revenues				
Fire Prevention				
User Fees	\$ 1,512,159	\$ 1,652,627	\$ 1,890,196	\$ 1,925,038
Safe & Sane Fireworks Program	26,260	25,840	26,330	26,260
Fines & Penalties/Misc.	38,502	59,710	62,572	55,189
	<u>1,576,921</u>	<u>1,738,177</u>	<u>1,979,098</u>	<u>2,006,487</u>
Expenditures				
Fire Prevention				
Fire Prevention	1,397,219	1,486,775	1,296,354	1,985,323
Fire Public Education	26,149	34,451	33,190	22,906
Safe & Sane Fireworks Program	24,148	28,764	22,038	27,479
	<u>1,447,516</u>	<u>1,549,990</u>	<u>1,351,582</u>	<u>2,035,708</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>\$ 129,405</u>	<u>\$ 188,187</u>	<u>\$ 627,516</u>	<u>\$ (29,221)</u>

(a) The total Development Services Fund - 048 is presented with the Community Development Department budget on page H-9.

FIRE DEPARTMENT

MEASURE W FUND (081)

History

- City of Stockton voters approved Measure W in November, 2004 authorizing an additional one-quarter percent Transactions and Use Tax.
- Funds collected are used to provide public safety services in the City of Stockton.
- The Fire Department is allocated 50% of the Measure W tax proceeds. Funds are currently used to provide staffing at Fire Company No. 3 (Southeast Stockton), Fire Company No. 4, (Central Stockton), Fire Company No. 13 (Northeast Stockton), Alternative Response Program and other fire services.
- Measure W funded salaries and benefits for 25 firefighter positions for the past three-year period.

FY 2015-16 Events

- A pilot phase of the Alternative Response Program (Squad) was launched in July, 2014. The Squad program provides a medium sized truck with a utility body (Squad rescue vehicle) and a two-person crew to respond to lower priority medical and small fire calls during daily peak call load hours on the four busiest days of the week. The Squad unit also responds to assist other units with higher priority medical and fire calls. The program is being reviewed to determine effectiveness and may be modified if additional staffing is made available in the future.
- Construction and delivery of a new fire pumper was completed which replaced an over 20-year old fire engine. This capital investment was completed using excess cash reserves in the Measure W fund.
- The overall budget projection reflects an ending fund balance of approximately \$1.5 million for Fire Department. The remaining fund balance complies with Measure W guidelines to strive for a 25% fund balance for times of economic uncertainties.

FY 2016-17 Budget Changes

- Measure W Transaction and Use Tax revenues are projected to be 2% above prior year.
- Temporarily suspend the Alternative Response Program (Squad) pending evaluation.
- Measure W Fund will provide funding for 25 firefighter positions assigned to Fire Company Nos. 3, 4 and 13.

**Fire Department
Measure W - 081 (a)
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Revenues				
Measure W Sales Tax	\$ 4,480,832	\$ 4,698,142	\$ 4,862,500	\$ 4,953,000
Reimbursements	11	-	-	-
Interest	7,178	7,445	5,000	7,500
	<u>4,488,021</u>	<u>4,705,587</u>	<u>4,867,500</u>	<u>4,960,500</u>
Expenditures				
Salary & Benefits	3,756,081	4,084,454	4,255,918	4,370,962
Services & Supplies	61,876	93,087	114,615	151,714
Administration Overhead	224,973	213,147	224,748	224,750
Capital Outlay	62,606	182,670	513,170	30,000
	<u>4,105,536</u>	<u>4,573,358</u>	<u>5,108,451</u>	<u>4,777,426</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>\$ 382,485</u>	<u>\$ 132,229</u>	<u>\$ (240,951)</u>	<u>\$ 183,074</u>

(a) The total Measure W Fund - 081 is presented with the Police Department budget on page D-11.

FIRE DEPARTMENT

FIRE SPECIAL REVENUE FUND (646)

History

- The Fire Department receives donations and oversees special programs and activities that provide funding for materials, supplies, equipment and training expenses that are not funded in its General Fund operating budget.
 - Fire General – Provides funds through donations to buy fire equipment and materials and to send staff to specialized training.
 - Paramedic – Provides funds through field training fees to buy paramedic related materials and to provide paramedic training for staff.
 - Fire Training – Provides funds through donations and academy fees to support the Stockton Fire Department's training program.
 - Public Education – Provides funds through donations to promote fire safety awareness throughout the community.
 - Fire Prevention – Provides funds through donations to support hazardous materials safety awareness in the community.

FY 2015-16 Events

- The overall budget projection reflects a positive balance of approximately \$84,000 at the end of the fiscal year.
- Evaluation of ongoing revenues in this fund was completed and majority of the revenues that support ongoing Fire Department operations are budgeted in the General Fund in FY 2016-17 Annual Budget.

FY 2016-17 Budget Changes

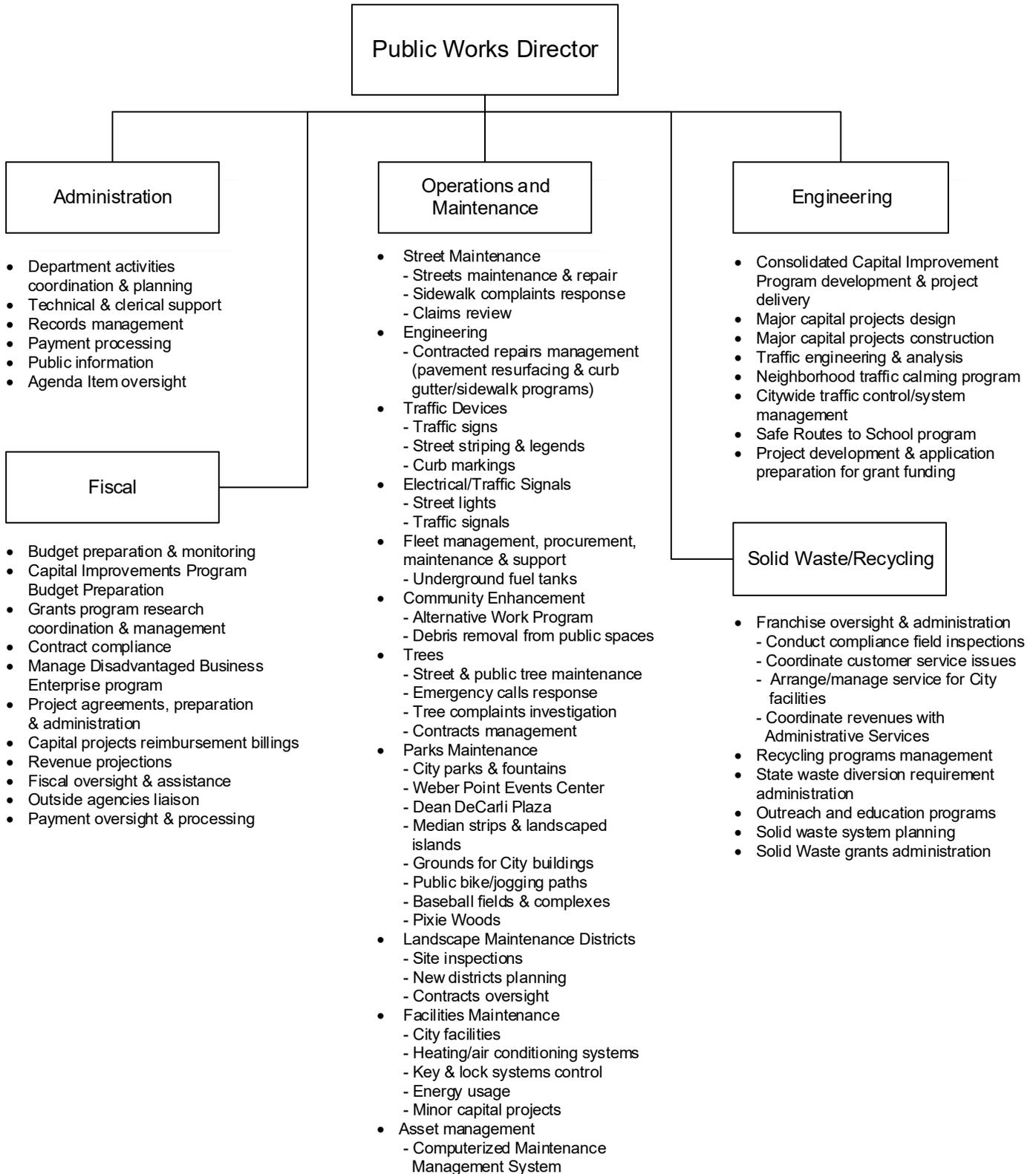
- The estimated beginning balance of all special programs is fully appropriated in anticipation of increased specialized training program activities during the fiscal year. The FY 2016-17 Annual Budget reflects approximately 40% reduction in appropriations for materials, supplies and training expenditures.

**Fire Department
Special Revenue - 646
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 137,851	\$ 140,642	\$ 149,254	\$ 83,884
Revenues				
Program Revenue	20,740	38,893	-	-
Donations	3,000	1,025	2,000	-
Other Revenue	1,043	2,968	-	-
	<u>24,783</u>	<u>42,886</u>	<u>2,000</u>	<u>-</u>
Expenditures				
Program Expenses	21,992	34,274	67,370	83,884
	<u>21,992</u>	<u>34,274</u>	<u>67,370</u>	<u>83,884</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out - Grant Fund - 020	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>2,791</u>	<u>8,612</u>	<u>(65,370)</u>	<u>(83,884)</u>
Ending Available Balance	<u>\$ 140,642</u>	<u>\$ 149,254</u>	<u>\$ 83,884</u>	<u>\$ -</u>
Available Balance Calculation				
Current assets		\$ 153,533		
Current liabilities		<u>(4,279)</u>		
Ending Available Balance		<u>\$ 149,254</u>		



TAB 6 PUBLIC WORKS



PUBLIC WORKS DEPARTMENT



PUBLIC WORKS DEPARTMENT

MISSION STATEMENT

Plan, design, build, and maintain public works for residents, businesses, and departments of the City of Stockton to meet their needs and expectations with pride and professionalism in a cost-effective manner.

Budget at a Glance:

Total Expenditures	\$45,705,834
Total Revenues	\$30,355,121
Total Net Cost	\$15,350,713
Total Staff	157

DEPARTMENT DESCRIPTION

Public Works is comprised of five divisions: Engineering, Solid Waste/Recycling, Operations and Maintenance, Fiscal and Administration. Operations and Maintenance, located at the Municipal Service Center, is responsible for maintaining transportation infrastructure, parks, Landscape Assessment Districts, trees, facilities, and the City fleet. Engineering oversees traffic system management and the City's Capital Improvement Program (CIP). Solid waste and recycling manage recycling programs and oversight of the City's franchise agreements.

Public Works' budget consists mainly of restricted funding sources augmented by General Fund monies. The General Fund is used for parks, trees, facilities, and administrative expenses comprising of:

- Maintenance, minor repairs, and capital replacements for 800,000 square feet of City buildings at 60 sites, including janitorial, grounds maintenance, roof maintenance, HVAC, plumbing, carpentry, and key/alarm control services.
- Contracted maintenance services at 50 parks, including janitorial, landscape, vandalism repair, and irrigation work.
- Maintenance of approximately 98,000 trees along streets and in parks, with services limited to safety trimming and emergency response using a combination of City and contracted personnel.
- Department management, fiscal, and administrative support.

Transportation operations are funded by State Gas Tax and Measure K Maintenance monies.

- Responsibilities include maintenance, repair and replacement of:
 - 763 miles of roads
 - Over 1,200 miles of sidewalk, pavement striping and markings
 - More than 16,000 traffic control signs
- Public Works also maintains and pays the electrical power costs for over 19,000 street lights and 308 traffic signals.
- The Community Enhancement Section removes weeds, debris, and graffiti from public spaces.
- The Parks Section manages contracts for over 2.0 million square feet of median and streetscape landscape maintenance, alley maintenance, and weed spraying.

PUBLIC WORKS DEPARTMENT

Gas Tax and Measure K Maintenance also help fund the Engineering Section, whose work consists of traffic engineering, traffic system management, and Capital Improvement Program design, delivery, and contract administration. The budget for the capital function is separate from, and in addition to, the operating budget noted above. There is frequent need to seek out and secure various capital grants, without which, the needed capital improvements could not be completed. Measure K Maintenance and developer fee revenues provide important matching funds for capital projects grants.

The Solid Waste and Recycling Division manages the solid waste franchise agreements and participates in, oversees, or directly provides 48 waste reduction and recycling programs. These programs include:

- Recycling education and outreach
- 3-cart residential trash, recycling, and green/food waste composting
- Neighborhood “Clean Sweep”
- Construction and demolition recycling
- Multi-family housing recycling
- Business recycling
- Food waste composting

The Division also oversees contracted street sweeping services and funds the Community Enhancement Program, manages garbage, recycling and special waste services for City facilities, and coordinates service for many community cleanups and events. These activities are funded by fees from the franchised hauler gross rate revenues.

Fleet operations for the city are provided by the department and are funded by rental rates charged to user departments. Fleet services include:

- Maintaining and replacing the City's mixed fleet of approximately 1,000 vehicles and equipment.
- Providing preventive maintenance inspections to full engine rebuilds, specialized auto body repairs, and vehicle setups. This work is performed either by an in-house team of mechanics and specialists or by outside vendors.
- Replacing aging vehicles and equipment including several dump trucks and large construction units which have been in service since the mid-1980s.

The Landscape Maintenance Assessment District function provides maintenance services to 27 separate zones where fees are collected from benefiting properties. Services include landscaping and irrigation work for streetscapes and medians, painting and repair of walls, landscape/janitorial services at 12 parks, and street lighting repair and electricity costs.

KEY CONSIDERATIONS

Maintaining the City's infrastructure is increasingly difficult as our assets age and long term replacement is deferred due to funding limitations. The demand for routine and emergency maintenance increases annually as infrastructure that is overdue for replacement is kept in service. Preventative maintenance has been reduced due to the increased demand for breakdown maintenance, further exacerbating this issue. This is the case in all Public Works

PUBLIC WORKS DEPARTMENT

maintenance categories of transportation, buildings, parks, and the urban forest. In addition, the cost of utilities and contracted services are increasing. This is a particular problem for the park maintenance budget, where water for irrigation is a significant expense and all of the maintenance is performed by contractors.

Vandalism and wire theft is frequent and expenditures in these areas drain resources that could otherwise be used to replace outdated or damaged equipment and infrastructure. We currently have an estimated \$800,000 backlog of needed repairs and the list is growing.

Transportation maintenance receives revenue from State Gas Tax and Measure K. The reduction of General Fund support for transportation forced diversion of Measure K Maintenance funds from capital projects to day to day maintenance activities. Programs such as local street resurfacing, sidewalk repair, and curb/gutter replacement have been severely restricted or eliminated as a result. Maintenance activities are focused on high priority safety and pavement preservation tasks.

Additional one time funding of \$1.0 million was provided in FY 2015-16 for street repaving, tree removal and sidewalks repairs. These items are currently being implemented in the effort to address the infrastructure Council strategic priority and provide long term efficiency savings.

The FY 2016-17 Annual Budget provides funding toward the infrastructure strategic priority with another one time appropriation of \$400,000 for pavement supplies used to repave City streets and \$55,000 to improve security at City facilities with the first phase of a new keying system. The Public Works General Fund budget also includes additional funding for janitorial services at community centers and other City facilities, document scanning and digitizing, and safety equipment for engineering staff.

**Public Works Department
FY 2016-17 Adopted Budget**

	General Fund	Street Maintenance Gas Tax	Measure K Street Maintenance	Solid Waste Recycling
	010	030	082	047
	<i>See Page F-8</i>	<i>See Page F-11</i>	<i>See Page F-13</i>	<i>See Page F-15</i>
Beginning Available Balance		\$ 1,661,920	\$ 4,705,907	\$ 1,633,294
Revenues				
State Gas Tax	-	6,765,218	-	-
Measure K Sales Tax	-	-	4,589,262	-
User Fees	-	-	-	1,376,000
Interfund Project Charges	-	-	-	-
Other Revenue	29,750	13,000	60,000	5,000
	29,750	6,778,218	4,649,262	1,381,000
Expenditures				
Salary and benefits	4,583,697	4,184,251	-	1,430,399
Operating expenses	7,058,655	3,255,952	2,435,000	729,875
Debt service	-	-	-	-
Capital projects	-	-	1,490,000	-
	11,642,352	7,440,203	3,925,000	2,160,274
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Net Annual Activity	(11,612,602)	(661,985)	724,262	(779,274)
Ending Available Balance		\$ 999,935	\$ 5,430,169	\$ 854,020
		-	-	-

Public Works Department, Continued
FY 2016-17 Adopted Budget

	<u>Lighting Maintenance 071</u>	<u>Assessment District Maintenance 072</u>	<u>Capital Project Administration 399/999</u>	<u>Fleet Services 501</u>	<u>Public Works Total</u>
	<i>See Page F-17</i>	<i>See Page F-19</i>		<i>See Page N-10</i>	
	\$ 237,301	\$ 8,447,389	\$ 87,398	\$ 3,003,120	
Revenues					
State Gas Tax	-	-	-	-	6,765,218
Measure K Sales Tax	-	-	-	-	4,589,262
User Fees	23,823	2,862,904	-	10,561,246	14,823,973
Interfund Project Charges	-	-	3,882,298	-	3,882,298
Other Revenue	1,620	60,000	-	125,000	294,370
	<u>25,443</u>	<u>2,922,904</u>	<u>3,882,298</u>	<u>10,686,246</u>	<u>30,355,121</u>
					-
Expenditures					
Salary and benefits	43,217	-	3,969,696	-	14,211,260
Operating expenses	-	4,595,766	-	7,928,375	26,003,623
Debt service	-	-	-	555,739	555,739
Capital projects	-	-	-	3,000,000	4,490,000
	<u>43,217</u>	<u>4,595,766</u>	<u>3,969,696</u>	<u>11,484,114</u>	<u>45,260,622</u>
					-
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	(7,212)	-	(438,000)	(445,212)
	<u>-</u>	<u>(7,212)</u>	<u>-</u>	<u>(438,000)</u>	<u>(445,212)</u>
Net Annual Activity	<u>(17,774)</u>	<u>(1,680,074)</u>	<u>(87,398)</u>	<u>(1,235,868)</u>	<u>(15,350,713)</u>
	<u>\$ 219,527</u>	<u>\$ 6,767,315</u>	<u>\$ -</u>	<u>\$ 1,767,252</u>	
	-	-	-	-	
					\$ 30,355,121
					-
					<u>\$ 30,355,121</u>
					\$ 45,260,622
					445,212
					<u>\$ 45,705,834</u>

**Public Works Department
General Fund - 010
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Total Public Works Department				
Employee Services	\$ 2,501,297	\$ 2,758,708	\$ 3,807,374	\$ 4,583,697
Other Services	3,752,461	4,427,048	6,347,122	5,891,992
Materials and Supplies	495,325	588,814	559,841	1,092,763
Other Expenses	6,466	26,315	63,901	73,900
Capital Outlay	-	-	-	-
Total	<u>\$ 6,755,549</u>	<u>\$ 7,800,885</u>	<u>\$ 10,778,238</u>	<u>\$ 11,642,352</u>
Administration				
Employee Services	206,310	245,325	237,730	342,737
Other Services	205,194	237,573	258,373	416,182
Materials and Supplies	1,487	14,441	34,500	7,813
Other Expenses	2,333	7,252	8,300	14,300
Total	<u>415,324</u>	<u>504,591</u>	<u>538,903</u>	<u>781,032</u>
Operations & Maintenance				
Employee Services	149,005	208,220	864,132	914,259
Other Services	224,575	220,054	998,015	429,396
Materials and Supplies	4,180	8,540	7,000	407,000
Other Expenses	2,574	1,270	12,300	12,300
Total	<u>380,334</u>	<u>438,084</u>	<u>1,881,447</u>	<u>1,762,955</u>
Parks & Street Trees				
Employee Services	869,453	1,137,511	1,128,414	1,247,696
Other Services	2,649,391	3,422,883	4,274,129	3,606,014
Materials and Supplies	212,115	236,272	225,720	252,816
Other Expenses	(588)	15,255	15,801	20,800
Capital Outlay	-	-	-	-
Total	<u>3,730,371</u>	<u>4,811,921</u>	<u>5,644,064</u>	<u>5,127,326</u>
Facilities Maintenance				
Employee Services	1,276,529	1,167,652	1,577,098	2,079,005
Other Services	673,301	546,538	816,605	1,440,400
Materials and Supplies	277,543	329,561	292,621	425,134
Other Expenses	2,147	2,538	27,500	26,500
Total	<u>2,229,520</u>	<u>2,046,289</u>	<u>2,713,824</u>	<u>3,971,039</u>



PUBLIC WORKS DEPARTMENT

GAS TAX FUND (030)

History

- Gas Tax Fund revenues are transferred from the State based on an allocation formula that distributes taxes collected on fuel sales.
- The City maintains a transportation asset inventory that includes 763 miles of roads, 308 traffic signals, 100,000 trees, and more than 19,000 street lights and 16,000 regulatory/warning signs.
- Expenditures from the fund are used to maintain signals, street lights, traffic devices, streets and sidewalks, bridges, ditches, graffiti abatement, and street trees.

FY 2015-16 Events

- Applied approximately 70 lane miles of asphalt crack seals
- Completed 6,000 tons of asphalt repair
- Upgraded 97 overhead street name signs along Pershing Avenue, Pacific Avenue, and various roadways
- Replaced 1,200 “No Parking” signs
- Upgraded 319 overhead regulatory signs at various intersections
- Restriped approximately 250 lane miles and repainted 550 “Stop” legends
- Continued annual traffic signal controller preventative maintenance inspections for 308 controllers
- Replaced 21,000 linear feet of stolen wires
- In addition to typical street light maintenance, city crews and contract staff converted over 3,000 street lights to LED fixtures as part of the LED Streetlight Phase 3 project
- Replaced over 30 street light/signal pole knockdowns
- Hauled 95.3 tons of trash and debris from vacant areas and streets right-of-way

FY 2016-17 Budget Changes

- Continue re-striping, sign upgrading, and pavement repair program.
- Complete annual traffic signal controller preventative maintenance inspections for 308 controllers.
- The gas tax continues to be a volatile revenue source with projections that can vary from year to year by over a million dollars. This variability is caused by the Excise Tax (Prop 42 replacement) calculation based on fuel consumption and varying fuel prices. Projections have been done for the next five years based on current levels of service for expenditure and historical averages for revenues. The result is an annual deficit that will exhaust the fund balance within 5 years absent programmatic changes. Staff is monitoring the Gas Tax revenues closely, including State and Federal legislative developments, and will continue to make necessary adjustments to maintain a positive fund balance.

**Public Works Department
Street Maintenance/Gas Tax - 030
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ 1,089,847	\$ 2,595,998	\$ 3,493,905	\$ 1,661,920
Revenues				
State Gas Tax	5,092,081	5,184,997	4,838,509	4,765,218
Prop 42 Replacement Gas Tax	4,097,317	3,183,837	1,776,219	2,000,000
Refunds and reimbursements	51,723	10,134	-	-
Interest	13,360	15,888	13,000	13,000
	<u>9,254,481</u>	<u>8,394,856</u>	<u>6,627,728</u>	<u>6,778,218</u>
Expenditures				
Salary and benefits	4,455,879	4,213,779	3,861,105	4,184,251
Electricity	369,070	2,109,595	-	-
Maintenance and repair services	395,629	437,363	807,142	670,000
Insurance premiums	142,913	119,593	118,344	112,708
Auto equipment rental	730,957	935,216	981,282	779,545
Computer/Tech/Operating support	264,552	372,945	454,911	349,285
Engineering services	28,225	10,750	127,830	-
Construction services	51,978	16,900	268,273	165,000
Materials and supplies	1,108,323	1,240,376	1,499,629	905,845
Fuels - gas/oil/propane	111,545	88,689	145,115	97,726
All other expenses	89,259	61,743	196,082	175,843
	<u>7,748,330</u>	<u>9,606,949</u>	<u>8,459,713</u>	<u>7,440,203</u>
Transfers				
Transfer In - Measure K - 082	-	2,110,000	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>2,110,000</u>	<u>-</u>	<u>-</u>
Net Annual Activity	1,506,151	897,907	(1,831,985)	(661,985)
Ending Available Balance	\$ 2,595,998	\$ 3,493,905	\$ 1,661,920	\$ 999,935
Available Balance Calculation				
Cash and Interest Receivable		\$ 4,231,703		
Accounts Receivable		-		
Current liabilities		(737,798)		
Encumbrances		-		
Capital Appropriations		-		
Ending Available Balance		<u>\$ 3,493,905</u>		

PUBLIC WORKS DEPARTMENT

MEASURE K MAINTENANCE FUND (082)

History

- In 1990, voters in San Joaquin County passed a ½ cent sales tax increase dedicated to transportation projects. This original sales tax increase was to expire in 2011; however, in 2006, voters passed a 30 year extension of the sales tax increase.
- Of the funds collected, 35% are dedicated to maintenance activities and are divided among the jurisdictions in the County. The program is administered by the San Joaquin Council of Governments, and Measure K funds are distributed to the City quarterly.
- The City of Stockton historically used this funding for local capital projects and to provide matching funds to leverage state and federal grant programs. However, recent reductions in Gas Tax revenue and other changes resulted in the use of Measure K maintenance funds for operating expenses.

FY 2015-16 Events

- \$2.2 million was budgeted for several capital projects including the Neighborhood Traffic Calming Program, and matching funds for the Center Street and El Dorado Street Overpass Rehabilitation and the federal Regional Surface Transportation Program street resurfacing project.
- In addition, \$2.1 million provided for operational activities related to pavement, street lighting, traffic signals, pavement markings, and signs.
- Measure K Stockton's Regional Arterial program funding was advanced for Thornton Road Widening and Hammer Lane Phase 3B Widening in the amounts of \$14.5 million and \$9.5 million respectively. Both of these projects are underway.

FY 2016-17 Budget Changes

- Based upon information provided by the San Joaquin Council of Governments, projected revenues are budgeted to increase by 4%.
- Several capital projects have been budgeted which includes the Accessible Pedestrian Signals Program, Alexandria and Five Mile Slough Culvert Replacements, Neighborhood Traffic Calming Program, Responsive Traffic Signal Control on El Dorado, Traffic Signal Control System, and matching funds for federal Regional Surface Transportation Program street resurfacing project, Bridge Engineering and Rehabilitation/Replacement Programs, Hunter Street Road Diet and Bike Lane Installation Emergency Vehicle Pre-Emption, and Installation and Upgrade of Bicycle Facilities Citywide.
- \$2.4 million is budgeted for operational activities related to engineering, pavement, street lighting, traffic signals, and pavement markings and signs to improve the City's infrastructure.

**Public Works Department
Measure K - Maintenance - 082
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 6,002,354	\$ 5,912,993	\$ 6,610,879	\$ 4,705,907
Revenues				
Sales Tax	4,221,584	4,104,500	4,683,686	4,589,262
Interest	14,529	68,935	60,000	60,000
Other Revenues	-	175,323	-	-
	<u>4,236,113</u>	<u>4,348,758</u>	<u>4,743,686</u>	<u>4,649,262</u>
Expenditures				
Operating	2,187,886	55,184	2,294,539	2,435,000
Capital projects	1,179,409	1,443,673	4,396,134	1,490,000
Debt service	958,179	42,015	(42,015)	-
	<u>4,325,474</u>	<u>1,540,872</u>	<u>6,648,658</u>	<u>3,925,000</u>
Transfers				
Transfer In - Capital - 080	-	-	-	-
Transfer Out - Gas Tax - 030	-	(2,110,000)	-	-
	<u>-</u>	<u>(2,110,000)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(89,361)</u>	<u>697,886</u>	<u>(1,904,972)</u>	<u>724,262</u>
Ending Available Balance	\$ 5,912,993	\$ 6,610,879	\$ 4,705,907	\$ 5,430,169
Available Balance Calculation				
Cash & interest receivable		\$ 6,742,477		
Accrued Revenue		-		
Current liabilities		(131,598)		
Capital Appropriations		-		
Encumbrances		-		
Ending Available Balance		<u>\$ 6,610,879</u>		

PUBLIC WORKS DEPARTMENT

SOLID WASTE AND RECYCLING FUND (047)

History

- This fund was established to track financial activities in compliance with state mandates for solid waste diversion and expansion of recycling programs.
- Revenues for this fund come from the 3.5% surcharge (AB939 fees) on gross revenues paid by the franchise haulers (Waste Management and Allied Waste) as a component of their franchise fees. This results in approximately \$1.4 million per year for the operating budget including franchise oversight.
- The AB939 fees are the sole revenue source for the division with the exception of a small state grant to promote beverage container recycling.

FY 2015-16 Events

- Obtained Green Sustainable Business Certification for the Public Works Department. The certification was awarded by the Recycling Energy Air Conservation Program of the Greater Stockton Chamber of Commerce. This accomplishment makes Stockton's Public Works Department one of the first municipal organizations to accomplish a "green" milestone.
- Continued coordination of electronic waste collection for all City facilities to ensure compliance.
- Worked with the Community Services Department to improve special event waste diversion reporting to comply with state regulations. Through the improved process, special event coordinators receive essential information on how to manage their event's waste in addition to tips on how to reduce disposal costs through recycling.
- Implemented a Content Records Management compliance tool using Microsoft Dynamics to track construction and demolition recycling. The new system has improved reporting features and increases staff's ability to monitor building activity for compliance with the Green Building Code.

FY 2016-17 Budget Changes

- Program expenses include funding for tree trimming related to street sweeping, financial consultant for franchise agreement analysis, a new hosted website offering detailed information about Stockton's solid waste and recycling programs including a comprehensive on-line recycling guide, translation services for printed outreach material, and for professional service agreement with California Product Stewardship Council to pilot a sharps and pharmaceutical take-back program. These programs are temporary pending legislation to require producer responsibility solutions.
- Collaboration with the San Joaquin Regional Conservation Corps to improve special event recycling efforts.

**Public Works Department
Solid Waste & Recycling - 047
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 1,929,657	\$ 1,972,638	\$ 1,908,740	\$ 1,633,294
Revenues				
Franchise Fees				
Allied Waste/Residential	359,407	359,698	340,230	350,000
Waste Management/Residential	395,881	415,307	400,703	400,000
Waste Management/Commercial	293,029	290,570	259,745	260,000
Allied Waste/Commercial	249,444	260,054	264,798	265,000
California Waste Recovery	5,800	9,002	10,573	10,000
Waste Management/Industrial	20,637	13,060	50,190	50,000
Allied Waste/Industrial	38,916	32,383	41,342	41,000
	<u>1,363,114</u>	<u>1,380,074</u>	<u>1,367,581</u>	<u>1,376,000</u>
Interest	19,178	16,519	10,000	5,000
Other Revenues	2,314	85	-	-
	<u>1,384,606</u>	<u>1,396,678</u>	<u>1,377,581</u>	<u>1,381,000</u>
Expenditures				
Salaries and Benefits	1,024,888	1,075,049	996,554	1,430,399
Rents and Support	65,123	90,762	89,481	130,762
Professional & Special Services	59,790	80,545	239,779	184,216
Materials and Supplies	11,270	21,577	61,727	62,933
Training & Travel	17,276	17,828	36,900	28,900
Indirect Costs	154,084	153,964	153,964	153,964
All Other Expenses	9,194	20,851	74,622	169,100
	<u>1,341,625</u>	<u>1,460,576</u>	<u>1,653,027</u>	<u>2,160,274</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	42,981	(63,898)	(275,446)	(779,274)
Ending Available Balance	\$ 1,972,638	\$ 1,908,740	\$ 1,633,294	\$ 854,020
Available Balance Calculation				
Cash/Interest Rec		\$ 1,965,150		
Vouchers Payable		(56,410)		
Encumbrances		-		
Ending Available Balance		<u>\$ 1,908,740</u>		

PUBLIC WORKS DEPARTMENT

STREET LIGHTING ASSESSMENT DISTRICT FUND (071)

History

- This fund tracks financial activity relative to the Central Stockton Lighting Maintenance Assessment District (CSLMD) formed under the Landscape and Lighting Act of 1972 and collects assessments for the “Special Lighting Benefit” received.
- The current district is a reformation of the original Lighting & Maintenance Districts 74 and 75 formed under the Street Light Acts of 1927 and 1931. There were originally five zones between these two districts.
- Only one of the original five zones is still active. The Oxford Manor zone contains 278 street lights.

FY 2015-16 Events

- Administration of the district was transferred from Public Works Engineering Division to Public Work Operation and Maintenance Division.

FY 2016-17 Budget Changes

- A long term plan will be developed for gradual replacement of the District’s ongoing infrastructure and monitoring the cost of conversion to LED fixtures.

**Public Works Department
Lighting Maintenance - 071
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 220,607	\$ 237,960	\$ 249,545	\$ 237,301
Revenues				
Charges for services	23,723	23,827	23,823	23,823
Investment earnings	2,201	2,072	1,620	1,620
	<u>25,924</u>	<u>25,899</u>	<u>25,443</u>	<u>25,443</u>
Expenditures				
Operations	8,571	14,314	37,687	43,217
	<u>8,571</u>	<u>14,314</u>	<u>37,687</u>	<u>43,217</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	17,353	11,585	(12,244)	(17,774)
Ending Available Balance	\$ 237,960	\$ 249,545	\$ 237,301	\$ 219,527
Available Balance Calculation				
Cash & interest receivable		\$ 251,767		
Accounts receivable		-		
Accounts payable		(2,222)		
Ending Available Balance		<u>\$ 249,545</u>		

PUBLIC WORKS DEPARTMENT

STOCKTON CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT 96-2 FUND (072)

History

- In previous years, this fund combined Landscape Maintenance Assessment Districts and Storm Drain Maintenance Districts. This fund currently reflects only the Landscape Maintenance Districts which are managed by Public Works.
- On February 26, 1996, Council adopted Resolution No. 96-0084 that consolidated the eight Landscape Maintenance Districts that existed at the time into the new Consolidated Landscape District 96-2.
- There are 34 separate zones in the Consolidated Landscape District. Assessments are levied in 27 zones. Assessments are not levied in the remaining seven zones as no improvements have been constructed and maintenance is not required.
- This fund carries a significant balance which is the aggregate of the separate fund balances for the 27 zones. Funds from one zone cannot be used in a different zone. The fund balances for each zone are intended to be used for replacement of infrastructure, such as irrigation systems, back up walls, street lights, and playground equipment, and for replacement of plant material. However, only certain zones were created with assessments that automatically keep pace with inflation. The fund balance in zones without a cost of living adjustment may be insufficient in future years to replace aged infrastructure.
- Improvements maintained include, but are not limited to, street and median landscaping, fountains, ornamental structures, public lighting (such as street lights and traffic signals), walls, irrigation, parks, and park equipment. Maintenance typically includes mowing, edging, trash collection, irrigation system operation and repairs, and replanting of landscape.
- All maintenance services are provided by contract with the exception that some lighting work is performed by City staff with time charged to the District.

FY 2015-16 Events

- The maintenance contract for street landscaping and park maintenance with Odyssey Landscape Companies expired December 31, 2015. The existing park maintenance contract was amended to add the park maintenance work at a savings of \$200,000.
- The new street landscape maintenance contract was approved at the same cost as the expiring contract. The initial contract term is through December 31, 2018 and provides for the option to extend for up to three additional years.
- Siegfried Engineering completed a study of district reserve funds.

FY 2016-17 Budget Changes

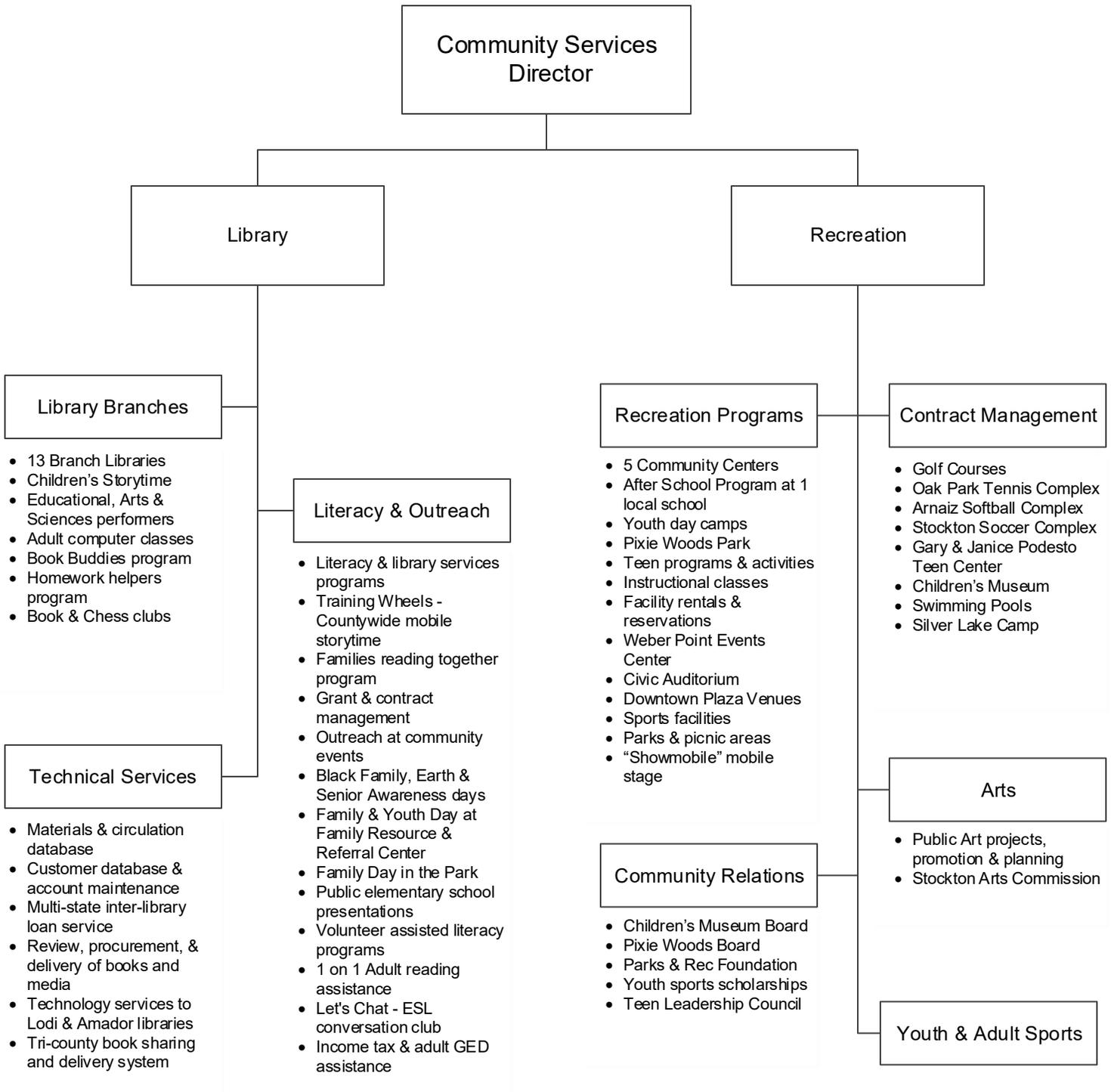
- The assessments for FY 2016-17 will not be increased from FY 2015-16. Existing assessments and fund balance will be sufficient to provide maintenance through the end of the fiscal year.
- Maintenance activities will be consistent with the previous fiscal year.

**Public Works Department
Assessment District Maintenance - 072
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 12,517,652	\$ 13,071,388	\$ 11,320,143	\$ 8,447,389
Maintenance District	<i>See Page J-13</i>	(2,121,561)		
Adjusted, Beginning Available Balance		10,949,827		
Revenues				
Charges for services	3,195,015	2,857,134	2,862,846	2,862,904
Investment earnings	122,454	83,272	60,000	60,000
	<u>3,317,469</u>	<u>2,940,406</u>	<u>2,922,846</u>	<u>2,922,904</u>
Expenditures				
Miscellaneous expenditures	2,763,733	2,570,090	5,795,600	4,595,766
Capital projects	-	-	-	-
	<u>2,763,733</u>	<u>2,570,090</u>	<u>5,795,600</u>	<u>4,595,766</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out - Storm Drain Maint. Dist.	-	-	-	(7,212)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,212)</u>
Net Annual Activity	<u>553,736</u>	<u>370,316</u>	<u>(2,872,754)</u>	<u>(1,680,074)</u>
Ending Available Balance	<u>\$ 13,071,388</u>	<u>\$ 11,320,143</u>	<u>\$ 8,447,389</u>	<u>\$ 6,767,315</u>
Available Balance Calculation				
Cash & interest receivable		\$ 11,526,722		
Accounts payable		(206,579)		
Encumbrances		-		
Ending Available Balance		<u>\$ 11,320,143</u>		



TAB 7 COMMUNITY SERVICES



COMMUNITY SERVICES DEPARTMENT



COMMUNITY SERVICES DEPARTMENT

MISSION STATEMENT

To afford opportunities for personal fulfillment and creative expression, to meet recreation and leisure needs, enhance the quality of life within the community, and allow for the pursuit of education, civic, professional, and personal interests.

Budget at a Glance:

Total Expenditures	\$19,699,719
Total Revenues	\$18,474,280
Total Net Cost	\$1,225,439
Total Staff	86

DEPARTMENT DESCRIPTION

Community Services has three primary programs: Library (Fund 041), Recreation (Fund 044) and Golf (Fund 481).

The Library provides experiences and resources designed to improve the lives of residents in our community. Programs such as story-time, tutoring, and summer reading focus on literacy, learning, and building strong families and communities. Library collections support this goal and include internet access, computer labs, books, music, movies, electronic research tools and digital format materials.

The Library system, known as the Stockton-San Joaquin County Public Library (SSJCPL), is operated by the City of Stockton yet serves all of San Joaquin County through an arrangement to provide a regional, multi-branch system. The system is made up of five branches within Stockton city limits, eight branches throughout the rest of San Joaquin County, and a bookmobile. This centralized system allows all of the sites to circulate materials between one another and benefit from combined administrative and management costs.

General Fund allocations from the City of Stockton and San Joaquin County make up the majority of the funding for the library system. Operating and system-wide administration and support costs are separately recorded, maintained and assigned to the two agencies in accordance with a contract for services. Funding from San Joaquin County has fully recovered to pre-recession levels, while City funding has been slower to rebound, and considerable resources are still needed to restore service levels and overcome deferred facility maintenance and renovation.

Recreation is comprised of programs that improve the lives of Stockton residents. Recreation programs are known to foster physical health, promote social equity, build life skills and strengthen community bonds. Through neighborhood facilities the City offers youth and adult sports leagues, meals for seniors, day camps, after-school programs, instructional classes and a variety of other leisure events and activities.

Recreation facilities include: community centers, ball field complexes, swimming pools and special event venues including the Civic Auditorium, Weber Point Events Center, and Pixie Woods Children's Theme Park. Some facilities and programs are operated by the City in total, some are jointly used with other agencies, and others are contracted out to private firms for full or partial management. Operating costs for recreation programs are funded in part by fees, and in part by an allocation of General Fund revenues. Program registration and facility rental price points were developed to maximize recreational opportunities for citizens, and have not traditionally been based on full cost recovery, rather have been set at a level commensurate to local needs.

COMMUNITY SERVICES DEPARTMENT

Golf operations at the Swenson and Van Buskirk municipal courses are managed through a contract with Kemper Sports, Inc. that began in July 2011. Due to the significant number of competitor courses, and a decrease in regional golf rounds, these municipal courses have been unsuccessful in covering operating costs for several years. Although the early expectations of contract management were for the courses to be self-sustaining, it is evident that a significant ongoing subsidy will be required for the properties for the foreseeable future.

In addition to operational areas, the department provides oversight to the Parks and Recreation Commission, Stockton Arts Commission and Public Art Program.

KEY CONSIDERATIONS

The greatest challenges facing the Library are to: meet the need for increased bandwidth, repair and modernize City facilities, and restore City branch operating schedules to satisfy citizen demand. The library is also confronted with having a significant role in the multi-agency endeavor to meet the literacy needs in this community that has low achievement, and calibrating library services to the broad diversity demand in the service area.

Funding from San Joaquin County for its branches will rebound in FY 2016-17 to pre-recession levels. City funding increases have been slower to recover because the restoration of General Fund supported service levels was not feasible in City's bankruptcy exit plan. Additional funding in FY 2016-17 will expand programs and performers at library branches, provide supplies to improve community outreach, and purchase equipment for computer and language classes.

The Library plans to complete its bandwidth enhancement project in FY 2016-17. The City signed an agreement with Califa, a non-profit organization that assists libraries in joining the statewide California Research and Education network (CalRen). In FY 2016-17, the Library expects to offer 1000 times more bandwidth to many of its branches, as well as in four Community Centers. Staff continues the work on the three year Library strategic plan, which was prepared in November 2014 and implemented in July 2015. Noteworthy accomplishments include implementing live online homework help to all residents through Tutor.com, providing Rosetta Stone language learning program online at no cost to patrons, opening the Veteran's Connect assistance center at the Cesar Chavez Library, and providing Every Child Ready to Read literacy training to all youth staff. Continued coordination is expected between Library and Recreation programs to ensure a healthy body, open mind, and balanced life for all residents.

Recreation considerations for the coming year will focus on implementation of the Recreation Strategic Plan that was completed in 2015, developing a standard level of programming at each Community Center, and upgrading to an online registration system.

Key Recreation budgetary issues are primarily related to consistent service levels, and overcoming the significant deferred maintenance at centers, sports field complexes and swimming pools. Recreation will also continue the analysis of fees and costs begun in 2015-16, and will make recommendations for fee adjustments that balance cost recovery and General Fund revenue with long-term program affordability and viability.

Community Services Department
FY 2016-17 Adopted Budget

	<u>Library</u>	<u>Recreation</u>	<u>Total</u>
	<i>See Page G-6</i>	<i>See Page G-16</i>	
Beginning Available Balance	\$ 4,085,596	\$ 1,164,445	\$ 5,250,041
Revenues			
San Joaquin County Contract	6,046,500	-	6,046,500
Additional Hours Contracts	155,300	-	155,300
Fines	238,000	-	238,000
Other Revenues	315,150	2,700	317,850
Recreation Programs	-	2,238,097	2,238,097
Facility Admission and Rentals	-	268,100	268,100
Community Centers	-	184,000	184,000
	<u>6,754,950</u>	<u>2,692,897</u>	<u>9,447,847</u>
Expenditures			
Library Operations	9,930,700	-	9,930,700
Administration	1,352,672	1,119,756	2,472,428
Children's Museum	-	2,400	2,400
Civic Auditorium	-	349,771	349,771
Community Centers	-	2,065,690	2,065,690
Program Expenses	-	3,847,321	3,847,321
Capital Projects	-	-	-
	<u>11,283,372</u>	<u>7,384,938</u>	<u>18,668,310</u>
Transfers			
Transfer In - General Fund	4,489,000	4,525,000	9,014,000
Transfer In - Other Funds	12,433	-	12,433
Transfer Out - Other Funds	<u>(1,007,433)</u>	<u>(23,976)</u>	<u>(1,031,409)</u>
	<u>3,494,000</u>	<u>4,501,024</u>	<u>7,995,024</u>
Net Annual Activity	<u>(1,034,422)</u>	<u>(191,017)</u>	<u>(1,225,439)</u>
Ending Available Balance	\$ 3,051,174	\$ 973,428	\$ 4,024,602
	-	-	
		Revenues	\$ 9,447,847
		Transfers	9,026,433
		Total Sources	<u>\$ 18,474,280</u>
		Expenditures	\$ 18,668,310
		Transfers	1,031,409
		Total Appropriations	<u>\$ 19,699,719</u>

**Community Services Department
Library Programs
FY 2016-17 Adopted Budget**

	Library 041	Special Revenue 644	Kolak Trust 614	Bess Larsen Trust 621
	<i>See Page G-9</i>	<i>See Page G-10</i>	<i>See Page G-11</i>	<i>See Page G-12</i>
Beginning Available Balance	\$ 4,032,569	\$ 63,056	\$ (9,774)	\$ -
Revenues				
San Joaquin County	6,046,500	-	-	-
Additional Hours Contracts	155,300	-	-	-
Fines	238,000	-	-	-
Other Revenues	313,950	500	600	-
	6,753,750	500	600	-
Expenditures				
Branch operations	8,482,886	15,000	-	-
Technical services	928,459	-	-	-
Programming and outreach	504,355	-	-	-
Administration and delivery	1,352,672	-	-	-
Capital projects	-	-	-	-
	11,268,372	15,000	-	-
Transfers				
Transfer In - General Fund	4,489,000	-	-	-
Transfer In - Other	12,433	-	-	-
Transfer Out	(995,000)	(12,433)	-	-
	3,506,433	(12,433)	-	-
Net Annual Activity	(1,008,189)	(26,933)	600	-
Ending Available Balance	\$ 3,024,380	\$ 36,123	\$ (9,174)	\$ -
	-	-	-	-

**Community Services Department
Library Programs, Continued
FY 2016-17 Adopted Budget**

	G. Cady Trust 622	Kiersch Memorial 628	Library Programs Total
	<i>See Page G-13</i>	<i>See Page G-14</i>	
Beginning Available Balance	\$ (255)	\$ -	\$ 4,085,596
Revenues			
San Joaquin County	-	-	6,046,500
Additional Hours Contract	-	-	155,300
Fines	-	-	238,000
Other Revenues	100	-	315,150
	<u>100</u>	<u>-</u>	<u>6,754,950</u>
Expenditures			
Branch operations	-	-	8,497,886
Technical services	-	-	928,459
Programming and outreach	-	-	504,355
Administration and delivery	-	-	1,352,672
Capital projects	-	-	-
	<u>-</u>	<u>-</u>	<u>11,283,372</u>
Transfers			
Transfer In - General Fund - 010	-	-	4,489,000
Transfer In - Other	-	-	12,433
Transfer Out	-	-	(1,007,433)
	<u>-</u>	<u>-</u>	<u>3,494,000</u>
Net Annual Activity	<u>100</u>	<u>-</u>	<u>(1,034,422)</u>
Ending Available Balance	<u>\$ (155)</u>	<u>\$ -</u>	<u>\$ 3,051,174</u>

COMMUNITY SERVICES DEPARTMENT

LIBRARY FUND (041)

History

- This fund tracks the financial activities for the Stockton-San Joaquin County Public Library.
- Under City of Stockton management, library services have been made available County-wide since 1910.
- Currently five City and eight County facilities are open to the public between 25 and 42 hours per week.
- Resources to sustain operations are provided from the City of Stockton General Fund (42%); San Joaquin County General Fund (52%); contracts for automation and delivery services; support from outlying cities; donations from individuals and charitable organizations, and fines and fee revenues (6%).

FY 2015-16 Events

- Opened a Library within the Stribley Community Center to serve community needs in an efficient manner.
- Signed an agreement with Califa, a Library resource clearinghouse, which will result in one gigabyte of bandwidth for all Libraries and City Community Centers.
- Five additional service hours at County branches were implemented.
- Expanded bookmobile services.
- Implemented bilingual online homework help and Rosetta Stone language learning service for all patrons in San Joaquin County.
- Participated in Police Neighborhood Blitz Team programs.
- Opened a Veteran's Connect Resource Center at the Cesar Chavez Library.
- Received a grant and conducted a Skills for Teen Parents program.
- Applied for and received E-Rate discounts to cover 90% of Internet costs.

FY 2016-17 Budget Changes

- The restored Bookmobile schedule expanding service one additional day, has been made part of the permanent service level.
- Library fund balance will be used for capital improvement projects including: renovating the children's and staff restrooms, improving security measures, and painting the exterior at the Cesar Chavez Library.
- One additional San Joaquin County funded position will be added and assigned to the Manteca branch library.

**Community Services Department
Library - 041
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 3,878,214	\$ 3,996,640	\$ 2,609,975	\$ 4,032,569
Revenues				
San Joaquin County	5,183,951	5,566,960	5,863,930	6,046,500
Material Match Program	126,400	128,640	135,000	131,000
Additional Hours Contracts	141,810	157,991	138,193	155,300
Fines & Fees	258,233	267,514	226,090	238,000
Other Revenues	254,334	269,607	189,932	182,950
	<u>5,964,728</u>	<u>6,390,712</u>	<u>6,553,145</u>	<u>6,753,750</u>
Expenditures				
Administration	1,250,967	1,212,671	1,187,559	1,116,239
Programming and Outreach	335,799	345,984	473,694	504,355
Technical Services	1,208,272	1,105,844	910,175	928,459
Branch Operations				
Branch Operations - County	3,471,489	3,643,969	4,171,441	4,545,606
Branch Operations - City	3,156,909	3,265,360	3,982,488	3,937,280
Delivery Services	203,488	215,557	234,450	236,433
Capital projects	311,401	443,923	(480,696)	-
	<u>9,938,325</u>	<u>10,233,308</u>	<u>10,479,111</u>	<u>11,268,372</u>
Transfers				
Transfer In - General Fund	3,999,000	4,275,000	5,312,525	4,489,000
Transfer In - Other	93,072	-	36,035	12,433
Transfer Out - Capital 301	(49)	(100,000)	-	(995,000)
	<u>4,092,023</u>	<u>4,175,000</u>	<u>5,348,560</u>	<u>3,506,433</u>
Net Annual Activity	<u>118,426</u>	<u>332,404</u>	<u>1,422,594</u>	<u>(1,008,189)</u>
Ending Available Balance	<u>\$ 3,996,640</u>	<u>\$ 4,329,044</u>	<u>\$ 4,032,569</u>	<u>\$ 3,024,380</u>
	-	-	-	-
Available Balance Calculation				
Cash		\$ 5,078,738		
Accounts Receivable		-		
Accounts Payable		(749,694)		
Encumbrances		-		
Capital Projects		(1,719,069)		
Ending Available Balance		<u>\$ 2,609,975</u>		

**Community Services Department
Library Special Revenue Fund - 644
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 187,670	\$ 108,303	\$ 106,979	\$ 63,056
Revenues				
Program Revenue	46,000	1,000	5,729	-
Other Revenue	7,453	2,164	500	500
	<u>53,453</u>	<u>3,164</u>	<u>6,229</u>	<u>500</u>
Expenditures				
Program Expenditures	52,514	4,487	14,117	15,000
	<u>52,514</u>	<u>4,487</u>	<u>14,117</u>	<u>15,000</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	(80,306)	-	(36,035)	(12,433)
	<u>(80,306)</u>	<u>-</u>	<u>(36,035)</u>	<u>(12,433)</u>
Net Annual Activity	<u>(79,367)</u>	<u>(1,323)</u>	<u>(43,923)</u>	<u>(26,933)</u>
Ending Available Balance	\$ 108,303	\$ 106,980	\$ 63,056	\$ 36,123
Available Balance Calculation				
Cash		\$ 106,979		
Accounts Receivable		-		
Accounts Payable		-		
Ending Available Balance		<u>\$ 106,979</u>		

**Community Services Department
Kolak Trust - 614
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 176,063	\$ 170,719	\$ (10,374)	\$ (9,774)
Revenues				
Interest	1,656	600	600	600
	<u>1,656</u>	<u>600</u>	<u>600</u>	<u>600</u>
Expenditures				
Operating Expenditures	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	(7,000)	-	-	-
	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(5,344)	600	600	600
Ending Available Balance	\$ 170,719	\$ 171,319	\$ (9,774)	\$ (9,174)
Available Balance Calculation				
Cash		\$ 170,719		
Accounts Payable		-		
Principal endowment		(181,093)		
Ending Available Balance		<u>\$ (10,374)</u>		

**Community Services Department
Bess Larson Trust - 621
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 1,312	\$ -	\$ -	\$ -
Revenues				
Interest	-	-	-	-
Expenditures				
Operating Expenditures	-	-	-	-
Transfers				
Transfer In	49	-	-	-
Transfer Out	(1,361)	-	-	-
	<u>(1,312)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(1,312)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Cash		\$ -		
Accounts Payable		-		
Principal endowment		-		
Ending Available Balance		<u>\$ -</u>		

**Community Services Department
Cady Endowment - 622
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 9,880	\$ 9,975	\$ (355)	\$ (255)
Revenues				
Interest	95	85	100	100
	<u>95</u>	<u>85</u>	<u>100</u>	<u>100</u>
Expenditures				
Library Materials	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	95	85	100	100
Ending Available Balance	\$ 9,975	\$ 10,060	\$ (255)	\$ (155)
Available Balance Calculation				
Cash		\$ 10,060		
Principal endowment		<u>(10,415)</u>		
Ending Available Balance		<u>\$ (355)</u>		

**Community Services Department
Kiersch Memorial Trust - 628
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 4,405	\$ -	\$ -	\$ -
Revenues				
Interest	-	-	-	-
Expenditures				
Library Materials	-	-	-	-
Transfers				
Transfer In	-	-	-	-
Transfer Out	(4,405)	-	-	-
Net Annual Activity	(4,405)	-	-	-
Ending Available Balance	\$ -	\$ -	\$ -	\$ -
Available Balance Calculation				
Cash		\$ -		
Accounts Payable		-		
Principal endowment		-		
Ending Available Balance		<u>\$ -</u>		



**Community Services Department
Recreation Division
FY 2016-17 Adopted Budget**

	Recreation 044	Golf 481	Arts Endowment 613	E. Blum Trust 623/624/625
	<i>See Page G-19</i>	<i>See Page G-21</i>	<i>See Page G-22</i>	<i>See Page G-23</i>
Beginning Available Balance	\$ 909,233	\$ 126,023	\$ -	\$ -
Revenues				
Recreation Programs	648,000	1,575,097	-	-
Facility Admission and Rentals	268,100	-	-	-
Community Centers	184,000	-	-	-
Other Revenue	2,500	-	-	-
	1,102,600	1,575,097	-	-
Expenditures				
Administration	1,119,756	-	-	-
Children's Museum	2,400	-	-	-
Civic Auditorium	349,771	-	-	-
Community Centers	2,065,690	-	-	-
Pixie Woods	247,310	-	-	-
Programs - After School	59,543	-	-	-
Programs - Instructional	55,400	-	-	-
Programs - Sports	745,587	-	-	-
Silver Lake Camp	13,500	-	-	-
Special Events	203,935	-	-	-
Swimming Facilities	300,580	-	-	-
Tennis Facilities	15,000	-	-	-
Grants Awarded	-	-	-	-
Materials & Supplies	-	-	-	-
Program Costs	-	2,171,466	-	-
	5,178,472	2,171,466	-	-
Transfers				
Transfer In - General Fund	3,875,000	650,000	-	-
Transfer Out	-	-	-	-
	3,875,000	650,000	-	-
Net Annual Activity	(200,872)	53,631	-	-
Ending Available Balance	\$ 708,361	\$ 179,654	\$ -	\$ -

**Community Services Department
Recreation Division, Continued
FY 2016-17 Adopted Budget**

	Arlo Cross 626 <i>See Page G-24</i>	Arts Commission Special 641 <i>See Page G-25</i>	Parks & Recreation Trust 643 <i>See Page G-26</i>	Recreation Total
Beginning Available Balance	\$ -	\$ -	\$ 129,189	\$ 1,164,445
Revenues				
Recreation Programs	-	-	15,000	2,238,097
Facility Admission and Rentals	-	-	-	268,100
Community Centers	-	-	-	184,000
Other Revenue	-	-	200	2,700
	<u>-</u>	<u>-</u>	<u>15,200</u>	<u>2,692,897</u>
Expenditures				
Administration	-	-	-	1,119,756
Children's Museum	-	-	-	2,400
Civic Auditorium	-	-	-	349,771
Community Centers	-	-	-	2,065,690
Pixie Woods	-	-	-	247,310
Programs - After School	-	-	-	59,543
Programs - Instructional	-	-	-	55,400
Programs - Sports	-	-	-	745,587
Silver Lake Camp	-	-	-	13,500
Special Events	-	-	-	203,935
Swimming Facilities	-	-	-	300,580
Tennis Facilities	-	-	-	15,000
Grants Awarded	-	-	-	-
Materials & Supplies	-	-	-	-
Program Costs	-	-	35,000	2,206,466
	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>7,384,938</u>
Transfers				
Transfer In - General Fund	-	-	-	4,525,000
Transfer Out	-	-	(23,976)	(23,976)
	<u>-</u>	<u>-</u>	<u>(23,976)</u>	<u>4,501,024</u>
Net Annual Activity	<u>-</u>	<u>-</u>	<u>(43,776)</u>	<u>(191,017)</u>
Ending Available Balance	\$ -	\$ -	\$ 85,413	\$ 973,428

COMMUNITY SERVICES DEPARTMENT

RECREATION FUND (044)

History

- This fund tracks the financial activities related to the recreation facilities and programs enjoyed by thousands of Stockton residents and visitors.
- Facility rentals and registration fees, contract revenues, donations, admissions, and the City's General Fund are used to support these programs.

FY 2015-16 Events

- Completed a strategic plan for Recreation that includes comprehensive community input and sets the direction for the future of recreation services in Stockton.
- Refurbished several sport fields to support youth activities and teams.
- Began a project to replace the 12-year old registration and reservation software.
- Replaced fitness equipment at community centers.
- Conducted an analysis of City pools to determine short and long term condition and needs.
- Received \$400,000 one-time mid-year appropriation from City Council for Recreation facilities improvements. A project plan has been prepared for Council approval so projects can be underway by the end of FY 2015-16.

FY 2016-17 Budget Changes

- The budget includes increased funding for security and staffing at Pixie Woods. Revenues and expenses for after school programs have been reduced based on the conclusion of contracts for services. The City continues to provide an after school program at one local school.
- Complete an implementation program for the Recreation Strategic Plan, with specific goals for each program area.
- Install and deploy a new Recreation software with online capability for web-based sign-ups, payments, and facility rentals.
- Develop a cost recovery and pricing policy that communicates the Community Services Department fee rationale and insures programs are adequately supported and remain affordable.
- Develop a long range conceptual plan for future aquatics programming and facilities.

**Community Services Department
Recreation Services - 044
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 835,283	\$ 1,313,226	\$ 1,162,554	\$ 909,233
Revenues				
Recreation Programs	1,480,708	1,430,560	1,054,000	648,000
Facility Admission and Rentals	272,209	307,202	286,850	268,100
Community Centers	259,147	194,938	177,000	184,000
Other Revenue	15,360	15,517	15,000	2,500
	<u>2,027,424</u>	<u>1,948,217</u>	<u>1,532,850</u>	<u>1,102,600</u>
Expenditures				
Administration	907,695	914,984	1,116,274	1,119,756
Children's Museum	194	151	200	2,400
Civic Auditorium	294,927	349,850	349,100	349,771
Community Centers	1,481,305	1,884,480	2,128,150	2,065,690
Pixie Woods	95,003	146,130	159,349	247,310
Programs - After School	824,496	820,534	454,800	59,543
Programs - Instructional	47,808	49,416	54,000	55,400
Programs - Sports	581,005	623,113	702,600	745,587
Silver Lake Camp	300	335	3,660	13,500
Special Events	79,692	126,218	164,850	203,935
Swimming Facilities	69,929	146,397	224,000	300,580
Tennis Facilities	16,226	14,534	14,300	15,000
	<u>4,398,580</u>	<u>5,076,142</u>	<u>5,371,283</u>	<u>5,178,472</u>
Transfers				
Transfer In - General Fund	2,845,000	3,105,000	3,585,112	3,875,000
Transfer In - Other	8,968	-	-	-
Transfer Out - Other	(4,869)	(125,182)	-	-
	<u>2,849,099</u>	<u>2,979,818</u>	<u>3,585,112</u>	<u>3,875,000</u>
Net Annual Activity	<u>477,943</u>	<u>(148,107)</u>	<u>(253,321)</u>	<u>(200,872)</u>
Ending Available Balance	\$ 1,313,226	\$ 1,165,119	\$ 909,233	\$ 708,361
Available Balance Calculation				
Cash		\$ 1,802,069		
Accounts Receivable		-		
Current Liabilities		(639,515)		
Encumbrances		-		
Ending Available Balance		<u>\$ 1,162,554</u>		

COMMUNITY SERVICES DEPARTMENT

GOLF FUND (481)

History

- This fund tracks the financial activities related to the operation and maintenance of two municipal golf courses.
- Swenson and Van Buskirk Golf Courses offer twenty seven and eighteen holes of play, respectively.
- Operations for this Enterprise Fund are managed by Kemper Sports Management, Inc. with funding from fees and a General Fund subsidy.

FY 2015-16 Events

- The Stockton area golf market remains very competitive with many low-cost, public course options available for consumers.

FY 2016-17 Budget Changes

- Significant deferred maintenance concerns continue at both courses, the most prominent being the pond and pump system at Van Buskirk.
- A thorough analysis of the golf courses will be undertaken in the coming year, which will provide a basis from which to make informed decisions about continued operations and subsidies.
- The FY 2016-17 Annual Budget includes \$650,000 from the General Fund to support the golf program and repairs to the pond at Van Buskirk.

**Community Services Department
Golf - 481
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 113,498	\$ 216,729	\$ 144,459	\$ 126,023
Revenues				
Swenson Golf Course	1,170,443	1,042,133	1,072,250	1,071,834
Van Buskirk Golf Course	483,760	466,897	469,917	480,563
Other Revenues	6,681	12,447	22,700	22,700
	<u>1,660,884</u>	<u>1,521,477</u>	<u>1,564,867</u>	<u>1,575,097</u>
Expenditures				
Swenson Golf Course	1,294,585	1,298,490	1,293,888	1,285,188
Van Buskirk Golf Course	681,169	702,354	777,781	759,609
City Costs Contingency	31,899	42,903	61,634	126,669
Repairs and Maintenance	-	-	-	-
	<u>2,007,653</u>	<u>2,043,747</u>	<u>2,133,303</u>	<u>2,171,466</u>
Transfers				
Transfer In - General Fund	450,000	450,000	550,000	650,000
	<u>450,000</u>	<u>450,000</u>	<u>550,000</u>	<u>650,000</u>
Net Annual Activity	<u>103,231</u>	<u>(72,270)</u>	<u>(18,436)</u>	<u>53,631</u>
Ending Available Balance	\$ 216,729	\$ 144,459	\$ 126,023	\$ 179,654
Available Balance Calculation				
Current assets		\$ 309,731		
Current liabilities		(165,272)		
Ending Available Balance		<u>\$ 144,459</u>		

**Community Services Department
Arts Endowment - 613
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 123,345	\$ 73,529	\$ 25,463	\$ -
Revenues				
Interest	730	100	63	-
Grant	101	-	-	-
	<u>831</u>	<u>100</u>	<u>63</u>	<u>-</u>
Expenditures				
Grants Awarded	50,000	48,500	25,526	-
Materials & Supplies	-	781	-	-
	<u>50,000</u>	<u>49,281</u>	<u>25,526</u>	<u>-</u>
Transfers				
Transfer In - Arts Commission (641)	-	-	-	-
Transfer Out	(647)	-	-	-
	<u>(647)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(49,816)</u>	<u>(49,181)</u>	<u>(25,463)</u>	<u>-</u>
Ending Available Balance	\$ 73,529	\$ 24,348	\$ -	\$ -
Available Balance Calculation				
Cash		\$ 25,463		
Ending Available Balance		<u>\$ 25,463</u>		

Community Services Department
E. Blum - 623/624/625
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ (5,452)	\$ -	\$ -	\$ -
Revenues				
Interest	-	-	-	-
Expenditures				
General Recreation	-	-	-	-
Pixie Woods Park	-	-	-	-
Red Feather Ice Skating	-	-	-	-
Transfers				
Transfer In	5,486	-	-	-
Transfer Out	(34)	-	-	-
	<u>5,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>5,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Cash		\$ -		
Ending Available Balance		<u>\$ -</u>		

**Community Services Department
Arlo Cross - 626
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 8,934	\$ -	\$ -	\$ -
Revenues				
Interest	-	-	-	-
Expenditures				
Operating Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers				
Transfer In	-	-	-	-
Transfer Out - Library Fund	-	-	-	-
Transfer Out - Recreation Fund	(8,934)	-	-	-
	<u>(8,934)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(8,934)	-	-	-
Ending Available Balance	\$ -	\$ -	\$ -	\$ -
Available Balance Calculation				
Cash		\$ -		
Ending Available Balance		<u>\$ -</u>		

**Community Services Department
Stockton Arts Commission Special Revenue - 641
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ (647)	\$ -	\$ -	\$ -
Revenues				
Program Revenues	-	-	-	-
Donations	-	-	-	-
Interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Program costs	-	-	-	-
Art awards	-	-	-	-
Publicity & marketing	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In	647	-	-	-
Transfer Out - Arts Endowment (613)	-	-	-	-
	<u>647</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>647</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Cash		\$ -		
Accounts Receivable		-		
Ending Available Balance		<u>\$ -</u>		

**Community Services Department
Parks & Recreation Trust - 643
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 101,104	\$ 112,332	\$ 121,941	\$ 129,189
Revenues				
Donations	-	22	29	-
Program revenue	10,875	12,750	13,500	15,000
Interest income	1,729	953	172	200
	<u>12,604</u>	<u>13,725</u>	<u>13,701</u>	<u>15,200</u>
Expenditures				
Program costs	1,376	4,116	6,453	35,000
	<u>1,376</u>	<u>4,116</u>	<u>6,453</u>	<u>35,000</u>
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer Out	-	-	-	(23,976)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,976)</u>
Net Annual Activity	<u>11,228</u>	<u>9,609</u>	<u>7,248</u>	<u>(43,776)</u>
Ending Available Balance	\$ 112,332	\$ 121,941	\$ 129,189	\$ 85,413
Available Balance Calculation				
Cash		\$ 124,014		
Accounts Receivable		-		
Accounts Payable		(2,073)		
Ending Available Balance		<u>\$ 121,941</u>		

TAB 8 COMMUNITY DEVELOPMENT

Community Development Director

Business Operations

- Department Process Improvement Program
- Public Facilities Fees (PFF) Programmatic Lead
- Administrative and clerical support
- Technical and graphic support
- Develop, execute and monitor department budget
- Implement development fees and charges
- Nexus studies
- Monthly construction valuation and permit reports
- Personnel and payroll
- Records management
- Administrative support for boards and commissions:
 - Planning Commission
 - Development Oversight Commission
 - Climate Action Plan Advisory Committee
 - Cultural Heritage Board
 - Development Review and Architectural Review Committees
 - Building/Housing Board of Appeals
 - Handicapped Access Board of Appeals
- Mapping, graphics, data and other technical services
- Staff report production and delivery
- Building Inspection scheduling
- Website management
- Equipment and vehicle management
- Permit Tracking system management
- Customer Service
- Cashier

Building and Life Safety

- Building life/safety and fire plan checks
- Building life safety inspections
- Disabled Access Plan Check and inspections
- Flood Plain Management review and inspection
- Flood Community Rating System documentation and administration
- Mandatory enforcement:
 - State Health & Safety Code
 - State Business Code
 - Uniform Building Code
 - Federal Building Laws
 - California Energy and Green Building Code
 - Uniform Construction Codes
 - Locally adopted construction codes and standards
- Regulate:
 - Energy conservation
 - Handicapped access
 - Seismic safety
 - Fire and life safety
 - Demolition of structures
- Assist departments
 - Code Enforcement inspection & investigation
 - Fire damage inspection
 - Building Construction projects
- Prepare Stockton Municipal Code documentation
- Work without permit investigations with State Contractors Board
- Green Building
- Special inspections
- Pre-application advisory meetings
- Interface with the following entities:
 - PG&E
 - Army Corps of Engineers
 - Reclamation Districts
 - Cal Water
 - California State License Board
 - State Architect's Office

Planning and Engineering

- Prepare, maintain and administer the General Plan
- Administer, enforce and maintain the Development Code
- Administer and enforce environmental regulations
- Implement and administer the State Subdivision Map Act
- Maintain computerized land use data file
- Conduct planning related studies
- Provide transportation planning services
- Flood Plain administration
- Coordinate historical/architectural preservation
- Review and approval of Master Development/ Specific Plans
- Review and approval of use permits
- Review and approval of maps and associated agreements
- Administer Climate Action Plan
- Green Building Code development
- Assist Economic Review Committee & Site Plan Review Committee
- Work with San Joaquin Partnership on future projects
- Pre-application advisory meetings
- Attend/monitor Delta Stewardship Council
- Provide transportation planning and engineering services
- Area of Benefit formation and administration
- Review utility master plans
- Administer/manage developer reimbursements
- Administer outsourced land surveying services
- Property/easement dedication
- Code enforcement research and interpretation

COMMUNITY DEVELOPMENT DEPARTMENT



COMMUNITY DEVELOPMENT DEPARTMENT

MISSION STATEMENT

To serve the public by providing courteous, effective, efficient and accurate planning and development services to ensure a safe community that enhances the quality of life for all residents of the City of Stockton.

Budget at a Glance:

Total Expenditures	\$9,133,277
Total Revenues	\$8,559,193
Total Net Cost	\$ 574,084
Total Staff	38

DEPARTMENTAL DESCRIPTION

The Community Development Department is composed of the Building and Life Safety Division, Planning and Engineering Division, and the Business Operations Division. The operational center of the department is at the City Permit Center. The purpose of the department is seven fold:

- Plan for the future growth, infrastructure needs and service demands of the greater community
- Review and process permit applications for development activities
- Provide permit and life safety inspections of buildings, storage tanks, mechanical equipment lines and other structures
- Provide emergency operations inspection services and action plan support
- Coordinate floodplain management efforts
- Assist other departments and agencies in the areas of economic development, climate action planning, design review, historic building analysis, environmental impact review, and geographic information mapping and analysis
- Serve as Public Facilities Fees (PFF) citywide programmatic lead

The department supports the Planning Commission, Development Oversight Commission, Climate Action Plan Advisory Committee, Cultural Heritage Board, Building and Housing Board of Appeals, and the Handicap Access Board of Appeals. Community-based planning efforts are funded by intergovernmental grants and the General Fund. Development permitting is largely funded by user fees.

KEY CONSIDERATIONS

The operative General Plan 2035 was completed in 2007. Stockton has dramatically changed since 2007 to the extent that the baseline conditions, reasoning and vision of that plan are no longer applicable. In the City Council's most recent Strategic Work Plan, a strategic priority was identified to revise the General Plan. With the addition of a new Director, there was a priority given to restart the General Plan process. This recognition includes the need for a comprehensive update of the General Plan and the various other complimentary documents, public policies and programs that stem from the General Plan. Additionally, the Capital Improvement Program, Stockton Municipal Code, and development impact fees within the City Fee Schedule will be reviewed for potential revisions. The department entered into a contract to facilitate this General Plan completion goal and it remains a top priority in the department's budget for FY 2016-17.

COMMUNITY DEVELOPMENT DEPARTMENT

The General Plan schedule for revision sets forth a 24 to 30 month long effort to conduct necessary technical analyses, environmental impact analysis and reporting, and workshop and hearing processes. Changes to the General Plan would be responsive to:

- the Economic Development Strategic Plan (February 2015)
- the 2008 Settlement Agreement with the State regarding alleged defects with General Plan 2035,
- the SB 375 Sustainable Communities Strategy goals for the region and how that impacts the City's Circulation Element and Housing Element of the General Plan
- the AB 32 climate action planning policies and programs and how that impacts the General Plan
- the SB 5 floodplain management regulations and related effects on the City's planning and building codes
- the Downtown Area Plan focusing on transit oriented, mixed use development opportunities, and
- the production of baseline conditions for the preparation of a state mandated Municipal Services Review to include the impact of the City's annexation policies and rules.

Flood Plain Management refers to the effort required because of SB 5. SB 5 places restrictions on development within 200 year flood plain areas. The law goes into full effect on July 1, 2016. The Development Code will continue to be revised as required to be in compliance with this new State mandate. In addition to working with Federal Emergency Management Agency (FEMA) and other State agencies, the department will be active in achieving an improved Community Rating System score which helps to lower all citywide homeowner flood insurance rates.

One of the more significant department improvements was the procurement of a web-based permit management system and accompanying digitizing of permit records and building/engineering plan sets. The permit management system was implemented in November 2015 and current year costs include software licenses, hardware and technology upgrades, training services, and technical support services. The digitizing project is expected to be accomplished in FY 2016-17.

The above significant work programs are occurring at the same time that the census count of customer contacts and permit activity are picking up at the City Permit Center. Service requests, permit applications, and the valuation of building activity have increased year over year. It is anticipated in FY 2016-17 there will be 6,950 permits issued (5% increase from prior year) and permit valuation of 273 million (26% increase from prior year). These facts signal the scale and complexity of anticipated projects resulting from the improvement of the economic conditions of the City. This activity will result in over 29,000 customer contacts during the year. Despite new housing start weakness, the City Permit Center is seeing a considerable uptick in service requests from other industry sectors. Relative to housing, the City expects to remain below average until 2017. A 2013 econometric forecast predicts housing production (all types) to be around 700 units per year thereafter for the long term.

Customer service improvements at the Permit Center are ongoing. Multiple evaluations made over 60 recommendations regarding needed reforms to the department functions. Those modifications are well underway as part of the department's process and workflow improvement. Permit Center remodeling is budgeted to enhance customer service and the overall customer experience and is expected to be completed in FY 2016-17.

COMMUNITY DEVELOPMENT DEPARTMENT

Other notable departmental actions for this year include: 1) Implement Electronic Plan Review pilot program; 2) Establish a queuing system to improve customer service wait times in the Permit Center; 3) Process Over the Counter permits on-line including electronic payment; 4) Advise other City departments to expand existing permitting capability to non-development functions; 5) Carry out Climate Action Plan activities; 6) Continue customer service and technical purposed training of staff; and 7) Begin time and motion study after a full year of permit management system stabilization.

The department's FY 2016-17 Annual Budget includes five new positions. These positions include Public Facilities Fees Programmatic Lead Coordinator, Counter Manager, Assistant Planner, Counter Technician, and Junior Engineer. The Department staffing has remained flat since FY 2014-15. Despite the fact process improvements and efficient systems have been put in place, there remains a deficiency in existing staffing levels which are not able to meet the department's programmatic responsibilities. These deficiencies will be exacerbated as development activity increases. This additional capacity will be vital to addressing the demands of the critical current and future work programs and meeting the customer service expectations of the department.

The General Fund contribution to this department of \$1.0 million that began in FY 2012-13 is continued in the FY 2016-17 Annual Budget for general government activities. The ongoing contribution from the General Fund may be adjusted as future analysis is completed and work programs are mandated or refined.

**Community Development Department
FY 2016-17 Adopted Budget**

	Development Services 048	Public Facilities Fee Administration 999	Total
	<i>See Page H-9 (excludes Fire portion of fund)</i>	<i>See Page H-10</i>	
Beginning Available Balance		\$ 456,429	
Revenues			
Fees	7,441,608	117,000	7,558,608
Grants	-	585	585
	7,441,608	117,585	7,559,193
Expenditures			
Operating Expense	8,369,971	176,806	8,546,777
	8,369,971	176,806	8,546,777
Transfers			
Transfer In - General Fund	1,000,000	-	1,000,000
Transfer Out	(586,500)	-	(586,500)
	413,500	-	413,500
Net Annual Activity	(514,863)	(59,221)	(574,084)
Ending Available Balance		\$ 397,208	
		-	
		Revenues	\$ 7,559,193
		Transfers	1,000,000
		Total Sources	\$ 8,559,193
		Expenditures	\$ 8,546,777
		Transfers	586,500
		Total Appropriations	\$ 9,133,277



COMMUNITY DEVELOPMENT DEPARTMENT

DEVELOPMENT SERVICES FUND (048)

History

- This fund includes both the Community Development Department and the Fire Prevention Division of the Fire Department.
 - The Development Services fund is a special revenue fund to track building and planning activities.
 - Operating costs are borne largely by permit revenues.

2015-16 Events

- Ongoing implementation of recommended staffing, process and workflow efficiencies.
- Implemented new web-based Permit Management System with on-line inspection and research capability.
- Completed Processing Fee Study that consolidated, streamlined, and simplified the department's fee schedule.
- Completed significant analysis of City Public Facility Fees (PFF) for the Stockton Economic Stimulus Plan.
- There are no vacancies as all department budgeted FY 2015-16 positions are filled. The department continues to focus on efficiency, refining operating procedures, improvement of workflow, and cross training.

2016-17 Budget Changes

- Process improvements for FY 2016-17 include electronic submittal of plans, establish self-help resources at the Permit Center, and evaluate development fees to comport with the California Mitigation Fee Act. A time and motion study is programmed for later in the year to capture the efficiencies achieved through re-organization and automation.
- A 24 to 30 month effort for General Plan completion is in progress. The overall work program will continue the effort to conduct the technical analysis, environmental impact analysis, and workshop hearing processes necessary to update the current City General Plan.
- The web-based Permit Management and Fee Management System will continue to be refined with a number of enhancements, including analytics and performance metrics.
- The department is taking the programmatic lead in PFF management and oversight. The department will continue to manage and report on the Stockton Economic Stimulus Plan.
- Other priority projects for the department include administering the AB 32 Climate Action Plan, providing revisions for future Capital Improvement Plan to match the General Plan, preparing a Municipal Services Review Plan, addressing flood plain management issues in accordance with SB5 (FEMA Community Service Rating and other flood plain management responsibilities), and complete the remodel of the Permit Center to advance customer service improvements.
- The General Fund contribution to this department of \$1.0 million that began in FY 2012-13 continues in FY 2016-17. The contribution supports general government activities that cannot be fee supported.

**Community Development and Fire Departments - Combined
Development Services - 048
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ 2,560,304	\$ 3,562,540	\$ 5,666,794	\$ 5,754,684
Revenues				
Community Development				
User Fees	4,480,315	4,922,857	5,572,846	6,416,864
Development Oversight	138,239	223,806	110,000	72,000
Technology Fee	287,859	350,968	326,000	342,500
Comm. Rating System Admin. Fee	57,226	72,583	106,697	135,744
General Plan Maint & Implementation	424,247	671,205	412,000	252,000
Development Code Maintenance	138,235	223,861	76,000	-
Climate Action Plan	138,240	223,816	76,000	-
Housing Element Prep/Impl/Maint	69,118	111,863	40,000	-
Capital Preservation	138,174	223,774	200,000	220,000
Grants	42,258	13,569	401	-
Fines & Penalties	(764)	3,500	24,000	2,500
	<u>5,913,147</u>	<u>7,041,802</u>	<u>6,943,944</u>	<u>7,441,608</u>
Fire Prevention				
User Fees	1,512,159	1,652,627	1,890,196	1,925,038
Safe & Sane Fireworks Program	26,260	25,840	26,330	26,260
Fines & Penalties/Misc	38,502	59,710	62,572	55,189
	<u>1,576,921</u>	<u>1,738,177</u>	<u>1,979,098</u>	<u>2,006,487</u>
	<u>7,490,068</u>	<u>8,779,979</u>	<u>8,923,042</u>	<u>9,448,095</u>
Expenditures				
Community Development				
Business Ops and Customer Service	2,644,866	2,066,954	2,205,482	3,037,639
Planning & Engineering Services	1,645,661	1,828,290	1,862,189	2,212,830
Building and Life Safety	1,451,259	1,487,014	1,877,487	2,264,502
Department restructuring	298,530	743,477	2,538,412	855,000
	<u>6,040,316</u>	<u>6,125,735</u>	<u>8,483,570</u>	<u>8,369,971</u>
Fire Prevention				
Fire Prevention	1,397,219	1,486,775	1,296,354	1,985,323
Fire Public Education	26,149	34,451	33,190	22,906
Safe & Sane Fireworks Program	24,148	28,764	22,038	27,479
	<u>1,447,516</u>	<u>1,549,990</u>	<u>1,351,582</u>	<u>2,035,708</u>
	<u>7,487,832</u>	<u>7,675,725</u>	<u>9,835,152</u>	<u>10,405,679</u>
Transfers				
Transfer In - General Fund	1,000,000	1,000,000	1,000,000	1,000,000
Transfer Out - CIP	-	-	-	(586,500)
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>413,500</u>
Net Annual Activity				
Community Development	872,831	1,916,067	(539,626)	(514,863)
Fire	129,405	188,187	627,516	(29,221)
	<u>1,002,236</u>	<u>2,104,254</u>	<u>87,890</u>	<u>(544,084)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ 3,562,540</u>	<u>\$ 5,666,794</u>	<u>\$ 5,754,684</u>	<u>\$ 5,210,600</u>
Available Balance Calculation				
Current Assets		\$ 6,853,374		
Current Liabilities		(1,186,580)		
Encumbrances		-		
Ending Available Balance		<u>\$ 5,666,794</u>		

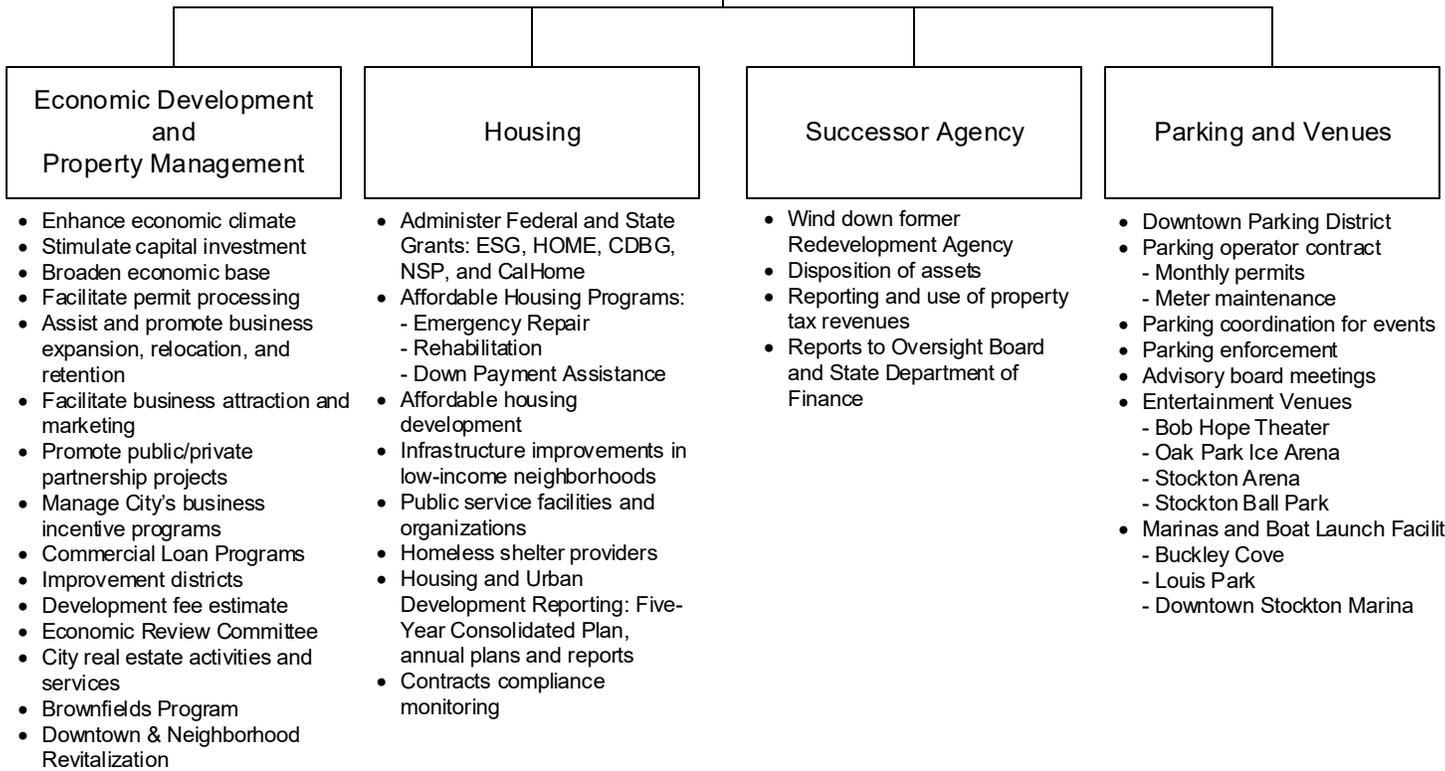
(a) The total Development Services Fund - 048 is presented with the Community Development Department budget. The portion relating to Fire has also been included on page E-13.

**Community Development
Public Facilities Fee Administration - 999
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 205,120	\$ 150,037	\$ 190,828	\$ 456,429
Revenues				
Public Facilities Fee	141,884	181,104	350,000	117,000
Interest	1,764	1,310	48	585
	<u>143,648</u>	<u>182,414</u>	<u>350,048</u>	<u>117,585</u>
Expenditures				
Operating Expenses	198,731	141,623	84,447	176,806
	<u>198,731</u>	<u>141,623</u>	<u>84,447</u>	<u>176,806</u>
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(55,083)</u>	<u>40,791</u>	<u>265,601</u>	<u>(59,221)</u>
Ending Available Balance	\$ 150,037	\$ 190,828	\$ 456,429	\$ 397,208
Available Balance Calculation				
Cash		\$ 195,024		
Accounts Payable		<u>(4,196)</u>		
Ending Available Balance		<u>\$ 190,828</u>		

TAB 9 ECONOMIC DEVELOPMENT

Economic Development
Director



ECONOMIC DEVELOPMENT DEPARTMENT



ECONOMIC DEVELOPMENT DEPARTMENT

MISSION STATEMENT

To expand and diversify the City of Stockton's economic base; to provide real property services to City staff and efficient parking facilities downtown; and to facilitate the preservation and production of affordable housing.

Budget at a Glance:

Total Expenditures	\$33,786,559
Total Revenues	\$28,016,591
Total Net Cost	\$5,769,968
Total Staff	19

DEPARTMENT DESCRIPTION

The Economic Development Department is comprised of four divisions: Economic Development, Housing, Parking and Venues, and Successor Agency.

The Economic Development Division engages in activities that expand and diversify the City of Stockton's economic base to attract and retain businesses, assist with the creation of quality jobs, and to promote business and developments in Downtown Stockton in an effort to establish an economically sustainable community. The division works directly with businesses to facilitate business start-up or expansion within Stockton and interacts with resource providers, such as the San Joaquin Partnership, San Joaquin County WorkNet, San Joaquin Delta College Small Business Development Center, and chambers of commerce to connect those resources to businesses. This division also supports the Miracle Mile, Downtown Stockton, and Tourism improvement districts, and is responsible for overseeing implementation of the Economic Development Strategic Plan. The division manages several Economic Development Incentive Programs including: the Commercial Facade Improvement and Micro Loan, Commercial Emergency Grant, Downtown Financial Incentive, Non-Residential Fee Deferral, Office and Industrial Sales Tax Incentive, Use Tax Business Incentive Rebate, and Downtown Infill Infrastructure Incentive programs. In addition to economic development activities, this division provides property management and real estate support services to all departments. This division also administers the City's Lien Forgiveness Program for commercial and multi-family properties to stimulate capital investment, and is managing the relocation of City Hall to 400 E. Main Street.

The Housing Division is responsible for administering several Federal and State grant programs. The division uses these funds to preserve and produce affordable and workforce housing, fund non-profit organizations that provide public services for low-income residents of the community, rehabilitate or construct public facilities, and assist the homeless. The Federal funds are also used to fund some economic development activities. The division works with a Community Development Committee that acts as an advisory board to the City Council and assists with the preparation of the Five-Year Consolidated and One-Year Action plans, including making recommendations for non-profit organizations that should receive Federal funding. The division is responsible for ensuring activities meet the State and Federal guidelines.

The Parking and Venues Division manages City parking facilities, entertainment venues, and marina/boat launching facilities. The division administers third-party contracts with operators who are responsible for daily operations at the Downtown Stockton Marina, Arena, Stockton Ballpark, Bob Hope Theatre, Oak Park Ice Rink, and parking in the Downtown Stockton area. This division is also responsible for the boat launching facilities located at Louis Park and Buckley Cove, in addition to overseeing long term leases for Ladd's and Riverpoint Marinas, and the Stockton

ECONOMIC DEVELOPMENT DEPARTMENT

Sailing Club. Parking compliance and enforcement services are also provided by this division. The division is working with representatives of the community to develop a Strategic Parking Master Plan, and will also begin working on a Marina Master Plan.

The Successor Agency Division is responsible for winding down the activities of the former Stockton Redevelopment Agency (SRDA). The SRDA financed development activities in four targeted geographic “project areas,” adopted between 1961 and 2009. Activities were financed through incremental property taxes earned on property value appreciation over and above the baseline valuations at the time of project area formation. Through the passage of State Assembly Bills x1 26 and 1484, all California redevelopment agencies were dissolved and replaced with successor agencies effective February 1, 2012. The City of Stockton elected to become the Successor Agency. An Oversight Board directs and/or approves actions of the Successor Agency.

KEY CONSIDERATIONS

For the Economic Development Division, the local economy has experienced significant improvements over the past several years with unemployment figures continuing to decline and absorption of vacant industrial and commercial properties increasing. The division continues to meet with retail, logistics, and manufacturing companies. These efforts resulted in over a dozen companies announcing a Stockton location this year. Several sales tax sharing agreements were executed recently, including Diesel Direct, Valley Pacific Petroleum, and Bed, Bath and Beyond. In addition, a new Downtown Infrastructure Infill Incentive program was adopted to encourage downtown development and to help offset public improvements, such as water, sewer and storm drain costs. There has also been a focus on entrepreneurship with the department launching its first Business Entrepreneurship Program that will provide funding to organizations that support small business development within Stockton. The department is also working with business and commercial property owners along Wilson Way in an effort to establish a Property-based Business Improvement District to help fund improvements within that neighborhood.

On February 24, 2015 the City Council approved the Economic Development Strategic Plan. The goal of the plan is to expand employment and investment in core local businesses and industries, as well as strengthen quality of life and foundational conditions. In addition to the plan, the division works with businesses and property owners in different geographic areas of the City to promote programs that encourage growth and development of Downtown Stockton, including the implementation of the Urban Land Institute (ULI) report recommendations. In alignment with City Council priorities, the FY 2016-17 Annual Budget includes \$2 million to support the plan and implementation of the ULI recommendations. In the FY 2015-16 Annual Budget the department received an increase of approximately \$1.5 million for activities outlined in the plan. Some of these funds will remain unspent and be carried over as part of the \$2 million appropriation in the FY 2016-17 budget. The source of these funds is one time revenues from the Sales Tax Incentive Program and the City’s share of excess property tax distributions. Funding for plan activities will be evaluated and considered annually.

Housing Division annual Federal entitlement funds will decrease a small amount in the Community Development Block Grant (CDBG) and Emergency Solutions Grant programs in FY 2016-17. The HOME Investment Partnerships program will receive a small increase. For CDBG, this represents a 31% reduction since FY 2010-11, and for HOME, a 49% reduction over the same time period. With debt repayments from prior Housing and Urban Development (HUD) Section 108 loans obligated through 2024, these entitlement reductions directly affect the housing programs and services provided to the community.

ECONOMIC DEVELOPMENT DEPARTMENT

The Housing Division is also responsible for projects funded with the 2006 Revenue Bond, Series C – Housing loan proceeds and funds in the low and moderate income housing fund.

The Neighborhood Stabilization Program (NSP) grants, awarded in 2009 and 2011, have funded acquisition and rehabilitation of 107 foreclosed homes through the use of program income received from the sale of those homes to low and moderate income buyers. The single family portion of these grants is now closed. Three multi-family projects are complete and have provided housing for 63 low income households. Acquisition and rehabilitation of three additional foreclosed apartment complexes are underway and when complete, will provide housing for approximately 127 households with incomes at or below 50% of Area Median Income.

The Parking and Venues Division, as a result of bankruptcy negotiations and a settlement agreement with the Parking Bond creditors, began reviewing parking operations and efficiencies. In 2013, the City Council adopted Resolution No. 2013-12-17-1209 establishing a Parking Authority to function within the City, and transitioned parking operations from the City to the Parking Authority. In FY 2014-15, the Parking Authority entered into an agreement with a third party vendor to manage and operate the parking programs in the Downtown Parking District (District), and moved parking enforcement from the City's Police Department to the Parking Authority. The Parking Authority continues to fund two bicycle patrol officers within the District.

This division is also responsible for City venues such as the Downtown Stockton Marina; boat launching facilities at Buckley Cove and Louis Park; long term leases with operators at Ladd's and Riverpoint Marinas and the Stockton Sailing Club; and entertainment venues. The boat launching facilities and entertainment venues were moved from the Public Works and Community Services Departments respectively effective July 1, 2015. The Entertainment Venues Fund includes the Stockton Arena, Stockton Ballpark, Oak Park Ice Arena, and the Bob Hope Theater. The centralized management of parking, assets, marina assets, and venues will improve efficiencies in planning, parking, and coordination of the events, as well as improve business and customer services.

Annual tax increment revenues in the Successor Agency Division are beginning to improve with the housing market and the Successor Agency expects sufficient revenues to cover its obligations. However, possible changes in legislation and administrative cost limits make it necessary for the City to continue to support a portion of the administrative and overhead costs of the Successor Agency. The requested subsidy has continued to decline over the years due to the amount of tax increment revenues available to pay obligations. The Successor Agency reports its finances and requests funding from tax increment revenues to pay obligations annually in the required Recognized Obligation Payment Schedule. In addition, all actions of the Successor Agency must be reviewed or approved by the Oversight Board and the State Department of Finance.

**Economic Development Department
General Fund - 010
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Total Economic Development Department				
Employee Services	\$ 471,596	\$ 625,378	\$ 802,299	\$ 871,681
Other Services	297,821	327,128	2,058,293	2,413,150
Materials and Supplies	15,650	8,497	9,800	8,700
Other Expenses	18,316	26,620	33,750	30,103
Total	<u>\$ 803,383</u>	<u>\$ 987,623</u>	<u>\$ 2,904,142</u>	<u>\$ 3,323,634</u>
<hr/>				
Economic Development				
Employee Services	336,748	416,817	527,942	645,363
Other Services	270,208	291,929	1,985,728	2,209,676
Materials and Supplies	2,506	3,809	4,000	4,200
Other Expenses	18,028	23,994	28,500	27,103
Total	<u>627,490</u>	<u>736,549</u>	<u>2,546,170</u>	<u>2,886,342</u>
Asset Management				
Employee Services	134,848	208,561	274,357	226,318
Other Services	27,613	35,199	72,565	203,474
Materials and Supplies	13,144	4,688	5,800	4,500
Other Expenses	288	2,626	5,250	3,000
Total	<u>175,893</u>	<u>251,074</u>	<u>357,972</u>	<u>437,292</u>

**Economic Development Department
Housing Division
FY 2016-17 Adopted Budget**

	Community Development Block Grants 052/054/062	Emergency Solutions Grant 057	HOME 058/059	Special Grant and Loans 053
	<i>See Page I-11</i>	<i>See Page I-13</i>	<i>See Page I-15</i>	<i>See Page I-17</i>
Beginning Available Balance	\$ 996,650	\$ -	\$ -	\$ 1,088,058
Revenues				
Entitlements	4,495,292	291,273	1,408,613	-
Loan Repayments	405,000	-	200,000	-
Other Revenue	-	-	-	-
	4,900,292	291,273	1,608,613	-
Expenditures				
Program Expenses	762,640	281,273	-	-
Operating Expenses	991,174	10,000	249,678	-
Debt Service - Section 108	1,892,299	-	-	-
CHDO Set-aside loan pool	-	-	172,644	-
Economic Development	430,000	-	-	-
Loan programs	824,179	-	1,186,291	-
	4,900,292	291,273	1,608,613	-
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	(1,086,000)
	-	-	-	(1,086,000)
Net Annual Activity	-	-	-	(1,086,000)
Ending Available Balance	\$ 996,650	\$ -	\$ -	\$ 2,058
	-	-	-	-

**Economic Development Department
Housing Division, Continued
2016-17 Adopted Budget**

	CALHOME Loan 060	State Housing Loan 061	Neighborhood Stabilization Program 063/064	Housing Total
	<i>See Page I-19</i>	<i>See Page I-20</i>	<i>See Page I-23</i>	
Beginning Available Balance	\$ 263,066	\$ 13,284	\$ -	\$ 2,361,058
Revenues				
Entitlements	-	-	-	6,195,178
Loan Repayments	38,300	6,000	89,071	738,371
Other Revenue	-	-	-	-
	38,300	6,000	89,071	6,933,549
Expenditures				
Program Expenses	-	-	-	1,043,913
Operating Expenses	-	-	89,071	1,339,923
Debt Service - Section 108	-	-	-	1,892,299
CHDO Set-aside loan pool	-	-	-	172,644
Economic Development	-	-	-	430,000
Loan programs	301,366	-	-	2,311,836
	301,366	-	89,071	7,190,615
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	(1,086,000)
	-	-	-	(1,086,000)
Net Annual Activity	(263,066)	6,000	-	(1,343,066)
Ending Available Balance	\$ -	\$ 19,284	\$ -	\$ 1,017,992
	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS (052, 054, and 062)

History

- The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended.
- The program must primarily benefit low and moderate income persons.
- The primary objectives of the Act is the development of viable communities by providing decent Housing, suitable living environment, and expanded economic opportunities.
- These funds manage the annual federal entitlement grant funds and program income received from housing loan repayments for use on eligible CDBG activities.
- Revolving loan funds are separated for ease of federal financial reporting.
- 20% of annual entitlement plus program income received during the current fiscal year can be used for administrative costs.
- The CDBG budget includes the following components:
 - Program Delivery and Administration – costs attributed to CDBG projects including staff costs, reporting, code enforcement, and project costs.
 - Housing Loan Pool – housing programs for low income households.
 - Sub-Recipient Assistance – funds provided to local non-profit organizations for public services and projects.
 - Debt Service – repayment of two federal Section 108 Loans used to partially fund projects such as Dean DeCarli Waterfront Square, Stockton Arena, Banner Island Ballpark, and Downtown Stockton Marina.
- Elimination of the Redevelopment Agency has resulted in moving eligible staffing costs to CDBG Administration and Program Delivery where appropriate.
- The accounting fund structure was modified to consolidate entitlement and program income funds for better management and reporting of the grant program.
- Unused and uncommitted funds expire at the end of the fiscal year. Remaining funds are reallocated annually as reprogrammed funds.

FY 2015-16 Events

- The annual CDGB entitlement decreased 2% in FY 2015-16 from the prior fiscal year.
- Nine single family rehabilitations were completed or are underway.
- Three Commercial Façade Loans and two Micro-Business Loans were completed.

FY 2016-17 Budget Changes

- The annual CDBG entitlement grant will be reduced 3%. The budget includes current year entitlement plus remaining prior years' grant entitlement funds.

Housing Division
Community Development Block Grants - 052 - 054 - 062
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 1,349,776	\$ 1,353,142	\$ 1,215,967	\$ 996,650
Revenues				
CDBG Entitlement	3,927,050	3,551,352	3,618,197	4,495,292
Interest earned	(4,090)	3,415	-	-
Loan Repayments	374,320	410,836	548,010	405,000
Other Revenue	1,924	4,278	-	-
Reimbursements	-	-	-	-
	<u>4,299,204</u>	<u>3,969,881</u>	<u>4,166,207</u>	<u>4,900,292</u>
Expenditures				
Administration	533,346	682,089	610,830	709,760
Program Delivery	224,819	196,776	196,569	281,414
Debt Service - Section 108	2,182,991	2,159,098	1,860,746	1,892,299
Subrecipient Assistance	600,826	387,258	471,304	523,142
Housing Loan Pool	93,042	201,579	709,327	824,179
Economic Dev Program	339,397	30,372	315,000	430,000
Code Enforcement	321,417	284,436	221,748	239,498
	<u>4,295,838</u>	<u>3,941,608</u>	<u>4,385,524</u>	<u>4,900,292</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	(165,448)	-	-
	<u>-</u>	<u>(165,448)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>3,366</u>	<u>(137,175)</u>	<u>(219,317)</u>	<u>-</u>
Ending Available Balance	\$ 1,353,142	\$ 1,215,967	\$ 996,650	\$ 996,650
Available Balance Calculation				
Current assets		\$ 1,331,335		
Current liabilities		(115,368)		
Ending Available Balance		<u>\$ 1,215,967</u>		

ECONOMIC DEVELOPMENT DEPARTMENT

EMERGENCY SOLUTIONS GRANT (057)

History

- This fund manages the annual federal entitlement for the Emergency Solutions Grant (ESG).
- ESG funds are required to be matched 100% with other funding.
- ESG funds are used to assist homeless shelters and service providers with maintenance and operation expenses, to provide homeless prevention, and to re-house those who have become homeless.
- Requirements for administration of the revised ESG fund were significantly increased, so beginning in FY 2012-13 ESG funds were allocated for administration costs.

FY 2015-16 Events

- The annual entitlement of ESG increased 11% in FY 2015-16 from the prior fiscal year, enabling additional funding for the subrecipients.

FY 2016-17 Budget Changes

- The City will receive a 1% decrease (approximately \$4,000) in the ESG annual entitlement grant.
- ESG funding is fully committed each year to local homeless shelters, homeless service providers and a minor allocation to program administration.

**Housing Division
Emergency Solutions Grant - 057
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 21,098	\$ 21,098	\$ 21,098	\$ -
Revenues				
ESG Entitlement	253,754	255,354	269,909	291,273
HPRP Grant	-	-	-	-
	<u>253,754</u>	<u>255,354</u>	<u>269,909</u>	<u>291,273</u>
Expenditures				
ESG Community Program Services	244,310	249,278	282,207	281,273
HPRP Employee Services	-	-	-	-
HPRP Community Program Services	-	-	-	-
Administration	9,444	6,076	8,800	10,000
	<u>253,754</u>	<u>255,354</u>	<u>291,007</u>	<u>291,273</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>-</u>	<u>-</u>	<u>(21,098)</u>	<u>-</u>
Ending Available Balance	\$ 21,098	\$ 21,098	\$ -	\$ -
Available Balance Calculation				
Cash		\$ 43,908		
Accounts payable		(22,810)		
Encumbrances		-		
ESG commitments		-		
Due from HUD - ESG		-		
Ending Available Balance		<u>\$ 21,098</u>		

ECONOMIC DEVELOPMENT DEPARTMENT

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUND (058 and 059)

History

- The HOME program was created by the National Housing Act of 1990, as amended. The objectives of the HOME Program are to provide decent affordable housing to lower-income households; strengthen the ability of state and local governments to provide housing; and leverage private-sector participation.
- These funds manage the annual federal entitlement grant funds and program income received from housing loan repayments for use on eligible HOME activities.
- Elimination of the Redevelopment Agency has resulted in moving eligible staffing costs to HOME Administration and Program Delivery where appropriate.
- The HOME budget includes the following components:
 - Program Delivery and Administration - Includes the general costs associated with the administration and oversight of the HOME Program. 10% of its annual entitlement plus program income received can be used toward administrative costs.
 - Community Housing Development Organization (CHDO) Set-Aside – HUD regulations require that 15% of the City's HOME allocation be reserved for CHDO, which are community based organizations that develop affordable housing.
 - Housing Loan Fund – housing programs for low income households including single-family rehabilitation, down payment assistance, and multi-family residential projects.

FY 2015-16 Events

- The annual entitlement of HOME funds decreased 7% in FY 2015-16 from the prior fiscal year.
- HOME funds were loaned to the Cal Weber 40 project which will provide 39 units for low income households, along with space for small businesses in downtown Stockton upon completion.

FY 2016-17 Budget Changes

- The HOME entitlement grant will be reduced 5% in FY 2016-17, which will impact the amount of funding available for affordable housing projects. The budget includes current year entitlement plus remaining prior years' grant entitlement funds.
- Construction of projects awarded through the NOFA process is expected to begin in FY 2015-16 and FY 2016-17.
 - The Department will issue another Notice of Funding Availability during FY 2016-17.

**Housing Division
HOME - 058/059
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 337,610	\$ -	\$ 311,809	\$ -
Revenues				
HOME Entitlement	1,937,566	2,575,129	661,023	1,408,613
HOME Program Income	250,855	192,325	295,000	200,000
Interest	1,684	882	-	-
	<u>2,190,105</u>	<u>2,768,336</u>	<u>956,023</u>	<u>1,608,613</u>
Expenditures				
Administration	81,064	92,061	78,164	135,096
CHDO Set-aside loan pool	767,165	27,728	9,847	172,644
Housing Loan Programs	1,628,690	2,275,733	1,060,599	1,186,291
Program Delivery	50,796	61,005	119,222	114,582
Loan Forgiveness	-	-	-	-
	<u>2,527,715</u>	<u>2,456,527</u>	<u>1,267,832</u>	<u>1,608,613</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(337,610)</u>	<u>311,809</u>	<u>(311,809)</u>	<u>-</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ 311,809</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Current assets		\$ 330,730		
Current liabilities		(18,921)		
Encumbrances		-		
Due from HUD		-		
Ending Available Balance		<u>\$ 311,809</u>		

ECONOMIC DEVELOPMENT DEPARTMENT

SPECIAL PURPOSE CDBG FUND (053)

History

- This fund was established to manage one-time Community Development Block Grant (CDBG) special purpose grants and loans.
- Federal HUD entitlements such as Economic Development Initiative, Brownfields Economic Development Initiative and CDBG-R have moved through this fund.

FY 2015-16 Events

- No activity is anticipated in this fund.

FY 2016-17 Budget Changes

- No additional funding is expected.
- Transfers out includes an estimate for \$1.1 million for the receipt of Brownfields Economic Development grant funds. The Redevelopment West End Fund paid for project costs that were to be reimbursed by the grant prior to Redevelopment Agency dissolution. At the time of dissolution, the General Fund covered the cash deficit for Redevelopment West End Fund. As a result, the grant funds received are owed to the General Fund.

Housing Division
Special Purpose CDBG Loan Programs - 053
FY 2016-17 Adopted Budget

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted</u>
				<u>Budget</u>
Beginning Available Balance	\$ 2,606,214	\$ 2,606,046	\$ (124,748)	\$ 1,088,058
Prior Year Correction				
Actual Available Balance				
Revenues				
EDI Grant Funds	-	-	-	-
BEDI Grant Funds	-	-	1,212,806	-
CDBG-R Grant 2009-10	-	-	-	-
Interest Earnings	(168)	669	-	-
	<u>(168)</u>	<u>669</u>	<u>1,212,806</u>	<u>-</u>
Expenditures				
CDBG-R Expenditures	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	(1,086,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,086,000)</u>
Net Annual Activity	<u>(168)</u>	<u>669</u>	<u>1,212,806</u>	<u>(1,086,000)</u>
Ending Available Balance	<u>\$ 2,606,046</u>	<u>\$ 2,606,715</u>	<u>\$ 1,088,058</u>	<u>\$ 2,058</u>
Available Balance Calculation				
Current Assets		\$ 2,606,715		
BEDI Accounts Receivable		(1,212,806)		
Section 108 Debt Reserve		(1,518,657)		
Ending Available Balance		<u>\$ (124,748)</u>		

ECONOMIC DEVELOPMENT DEPARTMENT

STATE OF CALIFORNIA FUNDING CAL HOME (060) / HELP (061)

History

- State HELP funding was received in prior fiscal years in amounts totaling \$1.1 million.
- HELP funds have been fully expended and the debt to the State of California was paid in full in FY 2010-11.
- State CalHOME funding was received in prior fiscal years in amounts totaling \$1.5 million.
- CalHOME funding is used for single-family rehabilitation and down payment assistance to benefit low and moderate income persons and families.
- Program income from housing loan repayments under both HELP and CalHOME has been recycled back into additional low and mod income housing loans.
- \$431,000 in accumulated program income in the HELP fund was used in conjunction with HOME funding as down payment assistance for the acquisition of the Cal Weber 40 housing project.

FY 2015-16 Events

- All CalHOME grant funds have been committed and should be fully expended during FY 2015-16.
- CalHOME funding was used for three down payment assistance loans and one rehabilitation loan from the remaining grant funds.
- One down payment assistance loan and two rehabilitation loans have been funded from CalHOME program income during FY 2015-16.

FY 2016-17 Budget Changes

- CalHOME still has sufficient program income available to commit to new down payment assistance and rehabilitation loans.
- There are not sufficient HELP funds to appropriate to an eligible housing project in FY 2016-17.

**Housing Division
CALHOME Loan - 060
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 25,164	\$ 118,131	\$ 203,084	\$ 263,066
Revenues				
CalHome Loan Program 2009	59,583	97,645	290,666	-
Loan Repayments	115,192	107,759	49,380	38,300
Misc. Other Revenues	3,202	1,365	700	-
Interest Earnings	795	2,311	1,298	-
	<u>178,772</u>	<u>209,080</u>	<u>342,044</u>	<u>38,300</u>
Expenditures				
Loans to Property Owners	85,805	124,127	282,062	301,366
	<u>85,805</u>	<u>124,127</u>	<u>282,062</u>	<u>301,366</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>92,967</u>	<u>84,953</u>	<u>59,982</u>	<u>(263,066)</u>
Ending Available Balance	\$ 118,131	\$ 203,084	\$ 263,066	\$ -
Available Balance Calculation				
Current Assets		\$ 221,336		
Accounts Payable		<u>(18,252)</u>		
Ending Available Balance		<u>\$ 203,084</u>		

**Housing Division
State Housing Loan (HELP) - 061
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 416,410	\$ 427,964	\$ 7,162	\$ 13,284
Revenues				
Loan Repayments	7,517	7,083	6,110	6,000
Interest	4,037	3,115	12	-
	<u>11,554</u>	<u>10,198</u>	<u>6,122</u>	<u>6,000</u>
Expenditures				
Loans to Property Owners	-	431,000	-	-
	<u>-</u>	<u>431,000</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>11,554</u>	<u>(420,802)</u>	<u>6,122</u>	<u>6,000</u>
Ending Available Balance	<u>\$ 427,964</u>	<u>\$ 7,162</u>	<u>\$ 13,284</u>	<u>\$ 19,284</u>
Available Balance Calculation				
Cash		\$ 7,162		
Accounts Receivable		-		
Ending Available Balance		<u>\$ 7,162</u>		



ECONOMIC DEVELOPMENT DEPARTMENT

NEIGHBORHOOD STABILIZATION GRANT (063 and 064)

History

- Neighborhood Stabilization Program Grant (NSP) funding was awarded in 2009 in the amount of \$12.1 million.
- NSP third round funding was awarded in 2011 in the amount of \$4.2 million.
- NSP funds are used to acquire foreclosed homes, rehabilitate them, and sell them to qualified low and moderate income buyers.
- A portion of the funding is required to be used to acquire foreclosed apartments, rehabilitate them, and rent to households with incomes below 50% of Area Median Income.
- Program income received from the sale of those homes is recycled back into additional loans.
- 10% of the grant award plus program income is allowed for administrative costs.
- Two rehabilitated apartment complexes have been completed and are providing 36 units for low income households. The projects utilized HOME, NSP 1, and NSP 3 funds.
- A total of 107 foreclosed homes have been acquired for rehabilitation and resale to low and moderate income households with funding from NSP 1 and NSP 3.

FY 2015-16 Events

- Of the 107 homes acquired, all have been rehabilitated and sold to qualified home buyers
- Bradford Apartments has been completed and is providing 30 units for low income households.
- Coventry Apartments was acquired with NSP 1 and NSP 3 funding, and will provide 44 units for low income households when completed in FY 2015-16.
- El Monte Apartments was acquired with NSP 3 funding, and rehabilitation is currently underway. It will provide 11 units for low income households upon completion.
- Remaining NSP 1 and NSP 3 funding is expected to be committed to rehabilitating Hunter Street Apartments. When completed, it is expected provide 72 units for low income households.

FY 2016-17 Budget Changes

- Program income generated from NSP 1 and NSP 3 continue to be used for qualified activities. No additional grant funds are expected for this program.
- NSP 1 and NSP 3 funding will be fully expended when the multi-family projects are completed.

**Housing Division
Neighborhood Stabilization Program - 063
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 2,618,984	\$ 557,580	\$ 92,463	\$ -
Revenues				
NSP Entitlement	-	755,918	565,391	-
Interest Earned	13,762	144	-	-
Loan Repayments	472,728	806,620	64,873	62,901
	<u>486,490</u>	<u>1,562,682</u>	<u>630,264</u>	<u>62,901</u>
Expenditures				
Administration	237,101	96,338	64,169	23,171
Program Delivery	5,135	38,469	4,203	39,730
Program Loans	2,305,658	1,892,992	654,355	-
	<u>2,547,894</u>	<u>2,027,799</u>	<u>722,727</u>	<u>62,901</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(2,061,404)</u>	<u>(465,117)</u>	<u>(92,463)</u>	<u>-</u>
Ending Available Balance	\$ 557,580	\$ 92,463	\$ -	\$ -
Available Balance Calculation				
Cash		\$ 124,927		
Accounts Payable		(32,464)		
Encumbrances		-		
Loan commitments		-		
Due from HUD		-		
Ending Available Balance		<u>\$ 92,463</u>		

Housing Division
Neighborhood Stabilization Program #3 - 064
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 577,264	\$ (2,368)	\$ 480,598	\$ -
Revenues				
NSP Entitlement	235,319	73,124	203,375	-
Loan Repayments	1,795,414	798,538	198,933	26,170
	<u>2,030,733</u>	<u>871,662</u>	<u>402,308</u>	<u>26,170</u>
Expenditures				
Administration	69,839	101,262	97,079	19,170
Program Delivery	3,671	1,645	6,000	7,000
Program Loans	2,536,855	285,789	779,827	-
	<u>2,610,365</u>	<u>388,696</u>	<u>882,906</u>	<u>26,170</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(579,632)</u>	<u>482,966</u>	<u>(480,598)</u>	<u>-</u>
Ending Available Balance	\$ (2,368)	\$ 480,598	\$ -	\$ -
Available Balance Calculation				
Cash		\$ 499,058		
Accounts Payable		(18,460)		
Encumbrances		-		
Loan commitments		-		
Due from HUD		-		
Ending Available Balance		<u>\$ 480,598</u>		



**Economic Development Department
Parking and Venues
FY 2016-17 Adopted Budget**

	Boat Launching 045	Tourism and Business Improvement 073	City Administration Building 085	Entertainment Venues 086
	<i>See Page I-29</i>	<i>See Page I-30</i>	<i>See Page I-33</i>	<i>See Page I-36</i>
Beginning Available Balance	\$ 573,962	\$ -	\$ -	\$ 279,235
Revenues				
Taxes/Assessments	-	1,290,000	-	-
Fees	151,500	-	-	-
Fines & Forfeitures	-	-	-	-
Rent	-	-	-	-
Other Revenue	4,431	-	-	4,465,889
	155,931	1,290,000	-	4,465,889
Expenditures				
Operating Expenses	158,789	1,290,000	-	7,477,926
Debt Service	-	-	-	-
Capital Improvement	-	-	-	400,000
	158,789	1,290,000	-	7,877,926
Transfers				
Transfer In - General Fund	-	-	-	3,445,000
Transfer Out	-	-	-	-
	-	-	-	3,445,000
Net Annual Activity	(2,858)	-	-	32,963
Ending Available Balance	\$ 571,104	\$ -	\$ -	\$ 312,198

**Economic Development Department
Parking and Venues, Continued
FY 2016-17 Adopted Budget**

	Parking Authority 418/419	Marina 460	Parking and Venues Total
	<i>See Page I-39</i>	<i>See Page I-43</i>	
Beginning Available Balance	\$ 1,953,779	\$ 293,867	\$ 3,100,843
Revenues			
Taxes/Assessments	1,200,000	-	2,490,000
Fees	4,300,965	203,654	4,656,119
Fines & Forfeitures	639,000	-	639,000
Rent	-	-	-
Other Revenue	111,097	2,000	4,583,417
	6,251,062	205,654	12,368,536
Expenditures			
Operating Expenses	4,599,797	428,437	13,954,949
Debt Service	1,416,606	-	1,416,606
Capital Improvement	150,000	-	550,000
	6,166,403	428,437	15,921,555
Transfers			
Transfer In - General Fund	-	170,000	3,615,000
Transfer Out	(910,094)	-	(910,094)
	(910,094)	170,000	2,704,906
Net Annual Activity	(825,435)	(52,783)	(848,113)
Ending Available Balance	\$ 1,128,344	\$ 241,084	\$ 2,252,730

ECONOMIC DEVELOPMENT DEPARTMENT

BOAT LAUNCHING FACILITIES FUND (045)

History

- The City maintains boat launching facilities at Louis Park and Buckley Cove. A third boat launching facility, Morelli Park, can be found in the Downtown Stockton Marina Fund; this facility is operated by a third party.
- The Boat Launching Facilities Fund receives funding from launching fees collected from vehicles that launch boats at Buckley Cove.
- Expenditures from the fund are used to provide dock and landscape maintenance at Louis Park and Buckley Cove and to cover security services, as needed.
- When sufficiently accumulated, the fund balance will be utilized for dock infrastructure improvements, traffic control devices, and parking lot maintenance.

FY 2015-16 Events

- Management of the Boat Launch Facilities was moved from Public Works to the Economic Development Department beginning in FY 2015-16.
- The Boat Launch Facilities is under the Parking and Venues Division which will oversee all marinas and boat launching facilities.
- The move will allow staff to coordinate, plan, and operate the facilities more efficiently.

FY 2016-17 Budget Changes

- One-time funding has been included to automate entry into the Buckley Cove Boat Launch area.
- Additional funding is included in FY 2016-17 to complete an assessment of the boat launch facilities including the docks at both Buckley Cove and Luis Park. Additional funding for repairs and improvements will be addressed pending the findings of the assessment.

**Parking and Venues
Boat Launching Facilities - 045
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ 354,873	\$ 404,447	\$ 494,545	\$ 573,962
Revenues				
Boat Launching Fees	156,913	169,823	151,500	151,500
Interest	3,678	3,861	1,000	1,000
Other Reimbursements	3,253	3,431	3,431	3,431
	<u>163,844</u>	<u>177,115</u>	<u>155,931</u>	<u>155,931</u>
Expenditures				
Salaries & Benefits	6,961	1,178	2,025	10,000
Utilities	11,952	9,594	9,000	9,000
Construction	-	-	-	40,000
Maintenance & Repair	16,707	-	5,000	10,000
Professional Services	-	-	-	25,000
Security Contractor	62,944	67,384	50,000	40,000
Materials & Supplies	4,526	258	500	10,000
Indirect Costs	8,289	8,338	8,289	8,289
Other Expenses	2,891	265	1,700	6,500
	<u>114,270</u>	<u>87,017</u>	<u>76,514</u>	<u>158,789</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>49,574</u>	<u>90,098</u>	<u>79,417</u>	<u>(2,858)</u>
Ending Available Balance	\$ 404,447	\$ 494,545	\$ 573,962	\$ 571,104
Available Balance Calculation				
Cash		\$ 509,236		
Accounts Payable		(14,691)		
Ending Available Balance		<u>\$ 494,545</u>		

Parking and Venues
Tourism and Business Improvement Fund - 073
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 112,075	\$ 97,910	\$ 442,972	\$ -
Revenues				
Taxes/Assessments	-	-	-	-
Tourism Business Improvement	1,024,598	1,141,652	1,250,000	1,290,000
Interest/Other	1,441	1,593	-	-
	<u>1,026,039</u>	<u>1,143,245</u>	<u>1,250,000</u>	<u>1,290,000</u>
Expenditures				
Pass-Thru	-	-	-	-
TBID - Convention & Visitors	1,009,719	774,238	1,642,183	1,251,300
Administration	30,485	23,945	50,789	38,700
	<u>1,040,204</u>	<u>798,183</u>	<u>1,692,972</u>	<u>1,290,000</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(14,165)</u>	<u>345,062</u>	<u>(442,972)</u>	<u>-</u>
Ending Available Balance	\$ 97,910	\$ 442,972	\$ -	\$ -
Available Balance Calculation				
Cash		\$ 442,972		
Accounts Payable		-		
Ending Available Balance		<u>\$ 442,972</u>		



ECONOMIC DEVELOPMENT DEPARTMENT

CITY ADMINISTRATION BUILDING FUND (085)

History

- This fund was established to operate and maintain the City office building located at 400 East Main Street.
- On April 26, 2012, the City failed to make a lease payment and the Trustee assumed building control on behalf of Assured Guaranty Trust on June 1, 2012.
- At that point all building revenues and expenses became the property and responsibility of Assured Guaranty.
- This fund was closed out in FY 2014-15.

FY 2015-16 Events

- There was no activity in this fund.

FY 2016-17 Budget Changes

- There is no activity in this fund.

Parking and Venues
City Administration Building - 085
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 124,341	\$ 84,778	\$ -	\$ -
Revenues				
Outside Agency Rent	-	-	-	-
Misc. Other Revenues	(282)	-	-	-
Interest Earned	250	333	-	-
	<u>(32)</u>	<u>333</u>	<u>-</u>	<u>-</u>
Expenditures				
Administration & Overhead	39,531	65,233	-	-
Capital Improvements	-	-	-	-
	<u>39,531</u>	<u>65,233</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer Out - General Fund	-	(19,878)	-	-
Transfer Out - Debt Service	-	-	-	-
	<u>-</u>	<u>(19,878)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(39,563)	(84,778)	-	-
Ending Available Balance	\$ 84,778	\$ -	\$ -	\$ -
Available Balance Calculation				
Cash		\$ -		
Cash with Property Manager Acct		-		
Other Current Assets		-		
Accounts Payable		-		
Ending Available Balance		<u>\$ -</u>		

ECONOMIC DEVELOPMENT DEPARTMENT

ENTERTAINMENT VENUES FUND (086)

History

- The City owns four specialty sports and entertainment venues; the 12,000 seat Stockton Arena, the 5,000 seat Stockton Banner Island Ballpark, the 2,042 seat Bob Hope Theater, and the Oak Park Ice Rink.
- These venues are privately managed by SMG, a worldwide entertainment and convention venue management corporation, pursuant to a contract approved by Council in 2011.
- SMG develops an annual operating budget and capital repair and improvement plan budget as part of its Annual Business Plan, which is submitted to the City each year. The Entertainment Venues Fund budget represents the SMG operating fund, direct City expenditures, and an allocation for capital repairs and improvements.

FY 2015-16 Events

- Management of the Entertainment Venues was moved from Community Services to the Economic Development Department beginning in FY 2015-16. The Venues are under the Parking and Venues Division which also oversees the Downtown Stockton Marina and boat launching facilities. The move allows staff to coordinate, plan, and operate the facilities more efficiently.
- The City of Stockton Entertainment Venue Fund has received a General Fund subsidy for a number of years. The FY 2015-16 subsidy of approximately \$3.4 million included planned capital projects.
- The venues operating costs are anticipated to be within FY 2015-16 budget appropriation. While events are up, overall attendance is lower than anticipated due largely in part to lower attendance during home hockey games.
- SMG estimates over 300,000 people will have attended 175 events at the Bob Hope Theatre and Stockton Arena. Of Note, the Arena hosted both the Arena Football Divisional Playoff game and Championship, Arena Bowl; in addition to eight nearly sold out performances of Disney's Frozen. Attendees as well as show personnel provide direct and indirect benefits to the community through increased economic activity, hotel stays, and local tax revenue generation.
- After ten years of Stockton Thunder Hockey, the National Hockey League (NHL) Calgary Flames purchased the team and brought its American Hockey League (AHL) affiliate, now Stockton Heat, to town. This change brings hockey talent that is only a step below NHL or under NHL contract to Stockton.
- The ballpark saw a 66% increase in revenue in FY 2014-15 due to the contractual change through the bankruptcy proceedings which affected the Ports rental payments. In FY 2015-16, it is anticipated that there will be a 38% increase due to the booking of events beyond the Ports baseball season, such as a Prima Division Soccer match and a car show.
- SMG continues to partner with local non-profit agencies to staff some of the arena beverage concession stands which in turn provides the agencies with a portion of sales. This arrangement is estimated to provide more than \$30,000 in donations to non-profits during the fiscal year. SMG continues to be a community partner by employing 550 people from the region with over 90% of the employees residing in Stockton.

ECONOMIC DEVELOPMENT DEPARTMENT

ENTERTAINMENT VENUES FUND (086) (Cont.)

- The installation of the new Point of Sale equipment that was installed throughout the SMG managed facilities has resulted in a 57% increase in sales at the Oak Park Ice Rink. This new technology has given parents a new option of allowing gift cards to be used by their children as currency while attending classes and practices.

FY 2016-17 Budget Changes

- The City of Stockton Entertainment Venue Fund has received a General Fund subsidy for a number of years. The FY 2016-17 subsidy of approximately \$3.4 million will remain flat to the previous year's allocation and includes planned capital projects.
- The venues operating budgets includes a projected 8% increase in revenues, based on current increasing trends in event bookings, attendance at the Arena and Bob Hope Theater, and increases in sponsorship dollars. Oak Park Ice Rink is also anticipated to have an increase in revenue due to increasing demand for ice time and concession sales. Expenditures are anticipated to increase overall by 6%, largely due to the state mandatory minimum wage increase, projected increase in utilities, and continuing building/systems preventative maintenance and repairs.
- SMG estimates over 340,000 people will attend 162 events at the Bob Hope Theatre and Stockton Arena. New for FY 2016-17 will be Division One College Basketball, as the Stockton Arena hosts the NCAA Women's Basketball Regional games (Sweet Sixteen and Elite Eight).
- Given the substantial increases in revenues over the last two years at the ballpark, SMG continues to actively seek additional events and thus strives to continue the improved performance.
- Stockton Arena will welcome the 2017 Pan Pacific Baton Twirling Tournament, which is a week-long international sporting event with up to 1,000 participants and spectators per day, totaling up to 6,000 in attendance. Attendance from such events will provide international exposure to the area, who will provide direct and indirect benefits to the community through increased economic activity, hotel stays and local tax proceeds.
- Several new events will also be introduced in FY 2016-17 with the addition of a Beer Festival, and two unique events scheduled to be unveiled in early Fall. SMG will continue to partner with local promoters to grow the above events and others in a similar fashion to the Stockton Con event which has blossomed from a one to two day event with over 12,000 attendees.

**Parking and Venues
Entertainment Venues - 086
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ (537,157)	\$ (537,338)	\$ 141,357	\$ 279,235
Revenues				
Operations:				
Stockton Arena	2,188,238	2,502,451	2,645,742	2,876,519
Bob Hope Theatre	482,679	492,325	552,044	618,418
Oak Park Ice Arena	437,022	403,784	430,779	479,500
Ballpark	194,016	323,038	446,868	443,452
Other Revenue	185,410	45,754	48,000	48,000
	<u>3,487,365</u>	<u>3,767,352</u>	<u>4,123,433</u>	<u>4,465,889</u>
Expenditures				
Operations:				
Stockton Arena	4,069,684	4,258,968	4,610,132	4,675,183
Bob Hope Theatre	898,432	790,017	897,389	977,708
Oak Park Ice Arena	603,169	616,911	705,532	770,674
Ballpark	633,120	744,955	756,254	852,964
Administration	203,235	174,266	158,348	201,397
Facility Maint. & Equipment	-	189,809	302,900	400,000
	<u>6,407,640</u>	<u>6,774,926</u>	<u>7,430,555</u>	<u>7,877,926</u>
Transfers				
Transfer In - General Fund	2,920,094	3,100,000	3,445,000	3,445,000
Transfer In - Other	-	-	-	-
Transfer Out	-	-	-	-
	<u>2,920,094</u>	<u>3,100,000</u>	<u>3,445,000</u>	<u>3,445,000</u>
Net Annual Activity	<u>(181)</u>	<u>92,426</u>	<u>137,878</u>	<u>32,963</u>
Ending Available Balance	<u>\$ (537,338)</u>	<u>\$ (444,912)</u>	<u>\$ 279,235</u>	<u>\$ 312,198</u>
Available Balance Calculation				
Current Assets		\$ 1,370,881		
Current Liabilities		(1,229,524)		
Encumbrances		-		
Ending Available Balance		<u>\$ 141,357</u>		



ECONOMIC DEVELOPMENT DEPARTMENT

PARKING AUTHORITY FUND (418 and 419)

History

- This fund maintained and operated the downtown parking garages, parking lots, and parking meters. Prior to 2015 all downtown event parking was provided through the Central Parking Division.
- In FY 2011-12, just prior to filing for bankruptcy, the City defaulted on the parking garage bond debt service. Possession of the Market Street, Coy, and Arena garages by Wells Fargo, Indenture Trustee on behalf of National Public Finance Guaranty took place at the end of FY 2011-12. The City entered into negotiations with the creditor to settle the debt.
- In FY 2013-14, accordance with the settlement agreement, the City Council established a Parking Authority to oversee the City's parking programs within the Downtown Parking District (DPD).
- In FY 2014-15, the Parking Authority approved an agreement with SP Plus Corporation (SP+) to operate and manage the parking facilities within the DPD.

FY 2015-16 Events

- Major maintenance of lots and garages has been deferred for several years. SP+ assessed the facilities and equipment and made recommendations for equipment upgrades.
- Automation of certain parking lots will be completed in FY 2015-16.
- A City of Stockton Parking Master Plan work group began meeting to assess needs and recommend improvements including appropriate parking programs, automation and technology upgrades, and improved way-finding and signage. The work group is working on a mission statement, and identifying strategic principles and key performance indicators.
- SP+ is currently overseeing a pilot project of installing LED solar powered lights in one of the smaller lots to see if the application may be a good alternative to traditional electrical lighting that continues to be vandalized. If the project is a successful alternative, further installation is anticipated.

FY 2016-17 Budget Changes

- During FY 2016-17 staff will present the work group's recommendations for automation of the remaining surface lots, garages, and or on street parking.
- Expenses for FY 2016-17 are budgeted to increase by 4%, based largely on the continuing need to catch up on preventative maintenance and improvement and to address safety concerns, predominately in the surface lots.
- Capital funding was allocated in FY 2014-15 and again in FY 2015-16 in order to address major concerns such as automation needs, revenue control system replacement, facility assessment and maintenance, and signage, branding and wayfinding improvements. Use of the majority of the funding will come in FY 2016-17 as the above projects are completed.

**Parking and Venues
Parking Authority - 418/419
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance (a)	\$ -	\$ 707,462	\$ 751,338	\$ 1,953,779
Revenues				
Interest	-	20,866	-	-
Assessments	-	811,807	1,200,000	1,200,000
Monthly Parking	-	1,270,212	2,413,927	2,453,000
Hourly Parking	-	647,474	911,395	917,965
Parking Meters	-	324,710	513,222	540,000
Events	-	231,031	389,800	390,000
Parking Citations	-	-	554,500	639,000
Other	-	219,945	108,320	111,097
	<u>-</u>	<u>3,526,045</u>	<u>6,091,164</u>	<u>6,251,062</u>
Expenditures				
Parking District	-	663,299	1,696,418	1,778,980
Management Fee	-	49,581	168,950	176,150
Enforcement	-	6,860	566,799	513,862
Professional Services (Bike Officers)	-	125,272	251,218	257,070
Other Services	-	22,301	10,000	15,000
Administration	-	410,089	308,859	429,440
Taxes, Indirect & Legal	-	379,755	361,380	279,295
Debt Service and Administration	-	2,405,353	1,416,605	1,416,606
Parking Improvements	-	-	200,000	1,150,000
Capital Improvement	-	-	-	150,000
	<u>-</u>	<u>4,062,510</u>	<u>4,980,229</u>	<u>6,166,403</u>
Transfers				
Transfer In - GF/Bankruptcy Fund	-	1,513,115	1,000,000	-
Transfer Out - SEB Debt	-	(932,774)	(908,494)	(910,094)
	<u>-</u>	<u>580,341</u>	<u>91,506</u>	<u>(910,094)</u>
Net Annual Activity	<u>-</u>	<u>43,876</u>	<u>1,202,441</u>	<u>(825,435)</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ 751,338</u>	<u>\$ 1,953,779</u>	<u>\$ 1,128,344</u>
Available Balance Calculation				
Cash		\$ 1,638,644		
Accounts receivable		-		
Accounts Payable		(887,306)		
Capital Projects		-		
Ending Available Balance		<u>\$ 751,338</u>		

(a) Beginning balance from close out of Central Parking District 416/417 fund.

**Parking and Venues
Central Parking - 416/417
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 1,781,332	\$ 1,867,352	\$ -	\$ -
Revenues				
Interest Earned	34	6	-	-
Assessments	1,166,759	161,827	-	-
Monthly Parking	1,196,056	619,142	-	-
Hourly Parking	613,929	320,491	-	-
Parking Meters	653,285	297,281	-	-
Events	280,452	116,300	-	-
Other agencies	88,610	65,385	-	-
Validations / Lot Envelopes	16,379	7,497	-	-
Other	2,106,525	67,781	-	-
	<u>6,122,029</u>	<u>1,655,710</u>	<u>-</u>	<u>-</u>
Expenditures				
Administration & Overhead	1,424,027	540,278	-	-
Utilities	137,375	55,777	-	-
Rentals	322,978	117,569	-	-
Maintenance	74,832	45,598	-	-
Materials & Supplies	46,664	25,401	-	-
Taxes/Indirect costs	278,728	94,951	-	-
Other services	468,332	174,366	-	-
Compensated Absences	5,190	-	-	-
Debt Service - Principal & Interest	1,994,716	271,264	-	-
	<u>4,752,842</u>	<u>1,325,204</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out - Parking Authority	-	(1,521,465)	-	-
Transfer Out - General Fund	(908,167)	(676,393)	-	-
Transfer Out - Air Quality PFF 990	(250,000)	-	-	-
Transfer Out - Insurance 541	(125,000)	-	-	-
	<u>(1,283,167)</u>	<u>(2,197,858)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>86,020</u>	<u>(1,867,352)</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ 1,867,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Current Assets		\$ -		
Liabilities		-		
Capital Projects		-		
Encumbrances		-		
Ending Available Balance		<u><u>\$ -</u></u>		



ECONOMIC DEVELOPMENT DEPARTMENT

DOWNTOWN MARINA COMPLEX FUND (460)

History

- This fund operates, maintains, and services the debt for the Downtown Marina.
- The Marina has been in operation for nearly six years providing permanent slips and short term berthing as well as management of the Morelli boat ramp.
- The City defaulted on the Department of Boating and Waterways Marina Construction Loan as part of the bankruptcy. The City came to an agreement with DBAW to allow the City to continue operating the Marina.
- The Downtown Marina continues to require a subsidy from the General Fund.
- The marina operator took over maintenance of Morelli Park.

FY 2015-16 Events

- Marina staff increased marketing efforts in order to increase both events and slip rental.
- Operating revenue did not cover all expenses. A General Fund subsidy of \$215,000 was needed.
- Overall business is down slightly as the homeless encampments that are near the Downtown Marina have raised the concern of customers, both current and potential. Expenses for FY 201516 will be slightly under budget as cuts have been made when possible due to concerns for slowing revenues. Security and repair continue to be leading expenses as the operator responds to client needs and ramifications of vandalism. Specifically, the lighting on the south promenade has been stripped leaving the lighting less than adequate after dark.
- The Marina operator, Westrec, was successful in bringing a local promoter to the amphitheater on the waterfront who presented a successful series of jazz performances, exposing people to the amenities of the downtown marina.

FY 2016-17 Budget Changes

- Revenue projections are down from the prior year due to the loss of monthly customers. The General Fund subsidy is the same as the prior fiscal year.
- Budgeted expenses are approximately \$15,000 more than the prior year projected expenses to fund additional gate and dock repairs.
- Westrec is working with the downtown arena on hosting at least one marina related event such as a boat show to show case the downtown marina amenities of Stockton in addition to a couple other marina-oriented events.

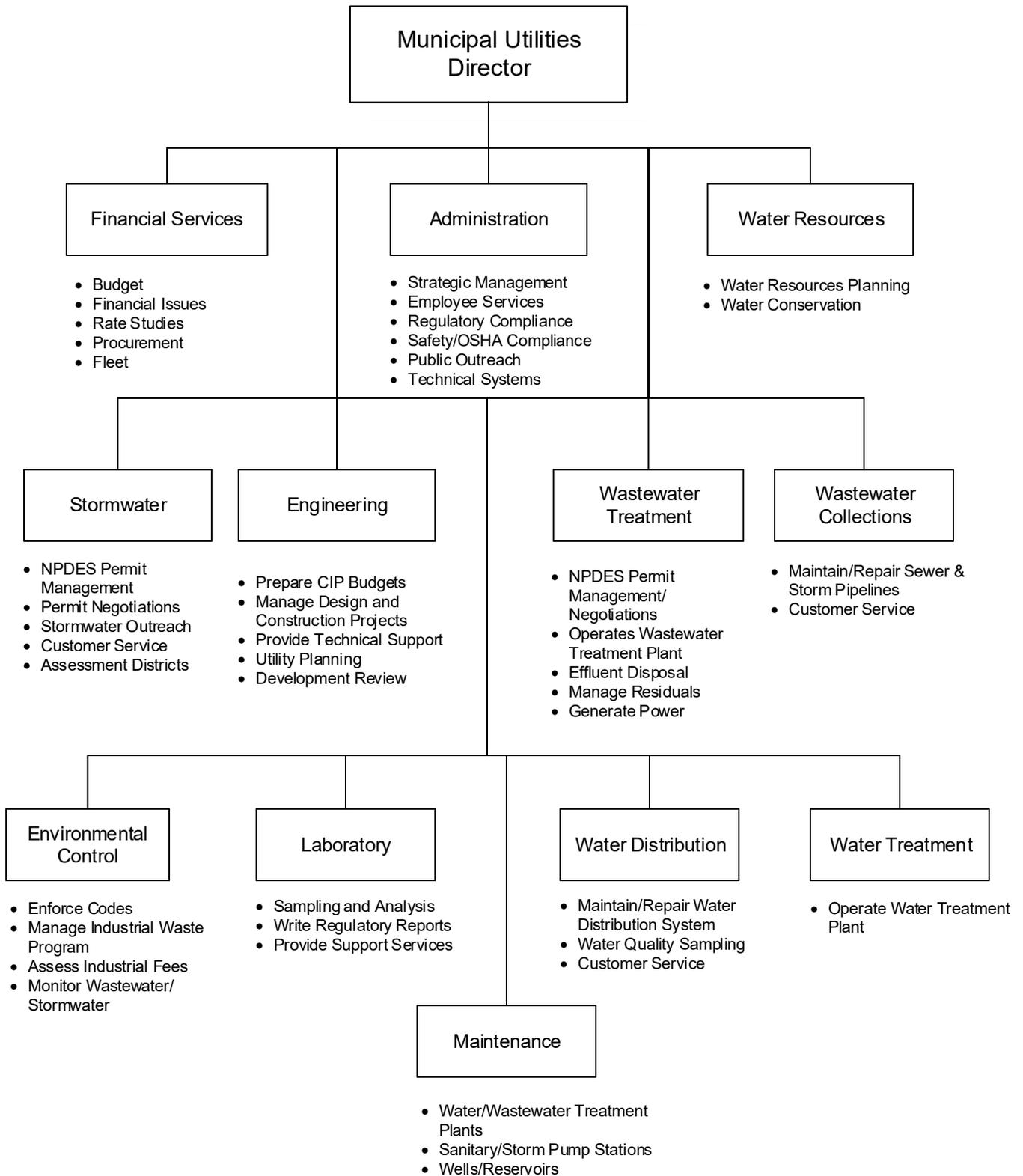
**Parking and Venues
Downtown Marina Complex - 460
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 169,327	\$ 136,901	\$ 223,491	\$ 293,867
Revenues				
User Services	194,463	237,885	228,868	203,654
Interest Earned	1,497	1,546	2,000	2,000
	<u>195,960</u>	<u>239,431</u>	<u>230,868</u>	<u>205,654</u>
Expenditures				
Administration and Overhead	2,736	3,638	6,515	10,000
Utilities	55,892	48,323	50,026	47,298
Lease Expense	22,391	22,741	23,223	23,790
Publicity & Advertising	-	-	-	-
Repairs and Maintenance	37,461	52,076	59,578	102,884
Management Contract	237,787	225,258	236,150	244,465
Legal Services/Bankruptcy	32,119	15,805	-	-
	<u>388,386</u>	<u>367,841</u>	<u>375,492</u>	<u>428,437</u>
Transfers				
Transfer In - General Fund	160,000	215,000	215,000	170,000
Transfer Out	-	-	-	-
	<u>160,000</u>	<u>215,000</u>	<u>215,000</u>	<u>170,000</u>
Net Annual Activity	<u>(32,426)</u>	<u>86,590</u>	<u>70,376</u>	<u>(52,783)</u>
Ending Available Balance	<u>\$ 136,901</u>	<u>\$ 223,491</u>	<u>\$ 293,867</u>	<u>\$ 241,084</u>
Available Balance Calculation				
Current Assets		\$ 277,104		
Current Liabilities		(53,613)		
Encumbrances		-		
Ending Available Balance		<u>\$ 223,491</u>		

**Economic Development Department
Low & Moderate Income Housing - 329
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 53,803	\$ 135,476	\$ 2,991,140	\$ 2,894,805
Revenues				
Interest Earned	67,781	18,803	61,633	60,000
Other	13,892	-	1,000	-
	<u>81,673</u>	<u>18,803</u>	<u>62,633</u>	<u>60,000</u>
Expenditures				
Administration and Overhead	-	278,347	-	-
Legal	-	-	-	-
Loan Programs	-	-	356,927	1,270,890
Capital projects	-	-	-	-
	<u>-</u>	<u>278,347</u>	<u>356,927</u>	<u>1,270,890</u>
Transfers				
Transfer In	-	278,347	-	-
Transfer In - 20% Set-Aside	2,518,185	6,606,138	3,911,912	4,915,575
Transfer Out - Debt Fund	(2,518,185)	(3,253,991)	(3,198,667)	(3,106,027)
Transfer Out	-	(515,286)	(515,286)	(977,744)
	<u>-</u>	<u>3,115,208</u>	<u>197,959</u>	<u>831,804</u>
Net Annual Activity	<u>81,673</u>	<u>2,855,664</u>	<u>(96,335)</u>	<u>(379,086)</u>
Ending Available Balance	\$ 135,476	\$ 2,991,140	\$ 2,894,805	\$ 2,515,719
Available Balance Calculation				
Cash		\$ 2,991,140		
Receivable and Other Assets		-		
Current Liabilities		-		
Encumbrances		-		
Ending Available Balance		<u>\$ 2,991,140</u>		

TAB 10 UTILITIES



MUNICIPAL UTILITIES



MUNICIPAL UTILITIES DEPARTMENT

MISSION STATEMENT

The Municipal Utilities Department mission is to provide high quality potable water on demand; collect, treat, and dispose of wastewater; and collect and dispose of stormwater, all in accordance with applicable regulations and responsible business practices.

Budget at a Glance:

Total Expenditures	\$125,011,481
Total Revenues	\$114,603,290
Total Net Cost	\$10,408,191
Total Staff	218

DEPARTMENT DESCRIPTION

The Municipal Utilities Department (MUD) is comprised of Water, Wastewater and Stormwater Enterprises regulated and supported by user fees restricted to the specific utility. For purposes of operational efficiency, the organization is comprised of 12 divisions to operate, maintain and support the Enterprises. The Enterprises are managed to recognize the independent financial structure and regulatory requirements unique to each.

The Water Utility provides drinking water service to approximately 55% of the Stockton Metropolitan Area with the California Water Service Company and San Joaquin County serving the remaining 45%. The Delta Water Supply Treatment Plant began operation in May 2012, providing up to 30 million gallons per day of treated surface water from the Sacramento/San Joaquin Delta and Mokelumne River. Stockton's other water supply is derived under a water supply agreement with the Stockton East Water District and from 21 groundwater wells. The Water Utility maintains a water transmission and distribution system, which includes 7 reservoirs, 590 miles of pipeline, 48,000 water meters and 7,000 fire hydrants. The Water Utility also provides long term water resources planning and supports a water conservation program.

The Wastewater Utility is comprised of a collection system of approximately 900 miles of gravity sewer main, 554 miles of lower lateral pipe, 27 pump stations and 30 miles of pressurized force main that route sewage to the Regional Wastewater Control Facility (RWCF). The system collects from many connections within the City, special districts outside the City, and certain areas within San Joaquin County. The RWCF is a 55-million gallon per day capacity advanced treatment facility located on nearly 700-acres in the southwestern portion of the City adjacent to the San Joaquin River. On average, 30 million gallons of wastewater is treated daily and discharged into the San Joaquin River.

The Stormwater Utility consists of 74 pump stations, over 600 miles of pipeline, and 22,500 drain inlets, which route stormwater from city streets into local basins and waterways. Regular maintenance of the system is necessary to prevent flooding from storm runoff. The Stormwater Utility is also responsible for oversight and compliance with the City's National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System permit, which requires extensive water quality monitoring and public outreach programs to promote pollution prevention in the San Joaquin Delta.

MUNICIPAL UTILITIES DEPARTMENT

KEY CONSIDERATIONS

With the State's declaration of a drought emergency in 2015, the Water Utility has seen on average, a 28% decline in water consumption throughout its service area due to significant water conservation, and a proportional decline in revenue. Use of the Rate Stabilization Fund is anticipated to decrease from \$2.5 million in FY 2015-16 to \$538,000 in FY 2016-17. The cost of purchased water has increased substantially and the current drought has impacted overall revenues, thus depletion of the Rate Stabilization Fund and reliance on existing fund balance to cover utility expenses will continue until more normal water use resumes or a rate adjustment is implemented.

In 2010, the Council approved a five-year tiered wastewater rate increase that would provide funding to ensure compliance with bond covenants and support scheduled capital improvement projects in the Wastewater Utility. FY 2016-17 is the second year these rates will be adjusted according to the Consumer Price Index resulting in an increase of 1.6%. In 2011, Council approved the Capital Improvement and Energy Management Plan and authorized staff to move ahead with a phased upgrade plan for the Regional Wastewater Control Facility. Funding approved in FY 2015-16 will be used for the first phase of the Progressive Design-Build project which will provide 65 percent design and construction cost of the overall RWCF Facilities Modifications. The design will incorporate upgrades mandated by the Central Valley Regional Water Quality Control Board for the new wastewater discharge permit regulations for nitrate. The upgrades are required by June 1, 2024.

In 2015, the City met the Sanitary Sewer Overflow Spill Reduction Performance Standard of less than seven per 100 miles of sewer pipe and is no longer under scrutiny of the Consent Decree. The Consent Decree has concluded and a final annual report to the California Sportfishing Protection Alliance was submitted April 15, 2016.

The Stormwater Utility has been operating under a fee that was implemented in 1992 but has not increased since that time even though demands on the utility have grown significantly. As a result, the Stormwater Enterprise Fund has been under-funded for several years. In 2010, the City attempted a Proposition 218 ballot measure to approve a new Clean Water fee that would supplement the current fee. The rate study prepared for the Proposition 218 ballot determined the utility was under-funded by approximately \$9 million a year. The ballot measure failed, and the new user fee was not imposed. The possibility of advancing another ballot measure to provide needed funding for this utility is currently being reviewed.

The current fee is clearly insufficient to properly fund the operations and maintenance needs of the City's aging stormwater and flood control system. Negotiations are in progress with the Central Valley Regional Water Quality Control Board for the restructuring of the new Municipal Separate Storm Sewer System NPDES Permit for the entire Central Valley; the City will be one of the first municipalities to be covered by new regional permit. The new permit is anticipated to be issued in late FY 2016-17 and may impose additional conditions that would further strain the utility funding. Significant cuts in operation and maintenance activities have been implemented to stay within the available budget. Failing to adequately maintain the City's aging infrastructure will likely result in increased system failures and deterioration. This will result in flooding during heavy rain events among other impacts. In FY 2016-17, significant infrastructure improvement projects continue to be on hold pending additional funding. However, emergency infrastructure repairs and costs due to vandalism will be performed and will further reduce funding for operations and routine maintenance activities.

**Utilities
FY 2016-17 Adopted Budget**

	<u>Water Fund</u> <i>See Page J-7</i>	<u>Wastewater</u> <i>See Page J-9</i>	<u>Stormwater 441/447</u> <i>See Page J-11</i>	<u>Storm Districts 074</u> <i>See Page J-13</i>	<u>Utilities Total</u>
Beginning Available Balance	\$ 19,737,187	\$ 28,685,067	\$ 5,218,330	\$ 2,387,823	\$ 56,028,407
Revenues					
User Services	32,732,707	65,284,799	5,852,173	316,292	104,185,971
Connection Fees	1,056,409	1,707,592	-	-	2,764,001
Storm Drain Districts	-	-	84,500	-	84,500
Fines and Penalties	770,390	1,288,861	-	-	2,059,251
Interest	655,284	143,838	13,640	17,236	829,998
Build America Bond Rebate	3,874,406	-	-	-	3,874,406
Rate Stabilization Deposit	537,023	-	-	-	537,023
Other Revenue	1,707	219,239	39,982	-	260,928
	39,627,926	68,644,329	5,990,295	333,528	114,596,078
Expenditures					
Administration	2,530,882	4,022,415	2,393,537	-	8,946,834
Customer Service	909,554	2,805,087	393,699	-	4,108,340
Operations and Maintenance	11,913,939	45,286,002	2,759,742	384,448	60,344,131
Water Treatment	300,599	-	-	-	300,599
Water Conservation	302,768	-	-	-	302,768
Purchased Water	9,938,201	-	-	-	9,938,201
Debt Service	23,538,068	6,486,400	-	-	30,024,468
Capital Projects	2,414,400	7,260,817	833,900	-	10,509,117
	51,848,411	65,860,721	6,380,878	384,448	124,474,458
Transfers					
Transfer In	-	-	-	7,212	7,212
Transfer Out	(537,023)	-	-	-	(537,023)
	(537,023)	-	-	7,212	(529,811)
Net Annual Activity	(12,757,508)	2,783,608	(390,583)	(43,708)	(10,408,191)
Ending Available Balance	\$ 6,979,679	\$ 31,468,675	\$ 4,827,747	\$ 2,344,115	\$ 45,620,216
	-	-	-	-	-
				Revenues	\$ 114,596,078
				Transfers	7,212
				Total Sources	<u>\$ 114,603,290</u>
				Expenditures	\$ 124,474,458
				Transfers	537,023
				Total Appropriations	<u>\$ 125,011,481</u>

MUNICIPAL UTILITIES DEPARTMENT

WATER ENTERPRISE FUND (421, 423-427)

History

- The City's Municipal Utilities Enterprise Funds provide funding for the operation and maintenance of the City's water utility.
- The water utility is supported by user fees which are restricted for water utility use only.
- Water utility provides drinking water service to approximately 55% of the Stockton Metropolitan Area with the California Water Service Company and San Joaquin County serving the remaining 45%.

FY 2015-16 Events

- The Delta Water Supply Project is fully operational with staffing levels based on current and future anticipated workload.
- State drought proclamations have called for stricter water conservation measures and a robust water conservation media campaign to reduce water use by customers.
- Water conservation programs helped achieve a reduction of 28% water use in calendar year 2015 to meet the State's mandate.
- North Stockton water supply was converted to being treated with chloramines.

FY 2016-17 Budget Changes

- Capital improvement projects typically span multiple years. The five year Capital Improvement Program identifies estimated project costs and potential sources of funding. The FY 2016-17 Annual Budget will continue funding the following projects:
 - Feather River Drive water main crossing at 14 Mile Slough
 - Newcastle Road and South Airport Way Water Transmission Main
 - Groundwater Storage and Recovery Assessment of Eight Mile Road Basins
- The Water Fund is expected to experience decreased revenue growth in user services and connection fees in FY 2016-17 due to drought water conservation measures. To ensure adequate bond coverage, the rate stabilization fund will be depleted and some selected capital improvements such as the Advanced Metering Infrastructure and Water Field Office Remodel Projects will be delayed by one or two years.
- A Proposition 218 ballot measure to increase water rates is currently underway and will be presented for Council approval in June 2016.

Utilities
Water - 421/423/424/425/426/427
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance			\$ 26,544,821	\$ 19,737,187
Revenues				
User Services	37,084,796	34,322,998	32,569,858	32,732,707
<i>% increase</i>	<i>1%</i>	<i>-7%</i>	<i>-12%</i>	<i>-5%</i>
Connection Fees	201,968	1,079,635	1,041,423	1,056,409
Fines and Penalties	762,952	727,202	766,558	770,390
Interest	1,102,770	677,483	650,593	655,284
Federal Build America Bond Grant	3,864,991	3,924,373	3,776,328	3,874,406
Rate Stabilization Deposit	-	5,600,000	2,250,000	537,023
Other Revenue	35,153	9,043	1,690	1,707
	<u>43,052,630</u>	<u>46,340,734</u>	<u>41,056,450</u>	<u>39,627,926</u>
Expenditures				
Administration	2,436,538	2,205,089	2,393,477	2,530,882
Customer Service	910,478	927,715	868,410	909,554
Operations and Maintenance	9,392,201	9,702,098	10,126,341	11,913,939
Water Treatment	397,002	19,163	457,418	300,599
Water Conservation	163,914	211,552	129,583	302,768
Purchased Water	8,214,161	8,595,356	8,627,646	9,938,201
Debt Service	17,517,746	17,160,581	17,131,904	23,538,068
Capital Projects	7,397,562	1,381,716	5,879,305	2,414,400
	<u>46,429,602</u>	<u>40,203,270</u>	<u>45,614,084</u>	<u>51,848,411</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	(85,682)	(5,960,368)	(2,250,000)	(537,023)
	<u>(85,682)</u>	<u>(5,960,368)</u>	<u>(2,250,000)</u>	<u>(537,023)</u>
Net Annual Activity	<u>(3,462,654)</u>	<u>177,096</u>	<u>(6,807,634)</u>	<u>(12,757,508)</u>
Ending Available Balance			<u>\$ 19,737,187</u>	<u>\$ 6,979,679</u>
Available Balance Calculation				
Cash		\$ 49,497,745		
Cash with Fiscal Agent- Construction		-		
Accounts Receivable		-		
Current Liabilities		(13,399,402)		
Encumbrances		-		
Capital Appropriations		(9,553,522)		
Ending Available Balance		<u><u>\$ 26,544,821</u></u>		

MUNICIPAL UTILITIES DEPARTMENT

WASTEWATER ENTERPRISE FUND (431, 433, 434, 435, 437, 438)

History

- The City's Municipal Utilities Enterprise Funds provide funding for the operation and maintenance of the City's Wastewater utility.
- This utility is supported by user fees which are restricted for wastewater utility use only.
- Comprised of a collection system of approximately 850 miles of gravity sewer main, 554 miles of lower lateral pipe, 27 pump stations and 30 miles of pressurized force main that route sewage to the Regional Wastewater Control Facility (RWCF).

FY 2015-16 Events

- Completed the Progressive Design-Build project team selection for the overall RWCF Facilities Modifications Project.
- Achieved the California Sportfishing Protection Alliance's Sanitary Sewer Overflow Reduction Performance Standard to conclude the Consent Decree. The final annual report to the Alliance was submitted April 15, 2016.
- Completed significant capital improvement projects specific to Tuxedo Avenue Sewer Rehabilitation, Hazelton Diversion Structure Rehab and Ralph Avenue Sanitary Rehab, Arch Road Sanitary Sewer Trunk Line, and Smith Canal Sewer Pump Station Wet Well Rehabilitation.

FY 2016-17 Budget Changes

- Capital Improvement projects can typically span multiple years. The five year Capital Improvement Program identifies estimated project costs and potential sources of funding. The FY 2016-17 Budget will continue funding the following projects:
 - RWCF Facility Modifications Project, Phase 1.
 - Sanitary Sewer Pump Station and Forcemain Cathodic Protection Repairs.
 - Replacement of RWCF Digester Mixing Valves and digester cleaning.
 - Design and construction of large pipeline repairs including: the Pershing Avenue Sewer Trunk Rehabilitation (Church St. to Navy Drive, between Orange St. to Pershing Ave.), Myrtle St (between Filbert St. and A St.), Della St (between Market St. and Hazelton), Sanitary Trunk Line Rehabilitation Project (54 inch crossing under I-5 and 42 inch paralleled and east of I-5); and downtown Sewer Collection upgrades.
 - Design and Construction of sanitary pump stations, sanitary maintenance access holes and sewer mains upgrades.
- Develop asset management program and master plan for Sanitary Pump Stations and Force Mains and gravity sanitary systems.
- Rates have increased by CPI of 1.6%.
- A new Collection Systems Operator position assigned to work the Lower Lateral Maintenance Program has been included in the FY 2016-17 Annual Budget. This will help reduce the number of sanitary sewer overflows and maintain compliance with State and local regulations.

Utilities
Wastewater - 431/433/434/435/437/438
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance			\$ 35,873,530	\$ 28,685,067
Revenues				
User Services	58,757,402	64,917,936	64,248,315	65,284,799
<i>% increase</i>	<i>8%</i>	<i>10%</i>	<i>9%</i>	<i>1%</i>
Connection Fees	812,272	960,517	1,645,932	1,707,592
Fines and Penalties	1,022,009	538,996	1,268,564	1,288,861
Interest	726,577	434,469	107,570	143,838
Other Revenue	173,906	1,477,914	484,537	219,239
	<u>61,492,166</u>	<u>68,329,832</u>	<u>67,754,918</u>	<u>68,644,329</u>
Expenditures				
Administration	4,212,196	3,147,276	3,444,831	4,022,415
Customer Service	1,883,747	2,112,859	1,993,065	2,805,087
Operations and Maintenance	29,959,412	32,461,203	41,140,364	45,286,002
Debt Service	4,389,433	4,953,228	6,486,750	6,486,400
Capital Projects	6,893,505	13,096,419	21,878,371	7,260,817
	<u>47,338,293</u>	<u>55,770,985</u>	<u>74,943,381</u>	<u>65,860,721</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	(779,007)	(560,348)	-	-
	<u>(779,007)</u>	<u>(560,348)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>13,374,866</u>	<u>11,998,499</u>	<u>(7,188,463)</u>	<u>2,783,608</u>
Ending Available Balance			<u>\$ 28,685,067</u>	<u>\$ 31,468,675</u>
Available Balance Calculation				
Cash and Interest receivable		\$ 68,084,207		
Current Liabilities		(8,156,773)		
Encumbrances		-		
Capital Appropriations		(24,053,904)		
Ending Available Balance		<u>\$ 35,873,530</u>		

MUNICIPAL UTILITIES DEPARTMENT

STORMWATER ENTERPRISE FUND (441, 447)

History

- The City's Municipal Utilities Enterprise Funds provide funding for the operation and maintenance of the City's Stormwater utility.
- The stormwater utility is supported by user fees which are restricted for stormwater utility use only.
- This utility consists of 74 pump stations, over 600 miles of pipeline, and 22,500 drain inlets, which route stormwater from City streets into local basins and waterways.

FY 2015-16 Events

- Completed the negotiation and adoption process of a new Interim Stormwater Permit with the Central Valley Regional Water Quality Control Board in April 2015.
- Successful negotiations with Central Regional Water Quality Control Board staff to participate in the Delta Regional Monitoring Program as a means of reducing water monitoring/sampling costs/requirements.
- Concluded litigation with the Coalition for Sustainable Delta and entered into a settlement Agreement.
- Completed the Buena Vista Storm Pump Station Repairs

FY 2016-17 Budget Changes

- Capital Improvement Plan projects can typically span multiple years. The five-year Capital Improvement Program identifies estimated capital project costs and potential sources of funding. The FY 2016-17 Annual Budget will continue funding the following projects:
 - Design and construction of Storm Pump Stations Improvements on March Lane and Upper East Subway Storm Drain Pump Station.
 - Pump Station Discharge Modifications for Pipe Inspections.
 - Discharge Pipe Replacement at Sutter and Calaveras River Storm Station.
- The 1992 fee increase based on a fee rate study was insufficient to fund improvements. Plans to attempt another Proposition 218 ballot to increase revenue are under review. Based on historical spending, current fund balance and the implementation of new requirements and adequacy of current rates will be evaluated.

Utilities
Stormwater - 441/447
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance			\$ 4,183,620	\$ 5,218,330
Revenues				
User Services	5,430,352	5,442,701	5,852,173	5,852,173
<i>% increase</i>	<i>0%</i>	<i>0%</i>	<i>8%</i>	<i>8%</i>
Admin Fee Storm Drains	84,500	84,500	84,500	84,500
Agency Reimbursements	56,297	42,294	22,349	39,982
Interest	41,176	41,785	13,705	13,640
	<u>5,612,325</u>	<u>5,611,280</u>	<u>5,972,727</u>	<u>5,990,295</u>
Expenditures				
Administration	3,919,399	3,057,255	2,179,419	2,393,537
Customer Service	345,354	386,212	389,674	393,699
Operations and Maintenance	1,397,946	2,041,953	2,267,053	2,759,742
Capital Projects	14,785	34,124	101,871	833,900
Debt Service	102,796	-	-	-
	<u>5,780,280</u>	<u>5,519,544</u>	<u>4,938,017</u>	<u>6,380,878</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	(30,958)	(30,998)	-	-
	<u>(30,958)</u>	<u>(30,998)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(198,913)</u>	<u>60,738</u>	<u>1,034,710</u>	<u>(390,583)</u>
Ending Available Balance			<u>\$ 5,218,330</u>	<u>\$ 4,827,747</u>
Available Balance Calculation				
Current Assets		\$ 5,740,604		
Accounts Payable		(391,862)		
Subtotal		<u>5,348,742</u>		
Capital Projects		(1,165,122)		
Encumbrances		-		
Ending Available Balance		<u><u>\$ 4,183,620</u></u>		

MUNICIPAL UTILITIES DEPARTMENT

CONSOLIDATED STORM DRAIN MAINTENANCE DISTRICT AND 5 STORM DRAINAGE BASIN DISTRICTS (074)

History

- The storm drainage maintenance assessment special districts were formed under the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code, and the Stockton Improvement Procedure Code; and are managed by the Municipal Utilities Department.
- These Districts provide for the maintenance and operation of capital improvements that impart a special benefit to a designated area. These improvements provide either stormwater quality treatment and/or flood control.
- These special districts require an Engineer's Report to be prepared annually to identify the budgets, changes to boundaries, and assessments for each parcel contained within each district. The budgets for each District include engineering fees for the preparation of the annual engineer's report and tax rolls; attorney's fees; estimated costs of maintenance work to the device(s); City of Stockton administrative costs; County costs to collect the assessments on the tax rolls; replacement reserve costs; and contingency fees. City administrative costs include staff salary expenses that provide oversight of the preparation of the annual Engineer's Report and tax rolls, oversight of maintenance service contracts, coordination of device inspections and maintenance schedules, and management of District finances. The assessments are approved by a separate public hearing process.
- Prior to FY 2014-15, these special districts were accounted for in Fund 072 along with the Landscape Maintenance Assessment Districts in the Public Works Department budget.

FY 2015-16 Events

- Completed the bid out and award of contract for engineering services for the storm drainage maintenance assessment districts; contract term through Fiscal Year 2018-2019 with two possible one-year extensions.
- The budgets shown here include the individually approved budgets for the Consolidated Storm Drain Maintenance District and each of the 5 Storm Drainage Basin Districts. Specific details of the budgets and assessments for each district can be found in the approved Engineer's Reports, which are on file with the City Clerk.

FY 2016-17 Budget Changes

- The Public Hearing and approval of the Engineer's Reports and Assessment Rolls will be presented to City Council June 2016.

Utilities
Storm Drain Maintenance District - 074
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual *</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ -	\$ 2,121,561	\$ 2,292,202	\$ 2,387,823
Revenues				
Charges for services	-	309,055	310,511	316,292
Investment earnings	-	17,236	17,236	17,236
	<u>-</u>	<u>326,291</u>	<u>327,747</u>	<u>333,528</u>
Expenditures				
Miscellaneous expenditures	-	193,860	232,126	384,448
Capital projects	-	-	-	-
	<u>-</u>	<u>193,860</u>	<u>232,126</u>	<u>384,448</u>
Transfers				
Transfer In	-	38,210	-	7,212
Transfer Out	-	-	-	-
	<u>-</u>	<u>38,210</u>	<u>-</u>	<u>7,212</u>
Net Annual Activity	<u>-</u>	<u>170,641</u>	<u>95,621</u>	<u>(43,708)</u>
Ending Available Balance	\$ -	\$ 2,292,202	\$ 2,387,823	\$ 2,344,115
Available Balance Calculation				
Cash & interest receivable		\$ 2,323,902		
Accounts payable		(31,700)		
Encumbrances		-		
Ending Available Balance		<u>\$ 2,292,202</u>		

* Prior years shown in Public Works Assessment District Maintenance - 072 page F-19.



TAB 11 ADMINISTRATION & SUPPORT



Administration and Support
FY 2016-17 Adopted Budget

	Charter Offices	Administrative Services		Human Resources	
	City Council, Manager, Clerk, Attorney, Auditor 010	General Fund	Office Equipment Internal Service 505	General Fund	Insurance and Benefits Internal Service 541-562
	<i>See Page K-15</i>	<i>See Page K-20</i>	<i>See Page N-21</i>	<i>See Page K-25</i>	<i>See Page N-24</i>
		010		010	
Beginning Available Balance			\$ 1,252,618		\$ (3,953,568)
Revenues					
Operating Revenues	-	-	406,082	-	81,842,619
Other Revenue	12,920	263,825	-	-	17,544,516
	12,920	263,825	406,082	-	99,387,135
Expenditures					
Employee Services	3,249,596	3,788,488	-	1,393,153	-
Other Services	1,471,980	1,075,867	-	737,844	-
Materials and Supplies	78,713	83,550	-	19,247	-
Capital Outlay	-	-	-	-	-
Debt Service	-	-	-	-	-
Other Expenses	95,350	49,700	376,717	182,905	96,843,353
	4,895,639	4,997,605	376,717	2,333,149	96,843,353
Transfers					
Transfer In - General Fund	-	-	-	-	-
Transfer In - Other Funds	-	-	-	-	-
Transfer Out - Other Funds	-	-	-	-	-
	-	-	-	-	-
Net Annual Activity	(4,882,719)	(4,733,780)	29,365	(2,333,149)	2,543,782
Ending Available Balance			\$ 1,281,983		\$ (1,409,786)

Administration and Support, Continued
FY 2016-17 Adopted Budget

	Information Technology Internal Service 502-504	Non-Departmental			Administration & Support Total
		General Fund 010	Fiscal Sustainability 012	Other Special Programs 020/627/642	
	<i>See Page N-14</i>	<i>See Page K-32</i>	<i>See Page K-35</i>	<i>See Page K-39</i>	
Beginning Available Balance	\$ 8,615,972		\$ 11,550,781	\$ 600,738	
Revenues					
Operating Revenues	14,997,228	-	-	1,379,485	98,625,414
Other Revenue	67,000	-	-	108,365	17,996,626
	15,064,228	-	-	1,487,850	116,622,040
Expenditures					
Employee Services	-	1,494,137	-	736,691	10,662,065
Other Services	-	7,241,477	-	130,832	10,658,000
Materials and Supplies	-	53,483	-	22,000	256,993
Capital Outlay	4,242,230	-	4,758,000	800,000	9,800,230
Debt Service	-	-	-	-	-
Other Expenses	12,051,383	1,219,830	-	134,356	110,953,594
	16,293,613	10,008,927	4,758,000	1,823,879	142,330,882
Transfers					
Transfer In - General Fund	-	-	-	-	-
Transfer In - Other Funds	-	-	-	-	-
Transfer Out - Other Funds	-	(17,505,873)	-	-	(17,505,873)
	-	(17,505,873)	-	-	(17,505,873)
Net Annual Activity	(1,229,385)	(27,514,800)	(4,758,000)	(336,029)	(43,214,715)
Ending Available Balance	\$ 7,386,587		\$ 6,792,781	\$ 264,709	
				Expenditures	\$ 142,330,882
				Transfers	17,505,873
				Total Appropriations	\$ 159,836,755
				<u>Appropriation by Function</u>	
				Administration	\$ 28,896,723
				Insurance and Benefits	96,843,353
				Non-Departmental	34,096,679
					\$ 159,836,755



OFFICE OF THE CITY COUNCIL

MISSION STATEMENT

The mission of the City Council is to serve the community by providing innovative, courteous and responsive service; promoting economic opportunity; enhancing the quality of life for its citizens; and building a better Stockton for future generations.

Budget at a Glance:

Total Expenditures	\$533,559
Total Revenues	\$0
Total Net Cost	\$533,559
Total Staff	8

DEPARTMENT DESCRIPTION

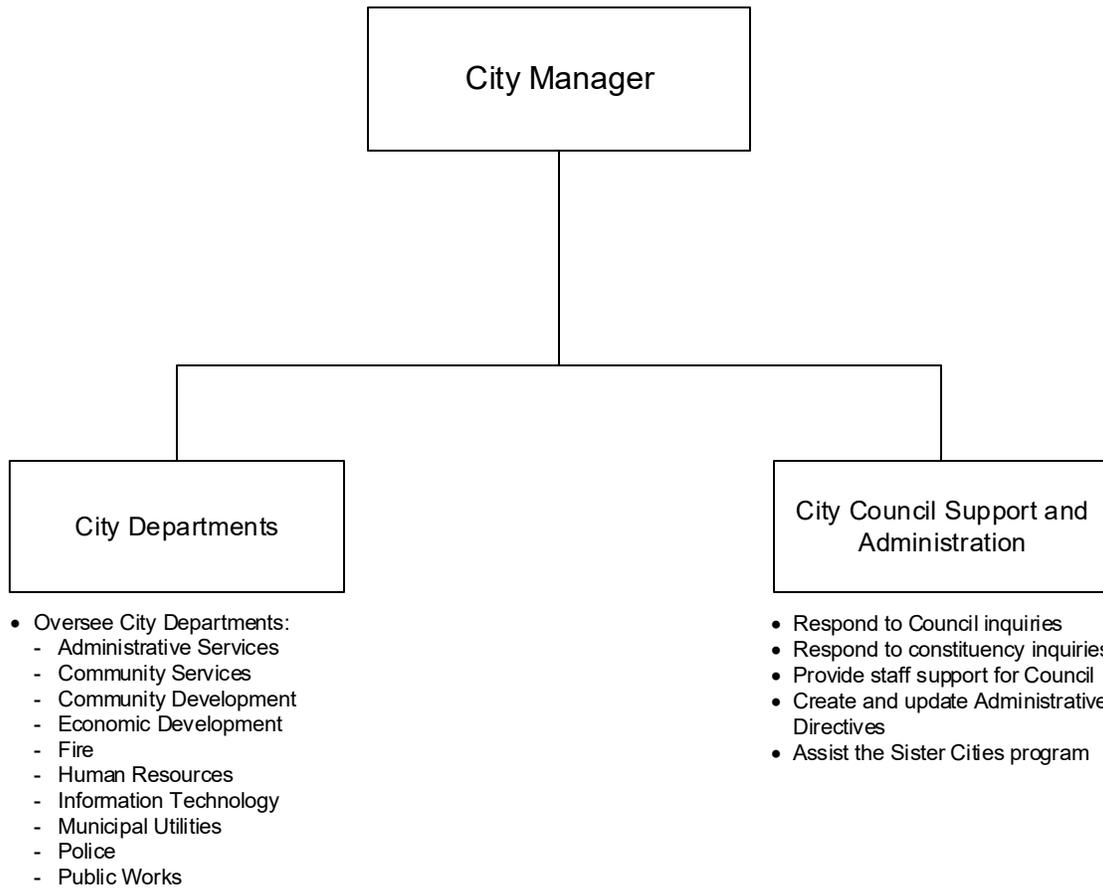
The City Council is the policy-setting body that initiates, studies, discusses, holds public hearings on, and decides various civic issues affecting the citizens of Stockton, based on facts gathered, represented, and citizen input. The Council hires and supervises four officers: City Attorney, City Auditor, City Clerk and City Manager.

KEY CONSIDERATIONS

In recent years, the City Council has taken difficult but critical steps to restructure its finances and put in place the policies and practices which make possible a financially stable future for the City. Due to an acute imbalance between revenues and expenditures for the City, had this restructuring not occurred, the City would have had to cut services to a point that the City and community could not afford. Following several years of significant reductions in spending, the City entered the protection of Chapter 9 bankruptcy. With bankruptcy proceedings concluded, the City of Stockton has implemented the Plan of Adjustment and is committed to a Long-range financial plan that will help the City sustain its restructuring efforts and chart a course for our financial future.

While the Long-range financial plan does not forecast revenue increases that would allow the City to restore services to former levels, the financial restructuring effort safeguarded existing revenues to maintain the safety and well-being of our citizens. Restructuring our finances was critical to maintain fiscal sustainability and enable the City to pursue the Marshall Plan on Crime which is intended to reduce the level of crime in Stockton. A critical component of this restructuring was the passage of Measures A and B. The resources made possible by Measure A Transaction and Use tax will position to the City to fully implement the Marshall Plan and enable the City to implement the bankruptcy Plan of Adjustment while sustaining services. Significant progress has been made in the implementation of the Marshall Plan and expenditure of Measure A revenues. Reducing crime is essential to providing a quality of life that will encourage economic development and result in job growth and a revitalized Stockton.

The City Council has stayed focused through these challenges and pursued an aggressive work plan to accomplish their priority targets related to Public Safety, Fiscal Sustainability, Organizational Development, Economic Development, Youth, Infrastructure and Public Relations/Image. Specific strategic priorities and work plans have been developed to address these targeted areas and specific activities have been identified for accomplishing these goals. There are funds allocated in the FY 2016-17 Annual Budget targeted to these efforts. A description of these activities can be found in the departmental sections contained in the Annual Budget.



CITY MANAGER

OFFICE OF THE CITY MANAGER

MISSION STATEMENT

To provide direction and oversight of all phases of City operations, including City departments and programs, and to ensure Council goals, policy and established administrative practices are effectively carried out within the fiscal and physical abilities of the various City departments during normal operations, as well as emergency situations.

Budget at a Glance:

Total Expenditures	\$1,412,659
Total Revenues	\$0
Total Net Cost	\$1,412,659
Total Staff	10

DEPARTMENT DESCRIPTION

The Office of the City Manager provides direction and administration of City departments and general oversight of City operations under the policy direction of the City Council. Other functions within the City Manager's Office include: Office of Violence Prevention, Grants, Legislative Advocacy, Communications, Public Relations and Channel 97 Government Access Cable Channel.

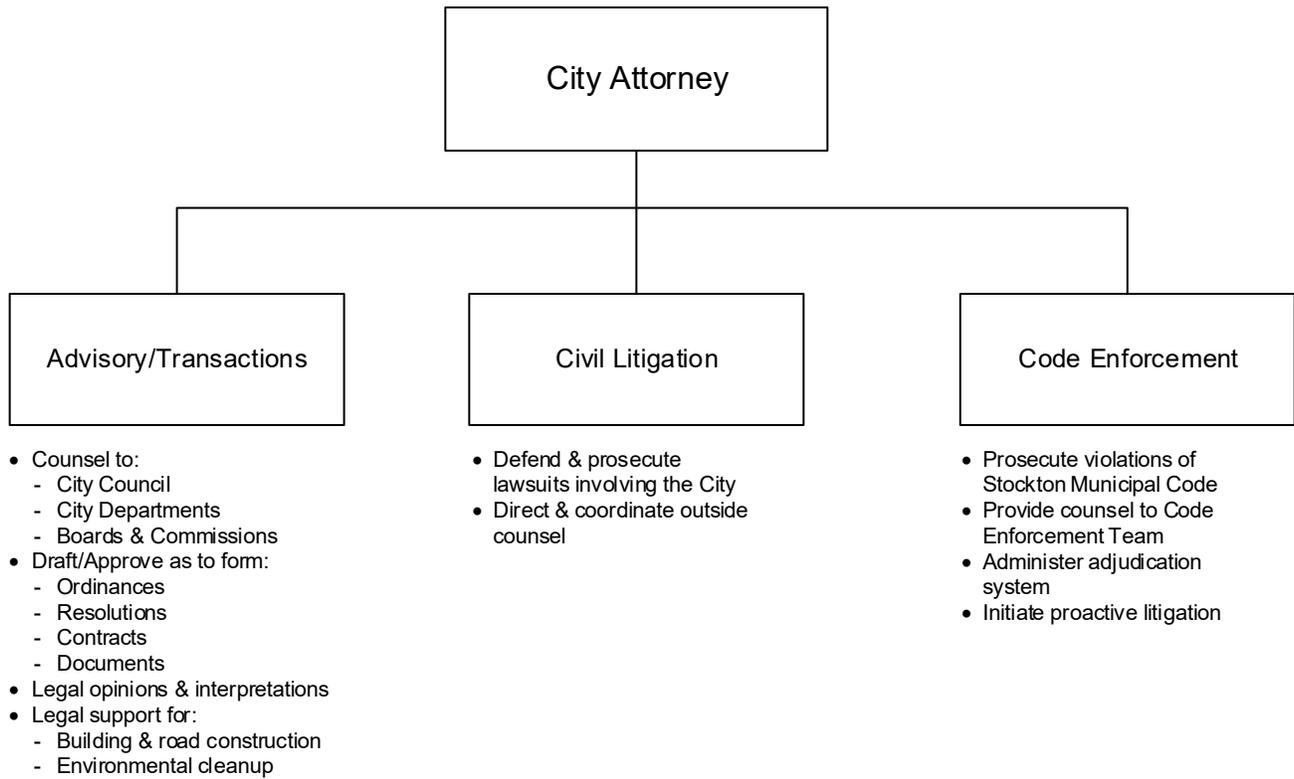
KEY CONSIDERATIONS

The City of Stockton has implemented the court approved Plan of Adjustment and restructured its finances by making difficult decisions for how to balance revenues and expenditures for the City. Throughout the years of declining revenues and the bankruptcy process, the City Manager's Office provided direction and oversight to City departments to address these factors and pursuing the restructuring of the City's finances. With the Plan of Adjustment, the City will be fiscally solvent, and has a clear picture of our financial condition. Stockton has the unique advantage of having a 30-year economic forecast specific to the City, the Long-range financial plan, which allows the City to understand the long term ramifications of fiscal decisions. The City Manager's Office will ensure that the Long-range financial plan remains a financial guidepost and is institutionalized in the City organization.

These efforts have taken place at the same time that the City Manager's Office has been engaged in overseeing the regular operations of the City as well as pursuing the City Council strategic priority through strategic work plans. Over the past five years, significant progress has been made in modernizing the organization, streamlining and creating operational efficiencies, developing organizational capacity and implementing innovative solutions to the challenges of our community.

In addition, the City Manager's Office addressed a number of other priorities that have emerged through the bankruptcy process. Of particular importance is collaboration with the City Auditor in implementing the Internal Audit Plan to mitigate risk and address internal controls as well as the implementation of the Marshall Plan and creation of the Office of Violence Prevention following passage of Measure A.

The City Manager's Office will continue to pursue the accomplishment of the City Council strategic priorities as well as address the numerous challenges that the City will face along the path to fiscal sustainability, reduced crime, increased economic development and improved service delivery to the community.



CITY ATTORNEY

OFFICE OF THE CITY ATTORNEY

MISSION STATEMENT

The mission of the Office of the City Attorney is to provide professional, quality legal advice and services that ultimately protect the interests of the City of Stockton, its departments, the City Council, and the citizens of the community.

Budget at a Glance:

Total Expenditures	\$1,339,924
Total Revenues	\$0
Total Net Cost	\$1,339,924
Total Staff	12

DEPARTMENT DESCRIPTION

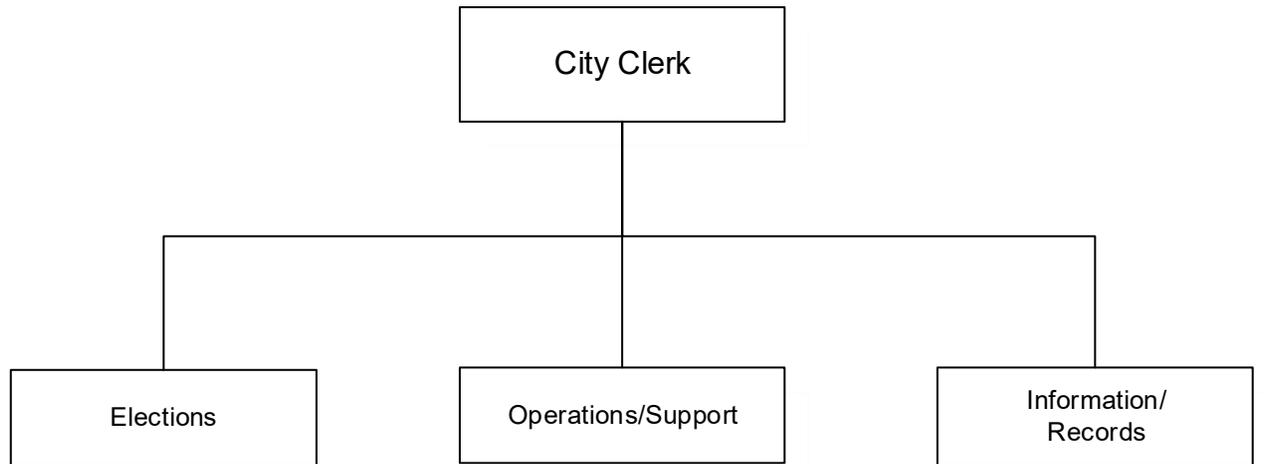
The Office of the City Attorney provides legal services and advice to the City Council, officials, boards, commissions, and City departments regarding legal and regulatory matters of concern to the City and its operations, including: matters relating to their official duties; defending lawsuits and preparing legal opinions and documents, ordinances, and resolutions; reviewing and approving contracts, bonds, deeds, and other legal documents; and prosecuting violations of the Stockton Municipal Code.

KEY CONSIDERATIONS

The City of Stockton, due to its size and complexity, suffers a significant amount of litigation filed against it annually. Managing this litigation in a cost-effective manner, without sacrificing the quality of representation, is a constant challenge that is best met through an emphasis on handling matters with in-house resources to the extent practicable. While resorting to outside litigation resources is necessary at times, the maximization of the City's in-house litigation capabilities is a key consideration.

The Office of the City Attorney consists of one city attorney, one assistant city attorney, six deputy city attorneys (with one position filled by a part-time annuitant), one executive assistant, and two legal secretaries. This department is currently comprised of two divisions. One division comprised of the assistant city attorney, three deputy city attorneys (one part-time), and one legal secretary, is primarily focused on litigation and code enforcement. The second division, consisting of three deputy city attorneys and one legal secretary, is primarily focused on advisory and employment-related matters and to support the City's implementation of the Marshall Plan.

The department has continued to support a significant volume of litigation following the exit from bankruptcy, and it is expected that this activity will only increase. Also, the department has continued to increase its case load of criminal prosecution and code enforcement matters in keeping with Council priorities and to support the City's implementation of the Marshall Plan. In order to adequately support these high priority areas of practice, additional support staff resources are needed. In the FY 2016-17 Annual Budget, an addition of one legal secretary/paralegal position is included to allow the existing attorney staff to maximize their efficiency and ability to handle the increasing case load.



- Review and process petitions for ballot measures and recall efforts
- Conduct elections
- Process Council candidate nomination filings
- Produce candidate election guide
- Produce election calendars
- Monitor and file the following statements per State regulations for elected officials and City staff:
 - Campaign disclosure
 - Economic interests/ conflicts of interests
 - Ethics training compliance
- Produce Council district maps; adjust Council district boundaries
- Promote voter registration and awareness

- Provide meeting services including agenda preparation, meeting packet distribution, meeting attendance, and minutes preparation for the City Council, (6) Council Committees, and (14) City Boards & Commissions
- Maintain and update:
 - Stockton Municipal Code
 - City Charter
 - Civil Service Rules/Regulations
 - Council Policy Manual
 - Boards & Commissions Roster
 - Clerk's Web page
- Conduct recruitment and interviews for the City's Boards & Commissions
- Process official documents – resolutions, ordinances, minute orders, and contracts.
- Receive bids and conduct bid openings
- Prepare, track, and publish all legal notifications

- Manage City's official records and vital records program
- Provide records management direction & support services to Departments
- Establish policies for document naming conventions, retention, and imaging
- Maintain City's records retention schedule and arrange for document destruction
- Provide research & information services for City staff and the public
- Manage and administer City tickler system
- Establish and maintain disaster recovery & prevention plan
- Maintain City archives
- Off-site records storage & tracking
- Scan official City documents

CITY CLERK

OFFICE OF THE CITY CLERK

MISSION STATEMENT

The mission of the Office of the City Clerk is to act as a partner in the democratic process by effectively managing the City's official records, providing open access to this information, and serving as the community's public information resource to the Council.

Budget at a Glance:

Total Expenditures	\$852,830
Total Revenues	\$12,920
Total Net Cost	\$839,910
Total Staff	7

DEPARTMENT DESCRIPTION

The Office of the City Clerk administers municipal elections; ensures compliance of open meeting, public record, campaign and conflict of interest filing requirements; adjusts Council District boundaries; administers the City Records Management System content; attends all Council meetings and assigned City meetings, preserves associated records and meeting recordings.

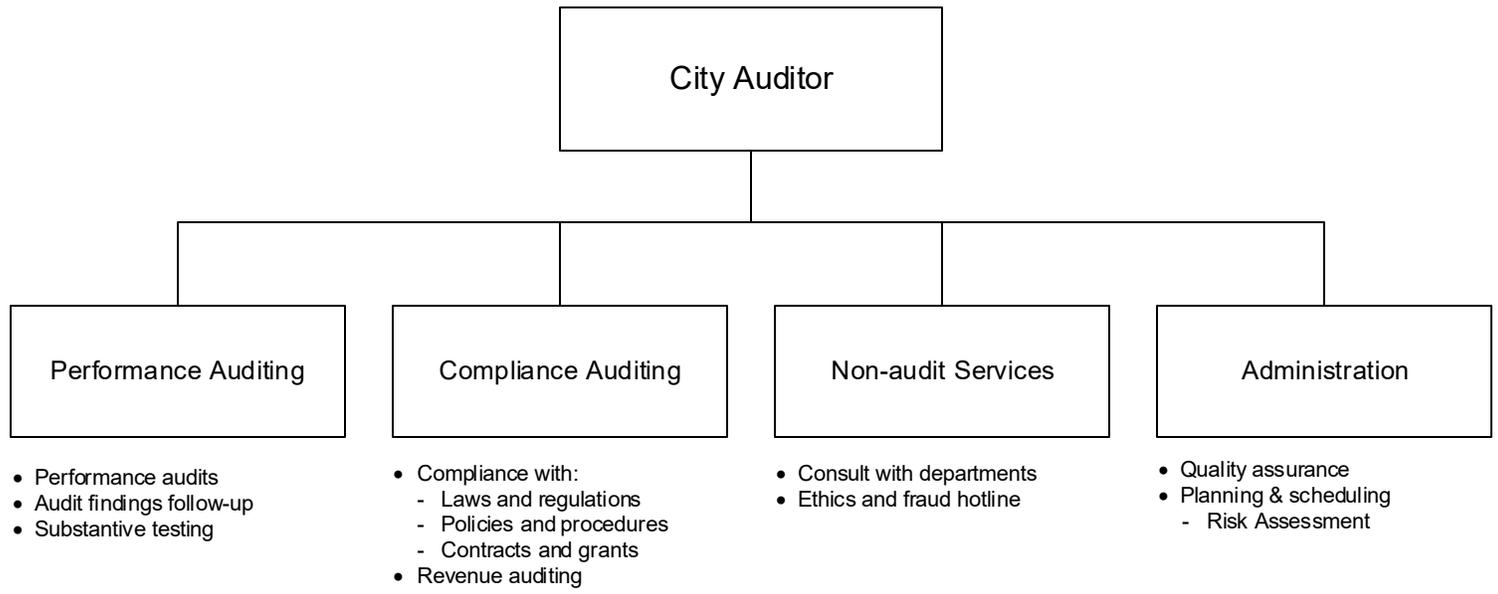
The elections section manages the nominations for Council office and performs prima facie review of any petitions that are filed with the City and serves as the Elections Official for the City. Additional duties include: adjusting Council District boundaries; preparation of the Council Candidate Guide; receiving and processing Campaign Statements and Statements of Economic Interest; monitoring the filings/amendments/updates to the City's Conflict of Interest Code; and promoting voter registration and participation.

Operations provides support services, ensuring agenda posting and public hearing notification requirements are met. Support services include meeting attendance and minute preparation for various City meeting bodies including, but not limited to: City Council/Successor Agency to the Redevelopment Agency, Planning Commission, Civil Service and Equal Employment Commissions, Salary Setting Commission, Mayor's Climate Action Task Force, Development Oversight Commission, Cultural Heritage Board and various committees of the City Council.

The Records division receives, indexes, classifies and files records applicable to the actions of the City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, Civil Service Commission and the Equal Employment Commission. The Clerk researches and retrieves records, maintains contract and deed inventories. The Clerk develops and implements records retention policy in accordance with State of California statutes and good records management principles, preserving the hard or electronic copies of permanent records and destroying records which have fulfilled their administrative, fiscal, and/or legal value.

KEY CONSIDERATIONS

City Clerk staff has continued to seek training opportunities, working to provide staff the ability to be positioned for the office succession plan. With 2016 being an election year, the Clerk's Office has focused on the election tasks for both Council candidates and potential measures for the upcoming June and November elections. With the recent implementation of software for campaign filing forms, the office has been able to achieve a greater level of compliance and transparency for the public. It is the goal to continue this practice and deliver the quality of service and information the public expects from our office.



CITY AUDITOR

CITY AUDITOR

MISSION STATEMENT

The Office of the City Auditor independently promotes ethical, efficient, and effective governance for the citizens of Stockton.

Budget at a Glance:

Total Expenditures	\$756,667
Total Revenues	\$0
Total Net Cost	\$756,667
Total Staff	0

DEPARTMENT DESCRIPTION

The Office of the City Auditor provides the City Council, management, and employees with objective analyses, appraisals, and recommendations for improvements to the City systems and activities. The primary activity of the department is to conduct performance internal audits. These audits may focus on internal controls, compliance with laws and policies, accomplishment of goals and objectives, or a combination of these areas. The City Auditor in collaboration with the Chief Financial Officer also provides oversight for the external audit of the City's financial reports.

This department is funded primarily through the General Fund with appropriate cost allocations made to other funds based on the benefit derived from planned audits. The Office of the City Auditor conducts regular organizational risk assessments and prepares a proposed annual internal audit plan listing potential projects. The City Council, through the Council Audit Committee, selects those audit projects to be included in the final annual audit plan.

KEY CONSIDERATIONS

In 2012, the City Council authorized a contract to provide the services of the City Auditor. This agreement was intended to be a trial to explore filling the role of the City Auditor by third-party contract. In addition, the contracted City Auditor was tasked with completing a comprehensive risk assessment and internal control review of the City.

Upon completion of the risk assessment and internal control review during the six month pilot phase, the City Council authorized a three year contract with Moss Adams, LLC to perform the duties of the City Auditor. The City Council also adopted a twenty-four month Internal Audit Plan that was developed to implement the findings and recommendations resulting from the risk assessment and internal control review.

The Internal Audit Plan has served as the work plan for the City Auditor during the past three fiscal years. The initial twenty-four month plan was extended through FY 2015-16 due to the significant body of work that it represented and the challenge that city staff faced in completing projects as bankruptcy proceedings extended beyond anticipated timeframes. The Internal Audit Plan represents a critical body of work to strengthen the internal controls of the City in an aggressive timeframe. To bring audits current, the Council authorized increases to the City Auditor budget in FY 2013-14 and FY 2014-15 to expedite the Internal Audit Plan. In the FY 2015-16 Annual Budget, appropriations were subsequently returned to prior levels.

The initial Internal Audit Plan will be completed in FY 2015-16. Nine internal control audits have been completed over the past three years with follow-up testing and validation occurring in FY

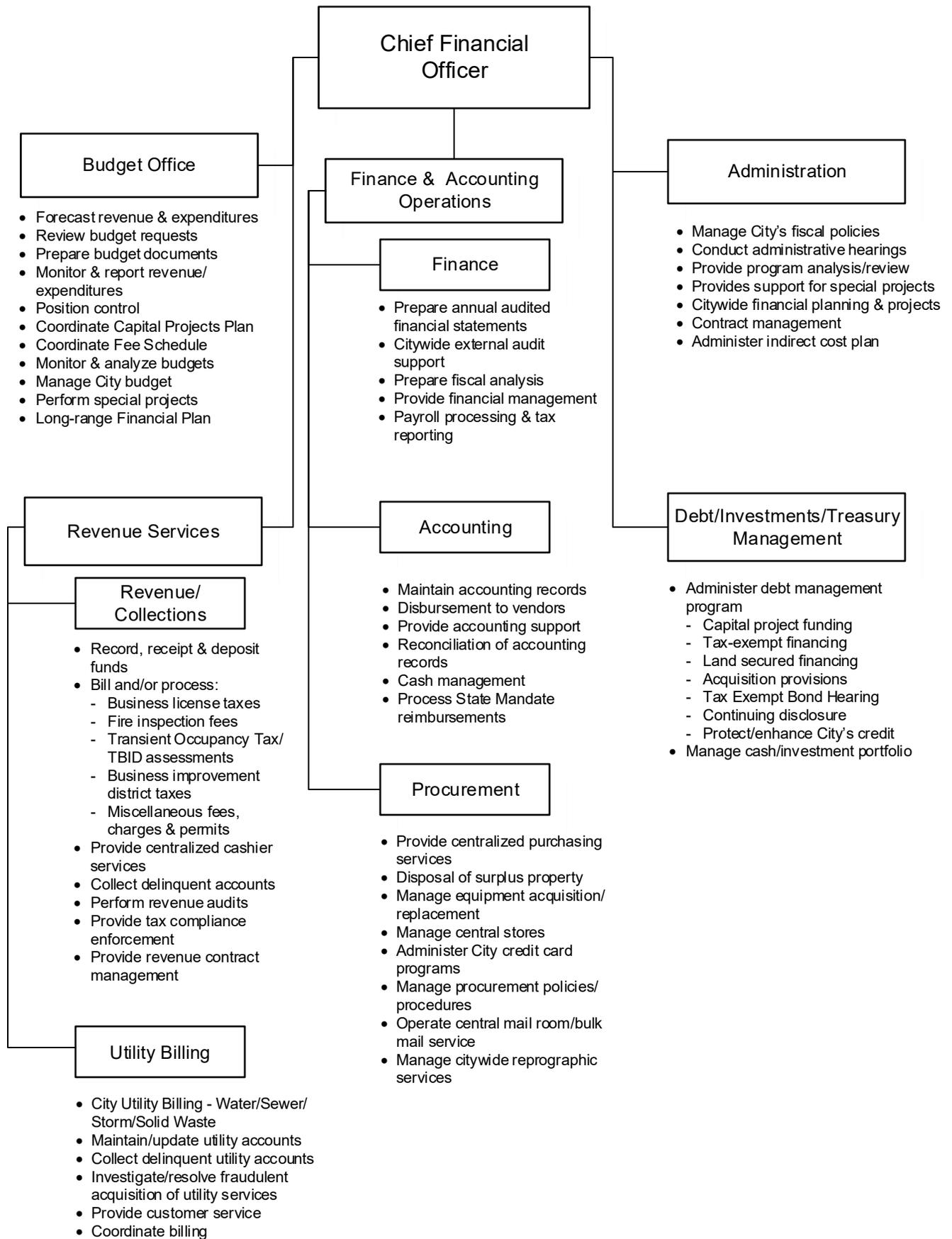
CITY AUDITOR

2015-16. In addition, the fraud, waste and abuse program and the performance management program for the City have been strengthened. Furthermore, significant policy and process developments have occurred to bring the City up to date on current trends and best practices. There are several components of the Internal Audit Plan that require multi-year implementation, resulting in projects carrying forward into future fiscal years, a key example being the continued policy and procedure development of the Policy Project. The final component of the Internal Audit Plan is a subsequent risk assessment to determine progress and outline new projects recommended for the Internal Audit Plan for FY 2016-17.

In addition to the internal audit function, the City Auditor's budget has allocated sufficient resources in recent years to bring the City into compliance and best practice related to the timing of external financial reporting and auditing. The FY 2013-14 and 2014-15 financial reports for the year ending June 30, 2014 were completed and submitted to the appropriate reporting agencies within the correct timelines outlined by best practice. It remains a priority in the FY 2016-17 Annual Budget to allocate the necessary resources for audits to assure that the City is able to complete financial reporting for FY 2015-16.

**Charter Officers
General Fund - 010
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Total Charter Officers				
Employee Services	\$ 2,223,918	\$ 2,533,115	\$ 3,029,515	\$ 3,249,596
Other Services	1,325,122	1,085,257	1,875,460	1,471,980
Materials and Supplies	40,771	65,877	100,222	78,713
Other Expenses	53,225	79,017	120,213	95,350
Total	<u>\$ 3,643,036</u>	<u>\$ 3,763,266</u>	<u>\$ 5,125,410</u>	<u>\$ 4,895,639</u>
City Council				
Employee Services	400,068	392,028	321,288	315,929
Other Services	42,811	39,657	57,819	192,630
Materials and Supplies	2,748	1,916	8,000	8,000
Other Expenses	12,566	19,977	45,113	17,000
Total	<u>458,193</u>	<u>453,578</u>	<u>432,220</u>	<u>533,559</u>
City Manager				
Employee Services	800,202	988,175	1,142,706	1,205,301
Other Services	91,054	136,390	173,480	168,445
Materials and Supplies	7,013	8,589	10,991	10,913
Other Expenses	25,576	23,124	20,600	28,000
Total	<u>923,845</u>	<u>1,156,278</u>	<u>1,347,777</u>	<u>1,412,659</u>
City Attorney				
Employee Services	496,076	619,466	927,491	1,040,297
Other Services	138,673	152,370	224,259	229,777
Materials and Supplies	29,802	50,232	40,196	37,500
Other Expenses	11,957	16,554	32,000	32,350
Total	<u>676,508</u>	<u>838,622</u>	<u>1,223,946</u>	<u>1,339,924</u>
City Clerk				
Employee Services	527,124	533,186	638,030	688,069
Other Services	114,176	112,357	138,851	124,461
Materials and Supplies	1,208	5,140	41,035	22,300
Other Expenses	3,126	19,362	22,500	18,000
Total	<u>645,634</u>	<u>670,045</u>	<u>840,416</u>	<u>852,830</u>
City Auditor				
Employee Services	448	260	-	-
Other Services	938,408	644,483	1,281,051	756,667
Materials and Supplies	-	-	-	-
Other Expenses	-	-	-	-
Total	<u>938,856</u>	<u>644,743</u>	<u>1,281,051</u>	<u>756,667</u>



ADMINISTRATIVE SERVICES DEPARTMENT

ADMINISTRATIVE SERVICES DEPARTMENT

MISSION STATEMENT

To provide financial, administrative and technical support to residents, business partners, decision makers and other City departments; and to safeguard and facilitate the optimal use of City resources for strategic financial planning.

Budget at a Glance:

Total Expenditures	\$5,374,322
Total Revenues	\$669,907
Total Net Cost	\$4,704,415
Total Staff	79

DEPARTMENT DESCRIPTION

The Administrative Services Department provides vital systems and services administered through five divisions: Administration, Budget, Financial and Accounting Operations, Treasury, and Revenue and Collection Services (including Utility Billing).

Administration Division directs the activities of the Administrative Services Department, which includes monitoring revenue, billing, collections, investments, audits, disbursement of funds; reporting on accounting and financial activities; processing City payroll; coordinating purchasing activities; and managing long term debt.

Budget Office is responsible for the development and monitoring of the City's annual budget. Throughout the fiscal year, the Office provides assistance to City management and departments by analyzing and evaluating financial performance and budget projections. The Budget Office also coordinates financial planning and management, reports financial outcomes as compared to budgets, monitors citywide budgets including capital, fees, and revenues. This division maintains the citywide long range financial plan and position control for all departments.

Financial and Accounting Operations Division is responsible for citywide procurement, finance, and accounting operations as follows:

- Purchasing is responsible for the procurement of all supplies and services necessary for the operation of City departments. Purchasing includes centralized printing and high volume reprographic and mail services to departments.
- Finance provides financial services to all City departments and stakeholders. Finance is responsible for the recording and reporting of financial transactions; reporting financial positions in accordance with generally accepted accounting principles, and the preparation of the Comprehensive Annual Financial Report and other financial reports.
- Accounting operation services include payroll processing for over 1,500 employees, payroll tax compliance, employee benefit reporting for retirement systems, accounts payable, cash activity and all central accounting recording and monitoring.

Debt and Treasury Division manages the City's pooled investment portfolio and debt issues which total approximately \$700 million. Services include investment management of the cash and investment portfolio, investor relations, market disclosures, and financing/refinancing programs.

ADMINISTRATIVE SERVICES DEPARTMENT

Revenue Services Division is responsible for Citywide revenue services as follows:

- Customer Services Unit is responsible for providing customer service for 112,000 accounts at the counter and over the phone. There are 55,000 City of Stockton utility accounts for water, sewer, storm water, and solid waste charges. The unit also assists 40,000 sewer, storm water and solid waste customers in the California Water Service Company serviceable area. In addition to billing customers, the Customer Services Unit also provides assistance for over 17,000 business license tax accounts.
- Revenue Operations Unit is comprised of multiple billing functions, treasury, and business license processing. It is responsible for the enforcement and audit of business license tax, hotel/motel tax, utility user's tax, improvement district assessments, and other fees and charges owed to the City. Other responsibilities include; accurate recording, reconciliations, receipting, control, and deposit of all monies received by City departments.
- Collection, Compliance and Revenue Reporting Unit is responsible for the recovery of City revenues from delinquent utility billings, business licenses, transient occupancy tax, utility user tax and miscellaneous accounts receivables. It promotes compliance through the audit of Business License tax and Transient Occupancy Tax. The unit also manages uncollectible accounts to outside collection agencies for collections and provides revenue reporting functions such as cash collections and deposits, quarterly receivables and write offs.

KEY CONSIDERATIONS

The Administrative Services Department (ASD) is focused on creating and maintaining fiscal stability as is critical to the City of Stockton's recovery. The department continues implementation of functional unit realignments to improve operational efficiencies, internal controls, staffing capacity and to address City Council strategic priorities of organizational development and fiscal sustainability. Last year, the department filled key manager vacancies including the Chief Financial Officer, Assistant Chief Financial Officer, Budget Officer, and Revenue Officer. With a stable leadership team in place, the remaining staff vacancies have been prioritized for recruitment and hiring is ongoing in all divisions.

ASD played a lead role in the implementation of the Plan of Adjustment approved by the Bankruptcy Court in 2015. Further efforts continue for the completion of this process and the ongoing monitoring of debt agreement provisions and the impact of financial decisions on the Long-range financial plan.

Transparency and timeliness in financial reporting is an important ASD goal; both in the short term and long term. Short term efforts have yielded timely delivery of the City's Comprehensive Audited Financial Report, State Controller's Office report, and independent audits. Long term projects are underway for more meaningful and accessible reporting models and software including reporting aspects of the Enterprise Resource Plan. ASD continues to strive to deliver quarterly financial reports to City Council, Committees and Commissions in a timely manner.

In addition, extensive efforts are being made to address audits and resolve prior year audit findings which require collaboration with all departments and timely accounting reporting. Audits are expected to continue and significant City time and resources will be necessary to complete this process.

The department continues to evaluate and improve processes and to implement best practices in functional areas such as procurement, contract administration, payroll and accounting. The strategic procurement initiative was one of these improvement projects, supported as a mission

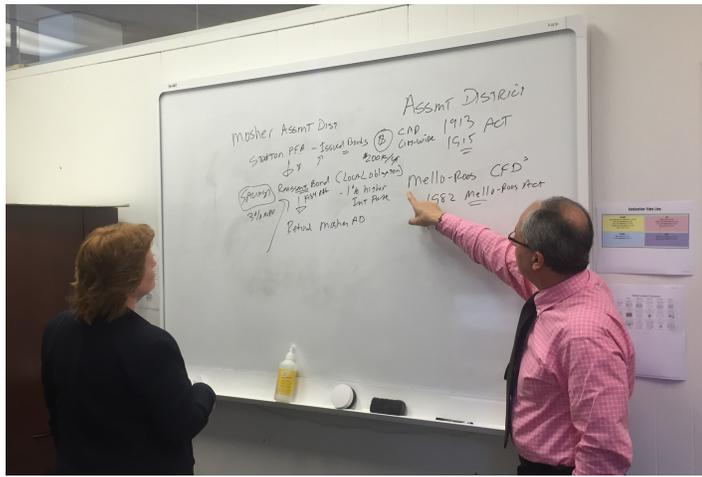
ADMINISTRATIVE SERVICES DEPARTMENT

critical project by City Council in support of the fiscal sustainability goal. Last year's budget included the last period of an external consultant to assess, report, and provide procurement, contract and purchasing best practices. In addition, Council approved three positions which will be funded through savings from procurement reengineering and be filled in FY 2016-17.

The Budget Office continues its work to fully institutionalize the Long-range financial plan per the City Council strategic priority of fiscal sustainability. This includes financial forecasting within the parameters of the newly-approved General Fund Reserve and Fund Balance Policy.

**Administrative Services
General Fund - 010
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	Actual	Actual	Current Budget	Adopted Budget
Total Administrative Services Department				
Employee Services	\$ 2,264,483	\$ 2,524,874	\$ 3,242,842	\$ 3,788,488
Other Services	954,194	1,099,496	1,393,077	1,075,867
Materials and Supplies	56,168	59,461	77,160	83,550
Other Expenses	25,962	29,911	47,200	49,700
Total	<u>\$ 3,300,807</u>	<u>\$ 3,713,742</u>	<u>\$ 4,760,279</u>	<u>\$ 4,997,605</u>
Administration				
Employee Services	353,943	368,194	372,533	625,233
Other Services	245,113	149,959	272,964	214,751
Materials and Supplies	6,168	12,484	6,700	11,700
Other Expenses	17,063	6,993	11,800	11,800
Total	<u>622,287</u>	<u>537,630</u>	<u>663,997</u>	<u>863,484</u>
Budget				
Employee Services	324,392	381,511	417,507	584,059
Other Services	76,427	70,209	158,822	140,876
Materials and Supplies	2,170	1,970	7,000	12,000
Other Expenses	343	229	9,000	11,500
Total	<u>403,332</u>	<u>453,919</u>	<u>592,329</u>	<u>748,435</u>
Financial Services				
Employee Services	574,487	698,373	1,156,263	1,113,259
Other Services	333,564	369,178	367,458	307,006
Materials and Supplies	24,373	20,104	13,800	16,800
Other Expenses	3,759	15,923	12,100	12,100
Total	<u>936,183</u>	<u>1,103,578</u>	<u>1,549,621</u>	<u>1,449,165</u>
Revenue Services				
Employee Services	783,114	840,796	1,017,274	966,003
Other Services	209,005	251,820	253,988	251,169
Materials and Supplies	18,180	15,589	26,152	21,250
Other Expenses	711	1,474	7,200	7,200
Total	<u>1,011,010</u>	<u>1,109,679</u>	<u>1,304,614</u>	<u>1,245,622</u>
Purchasing				
Employee Services	228,547	236,000	279,265	499,934
Other Services	90,085	258,330	339,845	162,065
Materials and Supplies	5,277	9,314	23,508	21,800
Other Expenses	4,086	5,292	7,100	7,100
Total	<u>327,995</u>	<u>508,936</u>	<u>649,718</u>	<u>690,899</u>



Human Resources
Director

- Labor negotiations
- Organizational development
- Citywide policy development

Benefits

- Health Benefits Administration
 - Medical
 - Dental
 - Vision
 - Medicare coordination
 - Consolidated Omnibus Budget Reconciliation Act (COBRA)
 - Healthcare Reform Compliance
- Retirement
 - California Public Employees' Retirement System (CalPERS)
 - Deferred Compensation
 - Public Agency Retirement Services (PARS)
- Ancillary Benefits
 - Life Insurance
 - Accidental Death and Dismemberment
 - Long Term Disability
 - Voluntary Insurance Product
 - State Disability Insurance
- Leave Entitlements
 - Family Medical Leave Act
 - California Rights Act
 - Pregnancy Disability Act
 - Military Leave coordination
 - Catastrophic Leave Donation Program
- Miscellaneous
 - Unemployment
 - Flexible Spending Accounts
 - Exit interviews

Risk Services

- City property insurance program
- City workers' compensation program
- Self-insurance tort liability program
- Third party recovery program
- Safety/Occupational Safety and Health Administration (OSHA) Program
- Insurance certificates
- Americans with Disabilities Act (ADA) Coordinator
- City Driving Program/ Department of Transportation (DOT)
- Conduct city onsite safety inspections
- Record and analyze risk data statistics
- City insurance policies
- Risk policies and procedures
- Special events advisory
- Office of Emergency Services (OES) Program Advisory

Workforce Planning

- Civil Service Commission
 - Agenda preparation
 - Rules formulation
- Equal Employment Commission
 - Equal Employment Plan
- Training & organizational development
 - Staff development
 - Needs assessment
- Recruitment/promotions
 - Classification of eligible employees
 - Pre-employment processing
 - New employee orientation
 - Internship program
 - Job Fairs
- Employee Services
 - Maintenance of classification plan
 - Classification and equity studies
 - Employee performance evaluations
 - Employee file maintenance
 - Certification of eligible lists
 - Establish and maintain seniority lists
 - Maintenance of layoff reemployment list
 - Placement assistance
- Position Control
- Employee Transportation
 - Ride-Share Program
 - Spare-the-Air Program
- Temporary Agency Contracts

Employee/Labor Relations

- Employee relations
 - Labor negotiations
 - Memorandum of Understanding (MOU) administration
 - Grievance resolution
 - Disciplinary action
 - Equal Employment Opportunity (EEO)/ Department of Fair Employment and Housing (DFEH) complaints
 - Employee investigations
- Civil Service Commission
 - Policy advice
 - Disciplinary appeals

HUMAN RESOURCES DEPARTMENT

HUMAN RESOURCES DEPARTMENT

MISSION STATEMENT

Human Resources is a cohesive, collaborative team of professionals dedicated to attracting, recruiting, hiring and developing a qualified diverse workforce. Human Resources provides quality and innovative customer driven services and programs to support organizational goals, and to create a healthy and positive work environment for City employees to deliver high quality service to the citizens of Stockton.

Budget at a Glance:

Total Expenditures	
General Fund	\$2,333,149
Benefit Programs	\$96,843,353
Total Revenues	\$99,387,135
Total Net Revenue	\$210,633
Total Staff	30

DEPARTMENT DESCRIPTION

The Human Resources Department consists of four divisions: Workforce Planning and Training, Employee/Labor Relations, Risk Management Services, and Benefits Administration.

The Workforce Planning and Training Division assists City departments with refinements of organizational structures to maximize efficiency and provide equal employment opportunities by hiring, retaining and developing a skilled, diverse and efficient workforce for the City. The City strives to retain employees by providing training tools and skills needed to be successful in their current jobs and assist with growth and development for upward mobility within the City.

The Employee/Labor Relations Division develops, negotiates, implements, and administers policies, procedures and labor agreements that support and promote workplace diversity, fairness and equality for City employees. This division provides counseling and advisement on labor relations and human resources matters, provide assistance in the timely resolution of grievances, complaints and other personnel related matters.

The Risk Management Services Division protects the City's resources by working proactively to limit liability exposures and by providing cost effective risk management programs, such as employee safety and workers' compensation, and contract review and insurance monitoring. The division also purchases insurance to protect City property and liability, and works to recover General Fund monies from third parties for damages.

The Benefits Administration Division assists in providing and coordinating all aspects of employees' benefit compensation packages. This includes, but is not limited to, health insurance, retirement services, leave entitlements, employee assistance program, flexible spending accounts, life insurance, and long term disability. In addition to assisting current employees, this division provides services to retirees and dependents.

KEY CONSIDERATIONS

In an effort to modernize and streamline the process of providing personnel services, the Human Resources Department is focusing on increasing benefit services, a more active Risk Management Division, and providing focused training for all level of City personnel. In addition, the Workforce Planning Division assists City departments in organizational restructuring due to reduced staffing levels and to implement operating efficiencies.

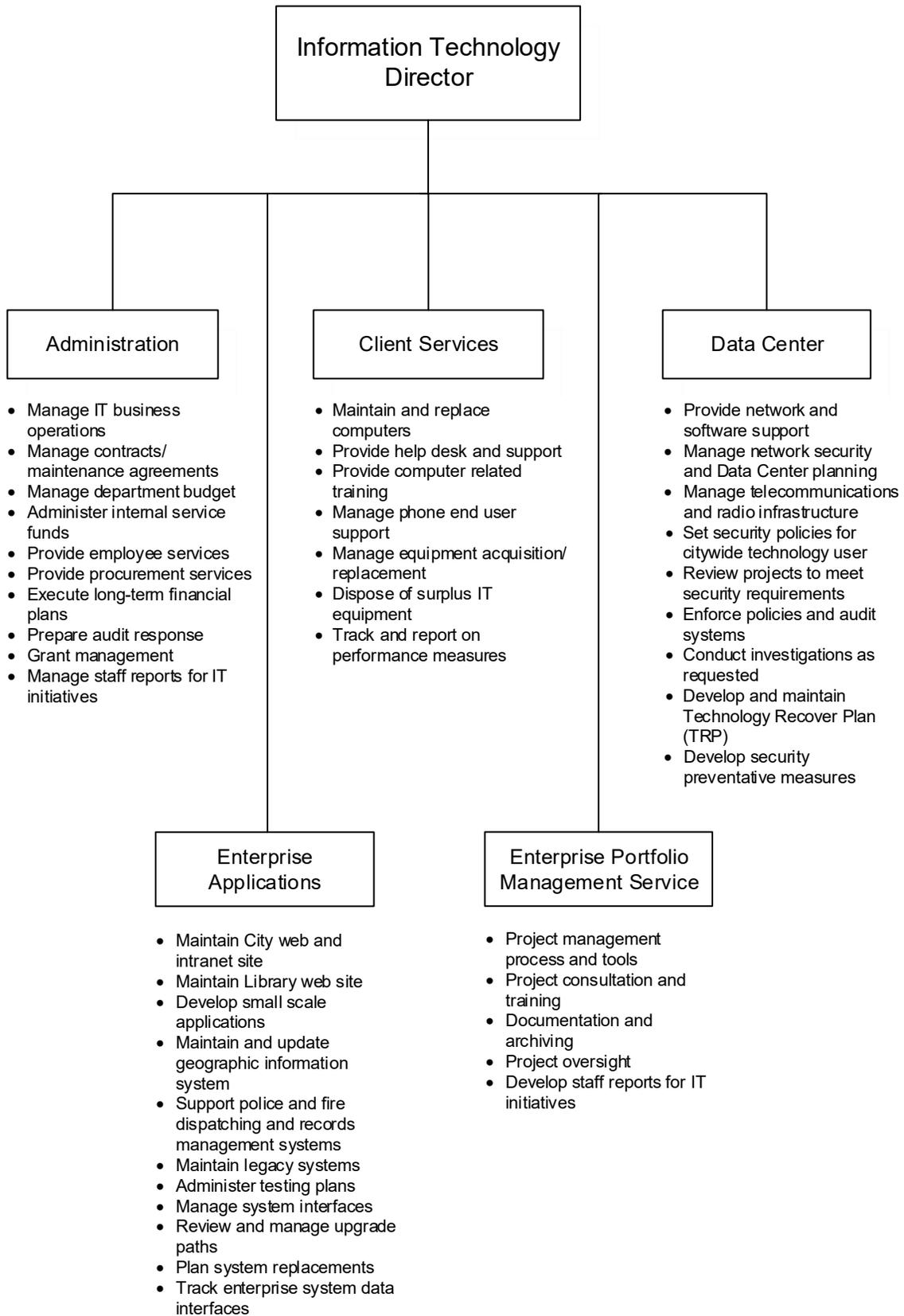
HUMAN RESOURCES DEPARTMENT

The City's health plans are designed to attract and retain a quality workforce, protect and promote healthy living, and fall within financially sustainable parameters. In FY 2016-17, the City's medical plan rates are increasing by 8-9% depending on plan selection. Rate increases to the self-funded plan are attributable to medical and prescription utilization trends, the effects of anti-selection of the self-funded plan as enrollment declines, and mandated benefit increases and fee requirements due to the Affordable Care Act (ACA). The department presented and Council approved two additional, medical plan options. This provides a total of four plans offerings effective July 1, 2016. The department continues to ensure compliance with all mandates under ACA.

Proper funding and reserve levels are established for the General Liability and Workers' Compensation funds. The department has formulated recommendations based on best practices for allocating premium rates to achieve appropriate funding levels. Elements of these recommendations have been phased in. Although claims are volatile, the established reserve levels have decreased the unfunded liability in the Workers' Compensation program.

**Human Resources
General Fund - 010
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Total Human Resources Department				
Employee Services	\$ 995,949	\$ 1,120,270	\$ 1,275,921	\$ 1,393,153
Other Services	351,397	428,501	844,968	737,844
Materials and Supplies	25,745	14,072	20,304	19,247
Other Expenses	49,975	67,880	194,266	182,905
Capital Outlay	7,327	-	-	-
Total	<u>\$ 1,430,393</u>	<u>\$ 1,630,723</u>	<u>\$ 2,335,459</u>	<u>\$ 2,333,149</u>
<hr/>				
Workforce Planning				
Employee Services	438,035	405,972	512,738	563,892
Other Services	270,022	279,452	403,169	491,229
Materials and Supplies	13,323	9,237	11,311	11,247
Other Expenses	5,036	6,661	12,006	12,360
Capital Outlay	7,327	-	-	-
Total	<u>733,743</u>	<u>701,322</u>	<u>939,224</u>	<u>1,078,728</u>
Employee Relations				
Employee Services	557,914	714,298	763,183	829,261
Other Services	81,375	149,049	441,799	246,615
Materials and Supplies	12,422	4,835	8,993	8,000
Other Expenses	44,939	61,219	182,260	170,545
Total	<u>696,650</u>	<u>929,401</u>	<u>1,396,235</u>	<u>1,254,421</u>



INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY DEPARTMENT

MISSION STATEMENT

A focus on business solutions, service reliability, innovations, and customer satisfaction.

Budget at a Glance:

Total Expenditures	\$16,293,613
Total Revenues	\$15,064,228
Total Net Cost	\$1,229,385
Total Staff	43

DEPARTMENT DESCRIPTION

The Information Technology (IT) Department is responsible for providing:

- leadership and vision for integrating City Council, City Manager, and departmental goals into a citywide information technology strategy
- flexible, cost-effective enterprise business systems for the City
- reliable and secure data center services and support for citywide technology systems
- network design and support, including network monitoring and security
- support for internet and intranet services as well as desktop support services
- support for citywide telecommunications
- partnering with departments to develop technology solutions and provide project management process and tools

The IT Department is comprised of five divisions: Administration, Client Services, Data Center, Enterprise Applications, and Enterprise Portfolio Management.

Administration directs the administrative, financial, and human resources functions of the IT Department, including managing business operations, department budget, financial planning, contracts and maintenance agreements, procurements, and employee services.

Client Services directs the delivery of computer purchases, repairs, replacements and services to departments and provides support for computer hardware, software, and technology solutions as well as providing computer related training for staff.

Data Center provides reliable and secure enterprise computing and telecommunications infrastructure. Evaluates and plans for the upgrade, consolidation and/or the replacement of infrastructure. Explores new technologies such as cloud computing and determines how to apply the new technologies to the infrastructure. Enforces security policies and performs audits of systems for security compliance. This service area also performs eDiscovery data collection requests.

Enterprise Applications supports custom and third party applications, including the geographic information system, enterprise resource planning, public safety dispatch, records management system and analytics systems. This service area also supports testing and web applications, and develops in-house solutions. Supports Enterprise Architecture and the overall strategy to provide enterprise business systems. Optimizes and transforms business processes, information application systems and technologies into an efficient and integrated environment. This service area provides system interface management, integrations, and replacement planning.

INFORMATION TECHNOLOGY DEPARTMENT

Enterprise Portfolio Management: facilitates all phases of the IT governance process; partners with departments to develop technology solutions based upon business needs, facilitates all phases of the information technology governance process, and provides guidance and oversight of project management processes; tools; project consultation and training; documentation and archiving.

KEY CONSIDERATIONS

The City Council identified improved technology as one of its strategic priorities which includes participation from all departments including significant efforts by IT. Improvements are needed in emergency communication, financial systems and computer networks. Major technology initiatives for FY 2016-17 include the following:

- **Enterprise Resource Plan (ERP)** – Complete assessment and award contract for replacement of the existing ERP solution implemented in 1991.
- **Security Assessment** – Security assessment and researching, developing, implementing, testing and reviewing the City's security on an ongoing basis in order to protect information and prevent unauthorized access.
- **Telephone Equipment Upgrades/Replacements** –Exploring the option of moving to a cloud-based VoIP system utilizing the State of California CALNET 3 contract. Replacement of the VoIP system will be completed in FY 2016-17.
- **Complete Plan to Modernize Radio System** –Modernize the radio system and replacement of mobile and portable radios A Joint Powers Authority proposal for countywide, interoperable radio communications is being evaluated. The potential trunked solution will provide seamless radio communications to all agencies in San Joaquin County. This proposal will be brought forward to City Council in FY 2016-17.
- **Upgrade CAD/RMS system** – Evaluation of a system upgrade to enable the Police Department to comply with Department of Justice requirements.
- **Restructure City Copier Management** – Complete assessment of citywide digital output devices (printers and copiers) and of single function items such as stand-alone fax machines, network printers or local printers.
- **Replace Various Technology Equipment** – Address backlog of technology equipment replacement. Significant funding for replacement of desktop computers, printers, laptops, and other office technology equipment used is budgeted to begin this multi-year effort.
- **GIS Technology Road Map Projects** – Replacement of the City's legacy LandMaster application with an online product using Google mapping services will continue.
- **Improve Connectivity to Remote Locations** – Improve connectivity to remote locations that require more bandwidth such as Libraries, Community Centers, and Fire Stations. Increase citywide internet connection.
- **Implement Virtual Desktop Infrastructure** – Replace traditional desktop computers with a lower cost thin-client hardware solution. Desktop computing will reside in a data center resulting in increased security of desktop environments, shared hardware computing resources, a more agile environment to adapt to change, and an increase in end-user mobility.

**Information Technology
Internal Service Funds
FY 2016-17 Adopted Budget**

	Computer Equipment 502	Radio Equipment 503	Telephone Equipment 504	Internal Service Total
	<i>See Page N-14</i>	<i>See Page N-17</i>	<i>See Page N-19</i>	
Beginning Available Balance	\$ 5,851,131	\$ 1,345,146	\$ 1,419,695	\$ 8,615,972
Revenues				
Charge for Services				
Police	5,338,180	999,693	523,730	6,861,603
Fire	919,100	488,096	68,264	1,475,460
Other General Fund	1,451,961	2,695	258,508	1,713,164
Other Funds	4,171,371	133,277	642,353	4,947,001
	<u>11,880,612</u>	<u>1,623,761</u>	<u>1,492,855</u>	<u>14,997,228</u>
Refunds & Reimbursements	60,000	-	-	60,000
Investment Interest	-	-	7,000	7,000
	<u>11,940,612</u>	<u>1,623,761</u>	<u>1,499,855</u>	<u>15,064,228</u>
Expenditures				
General & Administrative	2,275,023	-	-	2,275,023
Operations & Maintenance	7,559,015	1,021,914	1,195,431	9,776,360
Equipment Replacements	2,525,730	1,411,500	305,000	4,242,230
Debt Service	-	-	-	-
	<u>12,359,768</u>	<u>2,433,414</u>	<u>1,500,431</u>	<u>16,293,613</u>
				-
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(419,156)</u>	<u>(809,653)</u>	<u>(576)</u>	<u>(1,229,385)</u>
Ending Available Balance	<u>\$ 5,431,975</u>	<u>\$ 535,493</u>	<u>\$ 1,419,119</u>	<u>\$ 7,386,587</u>
				-
			Revenues	\$ 15,064,228
			Transfers	-
			Total Sources	<u>\$ 15,064,228</u>
			Expenditures	\$ 16,293,613
			Transfers	-
			Total Appropriations	<u>\$ 16,293,613</u>

NON-DEPARTMENTAL

MISSION STATEMENT

To provide for citywide General Fund expenses not solely related to one department. Functions include: reporting, securing and providing technical assistance for grant funding from state, local and federal agencies; and prevention and intervention; providing timely, accurate, and complete information that is readily accessible to the public, via print, web-based and broadcast mediums, about City services, events, issues and actions; responding to public inquiries and requests for public information; and reaching out to the community to encourage public participation in local government.

Budget at a Glance:

Total Expenditures	\$34,096,679
Total Revenues	\$1,487,850
Total Net Cost	\$32,608,829
Total Staff	18

DEPARTMENT DESCRIPTION

Non-Departmental is a funding source category for functions within the City Manager's Office that have citywide impact and are not directly attributable to any single department. Programs funded, in whole or part, through Non-Departmental, include: Channel 97, Grants Management, Office of Violence Prevention, Labor Litigation, Communications and Public Relations. Non-Departmental funds are also used to pay for expenses and costs related to receipt of tax revenues from other agencies, general elections costs, advertising and outreach for the City of Stockton, coordination and oversight of outreach programs in the Office of Violence Prevention, contracts for legislative advocacy, and dues to the California League of Cities. Also contained in the Non-Departmental section are three other categories of funding that are citywide in nature. These are:

- Debt service payments, which under the Plan of Adjustment are limited to payments on the Stuart Eberhardt Building, the Civic Auditorium HVAC lease and a small amount of staff time
- Transfers for Program Support for Other Funds (e.g. Capital Improvement Fund, Development Services, Golf, Entertainment Venues, Library, Recreation, etc.)
- Contingency Reserve of \$2 million to cover unexpected expenditures or emergencies

Non-Departmental results are measured by grants obtained, successful prevention outreach, intervention measures implemented, successful legislative advocacy efforts, public outreach, and implementation of outreach mediums and tools.

KEY CONSIDERATIONS

As the City of Stockton begins its financial and economic recovery, outside funding sources remain limited, resulting in a continued need for the functions provided by Non-Departmental funding. Grant funding opportunities are scarce and available grants have more stringent requirements and qualifications, requiring additional time and resources for grant research and application processing.

A significant change to the Non-Departmental budget in recent years is large increase in the funding of the newly created Office of Violence Prevention from Measure A funding in support of

NON-DEPARTMENTAL

the Marshall Plan. As the Office of Violence Prevention has been established and staff have been hired, additional funding has been made available to expand programs. It is anticipated that the programs and outcomes of the Office of Violence Prevention will now expand at a much quicker pace. There will also be a heightened focus on obtaining additional grant funding.

In broader consideration of the Non-Departmental budget, as the City moves forward post-bankruptcy, community outreach and strategic media relations will play a pivotal role in moving forward with our recovery. The City needs to work with employees, citizens, visitors, and ultimately employers that may wish to locate their businesses here to continue the progress that this organization and community have made. The City is poised to work with an expert to develop a strategy to improve Stockton's image. In support of the Council's public relations strategic priority, funding is included in the budget to work with an outside expert to assist the City in developing a comprehensive marketing and image strategy.

**Non-Departmental
General Fund - 010
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Total Non-Departmental				
Employee Services	\$ 601,650	\$ 782,438	\$ 1,522,353	\$ 1,494,137
Other Services	2,564,147	3,230,042	6,956,605	7,241,477
Materials and Supplies	28,936	11,350	56,447	53,483
Other Expenses	(931,023)	(847,594)	1,164,380	1,219,830
Capital Outlay	-	-	174,774	-
Transfers	14,633,984	22,731,864	24,824,910	17,505,873
Total	<u>\$ 16,897,694</u>	<u>\$ 25,908,100</u>	<u>\$ 34,699,469</u>	<u>\$ 27,514,800</u>

Office of Violence Prevention

Employee Services	233,654	293,327	286,870	394,663
Other Services	88,039	117,736	331,661	188,834
Materials and Supplies	13,611	11,203	15,822	12,858
Other Expenses	202	670	3,000	5,500
Total	<u>335,506</u>	<u>422,936</u>	<u>637,353</u>	<u>601,855</u>

Marshall Plan - Office of Violence Prevention

Employee Services	-	77,520	592,900	627,914
Other Services	-	128,698	315,389	197,663
Materials and Supplies	-	3,713	39,500	39,500
Other Expenses	-	-	2,000	8,750
Capital Outlay	-	-	74,774	-
Total	<u>-</u>	<u>209,931</u>	<u>1,024,563</u>	<u>873,827</u>

Tax Collection & Election

Employee Services	-	-	-	-
Other Services	1,708,806	1,922,338	2,672,953	3,003,300
Materials and Supplies	-	-	-	-
Other Expenses	381,785	446,201	420,000	448,000
Total	<u>2,090,591</u>	<u>2,368,539</u>	<u>3,092,953</u>	<u>3,451,300</u>

Labor Litigation/AB506/Chapter 9 Legal*

Employee Services	-	-	-	-
Other Services	320,639	315,718	2,018,500	2,000,000
Materials and Supplies	-	-	-	-
Other Expenses	-	-	-	-
Capital Outlay	-	-	-	-
Total	<u>320,639</u>	<u>315,718</u>	<u>2,018,500</u>	<u>2,000,000</u>

**Non-Departmental
General Fund - 010
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Current Budget</u>	<u>Adopted Budget</u>
Other Administration				
Employee Services	367,996	411,591	642,583	471,560
Other Services	446,663	745,552	1,618,102	1,851,680
Materials and Supplies	15,325	(3,566)	1,125	1,125
Other Expenses	(1,313,010)	(1,294,465)	(1,260,620)	(1,242,420)
Capital Outlay	-	-	100,000	-
Total	<u>(483,026)</u>	<u>(140,888)</u>	<u>1,101,190</u>	<u>1,081,945</u>
Debt Service				
Transfer Out - Debt Service - 201				
MUD Jarvis Settlement	-	-	-	-
General Fund	-	-	-	-
Parking Bond (SEB)	908,167	912,194	908,494	910,094
Pension Obligation Bond	-	-	-	-
PFF 2009 Bond	-	-	-	-
Marina Towers Settlement	-	-	-	-
Main Hotel Loan Payment	-	-	-	-
Civic Aud. HVAC Lease	248,779	248,779	248,779	248,779
Debt Administration	298,059	246,973	265,000	285,000
Total	<u>1,455,005</u>	<u>1,407,946</u>	<u>1,422,273</u>	<u>1,443,873</u>
Program Support for Other Funds				
Transfers				
Capital Improvement - 301	1,290,000	2,775,000	6,635,000	1,933,000
Development Services - 048	1,000,000	1,000,000	1,000,000	1,000,000
Downtown Marina - 460	160,000	215,000	215,000	170,000
Entertainment Venues - 086	2,920,094	3,100,000	3,445,000	3,445,000
Golf - 481	450,000	450,000	550,000	650,000
Grant Match - 025	64,423	167,918	400,000	300,000
Information Technology ISF - 502	-	5,236,000	1,035,000	-
Library - 041	3,999,000	4,275,000	5,312,525	4,489,000
PFF Administration - 999	-	-	-	-
Radio ISF - 503	-	1,000,000	-	-
Recreation - 044	2,845,000	3,105,000	3,585,112	3,875,000
Workers Comp ISF	-	-	500,000	-
Retirement ISF	-	-	500,000	-
RDA Successor Agency - 633	450,462	-	225,000	200,000
Total	<u>13,178,979</u>	<u>21,323,918</u>	<u>23,402,637</u>	<u>16,062,000</u>
Contingency				
Employee Services	-	-	-	-
Other Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Expenses	-	-	2,000,000	2,000,000
Transfer	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>

NON-DEPARTMENTAL

FISCAL SUSTAINABILITY AND RESERVE FUND (012)

History

- The need for a separate Bankruptcy and Sustainability Fund was identified after the City went through a lengthy and expensive pre-bankruptcy application process required by State law AB506. The Bankruptcy and Sustainability Fund was established in FY 2013-14 to track costs associated with the City's bankruptcy process, including legal fees, certain settlements, and bankruptcy project management.
- The City filed for bankruptcy in June 2012 and the bankruptcy court affirmed the City's eligibility for bankruptcy protection in March 2013. The Court confirmed the City's bankruptcy exit plan, known as the Plan of Adjustment, in October 2014 and the plan was implemented in FY 2014-15.
- The Bankruptcy and Sustainability Fund was primarily funded with the available general fund balance that the City Council committed towards bankruptcy costs at the end of three fiscal years - \$5.6 million from the fiscal year ending June 30, 2012, \$13.6 million from the fiscal year ending June 30, 2013, and \$16.6 million from the fiscal year ending June 30, 2014.
- These resources were used to implement the approved Plan of Adjustment including settlement payments of over \$10.9 million in FY 2014-15. While bankruptcy proceedings have concluded, implementation of the Plan of Adjustment is a longer term commitment. The Plan of Adjustment is intended to bring the City's debts in line with our resources, both now and over time.

FY 2015-16 Events

- Bankruptcy proceedings were concluded in FY 2015-16 with the appellate court ruling against the appeal filed by one of the City's creditors, Franklin Funds. With no further legal challenges from Franklin Funds, the City considers bankruptcy legal proceedings as concluded and began considering how to allocate the monies left in the Bankruptcy and Sustainability Fund.
- On March 29, 2016 the City Council adopted a revised Council Policy called "Reserve and Fund Balance Policy – General Fund" which establishes a working capital reserve of 17%, a restricted Known Contingencies reserve and specific risk based reserves. This policy directs that the City set up 7 new reserve categories (Working Capital, Committed Fund Balance Priority I - Known Contingencies, Committed Fund Balance Priority II – Risk Based Reserves, Contingent Liability Reserve, Revenue Volatility Reserve, Infrastructure Failure Reserve, and an Extreme Events Reserve.

FY 2016-17 Budget Changes

- A balance of \$11.6 million is anticipated to remain in the Bankruptcy and Sustainability Fund at the end of FY 2015-16. This budget recommends that a portion of the funds be committed to several key capital projects related to the Marshall Plan and critical City infrastructure needs. The remainder is recommended to be allocated to implement the new Reserve Policy. The Working Capital Reserve will continue to be held in the General Fund with the remaining reserves held in this fund under the new description of Fiscal Sustainability and Reserve Fund.

**Administration and Support
Fiscal Sustainability & Reserve Fund - 012
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 19,322,287	\$ 30,097,268	\$ 18,057,093	\$ 11,550,781
Revenues				
Chapter 9 Funding	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Chapter 9 Administration & Legal	7,680,714	3,641,499	1,415,406	-
Cost Reimbursed from Other Funds	(2,722,830)	(1,360,186)	(436,410)	-
Special Election	627,558	-	-	-
Settlements	241,373	10,885,945	27,316	-
Settlement Reimbursed from Other Funds	-	(1,659,427)	-	-
Capital Projects	22,324	532,345	5,500,000	4,758,000
	<u>5,849,139</u>	<u>12,040,176</u>	<u>6,506,312</u>	<u>4,758,000</u>
Transfers				
Transfer In - General Fund	16,624,120	-	-	-
Transfer Out - Capital Fund	-	-	-	-
Transfer Out - Parking Authority	-	-	-	-
	<u>16,624,120</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>10,774,981</u>	<u>(12,040,176)</u>	<u>(6,506,312)</u>	<u>(4,758,000)</u>
Ending Available Balance	<u>\$ 30,097,268</u>	<u>\$ 18,057,092</u>	<u>\$ 11,550,781</u>	<u>\$ 6,792,781</u>
Available Balance Calculation				
Cash & interest receivable		\$ 18,215,889		
Accounts payable		(158,796)		
Encumbrances		-		
Ending Available Balance		<u>\$ 18,057,093</u>		
Partial list of other unmet needs and fund deficits (estimates):				
Unfunded Capital Improvement Projects				\$ 584,000,000
Workers' Compensation fund balance deficit				31,194,401
Police Public Facility Fee fund balance deficit				1,326,817
Fire Public Facility Fee fund balance deficit				2,230,859
Recreation Centers Public Facility Fee fund balance deficit				3,706,954
Totals				<u>\$ 622,459,031</u>

NON-DEPARTMENTAL

OFFICE OF VIOLENCE PREVENTION / PEACEKEEPERS

History

- The Peacekeeper Program was initiated in 1998 in an effort to curb gang homicide and violent crime by connecting community members at-risk of violence with community services, diffusing conflicts that lead to gang violence and working with institutions critical to their development. This effort is accomplished by outreach workers that work in collaboration with governmental, community-based and faith-based organizations. Outreach workers are assigned to work one-on-one with individuals at highest risk of violence with the backdrop of this support network. The program has been a highly acclaimed collaborative project.
- Despite the outstanding accomplishments of the Peacekeeper Program, the City of Stockton has faced the challenge of addressing generational violent crime in a stressed criminal justice system. In an effort to further address gang homicide and violent crime, the City of Stockton included in the Marshall Plan a focus on violence prevention and intervention with the expansion of efforts through the creation of an Office of Violence Prevention and implementation of Operation Ceasefire.

FY 2015-16 Events

- Implementation of the Marshall Plan has continued through FY 2015-16 with the support of Measure A funding.
- During FY 2015-16, new hires for the Office of Violence Prevention included the Manager, Community Engagement Coordinator, Outreach Supervisor and four Outreach Workers.
- Under the direction of the City Manager's Office, in FY 2015-16 the Office of Violence Prevention managed the Peacekeeper Program and saw its expansion to eight Outreach Workers, continued implementation of Operation Ceasefire with expanded services to Ceasefire participants, and worked as a liaison between the City and community partners to further implement the Marshall Plan.
- The Office of Violence Prevention also made particular progress in instituting other violence prevention programs including youth mentoring programs and the Community Engagement Coalition for collaborating community wide prevention efforts.

2016-17 Budget Changes

- Historically, the Peacekeeper Program was funded through a combination of Public Safety grants and General Fund contributions. Due to economic conditions, the grant funding of the program has decreased significantly in recent years. A significant expansion of the Office of Violence Prevention has been made possible through the passage of Measure A. The program will continue to be funded through the General Fund including Measure A sales tax revenues and donations, augmented with available grant funding.
- A priority in FY 2016-17 is to create a grant funding strategy for the Office of Violence Prevention and apply for several high dollar grant opportunities.
- As the Office of Violence Prevention has become established, it is evident that resources are necessary to both keep staff up to date on trends in violence prevention and to promote the good work of the City of Stockton. As a result, modest increases to training and travel have been included in the FY 2016-17 Budget.

NON-DEPARTMENTAL

OFFICE OF VIOLENCE PREVENTION / PEACEKEEPERS (Cont.)

- When the Office of Violence Prevention was designed, a position of an Administrative Analyst was included. This position was to play an important role in providing the data driven analysis and performance management support for the program. As the Office of Violence Prevention was established, the City Manager's Office recognized a particular need to conduct community engagement a greater than anticipated level. To accomplish this role, a higher level Program Coordinator was necessary and the Administrative Analyst position was reclassified to fulfill this role. The FY 2016-17 Annual Budget re-establishes the Analyst position because the need remains for data driven analysis and performance reporting to ensure the program is functioning efficiently. The Analyst position will be funded using part time personnel savings as an offset.

**Administration and Support
Office of Violence Prevention
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	Actual	Actual	Projected	Adopted Budget
Revenues				
Grant funding secured	\$ 295,404	\$ 200,000	\$ -	\$ -
Grant funding expected	-	-	-	200,000
General Fund Contribution	335,506	451,073	751,185	601,855
General Fund Measure A Contribution	-	397,003	687,694	873,827
	630,910	1,048,076	1,438,879	1,675,682
Expenditures				
Salaries & benefits - program	459,110	615,773	725,307	1,222,577
Salaries & benefits - administrative	16,726	5,051	-	-
Supplies & services	103,231	349,752	639,298	453,105
Capital Outlay	-	77,500	74,274	-
	579,067	1,048,076	1,438,879	1,675,682
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Net Annual Activity	\$ 51,843	\$ -	\$ -	\$ -

**Administration and Support
Special Purpose Grant Funds - 020
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ -	\$ -	\$ 59,910	\$ 437,195
Revenues				
Flood Agency Reimbursement	801,871	796,459	732,586	878,785
Public Education Gov. Access Fee	-	59,910	500,700	500,700
Other Revenue	-	-	-	-
	<u>801,871</u>	<u>856,369</u>	<u>1,233,286</u>	<u>1,379,485</u>
Expenditures				
San Joaquin Area Flood Control Agency				
Employee Services	700,616	694,130	625,957	736,691
Insurance premiums	32,844	37,606	31,086	37,402
Internal Service Fund Charges	31,126	27,767	37,053	59,100
Maintenance and Repair	-	-	-	-
Materials and supplies	3,175	2,826	2,267	22,000
Indirect Cost Allocation	33,330	33,330	35,291	33,330
All other expenses	780	800	932	1,000
	<u>801,871</u>	<u>796,459</u>	<u>732,586</u>	<u>889,523</u>
Public Education Gov. Access Fee				
Internal Service Fund Charges	-	-	-	-
Equipment Purchases	-	-	123,415	800,000
	<u>-</u>	<u>-</u>	<u>123,415</u>	<u>800,000</u>
	<u>801,871</u>	<u>796,459</u>	<u>856,001</u>	<u>1,689,523</u>
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer In - Technology 502	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>-</u>	<u>59,910</u>	<u>377,285</u>	<u>(310,038)</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ 59,910</u>	<u>\$ 437,195</u>	<u>\$ 127,157</u>

**Other Special Programs
Wagner - General Special Revenue - 627
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 65,168	\$ 64,285	\$ 46,825	\$ 44,325
Revenues				
Program Revenue	-	-	-	-
Donations	-	-	-	-
Other Revenue	617	540	500	500
	<u>617</u>	<u>540</u>	<u>500</u>	<u>500</u>
Expenditures				
Program Expenses	1,500	3,000	3,000	3,000
	<u>1,500</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(883)	(2,460)	(2,500)	(2,500)
Ending Available Balance	\$ 64,285	\$ 61,825	\$ 44,325	\$ 41,825
Available Balance Calculation				
Current assets		\$ 61,825		
Principal endowment		(15,000)		
Ending Available Balance		<u>\$ 46,825</u>		

**Other Special Programs
General Special Revenue - 642
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ 119,550	\$ 88,071	\$ 92,455	\$ 119,218
Revenues				
Program Revenue	4,400	4,400	4,400	4,400
Donations	3,202	4,456	1,000	1,000
Other Revenue	71,836	96,456	102,465	102,465
	<u>79,438</u>	<u>105,312</u>	<u>107,865</u>	<u>107,865</u>
Expenditures				
Program Expenses	110,917	100,928	81,102	131,356
	<u>110,917</u>	<u>100,928</u>	<u>81,102</u>	<u>131,356</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out - Grant Fund - 020	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(31,479)</u>	<u>4,384</u>	<u>26,763</u>	<u>(23,491)</u>
Ending Available Balance	\$ 88,071	\$ 92,455	\$ 119,218	\$ 95,727
Available Balance Calculation				
Current assets		\$ 95,369		
Current liabilities		<u>(2,914)</u>		
Ending Available Balance		<u>\$ 92,455</u>		



TAB 12 DEBT

DEBT

CITY DEBT SERVICE FUNDS

Debt Service Funds are used to administer the City's General Government and Assessment District debt obligations.

Budget at a Glance:

City Debt Service Fund	\$3,611,081
CFD and Assessment Districts	\$8,581,966
Administration	<u>\$304,982</u>
Total Expenditures	\$12,498,029
Total Revenues	\$12,730,622
Total Net Revenue	\$232,593

GENERAL FUND OBLIGATIONS

The City's General Fund secures a number of bonds and other debt obligations that are administered in the City's Debt Service Fund. As described in the City's Material Event Notices and Voluntary Disclosure Notices filed by the City with respect to one or more series of the securities, the City experienced a prolonged period of financial distress with respect to its General Fund and, on June 28, 2012, the City filed a petition seeking relief under chapter 9 of the United States Bankruptcy Code ("chapter 9") with the United States Bankruptcy Court for the Eastern District of California (the "Court"). The City stopped paying some of its General Fund secured bond obligations under protection of bankruptcy.

In October of 2013, the City filed with the Court its proposed Plan for the Adjustment of Debts of City of Stockton, California (the "Proposed Plan"), and subsequently filed amendments and supplements to the Proposed Plan to and including a Second Supplemental Plan filed on January 7, 2015. (The Proposed Plan, as amended and supplemented, is referred to herein as the "Plan"). Following a number of hearings on the Plan and related matters, the Court announced on October 30, 2014 that it would confirm the Plan over the objections of certain creditors, including Franklin High Yield Tax-Free Income Fund and Franklin California High Yield Municipal Fund ("Franklin"). On November 12, 2014, Franklin filed a notice of its intention to appeal confirmation of the Plan with the Bankruptcy Appellate Panel for the Ninth Circuit Court of Appeals (the "BAP"). On January 20, 2015, the Court rejected a motion by Franklin to stay the effectiveness of the Plan while the appeal was pursued.

On February 4, 2015, the Court entered its final order confirming the Plan (the "Confirmation Order"). The City filed a notice on February 10, 2015 concerning the Confirmation Order, which includes a complete copy of the Plan.

The Plan became effective on February 25, 2015. Payments required to be made by the City under the Plan to various creditors have been made and all of the documents implementing the Plan have been executed and delivered and are now effective.

A ruling against Franklin was issued by the appellate court in December, 2015. January 11, 2016 was the deadline for Franklin to appeal the BAP's decision to the United States Court of Appeals for the Ninth Circuit. Franklin did not file an appeal and the bankruptcy court order confirming the City's plan of adjustment is now final and not subject to further appeal.

DEBT

Reference is made to the Plan for the specific provisions of the documents related to the Modified Obligations. Modifications to the General Fund secured debt are included in the following descriptions:

The City's General Fund secures the following series of bonds and other debt obligations that are administered in the City's Debt Service Fund:

Certificates of Participation 2003 Series A and B – Redevelopment Affordable Housing Program

Certificates of Participation (COP) Series 2003 A and B were issued in the amount of \$13,300,000 in June, 2003. The COPs were issued to finance redevelopment housing projects. Repayment of the COPs is financed by a transfer from the Successor Agency housing set-aside funds after the payment of certain redevelopment bonds that are senior to the COPs. The annual debt service payment budget for the COPs is budgeted at \$990,822 for FY 2016-17.

Lease Revenue Bonds 2006 Series A – Parking and Stewart/Eberhardt Building

The 2006 Lease Revenue Refunding Bonds Series A were issued in the amount of \$13,965,000 in March, 2006. The Bonds were issued to finance the acquisition and construction of the parking facility adjacent to the Essential Services Building (the Stewart/Eberhardt Building). The source for repayment is Parking Fund revenues. The annual debt service payment for the bonds is budgeted at \$910,094.

Lease Revenue Bonds 2009 Series A – Public Facilities Fee Program

The 2009 Lease Revenue Bonds, Series A, were issued in the amount of \$35,080,000 in September, 2009. As of June, 2015, the City implemented the confirmed Plan of Adjustment and payment was made on all secured and unsecured claims related to the bonds. Payment to the Trustee included both the secured portion of the bonds, \$4,052,000, and an amount for the unsecured portion of \$285,227, which is the percentage of the remaining amount owed. That percentage is the same as was paid to all class 12 creditors (the unsecured claims). Additionally, Franklin, the sole bond holder, received the remaining reserve funds and project funds which together totaled \$886,632. No further debt service payment will be made.

Capital Lease – Civic Auditorium HVAC System

On December 15, 2009 the City Council approved the execution of a Lease Purchase Agreement with Wells Fargo Securities, LLC to provide financing for the replacement of the Heating, Ventilation and Air Conditioning (HVAC) system for the Stockton Memorial Civic Auditorium. The lease is in the amount of \$1,930,000 and the sources for repayment are savings from reductions in utility costs to operate the HVAC system and from the City's General Fund. The annual debt service payment for the lease is budgeted at \$248,779.

Assured Guaranty Settlement Repayment

- Pension Obligation Bonds 2007 Series A and B

The 2007 Taxable Pension Obligation Bonds (POB), Series A and B were issued in the amount of \$125,310,000 in March, 2007. The POBs were issued to refinance a portion of the City's unfunded actuarial liability with respect to retirement benefits accruing to its members of the California Public Employees' Retirement System.

DEBT

- Lease Revenue Bonds 2007 Series A and B – City Administration Building

The 2007 bonds were issued in two series: Series A (Tax-Exempt) in the amount of \$36,500,000 and Series B (Taxable) in the amount of \$4,270,000 on September, 2007. The bonds were issued to finance acquisition of property at 400 E. Main to be used as a City Hall. Under the settlement agreement through the Plan, these bonds have been canceled, and the City has surrendered the property to the Insurer. The City has entered into a separate lease for use of portions of the building.

The City's Plan settlement covers both bond series of the issues listed above and was confirmed by the bankruptcy court effective February 25, 2015. The details of the modified agreement can be found in the City's Plan of Adjustment. The City's settlement agreement includes a series of payments to be made to the trustee. These payments are applied to the remaining bondholder debt service payments with the balance paid by the insurer. The City's settlement payment and fees under the modified reimbursement agreement with the insurer is budgeted at \$1,467,686.

INTERNAL SERVICE FUNDS DEBT SERVICE (*Not included in Budget at a Glance)

Capital Lease – Fire Vehicles (see page N-10)

On April 17, 2007 the City Council approved the execution of a Master Equipment/Lease Agreement with Banc of America Leasing and Capital, LLC to provide a tax-exempt financing mechanism and established the underlying financing tool for designated capital projects. The City authorized the purchase of an aerial fire truck and water rescue vehicle for the Fire Department amounting to \$1,000,000. The annual debt service payment for the lease is budgeted at \$88,455 in the Fleet Internal Service Fund.

Capital Lease - Fire Vehicles (see page N-10)

On January 24, 2012 the City Council approved the execution of a Tax Exempt Lease Purchase Agreement with Oshkosh Capital for the acquisition of four Pierce Fire Pumper vehicles. Subsequently, the City filed for Chapter 9 bankruptcy protection. On January 30, 2013, the US Bankruptcy Court approved an amended Agreement with a cost of \$1,871,404 and delivery of the trucks occurred in the spring of 2013. The annual debt service payment for the lease is budgeted at \$213,300 in the Fleet Internal Service Fund.

Capital Lease – Fire Vehicles (see page N-10)

On May 19, 2015, the City Council authorized the purchase of three Fire Engines and one Ladder Truck from Rosenbauer American partially financed by entering a purchase Lease agreement with Western Alliance Bank. The lease agreement was finalized on August 2015 and carries an interest rate of 3.9%. The annual debt service payment is budgeted at \$253,984 in the Fleet Internal Service Fund.

OTHER DEBT SERVICE BACKED BY GENERAL FUND (*Not included in Budget at a Glance)

Lease Revenue Bonds Series 2004 – Stockton Events Center - Arena Project (see page L-8)

The 2004 Revenue Bonds were issued in March 2004 by the Redevelopment Agency of the City of Stockton in the amount of \$47,000,000. The bonds were issued to finance a portion of the Events Center project. Repayment of the bonds were financed by a pledge of tax increment from the former West End Redevelopment Project area. Under the State's dissolution of

DEBT

Redevelopment Agencies, there was a shortfall of revenues in FY 2013-14 and a portion of the payments were made by use of debt service reserve held by the trustee. Under an agreement reached with the bond insurer, this debt service reserve will be replenished as property tax increment revenues from project areas relative to the former Redevelopment Agency are available. The annual debt service payment budget for the bonds is \$2,638,748 for FY 2016-17. Under the City's Plan, there is no General Fund appropriation for this debt service payment budgeted in FY 2016-17. While this debt issuance is included in the debt section of the City budget to improve transparency, the debt paid with tax increment is approved separately as part of the annual Successor Agency Budget.

Lease Revenue Bonds Series 2004 – Parking and Capital Projects (see page I-39)

The 2004 Revenue Bonds were issued in June 2004 in the amount of \$32,785,000. The bonds were issued to finance the construction of two parking garages and to make roughly \$7.3 million other capital improvements in the City. Repayment of the bonds is financed by payments made from the City's Parking Authority. Pursuant to a default on March 1, 2012, the Trustee, Wells Fargo Corporate Trust, took possessory interest of the two parking garages constructed with bond proceeds and a third that was pledged as collateral. Until the effective date of the Plan, the garages were being operated for the benefit of the bond insurer and debt service payments were made by the bond insurer. Under the terms of the modified obligation confirmed by the bankruptcy court and effective February 25, 2015, the City transferred certain parking assets and the modified debt obligation to the newly formed Stockton Parking Authority. Annual debt service for the bonds is budgeted at \$1,416,606.

COMMUNITY FACILITIES DISTRICTS AND ASSESSMENT DISTRICTS

Approximately 17 Special Districts have been formed to facilitate the issuance of bonds to finance improvements throughout the City. The types of improvements that have been financed include subdivision improvements, street lights, and parks. Assessments are levied and added to the tax rolls on properties within the Districts. These assessments provide the source of payment on the bonds. The annual debt service payment is budgeted at \$7,841,843 plus associated administrative costs of \$740,123 for a total budget of \$8,581,966.

SUCCESSOR AGENCY AND UTILITIES DEBT

Other City debt obligations secured by the Successor Agency and Utility funds are listed in the following pages for informational purposes only. Debt service payments are included within the Successor Agency and Utility fund budgets.

City Debt Service Fund - 201
FY 2016-17 Adopted Budget

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Adopted Budget</u>
Beginning Available Balance	\$ 2,456,672	2,502,157	\$ 2,065,903	\$ 2,611,573
Release of Cash with Fiscal Agent			9,488	
Adjusted Available Balance			<u>\$ 2,075,391</u>	
 Revenues				
Charges for Services	-	-	1,465,386	1,489,254
Insurance Proceeds	7,800,397	4,039,109	-	-
Other	-	5,915,000	-	-
Interest	(344)	(1,017)	-	-
	<u>7,800,053</u>	<u>9,953,092</u>	<u>1,465,386</u>	<u>1,489,254</u>
 Expenditures				
Principal Payments	6,717,099	6,688,844	1,959,497	1,103,113
Interest Expense	3,203,666	2,404,528	1,623,479	2,507,968
Operating Expenses	163,005	6,304,542	65,788	6,300
Administration & Overhead	695,606	609,703	645,217	787,682
Cost Reimbursed	(399,187)	(410,805)	(443,000)	(489,000)
	<u>10,380,189</u>	<u>15,596,812</u>	<u>3,850,981</u>	<u>3,916,063</u>
 Transfers				
Transfer In - General Fund	1,455,005	1,407,946	1,422,273	1,443,873
Transfer In - Other	1,170,616	4,695,078	1,499,504	1,215,529
Transfer Out	-	-	-	-
	<u>2,625,621</u>	<u>6,103,024</u>	<u>2,921,777</u>	<u>2,659,402</u>
 Net Annual Activity	<u>45,485</u>	<u>459,304</u>	<u>536,182</u>	<u>232,593</u>
 Ending Available Balance	<u>\$ 2,502,157</u>	<u>\$ 459,304</u>	<u>\$ 2,611,573</u>	<u>\$ 2,844,166</u>
 Available Balance Calculation				
Current Assets		\$ 2,985,466		
Current Liabilities		(919,563)		
Ending Available Balance		<u>\$ 2,065,903</u>		

**City Debt Service Funds
FY 2016-17 Adopted Budget**

	Debt and Cash Administration 201	Certificates of Participation Series 2003 A & B 201	Lease Revenue 2006 Series A 201	Lease Revenue SPFA A 2009 Series A 201
Date Issued		<u>6/27/2003</u>	<u>4/6/2006</u>	<u>8/20/2009</u>
Purpose		Redevelopment Affordable Housing Program	Parking and Stewart/Eberhardt Building	Public Facilities Fee Program
Revenues				
Charges for Services Assessments	\$ -	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Principal	-	410,000	470,000	-
Interest	-	578,822	438,094	-
Operating Expenses	-	-	-	-
Administrative Costs	787,682	2,000	2,000	-
Cash Reimburse	(489,000)	-	-	-
Capital Projects	-	-	-	-
	<u>298,682</u>	<u>990,822</u>	<u>910,094</u>	<u>-</u>
Transfers				
Transfer In				
General Fund	285,000	-	-	-
Other Funds	-	1,215,529	910,094	-
Transfer Out				
General Fund	-	-	-	-
Other Funds	-	-	-	-
	<u>285,000</u>	<u>1,215,529</u>	<u>910,094</u>	<u>-</u>
Net Annual Activity	<u>\$ (13,682)</u>	<u>\$ 224,707</u>	<u>\$ -</u>	<u>\$ -</u>

**City Debt Service Funds, Continued
FY 2016-17 Adopted Budget**

	Capital Lease 201	Assured Guaranty Repayment 201	City Debt Service Fund 201 Subtotal	CFD and 1915 Act Debt Service 250/701 Subtotal	Total
Date Issued				Total Various	
Purpose	Civic Auditorium HVAC System	Reimbursement Adjustment Special Funds		Assessment Districts	
Revenues					
Charges for Services	\$ -	\$ 1,489,254	\$ 1,489,254	\$ -	\$ 1,489,254
Assessments	-	-	-	8,581,966	8,581,966
	<u>-</u>	<u>1,489,254</u>	<u>1,489,254</u>	<u>8,581,966</u>	<u>10,071,220</u>
			-		-
Expenditures					
Principal	205,983	17,130	1,103,113	3,760,000	4,863,113
Interest	42,796	1,448,256	2,507,968	4,081,843	6,589,811
Operating Expenses	-	-	-	-	-
Administrative Costs	-	2,300	793,982	740,123	1,534,105
Cash Reimburse	-	-	(489,000)	-	(489,000)
Capital Projects	-	-	-	-	-
	<u>248,779</u>	<u>1,467,686</u>	<u>3,916,063</u>	<u>8,581,966</u>	<u>12,498,029</u>
Transfers					
Transfer In					
General Fund	248,779	-	533,779	-	533,779
Other Funds	-	-	2,125,623	-	2,125,623
Transfer Out					
General Fund	-	-	-	-	-
Other Funds	-	-	-	-	-
	<u>248,779</u>	<u>-</u>	<u>2,659,402</u>	<u>-</u>	<u>2,659,402</u>
			-		-
Net Annual Activity	<u>\$ -</u>	<u>\$ 21,568</u>	<u>\$ 232,593</u>	<u>\$ -</u>	<u>\$ 232,593</u>
			-		-
				Revenues	\$ 10,071,220
				Transfers	2,659,402
				Total Sources	<u>\$ 12,730,622</u>
				Expenditures	\$ 12,498,029
				Transfers	-
				Total Appropriations	<u>\$ 12,498,029</u>

**Successor Agency Debt Service Fund - 231
FY 2016-17 Adopted Budget**

	Revenue Bonds Series 2004 231	Revenue Bonds 2006 Series A 231	Revenue Bonds 2006 Series C 231	Total Debt Service 231
Date Issued	<u>3/26/2004</u>	<u>7/12/2006</u>	<u>7/12/2006</u>	
Purpose	<u>Stockton Events Center - Arena</u>	<u>RDA Projects</u>	<u>Housing RDA Projects</u>	
Expenditures				
Principal	\$ 600,264	\$ 1,385,000	\$ 600,000	\$ 2,585,264
Interest	2,036,484	2,501,138	1,508,210	6,045,832
Administration	2,000	6,400	2,500	10,900
	<u>2,638,748</u>	<u>3,892,538</u>	<u>2,110,710</u>	<u>8,641,996</u>
				-
Transfers				
Transfer In - Successor Agency	2,638,748	3,892,538	2,110,710	8,641,996
	<u>2,638,748</u>	<u>3,892,538</u>	<u>2,110,710</u>	<u>8,641,996</u>
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Water Debt Service Funds - 421/423
FY 2016-17 Adopted Budget**

California Statewide						
	Community Development Authority	Stockton Public Financing Authority	Stockton Public Financing Authority	Stockton Public Financing Authority		Total Water Debt Service
	Federal Drought Relief Act Loan 421	Revenue Bonds Series 2002 A 423	Revenue Bonds Series 2005A 423	Revenue Bond 2009 Series A & B 423	Revenue Bond 2013 423	
Date Issued	<u>7/1/1977</u>	<u>5/7/2002</u>	<u>11/17/2005</u>	<u>8/11/2009</u>	<u>10/20/2010</u>	
Purpose	<u>Water System Capital Improvements</u>	<u>Water System Capital Improvements</u>	<u>Water System Capital Improvements</u>	<u>Delta Water Project</u>	<u>Delta Water Project</u>	
Revenues						
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Build America Bonds	-	1,116,841	1,152,313	1,605,252	-	3,874,406
Other Revenue	-	-	-	-	-	-
	<u>-</u>	<u>1,116,841</u>	<u>1,152,313</u>	<u>1,605,252</u>	<u>-</u>	<u>3,874,406</u>
Expenditures						
Principal	82,678	805,000	-	5,655,000	135,000	6,677,678
Interest	4,134	309,341	1,150,313	12,069,964	3,317,138	16,850,890
Operating Expenses	-	2,500	2,000	3,000	2,000	9,500
Capital Projects	-	-	-	-	-	-
	<u>86,812</u>	<u>1,116,841</u>	<u>1,152,313</u>	<u>17,727,964</u>	<u>3,454,138</u>	<u>23,538,068</u>
Transfers						
Transfer In						
Water User Fees - 421	86,812	-	-	16,122,712	3,454,138	19,663,662
Water Connections Fees - 424	-	-	-	-	-	-
Delta Water Surface Fee - 425	-	-	-	-	-	-
Transfer Out						
Water Debt Service - 423	-	-	-	-	-	-
Water Capital Projects - 427	-	-	-	-	-	-
	<u>86,812</u>	<u>-</u>	<u>-</u>	<u>16,122,712</u>	<u>3,454,138</u>	<u>19,663,662</u>
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Wastewater Debt Service Funds - 431/433
FY 2016-17 Adopted Budget**

	Stockton Public Financing Authority Certificates of Participation 2014 433	Stockton Public Financing Authority Certificates of Participation Refunding 2003 Series A 433	Total Wastewater Debt Service
Date Issued	<u>2/25/1998</u>	<u>6/3/2003</u>	
Purpose	<u>Wastewater Projects</u>	<u>Wastewater Projects</u>	
Expenditures			
Principal	\$ 3,345,000	\$ -	\$ 3,345,000
Interest	3,138,900	-	3,138,900
Disclosure fees	2,500	-	2,500
	<u>6,486,400</u>	<u>-</u>	<u>6,486,400</u>
			-
Transfers			
Transfer In	-	-	-
Wastewater User Fees - 431	3,048,579	-	3,048,579
Wastewater Connection Fees Capital Projects - 434	3,437,821	-	3,437,821
	<u>6,486,400</u>	<u>-</u>	<u>6,486,400</u>
			-
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TAB 13 CAPITAL

CAPITAL IMPROVEMENT PROGRAM

MISSION STATEMENT

The Capital Improvement Program is a five-year plan of the public projects necessary to maintain and improve the public works of the City and the orderly implementation of the Stockton General Plan. The public works include buildings, parks, golf courses, utilities, and transportation system.

Budget at a Glance:

Total Expenditures	\$20,610,521
Total Revenues	\$21,012,263
Total Net Revenue	\$401,742

PROGRAM DESCRIPTION

The projects listed in the accompanying five-year Capital Improvement Program project list have an estimated individual cost of over \$50,000 and provide long term assets to the community. Budgeted costs include design, construction, equipment and land purchases, and project administration of new, improved or replacement infrastructure. The public works program include buildings, parks, golf courses, utilities, and the transportation system. The costs identified in the first year of the program are appropriated as a part of the operating and capital budget process. Each year, the five-year plan is reviewed considering the City's needs, priorities, and available funds, and revised as necessary.

KEY CONSIDERATIONS

Capital Improvement Highlights

A summary of FY 2016-17 revenues, expenditures and the balances for the various City funds that contain the individual capital projects included in FY 2016-21 Capital Improvement Program (CIP), is provided in this document. For FY 2016-17, funding has been identified for the projects as shown. The projects and costs identified in years two through five of the program are intended to illustrate priorities and the magnitude of funding needed. For these out year projects, many of the projects to be constructed, funding beyond historic levels will have to be identified.

A long term CIP provides a number of benefits:

- It focuses attention on community goals, needs and capabilities for the best use of public expenditures, and establishes a long term plan for future needs.
- It prioritizes needs and establishes an orderly basis for sound budget decisions.
- It improves the City's chances of obtaining State and Federal financing assistance.
- It encourages coordination of projects among city staff and other public agencies to avoid scheduling conflicts. In addition, it permits private enterprise to relate their projects to the City's program.

Capital Improvement Program Process

To identify capital programs and projects, Public Works staff consulted with other city departments and external agencies such as the San Joaquin Council of Governments and the Regional Transit District, and members of the community to identify potential projects. Based on this input, Public

CAPITAL IMPROVEMENT PROGRAM

Works and Municipal Utilities Departments develop a list of proposed projects, along with cost estimates and priorities. In addition, Public Works staff works with Budget Office staff along with other stakeholders of the City to identify funding for the capital projects. These funding sources include the General Fund, Public Facilities Fees, Proportionate Share Fees from Development, Measure K, Utility Fees, Enterprise Funds, Parking, and various State and Federal grants.

The City Manager's Office reviews the proposed projects in terms of Council and City priorities. The recommended Capital Improvement Program is submitted to the City Council for review and possible adoption. The City Council reviews the capital projects, makes revisions if applicable, and adopts a resolution appropriating the first year funding and approving the five-year plan.

FY 2016-17 through FY 2020-21 Capital Improvement Program Highlights

The five-year plan includes a list of projects with a total value of \$549 million including Municipal Utility projects of \$200 million, Transportation projects of \$233 million and other Citywide projects of \$116 million. In addition to projects that reflect identified funding, there are additional projects that are unfunded. City staff will seek grant opportunities and other ways to leverage local funds to deliver as many projects as possible within our funding restrictions.

First year appropriations of \$29 million are recommended for FY 2016-17. This is the only year of the plan that funding will be appropriated. Of this amount only \$6.7 million or 23% is from the General Fund, excluding special reimbursements.

The proposed CIP projects are grouped into three categories: General Government and Grants, Transportation/Streets, and Utilities. The following provides highlights of the proposed projects in each of these categories. In addition, this program includes a list of unfunded capital projects. This information is being provided to more fully detail the improvements that are needed but cannot be funded because of ongoing financial constraints. The list of unfunded projects is not comprehensive and does not capture the extent of all of the capital needs of the City and does not capture deferred maintenance of City facilities or infrastructure. While not a complete list of additional deferred maintenance projects, the following list is provided to put this significant issue into context and illustrate the magnitude of the cost.

- Roadway pavement: over \$10 million per year is needed to resurface pavement to keep the pavement network in its current condition. This cost will significantly increase if streets are allowed to deteriorate to a condition that warrants reconstruction due to severe distress. In addition roads that currently require reconstruction due to pavement failure, high roadway center, or extensive curb damage are not included in the \$10 million estimated. The proposed Capital Improvement Plan allocates only \$2.2 million in FY 2016-17 of which \$1.9 million is from Grant funds.
- Parks: \$12 million is needed for play areas, park furnishings, irrigation systems, buildings, courts, ball fields, and flatwork.
- Facilities: more than \$10 million is needed to catch up on maintenance and replace roofs at City facilities (not including City Hall).

General Government

This category includes improvements associated with City owned facilities including Police, Fire, Parks, Golf Courses, Libraries, community centers, and City buildings. Improvements are funded from the General Fund as well as dedicated funding sources such as Public Facility Fees.

CAPITAL IMPROVEMENT PROGRAM

The proposed General Fund allocation for capital projects in FY 2016-17 is \$6.7 million. Funding is allocated for several projects that address the City Council's strategic priorities relative to infrastructure. These projects include improvements associated with the additional facility space to accommodate police staffing in support of the Marshall Plan and the relocation of the Public Works Department, ADA Compliance Program, Fire Station improvements, Leaking Underground Fuel Tank program, Louis Park Pump House rehabilitation, McNair Soccer Complex Upgrades, Panella Park Baseball Diamond replacement, and Roof Replacement and Construction program for City facilities.

Transportation/Streets

Improvements to the transportation system are funded from non-General Fund sources that are restricted to transportation projects. These sources include State and Federal Grants, Public Facilities Fees and Proportionate Shares from developers, and Measure K.

The transportation projects included in the CIP represent a continuing effort to improve traffic flow, safety, and personal mobility, reduce air pollution, accommodate growth, foster economic development, promote use of alternate transportation modes, and preserve the transportation infrastructure. Projects are drawn from many sources, including the Stockton Street Improvement Plan, the Circulation Element of the General Plan, Bicycle Master Plan, Safe Routes to School Plan, Complete Streets Plan and various planning documents from the San Joaquin Council of Governments.

The City has consistently been successful in generating significant amounts of grant funds for the transportation portion of the program. Public Works is currently actively managing Citywide and Transportation projects with a combined value of over \$200 million, of which over \$145 million is from competitive grant sources. Based on past and current success, the proposed five-year program includes an aggressive list of transportation projects that either have grant funding, or for which grant funds will be sought, to facilitate design and construction of the needed improvements.

In general, the transportation projects proposed for funding in FY 2016-17 of the capital improvement program include Active Transportation Plan in Greater Downtown District, maintenance of bridges and pavement throughout the City, traffic calming measures in 16 neighborhoods, construction of ADA accessibility improvements, Harding Way Corridor, Hunter Street Improvements and Bike Lane Installation, Miner Avenue Complete Street Improvements, Thornton Road/Lower Sacramento Road/Hammer Lane Triangle Left Turn Lanes, and Wilson Way Corridor.

Utilities

Capital improvements to the City's Water, Wastewater and Stormwater utility systems are funded from non-General Fund sources that are dedicated to utility operations, maintenance and improvements. These sources include utility user fees, connection fees and Public Facilities Fees.

The Department of Municipal Utilities is continuing to budget new project funds in the Water Enterprise for onsite sodium hypochlorite generation, water system expansions, system improvements, transmission mains, the Delta Water Supply Project (DWSP) Treatment Plant, and water well new acquisitions, rehabilitations and abandonments.

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement and Energy Management Plan, 2011 (CIEMP) outlined a multi-year \$150.0 million project to repair, replace and upgrade the treatment process units at the Regional Wastewater Control Facility. A large part of the infrastructure is over 60 years old and past their effective operating life. The funding approved in FY 2015-16 completed the first phase of the Progressive Design-Build project which will provide 65 percent design of the overall RWCF Facilities Modification Project. The overall RWCF Modifications Project will incorporate many of the CIEMP improvements as well as new facilities to meet new wastewater discharge permit requirements. In addition, the Wastewater Enterprise is proposing to fund the improvements at the RWCF such as Biotower No.4 Arm rehabilitation; repair of the Scum Hopper; upgrading of MCC 70-1, 60B-2, 60B-3, and 60B-4 incorporating current technology; conversion of hydrogen peroxide to hypochlorite system for odor control; purchase of a ferric chloride tank for the digester station; a redundant pump for the ditch house; and rebuilding a secondary clarifier inlet valve structure.

The Stormwater Enterprise fee has been unchanged since 1992, and the utility is insufficiently funded for long term sustainability, permit compliance activities, and needed capital improvements. Therefore, over the years, a large number of capital improvement projects have been deferred. For FY 2016-17, \$834,000 is available from deferred capital improvements over the past seven years to address a small fraction of pipeline and pump station deficiencies. Without an approved increase to the Stormwater fee, vital capital improvements necessary to minimize the amount of localized flooding and maintain pace with the regulatory environment will likely not be possible in the future years.

Basis of Capital Revenue Projections

To determine the funds available for Capital Projects in the FY 2016-17 Capital Budget, the City considers the following:

- Analysis of revenue projections for all funds and adjustment for historical and year-to-date trends.
- Calculation of the interest on project and account balances where appropriate.
- Projection of user fee revenues in the Wastewater, Water, and Stormwater funds based on current approved user rates.
- Projection of Public Facilities Fees revenues based on current fees and development projections.

Capital Improvement Program Funding Sources

City Funds

Capital Improvement Fund: The Capital Improvement Fund is unrestricted and can be used for any capital project over \$50,000 designated by the City Council. The resources in this fund come from transfers from the City's General Fund, interest earnings, reimbursements for specific projects, fees from boat launch, parking, development, and library.

Federal/State Grant Funds

Federal/State Grants: These funds are made available through an extensive application process that is usually initiated by City staff. Most grants require some kind of fund match from the City.

CAPITAL IMPROVEMENT PROGRAM

Transportation Development Act

These funds are derived from the statewide sales tax and are returned to each City and County for public transit and bicycle/pedestrian purposes. Stockton's allocation for transit operations is allocated directly to San Joaquin Regional Transit District as the Cities transit provider. The pedestrian/bicycle improvement funds are allocated in this document for sidewalk and wheelchair ramp repairs and installations.

Sales Tax Measure K

Measure K: In 2006, voters approved a 30 year extension of the one-half cent transportation sales tax. These funds are earmarked for: Local Street Repairs and Roadway Safety (35%), Congestion Relief projects (32.5%), Railroad Crossing Safety projects (2.5%), and Passenger Rail, Bus and Bicycles (30%) which include dedicated funding for bus rapid transit and safe routes to schools. Two of the City's current congestion relief projects (Hammer Lane Widening and the Thornton Road Widening) have received advanced funding from the sale of Bonds.

City Enterprise Funds

Wastewater Revenue: These funds are generated from user fees and connection fees for sewer service provided by the Municipal Utilities Department.

Water Revenue: These funds are generated from user fees and connection fees for water services provided by the Municipal Utilities Department.

Stormwater Revenue: These funds are generated from user fees for storm water services provided by the Municipal Utilities Department.

Golf Fund: These funds are generated from user fees for the Swenson Park Golf Course and the Van Buskirk Golf Course.

Parking Fund: These funds are generated from user fees charged for the parking structures and on-street parking meters.

Public Facility Fees

Public Facilities Fees (PFF): These fees are collected through the building permit process from new development projects and are restricted for new or expanded infrastructure necessary as a result of development. PFF programs include street improvements, community centers, city office space, fire stations, libraries, police stations, traffic signals, parks, street trees, signs, and air quality.



**Capital Project Funds
FY 2016-17 Adopted Budget**

	<u>General Government</u>	<u>Transportation Programs</u>	<u>Public Facilities Fees</u>	<u>Capital Improvement Total</u>
	<i>See Page M-8</i>	<i>See Page M-9</i>	<i>See Page M-10</i>	
Beginning Available Balance	\$ 11,275,161	\$ 4,755,218	\$ 12,058,376	\$ 28,088,755
Revenues				
Grants	-	10,287,562	-	10,287,562
Fees	-	-	1,622,044	1,622,044
Interest Earned	72,157	-	109,500	181,657
Other Revenue	-	60,000	-	60,000
	<u>72,157</u>	<u>10,347,562</u>	<u>1,731,544</u>	<u>12,151,263</u>
Expenditures				
Capital Projects - General Government	9,068,815	-	-	9,068,815
Capital Projects - Transportation	1,490,000	7,189,000	137,000	8,816,000
Debt Service	-	-	-	-
Other	175,000	2,435,000	115,706	2,725,706
	<u>10,733,815</u>	<u>9,624,000</u>	<u>252,706</u>	<u>20,610,521</u>
Transfers				
Transfer In - General Fund	6,691,000	-	-	6,691,000
Transfer In - Library Fund	995,000	-	-	995,000
Transfer In - Development Services	587,000	-	-	587,000
Transfer In - Fleet ISF	438,000	-	-	438,000
Transfer In - Gas Tax Fund	50,000	-	-	50,000
Transfer In - Police Trust	100,000	-	-	100,000
Transfer Out - Debt 201	-	-	-	-
	<u>8,861,000</u>	<u>-</u>	<u>-</u>	<u>8,861,000</u>
Net Annual Activity	<u>(1,800,658)</u>	<u>723,562</u>	<u>1,478,838</u>	<u>401,742</u>
Ending Available Balance	<u>\$ 9,474,503</u>	<u>\$ 5,478,780</u>	<u>\$ 13,537,214</u>	<u>\$ 28,490,497</u>
			Revenues	\$ 12,151,263
			Transfers	8,861,000
			Total Sources	<u>\$ 21,012,263</u>
Reconciliation of Capital Funds			Expenditures	\$ 20,610,521
Capital Projects	\$ 17,884,815		Transfers	-
Parking Authority (pg. I-39)	150,000		Total Capital Project Funds	<u>\$ 20,610,521</u>
Utilities (pg. J-5)	10,509,117			
Total Appropriations	<u>\$ 28,543,932</u>		Utilities Projects	<u>\$ 10,509,117</u>
Project Total by Category (pg. M-14)	<u>\$ 28,543,932</u>			

**Capital Project Funds
General Government Funds
FY 2016-17 Adopted Budget**

	<u>General Capital 301</u>	<u>Other Reimbursements 301/305</u>	<u>Public Art 306</u>	<u>General Government Total</u>
Beginning Available Balance	\$ 317,537	\$10,500,732	\$ 456,892	\$ 11,275,161
Revenues				
Other Revenue	-	-	-	-
Fees	-	-	-	-
Interest	71,157	-	1,000	72,157
	<u>71,157</u>	<u>-</u>	<u>1,000</u>	<u>72,157</u>
Expenditures				
Capital Projects - General Government	6,616,000	2,452,815	-	9,068,815
Capital Projects - Transportation	75,000	1,415,000	-	1,490,000
Other	-	-	175,000	175,000
Debt Service	-	-	-	-
	<u>6,691,000</u>	<u>3,867,815</u>	<u>175,000</u>	<u>10,733,815</u>
Transfers				
Transfer In - General Fund	6,691,000	-	-	6,691,000
Transfer In - Library Fund	-	995,000	-	995,000
Transfer In - Development Services	-	587,000	-	587,000
Transfer In - Fleet ISF	-	438,000	-	438,000
Transfer In - Gas Tax Fund	-	50,000	-	50,000
Transfer In - Police Trust	-	100,000	-	100,000
Transfer Out	-	-	-	-
	<u>6,691,000</u>	<u>2,170,000</u>	<u>-</u>	<u>8,861,000</u>
Net Annual Activity	<u>71,157</u>	<u>(1,697,815)</u>	<u>(174,000)</u>	<u>(1,800,658)</u>
Ending Available Balance	<u>\$ 388,694</u>	<u>\$ 8,802,917</u>	<u>\$ 282,892</u>	<u>\$ 9,474,503</u>

**Capital Project Funds
Transportation Funds
FY 2016-17 Adopted Budget**

	<u>Transportation Dev. Act. 034</u>	<u>Grants 038/304/308</u>	<u>Measure K Capital 080</u>	<u>Measure K Maintenance 082</u>	<u>Transportation Total</u>
				<i>See Page F-13</i>	
Beginning Available Balance	\$ 49,311		\$ -	\$ 4,705,907	\$ 4,755,218
Revenues					
Grants	208,300	5,457,000	33,000	4,589,262	10,287,562
Fees	-	-	-	-	-
Reimbursements	-	-	-	-	-
Interest	-	-	-	60,000	60,000
	<u>208,300</u>	<u>5,457,000</u>	<u>33,000</u>	<u>4,649,262</u>	<u>10,347,562</u>
Expenditures					
Capital Projects - General Government	-	-	-	-	-
Capital Projects - Transportation	209,000	5,457,000	33,000	1,490,000	7,189,000
Other	-	-	-	2,435,000	2,435,000
	<u>209,000</u>	<u>5,457,000</u>	<u>33,000</u>	<u>3,925,000</u>	<u>9,624,000</u>
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(700)	\$ -	-	724,262	723,562
Ending Available Balance	\$ 48,611		\$ -	\$ 5,430,169	\$ 5,478,780

**Capital Project Funds
Public Facilities Fee
FY 2016-17 Adopted Budget**

	Traffic Signals Citywide 900	Traffic Signals Zone 1 901	Traffic Signals Zone 2 902	Traffic Signals Zone 3 903	Traffic Signals Zone 4 904
Beginning Available Balance	\$ 46,186	\$ 144,793	\$ 77,051	\$ 16,150	\$ 28,594
Revenues					
Fees	21,000	14,000	8,000	20,000	3,000
Interest	700	1,200	371	1,200	300
Other Revenue	-	-	-	-	-
	21,700	15,200	8,371	21,200	3,300
Expenditures					
Capital Projects	-	-	-	-	-
Other	-	-	-	-	-
	-	-	-	-	-
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	-	-	-	-	-
Net Annual Activity	21,700	15,200	8,371	21,200	3,300
Ending Available Balance	\$ 67,886	\$ 159,993	\$ 85,422	\$ 37,350	\$ 31,894

**Capital Project Funds
Public Facilities Fee, Continued
FY 2016-17 Adopted Budget**

	Street Improvements Citywide 910 - 915	Street Improvements Reg Traffic 917	Community Recreation Centers-Citywide 920	City Office Space 930	Fire Station Citywide 940
Beginning Available Balance	\$ 5,765,182	\$ 2,598,362	\$ (3,706,954)	\$ 978,722	\$ (2,230,859)
Revenues					
Fees	645,852	350,000	28,124	19,468	65,000
Interest	22,649	15,000	-	5,000	-
Other Revenue	-	-	-	-	-
	668,501	365,000	28,124	24,468	65,000
Expenditures					
Capital Projects	47,000	-	-	-	-
Other	-	-	-	-	-
	47,000	-	-	-	-
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	-	-	-	-	-
Net Annual Activity	621,501	365,000	28,124	24,468	65,000
Ending Available Balance	\$ 6,386,683	\$ 2,963,362	\$ (3,678,830)	\$ 1,003,190	\$ (2,165,859)
			(a)		(a)

(a) These fee programs have been over leveraged with spending outpacing available revenues. Plans are under development to reduce these deficits.

**Capital Project Funds
Public Facilities Fee, Continued
FY 2016-17 Adopted Budget**

	<u>Library Citywide 950</u>	<u>Police Station Expansion 960</u>	<u>Parkland Citywide 970</u>	<u>Street Trees 978</u>	<u>Street Signs 979</u>
Beginning Available Balance	\$ 3,810,765	\$ (1,326,817)	\$ 3,640,946	\$ 304,893	\$ 65,309
Revenues					
Fees	50,000	51,600	226,000	-	-
Interest	29,000	200	22,000	700	700
Other Revenue	-	-	-	-	-
	<u>79,000</u>	<u>51,800</u>	<u>248,000</u>	<u>700</u>	<u>700</u>
Expenditures					
Capital Projects	-	-	-	-	-
Other	100,000	-	-	-	-
	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(21,000)	51,800	248,000	700	700
Ending Available Balance	\$ 3,789,765	\$ (1,275,017)	\$ 3,888,946	\$ 305,593	\$ 66,009

(a)

(a) These fee programs have been over leveraged with spending outpacing available revenues. Plans are under development to reduce these deficits.

**Capital Project Funds
Public Facilities Fee, Continued
FY 2016-17 Adopted Budget**

	<u>Street Lights City Wide 980</u>	<u>Street Lights Zone 1 981</u>	<u>Street Lights Zone 3 & 4 983</u>	<u>Street Lights Zone 5 985</u>	<u>Air Quality 990</u>	<u>Public Facilities Total</u>
Beginning Available Balance	\$ 129,309	\$ 2,167	\$ 74,778	\$ 199,388	\$ 1,440,411	\$ 12,058,376
Revenues						
Fees	-	-	-	-	120,000	1,622,044
Interest	40	300	100	40	10,000	109,500
Other Revenue	-	-	-	-	-	-
	<u>40</u>	<u>300</u>	<u>100</u>	<u>40</u>	<u>130,000</u>	<u>1,731,544</u>
Expenditures						
Capital Projects	-	-	-	-	90,000	137,000
Other	-	-	-	-	15,706	115,706
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,706</u>	<u>252,706</u>
Transfers						
Transfer In	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>40</u>	<u>300</u>	<u>100</u>	<u>40</u>	<u>24,294</u>	<u>1,478,838</u>
Ending Available Balance	\$ 129,349	\$ 2,467	\$ 74,878	\$ 199,428	\$ 1,464,705	\$ 13,537,214

Summary by Program
Five Year Capital Improvement Program
2016-2021
(Dollars in thousands)

	<u>2015-16 Adopted</u>	<u>2016-17 Adopted Budget</u>	<u>2017-18 Projected</u>	<u>2018-19 Projected</u>	<u>2019-20 Projected</u>	<u>2020-21 Projected</u>
Summary by Program						
General Government						
Citywide	5,205	2,450	272	-	150	3,505
Fire	233	268	-	-	-	41,544
Golf	-	-	-	-	-	2,853
Library	352	995	-	-	-	25,033
Parks & Trees	1,104	119	-	-	2,533	23,571
Police	1,750	4,758	-	-	-	651
Recreation	170	629	1,500	500	-	4,269
	<u>8,814</u>	<u>9,219</u>	<u>1,772</u>	<u>500</u>	<u>2,683</u>	<u>101,426</u>
Transportation/Streets	14,065	8,815	12,685	8,108	8,898	194,920
Utilities	28,911	10,509	28,395	43,549	65,960	51,945
Total CIP Program	<u>51,790</u>	<u>28,543</u>	<u>42,853</u>	<u>52,156</u>	<u>77,541</u>	<u>348,291</u>
Funded	51,790	28,543	42,853	52,156	75,470	96,992
Unfunded	-	-	-	-	2,071	251,299
Total	<u>51,790</u>	<u>28,543</u>	<u>42,853</u>	<u>52,156</u>	<u>77,541</u>	<u>348,291</u>

Summary by Fund
Five Year Capital Improvement Program
2016-2021
(Dollars in thousands)

	Fund	2015-16 Adopted	2016-17 Adopted Budget	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected
General Government and Grants							
General Fund	301	10,651	6,691	-	-	-	50
Public Art Fund	306	-	-	-	-	-	-
Measure K- Maintenance	082	3,620	1,490	2,786	2,711	2,436	3,376
Measure K - Renewal	080	171	33	-	-	-	-
Federal Grants	038/308	7,023	4,955	9,205	4,487	-	-
State/Grant Funding/Other Reimbursements	304/308	-	502	190	33	-	-
Transportation Development Act	034	201	209	217	226	235	244
Library	041	-	995	-	-	-	-
Entertainment Venue	086	295	-	1,500	500	-	50
Development Services	048	-	587	-	-	-	50
Central Parking District	418	-	150	-	-	50	-
Fleet ISF	501	110	438	272	-	100	100
Gas Tax	030	50	50	50	50	548	50
Strong Neighborhoods Initiative	305	-	1,798	-	-	-	-
		<u>22,121</u>	<u>17,897</u>	<u>14,220</u>	<u>8,008</u>	<u>3,369</u>	<u>3,920</u>
Public Facilities Fees							
Traffic Signals	900-904	175	-	-	-	105	507
Street Fees	910-915	203	47	237	600	300	300
Regional Streets	917	-	-	-	-	3,203	654
Library	950	250	-	-	-	-	23,265
Parkland	970	-	-	-	-	2,533	16,053
Street Trees	978	50	-	-	-	-	-
Street Lights	980-981	80	-	-	-	-	511
Air Quality	990	-	90	-	-	-	777
		<u>758</u>	<u>137</u>	<u>237</u>	<u>600</u>	<u>6,141</u>	<u>42,067</u>
Utilities							
Water	427	5,890	2,414	3,215	3,069	3,195	2,873
Wastewater	437	21,875	7,261	24,230	39,725	61,820	44,511
Stormwater	447	1,146	834	951	754	945	4,562
		<u>28,911</u>	<u>10,509</u>	<u>28,395</u>	<u>43,549</u>	<u>65,960</u>	<u>51,945</u>
Unidentified Sources							
		-	-	-	-	2,071	250,359
Grand Total:		<u>51,790</u>	<u>28,543</u>	<u>42,853</u>	<u>52,156</u>	<u>77,541</u>	<u>348,291</u>

Project Listing
Five Year Capital Improvement Program
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(Dollars in thousands)

	<u>Project Number</u>	<u>Remaining Appropriation at 6/30/15</u>	<u>2015-16 Adopted</u>	<u>2016-17 Adopted Budget</u>	<u>2017-18 Projected</u>	<u>2018-19 Projected</u>	<u>2019-20 Projected</u>	<u>2020-21 Projected</u>
General Government Program								
City-Wide								
ADA Compliance Program	PW7022	72	-	75	-	-	-	396
Arena and Ballpark Flooring Replacement Project	0000	-	-	-	-	-	-	500
Arena Upgrades and Replacement Program	ED8601	-	50	-	-	-	-	-
Ballpark and Arena Surveillance Security and Video Equipment	EV3661	-	50	-	-	-	-	-
Boat Dry Stack Storage	0000	-	-	-	-	-	-	524
Bob Hope Theatre HVAC Repairs	EV8603	-	95	-	-	-	-	50
Build Fleet Parts Supply Warehouse	0000	-	-	-	-	-	-	100
City Hall Relocations	ED7001	414	4,532	-	-	-	-	-
Civic Auditorium Stage	PW1409	137	-	-	-	-	-	-
Downtown Acquisitions/Demo	PW7102	33	-	-	-	-	-	-
Evaluation of all COS Fuel Storage/Dispensing	PW1501	-	50	-	-	-	-	-
Event Center	EV9811	286	-	-	-	-	-	-
Event Center Upgrades and Replacement	EV8602	-	50	-	-	-	-	-
Fire Station Repairs	7103	16	-	-	-	-	-	-
General Emergency Maintenance Citywide	PW1505	-	50	-	-	-	-	-
General Emergency Maintenance Citywide	PW7011	114	-	-	-	-	-	-
Hazardous Materials Abatement and Monitoring Program	PW1507	-	50	-	-	-	-	-
Hazardous Materials Abatement and Monitoring Program	PW7002	88	-	-	-	-	-	-
HVAC Upgrades and Replacement	PW7036	47	-	-	-	-	-	-
HVAC Upgrades and Replacement Program	PW1508	-	50	-	-	-	-	-
IT Relocation	PW7099	32	(32)	-	-	-	-	-
Light and Heavy Shop Lifts	0000	-	-	-	130	-	-	-
Lighting Improvement at SMG managed facilities	PW1404	86	-	-	-	-	-	-
Marina Sail Covering Replacement Project	ED8605	-	-	-	-	-	-	500
Miracle Mile Parking Lot	PW7909	11	-	-	-	-	-	-
Miracle Mile Parking Lots Resurfacing	0000	-	-	-	-	-	-	635
MSC Yard and Main Police Fuel Site Upgrades	PW1502	-	60	412	-	-	-	-
Paint Shop Building Conversion	0000	-	-	-	-	-	100	-
Parking Signage Project	ED4181	-	-	150	-	-	50	-
Permit Center Renovation	PW1614	-	-	587	-	-	-	-
Pixie Woods Lagoon & Train Ride Improvements	PW1415	25	-	-	-	-	-	-

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City-Wide (Continued)								
Repairs and Improvements - Arena, Ballpark, Theater, etc.	PW1319	46	-	-	-	-	-	-
Roof Management Program	PW7087	504	-	-	-	-	-	-
Roof Replacement and Construction Program	PW1320	507	200	200	-	-	-	800
SEB Public Works Relocation	PW1615	-	-	1,000	-	-	-	-
Stockton Arena Chiller Rebuild	PW1405	1	-	-	-	-	-	-
Stockton Arena Energy Management System	PW1406	86	-	-	-	-	-	-
Vehicle and Equipment Wash Rack Improvements and Upgrades	PW1616	-	-	26	142	-	-	-
Wilson Way Underpass ADA Ramp Installation	PW7064	21	-	-	-	-	-	-
Total City-Wide		<u>2,526</u>	<u>5,205</u>	<u>2,450</u>	<u>272</u>	<u>-</u>	<u>150</u>	<u>3,505</u>
Golf								
Van Buskirk Golf Course Irrigation	0000	-	-	-	-	-	-	2,853
Total Golf		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,853</u>
Library								
Chavez Library Restroom Renovations & ADA Compliance	PW1408	214	-	188	-	-	-	-
Chavez Library Restroom Renovations and ADA Compliance - Staff	PW1620	-	-	287	-	-	-	-
Chavez Library Upgrades and Maintenance Program	PW1509	-	102	520	-	-	-	-
Library Book Collector Augmentation	PW9202	91	250	-	-	-	-	-
Library Minor Repairs	7019	171	-	-	-	-	-	-
New Library	1432	150	-	-	-	-	-	-
New Library - North Stockton Facility	0000	-	-	-	-	-	-	13,150
New Library Facility Study	9262	472	-	-	-	-	-	-
Northeast Branch Library	9953	285	-	-	-	-	-	-
Northwest Branch Library - Thornton Road	0000	-	-	-	-	-	-	10,115
Northwest Stockton Multi-Purpose	9737	3,003	-	-	-	-	-	-
Radio Frequency Identification Conversion	0000	-	-	-	-	-	-	1,768
Total Library		<u>4,386</u>	<u>352</u>	<u>995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,033</u>
Parks and Trees								
American Legion Park Lagoon Fencing Replacement	0000	-	-	-	-	-	-	60
Bin Enclosures at City Facilities	PW1504	-	100	-	-	-	-	400
Buckley Cove Parking Lot Pavement Resurfacing	PW1413	-	-	-	-	-	-	602

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Parks and Trees (Continued)								
Cannery Park Neighborhood Park - 2.7 Acres	PW9270	14	-	-	-	-	-	994
Cannery Park Neighborhood Park - 7.48 Acres	PW9271	-	-	-	-	-	-	3,380
Citywide Park Shade Structure Replacement Program	PW1414	43	-	-	-	-	-	117
Drinking Water Fountain Repairs & Replacement	1324	13	-	-	-	-	-	-
Feather River Drive Dog Park	9259	13	-	-	-	-	-	-
Fong Park (Blossom Ranch)	PW9207	772	-	-	-	-	-	-
Game Court Rehabilitation Program	0000	-	-	-	-	-	-	652
Irrigation Controller Upgrades Program	PW1506	-	735	-	-	-	-	-
John Peri Neighborhood Park	PW9204	60	-	-	-	-	-	-
Juliet Terrace Neighborhood Park	PW9131	2	-	-	-	-	-	2,206
La Morada Neighborhood Park	PW9173	1,598	-	-	-	-	-	-
Louis Park Pump House Rehabilitation	0000	-	-	119	-	-	-	-
Louis Park Softball Complex Parking Lot & Walk Improvements	PW1323	9	-	-	-	-	-	520
New Park Fencing	9273	35	-	-	-	-	-	-
Oakmore Montego Neighborhood Park - 6 Acres	PW9254	123	-	-	-	-	2,533	-
Oregone Ranch Park Site - 6 Acres	0000	-	-	-	-	-	-	2,963
Oregone Ranch Park Site - 7.4 Acres	0000	-	-	-	-	-	-	3,405
Park Parking Renovation Program	0000	-	-	-	-	-	-	806
Park Restroom Rehabilitation and Repair Program	0000	-	-	-	-	-	-	346
Play Equipment Replacement	PW1512	-	120	-	-	-	-	600
Playground Wood Fiber Fall Surfacing Conversion	1416	208	-	-	-	-	-	-
Spanos Parks Baxter	9229	20	-	-	-	-	-	-
Swenson Park and Golf Irrigation System Separation	0000	-	-	-	-	-	-	242
Swimming Pool Evaluations/Repairs	PW1513	-	149	-	-	-	-	-
Tree Planting Urban Forest Project	0000	-	-	-	-	-	-	336
Waste and Recycling Bin Enclosure at Louis Park	1325	298	-	-	-	-	-	-
Weber Point Shade Structure Fabric Replacement	0000	-	-	-	-	-	-	631
Westlake Villages Park - 11.5 Acres	9269	1	-	-	-	-	-	5,311
William Long Park PF-II	PW9184	3	-	-	-	-	-	-
Detention Basin Soccer Complex	9815	91	-	-	-	-	-	-
Total Parks and Trees		<u>3,303</u>	<u>1,104</u>	<u>119</u>	<u>-</u>	<u>-</u>	<u>2,533</u>	<u>23,571</u>
Public Safety - Fire								
Emergency Vehicle Pre-emption	0000	-	-	-	-	-	-	360
Fire Station #2 Burn Room	PW1503	-	100	70	-	-	-	-

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Public Safety - Fire (Continued)								
Fire Station #2 Driveway Replacement - Sonora Street	PW1617	-	-	50	-	-	-	-
Fire Station Nos. 2 & 10 Driveway & Parking Lot Improvements	1412	136	-	-	-	-	-	-
Fire Station No. 2 Engine Bay Improvements	1410	62	-	-	-	-	-	-
Fire Station 11 Driveway and Parking Lot Replacement - Back of Station	0000	-	-	-	-	-	-	183
Fire Station 2 Kitchen Improvements	PW1618	-	-	148	-	-	-	-
Fire Station 5 Concrete Driveway and Parking Lot Replacement	0000	-	-	-	-	-	-	177
Fire Station Extractor and Dry Rack Installation	0000	-	-	-	-	-	-	865
Fire Station Interior Apparatus Bay Painting	0000	-	-	-	-	-	-	372
Fire Station Landscaping - Design & Construction	0000	-	-	-	-	-	-	654
Fire Station No. 14 Concrete Driveway and Parking Lot	0000	-	-	-	-	-	-	264
Fire Station No. 2 Parking Lot	0000	-	-	-	-	-	-	241
Fire Station No. 2 Window Replace	0000	-	-	-	-	-	-	81
Fire Station No. 3 Reconstruction	0000	-	-	-	-	-	-	11,144
Fire Station No. 4 Kitchen Improvements	PW1411	53	83	-	-	-	-	-
Fire Station No. 6 Apparatus Bay Exhaust Fan Installation	PW1511	-	50	-	-	-	-	-
Fire Station No. 6 Reconstruction	0000	-	-	-	-	-	-	11,144
Fire Station Nos. 2,4,5,6,7,9,10,&14 Exterior Painting	0000	-	-	-	-	-	-	296
Fire Stations Asphalt Preservation	0000	-	-	-	-	-	-	70
Fire Station Repairs and Improvements	1322	4	-	-	-	-	-	-
Regional Dispatch Center	0000	-	-	-	-	-	-	9,006
Safety Police and Fire Regional Training Center	0000	-	-	-	-	-	-	6,687
Total Public Safety - Fire		<u>255</u>	<u>233</u>	<u>268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,544</u>
Public Safety - Police								
Animal Shelter Renovation	PW1321	7	250	-	-	-	-	291
Main PD Parking Lot Improvements	PW1619	-	-	160	-	-	-	-
Police Department Under Freeway Parking Lot Improvements	PW1621	-	-	1,246	-	-	-	-
Police Facilities	PW1535	-	1,500	3,352	-	-	-	-
Police Gun Range Improvements	PW7108	25	-	-	-	-	-	-
Replace Modular Buildings at Firing Range, Officer Training, Rangemaster's Office, etc.	0000	-	-	-	-	-	-	360
Total Public Safety - Police		<u>32</u>	<u>1,750</u>	<u>4,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651</u>

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Recreation								
	Civic Auditorium Upgrades and Maintenance Program	0000	-	-	-	-	-	855
	McNair Soccer Complex - Fencing, Gate & Turf Improvements	0000	-	-	120	-	-	362
	Oak Park Ice Arena Upgrades and Rehabilitation Program	EV8604	-	50	433	1,500	500	-
	Oak Park Tennis Center Upgrades and Maintenance Program	0000	-	-	-	-	-	588
	Panella Park Baseball Diamond Replacement	0000	-	-	76	-	-	-
	Park Sport Field Lighting Rehabilitation	0000	-	-	-	-	-	112
	Stockton Soccer Complex Upgrades and Maintenance Program	PW1510	-	120	-	-	-	2,170
	Stribley, Van Buskirk and Arnold Rue Community Center	0000	-	-	-	-	-	132
	Total Recreation		-	170	629	1,500	500	4,269
Transportation/Streets								
	2010 Prop 1B Street Cape Seal	PW7234	-	750	-	-	-	-
	2010-11 Street Overlay RSTP	9740	24	-	-	-	-	-
	2011 Streetscape P1B 10-18	9279	60	-	-	-	-	-
	2011-12 Street Overlay RSTP	9751	285	-	-	-	-	-
	2012-13 Resurfacing Proj	1326	563	-	-	-	-	-
	Accessible Pedestrian Signals (APS) Program	PW1528	-	80	80	80	100	-
	Active Transportation Plan in Greater Downtown District	PW1601	-	-	396	-	-	-
	Airport Way Beautification PH 4	6724	91	-	-	-	-	-
	Airport Way Beautification Phase II	9735	9	-	-	-	-	-
	Airport Way Corridor Project	9704	25	-	-	-	-	-
	Alexandria and Five Mile Slough Culvert Replacement	PW1602	-	-	41	104	-	-
	Alpine Avenue Grade Separation	0000	-	-	-	-	-	30,685
	Arch Rd/B St Reimb Agreem.	9277	2	-	-	-	-	-
	Arch Road Fiber Optic	7239	140	150	-	-	-	-
	Arch Road Repaving	7240	16	-	-	-	-	-
	Arch Road Widening - Austin Road to Performance Drive	0000	-	-	-	-	-	39,444
	Arch Road/SR99 Interchange Improvements	9944	17	-	-	-	-	-
	Arch-Airport Road and B Street Signalization	PW1417	558	60	-	-	-	-
	Aurora Street/BNSF	7235	75	-	-	-	-	-
	Benjamin Holt Drive/Inglewood Avenue Traffic Signal	9744	60	-	-	-	-	-

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Transportation/Streets (Continued)								
Bicycle Master Plan Implementation Program	0000	-	-	-	100	100	100	100
Bridge Engineering Program	PW1520	-	26	26	26	26	26	26
Bridge Maintenance Program	9715	62	-	-	-	-	-	-
Bridge Rehabilitation and Replacement Program	PW1603	-	-	446	2,181	1,610	-	-
Bus Rapid Transit (BRT) 1-B	PW1515	-	285	-	-	1,465	-	-
Bus Rapid Transit (BRT) V on Weber Avenue, Miner Avenue, Fremont Street, Filbert Street, and Main St	PW1516	-	375	-	1,725	-	-	-
Bus Rapid Transit Phase IV (MLK Jr. Blvd and Mariposa)	1303	2,050	-	-	-	-	-	-
Calaveras River Bicycle and Pedestrian Path	PW1437	128	591	-	-	-	-	-
California Street Gap Closure Improvements	0000	-	-	-	-	-	-	185
California Street Traffic Signals at Washington & Lafayette	PW1314	718	-	-	-	-	-	-
Center St. and El Dorado St. Overpass Rehabilitation	9748	13	-	-	-	-	-	-
Citywide Arterial Roadway-LED Street Lights Conversion Project	PW1430	-	1,576	-	-	-	-	-
Citywide Transportation Demand Management (TDM) Suitability Study	0000	-	-	-	-	-	-	155
Claremont Avenue Reconstruction (include bike lane striping)	0000	-	-	-	-	-	-	1,555
Complete Streets Plan	0000	-	-	-	-	-	-	406
Corporation Yard Improvements	0000	-	-	-	-	-	-	1,000
Corporation Yard Pavement Resurfacing	0000	-	-	-	-	-	210	-
Corporation Yard Storage Building Installation	0000	-	-	-	-	-	288	-
Curb Ramp Repair Program	1304	185	-	-	-	-	-	-
Curb, Gutter, and Sidewalk Infill Program	0000	-	-	-	-	-	-	312
CW Median Landscaping Maintenance	7870	11	-	-	-	-	-	-
Davis Rd/Pixley Slough Br	9988	12	-	-	-	-	-	-
Davis Rd/Wagner Height TS	9746	55	-	-	-	-	-	-
Davis Road Widening (Bear Creek to Waterford)	0000	-	-	-	-	-	-	4,371
Developers Reimbursements	9711	5,836	-	-	-	-	-	-
EBMUD - March Lane Bicycle and Ped Trail	7063	568	-	-	-	-	-	-
EBMUD - March Lane Greenscape, Phase 2	0000	-	-	-	-	-	-	2,123
EECBG- ENG Eff/City Buildings	8608	12	-	-	-	-	-	-
EECBG-Climate Action Plan	8606	16	-	-	-	-	-	-
Eight Mile Rd/UPPR (East) Grade	9829	3,785	-	-	-	-	-	-

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Transportation/Streets (Continued)								
Eight Mile Rd/UPRR West Sep.	9716	3,726	-	-	-	-	-	-
Eight Mile/SR 99 Interchange	9719	135	-	-	-	-	-	-
El Dorado Street Improvements Phase 3	0000	-	-	-	-	-	-	3,108
El Dorado Street Widening Phase II	9706	2,803	-	-	-	-	-	-
Emergency Vehicle Pre-emption (EVP)	PW1211	-	240	25	-	-	-	-
Farmington Rd (8th)/Mariposa	9701	5	-	-	-	-	-	-
Fiber Optic Network Expansion	9241	39	-	-	-	-	-	-
Fiber Optic Network Expansion	9741	163	-	-	-	-	-	-
Fillmore SR2S	9725	5	-	-	-	-	-	-
Fremont Square Sidewalk Reconstruction	PW1310	635	649	-	-	-	-	-
Fremont Square Sidewalk Reconstruction	1438	56	-	-	-	-	-	-
French Camp Road/I-5 Interchange Landscaping	1418	2,650	-	-	-	-	-	-
French Camp/Sperry Road Perf	9945	1,280	-	-	-	-	-	-
Glacier Point Ansel Adams	9742	45	-	-	-	-	-	-
Grant Match Program	0000	-	-	-	100	500	500	500
Green Initiatives	9276	328	-	-	-	-	-	-
Guard Rail and Impact Attenuator Installation	PW1606	-	-	254	-	-	-	-
Hammer Lane Phase III	9995	5,100	-	-	-	-	-	-
Hammer Lane Widening Phase 3B	1427	9,563	-	-	-	-	-	-
Hammer/SR99 Interchange Imps	9942	162	-	-	-	-	-	-
Harding Way Corridor	PW1612	-	-	580	-	-	-	-
Harrison Elementary Safety Improvements	7065	636	-	-	-	-	-	-
HAWK Pedestrian Signal Installation	PW1604	-	-	374	-	-	-	-
Hazelton and UPRR Railroad Crossing Improvement	7061	73	-	-	-	-	-	-
High Friction Surface Treatment	0000	-	-	-	844	-	-	-
Hunter Street Road Diet/Bike Lane Installation	PW1609	-	-	449	-	-	-	-
Industrial/McKinley & UPRR Crossing Improvements	7062	4,847	-	-	-	-	-	-
Install Emergency Vehicle Pre- Emption System	PW1605	-	-	267	-	-	-	-
Installation	PW9191	362	-	-	-	-	-	-
Installation and Upgrade of Bicycle Facilities (Class 2 & 3) Citywide	PW1517	-	80	285	-	-	-	-
Laughlin Park Playground	7890	20	-	-	-	-	-	-
Leaking Underground Fuel Tank (LUFT) Program	PW1425	11	50	75	-	-	-	285
LED Street Lights Conversion on Collector and Residential Streets - Phase 3	0000	-	-	-	-	-	-	3,153
Lighted Crosswalk Upgrades	PW1526	-	394	-	-	-	-	940

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Transportation/Streets (Continued)								
Little John Creek Reimb. Agreem.	PW9165	144	-	-	-	-	-	-
Local Street Resurfacing Program (FY2016/17 - 2020/21)	0000	-	435	-	-	-	-	4,000
Lower Sac. Rd Reimb Agreem.	9261	228	-	-	-	-	-	-
Lower Sacramento Rd. widening/UPRR	9718	9,991	-	-	-	-	-	-
Lower Sacramento Road and Bear Creek Bridge Replacement	PW1419	10,000	-	-	-	-	-	10,627
Lower Sacramento Road and Pixley Slough Bridge Replacement	0000	-	-	-	-	-	-	8,576
Lower Sacramento Road Widening - Royal Oaks Drive to Pixley Bridge	0000	-	-	-	-	-	3,203	654
Manthey Road Relocation COS	9281	171	-	-	-	-	-	-
March Lane Adaptive Traffic Control System	PW1312	1,244	-	35	-	-	-	-
March Lane EBMUD Bike Phase II	6723	57	-	-	-	-	-	-
March Lane Widening - Venezia Blvd to I-5	0000	-	-	-	-	-	-	5,145
March Ln/Pershing Ave Int	9702	4	-	-	-	-	-	-
McKinley Avenue/French Camp Slough Bridge	9749	139	-	-	-	-	-	-
McKinley Bridge Scour RPR	6722	625	-	-	-	-	-	-
McKinley Safe Routes to School	PW1440	79	374	-	-	-	-	-
Miner Avenue Complete Streets Improvements Phase 1	PW1607	-	-	332	2,607	-	-	-
Miner Avenue Streetscape, Phase 2	0000	-	-	-	-	-	-	8,494
Miracle Mile Street Lighting Replacement	0000	-	-	-	-	-	105	507
Montauban Avenue and Swain Road Roundabout	1315	716	-	-	-	-	-	-
Montezuma Elementary Sidewalk	6718	34	-	-	-	-	-	-
Morada Lane UPRR @ Grade Xing	9265	177	-	-	-	-	-	-
Morada Lane/SR 99 Interchange	9720	43	-	-	-	-	-	-
Mormon Slough Bikeway Improvement Project	0000	-	-	-	-	-	-	798
Mormon Slough Feasibility Study	0000	-	-	-	-	-	-	150
N Stockton I-5 Widening	9723	184	-	-	-	-	-	-
N. Stockton I5/Mainline Int	9710	61	-	-	-	-	-	-
Neighborhood Traffic Calming Program (16 Neighborhoods)	PW6653	-	750	750	750	750	750	750
Neighborhood Traffic Management Maintenance	PW1530	-	100	-	-	-	-	-
Pacific Avenue Median Improvement	7233	71	-	-	-	-	-	-
Pedestrian Bridge Calaveras River	PW1316	48	418	-	-	-	-	-
Pershing Ave Rule 20A 2	6678	41	-	-	-	-	-	-
Pershing Avenue Corridor Adaptive Traffic Control System	PW1311	1,125	-	55	-	-	-	-

Project Listing
Five Year Capital Improvement Program
2016-2021
(Dollars in thousands)

	<u>Project Number</u>	<u>Remaining Appropriation at 6/30/15</u>	<u>2015-16 Adopted</u>	<u>2016-17 Adopted Budget</u>	<u>2017-18 Projected</u>	<u>2018-19 Projected</u>	<u>2019-20 Projected</u>	<u>2020-21 Projected</u>
Transportation/Streets (Continued)								
Pershing Avenue Roadway Crown Reduction - Princeton Ave to Elmwood Ave	0000	-	-	-	-	-	-	761
Radar Speed Feedback Signs (HSIP)	9750	381	-	-	-	-	-	-
Railroad Crossing Program	PW1527	-	-	-	-	-	-	50
Rectangular Flashing Beacon Cycle 5	PW1313	171	166	-	-	-	-	-
Rectangular Rapid Flashing Beacons Cycle 6	1420	574	-	-	-	-	-	-
Residential Development Signs	PW1512	-	80	-	-	-	-	-
Residential Development Trees	PW1524	-	50	-	-	-	-	-
Responsive Traffic Signal Control on El Dorado Street	PW1421	251	41	9	-	-	-	-
Robinhood Drive Bike Lanes	0000	-	-	-	-	-	-	430
Roundabout Program	0000	-	-	-	-	-	-	1,166
Rule 20A Streetlighting Program	PW1521	-	50	50	50	50	50	1,404
Safe Routes to School	6719	145	-	-	-	-	-	-
Safe Routes to School Pilot Program Expansion	6725	359	-	-	-	-	-	-
San Joaquin Rapid Transit	9729	2	-	-	-	-	-	-
San Joaquin Trail Improvements	PW1442	-	1,205	-	-	-	-	-
Security Lid Conversion on Electrical Utility Boxes	0000	-	-	-	-	-	-	620
Sidewalk, Curb, and Gutter Repair Program	PW1531	-	751	209	217	226	235	244
Sidewalk, Curbs, Gutters	9969	637	-	-	-	-	-	-
Sperry Road Extension	PW9837	2,297	-	32	-	-	-	-
SR25 Speed Signs	PW7232	64	-	-	-	-	-	-
Street Improvement Project	PW8614	97	-	-	-	-	-	-
Street Lighting Upgrade	PW6689	81	-	-	-	-	-	-
Street Name Sign Installation	PW9176	59	-	-	-	-	-	-
Street Resurfacing	9928	2,712	-	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY 2014-15	PW1429	2,149	-	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY15/16	PW1519	-	2,441	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY16/17	0000	-	-	2,181	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY17/18-FY20/21	0000	-	-	-	2,181	2,181	2,181	2,181
Street Smarts Program	0000	-	-	-	-	-	-	312
Street Tree Planting	PW9118	292	-	-	-	-	-	-
Sutter St, Ped & Bike, Bridge	6717	153	-	-	-	-	-	-
Tam O'Shanter Drive/Castle Oaks Drive Roundabout	PW1443	-	496	-	-	-	-	-
Thornton Road / Lower Sacramento Road / Hammer Lane Triangle Left Turn Lanes	PW1518	-	165	770	-	-	-	-
Thornton Road Widening	PW1428	13,244	49	-	-	-	-	-

Project Listing
Five Year Capital Improvement Program
2016-2021
(Dollars in thousands)

	<u>Project Number</u>	<u>Remaining Appropriation at 6/30/15</u>	<u>2015-16 Adopted</u>	<u>2016-17 Adopted Budget</u>	<u>2017-18 Projected</u>	<u>2018-19 Projected</u>	<u>2019-20 Projected</u>	<u>2020-21 Projected</u>
Transportation/Streets (Continued)								
Thornton Road Widening	9828	93	-	-	-	-	-	-
Traffic Signal Control System	9906	700	-	-	-	-	-	-
Traffic Signal Control System Program	PW1522	-	401	175	500	500	500	500
Traffic Signal Controller Rtiming	6721	85	-	-	-	-	-	-
Traffic Signal Conversions to City Standard	0000	-	-	-	-	-	-	593
Traffic Signal Head Retrofit	1422	406	-	-	-	-	-	-
Traffic Signal Head Visibility Improvements - 8" to 12" Signal Indicators	0000	-	-	-	-	-	-	140
Traffic Signal Mast Arm Retrofit and Installation	PW1423	-	-	-	-	-	150	712
Traffic Signal Modifications	9934	29	-	-	-	-	-	-
Traffic Signal Modifications (Harding Way at El Dorado)	1210	-	-	-	-	-	-	-
Traffic Signal Modifications Program	PW1529	-	714	-	600	600	600	600
Traffic Signal New Installations Prog	PW9933	-	-	-	-	-	-	777
Univ Miracle Mile Improvement	7238	47	-	-	-	-	-	-
Weber Ave Beaut Ph2 Con	1327	392	-	-	-	-	-	-
Weber Avenue Beautification Phase II	9727	42	-	-	-	-	-	-
West Lane Grade Separation	0000	-	-	-	-	-	-	44,240
West Lane Pedestrian Access Improvements	PW1424	1,081	-	-	-	-	-	-
West Lane Traffic Responsiveness Signal Control System	0000	-	-	135	620	-	-	-
West Lane Widening - Hammer Lane to Morada Lane	0000	-	-	-	-	-	-	11,631
Wilson Way Corridor	PW1613	-	-	785	-	-	-	-
Wilson Way Underpass ADA Ramp Installation	1317	312	-	-	-	-	-	-
Wilson Way, Adaptive TCS	9747	388	-	-	-	-	-	-
Wood Pole Replacement and Infill Street Lighting Program	PW1523	-	73	-	-	-	-	511
Total Streets		<u>100,445</u>	<u>14,065</u>	<u>8,815</u>	<u>12,685</u>	<u>8,108</u>	<u>8,898</u>	<u>194,920</u>

Utilities

Sanitation

Capital Asset Replacements - 437	7792	932	2,600	2,750	1,250	1,250	1,250	1,250
Infiltration and Inflow Sanitation	7714	206	-	-	-	-	-	-
Oversize Collection Lines - 434	7713	-	-	200	236	528	2,000	2,000
Regional Wastewater Control Facilities Modifications 437	7709	10,032	15,032	2,736	17,471	31,786	52,975	33,232
Sanitary Pump Station Additions - 434	7703	-	-	-	251	2,262	-	-
Sanitary Pump Station Rehabilitation - 437	7785	398	13	672	578	762	3,663	2,742
Sanitary System Deficiency Improvements -437	7787	6,489	3,022	724	3,458	2,828	1,623	4,976
Sanitary System Repair - 437	7702	4,234	1,208	169	975	300	300	300

Project Listing
Five Year Capital Improvement Program
2016-2021
(Dollars in thousands)

	Project Number	Remaining Appropriation at 6/30/15	2015-16 Adopted	2016-17 Adopted Budget	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected
Sanitation (Continued)								
Sanitary System Street Improvements - 437	7790	300	-	10	10	10	10	10
Sanitary Telemetry	7784	-	-	-	-	-	-	-
Total Sanitation		<u>22,591</u>	<u>21,875</u>	<u>7,261</u>	<u>24,230</u>	<u>39,725</u>	<u>61,820</u>	<u>44,511</u>
Stormwater (Drainage)								
Capital Asset Replacements - 447	7792	-	100	50	100	100	100	100
Storm Drain Alleviation - Modification - 447	7788	50	205	-	-	-	585	-
Storm Drain Detention Basins - 447	7790	-	50	100	50	50	50	50
Storm Drainage Street Improvements - 447	7789	-	101	10	10	10	10	10
Storm Pump Station Additions - 447	7780	-	-	-	-	-	200	4,402
Storm Pump Station Improvements - 447	7783	851	690	674	791	594	-	-
Total Stormwater (Drainage)		<u>901</u>	<u>1,146</u>	<u>834</u>	<u>951</u>	<u>754</u>	<u>945</u>	<u>4,562</u>
Water								
Delta Diversion Water Project	9922	1,145	-	-	-	-	-	-
Delta Water Treatment Plant - 427	7622	-	149	500	-	-	-	-
Ground Water Recharge	7630	-	137	-	-	-	-	-
Water Field Office Remodel - 427	7625	1,081	-	-	1,500	-	-	-
Water Supply - New Wells - 423	7618	-	-	300	300	500	500	-
Water Supply - Old Wells - 427	7617	-	403	170	179	185	-	282
Water System Expansion - 427	7601	559	-	737	-	-	131	1,489
Water System Improvements - 427	7602	1,153	364	475	475	475	275	275
Water System Street Improvements - 427	7796	127	-	-	10	10	10	10
Water Transmission Mains - 424	7623	-	-	-	357	-	106	540
Water Transmission Mains - 427	7623	-	3,356	32	319	244	-	-
Water Treatment Equipment - 427	7619	2,122	1,381	200	-	1,580	1,921	-
Well/Reservoir/Detention Basin Site Improvements - 427	7620	134	100	-	75	75	252	277
Total Water		<u>6,321</u>	<u>5,890</u>	<u>2,414</u>	<u>3,215</u>	<u>3,069</u>	<u>3,195</u>	<u>2,873</u>
Grand Total		<u>140,760</u>	<u>51,790</u>	<u>28,543</u>	<u>42,853</u>	<u>52,156</u>	<u>77,541</u>	<u>348,290</u>

TAB 14 INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

MISSION STATEMENT

Internal Service Funds are used to report the centralized financing of goods and services provided by one department on a cost reimbursement basis. The City of Stockton uses internal service funds for the central administration of insurance, equipment replacement, and computer services.

Budget at a Glance:

Total Expenditures	\$125,435,797
Total Revenues	\$125,543,691
Total Net Revenues	\$107,894

DEPARTMENT DESCRIPTION

The City has internal service funds (ISF) for equipment, risk management, and employee benefits funding. City departments pay into these funds as part of their annual budgets and receive services from the funds. Equipment services account for \$27.7 million or 22% of the total internal service fund expenditures. The remaining \$96.6 million or 78% funds the City's insurance and other benefits costs. The City's internal service funds are as follows:

Equipment: Fleet Services, Computer Equipment, Radio Equipment, Telephone Equipment, and Office Equipment.

Insurance Benefits: General Insurance; Workers Compensation; Health Insurance; Unemployment; Long Term Disability, (LTD) Life Insurance and Accidental Death and Dismemberment (AD&D); Retirement; and Compensated Absence.

KEY CONSIDERATIONS

Many of the internal service funds do not have sufficient reserves to fund all costs incurred and were depleted during the City's financial crisis to mitigate the General Fund's financial downturn. At the same time, labor, retirement and healthcare costs escalated. The City had also delayed equipment purchases to reduce costs, and as a result, City vehicles aged and technology became increasingly out of date.

In recent years, however, additional funding has been made available for annual costs and for a gradual increase of equipment replacement funds. The outcome of the prior funding restrictions had caused a delay in the replacements of portable radios, Police Department motorcycles, office computers and copiers, vehicles, and the City's financial system that is more than 20 years old. Staff is in the process of implementing measures that are designed to correct the aging equipment inventory and modernize the City's technology infrastructure over time. The FY 2016-17 Annual Budget includes additional funding to continue this catch-up process.

During the course of developing each fund's allocation rates, an evaluation has been done in the proposed budget and modifications have been made to the methodology used to determine and distribute rates, in addition to evaluation of the costs associated with each fund. Over the last few years, the methodologies for Equipment type of ISFs were improved to follow consistent and logical calculations while eliminating duplications. Methodologies continue to be evaluated and refinements made in determining appropriate ISF rates for equipment maintenance and replacements.

INTERNAL SERVICE FUNDS

The Computer Equipment ISF is managed by the Information Technology Department. This department is planning operational improvements that will enhance service provided through the computer, radio and telephone ISFs. All of these areas address the Council's strategic priority of Organizational Development (technology related) and others, such as the Radio ISF which is instrumental to public safety equipment upgrades and replacements.

The City Council approved the initial five-year Citywide Technology Strategic Plan (CTSP) in January 2012 making improvements in technology a priority. Since then, the Plan has been continuously evaluated with revisions and updates being made to reflect current needs and relevant projects. The budget reflects the balance of unspent funding for each project until completion.

As technology evolves and platforms merge, it is evident that copiers and printers used in standard office operations are now more computerized than mechanized. Hence, the copiers and printers valued at approximately \$600,000 and used throughout the City are being tracked in the Computer Equipment ISF instead of the Office Equipment ISF. This enables those with technical expertise to evaluate and standardize computer driven tools used throughout the City in a more efficient and cost-effective manner.

The Radio Equipment ISF has remained stable from an operational perspective. However, due to seriously low reserves for replacement of aging equipment, additional funding beyond rate generated revenue was made available in the past two years (\$1.8 million for public safety and \$567,000 for fire dispatch in FY 2015-16 and \$1 million for other departments in FY 2014-15). Additional funding will be needed to address the significant backlog of replacement needs. Many radios are still well beyond their useful life and frequently break. Parts for the radios are becoming harder to find. The City completed a comprehensive inventory of radios that determined the need to replace more than 800 radios at nearly \$6 million. Replacement efforts began in FY 2015-16 and will continue through FY 2017-18 with funding from Measure A for police radios, enterprise funds and ISF funds for other departments. Support infrastructure necessary for the system is still being evaluated to determine the most cost effective approach toward a regional radio solution.

The Telephone Equipment ISF supports Voice over Internet Protocol (VoIP) and Centrex phone systems data lines, and telecommunication support services for the entire city. The City made the final lease payment on the VoIP system purchased in 2007 in FY 2014-15. The City is exploring the option of moving to a cloud based VoIP system utilizing the State of California CALNET 3 Contract.

The Office Equipment ISF continues to be managed by the Administrative Services Department, however copiers and printers for department use citywide have been transferred to the Computer Equipment ISF fund as described above.

The City's General Liability and Workers' Compensation ISFs have been underfunded for years and collectively have accumulated approximately \$31 million in unfunded liabilities. The most recent actuarial report, however, indicates that as of June 30, 2015, the unfunded liability in the Workers Compensation program decreased by roughly 2.5%, or \$1.3 million, as compared to the previous years. Workers' Compensation rates will be increased again in FY 2016-17 to finance the fund deficit amortized over 10 years, or approximately \$3 million per year. General Liability rates remain unchanged, in an effort to continue to reduce the fund deficit and provide funds for potential additional claims. Costs for excess insurance purchased from third party

INTERNAL SERVICE FUNDS

agencies for both the Workers Compensation and General Liability programs will increase in FY 2016-17.

Healthcare insurance costs in the Health Benefits ISF will continue to increase as a result of medical and prescription trends, the effects of declining enrollment in the self-funded plan, mandated benefit increases and required Affordable Care Act fees. Projected medical premiums will be up approximately 8% for the self-funded plan and 9% for the Kaiser Plan in FY 2016-17. Two new plans will be added to the City health plan options. Staff will monitor how these additional options will impact eligibility placement. Dental plan rates are increasing by approximately .4% and Vision plan rates are decreasing by approximately 1.1%.

Unemployment costs have leveled off in the past fiscal year. The ending fund balance projected in this fund is considered large enough to cover future claims, so that annual rates can be stabilized for the next several years.

The City of Stockton contracts with the California Public Employees' Retirement System (CalPERS) for defined retirement benefits to its employees. FY 2016-17 retirement rates will be going up again in FY 2016-17, as they have in each of the preceding three years. Both Safety and Miscellaneous employer rates are going up by 7% in FY 2016-17. This rate increase is slightly less than the 10% increase anticipated in the Long-Range Financial Plan.

**Internal Service Funds
FY 2016-17 Adopted Budget**

	Fleet Services 501	Computer Equipment 502	Radio Equipment 503	Telephone Equipment 504	Office Equipment Printing/Mailing 505
	<i>See Page N-10</i>	<i>See Page N-14</i>	<i>See Page N-17</i>	<i>See Page N-19</i>	<i>See Page N-21</i>
Beginning Available Balance	\$ 3,003,120	\$ 5,851,131	\$ 1,345,146	\$ 1,419,695	\$ 1,252,618
Revenues					
Charge for Services					
Police	4,531,861	5,338,180	999,693	523,730	7,813
Fire	2,345,449	919,100	488,096	68,264	-
Other General Fund	546,655	1,451,961	2,695	258,508	29,431
Other Funds	3,137,281	4,171,371	133,277	642,353	30,338
	<u>10,561,246</u>	<u>11,880,612</u>	<u>1,623,761</u>	<u>1,492,855</u>	<u>67,582</u>
Refunds & Reimbursements	100,000	60,000	-	-	333,500
Investment Interest	25,000	-	-	7,000	5,000
	<u>10,686,246</u>	<u>11,940,612</u>	<u>1,623,761</u>	<u>1,499,855</u>	<u>406,082</u>
Expenditures					
General & Administrative	2,128,295	2,275,023	-	-	-
Operations & Maintenance	4,374,628	7,559,015	1,021,914	1,195,431	376,717
Equipment Replacements	4,425,452	2,525,730	1,411,500	305,000	-
Debt Service	555,739	-	-	-	-
Claims	-	-	-	-	-
Excess Insurance Premium	-	-	-	-	-
Third Party Administrator	-	-	-	-	-
Pension contributions to CalPERS	-	-	-	-	-
Employee leave balance payoffs	-	-	-	-	-
	<u>11,484,114</u>	<u>12,359,768</u>	<u>2,433,414</u>	<u>1,500,431</u>	<u>376,717</u>
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	(438,000)	-	-	-	-
	<u>(438,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(1,235,868)</u>	<u>(419,156)</u>	<u>(809,653)</u>	<u>(576)</u>	<u>29,365</u>
Ending Available Balance	<u>\$ 1,767,252</u>	<u>\$ 5,431,975</u>	<u>\$ 535,493</u>	<u>\$ 1,419,119</u>	<u>\$ 1,281,983</u>

**Internal Service Funds, Continued
FY 2016-17 Adopted Budget**

	General Insurance 541	Workers Compensation 551	Health Insurance 552	Unemployment 556
	<i>See Page N-24</i>	<i>See Page N-25</i>	<i>See Page N-28</i>	<i>See Page N-31</i>
Beginning Available Balance	\$ 5,510,098	\$ (26,514,836)	\$ 13,493,502	\$ 747,624
Revenues				
Charge for Services				
Police	2,196,000	6,093,000	7,210,550	47,000
Fire	933,000	3,329,000	1,745,000	21,000
Other General Fund	386,000	445,000	1,428,000	8,000
Other Funds	2,110,000	4,028,000	7,150,550	49,000
	<u>5,625,000</u>	<u>13,895,000</u>	<u>17,534,100</u>	<u>125,000</u>
Refunds & Reimbursements	338,500	850,000	6,120,467	-
Investment Interest	90,000	280,000	75,958	6,000
	<u>6,053,500</u>	<u>15,025,000</u>	<u>23,730,525</u>	<u>131,000</u>
Expenditures				
General & Administrative	1,459,165	727,742	1,196,324	-
Operations & Maintenance	781,394	478,800	-	-
Equipment Replacements	-	-	-	-
Debt Service	-	-	-	-
Claims	2,763,900	9,012,000	22,224,706	165,000
Excess Insurance Premium	1,150,000	835,000	-	-
Third Party Administrator	-	746,000	354,772	-
Pension contributions to CalPERS	-	-	-	-
Employee leave balance payoffs	-	-	-	-
	<u>6,154,459</u>	<u>11,799,542</u>	<u>23,775,802</u>	<u>165,000</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(100,959)</u>	<u>3,225,458</u>	<u>(45,277)</u>	<u>(34,000)</u>
Ending Available Balance	<u>\$ 5,409,139</u>	<u>\$ (23,289,378)</u>	<u>\$ 13,448,225</u>	<u>\$ 713,624</u>
	-	-	-	-

**Internal Service Funds, Continued
FY 2016-17 Adopted Budget**

	Long Term Disability & Life 557	Retirement 561	Compensated Absences 562	Internal Service Total
	<i>See Page N-33</i>	<i>See Page N-35</i>	<i>See Page N-37</i>	
Beginning Available Balance	\$ 118,004	\$ 509,589	\$ 2,182,451	\$ 8,918,142
Revenues				
Charge for Services				
Police	137,860	21,380,380	228,647	48,694,714
Fire	27,721	7,254,440	70,438	17,201,508
Other General Fund	68,221	2,308,119	56,786	6,989,376
Other Funds	292,106	12,634,672	204,129	34,583,077
	<u>525,908</u>	<u>43,577,611</u>	<u>560,000</u>	<u>107,468,675</u>
Refunds & Reimbursements	-	9,752,841	-	17,555,308
Investment Interest	750	10,000	20,000	519,708
	<u>526,658</u>	<u>53,340,452</u>	<u>580,000</u>	<u>125,543,691</u>
Expenditures				
General & Administrative	-	78,190	-	7,864,739
Operations & Maintenance	-	-	-	15,787,899
Equipment Replacements	-	-	-	8,667,682
Debt Service	-	-	-	555,739
Claims	-	-	-	34,165,606
Excess Insurance Premium	525,908	-	-	2,510,908
Third Party Administrator	-	-	-	1,100,772
Pension contributions to CalPERS	-	53,324,452	-	53,324,452
Employee leave balance payoffs	-	-	1,020,000	1,020,000
	<u>525,908</u>	<u>53,402,642</u>	<u>1,020,000</u>	<u>124,997,797</u>
				-
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	(438,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(438,000)</u>
Net Annual Activity	<u>750</u>	<u>(62,190)</u>	<u>(440,000)</u>	<u>107,894</u>
Ending Available Balance	<u>\$ 118,754</u>	<u>\$ 447,399</u>	<u>\$ 1,742,451</u>	<u>\$ 9,026,036</u>
	-	-	-	-
			Revenues	\$ 125,543,691
			Transfers	-
			Total Sources	<u>\$ 125,543,691</u>
			Expenditures	\$ 124,997,797
			Transfers	438,000
			Total Appropriations	<u>\$ 125,435,797</u>



INTERNAL SERVICE FUNDS

FLEET SERVICES FUND (501)

History

- The Fleet Internal Service Fund is managed by Public Works and is responsible for maintaining and replacing the City's fleet of vehicles and major equipment.
- Departments are charged monthly rental rates to finance operations and replacements.
- Maintenance activities include preventive maintenance inspections, complete mechanical repairs, and specialized auto body work, performed either by staff technicians or by outside vendors.
- Cash replacement reserves have ranged from \$1 to \$5 million over the past ten years.

FY 2015-16 Events

- Purchased and outfitted 47 Ford Police Interceptor utility vehicles replacing the discontinued Ford Crown Victoria model. Procurement included specifying, bidding, and contracting with vehicle outfitter to install specialized equipment and meet the demands of the additional vehicle requirements for the Measure A Marshall Plan.
- Purchased 25 police administrative sedans to include 10 additional units to support the Marshall Plan funded by Measure A Transaction and Use Tax.
- Purchased five electric police motorcycles with grant funding.
- Conducted pilot and implemented new computerized maintenance management system.
- Purchased 17 - 1/4 to 1/2 ton pickups trucks for the Municipal Utility, Public Works, and Neighborhood Services Departments.
- Purchased two truck-mounted cranes for Municipal Utility and Public Works Departments.
- Evaluated replacement backlog and developed a multi-year plan of corrective action including replacement of Fire Pumps and Ladder Trucks through operating leases, reduction or reassignment of underutilized vehicles, and pursuit of grants for fire and hybrid vehicles.

FY 2016-17 Budget Changes

- Replacement Schedule
 - The FY 2016-17 Annual Budget provides for equipment replacement at the funding level recommended by the Public Works Department, with lease and buyback payments for fire apparatus being made out of a separate line item in the Fleet budget.
 - Continued replacement of backlog to include police interceptor, animal services, evidence technician, community service officer, and administrative sedan vehicles.
 - Consultation with departments and development of long term sustainable replacement plans for all major equipment continues.
- Operations and Utilization Analysis – In an ongoing effort to review and improve fleet operations and vehicle/equipment utilization as recommended by the adopted Management Partners study, fleet parts procurement services will continue to be evaluated through a proposal process to provide set pricing and delivery criteria. As part of the implementation process of the computerized maintenance management system, operational procedures and data collection will be evaluated to improve overall asset management.

INTERNAL SERVICE FUNDS

FLEET SERVICES FUND (501) (Cont.)

- Technology Projects – In addition to the implementation of the computerized maintenance management system, the Information Technology Capital Plan (ITCP), formerly Citywide Technology Strategic Plan, included the replacement of the fuel management system. Procurement funded by the Fleet ISF and implementation of a new system is anticipated to commence in FY 2016-17.
- Program contribution rates
 - Vehicle replacement rates have been determined by amortizing each vehicle's estimated replacement cost over its estimated replacement life. Over the last few years, the details used in this methodology have been evaluated and refined to follow consistent and logical calculations while eliminating duplications. In addition refinements have been made to specific equipment categories to standardize equipment classifications and set replacement lives at industry standards. Rate development methodologies will continue to be evaluated and refined.
 - Fleet operations and maintenance rates are based on the mileage odometer reading for each assigned vehicle. These are then used to recover fleet annual budgeted expenditures by determining reimbursement cost rates for departments using vehicles assigned to them. Departments will be charged an annual rate instead of being charged for each repair/maintenance of the assigned vehicle.
 - Pooled vehicles used for occasional special purposes, and when not associated with assigned vehicles, will be charged at the time of use.
 - Fuel costs are charged directly to the user based on actual use. The budgets are developed based on prior year actual gallon usage multiplied by the price per gallon projected by U.S. Energy Information Administration which currently is \$2.40 for both gasoline and diesel. The resulting budgets for fuel are not included in the ISF fleet rates charged to departments throughout the year, but instead are charged to departments at the time of use. The actual charges are expected to cover the ISF fuel budget by the end of the fiscal year.
 - General Administration costs are distributed using an overhead rate calculated to reasonably spread the administration costs based on a percentage of the calculated rate using total costs of operations and maintenance and fuel costs as a basis.
- Annual Activity and ending balance – The Fleet ISF ending available fund balance covers emergency equipment purchases and includes accumulation of contributions for replacement of vehicles and equipment. Although the efforts are being made to replace vehicles that are past their replacement lives, this fund balance is still insufficient.

**Internal Service Funds
Fleet Services - 501
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 4,727,560	\$ 4,143,297	\$ 4,243,981	\$ 3,003,120
Revenues				
Charge for Services				
Police	4,830,283	4,050,537	4,110,011	4,531,861
Fire	1,012,406	1,710,426	1,990,801	2,345,449
Other General Fund	451,605	470,286	561,111	546,655
Other Funds	3,382,752	3,189,485	3,015,416	3,137,281
	<u>9,677,046</u>	<u>9,420,734</u>	<u>9,677,339</u>	<u>10,561,246</u>
Refunds & Reimbursements	43,201	100,000	2,000,000	-
Sale of Assets	271,950	142,383	200,000	100,000
Interest	-	41,409	35,600	25,000
	<u>9,992,197</u>	<u>9,704,526</u>	<u>11,912,939</u>	<u>10,686,246</u>
Expenditures				
Operations & Maintenance	4,077,125	4,139,312	3,831,287	4,374,628
Fuel	2,048,669	1,562,498	1,099,337	1,425,452
General & Administrative	1,324,820	1,453,884	1,634,298	2,128,295
Debt Service	301,755	301,755	339,674	555,739
Replacements	2,747,490	2,146,393	6,139,204	3,000,000
	<u>10,499,859</u>	<u>9,603,842</u>	<u>13,043,800</u>	<u>11,484,114</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	(76,601)	-	(110,000)	(438,000)
	<u>(76,601)</u>	<u>-</u>	<u>(110,000)</u>	<u>(438,000)</u>
Net Annual Activity	<u>(584,263)</u>	<u>100,684</u>	<u>(1,240,861)</u>	<u>(1,235,868)</u>
Ending Available Balance	<u>\$ 4,143,297</u>	<u>\$ 4,243,981</u>	<u>\$ 3,003,120</u>	<u>\$ 1,767,252</u>
Available Balance Calculation				
Cash & Accounts Receivable		\$ 5,220,297		
Accounts Payable		(976,316)		
Encumbrances		-		
Ending Available Balance		<u><u>\$ 4,243,981</u></u>		



INTERNAL SERVICE FUNDS

COMPUTER EQUIPMENT FUND (502)

History

- The Computer Equipment internal service fund supports computers, multi-functional copiers, application systems, and network connectivity.
- Supports Information Technology (IT) Governance for City of Stockton.
- Provides information technology consulting services to departments.
- Manages the implementation of the IT Capital Plan (ITCP) formerly Citywide Technology Strategic Plan.

FY 2015-16 Events

- Implemented a new IT Governance.
- Implemented project management tools, standards and endorsement of Enterprise Portfolio Management Office.
- Updated and maintained ITCP.
- Replaced GroupWise email and document management with Microsoft Office 365, Outlook and SharePoint.
- Facilitated three Stockton Technology Oversight Committee (STOC) meetings.
- Implemented technology training for Outlook, Office 365 and SharePoint.
- Replaced IT helpdesk system with Cherwell Solution.
- Participated in Countywide Fire Dispatch Joint Power Authority (JPA) planning.
- Deployed Google-based LandMaster Online.
- Implemented SharePoint cloud platform for documents and rich internet applications.
- Implemented wireless access at Fire Stations.
- Initiated and completed Windows 7 upgrades for approximately 1,500 PCs and laptops.
- Awarded contract for assessing, procuring and replacing the City's current Enterprise Resource Planning system.
- Purchased lidar elevation map data for Geographic Information System.
- Collaborated with the Administrative Services Department on an enterprise procurement project to streamline purchases of critical components such as Dell computers.
- Restructured copier management under IT to enable a reduction of digital output devices (printers and copiers) and of single function items such as stand-alone fax machines, network printers or local printers.

FY 2016-17 Budget Changes

- Significant efforts currently managed by Information Technology Department are related to the Information Technology Capital Projects. The current technology related capital projects are as follows:
 - Develop long term cloud-based backup solution.

INTERNAL SERVICE FUNDS

COMPUTER EQUIPMENT FUND (502) (Cont.)

- Assess and implement virtual desktop infrastructure to end-user community.
- Support deployment of the new permit management system for Community Development Department.
- Research, plan and deploy new web content management systems for City intranet and internet sites.
- Complete assessment and award contract for replacement of the existing Enterprise Resource Planning (ERP) solution.
- Continue to explore cloud-based solutions to reduce Data Center footprint (servers).
- Complete copier/printer management transition to IT.
- Assess copier replacement alternatives and issue a Request for Proposal (RFP).

**Internal Service Funds
Computer Equipment Internal Service - 502
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	Actual	Actual	Projected	
Beginning Available Balance	\$ 6,792,522	\$ 9,621,261	\$ 5,303,849	\$ 5,851,131
Revenues				
Charges for services				
Police	4,969,854	5,512,098	5,339,813	5,338,180
Fire	615,989	709,348	771,719	919,100
Other General Fund	866,190	1,103,291	1,242,217	1,451,961
Other Funds	3,025,804	3,467,304	3,813,548	4,171,371
Refunds & Reimbursements	78,729	120,166	52,880	60,000
	9,556,566	10,912,207	11,220,177	11,940,612
Expenditures				
Computer Maintenance	3,238,398	3,151,009	3,970,585	5,451,630
IT Administration	1,553,322	1,934,315	1,754,994	2,275,023
GIS Administration	459,125	462,547	665,418	565,191
Public Safety	711,042	934,094	937,313	925,110
Web Development	32,178	195,613	271,527	433,062
Tech Development	70,874	146,534	173,524	184,022
Document Management System	222,686	222,684	304,228	-
Replacements	-	193,785	2,214,691	1,900,730
New equipment	-	87,534	38,453	625,000
Capital Projects	440,202	865,357	1,377,162	-
	6,727,827	8,193,472	11,707,895	12,359,768
Transfers				
Transfer In - General Fund	-	5,236,000	1,035,000	-
Transfer Out	-	-	-	-
	-	5,236,000	1,035,000	-
Net Annual Activity	2,828,739	7,954,735	547,282	(419,156)
Ending Available Balance	\$ 9,621,261	\$ 17,575,996	\$ 5,851,131	\$ 5,431,975
Available Balance Calculation				
Cash and Current Assets		\$ 18,294,299		
Accounts Payable		(718,303)		
Encumbrances		-		
Capital Projects		(12,272,147)		
Ending Available Balance		\$ 5,303,849		



INTERNAL SERVICE FUNDS

RADIO EQUIPMENT FUND (503)

History

- The Radio Equipment fund supports mission critical radio, information and hardware systems for Fire, Municipal Utilities, Public Works and Police Department.

FY 2015-16 Events

- Setup Computer Aid Dispatch and radio system to allow dispatching for Lathrop/Manteca Fire and Lodi Fire.
- Installed over 50 mobile data computer and radios in police vehicles.
- Hired a consultant to provide an assessment of the City's radio system and San Joaquin County's Trunk System. The assessment will include a recommendation whether to move forward with the County's trunk system.

FY 2016-17 Budget Changes

- Replacement Schedule:
 - Continuing plans developed in FY 2015-16 to upgrade and modernize the Public Safety radio system. The goal is to develop interoperability with other Public Safety agencies throughout the County by participating in San Joaquin County's Radio trunk system. As the City replaces its radio inventory which is currently end of life, a consultant was hired to review the plan, evaluate the current radio infrastructure and make a recommendation on how to move forward.
 - The plan developed calls for replacing both PD and Fire radio dispatch consoles. As part of the console replacement, the plan also prepares the City to join the County trunk system.
 - Replacement strategies call for multi-year purchases and prioritization of all hardware, software and services for the radio system. Spreading the costs and prioritizing the replacement over multiple budget years helps with long-range financial planning. Following FY 2017-18 replacements and upgrades, budget needed for the radio system is expected to level off.

Internal Service Funds
Radio Equipment Internal Service - 503
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ 477,436	\$ 779,137	\$ 1,840,835	\$ 1,345,146
Revenues				
Charges for services				
Police	666,717	706,321	953,219	999,693
Fire	380,135	342,964	479,140	488,096
Other General Fund	-	-	-	2,695
Other Funds	52,956	94,135	112,402	133,277
	<u>1,099,808</u>	<u>1,143,420</u>	<u>1,544,761</u>	<u>1,623,761</u>
Expenditures				
Operations & Maintenance	610,047	649,919	957,989	1,021,914
Replacements	188,060	431,803	1,082,461	1,411,500
	<u>798,107</u>	<u>1,081,722</u>	<u>2,040,450</u>	<u>2,433,414</u>
New Projects				
Equipment Replacement	<u>798,107</u>	<u>1,081,722</u>	<u>2,040,450</u>	<u>2,433,414</u>
Transfers				
Transfer In - General Fund	-	1,000,000	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>301,701</u>	<u>1,061,698</u>	<u>(495,689)</u>	<u>(809,653)</u>
Ending Available Balance	<u>\$ 779,137</u>	<u>\$ 1,840,835</u>	<u>\$ 1,345,146</u>	<u>\$ 535,493</u>
Available Balance Calculation				
Cash and Investments		\$ 1,885,067		
Encumbrances		(44,232)		
Ending Available Balance		<u>\$ 1,840,835</u>		

INTERNAL SERVICE FUNDS

TELEPHONE EQUIPMENT FUND (504)

History

- The Telephone Equipment internal service fund supports telecommunications for the City of Stockton. This includes Voice over Internet Protocol (VoIP) and Centrex phone systems, data lines, and mobile support services for the entire city.
- VoIP was on a seven year lease program that closed in August 2014.
- This fund also supports employee services and integration of all telecommunication services.

FY 2015-16 Events

- The VoIP phone system lease program was paid in full in August 1, 2014.
- Explored options for a cloud-based VoIP system.

FY 2016-17 Budget Changes

- Replacement Schedule:
 - The City will replace the on-premise VoIP telephone system in the upcoming fiscal year with a hosted, cloud-based solution.

Internal Service Funds
Telephone Equipment Internal Service - 504
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 855,059	\$ 1,146,591	\$ 1,288,330	\$ 1,419,695
Revenues				
Charge for Services				
Police	449,620	498,352	497,552	523,730
Fire	53,546	79,822	79,822	68,264
Other General Fund	241,170	241,161	241,161	258,508
Other Funds	597,371	646,761	633,043	642,353
Interest	8,407	7,167	5,789	7,000
Reimbursements	23	2,992	-	-
	<u>1,350,137</u>	<u>1,476,255</u>	<u>1,457,367</u>	<u>1,499,855</u>
Expenditures				
Operations & Maintenance	725,751	993,500	811,002	1,195,431
Replacements	9,071	16,016	515,000	305,000
Principal	310,663	310,663	-	-
Interest Expense	13,120	14,337	-	-
	<u>1,058,605</u>	<u>1,334,516</u>	<u>1,326,002</u>	<u>1,500,431</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out - Technology 502	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	291,532	141,739	131,365	(576)
Ending Available Balance	\$ 1,146,591	\$ 1,288,330	\$ 1,419,695	\$ 1,419,119
Available Balance Calculation				
Cash and Current Assets		\$ 1,360,642		
Accounts Payable		(72,312)		
Encumbrances		-		
Ending Available Balance		<u>\$ 1,288,330</u>		

INTERNAL SERVICE FUNDS

OFFICE EQUIPMENT (505) DUPLICATING, PRINTING & MAILING

History

- Responsible for maintaining and financing the City's duplicating/printing equipment in reprographics and mailroom functions.
- Program departments are charged monthly rental rates to finance citywide reprographics services, operations and replacements.

FY 2015-16 Events

- Worked with the Finance Department (Business License) to redirect printing from local laser printer to high speed digital printer in Reprographics.
- Worked with Business License section on the purchase of a new laser printer to allow in-house production of certificates and letterheads; leading to quicker turnaround time and savings.
- Began work to evaluate, establish and track a service catalogue for common reprographic services used by the City.

FY 2016-17 Budget Changes

- Transition department copier systems to the Information Technology Department Fund for coordinated administration of copier, printers, desktop computers and other technology devices used throughout the City departments.
- Evaluate and upgrade reprographics equipment in preparation of downsizing space available for operations.

Internal Service Funds
Office Equipment Internal Service - 505
FY 2016-17 Adopted Budget

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 600,206	\$ 758,954	\$ 960,902	\$ 1,252,618
Revenues				
Charges for Equipment				
Police	34,102	72,415	41,431	7,813
Fire	-	-	-	-
Other General Fund	62,417	56,135	95,373	29,431
Other Funds	165,192	186,707	206,898	30,338
Printing & Mailroom	335,000	360,562	378,385	333,500
Investment Income	6,025	6,874	3,749	5,000
	<u>602,736</u>	<u>682,693</u>	<u>725,836</u>	<u>406,082</u>
Expenditures				
Operations & Maintenance	433,766	463,711	434,120	376,717
Replacements	10,222	17,034	-	-
	<u>443,988</u>	<u>480,745</u>	<u>434,120</u>	<u>376,717</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>158,748</u>	<u>201,948</u>	<u>291,716</u>	<u>29,365</u>
Ending Available Balance	<u>\$ 758,954</u>	<u>\$ 960,902</u>	<u>\$ 1,252,618</u>	<u>\$ 1,281,983</u>
Available Balance Calculation				
Cash and Current Assets		\$ 1,013,588		
Accounts Payable		(52,686)		
Encumbrances		-		
Ending Available Balance		<u><u>\$ 960,902</u></u>		

INTERNAL SERVICE FUNDS

RISK SERVICES – GENERAL LIABILITY FUND (541) AND WORKERS' COMPENSATION FUND (551)

History

- The Risk Services Division is responsible for protecting the City's resources and limiting its liability exposure. Contract monitoring, inventory lists, and insurance cover review is a vital part of ensuring that assets are well documented and accurately valued, exposure is limited and risk is transferred appropriately.
- Risk Services also includes Workers' Compensation and Safety Program components working to reduce costs associated with illness and injury sustained by City employees.
- Risk Services recovers monies from third parties who damage City property and for law enforcement activities.

FY 2015-16 Events

- In conjunction with the Administrative Services Department, amended contract with third party collections vendor to assist with collecting monies owed to the City from damage to City property and law enforcement activities.
- Created a notification system for employees who provide invoices for subrogation claims so that departments can track their open claims and the amount of recovery funds coming into their risk accounts.
- Conducted detailed audits on the current insurance policies, to ensure accurate and appropriate coverage. This included property, vehicle, public art, hull and machinery, marinas, notary bonds, public official bonds, instructor policy, general liability crime shield policy and Workers' Compensation Excess policy.
- In collaboration with the City Manager and the Community Services Department, developed streamlined insurance and indemnification standards for special events.
- Worked with the City Attorney's Office to process claims through the Bankruptcy and to develop a system of managing claims post-Bankruptcy.
- Updated our California Department of Transportation (DOT) Driver License Pull Notice Program. This program allows us to monitor the driver licenses of all employees required to drive on City business for validity of the license.
- Updated our California DOT Commercial Driver Random Drug Testing Program. This quarterly testing program ensures employees tested are not operating a commercial vehicle under the influence of any drugs.
- City staff request of an increase from a bi-annual to an annual audit of the Workers' Compensation Third Party Administrator ensured proper program management, industry standards, and City requirements.
- Instituted weekly meetings with the Workers' Compensation third party administrator and monthly meetings with the Police and Fire management personnel regarding workers' compensation claims.
- The workers' compensation medical provider network was expanded.

INTERNAL SERVICE FUNDS

RISK SERVICES – GENERAL LIABILITY FUND (541) AND WORKERS' COMPENSATION FUND (551) (Cont.)

FY 2016-17 Budget Changes

- The most recent actuary report based on program claims experience as of June 30, 2015, indicated that the unfunded liability in the workers' compensation program decreased by roughly 2.5%, or \$1.3 million, over the previous fiscal year.
- Human Resources staff continues to work with the Budget Office to evaluate and refine the allocation methodology used to calculate the risk rates for departments.
- Workers' compensation rates will increase to reduce the fund deficit by \$3 million in FY 2016-17.
- General liability rates remain unchanged, in an effort to continue to reduce the fund deficit and provide funds for potential additional claims.
- Excess Insurance purchased from a third party agencies will increase for both Workers' Compensation and General Liability.

**Internal Service Funds
General Liability Insurance - 541
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ (2,383,380)	\$ (964,115)	\$ 4,616,253	\$ 5,510,098
Revenues				
Charge for Services				
Police	2,101,461	2,112,195	2,242,800	2,196,000
Fire	938,426	911,702	953,000	933,000
Other General Fund	355,400	356,988	395,000	386,000
Other Funds	2,273,927	2,138,412	2,155,000	2,110,000
Reimbursement	1,131,423	2,343,111	751,645	338,500
Investment Interest	73,148	101,581	90,000	90,000
	<u>6,873,785</u>	<u>7,963,989</u>	<u>6,587,445</u>	<u>6,053,500</u>
Expenditures				
Claims				
Paid	728	1,187,129	2,474,750	2,763,900
Actuarial Adjustment	2,167,601	(1,294,474)	-	-
	<u>2,168,329</u>	<u>(107,345)</u>	<u>2,474,750</u>	<u>2,763,900</u>
Excess Insurance Premium	792,226	780,408	940,000	1,150,000
City staff costs	1,135,811	977,284	1,107,738	1,459,165
Operating expenditures	1,358,154	750,742	1,171,112	781,394
	<u>5,454,520</u>	<u>2,401,089</u>	<u>5,693,600</u>	<u>6,154,459</u>
Transfers				
Transfer In - Central Parking	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>1,419,265</u>	<u>5,562,900</u>	<u>893,845</u>	<u>(100,959)</u>
Ending Available Balance	<u>\$ (964,115)</u>	<u>\$ 4,598,785</u>	<u>\$ 5,510,098</u>	<u>\$ 5,409,139</u>
Available Balance Calculation				
Cash and Current Assets		\$ 13,434,346		
Current Liabilities		(126,139)		
Claims Payable		(8,691,954)		
Ending Available Balance		<u><u>\$ 4,616,253</u></u>		
Rates (percentage of payroll)				
All employees	4.78%	4.78%	4.78%	4.51%

Note

Program revenues are estimated based upon percentage of projected payroll.
Actual revenues and the cash flow to settle claims will fluctuate based on actual payroll.

**Internal Service Funds
Workers' Compensation - 551
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ (37,171,211)	\$ (37,404,456)	\$ (30,694,403)	\$ (26,514,836)
Revenues				
Charge for Services				
Police	4,440,386	5,040,605	5,948,026	6,093,000
Fire	2,355,108	3,041,815	3,250,074	3,329,000
Other General Fund	402,389	355,479	434,138	445,000
Other Funds	3,941,569	3,670,702	3,932,397	4,028,000
	<u>11,139,452</u>	<u>12,108,601</u>	<u>13,564,635</u>	<u>13,895,000</u>
Refunds & Reimbursements	4,551,816	989,202	968,000	850,000
Interest	155,044	182,094	248,240	280,000
	<u>15,846,312</u>	<u>13,279,897</u>	<u>14,780,875</u>	<u>15,025,000</u>
Expenditures				
Claims Expense - Cash	10,084,818	5,714,642	8,623,000	9,012,000
Actuarial accrued claims liability	3,869,000	(687,000)	-	-
Insurance Administration	516,798	451,922	688,958	727,742
TPA Administration	674,770	736,382	746,000	746,000
Excess Insurance Premium	663,493	582,338	792,000	835,000
State CA Assessment	219,491	222,637	152,983	380,000
Safety Program	51,187	48,923	98,367	98,800
	<u>16,079,557</u>	<u>7,069,844</u>	<u>11,101,308</u>	<u>11,799,542</u>
Transfers				
Transfer In	-	-	500,000	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Net Annual Activity	(233,245)	6,210,053	4,179,567	3,225,458
Ending Available Balance	\$ (37,404,456)	\$ (31,194,403)	\$ (26,514,836)	\$ (23,289,378)
Available Balance Calculation				
Cash and Current Assets		\$ 24,776,211		
Accounts Payable		(81,614)		
Due to Other Funds		-		
Claims Payable		(55,389,000)		
Ending Available Balance		<u>\$ (30,694,403)</u>		
Rates (percent of payroll)				
Police	11.67%	13.10%	14.94%	14.74%
Fire	12.63%	16.53%	17.33%	15.98%
Manual	10.69%	9.34%	11.12%	12.27%
Non-Manual	7.39%	6.70%	7.86%	7.25%
Office/Clerical	4.17%	3.02%	3.57%	3.54%
Library	5.48%	5.20%	5.87%	5.80%

Note

Program revenues are estimated based upon percentage of projected payroll.
Actual revenues will fluctuate based on actual payroll.

INTERNAL SERVICE FUNDS

HEALTH BENEFITS FUND (552)

History

- The Health Benefits Fund is responsible for funding of the health benefit plans offered to eligible employees and retirees, and their eligible dependents.
- Historically, the health benefit plans included self-funded medical, dental and vision plan options, a fully-insured high-deductible medical plan through Kaiser, and a fully insured Dental Maintenance Organization. In 2016, the City offered two additional health plan options: Fully insured Sutter HMO and a low deductible Kaiser option.
- Health benefits are funded through a combination of City and employees contributions. City contributions to retiree medical were eliminated during the City's bankruptcy and in subsequent employee bargaining agreements. Since 2013, eligible retirees may elect to enroll in the City's self-funded health plan by paying the full premium cost.

FY 2015-16 Events

- Submitted and paid required Affordable Care Act (ACA) fees and taxes plus accompanying paperwork.
- Completed the newly required tax forms for employees (1095C) and submitted reports to the IRS.
- Complied with new ACA and IRS reporting requirements related to health coverage for employees and dependents.
- Issued Request of Proposal (RFP) for occupational health services.
- Issued RFP for voluntary insurance products.
- Issued RFP for additional medical plans
- Several contracts were extended, allowing us to maintain premium rates, including:
 - Dental;
 - Vision;
 - Life insurance; and
 - Long Term Disability.
- As mandated by the ACA, other employer and employee mandates associated with penalties began in 2015. Staff worked closely with our healthcare consultant to ensure we remain up to date on the continuing changes in ACA and ensure compliance with all mandates including taxes/fees, benefit offerings, and reporting requirements.

FY 2016-17 Budget Changes

- Due to medical and prescription trends, the effects of anti-selection of the self-funded plan as enrollment declines, mandated benefit increases, and fee requirements due to the ACA, premium rates will increase in FY 2016-17. Health plan rates for the self-funded health plan are increasing by approximately 8% and Kaiser Plan premiums are up approximately 9% compared to FY 2015-16. Two new medical plans will be added to the City's health plan options. Staff will monitor how these additional options will impact eligibility placement.

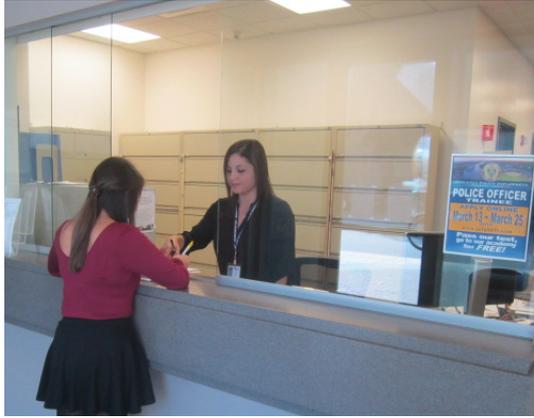
INTERNAL SERVICE FUNDS

HEALTH BENEFITS FUND (552) (Cont.)

- Access to health insurance coverage (Kaiser only) will be provided to all part-time employees, at full premium cost in compliance with ACA.
- Dental plan rates are increasing by approximately 0.4%.
- Vision plan rates are decreasing by approximately 1.1%

**Internal Service Funds
Health Insurance - 552
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17 Adopted Budget</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>
Beginning Available Balance	\$ 4,955,653	\$ 8,638,944	\$ 11,741,710	\$ 13,493,502
<i>Unfunded Retiree Health Obligation excluded in presentation of prior years</i>				
Revenues				
Charge for Services				
Police	5,723,789	5,845,039	5,757,000	7,210,550
Fire	2,038,649	1,944,135	1,759,000	1,745,000
Other General Fund	1,044,736	1,203,897	1,230,912	1,428,000
Other Funds	7,076,905	7,021,469	6,362,912	7,150,550
	<u>15,884,079</u>	<u>16,014,540</u>	<u>15,109,824</u>	<u>17,534,100</u>
Participant Contributions				
Employees (current MOUs)	3,320,357	3,130,824	3,562,202	5,377,344
Retirees	1,500,149	484,600	371,398	492,768
Continuation	112,935	83,569	62,028	90,000
Reimbursements				
Stop loss coverage	980,656	14,690	160,393	160,355
Medicare	204,458	-	-	-
Federal Grant	-	-	-	-
Interest	59,878	354,706	84,750	75,958
	<u>22,062,512</u>	<u>20,082,929</u>	<u>19,350,595</u>	<u>23,730,525</u>
Expenditures				
Medical Plans	7,383,874	4,794,574	3,887,423	5,108,767
Kaiser	7,911,197	8,908,815	10,070,878	13,569,432
IBNR Adjustments	(810,000)	(608,200)	(183,400)	-
Operating Engineers	885,754	1,033,241	987,779	1,258,560
Vision	157,416	143,296	161,356	205,184
Dental	1,293,022	1,307,319	1,275,476	1,729,299
Health & Wellness Program	-	-	1,785	4,000
General & Administrative	953,883	837,234	881,672	1,196,324
Stop Loss Premium	124,727	285,237	274,520	349,464
Vendor Administration Fee	479,348	278,647	241,314	354,772
	<u>18,379,221</u>	<u>16,980,163</u>	<u>17,598,803</u>	<u>23,775,802</u>
Net Annual Activity	<u>3,683,291</u>	<u>3,102,766</u>	<u>1,751,792</u>	<u>(45,277)</u>
Ending Available Balance	<u>\$ 8,638,944</u>	<u>\$ 11,741,710</u>	<u>\$ 13,493,502</u>	<u>\$ 13,448,225</u>
<i>Unfunded Retiree Health Obligation excluded in presentation of prior years.</i>				
Available Balance Calculation				
Cash and Interest Receivable		\$ 11,364,805		
Accounts Receivable and deposits		1,245,004		
Accounts Payable		(122,199)		
Claims Payable - IBNR		(745,900)		
Ending Available Balance		<u><u>\$ 11,741,710</u></u>		



INTERNAL SERVICE FUNDS

UNEMPLOYMENT FUND (556)

History

- This fund maintains the City's unemployment benefits to former City of Stockton employees.
- Benefits are paid by the State of California and the State is then reimbursed by the City. The funding is in compliance with State law.
- Unemployment benefits are funded by charging each City department as a percentage of payroll.
- Benefits staff closely and aggressively monitors all unemployment claims received to ensure timely and accurate claim processing.
- Benefits staff challenges any potential non-eligible claim. Staff works directly with each department to investigate any such claims and attends Unemployment hearings when necessary.

FY 2015-16 Events

- Unemployment expenses for FY 2015-16 ended under budget.
- Claims experience declined because of aggressive monitoring and attending grievance hearings.

FY 2016-17 Budget Changes

- In FY 2016-17 expenses and revenues are budgeted based on historical claims costs.
- The ending balance projected in the Unemployment Fund is considered large enough to cover any future claims fluctuation so that annual rates can be stabilized for the next several years.

**Internal Service Funds
Unemployment - 556
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 512,381	\$ 689,616	\$ 737,326	\$ 747,624
Revenues				
Charge for Services				
Police	113,886	82,757	68,926	47,000
Fire	50,111	36,047	29,954	21,000
Other General Fund	18,273	14,107	12,364	8,000
Other Funds	123,925	85,705	68,756	49,000
Investment Income	6,015	6,392	5,298	6,000
Refunds & Reimbursements	-	-	-	-
	<u>312,210</u>	<u>225,008</u>	<u>185,298</u>	<u>131,000</u>
Expenditures				
Claims	134,975	177,298	175,000	165,000
	<u>134,975</u>	<u>177,298</u>	<u>175,000</u>	<u>165,000</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>177,235</u>	<u>47,710</u>	<u>10,298</u>	<u>(34,000)</u>
Ending Available Balance	\$ 689,616	\$ 737,326	\$ 747,624	\$ 713,624

Available Balance Calculation

Cash and Interest Receivable	\$ 780,498
Current Liabilities	<u>(43,172)</u>
Cash and Interest Receivable	<u>\$ 737,326</u>

Rates (percentage of payroll)	0.28%	0.19%	0.15%	0.10%
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Note

Program revenues are estimated based upon percentage of projected payroll.
Actual revenues will fluctuate based on actual payroll.

INTERNAL SERVICE FUNDS

LONG TERM DISABILITY, LIFE INSURANCE & ACCIDENTAL DEATH AND DISMEMBERMENT FUND (557)

History

- This fund provides long term disability, life insurance, and accidental death and dismemberment benefits, as part of the total compensation package provided to City employees.
- Revenue to fund these programs is collected from each department.
- The Long Term Disability (LTD) benefit provides eligible employees with 67% of their salary while disabled, after a 90 day waiting period.
- The Life Insurance benefit provides eligible employees with:
 - Life insurance coverage of \$50,000; and
 - A portability option to continue the life insurance coverage when leaving City employment (at the member's expense).

FY 2015-16 Events

- The fund balance remains stable as department payments to the internal service fund are paid out to the City's vendor for life insurance and LTD.
- The vendor contracts guaranteed the life insurance and LTD rate remained flat for a three-year period ending in June 2016.

FY 2016-17 Budget Changes

- City staff negotiated to maintain the current rates for the FY 2016-17 option year.

**Internal Service Funds
LTD and Life Insurance - 557
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 109,175	\$ 114,747	\$ 118,320	\$ 118,004
Revenues				
Charge for Services				
Police	100,977	101,878	116,210	137,860
Fire	20,942	21,346	16,670	27,721
Other General Fund	40,518	49,727	56,240	68,221
Other Funds	256,186	250,866	251,620	292,106
Investment Income	1,191	819	690	750
	<u>419,814</u>	<u>424,636</u>	<u>441,430</u>	<u>526,658</u>
Expenditures				
Insurance Premiums	414,242	421,063	441,747	525,908
	<u>414,242</u>	<u>421,063</u>	<u>441,747</u>	<u>525,908</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>5,572</u>	<u>3,573</u>	<u>(317)</u>	<u>750</u>
Ending Available Balance	\$ 114,747	\$ 118,320	\$ 118,003	\$ 118,754
Available Balance Calculation				
Cash and Interest Receivable		\$ 118,320		
Current Liabilities		-		
Ending Available Balance		<u>\$ 118,320</u>		
Rates (percentage of payroll)				
Long Term Disability				
Non-safety	0.58%	0.58%	0.58%	0.58%
Police	\$240/yr	\$240/yr	\$240/yr	\$240/yr
Police Mgmt.	\$294/yr	\$294/yr	\$294/yr	\$294/yr
Fire	NA	\$204/yr	\$204/yr	\$204/yr
Fire Unrep	\$228/yr	\$228/yr	\$228/yr	\$228/yr
Life Insurance (per \$1,000 of annual pay x benefit)				
with Accidental Death & Disability	0.165%	0.165%	0.165%	0.165%
without Accidental Death & Disability	0.142%	0.142%	0.142%	0.142%

Note

Program revenues are estimated based upon budgeted payroll.
Actual revenues and expenses will fluctuate based on actual payroll.

INTERNAL SERVICE FUNDS

RETIREMENT FUND (561)

History

- This fund is utilized to collect revenue and make contributions to California Public Employees' Retirement System (CalPERS) for the defined benefit retirement program.
- The City of Stockton contracts with CalPERS for defined retirement benefits.
- Employer contributions for CalPERS retirement benefits are collected from departments as a percentage of pay and other compensation considered reportable for retirement purposes.
- The City offers a deferred compensation (Section 457) plan for supplemental retirement benefits. Full-time employees may participate in this program on a voluntary basis. As the City does not participate in Social Security, plan participation is required for part-time employees. These plans are administered by Human Resources Benefits staff.
- The City offers a deferred compensation (Section 401(a)) plan as a supplemental retirement benefit. This benefit is afforded by employment contract, and is funded by an employer contribution. This plan is administered by Human Resources Benefits staff.
- A Pension Obligation Bond (POB) was issued by the City in 2007. The payment on this debt service was made by collecting funds from all City sources through rates. The Pendency Plan, as adopted by Council on June 26, 2012, stopped debt service payments on the Pension Obligation Bond as of that date pending disposition of that and all other debt issuances as part of the Bankruptcy process.
- The City has a supplemental retirement plan for a select group of employees called Public Agency Retirement Services (PARS).

FY 2015-16 Events

- Worked with PARS and an actuary to complete the biennial actuary for the PARS benefit. Also completed a second actuary report for the purpose of fulfilling GASB 67 financial accounting requirements.
- Worked with PARS to amend and restate the plan document and obtain an IRS determination letter.
- The Pension Obligation Bond debt has been restructured under the Plan of Adjustment approved by the bankruptcy court in February 2015. The debt will no longer be paid out of the Retirement ISF. Pension Obligation Bond contributions collected from special funds during the default period will be transferred to the City's Debt Service Fund from which the FY 2014-15 settlement payment and future debt payment will be made.
- Developed, implemented, and updated Deferred Compensation signature authority process to implement 457 and 401(a) plan changes and administrative duties.
- Added new monthly deferred compensation trainings for all employees.

FY 2016-17 Budget Changes

- FY 2016-17 retirement rates are based on the most recent CalPERS actuary report. CalPERS rates continue to increase as anticipated. Safety rates are going up from 46% to 49% and Miscellaneous employee rates are going up from 22% to 24%.

**Internal Service Funds
Retirement - 561
FY 2016-17 Adopted Budget**

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17 Adopted Budget</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ (15,660,447)	\$ (28,119,415)	\$ 3,579,234	\$ 509,589
Revenues				
Charge for Services				
Police	10,593,245	13,221,860	15,796,000	21,380,380
Fire	4,704,455	5,546,336	6,397,000	7,254,440
Other General Fund	3,029,654	1,362,893	1,774,000	2,308,119
Other Funds	7,889,428	11,204,620	10,503,000	12,634,672
Employee Paid	8,237,341	8,258,507	8,480,000	9,746,841
Insurance Proceeds	2	-	-	-
Investment Income	32,686	39,035	25,000	10,000
Refunds & Reimbursements	7,450	143,127,229	5,000	6,000
	<u>34,494,261</u>	<u>182,760,480</u>	<u>42,980,000</u>	<u>53,340,452</u>
Expenditures				
CalPERS payments	32,681,377	37,451,398	44,284,000	53,324,452
Amortize Pension Asset	5,775,916	107,812,401	-	-
Debt Service on Pension Bonds	8,470,711	2,368,652	-	-
Other Operating Costs	25,225	30,776	36,648	78,190
	<u>46,953,229</u>	<u>147,663,227</u>	<u>44,320,648</u>	<u>53,402,642</u>
Transfers				
Transfer In	-	-	500,000	-
Transfer Out	-	(3,398,604)	(2,228,997)	-
	<u>-</u>	<u>(3,398,604)</u>	<u>(1,728,997)</u>	<u>-</u>
Net Annual Activity	<u>(12,458,968)</u>	<u>31,698,649</u>	<u>(3,069,645)</u>	<u>(62,190)</u>
Ending Available Balance	<u>\$ (28,119,415)</u>	<u>\$ 3,579,234</u>	<u>\$ 509,589</u>	<u>\$ 447,399</u>
Available Balance Calculation				
Cash and Interest Receivable		\$ 3,580,223		
Current Liabilities		(989)		
Ending Available Balance		<u>\$ 3,579,234</u>		
PERs Employer Retirement Rates excluding Pension Obligation Bond (percentages of payroll)				
Safety	34.605%	41.385%	45.502%	48.816%
Miscellaneous	17.939%	20.090%	22.355%	23.859%

Notes

Program revenues are estimated based upon budgeted payroll.
Payments to CalPERS will fluctuate with staffing levels.

INTERNAL SERVICE FUNDS

COMPENSATED ABSENCE FUND (562)

History

- This fund is utilized to collect revenue and fund employee separation pay outs.
- The Pendency Plan, as adopted by Council on June 26, 2012, eliminated the pay out of sick leave to employees at separation, and was later incorporated into the amended labor agreements. This greatly reduces the expense volatility of this fund.

FY 2015-16 Events

- During FY 2015-16, the city continued to pay separated and separating employees per the previously agreed upon labor agreements.
- For retiring employees who qualified as “classic” (Tier 1 only) members in CalPERS, 100% (up to 2080 hours) of their unused sick leave was credited to CalPERS for additional service credit
- Separations that took place on or after July 1, 2014, are no longer subject to the three year payout. Employees with sick leave balances over 2080 in 2012 are eligible to receive 50% (separation after July 1, 2015) of cash values at separation.

FY 2016-17 Budget Changes

- There will continue to be payouts for eligible individuals who separated on or before July 1, 2014 that are still owed installments based on the agreed upon formula.
- Separation pay costs are anticipated to be higher in FY 2016-17 due to labor agreement terms providing 50% cash value for unused sick leave balances after applying 2,080 hours toward CalPERS service credit for certain eligible employees.

**Internal Service Funds
Compensated Absence - 562
FY 2016-17 Adopted Budget**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Adopted Budget
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	
Beginning Available Balance	\$ 2,155,281	\$ 2,393,796	\$ 2,287,451	\$ 2,182,451
Revenues				
Charge for Services				
Police	489,165	278,703	278,703	228,647
Fire	198,673	102,633	102,633	70,438
Other General Fund	100,694	61,280	61,280	56,786
Other Funds	555,635	301,842	302,384	204,129
Investment Income	9,393	20,932	20,000	20,000
	<u>1,353,560</u>	<u>765,390</u>	<u>765,000</u>	<u>580,000</u>
Expenditures				
Employee Separation Pay	818,626	871,735	978,156	1,020,000
Liability Adjustments	296,419	-	(108,156)	-
	<u>1,115,045</u>	<u>871,735</u>	<u>870,000</u>	<u>1,020,000</u>
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>238,515</u>	<u>(106,345)</u>	<u>(105,000)</u>	<u>(440,000)</u>
Ending Available Balance	<u>\$ 2,393,796</u>	<u>\$ 2,287,451</u>	<u>\$ 2,182,451</u>	<u>\$ 1,742,451</u>
Available Balance Calculation				
Cash and Interest Receivable		\$ 2,395,607		
Accrued Compensated Absences		(108,156)		
Ending Available Balance		<u>\$ 2,287,451</u>		
Program Contribution Rate	1.37%	0.70%	0.70%	0.50%



TAB 15 APPENDIX

Local Government Glossary and Acronyms

AD&D: Accidental Death and Dismemberment Insurance

ACCRUAL BASIS OF ACCOUNTING: A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

ACTUAL: Actual level of revenues or expenditures in the fiscal year noted.

AMI: Area Median Income

APPROPRIATION: An authorization by the City Council to make expenditures and to incur obligations for a specific purpose.

APPROVED BUDGET: The approved budget is the annual City budget approved by the City Council for expenditures on or before June 30.

ASSESSED VALUATION (AV): The dollar value of real or other property set as a basis for levying property taxes by the County assessor.

ASSESSMENT: Revenue collected for City services which benefit properties in specific areas or districts.

ASSETS: Property owned by the City for which a monetary value has been established.

AUTHORIZED POSITIONS: Positions approved by the City Council which may or may not have funding (see Budgeted Positions).

AVAILABLE BALANCE: The unreserved, undesignated portion of fund balance available for future operations. For Enterprise funds, fund balance represents the current working capital portion of the fund's equity, which excludes capital assets, long-term debt, and other non-current items.

BALANCED BUDGET: The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unallocated fund balance from previous years meet or exceed total budgeted uses of resources, including expenditures and transfer out to other funds.

BANKRUPTCY: Bankruptcy for Municipalities is covered under Chapter 9 of the United States Bankruptcy Code to provide a financially-distressed municipality protection from its creditors while it develops and negotiates a plan for adjusting its debts.

BASELINE: An estimate of spending, revenue, the deficit or surplus, and the debt expected during a fiscal year under current laws, current labor agreements and current policy. The baseline is a benchmark for measuring the budgetary effects of proposed changes in revenues and spending.

BASIS OF ACCOUNTING: Refers to when revenues, expenses, expenditures and transfers are recognized and reported. The budgetary basis of accounting for all the funds is modified accrual, with a focus on current financial resources.

BEGINNING/ENDING FUND BALANCE: Resources available in a fund after payment of prior/current year expenses.

Local Government Glossary and Acronyms

BOND: A certificate of debt issued by an entity, guaranteeing payment of the original investment plus interest, by a specified future date. Bonds are typically used for long-term debt to pay for specific capital expenditures.

BROWN ACT: This Act governs the conduct of public meetings (California Government Code 54953).

BUDGET: An annual plan of financial operation embodying an estimate of proposed expenditures and the estimated means of financing them. The approved budget is authorized by City Council action and thus specifies the legal spending limits for the fiscal year.

BUDGET HEARING: A public meeting to allow citizens to comment of a proposed budget.

BUDGETED POSITIONS: The number of full-time equivalent positions to be funded in the budget.

CalPERS: California Public Employees' Retirement System

CALTRANS: California Department of Transportation

CAPER: Consolidated Annual Performance and Evaluation Report

CAPITAL BUDGET: A budget that appropriates the first year of the multi-year Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM (CIP): An on-going five year plan of single and multiple year capital expenditures which is updated annually.

CAPITAL OUTLAY: Expenditures for tangible property of relatively permanent nature

CC: City Council

CDBG: Community Development Block Grant - Funded from the Federal Department of Housing and Urban Development (HUD) provides programs for general community development to eliminate blight and provide to low and moderate income persons.

CEQA: California Environmental Quality Act

CNT: Crisis Negotiations Team

CONTINGENCY: A budgetary reserve set aside for emergencies or unforeseen expenditures.

COPs: Certificates of Participation – This financing technique provides long-term financing through a lease installment sale agreement or loan agreement. Certificates of Participation (COPs) allow the public to purchase participation relating to the acquisition or construction of specific equipment, land, or facilities.

COPS: Citizen's Option for Public Safety – AB 3229 funds allocated to California counties for public safety.

CPI: Consumer Price Index, measure of inflation in area of consumer products.

CRT: Community Response Teams

Local Government Glossary and Acronyms

CRWQCB: California Regional Water Quality Control Board

CTSP: Citywide Technology Strategic Plan

CUPA: Certified Unified Permit Agency (Haz-Mat)

CWEA: California Water Environment Association

DBW or DBAW: State of California Department of Boating and Waterways

DEBT SERVICE: Payment of interest and principal on an obligation resulting from the issuance of bonds and notes.

DEIR: Draft Environmental Impact Report

DEPARTMENT: A major organizational unit of the City that has management responsibility for related operations.

DISTRICT FUND: A fund used to account for the resources, revenues and expenditures of separate special districts formed to provide certain public services.

DIVISION: A sub-unit of a department which encompasses more specific functions of that department and may consist of several activities.

DOJ: Department of Justice

EEOC: Equal Employment Opportunity Commission

EIR: Environmental Impact Report - A detailed document describing and analyzing the significant environmental effects of a project and ways to mitigate or avoid the effects.

EMS: Emergency Medical Services

ENCUMBRANCE: Financial commitments related to unperformed contracts for goods or services for which part of an appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

ENTERPRISE FUND: A governmental facility or service which operates like a private business and is intended to be self supporting, i.e. revenues will cover all expenses of the operations including capital costs. These funds operate on a full accrual basis recognizing revenues or expenses when the event occurs.

EOD: Explosive Ordnance Disposal Team

EPA: Environmental Protection Agency

ERAF: Educational Revenue Augmentation Fund - ERAF is a mechanism; enacted in July of 1992 by the State Legislature to shift local tax revenues from cities, counties, and special districts to a State controlled Education Revenue Augmentation Fund. The state uses this fund to reduce its obligation to the schools. ERAF funds have been used by the State to help school and community college districts meet minimum funding requirements.

Local Government Glossary and Acronyms

ESG: Emergency Solutions Grant

EXPENDITURE: The actual spending of funds authorized by an appropriation.

FEIR: Final Environmental Impact Report

FEMA: Federal Emergency Management Agency

FHA: Federal Housing Authority

FINAL BUDGET: The approved revenue and expenditure budget as appropriated.

FISCAL YEAR: The 12-month period designated as the budget year from July 1 through June 30.

FLSA: Fair Labor Standards Act

FPPC: Fair Political Practices Commission

FULL TIME EQUIVALENT: The decimal equivalent of a part-time position converted to a full time basis, i.e. one person working half-time would count as 0.5 FTE.

FUND: A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

FUND BALANCE: In the governmental fund types, the unreserved fund balance is the excess of current sources of funds over current uses of funds. This amount does not include amount designated for future uses as specified by management.

GAAP: Generally Accepted Accounting Principles. The guidelines established for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time.

GASB: Governmental Accounting Standards Board

GENERAL FUND: The primary operating fund of the City. It is used to account for all revenues and expenditures of the City not legally restricted in use.

GENERAL OBLIGATION BOND: A bond backed by the full faith and credit of the issuing government. In California, local governments can only issue such bonds with voter approval subject to a legal debt limit.

GOVERNMENTAL FUNDS: Funds, such as the General Fund, which recognizes events when they affect current financial resources. Reductions are called expenditures. These funds operate on a modified accrual basis.

GRANTS: Contributions from another governmental agency to be used for a specified purpose.

HCD: Housing and Community Development

HOME: Home Investment Partnership Program

Local Government Glossary and Acronyms

HUD: Housing and Urban Development - The Federal department which provides various housing and community direct loans, guarantees, and grants.

INDIRECT COSTS: Elements of cost necessary in the production of a good or service that are not directly traceable to the product or service. These are sometimes referred to as overhead costs.

INTEREST: Income earned on the investment of available cash balances.

INTERNAL SERVICE FUNDS (ISF): Internal service funds are used to account for the centralized financing of goods or services provided by one department, on a cost-reimbursement basis.

JAG: Byrne Memorial Justice Assistance grant

LIEN: A document recorded with the County Recorder placing a debt against a parcel of land.

LOCC: League of California Cities

LONG-TERM DEBT: Debt with a maturity of more than one year after the date of issuance.

LTD: Long Term Disability insurance

MARSHALL PLAN: A City of Stockton Strategic Initiative adopted by the Council to reduce crime and increase public safety. Funding for these efforts are appropriated from Measure A sales tax revenues. Specific elements of the Marshall Plan are present in the Measure B Implementation Plan (see Council meetings June 25, 2013 and February 25, 2014)

MBE: Minority Business Enterprise

MDC: Mobile Data Computers

MEASURE A: A general transaction and use tax measure approved by the citizens of Stockton on November 5, 2013 for $\frac{3}{4}$ cent sales tax effective April 1, 2014. Revenue from Measure A sales tax is reported in the General Fund to pay for law enforcement services, to emerge from bankruptcy and restore other City services.

MEASURE B: A non-binding advisory measure approved by the citizens of Stockton on November 5, 2013 related to the Measure A $\frac{3}{4}$ cent general sales tax effective April 1, 2014, 65% of which is to be used for law enforcement and crime prevention services in the City.

MEASURE K: A San Joaquin County special transaction and use tax measure approved in 1990 for 1/2 cent sales tax dedicated to transportation projects. This original sales tax increase was to expire in 2011; however, in 2006, voters passed a 30 year extension. The program is administered by the San Joaquin Council of Governments.

MEASURE W: A special transaction and use tax measure approved by the citizens of Stockton in November 2004 for 1/4 cent sales tax dedicated to public safety services. Proceeds from the measure are allocated 50% to Fire Department and 50% to Police Department.

MFF: Mobile Field Force

MOE: Maintenance of Effort

Local Government Glossary and Acronyms

MUNICIPAL CODE: Codification of ordinances (laws) of a municipality.

NON-DEPARTMENTAL: Program costs that do not relate to any one department, but represent costs of a general city-wide nature.

NPDES: National Pollutant Discharge Elimination System

OPERATING BUDGET: Annual appropriation of funds for on-going program costs, including personnel, operations, capital outlay and debt service.

OPERATING TRANSFERS: Transfers from a fund receiving revenue to a fund which will expend the resources.

ORDINANCE: A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution.

OSHA: Occupational Safety and Health Administration

OVP: Office of Violence Prevention

PACE: Property Assessed Clean Energy

PENDENCY PLAN: A budget plan that provides for day-to-day operations and delivery of services possible within available resources during a bankruptcy process up to the point of a bankruptcy court approved Plan of Adjustment.

PERMANENT FUND: A fund in which the principal remains permanently restricted, while the interest earnings may be spent for the specific purpose for which the money was given.

PERS: Public Employees Retirement System

PERSONNEL COSTS: The cost of a City department, including wage/salary, direct and indirect benefits such as health insurance, retirement contribution, workers' compensation, unemployment insurance, etc.

PLAN OF ADJUSTMENT: A long term financial plan, approved by the bankruptcy court, which comprehensively restructures financial commitments through creditor settlement agreements to demonstrate solvency.

POST: Police Officers Standards and Training

PROCLAMATION: An official announcement or public declaration.

PSAF: Public Safety Augmentation Fund

RDA: Redevelopment Agency – An entity created by a legislative body in accordance with state statutes which has elected to exercise the powers granted to it for planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of an area.

RESERVE: Amount of fund balance designated for a specific purpose.

Local Government Glossary and Acronyms

RESOLUTION: A document confirming City Council administrative action.

RESOURCES: Total amounts available for appropriation during the fiscal year, including revenues, fund transfers and beginning fund balances.

REVENUE: Money received from taxes, fees, permits, licenses, interest, inter-governmental sources, and other sources.

RFP: Request for Proposal

RWQCB: Regional Water Quality Control Board - Issues the wastewater treatment plant discharge permit and regulates its programs.

SECTION 8: Federal subsidized low income housing.

SECTION 108: Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.

SPECIAL ASSESSMENTS: Compulsory charges levied by a government to finance current or permanent public services or facilities to a particular group or persons or property.

SPECIAL REVENUE FUND: A fund which collects revenues that are restricted by the City, State or Federal Government as to the purpose of spending.

SPFA: Stockton Public Financing Authority

SRDA: Stockton Redevelopment Agency

SRF: State Revolving Fund

SUCCESSOR AGENCY: An agency that replaces a redevelopment agency as dissolved by Assembly Bill x1 26 (AB1 26 or Dissolution Act) which was signed into law by Governor Brown on June 28, 2011 which was later amended by Assembly Bill 1484 in June 2012. The Successor Agency became operative February 1, 2012, and is responsible for unwinding the affairs of the former Stockton Redevelopment Agency and ensuring recognized obligations are met.

SWAT: Special Weapons and Tactics Team

SWRCB: State Water Regional Control Board

TAXES: Compulsory charges levied by a government to finance services performed.

TFCA: Transportation Fund for Clean Air

UAAL: Unfunded Actuarial Accrued Liability - The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

UBC: Uniform Building Code

UEC: Uniform Electrical Code

Local Government Glossary and Acronyms

UFC: Uniform Fire Code

USER FEE: Charges for services provided only to those benefiting from the service.

USGS: United States Geological Survey

VIPS: Volunteers in Police Service

VLf: Vehicle License Fees