

MAY 19, 2014

NOTICE REGARDING: LONG RANGE FINANCIAL PLAN

FISCAL YEAR 2014-15 PROPOSED BUDGET

FISCAL YEAR 2012-13 COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City is releasing its draft Comprehensive Annual Financial Report for Fiscal Year 2012-13 and the Proposed Budget for 2014-15. Each of these documents should be read in conjunction with the attached reconciling schedule. The attached schedule provides important information about each of these documents and how they relate to the City's Long Range Financial Plan.

**COMPARISON OF GENERAL FUND BALANCE IN STOCKTON'S LONG-RANGE FINANCIAL PLAN
TO NEWLY-RELEASED CAFR FOR 6/30/13 AND ANNUAL BUDGET FOR FY 2014-15**

A. Reconciliation of Long-Range Financial Plan (LRFP) to Comprehensive Annual Financial Report (CAFR)

There is virtually no difference between the amounts reported in the LRFP and in the CAFR for available fund balance (Fund 010-General Fund):

	6/30/2012	6/30/2013	
6/30/13 CAFR Unassigned Balance	\$0	\$3,093,428	released 5/19/2014
LRFP Ending Available Balance	\$0	\$3,074,000	updated 3/2/2014
LRFP Over (Under) CAFR	\$0	(\$19,428)	-0.6%

For CAFR reporting purposes, other funds are classified under the heading of "General Fund" that do not meet criteria to be classified as another fund type under generally-accepted accounting principles (GAAP). These other funds have their own assets, liabilities and fund balances and are combined with the General Fund under the "General Fund" column in the CAFR. The LRFP is a forecast for the General Fund only, which is Fund 10. The LRFP reflects the actual/forecasted General Fund payments to these other funds under "Program Support for Other Funds." The following is the reported amount of the combined "General Fund" fund balance in the CAFR by component (see definitions below):

	Net Change	6/30/2012	6/30/2013
Nonspendable	\$53,956	\$355,243	\$409,199
Restricted	\$234,046	\$2,100,000	\$2,334,046
Committed	\$15,704,451	\$8,070,458	\$23,774,909
Assigned	(\$2,401,053)	\$4,111,046	\$1,709,993
Unassigned	\$3,093,428	\$0	\$3,093,428
Total Fund Balances	\$16,684,828	\$14,636,747	\$31,321,575

The following schedule reconciles the total combined "General Fund" fund balance as reported in the CAFR for each fund by component:

	Net Change	6/30/2012 Totals	6/30/2013 Totals	6/30/2013 Unassigned	6/30/2013 Assigned	6/30/2013 Committed	6/30/2013 Restricted	6/30/2013 Nonspendable
10 - General Fund	\$2,125,169	\$5,332,530	\$7,457,700	\$3,093,428	\$1,024,366	\$689,077	\$2,334,046	\$316,782
11 - Payroll Trust Fund	\$8,089	\$56,959	\$65,047	-	\$65,047	-	-	-
12 - Bankruptcy Fund (2)	\$13,667,619	\$5,600,000	\$19,267,619	-	-	\$19,267,619	-	-
41 - Library Fund	\$357,699	\$3,520,514	\$3,878,213	-	-	\$3,818,213	-	\$60,000
44 - Recreation Services Fund	\$364,251	\$471,030	\$835,281	-	\$835,281	-	-	-
45 - Boat Launching Facility Fund	\$46,993	\$307,880	\$354,873	-	\$354,873	-	-	-
86 - Entertainment Venues Fund	\$115,008	(\$652,166)	(\$537,157)	-	(\$569,574)	-	-	\$32,417
Total Fund Balances	\$16,684,828	\$14,636,747	\$31,321,575	\$3,093,428	\$1,709,993	\$23,774,909	\$2,334,046	\$409,199

The net change from the prior year of the combined General and Bankruptcy funds (10 & 12) was estimated in the LRFP at \$16,086,000, based on the City's 4Q13 report (Exhibit 2016 to Leland Deposition). The actual change was \$15,792,780, for a variance of \$293,212 to actual audited results, primarily due to adjustments for grant reimbursements.

Table 4. Net Improvement in Balance Over Prior Year (Funds 10 & 12):

Net Improvement in General Fund Balance Over Prior Year (CAFR)	\$15,792,788	released 5/19/2014
Net Improvement in General Fund Balance Over Prior Year (LRFP)	\$16,086,000	as of 2/25/2014
LRFP Over (Under) CAFR	\$293,212	1.8%

B. Reconciliation of LRFP to Annual Budget for FY 2014-15.

The following is a comparison of ending available General Fund balance (Fund 10) from the proposed Annual Budget to the LRFP:

	2011-12	2012-13	2013-14	2014-15	
Proposed 2014-15 Annual Budget	\$0	\$3,093,428	\$9,781,222	\$20,673,445	released 5/20/2014
LRFP Ending Available Balance	\$0	\$3,074,000	\$9,751,000	\$20,674,000	as of 2/25/2014
LRFP Over (Under) 2014-15 Annual Budget	\$0	(\$19,428)	(\$30,222)	\$555	

(1) GASB Statement No. 54 creates the following five components of fund balance, as described in Restricted Funds Analysis prepared by the City (4/30/12):

- *Non-spendable fund balance*— amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)
- *Restricted fund balance*— amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- *Committed fund balance*— amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint
- *Assigned fund balance*— amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority
- *Unassigned fund balance*— amounts that are available for any purpose; these amounts are reported only in the general fund.

(2) Until 7/1/13, appropriations for bankruptcy costs were reported in the General Fund with any unspent appropriations reported in the 2011 and 2012 CAFRs as a reservation/commitment of General Fund balance under Generally Accepted Accounting Principles. On 6/25/13, the City Council adopted the FY 2013-14 pendancy plan budget which establishes a separate fund for bankruptcy (012). However, for purposes of the audited CAFR under GAAP, this is a subfund of the General Fund. The LRFP reports transfers to the Bankruptcy Fund starting in FY 2011-12 based on the amount of unspent appropriations and ending available General Fund balance consistent with City Council authorization.



FY 2014-15 ANNUAL BUDGET

Proposed

City Council

Anthony Silva, Mayor

Paul Canepa, Vice Mayor
Elbert H. Holman Jr., Councilmember
Katherine M. Miller, Councilmember

Moses Zapien, Councilmember
Dyane Burgos Medina, Councilmember
Michael D. Tubbs, Councilmember

Executive Team

Kurt Wilson, City Manager

Laurie K. Montes, Deputy City Manager
Vacant, Deputy City Manager
Eric Jones, Chief of Police
Jeff Piechura, Fire Chief
Vanessa Burke, Chief Financial Officer
Gordon MacKay, Public Works Director
Steve Chase, Community Development Director

John Luebberke, City Attorney
Tom Krippaehne, City Auditor
Bonnie Paige, City Clerk
Teresia Zadroga-Haase, Human Resources Director
Mel Lytle, Municipal Utilities Director
Micah Runner, Economic Development Director
Vacant, Community Services Director

Budget Team

Claire Tyson, Budget Officer
Kimberly K. Trammel, Program Manager II
Mahin Shah, Program Manager II
Edwin Gato, Program Manager II

CITY OF STOCKTON CITY COUNCIL



ANTHONY SILVA
MAYOR



PAUL CANEPA
VICE MAYOR
District 3



ELBERT H. HOLMAN, JR.
COUNCILMEMBER
District 1



KATHERINE M. MILLER
COUNCILMEMBER
District 2



MOSES ZAPIEN
COUNCILMEMBER
District 4



DYANE BURGOS MEDINA
COUNCILMEMBER
District 5



MICHAEL D. TUBBS
COUNCILMEMBER
District 6



City of Stockton

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TAB 1 INTRODUCTION



CITY OF STOCKTON

OFFICE OF THE CITY MANAGER

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May 15, 2014

City Council
City of Stockton, California

BUDGET MESSAGE

With this memorandum I am transmitting to the City Council the Fiscal Year 2014-15 Proposed Annual Budget. Study sessions discussing this budget are scheduled to be held on May 27 and 28, and possibly 29 concluding with Council final budget adoption on June 24, 2014. The proposed budget before you continues the Pendency Plan under Chapter 9 protection of the federal bankruptcy code. This budget is consistent with the expenditure priorities pending confirmation of a plan of adjustment to exit Chapter 9 which has not yet occurred as of this printing. If the court approves the City's Plan of Adjustment to exit bankruptcy during the fiscal year, I will present an amended budget for your consideration to reflect implementation of the approved Plan of Adjustment.

Since 2008 the City of Stockton has undergone an unprecedented fiscal emergency in our General Fund resulting in major reductions in services to citizens and compensation of employees, in addition to benefit reductions to employees and retirees. Despite valiant efforts like reducing \$90 million worth of annual General Fund expenses, and reducing the police, fire, and non-safety workforce by 25%, 30%, and 43% respectively, the City still faced a \$26 million shortfall and was forced to file for Chapter 9 bankruptcy protections on June 28, 2012 in order to present a balanced budget for FY 2012-13. The City continues to operate under that protection pending the confirmation of a final Plan of Adjustment.

The Mayor's proposed budget priorities and direction along with the City Council's post-bankruptcy strategic goals and targeted areas have guided the spending priorities of this budget. The Mayor identified three priorities in his Proposed Budget Priorities and Direction memo dated January 15, 2014 as required by the City Charter. These priorities are: Economic Development, Public Safety and Fiscal Sustainability. Council held a strategic planning session on April 14, 2014 and identified seven target areas expanding upon the Mayor's overall direction. These target areas are: Public Safety, Fiscal Sustainability, Organizational Development, Economic Development, Youth, Infrastructure and Public Relations/Image. These goals and target areas renew and

expand upon Council's previous goals. Work continues on previous strategic initiatives related to these goals. Specific objectives have been developed within the post-bankruptcy targeted areas, such as "implement the Marshall Plan and institutionalize it", and I have directed City Departments to identify specific activities to accomplish these goals which will be presented in the operational budget sections of this proposed annual budget plan. Attachment A is a summary of the seven targets and nine priority goals identified by the City Council to move the City forward. These activities have been budgeted within the limited resources under Pendency Plan and with new funding, primarily from Measure A.

Measures A and B

The approval by the voters in Stockton of Measures A, a general sales tax measure approved on November 5, 2013 for an additional 3/4 cent effective April 1, 2014, has provided the City with an opportunity to address a high priority target area which is Public Safety. Projected revenues from Measure A for FY 2014-15 are \$27.9 million. In accordance with Measure B (the advisory measure specifying the use of Measure A funds which was passed by voters alongside Measure A), this increase to the General Fund in the upcoming fiscal year will be used to implement major elements of the Marshall Plan on Crime (Marshall Plan), to emerge from bankruptcy, and to sustain other City services as outlined in the Ordinance.

On February 25, 2014, the City Council supported Measure B by approving the first phase of the Marshall Plan and approving specific budgets to utilize Measure A funding. This occurred after the passage of Measure A but prior to any related revenue collection and was expedited by the City Council based on the City's commitment to improving public safety. Later in this Message, the specific elements of the proposed use of those funds are spelled out in greater detail. In summary however, the funding is proposed in FY 2014-15 to be allocated consistent with the Long-Range Financial Plan and is as follows: \$7.6 million for additional staffing and equipment for the Police Department, \$793,000 for staffing and equipment for the establishment of a new Office of Violence Prevention; (the existing Peacekeeper Program will be expanded as part of this new Program); \$709,000 for other City services support, \$8.0 million for a variety of mission critical projects, and, \$10.8 million for the General Fund balance to be kept uncommitted. The \$8.0 million in mission critical projects are in support of the City Council's revised targets and goals as follows:

- | | | |
|----|---|--------------|
| a. | Implementation of Strategic Priorities | \$ 200,000 |
| b. | Public Safety - radios | \$ 1,000,000 |
| c. | Fiscal Sustainability - purchasing and lighting | \$ 1,364,000 |
| d. | Organizational Development – technology | \$ 5,236,000 |
| e. | Economic Development – ULI and marketing plan | \$ 200,000 |

A summary of all of the mission critical projects and more detailed descriptions of the projects follows later in this message. A Table listing all elements of the 2014-15 Proposed General Fund Measure A expenditures can be found on page C-6, as part of the financial tables located immediately following this Message.

With the addition of this new revenue and continuing the Pendency Plan reductions listed below, I am pleased to propose a balanced budget for FY 2014-15 that will propel us toward a more stable long-term financial position with reliable service delivery capacity to meet the Council desire for a safe community with a high quality of life that fosters economic growth and development.

Bankruptcy

It is notable that this budget continues to balance the General Fund by making \$24.5 million in reductions to creditors and retirees (see schedule below) and by assuming that all pendency plan reductions will either continue throughout the fiscal year or be made permanent with court confirmation of the Plan of Adjustment.

Pendency Plan Reductions		
<u>General Fund Budget</u>	<u>2013-14 Current</u>	<u>2014-15 Proposed</u>
Debt		
Howard Jarvis Settlement	\$ 1,127,000	\$ 1,127,000
Marina Towers Settlement	312,500	312,500
Public Facilities Bonds	2,423,000	2,426,000
Marina DBAW Loan	685,000	685,000
Events Center Bonds	341,000	661,000
400 E. Main Bonds	2,672,500	2,671,500
Pension Obligation Bonds	6,305,000	6,998,000
	<u>13,866,000</u>	<u>14,881,000</u>
Retiree Medical Reductions	9,903,000	9,605,000
Total Reductions	<u><u>\$ 23,769,000</u></u>	<u><u>\$ 24,486,000</u></u>

The seeds of the City's bankruptcy were sown in the late 1990s and early 2000s. They came from a combination of unsustainable levels of employee compensation and benefits, retiree medical benefits well above the market for such post-employment benefits, ill-considered debt issuances keyed to an assumption of increasing revenues, and a variety of other agreements with sports teams and others; all of which turned out to be beyond the City's means. The Great Recession which began in December 2007 crushed City revenues and began an inexorable process in which it became

progressively clearer that these obligations could not be settled on existing terms. First, of course, the City went through several years of struggling to maintain solvency by exhausting reserves, slashing service levels, laying off staff and generally cutting anything that could be cut. These avenues were exhausted in early 2012 by which point the City was profoundly insolvent from a service and budget perspective and teetering on the verge of cash insolvency. At this point the City entered the State mandated AB 506 process in an attempt to mediate a resolution to the fiscal crisis. While this approach did result in a number of agreements with City employees to reduce compensation and benefits it did not resolve the debt and retiree medical problems. When time for mediation under AB 506 was exhausted and the City could not adopt a balanced budget for 2012-13, the City declared bankruptcy on June 28, 2012.

During the second half of 2012 and early 2013 the City was forced to fight a lengthy and expensive battle with the Capital Market Creditors (CMC), a group of bond insurers and other financial firms who collectively represented approximately \$300 million in debt obligations impacted by the City's inability to pay and the bankruptcy. On April 1, 2013 the City won a strong decision by the bankruptcy court affirming the City's eligibility for bankruptcy protection. The Court concluded that the City had negotiated in good faith in trying to reach agreements consistent with its ability to pay obligations while maintaining operations, and that it was, in fact, insolvent and would be unable to continue operations absent bankruptcy protection.

Once deemed eligible for bankruptcy, the City began to work in earnest with a Court appointed mediator to negotiate voluntary resolutions to outstanding issues and to develop a bankruptcy "plan of adjustment", which can include involuntary reductions to creditors. By fall of 2013 the City had reached tentative agreements with several large creditors and developed a plan of adjustment for exiting bankruptcy which included a general sales tax increase, mainly to rebuild police services, but also to assist in the exit from bankruptcy without further service cuts. Our initial plan of adjustment was approved by the City Council in early October 2013 and the sales tax increase was approved by voters in November 2013. The plan of adjustment has been challenged by one remaining major creditor with whom a tentative agreement has not been reached (Franklin Funds "Franklin"). Since early 2014, the City has fought the legal challenge from Franklin while finalizing agreements with other creditors.

Now, after having spent nearly \$14 million as of April 2014 on legal fees and other outside consultant costs, and literally thousands of hours of City staff time, the City is reaching the home stretch on the bankruptcy process. As large as this cost has been, it is well to keep in mind that the savings at stake in the Chapter 9 process is projected to be over \$1.1 billion dollars through FY 2040-41, in terms of future savings and past claims, of which approximately 72% or \$820 million will benefit the General Fund. This bankruptcy expense is a necessary investment in the City's future fiscal solvency. The City has approved several of the creditor agreements representing very significant

portions of the total obligations at issue in the City’s bankruptcy case. The City submitted its plan of adjustment in November 2013 and at the time of this printing, has completed 80% of the trial intended to resolve the final creditor dispute and consider confirmation of the City’s Plan of Adjustment. Once the trial is complete and the court’s decision is known, a separate budget amendment will be brought before the City Council for consideration and approval that will implement the settlement agreement terms reached with all of our creditors.

Budget Format

This document contains proposed budgets in a pro forma schedule format for all City funds, with brief highlights of the history, current status and significant 2014-15 budget changes for each fund. In the body of the document, grouped by the departments that retain responsibilities for each fund, you will find department description, and key considerations. Included are the Capital Improvement funds that are described in much more detail in the Five Year Capital Improvement Program document (CIP) that will be released to the Planning Commission and City Council shortly.

A summary of the City-wide Proposed Budget is provided in the table below:

City-wide Expenditure Budget All Funds	2013-14 Approved	2014-15 Proposed	Difference
General Fund*	\$ 162,512,438	\$ 182,929,670	\$ 20,417,232
Utilities	114,510,812	138,024,738	23,513,926
Capital/Street Maintenance	33,796,093	70,456,971	36,660,878
Other Community Programs	64,616,599	72,925,555	8,308,956
Debt Service	28,350,320	28,120,489	(229,831)
Redev. Low/Mod Housing	2,222,347	3,121,583	899,236
HUD/Housing Programs	10,909,115	11,931,636	1,022,521
Internal Services	110,789,195	125,054,232	14,265,037
	<u>\$ 527,706,919</u>	<u>\$ 632,564,874</u>	<u>\$104,857,955</u>

*The 2013-14 General Fund expenditure budget is presented as amended to provide a more appropriate comparison between fiscal years.

The proposed budget appropriations included in this document total \$632.6 million and include operating, capital, debt, transfers, and internal service fund operations for all programs of the City. The general fund expenditure budget has increased by \$20.4 million or 12.6% primarily due to the inclusion of public safety expansions from the new Measure A revenues. Also, there is a slight increase in anticipated Property and Sales Tax receipts, reflecting slow improvements in the economy. It should be noted as well, that consistent with the City’s Long-range Financial Plan, retirement costs are up in

2014-15, adding \$3.0 million in costs to the General Fund (\$4.0 million for all funds). More detailed explanations of the FY 2014-15 proposed annual budget follow.

General Fund

As the table below illustrates, General Fund total revenues are projected at \$193.8 million and expenditures are projected at \$182.9 million. The net result of \$10.9 million is being held as an Uncommitted Fund Balance and consists almost entirely of uncommitted Measure A revenues of \$10.8 million which are the result of the ramp-up time required to meet the staffing component of Measure A. The resulting General Fund balance is still substantially below the GFOA recommended fund balance which is 16.67% for the City. However, consistent with the Long-Range Financial Plan, this prudent fund balance begins to expand the General Fund to achieve this recommendation and the Council policy expectations over time. The change in expenditures, as shown in the table below, between FY 2013-14 Current Budget and FY 2014-15 Proposed Budget is an increase of \$20.4 million, primarily from increased spending of \$17.1 million for the first full year of Marshall Plan and other city service uses of the Measure A revenues. The General Fund changes are described below.

<u>General Fund Budget</u>	<u>2013-14 Current</u>	<u>2014-15 Proposed</u>	<u>Proposed vs. 13-14 Current</u>
Beginning Available Balance	\$ 3,093,428	\$ 9,781,222	\$ 6,687,794
Revenues	167,593,067	193,821,893	26,228,826
Expenditures			
Police	85,330,420	95,544,951	10,214,531
Fire	36,000,911	38,492,749	2,491,838
Other Programs	41,181,107	48,891,970	7,710,863
	162,512,438	182,929,670	20,417,232
Prior Year Commitments*	1,607,165	-	(1,607,165)
Ending Available Balance	\$ 9,781,222	\$ 20,673,445	\$ 10,892,223

*Adjustments include encumbrance carryover from prior year.

Revenues

General Fund revenues proposed in FY 2014-15 budget are \$193.8 million which is an increase from the prior year by \$26.2 million or 16% due to the following estimations:

1. Measure A Sales Tax revenue is projected to come in at \$27.9 million, which is a significant increase over the current year projected collections of \$6.8 million. This reflects the fact that the Measure A proceeds will only have been collected

for four months in the current year, and the 2014-15 projections are based on a full 12 months of tax proceeds.

2. Property Tax revenues continue to show slow recovery in alignment with the general economic improvements, specifically as median home prices trend upward slightly. Median home prices in Stockton have returned to 2008 levels but are still 57% below the peak in 2006. Proposition 13 will hold down property tax growth as the annual assessed value adjustments are limited to the lesser of the change in California consumer price index or 2%, unless sold. In 2014-15 a 0.454% increase will be applied to all real property not reduced by Proposition 8 appeals. Proposition 8 allows a temporary reduction in assessed value when current market value of real property is less than assessed value resulting in lower property taxes. A large number of the properties in the City have been subject to Proposition 8 appeals in the past five years. The value of these properties is reviewed annually and may be increased by more than 2% based on market value. The City collects information relative to property taxes from the County Assessor's Office, an external consultant and economic trends to determine the best approach for budgeting Property Taxes. From this evaluation, FY 2014-15 Proposed Budget reflects a Property Tax revenue increase of 3.8% or approximately \$1 million. The projected increase will represent two consecutive years of property tax increases, which were the first increases experienced since the onset of the "Great Recession" in 2008.
3. Improvement in sales tax revenues, excluding the new Measure A revenues, of almost \$1.3 million or 3.1% from the 2013-14 budget level is reflected in this budget. Statewide trends indicate high growth for autos/transportation, building/construction, and restaurants/hotels. The largest area of growth is anticipated in the state and county pools, the mechanism used to allocate tax that cannot be identified to a specific place of sale, due to receipts of use tax from Amazon and other out-of-state vendors that began collecting the tax in September 2012. Future receipts are uncertain as new in-state distribution facilities may qualify for point of sale status and reduce overall pool allocations.
4. Utility Users Taxes (UUT) are expected to increase only slightly by \$97,000 reflecting increases to the Water, Electric & Gas and Cable accounts, offset by a significant reduction to the Telecommunications account. Most of the growth in the three growth categories cited is due to rate increases, not additional consumption. Our outside consultant has projected Telecommunications revenue to be down 5% due to industry trends. Pre-paid phone plans become ever more popular (they are not taxed), and as bundled data and phone plans result in more phone costs crossing as untaxed data costs. These trends, unless met by legislation that allows broadening the UUT taxing authority, are expected to continue to result in downward trend in Telecommunications UUT proceeds.

5. Franchise taxes for PG&E and Cable/Video are basically flat, with some growth projected in the Waste Hauler franchise tax account. Overall, the Franchise Tax category is projected to be up by \$341,000 or 3%.
6. Business License Tax proceeds are projected to be up by \$241,000 or 2.7% from prior year levels, again reflecting the slow economic recovery and some positive results from the City's revenue audit contract.
7. Hotel/Motel taxes are projected to increase by approximately 9% in 2014-15, reflecting increased activity in the local hospitality industry and positive results from the firm hired by the City to audit this tax revenue.
8. Program Revenues are projected to be up significantly, \$1.4 million or 13% in 2014-15. A significant portion of this increase is the inclusion of a projection for revenue from the sale of surplus real property valued at \$550,000. Code Enforcement revenues include an additional \$475,000 expected as a result of additional staff funded through Measure A for the Neighborhood Blitz program. The remainder represents projected increases in the Charges for Services, Fines and Forfeitures and Revenues from other Agencies accounts.

Expenditures

General Fund expenditures proposed in FY 2014-15 budget are \$182.9 million which is an increase from prior year of \$20.4 million due to the following budget changes.

1. Additional budgeted expenditure items totaling \$17.1 million are funded with additional Sales Tax proceeds resulting from the passage of Measure A. Included are increases for the first full year of the Marshall Plan, specifically in the Police and the new Office of Violence Prevention of approximately \$8.4 million, other City services of \$709,000 for support services, and \$8.0 million in mission critical projects. Funding for the mission critical projects in this first full year has been made available due to a three year planned phase in to hire 120 officers. The recruitment, training and logistics necessary for hiring public safety officers require this phased plan. The mission critical projects are listed in the table below:

Project Description	Budget Section	Funding
Financial Systems	ISF Computer Equipment - CTSP	\$ 5,000,000
Arena Point of Sale Upgrade	ISF Computer Equipment - CTSP	236,000
Implementation of Strategic Priorities	Administrative and Support	200,000
ULI Econ. Dev. Implementation	Economic Development	100,000
Marketing/Communication Plan	Administrative and Support	100,000
Public Safety Radios	ISF Radio Equipment	1,000,000
Purchasing Improvements	Administrative and Support	164,000
Phase I LED Lighting	Capital Improvement Program	1,200,000
Total		<u>\$ 8,000,000</u>

2. Employee Services General Fund costs have increased by \$9.4 million or 8.8%. Several factors attribute to the changes.
 - a. The portion of General Fund salaries and benefits increases that were funded by Measure A sources totaled \$6.1 million and were due to the addition of 74 full-time positions.
 - b. New positions have been added to support City Council, City Clerk and Police Department Animal Services functions that were approved by the City Manager increasing salary and benefits by \$207,000, net of reduced hourly costs. This includes an administrative aide position being added to the City Council budget to support the office of the Mayor. This position is authorized by the City Charter but has not been funded for several years.
 - c. Salary costs in the Police Department have increased due to elimination of furlough provisions in the bargaining unit agreement covering sworn police employees that expires on June 30, 2014. The increase to the General Fund is approximately \$1 million.
 - d. A total of \$300,000 in salary and benefit costs for providing street tree services was moved from the Gas Tax fund to the General Fund due to a reduction in available gas tax revenues.
 - e. Included in all General Fund department budgets is an appropriation for vacation sell back in accordance with existing bargaining unit agreement terms ending the suspension of vacation cash outs if and when the City emerges from its fiscal emergency status. As estimated in the Long-Range Financial Plan, \$600,000 has been budgeted in the General Fund.
 - f. Pension costs have increased by \$3.7 million or 21% due to a change in CalPERS rate from 17.939% to 20.090% (Misc.) and from 34.605% to 41.385% (Safety). As identified by the City's actuary and budgeted in the Long-Range Financial Plan, continued increases are expected in the retirement costs in the next several years, as CalPERS implements some significant new measures and actuarial assumptions intended to improve their fiscal position. These short-term increases will be followed by a

- leveling off of rates followed by a decline as recent reforms are realized and the unfunded actuarial CalPERS liability decreases.
- g. Worker's Compensation costs will increase by \$1.0 million due to fluctuations of 6% in claims and administration costs. These increases are for current costs and do not begin to reflect the large deficit balance in the fund of more than \$37 million.
 - h. Budgeted vacancy savings was increased from 1% of total salary and benefits to 3% reducing the employee services category by \$2.4 million compared to the FY 2013-14 budget.
3. Other services are primarily made up of costs for services provided to the City and internal service fund charges to departments. This includes our gas and electricity expenses, advertising, audit services, and construction costs to name a few types of items included in this category. The increase of \$2.2 million is due to a combination of line items including administration fees charged by the Board of Equalization for both sales tax and Measure A revenue increased \$300,000, contributions to the Information Technology internal service fund increased \$820,000 to augment existing funding for the Citywide Strategic Technology Plan and equipment replacements, mission critical purchasing improvements contract for \$164,000, implementation of initiatives within Economic Development Department to begin implementation of recommendations from the Urban Land Institute (ULI) study for downtown revitalization budgeted at \$100,000 and \$50,000 to conduct a feasibility studies for business improvement districts, water utility usage and rates for City parks increased \$100,000, utility charges increased \$50,000 for new Public Safety vehicle cellular technology, Human Resources recruitment costs increased by \$60,000, and additional auditor services budget increase of \$64,000 for new accounting requirements and special reports. Due to funding limitations in the Gas Tax fund, \$500,000 worth of landscape maintenance contract costs had to be moved to the General Fund.
 4. Capital Outlay has been increased by \$760,000 to budget for the purchase of patrol and field services vehicles and radios for employees hired with Measure A funds.
 5. Transfers out to other City funds have been increased by \$8.2 million based on the mission critical spending plan, updated information from third party service providers, and operational needs of services that are partially funded by General Fund resources. Budgets have been revised as appropriate and are listed below.
 - a. A \$5.2 million transfer to the Information Technology ISF and a \$1 million transfer to the Radio ISF are included in the mission critical funding discussed above.

- b. Library general fund subsidy has increased by \$250,000 to fund ongoing operations including replacement of equipment used by library patrons and improvements to broadband connections at various library branches.
- c. Recreation general fund subsidy has increased by \$105,000 due to offering additional community events, expanding the Pixie Woods season, swimming pool contract changes and repairs needed at various facilities.
- d. Entertainment Venues General Fund subsidy has increased by \$447,000 primarily due to much needed facility capital improvements budgeted at \$230,000 and lower revenue projections particularly at the Arena and Bob Hope Theater due to changes in the national entertainment industry.
- e. The Successor Agency anticipates \$250,000 in tax increment revenues will be available to fund administrative costs plus reduced legal expenses which combined will result in a \$300,000 reduction in subsidy from the General Fund.

The General Fund contribution for capital projects proposed for FY 2014-15 is \$2,775,000; an increase of \$1,485,000 over FY 2013-14. The increase is primarily to fund a citywide project to upgrade street lights to LED reducing future electricity costs by as much as \$367,000 per year. The detailed allocation of these funds can be found in the 2014-15 Proposed Capital Improvement Program document.

Other City Funds

In addition to the City's General Fund, Other City Funds track internal service funds, special purpose funds, restricted funds, and enterprise activities. As described above, included in the Proposed Budget are balanced pro forma schedules for all Other City Funds. In the body of the document, grouped by the departments that retain responsibilities for each fund, you will find a pro forma schedule for each special fund that includes actual expenditures and revenues for the two prior fiscal years, a year-end projection for the current fiscal year, and a proposed FY 2014-15 budget. Also included is a brief bulleted summary of the history, current year events, and comments about significant elements of the FY 2014-15 budget being proposed. Highlights for each department fund group are described below:

Police

The Police Department is responsible for five funds: Police Measure W, Asset Seizure, COPS State Block Grant, Special Revenue Grants, and Police Special Revenue. Notable elements of the FY 2014-15 proposed budgets for these funds include the following:

- The Police Measure W fund will pay for the salaries, benefits, equipment and supplies for 25 Police Officer positions in FY 2014-15. This is an increase of 2

officers from the current year in order to utilize the amount of revenue available. Measure W sales tax proceeds are projected to grow by approximately 3% from current projected revenue.

- In the Asset Seizure Fund revenues continue to decline due to a decrease in seized property and delay between seizure and court approved disposition.
- Due to uncertainty in State funding, in the Police State COPS Fund, five of the seven Community Services Officers previously paid from this fund will be moved to the General Fund. Two Community Services Officers will continue to be paid for from this fund.
- In the Special Revenue Grant Fund, the Federal COPs Hiring Grant for 17 new entry-level Police Officers which began in the current year continues. Police Supplemental Service Contracts for event specific overtime assistance continue to be accounted for in the fund.
- In the Police Special Revenue Fund, the Geraldine Schmidt Trust funds will continue to be held until a long-term plan is developed for the Animal Shelter Replacement project. In addition, a significant increase to the Pet Overpopulation Fund is budgeted in anticipation of new shelter improvements and additional Spay and Neuter Clinics under the terms of a Memorandum of Understanding with the San Francisco SPCA.

Fire

The Fire Department is partially responsible for three funds: Fire Development Services, Fire Measure W, and Fire Special Revenue. Notable elements of the FY 2014-15 proposed budgets for these funds include the following:

- In the Fire Prevention section of the Development Services Fund, revenue projections for 2014-15 are based on the current fee structure. That fee structure is still undergoing evaluation to determine whether they correctly align with program costs. Similarly, a Services and Efficiency Study to assess overall workflow, staffing and processes at the Permit Center, which include Fire Prevention program staff, is also under review and may result in changes in the coming year.
- The Fire Measure W Fund continues to pay the salaries, benefits, equipment and supplies for 25 firefighter positions, which should allow the implementation in 2014-15 of the Alternative Response Program approved in the current year budget. Measure W sales tax proceeds are projected to grow by approximately 3% from current projected revenue.
- The sum of the total revenue and approximately one-third of the estimated beginning balance in the Fire Special Revenue Fund is being proposed for appropriation to ensure a gradual draw down of funds which accumulated in this fund. Funds will be utilized for materials, supplies and training expenses.

Public Works

The Public Works Department is responsible for seven funds: Street Maintenance Gas Tax, Boat Launching Facilities, Solid Waste and Recycling, Lighting Maintenance District, Assessment District Maintenance, and Measure K Maintenance. Notable elements of the FY 2014-15 Proposed Budgets for these funds include the following:

- In the Street Maintenance Gas Tax fund, funding is included to continue re-striping arterial and collector streets, to continue to address sign up-grading and the pavement repair program. The costs for right of way landscape maintenance and tree maintenance activities that have been funded for several years in the Gas Tax Fund are being moved back to the General Fund where they were traditionally funded. As part of the \$8.0 million in mission critical funding being provided from Measure A Sales Tax proceeds, a total of \$1.2 million is being transferred from the General Fund to the Gas Tax fund to invest in the conversion of existing arterial roadway street lights to LED luminaires. This will help meet Greenhouse gas strategy goals and when completed will result in significant long-term energy cost savings to the City.
- In the Solid Waste and Recycling Fund projected revenues reflect a 0.78% annual CPI adjustment for residential and commercial service. Overall revenues remain flat in line with the solid waste industry.
- Lighting Maintenance District Assessments for FY 2014-15 will be at the same rate as the current fiscal year.
- In the Assessment District Maintenance Fund assessments for the FY 2014-15 will be the same rate as the current fiscal year. The accounts for the storm drain maintenance assessment districts will be assigned to a new fund, under the oversight of Municipal Utilities Department to improve internal controls.
- In the Measure K Maintenance Fund, revenues are projected to increase by approximately 5%. Of the funding projected, \$2.2 million is budgeted for several capital projects including the required matches for a number of City projects, Neighborhood Traffic Calming loan payback for the Sperry Road Extension and the expansion of the Traffic Signal Control System. The expenditures are expected to decrease by 16% compared to the current year due to the completion of debt service payments to SJCOG for a prior year project.
- In the Boat Launching Facilities Fund fees will not be changed from the current rates. The materials budget has been increased slightly for need repairs.

Community Services

The Community Services Department is responsible for four fund groups: Library, Recreation, Golf and the Entertainment Venues. Responsibility for the Entertainment Venues Fund is being moved from the City Manager's Office to the Community Services Department as part of this Proposed Budget. Notable elements of the FY 2014-15 proposed budgets for these funds include the following:

- The proposed FY 2014-15 budget for the Library Fund requires a General Fund subsidy of \$4.25 million. This is an increase of approximately \$250,000 from the current year level. This pays for the City portion of the County-wide Library system operated by Stockton. The additional subsidy level represents costs for replacement of computer software, additional bandwidth and the replacement of the machines that accept bills and coins for personal printing and copying at libraries.
- The proposed 2014-15 budget for the Recreation Fund requires a subsidy of \$2.95 million, up only slightly from the current year. The Proposed Budget includes a simplified fee schedule to make facility and field rental pricing more attractive and consistent with the local market. The Department intends to expand the Pixie Wood season by 9 additional weekends, and for special holiday events. They also plan to produce 5 new events at Weber Point, free to the public.
- The Entertainment Venue Fund has received a subsidy from the General Fund for a number of years. The subsidy had gone down since SMG took over management of the facilities. Entertainment Venues General Fund subsidy has increased by \$447,000 primarily due to much needed facility capital improvements budgeted at \$230,000 and lower revenue projections particularly at the Arena and Bob Hope Theater due to changes in the national entertainment industry. The General Fund subsidy for FY 2014-15 Entertainment Venues budget is \$3.1 million.

Community Development

The Community Development Department is primarily responsible for the Community Development Services Fund. Notable elements of the FY 2014-15 proposed budget for the fund includes the following:

- Community Development has received a General Fund subsidy of \$1.0 million each year since FY 2012-13 which continues in the Proposed FY 2014-15 Annual Budget. . In the Management Partners report brought to Council in June 2012, it was determined that there were a number of services and initiatives in this department that are more appropriately charged to the General Fund rather than recovered through development fees. The \$1.0 million was identified to cover the general government costs each year until a study can be completed to more accurately determine an appropriate subsidy or reorganization of operations in this area. Only minimal spending of the subsidy has occurred over the past two fiscal years, leaving an anticipated carryover of \$1.4 million into FY 2014-15. Plans are underway to carryover the balance and use this resource for several one-time costs such as phases II and III of the Fee Study, a major update of the General Plan, website improvements, and the Flood Plain Management initiative. In addition, a Senior Plan Check position has been added to address mandated changes to the General Plan regarding flood plain management,

carbon footprint reduction, climate action plan and green building ordinance. This position is expected to generate revenue from plan check fees to offset the majority of the position costs.

Economic Development

The Economic Development Department is responsible for the various Housing funds, as well as the City Administration Building, Central Parking District, and Downtown Marina Complex funds. The department formerly oversaw the Redevelopment Agency funds prior to the dissolution of the Agency. The General Fund will continue to be required to fund administrative and overhead costs for the Successor Agency, due to the fall-off in tax increment proceeds. The Successor Agency anticipates \$250,000 in tax increment revenues will be available to fund administrative costs plus reduced legal expenses which combined will result in a \$300,000 reduction in subsidy from the General Fund.

Notable elements of the FY 2014-15 Proposed Budget for this department's funds include the following:

- The City will receive a small 1.2% increase in the CDBG annual entitlement grant that will allow continued funding of programs at current levels. The Neighborhood Stabilization programs 1 and 3 are projected to increase in 2014-15 by \$2.0 million. There will be no additional grants expected for this program after this year. The City will also receive an increase of 5.5% in the HOME entitlement grant in 2014-15.
- The Central Parking District Fund proposed budget reflects revenue and costs for the City garages remaining after Trustee Wells Fargo was awarded possession of the Market Street, Coy and Arena garages two years ago after the City defaulted on its debt payments. No increases to monthly or hourly fees are planned for next fiscal year. The FY 2014-15 budget does include funds for the replacement of asphalt in several lots.
- The proposed FY 2014-15 budget for the Downtown Marina Complex will again require a subsidy from the General Fund in the amount of \$215,000, up from \$160,000 for the current year. The amount of revenues has remained flat while expenses have increased.

Municipal Utilities Department

The Municipal Utilities Department is responsible for three fund groups: Water Enterprise, Wastewater Enterprise, and Stormwater Enterprise. All of the Municipal Utilities Funds are supported by user fees and not from General Fund sources. Notable elements of the FY 2014-15 Proposed Budgets for these funds include the following:

- The Water fund is expected to experience relatively flat revenue growth in rates and connection fees in FY 2014-15. To ensure adequate bond coverage, the

rate stabilization fund will be utilized and some select capital improvements such as the Automated Meter Reading project will be delayed by two years. The majority of the cost increase of \$8.2 million in FY 2014-15 Proposed Budget compared to last year's Adopted Budget is due to the following: (a) The Delta Water Supply Project will see an increase in borrowing cost pursuant to the remarketing of the 2010 variable rate debt that was completed in late 2013. While the cost of borrowed money went up, the risk of a call on the bonds has been eliminated and (b) Funding critical capital project costs to construct the Ammonia Facilities Project; construct the Feather River Drive at 14 Mile Slough Project to improve water reliability; complete the extension of a 24" water line from Newcastle Road to Airport Road; and convert gas engines to electric motors at two water well sites to improve air quality.

- In the Wastewater Fund, the fifth and final rate increase, 9%, of the approved 5-year tiered rate increase, will go into effect in 2014-15 year. The tiered rate structure was designed to ensure adequate coverage required by the bond covenants and to fund the Capital Improvement and Energy Management Plan. The majority of the cost increase of \$13.5 million in FY 2014-15 Proposed Budget compared to last year's Adopted Budget is due primarily to funding critical Capital Project costs: (a) to finalize design of the Headworks Project as the first of the CIEMP Phase 2 projects and bid the project for construction; (b) prepare and solicit bids for the third package of CIEMP Phase 2 projects, the design and rehabilitation of the Secondary Bio-towers and the Nitrifying Bio-towers; (3) begin design of Tertiary Plant project; (4) construction of the Arch Road Sanitary Sewer Trunk Mainline, which is a 30" sewer line to serve the industrial area in southeast Stockton; and (5) construction of Tuxedo Avenue Sewer Rehabilitation Project which will repair 6,300 ft. of a 90 year-old 36" redwood sewer pipe behind private properties through single family loan/grants.
- As rates have been capped for years in the Stormwater Fund, required NPDES program elements have been reduced to stay within projected revenue levels. A limited number of infrastructure repair projects have been included in the Capital Improvement Program this year, and are the main cause of the increase compared to last year's Adopted Budget for this fund of \$1.7 million. The limited funding available was restricted to urgent and emergency repairs only. The new Stormwater permit, which is anticipated to be released by June 2015, may include additional requirements with costs that will further strain the Stormwater budget and operations. Plans to attempt another Proposition 218 ballot to increase revenue are under review to ensure alignment of resources required to meet the needs of the citizens in the near future.
- Included in the 2014-15 Proposed Budget is funding for nine new positions in the Municipal Utilities Department. (MUD) which are supported completely by MUD funding sources. The positions include 1 Technician position in the Administration Division and 1 in the Financial Services Division; 2 Plant Maintenance Mechanics and 1 Plant Maintenance Worker for the Delta Water

Supply Project; 2 Collection Systems Operator positions in the Maintenance and Collection System Division; and a 1 Sr. Plant Maintenance Mechanic and 1 Office Technician position in the Wastewater Division. Each division under this department evaluated operational conditions resulting in various requests for critical positions that will address compliance requirements and support including Delta Water Supply and Wastewater plant maintenance mechanics and worker to maintain 24 hour operations, Wastewater collection area staff who will improve overflow conditions to comply with Federal Clean Water Act provisions per court consent decree, and support staff for administrative functions within the Regional Wastewater Control Facility, Capital Improvement and Energy Management Plan, the Delta Water Supply Project and department financial services.

Bankruptcy Fund

This Proposed Budget again separates the resources and costs of bankruptcy activities from other funds so that tracking of bankruptcy expenditures is more transparent. The Bankruptcy Fund was initially funded with \$5.6 million from the available general fund balance at June 30, 2012 that the Council committed towards bankruptcy costs. The June 30, 2013 projected general fund balance (unaudited) of \$13.7 million was also committed to bankruptcy costs for a combined total of approximately \$19.5 million available to spend on bankruptcy legal fees, project management, and settlements at the beginning of Fiscal Year 2013-14. These funds were generally created by year-end General Fund budget savings generated by a variety of budget to actual variances, most notably vacancies greater than anticipated. The resources in this Bankruptcy Fund are dedicated to the continuing effort to confirm a Plan of Adjustment to exit Chapter 9 bankruptcy.

The Plan of Adjustment is intended to bring the City's debts in line with our resources, both now and over time. Specifically, the Bankruptcy Fund will continue to be used to cover costs for Chapter 9 project management, litigation and negotiations with our creditors, with remaining money available to pay our creditors as settlements for claims. The outstanding claims or potential "call" on this money continues to far exceed available monies. Once a Plan of Adjustment is approved, a staff report will be presented to the City Council with required budget amendments to this annual budget plan.

Capital Improvement Programs

The increase of \$36.7 million in FY 2014-15 Proposed Capital Improvement Program Budget compared to last year's Adopted Budget are due primarily to obtaining funding from Measure K renewal and General Fund to cover the following projects: Thornton Road widening, Phase B of Hammer Lane widening, Lower Sacramento Road and Bear Creek bridge replacement, French Camp Road and I-5 interchange landscaping and

Citywide arterial roadway Light Emitting Diode (LED) street lights conversion. Converting the existing arterial roadway street light luminaires from 200-watt high pressure sodium (HPS) to LED will provide long term energy cost savings and reduce maintenance. The LED street light project of \$1.2 million has been identified as a mission critical project and funded through Measure A proceeds. This citywide project to convert existing street lights to LED. This investment in energy saving equipment will reduce the City's electric bill in the future by as much as \$367,000 annually.

Internal Service Funds

There are 12 Internal Service Funds: Four of the funds are overseen by the Administrative Services Department (Computer Equipment, Radio Equipment, Telephone Equipment, and Office Equipment). Seven Internal Services Funds are overseen by the Human Resources Department (General Liability, Workers Compensation, Health Insurance, Unemployment, Long-Term Disability/Life Insurance, Retirement Benefits and Compensated Absences). One (Fleet) is managed by the Public Works Department. These Internal Service Funds can be categorized as 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 three years, the methodologies for Equipment type of Internal Service Funds were improved to follow consistent and logical calculations while eliminating duplications. For FY 2014-15 further refinements to special equipment categories have been made such as grouping vehicles with significantly higher maintenance requirements (fire engines, etc.) and aligning rates with these groupings. This process created some fluctuations in costs between departments, such as a fleet decrease to the Police Department and an increase to the Fire Department; however these improvements did not significantly impact the overall costs being allocated.

At a high level, the equipment related Internal Service Funds of the FY 2014-15 Proposed Budget reflects increases forecast in the Plan of Adjustment which includes public safety expansion and part of the mission critical funding made possible through Measure A revenues. The benefit related Internal Service Funds also reflect comparable increases to the forecast presented earlier this year. Details of significant changes from last year are discussed below.

Notable elements of the FY 2014-15 Proposed Budget for Internal Service Funds include the following:

- The proposed Fleet Budget includes an increase of \$758,000 for fleet operations, maintenance, fuel and replacement vehicles, including two new fire engines.
- The Computer Equipment budget includes an operational increase of \$2 million primarily to cover increases in salaries, benefits and much needed technology equipment replacements. Most significantly impacting the increase is the

addition of a Director of Technology and an Executive Assistant designed to address the City Council target of Organizational Development and Financial Stability. The City has very critical functions in the Administrative Services Department (ASD) which currently oversees the Information Technology and Finance divisions. Through the evaluation of ASD functions and processes, serious issues have been identified and work plans developed to address the issues in both the Finance and IT divisions of the department. Making an impactful investment to address these issues is critically important and necessary to moving forward with greater financial stability, improved internal controls and significantly enhanced efficiencies. Continuing to rely upon a single department head to move the work plans for both of these areas forward will continue to dilute the level of effort spent on these areas. This budget recommends going back to the organizational structure prior to the City's fiscal crisis when Information Technology functions were a separate department. The recommended Information Technology Department in this Proposed Budget includes a new department head and new support position. The operational improvements recommended in this budget will also improve service to the other technology related ISF areas such as the Radio ISF which is instrumental to public safety equipment enhancements funded by Measure A.

- In addition, this budget includes \$7.4 million in funding for FY 2014-15 Citywide Technology Strategic Plan (CTSP) projects including mission critical funds of \$5.2 million for the financial system and point of sale upgrade, along with unexpended prior year balance from this fund which has again been redirected to the Citywide Technology Strategic Plan to fund priority projects. The City Council approved the initial five-year Citywide Technology Strategic Plan in January 2012 making improvements in technology a priority. Since then, the Plan has been continuously evaluated and revisions made to reflect current needs and relevant projects. One of those technology projects identified as a priority in the CTSP is replacement of the financial system. Subsequently through the assessment of our finances, the bankruptcy, audits and payroll errors it is abundantly clear that the City needs to invest in a new financial system. The City has been limping along with a system installed in 1991. The CTSP identified this as a high priority but indicated that the funding for the system and implementation would need to be identified. The Long Range Financial Plan includes \$8 million of mission critical funding from Measure A proceeds and made available due to the timing of hiring of the Marshall Plan Police Officers. Of this mission critical funding, \$5 million has been budgeted for the financial system. This financial system addresses the Council goals of fiscal sustainability as well as organizational development. Another mission critical project similar to many other CTSP projects in long term need and urgency is the Point of Sales (POS) system at the Arena. Mission critical funds of \$236,000 have been budgeted for the POS system upgrade to ensure compliance with current system security. These CTSP project changes have been reflected in FY 2014-15 budget and will be

- reported to Council through a separate Citywide Technology Strategic Plan update report.
- The Radio Equipment Fund has remained stable from an operational perspective. However, due to seriously low reserves for replacement of aging equipment, an additional \$1 million has been transferred from the mission critical funding from the General Fund. The City's radios suffer from the same lack of investment that the City's IT systems. Many radios are well beyond their useful life and frequently break. Parts for the radios are becoming harder to find. Staff is preparing a comprehensive inventory of radios that will determine the need, however it is estimated that the City needs \$3 to \$5 million to improve the radios and ensure public safety personnel have proper communications equipment. Staff is also performing an analysis to determine the type of support infrastructure necessary for the system with a goal toward a regional radio solution. This mission critical funding of \$1 million from the Measure A proceeds addresses the City Council's target of public safety and will begin replacements of critical equipment for those providing public safety to the citizens of Stockton.
 - The Telephone and Office Equipment Funds remain stable with only slight operational increases.
 - Proposed Budgets in the General Insurance (Risk Services) and Workers' Compensation Funds both carry deficit fund balances because past administrations did not budget adequate contributions of the General Fund and other Funds to finance accrued long-term liabilities. However, both of these funds show improvements in unfunded liabilities and minor operating expenditure increases for FY 2014-15.
 - Workers' Compensation rates have been refined by employee categories to more accurately reflect program claims experience.
 - In the Health Benefits Fund, the proposed rates assume no change in the City contribution and assume the same rates for all units. This fund has recovered over the past three years so that it is able to cover the full claims liability (IBNR) in addition to operational costs. In addition, the proposed FY 2014-15 ending fund balance is sufficient to fund the actuarial recommendation for Claims Fluctuations of \$3.5 million plus 68% of the recommended economic reserve of \$7.2 million. Although not completely whole, this fund is showing important improvements. Human Resources staff continues to work to ensure compliance with the upcoming provisions of the Affordable Care Act.
 - The Unemployment and Compensated Absences rates charged to departments have been reduced in the proposed FY 2014-15 Budget due to stabilization of unemployment claims and modifications to the employment contract provisions regarding sick leave and separation pay.
 - The Retirement Fund reflects increases in CalPERS rates from prior year for safety from 34.605% to 41.385% and miscellaneous classification from 17.939% to 20.090%. The resulting increase in payments is budgeted at \$9.6 million.

Stockton's Next Chapter

At this stage in our history there is an understandable urgency to quickly erase the memories of the last few years by rushing to restore everything we've lost. It may be a tempting offer but that specious approach runs counter to the valuable lessons we have learned through the course of this journey.

We now know better than anyone how important it is to be realistic and not just optimistic when considering the feasibility of our decisions. We understand how the analysis of the long-term consequence of a decision is as important, or even more important, than the short-term benefit that comes from the politically expedient option. We've also learned the importance of adequately forecasting future costs to mitigate, but not eliminate, the risk of future fiscal imbalances. Finally we've learned the true extent of pain felt by citizens, employees, business owners, and retirees if we are ill equipped to endure financial hard times. Taking each of these things into account, I am pleased to present this budget to you. Not because it restores or expands service levels to where you and the citizens want or deserve, but rather, because it represents what we can realistically afford. Consistent with the direction of the Mayor and Council, this budget provides limited resources in several key areas but represents the fiscal restraint required to forego today's wants in order to protect the fiscal stability of tomorrow.

Over the past few years we have performed an organizational self-assessment, acknowledged our problems, and implemented the comprehensive solutions that were painful but necessary for our long-term health. We owe a debt of gratitude to everyone responsible for the passage of Measure A, which has expedited our recovery. Today, with the benefit of those recent actions along with a new management team, new philosophy, new financial forecasting tools, and new lessons learned, we are poised to move to the next phase of the City's rebirth. This budget provides the tools to do just that by focusing on our core services with added attention in each of the key areas of interest identified by the Mayor and Council: Fiscal Sustainability, Public Safety, Economic Development, Organizational Development, Youth, Infrastructure, and Public Relations/Image.

The post-bankruptcy era will showcase each of these areas with flagship achievements like the creation of the Office of Violence Prevention, the full implementation of the Marshall Plan on Crime, and the launch of several economic development initiatives to improve the business climate for existing local stakeholders while enticing new investment through improved business recruitment.

In future years, because of these constrained and focused investments, we will reap the quality of life enhancements and financial benefits that will fund the restoration and expansion of services we all want to see. This methodical approach to getting there will

ensure that once that happens we will be able to sustain that level and avoid ever repeating the lessons we just learned.

On behalf of the talented and dedicated team of City employees I have the privilege of leading. I want to thank the Mayor and Council for their stewardship throughout these difficult times. With the implementation of this budget and the ultimate confirmation of a Plan of Adjustment to end the bankruptcy chapter of our history, we will find ourselves in a stable position for the first time in several years. From that point of stability we can be honest with the citizens about the level of service we can provide and provide a level of predictability for a City staff that has been on a rollercoaster ride.

I look forward to the next chapter in Stockton's history.

Respectfully submitted,



KURT WILSON
CITY MANAGER

Targets and Goals from the Council Strategic Planning Workshop April 14, 2014

Public Safety Target (Mayor proposed)

- Priority Goals
 - Improve response times/customer service and follow-ups; hire additional officers and increase diversity.
 - Implement the Marshall Plan and institutionalize it.
 - Retool public nuisance issues by the City Attorney's Office.

Fiscal Sustainability Target (Mayor proposed)

- Priority Goal
 - Institutionalize modeling for financial forecasting.

Organizational Development Target

- Priority Goal
 - Dedicate monetary resources for improved technology.

Economic Development Target (Mayor proposed)

- Priority Goals
 - Develop and implement economic development plan to attract and retain businesses and target areas of underserved and at-risk.
 - Focus on downtown housing project/market rate (ULI Study).
 - Revise General Plan.

Youth Target

Infrastructure Target

Public Relations/Image Target

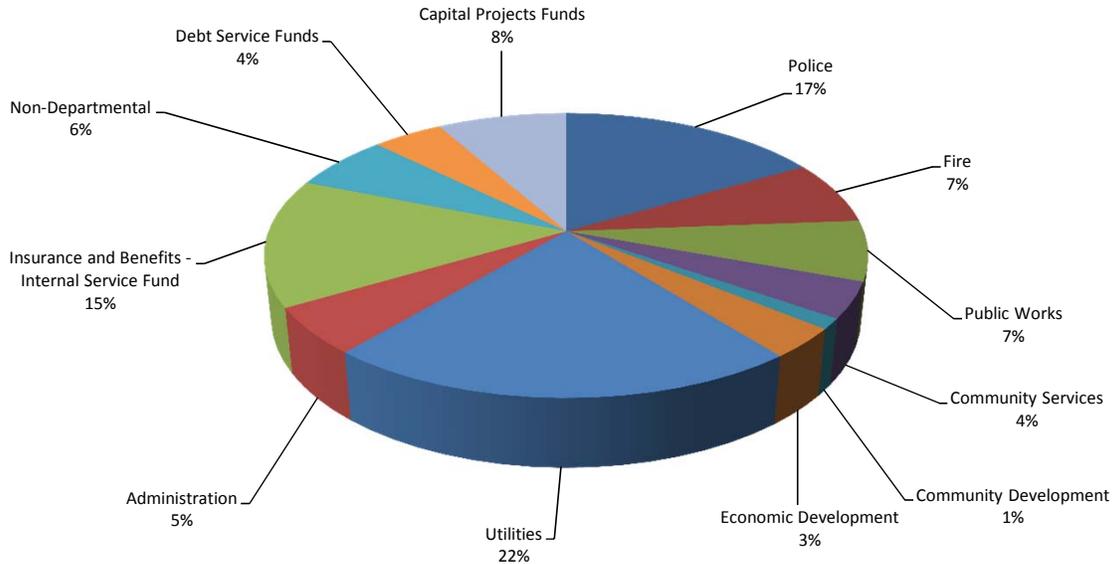
- Priority Goal
 - Develop an aggressive marketing and communication plan.



TAB 2 CITYWIDE

**City of Stockton
Citywide Budget
FY 2014-15 Proposed Budget**

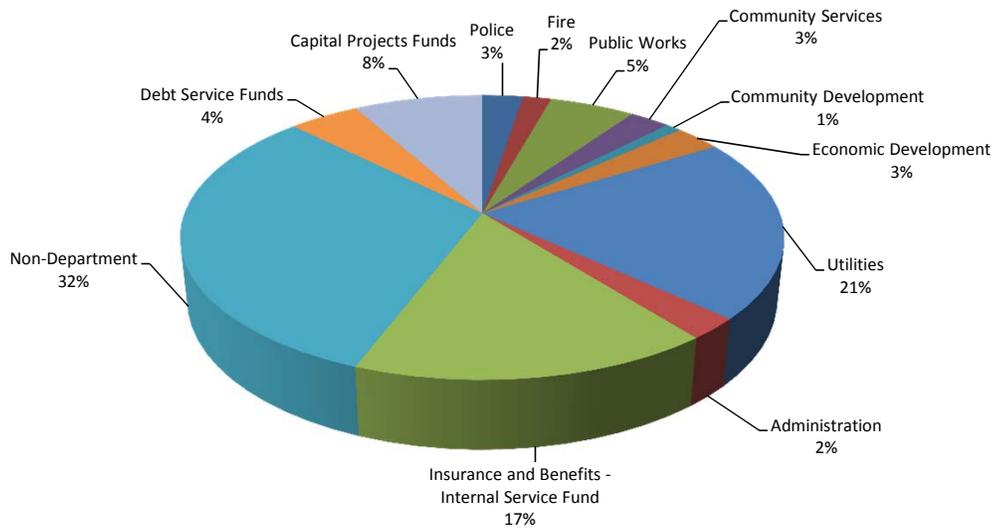
\$632,564,874



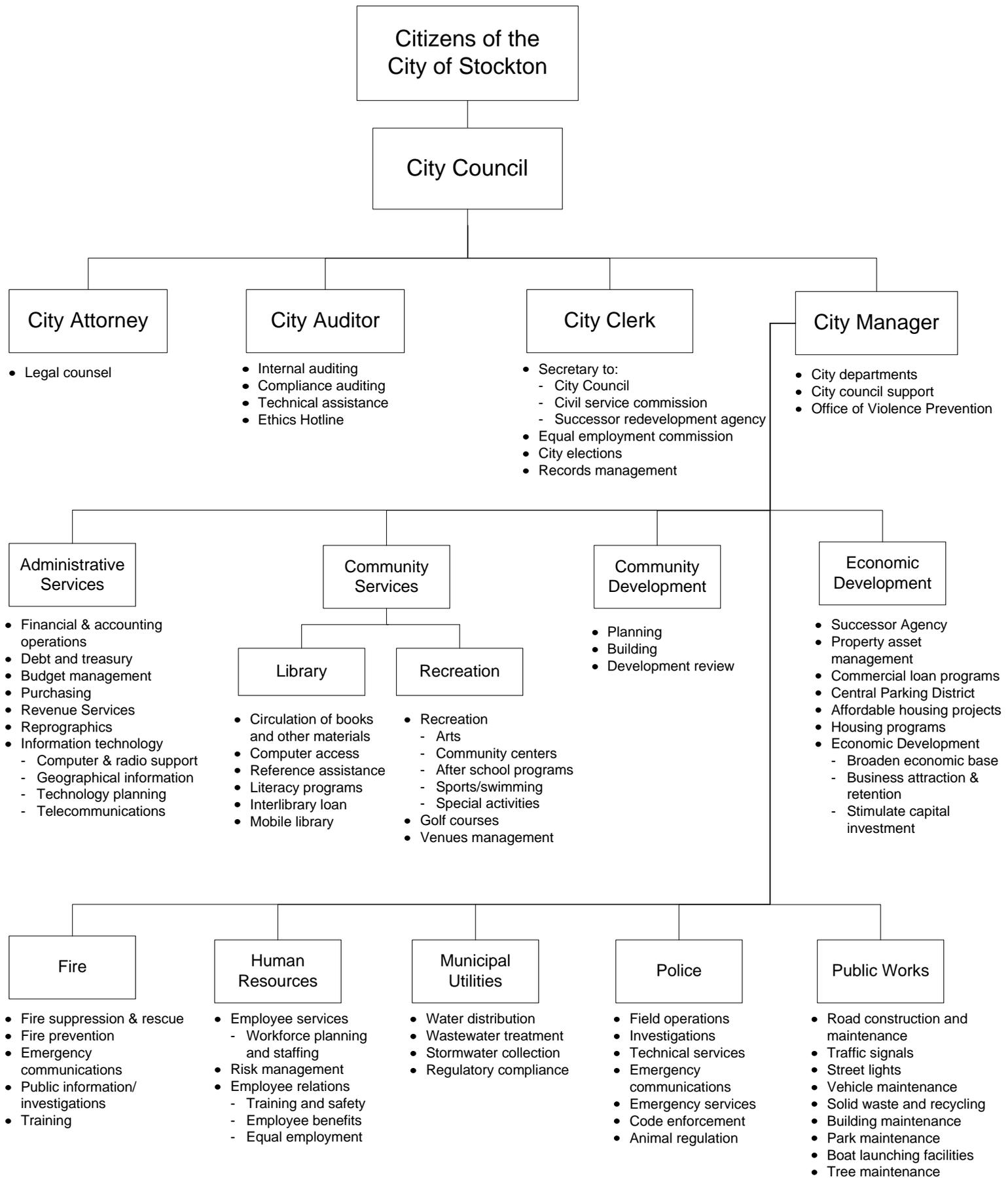
	Operating Budget	Debt Service Budget	Capital Budget	Total	
Program Appropriations					
Police	\$ 104,946,041			\$ 104,946,041	17%
Fire	45,396,301			45,396,301	7%
Public Works	40,603,403	301,756	2,199,864	43,105,023	7%
Community Services	25,838,736		-	25,838,736	4%
Community Development	7,696,715			7,696,715	1%
Economic Development	19,509,316	2,159,098		21,668,414	3%
Utilities	81,768,929	28,979,400	27,611,200	138,359,529	22%
Administration	22,691,703	325,000	10,794,768	33,811,471	5%
Insurance and Benefits - Internal	83,571,386	8,431,177		92,002,563	15%
Non-Departmental Funds					
Non-Departmental	39,877,456		60,000	39,937,456	6%
Debt Service Funds		28,120,489		28,120,489	4%
Capital Projects Funds	-	-	51,682,136	51,682,136	8%
	<u>\$ 471,899,986</u>	<u>\$ 68,316,920</u>	<u>\$ 92,347,968</u>	<u>\$ 632,564,874</u>	<u>100%</u>
Net Budget					
Internal Service Charges				\$ (125,054,232)	
Interfund Transfers				(32,912,750)	
				<u>\$ 474,597,892</u>	

**City of Stockton
Citywide Revenues
FY 2014-15 Proposed Budget**

\$576,144,915



	<u>Taxes</u>	<u>Program Revenues</u>	<u>Enterprise Revenues</u>	<u>Total</u>	
<u>Program Appropriations</u>					
Police		\$ 14,754,573		\$ 14,754,573	3%
Fire		10,303,936		10,303,936	2%
Public Works		31,042,016		31,042,016	5%
Community Services		12,906,846	1,781,211	14,688,057	3%
Community Development		5,776,911		5,776,911	1%
Economic Development		12,796,186	4,079,501	16,875,687	3%
Utilities		334,731	118,491,719	118,826,450	21%
Administration		14,139,352		14,139,352	2%
Insurance and Benefits - Internal Service Fund		95,290,779		95,290,779	17%
<u>Non-Departmental Funds</u>					
Non-Department	172,241,507	9,762,555		182,004,062	32%
Debt Service Funds		25,509,545		25,509,545	4%
Capital Projects Funds		46,933,547		46,933,547	8%
	<u>\$ 172,241,507</u>	<u>\$ 279,550,977</u>	<u>\$ 124,352,431</u>	<u>\$ 576,144,915</u>	<u>100%</u>
 <u>Net Budget</u>					
Internal Service Charges				<u>\$ (95,291,633)</u>	
				<u>\$ 480,853,282</u>	



CITY OF STOCKTON

PERSONNEL BY FUND - SUMMARY

FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>
General Fund and Tax-Supported Programs					
Programs					
Police-Sworn	322	339	339	41	380
Police-Non Sworn	188	189	192	24	216
Fire	177	175	177	0	177
Public Works	62	56	60	(5)	55
Library	57	58	59	1	60
Recreation	26	25	24	0	24
Economic Development	2	6	7	1	8
	834	848	858	62	920
Administration					
City Council	8	8	8	1	9
City Manager	10	10	10	0	10
City Attorney	11	11	11	0	11
City Clerk	6	6	6	1	7
City Auditor	4	4	0	0	0
Admin Services	59	59	61	4	65
Human Resources	14	15	15	2	17
Non Departmental	10	10	10	7	17
	122	123	121	15	136
Total General Fund	956	971	979	77	1,056
Enterprise Funds					
Golf Course	2	0	0	0	0
Municipal Utilities	198	209	208	9	217
	200	209	208	9	217
Special Revenue/District Funds					
Central Parking District	3	3	3	0	3
Community Development Block Grant	9	7	6	0	6
Development Services	42	36	39	1	40
Maintenance District	2	2	3	1	4
Redevelopment Successor Agency	6	2	2	(1)	1
Safe Neighborhood Measure W	41	45	48	2	50
Solid Waste & Recycling	9	9	7	2	9
Street Maintenance/ Gas Tax Fund	64	71	64	(2)	62
	176	175	172	3	175
Internal Service Funds					
Fleet	27	27	27	0	27
General Liability Insurance	6	5	5	(2)	3
Workers' Compensation	3	1	1	2	3
Health Benefits	5	6	6	0	6
Information Technology	36	36	36	2	38
Radio	2	2	2	0	2
Telecommunications	1	1	1	0	1
Document Services	2	2	2	0	2
	82	80	80	2	82
Total All Funds	1,414	1,435	1,439	91	1,530

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 department footnotes.

Mid Year Council Approved new positions	5
Mid Year Council Approved Measure A/B new positions	74
Proposed CM approved new positions	16
Position Eliminations	-4
Total Changes	91

PERSONNEL BY FUND - POLICE DEPARTMENT
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2014-15</u> <u>Proposed</u>	
<u>GENERAL FUND</u>						
010-2410 Police Administration						
Admin Analyst I/II/Sr/Prog Mgr I/II	2	1	1	2	3	(1)
Community Service Officer I/II	0	0	0	1	1	(1)
Executive Assistant	1	1	1		1	
Finance Assistant I/II	2	2	2	1	3	(2)
Office Asst I/II/ Office Specialist/ Secretary	4	4	4		4	
Program Manager III	1	2	1		1	
Sr Finance Assistant	1	1	2	(1)	1	(2)
Sworn: Chief of Police	1	1	1		1	
Sworn: Deputy Chief of Police I/II	1	2	2		2	
Sworn: Police Captain	0	1	1		1	
Sworn: Police Lieutenant	2	2	2		2	
Sworn: Police Officer/Trainee	6	5	5	1	6	(3)
Sworn: Police Sergeant	4	4	5		5	
	25	26	27	4	31	
010-2420 Police Field Services						
Administrative Analyst I/II/Sr/Principal	3	3	2		2	
Code Enforcement Field Manager	1	1	1		1	
Code Enforcement Officer I/II	13	13	12	6	18	(1)
Code Enforcement Supervisor	0	0	1	1	2	(1)
Community Service Officer I/II	23	20	20	6	26	(1),(4)
Graffiti Abatement Technician	4	4	4		4	
Office Asst I/II/ Office Specialist/ Secretary	6	7	6	2	8	(1)
Police Court Coordinator	1	1	1		1	
Police Records Assistant I/II	1	0	1		1	
Police Services Manager	0	0	0	1	1	(5)
Program Manager III	1	1	1	(1)	0	(5)
Sr Code Enforcement Officer	2	2	2	1	3	(1)
Sr Community Service Officer	2	2	1		1	
Supervising Office Assistant	0	0	1		1	
Sworn: Police Captain	2	1	1	1	2	(6)
Sworn: Police Lieutenant	11	11	11		11	
Sworn: Police Officer/Trainee	170	201	200	31	231	(7)
Sworn: Police Sergeant	28	28	28	5	33	(8)
	268	295	293	53	346	

PERSONNEL BY FUND - POLICE DEPARTMENT
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	Staffing Modifications	FY 2014-15 Proposed	
010-2430 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	
Police Records Assistant I/II	3	3	3		3	
Sr Evidence Technician	4	4	4		4	
Supervising Evidence Technician	1	1	1		1	
Sworn: Police Captain	1	1	1		1	
Sworn: Police Lieutenant	2	2	2		2	
Sworn: Police Officer/Trainee	61	50	50	1	51	(9)
Sworn: Police Sergeant	9	9	10		10	
	98	87	88	1	89	
010-2462-63 Support Services						
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1	
Police Records Assistant I/II/III/Sr	25	25	24	2	26	(1)
Property Clerk	2	2	3	1	4	(1)
Property Room Supervisor	1	1	1		1	
Supervising Police Records Assistant	2	2	2		2	
Sworn: Police Captain	1	1	1		1	
	32	32	32	3	35	
010-2466-67 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	1		1	
Police Services Manager	0	0	0	1	1	(10)
Sr Animal Services Officer	1	1	1		1	
	15	15	15	1	16	
010-2470 Telecommunications						
Crime Analyst	1	1	4	3	7	(1)
Police Records Asst I/II/III	1	1	1		1	
Program Manager II	0	1	1		1	
Police Telecommunicator I/II	37	36	37	2	39	(1)
Police Telecommunications Supervisor	6	6	6		6	
Sr Telecommunications Supervisor	1	1	0		0	
Sworn: Police Sergeant	1	1	1		1	
	47	47	50	5	55	

PERSONNEL BY FUND - POLICE DEPARTMENT
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2014-15</u> <u>Proposed</u>	
Police Grant-Funded						
020-6078 Crac-net: Police Sergeant	1	0	0		0	
020-6173 Transit District: Police Officer	1	0	0		0	
020-6278 Special Grant Police Officer	0	1	0		0	
024-6426 CA COPS Grant: CSO	3	6	7	(5)	2	(4)
025-6478 CCP Task Force: Crime Analyst	0	0	0	1	1	(11)
025-6478 CCP Task Force: Police Officer	0	0	0	1	1	(11)
025-6478 CCP Task Force: Police Sergeant	0	0	0	1	1	(12)
025-6430 CHRP: Police Officer	20	0	0		0	
025-6471 VAWA Grant: Police Officer	0	1	1		1	
025-6465 CHP 2012-13: Police Officer	0	17	17		17	
025-6468 Firearms Examiner	0	1	1		1	
	25	26	26	(2)	24	
Total General Fund	510	528	531	65	596	
<u>SPECIAL REVENUE FUNDS</u>						
081-2436 Police Safe Neighborhood Measure W						
Sworn: Police Officer/Trainee	21	22	23	2	25	(13)
Total	21	22	23	2	25	
Total Special Revenue Funds	21	22	23	2	25	
Total Police	531	550	554	67	621	

PERSONNEL BY FUND - FIRE DEPARTMENT
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2014-15</u> <u>Proposed</u>	
<u>GENERAL FUND</u>						
010-2610 Fire-Administration						
Deputy Fire Chief I/II	2	2	1		1	
Executive Assistant	1	1	1		1	
Fire Captain	3	2	3	(3)	0	(14)
Fire Chief	1	1	1		1	
Office Asst. I/II/ Office Specialist/ Secretary	1	2	3		3	
Program Manager I/II	0	2	2		2	
Program Manager III	1	0	1		1	
Project Manager I/II/III	0	0	1		1	
Supervising Office Assistant	1	1	1		1	
	10	11	14	(3)	11	
010-2620 Fire-Suppression/Rescue						
Fire Battalion Chief	6	6	7	(1)	6	(15)
Fire Captain	46	46	45	2	47	(14)
Fire Fighter	51	47	47		47	
Fire Fighter Engineer	48	49	49		49	
	151	148	148	1	149	
010-2650 Fire-Training						
Fire Battalion Chief	1	1	0	1	1	(15)
Fire Captain	1	1	1	1	2	(14)
	2	2	1	2	3	
010-2660 Fire-Dispatch						
Fire Telecommunicator I/II	10	10	10		10	
Fire Telecommunications Supervisor	3	3	3		3	
Program Manager I/II	0	0	1		1	
Sr Telecommunications Supervisor	1	1	0		0	
	14	14	14	0	14	
Total General Fund	177	175	177	0	177	

**PERSONNEL BY FUND - FIRE DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>	
<u>SPECIAL REVENUE FUNDS</u>						
048-2631/2633 Development Services - Fire Prevention						
Deputy Fire Marshal	0	0	0	1	1	(16)
Fire Battalion Chief	1	1	1		1	
Fire Captain	1	1	1	(1)	0	(16)
Fire Prevention Inspector I/II	1	1	1	1	2	(17)
Fire Protection Specialist	1	1	1		1	
Office Asst. I/II/ Office Specialist/ Secretary	2	2	2		2	
Office Technician	1	0	0		0	
Plan Checker I/II	1	1	1	(1)	0	(17)
	8	7	7	0	7	
081-2636 Fire Safe Neighborhood Measure W						
Fire Captain	5	6	6		6	
Fire Fighter	10	12	14		14	
Fire Fighter Engineer	5	5	5		5	
	20	23	25	0	25	
Total Special Revenue Funds	28	30	32	0	32	
Total Fire Department	205	205	209	0	209	

**PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>	
GENERAL FUND						
010-3010 Public Works-Administration						
Administrative Analyst I/II/Sr/Principal	1	2	2	(1)	1	(18)
Executive Assistant	1	1	1		1	
Finance Assistant I/II/Sr	0	0	1		1	
Office Assist I/II/ Office Spec/ Secretary	1	1	3	(1)	2	(19)
Program Manager I/II	0	0	1		1	
Program Manager III	1	1	1		1	
Project Manager I/II	1	0	0		0	
Public Works Director	1	1	1		1	
Records Specialist	1	1	1		1	
Supervising Office Assistant	1	1	1		1	
	8	8	12	(2)	10	
010-3060 Public Works-Operations & Maintenance						
Administrative Aide I/II	1	1	0		0	
Civil Engineer Assoc./Sr.	2	1	1	(1)	0	(20)
Deputy Public Works Dir/Ops & Maint	1	1	1		1	
Eng Aide/Traffic Eng Aide/ Eng Tech I/II/Sr	3	1	1		1	
Office Assist I/II/ Office Spec/ Secretary	2	2	2		2	
Program Manager I/II	0	0	0	1	1	(21)
Project Manager I/II/III	1	1	1	(1)	0	(21)
Public Works Supervisor	1	0	0		0	
Sr Civil Engineer	0	1	1		1	
Sr Public Works Supervisor	0	1	1	(1)	0	(22)
Sr Public Works Supv Electrical-Traffic	1	0	0		0	
Supv Office Assistant	0	0	1		1	
	12	9	9	(2)	7	
010-3070 Public Works-Parks & Street Trees						
Office Assist I/II/ Office Spec/ Secretary	1	1	1		1	
Park Facility Planner	0	0	1	(1)	0	(23)
Parks Manager	0	0	0	1	1	(24)
Parks Superintendent	1	1	1	(1)	0	(24)
Parks Supervisor	1	0	0		0	
Parks Worker I/II/Aide	4	0	0		0	
Project Manager I/II/III	1	1	0		0	
Public Works Field Specialist	0	0	3		3	
Public Works Maintenance Worker I/II/Sr	0	4	4		4	
Public Works Supervisor	1	0	0	2	2	(25)
Sr Facilities Maintenance Supervisor	0	1	1	(1)	0	(25)
Sr Parks Supervisor	0	1	1	(1)	0	(25)
Sr Parks Worker I/II	2	2	0		0	
Sr Tree Surgeon	1	1	1		1	
Tree Surgeon	4	2	2	1	3	(26)
Tree Worker	0	2	1	(1)	0	(26)
	16	16	16	(1)	15	

**PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	Staffing Modifications	FY 2014-15 Proposed
010-3090 Public Works-Facilities Maintenance					
Craft Maintenance Worker I/II	6	6	5		5
Electrician I/II	2	2	2		2
Facilities Maint Worker I/II/ Facility Aide	5	3	3		3
Fleet & Facilities Manager	0	0	0		0
Heating, Ventilation and Air Mechanic	2	2	3		3
Office Assist I/II/ Office Spec/ Secretary	0	0	0		0
Program Manager III	1	1	1		1
Project Manager I/II/III	2	1	1		1
Public Works Safety Training Officer	1	1	1		1
Sr Electrician	1	1	1		1
Public Works Supervisor	1	1	1		1
	21	18	18	0	18
020-0137 San Joaquin Area Flood Control Agency					
Deputy Public Works Director	0	1	1		1
Engineering Services Manager	1	0	0		0
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	62	56	60	(5)	55

**PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</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/City Engineer	1	1	1		1	
Engineering Aide/Eng Technician I/II/Sr	1	2	2		2	
Engineering Services Manager	2	2	2	(1)	1	(27)
Jr/Asst/Assoc Engineer/Traffic Engineer	11	11	13		13	
Parks Facility Planner	0	1	0	1	1	(23)
Project Manager I/II/III (CIP-funded)	2	3	3		3	
Public Works Inspector	0	2	3		3	
Supv Public Works Inspector	0	1	1		1	
Sr Civil Engineer	1	1	1	1	2	(27)
	20	26	28	1	29	
030-3060 Street Maintenance - Operations & Maintenance						
Civil Engineer Assoc./Sr.	0	0	0	1	1	(20)
Engineering Aide/Technician I/II/Sr	0	2	2		2	
Maintenance Repair Technician I/II	24	21	12	(1)	11	(28)
Parks Supervisor	0	1	1		1	
Public Works Heavy Equipment Operator	3	3	3	(1)	2	(29)
Public Works Maint Worker	0	1	2		2	
Public Works Supervisor	3	3	2	(1)	1	(29)
Public Works Supervisor/Electrical	0	0	1		1	
Sr Maintenance Repair Technician	6	6	5	(1)	4	(29)
Sr Public Works Supervisor	0	0	0	1	1	(22)
Sr Traffic Signal Electrician	1	1	1		1	
Traffic Signal Electrician/Trainee	7	7	7	(1)	6	(29)
	44	45	36	(3)	33	
Total Gas Tax Fund	64	71	64	(2)	62	

**PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>
072-6900 Maintenance Assessment District					
Administrative Aide I/II	0	0	1		1
Assessment District Maint Coordinator	1	1	1		1
Parks Supervisor	0	0	0		0
Project Manager I/II/III	1	1	1	1	2 (28)
	2	2	3	1	4
047-3080 Solid Waste & Recycling					
Administrative Aide I/II	0	0	0	1	1 (19)
Office Assist I/II/ Office Spec/ Secretary	1	1	0		0
Program Manager I/II	1	0	0		0
Project Manager I/II/III	3	4	2	1	3 (18)
Public Works Field Specialist	0	0	1		1
Recycling Specialist	1	1	1		1
Solid Waste Manager	1	1	1		1
Sr Maintenance Repair Technician	2	2	2		2
	9	9	7	2	9
Total Special Revenue Funds	75	82	74	1	75
<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	0	1	1		1
	4	5	5	0	5
501-5023 Fleet-Equipment Maintenance					
Auto Painter/Repair Worker	1	1	1		1
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
Supervising Mechanic	1	0	0		0
Welder/Fabricator Specialist	1	1	1		1
	23	22	22	0	22
Total Internal Service Funds	27	27	27	0	27
Total Public Works	164	165	161	(4)	157

**PERSONNEL BY FUND - COMMUNITY SERVICES DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</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
Library Driver/Clerk	1	1	0		0
Office Asst I/II/ Office Spec./ Secretary	2	3	2		2
Program Manager III	0	0	1		1
	5	6	5	0	5
041-3524-30 Outreach/Technical Services					
Bookmobile Driver/Circulation Assistant	0	0	1		1
Librarian Trainee/I/II	2	3	2		2
Library Assistant I/II	1	2	3		3
Library Driver/Clerk	0	0	1		1
Office Asst I/II/ Office Spec./ Secretary	1	1	2		2
Supervising Librarian	1	1	1		1
	5	7	10	0	10
041-3550 City Branches					
Bookmobile Driver/Circulation Assistant	1	1	0		0
Circulation Assistant I/II	6	6	6		6
Librarian Trainee /I/II	7	7	7		7
Library Aide I/II	3	2	1	1	2 (30)
Library Assistant I/II	7	6	5		5
Supervising Librarian	1	1	1		1
	25	23	20	1	21
041-3540 County Branches					
Circulation Assistant I/II	6	6	6	1	7 (31)
Librarian Trainee/I/II	8	8	9	(1)	8 (30)
Library Aide I/II	1	1	2	(1)	1 (31)
Library Assistant I/II	6	6	6	1	7 (32)
Supervising Librarian	1	1	1		1
	22	22	24	0	24
Total Library Fund	57	58	59	1	60

**PERSONNEL BY FUND - COMMUNITY SERVICES DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>	
RECREATION						
044-3610 Recreation-Administration						
Administrative Analyst I/II/Sr/Principal	0	0	0	1	1	(33)
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	5	4	4		4	
Program Manager I/II	1	1	0		0	
	9	8	7	1	8	
044-3623-46 Recreation Services						
Recreation Assistant I/II/Sr	12	11	11	(1)	10	(34)
Recreation Program Coordinator	2	2	2	1	3	(34)
Recreation Supervisor	3	4	4	(1)	3	(33)
	17	17	17	(1)	16	
Total Recreation Fund	26	25	24	0	24	
Total Special Revenue Funds	83	83	83	1	84	
<u>ENTERPRISE FUNDS</u>						
481-3650 GOLF COURSES						
Golf Manager	1	0	0		0	
Golf Professional	1	0	0		0	
	2	0	0	0	0	
Total Community Services	85	83	83	1	84	

**PERSONNEL BY FUND - COMMUNITY DEVELOPMENT DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	Staffing Modifications	FY 2014-15 Proposed	
<u>DEVELOPMENT SERVICES FUND</u>						
048-1810 Development Services-Administration						
Administrative Analyst I/II/Sr/Principal	1	0	0		0	
Community Development Assistant Director	0	0	1		1	
Community Development Director	1	1	1		1	
Community Development Tech I/II/Sr	0	0	2	2	4	(35)
Executive Assistant	1	1	1		1	
Office Asst I/II/ Office Specialist/ Secretary	1	1	0		0	
Planning Technician I/II	1	1	0		0	
Program Manager I/II	0	1	2		2	
Program Manager III	1	1	1		1	
Revenue Assistant I/II	1	1	1		1	
	7	7	9	2	11	
048-1820 Development Services-Planning/ETP						
Community Development Tech I/II	0	0	2	(1)	1	(35)
Deputy Dir - Planning & Engineering	1	1	1		1	
Eng Aide/Engineering Technician I/II/Sr	2	1	0		0	
Junior/Assistant/Associate Civil Engineer	2	2	1		1	
Park Facility Planner	1	0	0		0	
Planning Manager	3	3	3		3	
Public Works Inspector	2	0	0		0	
Sr Planner	2	2	2		2	
Supervising Public Works Inspector	1	0	0		0	
	14	9	9	(1)	8	
048-1830 Development Services-Building						
Building Permit Technician	2	2	0		0	
Community Development Tech I/II/Sr	0	0	3	(1)	2	(35)
Combination Inspector I/II	5	6	6	(1)	5	(36)
Deputy Director - Building	1	1	1		1	
Plan Check Engineer	1	1	0	1	1	(37)
Plan Checker I/II/Sr	2	2	2	1	3	(38)
Sr Building Inspector	0	0	0	1	1	(36)
Supervising Combination Inspector	2	1	1		1	
Supervising Plan Checker/Structural Engineer	0	0	1	(1)	0	(37)
	13	13	14	0	14	
Total Community Development	34	29	32	1	33	

PERSONNEL BY FUND - ECONOMIC DEVELOPMENT DEPARTMENT
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>
<u>GENERAL FUND</u>					
010-1700 Economic Development					
Deputy Economic Development Director	1	0	1		1
Director of Economic Development	0	1	1		1
Economic Development Analyst I/II/Sr/Princ	0	2	2		2
Executive Assistant	0	0	1		1
Office Asst I/II/ Office Specialist/ Secretary	0	1	1		1
Program Manager I/II	1	1	0		0
Real Property Agent I/II/Sr	0	0	0	1	1 (39)
Supervising Real Property Agent	0	1	1		1
Total General Fund	2	6	7	1	8
<u>SPECIAL REVENUE FUND</u>					
052-8120 Housing - Community Development Block Grant					
Administrative Analyst I/II/Sr	1	1	1		1
Deputy Housing Director	1	0	1		1
Economic Development Analyst I/II/Sr/Princ	0	0	1	(1)	0 (40)
Executive Assistant	1	1	0		0
Housing Financial Advisor I/II/Sr	2	2	1	1	2 (40)
Housing Rehabilitation Counselor I/II/Sr	2	0	0		0
Office Asst I/II/ Office Specialist/ Secretary	0	1	1		1
Program Manager I/II	1	0	0		0
Program Manager III	1	1	0		0
Project Manager I/II/III	0	1	1		1
	9	7	6	0	6
<u>AGENCY FUND</u>					
633-7310 Successor Agency					
Administrative Analyst I/II/Sr/Principal	1	0	0		0
Director of Economic Development	1	0	0		0
Office Asst I/II/ Office Specialist/ Secretary	1	0	0		0
Program Manager I/II	0	1	1		1
Program Manager III	1	0	0		0
Real Property Agent I/II/Sr	1	1	1	(1)	0 (39)
Supervising Real Property Agent	1	0	0		0
	6	2	2	(1)	1

**PERSONNEL BY FUND - ECONOMIC DEVELOPMENT DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>
<u>ENTERPRISE FUND</u>					
416-4020 Central Parking District					
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1
Parking District Supervisor	1	1	1		1
Supervising Parking Attendant	1	1	1		1
	3	3	3	0	3
Total Special Revenue Funds	18	12	11	(1)	10
Total Economic Development Department	20	18	18	0	18

**PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>
<u>WATER FUND</u>					
421-4210 Water Administration					
Junior/Assistant/Associate Civil Engineer	1	1	0		0
Deputy Director Water Resource Planning	1	1	1		1
Sr. Civil Engineer	1	1	1		1
Office Asst I/II/ Office Specialist/ Secretary	2	1	1		1
Program Manager III	1	1	1		1
Project Manager I/II	0	1	1		1
Public Works Inspector	1	0	0		0
	<u>7</u>	<u>6</u>	<u>5</u>	<u>0</u>	<u>5</u>
421-4223 Hydrant Maintenance					
Hydrant Worker/Sr	2	2	2		2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>
421-4231 Water Distribution					
Electrical Technician I/II	1	1	1	(1)	0 (41)
Office Asst I/II/ Office Specialist/ Secretary	1	2	2		2
Sr Plant Maintenance Supervisor	1	0	0		0
Water Field Technician	5	5	5		5
Water Operations Superintendent	0	0	1		1
Water Operations Supervisor	1	1	0		0
Water Systems Operator I/II/Sr	22	22	18	(1)	17 (42)
Water/Sewer Equipment Operator	1	1	1		1
	<u>32</u>	<u>32</u>	<u>28</u>	<u>(2)</u>	<u>26</u>
421-4234 Water Operations & Maintenance (DWSP)					
Chief Plant Operator	0	1	1		1
Electrical Technician I/II	0	1	1	1	2 (41)
Plant Maintenance Mechanic	0	0	0	2	2 (43)
Plant Maintenance Worker I/II	0	0	0	2	2 (44)
Plant Operator I/II/Sr	0	7	8		8
Plant Operations Supervisor	0	0	0	1	1 (45)
Sr Plant Maintenance Mechanic	0	1	1		1
Water Systems Operator I/II/Sr	0	0	3	1	4 (42)
	<u>0</u>	<u>10</u>	<u>14</u>	<u>7</u>	<u>21</u>
Total Water	<u>41</u>	<u>50</u>	<u>49</u>	<u>5</u>	<u>54</u>

PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2014-15</u> <u>Proposed</u>	
<u>WASTEWATER FUND</u>						
431-4311 Wastewater Policy, Planning, Management						
Assistant MUD Director	1	1	1		1	
Buyer I/II/Sr	1	1	1		1	
Deputy Director Maintenance & Collections	1	1	1	(1)	0	(46)
Deputy Director Wastewater	1	1	1	(1)	0	(47)
Deputy Director Water Resource Planning	1	0	0		0	
Director of Municipal Utilities	1	1	1		1	
Electrical Technician I/II	0	0	0	1	1	(48)
Executive Assistant	1	1	1		1	
Materials Specialist	2	2	2		2	
MUD Finance Officer	0	1	1		1	
MUD Safety Officer	1	1	1		1	
Office Asst I/II/Sr. Office Specialist/ Secretary	3	4	4	(1)	3	(49)
Office Technician	0	0	0	2	2	(50)
Program Manager I/II	2	2	2	(1)	1	(51)
Program Manager III	0	1	1		1	
Regulatory Compliance Officer	1	1	1		1	
SCADA/CMMS Manager	1	1	1		1	
Technology Support Specialist I/II	1	1	1		1	
	18	20	20	(1)	19	
431-4312 Engineering CIP						
Engineering Services Manager	0	1	1		1	
GIS Specialist I/II	1	1	1		1	
Junior/Assistant/Associate Civil Engineer	6	6	7		7	
Office Asst I/II/ Office Specialist/ Secretary	1	2	2		2	
Program Manager III	0	0	1	(1)	0	(52)
Public Works Inspector	2	2	1		1	
Sr Civil Engineer	3	1	1		1	
Principal Civil Engineer	0	1	1		1	
Sr Office Assistant	1	0	0		0	
	14	14	15	(1)	14	
431-4331 Operations						
Chief Plant Operator	0	1	1		1	
Deputy Director Wastewater	0	0	0	1	1	(47)
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1	
Office Technician	0	0	0	1	1	(53)
Plant Maintenance Worker I/II	0	0	1	(1)	0	(54)
Plant Operator I/II/Sr	26	26	26	(1)	25	(45)
Plant Operations Supervisor	2	2	2		2	
Program Manager III	0	0	0	1	1	(51)
Sr Plant Operations Supervisor	1	0	0		0	
	30	30	31	1	32	

**PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>
431-4331 Maintenance					
Electrical Technician I/II	4	3	3		3
Office Asst I/II/ Office Specialist/ Secretary	1	0	0		0
Plant Maintenance Machinist	1	1	0		0
Plant Maintenance Mechanic	16	8	9		9
Plant Maintenance Worker I/II	8	5	2		2
Plant Maintenance Supervisor	2	1	1		1
Sr Plant Maintenance Mechanic	4	3	2	1	3 (55)
Sr Plant Maintenance Supervisor	1	0	0		0
	37	21	17	1	18
431-4332 Sanitary Sewers/Collections					
Collection Systems Operator I/II/Sr	32	32	31	5	36 (56)
Collection Systems Supervisor	2	2	2		2
Deputy Director Maintenance & Collections	0	0	0	1	1 (46)
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	1	2 (57)
Plant Maintenance Worker I/II	0	0	1	(1)	0 (58)
Program Manager I/II	0	0	0	1	1 (59)
Program Manager III	0	0	0	1	1 (52)
Public Works Inspector	0	0	0	1	1 (60)
Water/Sewer Equipment Operator	2	2	2		2
	37	37	37	9	46
431-4333 Sanitary Pump Stations					
Electrical Technician I/II	0	1	2		2
Office Asst I/II/ Office Specialist/ Secretary	0	1	1		1
Plant Maintenance Machinist	0	0	1		1
Plant Maintenance Mechanic	0	9	8		8
Plant Maintenance Worker I/II	0	2	3	1	4 (58)
Plant Maintenance Supervisor	0	1	1		1
Sr Plant Maintenance Mechanic	0	1	2		2
Sr Plant Maintenance Supervisor	0	1	1		1
	0	16	19	1	20
431-4341 Environmental Control					
Environmental Control Officer	4	4	4		4
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1
Sr Environmental Control Officer	1	1	1		1
Technical Services Supervisor	1	1	1		1
	7	7	7	0	7
Total Wastewater	143	145	146	10	156

**PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>	
<u>STORMWATER FUND</u>						
441-4410 Stormwater-Policy, Planning, Management						
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	(1)	0	(57)
Program Manager I/II	1	1	1	(1)	0	(59)
Program Manager III	1	1	0		0	
Public Works Inspector	1	1	1	(1)	0	(60)
Stormwater Outreach Coordinator	0	0	0		0	
	4	4	3	(3)	0	
441-4431 Stormwater Collections						
Collections Systems Operator I/II/Sr	3	3	3	(3)	0	(56)
	3	3	3	(3)	0	
Total Stormwater	7	7	6	(6)	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	198	209	208	9	217	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>	
CITY COUNCIL						
Admin Aide I/II	0	0	0	1	1	(61)
Councilmember	6	6	6		6	
Executive Assistant to the Mayor	1	1	1		1	
Mayor	1	1	1		1	
	8	8	8	1	9	
CITY MANAGER						
Administrative Aide I/II	3	3	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	0	0	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	
Legal Secretary I/II	2	2	2		2	
	11	11	11	0	11	
CITY AUDITOR						
Admin Analyst I/II/Sr	1	1	0		0	
Assistant City Auditor	1	1	0		0	
City Auditor	1	1	0		0	
Deputy City Auditor I/II/Sr	1	1	0		0	
	4	4	0	0	0	
CITY CLERK						
Assistant City Clerk I/II	1	1	1		1	
City Clerk	1	1	1		1	
Deputy City Clerk I/II/Sr	1	1	1	3	4	(62)
Office Specialist	1	1	1	(1)	0	(62)
Records Research Specialist	1	1	1		1	
Supervising Deputy City Clerk	1	1	1	(1)	0	(62)
	6	6	6	1	7	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</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	0	0	1	1	(63)
Office Asst I/II/ Office Specialist/ Secretary	0	0	0	1	1	(63)
Program Manager III	0	0	0	1	1	(63)
Youth Outreach Coordinator	1	1	1		1	(63)
Youth Outreach Worker	5	5	5	4	9	(63)
	6	6	6	7	13	
Total Non-Departmental	10	10	10	7	17	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2014-15</u> <u>Proposed</u>	
HUMAN RESOURCES						
<u>GENERAL FUND</u>						
010-1610 Human Resources-Recruitment & Workforce Planning						
Human Resources Analyst I/II/Sr	3	2	2	2	4	(64)
Human Resources Asst I/II /Specialist	3	1	1		1	
Supervising Human Resource Analyst	1	1	1		1	
	8	4	4	2	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	1	2	2		2	
Human Resources Asst I/II /Specialist	1	2	1		1	
Human Resources Program Assistant	0	1	1		1	
Human Resources Technician	0	1	2		2	
Supervising Human Resource Analyst	0	1	1		1	
	6	11	11	0	11	
Total General Fund-Human Resources	14	15	15	2	17	
<u>INTERNAL SERVICE FUNDS</u>						
551-5600 Worker's Compensation						
Human Resources Asst I/II /Specialist	1	0	0		0	
Human Resources Manager/Safety Officer	0	0	0	1	1	(65)
Human Resources Program Assistant	1	1	1		1	
Human Resources Technician	1	0	0		0	
Risk Analyst I/II	0	0	0	1	1	(66)
	3	1	1	2	3	
552-5510 Health Benefits						
Benefits Analyst	1	1	1	(1)	0	(67)
Deputy Director of Human Resources	0	1	1		1	
Human Resources Analyst I/II/Sr	0	0	0	1	1	(67)
Human Resources Asst I/II /Specialist	1	1	1		1	
Human Resources Program Manager	1	0	0		0	
Human Resources Technician	2	2	2		2	
Supervising Human Resources Analyst	0	1	1		1	
	5	6	6	0	6	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>	
541-5700 General Liability Insurance						
Human Resources Program Assistant	0	1	1		1	
Human Resources Manager/Safety Officer	0	1	1	(1)	0	(65)
Liability Claims Investigator I/II	1	1	1		1	
Risk Analyst I/II	1	1	1	(1)	0	(66)
Risk/Loss Control Specialist	2	1	1		1	
Risk/Loss Control Analyst	1	0	0		0	
Risk Manager	1	0	0		0	
	6	5	5	(2)	3	
Total Internal Service Funds	14	12	12	0	12	
Total Human Resources	28	27	27	2	29	

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing</u> <u>Modifications</u>	<u>FY 2014-15</u> <u>Proposed</u>
ADMINISTRATIVE SERVICES DEPARTMENT					
<u>GENERAL FUND</u>					
010-1310 Administration					
Accountant I/II/Sr	1	0	0		0
Assistant Director of Administrative Services	0	1	1		1
Chief Financial Officer	1	1	1		1
Executive Assistant	0	1	1		1
Finance Officer	1	0	0		0
Office Asst I/II/ Office Specialist/ Secretary	3	1	1		1
Program Manager I/II	1	0	0		0
Program Manager III	1	1	1		1
	8	5	5	0	5
010-1320 Financial Services					
Accountant I/II/Sr	6	7	7	1	8 (68)
Accounting Manager	1	1	1		1
Deputy City Auditor I/II/Sr	0	0	1		1
Finance Assistant I/II/Sr	6	7	7		7
Financial Services Supervisor	1	1	1		1
Payroll Technician	0	0	0	1	1 (68)
Program Manager I/II	1	1	1		1
Supervising Accountant	0	0	1	1	2 (68)
	15	17	19	3	22
010-1322 Budget					
Administrative Analyst I/II/Sr/Principal	1	0	0		0
Budget Officer	1	1	1		1
Program Manager I/II	2	3	3	1	4 (68)
	4	4	4	1	5
010-1331 Treasury					
Office Asst I/II/ Office Specialist/ Secretary	1	1	1		1
Revenue Assistant I/II/Sr	9	9	10		10
Revenue Collector	2	2	2	(1)	1 (69)
Revenue Officer	0	1	1		1
Supervising Revenue Assistant	1	1	1		1
Supervising Revenue Collector	0	0	0	1	1 (69)
	13	14	15	0	15
010-1340 Purchasing					
Buyer I/II/Sr	2	2	2		2
Materials Specialist	1	1	1		1
Purchasing Agent	1	1	1		1
	4	4	4	0	4

PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Staffing Modifications</u>	<u>FY 2014-15 Proposed</u>
010-1350 Utility Billing/Customer Service					
Customer Service Assistant	2	2	2		2
Revenue Assistant I/II/Sr	9	9	8		8
Revenue Collector	3	3	3		3
Supervising Revenue Assistant	1	1	1		1
	15	15	14	0	14
Total General Fund	59	59	61	4	65
<u>INTERNAL SERVICE FUNDS</u>					
502-5100 Information Technology					
Assistant/Deputy IT Director	1	0	0		0
Director of Information Technology	0	0	0	1	1 (70)
Executive Assistant	0	0	0	1	1 (70)
GIS Analyst I/II/Sr	2	2	2		2
GIS Specialist I/II/Sr	1	1	1		1
GIS Supervisor	1	1	1		1
Network Support Analyst I/II/Sr	4	4	4		4
Network Support Services Supervisor	1	1	1		1
Office Asst I/II/ Office Specialist/ Secretary	2	2	2		2
Program Manager I/II	1	1	0		0
Program Manager III	0	0	1		1
Systems Analyst I/II/Sr	10	9	9		9
Technology Officer	0	1	1		1
Technology Project Coordinator	1	1	1		1
Technology Support Specialist I/II	9	10	10		10
Technology Systems Supervisor	3	3	3		3
	36	36	36	2	38
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
503-5200 Radio					
Technology Project Coordinator	1	0	0		0
Technology Support Specialist I/II	1	1	1		1
Project Manager I/II	0	1	1		1
	2	2	2	0	2
504-5300 Telecommunications					
Technology Support Specialist I/II	1	1	1		1
	1	1	1	0	1
Total Internal Service Funds	41	41	41	2	43
Total Administrative Services	100	100	102	6	108
Total Administration and Support	177	176	174	17	191
City-wide Total	1,414	1,435	1,439	91	1,530

PERSONNEL BY FUND
FY 2014-15 Proposed Budget
Footnotes

Police Department

- (1) Added 22 Measure A funded non-sworn positions mid-year in Police Department
- (2) Reclassified 1 Sr. Finance Assistant to Finance Assistant II
- (3) Moved 1 Police Officer from Field Services to Administration - Personnel & Training
- (4) Moved 5 from State COPS Fund to General Fund
- (5) Reclassified 1 Program Manager III to Police Services Manager
- (6) Reclassified 1 Police Sergeant to Police Captain
- (7) Added 35 Measure A funded and 2 Central Parking funded Police Officers mid-year; moved 2 to Measure W, 1 to Personnel & Training and 1 to Investigations; and reclassified 1 Police Officer to Police Sergeant
- (8) Added 5 Measure A funded positions mid-year; moved 1 Police Sergeant to CCP Task Force; reclassified 1 Police Sergeant to Police Captain; and reclassified 1 Police Officer to Police Sergeant.
- (9) Moved 1 Police Officer from Field Services
- (10) City Manager approved new position
- (11) Added 1 Police Officer and 1 Crime Analyst mid-year to support Community Corrections Partnership Task Force
- (12) Moved 1 Police Sergeant from Field Services
- (13) Moved 2 officers from Field Services

Fire Department

- (14) Moved 2 positions to Suppression/Rescue and 1 position to Training from Administration
- (15) Moved to Training from Suppression/Rescue
- (16) Reclassified 1 Fire Captain to Deputy Fire Marshal
- (17) Reclassified 1 Plan Checker I/II to Fire Prevention Inspector I/II

Public Works Department

- (18) Reclassified 1 Administrative Analyst I/II/Sr/Principal to Project Manager I/II and moved to Solid Waste from Administration
- (19) Reclassified 1 Office Assist I/II/ Office Spec/ Secretary to Administrative Aide I/II and move to Solid Waste from Administration
- (20) Moved to Street Maintenance from Operations & Maintenance
- (21) Reclassified from Project Manager I/II to Program Manager I/II
- (22) Moved to Street Maintenance - Operations & Maintenance from Operations & Maintenance
- (23) Moved to Parks & Street Trees from Street Maintenance - Engineering
- (24) Reclassified from Parks Superintendent to Parks Manager
- (25) Reclassified 1 Sr Facilities Maintenance Supervisor and 1 Sr Parks Supervisor to Public Works Supervisor
- (26) Reclassified 1 Tree Worker to Tree Surgeon
- (27) Reclassified 1 Engineering Services Manager to Sr Civil Engineer
- (28) Reclassified 1 Maintenance Repair Technician I/II/Sr to Project Manager I/II and moved to Maintenance Assessment Districts
- (29) Eliminated 4 vacant positions

**PERSONNEL BY FUND
FY 2014-15 Proposed Budget
Footnotes**

Community Services Department

- (30) Reclassified 1 Librarian Trainee/I/II to Library Aide I/II and moved from County (3540) to City (3550) branches
- (31) Reclassified Library Aide as Circulation Asst.
- (32) Added new position for County Lathrop facility expansion
- (33) Reclassified Recreation Supervisor to Administrative Analyst I/II/Sr/Principal and moved from Recreation Services to Administration
- (34) Reclassified Recreation Assistant I/II/Sr to Recreation Program Coordinator

Community Development Department

- (35) Moved 1 Community Development Tech I/II/Sr from Planning/ETP and 1 Community Development Tech I/II/Sr from Building to Administration
- (36) Reclassified 1 Combination Inspector I/II to Sr Building Inspector
- (37) Reclassified 1 Supervising Plan Checker/Structural Engineer to Plan Check Engineer
- (38) City Manager approved new position

Economic Development Department

- (39) Moved Real Property Agent I/II/Sr from Successor Agency to Economic Development
- (40) Reclassified 1 Economic Development Analyst I/II/Sr/Princ to Housing Financial Advisor I/II/Sr

PERSONNEL BY FUND
FY 2014-15 Proposed Budget
Footnotes

Municipal Utilities Department

- (41) Moved to Water Operations & Maintenance (DWSP) from Water Distribution
- (42) Moved from Water Distribution to Water Operations & Maintenance (DWSP)
- (43) Added 2 City Manager approved positions
- (44) Added 1 City Manager approved position and moved 1 from Wastewater Operations to Water Operations & Maintenance (DWSP)
- (45) Reclassified Plant Operator I/II/Sr to Plant Operations Supervisor and moved from Wastewater Distribution to Water Operations & Maintenance (DWSP)
- (46) Moved from Wastewater Administration to Sanitary Sewers/Collections
- (47) Moved from Wastewater Administration to Wastewater Operations
- (48) Added 1 City Manager approved position
- (49) Reclassified to Office Technician from Office Asst I/II/Sr. Office Specialist/ Secretary
- (50) Added 1 City Manager approved position and reclassified to Office Technician from Office Asst I/II/Sr. Office Specialist/ Secretary
- (51) Reclassified 1 Program Manager I/II to Program Manager III and moved to Wastewater Operations
- (52) Moved from Wastewater Engineering CIP to Sanitary Sewers/Collections
- (53) Added 1 City Manager approved position
- (54) Moved 1 from Wastewater Operations to Water Operations & Maintenance (DWSP)
- (55) Added 1 City Manager approved position
- (56) Added 2 City Manager approved positions and moved 3 Collection System Operator I/II/Sr positions from Stormwater Collections to Sanitary Sewers/Collections
- (57) Moved from Stormwater-Policy, Planning, Management to Sanitary Sewers/Collections
- (58) Moved from Sanitary Sewers/Collections to Sanitary Pump Stations
- (59) Moved from Stormwater-Policy, Planning, Management to Sanitary Sewers/Collections
- (60) Moved from Stormwater-Policy, Planning, Management to Sanitary Sewers/Collections

Administrative & Support Departments

- (61) City Manager approved new position
- (62) Added 1 City Manager approved new position, reclassified 1 Office Specialist and 1 Supervising Deputy City Clerk to Deputy City Clerk I/II/Sr
- (63) Added 7 Measure A funded non-sworn positions mid-year in Office of Violence Prevention
- (64) Added 1 Measure A funded non-sworn positions mid-year in Human Resources and 1 City Manager approved position to provide service to and be funded by the City's utility funds
- (65) Moved Human Resources Manager/Safety Officer to Worker's Compensation from General Liability Insurance
- (66) Moved Risk Analyst I/II to Worker's Compensation from General Liability Insurance
- (67) Reclassified Benefits Analyst to Human Resources Analyst I/II/Sr
- (68) Added 4 Measure A funded non-sworn positions mid-year in Administrative Services
- (69) Reclassified 1 Revenue Collector to Supervising Revenue Collector
- (70) Added 2 City Manager approved new positions

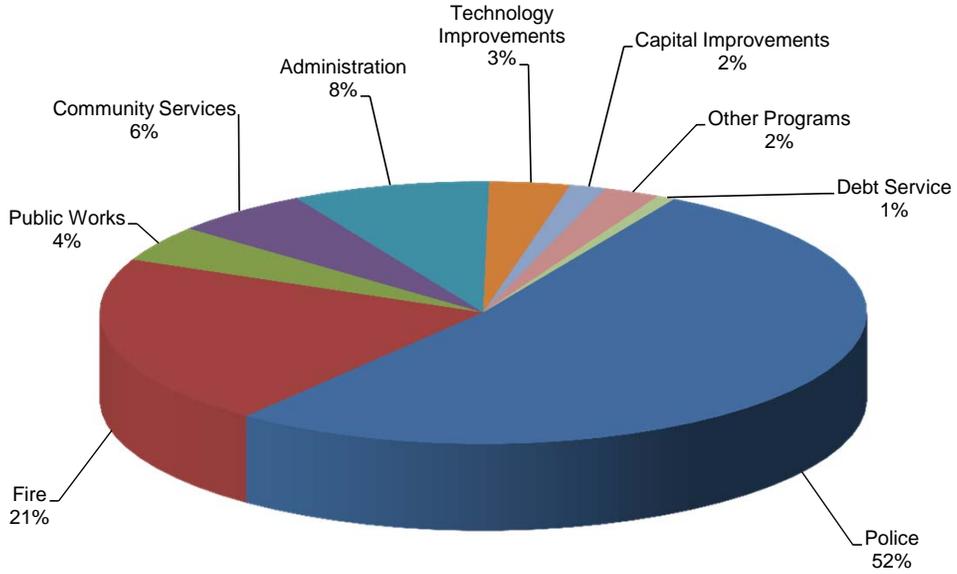
PERSONNEL BY FUND
FY 2014-15 Proposed Budget

Endnotes

- (A) Grant funded positions are authorized to be added as grant funding requires; positions are 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 retirements 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) All unfunded positions have been eliminated from the Fiscal Year 2013-14 Budget Personnel Listing.
- (I) 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 2014-15 Proposed Budget



Program Appropriations

Police	\$ 95,544,951	52%
Fire	38,492,749	21%
Public Works	8,139,168	4%
Community Services	10,650,000	6%
Administration	15,325,937	8%
Technology Improvements	6,236,000	3%
Capital Improvements	2,775,000	2%
Other Programs	4,354,892	2%
Debt Service	1,410,973	1%
	\$ 182,929,670	

General Fund - 010
FY 2014-15 Proposed Budget
Budget Summary

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Beginning Balance	\$ 5,358,000	\$ 245,816	\$ 3,093,428	\$ 9,781,222
Revenues	160,444,658	162,389,306	167,593,067	193,821,893
	<u>160,444,658</u>	<u>162,389,306</u>	<u>167,593,067</u>	<u>193,821,893</u>
	-	-	-	-
Expenditures				
Employee Services	110,785,542	98,450,570	106,695,406	116,090,498
Other Services	28,213,404	33,558,397	32,385,713	34,606,666
Materials & Supplies	2,559,309	3,070,922	4,456,048	4,071,990
Other Expenses	707,886	(1,278,239)	3,763,471	3,995,139
Capital Outlay	51,405	250,000	266,733	1,028,404
Loan Repayment	3,195,959	977,898	1,397,973	1,410,973
Transfer Out	13,008,207	11,566,972	13,547,094	21,726,000
	<u>158,521,712</u>	<u>146,596,520</u>	<u>162,512,438</u>	<u>182,929,670</u>
	-	-	-	-
Reserves				
Change in Fund Balance restrictions	(1,435,130)	722,445	1,607,165	
Bankruptcy Reserve (a)	(5,600,000)	(13,667,619)		
	<u>(7,035,130)</u>	<u>(12,945,174)</u>	<u>1,607,165</u>	<u>-</u>
	-	-	-	-
Net Annual Activity	<u>(5,112,184)</u>	<u>2,847,612</u>	<u>6,687,794</u>	<u>10,892,223</u>
Ending Balance	<u>\$ 245,816</u>	<u>\$ 3,093,428</u>	<u>\$ 9,781,222</u>	<u>\$ 20,673,445</u>
Available Balance Calculation				
Cash		\$ 11,853,219		
Accounts Receivable		18,040,728		
Prepaid Items		316,782		
Accounts Payable		(9,085,411)		
Encumbrances		(1,713,443)		
Debt Reserves		(2,334,046)		
Bankruptcy Reserve		(13,667,619)		
Other Commitments		(316,782)		
Ending Available Balance		<u>\$ 3,093,428</u>		

(a) Ending available balance in the General Fund has been reserved for bankruptcy costs and settlements as presented in the Bankruptcy Fund per City Council direction. At June 30, 2013 \$3.1 million from the unanticipated refund of County Property Tax Administration Fees was retained in the General Fund to begin building a fund balance reserve.

General Fund - 010
FY 2014-15 Proposed Budget
Revenues

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited</u>	<u>Current</u>	<u>Proposed</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
General Tax Revenues				
Property Taxes				
Property Taxes	\$ 26,375,894	\$ 26,326,096	\$ 26,905,000	\$ 27,920,000
Prior Year Admin Adjustment	-	3,093,428	-	-
In-Lieu of Motor Vehicle Fees	<u>17,582,487</u>	<u>17,307,349</u>	<u>17,982,000</u>	<u>18,498,000</u>
	<u>43,958,381</u>	<u>46,726,873</u>	<u>44,887,000</u>	<u>46,418,000</u>
Sales Tax				
75% Point of Sale	27,727,667	28,682,711	29,080,000	30,053,000
25% County ERAF Backfill	8,392,001	9,937,924	9,779,500	9,991,000
Measure A Transaction Tax	-	-	6,803,630	27,923,000
Proposition 172	<u>1,177,150</u>	<u>1,298,885</u>	<u>1,305,500</u>	<u>1,384,000</u>
	<u>37,296,818</u>	<u>39,919,520</u>	<u>46,968,630</u>	<u>69,351,000</u>
Utility Users Tax				
Water	3,161,006	3,370,767	3,255,000	3,577,200
Electric & Gas	17,108,466	17,199,134	17,600,000	18,272,000
Cable	1,945,475	2,295,378	2,358,000	2,463,000
Telecommunications	<u>9,289,762</u>	<u>9,075,454</u>	<u>8,977,000</u>	<u>7,975,000</u>
	<u>31,504,709</u>	<u>31,940,733</u>	<u>32,190,000</u>	<u>32,287,200</u>
Franchise Tax				
PG&E	1,864,105	1,838,485	1,909,000	1,931,000
Cable/Video	3,105,218	2,225,238	2,242,000	2,240,000
Waste Haulers	<u>7,495,513</u>	<u>7,612,801</u>	<u>7,520,000</u>	<u>7,841,000</u>
	<u>12,464,836</u>	<u>11,676,524</u>	<u>11,671,000</u>	<u>12,012,000</u>
Business License Tax	8,915,457	9,168,078	8,989,000	9,230,584
Hotel/Motel Tax	1,932,631	2,005,668	1,950,000	2,135,000
Document Transfer Tax	603,313	458,431	500,000	524,000
Motor Vehicle License	151,585	125,724	150,000	120,000
Interest	<u>178,762</u>	<u>315,049</u>	<u>20,250</u>	<u>163,723</u>
	<u>11,781,748</u>	<u>12,072,950</u>	<u>11,609,250</u>	<u>12,173,307</u>
Program Revenues				
Fire Contracts	4,792,062	3,340,676	3,325,921	3,379,685
Code Enforcement	4,037,689	2,798,483	2,947,600	3,035,777
Charges for Services	1,912,803	1,898,117	1,826,179	2,067,829
Fines & Forfeitures	1,729,835	2,023,403	1,300,300	1,570,451
Revenues from Other Agencies	780,976	911,060	679,800	859,262
Licenses & Permits	402,790	384,273	369,773	383,810
Sale of Fixed Assets	-	-	-	550,000
Misc. Other Revenues	<u>(1,884,997)</u>	<u>(949,309)</u>	<u>(141,320)</u>	<u>(107,000)</u>
	<u>11,771,158</u>	<u>10,406,703</u>	<u>10,308,253</u>	<u>11,739,814</u>
Interfund Reimbursements				
Indirect Cost Allocation	5,114,302	4,589,196	4,724,490	4,594,344
Refunds & Reimbursements	2,381,424	1,247,380	1,618,539	1,622,952
Rents/Leases/Concessions	<u>2,593,355</u>	<u>2,973,562</u>	<u>2,706,711</u>	<u>2,711,082</u>
	<u>10,089,081</u>	<u>8,810,138</u>	<u>9,049,740</u>	<u>8,928,378</u>
Transfers In				
From Parking for Debt Service - 417	<u>1,577,927</u>	<u>835,865</u>	<u>909,194</u>	<u>912,194</u>
	<u>1,577,927</u>	<u>835,865</u>	<u>909,194</u>	<u>912,194</u>
Total Revenues	<u>\$ 160,444,658</u>	<u>\$ 162,389,306</u>	<u>\$ 167,593,067</u>	<u>\$ 193,821,893</u>

General Fund - 010
FY 2014-15 Proposed Budget
Revenues by Department

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Current Budget	Proposed Budget
General Tax Revenues				
Taxes	\$ 119,093,658	\$ 124,588,478	\$ 129,173,630	\$ 153,459,784
Licenses & Permits	50,169	39,536	38,000	40,014
Intergovernmental Revenue	18,426,826	18,095,959	18,735,000	19,324,500
Charges for Services	565,056	564,855	565,056	565,056
Uses of Money & Property	2,618,779	3,161,690	2,611,036	2,748,635
Reimbursements/Other Revenues	4,898,229	4,682,664	4,524,490	4,394,344
Sale of Fixed Assets	-	-	-	550,000
	<u>145,652,717</u>	<u>151,133,182</u>	<u>155,647,212</u>	<u>181,082,333</u>
Police Department				
Licenses & Permits	352,621	344,331	331,773	343,796
Intergovernmental Revenue	88,223	217,838	76,800	152,762
Charges for Services	3,668,991	2,987,128	2,830,975	3,222,232
Fines & Forfeitures	2,712,343	2,390,102	1,956,500	2,134,349
Uses of Money & Property	87,250	74,685	60,250	44,723
Reimbursements/Other Revenues	942,292	430,847	1,931,206	1,975,254
Sale of Fixed Assets	616	-	-	-
	<u>7,852,336</u>	<u>6,444,931</u>	<u>7,187,504</u>	<u>7,873,116</u>
Fire Department				
Intergovernmental Revenue	-	30,336	-	-
Charges for Services	5,046,480	3,636,268	3,625,294	3,675,141
Reimbursements/Other Revenues	74,490	79,676	42,683	82,348
	<u>5,120,970</u>	<u>3,746,280</u>	<u>3,667,977</u>	<u>3,757,489</u>
Public Works				
Licenses & Permits	-	406	-	-
Uses of Money & Property	142,909	113,095	105,100	114,900
Reimbursements/Other Revenues	20,584	38,634	22,680	23,000
	<u>163,493</u>	<u>152,135</u>	<u>127,780</u>	<u>137,900</u>
Administrative Services				
Charges for Services	40,550	30,204	27,100	25,300
Fines & Forfeitures	5,814	3,251	2,700	1,500
Reimbursements/Other Revenues	7,867	8,252	650	350
	<u>54,231</u>	<u>41,707</u>	<u>30,450</u>	<u>27,150</u>
Charter Offices				
Charges for Services	12,199	21,154	12,275	20,164
Fines & Forfeitures	-	-	100	-
Uses of Money & Property	-	2	-	-
	<u>12,199</u>	<u>21,156</u>	<u>12,375</u>	<u>20,164</u>
Human Resources				
Charges for Services	190	-	-	-
Reimbursements/Other Revenues	-	-	-	-
	<u>190</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic Development				
Uses of Money & Property	10,575	13,950	10,575	11,547
	<u>10,575</u>	<u>13,950</u>	<u>10,575</u>	<u>11,547</u>
Community Services - Arts				
Uses of Money & Property	20	100	-	-
	<u>20</u>	<u>100</u>	<u>-</u>	<u>-</u>
Transfers In				
Central Parking	1,577,927	835,865	909,194	912,194
	<u>1,577,927</u>	<u>835,865</u>	<u>909,194</u>	<u>912,194</u>
Total Revenues	<u>\$ 160,444,658</u>	<u>\$ 162,389,306</u>	<u>\$ 167,593,067</u>	<u>\$ 193,821,893</u>

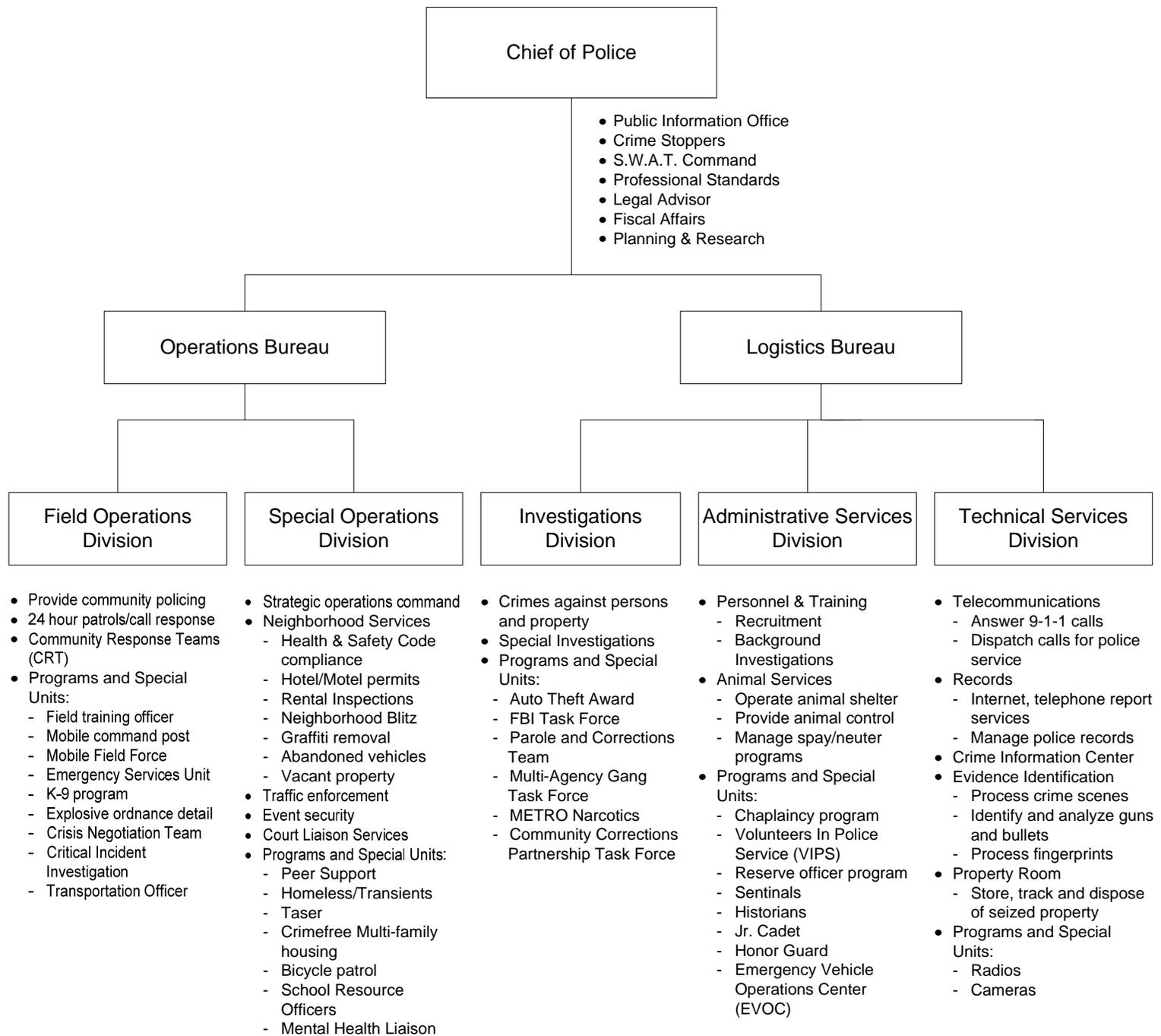
General Fund - 010
FY 2014-15 Proposed Budget
Expenditures by Program

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Current Budget	Proposed Budget
Expenditures				
<u>Programs</u>				
Police	\$ 80,872,576	\$ 78,275,541	\$ 85,330,420	\$ 95,544,951
Fire	41,507,875	34,223,739	36,000,911	38,492,749
Public Works	6,783,539	6,604,194	7,348,351	8,139,168
Economic Development	355,285	557,037	1,001,113	1,160,085
Peacekeeper Program	193,659	205,065	316,634	1,129,807
Arts Commission	35,981	21,018	-	-
	<u>129,748,915</u>	<u>119,886,594</u>	<u>129,997,429</u>	<u>144,466,760</u>
<u>Program Support for Other Funds</u>				
Library	3,977,759	3,907,000	3,999,000	4,250,000
Recreation	2,757,263	2,340,000	2,845,000	2,950,000
Entertainment Venues	2,441,299	2,637,350	2,653,094	3,100,000
RDA Successor Agency	1,813,800	530,842	750,000	450,000
Downtown Marina	732,000	47,299	160,000	215,000
Capital Improvement	620,000	600,000	1,290,000	2,775,000
Administration Building	480,538	-	-	-
Golf Courses	-	502,000	450,000	350,000
Grant Match	35,548	2,481	400,000	400,000
Development Services	150,000	1,000,000	1,000,000	1,000,000
Information Technology ISF	-	-	-	5,236,000
Radio ISF	-	-	-	1,000,000
	<u>13,008,207</u>	<u>11,566,972</u>	<u>13,547,094</u>	<u>21,726,000</u>
<u>Administration</u>				
City Council	501,695	455,077	463,089	700,858
City Manager	730,444	974,961	1,019,518	1,185,717
City Attorney	735,989	549,152	987,363	1,077,773
City Clerk	709,677	681,549	697,506	751,087
City Auditor	448,924	190,431	1,206,563	808,084
Administrative Services	3,316,744	3,121,666	3,907,727	4,676,179
Human Resources	1,242,134	1,318,347	2,088,112	2,244,007
Tax Collection & Election	2,043,667	1,969,908	2,599,594	2,848,700
Other Administration	(720,311)	(329,647)	600,470	(2,966,468)
Labor Litigation	3,559,668	5,233,612	2,000,000	2,000,000
	<u>12,568,631</u>	<u>14,165,056</u>	<u>15,569,942</u>	<u>13,325,937</u>
Debt Service	<u>3,195,959</u>	<u>977,898</u>	<u>1,397,973</u>	<u>1,410,973</u>
Contingency	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	<u>\$ 158,521,712</u>	<u>\$ 146,596,520</u>	<u>\$ 162,512,438</u>	<u>\$ 182,929,670</u>

**General Fund
Measure A
FY 2014-15 Proposed Budget**

	FY 2013-14 Current Budget	FY 2014-15 Proposed Budget
Revenues		
Police		
Measure A Transaction and Use Tax	6,803,630	27,923,000
Total Revenues	6,803,630	27,923,000
Expenditures		
Police		
Salary & Benefits		
Sworn (40)	420,536	5,118,986
Non-Sworn (22)		1,601,248
Vacancy Savings		(1,612,286)
Other Services	80,000	610,307
Materials & Supplies		
Fuel		193,500
Other Supplies	37,600	210,628
Equipment		
Office Equipment		52,500
Radios (39)	99,200	349,944
Vehicles (39)	216,000	801,000
Other Expenses		
Training	2,500	307,500
	855,836	7,633,327
Office of Violence Prevention		
Salary & Benefits		
Non-Sworn (7)		524,555
Other Services		140,531
Materials & Supplies		
Fuel		12,000
Other Supplies		10,000
Equipment		
Office Equipment		17,500
Radios (4)		27,600
Vehicles (4)		60,000
Other Expenses		399
	-	792,585
Other City Services		
Administration Overhead		
Board of Equalization Fee	54,000	275,000
Audit Services	1,000	12,000
Salary & Benefits		
Admin. Support Positions	192,000	421,868
Mission Critical		
Implementation of Strategic Priorities		200,000
Public Safety Radios		1,000,000
LED Lighting Project Phase I		1,200,000
Information Technology Projects		5,236,000
Purchasing Improvements		164,000
Economic Dev. Implementation - ULI		100,000
Marketing/Communications Plan		100,000
General Fund Available Fund Balance	5,700,794	10,788,220
	5,947,794	19,497,088
Total Expenditures/Uses	6,803,630	27,923,000
	-	-

TAB 4 POLICE



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	\$104,946,041
Total Revenues	\$14,754,573
Total Net Cost	\$90,191,468
Total Staff	621

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, also known as Patrol;
- Investigations Division;
- Technical Services Division, including Telecommunications, the Records Section, the Evidence/Identification Section, Property Room and the Crime Information Center;
- Administrative Services Division, including the Personnel and Training and Animal Services Sections;
- Special Operations Division, including Neighborhood Services/Code Enforcement, Traffic and Events, and Strategic Operations Section;
- 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 (CRT), Explosive Ordnance Disposal Team, Mobile Field Force, and the Canine Unit.

KEY CONSIDERATIONS

The Stockton Police Department's Three-Year Strategic Plan was released in November 2013 as a guide to rebuild the Stockton Police Department over time and provide a clear strategic direction focusing on combatting crime via the four "P's" – Pursuit, Predict, Prevent, and Partner.

- **Recruitment of Police Officers** both in numbers and representative 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. With the passage of Measure A, additional funding has been identified to hire 120 new sworn officers over time, with the initial 40 expected to be hired in FY 2014-15. The Department anticipates maintaining an aggressive hiring pace of 70 officers each year to fill the additional positions and keep up with normal attrition.
- **Implementation of Measures A and B** will provide funding and guidance to restore police services over the next three years. A total of 62 civilian support positions will be funded and filled concurrently with the 120 Police Officer positions noted above. These critical positions include Police Telecommunicators, Records Assistants, Property Clerks, Community

POLICE DEPARTMENT

Service Officer and Administrative positions. In addition, eleven positions will augment Neighborhood Services and establish a Neighborhood Blitz Team, another deliverable of the Marshall Plan on Crime. Measure A funds will not only pay for salary and benefits for these 182 positions, but will also purchase one-time equipment such as vehicles, radios, and computers, as well as support the corresponding increase to operational expenses.

- **The Stockton Police Foundation**, a 501(c)(3) organization established in 2013, raises funding for projects, programs, equipment and technology that may be out of reach or otherwise outside the funding capability of the General Fund. The Stockton Police Foundation currently provides financial support for the newly established Transportation Officer program which frees up Patrol Officers to return to the street more quickly by using dedicated staff to process and transport arrestees to the County Jail. This independent organization raises funds based on identified needs of the Police Department through quarterly communications with the Police Chief. Funds received from the Foundation are for specific approved items and services and will not supplant existing funding or reduce City responsibility to support the Police Department.
- **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 supporting these efforts is included in the Police Department's FY 2014-15 Budget. These funds will pay for additional consulting assistance as the call-ins and enforcement efforts continue. This effort will receive additional support through the newly established Office of Violence Prevention in the City Manager's Office.
- **As public safety needs change, the demands for innovative strategies** such as evidence-based and community policing are critical to meeting the challenges facing the Stockton Police Department. 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 and new federal or state programs, continue to be a key component of maintaining Police Department staffing levels as well as funding new equipment and initiatives. At the federal level, the department is actively seeking funds from the Office of Community Oriented Policing (COPS), Department of Homeland Security, National Institute of Justice, and Department of Justice. At the state level, the Police Department continues to rely on funds from Vehicle License Fees (VLF), fines, fees, forfeitures, and other fluctuating revenues. In addition, the Police Department will work with all public safety partners to optimize our funding and reimbursement opportunities through statewide associations like the California Police Chiefs Association and California Emergency Management Agency.
- **Relationships with community partners**, such as other local law enforcement agencies, have become more critical over 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 County, the San Joaquin County District Attorney's Office, including the Victim-Witness Program, and the San Joaquin County Probation Department.

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- **The Police Department General Fund** FY 2014-15 Proposed Budget includes additional funding for sixty-two (62) full-time positions as noted above through Measures A & B and one additional full-time position for the Animal Shelter, existing part-time positions, training costs for new hires, and funds to cover the cost of enhanced recruiting strategies. The Proposed Budget is \$10.2 million (12%) higher than the FY 2013-14 Current Budget, with \$7.2 million attributed to the additional funding which results from the passage of Measures A & B. Highlights include:
 - Additional salary and benefit costs are proposed to fund a Police Services Manager assigned to the Animal Shelter to provide daily management and oversight to the Section.
 - One-time costs for part-time staff have been retained on an ongoing basis to enhance Police Services, improve revenue collections, and increase hiring capacity.
 - Police Service Contracts with two school districts, Housing Authority of San Joaquin, San Joaquin Regional Transit District, Downtown Stockton Alliance, and Central Parking will continue this year, reflecting approximately \$1,000,000 in both revenues and employee services expenses.
 - Other Services funding has been increased to reflect higher rates for contracts including document destruction, hazardous material disposal, and property storage, to fund costs related to enhanced neighborhood services activity, additional cellular service costs as part of the vehicle conversion to digital technology, and professional services costs related to Project Ceasefire and the Wellness Unit.
 - Materials & Supplies costs have increased as a result of pricing and volume changes for officer safety equipment and ammunition, as well as an increase in the volume of medical and care supplies required for the Animal Shelter.

**Police Department
FY 2014-15 Proposed Budget**

	General Fund 010	Measure W 081	Asset Seizure 023	State COPS 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			\$ 169,837	\$ 207,966
Revenues				
Grants				400,000
Program Revenue	\$ 7,873,116	\$ 4,714,000	20,000	
Other Revenue			2,000	200
	7,873,116	4,714,000	22,000	400,200
Expenditures				
Salary & Benefits	75,538,160	3,857,479		494,903
Services & Supplies	20,006,791	650,459	84,000	
Administration Overhead		209,062		
	95,544,951	4,717,000	84,000	494,903
Transfers				
Transfer In - General Fund				
Transfer Out	-	-	-	-
Net Annual Activity	\$ (87,671,835)	\$ (3,000)	(62,000)	(94,703)
Ending Available Balance	-	-	\$ 107,837	\$ 113,263

Police Department, Continued
FY 2014-15 Proposed Budget

	Law Enforcement Block Grants 025	Special Revenue 645	Police Total
	<i>See Page D-17</i>	<i>See Page D-19</i>	
Beginning Available Balance	\$ 6,181,170	\$ 702,589	
Revenues			
Grants	1,346,565		\$ 1,746,565
Program Revenue	100,000	180,192	12,887,308
Other Revenue	115,000	3,500	120,700
	<u>1,561,565</u>	<u>183,692</u>	<u>14,754,573</u>
Expenditures			
Salary & Benefits	3,651,242		83,541,784
Services & Supplies		453,945	21,195,195
Administration Overhead			209,062
	<u>3,651,242</u>	<u>453,945</u>	<u>104,946,041</u>
Transfers			
Transfer In - General Fund			-
Transfer Out			-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(2,089,677)	(270,253)	\$ (90,191,468)
Ending Available Balance	\$ 4,091,493	\$ 432,336	
	-	-	-
		Revenues	\$ 14,754,573
		Transfers	-
		Total Sources	<u>\$ 14,754,573</u>
		Expenditures	\$ 104,946,041
		Transfers	-
		Total Appropriations	<u>\$ 104,946,041</u>
			-

**Police Department
General Fund - 010
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Budget</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Total Police Department				
Employee Services	\$ 66,428,248	\$ 61,830,396	\$ 66,735,930	\$ 75,538,160
Other Services	12,671,480	14,235,599	15,666,336	15,722,004
Materials and Supplies	1,426,836	1,810,407	2,113,290	2,404,703
Other Expenses	344,612	399,139	594,864	911,680
Capital Outlay	1,400	-	220,000	968,404
Total	<u>\$ 80,872,576</u>	<u>\$ 78,275,541</u>	<u>\$ 85,330,420</u>	<u>\$ 95,544,951</u>
Administration				
Employee Services	4,928,331	4,715,541	4,868,835	5,226,535
Other Services	1,766,539	2,073,324	2,500,617	2,561,423
Materials and Supplies	224,665	379,192	636,814	336,654
Other Expenses	<u>312,342</u>	<u>387,618</u>	<u>405,489</u>	<u>470,850</u>
Total	<u>7,231,877</u>	<u>7,555,675</u>	<u>8,411,755</u>	<u>8,595,462</u>
Measures A and B - Administration				
Employee Services				246,982
Other Services				97,912
Materials and Supplies				7,500
Other Expenses				-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>352,394</u>
Field Services				
Employee Services	38,059,166	36,665,051	38,870,077	42,043,320
Other Services	4,672,297	4,913,735	5,673,214	5,233,189
Materials and Supplies	917,428	1,040,571	858,909	999,915
Other Expenses	30,524	(5,796)	126,320	126,000
Capital Outlay	<u>1,400</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Total	<u>43,680,815</u>	<u>42,613,561</u>	<u>45,532,520</u>	<u>48,406,424</u>
Measures A and B - Field Services				
Employee Services			420,536	4,310,898
Other Services			30,000	495,465
Materials and Supplies			136,800	615,668
Other Expenses			52,500	307,500
Capital Outlay			<u>216,000</u>	<u>964,404</u>
Total	<u>-</u>	<u>-</u>	<u>855,836</u>	<u>6,693,935</u>
Investigations				
Employee Services	14,333,375	12,044,869	12,981,781	13,518,187
Other Services	623,732	1,040,109	1,430,470	1,106,447
Materials and Supplies	119,428	168,031	224,674	162,889
Other Expenses	<u>1,274</u>	<u>17,031</u>	<u>6,500</u>	<u>6,000</u>
Total	<u>15,077,809</u>	<u>13,270,040</u>	<u>14,643,425</u>	<u>14,793,523</u>

**Police Department
General Fund - 010
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Budget</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Support Services				
Employee Services	3,721,342	3,319,937	3,785,832	3,948,212
Other Services	359,856	465,369	534,856	575,139
Materials and Supplies	134,305	171,250	196,843	222,827
Other Expenses	197	515	475	750
Total	<u>4,215,700</u>	<u>3,957,071</u>	<u>4,518,006</u>	<u>4,746,928</u>
Measures A and B - Support Services				
Employee Services				169,307
Other Services				4,937
Materials and Supplies				7,500
Other Expenses				-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,744</u>
Telecommunications				
Employee Services	5,386,034	5,084,998	5,808,869	5,693,958
Other Services	5,249,056	5,743,062	5,497,179	5,635,499
Materials and Supplies	31,010	51,363	59,250	39,250
Other Expenses	275	(229)	3,580	580
Total	<u>10,666,375</u>	<u>10,879,194</u>	<u>11,368,878</u>	<u>11,369,287</u>

POLICE DEPARTMENT

POLICE MEASURE W FUND (081)

History

- City of Stockton voters approved Measure W on November 2, 2004, which authorized Ordinance No. 038-04 CS, adding Chapter 3.52 to the Stockton Municipal Code.
- This Ordinance provided authorization for an additional one-quarter of one percent transaction and use tax, the proceeds of which shall be used for police and fire protection services and to contract with the State Board of Equalization to perform all functions necessary to the administration and operation thereof.
- The Police Department receives 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 2013-14 Events

- FY 2013-14 Measure W sales tax revenues were projected to be only slightly above 2012-13 levels.
- Revenues continue to be monitored closely to ensure they are sufficient to cover expenditures and maintain an adequate fund balance.
- The overall budget projection reflects an ending balance of approximately \$166,000 at the end of the current fiscal year for the Police Department. This balance will add to the Measure W's Economic Uncertainty Fund so that any future drop in sales tax revenue does not impact the number of sworn positions.

FY 2014-15 Budget Changes

- Measure W will pay for salaries, benefits, equipment and supplies for 25 Police Officer positions in FY 2014-15 assigned to Field Operations Division. This is an increase of two positions from FY 2013-14 in an effort to fund as many positions as the revenues will support.
- Measure W Sales Tax proceeds are projected to be approximately 3% above 2013-14 levels.
- Administration & Overhead - 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 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ 268,499	\$ 949,784	\$ 2,281,032	\$ 2,719,705
Revenues				
Police				
Measure W Sales Tax	4,288,213	4,542,948	4,577,000	4,714,000
Interest	266	(1,967)	-	-
	<u>4,288,479</u>	<u>4,540,981</u>	<u>4,577,000</u>	<u>4,714,000</u>
Fire				
Measure W Sales Tax	4,288,212	4,542,948	4,577,000	4,714,000
Interest	1,128	(1,609)	-	-
	<u>4,289,340</u>	<u>4,541,339</u>	<u>4,577,000</u>	<u>4,714,000</u>
	<u>8,577,819</u>	<u>9,082,320</u>	<u>9,154,000</u>	<u>9,428,000</u>
Expenditures				
Police				
Salary & Benefits	3,425,258	3,130,605	3,394,938	3,857,479
Services & Supplies	587,428	564,719	814,045	650,459
Administration Overhead	144,872	171,632	202,061	209,062
	<u>4,157,558</u>	<u>3,866,956</u>	<u>4,411,044</u>	<u>4,717,000</u>
Fire				
Salary & Benefits	3,523,745	3,622,500	3,708,537	4,198,015
Services & Supplies	68,836	78,030	223,772	120,896
Administration Overhead	146,395	183,586	221,974	215,316
Capital Outlay	-	-	150,000	500,000
	<u>3,738,976</u>	<u>3,884,116</u>	<u>4,304,283</u>	<u>5,034,227</u>
	<u>7,896,534</u>	<u>7,751,072</u>	<u>8,715,327</u>	<u>9,751,227</u>
Transfers				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity				
Police	130,921	674,025	165,956	(3,000)
Fire	550,364	657,223	272,717	(320,227)
	<u>681,285</u>	<u>1,331,248</u>	<u>438,673</u>	<u>(323,227)</u>
Ending Available Balance	<u>\$ 949,784</u>	<u>\$ 2,281,032</u>	<u>\$ 2,719,705</u>	<u>\$ 2,396,478</u>
Available Balance Calculation				
Current assets		\$ 2,337,242		
Current liabilities		(56,210)		
Ending Available Balance		<u>\$ 2,281,032</u>		

(a) The portion of Measure W Fund - 081 relating to Fire is also presented in Fire on page E-12

POLICE DEPARTMENT

POLICE 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. This money is restricted by State and Federal law for expenditures that enhance law enforcement and drug/crime prevention. It 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 SWAT Team special surveillance and safety equipment, and their related services and supplies.
 - Purchase of Explosive Ordnance Detail 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 2013-14 Events

- Revenues continue to drop due to a decrease in seized property and the delay between seizure and court-approved disposition.
- Funds were used to match a grant awarded through the Governor's Office of Emergency Management Services for the Violence Against Women Act (Cal EMA VAWA) program. This is the last year the asset seizure fund is able to provide matching funds due to declining fund balance.

FY 2014-15 Budget Changes

- Revenue estimates continue to decrease 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. Most of the revenue coming through is from recently adjudicated cases dating back to 2010 and 2011.
- The level of safety equipment and supply purchases has been decreased and are subject to the availability of cash in the fund.

**Police Department
Asset Seizure - 023
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 628,385	\$ 260,388	\$ 223,749	\$ 169,837
Revenues				
Interest	10,022	-	4,000	2,000
State/local seizures	96,136	11,231	11,855	15,000
Federal DOJ seizures	-	307	-	2,500
Federal Treasury seizures	-	-	-	2,500
	<u>106,158</u>	<u>11,538</u>	<u>15,855</u>	<u>22,000</u>
Expenditures				
State/local seizures	189,698	1,414	21,297	30,590
Federal DOJ seizures	181,820	14,835	5,351	48,410
Federal Treasury seizures	43,902	-	-	5,000
	<u>415,420</u>	<u>16,249</u>	<u>26,648</u>	<u>84,000</u>
Transfers				
Transfer In				
Transfer Out - 025	(58,735)	(31,928)	(43,119)	-
	<u>(58,735)</u>	<u>(31,928)</u>	<u>(43,119)</u>	<u>-</u>
Net Annual Activity	<u>(367,997)</u>	<u>(36,639)</u>	<u>(53,912)</u>	<u>(62,000)</u>
Ending Available Balance	\$ 260,388	\$ 223,749	\$ 169,837	\$ 107,837
Available Balance Calculation				
Cash and interest receivable		\$ 223,749		
Vouchers payable		-		
Ending Available Balance		<u>\$ 223,749</u>		

POLICE DEPARTMENT

POLICE STATE COPS FUND (024)

History

- The Citizens Options for Public Safety (COPS) fund was established by the State of California to assist in funding front line law enforcement activities.
- Most past expenditures were for equipment and programs not funded by the General Fund.
- Beginning in FY 2009-10 the Police Department began funding Community Service Officers with State COPS funds to avoid Police Officer layoffs.

FY 2013-14 Events

- With the management of these funds shifted to the Department of Corrections, future funding allocations and eligible uses remain uncertain requiring a change to the funding strategy.
- Although funding was budgeted for seven Community Service Officer positions, two remained vacant throughout most of the fiscal year.

FY 2014-15 Budget Changes

- Revenue projections are conservative as staff continues to monitor any available information from the State Department of Corrections on potential changes to funding allocations.
- A majority of the Community Service Officer positions were removed from this funding source and placed in the General Fund in anticipation of uncertain funding allocation. Two positions will remain funded through this source.
- Funds will be used to purchase equipment and supplies that are one-time in nature and will not necessarily require ongoing financial support. Slated for this fiscal year are the following: replacement satellite equipment for the Mobile Command Post, replacement Bomb suit for the Explosive Ordnance Detail, and equipment needed to comply with the U.S. Department of Justice's new security rules for accessing data, referred to as dual-factor authentication.

**Police Department
COPS - 024
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 15,540	\$ 19,401	\$ 260,672	\$ 207,966
Revenues				
State COPS Grant	453,158	469,887	402,294	400,000
Interest	3,861	334	-	200
	<u>457,019</u>	<u>470,221</u>	<u>402,294</u>	<u>400,200</u>
Expenditures				
State COPS Grant	453,158	469,887	455,000	494,903
	<u>453,158</u>	<u>469,887</u>	<u>455,000</u>	<u>494,903</u>
Transfers				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>3,861</u>	<u>334</u>	<u>(52,706)</u>	<u>(94,703)</u>
Ending Available Balance	\$ 19,401	\$ 19,735	\$ 207,966	\$ 113,263
Available Balance Calculation				
Cash and interest receivable		\$ 260,672		
Due from Other Governments		-		
Due to Other Governments		-		
Ending Available Balance		<u>\$ 260,672</u>		

POLICE DEPARTMENT

SPECIAL REVENUE GRANT FUND (025)

History

- This fund maintains and finances 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 to fund Police Department operations.

FY 2013-14 Events

- New State grants awarded include:
 - California Emergency Management Agency's (CalEMA) Violence Against Women Act (VAWA) – funding for one Domestic Violence Investigator, 95% of a Community Service Officer and a contract with the Women's Center Youth & Family Services of San Joaquin for Victim Advocate services.
 - Byrne Memorial Justice Assistance (JAG) – joint funding with San Joaquin County for creation of a Firearms Reduction Consortium, including upgrades for the Integrated Ballistics Identification System (IBIS), 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.
- Police Supplemental Services Contracts provide businesses and organizations with the opportunity to pay for enhanced Police Services for special events. During FY 2013-14 an estimated \$100,000 was paid and six organizations participated in this program.
- 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 for 17 entry-level Police Officers began this year.
- 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 program. Funds received in this fund from the Foundation are for specific approved items and services.

FY 2014-15 Budget Changes

- 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
 - Downtown Alliance – Weekend and special event Bike Patrol
 - High School Football – Bear Creek, Lincoln, and McNair
 - Stone Brothers – Holiday mall shopping
 - SMG Stockton Arena & the Bob Hope Theater – Hockey, concerts, and other events as needed.

**Police Department
Special Revenue Grants - 025
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 57,036	\$ 77,778	\$ 289,043	\$ 6,181,170
Revenues				
Federal Grants	3,843,513	839,111	9,011,129	-
State Grants	475,707	1,137,950	1,963,588	1,267,000
Other Grants	-	61,934	100,964	79,565
Contract Reimbursements	91,039	1,138,058	101,019	115,000
Reimbursements	-	-	73,554	100,000
	<u>4,410,259</u>	<u>3,177,053</u>	<u>11,250,254</u>	<u>1,561,565</u>
Expenditures				
Federal Grants	3,545,342	228,605	2,450,686	2,089,677
State Grants	847,419	1,282,829	2,739,446	1,267,000
Other Grants	-	66,041	100,964	79,565
Contract Reimbursements	91,039	1,138,058	174,573	215,000
	<u>4,483,800</u>	<u>2,715,533</u>	<u>5,465,669</u>	<u>3,651,242</u>
Transfers				
Transfer In - Grant Match				
JAG Match	2,878			
DBAW Abandoned Watercraft	2,635			
VAWA Match	88,770	31,928	107,542	
	<u>94,283</u>	<u>31,928</u>	<u>107,542</u>	<u>-</u>
Net Annual Activity	<u>20,742</u>	<u>493,448</u>	<u>5,892,127</u>	<u>(2,089,677)</u>
Ending Available Balance	\$ 77,778	\$ 571,226	\$ 6,181,170	\$ 4,091,493
Available Balance Calculation				
Cash and interest receivable		\$ 651,996		
Accounts Payable		(194,608)		
Due to Other Governments		(168,345)		
Ending Available Balance		<u>\$ 289,043</u>		

POLICE DEPARTMENT

POLICE SPECIAL REVENUE FUND (645)

History

- The Police Department maintains a variety of special revenue programs in this fund. These programs have historically provided accounting and management support for programs which are specific to the funding sources but do not require the same level of oversight as a grant or contract.
- Funds for these accounts are provided as donations or special purpose money from programs.
- The Geraldine Schmidt Trust was established to provide a direct benefit to the Stockton Animal Shelter and has an estimated balance of \$434,000.

FY 2013-14 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 appears to maintain a steady amount of income for managing the overpopulation programs.
- There were no additional donations into the Schmidt Shelter Trust, which was established to benefit the Animal Shelter. The program continues to accrue interest.

FY 2014-15 Budget Changes

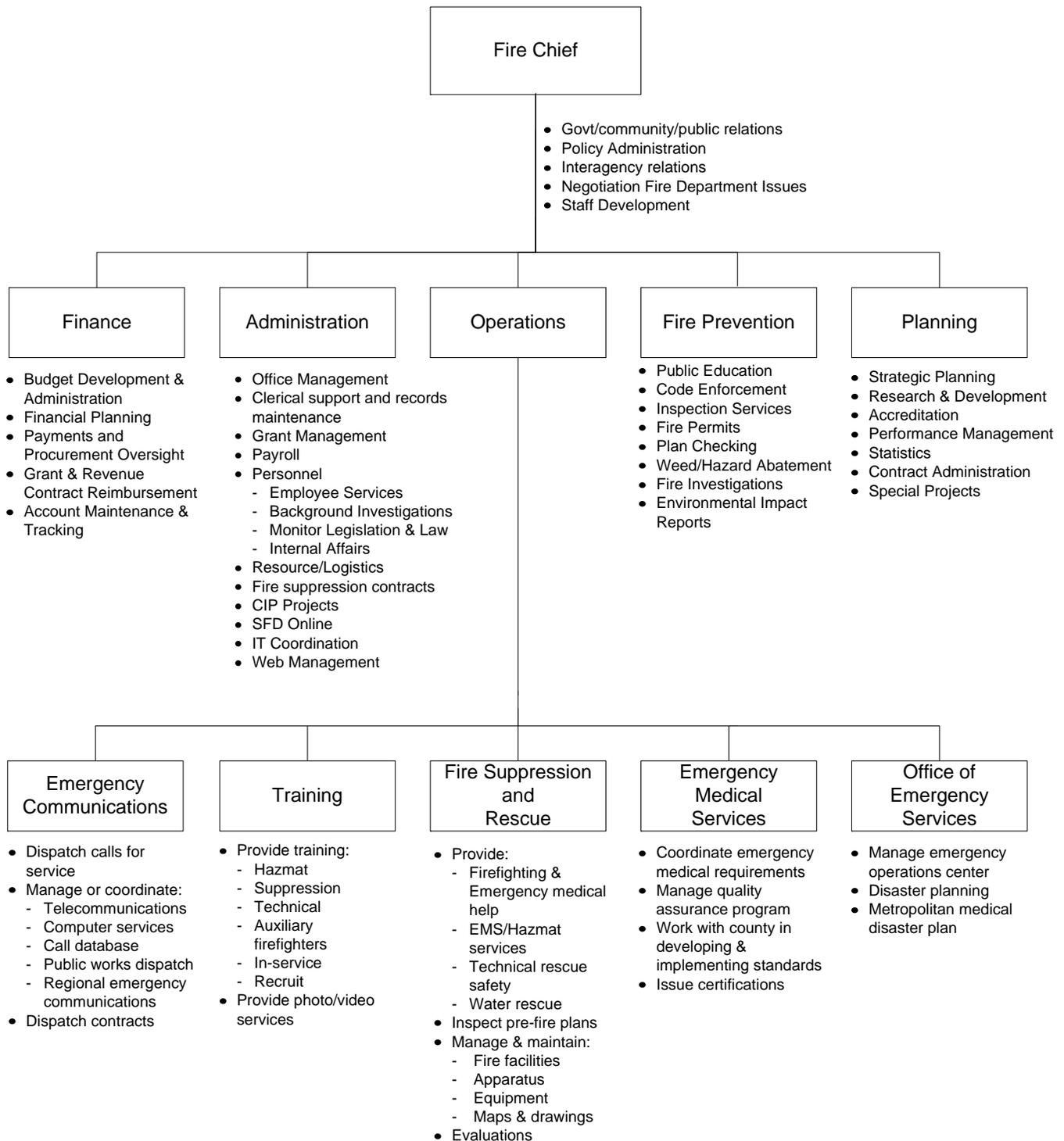
- Staff will undertake a new effort to review available balances and expend funds for their intended purposes including community events, equipment, and special programs such as Junior Cadets and Sentinels, and Volunteers In Police Service (VIPS).
- A significant increase to the Pet Overpopulation Fund is budgeted in anticipation of new shelter improvements and additional Spay and Neuter Clinics under the guidance of a Memorandum of Understanding with the San Francisco Society for the Prevention of Cruelty to Animals (SF SPCA).
- The Geraldine Schmidt Trust fund balance will continue to be held while a long-term plan is developed for the overall Animal Shelter replacement.

**Police Department
Police Trusts - 645
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Projected</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Beginning Available Balance	\$ 557,773	\$ 618,337	\$ 678,439	\$ 702,589
Revenues				
Pet Overpopulation Program	187,023	172,359	150,000	180,192
Other Revenue	20,305	14,750	6,150	3,500
	<u>207,328</u>	<u>187,109</u>	<u>156,150</u>	<u>183,692</u>
Expenditures				
Pet Overpopulation Program	145,807	114,808	120,000	421,879
Miscellaneous Expense	957	12,199	12,000	32,066
	<u>146,764</u>	<u>127,007</u>	<u>132,000</u>	<u>453,945</u>
Transfers				
Transfer In				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>60,564</u>	<u>60,102</u>	<u>24,150</u>	<u>(270,253)</u>
Ending Available Balance	\$ 618,337	\$ 678,439	\$ 702,589	\$ 432,336
Available Balance Calculation				
Cash		\$ 678,704		
Interest Receivable		-		
Accounts Receivable		-		
Vouchers Payable		(265)		
Ending Available Balance		<u>\$ 678,439</u>		



TAB 5 FIRE



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 suppression and rescue activities.

Budget at a Glance:

Total Expenditures	\$45,396,301
Total Revenues	\$10,303,936
Total Net Cost	\$35,092,365
Total Staff	209

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 that contract for our services: Boggs Tract, Eastside, Lincoln and Tuxedo-Country Club.

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

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

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

The 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.

The 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 the department adapts to a constantly changing work environment.

The Emergency Communications Division processes fire and emergency medical calls to dispatch Fire Department resources for the Stockton area and the City of Manteca.

The Stockton Fire Department (SFD) responded to more than 38,000 incidents in 2013 which includes 1,809 fires, 541 hazardous condition incidents, over 19,000 rescue and emergency medical incidents and the remaining responses for other emergency service calls. The Fire Prevention Division processed 239 operational fire permits and completed 460 plan checks. The Emergency Communications Division received an average of 200 calls for service each day and also provided after hours dispatch coverage for the Public Works Department.

KEY CONSIDERATIONS

The Fire Department evaluates its internal processes and develops programs and projects to provide adequate overall fire protection and emergency services.

FIRE DEPARTMENT

Programs and Technology

- The *Mobile Data Computer Project* was initiated in December, 2013 to upgrade the department's computer and communication systems for emergency response. Funding for the first phase of the project in the amount of \$220,000 was obtained from the Metropolitan Medical Response System (MMRS) 2011 Department of Homeland Security Grant Program. This project will automate transmission, retrieval, reporting and storage of information for dispatch and emergency response calls by using advanced systems and current technology. All fire engines and trucks will be equipped with new computer equipment and devices that will improve various aspects of emergency communications. The project is currently in the testing and configuration stage and is anticipated to be completed and fully deployed in FY 2014-15. Additional funding for the remaining equipment, software applications, maintenance and required staff training for this new system is included in Fire Department's FY 2014-15 budget.
- The *Radio Digital Migration Project*, which was initiated in the past fiscal year, has been completed. This radio communication system upgrade involved installation and programming of various radio equipment and devices to convert all Fire radio zones from analog to digital to keep up with existing technology for faster and more efficient radio communications.

An Emergency Communication Division's Cost Savings and Efficiency Study conducted by an outside consultant has been completed. A new Dispatch Center Manager will provide overall management and oversight of dispatch operations. Funding for this reclassified position is included in the Fire Department's FY 2014-15 budget. This new position is a critical component in the implementation of new processes and technology and the successful transition and development of the division to a Regional Emergency Dispatch Center. The division will be working closely with various fire agencies to plan and set-up a joint dispatch network for the new regional emergency dispatch model to improve overall services and efficiency in operations.

Mutual Aid Arrangements provide timely, coordinated, and less costly process to access vast amount of required resources for major emergencies. In an effort to engage in a regionalized response network, SFD started discussions on automatic/mutual aid fire services with neighboring agencies, Cosumnes Community Services District and City of Lodi. SFD will identify jointly with each agency the requirements and resources for providing automatic and mutual emergency responses during major events and disaster. SFD started working with the Lodi Fire Department on a cooperative training for a stronger mutual aid relationship.

Personnel Recruitment remains to be a key issue of the Fire Department with the loss of trained and experienced firefighters due to separations (4 retirements and 2 resignations in FY 2013-14). Firefighter positions involve a costly, complex and lengthy recruitment process requiring training and development of newly hired staff. Loss of qualified and experienced personnel also impacts efficiency in operations as a result of the loss of institutional knowledge. There are currently 12 vacant Fire sworn positions. The department utilizes vacancy savings to pay for overtime to call off-shift firefighters back in the fire line to fill these vacant spots. With the existing lay-off list fully exhausted, a Fire Academy will need to be conducted in the next fiscal year to fill these vacant positions. Firefighter Academy training for approximately 16 weeks is estimated to cost approximately \$12,000 to \$15,000 per recruit to cover the cost of instructors, gear, equipment, books and certifications. Included in the FY 2014-15 Proposed Budget is an additional \$200,000 to fund Fire Academy costs.

FIRE DEPARTMENT

Capital Improvements and Equipment

- *Fire Apparatus:* The Fire Department together with the Public Works Department (PW) completed the acquisition and replacement of six fire engines that were beyond the twenty-year useful life. Replacement of four of these six new fire engines was completed in March 2013 through a lease financing agreement and two fire engines were recently acquired with \$800,000 from an Assistance to Firefighters (AFG) grant funds awarded by the Federal Emergency Management Agency and a 20% local match. The department will continue to work with Fleet Division to acquire three fire engines and one ladder truck that require replacement. Fleet's Internal Service Fund includes funding for the replacement of a ladder truck in its FY 2014-15 budget. SFD initiated discussions with the PW Fleet Division to develop and implement a funding mechanism within the Internal Service Fund for the timely replacement of fire apparatus in the future.
- *Alternative funding sources* continue to assist SFD to sustain its fire programs, to replace aging equipment and to maintain deteriorating facilities due to limited funding available for basic fire operations and capital improvements. The department continues to apply for grant funds from the Department of Homeland Security and other federal and state agencies to supplement its current available financial resources. We are seeking grant funds to procure and replace the Hazardous Material Response vehicle and to sustain the various rescue programs to keep up with state-mandated requirements. The department is also negotiating with the Board of the Eastside Rural Fire Protection District to provide funds for the ready room floor and kitchen renovation of Fire Company # 12 and in conjunction with Lincoln Rural Fire Protection District for the replacement of the two remaining fire engines that are beyond the twenty-year useful life. Necessary relocation and renovation of various fire houses such as Fire Company # 6 and Fire Company # 3 have been put aside due to lack of funds for capital improvements. Additional funding for the replacement of aging equipment that are critical in fire operations and staff training associated with rescue programs to meet state-mandated requirements is included in Fire Department's FY 2014-15 budget.

Stockton Fire Department currently operates twelve firehouses with twelve fire engines and three ladder trucks to provide fire and emergency services to the community. Staffing levels remain at 3 personnel for fire engines and 4 personnel on ladder trucks. The department's General Fund baseline budget increased in FY 2014-15 to maintain its current level of operations. The proposed budget is \$2.5 million (7%) higher than the FY 2013-14 Current Budget.

- *Employee Services* budget increased by 5.5% mainly due to the 20% increase in CalPERS Retirement rates and the increase in Worker's Compensation costs by 28%.
- *Other Services* increased by 21% primarily due to the increased in Equipment Internal Service Fund Rentals (ISF).
- *Materials, Supplies and Other Expenses* increased by 25% to fund the replacement of aging fire supplies, acquisition and/or maintenance of system and technology, and staff training for new systems and technology and to fund a Fire Academy.

**Fire Department
FY 2014-15 Proposed Budget**

	<u>General Fund 010</u> <i>See Page E-7</i>	<u>Development Services 048</u> <i>See Page E-9</i>	<u>Measure W 081</u> <i>See Page E-12</i>	<u>Special Revenue 646</u> <i>See Page E-14</i>	<u>Fire Total</u>
Beginning Available Balance				\$ 141,234	
Revenues					
Program Revenue	\$ 3,757,489	\$ 1,808,247	\$ 4,714,000	13,500	\$ 10,293,236
Donations				2,200	2,200
Other Revenue				8,500	8,500
	<u>3,757,489</u>	<u>1,808,247</u>	<u>4,714,000</u>	<u>24,200</u>	<u>10,303,936</u>
Expenditures					
Salary & Benefits	31,511,914	1,699,667	\$ 4,198,015		37,409,596
Services & Supplies	6,980,835	103,157	120,896	66,501	7,271,389
Administration Overhead			215,316		215,316
Capital Outlay			500,000		500,000
	<u>38,492,749</u>	<u>1,802,824</u>	<u>5,034,227</u>	<u>66,501</u>	<u>45,396,301</u>
Transfers					
Transfer In					-
Transfer Out					-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>\$ (34,735,260)</u>	<u>\$ 5,423</u>	<u>\$ (320,227)</u>	<u>(42,301)</u>	<u>\$ (35,092,365)</u>
Ending Available Balance				<u>\$ 98,933</u>	
	-	-	-	-	-
				Revenues	\$ 10,303,936
				Transfers	
				Total Sources	<u>\$ 10,303,936</u>
				Expenditures	\$ 45,396,301
				Transfers	
				Total Appropriations	<u>\$ 45,396,301</u>
					-

**Fire Department
General Fund - 010
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Total Fire Department				
Employee Services	\$ 35,178,940	\$ 28,132,574	\$ 29,299,430	\$ 31,511,914
Other Services	3,820,145	3,950,464	3,638,119	4,397,553
Materials and Supplies	629,457	733,119	1,592,805	949,748
Other Expenses	1,829,328	1,407,582	1,423,824	1,633,534
Capital Outlay	50,005	-	46,733	-
Total	<u>\$ 41,507,875</u>	<u>\$ 34,223,739</u>	<u>\$ 36,000,911</u>	<u>\$ 38,492,749</u>
Administration				
Employee Services	1,878,411	1,684,149	1,430,640	1,461,839
Other Services	648,352	378,321	473,354	526,308
Materials and Supplies	16,976	13,968	19,631	20,030
Other Expenses	1,798,113	1,360,526	1,369,759	1,361,969
Total	<u>4,341,852</u>	<u>3,436,964</u>	<u>3,293,384</u>	<u>3,370,146</u>
Fire Suppression				
Employee Services	30,949,298	24,544,323	25,818,515	27,699,155
Other Services	2,467,170	2,960,613	2,456,508	3,199,517
Materials and Supplies	581,431	687,301	1,524,066	850,869
Other Expenses	1,171	(52)	-	-
Capital Outlay	50,005	-	46,733	-
Total	<u>34,049,075</u>	<u>28,192,185</u>	<u>29,845,822</u>	<u>31,749,541</u>
Training/Emergency Services				
Employee Services	466,526	329,569	373,278	676,587
Other Services	85,034	117,765	133,756	105,235
Materials and Supplies	11,478	18,932	25,618	24,149
Other Expenses	30,044	45,359	52,615	270,115
Total	<u>593,082</u>	<u>511,625</u>	<u>585,267</u>	<u>1,076,086</u>
Dispatch				
Employee Services	1,884,705	1,574,533	1,676,997	1,674,333
Other Services	619,589	493,765	574,501	566,493
Materials and Supplies	19,572	12,918	23,490	54,700
Other Expenses	-	1,749	1,450	1,450
Total	<u>2,523,866</u>	<u>2,082,965</u>	<u>2,276,438</u>	<u>2,296,976</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 2013-14 Events

- Tracking systems were developed to efficiently track and monitor activities associated with the Weed Abatement Program, permits and inspections on hotels and motels, and false alarms occurrences.
- Partially outsourced plan checking services to keep up with increasing demand for such services.
- Reinstated the Knox Box Program as an added service to commercial and residential customers.
- Outstanding receivables over 90 days amounted to approximately \$30,000 as of March 4, 2014. Staff continues to work with Administrative Services Department to closely monitor and improve collection efforts to minimize outstanding receivables.

FY 2014-15 Budget Changes

- The Services and Efficiency Study to assess the overall workflow, staffing structure and processes at the Permit Center, including Fire Prevention Division, has been completed by an outside consultant. A new organizational structure will be developed and implemented in the new fiscal year. Changes to the organizational structure include:
 - Reclassification of a Fire Captain position to a Deputy Fire Marshal to assist the Fire Marshal on operations and to provide supervision and oversight over inspections and programs; and reclassification of Plan Checker position to a Fire Inspector.
- System and technology upgrades will be implemented to automate data management: including billings and permit processing, tracking and maintenance of occupancy, permit and inspection records and to equip field personnel with mobile devices that are integrated with these systems.
- Revenue projections for FY 2014-15 are based on the current fee structure. Staff does not anticipate any major changes in the collection of fees and outstanding receivables from the FY 2013-14. A comprehensive fee study to assess and analyze Fire Prevention fees is ongoing. Fees will be restructured based on the outcome and recommendations of the study.

**Fire Department
Development Services - 048 (a)
FY 2014-15 Proposed Budget**

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Revenues				
Fire Prevention				
User Fees	\$ 1,546,797	\$ 1,968,106	\$ 1,688,023	\$ 1,729,123
Safe & Sane Fireworks Program	26,715	26,750	26,610	26,435
Fines & Penalties	72,280	24,982	48,681	52,689
	<u>1,645,792</u>	<u>2,019,838</u>	<u>1,763,314</u>	<u>1,808,247</u>
Expenditures				
Fire Prevention				
Fire Prevention	1,475,566	1,539,873	1,325,251	1,699,667
Fire Public Education	20,518	44	30,214	74,253
Safe & Sane Fireworks Program	26,263	8,660	22,516	28,904
	<u>1,522,347</u>	<u>1,548,577</u>	<u>1,377,981</u>	<u>1,802,824</u>
Transfers				
Transfer In				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>\$ 123,445</u>	<u>\$ 471,261</u>	<u>\$ 385,333</u>	<u>\$ 5,423</u>

(a) The total Development Services Fund - 048 is presented with the Community Development Department budget on page H-7.

FIRE DEPARTMENT

MEASURE W FUND (081)

History

- City of Stockton voters approved Measure W in November 2, 2004 adding Ordinance No. 038-04 CS as a part of Chapter 3.52 of the Stockton Municipal Code authorizing an additional one-quarter of one percent transactions and use tax.
- Funds collected provide public safety services in the City of Stockton.
- The Fire Department receives 50% of the Measure W tax proceeds. Funds are currently used mainly to provide staffing at Fire Station No. 13 (Northeast Stockton), Ladder Truck 3 (Southeast Stockton) and Ladder Truck 7 (Hammer Lane) and the Alternative Response Program.
- Revenues provided funding for an average of 20 to 23 firefighter positions for the past three-year period.

FY 2013-14 Events

- In the FY 2013-14 Budget the City Council approved two additional firefighter positions and funding for the necessary tools and equipment for the Alternative Response Program. This increased the number of Fire positions in the Measure W fund from 23 to 25.
- The Alternative Response Program (Squad) is a new service to provide a smaller vehicle and a two-person crew to respond to increased lower priority medical and small fire calls during daily peak call load hours on specific days of the week. The program will lower overall cost of vehicle operations by lowering the cost of operating emergency response units, reducing the cost of acquiring fire and medical response vehicles and reducing the wear and tear on the larger fire engines and trucks. The Squad will increase efficiency of response to lower level medical calls by using smaller crews and vehicles while at the same time increasing fire engine and ladder truck efficiency for higher priority incidents.
 - Started construction of the Squad rescue vehicle and purchase of emergency medical equipment, firefighting tools, and equipment.
 - Firefighter positions for the program remained vacant while construction and procurement of tools and equipment are being completed.
- There was only a slight increase in sales tax revenues from the prior fiscal year anticipated in this fund.
- The overall budget projection reflects an ending balance of approximately \$273,000 for the fiscal year for the Fire Department primarily due to the two Squad firefighter vacant positions. This balance will be used toward one-time equipment purchases in FY 2014-15.

FY 2014-15 Budget Changes

- FY 2014-15 Measure W sales tax revenues are projected to increase approximately 3% from FY 2013-14 based on improved sales tax receipts.
- The Alternative Response Program will be fully deployed and implemented upon completion of the Squad vehicle, purchase/installation of remaining equipment and recruitment of two Squad firefighters.
- Measure W Fund will continue to provide funding for 25 firefighter positions.

FIRE DEPARTMENT

- Salary and benefit costs increased due to rate increases for retirement and worker's compensation benefits.
- Funding for the remaining Squad equipment for \$25,000 is included in the Fire Department FY 2014-15 Measure W budget.
- Costs for Other Services
 - The State Board of Equalization charges a quarterly administration fee for services associated with 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.
 - Included in the proposed budget is approximately \$500,000 for the purchase of a fire engine using available fund balance derived from fire positions vacancy savings experienced over the past two years.

**Fire Department
Measure W - 081 (a)
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Revenues				
Measure W Sales Tax	\$ 4,288,212	\$ 4,542,948	\$ 4,577,000	\$ 4,714,000
Interest	1,128	(1,609)	-	-
	<u>4,289,340</u>	<u>4,541,339</u>	<u>4,577,000</u>	<u>4,714,000</u>
Expenditures				
Salary & Benefits	3,523,745	3,622,500	3,708,537	4,198,015
Services & Supplies	68,836	78,030	223,772	120,896
Administration Overhead	146,395	183,586	221,974	215,316
Capital Outlay			150,000	500,000
	<u>3,738,976</u>	<u>3,884,116</u>	<u>4,304,283</u>	<u>5,034,227</u>
Transfers				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>\$ 550,364</u>	<u>\$ 657,223</u>	<u>\$ 272,717</u>	<u>\$ (320,227)</u>

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



FIRE DEPARTMENT

SPECIAL REVENUE FUND (646)

History

- The Fire Department receives donations and conducts special programs and activities to provide funding for materials, supplies, equipment and training expenses that are not funded in its General Fund operating budget.
 - Fire General (646-0221) – Provides funds through donations to buy fire equipment and materials and to send staff to specialized training.
 - Paramedic (646-0222) – Provides funds through field training fees to buy paramedic related materials and to provide paramedic training for staff.
 - Hazardous Materials (646-0223) – Provides funds through class fees to buy materials and training for response to hazardous materials incidents.
 - Water Rescue (646-0224) – Provides funds through fees and donations to buy water rescue equipment, supplies and to provide training for staff.
 - Fire Clothing (646-0227) – Provides funds through proceeds from clothing sales to buy clothing items with Stockton Fire Department emblem.
 - Fire Heavy Rescue (646-0228) – Provides funds through fees from Technical Rescue Training classes to buy rescue equipment, supplies and to provide training for staff.
 - Fire Training (646-0229) – Provides funds through donations and academy fees to support the Stockton Fire Department's training program.
 - Public Education (646-0230) - Provides funds through donations to promote fire safety awareness throughout the community.
 - Arson Investigation (646-0291) - Provides funds through donations to improve arson investigation capabilities.
 - Fire Prevention (646-0294) - Provides funds through donations to support hazardous materials safety awareness in the community.
 - Emergency Preparedness (646-0297) - Provides funds through donations to support the City's Emergency Preparedness programs and public awareness.
- Fire Department's Special Revenue funds maintained an average overall annual balance of \$130,000 over the past three years.

FY 2013-14 Events

- The overall budget projection reflects a positive balance of approximately \$140,000 at the end of the fiscal year.

FY 2014-15 Budget Changes

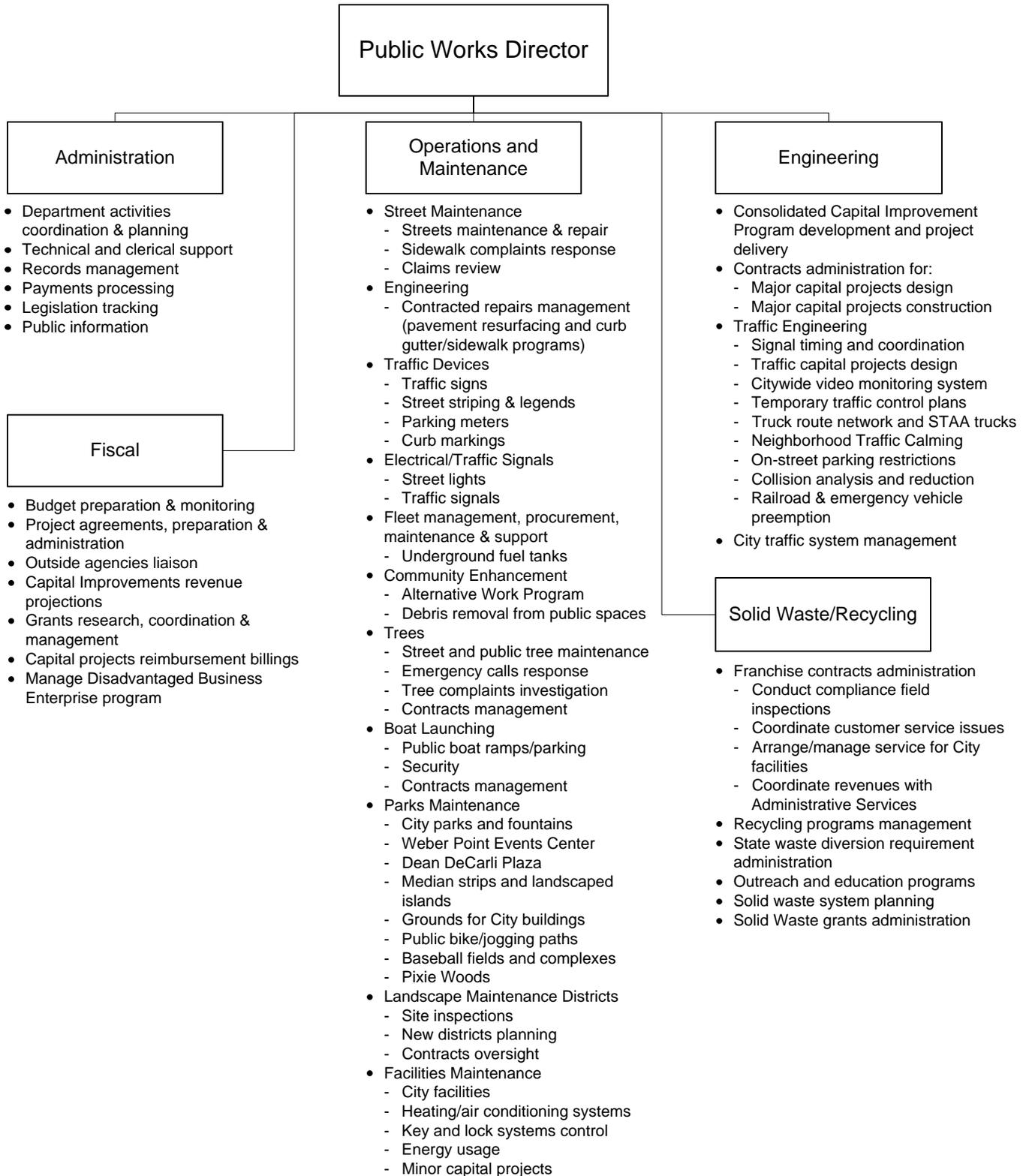
- The sum of the total revenue and approximately one-third of the estimated beginning balance is being requested for appropriation to ensure a gradual drawdown of funds available in Fire's Special Revenue Fund.
- Funds are mostly appropriated for materials, supplies and training expenditures.

**Fire Department
Special Revenue - 646
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 123,484	\$ 127,627	\$ 137,851	\$ 141,234
Revenues				
Program Revenue	6,703	28,643	10,507	13,500
Donations	1,001	1,000	3,000	2,200
Other Revenue	19,720	285	14,028	8,500
	<u>27,424</u>	<u>29,928</u>	<u>27,535</u>	<u>24,200</u>
Expenditures				
Program Expenses	23,281	19,704	24,152	66,501
	<u>23,281</u>	<u>19,704</u>	<u>24,152</u>	<u>66,501</u>
Transfers				
Transfer In				
Transfer Out - Grant Fund - 020	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>4,143</u>	<u>10,224</u>	<u>3,383</u>	<u>(42,301)</u>
Ending Available Balance	\$ 127,627	\$ 137,851	\$ 141,234	\$ 98,933
Available Balance Calculation				
Current assets		\$ 139,301		
Current liabilities		(1,450)		
Ending Available Balance		<u>\$ 137,851</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	\$43,105,023
Total Revenues	\$33,152,016
Total Net Cost	\$9,953,007
Total Staff	157

DEPARTMENT DESCRIPTION

Public Works is located in two different facilities. Operations and Maintenance, located at the Municipal Service Center, is responsible for maintaining Transportation infrastructure, Parks, Landscape Assessment Districts, Trees, Facilities, City Fleet, and Boat Launching Facilities. Remaining functions consisting of Engineering, Capital Program Management, Solid Waste and Recycling, and Administration are located at the Stewart-Eberhardt Building.

Public Works' budget consists mainly of restricted funding sources augmented by General Fund monies. The General Fund is now used for Parks, Trees, Facilities, and minor administrative expenses. This pays for 1) 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, 2) contracted maintenance services at 50 parks, including janitorial, landscape, vandalism repair, and irrigation work, 3) a portion of the maintenance of more than 100,000 trees along streets and in parks, with services limited to safety trimming and emergency response using a combination of City and contracted personnel and 4) management, fiscal, and administrative support.

Transportation operations are funded by State Gas Tax and Measure K Maintenance. Responsibilities include maintenance, repair and replacement of 763 miles of roads, over 1,200 miles of sidewalk, pavement striping and markings such as crosswalks, and more than 16,000 traffic control signs. Public Works also maintains and pays the electrical power costs for over 20,000 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 million square feet of median and streetscape landscape maintenance, alley maintenance, and weed spraying.

Gas Tax and Measure K Maintenance also help fund our Engineering Section. Work consists of traffic engineering, traffic system management, and Capital Improvement Program (CIP) design, delivery, and contract administration. The budget for the Public Works capital function is separate from, and in addition to, the operating budget noted above. The FY 2014-15 transportation and facility capital budget, managed by Public Works Department, is \$53.9 million excluding Municipal Utilities Department managed projects, in the amount of \$27.6 million. Of this amount, only \$2.8 million or 5% comes from the General Fund. This means there is constant pressure to seek out and secure various capital grants, without which 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 manage the solid waste franchise agreements and participate in, oversee, or directly provide 48 waste reduction and recycling programs. These include programs for 1) recycling education and outreach, 2) 3-cart residential trash, recycling, and green/food waste composting, 3) neighborhood "Clean Sweep", 4) construction and demolition recycling, 5) multi-family housing recycling, 6) business recycling, and 7) food waste

PUBLIC WORKS DEPARTMENT

composting. The Division also oversees contracted street sweeping services and funds the Community Enhancement Program, manages garbage, recycling, and special waste services for all city facilities, and coordinates service for many community cleanups and events. The Division is funded by fees based on 3.5% of franchised hauler gross rate revenues.

The Fleet Section is responsible for maintaining and replacing the City's mixed fleet of approximately 1,000 vehicles and equipment. Fleet operates as an Internal Service Fund that receives revenue from rental rates charged to user departments. Maintenance activities range from preventive maintenance inspections to full engine rebuilds to specialized auto body repairs and vehicle setups, and are performed either by an in-house team of mechanics and specialists or by outside vendors.

The Boat Launching function is responsible for facilities at Louis Park and Buckley Cove. Parking fees are collected from vehicles that launch boats at the Buckley Cove facility. This revenue is used to fund boat launch infrastructure maintenance and to provide security services.

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

Maintenance of 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 maintenance categories - 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 also continuing at high levels and expenditures in these areas drain resources that could otherwise be used to replace outdated or damaged equipment.

Transportation maintenance area receives revenue from State gas tax and Measure K only. The elimination of General Fund support for Transportation has reduced standards and 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. In addition, programs that had historically been charged to the General Fund, such as tree maintenance and right of way landscape maintenance, have gradually been shifted to the Gas Tax Fund in recent years. This has further reduced the resources available for regular transportation maintenance activities. Reductions in maintenance staff due to retirements and staffing changes have been addressed by reorganization and use of temporary staff. Maintenance activities are focused on high priority safety and pavement preservation tasks.

In recent years, the City has benefited from one-time funding sources (Federal American Recovery and Reinvestment Act, Redevelopment bonds, State Proposition 1B, and other grants) to fund maintenance and improvements of the transportation system, masking the loss of sustainable ongoing funding. These one-time funding sources are now essentially exhausted, and deterioration of the transportation system will accelerate.

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Historically a General Fund contribution to transportation maintenance was required in order to receive Measure K Local Street Repair funds from the San Joaquin Council of Government (SJCOG). This “maintenance-of-effort” (MOE) contribution has been suspended and was expected to be partially reinstated in FY 2014-15; however, SJCOG has significantly revised the MOE calculation for future years, essentially eliminating the requirement for significant increases in General Fund expenditures to receive Measure K funds. Past budgets have included a drawdown of the Measure K fund balance with the expectation of the addition of General Fund dollars in the future with the return of the MOE requirement. Accordingly, the current expenditure level, which is inadequate for proper maintenance of the transportation network, is not sustainable with revenue limited to current gas tax and Measure K contributions. State projections are that gas tax revenue will decrease significantly in FY 2014-15. Accordingly, in order to maintain a service level that is similar to the current service level, a transfer of costs for tree maintenance and right of way landscape maintenance from the Gas Tax fund to the General Fund budget for Park and Tree maintenance is included in the FY 2014-15 Proposed Budget. In FY 2014-15 the General Fund will contribute \$1.2 million to a capital project converting existing arterial roadway street light to LED luminaires which will provide long-term energy cost savings and reduce maintenance cost. This cost savings will offset, hopefully all, if not part of the Gas Tax Fund shortfall.

The lack of a comprehensive maintenance management system has been identified as an obstacle to making further improvements in the efficiency of our maintenance operations. Public Works has partnered with the Municipal Utilities Department to identify and acquire a new system that will meet each department’s needs. A contract has been awarded for the new system (CityWorks), and the system will be installed and phased in to all operations during FY 2014-15 and FY 2015-16. This system will improve cost effectiveness and accountability, and help to balance available funding between operations and capital needs.

**Public Works Department
FY 2014-15 Proposed Budget**

	General Fund	Street Maintenance Gas Tax	Measure K Street Maintenance	Boat Launching	Solid Waste Recycling
	010	030	082	045	047
	<i>See Page F-8</i>	<i>See Page F-12</i>	<i>See Page F-15</i>	<i>See Page F-17</i>	<i>See Page F-19</i>
Beginning Available Balance		\$ 717,134	\$ 1,323,105	\$ 339,473	\$ 1,612,741
Revenues					
State Gas Tax		7,377,768			
Measure K Sales Tax			4,317,000		
User Fees				150,000	1,376,549
Interfund Project Charges					
Other Revenue	\$ 137,900	25,000	59,000	2,500	5,000
	137,900	7,402,768	4,376,000	152,500	1,381,549
Expenditures					
Salary and benefits	2,949,740	4,041,603		-	1,099,018
Operating expenses	5,189,428	5,740,889		190,456	564,343
Debt service			-		
Capital projects			2,199,864		-
	8,139,168	9,782,492	2,199,864	190,456	1,663,361
Transfers					
Transfer In - Measure K		2,110,000			
Transfer Out - Gas Tax - 030			(2,110,000)		
	-	2,110,000	(2,110,000)	-	-
Net Annual Activity	\$ (8,001,268)	(269,724)	66,136	(37,956)	(281,812)
Ending Available Balance		\$ 447,410	\$ 1,389,241	\$ 301,517	\$ 1,330,929

**Public Works Department
General Fund - 010
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Total Public Works Department				
Employee Services	\$ 2,819,033	\$ 2,320,949	\$ 2,652,119	\$ 2,949,740
Other Services	3,341,794	3,892,751	4,084,989	4,673,365
Materials and Supplies	394,544	416,146	589,917	493,963
Other Expenses	228,168	(25,652)	21,326	22,100
Capital Outlay	-	-	-	-
Total	<u>\$ 6,783,539</u>	<u>\$ 6,604,194</u>	<u>\$ 7,348,351</u>	<u>\$ 8,139,168</u>
Administration				
Employee Services	272,576	181,228	264,988	213,375
Other Services	57,082	92,997	153,626	188,408
Materials and Supplies	1,533	2,800	2,000	2,000
Other Expenses		1,913	1,300	1,300
Total	<u>331,191</u>	<u>278,938</u>	<u>421,914</u>	<u>405,083</u>
Operations & Maintenance				
Employee Services	190,695	146,233	139,363	200,523
Other Services	211,847	200,595	236,089	217,037
Materials and Supplies	5,047	7,179	7,000	7,000
Other Expenses	4,496	4,510	5,000	6,000
Total	<u>412,085</u>	<u>358,517</u>	<u>387,452</u>	<u>430,560</u>
Parks & Street Trees				
Employee Services	885,488	796,781	821,920	1,085,492
Other Services	2,512,208	2,924,867	3,101,762	3,657,514
Materials and Supplies	134,997	126,325	243,107	239,217
Other Expenses	229,406	(15,230)	11,126	11,900
Capital Outlay				
Total	<u>3,762,099</u>	<u>3,832,743</u>	<u>4,177,915</u>	<u>4,994,123</u>
Facilities Maintenance				
Employee Services	1,470,274	1,196,707	1,425,848	1,450,350
Other Services	560,657	674,292	593,512	610,406
Materials and Supplies	252,967	279,842	337,810	245,746
Other Expenses	(5,734)	(16,845)	3,900	2,900
Total	<u>2,278,164</u>	<u>2,133,996</u>	<u>2,361,070</u>	<u>2,309,402</u>



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GAS TAX FUND (030)

History

- Revenue for the Gas Tax Fund is from the State based on an allocation formula to distribute taxes collected on fuel sales, and from a transfer from Measure K Maintenance (082).
- The City maintains a transportation asset inventory that includes 763 miles of roads, 305 traffic signals, 88,578 street trees, and more than 20,000 street lights and 16,000 regulatory/warning signs.
- Expenditures from the Fund are used for maintenance of signals, street lights, traffic devices, streets and sidewalks, bridges, ditches, graffiti abatement, and street trees throughout the City of Stockton.

FY 2013-14 Events

- Applied approximately 100 lane miles of asphalt crack seals throughout the City.
- Completed upgrading of the overhead street name signs along El Dorado and Center Streets and 50% on Pacific Avenue.
- Completed 9,000 tons of asphalt repair throughout the City.
- Installed 170 speed limit signs for the Citywide Speed Survey.
- Continued our annual traffic signal controller preventative maintenance inspections for 308 controllers.
- Completed upgrading of the regulatory overhead signs between Eight Mile Road and March Lane.
- Restriped approximately 250 lane miles throughout the City.
- Replaced 22,000 linear feet of stolen wires throughout the City.
- Restriped the crosswalks between Hammer Lane and Eight Mile Road.
- Completed reflectivity upgrades on all regulatory and warning signs in the area between March Lane and Eight Mile Road.
- Completed the construction of the University Miracle Mile Median Improvement Project and the Pacific Avenue Median Improvement Project.
- Hauled 48.5 tons of trash and debris from Mormon Slough.

FY 2014-15 Budget Changes

- Continue limited re-striping, sign upgrading, and pavement repair program. Complete annual traffic signal controller preventative maintenance inspections for 308 controllers.
- Budgets for contracted construction and engineering services, asphalt purchases, and part time staffing have been reduced due to projected reductions in Gas Tax revenue, which is expected to result in a backlog of pavement repair requests and delays in service delivery.
- Replacement of aging equipment is a significant issue. Several of our dump trucks and large construction units have been in service since the mid-1980s. By January 2015, there will be four construction trucks that must be retired due to 2015 San Joaquin County air emission restrictions. Rental equipment will be utilized until these units can be replaced.

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- Gas Tax Sections, along with all other Public Works Sections, will implement CityWorks, the new Comprehensive Maintenance Management System (CMMS), in accordance with recommendation of the Strategic Technology Plan. Intent is for new system to be fully operational within 18 months.
- Right of way landscape maintenance and tree maintenance activities that had historically been funded from General Fund Parks accounts but were funded from the Gas Tax Fund in recent years are being moved back to the General Fund Parks accounts. This combined with not funding three vacant positions results in total projected expenditures that will exceed revenue by approximately \$270,000. This will reduce the projected fund balance to approximately \$447,000.
- One-time Capital project cost to convert existing arterial roadway street light to LED luminaires will provide long-term energy cost savings and reduce maintenance cost. This cost savings will offset, hopefully all, if not part of the deficit realized in this fund. In addition, this project will also help meet intended Green House Gas and sustainable communities' strategy goals as outlined in AB 32 and SB 375 legislations.

**Public Works Department
Street Maintenance/Gas Tax - 030
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 1,409,114	\$ 1,776,923	\$ 344,294	\$ 717,134
Revenues				
State Gas Tax	4,174,116	4,299,503	4,302,419	4,286,528
Prop 42 Replacement Gas Tax	3,950,450	2,323,152	3,985,145	3,091,240
Refunds and reimbursements	55,249	23,093	30,292	-
Interest	14,861	18,094	-	25,000
	<u>8,194,676</u>	<u>6,663,842</u>	<u>8,317,856</u>	<u>7,402,768</u>
Expenditures				
Salary and benefits	4,582,337	4,177,878	4,337,000	4,041,603
Electricity	1,953,652	1,918,485	2,000,000	2,020,000
Maintenance and repair services	189,300	395,555	1,083,762	585,231
Insurance premiums	89,632	118,029	142,988	124,661
Auto equipment rental	725,959	1,008,308	720,552	938,358
Computer/Tech/Operating support	279,442	225,110	234,233	353,447
Engineering services	8,512	30,015	59,978	62,000
Construction services	133,189	114,392	27,765	60,000
Materials and supplies	1,121,751	968,875	1,163,556	1,169,500
Fuels - gas/oil/propane	124,242	109,999	140,557	129,957
All other expenses	203,603	189,332	214,000	297,735
	<u>9,411,619</u>	<u>9,255,978</u>	<u>10,124,391</u>	<u>9,782,492</u>
Transfers				
Transfer In - Measure K - 082	1,584,752	1,905,060	2,179,375	2,110,000
Transfer Out				
	<u>1,584,752</u>	<u>1,905,060</u>	<u>2,179,375</u>	<u>2,110,000</u>
Net Annual Activity	<u>367,809</u>	<u>(687,076)</u>	<u>372,840</u>	<u>(269,724)</u>
Ending Available Balance	<u>\$ 1,776,923</u>	<u>\$ 1,089,847</u>	<u>\$ 717,134</u>	<u>\$ 447,410</u>
Available Balance Calculation				
Cash and Interest Receivable				
Accounts Receivable		\$ 3,404,256		
Current liabilities		(2,314,409)		
Encumbrances		(745,553)		
Capital Appropriations		-		
Ending Available Balance		<u>\$ 344,294</u>		



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 (SJCOG), and they distribute Measure K maintenance funds on a quarterly basis to each jurisdiction.
- The City of Stockton has used this funding for both maintenance activities and to provide matching funds to leverage state and federal grant programs.
- The City has taken advances on future Measure K renewal revenues to leverage significant grant funding for large capital projects, allowing for the early construction of these critical transportation projects. These fund advances from SJCOG include debt service that the City agreed to pay back with Measure K maintenance funds. The Sperry Road Extension agreement with SJCOG calls for a one-time payment of \$258,000 in FY 2014-15, which is included in the proposed budget. For the North Stockton Grade Separations project, annual payments of approximately \$55,000 are due over the next five years with the first payment in the proposed FY 2014-15 budget.

FY 2013-14 Events

- Of the funding received, \$2.2 million was budgeted for several capital projects including the Neighborhood Traffic Calming Program, the Wilson Way Underpass ADA Ramp Installation, matching funds for the Center Street and El Dorado Street Overpass Rehabilitation, and matching funds for federal Regional Surface Transportation Program (RSTP) street resurfacing project.
- In addition, \$2.2 million was transferred to the Gas Tax fund to provide maintenance resources for pavement, street lighting, traffic signals, pavement markings, and signs.
- In 2002, the City borrowed \$6.5 million from future Measure K maintenance revenues for street resurfacing. Repayment of this loan was completed.

FY 2014-15 Budget Changes

- Based upon information provided by the San Joaquin Council of Governments, projected revenues are budgeted to increase by 5%.
- Of the funding projected, \$2.2 million is budgeted for several capital projects including matching or supplemental funds for federal and state grant programs for transportation improvements Neighborhood Traffic Calming, loan payback for the Sperry Road Extension, and expansion of the Traffic Signal Control System.
- The transfer to Gas Tax has been budgeted at \$2.1 million to offset street maintenance costs charged to the Gas Tax Fund.
- The FY 2014-15 budget is projected to decrease by 16% compared to FY 2013-14 due primarily to the completion of the debt service payment to SJCOG for repayment of the loan borrowed for Street Resurfacing Project.

**Public Works Department
Measure K - Maintenance - 082
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Projected</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Beginning Available Balance	\$ 7,268,592	\$ 6,478,004	\$ 2,497,188	\$ 1,323,105
Revenues				
Sales Tax	3,698,851	4,049,782	4,111,000	4,317,000
Interest	60,504	9,110	-	59,000
Other Revenues	194	-	-	-
	<u>3,759,549</u>	<u>4,058,892</u>	<u>4,111,000</u>	<u>4,376,000</u>
Expenditures				
Capital projects	1,688,228	1,352,423	2,147,000	2,199,864
Debt service	1,277,157	1,277,059	958,708	-
	<u>2,965,385</u>	<u>2,629,482</u>	<u>3,105,708</u>	<u>2,199,864</u>
Transfers				
Transfer In - Capital - 080				
Transfer Out - Gas Tax - 030	(1,584,752)	(1,905,060)	(2,179,375)	(2,110,000)
	<u>(1,584,752)</u>	<u>(1,905,060)</u>	<u>(2,179,375)</u>	<u>(2,110,000)</u>
Net Annual Activity	(790,588)	(475,650)	(1,174,083)	66,136
Ending Available Balance	\$ 6,478,004	\$ 6,002,354	\$ 1,323,105	\$ 1,389,241
Available Balance Calculation				
Cash & interest receivable		\$ 6,022,015		
Accrued Revenue		-		
Current liabilities		(19,661)		
Capital Appropriations		(3,194,414)		
Encumbrances		(310,752)		
Ending Available Balance		<u>\$ 2,497,188</u>		

BOAT LAUNCHING FACILITIES FUND (045)

History

- The City maintains boat launching facilities at Louis Park and Buckley Cove. The Marina operator is responsible for operation of the Morelli Park facility. Public Works is responsible for the Louis Park and Buckley Cove facilities.
- The Boat Launching Facilities Fund is funded from parking fees collected from vehicles that launch boats at Buckley Cove.
- Expenditures from the Fund are used to fund dock and landscape maintenance at the Louis Park and Buckley Cove facilities, and to fund security services at Buckley Cove.
- The Fund has historically carried an available balance of approximately \$330,000. Funds are retained in the fund balance and will eventually be utilized for long term renewal of the dock infrastructure as well as traffic control device and parking lot maintenance.

FY 2013-14 Events

- The low profile docks lost buoyancy and were reconstructed.
- Dock bumpers partially replaced as they had become degraded.

FY 2014-15 Budget Changes

- Materials budget has been increased to provide an allowance for continued dock bumper refurbishment and to provide a one-time replacement of the traffic control devices for the parking lot and entry.

**Public Works Department
Boat Launching Facilities - 045
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Projected</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Beginning Available Balance	\$ 332,154	\$ 307,881	\$ 354,873	\$ 339,473
Revenues				
Boat Launching Fees	145,864	166,628	150,000	150,000
Other Reimbursements	9,336	3,875	2,500	2,500
	<u>155,200</u>	<u>170,503</u>	<u>152,500</u>	<u>152,500</u>
Expenditures				
Salaries & Benefits	11,406	7,875	5,000	-
Electricity	3,822	5,817	6,400	7,000
Stormwater	6,127	6,127	8,000	7,000
Maintenance & Repair	32,201	100	18,000	15,000
Security Contractor	111,429	90,942	115,000	115,000
Materials & Supplies	4,129	1,542	4,000	38,000
Indirect Costs	8,289	8,289	9,000	8,289
Other Expenses	2,070	2,819	2,500	167
	<u>179,473</u>	<u>123,511</u>	<u>167,900</u>	<u>190,456</u>
Transfers				
Transfer In				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(24,273)	46,992	(15,400)	(37,956)
Ending Available Balance	\$ 307,881	\$ 354,873	\$ 339,473	\$ 301,517
Available Balance Calculation				
Cash		\$ 362,994		
Vouchers Payable		(8,121)		
Ending Available Balance		<u>\$ 354,873</u>		

SOLID WASTE FUND (047)

History

- This fund was established to finance the management of solid waste services for the City residents, businesses, industries, and institutions, and to comply with state required solid waste management programs.
- Revenues for this fund come from the 3.5% surcharge 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.
- The franchise fees are the primary revenue source for the Division with the exception of a small state grant to promote beverage container recycling.

FY 2013-14 Events

- Salary savings have resulted from position vacancies.
- A Solid Waste & Recycling Division work plan has been implemented that includes a status report on each program area, identifies areas in need of improvement, makes recommendations for improvement, and lists performance measures to track progress.
- Revenue was projected to remain flat which is in line with the solid waste industry trend.
- Staff has participated in a regional integrated waste management plan which includes San Joaquin County and the incorporated cities. The plan will outline disposal capacity and materials processing requirements for the jurisdictions.

FY 2014-15 Budget Changes

- Projected revenues include a 0.78% rate increase for residential and commercial service. This increase is in accordance with the franchise contract which provides for an annual increase calculated at 50% of the annual Consumer Price Index (CPI). Overall revenues remain relatively flat which is the current trend in the solid waste industry.
- Program expenses include funding for:
 - Tree trimming related to street sweeping
 - Financial consultant for franchise agreement analysis
 - Translation services for printed outreach material
 - A capital improvement project to build a storage facility for existing solid waste and recycling containers at Louis Park.
 - 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.
- Staff will work with producers of public events to improve recycling at City events and venues.

**Public Works Department
Solid Waste & Recycling - 047
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ 1,854,985	\$ 1,933,094	\$ 1,911,502	\$ 1,612,741
Revenues				
Franchise Fees				
Allied Waste/Residential	340,593	343,000	348,074	348,422
Waste Management/Residential	391,781	396,343	404,669	405,074
Waste Management/Commercial	288,251	300,849	296,330	296,626
Allied Waste/Commercial	235,350	234,774	251,188	251,439
California Waste Recovery	6,607	5,384	5,622	5,627
Waste Management/Industrial	20,837	20,335	22,189	22,211
Allied Waste/Industrial	35,872	37,283	47,103	47,150
	<u>1,319,291</u>	<u>1,337,968</u>	<u>1,375,175</u>	<u>1,376,549</u>
Interest	32,531	2,596	6,000	5,000
Other Revenues	622	418	-	-
	<u>1,352,444</u>	<u>1,340,982</u>	<u>1,381,175</u>	<u>1,381,549</u>
Expenditures				
Salaries and Benefits	979,993	965,033	1,021,072	1,099,018
Maintenance & Repair Services	4,001	4,946	4,320	6,000
Duplication/Copy Costs	6,744	7,434	7,500	5,000
Insurance Premiums	20,224	33,146	32,480	35,281
Automotive Equipment Rental	35,061	39,398	32,223	48,081
Computer/Tech/Oper Support	18,290	20,507	20,697	27,427
Professional & Special Services		53,808	136,325	149,000
Materials and Supplies	7,662	9,288	42,450	38,250
Fuels-Gas/Oil/Propane	6,400	6,458	7,831	7,696
Indirect Costs	153,964	153,964	153,964	154,000
All Other Expenses	41,996	50,437	62,074	93,608
Capital Projects			159,000	
	<u>1,274,335</u>	<u>1,344,419</u>	<u>1,679,936</u>	<u>1,663,361</u>
Transfers				
Transfer In				
Transfer Out - Fund 455				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	78,109	(3,437)	(298,761)	(281,812)
Ending Available Balance	\$ 1,933,094	\$ 1,929,657	\$ 1,612,741	\$ 1,330,929
Available Balance Calculation				
Cash/Interest Rec		\$ 1,942,240		
Vouchers Payable		(12,583)		
Encumbrances		(18,155)		
Ending Available Balance		<u>\$ 1,911,502</u>		

STREET LIGHTING ASSESSMENT DISTRICT FUND (071)

History

- The fund finances 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 CSLMD is a reformation of the original Lighting & Maintenance Districts 74 & 75 formed under the Street Light Acts of 1927 and 1931. There were originally 5 zones between these 2 Districts.
- The CLSMD contains only one of the original 5 zones: Zone 4-Oxford Manor which contains 274 street lights.

FY 2013-14 Events

- The CSLMD Engineer’s Report for FY 2013-14 set the total annual estimated budget for energy and maintenance of lighting in the district.
- There was one light pole knocked down that required replacement in FY 2013-14, in addition to the normal routine maintenance.

FY 2014-15 Budget Changes

- Staff is assessing the feasibility of converting the existing high pressure sodium fixtures to LED fixtures in order to improve lighting levels.
- Assessments for FY 2014-15 will be at the same rate as the current fiscal year.

**Public Works Department
Lighting Maintenance - 071
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Projected</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Beginning Available Balance	\$ 208,302	\$ 208,402	\$ 220,607	\$ 216,635
Revenues				
Charges for services	22,996	23,723	23,128	23,823
Investment earnings	3,242	(54)	1,400	1,400
	<u>26,238</u>	<u>23,669</u>	<u>24,528</u>	<u>25,223</u>
Expenditures				
Operations	26,138	11,464	28,500	35,720
	<u>26,138</u>	<u>11,464</u>	<u>28,500</u>	<u>35,720</u>
Transfers				
Transfer In				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	100	12,205	(3,972)	(10,497)
Ending Available Balance	\$ 208,402	\$ 220,607	\$ 216,635	\$ 206,138
Available Balance Calculation				
Cash & interest receivable		\$ 220,607		
Accounts receivable				
Accounts payable				
Ending Available Balance		<u>\$ 220,607</u>		

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

History

- Most accounts in this fund are managed by Public Works. In previous years some of the 072 accounts were for storm drain maintenance assessment districts which are under Municipal Utilities Department purview.
- 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 7 zones as no improvements have been constructed and maintenance is not required.
- The 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 will eventually be used for replacement of infrastructure, such as irrigation systems, back up walls, street lights, and playground equipment, and for replacement of plant material.
- 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 lighting work is typically performed by City staff with time charged to the District.

FY 2013-14 Events

- The maintenance contract with Odyssey Landscape Companies was extended for calendar year 2014. The contract provides for the option to extend for one additional year.
- Siegfried Engineering is studying district reserve funds and preparing a recommendation for what amounts should be in each zone's reserve.
- Lighting was restored at Pitts park, following theft of a significant amount of copper wire. Anti-theft electrical pull boxes, including reinforced concrete collars, were installed to help prevent future theft.

FY 2014-15 Budget Changes

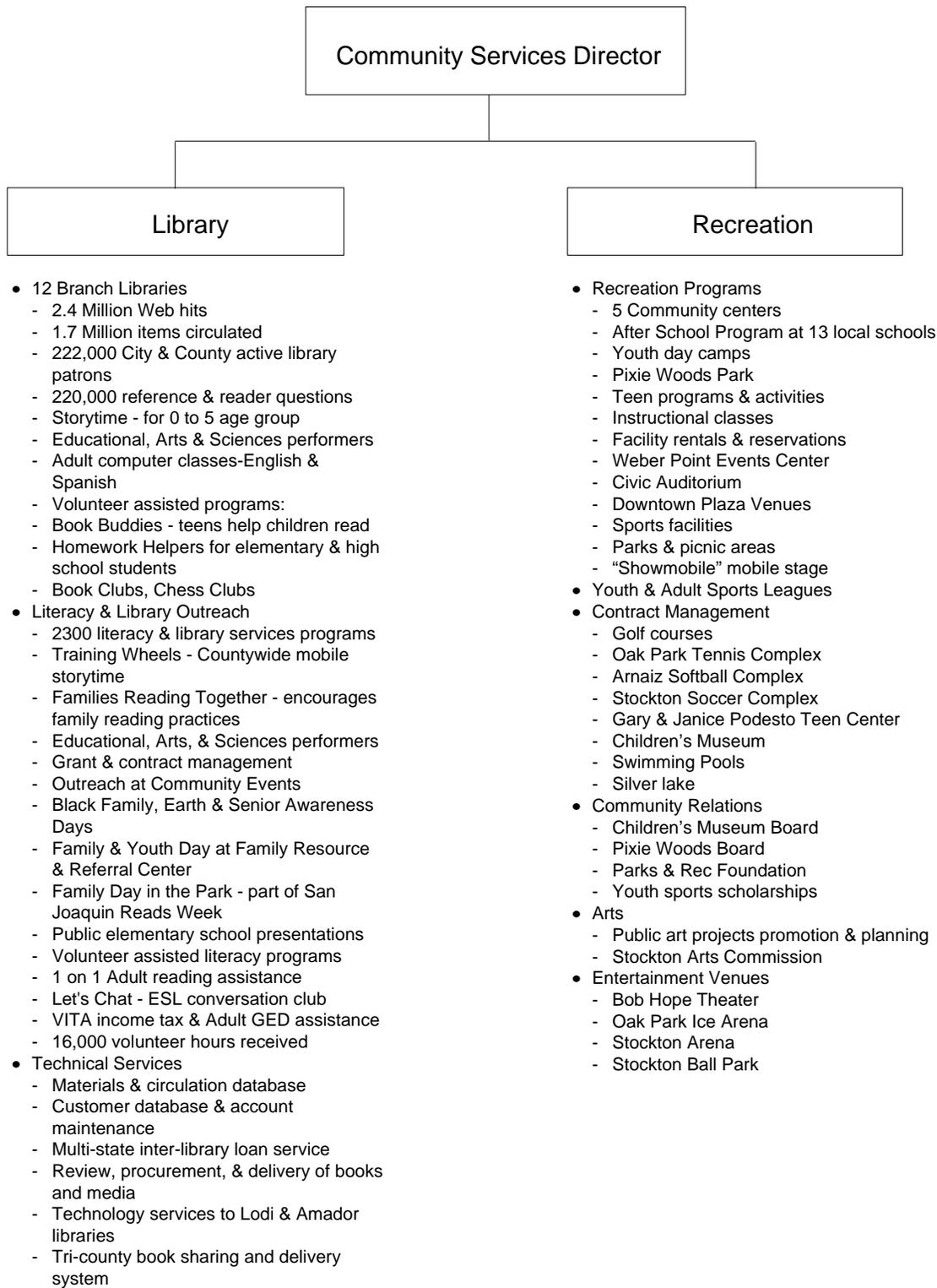
- The assessments for FY 2014-15 will not be increased from FY 2013-14. Existing assessments and fund balance will be sufficient to provide maintenance through the end of the fiscal year.
- Maintenance activities will be consistent with the previous fiscal year.
- The accounts for the storm drain maintenance assessment districts which are under Municipal Utilities Department purview have been assigned to a new fund to improve internal control by segregating its activities. The \$1.8 million reduction to beginning available balance represents the storm drain districts' share of available balance being moved to the new fund.

**Public Works Department
Assessment District Maintenance - 072
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Projected</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Beginning Available Balance	\$ 11,415,025	\$ 12,040,618	\$ 11,808,802	\$ 11,321,172
Transfer Storm Drainage Basin Maint Dist			<i>See Page J-15</i>	(1,841,793)
Adjusted, Beginning Available Balance				9,479,379
Revenues				
Charges for services	3,220,967	3,165,206	3,157,059	2,869,034
Investment earnings	196,583	13,634	21,814	19,823
	<u>3,417,550</u>	<u>3,178,840</u>	<u>3,178,873</u>	<u>2,888,857</u>
Expenditures				
Miscellaneous expenditures	2,823,137	2,732,844	3,697,460	3,813,650
Capital projects	-	-	-	-
	<u>2,823,137</u>	<u>2,732,844</u>	<u>3,697,460</u>	<u>3,813,650</u>
Transfers				
Transfer In	31,180	31,036	30,957	
Transfer Out				
	<u>31,180</u>	<u>31,036</u>	<u>30,957</u>	<u>-</u>
Net Annual Activity	<u>625,593</u>	<u>477,032</u>	<u>(487,630)</u>	<u>(924,793)</u>
Ending Available Balance	<u>\$ 12,040,618</u>	<u>\$ 12,517,650</u>	<u>\$ 11,321,172</u>	<u>\$ 8,554,586</u>
Available Balance Calculation				
Cash & interest receivable		\$ 12,764,457		
Accounts payable		(246,806)		
Encumbrances		(708,849)		
Ending Available Balance		<u>\$ 11,808,802</u>		



TAB 7 COMMUNITY SERVICES



COMMUNITY SERVICES DEPARTMENT



COMMUNITY SERVICES

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 educational, civic, professional, and personal interests.

Budget at a Glance:

Total Expenditures	\$25,838,736
Total Revenues	\$25,345,057
Total Net Cost	\$493,679
Total Staff	84

DEPARTMENT DESCRIPTION

Community Services has four primary programs: Library (Fund 041), Recreation (Fund 044) Entertainment Venues (Fund 086) and Golf (Fund 481).

The Library creates an environment for connecting people and ideas by providing not only books, but music, movies, computers, literacy programs, and a myriad of hard copy and electronic resources. The Library boasts a broad menu of digital download options, shared access to other public and academic libraries, electronic checkout, eReader lending, on-line material reservations, and special literacy tutoring opportunities. Staff is the heart of the system. Other than their many operational responsibilities, they help patrons from job seekers to test takers, researchers to recreational readers. They revel in matching readers with perfect books or piquing literary interests with a vibrant Storytime performance.

The Library is a County-wide, multi-branch library system, made up of four branches within City limits, and, pursuant to an agreement with San Joaquin County, eight outlying branches throughout San Joaquin County. A centralized and unified system allows all twelve sites to circulate materials together and combine administrative and management costs. Also known as the Stockton-San Joaquin County Public Library (SSJCPL), the Library will receive over one million visitors, manage over 200,000 library card accounts, and circulate over 1.7 million items in the coming fiscal year.

For budgetary purposes, the Library is divided into two functional areas: branch operations and shared services. Shared services include administration, literacy programming, community outreach, grant administration, mobile libraries, procurement, and delivery. All branches of the Library were affected by the years long economic and fiscal downturn, which resulted in staff reductions, decreased hours to the public and a City branch closure. County funding in FY 2014-15 will rebound to 2007 levels, but remains 9% short of the highest recent year Library funding in 2008. City funding, while increasing 6.3%, is 38% short of its 2008 budget level, evidence of a much different City landscape.

Recreation is made up of facilities and programs to benefit City of Stockton residents and visitors. Recreation programs are known to produce healthier communities, environmental stewardship, professionalism and integrity by promoting social, recreational and cultural activities. To this end, the department also partners with non-profit organizations and community groups with a focus to reduce juvenile crime, establish community facilities, and enhance social wellbeing of children and families.

In 2014, oversight for the City Entertainment Venues transferred to the Recreation Department, increasing the total facility count to 31: 5 community centers, 4 SUSD joint use facilities, 7 community swimming pools, 3 softball complexes, the Bob Hope Theater, Janice and Gary Podesto Teen Center, Silver Lake Family Camp, Billy Hebert and Stockton Banner Island Baseball Stadiums, Stockton Soccer Complex, Oak Park Tennis Center and Ice Arena,

COMMUNITY SERVICES

Pixie Woods Children's Theme Park, Children's Museum, Weber Point Events Center, Stockton Arena and the Stockton Memorial Civic Auditorium. Some facilities and programs are operated by the City; others are contracted out to private firms for full or partial management. Fees for City run programs and facilities are collected for services and registrations, but traditionally do not cover the operating costs of the centers and facilities made available to the community.

A Golf program operation and management contract was entered into between the City of Stockton and Kemper Sports, Inc. in July 2011 to manage the municipal golf courses, Swenson Park and Van Buskirk, in central and south Stockton respectively. Several other courses have opened to the public within a 25 mile radius in recent decades that offer more contemporary level of appeal to the golf community. As a result, competition has driven down pricing and volume of municipal play to the point where the courses have required a significant subsidy for several years.

The department also provides oversight to the Stockton Arts Commission and the Public Art Program. The Arts Commission was established by ordinance to promote and encourage programs to further the development and public awareness of an interest in the fine and performing arts and to act in advisory capacity to the Stockton City Council in connection with the artistic and cultural development of the City. The Public Art Program was established by ordinance to foster creative expression of the arts in public places by funding public art projects and requiring a public art component on capital improvement projects.

KEY CONSIDERATIONS

The greatest challenges facing the Library are: providing an operating schedule that satisfies citizen demand, maintaining the collection size relevant to the population, meeting literacy needs, and locating partners to advance the library mission. The last library to open within the City of Stockton was the Maya Angelou Branch on Pock Lane, in 1996. The Fair Oaks Branch located on East Main Street, was closed in 2010, a direct result of reduced funding from the City's General Fund.

SSJCPL is among California's 21 largest library systems, and within that group, has the lowest level of staffing on a per capita basis while still being near the median for circulation and other metrics. These facts are an indication that SSJCPL staff carries workloads at a much higher level than statewide counterparts.

In June, 2013, SSJCPL received a \$75,000 grant to develop a Library strategic plan and work began in December when a series of town hall community forums and staff forums were held to gather input within the Library service area. A total of 85 community members and 45 staff took advantage of the opportunity to attend these town hall-style meetings. Two other aspects of the data gathering phase are taking place this spring; a randomized telephone survey of 400 residents throughout the county, and a series of twelve interviews with local leaders from a variety of fields including education, business, library advocacy, and teen advocacy. Once data collection is complete, library staff will work with the consultant to analyze the data, develop strategic priorities and a work-plan for implementing these priorities in the workplace.

Two County branches will move into new and larger facilities early in FY 2014-15, enabling Library staff to provide an enhanced user experience for customers. The new Mountain House Library re-opened in April, 2014, while the Lathrop Library, located directly across the street from Lathrop High School, will open in June, 2014.

COMMUNITY SERVICES

SSJCPL has seen great success in the recent implementation of a variety of technology-related services. Nearly two years ago, the Library began offering downloadable eBooks and audiobooks. Digital titles can be accessed for free through the Library's website and can be played on virtually every major mobile device in use today. Current fiscal year statistics to date show that the use of digital downloads has increased by 80% over the rate of usage last year at this time.

In addition to offering library customers the ability to download digital titles through the Library website, the Library began lending Nook eBook readers with a variety of pre-loaded content to customers. This program was developed as a result of a generous donation from the Friends of the Stockton Public Library, allowing us to purchase 54 Nook devices. Since the inception of the program, the Nooks are borrowed by customers at a rate of over 50 per month meaning the complete collection of Nooks is checked out at any given time.

Also in high demand has been the Link+ service, a borrowing consortium of over 50 public and academic libraries across California and Nevada. The Link+ consortium of libraries collectively holds more than 11 million unique titles -- a significantly broader range of books than SSJCPL itself can provide. SSJCPL customers borrowed over 11,000 books and movies through Link+ in FY 2012-13. Based on an average \$6.36 utilization cost, unique items can be acquired for SSJCPL customers at a cost similar to most other items in the collection.

Key Recreation budgetary issues continue to involve facility maintenance and vandalism repair. Several pools are in need of significant repair, soccer goals and exercise equipment must be replaced, and the Civic Auditorium needs floor repair and paint. These costs are generally not capital in nature, so must be paid for with operating resources.

Recreation programs are funded in part by fees, and in part by an allocation of general fund revenues. In the past, program registration and facility rental price points were developed to maximize recreational opportunities, and have not traditionally been based on full cost recovery. The Department is proposing adjustments to several fees in order to make them consistent in every facility and simplify the appearance of the schedule itself. Fees for rentals were consolidated so a rental cost could be calculated at a glance. More attractive flat-rate concession vendor pricing is proposed for the Civic Auditorium, Weber Point and downtown venues, and ball field tournament fees were changed from per game to per tournament flat rate pricing. The goals are to increase facility utilization and overall revenue with an expectation that little or no change may happen in the first year until rates are approved and advertised and future bookings are made.

Competitor golf courses have begun to reduce cutthroat promotional pricing, a sign the industry may be rebounding. The golf program allocation from the General Fund is expected to decrease slightly, but the expectation made in 2011 that breakeven would occur in 2015, is unlikely. Major repairs are needed for the Van Buskirk Golf Course irrigation system that includes not only dozens of sprinkler heads, but pump and pond repair.

The Entertainment Venue Fund has received a General Fund subsidy for a number of years. Although that subsidy has gone down on an overall basis since SMG took over management of the facilities, the subsidy included in the FY 2014-15 Proposed Budget of \$3.1 million is an increase of approximately \$447,000 from the current year level. This increase is the combined result of a projection for lower revenues, particularly in the Arena and Bob Hope Theater reflecting changes in the national entertainment industry, along with the inclusion of funding for some much needed facility capital improvements. Those improvements are budgeted at \$230,000 and include lighting retrofit at the ice rink and chiller rebuild and energy management system controls at the Arena.

**Community Services Department
FY 2014-15 Proposed Budget**

	<u>General Fund</u> <i>See Page G-7</i>	<u>Library</u> <i>See Page G-8</i>	<u>Recreation</u> <i>See Page G-18</i>	<u>Total</u>
Beginning Available Balance		\$ 2,059,025	\$ 1,290,007	\$ 3,349,032
Revenues				
San Joaquin County Contract		5,686,000		5,686,000
Additional Hours Contracts		148,047		148,047
Fines		219,400		219,400
Other Revenues		333,195	4,536,204	4,869,399
Recreation Programs			3,213,711	3,213,711
Facility Admission and Rentals			346,500	346,500
Community Centers			205,000	205,000
	<u>-</u>	<u>6,386,642</u>	<u>8,301,415</u>	<u>14,688,057</u>
Expenditures				
Salary and benefits	-			-
Services & Supplies	-			-
Library Operations		9,368,325		9,368,325
Administration		1,434,727	1,009,368	2,444,095
Children's Museum			5,000	5,000
Civic Auditorium			334,943	334,943
Community Centers			1,752,356	1,752,356
Program Expenses			11,827,017	11,827,017
	<u>-</u>	<u>10,803,052</u>	<u>14,928,684</u>	<u>25,731,736</u>
Transfers				
Transfer In - General Fund		4,250,000	6,400,000	10,650,000
Transfer In - Other Funds		7,000	-	7,000
Transfer Out - Other Funds		(107,000)	-	(107,000)
	<u>-</u>	<u>4,150,000</u>	<u>6,400,000</u>	<u>10,550,000</u>
Net Annual Activity	\$ -	(266,410)	(227,269)	(493,679)
Ending Available Balance		\$ 1,792,615	\$ 1,062,738	\$ 2,855,353
			Revenues	\$ 14,688,057
			Transfers	10,657,000
			Total Sources	<u>\$ 25,345,057</u>
			Expenditures	\$ 25,731,736
			Transfers	107,000
			Total Appropriations	<u>\$ 25,838,736</u>

**Community Services Department
General Fund - 010
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Total Community Services Department				
Employee Services	\$ 35,303	\$ 20,039	\$ -	\$ -
Other Services	678	979	-	-
Materials and Supplies	-	-	-	-
Other Expenses	-	-	-	-
Total	<u>\$ 35,981</u>	<u>\$ 21,018</u>	<u>\$ -</u>	<u>\$ -</u>

Arts Commission

Employee Services	35,303	20,039		
Other Services	678	979		
Materials and Supplies				
Other Expenses				
Total	<u>35,981</u>	<u>21,018</u>	<u>-</u>	<u>-</u>

**Community Services Department
Library Programs
FY 2014-15 Proposed Budget**

	Library 041	Special Revenue 644	Kolak Trust 614	Bess Larsen Trust 621
	<i>See Page G-11</i>	<i>See Page G-12</i>	<i>See Page G-13</i>	<i>See Page G-14</i>
Beginning Available Balance	\$ 1,780,933	\$ 107,504	\$ 170,563	\$ -
Revenues				
San Joaquin County	5,686,000			
Additional Hours Contracts	148,047			
Fines	219,400			
Other Revenues	283,150	50,000	-	-
	6,336,597	50,000	-	-
Expenditures				
Branch operations	7,616,953	70,000	-	-
Technical services	1,323,921			
Programming and outreach	357,451			
Administration and delivery	1,434,727			
Capital projects	-			
	10,733,052	70,000	-	-
Transfers				
Transfer In - General Fund	4,250,000			
Transfer In - Other	7,000			
Transfer Out	(100,000)	-	(7,000)	-
	4,157,000	-	(7,000)	-
Net Annual Activity	(239,455)	(20,000)	(7,000)	-
Ending Available Balance	\$ 1,541,478	\$ 87,504	\$ 163,563	\$ -

**Community Services Department
Library Programs, Continued
FY 2014-15 Proposed Budget**

	G. Cady Trust 622	Kiersch Memorial 628	Library Programs Total
	<i>See Page G-15</i>	<i>See Page G-16</i>	
Beginning Available Balance	\$ (430)	\$ 455	\$ 2,059,025
Revenues			
San Joaquin County			5,686,000
Additional Hours Contract			148,047
Fines			219,400
Other Revenues	45	-	333,195
	<u>45</u>	<u>-</u>	<u>6,386,642</u>
Expenditures			
Branch operations	-	-	7,686,953
Technical services			1,323,921
Programming and outreach			357,451
Administration and delivery			1,434,727
Capital projects			-
	<u>-</u>	<u>-</u>	<u>10,803,052</u>
Transfers			
Transfer In - General Fund - 010			4,250,000
Transfer In - Other			7,000
Transfer Out			(107,000)
	<u>-</u>	<u>-</u>	<u>4,150,000</u>
Net Annual Activity	45	-	(266,410)
Ending Available Balance	\$ (385)	\$ 455	\$ 1,792,615

COMMUNITY SERVICES

LIBRARY FUND (041)

History

- This fund captures the financial transactions for the Stockton-San Joaquin County Public Library.
- Under City of Stockton operation, library services have been made available County-wide since 1910.
- Currently four City and eight County branches 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 (40%); San Joaquin County General Fund (52%); contracts for automation and delivery services (2%), support from outlying cities (2%); donations from individuals and charitable organizations (2%), and by fine and fee revenues (2%).
- City branches are open to the public 28% fewer hours than in the FY 2008-09.
- Collection items per capita in City branches are 1.8, while industry standard is 2.5.

FY 2013-14 Events

- City branches are projected to lend more than 880,000 items.
- Over 480,000 visitors will be received in City branch libraries.
- Over 650 programs will be offered to over 25,000 patrons in City branches
- \$75,000 grant received from the State of California for a Library Strategic Plan. Scheduled completion date is June 30, 2014.
- *Live from Cesar Chavez*, was a successful series of events funded by the Library Literacy Foundation that encourages community dialogue and understanding about diverse issues.

FY 2014-15 Budget Changes

- Develop an implementation plan for the Library Strategic Plan recommendations that fits within the future year's budget presented in the bankruptcy Plan of Adjustment.
- Replace the 14 year old personal computer reservation and print management software to better manage over 200 customer-use computers and printers,
- Replace the machines that accept bills and coins in payment for printing documents and making copies at libraries.

**Community Services Department
Library - 041
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ 3,206,359	\$ 3,520,514	\$ 1,493,505	\$ 1,780,933
Revenues				
San Joaquin County	5,086,478	4,835,323	5,184,000	5,686,000
Material Match Program	60,099	110,300	135,000	137,200
Additional Hours Contracts	168,761	146,796	141,810	148,047
Fines & Fees	250,353	287,696	234,000	219,400
Other Revenues	273,188	174,738	165,000	145,950
	<u>5,838,879</u>	<u>5,554,853</u>	<u>5,859,810</u>	<u>6,336,597</u>
Expenditures				
Administration	1,174,336	1,212,640	1,220,000	1,215,953
Programming and Outreach	311,743	285,439	340,000	357,451
Technical Services	994,333	962,163	1,200,000	1,323,921
Branch Operations				
Branch Operations - County	3,448,239	3,066,026	3,500,000	4,099,945
Branch Operations - City	3,203,746	3,153,128	3,300,000	3,517,008
Delivery Services	152,741	151,896	200,000	218,774
Capital projects	217,345	280,612	(100,000)	-
	<u>9,502,483</u>	<u>9,111,904</u>	<u>9,660,000</u>	<u>10,733,052</u>
Transfers				
Transfer In - General Fund	3,977,759	3,907,000	3,999,000	4,250,000
Transfer In - Other		7,750	88,618	7,000
Transfer Out - Capital 301				(100,000)
	<u>3,977,759</u>	<u>3,914,750</u>	<u>4,087,618</u>	<u>4,157,000</u>
Net Annual Activity	<u>314,155</u>	<u>357,699</u>	<u>287,428</u>	<u>(239,455)</u>
Ending Available Balance	<u>\$ 3,520,514</u>	<u>\$ 3,878,213</u>	<u>\$ 1,780,933</u>	<u>\$ 1,541,478</u>
Available Balance Calculation				
Cash		\$ 4,046,773		
Accounts Receivable		189,886		
Accounts Payable		(358,447)		
Encumbrances		(113,837)		
Capital Projects		(2,270,870)		
Ending Available Balance		<u>\$ 1,493,505</u>		

**Community Services Department
Library Special Revenue Fund - 644
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 471,350	\$ 246,199	\$ 187,670	\$ 107,504
Revenues				
Program Revenue	3,055	50,750	46,000	50,000
Other Revenue	95,935	19,714	4,429	
	<u>98,990</u>	<u>70,464</u>	<u>50,429</u>	<u>50,000</u>
Expenditures				
Program Expenditures	324,141	128,993	50,289	70,000
	<u>324,141</u>	<u>128,993</u>	<u>50,289</u>	<u>70,000</u>
Transfers				
Transfer In				
Transfer Out			(80,306)	
	<u>-</u>	<u>-</u>	<u>(80,306)</u>	<u>-</u>
Net Annual Activity	(225,151)	(58,529)	(80,166)	(20,000)
Ending Available Balance	\$ 246,199	\$ 187,670	\$ 107,504	\$ 87,504
Available Balance Calculation				
Cash		\$ 192,760		
Accounts Receivable		-		
Accounts Payable		(5,090)		
Ending Available Balance		<u>\$ 187,670</u>		

**Community Services Department
Kolak Trust - 614
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 191,741	\$ 191,025	\$ 176,063	\$ 170,563
Revenues				
Interest	3,252	298	1,500	-
	<u>3,252</u>	<u>298</u>	<u>1,500</u>	<u>-</u>
Expenditures				
Operating Expenditures	3,968	9,010	-	-
	<u>3,968</u>	<u>9,010</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In				
Transfer Out		(6,250)	(7,000)	(7,000)
	<u>-</u>	<u>(6,250)</u>	<u>(7,000)</u>	<u>(7,000)</u>
Net Annual Activity	<u>(716)</u>	<u>(14,962)</u>	<u>(5,500)</u>	<u>(7,000)</u>
Ending Available Balance	\$ 191,025	\$ 176,063	\$ 170,563	\$ 163,563
Available Balance Calculation				
Cash		\$ 176,731		
Accounts Payable		(668)		
Ending Available Balance		<u>\$ 176,063</u>		

**Community Services Department
Bess Larson Trust - 621
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 1,561	\$ 1,348	\$ 1,312	\$ -
Revenues				
Interest	25	2		
	<u>25</u>	<u>2</u>	<u>-</u>	<u>-</u>
Expenditures				
Operating Expenditures	238	38		
	<u>238</u>	<u>38</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In				
Transfer Out			(1,312)	
	<u>-</u>	<u>-</u>	<u>(1,312)</u>	<u>-</u>
Net Annual Activity	<u>(213)</u>	<u>(36)</u>	<u>(1,312)</u>	<u>-</u>
Ending Available Balance	<u>\$ 1,348</u>	<u>\$ 1,312</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Cash		\$ 1,350		
Accounts Payable		(38)		
Principal endowment				
Ending Available Balance		<u>\$ 1,312</u>		

**Community Services Department
Cady Endowment - 622
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 11,014	\$ 9,894	\$ (437)	\$ (430)
Revenues				
Interest	188	15	15	45
	<u>188</u>	<u>15</u>	<u>15</u>	<u>45</u>
Expenditures				
Library Materials	1,308	29	8	-
	<u>1,308</u>	<u>29</u>	<u>8</u>	<u>-</u>
Transfers				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(1,120)	(14)	7	45
Ending Available Balance	\$ 9,894	\$ 9,880	\$ (430)	\$ (385)
Available Balance Calculation				
Cash		\$ 9,880		
Principal endowment		<u>(10,317)</u>		
Ending Available Balance		<u>\$ (437)</u>		

**Community Services Department
Kiersch Memorial Trust - 628
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 741	\$ 463	\$ 455	\$ 455
Revenues				
Interest	80	7		
	<u>80</u>	<u>7</u>	<u>-</u>	<u>-</u>
Expenditures				
Books & media	358	15		
	<u>358</u>	<u>15</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(278)	(8)	-	-
Ending Available Balance	\$ 463	\$ 455	\$ 455	\$ 455
Available Balance Calculation				
Cash		\$ 4,405		
Accounts Payable				
Principal endowment		(3,950)		
Ending Available Balance		<u>\$ 455</u>		



**Community Services Department
Recreation Division
FY 2014-15 Proposed Budget**

	<u>Recreation 044</u> <i>See Page G-21</i>	<u>Entertainment Venues 086</u> <i>See Page G-24</i>	<u>Golf 481</u> <i>See Page G-27</i>	<u>Arts Endowment 613</u> <i>See Page G-28</i>	<u>E. Blum Trust 623/624/625</u> <i>See Page G-29</i>
Beginning Available Balance	\$ 835,595	\$ 81,876	\$ 184,700	\$ 72,798	\$ -
Revenues					
Recreation Programs	1,417,500		1,781,211		
Facility Admission and Rentals	346,500				
Community Centers	205,000				
Other Revenue		4,536,104		100	
	<u>1,969,000</u>	<u>4,536,104</u>	<u>1,781,211</u>	<u>100</u>	<u>-</u>
Expenditures					
Administration	1,009,368				
Children's Museum	5,000				
Civic Auditorium	334,943				
Community Centers	1,752,356				
Pixie Woods	160,173				
Programs - After School	876,768				
Programs - Instructional	76,538				
Programs - Sports	686,737				
Silver Lake Camp	3,600				
Special Events	126,956				
Swimming Facilities	81,290				
Tennis Facilities	9,155				
Grants Awarded				50,000	
Materials & Supplies				250	
Program Costs		7,605,405	2,131,211		
	<u>5,122,884</u>	<u>7,605,405</u>	<u>2,131,211</u>	<u>50,250</u>	<u>-</u>
Transfers					
Transfer In - General Fund	2,950,000	3,100,000	350,000		
Transfer Out	-	-		-	-
	<u>2,950,000</u>	<u>3,100,000</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(203,884)</u>	<u>30,699</u>	<u>-</u>	<u>(50,150)</u>	<u>-</u>
Ending Available Balance	\$ 631,711	\$ 112,575	\$ 184,700	\$ 22,648	\$ -

**Community Services Department
Recreation Division
FY 2014-15 Proposed Budget**

	A Cross 626	Arts Commission Special 641	Parks & Recreation Trust 643	Recreation Total
	<i>See Page G-30</i>	<i>See Page G-31</i>	<i>See Page G-32</i>	
Beginning Available Balance	\$ 8,934	\$ -	\$ 106,104	\$ 1,290,007
Revenues				
Recreation Programs			15,000	3,213,711
Facility Admission and Rentals				346,500
Community Centers				205,000
Other Revenue			-	4,536,204
	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>8,301,415</u>
Expenditures				
Administration				1,009,368
Children's Museum				5,000
Civic Auditorium				334,943
Community Centers				1,752,356
Pixie Woods	8,934			169,107
Programs - After School				876,768
Programs - Instructional				76,538
Programs - Sports				686,737
Silver Lake Camp				3,600
Special Events				126,956
Swimming Facilities				81,290
Tennis Facilities				9,155
Grants Awarded				50,000
Materials & Supplies				250
Program Costs			10,000	9,746,616
	<u>8,934</u>	<u>-</u>	<u>10,000</u>	<u>14,928,684</u>
Transfers				
Transfer In - General Fund				6,400,000
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,400,000</u>
Net Annual Activity	(8,934)	-	5,000	(227,269)
Ending Available Balance	\$ -	\$ -	\$ 111,104	\$ 1,062,738

COMMUNITY SERVICES

RECREATION FUND (044)

History

- This fund captures the financial transactions related to the recreational facilities and programs enjoyed by thousands of City residents and visitors.
- Resources used to support these programs include facility rental and registration fees, contract revenue, donations, admissions, and a General Fund allocation.

FY 2013-14 Events

- Pixie Woods children's theme park attendance increased 9.9%.
- 1200 attendees at Halloween *Spooktacular* movie and safe holiday event.
- Siefert Community added summer camp and welcomed 149 children.
- Partnered with Manteca Unified School District and provided games and programming for over 13,000 Weston Ranch children who participated in the Summer Seamless Feeding Lunch program held in three City parks.
- Took on facility rental, oversight, and team support mid-season at the Stockton Soccer Complex. Developed a revenue and expenditure review process to begin a comprehensive management plan.

FY 2014-15 Budget Changes

- Simplify fees to make facility and field rental pricing more attractive and consistent with the local market. The goal is to simultaneously increase utilization and customer satisfaction with little to no impact on the average per-rental fees.
- Expand Pixie Woods season by 9 additional weekends, and for special holiday events.
- Produce 5 events at Weber Point for children and families that will be free to the public.

**Community Services Department
Recreation Services - 044
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ 619,481	\$ 471,026	\$ 835,280	\$ 835,595
Revenues				
Recreation Programs	1,327,661	1,310,703	1,340,000	1,417,500
Facility Admission and Rentals	343,724	318,263	280,000	346,500
Community Centers	283,152	239,536	205,000	205,000
Other Revenue	11,530	-	-	-
	<u>1,966,067</u>	<u>1,868,502</u>	<u>1,825,000</u>	<u>1,969,000</u>
Expenditures				
Administration	797,683	775,286	850,000	1,009,368
Children's Museum	5,495	372	2,000	5,000
Civic Auditorium	280,650	245,058	300,000	334,943
Community Centers	1,684,361	1,676,714	1,650,000	1,752,356
Pixie Woods	106,096	118,887	100,000	160,173
Programs - After School	880,678	826,401	845,000	876,768
Programs - Instructional	51,441	53,674	65,000	76,538
Programs - Sports	369,136	346,679	635,000	686,737
Silver Lake Camp	6,005	2,901	3,000	3,600
Special Events	120,758	102,067	105,000	126,956
Sports Commission	4,881	-	-	-
Swimming Facilities	46,771	95,412	78,000	81,290
Tennis Facilities	19,424	14,527	14,600	9,155
	<u>4,373,379</u>	<u>4,257,978</u>	<u>4,647,600</u>	<u>5,122,884</u>
Transfers				
Transfer In - General Fund	2,757,263	2,340,000	2,845,000	2,950,000
Transfer In - Other	1,594	413,730	(22,085)	-
Transfer Out - Golf Course	(500,000)	-	-	-
	<u>2,258,857</u>	<u>2,753,730</u>	<u>2,822,915</u>	<u>2,950,000</u>
Net Annual Activity	(148,455)	364,254	315	(203,884)
Ending Available Balance	\$ 471,026	\$ 835,280	\$ 835,595	\$ 631,711
Available Balance Calculation				
Cash		\$ 1,113,383		
Accounts Receivable		96,896		
Current Liabilities		(374,999)		
Encumbrances		-		
Ending Available Balance		<u>\$ 835,280</u>		

COMMUNITY SERVICES

ENTERTAINMENT VENUES FUND (086)

History

- The City owns four specialty sports and entertainment venues; the 12,000 seat Stockton Arena, the 5,000 Stockton Banner Island Ballpark, the 2,042 seat Bob Hope Theater, and the Oak Park Ice Arena.
- 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 repair and improvement plan.

FY 2013-14 Events

- Through March 2014, there were more than 170 events at the Bob Hope Theatre and Stockton Arena with corresponding direct impacts to hotel occupancy, local tax revenue, and downtown restaurant and bar activity.
- SMG provides 22 full time and 509 part time positions.
- Nationally, the number of tours who went out on the road last year decreased by almost 25% from the prior fiscal year. Part of the slowdown was due to the popularity of large musical festivals (such as Coachella) which are booked before smaller arena venues. Booking for FY 2014-15 tours are up from this time last year.
- SMG is committed to being a strong community partner through “no cost” and cost effective community engagement projects at the venues. SMG continues to develop community related events and projects. This year SMG introduced “Food Truck Frenzy” at Ring Road around the Arena, curling, pond hockey, and free public ice skating opportunities at the Oak Park Ice Arena. SMG and collaborative partners collected and distributed 5,000 coats, blankets, and socks to the community through a joint project called “Stockton Cares”.
- Year end projections are inconsistent at this time and, as year-end approaches and revenues become more certain, this fund may require additional subsidy from General Fund.

FY 2014-15 Budget Changes

- The City of Stockton Entertainment Venue Fund has received a general fund subsidy for a number of years. That subsidy has gone down on an overall basis since SMG took over management of the facilities. The subsidy included in the FY 2014-15 Proposed Budget of \$3.1 million is, however an increase of approximately \$447,000 from the current year level. The increase in subsidy is the combined result of a projection for lower revenues, particularly in the Arena and Bob Hope Theatre due to changes in the national entertainment industry, along with the inclusion of funding for some much needed facility capital improvements. Those improvements are budgeted at \$230,000 and include lighting retrofit at the ice rink and chiller rebuild and energy management system controls at the Arena.
- SMG estimates over 373, 000 people will attend 160 events at the Bob Hope Theatre and Arena. Attendance provides direct and indirect benefit to the community through increased economic activity around events and local tax revenue generated.

COMMUNITY SERVICES

- Half of the food and beverage staffing for events at the Arena is provided by non-profit agencies who receive a portion of sales. This arrangement is estimated to provide more than \$30,000 in donations to non-profits during the fiscal year.
- SMG supports grassroots engagement and local promoters; as a result, 40% of SMG Stockton shows were promoted by local promoters.
- The Stockton Arena will benefit from a Citywide Technology Strategic Plan project upgrading the point of sale (POS) system. Mission critical funds of \$236,000 have been budgeted for the POS system upgrade to ensure compliance with current system security.

**Community Services Department
Entertainment Venues - 086
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ (908,799)	\$ (652,165)	\$ 175,068	\$ 81,876
Revenues				
Operations:				
Stockton Arena	2,234,239	3,181,994	2,394,000	3,411,737
Bob Hope Theatre	428,333	388,428	432,000	431,853
Oak Park Ice Arena	358,926	425,962	450,000	410,800
Ballpark	251,148	223,537	200,000	220,000
Other Revenue	420,354	95,307	61,714	61,714
	<u>3,693,000</u>	<u>4,315,228</u>	<u>3,537,714</u>	<u>4,536,104</u>
Expenditures				
Operations:				
Stockton Arena	3,676,087	4,633,808	4,212,000	4,894,473
Bob Hope Theatre	824,012	813,823	820,000	872,525
Oak Park Ice Arena	582,169	592,445	585,000	682,997
Ballpark	639,155	639,762	500,000	719,340
Administration	129,294	171,694	167,000	206,070
Facility Maint. & Equipment	-	-	-	230,000
Buy-out of operator/transition costs	26,948	-	-	-
	<u>5,877,665</u>	<u>6,851,532</u>	<u>6,284,000</u>	<u>7,605,405</u>
Transfers				
Transfer In - General Fund	2,441,299	2,637,350	2,653,094	3,100,000
Transfer In - Other		13,962		
Transfer Out				
	<u>2,441,299</u>	<u>2,651,312</u>	<u>2,653,094</u>	<u>3,100,000</u>
Net Annual Activity	<u>256,634</u>	<u>115,008</u>	<u>(93,192)</u>	<u>30,699</u>
Ending Available Balance	<u>\$ (652,165)</u>	<u>\$ (537,157)</u>	<u>\$ 81,876</u>	<u>\$ 112,575</u>
Available Balance Calculation				
Current Assets		\$ 1,207,185		
Current Liabilities		(1,031,694)		
Encumbrances		(423)		
Ending Available Balance		<u>\$ 175,068</u>		



COMMUNITY SERVICES

GOLF FUND (481)

History

- This fund captures the financial transactions 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.
- Resources for this Enterprise Fund include fees and a General Fund subsidy.

FY 2013-14 Events

- The FY 2013-14 activities is expected to be within funding limits.
- Lack of rain allowed courses to welcome players for more days than expected in the winter.

FY 2014-15 Budget Changes

- The shortfall in this fund and the General Fund allocation to support it is expected to decrease to \$350,000.
- Irrigation, pump and pond repairs are needed at Van Buskirk Golf Course.
- Significant deferred maintenance concerns continue at both courses.

**Community Services Department
Golf - 481
FY 2014-15 Proposed Budget**

	<u>FY 2011-12 Actual</u>	<u>FY 2012-13 Unaudited Actual</u>	<u>FY 2013-14 Projected</u>	<u>FY 2014-15 Proposed Budget</u>
Beginning Available Balance	\$ (8,822)	\$ (20,259)	\$ 102,080	\$ 184,700
Revenues				
Swenson Golf Course	1,260,192	1,169,918	1,211,910	1,202,498
Van Buskirk Golf Course	597,066	538,343	532,771	558,247
Other Revenues	(21,033)	13,736	20,963	20,466
	<u>1,836,225</u>	<u>1,721,997</u>	<u>1,765,644</u>	<u>1,781,211</u>
Expenditures				
Swenson Golf Course	1,462,264	1,339,865	1,319,871	1,279,452
Van Buskirk Golf Course	868,640	704,004	737,937	770,070
City Costs Contingency	-	59,273	75,216	81,689
Inventory Adjustments	16,758	(1,484)	-	-
	<u>2,347,662</u>	<u>2,101,658</u>	<u>2,133,024</u>	<u>2,131,211</u>
Transfers				
Transfer In - General Fund	500,000	502,000	450,000	350,000
	<u>500,000</u>	<u>502,000</u>	<u>450,000</u>	<u>350,000</u>
Net Annual Activity	<u>(11,437)</u>	<u>122,339</u>	<u>82,620</u>	<u>-</u>
Ending Available Balance	<u>\$ (20,259)</u>	<u>\$ 102,080</u>	<u>\$ 184,700</u>	<u>\$ 184,700</u>
Available Balance Calculation				
Current assets		\$ 282,656		
Current liabilities		(180,576)		
Ending Available Balance		<u><u>\$ 102,080</u></u>		

**Community Services Department
Arts Endowment - 613
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 136,959	\$ 93,258	\$ 123,344	\$ 72,798
Revenues				
Interest	16,129	190	300	100
Grant	-	-	101	-
	<u>16,129</u>	<u>190</u>	<u>401</u>	<u>100</u>
Expenditures				
Grants Awarded	58,500	-	50,000	50,000
Materials & Supplies	1,330	247	300	250
	<u>59,830</u>	<u>247</u>	<u>50,300</u>	<u>50,250</u>
Transfers				
Transfer In - 641 Fund		30,143		
Transfer Out			(647)	
	<u>-</u>	<u>30,143</u>	<u>(647)</u>	<u>-</u>
Net Annual Activity	<u>(43,701)</u>	<u>30,086</u>	<u>(50,546)</u>	<u>(50,150)</u>
Ending Available Balance	\$ 93,258	\$ 123,344	\$ 72,798	\$ 22,648
Available Balance Calculation				
Cash		<u>\$ 123,344</u>		
Ending Available Balance		<u>\$ 123,344</u>		

Community Services Department
E. Blum - 623/624/625
FY 2014-15 Proposed Budget

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 24,662	\$ 25,083	\$ (5,452)	\$ -
Revenues				
Interest	421	(2)	-	-
	<u>421</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Expenditures				
General Recreation		-	-	-
Pixie Woods Park		4,419		
Red Feather Ice Skating				
	<u>-</u>	<u>4,419</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In			5,486	
Transfer Out		(26,114)	(34)	
	<u>-</u>	<u>(26,114)</u>	<u>5,452</u>	<u>-</u>
Net Annual Activity	<u>421</u>	<u>(30,535)</u>	<u>5,452</u>	<u>-</u>
Ending Available Balance	\$ 25,083	\$ (5,452)	\$ -	\$ -
Available Balance Calculation				
Cash		\$ (5,452)		
Ending Available Balance		<u>\$ (5,452)</u>		

**Community Services Department
Arlo Cross - 626
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 56,131	\$ 64,439	\$ 8,934	\$ 8,934
Revenues				
Interest	8,308	1,755	-	-
	<u>8,308</u>	<u>1,755</u>	<u>-</u>	<u>-</u>
Expenditures				
Operating Expenditures	-	-	-	8,934
Capital Outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,934</u>
Transfers				
Transfer In				
Transfer Out - Library Fund		(1,500)		
Transfer Out - Recreation Fund		(55,760)		
	<u>-</u>	<u>(57,260)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>8,308</u>	<u>(55,505)</u>	<u>-</u>	<u>(8,934)</u>
Ending Available Balance	\$ 64,439	\$ 8,934	\$ 8,934	\$ -
Available Balance Calculation				
Cash		\$ 8,934		
Ending Available Balance		<u>\$ 8,934</u>		

**Community Services Department
Stockton Arts Commission Special Revenue - 641
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Projected</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Beginning Available Balance	\$ 29,553	\$ 29,498	\$ (647)	\$ -
Revenues				
Program Revenues				
Donations				
Interest	498	(1)		
	<u>498</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Expenditures				
Program costs	239	1		
Art awards	314			
Publicity & marketing				
	<u>553</u>	<u>1</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In			647	
Transfer Out - 613 Fund		(30,143)		
	<u>-</u>	<u>(30,143)</u>	<u>647</u>	<u>-</u>
Net Annual Activity	<u>(55)</u>	<u>(30,145)</u>	<u>647</u>	<u>-</u>
Ending Available Balance	\$ 29,498	\$ (647)	\$ -	\$ -
Available Balance Calculation				
Cash		\$ (647)		
Accounts Receivable		-		
Ending Available Balance		<u>\$ (647)</u>		

**Community Services Department
Parks & Recreation Trust - 643
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ 278,429	\$ 233,064	\$ 101,104	\$ 106,104
Revenues				
Donations	11,841	-	-	-
Program revenue	16,025	16,076	15,000	15,000
Interest income	4,014	-	-	-
	<u>31,880</u>	<u>16,076</u>	<u>15,000</u>	<u>15,000</u>
Expenditures				
Program costs	77,245	2,227	10,000	10,000
	<u>77,245</u>	<u>2,227</u>	<u>10,000</u>	<u>10,000</u>
Transfers				
Transfer In - General Fund				
Transfer Out - Recreation Fund		(145,809)		
	<u>-</u>	<u>(145,809)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(45,365)</u>	<u>(131,960)</u>	<u>5,000</u>	<u>5,000</u>
Ending Available Balance	\$ 233,064	\$ 101,104	\$ 106,104	\$ 111,104
Available Balance Calculation				
Cash		\$ 101,881		
Accounts Receivable		-		
Accounts Payable		(777)		
Ending Available Balance		<u>\$ 101,104</u>		

TAB 8 COMMUNITY DEVELOPMENT



COMMUNITY DEVELOPMENT DEPARTMENT



COMMUNITY DEVELOPMENT

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	\$7,696,715
Total Revenues	\$6,776,911
Total Net Cost	\$919,804
Total Staff	33

DEPARTMENTAL DESCRIPTION

The Community Development Department is comprised of the Building & Life Safety Division, Planning & Engineering Services Division, and the Business Operations Division. The operational center of the Department is at the City Permit Center. The purpose of the Department is sixfold: (1) to plan for the future growth, infrastructure needs and service demands of the greater community; (2) to review and process permit applications for development activities large and small; (3) to provide permit and life safety inspections of buildings, storage tanks, mechanical equipment lines and other such structures; (4) to provide emergency operations inspection services and action plan support; (5) to coordinate floodplain management efforts; and (6) to 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.

The Department supports the Planning Commission, Development Oversight Commission, Climate Action Plan Advisory Committee, Cultural Heritage Board, Building & 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 funded by user fees.

KEY CONSIDERATIONS

The currently operative General Plan 2035 has something for everyone. However, the world of Stockton has dramatically changed over the past seven years, to the extent that the baseline conditions, reasoning and vision of that plan are broken. Strategic Initiative III.2 of the City Council recognizes the need for a comprehensive update of the General Plan and various other documents, public policies and programs that stem from the General Plan, such as the Capital Improvement Program and development impact fees within the City Fee Schedule. This top priority issue largely steers the Department's budget for FY 2014-15.

A General Plan – Overall Work Program sets forth an 18 to 24-month long staff driven effort to conduct necessary technical analyses, environmental impact analysis and reporting, and workshop/hearing processes. The work program would satisfy the 2008 Settlement Agreement with the State regarding alleged defects with General Plan 2035, the SB375 Sustainable Communities Strategy goals for the region and how that implicates the City's Circulation Element and Housing Element of the General Plan, the AB32 climate action planning policies and programs and how that implicates the General Plan, the SB5 floodplain management regulations and their effects on the City's planning and building codes, and the production of baseline conditions for the preparation of a state mandated Municipal Services Review and how that implicates the City's annexation policies and rules.

COMMUNITY DEVELOPMENT DEPARTMENT

The preparation of a Downtown Area Plan is another top priority consideration built into the workplan of the Department in FY 2014-15. The work program focuses on transit-oriented, mixed use development opportunities, including further adjustments to the General Plan and planning and building codes.

The preparation of a completely new Capital Improvement Program is also at-hand for the next two fiscal years. The City's future planned infrastructure needs and service levels will change as the General Plan guides the transformation of the City's land pattern towards state mandated trends of climate action planning, infill over greenfield development pattern, and the adaptive reuse of underutilized or vacant properties and structures.

A Phase 3 Development Impact Fee Study is also programmed within the Department's budget for FY 2014-15. This work program would complete the satisfaction of Strategic Initiative III.3 of the City Council to simplify and reduce development fees. Phase 1 provided the legal and policy framework to reopen the development impact fee system. Phase 2 studied and recommended adjustments to permit processing fees. Phase 3 is designed to address and possibly adjust Public Facility Fees to comport with the new Capital Improvement Program infrastructure needs and revised service level demands.

Each of these work programs is highly technical, politically and legally sensitive, and resource-intensive. They will make for a busy, transformative two year period.

These work programs are occurring at the same time that the census count of customer contacts and permit activity is picking up at the City Permit Center (22,000 customer contacts and 4,100 permits issued in calendar year 2013). Despite new housing start weakness, the City Permit Center is seeing a considerable uptick in service requests from other industry sectors. Service requests are up year-over-year while permit applications and the valuation of building activity is down. Relative to housing starts, the City expects to be in a lull until about 2017, according to a 2013 econometric forecast that predicts housing production (all types) to be around 700 units per year thereafter for the long term.

These work programs are also occurring at the same time as the reengineering of the structure, staffing and workflow processes at the City Permit Center continues. Management Partners, Inc. and the Urban Land Institute made over 60 recommendations in their 2012 Implementation Action Plans regarding needed reforms to the community development function. Those reforms are well underway vis-à-vis the implementation of the Department's Reorganization Plan and a Consolidation of Services Plan with the Fire Prevention Bureau programmed within the FY2013-14 budget.

One of the more significant line items in the Implementation Action Plans is the procurement of a web-based Permit Tracking System and accompanying digitizing of permit records and building/engineering plan sets. First year include software licenses, hardware and technology upgrades, implementation, and training services. Future years will include annual licensing and hardware and technology upgrades.

The Department's FY 2014-15 budget includes an increase of 1 staff position, Senior Plan Checker, to address the demands of the work programs, Implementation Action Plan, Reorganization Plan, Consolidation Plan, and uptick in customer service requests identified above.

The General Fund subsidy of \$1 million that began in FY 2012-13 continues through FY 2014-15 and will be evaluated as an impact from the upcoming Phase 2 Development Impact Fee Study.

**Community Development Department
FY 2014-15 Proposed Budget**

	Development Services 048	Public Facilities Fee Administration 999	Total
	<i>See Page H-7 (excludes Fire portion of fund)</i>	<i>See Page H-8</i>	
Beginning Available Balance		\$ 192,474	
Revenues			
Fees	\$ 5,595,556	179,815	\$ 5,775,371
Grants	-	1,540	1,540
	5,595,556	181,355	5,776,911
Expenditures			
Operating Expense	7,500,645	196,070	7,696,715
	7,500,645	196,070	7,696,715
Transfers			
Transfer In - General Fund	1,000,000	-	1,000,000
Transfer Out	-	-	-
	1,000,000	-	1,000,000
Net Annual Activity	\$ (905,089)	(14,715)	\$ (919,804)
Ending Available Balance		\$ 177,759	
		-	
		Revenues	\$ 5,776,911
		Transfers	1,000,000
		Total Sources	\$ 6,776,911
		Expenditures	\$ 7,696,715
		Transfers	-
		Total Appropriations	\$ 7,696,715

DEVELOPMENT SERVICES FUND (048)

History

- This fund includes both the Community Development Department and Fire Prevention.
 - The Development Services fund is a special revenue fund.
 - Operating costs borne primarily by permit revenues.

2013-14 Events

- Continued to implement recommended staffing, process and workflow efficiencies as part of the Implementation Action Plan. Seventeen items from the plan have been accomplished.
- Procured a web-based Permit Tracking System (PTS) with funding from the City-wide Technology System Plan.
- Introduced EZ Permit System two days a week.

2014-15 Budget Changes

- Implementation Action Plan underway and continuing through FY 2014-15. Of the remaining items four are currently in progress.
 - Restructure staffing to eliminate silos and improve workflow.
 - Re-engineer 3rd party plan check.
 - Reset development fees to comport with the California Mitigation Fee Act, to move from full cost recovery to in-market range, and to establish loss-leaders that stimulate permitting and repeat customers.
 - Phase 3 of the Development Fee Study is programmed for FY 2014-15. Phase 3 is designed to address and possibly adjust Public Facility Fees to comport with the new Capital Improvement program infrastructure needs.
- An 18-24 month General Plan - Overall Work Program will begin 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 tracking and fee management system will be implemented.
- Other priority projects for the department include adopting the AB32 Climate Action Plan, revising the Capital Improvement Program (CIP) to match the General Fund, preparing a Municipal Services Review Plan and addressing SB5 and FEMA Community Service Rating.
- The Department's FY 2014-15 proposed budget includes the increase of 1 staff position, a Senior Plan Checker, to address the demands for the work programs, Implementation Action Plan, Reorganization Plan, Consolidation Plan, and an uptick in customer service requests experienced in the past year.
- The General Fund subsidy of \$1.0 million that began FY 2012-13 will continue to support departmental activities not appropriate for fee support in FY 2014-15.

**Community Development and Fire Departments - Combined
Development Services - 048
FY 2014-15 Proposed Budget**

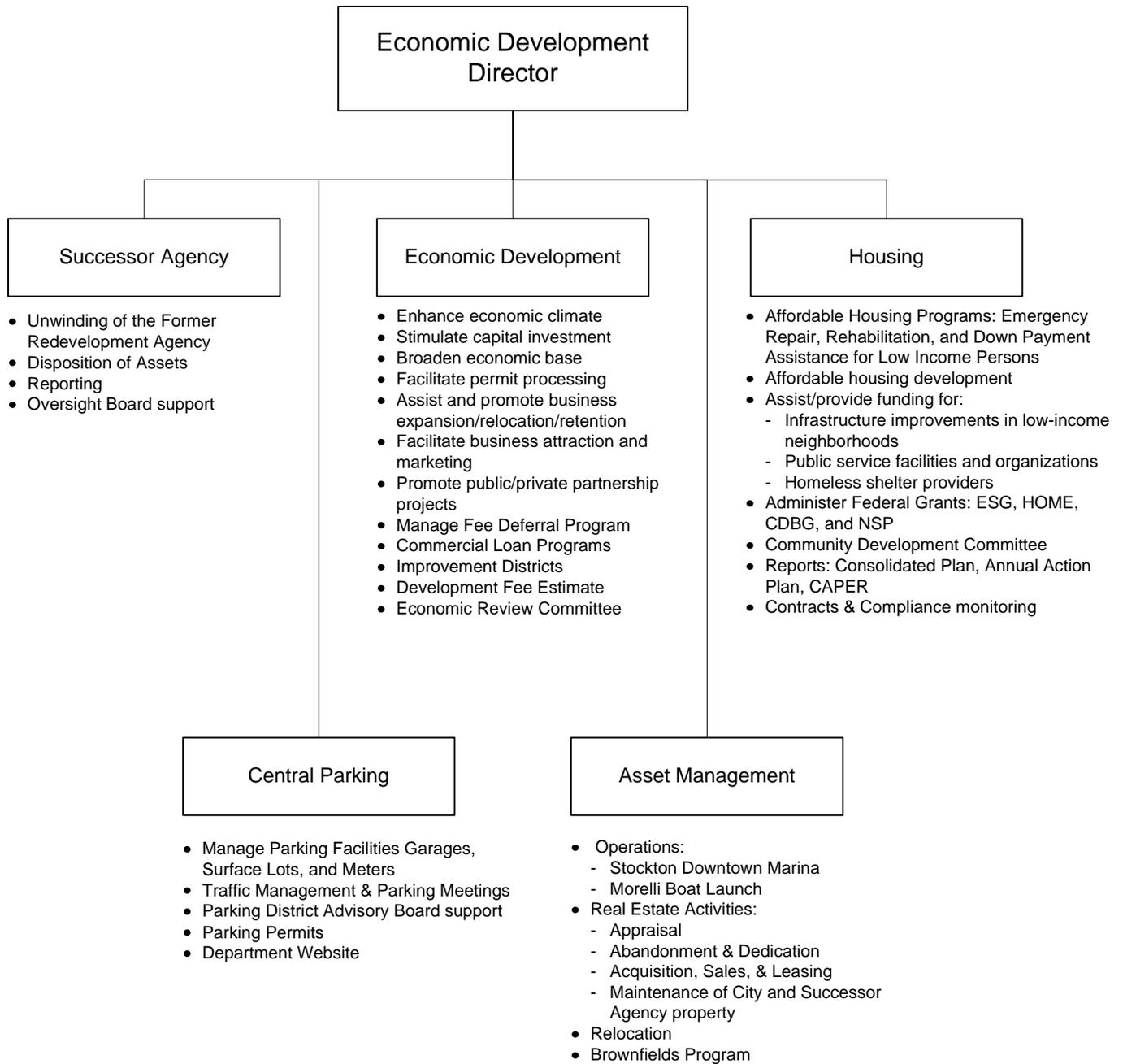
	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 85,161	\$ 1,452,850	\$ 2,422,946	\$ 3,408,060
Revenues				
Community Development				
User Fees	4,767,678	3,771,443	4,403,924	4,503,924
Development Oversight	174,489	125,187	104,686	104,686
Technology Fee	305,463	267,697	250,656	250,656
CRS Administrative Fee	60,776	53,342	55,332	55,332
General Plan Maint & Impl	522,802	367,768	314,176	314,176
Development Code Maintenance	174,068	124,433	104,600	104,600
Climate Action Plan	174,067	122,538	104,688	104,688
Housing Element Prep/Impl/Maint	87,040	62,173	52,352	52,352
Capital Preservation	173,796	124,850	104,592	104,592
Grants	50,000	-	19,423	-
Fines & Penalties	1,865	987	529	550
	<u>6,492,044</u>	<u>5,020,418</u>	<u>5,514,958</u>	<u>5,595,556</u>
Fire Prevention				
User Fees	1,546,797	1,968,106	1,688,023	1,729,123
Safe & Sane Fireworks Program	26,715	26,750	26,610	26,435
Fines & Penalties	72,280	24,982	48,681	52,689
	<u>1,645,792</u>	<u>2,019,838</u>	<u>1,763,314</u>	<u>1,808,247</u>
	8,137,836	7,040,256	7,278,272	7,403,803
Expenditures				
Community Development				
Business Ops and Customer Svc	1,977,062	2,101,599	2,423,394	2,606,822
Planning & Engineering Services	1,845,325	1,782,877	1,588,345	1,663,140
Building and Life Safety	1,575,413	1,499,751	1,456,673	1,855,683
Dept. restructuring	-	-	446,765	1,375,000
	<u>5,397,800</u>	<u>5,384,227</u>	<u>5,915,177</u>	<u>7,500,645</u>
Fire Prevention				
Fire Prevention	1,475,566	1,539,873	1,325,251	1,699,667
Fire Public Education	20,518	44	30,214	74,253
Safe & Sane Fireworks Program	26,263	8,660	22,516	28,904
	<u>1,522,347</u>	<u>1,548,577</u>	<u>1,377,981</u>	<u>1,802,824</u>
	6,920,147	6,932,804	7,293,158	9,303,469
Transfers				
Transfer In - General Fund (Business Plans)	150,000	1,000,000	1,000,000	1,000,000
	<u>150,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Net Annual Activity				
Community Development	1,094,244	636,191	599,781	(905,089)
Fire	123,445	471,261	385,333	5,423
Other	150,000	-	-	-
	<u>1,367,689</u>	<u>1,107,452</u>	<u>985,114</u>	<u>(899,666)</u>
	-	-	-	-
Ending Available Balance	\$ 1,452,850	\$ 2,560,302	\$ 3,408,060	\$ 2,508,394
Available Balance Calculation				
Current Assets		\$ 3,181,912		
Current Liabilities		(621,609)		
Encumbrances		(137,357)		
Ending Available Balance		<u>\$ 2,422,946</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-9.

**Community Development
Public Facilities Fee Administration - 999
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 110,206	\$ 126,586	\$ 192,713	\$ 192,474
Revenues				
Public Facilities Fee	159,853	215,413	149,807	179,815
Interest	2,236	88	1,542	1,540
	<u>162,089</u>	<u>215,501</u>	<u>151,349</u>	<u>181,355</u>
Expenditures				
Operating Expenses	145,709	161,967	151,588	196,070
	<u>145,709</u>	<u>161,967</u>	<u>151,588</u>	<u>196,070</u>
Transfers				
Transfer In - General Fund		25,000		
Transfer Out				
	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>16,380</u>	<u>78,534</u>	<u>(239)</u>	<u>(14,715)</u>
Ending Available Balance	\$ 126,586	\$ 205,120	\$ 192,474	\$ 177,759
Available Balance Calculation				
Cash		\$ 205,120		
Encumbrances		<u>(12,407)</u>		
Ending Available Balance		<u>\$ 192,713</u>		

TAB 9 ECONOMIC DEVELOPMENT



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; to provide safe and efficient parking facilities downtown; and to facilitate the preservation and production of affordable housing.

Budget at a Glance:

Total Expenditures	\$21,668,414
Total Revenues	\$20,212,270
Total Net Cost	\$1,456,144
Total Staff	18

DEPARTMENT DESCRIPTION

The Economic Development Department is comprised of five divisions: Economic Development, Successor Agency, Housing, Asset Management, and the Central Parking District.

The Economic Development Division engages in activities that expand and diversify the City of Stockton's economic base to attract, retain, and assist with the creation of quality jobs in an effort to establish an economically sustainable community. The division works directly with businesses to facilitate 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 business. The division also supports the Miracle Mile, Downtown Stockton, and Tourism improvement districts. The division manages a micro loan program, commercial facade improvement forgivable loan program, commercial emergency grant program, non-residential fee deferral program, and use tax business incentive rebate program.

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 Bill x1 26, which was amended by Assembly Bill 1484, all California redevelopment agencies were dissolved and replaced with successor agencies effective February 1, 2012. An Oversight Board directs and/or approves actions of the Successor Agency.

The Housing Division is responsible for administering a number of 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, to rehabilitate or construct public facilities, and to assist the homeless.

The Asset Management Division manages City facilities, such as the Downtown Marina, and provides real estate related services to City departments.

The Central Parking District (CPD) manages parking facilities within the district, which includes parking garages, lots, and meters. The CPD is responsible for issuing monthly parking permits, and coordinating parking for events in the downtown area, including games and venues held at the Stockton Arena and Ballpark.

ECONOMIC DEVELOPMENT DEPARTMENT

KEY CONSIDERATIONS

For the Economic Development Division, the state and national economy continue to be the key issues restraining overall economic development activities throughout the nation. The division continues to meet with retail, logistics, and manufacturing companies. Although those efforts resulted in several companies announcing a Stockton location this year, activity has been significantly lower than pre-recession years. In December 2013, the State of California eliminated the Enterprise Zone Program and created a new incentive program for businesses, GoBiz and California Competes. It is unknown at this time how effective these programs will be in creating new jobs and investment for Stockton. The budget for the ED Division was increased primarily due to feasibility studies for business improvement districts working with businesses and property owners in different geographic areas to determine if one is ready to initiate and process of forming a property or business improvement district; and the implementation of Urban Land Institute (ULI) recommendation to encourage the growth and development of the downtown Stockton area. The ULI final report was accepted by City Council by motion on August 28, 2012. The report is the culmination of an intense community engagement to principally address the Stockton Downtown Revitalization. The ULI implementation is to address the revised City Council strategic goals.

Successor Agency Division annual tax increment revenues have stabilized, and the Agency expects revenues to cover debt obligations. However, it will be necessary for the City's General Fund to continue to support the administrative and overhead costs of the Successor Agency as the Administrative Cost Allowance, provided from property tax revenues, is limited. The required subsidy has been reduced from prior years by \$300,000 to \$450,000. The Agency is required to report finances and request funding from property tax revenues to pay obligations semi-annually.

Housing Division annual Federal entitlement funds will receive a small increase in the Community Development Block Grant, HOME Investment Partnerships, and Emergency Solutions Grant Programs for FY 2014-15. However, for CDBG, this still represents a 27% reduction since FY 2010-11 and for HOME a 48% reduction. With debt repayments from prior HUD Section 108 loans obligated through 2024, these entitlement reductions directly affect the housing programs and services provided to the community.

The Neighborhood Stabilization Program (NSP) grants, awarded in 2009 and 2011, continue to fund acquisition and rehabilitation of foreclosed homes through the use of program income received from the sale of those homes to low and moderate income buyers. Acquisition and rehabilitation of foreclosed apartment complexes, which will provide housing for persons with incomes at or below 50% of Area Median Income (AMI), will also continue.

Asset Management Division provides shared support staffing to all departments throughout the City in addition to oversight of projects planned for this fiscal year within the department. Some of the projects for other departments include lease of surplus Municipal Utilities property, dedications and abandonments, easement abandonments for the new San Joaquin County Courthouse, and acquisitions for the French Camp and Interstate 5 interchange project. Projects within the department include: continued property management of City and Successor Agency assets, developing programs for the sale of surplus City and Successor Agency assets, Brownfields projects, and development of an asset management program for City-wide properties.

The budget in the new fiscal year increased due to the reallocation of some staff costs from the dissolved Redevelopment Agency and the Federal Housing programs to align the budget with staffing assignments and responsibilities. The budget was also increased to cover maintenance and management costs of City-owned properties.

ECONOMIC DEVELOPMENT DEPARTMENT

The Central Parking District budget has been impacted by Chapter 9 Bankruptcy costs allocated to the fund, funding of two bicycle patrol officers within the district, and necessary major maintenance projects. It is anticipated that there will be some additional amendments to the CPD budget as the City works through the bankruptcy process. Also, the City Council passed a resolution on December 17, 2013 declaring the need for a parking authority to function within prescribed boundaries of the City. The purpose of establishing this parking authority is to both protect the general fund and to improve the quality and efficiency of parking operations with automation and facility improvements. However, changes to the FY 2014-15 Budget are not reflected at this time as the resolution only provided findings that there is a need for the establishment of the authority and the formation of the authority will take time to implement.

**Economic Development Department
FY 2014-15 Proposed Budget**

	General Fund		HUD/ Housing	Property Management	Low/Mod Housing	Economic Development Total
	<u>010</u>		<u>See Page I-8</u>	<u>See Page I-25</u>	<u>See Page I-34</u>	
	<i>See Page I-7</i>					
Beginning Available Balance		\$ 1,832,916		\$ 1,924,528		\$ 87,244
Revenues						
Grants & Entitlements		11,789,540				\$ 11,789,540
Assessment & Use Fees				5,074,600		5,074,600
Tax Increment						-
Interest						-
Other Revenue	\$ 11,547					11,547
	<u>11,547</u>	<u>11,789,540</u>		<u>5,074,600</u>	<u>-</u>	<u>16,875,687</u>
Expenditures						
Employee Services	617,366					617,366
Other Services	501,919					501,919
Materials and Supplies	8,300					8,300
Other Expenses	32,500					32,500
Loan Programs		5,176,348				5,176,348
Program Expense		3,337,571		4,167,916		7,505,487
Operating Expense		1,082,006				1,082,006
Economic Development		-				-
Debt Service		2,159,098		-		2,159,098
Capital Projects				-		-
Other Expenses		176,613				176,613
	<u>1,160,085</u>	<u>11,931,636</u>		<u>4,167,916</u>	<u>-</u>	<u>17,259,637</u>
Transfers						
Transfer In - General Fund				215,000		215,000
Transfer In - Other Funds					3,121,583	3,121,583
Transfer Out				(1,287,194)	(3,121,583)	(4,408,777)
	<u>-</u>	<u>-</u>		<u>(1,072,194)</u>	<u>-</u>	<u>(1,072,194)</u>
Net Annual Activity	<u>\$ (1,148,538)</u>	<u>(142,096)</u>		<u>(165,510)</u>	<u>-</u>	<u>\$ (1,456,144)</u>
Ending Available Balance		<u>\$ 1,690,820</u>		<u>\$ 1,759,018</u>		<u>\$ 87,244</u>
		-		-		-
					Revenues	\$ 16,875,687
					Transfers	3,336,583
					Total Sources	<u>\$ 20,212,270</u>
					Expenditures	\$ 17,259,637
					Transfers	4,408,777
					Total Appropriations	<u>\$ 21,668,414</u>

**Economic Development Department
General Fund - 010
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Total Economic Development Department				
Employee Services	\$ 165,903	\$ 254,214	\$ 463,363	\$ 617,366
Other Services	180,166	284,302	495,190	501,919
Materials and Supplies	2,405	4,117	18,380	8,300
Other Expenses	6,811	14,404	24,180	32,500
Total	<u>\$ 355,285</u>	<u>\$ 557,037</u>	<u>\$ 1,001,113</u>	<u>\$ 1,160,085</u>
<hr/>				
Economic Development				
Employee Services	121,336	196,388	351,385	411,456
Other Services	171,216	270,960	468,339	460,334
Materials and Supplies	1,100	2,899	5,300	5,000
Other Expenses	6,166	13,974	23,000	27,200
Total	<u>299,818</u>	<u>484,221</u>	<u>848,024</u>	<u>903,990</u>
Asset Management				
Employee Services	44,567	57,826	111,978	205,910
Other Services	8,950	13,342	26,851	41,585
Materials and Supplies	1,305	1,218	13,080	3,300
Other Expenses	645	430	1,180	5,300
Total	<u>55,467</u>	<u>72,816</u>	<u>153,089</u>	<u>256,095</u>

**Economic Development Department
Housing Division
FY 2014-15 Proposed Budget**

	Community Development Block Grants 052/054/062 <i>See Page I-11</i>	Emergency Solutions Grant 057 <i>See Page I-13</i>	HOME 058/059 <i>See Page I-15</i>	Special Grant and Loans 053 <i>See Page I-17</i>
Beginning Available Balance	\$ 1,339,791	\$ -	\$ -	\$ -
Revenues				
Entitlements	4,988,940	266,023	1,954,019	
Loan Repayments				
Other Revenue	230,000		150,000	
	5,218,940	266,023	2,104,019	-
Expenditures				
Program Expenses	763,925	266,023	250,485	
Operating Expenses	1,082,006			
Debt Service - Section 108	2,159,098			
CHDO Set-aside loan pool			176,613	
Economic Development Loan programs	-			
	1,363,911		1,676,921	
	5,368,940	266,023	2,104,019	-
Transfers				
Transfer In - Other Funds				-
Transfer Out - Waterfront 343				-
	-	-	-	-
Net Annual Activity	(150,000)	-	-	-
Ending Available Balance	\$ 1,189,791	\$ -	\$ -	\$ -

**Economic Development Department
Housing Division, Continued
2014-15 Proposed 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	\$ 68,693	\$ 424,432	\$ -	\$ 1,832,916
Revenues				
Entitlements	361,538		-	7,570,520
Loan Repayments	1,238	7,666	3,831,116	3,840,020
Other Revenue	(1,000)	-		379,000
	361,776	7,666	3,831,116	11,789,540
Expenditures				
Program Expenses		-	2,057,138	3,337,571
Operating Expenses				1,082,006
Debt Service - Section 108				2,159,098
CHDO Set-aside loan pool				176,613
Economic Development Loan programs	361,538		1,773,978	-
	361,538	-	3,831,116	5,176,348
				11,931,636
Transfers				
Transfer In - Other Funds				-
Transfer Out - Waterfront 343				-
	-	-	-	-
Net Annual Activity	238	7,666	-	(142,096)
Ending Available Balance	\$ 68,931	\$ 432,098	\$ -	\$ 1,690,820
	-	-	-	-

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) (052, 054, & 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 objective of the Act is the development of viable communities by providing:
 - Decent Housing
 - Suitable living environment
 - Expanded economic opportunities
- These funds manage the annual federal entitlement funding for CDBG activities.
- Revolving loan funds are separated for ease of federal financial reporting.
- 20% of 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 costs
 - Housing Loan Pool
 - Sub-Recipient Assistance
 - Economic Development Program
 - Debt Service (Section 108 Loan)

FY 2013-14 Events

- The annual Entitlement of CDBG increased 5% in FY 2013-14 from the prior fiscal year.
- Elimination of the Redevelopment Agency has resulted in moving eligible staffing costs to CDBG Administration and Program Delivery where appropriate.
- Short term funding from CalHome relieved the CDBG fund to allow additional funding for the Housing Loan Pool.
- One commercial façade loan and six micro-business loans were completed.

FY 2014-15 Budget Changes

- The City will receive a small 1.2% increase in the CDBG annual entitlement grant that will allow continued funding of programs at current levels.
- The entitlement and program income funds will be consolidated for better management and reporting.
- Unused and uncommitted funds expire at the end of the fiscal year. Remaining funds are reallocated annually as reprogrammed funds.

Housing Division
Community Development Block Grants - 052 - 054 - 062
FY 2014-15 Proposed Budget

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 889,152	\$ 990,128	\$ 920,006	\$ 1,339,791
Revenues				
CDBG Entitlement	3,967,399	3,470,307	3,897,103	4,988,940
Interest earned	(10,569)	(2,707)	-	-
Loan Repayments	236,036	242,302	791,841	80,000
Other Revenue	2,227	1,376	2,227	150,000
Reimbursements	-	-	-	-
	4,195,093	3,711,278	4,691,171	5,218,940
Expenditures				
Administration	476,768	491,233	545,559	692,506
Program Delivery	359,895	238,568	250,350	389,500
Debt Service - Section 108	2,237,493	2,207,670	2,182,991	2,159,098
Subrecipient Assistance	422,639	323,933	562,979	432,440
Housing Loan Pool	82,855	246,636	330,769	1,363,911
Code Enforcement	514,467	362,709	398,738	331,485
	4,094,117	3,870,749	4,271,386	5,368,940
Transfers				
Transfer In		183,331		
Transfer Out				
	-	183,331	-	-
Net Annual Activity	100,976	23,860	419,785	(150,000)
Ending Available Balance	\$ 990,128	\$ 1,013,988	\$ 1,339,791	\$ 1,189,791
Available Balance Calculation				
Current assets		\$ 18,895,691		
Current liabilities		(17,881,703)		
Encumbrances		(102,206)		
Loan commitments		-		
Due from HUD		8,224		
Ending Available Balance		\$ 920,006		

EMERGENCY SOLUTIONS GRANT (057) (ESG)

History

- This fund was established primarily to manage the annual federal entitlement for the Emergency Shelter Grant (ESG).
- In 2011, the Emergency Shelter Grant became the Emergency Solutions Grant, and the parameters were expanded.
- In 2009, the City received an additional one-time grant of \$1.7 million for Homeless Prevention & Rapid Re-Housing (HPRP) through the American Recovery and Reinvestment Act of 2009.
- HPRP funds were used to assist individuals and families who are homeless or at risk of becoming homeless, and funds were fully expended in FY 2012-13.
- Use of ESG funds has a requirement that they 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.

FY 2013-14 Events

- The annual Entitlement of ESG decreased 31% in FY 2013-14 from the prior fiscal year, resulting in the use of CDBG funding to backfill ESG sub-recipients.
- 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 2014-15 Budget Changes

- The City will receive a 17.5% increase in the ESG annual entitlement grant.
- ESG funding is fully committed each year to local homeless shelters, homeless service providers and program administration.

**Housing Division
Emergency Solutions Grant - 057
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ (78,508)	\$ (122,526)	\$ -	\$ -
Revenues				
ESG Entitlement	188,224	280,717	226,383	266,023
HPRP Grant	527,965	182,805	46,006	-
	<u>716,189</u>	<u>463,522</u>	<u>272,389</u>	<u>266,023</u>
Expenditures				
ESG Community Program Services	184,832	299,896	263,642	255,825
HPRP Employee Services	7,434	-		
HPRP Community Program Services	567,941	42,791		
Administration		8,338	8,747	10,198
	<u>760,207</u>	<u>351,025</u>	<u>272,389</u>	<u>266,023</u>
Transfers				
Transfer In - Facade Fund - 056				
Transfer Out	-	-	-	-
Net Annual Activity	(44,018)	112,497	-	-
Ending Available Balance	\$ (122,526)	\$ (10,029)	\$ -	\$ -
Available Balance Calculation				
Cash		\$ 6,393		
Accounts payable		(16,422)		
Encumbrances		(136,127)		
ESG commitments		-		
Due from HUD - ESG		146,156		
Ending Available Balance		<u>\$ -</u>		

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) (058 & 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 funding for HOME activities.
- 10% of entitlement plus program income received can be used toward administrative costs.
- The HOME budget includes the following components:
 - HOME Administration
 - Program Delivery
 - Loan Fund
 - CHDO Set-Aside

FY 2013-14 Events

- The annual Entitlement of HOME funds decreased 3% in FY 2013-14 from the prior fiscal year.
- Elimination of the Redevelopment Agency has resulted in moving eligible staffing costs to HOME Administration and Program Delivery where appropriate.
- An excess of unused funds in the loan pool has resulted in a need to commit at least \$1.1 million to eligible projects.
- Rehabilitation of Inglewood Apartments was completed, providing 83 units for low income households.

FY 2014-15 Budget Changes

- The City will receive an increase of 5.5% in the HOME entitlement grant in FY 2014-15.
- The required commitment of \$1.1 million in FY 2013-14 significantly reduced funding available for the housing loan pool in FY 2014-15.
- Unused funds in the loan pool roll over to the next fiscal year, but administrative and program delivery budgets expire at the end of the fiscal year.
- The program income and entitlement funds will be consolidated for better management and reporting of the funds.

**Housing Division
HOME - 058/059
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 77,494	\$ 856,134	\$ 284,071	\$ -
Revenues				
HOME Entitlement	1,022,641	3,319,526	895,817	1,954,019
HOME Program Income	713,435	829,040	225,515	150,000
Interest	5,185	8,750	-	-
	<u>1,741,261</u>	<u>4,157,316</u>	<u>1,121,332</u>	<u>2,104,019</u>
Expenditures				
Administration	205,230	10,751	125,599	132,743
CHDO Set-aside loan pool	129,344	-	100,000	176,613
Loan programs	581,371	4,692,101	1,109,701	1,676,921
Program Delivery	46,676	24,527	70,103	117,742
Loan Forgiveness	-	-	-	-
	<u>962,621</u>	<u>4,727,379</u>	<u>1,405,403</u>	<u>2,104,019</u>
Transfers				
Transfer In				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	778,640	(570,063)	(284,071)	-
Ending Available Balance	\$ 856,134	\$ 286,071	\$ -	\$ -
Available Balance Calculation				
Current assets		\$ 286,071		
Current liabilities		-		
Encumbrances		(2,000)		
Due from HUD		-		
Ending Available Balance		<u>\$ 284,071</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.
- Entitlements such as EDI and BEDI have moved through this fund.
- This fund was most recently used for the CDBG-R disaster recovery grant awarded in 2009 in the amount of \$1,128,456, authorized under the American Recovery and Reinvestment Act of 2009.
- CDBG-R funds were fully expended in FY 2012-13.
- The purpose of the CDBG-R grant was for communities to carry out, on an expedited basis, activities eligible under the CDBG Program, in particular:
 - Economic Development
 - Housing
 - Infrastructure
 - Other public facility activities that will further economic development

FY 2013-14 Events

- No activity.

FY 2014-15 Budget Changes

- No additional funding will be awarded for the CDBG-R grant.

Housing Division
Special Purpose CDBG Loan Programs - 053
FY 2014-15 Proposed Budget

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 2,602,779	\$ 2,645,164	\$ -	\$ -
Prior Year Correction				
Actual Available Balance				
Revenues				
EDI Grant Funds (8601)	-	-	-	-
BEDI Grant Funds (8602)	259,462	621,320	-	-
CDBG-R Grant 2009-10 (8229)	1,177	2,066	-	-
Interest Earnings	-	-	-	-
	<u>260,639</u>	<u>623,386</u>	<u>-</u>	<u>-</u>
Expenditures				
CDBG-R Expenditures	218,254	479,005	-	-
	<u>218,254</u>	<u>479,005</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In - Facade Fund - 056				
Transfer Out - CDBG - 054	-	(183,331)	-	-
	<u>-</u>	<u>(183,331)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>42,385</u>	<u>(38,950)</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ 2,645,164</u>	<u>\$ 2,606,214</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Cash		\$ 2,600,085		
Accounts Receivable		6,128		
Loan Commitments		-		
Encumbrances		-		
BEDI		(1,212,806)		
Section 108		(1,393,407)		
Due from HUD		-		
Ending Available Balance		<u>\$ -</u>		

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

- HELP funding was received in prior fiscal years in amounts totaling \$1,050,000.
- HELP fund has been fully expended and the debt to the State of California was paid in full in FY 2010-11.
- CalHOME funding was received in prior fiscal years in amounts totaling \$1,500,000.
- CalHOME fourth round funding was awarded in 2009 for \$900,000.
- CalHOME funding is used for single-family and multi-family rehabilitation and down payment assistance to benefit low and moderate income persons and families.
- Program income under both HELP and CalHOME has been recycled back into loans.

FY 2013-14 Events

- Through March 2014, one rehabilitation loan and three down payment assistance loans had been provided in FY 2013-14 totaling \$49,940 of CalHOME funds.

FY 2014-15 Budget Changes

- CalHOME funding expires in September 2014; a request to extend the grant one additional year will be submitted.
- Due to the difficulty of meeting income and loan to value requirements, the entire amount of the CalHOME grant may not be fully expended before the grant expires.
- Accumulated program income earned in HELP Fund 061 is earmark for housing project that will be presented to City Council for approval.

**Housing Division
CALHOME Loan - 060
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ (4,313)	\$ (226,223)	\$ 24,298	\$ 68,693
Revenues				
CalHome Loan Program 2009	-	432,797	34,940	361,538
Loan Repayments	37,176	25,384	45,645	1,238
Interest Earnings	(1,159)	(1,086)	(1,250)	(1,000)
	<u>36,017</u>	<u>457,095</u>	<u>79,335</u>	<u>361,776</u>
Expenditures				
Loans to Property Owners	257,927	205,708	34,940	361,538
	<u>257,927</u>	<u>205,708</u>	<u>34,940</u>	<u>361,538</u>
Transfers				
Transfer In - Facade Fund - 056	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(221,910)</u>	<u>251,387</u>	<u>44,395</u>	<u>238</u>
Ending Available Balance	\$ (226,223)	\$ 25,164	\$ 68,693	\$ 68,931
Available Balance Calculation				
Cash		\$ 25,164		
Loan Commitments		(436,365)		
Due from State		435,499		
Ending Available Balance		<u>\$ 24,298</u>		

**Housing Division
State Housing Loan (HELP) - 061
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 395,574	\$ 408,253	\$ 416,410	\$ 424,432
Revenues				
Loan Repayments	5,891	7,299	8,022	7,666
Interest	6,788	590	-	-
	<u>12,679</u>	<u>7,889</u>	<u>8,022</u>	<u>7,666</u>
Expenditures				
Loans to Property Owners	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>12,679</u>	<u>7,889</u>	<u>8,022</u>	<u>7,666</u>
Ending Available Balance	\$ 408,253	\$ 416,142	\$ 424,432	\$ 432,098
Available Balance Calculation				
Cash		\$ 416,410		
Accounts Receivable		-		
Ending Available Balance		<u>\$ 416,410</u>		



**NEIGHBORHOOD STABILIZATION GRANT
(NSP 1-063, NSP 3-064)****History**

- Neighborhood Stabilization Program (NSP) Grant 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 to qualified low and moderate income buyers.
- A portion of the funding is also used to acquire foreclosed apartments, rehabilitate them, and rent to households with incomes below 50% of AMI.
- 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.

FY 2013-14 Events

- To date, a total of 103 foreclosed homes have been acquired for rehabilitation and resale to low and moderate income households with funding from NSP 1 and NSP 3.
- Of the homes acquired, 94 have been rehabilitated and sold to qualified home buyers.
- A full time Housing Finance Advisor has been assigned to handle NSP.
- Sutter Street Apartments completed in FY 2013-14 and provides 20 units for low income households. The project utilized HOME and NSP 3 funds.
- Bradford Apartments is underway and expected to complete in FY 2014-15.

FY 2014-15 Budget Changes

- NSP 3 funding will continue to be used to acquire, rehabilitate, and fund low to moderate income buyers, although market conditions are making it more difficult to find qualified homes for acquisition.
- Program income generated from NSP 1 and NSP 3 continue to be used for qualified activities. No additional grants are expected for this program.

Housing Division
Neighborhood Stabilization Program - 063
FY 2014-15 Proposed Budget

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 2,095,245	\$ 1,298,608	\$ 1,178,024	\$ -
Revenues				
NSP Entitlement	-	-	-	-
Interest Earned	39,603	(2,122)	-	-
Loan Repayments	1,779,675	2,870,902	1,022,539	1,953,897
	<u>1,819,278</u>	<u>2,868,780</u>	<u>1,022,539</u>	<u>1,953,897</u>
Expenditures				
Administration	282,371	448,338	200,539	169,919
Program Delivery	70,572	58,230	50,000	10,000
Program Loans	2,262,972	1,041,836	1,950,024	1,773,978
	<u>2,615,915</u>	<u>1,548,404</u>	<u>2,200,563</u>	<u>1,953,897</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(796,637)</u>	<u>1,320,376</u>	<u>(1,178,024)</u>	<u>-</u>
Ending Available Balance	<u>\$ 1,298,608</u>	<u>\$ 2,618,984</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Cash		\$ 2,619,234		
Accounts Payable		250		
Encumbrances		(14,000)		
Loan commitments		(1,427,460)		
Due from HUD		-		
Ending Available Balance		<u>\$ 1,178,024</u>		

Housing Division
Neighborhood Stabilization Program #3 - 064
FY 2014-15 Proposed Budget

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ -	\$ (422,655)	\$ -	\$ -
Revenues				
NSP Entitlement	-	2,713,175	-	-
Loan Repayments	-	1,483,560	1,400,721	1,877,219
	<u>-</u>	<u>4,196,735</u>	<u>1,400,721</u>	<u>1,877,219</u>
Expenditures				
Administration	8,762	79,128	55,721	107,076
Program Delivery	-	13,694	50,000	10,000
Program Loans	413,893	3,103,994	1,295,000	1,760,143
	<u>422,655</u>	<u>3,196,816</u>	<u>1,400,721</u>	<u>1,877,219</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(422,655)</u>	<u>999,919</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ (422,655)</u>	<u>\$ 577,264</u>	<u>\$ -</u>	<u>\$ -</u>
Available Balance Calculation				
Cash		\$ 593,479		
Accounts Payable		(16,215)		
Encumbrances		-		
Loan commitments		(951,314)		
Due from HUD		374,050		
Ending Available Balance		<u>\$ -</u>		

**Economic Development Department
Property Management
FY 2014-15 Proposed Budget**

	Parking & Business Improvement Districts 073	City Administration Building 085	Central Parking 416/417	Marina 460	Property Management Total
	<i>See Page I-26</i>	<i>See Page I-29</i>	<i>See Page I-31</i>	<i>See Page I-33</i>	
Beginning Available Balance	\$ 112,075	\$ 143,790	\$ 1,653,079	\$ 15,584	\$ 1,924,528
Revenues					
Taxes	995,099				995,099
Fees			3,867,936	211,565	4,079,501
Rent		-			-
Other Revenue	-			-	-
	995,099	-	3,867,936	211,565	5,074,600
Expenditures					
Operating Expenses	995,099	22,624	2,728,459	421,734	4,167,916
Debt Service			-		-
Capital Improvement		-			-
	995,099	22,624	2,728,459	421,734	4,167,916
Transfers					
Transfer In - General Fund		-		215,000	215,000
Transfer Out		-	(1,287,194)		(1,287,194)
	-	-	(1,287,194)	215,000	(1,072,194)
Net Annual Activity	-	(22,624)	(147,717)	4,831	(165,510)
Ending Available Balance	\$ 112,075	\$ 121,166	\$ 1,505,362	\$ 20,415	\$ 1,759,018

Property Management
Tourism and Business Improvement Fund - 073
FY 2014-15 Proposed Budget

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 118,463	\$ 89,773	\$ 112,075	\$ 112,075
Revenues				
Taxes				
Tourism Business Improvement	957,498	984,682	985,247	995,099
Interest	2,906	185		
	<u>960,404</u>	<u>984,867</u>	<u>985,247</u>	<u>995,099</u>
Expenditures				
Pass-Thru				
TBID - Sports Commission	29,062	-	-	-
TBID - Convention & Visitors	931,231	933,688	955,690	965,246
Administration	28,801	28,877	29,557	29,853
	<u>989,094</u>	<u>962,565</u>	<u>985,247</u>	<u>995,099</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(28,690)</u>	<u>22,302</u>	<u>-</u>	<u>-</u>
Ending Available Balance	\$ 89,773	\$ 112,075	\$ 112,075	\$ 112,075
Available Balance Calculation				
Cash		\$ 112,075		
Accounts Payable		-		
Ending Available Balance		<u>\$ 112,075</u>		



CITY ADMINISTRATION BUILDING (085)**History**

- This fund was established to operate and maintain the City office building located at 400 East Main Street.
- The City's IT Department is located in the building on the 4th floor.
- On April 26, 2012, the City failed to make a lease payment and the Trustee immediately commenced actions to gain possession of the building.
- On June 1, 2012, the Trustee assumed building control on behalf of Assured Guaranty Trust.
- At that point all building revenues and expenses became the property and responsibility of Assured Guaranty.

FY 2013-14 Events

- Debt payments were not made in FY 2013-14 as the building is now the property of Assured Guaranty.

FY 2014-15 Budget Changes

- The budget in this fund is for Downtown Stockton Alliance assessments and a small amount of staff costs. The source of funding for these costs is remaining fund balance from subsidies and revenues that occurred prior to Assured Guaranty's possession of the building.

**Property Management
City Administration Building - 085
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 1,253,931	\$ 115,925	\$ 124,341	\$ 143,790
Revenues				
Outside Agency Rent	1,962,875			-
Interest	(19,219)	39,616	43,035	-
	<u>1,943,656</u>	<u>39,616</u>	<u>43,035</u>	<u>-</u>
Expenditures				
Administration & Overhead	1,837,373	31,200	23,586	22,624
Capital Improvements	-	-	-	-
	<u>1,837,373</u>	<u>31,200</u>	<u>23,586</u>	<u>22,624</u>
Transfers				
Transfer In - General Fund	235,000			
Transfer Out - General Fund				
Transfer Out - Debt Service	(1,479,289)			
	<u>(1,244,289)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(1,138,006)</u>	<u>8,416</u>	<u>19,449</u>	<u>(22,624)</u>
Ending Available Balance	\$ 115,925	\$ 124,341	\$ 143,790	\$ 121,166
Available Balance Calculation				
Cash		\$ 127,341		
Cash with Property Manager Acct		(3,000)		
Other Current Assets		-		
Accounts Payable		-		
Ending Available Balance		<u>\$ 124,341</u>		

CENTRAL PARKING DISTRICT (416/417)**History**

- This fund maintains and operates the downtown parking garages, parking lots, and parking meters.
- 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.
- Parking Meter mechanisms were replaced and hourly rate change went into effect in January 2012.
- All downtown event parking is provided through this fund.

FY 2013-14 Events

- There were fewer large events at the Arena, which resulted in lower revenues in FY 2013-14.
- Central Parking began funding two bicycle officers, to patrol within the Central Parking District boundaries.
- A high volume of meter thefts resulted in increased expenses for maintenance and replacement.

FY 2014-15 Budget Changes

- No increases to monthly or hourly fees are planned for this fiscal year.
- Net annual activity is negative. However, this projection has improved from the budgeted FY 2013-14 net annual activity level.
- Funding of two bicycle officers will continue in FY 2014-15.
- Major maintenance of lots and garages has been deferred for several years. The FY 2014-15 budget includes replacement of asphalt in several lots. The lots are showing signs of deterioration such as cracks and holes. Repairs will not be sufficient, and new asphalt is required.
- During FY 2014-15 staff will begin reviewing possible automation of the surface lots and garages, and other on street parking options.

**Property Management
Central Parking - 416/417
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 917,016	\$ 826,269	\$ 1,645,381	\$ 1,653,079
Revenues				
Assessments	1,205,281	1,196,816	1,200,000	1,200,000
Monthly Parking	1,701,293	1,132,241	1,164,699	1,225,124
Hourly Parking	630,697	489,919	505,850	485,000
Parking Meters	505,912	626,582	663,135	665,000
Events	523,744	316,121	203,820	190,500
Other agencies	72,262	81,309	89,136	91,812
Validations / Lot Envelopes	50,148	19,046	12,500	10,500
Other	4,624	(3,508)	500	-
	<u>4,693,961</u>	<u>3,858,526</u>	<u>3,839,640</u>	<u>3,867,936</u>
Expenditures				
Administration & Overhead	963,879	1,183,685	1,313,919	1,400,910
Utilities	205,379	132,893	114,337	120,703
Rentals	243,060	407,280	303,556	263,067
Maintenance	274,319	85,578	209,000	275,000
Materials & Supplies	56,480	46,622	45,315	50,411
Taxes/Indirect costs	298,618	267,679	278,729	280,850
Other services	71,837	71,122	282,892	337,518
Compensated Absences	4,817	933	-	-
Debt Service - Arena & Coy	1,088,392	-	-	-
	<u>3,206,781</u>	<u>2,195,792</u>	<u>2,547,748</u>	<u>2,728,459</u>
Transfers				
Transfer In				
Transfer Out - General Fund	(1,577,927)	(835,865)	(909,194)	(912,194)
Transfer Out - Air Quality PFF 990			(250,000)	(250,000)
Transfer Out - Insurance - 541			(125,000)	(125,000)
	<u>(1,577,927)</u>	<u>(835,865)</u>	<u>(1,284,194)</u>	<u>(1,287,194)</u>
Net Annual Activity	<u>(90,747)</u>	<u>826,869</u>	<u>7,698</u>	<u>(147,717)</u>
Ending Available Balance	<u>\$ 826,269</u>	<u>\$ 1,653,138</u>	<u>\$ 1,653,079</u>	<u>\$ 1,505,362</u>
Available Balance Calculation				
Cash		\$ 1,972,450		
Accounts receivable		(319,312)		
Accounts Payable				
Capital Projects				
Encumbrances		(7,757)		
Ending Available Balance		<u><u>\$ 1,645,381</u></u>		

DOWNTOWN MARINA COMPLEX (460)**History**

- This fund operates, maintains, and services the debt for the Downtown Marina.
- The Marina has been in operation for nearly five years providing permanent slips and short term berthing as well as management of the Morelli boat ramp.

FY 2013-14 Events

- Revenue fell below the budgeted estimate.
- Marina staff increased marketing efforts in order to increase both events and slip rental.
- Marina staff continues to plan events and activities to generate revenues and draw prospective customers to the Marina.

FY 2014-15 Budget Changes

- Operating revenue does not cover all expenses. A general fund subsidy is needed to maintain operations at the Marina Complex for the fiscal year. While revenues are expected to remain level with budget in the prior year, expenses have increased, and the subsidy amount from the General Fund will need to be increased from \$160,000 to \$215,000 this fiscal year.
- Expenses have increased as the Marina operator is responsible for maintenance of Morelli Park. In addition, the Marina is nearly five years old and requires additional maintenance and servicing.
- Staff will increase marketing for new events in an attempt to increase the short term berthing and boat launching revenue.
- Slip rentals are expected to increase from FY 2013-14 due, in part, to the return of the Casino Royale and the addition of several houseboats.
- The City continues to default on the Department of Boating and Waterways Marina Construction Loan as the General Fund appropriation for this debt service payment was eliminated in the Pendency Plan. Any future payments are subject to the outcome of the Chapter 9 case.

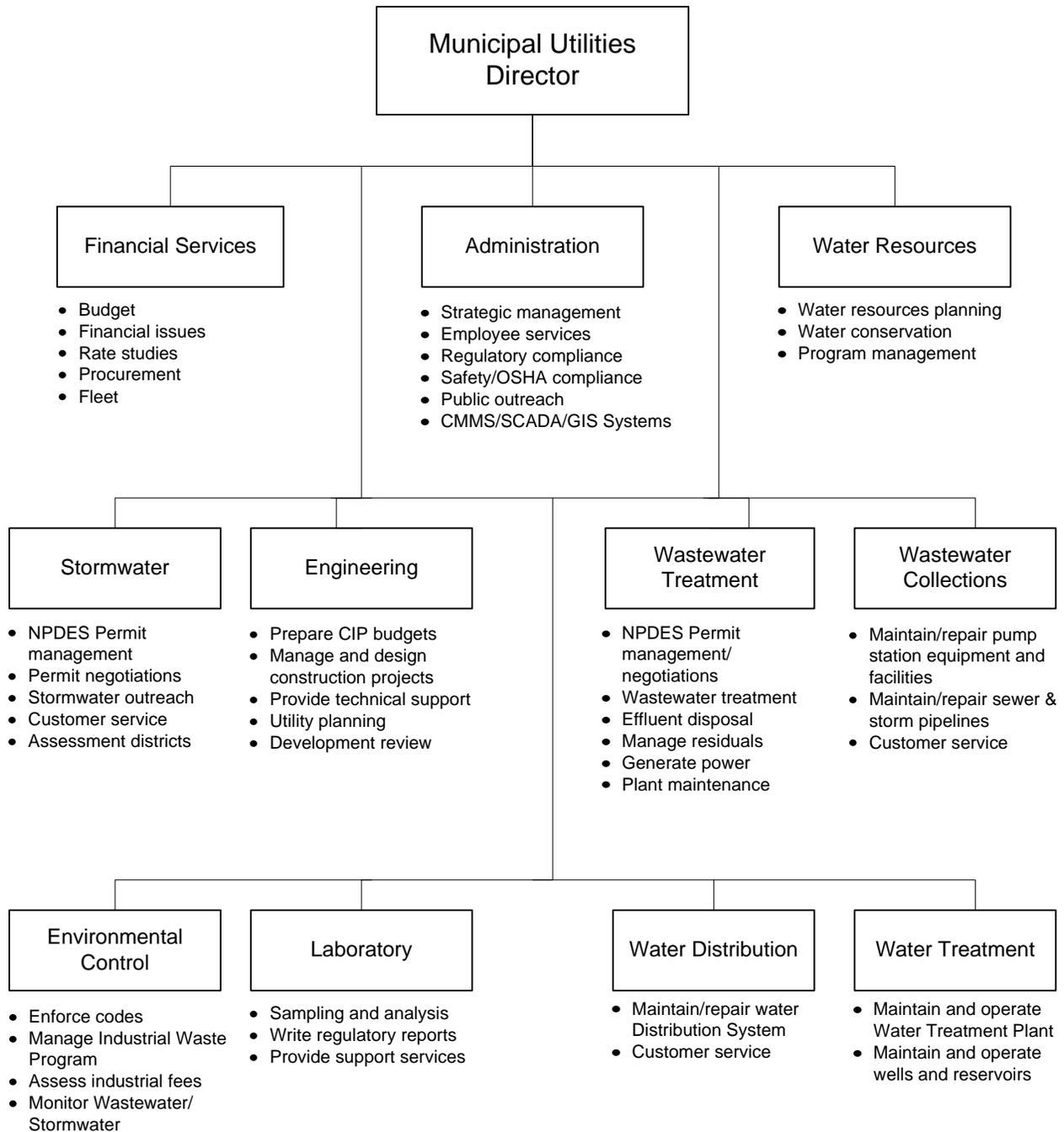
**Property Management
Downtown Marina Complex - 460
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 428,336	\$ 305,623	\$ 70,094	\$ 15,584
Revenues				
Slip Rental	238,326	203,846	187,913	211,565
Interest Earned	(9,436)	588	-	-
	<u>228,890</u>	<u>204,434</u>	<u>187,913</u>	<u>211,565</u>
Expenditures				
Administration and Overhead	(8,765)	5,930	2,296	3,500
Utilities	61,764	59,277	63,100	65,312
Lease Expense	23,276	23,108	23,127	22,988
Publicity & Advertising	367	-	-	-
Repairs and Maintenance	48,318	38,682	43,250	57,094
Management Contract	208,393	236,817	247,309	249,499
Legal Services/Bankruptcy	-	18,492	23,341	23,341
Debt Service				
Dept of Boating & Waterways	750,250	-	-	-
	<u>1,083,603</u>	<u>382,306</u>	<u>402,423</u>	<u>421,734</u>
Transfers				
Transfer In - General Fund	732,000	47,299	160,000	215,000
Transfer Out				
	<u>732,000</u>	<u>47,299</u>	<u>160,000</u>	<u>215,000</u>
Net Annual Activity	(122,713)	(130,573)	(54,510)	4,831
Ending Available Balance	\$ 305,623	\$ 175,050	\$ 15,584	\$ 20,415
Available Balance Calculation				
Cash		\$ 198,653		
Receivable and Other Assets		15,963		
Current Liabilities		(39,566)		
Encumbrances		(104,956)		
Ending Available Balance		<u>\$ 70,094</u>		

**Economic Development Department
Low & Moderate Income Housing - 329
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	<u>\$ -</u>	<u>\$ 60,564</u>	<u>\$ 87,244</u>	<u>\$ 87,244</u>
Revenues				
Interest Earned	82,097	228,922	57,943	-
Other	-	-	14,998	-
	<u>82,097</u>	<u>228,922</u>	<u>72,941</u>	<u>-</u>
Expenditures				
Administration and Overhead	33,011	-	-	-
Legal	27,000	-	-	-
Capital projects	14,313	211,508	95	-
	<u>74,324</u>	<u>211,508</u>	<u>95</u>	<u>-</u>
Transfers				
Transfer In - General Fund	25,791	-	-	-
Transfer In - 20% Set-Aside	51,276	2,325,054	3,046,819	3,121,583
Transfer Out	(24,276)	(2,246,362)	(3,119,665)	(3,121,583)
	<u>52,791</u>	<u>78,692</u>	<u>(72,846)</u>	<u>-</u>
Net Annual Activity	<u>60,564</u>	<u>96,106</u>	<u>-</u>	<u>-</u>
Ending Available Balance	<u>\$ 60,564</u>	<u>\$ 156,670</u>	<u>\$ 87,244</u>	<u>\$ 87,244</u>
Available Balance Calculation				
Cash		\$ 155,664		
Receivable and Other Assets		1,106		
Current Liabilities		(100)		
Encumbrances		(69,426)		
Ending Available Balance		<u>\$ 87,244</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	\$138,359,529
Total Revenues	\$118,826,450
Total Net Cost	\$19,533,079
Total Staff	217

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 11 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 Project Water 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 from purchased water from Stockton East Water District and groundwater wells. The Water Utility maintains a water transmission and distribution system, which includes reservoirs, pipelines, water meters and 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 nearly 1,900 miles of sewer main pipeline and 27 pump stations 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 wastewater treatment plant 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, 25 million gallons of wastewater is treated daily and discharged into the San Joaquin River.

The **Stormwater Utility** consists of 73 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) permit, which requires extensive water quality monitoring and public outreach programs.

KEY CONSIDERATIONS

Federal and State drinking water standards require the Water Utility to change the method of disinfection in the North Distribution System from chlorine to chloramines, which will prevent the formation of disinfection by-products in the system. Facilities to accomplish are being constructed in FY 2013-14. Reliance on existing fund balance and the Rate Stabilization Fund will decline over time with an increase in revenues. Use of the Rate Stabilization Fund is anticipated to decrease from \$3.1 million in FY 2014-15 and \$1.0 million in FY 2015-16.

MUNICIPAL UTILITIES DEPARTMENT

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. FY 2014-15 will be the last year of the 2010 approved rate increases (9%). This will be followed by the application of CPI based increases in future years. In 2012, Council approved the Capital Improvement and Energy Management Plan (CIEMP) and authorized staff to move ahead with a phased upgrade plan for the RWCF. The environmental analysis efforts that will be included in the CIEMP Environmental Impact Report are well underway. The CIEMP projects were grouped into five packages for planning, design, and construction. In FY 2013-14, engineering design commenced on the Headworks Project, which is critical because infrastructure used to get the sewage into the plant will be upgraded. Package two was contracted to complete required Regional Board studies and preliminary design of the Tertiary Plant system. In FY 2014-15, it is anticipated that design of the Tertiary improvements will commence as well as studies for enhanced nutrient removal as anticipated under the new wastewater plant discharge permit. In addition, other CIEMP projects phases will be released as the fiscal year progresses. Significant maintenance projects to rehabilitate and/or replace outdated wastewater treatment equipment will continue as planned under the maintenance budget.

The Fats, Oils, and Grease (FOG) program was developed to monitor, check, and reduce deposits into the sewer system. FOG accumulating in the sewer system causes clogs that lead to sanitary sewer overflows. Efforts continue to reduce sanitary sewer overflows under the Consent Decree with additional resources being added in the FY 2014-15 to address lower lateral source issues. In 2013, the City did not meet the Sanitary Sewer Overflows and Spills Reduction Performance Standards. Staff is working to negotiate new standards under the Consent Decree, which has been extended to December 31, 2015.

The Stormwater Utility has been operating with a fee that was implemented in 1992 but has not been increased since that time. As a result, the Stormwater Enterprise Fund has been under-funded for many 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 fee was not imposed.

The current fee is clearly insufficient to properly fund the operations and maintenance needs of the City's aging system, New National Pollutant Discharge Elimination System (NPDES) permit requirements to be issued in FY 2014-15, may impose additional conditions that would further strain the budget. Significant cuts in operation and maintenance activities have been implemented to stay within the available budget, but failing to adequately maintain the aged infrastructure will likely result in increased system failures, pipeline collapse, and possible City flooding. Failing to meet new permit requirements will increase the City's risk of permit non-compliance. In FY 2014-15, significant infrastructure improvement projects continue to be on hold pending additional funding. However, some infrastructure is required, and along with emergency infrastructure repairs when needed will further reduce funding for operations and maintenance activities. The possibility of advancing another ballot measure to provide badly needed funding for this utility is under review.

Included in the 2014-15 Proposed Budget is funding for nine new positions in the Municipal Utilities Department. (MUD) The positions include 1 Technician position in the Administration Division and 1 in the Financial Services Division; 2 Plant Maintenance Mechanic and 1 Plant Maintenance Worker for the Delta Water Supply Project; 2 Collection Systems Operator positions in the Maintenance and Collection System Division; and a 1 Sr. Plant Maintenance Mechanic and 1 Office Technician position in the Wastewater Division. Each division under this department evaluated operational conditions resulting in various requests for critical positions that will address compliance requirements and support including Delta Water Supply and

MUNICIPAL UTILITIES DEPARTMENT

Wastewater plant maintenance mechanics and worker to maintain 24 hour operations, Wastewater collection area staff who will improve overflow conditions to comply with Clean Water Act provisions per court consent decree, and support staff for administrative functions within the Regional Wastewater Control Facility, Capital Improvement and Energy Management Plan, the Delta Water Supply Project and department financial services.

**Utilities
FY 2014-15 Proposed Budget**

	<u>Water Fund</u> <i>See Page J-9</i>	<u>Wastewater</u> <i>See Page J-11</i>	<u>Stormwater 441</u> <i>See Page J-13</i>	<u>Storm Districts 074</u> <i>See Page J-15</i>	<u>Utilities Total</u>
Beginning Available Balance	\$ 37,386,235	\$ 30,582,747	\$ 4,764,430	\$ 1,841,793	\$ 74,575,205
Revenues					
User Services	37,544,935	62,130,840	5,468,558	334,731	105,479,064
Connection Fees	2,335,000	775,000			3,110,000
Storm Drain Districts			-		-
Fines and Penalties	875,222	1,052,100			1,927,322
Interest	890,958	210,000	2,500	-	1,103,458
Build America Bond Rebate	3,874,406				3,874,406
Rate Stabilization Deposit	3,150,000				3,150,000
Other Revenue	5,900	165,100	11,200		182,200
	48,676,421	64,333,040	5,482,258	334,731	118,826,450
Expenditures					
Administration	2,739,827	4,513,869	3,412,653		10,666,349
Customer Service	988,560	2,045,303	374,957		3,408,820
Operations and Maintenance	12,743,351	39,762,626	2,493,406	334,791	55,334,174
Water Treatment	618,111				618,111
Water Conservation	408,034				408,034
Purchased Water	8,183,441				8,183,441
Debt Service	21,597,270	7,382,130			28,979,400
Capital Projects	7,417,500	19,155,700	1,038,000	-	27,611,200
	54,696,094	72,859,628	7,319,016	334,791	135,209,529
Transfers					
Transfer In				-	-
Transfer Out	(3,150,000)		-	-	(3,150,000)
	(3,150,000)	-	-	-	(3,150,000)
Net Annual Activity	(9,169,673)	(8,526,588)	(1,836,758)	(60)	(19,533,079)
Ending Available Balance	\$ 28,216,562	\$ 22,056,159	\$ 2,927,672	\$ 1,841,733	\$ 55,042,126
	-	-	-	-	-
				Revenues	\$ 118,826,450
				Transfers	-
				Total Sources	<u>\$ 118,826,450</u>
				Expenditures	\$ 135,209,529
				Transfers	3,150,000
				Total Appropriations	<u>\$ 138,359,529</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.
- The annual operating budget is approximately \$49 million.

FY 2013-14 Events

- Delta Water Supply Project has moved from project startup to normal operations as staffing levels and operational needs have been evaluated based on current and future anticipated workload
- Continued implementation of Large Landscape Pilot Program to reduce water use by customers.
- Completed Feasibility Study for Advanced Metering Infrastructure Project.
- Completed design and approved a construction contract for the Ammonia Facilities Project.

2014-15 Budget Changes

- Capital Improvement Plan projects can typically span multiple years. The five-year Capital Improvement Program identifies estimated project costs and potential sources of funding. The FY 2014-15 Budget will continue funding the following projects:
 - Construct the Ammonia Facilities Project.
 - Continue implementation of water conservation programs to meet the State's mandate to reduce water use by 20% by the year 2020.
 - Abandon two water wells and rehab two wells due to age, water quality or mechanical reasons.
 - Construct the Feather River Drive at 14 Mile Slough Project to improve water reliability.
 - Complete extension of a 24" water line from Newcastle Road to Airport Road.
 - Remodel of Water Field Office.
- The Water fund is expected to experience relatively flat revenue growth in rates and connection fees in FY 2014-15. To ensure adequate bond coverage, the rate stabilization fund will be utilized and some select capital improvements such as the Automated Meter Reading project will be delayed by two years.
- Delta Water Supply Project will see an increase in borrowing cost pursuant to the remarketing of the 2010 variable rate debt that was completed in late 2013. While the cost of borrowed money went up, the risk of a call on the bonds has been eliminated.

Utilities
Water - 421/423/424/425/426/427
FY 2014-15 Proposed Budget

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance			\$ 38,795,759	\$ 37,386,235
Revenues				
User Services	\$ 32,618,726	\$ 36,698,615	37,745,956	37,544,935
<i>% increase</i>	11%	13%	3%	-1%
Connection Fees	1,314,232	2,627,529	-	2,335,000
Fines and Penalties	665,301	746,035	895,545	875,222
Interest	1,593,399	514,672	973,905	890,958
Federal Build America Bond Grant	4,175,006	4,175,006	3,382,756	3,874,406
Rate Stabilization Deposit	-	3,050,000	3,400,000	3,150,000
Other Revenue	3,804,160	226,194	9,561	5,900
	44,170,824	48,038,051	46,407,723	48,676,421
Expenditures				
Administration	1,510,449	2,412,410	1,942,329	2,739,827
Customer Service	850,112	896,750	881,807	988,560
Operations and Maintenance	6,973,451	8,275,847	10,536,502	12,743,351
Water Treatment	456,126	423,872	420,572	618,111
Water Conservation	180,407	204,431	240,640	408,034
Purchased Water	9,682,662	7,887,945	7,772,046	8,183,441
Debt Service	15,313,917	16,914,030	20,753,132	21,597,270
Capital Projects	40,496,415	4,299,877	1,870,219	7,417,500
	75,463,539	41,315,162	44,417,247	54,696,094
Transfers				
Transfer In				
Transfer Out	(62,141)	(3,109,942)	(3,400,000)	(3,150,000)
	(62,141)	(3,109,942)	(3,400,000)	(3,150,000)
Net Annual Activity	\$ (31,354,856)	\$ 3,612,947	(1,409,524)	(9,169,673)
Ending Available Balance			\$ 37,386,235	\$ 28,216,562
Debt Service Calculation				
Senior Debt Coverage			5.50	3.47
Subordinate Debt Coverage			1.25	1.24
Bond Coverage Requirement			1.15	1.15
Available Balance Calculation				
Cash		\$ 46,931,050		
Cash with Fiscal Agent- Construction		9,366,350		
Accounts Receivable		7,354,871		
Current Liabilities		(11,183,007)		
Encumbrances		(8,160,056)		
Capital Appropriations		(5,513,449)		
Ending Available Balance		\$ 38,795,759		

MUNICIPAL UTILITIES DEPARTMENT

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

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.
- The annual operating budget is approximately \$53 million.

FY 2013-14 Events

- Capital Improvement and Energy Management Plan (CIEMP) Phase 2 approved by Council with Environmental Impact Report preparation underway by Robertson-Bryan, Inc.
- CIEMP Phase 2 Engineering and Design RFP for the Headworks Project approved and awarded for design in August of 2013.
- City Council approved a SCADA programmer to develop a modern control system standard for the wastewater plant and implementation of that system in the Headworks and Tertiary projects.
- CIEMP Phase 3 Engineering Studies and Preliminary Design for the Tertiary Project released in January 2014 and approved by City Council in April 2014.
- Regional Water Quality Control Board's new National Pollutant Discharge Elimination System (NPDES) permit expected for RWCF in June 2014.

FY 2014-15 Budget Changes

- Capital Improvement Plan projects can typically span multiple years. The five-year Capital Improvement Program identifies estimated project costs and potential sources of funding. The FY 2014-15 Budget will continue funding the following projects:
 - Finalize design of the Headworks Project as the first of the CIEMP Phase 2 projects and bid the project for construction.
 - Prepare and solicit bids for the third package of CIEMP Phase 2 projects, the design and rehabilitation of the Secondary Biotowers and the Nitrifying Biotowers.
 - Begin design of Tertiary Plant project.
 - Construction of the Arch Road Sanitary Sewer Trunk Mainline, which is a 30" sewer line to serve the industrial area in southeast Stockton.
 - Construction of Tuxedo Avenue Sewer Rehabilitation Project which will repair 6,300 ft. of a 90 year-old 36" redwood sewer pipe behind private properties.
- Develop SCADA computer control system Master Plan.
- Implement the new Wastewater NPDES Permit.
- Re-evaluate the sewer connection fee rates and schedule for the Wastewater Utility.
- The fifth and final rate increase, 9%, of the approved 5-year tiered rate increase, will go into effect this year. The tiered rate structure was designed to ensure adequate coverage required by the bond covenants and to fund the CIEMP.
- The Phase 2 projects identified in the CIEMP have been separated into five packages with three RFPs released last year for the Headworks Project and two RFPs set to be released.

Utilities
Wastewater - 431/433/434/435/437
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited</u> <u>Actual</u>	<u>Projected</u>	<u>Proposed</u> <u>Budget</u>
Beginning Available Balance			\$ 23,312,610	\$ 30,582,747
Revenues				
User Services	\$ 49,375,135	\$ 54,191,783	60,941,763	62,130,840
<i>% increase</i>	<i>20%</i>	<i>10%</i>	<i>23%</i>	<i>15%</i>
Connection Fees	843,622	919,807	776,045	775,000
Fines and Penalties	854,969	948,828	1,095,629	1,052,100
Interest	1,006,099	35,275	105,490	210,000
Other Revenue	93,593	228,264	126,931	165,100
	<u>52,173,418</u>	<u>56,323,957</u>	<u>63,045,858</u>	<u>64,333,040</u>
Expenditures				
Administration	2,879,811	3,666,017	3,733,664	4,513,869
Customer Service	1,758,852	1,855,346	1,824,467	2,045,303
Operations and Maintenance	28,482,093	28,126,208	35,283,950	39,762,626
Debt Service	4,714,613	4,581,266	7,373,139	7,382,130
Capital Projects	5,584,526	5,588,186	7,560,501	19,155,700
	<u>43,419,895</u>	<u>43,817,023</u>	<u>55,775,721</u>	<u>72,859,628</u>
Transfers				
Transfer In				
Transfer Out	(1,277,939)	(145,697)	-	-
	<u>(1,277,939)</u>	<u>(145,697)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	\$ 7,475,584	\$ 12,361,237	7,270,137	(8,526,588)
Ending Available Balance			\$ 30,582,747	\$ 22,056,159
Debt Service Coverage Calculation				
Debt Service Coverage w/ Connection Fees			3.26	2.54
Debt Service Coverage w/o Connection Fees			3.15	2.43
Bond Coverage Requirement w/ Connection Fees			1.25	1.25
Bond Coverage Requirement w/o Connection Fees			1.10	1.00
Available Balance Calculation				
Cash and Interest receivable		\$ 47,420,431		
Current Liabilities		(7,362,443)		
Encumbrances		(3,729,980)		
Capital Appropriations		(13,015,398)		
Ending Available Balance		<u>\$ 23,312,610</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.
- The annual operating budget is approximately \$5 million.

FY 2013-14 Events

- Stormwater Report of Waste Discharge was submitted to the State Water Resources Control Board with a new National Pollutant Discharge Elimination System (NPDES) permit expected in June 2015.

FY 2014-15 Budget Changes

- Capital Improvement Plan projects can typically span multiple years. The five-year Capital Improvement Program identifies estimated project costs and potential sources of funding. The FY 2014-15 Budget will continue funding the following projects:
 - Required NPDES program elements have been reduced due to limited resources.
 - A limited number of infrastructure repair projects were part of the CIP Plan this year. Limited funding was restricted to urgent and emergency repairs only.
- The new Stormwater permit, which is anticipated to be released by June 2015, may include additional requirements with costs that will further strain the Stormwater budget and operations.
- Urgent infrastructure repairs will further strain the limited operating budget.
- The Stormwater utility has had to reduce some required NPDES program elements in order to keep expenditures within the operating revenues of \$5.3 million.
- Plans to attempt another Proposition 218 ballot to increase revenue are under review to close the budget gap in the near future.

Utilities
Stormwater - 441/447
FY 2014-15 Proposed Budget

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance			\$ 3,675,932	\$ 4,764,430
Revenues				
User Services	\$ 5,658,265	\$ 5,433,963	5,444,517	5,468,558
<i>% increase</i>	6%	-4%	-4%	1%
Admin Fee Storm Drains				
Agency Reimbursements	230,147	68,757	81,569	11,200
Interest	38,271	1,485		2,500
	<u>5,926,683</u>	<u>5,504,205</u>	<u>5,526,086</u>	<u>5,482,258</u>
Expenditures				
Administration	4,405,840	3,751,936	2,326,544	3,412,653
Customer Service	322,456	340,147	334,474	374,957
Operations and Maintenance	1,399,164	1,559,174	1,587,270	2,493,406
Capital Projects	79,741	-	189,300	1,038,000
Debt Service	488,690	308,116	-	-
	<u>6,695,891</u>	<u>5,959,373</u>	<u>4,437,588</u>	<u>7,319,016</u>
Transfers				
Transfer In				
Transfer Out	(31,180)	(31,496)		
	<u>(31,180)</u>	<u>(31,496)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	\$ (800,388)	\$ (486,664)	1,088,498	(1,836,758)
Ending Available Balance			\$ 4,764,430	\$ 2,927,672
Available Balance Calculation				
Current Assets		\$ 4,107,840		
Accounts Payable		(166,074)		
Capital Projects				
Encumbrances		(265,834)		
Ending Available Balance		<u>\$ 3,675,932</u>		

MUNICIPAL UTILITIES DEPARTMENT

Consolidated Storm Drain Maintenance District and 5 Storm Drainage Basin Districts (074)

History

- The 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 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; 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 the staff salary expenses to 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 and budgets are approved by a separate public hearing process.
- Previously these special districts were accounted for in Fund 072 and were consolidated with the Landscape Maintenance Assessment Districts in the Public Works Department budget.

FY 2014-15 Budget Changes

- Beginning FY 2014-15, all activities on the Consolidated Storm Drain Maintenance District and 5 Storm Drainage Basin Districts will be organized and operated within a separate fund and as a separate fiscal entity to ensure proper segregation of resources and to maintain proper accountability in accordance with statutes, laws, regulations and restrictions.
- The Preliminary approval of the Engineer's Reports and Assessment Rolls will be presented to City Council on May 20, 2014, with the Public Hearing and final approval on June 10, 2014.
- 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.

Utilities
Storm Drain Maintenance District - 074
FY 2014-15 Proposed Budget

	FY 2011-12 Actual *	FY 2012-13 Unaudited Actual *	FY 2013-14 Projected *	FY 2014-15 Proposed Budget
Beginning Available Balance	\$ -	\$ -	\$ -	\$ 1,841,793
Revenues				
Charges for services				334,731
Investment earnings				-
	-	-	-	334,731
Expenditures				
Miscellaneous expenditures				334,791
Capital projects				-
	-	-	-	334,791
Transfers				
Transfer In				
Transfer Out				
	-	-	-	-
Net Annual Activity	-	-	-	(60)
Ending Available Balance	\$ -	\$ -	\$ -	\$ 1,841,733
Available Balance Calculation				
Cash & interest receivable				
Accounts payable				
Encumbrances				
Ending Available Balance		\$ -		

* Prior years shown in Public Works Assessment District Maintenance - 072 page F-23.



TAB 11 ADMINISTRATION & SUPPORT



**Administration and Support
FY 2014-15 Proposed Budget**

	<u>Charter Offices</u>	<u>Administrative Services</u>		<u>Human Resources</u>	
	<u>City Council, Manager, Clerk, Attorney, Auditor 010</u>	<u>General Fund 010</u>	<u>Technology Internal Service 502-508</u>	<u>General Fund 010</u>	<u>Insurance and Benefits Internal Service 541-562</u>
	<i>See Page K-14</i>	<i>See Page K-20</i>	<i>See Page N-13</i>	<i>See Page K-25</i>	<i>See Page N-19</i>
Beginning Available Balance			\$ 3,868,174		\$ (24,497,488)
Revenues					
Operating Revenues			14,092,038	\$ -	71,190,785
Other Revenue	\$ 20,164	\$ 27,150			24,099,994
	<u>20,164</u>	<u>27,150</u>	<u>14,092,038</u>	<u>-</u>	<u>95,290,779</u>
Expenditures					
Employee Services	2,967,252	3,445,002		1,290,045	
Other Services	1,440,719	1,135,276		776,787	
Materials and Supplies	50,948	56,401		19,429	
Capital Projects			10,794,768		
Debt Service			325,000		8,431,177
Other Expenses	64,600	39,500	11,247,998	157,746	83,571,386
	<u>4,523,519</u>	<u>4,676,179</u>	<u>22,367,766</u>	<u>2,244,007</u>	<u>92,002,563</u>
	-	-		-	
Transfers					
Transfer In - General Fund			6,236,000		
Transfer In - Other Funds					125,000
Transfer Out - Other Funds					
	<u>-</u>	<u>-</u>	<u>6,236,000</u>	<u>-</u>	<u>125,000</u>
Net Annual Activity	\$ (4,503,355)	\$ (4,649,029)	(2,039,728)	\$ (2,244,007)	3,413,216
Ending Available Balance			\$ 1,828,446		\$ (21,084,272)
			-		-

Administration and Support, Continued
FY 2014-15 Proposed Budget

	Non-Departmental					Administration & Support Total
	General Fund	Bankruptcy	Other Special Programs 020/627/642	Debt	Capital	
	010 <i>See Page K-28</i>	012 <i>See Page K-31</i>	<i>See Page K-34</i>	<i>See Page L-7</i>	<i>See Page M-21</i>	
Beginning Available Balance		\$ 10,850,380	\$ 126,718			
Revenues						
Operating Revenues	\$ -		811,529			\$ 86,094,352
Other Revenue			110,200	\$ 7,857,218	46,933,547	79,048,273
	<u>-</u>	<u>-</u>	<u>921,729</u>	<u>7,857,218</u>	<u>46,933,547</u>	<u>165,142,625</u>
Expenditures						
Employee Services	(2,228,981)		708,188			6,181,506
Other Services	5,959,043	10,842,671	103,341			20,257,837
Materials and Supplies	88,498					215,276
Capital Projects	60,000				51,682,136	62,536,904
Debt Service				9,495,662	-	18,251,839
Other Expenses	1,133,479		134,244	972,500	-	97,321,453
	<u>5,012,039</u>	<u>10,842,671</u>	<u>945,773</u>	<u>10,468,162</u>	<u>51,682,136</u>	<u>204,764,815</u>
Transfers						
Transfer In - General Fund				1,410,973	2,775,000	10,421,973
Transfer In - Other Funds				1,205,339	350,000	1,680,339
Transfer Out - Other Funds	(23,136,973)				-	(23,136,973)
	<u>(23,136,973)</u>	<u>-</u>	<u>-</u>	<u>2,616,312</u>	<u>3,125,000</u>	<u>(11,034,661)</u>
Net Annual Activity	\$ (28,149,012)	(10,842,671)	(24,044)	\$ 5,368	\$ (1,623,589)	\$ (50,656,851)
Ending Available Balance		\$ 7,709	\$ 102,674			
					Expenditures	\$ 204,764,815
					Transfers	23,136,973
					Total Appropriations	<u>\$ 227,901,788</u>
					<u>Appropriation by Function</u>	
					Administration	\$ 33,811,471
					Insurance and Benefits	92,002,563
					Non-Departmental	39,937,456
					Debt Service	10,468,162
					Capital	51,682,136
						<u>\$ 227,901,788</u>

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	\$700,858
Total Revenues	\$0
Total Net Cost	\$700,858
Total Staff	9

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

Over the past four fiscal years, the City Council has taken difficult but critical steps to restructure its finances due to an acute imbalance between revenues and expenditures for the City. Without this restructuring, the City would have had to further cut services each year that the City and community could not afford. Critical restructuring efforts included significant service cuts and compensation reductions in FY 2010-11, a mediation process with creditors in FY 2011-12 and subsequent filing for protection under Chapter 9 of the federal bankruptcy code on June 28, 2012. In FY 2012-13, the City was successful in obtaining eligibility under Chapter 9 and began negotiations with creditors. During FY 2013-14, the City presented in court a plan of adjustment and exit strategy from the Chapter 9 process. The City is currently finalizing negotiations with creditors and preparing for trial hearings which are likely to determine the exit of the City from bankruptcy. If the City does not restructure its finances through a successful plan of adjustment, the imbalance between revenues and expenditures will remain, requiring the service cuts noted above that the City and the community simply cannot afford.

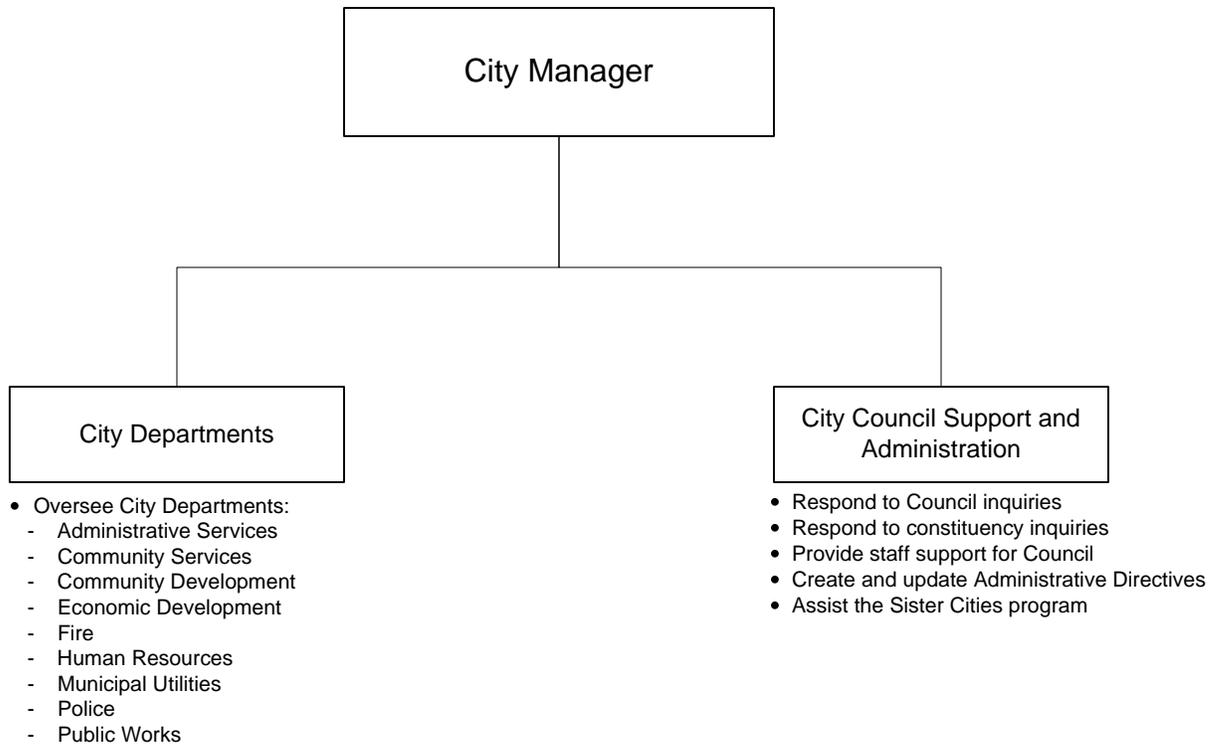
The safety and well-being of our citizens is paramount. A reduced City workforce and antiquated technology has restricted and limited effective service delivery. Reductions in the Police and Fire Departments have resulted in both real and perceived public safety issues. The level of crime in Stockton is unacceptable. Restructuring our finances is critical for pursuing the Marshall Plan on Crime and fiscal sustainability. A critical component of this restructuring was the passage of Measures A and B. The resources made possible by Measure A will position to the City to fully implement the Marshall Plan and to fund the City's plan to exit Bankruptcy. Implementation of the Marshall Plan is already underway in anticipation of receipt of Measure A revenues. Reducing crime is essential to a quality of life that will encourage economic development and result in job growth and a revitalized Stockton.

The Council has stayed focused through these inherited challenges, pursued an aggressive work plan over the past four years, focused on the four Council goals and achieved significant progress. For the FY 2014-15, the Mayor identified three overall priorities in his memo dated January 15, 2014. These priorities are: Economic Development, Public Safety and Fiscal Sustainability. During a Council strategic planning session on April 14, 2014, seven target areas expanding on the Mayor's overall direction were identified. The new target areas are: Public Safety, Fiscal Sustainability, Organizational Development, Economic Development, Youth, Infrastructure and Public Relations/Image (see Attachment A to the Budget Message in

CITY COUNCIL

the Introduction section of this document). Specific priority goals have been developed with the targeted areas and for the FY 2014-15 Proposed Budget the City Departments have developed specific activities to accomplish these goals, within the limited resources available under the Pendency Plan and with new funding, primarily from the passage of Measure A. A description of these activities can be found in the departmental sections contained in the Proposed Budget.

This budget also includes an administrative aide position to the City Council to support the office of the Mayor. This position is authorized by the City Charter but has not been funded for several years. In addition, \$160,000 has been budgeted for Council priority projects to enable Councilmembers to be more responsive to the citizens of Stockton.



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	\$1,185,717
Total Revenues	\$500
Total Net Cost	\$1,185,217
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, Public Information Office and Channel 97 Government Access Cable Channel.

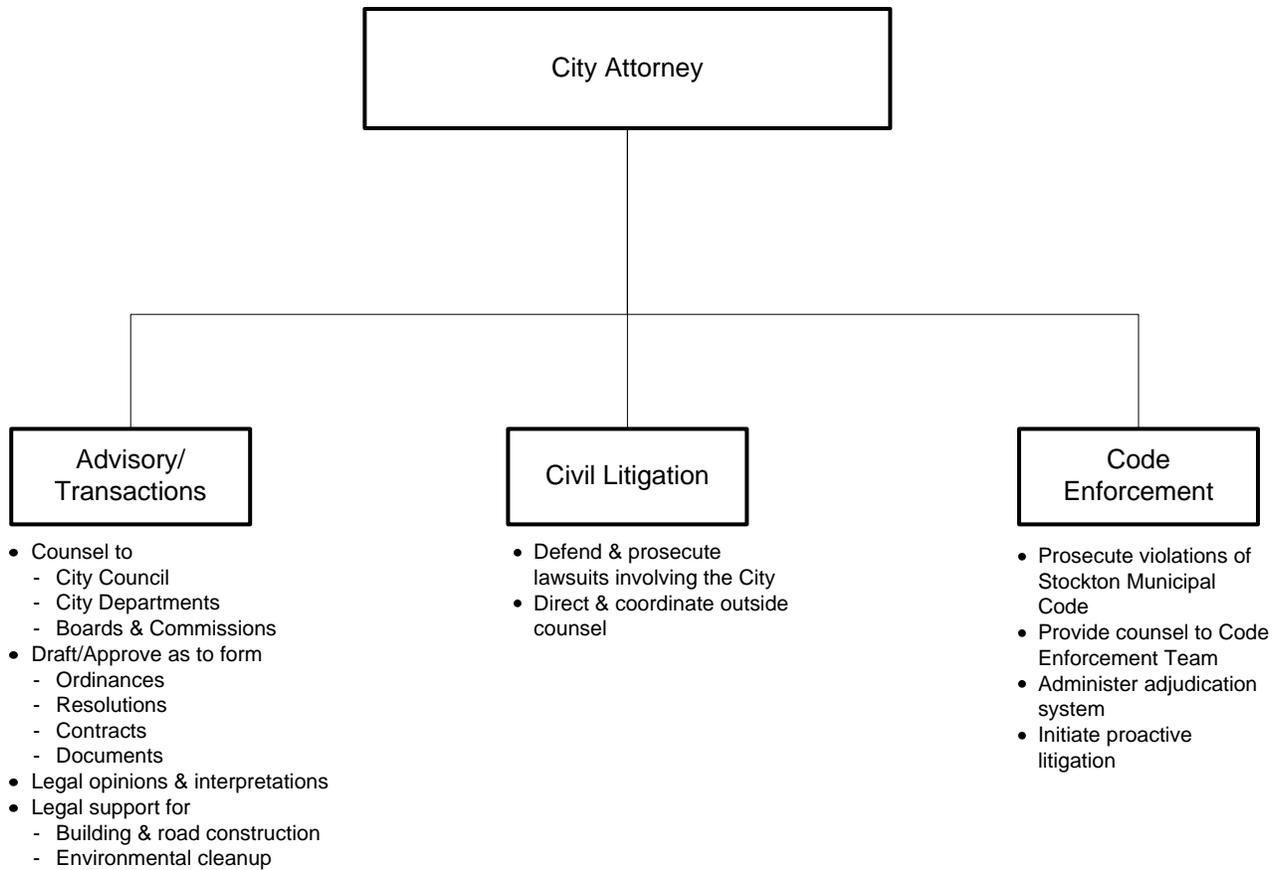
KEY CONSIDERATIONS

Over the past four fiscal years, the City of Stockton has taken difficult but critical steps to restructure its finances due to an acute imbalance between revenues and expenditures for the City. Throughout this process, the City Manager's Office has provided the direction and oversight to City departments in addressing these factors and pursuing the restructuring of the City's finances. Significant progress has been made in recent years in aligning the City's labor costs with the market and addressing the history of poor fiscal management. The City Manager's Office has provided oversight in managing the pre-bankruptcy and bankruptcy mediation processes, pursuit of eligibility under the federal bankruptcy code and submittal of the plan of adjustment. The City is currently finalizing negotiations with creditors and preparing for trial hearings which are likely to determine the exit of the City from bankruptcy.

These efforts have taken place at the same time that the City Manager's Office has been engaged in directing the efforts for pursuing the City Council goals through the Strategic Initiative work plans. Over the past three years significant progress has been accomplished for related to these initiatives. On April 14th, 2014, the City Manager worked with the City Council in a Strategic Planning session to take a fresh look at the City's Priorities and Strategic Goals. The result was the adoption of three priorities, seven target areas and nine priority goals. Some were similar to the existing goals, and a few new ones were added. Work Plans to achieve these new goals are being developed.

In addition, the City Manager's Office has 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 address internal controls as well as the implementation of the Marshall Plan following passage of Measure A.

The City Manager's Office will continue to pursue the accomplishment of the new City Council goals and strategic initiatives as well as address the numerous challenges that the City is facing in establishing a path to fiscal sustainability, addressing crime, and creating the capacity to support economic development and deliver services 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	\$1,077,773
Total Revenues	\$0
Total Net Cost	\$1,077,773
Total Staff	11

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.

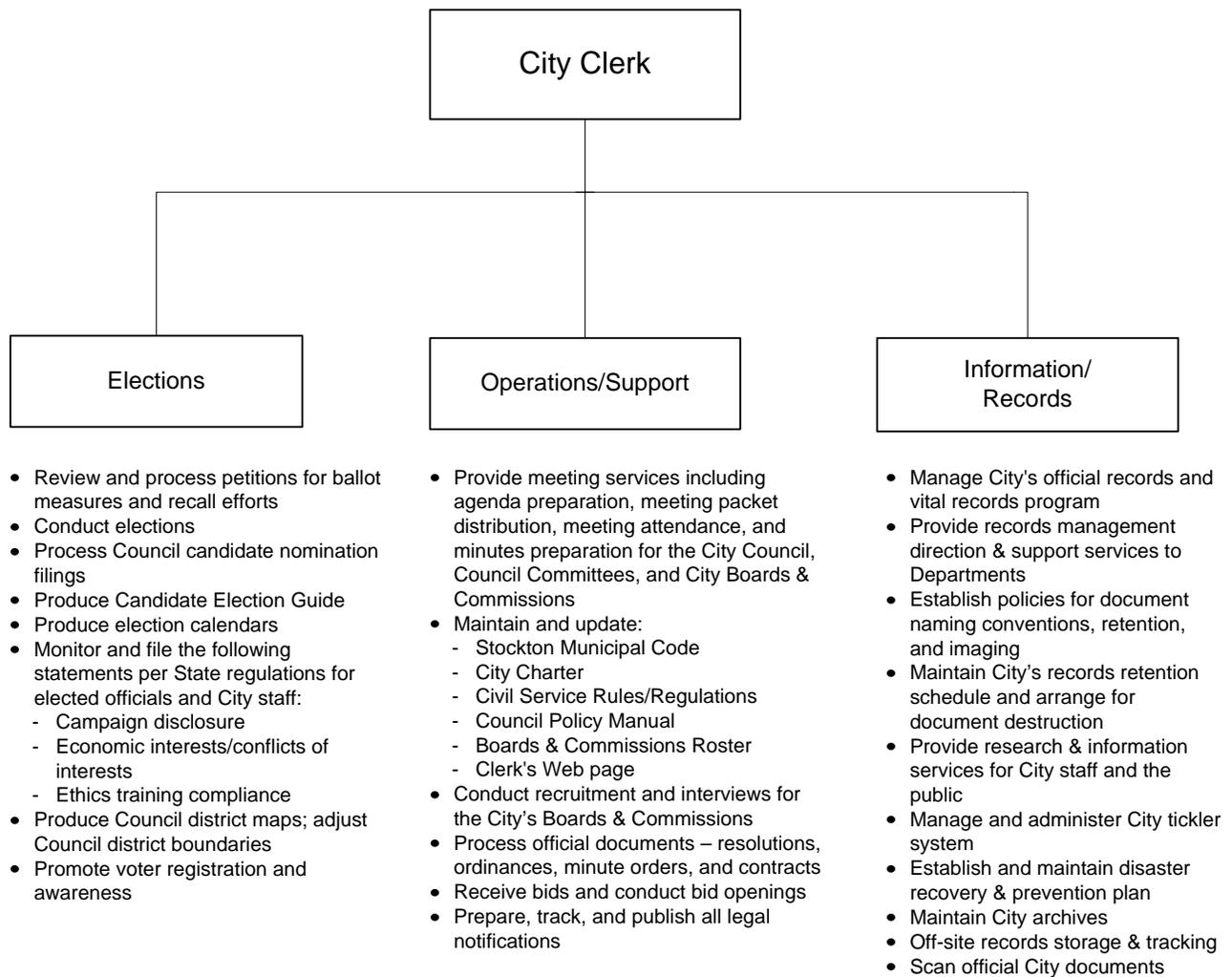
KEY CONSIDERATIONS

The City, 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 reflected in the choices presented.

Reductions made in prior years due to funding constraints have been confined to the advisory functions of the department. While this has and will continue to cause narrowing of the range of services provided and some delays in the delivery of services to the City's departments, the delays have proven to be manageable given present circumstances and are preferable to reductions in the City's in-house litigation capacity, which would cause more matters to be assigned to outside firms at a greater overall cost.

The Office of the City Attorney consists of one city attorney, one assistant city attorney, six deputy city attorneys (with one position vacant and one 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, and one legal secretary, is focused on litigation, code enforcement, and labor matters. The second division, consisting of three deputy city attorneys (with one position vacant and one filled on a part-time basis) and one legal secretary, is focused on advisory matters.

The department is less able to deliver advisory projects on a timely basis than it would be if fully staffed and faces a myriad of liability challenges and exposures. These exposures are a result of the temporary reduction of staff dedicated to that function. However, the litigation capacity of the department has been and will be maintained and it is expected that the remaining deputy city attorney position will be filled during the course of FY 2014-15.



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	\$751,087
Total Revenues	\$19,664
Total Net Cost	\$731,423
Total Staff	7

DEPARTMENT DESCRIPTION

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 Office of the City Clerk is responsible for the following functions:

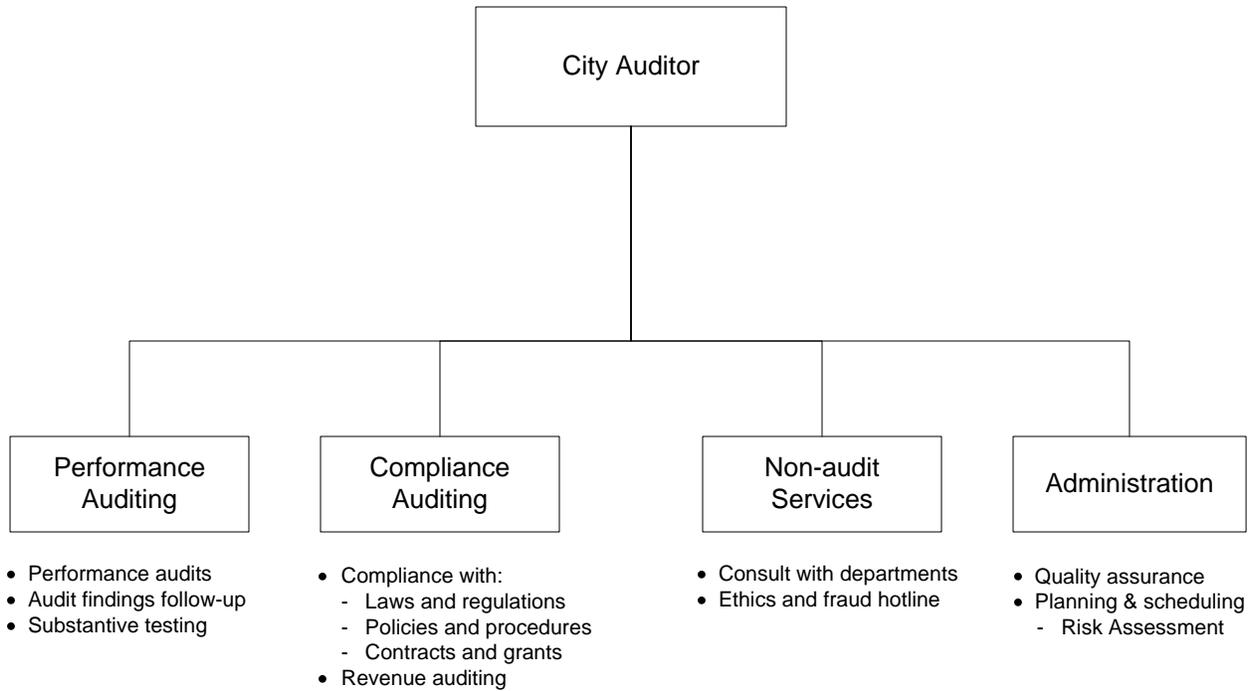
Elections: manages the nominations for Council office and performs prima facie review of any petitions that are filed with the City and serves as the Elections Official for the City. Additional duties include: adjusting Council District boundaries; preparation of the Council Candidate Guide; receiving 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.

Records: 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

Reductions to this department over the last several years have resulted in an unsustainable reduction in the staff capacity of the office. As a result, the FY 2014-15 Proposed Budget contains the addition of one full-time position, a Deputy City Clerk to help alleviate the backlogs and improve timeliness of records requests. The City has also not invested resources in records management technology, systems or training. As a result, fragmented record keeping systems make timely retrieval of documents for reference and research or to respond to public information requests difficult and can result in delays or even in the inability to find records. The current situation has a big impact on efficiency in the Office of the City Clerk and throughout the City. In the upcoming year the City Clerk's Office will focus on working with departments and the Information Technology steering group to develop a plan to make improvements in this area.



CITY AUDITOR

OFFICE OF THE 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	\$808,084
Total Revenues	\$0
Total Net Cost	\$808,084
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 City systems and activities. The primary activity of the department is performance 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 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 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 pilot 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 continue filling the role of the City Auditor. The City Council also adopted a two-year Internal Audit Plan that was developed to implement the findings and recommendations resulting from the risk assessment and internal control review.

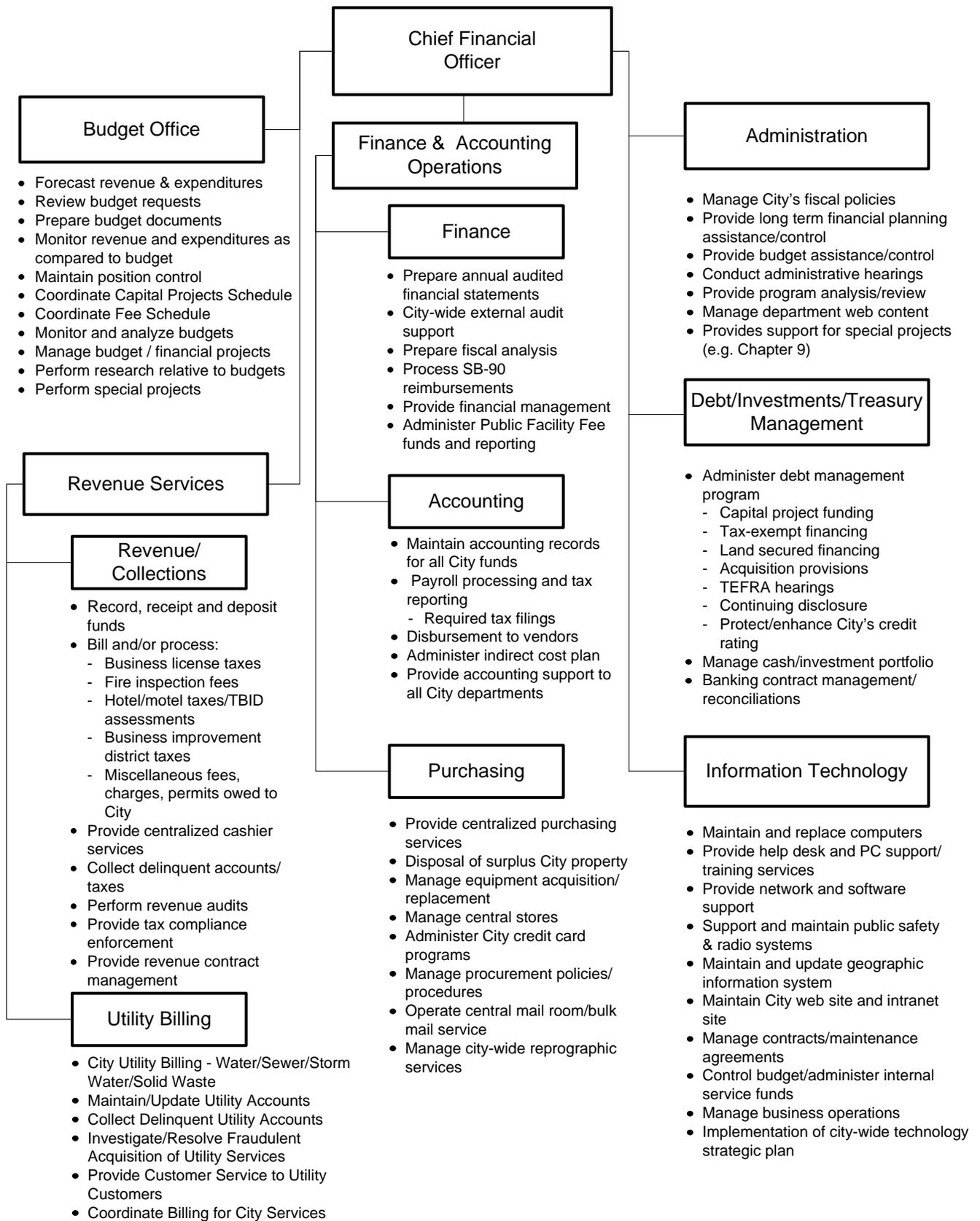
The Internal Audit Plan will serve as the work plan and budget framework for the City Auditor over the next two years. The Internal Audit Plan represents a significant body of work to strengthen the internal controls of the City in a timely manner. As a result, Council authorized an increase to the City Auditor budget of \$110,000 for FY 2014-15 in order to move this work forward. It is anticipated that in FY 2015-16 that expenditures will return to levels experienced in prior years.

In addition to the internal audit function, the City Auditor's budget will allocate sufficient resources to continue moving forward with the final steps in implementing best practices related to the timing of external financial reporting. During FY 2013-14, the City will have completed the external financial audits of two fiscal years, positioning the City to complete our reporting within the recommended timelines during FY 2014-15. However, it is important to allocate the necessary resources to assure that the City is able to firmly institute best practices in external financial reporting going forward.

**Charter Officers
General Fund - 010
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Current Budget</u>	FY 2014-15 <u>Proposed Budget</u>
Total Charter Officers				
Employee Services	\$ 2,481,505	\$ 2,195,907	\$ 2,635,479	\$ 2,967,252
Other Services	578,665	585,453	1,621,705	1,440,719
Materials and Supplies	37,783	26,838	52,183	50,948
Other Expenses	28,776	42,972	64,672	64,600
Total	<u>\$ 3,126,729</u>	<u>\$ 2,851,170</u>	<u>\$ 4,374,039</u>	<u>\$ 4,523,519</u>
City Council				
Employee Services	448,535	389,478	405,033	482,158
Other Services	45,041	54,891	43,174	201,700
Materials and Supplies	2,504	1,563	4,000	4,000
Other Expenses	5,615	9,145	10,882	13,000
Total	<u>501,695</u>	<u>455,077</u>	<u>463,089</u>	<u>700,858</u>
City Manager				
Employee Services	617,862	833,591	869,064	993,363
Other Services	104,075	113,423	118,941	160,841
Materials and Supplies	8,710	7,460	10,913	10,913
Other Expenses	(203)	20,487	20,600	20,600
Total	<u>730,444</u>	<u>974,961</u>	<u>1,019,518</u>	<u>1,185,717</u>
City Attorney				
Employee Services	554,212	374,138	792,820	869,948
Other Services	156,189	150,116	153,043	161,825
Materials and Supplies	14,645	16,173	23,500	26,000
Other Expenses	10,943	8,725	18,000	20,000
Total	<u>735,989</u>	<u>549,152</u>	<u>987,363</u>	<u>1,077,773</u>
City Clerk				
Employee Services	577,290	536,528	568,562	621,783
Other Services	116,282	140,333	111,374	108,269
Materials and Supplies	9,780	1,752	10,570	10,035
Other Expenses	6,325	2,936	7,000	11,000
Total	<u>709,677</u>	<u>681,549</u>	<u>697,506</u>	<u>751,087</u>
City Auditor				
Employee Services	283,606	62,172	-	-
Other Services	157,078	126,690	1,195,173	808,084
Materials and Supplies	2,144	(110)	3,200	-
Other Expenses	6,096	1,679	8,190	-
Total	<u>448,924</u>	<u>190,431</u>	<u>1,206,563</u>	<u>808,084</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	
General Fund	\$4,676,179
Internal Service Fund	\$22,367,766
Revenue	\$20,355,188
Total Net Cost	\$6,688,757
Total Staff	108

DEPARTMENT DESCRIPTION

The Administrative Services Department is administered through six divisions: Administration, Budget, Financial and Accounting Operations, Treasury, Revenue and Collection Services (including Utility Billing), and Information Technology.

The 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.

The Budget Division is responsible for the compilation, presentation, and monitoring of the City's annual budget. Throughout the fiscal year, the Division provides assistance to City departments by analyzing and evaluating financial performance and budget projections, coordinates financial planning and management, and reports financial outcomes as compared to budget.

The Financial and Accounting Operations Division is responsible for City-wide Purchasing, Finance, and Accounting Operations as follows:

- Purchasing is responsible for the procurement of all supplies and services necessary for the operation of City departments. The Division also includes a unit that provides a centralized printing and high volume reprographic service to departments and maintains a centralized mail room where City mail is sorted and metered.
- Finance provides financial services to all City departments and stakeholders. They are 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 (CAFR).
- Accounting operation services include: the processing of payroll for the City's employee salaries and benefits to over 1,400 employees, payroll tax compliance, and employee benefit reporting for retirement systems. This division is also responsible for the City's accounts payable function.

The Treasury Division supports the City's pooled investment portfolio and forty-eight debt issues which total in excess of \$1.0 billion. Services include investment management of the cash and investment portfolio of over \$300 million and investor relations, market disclosures, and financing/refinancing programs.

ADMINISTRATIVE SERVICES DEPARTMENT

The Revenue Services Division is responsible for collections, enforcement and audit of business tax, hotel/motel tax, utility user's tax, improvement district assessments, and other fees and charges owed to the City. The Division is responsible for the accurate recording, receipting, control, and deposit of all monies received by City departments. Utility Billing is responsible for providing customer service and performing billing for water, sewer, storm water, and solid waste charges for the City's 55,000 utility customers. The Division also administers the billing of City services and solid waste services for the 39,000 customers of California Water Service. The Utility Billing Division is funded by the Utilities Funds.

The Information Technology Division is responsible for three Internal Service Funds (ISF's) which provides funding for a total of 41 full time employees. Employees are organized into three units: Computer Services, Radio Services and Telecommunications, that comprise the majority of technology support for City of Stockton. These services are provided on a cost-reimbursement basis to the other departments and funds.

KEY CONSIDERATIONS

Administrative Services Department (ASD) continues with its reorganization efforts which are intended to improve operational efficiencies, internal controls, staffing capacity and accomplish targets, goals and objectives outlined by City Council in the areas of organizational development and fiscal sustainability. Over the last three years, the department has filled key division manager vacancies and each of the divisions started to fill vacancies through the recruitment and hiring of a Technology Support Specialist II, a Technology Project Coordinator, three (3) Accountants, a Budget Analyst, and a Program Manager III. The department has modified positions to be better able to serve the City efficiently and will continue to recruit and fill vacancies, currently at 25%.

Through the evaluation of ASD functions and processes, serious issues have been identified and work plans developed to address the issues in both the Finance and IT divisions of the department. Continuing to rely upon a single department head to move the work plans for both of these areas forward will continue to dilute the level of effort spent on these areas. This budget recommends splitting off the Information Technology functions to a separate department and creating a department head and a support position (Director of Technology and Executive Assistant).

This department continues to provide significant support for the Chapter 9 process including submittal of supporting documentation for the City's declaration of cash insolvency to the Bankruptcy Court and eventual implementation of creditor agreements from the plan of adjustment once approved by the court.

Operationally, the finance division has been focused on completion and delivery of the City's year-end financial statements, Comprehensive Audited Financial Report (CAFR). The FY 2011-12 CAFR was delivered under a new audit firm, with clean audit opinion and relatively minor adjustments. The FY 2012-13 CAFR has been initiated and projected to be completed before the end of the fiscal year.

In addition, the department is devoting extensive efforts to address audits and resolve audit findings which require collaboration with all departments and timely accounting reporting. As of the February 2014 audit committee meeting, 219 audit findings were reported from 26 audits and risk assessments dating back to 2002, of which 78 have been closed. Audits are expected to continue and significant effort from the department will be necessary.

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 department will hire an external consultant to assess report and provide procurement, contract

ADMINISTRATIVE SERVICES DEPARTMENT

and purchasing best practices (Phase II of procurement study). This has been identified as a mission critical project with funding through Measure A.

With prior year fiscal years' completion of the business analysis of City funds and programs, and internal control risk assessment, the department has completed Council initiatives such as maximizing local allocation of county tax pool receipts and tax revenue tracking and audit. The two remaining initiatives are the budget monitoring and business license ordinance; continued effort is underway with a partially completed budget monitoring while the business license ordinance update will remain on hold.

The Budget Office division will work to fully institutionalize the long range financial planning modeling forecast per the recently refined City Council targets and goals in the area of fiscal sustainability.

Great effort is being made to provide quarterly financial reports to City Council, Committees, and Commissions including Measures A, and W committees, in a timely manner. Staffing shortages and competing demands continue to jeopardize timely delivery of financial reports as has been in the recent past.

Citywide Technology Strategic Plan (CTSP) has numerous projects that are in process including those that address City Council targets and priority goals such as a new financial system, a point of sale (POS) system for the Arena and other critical projects. The Stockton Technology Oversight Committee (STOC) will consider and coordinate technology projects.

**Administrative Services
General Fund - 010
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Current Budget</u>	FY 2014-15 <u>Proposed Budget</u>
Total Administrative Services Department				
Employee Services	\$ 2,217,233	\$ 2,200,227	\$ 2,862,117	\$ 3,445,002
Other Services	1,049,688	856,877	975,523	1,135,276
Materials and Supplies	39,890	44,058	47,287	56,401
Other Expenses	9,933	20,504	22,800	39,500
Total	<u>\$ 3,316,744</u>	<u>\$ 3,121,666</u>	<u>\$ 3,907,727</u>	<u>\$ 4,676,179</u>

Administration

Employee Services	168,827	330,905	419,162	485,030
Other Services	367,297	191,336	241,345	197,816
Materials and Supplies	5,277	7,183	7,200	6,700
Other Expenses	2,625	11,054	5,000	10,000
Total	<u>544,026</u>	<u>540,478</u>	<u>672,707</u>	<u>699,546</u>

Budget

Employee Services	191,197	262,505	370,286	444,230
Other Services	58,338	92,881	99,866	83,076
Materials and Supplies	913	3,569	5,000	5,000
Other Expenses	784	740	6,000	6,500
Total	<u>251,232</u>	<u>359,695</u>	<u>481,152</u>	<u>538,806</u>

Financial Services

Employee Services	613,522	611,754	922,897	1,162,070
Other Services	356,099	291,118	254,962	311,699
Materials and Supplies	13,481	14,165	13,800	13,800
Other Expenses	2,885	5,597	5,300	9,300
Total	<u>985,987</u>	<u>922,634</u>	<u>1,196,959</u>	<u>1,496,869</u>

Treasury

Employee Services	1,050,389	818,499	959,111	1,117,257
Other Services	188,889	200,673	281,344	249,823
Materials and Supplies	13,994	14,107	16,250	16,250
Other Expenses	684	349	3,200	7,200
Total	<u>1,253,956</u>	<u>1,033,628</u>	<u>1,259,905</u>	<u>1,390,530</u>

Purchasing

Employee Services	193,298	176,564	190,661	236,415
Other Services	79,065	80,869	98,006	292,862
Materials and Supplies	6,225	5,034	5,037	14,651
Other Expenses	2,955	2,764	3,300	6,500
Total	<u>281,543</u>	<u>265,231</u>	<u>297,004</u>	<u>550,428</u>



**Human Resources
Director**

- Labor negotiations
- Organizational development
- Citywide policy development

Benefits

Risk Services

Workforce Planning

Employee/Labor Relations

- Benefits Administration
 - Health benefits
 - Retirement
 - Long-term disability
 - Employee leave entitlements
 - Unemployment
 - COBRA administration
 - Section 125 administration
 - Deferred compensation
 - Medicare coordination

- Administer City Property Insurance Program
- Administer City Workers' Compensation Program
- Administer Self-insurance Tort Liability Program
- Administer Third Party Recovery Program
- Administer Safety/OSHA Program
- Manage Insurance Certificates
- ADA Coordinator
- City Driving Program/DOT
- Conduct City Onsite Safety Inspections
- Record and Analyze Risk Data Statistics
- Manage City Insurance Policies
- Manage Risk Policies and Procedures
- Special Events Advisory
- OES Program Advisory

- Civil Service Commission
 - Agenda preparation
 - Rules formulation
- Equal Employment Commission
 - Equal Employment Plan
- Training & Organizational Development
 - Staff development
 - Needs assessment
- Workforce Planning
 - 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 Relations
 - Negotiations support
 - MOU administration
 - Grievance resolution
 - Disciplinary action
 - EEO/ 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. We take pride in providing 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	\$2,244,007
Benefit Programs	\$92,002,563
Total Revenues	\$95,415,779
Total Net Revenue	\$1,169,209
Total Staff	29

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 refining their 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 retains 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. We counsel and advise on labor relations and human resources issues, 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 providing cost effective risk management programs, such as safety and workers' compensation, and by recovering general fund monies from third party damages to City property.

The Benefits Administration Division assists in providing and coordinating all aspects of our employees' benefit compensation package. This includes, but is not limited to, health insurance, retirement services, leave entitlements, employee assistance program, section 125 flexible spending accounts, life insurance, and long term disability. In addition to assisting current employees, staff also provides comprehensive services to retirees and dependents.

KEY CONSIDERATIONS

In an effort to improve the City's fiscal condition Human Resources has implemented benefit modifications, improved risk management, and renegotiated labor contracts. The continuing fiscal emergency requires ongoing labor negotiations for concessions to reduce labor costs. In addition, City departments require assistance in organizational restructuring due to reduced staffing levels and to implement operating efficiencies.

The City's health plans have undergone significant redesign to provide benefit levels that attract and retain a quality workforce, protect and promote healthy living, and fall within fiscally sustainable parameters. The City's self-funded medical plan rates are projected to be stable for

HUMAN RESOURCES DEPARTMENT

FY 2014-15, but current year claim trends indicate this is likely a one year aberration and rates will return to a norm of increases. The ongoing issues with the self-funded plan are attributable to medical and prescription trend, 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. Human Resources worked with a labor/management group to evaluate fully insured healthcare plan options and request for proposal process resulted in no viable plan offerings. Staff will continue to evaluate options and develop health plan strategies that create stable, sustainable, and competitive benefits options. Many Affordable Care Act provisions have been delayed, but work continues to ensure compliance with all mandates as conditions change.

Workers' Compensation costs are actually beginning to stabilize and it is projected that actual number of claims filed will be at their lowest in several years. While immediate funding relief will not be noticed as claims costs develop over time, if this trend can be sustained the program funding issues should be positively impacted in future years.

Proper funding and reserve levels need to be 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 will be phased in as the fiscal situation becomes more stable. A formal recommendation will be formulated for implementation as part of the next budget cycle.

**Human Resources
General Fund - 010
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Unaudited</u> <u>Actual</u>	<u>FY 2013-14</u> <u>Current</u> <u>Budget</u>	<u>FY 2014-15</u> <u>Proposed</u> <u>Budget</u>
Total Human Resources Department				
Employee Services	\$ 880,798	\$ 951,845	\$ 1,149,690	\$ 1,290,045
Other Services	303,896	318,098	756,825	776,787
Materials and Supplies	11,443	15,985	23,301	19,429
Other Expenses	45,997	32,419	158,296	157,746
Total	<u>\$ 1,242,134</u>	<u>\$ 1,318,347</u>	<u>\$ 2,088,112</u>	<u>\$ 2,244,007</u>
<hr/>				
Workforce Planning				
Employee Services	429,536	446,697	491,712	559,842
Other Services	163,723	270,833	506,244	466,405
Materials and Supplies	7,248	10,873	13,301	11,429
Other Expenses	1,637	1,347	12,506	12,506
Total	<u>602,144</u>	<u>729,750</u>	<u>1,023,763</u>	<u>1,050,182</u>
Employee Relations				
Employee Services	451,262	505,148	657,978	730,203
Other Services	140,173	47,265	250,581	310,382
Materials and Supplies	4,195	5,112	10,000	8,000
Other Expenses	44,360	31,072	145,790	145,240
Total	<u>639,990</u>	<u>588,597</u>	<u>1,064,349</u>	<u>1,193,825</u>

NON-DEPARTMENTAL

MISSION STATEMENT

To provide for city-wide 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; gang 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	\$39,937,456
Total Revenues	\$921,729
Total Net Cost	\$39,015,727
Total Staff	17

DEPARTMENT DESCRIPTION

Non-Departmental is a funding source for functions within the City Manager's Office that have city-wide impact and are not directly attributable to any single department. Programs funded, in whole or part, through Non-Departmental, include: Channel 97, Grants Management, the Office of Violence Prevention, and the Public Information. 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, Channel 97, coordination and oversight of youth 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 of the document are three other categories of funding that are city-wide in nature. Included are: 1) Debt service payments, which under the Pendency Plan are limited to payments on the Parking Bond, the Civic Auditorium HVAC lease and a small amount of staff time; Transfers for Program Support for Other Funds (e.g. Capital Improvement Fund, Entertainment Venues, Library, etc.); and the \$2.0 million Contingency Reserve which is intended to be used for unexpected expenditures or emergencies.

Non-Departmental results are measured by grants obtained, youth outreach prevention and intervention measures implemented, successful legislative advocacy efforts, and 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 research and the application process. A significant change to the Non-Departmental Budget is the funding of the newly created Office of Violence Prevention from Measure A funding in support of the Marshall Plan. In addition, community and employee engagement has remained critically important as the City has progressed through the chapter 9 bankruptcy process. With the City poised to exit bankruptcy, it is the right time to work with an expert to develop a strategy to improve Stockton's image from the inside out. In support of the Council's public relations goal, additional funding has been provided to hire a consultant to assist the City in developing a comprehensive

NON-DEPARTMENTAL

marketing and image report. The City needs to work with employees, citizens, visitors, and ultimately employers that may wish to locate their businesses here to continue to move forward. As the City emerges from bankruptcy, community outreach and strategic media relations will play a pivotal role in moving forward with our recovery.

**Non-Departmental
General Fund - 010
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Current Budget</u>	FY 2014-15 <u>Proposed Budget</u>
Total Non-Departmental				
Employee Services	\$ 578,579	\$ 544,419	\$ 897,278	\$ (2,228,981)
Other Services	6,266,892	9,433,874	5,147,026	5,959,043
Materials and Supplies	16,951	20,252	18,885	88,498
Other Expenses	(1,785,739)	(3,169,607)	1,453,509	1,133,479
Capital Outlay		250,000		60,000
Transfers	16,204,166	12,544,870	14,945,067	23,136,973
Total	<u>\$ 21,280,849</u>	<u>\$ 19,623,808</u>	<u>\$ 22,461,765</u>	<u>\$ 28,149,012</u>

Office of Violence Prevention

Employee Services	151,000	138,546	186,345	221,437
Other Services	28,830	46,415	110,829	93,812
Materials and Supplies	13,825	20,039	17,760	20,273
Other Expenses	4	65	1,700	1,700
Total	<u>193,659</u>	<u>205,065</u>	<u>316,634</u>	<u>337,222</u>

Office of Violence Prevention - Measures A/B

Employee Services				524,555
Other Services				140,531
Materials and Supplies				67,100
Other Expenses				399
Capital Outlay				60,000
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>792,585</u>

Tax Collection & Election

Employee Services				
Other Services	2,117,639	1,586,498	2,189,594	2,426,700
Materials and Supplies				
Other Expenses	(73,972)	383,410	410,000	422,000
Total	<u>2,043,667</u>	<u>1,969,908</u>	<u>2,599,594</u>	<u>2,848,700</u>

Labor Litigation/AB506/Chapter 9 Legal*

Employee Services		5,672		
Other Services	3,559,668	7,178,156	2,000,000	2,000,000
Materials and Supplies				
Other Expenses		(2,200,216)		
Capital Outlay		250,000		
Total	<u>3,559,668</u>	<u>5,233,612</u>	<u>2,000,000</u>	<u>2,000,000</u>

Other Administration

Employee Services	427,579	400,201	710,933	(2,974,973)
Other Services	560,755	622,805	846,603	1,298,000
Materials and Supplies	3,126	213	1,125	1,125
Other Expenses	(1,711,771)	(1,352,866)	(958,191)	(1,290,620)
Total	<u>(720,311)</u>	<u>(329,647)</u>	<u>600,470</u>	<u>(2,966,468)</u>

**Non-Departmental
General Fund - 010
FY 2014-15 Proposed Budget**

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Current Budget	Proposed Budget
Debt Service				
Transfer Out - Debt Service - 201				
MUD Jarvis Settlement				
General Fund	1,127,032			
Parking Bond (SEB)	773,927	835,865	909,194	912,194
Pension Obligation Bond	876,000			
PFF 2009 Bond				
Marina Towers Settlement				
Main Hotel Loan Payment				
Civic Aud. HVAC Lease			248,779	248,779
Debt Administration	419,000	142,033	240,000	250,000
Total	<u>3,195,959</u>	<u>977,898</u>	<u>1,397,973</u>	<u>1,410,973</u>
Program Support for Other Funds				
Transfers				
Capital Improvement - 301	620,000	575,000	1,290,000	2,775,000
Development Services - 048	150,000	1,000,000	1,000,000	1,000,000
Downtown Marina - 460	732,000	47,299	160,000	215,000
Entertainment Venues - 086	2,441,299	2,637,350	2,653,094	3,100,000
Golf - 481		502,000	450,000	350,000
Grant Match - 025	35,548	2,481	400,000	400,000
Information Technology ISF - 502				5,236,000
Library - 041	3,977,759	3,907,000	3,999,000	4,250,000
PFF Administration - 999		25,000		
Radio ISF - 503				1,000,000
Recreation - 044	2,757,263	2,340,000	2,845,000	2,950,000
RDA Successor Agency - 633	1,813,800	530,842	750,000	450,000
Total	<u>13,008,207</u>	<u>11,566,972</u>	<u>13,547,094</u>	<u>21,726,000</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>

* Effective 7/1/2013 Chapter 9 costs were accounted for in a separate fund. See page K-31.

BANKRUPTCY FUND (012)**History**

- This fund has been created as of FY 2013-14 to pay for costs associated with City's bankruptcy, including legal fees, certain settlements, and bankruptcy project management.
- The Proposed Budget for FY 2014-15 separates the resources and costs of bankruptcy activities from other funds so that tracking of bankruptcy expenditures is more transparent.
- The Bankruptcy Fund is primarily funded with the available general fund balance (unaudited) that the City Council committed towards bankruptcy costs. To date \$5.6 million from the fiscal year ending June 30, 2012 and \$13.6 million from the fiscal year ending June 30, 2013 have been committed to support bankruptcy expenditures. A portion of costs are allocated to other City funds.
- These resources are dedicated to negotiating a consensual Plan of Adjustment (or bankruptcy exit plan). The Plan of Adjustment is intended to bring the City's debts in line with our resources, both now and over time.

FY 2013-14 Events

- After a lengthy and expensive battle with the City's creditors in FY 2012-13 and a strong decision by the bankruptcy court affirming the City's eligibility for bankruptcy protection in March 2013, the Bankruptcy Fund was established in FY 2013-14 to track costs associated with the City's bankruptcy.
- Following the eligibility decision, the City began to negotiate voluntary resolutions to outstanding issues and develop a Plan of Adjustment (bankruptcy exit plan). By fall of 2013 the City had reached tentative agreements with several large creditors and in October 2013 the City Council approved the Plan of Adjustment.
- Since early 2014, the City has fought a legal challenge from Franklin Funds and continued to finalize agreements with other creditors. On April 15, 2014 the City Council approved the agreements with creditors under the bankruptcy Plan of Adjustment in preparation for finalizing the bankruptcy exit plan contingent on the outcome of the trial related to the challenge from Franklin Funds.
- Bankruptcy and AB506 costs are projected to exceed \$17 million (excluding projected settlement costs) by the end of FY 2013-14. As large as this cost has been, it is well to keep in mind that the savings at stake in the Chapter 9 process is projected to be over \$1.1 billion through FY 2040-41, in terms of future savings and past claims, of which approximately 72% of \$820 million will benefit the General Fund. This bankruptcy expense was a necessary investment in the City's future financial solvency.

2014-15 Budget Changes

- No further contribution from the General Fund is planned. The limited resources in this Bankruptcy Fund will be used to cover costs for Chapter 9 project management, litigation and negotiations with our creditors, with remaining money available to pay our creditors as settlements for claims.

**Administration and Support
Bankruptcy Fund - 012
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited</u>	<u>Projected</u>	<u>Proposed</u>
	<i>General Fund</i>	<i>General Fund</i>		<u>Budget</u>
Beginning Available Balance	\$ -	\$ 6,791,547	\$ 19,454,527	\$ 10,850,380
Revenues				
AB506 Funding	3,500,000			
Chapter 9 Funding		3,814,744		
	<u>3,500,000</u>	<u>3,814,744</u>	<u>-</u>	<u>-</u>
Expenditures				
AB506 Administration & Legal	2,308,453			
Chapter 9 Administration & Legal		6,825,684	7,031,760	5,200,000
Cost Reimbursed from Other Funds		(2,201,632)	(2,684,261)	(1,800,000)
Special Election			627,558	
Settlements*			5,328,700	7,442,671
Settlement Reimbursed from Other Funds			(1,709,610)	
Capital Projects		195,331	10,000	
	<u>2,308,453</u>	<u>4,819,383</u>	<u>8,604,147</u>	<u>10,842,671</u>
Transfers				
Transfer In - General Fund	5,600,000	13,667,619		
Transfer Out				
	<u>5,600,000</u>	<u>13,667,619</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>6,791,547</u>	<u>12,662,980</u>	<u>(8,604,147)</u>	<u>(10,842,671)</u>
Ending Available Balance	\$ 6,791,547	\$ 19,454,527	\$ 10,850,380	\$ 7,709
Ending Available Balance by Source				
AB506 Carryover	\$ 1,108,026	\$ -	\$ -	\$ -
Encumbrances	83,521	186,908	-	-
Bankruptcy Commitment	5,600,000	19,267,619	10,850,380	7,709
	<u>\$ 6,791,547</u>	<u>\$ 19,454,527</u>	<u>\$ 10,850,380</u>	<u>\$ 7,709</u>

* Available for paying claims and related costs to exit bankruptcy.

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 at-risk youth with community services, diffusing conflicts that lead to gang violence and working with institutions that are critical to youth 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 at-risk youth 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 broken 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 youth violence prevention and intervention.

FY 2013-14 Events

- Implementation of the Marshall Plan began in FY 2013-14 with the passage of Measure A. The Marshall Plan calls for the creation of an Office of Violence Prevention. Under the direction of the City Manager's Office, the new Office of Violence Prevention will manage the current Peacekeeper Program and oversee its expansion; will manage the continued implementation of Operation Ceasefire, and work as a liaison between the City and community partners to further implement the Marshall Plan. The Office of Violence Prevention will serve as a critical catalyst in developing youth mentoring programs and creating an even more connected, streamlined safety net for at-risk youth. The Office of Violence Prevention is tasked with ensuring the youth prevention and intervention components of the Marshall Plan are implemented and will help sustain and expand the efforts thereafter.
- The Peacekeepers Program remains a critical component of the violence reduction strategy and will be a core function of the Office of Violence Prevention. The Peacekeepers provide the unique ability to communicate with youth and serve as role models while serving as outreach workers, mediating disputes, and providing a safe outlet for our highest risk individuals.

2014-15 Budget Changes

- Historically, the Peacekeepers 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. Existing positions in the Office of Violence Prevention will continue to be funded through the general fund with some grant funding.
- As a critical element of the Marshall Plan, seven new positions in the Office of Violence Prevention are proposed to be added in the 2014-15 budget utilizing Measure A tax revenues. These positions include: Director/Community Coordinator, Administrative Analyst, Office Assistant, and four Youth Outreach Workers. These positions will add critical capacity to support and institutionalize Project Ceasefire, build out the Peacekeepers Program, develop youth mentoring programs and develop a more coordinated approach to providing support services to at-risk youth.

**Administration and Support
Office of Violence Prevention
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Revenues				
Grant funding secured	\$ 418,973	\$ 369,643	\$ 244,465	\$ 200,000
Grant funding expected				100,000
General Fund Contribution	196,537	207,546	350,286	337,222
General Fund Measure A Contribution				792,585
	<u>615,510</u>	<u>577,189</u>	<u>594,751</u>	<u>1,429,807</u>
Expenditures				
Salaries & benefits - program	523,487	474,632	447,012	1,021,835
Salaries & benefits - administrative	22,534	31,814	25,611	24,157
Supplies & services	69,489	70,743	122,128	383,815
	<u>615,510</u>	<u>577,189</u>	<u>594,751</u>	<u>1,429,807</u>
Transfers				
Transfer In - General Fund				
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Administration and Support
San Joaquin Area Flood Control Agency - 020
FY 2014-15 Proposed Budget

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ -	\$ -	\$ -	\$ -
Revenues				
Flood Agency Reimbursement	838,567	769,362	713,088	811,529
	<u>838,567</u>	<u>769,362</u>	<u>713,088</u>	<u>811,529</u>
Expenditures				
Employee Services	745,283	677,434	651,240	708,188
Insurance premiums	15,682	21,023	21,987	23,364
Internal Service Fund Charges	35,428	24,213	15,583	27,947
Maintenance and Repair	4,001	4,901	6,081	5,900
Materials and supplies	2,109	5,120	3,082	5,000
Indirect Cost Allocation	33,330	33,330	13,332	33,330
All other expenses	2,734	3,341	1,783	7,800
	<u>838,567</u>	<u>769,362</u>	<u>713,088</u>	<u>811,529</u>
Transfers				
Transfer In - General Fund				
Transfer In - Technology 502				
Transfer Out				
	-	-	-	-
Net Annual Activity	-	-	-	-
Ending Available Balance	\$ -	\$ -	\$ -	\$ -

**Other Special Programs
Wagner - General Special Revenue - 627
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 69,894	\$ 68,065	\$ 49,992	\$ 47,492
Revenues				
Program Revenue				
Donations				
Other Revenue	1,171	103	500	500
	<u>1,171</u>	<u>103</u>	<u>500</u>	<u>500</u>
Expenditures				
Program Expenses	3,000	3,000	3,000	3,000
	<u>3,000</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	(1,829)	(2,897)	(2,500)	(2,500)
Ending Available Balance	\$ 68,065	\$ 65,168	\$ 47,492	\$ 44,992
Available Balance Calculation				
Current assets		\$ 65,167		
Principal endowment		(15,175)		
Ending Available Balance		<u>\$ 49,992</u>		

**Other Special Programs
General Special Revenue - 642
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 38,648	\$ 31,189	\$ 119,550	\$ 79,226
Revenues				
Program Revenue				
Donations	6,775	5,606	2,500	3,000
Other Revenue	293,003	205,168	96,679	106,700
	<u>299,778</u>	<u>210,774</u>	<u>99,179</u>	<u>109,700</u>
Expenditures				
Program Expenses	307,237	122,413	139,503	131,244
	<u>307,237</u>	<u>122,413</u>	<u>139,503</u>	<u>131,244</u>
Transfers				
Transfer In				
Transfer Out - Grant Fund - 020	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(7,459)	88,361	(40,324)	(21,544)
Ending Available Balance	\$ 31,189	\$ 119,550	\$ 79,226	\$ 57,682
Available Balance Calculation				
Current assets		\$ 119,968		
Current liabilities		(418)		
Ending Available Balance		<u>\$ 119,550</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	\$10,218,162
CFD & Assessment Districts	\$17,652,327
Administration	<u>\$250,000</u>
Total Expenditures	\$28,120,489
Total Revenues	\$28,125,857
Total Net Cost	\$5,368

GENERAL FUND OBLIGATIONS

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 A & B – Redevelopment Affordable Housing Program

Certificates of Participation (COP) Series 2003 A & 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 \$1,230,971 for FY 2014-15, which includes a portion to be paid to the bond insurer as part of the settlement agreement reached with them. Debt service reserves were used to cover shortfalls from the housing set aside funds in FY 2013-14, and is being replenished as funds are available from the housing set-aside. Under an agreement reached with the insurer in April of 2013, the General fund backstop will not be required to fund any shortfall during FY 2014-15.

Lease Revenue Bonds 2006 Series A – 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 Essential Services Building (the Stewart/Eberhardt Building) and an adjacent parking facility. The source for repayment is the Central Parking District Fund revenues. The annual debt service payment budget for the bonds is \$912,194.

Lease Revenue Bonds 2007 Series A & B – City Administration Building

The 2007 Variable Rate Demand Lease Revenue Bonds, Series A & B were issued in the amount of \$40,770,000 in November, 2007. The bonds were issued to provide funds to finance the acquisition of an office building and parking garage located at 400 E. Main in downtown Stockton, which was planned to be converted into the City Administration Building. Pursuant to a default on March 1, 2012, the Indenture Trustee Wells Fargo Corporate Trust, took possessory interest of the building and is operating for the benefit of the bond insurer. Under default the bonds are subject to debt service acceleration and annual debt service payment for the bonds is projected to be \$7,806,218 for FY 2014-15. It is anticipated that the payments will be made to the sole bondholder (Assured Guaranty) by the bond insurer. The General Fund appropriation for this debt service payment was eliminated in the Pendency Plan as approved by Council in June, 2012 and any future payments will have to come from funds being made available by the bond insurer, subject to the outcome of the Chapter 9 case.

DEBT

2009 Lease Revenue Bonds Series A – (Public Facilities Fees)

The 2009 Lease Revenue Bonds Series A were issued in the amount of \$35,080,000 in September, 2009. The Bonds were issued to finance various capital improvements located throughout the City. The internal sources for repayment are development impact fees collected to finance the construction of Fire Stations, Police Stations, Parklands and Street Improvements. The impact fees are not pledged to the repayment of the obligations. The annual scheduled debt service payment for the bonds is \$2,929,581. The City defaulted in March 2013 and the cash reserve funds are insufficient to make ongoing debt service payments. The General Fund appropriation for this debt service payment was eliminated in the Pendency Plan and any future payments are subject to the outcome of the Chapter 9 case.

Howard-Jarvis Settlement

In October, 2006 a lawsuit (*Howard Jarvis Taxpayers Assoc., et al. v. City of Stockton*) was filed contending that transfers of fees levied on water, wastewater and stormwater utilities violated Proposition 218 on the grounds that the transfers caused utility fees to be used for purposes other than providing the utility services for which the fees were charged. A settlement agreement reached in March, 2009 required the City's General Fund and Capital Improvement Fund to repay over a thirty year period \$15,798,000 in principal plus \$3,580,000 in accrued interest, for a total estimate of \$19,378,000. Annual payments are \$1,127,032 based on the settlement documents; however, the City has ceased making payments pending the outcome of the Chapter 9 case. The General Fund appropriation for this payment was eliminated in the Pendency Plan and any future payments are subject to the outcome of the Chapter 9 case.

Capital Lease - Civic Auditorium HVAC

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 budget for the lease is \$248,779.

Internal Service Funds Debt Service (*NOT INCLUDED IN THE BUDGET AT A GLANCE)

Pension Obligation Bonds 2007 Series A & B (see page N-33)

The 2007 Taxable Pension Obligation Bonds (POB), Series A & 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. The annual debt service payment budget for the bonds is \$8,431,177. The City defaulted on this obligation in July 2012 and payments are currently being made by the bond insurer. The General Fund appropriation for this debt service payment was eliminated in the Pendency Plan and any future payments are subject to the outcome of the Chapter 9 case.

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 budget for the lease is \$88,455.

DEBT

Capital Lease – Information Technology Equipment (see page N-17)

On June 24, 2008 The City Council approved the execution of a tax exempt lease through Key Government Finance in the amount of \$2,430,632 to implement a Citywide Unified Communication Environment. The sources for repayment are Internal Service fund charges made on departments using the phone system. The annual debt service payment budget for the lease is \$325,000.

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 budget for the lease is \$213,301.

Other Debt Service Backed by General Fund (*NOT INCLUDED IN THE BUDGET AT A GLANCE)

2004 Lease Revenue Bonds (Stockton Events Center - Arena Project) (see page L-10)

The 2004 Revenue Bonds were issued by the Redevelopment Agency of the City of Stockton in the amount of \$47,000,000 March of 2004. The Bonds were issued to finance a portion of the Events Center project. Repayment of the Bonds is financed by a pledge of tax increment from the former West End Redevelopment Project area. Under the State's dissolution of Redevelopment Agencies, there was a shortfall of revenues in FY 2013-14 and a portion of the payments were made by accessing the debt service reserve fund. Under an agreement reached with the bond insurer, the debt service fund will be replenished as revenues from the former redevelopment areas are available. The annual debt service payment budget for the Bonds is \$2,677,421 for FY 2014-15. Under the City's Pendency Plan there is no General Fund appropriation for this debt service payment budgeted in FY 2014-15 and any future payments made from the City's General Funds are dependent upon the outcome of the Chapter 9 case and the agreement reached with the bond insurer. 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.

2004 Lease Revenue Bonds (Parking and Capital Projects)

The 2004 Revenue Bonds were issued in the amount of \$32,785,000 June of 2004. 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 a payments made from the City's Parking utility. 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. They are being operated for the benefit of the bond insurer. Under default, debt service on the bonds is now being made by payments from the bond insurer. Annual debt service for the bonds is projected to be \$2,039,029 for the fiscal year and it is anticipated that the payments will continue being paid by the bond insurer. The General Fund appropriation for this debt service payment was eliminated in the Pendency Plan and any future payments are subject to the outcome of the Chapter 9 case.

COMMUNITY FACILITIES DISTRICTS AND ASSESSMENT DISTRICTS

Approximately 22 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 budget for the bonds is \$17,088,327 plus associated administrative costs of \$564,000 for a total budget of \$17,652,327.

DEBT

OTHER FUNDS (*NOT INCLUDED IN THE GENERAL FUND BUDGET AT A GLANCE)

The following obligations are reported as "Memorandum Only" in this Debt Service section of the Budget and are presented for informational purposes. Debt Service related to these obligations is reported within the appropriate programs.

Successor Agency (Non General Fund Backed Debt) (see page L-10)

2006 Revenue Bonds Series A, B, and C (Strong Neighborhoods Initiative)

The 2006 Bonds were issued in the amounts of \$75,755,000 (A series), \$8,445,000 (B series), and \$25,985,000 (C series) in July 2006 to finance certain redevelopment projects within or of benefit to respective project areas which have pledged their tax increment toward the repayment of the bonds. Under the State's dissolution of Redevelopment Agencies, there is an anticipated shortfall of revenues expected for FY 2014-15. The annual debt service payment budget for the Bonds is \$5,888,368 for FY 2014-15 for Series A and C. The series B portion was paid off on September 1, 2013. It is anticipated that debt service reserves will be used to cover shortfalls. 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.

Water Debt Service (see page J-9)

Federal Drought Relief Act Loan

In August 1977, the City accepted a Federal Drought Relief Act Loan in the amount of \$1,834,000 to finance drought relief projects for the Water Utility Enterprise Fund. Repayment of the loan is financed from net revenues pledged by the Water Utility Fund. The annual repayment for the loan is \$95,342 plus \$12,750 for related operating expenses.

Revenue Bonds, Series 2002A

The 2002 Series A Bonds were issued in the amount of \$14,280,000 in April, 2002, as part of the City's participation in the California Statewide Community Development Authority (CSCDA) Water and Wastewater Revenue Bond (Pooled Financing Program). The bonds were issued to refinance prior water system expansion bonds. Repayment of the bonds is financed from net revenues pledged by the Water Utility Fund. The annual debt service payment budget for the bonds is \$1,115,188.

Revenue Bonds, Series 2005 A

The 2005 Water Revenue Bonds were issued in the amount of \$24,230,000 in November, 2005. The bonds were issued to finance various water system capital improvement projects. Repayment of the bonds is financed from net revenues pledged by the Water Utility Fund. The annual debt service payment budget for the bonds is \$1,150,313.

Revenue Bonds, 2009 Series A & B

The 2009 Water Revenue Bonds Series A & B were issued in the amount of \$173,125,000 in August, 2009. The bonds were issued for the design and construction of the first phase of the Delta Water Supply Project. Repayment of the bonds is financed from net revenues pledged by the Water Utility Fund. The annual debt service payment budget for the bonds is \$15,734,039.

DEBT

Revenue Bonds, 2010 Variable Rate

The 2010 Revenue Bonds were issued in the amount of \$55,000,000 in October, 2010. The bonds were issued to provide financing to complete the Delta water Supply Project. Repayment of the bonds is financed from net revenues pledged by the Water Utility Fund. The annual debt service payment budget for the bonds is \$3,489,638.

Wastewater Debt Service (see page J-11)

Certificates of Participation, Series 1998 Series A

The 1998 Certificates of Participation (COPs) were issued in the amount of \$101,650,000 in February 1998. The COPs were issued to finance the design and construction of a sewer interceptor, to make improvements and modifications to the southern industrial sewer trunk line, and to refund the 1995 COP issue that financed the design, improvements and modifications to the regional wastewater control facilities. Repayment of the COPs is financed from net revenues pledged by the Wastewater Utility Fund. The annual debt service payment budget for the COPs is \$6,382,756.

Certificates of Participation, Refunding 2003 Series A

The 2003 Certificates of Participation (COPs) were issued in the amount of \$14,135,000 in May, 2003. The COPs were issued to advance refund the 1993 COPs which had financed various Wastewater System Improvements. Repayment of the COPs is financed from net revenues pledged by the Wastewater Utility Fund. The annual debt service payment budget for the COPs is \$999,374.

Other Debt Service

Department of Boating and Waterways Loan – Marina Planning and Construction (see page I-33)

On March 17, 1997, the Redevelopment Agency entered into an agreement with the California Department of Boating and Waterways (DBAW) for financing related to the planning of a small craft harbor facility. Once planning was complete, in May of 2000, an application was made for a construction loan to develop the facility. Overall indebtedness for both loans is \$11,056,641 and the source for repayment was the net revenues from Harbor facility operations. The annual debt service for both loans is \$684,701, however, default occurred in July of 2012 and the General Fund appropriation for this debt service payment was eliminated in the Pendency Plan and any future payments are subject to the outcome of the Chapter 9 case.

Section 108 Loans (see page I-11)

The City has entered into four Section 108 loan guarantee agreements with the U.S. Department of Housing and Urban Development (HUD) to complete redevelopment projects. Repayment of the loans will be financed from Community Development Block Grant entitlement funds. The annual debt service payment budget for the loans is \$2,159,098.

City Debt Service Fund - 201
FY 2014-15 Proposed Budget

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited</u>	<u>Projected</u>	<u>Proposed</u>
		<u>Actual</u>		<u>Budget</u>
Beginning Available Balance	\$ 4,124,541	\$ 3,917,521	\$ 483,172	\$ 433,877
Release of Cash with Fiscal Agent			340,000	
Adjusted Fund Balance			<u>823,172</u>	
 Revenues				
Interest	65,037	4,059	1,500	1,000
Insurance Proceeds	414,160	8,286,963	7,735,622	7,856,218
	<u>479,197</u>	<u>8,291,022</u>	<u>7,737,122</u>	<u>7,857,218</u>
 Expenditures				
Principal Payments	1,221,384	6,400,000	6,712,099	6,776,246
Interest Expense	6,150,590	4,823,681	3,168,178	3,173,416
Operating Expenses	148,121	260,347	243,854	268,500
Administration & Overhead	959,278	586,667	657,669	704,000
Cost Reimbursed	(540,746)	(378,437)	(429,624)	(454,000)
	<u>7,938,627</u>	<u>11,692,258</u>	<u>10,352,176</u>	<u>10,468,162</u>
 Transfers				
Transfer In - General Fund	1,666,859	977,898	1,444,077	1,410,973
Transfer In - Other	5,585,551	962,489	781,682	1,205,339
Transfer Out	-			
	<u>7,252,410</u>	<u>1,940,387</u>	<u>2,225,759</u>	<u>2,616,312</u>
 Net Annual Activity	<u>(207,020)</u>	<u>(1,460,849)</u>	<u>(389,295)</u>	<u>5,368</u>
 Ending Available Balance	\$ 3,917,521	\$ 2,456,672	\$ 433,877	\$ 439,245
 Available Balance Calculation				
Cash		\$ 551,780		
Accounts Receivable		125		
Current Liabilities		(68,733)		
Ending Available Balance		<u>\$ 483,172</u>		

**City Debt Service Funds
FY 2014-15 Proposed Budget**

	<u>Debt and Cash Administration 201</u>	<u>Certificates of Participation Series 2003 A & B 201</u>	<u>Lease Revenue 2006 Series A 201</u>	<u>Lease Revenue 2007 Series A & B 201</u>
Date Issued		6/27/2003	4/6/2006	3/26/2007
Purpose		<u>Affordable Housing Program</u>	<u>Parking and Stewart/Eberhardt Building</u>	<u>City Administration Building 400 Main</u>
Revenues				
Interest	\$ 1,000			
Insurance Proceeds				\$ 7,856,218
Assessments				
	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>7,856,218</u>
Expenditures				
Principal		\$ 375,000	\$ 435,000	5,780,000
Interest		613,471	474,194	2,023,218
Operating Expenses		212,500	3,000	53,000
Administrative Costs	704,000			
Cash Reimburse	(454,000)			
Capital Projects				
	<u>250,000</u>	<u>1,200,971</u>	<u>912,194</u>	<u>7,856,218</u>
Transfers				
Transfer In				
General Fund	250,000			
Other Funds		1,205,339	912,194	
Transfer Out				
General Fund				
Other Funds				
	<u>250,000</u>	<u>1,205,339</u>	<u>912,194</u>	<u>-</u>
Net Annual Activity	<u>\$ 1,000</u>	<u>\$ 4,368</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Available Balance				

**Successor Agency Debt Service Fund - 231
FY 2014-15 Proposed 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	\$ 590,000	\$ 1,160,000	\$ 530,000	\$ 2,280,000
Interest	2,083,221	2,609,513	1,577,705	6,270,439
Administration	4,200	8,650	2,500	15,350
	<u>2,677,421</u>	<u>3,778,163</u>	<u>2,110,205</u>	<u>8,565,789</u>
				-
Transfers				
Transfer In - Successor Agency	2,677,421	3,778,163	2,110,205	8,565,789
	<u>2,677,421</u>	<u>3,778,163</u>	<u>2,110,205</u>	<u>8,565,789</u>
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Water Debt Service Funds - 421/423
FY 2014-15 Proposed Budget**

	California Statewide					Total Water Debt Service
	Federal Drought Relief Act Loan 423	Community Development Authority Revenue Bonds Series 2002 A 423	Stockton Public Financing Authority Revenue Bonds Series 2005A 423	Stockton Public Financing Authority Revenue Bond 2009 Series A & B 423	Stockton Public Financing Authority Revenue Bond 2010 VR	
Date Issued	7/1/1977	5/7/2002	11/17/2005	8/11/2009	10/20/2010	
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		\$ 1,115,188	\$ 1,150,313	\$ 1,608,905		3,874,406
Other Revenue						-
	<u>-</u>	<u>1,115,188</u>	<u>1,150,313</u>	<u>1,608,905</u>	<u>-</u>	<u>3,874,406</u>
						-
Expenditures						
Principal	82,728	735,000		3,285,000	160,000	4,262,728
Interest	12,614	380,188	1,150,313	12,449,039	3,329,638	17,321,792
Operating Expenses	12,750					12,750
Capital Projects						-
	<u>108,092</u>	<u>1,115,188</u>	<u>1,150,313</u>	<u>15,734,039</u>	<u>3,489,638</u>	<u>21,597,270</u>
						-
Transfers						
Transfer In						
Water User Fees - 421	108,092			12,732,513	3,489,638	16,330,243
Water Connections Fees - 424				1,392,621		1,392,621
Delta Water Surface Fee - 425						-
Transfer Out						
Water Debt Service - 423						-
Water Capital Projects - 427						-
	<u>108,092</u>	<u>-</u>	<u>-</u>	<u>14,125,134</u>	<u>3,489,638</u>	<u>17,722,864</u>
						-
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Wastewater Debt Service Funds
FY 2014-15 Proposed Budget**

	Stockton Public Financing Authority Certificates of Participation 1998 Series A 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	\$ 2,705,000	\$ 685,000	\$ 3,390,000
Interest	3,673,856	311,874	3,985,730
Disclosure fees	3,900	2,500	6,400
	<u>6,382,756</u>	<u>999,374</u>	<u>7,382,130</u>
Transfers			
Transfer In			-
Wastewater User Fees - 431	3,011,458	470,073	3,481,531
Wastewater Connection Fees Capital Projects - 434	3,371,298	529,301	3,900,599
	<u>6,382,756</u>	<u>999,374</u>	<u>7,382,130</u>
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TAB 13 CAPITAL

CAPITAL IMPROVEMENT PROGRAM

MISSION STATEMENT

The Capital Improvement Program (CIP) 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	\$51,682,136
Total Revenues	\$50,058,547
Total Net Cost	\$1,623,589

PROGRAM DESCRIPTION

The projects listed in the accompanying five-year CIP 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 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 CONSIDERATION

Capital Improvement Highlights

The Capital Improvement Program (CIP) is a five-year plan of the public projects necessary to maintain and improve the public works of the City and implement the Stockton General Plan. The public works include buildings, parks, golf courses, utilities, and the transportation system. The projects listed in the CIP have an estimated cost over \$50,000 and provide long-term assets to the community. Budgeted costs are broken into the following categories: design, construction, equipment and land purchases, and project administration. The costs identified in the first year of the program are appropriated as a part of the annual operating and capital budget process. A summary of revenues, expenditures and fund balances for the various City funds that contain the individual capital projects included in the proposed FY 2014-15 Capital Budget (first year of the CIP) is provided in this document. The projects and costs identified in years 2 through 5 of the program are intended to illustrate priorities and the magnitude of funding needed. For these outer year projects to be constructed, funding sources will have to be identified.

Each year, the five-year program is reviewed in view of the City's needs, priorities, and available funds, and revised as necessary. A long-term Capital Improvement Program 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

Capital Improvement Program Process

To identify capital program needs, Public Works staff works with other city departments and external agencies (such as the Council of Governments and the Regional Transit District) and members of the community to identify potential projects. Based on this input, Public Works staff, with assistance from the Department of Municipal Utilities, develops a list of proposed projects, along with cost estimates and priorities. In addition, Public Works staff works with Administrative Services staff to identify revenue projections for funding capital projects in the first year of the program. These funding sources include the General Fund, Public Facilities Fees, Measure K, Utility Fees, Enterprise Funds, and various State and Federal grants.

The City Manager's Office reviews the proposed projects in terms of Council and City priorities, and available funding in the first year. The recommended Capital Improvement Program is submitted to the City Planning Commission to review for conformance with the General Plan, and 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 of the approved five-year plan.

FY 2014-15 through FY 2018-19 Capital Improvement Program Highlights

The five-year Capital Improvement Program (CIP) proposes a list of projects with a total value of \$738 million. However, of this amount only \$2.775 million or 0.4% is funded from the General Fund. Included in the five-year plan are projects totaling \$347 million which have identified funding sources and \$391 million with unidentified funding sources. This later amount represents improvements that are needed but cannot be funded at this time.

Of the five years in the CIP, the only financially constrained year is the first year, FY 2014-15, which means that there is funding available for the \$81.5 million in proposed improvements. However, \$78.7 million or 97% of the funding available is from restricted sources dedicated to transportation, utilities, boat launching, and library. For the final four years of the CIP, FY 2015-16 through FY 2018-19, the total project value is \$656 million. The majority of these projects are unfunded. They constitute a list of high priority improvements that are planned but cannot be constructed until funding source(s) have been identified.

The proposed CIP projects are grouped into three categories: General Government, Transportation, and Utilities. The following provides highlights of the proposed projects in each of these categories. In addition, this program includes a list of unfunded 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 deferred maintenance for City facilities and 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.

Urban Forest: an initial \$4.8M is needed to bring the forest up to an acceptable standard. An additional \$2.3M is needed annually to provide proper maintenance, including regular trimming and a removal/replacement program. The proposed program allocates no funding for this area.

Roadway pavement: more than \$10M per year is needed to resurface pavement to keep the pavement network in its current condition. This cost would significantly increase if streets that warrant reconstruction due to severe distress, high roadway center, or extensive curb damage are included. The proposed program allocates only \$2.1M in FY 2014-15.

CAPITAL IMPROVEMENT PROGRAM

Parks: \$12M is needed for play areas, park furnishings, irrigation systems, buildings, courts, ball fields, and flatwork. The proposed program allocates only \$450,000 for repairing playgrounds, shade structures, Pixie Woods attractions, and drinking fountains in FY 2014-15.

Facilities: more than \$10M is needed to catch up on maintenance and replace roofs at City facilities (not including City Hall); however, FY 2014-15 proposed CIP budget includes only a minor amount of funding to be allocated for minor/emergency repairs and upkeep of SMG managed facilities.

General Government

This category includes improvements associated with Police, Fire, Parks, Golf Courses, Libraries, and City buildings. Improvements are funded through the General Fund as well as dedicated funding sources such as Public Facility Fees.

The proposed General Fund allocation for capital projects in FY 2014-15 is \$2.775 million. Funding is allocated to miscellaneous emergency maintenance including General emergency maintenance city-wide, replacement of the civic auditorium stage controls/rigging, specific roof maintenance and leak repairs, HVAC upgrades/replacements due to failure of existing equipment, hazardous material abatement, Fire Station repairs (driveways/pavement at Stations 2 and 10, engine bay and kitchen repairs at Stations 2 and 4), Pixie Woods repairs (train ride and lagoon), playground fall attenuation material replacement at Parks, restroom renovation at the Cesar Chavez Library, removal and remediation of leaking underground fuel tanks, City-wide arterial roadway LED street lights conversion, and improvements to comply with Americans with Disability Act (ADA) requirements. Due to funding constraints, this level of funding is again very low compared to the immediate needs. To give an idea of needed funding, for the projects listed in FY 2015-16 through FY 2018-19 as unfunded (which are not comprehensive), the average annual expenditure that would typically be funded from the General Fund is over \$12 million per year.

Transportation

Improvements to the transportation system are funded from non-General Fund sources that are dedicated to transportation projects. These sources include State and Federal grants, Public Facilities Fees, and Measure K tax proceeds.

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, and various planning documents of the San Joaquin Council of Governments. The transportation portion of the program has been able to consistently generate significant amounts of grant funds. Public Works is currently actively managing projects with a combined value of over \$141 million, of which over \$79 million is from competitive grant sources. This total does not include transportation projects that have been planned, sponsored or designed by the City but are being managed by other agencies, primarily Caltrans. Including these projects expands the total project value to over \$900 million. Based on this 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 2014-15 of the CIP include modifications and installation of traffic signals, expansion of Bus Rapid Transit onto Martin

CAPITAL IMPROVEMENT PROGRAM

Luther King Jr. Boulevard, maintenance of bridges and pavement throughout the city, widening projects on Thornton Road, Hammer Lane and Lower Sacramento Road, sidewalk improvements on West Lane, a roundabout at Montauban Avenue and Swain Road, traffic calming measures in 16 neighborhoods, construction of ADA accessibility improvements, and installation of adaptive traffic control systems on March Lane and on Pershing Avenue.

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 the north system chloramine conversion project; improvements to facilities at the Water Field Office; and water well rehabilitations and abandonments.

The Capital Improvement and Energy Management Plan, 2011 (CIEMP) outlined a multi-year \$130 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 Wastewater Enterprise is currently in the design stage of improvements to two critical treatment process facilities - Headworks and Tertiary Plant. For FY 2014-15, the CIEMP requests are predominately for engineering studies and design. In addition, the Wastewater Enterprise is proposing to fund the rehabilitation and replacements of large diameter pipelines due to corrosion and deterioration.

The Stormwater Enterprise fee has been unchanged since 1992, and the utility is insufficiently funded for permit compliance activities and needed capital improvements. Therefore, over the years, a large number of capital improvement projects have been moved to later years because of lack of funding. For FY 2014-15, \$1.0 million is available for deferred capital improvements which have accumulated over the past six years to address a small fraction of pipeline and pump station deficiencies. Without an approved increase to the Stormwater fee, capital improvements, necessary to minimize the amount of localized flooding and maintain pace with the regulatory environment, will not be possible.

Basis of Capital Revenue Projections

To determine the funds available for Capital Projects in the FY 2014-15 Capital Budget, the City considers the following:

- Analysis of 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

Capital Improvement Program Funding Sources

City Funds

Capital Improvement Fund: The Capital Improvement Fund is unrestricted and can be used for any project designated by the City Council. The resources in this fund come from transfers from the City's General Fund, reimbursements for specific projects, and interest earnings.

Federal/State 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. Grant funds are appropriated when grant agreements are executed.

Transportation Development Act (TDA): These funds are derived from the statewide sales tax and are returned to each County for public transit and bicycle/pedestrian purposes. TDA funds may also be used for roads and streets. However, Stockton's allocation is currently limited to transit operations and pedestrian/bike path projects included in the Sidewalk and Wheelchair Ramp Repair project.

Sales Tax Measure K

Measure K: In 2006, voters approved a 30 year extension of the ½ 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.

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 stormwater 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.

Public Facility Fees

Public Facilities Fees: These fees are collected through the building permit process from new development projects. This provides funds for new or expanded facilities necessary as a result of growth and development. Public Facility Fees include street improvements, community recreation centers, city office space, fire stations, libraries, police stations, traffic signals, park site, street tree, air quality, water connection, and wastewater connection.

Other Revenue

Library: The Library Fund receives transfers in from the General Fund and other sources for use in Library improvements.

Boat Launching Facilities: These funds are generated from user fees for parking and boat launching at the Buckley Cove boat launch facility.

Summary by Program
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	(Unaudited) Carryover Balance June 2013	2013-14 Adopted	2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
Summary by Program							
General Government and Grants							
Buildings	1,057	1,063	614	2,272	1,788	1,582	1,582
Central Parking	-	-	-	381	3,092	2,631	-
Police	55	54	-	344	1,540	1,572	-
Fire	-	63	261	549	-	2,080	22,216
Parks	3,106	60	140	524	1,651	93	406
Public Works - Parks & Trees	-	209	630	618	2,367	4,805	17,861
Streets	-	-	1,250	-	-	-	-
Library	7,244	250	623	1,231	6,000	-	9,939
	11,462	1,699	3,518	5,919	16,438	12,763	52,004
Transportation	131,429	13,281	50,363	10,726	32,504	67,658	232,862
Utilities	18,558	9,570	27,612	63,611	110,891	17,462	33,241
Total CIP Program	161,449	24,550	81,493	80,256	159,833	97,883	318,107
Funded	161,449	24,550	81,493	66,946	121,924	23,555	52,543
Unfunded	-	-	-	13,310	37,909	74,328	265,564
Total	161,449	24,550	81,493	80,256	159,833	97,883	318,107

Project Totals by Fund
Five Year Capital Improvement Program
2014-2019
(Dollars in thousands)

Fund	(Unaudited)	2013-14 Adopted	2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected	
	Carryover Balance June 2013							
Summary by Fund								
General Government and Grants								
General Fund	301	986	1,230	2,775	-	-	-	
Public Art Fund	306	189	60	-	-	-	-	
Grant Funding/Other Reimbursements	304	17,933	-	-	-	-	-	
Measure K Renewal	80	51,755	-	34,686	-	-	-	
Measure K Maintenance	82	3,373	2,147	2,199	-	-	-	
Federal	038/308	32,540	10,149	9,723	1,900	1,900	1,900	
Transportation Development Act	34	294	185	185	185	185	185	
Library	41	2,272	-	100	-	-	1,289	
Solid Waste & Recycling	47	-	159	-	-	-	-	
Other Reimbursements	399/308/301	11,853	-	822	-	-	27	
		121,195	13,930	50,490	2,085	2,085	3,374	
Public Facilities Fees								
Air Quality	990	1,292	33	-	500	500	500	
Library	950	4,972	250	400	750	6,000	8,650	
Parkland	970	2,897	-	-	-	110	2,693	
Office Space	930	28	-	-	-	856	-	
Police	960	54	-	-	-	-	-	
Regional Streets	917	292	-	-	-	-	1,580	
Street Fees	910	11,103	767	2,885	-	871	2,402	
Street Trees	978	293	-	-	-	56	-	
Street Signs	979	59	-	-	-	84	-	
Street Lights	980-985	401	-	-	-	105	504	
Traffic Signals	900-904	305	-	106	-	721	724	
		21,696	1,050	3,391	1,250	8,948	15,928	
Utilities								
Water	427	5,526	1,823	7,418	6,931	7,526	5,407	
Wastewater	437	13,032	7,560	19,156	55,327	97,804	26,597	
Stromwater	447	-	187	1,038	1,353	5,561	1,237	
		18,558	9,570	27,612	63,611	110,891	33,241	
Unfunded								
Buildings / City Property / Others	Unfunded	-	-	-	2,272	1,788	1,582	1,582
Central Parking	Unfunded	-	-	-	381	3,092	2,631	-
Fire	Unfunded	-	-	-	549	-	2,080	22,216
Parks	Unfunded	-	-	-	524	1,651	93	406
Police	Unfunded	-	-	-	344	684	1,572	-
Public Works - Parks & Trees	Unfunded	-	-	-	618	2,367	4,668	15,168
Library	Unfunded	-	-	-	481	-	-	-
Transportation	Unfunded	-	-	-	8,141	28,327	61,702	226,192
		-	-	-	13,310	37,909	74,328	265,564
Total CIP Program		161,449	24,550	81,493	80,256	159,833	97,883	318,107
Funded		161,449	24,550	81,493	66,946	121,924	23,555	52,543
Unfunded		-	-	-	13,310	37,909	74,328	265,564
Total		161,449	24,550	81,493	80,256	159,833	97,883	318,107

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

Project Number	Fund	(Unaudited)		2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
		Carryover Balance June 2013	2013-14 Adopted					
General Government Program								
Buildings / City Property / Others								
<u>Capital Fund</u>								
Event Center	9811	301	46					
Miracle Mile Parking Lots	7909	301	11					
Fire Station Repairs	7103	301	4					
Downtown Acquisitions/Demo	7102	301	52					
IT Relocation	7099	301	52					
Roof Management Program	7087	301	240	280	87			
Wilson Way Underpass ADA Ramp Installation	7064	301	268					
Green Lease Main PD Equip.	7057	301	42					
HVAC Upgrades and Replacements	7036	301	25	75	50			
Fox Theater Renovation	7027	301	1					
ADA Compliance Program	7022	301	106		72			
General Emergency Maintenance Citywide	7011	301	36	100	75			
Hazardous Materials Abatement and Monitoring	7002	301	68		50			
Radio Towers	5205	301	10					
Roof Replacement and Construction Program	1320	301		227	280			
Repairs and Improvements - Arena, Ballpark, Theater, etc.	1319	301		327				
City Offices Minor Safety	1318	301		54				
			961	1,063	614	-	-	-
<u>Federal American Recovery and Reinvestment Act (ARRA)</u>								
EECBG-Recycle Multi-Family	8609	304	2					
EECBG-Energy Efficient Buildings	8608	304	12					
			14	-	-	-	-	-
<u>Public Facilities Fees - City Office Space</u>								
SEB 4th Floor Police Expansion	9832	930	28					
			28	-	-	-	-	-
<u>Public Facilities Fees - Police Stations</u>								
SEB 4th Floor Police Expansion	9832	960	54					
			54	-	-	-	-	-
<u>Unidentified Funding</u>								
Roof Maintenance and Leak Management Program	7087	Unfunded			165	191	162	137
HVAC Upgrades and Replacements	7036	Unfunded			75	80	85	91
ADA Compliance Program	7022	Unfunded			100	103	108	114
General Emergency Maintenance Citywide	7011	Unfunded			128	134	140	147
Hazardous Materials Abatement and Monitoring	7002	Unfunded			76	81	87	93
Roof Replacement and Construction Program	1320	Unfunded			1,000	1,000	1,000	1,000
Bob Hope Theater Electrical Service Separation	0000	Unfunded				132		
Bob Hope Theater HVAC Repairs	0000	Unfunded			58			
Corp Yard Storage Building	0000	Unfunded			289			

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

				(Unaudited)					
				Carryover	2014-15				
Project	Fund	Balance	2013-14	Proposed	2015-16	2016-17	2017-18	2018-19	
Number		June 2013	Adopted	Budget	Projected	Projected	Projected	Projected	Projected
Electronic Payment Station for City Services	0000	Unfunded				67			
Event Center Security & Safety Improvements	0000	Unfunded			81				
Event Venues Equipment	0000	Unfunded			58				
Facilities Assessment Plan	0000	Unfunded			100				
Human Resources Interior Improvements	0000	Unfunded			142				
Subtotal, Buildings / City Property /					2,272	1,788	1,582	1,582	
		1,057	1,063	614	2,272	1,788	1,582	1,582	
Community Development									
<u>Unidentified Funding</u>									
Permit Center Renovation	0000	Unfunded							
Subtotal, Community Development									
Police									
<u>Capital Fund</u>									
Police Gun Range Improvements	7108	301	25						
Animal Shelter Renovation	1321	301		54					
			25	54	-	-	-	-	-
<u>State</u>									
Main PD Holding Cell	7198	304	30						
			30	-	-	-	-	-	-
<u>Public Facilities Fees - Office Space</u>									
Police Department Additional Office Space	0000	930				856			
						856	-	-	-
<u>Unidentified Funding</u>									
Police Department Additional Office Space	0000	Unfunded			205	684			
Police Department Under Freeway Parking Lot Improvements	0000	Unfunded			139				
Police Main Facility Improvements	0000	Unfunded					1,572		
					344	684	1,572	-	-
Subtotal, Police			55	54	-	344	1,540	1,572	-
Fire									
<u>Capital Fund</u>									
Fire Station Nos. 2 & 10 Driveway & Parking Lot Improvements	1412	301			146				
Fire Station No. 4 Kitchen	1411	301			53				
Fire Station No. 2 Engine Bay Improvements	1410	301			62				
Fire Station Repairs and	1322	301		63					
				63	261	-	-	-	-
<u>Unidentified Funding</u>									
Fire Station Repairs and	1322	Unfunded				549			
Fire Station No. 3 Reconstruction	0000	Unfunded					1,040	11,108	
Fire Station No. 6 Reconstruction	0000	Unfunded					1,040	11,108	
					549	-	2,080	22,216	
Subtotal, Fire				63	261	549	-	2,080	22,216

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	Project Number	Fund	(Unaudited)	2013-14 Adopted	2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
			Carryover Balance June 2013						
Parks									
<u>Capital Fund</u>									
Public Art Program	7032	306	189						
Civic Auditorium Stage	1409	301			140				
Louis Park Softball Complex Improvements	1323	301		60					
			189	60	140	-	-	-	-
<u>Grant Fund</u>									
Laughlin Park Playground	7890	304	20						
			20	-	-	-	-	-	-
<u>Public Facilities Fees - Parkland Citywide</u>									
Detention Basin Soccer Complex	9815	970	118						
New Park Fencing	9273	970	35						
Cannery Park 7.48 Acre Neighborhood Park	9270	970	14						
Westlake Villages Park	9269	970	1						
Feather River Drive Dog Park	9259	970	13						
Oakmore Montego 6 Acre	9254	970	88						
Fong Park (Blossom Ranch)	9207	970	772						
John Peri Neighborhood Park	9204	970	60						
William Long Park PF-II	9184	970	3						
La Morada Neighborhood Park	9173	970	1,791						
Juliet Terrace Neighborhood Park	9131	970	2						
			2,897	-	-	-	-	-	-
<u>Unidentified Funding</u>									
Civic Auditorium Various Repairs	0000	Unfunded				524	405		
McNair Softball Complex - Fencing, Gate & Turf Improvements	0000	Unfunded						69	
McNair Softball Complex - Office and Storage Area Expansion	0000	Unfunded							220
McNair Softball Complex - Scoreboards and Foul Poles	0000	Unfunded					111		
Panella Park - Baseball Diamond Replacement	0000	Unfunded							71
Park Sport Field Lighting	0000	Unfunded						24	62
Stockton Soccer Complex Improvements	0000	Unfunded					1,135		
Stribley and Van Buskirk Community Center Improvement	0000	Unfunded							53
			-	-	-	524	1,651	93	406
Subtotal, Parks			3,106	60	140	524	1,651	93	406
Public Works - Parks & Trees									
<u>Capital Fund</u>									
Playground Wood Fiber Fall Surfacing Conversion	1416	301			256				
Pixie Woods Lagoon & Train Ride Improvements	1415	301			65				
Park Shade Structure Replacement Citywide	1414	301			66				
Drinking Water Fountain Repairs & Replacement	1324	301		50					
			-	50	387	-	-	-	-
<u>Public Facilities Fees - Parkland Citywide</u>									

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	Project Number	Fund	(Unaudited)		2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
			Carryover Balance June 2013	2013-14 Adopted					
Cannery Park 7.48 Acre Neighborhood Park	9271	970							1,814
Cannery Park 2.7 Acre Neighborhood Park	9270	970						110	879
			-	-	-	-	-	110	2,693
<u>Other</u>									
Pixie Woods Lagoon & Train Ride Improvements	1415	Other			13				
Stockton Arena Energy Management System	1406	086			86				
Stockton Arena Chiller Rebuild	1405	086			58				
Lighting Improvement at SMG managed facilities	1404	086			86				
Waste and Recycling Bin Enclosure at Louis Park	1325	047		159					
Game Court Rehabilitation	0000	Other						27	
			-	159	243	-	-	27	-
<u>Unidentified Funding</u>									
Cannery Park 7.48 Acre Neighborhood Park	9271	Unfunded					261	496	805
Westlake Villages Park	9269	Unfunded						471	4,818
Oakmore Montego 6 Acre Neighborhood Park	9254	Unfunded						351	2,184
Juliet Terrace Neighborhood Park	9131	Unfunded						386	1,773
Park Shade Structure Replacement Citywide	1414	Unfunded				75			
Buckley Cove Parking Lot Pavement Resurfacing	1413	Unfunded					153		
Drinking Water Fountain Repairs & Replacement	1324	Unfunded				50			
Louis Park Softball Complex Parking Lot and Walk Improvement	1323	Unfunded					565		
Game Court Rehabilitation	0000	Unfunded				302	277	317	320
Irrigation Controller Upgrade/Replacement	0000	Unfunded				140	140	140	140
Oregone Ranch Park Site - 6 Acres	0000	Unfunded						624	2,337
Oregone Ranch Park Site - 7 Acres	0000	Unfunded					270	478	2,791
Weber Point Shade Structure Fabric Replacement	0000	Unfunded					511		
American Legion Park Lagoon Fencing Replacement	0000	Unfunded				51			
EBMUD Bike Path Reconstruction	0000	Unfunded					140	1,405	
Pixie Woods Walkway Resurfacing	0000	Unfunded					50		
			-	-	-	618	2,367	4,668	15,168
Subtotal, Public Works - Parks &			-	209	630	618	2,367	4,805	17,861
<u>Streets</u>									
<u>Capital Fund</u>									
Downtown Fuel Tank Removal, Leak Assessment	1425	301			50				
Citywide Arterial Roadway-LED Street Lights Conversion Project	0000	301			1,200				
			-	-	1,250	-	-	-	-

Project Listing
Five Year Capital Improvement Program
2014-2019
(Dollars in thousands)

Project Number	Fund	(Unaudited)		2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected	
		Carryover Balance June 2013	2013-14 Adopted						
Golf									
<u>Unidentified Funding</u>									
		-	-	-	-	-	-	-	
Subtotal, Golf		-	-	-	-	-	-	-	
Library									
<u>Capital Fund</u>									
Library - Chavez - Restroom Renovations & ADA Compliance	1408	301		123					
		-	-	123	-	-	-	-	
<u>Library Fund</u>									
Northeast Branch Library	9953	041	286						
Northwest Branch Library on Thornton Road	9112	041						1,289	
Re-roofing City Buildings	7087	041	1,084						
Chavez Library Cooling System	7037	041	637						
Library Minor Repairs	7019	041	265						
Library - Chavez - Restroom Renovations & ADA Compliance	1408	041		100					
			2,272	-	100	-	-	-	1,289
<u>Public Facilities Fees - Library</u>									
Northeast Branch Library	9953	950	763						
Northwest Stockton Multi-Purpose	9737	950	3,003						
New Library Facility Study	9262	950	473						
Express Check-out Machines	9238	950	206						
Library Book Collector Aumentation	9202	950		250	250				
Northwest Branch Library on Thornton Road	9112	950	527					8,650	
New Library Facility	0000	950			150	750	6,000		
			4,972	250	400	750	6,000	-	8,650
<u>Unidentified Funding</u>									
Library - Chavez - Restroom Renovations & ADA Compliance	1408	Unfunded			100				
Library - Chavez - Exterior Building Renovation	0000	Unfunded			381				
			-	-	-	481	-	-	
Subtotal, Library			7,244	250	623	1,231	6,000	-	9,939
Central Parking									
<u>Unidentified Funding</u>									
Parking Garage & Parking Lot Automation	0000	Unfunded			331	2,212			
Parking Garage Lighting Retrofit	0000	Unfunded			50	268			
Miracle Mile Parking Lot Resurfacing	0000	Unfunded				38	548		
Parking Lot Resurfacing	0000	Unfunded				235	141		
Street Parking Meter Automation	0000	Unfunded				339	1,942		
			-	-	-	381	3,092	2,631	-
Subtotal, Central Parking			-	-	-	381	3,092	2,631	-
Total, General Government			11,462	1,699	3,518	5,919	16,438	12,763	52,004

Transporation Program

Project Listing
Five Year Capital Improvement Program
2014-2019
(Dollars in thousands)

				(Unaudited)					
				Carryover	2014-15	2015-16	2016-17	2017-18	2018-19
Project	Fund	Balance	2013-14	Proposed	2015-16	2016-17	2017-18	2018-19	
Number		June 2013	Adopted	Budget	Projected	Projected	Projected	Projected	Projected
Federal Grants									
<u>Congestion Mitigation Air Quality (CMAQ)</u>									
Wilson Way Corridor Adaptive Traffic Control System	9747	399	1,198						
Davis Road/Wagner Heights Drive Traffic Signal	9746	399	335						
Bus Rapid Transit Phase III (Hammer Lane)	9745	399	1,426						
Benjamin Holt Drive/Inglewood Avenue Traffic Signal	9744	399	385						
Benjamin Holt Drive/Cumberland Place Traffic Signal	9743	399	404						
Fiber Optic Network Expansion	9741	399	380						
Pershing Avenue Corridor Adaptive Traffic Control System	1311	308		143	974				
Bus Rapid Transit Phase IV (MLK Jr. Blvd and Mariposa)	1303	308	276	279	1,469				
			4,404	422	2,443	-	-	-	-
<u>Safe Accountable Flexible Efficient Equality Act: A Legacy for Users (SAFETEA-LU)</u>									
Hammer Lane Phase II	9995	399	237						
French Camp/Sperry Road	9945	399	14,296						
Street Resurfacing on Federal-Aid Streets	1429	399	1,880	1,930	1,900	1,900	1,900	1,900	1,900
Thornton Road Widening	9828	399	212						
2011-12 Street Overlay	9751	399	1,794						
Glacier Point Ansel Adams	9742	399	90						
2010-11 Street Overlay	9740	399	223						
Tam O'Shantern/Hometown Traffic Signal	9739	399	55						
El Dorado/MLK Blvd Signal	9738	399	215						
Airport at Park/Oak & Fremont	9736	399	912						
Rubberized Cape Seal	9734	399	709						
RSTP 2008-09 Street Overlay	9732	399	146						
2007-08 Street Overlay	9730	399	51						
Bus Rapid Transit Phase II Airport Way	9729	399	880						
Airport Way Beautification Phase II ARRA	9728	399	161						
Bridge Maintenance Program	9715	399	56						
Farmington Rd (8th)/Mariposa	9701	399	5						
Univ Miracle Mile Improvement	7238	038	51						
Aurora Street/BNSF	7235	038	243						
Pacific Avenue Median Improvement	7233	038	119						
Airport Way Beautification Phase IV	6724	038	95						
McKinley Bridge Scour Repair	6722	038/308	556	60	559				
Traffic Signal Controller timing	6721	038	151						
Safe Routes to School	6719	038	148						
Montezuma Elementary Sidewalk	6718	038	37						
Montauban Avenue and Swain Road Roundabout	1315	308		116	538				

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	Project Number	Fund	(Unaudited)		2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
			Carryover Balance June 2013	2013-14 Adopted					
Traffic Signal Modifications (California St at Washington)	1314	308		602					
March Lane Adaptive Traffic Control System	1312	308		150	1,022				
Filbert Street/Miner Avenue Traffic	1310	308		140	506				
Emergency Vehicle Pre-emption (EVP) System	1304	308		601					
Emergency Vehicle Pre-emption (EVP) System	1211	308	89						
Traffic Signal Modifications (Harding Way at El Dorado)	1210	308	116	649					
			23,527	4,248	4,525	1,900	1,900	1,900	1,900
<u>Federal Highway Administration (FHWA)</u>									
Industrial/McKinley and UPRR Crossing Improvements	7062	308	2,469	2,383					
Hazelton and UPRR Railroad Crossing Improvement	7061	308	410	403					
			2,879	2,786	-	-	-	-	-
<u>Federal American Recovery and Reinvestment Act (ARRA)</u>									
EECBG-Climate Action Plan	8606	304	30						
			30	-	-	-	-	-	-
<u>Highway Bridge Program</u>									
McKinley Avenue/French Camp Slough Bridge	9749	399	139						
Center St. and El Dorado St. Overpass Rehabilitation	9748	308/399	73	2,544	207				
			212	2,544	207	-	-	-	-
<u>Highway Safety Improvement Program</u>									
Radar Speed Feedback Signs	9750	399	339						
West Lane Pedestrian Access Improvements	1424	308			945				
Traffic Signal Head Retrofit	1422	308			385				
Responsive Traffic Signal Control on El Dorado Street	1421	308			189				
Rectangular Rapid Flashing Beacons Cycle 6	1420	308			523				
Arch-Airport Road and B Street Signalization	1417	308			506				
Rectangular Rapid Flashing Beacons Cycle 5	1313	308	11	149					
			350	149	2,548	-	-	-	-
<u>Safe Route to School Grant</u>									
Harrison Elementary Safety Improvements	7065	038	678						
Safe Routes to School Pilot Program Expansion	6725	038	460						
			1,138	-	-	-	-	-	-
Subtotal, Federal Grants			32,540	10,149	9,723	1,900	1,900	1,900	1,900
<u>State Grants</u>									
<u>California Highway Railroad Crossing Safety</u>									
Sidewalk, Curbs, Gutters	9969	399	2						
Street Resurfacing	9928	399	98						

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	Project Number	Fund	(Unaudited)						
			Carryover Balance June 2013	2013-14 Adopted	2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
Eight Mile Rd/UPPR (East) Grade	9829	399	4,228						
Lower Sacramento Rd.	9718	399	9,260						
Eight Mile Rd/UPRR West Sep.	9716	399	2,797						
			16,385	-	-	-	-	-	-
<u>Transportation Development Act (TDA)</u>									
Sidewalk, Curbs, Gutters	9969	034	294		185	185	185	185	185
Curb Ramp Repair Program	1304	034		185					
Wheelchair Ramp Repair Program	0000	034							
			294	185	185	185	185	185	185
<u>Urban Greening Grant</u>									
EBMUD - March Lane Bicycle	7063	304	568						
			568	-	-	-	-	-	-
<u>Prop 1B</u>									
2012 Street Overlay P1B 10-15	9280	304	281						
2011 Streetscape P1B 10-18	9279	304	30						
			311	-	-	-	-	-	-
<u>Other State</u>									
Glacier Point Ansel Adams	9742	399	12						
2010-11 Street Overlay	9740	304	6						
Fillmore Safe Route to School	9725	399	15						
Street Improvement Project	8614	304	198						
Arch Road Repaving	7240	304	127						
Arch Road TS Fiber Optic	7239	304	183						
Safe Route to School Speed Signs	7232	304	64						
Pershing Avenue Corridor Adaptive Traffic Control System	0000	304							
March Lane Adaptive Traffic Control System	0000	304							
Bus Rapid Transit Phase IV (MLK Jr. Blvd and Mariposa)	0000	304							
			605	-	-	-	-	-	-
Subtotal, State Grants			18,163	185	185	185	185	185	185
<u>Local Grants</u>									
<u>Measure K Renewal</u>									
French Camp/Sperry Rd-Perform.	9945	080	32,645						
Hammer Ln/SR99 Interchange	9942	080	1,529						
Sperry Road Extension	9837	080	2,468						
Eight Mile Rd/UPPR (East) Grade	9829	080	904						
Tam O'Shantern/Hammertown Traffic Signal	9739	080	3						
Weber Avenue Beautification Phase	9727	080	44						
N Stockton I-5 Widening	9723	080	184						
Lower Sacramento Road Widening/UPPR	9718	080	8,438						
8 Mile Road/UPRR West Separation	9716	080	4,659						
Airport Way Corridor	9704	080	25						
March Lane EBMUD Bike Phase II	6723	080							
Sutter St, Ped & Bike, Bridge	6717	080							
Thornton Road Widening	1428	080			15,841				
Hammer Lane Widening Phase 3B	1427	080	856		9,045				
Lower Sacramento Road and Bear Creek Bridge Replacement	1419	082			7,900				

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	Project Number	Fund	(Unaudited)		2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
			Carryover Balance June 2013	2013-14 Adopted					
French Camp Road/I-5 Interchange Landscaping	1418	080			1,900				
			51,755	-	34,686	-	-	-	-
<u>Measure K Maintenance</u>									
Sidewalk, Curbs, Gutters	9969	082	649		115				
Traffic Signal Modifications	9934	082		150					
Street Resurfacing/Bridge Repair Program	1429	082	918	251	260				
Traffic Signal Control System	9906	082	401		434				
Sperry Road Extension	9837	082			268				
2011-12 Street Overlay	9751	082	49						
Radar Speed Feedback Signs	9750	082	3						
Center St. and El Dorado St. Overpass Rehabilitation	9748	082	5	330	27				
Wilson Way, Adaptive TCS	9747	082	138						
Davis Rd/Wagner Height Traffic Signal	9746	082	5						
2010-11 Street Overlay	9740	082	16						
El Dorado /MLK Blvd Signal	9738	082	18						
Airport Way Beautification Phase II	9735	082	52						
Rubberized Cape Seal	9734	082	5						
2008-09 Street Overlay	9732	082	114						
2007-08 Street Overlay	9730	082	278						
Weber Av. Beautification	9727	082	32						
Bridge Maintenance Program	9715	082	3						
El Dorado Street Widening Phase II	9706	082	511						
March Lane/Pershing Ave	9702	082	4						
City-wide Median Landscaping Maintenance	7870	082	11						
Street Lighting Upgrade	6689	082	88						
Pershing Ave Rule 20A 2	6678	082	33						
Neighborhood Traffic Calming	6653	082		750	825				
West Lane Pedestrian Access Improvements	1424	082			105				
Traffic Signal Head Retrofit	1422	082			42				
Responsive Traffic Signal Control on El Dorado Street	1421	082			21				
Rectangular Rapid Flashing Beacons for Highway Safety Improvement Program (HSIP) Cycle 6	1420	082			58				
Wilson Way Underpass ADA Ramp Installation	1317	082		281					
Pedestrian Bridge over Calaveras River Rehabilitation	1316	082		50					
Traffic Signal Modifications (California St at Washington)	1314	082		67					
Rectangular Rapid Flashing Beacons for Highway Safety Improvement Program (HSIP) Cycle 5	1313	082		17					
Filbert Street/Miner Avenue Traffic Emergency Vehicle Pre-emption (EVP) System	1310	082			44				
	1211	082	27	179					

Project Listing
Five Year Capital Improvement Program
2014-2019
(Dollars in thousands)

	Project Number	Fund	(Unaudited)		2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
			Carryover Balance June 2013	2013-14 Adopted					
Traffic Signal Modifications (Harding Way at El Dorado)	1210	082	13	72					
			3,373	2,147	2,199	-	-	-	-
Subtotal, Local Grants			55,128	2,147	36,885	-	-	-	-
Public Facilities Fees									
<u>Air Quality Citywide</u>									
Traffic Signal Modification	9934	990	44						
Traffic Signal Control System	9906	990	438						
Traffic Signal Control System	9906	990			500	500	500	500	
Wilson Way Corridor Adaptive Traffic Control System	9747	990	2						
Davis Road/Wagner Heights Drive Traffic Signal	9746	990	1						
Bus Rapid Transit Phase III (Hammer Lane)	9745	990	111						
Benjamin Holt Drive/Inglewood Avenue Traffic Signal	9744	990							
Benjamin Holt Drive/Cumberland Place Traffic Signal	9743	990	45						
Fiber Optic Network Expansion	9741	990	162						
Farmington Rd (8th)/Mariposa	9701	990							
Green Initiatives	9276	990	489						
Montauban Avenue and Swain Road Roundabout	1315	990		15					
Filbert Street/Miner Avenue Traffic	1310	990		18					
			1,292	33	-	500	500	500	500
<u>Regional Street Improvements</u>									
Arch Road/SR99 Interchange Improvements	9944	917	130						
Eight Mile Rd/UPPR (East) Grade	9829	917	156						
Eight Mile/SR 99 Interchange	9719	917	6						
Lower Sacramento Road Widening - Marlette Road	0000	917							1,580
			292	-	-	-	-	-	1,580
<u>Street Improvement Fees</u>									
Davis Rd/Pixley Slough Bridge	9988	910							
Eight Mile Road/I-5 Interchange Reconstruction	9972	910	4						
French Camp/Sperry Rd	9945	910	912						
Hammer/SR99 Interchange Improvements	9942	910	549						
Sperry Road Extension	9837	910	1,053						
Eight Mile Rd/UPPR (East) Grade	9829	910	78						
Thornton Road Widening	9828	910	112						
Otto Drive/I-5 Interchange	9726	910		767					
Morada Lane/SR 99 Interchange	9720	910	308						
Eight Mile/SR 99 Interchange	9719	910	193						
Lower Sacramento Rd.	9718	910	53						
8 Mile Road/UPRR West Separation	9716	910	959						
Developers Reimbursements	9711	910	5,853						
N. Stockton I-5/Mainline Int	9710	910	66						
El Dorado St. Widening	9706	910	184						
Manthey Road Relocation COS	9281	910	288						

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	Project Number	Fund	(Unaudited)	2013-14 Adopted	2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
			Carryover Balance June 2013						
Arch Rd/B St Reimb Agreem.	9277	910	2						
Morada Lane UPRR @ Grade Xing	9265	910	97						
Lower Sacramento Road Reimbursement Agreement	9261	910	228						
Little John Creek Reimb. Agreem.	9165	910	164						
Lower Sacramento Road and Bear Creek Bridge Replacement	1419	910			2,100				
French Camp Road/I-5 Interchange Landscaping	1418	910			750				
Filbert Street/Miner Avenue Traffic	1310	910			35				
Lower Sacramento Road Widening - Marlette Road	0000	910					871	2,402	2,001
			11,103	767	2,885	-	871	2,402	2,001
<u>Street Trees Citywide</u>									
Street Tree Planting	9118	978	293						
Residential Development Street Trees & Signs	0000	978						56	
			293	-	-	-	-	56	-
<u>Street Signs Citywide</u>									
Street Name Sign Installation	9176	979	59						
Residential Development Street Trees & Signs	0000	979						84	
			59	-	-	-	-	84	-
<u>Street Lights Citywide</u>									
FA 3 & 4 Installation	9241	983	39						
Installation	9191	980/983	167						
Installation	9191	985	195						
Miracle Mile Street Lighting Replacement	0000	983						105	504
			401	-	-	-	-	105	504
<u>Traffic Signals</u>									
Traffic Signal Modification	9934	901/902	91		106				
Traffic Signal Installations (New)	9933	901					721	724	
Davis Road/Wagner Heights Drive Traffic Signal	9746	901	134						
Benjamin Holt Drive/Inglewood Avenue Traffic Signal	9744	900/901	46						
Tamoshntr/Hometown Traffic Signal	9739	902	15						
Airport at Park/Oak & Fremont	9736	902	19						
			305	-	106	-	721	724	-
Subtotal, Public Facilities Fees			13,745	800	2,991	500	2,092	3,871	4,585
<u>Other Reimbursements</u>									
Sperry Road Extension	9837	339	11,853						
Arch-Airport Road and B Street Signalization	1417	308			56				
March Lane Adaptive Traffic Control System	1312	308			152				
Pershing Avenue Corridor Adaptive Traffic Control System	1311	308			145				
Bus Rapid Transit Phase IV (MLK Jr. Blvd and Mariposa)	1303	308			226				
			11,853	-	579	-	-	-	-
<u>Unidentified Funding</u>									

Project Listing
 Five Year Capital Improvement Program
 2014-2019
 (Dollars in thousands)

	Project Number	Fund	(Unaudited)		2014-15 Proposed Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
			Carryover Balance June 2013	2013-14 Adopted					
Eight Mile Road/I-5 Interchange Reconstruction	9972	Unfunded						7,040	1,878
Sidewalk, Curbs, Gutters	9969	Unfunded				1,890	1,890	1,890	1,890
Traffic Signal Modifications	9934	Unfunded				686	688	790	
Street Resurfacing on Federal-Aid Streets FY 2014-15	1429	Unfunded				260	260	260	260
Otto Drive/I-5 Interchange	9726	Unfunded						5,200	10,956
Morada Lane/SR 99 Interchange Reconstruction	9720	Unfunded							30,488
Eight Mile Road/SR 99 Interchange	9719	Unfunded						14,247	25,857
Neighborhood Traffic Calming (16 Neighborhoods)	6653	Unfunded				750	750	750	750
Traffic Signal Mast Arm Retrofit and Installation	1423	Unfunded				652			
Pedestrian Bridge over Calaveras River Rehabilitation	1316	Unfunded				220			
Alpine Avenue Grade Separation	0000	Unfunded					2,687	2,482	25,476
Arch Road Widening - Austin Road to Performance Drive	0000	Unfunded					2,945	1,767	34,692
Bicycle Facilities Master Plan Update	0000	Unfunded				350			
California Street Gap Closure Improvements, Phase 2	0000	Unfunded				164			
City Bridges Rehabilitation Project	0000	Unfunded				307	1,850	78	
Davis Road Widening (Bear Creek to Waterbury Drive)	0000	Unfunded					562	396	3,392
Downtown Crosswalk Upgrades	0000	Unfunded					400	539	
EBMUD - March Ln Greenscape, Phase 2 (Pacific Ave to Hillsboro Dr)	0000	Unfunded						1,951	
El Dorado Street Improvements, Phase 2, Final	0000	Unfunded					3,101		
Hammer Lane/I-5 Interchange Reconstruction	0000	Unfunded					2,396	1,546	20,874
Lower Sacramento Road and Pixley Slough Bridge Replacement	0000	Unfunded					803	7,143	303
March Lane Widening	0000	Unfunded					644	492	3,984
Micro-Surfacing of Local Roads	0000	Unfunded				2,200	2,200	2,200	2,200
Miner Avenue Streetscape, Phase 1	0000	Unfunded					607	6,215	5,433
North Stockton Grade Separations	0000	Unfunded				55	55	55	55
Pavement Management System (PMS) Survey	0000	Unfunded				130	75	75	75
Pershing Avenue Roadway Crown Reduction	0000	Unfunded					763		
Robinhood Drive & Claremont Avenue Bike Lane Installation	0000	Unfunded				112	648		
Roundabouts at Various Locations	0000	Unfunded				126	73	711	
Rule 20A Streetlighting	0000	Unfunded				239	239	242	
San Joaquin Trail Improvements	0000	Unfunded					283	1,381	
West Lane Grade Separation	0000	Unfunded					4,408	1,859	37,933
West Lane Widening, Hammer Lane to Morada Lane	0000	Unfunded						2,393	19,696
			-	-	-	8,141	28,327	61,702	226,192
Total, Transportation Program			131,429	13,281	50,363	10,726	32,504	67,658	232,862

Project Listing
Five Year Capital Improvement Program
2014-2019
(Dollars in thousands)

		(Unaudited)							
		Carryover	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
Project	Fund	Balance	Adopted	Proposed	Projected	Projected	Projected	Projected	
Number		June 2013		Budget					
Municipal Utilities									
Water									
2011-12 Street Overlay	9751	427	13						
2010-11 Street Overlay	9740	427	14						
Lower Sacramento Rd	9718	427	100						
Water System Upgrades	7796	427	97	127	4				
Water Telemetry	7641	427	214						
Water Field Office Remodel	7625	427	70	1,100					
Transmission Mains	7623	423	3,674	3,356					
Transmission Mains	7623	427	487		275				
Reservoir Site Improvements	7620	427	370	131	142	264	75	75	
Water Treatment Equipment	7619	427	452	250	1,381	1,376	1,775	750	
Water Supply - New Wells	7618	427						447	
Water Supply - Old Wells	7617	427	372	360	303	801	82		
Service System Additions	7602	424			20	75	100	115	
Service System Additions	7602	427	220	514	323	4,005	4,005	4,005	
Water System Expansion	7601	424						4,613	
Water System Expansion	7601	427		11	666	131	1,489		
			5,526	1,823	7,418	6,931	7,526	8,808	5,407
Wastewater									
2011-12 Street Overlay	9751	437	17						
2010-11 Street Overlay	9740	437	22						
Capital Asset Replacements	7792	437	460	2,260	3,200	2,750	2,250	250	
Sanitary System Upgrade	7790	437	150		178	12			
Sanitary System Deficit Improvement	7787	437	732	2,624	6,915	12,980	2,299	3,065	
Sanitary Pump Station Rehabilitation	7785	437	36	2,144	991	4,661	489		
Sanitary Telemetry	7784	437	425						
Infiltration and Inflow Sanitation	7714	437	303		237				
Oversize Collection Lines	7713	437	4,514				350		
RWCF-Modification & Replacement	7709	437	4,693	532		23,000	69,195	18,222	
RWCF-Modification & Replacement	7709	437			4,339	9,154	21,800	1,618	
Sanitary Pump Station Additions	7703	437				1,688			
Sanitary System Repair	7702	437	1,680		3,296	1,082	1,421	2,464	
			13,032	7,560	19,156	55,327	97,804	7,397	26,597
Stormwater									
Capital Asset Replacements	7792	447			100	100	100	100	
Sanitary System Upgrade	7790	447			50	50	50	50	
Storm System Rehabilitation	7789	447			111	111	111	111	
Storm Drain Alleviation - Modification/Additions	7788	447		50		199	927	271	
Storm Pump Station Improvements	7783	447		137	777	893	713	725	
Storm Pump Station Additions	7780	447					3,660	482	
			-	187	1,038	1,353	5,561	1,257	1,237
Total, Municipal Utilities			18,558	9,570	27,612	63,611	110,891	17,462	33,241
Total, CIP Program			\$161,449	24,550	81,493	\$80,256	159,833	\$97,883	\$318,107

**Capital Project Funds
FY 2014-15 Proposed Budget**

	<u>General Government</u>	<u>Transportation Programs</u>	<u>Public Facilities Fees</u>	<u>Capital Improvement Total</u>
	<i>See Page M-22</i>	<i>See Page M-23</i>	<i>See Page M-24</i>	
Beginning Available Balance	\$ 751,608	\$ 8,147	\$ 5,407,734	\$ 6,167,489
Revenues				
Grants		45,173,136		45,173,136
Fees	300		1,409,853	1,410,153
Interest Earned	2,000		105,258	107,258
Other Revenue	243,000			243,000
	<u>245,300</u>	<u>45,173,136</u>	<u>1,515,111</u>	<u>46,933,547</u>
Expenditures				
Capital Projects	3,118,000	45,173,136	3,391,000	51,682,136
Debt Service				-
Other				-
	<u>3,118,000</u>	<u>45,173,136</u>	<u>3,391,000</u>	<u>51,682,136</u>
Transfers				
Transfer In - General Fund	2,775,000			2,775,000
Transfer In - Parking Fund			250,000	250,000
Transfer In - Library Fund	100,000			100,000
Transfer Out - Debt 201				-
	<u>2,875,000</u>	<u>-</u>	<u>250,000</u>	<u>3,125,000</u>
Net Annual Activity	<u>2,300</u>	<u>-</u>	<u>(1,625,889)</u>	<u>(1,623,589)</u>
Ending Available Balance	\$ 753,908	\$ 8,147	\$ 3,781,845	\$ 4,543,900
	-	-	-	-
			Revenues	\$ 46,933,547
			Transfers	3,125,000
			Total Sources	<u>\$ 50,058,547</u>
Reconciliation of Capital Funds				
Capital Projects	\$ 51,682,136		Expenditures	\$ 51,682,136
Public Works (pg. F-15)	2,199,864		Transfers	-
Utilities (pg. J-6)	27,611,200		Total Capital Project Funds	<u>\$ 51,682,136</u>
Total Appropriations	<u>\$ 81,493,200</u>			
			Utilities Projects	<u>\$ 27,611,200</u>
Project Total by Category (pg. M-6)	<u>\$ 81,493,200</u>			

**Capital Project Funds
General Government
FY 2014-15 Proposed Budget**

	<u>General Capital 301</u>	<u>Other Reimb 301/041/086</u>	<u>Public Art 306</u>	<u>General Government Total</u>
Beginning Available Balance	\$ 533,912	\$ -	\$ 217,696	\$ 751,608
Revenues				
Other Revenue		243,000		243,000
Fees	300			300
Interest	2,000			2,000
	<u>2,300</u>	<u>243,000</u>	<u>-</u>	<u>245,300</u>
Expenditures				
Capital Projects	2,775,000	343,000		3,118,000
Debt Service				-
	<u>2,775,000</u>	<u>343,000</u>	<u>-</u>	<u>3,118,000</u>
Transfers				
Transfer In - General Fund	2,775,000			2,775,000
Transfer In - Library Fund		100,000		100,000
Transfer Out				-
	<u>2,775,000</u>	<u>100,000</u>	<u>-</u>	<u>2,875,000</u>
Net Annual Activity	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>2,300</u>
Ending Available Balance	<u>\$ 536,212</u>	<u>\$ -</u>	<u>\$ 217,696</u>	<u>\$ 753,908</u>

**Capital Project Funds
Transportation Programs
FY 2014-15 Proposed Budget**

	TDA 034	Grants 308/399	Measure K Capital 080	Transportation Total
Beginning Available Balance	\$ 8,147	\$ -	\$ -	\$ 8,147
Revenues				
Grants	185,000	10,302,136	34,686,000	45,173,136
Interest				-
	185,000	10,302,136	34,686,000	45,173,136
Expenditures				
Capital Projects	185,000	10,302,136	34,686,000	45,173,136
Other				-
	185,000	10,302,136	34,686,000	45,173,136
Transfers				
Transfer In				-
Transfer Out				-
	-	-	-	-
Net Annual Activity	-	-	-	-
Ending Available Balance	\$ 8,147	\$ -	\$ -	\$ 8,147

**Capital Project Funds
Public Facilities Fee
2014-15 Proposed Budget**

	<u>Traffic Signals City Wide 900</u>	<u>Traffic Signals Zone 1 901</u>	<u>Traffic Signals Zone 2 902</u>	<u>Traffic Signals Zone 3 903</u>	<u>Traffic Signals Zone 4 904</u>
Beginning Available Balance	\$ 62,159	\$ 9,289	\$ 40,175	\$ 137,757	\$ 23,875
Revenues					
Fees	21,000	14,207	8,000	4,720	21,489
Interest	473	1,951	710	1,056	192
Other Revenue					
	<u>21,473</u>	<u>16,158</u>	<u>8,710</u>	<u>5,776</u>	<u>21,681</u>
Expenditures					
Capital Projects				106,000	
Other					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,000</u>	<u>-</u>
Transfers					
Transfer In					
Transfer Out - Debt 201					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>21,473</u>	<u>16,158</u>	<u>8,710</u>	<u>(100,224)</u>	<u>21,681</u>
Ending Available Balance	\$ 83,632	\$ 25,447	\$ 48,885	\$ 37,533	\$ 45,556

**Capital Project Funds
Public Facilities Fee, Continued
2014-15 Proposed Budget**

	<u>Street Improvements City Wide 910 - 915</u>	<u>Street Improvements Reg Traffic 917</u>	<u>Community Recreation Centers-City Wide 920</u>	<u>City Office Space 930</u>	<u>Fire Station City Wide 940</u>
Beginning Available Balance	\$ 3,924,152	\$ 1,089,462	\$ (3,696,550)	\$ 815,951	\$ (2,238,635)
Revenues					
Fees	645,852	245,288	19,890	19,468	64,316
Interest	31,393	8,716	600	6,625	1,698
Other Revenue					
	<u>677,245</u>	<u>254,004</u>	<u>20,490</u>	<u>26,093</u>	<u>66,014</u>
Expenditures					
Capital Projects	2,885,000				
Other					
	<u>2,885,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers					
Transfer In					
Transfer Out - Debt 201					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(2,207,755)</u>	<u>254,004</u>	<u>20,490</u>	<u>26,093</u>	<u>66,014</u>
Ending Available Balance	<u>\$ 1,716,397</u>	<u>\$ 1,343,466</u>	<u>\$ (3,676,060)</u>	<u>\$ 842,044</u>	<u>\$ (2,172,621)</u>
			(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
2014-15 Proposed Budget**

	<u>Library City Wide 950</u>	<u>Police Station Expansion 960</u>	<u>Parkland City Wide 970</u>	<u>Street Trees 978</u>	<u>Street Signs 979</u>
Beginning Available Balance	\$ 3,905,593	\$ (1,223,283)	\$ 2,560,171	\$ 56,374	\$ 83,901
Revenues					
Fees	37,884	50,100	218,244		
Interest	31,245	116	20,481	451	671
Other Revenue					
	<u>69,129</u>	<u>50,216</u>	<u>238,725</u>	<u>451</u>	<u>671</u>
Expenditures					
Capital Projects	400,000				
Other					
	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers					
Transfer In					
Transfer Out - Debt 201					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(330,871)</u>	<u>50,216</u>	<u>238,725</u>	<u>451</u>	<u>671</u>
Ending Available Balance	<u>\$ 3,574,722</u>	<u>\$ (1,173,067)</u>	<u>\$ 2,798,896</u>	<u>\$ 56,825</u>	<u>\$ 84,572</u>

(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 2014-15 Proposed 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	\$ 3,369	\$ 33,527	\$ 6,960	\$ 3,662	\$ (190,175)	\$ 5,407,734
Revenues						
Fees	968		5,484		32,943	1,409,853
Interest	27	268	56	29	(1,500)	105,258
Other Revenue						-
	<u>995</u>	<u>268</u>	<u>5,540</u>	<u>29</u>	<u>31,443</u>	<u>1,515,111</u>
Expenditures						
Capital Projects						3,391,000
Other						-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,391,000</u>
Transfers						
Transfer In - Parking Fund					250,000	250,000
Transfer Out - Debt 201						-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Net Annual Activity	<u>995</u>	<u>268</u>	<u>5,540</u>	<u>29</u>	<u>281,443</u>	<u>(1,625,889)</u>
Ending Available Balance	\$ 4,364	\$ 33,795	\$ 12,500	\$ 3,691	\$ 91,268	\$ 3,781,845



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	\$125,054,232
Total Revenues	\$125,934,627
Total Net Revenue	\$880,395
Total Staff	82

DEPARTMENTAL 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 \$33.1 million or 26% of the total internal service fund expenditures. The remaining \$92.0 million or 74% 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, LTD and Life Insurance, Retirement, and Compensated Absence

KEY CONSIDERATIONS

The internal service funds do not have sufficient reserves to fund all costs incurred and were drained up to four years ago to mitigate the City's financial downturn. At the same time, labor, retirement and healthcare costs had been escalating. The City had also delayed equipment purchases to reduce costs, and as a result City vehicles aged and technology is out of date.

In recent years, funding has been made available for annual costs and gradual increase of equipment replacement funds. The outcome of the prior funding restrictions has 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 developing plans to correct the aging equipment inventory over time.

The Computer Equipment internal service fund budget includes a proposal to add a Director of Information Technology and an Executive Assistant designed to address the City Council target of Organizational Development and Financial Stability. The City has very critical functions in the Administrative Services Department (ASD) which currently oversees the Information Technology (IT) and Finance divisions. Through the evaluation of ASD functions and processes, serious issues have been identified and work plans developed to address the issues in both the Finance and IT divisions of the department. Making an impactful investment to address these issues is critically important and necessary to moving forward with greater financial stability, improved internal controls and significantly enhanced efficiencies. Continuing to rely upon a single department head to move the work plans for both of these areas forward will continue to dilute the level of effort spent on these areas. This budget recommends splitting off the

INTERNAL SERVICE FUNDS

Information Technology functions to a separate department and creating a department head and a support position. The operational improvements recommended in this budget will also improve service to the other technology related ISF areas such as the Radio ISF which is instrumental to public safety equipment enhancements funded by Measure A.

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 and revisions made to reflect current needs and relevant projects. Included in the budget for FY 2014-15 Citywide Technology Strategic Plan are mission critical funds of \$5.2 million for the financial system and point of sale upgrade, along with unexpended prior year balance of \$2.5 million from this fund which have been redirected to the Citywide Technology Strategic Plan as in prior years to fund priority projects. One of the technology projects identified as a priority in the CTSP is replacement of the financial system. Subsequently through the assessment of our finances, the bankruptcy, audits and payroll errors it is abundantly clear that the City needs to invest in a new financial system. The City has been limping along with a system installed in 1991. The CTSP originally identified this as a high priority but indicated that the funding for the system and implementation would need to be identified. The long range financial forecast includes \$8 million of mission critical funding from Measure A proceeds that are available due to the timing of hiring of the Marshall Plan Police Officers. Of this mission critical funding, \$5 million has been budgeted for the financial system. This financial system addresses the Council goals of fiscal sustainability as well as organizational development. Another mission critical project similar to many other CTSP projects in long term need and urgency is the Point of Sales (POS) system at the Stockton Arena. Mission critical funds of \$236,000 have been budgeted for the POS system upgrade to ensure compliance with current system security. These CTSP project changes have been reflected in FY 2014-15 budget and will be reported to Council through a separate Citywide Technology Strategic Plan update report.

The Radio Equipment internal service fund has remained stable from an operational perspective. However, due to seriously low reserves for replacement of aging equipment, an additional \$1 million has been transferred from the mission critical funding from the General Fund. The City's radios suffer from the same lack of investment that the City's IT systems. Many radios are well beyond their useful life and frequently break. Parts for the radios are becoming harder to find. Staff is preparing a comprehensive inventory of radios that will determine the need, however it is estimated that the City needs \$3 to \$5 million to improve the radios and ensure public safety personnel have proper communications equipment. Staff is also performing an analysis to determine the type of support infrastructure necessary for the system with a goal toward a regional radio solution. This mission critical funding of \$1 million from the Measure A proceeds addresses the City Council's target of public safety and will begin the replacement of critical equipment for those providing public safety to the citizens of Stockton.

The Telephone and Office Equipment internal service funds remain stable with only slight operational increases.

The City's General Liability and Workers Compensation funds have been underfunded for years and collectively have accumulated approximately \$40 million in unfunded liabilities. Workers' Compensation costs are above industry average and an action plan has been implemented to address program and funding elements.

Healthcare insurance costs continue to increase as a result of medical and prescription trends and mandated benefit increases and fees due to the Affordable Care Act. Projected rates for FY 2014-15 are flat but this trend is not expected to continue based on current year medical and prescription cost increases, the effects of anti-selection of the self-funded plan as enrollment

INTERNAL SERVICE FUNDS

declines, and mandated benefit increases and fee requirements due to the Affordable Care Act. In an effort to provide benefit levels that attract and retain a quality workforce, protect and promote healthy living, and fall within fiscally sustainable parameters, the City offered an additional medical plan option through Kaiser Permanente for active employees and retirees. Effective July 1, 2013, the City-provided stipend for retiree medical care costs was ended. Retirees are still eligible to participate in the self-funded medical plan by paying full premium cost.

Unemployment costs have leveled off in the past fiscal year. Staff closely and aggressively monitors all unemployment claims, challenging any potentially non-eligible claim.

The City of Stockton contracts with the California Public Employees' Retirement System (CalPERS) for defined retirement benefits to its employees. Retirement costs have increased in FY 2014-15 based on rates provided by the most recent CalPERS actuary report. Safety rates increased 20% and Miscellaneous rates increased 12% over the prior year.

The Compensated Absence fund pays for employee cash outs of annual leave at separation. Separation pay cost are anticipated to be higher in FY 2014-15 due to labor agreement terms providing 35% cash value for unused sick leave balances after applying 2,080 hours toward CalPERS service credit but the fund balance is sufficient to cover this cost increase.

**Internal Service Funds
FY 2014-15 Proposed 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-15</i>	<i>See Page N-16</i>	<i>See Page N-17</i>	<i>See Page N-19</i>
Beginning Available Balance	\$ 3,698,265	\$ 2,319,451	\$ 255,968	\$ 608,034	\$ 684,721
Revenues					
Charge for Services					
Police	4,178,844	5,512,099	706,321	497,552	98,889
Fire	1,876,996	709,348	342,222	79,822	32,963
Other General Fund	477,400	1,103,295	-	241,161	145,037
Other Funds	3,520,570	3,467,299	81,899	646,761	382,370
	<u>10,053,810</u>	<u>10,792,041</u>	<u>1,130,442</u>	<u>1,465,296</u>	<u>659,259</u>
Refunds & Reimbursements	100,000	40,000			
Investment Interest	37,000				5,000
	<u>10,190,810</u>	<u>10,832,041</u>	<u>1,130,442</u>	<u>1,465,296</u>	<u>664,259</u>
Expenditures					
General & Administrative	1,552,765	2,192,163			
Operations & Maintenance	3,696,813	6,538,715	901,344	992,477	623,299
Equipment Replacements	5,132,569	9,381,090	1,230,678	150,000	33,000
Debt Service	301,756			325,000	-
Claims					
Excess Insurance Premium					
Third Party Administrator					
Pension contributions to CalPERS					
Employee leave balance payoffs					
	<u>10,683,903</u>	<u>18,111,968</u>	<u>2,132,022</u>	<u>1,467,477</u>	<u>656,299</u>
Transfers					
Transfer In	-	5,236,000	1,000,000	-	-
Transfer Out	-	-	-	-	-
	<u>-</u>	<u>5,236,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(493,093)</u>	<u>(2,043,927)</u>	<u>(1,580)</u>	<u>(2,181)</u>	<u>7,960</u>
Ending Available Balance	<u>\$ 3,205,172</u>	<u>\$ 275,524</u>	<u>\$ 254,388</u>	<u>\$ 605,853</u>	<u>\$ 692,681</u>

**Internal Service Funds, Continued
FY 2014-15 Proposed Budget**

	General Insurance 541	Workers Compensation 551	Health Insurance 552	Unemployment 556
	<i>See Page N-21</i>	<i>See Page N-22</i>	<i>See Page N-26</i>	<i>See Page N-29</i>
Beginning Available Balance	\$ (2,364,160)	\$ (37,168,809)	\$ 6,925,223	\$ 627,147
Revenues				
Charge for Services				
Police	2,067,000	4,914,000	6,955,473	79,500
Fire	831,000	2,790,000	2,143,050	32,000
Other General Fund	354,000	324,000	1,372,332	13,800
Other Funds	2,065,000	3,104,000	7,866,578	76,900
	<u>5,317,000</u>	<u>11,132,000</u>	<u>18,337,433</u>	<u>202,200</u>
Refunds & Reimbursements	5,000	800,000	5,487,817	-
Investment Interest	5,000	140,000	-	-
	<u>5,327,000</u>	<u>12,072,000</u>	<u>23,825,250</u>	<u>202,200</u>
Expenditures				
General & Administrative	1,180,250	605,785	1,293,428	
Operations & Maintenance	895,636	485,185		
Equipment Replacements				
Debt Service				
Claims	2,312,888	9,351,000	20,558,364	200,000
Excess Insurance Premium	950,000	868,000		
Third Party Administrator		745,720	488,330	
Pension contributions to CalPERS				
Employee leave balance payoffs				
	<u>5,338,774</u>	<u>12,055,690</u>	<u>22,340,122</u>	<u>200,000</u>
Transfers				
Transfer In	125,000	-	-	-
Transfer Out	-	-	-	-
	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>113,226</u>	<u>16,310</u>	<u>1,485,128</u>	<u>2,200</u>
Ending Available Balance	<u>\$ (2,250,934)</u>	<u>\$ (37,152,499)</u>	<u>\$ 8,410,351</u>	<u>\$ 629,347</u>

**Internal Service Funds, Continued
FY 2014-15 Proposed Budget**

	Long Term Disability & Life 557	Retirement 561	Compensated Absences 562	Internal Service Total
	<i>See Page N-31</i>	<i>See Page N-33</i>	<i>See Page N-35</i>	
Beginning Available Balance	\$ 114,075	\$ 5,012,654	\$ 2,356,382	\$ (16,931,049)
Revenues				
Charge for Services				
Police	113,501	14,983,000	278,703	40,384,882
Fire	24,359	6,126,203	102,633	15,090,596
Other General Fund	55,949	1,585,277	61,280	5,733,531
Other Funds	297,700	12,271,163	302,384	34,082,624
	<u>491,509</u>	<u>34,965,643</u>	<u>745,000</u>	<u>95,291,633</u>
Refunds & Reimbursements		17,642,177		24,074,994
Investment Interest	-	20,000	-	207,000
	<u>491,509</u>	<u>52,627,820</u>	<u>745,000</u>	<u>119,573,627</u>
Expenditures				
General & Administrative		29,162		6,853,553
Operations & Maintenance				14,133,469
Equipment Replacements				15,927,337
Debt Service		8,431,177		9,057,933
Claims				32,422,252
Excess Insurance Premium	491,509			2,309,509
Third Party Administrator				1,234,050
Pension contributions to CalPERS		42,136,129		42,136,129
Employee leave balance payoffs			980,000	980,000
	<u>491,509</u>	<u>50,596,468</u>	<u>980,000</u>	<u>125,054,232</u>
Transfers				
Transfer In	-	-	-	6,361,000
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,361,000</u>
Net Annual Activity	<u>-</u>	<u>2,031,352</u>	<u>(235,000)</u>	<u>880,395</u>
Ending Available Balance	\$ 114,075	\$ 7,044,006	\$ 2,121,382	\$ (16,050,654)
	-	-	-	-
			Revenues	\$ 119,573,627
			Transfers	6,361,000
			Total Sources	<u>\$ 125,934,627</u>
			Expenditures	\$ 125,054,232
			Transfers	-
			Total Appropriations	<u>\$ 125,054,232</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.
- City departments are charged monthly rental rates to finance operations and replacements.
- Maintenance activities range from preventive maintenance inspections to full engine rebuilds to specialized auto body repairs and vehicle setups, performed either by staff technicians or by outside vendors.
- Cash replacement reserves have ranged from \$1 to \$5 million over the past ten years, and were \$3.5 million as of July 2013.

FY 2013-14 Events

- Two (2) fire engines were purchased using a grant requiring a 20% match (funded from the replacement budget).
- Purchased and outfitted forty-eight (48) Ford Police Interceptor utility vehicles replacing the discontinued Ford Crown Victoria model.
- Coordinated with Police Department staff on extensive analysis of potential police motorcycles to replace the Harley Davidson model and at the conclusion of the analysis, purchased seven (7) BMW police motorcycles.
- Coordinated with Purchasing to surplus the backlog of approximately one-hundred ninety (190) vehicles and pieces of equipment.
- Partnered with Municipal Utilities Department staff to analyze and procure a new computerized maintenance management system (CityWorks) to replace the current fleet module. Implementation will continue during FY 2014-15.
- Replacement backlog evaluated and plan for initial corrective action developed such as replacement of Fire Pumpers and Ladders through operating leases, reduction or reassignment of underutilized vehicles, and pursuit of grants for Fire equipment and hybrid sedans.

FY 2014-15 Budget Changes

- Replacement Schedule
 - Replacement of an additional 2 fire engines is anticipated in FY 2014-15, purchased via a long term buyback agreement with two local fire districts. These actions will further decrease the dollar value of the backlog. Replacement of a ladder truck is also scheduled for FY 2014-15 through an operating lease similar to previous years.
 - The proposed 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.
 - Consultation with Departments and development of long term sustainable replacement plans for all major equipment continues.

INTERNAL SERVICE FUNDS

- 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 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.
- Technology Projects
 - In addition to the implementation of the Computerized Maintenance Management System (CityWorks), the Citywide Technology Strategic Plan identified the replacement of the Fuel Management System as a priority. Procurement and implementation of a new Fuel Management System to be compatible with the new CityWorks system will commence in FY 2014-15.
- Program contribution rates
 - Vehicle replacement rates have been determined by amortizing each vehicle's estimated replacement cost over its estimated replacement life.
 - 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 or for any pooled vehicle needed during repair/maintenance.
 - Pooled vehicles used for occasional special purposes and 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 Gasoline (\$3.39) and Diesel (\$3.82). The resulting budgets for fuel are not included in the ISF fleet rates, 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 general 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
 - Replacement expenditures include approximately \$1.1 million for the purchase of additional marked and unmarked police units. The remaining budget for replacements will be used to replace vehicles past their replacement life.
 - Revenue from users has increased slightly, and the fund is budgeted to match operating revenues and expenditures, and essentially breakeven for the year.

**Internal Service Funds
Fleet Services - 501
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 1,967,128	\$ 2,930,979	\$ 3,498,240	\$ 3,698,265
Revenues				
Charge for Services				
Police	3,762,124	4,029,608	4,731,186	4,178,844
Fire	1,596,154	1,916,120	1,110,870	1,876,996
Other General Fund	356,035	360,009	470,555	477,400
Other Funds	3,031,501	3,294,749	3,612,478	3,520,570
	<u>8,745,814</u>	<u>9,600,486</u>	<u>9,925,089</u>	<u>10,053,810</u>
Refunds & Reimbursements	536	-	-	-
Sale of Assets	126,491	-	180,000	100,000
Interest	70,664	20,729	20,729	37,000
	<u>8,943,505</u>	<u>9,621,215</u>	<u>10,125,818</u>	<u>10,190,810</u>
Expenditures				
Operations & Maintenance	3,882,006	3,803,266	3,800,612	3,696,813
Fuel	1,815,373	2,089,868	2,164,599	2,158,569
General & Administrative	1,091,291	1,144,622	1,293,836	1,552,765
Debt Service	90,297	325,752	301,755	301,756
Replacements	1,100,687	498,163	2,150,705	2,974,000
CTSP Technology Projects	-	-	214,286	-
	<u>7,979,654</u>	<u>7,861,671</u>	<u>9,925,793</u>	<u>10,683,903</u>
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>963,851</u>	<u>1,759,544</u>	<u>200,025</u>	<u>(493,093)</u>
Ending Available Balance	<u>\$ 2,930,979</u>	<u>\$ 4,690,523</u>	<u>\$ 3,698,265</u>	<u>\$ 3,205,172</u>
Available Balance Calculation				
Cash & Accounts Receivable		\$ 5,100,414		
Accounts Payable		(409,891)		
Encumbrances		(1,192,283)		
Ending Available Balance		<u>\$ 3,498,240</u>		



INTERNAL SERVICE FUNDS

INFORMATION TECHNOLOGY (502 - 504)

History

- Responsible for maintaining City computers, application systems, and infrastructure connectivity.
- Supports the IT Governance Oversight for City of Stockton.
- Provides information technology consulting services to City departments.
- Manages the implementation of the Citywide Technology Strategic Plan.
- The Radio Equipment fund supports mission critical radio, information and hardware systems for Fire, Municipal Utilities, Public Works and the Police Department.

FY 2013-14 Events

- Established the Stockton Technology Oversight Committee (STOC) for IT Governance.
- Provided instructor led training for the following core software applications: Microsoft Office training to more than 280 employees and GroupWise training to 235 employees.
- Initiated testing for use of tablet computers for business and Public Safety use.
- Certification of Help Desk staff for Dell computers. This process is reducing repairs by days.
- Conducted City-wide copier study for initiating a copier solution for all City departments.
- Installed Mobile Data Tablets in Fire vehicles. This allows Fire to receive electronic dispatch information as well as maps and directions. The tablets are equipped with GPS devices allowing dispatch and fire fighters in the field to see the location of vehicles.
- Completed the build out of the police departments' camera viewing system in the dispatch center. This allows dispatch and camera operators to communicate and view live incidences. The cameras are recorded allowing camera operators to replay video to help with investigations and use as evidence for court cases.
- Replace PD's interview room with new cameras and software. Add an interview room at Main PD. The new system allows PD to watch a live interview from any police desktop computer.
- Completed Public Safety camera Fusion Center in the Police Communications Center.
- Virtualized the 100th server on City network.
- Network Backbone switches replaced.
- Internet Speed upgraded for the City and Library from 30mb to 100mb.
- Selected Applied Geographics of Boston, MA, GIS Technology Roadmap in order to maximize the City's investment in GIS technologies.
- Supported Community Development with Permitting and Inspection System project.
- Completed Office 2010 roll-out to all departments including Library Public Machines.
- Converted 2 MS Access databases to SQL Server (Fee Database and SAMS).
- Completed implementation of Legistar Solution by Granicus for Council agendas.
- Working on Mountain House and Lathrop Library relocation projects.

INTERNAL SERVICE FUNDS

- Working with Recreation to upgrade recreation scheduling software.
- Supported Parking District with automated garage payment system.

FY 2014-15 Budget Changes

- Computer Equipment internal service fund implementation of projects with focus on the goals and projects in the Citywide Technology Strategic Plan (CTSP) including two projects, the Financial, Payroll and HR Applications project and the Arena Point of Sale Upgrade identified as mission critical to support the recently revised City Council targets and goals.
- In the FY 2014-15 budget is the addition of a Director of Technology and an Executive Assistant designed to address the City Council target of Organizational Development and Financial Stability. The City has very critical functions in the Administrative Services Department (ASD) which currently oversees the Information Technology and Finance divisions. Though the evaluation of ASD functions and processed, serious issues have been identified and work plans developed to address the issues in both the Finance and IT divisions of the department. This budget recommends splitting off the Information Technology functions to a separate department and creating a department head and a support position.
- Significant efforts currently managed by Information Technology are related to the Citywide Technology Strategic Plan (CTSP). In 2011, the City awarded a contract to NexLevel Information Technology Inc., for development of a Citywide Technology Strategic Plan (CTSP). The CTSP was approved June 2012. The current CTSP projects are:
 - RFP for full assessment of the City of Stockton Financial applications for General Ledger, Payroll, Budget and other key functions of the SunGard HTE financial systems.
 - Access Database Migration Strategy – Migrated Citywide fee schedule and IT Contracts management from Access to current technology allowing for multiple users.
 - Citizen Self-help Portal – Addressing how this project fits with the Permit and CMMS projects as well as inclusion as a primary function of the Citywide Web Presence Project.
 - GIS Roadmap – Will begin to implement recommendations in GIS Technology Roadmap.
 - Permitting and Inspection System – Will begin implementation of the new permitting system to improve permitting workflows.
 - RFP for New Web Presence System, Citizen Self-Help Portal, Intranet replacement and Stockton.gov replacement.
 - Document Management and e-Discovery – Assessment of whether current OnBase will meet the needs of the City as a document management system.
 - Evaluating consultant's recommendation for using Gwava Retain and Reload for eDiscovery and GroupWise email management.
 - Fuel Management system replacement with Public Works.
 - Mobile/WiFi Access – Phase one completed in FY 2012-13. Waiting on approval for phase two. Adding access points as requested.
 - Centralized Maintenance Management System CMMS – Council approved 3/4/14. Servers setup and ready for implementation week of 3/24/14.
 - Enhancements to the Agenda Management systems.

INTERNAL SERVICE FUNDS

- Network Vulnerability Testing – As part of PCI compliance, testing is scheduled quarterly.
- HTE Improvement through vendor management and Business Intelligence tools.
- Continued Training on Core Software Applications such as Microsoft and GroupWise.
- Supporting the Emergency Operations Center project.
- Risk Management – Initial stages of acquiring software for insurance certificate tracking for vendors and contractors.
- Public Safety Technology Roadmap development which may include assessment of consolidating Public Safety Dispatch and Records Management systems as well as long-term planning for radio infrastructure.
- Telestaff Implementation for the Fire Department scheduling and payroll management.
- Active Project (non-CTSP):
 - Virtual Desktop Pilot – Virtual Desktop to replace IT training lab equipment. Expected completion date of 5/30/14. Pilot project to determine viability of introducing virtual desktops to replaced traditional computers at employee desks. Significant savings in equipment and staffing can be achieved with a significant number of virtual desktops. This pilot will allow IT staff to determine the compatibility with all Stockton computer systems and users.
 - Recent security requirements for Police Public Safety staff now require Police Office staff to utilize two types of identification for logging onto computer systems which access State and Federal systems. This new requirement is termed two-factor authentication. The first factor is “something you know” such as a password. The second factor is “something you have” such as a finger print or a special card.
- Other Initiative Issues and Changes:
 - Windows 7 Implementation – Planning stages of upgrading employee desktops to Windows 7 operating system. Deployment process to be 18 to 24 months.
 - Network and Email Outages, Backup and Data Integrity – Evaluating a consultant’s report for measures we should take to eliminate the risk we have of losing systems and data without a quick solution for continuing services.
- The Radio Equipment internal service fund supports radio, information and hardware systems for Fire, Municipal Utilities, Public Works and the Police Department. Included in the support structure are portable radios, radios installed into vehicles, mobile data computers, information systems and most of the hardware required to support these divisions. An additional \$1 million has been transferred from the mission critical funding from the General Fund. Staff is preparing a comprehensive inventory of radios that will determine the need, however it is estimated that the City needs \$3 to \$5 million to improve the radios and ensure public safety personnel have proper communications equipment. Staff is also performing an analysis to determine the type of support infrastructure necessary for the system with a goal toward a regional radio solution.
- Telephone Equipment internal service funds support the Voice over Internet Protocol (VoIP) phone system for the entire city. This is a 7-year lease program which will expire in FY 2014-15. The City will begin to look at options for out-sourcing phone services or continuing to support the system with in-house staff or a combination of both.

Internal Service Funds
Computer Equipment Internal Service - 502
FY 2014-15 Proposed Budget

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 3,484,438	\$ 5,384,176	\$ 3,344,409	\$ 2,319,451
Revenues				
Charges for services				
Police	4,348,621	4,953,456	4,969,854	5,512,099
Fire	620,110	507,424	615,991	709,348
Other General Fund	834,589	993,474	868,509	1,103,295
Other Funds	3,055,930	2,829,854	3,011,846	3,467,299
Refunds & Reimbursements	81,639	5,537	21,799	40,000
	8,940,889	9,289,745	9,487,999	10,832,041
Expenditures				
Computer Maintenance (5101)	3,355,098	3,763,183	3,656,898	4,265,882
IT Administration (5111)	1,212,986	1,604,354	1,852,611	2,192,163
GIS Administration (5112)	515,138	445,164	452,121	552,487
Public Safety (5113)	885,544	937,416	1,220,715	965,491
Web Development (5114)	56,976	71,977	63,990	337,869
Tech Development (5115)	75,445	78,683	73,188	176,986
EDMS (7450)	211,827	219,834	315,944	240,000
Replacements	927,553	114,215	282,401	1,510,090
New equipment	46,122	159,147	370,599	135,000
Capital Projects	-	515,634	2,224,490	7,736,000
	7,286,689	7,909,607	10,512,957	18,111,968
Transfers				
Transfer In - Telephone 504	245,538			
Transfer In - Gen. Fund Mission Critical				5,236,000
Transfer Out				
	245,538	-	-	5,236,000
Net Annual Activity	1,899,738	1,380,138	(1,024,958)	(2,043,927)
Ending Available Balance	\$ 5,384,176	\$ 6,764,314	\$ 2,319,451	\$ 275,524
Available Balance Calculation				
Cash and Current Assets		\$ 6,923,013		
Accounts Payable		(225,262)		
Encumbrances		(312,119)		
Capital Projects		(3,041,223)		
Ending Available Balance		\$ 3,344,409		

Internal Service Funds
Radio Equipment Internal Service - 503
FY 2014-15 Proposed Budget

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	295,597 \$ 295,597	\$ 302,487	\$ 454,803	\$ 255,968
Revenues				
Charges for services				
Police	518,226	750,968	666,719	706,321
Fire	255,486	294,677	380,138	342,222
Other General Fund	240	166	-	-
Other Funds	68,890	23,478	47,242	81,899
	842,842	1,069,289	1,094,099	1,130,442
Expenditures				
Operations & Maintenance	739,911	654,211	741,624	901,344
Replacements	67,418	262,281	331,195	230,678
	807,329	916,492	1,072,819	1,132,022
New Projects				
Equipment Replacement			220,115	1,000,000
		916,492	1,292,934	2,132,022
Transfers				
Transfer In - Gen. Fund Mission Critical				1,000,000
Transfer Out				
	-	-	-	1,000,000
Net Annual Activity	35,513	152,797	(198,835)	(1,580)
Ending Available Balance	\$ 331,110	\$ 455,284	\$ 255,968	\$ 254,388
Available Balance Calculation				
Cash and Investments	\$ 334,136.00	\$ 486,452		
Encumbrances	\$ (31,649.00)	(31,649)		
Ending Available Balance	\$ 302,487.00	\$ 454,803		

Internal Service Funds
Telephone Equipment Internal Service - 504
FY 2014-15 Proposed Budget

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	206,526 \$ 206,526	\$ 358,344	\$ 475,607	\$ 608,034
Revenues				
Charge for Services				
Police	503,945	421,638	449,624	497,552
Fire	46,847	49,312	53,551	79,822
Other General Fund	195,618	211,055	259,405	241,161
Other Funds	629,357	576,286	575,649	646,761
Interest	7,979	62,347	-	-
	<u>1,383,746</u>	<u>1,320,638</u>	<u>1,338,229</u>	<u>1,465,296</u>
Expenditures				
Operations & Maintenance	582,102	829,205	860,802	992,477
Replacements	-	-	20,000	150,000
Principal	607,623	296,959	283,860	283,860
Interest Expense	42,203	29,153	41,140	41,140
	<u>1,231,928</u>	<u>1,155,317</u>	<u>1,205,802</u>	<u>1,467,477</u>
Transfers				
Transfer In				
Transfer Out - Technology 502	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>151,818</u>	<u>165,321</u>	<u>132,427</u>	<u>(2,181)</u>
Ending Available Balance	<u>\$ 358,344</u>	<u>\$ 523,665</u>	<u>\$ 608,034</u>	<u>\$ 605,853</u>
Available Balance Calculation				
Cash and Current Assets		\$ 869,962		
Accounts Payable		(346,297)		
Encumbrances		(48,058)		
Ending Available Balance		<u><u>\$ 475,607</u></u>		

INTERNAL SERVICE FUNDS

OFFICE EQUIPMENT (DUPLICATING, PRINTING & MAILING) (505)

History

- Responsible for maintaining and financing the City's office equipment, duplicating/printing, and mailroom functions.
- Program departments are charged monthly rental rates to finance operations and replacements.

FY 2013-14 Events

- Printing technology continued to improve with high speed print on demand technology for black and white and color printing using digital technology.
- Replaced outdated microfilm reader with one capable of archiving from film to electronic format.
- Replaced outdated VHS recorder in Council Chambers with DVD recorder allowing same generational copies with no loss in quality.
- Upgraded projector in Council Chambers making images more readable and brighter for more clarity.
- More City departments are utilizing the use of Reprographics' automatic folder/inserters, eliminating manual handling of mail projects.
- More City departments are taking advantage of the use of variable data printing, streamlining the process of addressing mail projects.

FY 2014-15 Budget Changes

- Continue replacing the old analog copier system with new multi-functional devices that contain new and current print technology. Together with IT, work to consolidate copiers throughout the City from multiple vendors to a single vendor and manager.
- Work with Finance Department (Business License) to redirect printing from local laser printer to high speed digital printer in Duplicating.

Internal Service Funds
Office Equipment Internal Service - 505
FY 2014-15 Proposed Budget

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 417,529	\$ 544,190	\$ 544,190	\$ 684,721
	<i>Merged with 508</i>	<i>Merged with 508</i>	<i>Merged with 508</i>	<i>Merged with 508</i>
Revenues				
Charges for Services				
Police	103,601	89,940	91,502	98,889
Fire	71,061	50,235	32,059	32,963
Other General Fund	136,068	120,745	139,478	145,037
Other Funds	309,732	313,851	363,493	382,370
Investment Income	7,088	303	5,000	5,000
	<u>627,550</u>	<u>575,074</u>	<u>631,532</u>	<u>664,259</u>
Expenditures				
Operations & Maintenance	556,702	433,053	595,728	623,299
Replacements	29,045	1,490	30,000	33,000
	<u>585,747</u>	<u>434,543</u>	<u>625,728</u>	<u>656,299</u>
Transfers				
Transfer In				
Transfer Out - Printing Fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>41,803</u>	<u>140,531</u>	<u>5,804</u>	<u>7,960</u>
Ending Available Balance	<u>\$ 459,332</u>	<u>\$ 684,721</u>	<u>\$ 549,994</u>	<u>\$ 692,681</u>
Available Balance Calculation				
Cash and Current Assets		\$ 620,659		
Accounts Payable		(28,318)		
Encumbrances		(48,151)		
Ending Available Balance		<u>\$ 544,190</u>		

RISK SERVICES AND WORKER'S COMPENSATION (541 & 551)

History

- The Risk Services Division of the Human Resources Department is responsible for protecting the City's resources and limiting its liability exposures by providing stable, cost-effective, and quality customer service to our employees and the citizens. Contract monitoring and review is also a vital part of ensuring that exposure is limited and the risk is transferred in an appropriate manner.
- Risk Services also includes the Worker's Compensation and Safety Program components working to reduce the costs associated with illness and injury sustained by City employees.

FY 2013-14 Events

- Renegotiated an amendment to the contract with the workers' compensation third party administrator (TPA) that provided flat rate pricing for all ancillary services at an estimated savings of nearly \$200,000 per year and also stabilized basic claims administration services for an additional three year period.
- Instituted a proactive return to work program for public safety departments that in the first seven months of the current fiscal year has netted a 57% reduction in Labor Code 4850 benefit payments.
- Obtained Council approval of a Disability Retirement Appeals procedure to provide more efficiency to the process.
- Reconstituted the City-wide Safety Committee, which will have a positive effect on developing a City-wide culture of prevention.
- Developed several safety program templates for departments to utilize in creating required policies specific to their operations.

FY 2014-15 Budget Changes

- The most recent actuary report based on program claims experience as of June 30, 2013 indicated that the unfunded liability in the workers' compensation program was reduced by roughly \$6.3 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 Workers Compensation rates for departments.
- Claims experience continues in a downward trend, which should result in rate stability in future budget cycles.

**Internal Service Funds
General Insurance - 541
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ (3,766,245)	\$ (4,919,508)	\$ (2,977,699)	\$ (2,364,160)
Revenues				
Charge for Services				
Police	1,374,375	1,977,459	2,001,256	2,067,000
Fire	669,616	868,961	886,672	831,000
Other General Fund	194,756	335,720	309,286	354,000
Other Funds	1,470,439	2,035,615	2,117,546	2,065,000
Reimbursement	570,195	425,053	1,100	5,000
Investment Interest	43,893	(3,771)	5,000	5,000
	<u>4,323,274</u>	<u>5,639,037</u>	<u>5,320,860</u>	<u>5,327,000</u>
Expenditures				
Claims				
Paid	639,553	60,900	2,190,321	2,312,888
Actuarial Adjustment	1,883,849	943,326	-	-
	<u>2,523,402</u>	<u>1,004,226</u>	<u>2,190,321</u>	<u>2,312,888</u>
Excess Insurance Premium	770,835	682,573	819,000	950,000
City staff costs	1,051,468	1,100,860	1,169,000	1,180,250
Operating expenditures	1,130,832	315,250	654,000	895,636
	<u>5,476,537</u>	<u>3,102,909</u>	<u>4,832,321</u>	<u>5,338,774</u>
Transfers				
Transfer In - Central Parking			125,000	125,000
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Net Annual Activity	(1,153,263)	2,536,128	613,539	113,226
Ending Available Balance	\$ (4,919,508)	\$ (2,383,380)	\$ (2,364,160)	\$ (2,250,934)
Available Balance Calculation				
Cash and Current Assets		\$ 6,339,460		
Current Liabilities		(2,421)		
Claims Payable		(9,314,738)		
Ending Available Balance		<u>\$ (2,977,699)</u>		
Rates (percentage of payroll)				
All employees	3.36%	4.50%	4.78%	4.78%

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 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ (40,308,334)	\$ (43,994,919)	\$ (37,171,210)	\$ (37,168,809)
Revenues				
Charge for Services				
Police	3,188,626	3,725,474	4,292,948	4,914,000
Fire	3,834,313	2,405,353	2,239,134	2,790,000
Other General Fund	141,905	154,738	360,200	324,000
Other Funds	2,335,062	2,320,977	3,466,036	3,104,000
	<u>9,499,906</u>	<u>8,606,542</u>	<u>10,358,318</u>	<u>11,132,000</u>
Refunds & Reimbursements	1,313,739	582,915	895,000	800,000
Interest	212,725	17,635	80,000	140,000
	<u>11,026,370</u>	<u>9,207,092</u>	<u>11,333,318</u>	<u>12,072,000</u>
Expenditures				
Claims Expense - Cash	7,787,514	5,985,947	9,059,000	9,351,000
Reimbursement to Other Funds	(a)	(a)	(a)	(a)
Fire Hireback OT- (5650)	82,748	(a)	(a)	(a)
Actuarial accrued claims liability	4,707,064	(5,808,972)		
Insurance Administration	584,725	435,686	551,028	605,785
TPA Administration	763,244	820,514	740,720	745,720
Excess Insurance Premium	517,489	516,113	663,493	868,000
State CA Assessment	186,189	363,027	224,491	388,000
Safety Program	83,982	71,068	92,185	97,185
	<u>14,712,955</u>	<u>2,383,383</u>	<u>11,330,917</u>	<u>12,055,690</u>
	(a) Discontinued to stabilize fund			
Transfers				
Transfer In				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(3,686,585)	6,823,709	2,401	16,310
Ending Available Balance	\$ (43,994,919)	\$ (37,171,210)	\$ (37,168,809)	\$ (37,152,499)
Available Balance Calculation				
Cash and Current Assets		\$ 15,726,991		
Accounts Payable		(187,882)		
Due to Other Funds		(500,000)		
Claims Payable		(52,207,000)		
Compensated Absences		(3,319)		
Ending Available Balance		<u>\$ (37,171,210)</u>		
Rates (percent of payroll)				
Police	8.18%	10.41%	11.67%	13.10%
Fire	13.02%	13.32%	12.63%	16.53%
Manual	5.90%	7.68%	10.69%	9.34%
Non-Manual	5.66%	5.62%	7.39%	6.70%
Office/Clerical	0.82%	1.00%	4.17%	3.02%
Library	1.69%	2.12%	5.48%	5.20%

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 the management of the health benefit plans offered to eligible employees and retirees, and their eligible dependents.
- Revenue is collected from departments and employees, for purposes of funding health benefits.
- City-sponsored health benefit plans currently offered include self-funded medical, dental and vision plan options, a fully-insured high-deductible plan through a Health Maintenance Organization (HMO), and a fully insured Dental Maintenance Organization (DMO).

FY 2013-14 Events

- Coordinated with Administrative Services and Information Technology staff to complete a process to report the value of health benefits on employee W-2's per an Affordable Care Act (ACA) mandate.
- Processed required ACA health exchange information letters to all City employees.
- Effective July 1, 2013, the City-provided stipend for retiree medical care costs was ended. Retirees are still eligible to participate in the self-funded medical plan by paying full premium cost.
- A maximum City contribution toward the monthly cost of benefits for active employees is still in place.
- Initiated the process of entering into Section 218 agreements with the federal government that would allow currently non-participating safety and non-safety employees to build eligibility for Medicare participation.
- A request for proposal was undertaken to assess whether the marketplace could offer viable fully insured health plans to replace our current fully-insured health plans. No viable proposals were received.
- Several contract amendments were processed with vendors to add to, adjust, and improve service levels, to include:
 - Delta Health Services, health benefits third party administrator (TPA)
 - The Segal Company, health benefits consultant
 - Dameron Occupational, occupational health services provider

FY 2014-15 Budget Changes

- While renewal rates for the self-funded health plan are flat for FY 2014-15, this appears to be an aberration and experience for the current fiscal year is not trending positively as a result of medical and prescription trend, 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. Staff will continue its evaluation of the health market in an effort to assess the availability of alternatives to the City's self-funded health plan.
- The unaudited projected fund balance in the Health Internal Service Fund as of June 30, 2013 was \$5.0 million after subtracting the estimated necessary reserve of \$2,164,100 for Incurred But Not Reported (IBNR) claims. This reflects a tremendous improvement in the

INTERNAL SERVICE FUNDS

health fund's reserve status. At June 30, 2013, the Health Internal Service Fund has sufficient balance to fund the recommended claims fluctuation reserve of \$3,464,700. Since the recommended industry standard claims fluctuation reserve was achieved, a claims margin of 10% for active rates was not added to the FY 2014-15 premium rates.

- As mandated by the ACA, the State Health Exchange, CoveredCA, began its open enrollment process in October of 2013 and ran through March of 2014, with coverage effective January 1, 2014. Employer/insurer fees associated with subsidizing the exchanges and doing health research required by the ACA will begin being paid in July 2014. However, other employer and employee mandates associated with penalties have been put off until 2015. Staff will continue to work closely with our healthcare consultant to ensure we remain up to date on the continuing changes in ACA to ensure compliance with all mandates for all required taxes/fees, benefit offerings, etc.

**Internal Service Funds
Health Insurance - 552
FY 2014-15 Proposed Budget**

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ (3,539,441)	\$ (1,449,176)	\$ 4,955,653	\$ 6,925,223
<i>Unfunded Retiree Health Obligation excluded in presentation of prior years</i>				
Revenues				
Charge for Services				
Police	10,274,815	6,790,300	5,824,302	6,955,473
Fire	4,568,070	2,378,125	2,058,452	2,143,050
Other General Fund	1,903,944	1,142,323	1,069,119	1,372,332
Other Funds	14,629,830	8,782,759	7,005,120	7,866,578
	<u>31,376,659</u>	<u>19,093,507</u>	<u>15,956,993</u>	<u>18,337,433</u>
Participant Contributions				
Employees (current MOUs)	2,146,738	2,921,340	3,313,217	3,602,952
Retirees	148,789	3,309,605	1,525,943	1,539,864
Continuation	102,027	60,479	94,326	95,000
Reimbursements				
Stop loss coverage	2,248,116	1,861,614	786,482	133,199
Medicare	318,145	351,716	204,458	-
Federal Grant	1,234,215	-	-	116,802
Interest	(5,588)	(12,174)	-	-
	<u>37,569,101</u>	<u>27,586,087</u>	<u>21,881,419</u>	<u>23,825,250</u>
Expenditures				
Medical Plans	28,449,606	13,433,460	7,738,023	7,340,988
Kaiser	1,241,549	5,219,702	7,885,000	9,702,816
IBNR Adjustments	4,100	(1,919,400)		
Operating Engineers	761,647	870,683	901,031	1,011,624
Vision	185,401	144,270	205,423	214,903
Dental	1,760,687	1,318,381	1,334,318	1,868,407
Health & Wellness Program	2,843		4,000	4,000
General & Administrative	1,042,284	898,920	967,278	1,293,428
Stop Loss Premium	1,056,867	590,710	442,380	415,626
Vendor Administration Fee	973,852	624,532	434,396	488,330
	<u>35,478,836</u>	<u>21,181,258</u>	<u>19,911,849</u>	<u>22,340,122</u>
Net Annual Activity	<u>2,090,265</u>	<u>6,404,829</u>	<u>1,969,570</u>	<u>1,485,128</u>
Ending Available Balance	<u>\$ (1,449,176)</u>	<u>\$ 4,955,653</u>	<u>\$ 6,925,223</u>	<u>\$ 8,410,351</u>
<i>Unfunded Retiree Health Obligation excluded in presentation of prior years</i>				
Available Balance Calculation				
Cash and Interest Receivable		\$ 5,731,351		
Accounts Receivable and deposits		1,597,547		
Accounts Payable		(209,145)		
Claims Payable - IBNR		(2,164,100)		
Ending Available Balance		<u>\$ 4,955,653</u>		



INTERNAL SERVICE FUNDS

UNEMPLOYMENT FUND (556)

History

- This fund maintains the City's unemployment benefit 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. The funding is based on a percentage of payroll.
- Benefits staff closely and aggressively monitors all unemployment claims received to ensure timely and accurate claim payments.
- Benefits staff also challenges any potential non-eligible claim. Staff works directly with each City Department to investigate any such claims and attends Unemployment hearings when necessary.

FY 2013-14 Events

- Current projections indicate this fund will end FY 2013-14 under budget.
- Claims experience has declined because of aggressive monitoring and less layoffs than in prior years.

FY 2014-15 Budget Changes

- No anticipated issues. Budgeting based on historical claims costs.
- The ending balance projected in the Unemployment Fund will cover any future claims fluctuation so that annual rates can be stabilized.

**Internal Service Funds
Unemployment - 556
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 <u>Unaudited Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 <u>Proposed Budget</u>
Beginning Available Balance	\$ 490,758	\$ 203,114	\$ 512,381	\$ 627,147
Revenues				
Charge for Services				
Police	69,066	182,370	111,703	79,500
Fire	33,747	82,752	51,000	32,000
Other General Fund	9,976	27,370	17,935	13,800
Other Funds	75,058	191,449	121,128	76,900
Investment Income	7,367	(160)		
Refunds & Reimbursements	2,453	495		
	<u>197,667</u>	<u>484,276</u>	<u>301,766</u>	<u>202,200</u>
Expenditures				
Claims	485,311	175,009	187,000	200,000
	<u>485,311</u>	<u>175,009</u>	<u>187,000</u>	<u>200,000</u>
Transfers				
Transfer In				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(287,644)	309,267	114,766	2,200
Ending Available Balance	\$ 203,114	\$ 512,381	\$ 627,147	\$ 629,347

Available Balance Calculation

Cash and Interest Receivable	\$ 543,353
Current Liabilities	<u>(30,972)</u>
Cash and Interest Receivable	<u>\$ 512,381</u>

Rates (percentage of payroll)	0.17%	0.45%	0.28%	0.19%
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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 (LTD), LIFE INSURANCE & ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) 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 eligible City of Stockton employees.
- Revenue to fund these programs is collected from each department.
- The Long Term Disability benefit provides eligible employees with 66 2/3% of their salary while disabled.
- The Life Insurance benefit provides eligible employees with:
 - Life insurance coverage while a full-time City employee; and
 - A portability option to continue the life insurance coverage when leaving City employment (at the member's expense) is available.

FY 2013-14 Events

- Life/AD&D and LTD providers were selected from the bid process. Selection was based on the lowest cost to the City. Two new vendors were selected to administer the City's Life/AD&D and LTD plans. Each contract went into effect July 1, 2013, with an initial three year term and rate guarantee.
- Life Insurance policy changes effective July 1, 2013:
 - Life insurance premium reduced from \$0.22 per \$1,000 of basic life insurance to \$0.142 of basic life insurance.
 - AD&D premium reduced from \$0.025 per \$1,000 of the full amount of AD&D insurance to \$0.023 per \$1,000 of the full amount of AD&D insurance.
 - Eliminated the Waiver of Premium provision. This change lowered the City's premium by approximately \$17,700/year.
 - Accelerated Benefit improved. This benefit allows benefits to be paid in advance of the employee's death when the employee is diagnosed with a terminal illness. The accelerated benefit amount for the prior plan was 75%, and the new plan is 80%.
- LTD Insurance policy changes effective July 1, 2013:
 - Benefit improvement on guarantee issue. The guarantee increased from \$12,000 to \$15,000. This is the amount of insurance that will become effective without any health condition or background information being submitted.

FY 2014-15 Budget Changes

- There are no anticipated budget issues or changes in this fund for the coming fiscal year.

**Internal Service Funds
LTD and Life Insurance - 557
FY 2014-15 Proposed Budget**

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projected</u>	<u>Proposed Budget</u>
Beginning Available Balance	\$ 145,199	\$ 113,987	\$ 109,175	\$ 114,075
Revenues				
Charge for Services				
Police	217,725	132,483	113,222	113,501
Fire	31,205	59,579	21,034	24,359
Other General Fund	215,156	54,513	39,838	55,949
Other Funds	495,517	358,570	247,806	297,700
Investment Income	2,414	(21)	-	-
	<u>962,017</u>	<u>605,124</u>	<u>421,900</u>	<u>491,509</u>
Expenditures				
Insurance Premiums	993,229	609,936	417,000	491,509
	<u>993,229</u>	<u>609,936</u>	<u>417,000</u>	<u>491,509</u>
Transfers				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(31,212)</u>	<u>(4,812)</u>	<u>4,900</u>	<u>-</u>
Ending Available Balance	\$ 113,987	\$ 109,175	\$ 114,075	\$ 114,075
Available Balance Calculation				
Cash and Interest Receivable		\$ 181,695		
Current Liabilities		(72,520)		
Ending Available Balance		<u>\$ 109,175</u>		
Rates (percentage of payroll)				
Long Term Disability				
Non-safety	1.35%	0.86%	0.58%	0.58%
Police Mgmt	\$234/yr	\$294/yr	\$294/yr	\$294/yr
Life Insurance (per \$1,000 of annual pay x benefit)				
with Accidental Death & Disability	0.25%	0.25%	0.17%	0.17%
without Accidental Death & Disability	0.22%	0.22%	0.14%	0.14%

Note

Program revenues are estimated based upon percentage of budgeted payroll.
Actual revenues and expenses will fluctuate based on actual payroll.

INTERNAL SERVICE FUNDS

RETIREMENT (561)

History

- This fund is utilized to collect revenue and make contributions to CalPERS for the defined benefit retirement program.
- The City of Stockton contracts with the California Public Employees' Retirement System (CalPERS) for defined retirement benefits.
- Employer contributions for CalPERS retirement benefits are collected from departments and are 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 is made by collecting funds from all City sources through rates. The Pendency Plan, as adopted by Council on June 26, 2012, suspended debt service payments on the Pension Obligation Bond. Insurance proceeds are paying debt until a plan of adjustment is implemented through the bankruptcy process.

FY 2013-14 Events

- Implemented a negotiated CalPERS contract amendment for new Police Safety employees to establish a second tier benefit, eliminating some retirement benefit enhancement options.
- Modified the 457 and 401(a) Plan Documents to ensure compliance with federal and state regulations.
- Completed Request for Proposal (RFP) process to select a Plan Provider and Record Keeper for the City's deferred compensation 457 and 401(a) plans. This process narrowed the deferred compensation vendors from two to one, requiring transition of assets to the single vendor.

FY 2014-15 Budget Changes

- Develop and implement an updated Deferred Compensation signature authority process to implement 457 and 401(a) plan changes and administrative duties.
- The CalPERS component of this budget account for FY 2014-15 is based on rates provided by the most recent CalPERS actuary report. Safety rates increased 20% and Miscellaneous rates increased 12% over the prior year.

**Internal Service Funds
Retirement - 561
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ 4,212,860	\$ (3,084,168)	\$ 3,034,070	\$ 5,012,654
Revenues				
Charge for Services				
Police	11,577,418	9,467,439	10,721,210	14,983,000
Fire	6,200,695	4,288,916	4,741,100	6,126,203
Other General Fund	1,101,085	912,473	1,046,260	1,585,277
Other Funds	8,980,197	8,544,150	9,736,690	12,271,163
Employee Paid	7,491,008	7,882,036	8,335,340	9,206,000
Insurance Proceeds	-	7,738,761	8,301,843	8,431,177
Investment Income	5,628	(3,797)	5,000	20,000
Refunds & Reimbursements	7,450	6,965	6,000	5,000
	<u>35,363,481</u>	<u>38,836,943</u>	<u>42,893,443</u>	<u>52,627,820</u>
Expenditures				
CalPERS payments	29,278,904	29,322,542	32,583,621	42,136,129
Amortize Pension Asset	7,318,542	7,247,193	-	-
Debt Service on Pension Bonds	6,865,376	6,822,287	8,301,843	8,431,177
Other Operating Costs	73,687	26,548	29,395	29,162
	<u>43,536,509</u>	<u>43,418,570</u>	<u>40,914,859</u>	<u>50,596,468</u>
Transfers				
Transfer In	876,000			
Transfer Out				
	<u>876,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(7,297,028)</u>	<u>(4,581,627)</u>	<u>1,978,584</u>	<u>2,031,352</u>
Ending Available Balance	<u>\$ (3,084,168)</u>	<u>\$ (7,665,795)</u>	<u>\$ 5,012,654</u>	<u>\$ 7,044,006</u>

Available Balance Calculation

Cash and Interest Receivable	\$ 3,035,570
Current Liabilities	(1,500)
Ending Available Balance	<u>\$ 3,034,070</u>

PERs Employer Retirement Rates excluding Pension Obligation Bond (percentages of payroll)

Safety	29.100%	31.790%	34.605%	41.385%
Miscellaneous	16.940%	16.880%	17.939%	20.090%

Pension Obligation Bond - Estimated Retirement Rates PERS plus POB (percentages of payroll)

Safety	38.845%	43.110%	47.145%	53.945%
Miscellaneous	20.226%	20.660%	21.949%	24.010%

Notes

Program revenues are estimated based upon percentage of budgeted payroll.

Payments to CalPERS will fluctuate with staffing levels. However, the pension obligation bond payment is fixed.

* The 2012-13 Pendency Plan adopted by Council on June 26, 2012 eliminated the appropriation for the General Fund share of debt service on the Pension Obligation Bond.

INTERNAL SERVICE FUNDS

COMPENSATED ABSENCE (562)

History

- This fund is utilized to collect revenue and fund employee separation pay outs.
- Exodus of long time employees during retirement incentive programs and years of fiscal emergency took a toll on the fund causing it to go negative in 2010-11. Additional infusion of funds from the General Fund and all other City sources was needed to address the negative balance.
- The fund ended FY 2011-12 with a minimal fund balance, primarily due to the City Council decision in February, 2012, limiting separation pay outs for the remainder of the fiscal year.
- The FY 2012-13 Adopted Pendency Plan eliminated all sick leave payouts.
- Subsequently, labor agreements were approved in late 2012 that eliminated sick leave payouts and tiered annual leave pay offs over \$10,000. This has discouraged a mass exodus unlike other cities that have filed bankruptcy or are under distress. The Pendency Plan, as adopted by Council on June 26, 2012, eliminated the pay out of sick leave to employees at separation.
- At the beginning of FY 2012-13, labor agreements were updated to modify pay out of annual leave at separation for employees separating on or before July 1, 2014. The formula agreed to is as follows:
 - Upon separation of service, eligible employees were to receive one-third (1/3) or \$10,000, whichever is greater, of the total of his/her unused accumulated vacation hours.
 - On the one year anniversary of an employee's separation, he/she is to receive the second payment of one-third (1/3) or \$10,000, whichever is greater, of the balance of his/her unused accumulated vacation hours.
 - On the second anniversary of separation, he/she shall receive the balance payment of the unused accumulated vacation hours.
 - Employees who are involuntarily separated shall have their unused accumulated vacation hours, if any, added to his/her final compensation.

FY 2013-14 Events

- During FY 2013-14 the city continued to pay separated and separating employees per the previously agreed upon formula.
- The budget for separation pay was reduced in FY 2013-14 based on actual cost experience of only paying accrued annual leave hours at employee's separation.

FY 2014-15 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 cost are anticipated to be higher in FY 2014-15 due to labor agreement terms providing 35% cash value for unused sick leave balances after applying 2,080 hours toward CalPERS service credit.

**Internal Service Funds
Compensated Absence - 562
FY 2014-15 Proposed Budget**

	FY 2011-12 <u>Actual</u>	FY 2012-13 Unaudited <u>Actual</u>	FY 2013-14 <u>Projected</u>	FY 2014-15 Proposed <u>Budget</u>
Beginning Available Balance	\$ -	\$ 71,304	\$ 1,712,382	\$ 2,356,382
Revenues				
Charge for Services				
Police	782,888	814,407	470,264	278,703
Fire	808,803	330,876	198,673	102,633
Other General Fund	138,890	169,838	103,819	61,280
Other Funds	1,450,052	1,503,328	571,244	302,384
Investment Income	-	-	-	-
	<u>3,180,633</u>	<u>2,818,449</u>	<u>1,344,000</u>	<u>745,000</u>
Expenditures				
Employee Separation Pay	3,109,329	1,177,371	700,000	980,000
Liability Adjustments	-	-	-	-
	<u>3,109,329</u>	<u>1,177,371</u>	<u>700,000</u>	<u>980,000</u>
Transfers				
Transfer In - General Fund				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>71,304</u>	<u>1,641,078</u>	<u>644,000</u>	<u>(235,000)</u>
Ending Available Balance	<u>\$ 71,304</u>	<u>\$ 1,712,382</u>	<u>\$ 2,356,382</u>	<u>\$ 2,121,382</u>
Available Balance Calculation				
Cash and Interest Receivable		\$ 2,114,521		
Due to Worker's Comp Fund		(402,139)		
Ending Available Balance		<u>\$ 1,712,382</u>		
Program Contribution Rate	3.10%	2.90%	1.37%	0.70%



TAB 15 APPENDIX

Local Government Glossary and Acronyms

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.

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.

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.

AUTHORIZED POSITIONS: Positions approved by the City Council which may or may not have funding (see Budgeted Positions).

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.

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.

Local Government Glossary and Acronyms

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.

CALTRANS: California Department of Transportation

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

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.

CONTINGENCY: A budgetary reserve set aside for emergencies or unforeseen expenditures.

CPI: Consumer Price Index, measure of inflation in area of consumer products.

CRWQCB: California Regional Water Quality Control Board

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.

Local Government Glossary and Acronyms

DOJ: Department of Justice

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.

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.

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.

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.

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

Local Government Glossary and Acronyms

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

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.

LOCC: League of California Cities

LIEN: A document recorded with the County Recorder placing a debt against a parcel of land.

LONG-TERM DEBT: Debt with a maturity of more than one year after the date of issuance.

Local Government Glossary and Acronyms

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)

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.

MBE: Minority Business Enterprise

MOE: Maintenance of Effort

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.

OVP: Office of Violence Prevention

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.

Local Government Glossary and Acronyms

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 to demonstrate solvency.

POST: Police Officers Standards and Training

PROCLAMATION: An official announcement or public declaration.

PSAF: Public Safety Augmentation Fund

RESERVE: Amount of fund balance designated for a specific purpose.

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.

RFP: Request for Proposal

RWQCB: Regional Water Quality Control Board - Issues the wastewater treatment plant discharge permit and regulates its programs.

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.

SPFA: Stockton Public Financing Authority

SRF: State Revolving Fund

SWRCB: State Water Regional Control Board

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.

Local Government Glossary and Acronyms

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.

TFCA: Transportation Fund for Clean Air

JAAL: 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

UFC: Uniform Fire Code

USGS: United States Geological Survey

TAXES: Compulsory charges levied by a government to finance services performed.

USER FEE: Charges for services provided only to those benefiting from the service.

