

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
1	Introduction	A – 3 to A – 4	A – 3	Updated Citywide Budget total based on corrected numbers as described below.

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year, 3) a discussion of the options the City has to close the gap, and 4) a description of the process and timing we expect to follow for the release of specific proposals recommended to be included in a balanced 2012-13 General Fund Adopted Budget.

The document contains proposed budgets in a Pro-Forma schedule format for all other City funds, with brief highlights of the history, current status and significant 2012-13 proposals and issues for each fund included. 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. It does need to be noted that due to the time constraints we faced, the document does not contain all of the elements that a normal proposed budget should contain. For example, the departmental descriptions and performance plans are abbreviated, and a number of the financial schedules and appendices that would normally be included are not yet ready for publication. Note the demands of conflicting priorities has left very little time for staff to review the proposed budgets received from the departments compared to our normal process. You can expect that revisions to some budget detail may be forthcoming.

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

<u>City-wide Budget, All Funds</u>	<u>2011-12 Adopted</u>	<u>2012-13 Proposed</u>	<u>Difference</u>
General Fund	\$ 161,761,313	\$ 154,915,405	\$ (6,845,908)
Utilities	112,060,802	109,129,043	(2,931,759)
Capital/Street Maintenance	68,173,480	35,032,101	(33,141,379)
Redevelopment Agency	21,258,486	-	(21,258,486)
HUD/Housing Programs	23,788,431	12,257,221	(11,531,210)
Other Community Programs	61,781,622	58,967,392	(2,814,230)
Debt Service	25,875,051	27,261,545	1,386,494
Internal Services	128,759,617	124,283,540	(4,476,077)
	<u>\$ 603,458,802</u>	<u>\$ 521,846,247</u>	<u>\$ (81,612,555)</u>

As can be seen, the proposed budget appropriations included in this document total \$521 million and include operating, capital, debt, transfers, and internal service operations for all programs of the City. Pending a balancing plan, the amount listed for the General Fund is the amount of revenue available, as balancing the budget will require reducing expenditures to that level. Total appropriations proposed (with the \$26 million budget gap omitted) represent a decrease of \$82 million from the 2011-12 Adopted Budget.

The largest contributions to this decrease include: 1) Capital/Street Maintenance, 2) Redevelopment Agency, 3) HUD/Housing Programs.

General Fund

As the table below illustrates, General Fund expenditures total \$180.8 million, which includes \$2.9 million for three additions to the budget (described below) that are intended to begin to build back the financial strength of the City. Total revenues now projected, however are only \$154.9 million. This results in a \$26 million gap or shortfall that will need to be resolved prior to adopting the budget. Expenditures increased by seven percent over the 2011-12 Current Budget. This increase is primarily in the Police Department due to the addition of 20 Police Officer positions previously funded by the COPS Hiring Recovery Program Grant, hiring and recruitment costs, increase Workers Compensation and PERS rates, increased pension obligation bond costs, and elimination of the 2011-12 vacancy savings factor.

<u>General Fund Budget</u>	<u>2011-12 Current Budget</u>	<u>2012-13 Proposed</u>	<u>Difference</u>
Beginning Available Balance	\$8,717,885	\$0	\$ (8,717,885)
Revenues	158,002,514	154,915,405	(3,087,109)
Expenditures			
Police	(83,306,025)	(93,023,477)	(9,717,452)
Fire	(40,447,868)	(40,529,586)	(81,718)
Other Programs	(42,966,506)	(44,341,615)	(1,375,109)
	<u>(166,720,399)</u>	<u>(177,894,678)</u>	<u>(11,174,279)</u>
Fiscal Stabilization Measures	-	(2,929,016)	(2,929,016)
	<u>(166,720,399)</u>	<u>(180,823,694)</u>	<u>(14,103,295)</u>
Ending Available Balance	<u>\$0</u>	<u>\$ (25,908,289)</u>	<u>\$ (25,908,289)</u>

On February 28, as part of a staff report entitled "Fiscal Condition Update for Fiscal Years 2010-11, 2011-12, and 2012-13", staff provided a Four-Year General Fund Forecast. For the 2012-13 fiscal year a significant deficit was estimated. The shortfall estimate was provided in the form of a range for two cases, an "Optimistic" case and a "Pessimistic" case. The shortfall for the Optimistic case was projected to be \$20.2 million; the shortfall for the pessimistic case was projected to be \$38.2 million. Thus, for planning purposes, as staff refined projections for next year, we have referred to our shortfall estimates as a

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
2	Introduction	A – 13 to A – 14	A – 14	Correct Information Technology Strategic Plan project budget amount.

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Municipal Utilities Department

The Municipal Utilities Department is responsible for three fund groups: Water Enterprise, Wastewater Enterprise, and Stormwater Enterprise. Notable elements of the 2012-13 proposed budgets for these funds include the following:

- In the Water Enterprise Fund the final increase (10%) of a 4-year rate increase plan approved by Council in 2009 is reflected. The new Delta Water Supply Project treatment plant will begin its first full year of full operation. Reliance on water purchases and groundwater extraction is expected to be reduced. Water conservation efforts will continue to meet the State's mandate to reduce water use by 20% by the year 2020.
- In the Wastewater Fund a third year rate increase of 9%, part of an approved 5 year increase plan, is reflected. Construction of the Phase I projects identified in the Capital Improvement and Energy Management Plan will begin and be cash funded. Application for a new Wastewater NPDES permit will be necessary this year.
- As rates are capped in the Stormwater Fund, some required NPDES program elements have been reduced to stay within projected revenue levels. No funding is available for needed infrastructure repairs. The 2012-13 proposed budget for this fund is balanced, but without a rate increase, there is General Fund exposure for this fund in future years if NPDES requirements are to be met.

City Manager/Administrative Services

The City Manager's Office, in addition to be responsible for the entire City budget, monitors and manages one fund, the Entertainment Venues Fund: The Administrative Services Department oversees the San Joaquin Area Flood Control Agency (SJAFC) fund. Notable elements of the 2012-13 proposed budget for these funds include the following:

- The 2012-13 General Fund subsidy requirement for the Entertainment Venues Fund is estimated at \$2,152,000. This is down about \$289,000 from the current year level. This reflects the improved performance under the SMG management structure. There is however, no funding allocated for the approximately \$800,000 in outstanding and urgent repairs and maintenance needs of the four venues.

Internal Service Funds

There are 13 Internal Service Funds: Five of the funds are overseen by the Administrative Services Department (Information Technology, Radio, Telecommunications, Equipment and Document Services) Seven Internal Services Funds are overseen by the Human Resources Department (General Liability Insurance Claims, Workers Compensation and Benefits, Employee/Retiree Health Benefits, Unemployment, Long-Term Disability, Pension Benefits and Compensated Absences). One (Fleet) is managed by the Public Works Department. Notable elements of the 2012-13 proposed budget for this fund include the following:

- For Fleet the 2012-13 proposed budget includes a replacement schedule which over a four-year period, would reduce the current estimated replacement backlog of \$8.5 million (172 vehicles past their useful life) to \$5.5 million. The budget also reflects approximately \$1.0 million in savings that are being achieved by leasing rather purchasing fire apparatus. Proposed O&M expenditures are increased by approximately \$540,000 over current levels, reflecting primarily a \$400,000 increase in fuel purchases. The budget also proposes setting aside \$500,000 for the replacement of the Computerized Maintenance Management System Fleet Module and the Fuel Management System.
- The Information Technology proposed budget includes approximately \$3.2 million to be set aside for implementing a number of new technology projects included in a recently developed IT Strategic Plan. This Plan will come before the City Council very soon.
- In the Risk Services and Workers Compensation Funds proposed budget, insurance rates charged to the departments have been raised to reflect the higher cost of insurance coverage. I should mention, we still are carrying huge fund balance deficits in the Liability and Workers Compensation Funds because past administrations did not budget adequate contributions of the General Fund and other Funds to finance accrued liabilities.
- In the Health Benefits Fund a new Pharmacy Benefit Manager (CVS/Caremark) will be providing management services for the City's self-funded medical plan. This is estimated to result in overall savings of at least \$300,000. During the next fiscal year, the City will be implementing a change in the contract with its Preferred Provider Organization (PPO), Anthem, for larger discounts on medical services. The City expects to achieve net savings of at least \$2.0 million from this change.

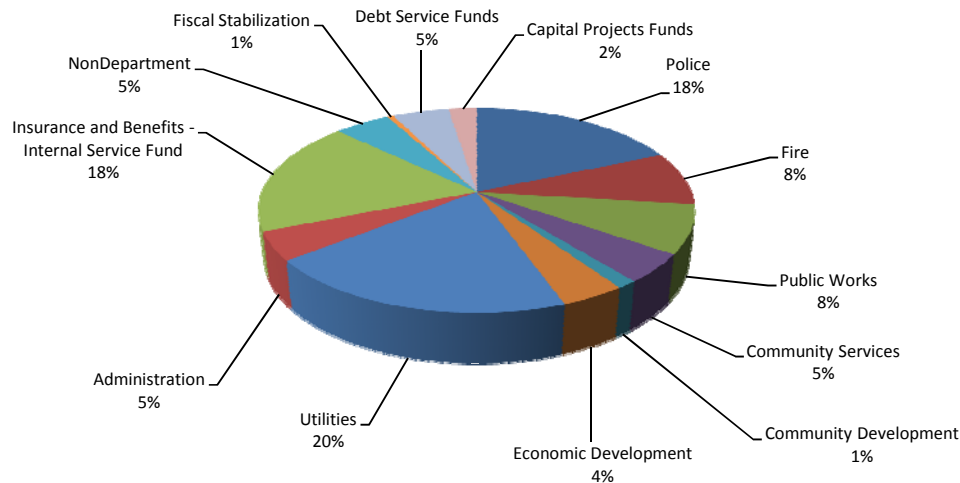
2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
3	Citywide Budget	B – 1 to B – 2	B – 1	Correct Net Budget calculation, addition of Community Services Trust Account Budgets

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City of Stockton Citywide Budget 2012-13 Baseline and Proposed Budget

Baseline **\$547,754,536**
Proposed **\$521,846,247**



	Operating Budget	Debt Service Budget	Capital Budget	Total	
Program Appropriations					
Police	\$ 101,320,283			\$ 101,320,283	18%
Fire	46,333,121			46,333,121	8%
Public Works	36,972,482	\$ 1,365,771	\$ 3,404,760	41,743,013	8%
Community Services	24,997,758		-	24,997,758	5%
Community Development	6,947,489			6,947,489	1%
Economic Development	20,040,115	2,207,670		22,247,785	4%
Utilities	70,914,582	27,473,909	10,740,552	109,129,043	20%
Administration	20,249,138	325,000	4,083,672	24,657,810	5%
Insurance and Benefits - Internal	92,022,544	7,712,550		99,735,094	18%
NonDepartmental Funds					
NonDepartment	26,911,808			26,911,808	5%
Fiscal Stabilization	1,929,016		1,000,000	2,929,016	1%
Debt Service Funds		27,261,545		27,261,545	5%
Capital Projects Funds	117,257	248,781	13,174,733	13,540,771	2%
	<u>\$ 448,755,593</u>	<u>\$ 66,595,226</u>	<u>\$ 32,403,717</u>	<u>\$ 547,754,536</u>	<u>100%</u>
Pending Balancing Plan					
				(25,908,289)	
				<u>\$ 521,846,247</u>	
Net Budget					
Internal Service Charges				\$ (124,283,540)	
Interfund Transfers				(29,407,257)	
				<u>\$ 368,155,450</u>	

(a) The Proposed Citywide Budget depicts the full City baseline budget before implementation of any balancing measures in the General Fund. It also includes \$2.9 million in Fiscal Stabilization measures for capital, internal service fund reserves and phasing out employee furloughs.



2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
4	Public Works	G – 3 to G – 4	G – 3	Correct proposed General Fund appropriation in the narrative section.

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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 – Baseline:

Total Expenditures	\$41,743,013
Total Revenues	\$33,436,216
Total Net Cost	\$8,306,797
Total Staff	164

DEPARTMENTAL DESCRIPTION

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

The Budget at a Glance consists mainly of restricted funding sources augmented by General Fund monies. The General Fund is now used exclusively for Parks, Trees, and Facilities. This pays for 1) maintenance, minor repairs, and capital replacements for 800,000 square feet of City buildings at 60 sites, including janitorial, roof maintenance, HVAC, plumbing, carpentry, and key/alarm control services, 2) contracted maintenance services at 50 parks, including janitorial, landscape and irrigation work, median maintenance and weed control, 3) responsibility for over 125,000 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 maintaining and replacing 763 miles of pavement, 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 300 traffic signals. The Community Enhancement Section removes weeds, debris, and graffiti from public spaces.

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 12-13 transportation and facility capital budget is \$10.6 million. Of this amount, only \$1,575,000 comes from the General Fund. This means there is constant pressure to seek out, apply for, 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 manages the solid waste franchise agreements and participates in, oversees, or directly provides 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 composting. The Division also oversees contracted street sweeping services and funds the Community Enhancement Program. The Division is funded by fees based on 3.5% of franchised hauler gross rate revenues.

PUBLIC WORKS DEPARTMENT

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, and 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 to streetscapes and medians, painting and repair of walls, landscape/janitorial services at 12 parks, and street lighting repair and electricity costs.

KEY ISSUES

We cannot maintain the City's infrastructure at acceptable levels. The cost of completing deferred maintenance increases across all infrastructure categories at the current funding level including transportation, buildings, parks, and the urban forest. In particular, the loss of General Fund dollars for transportation maintenance has reduced standards and forced diversion of Measure K Maintenance funds from capital projects to day to day maintenance activities.

The City has benefited from one time funding sources (Federal Stimulus, SNI, and State Proposition 1B) to fund maintenance, masking the the loss of sustainable funding. But these one time funding sources were exhausted in FY 2011-12 and deterioration of the transportation system will accelerate. As a result the Department will define service standards what the City can afford given the funds available.

To blunt the impact of reduced funding, Public Works must operate efficiently. To accomplish this, an upgrade in technology is needed that provides a comprehensive maintenance management system. Public Works and the Municipal Utilities have begun a cooperative process to identify the best system for each department's needs. It is anticipated that a system will be purchased, installed, and staff trained over the next 18 to 24 months. This system will improve cost effectiveness and accountability; and help to balance available funding between operations and capital needs.

Finally, this Department has lost and will continue to lose key staff because of budget reductions and retirements. Staff development will be essential to compensate for the skills and institutional knowledge that will be lost.

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
5	Community Services	Entire Section	H – 1, H – 3, H – 5, H – 8, H – 9, H – 11 to H – 16, H – 18, H – 19, H – 21, H – 24 to H – 31	Addition of Community Services Trust Account Budgets not included in May 15 th document.

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Community Services Director

Library

- Branch Libraries
 - Books & materials circulation
 - Library & community sponsored programs
 - In use of facility
 - Reference & reader advisory
- Technical Services
 - Catalog/database of materials
 - Customer database maintenance
 - Interlibrary loan service
 - Materials review & procurement
 - Material circulation
- Programming and Outreach Services
 - Literacy outreach programs
 - Outreach events & school participation
 - Mobile library
 - Programs to attract non-traditional library users
 - Library & cultural programs

Administration

- Operations & Personnel Management
- Budget Preparation & Control
- Policies & Procedures
- Grant & Contract Administration
- Safety Program
- Liaison to Fundraising & Support Organizations
 - Friends of the Library organizations
 - Literacy organizations
- Public Information

Recreation

- Recreation Programs
 - 5 Community centers
 - After School Program at 13 local schools
 - Youth day camps
 - Pixie Woods Park
 - Teen programs & activities
 - Instructional classes
 - Facility rentals & reservations
 - Weber Point Events Center
 - Civic Auditorium
 - Downtown Plaza venues
 - Sports facilities
 - Parks & picnic areas
 - "Showmobile" mobile stage
- Sports Leagues
- Citywide Special Events
- Contract Management
 - Golf courses
 - Oak Park Tennis Complex
 - Arnaiz Softball Complex
 - Stockton Soccer Complex
 - G&J Podesto Teen Center
 - Children's Museum
 - Swimming pools
- Community Relations
 - Children's Museum Board
 - Pixie Woods Board
 - Parks & Recreation Foundation

Arts

- Public Art Projects Promotion & Planning
- Stockton Arts Commission

Community Services Department



COMMUNITY SERVICES DEPARTMENT

MISSION STATEMENT

To enhance the quality of life, economic vitality, health and well-being of the community by creating and providing the resources and program opportunities to its residents of all ages to pursue their educational, civic, business, and personal interests and to meet their recreational and leisure needs.

Budget at a Glance – Baseline:

Total Expenditures	\$24,997,758
Total Revenues	\$17,255,067
Total Net Cost	\$7,742,691
Total Staff	83

DEPARTMENTAL DESCRIPTION

The Community Services Department has four divisions: Administration, Library Services (Special Revenue Fund 041-3500), Recreation Services (Special Revenue Fund 044-3600) and Golf (Enterprise Fund 481-3650). The department also oversees the City's arts programs (General Fund 010-3643 and CIP Fund 306-7000).

The Administration Division provides leadership and support required to plan, direct, and coordinate operations of the department. The division is responsible for business operations including budget preparation, financial monitoring, policy and process development, contract management, purchasing, payroll, accounts payable, personnel, publicity, and delivery.

The Library Services Division, the Stockton-San Joaquin County Public Library (SSJCPL), creates an environment for connecting people and ideas by providing various library resources to pursue their educational, civic, business and personal interests. Through an agreement with the County of San Joaquin, the Library provides services throughout the county with the only exception being the City of Lodi. SSJCPL serves the residents of San Joaquin County at twelve library facilities and a Mobile Library in Stockton, Escalon, Lathrop, Linden, Manteca, Mountain House, Ripon, Thornton, and Tracy. The division is divided into two major functional areas: Public Services and Technical Services. Public Services is responsible for direct service delivery to library customers in branch libraries, the development and implementation of outreach events and program offerings at branch libraries, Mobile Library operations and the management of the Library's Adult and Family Literacy programs. Technical Services is responsible for all aspects of collection development and management including the selection, acquisition, cataloging, and processing of new books and other materials. Technical Services also manages customer accounts to include customer notifications and the Library's interaction with our collection agency organization.

The Recreation Services Division provides a system of recreational facilities and programs benefiting City of Stockton residents and visitors. The division provides the leadership for healthier communities, environmental stewardship, community connections, partnerships, professionalism, and integrity in its abilities to promote social, recreational and cultural opportunities for residents and visitors through quality programming, services and customer satisfaction. The division seeks recreation opportunities with local non-profit organizations and community groups. Its expectations include being a partner to reduce juvenile crime, establishing healthy community centers and facilities, enhancing the social well being of children and their families and influencing economic well-being. The division is responsible for the operations of more than 24 facilities including 5 community centers, 4 joint use facilities, 4 swimming pools, 3 softball complexes, Gary Podesto Teen Center, Silver Lake Family Camp, Billy Hebert Baseball Stadium, Stockton Soccer Complex (6 fields), Oak Park Tennis Center, Pixie Woods Children's Theme Park, Weber Point Events Center and the Stockton Memorial Civic Auditorium.

COMMUNITY SERVICES DEPARTMENT

The Golf Division, in July of 2011, the City Council adopted a resolution which allowed the City Manager to contract the operations and maintenance of its two municipal golf courses to Kemper Sports Inc. The City Council approved user fees fund the operations. Swenson Park Golf Course, a champion 18-hole course and a 9-hole executive par 3 course on approximately 240 acres, and Van Buskirk Golf Course, an 18-hole championship course on approximately 214 acres.

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 ISSUES

Operations of both Library Services and Recreation Services have been greatly impacted in past years by the reduction in discretionary City General Fund contributions. Funding for Library Services from the General Fund has decreased by almost 40% or \$2.6 million from its original budget in FY 2008-09. As a consequence of severe reductions to the Library's operating budget, library open hours have been reduced by 48% in City of Stockton branches over the same period of time. Recreation Services Division has received a total reduction in subsidy of 32% or \$1.3 million since FY 2008-09. These reductions in contributions from the General Fund for the past three years have significantly decreased the volume and quality of recreational opportunities available to the Stockton community.

The Library Services Division will be impacted for the second straight year by the Governor's proposed cuts to State-funded public library services. Three revenue sources are targeted for elimination. (1) The State Public Library Fund (PLF) program provides funding to local public library jurisdictions based on a service area population formula. SSJCPL receives approximately \$200,000 annually to provide funding for purchases of library books and materials. (2) The California Library Literacy Services (CLLS) program provides funding of approximately \$50,000 for the Library's Adult and Family Literacy programming. Funds for the CLLS program are used primarily for teaching materials and to pay for the Training Wheels bookmobile that travels around the County providing literacy-based programming outside of the Chavez Library. (3) The California Library Services Act (CLSA) program provides annual funding for the 49-99 consortium. Funds are primarily used to contract with SSJCPL to provide daily pick-up and delivery services among member libraries of the 49-99 Cooperative Library system (49-99).

Due to the economic recession, Northern California golf facilities have reported a decline in the number of golf rounds at private, resort and municipal sites with many areas experiencing declines ranging from single digit up to 15%. Competition, increasing operating costs, and the deteriorating condition of the golf courses will also continue to impact the performance of the City's golf courses. A Request for Proposal (RFP) was distributed to explore the interests from the private golf industry to operate one or both Stockton's golf courses under a long term lease agreement, or to purchase and operate one or both golf courses and to consider other options for the City's golf operations. A five-year management agreement with a golf management company was selected and a contract was awarded to operate and maintain both courses beginning FY 2011-12.

Community Services Department
2012-13 Proposed Budget

	<u>General Fund</u> <u>Baseline</u> <i>See Page H-6</i>	<u>Library</u> <i>See Page H-8</i>	<u>Recreation</u> <i>See Page H-18</i>	<u>Total</u>
Beginning Available Balance		\$ 873,645	\$ 781,965	
Revenues				
San Joaquin County Contract		5,006,073		5,006,073
Additional Hours Contracts		148,700		148,700
Fines		130,000		130,000
Other Revenues		309,931	8,727	318,658
Recreation Programs			3,215,972	3,215,972
Facility Admission and Rentals			447,050	447,050
Community Centers			290,000	290,000
	<u>-</u>	<u>5,594,704</u>	<u>3,961,749</u>	<u>9,556,453</u>
Expenditures				
Salary and benefits	36,720			36,720
Services & Supplies	967			967
Library Operations		8,625,232		8,625,232
Administration		1,434,494	938,736	2,373,230
Children's Museum			5,000	5,000
Civic Auditorium			305,971	305,971
Community Centers			1,805,924	1,805,924
Program Expenses			4,132,138	4,132,138
	<u>37,687</u>	<u>10,059,726</u>	<u>7,187,769</u>	<u>17,285,182</u>
Transfers				
Transfer In - General Fund		4,125,000	3,122,000	7,247,000
Transfer In - Other Funds		7,750	443,864	451,614
Transfer Out - Other Funds	(7,247,000)	(6,250)	(459,326)	(7,712,576)
	<u>(7,247,000)</u>	<u>4,126,500</u>	<u>3,106,538</u>	<u>(13,962)</u>
Net Annual Activity	<u>(7,284,687)</u>	<u>(338,522)</u>	<u>(119,482)</u>	<u>(7,742,691)</u>
				-
Ending Available Balance		<u><u>\$ 535,123</u></u>	<u><u>\$ 662,483</u></u>	
	-	-	-	
			Revenues	\$ 9,556,453
			Transfers	7,698,614
			Total Sources	<u>\$ 17,255,067</u>
			Expenditures	\$ 17,285,182
			Transfers	7,712,576
			Total Appropriations	<u>\$ 24,997,758</u>

**Community Services Department
General Fund - 010
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Current Budget	Baseline
Total Community Services Department				
Employee Services	\$ 30,534	\$ 37,193	\$ 35,978	\$ 36,720
Other Services	442	2,832	759	967
Materials and Supplies	-	-	-	-
Other Expenses	-	-	-	-
Transfers	7,251,225	7,052,916	6,735,022	7,247,000
Total	<u>\$ 7,282,201</u>	<u>\$ 7,092,941</u>	<u>\$ 6,771,759</u>	<u>\$ 7,284,687</u>

Arts Commission

Employee Services	30,534	37,193	35,978	36,720
Other Services	442	2,832	759	967
Materials and Supplies				
Other Expenses				
Total	<u>30,976</u>	<u>40,025</u>	<u>36,737</u>	<u>37,687</u>

Library

Employee Services				
Other Services				
Materials and Supplies				
Other Expenses				
Transfer - Library	4,227,451	4,111,205	3,977,759	4,125,000
Total	<u>4,227,451</u>	<u>4,111,205</u>	<u>3,977,759</u>	<u>4,125,000</u>

Recreation

Employee Services				
Other Services				
Materials and Supplies				
Other Expenses				
Transfer - Recreation	3,023,774	2,941,711	2,757,263	2,800,000
Total	<u>3,023,774</u>	<u>2,941,711</u>	<u>2,757,263</u>	<u>2,800,000</u>

Golf

Employee Services				
Other Services				
Materials and Supplies				
Other Expenses				
Transfer - Golf Fund				322,000
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,000</u>



**Community Services Department
Library Programs
2012-13 Proposed Budget**

	Library 041	Special Revenue 644	Kolak Trust 614	Bess Larsen Trust 621
	<i>See Page H-11</i>	<i>See Page H-12</i>	<i>See Page H-13</i>	<i>See Page H-14</i>
Beginning Available Balance	\$ 422,190	\$ 258,350	\$ 187,230	\$ 100
Revenues				
San Joaquin County	5,006,073			
Additional Hours Contracts	148,700			
Fines	130,000			
Other Revenues	186,046	119,500	4,000	35
	5,470,819	119,500	4,000	35
Expenditures				
Branch operations	7,023,614	219,000	8,750	135
Technical services	1,043,062			
Programming and outreach	324,546			
Administration and delivery	1,434,494			
Capital projects	-			
	9,825,716	219,000	8,750	135
Transfers				
Transfer In - General Fund	4,125,000			
Transfer In - Other	7,750			
Transfer Out			(6,250)	
	4,132,750	-	(6,250)	-
Net Annual Activity	(222,147)	(99,500)	(11,000)	(100)
Ending Available Balance	\$ 200,043	\$ 158,850	\$ 176,230	\$ -
	-	-	-	-

**Community Services Department
Library Programs, Continued
2012-13 Proposed Budget**

	G. Cady Trust 622	Kiersch Memorial 628	Library Programs Total
	<i>See Page H-15</i>	<i>See Page H-16</i>	
Beginning Available Balance	\$ 5,234	\$ 541	\$ 873,645
Revenues			
San Joaquin County			5,006,073
Additional Hours Contract			148,700
Fines			130,000
Other Revenues	250	100	309,931
	<u>250</u>	<u>100</u>	<u>5,594,704</u>
Expenditures			
Branch operations	5,484	641	7,257,624
Technical services			1,043,062
Programming and outreach			324,546
Administration and delivery			1,434,494
Capital projects			-
	<u>5,484</u>	<u>641</u>	<u>10,059,726</u>
Transfers			
Transfer In - General Fund - 010			4,125,000
Transfer In - Fund - 614			7,750
Transfer Out			(6,250)
	<u>-</u>	<u>-</u>	<u>4,126,500</u>
Net Annual Activity	<u>(5,234)</u>	<u>(541)</u>	<u>(338,522)</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535,123</u>
	-	-	-

COMMUNITY SERVICES DEPARTMENT

LIBRARY SERVICES FUND (041)

History

- This fund allows for the provision of Library services at four City of Stockton libraries, eight County branches, and the Mobile Library.
- The City of Stockton has funded public library services since 1880 and, in partnership with San Joaquin County since 1910, has provided library services across the county.
- Due to budget reductions starting in FY 08/09, the Stockton-San Joaquin County Public Library has reduced operating hours System-wide by 28% and reduced staffing levels by 50%.

2011-12 Events

- The City of Stockton and the County of San Joaquin jointly signed a new Agreement for Library Services in February, 2011.
- The Library made available for the first time to its customers downloadable e-books and audiobooks.
- The Library joined a two-state consortium of more than 50 public and academic libraries making more than 9 million unique titles available to customers.
- 28 state-of-the-art customer self-service stations were deployed in both City and County libraries providing greater customer flexibility and staff efficiency.
- System-wide, the Library is projected to lend more than 1.7 million items.

2012-13 Proposed Budget Issues and Proposed Changes

- The proposed baseline budget for FY 12/13 neither allows for service enhancements nor requires any service reductions. Operating schedules will remain status quo with the exception that branches may undertake a modest shift in operating hours so that each branch could be open during one evening each week.

**Community Services Department
Library - 041
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 4,285,681	\$ 3,747,079	\$ 847,686	\$ 422,190
Revenues				
San Joaquin County	5,323,298	5,202,986	5,086,478	4,835,323
San Joaquin Material Match Program	100,000	76,100	62,699	170,750
Additional Hours Contracts	113,125	142,107	142,565	148,700
State of California Grant	104,241	103,896		
Fines & Fees	223,965	206,106	130,000	130,000
Other Revenues	126,129	343,020	202,766	186,046
	5,990,758	6,074,215	5,624,508	5,470,819
Expenditures				
Administration	1,281,988	1,071,178	1,456,079	1,267,323
Programming and Outreach	424,844	441,051	311,125	324,546
Technical Services	2,596,172	1,505,010	1,057,320	1,043,062
Branch Operations	6,325,199			
Branch Operations - County		3,436,887	3,276,919	3,464,649
Branch Operations - City		3,417,930	3,246,325	3,558,965
Delivery Services	66,561	72,382	146,995	167,171
Capital projects	60,047	44,942	533,000	
	10,754,811	9,989,380	10,027,763	9,825,716
Transfers				
Transfer In - General Fund	4,227,451	4,111,205	3,977,759	4,125,000
Transfer In - Other				7,750
Transfer Out	(2,000)	(736,760)		
	4,225,451	3,374,445	3,977,759	4,132,750
Net Annual Activity	(538,602)	(540,720)	(425,496)	(222,147)
Ending Available Balance	\$ 3,747,079	\$ 3,206,359	\$ 422,190	\$ 200,043
Available Balance Calculation				
Cash		\$ 3,162,931		
Accounts Receivable		163,867		
Accounts Payable		(120,436)		
Encumbrances		(70,492)		
Capital Projects		(2,288,184)		
Ending Available Balance		\$ 847,686		

**Community Services Department
Library Special Revenue Fund - 644
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 467,618	\$ 473,914	\$ 471,350	\$ 258,350
Revenues				
Program Revenue	97,706	125,977	95,000	115,000
Other Revenue	125,469	105,545	6,000	4,500
	223,175	231,522	101,000	119,500
Expenditures				
Program Expenditures	216,879	234,086	314,000	219,000
	216,879	234,086	314,000	219,000
Transfers				
Transfer In				
Transfer Out				
	-	-	-	-
Net Annual Activity	6,296	(2,564)	(213,000)	(99,500)
Ending Available Balance	\$ 473,914	\$ 471,350	\$ 258,350	\$ 158,850
Available Balance Calculation				
Cash		\$ 526,033		
Accounts Receivable		5,761		
Accounts Payable		(60,444)		
Ending Available Balance		\$ 471,350		

**Community Services Department
Kolak Trust - 614
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	<u>\$ 207,155</u>	<u>\$ 207,038</u>	<u>\$ 191,740</u>	<u>\$ 187,230</u>
Revenues				
Interest	<u>7,857</u>	<u>4,725</u>	<u>3,990</u>	<u>4,000</u>
	<u>7,857</u>	<u>4,725</u>	<u>3,990</u>	<u>4,000</u>
Expenditures				
Operating Expenditures	<u>7,974</u>	<u>20,023</u>	<u>8,500</u>	<u>8,750</u>
	<u>7,974</u>	<u>20,023</u>	<u>8,500</u>	<u>8,750</u>
Transfers				
Transfer In				
Transfer Out				<u>(6,250)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,250)</u>
Net Annual Activity	<u>(117)</u>	<u>(15,298)</u>	<u>(4,510)</u>	<u>(11,000)</u>
Ending Available Balance	<u>\$ 207,038</u>	<u>\$ 191,740</u>	<u>\$ 187,230</u>	<u>\$ 176,230</u>
Available Balance Calculation				
Cash		\$ 193,379		
Accounts Payable		<u>(1,638)</u>		
Ending Available Balance		<u>\$ 191,741</u>		

**Community Services Department
Bess Larson Trust - 621
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 1,687	\$ 505	\$ 315	\$ 100
Revenues				
Interest	66	46	35	35
	66	46	35	35
Expenditures				
Operating Expenditures		236	250	135
	-	236	250	135
Transfers				
Transfer In				
Transfer Out				
	-	-	-	-
Net Annual Activity	66	(190)	(215)	(100)
Ending Available Balance	\$ 1,753	\$ 315	\$ 100	\$ -
Available Balance Calculation				
Cash		\$ 1,777		
Accounts Payable		\$ (216)		
Principal endowment		(1,246)		
Ending Available Balance		\$ 315		

**Community Services Department
Cady Endowment - 622
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 10,332	\$ 5,733	\$ 6,014	\$ 5,234
Revenues				
Interest	399	281	220	250
	399	281	220	250
Expenditures				
Books & media			1,000	5,484
	-	-	1,000	5,484
Transfers				
Transfer In				
Transfer Out				
	-	-	-	-
Net Annual Activity	399	281	(780)	(5,234)
Ending Available Balance	\$ 10,731	\$ 6,014	\$ 5,234	\$ -
Available Balance Calculation				
Cash		\$ 11,014		
Principal endowment		(5,000)		
Ending Available Balance		\$ 6,014		

**Community Services Department
Kiersch Memorial Trust - 628
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 10,182	\$ 621	\$ 741	\$ 541
Revenues				
Interest	170	120	100	100
	170	120	100	100
Expenditures				
Books & media			300	641
	-	-	300	641
Transfers				
Transfer In				
Transfer Out				
	-	-	-	-
Net Annual Activity	170	120	(200)	(541)
Ending Available Balance	\$ 10,352	\$ 741	\$ 541	\$ -
Available Balance Calculation				
Cash		\$ 4,691		
Principal endowment		(3,950)		
Ending Available Balance		\$ 741		



**Community Services Department
Recreation Division
2012-13 Proposed Budget**

	Recreation 044	Golf 481	Arts Endowment 613	E. Blum Recreation Trust 623	Blum Trust Pixie Woods 624
	<i>See Page H-21</i>	<i>See Page H-23</i>	<i>See Page H-16</i>	<i>See Page H-25</i>	<i>See Page H-26</i>
Beginning Available Balance	\$ 123,439	\$ (12)	\$ 78,659	\$ 2,000	\$ 9,846
Revenues					
Recreation Programs	1,203,400	1,992,572			
Facility Admission and Rentals	447,050				
Community Centers	290,000				
Other Revenue			3,000		306
Donations					
	1,940,450	1,992,572	3,000	-	306
Expenditures					
Administration	938,736				
Children's Museum	5,000				
Civic Auditorium	305,971				
Community Centers	1,805,924				
Pixie Woods	111,605				
Programs - After School	959,602				
Programs - Instructional	41,901				
Programs - Sports	418,326				
Silver Lake Camp	7,901				
Special Events	131,324				
Swimming Facilities	36,225				
Tennis Facilities	18,443				
Grants Awarded			60,000		
Materials & Supplies			2,300		
Program Costs		2,314,511			
	4,780,958	2,314,511	62,300	-	-
Transfers					
Transfer In - General Fund	2,800,000	322,000			
Transfer In - Other	413,721		30,143		
Transfer Out		-		(2,000)	(10,152)
	3,213,721	322,000	30,143	(2,000)	(10,152)
Net Annual Activity	373,213	61	(29,157)	(2,000)	(9,846)
Ending Available Balance	\$ 496,652	\$ 49	\$ 49,502	\$ -	\$ -

**Community Services Department
Recreation Division, Continued
2012-13 Proposed Budget**

Blum Trust Ice Rink 625	A Cross 626	Arts Commission Special 641	Parks & Recreation Trust 643	Special Revenue 683	Recreation Total
<i>See Page H-27</i>	<i>See Page H-28</i>	<i>See Page H-29</i>	<i>See Page H-30</i>	<i>See Page H-31</i>	
\$ 13,541	\$ 57,260	\$ 30,143	\$ 173,829	\$ 293,260	\$ 781,965
			20,000		3,215,972
					447,050
					290,000
421			4,000	1,000	8,727
				-	-
421	-	-	24,000	1,000	3,961,749
					938,736
					5,000
					305,971
					1,805,924
					111,605
					959,602
					41,901
					418,326
					7,901
					131,324
					36,225
					18,443
					60,000
					2,300
			30,000	-	2,344,511
-	-	-	30,000	-	7,187,769
					3,122,000
					443,864
(13,962)	(57,260)	(30,143)	(145,809)	(200,000)	(459,326)
(13,962)	(57,260)	(30,143)	(145,809)	(200,000)	3,106,538
(13,541)	(57,260)	(30,143)	(151,809)	(199,000)	(119,482)
\$ -	\$ -	\$ -	\$ 22,020	\$ 94,260	\$ 662,483

COMMUNITY SERVICES DEPARTMENT

RECREATION SERVICES FUND (044)

History

- This fund provides finances to operate the City's Recreation Services Division.
- The division provides a system of recreational facilities and programs benefiting City of Stockton residents.
- This Special Revenue Fund is maintained through program revenues and general fund subsidy.

2011-12 Events

- The adopted budget of \$5.4 million included a transfer in of \$500,000 from the Recreation Fund Balance to offset the Golf Fund.
- The budget projection assumes that all recreation programs and rentals maintain previous years actual.

2012-13 Proposed Budget Issues and Proposed Changes

- Program and operating expenditures
 - Civic Auditorium, the new more efficient HVAC system installed in 2010 has resulted in a decrease of utility costs.
 - Civic Auditorium rentals have steadily increased since re-opening in 2011. Previous customers have returned and new customers have been drawn due to the additional marketing strategies, such as print ads and upcoming bridal shows.
 - Recreation staff reassignments have been implemented in an effort to focus on increasing quality services and revenue generating programs such as, Youth Sports, Community Center rentals, Seasonal Day Camps and contract management.
 - Pixie Woods marketing strategies will refocus on communication with school districts and community groups in an effort to increase attendance and revenue.
 - After School Programs will increase by 18%, 300 new middle school youth will attend positive after school programs.
 - The City will be selecting a long term operator to manage City owned swimming pools. The result will be an overall reduction of expenses to the City.
 - New marketing strategies such as an on-line magazine and use of social media outlets will increase community awareness of recreational opportunities.
- Annual Activity and ending balance
 - With the above assumptions, the fund will not require an increase in General Fund subsidy. The division will operate a balanced budget for the year.

**Community Services Department
Recreation Services - 044
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Current Budget	Proposed Budget
Beginning Available Balance	\$ 854,977	\$ 950,267	\$ 554,572	\$ 123,439
Revenues				
Entertainment Venues (a)	2,007			
Recreation Programs	1,316,900	1,250,052	998,663	1,203,400
Facility Admission and Rentals	500,549	256,853	228,763	447,050
Community Centers	346,970	302,588	236,272	290,000
Other Revenue	45,352	(26,454)	16,309	
	2,211,778	1,783,039	1,480,007	1,940,450
Expenditures - Plan B Service Level				
Administration	756,829	837,184	759,620	938,736
Children's Museum	311,851	94,120	4,978	5,000
Civic Auditorium	50,129	199,800	255,683	305,971
Community Centers	1,955,606	1,782,619	1,663,108	1,805,924
Entertainment Venues (a)				
Pixie Woods	176,917	124,788	92,585	111,605
Programs - After School	807,332	684,584	820,561	959,602
Programs - Instructional	126,017	52,674	40,244	41,901
Programs - Sports	387,980	346,798	334,819	418,326
Silver Lake Camp	1,454	4,151	6,163	7,901
Special Events	110,302	97,078	112,172	131,324
Sports Commission	96,678	55,363	5,144	
Swimming Facilities	179,029	80,161	54,400	36,225
Tennis Facilities	19,947	18,589	18,926	18,443
	4,980,071	4,377,909	4,168,403	4,780,958
Transfers				
Transfer In - General Fund	3,023,774	2,941,711	2,757,263	2,800,000
Transfer In - Other				413,721
Transfer Out - Golf Course	(160,191)	(677,622)	(500,000)	
	2,863,583	2,264,089	2,257,263	3,213,721
Net Annual Activity	95,290	(330,781)	(431,133)	373,213
Ending Available Balance	\$ 950,267	\$ 619,486	\$ 123,439	\$ 496,652
Available Balance Calculation				
Cash		\$ 707,090		
Accounts Receivable		308,927		
Current Liabilities		(396,536)		
Encumbrances		(64,908)		
Ending Available Balance		\$ 554,573		

(a) Entertainment Venues activity has been moved to a separate fund (086).

COMMUNITY SERVICES DEPARTMENT

GOLF SERVICES FUND (481)

History

- This fund provides finances to operate the City's Golf Division.
- The division provides recreational golf opportunities benefiting City of Stockton residents through the operation of two municipal golf courses. Swenson Golf Course is a twenty seven holes golf course and Van Buskirk is an eighteen hole golf course.
- This Enterprise Fund is maintained through program revenues.
- The Recreation Division subsidized the fund with \$500,000 in FY 2011-12.

2011-12 Events

- The adopted budget of \$2.1 million included a transfer in of \$500,000 from the Recreation Fund Balance to offset the Golf Fund.
- Golf was contracted to Kemper Sports Inc. by the City Council in July of 2011.
- Transition expenditures such as maintenance and food and beverages contracts caused an increase in costs for the first year.
- New operational procedures have provided for a more efficient operation.
- New marketing strategies that tie into existing Kempers' existing national marketing strategies are proving to increase revenues. Kempers' web page and its user friendly design are positive improvements.
- Kempers' use of social media outlets has increased community awareness of golfing opportunities.

2012-13 Proposed Budget Issues and Proposed Changes

- Should both courses remain open, the fund will require a General Fund subsidy in FY 2012-13 of \$325,000.
- Kemper has also submitted a zero subsidy budget. In order to operate with a zero subsidy, the Van Buskirk golf course would need to be closed. This option will produce a profit to the City in future years.

**Community Services Department
Golf - 481
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance		\$ (347,466)	\$ (9,063)	\$ (12)
Revenues				
Swenson Golf Course	\$ 1,127,824	1,126,374	1,280,000	1,354,343
Van Buskirk Golf Course	571,476	532,091	606,051	638,229
	1,699,300	1,658,465	1,886,051	1,992,572
Expenditures				
Swenson Golf Course	1,236,506	1,195,093	1,495,000	1,429,291
Van Buskirk Golf Course	836,808	802,591	882,000	885,220
	2,073,314	1,997,684	2,377,000	2,314,511
Transfers				
Transfer In - General Fund	160,191	677,622	500,000	322,000
	160,191	677,622	500,000	322,000
Net Annual Activity	\$ (213,823)	338,403	- 9,051	61
Ending Available Balance		\$ (9,063)	\$ (12)	\$ 49
Available Balance Calculation				
Current assets				
Current liabilities				
Ending Available Balance		\$ -		

**Community Services Department
Arts Endowment - 613
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 1,483,826	\$ 1,501,362	\$ 136,959	\$ 78,659
Revenues				
Interest	54,686	36,818	4,000	3,000
Grant	2,000	2,000		
	56,686	38,818	4,000	3,000
Expenditures				
Grants Awarded	39,150	103,221	60,000	60,000
Materials & Supplies			2,300	2,300
	39,150	103,221	62,300	62,300
Transfers				
Transfer In - 641 Fund				30,143
Transfer Out		(1,300,000)		
	-	(1,300,000)	-	30,143
Net Annual Activity	17,536	(1,364,403)	(58,300)	(29,157)
Ending Available Balance	\$ 1,501,362	\$ 136,959	\$ 78,659	\$ 49,502
Available Balance Calculation				
Cash		\$ 186,960		
Accounts Receivable				
Accounts Payable		(50,000)		
Principal endowment				
Ending Available Balance		\$ 136,960		

**Community Services Department
Blum - General Recreation - 623
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Revenues				
Interest	-	-	-	-
Expenditures				
Library materials	-	-	-	-
Transfers				
Transfer In				
Transfer Out - Recreation Fund	-	-	-	(2,000)
Net Annual Activity	-	-	-	(2,000)
Ending Available Balance	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Available Balance Calculation				
Cash		\$ 2,000		
Ending Available Balance		\$ 2,000		

**Community Services Department
Blum - Pixie Woods - 624
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 8,950	\$ 9,296	\$ 9,540	\$ 9,846
Revenues				
Interest	346	244	306	306
	346	244	306	306
Expenditures				
Materials & Supplies	-	-	-	-
	-	-	-	-
Transfers				
Transfer In				
Transfer Out - Recreation Fund				(10,152)
	-	-	-	(10,152)
Net Annual Activity	346	244	306	(9,846)
Ending Available Balance	\$ 9,296	\$ 9,540	\$ 9,846	\$ -
Available Balance Calculation				
Cash		\$ 9,540		
Ending Available Balance		\$ 9,540		

**Community Services Department
Blum Red Feather - 625
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 12,310	\$ 12,786	\$ 13,121	\$ 13,541
Revenues				
Interest	476	335	420	421
	476	335	420	421
Expenditures				
Materials & Supplies	-	-	-	-
	-	-	-	-
Transfers				
Transfer In				
Transfer Out - Ent. Venues Fund				(13,962)
	-	-	-	(13,962)
Net Annual Activity	476	335	420	(13,541)
Ending Available Balance	\$ 12,786	\$ 13,121	\$ 13,541	\$ -
Available Balance Calculation				
Cash		\$ 13,122		
Ending Available Balance		\$ 13,122		

**Community Services Department
Arlo Cross - 626
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 37,925	\$ 46,910	\$ 56,130	\$ 57,260
Revenues				
Interest	9,180	9,416	1,130	-
	9,180	9,416	1,130	-
Expenditures				
Operating Expenditures	195	196	-	-
	195	196	-	-
Transfers				
Transfer In				
Transfer Out - Library Fund				(1,500)
Transfer Out - Recreation Fund				(55,760)
	-	-	-	(57,260)
Net Annual Activity	8,985	9,220	1,130	(57,260)
Ending Available Balance	\$ 46,910	\$ 56,130	\$ 57,260	\$ -
Available Balance Calculation				
Cash		\$ 56,131		
Ending Available Balance		\$ 56,131		

Community Services Department
Stockton Arts Commission Special Revenue - 641
2012-13 Proposed Budget

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 58,523	\$ 37,612	\$ 29,553	\$ 30,143
Revenues				
Program Revenues	16,361	780		
Donations	2,722			
Interest	1,098		590	
	20,181	780	590	-
Expenditures				
Program costs	16,397	8,839		
Art awards	21,493			
Publicity & marketing	3,202			
	41,092	8,839	-	-
Transfers				
Transfer In				
Transfer Out - 613 Fund				(30,143)
	-	-	-	(30,143)
Net Annual Activity	(20,911)	(8,059)	590	(30,143)
Ending Available Balance	\$ 37,612	\$ 29,553	\$ 30,143	\$ -
Available Balance Calculation				
Cash		\$ 29,554		
Accounts Receivable				
Ending Available Balance		\$ 29,554		

**Community Services Department
Parks & Recreation Trust - 643
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 302,332	\$ 270,429	\$ 278,429	\$ 173,829
Revenues				
Donations	9,241	10,789		
Program revenue	13,456	16,467		20,000
Interest income	8,563	5,591	5,400	4,000
Fundraisers	450			-
	31,710	32,847	5,400	24,000
Expenditures				
Program costs	63,613	24,847	110,000	30,000
	63,613	24,847	110,000	30,000
Transfers				
Transfer In - General Fund				
Transfer Out - Recreation Fund				(145,809)
	-	-	-	(145,809)
Net Annual Activity	(31,903)	8,000	(104,600)	(151,809)
Ending Available Balance	\$ 270,429	\$ 278,429	\$ 173,829	\$ 22,020
Available Balance Calculation				
Cash		\$ 278,960		
Accounts Receivable		2,250		
Accounts Payable		(2,781)		
Ending Available Balance		\$ 278,429		

**Community Services Department
Recreation Special Revenue - 683
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 279,431	\$ 307,140	\$ 281,627	\$ 293,260
Revenues				
Donations	-			
Interest income	27,709		11,633	1,000
	27,709	-	11,633	1,000
Expenditures				
Program costs		25,513		
	-	25,513	-	-
Transfers				
Transfer In				
Transfer Out - Recreation Fund				(200,000)
	-	-	-	(200,000)
Net Annual Activity	27,709	(25,513)	11,633	(199,000)
Ending Available Balance	\$ 307,140	\$ 281,627	\$ 293,260	\$ 94,260
Available Balance Calculation				
Cash		\$ 281,631		
Accounts Payable		(4)		
Ending Available Balance		\$ 281,627		



2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
6	Community Development	I – 7 to I – 8	I – 8	2011-12 General Plan Maintenance revenues were omitted. Adding back this revenue changes the 2012-13 available balance.

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**Community Development and Fire Departments
Development Services - 048
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Proposed Budget	Proposed Budget
Beginning Available Balance	\$ (3,349,676)	\$ 1,117,014	\$ (512,318)	\$ 596,925
Prior Period Adjustment		\$ (633,638)		
Adjusted Beginning Fund Balance		\$ 483,376		
	5,670,850			
Revenues	102,308			
Community Development				
User Fees	6,031,430	5,465,997	4,346,980	4,339,350
Development Oversight	140,915	112,154	157,856	130,000
Technology Fee	338,504	276,974	284,477	350,000
CRS Administrative Fee			63,220	56,000
General Plan Maint & Impl			474,445	350,000
Development Code Maintenance			157,892	120,000
Climate Action Plan			157,892	120,000
Housing Element Prep/Impl/Main			78,954	55,000
Capital Preservation			157,686	150,000
Grants			40,000	102,308
Fines & Penalties	-		1,853	500
Refunds & Reimbursements		(25,874)		
	<u>6,510,849</u>	<u>5,829,251</u>	<u>5,921,255</u>	<u>5,773,158</u>
Fire Prevention				
User Fees	1,838,588	1,565,099	1,479,725	1,535,712
Safe & Sane Fireworks Program	23,540	29,282	26,750	27,583
Fines & Penalties	105,211	82,784	51,206	60,000
	<u>1,967,339</u>	<u>1,677,165</u>	<u>1,557,681</u>	<u>1,623,295</u>
Other Revenue	<u>4,849,672</u>	<u>77,453</u>		
	<u>13,327,860</u>	<u>7,583,869</u>	<u>7,478,936</u>	<u>7,396,453</u>
Expenditures				
Community Development				
Business Ops and Customer Svc	2,253,382	2,320,233	1,607,816	2,003,990
Planning & Engineering Services	2,736,239	2,376,754	1,835,507	1,781,849
Building and Life Safety	2,261,091	2,118,243	1,461,927	1,987,319
Dept. restructuring				1,000,000
	<u>7,250,712</u>	<u>6,815,230</u>	<u>4,905,250</u>	<u>6,773,158</u>
Fire Prevention				
Fire Prevention	1,586,937	1,634,020	1,570,232	1,696,136
Fire Public Education	16,997	18,814	21,649	
Safe & Sane Fireworks Program	6,524	26,113	22,562	15,471
	<u>1,610,458</u>	<u>1,678,947</u>	<u>1,614,443</u>	<u>1,711,607</u>
	<u>8,861,170</u>	<u>8,494,177</u>	<u>6,519,693</u>	<u>8,484,765</u>
Transfers				
Transfer In - General Fund				
Business Plans			150,000	1,000,000
Transfer Out				
	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>1,000,000</u>
Net Annual Activity				
Community Development	(739,863)	(985,979)	1,166,005	-
Fire	356,881	(1,782)	(56,762)	(88,312)
Other	4,849,672	77,453	-	-
	<u>4,466,690</u>	<u>(910,308)</u>	<u>1,109,243</u>	<u>(88,312)</u>
	-	-	-	-
Ending Available Balance	<u>\$ 1,117,014</u>	<u>\$ (426,932)</u>	<u>\$ 596,925</u>	<u>\$ 508,613</u>
Available Balance Calculation				
Current Assets		\$ 258,265		
Current Liabilities		(685,422)		
Encumbrances		(85,161)		
Ending Available Balance		<u>\$ (512,318)</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 F-8.

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
7	Economic Development	J – 29 to J – 30	J – 29	Break out Parking District loan repayment amount between Air Quality PFF and General Liability Insurance ISF funds.

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**Property Management
Central Parking - 416/417
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projection	Proposed Budget
Beginning Available Balance		\$ 871,810	\$ 913,116	\$ 518,572
Revenues				
Assessments	\$ 1,093,572	1,152,042	1,356,366	1,395,701
Monthly Parking	1,955,854	1,801,396	1,518,845	1,003,800
Hourly Parking	589,078	671,598	532,074	485,000
Parking Meters	539,054	498,156	495,019	650,000
Events	435,983	476,439	481,268	230,000
Other agencies	133,989	99,421	84,270	88,809
Validations / Lot Envelopes	14,421	38,162	54,756	50,000
Other	108,768	87,180	(48,761)	
Uncollectible A/R	(70,789)	71,053		
	4,799,930	4,895,447	4,473,837	3,903,310
Expenditures				
Administration & Overhead	1,339,376	951,003	948,533	1,013,588
Utilities	209,173	217,830	206,253	111,659
Rentals	253,067	266,170	280,843	175,000
Maintenance	152,948	131,172	394,533	216,473
Materials & Supplies	42,643	66,908	49,236	59,212
Taxes/Indirect costs	109,891	239,756	326,032	326,032
Other services	11,562	41,638	1,425	61,334
Compensated Absences	3,355	(46,096)		
Debt Service - Arena & Coy	1,683,701	2,376,449	1,085,600	
	3,805,716	4,244,830	3,292,455	1,963,298
Transfers				
Transfer In				
Transfer Out - General Fund	(777,164)	(609,311)	(1,575,926)	(772,220)
Transfer Out - Air Quality PFF 990				(175,000)
Transfer Out - Insurance - 541				(175,000)
	(777,164)	(609,311)	(1,575,926)	(1,122,220)
Net Annual Activity	\$ 217,050	41,306	(394,544)	817,792
Ending Available Balance		\$ 913,116	\$ 518,572	\$ 1,336,364
Available Balance Calculation				
Cash		\$ 863,979		
Accounts receivable		304,548		
Accounts Payable		(241,905)		
Capital Projects		(100,000)		
Encumbrances		(11,047)		
Ending Available Balance		\$ 815,575		

ECONOMIC DEVELOPMENT DEPARTMENT

DOWNTOWN MARINA COMPLEX (460)

History

- This fund operates, maintains, and services the debt for the Downtown Marina
- The Marina has been in operation for 2 1/2 years providing both permanent slips and short term berthing as well as manage the Morelli boat ramp.
- Occupancy at the permanent slips has grown over time to a present level of approximately 55%.

2011-12 Events

- Revenue increased at all sources, but still below estimates
- Marina changed staff and increased marketing efforts in order to increase both events and slip rental
- Mega yacht, The Casino Royale, is presently berthing at the Marina, which has both increased the revenue as well as other yachts have now located at the Marina.
- Presently 8 new boats are scheduled to move into permanent slips by the end of June.

2012-13 Proposed Budget Issues and Proposed Changes

- Revenue from all sources does not cover operational expenses and will need additional funding to maintain the Marina Complex for the fiscal year.
- Marina Staff to increase marketing for new events to increase the short term berthing and boat launching revenue.

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
8	Administration and Support	L – 1 to L – 2	L – 2	Section Summary page updated with Entertainment Venue Beginning Balance Correction

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Administration and Support
2012-13 Proposed Budget

	Charter Offices	Administrative Services		Human Resources	
	City Council, Manager, Clerk, Attorney, Auditor 010	General Fund Baseline 010	Technology Internal Service 502/508	General Fund Baseline 010	Insurance and Benefits Internal Service 541-562
	<i>See Page L-13</i>	<i>See Page L-17</i>	<i>See Page O-11</i>	<i>See Page L-22</i>	<i>See Page O-18</i>
Beginning Available Balance			\$ 3,222,129		\$ (45,269,236)
Revenues					
Operating Revenues			12,077,953		85,891,062
Other Revenue	\$ 26,353	\$ 36,625			16,775,299
	26,353	36,625	12,077,953	-	102,666,361
Expenditures					
Employee Services	3,087,261	2,957,059		\$ 1,225,807	
Other Services	696,237	789,970		769,834	
Materials and Supplies	51,482	48,947		19,700	
Capital Projects			4,083,672		
Debt Service			325,000		7,712,550
Other Expenses	49,990	26,100	10,356,121	170,630	92,022,544
	3,884,970	3,822,076	14,764,793	2,185,971	99,735,094
	-	-		-	
Transfers					
Transfer In - General Fund					
Transfer In - Other Funds					175,000
Transfer Out - Other Funds					
	-	-	-	-	175,000
Net Annual Activity	\$ (3,858,617)	\$ (3,785,451)	(2,686,840)	\$ (2,185,971)	3,106,267
				-	
Ending Available Balance			\$ 535,289		\$ (42,162,969)
			-		-

Administration and Support, Continued
2012-13 Proposed Budget

	Non-Department					Administration & Support Total
	General Fund Baseline 010	Entertainment Venues 086	Other Special Programs 020/642/627	Debt	Capital	
	<i>See Page L-25</i>	<i>See Page L-28</i>	<i>See Page L-29</i>	<i>See Page M-6</i>	<i>See Page N-15</i>	
Beginning Available Balance		\$ 359,799	\$ 91,596			
Revenues						
Operating Revenues		4,770,399	820,765			\$ 103,560,179
Other Revenue			95,647	\$ 19,000,265	\$ 10,783,312	46,717,501
	-	4,770,399	916,412	19,000,265	10,783,312	150,277,680
Expenditures						
Employee Services	(340,984)		740,969			7,670,112
Other Services	4,840,966	211,018	79,796			7,387,821
Materials and Supplies	15,125					135,254
Capital Projects					10,621,000	14,704,672
Debt Service				25,912,291	248,781	34,198,622
Other Expenses	1,112,580	6,710,735	100,279	1,349,254	117,257	112,015,490
	5,627,687	6,921,753	921,044	27,261,545	10,987,038	176,111,971
Transfers						
Transfer In - General Fund		2,152,000		1,269,065	2,270,849	5,691,914
Transfer In - Other Funds		13,962		6,992,215		7,181,177
Transfer Out - Other Funds	(13,441,324)				(2,553,733)	(15,995,057)
	(13,441,324)	2,165,962	-	8,261,280	(282,884)	(3,121,966)
Net Annual Activity	\$(19,069,011)	14,608	(4,632)	\$ -	\$ (486,610)	\$ (28,956,257)
Ending Available Balance		\$ 374,407	\$ 86,964			
					Expenditures	\$ 176,111,971
					Transfers	15,995,057
					Total Sources	\$ 192,107,028
					Administration	\$ 24,657,810
					Insurance and Benefits	99,735,094
					Non-Departmental	26,911,808
					Debt Service	27,261,545
					Capital	13,540,771
						\$ 192,107,028

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
9	Administration and Support	L – 13 to L – 14	L – 13	Correction moving prior year Budget Office expenses from City Manager's Office to Administrative Services

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**Charter Officers
General Fund - 010
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Current Budget	Baseline
Total Charter Officers				
Employee Services	\$ 2,655,966	\$ 2,659,027	\$ 2,593,539	\$ 3,087,261
Other Services	788,009	735,716	698,364	696,237
Materials and Supplies	33,644	55,062	56,694	51,482
Other Expenses	48,957	39,585	42,290	49,990
Total	<u>\$ 3,526,576</u>	<u>\$ 3,489,390</u>	<u>\$ 3,390,887</u>	<u>\$ 3,884,970</u>

City Council

Employee Services	419,661	460,502	451,829	422,477
Other Services	45,291	31,147	44,468	61,664
Materials and Supplies	1,652	5,324	4,000	4,000
Other Expenses	19,045	9,476	1,500	7,500
Total	<u>485,649</u>	<u>506,449</u>	<u>501,797</u>	<u>495,641</u>

City Manager

Employee Services	584,725	699,505	596,889	910,101
Other Services	211,915	170,659	121,050	145,548
Materials and Supplies	8,609	9,417	11,215	10,782
Other Expenses	19,333	14,723	18,900	20,600
Total	<u>824,582</u>	<u>894,304</u>	<u>748,054</u>	<u>1,087,031</u>

City Attorney

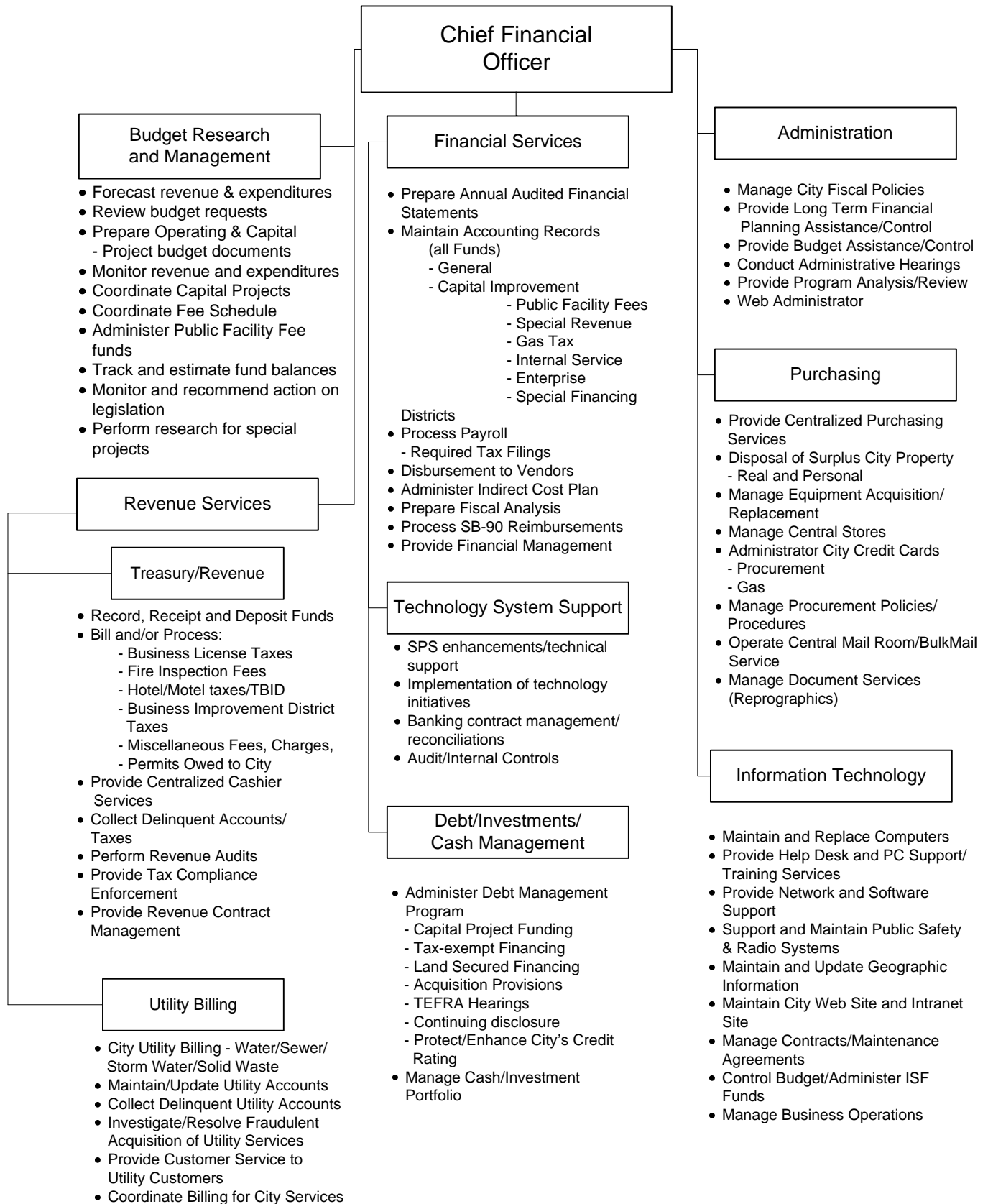
Employee Services	829,287	600,328	650,784	803,005
Other Services	277,422	256,344	152,831	169,346
Materials and Supplies	20,503	21,489	25,279	22,000
Other Expenses	4,704	8,043	10,000	10,000
Total	<u>1,131,916</u>	<u>886,204</u>	<u>838,894</u>	<u>1,004,351</u>

City Clerk

Employee Services	532,391	640,738	626,197	635,537
Other Services	114,831	110,186	125,200	138,383
Materials and Supplies	1,410	7,609	11,500	11,500
Other Expenses	2,450	2,128	3,700	3,700
Total	<u>651,082</u>	<u>760,661</u>	<u>766,597</u>	<u>789,120</u>

City Auditor

Employee Services	289,902	257,954	267,840	316,141
Other Services	138,550	167,380	254,815	181,296
Materials and Supplies	1,470	11,223	4,700	3,200
Other Expenses	3,425	5,215	8,190	8,190
Total	<u>433,347</u>	<u>441,772</u>	<u>535,545</u>	<u>508,827</u>



ADMINISTRATIVE SERVICES

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
10	Administration and Support	L – 17 to L – 18	L – 17	Correction moving Budget Office expenses from Financial Services Division to Budget Division

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**Administrative Services
General Fund - 010
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Current Budget	Baseline
Total Administrative Services Department				
Employee Services	\$ 1,639,886	\$ 2,103,361	\$ 2,328,541	\$ 2,957,059
Other Services	785,196	739,799	911,192	789,970
Materials and Supplies	50,444	42,001	50,083	48,947
Other Expenses	16,561	9,432	13,250	26,100
Total	<u>\$ 2,492,087</u>	<u>\$ 2,894,593</u>	<u>\$ 3,303,066</u>	<u>\$ 3,822,076</u>
	-	-	-	-

Administration

Employee Services	172,128	160,040	174,860	560,415
Other Services	250,018	236,912	248,860	209,088
Materials and Supplies	8,235	5,556	11,500	9,500
Other Expenses	3,933	1,182	3,700	4,800
Total	<u>434,314</u>	<u>403,690</u>	<u>438,920</u>	<u>783,803</u>

Budget

Employee Services	200,120	153,870	209,483	349,454
Other Services	18,778	30,782	42,966	41,192
Materials and Supplies	2,711	315	3,750	4,000
Other Expenses	-	-	-	1,000
Total	<u>221,609</u>	<u>184,967</u>	<u>256,199</u>	<u>395,646</u>

Financial Services

Employee Services	548,574	572,562	653,398	781,046
Other Services	183,750	178,714	258,753	246,920
Materials and Supplies	14,339	17,510	8,950	13,700
Other Expenses	8,909	5,435	5,250	4,200
Total	<u>755,572</u>	<u>774,221</u>	<u>926,351</u>	<u>1,045,866</u>

Treasury

Employee Services	558,404	1,005,822	1,055,336	1,057,404
Other Services	249,835	212,236	264,582	213,804
Materials and Supplies	19,826	14,354	21,725	16,725
Other Expenses	1,337	1,264	2,800	12,700
Total	<u>829,402</u>	<u>1,233,676</u>	<u>1,344,443</u>	<u>1,300,633</u>

Purchasing

Employee Services	160,660	211,067	235,464	208,740
Other Services	82,815	81,155	96,031	78,966
Materials and Supplies	5,333	4,266	4,158	5,022
Other Expenses	2,382	1,551	1,500	3,400
Total	<u>251,190</u>	<u>298,039</u>	<u>337,153</u>	<u>296,128</u>



2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
11	Administration and Support	L – 27 to L – 32	L – 28, L – 31 to L – 32	Correct Available Fund Balance calculation for Entertainment Venues Fund and add General Government Permanent and Trust Funds not included in May 15 th document.

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ENTERTAINMENT VENUES

ENTERTAINMENT VENUES FUND (086)

History

- This fund maintains and finances the four facilities managed by SMG: Arena, Ballpark, Oak Park Ice Arena, and Bob Hope Theatre.
- This fund also includes Administrative overhead for Budget support and payment of Possessory Interest Tax for 7th Inning Stretch according to Contract.
- SMG provides both an annual operating budget and Capital Improvement Budget in the Annual Business Plan.
- The City funds activities in the venues (net of revenue from events) by a quarterly cash flow wire based on a combination of actual YTD performance in the PL statement and projected revenue calculation looking forward.
- Entertainment Venues have historically required a high level of subsidy (IFG-Stockton required more than 5 million one year). SMG business practices are reducing annual subsidy requirements. FY 2012-2013 subsidy will be 2.3 million excluding City overhead expenditures of about \$100,000.
- A three year proforma is attached.

2011-12 Events

- The City transferred Suite Deposits to SMG to manage directly.
- The City took over a large Bad Debt allowance from IFG at termination.
- Year to date, there were more than 300 events with direct impacts to hotel occupancy rates, local tax revenue, and downtown restaurants and bars.
- SMG provides 22 full time jobs, 300 part time jobs, and 400 jobs through contractors and teams who directly support the venues.
- The Bob Hope Theatre may break even for the first time in many years of operation.
- SMG was appropriated \$350,000 for emergency repairs in a “Capital Improvement Program”. That fund was swept in the fiscal emergency and only \$113,000 in emergency expenditures were completed. The lack of funding for deferred maintenance and repairs will put the venues at risk for emergency repairs which could impact event days.

2012-13 Proposed Budget Issues and Proposed Changes

- SMG Venues will require \$400,000 less subsidy in FY 2012-2013. The ability to control subsidy is impacted by “better than industry standard” team leases that allocate more revenue and less expenditures to Teams operating at the Arena and Ballpark. This subsidy level could be substantially reduced if the teams would agree to work on lease terms that would sustain both City and team interests
- SMG projects there is more than \$800,000 in outstanding and urgent repairs and maintenance needs in the venues in the coming fiscal year.

**Administration and Support
Entertainment Venues - 086
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance		\$ 2,451,751	\$ 359,913	\$ 359,799
Revenues				
Operations:				
Stockton Arena	\$ 3,093,107	2,990,093	3,174,874	3,689,820
Bob Hope Theatre	413,875	493,108	444,829	450,579
Oak Park Ice Arena	375,558	363,599	401,050	435,000
Ballpark	181,083	193,212	195,000	195,000
Other Revenue				
	4,063,623	4,040,012	4,215,753	4,770,399
Expenditures				
Operations:				
Stockton Arena	4,548,125	4,824,339	4,376,671	4,717,048
Bob Hope Theatre	844,998	765,967	877,753	847,320
Oak Park Ice Arena	400,985	422,547	606,841	551,345
Ballpark	563,834	653,483	664,787	595,022
Administration	97,834	41,796	131,114	211,018
Buy-out of operator/transition costs		2,449,728		
	6,455,776	9,157,860	6,657,166	6,921,753
Transfers				
Transfer In - General Fund	3,187,473	2,191,299	2,441,299	2,152,000
Transfer In - Other	1,300,000	1,000,000		13,962
Transfer Out		(570,000)		
	4,487,473	2,621,299	2,441,299	2,165,962
Net Annual Activity	\$ 2,095,320	(2,496,549)	(114)	14,608
Ending Available Balance		\$ (44,798)	\$ 359,799	\$ 374,407
Available Balance Calculation				
Current Assets		\$ 950,262		
Current Liabilities		(590,349)		
Ending Available Balance		\$ 359,913		

Administration and Support
San Joaquin Area Flood Control Agency - 020
2012-13 Proposed Budget

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-13
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ -	\$ -	\$ -	\$ -
Revenues				
Flood Agency Reimbursement	\$ 847,440	865,702	883,666	820,765
	847,440	865,702	883,666	820,765
Expenditures				
Employee Services	717,563	762,741	797,714	740,969
Insurance premiums	10,344	12,741	16,638	21,141
Internal Service Fund Charges	33,059	46,635	30,858	18,265
Maintenance and Repair	104	4,315	3,100	4,500
Materials and supplies	2,767	4,094	2,500	4,000
Indirect Cost Allocation	81,300	32,009	27,291	27,291
All other expenses	2,303	3,167	5,565	4,599
	847,440	865,702	883,666	820,765
Net Annual Activity	\$ -	-	-	-
Ending Available Balance		\$ -	\$ -	\$ -
Available Balance Calculation				
Current Assets				
Current Liabilities				
Ending Available Balance		\$ -		



Other Special Programs
Wagner - General Special Revenue - 627
2012-13 Proposed Budget

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 68,561	\$ 69,631	\$ 54,719	\$ 52,769
Revenues				
Program Revenue				
Donations				
Other Revenue	2,570	1,763	1,050	1,500
	<u>2,570</u>	<u>1,763</u>	<u>1,050</u>	<u>1,500</u>
Expenditures				
Program Expenses	1,500	1,500	3,000	3,000
	<u>1,500</u>	<u>1,500</u>	<u>3,000</u>	<u>3,000</u>
Transfers				
Transfer In				
Transfer Out - Grant Fund - 020				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	1,070	263	(1,950)	(1,500)
Ending Available Balance	\$ 69,631	\$ 69,894	\$ 52,769	\$ 51,269
Available Balance Calculation				
Current assets		\$ 69,894		
Principal endowment		(15,175)		
Ending Available Balance		<u>\$ 54,719</u>		

**Other Special Programs
General Special Revenue - 642
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projected	Proposed Budget
Beginning Available Balance	\$ 20,743	\$ 27,610	\$ 38,648	\$ 38,827
Revenues				
Program Revenue				
Donations	11,005	10,003	131,400	1,868
Other Revenue	91,493	92,279	292,779	92,279
	102,498	102,282	424,179	94,147
Expenditures				
Program Expenses	95,631	91,244	424,000	97,279
	95,631	91,244	424,000	97,279
Transfers				
Transfer In				
Transfer Out - Grant Fund - 020	-	-	-	-
Net Annual Activity	6,867	11,038	179	(3,132)
Ending Available Balance	\$ 27,610	\$ 38,648	\$ 38,827	\$ 35,695
Available Balance Calculation				
Current assets		\$ 38,897		
Current liabilities		(250)		
Ending Available Balance		\$ 38,647		

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
12	Debt	Entire Section	M – 1 to M – 5	Correct annual budget amounts in Debt narrative and clarify Budget at a Glance numbers.

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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 - Baseline:

City Debt Service Fund	\$ 8,119,247
CFD & Assessment Districts	\$18,399,839
Administration	\$ 742,459
Total Expenditures	\$27,261,545
Total Revenues	\$27,261,545
Total Net Cost	\$0

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 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 Redevelopment Agency housing set-aside funds. Additional funding is available in fiscal year 2012-13 from a working capital conversion completed in fiscal year 2011-2012. The annual budget for the COPs is \$992,670.

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 sources for repayment are the Central Parking District Fund and the Public Facilities Fee Fund (Police Stations). The annual budget for the bonds is \$910,113.

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 is planned to be converted into the City Administration Building. The annual budget for the bonds is \$2,672,344.

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 sources for repayment are development impact fees collected to finance the construction of Fire Stations, Police Stations, Parklands and Street Improvements. The annual budget for the bonds is \$2,417,088.

Howard-Jarvis Settlement

On 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 of \$1,127,032 are funded by a transfer from the General Fund.

DEBT

COMMUNITY FACILITIES DISTRICTS AND ASSESSMENT DISTRICTS

Approximately 24 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 budget for the bonds is \$18,399,839.

DEBT

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

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.

Water Debt Service (see page K-5)

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 budget for the loan is \$95,342.

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 budget for the bonds is \$1,111,588.

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 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 budget for the bonds is \$15,736,838.

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 budget for the bonds is \$1,690,240.

Wastewater Debt Service (see page K-5)

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. They 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

DEBT

revenues pledged by the Wastewater Utility Fund. The annual budget for the COPs is \$6,371,968.

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 budget for the COPs is \$1,005,120.

Internal Service Debt Service

Pension Obligation Bonds 2007 Series A & B (see page O-5)

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 budget for the bonds is \$7,712,550.

Capital Lease - Fire Vehicles (see page O-8)

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 budget for the lease is \$88,524.

Capital Lease – Information Technology Equipment (see page O-13)

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 budget for the leased is \$325,000.

Other Debt Service (see page N-15)

Capital Lease - Civic Auditorium HVAC (see N-15)

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 Capital Improvement Project fund of the City. The annual budget for the lease is \$248,781.

Department of Boating and Waterways Loan – Marina Planning and Construction (see page J-31)

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 sources for repayment are the Merged Waterfront Redevelopment Area (Planning Loan) and transfers from the General Fund to support the Harbor Facility operations fund during the ramp up phase to full operations. The annual budget for the construction loan is \$684,701.

DEBT

Loan Payable San Joaquin Council Governments Loan #1 and 2 (see page G-6)

In 2009 the City entered into a loan agreement with the San Joaquin Council of Governments (SJCOG) for an advance of future Measure K maintenance funds in the amount of \$6,543,238 to expand the City's street maintenance program and to complete preliminary design work on a freeway interchange at I-5 and Otto Drive. The sources for repayments are the Measure K Revenues. The annual budget for the loans is \$1,277,247.

Section 108 Loans (see page J-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 budget for the loans is \$2,207,670.

**City Debt Service Funds
2012-13 Proposed Budget**

	Debt and Cash Administration 201	Certificates of Participation Series 2003 A & B 201	Lease Revenue 2006 Series A 201	Lease Revenue 2007 Series A & B 201
Date Issued		6/27/2003	4/6/2006	3/26/2007
Purpose		Affordable Housing Program	Parking and Stewart/Eberhardt Building	City Administration Building 400 Main
Revenues				
Charges for Services				
Sales Tax				
Build America Bonds				
Tax Increment				
Interfund Charges	600,426			
Interest				
Other Revenue				
Assessments				
	<u>600,426</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Principal		\$ 345,000	\$ 400,000	\$ 155,000
Interest		645,170	507,494	2,517,344
Operating Expenses	160,800	2,500	2,619	-
Capital Projects				
Administrative Costs	581,659			
	<u>742,459</u>	<u>992,670</u>	<u>910,113</u>	<u>2,672,344</u>
Transfers				
Transfer In				
General Fund	142,033			
Other Funds		992,670	910,113	2,672,344
Transfer Out				
General Fund				
Other Funds				
	<u>142,033</u>	<u>992,670</u>	<u>910,113</u>	<u>2,672,344</u>
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City Debt Service Funds, Continued
2012-13 Proposed Budget**

	Lease Revenue SPFA A 2009 Series A 201	Howard-Jarvis Settlement Water/ Wastewater 201	City Debt Service Fund 201	CFD and 1915 Act Debt Service 250/701 Total	Total
Date Issued	8/20/2009			Various	
Purpose	Public Facilities Fee Program	General Fund Obligation to Utility Funds		Assessment Districts	
Revenues					
Charges for Services					
Sales Tax					
Build America Bonds					
Tax Increment					
Interfund Charges			\$ 600,426		\$ 600,426
Interest					
Other Revenue					
Assessments				18,399,839	18,399,839
	<u>-</u>	<u>-</u>	<u>600,426</u>	<u>18,399,839</u>	<u>19,000,265</u>
			-		-
Expenditures					
Principal		375,840	1,275,840	11,520,000	12,795,840
Interest	2,415,838	751,192	6,837,038	6,279,413	13,116,451
Operating Expenses	1,250		167,169	160,800	327,969
Capital Projects					
Administrative Costs			581,659	439,626	1,021,285
	<u>2,417,088</u>	<u>1,127,032</u>	<u>8,861,706</u>	<u>18,399,839</u>	<u>27,261,545</u>
Transfers					
Transfer In					-
General Fund		1,127,032	1,269,065		1,269,065
Other Funds	2,417,088		6,992,215		6,992,215
Transfer Out					-
General Fund					-
Other Funds					-
	<u>2,417,088</u>	<u>1,127,032</u>	<u>8,261,280</u>	<u>-</u>	<u>8,261,280</u>
			-		-
Net Annual Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
			-	-	-
				Revenues	\$ 19,000,265
				Transfers	8,261,280
				Total Sources	<u>\$ 27,261,545</u>
				Expenditures	\$ 27,261,545
				Transfers	
				Total Appropriations	<u>\$ 27,261,545</u>



2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
13	Capital	N – 1 to N – 2	N – 1	Update Budget at a Glance number to show change in Capital budget numbers.

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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 – Baseline:

Total Expenditures

Capital Project Funds	\$13,540,771
Utility and Other Funds	\$10,740,552
Total Capital Budget	\$24,281,323

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 in view of the City's needs, priorities, and available funds, and revised as necessary.

KEY ISSUES

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 the orderly implementation of the Stockton General Plan. The public works include buildings, parks, golf courses, utilities, and 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 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. 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 and reduces scheduling problems. In addition, it permits private enterprise to relate their projects to the City program.

Capital Improvement Program Process

To identify capital program needs, Public Works staff worked with city departments, other 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 developed

CAPITAL IMPROVEMENT PROGRAM

a list of proposed projects, along with cost estimates and priorities. In addition, Public Works staff worked with Administrative Services staff to identify revenue projections for funding capital projects. These funding sources include the General Fund, Public Facilities Fees, Measure K, Enterprise Funds, etc.

The City Manager's Office reviews the projects in terms of Council and City priorities, and available funding. 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.

FY2012/13 through FY 2016/17 Capital Improvement Program Highlights

The FY2012/13 through FY2016/17 CIP proposes a list of projects with a total value of \$695,770,000. However, of this amount only \$1,575,000 or 0.23% is funding from the General Fund and \$490,690,000 is for projects with no funding source. In other words, improvements that is 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 2012/13, which means that there is funding available for the \$21,361,552 in proposed improvements. However, \$19,786,000 of the funding available is from restricted sources dedicated to transportation, utilities, and library.

The proposed 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 listing of unfunded projects. This information is being provided to more fully detail the improvements that are needed but cannot be built because of ongoing financial constraints. This list of unfunded projects is not comprehensive and does not capture the extent of all the deferred maintenance for city facilities and infrastructure. While not a complete list of deferred maintenance, the following is being provided to put this significant issue into context and illustrate the magnitude of the cost.

- Urban Forest: \$3.1M is needed to bring the forest up to an acceptable standard. While an additional \$3.5M is needed annually to provide proper maintenance.
- Roadway pavement: \$10M per year is needed to maintain pavement in its current condition. The proposed program allocates only \$2M per year.
- Park: \$12M is needed for play areas, park furnishings, irrigation systems, buildings, courts, ball fields, and flatwork. However, no funding is available to address these issues in the proposed program
- City Hall: The proposed program includes a \$7M project to repair the roof, replace the HVAC system, and update interior finishes. For a complete renovation, the cost is likely double that amount (\$14M). However, no funding is available in the proposed program for any of this work.
- Other Facilities: \$6M+ is needed to catch up on maintenance of other City Facilities, however, no funding is available in the proposed program.
- Roofs: \$7M is needed to catch up, but no funding is available.

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
14	Capital	N – 15 to N – 22	N – 15, N – 16, N – 19 to N – 21	Correctly show transfers in from General fund into PFF Fire Station Citywide and Police Station Expansion; and transfers in from Central Parking fund into Air Quality PFF. These transfers were inadvertently left out of the first printing of the proposed budget.

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**Capital Project Funds
2012-13 Proposed Budget**

	General Government	Transportation Programs	Public Facilities Fees	Capital Improvement Total
	<i>See Page N-16</i>	<i>See Page N-17</i>	<i>See Page N-18</i>	
Beginning Available Balance	\$ 458,381	\$ 7,726	\$ 3,575,693	\$ 4,041,800
Revenues				
Grants	3,227,000	5,342,000		8,569,000
Fees	25,400		1,918,442	1,943,842
Interest Earned	4,000	-	266,470	270,470
Other Revenue			-	-
	3,256,400	5,342,000	2,184,912	10,783,312
Expenditures				
Capital Projects	4,802,000	5,342,000	477,000	10,621,000
Debt Service	248,781			248,781
Other		-	117,257	117,257
	5,050,781	5,342,000	594,257	10,987,038
Transfers				
Transfer In - General Fund	1,575,000		695,849	2,270,849
Transfer In - Parking Fund			175,000	175,000
Transfer Out - Debt 201	-	-	(2,553,733)	(2,553,733)
	1,575,000	-	(1,682,884)	(107,884)
Net Annual Activity	(219,381)	-	(92,229)	(311,610)
Ending Available Balance	\$ 239,000	\$ 7,726	\$ 3,483,464	\$ 3,730,190
	-	-	-	-
			Revenues	\$ 10,783,312
			Transfers	2,270,849
			Total Sources	\$ 13,054,161
Reconciliation of Capital Funds				
Capital Projects	10,621,000		Expenditures	\$ 10,987,038
Utilities (pg . K - 5)	10,740,552		Transfers	2,553,733
Total Appropriations	\$ 21,361,552		Total Capital Projects Funds	13,540,771
			Other Funds	10,740,552
Project Total by Category (pg N - 7)	\$ 21,361,552		Total Appropriations	\$ 24,281,323

**Capital Project Funds
General Government
2012-13 Proposed Budget**

	General Capital 301	Capital Grants 304	Public Art 306	General Government Total
Beginning Available Balance	\$ 234,022	\$ -	\$ 224,359	\$ 458,381
Revenues				
Grants		3,227,000		3,227,000
Fees	25,400			25,400
Interest	2,000		2,000	4,000
	<u>27,400</u>	<u>3,227,000</u>	<u>2,000</u>	<u>3,256,400</u>
Expenditures				
Capital Projects	1,575,000	3,227,000		4,802,000
Debt Service	248,781			248,781
	<u>1,823,781</u>	<u>3,227,000</u>	<u>-</u>	<u>5,050,781</u>
Transfers				
Transfer In - General Fund	1,575,000			1,575,000
Transfer Out				-
	<u>1,575,000</u>	<u>-</u>	<u>-</u>	<u>1,575,000</u>
Net Annual Activity	<u>(221,381)</u>	<u>-</u>	<u>2,000</u>	<u>(219,381)</u>
Ending Available Balance	<u>\$ 12,641</u>	<u>\$ -</u>	<u>\$ 226,359</u>	<u>\$ 239,000</u>

-

**Capital Project Funds
Transportation Programs
2012-13 Proposed Budget**

	TDA 034	SAFETEA 038	Traffic Congestion Relief 039	Measure K Capital 080	Transportation Total
			<i>State Program Discontinued</i>		
Beginning Available Balance	\$ 7,726	\$ -	\$ -	\$ -	\$ 7,726
Revenues					
Grants	184,000	3,747,000		1,411,000	5,342,000
Interest					-
	184,000	3,747,000	-	1,411,000	5,342,000
Expenditures					
Capital Projects	184,000	3,747,000		1,411,000	5,342,000
Other					-
	184,000	3,747,000	-	1,411,000	5,342,000
Transfers					
Transfer In					-
Transfer Out					-
	-	-	-	-	-
Net Annual Activity	-	-	-	-	-
Ending Available Balance	\$ 7,726	\$ -	\$ -	\$ -	\$ 7,726

**Capital Project Funds
Public Facilities Fee
2012-13 Proposed Budget**

	Traffic Signals City Wide 900	Traffic Signals Zone 1 901	Traffic Signals Zone 2 902	Traffic Signals Zone 3 903	Traffic Signals Zone 4 904
Beginning Available Balance	\$ 27,547	\$ 169,491	\$ 102,891	\$ 90,506	\$ 4,951
Revenues					
Fees	23,638	22,858	22,858	4,720	4,720
Interest	280	1,690	1,030	910	50
Other Revenue					
	23,918	24,548	23,888	5,630	4,770
Expenditures					
Capital Projects	51465	175,535			
Other					
	51,465	175,535	-	-	-
Transfers					
Transfer In					
Transfer Out - Debt 201					
	-	-	-	-	-
Net Annual Activity	(27,547)	(150,987)	23,888	5,630	4,770
Ending Available Balance	\$ -	\$ 18,504	\$ 126,779	\$ 96,136	\$ 9,721

**Capital Project Funds
Public Facilities Fee, Continued
2012-13 Proposed Budget**

	Street Improvements City Wide 910 - 915	Street Improvements Reg Traffic 917	Community Recreation Centers -City Wide 920	City Office Space 930	Fire Station City Wide 940
Beginning Available Balance	\$ 3,397,663	\$ 465,576	\$ (3,700,397)	\$ 734,708	\$ (2,648,077)
Revenues					
Fees	757,789	438,411	29,293	29,477	88,260
Interest	184,330	4,660		7,350	
Other Revenue					
	<u>942,119</u>	<u>443,071</u>	<u>29,293</u>	<u>36,827</u>	<u>88,260</u>
Expenditures					
Capital Projects					
Other					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers					
Transfer In					332,045
Transfer Out - Debt 201	(822,589)				(419,646)
	<u>(822,589)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,601)</u>
Net Annual Activity	<u>119,530</u>	<u>443,071</u>	<u>29,293</u>	<u>36,827</u>	<u>659</u>
Ending Available Balance	<u><u>\$ 3,517,193</u></u>	<u><u>\$ 908,647</u></u>	<u><u>\$ (3,671,104)</u></u> (a)	<u><u>\$ 771,535</u></u>	<u><u>\$ (2,647,418)</u></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
2012-13 Proposed Budget**

	Library City Wide 950	Police Station Expansion 960	Parkland City Wide 970	Street Trees 978	Street Signs 979
Beginning Available Balance	\$ 4,080,645	\$ (1,549,774)	\$ 2,371,866	\$ 49,548	\$ 78,097
Revenues					
Fees		73,585	246,224		
Interest	40,810		23,720	500	780
Other Revenue					
	<u>40,810</u>	<u>73,585</u>	<u>269,944</u>	<u>500</u>	<u>780</u>
Expenditures					
Capital Projects	250,000				
Other					
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers					
Transfer In		363,804			
Transfer Out - Debt 201		(436,800)	(874,698)		
	<u>-</u>	<u>(72,996)</u>	<u>(874,698)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>(209,190)</u>	<u>589</u>	<u>(604,754)</u>	<u>500</u>	<u>780</u>
Ending Available Balance	<u><u>\$ 3,871,455</u></u>	<u><u>\$ (1,549,185)</u></u>	<u><u>\$ 1,767,112</u></u>	<u><u>\$ 50,048</u></u>	<u><u>\$ 78,877</u></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
2012-13 Proposed Budget**

	Street Lights City Wide 980	Street Lights Zone 1 981	Street Lights Zone 3 & 4 983	Street Signs Zone 5 985	Air Quality 990	Public Facilities Total
Beginning Available Balance	\$ -	\$ 33,000	\$ 1,985	\$ 881	\$ (135,414)	\$ 3,575,693
Revenues						
Fees			1,985	881	173,743	1,918,442
Interest		330	20	10		266,470
Other Revenue						-
	<u>-</u>	<u>330</u>	<u>2,005</u>	<u>891</u>	<u>173,743</u>	<u>2,184,912</u>
Expenditures						
Capital Projects						477,000
Other					117,257	117,257
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,257</u>	<u>594,257</u>
Transfers						
Transfer In - Parking Fund					175,000	870,849
Transfer Out - Debt 201						(2,553,733)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>(1,682,884)</u>
Net Annual Activity	<u>-</u>	<u>330</u>	<u>2,005</u>	<u>891</u>	<u>231,486</u>	<u>(92,229)</u>
Ending Available Balance	<u>\$ -</u>	<u>\$ 33,330</u>	<u>\$ 3,990</u>	<u>\$ 1,772</u>	<u>\$ 96,072</u>	<u>\$ 3,483,464</u>



2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
15	Internal Service Funds	O – 1 to O – 6	O – 1, O – 4 to O – 5	Change summary to reflect corrections in General Liability Proposed Budget

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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 - Baseline:

Total Expenditures	\$124,283,540
Total Revenues	\$124,715,365
Total Net Revenue	\$256,825
Total Staff	80

DEPARTMENTAL DESCRIPTION

The City has internal service funds 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 \$24.5 million or 20% of the total internal service fund expenditures. The remaining \$99.7 million or 80% 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, Office Equipment, Printing and Mailing

Insurance Benefits: General Insurance, Workers Compensation, Health Insurance, Unemployment, LTD and Life Insurance, Retirement, Compensated Absence

KEY ISSUES

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

A technology strategic plan is underway to address Computer Equipment. Available balances in the various equipment internal service funds will be used to fund the implementation of the technology recommendations.

The City's General Liability and Workers Compensation funds have been underfunded for years and collectively have accumulated \$44 million in unfunded liabilities. Workers Compensation costs are above industry average and will be the subject of a management review during the coming fiscal year.

Healthcare insurance costs are estimated to increase in Fiscal Year 2012-13 but will be offset by savings from the plan design changes implemented in Fiscal Year 2011-12. Health plans must continue to be redesigned to provide benefit levels that attract and retain a quality workforce, protect and promote healthy living, and fall within fiscally sustainable parameters.

No funding has been allocated to address the City's \$417 million unfunded retiree health obligation.

Unemployment costs have spiked due to layoffs in the last three years. These higher costs are expected to continue in Fiscal Year 2012-13.

INTERNAL SERVICE FUNDS

The Compensated Absence fund pays for employee cash outs of sick and annual leave at separation. It began Fiscal Year 2010-11 with a negative fund balance due to retirement incentives offered over the last two years and required additional funding from the General Fund in Fiscal Year 2010-11. Since employee retirements are continuing to occur at unprecedented rates the budget for this fund continues at a high level.

**Internal Service Funds
2012-13 Proposed Budget**

	Fleet Services 501	Computer Equipment 502	Radio Equipment 503	Telephone Equipment 504	Office Equipment Printing/Mailing 505/508
	<i>See Page O-8</i>	<i>See Page O-11</i>	<i>See Page O-12</i>	<i>See Page O-13</i>	<i>See Page O-15</i>
Beginning Available Balance	\$ 2,053,950	\$ 2,747,647	\$ 225,630	\$ 115,127	\$ 133,725
Revenues					
Charge for Services					
Police	3,979,010	5,035,168	750,968	421,638	93,523
Fire	1,902,758	462,855	294,677	45,583	52,236
Other General Fund	369,732	789,614	166	279,216	125,555
Other Funds	3,499,551	2,763,427	22,635	511,854	380,613
Contingency for staff reductions		48,225			
	9,751,051	9,099,289	1,068,446	1,258,291	651,927
Refunds & Reimbursements	45,000				
Interest					
	9,796,051	9,099,289	1,068,446	1,258,291	651,927
Expenditures					
General & Administrative	901,873	1,465,798			
Operations & Maintenance	6,559,983	6,392,897	949,650	937,345	610,431
Equipment Replacements	2,233,273	3,762,057	291,615		30,000
Debt Service	88,524			325,000	
Claims					
Excess Insurance Premium					
Third Party Administrator					
Pension contributions to CalPERS					
Employee leave balance payoffs					
	9,783,653	11,620,752	1,241,265	1,262,345	640,431
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	-	-	-	-	-
Net Annual Activity	12,398	(2,521,463)	(172,819)	(4,054)	11,496
Ending Available Balance	\$ 2,066,348	\$ 226,184	\$ 52,811	\$ 111,073	\$ 145,221
	-	-	-	-	-

**Internal Service Funds, Continued
2012-13 Proposed Budget**

	General Insurance 541	Workers Compensation 551	Health Insurance 552	Unemployment 556
	<i>See Page O-18</i>	<i>See Page O-19</i>	<i>See Page O-23</i>	<i>See Page O-25</i>
Beginning Available Balance	\$ (5,188,734)	\$ (40,363,977)	\$ (2,860,301)	\$ 159,425
Revenues				
Charge for Services				
Police	1,761,878	3,418,121	11,755,039	192,143
Fire	811,860	2,255,104	4,110,439	87,829
Other General Fund	322,584	155,921	2,378,149	31,382
Other Funds	1,983,355	2,308,651	15,424,179	222,681
Contingency for staff reductions	4,879,677	8,137,797	33,667,806	534,035
Refunds & Reimbursements	65,000	1,000,000	7,135,427	
Interest	4,944,677	9,297,797	40,803,233	534,035
Expenditures				
General & Administrative	1,325,499	766,663	1,189,343	
Operations & Maintenance	531,143	69,535		
Equipment Replacements				
Debt Service				
Claims	2,277,000	7,122,000	33,713,277	501,072
Excess Insurance Premium	800,000	545,000		
Third Party Administrator		770,720	3,037,223	
Pension contributions to CalPERS:				
Employee leave balance payoffs	4,933,642	9,273,918	37,939,843	501,072
Transfers				
Transfer In	175,000	-	-	-
Transfer Out	175,000	-	-	-
Net Annual Activity	186,035	23,879	2,863,390	32,963
Ending Available Balance	\$ (5,002,699)	\$ (40,340,098)	\$ 3,089	\$ 192,388

**Internal Service Funds, Continued
2012-13 Proposed Budget**

	Long Term Disability & Life 557	Retirement 561	Compensated Absences 562	Internal Service Total	
	<i>See Page O-27</i>	<i>See Page O-29</i>	<i>See Page O-30</i>		
Beginning Available Balance	\$ 205,803	\$ 2,778,548	\$ -	\$ (39,993,157)	
Revenues					
Charge for Services					
Police	279,838	14,191,274	1,594,291	43,472,891	40%
Fire	103,185	6,814,645	660,964	17,602,135	16%
Other General Fund	125,575	1,381,583	337,272	6,296,749	6%
Other Funds	786,837	10,488,810	1,907,473	40,300,066	37%
Contingency for staff reductions		-		48,225	0%
	1,295,435	32,876,312	4,500,000	107,720,066	100%
Refunds & Reimbursements		8,382,960		16,563,387	
Investment Interest		31,912		256,912	
	1,295,435	41,291,184	4,500,000	124,540,365	
Expenditures					
General & Administrative		31,912		5,681,088	
Operations & Maintenance				16,050,984	
Equipment Replacements				6,316,945	
Debt Service		7,712,550		8,126,074	
Claims				43,613,349	
Excess Insurance Premium	1,295,435			2,640,435	
Third Party Administrator				3,807,943	
CalPERS pension contributions		33,546,722		33,546,722	
Employee leave balance payoffs			4,500,000	4,500,000	
	1,295,435	41,291,184	4,500,000	124,283,540	
Transfers					
Transfer In	-	-	-	175,000	
Transfer Out	-	-	-	-	
	-	-	-	175,000	
Net Annual Activity	-	-	-	431,825	
Ending Available Balance	\$ 205,803	\$ 2,778,548	\$ -	\$ (39,561,332)	
	-	-	-	-	
			Revenues	\$ 124,540,365	
			Transfers	175,000	
			Total Sources	\$ 124,715,365	
			Expenditures	\$ 124,283,540	
			Transfers	-	
			Total Appropriations	\$ 124,283,540	

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.
- Program 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 \$3.9 million as of July 2011.

2011-12 Events

- The adopted budget of \$9.23 million had anticipated a draw of \$845,456 on the beginning fund balance to cover \$1 million in fire apparatus replacements.
- Subsequent lease financing of four fire pumper apparatus has relieved \$1 million from both the 2011-12 and 2012-13 replacement requirements in exchange for a \$213,000 annual lease payment.
- The budget projection assumes that the available cash balance attributable to the General fund will be taken by the end of FY 11/12 to help resolve the General Fund deficit. This amount is expected to exceed \$2M. This will result in the fund balance being restricted funds only which will need to be accounted for in any future appropriations from this fund balance.

2012-13 Proposed Changes

- Replacement Schedule
 - Public Works has prepared a recommended replacement budget scenario, and an alternative minimum replacement scenario and provided a four year fleet condition assessment under each scenario.
 - This analysis shows that the fleet currently has a replacement backlog of \$8.5 million, with 172 units past their useful life. After four years with recommended funding, the backlog would be reduced to \$5.5 million, with 126 units past their useful life. With an alternative minimum replacement schedule, the backlog would increase to \$11.2 million, with 225 units past their useful life.
 - The proposed budget provides for equipment replacement at the funding level recommended by the Public Works Department, less \$1 million for the fire

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
16	Internal Service Funds	O – 17 to O – 20	O – 18 to O – 19	Corrected Available Fund Balance calculations for the General Liability Insurance and Workers Compensation Funds are provided, and we have added a loan pay off from Parking Fund to the General Liability Insurance Fund. FY 2012-13 Worker's Compensation Rate Table has also been updated.

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

History

- The Risk Services Division 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 of the ISFs and works to reduce the costs associated with illness and injury sustained by City employees.

2011-12 Events

- Complete audit of Worker's Compensation claims was begun and is ongoing in an effort to recover any and all monies due to the City that may have been overlooked over the years.
- Resignation of the City's Risk Manager and the subsequent recruitment based upon the approved reorganization plan.
- Significant measures were taken to educate all City personnel on MRSA in an effort to reduce the number of Worker's Compensation claims, which included assistance with the Center for Disease Control and the San Joaquin County Health Department. A variety of products were purchased to assist in the prevention of and spread of MRSA.

2012-13 Proposed Changes

- The insurance rates charged to the departments for both general liability and worker's compensation will need to be increased in order to maintain the service levels required by Risk Services in providing liability, worker's compensation, auto liability, and other insurance coverage so that the City will continue to be adequately protected against significant exposure to financial losses.
- The City's ongoing fiscal crisis and pending financial restructuring have had a negative impact on the insurance rates that are reviewed by underwriters for the various insurance companies.

**Internal Service Funds
General Insurance - 541
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projection	Proposed Budget
Beginning Available Balance	\$ (2,615,804)	\$ (3,525,553)	\$ (4,217,763)	\$ (5,188,734)
Prior Period Adjustment to Fund Balance		979,065		
Adjusted Fund Balance	(2,615,804)	(2,546,488)	(4,217,763)	(5,188,734)
Revenues				
Charge for Services				
Police	1,062,693	1,272,946	1,383,851	1,761,878
Fire	597,121	788,716	692,439	811,860
Other General Fund	142,894	170,481	200,784	322,584
Other Funds	1,587,487	1,239,317	1,449,066	1,983,355
Investment Interest	31,979	915,412	78,033	65,000
	3,422,174	4,386,872	3,804,173	4,944,677
Expenditures				
Claims				
Paid	1,182,174	1,223,276	2,124,000	2,277,000
Actuarial Adjustment	101,813	811,689		
	1,283,987	2,034,965	2,124,000	2,277,000
Excess Insurance Premium	899,660	917,651	788,490	800,000
City staff costs	1,044,124	1,212,710	1,478,576	1,325,499
Operating expenditures	1,104,152	1,372,349	384,078	531,143
	4,331,923	5,537,675	4,775,144	4,933,642
Transfers				
Transfer In - Central Parking				175,000
Transfer Out				
	-	-	-	175,000
Net Annual Activity	(909,749)	(1,150,803)	(970,971)	186,035
Ending Available Balance	\$ (3,525,553)	\$ (3,697,291)	\$ (5,188,734)	\$ (5,002,699)
Available Balance Calculation				
Cash and Current Assets		\$ 2,328,757		
Current Liabilities		(31,262)		
Claims Payable		(6,487,563)		
Net Assets		(4,190,068)		
Encumbrances		(27,695)		
Ending Available Balance		\$ (4,217,763)		
Rates (percentage of payroll)				
All employees	2.05%	2.75%	3.36%	4.48%

Note

Program revenues are estimated based upon percentage of baseline payroll, before Adopted staff reductions.
Actual revenues and the cash flow to settle claims will fluctuate with Citywide staff reductions.

**Internal Service Funds
Workers Compensation - 551
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013
	Actual	Unaudited Actual	Projection	Proposed Budget
Beginning Available Balance	\$ (19,843,730)	\$ (32,510,103)	\$ (40,308,304)	\$ (40,363,977)
Revenues				
Charge for Services				
Police	\$ 939,205	2,322,568	2,909,423	3,418,121
Fire	925,236	2,088,559	2,359,086	2,255,104
Other General Fund	78,788	115,042	130,458	155,921
Other Funds	1,722,741	2,499,215	1,945,983	2,308,651
	<u>3,665,970</u>	<u>7,025,384</u>	<u>7,344,950</u>	<u>8,137,797</u>
Refunds & Reimbursements	139	622	1,396,036	1,000,000
Interest	446,181	346,558	260,000	160,000
	<u>4,112,290</u>	<u>7,372,564</u>	<u>9,000,986</u>	<u>9,297,797</u>
Expenditures				
Claims Expense - Cash	7,564,988	7,421,233	6,800,000	7,122,000
Reimbursement to Other Funds	1,892,753		(a)	(a)
Fire Hireback OT- (5650)	651,353	815,712	(a)	(a)
Actuarial accrued claims liability	4,647,374	3,604,253		
Insurance Administration	1,041,299	1,563,131	897,110	766,663
TPA Administration	615,566	678,063	783,996	770,720
Excess Insurance Premium	365,330	504,263	517,489	545,000
Safety Program		84,110	58,064	69,535
	<u>16,778,663</u>	<u>14,670,765</u>	<u>9,056,659</u>	<u>9,273,918</u>
			(a) Discontinued to stabilize fund	(a) Discontinued to stabilize fund
Transfers				
Transfer In				
Transfer Out		(500,000)		
	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Net Annual Activity	(12,666,373)	(7,298,201)	(55,673)	23,879
Ending Available Balance	\$ (32,510,103)	\$ (40,308,304)	\$ (40,363,977)	\$ (40,340,098)
Available Balance Calculation				
Cash and Current Assets		\$ 13,576,749		
Accounts Payable		(64,622)		
Due to Other Funds		(500,000)		
Claims Payable		(53,308,908)		
Compensated Absences		(11,554)		
PY Adjustment		30		
Ending Available Balance		<u>\$ (40,308,305)</u>		
Rates (percent of payroll)				
Police	2.32%	6.41%	8.18%	10.41%
Fire	3.72%	9.37%	13.02%	13.32%
Manual	1.95%	4.45%	5.90%	7.68%
Non-Manual	0.55%	2.58%	5.66%	5.62%
Office/Clerical	0.34%	0.88%	0.82%	1.00%
Library	0.38%	0.38%	1.69%	2.12%

Note

Program revenues are estimated based upon percentage of baseline payroll, before staff reductions.

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 Dental Maintenance Organization (DMO).
- This fund has had a negative cash balance for the last three fiscal years.

2011-12 Events

- Stockton City Council adopted an Action Plan for Fiscal Sustainability in June 2010, which provided the framework for labor negotiations and concession bargaining during 2011. Labor costs represent 80 percent of the City's general fund budget. A critical component to meet Stockton City Council's goal for Fiscal Sustainability is addressing City expenditures for employee benefits.
- Part of the Council's Action Plan for Fiscal Sustainability, included working with an outside benefits consultant, to conduct an independent review the City's employee benefits and insurance programs and make recommendations for changes.
- During 2011, as outlined in the June 2010 Action Plan, several changes affecting employee health benefits were implemented:
 - A maximum City contribution toward the monthly cost of employee benefits has been established.
 - Employees now contribute towards the cost of their health benefits, for themselves and their eligible dependents. Up until this fiscal year, most employees did not contribute toward the monthly premium cost of health benefits.
 - A second medical plan, a Kasier High-Deductible Health Plan option, is now available to most employees. Offering employees a less expensive alternative to the City's self-funded medical plan was also part of the City Council's Action Plan of Fiscal Sustainability.
 - Retiree medical benefits, an expensive and unsustainable benefit, has been eliminated for all new hires.

2012-2013 Proposed Budget Errata Replacement Pages

	Section	Page Range	Pages Changed	Explanation for Change
17	Internal Service Funds	O – 29 to O – 30	O – 29	The PERS and Pension Obligation Bond Rate Table have been corrected. The 2012-13 Proposed Budget numbers have not changed.

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**Internal Service Funds
Retirement - 561
2012-13 Proposed Budget**

	<u>FY 2009-2010</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>	<u>FY 2012-2013</u>
	<u>Actual</u>	<u>Unaudited Actual</u>	<u>Projection</u>	<u>Proposed Budget</u>
Beginning Available Balance		\$ 1,599,240	\$ 1,076,632	\$ 2,778,548
Revenues				
Charge for Services				
Police	\$ 14,511,205	14,316,181	17,496,709	14,191,274
Fire	8,080,599	8,310,244	10,971,344	6,814,645
Other General Fund	1,279,719	1,310,040	1,733,993	1,381,583
Other Funds	12,824,756	11,996,899	13,852,466	10,488,810
Contingency/staff reductions			(4,900,000)	
Employee Paid				8,382,960
Investment Interest	70,557	25,000	62,628	31,912
Refunds & Reimbursements	139	100		
	<u>36,766,975</u>	<u>35,958,464</u>	<u>39,217,140</u>	<u>41,291,184</u>
Expenditures				
CalPERS payments	27,925,399	29,037,821	36,780,631	33,546,722
Contingency/staff reductions			(4,900,000)	
Debt Service on Pension Bonds	6,969,946	7,332,408	7,196,217	7,712,550
Other Operating Costs	100,543	110,843	140,292	31,912
	<u>34,995,888</u>	<u>36,481,072</u>	<u>39,217,140</u>	<u>41,291,184</u>
Transfers				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Annual Activity	<u>1,771,087</u>	<u>(522,608)</u>	<u>-</u>	<u>-</u>
Ending Available Balance		\$ 1,076,632	\$ 1,076,632	\$ 2,778,548
Pension Bond Payment - August			\$ 7,196,217	\$ 7,712,550
Available Balance Calculation				
Cash and Interest Receivable		<u>\$ 1,599,240</u>		
Ending Available Balance		<u>\$ 1,599,240</u>		
PERs Employer Retirement Rates excluding Pension Obligation Bond (percentages of payroll)				
Safety	21.360%	23.270%	29.100%	31.790%
Miscellaneous	13.080%	14.090%	16.940%	16.880%
Pension Obligation Bond - Estimated Retirement Rates PERS plus POB (percentages of payroll)				
Safety	31.632%	32.321%	38.845%	43.110%
Miscellaneous	17.069%	18.076%	20.226%	20.660%

Note

Program revenues are estimated based upon percentage of baseline payroll, before any staff reductions.

Staffing reductions can cause these revenues to fluctuate.

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

**Internal Service Funds
Compensated Absence - 562
2012-13 Proposed Budget**

	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-13
	Actual	Unaudited Actual	Current Budget	Proposed Budget
Beginning Available Balance		\$ -	\$ -	\$ -
Revenues				
Charge for Services				
Police	432,935	437,795	782,888	1,594,291
Fire	441,922	462,409	806,881	660,964
Other General Fund	121,466	119,285	138,890	337,272
Other Funds	988,804	2,607,474	1,451,308	1,907,473
Interest	(44,195)			
	1,940,932	3,626,963	3,179,967	4,500,000
Expenditures				
Employee Separation Pay	3,914,898	5,176,720	3,179,967	4,500,000
Administration	117			
	3,915,015	5,176,720	3,179,967	4,500,000
Transfers				
Transfer In - General Fund	1,000,000	3,000,000		
Transfer Out				
	1,000,000	3,000,000	-	-
Net Annual Activity	(974,083)	1,450,243	-	-
Ending Available Balance	\$ (974,083)	\$ 1,450,243	\$ -	\$ -
Available Balance Calculation				
Cash and Interest Receivable		\$ -		
Due to Worker's Comp Fund				
Ending Available Balance		\$ -		
Program Contribution Rate	1.85%	3.57%	3.10%	4.80%

Note

Program revenues are estimated based upon percentage of baseline payroll, before Adopted staff reductions.
Actual revenues and the cash flow to pay out leave balances will fluctuate with Citywide staff reductions.