

**2011**

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**2012**



# **ANNUAL BUDGET**



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# **2011-2012 ANNUAL BUDGET**

Printed August 25, 2011

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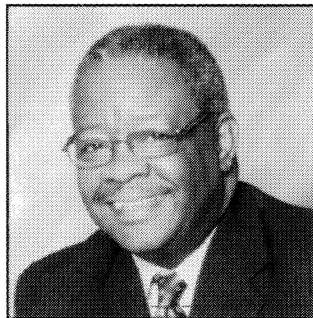
# CITY OF STOCKTON CITY COUNCIL



**ANN JOHNSTON**  
MAYOR



**KATHERINE M. MILLER**  
VICE MAYOR  
*District 2*



**ELBERT H. HOLMAN JR.**  
COUNCILMEMBER  
*District 1*



**PAUL CANEPA**  
COUNCILMEMBER  
*District 3*



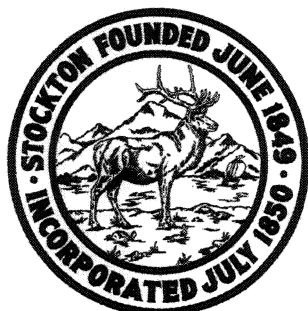
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COUNCILMEMBER  
*District 4*



**SUSAN T. EGGMAN, PH.D**  
COUNCILMEMBER  
*District 5*



**DALE FRITCHEN**  
COUNCILMEMBER  
*District 6*



**Stockton**



2004  
1999

City of Stockton  
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# **TAB**

## **Introduction**



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# CITY OF STOCKTON

## OFFICE OF THE CITY MANAGER

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June 7, 2011

City Council  
City of Stockton, California

### **BUDGET MESSAGE**

This memorandum transmits the Fiscal Year (FY) 2011-12 Proposed Budget. You will be conducting study sessions on this budget on June 8th and 14th, concluding with Council final budget adoption on June 21, 2011. The proposed budget appropriations of \$603 million include operating, capital, debt, transfers, and internal service operations for all programs of the City.

	2010-11 Adopted	2011-12 Proposed	Difference
City-wide Budget, All Funds			
General Fund	\$ 167,320,194	\$ 161,761,313	\$ (5,558,881)
Utilities	85,385,744	112,060,802	26,675,058
Capital/Street Maintenance	51,575,899	68,173,480	16,597,581
Redevelopment Agency	24,738,191	21,258,486	(3,479,705)
HUD/Housing Programs	12,901,809	23,788,431	10,886,622
Other Community Programs	58,280,650	61,781,622	3,500,972
Debt Service	-	25,875,051	25,875,051
Internal Services	111,598,467	128,759,617	17,161,150
	<u>\$ 511,800,954</u>	<u>\$ 603,458,802</u>	<u>\$ 91,657,848</u>

I caution the reader in trying to compare budgets between fiscal years. These appropriations total \$91 million more than the current year Adopted Budget. The difference is primarily due to one time large capital projects in Utilities and Public Works, HUD Neighborhood Stabilization grants, first time inclusion of city and improvement district debt service, and health and pension benefit cost increases financed through internal service funds. In contrast, the City's unrestricted General Fund budget has further declined.



General Fund Budget	2010-11 Adopted	2011-12 Proposed (Plan B)	Difference
Beginning Available Balance	\$ 5,071,271	\$0	\$ (5,071,271)
Revenues	166,949,000	161,761,313	(5,187,687)
Expenditures			
Police	(88,247,515)	(84,862,036)	(3,385,479)
Fire	(46,888,659)	(39,812,835)	(7,075,824)
Other Programs	(32,184,020)	(37,086,442)	4,902,422
	(167,320,194)	(161,761,313)	(5,558,881)
Ending Available Balance	\$ 4,700,077	\$0	\$ (4,700,077)

As you can see the FY 2011-12 Proposed General Fund Budget is \$5 million less than the current year Adopted Budget. \$10 million of reductions in public safety costs offset a \$5 million loss in revenues and to support cost increases in other non-Safety programs. These other programs include: 1) first time budgeting of litigation/negotiating costs; 2) \$1 million placeholder that reflects decreased charges to redevelopment; and, 3) a \$2 million contingency.

The City of Stockton is near insolvency. Reserves in the General Fund are exhausted, reserves in internal service funds are near depletion and the City has leveraged itself with inter-fund loans and debt that puts the General Fund at risk for backfilling deficits in other funds. Furthermore, the City is straddled with multi year labor contracts with escalating costs that simply cannot be paid within anticipated revenues in the foreseeable future.

The City Council foresaw some of this problem going into the Fiscal Year (FY) 2010-11 budget process and declared a fiscal emergency on May 26, 2010. The Council also adopted a fiscal sustainability plan that, if implemented, would greatly enhance the City's probability of getting its fiscal house in order. The focus for that budget cycle and emergency declaration was implementing measures that would ameliorate the General Fund problem. Since then, as a result of a systematic review of all funds by a new management team, it is clear the fiscal condition of the City has worsened and the problem is not limited to just the General Fund. As a result, on May 17, 2011 the Stockton City Council expanded the fiscal emergency declaration to include all City funds and continue it into the next fiscal year (FY 2011-12). The staff report from this action is included in the appendix to the Proposed Budget.

The City is truly at a crossroad. It can continue to dramatically reduce services to balance its budget and pay for growing labor costs (Plan A) or get agreement from employee groups to reduce escalating personnel costs with some managed reduction of services (Plan B). The service reductions necessary to balance this budget (under Plan A) would be draconian and dangerous to the citizenry. It would result in a 42 percent

cumulative reduction in staff, in a City that already had modest service levels with a very high crime rate. Stockton now has the highest crime rate in the state of California.

As of mid May, it appeared the employee groups were not agreeing to the cost reduction proposals consistent with the Council's fiscal sustainability plan; thus, the untenable options resulted in the fiscal emergency declaration. This declaration authorizes the City Manager to take appropriate measures to balance the budget and make changes to existing labor agreements limited to the duration of the fiscal crisis. The Council's interest is not to make unilateral changes to labor agreements, but rather, to reach agreement with employee groups consistent with the Council's sustainability plan.

The budget before you highlights the two options mentioned above and the difficult policy choices that are before the Stockton City Council in choosing between Plan A and B. These two options are more fully discussed later in this memorandum. The preferred option of the Council and City Manager is some form of Plan B, along with employee agreement on concessions. As before, the City stands ready to negotiate with its employee groups to put our finances on a more sustainable path.

### **Current Fiscal Status**

#### **General Fund**

Even after eliminating 25 percent of the staff, we expect to end the current fiscal year (FY10-11) with an operating deficit, requiring transfers from other funds to ensure we do not end with a negative fund balance. This is primarily due to a slight reduction in revenues, no reserves and unbudgeted costs e.g. litigation associated with labor issues.

Our most recent fiscal projections estimate that our General Fund operating budget deficit is \$37 million for FY 2011-12. This is primarily due to: 1) medical and pension cost increases, 2) cost of living increasing that were suspended but not eliminated, 3) furloughs that have not been extended into next year, 4) reduced indirect cost recovery from special funds, and 5) separation pay for expected increased retirement activity. To put this in perspective, we have an expected general fund revenue base of \$162 million and a potential expenditure exposure of \$199 million for next year. Given that 80 percent of the General Fund is for public safety, we cannot balance next year's budget without cutting deeply into public safety services that are already compromised by the loss of 99 sworn police officer positions.

#### **Special Funds That Impact The General Fund**

As mentioned earlier, we are building a new senior management team that is scrutinizing our business and financial management practices. While their work is not

entirely complete, they have discovered an unfortunate practice of inter-fund borrowings, deficit spending, over leveraging and drawing down cash from internal service funds, all of which have quietly put the City's General Fund at greater risk. From our examination, much of this has not been highlighted for City Council's attention as a clear policy choice, but instead resulted from an accumulation of staff decisions at various levels of the City, and was buried in the myriad of financial details forwarded to the Council.

The Chief Finance Officer has discovered approximately 50 loans between funds, many of which are likely not payable in the foreseeable future. It appears the Redevelopment program has been operating at a deficit for 3-4 years, with no discussion how the deficit will be addressed. The City has issued public facility fee bonds assuming that economic activity will return to levels experienced just before the recession, thus future debt service payments may become a General Fund liability in the future. All of these reflect poor management practices that may directly or indirectly impact the General Fund, the ultimate backstop for these programs. The Chief Financial Officer will be presenting an agenda item that attempts to unwind much of the long list of inter-fund loans before June 30th. However, some loans require further research on options and will be presented to your Council during the first half of next fiscal year.

In the deficit spending area, we have not been charging the General Fund (and other funds) the appropriate costs for workers compensation, general liability and medical insurance, our three largest self insurance programs. As a result, any large claims swings in these programs may unexpectedly impact the General Fund and special funds. As we start the new fiscal year, the Workers Compensation Fund has a negative \$40.1 million fund balance. The General Liability Fund has a negative \$3.4 million fund balance. The Health Insurance Fund has a negative \$6.2 million fund balance.

#### Other Special Funds

The two departments that have the largest planned capital expenditures are Public Works and Municipal Utility Departments (MUD). Both are reliant on a certain economic activity that we have not experienced for a few years. While there is some flexibility in Public Works on timing of projects (canceling projects), much of MUD's capital needs are driven by regulatory concerns. We must conduct additional analyses to ensure that MUD can meet its regulatory mandates and cover operating costs after the Delta Water Project is complete and comes on line. As you know, the Storm Water program is also regulatory driven and the voters recently turned down a rate increase, further exposing the General Fund.

We have been deficit spending in many other funds, including: utilities, development services, housing, marina, golf entertainment venues, capital, and fleet.



### Action Plan for Fiscal Sustainability--Getting Our House In Order

The City Council saw the proverbial writing on the wall a year ago. Not only did it adopt a fiscal emergency for FY 2010-11, but it adopted an Action Plan For Fiscal Sustainability. It is attached to this budget message (**Attachment A**). It emanates from the fact that the labor contracts have: 1) premium pays that exceed the labor market; 2) untenable restrictions on management rights; 3) automatic wage increases (cost of living increases); 4) almost no employee contributions toward medical insurance and pensions; 5) extraordinary vacation accruals with generous sellback provisions; 6) free health insurance for retirees and their dependents, and other unsustainable provisions. We estimate that for every dollar on base pay, the City pays an additional \$1.15 in benefits and premium pays (excluding overtime).

If employee groups agreed to the core tenets of the Council's Action Plan for Fiscal Sustainability, the need for reductions would be greatly reduced. This plan provides the foundation for what we are proposing as concessions at the bargaining tables. Our request is reasonable: we ask simply to bring our compensation practices in line with the municipal labor market. However, what makes this extremely difficult for employee groups is the short transition time for these changes. Typically this type of strategy would take a few years or more to implement, but because of our financial position, we need to implement these changes immediately. I respect their frustration.

### Budget Choices And Open Processes

As previously explained, there are two basic options for the Council to consider in reviewing this budget and ultimately adopting a balanced one before June 30th.

#### Plan A

This option essentially continues the current practice of compensating our employees and balances the budget by more staffing and service reductions. A complete list of the reductions can be found in **Attachment B**. As you can see, this would result in 236 General Fund position reductions along with the summarized reduction in services. Citywide reductions would reach 253 positions. We believe the Fire Department can sustain some reductions in staffing, simply because they have not experienced similar cuts as other departments, due to their labor agreement. However, we are extremely concerned about the potential impacts to service levels in the Police Department, because, over the last two years, the Department has already experienced the elimination of 99 sworn officers, in both General Fund and Measure W operations, and 33 non-sworn employees.

## Plan B

This option assumes that employees will agree to many of the concessions as presented at the table by the City. Absent agreement, the Council's declaration of fiscal emergency authorizes the City Manager to impose certain contract changes to ameliorate the fiscal emergency. The balance of cost reductions would be service reductions as described in **Attachment C**. Of course, the final budget, with any changes imposed through emergency powers, will be subject to the approval of the Council.

The City Council conducted seven town hall meetings throughout the City to solicit citizen input on the basic options. In addition, there have been various fiscal emergency updates, budget study sessions and other public meetings to solicit citizen comment. The preponderance of public comments included a high degree of concern about public safety in the City currently; and the view that further reductions in Police would be unfathomable. There were additional concerns about reducing services that keep kids out of trouble such as the libraries and recreation programs.

## Summary

The City Council has been focused on the fiscal health of the City for some time. You have spent hours studying the financial drivers of your budget. You have shown the wherewithal to make the creative and difficult decisions to stretch taxpayer dollars and get our fiscal house in order. You have stretched the privatization of services to save money. You have approached this problem with the vigor that I have not seen from an elected body, keeping in mind this is a situation that you inherited and not of your doing. Even against this difficult backdrop, you and the City have accomplished much this past year, as summarized in each of the departmental budget narratives.

You have kept your eye on the ball and continue to plan for the future. You recently adopted four key goals for the next year, along with strategic initiatives to effectuate these goals (see **Attachment D**).

## 2011 City Council Work Plan

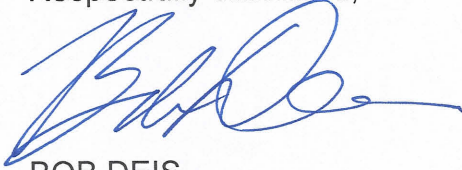
1. Fiscal Sustainability--Getting Our Fiscal House In Order
2. Increase Public Safety--Both Real and Perceived
3. Economic Development—Facilitate Investment and Job Creation
4. Increase Organizational Capacity

These strategic initiatives do not require ongoing expenditure commitments, but do require some very modest one time investments.

The budget document format and this budget message is a change from the past. It has been changed to provide you more meaningful information, increase transparency and provide the reader even more information on where the taxpayers money is allocated and what we wish to accomplish this next year.

Finally, I wish to thank the new Chief Finance Officer, Susan Mayer, who is leading the charge in evaluating our financial situation and developing strategies to address our financial condition. She is a very critical and valued addition to the City of Stockton senior management team. Her staff, the department heads and City Manager's Office staff have worked with Ms. Mayer in evaluating our past financial practices and greatly assisted in putting this document together in very short order. These are trying times for everyone. This could not have been done without them.

Respectfully submitted,



BOB DEIS  
CITY MANAGER

Attachments: A, B, C & D



**ACTION PLAN FOR FISCAL SUSTAINABILITY  
AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF  
STOCKTON  
JUNE 22, 2010**

**Introduction**

The City of Stockton ("the City") faces immediate and long term challenges caused in part by escalating and unfunded costs in its labor agreements. The City greatly values its employees and the services they provide to the community. However, labor costs have escalated exponentially and unfairly, particularly when compared to the more modest wage and benefit programs covering the majority of the City's citizens. It is unacceptable that some of the City's labor unions have insisted on higher wages and benefits at a time of recession - when the City's unemployment rate is approximately 22%, and the median household income for a family of four is just over \$63,000.

This ten point Action Plan is intended to serve as a policy blueprint for the City's labor relations program. The City is committed to abiding by the Meyers-Miliias-Brown Act ("MMBA"), and will continue to negotiate in good faith, seeking partnerships whenever reasonably possible with labor. This Action Plan shall serve as the benchmark for future objectives with labor.

**Issues and Action Plan Principles**

**Issue No. 1 – Transparency / Hidden Costs:**

The City's labor agreements contain embedded costs and obligations that are often difficult for citizens to identify or understand. For example, the City's payroll system carries over 100 different "additional pay" codes ranging from "assignment pay" to "longevity pay" and others. In many instances, these are simply disguised forms of



regular salary. These additional pays make it difficult for the public to evaluate and understand the overall compensation of City employees.

**Action Plan Principle No. 1:** The City shall reduce or eliminate "additional pay" categories. "Additional pays" will be authorized only when the additional pay is absolutely essential to the performance of special job tasks that are not encompassed within the job description. The City shall ensure that all compensation packages are fully, accurately and simply costed out, with total costs displayed to the public so that city residents can understand and evaluate the pay at issue. Unless there are exigent circumstances as determined by the City Council, labor agreements containing cost increases shall be publicized and made available at least two weeks prior to adoption.

**Issue No. 2 – Transparency / Side Letters:** The City is aware of certain "side agreements," other informal memoranda memorializing understandings between departments and labor unions and "past practices" alleged to bind the City. Such "side agreements" and allegedly binding "past practices" are inappropriate because they increase costs, and detract from two critical principles: (1) the public has a right to know the contractual arrangements and obligations affecting public employees; and (2) pursuant to state law, labor commitments by a public agency must be approved by the City Council.

**Action Plan Principle No. 2:** No side agreements or past practices shall be binding on the City unless the agreement or practice is approved in public by the City Council. New labor agreements shall supersede all previous agreements and practices, and shall not contain language preserving previous agreements or practices.

**Issue No. 3 – Salary Formulae:** Various City labor agreements contain wage and salary formulae that mandate automatic wage increases regardless of economic reality based upon compensation paid in other cities and/or changes in the cost of living. For example, the Police Officers Association ("POA") recently filed a grievance to enforce a wage formula that the POA contended required the City to give a 23% wage increase as of July 2008. The salary formula itself required the City to compare salaries from communities that have little or marginal relevance to Stockton, including Irvine, Glendale, Anaheim, Chula Vista and Bakersfield. The City eventually settled, resulting in a retroactive wage *increase* of 15% at a time when the City was in the midst of a financial crisis, and many of the City's citizens were suffering from layoffs and reduced pay.

The Fire Union is currently asserting the right to an 8.5% raise based on a similar salary formula, which confers automatic adjustments based on irrational comparisons to communities including Anaheim, Fresno, Garden Grove, Huntington Beach, Pasadena, San Bernardino, Santa Ana and Torrance. In addition, the fire contract would provide for a 3.6% increase based upon a cost of living formula.

**Action Principle No. 3:** The City's labor agreements shall not provide for automatic wage adjustments that are premised on formulae or automatic cost of living inflators.

**Issue No. 4 – Fairness and Parity:** The City's labor agreements have staggered terms, meaning that they expire at different times. This results in a "ratcheting effect" – i.e., the next union to negotiate looks to the last agreement and attempts to negotiate a better agreement. It also results in differing benefit structures and work rules. And, it

makes it difficult to ensure across-the-board fairness in City-wide programs that should be given uniform treatment.

**Action Principle No. 4:** The City shall strive to have its labor agreements expire at the same time – particularly with public safety unions.

**Issue No. 5 – Contribution to Health and Welfare Benefits:** Many of the City's employees make no contribution toward health benefits. For example, City firefighters pay nothing for health coverage, regardless of whether they are single, married or in a family plan costing over \$1000 per month. This situation is in stark contrast to the vast majority of the City's residents, many of whom must contribute toward their health care, and some of whom have no health care coverage at all. The situation is not only costly and out-of-step with other jurisdictions, it is unfair.

**Action Principle No. 5:** The City shall require its employees to make reasonable contributions toward the cost of health care coverage provided through the City.

**Issue No. 6 - Health Plan:** The City currently offers only one health plan, a self-insured plan, with the plan design itself embedded into various labor contracts. Because the plan elements are embedded into labor contracts, it is cumbersome for the City to make changes that provide efficiencies and savings, even when those changes have little fiscal impact on employees and retirees. In addition, because the City only offers one plan – a quality plan that has a relatively high cost – City employees have no health care choices.

**Action Principle No. 6:** The City shall offer one or more additional health care insurance plans. The City's contributions shall be negotiated based on the lowest cost plan made available by the City.

**Issue No. 7 – Retirement:** City employees are guaranteed a specific, annual pension at retirement. The City currently pays 100% of the retirement contribution to the California Public Employee's Retirement System (CalPERS) for all employees. The City contribution is expected to exceed 20% of the City's payroll costs over the next few years for non-safety employees and 40% for safety employees. In addition, current retirement is based on the highest year of salary earned. This practice is inconsistent with both public and private sector employers.

Regular, non-safety employees receive lifelong pensions calculated using a formula of "2% at age 55."

- Regular City employees with 30 years of services receive 60% of their highest year's salary for life.
- Regular City employees with 20 years of service receive 40% of their highest year's salary for life.
- Retirees receive an annual COLA of up to 5% a year.

Safety employees receive "3% at age 50." Upon retirement, an employee will annually receive 3% of their highest year's salary, multiplied by the number of years of service.

- Safety employees with 30 years receive 90% of their highest year's salary for life.

- Safety employees with 20 years of service receive 60% of their highest year's salary for life.
- Safety retirees receive an annual COLA of up to 2% a year.

**Action Principle No. 7:** The City will require its employees to contribute a fair share of their pension costs. CalPERS sets a required "employee" contribution: currently 7% for non-sworn employees, and 9% for sworn employees. City employees shall pay the entire employee contribution. In addition, the City shall negotiate "cost share" agreements with employees to share the total burden of city pension costs, as provided under PERS rules. Further, the City shall negotiate to establish a "second tier" pension benefit for new employees entering the workforce, costing less than the current plans and reducing overall City costs over the long run.

**Issue No. 8 – Time Off Benefits:** Currently, City employees receive paid time off for holidays, vacation days, and sick days. Employees can accumulate up to 8 weeks of vacation annually. Vacation time is converted to cash through "sell-back," or at termination or retirement. Employees can accumulate an unlimited amount of sick leave; half of an employee's sick leave is converted to cash at retirement and the other half can be added to years of service for the calculation of the retirement benefit. Staffing shortages, furloughs and closed Fridays create larger banks of accumulated vacation time that must be paid out when not used. The budget impact is often unpredictable and unmanageable, which reduces the City's ability to deliver services to the public.

**Action Principle No. 8:** The City will establish vacation use work rules that limit the accumulation of vacation time and provide for use with management approval to



ensure that the needs of the public take priority and overtime is minimized. The rules shall also limit the practice of converting vacation and sick leave to cash to situations when such cash-out is legally required. The City shall evaluate the current leave programs and implement reasonable reforms consistent with programs in the public and private sectors.

**Issue No. 9 - Work Rules:** The labor contracts, and informal department policies, contain staffing work rules that limit management discretion and are highly inefficient. The Fire Union contract, for example, contains a variety of staffing mandates that purport to remove any discretion on the part of the City to adapt to the needs of the service and modernize. For example, the labor contract provides that fire trucks must be staffed by five firefighters, when the vast majority of jurisdictions safely operate fire trucks with four persons, and the contract contains numerous other dictates that hamper the Fire Chief's ability to manage the workforce efficiently.

**Action Principle No. 9:** The City shall regain its management rights to supervise, manage and direct its workforce. The City shall not enter into labor contracts that contain inflexible staffing requirements or unreasonable restrictions on the City's management rights.

**Issue No. 10 – Overtime:** The City's overtime practices are out-of-step with the federal Fair Labor Standards Act ("FLSA"). In some highly publicized cases, employee overtime has *exceeded* employee base pay. There are opportunities for abuse when employees take sick or other leave that require the callback of another employee at overtime rates.

**Action Principle No. 10:** The City shall restructure its labor agreements to bring overtime obligations in line with the minimums required by the Fair Labor Standards Act. The City shall minimize the use of unnecessary overtime.

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**General Fund  
Budget Plan A Summary  
2011-12 Proposed Budget**

<b>Program</b>	<b>Service Reductions</b>	<b>Savings</b>	<b>FTE's Eliminated</b>	<b>Part-time Eliminated</b>
<u>Police Department</u>				
Street Gang Units (GSET)	Eliminate 9 sworn police officer positions from Vice and Gang units. Only funded Task Forces remain.	1,317,121	9	
Gang Unit (GVSU)	Eliminate 5 sworn police officer positions. Gang activities would be handled by regular patrol units.	747,793	5	
Vice Unit	Eliminate 1 sworn police officer from the Vice Unit. Vice investigations handled by other sworn staff.	151,094	1	
Animal Control	Eliminate 10 civilian staff. Shift Animal Shelter to County or non-profit, police officers service calls.	1,042,880	10	
Comm. Service Officers	Reduction in response to lower priority calls-for-service. Parking Enforcement and other duties shifted to sworn officers.	3,148,511	32	
Traffic Officers	Eliminate 2 Motorcycle Traffic Enforcement Officers, reducing impacts on City-wide traffic issues.	320,000	2	
Evidence Technicians	Eliminates 15 civilian evidence tech support staff. Shift evidence tech work to sworn police officers.	1,728,116	15	
Support for Investigations	Investigative support tasks shifted to sworn resulting in slower case processing and clearance.	196,866	2	
Crime Analysts	Elimination of 3 vacant crime analysts will reduce ability to track and analyze crime.	350,862	3	
Graffiti Abatement	Graffiti will only be removed where Landscape Maintenance Districts already fund removal.	706,549	5	
Code Enforcement	Rental Inspection & Code Enforcement will not improve from current level.	138,679	2	
Rental Inspection Program	Eliminate 3 civilian positions shifting duties to other code enforcement officers.	254,309	3	
Police Records Assts.	Eliminate about 40% of civilian support staff in Records & Traffic sections. Work shifted to sworn.	1,431,038	14	
Property Room Staff	Eliminate all 3 civilian positions in Property Section and replace with sworn police officers.	345,269	3	
Administrative Staff	Eliminate 4 fiscal support positions. Some administration work shifted to sworn.	462,188	4	
Personnel & Training	Reduce Personnel & Training by 2 sworn staff, resulting in less training, recruiting, & backgrounding.	309,703	2	
Materials and Supplies	Reduce department materials and supplies	91,575		
Telecommunications staff	Eliminates supervisor and 5 vacant dispatchers. Supervision shifted to sworn.	1,286,582	11	
Technology Staff	Reduction of support staff for Police systems will increase risk of system problems & data loss.	233,908		
		<u>14,263,043</u>	<u>123</u>	<u>-</u>

**General Fund  
Budget Plan A Summary  
2011-12 Proposed Budget**

<b>Program</b>	<b>Service Reductions</b>	<b>Savings</b>	<b>FTE's Eliminated</b>	<b>Part-time Eliminated</b>
<u><b>Fire Department</b></u>				
Reduce Daily Line staffing from 75 to 41	Eliminate 81 sworn positions, close 3 Engines and 1 Truck. Increases response time and reduces safety.	19,022,182	81	
Add 1 Clerical Position	Add one clerical position to replace admin positions lost in prior year budget cuts.	(82,600)	(1)	
		<u>18,939,582</u>	<u>80</u>	<u>-</u>
<u><b>Public Works Department</b></u>				
Facility Maintenance Staff	Eliminate 3 vacant maintenance positions not needed due to move to new Administration building	218,200	3	
Parks Management	Eliminate 2 positions and move 30% of 1 FTE to Maintenance Districts, reducing contract oversight.	264,000	2	
Tree Crew	Eliminate 1 position from last remaining tree crew; reduces crews ability to cover absences.	69,400	1	
Gas Tax Fund	Reallocate duties and costs for engineering staff and tree crew to Gas Tax Fund	291,000		
Tree Maintenance	Reduce contract services for emergency tree trimming. Increased delays clearing trees.	75,000		
HVAC contracting budget	Reduce HVAC contractor services to City buildings	40,000		
Park Irrigation	Reduce park irrigation by 10%	<u>60,000</u>		
		<u>1,017,600</u>	<u>6</u>	<u>-</u>
<u><b>Community Services - Library</b></u>				
Branch operating hours	Eliminate 6 librarian positions and reduce hours open to public in all City branches.	627,915	6	
Angelou & Weston Ranch	Eliminate staff and reduce days open to public at Angelou and Weston Ranch branches.	199,998	2	
Library support services	Eliminate 3 positions reducing public relations, technical services and staff development.	146,059	3	
49-99 Coop library system	No longer deliver library materials to system members; eliminate 2 part-time staff.	35,000		2
State Library Funding	Revenue loss expected from proposed state budget.	<u>(103,896)</u>		
		<u>905,076</u>	<u>11</u>	<u>2</u>
<u><b>Community Services - Recreation</b></u>				
Recreation Coordinators	Eliminate 1 vacant recreation coordinator position, reducing program oversight.	111,503	1	
Community Center Hours	Reduce hours at Van Buskirk and Stribley Centers	173,463	2	
Marketing and Support	Eliminate one clerical position and marketing staff	106,852	1	
Sports Commission	City cost of Sports Commission moved to TBID. Reduces funds for sports events.	83,617		
Community Center Staff	Reduction in staff at Arnold Rue Community Center Customer service will be reduced.	75,000	1	
		<u>550,435</u>	<u>5</u>	<u>-</u>

**General Fund  
Budget Plan A Summary  
2011-12 Proposed Budget**

<b>Program</b>	<b>Service Reductions</b>	<b>Savings</b>	<b>FTE's Eliminated</b>	<b>Part-time Eliminated</b>
<u>Community Services - Arts Commission</u>				
Reallocated Costs	Costs reallocated to other funding sources	5,806	-	-
<u>Economic Development</u>				
Support Staff	Eliminate vacant clerical position	56,036	1	-
<u>Administrative Support Departments</u>				
City Council	Eliminate 1 full-time staff position (also part of City Manager's & City Attorney's reduction amounts)	63,835	1	
City Manager	Eliminate 2 full-time clerical positions	199,274	2	
City Attorney	Eliminate 1 vacant Deputy City Attorney and reduce Assistant City Attorney from full-time to part-time.	146,641	1	
City Clerk	Eliminate 1 full-time staff position	121,796	1	
City Auditor	Reduce City Auditor from full-time to half time	102,728		
Administrative Services	Eliminate 3 full-time and 5 part-time positions	404,078	3	5
Human Resources	Eliminate Deputy Director	134,687	1	
Non-Departmental	Eliminate 1 full-time & 2 part-time positions.	77,722	1	2
	Reduce Community Partnership for Families by 10%			
		1,250,761	10	7
<b>Total Department Reductions</b>		<b>36,988,339</b>	<b>236</b>	<b>9</b>



**General Fund  
Budget Plan B Summary  
2011-12 Proposed Budget**

	<u>Service Reductions</u>	<u>Other Labor Cost Reductions</u>	<u>Total Reductions</u>	<u>FTE's Eliminated</u>
<b>Service Reductions</b>				
<u>Police Department</u>				
Reduce Animal Control - eliminate 2 civilian staff	175,368			2
Reduce Crime Analysts from 4 to 1 - eliminations will reduce ability to track and analyze crime	316,728			3
Reduce Code Enforcement - eliminate 1 position	94,261			1
Eliminate 4 Community Service Officers - reduction in response to lower priority calls-for-service	438,585			4
Reduce Police Records Assistants	78,172			1
Reduce Administrative Staff - some administrative work shifted to sworn	100,652			1
Reduce materials and supplies	416,478			
Additional Salary Savings	181,410			
Reduce Telecommunications staff	198,346			2
	<u>2,000,000</u>	<u>12,341,851</u>	<u>14,341,851</u>	<u>14</u>
<u>Fire Department (a)</u>				
Reduce Daily Line staffing from 75 to 57 - eliminate 48 sworn positions, close 1 Engine and 1 Truck	9,360,760			48
	<u>9,360,760</u>	<u>9,884,013</u>	<u>19,244,773</u>	<u>48</u>
<u>Public Works Department</u>				
Reduce Facility Maintenance staff - eliminate vacant positions not needed due to move to Administration building	100,000			1
Reallocate staff costs to Gas Tax Fund	291,000			
	<u>391,000</u>	<u>448,799</u>	<u>839,799</u>	<u>1</u>
<u>Community Services - Library</u>				
		568,247	568,247	
<u>Community Services - Recreation</u>				
Eliminate funding for Stockton Sports Commission	83,617			1
	<u>83,617</u>	<u>284,879</u>	<u>368,496</u>	<u>1</u>
<u>Community Services - Arts Commission</u>				
		6,974	6,974	
<u>Economic Development</u>				
		46,217	46,217	
<u>Administrative Support Departments</u>				
City Council		77,067	77,067	
City Manager				
Eliminate 1 clerical position	100,000	120,545	220,545	1
City Attorney		134,304	134,304	
City Clerk		124,041	124,041	
City Auditor				
Reduce 1 position by 20%	30,000	55,067	85,067	
Administrative Services		501,497	501,497	
Human Resources				
Eliminate Deputy Director	134,687	203,779	338,466	1
Non-Departmental		90,995	90,995	
	<u>264,687</u>	<u>1,307,295</u>	<u>1,571,982</u>	<u>2</u>
<b>Total Department Reductions</b>	<b><u>12,100,064</u></b>	<b><u>24,888,275</u></b>	<b><u>36,988,339</u></b>	<b><u>66</u></b>

(a) Fire Department reductions assume labor cost reductions that the City hopes to achieve through negotiations.



## City of Stockton City Council Goals for 2011

As an outcome of the performance evaluation of the City Manager and the Annual Workshop of the City Council held on January 28, 2011, the Council has adopted the following work plan. Given these difficult times, and after much consideration, the Stockton Council has decided that less is more. Rather than trying to be all things to all people, it will have a greater impact to the community by focusing on a short list of key goals....some would say getting back to basics....in order to begin the true revival of the great City of Stockton.

### **1. Fiscal Sustainability--Getting our fiscal house in order.**

It has become clear there will not be a robust recovery in the City of Stockton's general fund revenue base for some time to come. Furthermore, the City does not have adequate reserves to weather these difficult times, and its compensation practices and employee benefit/insurance programs are not being administered using current best management practices. The estimated budget deficit for FY 2011-12 is \$34 million and growing. It grows even more, each year thereafter. The City must improve its cost of doing business and look beyond just the next year with a goal of providing multi-year fiscal sustainability.

As a start, the City Council adopted its Action Plan For Fiscal Sustainability on June 22, 2010 (see attachment at end of packet). This provides the framework for labor negotiations and concession bargaining for 2011. Labor costs represent 80 percent of the general fund. We have begun the negotiations process to effectuate the sustainability goals and to balance the next few years' budgets. Furthermore, we need an independent review of our employee benefits/insurance programs (medical, workers compensation, long term disability, life, etc.) to ensure they are administered in a cost effective manner and provide a benefit level that is generally supported in the labor market. Finally, we need to ensure our accounting and fiscal management practices are up to par to ensure the financial data that underlies our decisions is accurate and reliable. Finally, we need to begin the conversation about our unsustainable retiree health program.

### **2. Increase Public Safety, both real and perceived.**

The level of crime is unacceptable in the City of Stockton. The sense of safety by Stocktonians appears to have reduced in the recent past. The relative increase in crime from 2009 to 2010 is disconcerting and the total amount of crimes (on a per capita basis) is some of the highest in the nation. Violent crimes increased 9 percent overall while burglaries increased 13 percent this last year. Yet, the number of arrests went down 27 percent. This last figure is directly a result of fewer officers on the street.

While the data supports the assertion that much of the violent crime is associated with gangs and drugs, and the odds of being victim to a violent crime are low, we have

double the murder rate of Los Angeles and there are simply too many victims of violent and property crime in our City. Furthermore, we have direct evidence that our real or perceived sense of public safety is one key factor impacting our ability to attract new high wage employers to the City.

The sources of crime are complex and therefore the strategies of reducing it are equally complex and must come from multiple disciplines. Poverty, youth employment and activities outside school, gangs, school performance, parenting, substance abuse, mental health, faith based institutions, law enforcement and criminal justice system performance are just some of the causes and possible sources for reducing crime.

The City needs the equivalent of the Marshall Plan for addressing public safety in the City. Besides being a direct service provider in this area, the City needs to be a convener of stakeholders acting in concert with the various institutions that have a stake in the factors that impact public safety e.g. county, schools, state, faith based groups, non-profits, etc.

### **3. Economic Development—Facilitate Investment and Job Creation**

It is no secret that Stockton has been hit harder by the recent recession than other communities. Our current unemployment rate hovers around 20 percent. Our per capita income is 37% less than the statewide average. Our much publicized foreclosure rate is third in the nation. Our relative success in this area has an indirect impact on the previous (Public Safety) goal.

There are parts of the economy that we have no control over nor can we make an impact on them. However, as a regulatory and land use planning agency, we have a potentially great impact on businesses that wish to expand or locate here. Furthermore, many of our regulatory plans e.g. General Plan, Development Code, development fees, etc. were developed when the City was experiencing huge growth.

As a result, the City would benefit from a top down assessment of our regulatory plans, our fee structure, our departmental performance and the underlying factors that support it--all with the goal of retooling our organization to support economic activity that will produce jobs without unduly harming the environment. We need to completely rethink our regulatory role and organizational performance including organizational culture all through the "New Normal" lens.

Again, notwithstanding our direct service delivery role, we should support the convening of the various stakeholders that impact our economy e.g. San Joaquin Partnership, Port of Stockton, San Joaquin County, Council of Governments, etc. in order to develop an actionable Economic Development Plan. This project should assess the economic trends, our strengths and weaknesses, and develop street level plans to accentuate the strengths and minimize our weaknesses all with the goal of enhancing economic investment that produces jobs for our citizenry.

#### **4. Increase Organizational Capacity**

Besides the challenges associated with huge reductions in budget and layoffs, the City of Stockton organization has experienced a dramatic turnover rate at the City Council level and in the City Manager position. As a result, the direction of the City, in the eyes of staff has not been clear. The criteria for success, especially in mid and senior managers has been vague. The use of technology has been diminished. A high performing organization, even during lean times, still invests in its remaining staff to support the Council goals, continuous improvement, life long learning, etc. We may be doing less, but what we do, we should do well. A high performing organization also knows that the Council goals and priorities are translated through the City Manager, to the department heads and ultimately to every City staff member, so that all are "rowing" in the same direction.

As a result, the City Manager is directed to propose and implement measures to improve the City of Stockton organizational capacity and wherewithal to effectuate the Council goals and further an organizational culture that ultimately puts the City organization as a top tier employer in the state.

#### **Next Steps....Making Our Goals a Reality**

Given the above stated goals, the City Manager and staff have been directed to develop more specific business plans or strategic initiatives that are designed to further the four stated goals mentioned above.

City of Stockton  
2011 Business Plans

**Fiscal Sustainability--Getting Our Fiscal House In Order**

Summary Of Strategic Initiatives

1. Implementing The Action Plan For Fiscal Sustainability (Labor Costs)
2. Audit of Third Party Administrators (Health, and Workers Compensation)
3. Maximize Local Allocation of County/City Sales Tax Receipts
4. Business License Ordinance
5. Business Analysis of City Funds and Programs
6. Budget Monitoring
7. General Ledger Quality Control and Reconciliations
8. Tax Revenue Tracking and Audit
9. Workers Compensation Audit
10. Retiree Health

City of Stockton  
2011 Business Plans

**Increase Public Safety--Both Real and Perceived**

Summary of Strategic Initiatives

1. Stockton's Marshall Plan On Crime
2. Force Multiplier—Using Field Staff as Neighborhood Watch
3. Code Enforcement Reorganization & Expansion
4. Peacekeeper's Outreach
5. Merlo Gym Collaboration Project
6. Junior Team Tennis
7. Stockton Swimming Pools
8. Home Fire Safety Inspections

City of Stockton  
2011 Business Plans

**Economic Development--Facilitate Investment and Job Creation**

Summary of Strategic Initiatives

1. Management Review of Community Development
2. Evaluation of City General Plan 2035
3. Review/Reduce Development Fees--Mitigation and Processing Fees
4. Regional Wastewater Control Facility Capital Improvement and Energy Management Plan
5. Downtown Revitalization Plan
6. Small Business Development
7. Economic Development Strategic Plan
8. Complete Infrastructure Projects
  - a. Sperry Road Extension & French Camp/I-5 Interchange
  - b. Delta Water Supply Project

City of Stockton  
2011 Business Plans

**Increasing Organizational Capacity**

Summary of Strategic Initiatives

1. Emergency Medical Incident Response and Dispatching Criteria Review
2. Consolidation of Capital Project Management
3. Increase Workforce Diversity
4. Vendor Contract Request For Proposal System
5. Email Addresses
6. Social Media
7. Marketing and Communication Plan
8. Internal Control Risk Assessment
9. Management & Leadership Training
10. Boards and Commissions Handbook
11. Council Procedure Review



# STOCKTON CITY COUNCIL

## RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON APPROVING THE PROPOSED 2011-12 ANNUAL BUDGET; APPROVING THE 2011-2016 CAPITAL IMPROVEMENT PROGRAM; AUTHORIZING FEE AMENDMENTS; AND AUTHORIZING VARIOUS FUND TRANSFERS AND ADMINISTRATIVE ACTIONS

On June 7, 2011, the City Manager presented the City Council with a Proposed 2011-12 Annual Budget and 2011-16 Capital Improvement Program; and

The City Council scheduled and conducted Budget Workshops on June 8 and 14, 2011, to review projections and alternative plans, to allow for public discussion, and to provide direction in the preparation of the annual budget. These workshops included the Proposed 2011-2012 Annual Budget, 2011-16 Capital Improvement Program, and proposed fee adjustments; and

On June 21, 2011, the City Council conducted a duly noticed public hearing on the Proposed 2011-12 Annual Budget, the 2011-16 Capital Improvement Program, and Fee amendments; now, therefore,

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

1. The Proposed 2011-12 Annual Budget, as submitted by the City Manager, is adopted. The Annual Budget as approved contains two options pertaining to Plan A and Plan B. The City Council hereby adopts both Plan A and Plan B. However, the City Council directs the City Manager to implement Plan B, except that should the City be enjoined or otherwise legally prevented by order of any court of competent jurisdiction from implementing any part of Plan B, the City Manager may at his discretion and without further authorization from the City Council implement all or part of Plan A to the extent necessary to ensure a balanced budget.

2. The number of full-time positions authorized under Plan B is 1,414. This number of positions is directly related to the outcome of collective bargaining negotiations and may be lowered by the City Manager to 1,245 positions under Plan A to ensure a balanced budget. The Plan B Fire Department staffing reductions are authorized to be deferred and remain status quo while negotiations with the Firefighter Local 456 bargaining unit are in process.

3. The 2011-16 Capital Improvement Program is approved and the specific projects listed for 2011-12 are appropriated.

4. The Fee Schedule is amended, effective July 1, 2011, for the utility and parking fees listed in Exhibit 1. All other fees remain status quo.

5. An appropriation limit be established in the amount of \$244,812,000 for 2011-12 pursuant to the requirements of the California Government Code. The City of Stockton selected the "change in California per capita personal income" for the "change in cost of living" component of the calculation of the appropriation limit.

6. The threshold for which contracts must be approved by the City Council is hereby increased by \$513 to \$30,737 effective July 1, 2011, for Fiscal Year 2011-12, in accordance with the annual inflation adjustment authorized by Ordinance No. 007-94 C.S., which amended Section 3.68.040 of the Stockton Municipal Code.

7. The following administrative actions required to implement the 2011-12 Annual Budget are authorized:

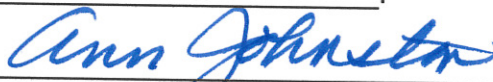
- a) The City Manager is authorized to abolish positions and/or reduce and reorganize personnel, programs, services, departments, offices, or agencies and take such other action as is necessary to maintain a balanced budget.
- b) For the purpose of implementing department restructuring, the City Manager is authorized to make adjustments in classifications, including salary adjustments, to ensure comparability with similar classifications to maintain equity in the City's salary schedules as recommended by the Human Resources Department classification studies and reviews, and to incorporate changes into the Salary Schedule, as appropriate.
- c) The City Manager is authorized to establish appropriations for and expend grant funding received during the year where the grant funds and any matching City funds are under the Council threshold of \$30,737 as established above.
- d) The City Manager is authorized to establish revenue estimates and corresponding budget appropriations in General Fund Fire Department as needed during Fiscal Year 2011-12 to recognize the costs, and the subsequent reimbursement of those costs, for providing wild-land firefighting and other disaster response services requested by state or federal governments.
- e) The City Manager is authorized to fill additional Special Revenue Fund positions, such as grant funded and contract reimbursement positions, if additional funding becomes available.
- f) The indirect cost rate, as detailed in the City of Stockton Full Cost Allocation Plan and OMB-87 Plan, shall be charged to all applicable capital project funds, as project funding and regulations permit.
- g) The City Manager is authorized to transfer funds from eligible capital project funds to the Public Art Fund (306) to implement the



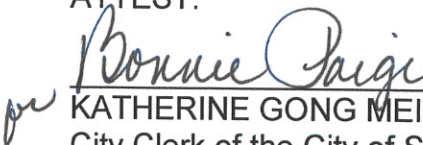
Fiscal Year 2011-12 Public Art Plan, as approved by Council, including transfers relating to mid-year appropriations to capital projects eligible for public art contributions.

- h) The City Manager is authorized to approve temporary inter-fund borrowing within the fiscal year, and at the June 30 fiscal year end, to finance the collection period for tax, grant, and other accounts receivable. Any new inter-fund loans extending beyond these terms must be approved by the City Council. The City Manager is authorized to repay inter-fund loans when funding becomes available.
- i) The City Manager is authorized to move appropriations and transfer between funds within a single budget unit, such as the Central Parking District and the Federal grant funds, where multiple funds have been established for operating/tracking purposes and the fund relationship has been identified in the Fiscal Year 2011-12 Annual Budget, or established by subsequent City Council action.
- j) Payment in the amount of \$49,500 is authorized to the League of California Cities for the City's 2011-12 membership fee. This funding is included in the proposed General Fund Non-department appropriation.
- k) Payment of up to \$150,000 is authorized to the Community Partnership for Families for administrative and program costs that support community outreach efforts at City of Stockton community centers. This funding is included in the proposed General Fund Non-department appropriation.
- l) The City Manager is authorized and directed to take such actions as are appropriate to carry out the intent of this resolution.

PASSED, APPROVED, and ADOPTED JUN 21 2011.

  
ANN JOHNSTON, Mayor  
of the City of Stockton

ATTEST:

  
KATHERINE GONG MEISSNER  
City Clerk of the City of Stockton



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11-0173

Resolution No.

## STOCKTON CITY COUNCIL

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### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON MAKING OF BENEFIT FINDINGS PURSUANT TO THE CALIFORNIA REDEVELOPMENT LAW IN CONNECTION WITH ADOPTION OF THE REDEVELOPMENT AGENCY'S FISCAL YEAR 2011-12 BUDGET

Section 33445 of California Community Redevelopment Law allows a redevelopment agency to pay the value of the land and the cost of the installation and construction of any building, facility, structure, or other publicly-owned improvements within or without the project area; and

The Redevelopment Agency Budget for fiscal year 2011-12 includes such improvements; and

A Redevelopment Agency may spend Housing Fund monies outside a redevelopment Project Area if the Agency and the City Council find that such expenditures will be of benefit to the Project Area as specified in Health and Safety Code section 33334.3(d); and

Any Housing Fund monies spent outside the redevelopment Project Areas will provide additional affordable housing opportunities and benefits by meeting the goal of each redevelopment Project Area to provide more affordable housing opportunities within the City of Stockton, thereby decreasing the market pressure on the supply of affordable housing in the community and by providing affordable housing throughout the City of Stockton and not necessarily concentrating affordable housing in particular neighborhoods within the City of Stockton; and

By the staff report accompanying this Resolution and the Proposed 2011-12 Annual Budget, incorporated into this Resolution by this reference (Staff Report and Proposed Budget), the City Council has been provided with additional information upon which the findings and actions set forth in this Resolution are based; now, therefore,

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

1. Based on information and analysis set forth in the above Recitals and contained in the Staff Report accompanying this Resolution and the Proposed Budget, the City Council hereby finds and determines that the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the City Council set forth below.

City Atty:

Review

Date June 15, 2011

City of Stockton

A - 32

2011-2012 Adopted Budget

2. Based on information and analysis set forth in the above Recitals and contained in the Staff Report accompanying this Resolution and the Proposed Budget, the City Council hereby finds and determines:

- (a) The public improvements set forth in the Proposed Budget are of benefit to the respective redevelopment Project Area in and near where such improvements will be constructed and the immediate neighborhood of the applicable Project Area;
- (b) No other reasonable means of financing such improvements are available;
- (c) Such improvements will help to alleviate blighted conditions in the applicable Project Area; and
- (d) The payment of the costs of such improvements is consistent with the Agency's adopted Implementation Plan.

3. Based on information and analysis set forth in the above Recitals and contained in the Staff Report accompanying this Resolution, the City Council hereby finds and determines pursuant to Health and Safety Code section 33334.2(g) that the use of monies from the Housing Fund to fund housing projects outside any redevelopment Project Area will be of benefit to the each redevelopment Project Area within the City.

PASSED, APPROVED and ADOPTED JUN 21 2011.

ATTEST:

*for Bonnie Paige*  
KATHERINE GONG MEISSNER  
City Clerk of the City of Stockton



*Ann Johnston*  
ANN JOHNSTON, Mayor  
of the City of Stockton

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## STOCKTON REDEVELOPMENT AGENCY

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### RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON ADOPTING A BUDGET FOR FISCAL YEAR 2011-12 AND MAKING RELATED FINDINGS IN CONNECTION THEREWITH

The Redevelopment Agency of the City of Stockton (Agency) has considered the Proposed 2011-12 Annual Budget and related written and oral information at meetings on the proposed budget; and

The Agency is required to adopt an annual budget pursuant to Health and Safety Code section 33606; and

Section 33445 of California Community Redevelopment Law allows a redevelopment agency to pay the value of the land and the cost of the installation and construction of any building, facility, structure, or other publicly-owned improvements within or without the project area; and

The Agency Budget for 2011-12 includes such improvements; and

The Agency has determined:

- (1) Such improvements are of benefit to the respective redevelopment Project Area in which such improvements will be constructed and the immediate neighborhood of the applicable Project Area;
- (2) No other reasonable means of financing such improvements are available;
- (3) Such improvements will help to alleviate blighted conditions in the applicable Project Area; and
- (4) The payment of the costs of such improvements is consistent with the Agency's adopted Implementation Plan; and

California Community Redevelopment Law directs that an Agency's Low and Moderate Income Housing Fund (Housing Fund) be used to the maximum extent possible to defray the costs of production, improvement, and preservation of low- and moderate-income housing; and

A portion of an Agency's planning and general administrative costs associated with Housing Fund activities may be charged to the Housing Fund as specified in Health and Safety Code section 33334.3(d); and

It is expected that planning and general administrative costs will comprise approximately 20% of Housing Fund activities this year, given the requirement to update plans regarding the use of the Housing Fund and the Agency's other housing obligations this fiscal year; and thus this percentage is not disproportionate to the amount actually spent on the production, improvement, and preservation of affordable housing; and

A Redevelopment Agency may spend Housing Fund monies outside a redevelopment Project Area if the Agency and the City Council find that such expenditures will be of benefit to the Project Area as specified in Health and Safety Code section 33334.2(g); and

Any Housing Fund monies spent outside the redevelopment Project Areas will provide additional affordable housing opportunities and benefits by meeting the goal of each redevelopment Project Area to provide more affordable housing opportunities within the City of Stockton, thereby decreasing the market pressure on the supply of affordable housing in the community and by providing affordable housing throughout the City of Stockton and not necessarily concentrating affordable housing in particular neighborhoods within the City of Stockton; and

The Agency has determined that monies from the Housing Fund spent outside of any redevelopment Project Area in the City of Stockton are of benefit to each redevelopment Project Area within the City of Stockton; and

By the staff report accompanying this Resolution and the City of Stockton's Proposed 2011-12 Annual Budget, incorporated into this Resolution by this reference (Staff Report and Proposed Budget), the Agency has been provided with additional information upon which the findings and actions set forth in this Resolution are based; now, therefore,

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

1. Based on information and analysis set forth in the above Recitals and contained in the Staff Report accompanying this Resolution and the Proposed Budget, the Agency hereby finds and determines that the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the Agency set forth below.
2. The public interest requires the approval of the proposed 2011-12 Agency Budget and the same is hereby approved by the Agency.
3. The Agency authorizes the City of Stockton to award and monitor contracts on behalf of the Agency for projects included in the 2011-12 Agency Budget.
4. Based on information and analysis set forth in the above Recitals and contained in the Staff Report accompanying this Resolution, the Agency finds and



determines that approximately 20% of the Housing Fund allocated in the 2011-12 Agency Budget to planning and general administrative costs are necessary for the production, improvement, and preservation of low- and moderate-income housing as identified in the goals of the 2011-12 Agency Budget.

5. Based on information and analysis set forth in the above Recitals and contained in the Staff Report accompanying this Resolution and the Proposed Budget, the Agency finds and determines that monies from the Housing Fund spent outside of any redevelopment Project Area in the City of Stockton are of benefit to each redevelopment Project Area within the City of Stockton.

PASSED, APPROVED, and ADOPTED JUN 21 2011.



ANN JOHNSTON, Chairperson  
Redevelopment Agency of the City of Stockton

ATTEST:

*for*   
KATHERINE GONG MEISSNER, Secretary  
Redevelopment Agency of the City of Stockton



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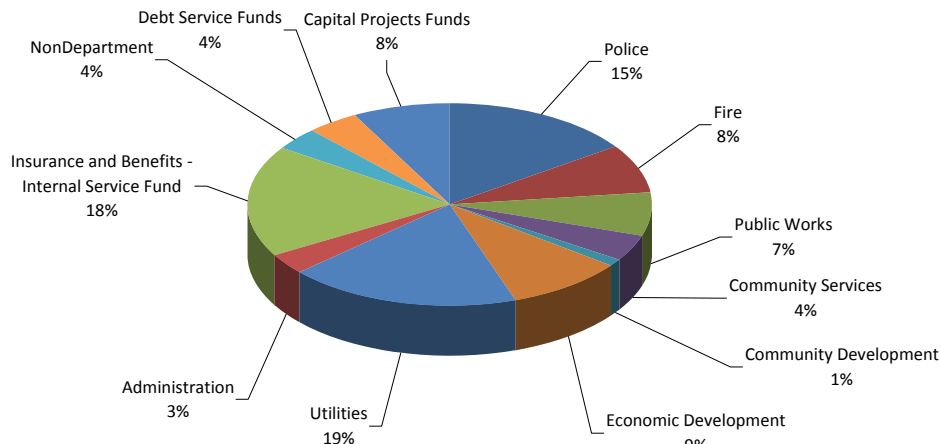
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## Citywide Budget

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**City of Stockton  
Citywide Budget  
2011-12 Adopted Budget**

**\$603,458,802**



	Operating Budget	Debt Service Budget	Capital Budget	Total	
<b>Program Appropriations</b>					
Police	\$ 92,740,833			\$ 92,740,833	15%
Fire	46,195,579			46,195,579	8%
Public Works	37,049,769	\$ 1,365,771	\$ 3,031,000	41,446,540	7%
Community Services	25,427,396		533,000	25,960,396	4%
Community Development	6,792,467			6,792,467	1%
Economic Development	40,548,798	16,000,911		56,549,709	9%
Utilities	68,486,754	26,707,611	16,866,437	112,060,802	19%
Administration	18,357,269	325,000	1,559,056	20,241,325	3%
Insurance and Benefits - Internal	99,899,419	7,196,217		107,095,636	18%
<b>NonDepartmental Funds</b>					
NonDepartment	22,207,143			22,207,143	4%
Debt Service Funds		25,875,051		25,875,051	4%
Capital Projects Funds	111,492	248,779	45,933,050	46,293,321	8%
	<u>\$ 457,816,919</u>	<u>\$ 77,719,340</u>	<u>\$ 67,922,543</u>	<u>\$ 603,458,802</u>	<u>100%</u>

**Net Budget**

Internal Service Charges	(128,759,617)
Interfund Transfers	(23,434,167)
	<u>451,265,018</u>

**By Agency**

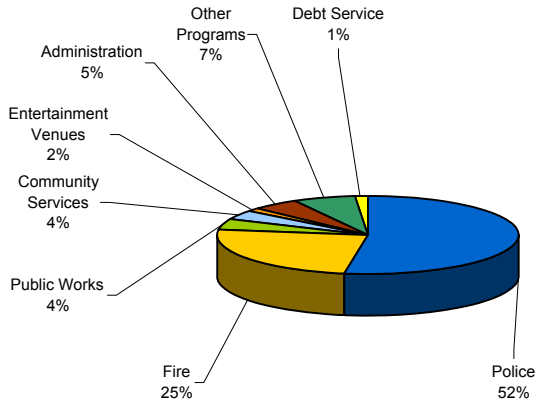
City	\$ 449,403,190	\$ 64,874,583	\$ 67,922,543	\$ 582,200,316
Redevelopment	8,413,729	12,844,757		21,258,486
	<u>\$ 457,816,919</u>	<u>\$ 77,719,340</u>	<u>\$ 67,922,543</u>	<u>\$ 603,458,802</u>



# General Fund Budget 2011-12 Adopted Budget

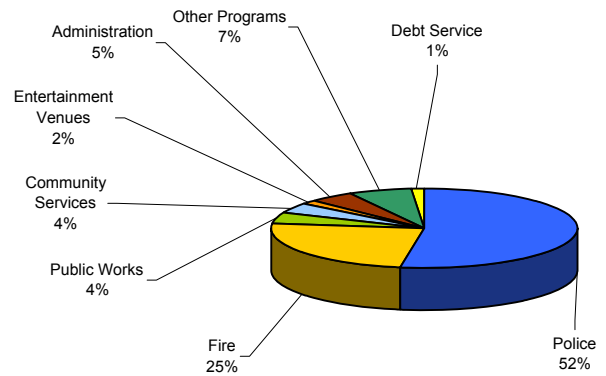
**Plan A**

**\$161,761,313**



**Plan B - Implemented**

**\$161,761,313**



**Plan A**

**Program Appropriations**

Police	\$	84,940,844	52%
Fire		40,118,026	25%
Public Works		6,903,189	4%
Community Services		6,316,254	4%
Entertainment Venues		2,441,299	2%
Administration		8,119,143	5%
Other Programs		10,785,090	7%
Debt Service		2,137,468	1%
	\$	<u>161,761,313</u>	

**Plan B - Implemented**

**Program Appropriations**

Police	\$	84,862,036	52%
Fire		39,812,835	25%
Public Works		7,080,990	4%
Community Services		6,835,022	4%
Entertainment Venues		2,441,299	2%
Administration		7,811,195	5%
Other Programs		10,780,468	7%
Debt Service		2,137,468	1%
	\$	<u>161,761,313</u>	



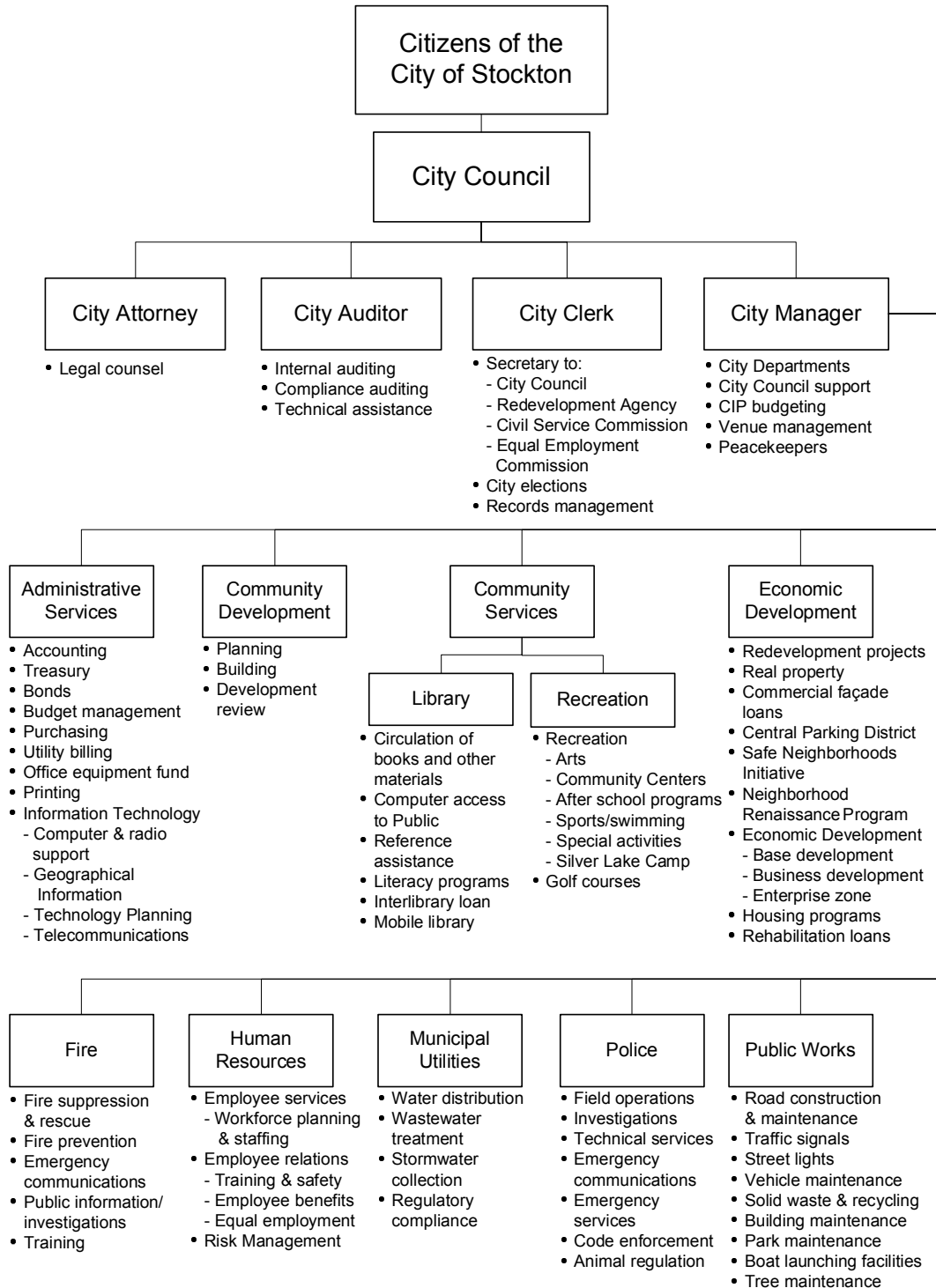


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## Organization Chart

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# CITY OF STOCKTON ORGANIZATION CHART



**PERSONNEL BY FUND**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>		<u>Plan B</u>		
						<u>3 yr %</u>		
					<u>Change</u>	<u>Change</u>		<u>With Labor</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>from</u>	<u>from</u>	<u>Concessions /</u>
						<u>Baseline</u>	<u>2008-09</u>	<u>Reductions</u>
								<u>Implemented</u>
<b>General Fund and Tax-Supported Programs</b>								
Programs								
Police-Sworn	401	322	320	322	303	(19)	-24%	322
Police-Non Sworn	235	214	202	202	98	(104)	-58%	188
Fire	253	265	226	225	145	(80)	-43%	177
Public Works	163	78	59	63	57	(6)	-65%	62
Library	105	69	57	57	46	(11)	-56%	57
Recreation	46	32	27	27	22	(5)	-52%	26
Economic Development	5	1	2	2	2	0	-60%	2
	<b>1,208</b>	<b>981</b>	<b>893</b>	<b>898</b>	<b>673</b>	<b>(225)</b>	<b>-44%</b>	<b>834</b>
Administration								
City Council	9	8	8	8	8	0	-11%	8
City Manager	18	13	11	11	8	(3)	-56%	10
City Attorney	17	14	13	11	10	(1)	-41%	11
City Clerk	8	6	5	6	5	(1)	-38%	6
City Auditor	7	4	4	4	4	0	-43%	4
Admin Services	63	49	57	59	56	(3)	-11%	59
Human Resources	20	18	15	15	14	(1)	-30%	14
Non Departmental	10	10	10	10	9	(1)	-10%	10
	<b>152</b>	<b>122</b>	<b>123</b>	<b>124</b>	<b>114</b>	<b>(10)</b>	<b>-25%</b>	<b>122</b>
<b>Total General Fund</b>	<b>1,360</b>	<b>1,103</b>	<b>1,016</b>	<b>1,022</b>	<b>787</b>	<b>(235)</b>	<b>-42%</b>	<b>956</b>
% Change vs. 2008-09			-25%			-17%	-42%	-30%
<b>Enterprise Funds</b>								
Golf Course	3	2	2	2	2	0	-33%	2
Municipal Utilities	168	187	197	198	198	0	18%	198
	<b>171</b>	<b>189</b>	<b>199</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>17%</b>	<b>200</b>
<b>Special Revenue/District Funds</b>								
Central Parking District	3	3	3	3	3	0	0%	3
Community Development Block Grant	13	12	11	13	9	(4)	-31%	9
Development Services	98	53	50	50	42	(8)	-57%	42
Emergency Communications	17	0	0	0	0	0	-100%	0
Maintenance District	1	2	4	2	2	0	100%	2
Redevelopment	24	20	10	8	6	(2)	-75%	6
Safe Neighborhood Measure W	68	45	41	41	41	0	-40%	41
Solid Waste & Recycling	6	9	9	9	9	0	50%	9
Street Maintenance/ Gas Tax Fund	24	65	66	64	64	0	167%	64
	<b>254</b>	<b>209</b>	<b>194</b>	<b>190</b>	<b>176</b>	<b>(14)</b>	<b>-31%</b>	<b>176</b>
<b>Internal Service Funds</b>								
Fleet	31	26	27	27	27	0	-13%	27
General Liability Insurance	3	3	4	6	6	0	100%	6
Workers' Compensation	4	4	4	3	3	0	-25%	3
Health Benefits	3	4	4	5	5	0	67%	5
Information Technology	52	40	39	39	36	(3)	-31%	36
Radio	2	2	2	2	2	0	0%	2
Telecommunications	1	1	1	1	1	0	0%	1
Document Services	4	3	3	3	2	(1)	-50%	2
	<b>100</b>	<b>83</b>	<b>84</b>	<b>86</b>	<b>82</b>	<b>(4)</b>	<b>-18%</b>	<b>82</b>
<b>Capital Improvement Funds</b>								
Public Art	1	0	0	0	0	0	-100%	0
	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100%</b>	<b>0</b>
<b>Total All Funds</b>	<b>1,886</b>	<b>1,584</b>	<b>1,493</b>	<b>1,498</b>	<b>1,245</b>	<b>(253)</b>	<b>-34%</b>	<b>1,414</b>
% Change vs. 2008-09			-21%			-13%	-34%	-25%

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## General Fund Summary

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**General Fund - 010**  
**2011-12 Adopted Budget Summary**

	FY 2011-2012					
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A	Plan B
					(Service Reductions)	(Service and Labor Cost Reductions) Implemented
<b>Beginning Balance</b>	<b>\$ 9,627,000</b>	<b>\$ 8,607,000</b>	<b>\$ 5,071,271</b>	<b>\$ -</b> (a)	<b>\$ -</b> (a)	<b>\$ -</b> (a)
<b>Revenues</b>	203,101,529	166,907,289	166,981,000	161,761,313	161,761,313	161,761,313
	<u>203,101,529</u>	<u>166,907,289</u>	<u>166,981,000</u>	<u>161,761,313</u>	<u>161,761,313</u>	<u>161,761,313</u>
	-	-	-	-	-	-
<b>Expenditures</b>						
Employee Services	140,954,474	126,662,253	127,707,434	151,257,843	115,991,590	115,654,479
Other Services	28,830,062	23,453,256	25,204,188	28,692,272	28,425,697	28,524,267
Materials & Supplies	3,464,407	2,410,045	2,653,196	2,529,315	2,529,315	2,429,088
Other Expenses	17,035,225	5,913,318	1,262,885	1,162,690	1,162,690	982,690
Capital Outlay	58,344	3,800	-	-	-	-
Loan Repayment	774,497	777,164	1,422,958	2,137,468	2,137,468	2,137,468
Transfer Out	12,328,447	14,419,033	9,842,721	12,970,064	11,514,553	12,033,321
	<u>203,445,456</u>	<u>173,638,869</u>	<u>168,093,382</u>	<u>198,749,652</u>	<u>161,761,313</u>	<u>161,761,313</u>
	-	-	-	-	-	-
<b>Reserves</b>						
Change in Fund						
Balance restrictions	(676,073)	(774,420)	741,713			
	<u>(676,073)</u>	<u>(774,420)</u>	<u>741,713</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>(1,020,000)</b>	<b>(7,506,000)</b>	<b>(370,669)</b>	<b>(36,988,339)</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>\$ 8,607,000</b>	<b>\$ 1,101,000</b>	<b>\$ 4,700,602</b> (a)	<b>\$ (36,988,339)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>						
Cash		\$ 773,338				
Accounts Receivable		25,945,891				
Prepaid Items		841,000				
Accounts Payable		(23,151,529)				
Encumbrances		(1,112,000)				
Debt Reserves		(2,100,000)				
Other Commitments		(95,700)				
Ending Available Balance		<u>\$ 1,101,000</u>				

(a) FY 2010-11 is presented with the current budget. Current revenue projections indicate that the General Fund is at risk and that interfund transfers are likely for the ending balance to remain positive at June 30, 2011. Accordingly, no beginning balance has been projected for FY 2011-12.

**General Fund - 010**  
**2011-12 Adopted Revenues**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Current Budget</b>	<b>FY 2011-2012 Adopted</b>
<b>General Tax Revenues</b>				
Property Taxes				
Property Taxes	\$ 33,029,598	\$ 29,169,700	\$ 27,185,001	\$ 28,230,000
In-Lieu of Motor Vehicle Fees	22,470,370	19,612,336	18,277,918	18,615,775
	<u>55,499,968</u>	<u>48,782,036</u>	<u>45,462,919</u>	<u>46,845,775</u>
Sales Tax				
75% Point of Sale	26,340,341	24,558,180	23,655,000	25,877,000
25% County ERAF Backfill	9,822,683	7,086,587	8,245,000	8,614,000
Proposition 172	1,181,867	1,065,346	1,015,000	1,159,000
	<u>37,344,891</u>	<u>32,710,113</u>	<u>32,915,000</u>	<u>35,650,000</u>
Utility Users Tax				
Water	2,540,004	2,541,674	2,595,000	2,877,188
Electric & Gas	16,870,790	16,068,172	16,885,000	16,835,548
Cable	1,897,570	1,995,069	1,900,000	1,965,000
Telecommunications	9,545,304	10,111,984	10,000,000	9,464,000
	<u>30,853,668</u>	<u>30,716,899</u>	<u>31,380,000</u>	<u>31,141,736</u>
Franchise Tax				
PG&E	1,943,511	1,745,610	1,975,000	1,850,000
Cable/Video	2,003,384	2,094,157	2,025,000	2,240,000
Waste Haulers	7,660,922	7,514,550	7,560,000	7,666,238
	<u>11,607,817</u>	<u>11,354,317</u>	<u>11,560,000</u>	<u>11,756,238</u>
Business License Tax	9,196,452	9,288,875	10,119,602	8,669,432
Hotel/Motel Tax	1,963,000	1,750,153	2,075,000	1,800,000
Document Transfer Tax	701,919	558,611	710,000	640,000
Motor Vehicle License	988,597	855,878	752,082	1,047,400
Interest	1,842,392	1,014,602	650,000	668,250
	<u>14,692,360</u>	<u>13,468,119</u>	<u>14,306,684</u>	<u>12,825,082</u>
<b>Program Revenues</b>				
Fire Contracts	4,690,752	4,688,889	5,479,000	3,990,981
Code Enforcement	6,490,097	5,504,189	5,317,450	4,038,100
Charges for Services	3,216,776	2,549,574	3,081,706	2,366,377
Fines & Forfeitures	2,763,292	3,461,164	2,764,100	2,054,100
Revenues from Other Agencies	2,307,204	1,052,767	892,089	839,600
Licenses & Permits	641,293	391,661	502,975	432,500
Misc Other Revenues	12,769,498	165,933	(274,500)	(27,516)
	<u>32,878,911</u>	<u>17,814,177</u>	<u>17,762,820</u>	<u>13,694,142</u>
<b>Interfund Reimbursements</b>				
Indirect Cost Allocation	7,973,213	6,243,088	6,772,298	5,800,000
Workers Comp Reimbursement	1,956,719	1,503,684	1,300,000	
Refunds & Reimbursements	935,520	430,981	937,975	971,625
Rents/Leases/Concessions	3,461,355	2,655,215	2,609,682	2,302,200
	<u>14,326,807</u>	<u>10,832,968</u>	<u>11,619,955</u>	<u>9,073,825</u>
<b>Transfers In</b>				
Transfers In	5,122,610	451,496		
From Technology Fund - 502			1,200,000	
From Parking for Debt Service - 417	774,497	777,164	773,622	774,515
	<u>5,897,107</u>	<u>1,228,660</u>	<u>1,973,622</u>	<u>774,515</u>
<b>Total Revenues</b>	<b>\$ 203,101,529</b>	<b>\$ 166,907,289</b>	<b>\$ 166,981,000</b>	<b>\$ 161,761,313</b>
	-	-	-	-

**General Fund - 010**  
**2011-12 Adopted Budget by Program**

				FY 2011-2012		
	FY 2008-2009	FY 2009-2010	FY 2010-2011		Plan A	Plan B
	Actual	Actual	Current Budget	Baseline	(Service Reductions)	(Service and Labor Cost Reductions)
						Implemented
Expenditures						
Programs						
Police	\$ 93,267,969	\$ 86,308,498	\$ 88,511,809	\$ 99,203,887	\$ 84,940,844	\$ 84,862,036
Fire	47,782,434	47,500,662	46,890,469	59,057,608	40,118,026	39,812,835
Public Works	18,573,081	7,748,101	7,777,320	7,920,789	6,903,189	7,080,990
Economic Development	622,146	359,011	405,492	531,416	475,380	485,199
Peacekeeper Program	383,297	91,538	416,591	333,493	333,493	328,354
Arts Commission	128,638	30,976	41,420	43,711	37,905	36,737
	160,757,565	142,038,786	144,043,101	167,090,904	132,808,837	132,606,151
Program Support for Other Funds						
Library	5,595,797	4,227,451	4,111,205	4,596,006	3,690,930	4,027,759
Recreation	6,658,816	3,023,774	2,901,648	3,175,759	2,625,324	2,807,263
Entertainment Venues		3,187,473	2,191,299	2,441,299	2,441,299	2,441,299
Redevelopment				1,000,000	1,000,000	1,000,000
Downtown Marina			466,000	732,000	732,000	732,000
Capital Improvement				575,000	575,000	575,000
Grant Match	73,834	257,947	172,569	300,000	300,000	300,000
Development Services				150,000	150,000	150,000
	12,328,447	10,696,645	9,842,721	12,970,064	11,514,553	12,033,321
Administration						
City Council	541,858	485,649	521,268	598,864	535,029	521,797
City Manager	867,292	824,582	974,954	956,471	757,197	735,926
City Attorney	1,260,133	1,131,916	1,048,289	1,047,419	900,778	913,115
City Clerk	881,674	651,082	812,052	884,638	762,842	760,597
City Auditor	514,431	433,347	449,490	490,868	388,140	405,801
Administrative Services	2,627,369	2,492,087	3,420,304	3,703,124	3,299,046	3,201,627
Human Resources	1,721,298	1,427,295	1,670,754	1,610,798	1,476,111	1,272,332
Tax Collection & Election	2,574,722	2,474,301	2,357,000	2,310,000	2,310,000	2,310,000
Other Administration	18,596,170	9,941,013	1,530,491	1,449,034	1,371,312	1,363,178
Labor Litigation		265,002		1,500,000	1,500,000	1,500,000
	29,584,947	20,126,274	12,784,602	14,551,216	13,300,455	12,984,373
Debt Service	774,497	777,164	1,422,958	2,137,468	2,137,468	2,137,468
Contingency				2,000,000	2,000,000	2,000,000
Total	\$ 203,445,456	\$ 173,638,869	\$ 168,093,382	\$ 198,749,652	\$ 161,761,313	\$ 161,761,313



**General Fund  
Budget Plan A Summary  
2011-12 Adopted Budget**

<b>Program</b>	<b>Service Reductions</b>	<b>Savings</b>	<b>FTE's Eliminated</b>	<b>Part-time Eliminated</b>
<u>Police Department</u>				
Street Gang Units (GSET)	Eliminate 9 sworn police officer positions from Vice and Gang units. Only funded Task Forces remain.	1,317,121	9	
Gang Unit (GVSU)	Eliminate 5 sworn police officer positions. Gang activities would be handled by regular patrol units.	747,793	5	
Vice Unit	Eliminate 1 sworn police officer from the Vice Unit. Vice investigations handled by other sworn staff.	151,094	1	
Animal Control	Eliminate 10 civilian staff. Shift Animal Shelter to County or non-profit, police officers service calls.	1,042,880	10	
Comm. Service Officers	Reduction in response to lower priority calls-for-service. Parking Enforcement and other duties shifted to sworn officers.	3,148,511	32	
Traffic Officers	Eliminate 2 Motorcycle Traffic Enforcement Officers, reducing impacts on City-wide traffic issues.	320,000	2	
Evidence Technicians	Eliminates 15 civilian evidence tech support staff. Shift evidence tech work to sworn police officers.	1,728,116	15	
Support for Investigations	Investigative support tasks shifted to sworn resulting in slower case processing and clearance.	196,866	2	
Crime Analysts	Elimination of 3 vacant crime analysts will reduce ability to track and analyze crime.	350,862	3	
Graffiti Abatement	Graffiti will only be removed where Landscape Maintenance Districts already fund removal.	706,549	5	
Code Enforcement	Rental Inspection & Code Enforcement will not improve from current level.	138,679	2	
Rental Inspection Program	Eliminate 3 civilian positions shifting duties to other code enforcement officers.	254,309	3	
Police Records Assts.	Eliminate about 40% of civilian support staff in Records & Traffic sections. Work shifted to sworn.	1,431,038	14	
Property Room Staff	Eliminate all 3 civilian positions in Property Section and replace with sworn police officers.	345,269	3	
Administrative Staff	Eliminate 4 fiscal support positions. Some administration work shifted to sworn.	462,188	4	
Personnel & Training	Reduce Personnel & Training by 2 sworn staff, resulting in less training, recruiting, & backgrounding.	309,703	2	
Materials and Supplies	Reduce department materials and supplies	91,575		
Telecommunications staff	Eliminates supervisor and 5 vacant dispatchers. Supervision shifted to sworn.	1,286,582	11	
Technology Staff	Reduction of support staff for Police systems will increase risk of system problems & data loss.	233,908		
		<u>14,263,043</u>	<u>123</u>	<u>-</u>

**General Fund  
Budget Plan A Summary  
2011-12 Adopted Budget**

<b>Program</b>	<b>Service Reductions</b>	<b>Savings</b>	<b>FTE's Eliminated</b>	<b>Part-time Eliminated</b>
<u><b>Fire Department</b></u>				
Reduce Daily Line staffing from 75 to 41	Eliminate 81 sworn positions, close 3 Engines and 1 Truck. Increases response time and reduces safety.	19,022,182	81	
Add 1 Clerical Position	Add one clerical position to replace admin positions lost in prior year budget cuts.	(82,600)	(1)	
		<u>18,939,582</u>	<u>80</u>	<u>-</u>
<u><b>Public Works Department</b></u>				
Facility Maintenance Staff	Eliminate 3 vacant maintenance positions not needed due to move to new Administration building	218,200	3	
Parks Management	Eliminate 2 positions and move 30% of 1 FTE to Maintenance Districts, reducing contract oversight.	264,000	2	
Tree Crew	Eliminate 1 position from last remaining tree crew; reduces crews ability to cover absences.	69,400	1	
Gas Tax Fund	Reallocate duties and costs for engineering staff and tree crew to Gas Tax Fund	291,000		
Tree Maintenance	Reduce contract services for emergency tree trimming. Increased delays clearing trees.	75,000		
HVAC contracting budget	Reduce HVAC contractor services to City buildings	40,000		
Park Irrigation	Reduce park irrigation by 10%	<u>60,000</u>		
		<u>1,017,600</u>	<u>6</u>	<u>-</u>
<u><b>Community Services - Library</b></u>				
Branch operating hours	Eliminate 6 librarian positions and reduce hours open to public in all City branches.	627,915	6	
Angelou & Weston Ranch	Eliminate staff and reduce days open to public at Angelou and Weston Ranch branches.	199,998	2	
Library support services	Eliminate 3 positions reducing public relations, technical services and staff development.	146,059	3	
49-99 Coop library system	No longer deliver library materials to system members; eliminate 2 part-time staff.	35,000		2
State Library Funding	Revenue loss expected from Adopted state budget.	<u>(103,896)</u>		
		<u>905,076</u>	<u>11</u>	<u>2</u>
<u><b>Community Services - Recreation</b></u>				
Recreation Coordinators	Eliminate 1 vacant recreation coordinator position, reducing program oversight.	111,503	1	
Community Center Hours	Reduce hours at Van Buskirk and Stribley Centers	173,463	2	
Marketing and Support	Eliminate one clerical position and marketing staff	106,852	1	
Sports Commission	City cost of Sports Commission moved to TBID. Reduces funds for sports events.	83,617		
Community Center Staff	Reduction in staff at Arnold Rue Community Center Customer service will be reduced.	75,000	1	
		<u>550,435</u>	<u>5</u>	<u>-</u>



**General Fund  
Budget Plan A Summary  
2011-12 Adopted Budget**

<b>Program</b>	<b>Service Reductions</b>	<b>Savings</b>	<b>FTE's Eliminated</b>	<b>Part-time Eliminated</b>
<u>Community Services - Arts Commission</u>				
Reallocated Costs	Costs reallocated to other funding sources	5,806	-	-
<u>Economic Development</u>				
Support Staff	Eliminate vacant clerical position	56,036	1	-
<u>Administrative Support Departments</u>				
City Council	Eliminate 1 full-time staff position (also part of City Manager's & City Attorney's reduction amounts)	63,835	1	
City Manager	Eliminate 2 full-time clerical positions	199,274	2	
City Attorney	Eliminate 1 vacant Deputy City Attorney and reduce Assistant City Attorney from full-time to part-time.	146,641	1	
City Clerk	Eliminate 1 full-time staff position	121,796	1	
City Auditor	Reduce City Auditor from full-time to half time	102,728		
Administrative Services	Eliminate 3 full-time and 5 part-time positions	404,078	3	5
Human Resources	Eliminate Deputy Director	134,687	1	
Non-Departmental	Eliminate 1 full-time & 2 part-time positions. Reduce Community Partnership for Families by 10%	77,722	1	2
		1,250,761	10	7
<b>Total Department Reductions</b>		<b>36,988,339</b>	<b>236</b>	<b>9</b>



**General Fund  
Budget Plan B Summary - Implemented  
2011-12 Adopted Budget**

	<b>Service Reductions</b>	<b>Other Labor Cost Reductions</b>	<b>Total Reductions</b>	<b>FTE's Eliminated</b>
<b>Service Reductions</b>				
<u>Police Department</u>				
Reduce Animal Control - eliminate 2 civilian staff	175,368			2
Reduce Crime Analysts from 4 to 1 - eliminations will reduce ability to track and analyze crime	316,728			3
Reduce Code Enforcement - eliminate 1 position	94,261			1
Eliminate 4 Community Service Officers - reduction in response to lower priority calls-for-service	438,585			4
Reduce Police Records Assistants	78,172			1
Reduce Administrative Staff - some administrative work shifted to sworn	100,652			1
Reduce materials and supplies	416,478			
Additional Salary Savings	181,410			
Reduce Telecommunications staff	198,346			2
	<u>2,000,000</u>	<u>12,341,851</u>	<u>14,341,851</u>	<u>14</u>
<u>Fire Department (a)</u>				
Reduce Daily Line staffing from 75 to 57 - eliminate 48 sworn positions, close 1 Engine and 1 Truck	9,360,760			48
	<u>9,360,760</u>	<u>9,884,013</u>	<u>19,244,773</u>	<u>48</u>
<u>Public Works Department</u>				
Reduce Facility Maintenance staff - eliminate vacant positions not needed due to move to Administration building	100,000			1
Reallocate staff costs to Gas Tax Fund	291,000			
	<u>391,000</u>	<u>448,799</u>	<u>839,799</u>	<u>1</u>
<u>Community Services - Library</u>		568,247	568,247	
<u>Community Services - Recreation</u>				
Eliminate funding for Stockton Sports Commission	83,617			1
	<u>83,617</u>	<u>284,879</u>	<u>368,496</u>	<u>1</u>
<u>Community Services - Arts Commission</u>		6,974	6,974	
<u>Economic Development</u>		46,217	46,217	
<u>Administrative Support Departments</u>				
City Council		77,067	77,067	
City Manager				
Eliminate 1 clerical position	100,000	120,545	220,545	1
City Attorney		134,304	134,304	
City Clerk		124,041	124,041	
City Auditor				
Reduce 1 position by 20%	30,000	55,067	85,067	
Administrative Services		501,497	501,497	
Human Resources				
Eliminate Deputy Director	134,687	203,779	338,466	1
Non-Departmental		90,995	90,995	
	<u>264,687</u>	<u>1,307,295</u>	<u>1,571,982</u>	<u>2</u>
<b>Total Department Reductions</b>	<b><u>12,100,064</u></b>	<b><u>24,888,275</u></b>	<b><u>36,988,339</u></b>	<b><u>66</u></b>

(a) Fire Department reductions assume labor cost reductions that the City hopes to achieve through negotiations.

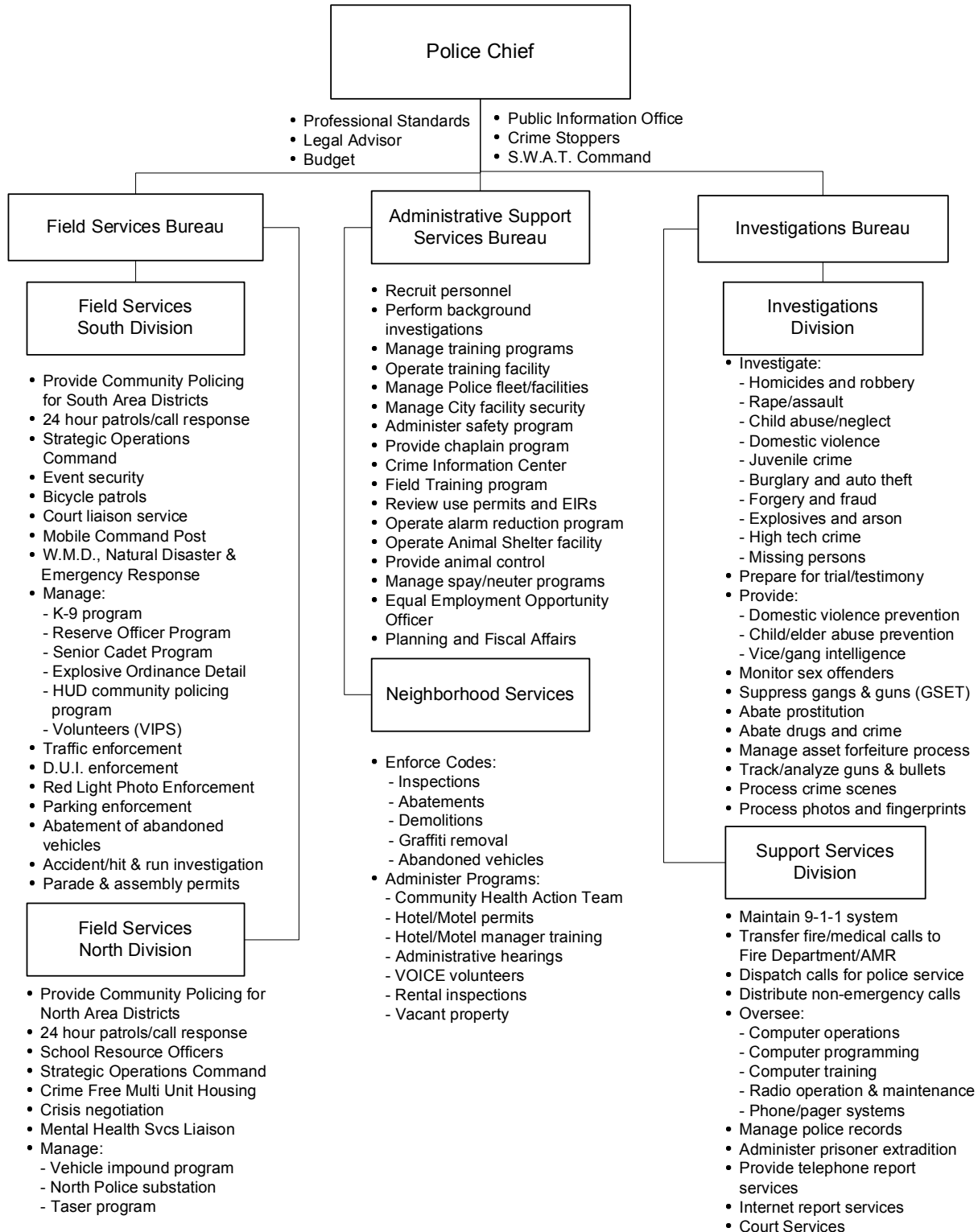


**TAB**

**Police**

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# POLICE DEPARTMENT



**MISSION STATEMENT**

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

**Budget at a Glance – Plan B:**

Total Expenditures	\$92,740,833
Total Revenues	\$16,470,468
Total Net Cost	\$76,270,365
Total Staff	531

**DEPARTMENTAL DESCRIPTION**

The Chief of Police is appointed by the City Manager and under state law, is responsible for the delivery of law enforcement and related emergency services within the City of Stockton. The Chief of Police provides direction over all Police operations such as the Field Services Division Patrol, including the Traffic Section; Investigations Division, including the Evidence/Identification Section and Property Room; Support Services Division, including the Records Section, Telecommunications, Crime Information Center, and Information Technology; the Administrative Services Division, including the Personnel and Training, Neighborhood Services/Code Enforcement, and Animal Services Sections; and the Professional Standards Section, Public Information Office, and Fiscal Affairs and Planning Section. Other special services include those performed by the, Special Weapons and Tactics (SWAT) Team, Crisis Negotiations Team, Explosive Ordnance Disposal Team, Canine Unit, and Narcotics Hazardous Materials Team.

**KEY ISSUES**

Retention of currently trained staff will be a key issue in fiscal year 2011-12. As the changes in workload and job requirements increase, the Police Department will become more heavily dependent on the current employee workforce.

Recruitment of Police Officers to replace those who plan to retire near the end of fiscal year 2010-11 and those who leave Stockton for other employment, will offer a new challenge to the Police Department. The hiring of a new Police Officer can take up to six months from the time of the employment announcement to the end of field training when a new officer can take on a regular assignment. Because sworn officer staffing levels are at the lowest in more than 20 years, it will be critical to the mission of the Department to maximize the recruitment effort.

Adjustment to emerging crime trends, which may develop during the fiscal year, by using evidence-based and community policing approach strategies. As public safety needs change, the demands for innovative policing are critical to meeting the challenges facing Stockton Police Department Patrol Officers. We will leverage the latest information available from local and national resources to develop plans and partnerships necessary to keep the public safe.

New funding sources, such as grants and new federal or state programs, have become increasingly important to the Police Department staffing levels. At the federal level, we are actively seeking funds from the Office of Community Oriented Policing (COPS), Department of Homeland Security, National Institute of Justice, and Department of Justice. At the state level, we continue to rely on funds from Vehicle License Fees (VLF), fines, fees, forfeitures, and other fluctuating revenues. In addition, the Police Department will work with all public safety partners to optimize our funding and reimbursement opportunities through statewide associations like the California Police Chiefs Association and California Emergency Management Agency.

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## POLICE DEPARTMENT

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### KEY ISSUES – CONTINUED

Relationships with community partners, such as other local law enforcement agencies, have become more critical over the past five years of economic downturn. As fewer public safety dollars are available, consolidation of resources is often the key element when applying for new dollars from federal and state programs. Our partnerships include local agencies such as the Women's Center of San Joaquin County; the San Joaquin County District Attorney's Office, including the Victim-Witness Program; and the San Joaquin County Probation Department. The Police Department is also partnered with all other local, state, and federal law enforcement agencies in the county to address crime concerns related to drugs, gangs, domestic violence, elder abuse, and other issues as they arise.

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### FY 2010-11 ACCOMPLISHMENTS

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- Completed major items associated with the Stewart/Eberhardt Building (SEB) Fourth Floor Dispatch Center Project: (1) Upgraded Tiburon ARS/RMS/CAD, (2) Moved/replaced Gold Elite radio system, (3) replace 9-1-1 phone system, and (4) built and equipped a new radio tower on the roof of the SEB. Scheduled to occupy the new center in August 2011.
- Completed construction of a new radio tower in northeast Stockton; IPMobileNet pilot project. Expanded our existing NetMotion infrastructure, continued to phase out existing mobile data computers and replaced with tablet personal computers (within allowed budget) and completed the first phase of Voice Radio Digital Migration and Narrow-banding Project.
- Continued improving communication and coordination between Divisional Units on large-scale crime and gang issues. Conducted two large-scale gang and narcotics investigations to disrupt major gang and narcotic activity in the city of Stockton.
- Replaced fingerprint comparator (latent print comparison machine), obtained digital camera system for macro photography, and updated alternate light source system. These upgrades will improve the ability to identify suspects leading to arrest and successful prosecution.
- Strengthened cooperation with other agencies, civic organizations, and faith-based groups to find long-term solutions for neighborhood concerns to improve the quality of life and prevent and reduce crime in Stockton.
- Successfully implemented Web-based animal licensing, I-watch program, a terrorism-prevention plan working in conjunction with suspicious activity reporting, and on-line payment system for the false alarm reduction program.
- The Robbery/Homicide Unit experienced an extremely large volume of cases last calendar year, with a total of 49 homicides recorded. The first half of 2011 has improved with only nine homicides calendar year to date; however, investigators are significantly backlogged and have returned to work on past unsolved homicides.
- Began management of the County-wide State Office of Traffic Safety (OTS) AVOID Grant. The AVOID grant programs are run throughout the state as part of the continued marketing campaign to reduce the number of drunk drivers on the road. The AVOID program design involves combining all law enforcement in a County into a single grant which is managed by a single entity. The San Joaquin AVOID the 10 grant was managed by the Manteca Police Department for the past three years. The Police Department also continued to perform a large number of DUI-related grant activities with funding from other OTS DUI grants.
- Completed transition to automated timesheets for all Police Department staff.

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## POLICE DEPARTMENT

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### FY 2010-11 ACCOMPLISHMENTS – CONTINUED

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- The Evidence Identification Section made several significant improvements with equipment over the past fiscal year. The Section was still using the original digital cameras that were purchased in 2007. Due to high workloads, the cameras were significantly beyond their expected duty life. In 2010, the Section was able to purchase new cameras to allow the continued production of quality photographs.
- The Family Crimes Unit also had a high-volume year. The Unit is operating with reduced staffing.
- The General Crimes Unit is currently operating with four investigator vacancies. Due to this shortage, the Unit has had to prioritize the cases that are assigned and worked. Lower priority cases or cases that do not meet certain thresholds are not able to be worked.
- The Narcotics Unit was reorganized as a result of budget cuts. Narcotics issues are referred to San Joaquin Metro Task Force or regular Patrol Officers.

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### FY 2011-12 OBJECTIVES

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- Complete the transition to the SEB Fourth Floor Dispatch Center.
- Successfully manage the OTS AVOID the 10 Countywide DUI Enforcement Campaign.
- Seek out grant funding to replace key components of the proactive policing activities related to drugs and gangs.
- Evaluate the restructuring of Divisions to meet the citizen demands with reduced workforce capacity. This work will directly reflect on how the Police Department plans to address drug- and gang-related violent crimes with the staffing levels in FY 2011-12.
- Evaluate our current Community Policing strategies to incorporate changes in how the Department addresses problem-solving policing in our current environment.
- Code Enforcement activities will be reevaluated to reflect the changes in staffing levels resulting from retirements and potential layoffs.
- Police Planning Division will be tasked with seeking out solutions to the financial and operational challenges facing the Department in FY 2011-12 and beyond.
- Enhance financial reporting capabilities ensuring required information for successful management is available to Police and City Management staff.
- Fully automate the electronic timesheet system to a completely paperless state.
- Develop online payments and alarm permit management capabilities for the False Alarm Reduction program.
- Code Enforcement Rental Inspections will initiate the final quadrant of the City rental properties in 2011. The fourth quadrant will be addressed over a two-year period instead of a one-year period due to the complexities of the properties anticipated to be included.

## POLICE DEPARTMENT

### WORKLOAD SUMMARY

	FY 09-10	FY 10-11	FY 11-12
Workload Indicators	Actual	Estimated	Estimated – Plan B
<b>Law Enforcement</b>			
Sworn Officers per 1,000 Population	1.26	1.17	1.17
Dispatch			
Law Enforcement Incident Calls	348,637	336,324	315,120
Patrol			
Calls for Service	142,200	140,660	132,324
Officer Initiated	43,426	29,174	16,524
Arrests	18,475	13,407	11,208
Reports Written	58,880	51,901	54,782
Investigations			
Homicide/Attempted Homicide Investigations	33	49	28
Evidence Items Booked (non firearms)	18,428	14,586	16,000
Firearms booked into evidence	564	581	580
Neighborhood Services/Code Enforcement			
Graffiti Removed - Square Feet	1,679,656	1,196,796	1,100,000
Title Company Payoff Demands	1,867	596	600
Rental Property Packets Mailed	4,481	4,907	3,000
Rental Property Inspected	707	533	450



# POLICE DEPARTMENT

## SUMMARY OF SERVICE LEVEL CHANGES

<u>Programs</u>	<u>Summary Budget Plan A Changes Service Reductions</u>	<u>General Fund Savings</u>	<u>FTEs Eliminated</u>
<b>Special Investigation Section</b>			
Eliminate Street Gang Units (GSET)	Eliminate 9 sworn police officer positions from GSET units. Only Gang Violence Suppression Unit and funded Task Forces would remain, eliminating proactive high-visibility enforcement of gang issues.	1,317,121	9
Eliminate the Police Gang Violence Suppression Unit (GVSU)	Eliminate 5 sworn police officer positions. Gang activities would be handled by regular patrol units.	747,793	5
Eliminate 1 Vice Officer	Eliminate 1 sworn police officer from the Vice Unit. Vice investigations reduced and handled by other sworn staff.	151,094	1
<b>Animal Services</b>			
Reduce Animal Services	Eliminate 10 civilian staff. Shift animal sheltering to San Joaquin County and/or non-profits within one year. Sworn personnel would handle animal calls, but only if the call is an actual emergency posing a threat.	1,042,880	10
<b>Field Services Division (Patrol)</b>			
Eliminate 2 Sr. Community Service Officers (CSOs), all CSOs from Patrol	Severe reduction/elimination in response to lower priority calls-for-service. Much of work shifted to sworn as available but sworn would mostly respond only to emergency in-progress or violence calls.	2,626,903	24
Eliminate all CSOs from Traffic and Parking	Parking enforcement duties shifted to the Volunteers In Police Service (VIPS) and sworn (5 CSOs were General Fund and 3 were grant funded). Potential losses in revenues and reduced responses to traffic and parking complaints and issues.	521,608	8
Eliminate 2 Traffic Officers	Eliminate 2 Motorcycle Traffic Enforcement Officers, reducing impact on Citywide traffic issues and ability to maintain traffic-related grants.	320,000	2
<b>Investigations Division</b>			
Eliminate Bulk of Civilian Evidence Technicians	Eliminates 15 civilian Evidence Tech Support staff. Shift most evidence technician work to sworn officers to handle collection and processing of evidence; assigned evidence officers unable to handle calls for service.	1,728,116	15

## POLICE DEPARTMENT

<u>Programs</u>	<u>Summary Budget Plan A Changes</u> <u>Service Reductions</u>	<u>General Fund Savings</u>	<u>FTEs Eliminated</u>
Reduce Crime Analysts from 4 to 1	Elimination of 3 vacant crime analysts will reduce ability to track and analyze crime and focus resources. Officers would be unable to rely on fresh intelligence with crime trends.	350,862	3
<b>Neighborhood Services/Code Enforcement</b>			
Eliminate Graffiti Abatement Program	Graffiti will only be removed in areas where local maintenance districts already fund removal. Adverse effect would be a significant increase in blight.	706,549	5
Reduce Code Enforcement vacant FTEs	Rental Inspection program suspended and code enforcement will not improve from current level. Decreased responses to all types of Neighborhood Services issues, causing increased blight.	138,679	2
Reduce Rental Inspection Program	Eliminate 3 civilian positions from the Rental Inspection Program, shift duties to other code enforcement officers. Reduced response to rental property complaints.	254,309	3
<b>Records, Property, and Administration</b>			
Reduce Police Records Assistants by 12	Eliminate about 40% of civilian support staff in Records and Traffic Sections. The mandated clerical work will shift to sworn personnel, taking sworn personnel from handling police calls.	1,431,038	14
Eliminate Civilian Staff from Property Room	Eliminate all 3 civilian positions in the Property Section and replace with sworn officers. The handling of evidence and other property will be handled by sworn staff, taking them from handling police calls.	345,269	3
Reduce Administrative Staff	Eliminate 4 fiscal/planning and 1 secretary positions. Some administration work shifted to sworn personnel for necessary grant management, etc. Reduced grant work to only mandated duties.	462,188	4
Reduce Personnel & Training Section	Reduce Personnel & Training by 2 sworn staff, resulting in less training, recruiting, and background checks. Elimination of rangemaster and other training unless mandated. Perishable skills training reductions.	309,703	2
\	Continue to cut all Departmental purchases not related to officer safety and other mandated materials and supplies.	91,575	-

## POLICE DEPARTMENT

<u>Programs</u>	<u>Summary Budget Plan A Changes Service Reductions</u>	<u>General Fund Savings</u>	<u>FTEs Eliminated</u>
<b>Telecommunications</b>			
Eliminate Telecommunications Supervisors, Reduce Telecommunications staff by 4.	Eliminates supervisors and 5 vacant dispatchers. Telecommunications supervision would shift to sworn personnel to handle as available, greatly reducing supervision of 9-1-1 call-takers.	1,286,582	11
Reduce Information Technology support by 2 positions.	Results in 50% reduction of support staff for Police systems. Will increase system problems and data loss. Reduced efficiency from reduced utilization of technology.	233,908	-
<b>Preliminary Target Reductions Met</b>		<b>14,263,043</b>	<b>123</b>

# POLICE DEPARTMENT

<u>Programs</u>	<u>Summary Budget Plan B Changes Service Reductions</u>	<u>General Fund Savings</u>	<u>FTEs Eliminated</u>
<b>Animal Control</b> Reduce Animal Control	Eliminate 2 vacant civilian Animal Control Officers. Reduced capability for addressing stray animals throughout Stockton. In certain instances, only emergencies posing a threat will be dispatched immediately.	175,368	2
<b>Field Operations Division (Patrol)</b> Eliminate 4 vacant CSO positions from Patrol	Vacancies have been created by retirements. Estimated 10% reduction in capacity for responding to lower priority calls for service. Much of work shifted to other CSOs as available.	438,585	4
Eliminate vacant Secretary position from the Field Services Division	Overall workload for Field Services Administrative functions will be shifted to other workers or shared amongst the remaining secretarial staff at the Police Department.	100,652	1
<b>Investigations Division</b> Reduce Crime Analysts from 4 to 1	Elimination of 3 vacant crime analysts will reduce ability to track and analyze crime and focus resources. Officers would be unable to rely on fresh intelligence with crime trends.	316,728	3
<b>Neighborhood Services/Code Enforcement</b> Eliminate 1 vacant Office Specialist position.	Elimination of the vacant Office Specialist position will impact the workload of the remaining office staff.	94,261	1
<b>Records, Property, and Administration</b> Eliminate vacant Police Records Assistant	The elimination of this position will create a shared workload amongst the other Records staff. Turnaround time for police reports may be extended during times of heavy workload.	78,172	1

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## POLICE DEPARTMENT

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<u>Programs</u>	<b>Summary Budget Plan B Changes</b> <u>Service Reductions</u>	<b>General Fund</b> <u>Savings</u>	<b>FTEs</b> <u>Eliminated</u>
Additional anticipated salary savings	Salary savings are anticipated to increase as a result of a spike in overall retirements and recruitment-related issues.	181,410	-
Further reductions in general Police Department-wide expenditures	Continue to cut all departmental purchases not related to officer safety and other mandated materials and supplies. This includes anticipated cuts to postage fees, building repairs, utilities and other costs.	416,478	-
	<b>Total Plan B Reductions</b>	<b>2,000,000</b>	<b>14</b>

**Police Department  
2011-12 Adopted Budget**

	<b>General Fund 010 - Plan B</b>	<b>Measure W 081</b>	<b>Asset Forfeiture 023</b>	<b>COPS 024</b>
	<i>See Page E - 14</i>	<i>See Page E - 15</i>	<i>See Page E - 16</i>	<i>See Page E - 17</i>
<b>Beginning Available Balance</b>			<b>\$ 581,181</b>	<b>\$ 160,623</b>
<b>Revenues</b>				
Grants				240,000
Program Revenue	8,690,906	4,012,200	110,000	
Other Revenue			21,000	
	<b>8,690,906</b>	<b>4,012,200</b>	<b>131,000</b>	<b>240,000</b>
<b>Expenditures</b>				
Salary & Benefits	70,557,568	3,272,393		307,531
Services & Supplies	14,304,468	536,422	361,500	
Administration Overhead		155,962		
	<b>84,862,036</b>	<b>3,964,777</b>	<b>361,500</b>	<b>307,531</b>
<b>Transfers</b>				
Transfer In - General Fund				
CHRP and Other Grant Match				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ (76,171,130)</b>	<b>\$ 47,423</b>	<b>(230,500)</b>	<b>(67,531)</b>
<b>Ending Available Balance</b>			<b>\$ 350,681</b>	<b>\$ 93,092</b>
	-	-	-	-

**Police Department, Continued**  
**2011-12 Adopted Budget**

	<b>Law Enforcement Block Grants 025</b>	<b>Trusts 645</b>	<b>Police Total</b>
	<i>See Page E - 18</i>	<i>See Page E - 19</i>	
<b>Beginning Available Balance</b>	<b>\$ 46,492</b>	<b>\$ 580,557</b>	
<b>Revenues</b>			
Grants	2,874,520		\$ 3,114,520
Program Revenue		212,940	13,026,046
Other Revenue		8,900	29,900
	<b>2,874,520</b>	<b>221,840</b>	<b>16,170,466</b>
<b>Expenditures</b>			
Salary & Benefits	3,069,839		77,207,331
Services & Supplies		175,150	15,377,540
Administration Overhead			155,962
	<b>3,069,839</b>	<b>175,150</b>	<b>92,740,833</b>
<b>Transfers</b>			
Transfer In - General Fund			-
CHRP and Other Grant Match	300,000		300,000
Transfer Out			-
	<b>300,000</b>	<b>-</b>	<b>300,000</b>
<b>Net Annual Activity</b>	<b>104,681</b>	<b>46,690</b>	<b>\$ (76,270,367)</b>
<b>Ending Available Balance</b>	<b>\$ 151,173</b>	<b>\$ 627,247</b>	
	-	-	-
		Revenues	\$ 16,170,466
		Transfers	300,000
		Total Sources	<b>\$ 16,470,466</b>
		Expenditures	\$ 92,740,833
		Transfers	
		Total Appropriations	<b>\$ 92,740,833</b>
			-

**Police Department  
General Fund - 010  
2011-12 Adopted Budget**

	FY 2011-2012					
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
Total Police Department						
Employee Services	\$ 79,514,194	\$ 74,435,209	\$ 74,445,490	\$ 84,482,942	\$ 70,311,474	\$ 70,557,568
Other Services	12,130,541	10,406,873	12,303,993	12,995,462	12,903,887	12,855,462
Materials and Supplies	1,473,309	1,265,120	1,356,011	1,295,733	1,295,733	1,199,256
Other Expenses	137,102	197,496	406,315	429,750	429,750	249,750
Capital Outlay	12,823	3,800	-	-	-	-
Total	\$ 93,267,969	\$ 86,308,498	\$ 88,511,809	\$ 99,203,887	\$ 84,940,844	\$ 84,862,036
Administration						
Employee Services	4,208,706	4,138,470	4,294,349	4,908,583	4,136,692	4,405,672
Other Services	1,867,946	1,337,596	1,537,666	1,608,785	1,608,785	1,542,285
Materials and Supplies	217,571	183,368	204,350	177,956	177,956	157,956
Other Expenses	103,396	83,258	109,240	195,850	195,850	110,850
Total	6,397,619	5,742,692	6,145,605	6,891,174	6,119,283	6,216,763
Field Services						
Employee Services	50,974,110	44,157,409	42,738,744	48,397,686	43,829,638	39,648,823
Other Services	5,149,816	4,159,409	5,047,782	4,851,161	4,759,586	4,807,661
Materials and Supplies	949,984	802,847	833,602	845,482	845,482	769,005
Other Expenses	32,953	134,043	287,095	226,520	226,520	131,520
Capital Outlay	12,823	3,800	-	-	-	-
Total	57,119,686	49,257,508	48,907,223	54,320,849	49,661,226	45,357,009
Investigations						
Employee Services	16,918,906	16,347,429	16,725,206	18,746,219	14,254,367	16,403,074
Other Services	635,275	590,562	831,840	834,406	834,406	834,406
Materials and Supplies	156,758	135,379	156,605	120,408	120,408	120,408
Other Expenses	(82)	2,946	6,100	3,500	3,500	3,500
Total	17,710,857	17,076,316	17,719,751	19,704,533	15,212,681	17,361,388
Support Services						
Employee Services	4,439,265	4,547,214	4,747,401	5,279,947	2,460,760	4,072,928
Other Services	366,756	323,385	430,056	381,733	381,733	381,733
Materials and Supplies	120,648	130,754	131,704	123,887	123,887	123,887
Other Expenses	475	(22,751)	300	300	300	300
Total	4,927,144	4,978,602	5,309,461	5,785,867	2,966,680	4,578,848
Telecommunications						
Employee Services	2,973,207	5,244,687	5,939,790	7,150,507	5,630,017	6,027,071
Other Services	4,110,748	3,995,921	4,456,649	5,319,377	5,319,377	5,289,377
Materials and Supplies	28,348	12,772	29,750	28,000	28,000	28,000
Other Expenses	360	-	3,580	3,580	3,580	3,580
Total	7,112,663	9,253,380	10,429,769	12,501,464	10,980,974	11,348,028



**Police and Fire Departments  
Measure W - 081(a)  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<u>\$ 2,323,870</u>	<u>\$ 225,428</u>	<u>\$ 814,766</u>	<u>\$ 1,303,847</u>
<b>Revenues</b>				
<b>Police</b>				
Measure W Sales Tax	3,960,681	3,825,731	3,869,700	4,012,200
Reimbursements - Workers Comp	133,912	69,049	49,034	
Interest	(11,162)	(11,759)	(2,040)	
	<u>4,083,431</u>	<u>3,883,021</u>	<u>3,916,694</u>	<u>4,012,200</u>
<b>Fire</b>				
Measure W Sales Tax	3,960,681	3,825,731	3,869,700	4,012,200
Reimbursements - Workers Comp	33,912	69,049	49,034	
Interest	(11,162)	(11,759)	(2,040)	
	<u>3,983,431</u>	<u>3,883,021</u>	<u>3,916,694</u>	<u>4,012,200</u>
	<u><b>8,066,862</b></u>	<u><b>7,766,041</b></u>	<u><b>7,833,388</b></u>	<u><b>8,024,400</b></u>
<b>Expenditures</b>				
<b>Police</b>				
Salary & Benefits	4,911,573	2,841,853	2,939,926	3,272,393
Services & Supplies	603,507	480,614	568,064	536,422
Administration Overhead	187,712	127,357	143,959	155,962
	<u>5,702,792</u>	<u>3,449,824</u>	<u>3,651,949</u>	<u>3,964,777</u>
<b>Fire</b>				
Salary & Benefits	4,212,074	3,541,657	3,323,054	4,088,893
Services & Supplies	68,786	51,008	216,384	66,457
Administration Overhead	181,652	134,212	152,920	167,593
	<u>4,462,512</u>	<u>3,726,877</u>	<u>3,692,358</u>	<u>4,322,943</u>
	<u><b>10,165,304</b></u>	<u><b>7,176,701</b></u>	<u><b>7,344,307</b></u>	<u><b>8,287,720</b></u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>				
Police	(1,619,361)	433,197	264,745	47,423
Fire	(479,081)	156,144	224,336	(310,743)
	<u><b>(2,098,442)</b></u>	<u><b>589,340</b></u>	<u><b>489,081</b></u>	<u><b>(263,320)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 225,428</b></u>	<u><b>\$ 814,768</b></u>	<u><b>\$ 1,303,847</b></u>	<u><b>\$ 1,040,527</b></u>
<b>Available Balance Calculation</b>				
Current assets		\$ 1,407,415		
Current liabilities		(592,649)		
Ending Available Balance		<u>814,766</u>		

(a) The portion of Measure W Fund - 081 relating to Fire is also presented in Fire on page F-10.

**Police Department  
Asset Forfeiture - 023  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 499,353</b>	<b>\$ 569,358</b>	<b>\$ 592,181</b>	<b>\$ 581,181</b>
<b>Revenues</b>				
Interest	29,469	22,823	21,000	21,000
State/local seizures	115,633	85,426	70,000	60,000
FED DOJ seizures	176,439	39,500	(5,000)	30,000
FED Tres seizures	(84,535)	1,140	15,000	20,000
	<b>237,006</b>	<b>148,889</b>	<b>101,000</b>	<b>131,000</b>
<b>Expenditures</b>				
State/local seizures	96,085	85,426	65,000	146,500
FED DOJ seizures	39,267	39,500	38,000	150,000
FED Tres seizures	31,649	1,140	9,000	65,000
	<b>167,001</b>	<b>126,066</b>	<b>112,000</b>	<b>361,500</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>70,005</b>	<b>22,823</b>	<b>(11,000)</b>	<b>(230,500)</b>
<b>Ending Available Balance</b>	<b>\$ 569,358</b>	<b>\$ 592,181</b>	<b>\$ 581,181</b>	<b>\$ 350,681</b>
<b>Available Balance Calculation</b>				
Cash and interest receivable		\$ 602,123		
Due from other governments		29,064		
Vouchers payable		(24,500)		
Due to other governments		(13,864)		
Deferred revenues		(642)		
Ending Available Balance		<b>\$ 592,181</b>		

**Police Department  
COPS - 024  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 8,399</b>	<b>\$ 63,930</b>	<b>\$ 64,194</b>	<b>\$ 160,623</b>
<b>Revenues</b>				
State COPS Grant	301,207	427,906	360,000	240,000
Interest	17,816	(3,171)	4,429	
Reimbursements		3,436		
	<b>319,023</b>	<b>428,171</b>	<b>364,429</b>	<b>240,000</b>
<b>Expenditures</b>				
State COPS Grant	263,492	427,906	268,000	307,531
	<b>263,492</b>	<b>427,906</b>	<b>268,000</b>	<b>307,531</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>55,531</b>	<b>265</b>	<b>96,429</b>	<b>(67,531)</b>
<b>Ending Available Balance</b>	<b>\$ 63,930</b>	<b>\$ 64,195</b>	<b>\$ 160,623</b>	<b>\$ 93,092</b>
<b>Available Balance Calculation</b>				
Cash and interest receivable		\$ 94,355		
Due from Other Governments		114,439		
Due to Other Governments		(144,600)		
Ending Available Balance		<b>\$ 64,194</b>		

**Police Department  
Special Revenue Grant Funds - 025  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 3,440</b>	<b>\$ 3,440</b>	<b>\$ 31,510</b>	<b>\$ 46,492</b>
<b>Revenues</b>				
Federal and State Grants	138,328	5,489,480	4,031,645	2,874,520
	<b>138,328</b>	<b>5,489,480</b>	<b>4,031,645</b>	<b>2,874,520</b>
<b>Expenditures</b>				
Fed ARRA COPS CHRP Grant		2,449,134	2,738,622	3,069,839
State Cal EMA Cal GRIP (PD & PK)		188,012		
JAG 2007-08 - <i>Peacekeeper</i>	113,574	148,885		
JAG 2008-09	24,754	34,118		
Fed ARRA JAG (1-time) Grant		1,112,347		
Fed ARRA JAG 2009 - <i>Peacekeeper</i>		140,012		
Fed COPS METH Grant		85,859		
Fed JAG 2009 Grant (PD & PK)		400,639		
State Cal EMA Sexual Assault Grant		183,176	37,564	
State OTS DUI Grant		231,507		
State OTS Sobriety Check Point Grant		40,712		
State Cal GRIP - <i>Peacekeeper</i>		25,917		
Pet Smart Grant		6,900		
Contract Reimbursements		672,141		
State OTS AVOID the 10 Grant			243,000	
State OTS DUI EAP Grant			290,000	
State OTS Click It of Ticket Grant			11,178	
Fed JAG 2010 Grant			580,477	
State VAWA Grant			240,279	
Fed OES Cat Preparedness Grant			40,000	
	<b>138,328</b>	<b>5,719,359</b>	<b>4,181,120</b>	<b>3,069,839</b>
<b>Transfers</b>				
Transfer In - General Fund Match				300,000
JAG Match		148,885		
CHRP Match		63,293	66,823	
Cal EMA SAG Match		45,769	37,564	
VAWA Match			60,070	
	<b>-</b>	<b>257,947</b>	<b>164,457</b>	<b>300,000</b>
<b>Net Annual Activity</b>	<b>-</b>	<b>28,068</b>	<b>14,982</b>	<b>104,681</b>
<b>Ending Available Balance</b>	<b>\$ 3,440</b>	<b>\$ 31,508</b>	<b>\$ 46,492</b>	<b>\$ 151,173</b>
<b>Available Balance Calculation</b>				
Accounts Receivable		\$ 13,127		
Due from Other Governments		1,080,921		
Accounts Payable		(143,836)		
Due to Other Funds		(692,537)		
Due to Other Governments		(133,065)		
Deferred Revenue		(93,100)		
Ending Available Balance		<b>\$ 31,510</b>		

**Police Department  
Police Trusts - 645  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 128,707</b>	<b>\$ 330,824</b>	<b>\$ 544,630</b>	<b>\$ 580,557</b>
<b>Revenues</b>				
Interest	6,521	6,484		1,000
Animal Pound Trust	211,095	187,647	11,427	9,000
Pet Overpopulation Program	258,622	248,986	210,000	203,940
Other Revenue	2,200	1,000	1,000	7,900
	<b>478,438</b>	<b>444,117</b>	<b>222,427</b>	<b>221,840</b>
<b>Expenditures</b>				
Pet Overpopulation Program	274,835	230,073	185,000	166,250
Miscellaneous Expense	1,486	238	1,500	8,900
	<b>276,321</b>	<b>230,311</b>	<b>186,500</b>	<b>175,150</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>202,117</b>	<b>213,806</b>	<b>35,927</b>	<b>46,690</b>
<b>Ending Available Balance</b>	<b>\$ 330,824</b>	<b>\$ 544,630</b>	<b>\$ 580,557</b>	<b>\$ 627,247</b>
<b>Available Balance Calculation</b>				
Cash		\$ 540,210		
Interest Receivable		3,501		
Accounts Receivable		3,529		
Vouchers Payable		(2,610)		
Ending Available Balance		<b>\$ 544,630</b>		

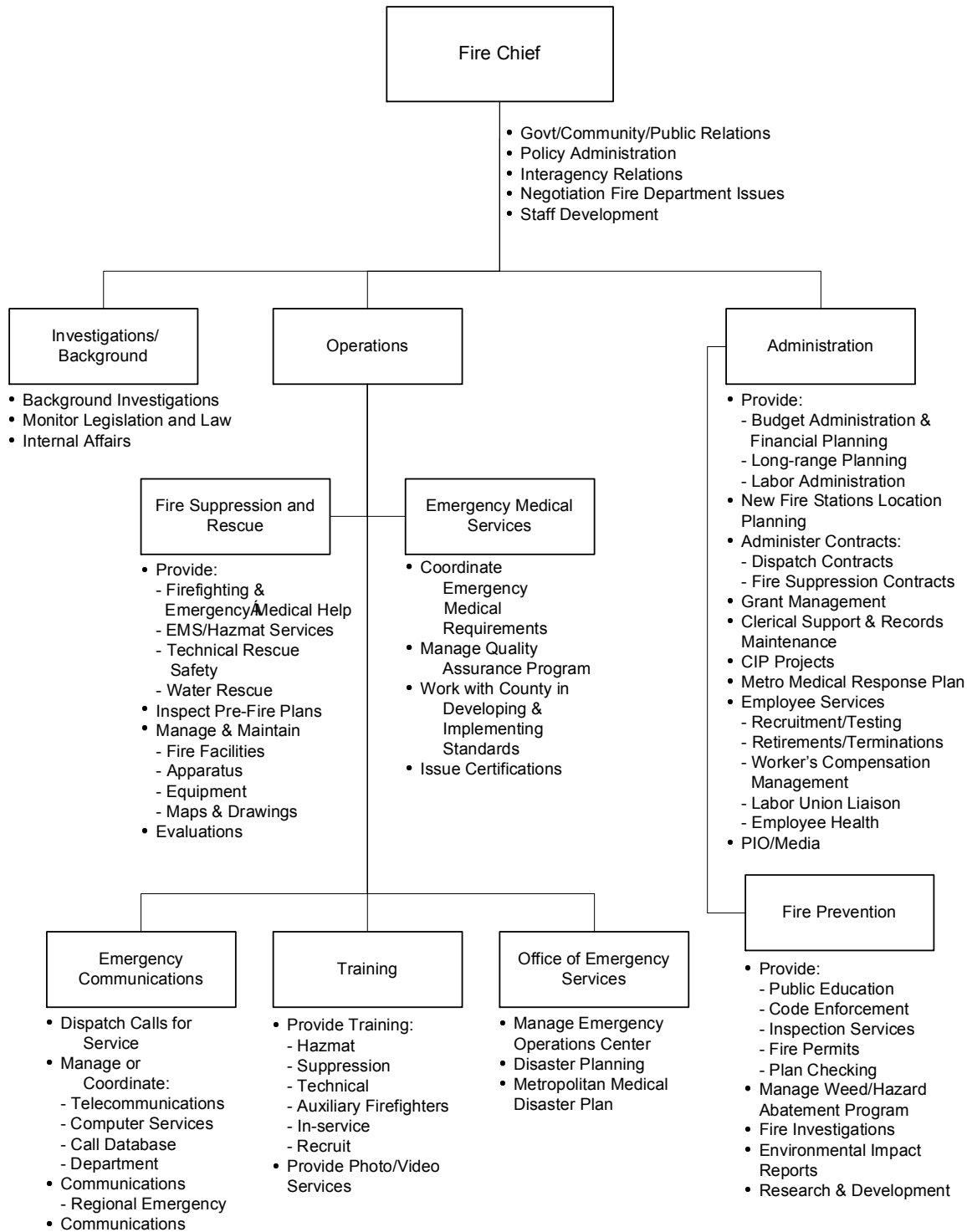


# TAB

## Fire

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# FIRE DEPARTMENT



## MISSION STATEMENT

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

### Budget at a Glance – Plan B:

Total Expenditures	\$46,195,579
Total Revenues	\$10,396,289
Total Net Cost	\$35,799,290
Total Staff	205

## DEPARTMENTAL DESCRIPTION

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

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

The Administrative Division provides the overall policy direction and management support for the department.

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

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

The Training Division is responsible for maintaining technical and operational proficiency in the suppression division through ongoing prescriptive training that ensures compliance with all statutory mandates and adjusts to meet a constantly changing work environment.

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

The Stockton Fire Department responded to more than 38,000 incidents in 2010 including 467 structure fires, 350 vehicle fires, 1,994 fire alarms, 2,012 vehicle accidents, and 29,643 medical emergencies. The Fire Prevention Division handles more than 5,000 annual operational permits. The Emergency Communications Division processes more than 175 calls for service each day and also provides after hours dispatch coverage for the Public Works Department.

## KEY ISSUES

Budget Plan A, reflects a reduction of \$18,939,582 or 32.1%, from the projected budget obligations under the current labor contract of \$59,057,608, for a net budget of \$40,118,026 for Fiscal Year 2011-12. This budget presumes no negotiated compensation from labor. Therefore, the anticipated reduction of \$18,939,582 in funding from the General Fund is reflected in direct impacts to the daily staffing of fire apparatus and fire stations throughout the City. The Administration branch of the Fire Department has incurred a nearly 50% reduction in staffing, or nine positions over the past two years. The reduction in general fund revenues

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## FIRE DEPARTMENT

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allocated to the Fire Department will result in a massive reduction in staffing levels and fire station closures that can not be mitigated or otherwise avoided.

Absent concessions, the reduction in available funding will result in staff reductions of 81 firefighter positions being eliminated (Plan A), which will not only require a reduction in staffing on engines from 4 to 3 personnel, but will also result in a staffing reduction on trucks from 5 to 4 personnel. In addition to staffing reductions on engines and trucks, a corresponding closure of 5 fire companies – 4 engine companies and 1 additional truck company – resulting in 3 fire station closures, as there will be insufficient number of personnel on duty each day to keep all fire stations open and all apparatus staffed. This will have a substantial impact on the department's ability to respond to emergencies.

The City of Stockton has afforded funding to the Fire Department to maintain staffing levels at 4 personnel for engines and 5 personnel on truck companies for many years, and has achieved a Class 1 rating by the Insurance Services Office (ISO), from which fire insurance rates are set by underwriters annually. The continued decline in the economy which has resulted in catastrophic losses in general fund revenues has caused the City to reevaluate what level of fire and emergency services it can afford to provide to its citizens and businesses.

Budget Plan B reflects a more optimistic outcome to the negotiations between Labor and the City, but still results in measurable impacts. While it is still unknown at this time what the result will be from those negotiations, we will make an optimistic assumption that negotiations result in a mutually agreeable outcome of concessions and that may result in the Fire Department having to implement a lower net targeted reduction of only \$10-11 million dollars. This would still place the City and the Fire Department in the unpleasant position of making staff reductions of approximately 48 personnel, or a reduction in daily staffing from 70 to approximately 50 on duty personnel each day.

Whereas reductions in staffing to 3 on an engine and 4 on a truck are commonly used staffing models in many communities, there is no question that the effectiveness of fire crews are diminished with fewer personnel on residential and larger fires as well as more complex rescues or hazardous materials or water rescue incidents. However, with the arrival of second engines and trucks, we think this risk can be managed. Stockton Fire Department's firefighters will continue to be dedicated to perform their duties within these constraints. Their ability to perform required tasks, complying with occupational safety laws and the law of physics, is bound to impact services. The impacts will be monitored.

With this level of reduction in funding, at least one fire station will be closed, with all engines being staffed at 3 personnel and trucks being staffed with 4 personnel, on most days. It is anticipated that some days a truck may be removed from service or an engine may be reduced to operating as a 2 person squad for medical calls and supplemental manpower on other fires and rescues. A minimal relief crew of 6 personnel is currently scheduled, but it is yet unknown how daily vacancies for illness, occupational injuries, and vacation will impact daily staffing and overtime.

## FIRE DEPARTMENT

### FY 10-11 ACCOMPLISHMENTS

- Completed an evaluation of the existing City of Stockton Emergency Operations Plan
- Awarded \$55,726 under the 2007 Port Security Grant Program to fund hazardous materials, Urban Search & Rescue (USAR) rescue equipment, and water rescue equipment.
- Awarded \$18,000 under the 2008 Port Security Grant Program to fund two watercrafts for the water rescue program.
- Completed the initial review of the City of Stockton Metropolitan Medical Response System Plan (MMRS) for handling a major incident with multiple injuries or exposed patients.
- Procured a laboratory test instrument for the San Joaquin County Public Health Department funded by the MMRS grant.

### FY 2011-12 OBJECTIVES

- Refine service measure criteria to quantify and evaluate the deployment of available fire department resources.
- Complete the update of the City of Stockton Emergency Plan and hazard specific annexes.
- Develop transition criteria for fire district detachments with annexations that avoids open ended funding to fire districts for area they no longer serve.
- Develop a fire apparatus replacement plan that that is sustainable with available funding options.
- Develop and execute a Business Plan to review the Emergency Medical Incident and Dispatching Criteria.
- Develop and execute a Business Plan for a Home Fire Safety Inspection Program to help reduce fire risk.

### SUMMARY OF SERVICE LEVEL CHANGES

#### Budget Plan A

- Eliminate 81 firefighter positions through retirement, attrition and layoffs.
- Reduce all fire engine staffing from 4 to 3 firefighters.
- Reduce truck company staffing from 5 to 4 firefighters.
- Close 3 fire station locations.
- Closes 4 engine companies, leaving 9 remaining engine companies.
- Closes 1 additional truck company, leaving 2 remaining truck companies.

#### Budget Plan B

- Eliminate 48 firefighter positions through retirement, attrition and layoffs.
- Reduce all fire engine staffing from 4 to 3 firefighters.
- Reduce truck company staffing from 5 to 4 firefighters.
- Close at least one fire station.
- Close one fire engine, leaving 12 remaining engines.
- Continues closure of 1 truck company, leaving 3 remaining truck companies.

# FIRE DEPARTMENT

## WORKLOAD SUMMARY

### Annual Fire Company Run Volume

		2008	2009	2010
<b>Station 1</b>	<b>E1</b>	1,486	1,388	1,270
1818 Fresno Avenue				
<b>Station 2</b>	<b>E2</b>	4,039	3,995	3,974
110 W Sonora Street	<b>T2</b>	1,078	1,016	1,110
	<b>BC1</b>	1,347	1,246	1,277
<b>Station 3</b>	<b>E3</b>	2,966	2,808	3,049
1116 E First Street	<b>T3/R3 (Note #1)</b>	746	676	762
<b>Station 4</b>	<b>E4</b>	4,167	4,170	4,346
5525 Pacific Avenue	<b>T4 (closed 6/30/2010)</b>	943	978	512
	<b>BC2</b>	1,035	965	923
<b>Station 5</b>	<b>E5</b>	1,541	1,577	1,551
3499 Manthey Road				
<b>Station 6</b>	<b>E6</b>	3,283	3,225	3,293
1501 Picardy Lane	<b>WR6 (Note #2)</b>	68	51	47
<b>Station 7</b>	<b>E7</b>	3,766	3,621	3,769
1767 W Hammer Lane	<b>T7</b>	859	897	
<b>Station 9</b>	<b>E9</b>	5,003	5,075	5,119
550 E Harding Way				
<b>Station 10</b>	<b>E10</b>	2,822	2,729	2,869
2903 W March Lane	<b>HM10 (Note #3)</b>	122		86
<b>Station 11</b>	<b>E11</b>	4,116	4,488	4,645
1211 E Swain Road				
<b>Station 12</b>	<b>E12</b>	2,946	2,810	2,878
4010 E Main Street				
<b>Station 13</b>	<b>E13</b>	1,402	1,408	1,388
3606 Hendrix Drive				
<b>Station 14</b>	<b>E14</b>	2,321	2,424	2,414
3019 McNabb Place				

Note #1 – Truck 3 and Rescue 3 is a two piece company staffed with 5 firefighters.

Note #2 – Water Rescue 6 (WR6) is staffed with personnel assigned to Engine 6 (E6).

Note #3 – Haz Mat 10 (HM10) is staffed with personnel assigned to Engine 10 (E10).

**Fire Department  
2011-12 Adopted Budget**

	<b>General Fund 010 - Plan B</b>	<b>Development Services 048</b>	<b>Measure W 081</b>	<b>Special Revenue 646</b>	<b>Fire Total</b>
	<i>See Page F - 8</i>	<i>See Page F - 9</i>	<i>See Page F - 10</i>	<i>See Page F - 11</i>	
<b>Beginning Available Balance</b>				<b>\$ 103,817</b>	
<b>Revenues</b>					
Program Revenue	\$ 4,315,706	\$ 2,050,683	4,012,200	3,200	\$ 10,381,789
Donations				1,500	1,500
Other Revenue				13,000	13,000
	<b>4,315,706</b>	<b>2,050,683</b>	<b>4,012,200</b>	<b>17,700</b>	<b>10,396,289</b>
<b>Expenditures</b>					
Salary & Benefits (a)	34,903,848	1,958,241	\$ 4,088,893		40,950,982
Services & Supplies	4,908,987	52,060	66,457	49,500	5,077,004
Administration Overhead			167,593		167,593
	<b>39,812,835</b>	<b>2,010,301</b>	<b>4,322,943</b>	<b>49,500</b>	<b>46,195,579</b>
<b>Transfers</b>					
Transfer In					-
Transfer Out					-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ (35,497,129)</b>	<b>\$ 40,382</b>	<b>\$ (310,743)</b>	<b>(31,800)</b>	<b>\$ (35,799,290)</b>
<b>Ending Available Balance</b>				<b>\$ 72,017</b>	
	-	-	-	-	-
				Revenues	\$ 10,396,289
				Transfers	
				<b>Total Sources</b>	<b>\$ 10,396,289</b>
				Expenditures	\$ 46,195,579
				Transfers	
				<b>Total Appropriations</b>	<b>\$ 46,195,579</b>
					-

**Fire Department  
General Fund - 010  
2011-12 Adopted Budget**

				FY 2011-2012		
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
Total Fire Department						
Employee Services	\$ 41,823,071	\$ 42,325,548	\$ 42,128,698	\$ 54,148,621	\$ 35,209,039	\$ 34,903,848
Other Services	5,298,921	4,547,168	3,954,299	4,136,149	4,136,149	4,136,149
Materials and Supplies	628,084	605,964	735,942	719,738	719,738	719,738
Other Expenses	25,230	21,982	71,530	53,100	53,100	53,100
Capital Outlay	7,128					
Total	\$ 47,782,434	\$ 47,500,662	\$ 46,890,469	\$ 59,057,608	\$ 40,118,026	\$ 39,812,835
Administration						
Employee Services	2,330,656	1,886,417	1,979,566	2,535,934	2,535,934	2,388,634
Other Services	372,274	386,855	516,071	455,234	455,234	455,234
Materials and Supplies	16,770	16,798	18,258	18,922	18,922	18,922
Other Expenses	2,161	2,405	12,560	9,810	9,810	9,810
Total	2,721,861	2,292,475	2,526,455	3,019,900	3,019,900	2,872,600
Fire Suppression						
Employee Services	37,419,534	37,794,519	37,540,227	48,801,388	29,861,806	30,009,566
Other Services	2,278,567	2,385,812	2,654,236	2,941,861	2,941,861	2,941,861
Materials and Supplies	559,188	568,661	667,110	649,625	649,625	649,625
Other Expenses	(4)	(1,098)	(1,200)			
Capital Outlay	7,128					
Total	40,264,413	40,747,894	40,860,373	52,392,874	33,453,292	33,601,052
Training/Emergency Services						
Employee Services	715,691	663,621	608,300	655,032	655,032	655,032
Other Services	112,553	77,191	96,840	104,089	104,089	104,089
Materials and Supplies	27,736	7,506	20,779	21,396	21,396	21,396
Other Expenses	22,762	20,595	53,925	41,465	41,465	41,465
Total	878,742	768,913	779,844	821,982	821,982	821,982
Dispatch						
Employee Services	1,357,190	1,980,991	2,000,605	2,156,267	2,156,267	1,850,616
Other Services	2,535,527	1,697,310	687,152	634,965	634,965	634,965
Materials and Supplies	24,390	12,999	29,795	29,795	29,795	29,795
Other Expenses	311	80	6,245	1,825	1,825	1,825
Total	3,917,418	3,691,380	2,723,797	2,822,852	2,822,852	2,517,201



**Fire Department  
Development Services - 048 (a)  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Revenues</b>				
Fire Prevention				
User Fees	\$ 1,736,182	\$ 1,799,178	\$ 1,607,000	\$ 1,986,450
Safe & Sane Fireworks Program		23,540	24,000	24,233
Fines & Penalties	1,475	40,226	55,000	40,000
	<u>1,737,657</u>	<u>1,862,944</u>	<u>1,686,000</u>	<u>2,050,683</u>
<b>Expenditures</b>				
Fire Prevention				
Fire Prevention	1,576,720	1,586,937	1,644,500	1,958,241
Fire Public Education	212,062	16,997	16,000	27,827
Safe & Sane Fireworks Program		6,524	25,500	24,233
	<u>1,788,782</u>	<u>1,610,458</u>	<u>1,686,000</u>	<u>2,010,301</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>\$ (51,125)</u>	<u>\$ 252,486</u>	<u>\$ -</u>	<u>\$ 40,382</u>

(a) The total Development Services Fund - 048 is presented with the Community Development Department budget on page I-6.

**Fire Department  
Measure W - 081 (a)  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Revenues</b>				
Measure W Sales Tax	3,960,681	3,825,731	3,869,700	4,012,200
Reimbursements - Workers Comp	33,912	69,049	49,034	
Interest	(11,162)	(11,759)	(2,040)	
	<b>3,983,431</b>	<b>3,883,021</b>	<b>3,916,694</b>	<b>4,012,200</b>
<b>Expenditures</b>				
Salary & Benefits	\$ 4,212,074	\$ 3,541,657	\$ 3,323,054	\$ 4,088,893
Services & Supplies	68,786	51,008	216,384	66,457
Administration Overhead	181,652	134,212	152,920	167,593
	<b>4,462,512</b>	<b>3,726,877</b>	<b>3,692,358</b>	<b>4,322,943</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ (479,081)</b>	<b>\$ 156,144</b>	<b>\$ 224,336</b>	<b>\$ (310,743)</b>

(a) The total Measure W Fund - 081 is presented with the Police Department budget

**Fire Department  
Special Revenue - 646  
2011-12 Adopted Budget**

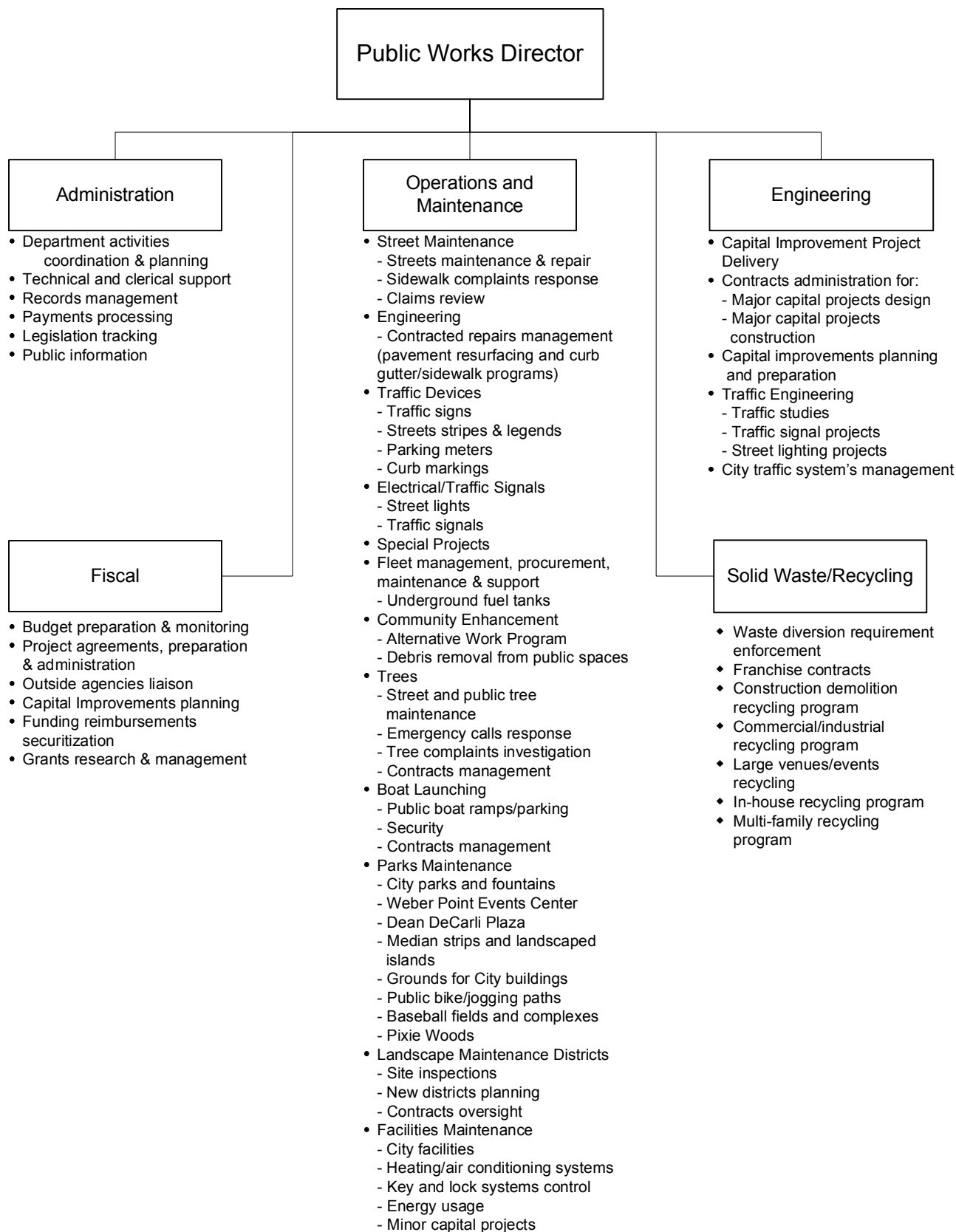
	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 77,831</b>	<b>\$ 118,187</b>	<b>\$ 122,320</b>	<b>\$ 103,817</b>
<b>Revenues</b>				
Program Revenue	88,544	63,696	2,525	3,200
Donations	6,134	104,571	101,500	1,500
Other Revenue	4,408	14,770	24,187	13,000
	<u>99,086</u>	<u>183,037</u>	<u>128,212</u>	<u>17,700</u>
<b>Expenditures</b>				
Program Expenses	58,730	78,912	46,715	49,500
	<u>58,730</u>	<u>78,912</u>	<u>46,715</u>	<u>49,500</u>
<b>Transfers</b>				
Transfer In				
Transfer Out - Grant Fund - 020		(100,000)	(100,000)	
	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>40,356</b>	<b>4,125</b>	<b>(18,503)</b>	<b>(31,800)</b>
<b>Ending Available Balance</b>	<b>\$ 118,187</b>	<b>\$ 122,312</b>	<b>\$ 103,817</b>	<b>\$ 72,017</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 123,833		
Current liabilities		(1,513)		
Ending Available Balance		<u>\$ 122,320</u>		



# TAB

## Public Works

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# PUBLIC WORKS DEPARTMENT





**MISSION STATEMENT**

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

**Budget at a Glance – Plan B:**

Total Expenditures	\$41,446,540
Total Revenues	\$33,467,481
Total Net Cost	\$7,979,059
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, 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, Buildings, and Administration. 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 135,000 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 19,000 street lights and 300 traffic signals. The Community Enhancement Section removes weeds, debris, and graffiti from public spaces.

Gas Tax also helps 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 11-12 transportation and facility capital budget is in excess of \$43M. Of this amount, only \$316,000 comes from the General Fund. This means there is constant pressure to seek out, apply for, and secure various capital grants, without which our engineers and support staff would not get paid. Measure K Maintenance and developer fee revenues provide important matching funds for capital projects grants.

The Solid Waste and Recycling Division manages the \$400 million 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 Alternative Work Roadside Cleanup 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 1,003 vehicles and pieces of 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 Morelli Park, 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

Continuing to maintain the City's infrastructure at acceptable levels is becoming increasingly difficult. The magnitude of deferred maintenance is increasing across all infrastructure categories including transportation, buildings, parks, and the urban forest. In particular, the loss of General Fund dollars for transportation maintenance has required the scaling back of maintenance and the 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 which has masked the loss of funding. But these one time funding sources will be exhausted in FY 2011-12 and deterioration of the transportation system will accelerate. As a result, lower service levels will need to be defined that reflect the reality of 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. 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.

## PUBLIC WORKS DEPARTMENT

### FY 2010-11 ACCOMPLISHMENTS

- Began construction of the North Stockton Railroad Grade Separations
- Awarded construction contact for Sperry Road Extension
- Completed design for I-5/French Camp interchange
- Completed the Civic Auditorium HVAC replacement project
- Lowered per capita waste disposal rate from 5.1 to 4.3 pounds/day (State mandate is 6.9 pounds/day)
- Partnered with San Joaquin Regional Transit and the Downtown Stockton Alliance to install trash/recycling containers in the downtown area
- Automated portions of Parks, Traffic Devices, and Trees operations for better tracking and efficiency
- Filled 3,000 potholes and resurfaced 21.5 miles of streets
- Painted out or removed 850,000 square feet of graffiti; removed 200 tons of debris from public spaces
- Retrofitted 10 heavy Fleet vehicles with diesel particulate filters to meet State air quality standards
- Implemented Capital Improvement Program that leveraged \$166 million in Federal, State, and Local funds

### FY 2011-12 OBJECTIVES

- Start construction of Sperry Road Extension and French Camp/I-5 Interchange projects
- Consolidate Capital Project Management and Public Improvement Inspections within Public Works Department.
- Expand commercial recycling program to include business recycling compliance monitoring and notification (per State law AB 32)
- Complete retrofit of 9 more diesel powered vehicles with diesel particulate filters to meet State air quality deadline
- Complete Caesar Chavez Library Roof Replacement project
- Resurface 48.5 miles of streets
- Develop fund reserve policies for Fleet, Solid Waste, and the Assessment Districts
- Complete data collection for grant funded Tree Inventory project, and commence development of Urban Forest Maintenance Plan
- Complete Main Police Station HVAC project

### SUMMARY OF SERVICE LEVEL CHANGES

#### Budget Plan A

- Eliminate 6 vacant positions
- Reducing contracted services for trees and HVAC
- Reduce park irrigation by 10%
- Shift \$291,000 in costs to Gas Tax

#### Budget Plan B

- Reduce Facilities Maintenance staff
- Shift \$291,000 in costs to Gas Tax

**Public Works Department  
2011-12 Adopted Budget**

	<b>General Fund 010 - Plan B</b>	<b>Street Maintenance Gas Tax 030</b>	<b>Measure K Street Maintenance 082</b>	<b>Boat Launching 045</b>	<b>Solid Waste Recycling 047</b>
	<i>See Page G - 8</i>	<i>See Page G - 9</i>	<i>See Page G - 10</i>	<i>See Page G- 11</i>	<i>See Page G - 12</i>
<b>Beginning Available Balance</b>		<b>\$ 632,919</b>	<b>\$ 4,799,528</b>	<b>\$ 305,613</b>	<b>\$ 2,173,051</b>
<b>Revenues</b>					
State Gas Tax		7,778,252			
Measure K Sales Tax			\$ 3,595,000		
User Fees				162,900	1,441,789
Interfund Project Charges					
Other Revenue	\$ 138,187	25,000	47,995	2,655	80,000
	<b>138,187</b>	<b>7,803,252</b>	<b>3,642,995</b>	<b>165,555</b>	<b>1,521,789</b>
<b>Expenditures</b>					
Salary and benefits	3,118,739	4,756,645		10,958	1,499,706
Operating expenses	3,962,251	4,875,611		151,506	172,985
Debt service			1,277,247		
Capital projects			774,000		
	<b>7,080,990</b>	<b>9,632,256</b>	<b>2,051,247</b>	<b>162,464</b>	<b>1,672,691</b>
<b>Transfers</b>					
Transfer In - Measure K		1,584,752			
Transfer Out - Gas Tax - 030			(1,584,752)		
	<b>-</b>	<b>1,584,752</b>	<b>(1,584,752)</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ (6,942,803)</b>	<b>(244,252)</b>	<b>6,996</b>	<b>3,091</b>	<b>(150,902)</b>
<b>Ending Available Balance</b>		<b>\$ 388,667</b>	<b>\$ 4,806,524</b>	<b>\$ 308,704</b>	<b>\$ 2,022,149</b>

**Public Works Department, Continued**  
**2011-12 Adopted Budget**

	<b>Lighting Maintenance 071</b>	<b>Assessment District Maintenance 072</b>	<b>Capital Project Administration 399/999</b>	<b>Fleet Services 501</b>	<b>Public Works Total</b>
	<i>See Page G - 13</i>	<i>See Page G - 14</i>		<i>See Page O - 6</i>	
	<b>\$ 197,867</b>	<b>\$ 12,417,305</b>	<b>\$ -</b>	<b>\$ 3,921,230</b>	
<b>Revenues</b>					
State Gas Tax					7,778,252
Measure K Sales Tax					3,595,000
User Fees	53,576	3,465,222		8,343,395	13,466,882
Interfund Project Charges			6,577,607		6,577,607
Other Revenue	1,978	124,173		45,000	464,988
	<b>55,554</b>	<b>3,589,395</b>	<b>6,577,607</b>	<b>8,388,395</b>	<b>31,882,729</b>
					-
<b>Expenditures</b>					
Salary and benefits	83,964		6,577,607		16,047,619
Operating expenses		3,334,718		6,920,327	19,417,398
Debt service				88,524	1,365,771
Capital projects		32,000		2,225,000	3,031,000
	<b>83,964</b>	<b>3,366,718</b>	<b>6,577,607</b>	<b>9,233,851</b>	<b>39,861,788</b>
					-
<b>Transfers</b>					
Transfer In - Measure K					1,584,752
Transfer Out - Gas Tax - 030					(1,584,752)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(28,410)</b>	<b>222,677</b>	<b>-</b>	<b>(845,456)</b>	<b>\$ (7,979,059)</b>
	<b>\$ 169,457</b>	<b>\$ 12,639,982</b>	<b>\$ -</b>	<b>\$ 3,075,774</b>	<b>-</b>
	-	-	-	-	
				Revenues	\$ 31,882,729
				Transfers	1,584,752
				Total Sources	<b>\$ 33,467,481</b>
				Expenditures	\$ 39,861,788
				Transfers	1,584,752
				Total Appropriations	<b>\$ 41,446,540</b>

**Public Works Department  
General Fund - 010  
2011-12 Adopted Budget**

			FY 2011-2012			
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
<b>Total Public Works Department</b>						
Employee Services	\$ 11,177,690	\$ 3,948,285	\$ 3,261,740	\$ 3,958,538	\$ 3,115,938	\$ 3,118,739
Other Services	6,254,859	3,380,032	4,102,038	3,560,431	3,385,431	3,560,431
Materials and Supplies	1,222,211	438,709	384,642	378,820	378,820	378,820
Other Expenses	(93,548)	(18,925)	28,900	23,000	23,000	23,000
Capital Outlay	11,869					
Total	<u>\$ 18,573,081</u>	<u>\$ 7,748,101</u>	<u>\$ 7,777,320</u>	<u>\$ 7,920,789</u>	<u>\$ 6,903,189</u>	<u>\$ 7,080,990</u>
<b>Administration</b>						
Employee Services	146,914	197,438	178,674	142,600	142,600	120,229
Other Services	51,321	68,665	63,251	54,288	54,288	54,288
Materials and Supplies	294	442	2,300	2,000	2,000	2,000
Other Expenses	26	86				
Total	<u>198,555</u>	<u>266,631</u>	<u>244,225</u>	<u>198,888</u>	<u>198,888</u>	<u>176,517</u>
<b>Operations &amp; Maintenance</b>						
Employee Services	5,192,100	567,187	326,610	324,687	272,687	221,458
Other Services	3,280,633	381,085	355,956	224,768	224,768	224,768
Materials and Supplies	747,108	23,983	10,679	9,976	9,976	9,976
Other Expenses	(72,383)	5,171	5,100	5,000	5,000	5,000
Total	<u>9,147,458</u>	<u>977,426</u>	<u>698,345</u>	<u>564,431</u>	<u>512,431</u>	<u>461,202</u>
<b>Parks &amp; Street Trees</b>						
Employee Services	4,293,709	1,768,971	1,228,573	1,478,864	906,464	1,071,322
Other Services	2,013,821	2,300,800	2,936,181	2,609,410	2,474,410	2,609,410
Materials and Supplies	276,572	155,657	158,888	142,855	142,855	142,855
Other Expenses	8,901	(19,125)	21,400	15,100	15,100	15,100
Capital Outlay	11,869					
Total	<u>6,604,872</u>	<u>4,206,303</u>	<u>4,345,042</u>	<u>4,246,229</u>	<u>3,538,829</u>	<u>3,838,687</u>
<b>Facilities Maintenance</b>						
Employee Services	1,544,967	1,414,689	1,527,883	2,012,387	1,794,187	1,705,730
Other Services	909,084	629,482	746,650	671,965	631,965	671,965
Materials and Supplies	198,237	258,627	212,775	223,989	223,989	223,989
Other Expenses	(30,092)	(5,057)	2,400	2,900	2,900	2,900
Total	<u>2,622,196</u>	<u>2,297,741</u>	<u>2,489,708</u>	<u>2,911,241</u>	<u>2,653,041</u>	<u>2,604,584</u>

**Public Works Department  
Street Maintenance/Gas Tax - 030  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>		<b>\$ 241,397</b>	<b>\$ 759,130</b>	<b>\$ 632,919</b>
<b>Revenues</b>				
State Gas Tax		4,628,398	4,633,323	4,541,377
Prop 42 Replacement Gas Tax			2,923,793	3,236,875
Refunds and reimbursements		95,902	35,658	25,000
Interest		26,435	(2,000)	
	<b>-</b>	<b>4,750,735</b>	<b>7,590,774</b>	<b>7,803,252</b>
<b>Expenditures</b>				
Salary and benefits		3,620,129	3,986,572	4,756,645
Electricity		1,725,623	1,700,000	1,700,000
Maintenance and repair services		52,985	238,748	240,200
Insurance premiums		54,056	58,182	82,225
Auto equipment rental		588,826	579,549	672,105
Computer/Tech/Operating support		130,711	141,134	279,442
Engineering services		6,410	47,664	51,000
Construction services		83,601	74,296	77,300
Materials and supplies		591,787	1,459,523	1,464,000
Fuels - gas/oil/propane		113,836	100,204	117,899
All other expenses		(39,854)	83,957	191,440
	<b>-</b>	<b>6,928,110</b>	<b>8,469,829</b>	<b>9,632,256</b>
<b>Transfers</b>				
Transfer In - General Fund - 010		2,722,388		
Transfer in - Measure K - 082			1,740,000	1,584,752
Transfer Out - SAFETEA - 038			(987,156)	
	<b>-</b>	<b>2,722,388</b>	<b>752,844</b>	<b>1,584,752</b>
<b>Net Annual Activity</b>	<b>-</b>	<b>545,013</b>	<b>(126,211)</b>	<b>(244,252)</b>
<b>Ending Available Balance</b>		<b>\$ 786,410</b>	<b>\$ 632,919</b>	<b>\$ 388,667</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 1,073,006		
Accounts Receivable		3,384		
Vouchers Payable		(289,979)		
Capital Appropriations		(27,281)		
Ending Available Balance		<b>\$ 759,130</b>		

**Public Works Department  
Measure K - Maintenance - 082  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>		<b>\$ -</b>	<b>\$ 1,065,812</b>	<b>\$ 4,799,528</b>
<b>Revenues</b>				
Sales Tax		3,232,693	3,500,000	3,595,000
Interest		20,508	70,092	47,995
Other Revenues		30,331		
	<b>-</b>	<b>3,283,532</b>	<b>3,570,092</b>	<b>3,642,995</b>
<b>Expenditures</b>				
Capital projects		2,295,076	390,000	774,000
Debt service		1,090,540	1,090,540	1,277,247
	<b>-</b>	<b>3,385,616</b>	<b>1,480,540</b>	<b>2,051,247</b>
<b>Transfers</b>				
Transfer In - Capital - 080			3,384,164	
Transfer Out - Capital - 080		(3,198,339)		
Transfer Out - Gas Tax - 030			(1,740,000)	(1,584,752)
	<b>-</b>	<b>(3,198,339)</b>	<b>1,644,164</b>	<b>(1,584,752)</b>
<b>Net Annual Activity</b>	<b>-</b>	<b>(3,300,423)</b>	<b>3,733,716</b>	<b>6,996</b>
<b>Ending Available Balance</b>	<b>\$ -</b>	<b>\$ (3,300,423)</b>	<b>\$ 4,799,528</b>	<b>\$ 4,806,524</b>
<b>Available Balance Calculation</b>				
Cash & interest receivable		\$ 777,399		
Grants receivable		801,970		
Current liabilities		(513,557)		
Ending Available Balance		<b>\$ 1,065,812</b>		



**Public Works Department  
Boat Launching Facilities - 045  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 199,882</b>	<b>\$ 281,786</b>	<b>\$ 299,875</b>	<b>\$ 305,613</b>
<b>Revenues</b>				
Boat Launching Fees	212,506	155,459	159,500	162,900
Other Reimbursements	3,428	3,351	2,615	2,655
	<b>215,934</b>	<b>158,810</b>	<b>162,115</b>	<b>165,555</b>
<b>Expenditures</b>				
Salaries & Benefits	2,727	1,398	9,345	10,958
Electricity	1,527	1,094	1,112	1,100
Stormwater	6,127	5,106	12,255	12,500
Maintenance & Repair	2,331		4,225	4,280
Security Contractor	120,198	115,668	117,930	121,200
Materials & Supplies	4	5,456	500	1,000
Indirect Costs		9,714	8,500	9,000
Other Expenses	1,116	2,285	2,510	2,426
	<b>134,030</b>	<b>140,721</b>	<b>156,377</b>	<b>162,464</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>81,904</b>	<b>18,089</b>	<b>5,738</b>	<b>3,091</b>
<b>Ending Available Balance</b>	<b>\$ 281,786</b>	<b>\$ 299,875</b>	<b>\$ 305,613</b>	<b>\$ 308,704</b>
<b>Available Balance Calculation</b>				
Cash		\$ 299,416		
Accounts Receivable		4,107		
Vouchers Payable		(3,648)		
Ending Available Balance		<b>\$ 299,875</b>		

**Public Works Department  
Solid Waste & Recycling - 047  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$1,843,540</b>	<b>\$ 2,083,745</b>	<b>\$ 2,138,165</b>	<b>\$ 2,173,051</b>
<b>Revenues</b>				
Franchise Fees				
Allied Waste/Residential	325,894	336,184	334,900	351,600
Waste Management/Residential	372,247	385,011	382,800	401,940
Waste Management/Commercial	341,171	323,823	321,500	337,600
Allied Waste/Commercial	297,500	268,354	262,300	275,400
California Waste Recovery	9,168	6,932	5,100	5,355
Waste Management/Industrial			24,600	25,830
Allied Waste/Industrial			41,966	44,064
	<u>1,345,980</u>	<u>1,320,304</u>	<u>1,373,166</u>	<u>1,441,789</u>
Interest	98,684	79,284	70,000	80,000
Refunds and reimbursements	18,750		9,404	
Other Revenues	4,237	16,021		
	<u>1,467,651</u>	<u>1,415,609</u>	<u>1,452,570</u>	<u>1,521,789</u>
<b>Expenditures</b>				
Salaries and Benefits	1,078,544	1,176,552	1,274,400	1,499,706
Maintenance & Repair Services	1,400	3,005	438	450
Duplication/Copy Costs	5,531	7,635	1,708	8,700
Insurance Premiums	17,382	16,415	21,617	28,486
Automotive Equipment Rental	24,487	25,406	27,617	34,761
Computer/Tech/Oper Support	16,814	10,437	14,300	18,290
Professional & Special Services	1,272	29,580	8,000	-
Materials and Supplies	5,142	10,278	3,621	8,200
Fuels-Gas/Oil/Propane	3,908	4,896	5,346	5,993
Indirect Costs	53,719	54,209	47,395	55,079
All Other Expenses	19,247	22,775	13,242	13,026
	<u>1,227,446</u>	<u>1,361,188</u>	<u>1,417,684</u>	<u>1,672,691</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>240,205</b>	<b>54,421</b>	<b>34,886</b>	<b>(150,902)</b>
<b>Ending Available Balance</b>	<b>\$ 2,083,745</b>	<b>\$ 2,138,165</b>	<b>\$ 2,173,051</b>	<b>\$ 2,022,149</b>
<b>Available Balance Calculation</b>				
Cash/Interest Rec		\$ 2,105,819		
Accounts Receivable		48,751		
Vouchers Payable		(16,405)		
Ending Available Balance		<u>\$ 2,138,165</u>		

**Public Works Department  
Lighting Maintenance - 071  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 189,113</b>	<b>\$ 165,137</b>	<b>\$ 194,411</b>	<b>\$ 197,867</b>
<b>Revenues</b>				
Charges for services	53,589	53,800	53,576	53,576
Investment earnings	8,021	5,514	3,456	1,978
	<b>61,610</b>	<b>59,314</b>	<b>57,032</b>	<b>55,554</b>
<b>Expenditures</b>				
Operations	85,586	70,040	53,576	83,964
	<b>85,586</b>	<b>70,040</b>	<b>53,576</b>	<b>83,964</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(23,976)</b>	<b>(10,726)</b>	<b>3,456</b>	<b>(28,410)</b>
<b>Ending Available Balance</b>	<b>\$ 165,137</b>	<b>\$ 154,411</b>	<b>\$ 197,867</b>	<b>\$ 169,457</b>
<b>Available Balance Calculation</b>				
Cash & interest receivable		\$ 197,506		
Accounts receivable		3,054		
Accounts payable		(6,149)		
Ending Available Balance		<b>\$ 194,411</b>		

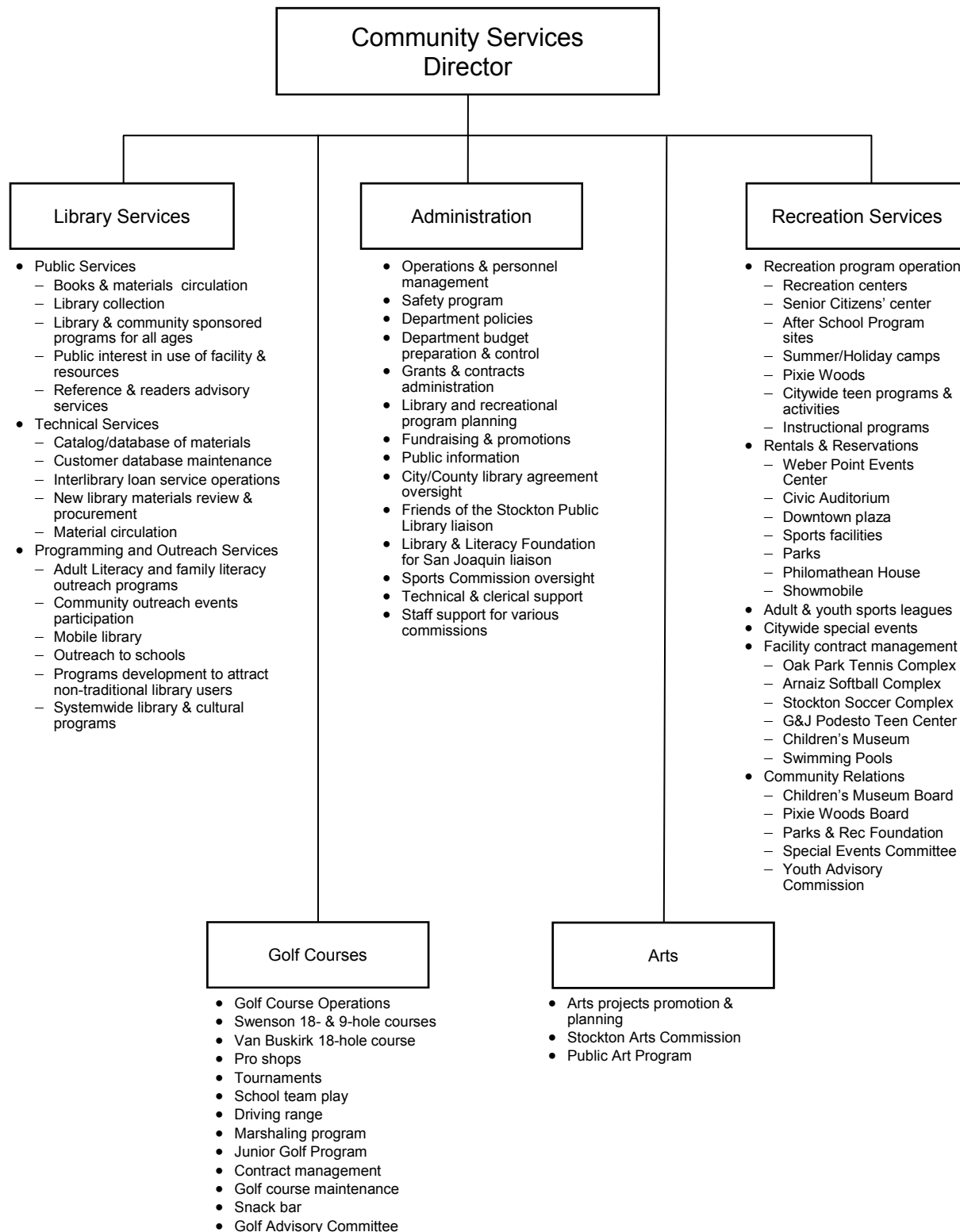
**Public Works Department  
Assessment District Maintenance - 072  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 6,878,829</b>	<b>\$ 8,547,826</b>	<b>\$ 10,209,479</b>	<b>\$ 12,417,305</b>
<b>Revenues</b>				
Charges for services	3,488,555	3,483,036	3,424,076	3,465,222
Investment earnings	395,157	376,622	221,926	124,173
	<b>3,883,712</b>	<b>3,859,658</b>	<b>3,646,002</b>	<b>3,589,395</b>
<b>Expenditures</b>				
Miscellaneous expenditures	2,214,715	2,228,007	1,438,176	3,334,718
Capital projects				32,000
	<b>2,214,715</b>	<b>2,228,007</b>	<b>1,438,176</b>	<b>3,366,718</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>1,668,997</b>	<b>1,631,651</b>	<b>2,207,826</b>	<b>222,677</b>
<b>Ending Available Balance</b>	<b>\$ 8,547,826</b>	<b>\$ 10,179,477</b>	<b>\$ 12,417,305</b>	<b>\$ 12,639,982</b>
<b>Available Balance Calculation</b>				
Cash & interest receivable		\$ 10,281,727		
Accounts receivable		90,110		
Accounts payable		(114,037)		
Deferred revenue		(48,321)		
Ending Available Balance		<b>\$ 10,209,479</b>		

# TAB

## Community Services

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# 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 - Plan B:**

Total Expenditures	\$25,960,396
Total Revenues	\$17,095,257
Total Net Cost	\$8,865,139
Total Staff	85

**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 thirteen library facilities and a bookmobile 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,

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## COMMUNITY SERVICES DEPARTMENT

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Woods Children's Theme Park, Children's Museum, Weber Point Events Center and the Stockton Memorial Civic Auditorium.

The Golf Division operates from revenues received from City Council approved user fees. Funds collected by the division are used primarily for the maintenance and operations of the City's two golf courses. 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. Recreation Services Division has received a total reduction in subsidy of 27% or \$1.09 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 library services and recreational opportunities available to the Stockton community.

The Library Services Division will be impacted 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 will be awarded to operate and maintain both courses beginning FY 2011-12.

## COMMUNITY SERVICES DEPARTMENT

### FY 2010-11 ACCOMPLISHMENTS

#### Library Services

- Successfully negotiated a new agreement for the provision of library services between the City of Stockton and the County of San Joaquin. The new agreement provides for greater transparency and a detailed reporting structure that will help to ensure enhanced relations between the City and the County relative to library service.
- Beginning in September 2010, implemented a series of measures designed to increase the collection of fines and fees accrued by customers resulting in a 13% increase in fines and fees collected compared to the previous year. These measures include:
  - Implementation of a 30-day grace period after which all fines and fees must be paid in full or the customer account is blocked.
  - A change in collection agency referral policy, so that all customers with fines or fees over \$25 may be sent to collections. Previously, only customers with fees resulting from lost materials were sent to collection.
  - Installation of credit/debit machines in all branch locations
- Joined the Link+ materials lending consortium. By joining this group, the Library has additional 9 million titles from more than 40 public and academic libraries throughout California and Nevada available to our customers.
- Completed construction of the Fair Oaks reading room in Stribley Community Center and opened to the public in September 2010.
- Restructured the Public Services Division to increase the level and quality of library services to the community by staffing all branches with a librarian who holds a Masters of Library Science degree. All branches except for two are now open on Saturdays.

### FY 2010-11 ACCOMPLISHMENTS (CONT'D)

#### Library Services (cont'd)

- While funding from the County was reduced, implemented a more efficient staffing model and negotiated additional funding from the Cities of Manteca, Tracy, Ripon, and for the first time, the Mountain House Community Services District, to increase library hours in the County by 17% for FY2010-11 compared to the previous year.
- Saved approximately \$40,000 in mailing costs and significantly reduced printing to become more environmentally friendly by eliminating printed mailers to customers.

#### Recreation Services

- Officially opened the Detention Basin Soccer Complex to the public in July 2010, including an operations and maintenance agreement with Upper V Management.
- Opened the Merlo Gymnasium in July 2010 as a result of a Joint Use Agreement with Stockton Unified School District and community volunteers.
- Completed the Stockton Memorial Civic Auditorium operations and maintenance plan. The auditorium was reopened to the public in December 2010. The plan included a 40% increase in fees, reducing the city subsidy by 60%.
- Successfully increased volunteer support in community center senior programs and youth sports programs which fostered successful operation of 8 seasons of youth sports leagues and three senior center programs, two of which provide daily hot meals to over 50 seniors and once a month free groceries and fresh produce from a farmers market to over 100 seniors.
- Successfully contracted the Gary Podesto Teen Center, Children's Museum, Billy Hebert Baseball Stadium and the Stockton Soccer complex and four swimming pools to various organizations, in order to provide continued services to the community and reduce or eliminate costs to the City.

## COMMUNITY SERVICES DEPARTMENT

### FY 2010-11 ACCOMPLISHMENTS (CONT'D)

#### Golf Operations

- Resolved and completed the Golf Course audit findings on passes and gift certificates.
- Completed the Request for Proposal process for the City's golf operations. A management agreement is being negotiated and will be ready for Council consideration in July, 2011.
- Began repairs of the roof and heating and ventilation system at Van Buskirk golf course
- Completed construction of the Swenson Golf restroom.

### FY 2011-12 OBJECTIVES

#### Library Services

- Implement a service delivery model with a strong emphasis on customer self-service. The deployment of self-check machines in all branches will allow for a minimum of 75% of all customer circulation transactions to occur at self-check machines.
- In an effort to remain responsive to library customers, an emphasis will be placed on the acquisition of downloadable eBooks as demand for this format is growing rapidly.
- Streamline the Library's Technical Services division to allow for newly purchased materials to be available in branch locations as rapidly as possible.
- Develop and implement a plan to write-off uncollectible library fines and fees from 27 years ago.
- Launch a redesigned website with a greater focus on becoming a "virtual library branch" through the integration of social media and highlighting materials that can be downloaded remotely by the customer.

#### Recreation Services

- Foster and develop new relationships with community volunteers, non-profit organizations and local community groups to assist in providing programs and services to the community.
- Enhance the senior citizen program at all three Community Centers and the Oak Park Senior Center to provide new and creative programs and additional food service programs.
- Finalize and release a Request for Proposal to the private sector for the operations and maintenance of the Stockton Memorial Civic Auditorium.

#### Golf Operations

- Implement a golf course management agreement and transition to privatize the City's golf operations.
- Closely work with the management company and review the monthly reports submitted to ensure that projections made for FY 2011-12 are met.

## COMMUNITY SERVICES DEPARTMENT

### SUMMARY OF SERVICE LEVEL CHANGES

#### Library Services

##### Budget Plan A

- Reduce all City of Stockton Branch operating hours
- Eliminate 6 full-time librarian positions from City branch operations
- Eliminate 2 full-time librarian positions and reduce open days for Angelou & Weston Ranch Branches
- Eliminate 3 full-time library support services staff: public relations, technical services and staff development
- Revenue loss anticipated from proposed State budget reductions
- Anticipated elimination of 3 full-time librarian positions from County branch operations resulting to reduced level of customer service

##### Budget Plan B

- All facilities currently available to the public will remain open
- No further reduction in hours of operations will be made
- Support divisions will be able to provide the same level of service to the public and internal customers

#### Recreation Services

##### Budget Plan A

- Eliminate 1 full-time vacant Senior Recreation Assistant position reducing program oversight
- Eliminate 2 full-time Recreation positions and reduce hours open to the public at Van Buskirk and Stribley Community Centers
- Eliminate 1 full-time clerical support position slowing down processing of various documents and requests
- Eliminate 1 full-time Sports Commission Director due to anticipated elimination of the Stockton Sports Commission

### SUMMARY OF SERVICE LEVEL CHANGES (CONT'D)

#### Recreation Services (cont'd)

##### Budget Plan B

- All facilities currently available to the public will remain open
- No further reduction in hours of operations will be made
- Support divisions will be able to provide the same level of service to the public and internal customers
- Eliminate 1 full-time Sports Commission Director due to anticipated elimination of the Stockton Sports Commission

#### Golf Operations

- Transfer from Recreation Fund an amount not to exceed \$500,000 to Golf Fund to cover projected 2010-11 fiscal year operating deficit
- Reduce golf deficit by privatizing golf course operations and maintenance
- Eliminate 1 full-time Golf Manager and 1 full-time Golf Professional position

# COMMUNITY SERVICES DEPARTMENT

## WORKLOAD SUMMARY

WORKLOAD INDICATORS	-----ACTUAL-----			ESTIMATED	PROJECTED
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>LIBRARY</b>					
CIRCULATION OF LIBRARY MATERIALS	2,084,611	1,926,616	1,644,752	1,615,594	1,696,373
REGISTERED BORROWERS	307,991	331,356	268,128	286,945	301,292
ANNUAL ATTENDANCE AT LIBRARIES	1,524,717	1,677,189	1,140,832	1,035,530	1,087,306
PROGRAM ATTENDANCE	90,216	53,523	55,883	50,078	52,581
COMPUTER USE INCLUDING ACCESS TO LIBRARY WEBSITE	2,416,613	3,012,250	2,525,848	2,403,867	2,524,060
ANNUAL HOURS OF LIBRARY SERVICES	25,755	24,873	17,228	17,489	17,489
<b>RECREATION</b>					
<b>PROGRAM ATTENDANCE:</b>					
AFTER SCHOOL	331,500	331,200	238,600	238,440	234,440
ADULT SPORTS	883	615	332	300	300
COMMUNITY CENTER DROP-INS	-	-	-	20,673	19,200
DAY CAMPS	11,765	10,513	10,400	7,390	8,230
INSTRUCTIONAL CLASSES	6,100	11,469	12,192	5,120	6,000
PIXIE WOODS	32,614	26,558	20,632	15,153	16,000
SENIOR CITIZENS	28,665	31,665	44,100	48,870	50,000
YOUTH SPORTS	6,652	7,399	7,146	29,176	28,000
<b>RENTALS (NO. OF BOOKINGS):</b>					
CIVIC AUDITORIUM	231	270	46	41	120
COMMUNITY CENTERS	59	224	405	846	875
SPORTS FIELDS	2,794	3,372	2,959	2,755	2,800
PICNIC FACILITIES	668	501	265	372	400
WEBER POINT EVENTS CENTER	25	16	12	15	20
<b>GOLF</b>					
<b>SWENSON PARK</b>					
ROUNDS	57,731	55,864	52,197	55,504	56,000
TOURNAMENTS	62	68	90	104	120
<b>VAN BUSKIRK PARK</b>					
ROUNDS	24,655	27,095	26,922	27,388	27,042
TOURNAMENTS	44	41	59	82	97

**Community Services Department  
2011-12 Adopted Budget**

	<u>General Fund Plan B</u>	<u>Library Services Division</u>	<u>Recreation Services Division</u>	<u>Total</u>
	<i>See Page H - 10</i>	<i>See Page H - 12</i>	<i>See Page H - 20</i>	
<b>Beginning Available Balance</b>		<b>\$ 1,478,313</b>	<b>\$ 1,047,465</b>	
<b>Revenues</b>				
San Joaquin County		5,206,478		5,206,478
Additional Hours Contract		169,826		169,826
Fines		243,125		243,125
Other Revenues		319,180	96,921	416,101
Recreation Programs			2,848,455	2,848,455
Facility Admission and Rentals			541,250	541,250
Community Centers			335,000	335,000
	<u>-</u>	<u>5,938,609</u>	<u>3,821,626</u>	<u>9,760,235</u>
<b>Expenditures</b>				
Salary and benefits	35,978			35,978
Services & Supplies	759			759
Operating Expenditures - City		4,868,892		4,868,892
Operating Expenditures - County		5,421,887		5,421,887
Administration		688,784	923,776	1,612,560
Children's Museum			15,172	15,172
Civic Auditorium			488,218	488,218
Community Centers			1,734,416	1,734,416
Program Expenses			4,447,492	4,447,492
	<u>36,737</u>	<u>10,979,563</u>	<u>7,609,074</u>	<u>18,625,374</u>
<b>Transfers</b>				
Transfer In - General Fund				
Plan A	-	3,690,930	2,625,324	6,316,254
Plan B	-	336,829	181,939	518,768
Transfer In - Recreation 044			500,000	500,000
Transfer Out - Other Funds	(6,835,022)	-	(500,000)	(7,335,022)
	<u>(6,835,022)</u>	<u>4,027,759</u>	<u>2,807,263</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>(6,871,759)</u>	<u>(1,013,195)</u>	<u>(980,185)</u>	<u>(8,865,139)</u>
				-
<b>Ending Available Balance</b>		<b>\$ 465,118</b>	<b>\$ 67,280</b>	
	-	-	-	
			Revenues	\$ 9,760,235
			Transfers	7,335,022
			Total Sources	<u>\$ 17,095,257</u>
			Expenditures	\$ 18,625,374
			Transfers	7,335,022
			Total Appropriations	<u>\$ 25,960,396</u>

**Community Services Department  
General Fund - 010  
2011-12 Adopted Budget**

				FY 2011-2012		
	FY 2008-2009	FY 2009-2010	FY 2010-2011		Plan A	Plan B
	Actual	Actual	Current Budget	Baseline	(Service Reductions)	(Service and Labor Cost Reductions)
Total Community Services Department						Implemented
Employee Services	\$ 125,112	\$ 30,534	\$ 39,031	\$ 42,952	\$ 37,146	\$ 35,978
Other Services	3,467	442	2,389	759	759	759
Materials and Supplies	59	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Transfers	12,254,613	7,251,225	7,012,853	7,771,765	6,316,254	6,835,022
Total	<u>\$ 12,383,251</u>	<u>\$ 7,282,201</u>	<u>\$ 7,054,273</u>	<u>\$ 7,815,476</u>	<u>\$ 6,354,159</u>	<u>\$ 6,871,759</u>

**Arts Commission**

Employee Services	125,112	30,534	39,031	42,952	37,146	35,978
Other Services	3,467	442	2,389	759	759	759
Materials and Supplies	59	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Total	<u>128,638</u>	<u>30,976</u>	<u>41,420</u>	<u>43,711</u>	<u>37,905</u>	<u>36,737</u>

**Library**

Employee Services						
Other Services						
Materials and Supplies						
Other Expenses						
Transfer - 041	5,595,797	4,227,451	4,111,205	4,596,006	3,690,930	4,027,759
Total	<u>5,595,797</u>	<u>4,227,451</u>	<u>4,111,205</u>	<u>4,596,006</u>	<u>3,690,930</u>	<u>4,027,759</u>

**Recreation**

Employee Services						
Other Services						
Materials and Supplies						
Other Expenses						
Transfer - 044	6,658,816	3,023,774	2,901,648	3,175,759	2,625,324	2,807,263
Total	<u>6,658,816</u>	<u>3,023,774</u>	<u>2,901,648</u>	<u>3,175,759</u>	<u>2,625,324</u>	<u>2,807,263</u>





**Community Services Department  
Library Programs  
2011-12 Adopted Budget**

	<b>Library 041</b>	<b>Special Revenue 644</b>	<b>Kolak Trust 614</b>	<b>Bess Larsen Trust 621</b>
	<i>See Page H - 14</i>	<i>See Page H - 15</i>	<i>See Page H - 16</i>	<i>See Page H - 17</i>
<b>Beginning Available Balance</b>	\$ 824,017	\$ 447,420	\$ 199,469	\$ 561
<b>Revenues</b>				
San Joaquin County	5,206,478			
Additional Hours Contract	169,826			
Fines	243,125			
Other Revenues	110,591	208,014		59
	<b>5,730,020</b>	<b>208,014</b>	<b>-</b>	<b>59</b>
<b>Expenditures</b>				
City - Plan B Service Level				
Branch operations	2,934,254			
Technical services	587,998			
Programming and outreach	166,382			
Administration and delivery	647,258			
Capital projects	533,000			
	4,868,892			
County				
Branch operations	3,886,291			
Technical services	633,209			
Programming and outreach	179,176			
Administration and delivery	723,211			
	5,421,887			
Administration & Operations		655,434	25,368	620
	<b>10,290,779</b>	<b>655,434</b>	<b>25,368</b>	<b>620</b>
<b>Transfers</b>				
Transfer In - General Fund - 010				
Plan A	3,690,930			
Plan B	336,829			
Transfer Out				
	<b>4,027,759</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(533,000)</b>	<b>(447,420)</b>	<b>(25,368)</b>	<b>(561)</b>
<b>Ending Available Balance</b>	<b>\$ 291,017</b>	<b>\$ -</b>	<b>\$ 174,101</b>	<b>\$ -</b>

**Community Services Department  
Library Programs, Continued  
2011-12 Adopted Budget**

	<b>G. Cady Trust 622</b>	<b>Kiersch Memorial 628</b>	<b>Library Programs Total</b>
	<i>See Page H - 18</i>	<i>See Page H - 19</i>	
<b>Beginning Available Balance</b>	\$ 6,078	\$ 768	\$ 1,478,313
<b>Revenues</b>			
San Joaquin County			5,206,478
Additional Hours Contract			169,826
Fines			243,125
Other Revenues	362	154	319,180
	<u>362</u>	<u>154</u>	<u>5,938,609</u>
<b>Expenditures</b>			
City - Plan B Service Level			
Branch operations			2,934,254
Technical services			587,998
Programming and outreach			166,382
Administration and delivery			647,258
Capital projects			533,000
			<u>4,868,892</u>
County			
Branch operations			3,886,291
Technical services			633,209
Programming and outreach			179,176
Administration and delivery			723,211
			<u>5,421,887</u>
Administration & Operations	6,440	922	688,784
	<u>6,440</u>	<u>922</u>	<u>10,979,563</u>
<b>Transfers</b>			
Transfer In - General Fund - 010			-
Plan A			3,690,930
Plan B			336,829
Transfer Out			-
	<u>-</u>	<u>-</u>	<u>4,027,759</u>
<b>Net Annual Activity</b>	<u>(6,078)</u>	<u>(768)</u>	<u>(1,013,195)</u>
<b>Ending Available Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465,118</u>

**Community Services Department  
Library - 041  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 5,204,976</b>	<b>\$ 4,285,681</b>	<b>\$ 1,067,489</b>	<b>\$ 824,017</b>
<b>Revenues</b>				
San Joaquin County	6,133,094	5,323,298	5,202,989	5,086,478
San Joaquin County Materials Grant		100,000	76,100	120,000
Additional Hours Contract	334,187	113,125	142,107	169,826
State of California Grant	109,419	104,241	103,896	
Fines	205,710	223,965	158,872	243,125
Other Revenues	181,405	126,129	107,656	110,591
	<b>6,963,815</b>	<b>5,990,758</b>	<b>5,791,620</b>	<b>5,730,020</b>
County			5,427,867	5,421,887
City			363,753	308,133
			<b>5,791,620</b>	<b>5,730,020</b>
<b>Expenditures</b>				
City - Plan B Service Level				
Branch operations	6,258,187	6,325,199	3,036,581	2,934,254
Technical services	3,149,893	2,596,172	790,403	587,998
Programming and outreach	920,719	424,844	209,429	166,382
Administration and delivery	1,934,786	1,348,549	523,865	647,258
Capital projects	1,200,263	60,047	66,699	533,000
	<b>13,463,848</b>	<b>10,754,811</b>	<b>4,626,977</b>	<b>4,868,892</b>
County				
Branch operations			3,978,537	3,886,291
Technical services			784,028	633,209
Programming and outreach			225,464	179,176
Administration and delivery			515,531	723,211
	-	-	5,503,560	5,421,887
	<b>13,463,848</b>	<b>10,754,811</b>	<b>10,130,537</b>	<b>10,290,779</b>
<b>Transfers</b>				
Transfer In - General Fund - 010	5,595,797	4,227,451	4,111,205	
Plan A				3,690,930
Plan B				336,829
Transfer Out - 992	(15,059)	(2,000)	(15,760)	
	<b>5,580,738</b>	<b>4,225,451</b>	<b>4,095,445</b>	<b>4,027,759</b>
<b>Net Annual Activity</b>	<b>(919,295)</b>	<b>(538,602)</b>	<b>(243,472)</b>	<b>(533,000)</b>
County			(75,693)	-
City			(167,779)	(533,000)
			<b>(243,472)</b>	<b>(533,000)</b>
<b>Ending Available Balance</b>	<b>\$ 4,285,681</b>	<b>\$ 3,747,079</b>	<b>\$ 824,017</b>	<b>\$ 291,017</b>
	-	-	-	-
<b>Available Balance Calculation</b>				
Cash		\$ 3,689,994		
Accounts Receivable		199,996		
Accounts Payable		(142,910)		
Encumbrances		(77,768)		
Capital Projects		(2,601,823)		
Ending Available Balance		<b>\$ 1,067,489</b>		

**Community Services Department  
Library Special Revenue Fund - 644  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 423,428</b>	<b>\$ 467,620</b>	<b>\$ 473,914</b>	<b>\$ 447,420</b>
<b>Revenues</b>				
Program Revenue	8,162	97,706	220,629	103,790
Other Revenue	175,251	125,469		104,224
	<b>183,413</b>	<b>223,175</b>	<b>220,629</b>	<b>208,014</b>
<b>Expenditures</b>				
Operating Expenditures	139,221	216,879	247,123	655,434
	<b>139,221</b>	<b>216,879</b>	<b>247,123</b>	<b>655,434</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>44,192</b>	<b>6,296</b>	<b>(26,494)</b>	<b>(447,420)</b>
<b>Ending Available Balance</b>	<b>\$ 467,620</b>	<b>\$ 473,916</b>	<b>\$ 447,420</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 469,395		
Accounts Receivable		22,020		
Accounts Payable		(17,501)		
Ending Available Balance		<b>\$ 473,914</b>		

**Community Services Department  
Kolak Trust - 614  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<u>\$ 197,680</u>	<u>\$ 207,155</u>	<u>\$ 207,038</u>	<u>\$ 199,469</u>
<b>Revenues</b>				
Interest	<u>10,141</u>	<u>7,857</u>	<u>6,357</u>	
	<u>10,141</u>	<u>7,857</u>	<u>6,357</u>	<u>-</u>
<b>Expenditures</b>				
Operating Expenditures	<u>666</u>	<u>7,974</u>	<u>13,926</u>	<u>25,368</u>
	<u>666</u>	<u>7,974</u>	<u>13,926</u>	<u>25,368</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>9,475</u>	<u>(117)</u>	<u>(7,569)</u>	<u>(25,368)</u>
<b>Ending Available Balance</b>	<u>\$ 207,155</u>	<u>\$ 207,038</u>	<u>\$ 199,469</u>	<u>\$ 174,101</u>
<b>Available Balance Calculation</b>				
Cash		\$ 210,919		
Accounts Payable		<u>(3,881)</u>		
Ending Available Balance		<u>\$ 207,038</u>		

**Community Services Department  
Bess Larson Trust - 621  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<u>\$ 1,604</u>	<u>\$ 1,687</u>	<u>\$ 505</u>	<u>\$ 561</u>
<b>Revenues</b>				
Interest	<u>83</u>	<u>66</u>	<u>56</u>	<u>59</u>
	<u>83</u>	<u>66</u>	<u>56</u>	<u>59</u>
<b>Expenditures</b>				
Operating Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>620</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>620</u>
<b>Transfers</b>				
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>83</u>	<u>66</u>	<u>56</u>	<u>(561)</u>
<b>Ending Available Balance</b>	<u>\$ 1,687</u>	<u>\$ 1,753</u>	<u>\$ 561</u>	<u>\$ -</u>
<b>Available Balance Calculation</b>				
Cash		\$ 1,751		
Principal endowment		(1,246)		
Ending Available Balance		<u>\$ 505</u>		

**Community Services Department  
Cady Endowment - 622  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 10,028</b>	<b>\$ 10,332</b>	<b>\$ 5,733</b>	<b>\$ 6,078</b>
<b>Revenues</b>				
Interest	507	399	345	362
	<u>507</u>	<u>399</u>	<u>345</u>	<u>362</u>
<b>Expenditures</b>				
Operating Expenditures	203			6,440
	<u>203</u>	<u>-</u>	<u>-</u>	<u>6,440</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>304</b>	<b>399</b>	<b>345</b>	<b>(6,078)</b>
<b>Ending Available Balance</b>	<b>\$ 10,332</b>	<b>\$ 10,731</b>	<b>\$ 6,078</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 10,733		
Principal endowment		(5,000)		
Ending Available Balance		<u>\$ 5,733</u>		



**Community Services Department  
Kiersch Memorial Trust - 628  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<u>\$ 10,028</u>	<u>\$ 10,182</u>	<u>\$ 621</u>	<u>\$ 768</u>
<b>Revenues</b>				
Interest	<u>213</u>	<u>170</u>	<u>147</u>	<u>154</u>
	<u>213</u>	<u>170</u>	<u>147</u>	<u>154</u>
<b>Expenditures</b>				
Operating Expenditures	<u>59</u>			<u>922</u>
	<u>59</u>	<u>-</u>	<u>-</u>	<u>922</u>
<b>Transfers</b>				
Transfer In				
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>154</u>	<u>170</u>	<u>147</u>	<u>(768)</u>
<b>Ending Available Balance</b>	<u>\$ 10,182</u>	<u>\$ 10,352</u>	<u>\$ 768</u>	<u>\$ -</u>
<b>Available Balance Calculation</b>				
Cash		\$ 4,571		
Principal endowment		(3,950)		
Ending Available Balance		<u>\$ 621</u>		

**Community Services Department  
Recreation Division  
2011-12 Adopted Budget**

	<b>Recreation 044</b>	<b>Golf 481</b>	<b>Arts Endowment 613</b>	<b>E. Blum Recreation Trust 623</b>
	<i>See Page H - 22</i>	<i>See Page H - 23</i>	<i>See Page H - 24</i>	<i>See Page H - 25</i>
<b>Beginning Available Balance</b>	<b>\$ 485,546</b>	<b>\$ 27,889</b>	<b>\$ 192,674</b>	<b>\$ 2,000</b>
<b>Revenues</b>				
Recreation Programs	1,220,760	1,600,000		
Facility Admission and Rentals	541,250			
Community Centers	335,000			
Other Revenue	46,900		47,685	
Donations				
	<b>2,143,910</b>	<b>1,600,000</b>	<b>47,685</b>	<b>-</b>
<b>Expenditures</b>				
Administration	923,776			
Children's Museum	15,172			
Civic Auditorium	488,218			
Community Centers	1,734,416			
Pixie Woods	119,683			
Programs - After School	990,173			
Programs - Instructional	42,149			
Programs - Sports	400,878			
Silver Lake Camp	5,288			
Special Events	151,831			
Swimming Facilities	45,463			
Tennis Facilities	19,672			
Grants Awarded			60,000	
Stockton Arts Commission			180,359	
Materials & Supplies				2,000
Program Costs		2,115,554		
	<b>4,936,719</b>	<b>2,115,554</b>	<b>240,359</b>	<b>2,000</b>
<b>Transfers</b>				
Transfer In - General Fund				
Plan A	2,625,324			
Plan B	181,939			
Transfer In - Recreation Fund		500,000		
Transfer Out - Golf Fund	(500,000)	-		
	<b>2,307,263</b>	<b>500,000</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(485,546)</b>	<b>(15,554)</b>	<b>(192,674)</b>	<b>(2,000)</b>
<b>Ending Available Balance</b>	<b>\$ -</b>	<b>\$ 12,335</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Endowment</b>			<b>\$ 1,300,000</b>	

**Community Services Department  
Recreation Division, Continued  
2011-12 Adopted Budget**

<b>Blum Pixie Trust 624</b>	<b>Blum Red Feather 625</b>	<b>A Cross 626</b>	<b>Arts Commission Special 641</b>	<b>Parks &amp; Recreation Trust 643</b>	<b>Sports Commission Special 647</b>	<b>Recreation Total</b>
<i>See Page H - 26</i>	<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>	
<b>\$ 9,595</b>	<b>\$ 13,198</b>	<b>\$ 48,153</b>	<b>\$ -</b>	<b>\$ 268,410</b>	<b>\$ -</b>	<b>\$ 1,047,465</b>
				27,695		2,848,455
						541,250
						335,000
306	421	1,609				96,921
					-	-
<b>306</b>	<b>421</b>	<b>1,609</b>	<b>-</b>	<b>27,695</b>	<b>-</b>	<b>3,821,626</b>
						923,776
						15,172
						488,218
						1,734,416
						119,683
						990,173
						42,149
						400,878
						5,288
						151,831
						45,463
						19,672
						60,000
						180,359
9,901	13,619	-				25,520
		49,762		241,160	-	2,406,476
<b>9,901</b>	<b>13,619</b>	<b>49,762</b>	<b>-</b>	<b>241,160</b>	<b>-</b>	<b>7,609,074</b>
						-
						2,625,324
						181,939
						500,000
						(500,000)
-	-	-	-	-	-	<b>2,807,263</b>
<b>(9,595)</b>	<b>(13,198)</b>	<b>(48,153)</b>	<b>-</b>	<b>(213,465)</b>	<b>-</b>	<b>(980,185)</b>
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,945</b>	<b>\$ -</b>	<b>\$ 67,280</b>
-	-	-	-	-	-	-

**Community Services Department  
Recreation Services - 044  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 943,027</b>	<b>\$ 854,977</b>	<b>\$ 925,403</b>	<b>\$ 485,546</b>
<b>Revenues</b>				
Entertainment Venues (a)	4,037,741	2,007		
Recreation Programs	1,133,600	1,316,900	1,196,622	1,220,760
Facility Admission and Rentals	840,002	500,549	350,434	541,250
Community Centers	280,225	346,970	310,944	335,000
Other Revenue	53,507	45,352	47,719	46,900
	<b>6,345,075</b>	<b>2,211,778</b>	<b>1,905,719</b>	<b>2,143,910</b>
<b>Expenditures - Plan B Service Level</b>				
Administration	877,333	756,829	852,305	923,776
Children's Museum	340,249	311,851	97,225	15,172
Civic Auditorium	80,571	50,129	232,300	488,218
Community Centers	1,921,094	1,955,606	1,822,469	1,734,416
Entertainment Venues (a)	7,073,695			
Pixie Woods	220,061	176,917	143,266	119,683
Programs - After School	1,137,711	807,332	905,569	990,173
Programs - Instructional	79,183	126,017	52,041	42,149
Programs - Sports	339,173	387,980	371,530	400,878
Silver Lake Camp	201,088	1,454	2,941	5,288
Transfer In	287,584	110,302	95,407	151,831
Sports Commission	94,685	96,678	73,369	
Swimming Facilities	269,073	179,029	84,648	45,463
Tennis Facilities	170,441	19,947	16,154	19,672
	<b>13,091,941</b>	<b>4,980,071</b>	<b>4,749,224</b>	<b>4,936,719</b>
<b>Transfers</b>				
Transfer In - General Fund	6,658,816	3,023,774	2,901,648	
Plan A				2,625,324
Plan B				181,939
Transfer Out - Golf Course		(160,191)	(498,000)	(500,000)
	<b>6,658,816</b>	<b>2,863,583</b>	<b>2,403,648</b>	<b>2,307,263</b>
<b>Net Annual Activity</b>	<b>(88,050)</b>	<b>95,290</b>	<b>(439,857)</b>	<b>(485,546)</b>
<b>Ending Available Balance</b>	<b>\$ 854,977</b>	<b>\$ 950,267</b>	<b>\$ 485,546</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 929,407		
Accounts Receivable		143,331		
Accounts Payable		(113,142)		
Encumbrances		(34,193)		
Ending Available Balance		<b>\$ 925,403</b>		

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

**Community Services Department  
Golf - 481  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>			<b>\$ (98,781)</b>	<b>\$ 27,889</b>
<b>Revenues</b>				
Swenson				
Golf rounds	\$ 1,026,235	\$ 939,197	956,663	900,000
Retail & concession	66,255	65,837	68,117	72,500
Lessons & range fees	108,201	96,003	86,307	109,000
Other	18,771	26,787	21,101	19,200
Van Buskirk				
Golf rounds	571,979	525,687	482,290	450,000
Retail & concession	24,380	18,244	22,089	20,800
Lessons & range fees	26,750	27,815	27,860	28,500
Other	34			
	<u>1,842,605</u>	<u>1,699,570</u>	<u>1,664,427</u>	<u>1,600,000</u>
<b>Expenditures</b>				
Swenson				
Maintenance & repair	716,338	706,148	666,843	684,151
Operations	484,653	460,186	488,132	467,334
Instruction	38,832	38,241	22,606	40,000
Merchandise	29,555	25,081	25,459	39,000
Other expenditures		6,850	3,675	
Van Buskirk				
Maintenance & repair	538,604	551,980	510,490	521,992
Operations	257,858	268,853	297,077	334,579
Merchandise	28,128	15,747	17,800	28,498
Other		228	3,675	
	<u>2,093,968</u>	<u>2,073,314</u>	<u>2,035,757</u>	<u>2,115,554</u>
<b>Transfers</b>				
Transfer In - Recreation - 044		160,191	498,000	500,000
Transfer Out				
	<u>-</u>	<u>160,191</u>	<u>498,000</u>	<u>500,000</u>
<b>Net Annual Activity</b>	<b>\$ (251,363)</b>	<b>\$ (213,553)</b>	<b>126,670</b>	<b>- (15,554)</b>
<b>Ending Available Balance</b>			<b>\$ 27,889</b>	<b>\$ 12,335</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 34,860		
Current liabilities		(133,641)		
Ending Available Balance		<u>\$ (98,781)</u>		

**Community Services Department  
Arts Endowment - 613  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 1,479,613</b>	<b>\$ 1,483,826</b>	<b>\$ 201,362</b>	<b>\$ 192,674</b>
<b>Revenues</b>				
Interest	71,663	54,686	48,522	47,685
Grant	2,000	2,000		
	<b>73,663</b>	<b>56,686</b>	<b>48,522</b>	<b>47,685</b>
<b>Expenditures</b>				
Grants Awarded	69,450	39,150	57,210	60,000
Stockton Arts Foundation				180,359
Materials & Supplies				
	<b>69,450</b>	<b>39,150</b>	<b>57,210</b>	<b>240,359</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>4,213</b>	<b>17,536</b>	<b>(8,688)</b>	<b>(192,674)</b>
<b>Ending Available Balance</b>	<b>\$ 1,483,826</b>	<b>\$ 1,501,362</b>	<b>\$ 192,674</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 1,499,362		
Accounts Receivable		2,000		
Principal endowment		(1,300,000)		
Ending Available Balance		<b>\$ 201,362</b>		

**Community Services Department  
Blum - General Recreation - 623  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>
<b>Revenues</b>				
Interest	-	-	-	-
<b>Expenditures</b>				
Library materials	-	-	-	2,000
				<b>2,000</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
<b>Net Annual Activity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>
<b>Ending Available Balance</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 2,000		
Ending Available Balance		\$ 2,000		

**Community Services Department  
Blum - Pixie Woods - 624  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 8,512</b>	<b>\$ 8,950</b>	<b>\$ 9,296</b>	<b>\$ 9,595</b>
<b>Revenues</b>				
Interest	438	346	299	306
	<u>438</u>	<u>346</u>	<u>299</u>	<u>306</u>
<b>Expenditures</b>				
Materials & Supplies				9,901
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,901</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>438</b>	<b>346</b>	<b>299</b>	<b>(9,595)</b>
<b>Ending Available Balance</b>	<b>\$ 8,950</b>	<b>\$ 9,296</b>	<b>\$ 9,595</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 9,296		
Ending Available Balance		<u>\$ 9,296</u>		



**Community Services Department  
Blum Red Feather - 625  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 11,708</b>	<b>\$ 12,310</b>	<b>\$ 12,787</b>	<b>\$ 13,198</b>
<b>Revenues</b>				
Interest	602	476	411	421
	<u>602</u>	<u>476</u>	<u>411</u>	<u>421</u>
<b>Expenditures</b>				
Materials & Supplies				13,619
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,619</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>602</b>	<b>476</b>	<b>411</b>	<b>(13,198)</b>
<b>Ending Available Balance</b>	<b>\$ 12,310</b>	<b>\$ 12,786</b>	<b>\$ 13,198</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 12,787		
Ending Available Balance		<u>\$ 12,787</u>		

**Community Services Department  
Arlo Cross - 626  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<u>\$ 36,601</u>	<u>\$ 37,925</u>	<u>\$ 46,911</u>	<u>\$ 48,153</u>
<b>Revenues</b>				
Interest	<u>1,324</u>	<u>9,180</u>	<u>1,570</u>	<u>1,609</u>
	<u>1,324</u>	<u>9,180</u>	<u>1,570</u>	<u>1,609</u>
<b>Expenditures</b>				
Operating Expenditures	<u>-</u>	<u>195</u>	<u>328</u>	<u>49,762</u>
	<u>-</u>	<u>195</u>	<u>328</u>	<u>49,762</u>
<b>Transfers</b>				
Transfer In				
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>1,324</u>	<u>8,985</u>	<u>1,242</u>	<u>(48,153)</u>
<b>Ending Available Balance</b>	<u>\$ 37,925</u>	<u>\$ 46,910</u>	<u>\$ 48,153</u>	<u>\$ -</u>
<b>Available Balance Calculation</b>				
Cash		<u>\$ 46,911</u>		
Ending Available Balance		<u>\$ 46,911</u>		

**Community Services Department  
Stockton Arts Commission Special Revenue - 641  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 73,107</b>	<b>\$ 58,523</b>	<b>\$ 37,613</b>	<b>\$ -</b>
<b>Revenues</b>				
Program Revenues	15,047	16,361	1,265	
Donations		2,722		
Interest	2,959	1,098		
	<u>18,006</u>	<u>20,181</u>	<u>1,265</u>	<u>-</u>
<b>Expenditures</b>				
Program costs	27,635	16,397	14,789	
Art awards	1,000	21,493		
Stockton Arts Commission			24,089	
Publicity & marketing	3,955	3,202		
	<u>32,590</u>	<u>41,092</u>	<u>38,878</u>	<u>-</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>(14,584)</b>	<b>(20,911)</b>	<b>(37,613)</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 58,523</b>	<b>\$ 37,612</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 31,698		
Accounts Receivable		5,915		
Ending Available Balance		<u>\$ 37,613</u>		

**Community Services Department  
Parks & Recreation Trust - 643  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 308,149</b>	<b>\$ 302,332</b>	<b>\$ 270,430</b>	<b>\$ 268,410</b>
<b>Revenues</b>				
Donations	25,010	9,241		
Program revenue	16,614	13,456	26,767	27,695
Interest income	14,565	8,563		
Fundraisers	10,500	450		
	<b>66,689</b>	<b>31,710</b>	<b>26,767</b>	<b>27,695</b>
<b>Expenditures</b>				
Program costs	72,506	63,613	28,787	241,160
	<b>72,506</b>	<b>63,613</b>	<b>28,787</b>	<b>241,160</b>
<b>Transfers</b>				
Transfer In - General Fund				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(5,817)</b>	<b>(31,903)</b>	<b>(2,020)</b>	<b>(213,465)</b>
<b>Ending Available Balance</b>	<b>\$ 302,332</b>	<b>\$ 270,429</b>	<b>\$ 268,410</b>	<b>\$ 54,945</b>
<b>Available Balance Calculation</b>				
Cash		\$ 269,180		
Accounts Receivable		3,000		
Accounts Payable		(1,750)		
Ending Available Balance		<b>\$ 270,430</b>		

**Community Services Department  
Stockton Sports Commission - 647  
2011-12 Adopted Budget**

	<u>FY 2008-2009 Actual</u>	<u>FY 2009-2010 Actual</u>	<u>FY 2010-2011 Projected</u>	<u>FY 2011-2012 Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 31,713</b>	<b>\$ 17,537</b>	<b>\$ 20,561</b>	<b>\$ -</b>
<b>Revenues</b>				
Donations	91,005	85,953	32,956	
Interest income	953	931		
	<u>91,958</u>	<u>86,884</u>	<u>32,956</u>	<u>-</u>
<b>Expenditures</b>				
Program costs	106,134	83,861	53,517	
	<u>106,134</u>	<u>83,861</u>	<u>53,517</u>	<u>-</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>(14,176)</u>	<u>3,023</u>	<u>(20,561)</u>	<u>-</u>
<b>Ending Available Balance</b>	<b><u>\$ 17,537</u></b>	<b><u>\$ 20,560</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Available Balance Calculation</b>				
Cash		\$ 22,799		
Accounts Payable		(2,238)		
Ending Available Balance		<u>\$ 20,561</u>		

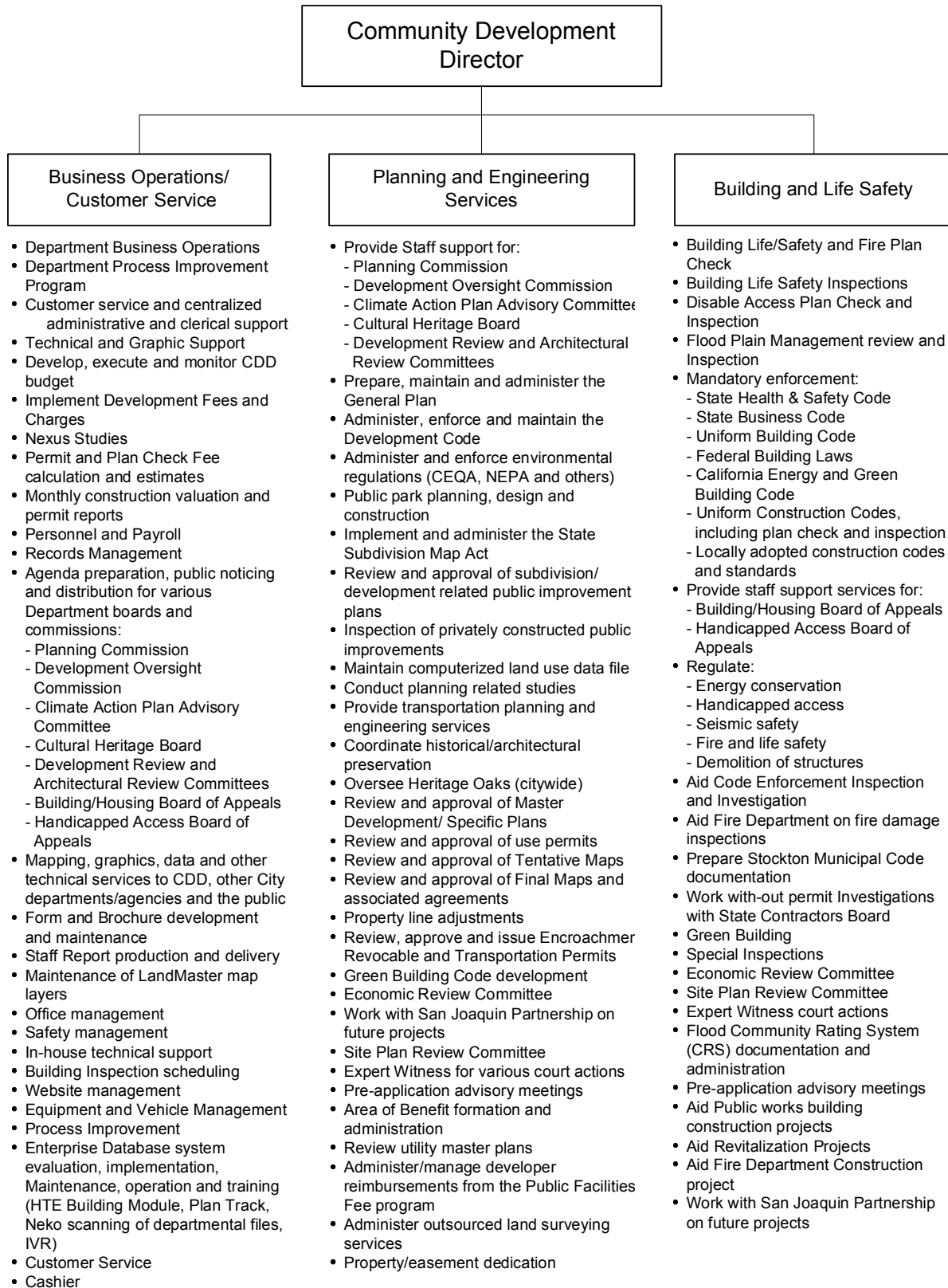


# **TAB**

## **Community Development**

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# COMMUNITY DEVELOPMENT DEPARTMENT



## COMMUNITY DEVELOPMENT DEPARTMENT

### MISSION STATEMENT

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

### Budget at a Glance:

Total Expenditures	\$6,792,467
Total Revenues	\$6,556,267
Total Net Cost	\$236,200
Total Staff	34

### DEPARTMENTAL DESCRIPTION

The Community Development Department is composed of the Building & Life Safety and Planning & Engineering Services divisions with departmental and Permit Center support provided by Administration/Business Operations. The purpose of the Department is to provide development services review to ensure that applicable codes and laws are implemented and the directives of the City Council and City Manager are carried out. Community Development supports the Planning Commission, Development Oversight Commission, Climate Action Plan Advisory Committee, Cultural Heritage Board, Building and Housing Board of Appeals, and Handicap Access Board of Appeals. All divisions are located at the Permit Center. Funding is derived primarily from user fees with a small portion from federal grants and the General Fund.

Projected statistics through the end of FY 2010-11: Building Permits 3,964; Building Inspections 28,708; Planning Applications 128; Home Occupation Permits 272; and Encroachment Permits 1,133.

### KEY ISSUES

**Development Industry Weakness:** The development industry as a whole continues to see weakness that is expected to continue through the first half of FY 2011-12 with gradual improvement beginning the second half of the fiscal year. Although the number of building permits for FY 2010-11 are down around 10%, the valuation of permits are down nearly 30%, reflecting overall smaller projects. The City of Stockton has realized a number of years of historically low new single family home construction rates starting in FY 2006-07. In FY 2006-07, the City realized 680 single family permits decreasing to an estimated 90 permits in FY 2010-11. FY 2010-11 represents a further 41% reduction from last fiscal year. To put all of this in perspective, in FY 1991-92, a year where California's economy began early recovery from the last severe recession, Stockton realized 1,299 new single family construction permits. At the high of the recent construction boom, FY 2002-03 through FY 2004-05, nearly 3,000 new units were produced annually.

**Review Fees and Processes:** We need to revisit assumptions of public facilities, mitigation and processing fees, requiring first a re-evaluation of the 2035 the General Plan assumptions. Seek to lower fees and streamline processes where possible.

**Transition to new leadership:** Rebound from loss of institutional knowledge due to retirement of Department Director, Deputy Director, Senior Technician, and Senior Administrative Analyst. These four represent a combined 94 years of City of Stockton experience.

**Reduced staff and resources:** Staff reductions from this budget make implementation of new enterprise software to streamline the permitting process even more critical. Because of these reductions, service gaps are expected up to full implementation and operability of the new software system.

**FEMA Modification of Special Flood Hazard Area:** On hold pending FEMA re-evaluation of levee certification criteria.

## COMMUNITY DEVELOPMENT DEPARTMENT

### FY 2010-11 ACCOMPLISHMENTS

- Smart Valley Places Climate Action Plan Grant (\$200,000)
- Proposition 84 Climate Action Plan Grant (\$398,423)
- Evaluation and Scoping of New Enterprise Software – Began Conversion/Implementation
- Hosted week-long Flood Seminar
- Planning & Engineering Fee Nexus Study (Final Draft)
- Implemented Fee Deferral Program for new construction
- Website Conversion – 100+ web pages
- Downtown Development Handbook

### FY 2011-12 OBJECTIVES

- Successful leadership transition
- Management Review of Community Development Department
- Evaluation of City General Plan 2035
- Review/reduce Development Fees-Mitigation and Processing Fees
- Complete the Public Review Draft of the Climate Action Plan and related environmental document
- Implement Innoprise enterprise software system to streamline the Building, Planning and Transportation permit process
- Successful move of Permit Center to 400 E. Main and creation of an improved service oriented Permit Center layout.
- Consolidation/transition of CIP function to Public Works

### SUMMARY OF SERVICE LEVEL CHANGES

Budget Plan A and Budget Plan B

- Reduce department staff from 42 to 34
  - Eliminate 8 positions; 5 from Business Operations and 3 from Planning
  - Transition to contract inspection services will result in learning curve for new inspectors and temporarily reduced service levels
  - Service level reductions for:
    - Building permit research and inquiries
    - Daily support of building inspectors and division
    - Flood plain management inquiries and public information outreach
    - Land use data, mapping and graphical support
    - Subdivision parcel management

**Community Development Department**  
**2011-12 Adopted Budget**

	<b>Development Services 048</b>	<b>Public Facilities Fee Administration 999</b>	<b>Total</b>
	<i>See Page I - 6</i>	<i>See Page I - 7</i>	
<b>Beginning Available Balance</b>		<b>\$ 87,306</b>	
<b>Revenues</b>			
Fees	\$ 6,166,463	113,931	\$ 6,280,394
Grants	125,000	873	125,873
	<b>6,291,463</b>	<b>114,804</b>	<b>6,406,267</b>
<b>Expenditures</b>			
Operating Expense	6,593,325	199,142	6,792,467
	<b>6,593,325</b>	<b>199,142</b>	<b>6,792,467</b>
<b>Transfers</b>			
Transfer In - General Fund	150,000	-	150,000
Transfer Out	-	-	-
	<b>150,000</b>	<b>-</b>	<b>150,000</b>
<b>Net Annual Activity</b>	<b>\$ (151,862)</b>	<b>(84,338)</b>	<b>\$ (236,200)</b>
<b>Ending Available Balance</b>		<b>\$ 2,968</b>	
		-	
		Revenues	\$ 6,406,267
		Transfers	150,000
		Total Sources	<b>\$ 6,556,267</b>
		Expenditures	\$ 6,792,467
		Transfers	-
		Total Appropriations	<b>\$ 6,792,467</b>

**Community Development and Fire Departments  
Development Services - 048  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ (8,624,127)</b>	<b>\$ (3,349,676)</b>	<b>\$ 919,839</b>	<b>\$ 280,663</b>
<b>Revenues</b>				
Community Development				
User Fees	6,980,511	6,031,430	5,657,403	5,794,463
Development Oversight		140,915	105,000	112,000
Technology Fee	267,975	338,504	260,000	260,000
Grants				125,000
Fines & Penalties	5,586	(34)	1,236	
Refunds & Reimbursements	50,079	104,206	60,630	
	<u>7,304,151</u>	<u>6,615,021</u>	<u>6,084,269</u>	<u>6,291,463</u>
Fire Prevention				
User Fees	1,736,182	1,799,178	1,607,000	1,986,450
Safe & Sane Fireworks Program		23,540	24,000	24,233
Fines & Penalties	1,475	40,226	55,000	40,000
	<u>1,737,657</u>	<u>1,862,944</u>	<u>1,686,000</u>	<u>2,050,683</u>
Other Revenue	<u>8,063,335</u>	<u>4,849,672</u>		
	<b><u>17,105,143</u></b>	<b><u>13,327,637</u></b>	<b><u>7,770,269</u></b>	<b><u>8,342,146</u></b>
<b>Expenditures</b>				
Community Development				
Business Ops and Customer Svc	1,426,624	2,253,382	2,160,000	2,259,326
Planning & Engineering Services	5,076,806	2,736,239	2,694,635	1,963,255
Building and Life Safety	3,470,346	2,261,091	1,857,190	2,370,744
General Plan	68,134		11,620	
	<u>10,041,910</u>	<u>7,250,712</u>	<u>6,723,445</u>	<u>6,593,325</u>
Fire Prevention				
Fire Prevention	1,576,720	1,586,937	1,644,500	1,958,241
Fire Public Education	212,062	16,997	16,000	27,827
Safe & Sane Fireworks Program		6,524	25,500	24,233
	<u>1,788,782</u>	<u>1,610,458</u>	<u>1,686,000</u>	<u>2,010,301</u>
	<b><u>11,830,692</u></b>	<b><u>8,861,170</u></b>	<b><u>8,409,445</u></b>	<b><u>8,603,626</u></b>
<b>Transfers</b>				
Transfer In - General Fund				
Business Plans				150,000
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
<b>Net Annual Activity</b>				
Community Development	(2,737,759)	(635,691)	(639,176)	(151,862)
Fire	(51,125)	252,486	-	40,382
Other	8,063,335	4,849,672	-	-
	<u>5,274,451</u>	<u>4,466,467</u>	<u>(639,176)</u>	<u>(111,480)</u>
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Ending Available Balance</b>	<b>\$ (3,349,676)</b>	<b>\$ 1,116,791</b>	<b>\$ 280,663</b>	<b>\$ 169,183</b>
<b>Available Balance Calculation</b>				
Accounts Receivable		\$ 836,693		
Advance to General Fund		4,849,481		
Loan from Worker's Comp		(1,650,000)		
Cash Advance from General Fund		(2,896,672)		
Other Current Liabilities		(219,663)		
Ending Available Balance		<u>\$ 919,839</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-9.

**Community Development  
Public Facilities Fee Administration - 999  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 889,771</b>	<b>\$ 104,136</b>	<b>\$ (131,292)</b>	<b>\$ 87,306</b>
<b>Revenues</b>				
Public Facilities Fee	224,680	196,949	144,923	113,931
Interest	11,336	-	(6,326)	873
	<b>236,016</b>	<b>196,949</b>	<b>138,597</b>	<b>114,804</b>
<b>Expenditures</b>				
Operating Expenses	1,021,651	388,984	399,999	199,142
	<b>1,021,651</b>	<b>388,984</b>	<b>399,999</b>	<b>199,142</b>
<b>Transfers</b>				
Transfer In - General Fund			480,000	
Transfer Out				
	<b>-</b>	<b>-</b>	<b>480,000</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(785,635)</b>	<b>(192,035)</b>	<b>218,598</b>	<b>(84,338)</b>
<b>Ending Available Balance</b>	<b>\$ 104,136</b>	<b>\$ (87,899)</b>	<b>\$ 87,306</b>	<b>\$ 2,968</b>
<b>Available Balance Calculation</b>				
Cash		\$ (87,563)		
Interest Receivable		(131)		
Current liabilities		(205)		
Capital appropriations		(14,623)		
Encumbrances		(28,770)		
Ending Available Balance		<b>\$ (131,292)</b>		
<b>Net Assets</b>				
Unrealized investment income for allocation to all PFF capital programs		1,572,575		
Total net assets		<b>\$ 1,441,283</b>		

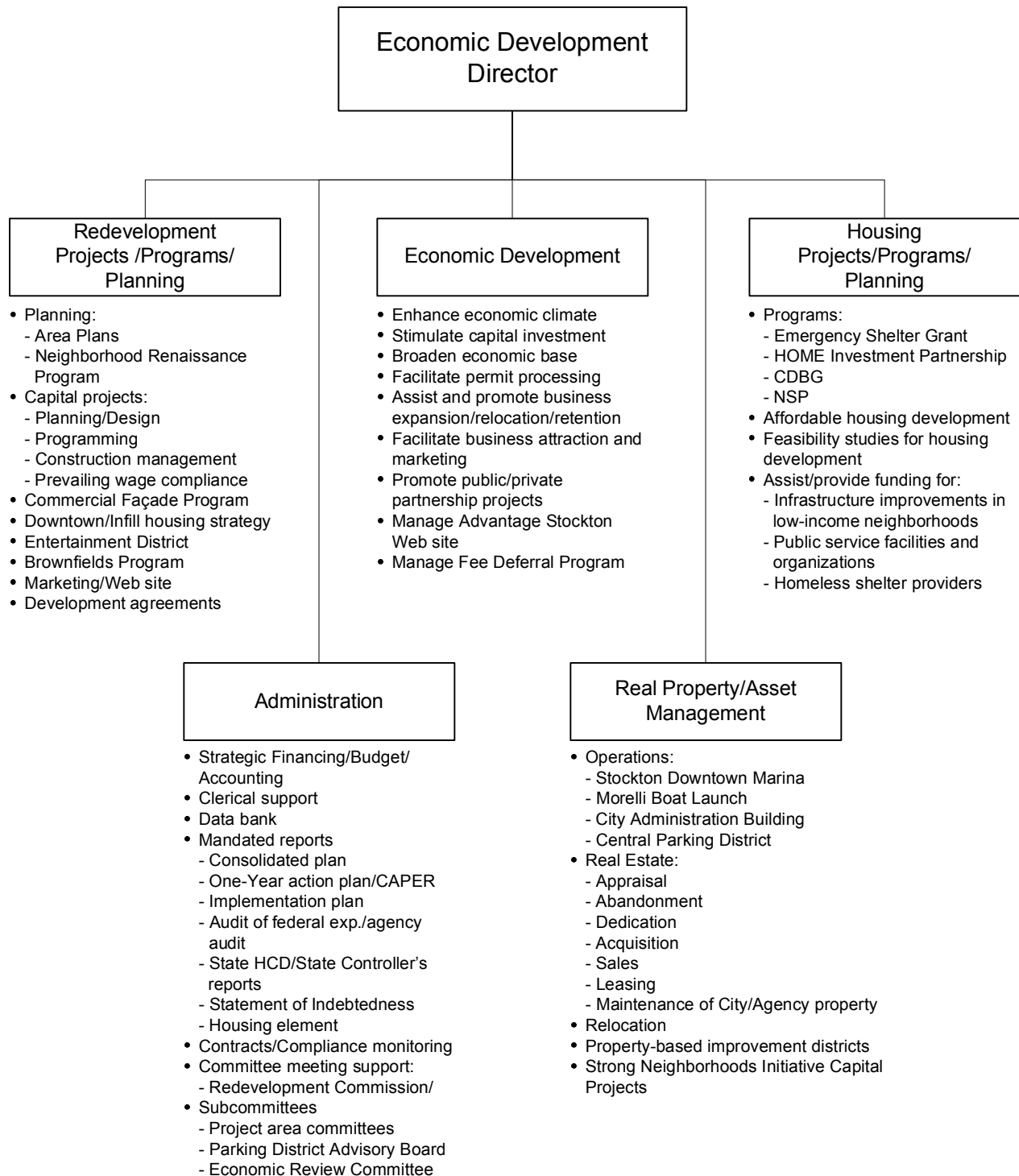




# TAB

## Economic Development

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# ECONOMIC DEVELOPMENT DEPARTMENT



## MISSION STATEMENT

To expand and diversify the City of Stockton's economic base; to aid in the elimination of slum and blight; to provide real property services to City and Agency staff; to provide adequate parking facilities downtown; and to facilitate the preservation and production of affordable housing.

### Budget at a Glance:

Total Expenditures	\$56,549,709
Total Revenues	\$38,772,926
Total Net Cost	\$17,776,783
Total Staff	20

## DEPARTMENTAL DESCRIPTION

The Economic Development Department is comprised of four divisions: Economic Development, Redevelopment, Housing, and Property Management.

The Economic Development Division engages in activities that expand and diversify the City of Stockton's economic base to attract, retain, and assist with the creation of quality jobs in an effort to establish an economically sustainable community. The division works directly with businesses to facilitate start up or expansion within Stockton and interacts with resource providers, such as the San Joaquin Partnership, San Joaquin County WorkNet and San Joaquin Delta College Small Business Development Center to bring those resources to business. The division manages a micro-loan program, the non-residential fee deferral program, and the City's Enterprise Zone program.

The Redevelopment Division, through the Redevelopment Agency, finances development activities in four targeted geographic "project areas," adopted between 1961 and 2009. Activities are financed through incremental property taxes earned on property value appreciation over and above the baseline valuations at the time of project area formation. State Law requires 20% of these property tax revenues must be dedicated to the production of affordable housing for low and moderate-income persons that is restricted for 55 years. An administration and debt service fund also service the Agency.

The Housing Division is responsible for facilitating the preservation and production of affordable and workforce housing and for the administration of a number of Federal Grant Programs.

The Property Management Division manages City facilities, for example 400 E. Main and the Marina, and provides real estate related services to City and Agency departments. The division assumed management responsibilities of the Central Parking District in February, 2010, reducing budgeted expenses and increasing revenue for a projected profit of approximately \$100,000 for FY 2010-11.

## KEY ISSUES

For the Economic Development Division, the state and national economy continue to be the key issues restraining overall economic development activities throughout the nation. A major distribution project that was set to develop 800,000 s.f. and create 400 new jobs was put on hold. The state budget crisis threatens to eliminate the economic development benefits from Redevelopment and to cripple the Enterprise Zone program upon which Stockton and San Joaquin County rely to attract new companies.

Redevelopment Division annual redevelopment property tax revenues have declined from \$25 million to \$12 million, over a three year period. As a result of State budget actions in 2009, the Agency has paid over \$11 million in funds to the Supplemental Educational Revenue Augmentation Fund, offsetting the State's obligation to pay under Proposition 98. Additional

issues impacting cash flow include delayed federal grant reimbursements, ongoing litigation and multi-year settlement payments, and uncertain State budget proposals which may abolish current redevelopment law. In an effort to maximize cash flow and reduce risk to the General Fund, a number of actions are proposed in this budget, including: a reduction in staffing levels; Midtown and South Stockton Project Areas cover the statutory 20% housing set-aside contribution on behalf of North Stockton and Waterfront Project Areas; reserving \$3 million in available low-to-moderate income housing funds to protect payment on City-backed housing bonds; repayment of \$1 million to the City General Capital Fund from North Stockton on the City's \$11 million June 2010 cash overdraft loans that have accumulated over the last few years. The remaining \$10 million in cash overdraft loans, including \$8.7 million in Waterfront Project Area (from City Workers Compensation Fund) and \$1.5 million in North Stockton Project Area (from City General Capital Fund), remain in place but do not worsen in the budget year; and use of \$1 million for overhead relief from the City's General Fund.

Housing Division annual Federal entitlement funds have been reduced by 16.2% in the Community Development Block Grant Program and by 12% in the HOME Investment Partnerships Program from the FY 2010-11. This is due to Federal budget deficit reduction efforts, which are anticipated to continue into future years. Due to these reductions, there will be several housing staff positions eliminated. With debt repayments from prior HUD Section 108 loans obligated through 2024, these entitlement reductions are directly impacting the level of housing programs and services provided to the community. One-time Federal Stimulus funds through the Community Development Block Grant – Recovery, and Homeless Prevention and Rapid Rehousing Programs will be fully expended during this fiscal year, with no additional source of funds to backfill these programs.

Property Management Division shared support staffing will impact the facilitation and oversight of projects planned for this fiscal year, including: continued property management of City/Redevelopment assets; Central Parking District major maintenance projects replacing and upgrading aging equipment, at an estimated cost of approximately \$225,000 in FY 2011-12; the sale of City/Redevelopment assets; construction of improvements at Van Buskirk Park; and closely monitoring Downtown Stockton Marina income and expenses to minimize losses.

## ECONOMIC DEVELOPMENT DEPARTMENT

### FY 2010-11 ACCOMPLISHMENTS

#### Economic Development Division

- Small Business Microloan program – 27 loans approved in first year of the program
- Implemented Public Facility Fee Reduction program
- Expanded Enterprise Zone to include additional commercial and industrial acreage
- Produced two Economic Development summits targeting small businesses

#### Redevelopment Division

- Purchased and cancelled \$13.3 million in bond proceeds, resulting in an average \$1.5 million annual reduction in debt service for North Stockton, Midtown and South Stockton Project Areas
- Authorized the use of an additional \$2 million in unspent bond proceeds for redemption, which will further ease the future debt service burden
- Reconciled and implemented the findings from a Redevelopment Agency Parcel audit, resulting in a net 67 parcels reverting back to general fund tax rate areas
- Completion of the new DMV offices downtown
- Completion of all staff and consultant work on Waterfront Connections Plan
- Completed draft plan on Miner Avenue Streetscape Design
- Polanco agreement with Union Pacific Railroad to pay for clean up of Southpointe property

### FY 2010-11 ACCOMPLISHMENTS - CONT'D

#### Housing Division

- Completed construction of the Vintage Plaza, Gleason Park Apartments, and Diamond Cove Apartments affordable housing projects, totaling 171 units
- Secured \$4.2 million in Federal Neighborhood Stabilization Program funds
- Approved two low-to-moderate income housing loans to be used in producing 91 units
- Assisted 569 persons who lost their housing, preventing them from becoming homeless

#### Property Management Division

- Turned Central Parking District around to create a profitable enterprise
- Acquired 52 properties for a number of Public Works and Municipal Utilities projects
- Leased over 27,000 s.f. of City space
- Sold City property for a total amount of \$1,215,000.

## ECONOMIC DEVELOPMENT DEPARTMENT

### FY 2011-12 OBJECTIVES

#### Economic Development Division

- Develop an Economic Development Strategic Plan
- Commission Urban Land Institute to identify strategies for revitalizing downtown
- Implement a Small Business Development Plan to help grow existing small business
- Complete Miracle Mile Parking Lots project
- Loan \$450,000 through Small Business Micro-Loan Program

#### Redevelopment Division

- Sell excess Agency property to improve the Agency's cash flow in future years
- Resolve outstanding litigation to mitigate ongoing costs
- Complete remediation clean up plan in cooperation with Union Pacific Railroad for the Southpointe parcel adjacent to the Downtown Stockton Marina
- Resolve outstanding issues to complete reimbursement on the Downtown Stockton Marina Construction project
- Complete capital projects with remaining Strong Neighborhoods Initiative Bond
- Complete the Miner Avenue Streetscape Design - implement recommendations to enable capital projects
- Finalize the Waterfront Connections Plan - implement recommendations to enable capital projects
- Initiate and begin work on \$1 million EPA Brownfields grant (if awarded)

### FY 2011-12 OBJECTIVES - CONT'D

#### Housing Division

- Complete construction of the Community of the All Nations, San Joaquin Street Apartments, and Bradford Apartments affordable housing projects, totaling 129 units
- Purchase and repair 50 vacant foreclosed homes under the Neighborhood Stabilization Program
- Assist 20 homeowners with home repairs, disabled access improvements, and down-payment assistance
- Assist in facilitating infill housing development in downtown area in compliance with the Attorney General's Settlement
- Identify affordable housing opportunities to complete the Price vs. City of Stockton settlement obligations
- Complete the Ten-Year Plan to End Homelessness and begin initial implementation with county-wide partners

#### Property Management Division

- Install new parking meters downtown.
- Complete City Hall and Community Development relocation to 400 E. Main Street, Administration Building



## ECONOMIC DEVELOPMENT DEPARTMENT

### SUMMARY OF SERVICE LEVEL CHANGES

- Elimination of 2 Redevelopment positions will result in reduced support for new projects or initiatives.
- Elimination of 4 Housing positions may result in delays in level of services.
- Reallocation of 2 Property Management positions within the department will result in lower-levels of support service within Property Management.



**Economic Development Department  
2011-12 Adopted Budget**

	<u>Economic Development 010</u> <i>See Page J - 10</i>	<u>Redevelopment Agency</u> <i>See Page J - 12</i>	<u>HUD/ Housing</u> <i>See Page J - 22</i>	<u>Property Management</u> <i>See Page J - 32</i>	<u>Economic Development Total</u>
<b>Beginning Available Balance</b>		<b>\$ 13,170,202</b>	<b>\$ 12,707,293</b>	<b>\$ 2,133,251</b>	
<b>Revenues</b>					
Tax Increment		12,616,000			12,616,000
Grants & Entitlements			13,173,088		13,173,088
Assessment & Use Fees				9,437,873	9,437,873
Interest		215,000			215,000
Other Revenue	7,200	386,159			386,159
	<u>7,200</u>	<u>13,217,159</u>	<u>13,173,088</u>	<u>9,437,873</u>	<u>35,828,120</u>
<b>Expenditures</b>					
Employee Services	213,017				213,017
Other Services	242,398				242,398
Materials and Supplies	12,984				12,984
Other Expenses	16,800				16,800
Loan Programs			15,592,575		15,592,575
Program Expense		8,397,354	2,191,445	6,501,109	17,089,908
Operating Expense			1,504,852		1,504,852
Economic Development			750,000		750,000
Debt Service		11,843,502	2,238,993	1,918,416	16,000,911
Capital Projects		16,375		323,553	339,928
Other Expenses			297,760		297,760
	<u>485,199</u>	<u>20,257,231</u>	<u>22,575,625</u>	<u>8,743,078</u>	<u>52,061,133</u>
<b>Transfers</b>					
Transfer In - General Fund		1,000,000		732,000	1,732,000
Transfer In - HUD Grant - 053		1,212,806			1,212,806
Transfer Out - General Fund				(774,515)	(774,515)
Transfer Out - Waterfront - 343			(1,212,806)		(1,212,806)
Transfer Out - Debt Service - 201		(1,001,255)		(1,500,000)	(2,501,255)
	<u>-</u>	<u>1,211,551</u>	<u>(1,212,806)</u>	<u>(1,542,515)</u>	<u>(1,543,770)</u>
<b>Net Annual Activity</b>	<b>\$ (477,999)</b>	<b>\$ (5,828,521)</b>	<b>\$ (10,615,343)</b>	<b>\$ (847,720)</b>	<b>\$ (17,776,783)</b>
<b>Ending Available Balance</b>		<b>\$ 7,341,681</b>	<b>\$ 2,091,950</b>	<b>\$ 1,285,531</b>	
		-	-	-	
				Revenues	\$ 35,828,120
				Transfers	2,944,806
				Total Sources	<u>\$ 38,772,926</u>
				Expenditures	\$ 52,061,133
				Transfers	4,488,576
				Total Appropriations	<u>\$ 56,549,709</u>
					-

**Economic Development Department  
General Fund - 010  
2011-12 Adopted Budget**

				FY 2011-2012		
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
Total Economic Development Department						
Employee Services	312,732	111,126	170,444	259,234	203,198	213,017
Other Services	305,385	244,003	216,168	242,398	242,398	242,398
Materials and Supplies	2,949	2,289	12,960	12,984	12,984	12,984
Other Expenses	1,080	1,593	5,920	16,800	16,800	16,800
Total	622,146	359,011	405,492	531,416	475,380	485,199
Economic Development						
Employee Services	268,330	104,528	144,980	231,065	175,029	189,393
Other Services	302,534	241,589	213,009	232,743	232,743	232,743
Materials and Supplies	2,820	50	12,600	11,984	11,984	11,984
Other Expenses	465	1,183	4,800	14,000	14,000	14,000
Total	574,149	347,350	375,389	489,792	433,756	448,120
Real Property						
Employee Services	44,402	6,598	25,464	28,169	28,169	23,624
Other Services	2,851	2,414	3,159	9,655	9,655	9,655
Materials and Supplies	129	2,239	360	1,000	1,000	1,000
Other Expenses	615	410	1,120	2,800	2,800	2,800
Total	47,997	11,661	30,103	41,624	41,624	37,079



**Redevelopment Agency  
2011-12 Adopted Budget**

	<b>Administration 330</b>	<b>Midtown 337</b>	<b>South Stockton 338</b>	<b>North Stockton 340</b>
	<i>See Page J - 14</i>	<i>See Page J - 15</i>	<i>See Page J - 16</i>	<i>See Page J - 17</i>
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ 1,821,317</b>	<b>\$ 1,695,082</b>	<b>\$ 390,913</b>
<b>Revenues</b>				
Tax Increment		2,372,000	3,758,000	1,651,000
Misc revenues			8,159	
Interest		22,000	15,000	(65,000)
	<b>-</b>	<b>2,394,000</b>	<b>3,781,159</b>	<b>1,586,000</b>
<b>Expenditures</b>				
Administration	886,757	106,152	128,003	23,429
Professional Services	178,588			
Economic Dev program	308,786			
Program Costs	90,938			
County Administration Fee		33,091	67,064	26,362
Taxing Entity payments		390,977	699,537	333,218
City Taxing Entity payments		77,745	148,438	72,354
ERAF - Low/Mod repayment		189,000	189,000	
Debt Service				
Legal Settlements				
Capital projects			16,375	
Housing projects				
	<b>1,465,069</b>	<b>796,965</b>	<b>1,248,417</b>	<b>455,363</b>
<b>Transfers</b>				
Transfers - Administration	1,196,167	(224,898)	(356,309)	(156,537)
Transfers - Low & Mod		(804,600)	(1,718,600)	
Transfers - Debt Service		(1,266,280)	(1,940,166)	(1,365,013)
Transfers - Bond Proceeds				
Transfer - Loan Repayment			1,436,035	
Transfer In - General Fund	268,902			
Transfer In - HUD Grant 053				
Transfer Out - City Debt Service				
	<b>1,465,069</b>	<b>(2,295,778)</b>	<b>(2,579,040)</b>	<b>(1,521,550)</b>
<b>Net Annual Activity</b>	<b>-</b>	<b>(698,743)</b>	<b>(46,298)</b>	<b>(390,913)</b>
<b>Ending Available Balance</b>	<b>\$ -</b>	<b>\$ 1,122,574</b>	<b>\$ 1,648,784</b>	<b>\$ -</b>

**Redevelopment Agency, Continued  
2011-12 Adopted Budget**

	<b>Waterfront 343</b>	<b>Strong Neighborhood 342</b>	<b>Low &amp; Moderate Income Housing 021/339</b>	<b>RDA Debt Service 230</b>	<b>Redevelopment Agency Total</b>
	<i>See Page J - 18</i>	<i>See Page J - 19</i>	<i>See Page J - 20</i>	<i>See Page J - 21</i>	
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ 4,475,371</b>	<b>\$ 4,511,001</b>	<b>\$ 276,518</b>	<b>\$ 13,170,202</b>
<b>Revenues</b>					
Tax Increment	4,835,000				12,616,000
Misc revenues	-		378,000		386,159
Interest	(125,000)	13,000	140,000	215,000	215,000
	<b>4,710,000</b>	<b>13,000</b>	<b>518,000</b>	<b>215,000</b>	<b>13,217,159</b>
<b>Expenditures</b>					
Administration	148,612		210,337	98,878	1,602,168
Professional Services					178,588
Economic Dev program					308,786
Program Costs					90,938
County Administration Fee	71,788				198,305
Taxing Entity payments	717,877				2,141,609
City Taxing Entity payments	143,575				442,112
ERAF - Low/Mod repayment					378,000
Debt Service				11,843,502	11,843,502
Legal Settlements	1,112,500		994,348		2,106,848
Capital projects					16,375
Housing projects			950,000	-	950,000
	<b>2,194,352</b>	<b>-</b>	<b>2,154,685</b>	<b>11,942,380</b>	<b>20,257,231</b>
<b>Transfers</b>					
Transfers - Administration	(458,423)				-
Transfers - Low & Mod			2,523,200		-
Transfers - Debt Service	(2,565,094)		(2,112,649)	9,249,202	-
Transfers - Bond Proceeds		(4,488,371)	1,837,889	2,650,482	-
Transfer - Loan Repayment	(1,436,035)				-
Transfer In - General Fund	731,098				1,000,000
Transfer In - HUD Grant 053	1,212,806				1,212,806
Transfer Out - City Debt Service			(1,001,255)		(1,001,255)
	<b>(2,515,648)</b>	<b>(4,488,371)</b>	<b>1,247,185</b>	<b>11,899,684</b>	<b>1,211,551</b>
<b>Net Annual Activity</b>	<b>-</b>	<b>(4,475,371)</b>	<b>(389,500)</b>	<b>172,304</b>	<b>(5,828,521)</b>
<b>Ending Available Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,121,501</b>	<b>\$ 448,822</b>	<b>\$ 7,341,681</b>

**Redevelopment Agency  
Administration - 330  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<u>\$ 18,222</u>	<u>\$ 322,604</u>	<u>\$ (97,140)</u>	<u>\$ -</u>
<b>Revenues</b>				
Tax Increment				
Misc. Revenues	676	682		
Interest earned	244,074	(419,892)	6,683	
	<u>244,750</u>	<u>(419,210)</u>	<u>6,683</u>	<u>-</u>
<b>Expenditures</b>				
Administration & Overhead	1,840,368	1,699,134	1,400,442	
Admin ED Department Staff				195,178
Admin Other City Staff				571,579
Professional Services				178,588
Economic Dev Program				308,786
Office & Equipment Rentals				90,938
City Indirect Costs				120,000
Liquidate encumbrances			(36,399)	
	<u>1,840,368</u>	<u>1,699,134</u>	<u>1,364,043</u>	<u>1,465,069</u>
<b>Transfers</b>				
Transfer In - Midtown	350,000	1,000,000	247,987	224,898
Transfer In - S Stockton	850,000	735,000	492,801	356,309
Transfer In - N Stockton	700,000		181,696	156,537
Transfer In - Waterfront			532,016	458,423
Transfer In - General Fund				268,902
	<u>1,900,000</u>	<u>1,735,000</u>	<u>1,454,500</u>	<u>1,465,069</u>
<b>Net Annual Activity</b>	<u>304,382</u>	<u>(383,344)</u>	<u>97,140</u>	<u>-</u>
<b>Ending Available Balance</b>	<u>\$ 322,604</u>	<u>\$ (60,740)</u>	<u>\$ -</u>	<u>\$ -</u>
	GAAP	GAAP		
<b>Available Balance Calculation</b>				
Cash		\$ 19,907		
Current Liabilities		(80,648)		
Encumbrances		(36,399)		
Ending Available Balance		<u>\$ (97,140)</u>		



**Redevelopment Agency  
Midtown - 337  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 4,868,511</b>	<b>\$ 5,191,700</b>	<b>\$ 3,468,903</b>	<b>\$ 1,821,317</b>
<b>Revenues</b>				
Tax Increment	5,590,951	3,541,818	2,434,807	2,372,000
Façade Application Fees	1,500	(500)		
Reimbursements		249,474	465	
Interest earned	146,000	154,724	38,086	22,000
	<b>5,738,451</b>	<b>3,945,516</b>	<b>2,473,358</b>	<b>2,394,000</b>
<b>Expenditures</b>				
County Administration Fee	100,454	78,762	48,696	33,091
Taxing Entity Payments	1,026,760	858,624	486,961	390,977
City Taxing Entity Payments		117,365	73,044	77,745
State ERAF Payment		589,492		
ERAF - Repay Low/Mod Fund				189,000
Administration & overhead	520,734	146,574	17,597	72,491
Indirect costs			14,223	33,661
Loan Forgiveness	16,000	18,493		
Repay City Capital Fund -301			1,000	
Capital projects	106,303	260	28,423	
Encumbrances			(15,664)	
	<b>1,770,251</b>	<b>1,809,570</b>	<b>654,280</b>	<b>796,965</b>
<b>Transfers</b>				
Transfer out - Low/Mod	(1,118,190)	(693,215)	(1,561,657)	(474,400)
Transfer out - Low/Mod - NS			(356,789)	(330,200)
Transfer out - Debt	(2,176,821)	(2,012,684)	(1,300,231)	(1,266,280)
Transfer Out - Admin	(350,000)	(1,000,000)	(247,987)	(224,898)
	<b>(3,645,011)</b>	<b>(3,705,899)</b>	<b>(3,466,664)</b>	<b>(2,295,778)</b>
<b>Net Annual Activity</b>	<b>323,189</b>	<b>(1,569,953)</b>	<b>(1,647,586)</b>	<b>(698,743)</b>
<b>Ending Available Balance</b>	<b>\$ 5,191,700</b>	<b>\$ 3,621,747</b>	<b>\$ 1,821,317</b>	<b>\$ 1,122,574</b>
	GAAP	GAAP		
<b>Available Balance Calculation</b>				
Due from other funds		\$ 3,471,935		
Accounts receivable		30,229		
Encumbrances		(33,261)		
Ending Available Balance		<b>\$ 3,468,903</b>		

**Redevelopment Agency  
South Stockton - 338  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 5,434,664</b>	<b>\$ 3,958,570</b>	<b>\$ 29,920</b>	<b>\$ 1,695,082</b>
<b>Revenues</b>				
Tax Increment	7,124,994	4,516,243	4,838,460	3,758,000
Façade Application Fees	500			
Property Rental	811	8,018	7,610	8,159
Reimbursements	13,254	316,822	7,542	
Draw Bonds - Airport Project			1,582,593	
Loan Repayment - Waterfront			896,660	1,436,035
Interest earned	62,162	24,769	(31,011)	15,000
	<b>7,201,721</b>	<b>4,865,852</b>	<b>7,301,854</b>	<b>5,217,194</b>
<b>Expenditures</b>				
County Administration Fee	128,593	99,476	96,769	67,064
Taxing Entity Payments	1,302,127	994,284	967,692	699,537
City Taxing Entity Payments		131,100	134,268	148,438
State ERAF Payment		742,486		189,000
ERAF - Repay Low/Mod Fund				
Administration & overhead	518,340	152,293	23,847	74,674
Indirect Costs			28,264	53,329
Loan Forgiveness				
Capital projects	1,232,877	60,130	27,408	16,375
	<b>3,181,937</b>	<b>2,179,769</b>	<b>1,278,248</b>	<b>1,248,417</b>
<b>Transfers</b>				
Transfer Out - Low/Mod	(1,964,111)	(903,249)	(967,692)	(751,600)
Transfer Out - Low/Mod - W			(1,044,696)	(967,000)
Transfer Out - Debt Service	(2,681,767)	(2,596,215)	(1,853,255)	(1,940,166)
Transfer Out - Administration	(850,000)	(735,000)	(492,801)	(356,309)
	<b>(5,495,878)</b>	<b>(4,234,464)</b>	<b>(4,358,444)</b>	<b>(4,015,075)</b>
<b>Net Annual Activity</b>	<b>(1,476,094)</b>	<b>(1,548,381)</b>	<b>1,665,162</b>	<b>(46,298)</b>
<b>Ending Available Balance</b>	<b>\$ 3,958,570</b>	<b>\$ 2,410,189</b>	<b>\$ 1,695,082</b>	<b>\$ 1,648,784</b>
	GAAP	GAAP		
<b>Available Balance Calculation</b>				
Cash		\$ 15,272		
Receivables		15,318		
Current Liabilities		(670)		
Ending Available Balance		<u>\$ 29,920</u>		

**Redevelopment Agency  
North Stockton - 340  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 1,677,408</b>	<b>\$ 2,388,684</b>	<b>\$ (2,474,488)</b>	<b>\$ 390,913</b>
<b>Revenues</b>				
Tax Increment	7,207,786	2,651,771	1,783,945	1,651,000
Façade Application Fees	500			
Property Rental				
Reimbursements		447,055		
Loan from City Capital Fund			2,459,922	
Interest earned	(84,199)	(79,814)	(71,340)	(65,000)
	<u>7,124,087</u>	<u>3,019,012</u>	<u>4,172,527</u>	<u>1,586,000</u>
<b>Expenditures</b>				
County Administration Fee	131,524	64,657	35,679	26,362
Taxing Entity Payments	1,466,794	941,050	356,789	333,218
City Taxing Entity Payments	356,070	170,517	63,652	72,354
State ERAF Payment	-	451,238		
Administration & overhead	425,488	26,369		
Indirect costs			10,421	23,429
Repay City Capital Fund			994,367	
Capital projects	135,964			
	<u>2,515,840</u>	<u>1,653,831</u>	<u>1,460,908</u>	<u>455,363</u>
<b>Transfers</b>				
Transfer Out - Administration	(700,000)		(181,696)	(156,537)
Transfer Out - Low/Mod	(1,441,557)	(530,354)		
Transfer Out - Debt Service	(1,755,414)	(1,797,604)	(1,361,456)	(1,365,013)
Transfer In - Other		100,000	40,000	
Loan repayment from Waterfront			1,656,934	
	<u>(3,896,971)</u>	<u>(2,227,958)</u>	<u>153,782</u>	<u>(1,521,550)</u>
<b>Net Annual Activity</b>	<u>711,276</u>	<u>(862,777)</u>	<u>2,865,401</u>	<u>(390,913)</u>
<b>Ending Available Balance</b>	<u>\$ 2,388,684</u>	<u>\$ 1,525,907</u>	<u>\$ 390,913</u>	<u>\$ -</u>
	GAAP	GAAP		
			<b>Balance due to City Capital Fund</b>	
			<u>\$ 1,465,555</u>	<u>\$ 1,465,555</u>
<b>Available Balance Calculation</b>				
Cash		\$ -		
Accounts payable		(14,566)		
Due to City Capital Fund		(2,459,922)		
Ending Available Balance		<u>\$ (2,474,488)</u>		

**Redevelopment Agency  
Waterfront - 343  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ (3,942,028)</b>	<b>\$ (10,721,397)</b>	<b>\$ (8,501,444)</b>	<b>\$ -</b>
<b>Revenues</b>				
Tax Increment	5,686,450	5,669,108	5,223,481	4,835,000
Property Rental		(40,297)		
Reimbursements	7,659,946	2,650,581	2,858,008	
Marina Loan Repayment			500,000	
Loan from Workers Comp Fund			8,688,024	
Interest earned	(50,028)	(249,497)	(137,639)	(125,000)
	<b>13,296,368</b>	<b>8,029,895</b>	<b>17,131,874</b>	<b>4,710,000</b>
<b>Expenditures</b>				
County Administration Fee	89,310	111,211	67,906	71,788
Taxing Entity Payments	544,041	839,694	805,226	717,877
City Taxing Entity Payments		131,647	148,852	143,575
State ERAF Payment		306,356		
Administration & overhead	736,831	128,663	17,009	80,000
Indirect costs			30,513	68,612
Legal & Settlement Expense	1,398,680	2,169,937	1,513,060	1,112,500
Capital projects	26,409,750	4,395,946	450,995	
Encumbrances/other	1,632,996	(25,405)		
Repay North Stockton loan			1,656,934	
Repay South Stockton loan			896,660	1,436,035
	<b>30,811,608</b>	<b>8,058,049</b>	<b>5,587,155</b>	<b>3,630,387</b>
<b>Transfers</b>				
Transfer In - Bond Fund	11,334,049	54		
Transfer in - General Fund				731,098
Transfer in - HUD Grant				1,212,806
Transfer Out - Low/Mod	(598,178)	(1,160,278)		
Transfer Out - Debt Service	(1,616,886)	(2,323,395)	(2,511,259)	(2,565,094)
Transfer Out - Administration			(532,016)	(458,423)
	<b>10,735,871</b>	<b>(1,160,224)</b>	<b>(3,043,275)</b>	<b>(1,079,613)</b>
<b>Net Annual Activity</b>	<b>(6,779,369)</b>	<b>(1,188,378)</b>	<b>8,501,444</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ (10,721,397)</b>	<b>\$ (11,909,775)</b>	<b>\$ -</b>	<b>\$ -</b>
	GAAP	GAAP		

**Workers Comp Loan Status**

**\$ 8,688,024      \$ 8,688,024**

**Available Balance Calculation**

Cash	\$ 55,721
Receivables/current assets	132,388
Due from other funds	1,942,239
Accounts Payable	(1,943,768)
Due to City Workers Comp Fund	(8,688,024)
Ending Available Balance	<b>\$ (8,501,444)</b>

**Redevelopment Agency  
Strong Neighborhoods Initiative - 342  
2011-12 Adopted Budget**

	<u>FY 2008-2009 Actual</u>	<u>FY 2009-2010 Actual</u>	<u>FY 2010-2011 Projected</u>	<u>FY 2011-2012 Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 63,421,150</b>	<b>\$ 52,426,460</b>	<b>\$ 20,213,896</b>	<b>\$ 4,475,371</b>
<b>Revenues</b>				
Reimbursements	292,588	1,649,938		
Interest earned	4,546,433	114,015	53,726	13,000
	<u>4,839,021</u>	<u>1,763,953</u>	<u>53,726</u>	<u>13,000</u>
<b>Expenditures</b>				
North Stockton Projects				
Arnold Rue Community Center	1,939,219	4,363		
Parks Infrastructure	285,492	9,551		
Street Repairs, Lighting, Curb	1,438,567	580,795		
El Dorado Street Widening	341,252	178,485		
Other Misc. Capital Projects	131,067	152,763	29,476	
Midtown Projects				
Stribley Community Center	1,358,135	39,290		
Parks Infrastructure	348,793	18,221		
Street Repairs, Lighting	466,109			
Transfer In		141,300		
Other Misc. Capital Projects	35,610		29,476	
South Stockton Projects				
Fire Station No. 2 Classrooms	155,432	368,476		
Fire Station No. 3 Relocation	2,100,897	124,350		
Airport Way Streetscape	3,794,507	687,347	1,574,344	
Merlo Joint-Use Gymnasium	2,406,760	3,858,525		
Parks Infrastructure	191,043	4,727		
Street Repairs	64,226			
Other Misc. Capital Projects	169,559	58,731		
Administration & Overhead	399,851	1,706,371	862,110	
State ERAF Payment		7,084,363		
Encumbrances	207,192	136,742		
	<u>15,833,711</u>	<u>15,154,400</u>	<u>2,495,406</u>	<u>-</u>
<b>Transfers</b>				
Transfer In - General Fund				
Transfer Out - Bond Repurchase		(6,435,695)	(13,296,845)	(2,650,482)
Transfer Out - Low/Mod Housing		(1,950,000)		(1,837,889)
Transfer Out				
	<u>-</u>	<u>(8,385,695)</u>	<u>(13,296,845)</u>	<u>(4,488,371)</u>
<b>Net Annual Activity</b>	<b>(10,994,690)</b>	<b>(21,776,142)</b>	<b>(15,738,525)</b>	<b>(4,475,371)</b>
<b>Ending Available Balance</b>	<b>\$ 52,426,460</b>	<b>\$ 30,650,318</b>	<b>\$ 4,475,371</b>	<b>\$ -</b>
	GAAP	GAAP		
<b>Available Balance Calculation</b>				
Cash		\$ 568,917		
Cash with Fiscal Agent		37,171,407		
Payables		(1,106,915)		
Due to Other Funds		(5,414,174)		
Capital Appropriations		(10,350,967)		
Encumbrances		(654,372)		
Ending Available Balance		<u>\$ 20,213,896</u>		

**Redevelopment Agency**  
**Low and Moderate Income Housing - 021 & 339**  
**2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 50,063,050</b>	<b>\$ 52,168,267</b>	<b>\$ 9,318,287</b>	<b>\$ 4,511,001</b>
<b>Revenues</b>				
Loan Repayments	85,535	962,811	955,327	378,000
Interest earned	492,311	359,318	147,684	140,000
Misc Revenue		5,634		
	<u>577,846</u>	<u>1,327,763</u>	<u>1,103,011</u>	<u>518,000</u>
<b>Expenditures</b>				
Housing Projects	209,432	4,459,000	2,385,000	950,000
Loan Forgiveness	208,309			
Administration & overhead	542,150	439,484	147,310	145,337
Indirect costs			63,204	65,000
State ERAF Payment			1,888,751	
Settlement Obligations	107,246	160,156	45,000	994,348
Encumbrances				
Canceled Projects	(95,150)	(2,324,285)		
	<u>971,987</u>	<u>2,734,355</u>	<u>4,529,265</u>	<u>2,154,685</u>
<b>Transfers</b>				
Transfer In - 20% Set-aside	5,122,036	4,459,000	2,529,349	2,523,200
Transfer out - Debt Service				
SNI Series C	(1,999,889)	(2,061,169)	(644,631)	(2,112,649)
CalHFA (HELP)			(1,261,914)	
Transfer to City - 2003 COPS	(622,789)	(636,511)	(2,003,836)	(1,001,255)
Transfer In - Bond Proceeds		1,950,000		1,837,889
	<u>2,499,358</u>	<u>3,711,320</u>	<u>(1,381,032)</u>	<u>1,247,185</u>
<b>Net Annual Activity</b>	<b>2,105,217</b>	<b>2,304,728</b>	<b>(4,807,286)</b>	<b>(389,500)</b>
<b>Ending Available Balance</b>	<b>\$ 52,168,267</b>	<b>\$ 54,472,995</b>	<b>\$ 4,511,001</b>	<b>\$ 4,121,501</b>
	GAAP	GAAP		
<b>Available Balance Calculation</b>				
Cash		\$ 10,394,907		
Receivable		63,506		
Payables		(100,778)		
Less Program Commitments:		(1,039,348)		
Ending Available Balance		<u>\$ 9,318,287</u>		

**Redevelopment Agency Debt Service - 230**  
**2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 12,313,771</b>	<b>\$ 12,211,770</b>	<b>\$ -</b>	<b>\$ 276,518</b>
<b>Revenues</b>				
Interest - Debt Service reserve	545,235	559,836	251,493	200,000
Interest - Pool	69,125	(49,063)	205,836	15,000
Realized Gain on Repurchase		720,673	3,269,612	
	<b>614,360</b>	<b>1,231,446</b>	<b>3,726,941</b>	<b>215,000</b>
<b>Expenditures</b>				
Debt Service:				
2004 Arena	2,374,521	2,424,121	2,366,867	2,522,412
2006 Strong Neighborhoods	7,876,005	7,876,014	6,892,061	6,670,608
2006 Repurchase		7,113,745	16,521,595	2,650,482
Services	15,300	35,750	60,713	17,000
Debt Administration			81,878	81,878
	<b>10,265,826</b>	<b>17,449,630</b>	<b>25,923,114</b>	<b>11,942,380</b>
<b>Transfers</b>				
Transfer In - Midtown	2,076,821	1,762,684	1,300,231	1,266,280
Transfer In - South Stockton	2,181,767	2,246,215	1,853,255	1,940,166
Transfer In - North Stockton	1,745,414	1,797,604	1,537,991	1,365,013
Transfer In - Waterfront	1,547,476	2,109,127	2,476,283	2,565,094
Transfer In - Low/Mod	1,999,889	2,061,169	2,008,086	2,112,649
Transfer In - SNI		6,436,136	13,296,845	2,650,482
Transfer Out	(1,902)	(54)		
	<b>9,549,465</b>	<b>16,412,881</b>	<b>22,472,691</b>	<b>11,899,684</b>
<b>Net Annual Activity</b>	<b>(102,001)</b>	<b>194,697</b>	<b>276,518</b>	<b>172,304</b>
<b>Ending Available Balance</b>	<b>\$ 12,211,770</b>	<b>\$ 12,406,467</b>	<b>\$ 276,518</b>	<b>\$ 448,822</b>
	GAAP	GAAP		
<b>Available Balance Calculation</b>				
Available Balance		\$ -		
Debt reserves held with fiscal agent		\$ 12,406,467		

**Economic Development Department  
Housing Division  
2011-12 Adopted Budget**

	<b>Community Development Block Grants 052/054/062</b>	<b>Emergency Shelter Grant 057</b>	<b>HOME 058/059</b>	<b>Special Grant and Loans 053</b>
	<i>See Page J - 24</i>	<i>See Page J - 25</i>	<i>See Page J - 26</i>	<i>See Page J - 27</i>
<b>Beginning Available Balance</b>	<b>\$ 3,861,003</b>	<b>\$ -</b>	<b>\$ 3,143,252</b>	<b>\$ 1,510,553</b>
<b>Revenues</b>				
Entitlements	3,796,220	255,002	1,985,066	1,212,806
Loan Repayments				
Other Revenue	168,000		120,000	
	<b>3,964,220</b>	<b>255,002</b>	<b>2,105,066</b>	<b>1,212,806</b>
<b>Expenditures</b>				
Program Expenses	969,887	255,002	441,556	
Operating Expenses	1,504,852			
Debt Service - Section 108	2,238,993			
CHDO Set-aside loan pool			297,760	
Economic Development	750,000			
Loan programs	2,171,963		4,509,002	
	<b>7,635,695</b>	<b>255,002</b>	<b>5,248,318</b>	<b>-</b>
<b>Transfers</b>				
Transfer In - Other Funds				
Transfer Out - Waterfront 343				(1,212,806)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,212,806)</b>
<b>Net Annual Activity</b>	<b>(3,671,475)</b>	<b>-</b>	<b>(3,143,252)</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 189,528</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,510,553</b>
	-	-	-	-



**Economic Development Department  
Housing Division, Continued  
2011-12 Adopted Budget**

	<b>FAÇADE Rehab Loan 056</b>	<b>CALHOME Loan 060</b>	<b>State Housing Loan 061</b>	<b>Neighborhood Stabilization Program 063</b>	<b>Housing Total</b>
	<i>See Page J - 28</i>	<i>See Page J - 29</i>	<i>See Page J - 30</i>	<i>See Page J - 31</i>	
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ (3,279)</b>	<b>\$ 391,869</b>	<b>\$ 3,803,895</b>	<b>\$ 12,707,293</b>
<b>Revenues</b>					
Entitlements		900,000		4,280,994	12,430,088
Loan Repayments				455,000	455,000
Other Revenue					288,000
	<u>-</u>	<u>900,000</u>	<u>-</u>	<u>4,735,994</u>	<u>13,173,088</u>
<b>Expenditures</b>					
Program Expenses				525,000	2,191,445
Operating Expenses					1,504,852
Debt Service - Section 108					2,238,993
CHDO Set-aside loan pool					297,760
Economic Development					750,000
Loan programs		896,721		8,014,889	15,592,575
	<u>-</u>	<u>896,721</u>	<u>-</u>	<u>8,539,889</u>	<u>22,575,625</u>
<b>Transfers</b>					
Transfer In - Other Funds					-
Transfer Out - Waterfront 343					(1,212,806)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,212,806)</u>
<b>Net Annual Activity</b>	<u>-</u>	<u>3,279</u>	<u>-</u>	<u>(3,803,895)</u>	<u>(10,615,343)</u>
<b>Ending Available Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,869</u>	<u>\$ -</u>	<u>\$ 2,091,950</u>
	-	-	-	-	-

**Housing Division**  
**Community Development Block Grants - 052 - 054 - 062**  
**2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted (a)</u>
<b>Beginning Available Balance</b>	<b>\$ 29,303,042</b>	<b>\$ 28,405,922</b>	<b>\$ 3,588,951</b>	<b>\$ 3,861,003</b>
<b>Revenues</b>				
CDBG Entitlement	3,749,964	3,548,697	4,530,095	3,796,220
Loan Repayments	26,386	33,940	696,801	150,000
Other Revenue	143,742	291,117	11,559	
Interest	21,621	5,309	(31,028)	18,000
	<u>3,941,713</u>	<u>3,879,063</u>	<u>5,207,427</u>	<u>3,964,220</u>
<b>Expenditures</b>				
Administration	859,123	591,969	571,574	770,430
Program Delivery	565,102	348,923	472,398	734,422
Debt Service - Section 108	1,471,787	2,090,228	2,272,543	2,238,993
Subrecipient Assistance	306,345	255,988	517,860	334,531
Housing Loan Pool	22,159		350,000	2,171,963
Economic Dev Program	7,483		241,000	750,000
Code Enforcement	685,291	684,505	660,223	542,356
Emergency Repair	45,662		20,000	75,000
Infrastructure	25,223	2,255	184	
Other expenditures	830,531	620,555		
Interest Paid to HUD	20,127	23,645	19,121	18,000
	<u>4,838,833</u>	<u>4,618,068</u>	<u>5,124,903</u>	<u>7,635,695</u>
<b>Transfers</b>				
Transfer In - FAÇADE - 056			189,528	
Transfer Out				
	<u>-</u>	<u>-</u>	<u>189,528</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>(897,120)</b>	<b>(739,005)</b>	<b>272,052</b>	<b>(3,671,475)</b>
<b>Ending Available Balance</b>	<b>28,405,922</b>	<b>27,666,917</b>	<b>3,861,003</b>	<b>189,528</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 924,626		
Current liabilities		(271,434)		
Loan commitments		(1,596,255)		
Due from HUD		4,532,014		
Ending Available Balance		<u>\$ 3,588,951</u>		

(a) Adopted budget reflects anticipated 16% grant reduction from HUD.

**Housing Division  
Emergency Shelter Grant - 057  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ (2,765)</b>	<b>\$ (2,081)</b>	<b>\$ (5,914)</b>	<b>\$ -</b>
<b>Revenues</b>				
ESG Entitlement	184,680	167,159	184,195	255,002
HPRP Grant		425,644		
Interest Earned	684	(3,833)	(824)	
	<b>185,364</b>	<b>588,970</b>	<b>183,371</b>	<b>255,002</b>
<b>Expenditures</b>				
ESG Community Program Services	184,680	167,159	184,195	255,002
HPRP Employee Services		8,451		
HPRP Community Program Services		417,193		
	<b>184,680</b>	<b>592,803</b>	<b>184,195</b>	<b>255,002</b>
<b>Transfers</b>				
Transfer In - FAÇADE - 056			6,738	
Transfer Out				
	<b>-</b>	<b>-</b>	<b>6,738</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>684</b>	<b>(3,833)</b>	<b>5,914</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>(2,081)</b>	<b>(5,914)</b>	<b>-</b>	<b>-</b>
<b>Available Balance Calculation</b>				
Cash		\$ (144,416)		
Receivable		182,578		
Accounts payable		(44,076)		
Encumbrances		(1,222,100)		
HPRP commitments		(77,828)		
ESG commitments		(187,533)		
Due from HUD		1,487,461		
Ending Available Balance		<b>\$ (5,914)</b>		

**Housing Division  
HOME - 058/059  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted (a)</b>
<b>Beginning Available Balance</b>	<b>\$ 24,634,335</b>	<b>\$ 24,474,118</b>	<b>\$ 2,026,806</b>	<b>\$ 3,143,252</b>
<b>Revenues</b>				
HOME Program Income	449,071	255,592	2,250,040	1,985,066
HOME Recaptured Funds	215,500	51,424	821,267	120,000
Interest	7,355	9,654	17,275	
Other Revenue	8,505			
	<b>680,431</b>	<b>316,670</b>	<b>3,088,582</b>	<b>2,105,066</b>
<b>Expenditures</b>				
Administration	223,664	168,954	216,332	210,504
CHDO Set-aside loan pool			1,445,000	297,760
Loan programs			211,455	4,509,002
Program Delivery	42,242	42,046	99,349	231,052
Loan Forgiveness	574,742	1,000		
	<b>840,648</b>	<b>212,000</b>	<b>1,972,136</b>	<b>5,248,318</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(160,217)</b>	<b>104,670</b>	<b>1,116,446</b>	<b>(3,143,252)</b>
<b>Ending Available Balance</b>	<b>\$ 24,474,118</b>	<b>\$ 24,578,788</b>	<b>\$ 3,143,252</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 321,985		
Current liabilities		(5,873)		
Loan commitments		(2,127,465)		
Due from HUD		3,838,159		
Ending Available Balance		<b>\$ 2,026,806</b>		

(a) Adopted budget reflects anticipated 12% grant reduction from HUD.

**Housing Division**  
**Special Grant & Loan Programs - 053**  
**2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 12,561,542</b>	<b>\$ 1,519,907</b>	<b>\$ 2,619,220</b>	<b>\$ 1,510,553</b>
<b>Revenues</b>				
EDI Grant Funds (8601)	(245,468)			
BEDI Grant Funds (8602)	729,393	(108,866)		1,212,806
CDBG-R Grant 2009-10 (8229)				
Interest Earnings	(90,744)	79,722	2,789	
	<u>393,181</u>	<u>(29,144)</u>	<u>2,789</u>	<u>1,212,806</u>
<b>Expenditures</b>				
CDBG-R Expenditures			1,128,456	
CIP399 for Morelli	107,169			
	<u>107,169</u>	<u>-</u>	<u>1,128,456</u>	<u>-</u>
<b>Transfers</b>				
Transfer In - FAÇADE - 056			17,000	
Transfer Out - Waterfront - 343	(11,327,647)			(1,212,806)
	<u>(11,327,647)</u>	<u>-</u>	<u>17,000</u>	<u>(1,212,806)</u>
<b>Net Annual Activity</b>	<b>(11,041,635)</b>	<b>(29,144)</b>	<b>(1,108,667)</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 1,519,907</b>	<b>\$ 1,490,763</b>	<b>\$ 1,510,553</b>	<b>\$ 1,510,553</b>
<b>Available Balance Calculation</b>				
Cash		\$ 1,490,582		
Accounts Payable		182		
Due from HUD		1,128,456		
Ending Available Balance		<u>\$ 2,619,220</u>		

**Housing Division  
FACE Rehab Loan - 056  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 218,338</b>	<b>\$ 229,575</b>	<b>\$ 238,457</b>	<b>\$ -</b>
<b>Revenues</b>				
Revenue Source				
Interest Earned	11,237	8,882	5,240	-
	<b>11,237</b>	<b>8,882</b>	<b>5,240</b>	<b>-</b>
<b>Expenditures</b>				
Administration				
Loan Expenditures	-	-	-	-
<b>Transfers</b>				
Transfer In				
Transfer Out - CDBG - 052			(189,528)	
Transfer Out - Special Grant & Loan - 053			(17,000)	
Transfer Out - Emergency Shelter - 057			(6,738)	
Transfer Out - CALHOME - 060			(30,431)	
	<b>-</b>	<b>-</b>	<b>(243,697)</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>11,237</b>	<b>8,882</b>	<b>(238,457)</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>229,575</b>	<b>238,457</b>	<b>-</b>	<b>-</b>
<b>Available Balance Calculation</b>				
Cash		238,457		
Ending Available Balance		<b>\$ 238,457</b>		

**Housing Division  
CALHOME Loan - 060  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 1,530,421</b>	<b>\$ 1,757,574</b>	<b>\$ (33,704)</b>	<b>\$ (3,279)</b>
<b>Revenues</b>				
CalHome Loan Program 2005	10,857	110,100		
CalHome Loan Program 2007	226,447	210,857		
CalHome Loan Program 2009				900,000
Loan Repayments	3,649		814	
Interest Earnings	(13,800)	(4,728)	(820)	
	<b>227,153</b>	<b>316,229</b>	<b>(6)</b>	<b>900,000</b>
<b>Expenditures</b>				
Loans to Property Owners				896,721
	<b>-</b>	<b>-</b>	<b>-</b>	<b>896,721</b>
<b>Transfers</b>				
Transfer In - FAÇADE - 056			30,431	
Transfer Out				
	<b>-</b>	<b>-</b>	<b>30,431</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>227,153</b>	<b>316,229</b>	<b>30,425</b>	<b>3,279</b>
<b>Ending Available Balance</b>	<b>1,757,574</b>	<b>2,073,803</b>	<b>(3,279)</b>	<b>-</b>
<b>Available Balance Calculation</b>				
Cash		\$ (33,704)		
Ending Available Balance		<b>\$ (33,704)</b>		

**Housing Division  
State Housing Loan - 061  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 1,124,578</b>	<b>\$ 1,132,866</b>	<b>\$ 379,573</b>	<b>\$ 391,869</b>
<b>Revenues</b>				
Loan Repayments	3,520	35,243	4,173	
Interest	4,768	14,243	8,123	
	<b>8,288</b>	<b>49,486</b>	<b>12,296</b>	<b>-</b>
<b>Expenditures</b>				
Loans to Property Owners				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>8,288</b>	<b>49,486</b>	<b>12,296</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>1,132,866</b>	<b>1,182,352</b>	<b>391,869</b>	<b>391,869</b>
<b>Available Balance Calculation</b>				
Cash		\$ 377,756		
Receivable		1,817		
Ending Available Balance		<b>\$ 379,573</b>		



**Housing Division**  
**Neighborhood Stabilization Program - 063**  
**2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>		<b>\$ 1,097,294</b>	<b>\$ 5,051,088</b>	<b>\$ 3,803,895</b>
<b>Revenues</b>				
NSP Entitlement	1,167,261	7,663,008		4,280,994
Interest Earned		109,024	51,957	
Other		24		
Loan Repayments			1,064,039	455,000
Fannie Mae Grant			75,000	
	<b>1,167,261</b>	<b>7,772,056</b>	<b>1,190,996</b>	<b>4,735,994</b>
<b>Expenditures</b>				
Administration	66,417	234,243	295,050	500,000
Program Delivery	8,550	112,835	19,649	25,000
Program Loans	(5,000)	679,440	2,123,490	8,014,889
	<b>69,967</b>	<b>1,026,518</b>	<b>2,438,189</b>	<b>8,539,889</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>1,097,294</b>	<b>6,745,538</b>	<b>(1,247,193)</b>	<b>(3,803,895)</b>
<b>Ending Available Balance</b>	<b>1,097,294</b>	<b>7,842,832</b>	<b>3,803,895</b>	<b>-</b>
<b>Available Balance Calculation</b>				
Cash		\$ 3,244,835		
Receivable		46,767		
Accounts Payable		(45,213)		
Due to other government		(75,000)		
Encumbrances		(16,177)		
Loan commitments		(1,419,893)		
Due from HUD		3,315,769		
Ending Available Balance		<b>\$ 5,051,088</b>		

**Economic Development Department  
Property Management  
2011-12 Adopted Budget**

	<b>Parking &amp; Business Improvement Districts 073</b>	<b>City Administration Building 085</b>	<b>Central Pkng 416/417</b>	<b>Marina 460</b>	<b>Property Management Total</b>
	<i>See Page J - 33</i>	<i>See Page J - 34</i>	<i>See Page J - 35</i>	<i>See Page J - 36</i>	
<b>Beginning Available Balance</b>	<b>\$ 63,629</b>	<b>\$ 1,776,969</b>	<b>\$ 168,779</b>	<b>\$ 123,874</b>	<b>\$ 2,133,251</b>
<b>Revenues</b>					
Taxes	864,875				864,875
Fees			5,134,126	217,046	5,351,172
Rent		3,221,190			3,221,190
Other Revenue	636				636
	<b>865,511</b>	<b>3,221,190</b>	<b>5,134,126</b>	<b>217,046</b>	<b>9,437,873</b>
<b>Expenditures</b>					
Operating Expenses	864,875	2,217,793	2,374,663	1,043,778	6,501,109
Debt Service			1,918,416		1,918,416
Capital Improvement		323,553			323,553
	<b>864,875</b>	<b>2,541,346</b>	<b>4,293,079</b>	<b>1,043,778</b>	<b>8,743,078</b>
<b>Transfers</b>					
Transfer In - General Fund				732,000	732,000
Transfer Out - Debt Service 201		(1,500,000)	(774,515)		(2,274,515)
	<b>-</b>	<b>(1,500,000)</b>	<b>(774,515)</b>	<b>732,000</b>	<b>(1,542,515)</b>
<b>Net Annual Activity</b>	<b>636</b>	<b>(820,156)</b>	<b>66,532</b>	<b>(94,732)</b>	<b>(847,720)</b>
<b>Ending Available Balance</b>	<b>\$ 64,265</b>	<b>\$ 956,813</b>	<b>\$ 235,311</b>	<b>\$ 29,142</b>	<b>\$ 1,285,531</b>
	-	-	-	-	-

**Property Management  
Parking & Business Improvement Districts - 073  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ 176,597</b>	<b>\$ 215,005</b>	<b>\$ 100,869</b>	<b>\$ 63,629</b>
<b>Revenues</b>				
Taxes				
Improvement	502,082	427,535	550,395	847,875
Downtown Hospitality District	19,000	17,000		17,000
Interest	10,885	4,018	3,497	636
	<b>531,967</b>	<b>448,553</b>	<b>553,892</b>	<b>865,511</b>
<b>Expenditures</b>				
Pass-Thru				
TBID - Chamber of Commerce	238,002	201,700	163,290	
TBID - Sports Commission	230,045	303,082	208,615	
TBID - Convention & Visitors			199,688	847,875
Downtown Hospitality District		36,000		17,000
Administration	25,512	21,907	19,539	
	<b>493,559</b>	<b>562,689</b>	<b>591,132</b>	<b>864,875</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>38,408</b>	<b>(114,136)</b>	<b>(37,240)</b>	<b>636</b>
<b>Ending Available Balance</b>	<b>\$ 215,005</b>	<b>\$ 100,869</b>	<b>\$ 63,629</b>	<b>\$ 64,265</b>
<b>Available Balance Calculation</b>				
Cash		\$ 109,297		
Accounts Payable		(8,428)		
Ending Available Balance		<b>\$ 100,869</b>		

**Property Management  
City Administration Building - 085  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<u>\$ (274,315)</u>	<u>\$ 939,951</u>	<u>\$ 1,815,060</u>	<u>\$ 1,776,969</u>
<b>Revenues</b>				
Outside Agency Rent	4,685,654	3,190,105	1,828,311	1,881,450
City Rent		668,980	617,520	1,339,740
Interest	37,629	(121,351)	10,953	
	<u>4,723,283</u>	<u>3,737,734</u>	<u>2,456,784</u>	<u>3,221,190</u>
<b>Expenditures</b>				
Administration & Overhead	2,072,248	2,020,505	1,935,822	2,217,793
Capital Improvements				323,553
	<u>2,072,248</u>	<u>2,020,505</u>	<u>1,935,822</u>	<u>2,541,346</u>
<b>Transfers</b>				
Transfer In				
Transfer Out - Debt Service	(1,436,769)	(842,120)	(559,053)	(1,500,000)
	<u>(1,436,769)</u>	<u>(842,120)</u>	<u>(559,053)</u>	<u>(1,500,000)</u>
<b>Net Annual Activity</b>	<u>1,214,266</u>	<u>875,109</u>	<u>(38,091)</u>	<u>(820,156)</u>
<b>Ending Available Balance</b>	<u>\$ 939,951</u>	<u>\$ 1,815,060</u>	<u>\$ 1,776,969</u>	<u>\$ 956,813</u>
<b>Available Balance Calculation</b>				
Cash		\$ 1,839,332		
Accounts Payable		(24,272)		
Ending Available Balance		<u>\$ 1,815,060</u>		

**Property Management  
Central Parking - 416/417  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>			<b>\$ 871,810</b>	<b>\$ 168,779</b>
<b>Revenues</b>				
Assessments	\$ 1,066,194	\$ 1,093,572	1,116,899	1,356,366
Monthly Parking	2,237,176	1,955,854	1,643,146	1,947,090
Hourly Parking	707,602	589,078	513,606	530,000
Parking Meters	536,473	539,054	450,242	750,000
Events	417,227	435,983	432,629	447,400
Other agencies	20,253	133,989	83,933	84,270
Validations / Lot Envelopes	20,921	14,421	29,218	19,000
Other	144,971	108,768	6,282	
Uncollectible A/R	37,737	(70,789)		
	<b>5,188,554</b>	<b>4,799,930</b>	<b>4,275,955</b>	<b>5,134,126</b>
<b>Expenditures</b>				
Administration & Overhead	1,432,819	1,339,376	1,117,177	1,318,638
Utilities	173,132	209,173	177,615	202,121
Rentals	242,807	253,067	233,313	232,231
Maintenance	233,425	152,948	76,252	412,882
Materials & Supplies	97,295	42,643	42,803	47,000
Taxes/Indirect costs	112,737	109,891	109,091	109,091
Other services	60,376	11,562	20,853	52,700
Compensated Absences	5,256	3,355		
Capital Improvement			128,279	
Debt Service - Arena & Coy	1,758,140	1,683,701	1,879,377	1,918,416
	<b>4,115,987</b>	<b>3,805,716</b>	<b>3,784,760</b>	<b>4,293,079</b>
<b>Transfers</b>				
Transfer In				
Transfer Out - General Fund	(774,297)	(777,164)	(606,761)	(774,515)
Transfer Out - Insurance - 541			(587,465)	
	<b>(774,297)</b>	<b>(777,164)</b>	<b>(1,194,226)</b>	<b>(774,515)</b>
<b>Net Annual Activity</b>	<b>\$ 298,270</b>	<b>\$ 217,050</b>	<b>(703,031)</b>	<b>66,532</b>
<b>Ending Available Balance</b>			<b>\$ 168,779</b>	<b>\$ 235,311</b>
<b>Available Balance Calculation</b>				
Cash		\$ 820,830		
Accounts receivable		291,339		
Accounts Payable		(240,359)		
Ending Available Balance		<b>\$ 871,810</b>		

**Property Management  
Downtown Marina Complex - 460  
2011-12 Adopted Budget**

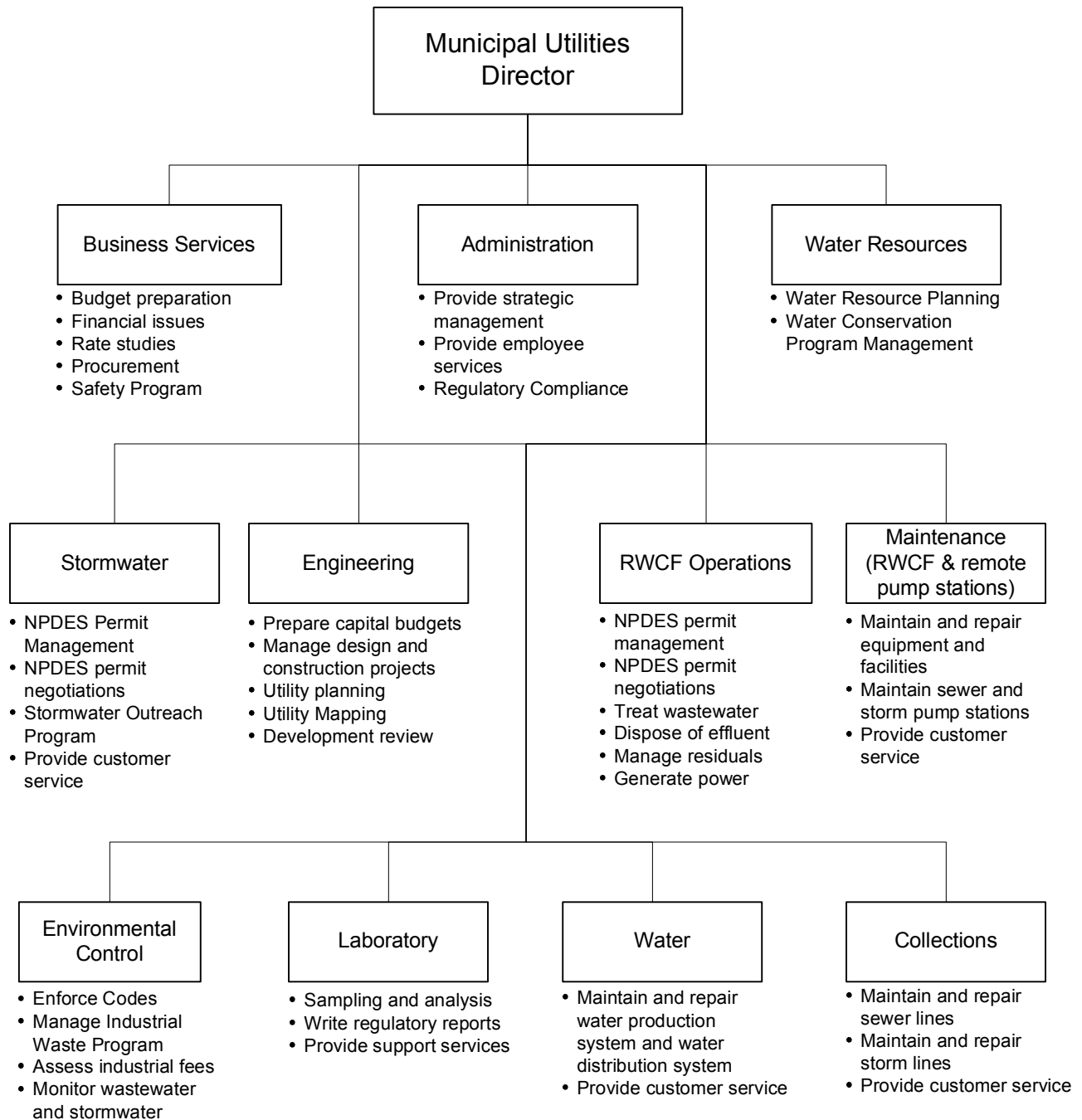
	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ 500,360</b>	<b>\$ 269,259</b>	<b>\$ 123,874</b>
<b>Revenues</b>				
Slip Rental	810	655	191,206	217,046
Morelli Boat Launch	1,250	500		
Loan from Redevelopment	500,000		(500,000)	
Interest Earned	24,637	7,385	1,692	
	<b>526,697</b>	<b>8,540</b>	<b>(307,102)</b>	<b>217,046</b>
<b>Expenditures</b>				
Administration and Overhead		10,713	15,035	16,000
Utilities	1,826	13,564	9,303	9,350
Lease Expense	10,430	11,430		
Publicity & Advertising	14,081	7,778	322	
Repairs and Maintenance		2,781	1,650	
Management Contract		156,719	320,372	374,569
Water Quality Monitoring		36,656	22,454	26,400
Debt Service				
Dept of Boating & Waterways			435,147	617,459
	<b>26,337</b>	<b>239,641</b>	<b>804,283</b>	<b>1,043,778</b>
<b>Transfers</b>				
Transfer In - General Fund			966,000	732,000
Transfer Out				
	<b>-</b>	<b>-</b>	<b>966,000</b>	<b>732,000</b>
<b>Net Annual Activity</b>	<b>500,360</b>	<b>(231,101)</b>	<b>(145,385)</b>	<b>(94,732)</b>
<b>Ending Available Balance</b>	<b>\$ 500,360</b>	<b>\$ 269,259</b>	<b>\$ 123,874</b>	<b>\$ 29,142</b>
<b>Available Balance Calculation</b>				
Cash		\$ 275,228		
Accounts Payable		(5,969)		
Ending Available Balance		<b>\$ 269,259</b>		

# TAB

## Utilities

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# MUNICIPAL UTILITIES DEPARTMENT



**MISSION STATEMENT**

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

**Budget at a Glance:**

Total Expenditures	\$112,060,802
Total Revenues	\$98,822,073
Total Net Cost	\$13,238,729
Total Staff	198

**DEPARTMENTAL DESCRIPTION**

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

The Water Utility provides water service to approximately 42% of the residents within Stockton. California Water Service Company and San Joaquin County serve the remaining 58%. Stockton water is received from two sources; groundwater wells and treated surface water purchased from Stockton East Water District. In addition to providing water that meets drinking water standards, the Water Utility also maintains the water transmission system which includes reservoir tanks, pipelines and fire hydrants; promotes water conservation; and provides long-term water supply planning.

The Wastewater Utility is comprised of an intricate network of nearly 1000 miles of pipeline and 23 pump stations that route wastewater (sewage) to the Regional Wastewater Treatment Facility. The system collects from over 73,000 connections within the City, special districts outside the City, and certain areas within San Joaquin County. The treatment plant is a 55 million gallon per day (MGD) tertiary treatment facility on approximately 690-acres in the southwestern portion of the City adjacent to the San Joaquin River. On average, 33 million gallons of wastewater is treated and clean water is discharged into the San Joaquin River daily.

The Stormwater Utility consists of 77 pump stations, over 620 miles of pipeline, and 22,500 drain inlets which route stormwater from City streets and areas to various lakes and holding basins for discharge into the waterways. Continual maintenance of the system is necessary to prevent surface flooding from runoff. The Stormwater Utility is also responsible for oversight and compliance with the City's National Pollutant Discharge Elimination System (NPDES) permit. The work includes waterway sampling and reporting, system inspections and enforcement, industrial monitoring and enforcement, and public outreach.

**KEY ISSUES**

The Delta Water Supply Project (DWSP), currently under construction, will supply up to 33 million gallons per day of treated, potable water for the City of Stockton, which will reduce the amount of water drawn from groundwater wells and purchased from Stockton East Water District. The new facility is projected to come on-line in 2012. FY 2011-2012 is the first year operating funds are being budgeted for operating the new facility.

## MUNICIPAL UTILITIES DEPARTMENT

### KEY ISSUES – CONTINUED

A 4-year water rate increase was approved by the City Council in 2009. There are two additional years of the tiered increases, 12% in FY 2011-12 and 10% in FY 2012-13, after which only a Consumer Price Index (CPI) increase will be used. The third rate increase for water use and supply will be implemented in FY 2011-12. The final bond issuance of \$55M for the DWSP was completed in October 2010. In addition, the Water Utility was formally awarded \$12.5M in Proposition 84 funding. The financial plan and tiered rate increases identified deficit operating years resulting from construction and start-up of the DWSP. The financial plan identifies declining deficit operations in the next three years. The approved rate structure was designed for the long-term health of the enterprise with the understanding that reserves can cover short-term deficits.

In August, 2010, the Wastewater customers, and Council, approved a 5-year tiered rate increase that would ensure compliance with bond covenants and provide financing for scheduled capital improvement projects, including a Capital Improvement and Energy Management Plan for the treatment facility. Many of the treatment systems at the facility are old, outdated, and not functioning to capacity. The design consultant is providing a phased upgrade plan to rehabilitate and/or replace the current systems to improve output and to better meet anticipated new permit requirements. The first rate increase of 16% went into effect October 1, 2010 and was necessary to meet bond coverage requirements. It is recommended that the Council implement the second increase, also 16%, which is reflected in the FY 2011-12 budget. The increase provides for bond coverage and funding for the immediate infrastructure repairs required at the treatment plant. Future rate increases will be annually evaluated based on operational needs, bond requirements, and the financing plan for the Capital Improvement and Energy Management Plan. The settlement agreement with the State Water Resources Control Board and compliance with the California Sportsfishing Protection Alliance (CSPA) Consent Decree has resulted in increased staffing and equipment costs in the FY 2011-12 budget. The Wastewater Enterprise fund draws on cash balances to off-set an overall deficit due to nearly \$9M in capital improvements.

The Fats, Oils, and Grease (FOG) program has been developed to monitor, check, and reduce deposits into the sewer system. FOG accumulating in the sewer system causes clogs that lead to sanitary sewer overflows. In addition to the FOG program, the Wastewater Utility has also implemented a pipeline televising and maintenance program.

The Stormwater Utility has been operating with a fee that was implemented in 1992 and has never changed. As a result, the Stormwater Enterprise Fund has been under-funded for many years. In 2010, the Stormwater Utility initiated a Proposition 218 ballot measure to approve a new Clean Water fee that would supplement the current fee. The new fee included a future cost of living escalator, but not to exceed 4%. The ballot measure failed and the new fee was not imposed. The rate study prepared for the Proposition 218 ballot determined the utility was under-funded by approximately \$9M a year.

The City is developing strategies to provide adequate funding for the utility. Funding options will be presented to the Council in FY 2011-12. The current fee is insufficient to properly fund the operations and maintenance needs of an aging system along with the extensive National Pollutant Discharge Elimination System (NPDES) permit requirements. Severe cuts in operation and maintenance activities have been implemented to stay within the available budget. Failing to adequately maintain the aged infrastructure will result in increased system failures, pipeline collapse, and possible flooding. Failing to meet mandated permit requirements increases the City's risk of permit non-compliance. Infrastructure improvement projects continue to be on hold pending additional funding. Emergency infrastructure repairs will further reduce funding for operations and maintenance activities.

## MUNICIPAL UTILITIES DEPARTMENT

### FY 10-11 ACCOMPLISHMENTS

- Completed property Acquisition for DWSP Easements and rights-of-way.
- Completed second bond sale for DWSP financing plan.
- Obtained Proposition 84 Grant for DWSP.
- Continued Water Conservation efforts.
- Increased staff to reduce sewer overflows and comply with the California Sportfishing Protection Alliance Consent Decree.
- Passed a phased Wastewater rate adjustment plan to meet bond coverage requirements and fund utility operations.
- Implemented the Fats Oils and Grease program
- Hired a consultant to evaluate the function of the treatment plant and to develop a plan identifying the repairs and replacement necessary to continue to meet regulatory requirements.
- Updated the Sanitary Sewer Management Plan.

### FY 2011-12 OBJECTIVES

- Submit the Urban Water Management Plan for State approval.
- Begin operation of new water treatment plant.
- Maintain 100% compliance with regulatory discharge requirement at treatment plant.
- Design and construct Phase 1 work of the Capital Improvement and Energy Management Plan.
- Prepare a financing plan for the Phase II work in the Capital Improvement and Energy Management Plan.
- Initiate CEQA process for Capital Improvement and Energy Management Plan.
- Track and respond to energy project opportunities.

### FY 2011-12 OBJECTIVES - CONTINUED

- Implement program to improve public safety by using our field crews as a neighborhood watch program for the City.
- Continue to monitor and implement programs necessary for compliance with the stormwater National Pollutant Discharge Elimination System (NPDES) permit.
- Complete update of the Emergency Response Plan.
- Submit Report of Waste Discharge to obtain new Stormwater NPDES permit.
- Prepare and implement a comprehensive plan to stabilize the Stormwater revenue to fully fund the utility.
- Improve the existing Computerized Maintenance Management System (CMMS) and Supervisory Control and Stat Acquisition (SCADA) system to provide electronic remote communications of plant processes and outlying facilities.

### SUMMARY OF SERVICE LEVEL CHANGES

- The primary Water Enterprise service level change is the anticipated operation of the Delta Water Supply Plant. This will result in decreased reliance on water purchases and groundwater extraction. Stockton's water customers should notice no significant change in service level.
- No service level changes are anticipated in the Wastewater Enterprise. However, the Capital Improvement Plan/Energy Management Plan for the treatment plant will provide for a reduced potential of discharge violations and improved plant efficiency and reliability.
- The Stormwater Enterprise is expected to see a decreasing level of service as aging infrastructure continues to degrade. Insufficient funding results in inadequate maintenance of the infrastructure and no budgeted capital improvements. Additionally, any emergency responses as a result of infrastructure failure or flooding will constrain compliance with the discharge permit.



**Utilities  
2011-12 Adopted Budget**

	<b>Water Fund</b>	<b>Wastewater</b>	<b>Storm Water 441</b>	<b>Utilities Total</b>
	<i>See Page K-8</i>	<i>See Page K-10</i>	<i>See Page K-12</i>	
<b>Beginning Available Balance</b>	<b>\$ 45,063,390</b>	<b>\$ 16,894,314</b>	<b>\$ -</b>	<b>\$ 61,957,704</b>
<b>Revenues</b>				
User Services	33,090,421	47,895,823	5,142,913	86,129,157
Connection Fees	1,475,338	750,000		2,225,338
Storm Drain Districts			82,500	82,500
Fines and Penalties	661,808	693,198		1,355,006
General Fund Jarvis Settlement	436,270	676,726		1,112,996
Interest	2,392,120	1,075,000	50,000	3,517,120
Build America Bond Interest Rebate	4,175,006			4,175,006
Other Revenue	10,000	64,950	150,000	224,950
	<b>42,240,963</b>	<b>51,155,697</b>	<b>5,425,413</b>	<b>98,822,073</b>
<b>Expenditures</b>				
Administration	2,184,150	5,816,755	2,891,921	10,892,826
Customer Service	1,044,764	2,161,640	396,301	3,602,705
Operations and Maintenance	7,754,163	30,693,867	1,837,191	40,285,221
Water Treatment	2,650,000			2,650,000
Water Conservation	719,815			719,815
Purchased Water	10,336,187			10,336,187
Debt Service	16,827,643	9,579,968	300,000	26,707,611
Capital Projects	8,051,000	8,815,437		16,866,437
	<b>49,567,722</b>	<b>57,067,667</b>	<b>5,425,413</b>	<b>112,060,802</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(7,326,759)</b>	<b>(5,911,970)</b>	<b>-</b>	<b>(13,238,729)</b>
<b>Ending Available Balance</b>	<b>\$ 37,736,631</b>	<b>\$ 10,982,344</b>	<b>\$ -</b>	<b>\$ 48,718,975</b>
	-	-	-	-
			Revenues	\$ 98,822,073
			Transfers	-
			Total Sources	<b>\$ 98,822,073</b>
			Expenditures	\$ 112,060,802
			Transfers	-
			Total Appropriations	<b>\$ 112,060,802</b>

**Utilities**  
**Water - 421/423/424/425/426/427**  
**2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>			<b>\$ 38,184,849</b>	<b>\$ 45,063,390</b>
<b>Revenues</b>				
User Services	\$ 23,720,829	\$ 25,240,591	29,545,019	33,090,421
% increase		6%	17%	12%
Connection Fees	398,881	839,505	754,728	1,475,338
Fines and Penalties	521,726	527,697	631,683	661,808
General Fund Jarvis Settlement		249,904	436,270	436,270
Interest	1,805,826	2,970,566	2,993,312	2,392,120
Bond Proceeds		174,297,295	55,000,000	
Federal Build America Bond Grant		2,481,809	4,175,006	4,175,006
Prop 84 Grant			12,521,052	
Other Revenue	10,451	601,659	10,685	10,000
	<b>26,457,713</b>	<b>207,209,026</b>	<b>106,067,755</b>	<b>42,240,963</b>
<b>Expenditures</b>				
Administration	2,340,300	1,226,168	1,659,937	2,184,150
Customer Service	796,778	831,002	641,285	1,044,764
Operations and Maintenance	7,542,401	6,889,440	6,657,028	7,754,163
Water Treatment				2,650,000
Water Conservation	229,119	359,041	256,217	719,815
Purchased Water	7,880,488	8,531,784	9,843,988	10,336,187
Debt Service	2,310,483	27,568,403	20,263,885	16,827,643
Capital Projects	9,461,255	135,544,091	59,866,874	8,051,000
	<b>30,560,824</b>	<b>180,949,929</b>	<b>99,189,214</b>	<b>49,567,722</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ (4,103,111)</b>	<b>\$ 26,259,097</b>	<b>6,878,541</b>	<b>(7,326,759)</b>
<b>Ending Available Balance</b>			<b>\$ 45,063,390</b>	<b>\$ 37,736,631</b>
<b>Debt Service Coverage</b>				
Senior Debt Coverage Calculation				5.51
Subordinate Debt Coverage Calculation				1.28
Bond Coverage Requirement				1.15
<b>Available Balance Calculation</b>			<b>Reserves</b>	
Cash	\$ 42,386,797		Operating	\$ 24,960,462
Cash with Fiscal Agent- Construction	112,569,965		Bond	12,776,169
Cash with Fiscal Agent- Capitalized Interest	3,046,061			<b>\$ 37,736,631</b>
Accounts Receivable	2,327,065			
Current Liabilities	(16,037,208)			
Encumbrances	(73,200,010)			
Capital Appropriations	(32,907,821)			
Ending Available Balance	<b>\$ 38,184,849</b>			



**Utilities**  
**Water - 421/423/424/425/426/427**  
**2011-12 Adopted Budget**

	<b>FY 2012-2013 Projected</b>	<b>FY 2013-2014 Projected</b>	<b>FY 2014-2015 Projected</b>	<b>FY 2015-2016 Projected</b>
<b>Beginning Available Balance</b>	<b>\$ 37,736,631</b>	<b>\$ 35,734,434</b>	<b>\$ 32,391,042</b>	<b>\$ 32,148,133</b>
<b>Revenues</b>				
User Services	37,061,271	37,802,497	38,558,547	39,329,718
% increase	12%	2%	2%	2%
Connection Fees	782,109	800,576	1,643,001	1,683,115
Fines and Penalties	741,225	756,050	771,171	786,594
General Fund Jarvis Settlement	436,270	436,270	436,270	436,270
Interest	1,675,288	1,632,797	1,579,908	1,544,575
Bond Proceeds				
Build America Bond	4,175,006	4,175,006	4,175,006	4,175,006
Prop 84 Grant				
Other Revenue	10,000	10,000	10,000	10,000
	<b>44,881,169</b>	<b>45,613,196</b>	<b>47,173,903</b>	<b>47,965,278</b>
<b>Expenditures</b>				
Administration	2,249,675	2,317,165	2,386,680	2,458,280
Customer Service	1,076,107	1,108,390	1,141,642	1,175,891
Operations and Maintenance	7,986,787	8,226,392	8,473,183	8,727,379
Water Treatment	3,932,913	4,355,535	4,477,490	4,611,815
Water Conservation	737,810	756,256	775,162	794,541
Purchased Water	8,399,858	8,651,854	8,911,409	9,178,752
Debt Service	19,784,320	19,785,996	19,785,246	19,782,843
Capital Projects	2,715,896	3,755,000	1,466,000	1,466,000
	<b>46,883,366</b>	<b>48,956,588</b>	<b>47,416,812</b>	<b>48,195,501</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(2,002,197)</b>	<b>(3,343,392)</b>	<b>(242,909)</b>	<b>(230,223)</b>
<b>Ending Available Balance</b>	<b>\$ 35,734,434</b>	<b>\$ 32,391,042</b>	<b>\$ 32,148,133</b>	<b>\$ 31,917,910</b>
<b>Debt Service Coverage</b>				
Senior Debt Coverage Calculation	5.37	5.28	5.08	5.09
Subordinate Debt Coverage Calculation	1.15	1.15	1.15	1.15
Bond Coverage Requirement	1.15	1.15	1.15	1.15
<b>Reserves</b>				
Operating	\$ 23,032,698	\$ 19,689,306	\$ 19,446,397	\$ 19,216,174
Bond	12,701,736	12,701,736	12,701,736	12,701,736
	<b>\$ 35,734,434</b>	<b>\$ 32,391,042</b>	<b>\$ 32,148,133</b>	<b>\$ 31,917,910</b>

**Utilities**  
**Wastewater - 431/433/434/435/437**  
**2011-12 Adopted Budget**

	<b>FY 2008-2009</b>	<b>FY 2009-2010</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Adopted</b>
<b>Beginning Available Balance</b>			<b>\$ 6,796,653</b>	<b>\$ 16,894,314</b>
<b>Revenues</b>				
User Services	34,896,040	36,365,167	40,167,312	47,895,823
% increase		4%	10%	19%
Connection Fees	1,196,595	1,373,334	720,000	750,000
Fines and Penalties	654,815	658,549	680,130	693,198
General Fund Jarvis Settlement			676,726	676,726
Interest	1,960,040	1,072,455	1,052,000	1,075,000
Other Revenue	56,478	236,614	79,389	64,950
	<b>38,763,968</b>	<b>39,706,119</b>	<b>43,375,557</b>	<b>51,155,697</b>
<b>Expenditures</b>				
Administration	6,062,690	5,976,390	3,837,242	5,816,755
Customer Service	1,352,108	1,410,186	1,750,000	2,161,640
Operations and Maintenance	25,651,486	22,680,780	24,774,496	30,693,867
Debt Service	5,008,209	4,880,247	5,016,158	9,579,968
Capital Projects	4,182,080	6,633,490	(2,100,000)	8,815,437
	<b>42,256,573</b>	<b>41,581,093</b>	<b>33,277,896</b>	<b>57,067,667</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ (3,492,605)</b>	<b>\$ (1,874,974)</b>	<b>10,097,661</b>	<b>(5,911,970)</b>
<b>Ending Available Balance</b>			<b>\$ 16,894,314</b>	<b>\$ 10,982,344</b>

**Debt Service Coverage**

Debt Coverage Calculation w/ Connection Fees	1.60
Bond Coverage Requirement w/ Connection Fees	1.25
Bond Coverage Requirement w/o Connection Fees	1.00

**Available Balance Calculation**

Cash and Interest receivable	\$ 36,743,459
Current Liabilities	(1,213,348)
Encumbrances	(9,850,604)
Capital Appropriations	(18,882,854)
Ending Available Balance	<b>\$ 6,796,653</b>

**Utilities**  
**Wastewater - 431/433/434/435/437**  
**2011-12 Adopted Budget**

	<b>FY 2012-2013 Projected</b>	<b>FY 2013-2014 Projected</b>	<b>FY 2014-2015 Projected</b>	<b>FY 2015-2016 Projected</b>
<b>Beginning Available Balance</b>	<b>\$ 10,982,344</b>	<b>\$ 9,524,960</b>	<b>\$ 9,809,861</b>	<b>\$ 13,808,581</b>
<b>Revenues</b>				
User Services	52,206,447	56,905,027	62,026,480	63,267,009
% increase	9%	9%	9%	2%
Connection Fees	751,500	753,003	754,509	756,018
Fines and Penalties	755,586	823,589	897,712	915,666
General Fund Jarvis Settlement	676,726	676,726	676,726	676,726
Interest	1,093,750	1,113,063	1,132,954	1,153,443
Other Revenue	66,599	68,296	70,045	71,847
	<b>55,550,608</b>	<b>60,339,704</b>	<b>65,558,426</b>	<b>66,840,709</b>
<b>Expenditures</b>				
Administration	6,107,593	6,412,972	6,733,621	7,070,302
Customer Service	2,269,722	2,383,208	2,502,369	2,627,487
Operations and Maintenance	32,228,559	33,839,988	35,531,987	37,308,587
Debt Service	7,402,118	7,398,635	7,400,729	7,624,525
Capital Projects	9,000,000	10,020,000	9,391,000	4,989,000
	<b>57,007,992</b>	<b>60,054,803</b>	<b>61,559,706</b>	<b>59,619,901</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(1,457,384)</b>	<b>284,901</b>	<b>3,998,720</b>	<b>7,220,808</b>
<b>Ending Available Balance</b>	<b>\$ 9,524,960</b>	<b>\$ 9,809,861</b>	<b>\$ 13,808,581</b>	<b>\$ 21,029,389</b>
<b><u>Debt Service Coverage</u></b>				
Debt Coverage Calculation w/ Connection Fees	1.93	2.31	2.73	2.60
Bond Coverage Requirement w/ Connection Fees	1.25	1.25	1.25	1.00
Bond Coverage Requirement w/o Connection Fees	1.00	1.00	1.00	1.25

**Utilites**  
**Stormwater - 441**  
**2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>			<b>\$ 833,728</b>	<b>\$ -</b>
<b>Revenues</b>				
User Services	\$ 5,275,905	\$ 5,380,960	5,320,963	5,142,913
<i>% increase</i>		2%	-1%	-3%
Admin Fee Storm Drains	78,000	82,500	82,500	82,500
Agency Reimbursements	144,173	191,523	168,112	150,000
Interest	146,971	54,961	75,000	50,000
	<u><b>5,645,049</b></u>	<u><b>5,709,944</b></u>	<u><b>5,646,575</b></u>	<u><b>5,425,413</b></u>
<b>Expenditures</b>				
Administration	3,329,727	3,505,020	2,890,883	2,891,921
Customer Service	265,593	277,001	344,824	396,301
Operations and Maintenance	1,142,776	2,477,899	2,944,596	1,837,191
Water Treatment	1,632,358			
Capital Projects	145,255	15,519		
Debt Service			300,000	300,000
	<u><b>6,515,709</b></u>	<u><b>6,275,439</b></u>	<u><b>6,480,303</b></u>	<u><b>5,425,413</b></u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u><b>\$ (870,660)</b></u>	<u><b>\$ (565,495)</b></u>	<u><b>(833,728)</b></u>	<u><b>-</b></u>
<b>Ending Available Balance</b>			<u><b>\$ -</b></u>	<u><b>\$ -</b></u>
<b>Available Balance Calculation</b>			<b>Unfunded System Requirements</b>	
Cash		\$ 1,645,271	Operating Budget	\$ 4,349,532
Accounts Receivable		779,368	Capital Projects	496,498
Accounts Payable		210,837	Payment to General Fund	
Capital Projects		(584,804)		<u><b>\$ 4,846,030</b></u>
Encumbrances		(1,216,944)		
Ending Available Balance		<u><b>\$ 833,728</b></u>		

**Utilities**  
**Stormwater - 441**  
**2011-12 Adopted Budget**

	<b>FY 2012-2013 Projected</b>	<b>FY 2013-2014 Projected</b>	<b>FY 2014-2015 Projected</b>	<b>FY 2015-2016 Projected</b>
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ 89,425</b>	<b>\$ 178,850</b>	<b>\$ 268,275</b>
<b>Revenues</b>				
User Services	5,142,913	5,142,913	5,142,913	5,142,913
<i>% increase</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
Admin Fee Storm Drains	82,500	82,500	82,500	82,500
Agency Reimbursements	150,000	150,000	150,000	150,000
Interest	50,000	50,000	50,000	50,000
	<b>5,425,413</b>	<b>5,425,413</b>	<b>5,425,413</b>	<b>5,425,413</b>
<b>Expenditures</b>				
Administration	3,102,496	3,102,496	3,102,496	3,102,496
Customer Service	396,301	396,301	396,301	396,301
Operations and Maintenance	1,837,191	1,837,191	1,837,191	1,837,191
Water Treatment				
Capital Projects				
Debt Service				
	<b>5,335,988</b>	<b>5,335,988</b>	<b>5,335,988</b>	<b>5,335,988</b>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>89,425</b>	<b>89,425</b>	<b>89,425</b>	<b>89,425</b>
<b>Ending Available Balance</b>	<b>\$ 89,425</b>	<b>\$ 178,850</b>	<b>\$ 268,275</b>	<b>\$ 357,700</b>
<b>Unfunded System Requirements</b>				
Operating Budget	\$ 4,631,490	\$ 4,925,944	\$ 5,229,527	\$ 5,546,225
Capital Projects	5,434,000	6,189,000	2,575,000	2,625,000
Payment to General Fund	615,395	615,395	615,395	615,395
	<b>\$ 10,680,885</b>	<b>\$ 11,730,339</b>	<b>\$ 8,419,922</b>	<b>\$ 8,786,620</b>



# **TAB**

## **Administration and Support**

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**Administration and Support**  
**2011-12 Adopted Budget**

	<b>Charter Offices</b>	<b>Administrative Services</b>		<b>Human Resources</b>	
	<b>City Council, Manager, Clerk, Attorney, Auditor 010 - Plan B</b>	<b>General Fund 010 - Plan B</b>	<b>Technology Internal Service 502/508</b>	<b>General Fund 010 - Plan B</b>	<b>Insurance and Benefits Internal Service 541-562</b>
	<i>See Page L - 21</i>	<i>See Page L - 31</i>	<i>See Page O - 9-13</i>	<i>See Page L - 37</i>	<i>See Page O - 14-20</i>
<b>Beginning Available Balance</b>			<b>\$ 1,039,849</b>		<b>\$ (44,582,449)</b>
<b>Revenues</b>					
Operating Revenues			11,527,406		104,446,695
Other Revenue	\$ 26,353	\$ 36,625			4,592,412
	<b>26,353</b>	<b>36,625</b>	<b>11,527,406</b>	<b>-</b>	<b>109,039,107</b>
<b>Expenditures</b>					
Employee Services	2,683,324	2,515,737		\$ 879,382	
Other Services	563,640	622,557		287,350	
Materials and Supplies	47,982	50,083		17,600	
Capital Projects			1,559,056		
Debt Service			325,000		7,196,217
Other Expenses	42,290	13,250	10,546,074	88,000	99,899,419
	<b>3,337,236</b>	<b>3,201,627</b>	<b>12,430,130</b>	<b>1,272,332</b>	<b>107,095,636</b>
	-	-	-	-	-
<b>Transfers</b>					
Transfer In - General Fund					
Transfer In - Other Funds					
Transfer Out - Other Funds					
	-	-	-	-	-
<b>Net Annual Activity</b>	<b>\$ (3,310,883)</b>	<b>\$ (3,165,002)</b>	<b>(902,724)</b>	<b>\$ (1,272,332)</b>	<b>1,943,471</b>
			-		
<b>Ending Available Balance</b>			<b>\$ 137,125</b>		<b>\$ (42,638,978)</b>
			-		-

**Administration and Support, Continued**  
**2011-12 Adopted Budget**

	<b>Non-Department</b>					
	<b>General Fund 010 - Plan B</b>	<b>Entertainment Venues 086</b>	<b>Other Special Programs 642/627</b>	<b>Debt</b>	<b>Capital</b>	<b>Administration &amp; Support Total</b>
	<i>See Page L - 42</i>	<i>See Page L - 45</i>		<i>See Page M - 6</i>	<i>See Page N - 29</i>	
<b>Beginning Available Balance</b>		<b>\$ 112</b>	<b>\$ 92,747</b>			
<b>Revenues</b>						
Operating Revenues		4,813,520				\$ 120,787,621
Other Revenue	\$ 90,000		99,179	\$ 18,711,936	\$ 45,091,119	68,647,624
	<b>90,000</b>	<b>4,813,520</b>	<b>99,179</b>	<b>18,711,936</b>	<b>45,091,119</b>	<b>189,435,245</b>
<b>Expenditures</b>						
Employee Services	746,886					6,825,329
Other Services	6,255,521	131,114				7,860,182
Materials and Supplies	2,625					118,290
Capital Projects					43,243,000	44,802,056
Debt Service				24,840,587	248,779	32,610,583
Other Expenses	496,500	7,123,817	114,913	1,034,464	111,492	119,470,219
	<b>7,501,532</b>	<b>7,254,931</b>	<b>114,913</b>	<b>25,875,051</b>	<b>43,603,271</b>	<b>211,686,659</b>
<b>Transfers</b>						
Transfer In - General Fund		2,441,299		1,362,998	575,000	4,379,297
Transfer In - Other Funds	774,515			5,965,775		6,740,290
Transfer Out - Other Funds	(7,335,767)				(2,690,050)	(10,025,817)
	<b>(6,561,252)</b>	<b>2,441,299</b>	<b>-</b>	<b>7,328,773</b>	<b>(2,115,050)</b>	<b>1,093,770</b>
<b>Net Annual Activity</b>	<b>\$(13,972,784)</b>	<b>(112)</b>	<b>(15,734)</b>	<b>\$ 165,658</b>	<b>\$ (627,202)</b>	<b>\$ (21,157,644)</b>
<b>Ending Available Balance</b>		<b>\$ -</b>	<b>\$ 77,013</b>			
		-	-			
					Expenditures	\$ 211,686,659
					Transfers	10,025,817
					Total Sources	<b>\$ 221,712,476</b>
					Administration	\$ 20,241,325
					Insurance and Benefits	107,095,636
					Non-Departmental	22,207,143
					Debt Service	25,875,051
					Capital	46,293,321
						<b>\$ 221,712,476</b>

**MISSION STATEMENT**

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

**Budget at a Glance:**

Total Expenditures	\$521,797
Total Revenues	\$0
Total Net Cost	\$521,797
Total Staff	8

**DEPARTMENTAL DESCRIPTION**

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

**KEY ISSUES**

Immediate and long-term challenges face the City of Stockton. Stockton's revenues have been impacted by the housing crisis and lower property taxes, reduced development and associated fees, significantly reduced sales tax and other taxes and fees, and an economic recession with 21.5% unemployment. Escalating and unfunded City labor costs and obligations, including salaries, healthcare, retirement benefits and retiree medical, have created a burden that the City can no longer address through program and service reductions and eliminations. This imbalance between the City's revenue base and its cost structure has resulted in a fiscal crisis and a City-wide Declaration of Fiscal Emergency, requiring permanent and structural change. In addition, changes to State and Federal budgets and funding uncertainties may significantly impact opportunities for redevelopment and revitalization of the community.

The safety and well-being of our citizens is paramount. A reduced City workforce and antiquated technology has restricted and limited effective service delivery. Reductions in the Police and Fire Departments have resulted in both real and perceived public safety issues. The level of crime in Stockton is unacceptable. Reducing crime is essential to a quality of life that will encourage economic development and result in job growth and a revitalized Stockton.

The Council has stayed focused through these inherited challenges and recently adopted a Work Plan that responds to the immediate fiscal challenges but with a refusal to be totally defined by it. The Council had adopted four specific goals (see next page) along with strategic initiatives that address the current fiscal issues and plans for the future.

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## CITY COUNCIL

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### FY 10-11 ACCOMPLISHMENTS

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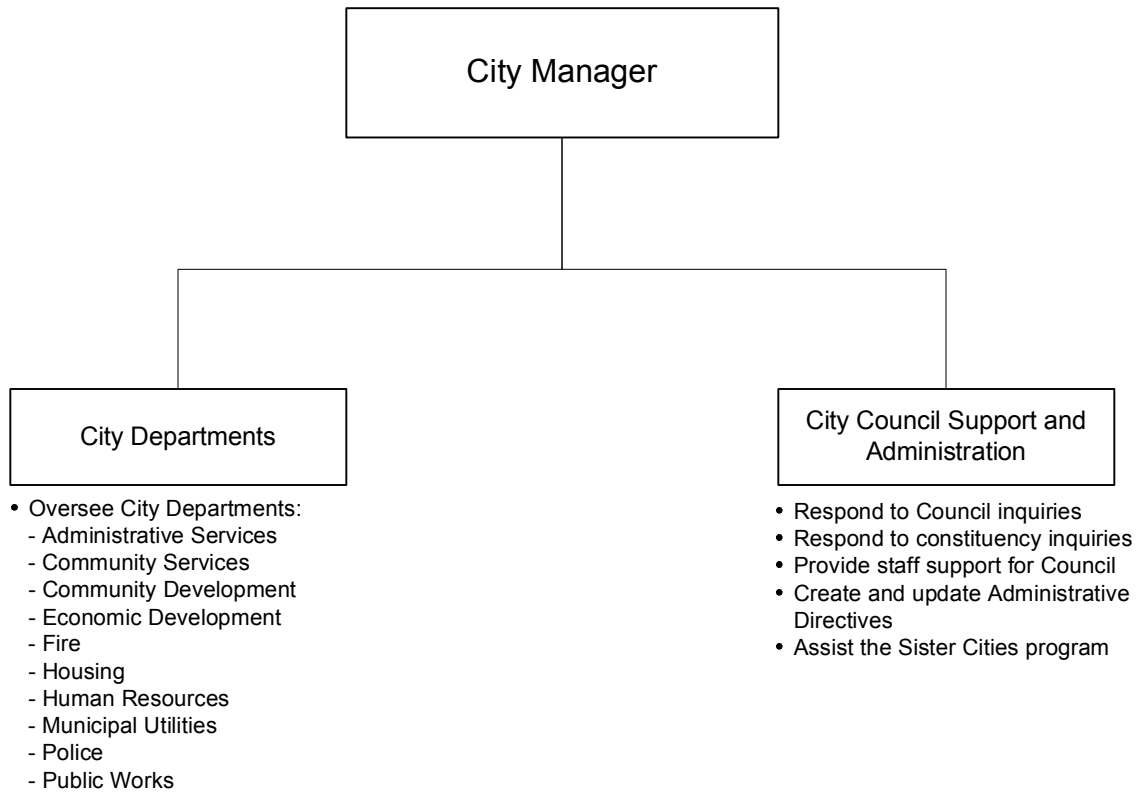
- Implemented reductions and applied principles in the 10-point Action Plan for Fiscal Sustainability for labor negotiations and to regain management rights
- Hired City Manager with over 30 years municipal government/finance experience
- Passage of Measure G – Renewal of authorization for low-income housing
- Passage of Measure H – Stockton Fire Department Charter Amendments
- Passage of Measure I – Business Tax on Permitted Medical Cannabis Sales
- Renewed/Declared City-wide Fiscal Emergency to effectively and efficiently manage limited resources in a period of fiscal crisis
- Adopted 4 Council Goals to focus efforts, articulate a vision, and develop strategies for sustaining City services during the economic recession
- Increased transparency with public outreach and engagement

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### FY 2011-12 OBJECTIVES

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- Fiscal Sustainability – Getting our fiscal house in order
- Increase Public Safety, both real and perceived
- Economic Development – Facilitate investment and job creation
- Increase Organizational Capacity



# CITY MANAGER



**MISSION STATEMENT**

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

**Budget at a Glance - Plan B:**

Total Expenditures	\$735,926
Total Revenues	\$0
Total Net Cost	\$735,926
Total Staff	10

**DEPARTMENTAL DESCRIPTION**

The Office of the City Manager provides direction and administration of City departments under the policy direction of the City Council. Other functions within the City Manager's Office include: Operation Peacekeeper, Grants, Public Information Office and Channel 97 Government Access Cable Channel. In addition, the Office of the City Manager provides oversight of the operation and maintenance of the four City-owned entertainment venues: Stockton Arena, Stockton Ballpark, Bob Hope Theatre and Oak Park Ice Arena.

**KEY ISSUES**

Stockton's revenues have significantly declined due to the housing crisis and economic recession. Escalating labor and healthcare costs have outpaced revenue. The City can no longer meet labor costs and commitments made in the past. The City must adjust employee compensation to the labor market by reducing its pension costs and requiring employees to contribute more toward their retirement, having employees pay a fair share of healthcare costs and eliminating additional pays that are not common to other comparable cities. The Action Plan for Fiscal Sustainability (adopted last fiscal year) provides the guiding principles for addressing the fiscal crisis with City labor groups, including the City's healthcare plans and regaining management rights.

Permanent and structural change to employee compensation will allow the City to maintain essential services and plan to address long-term unfunded liabilities. Focused economic development activities must facilitate investment and job creation to recover and build the City's tax base. Service and delivery models must change to improve efficiencies and make better use of technology. Continuous process improvement must be implemented to maintain basic service levels for the community, including a "top down" assessment of City regulatory plans, fee structure and departmental performance to retool the organization and support economic activities.

Real and perceived public safety issues will be addressed with the equivalent of the Marshall Plan with the City convening and engaging all stakeholders to rebuild the community.

Work Plans have been developed around the 4 Council Goals with specific projects, programs, plans and improvements that will assist in maximizing opportunities, addressing challenges, implementing solutions and responding to the community's needs and values.

## OFFICE OF THE CITY MANAGER

### FY 10-11 ACCOMPLISHMENTS

- Managed City budget and City operations with transparency, through a declared Fiscal Emergency, and in the absence of reserves
- Developed Work Plans to accomplish Council Goals
- Hired Deputy City Manager with Economic Development and City Manager expertise
- Contracted with SMG to manage City-owned entertainment venues
- Secured appropriate, skilled resources to identify business process improvements and potential cost savings, including healthcare costs for active and retired employees
- Evaluated City employee compensation packages in comparison to labor market as a basis for negotiating labor concession to assist with addressing the City budget deficit
- Entered bargaining with all employee groups to obtain necessary concessions and costs savings to address current and projected deficits
- Led efforts to resolve long standing issues e.g. emergency medical services, library contract, new Tourism Business Improvement District, etc.

### FY 2011-12 OBJECTIVES

- Begin developing the equivalent of the Marshall Plan to address public safety issues, maximizing the skills of all employees for the safety of the entire community
- Implement the principles of the 10-point Action Plan for Fiscal Sustainability to achieve employee compensation appropriate to the labor market
- Secure an independent review of employee benefits and insurance programs to ensure they are cost effective and supported in the labor market
- Begin working with retirees/employees to develop strategy and plan to address retiree medical unfunded liability
- Propose and adopt a multi-year fiscal plan that results in a balanced budget
- Retool regulatory plans, fee structure and departmental performance to support economic activity that will produce jobs
- Convene stakeholders and develop actionable Economic Development Plan
- Plan for and introduce technology to increase productivity, provide online access to City services and improve communications with employees and the public, including the use of web-based services and Social Media

### SUMMARY OF SERVICE LEVEL CHANGES

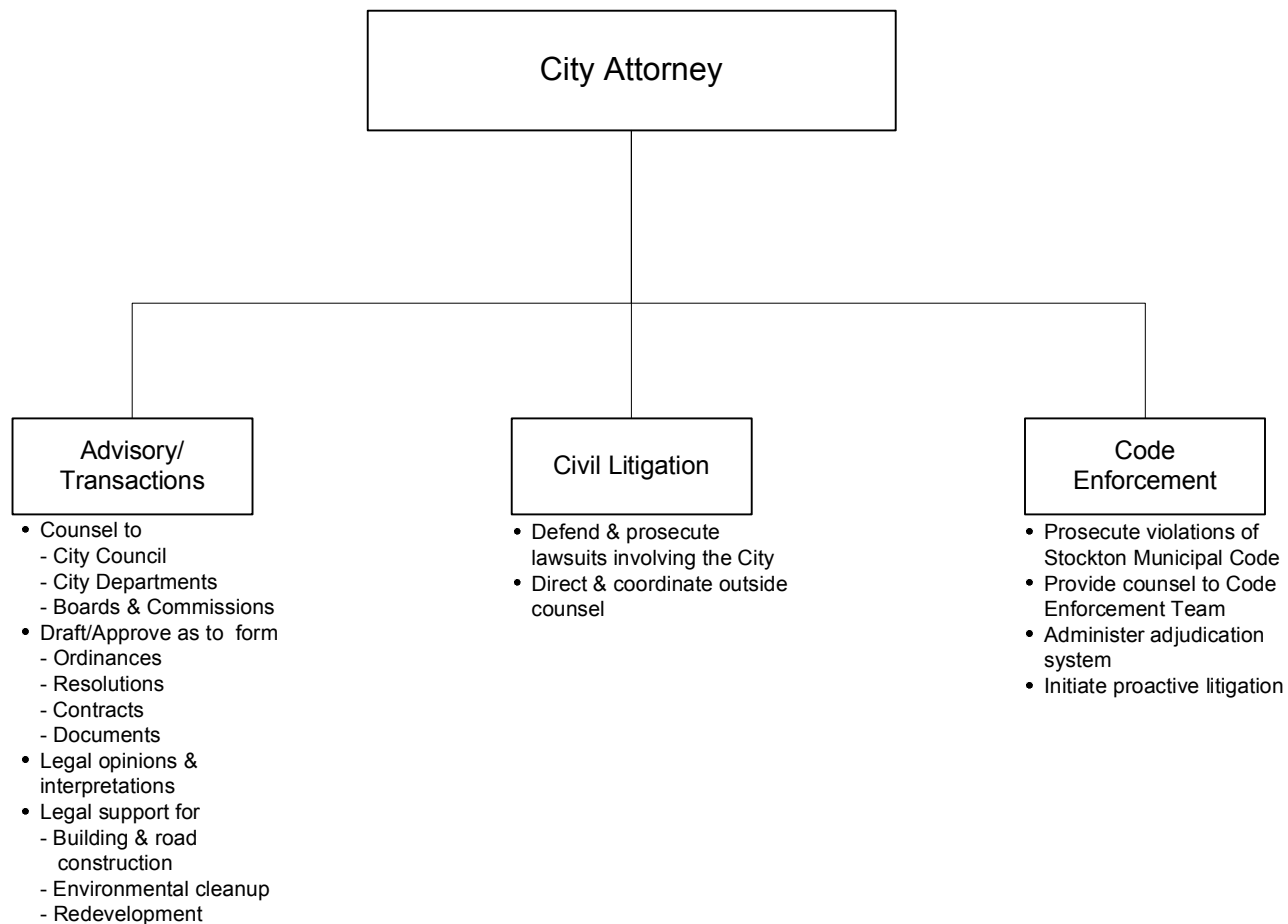
#### Budget Plan A

- Eliminate 2 full-time clerical positions

#### Budget Plan B

- Eliminate 1 full-time clerical position





# CITY ATTORNEY



**MISSION STATEMENT**

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

**Budget at a Glance – Plan B:**

Total Expenditures	\$913,115
Total Revenues	\$300
Total Net Cost	\$912,815
Total Staff	11

**DEPARTMENTAL DESCRIPTION**

The Office of the City Attorney consists of one city attorney, one assistant city attorney, six deputy city attorneys, one executive assistant, and two legal secretaries. This department is comprised of two divisions. One division, comprised of three deputy city attorneys and one legal secretary, is focused on litigation and labor matters. The second division, consisting of three deputy city attorneys and one legal secretary, is focused on advisory matters and code enforcement.

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

**KEY ISSUES**

The City, due to its size and complexity, suffers a significant amount of litigation filed against it annually, both by members of the public and the City's employees. Managing this litigation in a cost-effective manner, without sacrificing the quality of representation, is a constant challenge that is best met through an emphasis on handling matters with in-house resources to the extent practicable. While resorting to outside litigation resources is necessary at times, the maximization of the City's in-house litigation capabilities is reflected in the choices presented. Reductions made due to funding constraints have been confined to the advisory functions of the department. While this will cause narrowing of the range of services provided and some delays in the delivery of services to the City's departments, the delays should be manageable given present circumstances and are preferable to reductions in the City's in-house litigation capacity, which would cause more matters to be assigned to outside firms at a greater overall cost.

The department will be less able to deliver advisory projects on a timely basis and faces a myriad of liability challenges and exposures. These exposures are a result of the temporary reduction of staff dedicated to that function. However, the litigation capacity of the department will be maintained.

## OFFICE OF THE CITY ATTORNEY

### FY 10-11 ACCOMPLISHMENTS

- Settled or resolved several significant litigation cases including: Anyanwu, Ewing, and Bobo. Successfully shut down the Pathways medical marijuana dispensary. Settled several other potentially high value cases. Closed approximately 193 claims and tort lawsuits.
- Assisted the City Manager's Office in reaching agreement with San Joaquin County to resolve the Ambulance/Dispatch litigation.
- Prevailed in the arbitration involving misuse of city time by motorcycle officers.
- Prepared new ordinance regarding green building.
- Prepared a new Medical Cannabis Dispensary ordinance, created guidelines, and provided oversight of the selection process for three dispensaries.
- Prepared contract with Stockton Convention and Visitor's Bureau for the new Tourism Business Improvement District.

### FY 2011-12 OBJECTIVES

- Assist City Council in achieving 4 Council Goals.
- Assist City Departments in achieving 4 Council Goals.
- Resolve major outstanding litigation matters.
- Reduce reliance on outside counsel despite increased volume of litigation and claims.
- Maintain high level of customer service.

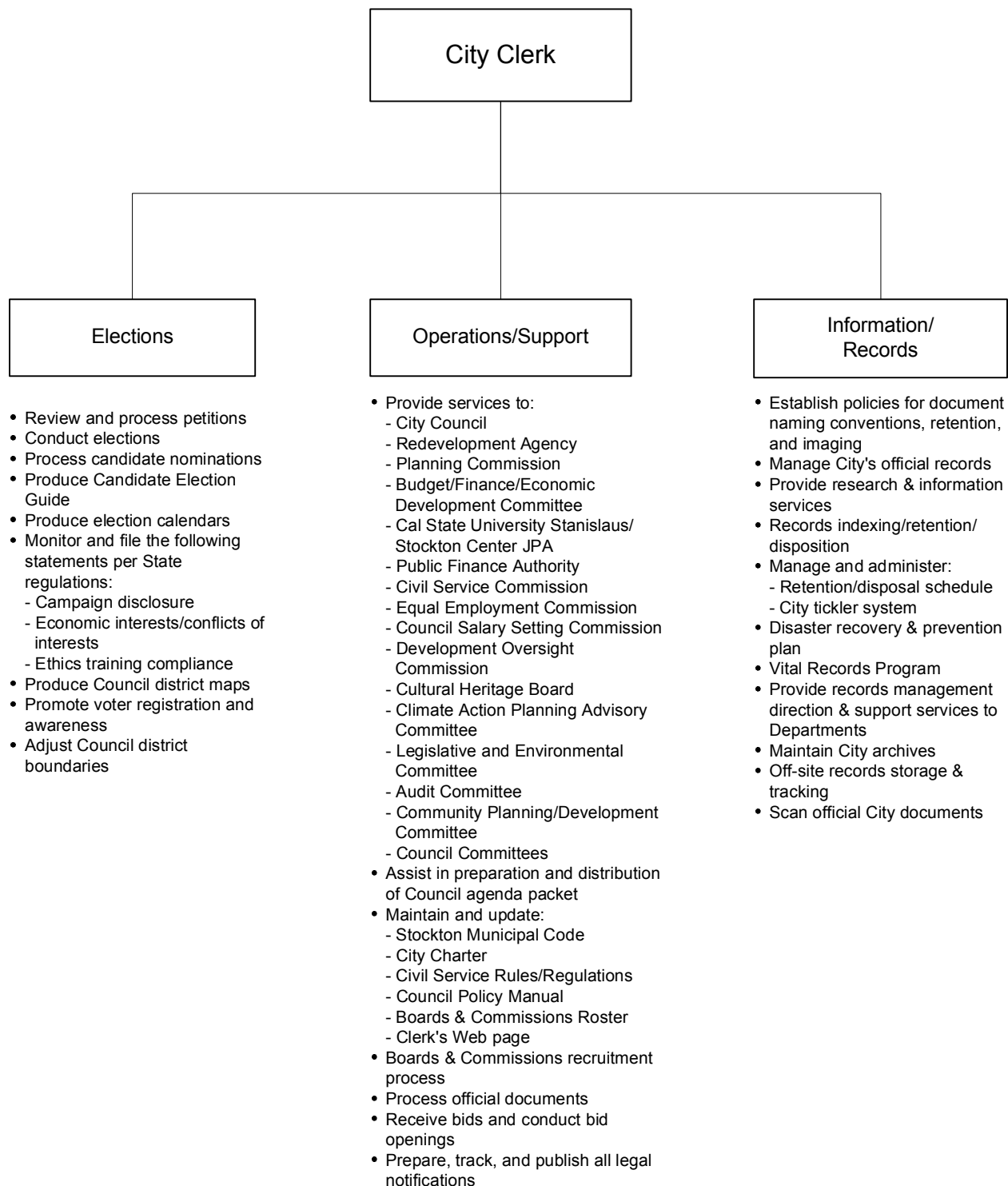
### SUMMARY OF SERVICE LEVEL CHANGES

#### Budget Plan A

- Hold one deputy city attorney position vacant
- Assistant City Attorney to remain part-time

#### Budget Plan B

- No change



# CITY CLERK



## MISSION STATEMENT

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

## Budget at a Glance – Plan B:

Total Expenditures	\$760,597
Total Revenues	\$26,053
Total Net Cost	\$734,544
Total Staff	6

## DEPARTMENTAL DESCRIPTION

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

The Office of the City Clerk has three divisions: Elections, Operations and Records.

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

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

The Records Division receives, indexes, classifies and files records applicable to the actions of the City Council, Redevelopment Agency, Public Financing Authority, Civil Service Commission and the Equal Employment Commission. In addition, the Division researches and retrieves records for the public and other City Departments, as requested, and maintains contract and deed inventories, providing assistance to other City departments in setting up records systems.

The Records Division develops and implements records retention policy in accordance with State of California statutes and good records management principles, preserving the hard copies and/or microfilm of designated permanent records and preservation of records electronically and identifying and destroying designated records which have fulfilled their administrative, fiscal, and/or legal value.

## KEY ISSUES

Insufficient technology and the lack of training of staff on the use of existing technologies throughout City departments impacts the City Clerk's Office, creating the need for staff follow-up and corrections. Records provided to this office for filing are not complete or incorrect versions are submitted as the official record. Inconsistent indexing of documents being submitted increases time spent to locate records for Freedom of Information Act requests.

## OFFICE OF THE CITY CLERK

### FY 10-11 ACCOMPLISHMENTS

- Council District boundaries adjusted to comply with State & Federal Voting Rights Act and City Charter
- Council Policies are now maintained electronically and accessible from the City's website
- Revised Council Policy 100-2, City Council and Mayoral Appointments to Boards, Commissions, and Committees to include additional ethics workshop training, expand outreach, and strengthen attendance requirements and dismissal criteria
- Developed Boards and Commission Handbook
- Developed the City Council Handbook
- Streamlined Boards and Commissions interview process

### FY 2011-12 OBJECTIVES

- Update and reformat the Concurrent City Council/Redevelopment Agency agenda to include the Public Financing Authority
- Implement OnBase electronic document storage technology for the Clerk's Office
- Implement electronic agenda management software for City meetings

### SUMMARY OF SERVICE LEVEL CHANGES

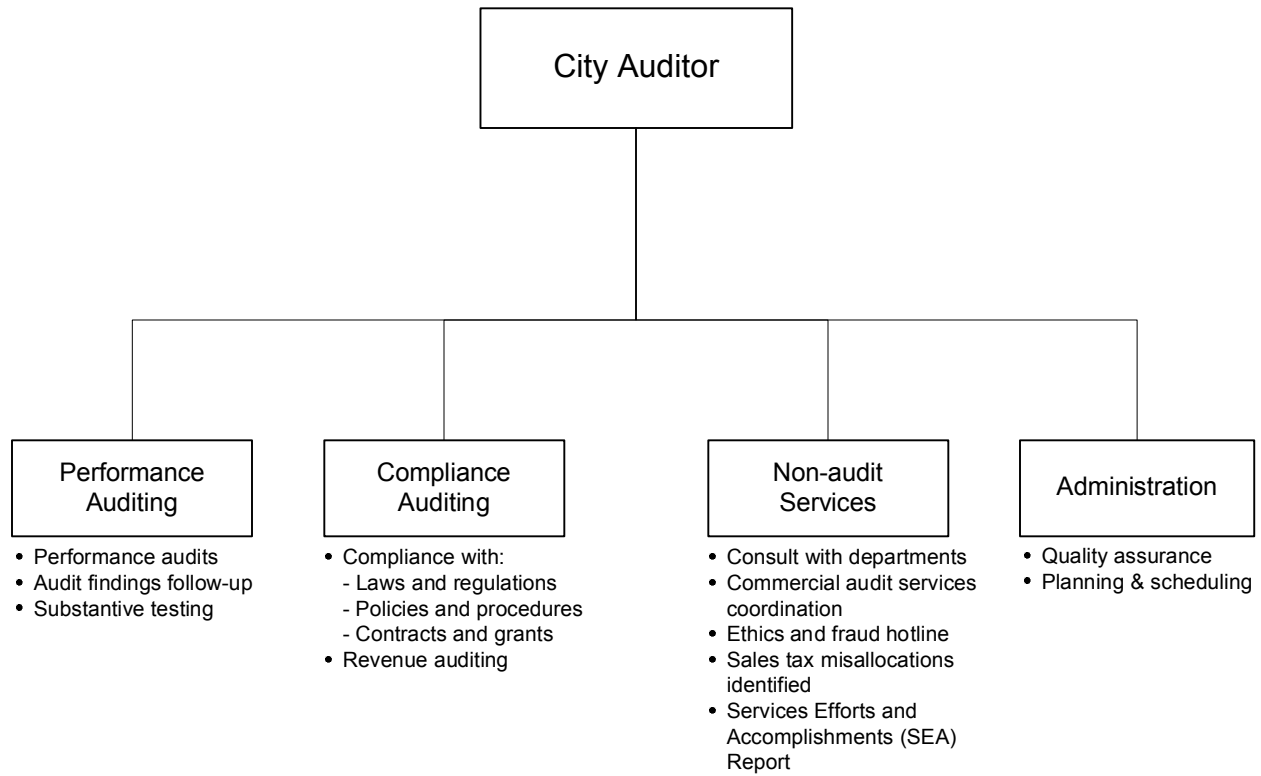
#### Budget Plan A

- Eliminate the Supervising Deputy City Clerk position

#### Budget Plan B

- No change





# CITY AUDITOR



**MISSION STATEMENT**

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

**Budget at a Glance:**

Total Expenditures	\$405,801
Total Revenues	\$0
Total Net Cost	\$405,801
Total Staff	4

**DEPARTMENTAL DESCRIPTION**

The Office of the City Auditor provides the City Council, management, and employees with objective analyses, appraisals, and recommendations for improvements to City systems and activities. The department maintains independence and objectivity by reporting directly to the City Council and by not exercising control over any activity subject to audit.

The primary activity of the department is performance audits. These audits may focus on internal controls, compliance with laws and policies, accomplishment of goals and objectives, or a combination of these areas. Additional services include administration of the City's contract for financial auditing services, operation of an employee ethics/fraud hotline, technical assistance, and sales tax analysis to identify misallocated sales tax revenue.

Department funding is through the General Fund and nearly half the personnel costs are allocated to other funds, based on planned audits. Workload measures include: ratio of audit staff to total City staff: 1 to 373; number of items on audit plan is currently 25; and number of completed audits is 8. Since 2007, the ratio of Audit to City staff has decreased by 64%, the number of items on the Audit Plan has increased by 32%, and the number of completed audits has decreased by 11%.

**KEY ISSUES**

Staffing reductions throughout the organization are impacting internal control processes. This increases the need for audits of internal controls, but audit staffing has been reduced in recent years from 7.0 FTE to 3.75 FTE.

Management's increased emphasis on correcting open audit findings consumed considerable audit hours in FY 2010-11; however, positive results will require less audit time for follow-up activities in FY 2011-12.

General Fund resources to pay for audit services have been reduced, resulting in less time for audits of General Fund activities. More audit time will be devoted to non-General Fund areas, resulting in less opportunity for audit to have a positive impact on the General Fund.

## OFFICE OF THE CITY AUDITOR

### FY 10-11 ACCOMPLISHMENTS

- Completed audits and issued reports, including: Fire Department overtime processing, Elections Costs, ARRA Readiness, Sub-Recipient Financial Statement Review, Payroll Disbursement Transactions, and Procurement Cards.
- Verified correction of 25 open audit findings.
- Revised current follow up process for a more proactive approach to assist management in correcting audit findings.
- Completed Request for Proposal process to select a new audit firm for financial statement auditing services.
- Developed system for electronic working papers, which speeds preparation and review.
- Generated nearly \$60,000 for the City in calendar year 2010 through revenue auditing activities, bringing total revenue from this effort to over \$738,000.

### FY 2011-12 OBJECTIVES

- Complete the assessment of the City's internal control environment.
- Complete each audit on the 2011-12 audit plan, focusing effort on internal controls and legal/policy compliance.
- Revise internal policies and procedures, as needed, to comply with soon to be released changes in Government Auditing Standards.

### SUMMARY OF SERVICE LEVEL CHANGES

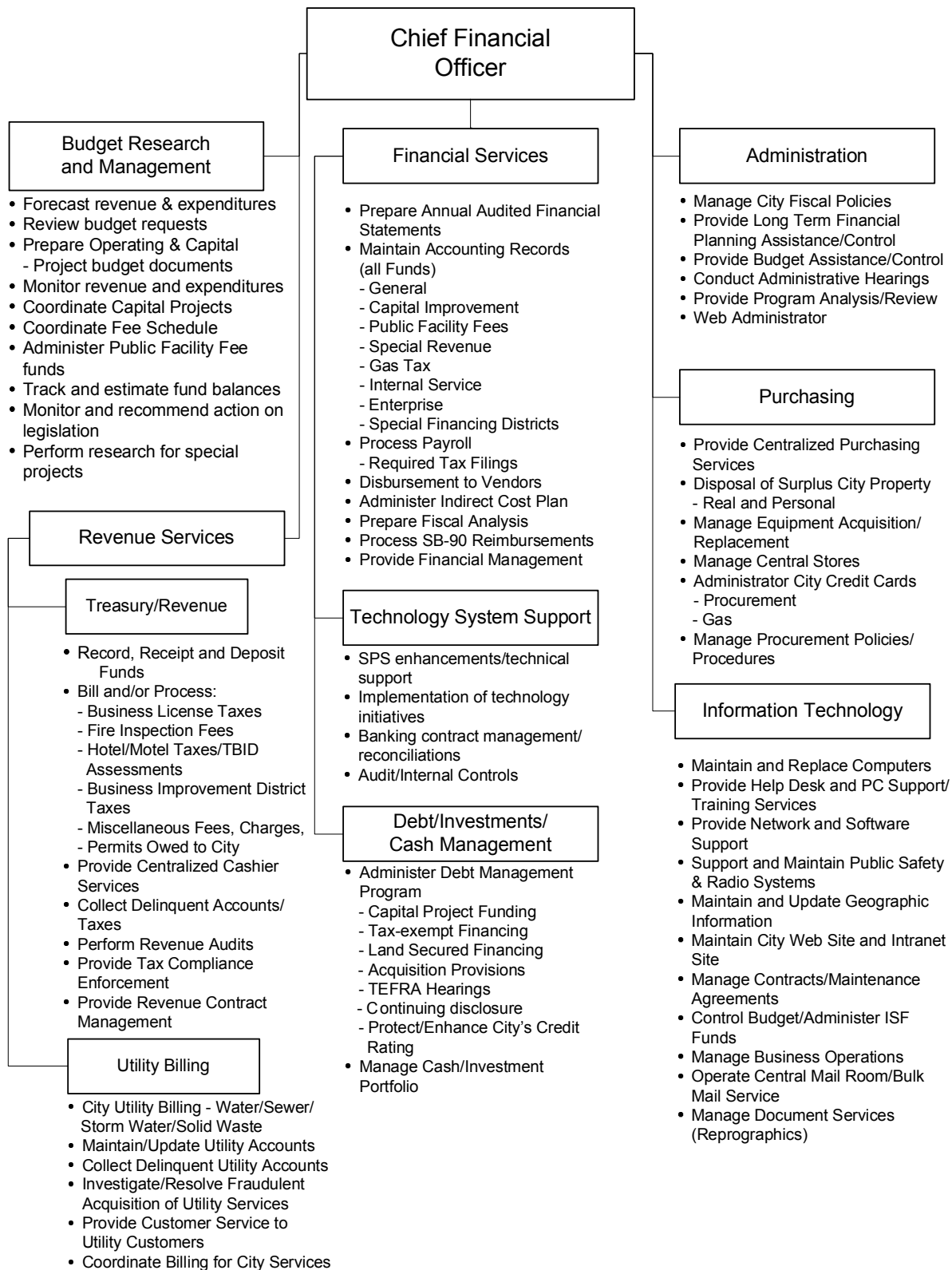
#### Budget Plan A or Budget Plan B

- Limited Audit Department resources will prioritize audits services focusing on highest risk areas.
- Significantly reduce audit work in General Fund departments, increasing risk for the City.
- The Audit department will continue to provide services as described.

**Charter Officers  
General Fund - 010  
2011-12 Adopted Budget**

	FY 2011-2012					
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
<b>Total Charter Officers</b>						
Employee Services	\$ 3,355,401	\$ 2,655,966	\$ 3,020,102	\$ 3,324,348	\$ 2,690,074	\$ 2,683,324
Other Services	627,971	788,009	676,482	563,640	563,640	563,640
Materials and Supplies	36,201	33,644	63,932	47,982	47,982	47,982
Other Expenses	45,815	48,957	45,537	42,290	42,290	42,290
Total	<u>\$ 4,065,388</u>	<u>\$ 3,526,576</u>	<u>\$ 3,806,053</u>	<u>\$ 3,978,260</u>	<u>\$ 3,343,986</u>	<u>\$ 3,337,236</u>
<b>City Council</b>						
Employee Services	462,487	419,661	463,454	548,587	484,752	471,520
Other Services	52,104	45,291	49,514	44,777	44,777	44,777
Materials and Supplies	3,395	1,652	6,795	4,000	4,000	4,000
Other Expenses	23,872	19,045	1,505	1,500	1,500	1,500
Total	<u>541,858</u>	<u>485,649</u>	<u>521,268</u>	<u>598,864</u>	<u>535,029</u>	<u>521,797</u>
<b>City Manager</b>						
Employee Services	707,617	584,725	761,101	812,528	613,254	591,983
Other Services	137,121	211,915	184,504	114,261	114,261	114,261
Materials and Supplies	11,350	8,609	9,199	10,782	10,782	10,782
Other Expenses	11,204	19,333	20,150	18,900	18,900	18,900
Total	<u>867,292</u>	<u>824,582</u>	<u>974,954</u>	<u>956,471</u>	<u>757,197</u>	<u>735,926</u>
<b>City Attorney</b>						
Employee Services	1,074,953	829,287	812,634	860,088	713,447	725,784
Other Services	163,153	277,422	189,852	152,831	152,831	152,831
Materials and Supplies	17,423	20,503	30,963	24,500	24,500	24,500
Other Expenses	4,604	4,704	14,840	10,000	10,000	10,000
Total	<u>1,260,133</u>	<u>1,131,916</u>	<u>1,048,289</u>	<u>1,047,419</u>	<u>900,778</u>	<u>913,115</u>
<b>City Clerk</b>						
Employee Services	749,812	532,391	686,397	750,238	628,442	626,197
Other Services	125,685	114,831	117,803	126,700	126,700	126,700
Materials and Supplies	3,312	1,410	4,000	4,000	4,000	4,000
Other Expenses	2,865	2,450	3,852	3,700	3,700	3,700
Total	<u>881,674</u>	<u>651,082</u>	<u>812,052</u>	<u>884,638</u>	<u>762,842</u>	<u>760,597</u>
<b>City Auditor</b>						
Employee Services	360,532	289,902	296,516	352,907	250,179	267,840
Other Services	149,908	138,550	134,809	125,071	125,071	125,071
Materials and Supplies	721	1,470	12,975	4,700	4,700	4,700
Other Expenses	3,270	3,425	5,190	8,190	8,190	8,190
Total	<u>514,431</u>	<u>433,347</u>	<u>449,490</u>	<u>490,868</u>	<u>388,140</u>	<u>405,801</u>





# ADMINISTRATIVE SERVICES





## MISSION STATEMENT

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

## Budget at a Glance – Plan B:

Total Expenditures	
General Fund	\$3,201,627
Internal Service Fund	\$12,430,130
Revenue	\$36,625
Total Net Cost	\$15,595,132
Total Staff	100

## DEPARTMENTAL DESCRIPTION

The Administrative Services Department is responsible for providing quantitative financial information that allows the City Council and all City departments to make informed decisions as to allocation of available resources. Through careful analysis of revenues and expenditures, Department staff analyzes the fiscal condition of all funds in order to develop a balanced budget. Administrative Services also discloses the City's financial condition and the results of its operations in the year-end Comprehensive Annual Financial Report. The Department provides a wide range of other fiscal services, such as investment management, revenue collection, utility billing, fixed asset management, payroll and accounts payable processing, accounting, and debt management.

The Administrative Services Department is also responsible for providing the following support services for City departments: information technology, radios, telecommunications, equipment, mailroom and document services. These services are provided on a cost-reimbursement basis to the other departments and funds.

The graphs below include expenditure information for all Divisions of the Administrative Services Department. Total expenditures for the Department are \$15,631,757. Of that total, 20%, or \$3,201,627 are budgeted in the General Fund.

The Administrative Services Department is administered through seven divisions: Administration, Budget, Financial Services, Revenue Services, Utility Billing, Purchasing and Information Technology.

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

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

In fiscal year 2010-2011, the Budget Division was reported in the City Manager's Department. The Division was realigned with the Administrative Services Department to coordinate financial planning and management.

The Financial Services Division is responsible for recording and reporting financial transactions; reporting financial position in accordance with generally accepted accounting principles, accurate payments of employee salaries and benefits; and payments to vendors for materials

## ADMINISTRATIVE SERVICES

and services. The Division also manages bonded indebtedness, which includes debt service payments, bondholder relations, arbitrage coordination and continuing disclosure requirements.

The Revenue Services Division is responsible for collection, enforcement and audit of Business Tax, Hotel/Motel Tax, Utility Users Tax, Improvement District assessments, and other fees and charges owed to the City. The Division is responsible for the accurate recording, receipting, control, and deposit of all monies received by City departments.

The Utility Billing Division is responsible for providing customer service and performing billing for water, sewer, stormwater, and solid waste charges for the City's 55,000 utility customers. The Division also administers the billing of City services and solid waste services for the 39,000 customers of California Water Service. The Utility Billing Division is funded by the Utilities Funds.

The Purchasing Division is responsible for the procurement of all supplies and services necessary for the operation of City departments. The Division assists with methods of procurement for projects, from evaluation to final negotiation and purchase. The Division also manages systems for the identification and disposal of surplus property.

The Information Technology Division directs the delivery of computer purchases, repairs, replacements and services to departments and provides support for all City computer hardware, software and other technological solutions. The Division staffs a Help Desk, provides training services and network and software support, maintains internet access and the City's webpage, and manages the geographic information and voice over internet systems.

There are three divisions within Information Technology: Radio, Telecommunications and Equipment.

The Radio Division manages the radio system for all departments. The Division maintains, repairs and replaces radio systems and equipment, coordinates major and minor radio system changes, and identifies future equipment and standardization requirements.

The Telecommunications Division manages work office tools, such as the Voice over Internet Protocol system and cellular phones. The Division issues and maintains cellular phones, negotiates contracts with vendors, and monitors usage.

The Equipment Division manages the procurement and maintenance of office equipment including copiers, scanners and fax machines. The Division maintains a program to scan and store documents for all City departments. The Division also provides centralized printing and high volume reprographic service to departments and maintains a centralized mail room where City mail is sorted and metered.

### KEY ISSUES

During this period of economic hardship and uncertainty, the Department will focus on developing budget monitoring reports and revenue tracking systems to assist management in making informed decisions. Because of reductions in force City-wide, staff in the Administrative Services Department will be required to provide increased support and training for redeployed employees. Transaction processes and internal control systems will need to be evaluated and revised to ensure that accurate financial information is prepared on a timely basis and that City assets are safeguarded.

## ADMINISTRATIVE SERVICES

### FY 10-11 ACCOMPLISHMENTS

- Awarded certificate of achievement for excellence in financial reporting from the Government Finance Officers Association for the Comprehensive Annual Financial Report for fiscal year 2009-2010.
- Completed a comprehensive review and proposed a revenue-neutral update of the business license ordinance in coordination with the City Attorney's Office.
- Completed Purchasing Manual.
- Converted the City website to a content-management based system with improved organization and content.
- Installed a high-speed xerographic machine, a mail system and a mail merge printing system to improve efficiency and reduce printing and mailing costs.

### FY 2011-12 OBJECTIVES

- Conduct a business analysis of all City funds and programs to assess current financial condition, liquidity, and program sustainability.
- Develop a monthly budget monitoring report for management to assess and manage financial risks and opportunities.
- Develop guidelines to maximize the local allocation of sales tax that would otherwise be credited by the State Board of Equalization to a County pool.
- Develop a ballot measure for Fall 2012 for voter consideration of a business license ordinance update. Revisions are needed to update and simplify the ordinance, remove inconsistencies, and ensure that businesses are taxed fairly and consistently.
- Develop a method for tracking the City's major tax revenues, including property, sales, utility users, business license and transient occupancy, for use in developing budgets and identifying and investigating variances.

### FY 2011-12 OBJECTIVES – CONTINUED

- In conjunction with the City Auditor's assessment of the City's overall control environment, assess internal controls related to major financial transactions. Prioritize selected transaction cycles, review existing financial policies and procedures, and revise or replace as necessary.
- Provide quality control plan for General Ledger accounts to ensure accuracy of the reported financial balances used support business analysis, decisions and policy development.
- Monitor compliance with Federal and State laws and City ordinances regarding purchasing, financial reporting and treasury operations.
- Develop a comprehensive Payroll Manual which will provide detailed instructions to payroll staff, Human Resources and program department staff involved with processing payroll. Provide training as needed to ensure that policies and procedures are communicated and implemented.
- Decentralize data entry duties for vendor payments to originating departments to eliminate duplicate data entry and reduce processing time.
- In cooperation with the City Clerk's office, develop a city-wide contracts database, with a focus on monitoring renewal and expiration dates to ensure compliance with the City Purchasing policies.
- Complete a technology strategic plan to prioritize technology investment for the next five years
- Provide support for the conversion of the City's email address extension to stocktongov.com.
- Convert existing financial and land-based software to an enterprise information system. Staff time from the Department's Information Technology Division, City Auditor's Office and managers and staff of all City departments will be necessary to implement this conversion.

## ADMINISTRATIVE SERVICES

### SUMMARY OF SERVICE LEVEL CHANGES

#### Budget Plan A

- Eliminate 3 full-time positions and 5 part-time staff, for a General Fund savings of \$404,078. This will eliminate positions designated to support the planned Enterprise System conversion and Information Technology project management. The elimination of part-time staff will impact the ability of Accounts Payable to process payments in a timely manner.

#### Budget Plan B

- No service level changes are planned under Plan B.

## ADMINISTRATIVE SERVICES

### WORKLOAD SUMMARY

	Annual
Accounts payable checks issued	18,000
Wire transfers	200
Vendor payments processed	64,000
Payroll checks and direct deposits	41,760
W-2s issued	1,710
1099's issued	300
Reports to CalPERS	32
W-4 changes	1,920
Timesheets scanned	38,500
Business licenses renewed	15,994
Purchase Orders issued	1,968
Informal bids and requests for proposals	64
Credit cards issued to employees	160
City of Stockton customers billed	55,000
CalWater customers billed	39,000
Maintenance agreements and license renewals for computer hardware, software and radio equipment managed	250
Invoices processed for telecommunication equipment	2,400
Copies printed	5 - 6 million
Mail processed	950,000 pieces
Documents scanned	750,000



**Administrative Services  
General Fund - 010  
2011-12 Adopted Budget**

			FY 2011-2012			
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
<b>Total Administrative Services Department</b>						
Employee Services	\$ 1,934,521	\$ 1,639,886	\$ 2,458,601	\$ 2,985,479	\$ 2,581,401	\$ 2,515,737
Other Services	608,825	785,196	879,495	650,562	650,562	622,557
Materials and Supplies	77,296	50,444	66,358	53,833	53,833	50,083
Other Expenses	6,727	16,561	15,850	13,250	13,250	13,250
Total	<u>\$ 2,627,369</u>	<u>\$ 2,492,087</u>	<u>\$ 3,420,304</u>	<u>\$ 3,703,124</u>	<u>\$ 3,299,046</u>	<u>3,201,627</u>

**Administration**

Employee Services	242,931	172,128	216,809	277,221	177,221	239,478
Other Services	83,094	250,018	235,043	192,954	192,954	192,954
Materials and Supplies	20,187	8,235	12,030	11,500	11,500	11,500
Other Expenses	1,270	3,933	4,350	3,700	3,700	3,700
Total	<u>347,482</u>	<u>434,314</u>	<u>468,232</u>	<u>485,375</u>	<u>385,375</u>	<u>447,632</u>

**Budget**

Employee Services	193,540	200,120	171,053	267,219	267,240	224,444
Other Services	17,952	18,778	23,308	28,026	28,005	28,005
Materials and Supplies	1,653	2,711	1,000	3,750	3,750	3,750
Other Expenses	149		600			
Total	<u>213,294</u>	<u>221,609</u>	<u>195,961</u>	<u>298,995</u>	<u>298,995</u>	<u>256,199</u>

**Financial Services**

Employee Services	669,009	548,574	605,961	834,214	530,115	705,395
Other Services	184,893	183,750	237,964	184,103	184,124	156,119
Materials and Supplies	14,771	14,339	14,933	12,700	12,700	8,950
Other Expenses	3,637	8,909	5,675	5,250	5,250	5,250
Total	<u>872,310</u>	<u>755,572</u>	<u>864,533</u>	<u>1,036,267</u>	<u>732,189</u>	<u>875,714</u>

**Treasury**

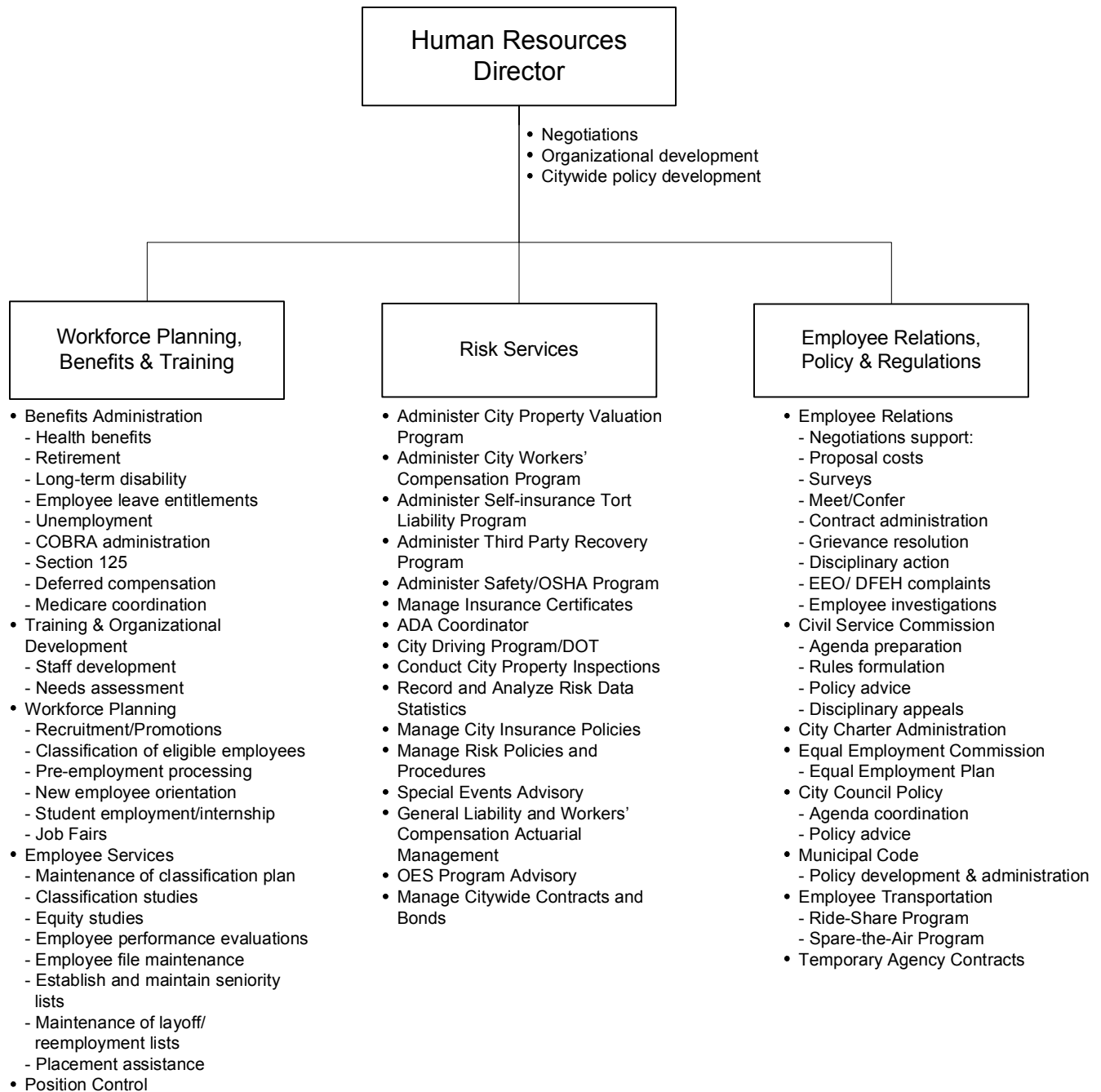
Employee Services	700,584	558,404	1,231,366	1,310,758	1,310,758	1,090,956
Other Services	226,026	249,835	291,720	176,681	176,681	176,681
Materials and Supplies	33,221	19,826	25,040	21,725	21,725	21,725
Other Expenses	1,281	1,337	3,150	2,800	2,800	2,800
Total	<u>961,112</u>	<u>829,402</u>	<u>1,551,276</u>	<u>1,511,964</u>	<u>1,511,964</u>	<u>1,292,162</u>

**Purchasing**

Employee Services	128,457	160,660	233,412	296,067	296,067	255,464
Other Services	96,860	82,815	91,460	68,798	68,798	68,798
Materials and Supplies	7,464	5,333	13,355	4,158	4,158	4,158
Other Expenses	390	2,382	2,075	1,500	1,500	1,500
Total	<u>233,171</u>	<u>251,190</u>	<u>340,302</u>	<u>370,523</u>	<u>370,523</u>	<u>329,920</u>







# HUMAN RESOURCES DEPARTMENT



## HUMAN RESOURCES DEPARTMENT

### MISSION STATEMENT

Human Resources is a cohesive, collaborative team of professionals dedicated to creating partnerships by supporting all City programs and departments. It utilizes a stewardship philosophy, strategic vision, and leadership in providing quality and innovative customer-driven services and programs to support organizational goals, and to create a healthy and positive work environment for City employees to deliver high quality service to the citizens of Stockton.

#### Budget at a Glance – Plan B:

Total Expenditures	
Administration	\$1,272,332
Benefit Programs	\$107,095,636
Total Revenues	\$0
Total Net Cost	\$108,367,968
Total Staff	28

### DEPARTMENTAL DESCRIPTION

The Human Resources Department consists of five divisions: Workforce Planning, Employee Relations, Risk Services, Health Benefits Administration and Training.

The Workforce Planning Division assists City departments with refining their organizational structures to maximize efficiency and provide equal employment opportunities, by employing, retaining and developing a skilled, diverse and efficient workforce for the City. The division conducted 38 recruitments during fiscal year 2010/11.

The Employee Relations Division develops, negotiates, implements, and administers policies, procedures and labor agreements that support and promote workplace diversity, fairness and equality for City employees. The division handled 15 grievances and conducted labor negotiations with 2 bargaining units for fiscal year 2010/11.

The Risk Services Division protects the City's resources by limiting liability exposure and providing cost effective risk management programs, such as safety and workers' compensation, and by recovering general fund monies from third party damages to City property. The division recovered \$554,259.77 from third party damages, processed 301 workers' compensation claims, and handled 149 general liability claims during fiscal year 2010/11.

The Health Benefits Administration Division provides a comprehensive health benefits program that attracts and retains employees and delivers quality health care services cost effectively.

The Training Division provides employees the tools and skills needed to be successful in their current jobs and for growth and development for upward mobility within the City. Forty (40) training classes were conducted during fiscal year 2010/11 with over 500 participants.

### KEY ISSUES

Health plans must be redesigned to provide benefit levels that attract and retain a quality workforce, protect and promote healthy living, and fall within fiscally sustainable parameters.

The continuing fiscal emergency requires ongoing labor negotiations for concessions to reduce labor costs. In addition, City departments require assistance in organizational restructuring due to reduced staffing levels.

## HUMAN RESOURCES DEPARTMENT

### KEY ISSUES – CONTINUED

Workers' Compensation costs are above industry average, Human Resources will be conducting an audit of policies and procedures to identify ways to more effectively manage costs. Establish proper funding and reserve levels for General Liability and Workers' Compensation funds. Research and implement best practices for allocating premium rates to achieve appropriate funding levels.

#### FY 10-11 ACCOMPLISHMENTS

- Implemented negotiated health contributions and medical plan changes in the fall of 2010.
- Worked with healthcare vendors to ensure Healthcare Reform compliance.
- Received an Early Retirement Reimbursement Program (ERRP) subsidy reimbursement in April 2011, in the amount of \$870,693 for plan year 2010.
- Received a Retiree Drug Subsidy payment in March 2011, in the amount of \$260,130 for plan year 2009.
- Implemented a contract with Delta Health Systems for third party administrative services for the self-funded medical plan.
- Implemented a contract with Integrated Behavioral Health for employee assistance services.
- Combined all three risk units (liability claims, workers' compensation claims, and safety/insurance/recovery) under the management of the Risk Manager in the Human Resources Department.
- Implemented a contract with CorVel for third party administrative services for workers' compensation.

#### FY 2011-12 OBJECTIVES

- Create a vendor contract Request for Proposal System and solicit new proposals for the health vendors.
- Conduct an audit of the City's Workers' Compensation Program.
- Increase general liability third party damage recovery rate by 20%.
- Audit of Third Party Claims Administrators for workers' compensation and health benefits.
- Develop a recruitment program to diversify the workforce.
- Develop and implement a Management and Leadership Training Program.
- Streamline Civil Service System processes.
- Implement the Healthy Eating/Active Living City Wellness Program.

#### SUMMARY OF SERVICE LEVEL CHANGES

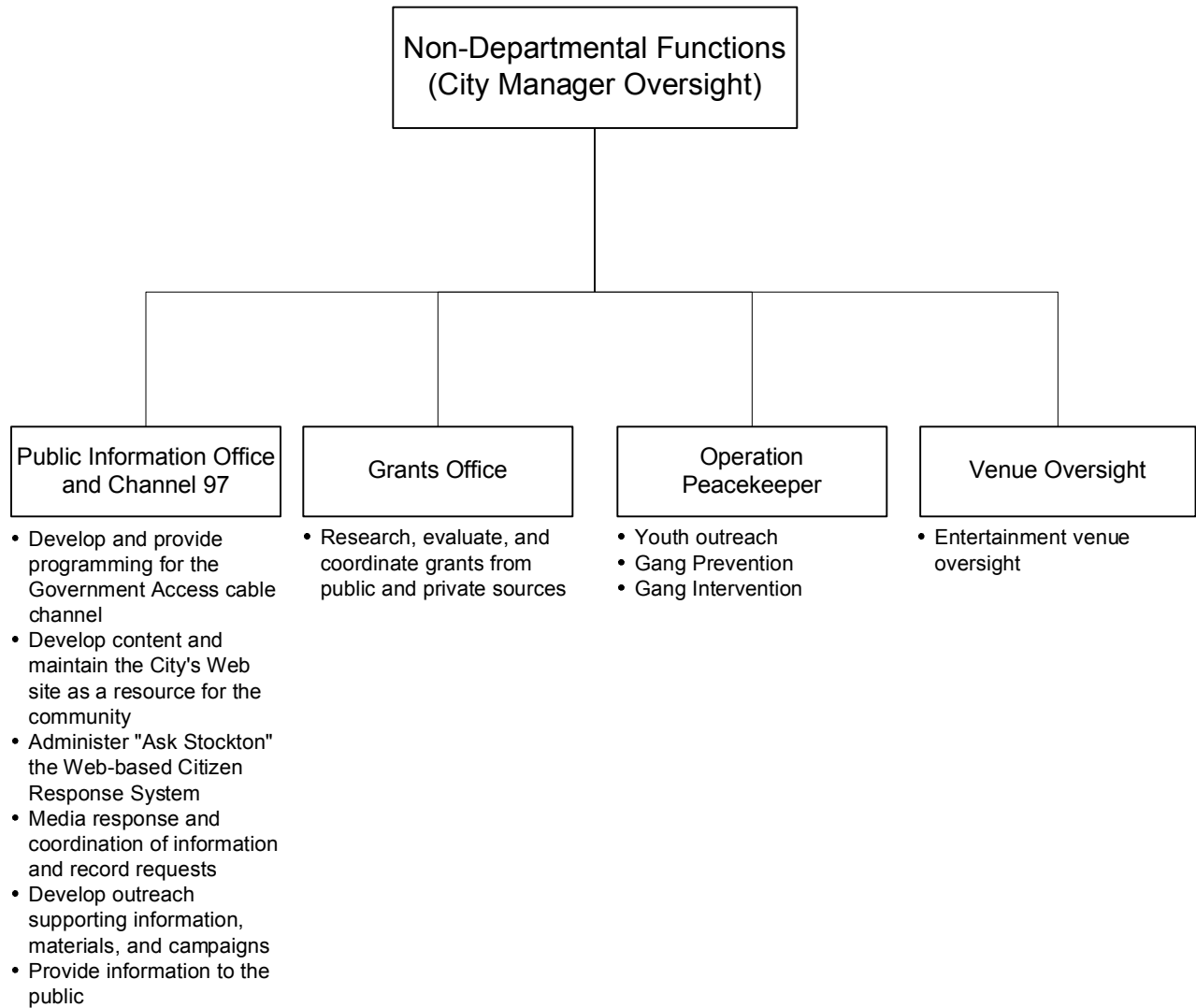
Budget Plan A or Budget Plan B

- Elimination of the Deputy Human Resources Director position, impacting Civil Service Commission activities with longer preparation and/or response times.

**Human Resources  
General Fund - 010  
2011-12 Adopted Budget**

			FY 2011-2012			
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
<b>Total Human Resources Department</b>						
Employee Services	\$ 1,327,740	\$ 1,096,946	\$ 1,211,172	\$ 1,217,848	\$ 1,083,161	\$ 879,382
Other Services	295,155	242,455	337,723	287,350	287,350	287,350
Materials and Supplies	15,535	10,594	29,226	17,600	17,600	17,600
Other Expenses	82,868	77,300	92,633	88,000	88,000	88,000
Total	<u>\$ 1,721,298</u>	<u>\$ 1,427,295</u>	<u>\$ 1,670,754</u>	<u>\$ 1,610,798</u>	<u>\$ 1,476,111</u>	<u>\$ 1,272,332</u>
<b>Workforce Planning</b>						
Employee Services	690,917	543,888	514,874	508,613	508,613	415,025
Other Services	239,132	160,750	237,210	160,091	160,091	160,091
Materials and Supplies	10,194	6,855	19,726	11,100	11,100	11,100
Other Expenses	704	4,227	5,933	4,500	4,500	4,500
Total	<u>940,947</u>	<u>715,720</u>	<u>777,743</u>	<u>684,304</u>	<u>684,304</u>	<u>590,716</u>
<b>Employee Relations</b>						
Employee Services	636,823	553,058	696,298	709,235	574,548	464,357
Other Services	56,023	81,705	100,513	127,259	127,259	127,259
Materials and Supplies	5,341	3,739	9,500	6,500	6,500	6,500
Other Expenses	82,164	73,073	86,700	83,500	83,500	83,500
Total	<u>780,351</u>	<u>711,575</u>	<u>893,011</u>	<u>926,494</u>	<u>791,807</u>	<u>681,616</u>





## NON-DEPARTMENTAL

**MISSION STATEMENT**

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

**Budget at a Glance – Plan B:**

Total Expenditures	\$22,207,143
Total Revenues	\$8,218,513
Total Net Cost	\$13,988,630
Total Staff	10

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**DEPARTMENTAL DESCRIPTION**

Non-Departmental is a funding source for functions within the City Manager's Office that have city-wide impact and are not directly attributable to any single department. Positions funded, in whole or part, through Non-Departmental, include: Channel 97, Grants Manager, Peacekeepers, Public Information Officer and Webmaster. Non-Departmental funds are also used to pay for expenses and costs related to receipt of tax revenues from other agencies, advertising and outreach for the City of Stockton, Channel 97, coordination and oversight of Operation Peacekeeper youth outreach and gang prevention programs, and dues to the California League of Cities.

Non-Departmental results are measured by grants obtained, Peacekeeper gang prevention measures implemented and public outreach and implementation of outreach mediums and tools.

**KEY ISSUES**

The economic recession, which has resulted in high foreclosure rates, high-unemployment, increased crime, reduced community resources, fewer grant and funding opportunities, reduced revenues and increased costs and the City's Fiscal Emergency Declaration, have significantly increased the need for all of the functions provided by Non-Departmental funding. Grant funding opportunities are scarce and available grants have more stringent requirements and qualifications, requiring additional time and resources for research and the application process. The need for Operation Peacekeeper gang prevention and intervention services and measures are at an all-time high, as gang violence has increased and unemployment has created stressors in the community. Community and employee engagement has increased significantly due to the City's Fiscal Emergency Declaration and reduction of City services and employees, resulting in a considerable increase in the number of requests for public records, public information and media inquiries, and the need to maximize the use of all outreach mediums to improve and expand channels of communication.



## NON-DEPARTMENTAL

### FY 10-11 ACCOMPLISHMENTS

- Redesigned and improved City of Stockton web site
- Increased public participation in the budget process
- Awarded \$24,673,136 in Federal Stimulus grants
- Expanded Operation Peacekeeper Program to include outreach to at-risk youth, ages 10 -18
- Operation Peacekeeper Program received state-wide recognition for its extensive use of partnerships and awarded the League of California Cities Helen Putman Award for Excellence and the Cities, Counties and Schools Award
- Designated as a "Promising Program" by researcher Dr. Anthony Braga, Adjunct Lecturer in Public Policy, Senior Research Fellow, Program in Criminal Justice Policy and Management, Harvard University John F. Kennedy School of Governments

### FY 2011-12 OBJECTIVES

- Develop City-wide Marketing and Communications Plan
- Develop Social Media Policy and implement Social Media
- Simplify City employee e-mail
- Effectively implement and communicate Work Plans and Council Goals
- Re-activate the Grants Evaluation Team (GET)
- Establish City-wide grant tracking and uses database

### SUMMARY OF SERVICE LEVEL CHANGES

#### Budget Plan A

- Eliminate Administrative Aide position responsible for assisting with public information efforts including website updates, citizen inquiry responses through Ask Stockton, and public record request processing.
- Reduce Community Partnership for Families funding by 10%
- Eliminate two vacant part time positions

#### Budget Plan B

- No reductions in programs or staffing

**Non-Departmental  
General Fund - 010  
2011-12 Adopted Budget**

	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	FY 2011-2012		
				Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
<b>Total Non-Departmental</b>						
Employee Services	\$ 1,384,013	\$ 418,753	\$ 972,156	\$ 837,881	\$ 760,159	\$ 746,886
Other Services	3,304,938	3,059,078	2,731,601	6,255,521	6,255,521	6,255,521
Materials and Supplies	8,763	3,281	4,125	2,625	2,625	2,625
Other Expenses	16,829,951	5,568,354	596,200	496,500	496,500	496,500
Capital Outlay	26,524					
Transfers	848,331	7,944,972	4,252,826	7,335,767	7,335,767	7,335,767
Total	<u>\$ 22,402,520</u>	<u>\$ 16,994,438</u>	<u>\$ 8,556,908</u>	<u>\$ 14,928,294</u>	<u>\$ 14,850,572</u>	<u>\$ 14,837,299</u>
<b>Peacekeeper Program</b>						
Employee Services	315,358	26,763	399,009	302,014	302,014	296,875
Other Services	67,078	64,380	17,582	31,479	31,479	31,479
Materials and Supplies	451	395				
Other Expenses	410					
Total	<u>383,297</u>	<u>91,538</u>	<u>416,591</u>	<u>333,493</u>	<u>333,493</u>	<u>328,354</u>
<b>Tax Collection &amp; Election</b>						
Employee Services						
Other Services	2,026,456	2,029,769	1,807,000	1,860,000	1,860,000	1,860,000
Materials and Supplies						
Other Expenses	548,266	444,532	550,000	450,000	450,000	450,000
Total	<u>2,574,722</u>	<u>2,474,301</u>	<u>2,357,000</u>	<u>2,310,000</u>	<u>2,310,000</u>	<u>2,310,000</u>
<b>Labor Litigation</b>						
Employee Services						
Other Services		265,002		1,500,000	1,500,000	1,500,000
Materials and Supplies						
Other Expenses						
Total	<u>-</u>	<u>265,002</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
<b>Other Administration</b>						
Employee Services	1,068,655	391,990	573,147	535,867	458,145	450,011
Other Services	1,211,404	699,927	907,019	864,042	864,042	864,042
Materials and Supplies	8,312	2,886	4,125	2,625	2,625	2,625
Other Expenses	16,281,275	5,123,822	46,200	46,500	46,500	46,500
Capital Outlay	26,524					
Transfer		3,722,388				
Total	<u>18,596,170</u>	<u>9,941,013</u>	<u>1,530,491</u>	<u>1,449,034</u>	<u>1,371,312</u>	<u>1,363,178</u>

**Non-Departmental  
General Fund - 010  
2011-12 Adopted Budget**

				FY 2011-2012		
	FY 2008-2009 Actual	FY 2009-2010 Actual	FY 2010-2011 Current Budget	Baseline	Plan A (Service Reductions)	Plan B (Service and Labor Cost Reductions) Implemented
Debt Service						
Transfer Out - Debt Service - 201						
MUD Jarvis Settlement						
Capital Fund			649,336	644,997	644,997	644,997
General Fund				468,001	468,001	468,001
Parking District	774,497	777,164	773,622	774,470	774,470	774,470
Debt Administration				250,000	250,000	250,000
Total	774,497	777,164	1,422,958	2,137,468	2,137,468	2,137,468
Program Support for Other Funds						
Transfers						
Entertainment Venues - 086		3,187,473	2,191,299	2,441,299	2,441,299	2,441,299
Redevelopment - 330				1,000,000	1,000,000	1,000,000
Downtown Marina - 460			466,000	732,000	732,000	732,000
Capital Improvement - 301				575,000	575,000	575,000
Grant Match - 025	73,834	257,947	172,569	300,000	300,000	300,000
Development Services - 048				150,000	150,000	150,000
Total	73,834	3,445,420	2,829,868	5,198,299	5,198,299	5,198,299
Contingency						
Employee Services						
Other Services				2,000,000	2,000,000	2,000,000
Materials and Supplies						
Other Expenses						
Transfer						
Total	-	-	-	2,000,000	2,000,000	2,000,000

**Administration and Support  
Peacekeeper Program  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Revenues</b>				
Grant funding secured		\$ 381,041	\$ 623,061	\$ 208,200
Grant funding expected				228,782
Contribution from General Fund	\$ 383,298	91,537	80,000	328,354
	<u><b>383,298</b></u>	<u><b>472,578</b></u>	<u><b>703,061</b></u>	<u><b>765,336</b></u>
<b>Expenditures</b>				
Salaries & benefits - program	315,358	472,578	607,632	656,134
Salaries & benefits - administrative			30,429	32,676
Supplies & services	67,940		65,000	76,526
	<u><b>383,298</b></u>	<u><b>472,578</b></u>	<u><b>703,061</b></u>	<u><b>765,336</b></u>
<b>Transfers</b>				
Transfer In - General Fund				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

**Administration and Support  
Entertainment Venues - 086  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>			<b>\$ 1,513,431</b>	<b>\$ 112</b>
<b>Revenues</b>				
Operations:				
Stockton Arena	\$ 2,884,342	\$ 3,093,107	2,900,000	3,724,691
Bob Hope Theatre	611,675	413,875	352,388	464,829
Oak Park Ice Arena	366,963	375,558	350,000	429,000
Ballpark	168,519	181,083	150,000	195,000
Other Revenue			1,309,000	
	<b>4,031,499</b>	<b>4,063,623</b>	<b>5,061,388</b>	<b>4,813,520</b>
<b>Expenditures</b>				
Operations:				
Stockton Arena	5,065,791	4,548,125	4,572,855	4,926,486
Bob Hope Theatre	906,773	844,998	737,500	897,752
Oak Park Ice Arena	431,772	400,985	427,200	634,791
Ballpark	530,030	563,834	655,000	664,788
Administration	139,329	97,834	111,848	131,114
Buy-out of operator/transition costs			2,261,603	
	<b>7,073,695</b>	<b>6,455,776</b>	<b>8,766,006</b>	<b>7,254,931</b>
<b>Transfers</b>				
Transfer In - General Fund	2,899,684	3,187,473	2,191,299	2,441,299
Transfer In - Technology 502		1,300,000		
Transfer Out				
	<b>2,899,684</b>	<b>4,487,473</b>	<b>2,191,299</b>	<b>2,441,299</b>
<b>Net Annual Activity</b>	<b>\$ (142,512)</b>	<b>\$ 2,095,320</b>	<b>(1,513,319)</b>	<b>(112)</b>
<b>Ending Available Balance</b>			<b>\$ 112</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash		\$ 2,027,329		
Accounts Payable		(513,898)		
Ending Available Balance		<b>\$ 1,513,431</b>		



# TAB

Debt

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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:**

Total Expenditures	\$25,875,051
Total Revenues	\$26,040,709
Total Net Cost	\$165,658

**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. The annual budget for the COPs is \$992,436.

**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 \$911,194.

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

The 2007 Variable Rate Demand Lease Revenue Bonds, Series A & B were issued in the amount of \$40,770,000 in November, 2007. The bonds were issued to provide funds to finance the acquisition of an office building and parking garage located at 400 E. Main in downtown Stockton, which is planned to be converted into the City Administration Building. The source of repayment for the bonds is revenue derived from rental revenues from tenants occupying the building, which will include City departments. The annual budget for the bonds is \$1,477,400.

**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 \$2,419,088.

## DEBT

### 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 \$1,112,997 are funded by a transfer from the General Fund.

## 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 \$18,138,472.

## OTHER FUNDS

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.

### Redevelopment Debt Service

#### Revenue Bonds, Series 2004 - Stockton Events Center/Arena Project 2004

The Series 2004 Lease Revenue Bonds were issued in the amount of \$47,000,000 in March, 2004. The Bonds were issued to finance a portion of the costs of an indoor arena, including facilities for ice hockey, indoor football, indoor soccer, concerts, and other events with a seating capacity of approximately 10,000. The sources for repayment are the Merged Waterfront Redevelopment Area. The annual budget for the bonds is \$2,533,242.

#### Revenue Bonds, 2006 Series A & B (Redevelopment Projects)

The 2006 Series A & B Bonds were issued in the amount of \$75,755,000 and \$8,445,000, respectively in July, 2006. The bonds were issued as part of the Strong Neighborhoods Initiative to fund certain redevelopment projects within or of benefit to the Midtown, North Stockton, and South Stockton Redevelopment Projects. The sources for repayment are tax revenues from these areas. The annual budgets for the bonds are \$2,709,892 and \$1,866,827, respectively.

#### Revenue Bonds, 2006 Series C (Redevelopment Housing Projects)

The 2006 Series C Bonds were issued in the amounts of \$25,985,000 in July, 2006. The bonds were issued to finance certain low and moderate income housing projects throughout the City of Stockton. The sources for repayment are the 20% housing set aside from all Redevelopment Areas. The annual budget for the bonds is \$2,121,778.

## DEBT

### Water Debt Service

#### 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 \$1,108,945.

#### 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 \$1,150,302.

#### 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 \$12,762,538.

#### 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 \$1,701,506.

### Wastewater Debt Service

#### 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 revenues pledged by the Wastewater Utility Fund. The annual budget for the COPs is \$6,372,898.

## DEBT

### 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 \$999,570.

### **Internal Service Debt Service**

#### Pension Obligation Bonds 2007 Series A & B

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 \$7,196,217.

#### Capital Lease - Fire Vehicles

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 source of repayment is payments is transfers from the General Fund. The annual budget for the lease is \$88,524.

#### Capital Lease – Information Technology Equipment

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**

#### Revenue Bonds, Series 2004 - Parking and Capital Improvements

The 2004 Lease Revenue Bonds were issued in the amount of \$32,200,000 in June, 2004. The bonds were issued to finance the construction of the Stockton Events Center Parking Structure, the Edward S. Coy Parking Garage, and other parking facilities within the Central Parking District. The source of repayment for the bonds is revenue derived from the Central Parking District, including annual assessments on parcels within the district. The annual budget for the bonds is \$1,918,416.

#### Capital Lease - Civic Auditorium HVAC

On December 15, 2009 the City Council approved the execution of a Lease Purchase Agreement with Wells Fargo Securities, LLC to provide financing for the replacement of the Heating, Ventilation and Air Conditioning (HVAC) system for the Stockton Memorial Civic Auditorium. The lease is in the amount of \$1,930,000 and the sources for repayment are savings from reductions in utility costs to operate the HVAC system and from the Capital Improvement Project fund of the City. The annual budget for the lease is \$248,778.



**City Debt Service Funds  
2011-12 Adopted 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
<b>Revenues</b>				
Charges for Services				
Sales Tax				
Build America Bonds				
Tax Increment				
Interfund Charges	\$ 369,154			
Interest	204,310			
Other Revenue				
Assessments				
	<u>573,464</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Principal		\$ 330,000	\$ 385,000	\$ 145,000
Interest		659,936	523,194	1,215,000
Operating Expenses				
Capital Projects				
Administrative Costs	823,464	2,500	3,000	117,400
	<u>823,464</u>	<u>992,436</u>	<u>911,194</u>	<u>1,477,400</u>
<b>Transfers</b>				
Transfer In				
General Fund	250,000			
Other Funds		1,001,255	912,363	1,500,000
Transfer Out				
General Fund				
Other Funds				
	<u>250,000</u>	<u>1,001,255</u>	<u>912,363</u>	<u>1,500,000</u>
<b>Net Annual Activity</b>	<u>\$ -</u>	<u>\$ 8,819</u>	<u>\$ 1,169</u>	<u>\$ 22,600</u>

**City Debt Service Funds, Continued  
2011-12 Adopted 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
<b>Date Issued</b>	<b>8/20/2009</b>			<b>Various</b>	
<b>Purpose</b>	<b>Public Facilities Fee Program</b>	<b>General Fund Obligation to Utility Funds</b>		<b>Assessment Districts</b>	
<b>Revenues</b>					
Charges for Services					
Sales Tax					
Build America Bonds					
Tax Increment					
Interfund Charges			\$ 369,154		\$ 369,154
Interest			204,310		204,310
Other Revenue					-
Assessments				\$ 18,138,472	18,138,472
	<u>-</u>	<u>-</u>	<u>573,464</u>	<u>18,138,472</u>	<u>18,711,936</u>
			-		-
<b>Expenditures</b>					
Principal		\$ 356,884	1,216,884	11,350,000	12,566,884
Interest	\$ 2,415,838	756,113	5,570,081	6,703,622	12,273,703
Operating Expenses					
Capital Projects					
Administrative Costs	3,250		949,614	84,850	1,034,464
	<u>2,419,088</u>	<u>1,112,997</u>	<u>7,736,579</u>	<u>18,138,472</u>	<u>25,875,051</u>
			-		-
<b>Transfers</b>					
Transfer In					
General Fund		1,112,998	1,362,998		1,362,998
Other Funds	2,552,157		5,965,775		5,965,775
Transfer Out					-
General Fund					-
Other Funds					-
		<u>1,112,998</u>	<u>7,328,773</u>	<u>-</u>	<u>7,328,773</u>
			-		-
<b>Net Annual Activity</b>	<u><u>\$ 133,069</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 165,658</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 165,658</u></u>
			-		-
				Revenues	\$ 18,711,936
				Transfers	7,328,773
				Total Sources	<u>\$ 26,040,709</u>
				Expenditures	\$ 25,875,051
				Transfers	
				Total Appropriations	<u>\$ 25,875,051</u>





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## Capital

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## CAPITAL IMPROVEMENT PROGRAM

### MISSION STATEMENT

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

#### Budget at a Glance:

##### Total Expenditures

Capital Project Funds	\$46,293,321
Utility and Other Funds	\$21,629,222
Total Capital Budget	\$67,922,543

### 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 five-year Capital Improvement Program (CIP) cost projections for fiscal years 2011-2016 total \$721 million of which \$523 million have identified funding sources. The first year of the CIP is incorporated into the annual budget. Projects totaling \$61 million are almost entirely transportation and utility improvements. These categories count for the majority of the five year CIP project list as well. This is reflective of the poor condition of the General fund and the lack of new development mitigation fees. Debt service and equipment replacements contribute to the total \$67 million annual capital budget.

As the 2011-12 budget has been developed, projects with carryover funding from prior years have been evaluated; \$20 million of unspent balances have been cancelled and returned to available balances for future use.

#### General Government Projects

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

Because of greatly reduced General Fund allocations for capital needs, the number and scope of projects has been reduced to the point where only minimal maintenance projects are included in the CIP budget. These projects include miscellaneous emergency maintenance, roof repairs, HVAC upgrades/replacements, hazardous material abatement, game court repairs in parks, improvements to comply with Americans with Disability Act requirements, interior repairs to golf course buildings, safety improvements at the Police Gun Range, and park irrigation controller upgrades to improve efficiency.

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## CAPITAL IMPROVEMENT PROGRAM

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For projects funded from non-General Fund sources, park development is planned in the Cannery Park, Juliet Terrace, Origone Ranch, and the Westlake Villages developments. In addition, reimbursements to developers are budgeted for land and construction improvements in the North Stockton III and Oakmore/Montego developments. For the City's libraries, repair/replacement of the roofs at the Maya Angelou and Cesar Chavez Libraries are planned.

### **Transportation Projects**

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

The transportation projects included in the CIP represent a continuing effort to improve traffic flow, safety, and personal mobility, reduce air pollution, accommodate growth, foster economic development and alternate transportation modes, and preserve the transportation infrastructure of the City. Projects are drawn from many sources, including the Stockton Street Improvement Plan, the Circulation Element of the General Plan, and various planning documents of the San Joaquin Council of Governments.

In general, the transportation projects in the CIP include improvements to traffic signals, expansion of Bus Rapid Transit, safety upgrades at existing at-grade railroad crossings, maintenance of bridges and pavement throughout the city, the construction of the French Camp/I-5 interchange modifications, and the continuation of the Traffic Calming Program.

### **Utilities Projects**

Improvements to the City's water, sanitary, and stormwater systems are funded from non-General Fund sources that are dedicated to utility maintenance and improvements. These sources include utility user fees and Public Facilities Fees. Associated with the Delta Water Supply Project, the Department of Municipal Utilities is budgeting most new project funds from the Water Enterprise for conversion of the disinfection system in the north zone. Also, Water Enterprise funds are budgeted for extending water supply pipelines to support industrial development in southeast Stockton. For the Wastewater Enterprise, funds are budgeted for pipeline repairs and replacements, as well as treatment plant improvements.

No projects have been budgeted in the Stormwater Enterprise because of a lack of funding.

## CAPITAL IMPROVEMENT PROGRAM

### FY 10-11 ACCOMPLISHMENTS

- Awarded construction contract for Sperry Road Extension project.
- Began construction of North Stockton Grade Separations.
- Completed Civic Auditorium HVAC replacement project.
- Completed design of EECBG funded HVAC project at Police main facility.
- Completed the construction of a three (3) million gallon above-ground water tank at the Weston Ranch Reservoir Site.
- Completed the rehabilitation of a 36-inch sewer-line, which crosses under the San Joaquin River, at the Regional Wastewater Control Facility.
- Completed construction of a pump station at Water Well 10R in North Stockton.
- Completed construction and installation of 3,600 linear feet of 24 inch sanitary sewer force-main in the vicinity of Arch Road and Highway 99.

### FY 2011-12 OBJECTIVES

- Focus attention on community goals, needs and capabilities for the best use of public expenditures, and establish a long-term plan for future needs.
- Prioritizes needs and establish an orderly basis for sound budget decisions.
- Improve the City's chances of obtaining State and Federal financing assistance.
- Encourage coordination of projects among City staff and other public agencies and reduce scheduling problems.

### SUMMARY OF SERVICE LEVEL CHANGES

Budget Plan A or Budget Plan B

- No change

**Summary by Program**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<b>Summary by Program</b>				
General Government				
Buildings	\$ 10,795	\$ 400	\$ (1,297)	\$ 150
Police	-	222	-	66
Fire	44	-	-	-
Parks	3,662	-	-	32
Golf	-	374	-	100
Library	4,115	4,229	(474)	783
	18,616	5,225	(1,771)	1,131
Transportation	101,359	102,493	(6,080)	43,451
Utilities	133,845	3,550	(12,208)	16,866
<b>Total CIP Program</b>	<b>\$ 253,820</b>	<b>\$ 111,268</b>	<b>\$ (20,059)</b>	<b>\$ 61,448</b>
	-	-	-	-
Funded	\$ 253,820	\$ 111,268	\$ (20,059)	\$ 61,448
Unfunded	-	-	-	-
Total	\$ 253,820	\$ 111,268	\$ (20,059)	\$ 61,448

**Summary by Program**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
\$ 275	\$ 315	\$ 625	\$ 975
-	-	-	-
251	49	-	-
1,776	4,972	5,208	9,249
793	5,264	2,282	-
350	350	350	350
3,445	10,950	8,465	10,574
37,884	28,370	70,089	268,962
153,960	44,726	13,432	9,030
<u>\$ 195,289</u>	<u>\$ 84,046</u>	<u>\$ 91,986</u>	<u>\$ 288,566</u>
-	-	-	-
\$ 49,228	\$ 44,097	\$ 83,187	\$ 285,040
146,061	39,949	8,799	3,526
<u>\$ 195,289</u>	<u>\$ 84,046</u>	<u>\$ 91,986</u>	<u>\$ 288,566</u>

**Summary by Fund**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<b>Summary by Fund</b>					
<b>General Government and Grants</b>					
Capital Fund	301	\$ 4,440	\$ 984	\$ (1,297)	\$ 316
Grant Funding / Other Reimbursements	304	12,061	66,194	-	3,888
Landscape Maintenance District	72	-	-	-	32
Library	41	1,895	976	(474)	533
Measure K Renewal	80	20,412	33,692	-	36,501
Measure K Maintenance	82	6,750	390	-	774
SAFETEA-LU	38	19,336	1,785	-	1,580
Traffic Congestion Relief	39	519	-	-	-
Transportation Development Act	34	-	154	-	160
		65,413	104,175	(1,771)	43,784
<b>Public Facilities Fees</b>					
Air Quality	990	1,529	100	-	311
Fire	940	44	-	-	-
Library	950	2,220	3,253	-	250
Parkland	970	3,646	-	-	-
Office Space	930	1,624	-	-	-
Police	960	3,091	-	-	-
Regional Streets	917	4,108	-	(2,075)	-
Street Fees	910-915	36,832	-	(4,005)	-
Street Trees	978	347	-	-	-
Street Signs	979	59	-	-	-
Street Lights	980-985	447	-	-	-
Traffic Signals	900-904	615	190	-	237
		54,562	3,543	(6,080)	798
<b>Utilities</b>					
Water	423-427	107,059	3,550	(4,908)	8,051
Wastewater 434-437		26,740	-	(7,300)	8,815
Stormwater	447	46	-	-	-
		133,845	3,550	(12,208)	16,866
<b>Unfunded</b>					
Fire	Unfunded	-	-	-	-
Parks	Unfunded	-	-	-	-
Golf	Unfunded	-	-	-	-
Transportation	Unfunded	-	-	-	-
Wastewater	Unfunded	-	-	-	-
Stormwater	Unfunded	-	-	-	-
		-	-	-	-
Total CIP Program		\$ 253,820	\$ 111,268	\$ (20,059)	\$ 61,448
		-	-	-	-
Funded		\$ 253,820	\$ 111,268	\$ (20,059)	\$ 61,448
Unfunded		-	-	-	-
Total		\$ 253,820	\$ 111,268	\$ (20,059)	\$ 61,448
		-	-	-	-



**Summary by Fund**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
<hr/>			
\$ 325	\$ 365	\$ 675	\$ 1,151
12,112	23,981	42,213	264,449
-	-	-	-
100	100	100	100
15,000	-	19,645	-
2,282	1,899	1,899	1,899
3,281	1,580	1,580	1,580
-	-	-	-
160	160	160	160
33,260	28,085	66,272	269,339
<hr/>			
581	250	250	250
-	-	-	-
250	250	250	250
1,176	4,794	5,158	8,305
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	41
-	-	-	-
-	-	-	-
400	400	400	400
2,407	5,694	6,058	9,246
<hr/>			
2,716	3,755	1,466	1,466
10,845	6,563	9,391	4,989
-	-	-	-
13,561	10,318	10,857	6,455
<hr/>			
251	49	-	-
549	128	-	768
793	5,264	2,282	-
4,068	100	3,942	183
134,965	28,219	-	-
5,434	6,189	2,575	2,575
146,061	39,949	8,799	3,526
<hr/>			
\$ 195,289	\$ 84,046	\$ 91,986	\$ 288,566
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-	-	-	-
\$ 49,228	\$ 44,097	\$ 83,187	\$ 285,040
146,061	39,949	8,799	3,526
\$ 195,289	\$ 84,046	\$ 91,986	\$ 288,566
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**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<b>General Government Program</b>						
<b>Buildings / City Property</b>						
<u>Capital Fund</u>						
Public Facilities Minor Repairs	7011	301	75			
ADA Compliance Program	7022	301	143			
Fox Theater Renovation	7027	301	96		(91)	
Electrical Power Upgrade	7035	301	69			
General Emergency Maintenance	7011	301	-	75		50
Hazardous Materials Abatement and Monitoring	7002	301	-	75		
HVAC Upgrades and Replacements	7036	301	26	75		
O&M Electrical Shop	7052	301	64			
Green Lease Civic Aud.	7054	301	1,070			
Green Lease Main PD Equip.	7057	301	411			
Roof Management Program	7087	301	1,140		(750)	100
Downtown Acquisitions/Demo	7102	301	465		(456)	
Fire Station Repairs	7103	301	220			
Philomathean Club Renovation	7517	301	34			
Riverfront Park Improvements	7807	301	12			
Miracle Mile Parking Lots	7909	301	201			
Dr. MLK Blvd Underpass Wheelchair Ramp	0000	301		175		
Event Center	9811	301	414			
			4,440	400	(1,297)	150
<u>Federal ARRA Act</u>						
EECBG-Energy Efficient Buildings	8608	304	1,189			
			1,189	-	-	-
<u>Public Facilities Fees- City Office Space</u>						
SEB 4th Floor Police Expansion	9832	930	1,624			
			1,624	-	-	-
<u>Public Facilities Fees- Police Stations</u>						
SEB 4th Floor Police Expansion	9832	960	3,091			
			3,091	-	-	-
<u>Federal American Recovery and Reinvestment Act</u>						
EECBG-Neighborhood Stabilization	8607	304	200			
EECBG-Recycle Multi-Family	8609	304	94			
EECBG-Reacon Team	8610	304	141			
EECBG-Fin. Internal Control	9612	304	16			
			451	-	-	-
Subtotal, Buildings			10,795	400	(1,297)	150
<b>Police</b>						
<u>Capital Fund</u>						
PD Main HVAC System Controls	0000	301		110		
PD Animal Shelter HVAC System Upgrades	0000	301		100		
Police Gun Range Improvements	0000	301				66
			-	210	-	66

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
-	50	100	150
-	50	100	100
-	-	50	50
75	50	75	75
200	165	300	600

275	315	625	975
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-	-	-	-
275	315	625	975

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**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<u>Other Reimbursement</u>						
PD Main HVAC System Controls	0000	304		12		
			-	12	-	-
Subtotal, Police			-	222	-	66
<b>Fire</b>						
<u>Unidentified Funding</u>						
Fire Station 3 Upgrades	0000	Unfunded				
			-	-	-	-
<u>Public Facilities Fees- Fire Stations</u>						
Fire Station # 13 NE (Temp)	7243	940	6			
Fire Station # 13 NE (Perm)	9251	940	19			
Fire Relocation/Construction	9255	940	19			
			44	-	-	-
Subtotal, Fire			44	-	-	-
<b>Parks</b>						
<u>Capital Fund</u>						
Game Court Rehabilitation	0000	301				
Irrigation Controller	0000	301				
			-	-	-	-
<u>Grant Fund</u>						
Laughlin Park Playground	7890	304	16			
			16			-
<u>Landscape Maintenance Districts</u>						
Game Court Rehabilitation	0000	72				32
			-	-	-	32
<u>Public Facilities Fee - Parkland Citywide</u>						
Marina Construction Park	7359	970	237			
LUSD High School District Park	9113	970	47			
La Morada Neighborhood Park	9173	970	1,799			
William Long Park PF-II	9184	970	9			
John Peri Neighborhood Park	9204	970	61			
Arnold Rue Park	9212	970	60			
P. E. Weston Park PH-II	9224	970	10			
Spanos Park Baxter	9229	970	27			
Spanos Park West (16.7 acre)	9230	970	60			
Cannery Park 2.7 Acre Neighborhood Park	9270	970				
Cannery Park 7.48 Acre Neighborhood Park	9271	970				
Feather River Dog Park	9259	970	16			
Juliet Terrace Neighborhood Park	9131	970	-			
North Stockton III Reimbursement	9268	970	922			
Oakmore Montego 6 Acre	9254	970	127			
Origone Ranch 6 Acre Park Site	0000	970				
Origone Ranch 7 Acre Neighborhood Park Site	0000	970				
New Park Fencing	9273	970	38			
Westlake Villages Park	9269	970	-			
Detention Basin Soccer Complex	9815	970	233			
			3,646	-	-	-

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
<hr/>			
-	-	-	-
-	-	-	-
<hr/>			
251	49		
251	49	-	-
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<hr/>			
-	-	-	-
251	49	-	-
<hr/>			
-	-	-	126
50	50	50	50
50	50	50	176
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-	-	-	-
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68	827		
909	2,247		
		558	1,301
200	463	462	
		518	1,565
		180	2,534
		210	2,905
	1,257	3,229	
1,176	4,794	5,158	8,305

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<u>Unidentified Funding</u>						
Louis Park Softball Complex Paving	0000	Unfunded				
Weber Point Shade Structure Fabric Replacement		Unfunded				
			-	-	-	-
Subtotal, Parks			3,662	-	-	32
<b>Golf</b>						
<u>Capital Fund</u>						
Golf Course Pro-Shop & Clubhouse Repair	0000	301	-	374		100
			-	374	-	100
<u>Unidentified Funding</u>						
Swenson Golf Course Cart Path Installation	0000	Unfunded				
Swenson Golf Course Perimeter Fence Renovation	0000	Unfunded				
Van Buskirk Golf Course Cart Path Installation	0000	Unfunded				
Van Buskirk Golf Course Irrigation Replacement	0000	Unfunded				
Van Buskirk Golf Course Perimeter Fence Renovation	0000	Unfunded				
			-	-	-	-
Subtotal, Golf			-	374	-	100
<b>Library</b>						
<u>Library Fund</u>						
Angelou/Chavez Roof Replacement	7087	41	716			433
Cesar Chavez HVAC/Boiler	7037	41		788		
Chavez Library Cooling	7037	41	320			
Chavez Library Exterior Renovation	7038	41	113			
Chavez Interior Remodel and Ceiling	7049	41	228			-
Citywide Library Alarm System	0000	41		188	(188)	
Library Minor Repairs	7019	41	232			100
Northeast Branch Library	9953	41	286		(286)	-
			1,895	976	(474)	533
<u>Public Facilities Fees - Library</u>						
Northwest Branch Library	9112	950	526			
Library Book Collection Augmentation	9202	950	158	250		250
Express Check-out Machines	9238	950	301			
New Library Facility Study	9262	950	472			
Northwest Stockton Multi-Purpose	9737	950	-	3,003		-
Northeast Branch Library	9953	950	763			
			2,220	3,253	-	250
Subtotal, Library			4,115	4,229	(474)	783
<b>Total General Government</b>			<b>18,616</b>	<b>5,225</b>	<b>(1,771)</b>	<b>1,131</b>

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
549	128		
			768
549	128	-	768
1,776	4,972	5,208	9,249
-	-	-	-
147	2,250		
177	168		
	115	2,282	
287	2,548		
183	183		
793	5,264	2,282	-
793	5,264	2,282	-
100	100	100	100
-	-	-	-
100	100	100	100
250	250	250	250
-	-		
250	250	250	250
350	350	350	350
<b>3,445</b>	<b>10,950</b>	<b>8,465</b>	<b>10,574</b>

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<b>Transportation Program</b>						
<b>Federal Grants</b>						
<u>Congestion Mitigation Air Quality (CMAQ)</u>						
Benjamin Holt Drive/Cumberland Place Traffic Signal	0000	304				52
Benjamin Holt Drive/Inglewood Avenue Traffic Signal	0000	304				53
Bus Rapid Transit Phase III (Hammer Lane)	0000	304				2,075
Davis Road/Wagner Heights Drive Traffic Signal	0000	304				57
Wilson Way Corridor Adaptive Traffic Control System	0000	304				155
			-	-	-	2,392
<u>Safe Accountable Flexible Efficient Equality Act: A Legacy for Users (SAFETEA-LU)</u>						
Lincoln St/BNSF RR Improvements	6715	38	160			
Montezuma Elementary Sidewalk	6718	38	42			
Safe Routes To School	6719	38	479			
Green Lease Civic Aud.	7054	38	600			
March Ln/Pershing Interchange	9702	38	6			
Airport Way Corridor Project	9704	38	385			
N Stockton I-5 Interchange	9710	38	16			
Bridge Maintenance Program	9715	38	61			
Airport Wy Beautification PHII ARRA	9728	38	1,000			
Bus RT PHII-Airport Way	9729	38	161			
2007-08 Street Overlay	9730	38	815			
RSTP 2008-09 Street Overlay	9732	38	2,422			
2009 St Overlay- ARRA	9733	38	5,898			
Rubberized Cape Seal	9734	38	1,649			
Airport @ Park/Oak & Fremont	9736	38	49			
Hammer Ln/SR99 Interchange	9942	38	1,715			
French Camp/Sperry Rd-Perf.	9945	38	1,037			
Davis Rd/Pixley Slough Bridge	9988	38	2,841			
Airport Way Beautification Project, Phase 4	0000	38	-			
Street Resurfacing/Bridge Repair Program	9928	38	-	1,785		1,580
			19,336	1,785	-	1,580
<u>Federal Highway Administration (FHWA)</u>						
Highway Rail Crossing Program - Section 130		304	-			
Hazleton and UPRR Railroad Crossing Improvements	0000	304	-			54
Industrial/McKinley and UPRR Crossing Improvements	0000	304	-			312
			-	-	-	366



**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
357			
360			
385			
1,064			
2,166	-	-	-

1,701			
1,580	1,580	1,580	1,580
3,281	1,580	1,580	1,580

403			
2,383			
2,786	-	-	-

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<b>Federal American Recovery and Reinvestment Act</b>						
EECBG-Climate Action Plan	8606	304	660			
Street Light Retrofit	8611	304	100			
			760	-	-	-
<b>Highway Bridge Program</b>						
Center St. and El Dorado St. Overpass Rehabilitation	0000	304				63
McKinley Avenue/French Camp Slough Bridge	0000	304				139
Pershing Avenue/Calaveras River	0000	304				
West Lane/Calaveras River Bridge	0000	304				
			-	-	-	202
<b>Highway Safety Improvement Program</b>						
Radar Speed Feedback Signs (HSIP)	0000	304				360
			-	-	-	360
<b>Subtotal, Federal Grants</b>			20,096	1,785	-	4,900
<b>State Grants</b>						
<u>California Highway Railroad Crossing Safety</u>						
Eight Mile Rd/UPRR West Sep.	9716	304	760			
Lower Sacramento Rd. widening/UPRR	9718	304	3,575			
Eight Mile Rd/UPRR East Grade Sep.	9829	304	830			
Street Resurfacing	9928	304	4,210			
			9,375	-	-	-
<u>Safe Route To School Grant</u>						
Fillmore SR2S	9725	304	174			
SR2S Speed Signs	7232	304	52			
			226	-	-	-
<u>Traffic Congestion Relief Grant</u>						
Street Resurfacing/Bridge Repair	9928	39	519			
			519	-	-	-
<u>Transportation Development Act (TDA)</u>						
Wheelchair Ramp Repair Program	0000	34	-	154		160
			-	154	-	160
<u>Urban Greening Grant</u>						
EBMUD - March Lane Bicycle and	0000	304				568
			-	-	-	568
<b>Subtotal, State Grants</b>			10,120	154	-	728

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
<hr/>			
-	-	-	-
<hr/>			
2,300			
552			
		47	300
		63	349
2,852	-	110	649
<hr/>			
-	-	-	-
11,085	1,580	1,690	2,229
<hr/>			
-	-	-	-
<hr/>			
-	-	-	-
<hr/>			
-	-	-	-
160	160	160	160
160	160	160	160
<hr/>			
-	-	-	-
160	160	160	160

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<b>Local Grants</b>						
<u>Measure K Renewal</u>						
Median Landscaping	3670	80	17			
Traffic Calming	6653	80	762			
Duck Creek Bicycle Path	6711	80	120			
Sutter St Ped and Bike Bridge	6717	80	152			
Midtown Projects	7373	80	95			
Lower Sac. Road Widening/UPRR	9718	80	4,089	8,564		
North Stockton I-5 Widening	9723	80	3,211			
Weber Av. Beautification	9727	80	48			
Airport Way Beautification PH-II ARRA	9728	80	217			
Eight Mile Rd/UPPR (East) Grade	9829	80		8,564		
Eight Mile Rd/UPPR (West) Grade	9716	80		8,564		
Charter Way Enhancements	9927	80	340			
Traffic Signal Modifications	9934	80	100			
Farmington Stagecoach Interchange	9975	80	148			
French Camp Road/I-5 Interchange	9945	80	-			36,501
Hammer Lane Widening Phase 3B	9995	80	973			
Sperry Road Extension	9837	80		8,000		
South Stockton Highway 99 Widening	0000	80	-			
Thornton Road Widening	9828	80	10,140			
			20,412	33,692	-	36,501
<u>Measure K Maintenance</u>						
Center St. and El Dorado St. Overpass Rehabilitation	0000	82	-			9
Neighborhood Traffic Calming	6653	82	-			120
Pershing Av. Rule 20A 2	6678	82	69			
Street Lighting Upgrade	6689	82	187			
Filbert/Myrtle St. Signal	6709	82	45			
Lincoln St/Turnpike Signal	6710	82	110			
Thornton/Eight Mile Improvements	6716	82	378			
CW Median Landscaping Maint.	7870	82	22			
Airport Wy Corridor Project	9704	82	198			
El Dorado St. Widening	9706	82	1,111			
Wilson Way Overlay	9722	82	550			
Weber Av. Beautification PH-II	9727	82	48			
2007-08 Street Overlay	9730	82	459			
RSTP 2008-09 Street Overlay	9732	82	513			
Radar Speed Feedback Signs	0000	82	-			40
Street Resurfacing/Bridge Repair Program	9928	82	1,958	200		205
Street Lighting Projects Rule 20A	0000	82	-			
Sidewalks, Curbs & Gutters	9969	82	1,080			
Traffic Signal Control System	9906	82	-	100		250
Traffic Signal Installations (New)	9933	82	-			
Traffic Signal Modifications	9934	82	-			150

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
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		8,645	
15,000		11,000	
15,000	-	19,645	-

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329			
600	600	600	600

205	205	205	205
200	200	200	200
250	250	250	250
428	374	374	374
270	270	270	270

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
El Dorado St/Charter Wat Traffic Signal Modifications	0000	82		26		
Tam O'Shanter Drive/Hammertown Dr Traffic Signal	0000	82		64		
Eight Mile I-5 Interchange	9972	82	22			-
			6,750	390	-	774
<b>Subtotal, Local Grants</b>			27,162	34,082	-	37,275
<b>Public Facilities Fees</b>						
<u>Air Quality Citywide</u>						
Green Initiatives	9276	990	95			
Traffic Signal Control Systems	9906	990	1,236	100		
Traffic Signal Installations (New)	9933	990	-			
Traffic Signal Modifications	9934	990	144			
Farmington/Stagecoach Interchange	9975	990	54			
Wilson Way Corridor Adaptive Traffic Control System	0000	990	-			20
Bus Rapid Transit Phase III (Hammer Lane)	0000	990	-			270
Benjamin Holt Drive/Cumberland Place Traffic Signal	0000	990	-			7
Benjamin Holt Drive/Inglewood Avenue Traffic Signal	0000	990	-			7
Davis Road/Wagner Heights Drive Traffic Signal	0000	990	-			7
			1,529	100	-	311
<u>Regional Street Improvements</u>						
Developers Reimbursements	9711	917	617		(617)	
Eight Mile/ SR 99 Interchange	9719	917	329		-	
Morada Lane/ SR 99 Interchange	9720	917	316		-	
Eight Mile/UPRR (E) Grade Sep.	9829	917	1,280		-	
French Camp/Sperry Rd-Perform.	9945	917	1,527		(1,419)	
Trinity Askland Bridge	9992	917	39		(39)	
			4,108	-	(2,075)	-
<u>Street Improvements Fees</u>						
Eight Mile/ SR 99 Interchange	9719	910	45		-	
Morada Lane/ SR 99 Interchange	9720	910	43		-	
Eight Mile Rd/UPRR (E) Grade Sep.	9829	910	660		-	
Morada LaneGrade Separation	9834	910	205		(167)	
Hammer Ln/SR99 Interchange	9942	910	189		-	
Trinity Askland Bridge	9992	910	41		(41)	
Holman Rd Widening	9208	911	319		(319)	
Eight Mile/Thornton Rd Imp.	9209	911	202		-	
West Ln./Morada Ln Imp.	9240	911	700		-	
Lower Sac. Rd Reimb. Agreem.	9261	911	227		-	
Morada Ln UPRR & Grade Crossing	9265	911	217		(216)	
Developer Reimbursements	9711	911	8,483		(2,574)	
Eight Mile Rd/UPRR West Sep.	9716	911	611		-	
Lower Sac. Rd Widening/UPRR	9718	911	230		-	
Eight Mile/ SR 99 Interchange	9719	911	186		-	

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
-	-	-	-
2,282	1,899	1,899	1,899
17,282	1,899	21,544	1,899
200	150	150	150
100	100	100	100
138			
46			
47			
50			
581	250	250	250
-	-	-	-

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
Morada Lane/ SR 99 Interchange	9720	911	186		-	
Otto Drive /I-5 Interchange	9726	911	344		(204)	
Thorton Rd. Widening	9828	911	134		-	
Eight Mile Rd/UPRR (E) Grade Sep.	9829	911	543		-	
Morada Lane Grade Separation	9834	911	205		(167)	
March Ln./UPRR Grade Sep.	9918	911	57		(57)	
Davis Rd/Pixley Slough Bridge	9988	911	629		(100)	
Trinity Askland Bridge	9992	911	160		(160)	
El Dorado St. Widening Phase II	9706	913	555		-	
Little John Creek Reimb. Agreem.	9165	915	194		-	
Arch Rd/Sperry Roadway Extension	9837	915	13,384		-	
French Camp/Sperry Rd-Perform.	9945	915	8,083		-	
			36,832	-	(4,005)	-
<u>Street Trees Citywide</u>						
Street Tree Planting	9118	978	347			
			347	-	-	-
<u>Street Signs Citywide</u>						
Street Name Sign Installation	9176	979	59			
			59	-	-	-
<u>Street Lights Citywide</u>						
Installation-CW	9191	980	158			
Installation- FA 3 & 4	9191	983	40			
Utility Underground @ Pershing/Smith- FA 3 & 4	9241	983	49			
Installation- FA 5 & 6	9191	985	200			
			447	-	-	-
<u>Traffic Signals</u>						
Modifications - Zone CW	9934	900	65	-		-
Modifications - Zone 1	9934	901	166	95		237
Modifications - Zone 2	9934	902	137	95		
Modifications - Zone 3	9736	903	5	-		-
Modifications - Zone 3	9934	903	121	-		-
Modifications - Zone 4	9934	904	121	-		-
			615	190	-	237
<b>Subtotal Public Facilities Fees</b>			43,937	290	(6,080)	548
<u>Other Reimbursement</u>						
Eight Mile Road/SR 99 Interchange	9719	304				
I-5/Eight Mile Road Interchange	0000	304				
I-5/Hammer Lane Interchange	0000	304				
I-5/Otto Drive Interchange	0000	304				
Morada Lane/SR 99 Interchange	9720	304				
Pacific Avenue Median Improvements	7233	304	23			
Sutter Street Bicycle/Pedestrian Bridge	6717	304				
West Lane Widening, Hammer Lane to Morada Lane	0000	304				
Eight Mile Rd/UPPR (East) Grade	9829	304		8,500		
Eight Mile Rd/UPPR (West) Grade	9716	304		8,500		
Traffic Signal Modifications	9934	304		503		



**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
-	-	-	-
			41
-	-	-	41
			-
-	-	-	-
-	-	-	-
200	200	200	200
200	200	200	200
-	-	-	-
-	-	-	-
-	-	-	-
400	400	400	400
981	650	650	691
	9,004	17,912	65,702
	6,203	1,885	65,517
1,894	1,536		20,394
	7,238	10,500	70,208
		11,806	39,060
792			
1,622			
			2,919

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
Tom O'Shanter Dr/Hammertown Dr Signal	0000	304		441		
El Dorado/Charter Wy Traffic Signal	0000	304		238		
Lower Sacramento Rd, UPPR Underpass	9718	304		12,500		
Sperry Road Extension	9837	304		35,500		
Bus Rapid Transit PH-II Airport Way	9729	304	21			
			44	66,182	-	-
<b>Unidentified Funding</b>						
Pershing Avenue/Calaveras River Bridge	0000	Unfunded				
Thornton Road Widening	9828	Unfunded				
Street Lighting Installations/Upgrades	9191	Unfunded				
University Miracle Mile Median	0000	Unfunded				
Weber Avenue Streetscape Beautification Phase 2	9727	Unfunded				
West Lane/Calaveras River Bridge	0000	Unfunded				
Wilson Way Underpass ADA Ramp Installation	0000	Unfunded				
			-	-	-	-
<b>Total Transportation</b>			<b>101,359</b>	<b>102,493</b>	<b>(6,080)</b>	<b>43,451</b>
<b>Municipal Utilities</b>						
<b>Water</b>						
Delta Water Supply Project	9922	421	89,577			
Delta Water Supply Project	9922		2,000		(2,000)	
Water System Expansion	7601	421 / 427	559	600		
Water System Expansion	7601	423	2,859		(1,665)	
Water System Improvements	7602	421/ 427	7	880		
Water System Improvements	7602	424	163			
Central Control System	7615	421/ 427	259			
Water Supply - Old Wells	7617	421/ 427	558			
Water System Improvements	7602	424				
Water Supply - New Wells	7618	423	94		(279)	
Water Transmission Mains	7623	423	6,327	560	(964)	2,950
Water Transmission Mains	7623	421 / 427	492			
Water Transmission Mains	7623	424	1,408			
Water Treatment Equipment	7619	421 / 427	982	420		5,101
Well/Reservoir/Detention Basin Site	7620	421 / 427	322	170		
Existing well Replacement	7632	421 / 427	1,071			
Mokelumne River Project	7637	424	100			
Water Telemetry	7630	421/427		430		
Water Telemetry	7641	421 / 427	100			
Water Systems Security Improvements	7615	421/427		490		
Water System Upgrades and Street	7796	421 / 427	101			
Public Works/RSTP 2008-09 Steet	9732	421 / 427	16			
Cashier Station Remodel	9830	421 / 427	64			
			107,059	3,550	(4,908)	8,051

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
4,308	23,981	42,103	263,800
		6	38
		3,828	
100	100	100	100
420			
3,302			
		8	45
246			
4,068	100	3,942	183
<b>37,884</b>	<b>28,370</b>	<b>70,089</b>	<b>268,962</b>
327	2,255		
430	334	300	300
20	91	91	91
829	829	829	829
916	135	135	135
92			
101	111	111	111
2,716	3,755	1,466	1,466

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

	Project Number	Fund	Carryover Balance June 2010	2010-11 Adopted	Canceled/ Adjusted Projects	2011-12 Adopted Budget
<b>Wastewater</b>						
Infiltration and Inflow Sanitation	7714	437				325
Oversize Collection Lines	7713	434	5,611		(1,000)	
Sanitary System Repair	7702	431 / 437	1,105			921
Sanitary Telemetry	7784	431 / 437	286			253
Regional Wastewater Control Facilities Modifications	7709	431 / 437	2,516			2,784
Sanitary Pump Station	7785	431 / 437	255			337
Sanitary System Deficiency	7787	431 / 437	894			175
Sanitary System Street Improvements	7790	431 / 437	90			21
Capital Asset Replacements	7792	437				4,000
Storm Drain Pump Station Rehab	7756	431 / 437	116			
Industrial Local Limit Study	7757	431 / 437	90			
Buena Vista/Smith Storm improvements	7780	431 / 437	91			
Storm Pump Modification	7783	431 / 437	423			
Storm Drain Improvements	7788	431 / 437	447			
Public Works/RSTP 2008-09 Steet	9732	431 / 437	20			
Cashier Station Remodel	9830	431 / 437	114			
Sanitary System Expansion	7703	434	14,682		(6,300)	
			26,740	-	(7,300)	8,815
<u>Unidentified Funding</u>						
Regional Wastewater Control	7709	Unfunded				
			-	-	-	-
Subtotal, Wastewater			26,740	-	(7,300)	8,815
<b>Stormwater</b>						
Public Works/RSTP 2008-09 Steet	9732		24			
Cashier Station Remodel	9830		22			
			46	-	-	-
<u>Unidentified Funding</u>						
Storm Drain Alleviation -	7788	Unfunded				
Storm Pump Station Additions	7780	Unfunded				
Storm Pump Station Improvements	7783	Unfunded				
Storm System Rehabilitation	7789	Unfunded				
Storm System Deficiency Study	7794	Unfunded				
Stormwater Telemetry	7776	Unfunded				-
			-	-	-	-
Subtotal, Stormwater			46	-	-	-
<b>Total Municipal Utilities</b>			133,845	3,550	(12,208)	16,866
<b>Total CIP Program</b>			\$ 253,820	\$ 111,268	\$ (20,059)	\$ 61,448
			-	-	-	-

**Project Listing**  
**Five Year Capital Improvement Program**  
**2011-12 to 2015-16**  
(Dollars in thousands)

2012-13 Projected	2013-14 Projected	2014 -15 Projected	2015 -16 Projected
	510		
753	334		
-	-	1,308	878
3,911	400	114	
2,070	1,208	3,858	
111	111	111	111
4,000	4,000	4,000	4,000
<hr/>			
10,845	6,563	9,391	4,989
<hr/>			
134,965	28,219		
134,965	28,219	-	-
145,810	34,782	9,391	4,989
<hr/>			
-	-	-	-
<hr/>			
3,473	995		
	4,372		
262	596		
111	111	2,575	2,575
135	115		
1,453			
5,434	6,189	2,575	2,575
5,434	6,189	2,575	2,575
<hr/>			
153,960	44,726	13,432	9,030
<hr/>			
\$ 195,289	\$ 84,046	\$ 91,986	\$ 288,566
<hr/>			
-	-	-	-



**Capital Project Funds  
2011-12 Adopted Budget**

	<b>General Government</b>	<b>Transportation Programs</b>	<b>Public Facilities Fees</b>	<b>Capital Improvement Total</b>
	<i>See Page N - 30</i>	<i>See Page N - 31</i>	<i>See Page N - 32-36</i>	
<b>Beginning Available Balance</b>	<b>\$ 989,740</b>	<b>\$ 9,360</b>	<b>\$ 5,036,984</b>	<b>\$ 6,036,084</b>
<b>Revenues</b>				
Grants	3,888,000	38,241,000		42,129,000
Fees	55,000		2,408,235	2,463,235
Interest Earned	62,595	111,492	159,190	333,277
Other Revenue			165,607	165,607
	<b>4,005,595</b>	<b>38,352,492</b>	<b>2,733,032</b>	<b>45,091,119</b>
<b>Expenditures</b>				
Capital Projects	4,204,000	38,241,000	798,000	43,243,000
Debt Service	248,779			248,779
Other		111,492	-	111,492
	<b>4,452,779</b>	<b>38,352,492</b>	<b>798,000</b>	<b>43,603,271</b>
<b>Transfers</b>				
Transfer In - General Fund	575,000			575,000
Transfer Out - Debt 201	-	-	(2,690,050)	(2,690,050)
	<b>575,000</b>	<b>-</b>	<b>(2,690,050)</b>	<b>(2,115,050)</b>
<b>Net Annual Activity</b>	<b>127,816</b>	<b>-</b>	<b>(755,018)</b>	<b>(627,202)</b>
<b>Ending Available Balance</b>	<b>\$ 1,117,556</b>	<b>\$ 9,360</b>	<b>\$ 4,281,966</b>	<b>\$ 5,408,882</b>
		-	-	-
			Revenues	\$ 45,091,119
			Transfers	575,000
			Total Sources	<b>\$ 45,666,119</b>
<b>Reconciliation of Capital Funds</b>				
Project Total by Category (pg N - 4)	\$ 61,448,000		Expenditures	\$ 43,603,271
Equipment Replacement			Transfers	2,690,050
Public Works - Fleet Svcs (pg G - 7)	2,225,000		Total Capital Projects Funds	46,293,321
ISF - Information Technology ( pg O - 5)	1,559,056		Other Funds	21,629,222
Transfer Out - Debt Service	2,690,050		Total Appropriations	<b>\$ 67,922,543</b>
Total Appropriations	<b>\$ 67,922,106</b>			

**Capital Project Funds  
General Government  
2011-12 Adopted Budget**

	<b>General Capital 301</b>	<b>Capital Grants 304</b>	<b>City SEB Building 305</b>	<b>Public Art 306</b>	<b>General Government Total</b>
<b>Beginning Available Balance</b>	<u>\$ 585,376</u>	<u>\$ 8,120</u>	<u>\$ 176,700</u>	<u>\$ 219,544</u>	<u>\$ 989,740</u>
<b>Revenues</b>					
Grants		3,888,000			3,888,000
Fees	55,000				55,000
Interest	400		60,000	2,195	62,595
	<u>55,400</u>	<u>3,888,000</u>	<u>60,000</u>	<u>2,195</u>	<u>4,005,595</u>
<b>Expenditures</b>					
Capital Projects	316,000	3,888,000			4,204,000
Debt Service	248,779				248,779
	<u>564,779</u>	<u>3,888,000</u>	<u>-</u>	<u>-</u>	<u>4,452,779</u>
<b>Transfers</b>					
Transfer In - General Fund	575,000				575,000
Transfer Out					-
	<u>575,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,000</u>
<b>Net Annual Activity</b>	<u>65,621</u>	<u>-</u>	<u>60,000</u>	<u>2,195</u>	<u>127,816</u>
<b>Ending Available Balance</b>	<u>\$ 650,997</u>	<u>\$ 8,120</u>	<u>\$ 236,700</u>	<u>\$ 221,739</u>	<u>\$ 1,117,556</u>

-



**Capital Project Funds  
Transportation Programs  
2011-12 Adopted Budget**

	<b>TDA 034</b>	<b>SAFETEA 038</b>	<b>Traffic Congestion Relief 039</b>	<b>Measure K Capital 080</b>	<b>Transportation Total</b>
			<i>State Program Discontinued</i>		
<b>Beginning Available Balance</b>	<b>\$ 9,360</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,360</b>
<b>Revenues</b>					
Grants	160,000	1,580,000		36,501,000	38,241,000
Interest				111,492	111,492
	<b>160,000</b>	<b>1,580,000</b>	<b>-</b>	<b>36,612,492</b>	<b>38,352,492</b>
<b>Expenditures</b>					
Capital Projects	160,000	1,580,000		36,501,000	38,241,000
Other				111,492	111,492
	<b>160,000</b>	<b>1,580,000</b>	<b>-</b>	<b>36,612,492</b>	<b>38,352,492</b>
<b>Transfers</b>					
Transfer In					-
Transfer Out					-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 9,360</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,360</b>

**Capital Project Funds  
Public Facilities Fee  
2011-12 Adopted Budget**

	<b>Traffic Signals City Wide 900</b>	<b>Traffic Signals Zone 1 901</b>	<b>Traffic Signals Zone 2 902</b>	<b>Traffic Signals Zone 3 903</b>	<b>Traffic Signals Zone 4 904</b>
<b>Beginning Available Balance</b>	<b>\$ 14,285</b>	<b>\$ 265,090</b>	<b>\$ 33,595</b>	<b>\$ 81,812</b>	<b>\$ (1,937)</b>
<b>Revenues</b>					
Fees	23,638	22,858	22,858	4,720	4,720
Interest	140	2,650	340	820	
Other Revenue					
	<b>23,778</b>	<b>25,508</b>	<b>23,198</b>	<b>5,540</b>	<b>4,720</b>
<b>Expenditures</b>					
Capital Projects		237,000			
Other					
	<b>-</b>	<b>237,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>					
Transfer In					
Transfer Out - Debt 201					
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>23,778</b>	<b>(211,492)</b>	<b>23,198</b>	<b>5,540</b>	<b>4,720</b>
<b>Ending Available Balance</b>	<b>\$ 38,063</b>	<b>\$ 53,598</b>	<b>\$ 56,793</b>	<b>\$ 87,352</b>	<b>\$ 2,783</b>

**Capital Project Funds  
Public Facilities Fee, Continued  
2011-12 Adopted Budget**

	Street Improvements City Wide 910	Street Improvements FA #1 911	Street Improvements FA #3 913	Street Improvements FA #5 915	Street Improvements Reg Traffic 917
<b>Beginning Available Balance</b>	<b>\$ 534,824</b>	<b>\$ (7,468,120)</b>	<b>\$ 3,198,210</b>	<b>\$ 7,995,036</b>	<b>\$ (293,050)</b>
<b>Revenues</b>					
Fees	178,141	584,074	234,266	191,128	438,411
Interest			31,980	29,468	
Other Revenue		165,607			
	<u>178,141</u>	<u>749,681</u>	<u>266,246</u>	<u>220,596</u>	<u>438,411</u>
<b>Expenditures</b>					
Capital Projects					
Other					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers</b>					
Transfer In					
Transfer Out - Debt 201		(822,589)			
	<u>-</u>	<u>(822,589)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>178,141</u>	<u>(72,908)</u>	<u>266,246</u>	<u>220,596</u>	<u>438,411</u>
<b>Ending Available Balance</b>	<u><u>\$ 712,965</u></u>	<u><u>\$ (7,541,028)</u></u>	<u><u>\$ 3,464,456</u></u>	<u><u>\$ 8,215,632</u></u>	<u><u>\$ 145,361</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  
2011-12 Adopted Budget**

	Community Recreation Centers -City Wide 920	City Office Space 930	Fire Station City Wide 940	Library City Wide 950	Police Station Expansion 960
<b>Beginning Available Balance</b>	<u>\$ (3,753,165)</u>	<u>\$ 678,889</u>	<u>\$ (2,549,260)</u>	<u>\$ 3,894,647</u>	<u>\$ (964,678)</u>
<b>Revenues</b>					
Fees	29,293	29,477	88,260	59,255	73,585
Interest		6,790	7,310	38,946	6,450
Other Revenue					
	<u>29,293</u>	<u>36,267</u>	<u>95,570</u>	<u>98,201</u>	<u>80,035</u>
<b>Expenditures</b>					
Capital Projects				250,000	
Other					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
<b>Transfers</b>					
Transfer In					
Transfer Out - Debt 201			(419,646)		(573,117)
	<u>-</u>	<u>-</u>	<u>(419,646)</u>	<u>-</u>	<u>(573,117)</u>
<b>Net Annual Activity</b>	<u>29,293</u>	<u>36,267</u>	<u>(324,076)</u>	<u>(151,799)</u>	<u>(493,082)</u>
<b>Ending Available Balance</b>	<u>\$ (3,723,872)</u>	<u>\$ 715,156</u>	<u>\$ (2,873,336)</u>	<u>\$ 3,742,848</u>	<u>\$ (1,457,760)</u>
	(a)		(a)		(a)

(a) These fee programs have been over leveraged with spending outpacing available revenues.  
Plans are under development to reduce these deficits.

**Capital Project Funds  
Public Facilities Fee, Continued  
2011-12 Adopted Budget**

	<b>Parkland City Wide 970</b>	<b>Street Trees 978</b>	<b>Street Signs 979</b>	<b>Street Lights City Wide 980</b>	<b>Street Lights Zone 1 981</b>
<b>Beginning Available Balance</b>	<b>\$ 3,139,341</b>	<b>\$ (6,383)</b>	<b>\$ 74,543</b>	<b>\$ (31,511)</b>	<b>\$ 31,808</b>
<b>Revenues</b>					
Fees	246,224			539	
Interest	31,390		745		318
Other Revenue					
	<b>277,614</b>	<b>-</b>	<b>745</b>	<b>539</b>	<b>318</b>
<b>Expenditures</b>					
Capital Projects					
Other					
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>					
Transfer In					
Transfer Out - Debt 201	(874,698)				
	<b>(874,698)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(597,084)</b>	<b>-</b>	<b>745</b>	<b>539</b>	<b>318</b>
<b>Ending Available Balance</b>	<b>\$ 2,542,257</b>	<b>\$ (6,383)</b>	<b>\$ 75,288</b>	<b>\$ (30,972)</b>	<b>\$ 32,126</b>

**Capital Project Funds  
Public Facilities Fee, Continued  
2011-12 Adopted Budget**

	<b>Street Lights Zone 3 &amp; 4 983</b>	<b>Street Signs Zone 5 985</b>	<b>Air Quality 990</b>	<b>Public Facilities Total</b>
<b>Beginning Available Balance</b>	<b>\$ (11,804)</b>	<b>\$ (9,521)</b>	<b>\$ 184,333</b>	<b>\$ 5,036,984</b>
<b>Revenues</b>				
Fees	2,164	881	173,743	2,408,235
Interest			1,843	159,190
Other Revenue				165,607
	<u>2,164</u>	<u>881</u>	<u>175,586</u>	<u>2,733,032</u>
<b>Expenditures</b>				
Capital Projects			311,000	798,000
Other				-
	<u>-</u>	<u>-</u>	<u>311,000</u>	<u>798,000</u>
<b>Transfers</b>				
Transfer In				-
Transfer Out - Debt 201				(2,690,050)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,690,050)</u>
<b>Net Annual Activity</b>	<u>2,164</u>	<u>881</u>	<u>(135,414)</u>	<u>(755,018)</u>
<b>Ending Available Balance</b>	<u><u>\$ (9,640)</u></u>	<u><u>\$ (8,640)</u></u>	<u><u>\$ 48,919</u></u>	<u><u>\$ 4,281,966</u></u>

# TAB

## Internal Service Funds

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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:

Total Expenditures	\$128,759,617
Total Revenues	\$128,954,908
Total Net Cost	\$195,291
Total Staff	82

## 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 \$21.6 million or 17% of the total internal service fund expenditures. The remaining \$107.1 million or 83% 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 at least 9% in Fiscal Year 2011-12 over Fiscal Year 2010-11 actual costs. Health plans must 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 \$560 million unfunded retiree health obligation.

Unemployment costs have spiked due to layoffs in the last two years. These higher costs are expected to continue in Fiscal Year 2011-12.

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## 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. Since employee retirements are continuing to occur at unprecedented rates, the fund will need additional funding from the General Fund in Fiscal Year 2010-11.

The Printing & Mailing fund has been merged into the Office Equipment fund.

## INTERNAL SERVICE FUNDS

### FY 10-11 ACCOMPLISHMENTS

- Implemented a contract with CorVel for third party administrative services for workers' compensation.
- Retrofitted 10 heavy Fleet vehicles with diesel particulate filters to meet State air quality standards
- Converted the City website to a content-management based system with improved organization and content.
- Installed a high-speed xerographic machine, a mail system and a mail merge printing system to improve efficiency and reduce printing and mailing costs.

### FY 2011-12 OBJECTIVES

- Complete a technology strategic plan to prioritize technology investment for the next five years.
- Convert existing financial and land-based software to an enterprise information system. Staff time from the Department's Information Technology Division, City Auditor's Office and managers and staff of all City departments will be necessary to implement this conversion.
- Conduct an audit of Workers Compensation policies and procedures to identify ways to more effectively manage costs.
- Establish proper funding and reserve levels for General Liability and Workers' Compensation funds.
- Offer one or more additional healthcare insurance plans.
- Audit of Third Party Claims Administrators for Workers Compensation and health benefits.
- Increase General Liability third party damage recovery rate by 20%.

### SUMMARY OF SERVICE LEVEL CHANGES

Budget Plan A or Budget Plan B

- Eliminate 3 full-time positions in Computer Services reducing ability to provide geographical information services.
- Eliminate 1 full-time position in Mailing & Printing



**Internal Service Funds  
2011-12 Adopted Budget**

	<b>Fleet Services 501</b>	<b>Computer Equipment 502</b>	<b>Radio Equipment 503</b>	<b>Telephone Equipment 504</b>	<b>Office Equipment Printing/Mailing 505/508</b>
	<i>See Page O - 8</i>	<i>See Page O - 9</i>	<i>See Page O - 10</i>	<i>See Page O - 11</i>	<i>See Page O - 12, 13</i>
<b>Beginning Available Balance</b>	<b>\$ 3,921,230</b>	<b>\$ 656,584</b>	<b>\$ 77,807</b>	<b>\$ 24,811</b>	<b>\$ 280,647</b>
<b>Revenues</b>					
Charge for Services					
Police	3,714,194	4,348,621	518,226	503,945	56,621
Fire	1,579,419	620,110	255,486	46,847	33,364
Other General Fund	355,479	840,486	240	195,645	76,545
Other Funds	2,694,303	3,071,589	61,613	629,603	268,465
Contingency for staff reductions	8,343,395	8,880,806	835,565	1,376,040	434,995
Refunds & Reimbursements	45,000				
Interest					
	<b>8,388,395</b>	<b>8,880,806</b>	<b>835,565</b>	<b>1,376,040</b>	<b>434,995</b>
<b>Expenditures</b>					
General & Administrative	1,116,624	1,532,162			
Operations & Maintenance	5,803,703	6,489,468	789,372	1,049,430	685,642
Equipment Replacements	2,225,000	1,405,056	124,000		30,000
Debt Service	88,524			325,000	
Claims					
Excess Insurance Premium					
Third Party Administrator					
Pension contributions to CalPERS					
Employee leave balance payoffs					
	<b>9,233,851</b>	<b>9,426,686</b>	<b>913,372</b>	<b>1,374,430</b>	<b>715,642</b>
<b>Transfers</b>					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(845,456)</b>	<b>(545,880)</b>	<b>(77,807)</b>	<b>1,610</b>	<b>(280,647)</b>
<b>Ending Available Balance</b>	<b>\$ 3,075,774</b>	<b>\$ 110,704</b>	<b>\$ -</b>	<b>\$ 26,421</b>	<b>\$ -</b>

**Internal Service Funds, Continued  
2011-12 Adopted Budget**

	<b>General Insurance 541</b>	<b>Workers Compensation 551</b>	<b>Health Insurance 552</b>	<b>Unemployment 556</b>
	<i>See Page O - 14</i>	<i>See Page O - 15</i>	<i>See Page O - 16</i>	<i>See Page O - 17</i>
<b>Beginning Available Balance</b>	<b>\$ (3,426,936)</b>	<b>\$ (40,963,668)</b>	<b>\$ (6,201,690)</b>	<b>\$ 490,124</b>
<b>Revenues</b>				
Charge for Services				
Police	1,540,042	3,300,422	15,853,559	78,719
Fire	1,025,434	3,838,820	7,147,044	51,436
Other General Fund	231,095	161,902	2,981,822	12,061
Other Funds	1,173,788	2,161,028	21,171,698	87,911
Contingency for staff reductions				
	3,970,359	9,462,172	47,154,123	230,127
Refunds & Reimbursements		1,047,880	3,062,807	
Interest	30,000	389,097	-	
	<b>4,000,359</b>	<b>10,899,149</b>	<b>50,216,930</b>	<b>230,127</b>
<b>Expenditures</b>				
General & Administrative	1,478,576	914,956	1,163,186	
Operations & Maintenance	700,000			
Equipment Replacements				
Debt Service				
Claims	1,027,235	12,000,000	41,474,309	625,000
Excess Insurance Premium	1,502,000	532,584		
Third Party Administrator		869,166	1,116,082	
Pension contributions to CalPERS:				
Employee leave balance payoffs				
	<b>4,707,811</b>	<b>14,316,706</b>	<b>43,753,577</b>	<b>625,000</b>
			-	
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
<b>Net Annual Activity</b>	<b>(707,452)</b>	<b>(3,417,557)</b>	<b>6,463,353</b>	<b>(394,873)</b>
<b>Ending Available Balance</b>	<b>\$ (4,134,388)</b>	<b>\$ (44,381,225)</b>	<b>\$ 261,663</b>	<b>\$ 95,251</b>
	-	-	-	-

**Internal Service Funds, Continued  
2011-12 Adopted Budget**

	<b>Long Term Disability &amp; Life 557</b>	<b>Retirement 561</b>	<b>Compensated Absences 562</b>	<b>Internal Service Total</b>	
	<i>See Page O - 18</i>	<i>See Page O - 19</i>	<i>See Page O - 20</i>		
<b>Beginning Available Balance</b>	<b>\$ 177,038</b>	<b>\$ 5,342,683</b>	<b>\$ -</b>	<b>\$ (39,621,370)</b>	
<b>Revenues</b>					
Charge for Services					
Police	279,838	17,496,709	788,511	48,479,407	39%
Fire	103,185	10,971,344	806,881	26,479,370	21%
Other General Fund	125,575	1,733,993	391,038	7,105,881	6%
Other Funds	786,837	13,852,466	1,193,537	47,152,838	38%
Contingency for staff reductions		(4,900,000)		(4,900,000)	-4%
	1,295,435	39,154,512	3,179,967	124,317,496	100%
Refunds & Reimbursements				4,155,687	
Investment Interest		62,628		481,725	
	<b>1,295,435</b>	<b>39,217,140</b>	<b>3,179,967</b>	<b>128,954,908</b>	
<b>Expenditures</b>					
General & Administrative		140,292		6,345,796	
Operations & Maintenance				15,517,615	
Equipment Replacements				3,784,056	
Debt Service		7,196,217		7,609,741	
Claims				55,126,544	
Excess Insurance Premium	1,295,435			3,330,019	
Third Party Administrator				1,985,248	
CalPERS pension contributions		31,880,631		31,880,631	
Employee leave balance payoffs			3,179,967	3,179,967	
	<b>1,295,435</b>	<b>39,217,140</b>	<b>3,179,967</b>	<b>128,759,617</b>	
				<b>-</b>	
<b>Transfers</b>					
Transfer In	-	-	-	-	
Transfer Out	-	-	-	-	
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Annual Activity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>195,291</b>	
<b>Ending Available Balance</b>	<b>\$ 177,038</b>	<b>\$ 5,342,683</b>	<b>\$ -</b>	<b>\$ (39,426,079)</b>	
	-	-	-	-	
			Revenues	\$ 128,954,908	
			Transfers	-	
			Total Sources	<b>\$ 128,954,908</b>	
			Expenditures	\$ 128,759,617	
			Transfers	-	
			Total Appropriations	<b>\$ 128,759,617</b>	

**Internal Service Funds  
Fleet Services - 501  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>			<b>\$ 3,527,915</b>	<b>\$ 3,921,230</b>
<b>Revenues</b>				
Charge for Services				
Police	\$ 3,498,191	\$ 2,962,767	3,457,492	3,714,194
Fire	1,367,614	1,521,674	1,393,999	1,579,419
Other General Fund	1,814,886	431,528	427,248	355,479
Other Funds	2,089,386	2,544,842	2,804,939	2,694,303
	<u>8,770,077</u>	<u>7,460,811</u>	<u>8,083,678</u>	<u>8,343,395</u>
Refunds & Reimbursements	61,345	15,233	24,975	20,000
Sale of Assets	16,548	7,620	32,651	25,000
Interest	70		535	
	<u><b>8,848,040</b></u>	<u><b>7,483,664</b></u>	<u><b>8,141,839</b></u>	<u><b>8,388,395</b></u>
<b>Expenditures</b>				
Operations & Maintenance	6,132,777	5,521,744	5,790,000	5,803,703
Replacements (a)	633,263	301,894	870,000	2,225,000
General & Administrative	984,961	759,914	1,000,000	1,116,624
Principal	51,288	53,287	57,524	57,524
Interest Expense	36,810	34,796	31,000	31,000
	<u><b>7,839,099</b></u>	<u><b>6,671,635</b></u>	<u><b>7,748,524</b></u>	<u><b>9,233,851</b></u>
<b>Transfers</b>				
Transfer In	662,578	719,710		
Transfer Out		(22,220)		
	<u><b>662,578</b></u>	<u><b>697,490</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Net Annual Activity</b>	<u><b>\$ 1,671,519</b></u>	<u><b>\$ 1,509,519</b></u>	<u><b>393,315</b></u>	<u><b>(845,456)</b></u>
<b>Ending Available Balance</b>			<u><b>\$ 3,921,230</b></u>	<u><b>\$ 3,075,774</b></u>
<b>Available Balance Calculation</b>				
Cash		\$ 4,143,106		
Accounts Payable		(518,832)		
Encumbrances		(96,359)		
Ending Available Balance		<u><b>\$ 3,527,915</b></u>		
<b>Replacement Value of Fleet</b>				
General Fund			\$ 17,514,706	78%
Other Funds			5,045,888	22%
			<u><b>\$ 22,560,594</b></u>	<u><b>100%</b></u>

(a) A five year replacement schedule will identify funding requirements and prioritize equipment replacements.  
Actual purchase contracts are approved by City Council, along with financing options.



**Internal Service Funds**  
**Computer Equipment Internal Service - 502**  
**2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>			<u>\$ 2,780,476</u>	<u>\$ 656,584</u>
<b>Revenues</b>				
Charges for services				
Police	\$ 3,607,282	\$ 3,405,013	3,763,947	4,348,621
Fire	645,627	711,877	807,491	620,110
Other General Fund	1,107,946	851,873	862,348	840,486
Other Funds	3,297,240	2,876,160	2,603,463	3,071,589
Refunds & Reimbursements	3,451	1,551	2,098	
	<u>8,661,546</u>	<u>7,846,474</u>	<u>8,039,347</u>	<u>8,880,806</u>
<b>Expenditures</b>				
Computer Maintenance (5101)	3,951,922	3,904,992	4,355,567	4,420,371
IT Administration (5111)	784,821	1,424,736	1,561,555	1,532,162
GIS Administration (5112)	378,659	432,481	679,303	585,345
Public Safety (5113)	549,615	619,371	1,051,353	1,066,128
Web Development (5114)	67,408	49,706	97,664	88,915
Techn Development (5115)	369,254	344,593	79,144	88,793
EDMS (7450)	144,013	184,224	580,000	239,916
Replacements	494,764	442,778	681,264	596,000
New equipment			207,389	118,750
Agenda Management System				190,306
Enterprise Information System				500,000
	<u>6,740,456</u>	<u>7,402,881</u>	<u>9,293,239</u>	<u>9,426,686</u>
<b>Transfers</b>				
Transfer In	46,815			
Transfer In - Telephone 504			330,000	
Transfer Out - Entertainment Venues - 086		(1,300,000)		
Transfer Out - General Fund				
(Adopted 2010-11 budget)			(1,200,000)	
	<u>-</u>	<u>(1,300,000)</u>	<u>(870,000)</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>\$ 1,921,090</u>	<u>\$ (856,407)</u>	<u>\$ (2,123,892)</u>	<u>\$ (545,880)</u>
<b>Ending Available Balance</b>			<u>\$ 656,584</u>	<u>\$ 110,704</u>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ 4,388,137		
Accounts Payable		(225,128)		
Capital Appropriations		(1,267,462)		
Encumbrances		(115,071)		
Ending Available Balance		<u>\$ 2,780,476</u>		

**Internal Service Funds**  
**Radio Equipment Internal Service - 503**  
**2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>			<b>\$ 1,329,862</b>	<b>\$ 77,807</b>
<b>Revenues</b>				
Charges for services				
Police	\$ 362,531	\$ 378,860	225,480	518,226
Fire	263,044	212,599	237,380	255,486
Other General Fund	6,479	577	120	240
Other Funds	420,491	57,964	70,704	61,613
	<u>1,052,545</u>	<u>650,000</u>	<u>533,684</u>	<u>835,565</u>
<b>Expenditures</b>				
Operations & Maintenance	760,594	1,182,768	1,282,535	789,372
Replacements	40,213	104,110	503,204	124,000
	<u>800,807</u>	<u>1,286,878</u>	<u>1,785,739</u>	<u>913,372</u>
<b>Transfers</b>				
Transfer In	255,806			
Transfer Out				
	<u>255,806</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>\$ 507,544</b>	<b>\$ (636,878)</b>	<b>(1,252,055)</b>	<b>(77,807)</b>
<b>Ending Available Balance</b>			<b>\$ 77,807</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash and Investments		\$ 1,443,996		
Accounts Payable		(114,134)		
Ending Available Balance		<u>\$ 1,329,862</u>		

**Internal Service Funds**  
**Telephone Equipment Internal Service - 504**  
**2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>			<b>\$ 298,239</b>	<b>\$ 24,811</b>
<b>Revenues</b>				
Charge for Services				
Police	\$ 216,546	\$ 355,573	465,720	503,945
Fire	27,102	41,879	55,305	46,847
Other General Fund	134,241	177,814	217,968	195,645
Other Funds	285,009	451,701	651,283	629,603
Interest	12,508	30		
	<u>675,406</u>	<u>1,026,997</u>	<u>1,390,276</u>	<u>1,376,040</u>
<b>Expenditures</b>				
Operations & Maintenance	1,836,235	1,075,153	1,002,793	1,049,430
Replacements	441,334	236,163	5,911	
Principal	807,691	200,753	259,368	271,338
Interest Expense	77,689	66,419	65,632	53,662
	<u>3,162,949</u>	<u>1,578,488</u>	<u>1,333,704</u>	<u>1,374,430</u>
<b>Transfers</b>				
Transfer In				
Transfer Out - Technology 502			(330,000)	
	<u>-</u>	<u>-</u>	<u>(330,000)</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>\$ (2,487,543)</u>	<u>\$ (551,491)</u>	<u>(273,428)</u>	<u>1,610</u>
<b>Ending Available Balance</b>			<b>\$ 24,811</b>	<b>\$ 26,421</b>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ 357,191		
Accounts Payable		(14,041)		
Encumbrances		(44,911)		
Ending Available Balance		<u>\$ 298,239</u>		

**Internal Service Funds**  
**Office Equipment Internal Service - 505**  
**2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>			<b>\$ 472,094</b>	<b>\$ 280,647</b> <i>Merged with 508</i>
<b>Revenues</b>				
Charges for Services				
Police	\$ 63,402	\$ 55,299	55,003	56,621
Fire	15,099	17,351	12,098	33,364
Other General Fund	145,904	99,778	67,563	76,545
Other Funds	223,346	229,353	143,162	268,465
	<u>447,751</u>	<u>401,781</u>	<u>277,826</u>	<u>434,995</u>
<b>Expenditures</b>				
Operations & Maintenance	396,885	291,444	257,877	685,642
Replacements	286,164	41,938	39,440	30,000
	<u>683,049</u>	<u>333,382</u>	<u>297,317</u>	<u>715,642</u>
<b>Transfers</b>				
Transfer In				
Transfer Out - Printing Fund	(100,000)	(200,000)	(171,956)	
	<u>(100,000)</u>	<u>(200,000)</u>	<u>(171,956)</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>\$ (335,298)</b>	<b>\$ (131,601)</b>	<b>(191,447)</b>	<b>(280,647)</b>
<b>Ending Available Balance</b>			<b>\$ 280,647</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ 648,179		
Accounts Payable		(13,947)		
Encumbrances		(162,138)		
Ending Available Balance		<u>\$ 472,094</u>		

**Internal Service Funds  
Printing & Mailing - 508  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u> <i>Merged into 505</i>
<b>Beginning Available Balance</b>			<b>\$ (77,758)</b>	<b>\$ -</b>
<b>Revenues</b>				
Charge for services				
Police	\$ 44,520	\$ 26,609	20,929	
Fire	9,612	4,751	3,659	
Other General Fund	84,416	47,906	50,347	
Other Funds	195,021	305,045	264,124	
	<u>333,569</u>	<u>384,311</u>	<u>339,059</u>	<u>-</u>
<b>Expenditures</b>				
Operations & Maintenance	520,134	510,248	433,257	
	<u>520,134</u>	<u>510,248</u>	<u>433,257</u>	<u>-</u>
<b>Transfers</b>				
Transfer In - Equipment 505			171,956	
Transfer Out				
	<u>-</u>	<u>-</u>	<u>171,956</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>\$ (186,565)</b>	<b>\$ (125,937)</b>	<b>77,758</b>	<b>-</b>
<b>Ending Available Balance</b>			<b>\$ -</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ (70,291)		
Accounts Payable		(4,805)		
Encumbrances		(2,662)		
Ending Available Balance		<u>\$ (77,758)</u>		

**Internal Service Funds  
General Insurance - 541  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ (618,692)</b>	<b>\$ (2,615,804)</b>	<b>\$ (3,499,093)</b>	<b>\$ (3,426,936)</b>
<b>Revenues</b>				
Charge for Services				
Police	\$ 1,126,865	\$ 1,062,693	1,197,784	1,540,042
Fire	618,448	597,121	691,660	1,025,434
Other General Fund	308,601	142,894	164,728	231,095
Other Funds	1,537,004	1,587,487	2,097,461	1,173,788
Investment Interest	145,954	31,979	31,561	30,000
	<b>3,736,872</b>	<b>3,422,174</b>	<b>4,183,194</b>	<b>4,000,359</b>
<b>Expenditures</b>				
Claims				
Paid	1,406,915	1,182,174	1,352,000	1,027,235
Actuarial Adjustment	1,525,490	101,813	(488,000)	
	2,932,405	1,283,987	864,000	1,027,235
Excess Insurance Premium	830,552	899,660	1,213,629	1,502,000
City staff costs	1,079,668	1,044,124	1,359,129	1,478,576
Operating expenditures	891,359	1,104,152	674,279	700,000
	<b>5,733,984</b>	<b>4,331,923</b>	<b>4,111,037</b>	<b>4,707,811</b>
<b>Transfers</b>				
Transfer In				
Transfer Out	-	-	-	-
<b>Net Annual Activity</b>	<b>(1,997,112)</b>	<b>(909,749)</b>	<b>72,157</b>	<b>(707,452)</b>
<b>Ending Available Balance</b>	<b>\$ (2,615,804)</b>	<b>\$ (3,525,553)</b>	<b>\$ (3,426,936)</b>	<b>\$ (4,134,388)</b>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ 1,773,270		
Loans Receivable - Parking Fund		530,000		
Current Liabilities		(115,726)		
Claims Payable		(5,675,874)		
Net Assets		(3,488,330)		
Encumbrances		(10,763)		
Ending Available Balance		<b>\$ (3,499,093)</b>		
<b>Rates (percentage of payroll)</b>				
All employees	1.68%	2.05%	2.75%	3.36%

**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  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ (9,654,902)</b>	<b>\$ (19,843,730)</b>	<b>\$ (32,520,866)</b>	<b>\$ (40,963,668)</b>
<b>Revenues</b>				
Charge for Services				
Police	\$ 1,358,282	\$ 939,205	2,359,411	3,300,422
Fire	1,321,503	925,236	2,037,193	3,838,820
Other General Fund	441,095	78,788	114,805	161,902
Other Funds	1,904,233	1,722,741	2,617,324	2,161,028
	<u>5,025,113</u>	<u>3,665,970</u>	<u>7,128,733</u>	<u>9,462,172</u>
Refunds & Reimbursements	623	139	92	1,047,880
Interest	1,276,193	446,181	336,639	389,097
	<u><b>6,301,929</b></u>	<u><b>4,112,290</b></u>	<u><b>7,465,464</b></u>	<u><b>10,899,149</b></u>
<b>Expenditures</b>				
Claims Expense - Cash	5,794,252	7,564,988	5,968,573	7,000,000
Reimbursement to Other Funds	2,988,739	1,892,753	2,097,106	(a)
Fire Hireback OT- (5650)	834,942	651,353	788,161	(a)
Actuarial accrued claims liability	4,959,934	4,647,374	5,000,000	5,000,000
Insurance Administration	806,392	1,041,299	811,368	914,956
TPA Administration	602,009	615,566	770,769	869,166
Excess Insurance Premium	504,489	365,330	472,289	532,584
	<u><b>16,490,757</b></u>	<u><b>16,778,663</b></u>	<u><b>15,908,266</b></u>	<u><b>14,316,706</b></u>
				(a) Discontinued to stabilize fund
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>(10,188,828)</b>	<b>(12,666,373)</b>	<b>(8,442,802)</b>	<b>(3,417,557)</b>
<b>Ending Available Balance</b>	<b>\$ (19,843,730)</b>	<b>\$ (32,510,103)</b>	<b>\$ (40,963,668)</b>	<b>\$ (44,381,225)</b>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ 3,241,958		
Loans Receivable		14,026,669		
Accounts Payable		(58,883)		
Compensated absences		(12,536)		
Deferred Revenues		(2,656)		
Claims Payable		(49,704,655)		
Encumbrances		(10,763)		
Ending Available Balance		<u><b>\$ (32,520,866)</b></u>		
<b>Rates (percent of payroll)</b>				
Police	1.00%	2.32%	6.41%	8.18%
Fire	2.00%	3.72%	9.37%	13.02%
Manual	2.40%	1.95%	4.45%	5.90%
Non-Manual	0.60%	0.55%	2.58%	5.66%
Office/Clerical	0.60%	0.34%	0.88%	0.82%
Library	0.50%	0.38%	0.38%	1.69%

**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  
Health Insurance - 552  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ (2,271,559)</b>	<b>\$ (1,484,182)</b>	<b>\$ (6,038,933)</b>	<b>\$ (6,201,690)</b>
<i>Excludes Unfunded Retiree Health Obligation</i>				<i>Assume baseline staffing of 1,497 employees</i>
<b>Revenues</b>				
Charge for Services				
Police	\$ 10,832,331	\$ 11,405,004	12,336,333	15,853,559
Fire	4,628,346	5,080,090	5,836,477	7,147,044
Other General Fund	3,574,206	1,884,870	1,950,247	2,981,822
Other Funds	12,993,992	14,627,291	15,802,249	21,171,698
	<u>32,028,875</u>	<u>32,997,255</u>	<u>35,925,306</u>	<u>47,154,123</u>
Participant Contributions				
Employees (current MOUs)	192,294	572,737	838,056	815,989
Retirees	237,049	237,627	275,915	1,019,547
Continuation	113,957	170,701	141,129	127,271
Reimbursements				
Stop loss coverage	1,322,180	844,165	1,870,373	850,000
Medicare	318,558	172,141	260,130	250,000
Federal Grant			870,693	
Interest	41,151	69,862	(36,489)	
	<u>34,254,064</u>	<u>35,064,488</u>	<u>40,145,113</u>	<u>50,216,930</u>
<b>Expenditures</b>				
Medical Plans	28,757,410	35,203,744	35,738,380	38,510,917
Operating Engineers	727,974	661,108	580,208	575,402
Vision (5540)	223,118	212,112	192,864	257,556
Dental (5550/5560)	1,671,371	1,675,412	1,748,742	2,120,434
Health & Wellness Program	558		1,000	10,000
General & Administrative	791,673	802,617	951,308	1,163,186
Vendor Administration Fee	1,294,583	1,107,866	1,095,368	1,116,082
	<u>\$ 33,466,687</u>	<u>\$ 39,662,859</u>	<u>\$ 40,307,870</u>	<u>\$ 43,753,577</u>
<b>Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>787,377</u>	<u>(4,598,371)</u>	<u>(162,757)</u>	<u>6,463,353</u>
<b>Ending Available Balance</b>	<b>\$ (1,484,182)</b>	<b>\$ (6,082,553)</b>	<b>\$ (6,201,690)</b>	<b>\$ 261,663</b>
<i>Excludes Unfunded Retiree Health Obligation</i>				
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 16,413		
Accounts Receivable and deposits		163,439		
Accounts Payable		(201,192)		
Due to Workers Compensation Fund		(1,763,593)		
Claims Payable - IBNR		(4,196,000)		
Encumbrances		(58,000)		
Ending Available Balance		<u>\$ (6,038,933)</u>		

**Note**

Program revenues are estimated based upon employee departmental charges, before Adopted staff reductions.  
Actual revenues and the cash flow to settle claims will fluctuate with Citywide staff reductions.



**Internal Service Funds  
Unemployment - 556  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 233,591</b>	<b>\$ 140,457</b>	<b>\$ 364,344</b>	<b>\$ 490,124</b>
<b>Revenues</b>				
Charge for Services				
Police	\$ 93,895	\$ 254,453	239,983	78,719
Fire	36,240	155,208	137,701	51,436
Other General Fund	19,307	38,738	33,575	12,061
Other Funds	30,012	335,153	270,368	87,911
	<u>179,454</u>	<u>783,552</u>	<u>681,627</u>	<u>230,127</u>
<b>Expenditures</b>				
Operations & Maintenance	272,588	559,665	555,847	625,000
	<u>272,588</u>	<u>559,665</u>	<u>555,847</u>	<u>625,000</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>(93,134)</b>	<b>223,887</b>	<b>125,780</b>	<b>(394,873)</b>
<b>Ending Available Balance</b>	<b>\$ 140,457</b>	<b>\$ 364,344</b>	<b>\$ 490,124</b>	<b>\$ 95,251</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		<u>\$ 364,344</u>		
<b>Rates (percentage of payroll)</b>	0.10%	0.75%	0.55%	0.17%

**Note**

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

**Internal Service Funds  
LTD and Life Insurance - 557  
2011-12 Adopted Budget**

	<u>FY 2008-2009 Actual</u>	<u>FY 2009-2010 Actual</u>	<u>FY 2010-2011 Projected</u>	<u>FY 2011-2012 Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 981,449</b>	<b>\$ 274,944</b>	<b>\$ 116,434</b>	<b>\$ 177,038</b>
<b>Revenues</b>				
Charge for Services				
Police	\$ 186,143	\$ 251,308	243,429	279,838
Fire	79,629	114,597	109,528	103,185
Other General Fund	141,613	99,042	95,800	125,575
Other Funds	449,155	661,141	626,651	786,837
	<u>856,540</u>	<u>1,126,088</u>	<u>1,075,408</u>	<u>1,295,435</u>
<b>Expenditures</b>				
Operations & Maintenance	1,313,045	1,284,598	1,014,804	1,295,435
	<u>1,313,045</u>	<u>1,284,598</u>	<u>1,014,804</u>	<u>1,295,435</u>
<b>Transfers</b>				
Transfer In				
Transfer Out	(250,000)			
	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>(706,505)</b>	<b>(158,510)</b>	<b>60,604</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 274,944</b>	<b>\$ 116,434</b>	<b>\$ 177,038</b>	<b>\$ 177,038</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 213,128		
Accounts Payable		(96,694)		
Ending Available Balance		<u>\$ 116,434</u>		
<b>Rates (percentage of payroll)</b>				
Long Term Disability				
Non-safety	0.50%	1.05%	1.05%	1.35%
Police	NA	NA	NA	NA
Fire	NA	NA	NA	NA
Police Mgmt	\$117/yr	\$117/yr	\$117/yr	\$117/yr
Life Insurance (per \$1,000 of annual pay x benefit)				
with Accidental Death & Disability	0.16%	0.32%	0.32%	0.245%
without Accidental Death & Disability	0.14%	0.28%	0.28%	0.22%

**Note**

Program revenues are estimated based upon percentage of baseline payroll, before Adopted staff reductions.  
Actual revenues and premium expenses will both fluctuate with Citywide staff reductions.

**Internal Service Funds  
Retirement - 561  
2011-12 Adopted Budget**

	<u>FY 2008-2009</u> <u>Actual</u>	<u>FY 2009-2010</u> <u>Actual</u>	<u>FY 2010-2011</u> <u>Projected</u>	<u>FY 2011-2012</u> <u>Adopted</u>
<b>Beginning Available Balance</b>	<b>\$ 7,795,145</b>	<b>\$ 9,031,914</b>	<b>\$ 5,865,291</b>	<b>\$ 5,342,683</b>
<b>Revenues</b>				
Charge for Services				
Police	\$ 15,441,615	\$ 14,511,205	14,316,181	17,496,709
Fire	8,308,474	8,080,599	8,310,244	10,971,344
Other General Fund	2,563,270	1,279,719	1,310,040	1,733,993
Other Funds	11,567,710	12,824,756	11,996,899	13,852,466
Contingency/staff reductions				(4,900,000)
Investment Interest	209,296	70,557	25,000	62,628
Refunds & Reimbursements	623	139	100	
	<u>38,090,988</u>	<u>36,766,975</u>	<u>35,958,464</u>	<u>39,217,140</u>
<b>Expenditures</b>				
CalPERS payments	27,475,183	27,925,399	29,037,821	36,780,631
Contingency/staff reductions				(4,900,000)
Debt Service on Pension Bonds	6,865,686	6,969,946	7,332,408	7,196,217
Other Operating Costs	2,513,350	100,543	110,843	140,292
	<u>36,854,219</u>	<u>34,995,888</u>	<u>36,481,072</u>	<u>39,217,140</u>
<b>Transfers</b>				
Transfer In				
Transfer Out				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>1,236,769</b>	<b>1,771,087</b>	<b>(522,608)</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 9,031,914</b>	<b>\$ 10,803,001</b>	<b>\$ 5,342,683</b>	<b>\$ 5,342,683</b>
<b>Pension Bond Payment - August</b>				<b>\$ 7,196,217</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 5,866,791		
Encumbrances		(1,500)		
Ending Available Balance		<u>\$ 5,865,291</u>		
<b>Rates (percentages of payroll)</b>				
Safety	39.250%	40.632%	41.321%	47.845%
Miscellaneous	22.747%	24.069%	25.076%	27.226%

**Note**

Program revenues are estimated based upon percentage of baseline payroll, before Adopted staff reductions.  
The budget proposes significant staffing reductions, which will 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  
2011-12 Adopted Budget**

	<b>FY 2008-2009 Actual</b>	<b>FY 2009-2010 Actual</b>	<b>FY 2010-2011 Projected</b>	<b>FY 2011-2012 Adopted</b>
<b>Beginning Available Balance</b>	<b>\$ (808)</b>	<b>\$ (3,049,077)</b>	<b>\$ (2,148,160)</b>	<b>\$ -</b>
<b>Revenues</b>				
Charge for Services				
Police	92,682	432,935	440,589	788,511
Fire	211,350	441,922	462,409	806,881
Other General Fund	14,307	121,466	119,285	391,038
Other Funds	1,201,666	988,804	980,964	1,193,537
Interest	44,195	(44,195)		
	<b>1,564,200</b>	<b>1,940,932</b>	<b>2,003,247</b>	<b>3,179,967</b>
<b>Expenditures</b>				
Employee Separation Pay	4,593,704	3,914,898	2,855,087	3,179,967
Administration	18,765	117		
	<b>4,612,469</b>	<b>3,915,015</b>	<b>2,855,087</b>	<b>3,179,967</b>
<b>Transfers</b>				
Transfer In - General Fund		1,000,000	3,000,000	
Transfer Out				
	<b>-</b>	<b>1,000,000</b>	<b>3,000,000</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(3,048,269)</b>	<b>(974,083)</b>	<b>2,148,160</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ (3,049,077)</b>	<b>\$ (4,023,160)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ (577,473)		
Due to Worker's Comp Fund		(1,570,687)		
Ending Available Balance		<b>\$ (2,148,160)</b>		

**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.

# TAB

## Appendix

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May 17, 2011

TO: MAYOR AND CITY COUNCIL

FROM: BOB DEIS, CITY MANAGER

SUBJECT: **RESOLUTIONS BY THE CITY COUNCIL OF THE CITY OF STOCKTON TO CONTINUE 2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

### **RECOMMENDATION**

First, it is recommended that the City Council adopt a resolution to declare that the City remains in an emergency based on fiscal circumstances, and to continue the 2010-11 fiscal year emergency measures adopted by Council resolutions 10-0200 and 10-0201 on June 22, 2010.

Second, it is recommended that the City Council adopt a resolution to declare an emergency for fiscal year 2011-12 based on fiscal circumstances and to direct the City Manager to take appropriate and lawful measures to adopt a balanced budget for fiscal year 2011-12.

### **SUMMARY**

Stockton is at a critical point in its history. Facing declining revenues, a depleted work force, fixed labor contracts, and a \$23 million budget deficit, on May 26, 2010 the City Council declared an emergency based on fiscal circumstances, and requested the City's labor unions to meet and confer in order to achieve necessary concessions. After negotiations proved unsuccessful, the Council adopted additional resolutions (Nos. 10-0200 and 10-201) in order to adopt a balanced General Fund budget and sustain municipal services during the 2010-11 fiscal year. While that emergency declaration prevented unacceptable cuts to public safety and other services, both the fire and police unions are continuing to pursue legal actions against the City challenging the 2010-11 emergency, and therefore, the City remains at risk with respect to its 2010-11 declared emergency.

As we approach the 2011-12 budget, Stockton's deficit continues to grow. As set forth in this report, although the City's revenues continued to decline slightly in 2010-11, the good news is that they are predicted to level off, and even gradually increase in the coming years. Unfortunately, the City's cost structure continues to rise at a rate that far exceeds any realistic estimate of revenues, and, as a result, the budget gap this year is predicted to be even larger than the

**2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY  
BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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gap last year. The primary reason for this increase is employee wage and benefit costs that are embedded in existing, closed MOUs. These include, in particular, formula driven raises, skyrocketing pension and health costs, and pay provisions and practices such as excessive vacation leaves and longevity pays that are out of synch with the labor market. In addition, the problems that have bedeviled the General Fund are now spreading to other funds, many of which are running deficits, and some of which will fall back on the General Fund. These problems are exacerbated by cuts at the state level.

The City's labor negotiators have been engaging all of the City's unions, including those with "closed" contracts, in an attempt to reach agreements on changes to MOUs. To date, insufficient progress has been made to materially address the City's financial issues. Therefore, unless progress is made before the budget is finalized, the Council will once again face a stark choice between dramatic cuts in public safety services and other vital services or implementation of temporary emergency measures to tide the City over and ensure solvency until the bulk of the City's labor contracts are open in July 2012.

For the reasons set forth below, it is recommended that the City Council adopt two resolutions. First, it is recommended that the City Council adopt a resolution to declare that the City remains in an emergency based on fiscal circumstances and to continue the 2010-11 fiscal year emergency measures adopted by Council resolutions 10-0200 and 10-0201 on June 22, 2010.

Second, it is recommended that the City Council adopt a resolution to declare an emergency for fiscal year 2011-12 based on fiscal circumstances and to direct the City Manager to take appropriate and lawful measures to adopt a balanced budget for fiscal year 2011-12.

It is further recommended that, pursuant to those resolutions, City negotiators immediately engage with the City unions to meet and confer regarding possible emergency measures, and to continue seeking agreements that will protect public safety and preserve vital public services during this extraordinary time.

This report is presented in the following sections:

- I. City's Current Fiscal and Revenue Environment
- II. 2010-11 General Fund Quarterly Update, Annual Projection, and Recommendation to Extend 2010-11 Emergency Measures
- III. 2011-12 General Fund Projections, Other Program Risks, and Recommendation to Adopt 2011-12 Emergency Measures



**2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY  
BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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**DISCUSSION**

**Background**

**I. City's Current Fiscal and Revenue Environment**

**A. The City Council is Legally Required to Pass a Balanced Budget**

The City of Stockton's Charter requires that the City Council adopt a balanced budget at the outset of each fiscal year, which commences on July 1.

A balanced budget is also needed to support General Fund cash flow through inter-fund lending. Because the General Fund's most significant revenue, property tax, is received from the County through installment payments late in the fiscal year, the fund operates with negative cash flow until these tax receipts are current. The California State constitution permits intra-year borrowing for expenditures that are covered by revenues attributable to the same fiscal year. Accordingly, a balanced budget is needed to support the cash flow borrowing necessary to operate during the fiscal year.

The City of Stockton is the 13<sup>th</sup> largest city in California, with an estimated population of approximately 292,000 residents. The City provides a full range of municipal services to these residents: public safety (police and fire), community development, community revitalization, economic development, public works and street maintenance, parks, recreational services, libraries, utilities (water, wastewater, and stormwater) and general administrative services.

The City's total fiscal year 2010-11 adopted operating budget was \$312 million, of which \$167 million is the tax-supported General Fund. Overall, Stockton's budget is comprised of a variety of General Fund and other special purpose funds, including user fee and grant funds that are restricted and not available for general municipal operations. The primary budget focus is the General Fund, since its unrestricted tax dollars support public safety and other key municipal services. As the fund of last resort, it is also called upon to supplement and backfill shortages in other programs.

The largest among the restricted user fee programs are the municipal utilities, which comprise approximately 26% of the total operating budget. As a result of various legal requirements, including State constitutional protections such as Proposition 218, funds from the utilities are not available to the General Fund. Other services provided to City residents that are supported by dedicated revenue streams include street maintenance, affordable housing, community development, and the public facility fee capital program.

**2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY  
BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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**B. Budget Balancing Principles**

In January 2009, the City Council's Budget, Finance and Economic Development Committee adopted the budget balancing principles which since have served as guidelines for the City Council's budget development actions. These principles have been an important part of the Council's budget discussions over the past two years and include the following:

1. ***Insolvency is not in the best interest*** of the City and should be avoided.
2. Acknowledging that staff is the most important resource of the City, emphasis will be placed on ***reducing the number of layoffs***.
3. ***One-time money should be used for one-time costs*** and cannot sustain long-term fiscal health.
4. In order to ensure a thriving, livable community, there must be a balance ***between public safety, infrastructure maintenance, and quality of life services***.
5. ***All community stakeholders***, both internal and external, should be ***consulted in funding a resolution*** to the City's fiscal crisis.
6. Long-term fiscal health includes ***investment in meaningful reserves*** to withstand future fiscal downturns.
7. Additional ***revenue sources should be explored*** in conjunction with expense reductions.
8. Care must be taken ***not to cut programs which will cause reductions in revenue*** to the City.
9. Reductions should be ***avoided that might exacerbate City liabilities*** or have long-term effects that would be costly to reverse.
10. The long-term goal is to establish a budget that will ***ensure accountability, internal controls, and long-term financial stability***.

**C. Economic Environment**

The City continues to be deeply impacted by the "Great Recession." Some of its budget problems reflect the broader economic problems faced by Stockton's residents. By almost any measure, the "Great Recession" has had a devastating effect on Stockton's residents, and their economic resources.

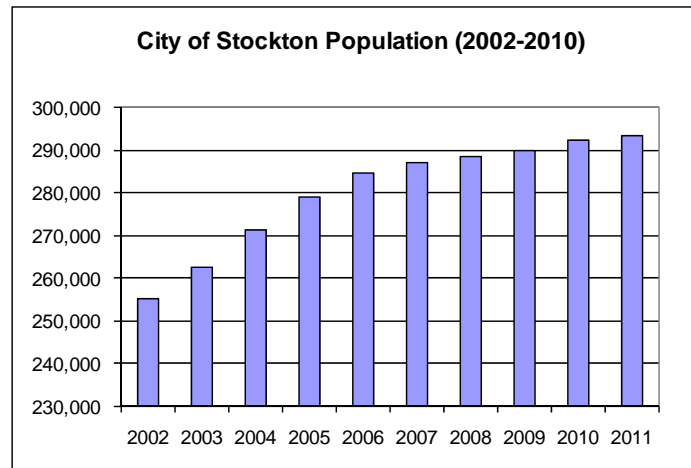
## 2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12

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Following a development boom with rapid population increase, the City now continues to face high unemployment, high foreclosure rates, and declining property values.

### 1. Population

During the past decade, Stockton has experienced a significant population increase. Since 2002, the City's population has increased by over 36,000 residents to 292,515 residents. This increase peaked in 2005 with an annual growth rate of four percent. Although this increase has recently slowed, moderate population growth is expected to continue past 2011, along with an increasing demand for City services.



Source: Department of Finance Population Estimates for Cities, County and State

The decade's population increase has come hand-in-hand with a development boom. This development has added to the City's obligation to provide infrastructure support and essential public services.

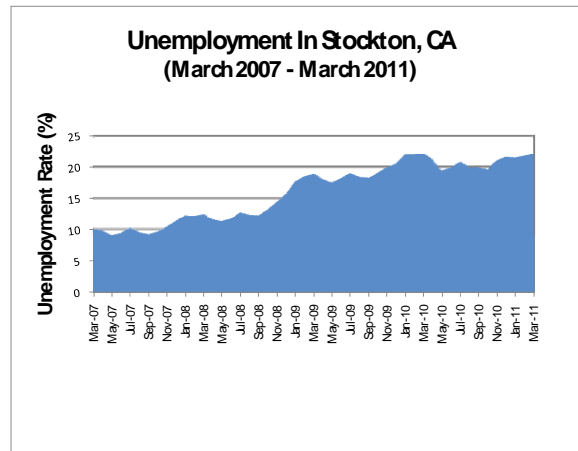
### 2. Unemployment

The unemployment rate in the City of Stockton has been steadily increasing since March 2007, with minor dips due primarily to the seasonal nature of labor within the agricultural sector. In March 2010, the rate within the City reached a high of 22 percent, and after a dip to 21.5 percent in November, and is again at 22 percent for the month of March, 2011. Stockton's unemployment remains significantly higher than the state average of 12.5 percent for 2010<sup>1</sup>.

<sup>1</sup> University of the Pacific Business Forecasting Center

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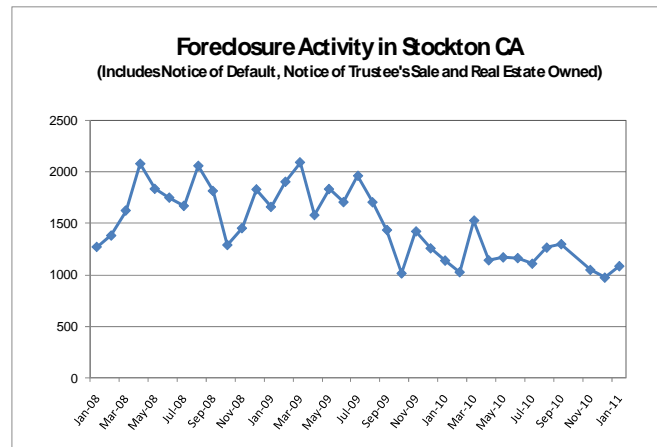
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Source: U.S Bureau of Labor Statistics, Local Area Unemployment

### 3. Foreclosures

The City of Stockton faced a debilitating housing foreclosure crisis that peaked in 2008, with many months of over 2,000 combined reported Notice of Default, Notice of Trustee's Sale, and Real Estate owned properties within the City. Since July of 2009, overall foreclosure activity in the City has improved and decreased to 1,085 reported foreclosures in January 2011.



Source: RealtyTrac, U.S Foreclosure Market Report

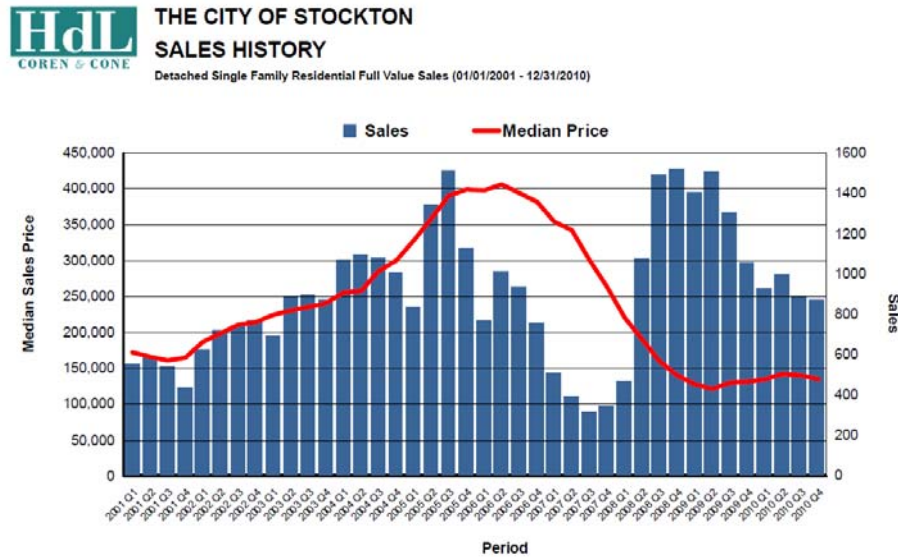
### 4. Median Home Sales Price

After several years of decline, median home sales prices in the City have leveled and stabilized. The current median price of approximately

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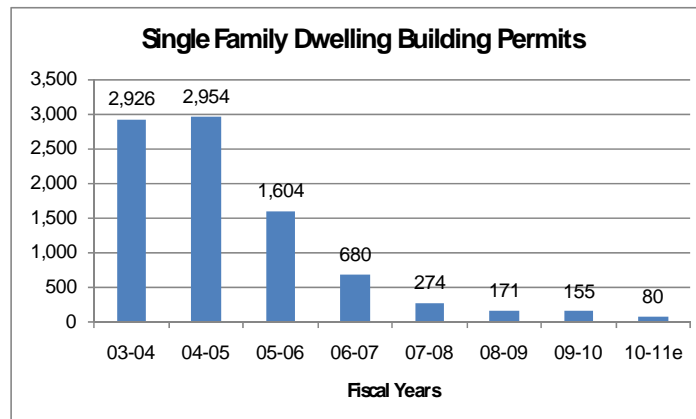
\$140,000 is now one third of the \$400,000 median price at the 2006 market peak.



Source: San Joaquin County DataQuick Property Data

### 5. Building Permits

In the past five years, the City has experienced a significant decline in single family residential dwelling permits. The chart below illustrates the number of such building permits issued since 2003-04. Single family dwelling building permits for 2010-11 are projected to drop to 80 permits, compared to 2,954 permits in 2004-05. The chart below illustrates the activity during this period. Accordingly, development-related fees and capital funding has virtually ceased.

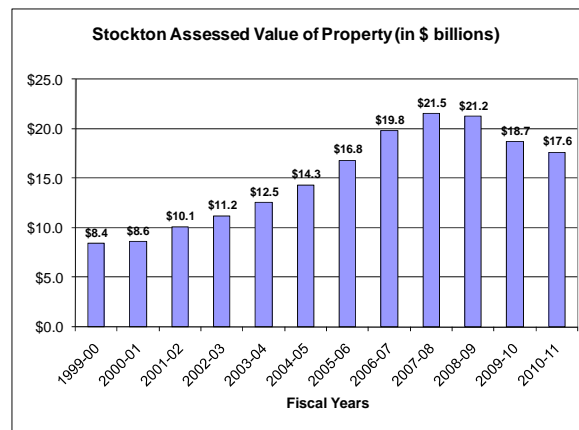


## 2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12

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### 6. Property Values

Beginning in 2008-09, property values in the City began to decrease slowly at first by 1.3 percent from the previous year. In 2009-10 they dropped another 11.7 percent, and continued to drop another 5.9 percent in 2010-11. This drop in property values directly contributes to a decline in the City's property tax apportionment and the tax revenues available to support services. This affects the General Fund and redevelopment programs. While the 2011-12 valuation has not been finalized by the County Assessor, initial reports received in April 2011 indicate that the next valuation may be approximately level with 2010-11.



Source: San Joaquin County Auditor-Controller

### 7. California State Budget Deficit Also Impacts Stockton

In addition to local economic factors, the State of California also presents risk to the City as the State addresses its own budget deficit. On January 12, 2011, the State Governor released his proposed budget plan to address an estimated \$25 billion State budget problem, including an \$8.2 billion deficit expected for the remainder of 2010-11 and a new \$17 billion revenue/expenditure gap for 2011-12. Key elements of the proposal were: 1) an extension of temporary tax increases originally adopted in 2009; 2) a restructuring of state-local delivery of services; and, 3) the elimination of redevelopment and enterprise zones. While the proposed State budget makes strides to focus on multi-year and ongoing solutions, its proposals to realign state and local program responsibilities and change local economic development efforts unfortunately create risk to the City of Stockton's own fiscal plan and carries devastating impacts to the Stockton Redevelopment Agency and its ongoing potential as an engine for economic development.

## 2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12

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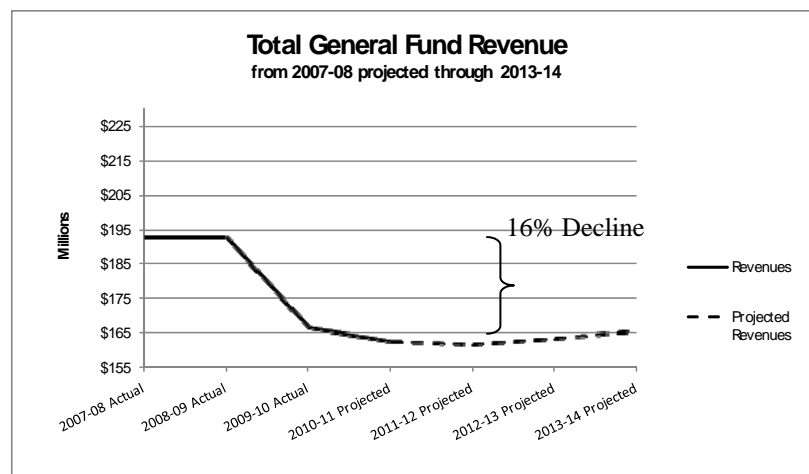
The State budget proposal would have severe negative impacts on Stockton, including loss of Citizens Option for Public Safety (COPS) grant funds, state funding for the Stockton-San Joaquin County Library system, and Redevelopment Agency funding for two fully funded and seventeen partially funded positions. The General Fund may have to absorb \$700,000 to \$1,200,000 for jail booking/jail access fees which are currently reimbursed by the State. The State budget would also eliminate Enterprise Zone incentives used by the City to create jobs and stimulate business investment in economically distressed areas.

In recent years, the State has adopted its budget well after the start of the City's fiscal year. The ultimate State budget impact to Stockton is unlikely to be known until after the City adopts its budget. Contingency has been built into projections to address this uncertainty.

### D. General Fund Revenues

#### 1. Trend: General Fund Revenue Has Fallen Precipitously

Over the past several years the City has experienced significant declines in its General Fund tax revenue. 2011-12 General Fund revenues are now projected at \$162 million, which reflects a 16 percent and \$31 million decline from the City's high mark of \$193 million in 2007-08.



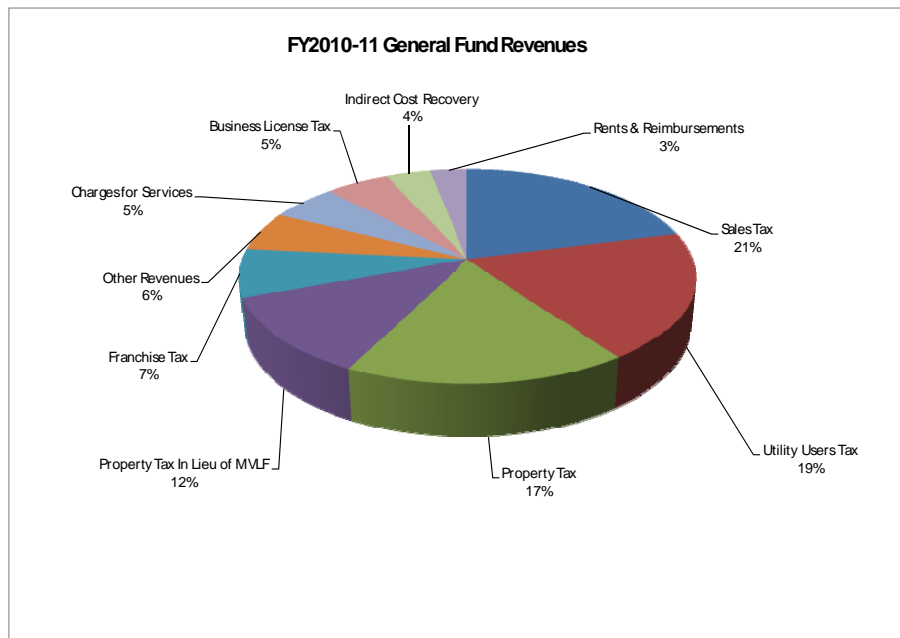
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Year	Revenue (Millions)	Percentage Change from Prior Year
2007-08 Actual	\$193	n/a
2008-09 Actual	\$193	0%
2009-10 Actual	\$167	-13.8%
2010-11 Projected	\$163	-2.1%
2011-12 Projected	\$162	-0.7%
2012-13 Projected	\$163	0.6%
2013-14 Projected	\$166	1.8%

### 2. Sources of General Fund Revenues

The City's General Fund is heavily reliant on three main tax revenue sources: (1) property tax, (2) sales tax, and (3) utility user tax. Together, these three sources account for approximately 69 percent of General Fund revenue. The following chart shows the full range of sources of General Fund revenues.



#### a. Property Tax

Earlier in the decade, Stockton's General Fund property tax revenues almost doubled from \$32 million in 2000-01 to \$60 million in 2007-08. It is during these "boom" years that local agencies were pressured to spend



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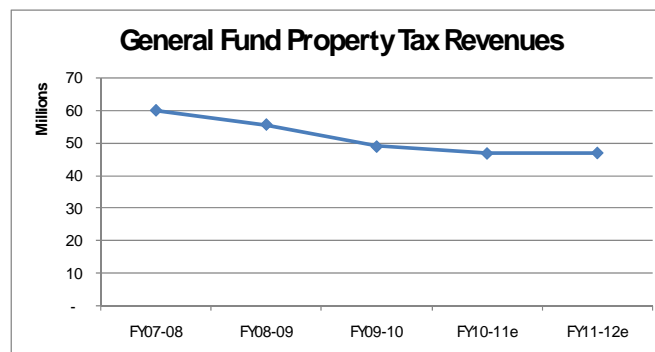
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the money rather than to set it aside for the eventual “bust” years. The City’s lack of reserves and unsustainable compensation practices are a reflection of this pressure. The building boom, driven by increases in market values for resale homes, contributed to this growth rate. The dramatic decline of this revenue source began in 2008-09, due to the collapse of the housing market.

Property tax revenues dropped by 12 percent in 2009-10 and are expected to drop an additional 4.3 percent in 2010-11. In addition to downward pressure on housing values, this decline was further amplified by a negative Proposition 13 CPI factor used by County assessors to adjust assessed values for properties that remain valued at less than market. For the first time in State history, the 2010-11 factor was negative. Typically the Proposition 13 adjustment factor is limited to an annual 2 growth cap, but for 2010-11 it was a negative 0.237 percent, and for 2011-12 it is projected to be a nominal 0.753 percent.

The City’s property tax revenues in total, including property tax received in lieu of Motor Vehicle License fees, are projected to level off and start nominal recovery in 2011-12 at a growth rate less than 1 percent. Since the 2005 “triple flip” change in State law, most of revenues formerly received from the State as Motor Vehicle License Fees are now distributed by Counties to Cities as a factor of assessed property value, and will prospectively be discussed and projected along with direct property tax revenue.

The following graph illustrates the General Fund property tax revenue trend since 2007-08. As illustrated in the chart, property tax revenues declined over a four-year period from \$60 million in FY 2007-2008 to an estimated \$47 million in FY 2011-12. This is a 22 percent decline or a \$13 million revenue loss.

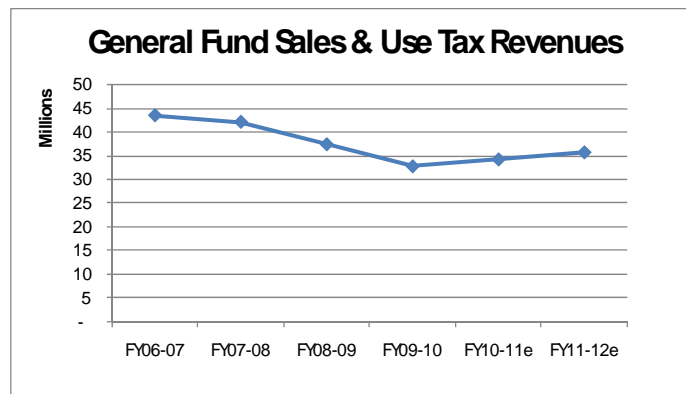


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### b. Sales and Use Tax

Sales and Use tax is the second largest General Fund tax source. Revenues are projected to decline by 15% from 2007-08. This decrease amounts to a \$6 million revenue loss over this 5 year period. This decline was due to the economic downturn as many Stockton citizens lost their jobs and homes to foreclosures. Loss of consumer confidence in the economy contributed to this dramatic decline, from \$42 million in 2007-08 to a projected \$36 million in 2011-12.



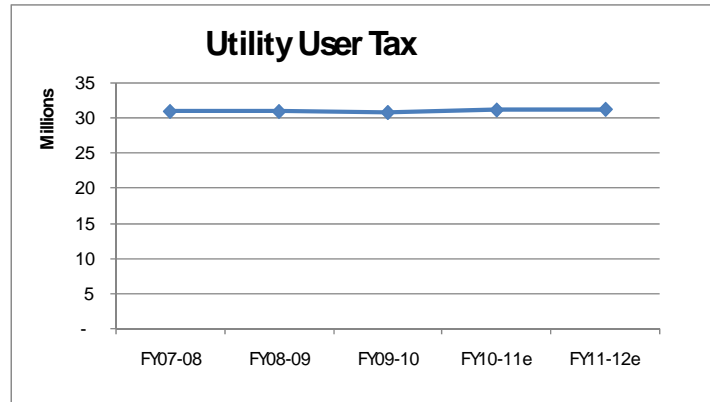
Point-of-sale sales tax revenues for FY 2010-11 are projected to be approximately flat with prior year point-of-sale revenues. A portion of the reported revenue drop for 2009-10 reflects a prior year true-up in the City's share of the County Sales and Use Tax Compensation Fund, which is part of the "triple flip" tax backfill distribution formula from the County established in 2005. The 2011-12 sales tax revenues are projected to increase 4.4% based on improved consumer confidence and increases in the Fuel and Auto sectors. Sales tax is projected to continue recovering in future years with annual growth rates in the 2-2.5% range.

### c. Utility User Tax

The third largest General Fund tax revenue sources is utility user tax, which has leveled off since 2008-09 due to the recession, houses vacated by the foreclosure crisis, and flattening population growth. UUT revenues are expected to see modest growth until housing construction and population growth resume. The estimated utility user tax revenue for FY 2011-12 represents a 0.3% increase over the prior year, reflecting minimal growth for this revenue source.

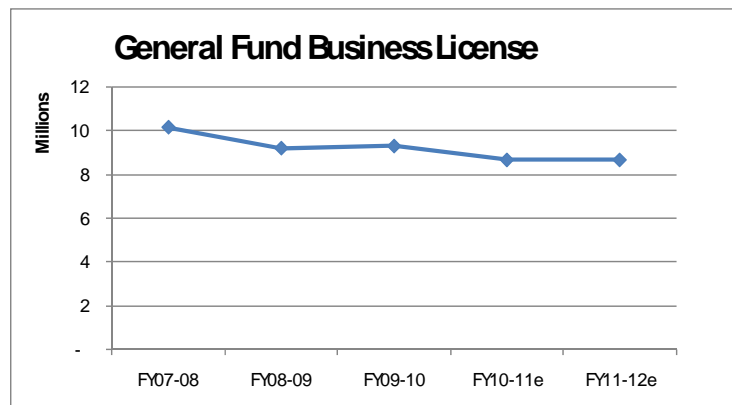
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### d. Business License Tax Revenue

Business License Tax revenues are projected to decline 14% or \$1.5 million since 2007-08. The decline in Business License revenue is due to business closures and lower gross receipts as reported by local businesses. Business Licences revenue is expected to be level for 2011-12.



### e. Program Revenues

City program and staff reductions have contributed to a decline in program revenues.

- **Local Fire Districts:** Districts that contract with the City for fire services are currently charged based upon a percent of the total Fire Department budget. As the Fire budget has decreased from \$50.3 million to \$46.9 million, between 2007-08 and 2010-11, revenues from the fire districts also decline as a result of the contract reimbursement methodology.

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- **Code Enforcement:** Revenues are down primarily due to a reduction in staffing in the Neighborhood Services division. Since 2009, staff has been reduced by 14 positions or more than 30%. Further, the timing of the County's distribution method for assessments under this particular code citation has changed. The County's assessment practice has changed and reduced the City's Code Enforcement cash flow. In the past, any uncollected code enforcement liens were sent to the County for collection through property liens. This year the County was unwilling to assess properties for code enforcement liens greater than the property's land value.
  
- **"Crash Tax:"** The City Council approved a fee in early 2010 for cost recovery of emergency response to car accidents and various other emergencies involving non-residents. The revenue estimate for this cost recovery activity was projected to be \$400,000 in 2010-11. Based on actual billings during the first year of the program, the Fire Department is now projecting annual revenues of \$50,000 in both 2010-11 and 2011-12.
  
- **Vehicle Impound:** The Police Department charges a release fee for impounded vehicles. Due to staff reductions, fewer vehicles have been impounded and the related revenue is down 45% or \$240,000 from 2009-10.
  
- **Inter-fund cost allocation reimbursements:** Revenue estimates for inter-fund reimbursements have been reduced to reflect a corresponding reduction in support costs and staff. Indirect costs are based on a Cost Allocation Plan that uses actual prior year expenditures. Because support department expenditures have been declining since 2008-09, the General Fund will be charging less recovery to other City special fund programs. A second factor in the indirect cost revenue is an overhead charge on capital projects. The City will be reducing its capital project expenditures once federal stimulus funding and bond proceeds are expended. It is projected that support department costs and capital project expenditures will not recover at previous levels.

**3. Revenue Declines Are Leveling Off and are Projected to Slowly Rebuild**

In total, after two years of rapid contraction, General Fund revenues are projected to level off in 2011-12 and slowly increase by 1-2% annually through 2014. The total revenues of \$170 million projected in 2014 are

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still far below the City's historical levels of over \$190 million achieved in both 2007-08 and 2008-09.

The California State Constitution has been amended over the years through ballot propositions that limit a local agency's ability to increase or add new tax revenues, including Proposition 13, Proposition 218, and the recent Proposition 26. Since local voters have already approved Measures K and W to establish and dedicate supplemental sales taxes to transportation and public safety programs, the City has limited opportunities to create new revenue sources. Furthermore, given our high unemployment and foreclosure rates and our relatively low per-capita income level, we simply do not see a viable tax proposal that would be passed by the voters.

Accordingly, the City can expect a smaller revenue pool from which to finance its municipal services for years to come. This will require a stark re-examination of the size and cost of City services to adjust expectations of the community and its employees to live within these reduced means.

**II. 2010-11 General Fund Quarterly Update, Annual Projection, and  
Recommendation to Extend 2010-11 Emergency Measures**

This section of the report provides an update on the 2010-11 fiscal condition and provides context for the recommendation to continue the existing 2010-11 emergency measures through June 30, 2011. The emergency measures temporarily suspend scheduled pay increases for Police and Fire from taking effect during fiscal year 2010-11. In addition, the measures restrict firefighter time off and temporarily closed Fire Truck Company 4, which reduces Fire Department overtime. These resolutions require the City Manager to review the fiscal status of the General Fund at least quarterly, and determine if the emergency measures should be modified or terminated.

**A. 2010-11 Year-to-date Results**

The following charts present year-to-date actual revenues, expenditures, and cash balances for the General Fund. While expenditures continue to track favorably to budget, projected operating savings are not expected to fully offset the projected risk in General Fund revenues and other programs. Overall, the General Fund is projected to require inter-fund transfers to maintain a positive balance at June 30, 2011.

As shown in the following chart, 2010-11 revenues are projected to fall short of budget by \$4.3 million for the year. While tax revenues have been stronger than

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the budget plan, program revenues are short. The most significant shortfall, in Code Enforcement, is due to a change in the County distribution methodology for those delinquent code assessments lienied against the property. These distributions are no longer subject to the Teeter distribution plan. Other program revenue shortages are also concentrated in Police and Fire as these departments adjust their revenue expectations to decreased 2010-11 staffing.

**General Fund Revenues  
April 2011 Year-to-Date Results  
(\$ in thousands)**

	2009-10	2010-11				
	<u>Actual</u>	<u>Current Budget</u>	<u>Year-to-Date at 4-21-11</u>	<u>%</u>	<u>Projection at 5-5-11</u>	<u>Budget Variance</u>
Taxes/other general revenues						
Property Tax	\$ 48,782	\$ 45,463	\$ 25,131	55%	\$ 46,691	\$ 1,228
Sales Tax	32,710	32,915	18,934	58%	34,158	1,243
Utility Users Tax	30,717	31,380	21,493	68%	31,059	(321)
Other general revenues	24,822	25,867	14,893	58%	24,143	(1,724)
	<u>137,031</u>	<u>135,625</u>	<u>80,451</u>	<u>59%</u>	<u>136,050</u>	<u>426</u>
Program revenues and interfund reimbursements	29,551	31,356	20,682	66%	26,564	(4,792)
Total	<u>\$ 166,583</u>	<u>\$ 166,981</u>	<u>\$ 101,133</u>	<u>61%</u>	<u>\$ 162,615</u>	<u>\$ (4,366)</u>

Expenditures, on the other hand, are trending favorable to budget. With nine months, or 75%, of the fiscal year complete, only 72% of the budget has been consumed. However, not all expenditures are incurred evenly throughout the year. Year-end accruals and other postings are likely to consume some of this 3% surplus. We continue to enforce a modified hiring freeze and additional expenditure controls to get us to the fiscal year's finish line.

**General Fund Expenditures  
March 2011 Year-to-Date Results  
(\$ in thousands)**

<u>Departments</u>	<u>Budget &amp; Encumbrances</u>	<u>Year-To-Date Actuals 3/31/2011</u> 75.00%	<u>Year-To-Date (Over) Under 75% of Budget</u>	<u>% of Budget</u>
Police	\$ 88,572	\$ 65,110	\$ 1,319	74%
Fire	46,890	34,707	461	74%
Public Works	7,777	5,048	785	65%
Other Programs	4,756	2,761	806	58%
Administrative Support	8,897	5,696	977	64%
Transfers-out	11,200	7,685	715	69%
	<u>\$ 168,093</u>	<u>\$ 121,008</u>	<u>\$ 5,062</u>	<u>72%</u>

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On a cash basis, the General Fund continues to carry a negative balance at March 2011. The fund's cash balance is typically negative for much of the fiscal year as payroll and other expenditures are disbursed prior to the receipt of large County property tax revenue distributions in January, April, and June. The following chart presents General Fund cash balances by month. These reported balances include the General Fund and the Payroll Trust Fund, which have traditionally been reported together. Approximately \$4-5 million of the following balances are held in the payroll trust fund at month-end pending distribution through the City's payroll on the 7<sup>th</sup> day of the following month. The General Fund's monthly cash deficits are covered through the investment pool. Such intra-year borrowing is allowable within the context of the California constitution's debt authority as long as the expenditures are payable from revenues attributable to the same fiscal year. With the assumption of a balanced budget, supplemented by inter-fund transfers as needed, the March cash deficit of \$6.5 million is expected to be repaid prior to the end of the fiscal year.

**General Fund  
Cash Balances by Month**

July 2010	\$	1,294,617
August 2010		(3,520,236)
September 2010		(11,978,112)
October 2010		(19,062,539)
November 2010		(22,282,357)
December 2010		(13,506,300)
January 2011		(12,462,666)
February 2011		(4,662,011)
March 2011		(6,562,402)

**B. Projected Annual General Fund Results**

The following chart reflects the current 2010-11 General Fund projected annual activity and ending available balance projection for June 30, 2011. This chart reflects an updated revenue projection as of May 5, 2011. The fund's expenditure projection was last updated on March 24, 2011. While year-to-date expenditure trends through March 31, 2011 remained positive, and may indicate additional savings potential, other programs outside the General Fund have identified problems that may require an unexpected \$1.8 million General Fund backfill. The overall current year-end deficit projection is now \$3.6 million, revised from the \$2.5 million deficit most recently reported. This \$3.6 million will be proposed to be covered by additional expenditure reductions or inter-fund transfers. A comprehensive update on the status of non-General Fund programs is in progress and will be presented in June, along with the proposed 2011-12 budget, with a proposal to address any remaining 2010-11 projected deficit.

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General Fund Reserve Projection  
2010-11

		Projected
Beginning Balance		\$ 1,198,000
Revenues	at 5-5-11	162,614,560
Expenditures	at 3-24-11	(166,865,341)
Other fund program risks	at 5-5-11	(1,800,000)
Draw on encumbrance/other reserves		1,212,907
Net Annual Activity		(4,837,874)
Anticipated additional expenditure reductions and/or inter-fund transfers		3,639,874
Ending Balance		\$ -

**C. Status of Emergency Measures**

The Stockton Firefighters Local 456 and the Stockton Police Officers Association have both initiated legal actions against the City to force termination of the emergency measures that suspended scheduled salary increases, imposed leave usage restrictions, and closed Fire Truck Company 4, as imposed by the City Council subject to on-going negotiations.

The estimated annual value of the 2010-11 emergency terms imposed on Police and Fire employees is \$12 million. If the City had not imposed emergency terms in 2010-11, the projected General Fund deficit discussed above would increase from \$3.6 million to \$16 million. Available unrestricted City resources have not been identified to backfill a deficit of that magnitude.

A portion of the emergency cost savings were in the form of staffing redeployments, and a portion were from frozen salaries and other benefit changes. The ultimate results of both the Police and Fire employee objections to the current year Fiscal Emergency remain unknown. The arbitrator handling the grievance brought by the Fire union may rule in June, 2011. Police litigation is ongoing. Should retroactive payments be due to Police and/or Fire employees for salary and benefit reductions, the General Fund would be at risk for back payments of at least \$5 million. No appropriation or reserves have been identified at this time to cover this retroactive payment risk.

**D. Recommendation to Continue 2010-11 Emergency Measures**

Based upon a review of year-to-date revenues, expenditures, and cash flow, and of projections for the remainder of the fiscal year, it is recommended that the City Council adopt a resolution to continue the current year emergency measures.



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This action will continue to reduce General Fund costs resulting from imposed salary, benefit, and leave usage reductions, and staffing reductions resulting from closure of Fire Truck Company 4. Continuance of these measures is necessary to generate the savings needed to maintain a balanced budget and maintain solvency of the General Fund during fiscal year 2010-11.

**III. 2011-12 General Fund Projections, Other Program Risks, and  
Recommendation to Declare 2011-12 Emergency**

As the City approaches its budget for the new fiscal year beginning July 1, 2011, it faces a General Fund budget deficit that has grown to \$37 million on a base of \$162 million in revenues, for a deficit gap of 18%. Although revenues have leveled off after years of double digit declines, employee compensation costs face a steep increase.

Balancing the General Fund budget through service reductions alone would bring cumulative work force reductions to 42% over the past three-year period, and would create untenable deficiencies in public safety and other programs. Further, after years of slow development activity, loss or expiration of federal and state grant sources, and citywide program revenue declines, the City's deteriorated economic condition extends beyond the General Fund to virtually all programs of the City. Significant funding gaps threaten the City's ability to pass a balanced budget that provides essential public services for 2011-12.

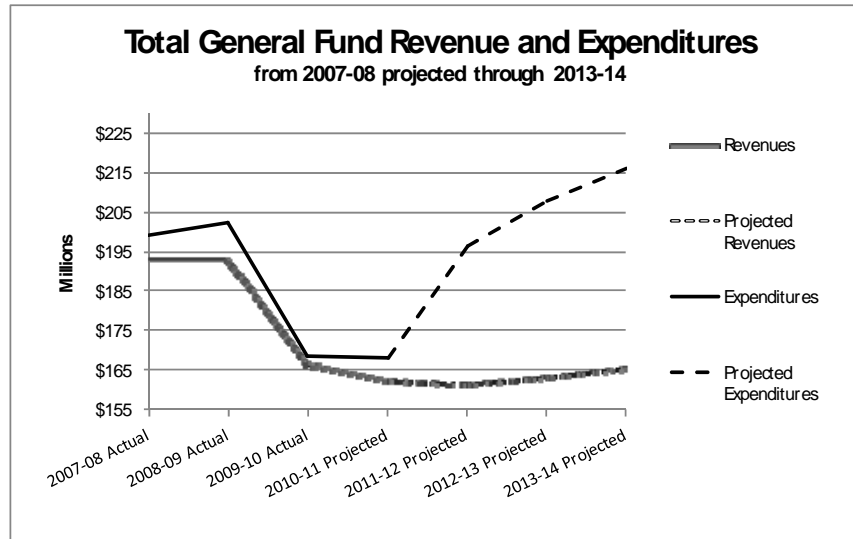
**A. General Fund: Despite Aggressive Steps to Reduce Costs, Annual  
Deficits Continue to Grow**

**1. The City has Aggressively Cut Costs in Recent Years**

The City's current fiscal crisis is driven by two major factors: the significant decline in revenues outlined above, and, more critically, a dramatic increase in employment costs. As shown on the following chart, the City has reacted swiftly to the downward spiral in revenues during the past several years. However, the first two years of this protracted recession (2007-08 and 2008-09) relied on the depletion of General Fund reserves to balance the operating budgets.

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From 2007-08 through 2009-10, a variety of cost reduction measures were implemented across many service areas and functions. Measures included the renegotiation of bargaining unit labor agreements; implementation of two early retirement incentive programs; 10 furlough days in FY 2008-2009 and 12 furlough days in FY 2009-2010, or furlough equivalent, for all City employees including public safety personnel; a hiring freeze of City employee positions including public safety; and a reduction of City operational hours across many departments. In 2010-11, temporary emergency measures were implemented to balance the budget, saving \$12 million in public safety staffing and compensation costs.

### 2. General Fund Baseline Costs Soar for 2011-12 and Beyond

Without emergency measures, the City faces restoration of previously withheld salary increases, new scheduled salary increases for 2011-12, and soaring health and pension costs.

A baseline expenditure projection has been established for 2011-12 with the estimated cost to preserve existing service and staffing levels within the boundaries of existing labor contracts, without emergency measures. Due to ongoing litigation/arbitration with the Stockton Police Officers Association and the Stockton Firefighters Local 456, this baseline projection assumes all costs from existing labor contracts (i.e., costs that would be incurred if there were no emergency measures). In this baseline projection, General Fund expenditures reach \$199 million, which is an increase of \$32 million from the 2010-11 budget. Baseline costs have

## **2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

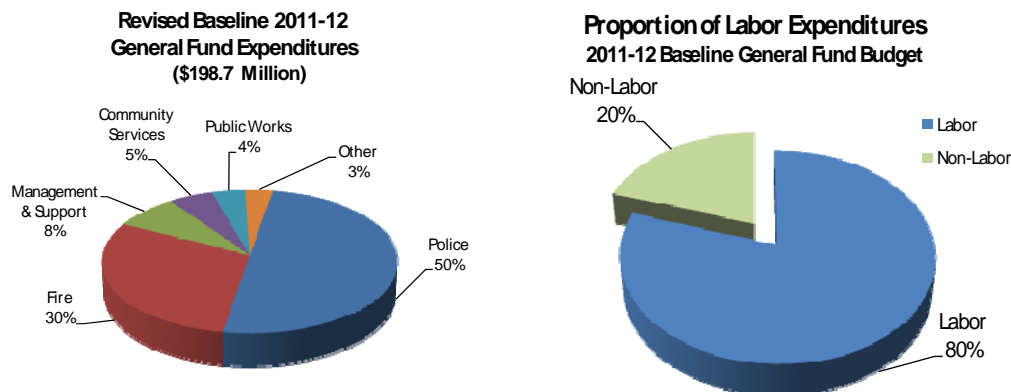
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been increased by \$2 million since last reported to City Council on March 22, 2011. This increase is due to unexpected problems in several non-General Fund programs that are expected to require General Fund support until operational solutions can be identified and implemented.

Significant portions of the year-to-year cost increase are associated with the sunset of labor concessions such as furloughs, cost of living adjustments (some COLA adjustments are as much as 14%), and the related benefits associated with these significant increases in base pay. Despite several years of significant staff cost reductions through attrition, early retirement incentives, furloughs, renegotiation of labor collective bargaining agreements, hiring freezes, and reductions to operating hours and services, costs are still on the rise, and particularly benefit costs.

### **3. General Fund Expenditures are Substantially Public Safety/Labor**

The following charts present the breakdown of 2011-12 General Fund expenditures by program and type.



Public safety, including the Police and Fire departments, represents the most significant component of General Fund expenditures. Police and Fire comprise 50% and 30%, respectively, or 80% of the baseline expenditure budget. Further, labor costs represent 80% of the General Fund budget.

### **4. Labor Costs are Primary Driver of General Fund Service Costs**

As a service provider, the City's labor costs drive the General Fund budget. The following is a summary of the most significant labor cost components. Of particular note is the current load for benefits and other incremental compensation types ("add pays"). Total benefits and "add

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pays” add an estimated 115% load onto base pay. This does not include overtime.

<b>General Fund Personnel Costs</b>			
Fiscal Year 2011-12			
	(millions)	(%) of Total	(%) of Base
Base Pay	\$ 63	47%	100%
Additional Pay	9	6%	
Retirement	30	22%	
Health/ Dental	26	19%	
Other Benefits	8	6%	
Subtotal	73	53%	115%
Total	\$ 136	100%	

Employee benefit costs are the most significant factor in the projected growth of City personnel costs. The growth in benefit costs are outpacing the City’s tax revenue growth and present costs that the City has limited options to control within the context of existing labor contracts. The City’s costs for medical coverage of active and retired employees and pension costs are soaring. In addition to increasing costs associated with inflation and other cost drivers, with a few recent exceptions, the City’s labor contracts obligate the City to cover ALL costs. That is, there has been no or minimal employee contribution to healthcare or pension. Exceptions include the police groups which have paid a nominal cost toward healthcare since 2007-08. In FY 2010-11, two additional employee groups began nominal health and/or pension contributions.

**a. Salary Formulas**

Most of the City’s labor contracts automatically tie future salary increases to a formula. The result of these automatic formulas is that they require pay increases whether or not the City has the revenue to support increases. All but two (SCEA, the clerical/technical unit and Mid-management Supervisory) are tied to CPI. These salary formulas contain a minimum salary increase of 2.5 percent. Other labor contracts contain salary formulas based on a survey of various agencies, including agencies that have marginal relevance to the City of Stockton. For example, the City’s contract with its fire union requires a survey to be conducted involving the cities of Anaheim, Fresno, Garden Grove, Huntington Beach, Pasadena, San Bernardino, Santa Ana, and Torrance among others. The contract requires the City to provide whatever pay that will place the fire employees salaries at “the bottom of the top 3<sup>rd</sup>” – i.e., the fifth highest salaries among sixteen agencies.

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As a result of a survey formula in a labor contract with the Police Officers Association (“POA”), the City recently faced a legal dispute. The POA asserted that the salary survey required the City to increase its wages as of July 1, 2008 by 23 percent, and the POA sought arbitration on this issue. The City eventually settled, and the settlement called for a 15 percent retroactive base pay increase effective July 1, 2008. The POA eventually agreed to partial concessions by agreeing to a furlough program, and to delay parts of the scheduled increases, however, these are short term solutions. With respect to the POA, for example, their labor agreement currently calls for reinstatement of a uniform allowance, and additional salary increases in FY 2010-2011, as well as reinstatement of retiree medical trust contributions in FY 2011-2012. Total costs embedded in the labor contract amount to approximately \$2.3 million. Although asked to make ongoing concessions without conditions that would prevent the parties from negotiating a new contract in 2013, the POA has declined to do so.

The current contractual obligations are fiscally unsustainable. With respect to the POA MOU, for example, total base wage increases embedded in the contract amounted to nearly 36 percent from January 1, 2002 through July 1, 2008, plus the additional amount that resulted from the salary survey discussed above. Adding to the City’s General Fund deficit for FY2010-11 is the restoration of previously negotiated concessions, such as furloughs, salary survey-based increase for Fire of 8.5% and CPI-based increase of 3.68%, uniform allowances, etc.

### **b. Pension**

The City contracts with the California Public Employees Retirement System (PERS) for retirement benefits, and these benefits are reflected in each of the City’s labor contracts. Police and Fire employees (“safety”) enjoy the highest level of benefits, known as “3% at 50,” while all other employees (“non-safety”) receive a “2% at 55” formula. Safety employees retire with an annual pension benefit of up to 90 percent of their single highest year’s salary. “Salary” includes additional pays that are embedded in the contract, such as “administration pay,” “education incentive,” “longevity incentive,” “certification pay,” and “uniform pay” among others.

For example, while a Fire Captain’s “salary” is listed at \$101,303.95, the true salary can be increased by additional pay through the labor MOU by over \$35,000 (not including benefits). Thus, a Fire Captain who retires

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with a base salary of \$101,303.95 will receive a lifetime annual pension of over \$122,000 annually.

Under the Public Employees Retirement System ("PERS") law, the contracting agency and each employee or annuitant must contribute a percentage toward their pensions (known as the mandatory employee contribution). (Gov. Code § 22890.) For safety employees, the employee contribution is nine percent of salary. For non-safety employees, the employee contribution is seven percent. However, PERS also permits a contracting agency to elect to pay all or a portion of the normal contributions of members of a group or class of employment. (Gov. Code § 20691.) The employer-paid contribution of the employee's share is referred to as the Employer Paid Member Contribution or EPMC. The City's labor agreements have shifted this cost - the employee's required contribution - to the City (the employer). Thus, the City currently pays the employee portion, or EPMC, plus the employer portion of the required pension contribution. The employer contribution for 2011-12 is 29.099% percent for safety and 16.941% for non-safety or miscellaneous. Adding the EPMC, the City is paying about 38% of covered payroll to CalPERS for safety employees' retirement.

Further, the City issued \$125 million in pension obligation bonds in 2007. Bond proceeds were contributed to the City's CalPERS pension plans to finance a portion of the City's unfunded pension liability. Annual debt service payments are \$7 million. In addition to the 38% of covered payroll contributed to CalPERS, the City pays an additional 9.6% of safety payroll in debt service on these pension bonds. The combined employer cost for safety employees' retirement is 48%.

At June 30, 2009, the most recent pension valuations available, the market value of the safety and miscellaneous pension plan assets comprised only 64% and 65% of plan liabilities, respectively, down from 95% for both plans in 2008. This reflects the significant investment losses realized in the CalPERS investment portfolio in 2008-09. As a result, notwithstanding the CalPERS funding methodology that will smooth rate increase over several years, the City's contributions are projected to rise.

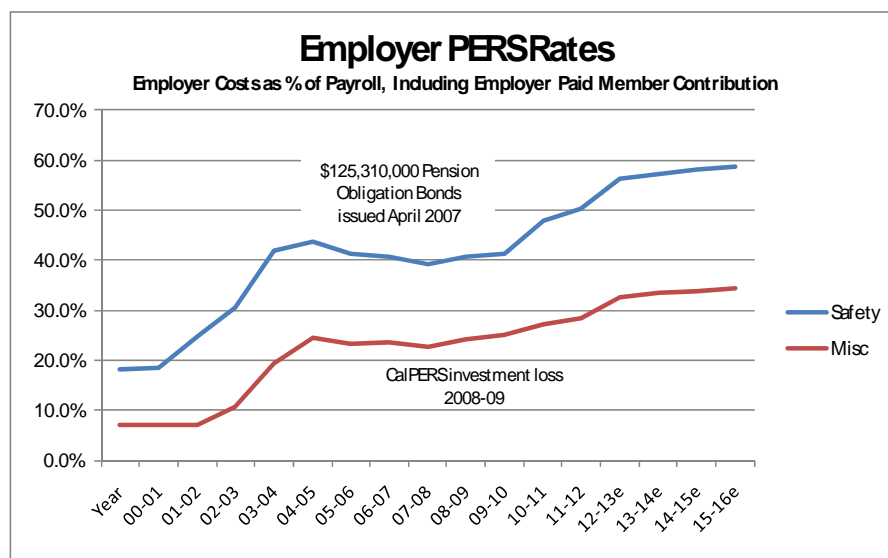
The City's CalPERS actuary has projected City contribution rates for the next five years. Rates are increasing due to CalPERS investment losses and new demographic/longevity factors. Over the next five years, Safety plan contribution rates are expected to increase by 10% of pay, while Miscellaneous plan contributions will increase by 7% of pay. Further, the City's \$7 million annual pension obligation bond payment is likely to be amortized over a downsized employee workforce as the City adjusts

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operations within a balanced budget, which further increases pension costs as a percentage of payroll.

The following chart shows the dramatic increase in pension rates since 2001. These rates consolidate CalPERS contributions, debt service on the City's pension obligation bond, and administrative costs. Without changes in this cost structure, Safety rates are expected to reach a remarkable 58% within 5 years, while Miscellaneous employee rates are projected to reach 34% of payroll.



### c. Retiree Health

Although staffing reductions since 2008 provided salary savings, many reductions were a result of retirements, which drive a corresponding increase in retiree health insurance costs. In the past, the City did not fund a reserve for retiree health benefits and instead paid for both existing staff and retirees on a “pay as you go” basis. As a result, the actuarial value of the unfunded liability for retiree health care at June 30, 2009 has grown to \$544 million, or over 500% of covered payroll. A subsequent peer review has increased this liability further to \$560 million.

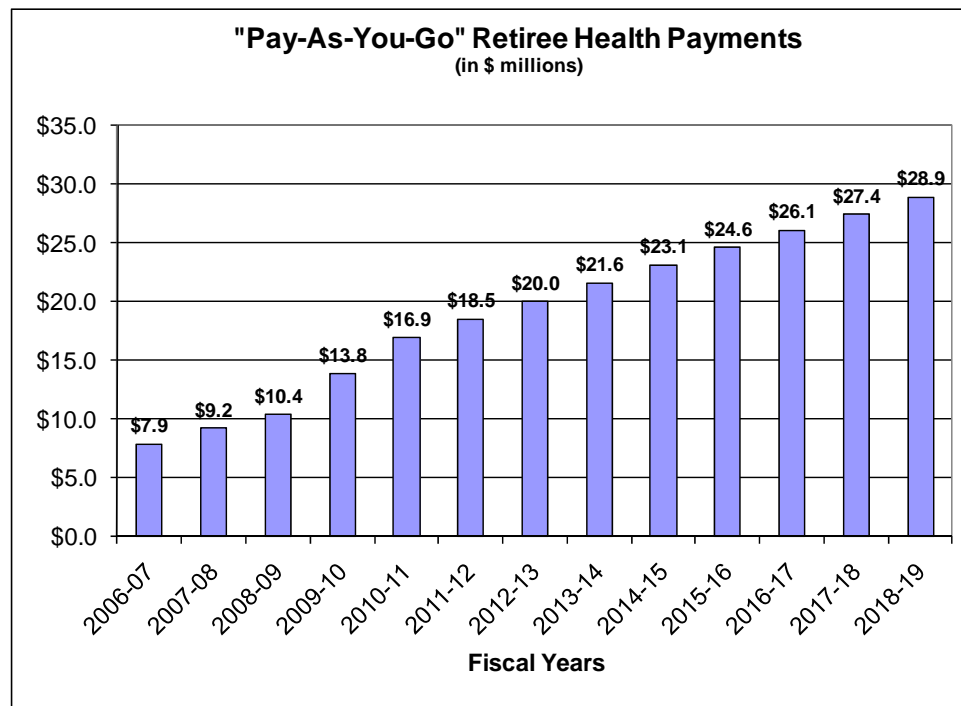
The City is self funded for a majority of health claims and collects monies from departments to cover active and retiree claims, based on the number of active employees in each department. In times of growth, and average attrition, this might have been a sufficient means of financing health costs, but with the rapid work force decline and sharp increase in retiree beneficiaries, the healthcare rates charged to departments have increased

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more than 71% since fiscal 2008-09. The annual charge to departments, if the City were to fully fund its retiree health program, would approximate 40% of safety payroll.

Furthermore, the City's retiree medical benefit is one of the most generous in the state. Medical claim costs have increased an average of 17% in over the last three years. As shown in the following chart, the annual "pay as go" cost for claim disbursements, without pre-funding, are projected to triple, from \$10 million in 2008-09 to \$29 million by 2019, consuming an ever increasing share of the City's available revenues. The City must find a way to begin to reduce and/or fund this liability or, even without the other fiscal problems described in this report, retiree health care costs will become increasingly unaffordable for the City.



Source: June 2009 Actuarial Valuation, Issued December 2010

### d. Total Active and Retiree Health Costs

The following chart reflects the dramatic \$12 million increase in the City's combined active and retiree pay-as-go cost of health benefits, from \$27.7 to \$39.5 million over the past three years.



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<b>Cost of Health Benefits - All Funds</b>			
<b>Fiscal Year</b>	<b>Active Employees</b>	<b>Retirees</b>	<b>Total</b>
2007-08	\$19.2	\$8.5	\$27.7
2008-09	\$20.7	\$10.1	\$30.8
2009-10	\$20.9	\$13.8	\$34.7
2010-11e	\$22.7	\$16.8	\$39.5

Of the 1493 currently authorized employee positions in the City, only 544 employees are required to pay an employee contribution to healthcare, pursuant to their respective labor agreements. Employee contributions range from \$100/month to \$345.62 per month. Therefore, most City employees receive 100% of all costs paid by the City for participation in the City's self-funded PPO plan. PPO plan terms provide deductibles of \$150 per employee, \$450 per family paid by the employee, and once the deductible is met, the City funds 100 percent of most costs. The City's 2010-11 costs per year for this benefit are estimated at \$15,582 per active employee, or approximately \$22.5 million for active employees and their dependents.

The City's Health Advisory Committee has met to achieve plan design changes, and although certain agreements have been reached, there has not been agreement on an overall plan design.

The City reached agreements for 2010-11 with the Stockton Police Officers' Association, (SPOA), the Stockton Police Management Association (SPMA), Operating Engineers' Local 3, and unrepresented group to receive an employee contribution (i.e., a monthly payroll deduction) toward health insurance. However, the majority of the workforce still does not contribute anything towards medical premiums. The current plan is underfunded and unable to sustain current obligations.

**e. Conclusion – Benefits**

Many of these benefit obligations are difficult, if not impossible, to reduce in the short term. Although the City could seek to create a second-tier retirement system, the savings from doing so would be very modest in the short term. The only meaningful way for the City to reduce its pension costs in the short run is to require that employees contribute more, such as going back to terms in which employees pay their own share of the retirement costs. Similarly, medical costs are projected to continue rising at almost double digit rates for years to come, eventually leveling off at

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around 5% a year. In general, the City can expect the cost of pension and health benefits, in their current structure, to continue to rise.

**B. Consequences Without Emergency Action: Alternative General Fund  
Department Reductions**

Without emergency action, the scope of necessary service reductions would severely redefine the City's service capacity and eliminate essential community services. General Fund Departments have been challenged to identify \$37 million in program and cost reductions to balance the 2011-12 budget within the current labor contract cost model. As detailed in the following chart, department reductions would reduce the General Fund workforce by 17%, on top of prior year reductions of 25%, for a cumulative workforce contraction over the past three years of 42%. Current year reductions are estimated to eliminate 236 full-time positions and 9 part-time positions, of which 206 of the full-time positions are filled.

**\$37 Million Reductions by Department  
2011-12 Budget Deficit**

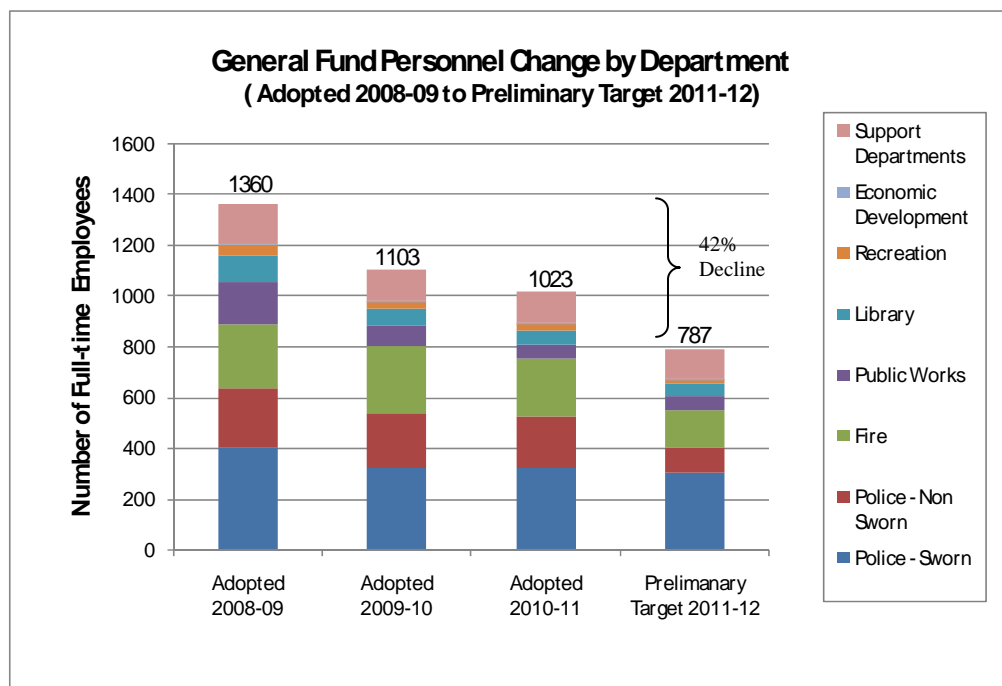
<b><u>Department</u></b>	<b><u>Reduction</u></b>
Police	\$ 14,263,043
Fire	18,939,582
Public Works	1,017,600
Library	905,076
Recreation	550,435
City Council	63,835
City Manager	199,274
City Attorney	146,641
City Clerk	121,796
City Auditor	102,728
Administrative Services	404,078
Human Resources	134,687
Economic Development	56,036
Arts Commission	5,806
Non-departmental	77,657
<b>Total Reduction</b>	<b><u>\$ 36,988,274</u></b>

It is important to note that these reduction alternatives reflect the best effort of the program departments to meet budget targets provided by the City Manager's office, but they are not service levels or reductions endorsed by

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the departments. Based upon feedback received at the seven community town hall meetings held during the past month, many of these reductions present service level impacts unacceptable to the community.



### Police Department

Stockton has historically suffered with very high crime rates. For the 2010 calendar year, Stockton was once again #2 in violent crime per capita in the state behind Oakland. ***Any material cuts from the Police Department's current operating levels are untenable and will place the community at unacceptable risk.***

In 2008, the Stockton Police Department had 441 sworn officers. Even at that time, the goal was to increase the number of officers to approximately 550 following principles outlined in the report by Dr. Anthony Braga in order to raise the sworn level to a higher number to effectively deal with the increased population, increasing crime rate, and gang and narcotics problems that have plagued this city for decades. However, due to continuing budget reductions, by July 2010, sworn staff dropped to 342 with an additional 95 civilian support staff reduced as well.

A 2011-12 budget reduction of an additional \$14.2 million dollars will decimate the ability of personnel to handle the heavy call volume and violent crime of this

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city. Officers will be forced to respond to only in-progress and life threatening calls for service. The department will be forced into an emergency staffing mode, requiring staff to advise 300-400 citizens a day we can no longer respond to their calls for help. A reduction in sworn staffing to just 323, would make Stockton the lowest staffed Police Department in the entire nation for cities our size and larger. Additionally, the cuts would eliminate over 100 additional civilian support personnel, crippling any remaining efficiency of the Department's operations and assigning sworn personnel to current civilian duties.

To meet their budget target, the Police Department would need to eliminate or reduce programs and operations that would eliminate 123 full-time positions, including 19 sworn police officer positions. Programs identified for reduction or elimination include the following:

- Eliminate the Gang Unit and Gang Violence Suppression Unit comprised of 14 sworn police officer positions. Only funded Task Forces would remain, eliminating proactive high-visibility enforcement of gang issues, investigations and activities.
- Eliminate the Vice Unit which is responsible for investigating fraud, business crimes, prostitution, monitoring liquor stores for sales to minors, etc.
- Eliminate 2 Motorcycle Traffic Enforcement sworn police officers, reducing impacts on City-wide traffic issues and abilities to maintain traffic-related grants.
- Reduce sworn officer staffing in Personnel & Training Section, resulting in less training, recruiting, & backgrounding. Elimination of Rangemaster and other training unless mandated. Reduction to training in perishable skills such as emergency vehicle operation, shooting skills, and arrest and control tactics.
- Reduce Animal Control and Animal Shelter programs - Shift Animal Sheltering to County &/or non-profits within one year. Sworn personnel would handle emergency animal calls posing immediate threats. Revenues currently received from the County would be eliminated.
- Eliminate civilian staffing of Evidence Identification Section. Shift most evidence tech work to sworn officers to handle collection and processing of evidence; assigned evidence officers unable to handle calls-for-service.

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- Eliminate civilian staffing of the Property Room, replacing with sworn officers. Handling of evidence and other property will be performed by sworn staff, taking them from police calls. Would also require patrol officers to be trained in the highly important practices and laws governing evidence disposition, storage, and disposal.
- Eliminate all Community Service Officers from Patrol, Traffic, and Parking – causing severe reduction/elimination in responses to lower priority calls-for-service. Much of work shifted to sworn as available but sworn would mostly respond only to emergency in-progress or violence calls. Parking enforcement duties shifted to VIP's & Sworn (5 CSOs were General Fund & 3 were grant funded). Potential losses in revenues and reduced responses to traffic and parking complaints and issues. Eliminate 2 Motorcycle Traffic Enforcement Officers, reducing impacts on City-wide traffic issues and abilities to maintain traffic-related grants.
- Reduce Code Enforcement civilian staffing. Residential Rental Inspection program suspended & Code Enforcement will not improve from current level. Decreased responses to all types of Neighborhood Services issues, causing increased blight, decreased revenues for code violation fines.
- Eliminate Graffiti Abatement program. Graffiti will only be removed in areas where Landscape Maintenance Districts already fund removal. Adverse effects would be significantly increased blight.
- Reduce Civilian support for Investigations Division - Investigative support tasks shifted to sworn personnel, resulting in slower case processing and clearance; increased case loads would cause concentrating on violent crime over property crime.
- Reduction of Records Management Section civilian staffing, eliminating approximately 40% of civilian support staff in Records & Traffic sections. Mandated clerical work will shift to sworn personnel, taking sworn personnel from handling police calls.
- Reduce Civilian clerical and fiscal administrative staff. Some administration work shifted to sworn personnel for necessary grant management, etc. Reduced grant work to only mandated duties.

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- Reduce Crime Analysis Unit civilian staffing. Reduced ability to track & analyze crime & focus resources. Officers would be unable to rely on fresh intelligence with crime trends.
- Reduce Telecommunications and IT staffing, eliminating supervisors & 5 vacant dispatchers. Telecommunications supervision would shift to sworn personnel to handle as available, greatly reducing supervision of 9-1-1 call-takers. 50% Reduction of support staff for Police telecom and computer systems will increase system problems and data loss. Reduced efficiency from reduced utilization of technology.

### **Fire Department**

Currently, the Fire Department is made up of 13 Engine Companies (which are also known as neighborhood fire stations), staffed with crews of 4, and 3 Truck Companies staffed with crews of 5. Reductions would first come from decreasing the crew size in both Engine and Truck Companies to crews of 3 and 4 respectively. This downsizing would not be sufficient to meet the reduction requirement, and therefore Companies would be closed. Truck 4, closed June 30, 2010, would remain closed and Truck Company 3 at 1116 E First Street; Engine Co. 1, at 1818 Fresno Avenue; Engine Co. 6, in Victory Park at 1501 Picardy Lane; and Engine Co. 7, at 1767 W Hammer Lane would also be closed. A two-person rescue vehicle would be placed in service, staffed with an Engineer and a Firefighter, and used to augment the remaining on-duty staffing. This rescue apparatus would be based at Fire Station 4, at 5525 Pacific Avenue near Delta College. An additional 1 Fire Fighter position per shift would be reduced from a truck or engine company as appropriate to meet the increased deficit projection of \$37 million. Under this level of budget reduction, daily staffing would be 41, a 41% decrease from the current daily staffing of 70 firefighters.

The station closures would require eliminating 81 firefighter positions (76 from layoffs and 5 from attrition through retirements), along with demotions of 19 captains and 12 engineers. In the Stockton Fire Department response area, which includes the City of Stockton and the contracting fire districts, the number of firefighters would decrease to 0.428 firefighters per 1,000 residents. In other San Joaquin valley cities, the average number of firefighters per thousand is 0.9. Call volume for other comparably sized cities averages 1798 calls per service year, where Stockton averages 3057 calls per service year. Since June 2009, the number of firefighter positions has decreased by 48, from 271 to 223. These additional cuts will leave 145 sworn staff, which is lower than the staffing level more than 50 years ago when 157 firefighters worked in fiscal 1957-58. The Stockton population was 25% of today's service population.

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Service impacts to the community are expected to include:

- Arriving fire engines will have to delay interior fire attacks until they can be supported by a second fire engine or truck company, and safely support interior firefighting operations as defined by NFPA 1710.
- While exact response times are not easily projected, response times to all types of emergencies will be extended.

**Public Works**

The Public Works Department reductions total \$1,017,600, and include the elimination of 6 full-time positions. The programs identified for reduction include facilities maintenance, park maintenance contract management, and tree maintenance. Since 2008 the Public Works Department has reduced programs, combined and reorganized programs, and outsourced some maintenance activities that have resulted in the elimination of 104 full-time positions from the General Fund.

Public Works' share of the FY 11-12 General Fund budget cuts was originally set at \$1,317,600 below baseline. Public Works first conducted a rigorous review of baseline assumptions which identified a savings of \$300,000, leaving \$1,017,600 in remaining reductions needed. These cuts must all come out of Parks, Trees, and Facilities, as those are the only areas that receive General Fund allocations. To meet this target, the Public works Department identifies the following reductions:

- Eliminate a vacant Crafts Maintenance Worker and two vacant Facilities Maintenance Worker positions, saving an additional \$218,200. No service impacts are identified because no occupied positions are affected.
- Eliminate a currently-filled Parks Supervisor position, and shift portions of another Parks Supervisor and two Senior Parks Workers (10% each) to (non-General Fund) Landscape Maintenance District accounts. The impact will be reduced oversight of the contractor that is currently maintaining the Parks (mowing, trimming, picking up trash, and cleaning restrooms). Also, an Associate Civil Engineer who is currently helping oversee Parks will assume the vacant Parks Superintendent position, and his vacated position will be eliminated. The savings will accrue to Parks, but the impact will be reduced ability to deliver transportation projects. This will generate a General Fund savings of \$264,000.

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- Under-fill the vacant (but funded) Arborist position with a Senior Tree Surgeon, then backfill the resulting vacancy with a Parks Worker employee, then eliminate the Parks Worker position. The net effect will be to save \$69,400 while losing the expertise of an Arborist. Losing this expertise will limit the Department's ability to provide technical assessments of potential tree hazards; however, it is deemed more important to retain a 5-person Tree crew. The Department also anticipates a reduction in contracted Tree services by \$75,000 (30%) – this will further impact the Department's ability to respond to major storms and other emergencies. Incidents will be prioritized based on the severity of the threat to public safety. These cuts are in addition to past cuts that have essentially eliminated our ongoing maintenance of our urban tree inventory.
- Reduce Heating Ventilation and Air Conditioning contractor budget.
- Reduce park irrigation by 10%.
- The final reductions will shift a portion of the charges for existing personnel to Gas Tax. Specifically, payroll costs for the Tree crew will be charged 50% to Gas Tax rather than the 21% presently charged, based on the fact that at least 50% of City trees are street trees and eligible for Gas Tax funding. This will remove from the General Fund 1.45 FTEs. Similarly, 20% each of two Engineering Technicians, and .67% of a Senior Parks Supervisor position, will be charged to Gas Tax. The former will administer federal aid transportation projects, the latter Community Enhancement street cleanup efforts. Total General Fund savings equals \$291,000, with an equal increase to the Gas Tax. This will further reduce critical maintenance efforts on local streets.

**Community Services – Library**

In this reduction scenario, public hours at the City's branch libraries would be cut from a high of 231 open hours per week in 2008-09 to a new low of 75 public hours per week in 2011-12. Staffing reductions would be among the deepest of City programs, from a high of 105 full time staff in 2008 to 46 in 2011-12, in addition to a cumulative reduction of 33 part-time staff. One of the City's 5 branches has already been closed.

New 2011-12 Library reductions total \$905,076 for the City portion of the Library system budget. This includes the 2011-12 elimination of 11 full-time positions and 2 part-time positions. The Library is also bracing for a reduction in funding from the State of California, which will reduce the library's ability to provide



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literacy and outreach services to the community. These new 2011-12 reductions represent a 27% reduction in open hours City-wide (from 103 hours per week to 75 hours per week). Hours at the Angelou and Weston Ranch libraries in south Stockton would be cut 32% more than the current schedule.

Less service - Not only will all four remaining City branches be open fewer hours, but a public services staff reduction of eight FTE (full time equivalents) will necessarily lead to longer wait times at all service points during operating hours. Also of great impact, both to the City and to our County libraries will be the reduction of three FTE support staff, resulting in longer processing times for new and donated books, movies, music, and magazines to become available to our customers.

Special events – Event, planning and professional marketing materials will not be available. Statistical collection, analysis, and reporting will be added to the workload of remaining staff, leading to productivity delays. Public technology training will cease to take place on a regular basis.

Inter-branch deliveries - Delivery of books and materials to City and County branches will take longer as a result of reduced part-time staff and delivery services to 49-99 member libraries will be eliminated

In short, these reductions, which represent a cumulative two thirds loss of public hours, would further devastate both the quantity and the quality of library services in the City.

**Community Services – Recreation**

The Community Services Department recreation program reductions total \$550,435. Programs reductions include recreation coordination; marketing and administrative support; reduction in open-to-public hours for Van Buskirk and Stribley community centers, and shifting the City cost for Sports Commission to the Tourism Business Improvement District.

These further reductions in funding for recreation services will impact community centers and the surrounding neighborhoods. This will require elimination of five FTE positions on top of the 21 full-time and 297 part-time positions that were eliminated since 2008. These positions provide direct services to the neighborhood around Van Buskirk Community Center and Park. Among the three new community centers, this facility has the least potential in generating additional revenue next fiscal year to help pay for its operating and maintenance costs. Operating hours at Van Buskirk Community Center will be reduced by 57% resulting to a reduction in operations at this center from 49 hours per week to 21 hours per week.

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Most affected will be the Conway Housing Community which is directly across the street from Van Buskirk Community Center. Seniors will lose the opportunity to socialize and exercise in the morning hours. Youth and teens will not have an opportunity to socialize and participate in activities until 3 p.m. and there will be no recreation opportunities on Fridays. This may increase negative behavior and vandalism around the community.

The Community Services Department would also reduce recreation staff at Arnold Rue Community Center. This position provides program coordination and support at the center and direct services to members of the surrounding community. Customer service will be reduced with workload distributed to the remaining staff.

One administrative support staff would also be eliminated. This will result in an increase of workload of the remaining administrative staff, which will result to inability to handle tasks in a timely manner. There will be an increase in backlog and longer processing time for requests. A total reduction of 4 full-time staff will result to slower service in Recreation and Administration Divisions.

The Sports Commission's annual support from the Recreation Fund will be eliminated. This action will reduce the funds available for sponsorships and staffing for conducting sports events in the City. The Commission is being encouraged to seek funding from the Stockton Convention and Visitor's Bureau to become an independent 501(c)(6) nonprofit organization.

**Charter Officer and Administration**

The collective charter officer and administrative units have reductions of \$1,250,761. This includes the elimination of 11 full-time positions and 7 part-time positions, which are in addition to the 28 full-time positions eliminated by these departments since 2008.

As with the program reductions discussed above, these reductions will likewise significantly impair organizational capacity to plan, administer, and serve customers during a period of rapid organizational downsize.

City Manager/City Council: Reductions eliminate two support and reception positions that jointly serve the City Council, City Manager, and City Attorney offices. Work load would be shared by other support staff, with overall reduced customer service by these executive offices.

City Clerk: Staff reductions will compromise the timeliness or possible elimination of the following processes and mandated duties:

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- Minutes preparation for the following will be eliminated: Planning Commission, Council Salary Setting Commission, Cultural Heritage Board, Climate Action Planning Advisory Committee, Measure W Committee, Development Oversight Commission, and the following Council Committees: Audit, Budget and Finance, Legislation & Environmental, Community Planning/Development
- Eliminates Boards & Commissions interviews, while continuing with recruitments
- Legal Notices, i.e. Public Hearings, Tracking of SEI statements and Ethics Training Certificates, preparation of City Council and Civil Service Commission record of meetings, Council meeting follow up, i.e. document recordation, bid bond processing

City Auditor: Reductions will reduce opportunities to identify & correct losses due to fraud, and weakens the city's overall ethical environment. Fewer hours will be available for audits of general fund activities, which may include revenue collection Activities, Police Department payroll, Fire payroll, and organizational analysis of delivering administrative support functions.

Administrative Services: Staff reductions will stall implementation of the City's new enterprise information system, which defers City-wide benefits from access to improved technology. Reductions will also limit capacity to administer the City's 48 bond issues and related investor relations, and may impair ability to timely comply with reporting requirements. Office support staff will also be reduced by one position. Finally, elimination of part-time workers will reduce 25% of disbursement unit capacity to provide timely vendor payments and ability to provide central controls over City disbursements.

Human Resources: Reductions will impair support to the Civil Service Commission; will reduce support to program departments in regards to the handling of labor issues including investigations, grievance processing and resolution; and will result in a city-wide loss of expertise in policy development and review also at a time of significant downsizing to the City-wide organization.

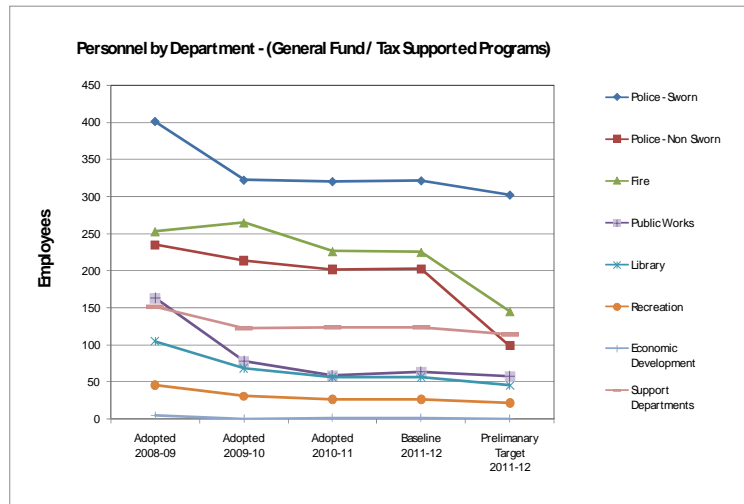
Other Administrative Functions: Reductions include loss of clerical support for Economic Development staff and City internet web page support for Public Information Officer. Funding reductions are also proposed for Community Partnership for Families.

# **2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

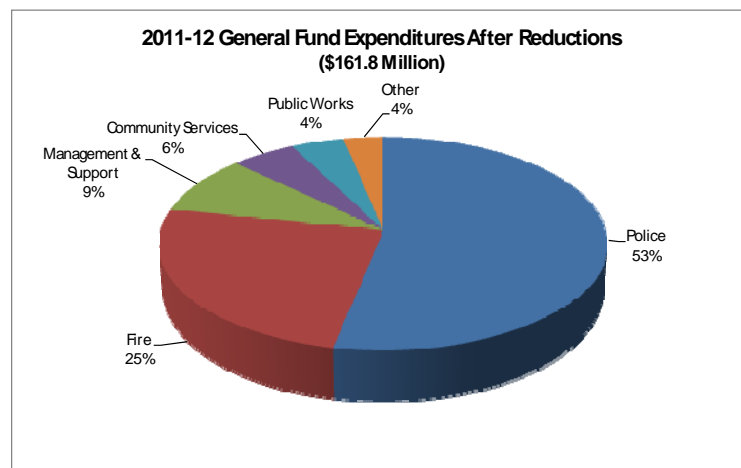
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## **Total General Fund Reductions by Department**

Without emergency measures, the following chart further summarizes the required personnel reductions by department in the context of reductions already implemented over the past three years.



The following chart presents revised 2011-12 program allocations with implemented reduction proposals. Public Safety would still represent 78% of the budget in this scenario, demonstrating across-the board reductions.



**2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY  
BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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**C. June 2010 “Action Plan for Fiscal Sustainability” Establishes Long-Term Principles for Addressing and Reducing the City’s Escalating Labor and Benefit Costs**

Growth in the City’s expenditure trend will ultimately be addressed either through a reduction in staffing and service levels or a reduction in unit labor costs. Without the necessary cost reductions to match the lower revenue base, the future year estimated General Fund budget shortfalls widen from \$37 million in FY 2011-12 to \$54 million in FY 2014-15.

Staff believes that a significant portion of projected General Fund deficits could be resolved by using market compensation practices as a guide to negotiating future employee compensation. All City bargaining groups have been asked to meet with City negotiators to open their existing contracts. All groups declined to do so. The City then asked all groups with closed contracts to agree to meet on proposed concessions. While one group agreed to some concessions and another group has proposed some concessions, at this point in time most groups have refused to agree to any concessions, or have offered concessions with conditions that are unacceptable to the City. The following is a schedule of employee bargaining groups and their current contract expiration dates:

EMPLOYEE ORGANIZATION	BARGAINING UNIT	BUDGETED	
		FTE	EXPIRATION DATE
Operations & Maintenance	Miscellaneous Workers	138	currently open <sup>(1)</sup>
Operations & Maintenance Supervisory	Miscellaneous Workers	14	currently open <sup>(1)</sup>
Stockton Police Officers' Association	Police Officers	319	June 30, 2012
Stockton Police Management Association	Police Officers	20	June 30, 2012
International Association of Fire Fighters	Firefighters	226	June 30, 2011
Operating Engineers Local 3 Trades & Maintenance	Miscellaneous Workers	99	June 30, 2012
Stockton City Employees Association	Miscellaneous Workers	437	June 30, 2014
Mid-Management/ Supervisory Level	Miscellaneous Workers	127	June 30, 2014
Total Budgeted FTE as of Dec 6, 2010		1380	

<sup>(1)</sup> The employees represented by this bargaining unit continue working at the City pursuant to the terms of the expired agreement. Negotiations are in progress and discussions regarding salary and benefit changes.

To address projected deficits and to create a road map going forward, last year, on June 22, 2010, the City Council adopted an action plan for fiscal sustainability. The plan identified long-term principles for addressing and reducing the City’s escalating labor and benefit costs. These action plans continue to set overall long-term employee compensation objectives.

**2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY  
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**Action Plan Principle 1:** The City shall reduce or eliminate “additional pay” categories.

**Action Plan Principle 2:** No side agreements or past practices shall be binding on the City unless the agreement or practice is approved in public by the City Council.

**Action Plan Principle 3:** The City's labor agreements shall not provide for automatic wage adjustments that are premised on formulae or automatic cost of living inflators.

**Action Plan Principle 4:** The City will strive to have its labor agreements expire at the same time – particularly with public safety unions.

**Action Plan Principle 5:** The City shall require its employees to make reasonable contributions toward the cost of health care coverage provided throughout the City.

**Action Plan Principle 6:** The City shall offer one or more additional health care insurance plans. The City's contributions shall be negotiated based on the lowest cost plan made available by the City.

**Action Plan Principle 7:** The City will require its employees to contribute a fair share of their pension costs.

**Action Plan Principle 8:** The City will establish vacation use work rules that limit the accumulation of vacation time and provide for use with management approval to ensure that the needs of the public take priority and overtime is minimized.

**Action Plan Principle 9:** The City will regain its management rights to supervise, manage, and direct its workforce.

**Action Plan Principle 10:** The City shall restructure its labor agreements to bring overtime obligations in line with the minimums required by the Fair Labor Standards Act.

**D. General Fund Reserves Depleted**

As discussed above in the 2010-11 section of this report, current projections indicate that General Fund unrestricted reserves as June 30, 2011 will be fully depleted. Further, the staffing and program reductions necessary to balance the 2011-12 General Fund budget within its annual revenues are expected to severely impair municipal services. Accordingly, emergency measures are proposed to balance the budget through other appropriate and lawful measures.

**2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY  
BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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**E. Other City Program Funds Also Face Economic Declines and Risks**

The same economic and labor cost factors that have driven General Fund deficits are also driving imbalances in other City program funds.

**1. Tax Supported Programs**

The following programs are supported by local tax revenues restricted for specific use. Revenue in each of these programs has seen the same declines as General Fund tax revenues discussed above.

- a. Redevelopment – Redevelopment Agency (Agency) revenues are derived from property taxes, and have fallen along with assessed property valuation. In one project area, annual revenue declined below the level needed to support debt service. Project cost overruns and numerous legal challenges, including multi-year settlement payment obligations, have been partially financed with City advances. In total, the Agency is over leveraged and the repayment of City advances is at risk until such time that future development might occur. Further, State legislation has been introduced that would abolish redevelopment agencies. The General Fund currently allocates approximately \$1 million in overhead costs to the Agency that is at risk if this legislation moves forward. Current mitigation plans for the agency include proposed staff reductions, cancellation of capital projects, and cancellation of debt with unspent bond proceeds.
- b. Measure W – Local voters have approved two sales tax measures restricted for specific use. This first measure, Measure W, supports supplemental public safety staffing. These revenues track with General Fund sales tax and have declined by 21% over the past six years. Measure W was approved by the voters with a five (5) year expenditure plan which proposed additional staffing of 45 sworn police officers and 45 firefighters. Measure W program guidelines also state that the program should maintain a contingency reserve of twenty-five percent of the annually budgeted revenue. Due to declining revenues and increased labor costs, the measure is not funding the level of staffing approved by the voters, which are currently staffed at 21 police officers and 20 firefighters. The program also had to use contingency reserves to maintain staffing in 2008-09, although it has gradually begun to rebuild the reserve requirement.
- c. Measure K – This second sales tax measure provides supplemental funding restricted for street maintenance programs. These revenues also track with General Fund sales tax. Due to declining revenues and

## **2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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the phase out of General Fund street maintenance support due to budget constraints, the City's baseline budget for its street resurfacing/bridge repair program has also declined. The City has been able to maintain its pavement condition index with a 60 to 70 (out of 100) rating over the past few years due to one-time Federal ARRA and State Proposition 1B funding. However, these outside sources are expiring. Beyond 2011-12, the City will be back to bare bones street maintenance budgets with limited Measure K, Gas Tax, and potential federal grants. As pavement conditions fall below a rating factor of 70, streets begin to rapidly deteriorate, requiring more expensive rehabilitation of the City's investment in its street infrastructure.

### **2. Development Supported Programs**

Since 2002-03, the City has tracked current development fees and associated staff costs in a dedicated Development Service Fund. Revenues in this fund, which support the planning and permitting process, have declined along with the building permits activity discussed above. The program had been generating revenues in annual range of \$13.7 million in 2007-08 but and now \$8.5 million in 2009-10. Since 2008-09 the Community Development Department has reduced staffing by 46 positions. Eight additional positions have been identified for elimination in the 2011-12 budget. However, a core staff is needed to retain a base level of support ready to capture and service demand as economic conditions improve and development resumes.

In addition, development impact fees support the City's capital improvement program. Projects have been initiated, and in some cases contracted and completed, based upon the assumption of continued development fee revenues that have not been realized. Analysis is underway to address approximately \$25 million in capital commitments in excess of currently available resources. Proposed solutions include realignment of available grant funding, deferral, and cancelation of projects to bring the capital program back into alignment with current resources.

### **3. Federal and State Grant Programs**

- a. **HUD/CDBG** – The City receives annual allocations from the U.S. Department of Housing and Urban Development (HUD) under its Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Shelter Grant (ESG) programs. The Federal budget is not yet approved therefore allocations for these programs are estimated at this time; however, the City has been



## **2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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advised to plan for a 16.2% (\$752,952) reduction to CDBG and a 12% (\$264,974) reduction to the HOME allocation. For CDBG in particular a reduction of this magnitude has a significant impact as a result of the fund's obligation to pay \$2.2 million in debt service on two Section 108 Loans. The debt service accounts for 60% of the projected CDBG allocation. To mitigate the loss in funding, several reductions are recommended including the amount available to fund non-profit organizations providing public services to low to moderate income persons, the amount available for housing rehabilitation loans, and the amount available for administrative staffing of the programs. HUD has prescribed thresholds for administrative costs in both CDBG and HOME which limit the level of funding for staff support. The Housing Division would need to eliminate three positions to meet the reduced funding levels.

- b. **State** - The State budget proposal to realign state and local program responsibilities and change local economic development efforts creates risk to the City of Stockton's own fiscal plan and carries devastating impacts to the Stockton Redevelopment Agency and its ongoing potential as an engine for economic development.

The State budget proposal would have severe negative impacts on Stockton, including loss of Citizens Option for Public Safety (COPS) grant funds, state funding for the Stockton-San Joaquin County Library system, and Redevelopment Agency funding for two fully funded and seventeen partially funded positions. The General Fund may have to absorb \$700,000 to \$1,200,000 for jail booking/jail access fees which are currently reimbursed by the State. The State budget would also eliminate Enterprise Zone incentives used by the City to create jobs and stimulate business investment in economically distressed areas.

### **4. User Fee Programs**

The City operates a variety of programs that are supported by user fees. However, a number of these programs currently depend upon supplemental operating support from the General Fund. Accordingly, any employee cost reductions in these programs would in turn benefit the General Fund.

- a. The Library and Recreation programs rely on substantial General Fund operating contributions. As discussed above, these programs have and are expected to continue to downsize along with other General Fund programs.

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- b. The Golf, Marina, and Arena Enterprise Funds also currently operate with deficits supported by the General Fund. In each case, operational changes have been made or are under current evaluation to reduce their reliance on the General Fund. For example, a new Arena operator has been under contract since February. Golf and Marina operations are also under review to identify long-term solutions to phase out General Fund support. However, in the short-term, 2011-12 General Fund contributions are anticipated to preserve these City assets.
- c. The City's administrative functions are scheduled to relocate to a different downtown office building in the coming year. The City's current 85-year old City Hall is deteriorating, leaking, and faces increasing major maintenance challenges. In the interim, however, until offices are relocated, the vacant space has been leased to tenants. Tenant revenues substantially underwrite the annual debt service and carrying costs of the building. The building was financed with variable rate debt that is now at risk due to market conditions impacting both the City's bond insurance and liquidity providers.
- d. Utilities

The City operates water, wastewater, and stormwater utility systems. Although these programs are fee supported, each has fiscal challenges to maintain their extensive capital infrastructure systems throughout the City.

**Stormwater Annual Revenues of \$5 million Fall Short of \$14 Million  
Annual Funding Requirements**

The City provides stormwater services under permit from the State Water Resources Control Board which establishes system performance criteria. A recent rate study identified \$14 million in annual funding requirements to appropriately maintain the system, while current revenues are \$5 million per year, or \$9 million short of requirements. If the system deteriorates and the City's discharge into local rivers exceeds state pollution criteria, fines can be assessed at \$25,000 per day or \$9 million per year. In addition, the system owes the General Fund \$10 million for past amounts previously advanced to sustain the system. While the system's operating and capital budgets have been curtailed within the \$5 million in available revenues, system integrity cannot be maintained at this funding level. The City's General Fund is at risk for permit violations and will ultimately be required to fund system improvements to the extent that user fees are insufficient. Although the system is supported by user fees, the California constitution requires voter approval of any increases to established storm

## **2010-11 EMERGENCY MEASURES AND DECLARING A STATE OF EMERGENCY BASED ON FISCAL CIRCUMSTANCES FOR FISCAL YEAR 2011-12**

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water fees. A recent ballot measure put forth to raise fees in November 2010 failed to achieve voter support.

### **Water System Draws \$12 million from Reserves to Sustain Debt and Capital Program**

The City's water system has embarked upon a \$200 million capital program to provide a reliable source of surface water that will reduce the amount of ground water draw down with the objective of protecting the region's underground aquifers. \$228 million in debt has been issued to support this project, which has driven annual debt service requirements to approximately \$20 million<sup>2</sup> per year, or approximately half of the system's \$45 million<sup>3</sup> in annual revenues. Despite adoption of a multi-year, double digit rate increase program, including 12% user rate increases in 2010-11 and 2011-12, the system is projected to draw \$12 million from reserves in 2011-12, which is approximately 25% of annual revenues. This will leave approximately \$19 million in operating reserves available for the water system. The system's planned capital funding has been impaired by a significant decline in connection and development impact fees as regional development has been impacted by the regional economy. While still operating within available cash reserves, system debt requirements will increase in 2012-13 as principal starts to amortize on the recent bond issue.

### **Waste Water System Also Projected to Operate at 2011-12 Deficit**

The City's Wastewater system is also projected to draw \$4 million from reserves in 2011-12, or approximately 8% of estimated annual system revenues of \$50 million. This will leave approximately \$17 million in operating reserves available for the wastewater system. As with the stormwater system, the City operates under a discharge permit issued by the State Water Resource Control Board. The City's wastewater plant was built in the 1970s, and has had only marginal updates over the past 40 years. The City is subject to fines for not achieving pollution, bacteria, and other discharge criteria, and was recently fined \$63,000 for ammonia discharge violations. A capital program estimated at approximately \$150 million has been identified to modernize the plant and other system infrastructure, but a financing plan has not been identified. After falling out

<sup>2</sup> For budgeting purposes, water system debt service is presented gross, before Federal Build America Bond reimbursements and capitalized interest funded from bond proceeds.

<sup>3</sup>For budgeting purposes, water system revenue includes Federal Build America Bond reimbursements and development/connection fees.

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of compliance, the City recently regained the debt service coverage ratio required by debt covenants in its existing outstanding revenue bonds.

**Present Situation**

**A. The City's Credit Rating Has Been Downgraded During the Past Year;  
Budget Solutions Are Key to Maintaining and Improving Future Ratings**

**a. Standard and Poors**

On June 16, 2010, Standard & Poor's Ratings Services ("S&P") lowered its issuer credit rating for the City to 'A' from 'A+'. In addition, S&P lowered their long-term rating and underlying rating to 'A-' from 'A' on outstanding certificates of participation (COPs), lease revenue bonds, and pension obligation bonds (POBs) for which the City is the obligor.

In their rating report, S&P stated that lowered ratings reflected their assessment of stress on the city's financial position that they expected would continue through fiscal 2011 due to adverse economic conditions that have affected tax revenues; and the city's difficulty in achieving agreements with its public safety bargaining units to reduce expenditures.

**b. Moody's**

On January 20, 2011, Moody's downgraded the City's issuer rating from to A1 from Aa3. Further, The City's taxable pension obligation bonds, 2007 Series A&B, was downgraded to A2 from A1, and its Lease Revenue Refunding Bonds, 2006 Series A, was downgraded to A3 from A2.

In its rating report, Moody's listed challenges including a weak economy, the City's narrow financial position, and its variable rate debt. Listed strengths included management's efforts to address structural budget issues.

**c. 2007 Variable Rate Demand Lease Revenue Bonds**

In 2007, the City issued \$40 million in variable rate bonds to acquire the building at 400 East Main in downtown Stockton. The bonds are insured by Assured Guaranty. Dexia provides liquidity through a Standby Bond Purchase Agreement.

Standard & Poor's Corporation (S&P) has signaled new rating criteria and possible rating actions on Assured Guaranty. Further, on March 2, 2011

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S&P changed their rating outlook on Dexia from "stable" to "negative", and on March 30, 2011 Moody's Investors Service placed the long term ratings of Dexia on "review for possible downgrade". Accordingly, both the bond insurer and liquidity provider on this bond issue face challenged credit ratings which could ultimately impact the City's liquidity and the variable interest rates paid on these bonds.

Should the rating on Assured Guaranty drop to BBB+ or lower, the liquidity provider Dexia will have the option to remove liquidity support from the Bonds. Withdrawal of the liquidity provider would have a significant impact on the amortization schedule and the interest rates on the Bonds.

Any further negative rating actions on these companies could have a further deleterious effect on the City's interest rates for these variable rate bonds.

Rating downgrades increase the City's current and future debt financing interest costs. Both the long-term cost of the City's capital program and the short-term cost of its current variable rate financing programs will be best managed through prompt implementation of budget balancing solutions.

**B. City Council will Consider the Proposed Budget, Conduct Budget Workshops, and Adopt Budget during upcoming Sessions**

Council has a limited window in which to address its projected 2011-12 budget deficits. A balanced budget must be adopted by July 1st to enable the internal cash flow borrowing necessary to continue operations. The following City Council sessions have been scheduled to consider and adopt the 2011-12 budget:

June 7	Presentation of Proposed Budget
June 8, 14	Budget Workshops
June 21	Budget Adoption and Consideration of Implementing Emergency Measures

During this window, the City will continue to meet, discuss, and negotiate with employee groups with an objective to achieve employee concessions and reductions in labor costs sufficient to balance the budget.

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Absent employee concessions, the proposed City Council resolution authorizes the City Manager to propose a balanced budget, using any legally available methods available.

**IV. Conclusion: The City Manager Recommends that the City Council Continue its 2010-11 Emergency and Further Declare An Emergency for 2011-12**

In light of the continued 2010-11 budget shortfall, the City Manager recommends that the City Council continue the emergency it adopted on May 26, 2010. Without the cost savings generated through the continuation of emergency measures, the General Fund would not have the resources necessary to continue services through the end of the fiscal year.

Further, since deeper cuts in City services necessary to balance the 2011-12 budget are untenable and will place the community at unacceptable risk, the City Manager further recommends that the City Council declare an emergency based on fiscal circumstances and direct the City Manager to take appropriate and lawful measures to adopt a balanced budget for fiscal year 2011-12.

Finally, the City Manager directs the City's labor negotiators to continue negotiations with City Unions to avert or minimize the necessity of using emergency powers.

Respectfully submitted,



BOB DEIS  
CITY MANAGER

BD: SM

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**STOCKTON CITY COUNCIL**

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**RESOLUTION CONTINUING EMERGENCY MEASURES ADOPTED IN RESOLUTION NOS. 010-0200 AND 010-0201**

By City Council Resolution No. 10-0166, adopted May 26, 2010, the City of Stockton (City) declared a state of emergency based on fiscal circumstances; and

By City Council Resolution Nos. 10-0200 and 10-0201, adopted June 22, 2010, emergency measures necessary to achieve a balanced budget for the 2010-11 fiscal year were implemented pursuant to the declared state of emergency; and

By City Council Resolution No. 11-0039, adopted on February 15, 2011, the City authorized these emergency measures to continue, subject to ongoing negotiations with the affected labor unions; and


Because the City's public safety labor unions have not made sufficient sustainable economic concessions and legal actions brought by the unions related to the imposed emergency measures are still unresolved; and

Because the City's General Fund revenue, expenditure, and cash flow projections for the remainder of fiscal year 2010-11 have not improved through the third quarter ending March 31, 2011, and termination or modification of the emergency measures would result in an unacceptable negative cash position at fiscal year end; and

Due to the General Fund structural budget deficits projected for subsequent fiscal years along with significant unfunded actuarial liabilities for retiree health care costs; now, therefore,

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

1. The emergency measures adopted by City Council Resolution Nos. 10-0200 and 10-0201 on June 22, 2010, and implemented by the City Manager on July 1, 2010, are hereby authorized to continue, subject to ongoing negotiations with the affected labor unions.

City Atty  
Review   
Date May 11, 2011

2. The City Manager is hereby authorized to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED MAY 17 2011

  
ANN JOHNSTON, Mayor  
of the City of Stockton

ATTEST:

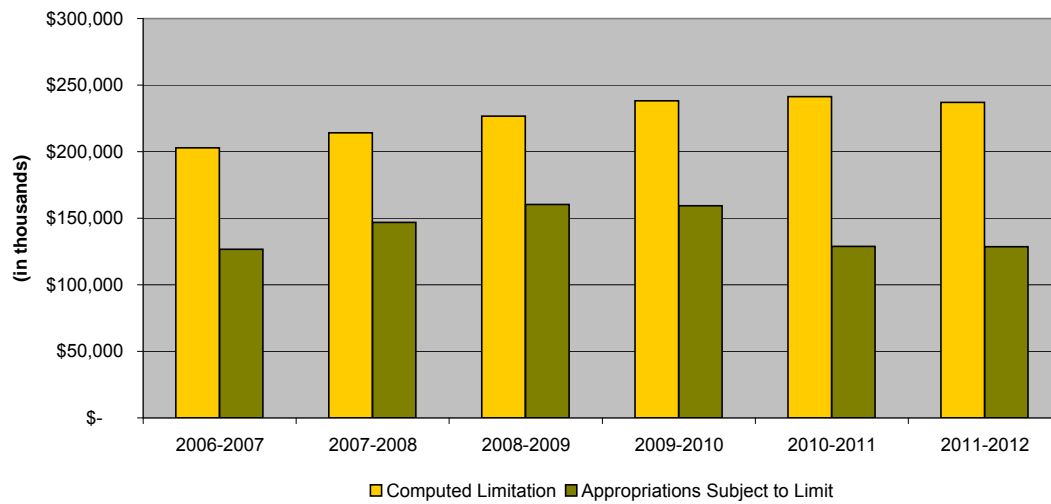
  
for KATHERINE GONG MEISSNER  
City Clerk of the City of Stockton



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## Appropriations Limit



Article XIIIB of the California State Constitution (Proposition 4 as amended by Proposition 111) limits the taxing authority of the City. The article places limits on the amount of proceeds of taxes that state and local governmental agencies can receive and appropriate each year. A formula was established and subsequently amended within the article that adjusts annually for inflation and population.



**PERSONNEL BY FUND**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>			<u>Plan B</u>	
						<u>3 yr %</u>		
						<u>Change</u>	<u>Change</u>	<u>With Labor</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>from</u>	<u>from</u>	<u>Concessions /</u>
						<u>Baseline</u>	<u>2008-09</u>	<u>Reductions</u>
								<u>Implemented</u>
<b>General Fund and Tax-Supported Programs</b>								
Programs								
Police-Sworn	401	322	320	322	303	(19)	-24%	322
Police-Non Sworn	235	214	202	202	98	(104)	-58%	188
Fire	253	265	226	225	145	(80)	-43%	177
Public Works	163	78	59	63	57	(6)	-65%	62
Library	105	69	57	57	46	(11)	-56%	57
Recreation	46	32	27	27	22	(5)	-52%	26
Economic Development	5	1	2	2	2	0	-60%	2
	<b>1,208</b>	<b>981</b>	<b>893</b>	<b>898</b>	<b>673</b>	<b>(225)</b>	<b>-44%</b>	<b>834</b>
Administration								
City Council	9	8	8	8	8	0	-11%	8
City Manager	18	13	11	11	8	(3)	-56%	10
City Attorney	17	14	13	11	10	(1)	-41%	11
City Clerk	8	6	5	6	5	(1)	-38%	6
City Auditor	7	4	4	4	4	0	-43%	4
Admin Services	63	49	57	59	56	(3)	-11%	59
Human Resources	20	18	15	15	14	(1)	-30%	14
Non Departmental	10	10	10	10	9	(1)	-10%	10
	<b>152</b>	<b>122</b>	<b>123</b>	<b>124</b>	<b>114</b>	<b>(10)</b>	<b>-25%</b>	<b>122</b>
<b>Total General Fund</b>	<b>1,360</b>	<b>1,103</b>	<b>1,016</b>	<b>1,022</b>	<b>787</b>	<b>(235)</b>	<b>-42%</b>	<b>956</b>
% Change vs. 2008-09			-25%			-17%	-42%	-30%
<b>Enterprise Funds</b>								
Golf Course	3	2	2	2	2	0	-33%	2
Municipal Utilities	168	187	197	198	198	0	18%	198
	<b>171</b>	<b>189</b>	<b>199</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>17%</b>	<b>200</b>
<b>Special Revenue/District Funds</b>								
Central Parking District	3	3	3	3	3	0	0%	3
Community Development Block Grant	13	12	11	13	9	(4)	-31%	9
Development Services	98	53	50	50	42	(8)	-57%	42
Emergency Communications	17	0	0	0	0	0	-100%	0
Maintenance District	1	2	4	2	2	0	100%	2
Redevelopment	24	20	10	8	6	(2)	-75%	6
Safe Neighborhood Measure W	68	45	41	41	41	0	-40%	41
Solid Waste & Recycling	6	9	9	9	9	0	50%	9
Street Maintenance/ Gas Tax Fund	24	65	66	64	64	0	167%	64
	<b>254</b>	<b>209</b>	<b>194</b>	<b>190</b>	<b>176</b>	<b>(14)</b>	<b>-31%</b>	<b>176</b>
<b>Internal Service Funds</b>								
Fleet	31	26	27	27	27	0	-13%	27
General Liability Insurance	3	3	4	6	6	0	100%	6
Workers' Compensation	4	4	4	3	3	0	-25%	3
Health Benefits	3	4	4	5	5	0	67%	5
Information Technology	52	40	39	39	36	(3)	-31%	36
Radio	2	2	2	2	2	0	0%	2
Telecommunications	1	1	1	1	1	0	0%	1
Document Services	4	3	3	3	2	(1)	-50%	2
	<b>100</b>	<b>83</b>	<b>84</b>	<b>86</b>	<b>82</b>	<b>(4)</b>	<b>-18%</b>	<b>82</b>
<b>Capital Improvement Funds</b>								
Public Art	1	0	0	0	0	0	-100%	0
	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100%</b>	<b>0</b>
<b>Total All Funds</b>	<b>1,886</b>	<b>1,584</b>	<b>1,493</b>	<b>1,498</b>	<b>1,245</b>	<b>(253)</b>	<b>-34%</b>	<b>1,414</b>
% Change vs. 2008-09			-21%			-13%	-34%	-25%

**PERSONNEL BY FUND - POLICE DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>			
				<u>Plan A Service Reductions</u>			<u>Plan B</u>
						<u>3 yr %</u>	
						<u>Change from</u>	<u>With Labor</u>
						<u>Baseline</u>	<u>Concessions /</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>2008-09</u>	<u>Reductions</u>
							<u>Implemented</u>
<b>GENERAL FUND</b>							
<b>010-2410 Police Administration</b>							
Accounting Office Assistant I/II	2	0	0	0	0		0
Admin Analyst I/II/Sr/Prog Mgr I/II	2	2	3	2	1	(1)	2
Audio Visual Specialist	1	0	0	0	0		0
Code Enforcement Officer	2	2	2	0	0		0
Executive Assistant	1	1	1	1	1		1
Finance Assistant I/II	0	2	2	2	0	(2)	2
Mail Courier	0	1	0	0	0		0
Office Asst I/II/ Office Specialist/ Secretary	4	4	4	4	3	(1)	4
Program Manager III	2	2	1	1	1		1
Sr Accounting Office Assistant	1	0	0	0	0		0
Sr Finance Assistant	0	1	1	1	1		1
Sworn: Chief of Police	1	1	1	1	1		1
Sworn: Deputy Chief of Police I	0	0	1	1	1		1
Sworn: Deputy Chief of Police II	1	0	0	0	0		0
Sworn: Police Lieutenant	2	2	2	2	2		2
Sworn: Police Officer/Trainee	5	5	4	6	6		6
Sworn: Police Sergeant	4	4	4	4	4		4
	<b>28</b>	<b>27</b>	<b>26</b>	<b>25</b>	<b>21</b>	<b>(4)</b>	<b>-25%</b> <b>25</b>
<b>010-2466-67 Animal Control</b>							
Animal Services Assistant I/II	8	8	8	8	2	(6)	8
Animal Services Officer	7	6	6	6	4	(2)	4
Animal Services Supervisor	1	1	1	1	1		1
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	1	1		1
Sr Animal Services Officer	1	1	1	1	1		1
	<b>18</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>9</b>	<b>(8)</b>	<b>-50%</b> <b>15</b>
<b>010-2420 Police Field Services</b>							
Administrative Analyst I/II/Sr/Principal	2	2	2	3	2	(1)	3
Code Enforcement Field Manager	2	1	1	1	1		1
Code Enforcement Officer I/II	14	12	11	13	11	(2)	13
Code Enforcement Supervisor	1	0	0	0	0		0
Community Service Officer I/II	33	25	29	27	0	(27)	23
Graffiti Abatement Technician	0	4	4	4	0	(4)	4
Maintenance Worker III	6	0	0	0	0		0
Office Asst I/II/ Office Specialist/ Secretary	12	10	9	8	3	(5)	6
Police Court Coordinator	1	1	1	1	1		1
Police Records Assistant I/II	1	1	1	1	1		1
Program Manager III	1	1	1	1	1		1
Sr Code Enforcement Officer	3	2	2	2	2		2
Sr Community Service Officer	6	4	2	2	0	(2)	2
Supervising Office Assistant	2	1	0	0	0		0
Sworn: Deputy Chief of Police I	2	2	0	0	0		0
Sworn: Police Captain	2	2	3	2	2		2
Sworn: Police Lieutenant	12	13	9	11	11		11
Sworn: Police Officer/Trainee	250	166	168	170	160	(10)	170
Sworn: Police Sergeant	36	40	30	28	28		28
	<b>386</b>	<b>287</b>	<b>273</b>	<b>274</b>	<b>223</b>	<b>(51)</b>	<b>-42%</b> <b>268</b>

**PERSONNEL BY FUND - POLICE DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>			<u>Plan B</u>	
						<u>3 yr %</u>		
					<u>Change</u>	<u>Change</u>	<u>With Labor</u>	
				<u>Baseline</u>	<u>Plan A</u>	<u>from</u>	<u>Concessions /</u>	
						<u>2008-09</u>	<u>Reductions</u>	
							<u>Implemented</u>	
<b>010-2430 Investigations</b>								
Crime Analyst	5	5	4	0	0		0	
Community Service Officer I/II	0	0	0	2	0	(2)	2	
Evidence Technician	14	14	14	14	0	(14)	14	
Office Asst I/II/ Office Specialist/ Secretary	3	2	0	1	1		1	
Police Records Assistant I/II	5	5	5	4	2	(2)	3	
Sr Evidence Technician	5	5	4	4	4		4	
Supervising Evidence Technician	1	1	1	1	0	(1)	1	
Sworn: Deputy Chief of Police I	1	1	0	0	0		0	
Sworn: Police Captain	1	1	1	1	1		1	
Sworn: Police Lieutenant	2	2	2	2	2		2	
Sworn: Police Officer/Trainee	65	61	56	61	52	(9)	61	
Sworn: Police Sergeant	13	11	10	9	9		9	
	<b>115</b>	<b>108</b>	<b>97</b>	<b>99</b>	<b>71</b>	<b>(28)</b>	<b>-38%</b>	<b>98</b>
<b>010-2460 Support Services</b>								
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	1	0	(1)	1	
Police Records Assistant I/II/III/Sr	29	27	25	25	16	(9)	25	
Property Clerk	3	2	2	2	0	(2)	2	
Property Room Supervisor	1	1	1	1	0	(1)	1	
Supervising Police Records Assistant	2	2	2	2	0	(2)	2	
Sworn: Police Captain	1	1	1	1	1		1	
	<b>37</b>	<b>34</b>	<b>32</b>	<b>32</b>	<b>17</b>	<b>(15)</b>	<b>-54%</b>	<b>32</b>
<b>010-2470 Telecommunications</b>								
Crime Analyst	0	0	0	4	1	(3)	1	
Police Records Asst I/II/III	0	0	0	1	1		1	
Sworn: Police Sergeant	0	0	0	1	1		1	
Police Telecommunicator I/II	39	39	39	39	35	(4)	37	
Police Telecommunications Supervisor	6	6	6	6	0	(6)	6	
Sr Telecommunications Supervisor	1	1	1	1	0	(1)	1	
	<b>46</b>	<b>46</b>	<b>46</b>	<b>52</b>	<b>38</b>	<b>(14)</b>	<b>-17%</b>	<b>47</b>
<b>Police Grant-Funded</b>								
020-6078 Crac-net: Police Sergeant	1	1	1	1	1		1	
020-6173 Transit District: Police Officer	2	2	2	1	1		1	
024-6426 Ca COPS Grant: CSO	3	7	3	3	0	(3)	3	
025-6429 Ca JAG: Police Officer	0	6	0	0	0		0	
025-6429 Ca JAG: Police Sergeant	0	1	0	0	0		0	
025-6430 CHRP: Police Officer	0	0	20	20	20		20	
025-6434 JAG 2010-11: Police Officer	0	0	5	0	0		0	
	<b>6</b>	<b>17</b>	<b>31</b>	<b>25</b>	<b>22</b>	<b>(3)</b>	<b>267%</b>	<b>25</b>
<b>Total General Fund</b>	<b>636</b>	<b>536</b>	<b>522</b>	<b>524</b>	<b>401</b>	<b>(123)</b>	<b>-37%</b>	<b>510</b>
% Change vs. 2008-09			-18%			-19%	-37%	-20%
<b><u>SPECIAL REVENUE FUNDS</u></b>								
<b>081-2436 Police Safe Neighborhood Measure W</b>								
Sworn: Police Lieutenant	2	0	0	0	0		0	
Sworn: Police Officer/Trainee	36	22	21	21	21		21	
Sworn: Police Sergeant	2	0	0	0	0		0	
Total	<b>40</b>	<b>22</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>-48%</b>	<b>21</b>
<b>Total Special Revenue Funds</b>	<b>40</b>	<b>22</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>-48%</b>	<b>21</b>
<b>Total Police</b>	<b>676</b>	<b>558</b>	<b>543</b>	<b>545</b>	<b>422</b>	<b>(123)</b>	<b>-38%</b>	<b>531</b>
% Change vs. 2008-09			-20%			-18%	-38%	-21%

% Change vs. 2008-09

2008-09	2009-10	2010-11	FY 2011-12				
			Plan A Service Reductions				Plan B
					3 yr %		
				Change	Change	With Labor	
			Baseline	from	from	Concessions /	
				Baseline	2008-09	Reductions	
						Implemented	
1	1	0	0	0			0
2	3	2	2	2			2
1	1	0	0	0			0
1	1	1	1	1			1
3	0	0	0	0			0
3	3	2	3	3			3
1	1	1	1	1			1
2	1	1	1	2	1		1
1	1	1	1	1			1
1	0	1	1	1			1
<b>16</b>	<b>12</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>1</b>	<b>-31%</b>	<b>10</b>
6	6	6	6	6			6
55	57	54	53	34	(19)		46
113	114	92	91	41	(50)		51
60	60	49	49	37	(12)		48
<b>234</b>	<b>237</b>	<b>201</b>	<b>199</b>	<b>118</b>	<b>(81)</b>	<b>-50%</b>	<b>151</b>
1	0	0	0	0			0
0	1	1	1	1			1
1	1	1	1	1			1
1	1	0	0	0			0
<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>-33%</b>	<b>2</b>
0	1	0	0	0			0
0	9	10	10	10			10
0	3	3	3	3			3
0	0	1	1	1			1
<b>0</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>100%</b>	<b>14</b>
<b>253</b>	<b>265</b>	<b>226</b>	<b>225</b>	<b>145</b>	<b>(80)</b>	<b>-43%</b>	<b>177</b>
		-11%			-32%	-43%	-30%

**PERSONNEL BY FUND - FIRE DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>			
				<u>Plan A Service Reductions</u>		<u>Plan B</u>	
						3 yr %	
						Change	Change
						from	from
	<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>2008-09</u>		<u>With Labor</u>	<u>Concessions /</u>
						<u>Reductions</u>	<u>Implemented</u>
<b><u>SPECIAL REVENUE FUNDS</u></b>							
<b>048-2631/2633 DEVELOPMENT SERVICES-FIRE PREVENTION</b>							
Code Enforcement Officer I/II	1	0	0	0	0		0
Deputy Fire Chief	1	0	0	0	0		0
Fire Battalion Chief	0	1	1	1	1		1
Fire Captain	3	1	1	1	1		1
Fire Fighter	1	0	0	0	0		0
Fire Prevention Inspector I/II	0	1	1	1	1		1
Fire Protection Specialist	0	1	1	1	1		1
Office Asst. I/II/ Office Specialist/ Secretary	3	3	2	2	2		2
Office Technician	0	0	1	1	1		1
Plan Checker I/II	0	1	1	1	1		1
Project Manager I/II/III	1	0	0	0	0		0
	<b>10</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>-20%</b>
<b>042-2660 EMERGENCY COMMUNICATIONS</b>							
Fire Captain	1	0	0	0	0		0
Fire Telecommunicator I/II	12	0	0	0	0		0
Fire Telecommunications Specialist	1	0	0	0	0		0
Fire Telecommunications Supervisor	3	0	0	0	0		0
	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100%</b>
<b>081-2636 FIRE SAFE NEIGHBORHOOD MEASURE W</b>							
Fire Captain	7	5	5	5	5		5
Fire Fighter	16	13	10	10	10		10
Fire Fighter Engineer	5	5	5	5	5		5
	<b>28</b>	<b>23</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>-29%</b>
<b>Total Special Revenue Funds</b>	<b>55</b>	<b>31</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>-49%</b>
<b>Total Fire Department</b>	<b>308</b>	<b>296</b>	<b>254</b>	<b>253</b>	<b>173</b>	<b>(80)</b>	<b>-44%</b>
% Change vs. 2008-09			-18%			-26%	-44%

**PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>			
				<u>Plan A Service Reductions</u>		<u>Plan B</u>	
					<u>3 yr %</u>		
					<u>Change</u>	<u>Change</u>	<u>With Labor</u>
					<u>from</u>	<u>from</u>	<u>Concessions /</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>Reductions</u>
						<u>2008-09</u>	<u>Implemented</u>
<b>GENERAL FUND</b>							
<b>010-3010 Public Works-Administration</b>							
Administrative Analyst I/II/Sr/Principal	1	1	1	1	1		1
Executive Assistant	1	1	1	1	1		1
Office Assist I/II/ Office Spec/ Secretary	3	3	1	1	1		1
Program Manager III	1	1	1	1	1		1
Project Manager I/II	0	1	1	1	1		1
Public Works Director	1	1	1	1	1		1
Records Specialist	1	1	1	1	1		1
Supervising Office Assistant	3	1	1	1	1		1
	<b>11</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>010-3060 Public Works-Operations &amp; Maintenance</b>							
Administrative Aide I/II	1	1	1	1	1		1
Civil Engineer Assoc./Sr.	0	1	1	2	1	(1)	2
Deputy Public Works Dir/Ops & Maint	1	1	1	1	1		1
Eng Aide/Traffic Eng Aide/ Eng Tech I/II/Sr	4	3	3	3	3		3
Maintenance Repair Technician I/II	29	0	0	0	0		0
Office Assist I/II/ Office Spec/ Secretary	3	2	2	2	2		2
Program Manager III	1	1	0	0	0		0
Project Manager I/II/III	3	3	0	1	1		1
Public Works Equipment Training Officer	1	1	0	0	0		0
Public Works Heavy Equipment Operator	3	0	0	0	0		0
Public Works Supervisor	4	0	0	1	1		1
Sr Civil Engineer	1	0	0	0	0		0
Sr Facilities Maintenance Supervisor	0	0	1	0	0		0
Sr Maintenance Repair Technician	6	0	0	0	0		0
Sr Public Works Supervisor	1	0	0	0	0		0
Sr Public Works Supv Electrical-Traffic	1	1	1	1	1		1
Sr Traffic Signal Electrician	1	0	0	0	0		0
Traffic Signal Electrician/Trainee	7	0	0	0	0		0
	<b>67</b>	<b>14</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>(1)</b>	<b>12</b>
<b>010-3070 Public Works-Parks &amp; Street Trees</b>							
Arborist	1	1	1	0	0		0
Office Assist I/II/ Office Spec/ Secretary	1	1	1	1	1		1
Park Equipment Operator	4	0	0	0	0		0
Parks Superintendent	1	1	1	1	1		1
Parks Supervisor	2	2	0	1	0	(1)	1
Parks Worker I/II/Aide	28	14	3	4	3	(1)	4
Project Manager I/II/III	0	0	0	1	1		1
Public Works Supervisor	0	0	0	1	1		1
Sr Parks Supervisor	2	1	1	0	0		0
Sr Parks Worker I/II	4	3	2	2	2		2
Sr Tree Surgeon	5	1	0	1	1		1
Tree Surgeon	3	4	2	4	4		4
Tree Worker	6	0	2	0	0		0
	<b>57</b>	<b>28</b>	<b>13</b>	<b>16</b>	<b>14</b>	<b>(2)</b>	<b>16</b>



2008-09	2009-10	2010-11	FY 2011-12				
			Plan A Service Reductions				Plan B
			3 yr %				
			Change from	Change from	With Labor		
			Baseline	Plan A	Baseline	2008-09	Concessions /
							Reductions
							Implemented
ce							
7	7	7	7	6	(1)		6
2	2	2	2	2			2
7	5	5	5	3	(2)		5
1	1	0	0	0			0
3	2	2	2	2			2
1	1	0	0	0			0
0	0	1	1	1			1
0	0	3	2	2			2
0	0	1	1	1			1
1	1	1	1	1			1
2	2	1	1	1			1
24	21	23	22	19	(3)	-21%	21
gency							
1	1	0	0	0			0
1	1	1	1	1			1
2	2	1	1	1			1
0	1	1	1	1			1
0	0	1	1	1			1
0	0	1	1	1			1
4	5	5	5	5	0	25%	5
163	78	59	63	57	(6)	-65%	62
		-64%	-61%		-4%	-65%	-62%
ing							
1	1	1	1	1			1
1	1	1	1	1			1
1	0	1	1	1			1
2	1	1	1	1			1
2	2	2	2	2			2
12	11	12	11	11			11
2	0	0	0	0			0
1	2	2	2	2			2
2	2	1	1	1			1
24	20	21	20	20	0	-17%	20
ns and Maintenance							
0	27	25	24	24			24
0	3	3	3	3			3
0	3	3	3	3			3
0	4	6	6	6			6
0	1	1	1	1			1
0	7	7	7	7			7
0	45	45	44	44	0	100%	44
24	65	66	64	64	0	167%	64

**PERSONNEL BY FUND - PUBLIC WORKS DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>				<u>Plan B</u>
						3 yr %		
						Change from	Change from	With Labor
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>2008-09</u>	<u>Concessions /</u>
								<u>Reductions</u>
								<u>Implemented</u>
<b>072-6900 MAINTENANCE ASSESSMENT DISTRICT</b>								
Assessment District Maint Coordinator	0	1	1	1	1			1
Parks Supervisor	0	0	2	0	0			0
Parks Worker I/II/Aide	0	0	0	0	0			0
Project Manager I/II/III	1	1	1	1	1			1
	<b>1</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>100%</b>	<b>2</b>
<b>047-3080 SOLID WASTE &amp; RECYCLING</b>								
Office Assist I/II/ Office Spec/ Secretary	1	1	1	1	1			1
Program Manager I/II	1	1	1	1	1			1
Project Manager I/II/III	2	3	3	3	3			3
Solid Waste and Recycling Field Specialist	0	1	1	1	1			1
Solid Waste Manager	1	1	1	1	1			1
Sr Maintenance Repair Technician	1	2	2	2	2			2
	<b>6</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>50%</b>	<b>9</b>
<b>Total Special Revenue Funds</b>	<b>31</b>	<b>76</b>	<b>79</b>	<b>75</b>	<b>75</b>	<b>0</b>	<b>142%</b>	<b>75</b>
<b><u>INTERNAL SERVICE FUNDS</u></b>								
<b><u>FLEET</u></b>								
<b>501-5021 Fleet-Administration</b>								
Fleet Manager	1	1	1	1	1			1
Fleet Operations Coordinator	1	0	0	0	0			0
Office Assist I/II/ Office Spec/ Secretary	2	1	2	2	2			2
Project Manager I/II	0	1	1	1	1			1
	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0%</b>	<b>4</b>
<b>501-5023 Fleet-Equipment Maintenance</b>								
Auto Painter/Repair Worker	1	1	1	1	1			1
Facilities Maint Worker I/II/ Facility Aide	2	2	2	2	2			2
Facilities Maint Worker III	1	1	1	1	1			1
Mechanic I/II/III	20	17	17	17	17			17
Supervising Mechanic	2	1	1	1	1			1
Welder/Fabricator Specialist	1	1	1	1	1			1
	<b>27</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>-15%</b>	<b>23</b>
<b>Total Internal Service Funds</b>	<b>31</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>-13%</b>	<b>27</b>
<b>Total Public Works</b>	<b>225</b>	<b>180</b>	<b>165</b>	<b>165</b>	<b>159</b>	<b>(6)</b>	<b>-29%</b>	<b>164</b>
% Change vs. 2008-09			-27%			-3%	-29%	-27%

**PERSONNEL BY FUND - COMMUNITY SERVICES DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>			<u>Plan B</u>	
						<u>3 yr %</u>		
						<u>Change</u>	<u>With Labor</u>	
				<u>Baseline</u>	<u>Plan A</u>	<u>from</u>	<u>Concessions /</u>	
						<u>Baseline</u>	<u>Reductions</u>	
						<u>2008-09</u>	<u>Implemented</u>	
<b><u>GENERAL FUND</u></b>								
<b>010-3610/3643 Arts Commission</b>								
Arts Commission Director	1	1	0	0	0		0	
<b>Total General Fund</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100%</b>	<b>0</b>
<b><u>SPECIAL REVENUE FUNDS</u></b>								
<b>Library</b>								
<b>041-3510 Administration</b>								
Administrative Analyst I/II/Sr/Principal	1	1	1	1	0	(1)	1	
Deputy Dir. of Comm. Svcs/City Librarian	1	1	1	1	1		1	
Director of Library Services	1	0	0	0	0		0	
Executive Assistant	1	1	0	0	0		0	
Library Aide I/II	3	0	0	0	0		0	
Library Driver/Clerk	2	1	1	1	0	(1)	1	
Office Asst I/II/ Office Spec./ Secretary	7	4	2	2	1	(1)	2	
Program Manager III	2	0	0	0	0		0	
Sr Accounting Office Assistant	2	0	0	0	0		0	
Sr Library Aide	1	0	0	0	0		0	
	<b>21</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>(3)</b>	<b>-90%</b>	<b>5</b>
<b>041-3520 Neighborhood Services</b>								
Bookmobile Driver/Circulation Assistant	1	1	1	1	1		1	
Circulation Assistant I/II	18	15	6	6	3	(3)	6	
Librarian Trainee/I/II	20	16	7	7	5	(2)	7	
Library Aide I/II	8	6	3	3	1	(2)	3	
Library Assistant I/II	16	13	7	7	6	(1)	7	
Library Division Manager	3	1	0	0	0		0	
Office Asst I/II/ Office Spec./ Secretary	1	0	0	0	0		0	
Supervising Librarian	6	4	1	1	1		1	
	<b>73</b>	<b>56</b>	<b>25</b>	<b>25</b>	<b>17</b>	<b>(8)</b>	<b>-77%</b>	<b>25</b>
<b>041-3530 Technical/Reader Services</b>								
Librarian Trainee/I/II	3	1	2	2	2		2	
Library Aide I/II	1	0	0	0	0		0	
Library Assistant I/II	2	1	1	1	1		1	
Library Division Manager	1	1	0	0	0		0	
Office Asst I/II/ Office Spec./ Secretary	2	1	1	1	1		1	
Sr Library Assistant	1	0	0	0	0		0	
Supervising Librarian	1	1	1	1	1		1	
	<b>11</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>-55%</b>	<b>5</b>
<b>041-3540 County Branches</b>								
Circulation Assistant I/II	0	0	6	6	6		6	
Librarian Trainee/I/II	0	0	8	8	8		8	
Library Aide I/II	0	0	1	1	1		1	
Library Assistant I/II	0	0	6	6	6		6	
Supervising Librarian	0	0	1	1	1		1	
	<b>0</b>	<b>0</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>100%</b>	<b>22</b>
<b>Total Library Fund</b>	<b>105</b>	<b>69</b>	<b>57</b>	<b>57</b>	<b>46</b>	<b>(11)</b>	<b>-56%</b>	<b>57</b>
% Change vs. 2008-09			-46%			-10%	-56%	-46%

**PERSONNEL BY FUND - COMMUNITY SERVICES DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>			
				<u>Plan A Service Reductions</u>		<u>Plan B</u>	
					3 yr %		
				Change	Change	With Labor	
				from	from	Concessions /	
				Baseline	2008-09	Reductions	
				<u>Baseline</u>	<u>Plan A</u>	<u>Implemented</u>	
<b>Recreation</b>							
<b>044-3610 Recreation-Administration</b>							
Administrative Aide I/II	1	1	0	0	0		0
Administrative Analyst I/II/Sr/Principal	1	0	0	0	0		0
Administrative Assistant/Sr	1	1	0	0	0		0
Community-Cultural Svcs Superintendent	1	1	0	0	0		0
Deputy Director of Community Services	1	0	1	1	1		1
Director of Community Services	0	1	1	1	1		1
Executive Assistant	1	0	1	1	1		1
Office Assistant I/II/ Office Specialist	3	2	3	5	4	(1)	5
Parks and Recreation Director	1	0	0	0	0		0
Program Manager I/II	0	1	1	1	1		1
Recreation Program Coordinator	1	0	0	0	0		0
Recreation Superintendent	1	1	0	0	0		0
Supervising Office Assistant	1	1	0	0	0		0
	<b>13</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>(1)</b>	<b>9</b>
<b>044-3623-46 Recreation Services</b>							
Administrative Aide I/II	1	0	0	0	0		0
Administrative Analyst I/II/Sr/Principal	1	0	0	0	0		0
Craft Maintenance Worker I/II	1	0	0	0	0		0
Office Assistant I/II/ Office Specialist	2	2	2	0	0		0
Recreation Assistant I/II/Sr	14	12	12	12	9	(3)	12
Recreation Program Coordinator	7	4	2	2	1	(1)	2
Recreation Supervisor	5	3	3	3	3		3
Sports Commission Director	1	1	1	1	1		0
	<b>32</b>	<b>22</b>	<b>20</b>	<b>18</b>	<b>14</b>	<b>(4)</b>	<b>17</b>
<b>Total Recreation Fund</b>	<b>45</b>	<b>31</b>	<b>27</b>	<b>27</b>	<b>22</b>	<b>(5)</b>	<b>26</b>
% Change vs. 2008-09			-40%			-11%	-51%
<b>PUBLIC ART FUND</b>							
Public Art Manager	1	0	0	0	0		0
	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100%</b>	<b>0</b>
<b>Total Special Revenue Funds</b>	<b>151</b>	<b>100</b>	<b>84</b>	<b>84</b>	<b>68</b>	<b>(16)</b>	<b>83</b>
<b>ENTERPRISE FUNDS</b>							
<b>481-3650 GOLF COURSES</b>							
Golf Manager	1	1	1	1	1		1
Golf Professional	2	1	1	1	1		1
	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>-33%</b>
<b>Total Community Services</b>	<b>155</b>	<b>103</b>	<b>86</b>	<b>86</b>	<b>70</b>	<b>(16)</b>	<b>85</b>
% Change vs. 2008-09			-45%			-10%	-55%

**PERSONNEL BY FUND - COMMUNITY DEVELOPMENT DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>		<u>Plan B</u>		
						<u>3 yr %</u>		
						<u>Change</u>	<u>Change</u>	<u>With Labor</u>
						<u>from</u>	<u>from</u>	<u>Concessions /</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>2008-09</u>	<u>Reductions</u>
								<u>Implemented</u>
<b>DEVELOPMENT SERVICES FUND</b>								
<b>048-1810 Development Services-Administration</b>								
Administrative Analyst I/II/Sr/Principal	1	1	1	1	1			1
Community Development Director	1	1	1	1	1			1
Executive Assistant	1	1	1	1	1			1
Office Asst I/II/ Office Specialist/ Secretary	2	6	5	5	1	(4)		1
Planning Technician I/II	0	1	1	1	1			1
Program Manager III	1	1	1	1	1			1
Revenue Assistant I/II	0	1	1	1	1			1
Sr Plan Technician	0	1	1	1	0	(1)		0
	<b>6</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>7</b>	<b>(5)</b>	<b>17%</b>	<b>7</b>
<b>048-1820 Development Services-Planning/ETP</b>								
Assistant/Associate Planner	6	3	3	3	0	(3)		0
Assistant Landscape Architect (CIP funded)	1	0	0	0	0			0
Deputy Dir - Engineering & Transportation	0	1	1	1	1			1
Deputy Director - Planning	1	0	0	0	0			0
Eng Aide/Engineering Technician I/II/Sr	3	2	2	2	2			2
Engineering Services Manager	1	0	0	0	0			0
GIS Analyst I/II	1	0	0	0	0			0
Junior/Assistant/Associate Civil Engineer	10	1	2	2	2			2
Office Asst I/II/ Office Specialist/ Secretary	4	0	0	0	0			0
Park Facility Planner	1	1	1	1	1			1
Planning Manager	4	3	3	3	3			3
Planning Technician I/II	1	0	0	0	0			0
Program Manager I/II	1	0	0	0	0			0
Project Manager I/II/III	1	0	0	0	0			0
Public Works Inspector	5	2	2	2	2			2
Public Works Inspector	1	0	0	0	0			0
Sr Civil Engineer	1	1	0	0	0			0
Sr Plan Technician	1	0	0	0	0			0
Sr Planner	3	2	2	2	2			2
Supervising Office Assistant	1	0	0	0	0			0
Supervising Public Works Inspector	1	1	1	1	1			1
	<b>48</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>14</b>	<b>(3)</b>	<b>-71%</b>	<b>14</b>
<b>048-1830 Development Services-Building</b>								
Building Permit Technician	3	2	2	2	2			2
Combination Inspector I/II	11	5	5	5	5			5
Deputy Building Official	1	0	0	0	0			0
Deputy Director - Building	1	1	1	1	1			1
Office Asst I/II/ Office Specialist/ Secretary	3	0	0	0	0			0
Plan Check Engineer	3	1	1	1	1			1
Plan Checker I/II/Sr	6	3	2	2	2			2
Revenue Assistant I/II	1	0	0	0	0			0
Supervising Combination Inspector	3	3	2	2	2			2
Supervising Office Assistant	1	0	0	0	0			0
Supervising Plan Checker/Structural Engineer	1	0	0	0	0			0
	<b>34</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>-62%</b>	<b>13</b>
<b>Total Community Development</b>	<b>88</b>	<b>45</b>	<b>42</b>	<b>42</b>	<b>34</b>	<b>(8)</b>	<b>-61%</b>	<b>34</b>
% Change vs. 2008-09			-52%			-9%	-61%	-61%

**PERSONNEL BY FUND - ECONOMIC DEVELOPMENT DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>		<u>Plan B</u>		
					3 yr %			
					Change	Change	With Labor	
					from	from	Concessions /	
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>2008-09</u>	<u>Reductions</u>
								<u>Implemented</u>
<b><u>GENERAL FUND</u></b>								
<b>010-1760 Economic Development</b>								
Administrative Analyst I/II/Sr/Principal	1	0	0	0	0			0
Deputy Economic Development Director	1	1	1	1	1			1
Economic Development Analyst I/II/Sr/Princ	1	0	0	0	0			0
Economic Development Director	1	0	0	0	0			0
Executive Assistant	1	0	0	0	0			0
Program Manager I/II	0	0	1	1	1	0		1
<b>Total General Fund</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>-60%</b>	<b>2</b>
% Change vs. 2008-09			-60%			0%	-60%	-60%
<b><u>SPECIAL REVENUE FUND</u></b>								
<b>052-8120 Housing - Community Development Block Grant</b>								
Administrative Analyst I/II/Sr	2	2	2	2	1	(1)		1
Assistant/Associate Planner	0	0	1	1	0	(1)		0
Deputy Housing Director	1	1	1	1	1			1
Executive Assistant	1	1	1	1	1			1
Housing Director	1	0	0	0	0			0
Housing Financial Advisor I/II/Sr	2	2	2	2	2			2
Housing Rehabilitation Counselor I/II/Sr	1	1	1	2	2			2
Office Asst I/II/ Office Specialist/ Secretary	2	2	2	2	0	(2)		0
Program Manager I/II/III	1	1	0	1	1			1
Program Manager III	2	2	1	1	1			1
	<b>13</b>	<b>12</b>	<b>11</b>	<b>13</b>	<b>9</b>	<b>(4)</b>	<b>-31%</b>	<b>9</b>
% Change vs. 2008-09			-15%			-31%	-31%	-31%
<b><u>CAPITAL PROJECTS FUND</u></b>								
<b>330-7310 Redevelopment Agency (RDA)</b>								
Administrative Analyst I/II/Sr/Principal	3	2	2	2	1	(1)		1
Assistant/Associate Planner	2	2	0	0	0			0
Deputy Redevelopment Director	1	1	0	0	0			0
Director of Economic Development	0	1	1	1	1			1
Office Asst I/II/ Office Specialist/ Secretary	3	2	2	2	1	(1)		1
Program Manager I/II	1	1	1	0	0			0
Program Manager III	6	5	1	1	1			1
Project Manager I/II/III	1	1	1	0	0			0
Public Works Inspector	1	1	0	0	0			0
Real Property Agent I/II/Sr	3	3	1	1	1			1
Redevelopment Director	1	0	0	0	0			0
Sr GIS Specialist	1	0	0	0	0			0
Supervising Real Property Agent	1	1	1	1	1			1
	<b>24</b>	<b>20</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>(2)</b>	<b>-75%</b>	<b>6</b>
% Change vs. 2008-09			-58%	-67%		-8%	-75%	-75%
<b><u>ENTERPRISE FUND</u></b>								
<b>416-4020 Central Parking District</b>								
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	1	1			1
Parking District Supervisor	1	1	1	1	1			1
Supervising Parking Attendant	1	1	1	1	1			1
	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0%</b>	<b>3</b>
<b>Total Special Revenue Funds</b>	<b>40</b>	<b>35</b>	<b>24</b>	<b>24</b>	<b>18</b>	<b>(6)</b>	<b>-55%</b>	<b>18</b>
<b>Total Economic Development Department</b>	<b>45</b>	<b>36</b>	<b>26</b>	<b>26</b>	<b>20</b>	<b>(6)</b>	<b>-56%</b>	<b>20</b>
% Change vs. 2008-09			-42%			-13%	-56%	-56%

**PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>				<u>Plan B</u>
						3 yr %		
						Change	Change	With Labor
						from	from	Concessions /
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>2008-09</u>	<u>Reductions</u>
								<u>Implemented</u>
<b><u>WATER FUND</u></b>								
<b>421-4210 Water Policy, Planning, Management</b>								
Deputy Director Water & Collection Systems	1	0	0	0	0			0
Civil Engineer Jr./Asst./Assoc.	1	1	1	1	1			1
Deputy Director Water Resource Planning	1	1	0	1	1			1
Sr. Civil Engineer	1	1	1	1	1			1
Office Asst I/II/ Office Specialist/ Secretary	2	2	2	2	2			2
Program Manager I/II	1	2	1	0	0			0
Program Manager III	1	0	1	1	1			1
Public Works Inspector	1	1	1	1	1			1
	<b>9</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>-22%</b>	<b>7</b>
<b>421-4223 Hydrant Maintenance</b>								
Hydrant Worker/Sr	2	2	2	2	2			2
	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0%</b>	<b>2</b>
<b>421-4231 Water Operations &amp; Maintenance</b>								
Electrical Technician I/II	1	1	1	1	1			1
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	1	1			1
Sr Plant Maintenance Supervisor	0	0	1	1	1			1
Water Field Technician	5	5	5	5	5			5
Water Operations Supervisor	1	1	1	1	1			1
Water Systems Operator I/II/Sr	22	22	22	22	22			22
Water/Sewer Equipment Operator	0	0	1	1	1			1
	<b>30</b>	<b>30</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>7%</b>	<b>32</b>
<b>Total Water</b>	<b>41</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>0</b>	<b>0%</b>	<b>41</b>
	% Change vs. 2008-09			0%		0%	0%	0%
<b><u>WASTEWATER FUND</u></b>								
<b>431-4311 Wastewater Policy, Planning, Management</b>								
Administrative Analyst I/II/Sr/Principal	1	0	0	0	0			0
Buyer I/II/Sr	1	1	1	1	1			1
Deputy Director Maintenance & Collections	0	1	1	1	1			1
Deputy Director Wastewater	1	1	1	1	1			1
Deputy Director Water Resource Planning	0	0	1	1	1			1
Director of Municipal Utilities	1	1	1	1	1			1
Engineering Manager/Asst MUD Director	0	0	1	1	1			1
Executive Assistant	1	1	1	1	1			1
Materials Specialist	1	2	2	2	2			2
Occup Health & Safety Compliance Officer	1	1	1	1	1			1
Office Asst I/II/ Office Specialist/ Secretary	3	4	3	3	3			3
Program Manager I/II/III	0	2	2	2	2			2
Program Manager III	1	0	0	0	0			0
Regulatory Compliance Officer	1	1	1	1	1			1
SCADA/CMMS Manager	0	0	1	1	1			1
Supervising Office Assistant	1	0	0	0	0			0
Technology Support Specialist I/II	1	1	1	1	1			1
	<b>14</b>	<b>16</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>29%</b>	<b>18</b>
<b>431-4312 Engineering CIP</b>								
SCADA/CMMS Manager	0	1	0	0	0			0
Engineering Aide/ Tech I/II/Sr	1	0	0	0	0			0
Engineering Manager/Asst MUD Director	1	1	0	0	0			0
GIS Specialist I/II	1	1	1	1	1			1
Junior/Assistant/Associate Civil Engineer	5	6	6	6	6			6
Office Asst I/II/ Office Specialist/ Secretary	2	1	1	1	3			1
Public Works Inspector	1	2	2	2	2			2
Sr Civil Engineer	2	3	3	3	3			3
Sr Office Assistant	0	1	1	1	0			1
Sr Plant Maintenance Supervisor	0	1	0	0	0			0
	<b>13</b>	<b>17</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>0</b>	<b>15%</b>	<b>14</b>

**PERSONNEL BY FUND - MUNICIPAL UTILITIES DEPARTMENT**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>			
				<u>Plan A Service Reductions</u>		<u>Plan B</u>	
					3 yr %		
				Change	Change	With Labor	
				from	from	Concessions /	
				Baseline	2008-09	Reductions	
				Baseline	Plan A	Implemented	
<b>431-4331 Operations</b>							
Office Asst I/II/ Office Specialist/ Secretary	0	0	1	1	1		1
Plant Operator I/II/Sr	26	26	26	26	26		26
Plant Operations Supervisor	0	2	2	2	2		2
Sr Plant Operations Supervisor	1	1	1	1	1		1
	<b>27</b>	<b>29</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>30</b>
<b>431-4331 Maintenance</b>							
Electrical Technician I/II	4	4	4	4	4		4
Office Asst I/II/ Office Specialist/ Secretary	1	1	1	1	1		1
Plant Maintenance Machinist	1	1	1	1	1		1
Plant Maintenance Mechanic	13	15	16	16	15		16
Plant Maintenance Worker I/II	4	8	8	8	8		8
Plant Maintenance Supervisor	0	2	2	2	2		2
Sr Plant Maintenance Mechanic	4	5	4	4	4		4
Sr Plant Maintenance Supervisor	1	1	1	1	1		1
	<b>28</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>36</b>	<b>0</b>	<b>37</b>
<b>431-4332 Collections</b>							
Collection Systems Operator I/II/Sr	23	23	32	32	32		32
Collection Systems Supervisor	1	1	2	2	2		2
Office Asst I/II/ Office Specialist/ Secretary	1	0	1	1	1		1
Water/Sewer Equipment Operator	2	2	2	2	2		2
	<b>27</b>	<b>26</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>0</b>	<b>37</b>
<b>431-4341 Environmental Control</b>							
Environmental Control Officer	2	4	4	4	4		4
Office Asst I/II/ Office Specialist/ Secretary	0	0	1	1	1		1
Sr Environmental Control Officer	1	1	1	1	1		1
Technical Services Supervisor	1	1	1	1	1		1
	<b>4</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
<b>Total Wastewater</b>	<b>113</b>	<b>131</b>	<b>143</b>	<b>143</b>	<b>143</b>	<b>0</b>	<b>143</b>
% Change vs. 2008-09			27%			0%	27%
<b>STORMWATER FUND</b>							
<b>441-4410 Stormwater-Policy, Planning, Management</b>							
Office Asst I/II/ Office Specialist/ Secretary	0	1	1	1	1		1
Program Manager I/II	1	1	1	1	1		1
Program Manager III	1	1	1	1	1		1
Public Works Inspector	1	1	1	1	1		1
Stormwater Outreach Coordinator	1	1	0	0	0		0
	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>441-4431 Stormwater Collections</b>							
Collections Systems Operator I/II/Sr	3	4	2	3	3		3
	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Total Stormwater</b>	<b>7</b>	<b>9</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
% Change vs. 2008-09			-14%			0%	-14%
<b>LABORATORY</b>							
Chemist	2	2	2	2	2		2
Laboratory Technician	3	3	3	3	3		3
Laboratory Supervisor	1	1	1	1	1		1
Microbiologist	1	1	1	1	1		1
	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
<b>Total Municipal Utilities</b>	<b>168</b>	<b>187</b>	<b>197</b>	<b>198</b>	<b>198</b>	<b>0</b>	<b>198</b>
% Change vs. 2008-09			17%			0%	17%



**PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>			<u>Plan B</u>	
						<u>3 yr %</u>		
						<u>Change</u>	<u>With Labor</u>	
						<u>from</u>	<u>Concessions /</u>	
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>Reductions</u>	
						<u>2008-09</u>	<u>Implemented</u>	
<b>CITY COUNCIL</b>								
Admin Aide I/II	1	0	0	0	0		0	
Councilmember	6	6	6	6	6		6	
Executive Assistant to the Mayor	1	1	1	1	1		1	
Mayor	1	1	1	1	1		1	
	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>-11%</b>	<b>8</b>
<b>CITY MANAGER</b>								
<b>010-1210 City Manager-Administration</b>								
Administrative Aide I/II	3	3	3	3	1	(2)	3	
Assistant to the City Manager	1	1	1	1	1		1	
City Manager	1	1	1	1	1		1	
Community Relations Officer	0	1	0	0	0		0	
Deputy City Manager I/II	3	2	2	2	2		2	
Executive Assistant to City Manager	1	1	1	1	1		1	
Office Asst I/II/ Office Specialist/ Secretary	2	1	1	1	0	(1)	0	
Program Manager III	6	3	2	2	2		2	
Supervising Office Assistant	1	0	0	0	0		0	
	<b>18</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>8</b>	<b>(3)</b>	<b>-56%</b>	<b>10</b>
<b>CITY ATTORNEY</b>								
Assistant City Attorney	2	1	1	1	1		1	
City Attorney	1	1	1	1	1		1	
Deputy City Attorney	6	6	6	6	5	(1)	6	
Executive Assistant (Legal)	1	0	0	0	0		0	
Executive Assistant to City Attorney	1	1	1	1	1		1	
Legal Secretary I/II	3	2	1	2	2		2	
Liability Claims Investigator I/II	1	1	1	0	0		0	
Office Asst I/II/ Office Specialist/ Secretary	2	2	2	0	0		0	
	<b>17</b>	<b>14</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>(1)</b>	<b>-41%</b>	<b>11</b>
<b>CITY AUDITOR</b>								
Admin Analyst I/II/Sr	0	0	0	1	1		1	
Assistant City Auditor	1	1	1	1	1		1	
Audit Assistant I/II	1	0	0	0	0		0	
City Auditor	1	1	1	1	1		1	
Deputy City Auditor I/II/Sr	4	2	2	1	1		1	
	<b>7</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>-43%</b>	<b>4</b>
<b>CITY CLERK</b>								
Assistant City Clerk I/II	1	1	1	1	1		1	
City Clerk	1	1	1	1	1		1	
Office Specialist	2	0	0	1	0	(1)	1	
Records Research Specialist	2	2	1	1	1		1	
Sr Deputy City Clerk	1	1	1	1	1		1	
Supervising Deputy City Clerk	1	1	1	1	1		1	
	<b>8</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>(1)</b>	<b>-38%</b>	<b>6</b>
<b>NON-DEPARTMENTAL</b>								
Administrative Aide I/II	2	2	2	2	1	(1)	2	
Program Manager III	1	1	1	1	1		1	
Public Information Officer I/II	1	1	1	1	1		1	
	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>(1)</b>	<b>-25%</b>	<b>4</b>
<b>OPERATION PEACEKEEPER PROGRAM</b>								
010-0138 Youth Outreach Coordinator	1	1	1	1	1		1	
010-0138 Youth Outreach Worker	5	5	5	5	5		5	
	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0%</b>	<b>6</b>
<b>Total Non-Departmental</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>(1)</b>	<b>-10%</b>	<b>10</b>

**PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>				<u>Plan B</u>
						<u>3 yr %</u>		
						<u>Change</u>	<u>Change</u>	<u>With Labor</u>
						<u>from</u>	<u>from</u>	<u>Concessions /</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>2008-09</u>	<u>Reductions</u>
								<u>Implemented</u>
<b>HUMAN RESOURCES</b>								
<b><u>GENERAL FUND</u></b>								
<b>010-1610 Human Resources-Recruitment &amp; Workforce Planning</b>								
Deputy Director of Human Resources	1	1	0	0	0			0
Human Resources Analyst I/II/Sr	5	4	3	3	3			3
Human Resources Asst I/II /Specialist	4	4	3	3	3			3
Human Resources Technician	1	1	1	1	1			1
Supervising Human Resource Analyst	1	1	1	1	1			1
	<b>12</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>-33%</b>	<b>8</b>
<b>010-1620, 1621 Human Resources-Employee Relations</b>								
Administrative Aide I/II	1	1	1	1	1			1
Assistant Director of Human Resources	1	1	1	1	1			1
Deputy Director of Human Resources	0	0	1	1	0	(1)		0
Director of Human Resources	1	1	1	1	1			1
Executive Assistant (Confidential)	1	1	1	1	1			1
Human Resources Analyst I/II/Sr	1	1	1	1	1			1
Human Resources Asst I/II /Specialist	1	1	1	1	1			1
Human Resources Manager	1	1	0	0	0			0
Supervising Human Resource Analyst	1	0	0	0	0			0
	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>(1)</b>	<b>-25%</b>	<b>6</b>
<b>Total General Fund-Human Resources</b>	<b>20</b>	<b>18</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>(1)</b>	<b>-30%</b>	<b>14</b>
% Change vs. 2008-09			-25%			-5%	-30%	-30%
<b><u>INTERNAL SERVICE FUNDS</u></b>								
<b>551-5600 WORKERS' COMPENSATION</b>								
Human Resources Asst I/II /Specialist	1	1	2	1	1			1
Human Resources Program Assistant	0	1	1	1	1			1
Human Resources Technician	2	2	1	1	1			1
Workers' Comp/Safety Coordinator	1	0	0	0	0			0
	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>-25%</b>	<b>3</b>
<b>552-5510 HEALTH BENEFITS</b>								
Benefits Analyst	1	1	1	1	1			1
Human Resources Asst I/II /Specialist	1	1	0	1	1			1
Human Resources Program Manager	1	1	1	1	1			1
Human Resources Technician	0	1	2	2	2			2
	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>67%</b>	<b>5</b>
<b>541-5700 GENERAL LIABILITY INSURANCE</b>								
Liability Claims Investigator I/II	1	1	0	1	1			1
Claims Analyst I	0	0	1	1	1			1
Risk/Loss Control Specialist	0	0	2	2	2			2
Risk/Loss Control Analyst	1	1	0	1	1			1
Risk Manager	1	1	1	1	1			1
	<b>3</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>100%</b>	<b>6</b>
<b>Total Internal Service Funds</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>40%</b>	<b>14</b>
<b>Total Human Resources</b>	<b>30</b>	<b>29</b>	<b>27</b>	<b>29</b>	<b>28</b>	<b>(1)</b>	<b>-7%</b>	<b>28</b>
% Change vs. 2008-09			-10%			-3%	-7%	-7%

**PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>				
				<u>Plan A Service Reductions</u>		<u>Plan B</u>		
						<u>3 yr %</u>		
						<u>Change</u>	<u>Change</u>	<u>With Labor</u>
						<u>from</u>	<u>from</u>	<u>Concessions /</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>2008-09</u>	<u>Reductions</u>
								<u>Implemented</u>
<b>ADMINISTRATIVE SERVICES DEPARTMENT</b>								
<b><u>GENERAL FUND</u></b>								
<b>010-1310 Administration</b>								
Accountant I/II/Sr	0	0	1	1	0	(1)		1
Administrative Analyst I/II/Sr/Principal	2	1	0	0	0			0
Assistant Director of Financial Mgmt	1	1	0	0	0			0
Auditor/Internal Auditor I/II/Sr	2	0	0	0	0			0
Chief Financial Officer	1	1	1	1	1			1
Executive Assistant	1	1	0	0	0			0
Finance Officer	1	1	1	1	1			1
Office Asst I/II/ Office Specialist/ Secretary	0	0	3	3	1	(2)		3
Program Manager I/II	0	1	0	1	1			1
Program Manager III	0	0	1	1	1			1
	<b>8</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>5</b>	<b>(3)</b>	<b>-38%</b>	<b>8</b>
<b>010-1320 Financial Services</b>								
Accounting Office Assistant I/II/Sr	6	0	0	0	0			0
Accountant I/II/Sr	6	5	6	6	6			6
Accounting Manager	1	1	0	1	1			1
Audit Assistant I/II	1	0	0	0	0			0
Deferred Compensation Specialist	1	0	0	0	0			0
Finance Assistant I/II/Sr	0	5	6	6	6			6
Financial Services Supervisor	0	1	1	1	1			1
Program Manager I/II	0	0	1	1	1			1
Program Manager III	0	0	1	0	0			0
Supervising Accountant	1	1	0	0	0			0
Supervising Accounting Office Assistant	1	0	0	0	0			0
	<b>17</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>-12%</b>	<b>15</b>
<b>010-1322 Budget</b>								
Budget Officer	1	1	1	1	1			1
Program Manager I/II	0	1	2	2	2			2
Administrative Analyst I/II/Sr/Principal	2	1	1	1	1			1
	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>33%</b>	<b>4</b>
<b>010-1331 Treasury</b>								
Office Asst I/II/ Office Specialist/ Secretary	0	1	1	1	1			1
Revenue Assistant I/II/Sr	8	5	9	9	9			9
Revenue Collector	3	1	2	2	2			2
Revenue Officer	1	1	0	0	0			0
Supervising Revenue Assistant	1	1	1	1	1			1
	<b>13</b>	<b>9</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>0%</b>	<b>13</b>
<b>010-1340 Purchasing</b>								
Buyer I/II/Sr	3	2	2	2	2			2
Materials Specialist	3	1	0	1	1			1
Materials Supervisor	1	0	0	0	0			0
Office Asst I/II/ Office Specialist/ Secretary	1	0	0	0	0			0
Purchasing Agent	1	1	1	1	1			1
	<b>9</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>-56%</b>	<b>4</b>
<b>010-1350 Utility Billing/Customer Service</b>								
Customer Service Assistant	2	2	2	2	2			2
Revenue Assistant I/II/Sr	7	8	9	9	9			9
Revenue Collector	3	3	3	3	3			3
Supervising Revenue Assistant	1	1	1	1	1			1
	<b>13</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15%</b>	<b>15</b>
<b>Total General Fund</b>	<b>63</b>	<b>49</b>	<b>57</b>	<b>59</b>	<b>56</b>	<b>(3)</b>	<b>-11%</b>	<b>59</b>
				% Change vs. 2008-09				
						-5%	-11%	-6%

**PERSONNEL BY FUND - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**  
**2011-12 Adopted Budget**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>FY 2011-12</u>			
				<u>Plan A Service Reductions</u>			<u>Plan B</u>
						<u>3 yr %</u>	
						<u>Change from</u>	<u>With Labor</u>
				<u>Baseline</u>	<u>Plan A</u>	<u>Baseline</u>	<u>Concessions /</u>
						<u>2008-09</u>	<u>Reductions</u>
							<u>Implemented</u>
<b><u>INTERNAL SERVICE FUNDS</u></b>							
<b>502-5100 Information Technology</b>							
Assistant/Deputy IT Director	1	1	1	1	1		1
Director of IT	1	0	0	0	0		0
Executive Assistant	1	0	0	0	0		0
GIS Analyst I/II/Sr	3	3	3	3	2	(1)	2
GIS Specialist I/II/Sr	1	3	3	3	1	(2)	1
GIS Supervisor	1	1	1	1	1		1
Network Support Analyst I/II/Sr	6	4	4	4	4		4
Network Support Services Supervisor	1	1	1	1	1		1
Office Asst I/II/ Office Specialist/ Secretary	3	2	2	2	2		2
Program Manager I/II	1	1	1	1	1		1
Sr GIS Specialist	2	0	0	0	0		0
Systems Analyst I/II/Sr	10	9	10	10	10		10
Technology Project Coordinator	2	1	1	1	1		1
Technology Support Specialist I/II	15	11	9	9	9		9
Technology Systems Supervisor	4	3	3	3	3		3
	<b>52</b>	<b>40</b>	<b>39</b>	<b>39</b>	<b>36</b>	<b>(3)</b>	<b>36</b>
<b>502-5100 Document Services</b>							
Reprographics/Mailroom Supervisor	1	1	1	1	1		1
Reprographics/Mailroom Technician I/II	3	2	2	2	1	(1)	1
	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>(1)</b>	<b>2</b>
<b>503-5200 Radio</b>							
Technology Project Coordinator	0	0	1	1	1		1
Technology Support Specialist I/II	1	1	1	1	1		1
Project Manager I/II	1	1	0	0	0		0
	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0%</b>
<b>504-5300 Telecommunications</b>							
Technology Support Specialist I/II	0	1	1	1	1		1
Telecommunications Coordinator	1	0	0	0	0		0
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>
<b>Total Internal Service Funds</b>	<b>59</b>	<b>46</b>	<b>45</b>	<b>45</b>	<b>41</b>	<b>(4)</b>	<b>41</b>
<b>Total Administrative Services</b>	<b>122</b>	<b>95</b>	<b>102</b>	<b>104</b>	<b>97</b>	<b>(7)</b>	<b>100</b>
% Change vs. 2008-09			-16%		-6%	-20%	-18%
<b>Total Administration and Support</b>	<b>221</b>	<b>179</b>	<b>180</b>	<b>183</b>	<b>169</b>	<b>(14)</b>	<b>177</b>
% Change vs. 2008-09			-19%		-6%	-25%	-20%
<b>City-wide Total</b>	<b>1,886</b>	<b>1,584</b>	<b>1,493</b>	<b>1,498</b>	<b>1,245</b>	<b>(253)</b>	<b>1,414</b>

## Local Government Glossary and Acronyms

**ACCRUAL BASIS OF ACCOUNTING:** A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

**ACTUAL:** Actual level of revenues or expenditures in the fiscal year noted.

**APPROPRIATION:** An authorization by the City Council to make expenditures and to incur obligations for a specific purpose.

**APPROVED BUDGET:** The approved budget is the annual City budget approved by the City Council on or before June 30 for expenditures.

**ASSESSED VALUATION (AV):** The dollar value of real or other property set as a basis for levying property taxes by the County assessor.

**ASSESSMENT:** Revenue collected for City services which benefit properties in specific areas or districts.

**ASSETS:** Property owned by the City for which a monetary value has been established.

**AVAILABLE BALANCE:** The unreserved, undesignated portion of fund balance available for future operations. For Enterprise funds, fund balance represents the current working capital portion of the fund's equity, which excludes capital assets, long-term debt, and other non-current items.

**AUTHORIZED POSITIONS:** Positions approved by the City Council which may or may not have funding (see Budgeted Positions).

**BALANCED BUDGET:** The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unallocated fund balance from previous years meet or exceed total budgeted uses of resources, including expenditures and transfer out to other funds.

**BASELINE:** An estimate of spending, revenue, the deficit or surplus, and the debt expected during a fiscal year under current laws, current labor agreements and current policy. The baseline is a benchmark for measuring the budgetary effects of proposed changes in revenues and spending.

**BASIS OF ACCOUNTING:** Refers to when revenues, expenses, expenditures and transfers are recognized and reported. The budgetary basis of accounting for all the funds is modified accrual, with a focus on current financial resources.

**BEGINNING/ENDING FUND BALANCE:** Resources available in a fund after payment of prior/current year expenses.

**BOND:** A certificate of debt issued by an entity, guaranteeing payment of the original investment plus interest, by a specified future date. Bonds are typically used for long-term debt to pay for specific capital expenditures.

**BROWN ACT:** This Act governs the conduct of public meetings (California Government Code 54953).

## Local Government Glossary and Acronyms

**BUDGET:** An annual plan of financial operation embodying an estimate of proposed expenditures and the estimated mean of financing them. The approved budget is authorized by City Council action and thus specifies the legal spending limits for the fiscal year.

**BUDGET HEARING:** A public meeting to allow citizens to comment on a proposed budget.

**BUDGETED POSITIONS:** The number of full-time equivalent positions to be funded in the budget.

**CALTRANS:** California Department of Transportation

**CAPITAL BUDGET:** A budget that appropriates the first year of the Capital Improvement Program.

**CAPITAL IMPROVEMENT PROGRAM (CIP):** An on-going five year plan of single and multiple year capital expenditures which is updated annually.

**CAPITAL OUTLAY:** Expenditures for tangible property of relatively permanent nature

**CC:** City Council

**CDBG:** Community Development Block Grant Department of Housing and Urban Development (HUD) provides programs for general community development to eliminate blight and to provide housing for low and moderate income persons.

**CEQA:** California Environmental Quality Act

**COPs:** Certificates of Participation – This financing technique provides long-term financing through a lease installment sale agreement or loan agreement. Certificates of Participation (COPs) allow the public to purchase participation relating to the acquisition or construction of specific equipment, land, or facilities.

**COPS:** Citizen's Option for Public Safety – AB 3229 funds allocated to California counties for public safety.

**CONTINGENCY:** A budgetary reserve set aside for emergencies or unforeseen expenditures.

**CPI:** Consumer Price Index, measure of inflation in area of consumer products.

**CRWQCB:** California Regional Water Quality Control Board

**CUPA:** Certified Unified Permit Agency (Haz-Mat).

**CWEA:** California Water Environment Association

**DBW or DBAW:** State of California Department of Boating and Waterways

**DEBT SERVICE:** Payment of interest and principal on an obligation resulting from the issuance of bonds and notes.

**DOJ:** Department of Justice

**DEIR:** Draft Environmental Impact Report

## Local Government Glossary and Acronyms

**DEPARTMENT:** A major organizational unity of the City that has management responsibility for related operations.

**DISTRICT FUND:** A fund used to account for the resources, revenues and expenditures of separate special districts formed to provide certain public services.

**DIVISION:** A sub-unit of a department which encompasses more specific functions of that department and may consist of several activities.

**EEOC:** Equal Employment Opportunity Commission

**EIR:** Environmental Impact Report. A detailed document describing and analyzing the significant environmental effects of a project and ways to mitigate or avoid the effects.

**ENCUMBRANCE:** Financial commitments related to unperformed contracts for goods or services for which part of an appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

**ENTERPRISE FUND:** A governmental facility or service which operates like a private business and is intended to be self supporting, i.e. revenues will cover all expenses of the operations including capital costs. These funds operate on a full accrual basis recognizing revenues or expenses when the event occurs.

**EPA:** Environmental Protection Agency

**ERAF:** Educational Revenue Augmentation Fund. ERAF is a mechanism; enacted in July of 1992 by the State Legislature to shift local tax revenues from cities, counties, and special districts to a State controlled Education Revenue Augmentation Fund. The state uses this fund to reduce its obligation to the schools. ERAF funds have been used by the State to help school and community college districts meet minimum funding requirements.

**EXPENDITURE:** The actual spending of funds authorized by an appropriation.

**FEIR:** Final Environmental Impact Report

**FEMA:** Federal Emergency Management Agency

**FESG:** Federal Emergency Shelter Grant

**FHA:** Federal Housing Authority

**FINAL BUDGET:** The approved revenue and expenditure budget as appropriated.

**FISCAL YEAR:** The 12-month period designated as the budget year from July 1 through June 30.

**FLSA:** Fair Labor Standards Act

**FPPC:** Fair Political Practices Commission

**FULL TIME EQUIVALENT:** The decimal equivalent of a part-time position converted to a full time basis, i.e. one person working half-time would count as 0.5 FTE.

## Local Government Glossary and Acronyms

**FUND:** A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

**FUND BALANCE:** In the governmental fund types, the unreserved fund balance is the excess of current sources of funds over current uses of funds. This amount does not include amount designated for future uses as specified by management.

**GAAP:** Generally Accepted Accounting Principles. The guidelines established for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time.

**GASB:** Governmental Accounting Standards Board

**GENERAL FUND:** The primary operating fund of the City. It is used to account for all revenues and expenditures of the City not legally restricted in use.

**GENERAL OBLIGATION BOND:** A bond backed by the full faith and credit of the issuing government. In California, local governments can only issue such bonds with voter approval subject to a legal debt limit.

**GOVERNMENTAL FUNDS:** Funds, such as the General Fund, which recognizes events when they affect current financial resources. Reductions are called expenditures. These funds operate on a modified accrual basis.

**GRANTS:** Contributions from another governmental agency to be used for a specified purpose.

**HCD:** Housing and Community Development

**HOME:** Home Investment Partnership Program

**HUD:** Housing and Urban Development. The Federal department which provides various housing and community direct loans, guarantees, and grants.

**INDIRECT COSTS:** Elements of cost necessary in the production of a good or service that are not directly traceable to the product or service. These are sometimes referred to as overhead costs.

**INTEREST:** Income earned on the investment of available cash balances.

**INTERNAL SERVICE FUNDS (ISF):** Internal service funds are used to account for the centralized financing of goods or services provided by one department, on a cost-reimbursement basis.

**LOCC:** League of California Cities

**LIEN:** A document recorded with the County Recorder placing a debt against a parcel of land.

**LONG-TERM DEBT:** Debt with a maturity of more than one year after the date of issuance.

**MBE:** Minority Business Enterprise

**MOE:** Maintenance of Effort



## Local Government Glossary and Acronyms

**MUNICIPAL CODE:** Codification of ordinances (laws) of a municipality.

**NON-DEPARTMENTAL:** Program costs that do not relate to any one department, but represent costs of a general city-wide nature.

**NPDES:** National Pollutant Discharge Elimination System

**OPERATING BUDGET:** Annual appropriation of funds for on-going program costs, including personnel, operations, capital outlay and debt service.

**OPERATING TRANSFERS:** Transfers from a fund receiving revenue to a fund which will expend the resources.

**ORDINANCE:** A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution.

**PERMANENT FUND:** A fund in which the principal remains permanently restricted, while the interest earnings may be spent for the specific purpose for which the money was given.

**PERS:** Public Employees Retirement System

**PERSONNEL COSTS:** The cost of a City department, including wage/salary, direct and indirect benefits such as health insurance, retirement contribution, workers' compensation, unemployment insurance, etc.

**POST:** Police Officers Standards and Training

**PROCLAMATION:** An official announcement or public declaration.

**PSAF:** Public Safety Augmentation Fund

**RESERVE:** Amount of fund balance designated for a specific purpose.

**RDA:** Redevelopment Agency. An entity created by a legislative body in accordance with state statutes which has elected to exercise the powers granted to it for planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of an area.

**RFP:** Request for Proposal

**RWQCB:** Regional Water Quality Control Board. Issues the wastewater treatment plant discharge permit and regulates its programs.

**RESOLUTION:** A document confirming City Council administrative action.

**RESOURCES:** Total amounts available for appropriation during the fiscal year, including revenues, fund transfers and beginning fund balances.

**REVENUE:** Money received from taxes, fees, permits, licenses, interest, inter-governmental sources, and other sources.

## Local Government Glossary and Acronyms

**SPFA:** Stockton Public Financing Authority

**SRF:** State Revolving Fund

**SWRCB:** State Water Regional Control Board

**SECTION 8:** Federal subsidized low income housing.

**SECTION 108:** Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects

**SPECIAL ASSESSMENTS:** Compulsory charges levied by a government to finance current or permanent public services or facilities to a particular group or persons or property.

**SPECIAL REVENUE FUND:** A fund which collects revenues that are restricted by the City, State or Federal Government as to the purpose of spending.

**TFCA:** Transportation Fund for Clean Air

**UAAL:** Unfunded Actuarial Accrued Liability. The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

**UBC:** Uniform Building Code

**UEC:** Uniform Electrical Code

**UFC:** Uniform Fire Code

**USGS:** United States Geological Survey

**TAXES:** Compulsory charges levied by a government to finance services performed.

**USER FEE:** Charges for services provided only to those benefiting from the service.