



CITY OF STOCKTON  
FY 2019-20

# ANNUAL BUDGET



# FY 2019-20 ANNUAL BUDGET

## City Council

Michael Tubbs, Mayor

Dan Wright, Vice Mayor  
Sol Jobrack, Jr., Councilmember  
Paul Canepa, Councilmember

Susan Lenz, Councilmember  
Christina Fugazi, Councilmember  
Jesús Andrade, Councilmember

## Council Appointees

Kurt O. Wilson, City Manager

John Luebberke, City Attorney

Eliza R. Garza, City Clerk

## Executive Team

Laurie K. Montes, Deputy City Manager

Scott R. Carney, Deputy City Manager

Christian Clegg, Deputy City Manager

Mel Lytle, Deputy City Manager

David Kwong, Community Development Director

John Alita, Community Services Director

Vacant, Economic Development Director

Eric Jones, Chief of Police

Matt Paulin, Chief Financial Officer

John Abrew, Municipal Utilities Director

Gordon MacKay, Public Works Director

Norbert Ruijling, Information Technology Director

Vacant, Fire Chief

Vacant, Human Resources Director

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# CITY OF STOCKTON

## CITY COUNCIL



**MICHAEL TUBBS**  
MAYOR



**DAN WRIGHT**  
VICE MAYOR  
District 2



**SOL JOBRACK**  
COUNCILMEMBER  
District 1



**PAUL CANEPA**  
COUNCILMEMBER  
District 3



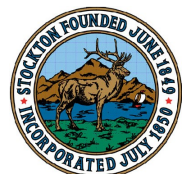
**SUSAN LENZ**  
COUNCILMEMBER  
District 4



**CHRISTINA FUGAZI**  
COUNCILMEMBER  
District 5



**JESUS ANDRADE**  
COUNCILMEMBER  
District 6





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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California**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Stockton, California, for its Annual Budget for the fiscal year beginning July 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only, 2018. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



# City of Stockton

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## TAB 1 INTRODUCTION





# City of Stockton

## Fiscal Year 2019-20

### Adopted Annual Budget

### Introduction

The following are the documents that make up the Adopted Fiscal Year (FY) 2019-20 Annual Budget. This is a balanced budget that reflects prudent financial practices under the Plan of Adjustment, Council strategic spending, and approved labor contracts.

The Introduction section of the Annual Budget reflects the development process from the proposed budget released May 15, 2019, through the budget adoption on June 18, 2019. The steps in the development and changes to the budget are summarized as follows:

- The Budget Message for the FY 2019-20 proposed budget released May 15, 2019, describes the City Manager's proposed plan for City operations and related budget of \$759,413,058.
- The City Council held two study sessions on May 30 and 31, 2019. A public hearing on the budget was opened on May 31, 2019 and continued to June 18, 2019. The budget adoption staff report includes an increase of \$200,000 for homeless encampment clean-ups. On June 20, 2017, the City Council approving the revised FY 2019-20 Annual Budget of \$759,613,058. The City Council resolution 2019-06-18-1502 is incorporated into this document along with the revised budget schedules.

The details of the adopted budget are reflected in the FY 2019-20 Annual Budget pages that follow beginning with Citywide Budget, B-10.





Resolution No. 2019-06-18-1502

## STOCKTON CITY COUNCIL

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### **RESOLUTION OF THE CITY OF STOCKTON APPROVING THE FISCAL YEAR 2019-20 ANNUAL BUDGET; APPROVING THE 2019-2024 CAPITAL IMPROVEMENT PLAN; APPROVING THE FISCAL YEAR 2019-20 FEE SCHEDULE; AUTHORIZING VARIOUS FUND TRANSFERS, AND ADMINISTRATIVE ACTIONS**

On May 15, 2019, in accordance with City Charter, Article XIX, Section 1905, the City Manager provided City Council the Proposed Fiscal Year (FY) 2019-20 Annual Budget, Proposed 2019-2024 Capital Improvement Plan, and Proposed FY 2019-20 Fee Schedule; and

On April 11, 2019, the Planning Commission determined that the 2019-2024 Capital Improvement Plan conforms to the 2040 General Plan; and

On February 26, 2019 and April 30, 2019, the City Council reviewed updates to the City's Long-Range Financial Plan; and

The City Council scheduled and conducted two budget study sessions on May 30 and May 31, 2019, to review projections, allow for public discussion, and provide direction in the preparation of the annual budget. This study session included the proposed documents: FY 2019-20 Annual Budget, 2019-2024 Capital Improvement Plan, and FY 2019-20 Fee Schedule; and

On May 31, 2019, the City Council conducted a duly noticed public hearing on the Proposed FY 2019-20 Annual Budget, the Proposed 2019-2024 Capital Improvement Plan, and the Proposed FY 2019-20 Fee Schedule; now, therefore,

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

1. The FY 2019-20 Annual Budget with expenditure appropriations of \$759,413,058, as submitted by the City Manager and with modifications by the City Council during the public hearing, is adopted for a total expenditure appropriation of \$759,613,058.
2. The number of full-time positions authorized under the FY 2019-20 Annual Budget is 1,706.



3. The 2019-2024 Capital Improvement Plan with a five-year CIP project total of \$1,119,924,758 is adopted, which includes \$141,284,904 appropriations for the FY 2019-20 capital projects.
4. The 2019-2024 Capital Improvement Plan conforms to the City of Stockton 2040 General Plan.
5. The effective date of the FY 2019-20 Fee Schedule is July 1, 2019. Any fee changes that are not effective July 1, 2019, are noted in the document.
6. The fees on development projects will take effect 60 days following the final action on the increases in the FY 2019-20 Fee Schedule, where Government Code section 66017(a) applies.
7. An appropriation limit is established in the amount of \$363,632,770 for FY 2019-20 pursuant to the requirements of the California Government Code. The City of Stockton selected the "change in California per capita personal income" for the "change in cost of living" component and the change in annual population for the County of San Joaquin as of January 1, 2019, component in the calculation of the appropriation limit.
8. The City Manager, or designee, is authorized to approve loans made through the City's Single-Family Housing Repair Loan Program, which meet all the requirements of the adopted program guidelines, within existing budget appropriations.
9. The City Attorney is authorized to enter into contracts for services and supplies where the total cost is: below the expenditure limit established in section 3.68.040 of the Stockton Municipal Code, within existing budget appropriation, and consistent with established administrative processes.
10. The City Manager or designee is authorized to make appointments to serve as voting Director and alternate Director of the San Joaquin County Regional Fire Dispatch Authority.
11. The City Manager or his designee is authorized to adjust appropriations from the General Fund Contingency account to General Fund Departments, subsidized programs and Internal Service Funds as needed for unexpected expenditures or emergencies that are unanticipated at the time of the budget adoption. The City Manager or his designee will report Contingency uses with each quarterly budget status report.
12. The remaining balances on all capital projects and grant funds are authorized to continue beyond the fiscal year in which they are originally appropriated until project cancellation or completion, grant expiration, or funds are fully expended.

13. Upon completion of a capital project, the City Manager, or his designee, is authorized to distribute any remaining unencumbered unrestricted appropriation balances up to \$75,000 to incomplete projects previously authorized in a Five-Year Capital Improvement Plan as allowed by funding source.
14. Revenues from the Waterfront Office Towers operations in excess of the buildings operating costs may be transferred to the New City Hall Renovation and Relocation Project in the General Capital fund and the City Manager or his designee is authorized to adjust the budget appropriation of the transfer and the capital project based on revenues greater than the budget estimate for FY 2019-20.
15. The City Manager or his designee is authorized to close out inactive Area of Benefit project accounts and transfer all residual or surplus account balances based on a reconciliation of developer deposits to city accounts in FY 2019-20 in accordance with section 16.72.050 of the Stockton Municipal Code.
16. Upon completion or cancellation of a proportional share traffic impact project, the City Manager or his designee is authorized to distribute any remaining unencumbered unrestricted appropriation balance, up to \$75,000, to a traffic and transportation fund or project with appropriate support and justification.
17. The FY 2019-20 Information Technology Capital Plan, including the Enterprise Resource Planning project, totaling \$10,865,787 is adopted and remaining appropriations in the technology projects are authorized to continue to future fiscal years until project is fully expended, completed, or cancelled.

18. The continuation of FY 2018-19 appropriations to FY 2019-20 is authorized for the completion of specific programs as listed in the following table:

Description	Department	Fund	Not to Exceed Carryover Amount
Vehicle purchase	Police Department	General Fund	23,000
Kitchen Incubator	Economic Development	General Fund	30,000
Hire Stockton Grant Program	Economic Development	General Fund	50,000
Storefront Beautification Micro Grant Program	Economic Development	General Fund	19,000
FirstWatch Software	Fire Department	General Fund	25,000
Fire Administration Strategic Plan	Fire Department	General Fund	50,000
Audit Findings Support	Administrative Services	General Fund	40,000
Labor Litigation	Non-Departmental	General Fund	550,000
Accessibility Project	City Clerk	General Fund	15,000
Mayor Discretionary Funds	City Council	General Fund	40,000
Council Discretionary Funds	City Council	General Fund	90,000
Vehicle purchase	Municipal Utilities	Water Fund	95,000
Vehicle purchase	Municipal Utilities	Wastewater Fund	493,000
Vehicle purchase	Municipal Utilities	Stormwater Fund	64,000
Equipment purchases	Municipal Utilities	Wastewater Fund	232,000
Capital Maintenance	Municipal Utilities	Wastewater Fund	150,000
Vehicle purchases	Public Works	Fleet Internal Service Fund	\$231,000
Risk Management Information System	Human Resources	General Liability Internal Service Fund	103,000
<b>TOTAL</b>			<b>\$2,300,000</b>

19. The following administrative actions required to implement the FY 2019-20 Annual Budget are authorized:

- a) Level of Budgetary Control – Budgetary control is established at the following levels: a) General Fund - Department Level; b) Other Funds - Fund level; and c) Capital Fund - Project level. The City Manager or his designee may authorize line item budget transfers within a General Fund department, or within a fund other than the General Fund. The City Manager may authorize line item budget transfers between departments to implement Council Member direction regarding the use of Council Discretionary funds.

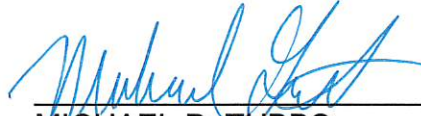
- b) The City Manager may revise the schedule of any appropriation made in this resolution where the revision is of a technical nature and is consistent with the intent of Council. Notice of any revisions shall be included in subsequent budget updates to Council. The City Manager or his designee is authorized to make administrative corrections to the FY 2019-20 Annual Budget with a subsequent report to Council on any corrections greater than \$75,000.
- c) The City Manager or his designee is authorized to establish and amend revenue estimates and expenditure appropriations corresponding to receipt or award of grant funding, donations, and reimbursements where these special monies and any matching City funds are under the expenditure limit of \$75,000 as established by Ordinance 2015-01-27-1501-01, which amended Section 3.68.040 of the Stockton Municipal Code.
- d) The City Manager or his designee is authorized to establish revenue estimates and corresponding budget appropriations in General Fund Fire Department accounts as needed during FY 2019-20 to recognize the costs, and the associated reimbursement revenue for providing wild-land firefighting and other disaster response services requested by state or federal governments.
- e) The City Manager or his designee is authorized to abolish positions and/or reduce and reorganize personnel, programs, services, departments, offices, or agencies and take such other action as is necessary to maintain a balanced budget.
- f) The City Manager is authorized to adjust classifications, including salary and benefit adjustments, to ensure comparability with similar classifications to maintain equity in the City's salary schedules as recommended by the Human Resources Department classification studies and reviews, and to incorporate changes into the Salary Schedule, as appropriate.
- g) The City Manager or his designee is authorized to hire fire academy recruits in an amount above the total City Council authorized full-time positions to accommodate attrition.
- h) The City Manager or his designee is authorized to fill additional Special Revenue Fund positions, such as grant funded, Measure W, and contract reimbursement positions, if additional funding becomes available.

- i) The indirect cost rate, as detailed in the City of Stockton Full Cost Allocation Plan and Cost Recovery Allocation Plan, shall be charged to departments and capital projects as project funding and regulations permit. The City Manager or his designee is authorized to modify appropriations for changes that result from an independently prepared indirect cost allocation plan.
- j) The City Manager or his designee is authorized to prepay the City's annual CalPERS payments in a lump sum consistent with FY 2019-20 budget.
- k) The City Manager or his designee is authorized to approve temporary interfund borrowing within the fiscal year, and at the June 30 fiscal year end, to finance the collection period for tax, grant, and other accounts receivable. Any new interfund loans extending beyond these terms must be approved by the City Council. The City Manager is authorized to repay interfund loans when funding becomes available.
- l) The City Council delegates investment authority to the Chief Financial Officer, acting in capacity of Treasurer, for the period of July 1, 2019 through June 30, 2020, pursuant to sections 53601 and 53607 of the California Government Code.
- m) The City Manager or his designee is authorized to execute health benefit policies and plans consistent with the annual Health Benefits Report approved by City Council on April 30, 2019 to address the health care needs of the City's employees.
- n) The City Manager or his designee is authorized to move appropriations and transfer between funds within a single budget unit, such as the water utility, Federal grant funds, and other funds where multiple funds have been established in the general ledger for purposes other than legal restrictions and the fund relationship has been identified in the FY 2019-20 Annual Budget, or established by subsequent City Council action.
- o) The City Manager or his designee is authorized to make the Contingent General Fund Payment to Assured Guaranty per the terms of the Reimbursement Agreement. Should the amount exceed the FY 2019-20 budget estimate, the City Manager or designee is authorized to increase the budget appropriation and transfer from the General Fund.



- p) The City Manager or his designee is authorized and directed to take such other actions as are necessary and appropriate to carry out the purpose and intent of this resolution including adjusting appropriations from the General Fund Non-Departmental accounts to General Fund Departments, subsidized programs and Internal Service Funds as needed to implement budget revisions authorized by Council.

PASSED, APPROVED, and ADOPTED June 18, 2019.



MICHAEL D. TUBBS  
Mayor of the City of Stockton

ATTEST:



ELIZA R. GARZA, CMC  
City Clerk of the City of Stockton



# City of Stockton

## Legislation Text

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File #: 19-5595, Version: 1

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CONTINUE PUBLIC HEARING FROM MAY 31, 2019 TO ADOPT THE FISCAL YEAR (FY) 2019-20 ANNUAL BUDGET; APPROVE THE 2019-2024 CAPITAL IMPROVEMENT PLAN; APPROVE THE FY 2019-20 FEE SCHEDULE; APPROVE THE FY 2019-20 CALIFORNIA CONSTITUTIONAL APPROPRIATIONS LIMIT; ADOPT THE FY 2019-20 ANNUAL BUDGET FOR THE PARKING AUTHORITY OF THE CITY OF STOCKTON; ADOPT THE FY 2019-20 ANNUAL BUDGET FOR THE SUCCESSOR AGENCY TO THE FORMER STOCKTON REDEVELOPMENT AGENCY

### RECOMMENDATION

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

1. Adopt the FY 2019-20 Annual Budget, the 2019-2024 Capital Improvement Plan, the FY 2019-20 Fee Schedule, the FY 2019-20 California Constitutional (Gann) Appropriations Limit and other administrative and financial actions.

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

1. Adopt the FY 2019-20 Annual Budget for the Parking Authority (Exhibit 1 to the Parking Authority resolution).

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

1. Adopt the FY 2019-20 Annual Budget for the Successor Agency to the former Stockton Redevelopment Agency (Exhibit 1 to the Successor Agency resolution).

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

### Summary

The City Manager submitted the Proposed Annual Budget, Capital Improvement Plan and Fee Schedule to Council on May 15, 2019. These documents include an annual financial plan for all City funds, the key elements of which are summarized below and described in detail in the documents and are available on the City's website. The City Council held two meetings on May 30 and 31, 2019, to review the budget detail and receive public comment for consideration.

The FY 2019-20 annual budgets for the City of Stockton Parking Authority and the Successor Agency to the former Stockton Redevelopment Agency are also provided for approval and adoption.

The proposed financial plans are balanced in both the short and long terms, address Council priorities and maintain the commitment to financial sustainability. Expenditures in the Proposed

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Budget as released on May 15, 2019, totaled \$759.4 million for the operations, capital, debt and transfers for all funds and programs of the City. This represents an increase of \$50.0 million from the FY 2018-19 Annual Budget. The increase is primarily attributable to capital project costs in Wastewater and Strong Communities funds.

Citywide estimated revenues are \$667.1 million for FY 2019-20 for all City programs excluding transfers between City funds, which is an increase of \$36.2 million. The FY 2019-20 Annual Budget supports 1,706 full-time positions as detailed in the Personnel Listing found in the budget document appendix.

Staff recommends that Council continue the public hearing to receive input regarding the proposed budgets and after the hearing, approve resolutions to enact the FY 2019-20 budgets.

## DISCUSSION

### Background

Adherence to prudent financial policies required discipline in the face of pressure to address continuing service deficits. This discipline resulted in Stockton rising from bankruptcy to one of the most financially stable large cities in the United States.

The City Council held a workshop in January 2019 to establish priorities for the year. The priorities and targets developed by the City Council shaped the development of the FY 2019-20 Proposed Annual Budget. On February 26, 2019 and April 30, 2019, staff presented updates to the City's Long-Range Financial Plan (L-RFP) to the City Council. These updates on available resources and long-term financial constraints set the stage for the FY 2019-20 budget development. The City Manager provided the FY 2019-20 Proposed Annual Budget, along with the 2019-2024 Proposed Capital Improvement Plan and the FY 2019-20 Proposed Fee Schedule to Council on May 15, 2019. Two public study sessions were held on May 30 and 31, 2019, to review the budget in detail and to receive public comment. The public was also invited to attend two Annual Budget Community Preview presentations, distinct from the study sessions, on May 30 and 31, 2019.

### Present Situation

The City Manager's proposed budget is balanced and remains consistent with the Council's commitment to long-term solvency. The revenue estimates and expenditure appropriations in the budget are for all City funds and include operations, capital, debt and internal transfers for all programs and support functions of the City. Fund summaries and financial schedules showing prior year actual results, FY 2018-19 projections, and FY 2019-20 budget are presented for each City budgetary unit in the budget document.

In addition to the proposed budget, related items are presented for Council approval.

### FY 2019-20 Annual Budget

#### Citywide Budget

Citywide revenues are budgeted at \$667.1 million, which represents a 5.8 percent increase from the prior year budgeted revenue of \$630.9 million. The primary components of this increase include:

- \$13.2 million in increased revenue for street and capital project funding
- \$8.7 million in increased revenue from taxes
- \$5.7 million in increased insurance and benefit contributions
- \$2.7 million in increased utility fees

Total City expenditures of \$759.4 million reflect a 7 percent increase from the FY 2018-19 total appropriation of \$709.4 million. The increase is fully attributable to capital project funding including \$44.1 million in the Municipal Utilities Department for the wastewater treatment plant modification project and financing. Debt Services expenses in Municipal Utilities and other Debt Service Funds are lower by \$18.7 million as a result of refinanced bonds. Insurance and Benefits, Public Works, Economic Development, and Debt Service Funds included a one-time debt payoff in FY 2018-19. The Community Services budget is proposed to increase in FY 2019-20 to reflect additional capital project funding from Strong Communities for the Northeast Stockton McNair Library and Community Center.

The proposed FY 2019-20 Annual Budget funds 1,706 full-time positions, an increase of one position compared to the adopted FY 2018-19 Annual Budget. Three full-time positions were added to provide inspections for development activity, staff to open the Mountain House Library, and improve management of utility infrastructure. Two vacant full-time Information Technology positions were eliminated.

City staff developed this budget using certain assumptions for baseline costs, such as approved positions and salary and benefit increments in line with current labor agreements, and ongoing expenditure increases no greater than ongoing revenue increases. The FY 2019-20 Annual Budget does not include funding for any compensations changes that may be negotiated with collective bargaining units. The total cost for a one percent wage increase is approximately \$2.2 million. To ensure long-term sustainability, staff continue to utilize the Long-Range Financial Plan (L-RFP) as part of the budget development process, an overview of which is presented in the General Fund section of the budget document.

### General Fund Operating Budget

General Fund revenues of \$236.5 million are an increase of \$6.9 million (3 percent) from the FY 2018-19 Adopted Budget and are \$1.4 million higher than the current year-end projection. The increases are primarily from sales taxes (\$2.9 million), property taxes (\$2.8 million), and investment earnings (\$1.3 million).

As part of its settlement agreement to adjust bond debt in bankruptcy, the City agreed to compensate Assured Guaranty if actual revenues exceed the amount projected in the Plan of Adjustment. Revenues subsequently increased to the level required to trigger the revenue-based contingent payment provision and in FY 2019-20, and the City is estimated to pay \$4.9 million to Assured Guaranty. The costs related to this contingent payment provision are incorporated into the L-RFP and will be a General Fund expense for the next 33 years.

The General Fund expenditure budget is \$229.9 million and reflects a \$9.3 million increase from the FY 2018-19 Adopted Budget. This 4.2 percent increase is primarily related to CalPERS costs, landscape maintenance operating costs, more filled staff positions, and fuel costs. More detail on General Fund expenditures is available on page A-8 of the budget document.

The General Fund is projected to end FY 2019-20 with a positive net annual activity of approximately \$6.6 million, which when combined with FY 2018-19 projections would result in an available fund balance of approximately \$54.3 million.

### General Fund Reserves

In accordance with the General Fund - Reserve and Fund Balance Policy, updates to the General Fund reserve targets are proposed as follows:

Category	Amount (millions)
Working Capital	\$39.1
Known Contingencies	59.9
Risk-Based	71.0
Total	\$170.0

With the increase in budgeted expenditures compared to prior year, the Working Capital Reserve target will increase from \$36.7 million to \$39.1 million. The Working Capital reserve is equivalent to two months of annual operating expenses. The Known Contingency reserve target is approximately at the same level as the prior year (from \$59.8 to \$59.9 million). The target for the Priority II Risk-Based Reserve in the Fiscal Sustainability Fund decreased from \$80.5 million to \$71.0 million based on updated revenues and reduced infrastructure values.

At the end of FY 2018-19, the General Fund projected available balance of \$47.7 million would first be assigned to the Working Capital reserve of \$39.1 million consistent with the reserve policy. Staff recommend that the balance fund the remainder of the Known Contingencies. Known Contingency reserves will fund future pension costs, radio infrastructure, public safety facility needs, retention and recruitment efforts, and replacement of the City's financial and payroll systems. With insufficient funding to meet the Known Contingencies reserve target, no additional funds will be available for the Risk-Based Reserves, leaving the \$5.0 million funding level established at the close of FY 2015-16.

### Citizens' Advisory Committees

The FY 2019-20 Proposed Annual Budget is also reviewed by three citizen oversight committees. The Measure W Oversight Committee reviewed the plan for use of Measure W proceeds by the Police and Fire Departments at its meeting on May 22, 2019. The Strong Communities Advisory Committee reviewed the planned use of Measure M proceeds by the Community Services Department at its meeting on May 28, 2019. On June 5, 2019, the Measure A Citizens' Advisory Committee reviewed the FY 2018-19 Proposed Budget as it relates to Measure A revenues (page C-7). The committee made no immediate recommendation regarding the proposed budget. The committee will continue to discuss possible recommendations that may be brought to Council with their next annual report.

### 2019-2024 Capital Improvement Plan (CIP)

The CIP is a five-year plan that lists the City's facility and infrastructure needs. On April 11, 2019, the Planning Commission determined that the proposed 2019-24 CIP conforms to the City of Stockton



2040 General Plan as required by Government Code Section 65401. The five-year Capital Improvement Plan (CIP) covering fiscal years 2019-20 through 2023-24 totals \$1.1 billion, including Municipal Utility projects of \$407.6 million, transportation projects of \$330.4 million, and other Citywide projects of \$381.8 million. The first four years of the CIP are financially constrained and reflect only projects where the City identified funding. The fifth year of the CIP reflects \$527.6 million in facility and transportation projects that do not have identified funding sources, in addition to \$113.3 million in projects with identified funding. The five-year CIP is a planning document that does not appropriate funds for projects. Only the \$141.3 million proposed for the first year of the CIP is incorporated in the City of Stockton's FY 2019-20 Annual Budget for appropriation.

#### FY 2019-20 Fee Schedule

The FY 2019-20 Fee Schedule reflects new and proposed changes to existing fees in many City departments, including a 2 percent inflationary adjustment to all fees intended to recover the cost of providing services. Section 1 of the document lists the proposed new and changed fees, along with reasons for each change. New fees are proposed for Boat Launching and Animal Services. Proposed fee changes include revisions to Fire Department, Stormwater and Animal Services fees. Economic Development, Fire and Police Departments present inactivated fees no longer valid in operations.

#### Parking Authority of the City of Stockton

The Parking Authority of the City of Stockton is a public body established by the City Council in Resolution 2013-12-17-1209, pursuant to the Streets and Highways Code, to oversee the parking garages, lots, meters and enforcement activities within the boundaries of the City of Stockton CFD 2001-1 Downtown Parking District.

Revenues derived from fees paid for parking within the district and proceeds from enforcement of parking violations are pledged to first pay the obligation for the 2004 Parking Bond debt service, then operations, maintenance and any other obligations of the Authority. Taxes assessed on property owners and businesses in the downtown parking district are recorded in this fund and used for parking management and operations of parking facilities and programs within the district.

Over the course of two years, nearly 1,600 parking meters were stolen or vandalized, resulting in a significant reduction in revenue. Significant capital investment was made to acquire 105 pay-by-plate parking machines and another \$350,000 is appropriated in FY 2019-20 for license plate recognition technology, revenue control equipment, and garage painting. The Fund will incur minimal changes for administrative and operating costs, resulting in an estimate that revenues will exceed expenses by \$500,000 in FY 2019-20.

#### Successor Agency to the former Stockton Redevelopment Agency

The Successor Agency depends on the receipt of property tax increment revenue to pay obligations of the former Stockton Redevelopment Agency. To receive the tax increment, the Successor Agency submits a Recognized Obligation Payment Schedule annually to an Oversight Board and the State Department of Finance. After approval by the Oversight Board, tax increment funds are distributed to the Successor Agency by the San Joaquin County Auditor Controller's Office. The use of tax increment is restricted, and the Successor Agency does not receive excess tax increment. Excess tax increment after payment of debt and administrative costs are distributed to other taxing entities

such as the City of Stockton, San Joaquin County, the State of California (for schools), and special districts.

Successor Agency revenue of \$12.2 million is expected to be sufficient for all debt and enforceable obligations in FY 2019-20. The total FY 2019-20 Successor Agency budget including transfers and loan repayments is \$11.2 million. As property values increase and more tax increment becomes available, there is sufficient funding for administration and repayment of City loans approved by the State Department of Finance. Based on the amount of available revenues, the FY 2019-20 Budget includes approximately \$2.8 million in loan repayments to the General Fund, the General Capital Fund, Community Development Block Grant, and Parking Authority funds. This compares to \$5.1 million in repayments in FY 2018-19. The Ending Available Balance in the Successor Agency will be retained by the San Joaquin County Auditor-Controller for distribution to other taxing entities including the City of Stockton.

### Other Budget Actions

#### FY 2019-20 Gann Appropriation Limit

The California Constitution limits growth in local government spending and establishes a maximum limit for expenditures from general taxes. The law, commonly known as the Gann Limit, requires that the limit is recalculated and approved annually by the City Council at the beginning of each fiscal year. The Gann Limit is indexed to specified growth factors approved by the Legislature and applied to revenue appropriations. The City's FY 2019-20 Gann Limit as calculated (\$363,632,771) exceeds the proposed appropriations subject to the limit of \$197,384,387. The City's appropriations remain well within the Constitutional appropriations limit.

#### Continuation of FY 2018-19 Appropriations

Pursuant to Section 1908 of the City Charter, budget appropriations lapse at the end of each fiscal year if not expended or encumbered. With this requirement in place, programs lose funding at year-end unless Council takes action to continue the appropriation into a following fiscal year. A review of approved FY 2018-19 budget activity suggests appropriation balances of \$2,069,000 should continue into FY 2019-20 for completion of funded activities:

Description	Department	Fund	Not to Exceed Carryover Amount
Vehicle purchase	Police Department	General Fund	23,000
Kitchen Incubator	Economic Development	General Fund	30,000
Hire Stockton Grant Program	Economic Development	General Fund	50,000
Storefront Beautification Micro Grant Program	Economic Development	General Fund	19,000
FirstWatch Software	Fire Department	General Fund	25,000
Fire Administration Strategic Plan	Fire Department	General Fund	50,000

Audit Findings Support	Administrative Services	General Fund	40,000
Labor Litigation	Non-Departmental	General Fund	550,000
Accessibility project	City Clerk	General Fund	15,000
Mayor Discretionary Funds	City Council	General Fund	40,000
Council Discretionary Funds	City Council	General Fund	90,000
Vehicle purchase	Municipal Utilities	Water Fund	95,000
Vehicle purchase	Municipal Utilities	Wastewater Fund	493,000
Vehicle purchase	Municipal Utilities	Stormwater Fund	64,000
Equipment purchases	Municipal Utilities	Wastewater Fund	232,000
Capital Maintenance	Municipal Utilities	Wastewater Fund	150,000
Vehicle purchases	Public Works	Fleet Internal Service Fund	231,000
Risk Management Information System	Human Resources	General Liability Internal Service Fund	103,000
TOTAL			\$2,300,000

## FINANCIAL SUMMARY

The proposed FY 2019-20 Annual Budget appropriates expenditures of \$759,413,058 for all City funds, \$6,467,296 for the Parking Authority, and \$11,175,210 for the Successor Agency.

The complete documents of the City's Proposed FY 2019-20 Annual Budget, the Proposed 2019-2024 Capital Improvement Plan, and the Proposed FY 2019-20 Fee Schedule are available for review on the City's website [www.stocktonca.gov](http://www.stocktonca.gov) <<http://www.stocktonca.gov>> or in the City Clerk's Office.



May 15, 2019

Honorable Mayor and Council:

## **BUDGET MESSAGE**

It is my pleasure to present the City of Stockton proposed budget for Fiscal Year (FY) 2019-20. Through the clear direction provided by the Mayor and Council, and the technical skills and prowess of the citywide budget team, this budget is balanced (both short and long-term) and aligned (to match the strategic priorities of the Mayor and Council) despite mounting political pressures to revert to the City's pre-bankruptcy spending habits. Achieving this goal required many necessary, but difficult, decisions as our needs far outweigh our resources.

Similar to just over a decade ago, the local and national economies are growing (but showing possible early signs of weakening) and the cost of doing business is growing just as fast. In today's climate, escalating costs for everything from fuel to contract labor make it more costly to provide the same level of service. Armed with lessons from a decade ago, however, now the City remains cognizant of the consequences of being overextended during an economic downturn.

A significant number of California cities are struggling, or unable, to maintain status quo because the growth in costs is outpacing the growth in revenues. Stockton's prudent financial practices have paid dividends, not only in the accolades and national rankings for fiscal health, but in our ability to generally maintain existing service levels despite the higher costs even as other agencies are making cuts. Based on our current spending practices, our financial position remains strong. Considering where we were just a few short years ago, this is an accomplishment worthy of pride.

The Council's commitment to responsibly increasing service levels only as we're able to afford them remains a priority that is reflected in this document. Fortunately, we are benefitting from state and local efforts that will fund critical infrastructure projects in the form of enhanced safety, library, recreation, street repair, and transportation services.

## **BUDGET OVERVIEW**

### **City Council's Strategic Targets and Priorities**

In January 2019, the Mayor and City Council conducted a strategic planning session to establish priorities for the upcoming year. While the Council's public portion of the budget process began in January, the process has been embedded in routine actions taken, and direction given, by the Council. When combined with other public processes, the collective input provided valuable insights to shape this spending plan.

Council's planning workshop culminated in establishing and reaffirming the core strategic targets and tiered priorities for the upcoming year. The most notable change was the prioritization of

efforts related to addressing the homeless crisis claiming the highest priority position that was previously held by public safety. Highlighted below, and included in the department narratives, are some of the recent accomplishments as well as plans for the coming year to keep the City focused on what is important to the community.

## Strategic Target - Public Safety

### Accomplishments

- In 2018, there was a 40% reduction in homicides and a 31% reduction in fatal shootings from 2017.
- Stockton's participation in National Night Out ranked 9th in the nation out of cities with populations over 300,000.
- Initiated *Data & Donuts* a community accountability dialogue for the Office of Violence Prevention.
- The Neighborhood Betterment Team began its second round through the six police reporting districts.
- Purchased capital equipment vital for safety and medical response.
- Implemented the Stockton-Caltrans Homeless Employment Litter Abatement Program.

### Goals

- Develop more solutions to address homelessness.
- Focus on crime reduction, including group gun violence, blight reduction, and outreach for focus areas Strengthen community collaborations and relationships.
- Free after-school programming and an additional micro library at community centers.
- Initiate the first phase of the radio infrastructure replacement project.

## Strategic Target - Fiscal Sustainability

### Accomplishments

- Set aside \$30.8 million in a separate IRS Section 115 Pension Plan to address future pension funding demands, and to utilize higher earning potential while maintaining control and flexibility of the investments.
- Entered into a contract for an enterprise resource planning system (ERP), which is the start of a multi-year information system project.
- Achieved upgraded general obligation bond ratings from S&P Global Ratings and Moody's Investors Service.
- General Fund reserves reached 55% of the target outlined in the Council's reserve policy.
- Improved the collection of delinquent utility accounts with property tax assessments.
- Leveraged liquid assets to finance debt internally, saving \$2 million.
- Refunded \$170 million of debt, saving Stockton water utility customers over \$21 million.



# CITY OF STOCKTON

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- Adopted a funding mechanism to allow the addition of new greenfield residential development without degrading service and maintenance levels for existing Stockton residents.

## Goals

- Adopt annual budget consistent with the Long-Range Financial Plan (L-RFP) along with lessons learned from, and promises made during, the bankruptcy process.
- Complete Long-Range Financial Plans for the utility funds.
- Complete ERP system replacement design phase.
- Continue to improve bond ratings.

## Strategic Target – Economic Development

### Accomplishments

- Provided assistance to 28 new or expanding businesses in Stockton.
- Developed the Opportunity Zones Investment Prospectus for local business interests.
- Received and administered Federal funding for affordable housing programs and projects.
- Utilized over \$1,000,000 for affordable housing projects.
- Served 4,671 homeless people with Emergency Solutions Grant funding.
- Increased downtown venue attendance by 19%.

## Goals

- Develop business incentives and tools for underserved neighborhoods.
- Develop core downtown area.
- Increase the availability of affordable housing stock.
- Work with community partners to improve literacy and quality of life.

## Strategic Target – Infrastructure

### Accomplishments

- Milestone was met to design 60% of the Regional Wastewater Control Facility Modification Project.
- Completed wastewater utility's cost of service study.
- Completed deferred maintenance projects at three fire stations.
- Replaced stolen wire for 80 street lights at various locations in south Stockton.
- Completed Victory Park irrigation project.
- Opened two micro libraries at the Arnold Rue and Stribley community centers, providing access to library materials, makerspace activities and programs.

# CITY OF STOCKTON

## Goals

- Regional Wastewater Control Facility Modification project
- Retain a construction management firm for the mixed-use Northeast recreation and library facility.

## Financial Overview

The proposed expenditure budget totals \$759.4 million for all programs, funds, and departments of the City, which is an increase of \$50.0 million or 7% from the FY 2018-19 adopted budget. The increase is fully attributable to capital project funding including \$44.1 million in the Municipal Utilities Department for the wastewater treatment plant modification project and financing. Debt Services expenses in Municipal Utilities and other Debt Service Funds are lower by \$18.7 million as a result of refinanced bonds. Insurance and Benefits, Public Works, Economic Development, and Debt Service Funds included a one-time debt payoff in FY 2018-19. Community Services budgeted expenses increased with additional capital project funding from Strong Communities for the Northeast Stockton McNair Library and Recreation Center.

The City is taking advantage of every opportunity to maintain and improve its facilities and infrastructure and is vigilant in identifying alternatives to general purpose funding. An infusion of roadway and transportation funding by federal, state and local governments and the initial phase of the wastewater plant modification project are the primary drivers of increased appropriations for capital projects.

The table below summarizes the proposed FY 2019-20 Annual Budget by department or program:

Citywide Expenditure Budget - All Funds			
Department	FY 2018-19 Budget	FY 2019-20 Budget	Change
Utilities	\$ 136,030,719	\$ 182,387,314	\$ 46,356,595
Police	130,394,165	135,689,455	5,295,290
Insurance and Benefits	125,333,779	116,416,821	(8,916,958)
Public Works	60,616,497	62,654,264	2,037,767
Fire	55,563,582	57,453,171	1,889,589
Capital Projects	35,841,450	46,919,359	11,077,909
Administration	32,166,343	38,491,581	6,325,238
Community Services	31,086,848	39,412,321	8,325,473
Economic Development	41,671,557	28,458,144	(13,213,413)
Non-Departmental Funds	26,595,419	26,669,984	74,565
Debt Service Funds	22,429,736	12,596,485	(9,833,251)
Community Development	11,689,140	12,264,159	575,019
	<u>\$ 709,419,235</u>	<u>\$ 759,413,058</u>	<u>\$ 49,993,823</u>

Citywide estimated revenues are \$667.1 million for FY 2019-20 for all City programs, which is an increase of \$36.2 million. Revenues combined with transfers of \$23.5 million, benefit and service

internal service fund charges of \$132.0 million, and use of \$68.8 million in fund balance support the total expenditures of \$759.4 million for all funds, departments and programs, resulting in a balanced budget. The \$63.0 million draw down of available fund balances in various city funds is primarily for multi-year capital project appropriations.

Based on continued restrained spending, the overall health of the City's funds is promising as progress is being made toward reserve targets and as liabilities for claims are nearly fully funded, and our comprehensive financial planning efforts continue to use realistic and fiscally responsible projections. Each budget cycle represents a balance between maintaining the City's financial health and addressing needs for services, equipment, and facility upkeep. While Stockton has become financially healthier (not wealthier), there continue to be needs in excess of available resources, like \$700 million for facility and infrastructure projects throughout the City that have no identifiable funding source.

While some revenues and program funding increases, some Citywide workload demands continue to grow faster than available resources. Labor and materials costs for significant City services continue to rise, calls for Police and Fire service have increased, and Public Works is challenged to maintain parks, facilities and street medians due to inflationary cost pressures.

The FY 2019-20 Budget incorporates three additional full-time positions, one each in Public Works, Library, and Utilities, and eliminates two vacant Information Technology positions, for a net increase of one full-time position, none of which have an impact on the General Fund.

As anticipated and planned for, pension obligations remain a significant cost to all City funds and updates are continuously incorporated in the General Fund L-RFP to ascertain the impacts of CalPERS's decisions and earnings. The City contracts with CalPERS to administer retirement benefits of City employees. As the largest fund of its kind in the nation, CalPERS enlists actuaries and investment professionals to manage over \$360 billion of assets for state and local government employees and retirees. In 2016, the CalPERS Board of Trustees voted to systematically lower the expected long-term average annual investment rate of return (discount rate) from 7.5% to 7.0% to strengthen the long-term stability of the fund, reduce its negative cash flows and ensure it could meet its future obligations. The long-term discount rate adjustment period occurs between 2018 and 2023. The investment assumption for FY 2019-20 is 7.25%, reduced from 7.38%.

The CalPERS discount rate decision creates a gap between what is expected to be paid out for current members and the resources on hand to make those payments (referred to as an unfunded liability). CalPERS made a twenty-year plan for each member agency to pay down its unfunded liability, which creates a bigger financial burden on the City. The City's annual unfunded liability payment will be \$35.9 million in FY 2019-20 and will rise to \$53.0 million in five years, topping out at \$60 million per year between 2030 and 2036. The City has set aside \$30.1 million in retirement trust for pension funding to mitigate these rate increases.

## **Influencing Factors and Significant Trends**

Factors that influence the decisions made in this budget include cost increases of existing service levels that occur without corresponding increases in revenue, and deferred maintenance and aging equipment.

## Cost Increases to Existing Service Levels

The cost of doing business continues to increase, as do the regulatory requirements of what and how services are delivered. Most increases are consistent with the assumptions incorporated into L-RFP, but a few go beyond what was expected and are described below.

**Parks and landscape median maintenance** – The Public Works Department was successful in securing millions of dollars for roadway projects, but pressures continue to mount for costs that rely on the General Fund, like landscape costs for parks and street medians. Those annual costs increased by approximately \$560,000 in FY 2019-20 for the maintenance of street median landscape outside of assessment districts and \$546,000 in FY 2018-19 for parks maintenance contract services. When combined with increasing water irrigation costs, maintenance of City parks and landscape medians is costing the General Fund an additional \$1.3 million compared to three years ago. The expansion of prevailing wage law beyond traditional industries and a shrinking available workforce in the landscape profession has increased the cost of park and street median landscape maintenance. Parkland and landscaping are enjoyed by many residents and would be very expensive to rehabilitate if allowed to deteriorate.

**General liability claims costs** – Although the City has implemented procedures to manage claims, and even though some claims may not result in settlements against the City, the number of claims brought against the City is expected to increase again in FY 2019-20, and the costs to respond, manage and administer the increased volume are significant. The budget includes a 15% increase in the internal service fund rate to pay for these expected claims.

**Employee compensation** – Labor agreements with all employee bargaining units are set to expire on June 30, 2019. No labor-related increases are included in this budget. Results of negotiations will be added when determined and finalized and could add to pressures on limited resources.

**Fuel** – Fuel prices rose substantially, at the same time that more police positions are filled and as emergency fire and medical calls increase. Fuel costs are \$462,000 higher this year for these two departments alone.

**Technology** – Information Technology internal service fund rates have increased to accumulate resources for the ERP project, radio infrastructure, and the costs to operate the fire dispatch center.

## Deferred Maintenance and Aging Equipment

Deferred facility maintenance, aging equipment, and obsolete technologies are citywide concerns, regardless of funding source.

**Public safety** – Existing fire and police facilities need renovation and this is exacerbated as a result of the City's expanded police workforce. Of the \$1.1 million in General Fund resources allocated to capital projects in FY 2019-20, \$400,000 will go toward police facilities and \$141,000 will be used to improve fire facilities.

The radio system infrastructure is another large asset that must be replaced. Over the course of five years the expected cost is more than \$15 million. Radio infrastructure is made up of physical components that provide the backbone of the communication system and connects the various parts of the system including dispatch centers, towers, stations, staff and vehicles, etc. Stockton owns some segments of the current infrastructure and partially relies on commercial telecommunications companies for other segments. Increased demand and obsolescence, if left

# CITY OF STOCKTON

unaddressed, would put the entire system at risk and could result in slower safety response times or even dropped or stopped communication.

Wastewater facility – The Municipal Utilities Department has embarked on a modification project of its Regional Wastewater Control Facility estimated to cost more than \$222 million. The upgrades are necessary for the City to meet stricter treated wastewater discharge limits required by the State of California.

## Revenue Trends

General Fund revenues could be affected by both local and national trends. Across the nation, changes in technologies and consumer spending continue to erode traditional utility and franchise fee revenues paid by telephone and cable companies. Sales taxes trends continue to change as e-commerce continues to shift sales from in-store purchases. The changing revenue environment will require increased vigilance to ensure accurate forecasting in the future. Water and wastewater utility revenues have a consumption component in their rate structures, so both are sensitive to conservation trends, preferences, and consumption levels.

## **Recap of Major Funds**

### General Fund – Summary

At \$229.9 million, the proposed FY 2019-20 General Fund expenditures appropriation is \$9.3 million greater than in the adopted FY 2018-19 Budget of \$220.6 million. The proposed revenues of \$236.4 million for FY 2019-20 are \$6.8 million greater than budgeted FY 2018-19 revenues.

<u>General Fund Budget</u>	<u>FY 2018-19 Adopted Budget</u>	<u>FY 2019-20 Proposed Budget</u>	<u>Change</u>
Tax Revenues	\$ 215,244,899	\$223,271,158	\$ 8,026,259
Other Revenues	14,360,225	13,198,255	(1,161,970)
	<u>\$ 229,605,124</u>	<u>\$236,469,413</u>	<u>\$ 6,864,289</u>
Expenditures			
Police	\$ 123,460,656	\$129,061,956	\$ 5,601,300
Fire	44,217,062	45,767,332	1,550,270
Other Programs	52,937,406	55,041,617	2,104,211
	<u>\$ 220,615,124</u>	<u>\$229,870,905</u>	<u>\$ 9,255,781</u>

### General Fund – Revenues

FY 2019-20 General Fund revenues are estimated to total \$236.5 million, an increase of \$1.4 million over the anticipated receipts in the current fiscal year and \$6.9 million compared to the FY 2018-19 adopted budget. This \$6.9 million increase is primarily attributable to increased sales tax and property tax revenues, as all other General Fund revenues are expected to experience minor growth with further details in Section B of this document.



# CITY OF STOCKTON

## General Fund – Expenditures

Proposed FY 2019-20 General Fund expenditures are \$229.9 million. The General Fund L-RFP growth assumption is 2% for most non-salary expenditures. For FY 2019-20, this assumption provides approximately \$976,000 for contract escalations, utility rate increases (where the City is the paying customer), and the impact of inflation on goods and services. Administration, Debt Service, and Program Support for Other Funds are all lower than the FY 2018-19 adopted budget, but significant increases are budgeted for the larger General Fund departments.

The Police Department budget increased \$5.6 million compared to the FY 2018-19 adopted budget. Police Department salary and non-retirement benefit budgets increased \$950,000 to account for fewer vacant positions, \$420,000 from the expiration of a grant that paid for a share of 15 officers, and \$3.2 million from the increase in retirement rates. Also included in the Police Department is an additional \$420,000 for an air support program, expanded special investigations costs, and a fee study. The one-time infusion of resources for the air support program will fund the operation of a new helicopter for one year, but alternative funding or a redistribution of current funding may be needed if the program proves worthy of future funding.

The Fire Department budget increased \$1.5 million, attributable to \$850,000 for retirement, \$150,000 for salary and other non-retirement benefits, \$100,000 related to fewer vacancies, and \$220,000 for increased emergency dispatch service costs.

The Public Works Department budget increased \$1.4 million for salaries and benefits of \$780,000, streetscape maintenance contract increases of \$563,000, and \$165,000 for higher water costs for parks.

In addition to operating cost increases, there is a continual demand for expanded General Fund programs and services. While most of those expansions are not affordable at this time, there are \$4.2 million of high priority items included in this budget. These increases are summarized below for items with ongoing costs and one-time expenditures.

<u>Description</u>	<u>Council Priority</u>	<u>Ongoing</u>	<u>One-time</u>
Safety radio infrastructure replacement	Public Safety	-	3,130,000
Air Support Program	Public Safety	99,000	151,000
Special Investigations	Public Safety	-	150,000
Police Department fee study	Public Safety	-	20,000
Increase in cost for streetscape maintenance	Infrastructure	562,783	-
Increase in cost to water City parks	Infrastructure	82,500	-
Facility maintenance contract increase	Infrastructure	25,000	-
Total		769,283	3,451,000

Expenditures originally adopted in FY 2018-19 of \$220.6 million were increased by Council to \$236.7 million during the fiscal year. Current projections for FY 2018-19 estimate total revenues at \$235.1 million and expenditures at \$234.5 million. The General Fund is projected to end FY 2018-19 with an available fund balance of \$47.7 million of which \$39.1 million is required, by City Council Reserve policy, to be put toward the working capital reserve as a proportion of the FY 2018-19 expenditures.

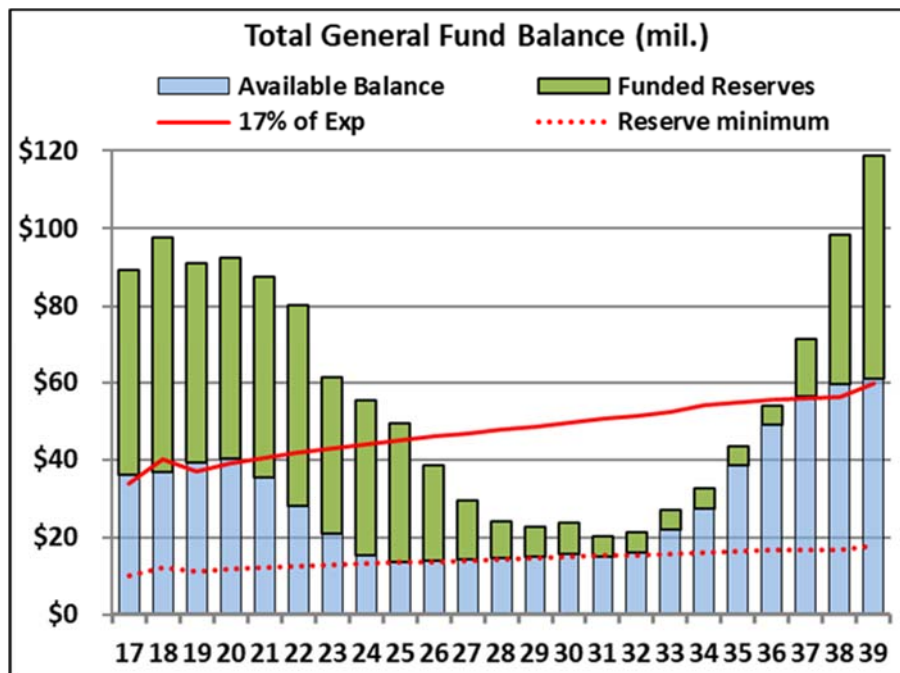
# CITY OF STOCKTON

## General Fund Long-Range Financial Plan

The General Fund L-RFP is updated routinely to incorporate actual results and changes in expectations or events. This powerful tool validates and illustrates the notion that one-time savings will be best utilized for one-time, rather than on-going, costs because the model does not support the General Fund's capacity to sustain ongoing increases. Large-scale demands for facilities and infrastructure looming for the General Fund include the ERP project, emergency communication infrastructure, and facility repairs and remodel projects in the main police station, and animal shelter among others.

The L-RFP has been updated to reflect current expectations for revenue, expenditures and economic conditions as presented to Council on February 26, 2019 and April 30, 2019. The L-RFP incorporates the recently approved CalPERS rate adjustments, contracted service increases such as parks and street median maintenance of over \$1.1 million, the impact of the Strong Communities Initiative, and the same long-term labor rate assumptions used during the bankruptcy process. General Fund contributions to library and recreation activities are limited to the maintenance of effort (MOE) requirement allowed in the Strong Communities ordinance during the years when the tax is in effect. Because the Strong Communities revenues will be used to increase services, the financial model includes a \$13.4 million General Fund increase beginning FY 2033-34 under the assumption the transaction and use tax is not renewed.

The following graph illustrates the short and long-term General Fund available balance forecast compared to the target 17% Working Capital Reserve and a 5% warning level.



The graph reflects how the General Fund available balance is anticipated to drop below the goal for a 10-year period between 2026 and 2035 before stabilizing again at or above 17% target required for normal operations. The green bars represent reserves at June 30, 2018, which have been approved by Council and would be utilized as needs within these categories occur. More information on the L-RFP can be found in the General Fund section of this document.

# CITY OF STOCKTON

## Utility Funds – Summary

The three utility funds present unique long-term challenges. Maintaining and improving capital facilities is an important part of the utilities' ability to comply with Federal and State regulations and operate efficiently. Capital project costs of \$74.7 million are budgeted in FY 2019-20 and each utility will require close observation and careful analysis to maintain the appropriate level of fiscal health and meet debt coverage ratio requirements.

The Municipal Utilities Department completed a comprehensive wastewater rate study in FY 2018-19 to evaluate the level of revenue required to support the regional facility modifications. The study anticipates a series of rate increases beginning in July 2019.

The Water Utility drought surcharge was removed in FY 2018-19 after water consumption rebounded following the years long drought and in July 2019, the Water Utility will implement the fourth of five approved water rate increases. Continued changes in water conservation and use requirements from the State of California, along with changes in consumer preferences affect the predictability of budgeting for water revenues.

Stormwater fund deficits are so severe that the City continues to delay important capital projects for years. The staff's prior efforts have not resulted in a rate adjustment, so the deficit continues to grow. Additionally, recent State regulatory requirements have also increased cost pressures on the utility. The combined need to ensure adequate storm drainage and meet heightened regulatory requirements warrants a revisiting of those rates.

## Capital Improvement Program

The FY 2019-20 Capital Improvement Program budget is \$141.3 million, which is an increase of \$70.9 million or double the prior year amount. The increase is attributed to \$52.2 million more for utility projects, \$6.5 million more from transportation projects, \$8.4 million in Public Facility Fee revenues for a new mixed-use Library and Recreation facility, and \$5.6 million more for projects funded by Strong Communities tax proceeds.

## **CONCLUSION**

Rather than focusing solely on a 12-month period to meet our legal obligations, this budget meets our ethical obligations to promote the fiscal health of the City well into the future. The benefits of this long-term fiscal discipline will benefit Stocktonians long past the tenure of today's city hall decision-makers. Rates of employment, inflation, and interest indicate the local economy might be weakening, but Stockton is well prepared and these normal business cycles will not have a significant negative impact on the services on which residents and business owners rely. In the year to come, the infusion of funding will allow street, transportation and construction programs to flourish and will provide important jobs within the community. Each year demands will vary and change, and some will go unfilled, but the City is moving forward in a responsible and enduring manner which will benefit citizens in the years to come.

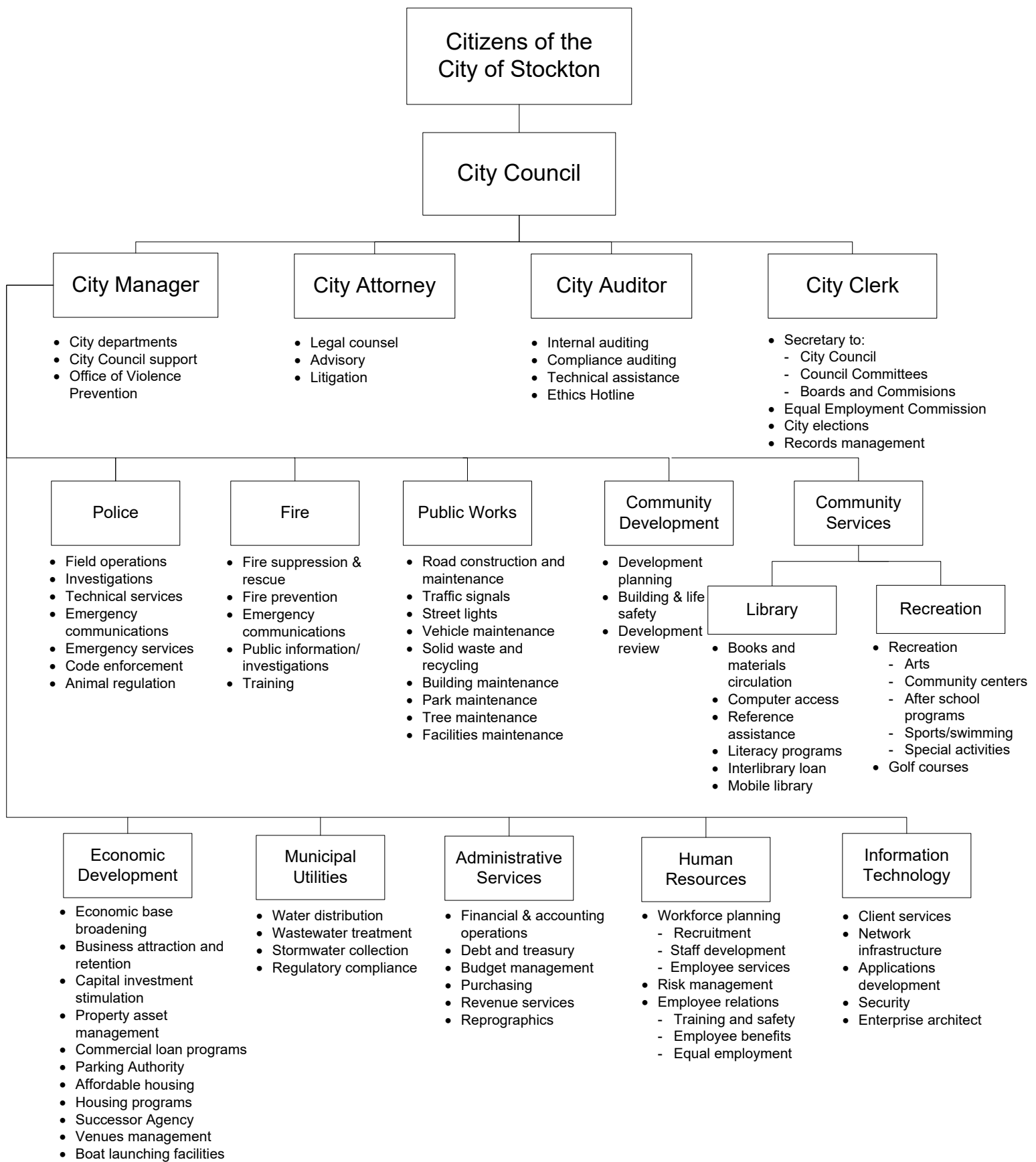
Respectfully submitted,



KURT O. WILSON  
CITY MANAGER

## TAB 2 CITYWIDE





# CITY OF STOCKTON

# CITY COUNCIL TARGETS AND GOALS

## CITY COUNCIL 2019 STRATEGIC WORK PLAN DEVELOPED IN THE PLANNING WORKSHOP

### Guiding Principles

- Follow our long term financial plan to ensure financial stability and sustainability.
- Operate in a transparent and open manner to earn and keep trust of our community.
- Create a long-term vision while focusing on meeting day-to-day challenges and taking care of the “small things” that matter to the community.
- Maintain and expand relationships with partner agencies, private sector and organizations to extend capacity in carrying out and funding priority projects.
- Support the professional development of our employees with a focus on continuous improvement in all that we do.
- Measure successes and communicate them to the community.
- Implement voter-approved decisions on taxes and other laws fully with integrity: *honor voter intent*.

The Council established guiding principles, reaffirmed its strategic targets, and updated its Tier 1 and 2 priority goals. While these are the focus of the Council, the ongoing day-to-day operations of the City must be carried out in an efficient and effective way, requiring sound systems and talented people.





## CITY COUNCIL TARGETS AND GOALS

### 2019 Strategic Targets and Priorities

2019 Strategic Targets	
<p><b>Public Safety:</b> To reduce violent crime and increase public safety, the Stockton City Council adopted the Marshall Plan on Crime. Since the initiative began in 2012, overall crime in Stockton has dropped significantly. Public safety enables the City's economy and communities to thrive.</p>	<p><b>Fiscal Sustainability:</b> Since filing for Protection under Chapter 9 of the federal bankruptcy code in 2012, the City has maintained its strategic focus on improving fiscal sustainability.</p>
<p><b>The performance indicators for public safety are:</b></p> <ul style="list-style-type: none"> <li>• Serious crime rate (UCR Part 1)</li> <li>• Crime rate: Other crimes</li> <li>• Juvenile crime rate</li> <li>• Violence Prevention Program Statistics</li> <li>• Police Department turnover rate</li> </ul>	<p><b>The performance indicators for fiscal sustainability are:</b></p> <ul style="list-style-type: none"> <li>• Bond rating</li> <li>• Reserve balance</li> <li>• Accuracy of budgeted expenses</li> </ul>
<p><b>Economic Development:</b> To increase core economic development and quality of life within the City, officials have been working to expand employment and investment in core local businesses and industries.</p>	<p><b>Infrastructure:</b> Infrastructure maintenance and development enables the city to address deficiencies and accommodate future growth.</p>
<p><b>The performance indicators for economic development are:</b></p> <ul style="list-style-type: none"> <li>• Jobs created</li> <li>• Net business license increase/decrease</li> <li>• Valuation of permits issued</li> </ul>	<p><b>The performance indicators for infrastructure are:</b></p> <ul style="list-style-type: none"> <li>• Pavement condition index rating</li> <li>• Net investment in capital assets</li> <li>• Capital Improvement Program cost projections</li> <li>• Number of units of affordable housing built</li> </ul>

### Tier 1 Priorities

Table 1. Tier 1 Priorities

Tier 1 priorities are items that will have the top focus for Council and staff.	
1.1	Develop solutions to address homelessness including increasing the affordable housing supply
1.2	Focus on crime reduction, including group gun violence, blight reduction, and outreach for focus areas
1.3	Prioritize resource allocation to focus areas within Council Districts
1.4	Develop our core downtown

## CITY COUNCIL TARGETS AND GOALS

### Tier 2 Priorities

Table 2. Tier 2 Priorities

Tier 2 priorities will be worked on as time and resources permit.	
2.1	Develop business incentives and tools for underserved neighborhoods
2.2	Work with education partners to improve quality of life, increase literacy, fund college scholarships and develop the workforce
2.3	Engage private employers and the business community in workforce development and job placement (including individuals with criminal records); develop an employment pipeline for Stockton residents to Stockton employers

# PERSONNEL SUMMARY

**PERSONNEL BY FUND - SUMMARY**

**FY 2019-20 Annual Budget**

			<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b>General Fund and Tax-Supported Programs</b>				
Programs				
Police	663	681	682	0
Fire	177	177	179	0
Public Works	54	54	54	4
Library	62	66	66	1
Recreation	24	24	23	0
Economic Development	8	8	8	0
	<b>988</b>	<b>1,010</b>	<b>1,012</b>	<b>5</b>
Administration				
City Council	8	10	10	0
City Manager	10	12	12	0
City Attorney	12	12	12	0
City Clerk	7	7	7	0
Administrative Services	77	80	80	0
Human Resources	18	18	18	0
Non Departmental	4	3	3	0
Office of Violence Prevention	14	14	14	0
	<b>150</b>	<b>156</b>	<b>156</b>	<b>0</b>
<b>Total General Fund</b>	<b>1,138</b>	<b>1,166</b>	<b>1,168</b>	<b>5</b>
<b>Enterprise Funds</b>				
Parking Authority	5	5	5	1
Municipal Utilities	218	216	216	1
	<b>223</b>	<b>221</b>	<b>221</b>	<b>2</b>
<b>Special Revenue/District Funds</b>				
Community Development Block Grant	5	5	5	(1)
Development Services	46	47	56	0
San Joaquin Area Flood Control Agency	5	5	5	0
Assessment Districts	3	3	3	0
Police grants	24	8	5	0
Successor Agency	1	1	1	0
Safe Neighborhood Measure W	50	49	49	0
Solid Waste & Recycling	9	9	9	(2)
Street Maintenance/ Gas Tax Fund	59	59	65	(1)
Strong Communities Measure M	0	23	23	0
	<b>202</b>	<b>209</b>	<b>221</b>	<b>(4)</b>
				<b>217</b>

# PERSONNEL BY FUND - SUMMARY

## FY 2019-20 Annual Budget

				Staffing	
	FY 2016-17	FY 2017-18	FY 2018-19	Changes	FY 2019-20
<b>Internal Service Funds</b>					
Fleet	27	27	27	0	27
General Liability Insurance	3	3	3	0	3
Workers' Compensation	3	3	3	0	3
Health Benefits	6	6	6	0	6
Information Technology	42	53	53	(2)	51
Radio	1	1	1	0	1
Document Services	2	2	2	0	2
	<b>84</b>	<b>95</b>	<b>95</b>	<b>(2)</b>	<b>93</b>
<b>Total All Funds</b>	<b>1,647</b>	<b>1,691</b>	<b>1,705</b>	<b>1</b>	<b>1,706</b>

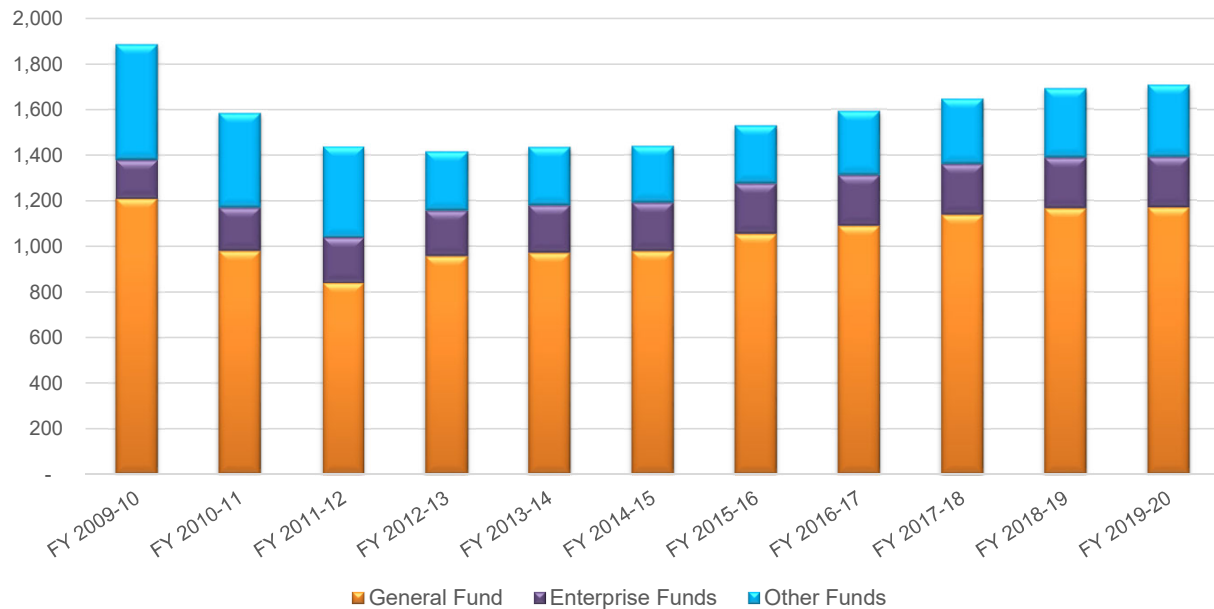
## Endnotes

### Staffing Changes (Detail included in Appendix, pages O-1 to O-24)

New positions in FY 2019-20 budget

Librarian I/II - Community Services	1
Program Manager III - Municipal Utilities	1
Public Works Inspector - Public Works	1
Eliminate GIS Analyst and GIS Specialist	(2)
<b>Total</b>	<b>1</b>

## Citywide Authorized FTE Trend by Fund

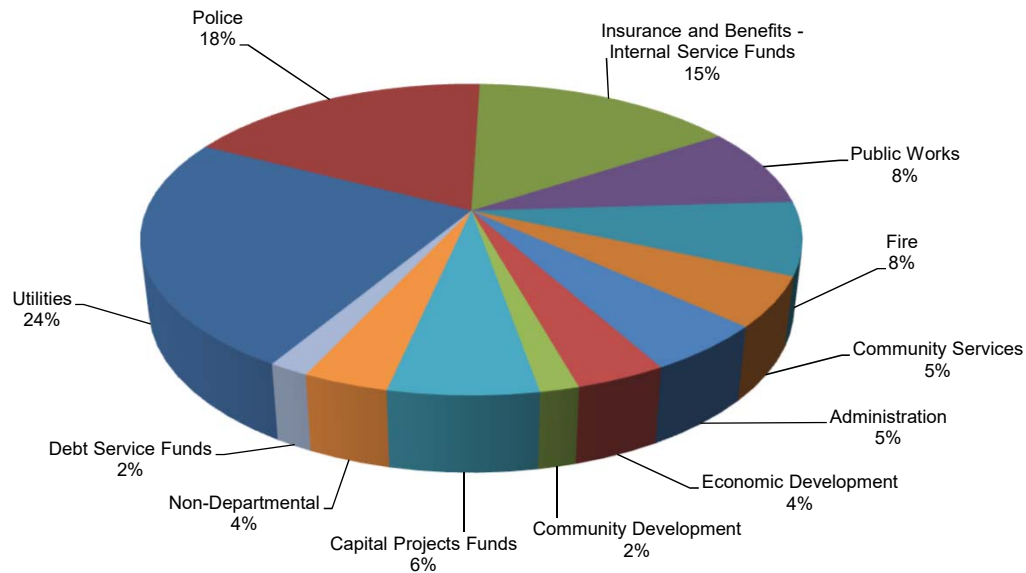




# CITYWIDE BUDGET SUMMARY

**City of Stockton**  
**Citywide Expenditures**  
**FY 2019-20 Annual Budget**

**\$759,613,058**



	Operating Budget	Debt Service Budget	Capital Budget	Total	% of Total
<b>Program Appropriations</b>					
Utilities	\$ 85,643,583	\$ 21,789,337	\$ 74,954,394	\$ 182,387,314	24%
Police	135,685,455	-	4,000	135,689,455	18%
Insurance and Benefits - Internal Service Funds	116,416,821	-	-	116,416,821	15%
Public Works	47,917,697	744,007	13,992,560	62,654,264	8%
Fire	57,238,571	-	214,600	57,453,171	8%
Community Services	28,492,321	-	10,920,000	39,412,321	5%
Administration	31,785,047	-	6,706,534	38,491,581	5%
Economic Development	23,634,654	4,173,490	650,000	28,458,144	4%
Community Development	12,264,159	-	-	12,264,159	2%
<b>Non-Departmental Funds</b>					
Capital Projects Funds	1,890,749	-	45,028,610	46,919,359	6%
Non-Departmental	26,419,984	-	450,000	26,869,984	4%
Debt Service Funds	-	12,596,485	-	12,596,485	2%
	<u>\$ 567,389,041</u>	<u>\$ 39,303,319</u>	<u>\$ 152,920,698</u>	<u>\$ 759,613,058</u>	<u>100%</u>

**Net Budgeted Expenditures**

Internal Service Charges	\$ (132,039,059)
Interfund Transfers	(20,719,502)
	<u>\$ 606,854,497</u>

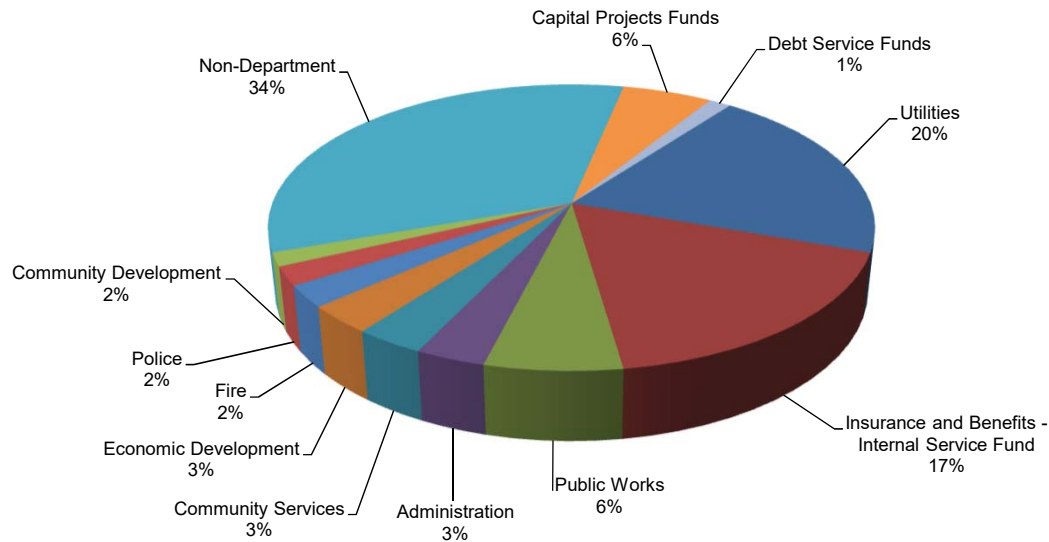


**City of Stockton**  
**Citywide Expenditures**  
**FY 2019-20 Annual Budget**

<b>All Funds - by Fund Type</b>	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<u>General Fund</u>				
General Fund	\$ 206,448,331	\$ 240,995,626	\$ 234,451,801	\$ 230,070,905
<u>Special Revenue Funds</u>				
SJA/CA /PEG	772,490	1,111,219	1,068,689	1,300,857
Asset Forfeiture	59,276	15,663	88,943	299,008
State Citizen Option for Public Safety	535,461	573,932	756,918	622,500
Police Grants Fund	3,989,963	3,916,175	6,067,500	107,500
Street Maintenance/Gas Tax	6,364,199	7,964,731	12,051,300	13,601,920
Library Services	12,007,728	11,198,160	11,109,748	13,202,049
Fire Emergency Communications	2,560,513	2,703,270	2,957,206	3,389,147
Recreation Services	5,026,185	4,788,219	4,406,339	5,240,708
Boat Launching Facilities	111,402	110,337	145,297	188,304
Solid Waste & Recycling	1,542,451	1,494,679	1,757,914	2,438,219
Development Services	10,017,926	10,452,707	12,511,838	14,325,545
Federal Housing Grant Funds	8,223,993	4,295,774	6,806,017	7,892,211
State Housing Funds	289,537	-	-	250,000
Assessment Districts	4,284,803	4,384,193	6,656,417	6,856,293
Measure W	10,485,758	10,229,065	10,622,908	10,892,881
Strong Communities	82,505	3,063,401	11,466,858	18,688,693
Entertainment Venues	7,462,340	7,789,221	10,121,958	9,167,447
Low & Moderate Income Housing	1,731,903	751,339	852,087	681,987
	<u>75,548,433</u>	<u>74,842,085</u>	<u>99,447,937</u>	<u>109,145,269</u>
<u>Enterprise Funds</u>				
Stormwater Fund	5,034,851	4,804,189	6,870,908	7,440,969
Wastewater Fund	50,484,503	52,979,727	64,611,958	125,088,507
Water Fund	38,549,987	39,480,717	45,230,981	49,415,943
Golf Course Fund	2,173,725	2,196,652	2,308,754	2,239,171
Downtown Marina	472,253	512,259	628,178	635,198
Parking Authority	5,957,319	5,770,778	16,113,396	6,467,296
	<u>102,672,638</u>	<u>105,744,322</u>	<u>135,764,175</u>	<u>191,287,084</u>
<u>Internal Service Funds</u>				
Fleet	11,334,732	11,234,653	18,023,249	13,408,425
Information Technology	10,274,537	12,178,687	22,281,446	18,975,848
Radio	2,139,882	1,130,806	3,055,157	5,446,480
Office Equipment	291,001	333,356	399,630	565,028
General Liability	10,040,187	10,377,935	7,527,725	8,362,698
Workers Comp ISF	(3,509,663)	7,373,109	9,917,834	9,772,431
Health Benefits	19,683,412	21,816,344	23,029,432	25,970,119
Retirement ISF	50,590,741	53,105,538	61,449,968	70,406,480
Other Benefit Funds	1,306,021	1,999,662	1,896,527	1,905,093
	<u>102,150,850</u>	<u>119,550,090</u>	<u>147,580,968</u>	<u>154,812,602</u>
<u>Capital</u>				
General Capital	4,401,829	20,652,059	10,682,180	2,072,660
Capital Project Administration	-	-	-	4,561,272
Public Art	-	-	245,000	270,000
Measure K	10,014,640	16,677,781	10,349,342	20,672,743
Capital Grants	6,929,671	10,949,491	11,693,776	20,189,387
Public Facility Fees	699,038	3,034,050	9,832,490	13,446,049
	<u>22,045,178</u>	<u>51,313,381</u>	<u>42,802,788</u>	<u>61,212,111</u>
<u>Debt Service</u>	<u>124,364,907</u>	<u>17,090,639</u>	<u>22,729,586</u>	<u>12,596,485</u>
<u>Permanent</u>	<u>313,936</u>	<u>255,179</u>	<u>217,384</u>	<u>488,602</u>
<b>All Fund Total</b>	<b>\$ 633,544,273</b>	<b>\$ 609,791,323</b>	<b>\$ 682,994,639</b>	<b>\$ 759,613,058</b>

**City of Stockton  
Citywide Revenues  
FY 2019-20 Annual Budget**

**\$667,118,072**



	Taxes	Program Revenues	Enterprise Revenues	Total	% of Total
<b>Revenues by Department*</b>					
Utilities	\$ -	\$ 339,839	\$ 134,106,922	\$ 134,446,761	20%
Insurance and Benefits - Internal	-	115,183,493	-	115,183,493	17%
Public Works	-	41,743,828	-	41,743,828	6%
Administration	-	21,368,724	-	21,368,724	3%
Community Services	10,817,844	8,836,884	1,563,927	21,218,655	3%
Economic Development	-	14,428,746	6,676,207	21,104,953	3%
Fire	5,429,000	10,878,717	-	16,307,717	2%
Police	5,429,000	8,624,395	-	14,053,395	2%
Community Development	-	10,169,200	-	10,169,200	2%
<b>Non-Departmental Funds</b>					
Non-Department	211,738,890	12,943,025	-	224,681,915	34%
Capital Projects Funds	-	37,658,195	-	37,658,195	6%
Debt Service Funds	-	9,181,236	-	9,181,236	1%
	<u>\$ 233,414,734</u>	<u>\$ 291,356,282</u>	<u>\$ 142,347,056</u>	<u>\$ 667,118,072</u>	<u>44%</u>

Citywide Revenues with Interfund Transfers

Interfund Transfers	\$ 23,477,074
	<u>\$ 690,595,146</u>

Net Citywide Revenues

Citywide Revenues	\$ 690,595,146
Interfund Transfers	(23,477,074)
Internal Service Charges	(132,039,059)
	<u>\$ 535,079,013</u>

\*Excludes interfund transfers

## FISCAL YEAR 2019-20 REVENUES

### GENERAL FUND

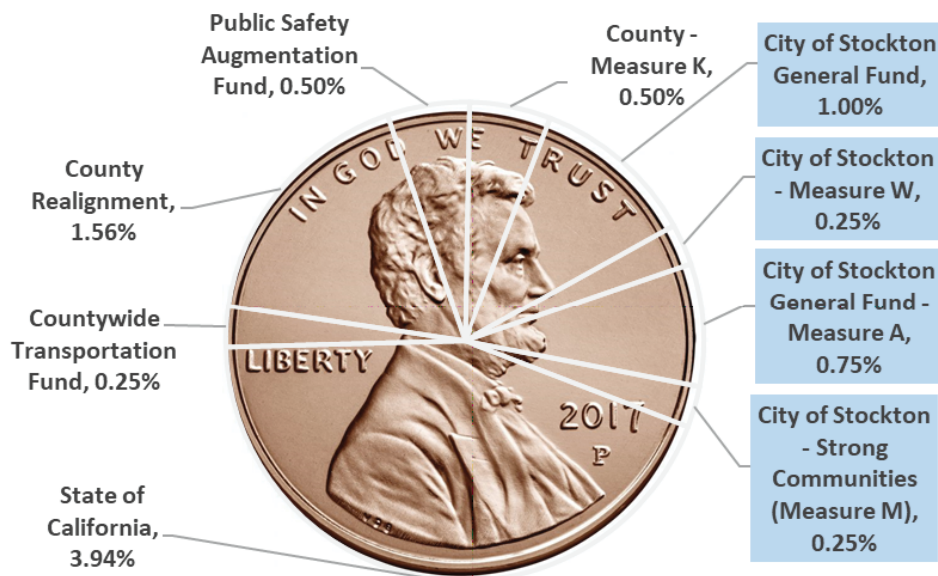
The total General Fund revenue budget for FY 2019-20 is \$236.5 million, a 1.1% increase from FY 2018-19 year-end projections.

#### General Tax Revenues

The "Tax" revenue category comprises the majority of the City's General Fund revenues. This category comprises 89.6% of the total estimated General Fund Revenue in FY 2019-20. The estimated FY 2019-20 tax revenue of \$211.7 million is an increase of approximately 2.2% from the year-end projection in FY 2018-19.

Sales taxes are the largest revenue source in the Tax category, as well as overall General Fund revenues, comprising 39.1% of the Tax category and 35.0% of all General Fund revenue. Sales tax revenue budgeted for FY 2019-20 reflects a 0.1% decrease compared to the revised FY 2018-19 estimate and an increase of 3.7% over the original FY 2018-19 budget. FY 2018-19 Sales tax revenues include approximately \$1.6 million of revenue that should have been received in FY 2017-18 but was delayed due to complications with the State's new tax reporting computer system.

The sales tax rate in Stockton is 9.0%. For every dollar spent on taxable goods in the City, sales tax revenue is distributed as follows:



Property taxes are a significant source of funds for most California municipalities. Under Proposition 13, the assessed valuation of properties held by the same owner from year-to-year is adjusted annually by the lesser of 2% or the percent change in the California Consumer Price Index. Property tax revenues can increase by more than the CPI based on growth in assessed valuation from new construction, resale of existing properties, and property improvement projects. Property tax revenue increased due to the higher assessed valuation of residential and commercial properties. The FY 2019-20 Budget predicts a \$2.3 million (4.0%) increase in

## FISCAL YEAR 2019-20 REVENUES

overall property taxes compared to the FY 2018-19 year-end projection.

The Utility Users Tax (UUT) revenue estimate for FY 2019-20 is 1.2% higher than the revised FY 2018-19 estimates. The City levies a 6% tax on water, electricity, gas, communications technology, and video services. Multiple factors influence UUT revenue; including population growth, utility rate fluctuations, weather conditions affecting power usage, conservation, and legislation affecting the telecommunications industries.

Franchise Taxes are projected to grow by 2%. The City and Pacific Gas and Electric Company agreed to a shift in the payment cycle that took effect in FY 2018-19. The City assesses Pacific Gas and Electric Company 2% of the gross receipts representing its sale of electricity and natural gas for a calendar year within the City limits for the use of City streets in the distribution of natural gas and electricity.

The City collects a Cable Television Franchise Tax from any company that provides cable television. The current fee requires each State video franchise holder to pay the City a franchise fee that is 5% of gross revenues derived from subscriptions.

The City receives Waste Haulers Franchise Taxes on residential, commercial and industrial waste collection services provided by Waste Management and Allied Waste.

Business License Tax revenue is projected to increase by 1.0%. Included in this category are the cannabis businesses which pay an annual business license tax to the City.

Revenue from the Hotel/Motel Room Tax is estimated to increase in FY 2019-20. The City levies an 8% tax on hotel and motel rentals within the City limits. The City experienced growth in the category over the past fiscal years due to increased occupancy demand.

Based on actual year-to-date numbers and the housing market, revenue from the Document (Real Property) Transfer Tax is estimated to increase by 2.0% from FY 2018-19. A tax is collected every time a real property exchanges hands or is sold through public records. The documentary transfer tax rate is 55 cents per one thousand dollars of property value transferred.

The Interest revenue category is comprised of investment proceeds and CalPERS prepayment credits.

### **Program Revenues**

Fire Contracts revenues include payments to the City for fire protection service agreements with four Rural Fire Protection Districts. District assessment rates are initially determined each year based on a formula that factors in the Fire Department's annual adopted budget and gross taxable property valuation of the City and the Districts. A true-up calculation is made at the end of each fiscal year to adjust the District's payment based on actual costs as reflected in the City's audited financial statements.

Code Enforcement revenues include fines and fees collected from property owners for code violations. If property owners do not pay code enforcement violation fines and fees, the City places a lien on the property and collects the amount due through the property tax bill.

## FISCAL YEAR 2019-20 REVENUES

Charges for Services include revenues from City fees to cover all or part of the cost of providing a wide variety of City services. The main revenue sources in this category continue to be related to public safety services. The FY 2019-20 estimate for Charges for Services is approximately 1.3% higher than the amount projected for FY 2018-19.

Fines and Forfeitures include police vehicle, traffic, and parking citations, as well as a small amount from criminal fines. State law allocates a large portion of fine revenues to the State of California and San Joaquin County.

Revenues from Other Agencies includes property taxes passed through to the City from the former Redevelopment project areas, excess tax increment from the Successor Agency, Homeowners' Property Tax Exemption, and Peace Officer Standards & Training (POST) reimbursements. The Homeowners' Property Tax Exemption allocation estimate was calculated using information from San Joaquin County concerning the current year allocation amount. The POST reimbursement for police officer training varies from year to year by the number of officers trained and the State reimbursement formula.

Licenses and Permits include fees such as animal licenses, certain police permits, and cannabis business application and permit fees. Revenue is projected to decrease from \$489,000 to \$470,000 for FY 2019-20, based on actual year-to-date collections, and projections made by the Police Department for police-related permits.

Sale of Fixed Assets revenue is projected to decrease to \$300,000 in FY 2019-20 from the \$375,000 projected in the FY 2018-19 adopted budget as a result of a reduction in the number of City surplus properties for sale.

The Misc. Other Revenues category is used to record those revenues that are miscellaneous in nature and the government fund allowance for uncollectible accounts receivable.

### **Interfund Reimbursements**

The Indirect Cost Allocation category includes the cost recovery allocations for General Fund services provided to all other City funds. Allocations are based on annual Full Cost Allocation Plan updates.

Refunds & Reimbursements are comprised of costs incurred in the City's General Fund that are the legal responsibility of a private party or other separate entity.

Rents/Leases/Concessions are comprised mainly of property rentals including rent paid to the General Fund by other City funds. The City purchased the Waterfront Towers located at 501 and 509 West Weber Avenue during FY 2017-18 and negotiated lease agreements with the existing tenants. The lease revenue is estimated to be \$644,453 in FY 2019-20.

### **Loan Repayments and Transfers In**

For FY 2019-20, the General Fund expects a Successor Agency loan repayment of \$505,756, which will complete repayments due to the General Fund.

## **FISCAL YEAR 2019-20 REVENUES**

### **SPECIAL REVENUE FUNDS**

#### **Gas Tax Funds**

Stockton receives gas taxes pursuant to State law which specifically designates this money for the research, planning, construction, improvement, maintenance, and operation of public streets and highways. California Revenue and Taxation Code (Section 7360) sets the statewide gas tax rate at \$0.18 per gallon. The Road Repair and Accountability Act of 2017 (SB1) adopted annual inflationary adjustments to all per-gallon motor vehicle fuel excise taxes including the rates allocated through the Highway Users Tax Account. The State of California transfers Gas Tax Fund revenues to the City based on an allocation formula that distributes taxes collected on fuel sales. The City's gas tax apportionment increased by 15.2% in FY 2019-20 compared to FY 2018-19. SB1 funding is anticipated to provide a significant positive impact on the City's street maintenance program moving forward.

#### **Library Fund**

The City-County library system receives funding from the City's General Fund, San Joaquin County property tax revenues, State library funds, service contracts, fines, and fees for service. In FY 2019-20, revenue from the County and other cities are anticipated to increase by 11.2% from the original FY 2018-19 estimate of \$6.7 million to \$7.5 million. The City's General Fund subsidy of \$4.0 million is expected to remain the same.

#### **Emergency Communications Fund**

The San Joaquin County Regional Fire Dispatch Authority was established on August 17, 2015. The purpose of the Authority is to provide emergency and non-emergency dispatch and related services to the general public within the service areas of the cities of Stockton, Lodi, Manteca, Tracy, and the Lathrop-Manteca Fire Protection District.

On July 1, 2016, the Authority contracted with the City to provide regional dispatch and administrative services to the Authority. The Emergency Communications Fund was created to account for the revenue and expenditures associated with the contracted dispatch and administrative services. The Authority fully reimburses the City for the costs of the services it provides.

#### **Recreation Services Fund**

The Recreation Services Fund is comprised of the recreation sections of the Community Services Department. Revenue is from fees for recreation programs such as sports, instruction classes, after-school and summer camp programs, and rental of facilities such as community centers. Recreation Services is not expected to be self-sustaining and receives an annual subsidy from the General Fund. The General Fund subsidy of approximately \$3.4 million remains the same in FY 2019-20 as it was in FY 2018-19.

#### **Solid Waste and Recycling Fund**

This fund is supplied by 3.5% of the waste haulers gross rate revenues and is called the AB 939 fee because it was created to fund compliance with the recycling and diversion programs required by State legislation (AB 939). Recycling and diversion programs required by State legislation (AB939) are funded through a 3.5% charge on waste hauler gross revenues. Several new state requirements (AB 341, AB 1826, and SB 1383) will impact this fund going

## FISCAL YEAR 2019-20 REVENUES

forward. The revenue estimates assume a 0.2% growth in FY 2019-20, based on current revenue trends from waste hauler fees.

### **Development Services**

Development Services is mostly self-sustaining with full cost recovery fees for development and General Fund support for general planning activities. Development revenues are subject to wide fluctuations based on planning and building activity. The FY 2019-20 revenue estimates reflect the continued growth in industrial development and the housing market.

### **Community Development Block Grants / Emergency Solutions Grant / HOME Funds**

Community Development Block Grant, HOME Program, and Emergency Solutions Grant are grant programs managed by the Federal Housing and Urban Development Department. The City's amount of annual CDBG entitlement decreased by 4% from FY 2018-19. The annual allocation for HOME and ESG is the same as that of FY 2018-19 except for HOME recaptured funds reducing the allocation by \$147,278 for HOME. The revenue budgets for these grant programs also include funds received from repayments of housing program loans and the Successor Agency.

### **Measure K Fund**

In 1990, San Joaquin County voters passed a one-half percent sales tax increase dedicated to transportation projects. This original sales tax increase was set to expire in 2011; however, in 2006, voters passed a 30-year extension of the sales tax increase. The San Joaquin Council of Governments administers the Measure K program and distributes 35% (for maintenance).

Stockton receives Measure K maintenance funding on a quarterly basis and historically used this funding for maintenance, local capital projects, and to provide matching funds to leverage state and federal grant programs. Its members which include San Joaquin County and cities of Stockton, Lodi, Manteca, Tracy, Ripon, Escalon, and Lathrop receive 35% of the sales tax revenue.

### **Measure W Fund**

Stockton voters approved Measure W in November 2004, which authorized a one-quarter percent transaction and use tax to be used for police and fire protection services. The Measure W tax proceeds are split evenly between the Police and Fire Departments. Measure W revenues are expected to decrease by 3.9% in FY 2019-20 for total receipts of \$10.8 million. One-time payments are projected to come into FY 2018-19 that should have been received in FY 2017-18 due to the ongoing problems tied to the State's new tax reporting computer system. The delay in the receipt of payments in FY 2017-18 is overstating the FY 2018-19 receipts, not a reduction in taxable sales.

### **Measure M - Strong Communities Fund**

Passed by Stockton voters in 2016, the Strong Communities initiative (Measure M) levies a one-quarter percent transactions and use tax for Library and Recreation services. The initiative went into effect on April 1, 2017 and will be in effect for 16 years. It is estimated to generate an average of between \$9.4 and \$11.8 million per year. In its first year, the measure has brought in revenues in line with estimates. Measure M revenues are expected to decrease by 1.8% in

## **FISCAL YEAR 2019-20 REVENUES**

FY 2019-20 for total receipts of \$10.8 million. Consistent with Measure W, Measure M is also projected to receive one-time payments of approximately \$300,000 due to the problems tied to the State's new tax reporting computer system which is overstating the FY 2018-19 receipts.

### **Entertainment Venues Fund**

The Entertainment Venues Fund accounts for the revenues associated with the City's entertainment venues that are managed by SMG. The FY 2019-20 budget estimates those revenues at \$5.9 million, a 1.8% increase from the \$5.3 million projected for FY 2018-19. This fund is not expected to be self-sustaining and receives a subsidy from the General Fund. The subsidy for FY 2019-20 is estimated to be \$3.3 million, representing the same level of operating subsidy as FY 2018-19 Budget. In FY 2018-19, an additional \$1.2 million was allocated to make repairs to the Ballpark scoreboard and Oak Park Ice Arena.

## **ENTERPRISE FUNDS**

### **Parking Authority Fund**

The Parking Authority receives revenue from parking lots, parking meters, parking enforcement citations, and district assessments. Based on fee increases and updated usage data, the City anticipates total FY 2019-20 parking revenue will be 2.3% more than FY 2018-19. New on-street parking payment kiosks are stabilizing parking meter revenues.

### **Water, Wastewater and Stormwater Utilities**

The FY 2019-20 budget assumes a water rate increase of approximately 3% based on the Proposition 218 rate study passed in June 2016. The consumption trend is expected to remain constant in FY 2018-19. The revenue associated with the proposed 3% water rate increase and projected water consumption levels in FY 2019-20 do not indicate the need for the Stage 1 Drought Surcharge in FY 2019-20.

The department completed a comprehensive wastewater rate study in FY 2018-19 to evaluate the level of revenue necessary to fully support the Utility, including the Regional Wastewater Control Facility Modifications Project. The study anticipates an average annual rate increase of 6% over the next five years, with the first increase of 6% effective July 1, 2019.

The Stormwater Utility is funded by a fee that has not changed since 1992. As a result, the Stormwater Enterprise Fund has been under-funded for several years. The City attempted a Proposition 218 ballot measure in 2010 to approve a new Clean Water fee that would supplement the current fee. The rate study prepared determined the Utility was under-funded by approximately \$9 million a year. The ballot measure failed, and the new user fee was not imposed. With insufficient revenues, the Utility has prioritized capital repair and maintenance activities, and is only performing the most critical work. A study to evaluate the level of revenue necessary to support the Utility will be required and future rate increases are anticipated.

## **PUBLIC FACILITY FEES FUNDS**

Public Facility Fees are development fees the City established to mitigate the impacts of new development. New development creates the need for public facilities such as libraries, parks, fire stations, and transportation infrastructure.



## **FISCAL YEAR 2019-20 REVENUES**

### **PERMANENT / AGENCY FUNDS**

Permanent and Special Purpose funds include money given to the City from individuals or corporate donors, or through program revenues, to fund a specific activity or purpose. The revenue estimates are based on historical revenue and current year estimates.

# FUND – DEPARTMENT RELATIONSHIP

City funds by fund type and associated departments

Fund Type	Sub Type	Fund #	Fund Description	Department										
				Administrative Sys.	Community Dev.	Community Services	Economic Dev.	Fire	Human Resources	Information Tech.	Municipal Utilities	Non-Departmental	Police	Public Works
G		10	General Fund											
G	Special Revenue	20	Special Purpose Grant Funds											
G		23	Asset Seizure											
G		24	State Citizens Options for Public Safety											
G		25	Special Revenue Grants											
G		30	Street Maintenance/Gas Tax											
G		34	Transportation Development Act											
G		38	Federal Capital Grants											
G		41	Library											
G		42	Emergency Communications											
G		44	Recreation Services											
G		45	Boat Launching Facilities											
G		47	Solid Waste & Recycling											
G		48	Development Services											
G		53	Special Purpose CDBG Loan Programs											
G		54	Community Development Block Grants											
G		57	Emergency Solutions Grant											
G		58	HOME Grant											
G		60	CALHOME Loan											
G		61	State Housing Loan (HELP)											
G		63	Neighborhood Stabilization Program											
G		64	Neighborhood Stabilization Program #3											
G		71	Lighting Maintenance											
G		72	Assessment District Maintenance											
G		73	Tourism & Business Improvement Fund											
G		74	Storm Drain Maintenance District											
G		80	Measure K Capital											
G		81	Measure W											
G		82	Measure K - Maintenance											
G		83	Strong Communities											
G		86	Entertainment Venues											
G		329	Low & Moderate Income Housing											
G	Debt	201	City Debt Service Fund											
G		231	Successor Agency Debt Service Fund											
G		250	CFD and 1915 ACT Debt Service											
G	Capital	301	General Capital											
G		305	Capital Projects-Bond Funded											
G		306	Public Art											
G		308	Capital Grants											
P	Enterprise	418	Parking Authority											
P		421	Water Utility											
P		431	Wastewater Utility											
P		441	Stormwater Utility											
P		460	Downtown Marina Complex											
P		481	Golf											

Fund Categories: F Fiduciary, G Governmental, P Proprietary

## FUND – DEPARTMENT RELATIONSHIP

City funds by fund type and associated departments

Fund Type	Sub Type	Fund #	Fund Description	Department										
				Administrative Sys.	Community Dev.	Community Services	Economic Dev.	Fire	Human Resources	Information Tech.	Municipal Utilities	Non-Departmental	Police	Public Works
P	Internal Services funds	501	Fleet Services											
P		502	Computer Equipment Internal Service											
P		503	Radio Equipment Internal Service											
P		504	Telephone Equipment Internal Service											
P		505	Office Equipment Internal Service											
P		541	General Liability Insurance											
P		551	Workers' Compensation											
P		552	Health Benefits											
P		556	Unemployment											
P		557	LTD and Life Insurance											
P		561	Retirement											
P		562	Compensated Absence											
G	Permanent / Agency	613	Arts Endowment											
G		614	Kolak Trust											
G		622	Cady Endowment											
G		627	Wagner - General Special Revenue											
F		633	Successor Agency											
G		642	General Special Revenue											
G		643	Parks & Recreation Trust											
G		644	Library Special Revenue Fund											
G		645	Police Special Revenue											
G		646	Fire Special Revenue											
G	Public Facility Fees	900	Traffic Signals Citywide											
G		901	Traffic Signals Zone 1											
G		902	Traffic Signals Zone 2											
G		903	Traffic Signals Zone 3											
G		904	Traffic Signals Zone 4											
G		910	Street Improvements Citywide - 910-915											
G		917	Street Improvements Reg Traffic											
G		920	Community Recreation Centers - Citywide											
G		930	City Office Space											
G		940	Fire Station Citywide											
G		950	Library Citywide											
G		960	Police Station Expansion											
G		970	Parkland Citywide											
G		978	Street Trees											
G		979	Street Trees											
G		980	Street Light City Wide											
G		983	Street Light Zone 3 & 4											
G		985	Street Lights Zone 5											
G		990	Air Quality											
G		999	Public Facilities Fee Administration											

Fund Categories: F Fiduciary, G Governmental, P Proprietary



# COMMUNITY PROFILE

# STOCKTON, CA. COMMUNITY PROFILE

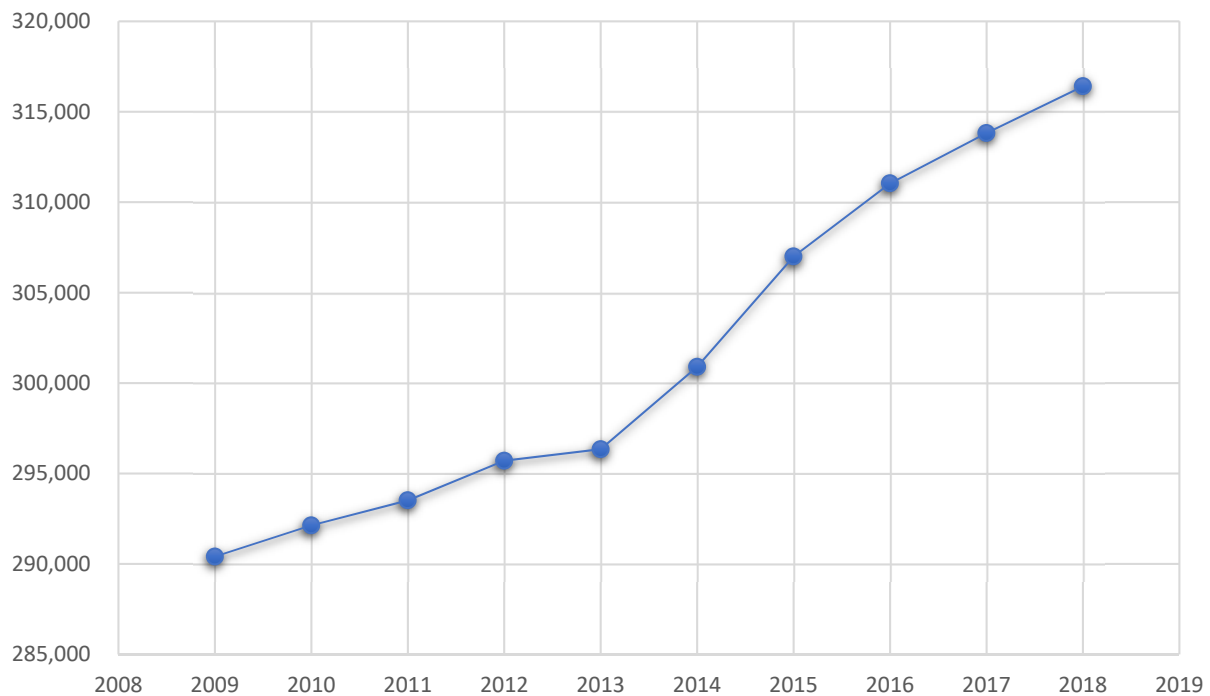
## Government

Date of Incorporation: July 23, 1850  
Form of Government: City Council/City Manager  
City Charter Adopted: November 1922  
Full-time Positions (authorized): 1,706  
Per 1,000 population: 5.3  
Sworn Police Officers (authorized): 485  
Sworn Firefighters (authorized): 182

## Area

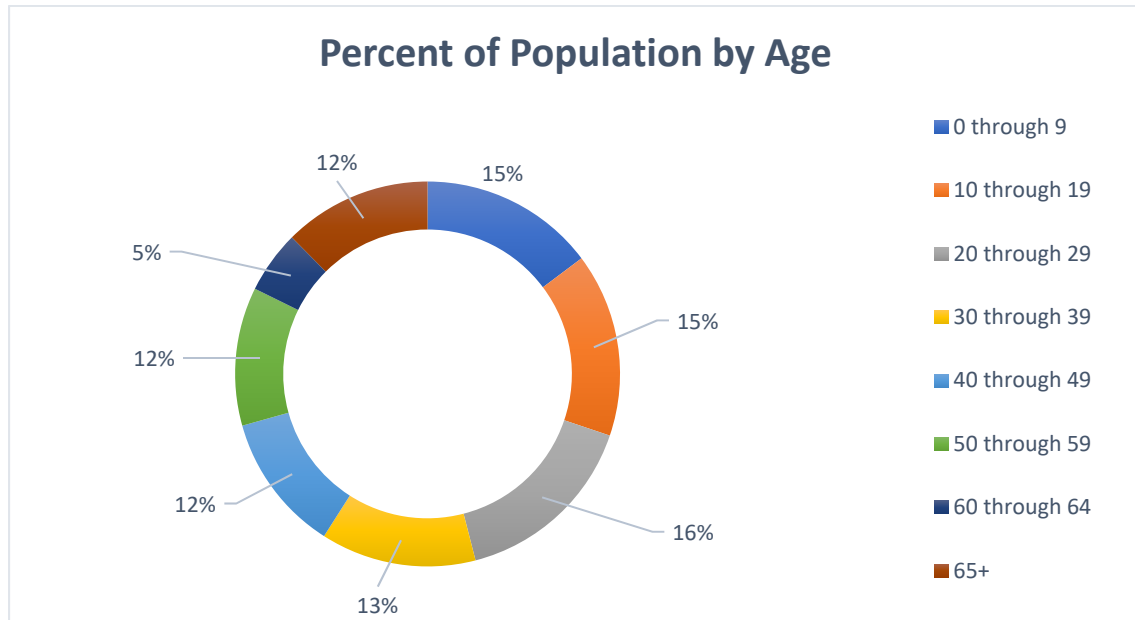
Size: 64.75 square miles  
Elevation: 13 feet above sea level  
Population: 316,410  
Stockton is the 13<sup>th</sup> largest city in California  
Population: Stockton has experienced positive population growth for the last ten years, averaging 0.87% per year.

**Stockton, CA Population Growth**

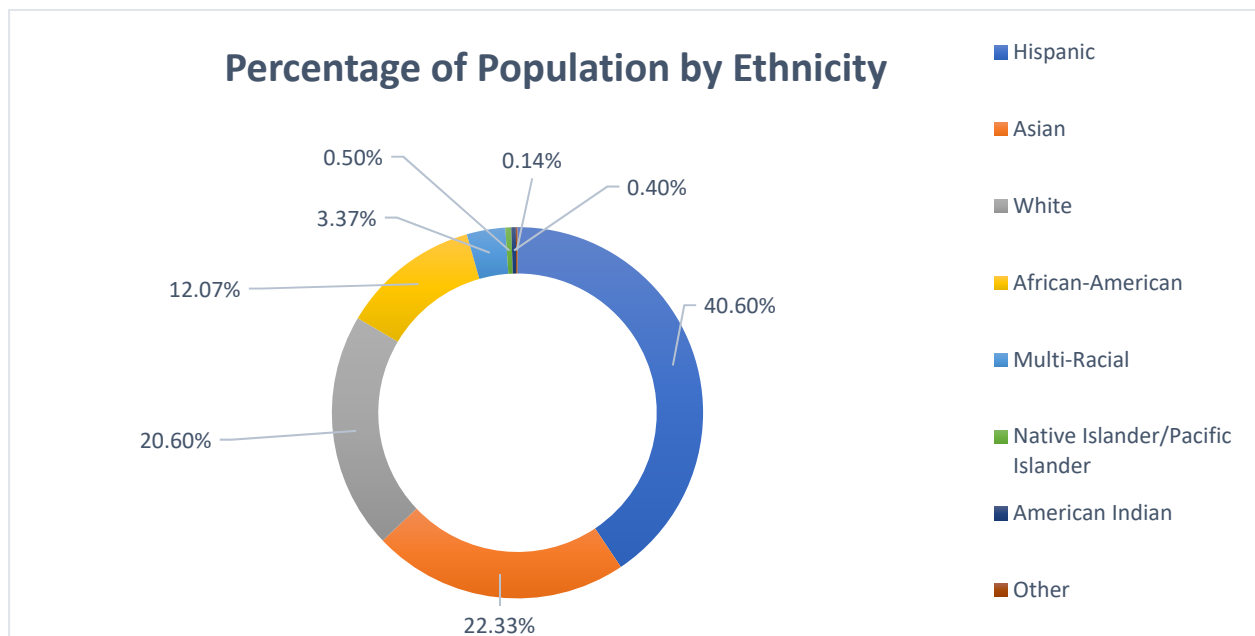


## STOCKTON, CA. COMMUNITY PROFILE

Percentage of population broken down by age group.



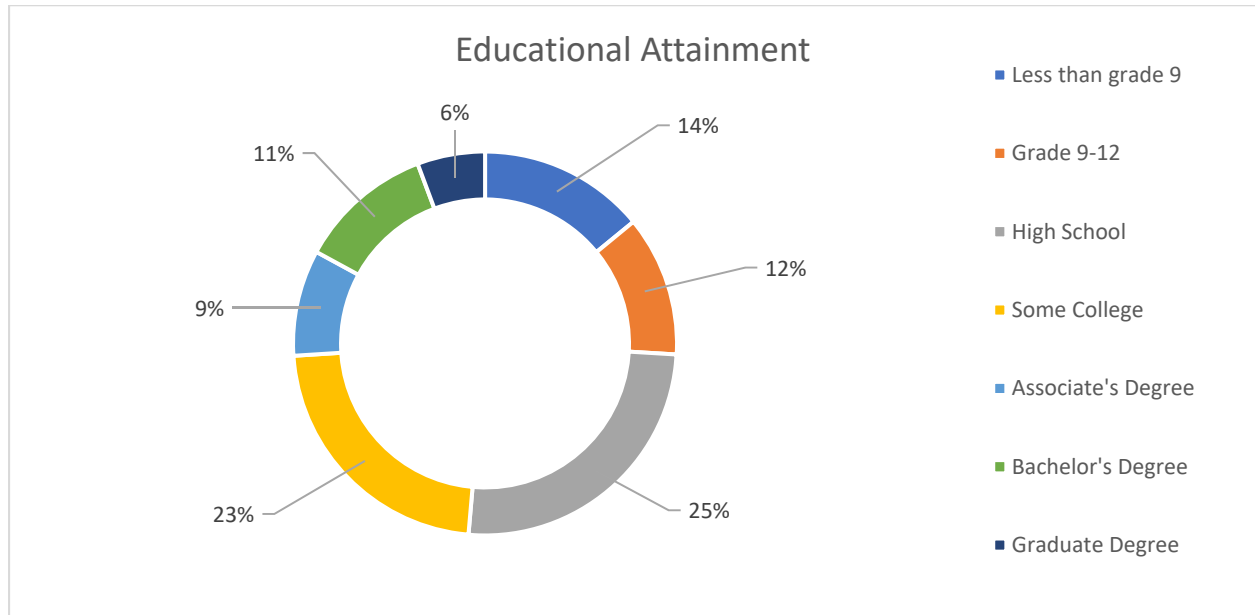
Stockton has a diverse population, with more than 40% of the population derived from Hispanic origin.



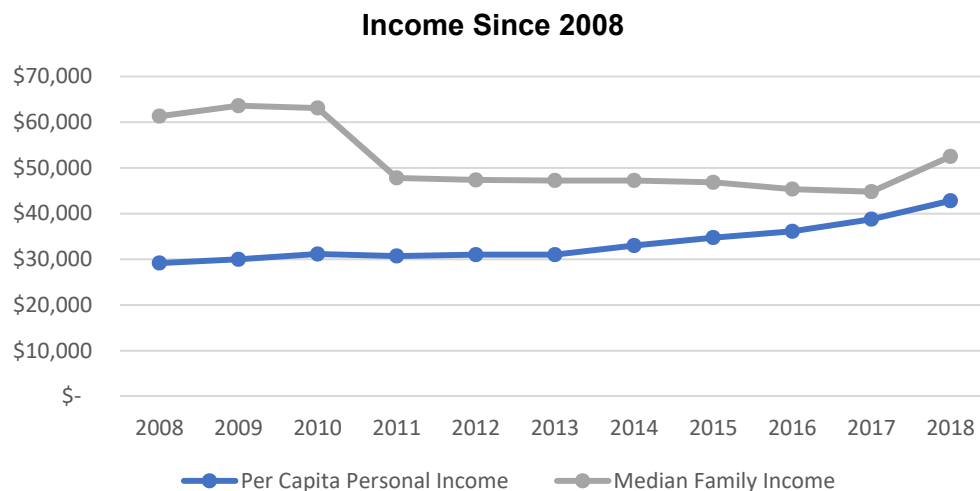


## STOCKTON, CA. COMMUNITY PROFILE

26% of Stockton's population has a college degree, with another 23% with some college education.

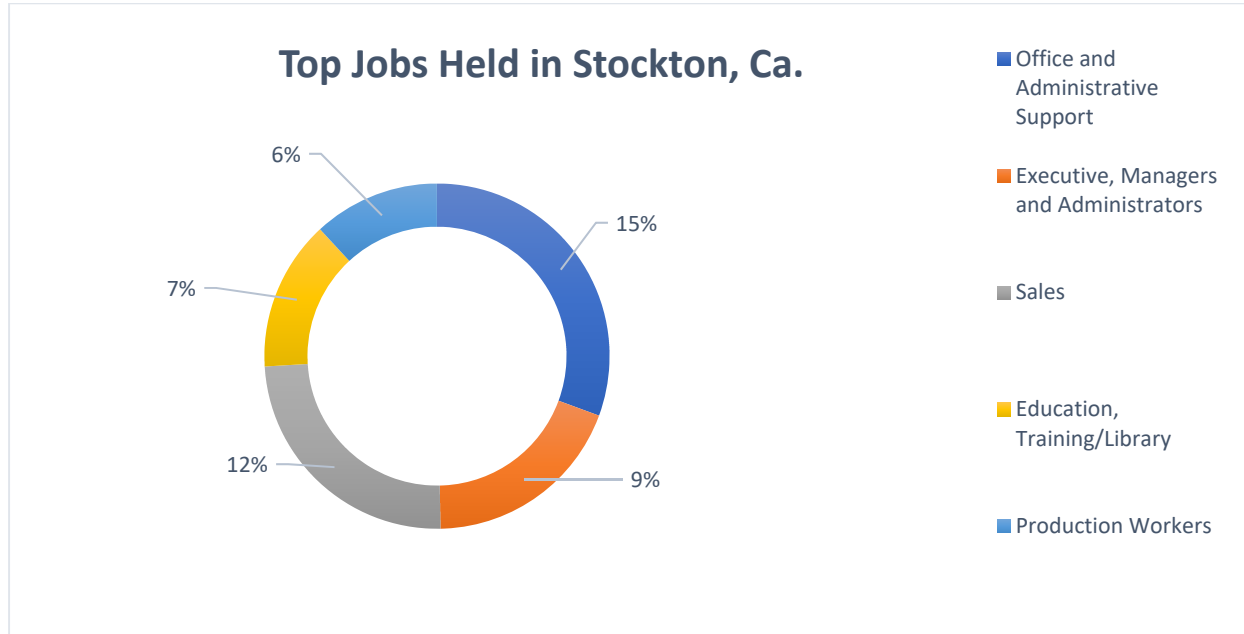


Households in Stockton earned a median yearly household income of \$52,502 during 2018, an increase of 17%. Per capita personal income was \$42,822.

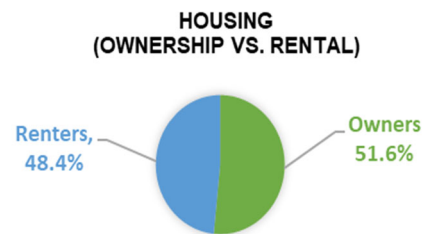
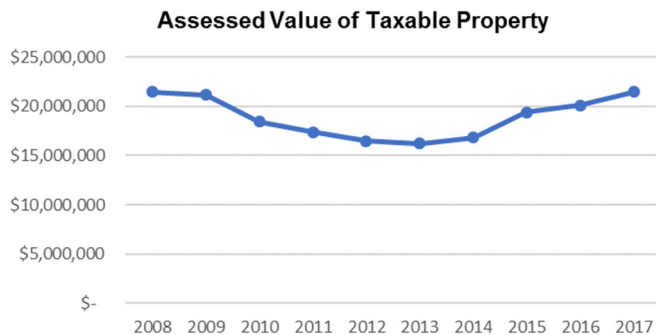


## STOCKTON, CA. COMMUNITY PROFILE

Stockton has a labor force of 139,026 with an unemployment rate of 7.8%. Out of this labor force, 36% of jobs are comprised of the following top five career groups.



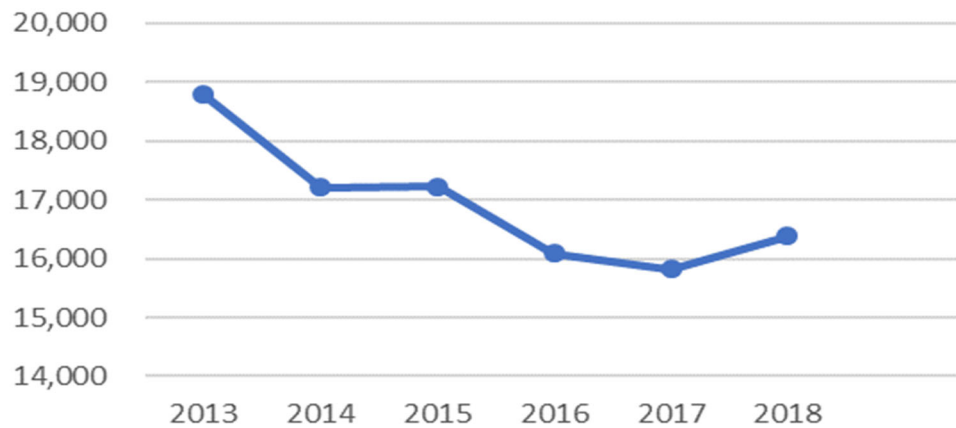
Property assessment values have steadily increased since 2012.



## STOCKTON, CA. COMMUNITY PROFILE

While the City has experienced sustained financial and economic stability, Stockton experienced a slight increase in serious crimes in the prior year.

**Number of Major Reported Crimes Per Year**

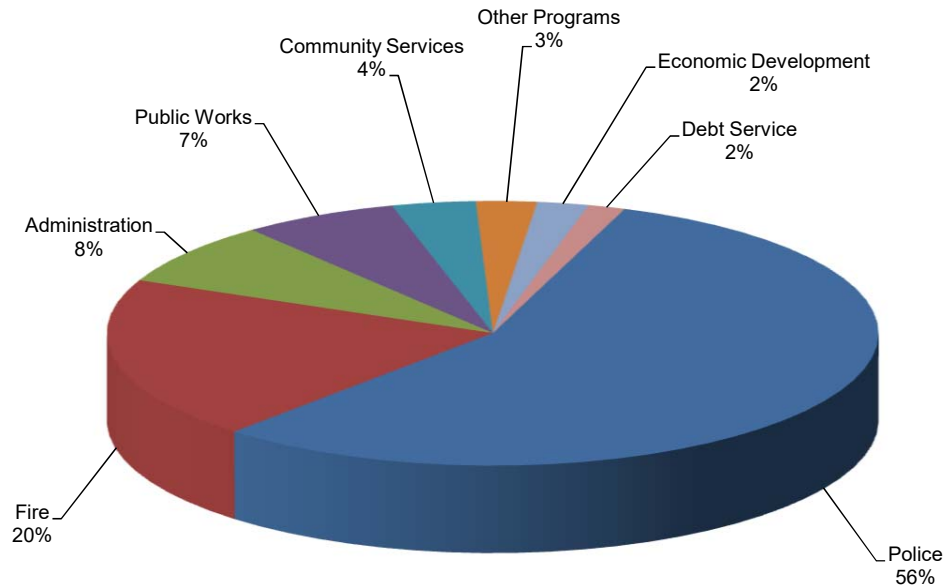


## TAB 3 GENERAL FUND SUMMARY



# General Fund Expenditures

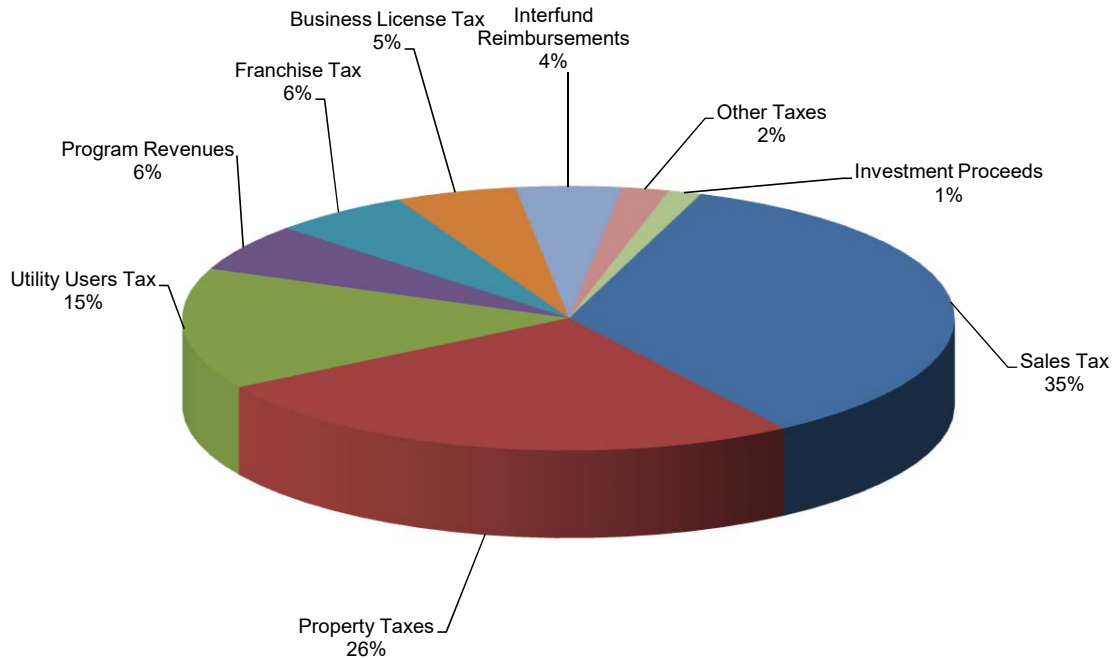
## FY 2019-20 Annual Budget



### Program Appropriations

Police	\$ 129,061,956	56%
Fire	45,767,332	20%
Administration	17,739,576	8%
Public Works	15,008,881	7%
Community Services	8,080,000	4%
Other Programs	5,868,315	3%
Economic Development	4,962,670	2%
Debt Service	3,582,175	2%
	<u>\$ 230,070,905</u>	

## General Fund Revenues FY 2019-20 Annual Budget



### General Fund Revenues by Category\*

Sales Tax	\$	82,776,936	35%
Property Taxes		60,435,045	26%
Utility Users Tax		35,017,000	15%
Program Revenues		13,761,667	6%
Franchise Tax		13,663,000	6%
Business License Tax		11,941,000	5%
Interfund Reimbursements		10,463,100	4%
Other Taxes		4,660,000	2%
Investment Proceeds		3,245,909	1%
Revenues By Category sub-total	\$	235,963,657	
Interfund Transfers		505,756	
Total Revenues with Transfers	\$	236,469,413	

**General Fund - 010**  
**Fund Balance Summary**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 33,898,632</b>	<b>\$ 36,182,996</b>	<b>\$ 36,821,960</b>	<b>\$ 47,682,626</b>
 <b>Revenues</b>	 217,923,626	 229,544,610	 235,109,151	 236,469,413
	<u><b>217,923,626</b></u>	<u><b>229,544,610</b></u>	<u><b>235,109,151</b></u>	<u><b>236,469,413</b></u>
 <b>Expenditures</b>				
Employee Services	135,970,197	146,768,639	149,995,731	156,824,877
Other Services	38,769,969	39,412,072	51,289,470	43,902,031
Materials & Supplies	4,808,572	5,076,590	5,309,852	5,320,485
Other Expenses	2,547,409	2,166,651	4,434,917	4,603,586
Capital Outlay	2,212,978	542,213	586,204	54,600
Loan Repayment	1,443,873	4,873,669	5,054,029	3,582,175
Transfer Out	20,695,333	42,155,792	17,781,598	15,783,151
	<u><b>206,448,331</b></u>	<u><b>240,995,626</b></u>	<u><b>234,451,801</b></u>	<u><b>230,070,905</b></u>
 <b>Net Annual Activity</b>	 <u><b>11,475,295</b></u>	 <u><b>(11,451,016)</b></u>	 <u><b>657,350</b></u>	 <u><b>6,398,508</b></u>
 <b>Reserves</b>				
Reserve for future appropriation	(806,000)	(466,570)	466,570	-
Reserve Policy Contributions	(16,912,000)	10,972,620	-	-
Change in Fund Balance restrictions	8,527,069	1,583,930	9,736,746	-
	<u><b>(9,190,931)</b></u>	<u><b>12,089,980</b></u>	<u><b>10,203,316</b></u>	<u><b>-</b></u>
 <b>Ending Available Balance</b>	 <u><b>\$ 36,182,996</b></u>	 <u><b>\$ 36,821,960</b></u>	 <u><b>\$ 47,682,626</b></u>	 <u><b>\$ 54,081,134</b></u>
 <b>Available Balance Calculation</b>				
Cash		\$ 76,181,684		
Accounts Receivable		30,235,031		
Prepaid Items/Inventory		1,081,411		
Accounts Payable		<u>(21,841,817)</u>		
Total Fund Balance		85,656,309		
Non-Spendable		(1,167,469)		
Encumbrances		(4,977,310)		
Other Commitments & Reserves		<u>(42,689,570)</u>		
Ending Available Balance		<u><u><b>\$ 36,821,960</b></u></u>		
 <b>General Fund balance including funded reserves</b>				
Working Capital Reserve - 16.67%	\$ 36,776,541	\$ 39,083,115	\$ 38,352,820	
Known Contingency Reserves	37,240,000	41,074,495	48,203,298	
Risk-Based Reserves	4,983,000	4,983,000	4,983,000	
<b>Total</b>	<u><u><b>\$ 78,999,541</b></u></u>	<u><u><b>\$ 85,140,610</b></u></u>	<u><u><b>\$ 91,539,118</b></u></u>	

FY 2017-18 Working Capital Reserve is included in the FY 2018-19 beginning available balance. Known Contingencies are held in reserves are removed from available fund balance and Risk Based Reserves are held in Fiscal Sustainability and Reserve Fund (012).

Known Contingencies amounts for FY 2018-19 and FY 2019-20 are projected subject to Council approval of reserve targets and year end results.



**General Fund - 010**  
**Revenues**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adopted Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>General Tax Revenues</b>					
Sales Tax					
Point of Sale	\$ 43,566,239	\$ 47,011,820	\$ 46,739,921	\$ 48,192,065	\$ 48,424,272
Measure A Transaction Tax	30,048,605	31,735,727	31,458,459	32,937,051	32,508,651
Proposition 172	1,510,388	1,603,320	1,629,595	1,731,468	1,844,013
	<u>75,125,232</u>	<u>80,350,867</u>	<u>79,827,975</u>	<u>82,860,584</u>	<u>82,776,936</u>
Property Taxes					
Property Taxes	32,411,463	33,068,112	34,299,127	34,659,280	35,857,327
In-Lieu of Motor Vehicle Fees	21,281,416	22,708,979	23,319,850	23,447,546	24,577,718
	<u>53,692,879</u>	<u>55,777,091</u>	<u>57,618,977</u>	<u>58,106,826</u>	<u>60,435,045</u>
Utility Users Tax					
Water	3,985,709	4,750,533	4,401,000	4,693,000	4,822,000
Electric & Gas	21,069,824	21,307,577	21,985,000	21,587,000	22,064,000
Cable	2,422,755	2,635,005	2,723,000	2,578,500	2,553,000
Telecommunications	7,196,619	6,721,966	6,118,000	5,759,000	5,578,000
	<u>34,674,907</u>	<u>35,415,081</u>	<u>35,227,000</u>	<u>34,617,500</u>	<u>35,017,000</u>
Franchise Tax					
Electric & Gas	2,325,787	2,325,883	2,419,706	2,340,000	2,391,000
Cable/Video	2,383,041	2,259,556	2,319,000	2,205,000	2,171,000
Waste Haulers	8,580,244	8,657,577	8,498,000	8,850,000	9,101,000
	<u>13,289,072</u>	<u>13,243,016</u>	<u>13,236,706</u>	<u>13,395,000</u>	<u>13,663,000</u>
Business License Tax	10,781,783	11,914,756	11,427,900	11,827,000	11,941,000
Hotel/Motel Tax	2,996,990	3,193,420	3,242,000	3,314,000	3,400,000
Document Transfer Tax	801,444	1,126,240	933,000	1,083,000	1,105,000
Motor Vehicle License	141,381	168,735	160,000	151,251	155,000
Investment Proceeds	1,421,316	788,448	1,901,589	3,066,357	3,245,909
	<u>16,142,914</u>	<u>17,191,599</u>	<u>17,664,489</u>	<u>19,441,608</u>	<u>19,846,909</u>
<b>Program Revenues</b>					
Fire Contracts	3,733,398	3,872,299	4,217,014	4,378,975	4,432,189
Code Enforcement	4,402,545	3,863,077	3,599,869	3,275,953	3,617,190
Charges for Services	1,787,799	1,830,898	2,039,923	2,069,119	2,096,603
Fines & Forfeitures	385,215	595,447	327,932	456,359	358,862
Revenues from Other Agencies	2,613,655	4,132,388	2,733,975	3,505,980	2,534,591
Licenses & Permits	481,949	509,137	491,543	488,592	469,827
Sale of Fixed Assets	492,346	799,789	375,000	52,812	300,000
Districts/Area of Benefit Contribution	-	-	-	1,164,599	-
Misc. Other Revenues	511,294	49,123	(64,709)	179,832	(47,595)
	<u>14,408,201</u>	<u>15,652,158</u>	<u>13,720,547</u>	<u>15,572,221</u>	<u>13,761,667</u>
<b>Interfund Reimbursements</b>					
Indirect Cost Allocation	4,223,997	4,809,750	5,379,725	5,217,454	5,382,463
Refunds & Reimbursements	1,862,319	2,048,637	1,465,772	1,550,993	1,470,896
Rents/Leases/Concessions	2,508,011	3,042,271	3,443,305	3,629,514	3,609,741
	<u>8,594,327</u>	<u>9,900,658</u>	<u>10,288,802</u>	<u>10,397,961</u>	<u>10,463,100</u>
<b>Loan Repayments and Transfers In</b>					
Loan Repayment	1,086,000	53,242	147,919	-	505,756
From Parking for Debt Service	910,094	914,715	714,547	714,451	-
From Districts/Area of Benefits	-	307,242	1,158,162	-	-
From General Capital Fund	-	738,941	-	3,000	-
	<u>1,996,094</u>	<u>2,014,140</u>	<u>2,020,628</u>	<u>717,451</u>	<u>505,756</u>
<b>Total Revenues</b>	<b><u>\$ 217,923,626</u></b>	<b><u>\$ 229,544,610</u></b>	<b><u>\$ 229,605,124</u></b>	<b><u>\$ 235,109,151</u></b>	<b><u>\$ 236,469,413</u></b>

**General Fund - 010**  
**Revenues by Department**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adopted Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>General Tax Revenues</b>					
Taxes	\$ 170,080,892	\$ 178,311,493	\$ 178,193,708	\$ 181,756,364	\$ 183,760,263
Licenses & Permits	141,295	166,038	174,996	159,417	140,277
Intergovernmental Revenue	23,699,814	25,533,390	26,128,825	26,366,038	27,182,309
Charges for Services	1,416	-	-	605	-
Uses of Money & Property	3,781,555	3,672,260	5,192,645	6,550,099	6,705,846
Reimbursements/Other Revenues	4,700,847	4,872,180	5,179,725	5,410,698	5,182,463
Sale of Fixed Assets	496,151	799,789	375,000	51,910	300,000
	<u>202,901,970</u>	<u>213,355,150</u>	<u>215,244,899</u>	<u>220,295,131</u>	<u>223,271,158</u>
<b>Police Department</b>					
Licenses & Permits	339,166	343,099	316,547	329,175	329,550
Intergovernmental Revenue	77,875	207,448	85,000	210,000	85,000
Charges for Services	4,412,070	4,276,502	4,238,906	3,951,391	4,281,488
Fines & Forfeitures	1,088,243	1,158,813	879,510	825,298	839,255
Uses of Money & Property	149,211	371,831	204,200	303,013	228,900
Reimbursements/Other Revenues	2,235,798	2,070,231	1,834,297	1,786,193	1,884,660
Sale of Fixed Assets	(3,805)	-	-	902	-
	<u>8,298,558</u>	<u>8,427,924</u>	<u>7,558,460</u>	<u>7,405,972</u>	<u>7,648,853</u>
<b>Fire Department</b>					
Intergovernmental Revenue	258,762	1,269,263	-	528,738	-
Charges for Services	3,895,656	4,065,869	4,368,431	4,583,640	4,631,487
Fines & Forfeitures	-	-	4,000	-	-
Reimbursements/Other Revenues	64,696	84,809	97,699	79,921	47,000
	<u>4,219,114</u>	<u>5,419,941</u>	<u>4,470,130</u>	<u>5,192,299</u>	<u>4,678,487</u>
<b>Public Works</b>					
Licenses & Permits	1,487	-	-	-	-
Uses of Money & Property	10,000	13,200	10,000	8,400	10,000
Reimbursements/Other Revenues	27,639	33,743	22,681	29,681	27,355
	<u>39,126</u>	<u>46,943</u>	<u>32,681</u>	<u>38,081</u>	<u>37,355</u>
<b>Administrative Services</b>					
Charges for Services	229,271	48,546	50,837	53,040	52,500
Fines & Forfeitures	13,630	14,536	5,000	4,400	4,400
Reimbursements/Other Revenues	31,794	62,373	62,300	97,424	120,200
	<u>274,695</u>	<u>125,455</u>	<u>118,137</u>	<u>154,864</u>	<u>177,100</u>
<b>Charter Offices</b>					
Charges for Services	23,979	9,345	8,540	3,350	10,400
	<u>23,979</u>	<u>9,345</u>	<u>8,540</u>	<u>3,350</u>	<u>10,400</u>
<b>Human Resources</b>					
Charges for Services	16,800	-	9,600	-	-
	<u>16,800</u>	<u>-</u>	<u>9,600</u>	<u>-</u>	<u>-</u>
<b>Economic Development</b>					
Charges for Services	-	-	-	-	400
Uses of Money & Property	137,770	145,272	142,049	137,404	139,904
Reimbursements/Other Revenues	15,520	440	-	-	-
	<u>153,290</u>	<u>145,712</u>	<u>142,049</u>	<u>137,404</u>	<u>140,304</u>
<b>Loan Repayments and Transfers In</b>					
Loan Repayment	1,086,000	53,242	147,919	-	505,756
From Parking for Debt Service	910,094	914,715	714,547	714,451	-
From Districts/Area of Benefits	-	307,242	1,158,162	1,164,599	-
From General Capital Fund	-	738,941	-	3,000	-
	<u>1,996,094</u>	<u>2,014,140</u>	<u>2,020,628</u>	<u>1,882,050</u>	<u>505,756</u>
<b>Total Revenues</b>	<b><u>\$ 217,923,626</u></b>	<b><u>\$ 229,544,610</u></b>	<b><u>\$ 229,605,124</u></b>	<b><u>\$ 235,109,151</u></b>	<b><u>\$ 236,469,413</u></b>

**General Fund - 010**  
**Expenditures by Program**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adopted Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>Expenditures</b>					
<u>Programs</u>					
Police	\$ 112,232,253	\$ 119,393,267	\$ 123,460,656	\$ 123,563,085	\$ 129,061,956
Fire	40,846,099	44,601,750	44,217,062	46,013,407	45,767,332
Public Works	12,276,788	12,547,000	13,557,128	13,793,826	15,008,881
Economic Development	2,014,309	1,382,677	1,486,994	3,468,435	1,415,670
Office of Violence Prevention	1,286,689	1,656,716	1,571,868	1,613,733	1,712,164
	<u>168,656,138</u>	<u>179,581,410</u>	<u>184,293,708</u>	<u>188,452,486</u>	<u>192,966,003</u>
<u>Program Support for Other Funds</u>					
Library	4,504,000	3,984,500	3,984,500	3,984,500	3,984,500
Recreation	3,915,000	3,407,000	3,395,500	3,395,500	3,395,500
Entertainment Venues	3,445,000	3,445,000	3,285,000	3,285,000	3,285,000
Development Services	1,000,000	925,000	925,000	925,000	825,000
Golf Courses	850,000	700,000	700,000	700,000	700,000
Downtown Marina	220,000	212,000	262,000	262,000	262,000
Grant Match	70,333	117,601	250,000	250,000	100,000
Capital Improvement	6,691,000	10,091,423	232,924	185,000	-
Low & Moderate Income Housing	-	10,648	29,584	29,584	101,151
Radio ISF	-	700,000	-	-	3,130,000
Retirement ISF	-	18,562,620	-	4,765,014	-
	<u>20,695,333</u>	<u>42,155,792</u>	<u>13,064,508</u>	<u>17,781,598</u>	<u>15,783,151</u>
<u>Administration</u>					
City Council	596,225	754,471	748,996	852,392	801,424
City Manager	1,404,493	1,423,830	1,518,264	1,477,881	1,581,761
City Attorney	1,337,337	1,627,089	1,560,395	1,396,003	1,557,125
City Clerk	834,222	796,269	943,406	695,051	984,104
City Auditor	639,252	487,316	613,787	918,575	613,688
Administrative Services	4,543,800	5,120,238	5,439,244	5,443,444	5,666,332
Human Resources	1,938,281	2,033,714	2,344,398	2,255,368	2,299,791
Tax Collection & Election	3,215,902	2,459,295	3,143,500	3,187,440	2,889,000
Other Administration	862,137	(861,562)	(639,184)	3,794,406	(1,353,649)
Labor Litigation/Sustainability	260,425	338,334	900,000	923,162	500,000
Homeless Program	20,913	205,761	-	219,966	200,000
	<u>15,652,987</u>	<u>14,384,755</u>	<u>16,572,806</u>	<u>21,163,688</u>	<u>15,739,576</u>
Debt Service	<u>1,443,873</u>	<u>4,873,669</u>	<u>4,684,102</u>	<u>5,054,029</u>	<u>3,582,175</u>
Contingency	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
<b>Total</b>	<b><u>\$ 206,448,331</u></b>	<b><u>\$ 240,995,626</u></b>	<b><u>\$ 220,615,124</u></b>	<b><u>\$ 234,451,801</u></b>	<b><u>\$ 230,070,905</u></b>

**General Fund - 010  
Measures A and B  
FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adopted Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>Revenues</b>					
<b>Police</b>					
Measure A Transaction and Use Tax	\$ 30,048,605	\$ 31,735,727	\$ 31,458,459	\$ 32,937,051	\$ 32,508,651
<b>Total Revenues</b>	<b>30,048,605</b>	<b>31,735,727</b>	<b>31,458,459</b>	<b>32,937,051</b>	<b>32,508,651</b>
<b>Expenditures (Public Safety Measure B)</b>					
<b>Police</b>					
Salary & Benefits					
Sworn & Non-Sworn	13,390,973	18,787,625	21,648,032	20,118,549	23,828,029
Vacancy Savings	-	-	(1,046,464)	-	(904,411)
Other Services	1,217,757	1,613,908	1,948,515	1,886,350	2,424,775
Materials & Supplies					
Fuel	135,690	226,062	146,663	316,560	359,667
Other Supplies	441,864	213,637	398,200	393,507	380,410
Equipment					
Radios	411,352	8,499	-	-	-
Vehicles	1,259,990	240,000	-	-	-
Other Expenses					
Technology Upgrades	170,401	-	-	-	-
Training	405,456	510,977	470,000	470,000	494,107
	17,433,483	21,600,708	23,564,946	23,184,966	26,582,577
<b>Office of Violence Prevention</b>					
Salary & Benefits					
Non-Sworn	615,792	564,609	686,203	572,589	653,384
Other Services	169,557	275,911	241,604	299,724	251,367
Materials & Supplies					
Fuel	-	6,585	6,731	5,260	5,752
Other Supplies	9,487	5,647	28,600	26,700	35,000
Equipment					
Office Equipment	20,928	10,494	13,000	3,800	3,979
Vehicles	23,746	-	-	-	-
Other Expenses	7,712	10,363	20,250	16,500	20,250
	847,222	873,609	996,388	924,573	969,732
<b>Total Expenditures (Measure B)</b>	<b>\$ 18,280,705</b>	<b>\$ 22,474,317</b>	<b>\$ 24,561,334</b>	<b>\$ 24,109,539</b>	<b>\$ 27,552,309</b>
Measure B expenditures as a % of annual Measure A revenues	61%	71%	78%	73%	85%



# LONG-RANGE FINANCIAL PLAN

## Introduction

The City of Stockton continues to focus on the City Council's strategic goals including fiscal sustainability. As part of that effort, the City maintains a comprehensive and detailed long-term forecast for the City's General Fund, referred to as the Long-Range Financial Plan (L-RFP). The L-RFP serves as a tool for sound decisions, accurate projections and financial management of the City's General Fund and supported other funds. This financial planning tool was developed during the City's bankruptcy process to demonstrate that the City could achieve financial stability with restructured debt. The L-RFP was reviewed by the Federal Court and creditors as the foundation for the Plan of Adjustment. The Plan of Adjustment is the City's plan, filed with the court, for emerging from bankruptcy and was approved by the court. Since 2012, Fiscal Sustainability remains one of the City Council's main strategic goals, and all financial actions are evaluated in the light of future implications. The L-RFP is an integral part of maintaining and evaluating the City's success in addressing this goal.

The L-RFP calculates, predicts, and offers a visual snapshot of the City's General Fund financial position for the next two decades. It is dynamic and City staff make adjustments as new revenue and expense data becomes available. More importantly, the L-RFP is used to evaluate the future impact of hypothetical changes that can cause short or long-term problems. The model enables informed decision making by showing both short-term and long-term affordability of those decisions.

The City continues to revise and update the L-RFP model. Predicting future budgets is challenging because of the wide number of variables, including economic, demographic and policy, that can shape the City's financial future. Many of these variables are beyond the City's control. However, it is possible to make reasonable assumptions based on historical trends, knowledge of our specific environment, and fiscal maturity.

Forecasts are predicated on reasonable and relevant assumptions. Applying these assumptions of the future to financial data at a point in time creates the L-RFP model. The model is a living tool which is updated as necessary to account for inevitable future changes. This guiding document is the backbone of the financial decision-making process for the City. Key attributes of the L-RFP are:

- Transparency - clear assumptions based on realistic rather than overly conservative or overly optimistic trends relative to revenues and expenditures.
- Fiscal Discipline - precludes wishful thinking about the City's capacity for revenue growth.
- Forward-Thinking - measuring significant financial decisions against the assumptions in the model avoids the perils of short-term focus without identifying and taking into consideration long-term impacts of policy decisions.
- Modeling "what if" scenarios - tests the long-term impact of fiscal decisions on the long-term fiscal position of the City.

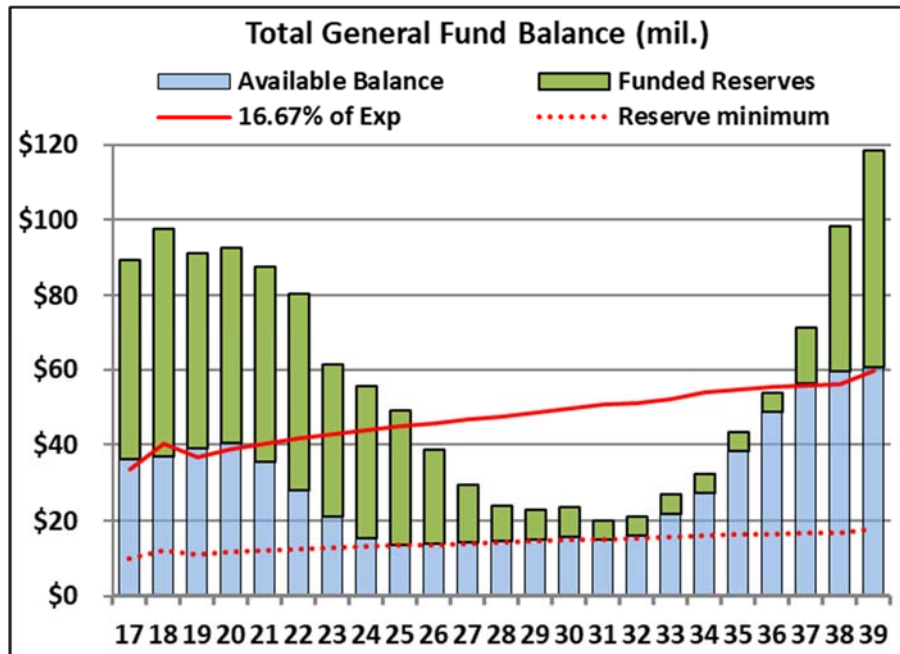
Most city forecasts utilize a 5 to 10-year time span while Stockton's L-RFP measures a 20-year span. The much longer and more intricate model developed by Stockton proved its value through the toughest of tests: examination by all parties during bankruptcy proceedings. Using the L-RFP, the City strengthened its financial condition and is now recognized as being one of the most financially-solvent cities in the country.

# LONG-RANGE FINANCIAL PLAN

## Long-Range Financial Plan Update

Chart 1.1 shows the current General Fund Balance and Reserve in the L-RFP incorporating the proposed FY 2019-20 Budget. The displayed years include ending balances for FY 2017-18 actuals, FY 2018-19 projections, FY 2019-20 Budget and projected revenues and expenses from FY 2020-21 through FY 2038-39.

Chart 1.1



The essence of a forecast picture is the fund balance status. Because city budgets cannot operate with fund balance deficits, when compiled the L-RFP must consistently result in a positive fund balance over time. The size of the fund balance chosen by a city can vary but must be large enough to sustain the organization through unexpected negative conditions. The Government Finance Officers Association recommends a minimum reserve level of 16.67% just to support operations and account for fluctuations in cash flow. Additional reserves are recommended if conditions warrant, and examples include deferred maintenance, significant future cost increases, or anticipated changes.

As the chart indicates, the City is currently generating a General Fund available balance more than the 16.67% goal which will begin to fall below the recommended level by FY 2020-21. However, the plan includes, that the available balance to remain above the 5% minimum at all times. This conclusion is based on the various assumptions utilized in the model. These assumptions reflect several factors, including projected economic slowdowns and the significant impact of pension costs that are predicted to be assessed by the California Public Employees' Retirement System (CalPERS). As shown above, the model predicts the City's General Fund balance will begin to decrease in FY 2021-22 and will reach its lowest level in FY 2030-31 before beginning to increase again. The fund balance is projected to be at or slightly above 5% in FY 2030-31. The 5% reserve level is the minimum acceptable level and a warning that cost cutting measures may be necessary. A slow improvement each year is projected to return the fund balance to the City Council's Working Capital goal level of 16.67% by FY 2036-37.

# LONG-RANGE FINANCIAL PLAN

## General Fund Reserves

In 2016, the City Council approved revisions to the Reserve and Fund Balance Policy – General Fund to set guidelines to fund reserves and plan for future years. The reserve policy sets a working capital reserve level at 16.67% of the annual expenditures (or 2 months of expenditures) in any given year. The policy also requires evaluation of known contingencies and future pressures, and Council reserved funds for future priorities when implementing the policy. In prior years, Council reserved funds for a new City Hall, the recruitment and retention of staff, improved financial and human capital management systems, and infrastructure maintenance. The reserves established by the policy will enable the City to maintain service levels during economic downturns.

The L-RFP incorporates the reserve policy. The current version of the L-RFP includes the working capital reserve and integrates reserve goals for known contingencies and risk-based reserves. The known contingency reserves include funding for crucial projects and expenses the City anticipates:

- CalPERS costs
- Employee recruitment and retention
- Replacement of legacy financial system
- Radio infrastructure
- Police facility improvements

In any given year, the City reserves funds for known contingencies after meeting the working capital goal. Although \$37.2 million was designated for the known contingency reserve at the close of FY 2017-18, the identified need for known contingencies is far greater. For example, unfunded infrastructure plans are nearly \$700 million.

The third component of the reserve policy is planning for unknown risks such as a severe economic downturn or catastrophic infrastructure failure. The City reserved approximately \$5 million for these uncertain risks. Once the known contingency target is met, the City will allocate additional funds to this portion of the reserves.

## Recession Cycles

Economic downturns in the United States and the world economies are a reality that the City needs to consider in its long-term forecast. Later in this section, Chart 1.3 illustrates the history of economic slowdowns going back to the 1927 Great Depression. From this data, the City can make some reasonable assumptions about the intervals between slowdowns. What is not as predictable is the severity and length of time of any given economic downturn.

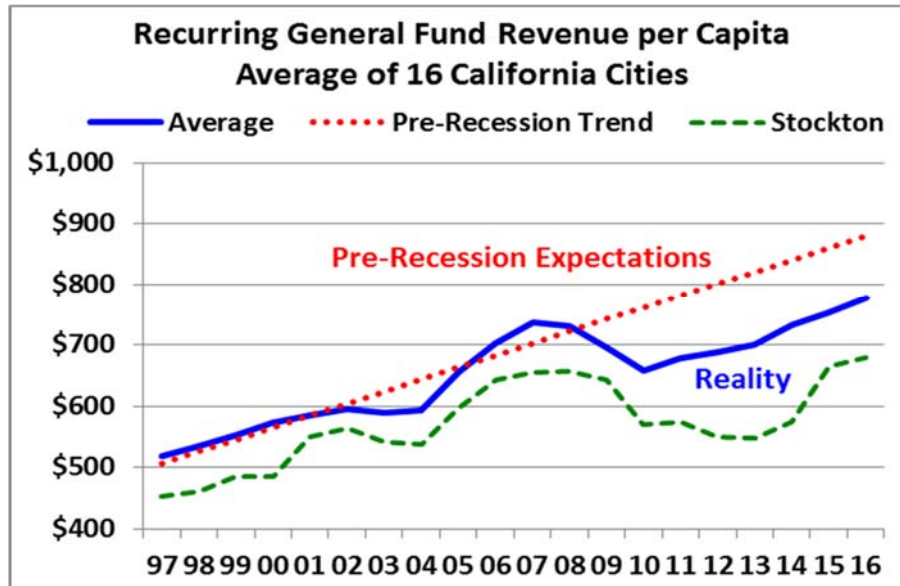
Chart 1.2 displays twenty years of history of actual and projected revenues for the average of Stockton and 16 comparable California cities. What is clear in viewing this data is that cities do not recover immediately from economic downturns and that without expenditure reductions and the use of reserves, the line labeled “pre-recession trends” would have led all of the cities to the type of financial peril and insolvency that Stockton experienced. It is also exceedingly clear that the downturn which began in approximately 2007 and 2008, now generally labeled the “the Great Recession”, still negatively affects the cities in this survey. In fact, most cities including Stockton have not seen revenues return to pre-recession levels even though it has been ten years since



## LONG-RANGE FINANCIAL PLAN

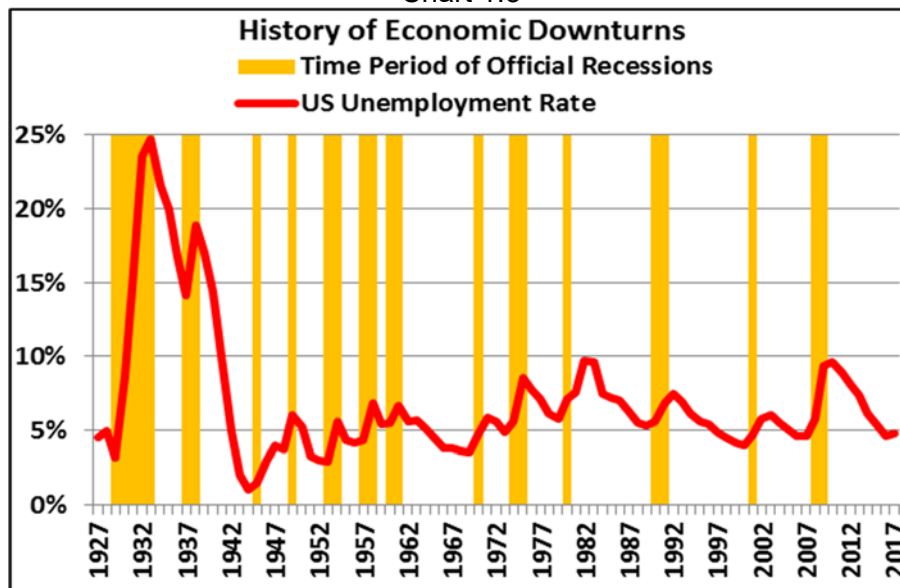
the recession first began. Stockton closed the gap faster than other cities during the last four years due to the solid support of the electorate who passed two revenue-generating ballot measures, which allowed the City to address critical services to citizens including public safety, libraries, and recreation. In general, however, there are large gaps between past expectations and current reality in all the cities surveyed.

Chart 1.2



Using the history of economic downturn data displayed in Chart 1.3, recessions have occurred in the United States on an average of every 5.7 years since 1933 and every 6.6 years since 1961. The L-RFP assumes recessions every five years starting in FY 2020-21, with an associated 5% reduction in most revenue categories. As to the severity and time lag in revenue recovery, the model assumes the City to recover 90% of the past reduction in revenue within three years.

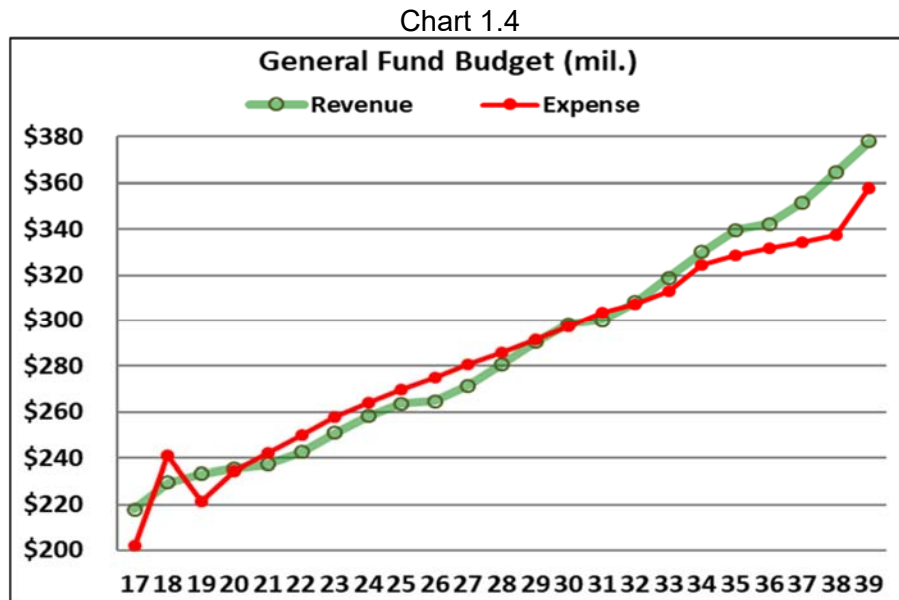
Chart 1.3



## LONG-RANGE FINANCIAL PLAN

### General Fund Revenue vs. Expenses

As illustrated in Chart 1.4, General Fund expenditures are projected to exceed General Fund revenues for seven years, beginning in FY 2020-21 and continuing until FY 2031-32. For the remaining years of the forecast, revenues are projected to meet or exceed estimated expenses. The largest gap between revenues and expenditures is expected in FY 2026-27 when the L-RFP anticipates an imbalance of approximately \$11 million. The primary cause of this imbalance is anticipated increases in retirement liability cost. CalPERS is implementing multi-year strategy to close the current unfunded liability and establish a set of actuarial assumptions designed to keep the pension system stable and sustainable for the long term. It is a necessary but painful fact that implementing this strategy can only be done by increasing the costs paid by the governmental organizations that comprise the pension system. CalPERS is doing all it can to lessen the financial strain on member organizations by amortizing the costs over time.



The value of the L-RFP is that it enables the City to model the impact of significant financial and economic changes and City decisions on the fund balance and reserve over time. Based on the assumptions applied and illustrated in the General Fund Balance and Reserve graph (Chart 1.1), the City reached a position where its General Fund balance and reserves can adequately withstand the coming cost increases. The City demonstrates its commitment to being fiscally sustainable by keeping its reserve levels above the 5% warning level at all times.

# LONG-RANGE FINANCIAL PLAN

## Revenues

General revenue assumptions included in the model are:

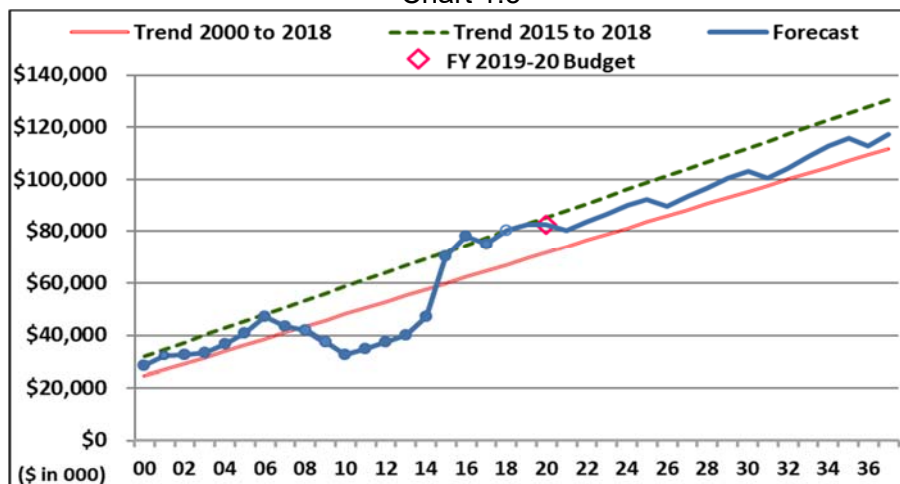
- Property tax growth rates: 2.0% plus some new construction
- Sales tax growth rates: 2.0%
- Utility users tax growth rates: ranges from -1.0% to 2.0%
- Other revenue growth rates: 1.5% to 2.0%
- Investment earnings of 1.5%
- Assumes continuation of the Measure A sales tax
- Assumes the Strong Communities sales tax will expire in FY 2032-33
- Assumes a revenue decline due to recession every five years

The following charts and discussion are intended to illustrate the assumed status of the General Fund's top three major revenue sources.

## Sales Tax

The General Fund's largest funding source is sales and transactions taxes. The FY 2019-20 Annual Budget assumes sales tax proceeds to be approximately \$82.8 million and constitute 35% of total General Fund revenue. As can be seen in Chart 1.5, a review of actual and projected sales taxes when compared to a trend calculation of the actual collections seen from FY 1999-00 through FY 2017-18 shows the City recovered from the significant revenue dip suffered during the Great Recession. This recovery reflects a significant increase of approximately \$32 million gained through the passage of Measure A and is projected to significantly exceed the old trend line for the duration of the forecast. The model also assumes that Measure A will remain intact through the entire period of the forecast. The assumptions used in the sales tax forecast include the first three years of growth projections from the City's sales tax consultant and an assumption of 2.2% growth for the subsequent years.

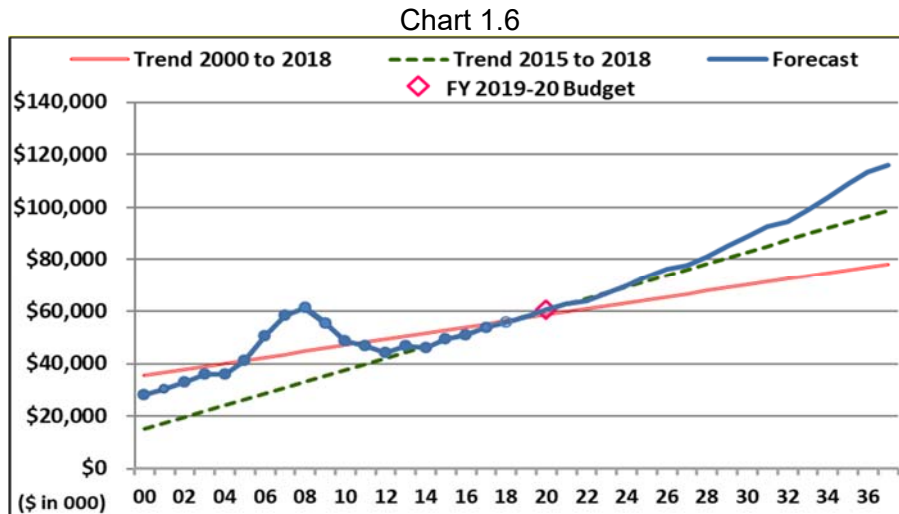
Chart 1.5



# LONG-RANGE FINANCIAL PLAN

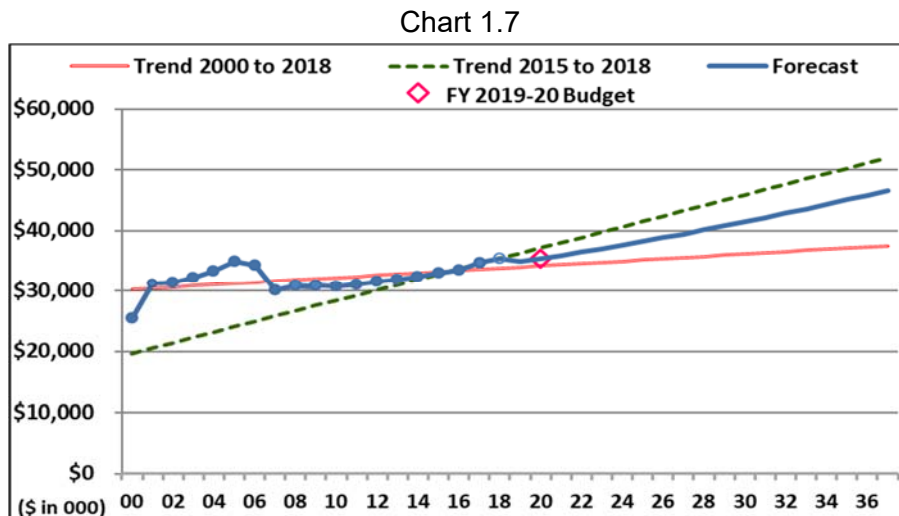
## Property Tax

The second largest source of General Fund revenue is property tax. The FY 2019-20 Annual Budget assumes property tax collections of approximately \$60.4 million, which is 25% of General Fund revenue. Chart 1.6 compares forecasted growth against FY 1999-00 to FY 2017-18 period used for the sales tax chart (Chart 1.5) and indicates growth for the period of the L-RFP will exceed the collection trend. The assumption used is for property tax growth include the first three years of growth projections from the City's property tax consultant and increases of approximately 4% annually including growth from new construction.



## Utility Users Tax

Utility Users Tax (UUT) proceeds (see Chart 1.7) are the third largest General Fund revenue source. The FY 2019-20 Annual Budget assumes the City will receive approximately \$35 million in proceeds from this tax, which constitutes 15% of the General Fund. Presumed out year growth rates for the four taxed utilities are: Water 2% annually, Energy (gas and electricity) 2% annually, Cable 0.5% annually, and Telecommunications negative 1% annually.



# LONG-RANGE FINANCIAL PLAN

## Expenses

General expenditure assumptions included in the model are:

- No service increases
- No part-time or new position growth
- No growth in capital improvement funding
- Employee compensation increases of 2%
- CalPERS discount rate of 7.25% in FY 2019-20, and 7% thereafter
- Other expenditure growth at 2%
- Resources available above reserve levels are spent on one-time needs

The City's primary expenses are employee costs, which are approximately 70% of total General Fund expenses. In addition to the L-RFP's assumed 2% compensation increases, the model assumes the following employee related cost factors:

- Merit Increases – an average of 0.25% annually
- Vacancy rates – a five year phased down decrease from current 4% rate to an annual average of 3%
- City contribution to health benefits increases – 2% annually
- Employee pension costs – based on actuarial reports (see pension section below)

All other general expenses are also projected to increase at a 2% annual growth, except the annual capital improvement contribution of \$1.1 million and the annual contingency reserve which the L-RFP holds at \$2 million annually.

The L-RFP also incorporates General Fund debt obligations including a settlement agreement that provides a contingent payment to one of the City's bankruptcy creditors. These payments vary depending on projected revenues.

The General Fund also supports several programs whose finances are tracked outside the City's General Fund. The City broadly classifies these programs into the following categories:

*1. Program Support – Libraries, Recreation, and Venues*

The General Fund supports the Library and Recreation Funds with approximately \$7.4 million annually. The L-RFP holds the subsidy at this level during the 16-year life of the Strong Communities initiative (Measure M). Beyond this point, the L-RFP projects that the loss of the Measure M revenue will result in the need to replace it with General Fund support for the Library and Recreation Funds in the approximate amount of \$13.4 million annually.

The Golf Course Fund continues to require a General Fund transfer since revenues do not cover the costs to operate and maintain the courses. The L-RFP presumes that golf will continue to receive a subsidy of \$700,000.

## LONG-RANGE FINANCIAL PLAN

The General Fund also continues to support venues like the Stockton Arena, Ballpark, Bob Hope Theatre, Marina and Ice Arena. The L- RFP assumes that revenues generated will continue at the current levels, but the venues are in need of repairs and includes an increase in future years to fund some repairs.

2. *Program Support - Public Safety*

The model assumes that the cost of the 49 Police and Fire positions currently funded by the Measure W transaction and use tax will exceed the available tax resources in future years. As a result, the model assumes that a General Fund subsidy of approximately \$4.9 million over 14 years will be required. The model also assumes that beginning in FY 2019-20, the General Fund continues to fund grant-funded Police sworn positions upon grant expiration.

3. *Program Support – Other*

Other items supported by the General Fund include annual subsidies to the Development Services fund at \$825,000, Capital Improvement Plan at \$1.1 million, and Grant Match at \$100,000.

### Pension Costs

Some of the City's largest General Fund cost increases over the next several years will come from the actions being implemented by CalPERS as it attempts to eliminate its unfunded liability and establish actuarial assumptions that better reflect current reality. Some changes, such as a phased-in lowering of the assumed discount rate and changes to actuarial life expectancy assumptions, are already underway. Annual rate increases are included in the model through 2023 due to CalPERS lowering its discount rate from the current 7.5% to 7% over a seven-year period. Amortization assessments are intended to lower and eventually eliminate the current unfunded liability. In the model, these reduced costs are evident in the 2030s and 2040s, and after the unfunded liability is paid off and only the City's normal costs remain.

One significant risk that all CalPERS agencies will need to assess is that the CalPERS Board could reduce the discount rate below the planned 7%. There are more than a few advocates and actuarial experts who believe the CalPERS needs to reduce the rate to around 6%. A reduction of this size would significantly impact the costs assessed to the City and other member agencies. Included below is a depiction of the impact on rates for both the Safety and Miscellaneous Plans under the planned reduction to 7% and potential decreases to 6.5% or 6%. As can be seen, at 6%, the rates as a percentage of payroll could increase significantly (20% to 25%). In 2028, the City would have to contribute nearly \$1 to CalPERS for every \$1 paid to safety employees.

# LONG-RANGE FINANCIAL PLAN

Chart 1.8a

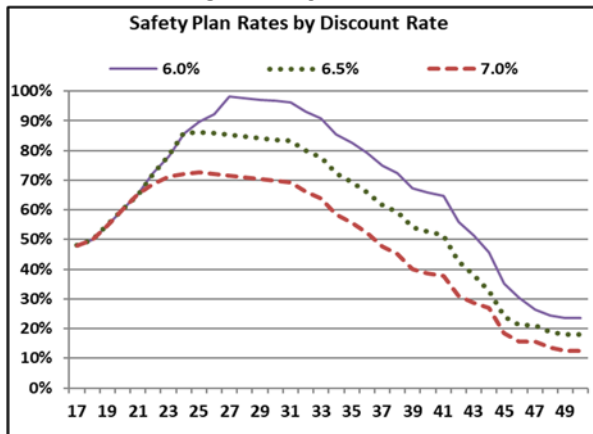
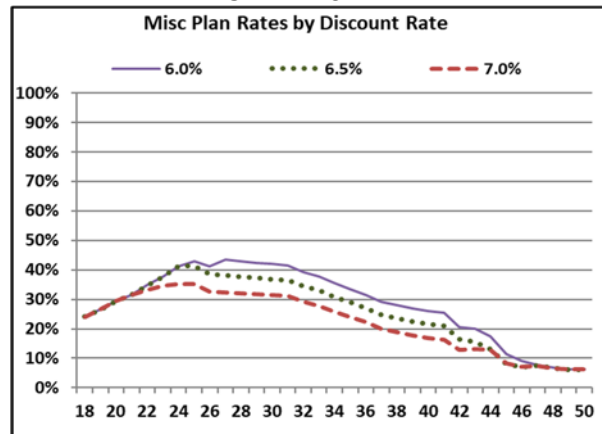


Chart 1.8b



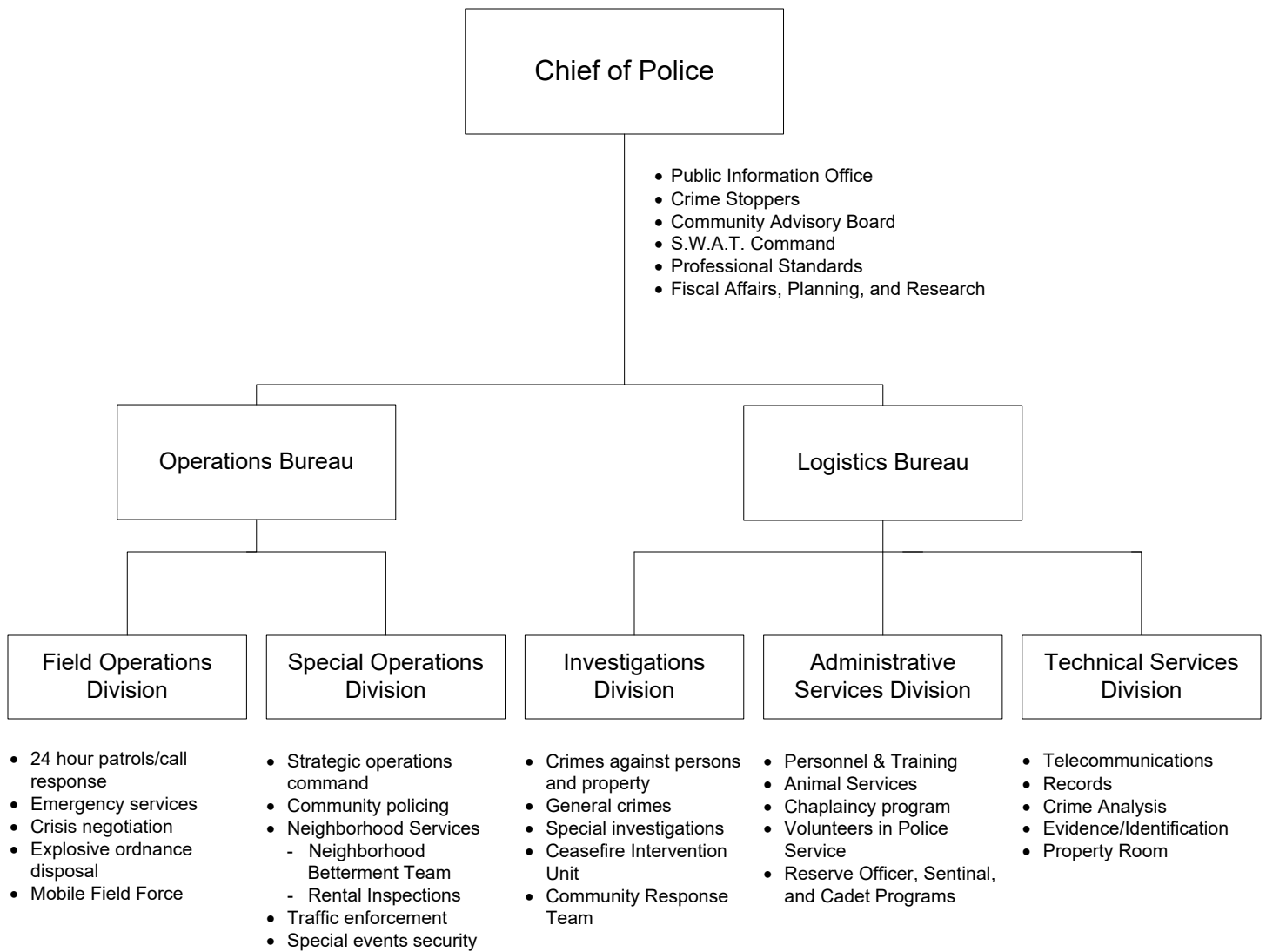
## Looking Forward

The City's prudent financial practices and utilization of the L-RFP provides stability to the services delivered to the public and will protect those services against future downturns. Continuing to update the model and maintaining realistic assumptions about future growth are essential to keeping the L-RFP a reliable decision-making tool. The model has been an important factor in the many positive financial outcomes in recent years including the buildup of reserves for known cost pressures and the cash purchase of Waterfront Office Towers, high rankings in various financial publications, and the restructuring of available resources for long-term savings. These encouraging results reinforce the City's commitment to fiscal sustainability and consistent long-term financial forecasting.

## TAB 4 POLICE







# POLICE DEPARTMENT



## POLICE DEPARTMENT

### MISSION STATEMENT

To work in partnership with our community, to build and maintain relationships founded on trust and mutual respect, while reducing crime and improving the quality of life.

### Budget at a Glance:

Total Revenues	\$14,053,395
Total Expenditures	\$135,689,455
Total Net Cost	\$121,636,060
Total Staff	711

### DEPARTMENT DESCRIPTION

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

- Field Operations Division, commonly known as Patrol.
- Special Operations Division, including Neighborhood Services and Neighborhood Betterment Team, Traffic and Events, and Strategic Operations sections.
- Investigations Division, including Crimes Against Persons and Property, Special Investigations and Ceasefire sections as well as the Community Response Team.
- Technical Services Division, including Telecommunications, Records, Evidence/Identification, Property Room and Crime Analysis sections.
- Administrative Services Division, including Personnel, Training, and Animal Services sections.
- Departmental support functions including the Professional Standards section; Fiscal Affairs and Planning section; and Public Information Office.

There are also programs and specialized units that operate under the Divisions such as Special Weapons and Tactics (SWAT), Crisis Negotiations, Air Support, Explosive Ordnance Disposal, Mobile Field Force, and the Canine Unit among others.

### DEPARTMENT STRATEGIC WORK PLAN

The Stockton Police Department will focus its activities on meeting the goals outlined in its FY 2017-2019 Three-Year Strategic Plan. The Plan's components, include the above Mission Statement, discussion of the Department's policing philosophy, core values, and identified goals and objectives. The Plan focuses on the Department's work. Each of the Strategic Plan goals is tied to the City Council's goals of increasing officer diversity, improving customer service and response times, increasing the number of officers, and further implementation of the Marshall Plan.

The policing philosophy of the Department is founded upon the pillars of Smarter Policing and Principled Policing. Smarter Policing refers to intelligence-led policing, an approach that includes evidence-based, data-driven, strategic, and innovative use of technology to inform and support real-time-policing and improved service delivery. Principled Policing refers to the underlying ethics, values, and principles of accountability, transparency, training, evaluation, listening, dialogue, community outreach and relationship-based problem solving which guide the actions of the Department.

## POLICE DEPARTMENT

The Department's core values include integrity, professionalism, sensitivity, cooperation, and innovation. The core values define who we are and what we as an organization hold as paramount. The mission statement, policing philosophy, and core values establish a strong foundation for the four strategic goals of (1) reducing crime and blight, (2) increasing trust between the community and police, (3) recruiting and hiring a qualified, diverse workforce, and (4) employing staff that are highly-trained, knowledgeable and prepared. The current Strategic Plan will end in December 2019 and work is already underway to prepare the next three-year plan. The four current strategic goals will remain the same, but the objectives under each will be updated.

**1. Reduce crime and blight.** A primary focus of the Department's resources and workforce is to reduce violent crime, property crime, traffic collisions, and other quality of life impacts such as neighborhood blight. The framework to achieve this goal remains the "Four P's" of Partnership, Prediction, Prevention, and Pursuit.

**2. Increase trust between the community and police.** Trust is a key component of a sustainable and collaborative approach to improving public safety in Stockton. The Department implemented several innovative strategies for increasing trust between the community and police. Building upon these initial efforts with the assistance of the National Initiative research effort, procedural justice and implicit bias training, and participating at local, regional, state and national levels of this important dialog furthers Stockton's ability to increase trust.

**3. Recruit and hire a qualified and diverse workforce.** Rebuilding the Police Department while maintaining a commitment to high-quality standards for hiring and by valuing all forms of diversity, including ethnicity, gender, culture, education, and experience will ensure the department is representative of the community it serves. The Department is looking for those who see police service as a calling and not just an occupation. The Department is also focused on a long-term recruitment strategy that includes supporting the Public Safety Academy and increasing participation in our Cadet and Sentinel volunteer programs.

**4. Employ staff that are highly-trained, knowledgeable and prepared.** The Department's extensive hiring of new staff over the last few years requires a consistent focus on training, both in-house and industry-specific. Police Officers have to meet specific mandates related to training to maintain Police Officer Standards and Training certification through the State. This goal includes the implementation of a comprehensive training plan by developing professional training staff, a succession and career plan, and providing adequate training facilities and equipment for staff.

### PRIOR YEAR ACCOMPLISHMENTS

Highlights of the accomplishments in FY 2018-19 include:

- Goal One – Reduce crime and blight:
  - In 2018, there was a 40% reduction in homicides and a 31% reduction in fatal shootings from 2017.
  - The Neighborhood Betterment Team began its second round through the six Police Reporting Districts.
  - The Animal Shelter achieved a live release rate of 83.25% with 8,108 animals adopted, rescued and redeemed by their owners.

## POLICE DEPARTMENT

- Goal Two – Increase trust between the community and police:
  - Led by the Department's Special Operations Division, Stockton's participation in National Night Out ranked 9th in the nation out of cities with populations over 300,000.
  - Provided support to over 100 Neighborhood and Business Watch meetings, held 36 Neighborhood Impact Team meetings in areas affected by gun violence, and made 29 arrests from citizen tips received through CrimeStoppers.
  - Trained 135 members of the community on Implicit Bias and approximately 175 other California police departments in Principled Policing.
- Goal Three – Recruit and hire a qualified and diverse workforce:
  - Attended over 130 recruiting events, the majority of which were held in San Joaquin County, and successfully hired 70 police officers. The Department continues to make improvements in the diversity numbers in underrepresented categories. The Department maintained a 4% vacancy rate during the year with an average of 468 sworn staff positions filled.
- Goal Four – Employ staff that are highly trained, knowledgeable and prepared:
  - Police staff participated in over 34,000 training hours to maintain certifications, ensure proper equipment use, run through various scenario-based training sessions, and select staff participated in special teams training such as Mobile Field Force, Canine, and SWAT.
  - Provided over 800 hours of mutual aid, including using the Unmanned Aerial System to map the area impacted by the Camp Fire.

### KEY CONSIDERATIONS

The Police Department FY 2019-20 Budget includes funding for 711 full-time staff, part-time staffing, academy costs for new hires, and funds to cover the cost of enhanced recruiting and training strategies. The key considerations fulfill the Council's strategic work plan by increasing officer diversity, improving customer service and response times, increasing the number of officers, and further implementation of the Marshall Plan. Highlights of the General Fund budget include:

- The employee services budget increased reflecting progress made in filling authorized police positions, an increase in pension rates for safety employees, and eliminated grant dollars for staffing. Fifteen full-time sworn positions partially funded with grant dollars in FY 2018-19 will be absorbed in the General Fund in FY 2019-20. Police vacancy savings are budgeted at four percent across the board, a reduction from the five percent used in FY 2019-20 reflecting the consistently higher staffing levels in the department..
- The FY 2019-20 Budget allocates new funding for costs associated with the addition of a helicopter to the Air Support Unit as funding permits.
- Funding for part-time staff has been retained in key areas to enhance police services, improve revenue collections, and increase hiring capacity.
- Police service contracts with two school districts, the Housing Authority of San Joaquin and San Joaquin Regional Transit District continue, reflect approximately \$1 million in both revenues and employee expenses.

## **POLICE DEPARTMENT**

- A one-time allocation for a fee study is programmed for FY 2019-20 to review existing fees and corresponding services within the Department, including code enforcement and animal shelter. Additional changes include the shifting of service costs for the Department's camera system from an internal service fund, and a 5% contractual increase with the City's Animal Shelter services partner.





**Police Department  
FY 2019-20 Annual Budget**

	<b>General Fund</b>	<b>Measure</b>	<b>Asset</b>	<b>State</b>
	<b>010</b>	<b>W</b>	<b>Seizure</b>	<b>COPS</b>
	<b>010</b>	<b>081</b>	<b>023</b>	<b>024</b>
	<i>See Page D-10</i>	<i>See Page D-13</i>	<i>See Page D-15</i>	<i>See Page D-17</i>
<b>Beginning Available Balance</b>			<b>\$ 316,813</b>	<b>\$ 755,211</b>
<b>Revenues</b>				
Taxes	-	5,429,000	-	-
Grants	-	-	-	560,000
Program Revenue	7,648,853	-	78,000	-
Other Revenue	-	5,000	-	5,000
	<b>7,648,853</b>	<b>5,434,000</b>	<b>78,000</b>	<b>565,000</b>
<b>Expenditures</b>				
Salary & Benefits	105,157,778	4,596,665	-	177,154
Services & Supplies	23,900,178	605,782	299,008	445,346
Administration Overhead	-	254,687	-	-
Capital Outlay	4,000	-	-	-
	<b>129,061,956</b>	<b>5,457,134</b>	<b>299,008</b>	<b>622,500</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(121,413,103)</b>	<b>(23,134)</b>	<b>(221,008)</b>	<b>(57,500)</b>
<b>Ending Available Balance</b>			<b>\$ 95,805</b>	<b>\$ 697,711</b>

**Police Department, Continued**  
**FY 2019-20 Annual Budget**

	<b>Police Special Revenue 025</b>	<b>Special Revenue 645</b>	<b>Police Total</b>
	<i>See Page D-20</i>	<i>See Page D-23</i>	
<b>Beginning Available Balance</b>	<b>\$ 1,505,407</b>	<b>\$ 818,424</b>	
<b>Revenues</b>			
	-	-	5,429,000
Grants	-	-	560,000
Program Revenue	-	174,659	7,901,512
Other Revenue	107,500	45,383	162,883
	<b>107,500</b>	<b>220,042</b>	<b>14,053,395</b>
<b>Expenditures</b>			
Salary & Benefits	107,500	-	110,039,097
Services & Supplies	-	141,357	25,391,671
Administration Overhead	-	-	254,687
Capital Outlay	-	-	4,000
	<b>107,500</b>	<b>141,357</b>	<b>135,689,455</b>
<b>Transfers</b>			
Transfer In	-	-	-
Transfer Out	-	-	-
	-	-	-
<b>Net Annual Activity</b>	<b>-</b>	<b>78,685</b>	<b>(121,636,060)</b>
<b>Ending Available Balance</b>	<b>\$ 1,505,407</b>	<b>\$ 897,109</b>	<b>-</b>
		Revenues	\$ 14,053,395
		Transfers	-
		Total Sources	<b>\$ 14,053,395</b>
		Expenditures	\$ 135,689,455
		Transfers	-
		Total Appropriations	<b>\$ 135,689,455</b>
			<b>-</b>

**Police Department  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Total Police Department</b>				
Employee Services	\$ 89,946,169	\$ 97,920,016	\$ 99,917,823	\$ 105,157,778
Other Services	16,929,811	17,842,435	19,731,144	19,849,278
Materials and Supplies	2,409,408	2,399,295	2,866,193	2,843,600
Other Expenses	1,229,828	989,470	962,640	1,207,300
Capital Outlay	1,717,037	242,051	85,285	4,000
Total	<u>\$ 112,232,253</u>	<u>\$ 119,393,267</u>	<u>\$ 123,563,085</u>	<u>\$ 129,061,956</u>
<b>Administration</b>				
Employee Services	6,893,836	7,086,619	7,038,563	7,136,986
Other Services	2,796,647	2,840,622	2,541,698	2,833,287
Materials and Supplies	345,912	334,955	464,182	370,027
Other Expenses	806,425	79,825	146,837	108,434
Total	<u>10,842,820</u>	<u>10,342,021</u>	<u>10,191,280</u>	<u>10,448,734</u>
<b>Marshall Plan - Administration</b>				
Employee Services	725,142	861,575	890,911	924,775
Other Services	36,567	29,813	45,175	47,682
Materials and Supplies	38	1,633	21,000	15,476
Other Expenses	-	-	-	-
Total	<u>761,747</u>	<u>893,021</u>	<u>957,086</u>	<u>987,933</u>
<b>Field Services</b>				
Employee Services	40,949,056	41,754,995	42,073,766	38,970,357
Other Services	4,816,293	5,053,414	5,324,530	5,828,834
Materials and Supplies	726,619	893,039	1,010,879	1,081,854
Other Expenses	2,635	286,744	156,320	225,000
Capital Outlay	1,411	2,051	-	4,000
Total	<u>46,496,014</u>	<u>47,990,243</u>	<u>48,565,495</u>	<u>46,110,045</u>
<b>Marshall Plan - Field Services</b>				
Employee Services	11,429,058	15,389,680	15,235,493	15,850,764
Other Services	1,029,831	1,213,679	1,411,314	1,973,087
Materials and Supplies	648,191	419,067	668,221	658,048
Other Expenses	405,456	510,977	470,000	494,107
Capital Outlay	1,715,626	240,000	-	-
Total	<u>15,228,162</u>	<u>17,773,403</u>	<u>17,785,028</u>	<u>18,976,006</u>
<b>Investigations</b>				
Employee Services	19,012,517	20,077,831	21,116,251	25,335,220
Other Services	1,294,972	1,294,109	2,274,285	2,078,239
Materials and Supplies	119,396	178,305	194,054	192,574
Other Expenses	14,457	61,669	128,957	283,500
Capital Outlay	-	-	85,285	-
Total	<u>20,441,342</u>	<u>21,611,914</u>	<u>23,798,832</u>	<u>27,889,533</u>

**Police Department  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Marshall Plan - Investigations</b>				
Employee Services	388,263	1,559,480	2,418,162	4,851,815
Other Services	45,344	151,529	262,301	265,219
Materials and Supplies	2,627	4,241	13,846	46,619
Other Expenses	-	-	-	-
Total	<u>436,234</u>	<u>1,715,250</u>	<u>2,694,309</u>	<u>5,163,653</u>
<b>Support Services</b>				
Employee Services	4,072,314	4,581,120	4,243,406	4,691,770
Other Services	1,183,749	1,479,770	2,282,861	2,256,598
Materials and Supplies	481,716	499,736	365,584	350,268
Other Expenses	765	18,254	11,628	15,759
Total	<u>5,738,544</u>	<u>6,578,880</u>	<u>6,903,479</u>	<u>7,314,395</u>
<b>Marshall Plan - Support Services</b>				
Employee Services	232,735	329,976	360,366	398,270
Other Services	6,681	9,461	28,876	37,642
Materials and Supplies	44	-	-	-
Other Expenses	-	-	-	-
Total	<u>239,460</u>	<u>339,437</u>	<u>389,242</u>	<u>435,912</u>
<b>Telecommunications</b>				
Employee Services	5,627,473	5,631,826	5,693,191	6,099,827
Other Services	5,619,676	5,560,612	5,421,672	4,427,545
Materials and Supplies	32,811	45,062	106,427	108,800
Other Expenses	90	32,001	48,898	80,500
Total	<u>11,280,050</u>	<u>11,269,501</u>	<u>11,270,188</u>	<u>10,716,672</u>
<b>Marshall Plan - Telecommunications</b>				
Employee Services	615,775	646,914	847,714	897,994
Other Services	100,051	209,426	138,432	101,145
Materials and Supplies	52,054	23,257	22,000	19,934
Other Expenses	-	-	-	-
Capital Outlay	-	-	-	-
Total	<u>767,880</u>	<u>879,597</u>	<u>1,008,146</u>	<u>1,019,073</u>

See summary of Public Safety Measure A funded Marshall Plan expenditures on page C-7.

## **POLICE DEPARTMENT**

### **MEASURE W FUND (081)**

#### **PROGRAM DESCRIPTION**

Stockton's voters approved Measure W in November 2004, which authorized a one-quarter percent Transaction and Use Tax to provide additional public safety services with the proceeds being split equally between the Police and Fire Departments. The program guidelines include an Economic Uncertainty fund reserve to be funded at 25% of annually-budgeted revenues. This reserve is currently fully funded.

The Police Department uses the funds primarily to pay for Police Officer salaries and benefits. Some Measure W dollars have also been used to purchase equipment, vehicles, and radios for Measure W-funded Police Officers.

#### **KEY CONSIDERATIONS**

- Measure W proceeds are anticipated to decrease by 3.9% from the current year-end projection. The decline in revenues is due to a delay in the receipt of payments which is overstating the FY 2018-19 receipts, not a reduction in taxable sales. Revenues continue to be monitored closely to ensure they are sufficient to cover expenditures and maintain an adequate fund balance.
- Measure W will continue to pay for salaries, benefits, and equipment for 24 Police Officer positions in FY 2019-20 assigned to the Field Operations Division for street patrol.
- The State of California charges a quarterly administration fee for services associated with the collection of the Measure W Public Safety Sales Tax. A sales tax audit contract provides auditing/compliance services to ensure sales tax is properly collected and distributed.
- An increase in Services and Supplies in FY 2019-20 will fund ammunition and the cost of Body Worn Cameras for the Measure W funded officers.
- In FY 2019-20, the Police Department's share of the recommended Economic Uncertainty reserve is approximately \$1.3 million. The overall budget projection indicates that the balance in the Measure W Economic Uncertainty Fund will meet or exceed the program guidelines.

**Police and Fire Departments**  
**Measure W - 081 (a)**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 3,404,851</b>	<b>\$ 2,896,657</b>	<b>\$ 3,289,645</b>	<b>\$ 3,989,478</b>
<b>Revenues</b>				
<b>Police</b>				
Measure W Sales Tax	4,991,839	5,311,128	5,652,500	5,429,000
Investment Proceeds	(2,685)	(116)	8,660	5,000
	<u>4,989,154</u>	<u>5,311,012</u>	<u>5,661,160</u>	<u>5,434,000</u>
<b>Fire</b>				
Measure W Sales Tax	4,991,839	5,311,128	5,652,500	5,429,000
Investment Proceeds	(3,429)	(87)	9,081	5,000
	<u>4,988,410</u>	<u>5,311,041</u>	<u>5,661,581</u>	<u>5,434,000</u>
	<b><u>9,977,564</u></b>	<b><u>10,622,053</u></b>	<b><u>11,322,741</u></b>	<b><u>10,868,000</u></b>
<b>Expenditures</b>				
<b>Police</b>				
Salary & Benefits	4,519,795	4,421,173	4,445,056	4,596,665
Services & Supplies	392,962	376,397	396,397	605,782
Administration	231,377	219,521	229,780	254,687
	<u>5,144,134</u>	<u>5,017,091</u>	<u>5,071,233</u>	<u>5,457,134</u>
<b>Fire</b>				
Salary & Benefits	4,624,766	4,577,460	4,730,640	4,674,945
Services & Supplies	147,716	264,678	312,990	340,676
Administration	232,166	224,971	229,831	256,126
Equipment & Maintenance	336,976	144,865	278,214	164,000
	<u>5,341,624</u>	<u>5,211,974</u>	<u>5,551,675</u>	<u>5,435,747</u>
	<b><u>10,485,758</u></b>	<b><u>10,229,065</u></b>	<b><u>10,622,908</u></b>	<b><u>10,892,881</u></b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>				
Police	(154,980)	293,921	589,927	(23,134)
Fire	(353,214)	99,067	109,906	(1,747)
	<b><u>(508,194)</u></b>	<b><u>392,988</u></b>	<b><u>699,833</u></b>	<b><u>(24,881)</u></b>
<b>Ending Available Balance</b>	<b><u>\$ 2,896,657</u></b>	<b><u>\$ 3,289,645</u></b>	<b><u>\$ 3,989,478</u></b>	<b><u>\$ 3,964,597</u></b>
<b>Available Balance Calculation</b>				
Current assets		\$ 3,822,431		
Current liabilities		(532,786)		
Program Commitments		-		
Ending Available Balance		<b><u>\$ 3,289,645</u></b>		

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

## **POLICE DEPARTMENT**

### **ASSET SEIZURE FUND (023)**

#### **PROGRAM DESCRIPTION**

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

There are three sources of asset seizure funding. One source is seized property from cases adjudicated by the San Joaquin County District Attorney's Office. The other two sources are from cases adjudicated by the Federal government. Funds are allocated based upon an agreed-upon sharing distribution aligned with the respective effort put into each case by the participating agencies. The Courts determine how the proceeds are distributed. State and Federal law restrict the use of these funds for expenditures that enhance law enforcement and drug/crime prevention and cannot be used to supplant existing General Fund programs or operations.

To comply with state and federal asset seizure laws, the Police Department established the following priority and program expenditures for asset forfeiture proceeds:

- SWAT Team surveillance and safety equipment, and related services and supplies.
- Mobile Field Force safety equipment, and related services and supplies.

#### **KEY CONSIDERATIONS**

- Federal seizure amounts remain low and local seizure amounts are projected to increase slightly in FY 2019-20. Revenues for state/local seizures were up in FY 2018-19 and are expected to remain at that level based on known activity.
- Projected staffing increases in the Special Investigations section should contribute to a higher volume of asset seizure cases; however, payments are largely tied to court proceedings and can take several years to materialize.
- The level of safety equipment and supply purchases is in line with the availability of cash in the fund. Planned purchases in FY 2019-20 include ammunition and equipment for the SWAT Team and Mobile Field Force.

**Police Department  
Asset Seizure - 023  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 228,120</b>	<b>\$ 291,333</b>	<b>\$ 379,564</b>	<b>\$ 316,813</b>
<b>Revenues</b>				
State/local seizures	122,552	23,990	75,000	75,000
Federal DOJ seizures	(63)	26,769	2,500	2,500
Federal Treasury seizures	-	(42)	-	500
Other Agency	-	53,177	(51,308)	-
	<b>122,489</b>	<b>103,894</b>	<b>26,192</b>	<b>78,000</b>
<b>Expenditures</b>				
State/local seizures	57,936	13,884	51,975	286,350
Federal DOJ seizures	1,340	-	29,721	2,500
Federal Treasury seizures	-	1,779	7,247	10,158
	<b>59,276</b>	<b>15,663</b>	<b>88,943</b>	<b>299,008</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out - 025	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>63,213</b>	<b>88,231</b>	<b>(62,751)</b>	<b>(221,008)</b>
<b>Ending Available Balance</b>	<b>\$ 291,333</b>	<b>\$ 379,564</b>	<b>\$ 316,813</b>	<b>\$ 95,805</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 381,175		
Vouchers payable		(1,611)		
Ending Available Balance		<b>\$ 379,564</b>		



## **POLICE DEPARTMENT**

### **STATE CITIZENS OPTIONS FOR PUBLIC SAFETY FUND (024)**

#### **PROGRAM DESCRIPTION**

The State of California established the Citizens Options for Public Safety program to assist in funding frontline law enforcement activities. The Department uses these funds for equipment and public safety programs. During the years of fiscal uncertainty, the City began funding Community Service Officer personnel from this source and continues to do so today.

#### **KEY CONSIDERATIONS**

- Revenue projections remain stable as staff continues to monitor any available information from the State of California on potential changes to funding allocations.
- The Police Department purchased various equipment, materials, and supplies to support surveillance, communications, safety and specialized investigations in FY 2018-19.
- In support of the Explosive Ordnance Detail, these funds were leveraged with grant funds to purchase a replacement bomb robot, which is expected to be placed in service during FY 2019-20. The team also needs a replacement vehicle and plans to procure one in FY 2019-20.
- Two Community Service Officer positions remain funded through this source in FY 2019-20.
- Remaining funds will be used to purchase equipment and supplies that are one-time in nature and do not require ongoing financial support. Purchases slated for this fiscal year include rifles, mobile command post equipment, and various items for special teams. Additionally, the Department will replace the camera system for its interview rooms.

**Police Department**  
**State Citizens Options for Public Safety (COPS) - 024**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 28,669</b>	<b>\$ 38,700</b>	<b>\$ 935,697</b>	<b>\$ 755,211</b>
<b>Revenues</b>				
State COPS Grant	535,462	573,931	573,932	560,000
Investment Proceeds	10,030	11,751	2,500	5,000
	<u>545,492</u>	<u>585,682</u>	<u>576,432</u>	<u>565,000</u>
<b>Expenditures</b>				
Salary & Benefits	174,475	175,678	174,792	177,154
Services & Supplies	144,868	391,107	287,074	445,346
Other Expenses	216,118	7,147	295,052	-
	<u>535,461</u>	<u>573,932</u>	<u>756,918</u>	<u>622,500</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>10,031</b>	<b>11,750</b>	<b>(180,486)</b>	<b>(57,500)</b>
<b>Ending Available Balance</b>	<b>\$ 38,700</b>	<b>\$ 50,450</b>	<b>\$ 755,211</b>	<b>\$ 697,711</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 992,534		
Accounts Payable		(56,837)		
Deferred Revenues		<u>(885,247)</u>		
Fund balance		50,450		
Due from Other Governments		<u>885,247</u>		
Ending Available Balance		<u>\$ 935,697</u>		

## POLICE DEPARTMENT

### SPECIAL REVENUE GRANTS FUND (025)

#### PROGRAM DESCRIPTION

Police Department activities supported by special revenues including Federal and State Grants, donations, and Supplemental Police Services event contracts are tracked in this fund. Separate tracking provides accountability for restricted sources of revenue. Major programs currently active in this fund include: San Joaquin County Community Corrections Partnership Taskforce, Byrne Memorial Justice Assistance funds, and Police Supplemental Services Contracts.

#### KEY CONSIDERATIONS

Expenditures in this fund vary year to year based on the grants awarded and the associated performance periods.

New grants awarded in FY 2018-19 include:

- State of California Board of State and Community Corrections – direct law enforcement funding for the purchase of a police helicopter.
- Office of Traffic Safety's DUI Enforcement, Distracted Driving, and Checkpoints – funding for various overtime missions and equipment to improve traffic safety.
- California Department of Justice Office of the Attorney General – funding to determine the volume of untested sexual assault evidence within the Department.
- California Department of Justice Office of the Attorney General – funding for outreach, education and law enforcement related to illegal sales and marketing of tobacco products to minors.
- Byrne Memorial Justice Assistance – continued funding the San Joaquin County Firearms Reduction Consortium.

The Community Corrections Partnership Taskforce, funded through San Joaquin County AB 109 funds and residual State funds from prior year allocations to local law enforcement, proactively addresses violent crimes and early-release offenders. Funds cover salaries, overtime, and equipment for Task Force. Participation on the Task Force is from Police Departments of Stockton, Lodi, Manteca, and Tracy, as well as the San Joaquin County Sheriff. In FY 2019-20, the funds will continue to support the full cost of the core team.

Partial funding of 15 entry-level Police Officer positions through the 2014 Federal COPS Hiring Grant ended in FY 2018-19. The Department will retain the positions using General Fund dollars for the next three years in accordance with the grant requirements.

Firearms Reduction Consortium funding from Edward J. Byrne Memorial Justice Assistance provides upgrades for the Integrated Ballistics Identification System, a full-time Firearms Examiner position, training, and overtime for Police, Sheriff, and Probation to conduct firearms missions.

## POLICE DEPARTMENT

Several local businesses and organizations requested additional police services for special events via Supplemental Services Contracts. During FY 2019-20, the following contracted services are estimated to generate \$110,000 in revenue:

- Stockton Ports – Thursday, Friday, and Saturday home baseball games
- High School Football – Bear Creek, Lincoln, Lodi, and McNair
- Sherwood Mall and Weberstown Mall – Holiday shopping
- SMG Stockton Arena and the Bob Hope Theatre – Hockey, basketball, concerts, and other community events as needed.
- San Joaquin County Fairgrounds – special events

**Police Department**  
**Special Revenue Grants - 025**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 40,124</b>	<b>\$ 48,814</b>	<b>\$ 921,393</b>	<b>\$ 1,505,407</b>
<b>Revenues</b>				
Federal Grants	2,062,937	1,793,866	868,394	-
State Grants	1,731,132	1,789,740	2,495,633	-
Other Grants / Donations	5,488	169,391	3,166,371	-
Contract Reimbursements	119,743	87,494	121,116	107,500
Investment Proceeds	9,020	6,764	-	-
	<b>3,928,320</b>	<b>3,847,255</b>	<b>6,651,514</b>	<b>107,500</b>
<b>Expenditures</b>				
Federal Grants	2,128,108	1,883,986	868,395	-
State Grants	1,736,576	1,775,304	1,911,618	-
Other Grants / Donations	5,535	169,391	3,166,371	-
Contract Reimbursements	119,744	87,494	121,116	107,500
	<b>3,989,963</b>	<b>3,916,175</b>	<b>6,067,500</b>	<b>107,500</b>
<b>Transfers</b>				
Transfer In - Grant Match - General Fund				
Sexual Assault Match	1,780	68,167	-	-
Sexual Assault Match	63,109	21,952	-	-
Strength LE & Comm Relatn Match	5,444	12,710	-	-
	<b>70,333</b>	<b>102,829</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>8,690</b>	<b>33,909</b>	<b>584,014</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 48,814</b>	<b>\$ 82,723</b>	<b>\$ 1,505,407</b>	<b>\$ 1,505,407</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 564,328		
Due from Other Governments		831,186		
Accounts Payable		(474,121)		
Deferred Revenue		(838,670)		
Fund balance		82,723		
Due from Other Governments		838,670		
Ending Available Balance		<b>\$ 921,393</b>		



## **POLICE DEPARTMENT**

### **POLICE SPECIAL REVENUE FUND (645)**

#### **PROGRAM DESCRIPTION**

The Police Department maintains a variety of special revenue programs in this fund. These programs historically provided accounting and management support for activities that are specific to the funding sources but do not require the same level of oversight as a grant or contract.

Revenues in this fund are derived from donations or charges for services from programs. The Geraldine Schmidt Trust was established to provide a direct benefit to the Stockton Animal Shelter and accounts for the majority of the Police Special Revenue fund balance.

#### **KEY CONSIDERATIONS**

Donations for the Volunteers in Police Service, miscellaneous equipment, and community events remain consistent with prior years and are expended in support of these key programs.

Funds from the Geraldine Schmidt Trust are reserved for capital improvements to the Animal Shelter buildings. There are no planned improvements for FY 2019-20.

Staff continues to review available balances and expend funds for their intended purposes including community events, equipment, and special programs such as Cadets, Sentinels, and Volunteers in Police Service.

The Pet Overpopulation Fund supports Spay and Neuter Clinics. Prior year revenues have been insufficient to cover program expenditures, but they are now sufficient to fund program activities related to preventing pet overpopulation in the community in FY 2019-20.

**Police Department**  
**Police Special Revenue - 645**  
**FY 2019-20 Annual Budget**

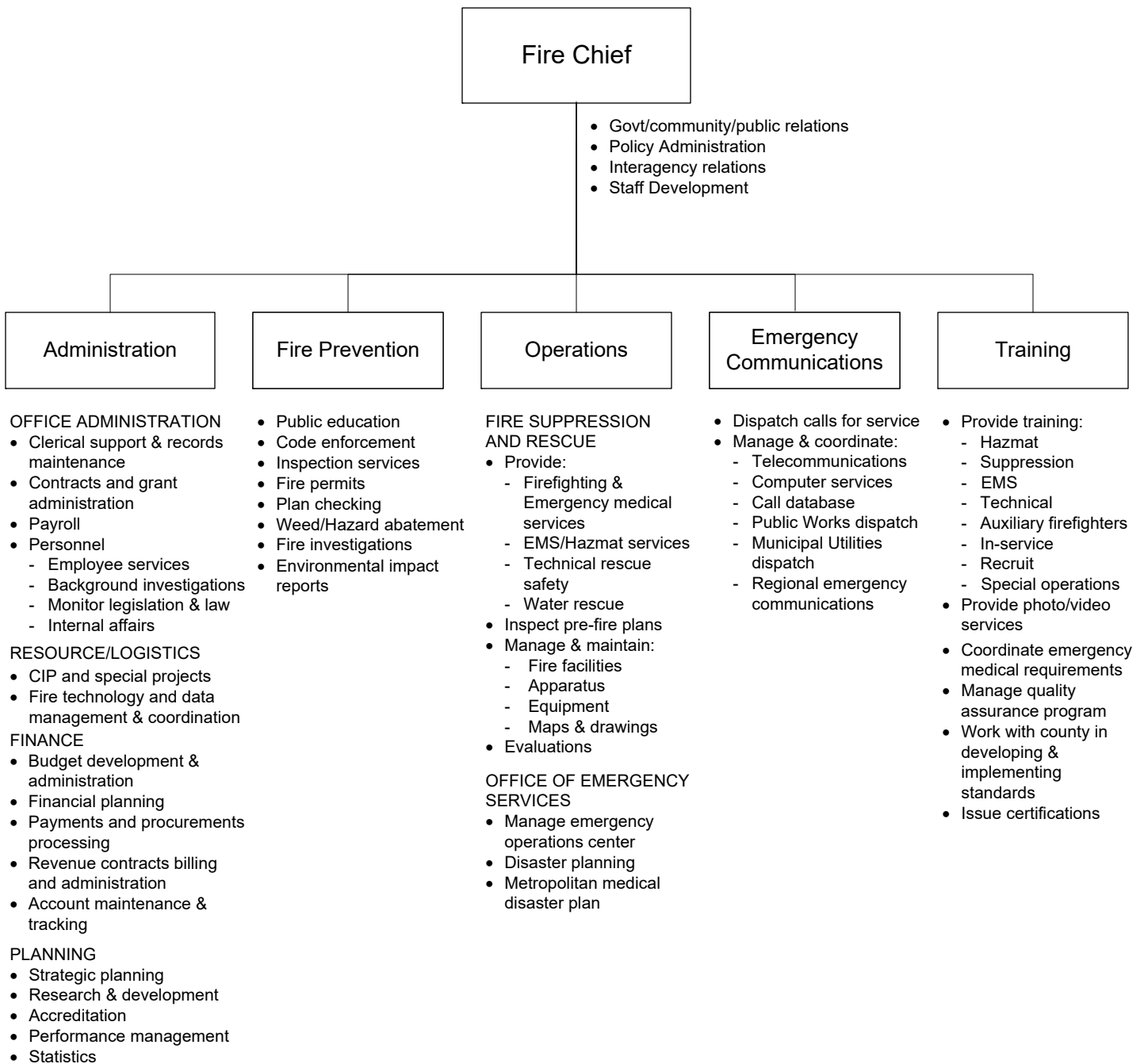
	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 492,561</b>	<b>\$ 539,372</b>	<b>\$ 615,011</b>	<b>\$ 818,424</b>
<b>Revenues</b>				
Pet Overpopulation Program	130,561	154,750	174,125	174,659
Other Revenue	44,121	47,041	45,383	45,383
Investment Proceeds	-	1,102	-	-
	<u>174,682</u>	<u>202,893</u>	<u>219,508</u>	<u>220,042</u>
<b>Expenditures</b>				
Pet Overpopulation Program	109,105	-	-	100,000
Program Expense	18,766	86,819	16,095	41,357
	<u>127,871</u>	<u>86,819</u>	<u>16,095</u>	<u>141,357</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out - Capital Fund	-	(40,435)	-	-
	<u>-</u>	<u>(40,435)</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>46,811</b>	<b>75,639</b>	<b>203,413</b>	<b>78,685</b>
<b>Ending Available Balance</b>	<b><u>\$ 539,372</u></b>	<b><u>\$ 615,011</u></b>	<b><u>\$ 818,424</u></b>	<b><u>\$ 897,109</u></b>
<b>Available Balance Calculation</b>				
Cash		\$ 617,429		
Accounts Receivable		-		
Vouchers Payable		(2,418)		
Ending Available Balance		<u>\$ 615,011</u>		





TAB 5 FIRE





# FIRE DEPARTMENT



## FIRE DEPARTMENT

### MISSION STATEMENT

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

#### Budget at a Glance:

Total Revenues	\$16,307,717
Total Expenditures	\$57,453,171
Total Net Cost	\$41,145,454
Total Staff	217

### DEPARTMENT DESCRIPTION

The Fire Department is responsible for fire protection, and emergency medical services within Stockton city limits and under contract to four bordering fire districts. It also provides fire and emergency medical dispatch services on a regional scale to Stockton and other municipalities in San Joaquin County.

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

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

Operations Division provides fire suppression and emergency medical and rescue services; mitigates hazardous material incidents, conducts routine fire prevention inspections and fire investigations.

Fire Prevention Division issues fire code operational permits and performs related annual inspections, conducts fire safety education programs, provides code enforcement and plan checking for fire code compliance.

Training Division coordinates and monitors the professional and technical training plans and programs for over 180 sworn positions related to fire and medical service certification and licensure; fulfills statutorily-mandated reporting requirements and develops the curriculum for and oversees all firefighter training academies.

Emergency Communications Division dispatches fire and emergency medical calls to Stockton and other municipalities as a regional dispatch contract service provider for the San Joaquin County Regional Fire Dispatch Authority.

### DEPARTMENT STRATEGIC WORK PLAN

As part of the department's commitment to continued excellence, sustaining a thoughtful, comprehensive strategic plan is critical as it will drive the organization toward a common vision and optimize resources.

The department's strategic priorities are to evaluate and improve service delivery, implement advanced technologies, employ sound budget practices, develop our workforce and enhance our leadership. Strengthening community relationships will improve preparedness and enhance resiliency during emergency events. The Department can revitalize the local economy by attracting and supporting new business by improving through improved prevention services.

## FIRE DEPARTMENT

The Fire Department will continue to operate twelve firehouses and twelve engines and three ladder trucks to provide fire protection and emergency services to the community. Daily staffing levels remain at three personnel on fire engines and four personnel on ladder trucks.

### PRIOR YEAR ACCOMPLISHMENTS

#### Administrative Division

- In January 2019, the City Council authorized the Department's participation with San Joaquin County to share and provide incident command systems and emergency management personnel during major events or disasters.
- Replaced self contained breathing apparatus fill equipment at Fire Station No. 3, installed a new extractor at Fire Station No. 12, and replaced 22 cardiac monitor/defibrillators.
- Replaced carpet with polished concrete at four fire stations and constructed new perimeter fencing at Fire Station Nos. 3 and 6.
- Hosted Emergency Management Training for City management.

Operations Division mobilized on more than 48,000 incidents, including 26,724 rescue and emergency medical service responses, 3,479 fires, 683 hazardous conditions, and almost 18,000 other calls for emergency services. Using industry-specific metrics, the demands in Stockton are among the highest in the country.

The Division responded to State requests for emergency wildland fire assistance including assistance at the Ferguson and Camp fires. The requesting agencies fully reimburse the cost of deploying resources to these incidents. Along with the Stockton Police Department, Fire staff participated in public education awareness and the Smart Use 911 campaigns.

Various Fire personnel attended advanced training classes for water rescue, urban search and rescue, disaster preparedness, tactical emergency medical services and hazardous materials situations. Two new engines and one ladder truck were delivered and put into service early in the fiscal year.

Fire Prevention Division completed 126 school inspections consistent with state-mandated Kindergarten to 12<sup>th</sup>-grade school fire code requirements. In 2018, staff completed 10,097 fire inspections, 1,183 fire and building plan checks, 154 plan applications and project reviews, 1,895 new construction related inspections, 9,200 hydrant inspections, and 224 formal fire investigations. Staff provided fire safety education to approximately 10,000 Kindergarten through second-grade students. Additional safety education was delivered to the public through social media, three community firehouse open house events, and 88 public outreach events. The division also distributed educational materials on fireworks safety.

The division developed and implemented new fees associated with initial and on-going inspections required for cannabis business operational fire permits.

Training Division conducted a Fire Training Academy to fill 14 Firefighter vacancies, and coordinated various training events. The division hosted countywide fire suppression tower drill and command training and completed several training facility projects for simulation training drills.

## FIRE DEPARTMENT

Emergency Communications Division received a daily average of 312 service calls in 2018, a 7% increase in daily service call volume from the prior year. Two new positions authorized in the FY 2018-19 budget were filled and staff were trained on the regional dispatch system along with three new staff hired to fill vacant positions.

The division also facilitated the department's initial implementation of FirstNet, a nationwide public safety broadband network system for disaster management, that allows the Department to receive, scan, and transmit on any Land Mobile Radio channels within San Joaquin County without competing for available bandwidth with non-public safety users.

### KEY CONSIDERATIONS

The Fire Department remains focused on fulfilling the City Council's strategic work plan through new and improved technology and equipment to increase its operational efficiency and to enhance its services to the community. Staff continues to work towards the completion of the computer aided dispatch system upgrade and ancillary software replacement. Once these projects are complete, new technologies will automate and reduce processing and reporting time, enable the Department to manage dispatch calls better, provide more efficient communication and 911 caller data management, produce timely and accurate reports and efficiently schedule its workforce.

The cost of contracted dispatch services with the San Joaquin County Regional Fire Dispatch Authority increased by approximately 6% as a result of increased dispatch call volume for City of Stockton.

The department, together with Public Works, will continue to work to complete the FY 2018-19 projects for kitchen repair, window replacement and exterior painting. The FY 2019-20 Measure W tax proceeds will provide resources for deferred maintenance in three to eight fire stations for removing worn carpets, and decontamination and painting apparatus bays. Measure W will also provide funding for the purchase and installation of extractors to clean and decontaminate firefighter turn-out gear.



**Fire Department**  
**FY 2019-20 Annual Budget**

	<b>General Fund 010</b>	<b>Emergency Communication 042</b>	<b>Development Services 048</b>	<b>Measure W 081</b>
	<i>See Page E-8</i>	<i>See Page E-11</i>	<i>See Page E-13</i>	<i>See Page E-15</i>
<b>Beginning Available Balance</b>		<b>\$ -</b>		
<b>Revenues</b>				
Taxes	-	-	-	5,429,000
Program Revenue	4,678,487	3,389,147	2,806,083	-
Other Revenue	-	-	-	5,000
	<b>4,678,487</b>	<b>3,389,147</b>	<b>2,806,083</b>	<b>5,434,000</b>
<b>Expenditures</b>				
Salary & Benefits	33,209,494	2,330,879	-	4,674,945
Services & Supplies	12,507,238	799,257	-	340,676
Administration Overhead	-	259,011	-	256,126
Fire Prevention & Education	-	-	2,811,686	-
Capital Outlay	50,600	-	-	164,000
	<b>45,767,332</b>	<b>3,389,147</b>	<b>2,811,686</b>	<b>5,435,747</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(41,088,845)</b>	<b>-</b>	<b>(5,603)</b>	<b>(1,747)</b>
<b>Ending Available Balance</b>		<b>\$ -</b>		

**Fire Department, Continued**  
**FY 2019-20 Annual Budget**

	<b>Special Revenue 646</b>	<b>Fire Total</b>
	<u>See Page E-17</u>	
<b>Beginning Available Balance</b>	<b>\$ 49,259</b>	
<b>Revenues</b>		
Taxes	-	5,429,000
Program Revenue	-	10,873,717
Other Revenue	-	5,000
	<u>-</u>	<u>16,307,717</u>
<b>Expenditures</b>		
Salary & Benefits	-	40,215,318
Services & Supplies	49,259	13,696,430
Administration Overhead	-	515,137
Fire Prevention & Education	-	2,811,686
Capital Outlay	-	214,600
	<u>49,259</u>	<u>57,453,171</u>
<b>Transfers</b>		
Transfer In	-	-
Transfer Out	-	-
	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>(49,259)</b>	<b>(41,145,454)</b>
<b>Ending Available Balance</b>	<b>\$ -</b>	

Revenues	\$ 16,307,717
Transfers	-
Total Sources	<u>\$ 16,307,717</u>
Expenditures	\$ 57,453,171
Transfers	-
Total Appropriations	<u>\$ 57,453,171</u>



**Fire Department  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Total Fire Department</b>				
Employee Services	\$ 31,244,551	\$ 32,788,684	\$ 33,180,833	\$ 33,209,494
Other Services	6,515,764	6,980,393	7,670,479	7,886,713
Materials and Supplies	983,405	1,275,916	1,527,697	1,325,073
Other Expenses	1,630,184	3,343,075	3,133,979	3,295,452
Capital Outlay	472,195	213,682	500,419	50,600
Total	<u>\$ 40,846,099</u>	<u>\$ 44,601,750</u>	<u>\$ 46,013,407</u>	<u>\$ 45,767,332</u>

**Administration**

Employee Services	1,583,963	2,114,637	2,121,300	2,198,173
Other Services	505,213	307,005	442,648	383,571
Materials and Supplies	31,839	33,079	38,495	39,387
Other Expenses	<u>1,375,273</u>	<u>3,121,655</u>	<u>2,928,199</u>	<u>3,120,393</u>
Total	<u>3,496,288</u>	<u>5,576,376</u>	<u>5,530,642</u>	<u>5,741,524</u>

**Fire Suppression**

Employee Services	28,364,995	29,400,494	29,764,952	29,684,229
Other Services	3,957,701	4,145,107	4,618,361	4,779,784
Materials and Supplies	912,628	1,150,063	1,260,428	1,089,957
Other Expenses	9,447	281	4,300	5,800
Capital Outlay	<u>89,963</u>	<u>113,698</u>	<u>413,454</u>	<u>50,600</u>
Total	<u>33,334,734</u>	<u>34,809,643</u>	<u>36,061,495</u>	<u>35,610,370</u>

**Safe and Sane Fireworks Program**

Employee Services	30,924	79,833	54,782	76,365
Other Services	2,193	1,823	2,040	3,669
Materials and Supplies	<u>4,587</u>	<u>6,937</u>	<u>10,000</u>	<u>10,167</u>
Total	<u>37,704</u>	<u>88,593</u>	<u>66,822</u>	<u>90,201</u>

**Training/Emergency Services**

Employee Services	1,038,522	1,048,048	1,092,822	1,102,790
Other Services	163,760	486,026	366,369	331,713
Materials and Supplies	30,575	79,839	218,774	185,562
Other Expenses	<u>245,464</u>	<u>220,899</u>	<u>201,360</u>	<u>169,259</u>
Total	<u>1,478,321</u>	<u>1,834,812</u>	<u>1,879,325</u>	<u>1,789,324</u>

**Dispatch**

Employee Services	226,147	145,673	146,977	147,937
Other Services	1,886,897	2,040,432	2,241,061	2,387,976
Materials and Supplies	3,776	5,997	-	-
Other Expenses	-	240	120	-
Capital Outlay	<u>382,232</u>	<u>99,984</u>	<u>86,965</u>	<u>-</u>
Total	<u>2,499,052</u>	<u>2,292,326</u>	<u>2,475,123</u>	<u>2,535,913</u>

## **FIRE DEPARTMENT**

### **EMERGENCY COMMUNICATIONS FUND (042)**

#### **PROGRAM DESCRIPTION**

The City provides regional emergency and non-emergency dispatch and administrative services to the San Joaquin County Regional Fire Dispatch Authority (Authority), which serves the communities of Stockton, Lodi, Manteca, Tracy, and Lathrop.

The Emergency Communications Fund was created to account for the revenue and expenditures associated with the contracted dispatch and administrative services, and the associated reimbursements of the Authority and other agencies.

#### **KEY CONSIDERATIONS**

Staff will continue to focus on the following efforts in the upcoming fiscal year:

- Complete the Fire computer-aided dispatch system upgrade project and replace the outdated software currently used at the dispatch center for improved receipt and management of emergency service calls from the public.
- Complete the 2019 National Academies of Emergency Dispatch Center of Excellence Re-Accreditation process.
- Complete the installation and replacement of the 9-1-1 call-taker workstations using funds from the State's 9-1-1 Emergency Communications Office.
- Develop a comprehensive communications training and succession planning program.
- Initiate the review and update to the Emergency Communications Operations Policies & Procedures.
- Replace end-of-life mobile data computers and install new command and control and status software for these devices.

**Fire Department  
Emergency Communications - 042  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenues</b>				
Contract Revenue	2,411,227	2,591,405	2,839,053	3,258,571
Reimbursements	149,286	111,865	118,153	130,576
	<b>2,560,513</b>	<b>2,703,270</b>	<b>2,957,206</b>	<b>3,389,147</b>
<b>Expenditures</b>				
Salary & Benefits	1,918,725	1,927,440	2,136,295	2,330,879
Services & Supplies	513,345	525,385	547,371	799,257
Utilities & Maintenance	89,651	92,277	93,618	102,840
Administrative Expenses	38,792	158,168	179,922	156,171
	<b>2,560,513</b>	<b>2,703,270</b>	<b>2,957,206</b>	<b>3,389,147</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>-</b>
<b>Ending Available Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 90,200		
Current liabilities		(90,200)		
Ending Available Balance		<b>\$ -</b>		

## **FIRE DEPARTMENT**

### **DEVELOPMENT SERVICES FUND FIRE PREVENTION (048)**

#### **PROGRAM DESCRIPTION**

The Fire Prevention Division safeguards the lives, welfare, and economy of the community by providing specialized services including commercial, residential, institutional and industrial inspections for California Fire Code compliance. The division also performs technical services such as permit plan review of fire alarm and extinguishing systems; management and issuance of fire code operational permits; and investigation of suspicious fires and hazardous materials incidents. Fire prevention inspection and technical services fees finance the operations of the division.

#### **KEY CONSIDERATIONS**

The Division will focus on the following initiatives in FY 2019-20:

- Complete a fee study to establish the permit pricing and methods used to develop fees and adjust fees as necessary.
- Institute a pre-inspection program in conjunction with the Community Development Department to inspect new businesses before opening to identify operational permit requirements and to ensure building and fire code compliance for the proposed type of use.
- Perform research on arson-caused vehicle fires and enroll staff in state fire training and investigation courses.
- Update all inspection databases for completeness and accuracy in preparation for the implementation of the inspection module of the Fire Department's new reporting management system.
- Develop a tracking method for private fire hydrants to ensure compliance with annual inspection and maintenance requirements.
- Hold four open-house community outreach events across the city at different firehouses to educate and inform the public on fire safety and emergency preparedness.

**Fire Department  
Development Services - 048 (a)  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Revenues</b>				
Fire Prevention				
User Fees	\$ 2,216,031	\$ 2,346,994	\$ 2,613,244	\$ 2,740,943
Fines & Penalties	55,994	64,897	60,445	62,015
Other Revenue	3,532	2,045	2,000	3,125
	<b>2,275,557</b>	<b>2,413,936</b>	<b>2,675,689</b>	<b>2,806,083</b>
<b>Expenditures</b>				
Fire Prevention	1,857,925	1,916,408	2,238,449	2,757,142
Fire Public Education	5,649	13,315	33,009	54,544
Safe & Sane Fireworks Program	31,237	-	-	-
	<b>1,894,811</b>	<b>1,929,723</b>	<b>2,271,458</b>	<b>2,811,686</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ 380,746</b>	<b>\$ 484,213</b>	<b>\$ 404,231</b>	<b>\$ (5,603)</b>

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



## **FIRE DEPARTMENT**

### **MEASURE W FUND (081)**

#### **PROGRAM DESCRIPTION**

Stockton's voters approved Measure W in November 2004, which authorized a one-quarter percent Transaction and Use Tax for public safety services. Proceeds are split equally between the Police and Fire Departments. The program guidelines include an Economic Uncertainty fund reserve of 25% of annually budgeted revenues. The Fire portion of this reserve is fully funded.

The Fire Department uses Measure W proceeds to pay for a portion of Fire suppression personnel salary and benefits assigned to Fire Company No. 3 (southeast Stockton), Fire Company No. 4 (central Stockton) and Fire Company No. 13 (northeast Stockton). Proceeds have also been used for one-time purchases of fire engines, equipment, and radios. For the past six years, Measure W proceeds have consistently funded the salary and benefits of 25 firefighting positions that provide fire protection and other emergency services.

#### **KEY CONSIDERATIONS**

In FY 2019-20, Measure W revenues will continue to pay for 25 firefighting positions, three more extractors to clean and decontaminate firefighter turn-out gear and deferred maintenance at various fire stations. Measure W revenues are projected to be four percent below the FY 2018-19 projections as FY 2018-19 revenues include approximately \$300,000 of one-time payments that should have been received in FY 2017-18 due to the ongoing problems tied to the State's new tax reporting computer system. The reserve balance will continue to exceed the program guidelines in the coming fiscal year despite the projected decrease in revenues.

**Fire Department  
Measure W - 081 (a)  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Revenues</b>				
Measure W Sales Tax	\$ 4,991,839	\$ 5,311,128	\$ 5,652,500	\$ 5,429,000
Investment Proceeds	(3,429)	(87)	9,081	5,000
	<b>4,988,410</b>	<b>5,311,041</b>	<b>5,661,581</b>	<b>5,434,000</b>
<b>Expenditures</b>				
Salary & Benefits	4,624,766	4,577,460	4,730,640	4,674,945
Services & Supplies	147,716	264,678	312,990	340,676
Administration Overhead	232,166	224,971	229,831	256,126
Equipment & Maintenance	336,976	144,865	278,214	164,000
	<b>5,341,624</b>	<b>5,211,974</b>	<b>5,551,675</b>	<b>5,435,747</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>\$ (353,214)</b>	<b>\$ 99,067</b>	<b>\$ 109,906</b>	<b>\$ (1,747)</b>

(a) The total Measure W Fund - 081 is presented with the Police Department budget on page D-13.

## **FIRE DEPARTMENT**

### **FIRE SPECIAL REVENUE FUND (646)**

#### **PROGRAM DESCRIPTION**

The Fire Department receives donations and uses them for supplies, equipment, training and safety awareness expenses that have no other funding source.

#### **KEY CONSIDERATIONS**

The projected available balance is fully appropriated in anticipation of costs for expenses or programs that are needed but have no other funding source, such as pediatric medical software licenses, training and facility repair.

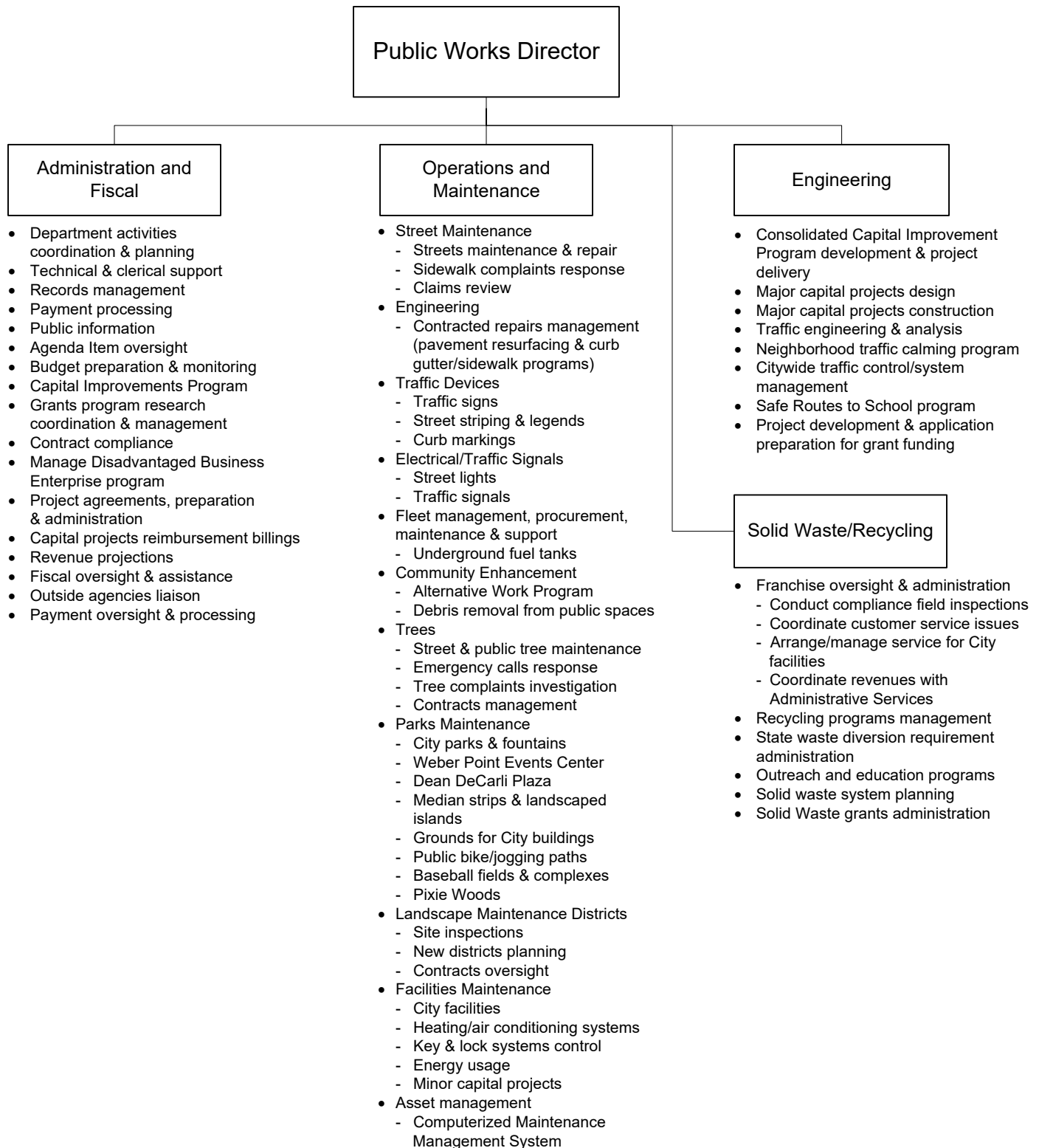
**Fire Department  
Special Revenue - 646  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 105,376</b>	<b>\$ 79,719</b>	<b>\$ 68,575</b>	<b>\$ 49,259</b>
<b>Revenues</b>				
Donations	500	-	-	-
Other Revenue	781	797	896	-
	<b>1,281</b>	<b>797</b>	<b>896</b>	<b>-</b>
<b>Expenditures</b>				
Program Expenses	26,938	11,941	20,212	49,259
	<b>26,938</b>	<b>11,941</b>	<b>20,212</b>	<b>49,259</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(25,657)</b>	<b>(11,144)</b>	<b>(19,316)</b>	<b>(49,259)</b>
<b>Ending Available Balance</b>	<b>\$ 79,719</b>	<b>\$ 68,575</b>	<b>\$ 49,259</b>	<b>\$ -</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 68,620		
Current liabilities		(45)		
Ending Available Balance		<b>\$ 68,575</b>		



## TAB 6 PUBLIC WORKS





# PUBLIC WORKS DEPARTMENT





## PUBLIC WORKS DEPARTMENT

### MISSION STATEMENT

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

#### Budget at a Glance:

Total Revenues	\$41,743,828
Total Expenditures	\$62,654,264
Total Net Cost	\$20,910,436
Total Staff	164

### DEPARTMENT DESCRIPTION

Public Works is comprised of four divisions: Engineering, Solid Waste/Recycling, Operations and Maintenance, Fiscal and Administration.

Engineering oversees traffic engineering, traffic system management and delivery of the City's Capital Improvement Program (CIP) projects. The CIP is a robust compilation of upgrades and additions to the City's infrastructure. The CIP list of improvements includes work to the City's roads, bridges, signals, lighting, parks, as well as library, fire, police, and other city facilities.

Solid Waste and Recycling manages the City's recycling programs and oversees the City's franchise agreements, including:

- Residential trash, recycling, and green/food waste collection.
- Commercial and industrial waste and recycling.
- Recycling education and outreach.
- "Clean Sweep" by appointment (bulky waste pick-up).
- Construction/demolition recycling permits.

Operations and Maintenance is responsible for maintaining transportation infrastructure, parks, trees, Landscape and Lighting Assessment Districts, City facilities, and the City fleet.

- Transportation maintenance utilizes State gas tax and Measure K maintenance monies for the maintenance, repair, and replacement of:
  - 763 miles of roads.
  - Over 1,200 miles of sidewalk, pavement striping, and markings.
  - More than 16,000 regulatory/warning signs.
  - 308 traffic signals and over 19,000 street lights.
- The Community Enhancement program removes weeds, graffiti, and approximately 450 tons of illegally dumped debris from public right-of-way.
- The Division contracts for over two million square feet of median and streetscape landscape maintenance, alley maintenance, and weed spraying.
- The Landscape Maintenance Assessment District function provides maintenance services to 27 separate zones where fees are collected from benefiting properties. Services include

## PUBLIC WORKS DEPARTMENT

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

- Fleet operations are funded by rental rates charged to user departments. Fleet services manages the City's mixed fleet of approximately 1,120 vehicles and equipment by:
  - Providing services ranging from preventive maintenance inspections to full engine rebuilds, specialized auto body repairs, and vehicle setups. This work is performed either by an in-house team of mechanics and specialists or by outside vendors.
  - Replacing aging vehicles and equipment including police vehicles, heavy fire equipment, and large construction units.

Fiscal and Administration provides management support for the department, which includes budget development, grants management, contract compliance, and all aspects of office and financial administration.

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

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

Gas tax and Measure K maintenance funds support traffic engineering, traffic system management, and delivery of the various projects in the CIP. The budget for the capital function is separate from, and in addition to, the operating budget. Public Works staff seek out and secure various capital grants that are needed to complete critical capital improvements. Measure K maintenance funds and developer fees provide important matching funds for capital projects grants.

### DEPARTMENT STRATEGIC WORK PLAN

The Department is focused on infrastructure maintenance and on maintaining the level of service provided by Solid Waste, Engineering, and maintenance operations. Engineering will continue to seek federal and state funding opportunities to deliver the City's capital needs with a focus on delivering portions of the Bike Master plan and Safe Routes to School plan through active transportation projects. The City's long term infrastructure maintenance and renewal strategy is contained in the 5-year Capital Improvement Plan which is updated annually. Operations and Maintenance will focus on enhancing asset inventory tracking, managing and evaluating service levels using the computerized maintenance management system, and updating the Fleet Management System as part of the transition to a new enterprise resource planning system. Solid Waste operations will focus on renewing the waste hauler franchise agreements while continuing to work with the current franchised haulers to address recycling contamination issues.

## **PUBLIC WORKS DEPARTMENT**

### **PRIOR YEAR ACCOMPLISHMENTS**

The Department successfully utilized existing Measure K funding to leverage a variety of ongoing and new federal and state funding sources. These grant opportunities made it possible to bring tens of millions in additional funding for improvements to the City's transportation infrastructure. The Department substantially completed construction on Hammer Lane and Thornton Road. Undergrounding work was commenced on the Miner Avenue project, as was the majority of the final complete streets design for that corridor.

The operations and maintenance division continued its primary mission of timely maintenance of the City's facilities and transportation system comprised of over 800,000 square feet of building space, 62 parks, 763 miles of roads, 308 traffic signals, more than 19,000 street lights and 16,000 regulatory/warning signs. Staff filled over 5,500 potholes and installed over 3,200 signs, removed over 800 tons of debris from Mormon Slough, and replaced three damaged playgrounds.

Solid Waste coordinated a residential recycling event to collect mattresses and box springs, processed almost 2,000 illegally dumped mattresses through the Bye Bye Mattress program, coordinated with the garbage franchise haulers to service nearly 4,000 residential Clean Sweep collections, and managed the online recycling guide, [StocktonRecycles.com](http://StocktonRecycles.com).

### **KEY CONSIDERATIONS**

Key considerations for Department divisions that are funded separately from the General Fund are addressed in the following sections. For General Fund functions, which are limited to Parks, Trees, and Facilities, the FY 2019-20 budget funds the new street landscape maintenance contract and increases the funds for park irrigation to keep pace with water utility rate increases. Tree maintenance continues to be a concern, as resources do not allow for proactive trimming, removal and replacement program. Facility considerations primarily focus on the shift of City Hall to the Waterfront Office Towers and the remaining maintenance needs at unoccupied facilities.

**Public Works Department  
FY 2019-20 Annual Budget**

	<b>General Fund 010</b>	<b>Street Maintenance Gas Tax 030</b>	<b>Measure K Street Maintenance 082</b>	<b>Solid Waste Recycling 047</b>
	<i>See Page F-9</i>	<i>See Page F-11</i>	<i>See Page F-13</i>	<i>See Page F-15</i>
<b>Beginning Available Balance</b>		<b>\$ 1,088,069</b>	<b>\$ 7,018,111</b>	<b>\$ 1,685,234</b>
<b>Revenues</b>				
State Gas Tax	-	13,354,587	-	-
Measure K Sales Tax	-	-	5,500,000	-
User Fees	-	-	-	1,518,948
Interfund Project Charges	-	-	-	-
Other Revenue	37,355	-	60,000	-
	<b>37,355</b>	<b>13,354,587</b>	<b>5,560,000</b>	<b>1,518,948</b>
<b>Expenditures</b>				
Salary and benefits	6,358,986	4,282,296	-	1,058,044
Operating expenses	8,649,895	4,054,624	3,293,620	1,380,175
Debt service	-	-	-	-
Capital outlay	-	5,265,000	5,687,560	-
	<b>15,008,881</b>	<b>13,601,920</b>	<b>8,981,180</b>	<b>2,438,219</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(14,971,526)</b>	<b>(247,333)</b>	<b>(3,421,180)</b>	<b>(919,271)</b>
<b>Ending Available Balance</b>		<b>\$ 840,736</b>	<b>\$ 3,596,931</b>	<b>\$ 765,963</b>

**Public Works Department, Continued**  
**FY 2019-20 Annual 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 F-17</i>	<i>See Page F-19</i>		<i>See Page N-9</i>	
	<b>\$ 302,831</b>	<b>\$ 11,326,659</b>	<b>\$ -</b>	<b>\$ 5,408,629</b>	
<b>Revenues</b>					
State Gas Tax	-	-	-	-	13,354,587
Measure K Sales Tax	-	-	-	-	5,500,000
User Fees	15,821	3,455,973	-	12,982,372	17,973,114
Interfund Project Charges	-	-	4,561,272	-	4,561,272
Other Revenue	2,500	65,000	-	190,000	354,855
	<b>18,321</b>	<b>3,520,973</b>	<b>4,561,272</b>	<b>13,172,372</b>	<b>41,743,828</b>
					-
<b>Expenditures</b>					
Salary and benefits	17,562	-	4,561,272	-	16,278,160
Operating expenses	-	4,629,593	-	9,186,418	31,194,325
Debt service	-	-	-	744,007	744,007
Capital outlay	-	-	-	3,040,000	13,992,560
	<b>17,562</b>	<b>4,629,593</b>	<b>4,561,272</b>	<b>12,970,425</b>	<b>62,209,052</b>
					-
<b>Transfers</b>					
Transfer In	-	-	-	-	-
Transfer Out	-	(7,212)	-	(438,000)	(445,212)
	-	<b>(7,212)</b>	-	<b>(438,000)</b>	<b>(445,212)</b>
<b>Net Annual Activity</b>	<b>759</b>	<b>(1,115,832)</b>	<b>-</b>	<b>(236,053)</b>	<b>(20,910,436)</b>
	<b>\$ 303,590</b>	<b>\$ 10,210,827</b>	<b>\$ -</b>	<b>\$ 5,172,576</b>	

Revenues	\$ 41,743,828
Transfers	-
<b>Total Sources</b>	<b>\$ 41,743,828</b>
Expenditures	\$ 62,209,052
Transfers	445,212
<b>Total Appropriations</b>	<b>\$ 62,654,264</b>



**Public Works Department  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Total Public Works Department</b>				
Employee Services	\$ 4,542,862	\$ 4,927,808	\$ 5,480,250	\$ 6,358,986
Other Services	6,560,719	6,502,652	7,573,552	7,791,846
Materials and Supplies	1,107,941	1,092,018	665,495	792,349
Other Expenses	65,266	24,522	74,029	65,700
Capital Outlay	-	-	500	-
Total	<u>\$ 12,276,788</u>	<u>\$ 12,547,000</u>	<u>\$ 13,793,826</u>	<u>\$ 15,008,881</u>

**Administration**

Employee Services	542,764	985,437	1,167,012	1,272,548
Other Services	434,856	397,903	493,360	306,293
Materials and Supplies	126,628	38,421	26,952	21,778
Other Expenses	9,658	7,495	12,524	14,600
Capital Outlay	-	-	-	-
Total	<u>1,113,906</u>	<u>1,429,256</u>	<u>1,699,848</u>	<u>1,615,219</u>

**Operations & Maintenance**

Employee Services	1,083,845	1,105,240	1,264,216	1,821,735
Other Services	989,955	367,944	517,046	600,422
Materials and Supplies	342,324	395,417	34,532	64,947
Other Expenses	4,020	10,540	5,939	10,800
Total	<u>2,420,144</u>	<u>1,879,141</u>	<u>1,821,733</u>	<u>2,497,904</u>

**Parks & Street Trees**

Employee Services	1,205,172	1,168,883	1,020,838	1,095,278
Other Services	3,822,001	4,152,365	4,648,433	5,122,417
Materials and Supplies	169,682	149,086	165,930	250,746
Other Expenses	33,405	3,641	39,618	13,800
Capital Outlay	-	-	-	-
Total	<u>5,230,260</u>	<u>5,473,975</u>	<u>5,874,819</u>	<u>6,482,241</u>

**Facilities Maintenance**

Employee Services	1,711,081	1,668,248	2,028,184	2,169,425
Other Services	1,313,907	1,584,440	1,914,713	1,762,714
Materials and Supplies	469,307	509,094	438,081	454,878
Other Expenses	18,183	2,846	15,948	26,500
Capital Outlay	-	-	500	-
Total	<u>3,512,478</u>	<u>3,764,628</u>	<u>4,397,426</u>	<u>4,413,517</u>



## **PUBLIC WORKS DEPARTMENT**

### **GAS TAX FUND (030)**

#### **PROGRAM DESCRIPTION**

The State of California transfers Gas Tax Fund revenues to the City based on an allocation formula that distributes taxes collected on fuel sales.

The Fund supports a transportation system comprised of approximately 763 miles of roads, 308 traffic signals, 19,000 street lights, 16,000 regulatory/warning signs, together with sidewalks, bridges, ditches, graffiti abatement, and the City's street trees.

#### **KEY CONSIDERATIONS**

- The State authorized additional transportation funding via Senate Bill 1 (SB1-the Road Repair and Accountability Act of 2017) to fix roads, freeways, and bridges in communities across California. SB1 will increase funding for the maintenance program moving forward through the Road Maintenance and Rehabilitation Account (RMRA) program. The City's FY 2019-20 RMRA funding allocation is estimated to be almost \$5.5 million, and these projects are included in the CIP. \$2.5 million of the total amount is allocated to the Local Streets Resurfacing Project, \$1.3 million is allocated to the Curb, Gutter, and Sidewalk Replacement Project, and \$1.4 million is allocated to drainage and bridge repair projects.
- The non-capital gas tax portion of the budget funds operational activities related to engineering, pavement, street lighting, traffic signals, and pavement markings and signs to improve the City's infrastructure.

**Public Works Department  
Gas Tax - 030  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 3,044,731</b>	<b>\$ 2,151,838</b>	<b>\$ 1,455,136</b>	<b>\$ 1,088,069</b>
<b>Revenues</b>				
State Gas Tax	4,749,252	6,928,420	10,479,351	10,667,165
Prop 42 Replacement Gas Tax	692,946	1,612,730	1,117,748	2,687,422
Refunds and reimbursements	1,384	192,341	62,134	-
Investment Proceeds	27,724	24,127	25,000	-
	<b>5,471,306</b>	<b>8,757,618</b>	<b>11,684,233</b>	<b>13,354,587</b>
<b>Expenditures</b>				
Salary and benefits	3,799,599	3,669,378	4,129,759	4,282,296
Maintenance and repair services	214,748	190,757	132,738	962,000
Insurance premiums	110,632	108,042	123,560	144,697
Auto equipment rental	770,615	1,132,021	935,538	953,674
Computer/Tech/Operating support	361,436	437,261	415,316	199,717
Engineering services	169,743	7,170	32,720	55,000
Construction services	156,553	326,290	25,000	435,000
Materials and supplies	705,354	1,271,353	78,050	410,000
Fuels - gas/oil/propane	50,151	107,416	107,112	122,333
All other expenses	25,368	681,910	754,487	772,203
Capital projects	-	76,163	5,317,020	5,265,000
	<b>6,364,199</b>	<b>8,007,761</b>	<b>12,051,300</b>	<b>13,601,920</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	43,030	-	-
	<b>-</b>	<b>43,030</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(892,893)</b>	<b>792,887</b>	<b>(367,067)</b>	<b>(247,333)</b>
<b>Ending Available Balance</b>	<b>\$ 2,151,838</b>	<b>\$ 2,944,725</b>	<b>\$ 1,088,069</b>	<b>\$ 840,736</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 3,651,600		
Current liabilities		(706,875)		
Fund balance		2,944,725		
Capital Appropriation		(1,489,589)		
Ending Available Balance		<b>\$ 1,455,136</b>		

## **PUBLIC WORKS DEPARTMENT**

### **MEASURE K MAINTENANCE FUND (082)**

#### **PROGRAM DESCRIPTION**

In 1990, voters in San Joaquin County passed a half cent sales tax increase dedicated to transportation projects. The original sales tax increase was set to expire in 2011; however, in 2006, voters passed a 30-year extension of the sales tax increase. The Measure K program is administered by the San Joaquin Council of Governments (SJCOG).

Approximately 35% of the sales tax revenue is dedicated to maintenance activities and is distributed to member jurisdictions of the SJCOG which include San Joaquin County and the cities of Stockton, Lodi, Manteca, Tracy, Ripon, Escalon, and Lathrop. Stockton receives Measure K maintenance funding every quarter and has historically used this funding for maintenance, local capital projects, and to provide matching funds to leverage state and federal grant programs.

#### **KEY CONSIDERATIONS**

- The San Joaquin Council of Governments indicates Measure K revenues are projected to increase by approximately 4% in FY 2019-20.
- The Department utilizes a portion of Measure K revenues to leverage State and Federal Grant sources such as the Active Transportation, Congestion Mitigation, Highway Bridge, and Highway Safety Programs. The Department is presently delivering approximately \$20 million in state and federally-funded projects that involve new safety improvements, bike facilities, signalization and traffic upgrades, Safe Routes to Schools improvements, and major transportation improvements to identified streets in the City.
- Measure K funds critical engineering programs in the areas of Neighborhood Traffic Calming, Traffic Signal control and Modifications, Utility Undergrounding, and Bridges.
- The FY 2019-20 budget supports operational activities related to engineering, pavement, street lighting, traffic signals, and pavement markings and signs to improve the City's infrastructure.

**Public Works Department  
Measure K - Maintenance - 082  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 11,255,518</b>	<b>\$ 12,520,244</b>	<b>\$ 6,791,843</b>	<b>\$ 7,018,111</b>
<b>Revenues</b>				
Sales Tax	4,833,332	5,202,124	5,278,882	5,500,000
Investment Proceeds	39,153	2,516	100,000	60,000
Other Revenues	25,395	974,308	89,296	-
	<b>4,897,880</b>	<b>6,178,948</b>	<b>5,468,178</b>	<b>5,560,000</b>
<b>Expenditures</b>				
Operating	1,690,161	2,614,533	3,505,885	3,293,620
Capital projects	1,942,993	2,062,051	1,736,025	5,687,560
	<b>3,633,154</b>	<b>4,676,584</b>	<b>5,241,910</b>	<b>8,981,180</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>1,264,726</b>	<b>1,502,364</b>	<b>226,268</b>	<b>(3,421,180)</b>
<b>Ending Available Balance</b>	<b>\$ 12,520,244</b>	<b>\$ 14,022,608</b>	<b>\$ 7,018,111</b>	<b>\$ 3,596,931</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 14,572,265		
Current liabilities		(549,657)		
Fund balance		14,022,608		
Capital Appropriation		(7,230,765)		
Ending Available Balance		<b>\$ 6,791,843</b>		

## **PUBLIC WORKS DEPARTMENT**

### **SOLID WASTE AND RECYCLING FUND (047)**

#### **PROGRAM DESCRIPTION**

Revenues for this fund are from a 3.5% surcharge on waste haulers' gross rate revenues. This revenue is authorized by State Assembly Bill 939 (AB 939-the Integrated Waste Management Act) and was created to fund compliance with the recycling and diversion programs required by AB 939. This program provides franchise oversight in addition to the various recycling and compliance initiatives. Several new state requirements (AB 341, AB 1826, and SB 1383) intended to divert solid and organic waste to recycling efforts are now in effect which will impact this fund as implementation proceeds.

#### **KEY CONSIDERATIONS**

The primary focus for the coming year will be obtained a renewed franchise agreement to replace the current agreement that expires at the end of 2021. The new agreement will be structured to maintain the current high service level, and to provide flexibility to address changing state requirements for diversion and organics processing. Addressing recycling and green waste contamination issues will also be a focus.

**Public Works Department  
Solid Waste & Recycling - 047  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 1,890,701</b>	<b>\$ 1,897,710</b>	<b>\$ 1,927,683</b>	<b>\$ 1,685,234</b>
<b>Revenues</b>				
Recycling Fees				
Residential	846,101	805,288	787,149	769,103
Commercial	631,418	624,550	637,138	683,179
Other	8,238	10,140	13,803	12,096
Industrial	57,984	56,986	65,476	54,570
	<u>1,543,741</u>	<u>1,496,964</u>	<u>1,503,566</u>	<u>1,518,948</u>
Investment Proceeds	2,997	2,129	5,015	-
Other Revenues	2,722	25,559	6,884	-
	<u>1,549,460</u>	<u>1,524,652</u>	<u>1,515,465</u>	<u>1,518,948</u>
<b>Expenditures</b>				
Salaries and Benefits	1,160,781	1,226,906	983,773	1,058,044
Rents and Support	125,353	97,247	136,054	137,268
Professional & Special Services	51,548	35,239	371,558	814,145
Materials and Supplies	28,461	24,877	65,088	140,601
Training & Travel	15,033	15,841	28,550	28,550
Indirect Costs	153,964	83,411	88,941	88,941
All Other Expenses	7,311	11,158	83,950	170,670
	<u>1,542,451</u>	<u>1,494,679</u>	<u>1,757,914</u>	<u>2,438,219</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>7,009</b>	<b>29,973</b>	<b>(242,449)</b>	<b>(919,271)</b>
<b>Ending Available Balance</b>	<b>\$ 1,897,710</b>	<b>\$ 1,927,683</b>	<b>\$ 1,685,234</b>	<b>\$ 765,963</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 2,001,028		
Current liabilities		(73,345)		
Ending Available Balance		<u>\$ 1,927,683</u>		

## **PUBLIC WORKS DEPARTMENT**

### **LIGHTING ASSESSMENT DISTRICT FUND (071)**

#### **PROGRAM DESCRIPTION**

This fund tracks financial activity relative to the Central Stockton Lighting Maintenance Assessment District formed under the Landscape and Lighting Act of 1972 and collects assessments for the “Special Lighting Benefit” received.

The current district is a reformation of the original Lighting & Maintenance Districts 74 and 75 formed under the Street Light Acts of 1927 and 1931. The District contains one zone – the Oxford Manor zone with 278 street lights.

#### **KEY CONSIDERATIONS**

Assessment rates will remain the same as in FY 2018-19.

**Public Works Department  
Lighting Maintenance - 071  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 275,438</u>	<u>\$ 297,142</u>	<u>\$ 297,426</u>	<u>\$ 302,831</u>
<b>Revenues</b>				
Charges for services	23,902	16,001	15,821	15,821
Investment Proceeds	559	304	1,630	2,500
	<u>24,461</u>	<u>16,305</u>	<u>17,451</u>	<u>18,321</u>
<b>Expenditures</b>				
Operations	2,757	16,021	12,046	17,562
	<u>2,757</u>	<u>16,021</u>	<u>12,046</u>	<u>17,562</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>21,704</u>	<u>284</u>	<u>5,405</u>	<u>759</u>
<b>Ending Available Balance</b>	<u>\$ 297,142</u>	<u>\$ 297,426</u>	<u>\$ 302,831</u>	<u>\$ 303,590</u>
<b>Available Balance Calculation</b>				
Cash & Interest Receivable		\$ 297,532		
Accounts receivable		-		
Accounts payable		(106)		
Ending Available Balance		<u>\$ 297,426</u>		



## **PUBLIC WORKS DEPARTMENT**

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

#### **PROGRAM DESCRIPTION**

On February 26, 1996, Council adopted Resolution No. 96-0084 that consolidated the eight Landscape Maintenance Districts that existed at the time into the new Consolidated Landscape District 96-2.

There are 34 separate zones in the Consolidated Landscape District. Assessments are levied in 27 zones. Assessments are not levied in the remaining seven zones as no improvements have been constructed and maintenance is not required.

This fund includes the aggregate fund balances for each of the 27 zones. Funds from one zone cannot be used in a different zone. The fund balances for each zone are intended to be used for replacement of infrastructure, such as irrigation systems, back up walls, street lights, and playground equipment, and for replacement of plant material. However, only certain zones were created with assessments that keep pace with inflation. The fund balance in the seven zones without a cost of living adjustment is reserved to meet future increases in maintenance costs and may be insufficient to replace aged infrastructure in future years.

Improvements maintained include but are not limited to: street and median landscaping, fountains, ornamental structures, public lighting (such as street lights and traffic signals), walls, irrigation, parks, and park equipment. Maintenance typically includes mowing, edging, trash collection, irrigation system operation and repairs, and replanting of landscape.

All maintenance services are provided by contract except for some lighting work performed by City staff.

#### **KEY CONSIDERATIONS**

- The assessment will remain the same for FY 2019-20 for the seven zones with fixed assessments. One of the zones in this category is at risk of becoming insolvent starting in FY 2022-23. Staff is reaching out to the affected property owners to develop a strategic plan to address this issue.
- For the 20 zones where the assessment formula provides for adjustment, the actual FY 2019-20 assessment will remain the same as the FY 2018-19 assessment in seven zones, be reduced in four zones, and be increased in nine zones.
- FY 2019-20 budget increase of approximately \$80,000 compared to the FY 2018-19 adopted budget of \$4.55 million is attributable to increased water costs, wall repair costs, and corresponding contingency budgets.

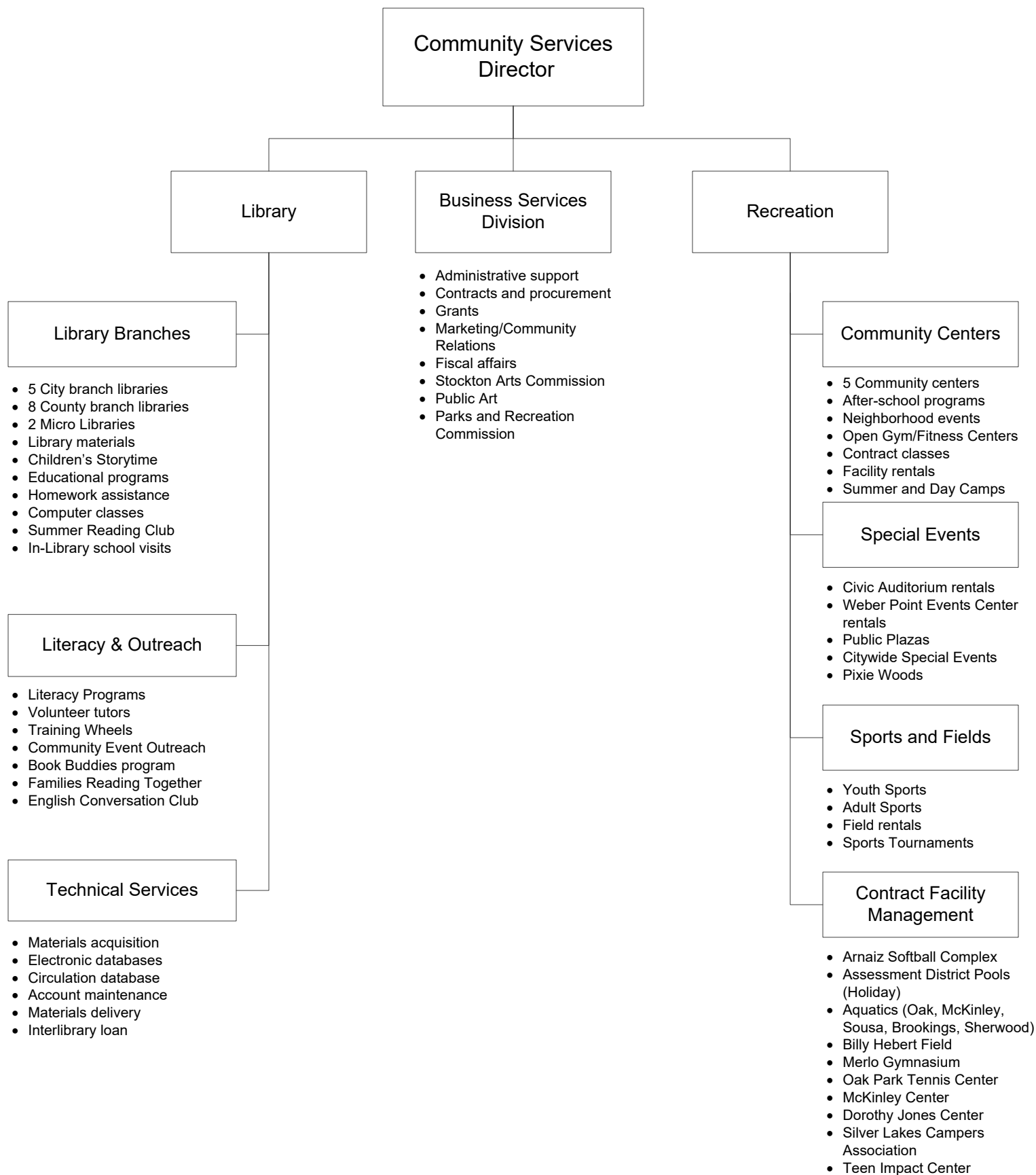
**Public Works Department  
Assessment District Maintenance - 072  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 11,758,680</b>	<b>\$ 11,955,668</b>	<b>\$ 12,458,401</b>	<b>\$ 11,326,659</b>
Stormwater Maintenance District				
<b>Adjusted, Beginning Available Balance</b>				
<b>Revenues</b>				
Assessments	2,865,150	3,046,806	3,362,230	3,455,973
Investment Proceeds	15,033	6,927	63,000	65,000
	<u>2,880,183</u>	<u>3,053,733</u>	<u>3,425,230</u>	<u>3,520,973</u>
<b>Expenditures</b>				
Miscellaneous expenditures	2,683,195	2,551,000	4,549,760	4,629,593
	<u>2,683,195</u>	<u>2,551,000</u>	<u>4,549,760</u>	<u>4,629,593</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out - Storm Drain Maint. Dist.	-	-	(7,212)	(7,212)
	<u>-</u>	<u>-</u>	<u>(7,212)</u>	<u>(7,212)</u>
<b>Net Annual Activity</b>	<b>196,988</b>	<b>502,733</b>	<b>(1,131,742)</b>	<b>(1,115,832)</b>
<b>Ending Available Balance</b>	<b>\$ 11,955,668</b>	<b>\$ 12,458,401</b>	<b>\$ 11,326,659</b>	<b>\$ 10,210,827</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 12,628,590		
Accounts payable		(170,189)		
Encumbrances		-		
Ending Available Balance		<u>\$ 12,458,401</u>		



TAB 7 COMMUNITY SERVICES





# COMMUNITY SERVICES DEPARTMENT



## COMMUNITY SERVICES DEPARTMENT

### MISSION STATEMENT

Building resilient communities by cultivating healthy bodies and curious minds.

#### Budget at a Glance:

Total Revenues	\$29,298,655
Total Expenditures	\$39,412,321
Total Net Cost	\$10,113,666
Total Staff	113

### DEPARTMENT DESCRIPTION

Community Services has three primary budgetary program areas: Library, Recreation, and Golf.

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

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

General Fund allocations from the City of Stockton and San Joaquin County make up the majority of the funding for the library system. Operating and system-wide administration and support costs are tracked separately and assigned to the two agencies in accordance with a contract for services. The Strong Communities (Measure M) initiative provides additional funding for City of Stockton libraries.

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

Recreation facilities include community centers, soccer and ball field complexes, swimming pools and special event venues including the Civic Auditorium, Weber Point Events Center, and Pixie Woods children's theme park. Some facilities and programs are operated by the City directly, some are jointly used with other agencies, and others are contracted out to private and non-profit agencies for full or partial management. Fees and an allocation of General Fund revenue have historically funded operating costs for recreation programs. The Strong Communities (Measure M) initiative provides additional funding for recreation services.

Golf operations at the Swenson and Van Buskirk municipal courses are managed through a contract with Kemper Sports Management, Inc., which began in July 2011. Due to the significant number of competitor courses and a decrease in regional golf rounds, these municipal courses



## COMMUNITY SERVICES DEPARTMENT

are unable to cover operating costs through course fees alone and require subsidy from the General Fund. Although the early expectations of contract management were for the courses to be self-sustaining, the courses continue to require a significant ongoing subsidy. The City Council identified the reduction or elimination of the General Fund subsidy as a priority. To that end, staff pursued an Request for Proposal (RFP) process for the lease of one of the properties (Swenson Golf Course) and will present a recommendation regarding both courses once the RFP process is complete.

In addition to its operational areas, the department provides oversight and support to the Parks and Recreation Commission, Stockton Arts Commission, and Teen Leadership Council.

### DEPARTMENT STRATEGIC WORK PLAN

The Community Services Department supports the City Council's strategic work plan specifically in the areas of working with education partners to improve student outcomes, improving quality of life, and creating improved infrastructure. Activities planned for the coming year include piloting a redesigned free after-school program available at all Community Services facilities, opening at least one additional Micro-library within a City Community Center, developing a marketing plan and delivering programs to focus on the diverse communities in the Department's service area.

Infrastructure improvements include moving forward on planned capital projects designated in the Strong Communities Initiative (Measure M) expenditure plan spending priorities include soccer fields and completing the design of a new Library/Community Center and soliciting bids for its construction. The Department will continue to facilitate the use of Mobile City Hall that brings City services into neighborhoods and implement an online customer-facing portal to the Department's new recreation management system.

### PRIOR YEAR ACCOMPLISHMENTS

The Department accomplished several goals during the last budget cycle. Major accomplishments include restoring hours at Libraries and Community Centers, completing the transition to high-speed bandwidth at all Libraries and Community Centers, opening Micro-Libraries at the Rue and Stribley Community Centers, increasing sports programming including free programs for youth and hiring an architect to design a new Library/Community Center. Strong Communities funding was used to add hours of library and recreation time.

The Department also experienced service growth in several areas. The Library Summer Reading Club saw a 20% increase in participation and a total of 48,000 books read by children ages 0-12. Bookings at the Civic Auditorium and attendance at Pixie Woods remain consistent with prior years. The Department's Youth in Government Day maintained last year's number of student participants and annual events such as Movies at the Point and Holiday Tree Lighting continued their strong attendance patterns from previous years.

The Department introduced a variety of youth and adult sports programs such as mini-movers, pickleball and expanded Ultra Friday Nights to one night per month during the school year. The Department also hosted the second annual Collide arts festival.

## COMMUNITY SERVICES DEPARTMENT

### KEY CONSIDERATIONS

Key considerations for FY 2019-20 include:

- Pursue state grant funds for capital projects through the California Parks and Water Bond of 2018.
- Manage existing Community Services capital projects.
- Implement solutions to reduce the City's General Fund golf subsidy.
- Utilize high-speed bandwidth to create innovative programs.
- Research current Recreation cost recovery levels to inform decision-making.
- Focus staff resources on improving program quality and evaluation.

Staff will also pilot the redesigned free After-School Express program with the intent of expanding to other Community Services facilities. The Department will add a third Micro-Library site at the Van Buskirk Community Center.

Capital project considerations include completion of the design and bidding the construction of a new Library/Community Center facility in North Stockton, and improvements to City soccer fields.



**Community Services Department**  
**FY 2019-20 Annual Budget**

	<u><b>Strong Communities</b></u> <i>See Page G-9</i>	<u><b>Library</b></u> <i>See Page G-11</i>	<u><b>Recreation</b></u> <i>See Page G-17</i>	<u><b>Total</b></u>
<b>Beginning Available Balance</b>	<b>\$ 9,476,380</b>	<b>\$ 2,961,401</b>	<b>\$ 1,224,675</b>	<b>\$ 13,662,456</b>
<b>Revenues</b>				
Measure M Sales Tax	10,817,844	-	-	10,817,844
San Joaquin County Contract	-	7,033,375	-	7,033,375
Additional Hours Contracts	-	163,330	-	163,330
Fines	-	231,760	-	231,760
Other Revenues	50,000	109,053	1,603	160,656
Recreation Programs	-	-	2,109,048	2,109,048
Facility Admission and Rentals	-	-	363,146	363,146
Community Centers	-	-	339,496	339,496
	<u><b>10,867,844</b></u>	<u><b>7,537,518</b></u>	<u><b>2,813,293</b></u>	<u><b>21,218,655</b></u>
<b>Expenditures</b>				
Administration	1,370,765	2,681,986	1,747,820	5,800,571
Library Operations	2,675,600	10,541,763	-	13,217,363
Recreation Programs	3,722,328	-	1,152,057	4,874,385
Civic Auditorium	-	-	468,904	468,904
Community Centers	-	-	1,871,927	1,871,927
Other Programs	-	-	2,259,171	2,259,171
Capital Projects	10,920,000	-	-	10,920,000
	<u><b>18,688,693</b></u>	<u><b>13,223,749</b></u>	<u><b>7,499,879</b></u>	<u><b>39,412,321</b></u>
<b>Transfers</b>				
Transfer In - General Fund	-	3,984,500	4,095,500	8,080,000
Transfer In - Other Funds	-	-	-	-
Transfer Out - Other Funds	-	-	-	-
	<u><b>-</b></u>	<u><b>3,984,500</b></u>	<u><b>4,095,500</b></u>	<u><b>8,080,000</b></u>
<b>Net Annual Activity</b>	<u><b>(7,820,849)</b></u>	<u><b>(1,701,731)</b></u>	<u><b>(591,086)</b></u>	<u><b>(10,113,666)</b></u>
				-
<b>Ending Available Balance</b>	<u><b>\$ 1,655,531</b></u>	<u><b>\$ 1,259,670</b></u>	<u><b>\$ 633,589</b></u>	<u><b>\$ 3,548,790</b></u>

Revenues	\$ 21,218,655
Transfers	8,080,000
<b>Total Sources</b>	<u><b>\$ 29,298,655</b></u>
Expenditures	\$ 39,412,321
Transfers	-
<b>Total Appropriations</b>	<u><b>\$ 39,412,321</b></u>

## **COMMUNITY SERVICES DEPARTMENT**

### **STRONG COMMUNITIES FUND (083)**

#### **PROGRAM DESCRIPTION**

Passed in 2016, the Strong Communities initiative (Measure M) levies a quarter cent sales transactions and use tax for Library and Recreation services.

The initiative went into effect on April 1, 2017, will be in effect for 16 years and is estimated to generate an average of between \$9.4 and \$11.8 million per year. Revenue are estimated to be \$10.9 million in FY 2019-20.

The measure's revenues have been used to add Library and Recreation staff positions for restored and expanded services as well as allow a balance for future Capital projects as outlined in the measure's City Council Spending Priorities.

#### **KEY CONSIDERATIONS**

Key considerations for the Strong Communities Fund in FY 2019-20 include moving forward with capital improvements to the City's soccer facilities, providing resources for the construction of a new Library and Community Center facility in Northeast Stockton, and increasing program space at the Troke Branch Library. The FY 2019-20 budget also provides for part-time staff to support expanded hours in all facilities.

Measure M proceeds are anticipated to decrease by 1.8% from the current year-end projection. One-time payments are projected to come into FY 2018-19 that should have been received in FY 2017-18 due to the ongoing problems tied to the State's new tax reporting computer system. The delay in the receipt of payments in FY 2017-18 is overstating the FY 2018-19 receipts, not a reduction in taxable sales.

**Community Services Department  
Strong Communities - 083  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ 2,391,590</b>	<b>\$ 9,758,294</b>	<b>\$ 9,476,380</b>
<b>Revenues</b>				
Measure M Sales Tax	2,474,095	10,430,105	11,019,944	10,817,844
Investment Proceeds	-	-	165,000	50,000
	<u>2,474,095</u>	<u>10,430,105</u>	<u>11,184,944</u>	<u>10,867,844</u>
<b>Expenditures</b>				
Administration	-	154,781	485,560	1,075,165
Library Programs	-	1,199,538	2,478,650	2,675,600
Recreation Programs	29,765	1,475,034	2,912,648	3,722,328
Tax Collection & Audit Costs	52,740	234,048	270,000	295,600
Capital Projects	-	-	5,320,000	10,920,000
	<u>82,505</u>	<u>3,063,401</u>	<u>11,466,858</u>	<u>18,688,693</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>2,391,590</b>	<b>7,366,704</b>	<b>(281,914)</b>	<b>(7,820,849)</b>
<b>Ending Available Balance</b>	<b>\$ 2,391,590</b>	<b>\$ 9,758,294</b>	<b>\$ 9,476,380</b>	<b>\$ 1,655,531</b>
<b>Available Balance Calculation</b>				
Cash		\$ 8,494,150		
Accounts Receivable		1,633,622		
Accounts Payable		(369,478)		
Capital Projects		-		
Ending Available Balance		<u>\$ 9,758,294</u>		



**Community Services Department  
Library Division Summary  
FY 2019-20 Annual Budget**

	<b>Library 041</b>	<b>Special Revenue 644</b>	<b>Kolak Trust 614</b>	<b>G. Cady Trust 622</b>	<b>Library Programs Total</b>
	<i>See Page G-13</i>	<i>See Page G-14</i>	<i>See Page G-15</i>	<i>See Page G-16</i>	
<b>Beginning Available Balance</b>	<b>\$ 2,936,209</b>	<b>\$ 28,675</b>	<b>\$ (3,363)</b>	<b>\$ (120)</b>	<b>\$ 2,961,401</b>
<b>Revenues</b>					
San Joaquin County	7,033,375	-	-	-	7,033,375
Additional Hours Contracts	163,330	-	-	-	163,330
Fines	231,760	-	-	-	231,760
Other Revenues	98,933	8,500	1,500	120	109,053
	<b>7,527,398</b>	<b>8,500</b>	<b>1,500</b>	<b>120</b>	<b>7,537,518</b>
<b>Expenditures</b>					
Branch operations	9,361,710	21,700	-	-	9,383,410
Technical services	707,100	-	-	-	707,100
Programming and outreach	451,253	-	-	-	451,253
Administration and delivery	2,681,986	-	-	-	2,681,986
	<b>13,202,049</b>	<b>21,700</b>	<b>-</b>	<b>-</b>	<b>13,223,749</b>
<b>Transfers</b>					
Transfer In - General Fund	3,984,500	-	-	-	3,984,500
Transfer In - Other	-	-	-	-	-
Transfer Out	-	-	-	-	-
	<b>3,984,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,984,500</b>
<b>Net Annual Activity</b>	<b>(1,690,151)</b>	<b>(13,200)</b>	<b>1,500</b>	<b>120</b>	<b>(1,701,731)</b>
<b>Ending Available Balance</b>	<b>\$ 1,246,058</b>	<b>\$ 15,475</b>	<b>\$ (1,863)</b>	<b>\$ -</b>	<b>\$ 1,259,670</b>



## **COMMUNITY SERVICES DEPARTMENT**

### **LIBRARY FUND (041)**

#### **PROGRAM DESCRIPTION**

This fund tracks the financial activities for the Stockton-San Joaquin Public Library.

- Under City of Stockton management, library services have been made available County-wide since 1910.
- Currently, seven City and eight County facilities are open to the public between 25 and 42 hours per week.
- Resources for operations recorded in this Fund are provided from the City of Stockton General Fund, San Joaquin County General Fund, contracts for automation services, support from outlying cities, donations from individuals and charitable organizations, and fines and fee revenues.

#### **KEY CONSIDERATIONS**

The General Fund allocation to the Library Fund remains at the FY 2014-15 level in accordance with the Strong Communities measure. The ordinance states the General Fund allocation for library and recreation services may not be lower than FY 2014-15 allocation unless there is a decrease in overall General Fund revenues, in which case the City Council may decrease support only to the level of the decrease in General Fund revenue. This maintenance of effort requirement is reviewed annually to ensure compliance with the measure. Additionally, a new Library is scheduled to open in Mountain House in early 2020 becoming one of the biggest branches in the system. Kiosks for self-check machines will be pilot tested this year to assess viability and will have RFID compatibility.

**Community Services Department  
Library - 041  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 6,019,961</b>	<b>\$ 3,730,595</b>	<b>\$ 3,351,940</b>	<b>\$ 2,936,209</b>
<b>Revenues</b>				
San Joaquin County	4,648,800	6,445,800	6,240,000	7,033,375
Additional Hours Contracts	163,300	193,300	163,180	163,330
Fines & Fees	243,174	240,361	203,105	231,760
Other Revenues	146,655	111,847	103,232	98,933
	<u>5,201,929</u>	<u>6,991,308</u>	<u>6,709,517</u>	<u>7,527,398</u>
<b>Expenditures</b>				
Administration	1,131,040	1,224,839	1,423,938	2,548,882
Programming and Outreach	488,191	519,296	510,994	451,253
Technical Services	1,093,051	743,575	787,181	707,100
Branch Operations				
Branch Operations - County	4,003,692	4,696,328	4,873,969	5,818,817
Branch Operations - City	3,617,351	3,777,157	3,358,042	3,542,893
Delivery Services	195,546	176,344	155,624	133,104
Capital projects	483,857	60,621	-	-
	<u>11,012,728</u>	<u>11,198,160</u>	<u>11,109,748</u>	<u>13,202,049</u>
<b>Transfers</b>				
Transfer In - General Fund	4,504,000	3,984,500	3,984,500	3,984,500
Transfer In - Other	12,433	-	-	-
Transfer Out - Capital 301	(995,000)	-	-	-
	<u>3,521,433</u>	<u>3,984,500</u>	<u>3,984,500</u>	<u>3,984,500</u>
<b>Net Annual Activity</b>	<b>(2,289,366)</b>	<b>(222,352)</b>	<b>(415,731)</b>	<b>(1,690,151)</b>
<b>Ending Available Balance</b>	<b>\$ 3,730,595</b>	<b>\$ 3,508,243</b>	<b>\$ 2,936,209</b>	<b>\$ 1,246,058</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 4,025,618		
Current Liabilities		<u>(517,375)</u>		
Total Assets		3,508,243		
Capital Projects		<u>(156,303)</u>		
Ending Available Balance		<u>\$ 3,351,940</u>		

**Community Services Department  
Library Special Revenue Fund - 644  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 63,064</u>	<u>\$ 30,772</u>	<u>\$ 46,829</u>	<u>\$ 28,675</u>
<b>Revenues</b>				
Program Revenue	-	25,690	-	8,000
Other Revenue	4,396	21,779	-	-
Investment Proceeds	1,076	481	500	500
	<u>5,472</u>	<u>47,950</u>	<u>500</u>	<u>8,500</u>
<b>Expenditures</b>				
Program Expenditures	25,331	31,893	18,654	21,700
	<u>25,331</u>	<u>31,893</u>	<u>18,654</u>	<u>21,700</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	(12,433)	-	-	-
	<u>(12,433)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>(32,292)</u>	<u>16,057</u>	<u>(18,154)</u>	<u>(13,200)</u>
<b>Ending Available Balance</b>	<u>\$ 30,772</u>	<u>\$ 46,829</u>	<u>\$ 28,675</u>	<u>\$ 15,475</u>
<b>Available Balance Calculation</b>				
Cash		\$ 46,829		
Accounts Receivable		-		
Accounts Payable		-		
Ending Available Balance		<u>\$ 46,829</u>		

**Community Services Department  
Kolak Trust - 614  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 175,205</u>	<u>\$ 175,473</u>	<u>\$ (5,413)</u>	<u>\$ (3,363)</u>
<b>Revenues</b>				
Investment Proceeds	268	207	2,050	1,500
	<u>268</u>	<u>207</u>	<u>2,050</u>	<u>1,500</u>
<b>Expenditures</b>				
Operating Expenditures	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>268</u>	<u>207</u>	<u>2,050</u>	<u>1,500</u>
<b>Ending Available Balance</b>	<u>\$ 175,473</u>	<u>\$ 175,680</u>	<u>\$ (3,363)</u>	<u>\$ (1,863)</u>
<b>Available Balance Calculation</b>				
Cash		\$ 175,680		
Accounts Payable		-		
Principal endowment		(181,093)		
Ending Available Balance		<u>\$ (5,413)</u>		

**Community Services Department  
Cady Endowment - 622  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 10,238</u>	<u>\$ 10,253</u>	<u>\$ (245)</u>	<u>\$ (120)</u>
<b>Revenues</b>				
Investment Proceeds	<u>15</u>	<u>12</u>	<u>125</u>	<u>120</u>
	<u>15</u>	<u>12</u>	<u>125</u>	<u>120</u>
<b>Expenditures</b>				
Library Materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>15</u>	<u>12</u>	<u>125</u>	<u>120</u>
<b>Ending Available Balance</b>	<u>\$ 10,253</u>	<u>\$ 10,265</u>	<u>\$ (120)</u>	<u>\$ -</u>
<b>Available Balance Calculation</b>				
Cash		\$ 10,265		
Principal endowment		(10,510)		
Ending Available Balance		<u>\$ (245)</u>		

**Community Services Department  
Recreation Division Summary  
FY 2019-20 Annual Budget**

	<b>Recreation 044</b>	<b>Golf 481</b>	<b>Parks &amp; Recreation Trust 643</b>	<b>Recreation Total</b>
	<i>See Page G-19</i>	<i>See Page G-21</i>	<i>See Page G-22</i>	
<b>Beginning Available Balance</b>	<b>\$ 890,133</b>	<b>\$ 216,193</b>	<b>\$ 118,349</b>	<b>\$ 1,224,675</b>
<b>Revenues</b>				
Recreation Programs	534,321	1,563,927	10,800	2,109,048
Facility Admission and Rentals	363,146	-	-	363,146
Community Centers	339,496	-	-	339,496
Other Revenue	-	-	1,603	1,603
	<b>1,236,963</b>	<b>1,563,927</b>	<b>12,403</b>	<b>2,813,293</b>
<b>Expenditures</b>				
Administration	1,747,820	-	-	1,747,820
Civic Auditorium	468,904	-	-	468,904
Community Centers	1,871,927	-	-	1,871,927
Pixie Woods	336,556	-	-	336,556
Programs - After School	4,180	-	-	4,180
Programs - Sports	723,664	-	-	723,664
Special Events	87,657	-	-	87,657
Program Costs	-	2,239,171	20,000	2,259,171
	<b>5,240,708</b>	<b>2,239,171</b>	<b>20,000</b>	<b>7,499,879</b>
<b>Transfers</b>				
Transfer In - General Fund	3,395,500	700,000	-	4,095,500
Transfer Out	-	-	-	-
	<b>3,395,500</b>	<b>700,000</b>	<b>-</b>	<b>4,095,500</b>
<b>Net Annual Activity</b>	<b>(608,245)</b>	<b>24,756</b>	<b>(7,597)</b>	<b>(591,086)</b>
<b>Ending Available Balance</b>	<b>\$ 281,888</b>	<b>\$ 240,949</b>	<b>\$ 110,752</b>	<b>\$ 633,589</b>

## **COMMUNITY SERVICES DEPARTMENT**

### **RECREATION FUND (044)**

#### **PROGRAM DESCRIPTION**

This fund is used to record the activities related to recreation facilities and programs that are funded by an allocation of the General Fund.

Currently, five community centers are open to the public 63 hours per week.

Recreation programs and facilities are enjoyed by thousands of Stockton residents and visitors every year.

Facility rentals and registration fees, donations, admissions, and the City's General Fund are used to support these programs.

#### **KEY CONSIDERATIONS**

The General Fund allocation to Recreation Fund remains at the FY 2014-15 level in accordance with the Strong Communities measure. The ordinance states that that General Fund allocation for library and recreation services may not be at any level lower than FY 2014-15 unless there is a decrease in overall General Fund revenues, in which case the City Council may decrease support only to the level of the decrease in General Fund revenue. This maintenance of effort requirement is reviewed on an annual basis to ensure compliance with the measure. Effort to train scorekeepers and referees will continue. Increased offerings include two adult kickball leagues, two additional adult basketball leagues, and one adult City hosted softball tournament. In youth programs, the mini-movers program will be offered up to three times a year.

**Community Services Department  
Recreation Services - 044  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 939,452</b>	<b>\$ 899,110</b>	<b>\$ 688,427</b>	<b>\$ 890,133</b>
<b>Revenues</b>				
Recreation Programs	475,365	396,035	549,769	534,321
Facility Admission and Rentals	312,188	358,280	354,734	363,146
Community Centers	266,438	398,965	306,654	339,496
Other Revenue	16,852	17,256	1,388	-
	<u>1,070,843</u>	<u>1,170,536</u>	<u>1,212,545</u>	<u>1,236,963</u>
<b>Expenditures</b>				
Administration	951,109	1,302,745	1,233,165	1,747,820
Civic Auditorium	386,835	423,539	421,440	468,904
Community Centers	2,058,099	1,586,431	1,462,007	1,871,927
Pixie Woods	211,493	215,866	274,344	336,556
Programs - After School	65,734	77,321	4,050	4,180
Programs - Sports	844,313	997,689	960,155	723,664
Special Events	508,602	184,628	51,178	87,657
	<u>5,026,185</u>	<u>4,788,219</u>	<u>4,406,339</u>	<u>5,240,708</u>
<b>Transfers</b>				
Transfer In	3,915,000	3,407,000	3,395,500	3,395,500
Transfer Out - Other	-	-	-	-
	<u>3,915,000</u>	<u>3,407,000</u>	<u>3,395,500</u>	<u>3,395,500</u>
<b>Net Annual Activity</b>	<b>(40,342)</b>	<b>(210,683)</b>	<b>201,706</b>	<b>(608,245)</b>
<b>Ending Available Balance</b>	<b>\$ 899,110</b>	<b>\$ 688,427</b>	<b>\$ 890,133</b>	<b>\$ 281,888</b>
<b>Available Balance Calculation</b>				
Current Assets		1,163,774		
Current Liabilities		(475,347)		
Ending Available Balance		<u>\$ 688,427</u>		



## **COMMUNITY SERVICES DEPARTMENT**

### **GOLF FUND (481)**

#### **PROGRAM DESCRIPTION**

This fund tracks the financial activities related to the operation and maintenance of the Swenson and Van Buskirk municipal golf courses, which offer twenty-seven and eighteen holes of play, respectively. Kemper Sports Management, Inc. manages operations of the courses with funding from fees and a General Fund subsidy. The local golf market closely mirrors national trends which have indicated for some time that golf play is declining. Diminishing rounds and golf revenues nationwide led to course closures all over the United States. Locally, this market decline resulted in an increased General Fund subsidy and an inability to make the necessary capital improvements to City golf courses.

#### **KEY CONSIDERATIONS**

The FY 2019-20 budget includes \$700,000 from the General Fund to support the golf program. The Department is closely studying golf course operations and utilization to be able to scale the golf enterprise to a sustainable level of resources and community need. Efforts in FY 2018-19 included a Request for Proposals for the lease of the Swenson Golf Course. Results of that process will guide future decisions about each course. The FY 2019-20 Budget does not reflect any potential changes in operations from the request for proposal process. Significant deferred maintenance issues remain at both courses. The most pressing of those issues are the pond and pump system at Van Buskirk, fencing replacement, and tree and debris removal.

**Community Services Department  
Golf - 481  
FY 2019-20 Annual Budget**

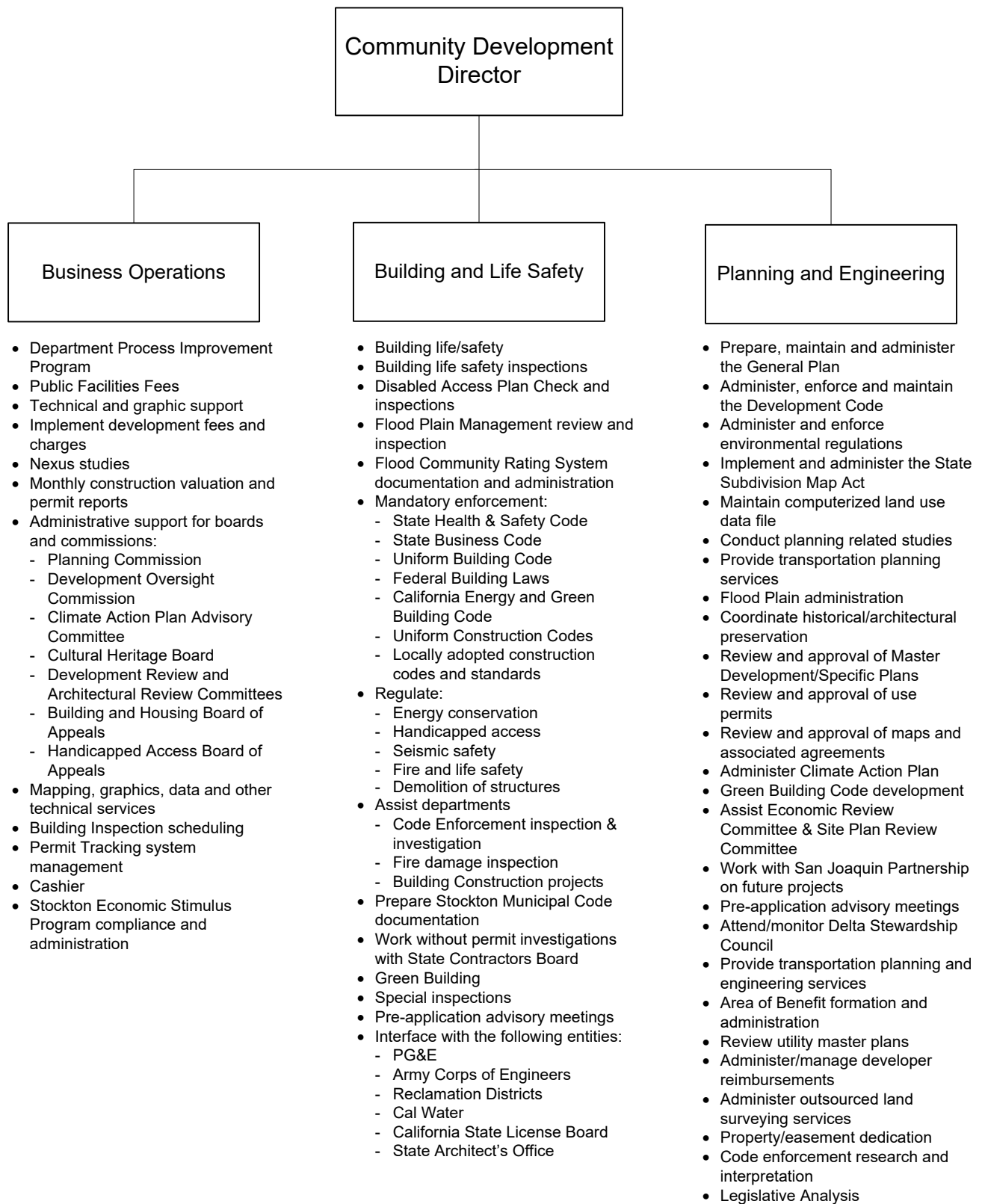
	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 18,822</b>	<b>\$ 56,985</b>	<b>\$ 181,639</b>	<b>\$ 216,193</b>
<b>Revenues</b>				
Swenson Golf Course	991,375	1,278,277	1,370,693	1,120,693
Van Buskirk Golf Course	352,249	335,861	250,000	420,534
Other Revenues	18,264	7,168	22,615	22,700
	<b>1,361,888</b>	<b>1,621,306</b>	<b>1,643,308</b>	<b>1,563,927</b>
<b>Expenditures</b>				
Swenson Golf Course	1,344,180	1,308,002	1,453,737	1,340,384
Van Buskirk Golf Course	783,842	813,805	744,973	776,794
City Costs Contingency	45,703	74,845	110,044	121,993
Repairs and Maintenance	-	-	-	-
	<b>2,173,725</b>	<b>2,196,652</b>	<b>2,308,754</b>	<b>2,239,171</b>
<b>Transfers</b>				
Transfer In - General Fund	850,000	700,000	700,000	700,000
Transfer Out	-	-	-	-
	<b>850,000</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>
<b>Net Annual Activity</b>	<b>38,163</b>	<b>124,654</b>	<b>34,554</b>	<b>24,756</b>
<b>Ending Available Balance</b>	<b>\$ 56,985</b>	<b>\$ 181,639</b>	<b>\$ 216,193</b>	<b>\$ 240,949</b>
<b>Available Balance Calculation</b>				
Current assets		\$ 324,664		
Current liabilities		(143,025)		
Ending Available Balance		<b>\$ 181,639</b>		

**Community Services Department  
Parks & Recreation Trust - 643  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 131,889</u>	<u>\$ 117,778</u>	<u>\$ 114,146</u>	<u>\$ 118,349</u>
<b>Revenues</b>				
Donations	-			
Program revenue	11,250	11,050	11,600	10,800
Investment Proceeds	1,398	1,334	1,603	1,603
	<u>12,648</u>	<u>12,384</u>	<u>13,203</u>	<u>12,403</u>
<b>Expenditures</b>				
Program costs	2,783	16,016	9,000	20,000
	<u>2,783</u>	<u>16,016</u>	<u>9,000</u>	<u>20,000</u>
<b>Transfers</b>				
Transfer In - General Fund	-	-	-	-
Transfer Out	(23,976)		-	-
	<u>(23,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>(14,111)</u>	<u>(3,632)</u>	<u>4,203</u>	<u>(7,597)</u>
<b>Ending Available Balance</b>	<u>\$ 117,778</u>	<u>\$ 114,146</u>	<u>\$ 118,349</u>	<u>\$ 110,752</u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 114,146		
Current Liabilities		-		
Ending Available Balance		<u>\$ 114,146</u>		

## TAB 8 COMMUNITY DEVELOPMENT





# COMMUNITY DEVELOPMENT DEPARTMENT



## COMMUNITY DEVELOPMENT DEPARTMENT

### MISSION STATEMENT

The Community Development Department serves residents and businesses in their desire to successfully grow, build and enhance quality of life by providing dedicated customer service to facilitate solutions for thoughtful urban planning and safe building.

#### Budget at a Glance:

Total Revenues	\$10,994,200
Total Expenditures	\$12,264,159
Total Net Cost	\$1,269,959
Total Staff	43

### DEPARTMENT DESCRIPTION

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

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

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

### DEPARTMENT STRATEGIC WORK PLAN

After over three years of extensive public outreach and community planning process, the City Council approved the Envision Stockton 2040 General Plan Update in late 2018. The process included a comprehensive update of the General Plan and the various other complimentary documents, public policies, and programs. Additionally, with completion of the General Plan update, the Department will review the Stockton Municipal and Development Code, land use zoning map, and development impact fees within the City Fee Schedule for potential revisions. The Department will also prepare a Municipal Service Review and Sphere of Influence for the San Joaquin Local Agency Formation Commission (LAFCO) in support of the approved General Plan Update. The post-General Plan approval activities summarized above will be a top priority in FY 2019-20.



## COMMUNITY DEVELOPMENT DEPARTMENT

### PRIOR YEAR ACCOMPLISHMENTS

The Department made significant strides to improve its customer service at the Permit Center. Since the implementation of a cloud-based permit management system, the Department made continued adjustments over the past year to improve it. Community Development also made significant efforts to develop in-house expertise on the system.

The Department started to digitize permit records, plan sets, and convert microfiche/microfilms and anticipates completing the project by the end of the current fiscal year. Electronic files are already delivered, indexed, setup and uploaded to the City's document management system for ease of use.

Upgrades to plan checking hardware enabled the successful roll-out of electronic plan checking. Several contractors and applicants took advantage of this process improvement with positive feedback. The department has seen a 26% uptick in electronic plan checks from paper plan submissions. Staff will continue to work with industry to increase electronic plan check processing.

The Department, in conjunction with other related departments, developed a three-year strategic plan for the current and subsequent years. The strategic plan assessed priorities, process improvements, projects, and timelines.

An Interim Municipal Service Review and Sphere of Influence was prepared and approved by the San Joaquin Local Agency Formation Commission for future consideration of annexation of new territory into the City limits. These interim approvals will remain effective until the Municipal Service Review and Sphere of Influence is prepared and approved by LAFCO. The Envision Stockton 2040 is based on General Plan Update.

The General Fund continues to contribute approximately \$825,000 to pay for general government expenses that are not directly related to development services. The ongoing contribution from the General Fund may be adjusted as future analysis is completed and work programs are mandated or refined.

### KEY CONSIDERATIONS

The Department experienced a slight decline in the number of permits processed, but the valuation has remained relatively steady. As of April 2019, the department processed 5,900 permits with a valuation of approximately \$411 million this fiscal year compared to 6,247 with a valuation of \$408 million in the same period for FY 2017-18. Future projections continue to have an upwards trend in permit activity over the next three years based on planning projects in the pipeline. The FY 2019-20 Budget provides sufficient resources to address the anticipated demands, meet customer service expectations of the Department, fulfill proposed initiatives and implement the Department's goals.

Consistent with Council's adoption of the General Plan on December 4, 2018, priority will be placed on the following programs and activities:

- The production of baseline conditions for the preparation of a state-mandated Municipal Services Review to include the impact of the City's annexation policies and rules.

## COMMUNITY DEVELOPMENT DEPARTMENT

- A comprehensive update of Municipal Code Title 16 (Development Code) to ensure consistency and alignment with the new policies and implementation action measures contained in the Envision Stockton 2040 General Plan
- A study to determine the infrastructure (i.e., utilities, streets) and service needs that will support the reduced development footprint in the recently adopted General Plan
- A Municipal Service Review and Sphere of Influence for consideration by the San Joaquin Local Agency Formation Commission based on the Envision Stockton 2040 General Plan Update.
- A Citywide zoning map consistency review and update of the land use zoning map to be consistent with the Envision Stockton 2040 General Plan land use designations.
- A feasibility study of inclusionary housing and funding programs that would encourage the construction of affordable housing units

The Department plays a key role in the efforts to administer and operate Stockton's community flood program of corrective and preventative measures for reducing flood damage in compliance with the 100-year (National Flood Insurance Program) and 200-year State (Senate Bill – SB 5 Urban Level of Flood Protection) programs. The SB 5 Urban Level of Flood Protection regulations went into full effect on July 1, 2016 and affect development in Stockton. In addition to working with the recently expanded San Joaquin Area Flood Control Agency, the Federal Emergency Management Agency and other State agencies, the Department will be active in achieving an improved Community Rating System score which helps to lower all Citywide homeowner flood insurance rates.

The FY 2019-20 budget appropriates approximately \$1 million from the Development Services fund balance to increase funding for professional services. As the demand for development services has gone up in recent years, there has been an increased need for industry experts to assist the City staff on various development projects currently in the pipeline. The allocation will allow flexibility in resources for the department to meet the customer and City Council needs.

The City will pursue the development of Master Infrastructure Plans and a Public Facility Fee nexus study in the upcoming year. FY 2019-20 budget includes an allocation of \$500,000 from PFF Admin fund balance for this project, which will align with the objectives set for in the newly adopted 2040 General Plan. A comprehensive PFF nexus study is long overdue and necessary to maintain current fees paid by developers. The project will also update the City's PFF Administrative Guidelines and PFF Parkland Guidelines.

**Community Development Department  
FY 2019-20 Annual Budget**

	<b>Development Services 048</b>	<b>Public Facilities Fee Administration 999</b>	<b>Total</b>
	<i>See Page H-7 (excludes Fire portion of fund)</i>	<i>See Page H-8</i>	
<b>Beginning Available Balance</b>		<b>\$ 1,324,575</b>	
<b>Revenues</b>			
Fees	9,652,200	350,000	10,002,200
Other Revenues	155,000	12,000	167,000
	<b>9,807,200</b>	<b>362,000</b>	<b>10,169,200</b>
<b>Expenditures</b>			
Operating Expense	11,513,859	750,300	12,264,159
	<b>11,513,859</b>	<b>750,300</b>	<b>12,264,159</b>
<b>Transfers</b>			
Transfer In - General Fund	825,000	-	825,000
Transfer Out	-	-	-
	<b>825,000</b>	<b>-</b>	<b>825,000</b>
<b>Net Annual Activity</b>	<b>(881,659)</b>	<b>(388,300)</b>	<b>(1,269,959)</b>
<b>Ending Available Balance</b>		<b>\$ 936,275</b>	
		-	
		Revenues	\$ 10,169,200
		Transfers	825,000
		Total Sources	<b>\$ 10,994,200</b>
		Expenditures	\$ 12,264,159
		Transfers	-
		Total Appropriations	<b>\$ 12,264,159</b>

**Community Development and Fire Departments - Combined  
Development Services - 048  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 8,439,076</b>	<b>\$ 9,264,478</b>	<b>\$ 11,384,177</b>	<b>\$ 11,224,362</b>
<b>Revenues</b>				
Community Development				
User Fees	6,492,570	7,764,153	7,542,755	8,418,700
Development Oversight	55,554	79,890	60,000	90,000
Technology Fee	347,330	439,766	329,250	361,500
Comm. Rating System Admin. Fee	96,336	101,746	125,000	100,000
General Plan Maint & Implementation	333,447	474,181	334,000	425,000
Capital Preservation	222,351	319,555	209,556	250,000
Grants	-	37,690	229	-
Fines & Penalties	6,334	9,079	4,500	7,000
Other Revenues	13,849	7,410	146,044	155,000
	<u>7,567,771</u>	<u>9,233,470</u>	<u>8,751,334</u>	<u>9,807,200</u>
Fire Prevention				
User Fees	2,216,031	2,346,994	2,613,244	2,740,943
Fines & Penalties	55,994	64,897	60,445	62,015
Other Revenues	3,532	2,045	2,000	3,125
	<u>2,275,557</u>	<u>2,413,936</u>	<u>2,675,689</u>	<u>2,806,083</u>
	<b>9,843,328</b>	<b>11,647,406</b>	<b>11,427,023</b>	<b>12,613,283</b>
<b>Expenditures</b>				
Community Development				
Business Ops and Customer Service	2,788,252	2,957,111	3,091,318	4,131,250
Planning & Engineering Services	2,968,371	2,740,910	4,137,496	4,488,068
Building and Life Safety	1,779,994	2,334,463	3,011,566	2,894,541
	<u>7,536,617</u>	<u>8,032,484</u>	<u>10,240,380</u>	<u>11,513,859</u>
Fire Prevention				
Fire Prevention	1,857,923	1,916,408	2,238,449	2,757,142
Fire Public Education	5,649	13,315	33,009	54,544
Safe & Sane Fireworks Program	31,237	-	-	-
	<u>1,894,809</u>	<u>1,929,723</u>	<u>2,271,458</u>	<u>2,811,686</u>
	<b>9,431,426</b>	<b>9,962,207</b>	<b>12,511,838</b>	<b>14,325,545</b>
<b>Transfers</b>				
Transfer In - General Fund	1,000,000	925,000	925,000	825,000
Transfer Out - CIP	(586,500)	(490,500)	-	-
	<u>413,500</u>	<u>434,500</u>	<u>925,000</u>	<u>825,000</u>
<b>Net Annual Activity</b>				
Community Development	430,805	1,628,076	(710,090)	(1,036,659)
Fire	380,745	484,213	404,232	(5,603)
Other	13,849	7,410	146,044	155,000
	<u>825,399</u>	<u>2,119,699</u>	<u>(159,814)</u>	<u>(887,262)</u>
<b>Ending Available Balance</b>	<b>\$ 9,264,478</b>	<b>\$ 11,384,177</b>	<b>\$ 11,224,362</b>	<b>\$ 10,337,100</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 12,455,193		
Current Liabilities		(1,071,016)		
Ending Available Balance		<u>\$ 11,384,177</u>		

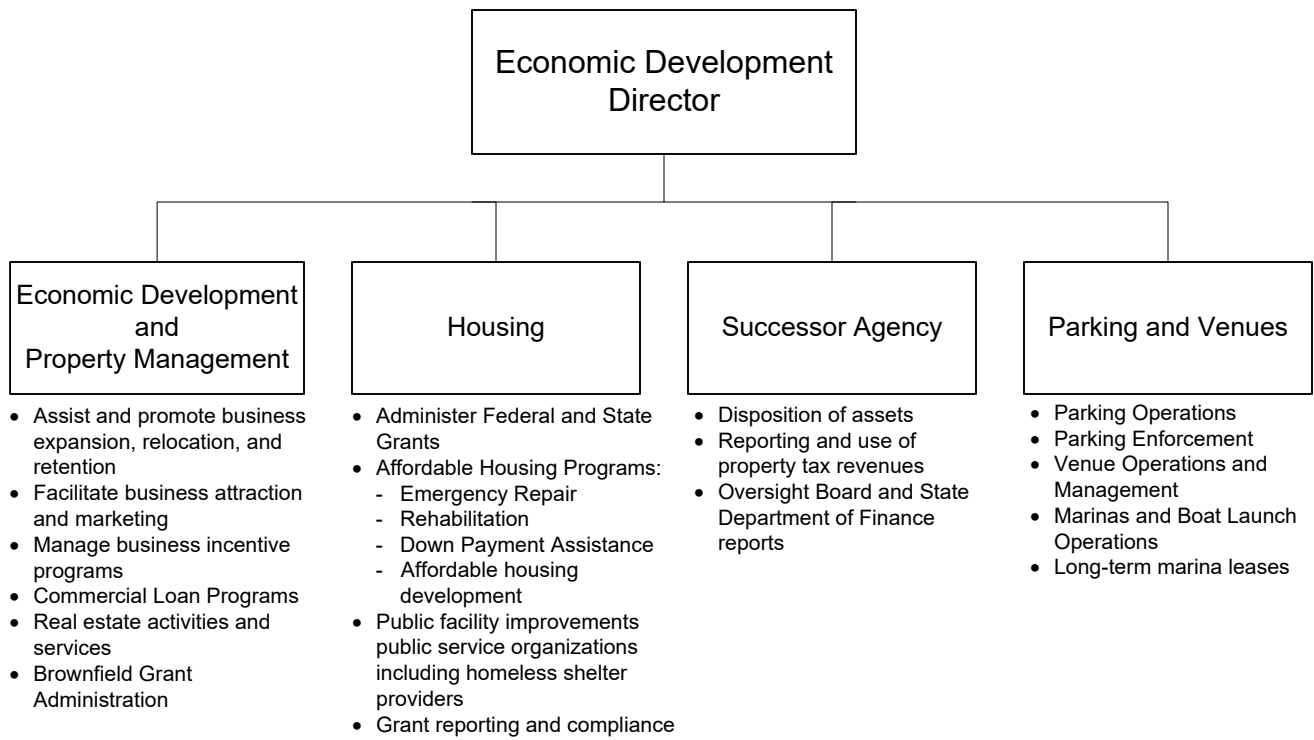
(a) The total Development Services Fund - 048 is presented with the Community Development Department budget. The portion relating to Fire has also been included on page E-13.

**Community Development  
Public Facilities Fee Administration - 999  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 521,938</u>	<u>\$ 706,457</u>	<u>\$ 1,087,381</u>	<u>\$ 1,324,575</u>
<b>Revenues</b>				
Public Facilities Fee	275,608	542,742	347,349	350,000
Investment Proceeds	<u>2,197</u>	<u>480</u>	<u>12,000</u>	<u>12,000</u>
	<u><b>277,805</b></u>	<u><b>543,222</b></u>	<u><b>359,349</b></u>	<u><b>362,000</b></u>
<b>Expenditures</b>				
Operating Expenses	<u>93,286</u>	<u>162,298</u>	<u>122,155</u>	<u>750,300</u>
	<u><b>93,286</b></u>	<u><b>162,298</b></u>	<u><b>122,155</b></u>	<u><b>750,300</b></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><b>184,519</b></u>	<u><b>380,924</b></u>	<u><b>237,194</b></u>	<u><b>(388,300)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 706,457</b></u>	<u><b>\$ 1,087,381</b></u>	<u><b>\$ 1,324,575</b></u>	<u><b>\$ 936,275</b></u>
<b>Available Balance Calculation</b>				
Cash		\$ 1,095,728		
Accounts Payable		<u>(8,347)</u>		
Ending Available Balance		<u><u><b>\$ 1,087,381</b></u></u>		

## TAB 9 ECONOMIC DEVELOPMENT





# ECONOMIC DEVELOPMENT DEPARTMENT





## ECONOMIC DEVELOPMENT DEPARTMENT

### MISSION STATEMENT

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

#### Budget at a Glance:

Total Revenues	\$26,778,585
Expenditures	\$28,458,144
Total Net Cost	\$1,679,559
Total Staff	19

### DEPARTMENT DESCRIPTION

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

The Economic Development Division engages in activities that expand and diversify the City of Stockton's economic base by supporting existing businesses through business retention and expansion efforts, attracting new investment through marketing and outreach, assisting in the creation of quality jobs, and promoting the opportunity for business and development in Stockton to establish an economically sustainable community. The division works directly with businesses and interacts with business resource providers, such as the San Joaquin Partnership, San Joaquin County WorkNet, San Joaquin Delta College Small Business Development Center, and chambers of commerce to connect local businesses with various resources and services provided by the City. The division manages several economic development incentive programs including the Commercial Facade Improvement, Small Business Micro Loan, Commercial Emergency Grant, Downtown Financial Incentive, Non-Residential Fee Deferrals, Office and Industrial Sales Tax Incentive, Downtown Infill Infrastructure Incentive, Storefront Beautification Micro Grant, "Stocked Full of Produce" and "Hire Stockton" Workforce Training programs. The division also provides support through the development process with Economic Review Committee. The Economic Development Division supports the Miracle Mile, Downtown Stockton Alliance, and Tourism and Business improvement district. The division is responsible for overseeing the implementation of the Economic Development Strategic Plan and Long-Range Property Management Plan. In addition to economic development activities, the division provides property management of City-owned assets, real estate support services to City departments, and administers the Brownfields Environmental Protection Agency Grant. Additionally, the Economic Development Division continues to manage and provide oversight of the Waterfront Office Towers buildings until the space planning, design, and improvements phases are completed for the new City Hall.

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

## ECONOMIC DEVELOPMENT DEPARTMENT

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

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

### DEPARTMENT STRATEGIC WORK PLAN

The Economic Development Department focused on several programs and initiatives that further the City and Council's goals, which are described in more detail below:

Economic Development: The City Council approved the Economic Development Strategic Plan in 2015 which outlines specific actions to expand employment and investment in core businesses and industries, as well as strengthen quality of life and foundational conditions. In addition to the Strategic Plan, a Food & Agriculture Action Plan was completed in July 2017 to leverage the region's agricultural resources and improve communities by helping to address food insecurity. A number of programs and initiatives are complete or are underway as a result of these plans, including:

- Partnering with Visit Stockton to host the second annual farm-to-table event, Feast at the Fox, in May 2019 at the Bob Hope Theatre featuring locally sourced food and benefiting the San Joaquin Delta College Culinary Arts Program.
- Administering a new program to assist convenience store owners in retrofitting facilities to offer healthy food options such as fresh produce in areas identified as food deserts.
- Continuing to coordinate with Valley Vision on creating an Urban Agriculture Ordinance for the City.
- Hosted six (6) Urban Ag Ordinance Workshops to gather community input for the proposed Urban Agriculture Ordinance.

Housing: The City Council approves an Annual Action Plan allocating approximately \$8.96 million in Federal funds towards affordable housing programs and projects, emergency housing and shelters, economic development programs and other public services. Other Housing-related initiatives underway or approved include:

## ECONOMIC DEVELOPMENT DEPARTMENT

- A total of \$1.88 million in Federal and Low-Income Housing funds were awarded to several affordable housing development projects in March 2019, including the newly formed Partnership in Housing for the Homeless, which was formed as a collaborative effort between the Central Valley Low Income Housing Corporation (CVLIHC), Housing Authority of San Joaquin, and Stocktonians Taking Action to Neutralize Drugs (STAND) to address the needs of the homeless in the City. Once completed, these projects combined will have created and preserved an estimated 272 affordable housing units.
- Public Facilities Fees exemptions expanded to all new affordable housing projects constructed within the Stockton city limits (and not just limited to downtown).
- Residential Neighborhood Reinvestment program enabling new homeowners and investors to forgive City liens to renovate blighted properties.

Successor Agency: The San Joaquin Countywide Oversight Board, established by California Senate Bill 107 to oversee the four successor agencies within San Joaquin County, approved a Recognized Obligation Payment Schedule in January 2019 to utilize Redevelopment Property Tax Trust Funds (former Tax Increment) to meet the obligations of the former Redevelopment Agency. Funding for debt, administration, and City loan payments were included in the schedule. Twenty percent (20%) of the City loan payments must be used for affordable housing.

Parking and Venues: The centralized management of parking assets, marina assets, and entertainment venues continues to improve efficiencies in planning, parking, and coordination of the events, as well as improve business and customer services. In FY 2019-20, the Parking Authority is proposing to replace garage equipment, and parking enforcement equipment with innovative, parking technology. The implementation of this new technology will provide real time data regarding the day to day operations, tighter internal controls, improved enforcement efficiency, as well as better support options for downtown businesses. In FY 2019-20, there will be additional improvements to the parking facilities, including LED solar lighting, Channel Garage painting, wayfinding and signage to better serve patrons of Downtown Stockton. These implementations will further improve operational efficiency in each of the parking venue operations, and will also help to attract new and returning venue attendees, consumers, and business partners to Downtown Stockton and the surrounding areas.

### PRIOR YEAR ACCOMPLISHMENTS

Some highlights of the Departments accomplishments in FY 2018-19 include:

- Assisted 28 new or expanding business in Stockton.
- Adopted the Hire Stockton Workforce Training Program to provide businesses with financial support to hire and train new employees for new skills and to provide economic opportunity for residents.
- Adopted the Storefront Beautification Micro Grant Program to assist small business owners make minor storefront improvements.
- Adopted the “Stocked Full of Produce” Grant Program to assist convenience store owners make infrastructure improvements to support the sale and storage of fresh produce.
- Developed the Opportunity Zones Prospectus and website.
- Launched a business visitation program.

## ECONOMIC DEVELOPMENT DEPARTMENT

- Conducted the Fourth Business Entrepreneurship Program, which provides financial assistance to local start-ups, entrepreneurs, and small businesses.
- Released a Request For Interest for key City-owned assets that are available for development, such as Historic City Hall and South Shore Waterfront.
- Executed an Operations Management Agreement with SMG for the Stockton Downtown Marina.
- Executed a lease agreement with the Sacramento Kings NBA basketball team to host the games for their G-League team, the Stockton Kings, at the Stockton arena.
- Replaced the parking meters in Downtown Stockton with new parking payment machines.
- Received a \$600,000 Brownfields Assessment grant from the Environmental Protection Agency to conduct Phase I/II environmental studies for properties within the greater Downtown Stockton area.

In 2018, the Successor Agency received approval to repay approximately \$5 million to the City for loans provided to the former Redevelopment Agency. Payments to the City's Community Development Block Grant and Capital Improvement funds totaled \$4.7 million, and approximately \$300,000 was repaid to the City's Parking and General Funds. From these payments, approximately \$1.01 million was used for affordable housing projects.

The Housing Division funded several single-family and multi-family projects. During the year, 51 rental units were rehabilitated or constructed and rented to low income households. In addition, 4,671 homeless people received housing and shelter with the City's Emergency Solutions Grant funds.

The entertainment venues continued to see growth in number of events. A total of 222 events, and over 600,000 attendees are anticipated to visit the event venues by the end of FY 2018-19, which is an increase of 19% in events as compared to FY 2017-18. The arena welcomed a new home-team, as the Stockton Kings G-League basketball began its inaugural season in October and made a playoff appearance in March. The arena also hosted events such as the AMGEN bicycle race, Stockton Heat Hockey games, and StocktonCon, a pop-culture convention, among many other events. The Bob Hope Theatre will host 77 events in FY 2018-19. The theatre had many accomplishments including being named Pollstar's Top 200 Worldwide Theatre list for ticket sales in 2018. The Theatre also hosted sold out shows of Ron White, Ken Jeong, George Lopez, The Road Show, Joe Bonamassa, Brothers Osborne and Tom Jones. Oak Park Ice Rink will be open 339 days this year while hosting youth hockey and figure skating, adult curling league, and community free skate. Highlights included 220 kids participating in the Try Skating and Try Hockey Programs, with over 50% retention of the participants into on-going rink programs. St. Mary's High School kicked off their inaugural boys hockey season in September and made it into playoffs in their first season. Additionally, sled hockey kicked off in April following a successful pilot game showcasing the inclusive sport.

## ECONOMIC DEVELOPMENT DEPARTMENT

### KEY CONSIDERATIONS

Staff will continue to provide management and oversight of the Waterfront Office Towers buildings until space planning, design, and improvements phases are completed. In addition, there is a need to continue review and analyze future plans for the Historic City Hall Building and the City-owned parcels on the South Shore waterfront.

The Economic Development Strategic Plan was adopted in 2015 and provides an outline of strategies and action items to attract new investment, expand employment, improve the quality of life, and support local businesses. With the changing economy and focus on equity, there may be a need in the next few years to update the Strategic Plan with new goals that reflect present and future opportunities for the City's growth and areas of focus.

The Entertainment Venues continue to show growth in the number of events and attendees as more promoters recognize the value of the facilities and the audience interest. The venues continue to face challenges from the increase in minimum wages that effect not only event staff but also ancillary services. Active capital projects include the replacement of Banner Island Ball Park scoreboard as well as the chiller system for the Oak Park Ice Arena. Funding for both projects was allocated in FY2018-19 and work will be underway in FY2019-20.



**Economic Development Department  
FY 2019-20 Annual Budget**

	<b>General Fund 010</b>	<b>HUD/ Housing</b>	<b>Parking and Venues</b>	<b>Economic Development Total</b>
	<i>See Page I-11</i>	<i>See Page I-12</i>	<i>See Page I-30</i>	
<b>Beginning Available Balance</b>		<b>\$ 6,379,743</b>	<b>\$ 3,142,345</b>	
<b>Revenues</b>				
Grants & Entitlements	-	5,784,549	-	5,784,549
Assessment & User Fees	-	-	7,664,870	7,664,870
Fines & Forfeitures	-	-	744,354	744,354
Other Revenue	140,304	596,478	6,174,398	6,911,180
	<b>140,304</b>	<b>6,381,027</b>	<b>14,583,622</b>	<b>21,104,953</b>
<b>Expenditures</b>				
Employee Services	271,912	-	-	271,912
Other Services	72,401	-	-	72,401
Materials and Supplies	4,000	-	-	4,000
Other Expenses	5,500	241,802	-	247,302
Loan Programs	-	3,873,468	-	3,873,468
Program Expense	-	807,587	15,055,493	15,863,080
Operating Expense	-	1,502,330	-	1,502,330
Economic Development	1,061,857	440,000	-	1,501,857
Debt Service	-	1,781,904	2,391,586	4,173,490
Capital Projects	-	-	650,000	650,000
	<b>1,415,670</b>	<b>8,647,091</b>	<b>18,097,079</b>	<b>28,159,840</b>
<b>Transfers</b>				
Transfer In - General Fund	-	101,152	3,547,000	3,648,152
Transfer In - Other Funds	-	1,419,496	605,984	2,025,480
Transfer Out	-	(177,107)	(121,197)	(298,304)
	<b>-</b>	<b>1,343,541</b>	<b>4,031,787</b>	<b>5,375,328</b>
<b>Net Annual Activity</b>	<b>(1,275,366)</b>	<b>(922,523)</b>	<b>518,330</b>	<b>(1,679,559)</b>
<b>Ending Available Balance</b>		<b>\$ 5,457,220</b>	<b>\$ 3,660,675</b>	

Revenues	\$ 21,104,953
Transfers	5,673,632
<b>Total Sources</b>	<b>\$ 26,778,585</b>
Expenditures	\$ 28,159,840
Transfers	298,304
<b>Total Appropriations</b>	<b>\$ 28,458,144</b>





**Economic Development Department  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Total Economic Development Department</b>				
Employee Services	\$ 738,193	\$ 837,144	\$ 885,500	\$ 930,509
Other Services	1,250,016	513,801	2,439,120	448,186
Materials and Supplies	6,365	11,015	6,500	5,725
Other Expenses	19,735	20,717	137,315	31,250
Total	<u>\$ 2,014,309</u>	<u>\$ 1,382,677</u>	<u>\$ 3,468,435</u>	<u>\$ 1,415,670</u>

**Economic Development**

Employee Services	509,087	534,157	631,232	658,597
Other Services	1,127,486	397,591	2,312,055	375,785
Materials and Supplies	4,083	8,377	3,000	1,725
Other Expenses	19,681	19,725	131,115	25,750
Total	<u>1,660,337</u>	<u>959,850</u>	<u>3,077,402</u>	<u>1,061,857</u>

**Asset Management**

Employee Services	229,106	289,058	254,268	271,912
Other Services	122,530	154,966	127,065	72,401
Materials and Supplies	2,282	2,638	3,500	4,000
Other Expenses	54	992	6,200	5,500
Total	<u>353,972</u>	<u>447,654</u>	<u>391,033</u>	<u>353,813</u>

**Economic Development Department  
Housing Division Summary  
FY 2019-20 Annual Budget**

	<b>Community Development Block Grants 052/054/062</b>	<b>Emergency Solutions Grant 057</b>	<b>HOME 058/059</b>	<b>Special Purpose CDBG Loan Program 053</b>	<b>CALHOME Loan 060</b>
	<i>See Page I-15</i>	<i>See Page I-17</i>	<i>See Page I-19</i>	<i>See Page I-21</i>	<i>See Page I-23</i>
<b>Beginning Available Balance</b>	<b>\$ 1,795,905</b>	<b>\$ (19,625)</b>	<b>\$ 1,115,965</b>	<b>\$ 268,065</b>	<b>\$ 439,637</b>
<b>Revenues</b>					
Entitlements	3,329,801	292,889	2,161,859	-	-
Loan Repayments	291,903	-	135,000	-	55,000
Other Revenue	1,575	-	-	2,000	-
	<b>3,623,279</b>	<b>292,889</b>	<b>2,296,859</b>	<b>2,000</b>	<b>55,000</b>
<b>Expenditures</b>					
Subrecipient Assistance	524,415	283,172	-	-	-
Operating Expenses	1,169,208	9,717	295,784	-	-
Debt Service - Section 108	1,781,904	-	-	-	-
CHDO Set-aside loan pool	-	-	241,802	-	-
Economic Development	440,000	-	-	-	-
Loan programs	1,496,746	-	1,416,607	-	250,000
	<b>5,412,273</b>	<b>292,889</b>	<b>1,954,193</b>	<b>-</b>	<b>250,000</b>
<b>Transfers</b>					
Transfer In - General Fund	-	-	-	-	-
Transfer In - Other Funds	855,533	-	-	-	-
Transfer Out	(177,107)	-	-	-	-
	<b>678,426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(1,110,568)</b>	<b>-</b>	<b>342,666</b>	<b>2,000</b>	<b>(195,000)</b>
<b>Ending Available Balance</b>	<b>\$ 685,337</b>	<b>\$ (19,625)</b>	<b>\$ 1,458,631</b>	<b>\$ 270,065</b>	<b>\$ 244,637</b>

**Economic Development Department  
Housing Division Summary, Continued  
FY 2019-20 Annual Budget**

	<b>State Housing Loan 061</b>	<b>Neighborhood Stabilization Program 063/064</b>	<b>Low/Mod Housing 329</b>	<b>Housing Total</b>
	<i>See Page I-24</i>	<i>See Page I-27</i>	<i>See Page I-29</i>	
<b>Beginning Available Balance</b>	<b>\$ 31,641</b>	<b>\$ 378,235</b>	<b>\$ 2,369,920</b>	<b>\$ 6,379,743</b>
<b>Revenues</b>				
Entitlements	-	-	-	5,784,549
Loan Repayments	4,500	60,500	-	546,903
Other Revenue	-	-	46,000	49,575
	<b>4,500</b>	<b>60,500</b>	<b>46,000</b>	<b>6,381,027</b>
<b>Expenditures</b>				
Subrecipient Assistance	-	-	-	807,587
Operating Expenses	-	10,749	16,872	1,502,330
Debt Service - Section 108	-	-	-	1,781,904
CHDO Set-aside loan pool	-	-	-	241,802
Economic Development	-	-	-	440,000
Loan programs	-	45,000	665,115	3,873,468
	<b>-</b>	<b>55,749</b>	<b>681,987</b>	<b>8,647,091</b>
<b>Transfers</b>				
Transfer In - General Fund	-	-	101,152	101,152
Transfer In - Other Funds	-	-	563,963	1,419,496
Transfer Out	-	-	-	(177,107)
	<b>-</b>	<b>-</b>	<b>665,115</b>	<b>1,343,541</b>
<b>Net Annual Activity</b>	<b>4,500</b>	<b>4,751</b>	<b>29,128</b>	<b>(922,523)</b>
<b>Ending Available Balance</b>	<b>\$ 36,141</b>	<b>\$ 382,986</b>	<b>\$ 2,399,048</b>	<b>\$ 5,457,220</b>

## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **COMMUNITY DEVELOPMENT BLOCK GRANTS (052, 054, AND 062)**

#### **PROGRAM DESCRIPTION**

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The program must primarily benefit low and moderate-income persons. The objective of the Act is the development of viable communities by providing decent housing, suitable living environment, and expanded economic opportunities. The City receives a formula based annual entitlement from the U.S. Department of Housing and Urban Development.

The City uses twenty percent of its annual grant entitlement and program income for administrative costs. The CDBG budget includes the following components:

- Program Delivery and Administration – costs attributed to CDBG projects including staff costs, reporting, and project costs.
- Housing Loan Pool – housing programs for low income households.
- Sub-Recipient Assistance – funds provided to local non-profit organizations for public services and projects.
- Economic Development Programs – programs to assist businesses, including the Commercial Façade and Micro-Business Loan programs.
- Debt Service – repayment of two federal Section 108 Loans used to partially fund projects such as Dean DeCarli Waterfront Square, Stockton Arena, Stockton Ballpark, and Downtown Stockton Marina.

#### **KEY CONSIDERATIONS**

For FY 2019-20, the City's amount of annual CDBG entitlement decreased by 4%, to \$3,329,801 and includes estimated revenue from Housing and Successor Agency loan repayments. The City successfully refunded on of the Section 108 loans in FY 2018-19, resulting in ongoing savings of approximately \$638,000 over the next six fiscal years.

A key priority goal of City Council is to develop solutions that address housing infrastructure for individuals who are homeless. To help address this issue, the City awarded \$435,000 of CDBG funds for permanent housing for the homeless household's project in FY 2018-19. In the current year, five single family rehabilitation projects were completed or are underway and two Commercial Façade Loans were approved and are underway.

**Economic Development Department**  
**Community Development Block Grants - 052 - 054 - 062**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 772,162</b>	<b>\$ 740,661</b>	<b>\$ 793,789</b>	<b>\$ 1,795,905</b>
<b>Revenues</b>				
CDBG Entitlement	3,214,448	2,624,654	3,120,000	3,329,801
Loan Repayments	317,801	267,956	304,000	291,903
Other Revenue	47,924	607,715	793,663	1,575
	<u><b>3,580,173</b></u>	<u><b>3,500,325</b></u>	<u><b>4,217,663</b></u>	<u><b>3,623,279</b></u>
<b>Expenditures</b>				
Administration	632,723	502,820	620,369	864,645
Program Delivery	158,159	173,936	219,014	304,563
Debt Service - Section 108	1,892,299	1,916,159	1,941,927	1,781,904
Subrecipient Assistance	455,254	468,978	630,000	524,415
Housing Loan Pool	129,876	44,231	1,381,312	1,496,746
Economic Dev Program	126,646	178,969	281,667	440,000
Code Enforcement	216,717	-	-	-
	<u><b>3,611,674</b></u>	<u><b>3,285,093</b></u>	<u><b>5,074,289</b></u>	<u><b>5,412,273</b></u>
<b>Transfers</b>				
Transfer In	-	-	2,323,428	855,533
Transfer Out	-	(162,104)	(464,686)	(177,107)
	<u><b>-</b></u>	<u><b>(162,104)</b></u>	<u><b>1,858,742</b></u>	<u><b>678,426</b></u>
<b>Net Annual Activity</b>	<u><b>(31,501)</b></u>	<u><b>53,128</b></u>	<u><b>1,002,116</b></u>	<u><b>(1,110,568)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 740,661</b></u>	<u><b>\$ 793,789</b></u>	<u><b>\$ 1,795,905</b></u>	<u><b>\$ 685,337</b></u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 913,677		
Current Liabilities		(119,888)		
Ending Available Balance		<u><b>\$ 793,789</b></u>		

## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **EMERGENCY SOLUTIONS GRANT (057)**

#### **PROGRAM DESCRIPTION**

The City receives an annual federal entitlement of Emergency Solutions Grant (ESG) funds. ESG funds can be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and Homeless Management Information System; as well as administrative activities. The City's sub-recipients use ESG funds to operate homeless shelters and services and to provide rapid re-housing assistance. The City's ESG funding is fully committed each year to local homeless shelters, homeless service providers and a minor allocation to program administration.

The City can use up to 7.5% of its allocation for administrative activities. ESG funds are required to be matched 100% with other funding by the sub-recipient. The City has 180 days to obligate all funds, except for the amount for administrative costs. All ESG funds must be expended within 24 months after the U.S. Department of Housing and Urban Development (HUD) signs the grant agreement with the City.

In FY 2018-19, the City's annual entitlement was \$283,028, an increase of 3% from the prior fiscal year and funded the following agencies: Gospel Center Rescue Mission, Haven of Peace, St. Mary's Interfaith Dining Room, Stockton Shelter for the Homeless and Central Valley Low Income Housing Corp.

#### **KEY CONSIDERATIONS**

The City's annual ESG entitlement is \$292,889. The City will continue to use ESG funds to address the needs of the homeless community. In addition to the agencies already funded, the Central Valley Low-Income Housing Corporation received \$11,980 in funding for the FY 2019-20.

**Economic Development Department  
Emergency Solutions Grant - 057  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,625)</u>
<b>Revenues</b>				
ESG Entitlement	<u>334,427</u>	<u>320,348</u>	<u>642,921</u>	<u>292,889</u>
	<u><b>334,427</b></u>	<u><b>320,348</b></u>	<u><b>642,921</b></u>	<u><b>292,889</b></u>
<b>Expenditures</b>				
ESG Community Program Services	<u>323,634</u>	<u>316,155</u>	<u>650,000</u>	<u>283,172</u>
Administration	<u>10,793</u>	<u>4,193</u>	<u>12,546</u>	<u>9,717</u>
	<u><b>334,427</b></u>	<u><b>320,348</b></u>	<u><b>662,546</b></u>	<u><b>292,889</b></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>-</u>	<u>-</u>	<u><b>(19,625)</b></u>	<u>-</u>
<b>Ending Available Balance</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ (19,625)</b></u>	<u><b>\$ (19,625)</b></u>
<b>Available Balance Calculation</b>				
Current Assets - Cash		<u>\$ 117,227</u>		
Current Liabilities - Due from Other Govt		<u>(117,227)</u>		
Ending Available Balance		<u><u><b>\$ -</b></u></u>		



## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **HOME INVESTMENT PARTNERSHIP PROGRAM FUND (058 AND 059)**

#### **PROGRAM DESCRIPTION**

The federal Home Investment Partnership (HOME) program was created by the National Housing Act of 1990, as amended. The objectives of the HOME Program are to provide decent affordable housing to lower-income households; strengthen the ability of state and local governments to provide housing; and leverage private-sector participation. The City uses HOME monies to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

The City's HOME budget includes the following components:

- Program Delivery and Administration - Includes the general costs associated with the administration and oversight of the HOME Program. Ten percent of its annual entitlement plus program income received can be used toward administrative costs.
- Community Housing Development Organization (CHDO) Set-Aside – HUD regulations require that 15% of the City's HOME allocation be reserved for community-based organizations that develop affordable housing.
- Housing Loan Fund – housing programs for low income households including single-family rehabilitation, down payment assistance, and multi-family residential projects.

#### **KEY CONSIDERATIONS**

The City's annual allocation for HOME funds is \$1,612,015, less \$147,278 of recaptured HOME funds. The City will continue to fund low- to moderate- income housing through rehabilitation projects and providing rental assistance.

Based on the Council's strategic priorities, in 2018 the City issued a Notice of Funding Availability of approximately \$1.1 million of affordable housing funds to provide gap financing for new construction and rehabilitation activities that will result in the provision of housing affordable to households with incomes at or below 80 percent of the Area Median Income.

**Economic Development Department  
HOME - 058/059  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 223,736</b>	<b>\$ 111,497</b>	<b>\$ 749,633</b>	<b>\$ 1,115,965</b>
<b>Revenues</b>				
HOME Entitlement	2,241,531	477,933	470,000	2,161,859
Loan Repayments	140,734	480,470	374,155	135,000
	<b>2,382,265</b>	<b>958,403</b>	<b>844,155</b>	<b>2,296,859</b>
<b>Expenditures</b>				
Administration	91,150	57,451	78,579	181,202
CHDO Set-aside loan pool	137,547	-	172,795	241,802
Housing Loan Programs	2,202,326	253,698	220,000	1,416,607
Program Delivery	63,481	9,118	6,449	114,582
	<b>2,494,504</b>	<b>320,267</b>	<b>477,823</b>	<b>1,954,193</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(112,239)</b>	<b>638,136</b>	<b>366,332</b>	<b>342,666</b>
<b>Ending Available Balance</b>	<b>\$ 111,497</b>	<b>\$ 749,633</b>	<b>\$ 1,115,965</b>	<b>\$ 1,458,631</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 756,578		
Current Liabilities		(6,945)		
Encumbrances		-		
Due from HUD		-		
Ending Available Balance		<b>\$ 749,633</b>		

## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **SPECIAL PURPOSE CDBG LOAN PROGRAMS FUND (053)**

#### **PROGRAM DESCRIPTION**

This fund was established to manage one-time Community Development Block Grant (CDBG) special purpose grants and loans. Federal U.S. Department of Housing and Urban Development entitlements such as Economic Development Initiative, Brownfields Economic Development Initiative (BEDI) and CDBG-R have moved through this fund in previous years.

#### **KEY CONSIDERATIONS**

In FY 2015-16, the City received its final reimbursement of \$1.1 million in BEDI funds which were transferred back to the General Fund in FY 2016-17.

No additional activity is planned for this fund.

**Economic Development Department  
Special Purpose CDBG Loan Programs - 053  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 2,608,608</u>	<u>\$ 1,524,171</u>	<u>\$ 266,065</u>	<u>\$ 268,065</u>
<b>Revenues</b>				
Investment Proceeds	<u>1,563</u>	<u>12,801</u>	<u>2,000</u>	<u>2,000</u>
	<u>1,563</u>	<u>12,801</u>	<u>2,000</u>	<u>2,000</u>
<b>Expenditures</b>				
CDBG-R Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers</b>				
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer Out	<u>(1,086,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(1,086,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>(1,084,437)</u>	<u>12,801</u>	<u>2,000</u>	<u>2,000</u>
<b>Ending Available Balance</b>	<u>\$ 1,524,171</u>	<u>\$ 1,536,972</u>	<u>\$ 268,065</u>	<u>\$ 270,065</u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 266,065		
Cash with Fiscal Agent		<u>1,270,906</u>		
Subtotal		1,536,971		
Section 108 Debt Reserve		<u>(1,270,906)</u>		
Ending Available Balance		<u>\$ 266,065</u>		

## **ECONOMIC DEVELOPMENT DEPARTMENT**

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

#### **PROGRAM DESCRIPTION**

In prior fiscal years, the City received approximately \$1.1 million in State HELP funding, fully expended it, and the debt to the State of California was paid in full in FY 2010-11.

The City received approximately \$1.5 million in State CalHOME funding in prior fiscal years, and fully spent all grant funds. CalHOME funding may be used for single-family rehabilitation projects and down payment assistance to benefit low and moderate-income persons and families.

The City continues to recycle program income from housing loan repayments under both HELP and CalHOME back into additional low and moderate-income housing loans.

#### **KEY CONSIDERATIONS**

CalHOME program income will be used to fund down payment assistance or rehabilitation loans.

**Economic Development Department  
CALHOME Loan - 060  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 338,641</u>	<u>\$ 109,070</u>	<u>\$ 311,837</u>	<u>\$ 439,637</u>
<b>Revenues</b>				
Loan Repayments	<u>59,966</u>	<u>202,767</u>	<u>127,800</u>	<u>55,000</u>
	<u><b>59,966</b></u>	<u><b>202,767</b></u>	<u><b>127,800</b></u>	<u><b>55,000</b></u>
<b>Expenditures</b>				
Housing Loan Programs	<u>289,537</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
	<u><b>289,537</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>250,000</b></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><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Net Annual Activity</b>	<u><b>(229,571)</b></u>	<u><b>202,767</b></u>	<u><b>127,800</b></u>	<u><b>(195,000)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 109,070</b></u>	<u><b>\$ 311,837</b></u>	<u><b>\$ 439,637</b></u>	<u><b>\$ 244,637</b></u>
<b>Available Balance Calculation</b>				
Current Assets		<u>\$ 311,837</u>		
Current Liabilities		<u>-</u>		
Ending Available Balance		<u><u><b>\$ 311,837</b></u></u>		

**Economic Development Department  
State Housing Loan (HELP) - 061  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 13,984</u>	<u>\$ 20,439</u>	<u>\$ 26,491</u>	<u>\$ 31,641</u>
<b>Revenues</b>				
HELP Loan Repayments	<u>6,455</u>	<u>6,052</u>	<u>5,150</u>	<u>4,500</u>
	<u>6,455</u>	<u>6,052</u>	<u>5,150</u>	<u>4,500</u>
<b>Expenditures</b>				
Housing Loan Programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>6,455</u>	<u>6,052</u>	<u>5,150</u>	<u>4,500</u>
<b>Ending Available Balance</b>	<u>\$ 20,439</u>	<u>\$ 26,491</u>	<u>\$ 31,641</u>	<u>\$ 36,141</u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 26,491		
Current Liabilities		<u>-</u>		
Ending Available Balance		<u>\$ 26,491</u>		





## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **NEIGHBORHOOD STABILIZATION GRANT (063 AND 064)**

#### **PROGRAM DESCRIPTION**

The City was awarded \$16.3 million of Neighborhood Stabilization Program Grant (NSP) funding in 2009 and 2011. The City used those funds to acquire 107 foreclosed homes, rehabilitate them, and sell them to qualified low and moderate-income buyers. Five apartment complexes have been rehabilitated and provide 119 units for low income households. These rental projects utilized both HOME and NSP funds. 25% of NSP funding is required to be used for households with incomes below 50% of Area Median Income.

#### **KEY CONSIDERATIONS**

The City has fully committed all of its NSP funds. Remaining projects include: Dream Creek, a single-family home ownership project, and Hunter Street Apartments, a 72-unit multi-family rental project. These projects were underway in FY 2018-19.

**Economic Development Department  
Neighborhood Stabilization Program - 063  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,485</b>	<b>\$ 378,235</b>
<b>Revenues</b>				
NSP Entitlement	(6,961)	119,606	300,000	-
Loan Repayments	22,952	86,423	50,798	45,500
	<b>15,991</b>	<b>206,029</b>	<b>350,798</b>	<b>45,500</b>
<b>Expenditures</b>				
Administration	15,841	3,204	3,036	541
Program Delivery	150	3,663	-	-
Housing Loan Programs	-	199,162	47,012	45,000
	<b>15,991</b>	<b>206,029</b>	<b>50,048</b>	<b>45,541</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>300,750</b>	<b>(41)</b>
<b>Ending Available Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 378,235</b>	<b>\$ 378,194</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 39,069		
Current Liabilities		(39,069)		
Subtotal		-		
Available Grant Funds		77,485		
Due from HUD		-		
Ending Available Balance		<b>\$ 77,485</b>		

**Economic Development Department  
Neighborhood Stabilization Program #3 - 064  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Revenues</b>				
NSP Entitlement	681,397	(17,822)	40,000	-
Investment Proceeds	<u>-</u>	<u>19,755</u>	<u>36,625</u>	<u>15,000</u>
	<u><b>681,397</b></u>	<u><b>1,933</b></u>	<u><b>76,625</b></u>	<u><b>15,000</b></u>
<b>Expenditures</b>				
Administration	15,713	1,933	1,660	10,208
Program Delivery	9,935	-	30,000	-
Housing Loan Programs	<u>655,749</u>	<u>-</u>	<u>44,965</u>	<u>-</u>
	<u><b>681,397</b></u>	<u><b>1,933</b></u>	<u><b>76,625</b></u>	<u><b>10,208</b></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>-</u>	<u>-</u>	<u>-</u>	<u><b>4,792</b></u>
<b>Ending Available Balance</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 4,792</b></u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 212		
Current Liabilities		<u>(212)</u>		
Ending Available Balance		<u><b>\$ -</b></u>		

**Economic Development Department  
Low & Moderate Income Housing - 329  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 3,218,570</b>	<b>\$ 1,782,600</b>	<b>\$ 2,153,086</b>	<b>\$ 2,369,920</b>
<b>Revenues</b>				
Investment Proceeds	85,295	136,012	50,000	45,000
Other Revenues	4,155	8,693	6,468	1,000
	<u>89,450</u>	<u>144,705</u>	<u>56,468</u>	<u>46,000</u>
<b>Expenditures</b>				
Administration	6,903	1,339	2,087	16,872
Housing Loan Programs	1,725,000	750,000	850,000	665,115
Capital projects	-	-	-	-
	<u>1,731,903</u>	<u>751,339</u>	<u>852,087</u>	<u>681,987</u>
<b>Transfers</b>				
Transfer In - General Fund	-	10,648	29,584	101,152
Transfer In - Other Funds	206,483	966,471	982,869	563,963
Transfer Out	-	-	-	-
	<u>206,483</u>	<u>977,119</u>	<u>1,012,453</u>	<u>665,115</u>
<b>Net Annual Activity</b>	<b>(1,435,970)</b>	<b>370,485</b>	<b>216,834</b>	<b>29,128</b>
<b>Ending Available Balance</b>	<b>\$ 1,782,600</b>	<b>\$ 2,153,085</b>	<b>\$ 2,369,920</b>	<b>\$ 2,399,048</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 2,153,086		
Current Liabilities		-		
Ending Available Balance		<u>\$ 2,153,086</u>		

**Economic Development Department  
Parking and Venues Division Summary  
FY 2019-20 Annual Budget**

	<b>Boat Launching 045</b>	<b>Tourism and Business Improvement 073</b>	<b>Entertainment Venues 086</b>
	<i>See Page I-33</i>	<i>See Page I-34</i>	<i>See Page I-37</i>
<b>Beginning Available Balance</b>	<b>\$ 754,435</b>	<b>\$ 124,877</b>	<b>\$ 111,975</b>
<b>Revenues</b>			
Taxes/Assessments	-	1,760,031	-
User Fees	193,405	-	-
Fines & Forfeitures	-	-	-
Other Revenue	5,932	-	5,948,047
	<b>199,337</b>	<b>1,760,031</b>	<b>5,948,047</b>
<b>Expenditures</b>			
Operating Expenses	188,304	1,760,031	8,867,447
Debt Service	-	-	-
Capital Improvement	-	-	300,000
	<b>188,304</b>	<b>1,760,031</b>	<b>9,167,447</b>
<b>Transfers</b>			
Transfer In - General Fund	-	-	3,285,000
Transfer In - Other Funds	-	-	-
Transfer Out	-	-	-
	<b>-</b>	<b>-</b>	<b>3,285,000</b>
<b>Net Annual Activity</b>	<b>11,033</b>	<b>-</b>	<b>65,600</b>
<b>Ending Available Balance</b>	<b>\$ 765,468</b>	<b>\$ 124,877</b>	<b>\$ 177,575</b>

**Economic Development Department  
Parking and Venues Division Summary, Continued  
FY 2019-20 Annual Budget**

	<b>Parking Authority 418/419</b>	<b>Marina 460</b>	<b>Parking and Venues Total</b>
	<i>See Page I-39</i>	<i>See Page I-41</i>	
<b>Beginning Available Balance</b>	<b>\$ 1,932,006</b>	<b>\$ 219,052</b>	<b>\$ 3,142,345</b>
<b>Revenues</b>			
Taxes/Assessments	1,229,478	-	2,989,509
User Fees	4,242,356	239,600	4,675,361
Fines & Forfeitures	744,354	-	744,354
Other Revenue	121,219	99,200	6,174,398
	<b>6,337,407</b>	<b>338,800</b>	<b>14,583,622</b>
<b>Expenditures</b>			
Operating Expenses	3,604,513	635,198	15,055,493
Debt Service	2,391,586	-	2,391,586
Capital Improvement	350,000	-	650,000
	<b>6,346,099</b>	<b>635,198</b>	<b>18,097,079</b>
<b>Transfers</b>			
Transfer In - General Fund	-	262,000	3,547,000
Transfer In - Other Funds	605,984	-	605,984
Transfer Out	(121,197)	-	(121,197)
	<b>484,787</b>	<b>262,000</b>	<b>4,031,787</b>
<b>Net Annual Activity</b>	<b>476,095</b>	<b>(34,398)</b>	<b>518,330</b>
<b>Ending Available Balance</b>	<b>\$ 2,408,101</b>	<b>\$ 184,654</b>	<b>\$ 3,660,675</b>

## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **BOAT LAUNCHING FACILITIES FUND (045)**

#### **PROGRAM DESCRIPTION**

The City maintains boat launching facilities at Louis Park and Buckley Cove. A third boat launching facility, Morelli Park, is operated by a third party in unison with the Downtown Marina. This Fund receives launching fees collected from vehicles that launch boats at Buckley Cove. Expenditures from the fund provide dock and landscape maintenance at Louis Park and Buckley Cove and cover security services/fee collection personnel. When sufficiently accumulated, the fund balance will be utilized to dredge Buckley Cove, dock infrastructure improvements, traffic control devices, and parking lot maintenance and landscaping.

#### **KEY CONSIDERATIONS**

This facility's operating revenue estimate includes a projected 2% increase, based on increasing trend seen in current fiscal year. Operating expenditure budget is anticipated to increase overall by 8%, largely due to \$50,000 planned in FY 2019-20 for ongoing sunken boat removals, periodic asphalt repair and restriping, landscape contract and general maintenance.

**Economic Development Department  
Boat Launching Facilities - 045  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 568,058</b>	<b>\$ 624,834</b>	<b>\$ 703,136</b>	<b>\$ 754,435</b>
<b>Revenues</b>				
Boat Launching Fees	157,914	177,332	189,644	193,405
Investment Proceeds	6,833	7,876	2,500	2,500
Reimbursements	3,431	3,431	4,452	3,432
	<u>168,178</u>	<u>188,639</u>	<u>196,596</u>	<u>199,337</u>
<b>Expenditures</b>				
Salaries & Benefits	2,925	2,861	1,719	32,650
Utilities	2,020	2,422	2,216	3,600
Maintenance & Repair	7,558	18,409	38,950	50,000
Security Contractor	87,377	78,571	95,607	90,810
Materials & Supplies	1,149	462	107	1,500
Other Expenses	10,373	7,612	6,698	9,744
	<u>111,402</u>	<u>110,337</u>	<u>145,297</u>	<u>188,304</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>56,776</b>	<b>78,302</b>	<b>51,299</b>	<b>11,033</b>
<b>Ending Available Balance</b>	<b>\$ 624,834</b>	<b>\$ 703,136</b>	<b>\$ 754,435</b>	<b>\$ 765,468</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 711,480		
Current Liabilities		(8,344)		
Ending Available Balance		<u>\$ 703,136</u>		



**Economic Development Department  
Tourism and Business Improvement Fund - 073  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 112,067</u>	<u>\$ 125,289</u>	<u>\$ 124,803</u>	<u>\$ 124,877</u>
<b>Revenues</b>				
Taxes/Assessments				
Tourism Business Improvement	1,461,425	1,592,426	1,676,220	1,760,031
Investment Proceeds	1,401	284	74	-
	<u>1,462,826</u>	<u>1,592,710</u>	<u>1,676,294</u>	<u>1,760,031</u>
<b>Expenditures</b>				
Pass-Through				
TBID - Convention & Visitors	1,416,918	1,545,400	1,625,933	1,707,123
Administration	32,686	47,796	50,287	52,908
	<u>1,449,604</u>	<u>1,593,196</u>	<u>1,676,220</u>	<u>1,760,031</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>13,222</u>	<u>(486)</u>	<u>74</u>	<u>-</u>
<b>Ending Available Balance</b>	<u>\$ 125,289</u>	<u>\$ 124,803</u>	<u>\$ 124,877</u>	<u>\$ 124,877</u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 133,497		
Current Liabilities		(8,694)		
Ending Available Balance		<u>\$ 124,803</u>		



## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **ENTERTAINMENT VENUES FUND (086)**

#### **PROGRAM DESCRIPTION**

The City owns four specialty sports and entertainment venues; the 12,000 seat Stockton Arena, 5,000 seat Stockton Ballpark, 2,042 seat Bob Hope Theatre, and Oak Park Ice Rink. These venues are managed by SMG, a worldwide entertainment and convention venue management corporation, pursuant to a contract approved by Council in 2011 and was renewed and amended in 2018 to include the Downtown Marina. SMG develops an annual operating budget and capital repair and improvement plan budget submitted to the City each year. The Entertainment Venues Fund budget represents the SMG operating fund, direct City expenditures, and an allocation for maintenance repairs and improvements. The venues continue to require a subsidy from the General Fund.

#### **KEY CONSIDERATIONS**

The venues' operating revenue estimate includes a projected 12% increase, based on increasing trends in event bookings and attendance at the Arena and Bob Hope Theatre. The Stockton Arena was in use 315 days in FY 2018-19 for events, event conversion, hockey practice, and maintenance. Highlights included the inaugural season of the Stockton Kings, Stockton Heat hockey, return of indoor soccer with the Stockton Rush, World Wrestling Entertainment, Marco Antonio Solis, JAMZ Cheerleading, Disney on Ice, Cirque du Soleil, and StocktonCon. First time events included: Top Rank Boxing live on ESPN with local boxer Gabriel Flores Jr.; Copa Combate – live on Univision; Beans, Bags, and Brews – Best of the West Cornhole Tournament; StocktonCon Winter. The Stockton Ballpark was in use 233 days throughout 2018 for events and field maintenance and care.

Highlights of the year included the CCAA Championship Baseball Tournament, West Coast Conference Championships, Velocity Youth Baseball Tournaments and Stockton Ports home games. The Bob Hope Theatre is projected to host 77 events in FY 18-19. Highlights included Disney Jr Dance Party, Peppa Pig, Sesame Street Live, Leo and Dan, Franco Escamilla, Home Free, Needtobreathe, Friends of the Fox Classic Cinema Series, Feast at the Fox, Randy Houser, Scotty McCreery, the Nutcracker and more. The venues' operating expenditure budget is anticipated to increase overall by 6%, largely due to the state mandatory minimum wage increase, increases in ancillary services and supplies, and continuing building/systems preventative maintenance and repairs.

An estimated 520,000 people will attend 226 events at the Bob Hope Theatre and Stockton Arena in FY 2019-20. Additionally, an estimated 215,000 people will attend games or events at the Ballpark and approximately 45,000 people will visit the Ice Rink. Attendance at events will continue to provide positive exposure to the City, and direct and indirect benefits to the community through increased economic activity, hotel stays, local tax proceeds, and parking revenues.

One-time funding was allocated in FY 2018-19 for replacement of Banner Island Ball Park scoreboard as well as the chiller system for the Oak Park Ice Arena. Work will be underway in FY 2019-20.

**Economic Development Department  
Entertainment Venues - 086  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ (380,949)</b>	<b>\$ (243,873)</b>	<b>\$ 80,744</b>	<b>\$ 111,975</b>
<b>Revenues</b>				
Operations:				
Stockton Arena	2,695,673	2,216,624	3,364,265	3,923,574
Bob Hope Theatre	640,618	814,385	1,075,839	1,155,608
Oak Park Ice Arena	415,686	444,381	504,407	498,865
Ballpark	352,160	354,608	367,332	370,000
Other Revenue	50,279	451,888	6,346	-
	<b>4,154,416</b>	<b>4,281,886</b>	<b>5,318,189</b>	<b>5,948,047</b>
<b>Expenditures</b>				
Operations:				
Stockton Arena	4,627,109	4,743,038	5,280,546	5,491,789
Bob Hope Theatre	890,751	1,037,005	1,219,311	1,437,112
Oak Park Ice Arena	682,933	677,291	738,915	836,178
Ballpark	821,272	781,675	846,732	893,918
Administration	112,814	126,445	136,859	208,450
Facility Maint. & Equipment	327,461	423,767	250,000	300,000
Capital Projects	-	-	1,649,595	-
	<b>7,462,340</b>	<b>7,789,221</b>	<b>10,121,958</b>	<b>9,167,447</b>
<b>Transfers</b>				
Transfer In - General Fund	3,445,000	3,445,000	3,685,000	3,285,000
Transfer In - Other	-	-	1,150,000	-
Transfer Out	-	-	-	-
	<b>3,445,000</b>	<b>3,445,000</b>	<b>4,835,000</b>	<b>3,285,000</b>
<b>Net Annual Activity</b>	<b>137,076</b>	<b>(62,335)</b>	<b>31,231</b>	<b>65,600</b>
<b>Ending Available Balance</b>	<b>\$ (243,873)</b>	<b>\$ (306,208)</b>	<b>\$ 111,975</b>	<b>\$ 177,575</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 1,490,328		
Current Liabilities		(1,409,584)		
Ending Available Balance		<b>\$ 80,744</b>		

## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **PARKING AUTHORITY FUND (418 AND 419)**

#### **PROGRAM DESCRIPTION**

This fund maintains and operates the downtown parking garages, lots, on-street payment machines, and parking compliance. Prior to FY 2014-15 all downtown event parking was provided through the Central Parking Division. In FY 2013-14 the City Council established a Parking Authority to oversee the City's parking programs within the Downtown Parking District. The Parking Authority approved an agreement with SP Plus Corporation to operate and manage the parking facilities within the District in FY 2014-15. The Department assumed parking enforcement responsibilities in August 2015.

#### **KEY CONSIDERATIONS**

Parking revenues experienced a drastic reduction in FY 2018-19 due to ongoing parking meter theft. Over the course two years, nearly 1,600 parking meters were stolen, resulting in an approximate \$700,000 deficit to on-street, hourly, and monthly parking revenue. A total of 105 Pay-by-Plate machines have been installed covering most of the downtown area, replacing the previous meters. In FY 2019-20, \$350,000 in capital investment from this fund is planned for the purchase of license plate recognition technology, revenue control equipment for garages, and garage painting. The implementation of new technology will not only provide real-time data regarding the day-to-day operations; it will also allow for tighter internal controls and improved enforcement efficiency.

The Parking Authority fund will see minimal changes to the parking administrative and operating budgets. FY 2019-20 operating revenues are conservatively budgeted to increase by 3%, as the full effect of the new payment machines is on-going. FY 2019-20 expenses are budgeted to be reduced by 14% primarily due to savings in debt service charges, and reduction in the capital investment funds required in FY 2019-20.

**Economic Development Department  
Parking Authority - 418/419  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance (a)</b>	<b>\$ 2,314,389</b>	<b>\$ 2,791,307</b>	<b>\$ 2,757,707</b>	<b>\$ 1,932,006</b>
<b>Revenues</b>				
Assessments	1,292,249	1,270,684	1,188,272	1,229,478
Operating Revenue/Fees	4,209,788	3,538,448	4,129,123	4,242,356
Parking Citations/Fines	777,981	741,595	716,556	744,354
Reimbursements	24,005	-	11,941	10,000
Other Revenues	129,132	186,635	102,838	111,219
Investment Proceeds	1,082	(1,546)	46,735	-
	<b>6,434,237</b>	<b>5,735,816</b>	<b>6,195,465</b>	<b>6,337,407</b>
<b>Expenditures</b>				
Administration	703,670	566,185	607,080	601,190
Other Services	264,328	267,068	98,016	105,670
Parking Operations	1,819,860	1,833,958	1,987,665	2,038,163
Management Fee	172,329	175,776	179,292	184,671
Parking Enforcement	639,339	500,998	662,122	674,819
Debt Service	1,420,599	1,479,371	1,731,168	2,391,586
Parking Improvements	27,100	19,950	1,183,060	350,000
	<b>5,047,225</b>	<b>4,843,306</b>	<b>6,448,403</b>	<b>6,346,099</b>
<b>Transfers</b>				
Transfer In - Successor Agency	-	-	177,230	605,984
Transfer In - Workers' Comp Loan	-	-	8,915,000	-
Transfer Out - SEB Debt	(910,094)	(914,715)	(9,629,547)	-
Transfer Out - Low/Mod Housing	-	(12,757)	(35,446)	(121,197)
	<b>(910,094)</b>	<b>(927,472)</b>	<b>(572,763)</b>	<b>484,787</b>
<b>Net Annual Activity</b>	<b>476,918</b>	<b>(34,962)</b>	<b>(825,701)</b>	<b>476,095</b>
<b>Ending Available Balance</b>	<b>\$ 2,791,307</b>	<b>\$ 2,756,345</b>	<b>\$ 1,932,006</b>	<b>\$ 2,408,101</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 3,617,323		
Current Liabilities		(859,616)		
Capital Projects		-		
Ending Available Balance		<b>\$ 2,757,707</b>		

## **ECONOMIC DEVELOPMENT DEPARTMENT**

### **DOWNTOWN MARINA COMPLEX FUND (460)**

#### **PROGRAM DESCRIPTION**

This fund operates, maintains, and services the Downtown Stockton Marina. The Marina has been in operation for ten years providing permanent slips and short-term berthing as well as management of the Morelli Park Boat launch. The Downtown Marina continues to require a subsidy from the General Fund.

In FY 2009-10, the City approved an agreement with Westrec, a third-party operator, to manage and operate the Stockton Downtown Marina. In November 2016, Westrec terminated its operating agreement with the City, causing the Marina operation to be provided directly by City staff a new contract could be implemented. On March 20, 2018, Council awarded an operating contract to SMG. On July 1, 2019; SMG took over Downtown Stockton Marina operation.

#### **KEY CONSIDERATIONS**

Revenues for FY 2019-20 are projected to increase by 17.6% primarily due to the presence of a dedicated Marina operator, the addition of event programming at the marina and the Waterfront Warehouse Amphitheater, the implementation of WiFi services, a marina store, and changes to electrical billing. SMG will devote more resources and effort to event related promotions for guest docking and monthly patrons. Operating expenses for FY 2019-20 are budgeted to increase by 25% to support full and seasonal marina staff, including a full-time Marina Manager, as well as additional marketing and promotional efforts.

FY 2018-19 highlights include:

- Currently have 32 berth holders.
- Wi-Fi launched on March 1, 2019. Currently have four berth holders who utilize monthly plans and day usage is available for \$5.00.
- Planning events for the Amphitheater, including four dates with the StockMarket, and a monthly concert series starting in May, along with a Kaboom! 4<sup>th</sup> of July event.
- Water bike rentals are set to launch in May 2019.
- Stockton Marina Market opened in July 2018.

The General Fund subsidy will stay flat at \$262,000 to address maintenance and safety concerns, such as increased security, electrical parts and repairs, and dock access system replacement.

**Economic Development Department  
Downtown Marina Complex - 460  
FY 2019-20 Annual Budget**

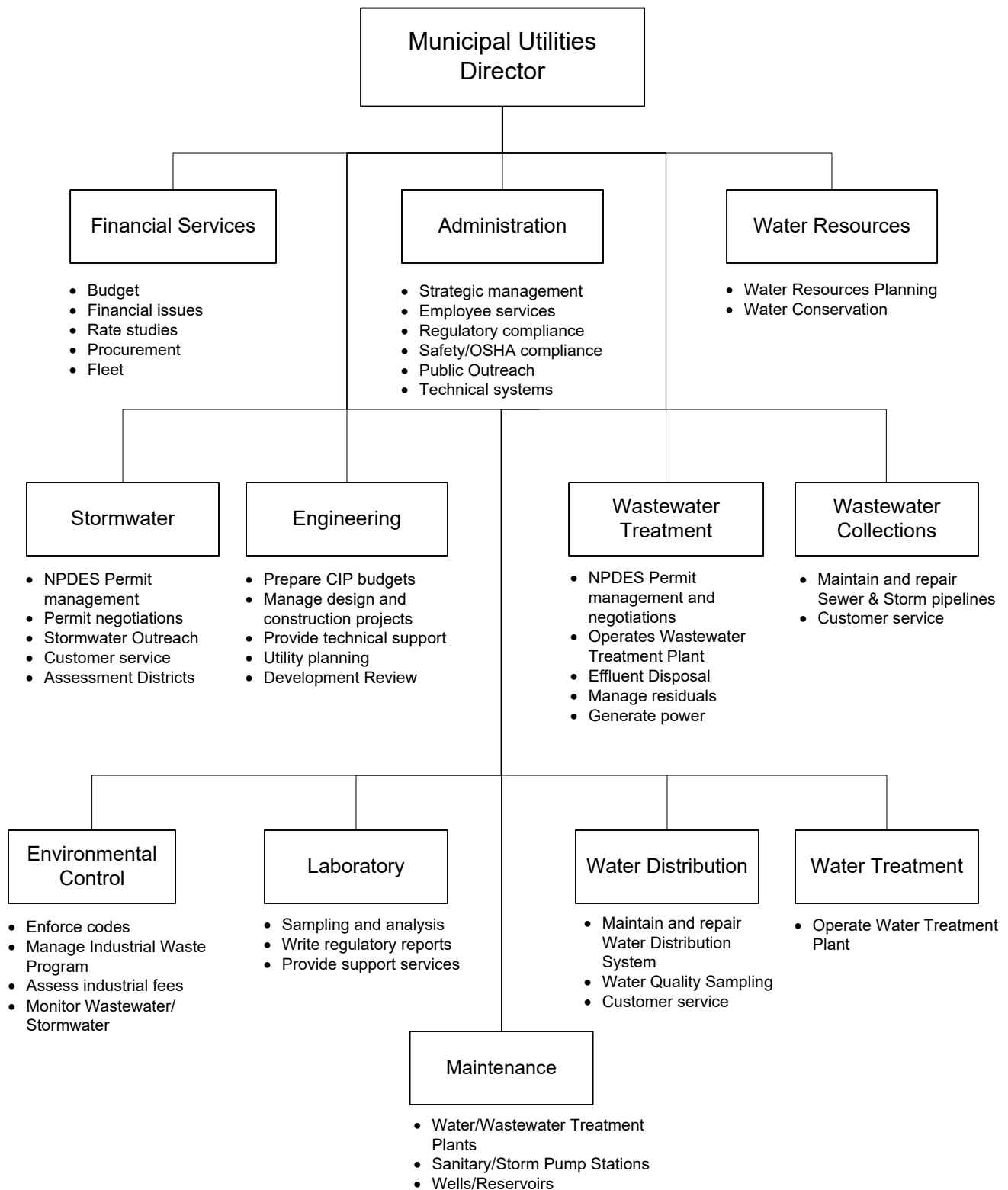
	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 317,884</b>	<b>\$ 371,817</b>	<b>\$ 311,998</b>	<b>\$ 219,052</b>
<b>Revenues</b>				
User Fees	214,325	135,972	239,593	239,600
Other Revenues	91,135	104,070	31,639	98,200
Investment Proceeds	726	398	2,000	1,000
	<u>306,186</u>	<u>240,440</u>	<u>273,232</u>	<u>338,800</u>
<b>Expenditures</b>				
Administration	26,377	69,640	24,373	17,500
Operating Expenses	424,532	442,612	453,805	567,698
Management Contract	21,344	7	50,000	50,000
Capital Projects	-	-	100,000	-
	<u>472,253</u>	<u>512,259</u>	<u>628,178</u>	<u>635,198</u>
<b>Transfers</b>				
Transfer In - General Fund	220,000	212,000	262,000	262,000
Transfer Out	-	-	-	-
	<u>220,000</u>	<u>212,000</u>	<u>262,000</u>	<u>262,000</u>
<b>Net Annual Activity</b>	<u>53,933</u>	<u>(59,819)</u>	<u>(92,946)</u>	<u>(34,398)</u>
<b>Ending Available Balance</b>	<u><b>\$ 371,817</b></u>	<u><b>\$ 311,998</b></u>	<u><b>\$ 219,052</b></u>	<u><b>\$ 184,654</b></u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 391,377		
Current Liabilities		(79,379)		
Encumbrances		-		
Ending Available Balance		<u>\$ 311,998</u>		





## TAB 10 UTILITIES





# MUNICIPAL UTILITIES



## MUNICIPAL UTILITIES DEPARTMENT

### MISSION STATEMENT

To provide high-quality drinking 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 Revenues	\$134,453,973
Total Expenditures	\$182,387,314
Total Net Cost	\$47,933,341
Total Staff	217

### DEPARTMENT DESCRIPTION

The Municipal Utilities Department (MUD) encompasses the Water, Wastewater, and Stormwater Utilities, which are regulated for the protection of public health, the environment, and supported by user fees. For operational efficiency, the department includes 12 divisions that operate, maintain, and support the Utilities. Additionally, the Utilities are managed to recognize the independent financial structure and regulatory requirements unique to each.

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

The Wastewater Utility features a collection system of approximately 900 miles of gravity sewer main, 554 miles of lower lateral pipe, 27 pump stations, and 30 miles of pressurized force main that route sewage to the Regional Wastewater Control Facility (RWCF). The system collects sewage from many properties within the City, special districts outside the City, and certain areas within San Joaquin County. The RWCF has a 55 million gallon per day advanced treatment capacity and is located on nearly 700 acres in the southwestern portion of the City, adjacent to the San Joaquin River. On average, the Facility treats 30 million gallons of wastewater daily and discharges into the San Joaquin River, under a National Pollutant Discharge Elimination System (NPDES) permit.

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

## MUNICIPAL UTILITIES DEPARTMENT

### DEPARTMENT STRATEGIC WORK PLAN

An important FY 2019-20 priority is the Regional Wastewater Control Facility (RWCF) Modifications Project to improve wastewater treatment processes. Upgrades and improvements to the RWCF were originally identified in the 2011 Capital Improvement and Energy Management Plan (CIEMP), and additional improvements are now necessary to meet treated wastewater discharge limits regulated by the Central Valley Regional Water Quality Control Board. The project progressed steadily, with 65% design plans currently under review and completion of the Environmental Impact Report. The design incorporates upgrades to achieve treated wastewater limits by June 1, 2024. Biosolids and energy production are not part of the current RWCF Modifications Project but have been identified as future phases of the CIEMP. Additionally, the department completed a comprehensive wastewater utility rate analysis in FY 2018-19, which included the negotiated construction cost for the RWCF Modifications Project and several other necessary Capital Improvement Projects. The rate analysis concluded an average annual rate increase of 6% was necessary over the next five years, beginning in FY 2019-20, to adequately fund construction and operations.

In FY 2019-20, the department will update the utility master plans for Water, Wastewater and Stormwater. The current Water Utility and Wastewater Utility master plans were both completed in 2008. The new master plans will assist staff in planning and designing infrastructure improvements that support future development and evaluate potentially needed improvements at existing facilities. The department will complete the master plans in conjunction with the Master Infrastructure Plans and Development Impact Fee Nexus Study prepared by the Community Development Department. The Nexus Study will include a Stormwater Connection Fee Study to establish a connection fee to help fund stormwater infrastructure costs.

Long-range financial plans for each of the utilities will be developed in the next two fiscal years to provide stability to its customers. These models will mirror the General Fund Long-Range Financial Plan and ensure the City's commitment to fiscal sustainability and consistent long-term financial forecasting. The plans will become an essential instrument supporting management decisions regarding budget, infrastructure improvements, debt restructuring, and labor commitments. Once established, the plans will be updated annually to reflect new revenue information and expenses as a part of the annual budget process. The focus for FY 2019-20 will be the Wastewater Utility plan.

In 2015, the State Water Resources Control Board adopted a statewide Trash Provision Order to address the beneficial uses of surface waters. The water quality objective established by the Order serves as a federally mandated water quality standard. The City does not currently have a funding mechanism in place to meet the Order's requirements. Stockton attempted a Proposition 218 ballot measure in 2010 to approve a new Clean Water fee that would supplement the current stormwater fee. The rate study prepared for the Proposition 218 ballot determined the Stormwater Utility was under-funded by approximately \$9 million a year. The ballot measure failed, so the City could not implement the new Clean Water fee. In 2017, the City conducted an analysis that demonstrated significant additional funding over the next 20 years would be necessary to maintain compliance with the Order. The possibility of advancing another ballot measure to provide needed funding for this Utility is currently under review.

## MUNICIPAL UTILITIES DEPARTMENT

### FISCAL YEAR 2018-19 ACCOMPLISHMENTS

#### Engineering:

- Designed and managed intake pump station repair and improvements at the Delta Water Treatment Plant.
- Completed design and awarded construction contract for stormwater pump stations and pipe cathodic (corrosion) protection improvements.
- Completed construction of Harding Way and Wilson Way storm sewer pump station improvements.

#### Maintenance:

##### Regional Wastewater Control Facility:

- Designed and replaced chiller unit for the Cogeneration gas system.
- Rebuilt and re-installed raw sewage pumps 1 and 3.
- Rebuilt the Digester 4 mixing valves while the unit was out of service for cleaning.
- Completely rebuilt sewage effluent pump number 2 with new bearings, seals, and rebalanced impeller.
- Completed improvements to the Grit Collection system.
- Fully recommissioned Digester number 4 after a full cleaning and valve replacement project. Digester number 5 is now out of service for the same cleaning.
- Retrofitted Cogeneration Engine number 4 with a natural gas blending system that will allow supplemental gas to be added to digester gas to stabilize engine operation and reduce incidents of gas release.

##### Wastewater and Stormwater Pump Stations:

- Replaced the Don Avenue sanitary station bubbler system with a pressure transducer and a new sanitary pump.
- Replaced pump at Stonewood sanitary pump station.
- Installed and programmed new process logic control panels at the Smith Canal sanitary pump station.

#### Water Administration and Operations:

- Delivered 6.6 billion gallons of drinking water to the City, meeting all State and Federal regulations.
- Improved communications infrastructure to remote Water Reservoir sites and the Delta Water Treatment Plant Intake Pump Station.
- Installed new program logic controllers at various Water Reservoir sites to improve operations.
- Developed and implemented new Sensus Handheld water meter reading program throughout the service area.



## MUNICIPAL UTILITIES DEPARTMENT

- Worked with the State Water Resources Control Board to replace a contaminated well serving the Century Mobile Home Park in San Joaquin County.
- The 2018A Water Refunding Revenue Bonds, Series A were issued in the amount of \$145,220,000 in November 2018. The 2010A Bonds were issued to refinance prior bonds issued in 2002 (refinance of bonds issued in 1993), 2005 that had financed numerous projects, and 2009 that had financed a large portion of the Delta Water Supply Project. The repayment of the 2018A Bonds is from a pledge of available revenues of the Water Utility Fund after the senior 2010A bonds are paid.

### Stormwater Collections:

- Cleaned and replaced 156 stormwater filters in the Legion Park Storm Vault to meet stormwater quality requirements.
- Repaired discharge pipe at the Alexandria/Quail Lakes storm pump station that discharges into 14 Mile Slough.
- Responded to approximately 1,000 street flooding calls between November 2018 and March 2019.

### Stormwater Administration:

- Completed the terms of the Stormwater Coalition Settlement Agreement.
- Completed and submitted the Methylmercury Control Study to the Regional Water Quality Control Board.
- Worked with the development community to create Zone 14 (Calaveras Estates IV) within the Stockton Consolidated Storm Drainage Maintenance Assessment District.

### Wastewater Collections:

- Continued corrosion and odor control projects in the southeastern portion of the City.
- Implemented a chemical storage tank and dosing equipment for corrosion and odor control at the Quail Lakes sanitary pump station.
- Completed the second of a three-year contract of chemical root control to further reduce sanitary sewer overflows.

## KEY CONSIDERATIONS

Key considerations for the Municipal Utilities Department Utilities are addressed in the following sections for each utility.

**Utilities**  
**FY 2019-20 Annual Budget**

	<u><b>Water</b></u> <u><b>421-427</b></u> <i>See Page J-9</i>	<u><b>Wastewater</b></u> <u><b>431-438</b></u> <i>See Page J-11</i>	<u><b>Stormwater</b></u> <u><b>441/447</b></u> <i>See Page J-14</i>	<u><b>Storm Districts</b></u> <u><b>074</b></u> <i>See Page J-17</i>	<u><b>Utilities</b></u> <u><b>Total</b></u>
<b>Beginning Available Balance</b>	<b>\$ 44,407,771</b>	<b>\$ 87,927,029</b>	<b>\$ 5,616,701</b>	<b>\$ 2,655,555</b>	<b>\$ 140,607,056</b>
<b>Revenues</b>					
User Services	51,308,991	69,703,619	5,665,413	331,931	127,009,954
Connection Fees	1,966,302	1,390,853	-	-	3,357,155
Storm Drain Districts	-	-	85,345	-	85,345
Fines and Penalties	1,164,404	1,484,044	-	-	2,648,448
Investment Proceeds	306,082	536,784	47,259	7,908	898,033
Other Revenue	9,948	312,086	125,792	-	447,826
	<b>54,755,727</b>	<b>73,427,386</b>	<b>5,923,809</b>	<b>339,839</b>	<b>134,446,761</b>
<b>Expenditures</b>					
Administration	4,022,333	6,425,205	2,208,919	-	12,656,457
Customer Service	843,364	2,580,748	366,333	-	3,790,445
Operations and Maintenance	13,320,446	41,349,600	3,016,802	441,895	58,128,743
Water Treatment	300,285	-	-	-	300,285
Water Conservation	67,653	-	-	-	67,653
Purchased Water	10,700,000	-	-	-	10,700,000
Debt Service	15,299,712	6,489,625	-	-	21,789,337
Capital Projects	4,862,150	68,243,329	1,848,915	-	74,954,394
	<b>49,415,943</b>	<b>125,088,507</b>	<b>7,440,969</b>	<b>441,895</b>	<b>182,387,314</b>
<b>Transfers</b>					
Transfer In	-	-	-	7,212	7,212
Transfer Out	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,212</b>	<b>7,212</b>
<b>Net Annual Activity</b>	<b>5,339,784</b>	<b>(51,661,121)</b>	<b>(1,517,160)</b>	<b>(94,844)</b>	<b>(47,933,341)</b>
<b>Ending Available Balance</b>	<b>\$ 49,747,555</b>	<b>\$ 36,265,908</b>	<b>\$ 4,099,541</b>	<b>\$ 2,560,711</b>	<b>\$ 92,673,715</b>
				Revenues	\$ 134,446,761
				Transfers	7,212
				Total Sources	<u>\$ 134,453,973</u>
				Expenditures	\$ 182,387,314
				Transfers	-
				Total Appropriations	<u>\$ 182,387,314</u>

## **MUNICIPAL UTILITIES DEPARTMENT**

### **WATER UTILITY FUND (421, 423-427)**

#### **PROGRAM DESCRIPTION**

The Water Utility Fund supports the operation and maintenance of the City Water Utility. The Utility is supported by user fees, which are restricted to use by the Water Utility. Water user rate fees and developer impact fees fund the Water Utility Capital Improvement Program.

#### **KEY CONSIDERATIONS**

Beginning in 2016, the City implemented a water rate increase of 38.5% over five years. The first increase of 18.5% was implemented on August 1, 2016; the second (of 11%) was effective July 1, 2017; the third (of 3%) was effective July 1, 2018; the fourth (of 3%) will be implemented July 1, 2019.

As part of the rate increases, the City Council adopted the use and implementation of the Drought Surcharge, an additional per unit charge that may be added to the consumption charge rates and can be activated by the City Council when the state mandates water reduction due to drought conditions. Updating the Drought Surcharge each time the water rates are revised maintained sufficient revenue levels necessary to fund the operating and capital needs of the Water Utility during times of drought and reduced consumption levels.

The City suspended the Drought Surcharge in FY 2018-19 as water consumption and revenues increased throughout the service area. The Surcharge will remain suspended in FY 2019-20, although the City Council has the option to reinstate this fee as conditions change.

The FY 2018-19 budget initiated funding for the Delta Water Treatment Plant membrane filter replacement program, even though capital improvements are limited. In FY 2019-20, funding for this program will continue, and membrane replacements will be completed by 2024.

Continued changes in water conservation and use requirements from the State of California, the proposed California Waterfix and State Water Resources Control Board Delta Water Quality Control Plan actions may create increased uncertainty in water supplies and water user revenues. Variation in customer water use and additional resource investments to maintain the City's water supply portfolio and infrastructure may change, with corresponding impacts to the Water Utility Fund.

In FY 2019-20, the department will update the Water Master Plan. The current Water Master Plan was developed in 2008 to support the 2035 General Plan. The most recent General Plan Update for 2040 projected different buildout land uses from the 2035 General Plan. The Plan update will develop a hydraulic model of existing conditions as well as proposed infrastructure. The 2019 Plan will assist staff in planning and designing infrastructure improvements that support future development and to evaluate potentially needed improvements at existing facilities. The Plan will be completed in conjunction with the Community Development Department Master Infrastructure Plans and Development Impact Fee Nexus Study, both consistent and compliant with the 2040 General Plan.

**Utilities**  
**Water - 421/423/424/425/426/427**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 126,186,105</b>	<b>\$ 132,806,995</b>	<b>\$ 34,014,178</b>	<b>\$ 44,407,771</b>
<b>Revenues</b>				
User Services Fees	41,516,568	49,397,251	49,788,191	51,308,991
% increase	28%	19%	1%	3%
Connection Fees	1,349,565	3,004,757	1,966,302	1,966,302
Fines and Penalties	781,828	956,099	1,130,000	1,164,404
Investment Proceeds	(14,985)	163,308	300,081	306,082
Federal Build America Bond Grant	3,889,251	3,855,019	2,400,000	-
Other Revenue	9,733	236,502	40,000	9,948
	<b>47,531,960</b>	<b>57,612,936</b>	<b>55,624,574</b>	<b>54,755,727</b>
<b>Expenditures</b>				
Administration	2,279,780	2,478,122	3,074,415	4,022,333
Customer Service	927,133	924,655	840,233	843,364
Operations and Maintenance	10,138,299	10,802,531	11,840,705	13,320,446
Water Treatment	220,653	219,354	250,118	300,285
Water Conservation	116,089	38,489	182,092	67,653
Purchased Water	7,699,278	7,925,483	8,321,757	10,700,000
Debt Service	16,802,898	16,337,956	19,616,243	15,299,712
Capital Projects	365,857	754,127	1,105,418	4,862,150
	<b>38,549,987</b>	<b>39,480,717</b>	<b>45,230,981</b>	<b>49,415,943</b>
<b>Transfers</b>				
Transfer In	-	(23,227)	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>(23,227)</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>8,981,973</b>	<b>18,108,992</b>	<b>10,393,593</b>	<b>5,339,784</b>
Non-Current Transactions	4,336,095	(225,862)	-	-
Prior Period Adjustment	1,975,012	-	-	-
<b>Ending Available Balance *</b>	<b>\$ 132,806,995</b>	<b>\$ 151,141,849</b>	<b>\$ 44,407,771</b>	<b>\$ 49,747,555</b>
<b>Available Balance Calculation ^</b>				
Current Assets		\$ 53,331,381		
Current Liabilities		(10,934,048)		
Capital Appropriations		(8,383,155)		
Ending Available Balance		<b>\$ 34,014,178</b>		

\* Beginning and Ending Available Balance amounts for FY 2016-17 and FY 2017-18 are presented using Generally Accepted Accounting Practices (GAAP) for enterprise funds. FY 2018-19 and FY 2019-20 are presented on a budgetary basis. GAAP basis includes all long-term assets and liabilities such as land and equipment. Budgetary basis of accounting only includes current assets and liabilities.

^ The Available Balance Calculation represents the uncommitted, undesignated portion of liquid assets less liabilities available for operations.

## **MUNICIPAL UTILITIES DEPARTMENT**

### **WASTEWATER UTILITY FUND (431, 433, 434, 435, 437, 438)**

#### **PROGRAM DESCRIPTION**

The Wastewater Utility Fund supports the operation and maintenance of the City Wastewater Utility. The Utility is supported by user fees, which are restricted to use by the Wastewater Utility. Wastewater user rate fees and developer impact fees fund the Wastewater Utility Capital Improvement Program.

#### **KEY CONSIDERATIONS**

The Department completed a comprehensive wastewater rate study in FY 2018-19 to evaluate the level of revenue necessary to fully support the Utility, including the RWCF Modifications Project. The study anticipates an average annual rate increase of 6% over the next five years, with the first increase of 6% effective July 1, 2019.

The RWCF Modifications Project, delivered under a Progressive Design-Build contract, is currently in progress to improve the wastewater treatment processes. Currently, 65% of the design plans are under review and incorporate upgrades mandated by the Central Valley Regional Water Quality Control Board for new nitrate plus nitrite discharge limits. The upgrades are required to be in effect by June 1, 2024.

Biosolids and energy production are not part of the Progressive Design-Build contract but need to be evaluated to meet changing regulations and improved process. The FY 2019-20 budget includes funding for a consultant to compare current biosolid management and energy production and use with regulatory changes to land application; remove fats, oils, and grease from the primary treatment process; and manage increased energy production with the upgraded treatment processes.

The completion of the Asset Management Plan for the City's Gravity Sanitary Sewer Collection System will serve as a management tool for immediate repairs and replacement decisions, as well as future capital projects. The comprehensive rate study considers funding for these improvements.

The Wastewater Master Plan (WWMP), which was developed in 2008 to support the 2035 General Plan, will be updated in FY 2019-20. The most recent General Plan Update for 2040 projected different buildout land uses from the 2035 General Plan. The 2019 Wastewater Master Plan will assist staff in planning and designing infrastructure improvements that support future development and include plans for the general downtown area to support the City goal to revitalize the region. The Plan will be completed in conjunction with the Community Development Department Master Infrastructure Plans and Development Impact Fee Nexus Study.

Additionally, the long-range financial plan will be developed to provide stability to customers. This model will mirror the General Fund Long-Range Financial Plan and ensure the City's commitment to fiscal sustainability and consistent Wastewater Utility long-term financial forecasting. The plan will become an essential instrument supporting management decision making.

**Utilities**  
**Wastewater - 431/433/434/435/437/438**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 274,775,912</b>	<b>\$ 296,435,477</b>	<b>\$ 82,169,652</b>	<b>\$ 87,927,029</b>
<b>Revenues</b>				
User Services Fees	65,287,997	66,651,435	66,732,659	69,703,619
% increase	-3%	2%	0%	4%
Connection Fees	1,609,994	2,371,453	1,350,342	1,390,853
Fines and Penalties	1,376,898	1,349,601	1,438,784	1,484,044
Investment Proceeds	147,950	72,980	526,938	536,784
Other Revenue	167,740	189,669	320,612	312,086
	<u><b>68,590,579</b></u>	<u><b>70,635,138</b></u>	<u><b>70,369,335</b></u>	<u><b>73,427,386</b></u>
<b>Expenditures</b>				
Administration	3,506,775	3,590,621	5,285,045	6,425,205
Customer Service	2,491,495	2,825,675	2,858,397	2,580,748
Operations and Maintenance	35,349,295	36,340,593	37,720,881	41,349,600
Debt Service	2,537,403	2,398,769	6,497,200	6,489,625
Capital Projects	5,785,245	7,504,536	12,250,435	68,243,329
	<u><b>49,670,213</b></u>	<u><b>52,660,194</b></u>	<u><b>64,611,958</b></u>	<u><b>125,088,507</b></u>
<b>Transfers</b>				
Transfer In - District Funds	-	2,239,183	-	-
Transfer Out	(814,290)	(319,533)	-	-
	<u><b>(814,290)</b></u>	<u><b>1,919,650</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Net Annual Activity</b>	<u><b>18,106,076</b></u>	<u><b>19,894,594</b></u>	<u><b>5,757,377</b></u>	<u><b>(51,661,121)</b></u>
Non-Current Transactions	867,839	(11,298,688)	-	-
Prior Period Adjustment	4,421,328	-	-	-
<b>Ending Available Balance *</b>	<u><b>\$ 296,435,477</b></u>	<u><b>\$ 327,628,759</b></u>	<u><b>\$ 87,927,029</b></u>	<u><b>\$ 36,265,908</b></u>
<b>Available Balance Calculation ^</b>				
Current Assets		\$ 114,527,278		
Current Liabilities		(7,729,252)		
Capital Appropriations		(24,628,374)		
Ending Available Balance		<u><u>\$ 82,169,652</u></u>		

\* Beginning and Ending Available Balance amounts for FY 2016-17 and FY 2017-18 are presented using Generally Accepted Accounting Practices (GAAP) for enterprise funds. FY 2018-19 and FY 2019-20 are presented on a budgetary basis. GAAP basis includes all long-term assets and liabilities such as land and equipment. Budgetary basis of accounting only includes current assets and liabilities.

^ The Available Balance Calculation represents the uncommitted, undesignated portion of liquid assets less liabilities available for operations.

## **MUNICIPAL UTILITIES DEPARTMENT**

### **STORMWATER UTILITY FUND (441, 447)**

#### **PROGRAM DESCRIPTION**

The Stormwater Utility Fund supports the operation and maintenance of the City's Stormwater Utility. The Stormwater Utility is supported by user fees, which are restricted to use by the Stormwater Utility. Stormwater user rate fees fund the Stormwater Utility Capital Improvement Program.

#### **KEY CONSIDERATIONS**

The Stormwater Utility is funded by a fee implemented in 1992. As a result, the Stormwater Utility Fund has been under-funded for years. As described in the Department Strategic Work Plan, the City attempted a Proposition 218 ballot measure in 2010 to approve a new Clean Water fee that would supplement the current fee. The rate study prepared for the Proposition 218 ballot determined the Utility was under-funded by approximately \$9 million a year. The ballot measure failed, and the new user fee was not implemented. The possibility of advancing another ballot measure to provide needed funding for this Utility is currently under review.

As stated, the current fee is insufficient to fund the operations and maintenance needs of the City's aging stormwater and flood control system. Additionally, the Central Valley Regional Water Quality Control Board issued a new Interim Municipal Separate Storm Sewer System NPDES Permit in 2015 that imposes additional requirements on the Stormwater Utility. Significant cuts in operation and maintenance activities have been implemented to stay within the available revenues. Insufficient funding to maintain the City's aging infrastructure increases the potential for system failures and deterioration, such as flooding during heavy rain events, among other impacts. In FY 2019-20, significant infrastructure improvement projects continue to be on hold pending necessary funding. However, emergency infrastructure repairs and vandalism reduced funding for operations and maintenance activities.

As mentioned in the Department Strategic Work Plan, in 2015, the State Water Resources Control Board adopted a statewide Trash Provision Order to address the beneficial uses of surface waters. The water quality objective established by the Order serves as a federally mandated water quality standard. The City does not currently have a funding mechanism in place to meet the Order's requirements. In 2017, the City conducted an analysis that demonstrated significant additional funding over the next 20 years would be necessary to maintain compliance with the Order.

In FY 2019-20, the MUD will develop a Stormwater Master Plan. The Plan will include hydraulic models of existing stormwater facilities as well as infrastructure proposed in support of future development. The Plan will also support the recent General Plan Update for 2040, and be completed in conjunction with the Community Development Department Master Infrastructure Plans and Development Impact Fee Nexus Study. The Nexus Study will include a Stormwater Connection Fee Study to establish a connection fee to help fund Stormwater infrastructure costs.

**Utilities**  
**Stormwater - 441/447**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 48,663,437</b>	<b>\$ 49,487,729</b>	<b>\$ 6,621,457</b>	<b>\$ 5,616,701</b>
<b>Revenues</b>				
User Services	5,430,117	5,566,463	5,609,528	5,665,413
% increase	-2%	3%	1%	1%
Admin Fee Storm Drain Districts	84,500	84,500	84,500	85,345
Agency Reimbursements	104,045	32,345	125,792	125,792
Investment Proceeds	4,647	11,590	46,332	47,259
	<b>5,623,309</b>	<b>5,694,898</b>	<b>5,866,152</b>	<b>5,923,809</b>
<b>Expenditures</b>				
Administration	2,094,630	2,017,369	2,882,125	2,208,919
Customer Service	382,792	399,949	380,930	366,333
Operations and Maintenance	2,107,272	2,228,606	2,728,053	3,016,802
Capital Projects	450,157	156,672	879,800	1,848,915
	<b>5,034,851</b>	<b>4,802,596</b>	<b>6,870,908</b>	<b>7,440,969</b>
<b>Transfers</b>				
Transfer In - District Funds	-	1,300,968	-	-
Transfer Out	-	(1,593)	-	-
	<b>-</b>	<b>1,299,375</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>588,458</b>	<b>2,191,677</b>	<b>(1,004,756)</b>	<b>(1,517,160)</b>
Non-Current Transactions	248,383	(355,000)	-	-
Prior Period Adjustment	484,217	-	-	-
<b>Ending Available Balance *</b>	<b>\$ 49,487,729</b>	<b>\$ 52,034,406</b>	<b>\$ 5,616,701</b>	<b>\$ 4,099,541</b>

**Available Balance Calculation ^**

Current Assets	\$ 8,955,968
Current Liabilities	(387,585)
Capital Appropriations	(1,946,926)
Ending Available Balance	<b>\$ 6,621,457</b>

\* Beginning and Ending Available Balance amounts for FY 2016-17 and FY 2017-18 are presented using Generally Accepted Accounting Practices (GAAP) for enterprise funds. FY 2018-19 and FY 2019-20 are presented on a budgetary basis. GAAP basis includes all long-term assets and liabilities such as land and equipment. Budgetary basis of accounting only includes current assets and liabilities.

^ The Available Balance Calculation represents the uncommitted, undesignated portion of liquid assets less liabilities available for operations.



## **MUNICIPAL UTILITIES DEPARTMENT**

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

#### **PROGRAM DESCRIPTION**

The Storm Drainage Maintenance Assessment Special Districts were formed pursuant to State law and the Stockton Improvement Procedure Code, and are managed by the Municipal Utilities Department. The Districts provide for the maintenance and operation of capital improvements that impart a special benefit to a designated area, including stormwater quality treatment and flood control.

The Special Districts require an annual Engineer's Report to identify the budgets, changes to boundaries and assessments for each parcel contained within each District. The budgets for each District include engineering fees for the preparation of the annual Engineer's Report and tax rolls; attorney's fees; estimated costs of maintenance work to the device(s); City administrative costs; County costs to collect the assessments on the tax rolls; replacement reserve costs; and contingency fees. City administrative costs include staff salary expenses to oversee the annual Engineer's Report and tax rolls, maintenance service contracts, coordinate device inspections, and maintenance schedules, as well as District finances management. The assessments are approved by a separate public hearing process.

#### **KEY CONSIDERATIONS**

The contract for basin maintenance services for storm drainage maintenance assessment districts runs through FY 2019-20, with two possible one-year extensions.

The budgets include the individually-approved budgets for the Consolidated Storm Drain Maintenance District and each of the 5 Storm Drainage Basin Districts. Specific details of the budgets and assessments for each District can be found in the approved Engineer's Reports, which are available at the Office of the City Clerk.

The Public Hearing and approval of the Engineer's Reports and Assessment Rolls will be presented to City Council in June 2019. There will be no increase in the assessments for FY 2019-20.

In FY 2019-20, the MUD will develop a Stormwater Master Plan. The Plan will include hydraulic models of existing stormwater facilities as well as infrastructure proposed in support of future development. The Plan will also support the recent General Plan Update for 2040, and will be completed in conjunction with the Community Development Department Master Infrastructure Plans and Development Impact Fee Nexus Study. The Nexus Study will include a Stormwater Connection Fee Study to establish a connection fee to help fund Stormwater infrastructure costs.

**Utilities**  
**Storm Drain Maintenance District - 074**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 2,434,694</b>	<b>\$ 2,630,172</b>	<b>\$ 2,731,816</b>	<b>\$ 2,655,555</b>
<b>Revenues</b>				
Assessments	340,128	323,269	319,798	331,931
Investment Proceeds	4,597	2,351	7,908	7,908
	<u>344,725</u>	<u>325,620</u>	<u>327,706</u>	<u>339,839</u>
<b>Expenditures</b>				
Miscellaneous expenditures	149,247	223,976	411,179	441,895
Capital projects	-	-	-	-
	<u>149,247</u>	<u>223,976</u>	<u>411,179</u>	<u>441,895</u>
<b>Transfers</b>				
Transfer In	-	-	7,212	7,212
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>7,212</u>	<u>7,212</u>
<b>Net Annual Activity</b>	<b>195,478</b>	<b>101,644</b>	<b>(76,261)</b>	<b>(94,844)</b>
<b>Ending Available Balance</b>	<b>\$ 2,630,172</b>	<b>\$ 2,731,816</b>	<b>\$ 2,655,555</b>	<b>\$ 2,560,711</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 2,759,138		
Current Liabilities		(27,322)		
Ending Available Balance		<u>\$ 2,731,816</u>		



## TAB 11 ADMIN & SUPPORT





**Administration and Support**  
**FY 2019-20 Annual Budget**

	<b>Charter Offices</b>	<b>Administrative Services</b>	<b>Human Resources</b>	
	<b>City Council, Manager, Clerk, Attorney, Auditor 010</b>	<b>General Fund 010</b>	<b>Office Equipment Internal Service 505</b>	<b>Insurance and Benefits Internal Service 541-562</b>
	<u>See Page K-23</u>	<u>See Page K-29</u>	<u>See Page N-17</u>	<u>See Page N-19</u>
<b>Beginning Available Balance</b>			<b>\$ 1,449,905</b>	<b>\$ 44,428,486</b>
<b>Revenues</b>				
Operating Revenues	-	-	392,000	-
Other Revenue	10,400	177,100	-	-
	<b>10,400</b>	<b>177,100</b>	<b>392,000</b>	<b>115,183,493</b>
<b>Expenditures</b>				
Employee Services	3,888,700	4,308,779	-	1,436,508
Other Services	1,439,893	1,233,550	-	616,541
Materials and Supplies	89,800	64,953	-	22,364
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Other Expenses	119,709	59,050	565,028	224,378
	<b>5,538,102</b>	<b>5,666,332</b>	<b>565,028</b>	<b>116,416,821</b>
<b>Transfers</b>				
Transfer In - General Fund	-	-	-	-
Transfer In - Other Funds	-	-	-	-
Transfer Out - Other Funds	-	-	-	-
	<b>(5,527,702)</b>	<b>(5,489,232)</b>	<b>(173,028)</b>	<b>(2,299,791)</b>
<b>Net Annual Activity</b>	<b>(5,527,702)</b>	<b>(5,489,232)</b>	<b>(173,028)</b>	<b>(1,233,328)</b>
<b>Ending Available Balance</b>			<b>\$ 1,276,877</b>	<b>\$ 43,195,158</b>

**Summary by Department**

	<b>Charter Offices</b>	<b>Administrative Services</b>	<b>Human Resources</b>
Revenues	\$ 10,400	\$ 569,100	\$ 115,183,493
Transfers	-	-	-
Total Sources	<b>\$ 10,400</b>	<b>\$ 569,100</b>	<b>\$ 115,183,493</b>
Expenditures	\$ 5,538,102	\$ 6,231,360	\$ 118,716,612
Transfers	-	-	-
Total Appropriations	<b>\$ 5,538,102</b>	<b>\$ 6,231,360</b>	<b>\$ 118,716,612</b>

**Administration and Support, Continued**  
**FY 2019-20 Annual Budget**

	<b>Information Technology Internal Service 502-504</b>	<b>Non-Departmental</b>		<b>Administration &amp; Support Total</b>
	<u>See Page N-11</u>	<u>General Fund 010</u>	<u>Other Special Programs 020/627/642</u>	
<b>Beginning Available Balance</b>	<b>\$ 16,623,030</b>		<b>\$ 1,244,732</b>	
<b>Revenues</b>				
Operating Revenues	20,654,224	-	1,300,857	120,749,544
Other Revenue	135,000	-	109,900	17,213,430
	<b>20,789,224</b>	<b>-</b>	<b>1,410,757</b>	<b>137,962,974</b>
<b>Expenditures</b>				
Employee Services	-	1,534,123	706,796	11,874,906
Other Services	-	4,636,024	144,061	8,070,069
Materials and Supplies	-	176,621	-	353,738
Capital Outlay	6,706,534	-	450,000	7,156,534
Debt Service	-	-	-	-
Other Expenses	17,715,794	(399,253)	256,286	134,957,813
	<b>24,422,328</b>	<b>5,947,515</b>	<b>1,557,143</b>	<b>162,413,060</b>
<b>Transfers</b>				
Transfer In - General Fund	3,130,000	-	-	3,130,000
Transfer In - Other Funds	-	-	-	-
Transfer Out - Other Funds	-	(19,365,326)	-	(19,365,326)
	<b>3,130,000</b>	<b>(19,365,326)</b>	<b>-</b>	<b>(16,235,326)</b>
<b>Net Annual Activity</b>	<b>(503,104)</b>	<b>(25,312,841)</b>	<b>(146,386)</b>	<b>(40,685,412)</b>
<b>Ending Available Balance</b>	<b>\$ 16,119,926</b>		<b>\$ 1,098,346</b>	

**Summary by Department**

	<b>Information Technology</b>	<b>Non-Departmental</b>
Revenues	\$ 20,789,224	\$ 1,410,757
Transfers	3,130,000	-
Total Sources	<b>\$ 23,919,224</b>	<b>\$ 1,410,757</b>
Expenditures	\$ 24,422,328	\$ 7,504,658
Transfers	-	19,365,326
Total Appropriations	<b>\$ 24,422,328</b>	<b>\$ 26,869,984</b>

<b>Administration &amp; Support Section</b>	
Expenditures	\$ 162,413,060
Transfers	19,365,326
Total Appropriations	<b>\$ 181,778,386</b>

**Appropriation by Function**

Administration	\$ 38,491,581
Insurance and Benefits	116,416,821
Non-Departmental	26,869,984
	<b>\$ 181,778,386</b>



## OFFICE OF THE CITY COUNCIL

### MISSION STATEMENT

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 Revenues	\$0
Total Expenditures	\$801,424
Total Net Cost	\$801,424
Total Staff	10

### DEPARTMENT DESCRIPTION

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

### DEPARTMENT STRATEGIC WORK PLAN

A key function of the City Council as the policy-setting body for the City is to establish strategic priorities. The City Council developed a strategic work plan including Strategic Targets and Priority Goals as outlined in the budget document. The City Council receives regular reports from the City Manager related to progress toward implementation of the strategic work plan.

### PRIOR YEAR ACCOMPLISHMENTS

Important citywide accomplishments in support of the City Council strategic work plan include institutionalization of good fiscal planning and use of the Long-Range Financial Plan, resulting in the growth of financial reserves for known and unknown contingencies, and leading to national recognition for the positive financial condition of the City. The City also saved tens of millions of dollars by refinancing debt bonds.

The City achieved important outcomes related to public safety. The City attained hiring goals, reaching an all-time high for sworn police officers. The Neighborhood Betterment Teams continue to address blight hot spots through community clean-ups and city programs. The combined efforts of Operation Ceasefire resulted in a 40% reduction in homicides and a 32% reduction in shootings in 2018. The Police Department is recognized as a national leader in reconciliation and community-trust building efforts with law enforcement. The Office of Violence Prevention continues to foster collective impact strategies to address the underlying factors impacting vulnerable populations.

The City continues to implement incentives to encourage development to include the Short-term Fee Deferral Program, Residential Neighborhood Reinvestment Program, Hire Stockton Program, and Opportunity Zone Prospectus. Progress on the Economic Development Strategic Plan was achieved through the Food & Agriculture Plan, Economic Gardening Program, Entrepreneurship Grant Program and Small Business Services Outreach Plan. This year the City adopted the Envision Stockton 2040 General Plan Update and developed new cannabis regulations. The City saw an increase in permit valuation of 48% and attracted the development of more than four million square feet of industrial space representing more than 1500 new jobs. The City also attracted the Stockton Kings franchise, saw increased venue activity and received a \$600,000 brownfields grant for waterfront property cleanup.

## OFFICE OF THE CITY COUNCIL

Furthermore, the City received more than \$21 million in infrastructure grants for transportation and safety projects, completed multiple street repair projects, improved utility infrastructure systems, and acquired new City Hall buildings. The City initiated the formation of several new Community Facility Districts and adopted a citywide Community Facility District for services. The City also continued enhancing public park and library spaces in alignment with the Strong Communities funding plan. Finally, the City allocated more than \$2.5 million toward infrastructure to support the homeless population and strengthen partnerships working to address the negative effects of being homeless.

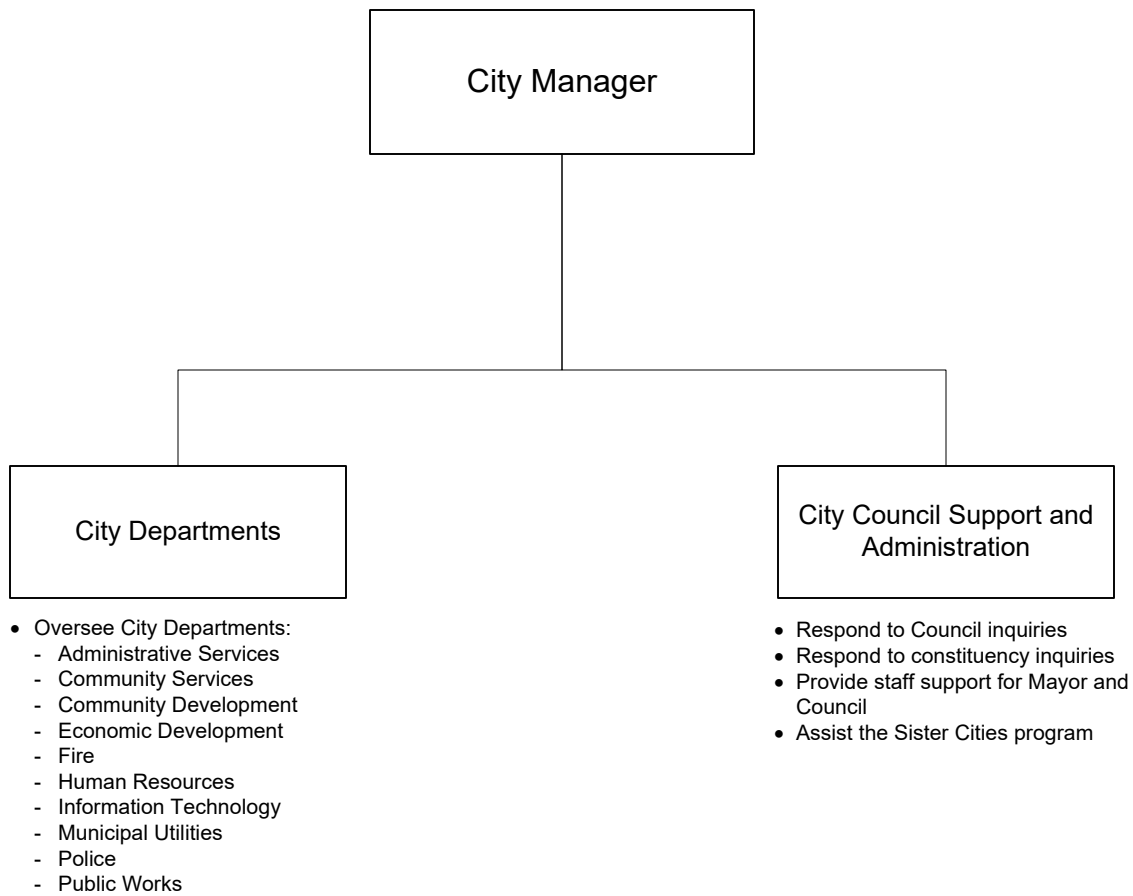
### KEY CONSIDERATIONS

In recent years, the City Council restructured its finances and put in place policies and practices which make possible a financially stable future for the City. Due to an acute imbalance between revenues and expenditures for the City cut services dramatically. Following several years of significant reductions in spending, the City entered the protection of Chapter 9 bankruptcy. With bankruptcy proceedings concluded, the City of Stockton has implemented the Plan of Adjustment and is committed to the Long-Range Financial Plan that will help the City sustain its restructuring efforts and chart a course for our financial future.

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

The more recent passage of the Strong Communities tax measure (Measure M) provides funding specific to restoring needed library and recreation services reduced during the bankruptcy process. Again, citizen support for the measure enabled the rebuild of City services that had not been possible in recent years.

The City Council has stayed focused throughout challenges faced in recent years and has pursued aggressive work plans to accomplish their priorities. The FY 2019-20 Annual Budget allocates funds targeted to these efforts. A description of these activities can be found in the departmental sections contained in the Annual Budget.



# CITY MANAGER

## OFFICE OF THE CITY MANAGER

### MISSION STATEMENT

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

#### Budget at a Glance:

Total Revenues	\$0
Total Expenditures	\$1,581,761
Total Net Cost	\$1,581,761
Total Staff	12

### DEPARTMENT DESCRIPTION

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

### DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the City Manager's Office is to ensure the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. The City Manager's Office is responsible for the oversight of other City departments in developing strategic work plans in support of the City Council Priority Goals and prioritizing the work of departments based on the Council's Strategic Targets.

### PRIOR YEAR ACCOMPLISHMENTS

Important citywide accomplishments in support of the City Council strategic work plan include institutionalization of good fiscal planning and use of the Long-Range Financial Plan, resulting in the growth of financial reserves for known and unknown contingencies, and leading to national recognition for the positive financial condition of the City. The City also saved tens of millions of dollars by refinancing debt bonds.

The City achieved important outcomes related to public safety, reaching an all-time high for sworn police officers. The Neighborhood Betterment Teams continue to address blight hot spots through community clean-ups and city programs. The combined efforts of Operation Ceasefire resulted in a 40% reduction in homicides and a 32% reduction in shootings in 2018. The Police Department continues to be recognized as a national leader in reconciliation and community-trust building efforts with law enforcement. The Office of Violence Prevention continues to foster collective impact strategies for addressing the underlying factors impacting vulnerable populations.

In addition, the City continues to implement development incentives including the Short-term Fee Deferral Program, Residential Neighborhood Reinvestment Program, Hire Stockton Program and Opportunity Zone Prospectus. Progress has been achieved through the Food & Agriculture Plan, Economic Gardening Program, Entrepreneurship Grant Program and Small Business Services Outreach Plan. This year the City also adopted the Envision Stockton 20240 General Plan Update and developed new Cannabis regulations. The City saw an increase in permit valuation of 48% and attracted the development of more than four million square feet of industrial space

## OFFICE OF THE CITY MANAGER

representing more than 1500 new jobs. The City also attracted the Stockton Kings franchise, saw increase in venue activity and received a \$600,000 brownfields grant for waterfront property cleanup.

Furthermore, the City received more than \$21 million in infrastructure grants for transportation and safety projects, completed multiple street repair projects, improved utility infrastructure systems, and acquired a new City Hall building. The City initiated formation of several new Community Facility Districts and adopted a citywide Community Facility District for city services. The City continued enhancing public park and library spaces in alignment with the Strong Communities funding plan. Finally, the City allocated more than \$2.5 million toward infrastructure that supports the homeless population and continued to strengthen partnerships to address homelessness and the impacts of homelessness.

### KEY CONSIDERATIONS

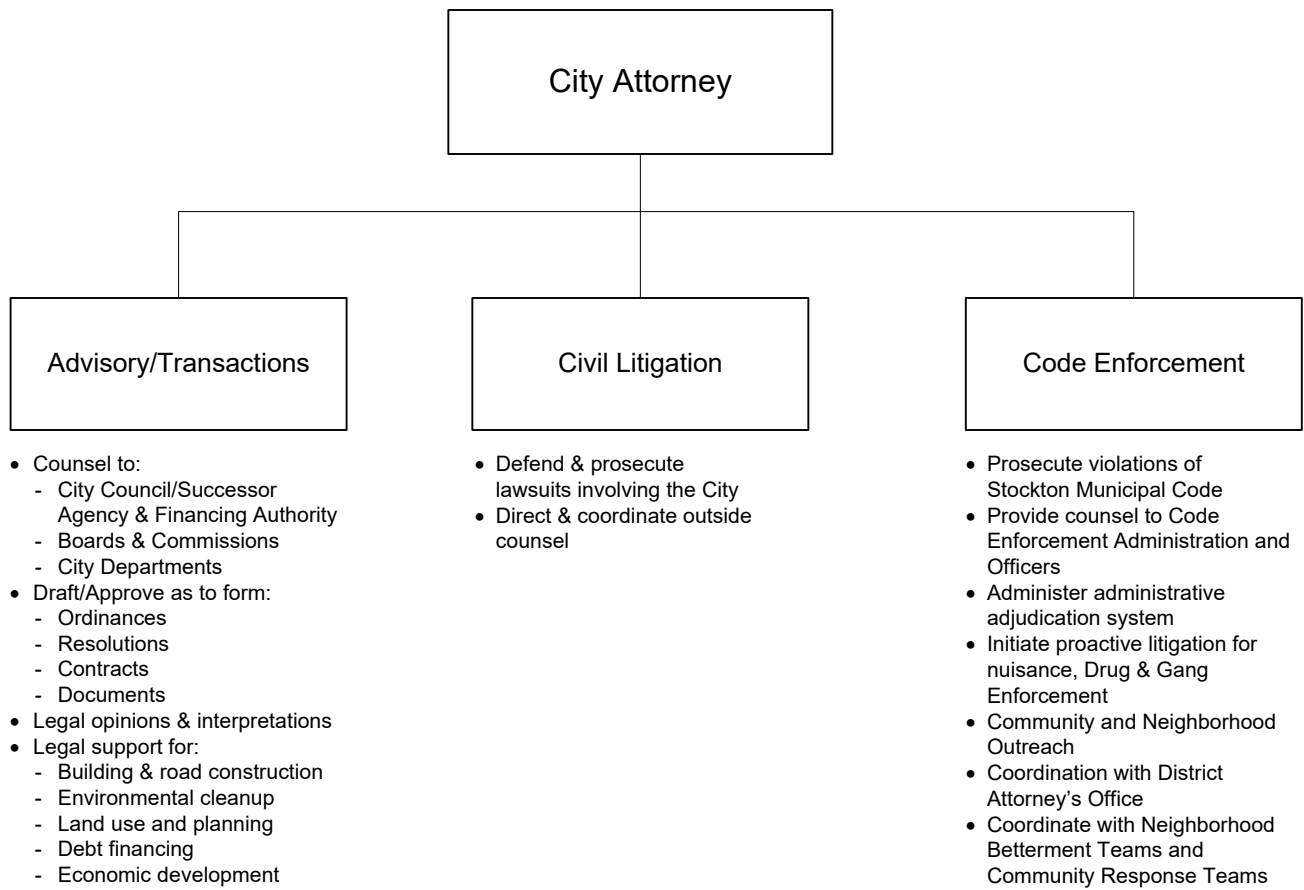
The City of Stockton implemented the court approved Plan of Adjustment and restructured its finances by making difficult decisions for how to balance revenues and expenditures for the City. Throughout the years of declining revenues and the bankruptcy process, the City Manager's Office provided direction and oversight to City departments to address these factors and pursue the restructuring of the City's finances. With the fiscal restructuring, the City is fiscally solvent, has set aside necessary reserves and developed a clear picture of our financial condition. Stockton has the unique advantage of having a 20-year economic forecast specific to the City, which allows the City to understand the long-term ramifications of fiscal decisions. The City Manager's Office will ensure that the Long-Range Financial Plan remains a financial guidepost and is institutionalized in the City organization.

These efforts occurred at the same time that the City Manager's Office was engaged in overseeing the regular operations of the City as well as pursuing the City Council strategic priorities. In recent years, significant progress has been made in modernizing the organization, streamlining and creating operational efficiencies, developing organizational capacity and implementing innovative solutions to the challenges of our community.

The City Manager's Office addressed a number of other emerging issues. Of particular importance is collaboration with the City Auditor in implementing the Internal Audit Plan to mitigate risk and address internal controls as well as the implementation of the Marshall Plan and creation of the Office of Violence Prevention following passage of Measure A. More recently, approval of the Strong Communities tax measure provided funds to restore needed library and recreation services that were severely impacted during bankruptcy. The City Manager's Office will continue to make prudent financial decisions as it remains consistent in its efforts to maintain financial solvency in the future.

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





# CITY ATTORNEY

## OFFICE OF THE CITY ATTORNEY

### MISSION STATEMENT

To provide professional, quality legal advice and services that ultimately protect the interests of the City of Stockton, its departments, the City Council, and the citizens of the community.

#### Budget at a Glance:

Total Revenues	\$0
Total Expenditures	\$1,557,125
Total Net Cost	\$1,557,125
Total Staff	12

### DEPARTMENT DESCRIPTION

The Office of the City Attorney provides legal services and advice to the City Council, officials, boards, commissions, and departments regarding legal and regulatory matters of concern to the City and its operations, including:

- Providing advice regarding 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.
- Prosecuting violations of the Stockton Municipal Code.

The City of Stockton, due to its size and complexity, suffers a significant amount of litigation filed against it annually. Cost-effectively managing this litigation, without sacrificing the quality of representation, is a constant challenge that the Office meets through the balancing of in-house and contract resources on a case-by-case basis.

The Office consists of one city attorney, one assistant city attorney, six deputy city attorneys (with one position vacant), and four support staff members. This department is currently comprised of two divisions. One division is primarily focused on litigation and code enforcement. The second division is primarily focused on advisory and employment-related matters.

The Office supports a significant volume of litigation and expects this activity will increase in the next fiscal year. The Office continues to increase its caseload of criminal prosecution and code enforcement matters consistent with Council priorities and in support of the City's implementation of the Marshall Plan.

### DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the Attorney's Office is to ensure the implementation of the City Council Strategic Targets and Priorities as outlined earlier in the budget document. For the next fiscal year, this office will focus on competently managing its significant workload while specifically enhancing its efforts to carry forward with more robust internal litigation efforts. To support that goal, the City Attorney's Office filled two vacancies with attorneys that specialize in litigation.

Given the need for increased reliance on computer-based resources and our need to enhance training opportunities for staff, the budget proposes modest increases in several associated line items.



## OFFICE OF THE CITY ATTORNEY

### PRIOR YEAR ACCOMPLISHMENTS

#### Code Enforcement

The City Attorney's Office, in conjunction with the Police Department, Neighborhood Services, Fire Department, Community Development, and Public Works coordinated a joint task force for attacking the City's worst problematic properties. Referred to as the STOP Team, chronic problem properties were identified, triaged, and systematically addressed through a comprehensive multi-department enforcement approach.

During this reporting period, the STOP team took on several problematic properties, the most significant of which is a large commercial building with multiple portions of collapsed roof and attendant hazards. Efforts are being made to contact and hold the property owner responsible. Additionally, compliance efforts continue for the Empire Theatre Building to correct dangerous conditions created by the existence of numerous and substantial fire and building code violations. Under the supervision of staff in the Fire, Code Enforcement, and Community Development departments, the property owner is working towards compliance and reoccupation of the building.

Other significant STOP cases include:

- Pursued administrative remedies against a multi-family apartment complex for serious violations with structural and life/safety issues. Currently awaiting a decision regarding possible demolition or rehabilitation.
- Pursued a combination of civil violations/penalties and litigation efforts against a combination commercial/residential property with structural and life/safety violations. Compliance with life/safety violations was achieved and structural issues remain unabated pending court action.
- Pursued civil penalties against a hotel property that was non-compliant with fire sprinkler requirements and other code violations, resulting in the installation of certified, compliant sprinklers and ongoing efforts by the owner to bring remaining violations into compliance.
- Pursued the criminal prosecution of a landlord who repeatedly failed to address the code violations at the residence of an elderly couple. The violations included an extreme mold issue that exacerbated the health issues of the wife who was a cancer patient. The City prevailed at trial, but the case is currently on appeal.
- Pursuing administrative efforts to demolish an illegal structure if the property owner fails to obtain state certification.

#### Employment

**Termination:** The City Attorney's Office negotiated numerous settlements beneficial to the City. One employee resigned in lieu of termination waiving appeal rights and any claims with the condition the employee not re-apply; an employee was terminated, and the City prevailed at the hearing challenging the termination. The Office also prevailed in two demurrers in employment-related suits alleging discrimination based on race, national origin, religious creed, and retaliation.

**Discipline:** The Office negotiated suspensions for several employees that did not result in an appeal.

## OFFICE OF THE CITY ATTORNEY

**Arbitration:** The City Attorney's Office assisted staff with the successful demotion of two employees for egregious behavior and theft.

**Litigation:** The Office resolved over fifteen employment issues concerning unfair labor practices resulting in finality; unchallenged disciplines; and the avoidance of the Public Employee Relations Board (a pro-employee venue).

**Workplace Violence Restraining Order:** The City Attorney's Office obtained two workplace violence restraining orders for an employee that constituted a threat to other employees. The orders both protect employees and create strong support for upholding termination.

**Workplace Investigations:** The Office presided over eight personnel investigations and assisted multiple departments with independent investigations.

**Miscellaneous:** The Office recovered \$36,000 from a former employee who the City inadvertently overpaid at separation and succeeded in recovering \$22,000 in damages from a vendor who breached contractual obligations.

### General Litigation

The City Attorney's Office worked with outside counsel to mediate the *Holt-Singh v. City of Stockton (Bank of the West)* matter and settled for \$5.75 million, which is a significantly lower amount than their original demand of approximately \$40 million.

The City Attorney's Office worked with outside counsel on *Civic Partners, LLC v. City of Stockton*, a breach of contract case, and won on appeal. The City was awarded attorney's fees of nearly \$1.3 million

The City Attorney's Office successfully defended against the false arrest and malicious prosecution allegations in the *Reggie Kittle v. People of State of California* matter. The court granted the City's motion to dismiss.

The City prevailed on a motion for summary judgment in the *Deanna Hunt v. City of Stockton* matter, a premises liability action. Judgment was entered in favor of the City in November 2018, and the case was closed.

### Municipal Utilities

The Office assisted MUD with negotiations and procurement related to the Regional Wastewater Control Facility Project and also supported the Proposition 218 process for the proposed wastewater rate increase.

The City Attorney's Office assisted MUD with the negotiation and drafting of the contract related to the design and construction of the proposed Veterans Central Valley Outpatient Clinic and Community Living Center.

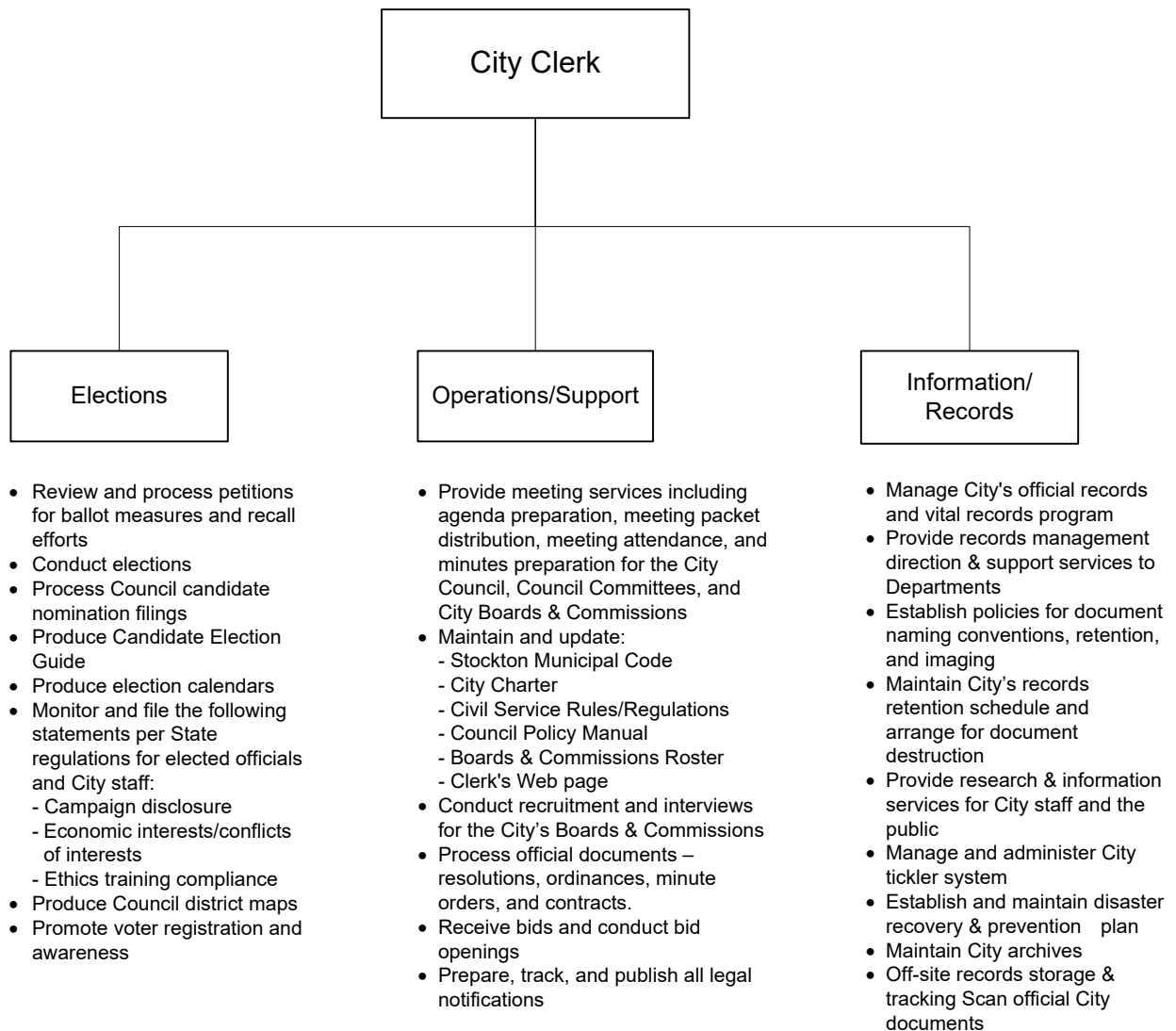
## OFFICE OF THE CITY ATTORNEY

### KEY CONSIDERATIONS

The primary focus of the work of the Office remains the effectuation of Council goals through support of the various activities undertaken by all City departments. However, there are areas in which there is a need to enhance the Office's efforts:

- Code Enforcement and liability litigation – There is an ongoing backlog of litigation matters that we have been working through since the City's emergence from bankruptcy and since the Police Department has enhanced its Code Enforcement related staff and activities following the passage of Measure A. These efforts generate the need for specialized legal work. These activities will be closely monitored to determine if the workload exceeds capacity.
- The City has undertaken significant new efforts over the last three fiscal years, while the staffing in the City Attorney's office devoted to advisory activities has remained static. Given this situation, there is a continuing need for robust training and cross-training of staff to ensure that services can continue to be provided in a timely and effective manner.





# CITY CLERK

## OFFICE OF THE CITY CLERK

### MISSION STATEMENT

To support the City Council's stated goals and objectives to build trust and confidence in the community by promoting transparency and civic engagement, guaranteeing fair and impartial elections, while ensuring open access to information and the legislative process.

#### Budget at a Glance:

Total Revenues	\$10,400
Total Expenditures	\$984,104
Total Net Cost	\$980,754
Total Staff	7

### DEPARTMENT DESCRIPTION

The Office of the City Clerk administers municipal elections, promotes voter registration and participation; monitors compliance with campaign filing requirements; updates Conflict of Interest Code and receives annual filings; ensures adherence to the Open Meetings Act; administers the City's Records Management program, preserving and protecting the official public record; attends all City Council meetings and assigned City meetings to record actions taken by these bodies; receives and conducts bid openings; manages the City's Board and Commission recruitment process.

### DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the City Clerk's Office is to ensure the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. Specific to the City Clerk's Office, the City Clerk works to ensure transparency to the public in the following areas:

Operations: Enhance preservation and access to City records in a cost-effective and environmentally smart manner while complying with legal record retention requirements. Develop Records Management Manual Training as an essential part of managing City records to maintain consistency in process, improve customer service and efficiency in supporting all aspects of city government.

Civic Engagement: Increase engagement and collaboration with local agencies to promote civic participation in boards and commissions. Through partnerships, Clerk staff will present educational material to coalition meetings that encompass the recruitment and appointment process. Additionally, the City Clerk's Office has been collaborating with the San Joaquin County Registrar's Office to streamline the transition into the Voters Choice Act Electorate process.

### PRIOR YEAR ACCOMPLISHMENTS

#### Operations

- Conducted a Strategic and Operational Review of Clerk Office duties and services.
- Supported 25 City of Stockton legislative meeting bodies (i.e. Council, Committee, Boards, Commissions).
- Staffed 246 public meetings, including 20 City Council meetings.
- Published agendas with more than 200 staff reports.

## OFFICE OF THE CITY CLERK

- Facilitated adoption of 118 local legislative actions in the form of 102 Resolutions and 16 Ordinances.

### Records Management

- Engaged records management consultant to finalize the City's records retention schedule and Records Management Manual updates.
- Researched software applications to replace failing off-site records management database.
- Provided training and guidance to departments for the usage of agenda creation software Legistar.
- Processed 154 boxes from off sight storage resulting in reducing our annual storage cost by \$198 per year.
- Processed 139 publications for legal notices, and 91 Bids/RFPs.
- Consolidated agenda creation and live streaming software into a new contract.

### Boards and Commissions

- Conducted recruitments that produced 128 individual appointments.
- Scheduled and conducted 26 applicant interviews, filling 8 vacancies.

### Elections

- Updated Conflict of Interest Code.
- Increased use of technology to offer simpler, faster filing options.
- Expanded voter education through collaboration with the Registrar of Voters.
- Added ballot drop off box in the lobby of City Hall.

### Staff Development

- Clerk staff attended approximately 300 hours of City provided and off-site training for staff development.
- Three staff members graduated from the Technical Training for Clerk's program.
- Two staff members received their California Professional Municipal Clerk designations.

## KEY CONSIDERATIONS

The City Clerk's Office has experienced turnover in executive positions, followed by vacancies in executive positions for a significant time period. The City Clerk's Office has done well to maintain operations and services despite significant vacancies. Establishing leadership presence and continuity is a high priority for the City Clerk's Office. As the City Clerk's Office becomes fully staffed, several initiatives to improve both Clerk and citywide processes can move forward.

As the City implements new technology, such as the new ERP solution, records management will continue to be a priority for maintaining the City's archival integrity. The City Clerk's Office will

## OFFICE OF THE CITY CLERK

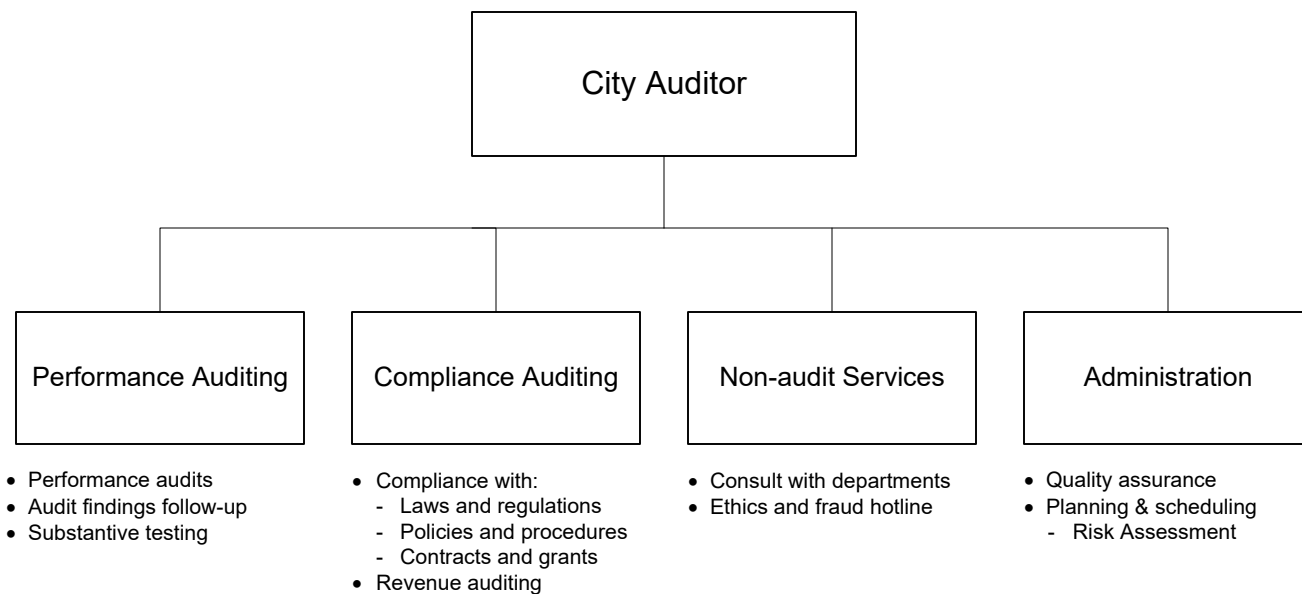
play a significant role in developing the policies and procedures that will preserve the City's vital records.

There is an urgent need for citywide staff training in records management. The City Clerk's Office will develop a citywide training program to ensure staff is equipped to adhere to the Records Management guidelines set forth in the policy, gain an understanding of information request procedures, statements of economic filings, and the relationship between staff work and City Council goals.

Another area of concern continues to be legal compliance with the State of California Trustworthy Electronic Records Act. With the City working to implement the new ERP solution, Clerk staff is working to prioritize the implementation of a solution that will help the City achieve mandated compliance for our electronic records.

Of great concern is the need to replace the City's off-site records storage tracking software, which is no longer being updated or supported by the vendor. Further complicating the continued use of this software is the need for the application to be running on a stand-alone machine outside of the City's secure network. The long-term goal is to acquire a Records Management system that will facilitate both more efficient operations and better record keeping. However, this project should follow implementation of the new ERP solution.





# CITY AUDITOR

## CITY AUDITOR

### MISSION STATEMENT

To independently promotes ethical, efficient, and effective governance for the citizens of Stockton.

#### Budget at a Glance:

Total Revenues	\$0
Total Expenditures	\$613,688
Total Net Cost	\$613,688
Total Staff	0

### DEPARTMENT DESCRIPTION

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

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

### DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the City Auditor is to ensure the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. The City Auditor accomplishes this goal by completing annual risk assessments to determine the areas where the City has the greatest opportunities for strategic growth and areas where the City is exposed to risk. The City Auditor develops an annual Internal Audit Plan to test internal controls, develop necessary city policy and procedures and carry out special projects that will facilitate accomplish of the City Council Priority Goals.

### PRIOR YEAR ACCOMPLISHMENTS

The FY 2018-19 Internal Audit Plan maintained focus on improvements to citywide policies, processes and controls. The plan included support for rolling out the City's revised internal policy framework. In addition, the City Auditor facilitated the execution of the citywide Performance Dashboard and developed a Performance Measure Toolkit for the city. This Internal Audit Plan also included projects to support the implementation of the Strong Communities initiatives, enterprise resource planning software project and an asset inventory process improvement project. Furthermore, the City Auditor continued to conduct ongoing internal controls testing, audit findings validation, and Ethics Hotline administration.

### KEY CONSIDERATIONS

In 2012, the City Council authorized a contract to provide the services of the City Auditor. The contracted City Auditor was tasked with completing a comprehensive risk assessment and internal control review of the City. The intent of this agreement was to implement an Internal Audit

## CITY AUDITOR

Plan that would address the significant findings and issues noted through the bankruptcy and restructuring process of the City. The contract was authorized over an initial pilot phase and a subsequent 5-year term. Several Internal Audit Plans have been completed during this term, making a significant impact to City operations and addressing areas of greatest risk in our controls, policies and procedures.

The initial contract was extended through the end of FY 2018-19. In anticipation of contract expiration, the City issued a Request for Proposals (RFP). The RFP process resulted in the reselection for a new 5-year contract with Moss Adams to continue to provide the City Auditor function. Each fiscal year the City Auditor presents an annual Internal Audit Plan. Because this contract was executed to begin with the new FY 2019-20 budget, the Annual Internal Audit Plan will be adopted somewhat later than is typical.

**Charter Officers  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Total Charter Officers</b>				
Employee Services	\$ 3,318,413	\$ 3,458,586	\$ 3,355,371	\$ 3,888,700
Other Services	1,293,203	1,433,735	1,782,560	1,439,893
Materials and Supplies	81,489	76,325	89,686	89,800
Other Expenses	118,424	120,329	112,285	119,709
Total	<u>\$ 4,811,529</u>	<u>\$ 5,088,975</u>	<u>\$ 5,339,902</u>	<u>\$ 5,538,102</u>

**City Council**

Employee Services	415,978	604,961	645,116	679,834
Other Services	137,398	120,939	186,776	96,590
Materials and Supplies	13,834	7,228	6,000	8,000
Other Expenses	29,015	21,343	14,500	17,000
Total	<u>596,225</u>	<u>754,471</u>	<u>852,392</u>	<u>801,424</u>

**City Manager**

Employee Services	1,200,348	1,204,416	1,233,742	1,302,056
Other Services	146,932	155,176	181,914	220,596
Materials and Supplies	9,012	6,777	11,700	12,000
Other Expenses	48,201	57,461	50,525	47,109
Total	<u>1,404,493</u>	<u>1,423,830</u>	<u>1,477,881</u>	<u>1,581,761</u>

**City Attorney**

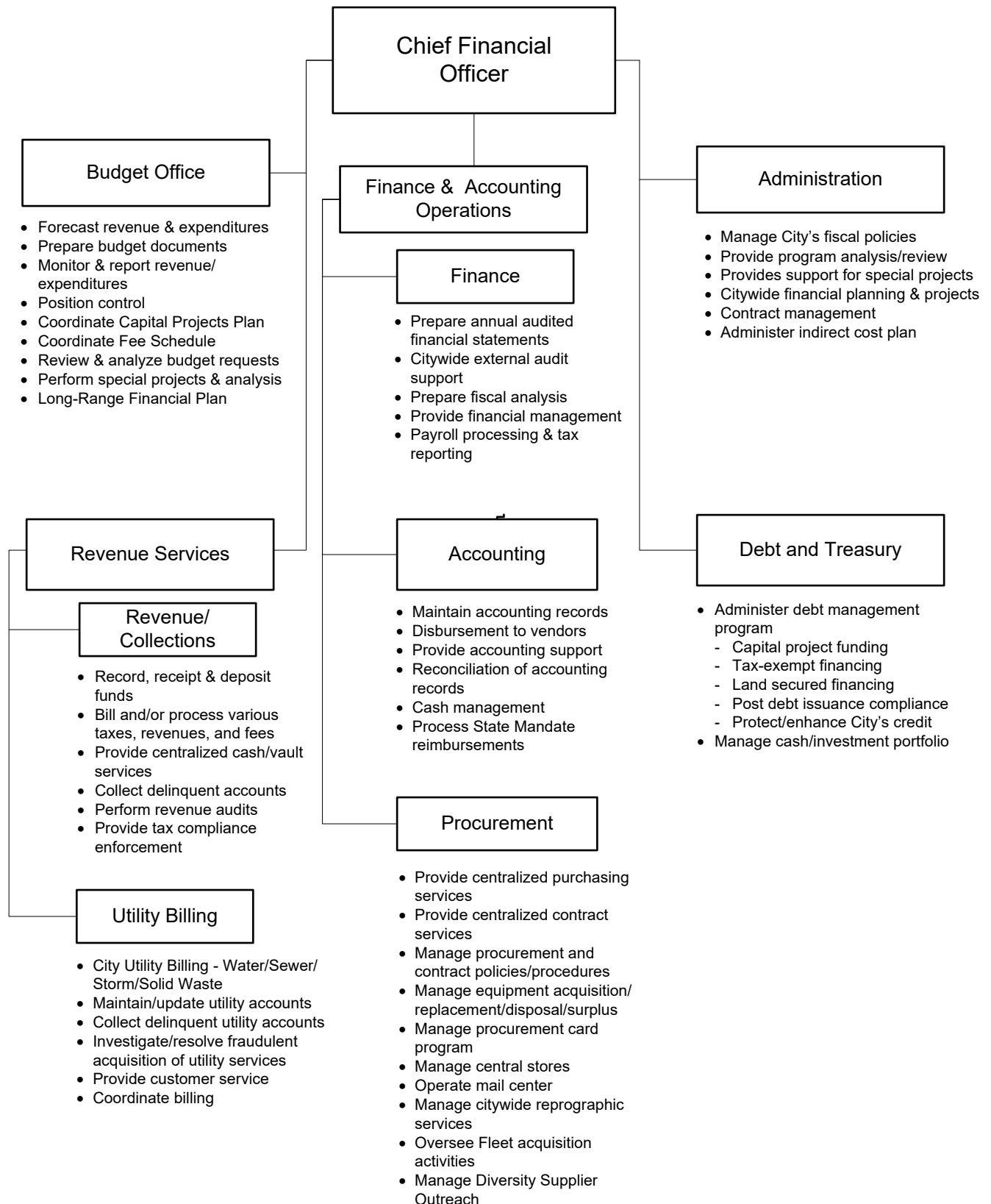
Employee Services	1,020,475	1,043,799	972,632	1,125,443
Other Services	252,172	513,639	347,321	349,082
Materials and Supplies	34,952	41,050	43,050	44,300
Other Expenses	29,738	28,601	33,000	38,300
Total	<u>1,337,337</u>	<u>1,627,089</u>	<u>1,396,003</u>	<u>1,557,125</u>

**City Clerk**

Employee Services	681,612	605,410	503,881	781,367
Other Services	117,449	156,665	147,974	159,937
Materials and Supplies	23,691	21,270	28,936	25,500
Other Expenses	11,470	12,924	14,260	17,300
Total	<u>834,222</u>	<u>796,269</u>	<u>695,051</u>	<u>984,104</u>

**City Auditor**

Employee Services	-	-	-	-
Other Services	639,252	487,316	918,575	613,688
Materials and Supplies	-	-	-	-
Other Expenses	-	-	-	-
Total	<u>639,252</u>	<u>487,316</u>	<u>918,575</u>	<u>613,688</u>



# ADMINISTRATIVE SERVICES DEPARTMENT

## ADMINISTRATIVE SERVICES DEPARTMENT

### MISSION STATEMENT

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

### Budget at a Glance:

Total Revenues	\$569,100
Total Expenditures	\$6,231,360
Total Net Cost	\$5,662,260
Total Staff	82

### DEPARTMENT DESCRIPTION

The Administrative Services Department provides vital systems and services administered through five divisions: Administration, Budget, Financial and Accounting Operations, Debt and Treasury, and Revenue Services.

The Administration Division provides support to the various areas within the department and directs its overall activities. This unit also provides support to various citizen advisory committees.

The Budget Office is responsible for developing and monitoring the City's annual budget, coordinating financial planning and management, comparing budgeted amounts with actual outcomes, and tracking financial progress relative to budget during the year. This division provides long-term fiscal forecasts for the City through the City's fiscal forecasting tool (Long-Range Financial Plan) and throughout the fiscal year assists City management and departments by analyzing and evaluating financial performance and projections as it relates to budget.

The Finance and Accounting Operations Division is responsible for the following citywide operations:

- Finance is responsible for the recording and reporting of financial transactions; reporting financial positions in accordance with generally accepted accounting principles, and the preparation of the Comprehensive Annual Financial Report and other financial reports.
- Accounting includes payroll processing for over 1,700 employees, payroll tax compliance, benefit reporting, accounts payable, cash activity and all central accounting recording and monitoring.
- Procurement is responsible for the procurement of all supplies and services necessary for the operation of City departments. Purchasing also provides centralized printing and high-volume reprographic and mail services to departments.

The Debt and Treasury Division manages the City's \$550 million pooled investment portfolio and debt issuances which total approximately \$522 million. Services include oversight of the cash and investment portfolio, investor relations, market disclosures, and financing/refinancing programs. The Division regularly reviews the City's debt portfolio for potential savings and closely monitors its cash flow and investments to ensure the City is managing its assets efficiently and responsibly and complies with California investment regulations.

The Revenue Services Division is responsible for the following citywide services:

- Customer Services Unit serves over 92,000 utility customers who receive water, sewer, storm water or solid waste services, and 17,000 business license tax accounts.

## ADMINISTRATIVE SERVICES DEPARTMENT

- Revenue Operations Unit manages accounts receivable for non-utility customers, centralized cash/vault services, and business licenses. It is responsible for the collection and audit of taxes, assessments, and other fees and charges owed to the City, as well as the accurate recording, reconciliation, receipting, control, and deposit of all monies received by City departments.
- Collection, Compliance, and Revenue Reporting Unit is responsible for the recovery of City revenues from delinquent accounts. It promotes compliance through audits of the business license tax and transient occupancy tax. The unit also sends uncollectible accounts to the City's outside collection agency and provides revenue reporting functions such as cash collections and deposits, quarterly receivables and write-offs.

### DEPARTMENT STRATEGIC WORK PLAN

Administrative Services continues to focus on the City Council strategic goal of fiscal sustainability. Toward that goal, the department is engaged in several initiatives to improve and guide citywide fiscal practices and systems.

- Administrative Services is a key partner in the City's efforts to implement a new Enterprise Resource Planning (ERP) system to replace the current outdated financial system. Current expert resources are being utilized and will continue throughout the next few years to accomplish this goal.
- In the years prior to and during the bankruptcy, the City received many audit findings from internal and external auditors. In collaboration with the City Manager's Office, Administrative Services has led consistent progress towards the resolution of audit findings and resulting recommendations and implementation of improvements.
- The Budget Office maintains the City's Long-Range Financial Plan model and its underlying assumptions. The model provides a long-term view of the City's General Fund and demonstrates the City's ability to afford its current service levels. The Budget Office also anticipates creating Long-Range Financial Plans for the Water, Wastewater and Stormwater enterprise funds.
- With a focus on best practices in government operations, Administrative Services participates in the City's efforts to review and revise policies and procedures.

### PRIOR YEAR ACCOMPLISHMENTS

During FY 2018-19, the department focused on numerous initiatives in support of the goal of fiscal sustainability including:

- Standard & Poors upgraded ratings on Stockton's General Fund bonds four notches (from B-minus to BB) and assigned an outlook of "positive."
- Contributed nearly \$30 million in the City's Section 115 Pension Trust to set aside and effectively invest funds specifically designated for pension costs.
- Provided long-term savings of \$2 million to the Parking and Fleet funds through refunding of external debt utilizing internal City resources.
- Improved/updated the Long-Range Financial Plan and its underlying assumptions.

## ADMINISTRATIVE SERVICES DEPARTMENT

- Improved/updated numerous policies and procedures in finance, accounting, procurement and travel.
- Mandated City utility accounts that do not include City water service to convert to property owner-only billed accounts. All existing tenant-billed accounts will be converted to owner-only accounts by 2021.
- Established Council policy requiring a services/maintenance tax on all new greenfield residential development and created a new Community Facilities District to support that policy.
- Issued \$24.2 million in bonds to support the Arch Road East industrial development with a portion refunding \$17.8 million in old bonds, saving property owners over \$2.5 million and creating new capital funds for the City of nearly \$2.2 million.
- Refunded almost \$170 million of water debt primarily related to construction of the Delta Water Supply Project, saving Stockton water utility customers over \$21 million (average annual savings will be over \$1 million per year).
- Cleared approximately 80 audit findings.
- Prepaid the remainder of the City's 400 East Main Street lease, saving nearly \$1 million through March 2023.
- The non-profit Truth in Accounting evaluated the fiscal health of the largest (by population) 75 cities in the United States and ranked Stockton #6.

### KEY CONSIDERATIONS

Administrative Services continues to focus on the City Council strategic goal of fiscal sustainability. The Long-Range Financial Plan is one of those efforts that enables the City to understand the long-term fiscal effects of its decisions and to plan for future challenges like CalPERS cost increases and recessions.

In collaboration with other City departments, Administrative Services continues to plan for the eventual replacement of its 28-year old financial system with a new, modern Enterprise Resource Planning system. A new system will enable the City to serve the public and its internal customers more efficiently and effectively. City staff will be able to better access data and enable the City to make better, more informed decisions.

As development in the City picks up, particularly in the residential sector, Administrative Services is working with Community Development and other City departments to ensure the City grows in a fiscally sustainable and responsible manner. As part of its discussions with developers, the City is now requiring new residential development to address the permanent City service costs associated with that development.

Administrative Services enforces and monitors the General Fund Reserve and Fund Balance Policy that reflects best practices and prudently protects the fiscal solvency of the City. At the close of last fiscal year, the working capital reserve (2 months of expenditures) was fully funded in addition to setting aside funds for known contingencies (CalPERS costs, financial system replacement, etc.) and risk-based reserves (catastrophic infrastructure failure, recession, etc.).

Timeliness, accuracy, and transparency in financial reporting is an important City goal. The Finance and Accounting Operations Division continues to provide timely delivery of the



## **ADMINISTRATIVE SERVICES DEPARTMENT**

Comprehensive Annual Financial Report, in which the independent auditor issued a clean opinion for last year. Administrative Services continues to promptly deliver budget, financial and investment updates to the City Council, various Committees and Commissions, and the public.

Administrative Services continues to proactively address delinquent accounts through its audit and collections efforts to maximize City collections and cash flow. The City Council granted the authority to collect property owner utility delinquencies via the property tax roll and to lien said properties, and also mandated that City utility accounts that do not include water service be converted to property-owner billing.

**Administrative Services  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Total Administrative Services Department</b>				
Employee Services	\$ 3,374,498	\$ 3,889,497	\$ 4,132,764	\$ 4,308,779
Other Services	955,465	1,035,803	1,181,419	1,233,550
Materials and Supplies	161,622	160,367	79,052	64,953
Other Expenses	52,215	34,571	50,209	59,050
Total	<u>\$ 4,543,800</u>	<u>\$ 5,120,238</u>	<u>\$ 5,443,444</u>	<u>\$ 5,666,332</u>

**Administration**

Employee Services	638,517	706,081	735,702	823,536
Other Services	188,984	118,877	236,121	205,585
Materials and Supplies	99,779	64,936	26,896	24,053
Other Expenses	7,610	6,221	9,500	10,500
Total	<u>934,890</u>	<u>896,115</u>	<u>1,008,219</u>	<u>1,063,674</u>

**Budget**

Employee Services	414,097	596,675	612,889	601,534
Other Services	107,810	148,596	130,330	171,821
Materials and Supplies	1,821	6,832	5,818	5,800
Other Expenses	4,704	7,064	7,920	10,600
Total	<u>528,432</u>	<u>759,167</u>	<u>756,957</u>	<u>789,755</u>

**Financial Services**

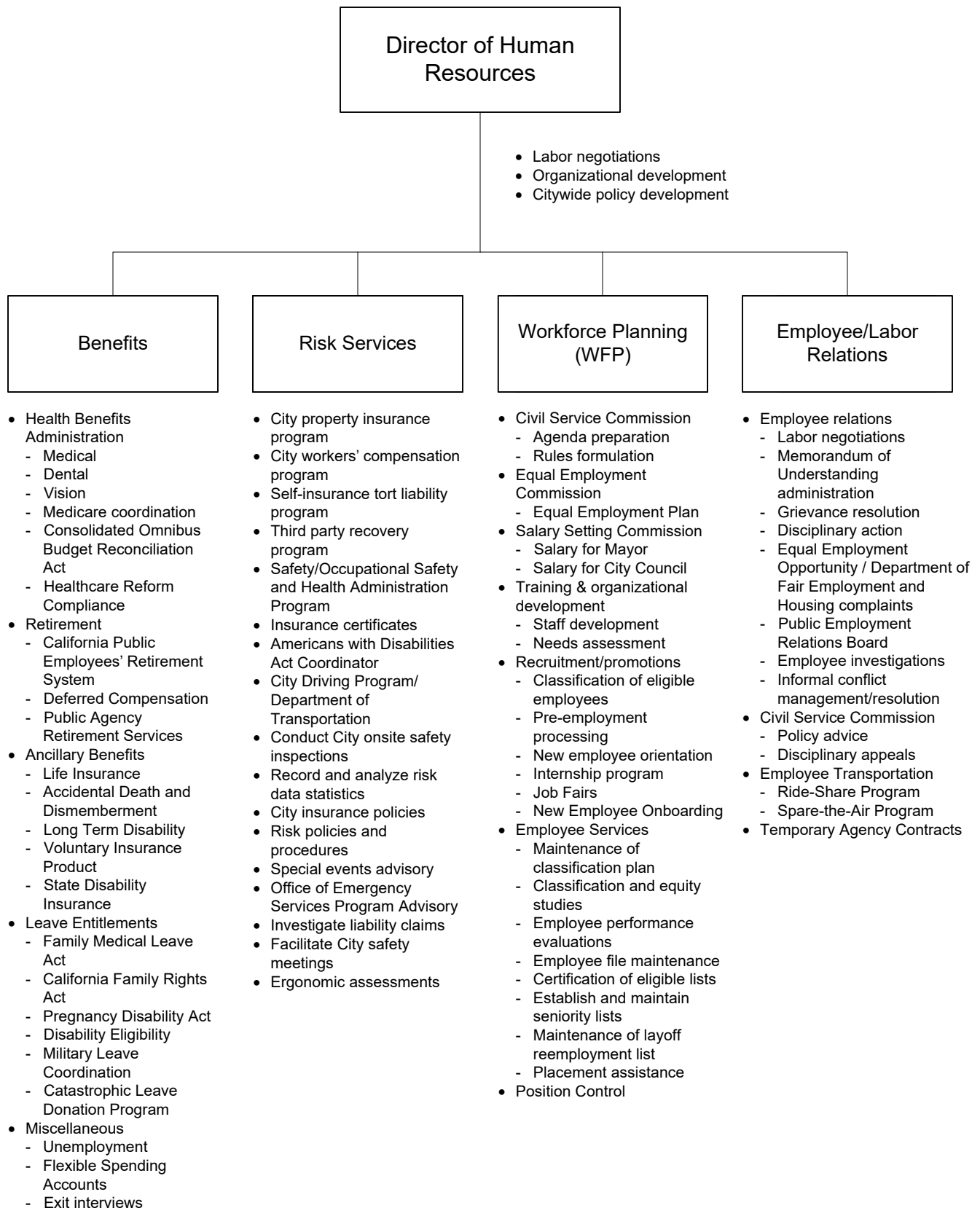
Employee Services	970,346	1,021,694	1,279,991	1,276,655
Other Services	284,852	339,928	307,792	301,450
Materials and Supplies	33,229	27,546	8,848	8,800
Other Expenses	8,375	4,653	12,100	12,200
Total	<u>1,296,802</u>	<u>1,393,821</u>	<u>1,608,731</u>	<u>1,599,105</u>

**Revenue Services**

Employee Services	964,635	1,005,172	1,023,735	1,076,348
Other Services	216,211	264,389	350,099	385,188
Materials and Supplies	17,391	27,936	21,090	12,500
Other Expenses	24,303	5,822	7,189	7,250
Total	<u>1,222,540</u>	<u>1,303,319</u>	<u>1,402,113</u>	<u>1,481,286</u>

**Purchasing**

Employee Services	386,903	559,875	480,447	530,706
Other Services	157,608	164,013	157,077	169,506
Materials and Supplies	9,402	33,117	16,400	13,800
Other Expenses	7,223	10,811	13,500	18,500
Total	<u>561,136</u>	<u>767,816</u>	<u>667,424</u>	<u>732,512</u>



# HUMAN RESOURCES DEPARTMENT

# HUMAN RESOURCES DEPARTMENT

## MISSION STATEMENT

To attract, hire, and develop a qualified diverse workforce. Since our employees are our most valuable resource, Human Resources provides quality and innovative customer-driven services and programs to create a healthy and positive work environment for City employees to deliver high-quality service to the citizens of Stockton.

### Budget at a Glance:

Total Revenues	\$115,183,493
Total Expenditures	
General Fund	\$2,299,791
Benefits Program	\$116,416,821
Total Net Cost	\$3,533,119
Total Staff	30

## DEPARTMENT DESCRIPTION

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

Workforce Planning assists in maximizing efficiency and providing equal employment opportunities by hiring, retaining and developing a skilled, diverse and efficient workforce. The Human Resources Department contributes to employee retention by providing training, tools, and skills and assists employees with professional growth and development for opportunities within the City.

Employee and Labor Relations develops, negotiates, implements, and administers policies, procedures and labor agreements that support and promote workplace diversity, fairness, and equality for City employees. This division advises on employee and labor relations matters, assists in the timely resolution of grievances, complaints and other personnel-related matters.

Risk Services Division works to proactively limit liability exposure and provides cost-effective risk management programs, such as employee safety, workers' compensation claims oversight, contract review, and insurance monitoring. The division also selects property and liability insurance products, manages agency relationships and recovers monies from third parties for damages.

Benefits Division assists employees, retirees and dependents by providing and coordinating all aspects of employee compensation and benefit packages including health, life and long-term disability insurances, retirement services, leave entitlements, employee assistance programs and flexible spending accounts.

## DEPARTMENT STRATEGIC WORK PLAN

To meet the City Council strategic targets, the Human Resources Department focuses on the following areas:

Public Safety: Through our Risk Management Division, Human Resources will continue to provide information to safety departments regarding claims that may impact public safety and may assist in training efforts and decision-making.

## HUMAN RESOURCES DEPARTMENT

Economic Development: The Workforce Planning Division will continue to assist City departments in organizational restructuring and strategic staffing placements (including positions funded through Measure A) that support organizational and departmental missions. Workforce Planning will continue its efforts to strengthen organizational capacity by recruiting and developing talent and diversifying the workforce. Police Officer hiring continues to be a top priority as Human Resources and the Police Department work toward the goal of filling all sworn positions.

### **PRIOR YEAR ACCOMPLISHMENTS**

Human Resources staff are proud to share some of our accomplishments for FY 2018-19 that align with the City Council strategic targets and other accomplishments that support other departments within the City:

#### Workforce Planning

- Expanding organizational capacity through focused efforts to attract, develop and keep talented employees to improve the City's operations and customer services.
- Filled 185 vacancies city-wide, including 68 Police and 16 Fire.
- Created a total of 41 eligible lists and 15 continuous lists that were approved by the Civil Service Commission.
- Opened a Fire Fighter Trainee recruitment for 1,000 applications, which were received in less than 30 minutes.

#### Labor/Employee Relations

- Processed 24 grievances; resolved 15 grievances and nine grievances are pending.
- Processed 21 formal complaints and investigations.

#### Risk Services

- Conducted 47 real property site inspections and made 36 individual ergonomic assessments.
- Onboarded a new third-party workers' compensation administrator, decreased the injury reporting interval, and implemented a paperless injury reporting process.
- Implemented a new paperless certificate of insurance tracking system to ensure accounts payable vendor compliance.

#### Benefits

- Conducted a health benefit open enrollment for approximately 1,600 employees, and administered a full portfolio of employee benefit plans for medical dental , vision, long-term disability and life insurances, pension, deferred compensation, and Section 125 plans.
- Conducted four deferred compensation liaison review meetings with bargaining unit representatives, two deferred compensation trainings, and held two CalPERS forums for City employees.
- Conducted two leave benefits training courses in the Citywide training program.
- Initiated a Citywide monthly Wellness Program.

## HUMAN RESOURCES DEPARTMENT

### KEY CONSIDERATIONS

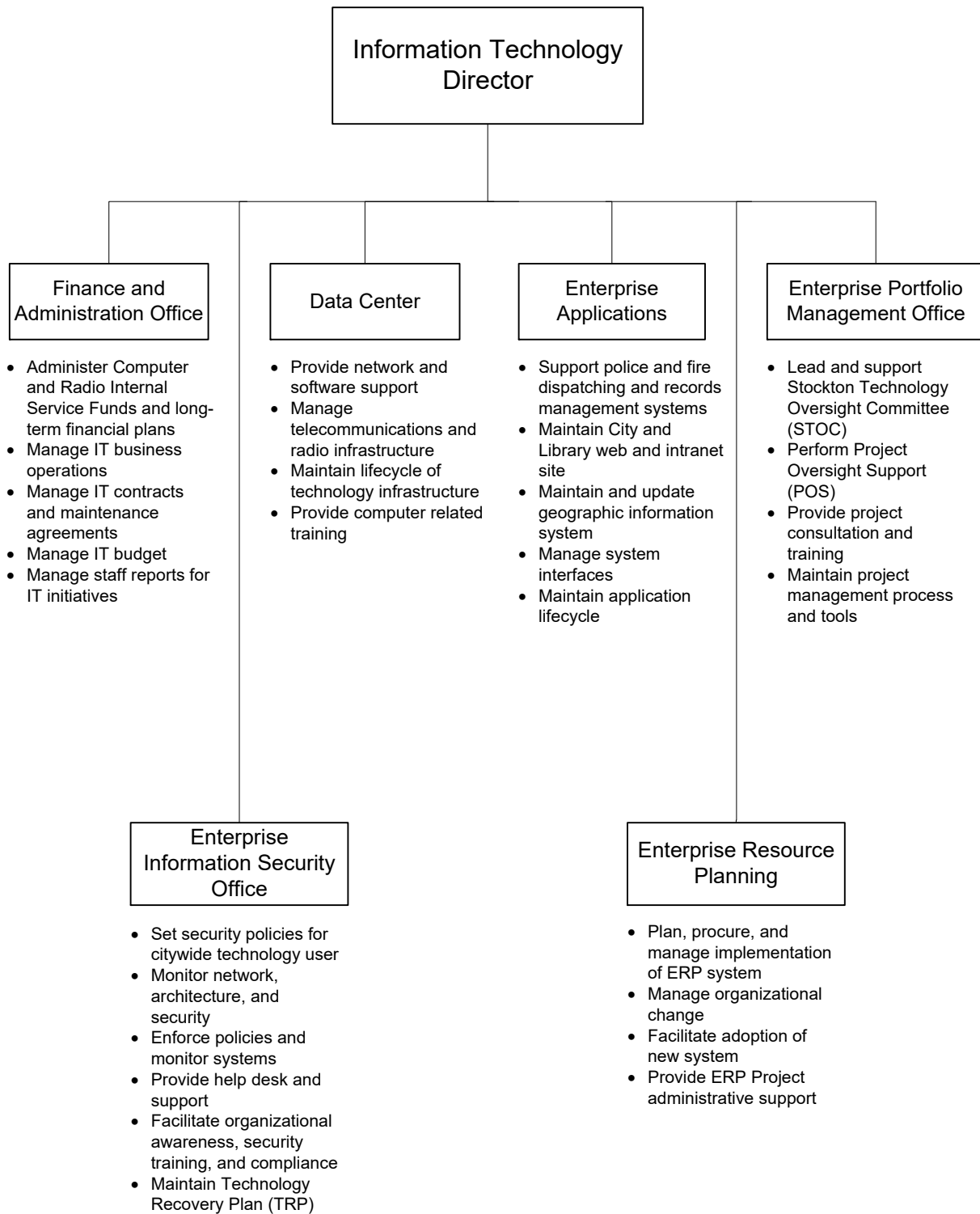
Human Resources is embracing the challenge of developing the City's human capital. It does this by recruiting a significant number of public safety and other Citywide employees each year, providing training and development opportunities, managing and closing insurance claims to limit loss exposure, and selecting health care providers who meet employee needs. As we look forward, we are excited at the prospect of upgrading the City's financial and human resources system over the next several years. While this will require a significant effort from Department staff, we expect that having modern tools will better equip us to meet the City's needs.

**Human Resources  
General Fund - 010  
FY 2019-20 Annual Budget**

	<u>FY 2016-17</u> <u>Actual</u>	<u>FY 2017-18</u> <u>Actual</u>	<u>FY 2018-19</u> <u>Projected</u>	<u>FY 2019-20</u> <u>Budget</u>
<b>Total Human Resources Department</b>				
Employee Services	\$ 1,324,467	\$ 1,362,190	\$ 1,369,685	\$ 1,436,508
Other Services	431,767	496,759	650,393	616,541
Materials and Supplies	19,155	30,067	21,235	22,364
Other Expenses	162,892	144,698	214,055	224,378
Capital Outlay	-	-	-	-
Total	<u>\$ 1,938,281</u>	<u>\$ 2,033,714</u>	<u>\$ 2,255,368</u>	<u>\$ 2,299,791</u>
<b>Workforce Planning</b>				
Employee Services	537,832	564,926	569,324	585,119
Other Services	300,110	293,642	358,021	365,893
Materials and Supplies	11,303	15,125	12,185	13,314
Other Expenses	11,635	7,532	13,044	13,998
Total	<u>860,880</u>	<u>881,225</u>	<u>952,574</u>	<u>978,324</u>
<b>Employee Relations</b>				
Employee Services	786,635	797,264	800,361	851,389
Other Services	131,657	203,117	292,372	250,648
Materials and Supplies	7,852	14,942	9,050	9,050
Other Expenses	151,257	137,166	201,011	210,380
Total	<u>1,077,401</u>	<u>1,152,489</u>	<u>1,302,794</u>	<u>1,321,467</u>







# INFORMATION TECHNOLOGY

## INFORMATION TECHNOLOGY DEPARTMENT

### MISSION STATEMENT

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

### Budget at a Glance:

Total Revenues	\$23,919,224
Total Expenditures	\$24,422,328
Total Net Cost	\$503,104
Total Staff	52

### DEPARTMENT DESCRIPTION

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

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

The Finance and Administration Office directs and maintains efficient administrative systems and control mechanisms to ensure economical operations and compliance with administrative, human resources, procurement, and financial rules and procedures.

The Data Center provides reliable and secure enterprise computer and telecommunications infrastructure. Directs the delivery of computer purchases, repairs, replacements and services to departments and provides support for computer hardware, software, and technology solutions as well as providing computer-related training for City staff. Evaluates and plans for the upgrade, consolidation and the replacement of IT infrastructure. Explores new technologies such as cloud computing and determines how to apply new technologies to the current infrastructure.

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

Enterprise Portfolio Management Office facilitates all phases of the IT governance process; partners with departments to develop technology solutions based upon business needs, facilitates

## INFORMATION TECHNOLOGY DEPARTMENT

all phases of the information technology governance process, and provides guidance and oversight of project management processes; tools; project consultation and training; documentation, and project archiving.

Enterprise Information Security Office establishes and enforces IT security policies for citywide technology users. Provides oversight of IT security policies for the IT Staff and the City's lines of businesses to ensure alignment and optimization of business strategy and IT security. Implements a continuous Security Awareness training program to City departments to educate city employees on the appropriate use, protection and security of City data. Provides oversight into the City's security architecture. Performs audits of systems for security compliance.

Enterprise Resource Planning (ERP) provides administrative project support for planning, organization, and control of business and technical operations for the City's ERP project while ensuring its alignment with City business objectives. The goal is to ensure project success, which entails on-time and within budget evaluation, selection, and delivery of a new ERP system that meets business users' current and emerging needs. This is a multi-year project that will satisfy multiple Council strategic priorities and resolve outstanding audit findings.

### DEPARTMENT STRATEGIC WORK PLAN

The Department's objectives are tied to the City Council's targets and goals of Fiscal Sustainability and Public Safety, implementing solutions that provide financial transparency to the community, and focusing on providing technology solutions and support to improve public safety services and response times.

Security – Security operations and response are a part of the City's security immune system. This system consists of solutions that deliver core functionality to prevent, detect and respond to attacks, including security analytics, threat hunting, incident response and threat intelligence with network and endpoint protection.

Cloud Services – With the rise of mobility across the enterprise, migration and integration services are the largest priority for IT today. Migration to cloud services provides a huge swath of benefits for the City, both in mobilizing the workforce and delivering things faster and better to end-users.

Consolidation / Optimization – Ongoing consolidation and optimization have laid a foundation for success. IT and the departments will continue their work on the following three priorities: (1) creating high-quality citizen and business experiences with City programs; (2) supporting City employees with common and efficient enterprise solutions; and (3) providing secure and reliable information technology solutions.

Budget and Cost Control – Knowing the initiatives business units will propose enables a head start on forecasting IT costs. Forecasting operating costs requires an accurate view of historical costs and an understanding of how business changes will affect IT costs. With the implementation of the Enterprise Portfolio Management Office, ongoing portfolio management and governance led project prioritizations will enable the City to provide better forecasts. Cost reductions will be tied to service reductions and deferred projects.

Talent Management (People/Culture) – Creating a culture that embraces organizational excellence, with the right people, a defined career path and education, promotes ownership and accountability.

## **INFORMATION TECHNOLOGY DEPARTMENT**

Technology Recovery Plan / Business Continuity – A plan for recovery of applications that are critical to business operations is a key component of the business strategy.

Customer-Centric – Empower City employees with technology assistance and tools that will enable departments to integrate into the City's technology framework and deliver solutions to meet departmental goals and business needs.

Aging Infrastructure – Technology infrastructure is critical to the City's operations. IT equipment has an expected lifecycle and needs to be replaced at the end of its useful life. The business benefits of maintaining technology currency are many: better performance, greater efficiency, reduced cost, reduced outages attributed to failures of old equipment, new capabilities, and modernized services.

### **PRIOR YEAR ACCOMPLISHMENTS**

- Enterprise Resource Planning – Completed the vendor selection and began the implementation work focused on core Finance and HR processes. This process involved significant staff hours and included an onsite vendor implementation team.
- Network Security – Improved the network security platform that addresses the detection of virus, malware, and attempts to compromise the City's network infrastructure.
- Network Redesign – Addressed single points of failure in the City's internal networking environment. Priority was given to locations with the largest concentrations of City employees.
- Delta Water Supply Network Upgrade – Increased the bandwidth for the Delta Water Treatment Plant by connecting it to the City's fiber network solution.
- IT Student Program – Maintained the internship program that provides on-the-job training and career readiness for students at partnering institutions, which include the University of the Pacific, and Delta College.
- SharePoint – Initiated migration of intranet functions to SharePoint.
- City Website Redesign – Continued to Phase 2 of redesigning the City website in the new format.
- Upgraded Public Safety Radio Infrastructure – Planned and began implementation of the proposed solution that was approved by Council in FY 2017-18.
- Security Awareness Program – Developed and implemented a Security Awareness training program across the City to enable the City's Council members, employees, contractors, interns, and others with the knowledge to protect the City's data and information systems, and to minimize the risks of internal and external cyber threats.
- Bluebeam Software Installation – Implement solution with Community Development that includes software for the electronic submittal, review, and markup of building plans.

### **KEY CONSIDERATIONS**

The Information Technology department will continue to provide solutions to improve the City's operating systems. There is continued need to implement new technologies moving this fiscal year, including deploying anti-spam filters, which protects email boxes from malware and reduces spam and phishing emails, and deliver scheduled lifecycle replacements of network infrastructure, computers, radios, and other end-user equipment.

## INFORMATION TECHNOLOGY DEPARTMENT

The City continues to put resources toward implementing a new ERP system that involves replacing core finance and human resources, as well as replacing the current ERP system hardware to continue operations during the new ERP implementation.

The department will also continue to replace the Fire Department's computer-aided dispatch system and begin the first phase of the radio infrastructure implementation by replacing the Motorola core and installing both Fire and Police dispatch consoles. The department continues to update the multi-year purchase and prioritization plan for all hardware, software and services for the radio system infrastructure.

Other key considerations include:

- Update Security Awareness Platform – Platform will allow for better-targeted security training, increased security features and functionality and an ability to provide immediate metrics for all City departments.
- Migrate Geographic Information System to the Cloud – Reduce the City's Data Center footprint.
- IT Student Program – Continue to expand the IT Student Program, partnering with local colleges and universities and providing on-the-job training and career readiness for students.

**Information Technology  
Internal Service Funds  
FY 2019-20 Annual Budget**

	<b>Computer Equipment 502</b>	<b>Radio Equipment 503</b>	<b>Internal Service Total</b>
	<i>See Page N-11</i>	<i>See Page N-15</i>	
<b>Beginning Available Balance</b>	<b>\$ 14,592,649</b>	<b>\$ 2,030,381</b>	<b>\$ 16,623,030</b>
<b>Revenues</b>			
Charge for Services			
Police	4,993,806	1,377,493	6,371,299
Fire	1,212,980	775,465	1,988,445
Other General Fund	2,246,039	3,816	2,249,855
Other Funds	9,873,807	170,818	10,044,625
	<u>18,326,632</u>	<u>2,327,592</u>	<u>20,654,224</u>
Refunds & Reimbursements	-	-	-
Investment Proceeds	120,000	15,000	135,000
	<u><b>18,446,632</b></u>	<u><b>2,342,592</b></u>	<u><b>20,789,224</b></u>
<b>Expenditures</b>			
General & Administrative	2,044,922	-	2,044,922
Operations & Maintenance	14,693,422	977,450	15,670,872
Equipment Replacements	2,237,504	4,469,030	6,706,534
Debt Service	-	-	-
	<u><b>18,975,848</b></u>	<u><b>5,446,480</b></u>	<u><b>24,422,328</b></u>
			-
<b>Transfers</b>			
Transfer In	-	3,130,000	3,130,000
Transfer Out	-	-	-
	<u>-</u>	<u><b>3,130,000</b></u>	<u><b>3,130,000</b></u>
<b>Net Annual Activity</b>	<u><b>(529,216)</b></u>	<u><b>26,112</b></u>	<u><b>(503,104)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 14,063,433</b></u>	<u><b>\$ 2,056,493</b></u>	<u><b>\$ 16,119,926</b></u>
			\$ 20,789,224
			3,130,000
			<u>\$ 23,919,224</u>
			\$ 24,422,328
			-
			<u>\$ 24,422,328</u>



## NON-DEPARTMENTAL

### MISSION STATEMENT

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

#### Budget at a Glance:

Total Revenues	\$1,410,757
Total Expenditures	\$26,869,984
Total Net Cost	\$25,459,227
Total Staff	17

### DEPARTMENT DESCRIPTION

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

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

### DEPARTMENT STRATEGIC WORK PLAN

Because the Non-Departmental budget is the funding source for functions within the City Manager's Office that have a citywide impact, the strategic work plan of these functions is to support the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. Specific initiatives for FY 2019-20 include negotiation with the City's labor partners pending conclusion of the current 3-year term agreements, increased presence and advocacy with the Federal government, and preparations to deliver Channel 97 services at the Waterfront Towers and other satellite locations. In addition, key strategic initiatives of the Office of Violence Prevention (OVP) include development of a program model and strategic plan, developing more robust life-skills curriculum for successful Operation Ceasefire clients, leveraging City funds to expand Operation Ceasefire client services, and building additional partnerships in support of Operation Ceasefire and violence prevention efforts.



### PRIOR YEAR ACCOMPLISHMENTS

Important citywide accomplishments in support of the City Council strategic workplan include institutionalization of good fiscal planning and use of the Long-Range Financial Plan, resulting in the growth of financial reserves for known and unknown contingencies, and leading to national recognition for the positive financial condition of the City. The City achieved tens of millions of dollars of savings by refinancing debt.

The City accomplished important outcomes related to public safety hiring goals, reaching an all-time high for sworn police officers. The Neighborhood Betterment Teams continue to address blight hot spots through community clean-ups and city programs. The combined efforts of Operation Ceasefire resulted in a 40% reduction in homicides and a 32% reduction in shootings in 2018. The Police Department continues to be recognized as a national leader in reconciliation and community-trust building efforts with law enforcement. The OVP continues to foster collective impact strategies for addressing the underlying factors impacting vulnerable populations.

The City continues to build out development incentive tools including the Short-term Fee Deferral Program, Residential Neighborhood Reinvestment Program, Hire Stockton Program and Opportunity Zone Prospectus. Progress has been achieved through the Food & Agriculture Plan, Economic Gardening Program, Entrepreneurship Grant Program and Small Business Services Outreach Plan. This year Envision Stockton 20240 General Plan Update and developed new cannabis regulations were adopted. The City saw an increase in permit valuation of 48% and attracted the development of more than four million square feet of industrial space representing more than 1,500 new jobs. The City attracted the Stockton Kings franchise, saw increased in venue activity and received a \$600,000 brownfields grant for waterfront property cleanup.

Furthermore, the City received more than \$21 million in infrastructure grants for transportation and safety projects, completed multiple street repair projects, improved utility infrastructure systems, and acquired a new City Hall. The City initiated formation of several new Community Facility Districts and adopted a citywide Community Facility District for city services. The City enhanced public park and library spaces in alignment with the Strong Communities funding plan. Finally, the City allocated more than \$2.5 million toward infrastructure that supports the homeless population and continued to strengthen partnerships to address homelessness and the impacts of homelessness.

### KEY CONSIDERATIONS

Funding from outside sources such as foundations and granting agencies remains limited, resulting in a continued need for the functions provided by Non-Departmental funding. Grant funding opportunities are scarce and available grants have more stringent requirements and qualifications, requiring additional time and resources for grant research and application processing.

Fortunately, the OVP was successfully awarded a two-year grant to assist in the implementation of Operation Ceasefire, however it is important to note that a majority of grant funds have been distributed to local community-based organizations to support the Ceasefire effort. The OVP is at full staffing and is fully implementing Operation Ceasefire. Vacancy savings that were experienced in prior fiscal years as the Office was established will no longer occur. The OVP's budget is anticipated to be fully expended implementing Operation Ceasefire and other violence reduction efforts. As the OVP continues to enhance violence reduction strategies, funds for data

## **NON-DEPARTMENTAL**

tracking analysis and reporting will be important. In addition, as strategies are implemented, funding for client services delivered by the City or community partners will be critical to success.

In broader consideration of the Non-Departmental budget, legislative advocacy, community outreach and strategic media relations will play a pivotal role in moving forward with the City's continued recovery. The City needs to work with government delegations, employees, citizens, visitors, and ultimately employers that may wish to locate their businesses here to continue the progress that this organization and community have made. The City is poised to build on the many outstanding accomplishments and recognition that Stockton is receiving and leverage these successes to enhance Stockton's public image.

**Non-Departmental  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Total Non-Departmental</b>				
Employee Services	\$ 1,481,044	\$ 1,584,714	\$ 1,673,505	\$ 1,534,123
Other Services	4,833,224	4,606,494	10,260,803	4,636,024
Materials and Supplies	39,187	31,587	53,994	176,621
Other Expenses	(731,135)	(2,510,731)	(249,595)	(399,253)
Capital Outlay	23,746	86,480	-	-
Transfers Out	22,139,206	47,029,461	22,835,627	19,365,326
Total	<u>\$ 27,785,272</u>	<u>\$ 50,828,005</u>	<u>\$ 34,574,334</u>	<u>\$ 25,312,841</u>

**Office of Violence Prevention**

Employee Services	336,554	559,461	580,364	629,269
Other Services	94,587	208,654	89,532	101,598
Materials and Supplies	8,326	7,994	15,359	8,565
Other Expenses	-	6,997	3,905	3,000
Total	<u>439,467</u>	<u>783,106</u>	<u>689,160</u>	<u>742,432</u>

**Marshall Plan - Office of Violence Prevention**

Employee Services	615,792	564,609	572,589	653,384
Other Services	169,557	275,911	299,724	251,367
Materials and Supplies	30,415	22,727	35,760	44,731
Other Expenses	7,712	10,363	16,500	20,250
Capital Outlay	23,746	-	-	-
Total	<u>847,222</u>	<u>873,610</u>	<u>924,573</u>	<u>969,732</u>

**Tax Collection & Election**

Other Services	2,700,281	1,980,525	2,677,440	2,349,000
Other Expenses	515,621	478,770	510,000	540,000
Total	<u>3,215,902</u>	<u>2,459,295</u>	<u>3,187,440</u>	<u>2,889,000</u>

**Labor Litigation/Fiscal Sustainability\***

Other Services	260,425	338,334	923,162	500,000
Total	<u>260,425</u>	<u>338,334</u>	<u>923,162</u>	<u>500,000</u>

**Other Administration**

Employee Services	528,698	397,889	469,593	241,470
Other Services	1,587,461	1,416,430	5,366,019	627,559
Materials and Supplies	446	866	2,875	113,325
Other Expenses	(1,254,468)	(3,006,861)	(2,784,335)	(2,980,003)
Capital Outlay	-	86,480	-	-
Total	<u>862,137</u>	<u>(1,105,196)</u>	<u>3,054,152</u>	<u>(1,997,649)</u>

\* FY 2016-17 includes expenses previously reported under Fiscal Sustainability and Reserve fund combined with the General Fund in FY 2017-18.

**Non-Departmental  
General Fund - 010  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Homeless Program</b>				
Employee Services	-	62,755	50,959	10,000
Other Services	20,913	143,006	169,007	190,000
Total	20,913	205,761	219,966	200,000
<b>Waterfront Office Towers</b>				
Other Services	-	243,634	735,919	616,500
Materials and Supplies	-	-	-	10,000
Other Expenses	-	-	4,335	17,500
Total	-	243,634	740,254	644,000
<b>Debt Service</b>				
Assured Guaranty Contingent Payment	-	2,106,000	2,173,000	2,017,300
Assured Guaranty Settlement	-	1,337,175	1,337,175	1,334,875
Parking Bond (SEB)	910,094	914,894	714,547	-
Civic Aud. HVAC Lease	248,779	248,779	479,307	-
Debt Administration	285,000	266,821	350,000	230,000
Total	1,443,873	4,873,669	5,054,029	3,582,175
<b>Program Support for Other Funds</b>				
Transfers				
Library - 041	4,504,000	3,984,500	3,984,500	3,984,500
Recreation - 044	3,915,000	3,407,000	3,395,500	3,395,500
Entertainment Venues - 086	3,445,000	3,445,000	3,285,000	3,285,000
Development Services - 048	1,000,000	925,000	925,000	825,000
Golf - 481	850,000	700,000	700,000	700,000
Downtown Marina - 460	220,000	212,000	262,000	262,000
Grant Match - 025	70,333	117,601	250,000	100,000
Capital Improvement - 301	6,691,000	10,091,423	185,000	-
Low & Mod. Income Housing - 329	-	10,648	29,584	101,151
Radio ISF - 503	-	700,000	-	3,130,000
Retirement ISF - 561	-	18,562,620	4,765,014	-
Total	20,695,333	42,155,792	17,781,598	15,783,151
<b>Contingency</b>				
Other Expenses	-	-	2,000,000	2,000,000
Total	-	-	2,000,000	2,000,000

**Administration and Support  
Special Purpose Grant Funds - 020  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 451,411</b>	<b>\$ 864,079</b>	<b>\$ 1,431,915</b>	<b>\$ 987,528</b>
<b>Revenues</b>				
Flood Agency Reimbursement	729,548	1,111,220	175,922	850,857
Public Education Gov. Access Fee	455,610	567,835	448,380	450,000
	<b>1,185,158</b>	<b>1,679,055</b>	<b>624,302</b>	<b>1,300,857</b>
<b>Expenditures</b>				
San Joaquin Area Flood Control Agency				
Employee Services	604,325	606,497	398,190	706,796
Other Services	125,223	148,495	133,959	144,061
	729,548	754,992	532,149	850,857
Public Education Gov. Access Fee				
Equipment Purchases	42,942	23,227	203,540	450,000
	42,942	23,227	203,540	450,000
	<b>772,490</b>	<b>778,219</b>	<b>735,689</b>	<b>1,300,857</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	(333,000)	(333,000)	-
	-	<b>(333,000)</b>	<b>(333,000)</b>	-
<b>Net Annual Activity</b>	<b>412,668</b>	<b>567,836</b>	<b>(444,387)</b>	<b>-</b>
<b>Ending Available Balance</b>	<b>\$ 864,079</b>	<b>\$ 1,431,915</b>	<b>\$ 987,528</b>	<b>\$ 987,528</b>

**Other Special Programs**  
**Wagner - General Special Revenue - 627 \***  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Projected</u>	<u>FY 2018-19 Budget</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 62,911</u>	<u>\$ 61,509</u>	<u>\$ 61,579</u>	<u>\$ -</u>
<b>Revenues</b>				
Other Revenue	<u>98</u>	<u>70</u>	<u>996</u>	<u>-</u>
	<u>98</u>	<u>70</u>	<u>996</u>	<u>-</u>
<b>Expenditures</b>				
Program Expenses	<u>1,500</u>	<u>-</u>	<u>62,575</u>	<u>-</u>
	<u>1,500</u>	<u>-</u>	<u>62,575</u>	<u>-</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>(1,402)</u>	<u>70</u>	<u>(61,579)</u>	<u>-</u>
<b>Ending Available Balance</b>	<u>\$ 61,509</u>	<u>\$ 61,579</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Available Balance Calculation</b>				
Current assets		\$ 61,579		
Principal endowment		-		
Ending Available Balance		<u>\$ 61,579</u>		

\* Annie Wagner endowment balance transferred to Stockton Unified School District for continued administration of scholarship funds.

**Other Special Programs  
General Special Revenue - 642  
FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 130,858</u>	<u>\$ 131,036</u>	<u>\$ 206,327</u>	<u>\$ 257,204</u>
<b>Revenues</b>				
Program Revenue	14,152	8,498	5,400	5,900
Other Revenue	<u>79,130</u>	<u>134,868</u>	<u>136,325</u>	<u>104,000</u>
	<u><b>93,282</b></u>	<u><b>143,366</b></u>	<u><b>141,725</b></u>	<u><b>109,900</b></u>
<b>Expenditures</b>				
Program Expenses	<u>93,104</u>	<u>68,075</u>	<u>90,848</u>	<u>256,286</u>
	<u><b>93,104</b></u>	<u><b>68,075</b></u>	<u><b>90,848</b></u>	<u><b>256,286</b></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>178</u>	<u>75,291</u>	<u>50,877</u>	<u>(146,386)</u>
<b>Ending Available Balance</b>	<u><b>\$ 131,036</b></u>	<u><b>\$ 206,327</b></u>	<u><b>\$ 257,204</b></u>	<u><b>\$ 110,818</b></u>
<b>Available Balance Calculation</b>				
Current assets		\$ 208,960		
Current liabilities		<u>(2,633)</u>		
Ending Available Balance		<u><u>\$ 206,327</u></u>		

TAB 12 DEBT





## DEBT

### CITY DEBT SERVICE FUNDS

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

#### Budget at a Glance:

Total Revenues	\$12,763,411
City Debt Service Fund	\$4,892,768
CFD & Assessment Districts	\$7,474,981
Administration	<u>\$228,736</u>
Total Expenditures	\$12,596,485
Total Net Revenue	\$166,926

### GENERAL FUND DEBT OBLIGATIONS

The City's General Fund secures several bonds and other debt obligations that are administered in the City's Debt Service Fund.

#### Assured Guaranty Settlement Repayment

Upon exit from bankruptcy in FY 2014-15, the City started paying on an agreement with the insurer that replaced payments formerly required on the following bonds:

- Pension Obligation Bonds 2007 Series A and B

The 2007 Taxable Pension Obligation Bonds, Series A and B were issued in the amount of \$125,310,000 in March 2007. The bonds 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.

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

The 2007 bonds were issued in two series: Series A (Tax-Exempt) in the amount of \$36,500,000 and Series B (Taxable) in the amount of \$4,270,000 in September 2007. The bonds were issued to finance the acquisition of property at 400 East Main Street which the City planned to use as City Hall. The Plan of Adjustment and its accompanying settlement agreement canceled the bonds, and the City surrendered the property to the insurer. The City entered into a separate lease to use portions of the building.

The City's settlement agreement covered both bond series and was confirmed by the bankruptcy court effective February 25, 2015. The City Plan of Adjustment contains the details of the modified agreement. The City's settlement agreement includes three series of payments to be made to the trustee. Beginning in FY 2017-18, the City began paying the second series of payments. These payments are applied to the remaining bondholder debt service payments with the balance paid by the insurer. The City's fixed settlement payment and fees under the modified reimbursement agreement with the insurer are budgeted at \$2,877,768.

This amount does not include an estimated payment for a "contingent revenue" that is required, in addition to the fixed payment streams (mentioned above), to be made to Assured Guaranty if core General Fund revenues (as defined in the settlement agreement) increase above those projected in the settlement agreement. The contingent payment due to be paid June 1, 2020,

## DEBT

is budgeted at \$2,015,000.

### **INTERNAL SERVICE FUNDS DEBT SERVICE (\*NOT INCLUDED IN BUDGET AT A GLANCE)**

#### Capital Lease - Fire Vehicles (see page N-9)

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

The Fleet Internal Service Fund borrowed from the internal service fund reserves in FY 2018-19 and used that cash to pay off the existing debt, resulting in a savings of approximately \$300,000. The Fleet Internal Services Fund is scheduled to make loan payments to the Worker's Compensation fund. The annual debt service payment is budgeted at \$530,437 in the Fleet Internal Service Fund.

### **OTHER DEBT SERVICE BACKED BY GENERAL FUND (\*NOT INCLUDED IN BUDGET AT A GLANCE)**

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

The 2004 Revenue Bonds were issued in June 2004 in the amount of \$32,785,000 to finance the construction of two parking garages. The City's Parking Authority makes the payments toward the bonds. Pursuant to the City's bankruptcy, the Trustee (Wells Fargo Corporate Trust) took possessory interest of the two parking garages and a third the City pledged as collateral. Until the effective date of the bankruptcy agreement, the garages were operated for the benefit of the bond insurer and debt service payments were made by the bond insurer. Under the terms of the settlement agreement confirmed by the bankruptcy court effective February 25, 2015, the City transferred certain parking assets to the newly-formed Stockton Parking Authority. Annual settlement payment and fees under the settlement agreement are budgeted at \$1,605,148 in the Parking Authority Fund.

The Parking Authority funds borrowed from the internal service fund reserves in FY 2018-19 and used that cash to pay off the existing debt. The Parking Authority Fund is scheduled to make loan payments to the Worker's Compensation fund. The annual debt service payment is budgeted at \$610,040 in the Parking Authority Fund.

### **COMMUNITY FACILITIES DISTRICTS AND ASSESSMENT DISTRICTS**

Approximately 15 special districts have been formed throughout the City to finance improvements through the issuance of bonds. The types of improvements the districts have financed include subdivision improvements, street lights, and parks. Assessments are levied and added to the tax roll on properties within the various districts. These assessments provide the source of payment on the bonds. The annual debt service payment is budgeted at \$7,024,662 plus associated administrative costs of \$450,319 for a total budget of \$7,474,981.

## DEBT

### SUCCESSOR AGENCY AND UTILITIES DEBT

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

#### SUCCESSOR AGENCY

##### Successor Agency - 2016 Tax Allocation Refunding Bonds - Series A and B (see page L-7)

The Series A Bonds were issued in the amount of \$73,310,000 and the Taxable Series B Bonds were issued in the amount of \$30,010,000 in November 2016. The Bonds were issued to refund and defease the following obligations: 2003 Series A and B Certificates of Participation (Redevelopment Housing Projects); 2004 Revenue Bonds (Stockton Events Center-Arena Project); and the 2006 Series A and C (Housing and Redevelopment Projects). The source for repayment is Successor Agency property tax revenue that is pledged toward repayment of the bonds. The annual debt service payment and fees for the bonds are budgeted at \$7,474,091.

#### MUNICIPAL UTILITIES DEBT

##### Stockton Public Financing Authority Revenue Bonds Series 2010A (See page L-8)

The 2010 Water Revenue Bonds, Series A were issued in the amount of \$55,000,000 in October 2010. The 2010A Bonds were issued for the design and construction of the final phase of the Delta Water Supply Project. The repayment of the 2010A Bonds is from a pledge of net revenues of the Water Utility Fund. The annual debt service payment and fees for the bonds are budgeted at \$3,443,538.

##### Stockton Public Financing Authority Revenue Bonds Series 2018A (See page L-8)

The 2018A Water Refunding Revenue Bonds, Series A were issued in the amount of \$145,220,000 in November 2018. The 2010A Bonds were issued to refinance prior bonds issued in 2002 (refinance of bonds issued in 1993), 2005 that had financed numerous projects, and 2009 that had financed a large portion of the Delta Water Supply Project. The repayment of the 2018A Bonds is from a pledge of available revenues of the Water Utility Fund after the senior 2010A bonds are paid. The annual debt service payment and fees for the bonds are budgeted at \$11,856,175.

##### Stockton Public Financing Authority Wastewater Revenue Refunding Bonds Series 2014 (See page L-9)

The 2014 Wastewater Revenue Bonds were issued in the amount of \$69,440,000 in November 2014 to refund and defease Certificates of Participation issued by the Utility in 1998 and 2003. These earlier debt issues financed various projects throughout the wastewater system. The repayment of the 2014 Bonds is from a pledge of net revenues of the Wastewater Fund. The annual debt service payment and fees for the bonds are budgeted at \$6,489,625.

## DEBT

### OTHER DEBT SERVICE

#### Section 108 Loans (See page I-13)

The City has entered into four Section 108 loan guarantee agreements with the U.S. Department of Housing and Urban Development (HUD) to complete redevelopment projects. Repayment of the loans will be financed from Community Development Block Grant entitlement funds. The loans were refinanced in 2019, and the annual debt service payment is \$1,781,904.

**City Debt Service Fund - 201**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17</u> <u>Actual</u>	<u>FY 2017-18</u> <u>Actual</u>	<u>FY 2018-19</u> <u>Projected</u>	<u>FY 2019-20</u> <u>Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 2,998,849</b>	<b>\$ 1,549,904</b>	<b>\$ 1,553,479</b>	<b>\$ 1,748,978</b>
<b>Revenues</b>				
Charges for Services	1,486,705	1,514,381	1,540,593	1,566,255
Other	(4,911)	10,000	125,000	140,000
Investment Proceeds	(13,762)	(1,568)	-	-
	<u>1,468,032</u>	<u>1,522,813</u>	<u>1,665,593</u>	<u>1,706,255</u>
<b>Expenditures</b>				
Principal Payments	12,193,113	748,565	9,961,772	99,423
Interest Expense	2,371,901	5,306,237	2,996,338	2,776,045
Contingent Payment	-	-	2,173,000	2,015,000
Operating Expenses	6,700	4,300	2,300	2,300
Administration & Overhead	651,207	649,547	633,614	603,735
Cost Reimbursed	(321,392)	(315,742)	(328,000)	(375,000)
	<u>14,901,529</u>	<u>6,392,907</u>	<u>15,439,024</u>	<u>5,121,503</u>
<b>Transfers</b>				
Transfer In - General Fund	1,443,873	4,873,669	5,053,930	3,582,175
Transfer In - Other	10,540,679	-	8,915,000	-
Transfer Out	-	-	-	-
	<u>11,984,552</u>	<u>4,873,669</u>	<u>13,968,930</u>	<u>3,582,175</u>
<b>Net Annual Activity</b>	<b>(1,448,945)</b>	<b>3,575</b>	<b>195,499</b>	<b>166,927</b>
<b>Ending Available Balance</b>	<b>\$ 1,549,904</b>	<b>\$ 1,553,479</b>	<b>\$ 1,748,978</b>	<b>\$ 1,915,905</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 1,583,646		
Current Liabilities		(30,262)		
Ending Available Balance		<u>\$ 1,553,384</u>		

**City Debt Service Funds  
FY 2019-20 Annual Budget**

	<b>Debt and Cash Administration 201</b>	<b>Assured Guaranty Repayment 201</b>	<b>CFD and 1915 Act Debt Service 250s/701s Various</b>	<b>Total</b>
<b>Date Issued</b>				
<b>Purpose</b>		<b>Settlement Agreement</b>	<b>Assessment Districts</b>	
<b>Beginning Available Balance</b>	<b>\$ 208,386</b>	<b>\$ 1,540,593</b>	<b>\$ -</b>	<b>\$ 1,748,979</b>
<b>Revenues</b>				
Charges for Services	140,000	1,566,255	-	1,706,255
Assessments	-	-	7,474,981	7,474,981
	<b>140,000</b>	<b>1,566,255</b>	<b>7,474,981</b>	<b>9,181,236</b>
<b>Expenditures</b>				
Principal	-	99,423	3,700,000	3,799,423
Interest	-	2,776,045	2,870,518	5,646,563
Contingent Payment	-	2,015,000	-	2,015,000
Administrative Costs	603,736	2,300	450,319	1,056,355
Other Debt Service Cost	-	-	454,144	454,144
Cost Reimbursed	(375,000)	-	-	(375,000)
	<b>228,736</b>	<b>4,892,768</b>	<b>7,474,981</b>	<b>12,596,485</b>
<b>Transfers</b>				
Transfer In - General Fund	230,000	3,352,175	-	3,582,175
Transfer In - Other	-	-	-	-
Transfer Out	-	-	-	-
	<b>230,000</b>	<b>3,352,175</b>	<b>-</b>	<b>3,582,175</b>
<b>Net Annual Activity</b>	<b>141,264</b>	<b>25,662</b>	<b>-</b>	<b>166,926</b>
<b>Ending Available Balance</b>	<b>\$ 349,650</b>	<b>\$ 1,566,255</b>	<b>\$ -</b>	<b>\$ 1,915,905</b>
			Revenues	\$ 9,181,236
			Transfers	3,582,175
			Total Sources	<b>\$ 12,763,411</b>
			Expenditures	\$ 12,596,485
			Transfers	-
			Total Appropriations	<b>\$ 12,596,485</b>

**Successor Agency Debt Service Fund - 231  
FY 2019-20 Annual Budget**

	<b>Revenue Bonds 2016A Series 231</b>	<b>Revenue Bonds 2016B Series 231</b>	<b>Total Debt Service 231</b>
<b>Date Issued</b>	<u>11/3/2016</u>	<u>11/3/2016</u>	
<b>Purpose</b>	<u>RDA Projects</u>	<u>Housing RDA Projects</u>	
<b>Expenditures</b>			
Principal	\$ -	\$ 3,625,000	\$ 3,625,000
Interest	3,373,800	466,291	3,840,091
Administration	4,500	4,500	9,000
	<u>3,378,300</u>	<u>4,095,791</u>	<u>7,474,091</u>
			-
<b>Transfers</b>			
Transfer In - Successor Agency	3,378,300	4,095,791	7,474,091
	<u>3,378,300</u>	<u>4,095,791</u>	<u>7,474,091</u>
<b>Net Annual Activity</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Water Debt Service Funds - 423  
FY 2019-20 Annual Budget**

	<b>Stockton Public Financing Authority Revenue Bond (2013 FR Conversion) Series 2010A 423</b>	<b>Stockton Public Financing Authority Revenue Bonds Series 2018A 423</b>	<b>Total Water Debt Service</b>
<b>Date Issued</b>	<u>8/11/2009</u>	<u>11/20/2018</u>	
<b>Purpose</b>	<u>Delta Water Supply Project</u>	<u>Delta Water Supply Project</u>	
<b>Revenues</b>			
Charges for Services	\$ -	\$ -	\$ -
Build America Bonds	-	-	-
Other Revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Principal	140,000	4,835,000	4,975,000
Interest	3,301,038	7,018,175	10,319,213
Operating Expenses	2,500	3,000	5,500
Capital Projects	-	-	-
	<u>3,443,538</u>	<u>11,856,175</u>	<u>15,299,713</u>
<b>Transfers</b>			
Transfer In			
Water User Fees - 421	3,443,538	10,573,258	14,016,796
Water Connections Fees - 424	-	1,282,917	1,282,917
Delta Water Surface Fee - 425	-	-	-
Transfer Out			
Water Debt Service - 423	-	-	-
Water Capital Projects - 427	-	-	-
	<u>3,443,538</u>	<u>11,856,175</u>	<u>15,299,713</u>
<b>Net Annual Activity</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Wastewater Debt Service Funds - 433  
FY 2019-20 Annual Budget**

	<b>Stockton Public Financing Authority Wastewater Revenue Refunding Bonds Series 2014 433</b>
<b>Date Issued</b>	<b>10/22/2014</b>
<b>Purpose</b>	<b>Wastewater Projects</b>
<b>Expenditures</b>	
Principal	\$ 3,795,000
Interest	2,692,125
Disclosure fees	2,500
	<b>6,489,625</b>
<b>Transfers</b>	
Transfer In	-
Wastewater User Fees - 431	3,050,095
Wastewater Connection Fees Capital Projects - 434	3,439,530
	<b>6,489,625</b>
<b>Net Annual Activity</b>	<b>\$ -</b>



## TAB 13 CAPITAL



# CAPITAL IMPROVEMENT PROGRAM

## MISSION STATEMENT

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

### Budget at a Glance:

Total Revenues	\$44,891,494
Total Expenditures	\$55,900,539
Total Net Cost	\$11,009,045

## PROGRAM DESCRIPTION

The projects listed in the accompanying five-year Capital Improvement Program have a minimum estimated individual cost of \$50,000 and provide long-term assets that maintain and improve our community. Budgeted funds for each project cover costs for design, construction, equipment and land purchases, project administration, and contingencies. The Capital Improvement Program includes buildings, parks, golf courses, utilities, and transportation system. The costs identified in the first year of the program are appropriated as a part of the operating and capital budget process. Each year, the five-year plan is reviewed considering the City's needs, priorities, and available funds, and revised as necessary.

## PRIOR YEAR ACCOMPLISHMENTS

The City received \$12.7 million in Federal and State grants from the following sources: \$4.9 million from Highway Safety Improvement Program Cycle 9, \$4.1 million from Active Transportation Program Cycle 4, and \$3.7 million from Congestion Mitigation Air Quality.

Measure K funding of \$4 million was obtained to complete the design phase of the Lower Sacramento Road Widening Project north of Royal Oaks Drive. The City worked with the San Joaquin Regional Rail Commission to commence design of the Channel Street Complete Street project.

Major project completions:

- Calaveras River & San Joaquin Trail Path Improvements
- Widening of Hammer Lane Phase 3B and Thornton Road
- Bus Rapid Transit Phase IV
- Emergency Vehicle Preemption System at Various Locations
- Fremont Square Sidewalk Improvements
- Arch Road & B Street Traffic Signal
- Traffic Calming installations in nine residential neighborhoods
- Black Oak Sanitary Rehabilitation
- Annual Street Resurfacing of existing street pavement

Key projects completed design and began construction:

- Fire Station 2 Remodel

## CAPITAL IMPROVEMENT PROGRAM

- Main Police Department Parking Lot Rehabilitation
- March Lane Adaptive Traffic Signal Control
- 2017 Sanitary Sewer Manhole Rehabilitation
- Pedestrian Safety Upgrades at 14 locations including nine school sites
- Miner Avenue Complete Streets Project
- Curb, Gutter, and Sidewalk Repairs
- Street Light Knockdown Replacement
- Local Street Resurfacing
- Street Resurfacing on Federal-Aid Streets

### KEY CONSIDERATIONS

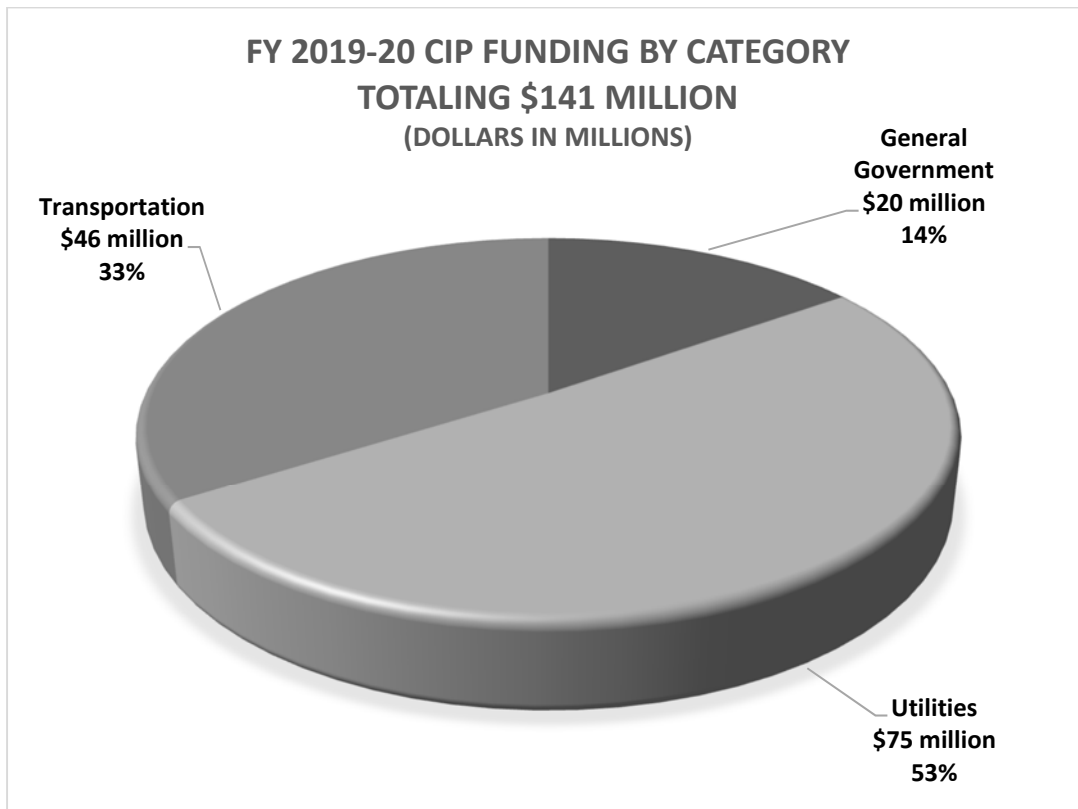
By program the CIP includes a list of projects with a total value of \$1.1 billion, including Municipal Utility projects of \$408 million, transportation projects of \$330 million, and other Citywide projects of \$382 million. The first four years of the CIP are financially constrained and reflect projects where the City has identified funding. The fifth year of the CIP reflects the City's unfunded facility and transportation needs in addition to projects with identified funding. In accordance with the Long-Range Financial Plan, the CIP assumes \$1.1 million General Fund in each of its five fiscal years. This amount is insufficient to fund the General Fund capital improvement needs over the same five-year period, which are estimated at \$382 million. In the Transportation area, there is an additional \$189 million in unfunded needs listed in the fifth year (FY 2023-24). There are some projects the City expects to begin within the five years of this document but the full project cost is not shown because the projects will not be completely funded until future years.

By program, the CIP envisions \$141.3 million in capital projects in FY 2019-20. This year is the only year of the plan with available funding appropriated. FY 2019-20 funding by program is: \$20.5 million for General Government projects; \$46.1 million for Transportation/Street projects; and \$74.7 million for Utilities projects. Of the \$20.5 million for General Government projects, \$1.2 million or 6% is from unrestricted General Fund sources, excluding Parking, Fleet, Library, Recreation, Public Facilities Fees and one-time special reimbursements. Funding from Strong Communities tax revenues contribute \$10.9 million to the general government \$20.5 million for the Northeast Stockton McNair Library and Recreation Center project. Proposed funding for utility projects is from utility fees.

The transportation projects assumed in the CIP require a FY 2019-20 allocation of \$46.1 million with \$19.9 million coming from State and Federal grants, \$5.3 million from Gas Tax Road Maintenance Rehabilitation Account, and \$17.4 million from Measure K. Additional funding sources include Transportation Development Act monies and Public Facility Fees (PFF) paid by the development community for specific infrastructure improvements and other reimbursements.

The following chart summarizes the FY 2019-20 capital projects by the three categories in the CIP: General Government, Transportation, and Utilities.

## CAPITAL IMPROVEMENT PROGRAM



### General Government

This category includes improvements associated with City-owned facilities including police, fire, parks, golf courses, libraries, community centers, and city buildings. The CIP assumes these improvements are funded from the General Fund, as well as dedicated funding sources such as PFF, Measure M – Strong Communities and other reimbursements.

The recommended General Fund allocation for capital projects in FY 2019-20 is \$1.2 million which has been allocated to several projects that address the Council's strategic priorities relative to infrastructure. These projects are:

- Roof Replacement and Construction
- Fire Stations Exterior Repainting
- Fire Station No. 2 Window Replacement
- Main Police Facility Renovations
- Cesar Chavez Central Library Restrooms Remodel
- Center Street Weir Repair Design

The other significant project under General Government in FY 2019-20 is the construction of the Northeast Stockton Library and Recreation Center. This project total cost is \$19.3 million partially funded with \$10.9 million from Strong Communities tax revenues with the remaining funding from Library Public Facility Fees.



## CAPITAL IMPROVEMENT PROGRAM

### Transportation

The City funds improvements to its transportation system from non-General Fund sources that are restricted to transportation uses. These sources include State and Federal grants, Transportation Development Act, Gas Tax, PFF, SB1 (RMRA), Measure K and other reimbursements.

The transportation projects included in the CIP represent the City's continuing effort to improve traffic flow, safety, and personal mobility; reduce air pollution; accommodate growth; foster economic development; promote the use of alternate transportation modes; and preserve the transportation infrastructure. The City draws projects from many sources, including the Stockton Street Improvement Plan, Circulation Element of the General Plan, Bicycle Master Plan, Safe Routes to School Plan, Complete Streets Plans and various planning documents from San Joaquin Council of Governments.

The City has been successful in obtaining significant funds for transportation projects from local, state, and federal funding sources. Based on past performance, the CIP includes an aggressive list of transportation projects for which the Department will seek grant funds to facilitate the design and construction of the needed improvements.

In general, the larger transportation projects included for funding in FY 2019-20 include:

- Miner Avenue Complete Streets Improvements
- Bridge Rehabilitation and Replacement
- Local Street Resurfacing
- Sidewalks, Curbs, Gutter Repair Program
- Curb, Gutter, and Sidewalk Infill Program
- California Street Road Diet
- Central Stockton Road & East-West Road Diet Projects
- Sidewalk Gap Closure Project
- Neighborhood Traffic Calming Program
- Installation of bus detection devices and traffic signal upgrades (Bus Rapid Transit IB and V Projects)
- Accessible Pedestrian Signals

### Utilities

The City funds capital improvements to its Water, Wastewater, and Stormwater utility systems from non-General Fund sources dedicated to utility operations, maintenance, and improvements. These sources include utility user fees, connection fees, and PFF.

The Municipal Utilities Department continues to budget new project funds in the Water Enterprise for improvements and repairs at Delta Water Treatment Plant and water service laterals at various locations. Other projects included in the FY 2019-20 budget includes the Abandonment of Water Well No. 1, 9, 11, and 16, Veterans Affairs Medical Facility Water Line Extension, and an update to the Water System Master Plan.

## CAPITAL IMPROVEMENT PROGRAM

The Regional Wastewater Control Facility Modifications Project, a major component of the 2011 Capital Improvement and Energy Management Plan (CIEMP) is a multiyear \$222 million project to repair, replace and upgrade the treatment process units at the Regional Wastewater Control Facility (RWCF). A large part of the RWCF infrastructure is over 60 years old and past its effective operating life. The funding approved in FY 2015-16 advanced the first phase of the progressive design-build that will provide the design of the overall RWCF Modifications Project. Funding for FY 2019-20 will be used for the beginning of the second phase (final design and construction) of the project. The project will incorporate many of the CIEMP improvements as well as new facilities to meet new wastewater discharge permit requirements. The Wastewater Enterprise is also proposing to fund other improvements both within the RWCF and throughout the City, such as rehabilitation of several trunk line facilities and pump stations, and an assessment of the solids handling processes at the RWCF. An update to the Sewer Master Plan is also included in the FY 2019-20 budget.

The Stormwater Enterprise fee has been unchanged since 1992, so the utility's revenues have not kept pace with the costs for needed capital improvements. Therefore, the CIP moves a large number of capital improvement projects to later years. For FY 2019-20, available funding will be used to address a small fraction of needed pipeline deficiencies and development of a Stormwater Master Plan.

### Capital Improvement Plan Operational Impact

Of the \$141.3 million appropriated for capital projects in FY 2019-20, only one project is expected to impact ongoing operating costs. All other capital projects are improvements to existing facilities and infrastructure. The Northeast Stockton McNair Library and Recreation Center is a new facility with operating cost initially funded through Strong Communities tax proceeds. Following the expiration of the tax, operating costs will need to be absorbed by the General Fund.

**Capital Project Funds  
Summary  
FY 2019-20 Annual Budget**

	<u>General Government</u> <i>See Page M-7</i>	<u>Transportation Programs</u> <i>See Page M-9</i>	<u>Public Facilities Fees</u> <i>See Page M-10</i>	<u>Capital Improvement Total</u>
<b>Beginning Available Balance</b>	<b>\$ 1,305,490</b>	<b>\$ 7,020,081</b>	<b>\$ 35,801,159</b>	<b>\$ 44,126,730</b>
<b>Revenues</b>				
Grants	-	20,189,387	-	20,189,387
Fees	-	-	4,945,900	4,945,900
Investment Proceeds	500	60,000	495,484	555,984
Other Revenue	335,361	17,191,563	-	17,526,924
	<u><b>335,861</b></u>	<u><b>37,440,950</b></u>	<u><b>5,441,384</b></u>	<u><b>43,218,195</b></u>
<b>Expenditures</b>				
Capital Projects - General Government	1,207,000	-	8,330,000	9,537,000
Capital Projects - Transportation	-	37,568,510	3,000,000	40,568,510
Other	870,000	3,293,620	1,020,749	5,184,369
	<u><b>2,077,000</b></u>	<u><b>40,862,130</b></u>	<u><b>12,350,749</b></u>	<u><b>55,289,879</b></u>
<b>Transfers</b>				
Transfer In - General Fund	-	-	-	-
Transfer In - Successor Agency	1,328,299	-	-	1,328,299
Transfer In - Public Facilities Fees	-	-	345,000	345,000
Transfer Out	(265,660)	-	(345,000)	(610,660)
	<u><b>1,062,639</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>1,062,639</b></u>
<b>Net Annual Activity</b>	<u><b>(678,500)</b></u>	<u><b>(3,421,180)</b></u>	<u><b>(6,909,365)</b></u>	<u><b>(11,009,045)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 626,990</b></u>	<u><b>\$ 3,598,901</b></u>	<u><b>\$ 28,891,794</b></u>	<u><b>\$ 33,117,685</b></u>
			Revenues	\$ 43,218,195
			Transfers	1,673,299
			Total Sources	<u><b>\$ 44,891,494</b></u>
<b>Reconciliation of Capital Funds</b>				
Capital Projects	\$ 50,105,510		Expenditures	\$ 55,289,879
Public Works Gas Tax (pg. F-11)	5,265,000		Transfers	610,660
Public Works Fleet Internal Service Fund (pg. N-9)	40,000		Total Capital Project Funds	<u><b>\$ 55,900,539</b></u>
Strong Communities (pg. G-9)	10,920,000			
Utilities (pg. J-7)	74,954,394		Utilities Projects	<u><b>\$ 74,954,394</b></u>
Total Appropriations	<u><b>\$ 141,284,904</b></u>			
Project Total by Category (pg. M-14)	<u><b>\$ 141,284,904</b></u>			

**Capital Project Funds  
General Government Funds  
FY 2019-20 Annual Budget**

	<b>General Capital 301</b>	<b>Other Reimbursements 301/305</b>	<b>Public Art 306</b>	<b>General Government Total</b>
<b>Beginning Available Balance</b>	<b>\$ 422,669</b>	<b>\$ 600,000</b>	<b>\$ 282,821</b>	<b>\$ 1,305,490</b>
<b>Revenues</b>				
Other Revenue	335,361	-	-	335,361
Fees	-	-	-	-
Investment Proceeds	-	-	500	500
	<b>335,361</b>	<b>-</b>	<b>500</b>	<b>335,861</b>
<b>Expenditures</b>				
Capital Projects - General Government	1,207,000	-	-	1,207,000
Capital Projects - Transportation	-	-	-	-
Other Maintenance	-	-	270,000	270,000
Other Expenses	-	600,000	-	600,000
	<b>1,207,000</b>	<b>600,000</b>	<b>270,000</b>	<b>2,077,000</b>
<b>Transfers</b>				
Transfer In - General Fund	-	-	-	-
Transfer In - Successor Agency	1,328,299	-	-	1,328,299
Transfer Out - Low/Mod Housing	(265,660)	-	-	(265,660)
	<b>1,062,639</b>	<b>-</b>	<b>-</b>	<b>1,062,639</b>
<b>Net Annual Activity</b>	<b>191,000</b>	<b>(600,000)</b>	<b>(269,500)</b>	<b>(678,500)</b>
<b>Ending Available Balance</b>	<b>\$ 613,669</b>	<b>\$ -</b>	<b>\$ 13,321</b>	<b>\$ 626,990</b>



**Capital Project Funds  
Transportation Funds  
FY 2019-20 Annual Budget**

	<b>Transportation Dev. Act. 034</b>	<b>Grants 038/304/308</b>	<b>Measure K Capital 080</b>	<b>Measure K Maintenance 082</b>	<b>Transportation Total</b>
				<i>See Page F-13</i>	
<b>Beginning Available Balance</b>	<b>\$ 1,970</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,018,111</b>	<b>\$ 7,020,081</b>
<b>Revenues</b>					
Grants	279,000	19,910,387	-	-	20,189,387
Fees	-	-	-	-	-
Reimbursements	-	-	11,691,563	5,500,000	17,191,563
Investment Proceeds	-	-	-	60,000	60,000
	<b>279,000</b>	<b>19,910,387</b>	<b>11,691,563</b>	<b>5,560,000</b>	<b>37,440,950</b>
<b>Expenditures</b>					
Capital Projects - General Government	-	-	-	-	-
Capital Projects - Transportation	279,000	19,910,387	11,691,563	5,687,560	37,568,510
Other	-	-	-	3,293,620	3,293,620
	<b>279,000</b>	<b>19,910,387</b>	<b>11,691,563</b>	<b>8,981,180</b>	<b>40,862,130</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>(3,421,180)</b>	<b>(3,421,180)</b>
<b>Ending Available Balance</b>	<b>\$ 1,970</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,596,931</b>	<b>\$ 3,598,901</b>

**Capital Project Funds  
Public Facilities Fee  
FY 2019-20 Annual Budget**

	<b>Traffic Signals Citywide 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>\$ 363,808</b>	<b>\$ 213,309</b>	<b>\$ 195,011</b>	<b>\$ 269,235</b>	<b>\$ 78,556</b>
<b>Revenues</b>					
Fees	46,000	10,200	12,200	39,500	55,000
Investment Proceeds	3,709	2,100	1,850	2,500	1,200
	<b>49,709</b>	<b>12,300</b>	<b>14,050</b>	<b>42,000</b>	<b>56,200</b>
<b>Expenditures</b>					
Capital Projects	-	-	-	-	-
Other	-	-	-	-	-
	-	-	-	-	-
<b>Transfers</b>					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	-	-	-	-	-
<b>Net Annual Activity</b>	<b>49,709</b>	<b>12,300</b>	<b>14,050</b>	<b>42,000</b>	<b>56,200</b>
<b>Ending Available Balance</b>	<b>\$ 413,517</b>	<b>\$ 225,609</b>	<b>\$ 209,061</b>	<b>\$ 311,235</b>	<b>\$ 134,756</b>

**Capital Project Funds  
Public Facilities Fee, Continued  
FY 2019-20 Annual Budget**

	<b>Street Improvements Citywide 910 - 915</b>	<b>Street Improvements Reg Traffic 917</b>	<b>Community Recreation Centers-Citywide 920</b>	<b>City Office Space 930</b>	<b>Fire Station Citywide 940</b>
<b>Beginning Available Balance</b>	<b>\$ 10,545,065</b>	<b>\$ 7,716,936</b>	<b>\$ 793</b>	<b>\$ 241,863</b>	<b>\$ 65,800</b>
<b>Revenues</b>					
Fees	1,522,000	1,500,000	25,000	64,000	135,000
Investment Proceeds	230,000	55,000	1,100	3,425	3,500
	<b>1,752,000</b>	<b>1,555,000</b>	<b>26,100</b>	<b>67,425</b>	<b>138,500</b>
<b>Expenditures</b>					
Capital Projects	3,000,000	-	-	-	-
Other	1,000,000	3,000	-	-	-
	<b>4,000,000</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>					
Transfer In	210,000	-	-	-	-
Transfer Out	-	-	(25,000)	-	(135,000)
	<b>210,000</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>(135,000)</b>
<b>Net Annual Activity</b>	<b>(2,038,000)</b>	<b>1,552,000</b>	<b>1,100</b>	<b>67,425</b>	<b>3,500</b>
<b>Ending Available Balance</b>	<b>\$ 8,507,065</b>	<b>\$ 9,268,936</b>	<b>\$ 1,893</b>	<b>\$ 309,288</b>	<b>\$ 69,300</b>
			(a)		(a)

(a) These fee programs have been over leveraged with spending outpacing available revenues.  
The FY 2018-19 Annual Budget incorporates a repayment plan for these funds.



**Capital Project Funds  
Public Facilities Fee, Continued  
FY 2019-20 Annual Budget**

	<b>Library Citywide 950</b>	<b>Police Station Expansion 960</b>	<b>Parkland Citywide 970</b>	<b>Street Trees 978</b>	<b>Street Signs 979</b>
<b>Beginning Available Balance</b>	<b>\$ 8,213,428</b>	<b>\$ 49,582</b>	<b>\$ 4,705,406</b>	<b>\$ 27,580</b>	<b>\$ 12,654</b>
<b>Revenues</b>					
Fees	141,000	185,000	200,000	-	1,000
Investment Proceeds	40,000	-	100,000	6,500	2,000
	<b>181,000</b>	<b>185,000</b>	<b>300,000</b>	<b>6,500</b>	<b>3,000</b>
<b>Expenditures</b>					
Capital Projects	8,330,000	-	-	-	-
Other	-	-	-	-	-
	<b>8,330,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>					
Transfer In	135,000	-	-	-	-
Transfer Out	-	(185,000)	-	-	-
	<b>135,000</b>	<b>(185,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(8,014,000)</b>	<b>-</b>	<b>300,000</b>	<b>6,500</b>	<b>3,000</b>
<b>Ending Available Balance</b>	<b>\$ 199,428</b>	<b>\$ 49,582</b>	<b>\$ 5,005,406</b>	<b>\$ 34,080</b>	<b>\$ 15,654</b>
		(a)			

(a) These fee programs have been over leveraged with spending outpacing available revenues.  
The FY 2018-19 Annual Budget incorporates a repayment plan for these funds.

**Capital Project Funds  
Public Facilities Fee, Continued  
FY 2019-20 Annual Budget**

	<b>Street Lights City Wide 980</b>	<b>Street Lights Zone 1 981</b>	<b>Street Lights Zone 3 &amp; 4 983</b>	<b>Street Lights Zone 5 985</b>	<b>Air Quality 990</b>	<b>Public Facilities Total</b>
<b>Beginning Available Balance</b>	<b>\$ 6,675</b>	<b>\$ 14,136</b>	<b>\$ 38,171</b>	<b>\$ 11,853</b>	<b>\$ 3,031,298</b>	<b>\$ 35,801,159</b>
<b>Revenues</b>						
Fees	-	-	-	-	1,010,000	4,945,900
Investment Proceeds	2,300	300	1,400	3,600	35,000	495,484
	<u>2,300</u>	<u>300</u>	<u>1,400</u>	<u>3,600</u>	<u>1,045,000</u>	<u>5,441,384</u>
<b>Expenditures</b>						
Capital Projects	-	-	-	-	-	11,330,000
Other	-	-	-	-	17,749	1,020,749
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,749</u>	<u>12,350,749</u>
<b>Transfers</b>						
Transfer In	-	-	-	-	-	345,000
Transfer Out	-	-	-	-	-	(345,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>2,300</u>	<u>300</u>	<u>1,400</u>	<u>3,600</u>	<u>1,027,251</u>	<u>(6,909,365)</u>
<b>Ending Available Balance</b>	<u><u>\$ 8,975</u></u>	<u><u>\$ 14,436</u></u>	<u><u>\$ 39,571</u></u>	<u><u>\$ 15,453</u></u>	<u><u>\$ 4,058,549</u></u>	<u><u>\$ 28,891,794</u></u>

**Capital Improvement Program 2019-2024**  
**Project Summary by Program**  
(Dollars in thousands)

	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
<b>General Government</b>						
Citywide	1,568	440	799	1,250	4,100	239,415
Golf	-	-	-	-	-	5,431
Library	118	19,430	-	388	-	15,076
Recreation	5,202	-	1,403	1,211	5,009	8,948
Fire	449	141	179	197	-	36,988
Police	-	400	-	500	928	17,040
Parks & Trees	2,855	86	3,128	75	-	19,284
	<u>10,192</u>	<u>20,497</u>	<u>5,509</u>	<u>3,621</u>	<u>10,037</u>	<u>342,181</u>
<b>Transportation/Streets</b>	<u>39,577</u>	<u>46,120</u>	<u>13,008</u>	<u>21,769</u>	<u>22,366</u>	<u>227,186</u>
<b>Utilities</b>	<u>20,566</u>	<u>74,667</u>	<u>87,321</u>	<u>94,235</u>	<u>79,829</u>	<u>71,580</u>
<b>Total CIP Program</b>	<u>70,335</u>	<u>141,284</u>	<u>105,838</u>	<u>119,625</u>	<u>112,232</u>	<u>640,947</u>

**Capital Improvement Program 2019-2024**  
**Project Totals by Fund**  
(Dollars in thousands)

	<b>Fund Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
<b>General Government and Grants</b>							
Other Reimbursements	020	333	-	-	-	-	884
Gas Tax	030	5,350	5,265	5,265	5,265	5,265	5,265
Transportation Dev Act	034	303	279	285	290	296	302
Federal Grants	038/308	11,896	19,910	4,441	11,531	7,017	2,696
State Grants	304	790	-	-	-	-	-
Landscape Maint Dist	072	120	-	-	-	-	-
Measure K Renewal	080	5,107	11,692	-	-	-	-
Measure K Maintenance	082	2,350	5,688	2,617	3,641	3,361	2,456
Strong Communities	083	5,320	10,920	1,403	1,599	5,009	16,135
Entertainment Venues	086	-	-	-	750	-	500
General Capital Fund	301	8,178	1,207	1,124	1,122	4,903	1,101
Strong Neighborhoods	305	-	-	-	-	-	-
Parking Authority	419	-	-	50	-	-	-
Downtown Marina	480	-	-	-	200	200	200
Fleet ISF	501	150	40	249	-	-	-
		<b>39,897</b>	<b>55,001</b>	<b>15,634</b>	<b>24,398</b>	<b>26,051</b>	<b>29,539</b>
<b>Public Facilities Fees</b>							
Traffic Signals	900-904	-	-	-	-	-	-
Street Improvement	910-915	7,985	3,000	200	300	300	300
Regional Streets	917	-	-	-	692	5,275	-
Library	950	-	8,330	-	-	-	-
Parkland	970	-	-	2,533	-	-	11,891
Street Trees	978	-	-	-	-	-	-
Street Signs	979	-	-	-	-	-	-
Street Lights	980-985	-	-	-	-	-	-
Air Quality	990	-	-	-	-	777	-
		<b>7,985</b>	<b>11,330</b>	<b>2,733</b>	<b>992</b>	<b>6,352</b>	<b>12,191</b>
<b>Utilities</b>							
Water	423/427	1,105	4,862	2,893	3,706	3,515	4,595
Wastewater	437	20,547	68,244	83,284	89,853	74,573	64,150
Stormwater	447	801	1,849	1,293	675	1,741	2,836
		<b>22,453</b>	<b>74,954</b>	<b>87,471</b>	<b>94,235</b>	<b>79,829</b>	<b>71,580</b>
<b>Unfunded</b>							
Unidentified Funding		-	-	-	-	-	527,637
<b>Total CIP Funding</b>		<b>70,335</b>	<b>141,284</b>	<b>105,838</b>	<b>119,625</b>	<b>112,231</b>	<b>640,947</b>

**Capital Improvement Program 2019-2024**  
**Project List by Category**  
(Dollars in thousands)

	<b>Project Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
<b>City-Wide</b>							
ADA Compliance Program	PW7022/ 1701	-	-	100	100	100	100
Arena and Ballpark Flooring Replacement Project	000000	-	-	-	-	-	500
Arena Video Equipment	EV3661	-	-	-	700	-	-
Asbestos Removal City Buildings	PW7002	-	-	-	-	-	-
Bob Hope Theatre Facilities and HVAC Repairs	000000	-	-	-	50	-	-
Buckley Cove Parking Lot Pavement Resurfacing	000000	-	-	200	-	-	-
Build Fleet Parts Supply Warehouse	000000	-	-	100	-	-	-
City Facility Assessment Rehabilitation Program	000000	-	-	-	-	-	200,000
Downtown Acquisition/Demolition Evaluation of Fuel	PW7102 PW1501	- -	- -	- -	- -	- -	- -
Storage/Dispensing Sites Historic City Hall Renovations	000000	-	-	-	-	-	37,530
Janet Leigh Plaza Pedestrian Improvements	'000000	-	-	-	-	-	250
Oak Park Ice Arena Upgrades and Rehabilitation	ED8604	-	-	-	-	-	-
Marina Sail Covering Replacement Project	ED8605	-	-	-	200	200	200
Miracle Mile Parking Lots Resurfacing	000000	-	-	-	-	-	635
MSC Yard and Main Police Fuel Site Upgrades	PW1502	-	-	-	-	-	-
Paint Shop Building Conversion	000000	-	-	149	-	-	-
Parking Signage Project	ED4181	-	-	50	-	-	-
Roof Replacement and Construction Program	PW1320	400	400	200	200	200	200
Re-roofing City Buildings	PW7087	-	-	-	-	-	-
SEB Public Works Relocation	PW1614	-	-	-	-	-	-
Vehicle and Equipment Wash Rack Improvements and Upgrades	PW1616	-	40	-	-	-	-
Waterfront Towers - New City Hall Renovations and Relocation	PW1615	685	-	-	-	3,600	-
Government Access Channel Alternate Sites (Civic Auditorium & Bob Hope)	PW1709	333	-	-	-	-	-
Emergency Back up Generators	PW1822	150	-	-	-	-	-
<b>Total City-Wide</b>		<b>1,568</b>	<b>440</b>	<b>799</b>	<b>1,250</b>	<b>4,100</b>	<b>239,415</b>
<b>Community Services</b>							
<b>Golf</b>							
Van Buskirk Golf Course Irrigation	000000	-	-	-	-	-	5,431
<b>Total Golf</b>		-	-	-	-	-	<b>5,431</b>

**Capital Improvement Program 2019-2024**  
**Project List by Category**  
(Dollars in thousands)

	<b>Project Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
<b>Library</b>							
Cesar Chavez Library Remodel	000000	-	-	-	388	-	13,308
Library Book Collection Augmentation	PW9202	-	-	-	-	-	-
New Library Facility Study	PW9262	-	-	-	-	-	-
Chavez Library Restroom Renovations and ADA Compliance - Children's Area	PW1408	-	-	-	-	-	-
Chavez Library Upgrades and Maintenance	PW1509	-	-	-	-	-	-
Chavez Library Restroom Renovations and ADA Compliance - Staff	PW1620	-	180	-	-	-	-
Northeast Stockton McNair Library and Recreation Center	PW1724	-	19,250	-	-	-	-
Radio Frequency Identification Conversion	000000	-	-	-	-	-	1,768
Troke Program Room Remodel	PW1728	118	-	-	-	-	-
<b>Total Library</b>		<b>118</b>	<b>19,430</b>	<b>-</b>	<b>388</b>	<b>-</b>	<b>15,076</b>
<b>Recreation</b>							
Aquatic Facilities Renovation and Replacement	PW1820	1,710	-	1,403	809	357	1,943
Civic Auditorium Stage Controls/Rigging	PW1409	-	-	-	-	-	623
Civic Auditorium Upgrades	000000	-	-	-	-	-	1,324
Louis Park Softball Complex	PW1323	-	-	-	-	-	520
Parking Lot & Walk Improvements							
McKinley Park & Recreation Center Renovation & Upgrades	000000	-	-	-	402	4,652	-
McNair Soccer Complex - Fencing, Gate & Turf Improvements	PW1624	496	-	-	-	-	-
Oak Park Facilities Upgrades	000000	-	-	-	-	-	3,606
Oak Park Tennis Center Upgrades	000000	-	-	-	-	-	820
Park Sportfield Lighting Repairs	000000	-	-	-	-	-	112
Recreation Facilities Upgrade	PW1537	-	-	-	-	-	-
Swimming Pool Evaluations	PW1513	-	-	-	-	-	-
Stockton Soccer Complex Upgrades and Maintenance Program	PW1510	2,996	-	-	-	-	-
<b>Total Recreation</b>		<b>5,202</b>	<b>-</b>	<b>1,403</b>	<b>1,211</b>	<b>5,009</b>	<b>8,948</b>
<b>Total Community Services</b>		<b>5,320</b>	<b>19,430</b>	<b>1,403</b>	<b>1,599</b>	<b>5,009</b>	<b>29,454</b>
<b>Public Safety - Fire</b>							
Emergency Vehicle Pre-emption	000000	-	-	-	-	-	550
Fire House Seismic Evaluations - Citywide	000000	-	-	-	-	-	298
Fire Station No. 11 Driveway and Parking Lot Replacement - Back of Station	000000	-	-	-	-	-	237
Fire Station Asphalt Preservation	000000	-	-	-	197	-	-
Fire Station Interior Apparatus Bay Painting	000000	-	-	-	-	-	372

**Capital Improvement Program 2019-2024**  
**Project List by Category**  
(Dollars in thousands)

	<b>Project Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
Fire Station Landscaping - Design & Construction	000000	-	-	-	-	-	654
Fire Station No. 13 Storage and Driveway Improvements	000000	-	-	-	-	-	458
Fire Station No. 14 Concrete Driveway and Parking Lot	000000	-	-	-	-	-	264
Fire Station No. 2 Parking Lot	000000	-	-	-	-	-	241
Fire Station No. 2 Window Replacement	PW1819	387	20	-	-	-	-
Fire Station No. 2 Burn Room	PW1503	-	-	-	-	-	-
Fire Station No. 3 Reconstruction	000000	-	-	-	-	-	11,144
Fire Station No. 4 Kitchen Improvements	PW1411	-	-	-	-	-	-
Fire Station No.10 Driveway & Parking Lot Improvements	PW1412	-	-	-	-	-	-
Fire Station No. 5 Concrete Driveway and Parking Lot Replacement	000000	-	-	-	-	-	239
Fire Station No. 6 Reconstruction	000000	-	-	-	-	-	11,144
Fire Station Nos. 2,4,5,6,7,9,10,&14 Exterior Painting	PW1706	-	121	179	-	-	-
Fire Station Security Systems	PW1707	62	-	-	-	-	-
Public Parking in Front of Fire Stations	000000	-	-	-	-	-	283
Regional Dispatch Center	000000	-	-	-	-	-	11,105
<b>Total Public Safety - Fire</b>		<b>449</b>	<b>141</b>	<b>179</b>	<b>197</b>	<b>-</b>	<b>36,988</b>
<b>Public Safety - Police</b>							
Animal Shelter Renovation	PW1321	-	-	-	500	344	-
Police Department Under Freeway Parking	PW1621	-	-	-	-	-	-
Police - Install Baffles at Firing Range	000000	-	-	-	-	-	3,594
Police Facilities	PW1535	-	400	-	-	-	2,830
Police Firing Range	000000	-	-	-	-	-	10,616
Replace Modular Buildings at Firing Range, Officer Training, Rangemaster's Office, etc.	000000	-	-	-	-	584	-
<b>Total Public Safety - Police</b>		<b>-</b>	<b>400</b>	<b>-</b>	<b>500</b>	<b>928</b>	<b>17,040</b>

**Capital Improvement Program 2019-2024**  
**Project List by Category**  
(Dollars in thousands)

	<b>Project Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
<b>Municipal Utilities</b>							
<b>Wastewater (Sanitation)</b>							
2017 Sanitary Sewer Rehabilitation - Phase II	M19001	600	-	-	-	-	-
Abandon Old Brookside Sanitary Sewer Pump Station	M20015	-	193	-	-	-	-
Airport Way Sewer Trunk Rehabilitation (SJC Fairgrounds to Ralph Ave.)	000000	-	-	886	4,344	-	-
Assessment of Various Unit Processes in the RWCF	M20021	-	300	300	-	-	-
Asset Condition Assessment for Sanitary Sewer Force mains	M20018	-	480	-	-	-	-
Asset Condition Assessment for Sanitary Sewer Pump Stations	M20019	-	519	-	-	-	-
Brookside and I-5 Pump Station Emergency Power	000000	-	-	-	-	-	236
Brookside Estates Sanitary Sewer Pump Station	000000	-	-	-	-	288	-
Downtown Sewer Collection System	M17018	-	244	250	271	278	7,141
El Dorado Street (Alpine to Wyandotte) Rehabilitation	000000	-	-	-	-	229	1,119
El Dorado Street (Fremont to Oak Street) Sewer Line Rehabilitation	000000	-	-	-	-	98	520
EL Dorado Street (Market to Fremont) Sewer Line Rehabilitation	000000	-	-	-	-	-	1,868
Etna Street Rehabilitation	000000	-	-	-	-	900	10,795
Fourteen Mile Slough Pump Station	M20022	-	82	340	3,093	-	-
Hazelton Avenue Sewer Trunk Rehabilitation (Della to Pilgrim Streets)	000000	-	-	-	-	-	2,147
Howard Street Sanitary Sewer Line Rehabilitation	M18031	-	431	-	-	-	-
Kelley and Mosher Slough Sanitary Sewer Pump Station	000000	-	-	-	-	820	-
Lincoln Road Sewer Trunk Rehabilitation - Pershing Ave. and Alexandria Pl.	000000	-	-	209	846	-	-
Lincoln Street Sanitary Sewer Pump Station and Force main	000000	-	-	312	8,189	-	-
Longview Avenue Sewer Rehabilitation - Pacific Ave. to El Dorado St.	000000	-	-	-	109	977	-
Louis Park Access Road	000000	-	-	86	-	-	-
March Lane Sewer Trunk Rehabilitation (I-5 to Brookside Sewer pump station)	000000	-	-	-	-	1,119	5,089
Mormon Slough Sanitary Sewer Line Rehabilitation	M18030	194	1,933	-	-	-	-
Navy Drive Sewer Trunk Line (Between I-5 and Fresno Ave.)	M15003	6,021	-	-	-	-	-
North Pump Station Assessment and Improvement	M19002	264	-	-	-	-	-



**Capital Improvement Program 2019-2024**  
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Oak Street Sewer Trunk Rehabilitation (Wilson Way to Pershing Avenue)	M20016	-	949	8,470	-	-	-
Pardee Lane Rehabilitation	000000	-	-	-	-	897	15,813
Pershing Avenue Sewer Trunk Rehabilitation (Oak Street to Tuxedo Avenue)	000000	-	-	-	-	94	1,504
Pershing Avenue Sewer Trunk Rehabilitation (Church Street to Navy Drive)	M17023	2,286	-	-	-	-	-
Pilgrim and Union Streets Easement Sanitary Sewer Rehabilitation	M18032	88	388	-	-	-	-
Plymouth & Five Mile Creek Sanitary Sewer Pump Station	000000	-	-	-	95	2,092	-
Quail Lakes Sanitary Sewer Lift Station Upgrade/Rehabilitation	000000	-	-	516	-	-	-
Ralph Avenue Sewer Trunk Line Rehabilitation - Phase II	M18024	-	1,037	9,475	-	-	-
Regional Wastewater Control Facility 60" River Crossing Forcemain Rehabilitation	000000	-	-	-	-	-	268
Regional Wastewater Control Facility Main Plant Flood Study	000000	-	-	-	217	-	-
Regional Wastewater Control Facility Main Plant Switchgear Upgrade with Load Shedding	000000	-	-	-	108	111	114
Regional Wastewater Control Facility Modifications Project - Progressive Design Build	M16022	2,793	44,119	50,274	61,794	53,518	9,128
Regional Wastewater Control Facility Pond No. 1 Cleaning	M18011	250	-	-	-	-	1,672
Rehabilitate Digesters A & B for Sludge Storage	M09006	-	-	-	1,678	1,678	-
Five Mile Slough Force Main Assessment	M18015	319	-	-	-	-	-
Howard Street Sanitary Sewer Line Rehabilitation	M18031	118	-	-	-	-	-
Market Street Sanitary Sewer Line Rehabilitation	M18030	3,347	-	-	-	-	-
Replacement of Compressors at Tertiary and Main Plants	M20012	-	374	187	187	-	-
Replacement of valve for the Secondary Clarifier No. 1	M20013	-	237	-	-	-	-
RWCF Primary Treatment Process Rehabilitation	M19004	549	-	-	-	-	-
RWCF - Cogeneration Engine No. 4 Rebuild	000000	-	-	-	-	749	-
RWCF - New Outfall at the Main Plant Site (eastern side) of the San Joaquin River	M20023	-	1,041	2,070	2,072	5,194	76
RWCF Cogeneration Engine No. 1 Rebuild	000000	-	-	-	790	-	-
RWCF Cogeneration Engine No. 3 Retrofit, Fuel Blending System	M20014	-	478	-	-	-	-
RWCF Electrical MCC Upgrades	M18010	-	-	-	503	503	503

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Sanitary Sewer and Forcemain Cathodic Protection Repairs - Priority 3	M17014	-	1,708	-	-	-	-
Sanitary Sewer Extension for VA Medical Facility in French Camp	M20025	-	328	-	-	-	-
Sanitary Sewer Large Diameter Lines Rehabilitation	M20020	-	400	1,442	369	835	947
Sanitary Sewer Maintenance Hole Rehabilitation Project	M20011	300	300	300	300	300	300
Sanitary Sewer Master Plan Update	M20024	-	955	-	-	-	-
Sanitary Sewer Small Diameter Lines Replacement	000000	-	-	333	1,530	-	-
Sanitary Sewer Street Improvements	M20017	27	93	15	15	15	15
Scotts Avenue Rehabilitation	000000	-	-	-	-	-	313
Sewer Pump Station Rehabilitation	M13010	244	-	-	-	-	-
RWCF SCADA Master Plan	M14010	-	-	-	-	-	-
RWCF Cogeneration Gas Dryer	M14011	-	-	-	-	-	-
Water Field Office Remodel	M14014	-	-	-	-	-	-
RWCF Site Security Upgrade	M14015	-	-	-	-	-	-
Biotower No. 4 Assessment	M14027	-	-	-	-	-	-
Clean Water State Revolving Fund	M14030	-	-	-	-	-	-
Highway 99 at Farmington Fresh Sewer	M14034	-	-	-	-	-	-
Alexandria Place Sewer Rehabilitation	M15001	-	-	-	-	-	-
Black Oak Public Utilities Easement Sewer Rehabilitation	M15002	-	-	-	-	-	-
Navy Drive 48 Inch Sewer Rehabilitation	M15003	-	-	-	-	-	-
2015 Sanitary Sewer Rehabilitation	M15005	-	-	-	-	-	-
MUD Cogeneration HVAC and Reroofing	M15006	-	-	-	-	-	-
Pershing Avenue Sewer Trunk Line	M16003	-	-	-	-	-	-
Navy Drive 30" and 24" Sewer Trunk	M16004	-	-	-	-	-	-
2015 Sanitary Sewer Maintenance	M16005	-	-	-	-	-	-
2016 Sanitary Sewer Rehabilitation	M16006	-	-	-	-	-	-
Congeneration No. 1 & No. 4 Overhaul	M16009	-	-	-	-	-	-
Storm Statins Cathodic RPR	M16010	-	-	-	-	-	-
Digesters 4, 5 - 36 Valves	M16011	-	-	-	-	-	-
Pump Station Pipe Inspection	M16013	-	-	-	-	-	-
Swenson Park Access Road	M16015	-	-	-	-	-	-
RWCF 2017 Paving	M16021	-	-	-	-	-	-
RWCF CIEMP Program Design	M16022	-	-	-	-	-	-
Scum Hopper	M17004	-	-	-	-	-	-

**Capital Improvement Program 2019-2024**  
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Upgrade Master Control Center 1	70-M17005	-	-	-	-	-	-
Upgrade Master Control Center 60B-2, 3, & 4	M17006	-	-	-	-	-	-
Ferric Tanks Digester Feed	M17008	-	-	-	-	-	-
Sanitary Sewer PS and FM	M17014	-	-	-	-	-	-
Myrtle Street Sanitary Sewer Line Rehabilitation	M17024	-	-	-	-	-	-
Della Streeet Sanitary Sewer Line Rehabilitation	M17025	-	-	-	-	-	-
Sewer Trunk Rehabilitation Under 5	I-M17026	-	-	-	-	-	-
RWCF Electric Switch Gear Upgrade	M18010	-	-	-	-	-	-
Congeration Evaporative Cooling Tower Replacement	M18013	-	-	-	-	-	-
Sanitary System Street Improvements	M18052	-	-	-	-	-	-
FY 17-18 Maintenance Hole Rehabilitation	M18054	-	-	-	-	-	-
RWCF CIEMP Environmental Impact Report	M12019	-	-	-	-	-	-
Sierra Nevada Street Sanitary Sewer Line Rehabilitation	M18029	173	1,553	-	-	-	-
Sludge Day Tank Mixing Rehabilitation	000000	-	-	268	268	-	-
South Tuxedo Avenue Sewer Trunk Rehabilitation	000000	-	-	-	-	512	-
Sperry Road/Gibraltar Court Sanitary Sewer Rehabilitation	000000	-	-	-	-	555	4,067
Swain Road and Alturas Avenue Sewer Rehabilitation	000000	-	-	-	-	57	516
Swenson & Five Mile Creek Sanitary Sewer Pump Station	000000	-	-	-	85	2,753	-
Thornton and Davis Road Sanitary Sewer	M13009	485	-	-	-	-	-
Union Street Rehabilitation - Harding Avenue to Acacia Street	000000	-	-	811	-	-	-
Veteran Affairs Medical Center Off-Site Improvements	M20026	-	5,219	6,733	2,993	-	-
Worth Street Sanitary Sewer Line Rehabilitation	M18028	603	4,847	-	-	-	-
<b>Total Sanitation</b>		<b>18,660</b>	<b>68,207</b>	<b>83,274</b>	<b>89,853</b>	<b>74,573</b>	<b>64,150</b>
<b>Stormwater (Drainage)</b>							
2020 Storm Line Replacement	M20008	-	279	-	-	-	-
Alexandria and 14-Mile Slough Storm Drain Pump Station	000000	-	-	-	-	69	412
Asset Condition Assessment for Stormwater Pump Stations	M20010	-	-	1,158	-	-	-
Bianchi and Calaveras River Storm Station New Sanitary Sewerline Installation	000000	-	-	-	-	378	-
Blossom Ranch Storm Drain Pump Station	000000	-	-	-	-	-	86
Buena Vista and Smith Canal Storm Drain Pump Station	000000	-	-	-	-	131	-

**Capital Improvement Program 2019-2024**  
**Project List by Category**  
(Dollars in thousands)

	<b>Project Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
Charter Way and Tillie Lewis Drive Flood Relief	000000	-	-	-	-	-	321
Charter Way and Walnut Plant Storm Drain Pump Station	000000	-	-	-	-	139	-
Charter Way Subway Storm Drain Pump Station	000000	-	-	-	-	60	-
El Dorado Street Storm Drain Installation	000000	-	-	-	-	-	345
Mission Road Storm Drainage Installation	000000	-	-	-	-	237	-
Abandonment of Wells 4 & 7	M13016	-	-	-	-	-	-
Water Wells 25 & 26	M14020	-	-	-	-	-	-
Water Well SSS 10	M17002	-	-	-	-	-	-
North Stockton Chloramine Conversion	M17012	-	-	-	-	-	-
Underground Emergency Repairs	M17027	-	-	-	-	-	-
Water Service Lateral Replacement	M17028	-	-	-	-	-	-
DSWP Treatment Plant Intake	M17029	-	-	-	-	-	-
SEWD North and South Aqueducts	M18001	-	-	-	-	-	-
Pump Station Discharge Modification for Pipe Inspections	M16013	-	-	-	675	-	-
Reimbursement for Blossom Ranch Drainage Study	M17033	-	52	-	-	-	-
Rose Street Storm Line Upsize	M18045	94	342	-	-	-	-
Spanos Park West Infiltration Assessment	000000	686	-	-	-	73	-
Storm Drain Master Plan	M20009	-	994	-	-	-	-
Storm System Street Improvements	M18046	22	-	-	-	-	-
West Lane and Calaveras River North Storm Station New Sanitary Sewer Line Installation	000000	-	-	-	-	135	811
West Lane and Calaveras River South Storm Station New Sanitary Sewer	000000	-	-	-	-	135	811
West Lane and Mosher Slough Storm Drain Pump Station	000000	-	-	-	-	304	-
Western Pacific Stormwater Pump Station Improvements	000000	-	-	-	-	-	50
Weston Ranch Infiltration Assessment	000000	-	-	-	-	79	-
<b>Total Stormwater (Drainage)</b>		<b>801</b>	<b>1,667</b>	<b>1,158</b>	<b>675</b>	<b>1,741</b>	<b>2,836</b>
<b>Water</b>							
Abandonment of Wells 1, 9, 11 & 16	M18004	-	352	198	-	-	-
Abandonment of Wells 9 & 11	M18002	50	-	-	-	-	-
Delta Water Treatment Plant - Intake	M17029	549	-	-	-	-	-
16" Water Line Along I-5 North of East Roth Road	000000	-	-	87	637	-	-
Advanced Metering Infrastructure	000000	-	-	-	-	-	491

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Henry Long Loop Reimbursement	000000	-	-	127	-	-	-
Holman Road/Hendrix Drive to Eight Mile Oversizing	000000	-	-	212	-	-	-
Lower Sacramento Road Water Main between Marlette and Eight Mile Roads	000000	-	-	201	-	-	-
Newcastle Loop Phase II	M18053	-	-	-	-	-	-
Northeast Reservoir No. 1 and Pump Station	000000	-	-	-	-	-	558
Origone Ranch Oversizing Reimbursement	000000	-	-	-	259	-	-
Preserve/Atlas Tract Oversizing Reimbursements	000000	-	-	-	485	-	-
Sanctuary/Shima Tract Oversizing Reimbursement	000000	-	-	249	1,569	-	-
Water Master Plan Update	M20006	-	994	-	-	-	-
Water Service Lateral Replacement	M17028	177	-	-	-	-	-
Water Service Lateral Replacement	M20001	-	223	223	223	223	223
Water Supply - Well #33 (Pumping Plant Only)	000000	-	-	-	447	-	-
Water System Street Improvements - 427	M17028/ M20005	32	4	12	12	12	12
Waterline Extension for VA Medical Facility in French Camp	M20004	-	102	-	-	-	-
Well/Reservoir Site Improvements	M07033	298	-	-	-	-	-
Well/Reservoir Site Improvements Phase 2	M20002	-	75	75	75	75	-
West, East and South Bear Creek Oversizing Reimbursements	000000	-	-	1,018	-	3,205	3,205
Westlake Village Oversizing Reimbursement	000000	-	-	-	-	-	106
Veteran Affairs Medical Center Off-Site Improvements	M20026	-	2,810	-	-	-	-
Zephyr Road Water Main Connection	M20003	-	234	485	-	-	-
<b>Total Water</b>		<b>1,105</b>	<b>4,794</b>	<b>2,888</b>	<b>3,706</b>	<b>3,515</b>	<b>4,595</b>
<b>Total Municipal Utilities</b>		<b>20,566</b>	<b>74,667</b>	<b>87,321</b>	<b>94,235</b>	<b>79,829</b>	<b>71,580</b>

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<b>Public Works</b>							
<b>Parks and Trees</b>							
American Legion Park Lagoon Fencing Replacement	000000	-	-	-	-	-	60
Bin Enclosures at City Facilities	PW1504	-	-	-	-	-	400
Cannery Park Neighborhood Park - 2.7 Acres	PW9270	-	-	-	-	-	994
Cannery Park Neighborhood Park - 7.48 Acres	PW9271	-	-	-	-	-	3,380
Center Street Weir Repair	PW1908	-	86	553	-	-	-
Citywide Drinking Fountain	PW1324	-	-	-	-	-	-
Vandalism Repairs & Replacements							
Citywide Park Shade Structure Replacement Program	PW1414	-	-	42	75	-	-
Citywide Park Walkway Replacement	000000	-	-	-	-	-	500
Game Court Rehabilitation Program	000000	-	-	-	-	-	2,363
General Emergency Maintenance	PW1505	-	-	-	-	-	-
Harrell Park Restroom Demolition	000000	-	-	-	-	-	100
Irrigation Controller Upgrade	PW1506	-	-	-	-	-	-
Library and Teen Center Landscape Refurbishment	000000	-	-	-	-	-	50
Louis Park Softball Parking Lot Lighting	000000	-	-	-	-	-	125
Louis Park Pump House Rehabilitation	PW1623	-	-	-	-	-	-
Oak Park Well Replacement	000000	-	-	-	-	-	82
Street Tree Planting - City	PW9118	-	-	-	-	-	-
Misasi Park	PW9131	-	-	-	-	-	-
La Morada Neighborhood Park	PW9173	-	-	-	-	-	-
Fong Park (Blossom Ranch)	PW9207	-	-	-	-	-	2,206
Oakmore Montego Neighborhood Park - 6 Acres	PW9254	-	-	2,533	-	-	-
Park Parking Renovation Program	000000	-	-	-	-	-	806
Park Restroom Rehabilitation and Repair Program	000000	-	-	-	-	-	350
Play Equipment Replacement	PW1512	-	-	-	-	-	600
Play Equipment Replacement - LMD	PW1818	120	-	-	-	-	-
Pool UV System Installations	000000	-	-	-	-	-	105
Pixie Woods Lagoon & Train Ride Improvements	PW1415	-	-	-	-	-	-
Residential Development Street Trees	PW1524	-	-	-	-	-	-
Stribley Park Burned Restroom Demo and Replacement	000000	-	-	-	-	-	347
Swenson Park and Golf Irrigation System Separation	000000	-	-	-	-	-	242
Van Buskirk Playground Rubber Fall Surface Replacement	PW1729	-	-	-	-	-	78
Victory Park Restrooms Demolition and Replacement	000000	-	-	-	-	-	235
Victory Park Well Replacement	PW1736	-	-	-	-	-	-
Waterfront Lighting Restoration	000000	-	-	-	-	-	320
Weber Point Shade Structure Fabric Replacement	000000	-	-	-	-	-	631

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Westlake Villages Park - 11.5 Acres	PW9269	-	-	-	-	-	5,311
Equinoa Park Improvements	PW1802	147	-	-	-	-	-
North Stockton Open Space Improvements	PW1803	1,077	-	-	-	-	-
Weber Point Events Center Fountain Filtration	PW1735	500	-	-	-	-	-
Weston Ranch Area Improvements	PW1804	1,011	-	-	-	-	-
<b>Total Parks and Trees</b>		<b>2,855</b>	<b>86</b>	<b>3,128</b>	<b>75</b>	<b>-</b>	<b>19,284</b>
<b>Streets</b>							
Accessible Pedestrian Signals (APS) Program	PW1528	-	180	180	180	180	180
Active Safe Routes to School	PW1812	359	-	-	-	-	-
Airport Way Bridge Fire Repair	PW1909	-	511	-	-	-	-
Alexandria and Five Mile Slough Culvert Replacement	PW1602	-	208	-	-	-	1,223
Alpine Avenue Grade Separation	000000	-	-	-	-	-	30,685
Arch-Airport Road and B Street Signalization	PW1417	-	-	-	-	-	-
Arch Road TS Fiber Optic	PW7239	-	-	-	-	-	-
Arch Road Widening - Austin Road to Performance Drive	000000	-	-	-	-	-	39,444
ATP - Bicycle Master Plan	PW1436	-	-	-	-	-	-
ATP - Calaveras River Bicycle and Pedestrian Path	PW1437	-	-	-	-	-	-
Fremont Square Sidewalk Reconstruction	PW1438	-	-	-	-	-	-
ATP - Miner Avenue Complete Streets	PW 1439	-	-	-	-	-	-
ATP - McKinley Elementary Safe Routes to School	PW 1440	-	-	-	-	-	-
ATP - Safe Routes to School	PW 1441	-	-	-	-	-	-
San Joaquin Trail Improvements	PW 1442	-	-	-	-	-	-
Tam O'Shanter / Castle Oaks	PW 1443	-	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY 2014-15	PW1446	-	-	-	-	-	-
ATP 4 - Safe Routes to School Sidewalk Gap Closure	PW1913	-	490	452	113	1,251	-
Bear Creek and Pixley Slough Bicycle and Pedestrian Path	PW1702	-	1,514	-	-	-	-
Bicycle Master Plan Implementation Program	PW1703	-	-	-	-	-	-
Bridge Engineering Program	PW1520	26	26	26	26	26	26
Bridge Maintenance Plan FY2019/20 SB1	PW1910	-	200	-	-	-	-
Bridge Maintenance Program FY2020/21 SB1	000000	-	-	500	-	-	-
Bridge Maintenance Program FY2021/22 SB1	000000	-	-	-	500	-	-

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Bridge Maintenance Program FY2022/23 SB1	000000	-	-	-	-	500	-
Bridge Maintenance Program FY2023/24 SB1	000000	-	-	-	-	-	500
Bridge Rehabilitation and Replacement	PW1603	-	-	-	-	-	-
Bridge Rehabilitation and Replacement Program FY 17/18	PW1704	1,610	-	-	-	-	-
Bridge Rehabilitation and Replacement Program FY 18/19	PW1801	306	1,085	-	-	-	-
Bridge Rehabilitation and Replacement Program FY 19/20	PW1911	-	236	836	-	-	-
Bridge Rehabilitation and Replacement Program FY 20/21	000000	-	-	355	1,258	-	-
Bridge Rehabilitation and Replacement Program FY 21/22	000000	-	-	-	207	735	-
Bus Rapid Transit, Phase IV (MLK Jr. Blvd. and Mariposa Rd.)	PW1303	-	-	-	-	-	-
Bus Rapid Transit (BRT) 1-B	PW1515	1,750	-	-	-	-	-
Bus Rapid Transit (BRT) V on Weber Avenue, Miner Avenue, Fremont Street, Filbert Street, and Main St.	PW1516	-	145	-	-	-	-
Installation and Upgrade of Bicycle Facilities (Class 2 & 3) Citywide	PW1517	-	-	-	-	-	-
California St. Road Diet - Phase 1	PW1805	250	6,346	-	-	-	-
California Street Gap Closure Improvements	000000	-	-	-	-	-	396
California Street and Washington Street Traffic Signal	PW1314	-	-	-	-	-	-
Central Stockton Road Diet and Striping Connections	PW1811	155	1,086	-	-	-	-
Center/EI Dorado Street Overpass	PW9748	-	-	-	-	-	-
Citywide Transportation Demand Management (TDM) Suitability Study	000000	-	-	-	-	-	155
Citywide Video System Upgrade	000000	-	-	-	-	-	5,848
Claremont Avenue Reconstruction (include bike lane striping)	000000	-	-	-	-	-	1,764
Closing Pedestrian Access Gaps to Schools	PW1705	-	2,295	80	-	-	-
Complete Streets Plan	000000	-	-	-	-	-	406
Corporation Yard Improvements	000000	-	-	-	-	-	1,000
Corporation Yard Storage Building Installation	000000	-	-	290	-	-	-
Curb, Gutter, and Sidewalk Infill Program	PW1816	2,599	-	-	-	-	6,925
Davis Road Widening (Bear Creek to Waterford)	000000	-	-	-	-	-	4,371
Developers Reimbursements	PW1817	4,400	-	-	-	-	-
EBMUD - March Lane Greenscape, Phase 2	000000	-	-	-	-	-	2,704
EI Dorado & Center St. Corridor Study & Design	000000	-	-	-	-	-	400



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El Dorado Street Improvements Phase 3	000000	-	-	-	-	-	3,108
Emergency Vehicle Pre-emption (EVP) System	PW1211	-	-	-	-	-	-
Install Emergency Vehicle Pre-emption System	PW1605	-	-	-	-	-	-
Filbert Street/Miner Avenue Traffic Signal	PW1310	-	365	-	-	-	-
French Camp Road/I-5 Interchange Landscaping	PW1418	-	-	-	-	-	-
French Camp Road and McDougald Blvd. Traffic Signal	PW1823	1,061	-	-	-	-	-
French Camp/Sperry Road	PW9945	-	-	-	-	-	-
Guard Rail and Impact Attenuator Installation	PW1606	-	-	-	-	-	-
Grant Match Program	000000	-	-	400	600	700	700
Green Initiatives	PW9276	-	-	-	-	-	-
Hammer Lane Widening Phase 3B	PW1427	-	-	-	-	-	-
Harding Way Corridor	PW1612	-	-	-	-	-	-
Harding Way/El Dorado Traffic Signal	PW1210	-	-	-	-	-	-
Harrison Elementary Safety Improvements	PW7065	-	-	-	-	-	-
HAWK Pedestrian Signal Installation	PW1604	-	-	-	-	-	-
High Friction Surface Treatment	PW1622/ 1711	-	-	-	-	-	-
HSIP 8 - Convert Signals from Pedestal Mount to Mast Arm	PW1713	956	38	-	-	-	-
HSIP 8 - Road Diet on N. El Dorado Street, Turn and Bike Lanes	PW1719	484	5	-	-	-	-
HSIP 8 - Install Guardrails	PW1714	970	-	-	-	-	-
HSIP 8 - Install Pedestrian Crossings	PW1715	850	-	-	-	-	-
HSIP 8 - Raised Median along Dr. Martin Luther King Blvd.	PW1716	338	-	-	-	-	-
HSIP 8 - Raised Median along Pacific Avenue	PW1717	885	-	-	-	-	-
HSIP 8 - Raised Median along N. El Dorado Street	PW1718	607	-	-	-	-	-
Left Turn Lane Additions at Various Locations	PW1720	-	-	-	-	-	-
HSIP 9 - Install Left Turn Lanes Airport Way and Hazelton Avenue	PW1902	-	283	-	-	1,303	-
HSIP 9 - Install Left Turn Lanes at El Dorado Street and March Lane	PW1901	-	64	-	-	730	-
HSIP 9 - Install Sidewalk and Median Fencing along Dr Martin Luther King Blvd	PW1903	-	119	-	-	548	-
HSIP 9 - Rectangular Rapid Flashing Beacons (4 locations)	PW1904	-	29	-	-	221	-
Hunter Street Road Diet/Bike Lance Installation	PW1609	-	-	-	-	-	-

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Leaking Underground Fuel Tank (LUFT) Program	PW1425	-	-	50	50	75	75
LED Street Lights Conversion - Phase III	PW1536	-	-	-	-	-	-
LED Street Lights Conversion on Collector and Residential Streets - Phase IV	000000	248	-	500	500	500	500
Left Turn Lane Additions at Various Locations	PW1720	-	1,864	-	-	-	-
Lighted Crosswalk Upgrade	PW1526	-	-	-	-	-	-
Lincoln Street and Eighth Street Roundabout	PW1721	-	861	20	-	-	-
Little John Creek Reimbursement	PW9165	-	-	-	-	-	-
Local Street Resurfacing Program 2016	PW1532	-	-	-	-	-	-
Local Street Repair 2016	PW1538	-	-	-	-	-	-
Local Street Resurfacing Program FY2018/19 SB1	PW1814	3,300	-	-	-	-	-
Local Street Resurfacing Program FY2019/20 SB1	PW1914	-	2,500	-	-	-	-
Local Street Resurfacing Program FY2020/21 SB1	000000	-	-	2,725	-	-	-
Local Street Resurfacing Program FY2021/22 SB1	000000	-	-	-	3,015	-	-
Local Street Resurfacing Program FY2022/23 SB1	000000	-	-	-	-	3,015	-
Local Street Resurfacing Program FY2023/24 SB1	000000	-	-	-	-	-	3,015
Lower Sacramento Road Widening and Bridge Replacements	PW1907	-	4,000	-	692	5,275	37,701
Main Street Complete Streets	000000	770	-	-	-	-	-
March Lane Adaptive Traffic Control System	PW1312	-	-	-	-	-	-
March Lane Widening - Venezia Blvd to I-5	000000	-	-	-	-	-	5,145
March Lane/EBMUD Bicycle and Pedestrian Path Connectivity Improvements	PW1722	-	3,509	-	-	-	-
Microsurfacing of City Streets	PW1730	-	-	-	-	-	-
Miner Avenue Complete Streets Improvements Phase 1	PW1607	-	-	-	-	-	-
Miner Avenue Complete Streets Improvements - III	PW1732	9,054	576	-	-	-	-
Montauban/Swain Roundabout	PW1315	-	-	-	-	-	-
Montauban Avenue and Hammertown Drive Roundabout	PW1723	-	918	-	-	-	-
Mormon Slough Bikeway Improvement Project	000000	-	-	-	-	-	1,242
Mormon Slough Feasibility Study	000000	-	-	-	-	-	150
Neighborhood Traffic Management Maintenance Program	PW1530	-	-	-	-	-	-
Neighborhood Traffic Calming Program	PW1608	750	750	750	750	750	750

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Pacific Avenue and March Lane Intersection Modifications	PW1725	117	437	-	-	-	-
Pacific Avenue Complete Streets Corridor Study	000000	250	-	-	-	-	-
Pedestrian Bridge over Calaveras River Rehabilitation	PW1316	-	245	-	-	-	-
Pershing Adaptive Traffic Control System	PW1311	-	-	-	-	-	-
Pershing Avenue Roadway Crown Reduction - Princeton Ave to Elmwood Ave	000000	-	-	-	-	-	761
Railroad Crossing Program	PW1527	-	-	-	-	-	50
Rapid Flashing Beacon Cycle 5	PW1313	-	-	-	-	-	-
Rectangular Rapid Flashing Beacon HSIP Cycle 6	PW1420	-	-	-	-	-	-
Rectangular Rapid Flashing Beacon Installation Project	000000	-	-	-	-	-	790
Real Time Traffic Monitoring System	PW1726	493	-	-	-	-	-
Relocation of Traffic Control Communications Center	000000	-	-	-	844	-	-
Residential Development Street Signs	PW1525	-	-	-	-	-	-
Responsive Traffic Signal Control on El Dorado Street	PW1421	-	-	-	-	-	-
Robinhood Drive Bike Lanes	000000	-	-	-	-	-	519
Roundabout Program	000000	-	-	-	-	-	1,166
Rule 20A Streetlighting Program	PW1521	50	50	50	50	50	1,404
Safe Routes to School Priority Safety Projects	000000	160	1,237	-	-	-	-
Safe Routes to School Sidewalk Network Completion Project	000000	363	2,082	-	-	-	-
Security Lid Conversion on Electrical Utility Boxes	000000	-	-	-	-	-	620
Sidewalk, Curb, and Gutter Repair Program	PW1531	-	-	-	-	-	-
Sidewalk, Curb, and Gutter Repair Program FY2018/19 SB1	PW1815	2,303	-	-	-	-	-
Sidewalk, Curb, and Gutter Repair Program FY2019/20 SB1	PW1915	-	1,575	-	-	-	-
Sidewalk, Curb, and Gutter Repair Program FY2020/21 SB1	000000	-	-	1,035	-	-	-
Sidewalk, Curb, and Gutter Repair Program FY2021/22 SB1	000000	-	-	-	1,040	-	-
Sidewalk, Curb, and Gutter Repair Program FY2022/23 SB1	000000	-	-	-	-	1,046	-
Sidewalk, Curb, and Gutter Repair Program FY2023/24 SB1	000000	-	-	-	-	-	1,052
South Airport Way Separated Bikeway	PW1808	333	1,912	50	-	-	-
Stockton Safe Routes to Schools Safety and Connectivity Improvements	PW1905	-	127	380	2,718	-	-
Street Lighting Upgrade	PW6689	-	-	-	-	-	-
Street Furniture Painting FY2020/21 SB1	000000	-	-	250	-	-	-

**Capital Improvement Program 2019-2024**  
**Project List by Category**  
(Dollars in thousands)

	<b>Project Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
Street Furniture Painting FY2021/22 SB1	000000	-	-	-	250	-	-
Street Furniture Painting FY2022/23 SB1	000000	-	-	-	-	250	-
Street Furniture Painting FY2023/24 SB1	000000	-	-	-	-	-	250
Street Light Pole Replacement FY2020/21 SB1	000000	-	-	200	-	-	-
Street Light Pole Replacement FY2021/22 SB1	000000	-	-	-	200	-	-
Street Light Pole Replacement FY2022/23 SB1	000000	-	-	-	-	200	-
Street Light Pole Replacement FY2023/24 SB1	000000	-	-	-	-	-	200
Street Resurfacing	PW9928	-	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY 2015-16	PW1519	-	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY 2016-17	PW1610	-	-	-	-	-	-
Street Resurfacing on Federal Aid Streets FY 2019/20	PW1916	-	2,905	-	-	-	-
Street Resurfacing on Federal Aid Streets FY2020/21	000000	-	-	2,904	-	-	-
Street Resurfacing on Federal-Aid Streets FY2021/22	000000	-	-	-	7,800	-	-
Street Resurfacing on Federal-Aid Streets FY2022/23-FY2023/24	000000	-	-	-	-	2,696	2,696
Street Name Sign Installation	PW9176	-	-	-	-	-	-
Street Sign Installation	PW9191	-	-	-	-	-	-
Street Smarts Program	000000	-	-	-	-	-	312
Stolen Wire Theft Repair	PW1731	-	-	-	-	-	-
Systematic Safety Analysis Report Program- Collision Analysis	PW1813	278	-	-	-	-	-
Tam O'Shanter Drive and Knickerbocker Drive Roundabout	PW1727	-	701	-	-	-	-
Thornton Road / Lower Sacramento Road / Hammer Lane Triangle Left Turn Lanes	PW1518	-	6	-	-	-	-
Thornton Road Widening	PW1428	3,000	3,000	-	-	-	-
Traffic Signal Retrofit	PW1422	-	-	-	-	-	-
Traffic Signal Control System Program	PW9906/1522	-	500	500	500	500	500
Traffic Signal Conversions to City Standard	000000	-	-	-	-	-	593
Traffic Signal Head Visibility Improvements - 8" to 12" Signal Indicators	000000	-	-	-	-	-	140
Traffic Signal Modifications Program	PW1529	-	500	475	475	600	600
Traffic Signal New Installations Program	000000	-	-	-	-	777	-
Weber Ave. at Grant and Aurora St. Median Reconstruction	000000	-	-	-	-	437	-

**Capital Improvement Program 2019-2024**  
**Project List by Category**  
(Dollars in thousands)

	<b>Project Number</b>	<b>2018-19 Adopted</b>	<b>2019-20 Budget</b>	<b>2020-21 Projected</b>	<b>2021-22 Projected</b>	<b>2022-23 Projected</b>	<b>2023-24 Projected</b>
West Lane Complete Streets Corridor Study	000000	-	-	-	-	-	250
West Lane Grade Separation	000000	-	-	-	-	-	44,240
West Lane Pedestrian Access Improvements	PW1424	-	49	-	-	-	-
West Lane Traffic Responsiveness Signal Control System	PW1611	-	92	-	-	-	-
West Lane Widening - Hammer Lane to Morada Lane	000000	-	-	-	-	-	22,631
Wood Pole Replacement/Infill	PW1523	-	-	-	-	-	-
Wilson Way Corridor	PW1613	-	-	-	-	-	-
Wilson Way Bridge Installation of Slope Protection	PW1912	500	500	-	-	-	-
<b>Total Streets</b>		<b>39,577</b>	<b>46,120</b>	<b>13,008</b>	<b>21,769</b>	<b>22,366</b>	<b>227,186</b>
<b>Total Public Works</b>		<b>42,432</b>	<b>46,206</b>	<b>16,136</b>	<b>21,844</b>	<b>22,366</b>	<b>246,470</b>
<b>Grand Total</b>		<b>70,335</b>	<b>141,284</b>	<b>105,838</b>	<b>119,625</b>	<b>112,232</b>	<b>640,947</b>

## TAB 14 INTERNAL SERVICE FUNDS



## INTERNAL SERVICE FUNDS

### MISSION STATEMENT

Internal Service Funds are used to report the centralized financing of goods and services provided by one department on a cost reimbursement basis. The City of Stockton uses internal service funds for the central administration of insurance, equipment replacement, and technology services.

#### Budget at a Glance:

Total Revenues	\$152,667,089
Total Expenditures	\$154,812,602
Total Net Cost	\$2,145,513

### PROGRAM DESCRIPTION

The City has Internal Service Funds (ISF) for equipment, risk management, and employee benefits funding. City departments contribute to these funds as part of their annual budgets. The funds are used to provide services and equipment to departments and pay for overall city-wide programs. Approximately 75% of ISF expenditures are related to the City's insurance and other benefits costs, while the remainder are related to equipment services. The City's ISFs are as follows:

#### Equipment:

- Fleet
- Technology
- Radio
- Office Equipment

#### Insurance/Benefits:

- General Liability
- Workers Compensation
- Health
- Unemployment
- Long Term Disability, Life and Accidental Death and Dismemberment
- Retirement
- Compensated Absences

### DEPARTMENT STRATEGIC WORK PLAN

In general, an Internal Service Fund is used as a governmental financial mechanism to provide goods and services to multiple departments on a cost reimbursement basis in a systemized manner. Stockton's specific overall ISF goals go beyond the general objective and include developing rates that are stable over time and cover the cost of current use that might involve cash payouts in future periods. Consequently, Stockton's ISFs manage a relatively stable inflow of resources to pay for equipment and services that do not necessarily have a consistent or recurring nature.

Internal Service Funds, therefore, play a significant role in the City Council Strategic Target of fiscal sustainability and indirectly in several other targets because if money is not available, other targets cannot be met. Developing a funding level requires experience and analysis while setting aside money for future periods requires discipline and restraint. The City's ISF rate methodologies have proven fairly successful over the last few years, as several risk funds have recovered sufficient balances to pay for expected claim payouts, and the short-term funding of needs is available. Fleet, radio and technology requirements expected in the next five years and the retirement demands of CalPERS scheduled for the next 10 years are not fully covered by stabilized, consistent rates at this time. The long term plan for ISFs is to develop accurate



## INTERNAL SERVICE FUNDS

forecasts of the likeliest needs and related payout scenarios while remaining true to the overall fund goals and rate stabilization goals.

### KEY CONSIDERATIONS

The expectations laid out for the ISFs were overall favorable as appropriations for claims and equipment were sufficient to pay for what was incurred or required, and rates did not create a shortfall that would require any significant change for the following year. Most significantly, City Council approved becoming a member in an IRC Section 115 Pension Trust and set \$30.8 million aside in the irrevocable trust which, while restricted solely for pension costs, affords the City greater flexibility than remitting to CalPERS, greater earnings potential than the City investment pool, and is expected to pay four to five of the fifteen balloon payments scheduled by CalPERS between now and 2036.

To provide value, the long term ISF rates should be identifiable, relative to how expenditures will be incurred and cover the operating needs of the departments. With the ISFs accounting for 18% of overall City spending, sound management of these funds is vital to the City's fiscal sustainability. Continuous analysis of the spending trends, forecasts and rate methodologies, and updates to the City's Long-Range Financial Plan will be key components to managing the resources and demands in these funds. Further detail on the equipment and benefit ISFs is included in the following pages.



**Internal Service Funds  
FY 2019-20 Annual Budget**

	<b>Fleet Services 501</b>	<b>Computer Equipment 502</b>	<b>Radio Equipment 503</b>	<b>Office Equipment Printing/Mailing 505</b>
	<i>See Page N-9</i>	<i>See Page N-11</i>	<i>See Page N-15</i>	<i>See Page N-17</i>
<b>Beginning Available Balance</b>	<b>\$ 5,408,629</b>	<b>\$ 14,592,649</b>	<b>\$ 2,030,381</b>	<b>\$ 1,449,905</b>
<b>Revenues</b>				
Charge for Services				
Police	5,530,609	4,993,806	1,377,493	-
Fire	2,726,263	1,212,980	775,465	-
Other General Fund	652,773	2,246,039	3,816	-
Other Funds	4,072,727	9,873,807	170,818	-
	12,982,372	18,326,632	2,327,592	-
Refunds & Reimbursements	150,000	-	-	382,000
Investment Proceeds	40,000	120,000	15,000	10,000
	<b>13,172,372</b>	<b>18,446,632</b>	<b>2,342,592</b>	<b>392,000</b>
<b>Expenditures</b>				
Administration	2,263,473	2,044,922	-	-
Operations & Maintenance	6,922,945	14,693,422	977,450	565,028
Equipment Replacements	3,000,000	2,237,504	4,469,030	-
Capital Projects	40,000	-	-	-
Debt Service	744,007	-	-	-
Claims	-	-	-	-
Excess Insurance Premium	-	-	-	-
Third Party Administrator	-	-	-	-
Pension contributions to CalPERS	-	-	-	-
Employee leave balance payoffs	-	-	-	-
	<b>12,970,425</b>	<b>18,975,848</b>	<b>5,446,480</b>	<b>565,028</b>
<b>Transfers</b>				
Transfer In	-	-	3,130,000	-
Transfer Out	(438,000)	-	-	-
	<b>(438,000)</b>	<b>-</b>	<b>3,130,000</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(236,053)</b>	<b>(529,216)</b>	<b>26,112</b>	<b>(173,028)</b>
<b>Ending Available Balance</b>	<b>\$ 5,172,576</b>	<b>\$ 14,063,433</b>	<b>\$ 2,056,493</b>	<b>\$ 1,276,877</b>

**Internal Service Funds, Continued  
FY 2019-20 Annual Budget**

	<b>General Insurance 541</b>	<b>Workers' Compensation 551</b>	<b>Health Insurance 552</b>	<b>Unemployment 556</b>
	<i>See Page N-19</i>	<i>See Page N-20</i>	<i>See Page N-23</i>	<i>See Page N-25</i>
<b>Beginning Available Balance</b>	<b>\$ (159,032)</b>	<b>\$ (2,760,993)</b>	<b>\$ 11,149,310</b>	<b>\$ 641,714</b>
<b>Revenues</b>				
Charge for Services				
Police	3,470,620	5,149,204	7,491,086	62,853
Fire	1,171,588	2,064,636	1,772,308	16,497
Other General Fund	633,260	339,910	1,719,455	28,293
Other Funds	2,933,042	2,646,250	7,570,151	49,490
	<u>8,208,510</u>	<u>10,200,000</u>	<u>18,553,000</u>	<u>157,133</u>
Refunds & Reimbursements	35,000	500,000	4,783,653	-
Investment Proceeds	200,000	517,085	100,000	-
	<u><b>8,443,510</b></u>	<u><b>11,217,085</b></u>	<u><b>23,436,653</b></u>	<u><b>157,133</b></u>
<b>Expenditures</b>				
Administration	1,848,229	751,494	1,208,602	-
Operations & Maintenance	-	376,000	-	-
Equipment Replacements	-	-	-	-
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Claims	4,593,969	6,616,937	24,625,031	175,000
Excess Insurance Premium	1,920,500	1,343,000	-	-
Third Party Administrator	-	685,000	136,486	-
Pension contributions to CalPERS	-	-	-	-
Employee leave balance payoffs	-	-	-	-
	<u><b>8,362,698</b></u>	<u><b>9,772,431</b></u>	<u><b>25,970,119</b></u>	<u><b>175,000</b></u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u><b>80,812</b></u>	<u><b>1,444,654</b></u>	<u><b>(2,533,466)</b></u>	<u><b>(17,867)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ (78,220)</b></u>	<u><b>\$ (1,316,339)</b></u>	<u><b>\$ 8,615,844</b></u>	<u><b>\$ 623,847</b></u>

**Internal Service Funds, Continued  
FY 2018-19 Annual 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 N-27</i>	<i>See Page N-29</i>	<i>See Page N-31</i>	
<b>Beginning Available Balance</b>	<b>\$ 95,542</b>	<b>\$ 34,255,134</b>	<b>\$ 1,206,811</b>	<b>\$ 67,910,050</b>
<b>Revenues</b>				
Charge for Services				
Police	153,016	30,093,360	385,320	58,707,367
Fire	18,430	9,678,134	105,769	19,542,070
Other General Fund	89,741	3,525,145	105,652	9,344,084
Other Funds	361,252	16,414,742	353,259	44,445,538
	<u>622,439</u>	<u>59,711,381</u>	<u>950,000</u>	<u>132,039,059</u>
Refunds & Reimbursements	-	10,607,192	-	16,457,845
Investment Proceeds	100	33,000	5,000	1,040,185
	<u><b>622,539</b></u>	<u><b>70,351,573</b></u>	<u><b>955,000</b></u>	<u><b>149,537,089</b></u>
<b>Expenditures</b>				
Administration	-	87,907	-	8,204,627
Operations & Maintenance	-	-	-	23,534,845
Equipment Replacements	-	-	-	9,706,534
Capital Projects	-	-	-	40,000
Debt Service	-	-	-	744,007
Claims	-	-	-	36,010,937
Excess Insurance Premium	630,093	-	-	3,893,593
Third Party Administrator	-	-	-	821,486
Pension contributions to CalPERS	-	70,318,573	-	70,318,573
Employee leave balance payoffs	-	-	1,100,000	1,100,000
	<u><b>630,093</b></u>	<u><b>70,406,480</b></u>	<u><b>1,100,000</b></u>	<u><b>154,374,602</b></u>
				-
<b>Transfers</b>				
Transfer In	-	-	-	3,130,000
Transfer Out	-	-	-	(438,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>2,692,000</b></u>
<b>Net Annual Activity</b>	<u><b>(7,554)</b></u>	<u><b>(54,907)</b></u>	<u><b>(145,000)</b></u>	<u><b>(2,145,513)</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 87,988</b></u>	<u><b>\$ 34,200,227</b></u>	<u><b>\$ 1,061,811</b></u>	<u><b>\$ 65,764,537</b></u>

Revenues	\$ 149,537,089
Transfers	3,130,000
<b>Total Sources</b>	<u><b>\$ 152,667,089</b></u>
Expenditures	\$ 154,374,602
Transfers	438,000
<b>Total Appropriations</b>	<u><b>\$ 154,812,602</b></u>



## **INTERNAL SERVICE FUNDS**

### **FLEET SERVICES FUND (501)**

#### **PROGRAM DESCRIPTION**

Public Works manages the Fleet Internal Service Fund and is responsible for maintaining and replacing the City's fleet of approximately 1,034 vehicles and heavy equipment. Departments are charged monthly rental rates to finance operations and vehicle replacements. Maintenance activities are performed either by City staff or outside vendors and include preventative maintenance inspections, comprehensive mechanical repairs, and specialized auto body work. A replacement reserve is needed to save for the future replacement of vehicles at the end of their useful life. The replacement reserve amount has ranged from \$1.0 million to \$5.0 million over the past ten years.

#### **KEY CONSIDERATIONS**

- FY 2019-20 budget includes \$3.0 million for vehicle and heavy equipment replacements, including funding to repair or replace emergency generators in key locations providing first responder services and other emergency services to the citizens of Stockton.
- Replacement of all fuel terminals at City fire stations.
- Installation of electronic fuel tank level monitoring system at all City fuel sites.
- Replacement and setup of approximately 70 vehicles to maintain replacement lifecycle schedules.
- Source and secure a comprehensive Fleet Management System to integrate with new ERP.
- Continue ongoing effort to review and improve fleet operations through space utilization in the shops and procurement services for acquiring fleet parts.

**Internal Service Funds  
Fleet Services - 501  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 4,971,750</b>	<b>\$ 6,242,353</b>	<b>\$ 7,179,510</b>	<b>\$ 5,408,629</b>
<b>Revenues</b>				
Charge for Services				
Police	4,925,884	4,771,081	5,341,343	5,530,609
Fire	2,191,518	2,433,853	2,524,826	2,726,263
Other General Fund	415,536	656,109	687,672	652,773
Other Funds	2,764,304	4,135,499	3,953,201	4,072,727
	<u>10,297,242</u>	<u>11,996,542</u>	<u>12,507,042</u>	<u>12,982,372</u>
Refunds & Reimbursements	2,047,808	7,793	67,603	-
Sale of Assets	253,886	159,708	100,000	150,000
Investment Proceeds	6,399	7,767	95,300	40,000
	<u><b>12,605,335</b></u>	<u><b>12,171,810</b></u>	<u><b>12,769,945</b></u>	<u><b>13,172,372</b></u>
<b>Expenditures</b>				
Operations & Maintenance	4,228,263	4,283,077	4,421,189	4,759,696
Fuel	1,430,635	1,731,605	1,819,423	2,163,249
General & Administrative	1,873,196	2,090,549	2,195,506	2,263,473
Debt Service	550,394	776,617	4,243,839	744,007
Replacements	3,252,244	1,970,805	5,193,292	3,000,000
Capital Projects	-	-	-	40,000
	<u><b>11,334,732</b></u>	<u><b>10,852,653</b></u>	<u><b>17,873,249</b></u>	<u><b>12,970,425</b></u>
<b>Transfers</b>				
Transfer In	-	-	3,482,423	-
Transfer Out	-	(382,000)	(150,000)	(438,000)
	<u>-</u>	<u><b>(382,000)</b></u>	<u><b>3,332,423</b></u>	<u><b>(438,000)</b></u>
<b>Net Annual Activity</b>	<b>1,270,603</b>	<b>937,157</b>	<b>(1,770,881)</b>	<b>(236,053)</b>
<b>Ending Available Balance</b>	<b>\$ 6,242,353</b>	<b>\$ 7,179,510</b>	<b>\$ 5,408,629</b>	<b>\$ 5,172,576</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 7,815,549		
Current Liabilities		(636,039)		
Encumbrances		-		
Ending Available Balance		<u><b>\$ 7,179,510</b></u>		



## **INTERNAL SERVICE FUNDS**

### **COMPUTER EQUIPMENT FUND (502)**

#### **PROGRAM DESCRIPTION**

The Information Technology (IT) Department manages the Computer Equipment Fund. City departments pay into this fund as part of their annual budgets for IT programmatic services and equipment for computers, telephones, multi-functional copiers, application systems, network connectivity, and IT consulting services. This fund also supports the City's IT Governance efforts and the implementation of the Information Technology Capital Plan.

The City continues to make significant progress towards replacing critical data center infrastructure equipment and end-user devices such as network storage equipment, desktop computers, laptops, and tablets. The City also set aside significant funds in FY 2019-20 toward the replacement of its nearly 30-year-old financial system.

#### **KEY CONSIDERATIONS**

IT projects support the City Council's strategic targets of Public Safety and Fiscal Sustainability, with a focus on providing technological solutions and support to improve public safety services while implementing solutions that provide fiscal transparency to the community. The major FY 2019-20 projects funded by the Computer Equipment Fund are as follows:

- Enterprise Resource Planning (ERP) – The City continues to put resources toward implementing a new ERP system that involves replacing core Finance and Human Resources.
- Data Center Hardware Infrastructure – Sustain the primary data center and begin preparations for the relocation to the Waterfront Office Towers.
- CentralSquare Technologies Hardware Replacement – Replace the server equipment that supports the current ERP system to ensure it has a functional lifespan until it is replaced by the new ERP program.
- Network and Infrastructure Improvements – Implement the priority projects identified through the network and security assessment and technology roadmap that will address the risks and gaps in IT policies, processes, and technology.
- Geographic Information System Migration – Migrate the system to the cloud to reduce the City's Data Center footprint.

**Internal Service Funds**  
**Computer Equipment Internal Service - 502**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 20,690,099</b>	<b>\$ 22,898,447</b>	<b>\$ 19,348,134</b>	<b>\$ 14,592,649</b>
<b>Revenues</b>				
Charges for services				
Police	5,332,485	6,204,845	5,976,297	4,993,806
Fire	919,101	1,175,371	1,120,854	1,212,980
Other General Fund	1,451,958	1,621,368	1,797,754	2,246,039
Other Funds	4,155,066	6,163,737	6,086,680	9,873,807
Investment Proceeds	43,408	23,053	288,227	120,000
Reimbursements	1,043	788	-	-
	<b>11,903,061</b>	<b>15,189,162</b>	<b>15,269,812</b>	<b>18,446,632</b>
<b>Expenditures</b>				
Computer Maintenance	3,070,098	3,221,077	4,284,216	4,508,984
Administration	1,784,991	1,025,496	1,104,767	1,368,312
Enterprise Applications	1,184,706	1,436,811	1,506,757	1,931,846
Telephone	-	648,453	355,892	684,014
Enterprise Resource Planning (ERP)	43,232	1,317,818	8,880,335	5,468,038
Enterprise Portfolio Management Office	-	989,588	656,215	676,610
Maintenance	1,897,767	1,950,428	2,369,346	2,100,540
Replacements	978,103	1,232,028	1,977,247	2,237,504
New equipment	1,080	162	228	-
Capital Projects	734,736	356,826	1,146,443	-
	<b>9,694,713</b>	<b>12,178,687</b>	<b>22,281,446</b>	<b>18,975,848</b>
<b>Transfers</b>				
Transfer In - General Fund	-	-	2,256,149	-
Transfer In - Other	-	2,913,745	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>2,913,745</b>	<b>2,256,149</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>2,208,348</b>	<b>5,924,220</b>	<b>(4,755,485)</b>	<b>(529,216)</b>
<b>Ending Available Balance</b>	<b>\$ 22,898,447</b>	<b>\$ 28,822,667</b>	<b>\$ 14,592,649</b>	<b>\$ 14,063,433</b>
<b>Available Balance Calculation</b>				
Current Assets		\$ 30,320,026		
Current Liabilities		(1,497,360)		
Encumbrances		(9,474,532)		
Capital Projects		-		
Ending Available Balance		<b>\$ 19,348,134</b>		

**Internal Service Funds**  
**Telephone Equipment Internal Service - 504**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 1,992,109</u>	<u>\$ 2,913,746</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Revenues</b>				
Charge for Services				
Police	523,730	-	-	-
Fire	68,264	-	-	-
Other General Fund	258,505	-	-	-
Other Funds	640,110	-	-	-
Investment Proceeds	10,852	-	-	-
Reimbursements	-	-	-	-
	<u>1,501,461</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Operations & Maintenance	566,025	-	-	-
Replacements	13,799	-	-	-
	<u>579,824</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out - Technology 502	-	(2,913,746)	-	-
	<u>-</u>	<u>(2,913,746)</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>921,637</u>	<u>(2,913,746)</u>	<u>-</u>	<u>-</u>
<b>Ending Available Balance</b>	<u>\$ 2,913,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Available Balance Calculation</b>				
Current Assets		\$ -		
Current Liabilities		-		
Ending Available Balance		<u>\$ -</u>		



## **INTERNAL SERVICE FUNDS**

### **RADIO EQUIPMENT FUND (503)**

#### **PROGRAM DESCRIPTION**

The Radio Equipment Fund supports mission-critical programmatic services and equipment replacements for public safety radios, dispatch consoles, and radio support infrastructure. Fire, Municipal Utilities, Public Works, and Police pay into the fund as part of their annual budgets.

The City continues to make significant progress towards replacing mission-critical and aged radio equipment. The IT Department is working on a long-range financial plan that includes both radio infrastructure, portable and mobile which will project investment requirements to maintain and replace radio equipment for ten years. This allows staff to present multi-year charts that provide detailed information on the investments required for multiple budget cycles. The radio support infrastructure and backbone of the system is the City's next priority.

#### **KEY CONSIDERATIONS**

In addition to the standard charges for services paid by department users, the Radio Equipment Fund will receive an infusion of \$3.1 million from the General Fund in FY 2019-20 to begin the first phase of the radio infrastructure replacement project with the activities describe below.

- Radio Channel Equipment – Replacement of radio channel system equipment used to distribute public safety radio traffic.
- Microwave Links – Replacement of microwaves that distribute radio traffic from the tower sites throughout the City's network.
- Dispatch Consoles – Replacement of Police dispatch console to support 911 calls and public safety radio traffic on a 24/7 basis.
- Existing Radios – Replacement of portable and mobile radios as part of the equipment lifecycle.

**Internal Service Funds**  
**Radio Equipment Internal Service - 503**  
**FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 2,080,380</b>	<b>\$ 1,562,931</b>	<b>\$ 3,046,994</b>	<b>\$ 2,030,381</b>
<b>Revenues</b>				
Charge for Services				
Police	999,694	1,201,785	1,252,457	1,377,493
Fire	488,096	558,337	616,625	775,465
Other General Fund	2,695	2,865	2,563	3,816
Other Funds	133,277	153,515	151,899	170,818
	<u>1,623,762</u>	<u>1,916,502</u>	<u>2,023,544</u>	<u>2,327,592</u>
Investment Proceeds	(1,329)	(1,633)	15,000	15,000
	<u><b>1,622,433</b></u>	<u><b>1,914,869</b></u>	<u><b>2,038,544</b></u>	<u><b>2,342,592</b></u>
<b>Expenditures</b>				
Operations & Maintenance	599,696	734,110	891,924	977,450
Replacements	1,540,186	396,696	2,163,233	4,349,030
New equipment	-	-	-	120,000
	<u><b>2,139,882</b></u>	<u><b>1,130,806</b></u>	<u><b>3,055,157</b></u>	<u><b>5,446,480</b></u>
<b>Transfers</b>				
Transfer In - General Fund	-	700,000	-	3,130,000
Transfer Out	-	-	-	-
	<u>-</u>	<u><b>700,000</b></u>	<u>-</u>	<u><b>3,130,000</b></u>
<b>Net Annual Activity</b>	<u><b>(517,449)</b></u>	<u><b>1,484,063</b></u>	<u><b>(1,016,613)</b></u>	<u><b>26,112</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 1,562,931</b></u>	<u><b>\$ 3,046,994</b></u>	<u><b>\$ 2,030,381</b></u>	<u><b>\$ 2,056,493</b></u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 3,451,771		
Current Liabilities		(404,777)		
Ending Available Balance		<u><u>\$ 3,046,994</u></u>		

## **INTERNAL SERVICE FUNDS**

### **OFFICE EQUIPMENT FUND (505) DUPLICATING, PRINTING & MAILING**

#### **PROGRAM DESCRIPTION**

Administrative Services Reprographics division is responsible for maintaining and managing the City's duplicating/printing equipment in reprographics as well as mailroom services. Program departments are charged monthly usage rates to offset citywide reprographics services, operations and replacement costs.

#### **KEY CONSIDERATIONS**

- The reprographic staff joined the Postal Customer Council (PCC) in Sacramento. PCC provides Postal Service business customers, such as the City of Stockton, with information about postal products, services and tools to help grow business, as well as improve mail quality.
- Evaluated and upgraded reprographics equipment to replace the outdated equipment.

**Internal Service Funds**  
**Office Equipment Internal Service - 505**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<u>\$ 1,270,301</u>	<u>\$ 1,443,487</u>	<u>\$ 1,483,535</u>	<u>\$ 1,449,905</u>
<b>Revenues</b>				
Charges for Services				
Police	7,813	-	-	-
Other General Fund	29,431	-	-	-
Other Funds	30,338	-	-	-
Printing & Mailroom Fees	393,738	371,735	356,000	382,000
Investment Proceeds	2,867	1,670	10,000	10,000
	<u>464,187</u>	<u>373,405</u>	<u>366,000</u>	<u>392,000</u>
<b>Expenditures</b>				
Operations & Maintenance	291,001	331,031	399,630	565,028
Replacements	-	2,325	-	-
	<u>291,001</u>	<u>333,356</u>	<u>399,630</u>	<u>565,028</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u>173,186</u>	<u>40,049</u>	<u>(33,630)</u>	<u>(173,028)</u>
<b>Ending Available Balance</b>	<u>\$ 1,443,487</u>	<u>\$ 1,483,536</u>	<u>\$ 1,449,905</u>	<u>\$ 1,276,877</u>
<b>Available Balance Calculation</b>				
Current Assets		\$ 1,522,417		
Current Liabilities		(38,882)		
Ending Available Balance		<u>\$ 1,483,535</u>		



## **INTERNAL SERVICE FUNDS**

### **RISK SERVICES – GENERAL LIABILITY FUND (541) AND WORKERS' COMPENSATION FUND (551)**

#### **PROGRAM DESCRIPTION**

The City established the General Liability and Workers' Compensation funds to create greater financial stability for impacts of liability, property damage, and workers compensation claims. To lower costs, the City self-insures a portion of its claims and procures re-insurance for large claims.

The Human Resources Department manages these programs and develops methods to minimize claim expenses by promoting safe work environments. As part of their annual expenses, City departments pay into the risk funds. The risk funds pay for administration, claims costs, excess policies, legal settlements, and for risk reduction analysis and programming.

#### **KEY CONSIDERATIONS**

Key considerations for the future of each program stem from costs being directly tied to accidents, illness, and injuries, which are unknown events that by definition, are difficult to project. The Human Resources Department will assist other departments with targeted training or the development of procedures to minimize these risks and reduce the overall cost of these programs.

Actuaries assist in analyzing claim data and projecting claim costs and reserve targets. Consistent with the City Council strategic target of fiscal sustainability, reserve levels in the funds will continue to be in line with the associated claims of the organization.

In 2013, the Workers' Compensation Fund had funding for only 34% of its claims. In the ensuing six years, successful efforts resulted in raising the funded status to 94% of claims, while lowering what departments will pay for the program. These accomplishments were achieved by closing old claims and improved management of current claims to control costs.

The cost of general liability claims can vary greatly. Most involve sensitive and confidential information and are administered over several years. The City uses a conservative approach in its risk fund to accumulate sufficient resources for open cases, while it attempts to keep rates paid by departments stable over time. Rates charged to departments will increase for the first time in three years by 0.8% in FY 2019-20 to account for increased premium and settlement costs.

**Internal Service Funds**  
**General Liability Insurance - 541**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ 7,318,177</b>	<b>\$ 4,326,563</b>	<b>\$ 428,115</b>	<b>\$ (159,032)</b>
<b>Revenues</b>				
Charge for Services				
Police	2,543,511	2,700,924	2,760,265	3,470,620
Fire	858,258	925,087	945,411	1,171,588
Other General Fund	444,331	500,023	511,009	633,260
Other Funds	2,260,154	2,315,932	2,366,814	2,933,042
Reimbursements	909,413	13,243	32,000	35,000
Investment Proceeds	32,906	24,278	325,079	200,000
	<u><b>7,048,573</b></u>	<u><b>6,479,487</b></u>	<u><b>6,940,578</b></u>	<u><b>8,443,510</b></u>
<b>Expenditures</b>				
Claims Paid	2,081,031	4,067,272	4,033,000	4,593,969
Actuarial Accrued Claims Liability	5,051,812	3,378,677		
	<u>7,132,843</u>	<u>7,445,949</u>	<u>4,033,000</u>	<u>4,593,969</u>
Excess Insurance Premium	976,451	1,096,454	1,449,828	1,920,500
Administration	1,930,893	1,835,532	2,044,897	1,848,229
	<u><b>10,040,187</b></u>	<u><b>10,377,935</b></u>	<u><b>7,527,725</b></u>	<u><b>8,362,698</b></u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<u><b>(2,991,614)</b></u>	<u><b>(3,898,448)</b></u>	<u><b>(587,147)</b></u>	<u><b>80,812</b></u>
<b>Ending Available Balance</b>	<u><b>\$ 4,326,563</b></u>	<u><b>\$ 428,115</b></u>	<u><b>\$ (159,032)</b></u>	<u><b>\$ (78,220)</b></u>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ 16,944,782		
Current Liabilities		(258,612)		
Current Claims		(16,258,055)		
Ending Available Balance		<u><b>\$ 428,115</b></u>		
<b>Rates (percentage of payroll)</b>				
All employees	4.51%	4.51%	4.51%	5.30%

**Note**

Program revenues are estimated based upon percentage of projected actual payroll.  
Actual revenues and the cash flow to settle claims will fluctuate based on actual payroll.

**Internal Service Funds**  
**Workers' Compensation - 551**  
**FY 2019-20 Annual Budget**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Projected</u>	<u>FY 2019-20 Budget</u>
<b>Beginning Available Balance</b>	<b>\$ (29,516,935)</b>	<b>\$ (9,071,475)</b>	<b>\$ (4,999,040)</b>	<b>\$ (2,760,993)</b>
<b>Revenues</b>				
Charge for Services				
Police	7,046,097	5,393,241	5,639,014	5,149,204
Fire	2,984,333	2,162,487	2,147,487	2,064,636
Other General Fund	539,748	356,019	360,126	339,910
Other Funds	4,306,054	2,771,664	2,751,078	2,646,250
	<u>14,876,232</u>	<u>10,683,411</u>	<u>10,897,705</u>	<u>10,200,000</u>
Refunds & Reimbursements	1,954,453	715,734	766,981	500,000
Investment Proceeds	105,112	46,399	491,195	517,085
	<u>16,935,797</u>	<u>11,445,544</u>	<u>12,155,881</u>	<u>11,217,085</u>
<b>Expenditures</b>				
Claims Paid	6,309,009	5,532,669	7,280,000	6,616,937
Actuarial Accrued Claims Liability	(12,140,000)	(804,000)	-	-
	<u>(5,830,991)</u>	<u>4,728,669</u>	<u>7,280,000</u>	<u>6,616,937</u>
Administration	521,570	689,110	615,557	751,494
Third Party Administrator	735,820	735,725	687,053	685,000
Excess Insurance Premium	825,428	957,946	1,038,030	1,343,000
California State Assessment	188,296	212,807	237,294	300,000
Safety Program	50,214	48,852	59,900	76,000
	<u>(3,509,663)</u>	<u>7,373,109</u>	<u>9,917,834</u>	<u>9,772,431</u>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Annual Activity</b>	<b>20,445,460</b>	<b>4,072,435</b>	<b>2,238,047</b>	<b>1,444,654</b>
<b>Ending Available Balance</b>	<b>\$ (9,071,475)</b>	<b>\$ (4,999,040)</b>	<b>\$ (2,760,993)</b>	<b>\$ (1,316,339)</b>
<b>Available Balance Calculation</b>				
Cash and Current Assets		\$ 43,908,136		
Accounts Payable		(89,176)		
Estimated Claims		(48,818,000)		
Ending Available Balance		<u>\$ (4,999,040)</u>		
<b>Rates (percent of payroll)</b>				
Police	14.7%	10.7%	10.7%	9.8%
Fire	16.0%	10.7%	10.7%	9.5%
Manual	12.3%	7.7%	7.7%	7.5%
Non-Manual	7.3%	3.9%	3.9%	3.4%
Office/Clerical	3.5%	2.3%	2.3%	2.0%
Library	5.8%	3.3%	3.3%	3.0%

**Note**

Program revenues are estimated based upon percentage of projected payroll.  
Actual revenues will fluctuate based on actual payroll.



## **INTERNAL SERVICE FUNDS**

### **HEALTH BENEFITS FUND (552)**

#### **PROGRAM DESCRIPTION**

The City established the Health Benefits Fund to purchase and administer the health, dental and vision benefit plans for employees and their eligible dependents. The Human Resources Benefits Division administers the employee health benefits program. The City and its employees share in the cost of the plans, and the City's share of cost is determined during the collective bargaining process.

City departments pay into the Health Benefits fund based on the number of active full-time employees. These proceeds are used to pay the City share of premiums and administrative costs of employee health benefits. The City offers employees plans from Kaiser, Sutter Health Plus, and Anthem (the City self-funded health plan). Additionally, some employees may select other options through their labor unions. The City has no post-employment medical benefit.

#### **KEY CONSIDERATIONS**

The City continues to see a favorable active employee medical plan claims experience, the changes in premium for FY 2019-20 vary by plan. The City self-insured PPO plan increased 16%, Kaiser plans decreased 5.0%, Sutter Health Plus HMO increased 3.4%, the dental plan increased 2.6% and the vision plans decreased 2.3%. The dental and vision plans have been enhanced to allow dependents to remain enrolled until the age of 26. Key considerations include being able to offer options that continue to be attractive to employees while maintaining long-term affordability.

**Internal Service Funds  
Health Benefits - 552  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 13,960,730</b>	<b>\$ 13,938,299</b>	<b>\$ 12,725,411</b>	<b>\$ 11,149,310</b>
<b>Revenues</b>				
Charge for Services				
Police	6,284,865	6,858,728	6,952,988	7,491,086
Fire	1,657,412	1,724,224	1,661,884	1,772,308
Other General Fund	1,256,471	1,440,487	1,515,201	1,719,455
Other Funds	6,504,559	6,697,307	6,778,182	7,570,151
	<u>15,703,307</u>	<u>16,720,746</u>	<u>16,908,255</u>	<u>18,553,000</u>
Participant Contributions				
Employees (current MOUs)	3,343,927	3,163,626	3,802,331	4,302,783
Retirees	277,361	211,268	243,474	275,599
Continuation	55,459	66,703	103,864	90,000
Rebates and reimbursements	260,221	415,384	270,585	115,271
Investment Proceeds	20,706	25,729	124,822	100,000
	<u>19,660,981</u>	<u>20,603,456</u>	<u>21,453,331</u>	<u>23,436,653</u>
<b>Expenditures</b>				
City Medical Plans	16,333,579	17,907,890	19,413,800	21,597,172
Actuarial Adjustments	(178,600)	58,000	44,772	(69,371)
Operating Engineers	820,682	731,716	626,000	673,920
Vision	163,007	179,777	165,000	223,656
Dental	1,313,406	1,435,896	1,360,000	1,882,830
Health & Wellness Program	685	-	2,000	4,000
Administration	875,281	1,037,568	988,444	1,208,602
Stop Loss Premium	211,122	230,224	246,196	312,824
Vendor Administration Fee	144,250	235,273	183,220	136,486
	<u>19,683,412</u>	<u>21,816,344</u>	<u>23,029,432</u>	<u>25,970,119</u>
<b>Net Annual Activity</b>	<b>(22,431)</b>	<b>(1,212,888)</b>	<b>(1,576,101)</b>	<b>(2,533,466)</b>
<b>Ending Available Balance</b>	<b>\$ 13,938,299</b>	<b>\$ 12,725,411</b>	<b>\$ 11,149,310</b>	<b>\$ 8,615,844</b>
<b>Available Balance Calculation</b>				
Cash and interest receivable		\$ 11,712,272		
Accounts Receivable and deposits		1,726,284		
Current Liabilities		(251,145)		
Expected Claims		(462,000)		
Ending Available Balance		<u>\$ 12,725,411</u>		

**Note**

Budget based on total authorized position. Actual revenue and expenses will fluctuate based on health plan enrollment.

## **INTERNAL SERVICE FUNDS**

### **UNEMPLOYMENT FUND (556)**

#### **PROGRAM DESCRIPTION**

The Unemployment Fund is used for the payout of unemployment claims. Benefits are paid to former employees by the State of California, and the City reimburses the State upon request. City departments pay into the Unemployment Fund based on total wages.

#### **KEY CONSIDERATIONS**

The Department closely monitors unemployment claims for eligibility and challenges potential non-eligible claims when appropriate. Rates for unemployment coverage that are charged to departments have been minimal in the past five years and will be \$96 per year for each full time employee in FY 2019-20.

**Internal Service Funds  
Unemployment - 556  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 773,724</b>	<b>\$ 790,316</b>	<b>\$ 791,714</b>	<b>\$ 641,714</b>
<b>Revenues</b>				
Charge for Services				
Police	56,204	59,188	-	62,853
Fire	19,066	20,433	-	16,497
Other General Fund	9,990	11,087	-	28,293
Other Funds	50,655	51,665	-	49,490
Investment Proceeds	803	1,153	-	-
	<b>136,718</b>	<b>143,526</b>	<b>-</b>	<b>157,133</b>
<b>Expenditures</b>				
Claims Paid	120,126	142,128	150,000	175,000
	<b>120,126</b>	<b>142,128</b>	<b>150,000</b>	<b>175,000</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>16,592</b>	<b>1,398</b>	<b>(150,000)</b>	<b>(17,867)</b>
<b>Ending Available Balance</b>	<b>\$ 790,316</b>	<b>\$ 791,714</b>	<b>\$ 641,714</b>	<b>\$ 623,847</b>
<b>Available Balance Calculation</b>				
Cash and interest receivable		\$ 813,334		
Current Liabilities		(21,620)		
Cash and Interest Receivable		<b>\$ 791,714</b>		
<b>Rates</b>	0.10%	0.10%	0.00%	\$96
Percentage of payroll in FY 2016-17 and FY 2017-18. Flat rate in FY 2019-20.				
<b>Note</b>				
Program revenues are estimated based upon projected payroll.				
Actual revenues will fluctuate based on actual payroll.				



## **INTERNAL SERVICE FUNDS**

### **LONG TERM DISABILITY, LIFE INSURANCE & ACCIDENTAL DEATH AND DISMEMBERMENT FUND (557)**

#### **PROGRAM DESCRIPTION**

The City provides long-term disability and life insurance benefits to its employees as part of a total compensation package. The Human Resources Department administers these plans for eligible employees and their eligible dependents. Some employees are covered by collective bargaining plans and do not participate in the City sponsored plans. Departments are assessed a rate that is used to pay premiums and administrative expenses.

#### **KEY CONSIDERATIONS**

Rates will remain the same in this fund for FY 2019-20. Human Resources will continue to monitor the marketplace for these products to maintain an adequate benefit at an affordable cost.

**Internal Service Funds  
LTD and Life Insurance - 557  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 117,687</b>	<b>\$ 117,685</b>	<b>\$ 98,111</b>	<b>\$ 95,542</b>
<b>Revenues</b>				
Charge for Services				
Police	144,418	136,436	143,838	153,016
Fire	35,737	17,057	17,430	18,430
Other General Fund	50,957	70,477	76,881	89,741
Other Funds	255,813	282,670	305,409	361,252
Investment Proceeds	(24)	285	400	100
	<b>486,901</b>	<b>506,925</b>	<b>543,958</b>	<b>622,539</b>
<b>Expenditures</b>				
Insurance Premiums	486,903	526,499	546,527	630,093
	<b>486,903</b>	<b>526,499</b>	<b>546,527</b>	<b>630,093</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(2)</b>	<b>(19,574)</b>	<b>(2,569)</b>	<b>(7,554)</b>
<b>Ending Available Balance</b>	<b>\$ 117,685</b>	<b>\$ 98,111</b>	<b>\$ 95,542</b>	<b>\$ 87,988</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 98,111		
Current Liabilities		-		
Ending Available Balance		<b>\$ 98,111</b>		

**Note**

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

## **INTERNAL SERVICE FUNDS**

### **RETIREMENT FUND (561)**

#### **PROGRAM DESCRIPTION**

The Retirement Fund is used to make contributions to the California Public Employees' Retirement System (CalPERS) for the City's defined benefit programs. Employee benefits are determined by the plan in place at date of hire, and are made up of employee and employer contributions as well as investment earnings. The City also has a supplemental retirement plan for a select group of municipal utility employees outside of CalPERS. City departments pay into the Retirement Fund based on rates that are set by CalPERS applied to eligible payroll.

Also accounted for in the Retirement Fund are monies in the form of an IRS approved Section 115 Plan, set aside to pay for future payment increases announced by CalPERS. At the end of FY 2017-18, Council approved a deposit of \$8.8 million to the Section 115 Plan, which leaves \$30.1 million available to fund the annual liability payments. The Trust is monitored by the Administrative Services and Human Resources Departments.

#### **KEY CONSIDERATIONS**

Payments charged by CalPERS will increase in FY 2019-20 and are expected to continue to increase until 2031. The current funding plan approved by CalPERS requires a stream of additional payments over the next decade to properly fund the retirement obligation for current and retired City employees. As part of that plan, CalPERS will reduce the assumed rate of return on its investments to 7.25% in FY 2019-20 and to 7.0% in FY 2020-21. The associated City contribution increases have been incorporated into the Long-Range Financial Plan, and the implications are regularly monitored by management. Any further increases in contributions to CalPERS would be significant and would likely be difficult to absorb without adversely impacting other programs or service levels.

**Internal Service Funds  
Retirement - 561  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 3,018,779</b>	<b>\$ 3,246,003</b>	<b>\$ 29,449,211</b>	<b>\$ 34,255,134</b>
<b>Revenues</b>				
Charge for Services				
Police	19,338,494	24,773,149	25,811,728	30,093,360
Fire	7,189,318	8,097,785	8,513,312	9,678,134
Other General Fund	2,320,800	2,911,350	2,875,380	3,525,145
Other Funds	12,268,160	14,703,838	14,048,712	16,414,742
Employee Paid	9,711,048	10,192,553	10,168,175	10,607,192
Investment Proceeds	(14,705)	61,151	67,284	33,000
Refunds & Reimbursements	4,850	6,300	6,300	-
	<b>50,817,965</b>	<b>60,746,126</b>	<b>61,490,891</b>	<b>70,351,573</b>
<b>Expenditures</b>				
CalPERS payments	50,262,558	53,056,898	61,318,848	70,318,573
Other Operating Costs	24,283	48,640	131,120	87,907
	<b>50,286,841</b>	<b>53,105,538</b>	<b>61,449,968</b>	<b>70,406,480</b>
<b>Transfers</b>				
Transfer In	-	18,562,620	4,765,000	-
Transfer Out	(303,900)	-	-	-
	<b>(303,900)</b>	<b>18,562,620</b>	<b>4,765,000</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>227,224</b>	<b>26,203,208</b>	<b>4,805,923</b>	<b>(54,907)</b>
<b>Ending Available Balance</b>	<b>\$ 3,246,003</b>	<b>\$ 29,449,211</b>	<b>\$ 34,255,134</b>	<b>\$ 34,200,227</b>

**Available Balance Calculation**

Cash and Interest Receivable	\$ 8,204,285
Sec. 115 Pension Trust	21,344,544
Current Liabilities	(99,618)
Ending Available Balance	<b>\$ 29,449,211</b>

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

Safety	48.816%	52.480%	55.700%	59.867%
Miscellaneous	23.859%	26.760%	27.100%	28.145%

**Notes**

Program revenues are estimated based upon budgeted payroll.

Payments to CalPERS will fluctuate with staffing levels.

Rates incorporate both CalPERS employer normal cost rate and employer payment of unfunded liability converted to a percent of payroll.

## **INTERNAL SERVICE FUNDS**

### **COMPENSATED ABSENCE FUND (562)**

#### **PROGRAM DESCRIPTION**

The Compensated Absence Fund is used to pay accumulated compensation upon employee separation, pursuant to collective bargaining agreements and City policy. City departments pay into the fund as part of their annual budget.

#### **KEY CONSIDERATIONS**

The rate charged to departments for separation and vacation sell back will remain unchanged in FY 2019-20. The rate methodology for this fund is contingent on the results of labor negotiations that the City will conduct during the fiscal year. No significant changes in rate or rate setting methodology are expected.

**Internal Service Funds  
Compensated Absence - 562  
FY 2019-20 Annual Budget**

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Projected</b>	<b>FY 2019-20 Budget</b>
<b>Beginning Available Balance</b>	<b>\$ 2,157,097</b>	<b>\$ 2,021,992</b>	<b>\$ 1,601,811</b>	<b>\$ 1,206,811</b>
<b>Revenues</b>				
Charge for Services				
Police	228,647	367,565	328,356	385,320
Fire	65,660	103,744	92,677	105,769
Other General Fund	54,887	91,771	81,982	105,652
Other Funds	212,430	332,448	296,985	353,259
Investment Proceeds	2,263	15,326	5,000	5,000
	<b>563,887</b>	<b>910,854</b>	<b>805,000</b>	<b>955,000</b>
<b>Expenditures</b>				
Employee Separation Pay	698,992	1,331,035	1,200,000	1,100,000
	<b>698,992</b>	<b>1,331,035</b>	<b>1,200,000</b>	<b>1,100,000</b>
<b>Transfers</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Annual Activity</b>	<b>(135,105)</b>	<b>(420,181)</b>	<b>(395,000)</b>	<b>(145,000)</b>
<b>Ending Available Balance</b>	<b>\$ 2,021,992</b>	<b>\$ 1,601,811</b>	<b>\$ 1,206,811</b>	<b>\$ 1,061,811</b>
<b>Available Balance Calculation</b>				
Cash and Interest Receivable		\$ 1,601,811		
Accrued Compensated Absences		-		
Ending Available Balance		<b>\$ 1,601,811</b>		
<b>Program Contribution Rate</b>	<b>0.50%</b>	<b>0.70%</b>	<b>0.70%</b>	<b>0.70%</b>



## TAB 15    APPENDIX





# PERSONNEL LISTING

**PERSONNEL LISTING - POLICE DEPARTMENT**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b><u>GENERAL FUND</u></b>					
<b>010-2410 Police Administration</b>					
Administrative Analyst I/II/Sr	2	3	3		3
Community Service Officer I/II	1	1	2		2
Executive Assistant	1	1	1		1
Finance Assistant I/II	2	2	2		2
Office Asst I/II/Specialist/Secretary/Technician	3	3	3		3
Program Manager I/II	1	1	1		1
Police Fiscal Affairs & Planning Manager	1	1	1		1
Sr Finance Assistant	2	1	1		1
Supervising Office Assistant	1	1	1		1
Chief of Police	1	1	1		1
Deputy Chief of Police I/II	2	2	2		2
Police Captain	1	1	1		1
Police Lieutenant	4	4	4		4
Police Officer/Trainee	10	12	12		12
Police Sergeant	5	7	7		7
	<b>37</b>	<b>41</b>	<b>42</b>	<b>0</b>	<b>42</b>
<b>010-2420 Police Field Services</b>					
Administrative Analyst I/II/Sr	2	1	1	(1)	0
Code Enforcement Field Manager	1	1	1		1
Code Enforcement Officer I/II	20	20	20		20
Code Enforcement Supervisor	2	2	2		2
Community Service Officer I/II	26	25	24		24
Graffiti Abatement Technician	4	4	4		4
Office Asst I/II/Specialist/Secretary/Technician	8	9	9		9
Police Court Coordinator	1	1	1		1
Police Records Assistant I/II/III/Sr	1	1	1		1
Police Services Manager	1	1	1		1
Program Manager I/II	0	0	0	1	1
Sr Code Enforcement Officer	3	3	3		3
Sr Community Service Officer	1	1	1		1
Sr Finance Assistant	0	1	1		1
Supervising Office Assistant	1	1	1		1
Police Captain	2	2	2		2
Police Lieutenant	9	9	9	1	10
Police Officer/Trainee	276	258	266	(26)	240
Police Sergeant	40	36	34		34
	<b>398</b>	<b>376</b>	<b>381</b>	<b>(25)</b>	<b>356</b>

PD01

PD01

PD02

PD03

**PERSONNEL LISTING - POLICE DEPARTMENT**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b>010-2430 Police Investigations</b>					
Crime Analyst	0	0	0	1	1 PD04
Community Service Officer I/II	2	3	3		3
Evidence Technician I/II	14	12	12		12
Office Asst I/II/Specialist/Secretary/Technician	2	3	3		3
Police Records Assistant I/II/III/Sr	3	3	3	(1)	2 PD05
Sr Evidence Technician	5	6	6		6
Supervising Evidence Technician	1	2	2		2
Police Captain	1	1	1		1
Police Lieutenant	4	4	4	(1)	3 PD02
Police Officer/Trainee	72	106	99	26	125 PD03
Police Sergeant	12	14	16		16
	<b>116</b>	<b>154</b>	<b>149</b>	<b>25</b>	<b>174</b>
<b>010-2462-63 Police Support Services</b>					
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Police Records Assistant I/II/III/Sr	27	25	26	1	27 PD05
Property Clerk	5	5	4		4
Property Room Supervisor	1	1	1		1
Supervising Police Records Assistant	2	2	2		2
Police Captain	1	1	1		1
	<b>37</b>	<b>35</b>	<b>35</b>	<b>1</b>	<b>36</b>
<b>010-2466-67 Police Animal Control</b>					
Animal Services Assistant I/II	8	7	7		7
Animal Services Officer/Sr	5	5	5	(1)	4 PD06
Animal Services Supervisor	1	1	1	1	2 PD06
Office Asst I/II/Specialist/Secretary/Technician	2	3	3		3
Police Services Manager	1	1	1		1
	<b>17</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>17</b>
<b>010-2470 Police Telecommunications</b>					
Administrative Analyst I/II/Sr	0	0	1		1
Crime Analyst	7	7	6	(1)	5 PD04
Office Asst I/II/Specialist/Secretary/Technician	0	1	1		1
Police Records Assistant I/II/III/Sr	2	1	0		0
Police Telecommunicator Call Taker	0	0	2	(1)	1 PD07
Police Telecommunicator I/II	41	41	39	1	40 PD07
Police Telecommunications Supervisor	6	6	6		6
Police Services Manager	1	2	2		2
Program Manager I/II	1	0	0		0
Police Sergeant	0	0	0		0
Supervising Crime Analyst	0	0	1		1
	<b>58</b>	<b>58</b>	<b>58</b>	<b>(1)</b>	<b>57</b>
<b>Total General Fund</b>	<b>663</b>	<b>681</b>	<b>682</b>	<b>0</b>	<b>682</b>

**PERSONNEL LISTING - POLICE DEPARTMENT**

**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Staffing Changes</b>	<b>FY 2019-20</b>
<b><u>SPECIAL REVENUE FUNDS</u></b>					
<b>Police Grant Funded</b>					
024-6426 COPS Grant: Community Service Officer	2	2	2		2
025-6478 CCP Task Force: Crime Analyst	1	1	0		0
025-6478 CCP Task Force: Police Officer	1	1	1		1
025-6478 CCP Task Force: Police Sergeant	1	1	1		1
025-6436 VAWA Grant: Police Officer	1	1	0		0
025-6465 CHP 2012-13: Police Officer	17	0	0		0
025-6468 Firearms Examiner	1	1	1		1
025-6498 Admin Analyst I/II/Sr	0	1	0		0
	<b>24</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>081-2436 Police Safe Neighborhood Measure W</b>					
Police Officer/Trainee	25	24	24		24
Total	<b>25</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>24</b>
<b>Total Special Revenue Funds</b>	<b>49</b>	<b>32</b>	<b>29</b>	<b>0</b>	<b>29</b>
<b>Total Police</b>	<b>712</b>	<b>713</b>	<b>711</b>	<b>0</b>	<b>711</b>
<b>Police Department Summary</b>					
<b>Sworn Positions</b>					
General Fund	440	458	459		459
Safe Neighborhood Measure W	25	24	24		24
Grant Funded	20	3	2		2
	<b>485</b>	<b>485</b>	<b>485</b>	<b>0</b>	<b>485</b>
<b>Non-Sworn Positions</b>					
General Fund	223	223	223		223
Grant Funded	4	5	3		3
	<b>227</b>	<b>228</b>	<b>226</b>	<b>0</b>	<b>226</b>
<b>Total Police Department</b>	<b>712</b>	<b>713</b>	<b>711</b>	<b>0</b>	<b>711</b>

**PERSONNEL LISTING - FIRE DEPARTMENT**

**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Staffing Changes</b>	<b>FY 2019-20</b>	
<b><u>GENERAL FUND</u></b>						
<b>010-2610 Fire Administration</b>						
Deputy Fire Chief I/II	2	2	2		2	
Executive Assistant	1	1	1		1	
Fire Battalion Chief	0	1	1		1	
Fire Chief	1	1	1		1	
Office Asst I/II/Specialist/Secretary	2	2	2		2	
Office Technician	1	1	1		1	
Program Manager I/II	0	0	1	1	2	FD01
Program Manager III	2	2	1	(1)	0	FD01
Project Manager I/II/III	1	1	1		1	
Supervising Office Assistant	1	1	1		1	
	<b>11</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>	
<b>010-2620 Fire Suppression/Rescue</b>						
Fire Battalion Chief	7	6	6		6	
Fire Captain	46	45	45		45	
Fire Fighter	47	47	47		47	
Fire Fighter Engineer	49	49	49		49	
	<b>149</b>	<b>147</b>	<b>147</b>	<b>0</b>	<b>147</b>	
<b>010-2650 Fire Training</b>						
Fire Battalion Chief	1	1	1		1	
Fire Captain	2	2	2		2	
	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	
<b>010-2660 Fire Dispatch</b>						
Emergency Communications Manager	1	1	1		1	
Fire Captain	0	1	1		1	
Fire Telecommunicator I/II	10	10	12		12	
Fire Telecommunications Supervisor	3	3	3		3	
	<b>14</b>	<b>15</b>	<b>17</b>	<b>0</b>	<b>17</b>	
<b>Total General Fund</b>	<b>177</b>	<b>177</b>	<b>179</b>	<b>0</b>	<b>179</b>	

**PERSONNEL LISTING - FIRE DEPARTMENT**

**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Staffing Changes</b>	<b>FY 2019-20</b>	
<b><u>SPECIAL REVENUE FUNDS</u></b>						
<b>048-2630 Development Services - Fire Prevention</b>						
Community Development Technician	0	0	1		1	
Fire Battalion Chief	0	1	1		1	
Fire Captain	1	1	1		1	
Fire Prevention Inspector I/II	2	3	5	1	6	FD02
Fire Prevention Manager	1	0	0		0	
Fire Protection Specialist	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	1	1	2		2	
Plan Checker I/II	1	1	1	(1)	0	FD02
Program Manager I/II	1	1	0		0	
Project Manager I/II/III	0	0	1		1	
	<b>8</b>	<b>9</b>	<b>13</b>	<b>0</b>	<b>13</b>	
<b>081-2636 Fire Safe Neighborhood Measure W</b>						
Fire Captain	6	6	6		6	
Fire Fighter	14	14	14		14	
Fire Fighter Engineer	5	5	5		5	
	<b>25</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>25</b>	
<b>Total Special Revenue Funds</b>	<b>33</b>	<b>34</b>	<b>38</b>	<b>0</b>	<b>38</b>	
<b>Total Fire</b>	<b>210</b>	<b>211</b>	<b>217</b>	<b>0</b>	<b>217</b>	
<b>Fire Department Summary</b>						
<b>Sworn Positions</b>						
General Fund	155	155	155		155	
Safe Neighborhood Measure W	25	25	25		25	
Development Services - Fire Prevention	1	2	2		2	
	<b>181</b>	<b>182</b>	<b>182</b>	<b>0</b>	<b>182</b>	
<b>Non-Sworn Positions</b>						
General Fund	22	22	24		24	
Development Services - Fire Prevention	7	7	11		11	
	<b>29</b>	<b>29</b>	<b>35</b>	<b>0</b>	<b>35</b>	
<b>Total Fire Department</b>	<b>210</b>	<b>211</b>	<b>217</b>	<b>0</b>	<b>217</b>	

**PERSONNEL LISTING - PUBLIC WORKS DEPARTMENT**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b><u>GENERAL FUND</u></b>					
<b>010-3010 Public Works Administration</b>					
Administrative Analyst I/II/Sr	2	2	2	1	3
Deputy Public Works Director/City Engineer	0	0	0	1	1
Engineering Services Manager	0	0	0	1	1
Executive Assistant	1	1	1		1
Office Asst I/II/Specialist/Secretary	3	3	2	1	3
Office Technician	0	0	1		1
Program Manager I/II	1	1	1		1
Program Manager III	1	1	1		1
Public Works Director	1	1	1		1
Records Specialist	1	1	1		1
Supervising Office Assistant	1	1	1		1
	<b>11</b>	<b>11</b>	<b>11</b>	<b>4</b>	<b>15</b>
<b>010-3061 Public Works Operations &amp; Maintenance</b>					
Deputy Public Works Dir/Ops & Maint	1	1	1		1
Engineering Services Manager	0	0	1		1
Office Asst I/II/Specialist/Secretary	3	3	2		2
Office Technician	0	0	1		1
Program Manager I/II	1	1	1		1
Public Works Safety Training Officer	0	0	1		1
Sr Civil Engineer	1	1	0		0
Supervising Office Assistant	1	1	1		1
	<b>7</b>	<b>7</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>010-3070 Public Works Parks &amp; Street Trees</b>					
Parks Manager	1	1	1		1
Project Manager I/II/III	1	1	1		1
Public Works Field Specialist	2	3	3		3
Public Works Maintenance Worker I/II/Sr	3	2	2		2
Public Works Supervisor	3	3	3		3
Sr Tree Surgeon	1	1	1		1
Tree Surgeon	4	4	4		4
	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
<b>010-3090 Public Works Facilities Maintenance</b>					
Craft Maintenance Worker I/II	5	5	5		5
Electrician I/II/Sr	3	3	3		3
Facilities Maintenance Worker I/II/III	4	4	4	(2)	2
Facilities Manager	0	0	1		1
Heating, Ventilation and Air Mechanic	3	3	3		3
Janitor	0	0	0	2	2
Office Asst I/II/Specialist/Secretary	1	1	1		1
Program Manager III	1	1	0		0
Project Manager I/II/III	2	2	2		2
Public Works Safety Training Officer	1	1	0		0
Public Works Supervisor	1	1	1		1
	<b>21</b>	<b>21</b>	<b>20</b>	<b>0</b>	<b>20</b>
<b>Total General Fund</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>4</b>	<b>58</b>



**PERSONNEL LISTING - PUBLIC WORKS DEPARTMENT**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b><u>SPECIAL REVENUE FUNDS</u></b>					
<b>030-3020 Gas Tax - Street Maintenance Engineering</b>					
Administrative Analyst I	0	0	1	(1)	0
Assistant City Traffic Engineer	1	1	1		1
City Traffic Engineer	1	1	1		1
Deputy Public Works Director/City Engineer	1	1	1	(1)	0
Engineering Aide/Eng Technician I/II/Sr	1	1	1	(1)	0
Engineering Services Manager	1	1	1		1
Jr/Asst/Assoc Engineer/Civil Engineer	13	12	15		15
Office Asst I/II/Specialist/Secretary	0	0	1	(1)	0
Parks Facility Planner	1	1	1	(1)	0
Project Manager I/II/III	2	2	2		2
Public Works Inspector	4	4	4	1	5
Supervising Public Works Inspector	1	1	1		1
Sr Civil Engineer	2	3	3		3
	<b>28</b>	<b>28</b>	<b>33</b>	<b>(4)</b>	<b>29</b>
<b>030-3060 Gas Tax Street Maintenance and Operations</b>					
Civil Engineer Assoc/Sr	1	1	1		1
Engineering Aide/Engineering Technician I/II/Sr	1	1	1		1
Jr/Asst/Assoc Engineer/Civil Engineer	1	1	1	1	2
Maintenance Repair Technician I/II	10	10	10		10
Parks Supervisor	1	0	0		0
Public Works Heavy Equipment Operator	2	2	2		2
Public Works Maintenance Worker	2	2	2		2
Public Works Supervisor	1	1	1		1
Public Works Supervisor/Electrical	1	1	1		1
Sr Maintenance Repair Technician	4	5	5		5
Sr Traffic Signal Electrician	1	1	1		1
Traffic Signal Electrician/Trainee	6	6	7		7
	<b>31</b>	<b>31</b>	<b>32</b>	<b>1</b>	<b>33</b>
<b>Total Gas Tax Fund</b>	<b>59</b>	<b>59</b>	<b>65</b>	<b>(3)</b>	<b>62</b>

**PERSONNEL LISTING - PUBLIC WORKS DEPARTMENT**

**FY 2019-20 Annual Budget**

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Staffing Changes</u>	<u>FY 2019-20</u>	
<b>020-0137 San Joaquin Area Flood Control Agency</b>						
Deputy Public Works Director/City Engineer	1	1	1		1	
Jr/Asst/Assoc Engineer/Civil Engineer	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1	
Project Manager I/II/III	1	1	1		1	
Sr Civil Engineer	1	1	1		1	
	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>	
<b>072-6900 Assessment Districts</b>						
Assessment District Program Coordinator	1	1	1		1	
Project Manager I/II/III	2	2	2		2	
	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	
<b>047-3080 Solid Waste &amp; Recycling</b>						
Program Manager I/II/III	1	1	1		1	
Project Manager I/II/III	3	3	3	1	4	PW08
Public Works Field Specialist	1	1	1		1	
Recycling Specialist	1	1	1	(1)	0	PW08
Solid Waste Manager	1	1	1		1	
Sr Maintenance Repair Technician	2	2	2	(2)	0	PW09
	<b>9</b>	<b>9</b>	<b>9</b>	<b>(2)</b>	<b>7</b>	
<b>082-3087 Measure K Street Maintenance</b>						
Sr Maintenance Repair Technician	0	0	0	2	2	PW09
	<b>76</b>	<b>76</b>	<b>82</b>	<b>(3)</b>	<b>79</b>	
<b>Total Special Revenue Funds</b>						
<b>INTERNAL SERVICE FUNDS</b>						
<b>FLEET</b>						
<b>501-5021 Fleet Administration</b>						
Fleet Manager	1	1	1		1	
Office Asst I/II/Specialist/Secretary	2	2	2		2	
Project Manager I/II/III	1	1	1		1	
Supervising Mechanic	2	2	2		2	
	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>	
<b>501-5023 Fleet Equipment Maintenance</b>						
Facilities Maintenance Worker I/II/III	3	3	3		3	
Mechanic I/II/III	17	17	17		17	
Welder/Fabricator Specialist	1	1	1		1	
	<b>21</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>	
<b>Total Internal Service Funds</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>27</b>	
<b>Total Public Works Department</b>	<b>157</b>	<b>157</b>	<b>163</b>	<b>1</b>	<b>164</b>	

**PERSONNEL LISTING - COMMUNITY SERVICES DEPARTMENT**

**FY 2019-20 Annual Budget**

			<b>Staffing</b>		
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Changes</b>	<b>FY 2019-20</b>	
<b><u>SPECIAL REVENUE FUNDS</u></b>					
<b>LIBRARY</b>					
<b>041-3510 Administration</b>					
Administrative Analyst I/II/Sr	1	1	1	1	
Deputy Dir of Comm Services/City Librarian	1	1	1	1	
Office Asst I/II/Specialist/Secretary/Technician	2	2	2	2	
Program Manager III	1	1	1	1	
	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>041-3524/30 Outreach/Technical Services</b>					
Circulation Assistant	1	1	1	1	
Librarian I/II/Trainee	2	2	2	(1)	CS01
Library Assistant I/II	2	2	3	3	
Library Driver/Clerk	1	1	1	1	
Office Asst I/II/Specialist/Secretary/Technician	2	2	2	2	
Supervising Librarian	1	1	1	1	
	<b>9</b>	<b>9</b>	<b>10</b>	<b>(1)</b>	<b>9</b>
<b>041-3550 City Branches</b>					
Circulation Assistant I/II	6	6	6	6	
Librarian I/II/Trainee	7	7	7	7	
Library Aide I/II	2	2	3	(2)	CS02,
					CS03
Library Assistant I/II/Sr	7	8	7	2	CS02,
					CS04
Supervising Librarian	1	1	2	2	
	<b>23</b>	<b>24</b>	<b>25</b>	<b>0</b>	<b>25</b>
<b>041-3540 County Branches</b>					
Circulation Assistant I/II	6	6	6	6	
Librarian I/II/Trainee	8	8	8	3	CS01,
					CS05
Library Aide I/II	1	2	1	1	CS03
Library Assistant I/II/Sr	9	10	10	(2)	CS04,
					CS06
Supervising Librarian	1	2	1	1	
	<b>25</b>	<b>28</b>	<b>26</b>	<b>2</b>	<b>28</b>
<b>Total Library Fund</b>	<b>62</b>	<b>66</b>	<b>66</b>	<b>1</b>	<b>67</b>

**PERSONNEL LISTING - COMMUNITY SERVICES DEPARTMENT**

**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Staffing Changes</b>	<b>FY 2019-20</b>
<b>RECREATION</b>					
<b>044-3610 Recreation-Administration</b>					
Administrative Analyst I/II/Sr	1	1	1		1
Deputy Director of Community Services	1	1	1		1
Director of Community Services	1	1	1		1
Executive Assistant	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	4	4	3		3
	<b>8</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>7</b>
<b>044-3600 Recreation Services</b>					
Recreation Assistant I/II/Sr	9	9	9		9
Recreation Program Coordinator	4	4	4		4
Recreation Supervisor	3	3	3		3
	<b>16</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>16</b>
<b>Total Recreation Fund</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>0</b>	<b>23</b>
<b>083 - Strong Communities Tax-Measure M</b>					
Administrative Analyst I/II/Sr	0	2	2		2
Circulation Assistant I/II	0	2	2		2
Librarian I/II	0	1	1		1
Library Assistant I/II/Sr	0	6	6		6
Recreation Assistant I/II/Sr	0	8	8		8
Recreation Program Coordinator	0	2	2		2
Recreation Superintendent	0	1	1		1
Supervising Librarian	0	0	0		0
Supervising Office Assistant	0	1	1		1
<b>Total Strong Communities Tax Fund</b>	<b>0</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>23</b>
<b>Total Community Services Department</b>	<b>86</b>	<b>113</b>	<b>112</b>	<b>1</b>	<b>113</b>

**PERSONNEL LISTING - COMMUNITY DEVELOPMENT DEPARTMENT**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b><u>DEVELOPMENT SERVICES FUND</u></b>					
<b>048-1810 Development Services-Administration</b>					
Community Development Director	1	1	1		1
Community Development Assistant Director	1	1	1		1
Community Development Tech I/II/Sr	2	3	4	1	5
Executive Assistant	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	0	1	1
Planning Technician I/II	1	1	1	(1)	0
Planning Manager	0	1	1		1
Program Manager I/II	2	2	2		2
Program Manager III	1	1	1		1
Revenue Assistant I/II	1	1	2		2
	<b>11</b>	<b>13</b>	<b>14</b>	<b>1</b>	<b>15</b>
<b>048-1820 Development Services-Planning</b>					
Assistant/Associate Planner	1	2	3	1	4
Community Development Tech I/II/Sr	1	0	0		0
Deputy Dir - Engineering & Transportation	1	1	1		1
Eng Aide/Engineering Technician I/II/Sr	1	1	1		1
Junior/Assistant/Associate Civil Engineer	3	2	2		2
Office Asst I/II/Specialist/Secretary/Technician	0	0	1	(1)	0
Planning Manager	4	3	3		3
Sr Planner	1	1	1		1
	<b>12</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>12</b>
<b>048-1830 Development Services-Building</b>					
Community Development Tech I/II/Sr	1	1	1	(1)	0
Combination Inspector I/II	5	5	7		7
Deputy Director - Building	1	1	1		1
Deputy Building Official	0	1	1		1
Plan Check Engineer	1	1	1		1
Plan Checker I/II/Sr	4	4	4		4
Sr Building Inspector	1	1	1		1
Supervising Combination Inspector	1	1	1		1
Supervising Plan Checker/Structural Engineer	1	0	0		0
	<b>15</b>	<b>15</b>	<b>17</b>	<b>(1)</b>	<b>16</b>
<b>Total Community Development Department</b>	<b>38</b>	<b>38</b>	<b>43</b>	<b>0</b>	<b>43</b>

**PERSONNEL LISTING - ECONOMIC DEVELOPMENT DEPARTMENT**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b><u>GENERAL FUND</u></b>					
<b>010-1700 Economic Development</b>					
Asst Economic Development Director	0	1	1		1
Deputy Economic Development Director	1	0	0		0
Director of Economic Development	1	1	1		1
Economic Development Analyst I/II/Sr	3	3	3	(1)	2
Executive Assistant	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Program Manager III	0	1	1		1
Project Manager I/II	1	0	0		0
Real Property Agent I/II/Sr	0	0	0	1	1
<b>Total General Fund</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b><u>SPECIAL REVENUE FUND</u></b>					
<b>054-8120 Housing - Community Development Block Grant</b>					
Administrative Analyst I/II/Sr	1	1	1		1
Deputy Housing Director	1	0	0		0
Economic Development Analyst I/II/Sr	0	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	1	(1)	0
Program Manager III	0	1	1		1
Project Manager I/II/III	2	1	1		1
	<b>5</b>	<b>5</b>	<b>5</b>	<b>(1)</b>	<b>4</b>
<b><u>AGENCY FUND</u></b>					
<b>633-7310 Successor Agency (RDA)</b>					
Program Manager I/II	1	1	1		1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b><u>ENTERPRISE FUND</u></b>					
<b>418-4000 Parking Authority</b>					
Administrative Analyst I/II/Sr	1	0	0	1	1
Office Asst I/II/Specialist/Secretary/Technician	0	1	1		1
Parking Enforcement Officer	2	2	2		2
Program Manager III	1	1	1		1
Supervising Parking Enforcement Officer	1	1	1		1
	<b>5</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>6</b>
<b>Total Other Funds</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>11</b>
<b>Total Economic Development Department</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>19</b>

**PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT**

**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Staffing Changes</b>	<b>FY 2019-20</b>	
<b><u>WATER FUND</u></b>						
<b>421-4210 Water Administration</b>						
Deputy Director Water Resource Planning	1	1	1		1	
Office Asst I/II/ Office Specialist/Secretary	2	2	1		1	
Program Manager III	1	1	1		1	
	<b>4</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>3</b>	
<b>421-4223 Hydrant Maintenance</b>						
Hydrant Worker/Sr	2	0	0		0	
	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>421-4231 Water Distribution</b>						
Hydrant Worker/Sr	0	1	2		2	
Office Asst I/II/ Specialist/Secretary/Technician	1	1	1		1	
Plant Operations Supervisor	0	1	0		0	
Sr Plant Maintenance Supervisor	0	0	0		0	
Water Field Technician	4	2	4		4	
Water Systems Superintendent	1	1	1		1	
Water Systems Supervisor	0	0	0	1	1	MD01
Water Systems Operator I/II/Sr	18	20	18		18	
Water/Sewer Equipment Operator	1	1	1		1	
	<b>25</b>	<b>27</b>	<b>27</b>	<b>1</b>	<b>28</b>	
<b>421-4234/35 Water Operations &amp; Maintenance</b>						
Chief Plant Operator	1	1	1		1	
Electrical Technician I/II	2	2	2		2	
Plant Maintenance Mechanic	2	3	3		3	
Plant Operator I/II/Sr	8	8	8		8	
Plant Operations Supervisor	1	1	1		1	
Sr Plant Maintenance Mechanic	1	1	1		1	
Water Systems Operator I/II/Sr	4	4	4		4	
	<b>19</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>	
<b>Total Water</b>	<b>50</b>	<b>51</b>	<b>50</b>	<b>1</b>	<b>51</b>	

**PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b><u>WASTEWATER FUND</u></b>					
<b>431-4311 Wastewater Administration</b>					
Administrative Analyst I/II/Sr	0	0	0	1	1 MD02
Assistant MUD Director	1	1	2		2
Buyer I/II/Sr	1	0	0		0
Director of Municipal Utilities	1	1	1		1
Executive Assistant	1	1	1		1
Materials Specialist	2	0	0		0
MUD Finance Officer	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	6	5	6	(1)	5 MD03
Program Manager III	0	1	1		1
Supervising Office Assistant	0	0	0	1	1 MD03
	<b>13</b>	<b>10</b>	<b>12</b>	<b>1</b>	<b>13</b>
<b>431-4312 Engineering &amp; Capital Projects</b>					
Assistant MUD Director	0	1	0		0
Engineering Services Manager	1	1	1		1
Junior/Assistant/Associate Civil Engineer	7	7	7		7
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2
Principal Civil Engineer	1	1	1		1
Public Works Inspector	1	1	1		1
Sr Civil Engineer	2	2	2		2
	<b>14</b>	<b>15</b>	<b>14</b>	<b>0</b>	<b>14</b>
<b>431-4331 Wastewater Operations</b>					
Chief Plant Operator	1	1	1		1
Deputy Director Wastewater	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2
Plant Operator in Training/I/II/Sr	25	25	25		25
Plant Operations Supervisor	2	2	2		2
Program Manager III	1	1	1		1
	<b>32</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>32</b>
<b>431-4331 Wastewater Maintenance</b>					
Electrical Technician I/II	3	3	3		3
Office Asst I/II/Specialist/Secretary/Technician	0	1	1		1
Plant Maintenance Machinist	0	1	1		1
Plant Maintenance Mechanic	9	11	11	(1)	10 MD04
Plant Maintenance Worker I/II	3	2	2	(1)	1 MD05
Plant Maintenance Supervisor	1	1	1		1
Program Manager III	0	0	0	1	1 MD06
Sr Plant Maintenance Mechanic	3	3	3		3
Sr Plant Maintenance Supervisor	1	1	1		1
	<b>20</b>	<b>23</b>	<b>23</b>	<b>(1)</b>	<b>22</b>



**PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT**

**FY 2019-20 Annual Budget**

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Staffing Changes</b>	<b>FY 2019-20</b>	
<b>431-4332 Sanitary Sewers/Collections</b>						
Collection Systems Operator I/II/Sr	37	34	34		34	
Sr Collection Systems Supervisor	1	1	1		1	
Collection Systems Supervisor	2	2	2		2	
Deputy Director Maintenance & Collections	1	1	1		1	
Program Manager III	2	1	1		1	
Project Manager I/II	1	0	0		0	
Public Works Inspector	1	0	0		0	
Office Asst I/II/ Office Specialist/Secretary	1	1	1		1	
Water/Sewer Equipment Operator	2	2	2		2	
	<b>48</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>42</b>	
<b>431-4333 Sanitary Pump Stations</b>						
Electrical Technician I/II	2	2	2		2	
Office Asst I/II/Specialist/Secretary/Technician	1	0	0		0	
Plant Maintenance Machinist	1	0	0		0	
Plant Maintenance Mechanic	11	10	10	1	11	MD04
Plant Maintenance Worker I/II	1	0	0	1	1	MD05
Plant Maintenance Supervisor	1	1	1		1	
Sr Plant Maintenance Mechanic	2	1	1		1	
	<b>19</b>	<b>14</b>	<b>14</b>	<b>2</b>	<b>16</b>	
<b>431-4341 Environmental Control</b>						
Environmental Control Officer	3	3	3		3	
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1	
Sr Environmental Control Officer	2	2	2		2	
Technical Services Supervisor	1	1	1		1	
	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>	
<b>Total Wastewater</b>	<b>153</b>	<b>143</b>	<b>144</b>	<b>2</b>	<b>146</b>	

**PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT**

**FY 2019-20 Annual Budget**

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<b>Staffing Changes</b>	<u>FY 2019-20</u>	
<b><u>STORMWATER FUND</u></b>						
<b>441-4410 Stormwater-Policy, Planning, Management</b>						
Environmental Control Officer	0	0	0	1	1	MD07
Program Manager III	0	1	1		1	
Project Manager I/II	0	1	1		1	
Public Works Inspector	0	1	1	(1)	0	MD07
	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	
<b>441-4431 Stormwater Collections</b>						
Collections Systems Operator I/II/Sr	0	2	2		2	
	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	
<b>441-4432 Stormwater Pump Stations</b>						
Sr Plant Maintenance Mechanic	0	1	1		1	
	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	
<b>Total Stormwater</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>	
<b><u>OPERATIONAL SUPPORT SERVICES</u></b>						
<b>Laboratory</b>						
Chemist	2	2	2		2	
Laboratory Technician	3	3	3		3	
Laboratory Supervisor	1	1	1		1	
Microbiologist	1	1	1		1	
	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>	
<b>Regulatory Compliance, Outreach, SCADA</b>						
Electrical Technician I/II	1	1	1	(1)	0	MD02
GIS Specialist I/II	1	1	1		1	
Occupational Health/Safety Compliance Specialist	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	0	1	1		1	
Program Manager I/II	2	1	1		1	
Program Manager III	0	1	1		1	
Regulatory Compliance Officer	1	1	1	(1)	0	MD01
SCADA/CMMS Manager	1	1	1		1	
Utility Technology Specialist	1	1	1		1	
	<b>8</b>	<b>9</b>	<b>9</b>	<b>(2)</b>	<b>7</b>	
<b>Total Municipal Utilities Department</b>	<b>218</b>	<b>216</b>	<b>216</b>	<b>1</b>	<b>217</b>	

**PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**

**FY 2019-20 Annual Budget**

			<b>Staffing</b>		
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b>CITY COUNCIL</b>					
Councilmember	6	6	6		6
Executive Assistant to the Mayor	1	1	1		1
Public Information Officer	0	1	1		1
Mayor	1	1	1		1
Mayor's Senior Policy Advisor	0	1	1		1
	<b>8</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>
<b>CITY MANAGER</b>					
Administrative Aide I/II	2	2	2		2
Assistant to the City Manager	1	0	0		0
City Manager	1	1	1		1
Deputy City Manager I/II	2	4	4		4
Executive Assistant to City Manager	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Program Manager III	2	3	3		3
	<b>10</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
<b>CITY ATTORNEY</b>					
Assistant City Attorney	1	1	1		1
City Attorney	1	1	1		1
Deputy City Attorney	6	6	6		6
Executive Assistant to City Attorney	1	1	1		1
Paralegal	1	1	1		1
Legal Secretary I/II	2	2	2		2
	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
<b>CITY CLERK</b>					
Assistant City Clerk I/II	1	1	1		1
City Clerk	1	1	1		1
Deputy City Clerk I/II/Sr	4	4	4		4
Records Research Specialist	1	1	1		1
	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
<b>NON-DEPARTMENTAL</b>					
Administrative Aide I/II	2	2	2		2
Community Relations Officer	0	1	1		1
Program Manager III	2	0	0		0
	<b>4</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>OFFICE OF VIOLENCE PREVENTION</b>					
Administrative Aide I/II	0	1	1		1
Administrative Analyst I/II/Sr	1	0	0		0
Community Engagement Coordinator	0	0	0	1	1
Management Assistant	0	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	0	0		0
Office of Violence Prevention Program Asst	1	1	1	(1)	0
Office of Violence Prevention Manager	1	1	1		1
Outreach Supervisor	2	2	2		2
Outreach Worker	8	8	8		8
	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
<b>Total Non-Departmental</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>17</b>

CM01

CM01

**PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b>ADMINISTRATIVE SERVICES DEPARTMENT</b>					
<b><u>GENERAL FUND</u></b>					
<b>010-1310 Administration</b>					
Assistant Chief Financial Officer	1	1	1		1
Chief Financial Officer	1	1	1		1
Executive Assistant	1	1	1		1
Office Asst I/II/Specialist	4	4	4		4
Program Manager III	1	1	1		1
	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>010-1320/60 Financial Services</b>					
Accountant I/II/Sr	7	7	7		7
Accounting Manager	1	1	1		1
Finance Assistant I/II/Sr	8	8	8		8
Payroll Supervisor	1	1	1		1
Program Manager I/II	2	2	2		2
Supervising Accountant	2	2	2		2
	<b>21</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
<b>010-1322 Budget</b>					
Budget Officer	1	1	1		1
Budget Analyst I/II/Sr	5	5	5		5
	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>010-1331 Revenue/Collections</b>					
Revenue Assistant I/II/Sr	10	11	11		11
Revenue Collector	1	1	1	(1)	0
Revenue Officer	1	1	1		1
Revenue Supervisor	2	1	1		1
	<b>14</b>	<b>14</b>	<b>14</b>	<b>(1)</b>	<b>13</b>
<b>010-1340 Procurement</b>					
Buyer I/II/Sr	2	0	0		0
Materials Specialist	1	3	3		3
Purchasing Agent	1	0	0		0
Deputy Director of Procurement	1	0	0		0
Procurement Manager	1	1	1		1
Procurement Specialist I/II/Sr	1	4	4		4
Supervising Procurement Specialist	0	2	2		2
	<b>7</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>
<b>010-1350/51 Utility Billing/Customer Service</b>					
Customer Service Assistant	2	2	2		2
Revenue Assistant I/II/Sr	14	13	13		13
Revenue Collector	4	4	4	1	5
Revenue Supervisor	1	2	2		2
	<b>21</b>	<b>21</b>	<b>21</b>	<b>1</b>	<b>22</b>
<b>Total General Fund</b>	<b>77</b>	<b>80</b>	<b>80</b>	<b>0</b>	<b>80</b>
<b><u>INTERNAL SERVICE FUNDS</u></b>					
<b>502-5400 Document Services</b>					
Reprographics/Mailroom Supervisor	1	1	1		1
Reprographics/Mailroom Technician I/II	1	1	1		1
	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Total Administrative Services Department</b>	<b>79</b>	<b>82</b>	<b>82</b>	<b>0</b>	<b>82</b>

**PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**

**FY 2019-20 Annual Budget**

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Staffing Changes</u>	<u>FY 2019-20</u>
<b>HUMAN RESOURCES</b>					
<b><u>GENERAL FUND</u></b>					
<b>010-1610 Recruitment &amp; Workforce Planning</b>					
Human Resources Analyst I/II/Sr	4	4	4		4
Human Resources Asst I/II /Specialist	1	1	1		1
Supervising Human Resource Analyst	1	1	1		1
	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>010-1620 Administration &amp; Employee Labor Relations</b>					
Administrative Aide I/II	1	1	1		1
Assistant Director of Human Resources	1	1	1		1
Director of Human Resources	1	1	1		1
Executive Assistant (Confidential)	1	1	1		1
Human Resources Analyst I/II/Sr	2	2	2		2
Human Resources Asst/Specialist I/II	1	1	1		1
Human Resources Program Assistant	1	1	1		1
Human Resources Technician	2	2	2		2
Program Manager III	1	1	1		1
Supervising Human Resource Analyst	1	1	1		1
	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
<b>Total General Fund</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>18</b>
<b><u>INTERNAL SERVICE FUNDS</u></b>					
<b>552-5500 Health Benefits</b>					
Deputy Director of Human Resources	1	1	1		1
Human Resources Analyst I/II/Sr	1	1	1		1
Human Resources Asst/Specialist I/II	1	1	1		1
Human Resources Technician	2	2	2		2
Supervising Human Resources Analyst	1	1	1		1
	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>551-5600 Workers Compensation</b>					
Human Resources Manager/Safety Officer	1	1	1		1
Risk Analyst I/II	2	2	2		2
	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>541-5700 General Liability Insurance</b>					
Human Resources Program Assistant	1	0	0		0
Liability Claims Investigator I/II	1	1	1		1
Risk Analyst I/II	0	1	1		1
Risk/Loss Control Specialist	1	1	1		1
	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Total Internal Service Funds</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
<b>Total Human Resources Department</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>30</b>

**PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS**

**FY 2019-20 Annual Budget**

				<b>Staffing</b>	
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Changes</b>	<b>FY 2019-20</b>
<b>INFORMATION TECHNOLOGY DEPARTMENT</b>					
<b><u>INTERNAL SERVICE FUNDS</u></b>					
<b>502-5100 Information Technology</b>					
Administrative Analyst I/II/Sr	0	1	2	1	3
Director of Information Technology	1	1	1		1
Executive Assistant	1	1	1		1
Information Technology Officer	1	2	2		2
Information Technology Supervisor	3	3	3		3
GIS Analyst I/II/Sr	2	2	2	(1)	1
GIS Specialist I/II/Sr	1	1	1	(1)	0
Network Support Analyst I/II/Sr	4	4	4		4
Office Asst I/II/Specialist/Secretary/Technician	2	3	3	(1)	2
Program Manager I/II	2	2	2		2
Program Manager III	2	7	7		7
Systems Analyst I/II/Sr	16	19	18		18
Technology Project Coordinator	1	1	1		1
Technology Support Specialist I/II	6	6	5		5
Technology Training Coordinator	0	0	1		1
	<b>42</b>	<b>53</b>	<b>53</b>	<b>(2)</b>	<b>51</b>
<b>503-5200 Radio</b>					
Project Manager I/II	1	1	1		1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Total Information Technology Department</b>	<b>43</b>	<b>54</b>	<b>54</b>	<b>(2)</b>	<b>52</b>

**PERSONNEL LISTING - FOOTNOTES**  
**FY 2019-20 Annual Budget**

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**Police Department**

PD01     Reclassify one Sr. Administrative Analyst to Program Manager II  
PD02     Move one Lieutenant to Field Services from Investigations  
PD03     Move 26 Officers from Field Services to Investigations  
PD04     Move one Crime Analyst from Telecommunications to Investigations  
PD05     Move one Police Records Assistant from Investigations to Support Services  
PD06     Reclassify one Animal Services Officer to Animal Services Supervisor  
PD07     Reclassify one Police Call Taker to Police Telecommunicator

**Fire Department**

FD01     Reclassify one Program Manager III to Program Manager II  
FD02     Reclassify one Plan Checker to Fire Prevention Inspector

**Public Works Department**

PW01     Move one Administrative Analyst from Street Maintenance Engineering to Administration  
PW02     Move one Deputy Director from Street Maintenance Engineering to Administration  
PW03     Reclassify one Park Facility Manager to Engineering Services Manager and move from Street Maintenance Engineering to Administration  
PW04     Move one Office Specialist from Street Maintenance-Engineering to Administration  
PW05     Reclassify two Facility Maintenance Workers to Janitors  
PW06     Reclassify one Engineering Technician to a Jr. Engineer and move from Street Maintenance Engineering to Maintenance & Operations  
PW07     NEW - one Public Works Inspector position  
PW08     Reclassify one Recycling Specialist to Project Manager II  
PW09     Move two Sr. Maintenance Repair Technicians from Solid Waste to Measure K Street Maintenance

**Community Services Department**

CS01     Move one Librarian from Outreach to County branches  
CS02     Reclassify one Library Aide to Library Assistant  
CS03     Move one Library Aide from City branches to County branches  
CS04     Move one Library Assistant from County branches to City branches  
CS05     New - one Librarian II position for the Mountain House Library  
CS06     Reclassify one Library Assistant to Librarian I

**Community Development Department**

CD01     Move one Community Development Technician from Building to Administration  
CD02     Move one Office Assistant II from Planning to Administration  
CD03     Reclassify one Planning Technician II to Assistant Planner and move from Administration to Planning

**Economic Development Department**

ED01     Move one Economic Development Analyst to Parking from Economic Development  
ED02     Reclassify one Office Technician to a Real Property Agent I and move from Housing to Economic Development

**PERSONNEL LISTING - FOOTNOTES**  
**FY 2019-20 Annual Budget**

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**Municipal Utilities Department**

MD01      Reclassify one Regulatory Compliance Officer to a Water Systems Supervisor and move from Regulatory Compliance to Water Distribution

MD02      Reclassify one Electrical Technician to an Administrative Analyst and move from Regulatory Compliance to Wastewater Administration

MD03      Reclassify one Office Specialist to a Supervising Office Assistant

MD04      Move one Plant Maintenance Mechanic from Treatment Plant to Pump Stations

MD05      Move one Plant Maintenance Worker from Treatment Plant to Pump Stations

MD06      NEW - one Program Manager III position

MD07      Reclassify one Public Works Inspector to an Environmental Control Officer position

**City Manager's Office**

CM01      Reclassify one Program Assistant to a Community Engagement Coordinator position

**Administrative Services Department**

AS01      Move one Revenue Collector from Business License to Utility Billing

**Information Technology Department**

IT01      Reclassify an Office Specialist to an Administrative Analyst

IT02      Eliminate a GIS Analyst position

IT03      Eliminate a GIS Specialist position



**PERSONNEL LISTING - END NOTES**  
**FY 2019-20 Annual Budget**

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

# BUDGET AND FISCAL POLICIES

## BUDGET AND FINANCIAL POLICIES

### Basis of Accounting

The term “basis of accounting” is used to describe the timing of recognition, that is when the effects of transactions or events should be recognized. The basis of accounting used for purposes of financial reporting in accordance with generally accepted accounting principles (GAAP) is not necessarily the same basis used in preparing the budget document. The City uses the modified accrual basis of accounting for governmental funds (general, special revenue, debt service, and capital projects) and agency funds. The City recognizes revenues for these funds when they become measurable and available, and recognizes expenditures when the liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

The City uses the full accrual basis of accounting for proprietary and permanent funds. Under the full accrual basis of accounting, the City recognizes revenues when earned, and expenses are recognized when incurred.

The City's *Comprehensive Annual Financial Report* can be found at:  
<http://www.stocktongov.com/government/departments/adminServices/finRep.html>

### Basis of Budgeting

The City's operating budget is prepared using the *current financial resources measurement* focus and the *modified accrual basis* of accounting for all funds, which recognizes revenues when they become available and measurable and recognizes expenditures when liabilities are incurred. Some exceptions to this recognition of expenditures include those related to debt service, compensated absences, and claims and judgments which are recorded only when due. With respect to real and personal property tax revenue and other local taxes, the term “available” is limited to collection within 60 days of the fiscal year-end. The City records Federal and State reimbursement-type grants as revenue when it incurs related eligible expenditures.

### Fund Structure

The City organizes its accounts into funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operation of each fund is maintained with a self-balancing set of accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures or expenses. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into generic fund types and broad fund categories as follows:

#### *Governmental funds*

- General Fund: The General Fund is the City's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds: Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

## BUDGET AND FINANCIAL POLICIES

- **Capital Projects Funds:** The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust / Agency Funds).

### *Proprietary funds*

- **Enterprise funds:** Enterprise Funds are used to account for operations:
  - (a) That are financed and operated like private business enterprises where the governing body intends the full costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
  - (b) Where the governing body has decided periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- **Internal Service Funds:** Internal service funds account for the financing of goods and services provided by one department in the City to other departments in the City on a cost reimbursement basis as a basis for allocation.
- **Fiduciary funds:** Fiduciary funds are used to account for assets held by the City in a trustee or agent capacity for individuals, private organizations, other governments, and other funds.

### **Financial Policies**

#### *Balanced Budget*

Section 1905 of the City Charter states: "The total proposed expenditures shall not exceed the total of estimated income, estimated unencumbered balances of funds to be carried over from the preceding year and unencumbered available reserves." If the City meets these criteria, the budget is considered balanced. The budget is considered balanced when the total amount of revenues, including transfers in from other funds and the use of fund balance, equals the total amount of expenditures. The budget is also considered balanced, however, when total expenditures are less than total revenues, which is technically a surplus. Instances also arise when the City plans to spend fund balances from previous years on one-time or non-routine expenditures. The City also considers the budget to be balanced in this case, provided the funding from previous years is available, and a plan is in place to create on-going expenditures with one-time funding.

#### *Long-Range Financial Plan*

The City Council's Strategic Work Plan includes Fiscal Sustainability as a Strategic Target and has a Tier 1 Priority Goal to "Adopt a budget and allocate resources consistent with the Long-Range Financial Plan; implement solutions that provide financial transparency to the community."

To ensure long-term sustainability, the City utilizes the Long-Range Financial Plan (L-RFP) as part of budget development. The City created L-RFP as part of the bankruptcy process to demonstrate the financial viability of the Plan of Adjustment over a 20-year period. This window is significantly longer than most long-term forecasts but was necessary to adequately present significant changes such as debt restructuring, pension costs, and equipment replacement. The City continues to update and refine the L-RFP and is proving to be a useful framework to make budget decisions. By incorporating the L-RFP into its decision-making process, the City Council has an effective tool to forecast the future effects of its decisions. Because so many facets of

## BUDGET AND FINANCIAL POLICIES

City services include long-term commitments such as labor, infrastructure improvements and sufficient reserves, it is imperative for the City to take a long-term view.

### *Reserve Policies*

The City Council has adopted policies establishing minimum target levels of unreserved fund balance to be maintained in various funds. These target reserves protect the City's financial exposure to severe unforeseen emergencies and economic uncertainties and are an important component of the City's long-term financial management. The following are examples of reserve policies for different funds:

- General Fund: Priority I targets for a Working Capital Reserve and Known Contingencies, and Priority II targets for risk-based contingencies;
- Measure W: 25% of anticipated annual revenue; and
- Municipal Utilities: Six months of operating expenditures.

In March 2016, the City Council adopted a reserve policy for the General Fund that describes various reserve types, funding priorities, and calculation guidelines. The Working Capital Reserve target is based on a percentage of total budgeted General Fund expenditures, and the current Known Contingencies Reserve target is a list of known future expenses, contingent on as of yet unknown facts or circumstances that require significant resources. The Risk-Based Reserves are based on potential costs related to infrastructure replacement, extreme events/disasters, legal claims, and severe economic or revenue volatility. The reserve targets are reviewed annually in accordance with the Council's General Fund – Fund Balance and Reserve Policy.

The reserve policies were adopted with the goal to accumulate the targeted reserves over the course of future years. The following links for City reserve policies are:

General Fund Policy - [http://www.stocktongov.com/files/General\\_Fund\\_Reserve\\_Policy.pdf](http://www.stocktongov.com/files/General_Fund_Reserve_Policy.pdf)  
Municipal Utilities Funds Policy -  
[http://qcode.us/codes/stockton-cpm/view.php?topic=700-700\\_5&frames=on](http://qcode.us/codes/stockton-cpm/view.php?topic=700-700_5&frames=on)

### *Investment Policy*

The City adopts an investment policy annually that is intended to provide guidelines for the prudent investment of the City's cash balances and outlines the policies to assist in maximizing the efficiency of the City's cash management system while meeting the daily cash flow demands of the City. The City's investment policy can be found at:

<http://www.stocktonca.gov/government/departments/adminServices/debt.html>

### *Debt Policies*

Policies *Capital Financing and Debt Management Policy* and the *Policies and Procedures for Land-Secured Financing* can be found at:

<http://www.stocktonca.gov/government/departments/adminServices/debt.html>

## BUDGET AND FINANCIAL POLICIES

### *Budget Amendments*

It may be necessary to amend the budget for unforeseen circumstances that arise during the year. The City Manager may amend the budget up to the limit of his authority, and by resolution with the concurrence of at least four members of the City Council for items above the City Manager's authority.

The City Manager may approve transfers of appropriations between departments within a fund.

All transfers of appropriation from Priority II Risk Based Reserves require City Council approval by a super majority (6 out of 7).

### *Budget Process*

The City annually adopts and executes a budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budget controls the expenditure of money for all City purposes during the ensuing fiscal year. City departments receive guidance and training from the Budget Office to assist in preparing budget requests and narratives. Departments are provided current salary projections and staffing allocations for their review and revision for the budget year. All fees for service are reviewed and updated by departments and a multi-departmental fee review team. Likewise, departments submit capital project requests for review by the Public Works Department and the City Manager. Departments submit budget plans and new requests to the Budget Office that incorporate updates to resource allocations, service delivery, programs, and staffing.

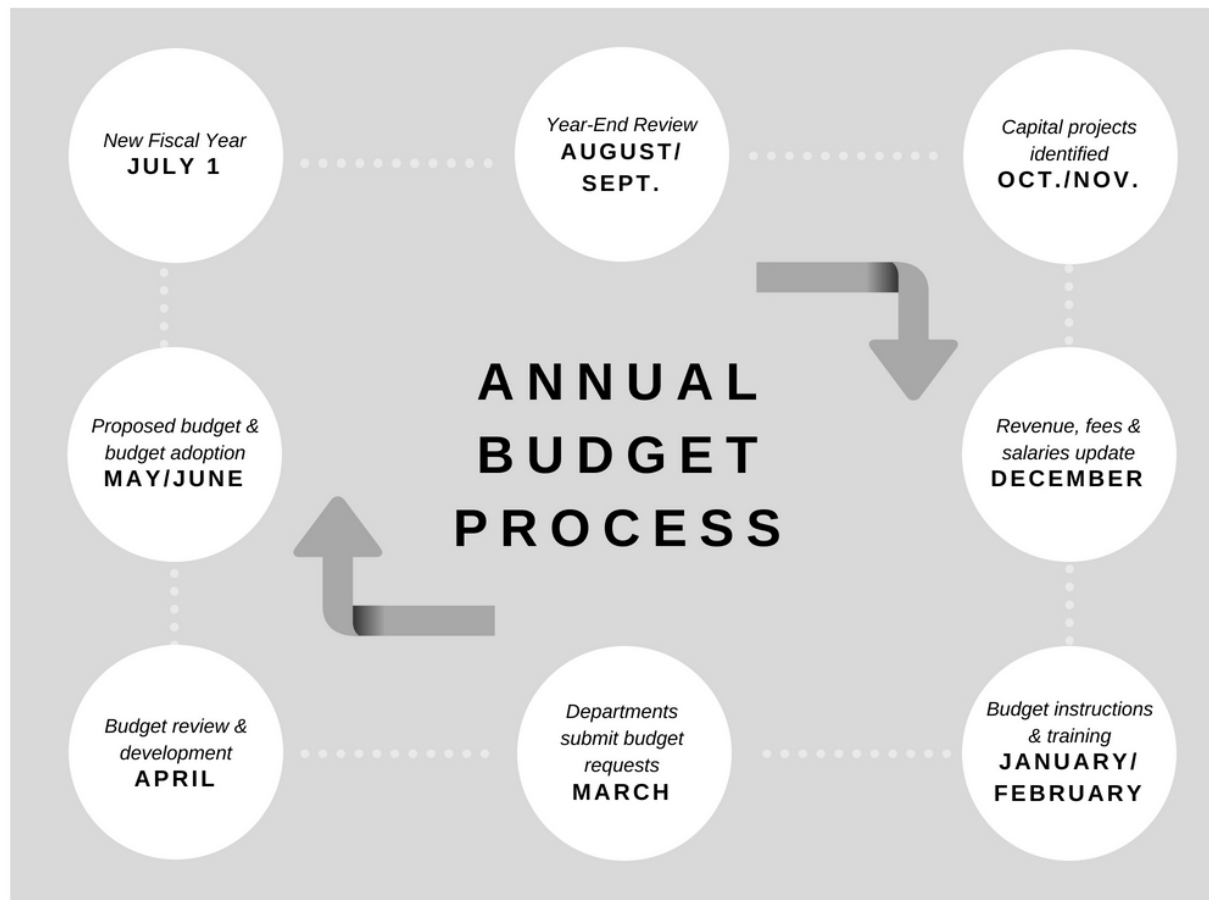
The City's L-RFP greatly restricts growth in General Fund expenditures. The Budget Office provides each department that relies on General Fund support a baseline budget amount, and the Budget Office and City Manager review any proposed expenditure growth above that baseline for approval. Budget staff review all submitted budgets for reasonableness and compliance with the guidelines and budget priority direction provided by the Council and City Manager. Following the City Manager review, each department presents its budget recommendations to the City Council during a budget study session. During this session, the Council also reviews General Fund revenues, Special Revenues, the Capital Improvement Program, and fee changes as proposed by the City Manager. The Council asks each department questions about their budget proposals and makes policy decisions and suggestions for changes to the City Manager.

A combined Council public hearing on the Capital Improvement Program, Operating Budgets, Successor Agency Budget and Fee Schedule is held in June each year. The Council adopts the budget before the beginning of the fiscal year. The budget resolution defines the level of budgetary control which determines if the budget can be amended administratively or if Council approval is required.

## BUDGET AND FINANCIAL POLICIES

### Budget Process Calendar

October	Departments work with Public Works Department to identify capital needs.
Nov. - Dec.	Salary projections, fee review and internal service fund analysis begins.
January	Mid-year review of City funds and fee adjustments due.
February	Budget instruction memo sent to City departments. Capital project requests submitted to Budget Office.
March	Departments submit operating budget requests to Budget Office.
April	City Manager reviews department budgets. Capital Improvement Plan to Planning Commission.
May 15	City Manager submits Proposed Budget, Capital Improvement Plan, and Fee Schedule to Mayor and City Council.
May – June	Review of Proposed Budget at Citizen Advisory Committee meetings. Council holds a budget study session to review the Proposed Budget. Council holds a Public Hearing to adopt the City's Operating, Capital, and other agency budgets along with the Fee Schedule for the fiscal year.



# LEGAL DEBT MARGIN



## LEGAL DEBT MARGIN

(Dollar amounts in thousands)

	Fiscal Year			
	2018	2017	2016	2015
Assessed valuation	\$ 21,362,446	\$ 20,337,129	\$ 19,628,594	\$ 18,653,199
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	5,340,612	5,084,282	4,907,149	4,663,300
Debt limit percentage	15%	15%	15%	15%
Debt Limit	801,092	762,642	736,072	699,495
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 801,092	\$ 762,642	\$ 736,072	\$ 699,495
Legal debt margin/debt limit	100%	100%	100%	100%

Under State law, the City has a legal debt limitation not to exceed 15% of the total assessed valuation of taxable property within the City boundaries, adjusted for subsequent legislative actions. In accordance with California Government Code Section 43605, only the City's general obligation bonds are subject to the legal limit. The City of Stockton does carry bonded debt secured by special assessments and other revenue sources, but at this time, does not have any outstanding general obligation bonds. The City is not at risk of exceeding its legal debt limit.

# GLOSSARY

## GLOSSARY

**Account:** Basic component of a formal accounting system. Individual record of increases and decreases in a specific asset, liability, revenue, expenditure or expense.

**Accrual basis of accounting:** Revenue and expenses are recorded in the period in which they are earned or incurred, regardless of whether cash is received or disbursed in that period. The enterprise and internal service funds use the accrual basis of accounting for external reporting purposes.

**Actual:** Actual level of revenues or expenditures in the fiscal year noted.

**Ad Valorem:** In proportion to the value. Basis of property taxes, both real and personal, imposed by the City.

**Appropriation:** Authorization by a governing body to incur obligations for specific purposes. Appropriations are limited to amount, purpose, and time. All appropriations of the City Council lapse on June 30<sup>th</sup>, unless provided for by the City Council in a direct action.

**Adopted budget:** Version of the operating budget approved by the City Council through a formal process.

**Agency Funds:** Funds to account for resources held by a government in a custodial capacity.

**Approved budget:** Adopted budget plus Council approved and administrative budget amendments.

**Assess:** Place a value on property for tax purposes.

**Assessed valuation of assessment:** Dollar value placed upon real estate or personal property as a basis for levying taxes of the governing body.

**Assessment:** Tax revenue related to the assessed value of real or personal property.

**Assets:** Resources owned by the City that have a monetary value.

**Audit:** Examination of records or financial accounts to form an opinion whether they are prepared in conformity with a specific standard.

**Authorized positions:** Number and classification of the full-time staffing levels approved by the City Council funded in a budget cycle.

**Available balance:** The uncommitted, undesignated portion of liquid assets less liabilities available for operations. Fund balance represents the working capital portion of a fund's equity, which excludes capital assets, debt, obligations incurred but not yet paid, and other non-current items.

**Bad debt expense:** Incurred when a buyer fails to pay for goods or services acquired from the City.

**Balanced budget:** Within a fund, the total revenues, including transfers in from other funds and use of fund balance equals the total amount of expenditures, including transfers out to other funds and contributions to fund balance.

**Bankruptcy:** Bankruptcy for Municipalities is covered under Chapter 9 of the United States Bankruptcy Code to provide a financially-distressed municipality protection from its creditors while it develops and negotiates a plan for adjusting its debts.

## GLOSSARY

**Baseline:** An estimate of spending, revenue, related the deficit or surplus expected during a fiscal year under current laws, labor agreements, and policy. The baseline is a starting point for measuring the budgetary effects of proposed changes in revenues and spending.

**Basis of accounting:** Timing of recognition for financial reporting purposes. The basis of accounting determines when revenues, expenses, assets and liabilities are recognized and reported. Cash, accrual and modified accrual are the three accounting methods used by local governments. Modified accrual, with a focus on current financial resources, is used for budgetary purposes.

**Beginning/ending fund balance:** Resources available in a fund after payment of prior/current year expenses.

**Benchmarking:** Ongoing search for best practices and processes that produce superior performance when adopted and implemented in an organization.

**Block grant:** Awarded primarily to general-purpose governments, block grants are distributed according to formulas established in the law and can be used for any locally determined activities that fall within the functional purpose of the grant.

**Bond:** A type of debt security sold to finance capital improvements, projects or purchases.

**Brown Act:** Governs the conduct of public meetings in the State of California under Government Code Sec. 54953.

**Budget:** A financial plan for a specified period of time that matches all planned revenues and expenditures with various municipal services. The City uses a fiscal year for the budgetary period of time. The budget is the primary tool by which most of the financing, acquisition, spending, and service delivery activities of a government are planned and controlled. The approved budget is authorized by City Council action and thus specifies the legal spending limits for the fiscal year.

**Budget adoption:** Formal process through which a governing body approves a budget. The City adopts its budget by a resolution following a public hearing.

**Budget hearing:** A public meeting to allow citizens to comment of a proposed budget.

**Budget resolution:** Method used by the City to move spending authority already budgeted and appropriated from one fund to another, from contingencies, or from budgetary fund balances.

**Budgeted positions:** The number of full-time positions funded in a fiscal year.

**Capital budget:** Appropriations for the acquisition or construction of fixed assets or tangible property subject to capitalization under City policy. Current City capitalization threshold is \$5,000.

**Capital Improvement Program (CIP):** A list of capital project needs and related funding sources for a five-year period, which is updated annually.

**Capital outlay/Capital Purchase:** Expenditures for tangible property of relatively permanent nature. Current capital asset threshold is \$5,000.

**Capital project:** Major construction, acquisition or renovation which result in added value to a government's physical assets or significantly increase their useful life. In order to be a capital project, a project must have a cost greater than \$50,000.

## GLOSSARY

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures that are possible, but cannot be predicted with certainty.

**Debt service:** Payment of interest and principal on an obligation resulting from the issuance of bonds and notes.

**Debt service fund:** Account groups in the financial system to record the payment of principal and interest on debt.

**Deficit:** A description of the state whereby more money is spent than is received. Used to describe the excess of liabilities over assets or of expenditures over revenue during a single budget year.

**Defined benefit plan:** Employer sponsored retirement plan based on paying a specific amount for each year of retirement.

**Defined contribution plan:** Employer sponsored retirement plan based on paying a specific amount into the plan during the term of employment.

**Department:** A major organizational unit of the City that has management responsibility for related operations.

**District fund:** A fund used to account for the resources, revenues and expenditures of separate special districts formed to provide certain public services.

**Division:** A sub-unit of a department which encompasses more specific functions of that department and may consist of several activities.

**Encumbrance:** Obligation against budgeted appropriations in the form of a purchase order or contract. Encumbrances cease when obligations are paid or otherwise terminated.

**Enterprise fund:** A classification of proprietary fund type whereby a set of accounts within the financial system used to record specific activities wherein fees and charges are sufficient to cover the cost of providing goods and services.

**Expenditure:** A term used to describe the cost of goods or services in a governmental fund recorded on the modified accrual basis of accounting.

**Fiduciary funds:** Account groups in the financial system used when a governmental unit acts in a trustee or agent capacity.

**Financial policy:** City's policy with respect to taxes, spending, debt and reserve management as related to the provision of City services, programs and capital investment.

**Fixed asset:** Individual assets used in operations of the City that have a value greater than or equal to \$5,000 and a useful life of greater than one year, e.g., buildings, vehicles, furniture, etc.

**Fiscal year:** The 12-month period designated as the budget year from July 1 through June 30.

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, fund balance or net assets, revenues and expenditures or expenses.

## GLOSSARY

**Fund category:** Financial activities for state and local governments fall into three groups or categories. Categories can be broken down further into fund types. The three fund categories used in governmental accounting are governmental, proprietary and fiduciary.

**Fund balance:** A term to describe assets less liabilities of governmental fund types. In the context of the City's budget discussions, fund balance generally refers to the undesignated spendable fund balance that has not been appropriated nor designated for reserves or other uses.

**Fund type:** Fund categories can be further broken down into fund types. General, special revenue, capital projects, debt service and non-expendable trust are governmental category fund types. Enterprise and internal service funds are proprietary category fund types. Trust and agency funds are fiduciary fund types.

**General Fund:** Set of accounts for all financial transactions not required to be accounted for in any other fund. The General Fund accounts for the normal recurring activities of the City departments such as public safety, public works, recreation, library, and other governmental departments. These activities are funded by revenue sources such as general property taxes, permits, fees, licenses, and charges for services.

**General liability insurance:** Protection against risk of financial loss due to a civil wrong that results in property damage or bodily injury. Included in the general liability insurance internal service fund are the costs to administer and litigate claims, in addition to any damages or premiums.

**General obligation bond:** A debt instrument 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 used to record activities that are financed through taxes, grants, licenses and similar general government revenues. The measurement focus of governmental funds recognizes events when they affect current financial resources. Reductions are called expenditures. These funds operate on a modified accrual basis.

**Grants:** Award given by a government to a public agency in a lower level of government or a special recipient for a specified purpose.

**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.

**Investment proceeds:** Income or loss earned on the investment of available cash.

**Internal service fund:** A set of accounts created to provide a mechanism to allocate shared costs to promote efficiency or effectiveness of a shared activity.

**Legal debt margin:** Excess of the amount of debt legally authorized over the amount of debt outstanding. California code defines the amount of general obligation debt the City is legally authorized to issue as not to exceed 15% of the total assessed valuation of taxable property within the City boundaries, adjusted for subsequent legislative actions.

**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.

## GLOSSARY

**Marshall plan:** A City of Stockton Strategic Initiative adopted by the Council to reduce crime and increase public safety. Funding for these efforts are appropriated from Measure A sales tax revenues. Specific elements of the Marshall Plan are present in the Measure B Implementation Plan (see Council meetings June 25, 2013 and February 25, 2014)

**Measure A:** A general transaction and use tax measure approved by the citizens of Stockton on November 5, 2013 for  $\frac{3}{4}$  cent sales tax effective April 1, 2014. Revenue from Measure A sales tax is reported in the General Fund to pay for law enforcement services, to emerge from bankruptcy and restore other City services.

**Measure B:** A non-binding advisory measure approved by the citizens of Stockton on November 5, 2013 related to the Measure A  $\frac{3}{4}$  cent general sales tax effective April 1, 2014, 65% of which is to be used for law enforcement and crime prevention services in the City.

**Measure K:** A San Joaquin County special transaction and use tax measure approved in 1990 for  $\frac{1}{2}$  cent sales tax dedicated to transportation projects. This original sales tax increase was to expire in 2011; however, in 2006, voters passed a 30-year extension. The program is administered by the San Joaquin Council of Governments.

**Measure W:** A special transaction and use tax measure approved by the citizens of Stockton in November 2004 for  $\frac{1}{4}$  cent sales tax dedicated to public safety services. Proceeds from the measure are allocated 50% to Fire Department and 50% to Police Department.

**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 citywide nature.

**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 conflicts 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 governmental fund type to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for government programs.

**Personnel costs:** The cost of a City department, including wage/salary, direct and indirect benefits such as health insurance, retirement contribution, workers' compensation, unemployment insurance, etc.

**Plan of adjustment:** A long term financial plan, approved by the bankruptcy court, which comprehensively restructures financial commitments through creditor settlement agreements to demonstrate solvency.

**Proclamation:** An official announcement or public declaration.

**Reserve:** Amount of fund balance designated for a specific purpose.

## GLOSSARY

**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.

**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.

**Section 115 Trust:** An Internal Revenue Code Section 115 Trust enables public agency employers to fund post-retirement benefits for employees. The City participates as a member in a Sec. 115 trust to pre-fund future retirement related payments. Once assets are placed in the trust, they may only be used for the purpose of pension costs.

**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 governmental fund type to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. which collects revenues that are restricted by the City, State, or Federal Government as to the purpose of spending.

**Strategic planning:** Continuous and systematic process whereby guiding members of the City make decisions about the future, develop the necessary procedures and operations to achieve the future, and determine how success will be measured.

**Successor Agency:** An agency that replaces a redevelopment agency as dissolved by Assembly Bill x1 26 (AB1 26 or Dissolution Act) which was signed into law by Governor Brown on June 28, 2011 which was later amended by Assembly Bill 1484 in June 2012. The Successor Agency became operative February 1, 2012, and is responsible for unwinding the affairs of the former Stockton Redevelopment Agency and ensuring recognized obligations are met.

**Surplus:** The result of taking in more than is spent. Either the excess of fund assets over liabilities or the excess of revenue over expenditures or expenses during a single budget year.

**Taxes:** Compulsory charges levied by a government to finance services performed.

**User fee:** Charges for services provided only to those benefiting from the service



## ACRONYMS

**CalPERS:** California Public Employees' Retirement System is an agency the City contracts with to administer the defined benefit pension plan for its eligible employees.

**Caltrans:** California Department of Transportation

**CDBG:** Community Development Block Grant - Funded from the Federal Department of Housing and Urban Development provides programs for general community development to eliminate blight and provide to low and moderate income persons.

**CEQA:** California Environmental Quality Act

**COPs:** Certificates of Participation – This financing technique provides long-term financing through a lease installment sale agreement or loan agreement. Certificates of Participation (COPs) allow the public to purchase participation relating to the acquisition or construction of specific equipment, land, or facilities.

**CPI:** Consumer Price Index, measure of inflation in area of consumer products.

**CTSP:** Citywide Technology Strategic Plan

**CWEA:** California Water Environment Association

**DOJ:** Department of Justice

**EIR:** Environmental Impact Report - A detailed document describing and analyzing the significant environmental effects of a project and ways to mitigate or avoid the effects.

**EMS:** Emergency Medical Services

**EPA:** Environmental Protection Agency

**FEMA:** Federal Emergency Management Agency

**FLSA:** Fair Labor Standards Act

**GAAP:** Generally Accepted Accounting Principles - The guidelines established for financial accounting and reporting which 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

**HOME:** Home Investment Partnership Program

**HUD:** Housing and Urban Development - The Federal department which provides various housing and community direct loans, guarantees, and grants.

**LTD:** Long Term Disability insurance

**MBE:** Minority Business Enterprise

## ACRONYMS

**MDC:** Mobile Data Computers

**MFF:** Mobile Field Force

**MOE:** Maintenance of Effort

**NPDES:** National Pollutant Discharge Elimination System

**OSHA:** Occupational Safety and Health Administration

**OVP:** Office of Violence Prevention

**PERS:** Public Employees Retirement System

**POST:** Police Officers Standards and Training

**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.

**SMC:** Stockton Municipal Code

**SRDA:** Stockton Redevelopment Agency

**SRF:** State Revolving Fund

**SWAT:** Special Weapons and Tactics Team

**SWRCB:** State Water Resources Control Board

**TFCA:** Transportation Fund for Clean Air

**UAAL:** Unfunded Accrued Actuarial Liability - The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

**UBC:** Uniform Building Code

**VIPS:** Volunteers in Police Service

**VLF:** Vehicle License Fees

