

**CITY OF MARTINEZ
CALIFORNIA**

**2013-14 AND 2014-15
BIENNIAL BUDGET**

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JUNE 19, 2013

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City of Martinez

525 Henrietta Street, Martinez CA 94553-2394

June 19, 2013

Honorable Mayor and City Council Members:

I respectfully submit to you the two-year budget for the City of Martinez for fiscal years 2013-14 and 2014-15 totaling \$101,964,214 across all funds. At the Goal Setting Session held on February 9, 2013, the City Council established a series of goals and key objectives for the next two years, which are reflected in this budget. Because of extremely tight fiscal constraints, a renewed emphasis on revenue generation and further efforts to control costs will be made in this two-year cycle in order to maintain our staffing levels and achieve Council's objectives. Balancing the ongoing demands and expectations for City services remains our highest priority.

The following is a comprehensive list of goals and key objectives established at the February 9, 2013 goals session, with a notation of how the City plans to fund each specific objective:

➤ **Provide Efficient and Effective Public Safety Services**

- a. Maintain current workforce and fill vacancies as necessary – *any vacancies filled will have to be met with additional revenue or a reduction in expenditures.*
- b. Transfer Code Enforcement function to the Police Department – *this transition will require an additional half-time Police Assistant position (potentially increasing to full-time). Funding will come from savings in Public Works (the Department that previously funded the position as it transitioned to part-time in FY 2012-13) and an increased emphasis on cost recovery to make the position more self-sufficient.*
- c. Revise current ordinances as necessary to strengthen code enforcement procedures, increase accountability and institute a cost recovery model - *minimal operating expense, primarily staff time spent researching best practices from other jurisdictions and presenting recommendations for amending the City's Municipal Code.*

- d. Develop a Citizen Police Academy – *significant allocation of unreimbursed staff time to incorporate program into neighborhood policing initiative.*

➤ **Ensure Fiscal Health**

- a. Pursue additional revenue streams related to new development – *funded through Economic Development expense budget, will be a primary focus of the new Deputy Director of Strategic Planning and Community Development position; will involve significant allocation of unreimbursed staff time, but potential combination of grant funding (if economic-related grants are secured), developer deposits for environmental or parking impact studies, and legal review of developer agreements as necessary.*
- b. Establish positive relationships with major sales tax generators - *funded through Economic Development expense budget; significant allocation of unreimbursed staff time to coordinate efforts and foster positive relationships.*
- c. Adopt fund balance reserve policy - *minimal operating expense, primarily staff time coordinating with the Budget Subcommittee and presenting options to the City Council.*

➤ **Develop, Maintain and Improve Infrastructure**

- a. Maintain renovated Measure H parks to high standard – *ongoing parks operating and maintenance expense accounts are utilized; dedicated Parks staff are continually looking for cost-effective ways to maintain the parks at a high standard, such as replacing expensive “fibar” engineered wood fiber with synthetic surfacing and planting drought-tolerant ground cover in place of high maintenance turf areas.*
- b. Complete ballfield lighting project – *Measure H funding will support this project.*
- c. Upgrade City entryways –*a variety of entryway and median enhancements are budgeted as part of the City’s ongoing parks and streets maintenance programs. Funding includes a mix of Gas Tax and General Fund monies.*
- d. Continue evaluating options for Corpyard relocation - *primarily allocation of unreimbursed staff time to research and evaluate options.*
- e. Continue paving upgrades and maintenance - *sources include Gas Tax and Measure J Return to Source.*

- f. Pursue Downtown parking structure – *this initiative will be funded through the Parking Fund; a Downtown Parking Needs Utilization Study will be commissioned in FY 2013-14 to vet this possibility.*
- g. Enhance amphitheater usage - *primarily allocation of unreimbursed staff time to research and evaluate options and make arrangements with promoters interested in using the amphitheater.*
- h. Continue planning for Intermodal access bridge at Berrellesa Street – *funded through Measure J.*

➤ **Renew our Economic Development Efforts to Build and Market the City**

- a. Implement the Deputy Director of Strategic Planning and Community Development position – *funded through the Economic Development expense budget.*
- b. Pursue waterfront opportunities, such as restaurant at Marina - *funding provided by General Fund Marina Reserve.*
- c. Support businesses outside of the downtown - *funded through Economic Development expense budget; significant allocation of unreimbursed staff time to coordinate efforts with Chamber of Commerce.*
- d. Emphasize Martinez as dining, arts and recreation destination- *funded through Economic Development expense budget; significant allocation of unreimbursed staff time to coordinate efforts with Chamber of Commerce and Main Street Martinez.*
- e. Utilize Campbell Theater - *will involve significant allocation of unreimbursed staff time to formulate solicitation for manager/promoter, vet proposals, and arrange a contract with the selected vendor. The City hopes to recoup a portion of its existing overhead costs on the facility once events are scheduled.*

➤ **Emphasize Community Engagement**

- a. Complete General Plan update – *funding provided by General Fund.*
- b. Evaluate options for a Youth Community Center and continue supporting opportunities to engage and mentor our youth - *increased staff time to research options for Youth Center and conduct public outreach regarding various funding options.*
- c. Establish Affordable Housing programs and initiatives - *funded through Economic Development expense budget, will be a primary focus of the new Deputy Director of Strategic Planning and*

Community Development position; will involve significant allocation of unreimbursed staff time, but potentially combination of grant funding (if Affordable Housing grants are secured)

- d. Promote “green” and sustainable programs – *funded through the Recycling Special Revenue Fund, and increased staff time to update website and provide content to area newspapers, social media outlets and City Channel*
- e. Further strengthen our relationship with Martinez Unified School District and Mount Diablo Unified School District - *minimal operating expense, primarily coordinating periodic meetings with school districts to explore partnership opportunities*

As the economy continued its decline that first manifested late in 2007 and early 2008, the City struggled to maintain revenues sufficient to meet its expenditure obligations. The City began cutting various management labor expenses during the 2007-09 budget period, and maintained these cuts into future budget cycles. As part of the 2009-11 budget development, the City made aggressive cuts to its expenses in virtually every category, including professional services, employee travel and training, computer hardware replacements, vehicle replacements, and overtime. Furthermore, several key management staff positions were left vacant during this time, most notably the department director positions in Administrative Services and Community and Economic Development, respectively. These essential positions were either filled by part-time contract staff as was the case in the Administrative Services Department for a period of over one year, or left as an ongoing vacancy as is presently the case in the Community and Economic Development Department. During the 2011-13 budget cycle, additional staff positions were frozen, or in some cases eliminated, in an effort to contain costs.

Trying to balance the needs of the City with the realities of the reduced staffing has made formulating this budget challenging. Staff will continue to forge ahead with projects that will provide new and consistent revenue streams for the City; however, for the next three to four years, the short-term objective is to control employee labor and benefit costs in a way that will preserve our first class workforce to the greatest extent possible.

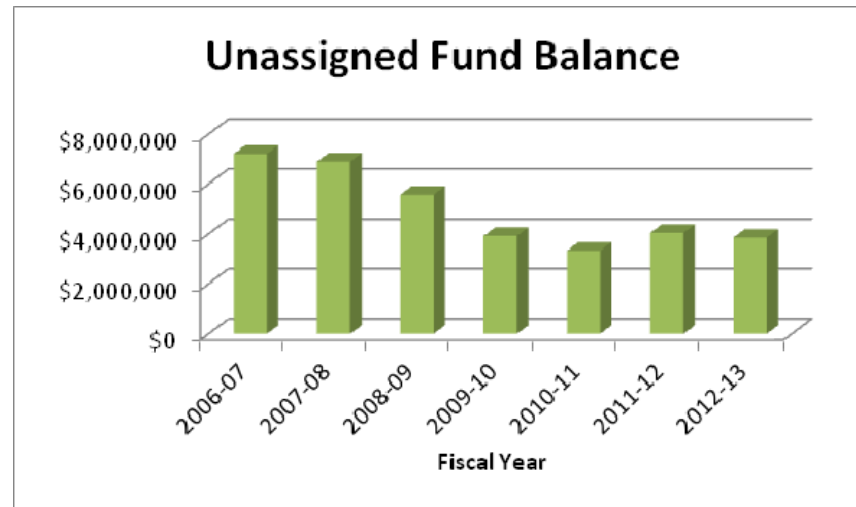
The staff has made every effort to support the Council’s goals and to minimize service impacts on the community. It also reflects the fundamental City Council policies of: 1) funding current operating expenditures with current year revenues; 2) allocating resources to the highest priority services; and 3) preserving adequate reserves (traditionally, 15% – 20% of operating expenditures) for the City to draw on during economic downturns or for unforeseen

emergencies. The 2013-15 objectives found in the General Government, Departmental Operating, Enterprise Funds, and Capital Improvement Program sections that most closely relate to Council goals are indicated with the symbol 🌐.

RECAP OF 2012-13

The City adopted Governmental Standards Accounting Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in February 2011. This new standard does not change the total amount of a given fund balance, but it substantially alters the categories and terminology used to describe the components that make up fund balance.

At the end of fiscal year 2012-13, there will be an unassigned fund balance in the General Fund of approximately \$3.8 million, up from a fund balance of \$3.3 million at the beginning of the 2011-13 budget cycle but well below the peak of \$7.2 million from FY 2006-07. The chart below illustrates the dramatic decline in the City's fund balance over the past seven years.



The City does not presently have a written reserve policy to establish a percentage threshold in unassigned fund balance; however, at the Council retreat in February, adopting a fund balance reserve policy was enumerated as one of the goals for the 2013-15 budget cycle. Staff will develop a policy for Council consideration in fiscal year 2013-14. Until Council approves a formal policy in the coming two-year budget cycle, staff will operate informally using a 15% threshold.

The City can be proud of its many accomplishments in support of the goals that the Council set for 2011-13. These achievements are enumerated in each department's budget narrative, and are recapped in detail on page xiii of the Introduction section of this budget.

FINANCIAL SUMMARY

The City, much like the larger economies of the State and surrounding region, continues to emerge from the long-term impacts of the recent recession. According to a recent report prepared by Beacon Economics for the East Bay Business Development Alliance, employment has steadily grown throughout the East Bay since the middle of 2010. Although much of the recent job growth in the region has been in part-time and temporary employment, growth in the professional sector has been strong over the past 18 months. This sector includes jobs in technology and science-related fields, such as research, and is a source of relative strength for the East Bay. As these jobs continue to grow, it signals an important trend toward higher-skill positions and business expansion in the region that will strengthen the economic base and speed the recovery.

The improving employment trend is evident in the latest unemployment data for Contra Costa County and Martinez. Since April 2011, the County's rate has dropped from 10.5% to 8.7%, and the City's rate has dropped from 8.4% to 5.9%. Of particular note in Martinez has been the creation of approximately 50 new jobs at the new Schrader Shopping Center along Arnold Drive. This shopping center opened in March 2013 and includes Starbucks, Verizon, Dollar Tree and Chipotle as business establishments. The City's new Deputy Director of Strategic Planning and Community Development will be tasked with looking for other opportunities to attract new businesses to Martinez to further expand the City's employment base.

Some good news was provided from Sacramento recently, when Governor Brown announced at the May Revision that the State expects to end FY 2013-14 with a \$1.1B reserve. According to the non-partisan Legislative Analyst's Office, the revenue projections are too conservative, largely in part due to the significant gains in the stock market which

translate into additional capital gains tax for the State. Regardless of whose forecast is more accurate, the underlying theme of improving revenues at the State level bodes well for local governments such as Martinez. The State has raided local coffers in the past due to budget deficits, and as recently as 2009 invoked the fiscal hardship provisions of Prop 1A, which diverted over \$800,000 in City property tax revenues to the State (revenues that were made whole to the City through the selling of repayment bonds from the State to California Communities). The risk remains, however, for the State to expand on its longstanding practice of mandating additional unfunded requirements and services on local government.

The East Bay housing market continues to rebound at a rapid pace. After the precipitous decline to housing values in 2008 and 2009, median home sales prices stabilized to some degree and fluctuated both up and down throughout the majority of 2010 and 2011. For the first time since 2005, the City's annual home sales median price increased, with a 3.3% increase to \$340,000 in 2012. The number of home sales is starting to accelerate as well. The 383 homes sold in 2012 was up slightly from the 366 of the year before, and significantly higher than the 175 of the low-water mark from 2008. If these trends in sales price and homes sold increase, it will have a positive impact not only on the City's property tax base, but also its Documentary Transfer Tax revenues. Just as the County Assessor made wholesale downward adjustments to property tax values in recent years as market values were shown to be well below assessed values, the possibility of widespread positive "readjustments," or increasing a property's assessed value by more than 2% following the aforementioned reductions, exists for a significant number of properties. Recent comments by the County Assessor to the press indicate an appreciable number of these readjustments may occur in the near future. City staff and the City's property tax consultant HdL will be closely monitoring the tax roll to evaluate the trend. The housing market recovery still has a long way to go to achieve historical valuations, though. As a point of reference, the median home sale value in Martinez in February 2005 was \$590,000.

LOCAL ISSUES AND CONCERNS

The economic crisis that began in 2008 resulted in reductions to the City's revenues in virtually every category. Estimating revenue is always a challenge, and that is particularly the case when the economy continues to be in a modest recovery mode. The City's property tax revenues, which represent by far the most significant source of revenue, have declined by over \$400,000 relative to what the City received in FY 2008-09 in each of the past five budget years. This decline is especially painful when one considers that until this recent economic turmoil, municipalities were able to project a *minimum 2% increase* in this revenue each year due to Prop 13. The precipitous decrease in property taxes that began five years ago explains the majority of drastic cuts in operating and staffing costs.

The City's property tax consultant HdL believes property tax revenues for FY 2013-14 will be flat, with cautious optimism that the housing market recovery is finally well underway, and property tax revenues will begin to increase in FY 2014-15 by approximately 1%. Relative to the latest projections, General Fund revenues (excluding transfers in) are expected to remain basically flat in FY 2013-2014, and increase marginally in FY 2014-15. Projected General Fund revenues for the major revenue sources are summarized in the Budget Highlights section of this message. In the event the County Tax Assessor moves earlier and/or more aggressively than estimated to readjust properties in Martinez, the very conservative property tax estimates provided by HdL for this budget cycle could potentially be exceeded by 1% to 2% in FY 2013-14, and an additional 1% in FY 2014-15.

On the expenditure side, the City has been forced to maintain the vast majority of drastic operational reductions from the 2009-11 and 2011-13 periods (which were initially planned as one-time reductions), in order to balance this operating budget. The budget adjustments are also summarized in the Budget Highlights section. It is important to note that departmental budgets have been trimmed to the point that leaves little margin for error and less ability to absorb additional expenses. The City's reduced reserves make relying on fund balance to bail the City out of future deficits an even less attractive option.

Prior to the recent economic crisis, the City already had a small staff. During the "boom years," the City did not use increased revenues to grow its staff, but rather increased its reserves. In this budget, many positions that were reduced, frozen, or eliminated in prior budget years remain so in order to maintain the achieved salary savings. All of the labor contracts have a current expiration date of June 30, 2015. In addition, all labor contracts have a 2% cost of living adjustment effective January 1, 2015 and those increases are included in this budget.

The City expects retirement costs to continue to increase due to the dramatic market losses of the stock market turmoil in 2008 and 2009, which eroded the value of the CalPERS pension fund. Retirement costs are also anticipated to rise because of the recent decision by the CalPERS Board of Administration to change their amortization and smoothing policy. In April of 2013, CalPERS approved an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period, as opposed to the current policy which spread investment returns over a 15-year period with gains and losses paid over a rolling 30-year period. The new amortization and smoothing policy will be used for the first time in the June 30, 2013 actuarial valuations. These valuations will be performed in the fall of 2014 and will set employer contribution rates for FY 2015-16.

Given the current ambiguity of the economy, it was challenging to prepare projections beyond this two-year operating budget. At this time, future year projections indicate that the City will continue to face operating deficits unless new sources of revenue are identified; current revenue sources increase more dramatically than estimated; and additional operational efficiencies are identified.

The City's priority of economic development is particularly important to increase and diversify revenues. Several key commercial and residential development applications that were recently completed or are currently underway will add to the City's tax base in the long term, including the adaptive reuse of the 610 and 630 Court Street downtown cornerstone properties; the Arnold Shopping Center (completed); Cascara Canyon apartment complex (pending); Village at Arnold 43-unit single family attached residential development (pending); and The Paseos 70-unit single family detached residential development (pending). Realizing the potential of these projects is crucial to improving and maintaining the City's long term fiscal health. Additionally, the City made a commitment to its economic development efforts by making its first significant hire in four years with the addition of the Deputy Director of Strategic Planning and Community Development position. The cost of this position is approximately \$160,000 and is funded with a combination of base level and one-time funding. This position will be evaluated in two years to determine future funding options.

BUDGET HIGHLIGHTS

Revenues

Total General Fund operating revenues (excluding transfers in) relative to the adjusted FY 2013-15 revenue estimates are projected to increase less than 1% in both years to \$18,956,657 in FY 2013-14, and to \$19,207,284 in FY 2014-15. Property taxes are expected to remain flat at \$6,420,000 in FY 2013-14, and increase 1% in FY 2014-15 to \$6,484,200, according to the City's property tax consultant. Sales Tax (including Sales Tax In Lieu) is projected to increase by 1.89% to \$4,475,000 in FY 2013-14, and by an additional 3.0% to \$4,601,200 in FY 2014-15. The VLF Property Tax Swap is projected to remain flat at \$2,500,000 in FY 2013-14 and increase slightly in FY 2014-15 to \$2,525,000. Franchise fees, which include fees from utility companies, cable providers, and garbage haulers, are expected to remain flat in FY 2013-14 at \$1,480,000 and increase slightly in FY 2014-15 to \$1,500,000. Licenses, Permits, and Fees are expected to increase significantly in both years by 28.48% to \$666,500 because of the one-time project processing fees associated with the pending residential projects listed above.

Expenditures

General Fund operating expenditures, excluding transfers out and one-time expenses, are budgeted at \$18,900,748 in FY 2013-14 and \$19,174,987 in FY 2014-15.

Numerous cuts were made in the 2009-11 and 2011-13 operating budgets as a result of the challenging economic conditions. Many of these adjustments were expected to be one-time measures. As the economy continued to worsen, it became clear that future budgets, including this 2013-15 Budget, would have to maintain the reduced operational expenditure level to maintain a balanced budget.

The chart below illustrates the reductions in staffing that have occurred during the last two budget cycles and are maintained in this budget.

Savings Category - Salaries and Benefits	Annual Estimate
Freeze 38 th and 39 th Officers	\$ 280,000
Freeze Community & Economic Development Director	\$ 200,000
Freeze Planning Manager	\$ 175,000
Freeze Engineering Position net of job costing	\$ 60,000
Freeze Account Tech II in Public Works	\$ 80,000
Eliminated Deputy Director of Parks & Recreation	\$ 180,000
Total Estimated:	\$ 975,000

This budget maintains an unassigned fund balance of 19.82% at the end of FY 2014-15. The table below summarizes the General Fund revenues, expenditures, transfers and fund balances for each of the two budget years.

GENERAL FUND SUMMARY	FY 2013-14	FY 2014-15
Revenues	\$18,956,657	\$19,207,284
Expenditures	\$18,985,748	\$19,228,987
Beginning Fund Balance	\$3,850,823	\$3,821,732
Net Change to Fund Balance	(\$29,091)	(\$21,703)
Ending Fund Balance	\$3,821,732	\$3,800,029

The total budgeted revenue for all City funds in FY 2013-14 is \$42,294,539, with expenditures of \$51,235,173. In FY 2014-15, revenues are budgeted at \$43,044,519, with expenditures of \$50,729,041. All City funds include: General Fund, Gas Tax, Measure J, Recycle, Public Educational Government (PEG) Access, Equipment Replacement, Information Systems, NPDES-Stormwater, Parking, Water, Marina, Lighting and Landscaping Districts, and Debt Service. Each of these funds consolidates the revenues, expenditures, and one-time investments for specific activities.

Other Funds

The Water Fund's revenues for FY 2013-14 are budgeted at \$10,400,800 and \$10,594,900 in FY 2014-15. The Water System's overall budget in FY 2013-14 is \$16,159,128, including CIP expenses of \$6,180,000 and debt service of \$1,159,770. The Water System's overall budget in FY 2014-15 is \$13,382,494, including CIP expenses of \$3,250,000 and debt service of \$1,151,984. Capital improvement projects for the Water System include the Harbor View reservoir replacement; electrical upgrades; seismic upgrades; and repairs to various water mains. All CIPs for the Water System can be found within Section 10, Enterprise Funds.

The Parking Fund revenues for FY 2013-14 are projected at \$422,000, with the operating budget at \$321,684 in FY 2013-14. Revenues for FY 2014-15 are projected to remain steady at \$422,000, with the operating budget at \$326,892 in FY 2014-15. A CIP expense of \$100,000 is budgeted in FY 2013-14 to purchase credit-card enabled parking meters.

The Marina Fund includes revenues of \$197,664 and expenditures of \$197,190 in FY 2013-14, and revenues of \$197,664 and expenditures of \$197,198 in FY 2014-15. A CIP expense of \$100,000 in FY 2013-14 is budgeted for

completion of the dredge/mitigation costs related to the 2012 dredge. The General Fund has made a number of loans in recent years totaling \$692,000 to the Marina Fund for several projects including removal of the ferry pier and dredging. As of June 30, 2012, the balance outstanding on these loans is \$473,849. The Marina Fund experienced decreased revenue in FY 2012-13 due to the siltation and dilapidated state of the aging marina.

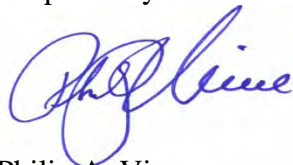
Capital Improvement Program

The Capital Improvement Program (CIP) budget, excluding enterprise funds, is \$8,523,440 for FY 2013-14 and \$11,919,000 in FY 2014-15. These budgets include bond funds over the next two years for projects to make significant improvements to City parks. More information on these projects and others can be found in detail in Section 14, Capital Improvement Projects.

CONCLUSION

Preparing this budget has been exceptionally difficult and I would like to acknowledge the Budget Subcommittee for their leadership and guidance, as well as all of the staff that were involved in this effort over the past several months. The 2013-15 Budget maintains a high level of services to the community in the face of numerous challenges necessary to ensure that operating expenditures match operating revenues. It is critical for the City to continue to aggressively pursue opportunities to strengthen our economic base and achieve fiscal stability in order to preserve our ability to continue providing these services in the future.

Respectfully Submitted,



Philip A. Vince
City Manager

2011-13 CITY GOALS AND ACCOMPLISHMENTS

The Martinez City Council identified a series of overarching goals during the development of the 2011-13 Budget. Below is a list of those goals, and a recap of how the City accomplished those goals during the prior two-year period.

✓ Provide Efficient and Effective Public Safety Services

- Reorganized the Police Department to support the Neighborhood Policing Areas Initiative in May 2011.
- Developed community survey to measure impact of Neighborhood Policing Initiative in 2013.
- Assigned each patrol officer a Neighborhood Policing Area (NPA) in April 2012.
- Participated in National Night Out Against Crime in 2012.
- Graduated six (6) new police officers from the department's Field Training Officer (FTO) program in April 2013
- Conducted sixteen (16) neighborhood policing area meetings in FY12-13.

✓ Publicize our Major Successes

- Updated website and social media sites with public information highlighting key Measure H projects (e.g. Martinez Public Library, Rankin Aquatic Center, and Rankin Park projects) and other major capital improvement projects, such as the reconstruction of Marina Vista Avenue.
- Received California Parks and Recreation Services award for "Outstanding Aquatic Facility" in March 2013.

✓ Focus our Economic Development Efforts

- Maintained support of Chamber and Main Street at \$45,000/year.
- Coordinated with Chamber and Main Street to manage, review, approve and schedule all City-sponsored advertising and promotional content on the City Channel and new I-680 digital billboard.
- Negotiated and signed leases with two private developers for 330 and 360 Ferry Street warehouses as adaptive reuse indoor sports turf and indoors sports court uses.
- Negotiated sale and adaptive reuse of downtown cornerstone locations at 610 and 630 Court Street to Southport Land Company.
- Completed major downtown improvements such as the realignment of the 500 block of Main Street and implementation of the outdoor dining platform program.
- Processed several new commercial and residential development applications, including the Arnold Shopping Center (completed); Cascara Canyon Apartment Complex (pending); Village at Arnold 43-unit single family attached residential development (pending); and The Paseos 70-unit single family detached residential development (pending).

✓ Develop, Maintain and Improve Infrastructure

- Completed major paving projects along Shell Avenue; Muir Road; Reliez Valley Road; Main Street and numerous residential court streets.
- Hired consultant to develop RFP for Downtown Parking Utilization Study.
- Explored options for Corporation Yard relocation, including a potential opportunity site on Howe Road.
- Completed re-roofing, trim replacement and siding repair on Old Train Depot in preparation for major repainting.
- Completed replacement of the source water pipeline from Terminal Reservoir to the Water Treatment Plant in December 2013.
- Completed the Water Treatment Plant Master Plan in January 2012.

The Government Finance Officer's Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) offer recognition programs for public entities to determine whether the City conforms to the highest level of governmental accounting and financial reporting standards. The City of Martinez received the Distinguished Budget Presentation Award from GFOA and the Excellence in Operating Budgeting Award from CSMFO for its two-year budget beginning Fiscal 2011-13. This achievement represents a significant accomplishment by a government and its management.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Martinez
California**

For the Biennium Beginning

July 1, 2011

Linda C. Danison Jeffrey R. Egan

President

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Excellence Award in Operating Budget Fiscal Year 2011-2012

Presented to the

City of Martinez

For meeting the criteria established to achieve the Excellence Award in Operating Budget.

February 29, 2012

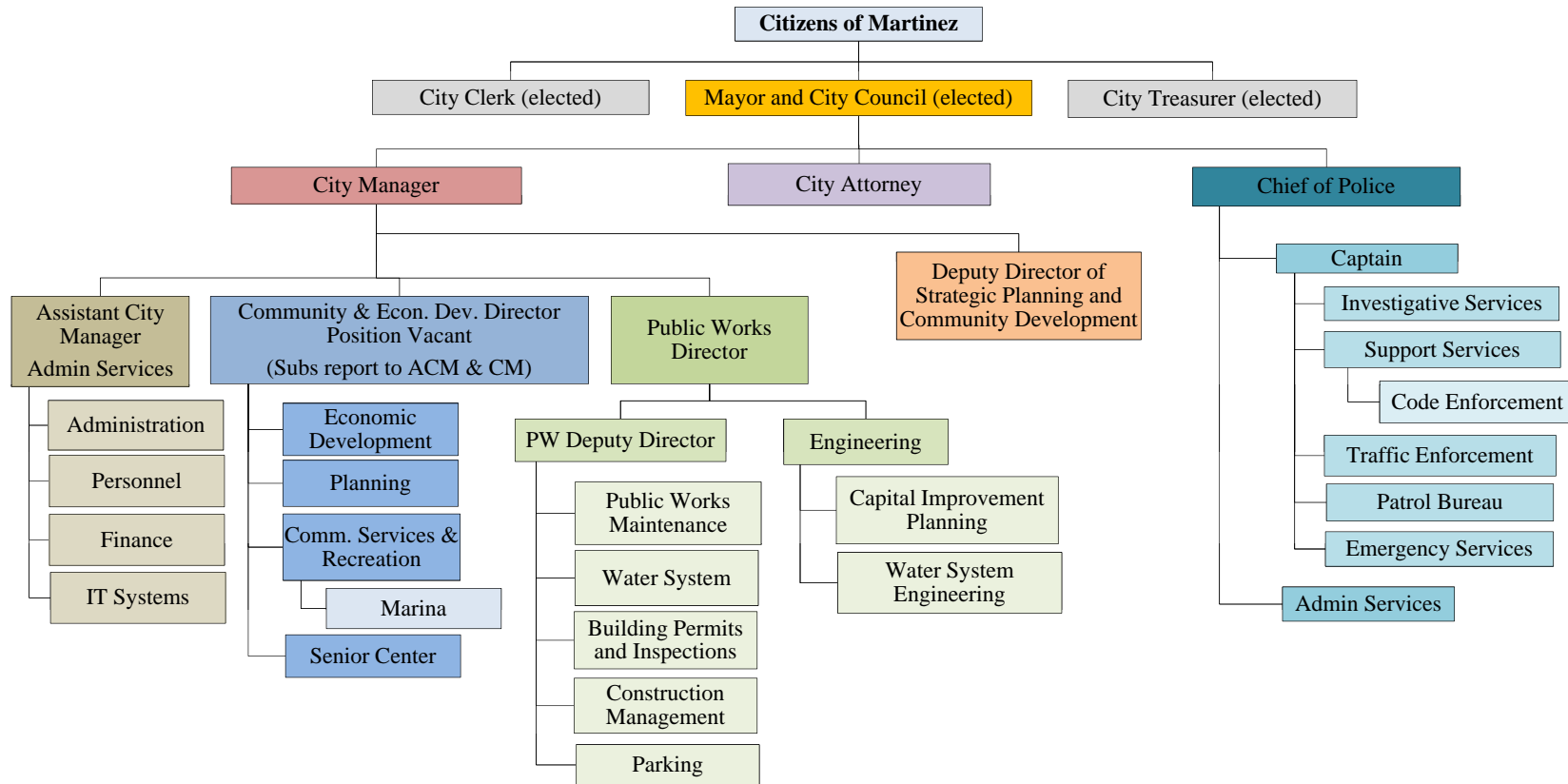



Scott Johnson
CSMFO President

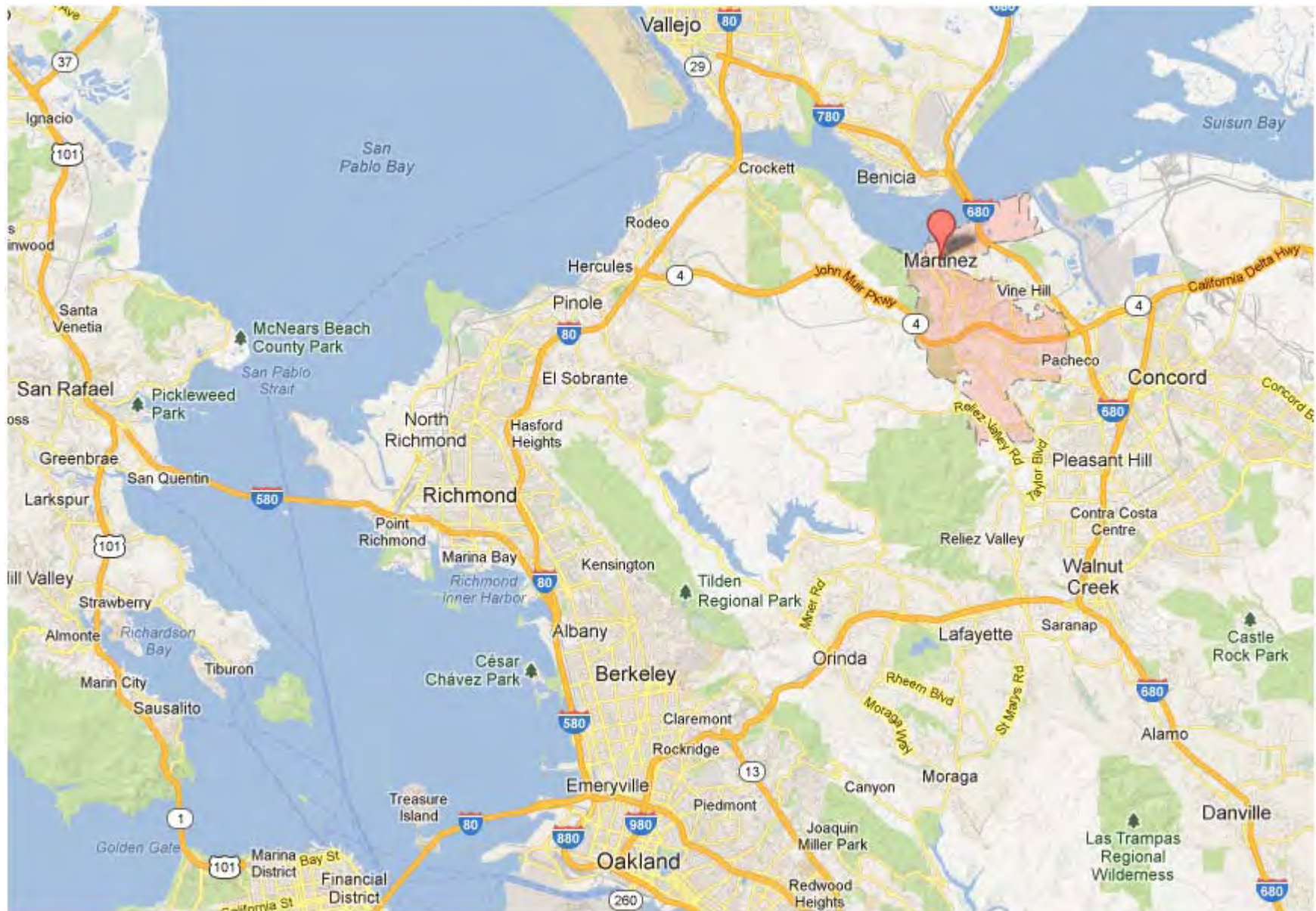

Chu Thai, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

CITY OF MARTINEZ FUNCTIONAL ORGANIZATION CHART



AREA MAP



MARTINEZ AT A GLANCE

GENERAL INFORMATION AND HISTORY

Established in 1876, Martinez is the County seat of Contra Costa County. It is located along the Sacramento and San Joaquin rivers in the central part of the County. The City's roots can be traced to the late 1840's, when it served as a ferryboat transit point across the Carquinez straits on the way to the gold fields. By the time of its incorporation, Martinez had evolved into one of the area's most significant trading posts and shipping ports. Today, the City covers 12.5 square miles and has approximately 36,578 residents. As one of California's first towns, Martinez retains a strong sense of history and family. The renowned naturalist John Muir made Martinez his home for nearly a quarter of a century and in 1914, the year of Muir's death, the legendary baseball great Joe DiMaggio was born here. One of the unique aspects of Martinez is its architecture. Many of the downtown shops still retain their early 20th century look and charm, with some homes dating back more than 125 years.

The City is proud of its rich culture and heritage. Besides being the home to naturalist John Muir and the birth place of baseball great Joe DiMaggio, the City was also the home of the now defunct Christian Brother's Winery and the Alhambra Water Company, which used to pipe water from Alhambra Valley springs down to the Martinez Train Depot. Legend has it that Martinez is also the home of the famous "Martini" cocktail: an early settler was looking for a drink after a long day of looking for gold and ordered a "Martinez Special." A few drinks and a good buzz later, the "Martinez Special" became the "Martini," as it is known throughout the world today.

CITY GOVERNMENT

The City operates under the Council-Manager form of government. The City Manager is responsible for the efficient implementation of Council policy and the effective administration of all City government affairs. The City is organized into four departments reporting directly to the City Manager. They are Administrative Services, Community and Economic Development, Police, and Public Works.

PARKS AND RECREATIONAL FACILITIES

Martinez citizens of all ages continue to enjoy the outdoors. The commitment of both the City and the community to enhancing and preserving nature in Martinez led to the City's designation as a Tree City USA in April 2003 by the National Arbor Day Foundation. With 17 City parks (many of which have been recently upgraded or enhanced or will be in the immediate future as part of the November 2008 passage of the Measure H Park Improvement Bond), 14 playgrounds, 9 trails, 10 tennis courts, 11 baseball/softball diamonds, 7 soccer fields, 1 skateboard park and a marina, there are plenty of recreational opportunities available to the public. The waterfront's top-flight bocce ball courts are host to the nation's largest bocce federation. Next door, the 10,000 square foot Skate Park offers an attraction for the youth of the entire region. The John Muir Amphitheater, constructed in August 2001, is a 1,000-seat amphitheater at the Marina that has accommodated a variety of special events. The City is actively looking for ways to expand the use of the amphitheater to help ensure that it remains a fixture on the Martinez waterfront for many years to come.

CITY EVENTS AND ATTRACTIONS

Tourists visiting Martinez today can find the City's many landmarks and point of interests, including John Muir's Historical Site, the City Amphitheater, and the City Marina. The City is also proud to preserve its culture by hosting and participating in various events during the year, including the annual Heritage Day Main Street parade and the annual Earth Day event celebrating John Muir's birthday. Below is a list of City sponsored or co-sponsored events, followed by pictures of a few iconic Martinez attractions.

City Sponsored Events	
Mini Motorland	Annual, Spring
Arbor Day Tree Planting Event	Annual, March
Youth Baseball Parade	Annual, Spring
Waterfront Egg Hunt	Annual, Spring
Earth Day	Annual, April
Memorial Day Program	Annual, May
Fishing Derby	Annual
Fourth of July Fireworks	Annual, July
Fourth of July Parade	Annual, July
Veterans Day Program	Annual, November
Holiday Frolic	Annual, Winter
Light Parade	Annual, Winter
Beer Fest	Biannual
Martini Festival	Annual
Car Shop Bike Show	Annual
King of County BBQ	Annual
Cemetery Tours	Multi
Mutt Strutt	Annual
Mart Os Halloween Hunt	Annual, Fall
Dynomite Thursday	Multi
Oos Ahs and Giggles	Monthly



Amtrak Station



John Muir's Historical Site



Downtown Main Street



Amphitheater



Marina



Martinez Museum



Easy Bay Regional Shoreline



Alhambra Cemetery



Golden Hills Park



Rankin Pool



Nancy Boyd Park



Holiday Highlands

LARGEST PARKS OVERVIEW

Rankin Park – The City's best known and largest park (42 acres). At the entranceway is a brand new, ADA accessible swimming complex with two pools that cost approximately \$6M in Measure H funding to complete. The Lap Pool includes a diving tank and eight lanes for lap swimming. The Recreational Pool has a teaching area with a play and spray structure. In the summer of 2011, the park and Tavan Ball Field began a \$2M renovation with Measure H Funding. New picnic facilities, bathrooms, playgrounds, and pathways were built, and significant grading and sculpted retaining walls were installed to conform the site to ADA accessible grades. The park is only a few minutes' walk from the downtown area and is accessible from the west end of Buckley Street.

Waterfront Park – This scenic 31-acre park is located just north of downtown and the railroad tracks, adjacent to the Martinez Regional Shoreline and the marina, which makes the entire waterfront area a unique recreational attraction. This is the next major park rehabilitation project priority. Work will include softball fields, ballfield lighting, concession and restroom replacements, turf, playground surfacing, group and individual picnic areas. Additional notable features of Waterfront Park include a soccer field, bocce ball courts, and the Skate Park. Extensive picnic areas with tables and grills, water fountains, restrooms, a children's play area, large turf meadows, and horseshoe pits add to the family-friendly locale. The companion Martinez Regional Shoreline Park has two tot lots, green meadows, and a variety of jogging and nature study trails that weave in and around the waterfront. Waterfront Park is accessible from North Court Street via Ferry Street.

Hidden Lakes Park – This park, one of the newest in the City's system, provides 24 acres of modern facilities including softball and multi-purpose fields, a concession stand, and tot lots. The playground equipment at this park was recently upgraded thanks to over \$500K in Measure H funding. The park is set among the scenic oak lined hills and lakes of the Hidden Lakes Open Space. Various trails cross and interconnect this park with the Open Space and Hidden Valley Park. The entrance to this park is located at the section of two arterial streets, Morello Avenue from the northwest and south, and Chilpancingo Parkway from the east.

Hidden Valley Park – This park offers many attractive amenities for recreational enjoyment. The park abounds with 17 acres of turf, with the wooded hillside offering a panoramic view of Mount Diablo. Immediately to the south are the hills and lakes of the Hidden Lakes Open Space. The softball fields are located on property leased by the City from the school district. Park users also have access to the school's basketball courts. The park is centrally located and easily accessible from Center Avenue and Glacier Drive to the north, and Beechwood Drive to the west.

Golden Hills Park – This 10-acre park is located in the Virginia Hills area of Martinez. The children's play areas are of contemporary design with slides, swings, and other climbing and play apparatus. In addition to large areas of lawn and open space, the park features covered picnic areas, a community meeting facility with restrooms, two lighted tennis courts, and a half-court basketball area. The park is easily accessible from Eagle Nest Drive and Condor Drive to the north and Reliez Valley Road to the west.

MISCELLANEOUS STATISTICS

AREA (Miles)	12.5	<u>COMMUNITY SERVICES</u>	
MILES OF STREETS	122	City Parks	17
		City Park acreage (developed)	271
AVERAGE MINIMUM TEMPERATURE	57 degrees	Playgrounds	14
AVERAGE MAXIMUM TEMPERATURE	92 degrees	City Trails	9
AVERAGE RAINFALL	18"	Community gardens	1
		Senior Centers	1
NUMBER OF HOUSEHOLDS	14,287	Amphitheater	1
MEDIAN HOME SALE VALUE (2012 Avg)	\$340,000	Swimming pools	1
AVERAGE AGE OF REAL ESTATE	33 years	Tennis Courts	10
		Skateboard park	1
		Baseball/softball diamonds	11
		Soccer fields	7
<u>HOSPITALS</u>		Number of recreation classes	354
Contra Costa Regional Medical Center		Number of community events	95
Kaiser Permanente Hospital			
Veterans Administration Medical Center			
<u>EDUCATION</u>		<u>PUBLIC SAFETY</u>	
Elementary Schools	4	Police Stations	1
Middle Schools	1	Police sworn officers	37
High Schools	1	Canine units	2
Continuation Schools	1	Motorcycle units	2
Private - Elementary/Middle	1		
<u>MAJOR EMPLOYERS</u>		<u>EMPLOYMENT (APR 2013)</u>	
Contra Costa County		Total Labor Force in Martinez	22,500
Kaiser Permanente Hospital		Total Employed	21,300
Shell Oil Refinery		Total Unemployed	1,200
Veterans Administration Medical Center		Unemployment Rate	5.6%
Private - Elementary/Middle			

Sources: Various City Records
Martinez Area Chamber of Commerce
MDA DataQuick
California Employment Development Department (April 2013)
U.S. Census 2010

DEMOGRAPHICS INFORMATION

POPULATION

State Dept of Finance (Jan. 2013)	36,578
2010 Census	35,824

ELECTION & REGISTERED VOTERS

Registered Voters (Jun. 13)****	21,401
% Voting Last Election (Nov. 10)	69.27%

2010 CENSUS DEMOGRAPHICS

GENDER*

Male	17,633	49.2%
Female	18,191	50.8%

AGE*

Under 5 Years	1,792	5.0%
5 - 19 Years	6,433	18.0%
20 - 44 Years	11,139	31.1%
45 - 64 Years	12,121	33.8%
65 - 84 Years	3,838	10.7%
Over 85 Years	501	1.4%

MEDIAN AGE*

42.2

SCHOOL ENROLLMENT***

Kindergarten	315
Elementary School	2,366
High School	1,345

RACE*

White	24,604	68.7%
Hispanic or Latino	5,258	14.7%
Asian & Pacific Island	2,876	8.0%
African American	1,303	3.6%
American Indian & Alaska Native	255	0.7%
All Other	1,528	4.3%

HOUSEHOLD INCOME**

Per Capita	\$ 38,311
Median Household	\$ 79,705
\$0 - \$14,999	7.9%
\$15,000 - \$24,999	5.9%
\$25,000 - \$34,999	8.0%
\$35,000 - \$49,999	8.2%
\$50,000 - \$74,999	16.7%
\$75,000 - \$99,999	16.1%
\$100,000 - >	37.2%

Source: *US Bureau of Census, Census 2010, **2007-2011 American Community Survey

Martinez Unified School District, *Contra Costa County Elections Division

ELEMENTS OF THE BUDGET DOCUMENT

Budgets play a crucial role in communicating to elected officials, city employees, and the public the City's plans for the use of its resources. Yet budgets are complex documents that can be difficult to grasp at first glance. Although the City has made every effort to make the document as easy to navigate as possible, this section provides the reader with some basic understanding of the constituent components of the Bi-Annual Budget document. The Budget for 2013-15 is a policy document that describes the City's goals and objectives and indicates how resources are allocated to achieve these goals. In addition, it serves as a financial plan, an operations guide, and a communications tool.

The document includes the following key elements:

Introduction

The Introduction includes the City Manager's Budget Message to the City Council. The Budget Message highlights the Council's goals, summarizes the City's financial position, highlights key issues that are addressed in the budget, documents proposed new programs, and recommends strategies for ensuring financial stability while continuing to provide high quality services to the community. The Introduction also has the overall City organization chart, area map, and miscellaneous statistics and demographics.

Budget Guide

The Budget Guide section allows the reader to understand the purpose of the budget, how the budget is developed, budget schedule, an explanation of the budget process, structure of the City's finances, revenue descriptions, key assumptions used to build the budget, and the City's long term debt.

Summary Schedules

This Summary Schedules section provides summary financial information regarding fund balances, projected revenues, expenditures and transfers for all funds in the City. This section also includes a summary of positions by department.

General Fund, General Government, and Departmental Operating Budgets

The General Fund section provides financial detail for this fund, including 10-year revenue and expenditure history and 4-year projections. The General Government section provides descriptive information on the functions, accomplishments, objectives, and budget highlights of this budget group, and a listing of both historical and proposed expenditures for this area.

The Departmental Operating Budgets are divided into individual sections for the following operating departments: Administrative Services, Community and Economic Development, Police, and Public Works. Each section includes a departmental organization chart, staffing summary, and a list of major responsibilities. Additionally, each department budget provides summary narrative and financial information for each of its divisions/program areas that includes significant accomplishments for 2011-13, objectives for 2013-15, and budget highlights. The historical and proposed two year budget expenditures by division are provided.

Enterprise Funds

The Enterprise section provides information on the City's three enterprise funds: Water System, Marina and Parking Services.

Special Revenue Funds

This section provides information on the City's eleven special revenue funds: Public Safety Grants, Gasoline Tax, Measure J, National Pollutant Discharge Elimination System (NPDES), Proposition 1B, Recycling, Housing In-Lieu, PEG Access, Lighting and Landscaping, and Mitigation/Impact Fees.

Internal Service Funds

This section includes information on the City's two internal service funds: Equipment Replacement and Information Systems.

Debt Service Funds

This section provides information on the debt service for the City.

Capital Improvement Program

The Capital Improvement Program section details the proposed capital projects for the 2013-15 fiscal years and those projects carried forward from the prior year. This section includes projects that have been reviewed and approved by the City Council. Projects recommended for funding have been selected based on criteria approved by the City Council.

Financial Policies

This section includes copies of all of the City's financial policies, including the Budget, Capital Financing and Debt Management, CIP, Fixed Assets Capitalization and Inventory Control, and Investment policies. The City's Fees Resolution is also included.

Appendices

The Appendices section includes: Budget Resolution; Appropriation (Gann) Limit Resolution and Description; Summary of Benefits by Representative Unit; Guide to Funds by Number; Budget Glossary; List of Acronyms; and Budget Index.

BUDGET DEVELOPMENT

Budget Process

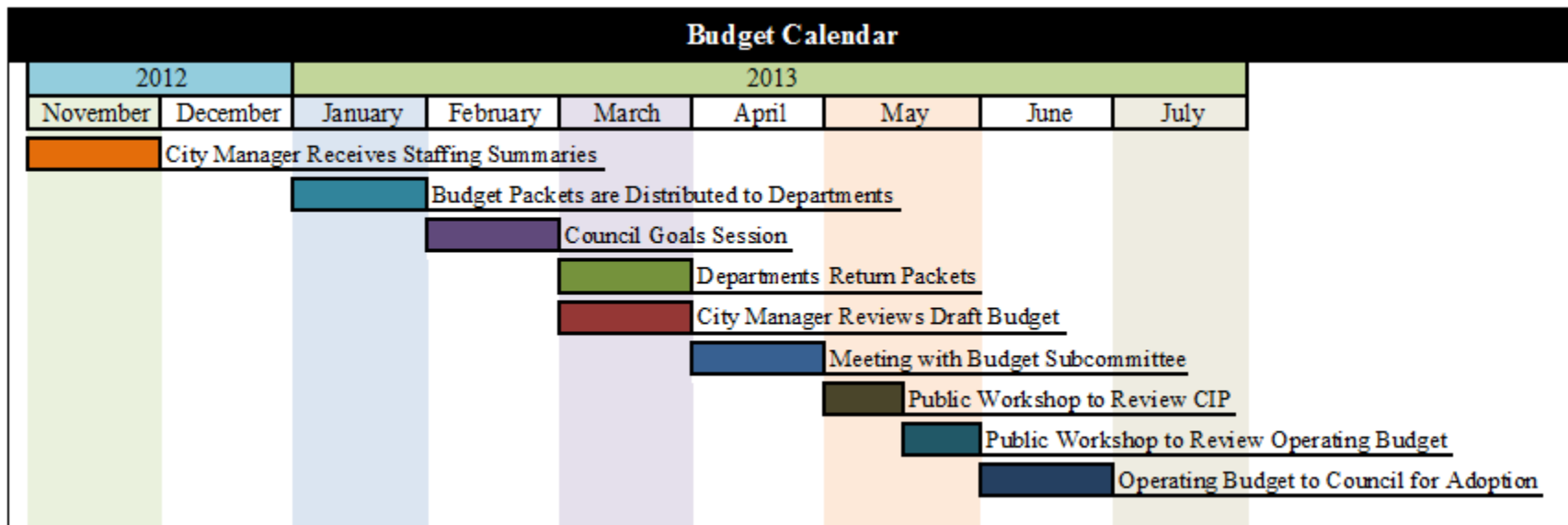
The City adopts a biennial budget for the General Fund, three (3) Enterprise Funds, nine (9) Special Revenue Funds, two (2) Internal Service Funds and three (3) Debt Service Funds. The City Council also adopts a five year Capital Improvement Plan of which two years are presented in this operating budget. The City Council adopts this operating budget, in its entirety, by June 30 through passage of an adopting resolution. The proposed budget includes estimated expenditures and forecast revenues for the next two years on a basis consistent with Generally Accepted Accounting Principles (GAAP).

As with any budget preparation, the ongoing process includes the phases of development, proposal, adoption, and monitoring.

- Development
 - City Manager receives a review of the staffing summaries prepared by the Administrative Services Department in November 2012.
 - In January 2013, the distribution of budget instructions, guidelines and packets were distributed to departments for the department heads to prepare estimates for required appropriations.
 - The City Council had a goals session on February 9, 2013 with the City Manager and Department Heads.
 - Department Heads returned budget packets to the Administrative Services Department by March 1, 2013.
 - City Manager reviewed the “draft” budget March 18, 2013.
- Proposal
 - The Budget Subcommittee met on April 15, 2013 to review the budget and recommended to move to a public hearing.
 - City Council held a public workshop on May 15, 2013 to review and adopt the five year capital improvement plan.
 - City Council held a public workshop on May 30, 2013 to review the two year operating budget and for Council to provide direction of staff to finalize the proposed budget.
- Adoption
 - The Fiscal Year 2013-14 and 2014-15 operating budget was adopted by resolution at a public City Council meeting on June 19, 2013.

- Monitoring

- The budget is monitored through the fiscal year by the Finance Division.
- Department heads will maintain control over their respective funds and ensure adequate resources are available.
- In January a mid-year review is conducted and any revisions to the budget are presented to the Budget Subcommittee.
- In February any mid-year budget adjustments will be presented to the City Council for adoption by resolution.
- In June a review of the second year of the biennial budget will be conducted and any changes will be presented by June 30th to the City Council for adoption by resolution.
- Any necessary adjustments to the budget throughout the two years will be enacted by City Council resolution.



Level of Budget Control

The 2-year budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within their respective departments. The City Manager is authorized to revise the budget so long as the total revisions in any single budget year do not exceed 1% of the budget, and provided that sufficient revenues are available to offset such revisions. Council approval is required for additional appropriation from fund balances or new revenue sources. The legal level of budgetary control is the department level.

Cost Allocation

The City uses three methods to allocate costs associated between funds and for grant purposes. These are: 1) direct costs, used to allocate, by percent, the cost of specific positions among funds; 2) indirect costs, which allocate overall department costs, by percent, to the other departments and other funds; and 3) job costing, which charges projects and service funds an hourly rate based times the hours spent. The methodology for computing these costs are as follows:

- **Direct Costs**

The employee's annual salary and total benefit costs are added together to get a total cost for the employee. All services that the employee is involved in providing are identified, as well as the percent of time spent on providing each service. The total annual cost of the employee is then multiplied by the percent and charged to the appropriate fund receiving the service. This allocation is charged out with every payroll.

- **Indirect Costs**

All services that a department provides to other departments or funds are identified by a percent. The department costs multiplied by the percent is then charged out to the identified departments and funds on a monthly basis.

- **Job costing**

The employee's annual salary and total benefit costs are added together and then divided by 2,080 hours to get an hourly rate. Hours spent by employees for specific projects and jobs are then multiplied by the hourly rate and charged to the project or job monthly.

Reporting Entity

The City of Martinez was incorporated in 1876 under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City is governed by a five member City Council, under the Council-Manager form of government. The City provides a wide variety of services to its citizens, including police, public services, community development, engineering, recreation, and general administrative services. The City also operates public water utilities system. All of these services are accounted for in the City's financial statements. The financial statements for the City of Martinez are prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the City's accounting policies are described on the following pages.

Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The City maintains both governmental and proprietary fund types.

Governmental Fund Types

- **General Fund:** The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, operating fund of the City and accounts for all unrestricted financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds:** Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or capital projects) that are restricted by law or administrative action to expenditures for specified purposes.
- **Debt Service Funds:** Debt Service Funds account for the accumulation of resources for the payment of interest and principal on general long-term debt and related costs.

- **Capital Projects Funds:** Capital Projects Funds account for financial resources segregated for the acquisition of major capital projects or facilities (other than those financed by proprietary fund types.)

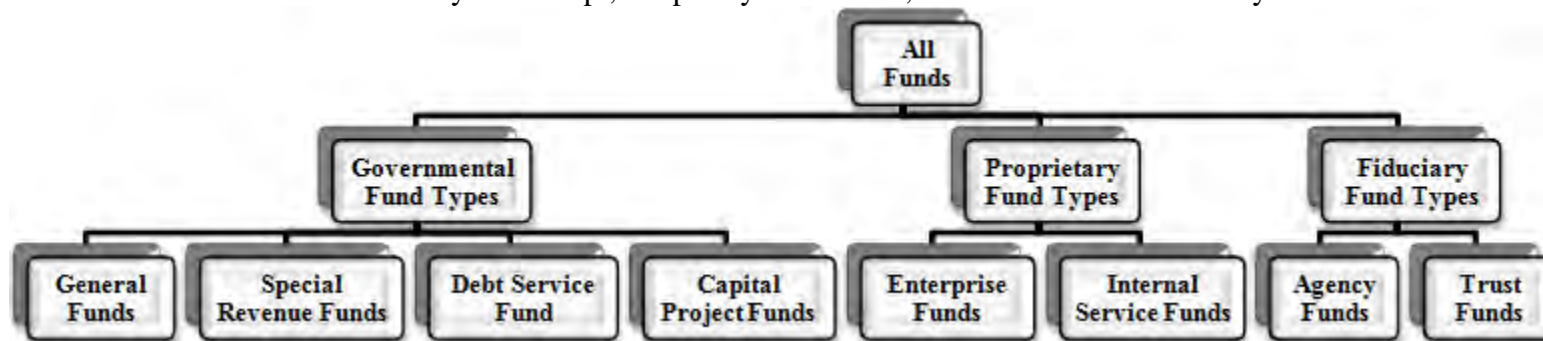
Proprietary Fund Types

- **Enterprise Funds:** Enterprise Funds account for operations in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges.
- **Internal Service Funds:** Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the City or to other governmental units, on a cost-reimbursement basis. These costs-reimbursement rates are established to recovery cost of replacement over time.

Fiduciary Fund Types

Fiduciary Funds account for assets held by the City as trustee or agent for individuals, private organizations, or other government units. Fiduciary Funds are not part of the City's operating budget.

- **Agency Funds:** Used to report resources held by the City in a custodial capacity.
- **Trust Funds:** Involve only the receipt, temporary investment, and remittance of fiduciary resources.



Basis of Accounting

Basis of accounting refers to how revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement of focus applied. Governmental fund types use a modified basis of accounting. Revenues are recognized when available and measurable. Revenues which are accrued include Federal and State grants and subventions; transient occupancy taxes; document transfer tax; sales taxes collected by the State on behalf of the City prior to year-end; interest; and certain charges for current services. Revenues which are not considered susceptible to accrual include certain licenses, permits, fines, forfeitures and penalties. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt and special assessment debt are recorded as expenditures when paid.

All proprietary funds are accounted for using the accrued basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Depreciation of all proprietary fund fixed assets is charged as an expense against operations each year, and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the proprietary fund's balance sheet as a reduction in the book value of fixed assets.

Basis of Budgeting

The budgets of *General Governmental Type Funds* are prepared on a modified accrual basis, which means that obligations of the City are budgeted as expenditures, but revenues are recognized only when they are measurable and available.

The *Enterprise Funds* also recognize expenditures as encumbrances when a commitment is made. Revenues, on the other hand, are recognized when they are obligated to the City, for example water user fees are recognized as revenue when service is provided.

In all cases for the General Governmental and Enterprise funds, when goods and services are not received by year end, the encumbrance lapse. The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of "Generally Accepted Accounting Principles" (GAAP). In most cases, the way the City prepares its budget conforms to GAAP, with the following exceptions:

- Principal payments on long-term debt within the Enterprise Funds are applied to the outstanding liability on a GAAP basis, but are expended on a Budget basis.
- Capital Outlay within Enterprise Funds are recorded as assets on a GAAP basis and expended on a Budget basis.
- Depreciation expense is recorded on a GAAP basis only.

STRUCTURE OF THE CITY'S FINANCES

The City's finances are structured in a variety of funds, which are the basic accounting and reporting entities in governmental accounting. The funds that comprise the 2013-2015 Budget are described as follows:

General Fund

The General Fund is the City's primary reporting entity for current general government operations of the City of Martinez. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund. Section 4 of this Budget provides detailed financial information of the General Fund. Section 5 provides narrative and financial information on the General Government group. The budget by department can be found under Sections 6-9.

Enterprise Funds

The City's Enterprise Funds include the Water System, Marina, and Parking Services. Each is financed and operated in a manner similar to a private business enterprise. The intent is that the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Section 10 provides the financial information for the City's Enterprise Funds, which includes their respective Capital Improvement Program (CIP) information.

- **Water System Fund**

The Water System Fund accounts for the funds received from customers receiving water service provided by the City and the related expenditures for administration, system improvements, maintenance and repair, and debt service issue related to the provision of water service to the customers.

- **Marina Fund**

The Marina Fund revenues include management fees, lease payments, sales and property taxes.

- **Parking Services Fund**

The Parking Services Fund accounts for the activities related to the various parking lots and parking meters in the City. Revenue is generated from parking meters and parking permits.

Special Revenue Funds

Special Revenue Funds account for revenue sources that are legally restricted to specific purposes. These funds can be found in detail under Section 11.

- **Public Safety Grants**

These are Federal and State grants received by the Police Department for improvements in public safety technology and other special projects.

- **National Pollutant Discharge Elimination System (NPDES)**

The City participates in the Contra Costa County Flood Control and Water Conservation District for the collection, administration, distribution, and expenditure of funds derived from stormwater utility assessments. The assessment is collected with property taxes received by the County Tax Collector and is used for pollution control improvements and drainage system maintenance.

- **Measure J**

Measure J funds are from a voter-approved, half cent countywide sales tax levied to fund transportation improvements and disburses these funds to pay for local street improvements.

- **Gasoline Tax**

Gasoline tax is a tax on each gallon of fuel used to propel a motor vehicle or aircraft. Gas tax revenue is distributed to cities using several formulas. These funds must be used exclusively for engineering costs, maintenance and repair, and capital improvement projects related to City streets.

- **Proposition 1B**

This fund accounts for the 2006 voter approved Proposition 1B funds to be used for street improvements, including pavement rehabilitation projects.

- **Recycle Fund**

This fund accounts for the grants the City receives for the disposal of used oil and recycling. This fund also accounts for funds received from the solid waste hauler to cover costs to implement Assembly Bill 939 waste diversion programs and Climate Action Plan initiatives.

- **PEG Access**

This fund accounts for the payments received by the City's cable provider to be used for public, educational and governmental (PEG) capital support as provided by the City's franchise agreement.

- **Lighting and Landscaping**

This fund accounts for the installation, maintenance and improvements of subdivision lighting and landscaping within the various special assessment districts. Monies are collected through an annual levy on the property owners within each district.

- **Mitigation/Impact Fees**

This fund accounts for fees collected from developers to mitigate the impact of new development. The City established the following impact fees: traffic, park in-lieu, child care, drainage, cultural facilities, police facilities, and park and recreation.

Internal Service Funds

Internal Service Funds are proprietary funds used by the City to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The following are the City's two Internal Service Funds, which can be found under Section 12:

- **Equipment Replacement**

The Equipment Replacement Fund accounts for the accumulation of funds for the maintenance and subsequent replacement of the equipment under City control. Costs are charged to departments by way of "rental charges" of City vehicles and equipment.

- **Information Systems**

The Information System Fund accounts for the services rendered to all City departments for management of the City's hardware and software needs. Costs are charged to departments by percent based on the number of computer work stations and overall use of technology.

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 (other than those paid for by the Enterprise Funds). Information on the debt service of the General Fund can be found in Section 13.

- **2003 Certificate of Participation**

This fund accounts for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs for the 2003 Certificate of Participation (COP). On March 11, 2003, the City issued (COPs) to refund and retire the outstanding 1992 City Hall Refurbishment COPs.

- **2008, Series A General Obligation Bond**

This fund accounts for funds received and used for payment of debt service on the 2008, Series A General Obligation Bond issued May, 2009. Interest and principal payments are payable from *ad valorem* property tax levied by the City and collected by the County.

- **2008, Series B General Obligation Bond**

This fund accounts for funds received and used for payment of debt service on the 2008, Series B General Obligation Bond issued March, 2012. Interest and principal payments are payable from *ad valorem* property tax levied by the City and collected by the County.

Capital Improvement Program

The Capital Improvement Program (CIP) budget is for expenditures on capital projects such as major street or park improvements, building construction, and major facility maintenance. Section 14 provides information on those projects that are in progress or will be undertaken in the next two budget years (other than those paid for by Enterprise Funds).

The matrix below provides an overview of how the major City operating departments correspond with the various funds:

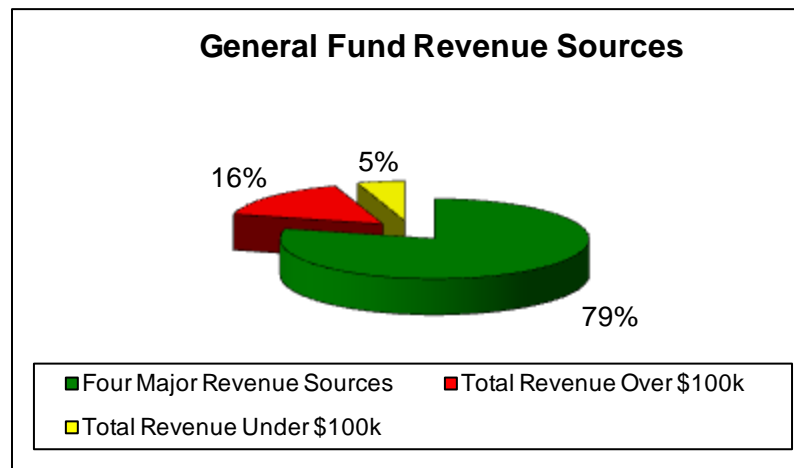
DEPARTMENT-FUND RELATIONSHIP SUMMARY										
Department	General Fund	Special Revenue Funds							Internal Service Funds	
		Public Safety Grants	NPDES Fund	Measure J - Local Fund	Gas Tax Fund	Recycle Fund	PEG Access Fund	Lighting & Landscape Fund	Equipment Replacement Fund	Information Systems Fund
General Government	✓									
Administrative Services	✓					✓	✓			✓
Public Works	✓								✓	
Police	✓	✓								
Community Development	✓		✓	✓	✓			✓		

REVENUE DESCRIPTIONS

General Fund

The General Fund is the City's primary reporting entity for current general government operations of the City of Martinez. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund. All revenues not restricted to specific purposes are recorded in the General Fund, and likewise, all services that are of a general nature – police, routine public works activities, development-related functions (such as planning, engineering, and building inspections), leisure activities, and general administrative support – are budgeted here. The General Fund is the City's largest operating fund.

The General Fund is comprised of eight major revenue categories: Taxes; License, Permit and Fees; Fines and Forfeitures; Intergovernmental; Charges for Services; Use of Money and Property; Other Revenue; and Transfers In. For specific details of what comprises each category, please refer to the revenue schedules on pages 73-75. Within these categories, the City of Martinez relies on four major revenue sources to balance the General Fund which make up 79% of the total operating General Fund budget. They are property tax; sales and use tax (and sales tax in-lieu); VLF property tax swap; and franchise fees. The chart below illustrates the significance of these revenues, and the composition of the remaining revenue sources (either over or under \$100K):



Property Tax

Property tax is the largest source of revenue to the General Fund. In the State of California, the base tax rate is 1% of assessed valuation of property. The 1% tax is levied and collected by the County of Contra Costa with the County assessor determining property tax values based on Proposition 13 limitations, a voter approved proposition in June 1978. Proposition 13 rolled-back property values, for tax purposes, to 1975-76 values and thereafter capped annual assessment increases at 2% until the property is transferred, at which time the assessed value is based on market value. The City of Martinez receives approximately 15.94% share of this 1% levy for property located within the City limits. This percent varies by city and is based on service responsibility; the overall average for cities in Contra Costa County is 11.74%. Generally a full service city would receive a higher share than those that do not provide the full range of municipal services. Below shows the percent each city in Contra Costa County receives of their 1% assessed value, and whether they have police and fire services:

Cities in Contra Costa	City Rate	Police Services	Fire Services
City of Richmond	28.51%	X	X
City of El Cerrito	22.23%	X	X
City of Pinole	18.84%	X	X
City of Pittsburg	18.48%	X	
City of Brentwood	16.49%	X	
City of Martinez	15.94%	X	
City of Antioch	11.41%	X	
City of Concord	10.58%	X	
City of San Pablo	9.83%	X	
City of San Ramon	9.59%	X	
City of Walnut Creek	9.41%	X	
City of Danville	7.62%	X	
City of Orinda	7.41%	X	
City of Oakley	7.08%	X	
City of Lafayette	6.66%	X	
City of Clayton	6.63%	X	
City of Pleasant Hill	5.66%	X	
City of Hercules	5.42%	X	
City of Moraga	5.32%	X	

The 1% of the City of Martinez assessed value breaks down as follows: City of Martinez (16%), Schools (28%), the Education Revenue Augmentation Fund (ERAF 20%), Contra Costa County (14%), Contra Costa Fire Protection (12%), Special Districts (7%) and East Bay Regional Park (3%). The chart below illustrates how the City shares property tax with other agencies.



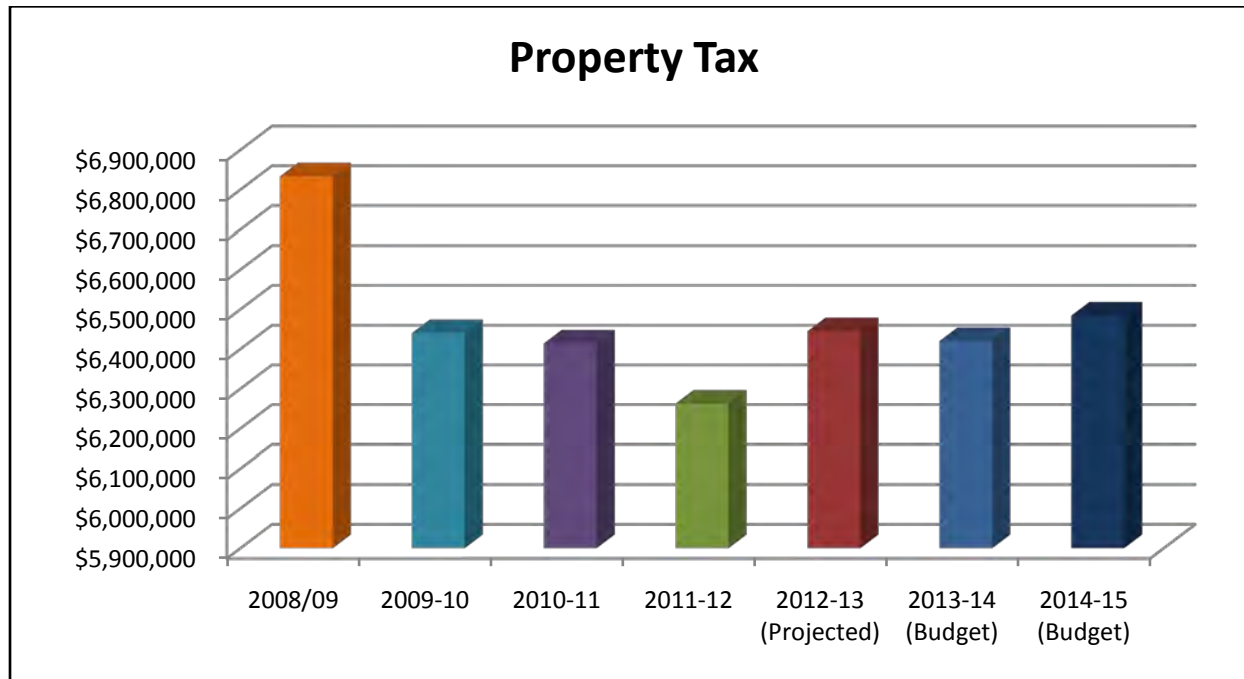
According to HdL, the City's property tax analyst, valuations for the entire region have been severely impacted by the national housing and financial markets crisis, prompting the County Tax Assessor to make significant downward adjustments,

ultimately resulting in a significant decrease to the City's property tax revenue. The table below illustrates the magnitude of the drop in Martinez detached single family residential sales prices, from the peak in 2005 to the low point in 2011:

MARTINEZ DETACHED SINGLE FAMILY RESIDENTIAL SALES – 15 YEAR HISTORY

Year	Full Value Sales	Average Price	Median Price	Median % Change (From Previous Year)
1998	329	\$216,010	\$208,500	
1999	402	\$255,007	\$246,250	18.11%
2000	384	\$303,026	\$295,000	19.80%
2001	334	\$353,823	\$349,000	18.31%
2002	443	\$373,585	\$375,000	7.45%
2003	429	\$435,351	\$419,000	11.73%
2004	457	\$506,321	\$490,000	16.95%
2005	350	\$617,335	\$590,000	20.41%
2006	289	\$598,363	\$580,000	-1.69%
2007	210	\$563,131	\$562,750	-2.97%
2008	175	\$442,154	\$430,000	-23.59%
2009	246	\$390,372	\$376,000	-12.56%
2010	270	\$363,193	\$365,000	-2.93%
2011	366	\$334,593	\$329,000	-9.86%
2012	383	\$350,798	\$340,000	3.34%

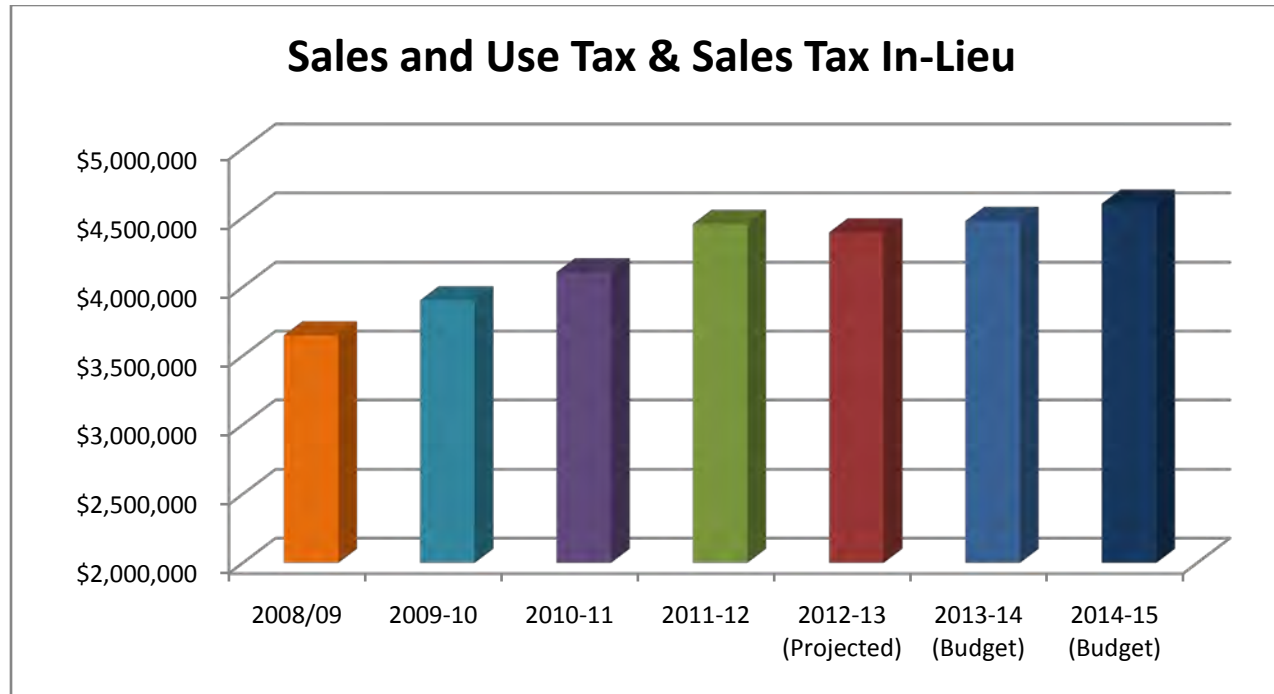
Based on the City's assessed valuation, revenue is expected to decrease slightly to \$6,420,000 in 2013-14 and increase by 1% in 2014-15 to \$6,484,200. The following table highlights the recent trend in the City's property tax revenues through FY 2014-15:



Sales and Use Tax & Sales Tax In-Lieu

Sales tax revenue, including the sales tax in-lieu, is the General Fund's second largest individual revenue source and is highly variable depending upon the economy. Local sales tax revenue is distributed by the State. Prior to 2004-05, cities received 1% of sales tax revenue, or \$1 of every \$100 spent, based on a point-of-sale formula. As of July 1, 2004, the State reduced the local allocation by .25%, and uses this portion as security for the State's "Economic Recovery Bonds." The State has replaced the .25% reduction of sales tax with a dollar-for-dollar allocation of local property tax, which is referred to as "sales tax in-lieu." Total sales tax and sales tax in-lieu is projected to increase by 3% in both years to \$4,475,000 in 2013-14, and to

\$4,601,200 in 2014-15, based on estimates provided by City's Sales Tax Analyst HdL. The sales tax is imposed on retailers for the privilege of selling tangible personal property. Use tax is imposed on the user of a product purchased out-of-state and delivered for use in California. The chart below illustrates the City's recent trend in total sales tax revenue:



The comparison of sales tax revenue among cities in Contra Costa County, shown in the table on the following page, provides additional information on the City's second highest revenue source. The sales tax figures shown represent the full 1% and are not reflective of any tax sharing agreements. Based on comparison, the City is slightly above average County-wide on a per capita sales tax revenue basis.

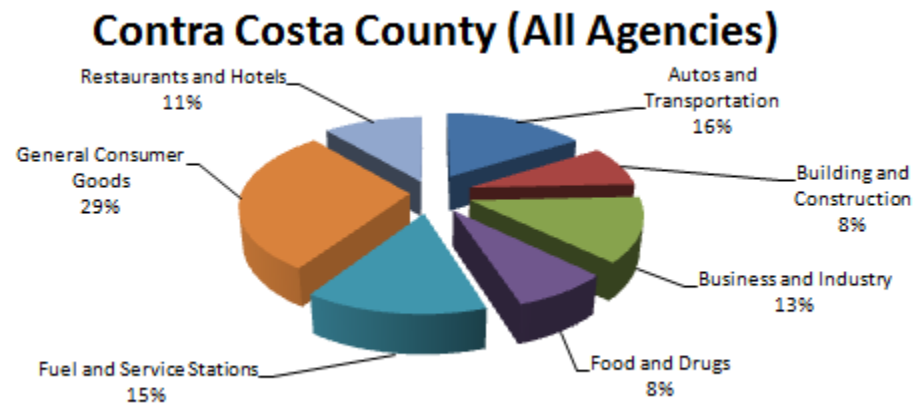
CONTRA COSTA COUNTY SALES TAX PER CAPITA

Cities in Contra Costa County	Population 1/1/2013	2012 Calendar Year Sales Tax (\$)	Revenue Per Capita
City of Clayton	11,093	331,165	30
City of Oakley	37,252	1,333,077	36
City of Orinda	17,925	851,009	47
City of Moraga	16,238	900,364	55
City of Hercules	24,403	1,356,184	56
City of San Pablo	29,266	1,726,880	59
City of Antioch	105,117	9,557,430	91
City of San Ramon	76,154	7,491,343	98
City of Lafayette	24,312	2,398,261	99
City of Brentwood	53,278	5,403,340	101
City of Danville	42,720	4,569,425	107
City of Richmond	105,562	11,542,253	109
City of Pittsburg	65,339	7,705,979	118
City of Martinez	36,578	4,577,647	125
City of El Cerrito	23,910	3,281,094	137
City of Pinole	18,664	2,882,111	154
City of Concord	123,812	22,965,223	185
City of Pleasant Hill	33,633	6,392,087	190
City of Walnut Creek	65,684	17,725,997	270
Average	47,944	5,946,888	109

The makeup of the City's sales tax revenues consists of 7 major categories. The chart below highlights where the sales tax dollars are generated in Martinez.



For point of comparison, the chart below highlights where, on average, sales tax dollars are generated throughout Contra Costa County:

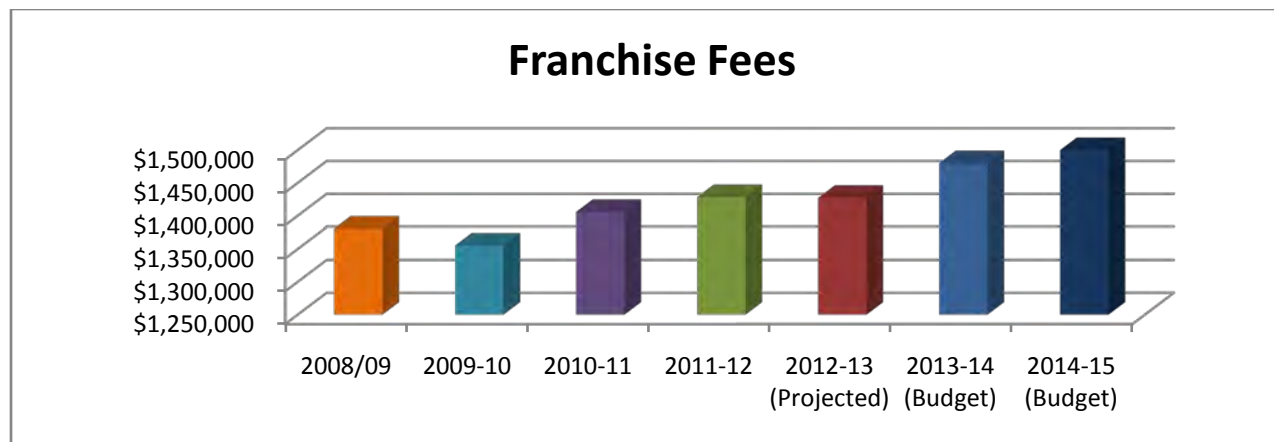


VLF Property Tax Swap

VLF property tax swap tax revenue is estimated to be \$2,500,000 in 2013-14, and \$2,525,000 in 2014-15, respectively. Prior to fiscal year 2004-05, a license fee equivalent to 2% of the market value of motor vehicles was imposed annually by the State “in lieu” of personal property taxes. This motor vehicle in-lieu rate was dropped to .67%, and the difference between the old and new VLF rate is being made up with a revenue source referred to as the “VLF property tax swap,” which trends with property taxes. The .67% motor vehicle license fee was dropped to zero in the FY 2011-12 State of California budget, which has cost the City approximately \$180,000 annually.

Franchise Fees

The City imposes franchise charges on cable television, electricity, gas, refuse collection, refuse disposal, recycling and oil distributor for “rental” of the City streets and rights-of-way. In Martinez, franchise fees are based upon a percentage of total revenue collected from several agencies including PG&E (gas and electric utilities), Comcast and AT&T (cable television), and Allied Waste (refuse collection, disposal, recycling). The City also receives franchise fees for pipelines that are based upon specific dimensions; these calculations are periodically adjusted to reflect CPI increases. Based on increasing trends in franchise fees from cable television (as more providers are granted franchises within the City) and refuse collection (as the new rate structure related to mandatory commercial recycling was implemented, and fewer delinquent accounts were reported), the City projects a 3.7% increase to \$1,480,000 in 2013-14, and a further 1.3% increase to \$1,500,000 in 2014-15, as shown in the chart below:



Other revenue sources that generate at least \$100,000 annually and comprise 16% of the General Fund budget are listed on the pages that follow.

- **Sales and Use Tax Proposition 172 – Public Safety**

This is a one-half cent sales tax approved by voters in 1992 dedicated to local public safety purposes. The one-half cent sales tax is apportioned to each county based on its share of statewide taxable sales. The revenue is distributed among the county and cities based on their proportionate share of net property tax loss due to a portion of the 1992 Educational Revenue Augmentation Fund (ERAF). The City has projected to receive \$375,000 for 2013-14 and \$382,500 for 2014-15.

- **Water System In-Lieu Tax**

This tax is assessed to the water district as “rent” to cover the cost of using the City’s infrastructure. This revenue is projected to remain flat in 2013-14 at \$423,763, and increase by 1% in 2014-15 to \$428,001.

- **Documentary Transfer Tax**

The documentary transfer tax is collected when there is a transfer of ownership of real estate. The City shares in the \$1.10 tax per \$1,000 of sale price that is collected by the County. This revenue source is projected at \$135,000 for the next two years, an increasing trend due to the recent uptick in home sales activity.

- **Transient Occupancy Tax**

The transient occupancy tax is a 10% tax imposed by the City on hotel and motel room charges. There are four hotel and motels in the City. Based on trend, the revenue is budgeted at \$310,000 in the first year and \$315,000 in the second year of the budget.

- **Business License Tax**

The business license tax is imposed on businesses for the privilege of conducting business within the City. Licenses are issued annually with a period beginning January 1st. The City’s business license ordinance has an automatic adjustment based on the consumer price index (CPI) of June 30. This revenue source is estimated at \$615,000 in 2013-14 and \$630,000 in 2014-15.

- **Building and Mechanical Permits**

Building permit fees are collected to cover the cost of regulating the construction of new buildings. This regulation allows cities the means to protect the overall community interests. Building permit revenue is estimated at \$665,000 in 2013-14 and

\$665,000 in 2014-15, higher than in recent years due to processing fees associated with two large residential developments nearing final map phase and expected to complete build out within the upcoming two-year budget cycle.

- **Parking Citations**

This revenue includes fines for parking violations. The annual revenue is estimated to increase to \$200,000 in 2013-14 and \$215,000 in 2014-15 as greater emphasis on enforcement is emphasized.

- **Public Works Inspection, Building, Planning and Engineering Plan Check Fees**

These fees cover the costs of inspection, review and plan check. Combined revenues are expected to be \$247,000 in 2013-14 and \$212,000 in 2014-15. These revenues are projected to be significantly higher than in recent years due to the aforementioned processing of two large residential developments in the upcoming two-year budget cycle.

- **Daycare Fees**

These are fees collected in providing contract licensed pre-school child care for children ages 2 through entering first grade. Tuition is paid to the City of Martinez by participants enrolled in the child care program. Revenue is expected to be \$120,000 for each year.

- **Billboard Ad Revenue**

This revenue comes from the 2011 Billboard Relocation Agreement between the City and CBS Outdoor, Inc., which stipulated that in exchange for allowing CBS Outdoor to remove an existing static billboard and replace it with a digital billboard just north of the original location, the City receives an 11% share of net billboard advertising revenue. The sign was constructed and installed in late 2012. Revenue is projected to be \$80,000 in FY 13-14 as CBS Outdoor secures new advertising contracts for the billboard, and increase to \$100,000 in FY 14-15 once regular contracts have been established.

Enterprise Funds

The City's Enterprise Funds include the Water System, Marina, and Parking Services funds. Each is financed and operated in a manner similar to a private business, and receives its revenues primarily through user fees. Section 10 provides the financial information for the City's Enterprise Funds, which includes their respective Capital Improvement Program (CIP) information.

- **Water System Fund**

- **Water Sales:** The City has four elevation zones and each zone has a consumption rate charge of between \$3.54 and \$4.13 per hundred cubic feet, based on the customer's meter above mean sea level. This consumption charge represents water sales, which is estimated at \$6,125,000 for 2013-14 and \$6,247,500 for 2014-15.
- **Service Charges:** Monthly service charges are based on the size of the customer's meter. Of the City's 10,100 meters, 91% are 5/8 of an inch with a monthly charge of \$24.62. The balance of meters is between 1 to 10 inches, with the charges between \$55.35 and \$2,974.60. Service charges are projected at \$3,600,000 in 2013-14 and \$3,672,000 in 2014-15. Rate increases have been applied each of the past 3 years to remain on pace with the costs incurred from the operation of the water system.
- **Fire Service Charges:** This charge is for water system capacity to supply water to automatic fire protection systems. Approximately 118 accounts benefit from this service and revenue is approximately \$295,000 in the first year and \$300,900 in the second year.
- **Other revenues:** The balance of revenue (which includes interest income, backflow charges, connection fees and other miscellaneous revenue) amount to \$364,500 for both years.

- **Marina Fund**

- **Personal property tax** is received from the value of the boats harbored at the Marina. Based on trend both years are budgeted at \$4,800.
- **Sales Tax** from the bait shop, Yacht Club and Eagle Marina boat shop. Both years are budgeted at \$6,000.
- **Rents** are from property the City leases out and is expected to be \$63,000 in both years.
- **Marina management** is from the contracted agency that manages the marina. Both years are budgeted at \$115,000.
- **Railroad lease** is the revenue received from the railroad and is a constant \$8,364.

- **Parking Services Fund**

- Real property tax is budgeted at \$53,000 in each year.
- Parking meter revenues are collected from the 1100 meters in the downtown. There are 300 two-hour meters at .50 per hour; 350 four-hour meters at .50 per hour; and 450 long-term, ten hour meters at .25 per hour. The revenue is budgeted at \$320,000 in each year.
- Parking permits are purchased quarterly for \$108. Both years are budgeted at \$35,000.

Special Revenue Funds

Special revenue funds account for revenue sources that are legally restricted to specific purposes. A list of each fund and its revenue source(s) is provided with projected revenues. Please refer to Section 11 for additional detail on these funds.

- **Public Safety Grants**

Budgeted here is the Supplemental Law Enforcement Service Funds, (SLESF), which provides funding to local jurisdictions for front-line law enforcement services. An allocation of \$100,000 is expected in both years. The fund also accounts for any State and Federal grants received by the Police Department for improvements in public safety technology and other special projects.

- **National Pollutant Discharge Elimination System (NPDES)**

The City participates in the Contra Costa County Flood Control and Water Conservation District for the collection, administration, distribution and expenditure of funds derived from stormwater utility assessments. The assessment is set at \$30 per equivalent runoff unit (ERU) and collected by the County Tax Collector with the property tax. The revenue received from the assessment is used for pollution control improvements and drainage system maintenance. Revenue is projected at \$492,000 for both years.

- **Measure J**

These funds are from a voter-approved, half cent countywide sales tax levied to fund transportation and local street improvements. Revenue is projected at \$415,000 for both years.

- **Gasoline Tax**

The State of California imposes an 18 cent per gallon tax on motor vehicle and aircraft fuel. A portion of the gasoline tax revenues are then allocated to cities using several formulas. These funds must be used exclusively for engineering costs, maintenance and repair, and capital improvement projects related to City streets. The City of Martinez will receive an estimated \$1,076,300 in both fiscal years.

- **Recycling Fund**

The City receives annual funding of \$25,000 from our solid waste and recycling hauler to cover costs of implementing Assembly Bill 939 waste diversion and Climate Action Plan initiatives.

- **PEG Access**

Public-Educational-Government access, or “PEG” revenue comes from payments received from the City’s cable provider. Revenue is projected at \$55,000 for each of the next two years.

- **Lighting and Landscaping**

Revenue comes from an annual levy on property owners within the eight Lighting and Landscaping Assessment districts and is collected with property taxes. Revenue is projected at \$118,618 for each of the next two years.

- **Mitigation/Impact Fees**

Fees are collected from developers to mitigate the impact of new development. Fees are presently budgeted at \$40,600 each of the next two fiscal years; however, the City has been diligently working with developers on two major residential projects that are expected to reach final map early in FY 2013-14. If that target is achieved, the City expects to receive significant additional revenue both years, estimated at \$230,000 in 2013-14, and \$690,000 in 2014-15.

KEY BUDGET ASSUMPTIONS

A number of assumptions were used to develop the 2-year operating budget. These assumptions will be carefully monitored throughout the budget period, and adjusted as necessary during the budget cycle. Here are the key budget assumptions for the 2-year budget including both revenues and expenditures.

Revenue Assumptions

- ❑ Property tax revenues are expected to remain flat in 2013-14 and increase a slight 1% in 2014-15. According to the City's property tax consultant, revenues for the entire region have been impacted by the national housing and financial markets crises, followed by significant downward adjustments by the county tax assessor resulting in a decline in property tax revenue.
- ❑ Sales tax and sales tax in-lieu revenues will increase by approximately 3% in both fiscal years. These projections are based on trend and input from the City's sales tax consultant.
- ❑ VLF property tax swap revenue is projected to remain flat in 2013-14 and increase by 1% in 2014-15.
- ❑ Franchise fee revenues are expected to remain flat over the next two years.
- ❑ Projections for other major General Fund tax revenues include business license tax remaining flat in the first year and increasing by 1% in the second year; documentary transfer tax and transient occupancy tax are projected to remain flat in both fiscal years.
- ❑ Revenue from fines and forfeitures is expected to increase by 2% in each fiscal year.

Expenditure Assumptions

- ❑ There are no salary increases for all employee groups in 2013-14 and a net 1% salary increase January 1, 2014 for all groups in 2014-15 based upon the provisions of each bargaining unit's MOU.
- ❑ Employer PERS contribution rates for Police Sworn Personnel are as follows:
 - ❖ Fiscal Year 2013-14: 3% at 50 Plan 47.278%; 3@55 Plan 19.774; 2.7%57 Plan 11.5% with the employee paying 1.5% as of July 1, 2013 and 2% as of January 1, 2014. The City also pays the full 9% Employee PERS contribution rate.
 - ❖ Fiscal Year 2014-15: 3% at 50 Plan 49.1%; 3@55 Plan 19.774; 2.7%57 Plan 11.5% with the employee paying 3% as of July 1, 2013 and 4% as of January 1, 2014. The City also pays the full 9% Employee PERS contribution rate.
- ❑ Employer PERS contribution rates for Miscellaneous Personnel are as follows:
 - ❖ Fiscal Year 2013-14: 2% at 55 Plan 10.781%; 2@60 Plan 8.049%; 2@62 Plan 6.25%. The City also pays 5.5% as of July 1, 2013 and 5% as of January 1, 2014 of the Employee PERS contribution rate.

❖ Fiscal Year 2014-15: 2% at 55 Plan 11.6%; 2@60 Plan 8.049%; 2@62 Plan 6.25%. The City also pays 4.5% as of July 1, 2013 and 4% as of January 1, 2014 of the Employee PERS contribution rate.

- ❑ Healthcare costs are expected to increase by 4% in 2013-14 and 10% in 2014-15.
- ❑ Retiree medical costs are expected to increase by 4% in 2013-14 and 7% in 2014-15.
- ❑ Worker's Compensation premiums are budgeted at \$548,406 in 2013-14 and \$500,000 in 2014-15.
- ❑ Liability and ERMA insurance has been budgeted at \$543,165 in 2013-14 and \$495,658 in 2014-15.

LONG-TERM DEBT

The City of Martinez has a Capital Financing and Debt Management Policy that sets the parameters for issuing debt and provides guidance in the timing and structuring of long-term debt commitments. This policy can be found under Section 15, Financial Policies. The City of Martinez total long-term debt obligations are listed below.

Debt Obligations

Pursuant to State of California Government Code Section 25 and 43605, the City's legal bonded indebtedness shall not exceed 3.75% of the assessed value of all real and personal property in the City. As of June 30, 2012, the City had a bonded indebtedness of \$24,300,000 against its debt limit of \$153,089,586, leaving a debt margin of \$128,789,586. The City's Capital Financing and Debt Management Policy (starting on page 205), specifies the City's direct debt cannot exceed 2% of assessed valuation. Under that standard, the City's debt limit is reduced to \$81,647,779, leaving a debt margin of \$57,347,779.

COMPUTATION OF LEGAL BONDED DEBT MARGIN LAST TEN FISCAL YEARS				
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	\$153,089,586	\$24,300,000	\$128,789,586	18.87%
2011	\$155,706,944	\$14,660,000	\$141,046,944	10.39%
2010	\$157,873,721	\$15,000,000	\$142,873,721	10.50%
2009	\$165,020,110	\$15,000,000	\$150,020,110	10.00%
2008	\$160,386,084		\$160,386,084	0.00%
2007	\$149,024,084		\$149,024,084	0.00%
2006	\$140,035,535		\$140,035,535	0.00%
2005	\$540,528,077		\$540,528,077	0.00%
2004	\$502,873,709		\$502,873,709	0.00%
2003	\$466,375,730		\$466,375,730	0.00%

The City's bonded indebtedness is directly related to the 2008, Series A and Series B General Obligation Bonds, which were used to finance the costs of acquiring and constructing parks, library improvements, and pool and safety improvements.

Bonds

There are a number of limitations and restrictions contained in the various bond indentures. The City of Martinez is in compliance with all significant limitations and restrictions.

- **2008, Series A & B General Obligation Bonds**

General Obligation Bonds for \$30,000,000 were authorized at an election held November 4, 2008, at which more than two-thirds of the voters approved. In May 2009, the City issued Series A, General Obligation Bonds in the amount of \$15,000,000, and in May 2012, the City issued Series B, General Obligation Bonds in the amount of \$10,000,000 to finance the costs of acquiring and constructing parks, library improvements, and pool and safety improvements within the City. Interest and principal payments are payable from *ad valorem* property tax levied by the City and collected by the County. As of June 30, 2013, \$5,000,000 remains authorized but unissued.

- **2003 Certificates of Participation**

On March 11, 2003, the City issued Certificates of Participation (COPs) in the amount of \$2,200,000 to refund and retire the outstanding 1992 City Hall Refurbishment COPs. Interest and principal payments are payable from lease revenues on City Hall.

- **2003 Certificates of Participation**

On March 11, 2003, the City issued Certificates of Participation (COPs) in the amount of \$5,595,000 to refund and retire the outstanding 1993 Water System Improvements COPs. Interest and principal payments are payable from net revenues derived from the operation of the water system.

- **2012 Certificates of Participation**

On February 10, 2012, the City issued Certificates of Participation (COPs) in the amount of \$8,025,000 to refund the 1999 COPs and for the acquisition and construction of improvements to the City's existing water system. Interest and principal payments are payable from net revenues derived from the operation of the Water System

Below are the annual debt service requirements of principal and interest to maturity for long-term debt outstanding as of June 30, 2013.

For Fiscal Year Ending June 30,	Governmental Activities		Enterprise Activities	
	2003 COP	2008 GO	2003 COP	2012 COP
2014	\$255,000	\$295,000	\$370,000	\$450,000
2015		\$310,000	\$380,000	\$455,000
2016		\$110,000	\$395,000	\$460,000
2017		\$125,000	\$415,000	\$475,000
2018		\$145,000	\$430,000	\$490,000
2019		\$175,000	\$435,000	\$505,000
2020		\$205,000		\$520,000
2021		\$240,000		\$535,000
2022		\$280,000		\$555,000
2023		\$320,000		\$580,000
2024-2028		\$2,345,000		\$2,560,000
2029-2033		\$3,920,000		
2033-2037		\$6,080,000		
2038-2043		\$9,110,000		
Total	\$255,000	\$23,660,000	\$2,425,000	\$7,585,000

Below is the debt service schedule for Fiscal Years 2013-14 and 2014-15 reflected in this biennial budget.

Fiscal Year 2013-14		GOVERNMENTAL FUNDS			ENTERPRISE ACTIVITIES		
Due Date	Description	Principal	Interest	Total	Principal	Interest	Total
August 1, 2013	Measure H Projects, Series A 2008 GO	\$5,000	\$370,272	\$375,272	-	-	-
August 1, 2013	Measure H Projects, Series B 2008 GO	\$290,000	\$206,109	\$496,109			\$0
December 1, 2013	City Hall Project, 2003 COP	\$255,000	\$4,622	\$259,622			\$0
December 1, 2013	Water Projects, 2003 COP			\$0	\$370,000	\$46,313	\$416,313
December 1, 2013	Water Projects, 2012 COP			\$0	\$450,000	\$125,425	\$575,425
February 1, 2014	Measure H Projects, Series A 2008 GO		\$370,172	\$370,172			\$0
February 1, 2014	Measure H Projects, Series B 2008 GO		\$200,309	\$200,309			\$0
June 1, 2014	Water Projects, 2003 COP			\$0		\$39,607	\$39,607
June 1, 2014	Water Projects, 2012 COP			\$0		\$120,925	\$120,925
Fiscal Year 2013-14 Debt Service		\$550,000	\$1,151,484	\$1,701,484	\$820,000	\$332,270	\$1,152,270

Fiscal Year 2014-15		GOVERNMENTAL FUNDS			ENTERPRISE ACTIVITIES		
Due Date	Description	Principal	Interest	Total	Principal	Interest	Total
August 1, 2014	Measure H Projects, Series A 2008 GO	\$45,000	\$370,172	\$415,172	-	-	-
August 1, 2014	Measure H Projects, Series B 2008 GO	\$265,000	\$200,309	\$465,309			\$0
December 1, 2014	Water Projects, 2003 COP			\$0	\$380,000	\$39,607	\$419,607
December 1, 2014	Water Projects, 2012 COP			\$0	\$455,000	\$120,925	\$575,925
February 1, 2015	Measure H Projects, Series A 2008 GO		\$369,272	\$369,272			\$0
February 1, 2015	Measure H Projects, Series B 2008 GO		\$195,009	\$195,009			\$0
June 1, 2015	Water Projects, 2003 COP			\$0		\$32,577	\$32,577
June 1, 2015	Water Projects, 2012 COP			\$0		\$116,375	\$116,375
Fiscal Year 2014-15 Debt Service		\$310,000	\$1,134,763	\$1,444,763	\$835,000	\$309,484	\$1,144,484

Loans Payable

The Marina Fund entered into agreements on separate occasions with the State of California to fund various projects at the marina. The loans outstanding at June 30, 2012 are as follows:

For Fiscal Year Ending June 30, 2012:			
Description	Principal Outstanding	Interest Outstanding	Total Outstanding
1964 Income Distribution Agreement	\$850,000	\$1,712,515	\$2,562,515
1973 Loan	\$251,136	\$10,359	\$261,495
1978 Loan	\$131,574	\$5,427	\$137,001
1982 Loan	\$323,922	\$13,362	\$337,284
1985 Loan	\$877,077	\$36,179	\$913,256
Totals	\$2,433,709	\$1,777,842	\$4,211,551

- **1964 Income Distribution Agreement**

In January 1960, a loan from the Department of Boating and Waterways of \$1,300,000 was granted to the City for the construction of a marina. This loan was modified in 1964 and replaced with an agreement between the City and the State of California.

- **1973 State Loan**

On December 20, 1973, a loan from the Department of Boating and Waterways of \$450,000 was granted to the City to complete a small craft harbor at the marina. In 2003, the loan was restructured and \$103,708.61 of interest was added to the principal.

- **1978 State Loan**

On January 30, 1978, a loan from the Department of Boating and Waterways of \$175,000 was granted to the City for construction of marina improvements. In 2003, the loan was restructured and \$48,413.52 of interest was added to the principal.

- **1982 State Loan**

On November 1, 1982, a loan from the Department of Boating and Waterways of \$300,000 was granted to the City for construction on new berthings and improvements to the marina. In 2003, the loan was restructured and \$126,485.78 of interest was added to the principal.

- **1985 State Loan**

On January 14, 1985, a loan from the Department of Boating and Waterways of \$770,425 was granted to the City to fund twelve capital improvements projects at the marina. In 2003, the loan was restructured and \$317,572.15 of interest was added to the principal.

The above marina loan agreements – except the 1960 loan which has no specific repayment terms – require the marina to remit principal and interest payments annually. However, the marina did not make any principal or interest payments on the above loans between fiscal 1996 and fiscal 2004. The marina resumed scheduled interest payments in 2005 when the State authorized the marina to postpone principal payments on the above loans. In Fiscal Year 2006-07, the State further agreed to allow the marina to make interest-only annual payments until August 2008, at which time the marina was required to commence making principal payments on the loans. As of June 30, 2013, the marina was still in negotiations with the State for the terms of the loans.

Retiree Health Care Costs

The City provides post-employment healthcare benefits to its retirees who qualify under their respective memorandums of understanding. In June 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement 45, a directive to public agencies to report the costs and financial obligations for post-employment healthcare and other post-employment benefits (OPEB) much like the existing accounting requirement to report pension obligations.

In Fiscal Year 2008, the City implemented the provisions of GASB 45 and passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust for the amounts contributed solely for the payment of current and future retiree healthcare premiums. CERBT is an agent multiple-employer plan, consisting of an aggregation of single-employer plans, with pooled administrative and investment functions. CERBT is administered by California (CalPERS), and is managed by an appointed board not under the control of the City Council. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City Council adopted a funding policy that consistently contributes an amount equal to the ARC.

Staff engaged a consultant to prepare the City's actuarial report as required by GASB 45. The report calculated the actuarial accrued liability (AAL) to be \$16,612,936 as of January 1, 2013. The City's assets in CERBT as of January 1, 2013 were \$6,667,146, which are used to offset these liabilities. Thus, the report indicated that the City's unfunded actuarial accrued liability (UAAL) to be \$9,945,790. This Operating Budget includes the ARC for the 2013-14 Fiscal Year of \$1,073,620, and an estimated amount of \$1,108,513 for the 2014-15 Fiscal Year.

Budget for Fiscal Years 2013-14 and 2014-15

ALL FUNDS BUDGET SUMMARY

	Fund Balance 06-30-12	2012-13		Fund Balance 06-30-13	2013-14		Fund Balance 06-30-14	2014-15		Fund Balance 06-30-15
		Projected Revenues & Transfers In 2012-13	Projected Expenditures & Transfers Out 2012-13		Budget Revenues & Transfers In 2013-14	Budget Expenditures & Transfers Out 2013-14		Budget Revenues & Transfers In 2014-15	Budget Expenditures & Transfers Out 2014-15	
General Fund (Unassigned)	\$ 4,073,393	\$ 18,933,994	\$ 19,154,564	\$ 3,852,823	\$ 18,956,657	\$ 18,985,748	\$ 3,823,732	\$ 19,207,284	\$ 19,228,987	\$ 3,802,028
Enterprise Funds										
Water System	17,334,375	10,261,637	17,007,705	10,588,307	10,425,800	16,159,128	4,854,979	10,620,900	13,382,494	2,093,384
Marina Services	(2,637,658)	769,595	778,506	(2,646,569)	297,664	297,190	(2,646,095)	197,664	197,198	(2,645,629)
Parking Services	933,713	457,000	493,693	897,020	422,000	421,684	897,336	422,000	326,892	992,444
Sub-total of Enterprise Funds	15,630,430	11,488,232	18,279,904	8,838,758	11,145,464	16,878,002	3,106,220	11,240,564	13,906,584	440,200
Special Revenue Funds										
Public Safety Grants	354,091	134,124	373,311	114,904	100,000	100,000	114,904	100,000	100,000	114,904
NPDES-Stormwater	291,103	492,800	505,873	278,030	492,800	459,227	311,603	492,800	466,171	338,232
Measure J - Local	611,193	417,000	603,357	424,836	417,000	620,915	220,921	417,000	552,940	84,981
Gas Tax	984,634	881,100	1,424,167	441,567	1,077,400	1,292,650	226,317	1,077,400	1,125,267	178,450
Housing In-Lieu Fund										
Proposition 1B	540,800	0	540,800							
Recycle Fund	448,769	27,830	169,673	306,926	26,300	175,300	157,926	26,300	174,675	9,551
PEG Access Fund	423,765	55,000	71,700	407,065	55,000	65,000	397,065	55,000	65,000	387,065
Lighting & Landscape	237,703	139,772	195,888	181,587	133,118	200,670	114,035	119,418	155,670	77,783
Mitigation/Impact Fees	909,368	375,100	50,000	1,234,468	44,700	350,000	929,168	44,700		973,868
Sub-total of Special Revenue	4,801,426	2,522,726	3,934,769	3,389,383	2,346,318	3,263,762	2,471,939	2,332,618	2,639,723	2,164,834
Internal Service Funds										
Equipment Replacement	1,282,831	908,060	952,866	1,238,025	902,072	1,146,771	993,326	916,472	1,089,224	820,573
Information Systems	597,840	478,569	491,769	584,640	449,562	515,966	518,236	455,255	500,759	472,733
Sub-total of Internal Service	1,880,671	1,386,629	1,444,635	1,822,665	1,351,634	1,662,737	1,511,562	1,371,727	1,589,983	1,293,306
Debt Service Funds										
2003 Certificate of Participation	510,815	230,458	261,651	479,622	0	479,622	0	0	0	0
2008 General Obligation Bond	1,266,173	1,453,762	1,730,864	989,071	1,461,026	1,441,863	1,008,235	1,468,326	1,444,763	1,031,798
Sub-total of Debt Service	1,776,988	1,684,220	1,992,515	1,468,693	1,461,026	1,921,484	1,008,235	1,468,326	1,444,763	1,031,798
Capital Improvement Programs	14,534,906	4,490,778	11,794,547	7,231,137	7,033,440	8,523,440	5,741,137	7,424,000	11,919,000	1,246,137
Total - All Funds	\$ 42,697,813	\$ 40,506,579	\$ 56,600,933	\$ 26,603,459	\$ 42,294,539	\$ 51,235,173	\$ 17,662,825	\$ 43,044,519	\$ 50,729,041	\$ 9,978,303

Budget for Fiscal Years 2013-14 and 2014-15

FUND BALANCE ALL FUNDS

	2011-12 <u>Actuals</u>	2012-13 <u>Projected</u>	2013-14 <u>Budget</u>	2014-15 <u>Budget</u>
General Fund (Unassigned)	\$ 4,073,393	\$ 3,852,823	\$ 3,823,732	\$ 3,802,028
Enterprise Funds				
Water System	17,334,375	10,588,307	4,854,979	2,093,384
Marina Services	(2,637,658)	(2,646,569)	(2,646,095)	(2,645,629)
Parking Services	933,713	897,020	897,336	992,444
Sub-total of Enterprise Funds	15,630,430	8,838,758	3,106,220	440,200
Special Revenue Funds				
Public Safety Grants	354,091	114,904	114,904	114,904
NPDES-Stormwater	291,103	278,030	311,603	338,232
Measure J - Local	611,193	424,836	220,921	84,981
Gas Tax	984,634	441,567	226,317	178,450
Housing In-Lieu Fund	0	0	0	0
Proposition 1B	540,800	0	0	0
Recycle Fund	448,769	306,926	157,926	9,551
PEG Access Fund	423,765	407,065	397,065	387,065
Lighting & Landscape	237,703	181,587	114,035	77,783
Mitigation/Impact Fees	909,368	1,234,468	929,168	973,868
Sub-total of Special Revenue	4,801,426	3,389,383	2,471,939	2,164,834
Internal Service Funds				
Equipment Replacement	1,282,831	1,238,025	993,326	820,573
Information Systems	597,840	584,640	518,236	472,733
Sub-total of Internal Service	1,880,671	1,822,665	1,511,562	1,293,306
Debt Service Funds				
2003 Certificate of Participation	510,815	479,622	0	0
2008 General Obligation Bond	1,266,173	989,071	1,008,235	1,031,798
Sub-total of Debt Service	1,776,988	1,468,693	1,008,235	1,031,798
Capital Improvement Programs	14,534,906	7,231,137	5,741,137	1,246,137
Total - All Funds	<u><u>\$ 42,697,813</u></u>	<u><u>\$ 26,603,459</u></u>	<u><u>\$ 17,662,825</u></u>	<u><u>\$ 9,978,303</u></u>

Budget for Fiscal Years 2013-14 and 2014-15

CHANGES OF FINANCIAL POSITION BY FUND TYPE

	MAJOR FUNDS								NON-MAJOR FUNDS								TOTAL			
	GENERAL FUND				WATER ENTERPRISE FUND				GOVERNMENTAL				ENTERPRISE							
	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15
	Actuals	Projected	Budget	Budget	Actuals	Projected	Budget	Budget	Actuals	Projected	Budget	Budget	Actuals	Projected	Budget	Budget	Actuals	Projected	Budget	Budget
Revenue																				
Taxes	\$ 16,063,061	\$ 16,207,348	\$ 16,358,763	\$ 16,618,401	\$ 0	\$ 0	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 62,620	\$ 65,610	\$ 63,800	\$ 63,800	\$ 16,125,681	\$ 16,272,958	\$ 16,422,563	\$ 16,682,201
Special Assessments			0	0	0	0	0	0	2,125,109	2,069,074	2,070,644	2,077,944	0	0	0	0	2,125,109	2,069,074	2,070,644	2,077,944
Licenses & permits	530,388	518,765	666,500	666,500	0	0	0	0	0	0	0	0	0	0	0	0	530,388	518,765	666,500	666,500
Fines, forfeits & penalties	259,353	315,729	350,000	365,000	0	0	0	0	1,608	1,608	0	0	0	0	0	0	260,961	317,337	350,000	365,000
Intergovernmental	509,309	475,036	476,300	505,800	0	0	0	0	11,842,320	4,324,800	6,854,740	8,012,300	0	0	0	0	12,351,629	4,799,836	7,331,040	8,518,100
Charges for services	660,908	707,581	741,594	706,514	0	0	0	0	516,300	256,458	26,300	26,300	1,682,063	1,878,492	1,804,934	1,826,727	2,859,271	2,842,531	2,572,828	2,559,541
Developer Impact Fees			0	0	0	0	0	0	69,284	371,000	40,600	40,600	0	0	0	0	69,284	371,000	40,600	40,600
Use of money & property	641,928	124,736	101,500	107,070	78,029	86,000	80,000	80,000	44,284	44,220	19,800	14,800	89,762	100,179	99,864	99,864	854,003	355,135	301,164	301,734
Water Sales & Service			0	0	10,352,737	10,134,800	10,298,500	10,498,900					4,541	0	2,700	1,000	10,357,278	10,134,800	10,301,200	10,499,900
Other Revenue	615,289	321,811	208,000	210,000	56,835	40,837	22,300	16,000	486,633	55,822	55,000	55,000	183,622	318,943	0	0	1,342,379	737,413	285,300	281,000
Total Revenues	19,280,235	18,671,006	18,902,657	19,179,284	10,487,601	10,261,637	10,400,800	10,594,900	15,085,538	7,122,982	9,067,084	10,226,944	2,022,608	2,363,224	1,971,298	1,991,391	46,875,983	38,418,849	40,341,839	41,992,519
Expenditures																				
General Government	1,119,862	1,185,970	1,086,629	1,166,538					0	0							1,119,862	1,185,970	1,086,629	1,166,538
Nondepartmental Services	1,140,089	1,103,288	1,221,114	1,276,319					0	0							1,140,089	1,103,288	1,221,114	1,276,319
Administrative Services	731,434	757,176	860,044	876,059					150,459	241,373	240,300	239,675	514,064	491,769	515,966	500,759	1,395,958	1,490,318	1,616,310	1,616,493
Public Works	3,552,450	3,617,352	3,773,544	3,746,108					0	0	0	0	1,031,032	952,866	1,146,771	1,089,224	4,583,482	4,570,218	4,920,315	4,835,332
Police	9,539,744	9,913,012	9,869,521	9,996,755					377,696	373,311	100,000	100,000					9,917,440	10,286,323	9,969,521	10,096,755
Community Development	2,470,769	2,091,924	2,143,896	2,141,209					950,505	1,336,543	1,425,762	1,302,048					3,421,274	3,428,467	3,569,658	3,443,257
Water System					10,065,342	9,017,818	8,819,358	8,980,511	0	0	0	0					10,065,342	9,017,818	8,819,358	8,980,511
Marina									0	0	0	0	132,721	158,296	83,190	83,198	132,721	158,296	83,190	83,198
Parking Services									0	0	0	0	363,623	368,693	321,684	326,892	363,623	368,693	321,684	326,892
Capital Improvement Program					1,058,122	6,833,298	6,180,000	3,250,000	6,723,105	12,335,347	8,523,440	11,919,000	181,057	673,943	200,000	0	7,962,284	19,842,588	14,903,440	15,169,000
Debt Service					1,112,707	1,156,589	1,159,770	1,151,984	1,697,336	1,992,515	1,701,484	1,444,763	137,684	71,267	114,000	114,000	2,947,727	3,220,371	2,975,254	2,710,746
Total Expenditures	18,554,349	18,668,722	18,954,748	19,202,987	12,236,172	17,007,705	16,159,128	13,382,494	9,899,100	16,279,088	11,990,986	15,005,486	2,360,182	2,716,834	2,381,611	2,114,073	43,049,803	54,672,349	49,486,473	49,705,041
Other Sources (Uses)																				
Operating Transfers In	48,000	262,988	54,000	28,000			25,000	26,000	1,005,700	1,574,742	1,773,700	998,000	0	250,000	100,000	0	1,053,700	2,087,730	1,952,700	1,052,000
Operating Transfers Out	(5,000)	(107,000)	(31,000)	(26,000)	0	0	0	0	(925,700)	(1,442,742)	(1,717,700)	(998,000)			0	0	(930,700)	(1,549,742)	(1,748,700)	(1,024,000)
OPEB Contribution				0													0	0	0	0
One-time Expenditures	(48,000)	(378,842)															(48,000)	(378,842)	0	0
Total Other Sources (Uses)	(5,000)	(222,854)	23,000	2,000	0	0	25,000	26,000	80,000	132,000	56,000	0	0	250,000	100,000	0	75,000	159,146	204,000	28,000
Net	720,887	(220,570)	(29,091)	(21,703)	(1,748,571)	(6,746,068)	(5,733,328)	(2,761,594)	5,266,438	(9,024,106)	(2,867,902)	(4,778,542)	(337,573)	(103,610)	(310,313)	(122,682)	3,901,180	(16,094,354)	(8,940,634)	(7,684,521)
Fund Balance Beginning of Year	3,352,506	4,073,393	3,852,823	3,823,732	19,082,945	17,334,375	10,588,307	4,854,979	15,846,882	21,113,320	12,089,213	9,221,311	514,299	176,726	73,116	(237,197)	38,796,633	42,697,813	26,603,459	17,662,825
Fund Balance End of Year	\$ 4,073,393	\$ 3,852,823	\$ 3,823,732	\$ 3,802,029	\$ 17,334,375	\$ 10,588,307	\$ 4,854,979	\$ 2,093,384	\$ 21,113,320	\$ 12,089,213	\$ 9,221,311	\$ 4,442,769	\$ 176,726	\$ 73,116	\$ (237,197)	\$ (359,879)	\$ 42,697,813	\$ 26,603,459	\$ 17,662,825	\$ 9,978,303

Budget for Fiscal Years 2013-14 and 2014-15

CHANGES OF FINANCIAL POSITION ALL FUNDS

	2011-12	2012-13	2013-14	2014-15
Revenue	Actuals	Projected	Budget	Budget
Taxes	\$ 16,125,681	\$ 16,272,958	\$ 16,422,563	\$ 16,682,201
Special Assessments	2,125,109	2,069,074	2,070,644	2,077,944
Licenses & permits	530,388	518,765	666,500	666,500
Fines, forfeits & penalties	260,961	317,337	350,000	365,000
Intergovernmental	12,351,629	4,799,836	7,331,040	8,518,100
Charges for services	2,859,271	2,842,531	2,572,828	2,559,541
Developer Impact Fees	69,284	371,000	40,600	40,600
Use of money & property	854,003	355,135	301,164	301,734
Water Sales & Service	10,352,737	10,134,800	10,298,500	10,498,900
Other Revenue	1,346,920	737,413	288,000	282,000
Total Revenues	46,875,983	38,418,849	40,341,839	41,992,519
Expenditures				
General Government	1,119,862	1,185,970	1,086,629	1,166,538
Nondepartmental Services	1,140,089	1,103,288	1,221,114	1,276,319
Administrative Services	1,395,958	1,490,318	1,616,310	1,616,493
Public Works	3,552,450	3,617,352	3,773,544	3,746,108
Police	9,917,440	10,286,323	9,969,521	10,096,755
Community Development	4,452,306	4,381,333	4,662,429	4,504,482
Water System	10,065,342	9,017,818	8,819,358	8,980,511
Marina	132,721	158,296	83,190	83,198
Parking Services	363,623	493,693	421,684	326,892
Capital Improvement Program	7,962,284	19,717,588	14,803,440	15,169,000
Debt Service	2,947,727	3,220,371	2,975,254	2,710,746
Total Expenditures	43,049,803	54,672,349	49,432,473	49,677,041
Other Sources (Uses)				
Operating Transfers In	930,700	1,549,742	1,748,700	1,024,000
Operating Transfers Out	(930,700)	(1,549,742)	(1,748,700)	(1,024,000)
Transfers In from GF Assigned Fund Balance	123,000	537,988	204,000	28,000
One-time Expenditures	(48,000)	(378,842)	(54,000)	(28,000)
Total Other Sources (Uses)	75,000	159,146	150,000	0
Net	3,901,180	(16,094,354)	(8,940,634)	(7,684,521)
Fund Balance Beginning of Year	38,796,633	42,697,813	26,603,459	17,662,825
Fund Balance End of Year	<u><u>\$ 42,697,813</u></u>	<u><u>\$ 26,603,459</u></u>	<u><u>\$ 17,662,825</u></u>	<u><u>\$ 9,978,303</u></u>

Budget for Fiscal Years 2013-14 and 2014-15

ALL FUNDS TRANSFER SUMMARY

To Fund	From Fund	Purpose	Transfer In & Transfer Out 2011-12	Transfer In & Transfer Out 2012-13	Transfer In & Transfer Out 2013-14	Transfer In & Transfer Out 2014-15
General Fund	Assigned Fund Balance	Willows Theatre Rent	\$ 48,000	\$ 48,000	\$ 54,000	\$ 28,000
General Fund	Assigned Fund Balance	OPEB		214,988		
Lighting & Landscape	General Fund	Share of LLD	5,000	7,000	6,000	
Water System	General Fund	Lifeline			25,000	26,000
Marina Fund	General Fund-Assigned Fund Balance	Consultant		20,000		
Marina Fund	General Fund-Assigned Fund Balance	Marina & Park Master Plan		125,000		
Marina Fund	General Fund-Assigned Fund Balance	2012 Dredge		65,000	100,000	
Marina Fund	General Fund-Assigned Fund Balance	CEQA		40,000		
Capital Improvement Program	General Fund-Assigned Fund Balance	C1034 Main Street Streetscape	75,000	25,000		
Capital Improvement Program	General Fund-Assigned Fund Balance	Paint Zocchi Building			50,000	
Capital Improvement Program	General Fund	C4000 General Plan Update		100,000		
Capital Improvement Program	Debt Service	City Hall			220,000	
Capital Improvement Program	NPDES-Stormwater	LL917 Share of LLD	700	700	700	
Capital Improvement Program	NPDES-Stormwater	C3002 Alhambra Creek Channel Maint.	25,000	25,000		25,000
Capital Improvement Program	Measure J - Local	Annual Pavement Management		400,000	400,000	100,000
Capital Improvement Program	Measure J - Local	C1046 Reliez Valley	500,000			
Capital Improvement Program	Measure J - Local	C2002 Bay Trail Phase 2	25,000	41,000		
Capital Improvement Program	Measure J - Local	C1047 Downtown PDA Pavement Restoration				258,000
Capital Improvement Program	Measure J - Local	C2007 Alhambra Valley Sidewalk			25,000	
Lighting & Landscape	Gas Tax	LL917 Share of LLD		2,760	7,000	
Capital Improvement Program	Gas Tax	C1044 Paving 2012-13	350,000	200,000		
Capital Improvement Program	Gas Tax	Annual Pavement Management		500,000	600,000	500,000
Capital Improvement Program	Gas Tax	C1010 ADA Ramps		85,000	25,000	25,000
Capital Improvement Program	Gas Tax	C2006 Downtown Bicycle Project		3,282		
Capital Improvement Program	Gas Tax	C3008 Annual Storm Drain Maintenance	25,000	100,000	25,000	25,000
Capital Improvement Program	Gas Tax	C1040 Annual Sidewalk Repair		35,000	15,000	15,000
Capital Improvement Program	Gas Tax	EEC1 LED Street Lights			50,000	50,000
Capital Improvement Program	Mitigation Fees-Traffic	C1049 Alhambra Ave/C Street Signal			275,000	
Capital Improvement Program	Mitigation Fees-Traffic	C1050 Muir/Center Signal Modification			50,000	
Capital Improvement Program	Mitigation Fees-Traffic	C2008 Shell Ave Pedestrian/Bicycle Project			25,000	
Capital Improvement Program	Mitigation Fees-Park In Lieu	C5002 Waterfront Road Open Space		50,000		
Sub-Total Transfer In			\$ 1,053,700	\$ 2,087,730	\$ 1,952,700	\$ 1,052,000

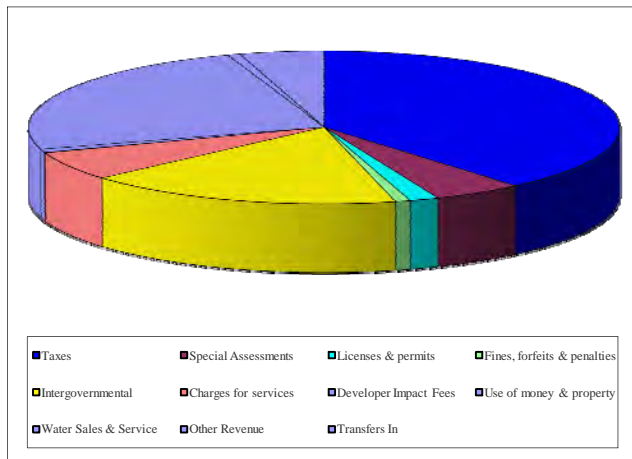
Budget for Fiscal Years 2013-14 and 2014-15

To Fund	From Fund	Purpose	Transfer In & Transfer Out 2011-12	Transfer In & Transfer Out 2012-13	Transfer In & Transfer Out 2013-14	Transfer In & Transfer Out 2014-15
Water System	General Fund	Lifeline			\$ 25,000	\$ 26,000
Lighting & Landscape	General Fund	Share of LLD	5,000	7,000	6,000	
Capital Improvement Project	General Fund	C4000 General Plan Update		100,000		
Capital Improvement Project	Assigned Fund Balance	C1034 Main Street Streetscape	75,000	25,000		
General Fund	Assigned Fund Balance	Willows Theatre Rent	48,000	48,000	54,000	28,000
General Fund	Assigned Fund Balance	OPEB		214,988		
Marina System	Assigned Fund Balance	Marina & Park Master Plan		125,000		
Marina System	Assigned Fund Balance	2012 Dredge		65,000	100,000	
Marina Fund	Assigned Fund Balance	Consultant		20,000		
Capital Improvement Program	Assigned Fund Balance	Zocchi Building			50,000	
Marina System	Assigned Fund Balance	CEQA		40,000		
Capital Improvement Program	Debt Service	City Hall			220,000	
Capital Improvement Program	NPDES-Stormwater	LL917 Share of LLD	700	700	700	
Capital Improvement Program	NPDES-Stormwater	C3002 Alhambra Creek Channel Maint.	25,000	25,000		25,000
Capital Improvement Program	Measure J - Local	Annual Pavement Management		400,000	400,000	100,000
Capital Improvement Program	Measure J - Local	C1046 Reliez Valley	500,000			
Capital Improvement Program	Measure J - Local	C2002 Bay Trail Phase 2	25,000	41,000		
Capital Improvement Program	Measure J - Local	C1047 Downtown PDA Pavement Restoration				258,000
Capital Improvement Program	Measure J - Local	C2007 Alhambra Valley Sidewalk			25,000	
Lighting & Landscape	Gas Tax	LL917 Share of LLD		2,760	7,000	
Capital Improvement Program	Gas Tax	C1044 Paving 2012-13	350,000	200,000		
Capital Improvement Program	Gas Tax	Annual Pavement Management		500,000	600,000	500,000
Capital Improvement Program	Gas Tax	C1010 ADA Ramps		85,000	25,000	25,000
Capital Improvement Program	Gas Tax	C2006 Downtown Bicycle Project		3,282		
Capital Improvement Program	Gas Tax	C3008 Annual Storm Drain Maintenance	25,000	100,000	25,000	25,000
Capital Improvement Program	Gas Tax	C1040 Annual Sidewalk Repair		35,000	15,000	15,000
Capital Improvement Program	Gas Tax	EEC1 LED Street Lights			50,000	50,000
Capital Improvement Program	Mitigation Fees-Traffic	C1049 Alhambra Ave/C Street Signal			275,000	
Capital Improvement Program	Mitigation Fees-Traffic	C1050 Muir/Center Signal Modification			50,000	
Capital Improvement Program	Mitigation Fees-Traffic	C2008 Shell Ave Pedestrian/Bicycle Project			25,000	
Capital Improvement Program	Mitigation Fees-Park In Lieu	C5002 Waterfront Road Open Space		50,000		
Sub-Total Transfer Out			\$ 1,053,700	\$ 2,087,730	\$ 1,952,700	\$ 1,052,000
TOTAL TRANSFERS IN (OUT)			\$ -	\$ -	\$ -	\$ -

Budget for Fiscal Years 2013-14 and 2014-15

SUMMARY OF ACTIVITY ALL FUNDS FISCAL YEAR 2013-14

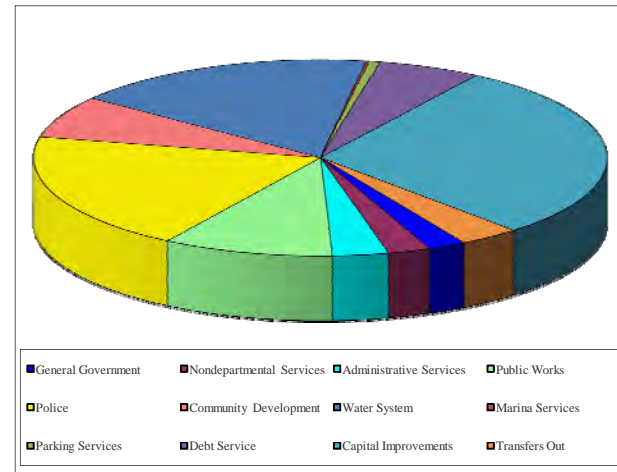
REVENUES



Taxes	38.83%	\$ 16,422,563
Special Assessments	4.90%	2,070,644
Licenses & permits	1.58%	666,500
Fines, forfeits & penalties	0.83%	350,000
Intergovernmental	17.33%	7,331,040
Charges for services	6.08%	2,572,828
Developer Impact Fees	0.10%	40,600
Use of money & property	0.71%	301,164
Water Sales & Service	24.35%	10,298,500
Other Revenue	0.68%	288,000
Transfers In	4.62%	1,952,700

Total All Funds \$ 42,294,539

EXPENDITURES



General Government	2.12%	\$ 1,086,629
Nondepartmental Services	2.38%	1,221,114
Administrative Services	3.15%	1,616,310
Public Works	9.60%	4,920,315
Police	19.46%	9,969,521
Community Development	6.97%	3,569,658
Water System	17.21%	8,819,358
Marina Services	0.16%	83,190
Parking Services	0.63%	321,684
Debt Service	5.81%	2,975,254
Capital Improvements	29.09%	14,903,440
Transfers Out	3.41%	1,748,700

Total All Funds \$ 51,235,173

Budget for Fiscal Years 2013-14 and 2014-15

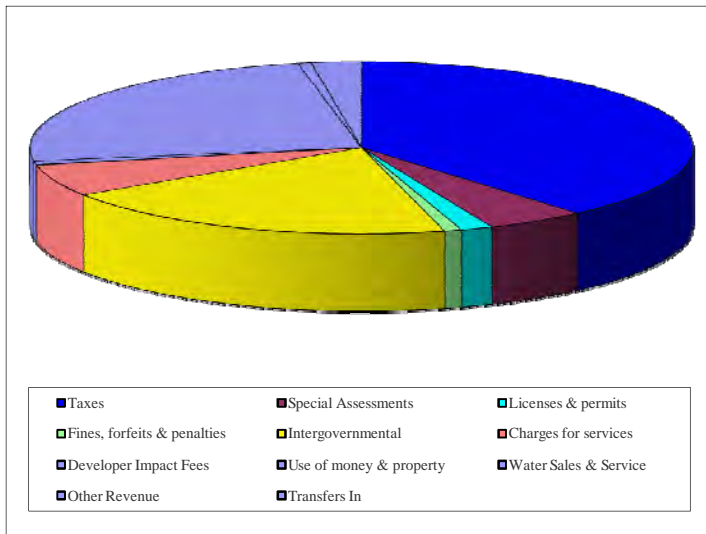
FISCAL YEAR 2013-14 SUMMARY OF ACTIVITIES BY FUND TYPE

	General Fund	Enterprise	Special Revenue	Internal Service	Debt Service	Capital	Total All
	Fund	Funds	Funds	Funds	Funds	Fund	Funds
Revenues and Other Financing Sources							
Taxes	\$ 16,358,763	\$ 63,800					\$ 16,422,563
Special Assessments			610,618		1,460,026		2,070,644
Licenses & permits	666,500		0				666,500
Fines, forfeits & penalties	350,000		0				350,000
Intergovernmental	476,300		1,591,300			5,263,440	7,331,040
Charges for services	741,594	480,000	26,300	1,324,934			2,572,828
Developer Impact Fees			40,600				40,600
Use of money & property	101,500	155,864	8,800	24,000	1,000	10,000	301,164
Water Sales & Service		10,298,500					10,298,500
Other Revenue	208,000	22,300	55,000	2,700		0	288,000
Transfers In	54,000	125,000	13,700			1,760,000	1,952,700
Total Revenues and Other Financing Uses	\$ 18,956,657	\$ 11,145,464	\$ 2,346,318	\$ 1,351,634	\$ 1,461,026	\$ 7,033,440	\$ 42,294,539
Expenditures and Other Financing Uses							
General Government	\$ 1,086,629						\$ 1,086,629
Nondepartmental Services	1,221,114						1,221,114
Administrative Services	860,044		240,300	515,966			1,616,310
Public Works	3,773,544			1,146,771			4,920,315
Police	9,869,521		100,000				9,969,521
Community Development	2,143,896		1,425,762				3,569,658
Water System		8,819,358					8,819,358
Marina Services		83,190					83,190
Parking Services		321,684					321,684
Debt Service		1,273,770			1,701,484		2,975,254
Capital Improvement Program		6,380,000				8,523,440	14,903,440
Transfers Out	31,000	0	1,497,700		220,000		1,748,700
Total Expenditures and Other Financing Uses	\$ 18,985,748	\$ 16,878,002	\$ 3,263,762	\$ 1,662,737	\$ 1,921,484	\$ 8,523,440	\$ 51,235,173

Budget for Fiscal Years 2013-14 and 2014-15

SUMMARY OF ACTIVITY ALL FUNDS FISCAL YEAR 2014-15

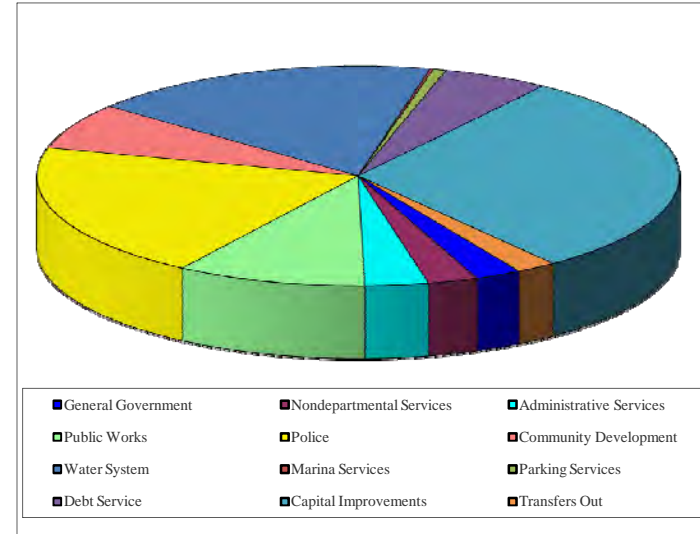
REVENUES



Taxes	38.76%	\$	16,682,201
Special Assessments	4.83%		2,077,944
Licenses & permits	1.55%		666,500
Fines, forfeits & penalties	0.85%		365,000
Intergovernmental	19.79%		8,518,100
Charges for services	5.95%		2,559,541
Developer Impact Fees	0.09%		40,600
Use of money & property	0.70%		301,734
Water Sales & Service	24.39%		10,498,900
Other Revenue	0.66%		282,000
Transfers In	2.44%		1,052,000

Total All Funds **\$ 43,044,519**

EXPENDITURES



General Government	2.30%	\$	1,166,538
Nondepartmental Services	2.52%		1,276,319
Administrative Services	3.19%		1,616,493
Public Works	9.53%		4,835,332
Police	19.90%		10,096,755
Community Development	6.79%		3,443,257
Water System	17.70%		8,980,511
Marina Services	0.16%		83,198
Parking Services	0.64%		326,892
Debt Service	5.34%		2,710,746
Capital Improvements	29.90%		15,169,000
Transfers Out	2.02%		1,024,000

Total All Funds **\$ 50,729,041**

Budget for Fiscal Years 2013-14 and 2014-15

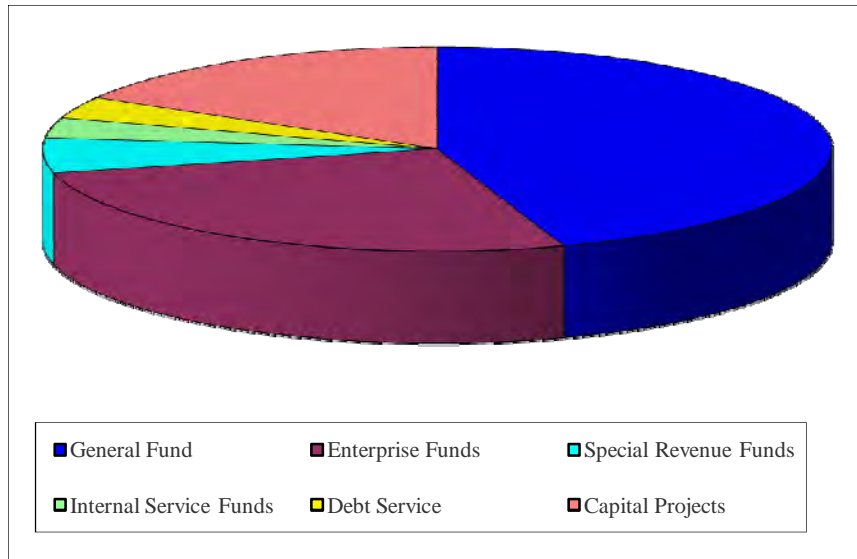
FISCAL YEAR 2014-15 SUMMARY OF ACTIVITIES BY FUND TYPE

	General Fund	Enterprise	Special Revenue	Internal Service	Debt Service	Capital	Total All
	Fund	Funds	Funds	Funds	Funds	Fund	Funds
Revenues and Other Financing Sources							
Taxes	\$ 16,618,401	\$ 63,800					\$ 16,682,201
Special Assessments			610,618		1,467,326		2,077,944
Licenses & permits	666,500		0				666,500
Fines, forfeits & penalties	365,000		0				365,000
Intergovernmental	505,800		1,591,300			6,421,000	8,518,100
Charges for services	706,514	480,000	26,300	1,346,727			2,559,541
Developer Impact Fees			40,600				40,600
Use of money & property	107,070	155,864	8,800	24,000	1,000	5,000	301,734
Water Sales & Service		10,498,900					10,498,900
Other Revenue	210,000	16,000	55,000	1,000		0	282,000
Transfers In	28,000	26,000	0			998,000	1,052,000
Total Revenues and Other Financing Uses	\$ 19,207,284	\$ 11,240,564	\$ 2,332,618	\$ 1,371,727	\$ 1,468,326	\$ 7,424,000	\$ 43,044,519
Expenditures and Other Financing Uses							
General Government	\$ 1,166,538						\$ 1,166,538
Nondepartmental Services	1,276,319						1,276,319
Administrative Services	876,059		239,675	500,759			1,616,493
Public Works	3,746,108			1,089,224			4,835,332
Police	9,996,755		100,000				10,096,755
Community Development	2,141,209		1,302,048				3,443,257
Water System		8,980,511					8,980,511
Marina Services		83,198					83,198
Parking Services		326,892					326,892
Debt Service		1,265,984			1,444,763		2,710,746
Capital Improvement Program		3,250,000				11,919,000	15,169,000
Transfers Out	26,000	0	998,000				1,024,000
Total Expenditures and Other Financing Uses	\$ 19,228,987	\$ 13,906,584	\$ 2,639,723	\$ 1,589,983	\$ 1,444,763	\$ 11,919,000	\$ 50,729,041

Budget for Fiscal Years 2013-14 and 2014-15

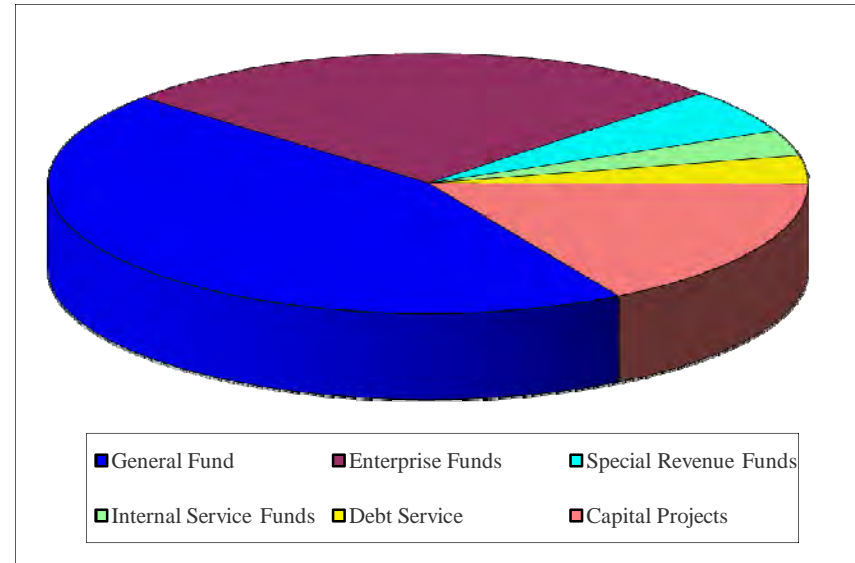
SUMMARY OF ALL FUNDS REVENUE

FISCAL YEAR 2013-14



General Fund	44.82%	\$	18,956,657
Enterprise Funds	26.35%		11,145,464
Special Revenue Funds	5.55%		2,346,318
Internal Service Funds	3.20%		1,351,634
Debt Service	3.45%		1,461,026
Capital Projects	16.63%		<u>7,033,440</u>
Total All Funds		\$	<u>42,294,539</u>

FISCAL YEAR 2014-15



General Fund	44.62%	\$	19,207,284
Enterprise Funds	26.11%		11,240,564
Special Revenue Funds	5.42%		2,332,618
Internal Service Funds	3.19%		1,371,727
Debt Service	3.41%		1,468,326
Capital Projects	17.25%		<u>7,424,000</u>
Total All Funds		\$	<u>43,044,519</u>

Budget for Fiscal Years 2013-14 and 2014-15

SUMMARY OF REVENUE BY FUND TYPE & CATEGORY

	2011-12	2012-13	2013-14	2014-15
REVENUE - By Fund Type	Actuals	Projected	Budget	Budget
General Fund	\$ 19,328,235	\$ 18,933,994	\$ 18,956,657	\$ 19,207,284
Enterprise Funds	11,243,240	11,488,232	11,145,464	11,240,564
Special Revenue Funds	2,736,242	2,522,726	2,346,318	2,332,618
Internal Service Funds	1,266,970	1,386,629	1,351,634	1,371,727
Debt Service Fund	2,031,864	1,684,220	1,461,026	1,468,326
Capital Improvement Program	11,323,131	4,490,778	7,033,440	7,424,000
Total Revenues Including Transfers In	\$ 47,929,683	\$ 40,506,579	\$ 42,294,539	\$ 43,044,519

	2011-12	2012-13	2013-14	2014-15
REVENUE - By Category	Actuals	Projected	Budget	Budget
Taxes	\$ 16,125,681	\$ 16,272,958	\$ 16,422,563	\$ 16,682,201
Special Assessments	2,125,109	2,069,074	2,070,644	2,077,944
Licenses & permits	530,388	518,765	666,500	666,500
Fines, forfeits & penalties	260,961	317,337	350,000	365,000
Intergovernmental	12,351,629	4,799,836	7,331,040	8,518,100
Charges for services	2,859,271	2,842,531	2,572,828	2,559,541
Developer Impact Fees	69,284	371,000	40,600	40,600
Use of money & property	854,003	355,135	301,164	301,734
Water Sales & Service	10,352,737	10,134,800	10,298,500	10,498,900
Other Revenue	1,346,920	737,413	288,000	282,000
Total Revenues	46,875,983	38,418,849	40,341,839	41,992,519
Transfers From Other Funds	1,053,700	2,087,730	1,952,700	1,052,000
Total Revenues Including Transfers In	\$ 47,929,683	\$ 40,506,579	\$ 42,294,539	\$ 43,044,519

Budget for Fiscal Years 2013-14 and 2014-15

REVENUE CATEGORIES BY FUND

	2011-12	2012-13	2013-14	2014-15
	Actual	Projected	Budget	Budget
GENERAL FUND (01)				
Taxes	\$ 16,063,061	\$ 16,207,348	\$ 16,358,763	\$ 16,618,401
License, permits & fees	530,388	518,765	666,500	666,500
Fines & forfeitures	259,353	315,729	350,000	365,000
Intergovernmental	509,309	475,036	476,300	505,800
Charge for services	660,908	707,581	741,594	706,514
Use of money & property	641,928	124,736	101,500	107,070
Other revenue	615,289	321,811	208,000	210,000
Transfers	48,000	262,988	54,000	28,000
TOTAL GENERAL FUND REVENUE	19,328,235	18,933,994	18,956,657	19,207,284
ENTERPRISE FUNDS				
Water System (71 & 72)				
Use of money & property	78,029	86,000	80,000	80,000
Water sales & service	10,352,737	10,134,800	10,298,500	10,498,900
Other revenue	56,835	40,837	22,300	16,000
Transfers			25,000	26,000
Total Water System Fund	10,487,601	10,261,637	10,425,800	10,620,900
Marina (73 & 74)				
Taxes	13,711	12,610	10,800	10,800
Charge for services	115,583	120,863	115,000	115,000
Use of money & property	66,003	67,179	62,864	62,864
Other revenue	181,057	318,943		
Transfers		250,000	100,000	
Total Marina Fund	376,354	769,595	288,664	188,664

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12	2012-13	2013-14	2014-15
	Actual	Projected	Budget	Budget
Parking Services (75 & 76)				
Taxes	48,909	53,000	53,000	53,000
Charge for services	324,688	400,000	365,000	365,000
Use of money & property	3,122	4,000	4,000	4,000
Other revenue	2,565			
Total Parking Services	379,284	457,000	422,000	422,000
TOTAL ENTERPRISE FUND REVENUE	11,243,240	11,488,232	11,136,464	11,231,564
SPECIAL REVENUE FUNDS				
Public Safety Grants (20)				
Fines, forfeits & penalties	1,608	1,608		
Intergovernmental	121,998	131,474	100,000	100,000
Use of money & property	219	220		
Other Revenue	948	822	0	0
Total Police Grants	124,772	134,124	100,000	100,000
NPDES (21)				
Special Assessments	496,524	492,000	492,000	492,000
Use of money & property	513	800	800	800
Total NPDES	497,037	492,800	492,800	492,800
Measure J - Local (22)				
Intergovernmental	509,449	415,000	415,000	415,000
Use of money & property	2,561	2,000	2,000	2,000
Total Measure J - Local	512,010	417,000	417,000	417,000
Gas Tax (23)				
Intergovernmental	1,034,214	880,000	1,076,300	1,076,300
Use of money & property	3,262	1,100	1,100	1,100
Total Gas Tax	1,037,476	881,100	1,077,400	1,077,400

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
Housing In-Lieu Fund (27)				
Housing In-Lieu Fee	-	-	-	-
Total Housing In-Lieu	-	-	-	-
Proposition 1B (28)				
Interest	1,937	-	-	-
Total Proposition 1B	1,937	-	-	-
Recycle (29)				
Recycle Grants	19,815	1,830		
Oil Grants	10,537			
AB 939/Impact Fee	275,000	25,000	25,000	25,000
State Green Program			300	300
Solid Waste	869	1,000	1,000	1,000
Total Recycle	306,221	27,830	26,300	26,300
Lighting & Landscape (33)				
Special Assessments	119,299	124,312	118,618	118,618
Use of money & property	859	5,000	800	800
Transfers In	5,700	10,460	13,700	
Total Lightening & Landscape	125,858	139,772	133,118	119,418
Impact/ Mitigation Fees (34)				
Traffic Mitigation Fees	14,792	70,000	11,000	11,000
Park In-Lieu Fees	2,420	115,000	6,000	6,000
Child Care Impact Fees	2,674	4,000	2,000	2,000
Drainage Fees Zone 5	21,638	7,000	2,000	2,000
Cultural Facilities Impact Fees	14,246	90,000	10,800	10,800
Police Facilities Impact Fees	1,512	15,000	500	500
Park & Recreation Impact Fees	12,002	70,000	8,300	8,300
Use of money & property	3,107	4,100	4,100	4,100
Total Impact/Mitigation Fees	72,392	375,100	44,700	44,700

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12	2012-13	2013-14	2014-15
	Actual	Projected	Budget	Budget
PEG Access (36)				
Grants	58,538	55,000	55,000	55,000
Total PEG Access	58,538	55,000	55,000	55,000
 TOTAL SPECIAL REVENUE FUND	 <u>2,736,242</u>	 <u>2,522,726</u>	 <u>2,346,318</u>	 <u>2,332,618</u>
 INTERNAL SERVICE FUNDS				
Equipment Replacement (81)				
Charge for services	736,983	883,060	879,072	894,472
Use of money & property	18,499	25,000	21,500	21,500
Other revenue	4,541		1,500	500
Total Equipment Replacement	<u>760,023</u>	<u>908,060</u>	<u>902,072</u>	<u>916,472</u>
 Informations Systems (82)				
Charge for services	489,430	455,169	426,462	432,855
Technology Fee	15,379	19,400	19,400	19,400
Use of money & property	2,138	4,000	2,500	2,500
Other revenue			1,200	500
Total Information Systems	<u>506,947</u>	<u>478,569</u>	<u>449,562</u>	<u>455,255</u>
 TOTAL INTERNAL SERVICE REVENUE	 <u>1,266,970</u>	 <u>1,386,629</u>	 <u>1,351,634</u>	 <u>1,371,727</u>
 DEBT SERVICE FUNDS				
2003 Debt Service (41)				
Charge for services	240,431	230,458		
Use of money & property	194			
Total 2003 Debt Service	<u>240,625</u>	<u>230,458</u>	<u>-</u>	<u>-</u>

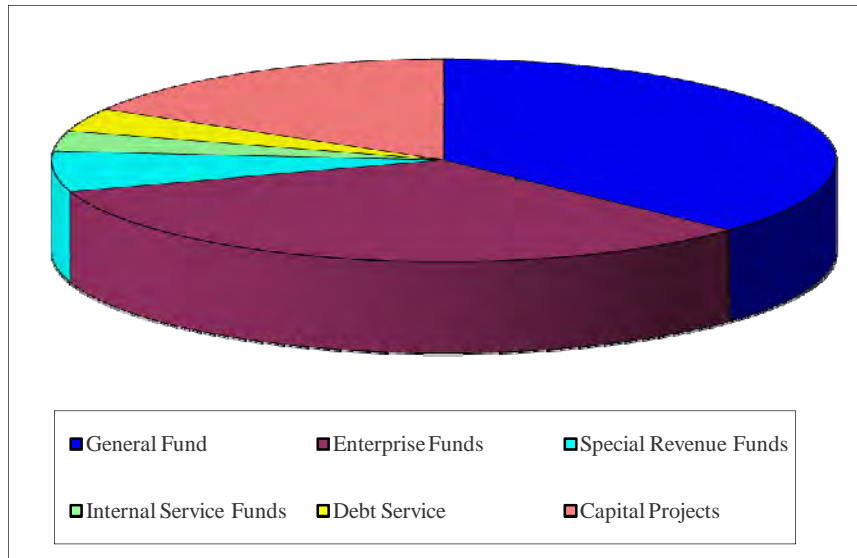
Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
2008 Debt Service (44 and 45)				
Tax Levy	1,509,285	1,452,762	1,460,026	1,467,326
Bond Premium	279,996			
Use of money & property	1,958	1,000	1,000	1,000
Total 2008, Series A Debt Service	1,791,239	1,453,762	1,461,026	1,468,326
TOTAL DEBT SERVICE REVENUE	2,031,864	1,684,220	1,461,026	1,468,326
CAPITAL PROJECTS (31)				
Special Assessments				-
Intergovernmental	10,146,307	2,896,496	5,263,440	6,421,000
Miscellaneous	147,151			
Use of money & property	29,673		10,000	5,000
Transfers In	1,000,000	1,564,282	1,760,000	998,000
TOTAL CAPITAL PROJECTS REVENUE	11,323,131	4,490,778	7,033,440	7,424,000
TOTAL REVENUES ALL FUNDS	\$ 47,929,683	\$ 40,506,579	\$ 42,285,539	\$ 43,035,519

Budget for Fiscal Years 2013-14 and 2014-15

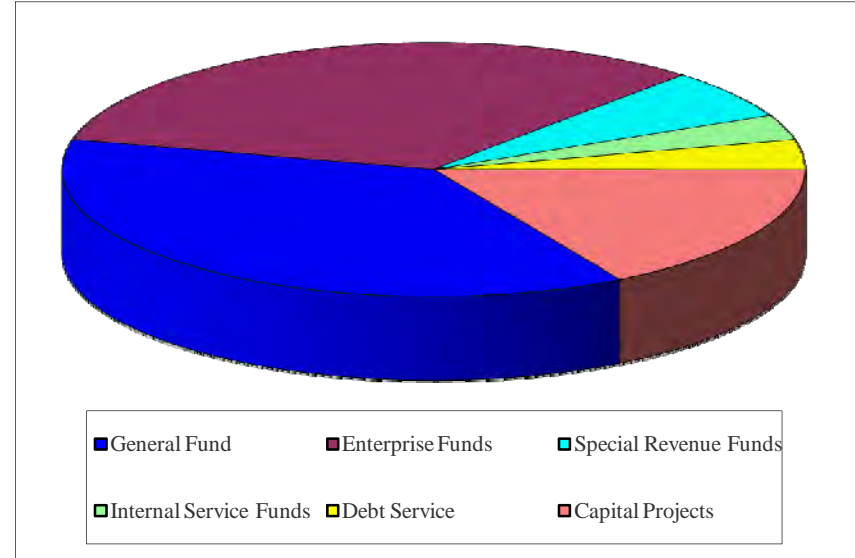
SUMMARY OF ALL FUNDS EXPENDITURES

FISCAL YEAR 2013-14



General Fund	37.06%	\$	18,985,748
Enterprise Funds	32.94%		16,878,002
Special Revenue Funds	6.37%		3,263,762
Internal Service Funds	3.25%		1,662,737
Debt Service	3.75%		1,921,484
Capital Projects	16.64%		<u>8,523,440</u>
Total All Funds		\$	<u>51,235,173</u>

FISCAL YEAR 2014-15



General Fund	37.91%	\$	19,228,987
Enterprise Funds	27.41%		13,906,584
Special Revenue Funds	5.20%		2,639,723
Internal Service Funds	3.13%		1,589,983
Debt Service	2.85%		1,444,763
Capital Projects	23.50%		<u>11,919,000</u>
Total All Funds		\$	<u>50,729,041</u>

Budget for Fiscal Years 2013-14 and 2014-15

SUMMARY OF EXPENDITURES BY FUND TYPE & CATEGORY

EXPENSE - By Fund Type	2011-12 Actuals	2012-13 Projected	2013-14 Budget	2014-15 Budget
General Fund	\$ 18,607,349	\$ 19,154,564	\$ 18,985,748	\$ 19,228,987
Enterprise Funds	13,051,258	18,279,904	16,878,002	13,906,584
Special Revenue Funds	2,404,360	3,934,769	3,263,762	2,639,723
Internal Service Funds	1,545,096	1,444,635	1,662,737	1,589,983
Debt Service Fund	1,697,336	1,992,515	1,921,484	1,444,763
Capital Improvement Program	6,723,105	11,794,547	8,523,440	11,919,000
Total Expenditures Including Transfers Out	\$ 44,028,503	\$ 56,600,933	\$ 51,235,173	\$ 50,729,041
EXPENSE - By Category	2011-12 Actuals	2012-13 Projected	2013-14 Budget	2014-15 Budget
General Government	\$ 1,119,862	\$ 1,185,970	\$ 1,086,629	\$ 1,166,538
Nondepartmental Services	1,140,089	1,103,288	1,221,114	1,276,319
Administrative Services	1,395,958	1,490,318	1,616,310	1,616,493
Public Works	3,552,450	3,617,352	3,773,544	3,746,108
Police	9,917,440	10,286,323	9,969,521	10,096,755
Community Development	4,452,306	4,381,333	4,662,429	4,504,482
Water System	10,065,342	9,017,818	8,819,358	8,980,511
Marina	132,721	158,296	83,190	83,198
Parking Services	363,623	493,693	421,684	326,892
Debt Service	2,947,727	3,220,371	2,975,254	2,710,746
Capital Improvement Program	7,962,284	19,717,588	14,803,440	15,169,000
Total Expenditures	43,049,803	54,672,349	49,432,473	49,677,041
Transfers To Other Funds & One-time Expenditures	978,700	1,928,584	1,802,700	1,052,000
Total Expenditures Including Transfers Out	\$ 44,028,503	\$ 56,600,933	\$ 51,235,173	\$ 50,729,041

Budget for Fiscal Years 2013-14 and 2014-15

ALL FUNDS EXPENDITURES BY DEPARTMENT

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
GENERAL FUND				
City Council	\$ 292,761	\$ 311,743	\$ 264,948	\$ 271,393
City Clerk	165,328	188,623	160,839	199,360
City Treasurer	13,863	15,292	18,783	19,403
City Manager	515,766	456,184	442,559	471,883
City Attorney	132,144	214,128	199,500	204,500
Total General Government Expenditures	1,119,862	1,185,970	1,086,629	1,166,538
General Services	127,339	150,676	138,766	146,316
Franchise	28,484	52,274	9,100	15,600
Contingencies	0	11,338	70,000	80,000
Retiree Benefits	984,266	889,000	1,003,248	1,034,403
Total Non-departmental Expenditures	1,140,089	1,103,288	1,221,114	1,276,319
Administration	165,353	166,118	235,709	234,682
Personnel	151,705	162,564	163,669	174,136
Finance	414,376	428,494	460,666	467,241
Total Administrative Services Expenditures	731,434	757,176	860,044	876,059
Inspection	764,785	710,491	771,418	746,403
Code Enforcement	126,594	52,181	0	0
Traffic Control Maintenance	131,310	141,285	141,285	141,285
Street Lighting	343,339	327,335	341,301	335,532
Parks/Grounds Maintenance	1,234,402	1,355,985	1,381,510	1,387,020
Cemetery Maintenance	3,772	3,191	3,250	3,250
Open Space Maintenance	138,444	132,009	140,076	142,838
Public Facilities Maintenance	215,981	225,372	242,934	205,639
City Hall Building Maintenance	0	0	0	0
Maintenance Services	593,824	669,503	751,769	784,139
Total Public Works Expenditures	3,552,450	3,617,352	3,773,544	3,746,108

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
Police Administration	1,342,929	1,521,827	1,379,162	1,394,256
Investigative Services	1,090,295	1,037,765	1,044,468	1,055,252
Support Services	1,196,819	1,305,738	1,445,676	1,454,874
Traffic Enforcement	258,361	333,206	166,524	170,518
Patrol Bureau	5,637,157	5,690,478	5,817,941	5,906,106
Emergency Services	14,183	23,998	15,750	15,750
Total Police Department Expenditures	9,539,744	9,913,012	9,869,521	9,996,755
Community Development	40,599	39,328	800	800
Economic Development	480,871	131,554	285,297	292,636
Planning	439,978	440,938	421,793	442,612
Engineering	399,175	284,819	275,060	273,198
Community Services Administration	386,095	377,493	359,296	362,555
Cultural & Arts	19,720	29,885	9,960	9,125
General Recreation	64,977	63,457	34,806	31,453
Municipal Swimming Pool	182,789	234,152	226,762	225,866
Amphitheatre	11,801	11,728	11,799	11,810
Day Care	81,712	82,055	85,919	85,922
Sports Programs	47,519	79,850	62,465	62,220
Senior Center Programs	305,522	304,916	304,344	303,497
Alzheimer Respite	10,011	11,749	11,594	11,514
Total Community Development	2,470,769	2,091,924	2,089,896	2,113,209
Total General Fund Operating	18,554,349	18,668,722	18,900,748	19,174,987
One-time expenditures	48,000	378,842	54,000	28,000
Transfers Out	5,000	107,000	31,000	26,000
TOTAL GENERAL FUND	\$ 18,607,349	\$ 19,154,564	\$ 18,985,748	\$ 19,228,987

Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>
ENTERPRISE FUNDS				
Water System				
Water Administration	\$ 3,795,113	\$ 1,959,773	\$ 1,864,280	\$ 1,894,065
Water Treatment	4,685,884	5,057,861	4,980,186	5,107,480
Water Distribution	1,584,345	2,000,184	1,974,893	1,978,966
Transfers Out				
Capital Improvement Program	1,058,122	6,833,298	6,180,000	3,250,000
Debt Service	<u>1,112,707</u>	<u>1,156,589</u>	<u>1,159,770</u>	<u>1,151,984</u>
Total Water System	12,236,172	17,007,705	16,159,128	13,382,494
Marina				
Administraion	107,084	104,889	49,775	49,775
Operations	25,638	53,407	33,415	33,423
Capital Improvement Program	181,057	548,943	100,000	
Debt Service	<u>137,684</u>	<u>71,267</u>	<u>114,000</u>	<u>114,000</u>
Total Marina	451,463	778,506	297,190	197,198
Parking Services				
Parking Services	363,623	368,693	321,684	326,892
Capital Projects		125,000	100,000	
Total Parking Services	<u>363,623</u>	<u>493,693</u>	<u>421,684</u>	<u>326,892</u>
TOTAL ENTERPRISE FUNDS	<u><u>\$ 13,051,258</u></u>	<u><u>\$ 18,279,904</u></u>	<u><u>\$ 16,878,002</u></u>	<u><u>\$ 13,906,584</u></u>
 DEBT SERVICE				
Debt Service	<u>1,697,336</u>	<u>1,992,515</u>	<u>1,921,484</u>	<u>1,444,763</u>
TOTAL DEBT SERVICE FUND	<u><u>\$ 1,697,336</u></u>	<u><u>\$ 1,992,515</u></u>	<u><u>\$ 1,921,484</u></u>	<u><u>\$ 1,444,763</u></u>

Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>
SPECIAL REVENUE FUNDS				
Public Safety Grants				
Federal-Jag Award	\$ 5,261	\$ 14,114	\$ -	\$ -
Office of Traffic Safety	4,537	16,315		
Supplemental Law Enforcement (SLESF)	100,365	100,000	100,000	100,000
C.E.R.T.	254	1,780		
Swat Fund		2,079		
Asset Seizure	26,560	26,643		
Canine Fund	1,624	907		
Donations		568		
East Bay Regional Radio Communications	239,094	210,905		
Total Public Safety	<u>377,696</u>	<u>373,311</u>	<u>100,000</u>	<u>100,000</u>
NPDES				
Municipal Maintenance	196,805	288,206	244,112	250,739
Agency Administration	137,440	191,967	214,415	190,432
Transfers Out	25,700	25,700	700	25,000
Total NPDES	<u>359,945</u>	<u>505,873</u>	<u>459,227</u>	<u>466,171</u>
Measure J				
Measure J - Local	90,706	162,357	195,915	194,940
Transfers Out	525,000	441,000	425,000	358,000
Total Measure C	<u>615,706</u>	<u>603,357</u>	<u>620,915</u>	<u>552,940</u>
Gas Tax				
Street Maintenance	200,238	303,491	344,468	273,804
Arterial Maintenance	201,740	194,634	226,182	236,463
Transfers Out	375,000	926,042	722,000	615,000
Total Gas Tax	<u>776,978</u>	<u>1,424,167</u>	<u>1,292,650</u>	<u>1,125,267</u>

Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>
Proposition 1B				
Paving Project	0	540,800	0	0
Total Proposition 1B	0	540,800	0	0
 Recycle	132,936	169,673	175,300	174,675
Total Recycle	132,936	169,673	175,300	174,675
 Mitigation Fees				
Transfer Out	0	50,000	350,000	0
Total Mitigation Fees	0	50,000	350,000	0
 Lighting & Landscape				
Village Oaks	4,101	7,970	5,230	5,230
Muir Station	8,363	9,780	8,210	8,210
Creekside	4,412	25,680	35,580	20,580
Brittany Hills	60,358	93,433	94,435	64,435
Vista Oaks	11,917	15,080	13,680	13,680
Costco Center	6,924	7,980	8,980	8,980
Terra Vista	6,048	11,085	8,190	8,190
LL AD 2003	21,453	24,880	26,365	26,365
Total Lighting & Landscape	123,576	195,888	200,670	155,670
 PEG Access				
PEG Access	17,523	71,700	65,000	65,000
Total PEG Access	17,523	71,700	65,000	65,000
 TOTAL SPECIAL REVENUE FUNDS	<u><u>\$ 2,404,360</u></u>	<u><u>\$ 3,934,769</u></u>	<u><u>\$ 3,263,762</u></u>	<u><u>\$ 2,639,723</u></u>

Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>
INTERNAL SERVICE FUNDS				
Equipment Replacement				
Equipment Replacement	\$ 1,031,032	\$ 952,866	\$ 1,146,771	\$ 1,089,224
Total Equipment Replacement	1,031,032	952,866	1,146,771	1,089,224
Information Systems				
Information Systems	514,064	491,769	515,966	500,759
Total Information Systems	514,064	491,769	515,966	500,759
TOTAL INTERNAL SERVICE FUNDS	<u><u>\$ 1,545,096</u></u>	<u><u>\$ 1,444,635</u></u>	<u><u>\$ 1,662,737</u></u>	<u><u>\$ 1,589,983</u></u>
 CAPITAL PROJECTS				
<u>Drainage</u>				
Annual Storm Drain Project (C3008)	\$ -	\$ 125,000	\$ 25,000	\$ 25,000
Creek Channel Maintenance (3002)	25,000	115,482		25,000
Total Drainage	25,000	240,482	25,000	50,000
<u>Public Buildings</u>				
Amphitheater (C4003)		13,213		
City Hall (4014)			220,000	
Old Train Depot (4007)	66,538	119,198		
Zocchi Building (4013)			50,000	
Total Public Buildings	66,538	132,411	270,000	0
<u>Parks and Trails</u>				
Pier Improvements (C4010)	36,498	13,502		
Beautification (C1003)		53,468		
Bay Trail Phase 2 (C2002)		153,508		

Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>
Waterfront Road Open Space (C5002)		50,000		
Downtown Bicycle Project (C2006)		38,282		
Marina Vista Bicycle Project (C2009)		300,000		
Shell Ave Pedestrian/Bicycle Project (C2008)		75,000	25,000	0
Alhambra Creek Plaza Improvements (C4006)	25,690	20,980		
Total Parks and Trails	<u>62,188</u>	<u>704,740</u>	<u>25,000</u>	<u>0</u>
 <u>Streets</u>				
Annual Pavement Mgt.	111,640	900,000	1,000,000	600,000
Paving 2012-13 (C1044)	0	940,011	0	0
Marina Vista Streetscape (C1025)	0	155,135	0	0
Reliez Valley Paving (C1046)	0	500,000	0	0
Center & Morello/Highway 4 (C1051)	0	0	0	0
Alhambra Valley Road Sidewalk (C2007)	0	305,000	25,000	0
Energy Efficiency Lighting (LED)	4,142	0	50,000	50,000
Handicap Access Program (C1010)	0	85,000	25,000	25,000
Sidewalk Repair Project (C1040)	0	35,000	15,000	15,000
Marina Vista Streetscape (C1025)	154,340	0	0	0
Main Street Improvements (C1034)	43,510	109,528	0	0
Downtown PDA Pavement Restoration (C1047)	0	0	0	1,279,000
Court Street Overcrossing (C1045)	45,470	147,804	0	0
Intermodal Phase III (C6006)	96,989	1,088,305	3,521,122	0
Pacheco Transit Hub (C6009)	671	857,878	1,742,318	0
Intermodal Berrellesa Bridge (C6011)	0	0		5,000,000
Total Streets	<u>456,762</u>	<u>5,123,661</u>	<u>6,378,440</u>	<u>6,969,000</u>

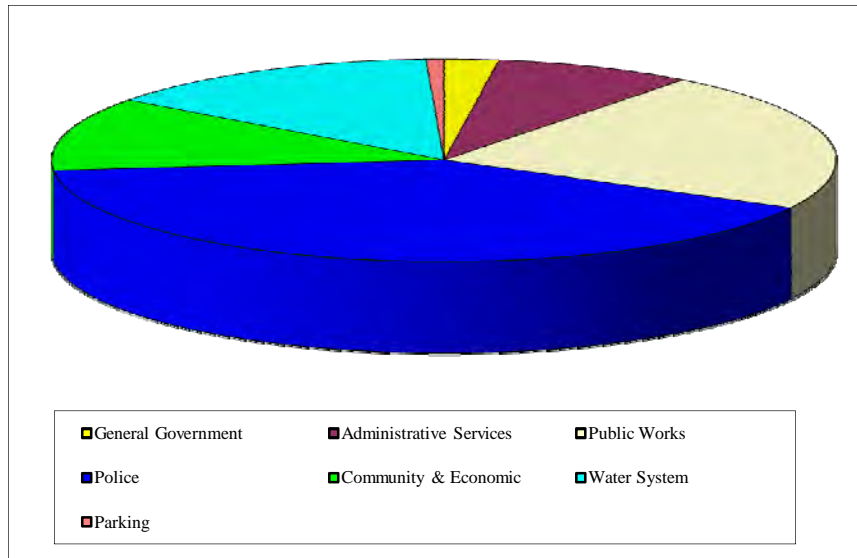
Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>2014-15 Budget</u>
<u>Traffic Signals</u>				
Pacheco/Arnold Traffic Signal (C1048)				400,000
Alhambra Ave/C Street Signal (C1049)			275,000	0
Muir/Center Signal Modification (C1050)			50,000	0
Total Traffic Signals	0	0	325,000	400,000
 <u>Community Programs</u>				
General Plan (C4000)	172,028	255,874		
Total Community Programs	172,028	255,874	0	0
 <u>Measure H</u>				
Rankin Pool Reconstruction	592,720	182,850		
Library Renovations	367,334	0		
Hazardous Tree Removal	11,518	0		
Holiday Highlands Park	803,286	46,629		
Rankin Park & Tavan Field	3,946,453	110,560		
Waterfront Park	3,595	124,547	600,000	3,000,000
Hidden Lakes Park			300,000	1,500,000
Tennis & Basketball Courts	41,207	309,793		
Various ADA/Plaground Improvements			600,000	
Park Improvements: Cappy Ricks, Hidden Valley &	174,478	4,563,000	0	0
Total Measure H	5,940,590	5,337,379	1,500,000	4,500,000
 TOTAL CAPITAL PROJECTS	<u>\$ 6,723,105</u>	<u>\$ 11,794,547</u>	<u>\$ 8,523,440</u>	<u>\$ 11,919,000</u>
 TOTAL EXPENDITURES ALL FUNDS	<u>\$ 44,028,503</u>	<u>\$ 56,600,933</u>	<u>\$ 51,235,173</u>	<u>\$ 50,729,041</u>

Budget for Fiscal Years 2013-14 and 2014-15

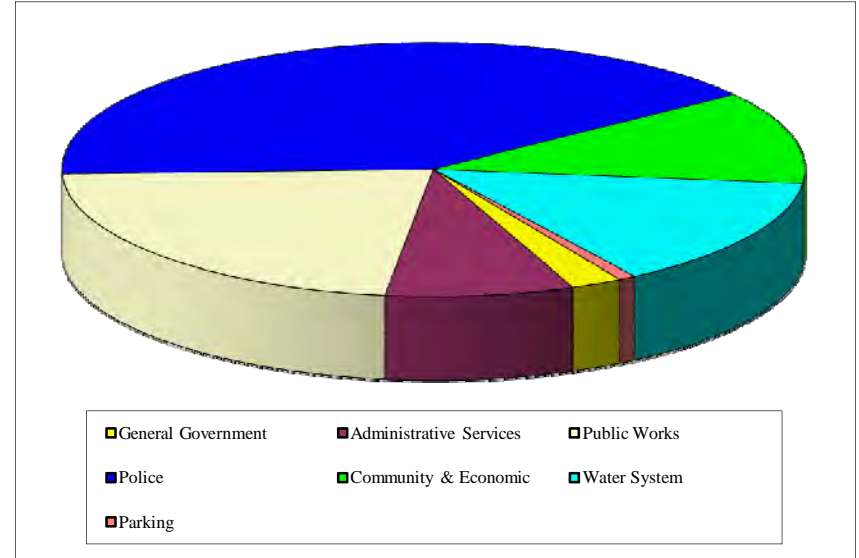
STAFFING SUMMARY

FISCAL YEAR 2013-14



General Government	2.23%	3.0
Administrative Services	8.19%	11.0
Public Works	22.34%	30.0
Police	40.58%	54.5
Community & Economic	11.76%	15.8
Water System	14.15%	19.0
Parking	0.74%	<u>1.0</u>
Total Staffing		<u>134.3</u>

FISCAL YEAR 2014-15



General Government	2.23%	3.0
Administrative Services	8.19%	11.0
Public Works	22.34%	30.0
Police	40.58%	54.5
Community & Economic	11.76%	15.8
Water System	14.15%	19.0
Parking	0.74%	<u>1.0</u>
Total Staffing		<u>134.3</u>

SUMMARY OF AUTHORIZED POSITIONS

	FISCAL YEAR 2011-12	FISCAL YEAR 2012-13	FISCAL YEAR 2013-14	FISCAL YEAR 2014-15
GENERAL GOVERNMENT				
City Manager	1.0	1.0	1.0	1.0
Secretary to City Manager	1.0	1.0	1.0	1.0
Deputy City Clerk	1.0	1.0	1.0	1.0
	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
ADMINISTRATIVE SERVICES				
Assistant City Manager	1.0	1.0	1.0	1.0
Sr. Management Analyst	1.0	1.0	1.0	1.0
Personnel Technician	1.0	1.0	1.0	1.0
Finance Manager	1.0	1.0	1.0	1.0
Accountant	1.0	1.0	1.0	1.0
Senior Account Technician	2.0	2.0	2.0	2.0
Account Technician III	1.0	1.0	1.0	1.0
Account Technician II	2.0	2.0	2.0	2.0
Information Technology Administrator	1.0	1.0	1.0	1.0
	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>
PUBLIC WORKS DEPARTMENT				
Public Works Director	1.0	1.0	1.0	1.0
Deputy Public Works Director	1.0	1.0	1.0	1.0
Sr. Building Inspector	1.0	1.0	1.0	1.0 *
Construction Inspector	1.0	1.0	1.0	1.0
Code Enforcement Inspector	1.0			
Building Inspector II	2.0	2.0	2.0	2.0
Permit Technician II	1.0	1.0	1.0	1.0
Public Works Superintendent	1.0	1.0	1.0	1.0
Maintenance Supervisor	1.0	1.0	1.0	1.0
Maintenance Lead Worker	2.0	2.0	2.0	2.0
Maintenance Worker	5.0	5.0	5.0	5.0
Equipment Mechanic	2.0	2.0	2.0	2.0
Account Technician II	1.0	1.0	1.0	1.0 *

	FISCAL YEAR 2011-12	FISCAL YEAR 2012-13	FISCAL YEAR 2013-14	FISCAL YEAR 2014-15
PUBLIC WORKS DEPARTMENT (continued from previous page)				
Senior Custodian	1.0	1.0	1.0	1.0
Park Supervisor	1.0	1.0	1.0	1.0
Park Lead Caretaker	3.0	3.0	3.0	3.0
Park Caretaker	6.0	6.0	6.0	6.0
	<u>31.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>
POLICE DEPARTMENT				
Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Police Commander				
Police Lieutenant	2.0	2.0	2.0	2.0
Police Sergeant	5.0	5.0	5.0	5.0
Police Officer	30.0	30.0	30.0	30.0 **
Records Supervisor	1.0	1.0	1.0	1.0
Dispatch Supervisor	1.0	1.0	1.0	1.0
Police Clerk Dispatcher	7.0	7.0	7.0	7.0
Administrative Secretary	1.0	1.0	1.0	1.0
Police Assistant	3.0	3.0	3.5	3.5
Records Clerk	2.0	2.0	2.0	2.0
	<u>54.0</u>	<u>54.0</u>	<u>54.5</u>	<u>54.5</u>
COMMUNITY and ECONOMIC DEVELOPMENT DEPARTMENT				
Community Development Director	1.0	1.0	1.0	1.0 *
Deputy Director, Strategic Planning & Comm. Dev.			1.0	1.0
Planning Manager	1.0	1.0	1.0	1.0 *
Administrative Aide III	3.0	3.0	3.0	3.0
Senior Planner	1.0	1.0	1.0	1.0
Assistant Planner	1.0	1.0	1.0	1.0
City Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Associate Civil Engineer	1.0	1.0	1.0	1.0
Assistant Engineer	1.0	1.0	1.0	1.0 *

	FISCAL YEAR 2011-12	FISCAL YEAR 2012-13	FISCAL YEAR 2013-14	FISCAL YEAR 2014-15
COMMUNITY and ECONOMIC DEVELOPMENT DEPARTMENT (continued from previous page)				
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Coordinator		1.0	1.0	1.0
Senior Citizen Supervisor	1.0	1.0	1.0	1.0
Senior Citizen Coordinator	0.8	0.8	0.8	0.8
	<u>13.8</u>	<u>14.8</u>	<u>15.8</u>	<u>15.8</u>
WATER SYSTEM				
Water Superintendent	1.0	1.0	1.0	1.0
Assistant Water Superintendent	1.0	1.0	1.0	1.0
Account Technician II		1.0	1.0	1.0
Maintenance Supervisor	1.0	1.0	1.0	1.0
Maintenance Lead Worker	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Senior Meter Service Worker	1.0	1.0	1.0	1.0
Meter Service Worker	2.0	2.0	2.0	2.0
Meter Repair Worker	1.0	1.0	1.0	1.0
Senior Instrument Technician	1.0	1.0	1.0	1.0
Instrument Technician	1.0	1.0	1.0	1.0
Water Operations Supervisor	1.0	1.0	1.0	1.0
Water Plant Operator	5.0	5.0	5.0	5.0
	<u>18.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>
PARKING				
Parking Meter Maintenance Worker	1.0	1.0	1.0	1.0
	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
TOTAL PERSONNEL	<u>131.8</u>	<u>132.8</u>	<u>134.3</u>	<u>134.3</u>

Notes: A blank space means the position either did not exist, or has been eliminated

* These positions will not be funded in 2013/14 and 2014/15

** 2 Officer positions will not be funded in 2013/14 and 2014/15

Budget for Fiscal Years 2013-14 and 2014-15

GENERAL FUND - FUND BALANCE

	2011-12 Actuals	2012-13 Projected	2013-14 Budget	2014-15 Budget
Operating Revenues	\$ 19,280,235	\$ 18,671,006	\$ 18,902,657	\$ 19,179,284
Operating Expenditures	18,554,349	18,668,722	18,900,748	19,174,987
Excess of Revenues/(Expenditures)	<u>725,887</u>	<u>2,284</u>	<u>1,909</u>	<u>4,297</u>
One-Time				
Prior Year Encumbrances		(30,854)		
OPEB		(214,988)		
Rent at 636 Ward Street	(48,000)	(48,000)	(54,000)	(28,000)
Economic Development Corporation		(85,000)		
Total One-Time Funding	(48,000)	(378,842)	(54,000)	(28,000)
Other Sources				
Transfer In-Assigned Fund Balance: Retiree Benefits		214,988		
Transfer In-Assigned Fund Balance: Rent for 636 Ward	48,000	48,000	54,000	28,000
Transfers Out	(5,000)	(107,000)	(31,000)	(26,000)
Total Other Sources (Uses)	43,000	155,988	23,000	2,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	720,887	(220,570)	(29,091)	(21,703)
Beginning Unassigned Fund Balance	3,352,506	4,071,393	3,850,823	3,821,732
Ending Unassigned Fund Balance	<u>\$ 4,073,393</u>	<u>\$ 3,850,823</u>	<u>\$ 3,821,732</u>	<u>\$ 3,800,029</u>

Budget for Fiscal Years 2013-14 and 2014-15

GENERAL FUND - FUND BALANCE

	2011-12 Balance	2012-13 Balance	2013-14 Balance	2014-15 Balance
Fund Balance:				
<u>Assigned</u>				
Future Pension Obligations	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Insurance	582,425	582,425	582,425	582,425
Capital Improvements	139,698	114,698	64,698	64,698
Retiree Benefits	360,363	145,375	145,375	145,375
Rent for 636 Ward	130,000	82,000	28,000	0
Marina Improvements	350,000	100,000	0	0
Deferred Maintenance	76,855	76,855	76,855	76,855
Total Assigned	<u>1,889,341</u>	<u>1,351,353</u>	<u>1,147,353</u>	<u>1,119,353</u>
<u>Unassigned</u>				
Unassigned-Catastrophes	300,000	300,000	300,000	300,000
Unassigned-Contingencies	100,000	100,000	100,000	100,000
Unassigned-Economic Uncertainty	600,000	600,000	600,000	600,000
Unassigned	4,073,393	3,850,823	3,821,732	3,800,029
Total Unassigned	<u>5,073,393</u>	<u>4,850,823</u>	<u>4,821,732</u>	<u>4,800,029</u>
Total Fund Balance	<u>\$ 6,962,734</u>	<u>\$ 6,202,176</u>	<u>\$ 5,969,085</u>	<u>\$ 5,919,382</u>

Budget for Fiscal Years 2013-14 and 2014-15

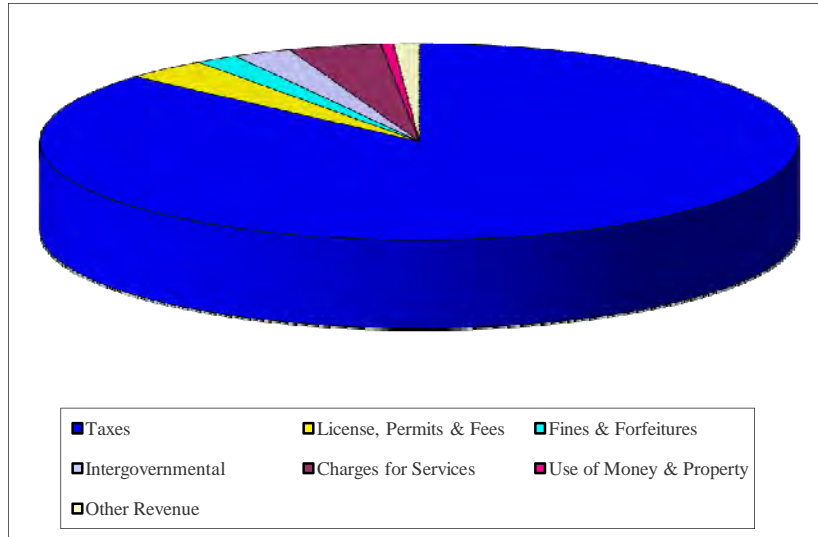
GENERAL FUND TRANSFER SUMMARY

To Fund	From Fund	Purpose	Transfer In (Transfer Out) 2011-12	Transfer In (Transfer Out) 2012-13	Transfer In (Transfer Out) 2013-14	Transfer In (Transfer Out) 2014-15
<u>Transfers In</u>						
General Fund	Assigned Fund Balance	Willows Theatre Rent	\$ 48,000	\$ 48,000	\$ 54,000	\$ 28,000
General Fund	Assigned Fund Balance	OPEB		214,988		
	Sub-Total Transfer In		<u>48,000</u>	<u>262,988</u>	<u>54,000</u>	<u>28,000</u>
<u>Transfers Out</u>						
Transfer to Other Funds						
Water System	General Fund	Lifeline			25,000	26,000
Landscape District	General Fund	Lighting & Landscape	5,000	7,000	6,000	
Capital Improvement Project	General Fund	General Plan Update (C4000)		100,000		
	Sub-Total Transfer Out General Fund		<u>5,000</u>	<u>107,000</u>	<u>31,000</u>	<u>26,000</u>
General Fund	Assigned Fund Balance	Willows Theatre Rent	48,000	48,000	54,000	28,000
General Fund	Assigned Fund Balance	OPEB		214,988		
Capital Improvement	Assigned Fund Balance	Zocchi Building			50,000	
Marina System	Assigned Fund Balance	Consultant for Marina		20,000		
Marina System	Assigned Fund Balance	Marina & Park Master Plan		125,000		
Marina System	Assigned Fund Balance	2012 Dredge		65,000	100,000	
Marina System	Assigned Fund Balance	CEQA		40,000		
	Sub-Total Transfer Out-Assigned Fund Balance		<u>48,000</u>	<u>512,988</u>	<u>204,000</u>	<u>28,000</u>
	Sub-Total Transfer Out		<u>53,000</u>	<u>619,988</u>	<u>235,000</u>	<u>54,000</u>
	TOTAL INTERFUND TRANSFERS		<u>\$ (5,000)</u>	<u>\$ (357,000)</u>	<u>\$ (181,000)</u>	<u>\$ (26,000)</u>

Budget for Fiscal Years 2013-14 and 2014-15

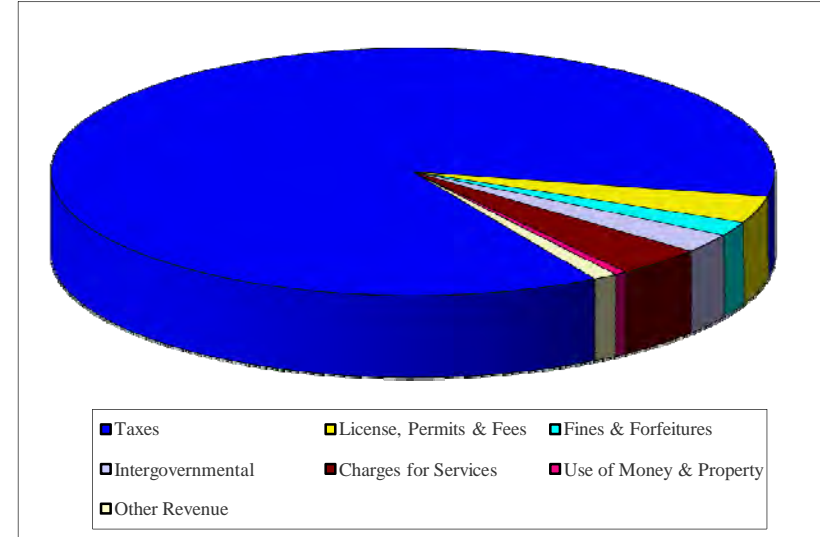
GENERAL FUND REVENUES

FISCAL YEAR 2013-14



Taxes	86.30%	\$	16,358,763
License, Permits & Fees	3.52%		666,500
Fines & Forfeitures	1.85%		350,000
Intergovernmental	2.51%		476,300
Charges for Services	3.91%		741,594
Use of Money & Property	0.54%		101,500
Other Revenue	1.10%		208,000
Transfers In	0.28%		<u>54,000</u>
Total General Fund		\$	18,956,657

FISCAL YEAR 2014-15



Taxes	86.52%	\$	16,618,401
License, Permits & Fees	3.47%		666,500
Fines & Forfeitures	1.90%		365,000
Intergovernmental	2.63%		505,800
Charges for Services	3.68%		706,514
Use of Money & Property	0.56%		107,070
Other Revenue	1.09%		210,000
Transfers In	0.15%		<u>28,000</u>
Total General Fund		\$	19,207,284

Budget for Fiscal Years 2013-14 and 2014-15

GENERAL FUND - REVENUES

		2011-12	2012-13	2013-14	2014-15
		Actual	Projected	Budget	Budget
<u>Taxes</u>					
4111	Property Tax	\$ 6,262,596	\$ 6,444,885	\$ 6,420,000	\$ 6,484,200
4115	Sales & Use Tax	3,239,219	3,214,071	3,400,000	3,476,200
4116	Sales Tax In-Lieu	1,213,642	1,178,008	1,075,000	1,125,000
4117	VLF Property Tax Swap	2,465,909	2,508,621	2,500,000	2,525,000
4121	Transient Occupancy Tax	302,548	310,000	310,000	315,000
4122	Business License Tax	603,204	606,000	615,000	630,000
4123	Franchise Fees	1,428,233	1,427,000	1,480,000	1,500,000
4124	Document Transfer Tax	132,256	95,000	135,000	135,000
4130	Water System In-Lieu Tax	415,454	423,763	423,763	428,001
	Total Taxes	16,063,061	16,207,348	16,358,763	16,618,401
<u>License, Permit & Fees</u>					
4430	Building Permits	366,482	355,318	490,000	490,000
4480.1	Other Permits	1,145	1,500	1,500	1,500
4440	Mechanical Permits	162,761	161,947	175,000	175,000
	Total License, Permit & Fees	530,388	518,765	666,500	666,500
<u>Fines & Forfeitures</u>					
4281	Court Fines	21,763	36,720	35,000	35,000
4282	Traffic Safety Fund	39,105	48,709	45,000	45,000
4283	Parking Citations	129,911	160,000	200,000	215,000
4285	Tow Releases	28,556	30,000	25,000	25,000
4287	Enforcement Citations	100	300	5,000	5,000
4290	Abandoned Vehicles	39,918	40,000	40,000	40,000
	Total Fines & Forfeitures	259,353	315,729	350,000	365,000

Budget for Fiscal Years 2013-14 and 2014-15

		2011-12	2012-13	2013-14	2014-15
		Actual	Projected	Budget	Budget
<u>Intergovernmental Agencies</u>					
4311	Public Safety Sales Tax Prop 172	367,334	354,824	375,000	382,500
4330	Motor Vehicle-In-Lieu VLF	18,251	18,912		0
4340	Homeowners Property Tax Relief	66,817	70,000	70,000	72,000
4521	State Grant-POST Reimbursement	37,735	25,000	30,000	30,000
4530	State Mandates	16,100	5,000	0	20,000
4531.1	Bulletproof Vest Grant		1,300	1,300	1,300
4523	Grants	3,071			
	Total Intergovernmental Revenues	509,309	475,036	476,300	505,800
<u>Charges for Service</u>					
4450	Planning Fees	43,428	96,000	50,000	50,000
4621	Public Works Inspections	99,359	95,000	105,000	105,000
4873	Construction & Demolition	1,700	10,000	5,000	5,000
4622	Engineering Plan Check Fees	90,913	50,000	100,000	65,000
4626	Building Plan Check Fees		14,700	30,000	30,000
4430.1	Micro-film Fees	6,405	5,000	7,500	7,500
4631	Police Services	17,938	18,000	18,000	18,000
4665	Park Maintenance Fee	30,000	30,000	30,000	30,000
4644.5	Field Usage Fees	23,984	16,883	25,000	25,000
4643	General Recreation Fees	44,590	44,137	45,000	45,000
4643.1	Recreation Class Fees	13,128	15,137	15,000	15,000
4644.1	Sports Programs	21,085	25,137	25,000	25,000
4646	Swimming Pool Admissions	67,337	60,000	60,000	60,000
4646.1	Swim Lessons	46,773	48,000	48,000	48,000
4646.2	Pool Parties	14,337	10,000	10,000	10,000
4646.3	Contract Pool Use		12,000	12,000	12,000
4644.3	Tournament Revenue	12,478	16,883	12,500	12,500
4648	Respite Day Care Fees	5,288	11,704	11,594	11,514
4649	Day Care Fees	110,337	115,000	120,000	120,000
4651	Planning Plan Check Fees	11,827	14,000	12,000	12,000
	Total Charges for Services	660,908	707,581	741,594	706,514

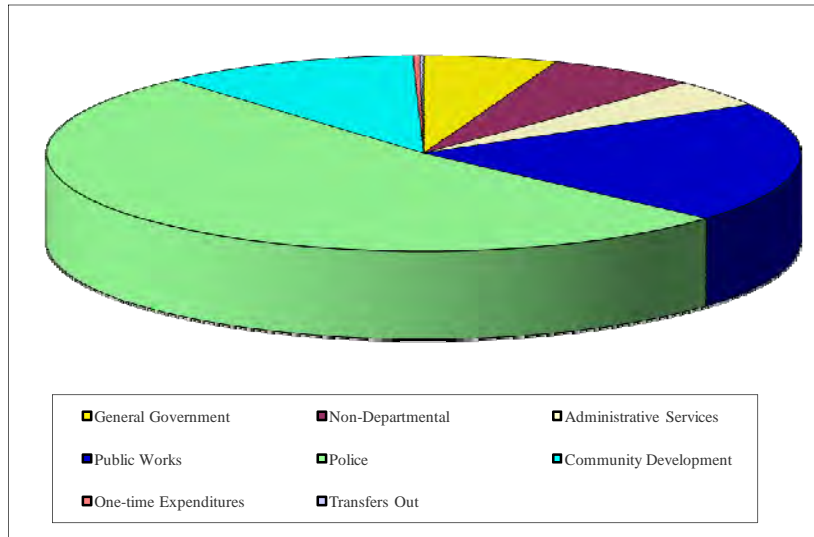
Budget for Fiscal Years 2013-14 and 2014-15

		2011-12	2012-13	2013-14	2014-15
		Actual	Projected	Budget	Budget
<u>Use of Money & Property</u>					
4752	Park Rental	18,665	16,122	25,000	30,000
4753	Concession	7,234	5,100	8,000	8,000
4701	Interest Income	29,107	78,030	35,000	35,000
4750	Rental Income	28,127	19,484	28,500	29,070
4751	Senior Center Rental	3,795	6,000	5,000	5,000
4760	Sale of Property	555,000			
	Total Use of Money & Property	641,928	124,736	101,500	107,070
<u>Other Revenue</u>					
4825	Interest Payment on Loan				
4826	Principal payment on loan				
4870	Miscellaneous Revenue	21,633	15,000	15,000	15,000
4804	Friends of the Library	9,643	15,000		
4805	Martinez Senior Club		15,000		
4754	Billboard Ad Revenue		62,500	80,000	100,000
4875	Refunds and Rebates	14,539			
4875.2	Workers Comp/Liability Rebate	466,069	169,186	93,000	75,000
4875.3	Employee Workers Comp Reimbursement	73,379	20,125		
4830	Restitution, Damage & Recoveries	16,887	10,000	10,000	10,000
4802	Donations & Contributions	13,140	15,000	10,000	10,000
	Total Other Revenue	615,289	321,811	208,000	210,000
	Sub-total Operating Revenues	19,280,235	18,671,006	18,902,657	19,179,284
4001	Transfers In	48,000	262,988	54,000	28,000
	TOTAL REVENUE GENERAL FUND	\$ 19,328,235	\$ 18,933,994	\$ 18,956,657	\$ 19,207,284

Budget for Fiscal Years 2013-14 and 2014-15

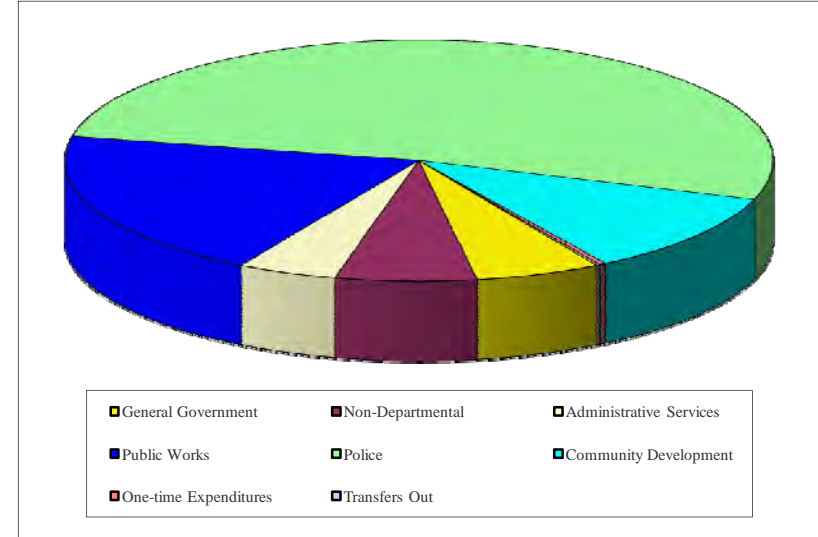
GENERAL FUND EXPENDITURES

FISCAL YEAR 2013-14



General Government	5.72%	\$	1,086,629
Non-Departmental	6.43%		1,221,114
Administrative Services	4.53%		860,044
Public Works	19.88%		3,773,544
Police	51.98%		9,869,521
Community Development	11.01%		2,089,896
One-time Expenditures	0.28%		54,000
Transfers Out	0.16%		<u>31,000</u>
Total General Fund		\$	18,985,748

FISCAL YEAR 2014-15



General Government	6.07%	\$	1,166,538
Non-Departmental	6.64%		1,276,319
Administrative Services	4.56%		876,059
Public Works	19.48%		3,746,108
Police	51.99%		9,996,755
Community Development	10.99%		2,113,209
One-time Expenditures	0.15%		28,000
Transfers Out	0.14%		<u>26,000</u>
Total General Fund		\$	19,228,987

Budget for Fiscal Years 2013-14 and 2014-15

GENERAL FUND EXPENDITURES BY DEPARTMENT

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
0100101 City Council	\$ 292,761	\$ 311,743	\$ 264,948	\$ 271,393
0100102 City Clerk	165,328	188,623	160,839	199,360
0100103 City Treasurer	13,863	15,292	18,783	19,403
0100104 City Manager	515,766	456,184	442,559	471,883
0100105 City Attorney	132,144	214,128	199,500	204,500
Total General Government Expenditures	1,119,862	1,185,970	1,086,629	1,166,538
0100201 General Services	127,339	150,676	138,766	146,316
0100202 Franchise	28,484	52,274	9,100	15,600
0100203 Contingencies	984,266	11,338	70,000	80,000
0100204 Retiree Benefits	984,266	889,000	1,003,248	1,034,403
Total Non-departmental Expenditures	1,140,089	1,103,288	1,221,114	1,276,319
0100401 Administration	165,353	166,118	235,709	234,682
0100402 Personnel	151,705	162,564	163,669	174,136
0100404 Finance	414,376	428,494	460,666	467,241
Total Administrative Services Expenditures	731,434	757,176	860,044	876,059
0100502 Inspection	764,785	710,491	771,418	746,403
0100503 Code Enforcement	126,594	52,181	0	0
0100710 Traffic Control Maintenance	131,310	141,285	141,285	141,285
0100712 Street Lighting	343,339	327,335	341,301	335,532
0100720 Parks/Grounds Maintenance	1,234,402	1,355,985	1,381,510	1,387,020
0100723 Cemetery Maintenance	3,772	3,191	3,250	3,250
0100724 Open Space Maintenance	138,444	132,009	140,076	142,838
0100730 Public Facilities Maintenance	215,981	225,372	242,934	205,639
0100790 City Hall Building Maintenance (1)	0	0	0	0
0100791 Maintenance Services	593,824	669,503	751,769	784,139
Total Public Works Expenditures	3,552,450	3,617,352	3,773,544	3,746,108

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
0100601 Police Administration	1,342,929	1,521,827	1,379,162	1,394,256
0100602 Investigative Services	1,090,295	1,037,765	1,044,468	1,055,252
0100603 Support Services	1,196,819	1,305,738	1,445,676	1,454,874
0100604 Traffic Enforcement	258,361	333,206	166,524	170,518
0100605 Patrol Bureau	5,637,157	5,690,478	5,817,941	5,906,106
0100607 Emergency Services	14,183	23,998	15,750	15,750
Total Police Department Expenditures	9,539,744	9,913,012	9,869,521	9,996,755
0100701 Community Development	40,599	39,328	800	800
0100702 Economic Development	480,871	131,554	285,297	292,636
0100703 Planning	439,978	440,938	421,793	442,612
0100704 Engineering	399,175	284,819	275,060	273,198
0100801 Community Services Administration	386,095	377,493	359,296	362,555
0100802 Cultural & Arts	19,720	29,885	9,960	9,125
0100803 General Recreation	64,977	63,457	34,806	31,453
0100804 Municipal Swimming Pool	182,789	234,152	226,762	225,866
0100805 Amphitheatre	11,801	11,728	11,799	11,810
0100806 Day Care	81,712	82,055	85,919	85,922
0100808 Sports Programs	47,519	79,850	62,465	62,220
0100809 Senior Center Programs	305,522	304,916	304,344	303,497
0108091 Alzheimer Respite	10,011	11,749	11,594	11,514
Total Community Development	2,470,769	2,091,924	2,089,896	2,113,209
Total General Fund Operating	18,554,349	18,668,722	18,900,748	19,174,987
One-time expenditures	48,000	378,842	54,000	28,000
Transfers Out	5,000	107,000	31,000	26,000
Total General Fund Expenditures & Transfers	\$ 18,607,349	\$ 19,154,564	\$ 18,985,748	\$ 19,228,987

1. City Hall Building Maintenance costs are distributed among the departments located in City Hall.

Budget for Fiscal Years 2013-14 and 2014-15

GENERAL FUND 10 YEAR HISTORY OF REVENUES

Description	Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	Actual 2011-12	Projected 2012-13	Budget 2013-14	Budget 2014-15
Property Taxes	\$ 6,048,835	\$ 6,749,316	\$ 6,778,683	\$ 6,833,240	\$ 6,440,055	\$ 6,413,918	\$ 6,262,596	\$ 6,444,885	\$ 6,420,000	\$ 6,484,200
Sales Tax	4,271,279	3,995,664	3,953,070	3,648,054	3,903,332	4,107,155	4,452,861	4,392,079	4,475,000	4,601,200
VLF Property Tax Swap		2,438,135	2,619,831	2,663,236	2,553,503	2,516,117	2,465,909	2,508,621	2,500,000	2,525,000
Franchise Fees	1,294,839	1,253,130	1,432,161	1,380,404	1,355,211	1,405,575	1,428,233	1,427,000	1,480,000	1,500,000
Other Taxes	3,379,312	1,613,242	1,460,318	1,376,900	1,350,243	1,366,507	1,453,461	1,434,763	1,483,763	1,508,001
Licenses, Permits and Fees	609,979	818,761	600,052	534,486	428,192	497,920	530,388	518,765	666,500	666,500
Fines & Forfeitures	276,466	287,997	352,119	354,942	344,133	404,347	259,353	315,729	350,000	365,000
Intergovernmental Agencies	851,560	1,134,651	860,003	751,540	580,881	662,036	509,309	475,036	476,300	505,800
Charges for Services	1,009,212	769,834	714,190	716,173	562,189	470,668	660,908	707,581	741,594	706,514
Use of Money and Property	491,293	824,582	768,876	311,508	119,075	86,558	641,928	124,736	101,500	107,070
Other Revenue	1,722,642	1,250,554	127,194	599,727	595,517	700,665	615,289	321,811	208,000	210,000
Total Operating	19,955,417	21,135,864	19,666,497	19,170,210	18,232,332	18,631,465	19,280,235	18,671,006	18,902,657	19,179,284
Transfer In from Other Funds	135,450	131,267	4,070,900	186,837	151,896	758,514	48,000	262,988	54,000	28,000
Total General Fund Revenues	\$20,090,867	\$21,267,131	\$23,737,397	\$19,357,047	\$18,384,228	\$19,389,979	\$19,328,235	\$18,933,994	\$18,956,657	\$19,207,284

Budget for Fiscal Years 2013-14 and 2014-15

GENERAL FUND 10 YEAR HISTORY OF EXPENDITURES

Description	Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	Actual 2011-12	Projected 2012-13	Budget 2013-14	Budget 2014-15
General Government	\$ 1,253,927	\$ 1,249,523	\$ 1,055,630	\$ 1,327,384	\$ 1,037,049	\$ 1,312,555	\$ 1,119,862	\$ 1,185,970	\$ 1,086,629	\$ 1,166,538
Non Departmental	722,957	2,100,557	5,294,070	1,156,191	816,510	1,080,176	1,140,089	1,103,288	1,221,114	1,276,319
Administrative Services	691,218	791,144	710,163	757,298	725,585	775,525	731,434	757,176	860,044	876,059
Community Development (1)	4,615,527	4,619,296	2,685,236	2,803,324	2,418,243	2,138,809	2,470,769	2,091,924	2,089,896	2,113,209
Public Works			3,533,821	3,773,961	3,693,564	3,627,781	3,552,450	3,617,352	3,773,544	3,746,108
Building Department (2)	826,781	904,338								
Police Services	8,518,588	8,862,394	9,712,486	9,618,937	9,911,444	9,924,061	9,539,744	9,913,012	9,869,521	9,996,755
Total Operating	16,628,998	18,527,252	22,991,406	19,437,095	18,602,395	18,858,907	18,554,349	18,668,722	18,900,748	19,174,987
One-time expenditures					933,154	679,914	48,000	378,842	54,000	28,000
Transfer To Other Funds	362,135	267,635	1,414,709	638,058	548,605	667,096	5,000	107,000	31,000	26,000
Total General Fund Expenditures	\$ 16,991,133	\$ 18,794,887	\$ 24,406,115	\$ 20,075,153	\$ 20,084,154	\$ 20,205,917	\$ 18,607,349	\$ 19,154,564	\$ 18,985,748	\$ 19,228,987

Note: The General Fund 10 Year History reflects reorganization of City Departments.

1. Starting in 2007/08 Maintenance Services was moved from Community Development to Public Works.
2. Starting in 2007/08 Building Department was moved to Public Works.

GENERAL FUND FOUR YEAR BUDGET PROJECTIONS 2015-2016 TO 2018-2019

Revenues

❖ Taxes

- Property tax and Property Tax Swap revenues will increase 2% each year based on the assumption of slow growth to the housing market throughout the region.
- Sales Tax and Sales Tax In-Lieu are expected to increase 2% in 2015/16 and 3% 2017/18 and 3% thereafter.
- Water System In-Lieu Tax is expected to increase 1% each year, along with Documentary Transfer Tax, Business License Tax, Transient Occupancy Tax and Franchise Fees.

❖ Licenses and Permits

- Building Permits are expected to increase by 3% each year.

❖ Fines and forfeitures

- Court Fines, Traffic Safety Fund, Citations and Abandoned Vehicles are expected to increase by 2% in each year.

❖ Intergovernmental

- Public Safety Sales Tax and Homeowners' Property Tax Relief are expected to increase by 2% each year. All other intergovernmental revenues are projected to remain unchanged.

❖ Charges for Services

- Planning fees and Plan Check fees are expected to increase by 3% each year.
- Recreation fees are projected with a 2% increase each year.

❖ Use of Money and Property

- Rental Income is projected to increase 2% each year.
- Interest Incomes is projected with a 3% increase each year.

One-time project revenues are not included in future year projections.

Expenditures

- ❖ The is a 1% salary projection each year, along with current employee merit increases
- ❖ Health benefits
 - Active employees are projections based on the OPEB actuarial assumptions of 7% in 2015/16; 6.5% in 2016/17; 6% in 2017/18; and 5.5% in 2018/19.
 - Retiree employees are projections based on the OPEB actuarial assumptions of 8% in 2015/16; 7.5% in 2016/17; 7% in 2017/18; and 6.5% in 2018/19
- ❖ PERS employer rates (from PERS Actuary):

	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Sworn 3@50	57.80%	63.00%	65.80%	68.60%
Sworn 3@55	28.47%	33.67%	36.47%	39.27%
Sworn 2.7@57	20.20%	25.40%	28.20%	31.00%
Miscellaneous 2@55	15.50%	17.90%	19.30%	20.70%
Miscellaneous 2@60	11.95%	14.35%	15.75%	17.15%
Miscellaneous 2@62	10.15%	12.55%	13.95%	15.35%

In addition, current MOU's provide for the City to pay 4% of the employee portion for Miscellaneous and 5% for Sworn. Due to PERS legislation, beginning January 1, 2018 the City will no longer pay any of the employee portions.

- ❖ Operating Expenditures
 - Professional and contract services 2%
 - Chemicals, safety supplies, swat supplies and operating & maintenance supplies 2%

One-time expenditures are not included in future year projections.

Positions remaining vacant through FY 2018-19 include: two (2) police officers, a Community and Economic Development Director, a Planning Manager, an Assistant City Engineer, and a Corpyard Account Technician.

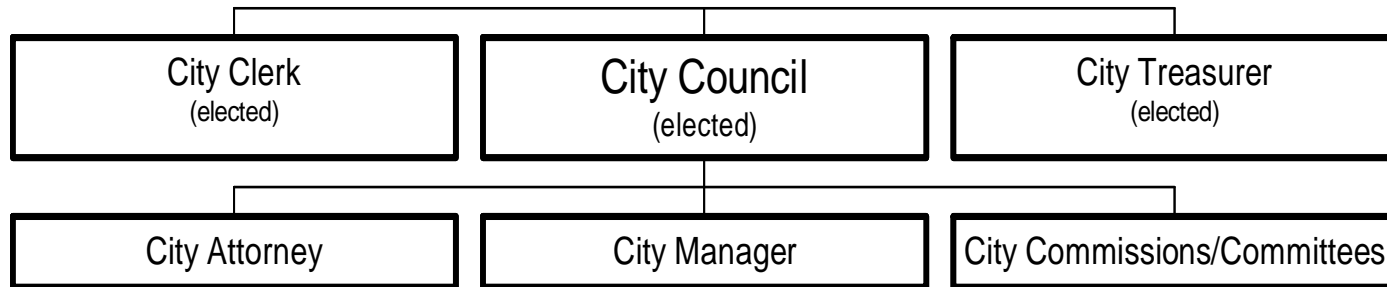
Budget for Fiscal Years 2013-14 and 2014-15

GENERAL FUND PROJECTIONS

	2012-13 Projected	2013-14 Budget	2014-15 Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected
<u>REVENUE</u>							
Taxes	\$ 16,207,348	\$ 16,358,763	\$ 16,618,401	\$ 16,941,989	\$ 17,271,961	\$ 17,644,610	\$ 18,025,707
Licenses, Permits & Fees	518,765	666,500	666,500	547,728	564,114	580,993	598,378
Fines and Forfeitures	315,729	350,000	365,000	367,900	370,858	373,875	376,953
Intergovernmental	475,036	476,300	505,800	515,590	524,862	534,319	543,965
Charges for Services	707,581	741,594	706,514	707,259	728,256	729,512	751,033
Use of Money & Property	124,736	101,500	107,070	109,461	112,299	115,215	118,213
Other Revenue	321,811	208,000	210,000	183,000	183,000	183,000	183,000
Total Revenue	18,671,006	18,902,657	19,179,284	19,372,926	19,755,350	20,161,524	20,597,249
<u>EXPENDITURES</u>							
General Government	1,185,970	1,086,629	1,166,538	1,198,725	1,228,143	1,256,754	1,286,843
Nondepartmental	1,103,288	1,221,114	1,276,319	1,356,716	1,438,123	1,519,835	1,601,090
Administrative Services	757,176	860,044	876,059	905,358	930,907	953,326	977,052
Community Development	2,091,924	2,089,896	2,113,209	2,152,560	2,178,720	2,202,684	2,230,660
Public Works	3,617,352	3,773,544	3,746,108	3,746,108	3,843,358	3,928,359	4,007,783
Police Services	9,913,012	9,869,521	9,996,755	10,332,193	10,593,125	10,748,972	10,912,475
Total Expenditures	18,668,722	18,900,748	19,174,987	19,691,660	20,212,376	20,609,931	21,015,903
Operating Surplus (Deficit)	\$ 2,284	\$ 1,909	\$ 4,297	\$ (318,733)	\$ (457,026)	\$ (448,407)	\$ (418,654)
<u>UNASSIGNED FUND BALANCE</u>							
Beginning Balance	\$ 4,071,393	\$ 3,850,823	\$ 3,821,732	\$ 3,800,029	\$ 3,481,295	\$ 3,024,269	\$ 2,575,862
One-Time Expenditures	(378,842)	(54,000)	(28,000)				
Transfers In(Out) Other Funds	(107,000)	(31,000)	(26,000)				
Transfer In(Out) Assigned Fund Balance	262,988	54,000	28,000				
Unassigned Fund Balance	\$ 3,850,823	\$ 3,821,732	\$ 3,800,029	\$ 3,481,295	\$ 3,024,269	\$ 2,575,862	\$ 2,157,208
<u>ASSIGNED FUND BALANCE</u>							
Future Pension Obligations	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Insurance	582,425	582,425	582,425	582,425	582,425	582,425	582,425
Capital Improvements	114,698	64,698	64,698	64,698	64,698	64,698	64,698
Retiree Benefits	145,375	145,375	145,375	145,375	145,375	145,375	145,375
Rent at 636 Ward Street	82,000	28,000					
Marina Improvements	100,000						
Deferred Maintenance	76,855	76,855	76,855	76,855	76,855	76,855	76,855
Assigned Fund Balance	\$ 1,351,353	\$ 1,147,353	\$ 1,119,353	\$ 1,119,353	\$ 1,119,353	\$ 1,119,353	\$ 1,119,353
<u>UNASSIGNED-CONTINGENCY FUND BALANCE</u>							
Catastrophes	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Contingencies	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Economic Uncertainty	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Unassigned-Contingency Fund Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Fund Balance	\$ 6,202,176	\$ 5,969,085	\$ 5,919,382	\$ 5,600,648	\$ 5,143,622	\$ 4,695,215	\$ 4,276,561



General Government





General Government

City Council

Establish City goals and policies

City Manager

Policy Development

Policy Implementation

Redevelopment

Direction/Leadership of City Staff

City Clerk

City Records Management

Community Meetings Liaison

Conduct Elections

City Attorney

Legal Advice and Representation

City Treasurer

Integrity/Fidelity of City Finances

The General Government group supports all City programs. Programs within this section provide overall operational management, policy direction, public meeting and record administration, legal services, and a variety of non-departmental services. Functional areas of General Government include the City Council, City Manager, City Clerk, City Attorney (a contracted service), and City Treasurer. The City Council, including the Mayor, City Clerk and City Treasurer, are elected positions. Authorized positions in this area include the City Manager, Secretary to the City Manager, and Deputy City Clerk.

DEPARTMENT STAFFING

Budgeted Positions

2011-12

2012-13

2013-14

2014-15

City Manager

1.0

1.0

1.0

1.0

Secretary to City Manager

0.0

0.0

1.0

1.0

Deputy City Clerk

1.0

1.0

1.0

1.0

2.0

2.0

3.0

3.0

GENERAL GOVERNMENT

CITY COUNCIL

The Martinez City Council is comprised of the Mayor and four Council Members who are each elected at-large for four-year terms. The Council is responsible for representing the residents of Martinez, providing policy and programmatic direction to the City Manager and City organization, and ensuring staff accountability for carrying out policies responsive to the needs of the community.

The following overarching goals, with related objectives listed underneath, were identified for the 2013-15 budget period at a goal setting session conducted with the City Council on February 9, 2013:

- 1) Provide Efficient and Effective Public Safety Services
 - a. Maintain current workforce and fill vacancies as necessary
 - b. Transfer Code Enforcement function to the Police Department
 - c. Revise current ordinances as necessary to strengthen code enforcement procedures, increase accountability and institute a cost recovery model
 - d. Develop a Citizen Police Academy
- 2) Ensure Fiscal Health
 - a. Pursue additional revenue streams related to new development
 - b. Establish positive relationships with major sales tax generators
 - c. Adopt fund balance reserve policy
- 3) Develop, Maintain and Improve Infrastructure
 - a. Maintain renovated Measure H parks to high standard
 - b. Complete ballfield lighting project
 - c. Upgrade City entryways
 - d. Continue evaluating options for Corpyard relocation
 - e. Continue paving upgrades and maintenance
 - f. Pursue Downtown parking structure
 - g. Enhance amphitheater usage
 - h. Continue planning for Intermodal access bridge at Berrellesa Street

- 4) Renew our Economic Development Efforts to Build and Market the City
 - a. Implement Strategic Planning and Community Development position
 - b. Pursue waterfront opportunities, such as restaurant at Marina
 - c. Support businesses outside of the downtown
 - d. Emphasize Martinez as dining, arts and recreation destination
 - e. Utilize Campbell Theater
- 5) Emphasize Community Engagement
 - a. Complete General Plan update
 - b. Evaluate options for a Youth Community Center and continue supporting opportunities to engage and mentor our youth
 - c. Establish Affordable Housing programs and initiatives
 - d. Promote “green” and sustainable programs
 - e. Further strengthen our relationship with Martinez Unified School District and Mount Diablo Unified School District

CITY MANAGER

It is the responsibility of the City Manager to assist the City Council in developing and evaluating policies that meet the needs of Martinez residents and visitors, to ensure effective implementation of adopted policies, and to provide direction and leadership to the City government staff. The City Manager's significant accomplishments include providing leadership and/or direct management for the following key projects and programs in support of the 2011-13 goals of the City Council:

2011-2013 ACCOMPLISHMENTS

- Negotiated adapted reuse of historic structure at 630 Court Street with Southport Land Company.
- Negotiated with County to purchase vacant two-story building at 610 Court Street, which ultimately resulted in acquisition by Southport Land Company.
- Worked closely with Council and staff to push CCTA and Caltrans to complete design and agreement with the City to begin construction of the regional transit hub at North Pacheco.
- Led charge with Council in preserving two industrial buildings at 330 and 360 Ferry Street and orchestrated 15-year leases with private sports operators to increase indoor sports turf and indoor sports court uses in the City.
- Restarted the 23-year old Alhambra Highlands residential subdivision development project, encompassing 110 single family detached units, thereby eliminating the threat of legal action from the developer over two approved tentative maps from 1993.
- Completed Arnold Shopping Center development project, resulting in a mix of popular retail, beverage and eating establishments.
- Completed recruitment and hiring of Deputy Director of Strategic Planning and Community Development position.
- Coordinated with City staff, Chamber of Commerce, and Main Street Martinez to manage, review, approve and schedule all City-sponsored advertising and promotional content on the City Channel and new digital LED billboard on Interstate 680.
- Worked with developers to promote the availability of the Economic Stimulus Program and negotiate deferred impact fee options for new housing development projects, including residential projects Village at Arnold (43 units) and The Paseos (70 units).
- Updated all community videos on the City's website.
- Worked with CCTV and other member cities on the use and scheduling of the Government access "City Channel."
- Utilized Facebook and Twitter to provide the public with timely information on current and upcoming events.
- Maintained public safety staffing to ensure all critical community needs were met.
- Completed numerous key Measure H improvement projects, including the renovation of the Martinez Public Library; reconstruction of the Rankin Aquatic Center; and rebuild of the Rankin Park/Tavan Field complex.
- Completed the Marina Vista Avenue reconstruction project.
- Completed the realignment project for the 500 block of Main Street and instituted the new downtown dining platform program.
- Hired parking consultant to assist with RFP for downtown parking needs assessment.

The City Manager's specific objectives directly support the 2013-15 goals of the City Council:

2013-2015 KEY OBJECTIVES

- Maintain current workforce but actively seek ways to control costs.
- Transfer Code Enforcement function to the Police Department.
- Revise current ordinances as necessary to strengthen code enforcement procedures, increase accountability and institute a cost recovery model.
- Provide public outreach to help support a Citizen Police Academy.
- Pursue additional revenue streams related to new development
- Establish positive relationships with major sales tax generators.
- Adopt fund balance reserve policy.
- Maintain renovated Measure H parks to high standard.
- Complete Waterfront Park ballfield lighting project.
- Upgrade City entryways.
- Continue evaluating options for Corpyard relocation.
- Continue paving upgrades and maintenance.
- Pursue Downtown parking structure.
- Enhance amphitheater usage.
- Continue planning for Intermodal access bridge at Berrellesa Street.
- Implement newly hired Strategic Planning and Community Development position.
- Pursue waterfront opportunities, such as restaurant at Marina.
- Support businesses outside of the downtown.
- Emphasize Martinez as dining, arts and recreation destination.
- Utilize Campbell Theater.
- Complete General Plan update.

- Evaluate options for a Youth Community Center and continue supporting opportunities to engage and mentor our youth. 🌍
- Establish Affordable Housing programs and initiatives. 🌍
- Promote “green” and sustainable programs. 🌍
- Further strengthen our relationship with Martinez Unified School District and Mount Diablo Unified School District. 🌍

CITY CLERK

The Martinez City Clerk, who is elected at-large and serves in a part-time capacity, is the formal guardian of public information, administers oaths of office, and verifies all resolutions and ordinances. The Deputy City Clerk, a full-time staff position, is responsible for ensuring the security and accessibility of all official City records; serving as the information and records manager of all legislative proceedings; conducting all aspects of municipal elections; and serving as a support office to the City Clerk, City Council, City Manager and staff, City boards and commissions, and the residents of Martinez.

2011-2013 ACCOMPLISHMENTS

- Conducted a regular election in November 2012.
- Completed Phase III of the laserfiche digital records storage system project to archive all permanent records.
- Worked with the Martinez Museum on options for permanent storage of historical documents; significant effort expended, but project disbanded due to lack of financial resources.

2013-2015 KEY OBJECTIVES

- Continue to work with the Martinez Museum on a permanent display of historical documents for viewing at City Hall.
- Train personnel on the laserfiche program to research official documents and to input documents as needed.
- Cross train various staff on City Clerk functions to ensure no lapse of service.

CITY ATTORNEY

The City Attorney provides the City Council, City Manager, and all City programs with the legal advice and representation they request or require in order to provide service to the public. The City Attorney also is responsible for advising or taking appropriate steps to reduce the risks of various City activities, and for assisting in the administration and enforcement of laws, regulations, and City programs. The City Attorney’s regular duties include: representing the City in legal matters and providing advice as requested on a variety of issues and concerns; attending City Council meetings to provide expert counsel, clarification, and interpretation; and providing information and assistance to City staff as needed to support program and service delivery efforts. City Attorney services are provided to the City of Martinez on a contractual basis.

CITY TREASURER

The City Treasurer, a part-time elected official of the City of Martinez, is charged with ensuring the integrity and fidelity of City finances and signing all checks issued by the City.

NONDEPARTMENTAL SERVICES

This budget group consists of General Services, Franchise Administration, Retired Employees, and Contingency, and accounts for expenditures that are not based in a specific program. No positions are allocated here. A description of each area is provided below.

- **GENERAL SERVICES**

This budget includes general operating supplies and equipment such as postage, phone charges and contract maintenance and repair.

- **FRANCHISE ADMINISTRATION**

Expenditures related to the City's solid waste, recycling, and cable television franchises are budgeted here.

- **RETIRED EMPLOYEES**

This is the budget for the current year cost of the retired employees' medical benefit.

- **CONTINGENCY**

Funds have been designated for unknown but anticipated budget increases.

Budget for Fiscal Years 2013-14 and 2014-15

GENERAL GOVERNMENT EXPENDITURES

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>General Government</i>						
01 101 CITY COUNCIL						
Labor	104,362	106,317	116,187	9,870	118,396	2,210
Operating	142,208	192,598	146,756	(45,842)	151,759	5,003
Direct & Indirect Costs	46,191	33,040	2,005	(31,035)	1,237	(768)
TOTAL CITY COUNCIL	<u>292,761</u>	<u>331,955</u>	<u>264,948</u>	<u>(67,007)</u>	<u>271,393</u>	<u>6,445</u>
01 103 CITY TREASURER						
Labor	15,912	17,190	17,388	198	17,525	137
Operating	397	866	1,395	529	1,878	483
Direct & Indirect Costs	(2,446)	(2,764)		2,764		
TOTAL CITY TREASURER	<u>13,863</u>	<u>15,292</u>	<u>18,783</u>	<u>3,491</u>	<u>19,403</u>	<u>620</u>
01 104 CITY MANAGER						
Labor	462,961	428,802	454,883	26,081	488,695	33,811
Operating	119,252	95,171	35,272	(59,899)	34,638	(634)
Direct & Indirect Costs	(66,447)	(67,789)	(47,597)	20,192	(51,450)	(3,853)
TOTAL CITY MANAGER	<u>515,766</u>	<u>456,184</u>	<u>442,559</u>	<u>(13,625)</u>	<u>471,883</u>	<u>29,324</u>
01 102 CITY CLERK						
Labor	153,910	155,253	155,067	(186)	152,557	(2,510)
Operating	36,213	63,777	34,669	(29,108)	75,350	40,681
Direct & Indirect Costs	(24,795)	(30,407)	(28,896)	1,511	(28,547)	349
TOTAL CITY CLERK	<u>165,328</u>	<u>188,623</u>	<u>160,839</u>	<u>(27,784)</u>	<u>199,360</u>	<u>38,520</u>

Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
01 105 CITY ATTORNEY						
Labor						
Operating	155,459	240,000	215,000	(25,000)	220,000	5,000
Direct & Indirect Costs	<u>(23,315)</u>	<u>(25,872)</u>	<u>(15,500)</u>	<u>10,372</u>	<u>(15,500)</u>	
TOTAL CITY ATTORNEY	<u>132,144</u>	<u>214,128</u>	<u>199,500</u>	<u>(14,628)</u>	<u>204,500</u>	<u>5,000</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 1,119,862</u>	<u>\$ 1,206,182</u>	<u>\$ 1,086,629</u>	<u>\$ (119,553)</u>	<u>\$ 1,166,538</u>	<u>\$ 79,909</u>

Budget for Fiscal Years 2013-14 and 2014-15

NONDEPARTMENTAL EXPENDITURES

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Nondepartmental</i>						
01 201 GENERAL SERVICES						
Operating	124,784	145,676	133,766	(11,910)	141,316	7,550
Capital	2,555	5,000	5,000		5,000	
Direct & Indirect Costs						
TOTAL GENERAL SERVICES	<u>127,339</u>	<u>150,676</u>	<u>138,766</u>	<u>(11,910)</u>	<u>146,316</u>	<u>7,550</u>
01 202 FRANCHISE ADMINISTRATION						
Labor						
Operating	105	19,200	9,100	(10,100)	15,600	6,500
Capital						
Direct & Indirect Costs	28,379	33,074		(33,074)		
TOTAL FRANCHISE ADMINISTRATION	<u>28,484</u>	<u>52,274</u>	<u>9,100</u>	<u>(43,174)</u>	<u>15,600</u>	<u>6,500</u>
01 204 RETIRED EMPLOYEES						
Labor						
Operating	984,266	1,103,988	1,003,248	(100,740)	1,034,403	31,155
TOTAL RETIRED EMPLOYEES	<u>984,266</u>	<u>1,103,988</u>	<u>1,003,248</u>	<u>(100,740)</u>	<u>1,034,403</u>	<u>31,155</u>
01 203 CONTINGENCY						
Labor						
Operating		11,338	70,000	58,662	80,000	10,000
TOTAL CONTINGENCY		<u>11,338</u>	<u>70,000</u>	<u>58,662</u>	<u>80,000</u>	<u>10,000</u>
TOTAL NONDEPARTMENTAL	<u>\$ 1,140,089</u>	<u>\$ 1,318,276</u>	<u>\$ 1,221,114</u>	<u>\$ (97,162)</u>	<u>\$ 1,276,319</u>	<u>\$ 55,205</u>



Administrative Services Department





Administrative Services Department

Administration

Risk Management/Safety Program
Contract/Franchise Agreements
Waste, Recycling, and Green Programs
Citywide Policies and Programs

The Administrative Services Department is charged with the overall administration of several City programs, including Risk Management; Contract/Franchise Agreements; Financial Management; Human Resources; Solid Waste, Recycling, and Sustainability Programs; and Information Systems.

DEPARTMENT STAFFING

Finance

Payroll
Billing and Collections
Accounts Payable and Receivable
Financial Audits and Reports
Budget Preparation and Analysis
Business Licenses

Budgeted Positions

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Assistant City Manager	1.0	1.0	1.0	1.0
Sr. Management Analyst	1.0	1.0	1.0	1.0
Personnel Technician	1.0	1.0	1.0	1.0
Finance Manager	1.0	1.0	1.0	1.0
Accountant	1.0	1.0	1.0	1.0
Senior Account Technician	2.0	2.0	2.0	2.0
Account Technician II	3.0	3.0	3.0	3.0
Information Technology Administrator	1.0	1.0	1.0	1.0
	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>

Personnel

Recruitments
Employee Benefits
Labor Relations

Information Systems

Computer Support
Telephones and Data Accessories
City Website









ADMINISTRATION

Administration oversees risk management; contract/franchise administration; City policies and programs; the safety program; solid waste, recycling, and sustainability programs; and State mandated services reimbursement programs. The City participates in the Municipal Pooling Authority of Northern California (MPA) for its risk management programs. Administration directs the activities of Personnel, Finance, and Information Systems for the City.

2011-13 ACCOMPLISHMENTS

- Completed implementation of the State's mandatory commercial recycling program, which included amending the local hauler's franchise to establish simplified one-rate system, resulting in a 5% increase in commercial recycling totals since August 2012.
- Coordinated Phase II upgrades to the City Downtown Public Wi-Fi network, resulting in access speeds of over 3 times faster and an average of approximately 5,000 users per month.
- Represented the City on the MPA Executive Committee and Board of Directors.
- Completed a comprehensive update to the City's Injury and Illness Prevention Program (IIPP) and developed and introduced a new Employee Safety Incentive Program.
- Worked with local developers to promote the availability of the Economic Stimulus Program and negotiate deferred impact fee options for new housing development projects.
- Negotiated four expiring labor contracts and achieved benefit concessions vital to the fiscal health of the City.
- Developed new "Sustainable Citizen" informational public workshop to teach residents application of sustainable practices in everyday life, and presented the topic to the Northern California Recycling Association "Update 18" conference.
- Completed application to the prestigious "Earth Hour City Challenge" as one of only 34 cities nationally to participate.
- Hired a Sustainability Intern for summer 2012, and secured a fully-funded "Sustainability Programs Assistant" position in 2013.
- Initiated a comprehensive Beverage Container Recycling Infrastructure and Education Project with the Martinez Unified School District to provide over 40 new receptacles for local schools using the State Beverage Container Recycling Grant.
- Initiated a Beverage Container Recycling Infrastructure upgrade project for City parks, downtown and waterfront areas.
- Initiated an integrated energy assessment of municipal facilities to evaluate options for energy and cost savings projects.
- Coordinated with City staff, Chamber of Commerce, and Main Street Martinez to manage, review, approve and schedule all City-sponsored advertising and promotional content on the City Channel and new digital LED billboard on Interstate 680.
- Coordinated the disposition of abandoned assets following the Willows Theater Company's bankruptcy in August 2012.
- Completed license agreement negotiations with Rooster Productions for use of 115 Tarantino Drive, to include 24 hours of valuable in-kind technical assistance in addition to \$9,000 in new annual revenue for the Marina Enterprise Fund.
- Completed license renewal negotiations with Crown Castle for continued operation of a cellular tower and facility at 2241 Harborview that increased revenue from \$1,060/month to \$2,500/month and maintained City's existing rights to use the tower.

2013-15 KEY OBJECTIVES

- Continue evaluating ways to improve the City's Safety Programs, including implementing the updated IIPP in all departments and divisions and the new Employee Safety Incentive Program in FY 2013-14. 
- Work with Public Works staff to introduce a new Sidewalk Liability Ordinance to Council and evaluate ways to further reduce the City's risk exposures in FY 2013-14. 
- Implement new contract or license agreement with a third-party promoter to manage, market and book the Campbell Theater in FY 2013-14. 
- Work with Police Department staff to research, develop and introduce options for teeter, lien and levy programs related to Solid Waste service and Code Enforcement violations in FY 2013-14. 
- Partner with Chamber of Commerce and Main Street Martinez on economic revitalization outreach and promotional efforts. 
- Establish a recycling collection contract with the local Sea Scouts non-profit organization in July 2013 and complete recycling infrastructure upgrades for Rankin Park, Aquatic Center, downtown and the waterfront by December 2013. 
- Further strengthen City's relationship with Martinez Unified School District and Mount Diablo Unified School District. 
- Complete negotiations with all bargaining units to achieve concessions necessary to ensure long-term fiscal stability. 
- Update City fee schedules as appropriate to remain current with market rates for City-provided services.




PERSONNEL

Personnel provides support services to all City departments including recruitment and examination, new employee orientations, labor relations, employee benefit administration, workers' compensation claims, staff training and development, and maintenance of official personnel files. Personnel ensures compliance with State and Federal laws, Civil Service Rules, City policies, and various memorandums of understanding. The Division works closely with the MPA, of which the City is a member, coordinates with ICMA, the City's deferred compensation administrator, and CalPERS, the California Public Employees' Retirement System.

2011-13 ACCOMPLISHMENTS

- Analyzed survey data on advertising and cost history related to recruitments and made recommendations to the Civil Service Commission regarding a change to the advertising requirements to significantly reduce costs.
- Assisted in the contract negotiations of three bargaining units and processed associated PERS contract amendments/resolutions.
- Completed recruitments for 11 positions including Recreation Coordinator, Police Dispatcher, Police Officer, Police Assistant, Water Treatment Plant Superintendent, Water Treatment Operators Supervisor, and Instrument Technician.
- Provided administrative and benefit support; processed 1250+ entries in the HRIS system, assisted in 11 retirements, processed over 80 regular and temporary/seasonal new hires.
- Coordinated and presented a brown-bag lunch series for employees on retirement issues such as Service Retirement through CalPERS, COBRA, and the Retiree Health Benefit. Coordinated the semi-annual visits of the ICMA representative for individual employee appointments.
- Aligned health and dental contract renewals and coordinated with insurance broker to provide a comprehensive benefit summary booklet for all employees. Booklets contained easy to read summaries of the benefits, the annual required notices, and contact information for each benefit.
- Coordinated employee-level and supervisor/manager trainings. Tracked and assured compliance for AB1825 training.
- Completed a major revision of the Employee Performance Appraisal form and process after 3 decades of only minor revisions. Coordinated training for all supervisors/managers involved in the appraisal process.
- Kept informed of the CalPERS transition to MyCalPERS, which condensed over 40 databases into one system, and set up City's administrative team; coordinated staff training on the system.
- Scanned and organized over 46 folders and 6400+ pages of Workers' Compensation records to streamline the storage, improve efficiency, and increase available work space.
- Designed and coordinated an enhanced lunch walking program for our 2012 Summer Wellness event that was enjoyed by over 10% of the employees and has inspired a group to continue to walk year-round.

2013-15 KEY OBJECTIVES

- Assist in negotiations with the bargaining units for expiring labor contracts in FY 2014-15. 
- Complete a review of job descriptions, standardize the format, and create an access link on the departmental webpage to provide the public with more efficient online resources in FY 2013-14. 
- Revise the application form and evaluate available systems for an online application process to improve convenience for applicants and achieve greater efficiency for staff by significantly reducing data entry requirements in FY 2013-14. 
- Complete the scanning and organization of records for Workers' Compensation files to streamline the storage, improve efficiency, and increase available work space in FY 2013-14.
- Revise the Personnel Procedures Manual in FY 2014-15.







FINANCE

Finance prepares and monitors the biennial budget and Comprehensive Annual Financial Report (CAFR), coordinates annual and special audits, prepares annual State reports, issues fiscal status reports, and calculates the annual appropriation limit. Finance provides support services to other departments including general accounting, budget preparation, accounts payable, accounts receivable, payroll and employee benefits. In addition, Finance administers the City's treasury and revenue operations, manages debt service, maintains the general ledger, issues business licenses and parking permits, applies job costing, staffs the public cashier counter, and processes billing and collection of water revenues. Finance monitors the City's capital improvement budget and coordinates major financing transactions for capital projects.

2011-13 ACCOMPLISHMENTS

- Completed the Operating budget, Comprehensive Financial Report (CAFR), AB 1600 Report, State Controller's Report, California Street and Road Report and all other State and Federal reporting requirements.
- Received excellence awards from GFOA and CSMFO for the City's 2011-13 Budget.
- Received excellence award from GFOA for the 2012 CAFR.
- Completed the annual audit with no reportable findings.
- Completed a PCI compliance review with no reportable findings.
- Implemented utility billing payments by credit card on-line for customer convenience and faster receipt of funds.
- Implemented electronic billing option for water customers.
- Processed over 60,000 water billings and 3,500 building permit receipts.
- Issued over 2,800 business license annual renewals each year, including the processing of approximately 300 new licenses.
- Organized 15 years of payroll records for document storage.
- Implement new PERS payroll reporting requirements.
- Implemented the new tiered retirement levels with PERS.
- Refinanced the 1999 Water Certificate of Participation (COP) to the 2012 COP for an interest rate savings.
- Sold \$10M in bonds to finance second half of Measure H Parks Improvement Bond.
- Implemented new fleet software program to assist with the budget process of rental fees on vehicles.
- Completed an RFP for OPEB actuarial services.
- Completed the OPEB valuation for Fiscal Year 2014 and submitted to CERBT.
- Completed a major upgrade to financial software system.
- Implemented SB1186 which adds a \$1 fee to all new business licenses and renewals of licenses each year, to be used to offset costs associated with ADA compliance.
- Continue cross training of Finance staff to ensure adequate coverage for essential functions.

2013-15 KEY OBJECTIVES

- Prepare a balanced Operating Budget. 
- Complete annual audits with no reportable items. 
- Continue completing all State and Federal reporting requirements. 
- Continue to strive for national and state awards for major financial reporting documents. 
- Complete OPEB actuarial report for Fiscal Years 2015 and 2016 in FY 2013-14. 
- Establish a Reserve Policy in FY 2013-14. 
- Complete a RFP for Audit Services in FY 2013-14.
- Ensure City is completely PCI compliant for credit card processing activities.
- Complete PERS audit encompassing fiscal years 2009 to present in FY 2013-14.
- Implement the fixed asset module in MUNIS in FY 2014-15.
- Develop a centralized and coded filing system in FY 2014-15.
- Examine utilizing automated check processing for deposits in FY 2013-14.
- Create an integrated position control feature in the Human Resource program of the City's software for budgeting in FY 2013-14.
- Implement the tracking of part-time workers to comply with the Affordable Health Care Act in FY 2013-14.
- Microfilm remaining permanent records to reduce necessity of paper retention in FY 2013-14.
- Examine and change the application for lifeline eligibility on water rates in FY 2013-14.
- Examine the Business License Ordinance to provide clarification and rate adjustments where appropriate, and implement any recommended changes in FY 2013-14.
- Examine the water regulations and make changes as necessary in FY 2013-14.


INFORMATION SYSTEMS

The Information Systems Division supports, maintains and enhances Citywide information services related to the Wide and Local Area Network (WAN/LAN), computer hardware, software applications, data communications, telecommunications and the City's website. The Information Systems budget, which is an Internal Service Fund for accounting and monitoring purposes, includes the City's hardware, software and staff support. Maintenance contracts with outside vendors for computer hardware and software are also managed here.

2011-13 ACCOMPLISHMENTS

- Updated all community videos on the City's website.
- Worked with CCTV and other member cities on the use and scheduling of the Government access "City Channel."
- Utilized Facebook and Twitter to provide the public with timely information on current and upcoming events.
- Converted MUNIS (financial software) program to new database environment.
- Converted all City Hall network servers to virtual server environment and upgraded all servers to latest Microsoft server software.
- Converted/upgraded City email system.
- Worked with Finance and MUNIS to create e-billing/paperless billing option of Water bills.
- Upgraded/Installed "Cloud-based" Backup Disaster Recovery for all systems in PD and City Hall.
- Created a kiosk workstation for citizens who wish to view city public records.
- Implemented Fleet Management Software System with Public Works Dept.
- Upgraded patrol car computers, air cards and secured connection software.
- Upgraded and Administer Police Department Emergency systems, including patrol cars, user accounts, database updates, system and workstation updates.
- Upgraded hardware and software for Police Dept Communications Server.
- Attended ARIES meetings with PD and act as liaison for Aries projects with CCCSO and RIMS software vendor.

2013-15 KEY OBJECTIVES

- Convert Police Department Critical Reach software to APBnet in FY 2013-14. 
- Evaluate and select a vendor for Recreation Division software in FY 2013-14.
- Install and configure web filtering device in FY 2014-15.

- Maintain City website and Facebook pages for City of Martinez and Martinez – Dunbar Sister City. 🌐
- Support, maintain and enhance the City and Police Department's IT hardware, software and communications infrastructure. 🌐
- Implement double authentication to meet Department of Justice standards in patrol car computers in FY 2013-14. 🌐
- Keep network and email servers up to date, replacing hardware and implementing new software upgrades/releases as needed.
- Maintain audio/video equipment in the Council Chambers. 🌐
- Continue to work with outside agencies including the Department of Justice; Contra Costa Sheriff's Office; and Contra Costa Department of Information Technology to configure, update and troubleshoot Public Safety systems. 🌐

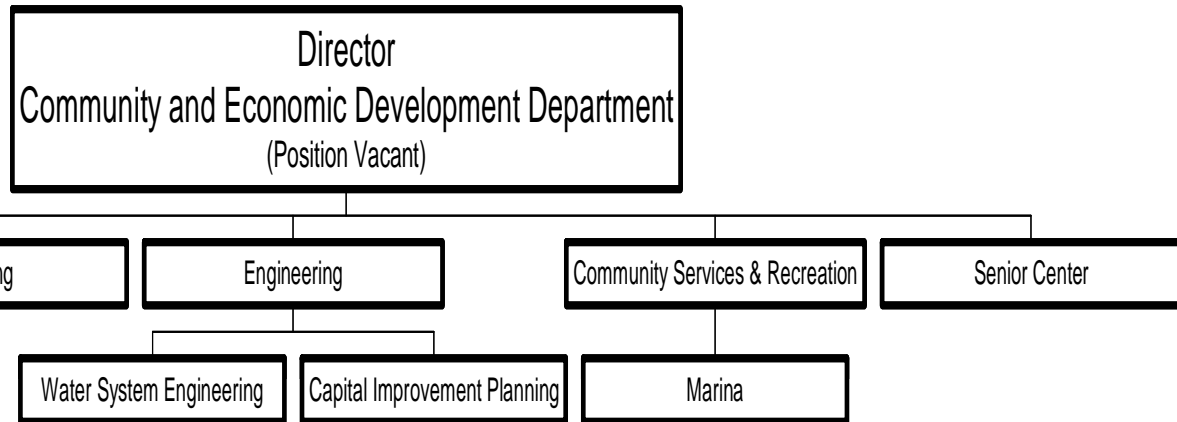
Budget for Fiscal Years 2013-14 and 2014-15

ADMINISTRATIVE SERVICES EXPENDITURES

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Administrative Services</i>						
01 401 ADMINISTRATION						
Labor	313,308	311,301	315,021	3,720	314,969	(52)
Operating	13,518	23,135	28,240	5,105	26,798	(1,442)
Direct & Indirect Costs	(161,472)	(168,318)	(107,552)	60,766	(107,085)	467
TOTAL ADMINISTRATION	<u>165,353</u>	<u>166,118</u>	<u>235,709</u>	<u>69,591</u>	<u>234,682</u>	<u>(1,027)</u>
01 404 FINANCE						
Labor	791,808	787,123	810,891	23,768	813,731	2,840
Operating	71,393	83,485	83,385	(100)	89,930	6,545
Direct & Indirect Costs	(448,825)	(442,114)	(433,610)	8,504	(436,420)	(2,810)
TOTAL FINANCE	<u>414,376</u>	<u>428,494</u>	<u>460,666</u>	<u>32,172</u>	<u>467,241</u>	<u>6,575</u>
01 402 PERSONNEL						
Labor	124,312	129,095	137,563	8,468	139,081	1,518
Operating	62,243	72,164	64,118	(8,046)	75,742	11,624
Direct & Indirect Costs	(34,850)	(38,695)	(38,012)	683	(40,688)	(2,676)
TOTAL PERSONNEL	<u>151,705</u>	<u>162,564</u>	<u>163,669</u>	<u>1,105</u>	<u>174,136</u>	<u>10,467</u>
TOTAL ADMINISTRATIVE SERVICES	<u>\$ 731,434</u>	<u>\$ 757,176</u>	<u>\$ 860,044</u>	<u>\$ 102,868</u>	<u>\$ 876,059</u>	<u>\$ 16,015</u>



Community and Economic Development Department





Community and Economic Development Department

Economic Development	This Department is charged with managing the City's Economic Development, Planning, Engineering, and Community Services/Recreation functions. The City's Capital Improvement Projects, including those of the Enterprise funds and Transportation, are also managed here. With the vacancy in the Department Director position, the functions of Economic Development report to the City Manager; Planning, Community Services and Recreation, and the Senior Center report to the Assistant City Manager; and Engineering reports to Public Works.				
Revitalization					
Planning					
Development Review					
Advance Planning					
Design Review Committee					
Engineering	DEPARTMENT STAFFING				
Transportation	<u>Budgeted Positions</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Development Review	Dep. Dir. Strat. Planning & Comm. Dev.	0.0	0.0	1.0	1.0
Pavement Management	Administrative Aide III	3.0	3.0	3.0	3.0
Capital Improvement Projects	Senior Planner	1.0	1.0	1.0	1.0
Clean Water Program	Assistant Planner	1.0	1.0	1.0	1.0
Community Services & Recreation	City Engineer	1.0	1.0	1.0	1.0
Recreation Programs	Senior Civil Engineer	1.0	1.0	1.0	1.0
Senior Center	Associate Civil Engineer	1.0	1.0	1.0	1.0
Marina	Assistant Engineer	0.0	0.0	0.0	0.0
John Muir Festival Center	Recreation Supervisor	1.0	1.0	1.0	1.0
Cultural and Community Commissions	Recreation Coordinator	0.0	1.0	1.0	1.0
Senior Center	Senior Citizen Supervisor	1.0	1.0	1.0	1.0
Educational and Recreational Activites	Senior Citizen Coordinator	0.8	0.8	0.8	0.8
Social Services and Activities		10.8	11.8	12.8	12.8

ECONOMIC DEVELOPMENT

Economic Development focuses on downtown revitalization, strengthening the local economy and promoting Martinez as a destination for new businesses, visitors, and investors. These efforts are strengthened through coordination with local and regional business organizations, property owners, and business owners. All primary Economic Development responsibilities are directly managed by the City Manager and Deputy Director of Strategic Planning and Community Development due to the vacancy in the position of Community and Economic Development Director.

2011-2013 ACCOMPLISHMENTS

- Negotiated adapted reuse of historic structure at 630 Court Street with Southport Land Company.
- Negotiated with County to purchase vacant two-story building at 610 Court Street, which ultimately resulted in acquisition by Southport Land Company.
- Worked closely with Council and staff to push CCTA and Caltrans to complete design and agreement with the City to begin construction of the regional transit hub at North Pacheco.
- Led charge with Council in preserving two industrial buildings at 330 and 360 Ferry Street and orchestrated 15-year leases with private sports operators to increase indoor sports turf and indoor sports court uses in the City.
- Completed realignment project on the 500 block of Main Street and instituted the new downtown dining platform program.
- Initiated renegotiation of current outstanding marina loans with the Department of Boating and Waterways (DBAW) to reach mutual agreement on a repayment schedule with terms satisfactory to the City.
- Restarted the 23-year old Alhambra Highlands residential subdivision development project, encompassing 110 single family detached units, thereby eliminating the threat of legal action from the developer over two approved tentative maps from 1993.
- Completed Arnold Shopping Center development project, resulting in a mix of popular retail, beverage and eating establishments.
- Completed recruitment and hiring of Deputy Director of Strategic Planning and Community Development position.

2013-2015 KEY OBJECTIVES

- Oversee the Laurel Knoll application for a General Plan amendment to build a proposed 81-unit single-family attached residential development on approximately 6 acres located behind the Nob Hill Shopping Center. 🌐
- Complete building of 42-unit, final-map approved apartment complex named Cascara Canyon, located near Shell Avenue in FY 2013-14. 🌐
- Work with developer and Council to achieve final map approval and commence building of 43-unit “Village at Arnold” single-family attached residential development located off Arnold Drive in FY 2013-14. 🌐
- Work with developer and Council to achieve final map approval and commence building of 70-unit “The Paseos” single-family detached residential development located off Parkway Drive at Howe Road in FY 2013-14. 🌐

- Revisit the North Pacheco annexation effort in fall 2013. 🌐
- Complete construction and inspection of the regional transit hub by March 2014. 🌐
- Complete revised General Plan Draft Report and EIR with final Council approval by April 2014. 🌐
- Coordinate with developer to facilitate complete reconstruction and painting of 610 Court Street by October 2013. 🌐
- Coordinate with developer to facilitate complete historic renovation of 630 Court Street by late 2014, which includes plans for a restaurant. 🌐
- Complete renegotiation of outstanding loans from DBAW and finish conceptual plan for renovating the marina and upland waterfront district by December 2013. 🌐
- Release RFP for replacement of old and outdated parking meters with new heads in 2013. 🌐
- Utilize parking consultant to develop and release RFP and review vendor proposals by September 2013 for Downtown Martinez Parking Needs Assessment. 🌐
- Release RFP for selection of a manager/promoter at Campbell Theater in 2013. 🌐





PLANNING

Planning serves as the point of entry for all private development in the City of Martinez and provides assistance to developers, business and property owners, and residents navigating the local land use and development regulatory process. This includes single-family property owners and residential production scale builders, as well as commercial and industrial property owners and developers. On a daily basis Planning Division staff assists the public with permit processing and interpretation of City regulations and policies related to the Zoning and Subdivision Ordinances. In long-range planning, staff provides assistance to the Planning Commission, the City Council, advisory committees, and other community groups involved directly or indirectly with land use and development policy, including updates to the City's General Plan and Housing Element. Staff also works with residents, business and property owners, community groups, developers, other City departments/divisions, and outside agencies with community problems, concerns, and opportunities. All primary Planning responsibilities report directly to the City Manager and Assistant City Manager due to the vacancy in the position of Assistant City Manager of Community and Economic Development.

2011-2013 ACCOMPLISHMENTS

- Received certification of City's Housing Element by the State Department of Housing and Community Development (HCD) in 2012.
- Continued the process of updating the City's 39-year old General Plan.
- Assisted in relocation of billboard on Bridgehead Road by completing the required entitlements, including environmental review, in 2011.
- Adopted a new land use regulatory framework for a portion of Alhambra Valley located in unincorporated Contra Costa County and completed an annexation application to Contra Costa Local Agency Formation Commission (LAFCO).
- Provided extensive staff support to the Planning Commission, Design Review Committee, and Zoning Administrator.
- Processed applications for two retail development projects along Arnold Drive, the Dollar Tree/Starbucks/Verizon/Chipotle Center in FY 2011-12, and the Taco Bell/Francis Dental Center in FY 2012-13.

2013-2015 KEY OBJECTIVES

- Complete the process of updating the City's existing General Plan by FY 2014-15. 
- Continue with the long term comprehensive update of the City's Zoning Ordinance by FY 2014-15.
- Continue modernizing and instituting best practices in the Planning Division to enable processing of land use and development permit applications in a timely and effective manner. 
- Continue processing the applications of an 82-unit townhome development (Townhomes at Laurel Knoll), a 46-unit townhome development (Village at Arnold Drive), and a 70-unit single family development (Paseo at Howe), in FY 2013-14. 
- Participate in the review and adoption of One Bay Area Plan, the regional land use/transportation plan being developed by ABAG, in FY 2013-14. 










ENGINEERING

Engineering works with other City departments and programs to design, plan, and construct public facilities including streets, park improvements, storm drains, traffic signals and water systems. In addition, Engineering staff manage the City's Clean Water (NPDES) Program; apply for annual Community Development Block Grants (CDBG) for infrastructure improvements; establish and maintain Lighting and Landscape Assessment Districts; support the Traffic Safety Committee; review and process residential, commercial and industrial development applications; prepare grant applications for State and Federal funds to pay for major capital improvement projects; manage the City's major transportation capital projects such as the Intermodal Phase III, Measure J, and federally-funded paving projects; and represent the City on local or regional boards and commissions including the Contra Costa Transportation Authority, Caltrans, Capital Corridor Joint Powers Authority and TRANSPAC. With the vacancy in the Community and Economic Development Director position, the reporting responsibilities for Engineering have temporarily shifted to Public Works; however, the budget information for this division is still contained within the Community and Economic Development Department.

2011-2013 ACCOMPLISHMENTS

- Implemented the City's two-year Capital Improvement Program.
- Utilized the City's web site to improve the flow of information to the public for Capital Improvement Program.
- Assisted in the Construction Management of major CIP projects.
- Complied with the implementation of new Water Board regulations in the Municipal Regional Permit.
- Issued encroachment and development permits in a timely manner.

2013-2015 KEY OBJECTIVES

- Support Water Emergency Transportation Authority (WETA) Environmental Impact Report (EIR) efforts for a new ferry terminal at the Martinez waterfront. 
- Implement the Clean Water Program's NPDES permit requirements in FY 2013-15. 
- Incorporate updated Transportation Elements into the General Plan as part of the City's General Plan update in FY 2013-14. 
- Continue to utilize the City's web site to improve the flow of information to the public in FY 2013-15. 
- Plan and design the Intermodal Phase III entrance road, pedestrian overcrossing and Berrellesa alternative access in FY 2013-14. 
- Participate in Contra Costa Transportation Authority (CCTA) activities to maintain compliance with Measure J and to ensure the City receives funding for our priority projects. 
- Provide timely review of development plans. 
- Provide Construction Management assistance on large Capital Improvement Projects. 
- Implement the Capital Improvement Program. 

COMMUNITY SERVICES AND RECREATION

Community Services and Recreation offers activities and services for Martinez residents of all ages. The Recreation Division provides sports, summer camps, classes, and operates the Rankin Park Pool and aquatic programs. Day care contract operations are also managed by the Recreation Staff, as well as various special projects including the John Muir Amphitheater and the marina. Please refer to Section 10: Enterprise Funds for a detailed overview of the marina. All primary Community Services and Recreation responsibilities report directly to the City Manager and Assistant City Manager due to the vacancy in the position of Assistant City Manager of Community and Economic Development.

- 16 ballfields and 4 concession stands
- John Muir Amphitheater
- Golden Hills Park Building
- Nancy Boyd Park Building
- Morello Day Care Building
- Kiwanis Youth Center
- Rankin Aquatic Center
- Alhambra Cemetery
- 18 parks

2011-2013 ACCOMPLISHMENTS

- Extended the pool season an additional 7 weeks to accommodate the increased demand.
- Provided service to 40,000 patrons during the first full season of pool use.
- Hired part-time Library Attendant to monitor use of downstairs portion of the library.
- Completed Measure H renovations to Rankin Park and Holiday Highlands Park and reopened both for public use.
- Received California Parks and Recreation Services award for “Outstanding Aquatic Facility” in March 2013.
- Received grant from the Martinez Community Foundation for 30 life jackets.
- Held over 20 softball tournaments at City ballfields.
- Expanded the cemetery tours for adults and created a successful cemetery program for 3rd graders studying local history.
- Raised funds for 11 free family shows through the annual Downtown Restaurant Tour.
- Assisted with the development of a new fee structure for Rankin Park and the Rankin Aquatic Center to increase City revenues needed to maintain the facilities.

2013-2015 KEY OBJECTIVES

- Implement a new online registration system by December 2013.
- Complete construction of the pool concession stand by and hire a concessionaire prior to start of 2014 swim season.
- Work with the Veteran's Commission on possible ideas to expand the Memorial Day and Veteran's Day programs in 2014.
- Grade/pave the main cemetery pathway in FY 2013-14.
- Repair Brown Mausoleum retaining wall in FY 2014-15.
- Increase picnic rentals in 2014 with the completion of park remodeling at Nancy Boyd, Hidden Valley, and Cappy Ricks parks.

SENIOR CENTER

The objective of the Martinez Senior Community Center is to promote educational, recreational and social opportunities and services that meet the needs of the senior citizens of Martinez and surrounding cities. To meet this objective, the Center offers a variety of innovative, entertaining and engaging programs, activities, and services for members ages 50 and older. All primary Senior Center responsibilities report directly to the City Manager and Assistant City Manager due to the vacancy in the position of Assistant City Manager of Community and Economic Development.

2011-2013 ACCOMPLISHMENTS

- Installed new “make-up” air unit on the roof, for operation of the kitchen fan in 2012.
- The three main rooms of the senior center were painted in 2011.
- Addressed potential trip and fall safety issues by repairing and refinishing the front deck, and repainting safety stripes on all stairs in 2012.
- Continued to recruit younger seniors by increasing offerings such as active trips and physical fitness classes.
- Replaced five toilets with high-efficiency models and received rebates of \$175 per unit in 2011.
- Extended and refaced the lounge cabinet with a new counter in 2013.

2013-2015 KEY OBJECTIVES

- Paint lobby, lounge and offices in 2013.
- Paint bathrooms and install new bathroom flooring in 2013.
- Update the mirrors and light fixtures in the women’s bathroom in 2013.
- Complete the lounge remodeling projects, including some selected furniture replacements in 2013.
- Continue to develop and expand the “Let’s Be Informed” program series in 2013, which offers interesting and informative workshops and seminars of interest to seniors.
- Utilize Shell grant of \$2,500 to replace the commercial refrigerator and freezer in 2014.
- Continue to recruit younger seniors and those still in the workforce by offering a wide variety of activities and trips to interest all age groups, expanding the potential market of senior center today to as many as three generations of seniors.

Budget for Fiscal Years 2013-14 and 2014-15

COMMUNITY & ECONOMIC DEVELOPMENT EXPENDITURES

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Community Development</i>						
01 701 COMMUNITY DEVELOPMENT ADMIN						
Labor						
Operating	1,855	2,000	800	(1,200)	800	
Direct & Indirect Costs	38,744	37,328		(37,328)		
TOTAL COMMUNITY DEVELOPMENT ADM	<u>40,599</u>	<u>39,328</u>	<u>800</u>	<u>(38,528)</u>	<u>800</u>	
01 702 ECONOMIC DEVELOPMENT						
Labor			164,431	164,431	171,661	7,230
Operating	480,871	216,554	116,386	(100,168)	116,444	58
Direct & Indirect Costs			4,480	4,480	4,531	51
TOTAL ECONOMIC DEVELOPMENT	<u>480,871</u>	<u>216,554</u>	<u>285,297</u>	<u>68,743</u>	<u>292,636</u>	<u>7,339</u>
01 703 PLANNING						
Labor	458,164	364,325	366,792	2,467	373,196	6,404
Operating	(27,514)	67,626	48,252	(19,374)	62,589	14,338
Direct & Indirect Costs	9,328	8,987	6,750	(2,237)	6,826	77
TOTAL PLANNING	<u>439,978</u>	<u>440,938</u>	<u>421,793</u>	<u>(19,145)</u>	<u>442,612</u>	<u>20,819</u>
01 704 ENGINEERING						
Labor	660,465	645,343	650,460	5,117	652,785	2,325
Operating	(186,446)	(218,940)	(238,057)	(19,117)	(241,599)	(3,542)
Direct & Indirect Costs	(74,844)	(141,584)	(137,343)	4,241	(137,989)	(645)
TOTAL ENGINEERING	<u>399,175</u>	<u>284,819</u>	<u>275,060</u>	<u>(9,759)</u>	<u>273,198</u>	<u>(1,862)</u>
01 801 COMMUNITY SERVICES ADMIN						
Labor	235,473	287,019	279,308	(7,711)	282,641	3,332
Operating	107,371	48,802	55,200	6,398	54,844	(356)
Direct & Indirect Costs	43,251	41,672	24,788	(16,884)	25,071	282
TOTAL COMMUNITY SERVICES ADMIN	<u>386,095</u>	<u>377,493</u>	<u>359,296</u>	<u>(18,197)</u>	<u>362,555</u>	<u>3,259</u>

Budget for Fiscal Years 2013-14 and 2014-15

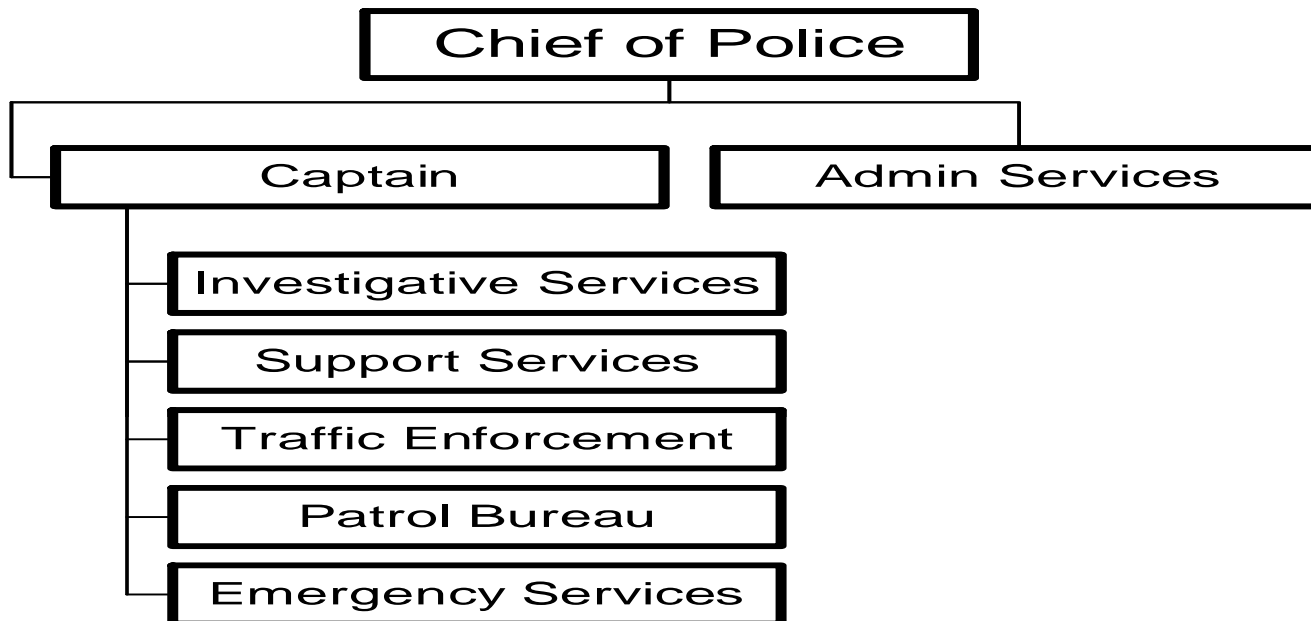
			2011-12 Actual	2012-13 Projected	2013-14 Budget	Increase (Decrease)	2014-15 Budget	Increase (Decrease)
01	802	CULTURAL AND ARTS						
		Operating	67,720	77,885	63,960	(13,925)	37,125	(26,835)
		Direct & Indirect Costs						
		TOTAL CULTURAL AND ARTS	67,720	77,885	63,960	(13,925)	37,125	(26,835)
01	803	GENERAL RECREATION						
		Labor	50,740	37,484	20,055	(17,429)	16,775	(3,280)
		Operating	14,237	25,973	14,751	(11,222)	14,678	(73)
		Direct & Indirect Costs						
		TOTAL GENERAL RECREATION	64,977	63,457	34,806	(28,651)	31,453	(3,353)
01	804	MUNICIPAL SWIMMING POOL						
		Labor	87,986	108,070	108,396	326	107,922	(474)
		Operating	94,803	126,082	118,366	(7,716)	117,944	(422)
		Direct & Indirect Costs						
		TOTAL MUNICIPAL SWIMMING POOL	182,789	234,152	226,762	(7,390)	225,866	(896)
01	805	AMPHITHEATER						
		Labor						
		Operating	11,801	11,728	11,799	71	11,810	11
		Direct & Indirect Costs						
		TOTAL AMPHITHEATER	11,801	11,728	11,799	71	11,810	11
01	806	DAY CARE						
		Labor						
		Operating	81,712	82,055	85,919	3,864	85,922	3
		Direct & Indirect Costs						
		TOTAL DAY CARE	81,712	82,055	85,919	3,864	85,922	3
01	808	SPORTS PROGRAMS						
		Labor	25,004	38,748	28,082	(10,666)	27,959	(123)
		Operating	22,515	41,102	34,383	(6,719)	34,261	(122)
		Direct & Indirect Costs						
		TOTAL SPORTS PROGRAMS	47,519	79,850	62,465	(17,385)	62,220	(244)

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	<i>Increase (Decrease)</i>	2014-15 Budget	<i>Increase (Decrease)</i>
01 809 SENIOR CITIZEN PROGRAMS						
Labor	236,264	237,435	238,164	729	237,889	(276)
Operating	69,258	67,481	66,180	(1,301)	65,609	(571)
Direct & Indirect Costs						
TOTAL SENIOR CITIZEN PROGRAMS	<u>305,522</u>	<u>304,916</u>	<u>304,344</u>	<u>(572)</u>	<u>303,497</u>	<u>(847)</u>
01 809.1 ALZHEIMER RESPITE						
Labor	9,262	9,215	9,211	(4)	9,171	(40)
Operating	749	2,534	2,383	(151)	2,343	(40)
TOTAL ALZHEIMER RESPITE	<u>10,011</u>	<u>11,749</u>	<u>11,594</u>	<u>(155)</u>	<u>11,514</u>	<u>(80)</u>
 TOTAL COMMUNITY DEVELOPMENT	 <u><u>\$ 2,518,769</u></u>	 <u><u>\$ 2,224,924</u></u>	 <u><u>\$ 2,143,896</u></u>	 <u><u>\$ (81,028)</u></u>	 <u><u>\$ 2,141,209</u></u>	 <u><u>\$ (2,687)</u></u>



Police Department





Police Department

Administrative Services

Department Polices and Programs
Budgeting and Contracts

Investigative Services

Criminal Case Investigations
Juvenile Diversion Program

Support Services

Police Dispatching Services
Records Management
Public Counter Service

Traffic Enforcement

Parking/Moving Violations Enforcement
Traffic Safety Program Promotion
Traffic Accident Investigation

Patrol Bureau

24-hour Uniformed Patrol Services
Community Oriented Policing
Reserve and Cadet Porgrams

Emergency Services

Emergency Planning and Response
Emergency Operations Center

The Police Department is charged with maintaining the Public Safety of the City's citizens and its visitors. In addition to its administrative functions, the Department consists of Field Services, Investigative Services, Support Services, Traffic Enforcement, and Emergency Services. The functions of Code Enforcement are in the process of transitioning from Public Works to the Police Department.

DEPARTMENT STAFFING

<u>Budgeted Positions</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Police Lieutenant	2.0	2.0	2.0	2.0
Police Sergeant	5.0	5.0	5.0	5.0
Police Officer	28.0	28.0	28.0	28.0
Records Supervisor	1.0	1.0	1.0	1.0
Dispatch Supervisor	1.0	1.0	1.0	1.0
Police Dispatcher	7.0	7.0	7.0	7.0
Administrative Secretary	1.0	1.0	1.0	1.0
Police Assistant	3.0	3.0	3.5	3.5
Records Clerk	2.0	2.0	2.0	2.0
	<u>52.0</u>	<u>52.0</u>	<u>52.5</u>	<u>52.5</u>





ADMINISTRATIVE SERVICES

The mission of the police program is to deliver a high level of community interaction, providing professional law enforcement and public safety services in a fair, compassionate, and proactive manner, and to maintain a high quality of life and safety for Martinez residents and visitors.

2011-13 ACCOMPLISHMENTS

- Developed a narrow banding plan for new police radios in advance of the FCC mandatory requirements in 2012.
- Established communications contingency plan for existing radios in the event of East Bay Regional Communications System Authority (EBRCSA) inoperability in 2012.
- Went live with Public Safety Cameras at five locations in September 2011.
- Conducted R56 grounding study in the Dispatch Center, completed required work and installed two new Dispatch consoles in December 2012.
- Purchased and installed “Nice” data recording system, which captures radio and telephone communications in Dispatch and is complies with EBRCSA.
- Developed a corporal manual to provided standardized guidance to develop future leaders in the organization in April 2013.
- Reorganized the Police Department to support the Neighborhood Policing Areas Initiative in May 2011.
- Purchased eighty-three (83) 700 MHZ car radios and handheld portable radios in 2012.
- Completed Active Shooter Training at both Alhambra High School and the Martinez Junior High School in October 2012.
- Developed community survey to measure impact of Neighborhood Policing Initiative in 2013.
- Sent senior management staff (Chief and Captain) to training at the FBI National Academy in 2011, and provided growth opportunity by sending Lieutenant to contemporary management training courses in 2013.
- Completed Team Building Workshop with management staff to clarify the Department’s goals and objectives in March 2013.
- Reconfigured workspace and purchased gym equipment to advance employee health and wellness in 2012.

2013-15 OBJECTIVES

- Maintain current workforce and fill vacancies as necessary. 
- Rework current ordinances to improve code enforcement procedures, increase accountability and support a cost recovery model.
- Transition to EBRCSA P-25 radio system by July 2013. 
- Develop succession plan at all levels of the Department by September 2013. 
- Develop hybrid position that will work in both Admin and Records by July 2013. 

- Expand the use of technology to enhance transparency and interaction with the public (e.g. Tip411, Facebook, and Twitter) by September 2013. 🌐
- Conduct follow-up Community Policing Survey to assess and improve community policing efforts in July 2013. 🌐
- Conduct employee survey to identify non-traditional talents and abilities and advance Department's mission in July 2013. 🌐
- Institute employee development program that enhances short and long term opportunities for all employees by 2014. 🌐
- Implement Regional SWAT concept to maximize resources, minimize expenditures and leverage partnerships by August 2013. 🌐
- Develop Citizen Police Academy that provides insight into the law enforcement profession and creates a pool to expand the volunteer program by January 2014. 🌐

INVESTIGATIVE SERVICES

Investigative Services is responsible for major criminal investigations. The Bureau has actively expanded its investigations into computer crimes and identity theft and has increased its attention to sales of illegal substances to minors, such as alcohol, drugs, etc.

2011-13 ACCOMPLISHMENTS

- Developed model for dealing with marijuana grow houses and issues related to processing and storing such evidence in FY 12-13.
- Developed a pre-filing review procedure that reduced crime lab costs by \$51,371 (36.79%) in FY 11-12.
- Reduced overtime \$60,000 by having detectives work patrol not less than 24 hours per week in FY 12-13.
- All Detectives became certified as Crime Scene Investigators in FY 2012-13.
- Successfully transitioned from DVD presentations for POST training credit for all members of the Police Department to the POST Learning Portal in 2012.

2013-15 OBJECTIVES

- In conjunction with our law enforcement partners, develop an AB 109 compliance program that encourages healthy behavior and reintegration into the community.
- Perform quarterly Penal Code Section 290 residency checks to ensure sex offenders are in compliance with registration requirements. 🌐
- Upgrade cellibrite system to assist in on-going investigations by August 2013. 🌐
- Develop major crimes team comprised of former detectives and employees with special skills by July 2013. 🌐
- Increase staffing to reach historically “normal” levels, and maintain staffing by 2014. 🌐
- Participate in and support regional efforts to investigate computer crimes and other high technology investigations through forensics analysis, especially in cases involving domestic violence and child pornography in FY 13-14 and FY 14-15. 🌐









SUPPORT SERVICES

Support Services consists of the Records Bureau and Dispatch Bureau. Dispatchers are responsible for police dispatching and records personnel are responsible for report transcription, records control and confidentiality issues involving police reports. The Records Bureau also staffs the front counter and has direct contact with the general public.

2011-13 ACCOMPLISHMENTS

- Advanced ongoing efforts to go paperless by scanning all cases from 2003-2005 in FY 12-13.
- Developed efficient processing of taxi permits, including publication of procedures on City website, in August 2011.
- Upgraded Dispatch consoles in 2013.
- Integrated Voice Recording System in Dispatch center in 2013.
- Dispatched 1300 Priority 1, critical incidents, calls in FY 2011-12, with an average response time of less than 6 minutes.
- Dispatched 7662 Priority 2, emergency incidents, calls in FY 2011-12, with an average response time of less than 10 minutes.
- Dispatched 950 Priority 1 calls in FY 2012-13, with an average response time of less than 6 minutes.
- Dispatched 5498 Priority 2 calls in FY 2012-13, with an average response time of less than 11 minutes.
- Achieved full staffing in Dispatch (8 dispatchers) for the 1st time since 2008.

2013-2015 KEY OBJECTIVES

- Reduce Dispatch overtime by 15% in 2013-2014. 
- Evaluate the utility of dictation by using technology solutions by 2013-2014. 
- Dispatch Priority 1 calls in less than 2 minutes in 2013-2014. 
- Dispatch Priority 2 calls in less than 3 minutes in 2014-2015. 
- Work with RIMS vendor to develop protocols to comply with ARIES requirements in 2013-2014.
- Integrate Volunteers in Police Service (VIPS) into key functions within support services 2013-2015. 
- Move the code enforcement function from Public Works to the Police Department in 2013. 
- Integrate code enforcement into the neighborhood policing areas and increase cases by 100% in 2013-2014. 
- Increase code enforcement cases by an additional 50% in 2014-2015. 

TRAFFIC ENFORCEMENT

Traffic enforcement activities are patrol bureau functions. Police personnel are responsible for citywide enforcement of California Vehicle Code violations as well as parking violations. The Bureau is responsible for vehicle abatement on both public and private property, and numerous Community Oriented Policing projects involving traffic. This unit was only staffed with three police assistants during the previous budget cycle. The traffic enforcement functions were performed by police officers working in the Patrol Bureau.

2011-13 ACCOMPLISHMENTS

- Awarded Office of Traffic Safety (OTS) grants in the amount of \$16,315 for DUI Checkpoints in FY 12-13
- Conducted six (6) DUI Checkpoints, contacting more than 3,300 motorists from 2011-2013.
- Reduced DUI traffic collisions by 20% in 2012-2013.

2013-2015 KEY OBJECTIVES

- Continue to develop strategies to address traffic related complaints through enforcement, speed trailer placement and environmental design strategies. 🌐
- Increase patrol traffic contacts by 20% in 2013-14, and an additional 10% in FY14-15. 🌐
- Reduce DUI traffic collisions by 10% in FY13-15. 🌐
- Continue collaborative partnerships forged in the Avoid the 25 Campaign (Driving under the influence awareness and prevention campaign) by participating in joint crime prevention and enforcement activities with allied agencies. 🌐
- Participate in Safe Driver initiatives sponsored by the Office of Traffic Safety (OTS) as scheduled by OTS. 🌐

PATROL BUREAU

The Patrol Bureau is part of the Operations and Services Division and is responsible for all uniformed patrol within the City of Martinez. Police officers respond to calls for service 24 hours a day. Police officers are also responsible, in part, for working on issues that impact their Neighborhood Policing Area (NPA). This might include neighborhood watch, meetings, group discussions, foot patrol, park, and bicycle patrols. The NPA approach seeks to expand partnerships with individuals, businesses and the community as a whole.

2011-13 ACCOMPLISHMENTS

- Assigned each patrol officer a Neighborhood Policing Area (NPA) in April 2012.
- Participated in National Night Out Against Crime in 2012.
- Developed a Corporal Manual to advance the development of the corporal.
- Graduated six (6) new police officers from the department's Field Training Officer (FTO) program in April 2013
- Conducted sixteen (16) neighborhood meetings in FY12-13.

2013-2015 KEY OBJECTIVES

- Participate in National Night Out Against Crime annually. 🌐
- Conduct NPA meetings in each area (24 meetings) annually. 🌐
- Conduct Active Shooter training in 2014-2015. 🌐
- Complete migration from shotguns to patrol rifles by purchasing six (6) patrol rifles in 2013-2014




EMERGENCY SERVICES

Emergency Services is responsible for citywide emergency preparedness and emergency services response. This includes training of City employees and providing information to the general public. In an actual emergency, the Police Department has the responsibility of taking the lead in all citywide emergency services and coordinating with other agencies such as County Fire and the County Sheriff's Office.

2011-13 ACCOMPLISHMENTS

- Remodeled the Emergency Operations Center in 2012.
- Completed emergency operations training within the Police Department in 2012.
- Facilitated two training sessions for City Senior Staff, including a table top exercise in 2012-2013.

2013-2015 KEY OBJECTIVES

- Continue to upgrade the EOC including advances in communications, facility lay out and media access by FY 2013-14. 
- Complete City-wide EOC training in FY 2013-2014. 
- Review Emergency Plan and update as needed. 

Budget for Fiscal Years 2013-14 and 2014-15

POLICE DEPARTMENT EXPENDITURES

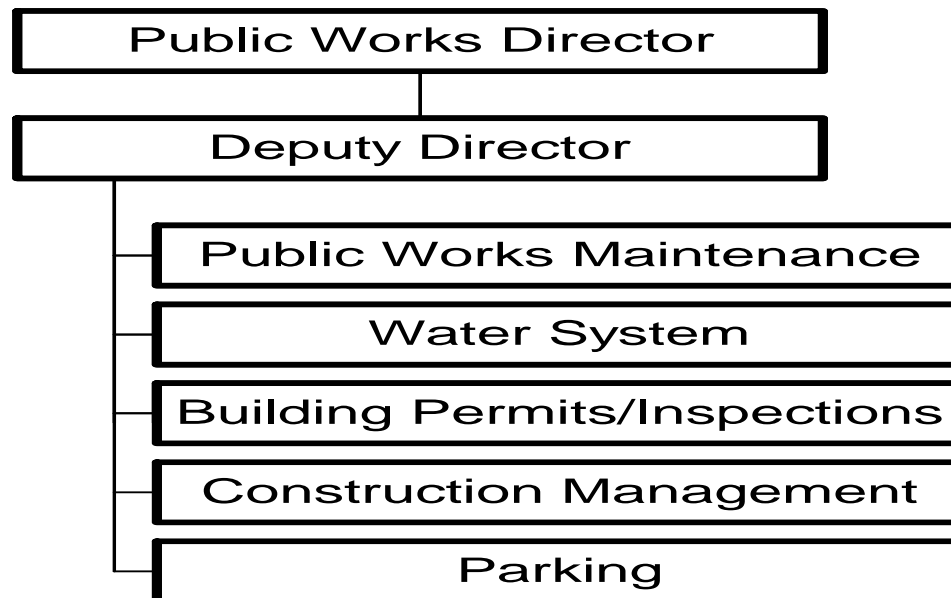
	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Police Services</i>						
01 601 POLICE ADMINISTRATION						
Labor	480,357	499,619	521,245	21,626	535,239	13,994
Operating	654,024	811,784	732,857	(78,927)	732,532	(325)
Capital						
Direct & Indirect Costs	208,548	210,424	125,060	(85,364)	126,485	1,425
TOTAL POLICE ADMINISTRATION	<u>1,342,929</u>	<u>1,521,827</u>	<u>1,379,162</u>	<u>(142,665)</u>	<u>1,394,256</u>	<u>15,093</u>
01 602 INVESTIGATIVE SERVICES						
Labor	1,047,504	974,693	987,397	12,704	996,031	8,634
Operating	42,791	63,072	57,071	(6,001)	59,221	2,150
Direct & Indirect Costs						
TOTAL INVESTIGATIVE SERVICES	<u>1,090,295</u>	<u>1,037,765</u>	<u>1,044,468</u>	<u>6,703</u>	<u>1,055,252</u>	<u>10,783</u>
01 603 SUPPORT SERVICES						
Labor	1,000,908	1,163,538	1,291,750	128,212	1,304,656	12,907
Operating	213,658	159,807	171,487	11,680	168,030	(3,457)
Capital						
Direct & Indirect Costs	(17,746)	(17,607)	(17,561)	46	(17,813)	(252)
TOTAL SUPPORT SERVICES	<u>1,196,819</u>	<u>1,305,738</u>	<u>1,445,676</u>	<u>139,938</u>	<u>1,454,874</u>	<u>9,198</u>
01 604 TRAFFIC ENFORCEMENT						
Labor	271,428	348,866	196,311	(152,555)	203,145	6,834
Operating	(12,095)	(15,660)	(29,787)	(14,127)	(32,628)	(2,840)
Direct & Indirect Costs	(972)					
TOTAL TRAFFIC ENFORCEMENT	<u>258,361</u>	<u>333,206</u>	<u>166,524</u>	<u>(166,682)</u>	<u>170,518</u>	<u>3,994</u>

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	<i>Increase (Decrease)</i>	2014-15 Budget	<i>Increase (Decrease)</i>
01 605 PATROL BUREAU						
Labor	5,242,130	5,290,974	5,341,386	50,412	5,433,290	91,904
Operating	450,088	463,592	534,828	71,236	532,590	(2,238)
Capital						
Direct & Indirect Costs	(55,061)	(56,170)	(58,273)	(2,103)	(59,774)	(1,502)
TOTAL PATROL BUREAU	<u>5,637,157</u>	<u>5,698,396</u>	<u>5,817,941</u>	<u>119,545</u>	<u>5,906,106</u>	<u>88,165</u>
01 607 EMERGENCY SERVICES						
Labor						
Operating	14,183	23,998	15,750	(8,248)	15,750	
TOTAL EMERGENCY SERVICES	<u>14,183</u>	<u>23,998</u>	<u>15,750</u>	<u>(8,248)</u>	<u>15,750</u>	
TOTAL POLICE SERVICES FUNCTION	<u>\$ 9,539,744</u>	<u>\$ 9,920,930</u>	<u>\$ 9,869,521</u>	<u>\$ (51,408)</u>	<u>\$ 9,996,755</u>	<u>\$ 127,233</u>



Public Works Department





Public Works Department

Building Permits/Inspection

Plan Review
Permit Issuance
Inspections
Erosion Control Monitoring
Stormwater Pollution Prevention Plans
Record Retention

Code Enforcement

Complaint Investigation
Municipal Code Enforcement
Violation Abatement

Construction Management

City Construction Management
Construction Schedule Maintenance
Change Order Negotiation
Progress Payments

The Public Works Department is charged with managing a variety of areas including Building Permits and Inspection; Code Enforcement; Construction Management; Parks, Streets, and Water System Maintenance; Fleet Management; Water System Treatment; Water System Distribution; Water Quality and Availability; Water Inspection and Security; and Parking Meter Collections programs. The functions of Code Enforcement are in the process of transitioning to the Police Department.

DEPARTMENT STAFFING

Budgeted Positions

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Public Works Director	1.0	1.0	1.0	1.0
Deputy Public Works Director	1.0	1.0	1.0	1.0
Construction Inspector	1.0	1.0	1.0	1.0
Code Enforcement Inspector	1.0	0.0	0.0	0.0
Building Inspector II	2.0	2.0	2.0	2.0
Permit Technician II	1.0	1.0	1.0	1.0
	<u>7.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>

(Staffing summary continued on next page)



Public Works Department

Public Works

Maintenance
Fleet Management
Water Quality and Availability*
Water System Treatment*
Water Inspection and Security*
Water System Maintenance*
Water System Distribution*
Parking Meter Collections*

(Continued from previous page)

DEPARTMENT STAFFING

<u>Budgeted Positions</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Public Works Superintendent	1.0	1.0	1.0	1.0
Maintenance Supervisor	1.0	1.0	1.0	1.0
Maintenance Lead Worker	2.0	2.0	2.0	2.0
Maintenance Worker	5.0	5.0	5.0	5.0
Equipment Mechanic**	2.0	2.0	2.0	2.0
Account Technician II	1.0	0.0	0.0	0.0
Senior Custodian	1.0	1.0	1.0	1.0
Park Supervisor	1.0	1.0	1.0	1.0
Park Lead Caretaker	3.0	3.0	3.0	3.0
Park Caretaker***	6.0	6.0	6.0	6.0
	<u>23.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>
Totals from previous page	<u>7.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
Department totals	30.0	28.0	28.0	28.0

**funded by Internal Service Fund

***includes one position funded by NPDES

*see Enterprise Funds for details


BUILDING PERMITS/INSPECTION

Inspection staff coordinates and monitors the review, plan checking, City approval, permit issuance, inspection, code compliance, and acceptance processes for all building construction activities in Martinez. Staff also assists the public at the service counter and helps the design professionals with project submittals. Inspection activities include utility and encroachment permits, engineering grading, and site development. Staff assists with NPDES program issues such as erosion control and storm water pollution prevention plans. Additionally, staff provides construction management and inspection services for capital improvement projects including contract management, budget administration, work scheduling, payroll certification, change order processing, and resolution of design issues.

2011-2013 ACCOMPLISHMENTS

- Conducted public hearings for the adoption and implementation of the 2010 California Building Codes, including the new Green Building Code.
- Conducted staff training for new 2010 California Building Codes.
- Continue to work with property owners on Unreinforced Masonry buildings.
- Implemented Sun Shot Solar permit expediting process for residential solar permits in 2013.
- Performed plan checking and inspection for all projects within the City limits.
- Issued over 2,250 permits for the construction, alteration, repair and demolition of buildings within the City.
- Conducted over 1,200 public works inspections for work in the public right of way.

2013-2015 KEY OBJECTIVES

- Conduct public hearings for the adoption of the 2013 California Building Codes by December 2013. 
- Continue to provide excellent customer service for all permitting activities including inspection, plan check and permit issuance.
- Train staff on the 2013 California Building Standards codes.
- Implement the recently-approved Sun Shot Solar residential solar permit stream lining process.
- Continue to maintain an excellent staff safety record.





CODE ENFORCEMENT

The Code Enforcement program investigates land use, zoning, municipal code and other health and safety complaints. Staff works with property owners to correct violations, which improves property values and the environment. Due to budget cuts, code enforcement staff was reduced to one part time / half time employee.

2011-2013 ACCOMPLISHMENTS

- Increased the number of vacant or “red-tagged” (as uninhabitable) structures from 6 in 2012 to 20 in 2013.
- Initiated a Receivership Program, which allows for properties in disrepair to be ordered abated by a court appointed Receiver.
- Managed two appeals of administrative citations, one of which was upheld for non-compliance and the other which was continued for further investigation.
- Increased enforcement of complaints regarding residences not in compliance with Municipal Code regulations requiring subscription to garbage collection service and the storage of garbage carts on non-collection days.

2013-2015 KEY OBJECTIVES

- Implement cost recovery program through the County “Teeter” program to collect fees, fines and operating expenses associated with Code Enforcement actions by 2014. 
- Work with Community and Economic Development Department to establish guidelines for political signs by 2014.
- Properly staff Code Enforcement functions to maintain an acceptable level of response in a timely manner to citizens’ complaints of non-compliance with the Municipal Code. 
- Continue to expand use of receivership program when appropriate. 
- Reestablish a full-time Code Enforcement position by 2014. 


CONSTRUCTION MANAGEMENT

This program area manages all City construction projects to ensure compliance with plans and specifications. Staff works with contractors, designers, and other agencies to keep projects on schedule and within budget. Key functions include assisting the design group with construction document preparation and monitoring the contract bidding and awarding process. This group also represents the City in any disputes, responds to requests for information, and negotiates change orders encountered during construction.

2011-2013 ACCOMPLISHMENTS

- Managed and inspected the City's Capital Improvement projects, including the reconstruction of Rankin Park and Tavan Field; Marina Vista Undergrounding Project, Sports Court Rehabilitation Project; Marina Vista Streetscape Project; Holiday Highlands Park Reconstruction Project; paving of the 500 block of Main Street, and the Raw Waterline Replacement project.
- Inspected all encroachment right-of-way and utility work in the City, including over 800 gas service replacements by PG&E.
- Inspected improvements for private developments, which include all infrastructure and site work associated with the projects.
- Trained staff on new NPDES requirements.
- Maintained a perfect safety record with no employee injuries.

2013-2015 KEY OBJECTIVES

- Continue to provide project management and inspection to ensure timely completion and effective cost control on all City projects, including the upcoming implementation of the Measure H Parks Bond. 
- Manage and inspect all projects associated with the recently approved Water Treatment Plant Master Plan.
- Continue to maintain an outstanding staff safety record.
- Continue to provide staff training on new storm water regulations.
- Continue to provide an excellent customer service record for work within the public right of way.









PUBLIC WORKS MAINTENANCE

Public Works Maintenance is responsible for the City's maintenance, fleet management, water system treatment, and parking meter collection functions. It maintains 122 miles of City streets, 103 acres of developed park land, 230 acres of open space, 11 acres of medians, 200 miles of water lines, and 9,800 water meters. Public Works Maintenance staff also provide repair and janitorial services for all City buildings, install new water mains and services, read and service water meters, repair water leaks, and maintain 110 pieces of large and small equipment, including replacement, routine servicing and repairs. The City's Water System and Parking Services are enterprise funds separate from the General Fund and are described in detail in the Enterprise Funds section. Program staff regularly works with local volunteer groups to include them in the process of serving the community by improving public spaces.

2011-2013 ACCOMPLISHMENTS:

- Assisted with key downtown economic development projects such as the Main Street realignment and outdoor dining platforms.
- Installed new catch basin on Mellus Street to help reduce flooding in the adjacent parking lot.
- Replaced over 120 feet of curb and gutter on H Street.
- Repaved several areas of the City using the 2011 Allied Waste Community Impact Payment.
- Hired a new Street maintenance worker and two new Parks maintenance workers.
- Installed new lighting poles and fixtures on the path leading to the fishing pier, and replaced existing light fixtures on the pier and in the marina parking lots.
- Worked with property owners on sidewalk replacement projects.
- Repaired uplifted sidewalks at Foothills Park.
- Completed asphalt repairs at Waterfront ballfields.
- Replaced electrical power pedestal at Hospice Tree of Lights and electrical service panel at Waterfront Park.
- Installed new benches and planters at Main Street Plaza and planted redwood trees along roadside at Truitt Detention Basin.
- Repaired 400 feet of walkway at Golden Hills Park.
- Installed Central Control system for irrigation of reconstructed parks.
- Installed new landscaping at Hidden Valley tennis courts.
- Responded to numerous water service issues, including significant water main breaks at all hours of the day and night.
- Worked with Engineering staff to preview the new GIS mapping software, expected to be utilized later in 2013, to enable crews in the field access to information via laptops that will help identify valve locations and reduce shutdown times.
- Added key new Fleet infrastructure including a new drive on field vacuum a utility Cushman truck with field groomer attachments, new riding mowers designed to easily maneuver in and around various obstacles; and a new Vactor for storm drains.
- Maintained exemplary employee safety record.

2013-2015 KEY OBJECTIVES

- Maintain renovated Measure H parks to high standard and initiate Waterfront Park and Hidden Lakes Park improvements. 
- Work with staff and contractors to oversee the upcoming Measure H renovations to Cappy Ricks, Nancy Boyd and Hidden Valley Park in summer 2013. 
- Identify additional areas for paving using the Allied Waste Community Impact payment funding. 
- Utilize remaining Shell settlement funds to create seating area with a shade structure at the Marina in summer 2013. 
- Work with contractor to install several new valves in major areas of the distribution system and purchase new valve exerciser in July 2013. 
- Replace current Backhoe with enclosed cab unit in summer of 2013.
- Work with Engineering staff on water main replacement priority list in FY 2013-14. 
- Continue cross-training employees in the safe repair and maintenance of the water distribution system to provide better staff coverage during emergency water repairs.
- Work with Public Works staff on Corpyard relocation opportunities. 
- Upgrade the Corporation Yard fleet shop electrical panel, repave the parking lot, install a privacy fence, and improve employee lunch/meeting room in summer 2013.
- Maintain excellent safety record.
- Work with engineering to develop and maintain our commitment to reducing trash to meet goals set by the regional water board.
- Continue to improve upon the condition of sidewalks, curb and gutters and storm drain improvements. 

Budgets for Fiscal Years 2013-2014 and 2014-2015

PUBLIC WORKS DEPARTMENT EXPENDITURES

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Public Works Department</i>						
01 502 INSPECTION						
Labor	930,578	916,472	964,693	48,221	969,377	4,684
Operating	(51,757)	(75,494)	(84,847)	(9,353)	(103,732)	(18,885)
Direct & Indirect Costs	(114,035)	(127,763)	(108,428)	19,335	(119,241)	(10,813)
TOTAL INSPECTION	<u>764,785</u>	<u>713,215</u>	<u>771,418</u>	<u>58,203</u>	<u>746,403</u>	<u>(25,014)</u>
01 503 CODE ENFORCEMENT						
Labor	112,518	40,340		(40,340)		
Operating	9,412	7,348		(7,348)		
Direct & Indirect Costs	4,664	4,493		(4,493)		
TOTAL CODE ENFORCEMENT	<u>126,594</u>	<u>52,181</u>		<u>(52,181)</u>		
01 710 TRAFFIC CONTROL MAINTENANCE						
Operating	131,310	141,285	141,285		141,285	
Direct & Indirect Costs						
TOTAL TRAFFIC CONTROL MAINT.	<u>131,310</u>	<u>141,285</u>	<u>141,285</u>		<u>141,285</u>	
01 712 STREET LIGHTING						
Operating	331,336	317,000	325,000	8,000	325,000	
Direct & Indirect Costs	12,003	10,335	16,301	5,966	10,532	(5,769)
TOTAL STREET LIGHTING	<u>343,339</u>	<u>327,335</u>	<u>341,301</u>	<u>13,966</u>	<u>335,532</u>	<u>(5,769)</u>
01 720 PARKS GROUNDS MAINTENANCE						
Labor	954,702	984,136	997,697	13,561	1,008,645	10,948
Operating	366,112	449,762	455,590	5,828	452,914	(2,677)
Capital						
Direct & Indirect Costs	(86,412)	(77,913)	(71,776)	6,137	(74,538)	(2,762)
TOTAL PARK GROUNDS MAINT.	<u>1,234,402</u>	<u>1,355,985</u>	<u>1,381,510</u>	<u>25,525</u>	<u>1,387,020</u>	<u>5,510</u>

Budgets for Fiscal Years 2013-2014 and 2014-2015

	2011-12 Actual	2012-13 Projected	2013-14 Budget	<i>Increase (Decrease)</i>	2014-15 Budget	<i>Increase (Decrease)</i>
01 723 CEMETERY MAINTENANCE						
Operating	3,772	3,191	3,250	59	3,250	
Direct & Indirect Costs						
TOTAL CEMETERY MAINTENANCE	<u>3,772</u>	<u>3,191</u>	<u>3,250</u>	<u>59</u>	<u>3,250</u>	
01 724 OPEN SPACE MAINTENANCE						
Operating	47,680	55,137	63,300	8,163	63,300	
Direct & Indirect Costs	90,764	76,872	76,776	(96)	79,538	2,762
TOTAL OPEN SPACE MAINTENANCE	<u>138,444</u>	<u>132,009</u>	<u>140,076</u>	<u>8,067</u>	<u>142,838</u>	<u>2,762</u>
01 730 PUBLIC FACILITIES MAINTENANCE						
Operating	140,377	160,677	138,745	(21,932)	138,747	2
Direct & Indirect Costs	75,604	64,695	104,189	39,494	66,892	(37,297)
TOTAL PUBLIC FACILITIES MAINT.	<u>215,981</u>	<u>225,372</u>	<u>242,934</u>	<u>17,562</u>	<u>205,639</u>	<u>(37,294)</u>
01 790 CITY HALL BUILDING MAINTENANCE						
Labor	121,696	122,299	123,206	907	124,198	992
Operating	457,724	441,536	196,271	(245,265)	198,929	2,658
Direct & Indirect Costs	(579,419)	(563,835)	(319,477)	244,358	(323,127)	(3,650)
TOTAL BUILDING MAINTENANCE	<u>0</u>					<u>(0)</u>
01 791 MAINTENANCE SERVICES						
Labor	881,708	973,654	1,056,360	82,706	1,070,199	13,839
Operating	(114,608)	(144,069)	(70,314)	73,755	(92,862)	(22,548)
Direct & Indirect Costs	(173,277)	(160,082)	(234,276)	(74,194)	(193,198)	41,078
TOTAL MAINTENANCE SERVICES	<u>593,824</u>	<u>669,503</u>	<u>751,769</u>	<u>82,266</u>	<u>784,139</u>	<u>32,370</u>
TOTAL PUBLIC WORKS DEPARTMENT	<u>\$ 3,552,450</u>	<u>\$ 3,620,076</u>	<u>\$ 3,773,544</u>	<u>\$ 153,468</u>	<u>\$ 3,746,108</u>	<u>\$ (27,436)</u>



Enterprise Funds

Community and Economic Development Department

Community Services & Recreation

Marina

Public Works Department

Water System Treatment & Meters

Parking Services



Enterprise Funds

Water System

Water Quality and Availability
Water System Treatment
Water Inspection and Security
Water System Maintenance
Water System Distribution

The City's Enterprise Funds include the Water System, Marina, and Parking Services. Each is financed and operated in a manner similar to a private business enterprise. The intent is that the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

WATER SYSTEM STAFFING

Marina

Site Improvements and Revitalization
Lease Management
Dredging and Breakwater

Water System Operations

Budgeted Positions

2011-12

2012-13

2013-14

2014-15

Water Superintendent

1.0

1.0

1.0

1.0

Assistant Water Superintendent

1.0

1.0

1.0

1.0

Administrative Aide II

1.0

1.0

1.0

Senior Meter Service Worker

1.0

1.0

1.0

1.0

Meter Service Worker

2.0

2.0

2.0

2.0

Meter Repair Worker

1.0

1.0

1.0

1.0

Senior Instrument Technician

1.0

1.0

1.0

1.0

Instrument Technician

1.0

1.0

1.0

1.0

Water Operations Supervisor

1.0

1.0

1.0

1.0

Water Plant Operator

5.0

5.0

5.0

5.0

14.0

15.0

15.0

15.0

(continued on next page)



Enterprise Funds

Water System	(Continued from previous page)				
Water Quality and Availability	WATER SYSTEM STAFFING				
Water System Treatment	<i>Water System Maintenance</i>				
Water Inspection and Security	<u>Budgeted Positions</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Water System Maintenance	Maintenance Supervisor*	1.0	1.0	1.0	1.0
Water System Distribution	Maintenance Lead Worker*	1.0	1.0	1.0	1.0
Marina	Maintenance Worker*	2.0	2.0	2.0	2.0
Site Improvements and Revitalization		4.0	4.0	4.0	4.0
Lease Management	Totals from previous page	14.0	15.0	15.0	15.0
Dredging and Breakwater	Water System Totals	18.0	19.0	19.0	19.0
Parking Services	PARKING SERVICES STAFFING				
Parking Meters	<u>Budgeted Positions</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Citations and Enforcement	Parking Meter Maintenance Worker**	1.0	1.0	1.0	1.0
Meter Maintenance and Collection					
*positions managed by Public Works, but funded by Water System					
**position managed by Public Works, but funded by Parking Fund					







WATER SYSTEM

The Water System provides a reliable supply of high quality potable water in sufficient quantity to meet the needs of Martinez residents and businesses. The safety of the water and the health of the community are ensured through the use of advanced technology, proper water treatment, water quality analysis, treatment plant maintenance, backflow prevention, and distribution system maintenance and upgrades.

2011-2013 ACCOMPLISHMENTS

- Received findings from the California Department of Public Health (CDPH) following a sanitary survey of the Martinez Water System that concluded the Water System provides a reliable water supply meeting all primary and secondary drinking water standards.
- Received renewed certification in the Environmental Laboratory Accreditation Program, involving extensive review of laboratory practices, documentation, and methods of testing water samples for compliance with State and Federal regulations.
- Completed replacement of the source water pipeline from Terminal Reservoir to the Water Treatment Plant in December 2013.
- Completed the Water Treatment Plant Master Plan in January 2012.
- Completed a GIS program for the Water System.

2013-2015 OBJECTIVES

- Complete recruitment and hiring of vacant Superintendent position.
- Continue providing high quality water at affordable rates. 
- Complete Construction of a Chemical Containment Facility at the Water Treatment Plant by December 2013. 
- Begin implementing the next phases of the Water Treatment Plant Master Plan in FY 2013-14. 
- Upgrade ozone generation equipment in FY 2014-15. 
- Upgrade the Water Treatment Plant Supervisory Control and Data Acquisition (SCADA) system by December 2014. 
- Complete a \$2.2M upgrade of the Water Treatment Plant Electrical System by April 2015. 

MARINA

The Martinez Marina complex provides for recreational activities such as boating and walking along the trails throughout the Waterfront Park. The marina is also a regional asset that is home to Sea Scouts programs, eleven oil spill response boats, and launch point for tour and charter fishing boats. Many non-motorized boaters also launch from the marina regularly. Current berthing capacity is at 187 boat slips, but as of June 2013, significantly fewer (138) are actually berthed there. The Marina is managed by Almar Marina Management. This marina is operated through an enterprise fund in which all revenue goes back into the operation and improvement of the marina.

2011-2013 ACCOMPLISHMENTS

- Completed dredging of entryway, guest dock, and select slips in 2012.
- Completed a Phase I Feasibility Analysis for hotel, restaurant and other economic development in the marina complex in 2013.
- Proposed alternative marina fiscal and operations model to Department of Boating and Waterways in 2012.
- Reduced operational costs by \$25,000 in 2013 by reducing staffing levels at the bait shop.
- Completed SMHM mitigation negotiations and plan with United States Fish and Wildlife Service in 2013.
- Initiated CEQA analysis for a proposed restaurant at the old Albatross site in 2013.

2013-2015 OBJECTIVES

- Renovate and expand bait shop to include concessions by 2014.
- Renegotiate loan payments with State in 2013-14 with the help of Apex consulting group in Sacramento. 🌐
- Initiate legislative process with Senator Wolks's office for Land Grant in 2015. 🌐
- Present comprehensive position paper to Council in July 2013 to receive direction as to future plans for the Marina, including the possibility of phasing out boats in the Marina.




PARKING SERVICES

Parking Services revenue is generated from parking meter collections. Responsibilities of this program include collecting parking meter revenues according to specified schedules; depositing meter revenue, submitting deposit verifications, and maintaining collection records; installing parking meters and repairing meter clock mechanisms; testing parking meter timing devices at the request of the Police Department or Municipal Court; and responding to general inquiries from the public regarding traffic signs, parking meters and parking ordinances. One full-time position is allocated to this Fund; however, certain enforcement activities from the Police Department and maintenance activities from Public Works are also charged against this Fund.

2011-2013 ACCOMPLISHMENTS

- Implemented pilot study of credit card enabled meters on Main Street.
- Utilized the City web site to show juror parking areas.
- Reviewed fee structure and made recommendations for adjustment.
- Hired parking consultant to assist with RFP for downtown parking needs assessment.

2013-2015 OBJECTIVES

- Expand the credit card enabled meter program to juror parking areas in FY 2013-14.
- Enhance the City's web site to inform potential downtown visitors of parking options in FY 2014-15. 
- Release RFP for replacement of old and outdated parking meters with new heads in 2013. 
- Utilize parking consultant to develop and release RFP and review vendor proposals by September 2013 for Downtown Martinez Parking Needs Assessment. 

ENTERPRISE FUNDS MAJOR CAPITAL IMPROVEMENT PROJECTS

The following is a list of major, non-routine capital projects scheduled for FY 2013-15.

MARINA

The Dredge Mitigation: Staff is working through a consultant with the Fish and Wildlife Services on developing an affordable mitigation plan for the 2012 Dredge Project. Implementation of the plan will immediately follow its approval. (FY 2013)

WATER SYSTEM

The City Council approved the Water System Master Plan Update in 2006 and the Water Treatment Plant Master Plan in 2012. The Plans prioritize projects to the water system and Treatment Plant over the next several years.

ANNUAL WATER MAIN REPLACEMENT PROJECT

This project replaces approximately 2,000 linear feet of old pipelines per year. (FY 13-15)

WATER TREATMENT PLANT ELECTRICAL UPGRADE

Much of existing Plant electrical system is old and corroded. In addition, the existing system does not allow for even minor expansions to the plant. This project will replace and upgrade the majority of the electrical backbone at the Water Treatment Plant and bring the system up to current electrical codes. This is Phase one of a two phase project which address the most critical needs. (FY 13-15)

WATER TREATMENT PLANT SEISMIC UPGRADE

This project will address seismic deficiencies in the 1948 Building at the Water (FY 13-15)

WATER TREATMENT PLANT FLOCCULATION PADDLE REPLACEMENT

This project will replace the wood paddles in the settling basins used to assist the flocculation process for the removal of solids in the water treatment process. (FY 14-15)

WATER TREATMENT PLANT ROOF REPLACEMENT

Many of the structures at the Plant are due for re-roofing. This project will address the roofing needs on five of the buildings in the Plant. (FY 14-15)

WATER TREATMENT PLANT SOLAR PROJECT

This project would install solar panels at the water treatment plant. The panels will be installed over some decommissioned basins of the original plant. (FY 2014-15)

CITY WIDE VALVE REPLACEMENT AND VALVE EXERCISING EQUIPMENT

This project will purchase trailer mounted valve exercising equipment. Valve exercising is an important routine maintenance activity to ensure the reliability of the valves during water main break response and routing water pipe replacement projects. (FY 13-14)

ARNOLD DRIVE PUMP STATION

Due to age and condition the Arnold Drive Pump Station has been scheduled for replacement. The capacity of the station will be increased slightly with the replacement of the pumps to meet future demands. (FY 13-15)

WATER SYSTEM GIS BASED HYDRAULIC MODELING

The ability to determine how, at what pressure and at what volume water moves through the City's water system is critical for determine impacts of new development and for prioritizing pipe replacement projects. In addition the data is used for the required Urban Water Management Plan Update due in 2015. (FY 13-14)

PARKING

DOWNTOWN PARKING UTILIZATION STUDY

The City Council has indicated a desire to install credit card enabled parking meters. The first phase of the project will include the purchase of approximately 160 meters on Main Street and long term parking areas used by Jurors in 2013. Future phases include the purchase of approximately 100 credit card enabled meters per year prioritizing heavily used long term parking areas first. (FY 13-15)

Budget for Fiscal Years 2013-14 and 2014-15

ENTERPRISE FUNDS - SUMMARY

Fund #	Fund Balance 6-30-13	2013-14			Fund Balance 6-30-14	2014-15			Fund Balance 6-30-15
		Budget Revenues 2013-14	Budget Appropriations 2013-14	Transfers In(Out) 2013-14		Budget Revenues 2014-15	Budget Appropriations 2014-15	Transfers In(Out) 2014-15	
71 Water System	\$ 7,613,624	\$ 10,400,800	\$ 8,819,358	\$ (5,034,770)	\$ 4,160,296	\$ 10,594,900	\$ 8,980,511	\$ (4,375,984)	\$ 1,398,702
72 Water Capital Projects	2,974,683		6,180,000	3,900,000	694,683		3,250,000	3,250,000	694,683
47 Water Debt Service Fund	0		1,159,770	1,159,770			1,151,984	1,151,984	
Total Water System	10,588,307	10,400,800	16,159,128	25,000	4,854,979	10,594,900	13,382,494	26,000	2,093,385
73 Marina	(2,646,569)	197,664	83,190	(114,000)	(2,646,095)	197,664	83,198	(114,000)	(2,645,629)
74 Marina CIP	0		100,000	100,000				0	
48 Marina Debt Service	0		114,000	114,000			114,000	114,000	
Total Marina	(2,646,569)	197,664	297,190	100,000	(2,646,095)	197,664	197,198	0	(2,645,629)
75 Parking Services	897,020	422,000	321,684	(100,000)	897,336	422,000	326,892	-	992,444
76 Parking Services CIP	0		100,000	100,000				0	
Total Parking Services	897,020	422,000	421,684	0	897,336	422,000	326,892	0	992,444
Total Enterprise Funds	\$ 8,838,758	\$ 11,020,464	\$ 16,878,002	\$ 125,000	\$ 3,106,220	\$ 11,214,564	\$ 13,906,584	\$ 26,000	\$ 440,200

Budget for Fiscal Years 2013-14 and 2013-14

ENTERPRISE FUNDS TRANSFER SUMMARY

To Fund	From Fund	Purpose	Transfer In & Transfer Out 2011-12	Transfer In & Transfer Out 2012-13	Transfer In & Transfer Out 2013-14	Transfer In & Transfer Out 2014-15
Transfers In						
Water System	General Fund	Lifeline			25,000	26,000
Marina Fund	General Fund-Assigned Fund Balance	Marina & Park Master Plan		125,000		
Marina Fund	General Fund-Assigned Fund Balance	2012 Dredge		65,000	100,000	
Marina Fund	General Fund-Assigned Fund Balance	CEQA		40,000		
Marina Fund	General Fund	Consultant		20,000		
	Sub-Total Transfer In		-	250,000	125,000	26,000
	Sub-Total Transfer Out		-	-	-	-
	TOTAL NET INTERFUND TRANSFERS		\$ -	\$ 250,000	\$ 125,000	\$ 26,000

Budget for Fiscal Years 2013-14 and 2014-15

ENTERPRISE FUNDS - REVENUE

	2011-12	2012-13	2013-14	2014-15
	Actual	Projected	Budget	Budget
Water System (71)				
4600 Charges for Services	\$ 3,595,280	\$ 3,400,000	\$ 3,600,000	\$ 3,672,000
4701 Interest Income	48,608	60,000	50,000	50,000
4750 Rents, Leases & Royalties	29,421	26,000	30,000	30,000
4772 Return Check Charges	749	900	1,000	1,000
4775 Refunds, Rebates & Reimbursements	55,936		0	0
4921.1 Zone 1 Water Sales	2,679,711	2,703,000	2,705,000	2,759,100
4921.2 Zone 2 Water Sales	3,076,789	3,162,000	3,100,000	3,162,000
4921.3 Zone 3 Water Sales	206,645	224,400	210,000	214,200
4921.4 Zone 4 Water Sales	105,533	96,900	110,000	112,200
4921.9 Unbilled Water Sales	102,693			
4923 Penalty Charges	62,127	60,000	60,000	60,000
4924 Backflow Charges	97,617	95,000	95,000	95,000
4925 Account Establishment Fee	13,428	13,000	13,000	13,000
4931 Development Connection Charge	73,391	60,000	60,000	60,000
4932 Service Line Fee	7,420	10,000	10,000	10,000
4933 Meter Installation Fee	1,485	5,000	5,000	5,000
4934 Other Charges	165	500	500	500
4936 Hydrant Meter Charge	30,613	30,000	30,000	30,000
4938 Water Fire Service Charge	291,790	270,000	295,000	300,900
4939 Water Trip Charge	8,051	5,000	5,000	5,000
4870 Miscellaneous Revenue	150	15,000	5,000	5,000
4001 Workers Comp/Liability Rebate		24,937	16,300	10,000
Sub-total Operating Revenues	10,487,601	10,261,637	10,400,800	10,594,900
4001 Transfers In			25,000	26,000
Total Water Operations	\$ 10,487,601	\$ 10,261,637	\$ 10,425,800	\$ 10,620,900

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12	2012-13	2013-14	2014-15
	Actual	Projected	Budget	Budget
Marina Operations (73)				
4112 Personal Property Tax	4,883	4,610	4,800	4,800
4115 Sales & Use Tax	8,827	8,000	6,000	6,000
4701 Interest Income	576	800	500	500
4750 Rents, Leases & Royalties	57,063	58,015	54,000	54,000
4750.1 Rents - Trust Land			9,000	9,000
4796 Marina Management	115,583	120,863	115,000	115,000
4795 Railroad Lease	8,364	8,364	8,364	8,364
4001 Transfers In from General Fund Assigned Fund Balance		20,000		
Total Marina Operations	195,297	220,652	197,664	197,664
Marina Capital Projects (74)				
4001 Transfers In from General Fund Assigned Fund Balance		230,000	100,000	
4802 Donation	181,057	318,943		
4520.5 State Grant-Coastal Conservancy				
Total Marina Capital Projects	181,057	548,943	100,000	-
Parking Services (75)				
4111 Real Property Tax	\$ 48,909	\$ 53,000	\$ 53,000	\$ 53,000
4701 Interest Income	3,122	4,000	4,000	4,000
4420.8 Parking District Fee				
4520.3 State Grant-TFCA				
4875 Refunds, Rebates & Reimbursements	2,565			
4974 Platforms		10,000	10,000	10,000
4971 Parking Meters	295,021	350,000	320,000	320,000
4972 Parking Permits	29,667	40,000	35,000	35,000
Total Parking Services	379,284	457,000	422,000	422,000
TOTAL REVENUE ENTERPRISE FUNDS	\$ 11,243,240	\$ 11,488,232	\$ 11,145,464	\$ 11,240,564

Budget for Fiscal Years 20113-14 and 2014-15

ENTERPRISE FUNDS - EXPENDITURES

			2011-12 Actual	2012-13 Projected	2013-14 Budget	Increase (Decrease)	2014-15 Budget	Increase (Decrease)
Operations-Water System								
71	910	WATER ADMINISTRATION						
		Labor	\$ 215,293	\$ 200,338	\$ 247,865	\$ 47,527	\$ 248,607	\$ 742
		Operating	2,639,318	777,174	726,823	(50,351)	733,509	6,687
		Direct & Indirect Costs	940,502	982,261	889,592	(92,669)	911,949	22,357
		TOTAL WATER ADMINISTRATION	3,795,113	1,959,773	1,864,280	(95,493)	1,894,065	29,785
71	911	WATER TREATMENT						
		Labor	1,056,278	1,068,617	1,139,639	71,022	1,150,240	10,601
		Operating	3,629,606	3,952,244	3,803,546	(148,698)	3,920,240	116,693
		Capital		37,000	37,000		37,000	
		Direct & Indirect Costs						
		TOTAL WATER TREATMENT	4,685,884	5,057,861	4,980,186	(77,675)	5,107,480	127,294
71	912	WATER DISTRIBUTION						
		Labor	879,458	971,094	990,131	19,037	989,398	(734)
		Operating	596,268	935,173	880,710	(54,463)	883,448	2,738
		Capital						
		Direct & Indirect Costs	108,620	93,917	104,052	10,135	106,120	2,069
		TOTAL WATER DISTRIBUTION	1,584,345	2,000,184	1,974,893	(25,291)	1,978,966	4,073
TOTAL WATER SYSTEM OPERATIONS			10,065,342	9,017,818	8,819,358	(198,460)	8,980,511	161,153

Budget for Fiscal Years 20113-14 and 2014-15

			2011-12	2012-13	2013-14	Increase	2014-15	Increase
			Actual	Projected	Budget	(Decrease)	Budget	(Decrease)
Capital Projects-Water System								
72	C7008	HARBORVIEW RESERVOIR REPL.	293	1,563,967	2,280,000	716,033		(2,280,000)
72	C7009	HILLSIDE RESERVIOIR FENCE		350,000		(350,000)		
72	C7013	CORP YARD CONSOLIDATION		532,862		(532,862)		
72	C7014	CATHODIC PROGRAM		54,027		(54,027)		
72	C7019	HARBORVIEW RE/VISTA WY	1,110	261,508		(261,508)		
72	C7020	ST MARY'S PUMP STATION		294,979		(294,979)		
72	C7021	WATER PLANT MASTER PLAN	138,251	25,942		(25,942)		
72	C7022	REPLACE RAW WATER LINE	712,847	568,080		(568,080)		
72	C7023	MUIR OAKS RESERVIOIR	116,228	208,772		(208,772)		
72	C7025	ALHAMBRA WAY TRANS. LINE		200,000		(200,000)		
72	C7026	WATER PLANT TANK REPAIR		46,897		(46,897)		
72	C7027	WATER PLANT-PAINT BLDG		50,000		(50,000)		
72	C7028	WATER MAIN		350,000		(350,000)		
72	C7030	WATER SYSTEM GIS	80,592	189,366		(189,366)		
72	C7031	ARCH STREET OVERCROSSING		150,000		(150,000)		
72	C7032	HILLSIDE RESERVIOIR ACCESS		75,000		(75,000)		
72	C7033	ALHAMBRA HILLS DRIVE MAIN		150,000		(150,000)		
72	C7034	PALM AVENUE MAIN		200,000		(200,000)		
72	C7035	MASTER WATER MAIN REPLACEMENT		350,000	350,000		350,000	
72	C7036	CHEM RM/TANK RELOCATION	8,802	836,198		(836,198)		
72	C7037	ELECTRICAL UPGRADE		375,700	1,800,000	1,424,300		(1,800,000)
72	C7038	WATER SYSTEM GIS/HYDRAULIC MODELING			125,000	125,000		(125,000)
72	C7039	VALVE REPLACEMENT & EXERCISING EQUIPMENT			150,000	150,000		(150,000)
72	C7040	ARNOLD DRIVE PUMP STATION			200,000	200,000	1,500,000	1,300,000
72	C7015	SCADA CONTROL SYSTEM UPGRADE			75,000	75,000		(75,000)
72	C7042	SEISMIC UPGRADE			1,200,000	1,200,000		(1,200,000)
72	C7043	MUIR & MORELLO ROAD PIPELINES					400,000	400,000
72	C7044	FLOCCULATION PADDLES					200,000	200,000
72	C7045	TREATMENT PLANT ROOF					300,000	300,000
72	C7046	RTREATMENT PLANT SOLAR PROJECT					500,000	500,000
TOTAL WATER CAPITAL PROJECTS			1,058,122	6,833,298	6,180,000	(653,298)	3,250,000	(2,930,000)

Budget for Fiscal Years 2011-12 and 2014-15

			<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Increase</u>	<u>2014-15</u>	<u>Increase</u>
			<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Debt Service-Water System</i>								
47	441	DEBT SERVICE 2012 COP						
		Operating	2,797	3,500	3,500		3,500	
		Principal		440,000	450,000	10,000	455,000	5,000
		Interest	92,320	255,250	246,350	(8,900)	237,300	(9,050)
		TOTAL 2012 COP	<u>95,117</u>	<u>698,750</u>	<u>699,850</u>	<u>1,100</u>	<u>695,800</u>	<u>(4,050)</u>
47	441	DEBT SERVICE 2003 COP						
		Operating	81,686	4,000	4,000		4,000	
		Principal	345,000	355,000	370,000	15,000	380,000	10,000
		Interest	110,083	98,839	85,920	(12,919)	72,184	(13,736)
		TOTAL 2003 COP	<u>536,769</u>	<u>457,839</u>	<u>459,920</u>	<u>2,081</u>	<u>456,184</u>	<u>(3,736)</u>
47	441	DEBT SERVICE 1999 COP						
		Operating	119,164					
		Principal	195,000					
		Interest	166,658					
		TOTAL 1999 COP	<u>480,822</u>					
			1,112,707	1,156,589	1,159,770	3,181	1,151,984	(7,786)
		TOTAL WATER SYSTEM FUND	<u>\$ 12,236,172</u>	<u>\$ 17,007,705</u>	<u>\$ 16,159,128</u>	<u>\$ (848,577)</u>	<u>\$ 13,382,494</u>	<u>\$ (2,776,634)</u>

Budget for Fiscal Years 2013-14 and 2014-15

			<u>2011-12</u> <u>Actual</u>	<u>2012-13</u> <u>Projected</u>	<u>2013-14</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2014-15</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Marina</i>								
73	920	MARINA ADMINISTRATION						
		Labor	\$ -	\$ -	\$ -		\$ -	
		Operating	107,084	104,889	49,775	(55,114)	49,775	
		Capital						
		Direct & Indirect Costs						
		TOTAL MARINA ADMINISTRATION	<u>107,084</u>	<u>104,889</u>	<u>49,775</u>	<u>(55,114)</u>	<u>49,775</u>	
73	921	MARINA OPERATIONS						
		Labor						
		Operating	25,638	53,407	33,415	(19,992)	33,423	8
		Capital						
		Direct & Indirect Costs						
		TOTAL MARINA OPERATIONS	<u>25,638</u>	<u>53,407</u>	<u>33,415</u>	<u>(19,992)</u>	<u>33,423</u>	<u>8</u>
		TOTAL MARINA SERVICES	<u>132,721</u>	<u>158,296</u>	<u>83,190</u>	<u>(75,106)</u>	<u>83,198</u>	<u>8</u>

Budget for Fiscal Years 2013-14 and 2014-15

		<u>2011-12</u> <u>Actual</u>	<u>2012-13</u> <u>Projected</u>	<u>2013-14</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2014-15</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Capital Projects-Marina</i>							
74	C8008 2012 DREDGE/MITIGATION	181,057	383,943	100,000	(283,943)		(100,000)
	C8009 MASTER PLAN		125,000		(125,000)		
	C8010 CEQA		40,000		(40,000)		
	TOTAL CAPITAL PROJECTS	<u>181,057</u>	<u>548,943</u>	<u>100,000</u>	<u>(448,943)</u>		<u>(100,000)</u>
 <i>Debt Service-Marina</i>							
73	863	MARINA DEBT SERVICE					
		Principal	40,765	42,000		42,000	
		Interest	96,920	71,267	733	72,000	
		TOTAL MARINA DEBT SERVICE	<u>137,684</u>	<u>71,267</u>	<u>733</u>	<u>114,000</u>	
		TOTAL MARINA SERVICES FUND	<u>\$ 451,463</u>	<u>\$ 778,506</u>	<u>\$ 297,190</u>	<u>\$ 197,198</u>	<u>\$ (99,992)</u>

Budget for Fiscal Years 2013-14 and 2014-15

				<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Increase</u>	<u>2014-15</u>	<u>Increase</u>
				<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Parking Services</i>									
75	930	PARKING SERVICES							
		Labor		\$ 85,773	\$ 93,502	\$ 93,189	\$ (313)	\$ 94,081	\$ 891
		Operating		170,128	220,146	156,877	(63,269)	160,129	3,253
		Capital			5,000	5,000		5,000	
		Direct & Indirect Costs		107,722	50,045	66,618	16,573	67,682	1,064
		TOTAL PARKING SERVICES		<u>363,623</u>	<u>368,693</u>	<u>321,684</u>	<u>(47,009)</u>	<u>326,892</u>	<u>5,208</u>
<i>Capital Projects-Parking Services</i>									
76	C8502	PARKING LOT #4 (FERRY/MARINA VISTA)			125,000		(125,000)		
		CREDIT CARD PARKING METERS				100,000	100,000		(100,000)
		TOTAL CAPITAL IMPROVEMENTS			<u>125,000</u>	<u>100,000</u>	<u>(25,000)</u>		<u>(100,000)</u>
		TOTAL PARKING SERVICES		<u>\$ 363,623</u>	<u>\$ 493,693</u>	<u>\$ 421,684</u>	<u>\$ (72,009)</u>	<u>\$ 326,892</u>	<u>\$ (94,792)</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenue derived from specific taxes or other revenue sources that are restricted by law or administrative action to expenditure for specified purposes. The list below summarizes the City's Special Revenue Funds:

Public Safety Grants Fund

This fund accounts for revenues received from the Federal and State governments to be used specifically for public safety equipment and personnel.

NPDES Stormwater Fund

These funds account for the revenues and expenditures from assessments levied on all real property in the City in compliance with the provisions of the National Pollutant Discharge Elimination System for prevention of stormwater and flood related damage.

Measure J Fund

This fund receives voter-approved, half cent countywide sales taxes levied to fund transportation improvements and disburses these funds to pay for local street improvements.

Gas Tax Funds

These funds account for the revenues received from the State under codes 2105, 2106, and 2107 to use for street and highway related projects.

Traffic Congestion Relief

This fund accounts for the revenues received from the State under AB 2928. The allocations must be spent on local streets and roads maintenance, and rehabilitation and reconstruction projects according to the State's Traffic Congestion Relief Plan.

Housing In-Lieu

This fund accounts for deposits received from a developer who may be required to pay a fee in lieu of affordable housing. The funds are to be used at the City's discretion for the provision of affordable housing to low and moderate income households.

Proposition 1B Fund

This fund accounts for the 2006 voter approved Proposition 1B funds to be used for street improvements, including pavement rehabilitation projects.

PEG Access Fund

This fund accounts for the payments received by the City's cable provider to be used for public, educational and governmental capital support as provided by the City's franchise agreement.

Lighting and Landscaping Fund

This fund accounts for the installation, maintenance and improvement of subdivision landscape and lighting within the special districts. Monies are collected through an annual levy on the property owners within each district.

Mitigation/Impact Fees

Fees are collected from developers to mitigate the impact of new development.

Recycling Fund

Revenue comes from grants received from the State of California for the disposal of used oil and recycling. The City also receives funds from our solid waste and recycling hauler to cover costs to implement Assembly Bill 939 and Climate Action Plan initiatives, as well as to help offset differential impacts from the hauler's operations.

Budget for Fiscal Years 2013-14 and 2014-15

SPECIAL REVENUE FUNDS - SUMMARY

Fund #	Fund Balance 6-30-13	2013-14			Fund Balance 6-30-14	2014-15			Fund Balance 6-30-15
		Budget Revenues 2013-14	Budget Appropriations 2013-14	Budget Transfers In(Out) 2013-14		Budget Revenues 2014-15	Budget Appropriations 2014-15	Budget Transfers In(Out) 2014-15	
20 Public Safety Grants Fund	\$ 114,904	\$ 100,000	\$ 100,000		\$ 114,904	\$ 100,000	\$ 100,000		\$ 114,904
21 NPDES-Stormwater	278,030	492,800	458,527	(700)	311,603	492,800	441,171	(25,000)	338,232
22 Measure J-Local	424,836	417,000	195,915	(425,000)	220,921	417,000	194,940	(358,000)	84,981
23 Gas Tax	441,567	1,077,400	570,650	(722,000)	226,317	1,077,400	510,267	(615,000)	178,450
27 Housing In-Lieu Fund	0				0				0
28 Proposition 1B	0				0				0
29 Recycle Fund	306,926	26,300	175,300		157,926	26,300	174,675		9,551
36 PEG Access Fund	407,065	55,000	65,000		397,065	55,000	65,000		387,065
Sub-totals	1,973,328	2,168,500	1,565,392	(1,147,700)	1,428,736	2,168,500	1,486,053	(998,000)	1,113,183
Assessment Districts									
33 Lighting & Landscape	181,587	119,418	200,670	13,700	114,035	119,418	155,670	-	77,783
Sub-totals	181,587	119,418	200,670	13,700	114,035	119,418	155,670		77,783
Mitigation/Impact Fees									
34 Traffic	409,379	12,000		(350,000)	71,379	12,000			83,379
34 Park In Lieu	295,386	7,000			302,386	7,000			309,386
34 Child Care	21,752	2,500			24,252	2,500			26,752
34 Zone 5 Drainage	105,152	2,500			107,652	2,500			110,152
34 Cultural & Arts	230,020	11,600			241,620	11,600			253,220
34 Police Facilities	17,320	500			17,820	500			18,320
34 Park & Recreation	155,459	8,600			164,059	8,600			172,659
Sub-totals	1,234,468	44,700		(350,000)	929,168	44,700			973,868
Total Special Revenue Funds	\$ 3,389,383	\$ 2,332,618	\$ 1,766,062	\$ (1,484,000)	\$ 2,471,939	\$ 2,332,618	\$ 1,641,723	\$ (998,000)	\$ 2,164,833

Budget for Fiscal Years 2013-14 and 2014-15

SPECIAL REVENUE FUNDS TRANSFER SUMMARY

To Fund	From Fund	Purpose	Transfer In & Transfer Out 2011-12	Transfer In & Transfer Out 2012-13	Transfer In & Transfer Out 2013-14	Transfer In & Transfer Out 2014-15
Lighting & Landscape	General Fund	Share of LLD	\$ 5,000	\$ 7,000	\$ 6,000	
Lighting & Landscape	NPDES-Stormwater	LL917 Share of LLD	700	700	700	
Lighting & Landscape	Gas Tax	LL917 Share of LLD		2,760	7,000	
Sub-Total Transfer In			5,700	10,460	13,700	-
Lighting & Landscape	NPDES-Stormwater	LL917 Share of LLD	700	700	700	
Capital Improvement Program	NPDES-Stormwater	C3002 Alhambra Creek Channel Maint.	25,000	25,000		25,000
Capital Improvement Program	Measure J - Local	Annual Pavement Management		400,000	400,000	100,000
Capital Improvement Program	Measure J - Local	C1046 Reliez Valley	500,000			
Capital Improvement Program	Measure J - Local	C2002 Bay Trail Phase 2	25,000	41,000		
Capital Improvement Program	Measure J - Local	C1047 Downtown PDA Pavement Restoration				258,000
Capital Improvement Program	Measure J - Local	C2007 Alhambra Valley Sidewalk			25,000	
Lighting & Landscape	Gas Tax	LL917 Share of LLD		2,760	7,000	
Capital Improvement Program	Gas Tax	C1044 Paving 2012-13	350,000	200,000		
Capital Improvement Program	Gas Tax	Annual Pavement Management		500,000	600,000	500,000
Capital Improvement Program	Gas Tax	C1010 ADA Ramps		85,000	25,000	25,000
Capital Improvement Program	Gas Tax	C2006 Downtown Bicycle Project		3,282		
Capital Improvement Program	Gas Tax	C3008 Annual Storm Drain Maintenance	25,000	100,000	25,000	25,000
Capital Improvement Program	Gas Tax	C1040 Annual Sidewalk Repair		35,000	15,000	15,000
Capital Improvement Program	Gas Tax	EEC1 LED Street Lights			50,000	50,000
Capital Improvement Program	Mitigation Fees-Traffic	C1049 Alhambra Ave/C Street Signal			275,000	
Capital Improvement Program	Mitigation Fees-Traffic	C1050 Muir/Center Signal Modification			50,000	
Capital Improvement Program	Mitigation Fees-Traffic	C2008 Shell Ave Pedestrian/Bicycle Project			25,000	
Capital Improvement Program	Mitigation Fees-Park In Lieu	C5002 Waterfront Road Open Space		50,000		
Sub-Total Transfer Out			925,700	1,442,742	1,497,700	998,000
TOTAL TRANSFERS IN (OUT)			\$ (920,000)	\$ (1,432,282)	\$ (1,484,000)	\$ (998,000)

Budget for Fiscal Years 2013-14 and 2014-15

SPECIAL REVENUE FUNDS - REVENUE

		2011-12	2012-13	2013-14	2014-15
		Actual	Projected	Budget	Budget
Public Safety Grants Fund (20)					
4269	Asset Seizure	\$ 1,608	\$ 1,608		\$ -
4521.3	SLESF	113,244	100,000	100,000	100,000
4521.4	Federal Grant-OTS	4,537	16,315		
4535	Federal Grant-Jag Awards	4,217	15,159		
4701	Interest Income	219	220		
4802	Donations	948	822		
	Total Police Grants	124,772	134,124	100,000	100,000
NPDES-Stormwater (21)					
4180	NPDES Assessment	496,524	492,000	492,000	492,000
4701	Interest Income	513	800	800	800
	Total NPDES	497,037	492,800	492,800	492,800
Measure J - Local (22)					
4360	Local Measure C and J	509,449	415,000	415,000	415,000
4511	Grant				
4701	Interest	2,561	2,000	2,000	2,000
	Total Measure C - Local	512,010	417,000	417,000	417,000
Gas Tax (23)					
4350.3	2103 Gas Tax	496,094	352,000	522,200	522,200
4350.5	2105 Gas Tax	167,859	157,000	172,400	172,400
4350.6	2106 Gas Tax	123,326	117,000	119,100	119,100
4350.7	2107 Gas Tax	240,935	248,000	256,600	256,600
4350.8	2107.5 Gas Tax	6,000	6,000	6,000	6,000
4701	Interest Income	3,262	1,100	1,100	1,100
	Total Gas Tax	1,037,476	881,100	1,077,400	1,077,400

Budget for Fiscal Years 2013-14 and 2014-15

		2011-12	2012-13	2013-14	2014-15
		Actual	Projected	Budget	Budget
	Housing In-Lieu Fund (27)				
4421	Housing In-Lieu Fee				
4701	Interest				
	Total Housing In-Lieu	0	0	0	0
	Proposition 1B (28)				
4352	Proposition 1B				
4701	Interest	1,937			
	Total Proposition 1B	1,937	0	0	0
	Recycle Fund (29)				
4523.1	Recycle Grants	19,815	1,830		
4523.2	Oil Grants	10,537			
4877	AB939/IMPACT Fee	275,000	25,000	25,000	25,000
4430.2	State Green Program			300	300
4872	Solid Waste	869	1,000	1,000	1,000
	Total Recycle	306,221	27,830	26,300	26,300
	Lighting & Landscape (33)				
4001	Transfers In	5,700	10,460	13,700	
4185	Local Assessment	119,299	124,312	118,618	118,618
4701	Interest	859	5,000	800	800
	Total Lightening & Landscape	125,858	139,772	133,118	119,418
	Impact/Mitigation Fees (34)				
4701	Interest Income	3,107	4,100	4,100	4,100
4420.1	Traffic Mitigation Fees	14,792	70,000	11,000	11,000
4420.2	Park In-Lieu Fees	2,420	115,000	6,000	6,000
4420.3	Child Care Impact Fees	2,674	4,000	2,000	2,000
4420.4	Drainage Fees Zone 5	21,638	7,000	2,000	2,000
4420.5	Cultural Facilities Impact Fees	14,246	90,000	10,800	10,800

Budget for Fiscal Years 2013-14 and 2014-15

		2011-12	2012-13	2013-14	2014-15
		Actual	Projected	Budget	Budget
4420.6	Police Facilities Impact Fees	1,512	15,000	500	500
4420.7	Park & Recreation Impact Fees	12,002	70,000	8,300	8,300
	Total Impact/Mitigation Fees	72,392	375,100	44,700	44,700
	PEG Access Fund (36)				
4803	Grants	58,538	55,000	55,000	55,000
	Total PEG Access Fund	58,538	55,000	55,000	55,000
	TOTAL SPECIAL REVENUE	\$ 2,736,242	\$ 2,522,726	\$ 2,346,318	\$ 2,332,618

Budget for Fiscal Years 2013-14 and 2014-15

SPECIAL REVENUE FUNDS - EXPENDITURES

		<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Public Safety Grants Fund</i>							
20	650	FEDERAL-JAG AWARD					
	654	Labor					
	655	Operating					
		5,261	14,114		(14,114)		
		Direct & Indirect Costs					
		<u>5,261</u>	<u>14,114</u>	<u></u>	<u>(14,114)</u>	<u></u>	<u></u>
		TOTAL FEDERAL-JAG AWARD					
20	653	OFFICE OF TRAFFIC SAFETY					
	656	Labor					
	657	Operating					
		4,537	15,600		(15,600)		
			715		(715)		
		Direct & Indirect Costs					
		<u>4,537</u>	<u>16,315</u>	<u></u>	<u>(16,315)</u>	<u></u>	<u></u>
		TOTAL OFFICE OF TRAFFIC SAFETY					
20	636	SUPPLEMENTAL LAW ENFORCEMENT (SLESF)					
		Labor					
		Operating					
		100,365	100,000	100,000		100,000	
		Direct & Indirect Costs					
		<u>100,365</u>	<u>100,000</u>	<u>100,000</u>	<u></u>	<u>100,000</u>	<u></u>
		TOTAL SUPPLEMENTAL LAW ENF.					
20	368	C.E.R.T.					
		Labor					
		Operating					
		254	1,780		(1,780)		
		Direct & Indirect Costs					
		<u>254</u>	<u>1,780</u>	<u></u>	<u>(1,780)</u>	<u></u>	<u></u>
		TOTAL C.E.R.T.					

Budget for Fiscal Years 2013-14 and 2014-15

		<u>2011-12</u> <u>Actual</u>	<u>2012-13</u> <u>Projected</u>	<u>2013-14</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2014-15</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
20	367	SWAT FUND					
		Labor					
		Operating					
			2,079		(2,079)		
		Direct & Indirect Costs					
			2,079		(2,079)		
		TOTAL SWAT FUND					
20	298	ASSET SEIZURE					
		Labor					
		Operating					
		26,560	26,643		(26,643)		
		Direct & Indirect Costs					
		26,560	26,643		(26,643)		
		TOTAL ASSET SEIZURE					
20	365	CANINE FUND					
		Labor					
		Operating					
		1,624	907		(907)		
		Direct & Indirect Costs					
		1,624	907		(907)		
		TOTAL CANINE FUND					
20	330	DONATIONS					
		Labor					
		Operating					
			568		(568)		
		Direct & Indirect Costs					
			568		(568)		
		TOTAL DONATIONS					
20	209	EAST BAY REGIONAL RADIO COMMUNICATIONS					
		Labor					
		Operating					
		239,094	210,905		(210,905)		
		Direct & Indirect Costs					
		239,094	210,905		(210,905)		
		TOTAL EAST BAY REGIONAL RADIO					
		\$ 377,696	\$ 373,311	\$ 100,000	\$ (273,311)	\$ 100,000	\$ -

Budget for Fiscal Years 2013-14 and 2014-15

			<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Increase</u>	<u>2014-15</u>	<u>Increase</u>
			<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>NPDES-Stormwater</i>								
21	754	MUNICIPAL MAINTENANCE						
		Labor	88,374	87,455	89,979	2,524	90,093	114
		Operating	99,778	193,274	154,134	(39,140)	160,646	6,513
		Direct & Indirect Costs	8,653	7,477		(7,477)		
		TOTAL MUNICIPAL MAINTENANCE	<u>196,805</u>	<u>288,206</u>	<u>244,112</u>	<u>(44,094)</u>	<u>250,739</u>	<u>6,626</u>
21	757	AGENCY ADMINISTRATION						
		Operating	102,246	105,605	119,158	13,553	94,348	(24,810)
		Direct & Indirect Costs	35,194	86,362	95,257	8,895	96,084	827
		TOTAL AGENCY ADMINISTRATION	<u>137,440</u>	<u>191,967</u>	<u>214,415</u>	<u>22,448</u>	<u>190,432</u>	<u>(23,983)</u>
		TOTAL NPDES	334,245	480,173	458,527	(21,646)	441,171	(17,357)
21	900	TRANSFERS OUT						
		Transfer to Lighting & Landscape	700	700	700			
		Transfer to Capital Projects	25,000	25,000		(25,000)	25,000	25,000
		TOTAL TRANSFERS OUT	<u>25,700</u>	<u>25,700</u>	<u>700</u>	<u>(25,000)</u>	<u>25,000</u>	<u>25,000</u>
		TOTAL NPDES FUND	\$ 359,945	\$ 505,873	\$ 459,227	\$ (46,646)	\$ 466,171	\$ 7,643

Budget for Fiscal Years 2013-14 and 2014-15

			<u>2011-12</u> <u>Actual</u>	<u>2012-13</u> <u>Projected</u>	<u>2013-14</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2014-15</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Measure J - Local</i>								
22	760	MEASURE J - LOCAL						
		Labor						
		Operating	90,706	162,357	195,915	33,558	194,940	(974)
		Capital						
		Direct & Indirect Costs						
		TOTAL TRANSPORATION	<u>90,706</u>	<u>162,357</u>	<u>195,915</u>	<u>33,558</u>	<u>194,940</u>	<u>(974)</u>
22	900	TRANSFERS OUT						
		Transfer to Capital Projects	<u>525,000</u>	<u>441,000</u>	<u>425,000</u>	<u>(16,000)</u>	<u>358,000</u>	<u>(67,000)</u>
		TOTAL TRANSFERS OUT	<u>525,000</u>	<u>441,000</u>	<u>425,000</u>	<u>(16,000)</u>	<u>358,000</u>	<u>(67,000)</u>
		TOTAL LOCAL J	<u>\$ 615,706</u>	<u>\$ 603,357</u>	<u>\$ 620,915</u>	<u>\$ 17,558</u>	<u>\$ 552,940</u>	<u>\$ (67,974)</u>

Budget for Fiscal Years 2013-14 and 2014-15

			2011-12 Actual	2012-13 Projected	2013-14 Budget	Increase (Decrease)	2014-15 Budget	Increase (Decrease)
Gas Tax								
23	771	STREET MAINTENANCE						
		Operating	200,238	303,491	344,468	40,977	273,804	(70,664)
		Capital						
		Direct & Indirect Costs						
		TOTAL STREET MAINTENANCE	200,238	303,491	344,468	40,977	273,804	(70,664)
23	772	ARTERIAL MAINTENANCE						
		Operating	201,740	194,634	226,182	31,548	236,463	10,281
		Capital						
		Direct & Indirect Costs						
		TOTAL ARTERIAL MAINTENANCE	201,740	194,634	226,182	31,548	236,463	10,281
		TOTAL GAS TAS OPERATIONS	401,978	498,125	570,650	72,525	510,267	(60,383)
23	900	TRANSFERS OUT						
		Transfer to Lighting & Landscape		2,760	7,000			
		Transfer to Capital Projects	375,000	923,282	715,000	(208,282)	615,000	(100,000)
		TOTAL TRANSFERS OUT	375,000	926,042	722,000	(208,282)	615,000	(100,000)
		TOTAL GAS TAX FUND	\$ 776,978	\$ 1,424,167	\$ 1,292,650	\$ (135,757)	\$ 1,125,267	\$ (160,383)

Budget for Fiscal Years 2013-14 and 2014-15

		<u>2011-12</u> <u>Actual</u>	<u>2012-13</u> <u>Projected</u>	<u>2013-14</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2014-15</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Proposition 1B Funds</i>							
24	CAPITAL PROJECTS						
	Street Projects		540,800		(540,800)		
	TOTAL		540,800		(540,800)		
	TOTAL PROPOSITION 1B FUNDS	\$ -	\$ 540,800	\$ -	\$ (540,800)	\$ -	\$ -

Budget for Fiscal Years 2013-14 and 2014-15

		<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Increase</u>	<u>2014-15</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Recycle Fund</i>							
29	202 Recycle						
	Operating	132,936	169,673	175,300	5,627	174,675	(625)
	TOTAL RECYCLE	<u>132,936</u>	<u>169,673</u>	<u>175,300</u>	<u>5,627</u>	<u>174,675</u>	<u>(625)</u>
	TOTAL RECYCLE	<u>\$ 132,936</u>	<u>\$ 169,673</u>	<u>\$ 175,300</u>	<u>\$ 5,627</u>	<u>\$ 174,675</u>	<u>\$ (625)</u>

Budget for Fiscal Years 2013-14 and 2014-15

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>PEG Access Fund</i>						
24 900 PEG ACCESS						
Operating	<u>17,523</u>	<u>71,700</u>	<u>65,000</u>	<u>(6,700)</u>	<u>65,000</u>	<u></u>
TOTAL PEG ACCESS	<u>17,523</u>	<u>71,700</u>	<u>65,000</u>	<u>(6,700)</u>	<u>65,000</u>	<u></u>
TOTAL PEG ACCESS	<u>\$ 17,523</u>	<u>\$ 71,700</u>	<u>\$ 65,000</u>	<u>\$ (6,700)</u>	<u>\$ 65,000</u>	<u>\$ -</u>

Budget for Fiscal Years 2013-14 and 2014-15

		<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Increase</u>	<u>2014-15</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Lighting & Landscape</i>							
33	910 VILLAGE OAKS						
	Operating	3,801	7,670	4,930	(2,740)	4,930	
	Direct & Indirect Costs	300	300	300		300	
	TOTAL VILLAGE OAKS	<u>4,101</u>	<u>7,970</u>	<u>5,230</u>	<u>(2,740)</u>	<u>5,230</u>	
33	911 MUIR STATION						
	Operating	8,063	9,480	7,910	(1,570)	7,910	
	Direct & Indirect Costs	300	300	300		300	
	TOTAL MUIR STATION	<u>8,363</u>	<u>9,780</u>	<u>8,210</u>	<u>(1,570)</u>	<u>8,210</u>	
33	912 CREEKSIDE						
	Operating	3,912	25,180	35,080	9,900	20,080	(15,000)
	Direct & Indirect Costs	500	500	500		500	
	TOTAL CREEKSIDE	<u>4,412</u>	<u>25,680</u>	<u>35,580</u>	<u>9,900</u>	<u>20,580</u>	<u>(15,000)</u>
33	913 BRITTANY HILLS						
	Operating	58,558	91,633	92,635	1,002	62,635	(30,000)
	Direct & Indirect Costs	1,800	1,800	1,800		1,800	
	TOTAL BRITTANY HILLS	<u>60,358</u>	<u>93,433</u>	<u>94,435</u>	<u>1,002</u>	<u>64,435</u>	<u>(30,000)</u>

Budget for Fiscal Years 2013-14 and 2014-15

		2011-12	2012-13	2013-14	<i>Increase</i>	2014-15	<i>Increase</i>
		Actual	Projected	Budget	<i>(Decrease)</i>	Budget	<i>(Decrease)</i>
33	914 VISTA OAKS						
	Operating	11,617	14,780	13,380	<i>(1,400)</i>	13,380	
	Direct & Indirect Costs	300	300	300		300	
	TOTAL VISTA OAKS	<u>11,917</u>	<u>15,080</u>	<u>13,680</u>	<u><i>(1,400)</i></u>	<u>13,680</u>	
33	915 COSTCO CENTER						
	Operating	6,624	7,680	8,680	<i>1,000</i>	8,680	
	Direct & Indirect Costs	300	300	300		300	
	TOTAL COSTCO CENTER	<u>6,924</u>	<u>7,980</u>	<u>8,980</u>	<u><i>1,000</i></u>	<u>8,980</u>	
33	916 TERRA VISTA						
	Operating	5,048	10,085	7,190	<i>(2,895)</i>	7,190	
	Direct & Indirect Costs	1,000	1,000	1,000		1,000	
	TOTAL TERRA VISTA	<u>6,048</u>	<u>11,085</u>	<u>8,190</u>	<u><i>(2,895)</i></u>	<u>8,190</u>	
33	917 LL AD 2003						
	Operating	20,953	24,380	25,865	<i>1,485</i>	25,865	
	Direct & Indirect Costs	500	500	500		500	
	TOTAL 2002-03 LL	<u>21,453</u>	<u>24,880</u>	<u>26,365</u>	<u><i>1,485</i></u>	<u>26,365</u>	
	TOTAL LIGHTING & LANDSCAPING	<u>\$ 123,576</u>	<u>\$ 195,888</u>	<u>\$ 200,670</u>	<u>\$ 4,782</u>	<u>\$ 155,670</u>	<u>\$ (45,000)</u>

Budget for Fiscal Years 2013-14 and 2014-15

			<u>2011-12</u> <u>Actual</u>	<u>2012-13</u> <u>Projected</u>	<u>2013-14</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2014-15</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Mitigation/Impact Fees</i>								
34	31	TRAFFIC						
		Operating						
		Transfers Out			350,000	350,000		(350,000)
		TOTAL TRAFFIC			350,000	350,000		(350,000)
34	32	PARK IN LIEU						
		Operating						
		Transfers Out		50,000		(50,000)		
		TOTAL PARK IN LIEU		50,000		(50,000)		
34	33	CHILD CARE						
		Operating						
		Transfers Out						
		TOTAL CHILD CARE						
34	34	ZONE 5 DRAINAGE						
		Operating						
		Transfers Out						
		TOTAL ZONE 5 DRAINAGE						

Budget for Fiscal Years 2013-14 and 2014-15

		<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Increase</u>	<u>2014-15</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
34	35	CULTURAL & ARTS					
		Operating					
		Transfers Out					
		TOTAL CULTURAL & ARTS					
34	36	POLICE FACILITIES					
		Operating					
		Transfers Out					
		TOTAL POLICE FACILITIES					
34	37	PARK & RECREATION					
		Operating					
		Transfers Out					
		TOTAL PARK & RECREATION					
		TOTAL MITIGATION/IMPACT FEES	\$ -	\$ 50,000	\$ 350,000	\$ 300,000	\$ -
							\$ (350,000)

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement 34 does not extend to Internal Service Funds because they do not do business with outside parties. GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each Internal Service Fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Assets.

The City's Internal Service Funds are described below, with the summary details for each provided on the subsequent pages of this section.

Equipment Replacement Fund

This fund is designed to account for the accumulation of funds for the maintenance and subsequent replacement of equipment under City control.

Information Systems

This fund is designed to account for the services rendered to all City departments for management of the City's hardware and software needs. The Administrative Services Department oversees the functions and staffing of Information Systems. Refer to Section 6 of this Budget for more information.

Budget for Fiscal Years 2013-14 and 2014-15

INTERNAL SERVICE FUNDS - SUMMARY

Fund #	Fund Balance 6-30-13	2013-14		Fund Balance 6-30-14	2014-15		Fund Balance 6-30-15
		Budget Revenues 2013-14	Budget Appropriations 2013-14		Budget Revenues 2014-15	Budget Appropriations 2014-15	
81 Equipment Replacement Fund	\$ 1,822,665	\$ 902,072	\$ 1,146,771	\$ 1,577,966	\$ 916,472	\$ 1,089,224	\$ 1,405,213
82 Information Systems	0	449,562	515,966	(66,404)	455,255	500,759	(111,907)
Total Internal Service Funds	<u>\$ 1,822,665</u>	<u>\$ 1,351,634</u>	<u>\$ 1,662,737</u>	<u>\$ 1,511,562</u>	<u>\$ 1,371,727</u>	<u>\$ 1,589,983</u>	<u>\$ 1,293,306</u>

Budget for Fiscal Years 2013-14 and 2014-15

INTERNAL SERVICE FUNDS - REVENUE

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
Equipment Replacement (81)				
4701 Interest	\$ 6,355	\$ 10,000	\$ 6,500	\$ 6,500
4755 Rental Charges-City	736,983	883,060	879,072	894,472
4760 Sale of Personal Property	12,144	15,000	15,000	15,000
4870 Miscellaneous	4,541		1,500	500
4830 Restitution/Damage & Recovery				
Total Equipment Replacement	760,023	908,060	902,072	916,472
Informations Systems (82)				
4001 Transfer from Geneal Fund	-	-		-
4430.5 Technology Fee	15,379	19,400	19,400	19,400
4701 Interest	2,138	4,000	2,500	2,500
4755 Rental Charges-City	489,430	455,169	426,462	432,855
4870 Miscellaneous			1,200	500
Total Information Systems	506,947	478,569	449,562	455,255
TOTAL REVENUE INTERNAL SERVICE FUNDS	\$ 1,266,970	\$ 1,386,629	\$ 1,351,634	\$ 1,371,727

Budget for Fiscal Years 2013-14 and 2014-15

INTERNAL SERVICE FUNDS - EXPENDITURES

	<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Internal Service Funds</i>						
81 920 EQUIPMENT REPLACEMENT FUND						
Labor	218,299	209,115	212,255	3,140	212,739	484
Operating	284,589	522,310	533,803	11,493	534,649	846
Capital	505,501	200,000	378,000	178,000	319,000	(59,000)
Direct & Indirect Costs	22,642	21,441	22,713	1,272	22,837	124
TOTAL EQUIPMENT REPLACEMENT	<u>1,031,032</u>	<u>952,866</u>	<u>1,146,771</u>	<u>193,905</u>	<u>1,089,224</u>	<u>(57,547)</u>
82 921 INFORMATION SYSTEMS						
Labor	159,434	175,251	174,272	(979)	181,757	7,485
Operating	279,276	239,928	266,972	27,044	244,416	(22,556)
Capital						
Direct & Indirect Costs	75,354	76,590	74,722	(1,868)	74,586	(136)
TOTAL INFORMATION SYSTEMS	<u>514,064</u>	<u>491,769</u>	<u>515,966</u>	<u>24,197</u>	<u>500,759</u>	<u>(15,207)</u>
TOTAL INTERNAL SERVICE FUNDS	<u>\$ 1,545,096</u>	<u>\$ 1,444,635</u>	<u>\$ 1,662,737</u>	<u>\$ 218,102</u>	<u>\$ 1,589,983</u>	<u>\$ (72,754)</u>

Budget for Fiscal Years 2013-14 and 2014-15

DEBT SERVICE FUNDS - SUMMARY

Fund #	Fund Balance 6-30-13	2013-14			Fund Balance 6-30-14	2014-15		Fund Balance 6-30-15
		Budget Revenues 2013-14	Budget Appropriations 2013-14	Budget Transfers In(Out) 2013-14		Budget Revenues 2014-15	Budget Appropriations 2014-15	
2003 Certificate of Participation	\$ 479,622	\$ 0	\$ 259,622	\$ 220,000	\$ 0	\$ 0	\$ 0	\$ 0
2008 General Obligation Bond	989,071	1,461,026	1,441,863		1,008,235	1,468,326	1,444,763	1,031,798
Total Debt Service Funds	<u>\$ 1,468,693</u>	<u>\$ 1,461,026</u>	<u>\$ 1,701,484</u>	<u>\$ 220,000</u>	<u>\$ 1,008,235</u>	<u>\$ 1,468,326</u>	<u>\$ 1,444,763</u>	<u>\$ 1,031,798</u>

Budget for Fiscal Years 2013-14 and 2014-15

DEBT SERVICE FUND - REVENUE

		2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
	2003 Series Debt Service (41)				
4701	Interest Income	194			
4755	Rental Charges-City	240,431	230,458	0	0
	Total 2003 Debt Service	240,625	230,458	-	-
	2008 Series Debt Service (44 & 45)				
4701	Interest Income	1,958	1,000	1,000	1,000
4820	Bond Premium	279,996			
4185	Tax Levy	1,509,285	1,452,762	1,460,026	1,467,326
	Total 2009 Debt Service	1,791,239	1,453,762	1,461,026	1,468,326
	TOTAL DEBT SERVICE	\$ 2,031,864	\$ 1,684,220	\$ 1,461,026	\$ 1,468,326

Budget for Fiscal Years 2013-14 and 2014-15

DEBT SERVICE - EXPENDITURES

		<u>2011-12 Actual</u>	<u>2012-13 Projected</u>	<u>2013-14 Budget</u>	<u>Increase (Decrease)</u>	<u>2014-15 Budget</u>	<u>Increase (Decrease)</u>
<i>Debt Service</i>							
41	2003 Series COP - CITY HALL						
	Operating	1,830	3,120		(3,120)		
	Debt Service	<u>256,931</u>	<u>258,531</u>	<u>259,622</u>	<u>1,091</u>		<u>(259,622)</u>
	Sub-total 2003 COP	<u>258,761</u>	<u>261,651</u>	<u>259,622</u>	<u>(2,029)</u>		<u>(259,622)</u>
	Transfers Out			<u>220,000</u>			
	TOTAL 2003 COP - CITY HALL	<u>258,761</u>	<u>261,651</u>	<u>479,622</u>	<u>(2,029)</u>		<u>(259,622)</u>
44	2008 Series GOP- MEASURE H						
	Operating	123,247					
	Debt Service	<u>1,315,327</u>	<u>1,730,864</u>	<u>1,441,863</u>	<u>(289,001)</u>	<u>1,444,763</u>	<u>2,900</u>
	TOTAL 2008 GOP - MEASURE H	<u>1,438,574</u>	<u>1,730,864</u>	<u>1,441,863</u>	<u>(289,001)</u>	<u>1,444,763</u>	<u>2,900</u>
	TOTAL DEBT SERVICE FUNCTION	<u>\$ 1,697,336</u>	<u>\$ 1,992,515</u>	<u>\$ 1,921,484</u>	<u>\$ (291,030)</u>	<u>\$ 1,444,763</u>	<u>\$ (256,722)</u>

CAPITAL IMPROVEMENT PROGRAM













The Capital Improvement Program (CIP) budget is for expenditures on capital projects such as major street or park improvements, building construction, and significant facility maintenance. The City prepares a 5-year Capital Improvement Program that identifies capital improvement projects based on need and availability of funding. The CIP is reviewed and updated by the City Council prior to adoption of the Biennial Budget. Most of the CIP projects are funded with non-discretionary funds (such as water, gas tax and park funds), meaning the money must be used for a specific purpose. Council-adopted master plans for the parks and the water system, which are typically only updated every 10 to 15 years, have identified and prioritized projects for the next 10 or more years. In addition, Martinez residents approved Measure H, the Park Improvement Bond, on the November 2008 election ballot. Through this bond, Rankin Pool has been rebuilt and the library has been expanded. In addition, Rankin Park and Tavan Field along with Holiday Highlands have been renovated. Over the next 5 years, all available Measure H bond funds will have been invested in City park renovations.

Long term transportation projects are included in the Transportation Element of the General Plan or are listed in the Transportation and Growth Management Program funded by Measure J, the countywide half-cent sales tax. Staff proposes regular maintenance projects based on input from a variety of sources including citizen complaints, Council subcommittees and Water, Streets and Park Maintenance divisions. Due to the current challenging economic climate, there are no new General Fund supported projects. Enterprise Fund capital improvements are reflected in the Enterprise Funds section. Program funding is provided through grants, Measure “J” funds, gasoline tax, NPDES, Measure H Park Bond and Impact Fee proceeds. More detailed information regarding many of the CIP projects listed below is provided in the Major Capital Improvement Projects Overview, starting on page 185.

2011-2013 ACCOMPLISHMENTS:

- Completed Rankin Park and Tavan Field design and construction. (September 2012)
- Completed Holiday Highland Park design and construction. (April 2012)
- Completed Hidden Valley Park design. (February 2013)
- Completed Cappy Ricks Park design. (February 2013)
- Completed Nancy Boyd Park (Phase 2) design. (February 2013)
- Completed Sports Court Resurfacing Project. (Citywide, September 2012)
- Completed Intermodal Phase 3 Parking Lot design. (May 2013)
- Completed re-roofing, trim replacement and siding repair in preparation for major repainting. (2012 and 2013)
- Completed Waterfront Alternative Access Study. (March 2013)
- Completed Pacheco Transit Hub design. (May 2013)
- Completed Citywide Paving Project (Main St., Shell Ave. and Muir Road). (July 2011)
- Completed Marina Vista at I-680 Bicycle and Pedestrian Improvement design. (June 2013)
- Completed Berrellesa Street Trail Project design. (March 2013)

2013-15 OBJECTIVES

- Complete Waterfront Park design (FY 2013-14). 
- Complete Hidden Lakes Park Renovation design (FY 2014-15). 
- Initiate Golden Hills Park Renovation design (FY 2014-15). 
- Complete Intermodal Phase 3 access road and pedestrian bridge phase (FY 2013-14). 
- Secure funding and complete design of the Berrellesa Street Waterfront Alternative Access Bridge (FY 2014-15). 
- Complete the design of Reliez Valley Road Street Reconstruction Project (FY 2014-15). 
- Implement annual curb ramp project (FY 2014-15). 
- Implement annual storm drain replacement project (FY 2014-15). 
- Implement annual pavement rehabilitation projects (FY 2013-14). 
- Implement annual water main replacement projects (FY 2014-15). 
- Assist in construction management of the Pacheco Transit Hub project (FY 2013-14). 
- Assist in the construction management of various park renovation projects (FY 2013-14). 

MAJOR CAPITAL IMPROVEMENT PROJECTS OVERVIEW

The City Council adopted the Five-Year Capital Improvement Program (Program) for Fiscal Years 2013-14 to 2017-18 on June 19, 2013. The Council allocates funding for the first two fiscal years of the Program as part of the biennial budget process. Capital projects have the potential for impacting operating budgets. As an example, should the City build a new community building, janitorial, staffing, utility and maintenance costs would increase General Fund expenses. The FY 2013-14 and FY 2014-15 Program primarily consists of projects that rehabilitate existing facilities. There are no new projects requiring General Fund allocations; however, certain projects, such as the Intermodal Phase 3 Parking Lot, will require additional gas tax outlay in future years to support maintenance of the completed facility. A description of the operating impact associated with some of the key projects is included with the narrative below.

Highlights of the various project types are summarized below.

ROUTINE MAINTENANCE PROJECTS

Pavement Management

This annual project includes base failure and street paving, slurry sealing and cape sealing of both major collector streets and residential neighborhoods. Funding for this project comes from Gas Tax, Measure J return to source and Grants.

Storm Drain Maintenance and Alhambra Creek Channel Maintenance

Once per budget cycle, old and deteriorated storm drains are replaced. This program is primarily funded through the Clean Water Program. Other funding includes drainage and mitigation fees, and Gas Tax monies. Due to increasing regulatory requirements of other aspects of the Clean Water Program, funding for storm drain replacement may not be available in future years.

Annual Water Line Replacement

Water Funds are used to replace old deteriorated water lines. The program prioritizes lines to be replaced by size, age, and condition of line.

Curb Ramp and other ADA Street Projects

The City has diligently obtained Community Block Grant Funds to install curb ramp and other ADA improvements in low income areas or on major arterials and routes leading to schools, hospitals and service centers. The City has budgeted Gas Tax Funds to ensure the continuation of this program on an annual basis.

Sidewalk Replacement Grants

The City has budgeted Gas Tax Funds to implement a grant program to assist residents to replace their sidewalks should a tripping hazard exist. In addition to providing grant money, the City waives permit fees and provides free inspection of the work. The City is reviewing other agency practices to investigate ways of enhancing the City's program.

NON-RECURRING PROJECTS**Intermodal – Phase 3**

The City has completed a two-phased, ten-acre purchase of property north of the railroad tracks between Ferry Street and Alhambra Creek. The original purchase provided land to widen Alhambra Creek and the Union Pacific railway bridge. This, along with other improvements, provided 100-year storm protection north of Marina Vista. The existing Intermodal parking lot does not provide the capacity required for existing use, as parking now spills over onto surrounding streets and residential neighborhoods. Demolition of the metal buildings north of the railroad tracks has been completed and the construction of a surface parking lot is planned to accommodate the overflow parking needs of the Intermodal site. The project includes a pedestrian overcrossing from the new parking lot over the train tracks to the second floor of the existing train station. In addition the construction of the secondary vehicular access via a bridge over Alhambra Creek to Berrellesa Street will be constructed once Measure J funding is secured within the budget cycle. Sixty-five percent design plans and environmental permitting is being done with the current parking lot phase. Once completed, ongoing maintenance of the overcrossing, elevator, parking lot street sweeping, litter control and landscaping is estimated to require an additional \$20,000 per year in future operating budgets, beginning in FY 2013-14. \$3.6 million of Measure J funds are available for this project.

Pacheco Transit Hub

This Central Contra Costa County Transit Authority project will construct a new bus terminal and expanded park and ride lot on Blum Road east of Pacheco Boulevard. The City has agreed to responsibilities for bidding and construction management. The construction and bidding phase budget is \$2.6 million and is funded with Measure J, Proposition 1B and Regional Measure 2 funds.

MEASURE H PARKS, LIBRARY, AND POOL IMPROVEMENT BOND PROJECTS

Rankin Park Pool (Completed)

This project consisted of a redesign and replacement of Rankin Pool including bathhouse, staff area and pump room. Exterior upgrades include ADA compliance, security/safety improvements and special features for children such as a spray ground, swim team classroom space and buffers for sound/wind. The Council designated \$6,000,000 of Measure H Funds in 2009-11 to complete this project. This project has been completed on time and under budget. Due to the increased size and scope of the new pool, the additional costs to operate the facility (net of fee revenue) are projected to be \$121,400 in FY 2011-12, and \$106,400 in FY 2012-13. Use of the facility has increased significantly, and the pool season has expanded by over one month due to demand.

Library Expansion (Completed)

This project included a complete renovation and expansion of the basement area of the library. The project included the installation of an elevator to both make the area ADA-accessible and improve circulation and accessibility. A community meeting room has been added along with research and reading spaces. The Council designated \$2,000,000 of Measure H Funds in 2009-11 to complete this project. This project has been completed on time and under budget.

Holiday Highlands Park (Completed)

This project consisted of ADA, playground up-grade and other turf, picnic and park improvements. A restroom was installed at the park along with sewer connection. The Council designated \$810,000 of Measure H Funds in 2009-11 to complete this project. This project has been completed on time and on budget.

Rankin Park / Tavan Field (Completed)

This project consisted of ADA compliance, playground upgrades, and other turf and park improvements. The existing restroom and concession building were replaced. Significant grading and sculpted retain walls were required to conform the site to ADA accessible grades. The Council designated \$1,910,000 of Measure H Funds in 2009-11 to complete this project. This project has been completed on time and on budget. New irrigation heads and controllers reduce water demand and allow adjustments to watering from a central location.

Hidden Lakes Park Play Equipment (Completed)

This project consisted of ADA compliance, playground replacement and other park improvements. The Council designated \$450,000 of Measure H Funds in 2009-11 to complete this project. This project has been completed on time and on budget.

Sports Court Rehabilitation (Completed)

This project included rehabilitating basketball and tennis courts at several parks throughout the City. This project has been completed on time and on budget.

Hidden Valley Park (Under Construction)

This project consists of ADA compliance, restroom replacement and other park improvements. The Council designated \$350,000 of Measure H Funds in 2009-11 to complete the design of this project. Construction will begin completed in the spring of 2014.

Nancy Boyd Park, Phase 2 (Under Construction)

This project will replace the picnic and playground areas of the park. The restroom, ball field, tennis and basketball courts have recently been constructed or rehabilitated.

Cappy Ricks Park (Under Construction)

This project will reconstruct the restrooms, tennis courts and turf. New picnic areas and pathways will be added along with rubber surfacing under the existing play equipment.

Waterfront Park Restroom Replacement

This project consists of ADA compliance and restroom replacement. The Council designated \$350,000 of Measure H Funds in 2009-11 to complete this project. Construction will be completed in 2013.

Waterfront Park Rehabilitation Project

This is the next major park rehabilitation project priority. Work will include softball fields, ballfield lighting, concession and restroom replacements, turf, playground surfacing, group and individual picnic areas.

Measure H Financial Impacts – Ongoing Maintenance

The City is now responsible for the ongoing maintenance of the Library. Through a services arrangement with the County, the City has been able to apply the \$45,000 it used to fund additional hours of operation towards maintenance and utility costs. This

arrangement is subject to annual review, but still guaranteed to be intact through FY 2013-14. As a result, the City expects to incur maintenance and utility costs at the Library of \$55,000/year, or \$10,000 net of the \$45,000 formerly applied to the additional hours.

Significant increased use of renovated parks such as Holiday Highlands – and potentially Hidden Valley Park – increases the demand on Park Maintenance staff hours and materials needed to maintain the facility. New restroom maintenance and increased litter and trash removal can also impact staffing. To offset increases in maintenance responsibilities, opportunities to reduce maintenance requirements in other areas are evaluated. During the design phase, Park Maintenance staff is consulted on planting and irrigation options. Opportunities are taken to replace high maintenance turf with lower maintenance shrubbery or ground cover. Other areas of the design can also reduce maintenance. For example, the replacement of fibar with synthetic rubber play surfacing eliminates the need for weekly raking and annual refurbishment of material. New irrigation heads and controllers allow for more efficient watering, including the ability to make adjustments to watering cycles from a central location. Graffiti is another issue that can impact park maintenance. The installation of cameras which have live feeds to the Police Department at key locations such as the entrance to Rankin Park and Tavan Field, are expected to help reduce graffiti and the substantial maintenance impact associated with it.

Budget for Fiscal Years 2013-14 and 2014-15

CAPITAL IMPROVEMENT PROGRAM - REVENUE SOURCES

FISCAL YEAR 2013-14

PROJECT DESCRIPTION	TOTAL PROJECT	Gas Tax	Traffic Mitigation	Local Measure J	General Fund Assigned Fund Balance	Bond Reserve	Measure J	Grants
Annual Storm Drain Project	25,000	25,000						
City Hall	220,000					220,000		
Zocchi Building	50,000				50,000			
Shell Ave Pedestrian/Bicycle Project	25,000		25,000					
Annual Pavement Mgt.	1,000,000	600,000		400,000				
Alhambra Valley Road Sidewalk	25,000			25,000				
Energy Efficiency Lighting (LED)	50,000	50,000						
Handicap Access Program	25,000	25,000						
Sidewalk Repair Project	15,000	15,000						
Intermodal Phase III	3,521,122						3,521,122	
Pacheco Transit Hub	1,742,318							1,742,318
Alhambra Ave/C Street Signal	275,000		275,000					
Muir/Center Signal Modification	50,000		50,000					
TOTAL CIP REVENUE (not including Measure H)	\$ 7,023,440	\$ 715,000	\$ 350,000	\$ 425,000	\$ 50,000	\$ 220,000	\$ 3,521,122	\$ 1,742,318

Budget for Fiscal Years 2013-14 and 2014-15

CAPITAL IMPROVEMENT PROGRAM - REVENUE SOURCES

FISCAL YEAR 2014-15

PROJECT DESCRIPTION	TOTAL PROJECT	NPDES	Local Measure J	Gas Tax	Measure J	Grants
Annual Storm Drain Project	25,000			25,000		
Creek Channel Maintenance	25,000	25,000				
Annual Pavement Mgt.	600,000		100,000	500,000		
Energy Efficiency Lighting (LED)	50,000			50,000		
Handicap Access Program	25,000			25,000		
Sidewalk Repair Project	15,000			15,000		
Downtown PDA Pavement Restoration	1,279,000		258,000			1,021,000
Intermodal Berrellesa Bridge	5,000,000				5,000,000	
Pacheco/Arnold Traffic Signal	400,000				400,000	
TOTAL CIP REVENUE (not including Measure H)	\$ 7,419,000	\$ 25,000	\$ 358,000	\$ 615,000	\$ 5,400,000	\$ 1,021,000

Budget for Fiscal Years 2013-14 and 2014-15

CAPITAL IMPROVEMENT PROGRAM - SUMMARY

	Fund Balance 06-30-13	2013-14			Fund Balance 06-30-14	2014-15			Fund Balance 2014-15
		Budget Revenues 2013-14	Budget Appropriations 2013-14	Transfers In(Out) 2013-14		Budget Revenues 2014-15	Budget Appropriations 2014-15	Transfers In(Out) 2014-15	
Drainage	\$ (0)	\$ -	\$ 25,000	\$ 25,000	\$ (0)	0	\$ 50,000	\$ 50,000	\$ (0)
Public Buildings	0	0	270,000	270,000	0	0		0	0
Parks and Trails	0		25,000	25,000	0				0
Streets	(0)	5,263,440	6,378,440	1,115,000	(0)	6,021,000	6,969,000	948,000	(0)
Traffic Signals		0	325,000	325,000		400,000	400,000	0	
Community Programs		0		0		0		0	
Measure H Projects	7,231,137	10,000	1,500,000		5,741,137	5,000	4,500,000		1,246,137
Total Capital Improvement Program	\$ 7,231,137	\$ 5,273,440	\$ 8,523,440	\$ 1,760,000	\$ 5,741,137	\$ 6,426,000	\$ 11,919,000	\$ 998,000	\$ 1,246,137

Budget for Fiscal Years 2013-14 and 2014-15

CAPITAL IMPROVEMENT PROGRAM - REVENUE
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	2011-12	2012-13	2013-14	2014-15
	Actual	Projected	Budget	Budget
<u>Drainage</u>				
Annual Storm Drain (C3008)				
Transfers In-Gas Tax	25,000	100,000	25,000	25,000
Transfers In-Local Measure J				
Total	<u>25,000</u>	<u>100,000</u>	<u>25,000</u>	<u>25,000</u>
 Creek Channel Maint. (C3002)				
Transfers In-NPDES	25,000	25,000		25,000
Total	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Sub-total Drainage	50,000	125,000	25,000	50,000
 <u>Public Buildings</u>				
Zocchi Building (C4013)				
Transfer from General Fund Assigned			50,000	
Total	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>
 City Hall (C4014)				
Transfer In-City Hall Reserve			220,000	
Total	<u>0</u>	<u>0</u>	<u>220,000</u>	<u>0</u>
Sub-total Public Buildings	0	0	270,000	
 <u>Parks and Trails</u>				
Shell Ave Pedestrian/Bicycle Project (C2008)				
Measure J		75,000		
Transfers In-Traffic Mitigation			25,000	
Total	<u>0</u>	<u>75,000</u>	<u>25,000</u>	<u>0</u>

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
Marina Vista Pedestrian/Bicycle (C2009)				
Grant - State Toll Bridge Funds		300,000		
Total	0	300,000	0	0
 Waterfront Road Openspace (C5002)				
Transfer In-Park Dedication Fees		50,000		
Total	0	50,000	0	0
 Downtown Bicycle Project (C2006)				
State Grant-TDA		35,000		
Transfers In-Gas Tax		3,282		
Total	0	38,282	0	0
 Bay Trail Phase II (C2002)				
TDA Grant		87,508		
Transfers In-Local Measure J	25,000	41,000		
Total	25,000	128,508	0	0
Sub-total Parks and Trails	25,000	591,790	25,000	0
 <u>Streets</u>				
Annual Pavement Mgt Project				
Transfer In-Local Measure J	500,000	400,000	400,000	100,000
Transfers In-Gas Tax		500,000	600,000	500,000
Miscellaneous	147,151			
Total	647,151	900,000	1,000,000	600,000
 Paving 2012-13 (C1044)				
Transfer In-Gas Tax	350,000	200,000		
Transfer In-Local Measure J				
Total	350,000	200,000	0	0

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
Alhambra Valley Road Sidewalk (C2007)				
Measure J		305,000		
Transfer In-Local Measure J			25,000	
Total	0	305,000	25,000	0
Court Street Overcrossing (C1045)				
Measure J	45,470	147,805		
Transfer In-Local Measure J				
Total	45,470	147,805	0	0
Center & Morello/Highway 4 (C1051)				
Transfer In-Local Measure J				
Transfer In-Gas Tax				
Total	0	0	0	0
Handicap Curb Access (C1010)				
CDBG				
Transfer In-Gas Tax		85,000	25,000	25,000
Total	0	85,000	25,000	25,000
Sidewalk Repair Project (C1040)				
Transfer In-Gas Tax		35,000	15,000	15,000
Total	0	35,000	15,000	15,000
Downtown PDA Pavement Restortaion (C1047)				
Grant				1,021,000
Transfer In-Local Measure J				258,000
Total	0	0	0	1,279,000
Main Street Streetscape (C1034)				
Transfers In-General Assigned Fund Balance	75,000	25,000		
Total	75,000	25,000	0	0

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
Energy Efficiency Lighting (LED) (EEC1)				
Transfer In-Gas Tax			50,000	50,000
Transfer In-Local Measure J				
Federal Stimulus	4,142			
Total	<u>4,142</u>		<u>50,000</u>	<u>50,000</u>
Intermodal Berrellesa Bridge (C6011)				
Measure J				5,000,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000,000</u>
Pacheco Hub (C6009)				
Grant			1,742,318	
Measure J		857,878		
Total	<u>0</u>	<u>857,878</u>	<u>1,742,318</u>	<u>0</u>
Intermodal Phase III (C6006)				
Measure J	96,695	1,088,305	3,521,122	
Total	<u>96,695</u>	<u>1,088,305</u>	<u>3,521,122</u>	<u>0</u>
Sub-total Streets	1,218,458	3,643,988	6,378,440	6,969,000
<u>Traffic Signals</u>				
Pacheco/Arnold Traffic Signal (C1048)				
Measure J				400,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>400,000</u>
Alhambra Ave/C Street Signal (C1049)				
Transfers In-Traffic Mitigation			275,000	
Total	<u>0</u>	<u>0</u>	<u>275,000</u>	<u>0</u>

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
Muir/Center Signal Modification (C1050)				
Transfers In-Traffic Mitigation			50,000	
Total	0	0	50,000	0
Sub-total Traffic Signals	0	0	325,000	400,000
 <u>Community Programs</u>				
General Plan Update (C4000)				
Transfers In -General Fund		100,000		
Total	0	100,000	0	0
Sub-total Community Programs	0	100,000	0	0
 <u>Measure H</u>				
Interest Income	29,673	30,000	10,000	5,000
Measure H funds-Bond Issue	10,000,000			
Total	10,029,673	30,000	10,000	5,000
Sub-total Measure H Projects	10,029,673	30,000	10,000	5,000
 TOTAL CAPITAL IMPROVEMENT	\$ 11,323,131	\$ 4,490,778	\$ 7,033,440	\$ 7,424,000

Budget for Fiscal Years 2013-14 and 2014-15

CAPITAL IMPROVEMENT PROGRAM - EXPENDITURES

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
<u>Drainage</u>				
Annual Storm Drain Project (C3008)		125,000	25,000	25,000
Creek Channel Maintenance (3002)	25,000	115,482		25,000
Sub-total Drainage	25,000	240,482	25,000	50,000
<u>Public Buildings</u>				
Amphitheater (C4003)		13,213		
City Hall (4014)			220,000	
Old Train Depot (4007)	66,538	119,198		
Zocchi Building (4013)			50,000	
Sub-total Public Buildings	66,538	132,411	270,000	0
<u>Parks and Trails</u>				
Pier Improvements (C4010)	36,498	13,502		
Beautification (C1003)		53,468		
Bay Trail Phase 2 (C2002)		153,508		
Waterfront Road Open Space (C5002)		50,000		
Downtown Bicycle Project (C2006)		38,282		
Marina Vista Bicycle Project (C2009)		300,000		
Shell Ave Pedestrian/Bicycle Project (C2008)		75,000	25,000	
Alhambra Creek Plaza Improvements (C4006)	25,690	20,980		
Sub-total Parks and Trails	62,188	704,740	25,000	0

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
<u>Streets</u>				
Annual Pavement Mgt.	111,640	900,000	1,000,000	600,000
Paving 2012-13 (C1044)		940,011		
Marina Vista Streetscape (C1025)		155,135		
Reliez Valley Paving (C1046)		500,000		
Center & Morello/Highway 4 (C1051)				
Alhambra Valley Road Sidewalk (C2007)		305,000	25,000	
Energy Efficiency Lighting (LED)	4,142		50,000	50,000
Handicap Access Program (C1010)		85,000	25,000	25,000
Sidewalk Repair Project (C1040)		35,000	15,000	15,000
Marina Vista Streetscape (C1025)	154,340			
Main Street Improvements (C1034)	43,510	109,528		
Downtown PDA Pavement Restoration (C1047)				1,279,000
Court Street Overcrossing (C1045)	45,470	147,804		
Intermodal Phase III (C6006)	96,989	1,088,305	3,521,122	
Pacheco Transit Hub (C6009)	671	857,878	1,742,318	
Intermodal Berrellesa Bridge (C6011)				5,000,000
Sub-total Streets	456,762	5,123,661	6,378,440	6,969,000
<u>Traffic Signals</u>				
Pacheco/Arnold Traffic Signal (C1048)				400,000
Alhambra Ave/C Street Signal (C1049)			275,000	
Muir/Center Signal Modification (C1050)			50,000	
Sub-total Traffic Signals	0	0	325,000	400,000
<u>Community Programs</u>				
General Plan (C4000)	172,028	255,874		
Sub-total Community Programs	172,028	255,874	0	0

Budget for Fiscal Years 2013-14 and 2014-15

	2011-12 Actual	2012-13 Projected	2013-14 Budget	2014-15 Budget
<u>Measure H</u>				
Rankin Pool Reconstruction	592,720	182,850		
Library Renovations	367,334			
Hazardous Tree Removal	11,518			
Holiday Highlands Park	803,286	46,629		
Rankin Park & Tavan Field	3,946,453	110,560		
Waterfront Park	3,595	124,547	600,000	3,000,000
Hidden Lakes Park	0	0	300,000	1,500,000
Tennis & Basketball Courts	41,207	309,793		
Various ADA/Plaground Improvements			600,000	
Park Improvements: Cappy Ricks, Hidden				
Valley & Nancy Boyd Parks	174,478	4,563,000		
Sub-total Measure H	5,940,590	5,337,379	1,500,000	4,500,000
Total Capital Improvement Program	\$ 6,723,105	\$ 11,794,547	\$ 8,523,440	\$ 11,919,000

SUMMARY OF KEY FISCAL POLICY STATEMENTS

General Financial Goals

- To fund current operations expenditures with current year revenues.
- To maintain an adequate fund balance to protect the City from unforeseen circumstances.
- To allocate resources to the highest priority services.

Budget Policies

Operating Budget

- The City's operating budget will be developed on a biennial basis and adopted by the City Council. The City Council will approve appropriations from fund balance and any adjustments to the adopted biennial budget in excess of 5%.
- The City will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets. Each adopted two-year budget will be balanced. Except in exceptional circumstances, recurring General Fund revenues will be equal to or greater than recurring General Fund operating expenditures for each year of the two-year budget.
- The City will exercise prudent fiscal management by maintaining an adequate fund balance to protect the City in times of economic uncertainty or unforeseen circumstances.
- Budget adjustment reports will be presented to Council every six months.

Revenue

- The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations.
- Revenue will be estimated using an objective, analytical process. In the case of assumption uncertainty, conservative projections will be utilized.
- The City will fund current expenditures from current revenues, avoiding procedures that balance budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.
- Revised revenue projections will be budgeted every six months.

SUMMARY OF KEY FISCAL POLICY STATEMENTS

Capital Financing and Debt Management Policy

- The City will use debt financing only for one-time capital improvements and unusual equipment purchases.

User Fees Policy

- The City will review and periodically adjust its user fees to ensure they are fair, equitable, and justifiable.

Capital Improvement Program Policy

- The City will annually update and present its 5-year plan to the City Council to identify capital improvement projects based on need and availability of funding.
- The City's budget will be adjusted annually to reflect actual program revenues and expenditures.
- A Capital Improvement Project shall be established for all projects greater than \$30,000 that meet the definition of a public project per Section 22002 of the State Public Contract Code.
- The City will actively pursue grant and other outside funding sources for all capital improvement projects.

Fixed Assets Capitalization and Inventory Control Policy

- The Fixed Asset Capitalization and Inventory Control Policy have two major objectives. First, to accurately account for and report fixed assets in financial reports issued to external reporting agencies, granting agencies and the public. Second, to meet the City's fiduciary responsibility to establish systems and procedures to protect its fixed assets from loss or theft.

Investment Policy

- The City Treasurer will annually submit an investment policy to the City Council for review and adoption.
- The City Treasurer will invest the City's monies in accordance with applicable law and adopted investment policies.

Accounting, Auditing, and Financial Reporting

- The City's accounting and financial reporting systems will be maintained in conformance with the generally accepted accounting principles and standards of the Government Accounting Standards Board.
- Full and continuing disclosure will be provided in the general financial statements and the bond representations.

CITY OF MARTINEZ BUDGET POLICY

PURPOSE

The purpose of this policy is to set forth the basic revenue and operating financial policies upon which the development of the City's budget will be based. Except as otherwise noted, the following policies will be reviewed every two years during the preparation of the City's biennial budget. Recommended changes will be presented to the City Council for consideration with the adoption of the City's biennial budget.

POLICY

1. REVENUE

- A.** The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations on revenue generation.
- B.** The City will estimate revenue using an objective, analytical process; in the case of assumption uncertainty, conservative projections will be utilized.
- C.** The City will fund current expenditures from current revenues, avoiding procedures that balance budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.
- D.** The City will review and periodically adjust its user fees to ensure they are fair and equitable.
- E.** Revised revenue projections will be budgeted every six months.

2. OPERATING BUDGET

- A.** The City's Operating Budget will be developed on a biennial basis and adopted by the City Council. The City Council will approve additional appropriations from fund balance and any adjustments to the adopted biennial budget in excess of 5%.
- B.** The City's two-year Operating Budget will be presented by fund, function, and department. The purpose of this format is to clearly outline the relationship between the City's organizational structure and its major service areas, and provide detail on the associated expenditures.

- C.** The City will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets. Each adopted two-year budget will be balanced. Except in exceptional circumstances, recurring General Fund revenues will be equal to or greater than recurring General Fund operating expenditures for each year of the two-year budget. It shall also be a goal to fund the required transfers to the City's two Internal Service funds from recurring revenues.
- D.** The City will exercise prudent fiscal management by maintaining an adequate fund balance to protect the City in times of economic uncertainty or unforeseen circumstances.
- E.** All budgetary procedures will conform to State regulations and Generally Accepted Accounting Principles (GAAP).
- F.** The legal level of budgetary control is the department level.
- G.** Three levels of budgetary authority to amend appropriations will be maintained. The City's department heads may make transfers of appropriations within their respective departments. The City Manager is authorized to revise the budget so long as the total revisions in any single budget year do not exceed 5% of the budget, and if sufficient revenues, including new revenue sources, are available to offset such revisions. The City Council approves additional appropriations from fund balances, and adjustments in excess of 5% of the budget.
- H.** Budget adjustment reports will be presented to Council every six months.

CAPITAL FINANCING AND DEBT MANAGEMENT POLICY

The Capital Financing and Debt Management Policy sets the parameters for issuing debt and provides guidance in the timing and structuring of long-term debt commitments. The City will consider the issuance of long-term obligations under the following conditions:

A. Capital Financing

1. The City will use debt financing only for one-time capital improvement projects and unusual equipment purchases, and only under the following circumstances:
 - a) When the project is included in the City's five-year capital improvement program.
 - b) When the project is not included in the City's five-year capital improvement program, but it is an emerging critical need whose timing was not anticipated in the five-year capital improvement program, or it is a project mandated immediately by State or Federal requirements.
 - c) When the project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing.
 - d) When there are designated revenues or specific resources sufficient to service the debt, whether from project revenues, other specified and reserved resources, or infrastructure cost-sharing revenues.
2. Debt financing (other than tax and revenue anticipation notes) is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation. (See Investment Policy)

3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees should be created and implemented to ensure new development pays its fair share of the cost of constructing necessary community facilities.
4. Transportation impact fees are a major funding source in financing transportation system improvements. However, revenues from these fees are subject to significant fluctuation based on the rate of new development. Accordingly, the following guidelines will be followed in designing and building projects funded with transportation impact fees:
 - a) The availability of transportation impact fees in funding a specific project will be analyzed on a case-by-case basis as plans and specifications or contract awards are submitted for Council approval.
 - b) If adequate funds are not available at that time, the Council will make one of two determinations:
 - 1) Defer the project until funds are available.
 - 2) If the project is determined to be a priority, advance funds from the General Fund, which will be reimbursed as soon as funds become available. Repayment of General Fund advances will be the first use of transportation impact fee funds when they become available.
5. The City Council will establish the priority of projects in developing the City's five-year capital improvement program. The following criteria will be used to evaluate pay-as-you-go versus long-term debt financing in funding capital improvements:
 - a) Factors that favor pay-as-you-go:

- 1) Current revenues and adequate fund balances are available.
 - 2) Project phasing is feasible.
 - 3) Debt levels would adversely affect the City's credit rating.
 - 4) Market conditions are unstable or present difficulties in marketing.
- b) Factors that favor long-term financing:
- 1) Revenues available for debt service are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating.
 - 2) The project that is being considered will not adversely affect the City's credit rating,
 - 3) Market conditions present favorable interest rates and demand for municipal financing.
 - 4) A project is mandated by state or federal requirements, and current revenue and fund balances are insufficient to pay project costs.
 - 5) A project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
 - 6) The life of the project or asset financed is five years or longer.

B. Debt Management

1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
2. An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
3. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
4. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
5. The City will monitor all forms of debt annually coincident with the City's Financial Plan preparation and review process and report concerns and remedies, if needed, to the Council.
6. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations and secondary market continuing disclosure requirements.
7. The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).
8. The City will follow all State and Federal regulations and requirements regarding bond provisions, issuance, taxation and disclosure.

9. The adoption of resolutions of intent will be considered whenever bond issuance is contemplated to increase the flexibility related to funding costs of the project (e.g., project development costs, architectural costs, studies, etc.)
10. The City will seek to maintain its current bond rating and will ordinarily not consider long-term debt that, through its issuance, would cause the City's bond rating to be lowered.
11. Interfund borrowing will be considered to finance high priority needs on a case-by-case basis, only when planned expenditures in the fund making the loan would not be affected. Interfund borrowing may be used when it would reduce costs of interest, debt issuance, and/or administration.
12. The term of the debt will not exceed the legal life of the asset or thirty years, whichever is less.
13. Bond proceeds will be invested in accordance with the provisions of the bond indenture. Funds set aside for debt service will only be used for that purpose.
14. In choosing the appropriate long-term debt instrument, cost, economic equity, political acceptability, and flexibility will be considered. Refunding will be considered to reduce interest costs or principal outstanding, or to eliminate restrictive debt covenants. Pooled financings with other government agencies will be considered, as appropriate.
15. Costs incurred by the City, such as bond counsel and financial advisor fees, printing, underwriters' discount, and project design and construction costs, will be charged to the bond issue to the extent allowable by law. Financial, counsel, and other professional services will be contracted through competitive processes.

C. Debt Capacity

1. **General Purpose Debt Capacity.** The City will carefully monitor its levels of general-purpose debt. Because our general purpose debt capacity is limited, it is important that we only use general purpose debt financing for high-priority projects where we cannot reasonably use other financing methods for two key reasons:

- a) Funds borrowed for a project today are not available to fund other projects tomorrow.
 - b) Funds committed for debt repayment today are not available to fund operations in the future.
2. The following will be considered in evaluating appropriate debt levels:
- a) General Fund supported annual debt service payments will not exceed 7% of total budgeted expenditures and transfers out.
 - b) The General Fund may be used to provide back-up liquidity to improve the viability of a self-supported debt issue (i.e., *not* land-based financings), but only if the General Fund is not exposed to significant risk of loss of assets or impairment of liquidity. This evaluation of risk will consider such things as the following:
 - 1) Volatility of the revenue source identified for repayment of the debt.
 - 2) The likelihood the General Fund would be reimbursed within one year for any payments it might potentially need to make in its role as back-up guarantor.
- If the City Council determines the risk of loss of assets or impairment of liquidity to the General Fund to be minimal, self-supported debt service for debt that relies on the General Fund as a back-up guarantor will not exceed 7% of general fund budgeted expenditures and transfers out. Further, direct debt will not exceed 2% of assessed valuation; and no more than 60% of capital improvement outlays will be funded from long-term financings.
3. **Enterprise Fund Debt Capacity.** The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The

ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and rate setting process.

D. Independent Disclosure Counsel

1. The following criteria will be used on a case-by-case basis in determining whether the City should retain the services of an independent disclosure counsel in conjunction with specific project financings:
 - a) The City will generally not retain the services of an independent disclosure counsel when all of the following circumstances are present:
 - b) The revenue source for repayment is under the management or control of the City, such as general obligation bonds, revenue bonds, lease-revenue bonds or certificates of participation.
2. The bonds will be rated or insured.
 - a) The City will consider retaining the services of an independent disclosure counsel when one or more of the following circumstances are present:
 - b) The financing will be negotiated, and the underwriter has not separately engaged an underwriter's counsel for disclosure purposes.
 - c) The revenue source for repayment is not under the management or control of the City, such as land-based assessment districts, tax allocation bonds or conduit financings.
 - d) The bonds will not be rated or insured.
 - 1) The City's financial advisor, bond counsel or underwriter recommends that the City retain an independent disclosure counsel based on the circumstances of the financing.

E. Land-Based Financings

1. **Public Purpose.** There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements. This should include a finding by the Council as to why this form of financing is preferred over other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.
2. **Active Role.** Although land-based financings may be a limited obligation of the City, the City will play an active role in managing the district. This means that the City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer and underwriter. Any costs incurred by the City in retaining these services will generally be the responsibility of the property owners or developer, and will be advanced via a deposit when an application is filed; or will be paid on a contingency fee basis from the proceeds of the bonds.
3. **Credit Quality.** When a developer requests a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build out. This may include detailed background, credit and lender checks, and the preparation of independent appraisal reports and market absorption studies. For districts where one property owner accounts for more than 25% of the annual debt service obligation, a letter of credit further securing the financing may be required.
4. **Reserve Fund.** A reserve fund should be established in the lesser amount of; the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
5. **Value-to-Debt Ratios.** The minimum value-to-debt ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the assessment or special tax debt. In special circumstances, after conferring and receiving the concurrence of the City's financial advisor and bond counsel that a lower value-to-debt ratio is financially prudent under the

circumstances, the City may consider allowing a value-to-debt ratio of 3:1. The Council should make special findings in this case.

6. **Capitalized Interest During Construction.** Decisions to capitalize interest will be made on case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.
7. **Maximum Burden.** Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property; and total property taxes, special assessments and special tax payments collected on the tax roll should generally not exceed 2%
8. **Benefit Apportionment.** Assessments and special taxes will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by – or burden attributed to – each parcel with respect to its financed improvement. Any annual escalation factor should generally not exceed 2%.
9. **Special Tax District Administration.** In the case of Mello-Roos or similar special tax districts, the total maximum annual tax should not exceed 110% of annual debt service. The Rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.
10. **Foreclosure Covenants.** In managing administrative costs, the City will establish minimum delinquency amounts per owner, and for the district as a whole, on a case-by-case basis before initiating foreclosure proceedings.
11. **Disclosure to Bondholders.** In general, each property owner who accounts for more than 15% of the annual debt service or bonded indebtedness must provide ongoing disclosure information annually as described under SEC Rule 15 C(2) 12.

12. **Disclosure to Prospective Purchasers.** Full disclosure regarding outstanding balances and annual payments should be made by the seller to prospective buyers at the time that the buyer bids on the property. It should not be deferred to after the buyer has made the decision to purchase. When appropriate, applicants or property owners may be required to provide the City with a disclosure plan.

F. Conduit Financings

1. The City will consider requests for conduit financing on a case-by-case basis using the following criteria:
 - a) The City's financial advisor will review the terms of the financing, and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant.
 - b) There is clearly articulated public purpose in providing the conduit financing.
 - c) The applicant is capable of achieving this public purpose.
2. This means that the review of requests for conduit financing will generally be a two-step process:
 - a) First asking the Council if they are interested in considering the request, and establishing the ground rules for evaluating it.
 - b) And then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

3. The work scope necessary to address these issues will vary from request to request, and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for its costs in evaluating the request; however, this should also be determined on a case-by-case basis.

G. Glossary

There are many different types of long-term debt instruments available. Depending on the specific circumstances, the City will consider using the following types of financing instruments:

1. **Assessment Bonds/Special Tax Bonds** - Bonds are issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited by the project. Voter approval is not required. Instead, a majority vote of the property owners with a majority of assessments is needed to authorize the issue. The issuer's recourse for non-payment is foreclosure. This type of bond is normally not rated. The bonds may be issued under the provisions of the 1911, 1915 or Mello-Roos Bond Act, whichever is most appropriate.
2. **Bond Anticipation Notes** - Notes are issued to provide temporary financing, to be repaid by long-term financing. The bridge financing has a maximum maturity of three years.
3. **Certificates of Participation** - The City enters into a lease or installment agreement with another party (a lessor, such as a joint powers authority) to lease an asset over a defined period of time at a prearranged annual payment. Voter approval is generally not required. Lease payments are made primarily from general fund revenues. Current law requires the lessee to make lease payments only if the facility has beneficial use. The legislative body has to appropriate annual debt service payments. For the security of the bondholders, a reserve fund is normally established and held by a trustee until all bonds are paid. Interest during project construction must be capitalized. An "asset transfer" structure, whereby an existing facility is used as security to finance construction or acquisition of another project, may be used for flexibility.
4. **Conduit Financing** – A financing in which the proceeds of the issue are loaned to a non-governmental

borrower who can then apply the proceeds for Project Financing or (if permitted by federal law for qualified 501 ©(3) Bond) for working capital purposes. The issuance of the securities are by a governmental unit to finance a project to be used primarily by a third party, usually a corporation engaged in private enterprise. The security of this type of issue is the credit of the private user rather than the governmental issuer.

Usually such securities do not constitute a general obligations of the issuer because the corporate obligor is liable for the generating pledge revenues. Industrial development bonds are a common type of conduit financings.

5. **General Obligation Bonds** - Bonds backed by the full faith and credit of the City. The taxing power may be an unlimited ad valorem tax or a limited tax, usually on real estate and personal property. A special rate is incorporated in the property tax bill annually to pay for debt service. A two-thirds voter approval is required for authorization. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.
6. **Marks-Roos Bonds** - Bonds are issued by a joint powers authority to buy other bond issues. By pooling bond issues, marketability can be improved and administration costs are reduced.
7. **Master Lease Agreements** - The City enters into a lease agreement with a provider to lease equipment or facilities whose useful life is too short to finance with long-term debt. Various pieces and types of real and personal property from different vendors over a period of time can be acquired under one master lease agreement. Interest can be fixed or tied to an index. Financing costs are normally minimal, but the interest cost may be higher than with other instruments.
8. **Revenue Bonds** - Bonds are secured by revenues generated by the facility that is financed, or by dedicated user fees. Voter approval may or may not be required. Planning is more complex because costs and revenues affect each other. Credit enhancement (e.g., insurance or letter of credit) may be needed because of the limited source of debt service payment.

9. **Vendor-Financed Leases** - A vendor of equipment acts as the lessor and investor, and holds the lease for its full term or may assign the lease. The motivating factor to the vendor is usually to encourage future sales of its product.

RESOLUTION NO. 015-09

**AMENDING THE SCHEDULE OF FEES FOR CITY SERVICES
AND RESCINDING RESOLUTION NO. 019-08**

WHEREAS, it is the policy of the City Council of the City of Martinez to establish fees in regard to governmental services specifically authorized by statute or ordinance as well as certain services and functions performed by the City in a proprietary capacity; and

WHEREAS, it has been the policy of the City Council of the City of Martinez to review and adjust the fees periodically to ensure they are equitable and justifiable; and

WHEREAS, the City last conducted a Comprehensive Fee Study in 2004-05, which identified the actual costs of providing City fees; and

WHEREAS, the City increased its fees over a 3 year period based on the costs identified at that time; and

WHEREAS, the City's fee consultant recommended interim year fee adjustments based on increases to CPI, labor, and/or overall department budgets to avoid further gaps between the cost to the City of providing a service and the fees to be charged; and

WHEREAS, the City wishes to adopt the recommended user fees or service charges in the amounts set forth in the attached Schedule of Fees for City Services; and

WHEREAS, it is the intent of the City Council to continue to adjust the fees annually by a combination of CPI and labor increases until the next Comprehensive Fee Study is conducted; and

WHEREAS, notice was published and sent to interested parties as required by Government Code sections 6062(a) and 66016, respectively; and

WHEREAS, on March 4, 2009, the City Council held a public hearing in compliance with Government Code Sections 66016(a) and 66018 where all oral and written presentations were heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez adopts the proposed fees set forth in the attached Schedule of Fees for City Services.

BE IT FURTHER RESOLVED THAT this Resolution shall become effective on July 1, 2009, pursuant to Government Code Section 66017, with the exception of the restructured Planning Design Review and Major/Minor Subdivision Review fees, which shall become effective upon adoption, and the amended Community Services playfield facility rental fees and concession use fee, which shall become effective on January 1, 2010, and that Resolution 019-08 and any previous resolutions in conflict with this Resolution are rescinded upon the effective date(s) of the new fees.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at an Adjourned Regular Meeting of said Council held on the 4th day of March, 2009, by the following vote:

AYES: Councilmembers Janet Kennedy, Mark Ross, Vice Mayor Michael Menesini, and Mayor Rob Schroder

NOES: Councilmember Lara DeLaney

ABSENT: None



RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

**CITY OF MARTINEZ
CAPITAL IMPROVEMENT PROGRAM POLICY**

PURPOSE

The purpose of the Capital Improvement Program (CIP) is to systematically plan, schedule, and finance capital projects as determined by the City Council. The Capital Improvement Program will include major rehabilitation costs to existing infrastructure and facilities, as well as the cost of new facilities or capital improvements.

POLICY

- A.** The City's 5-year plan will be updated and presented annually to the City Council to identify capital improvement projects based on need and availability of funding.
- B.** In accordance with Section 65401 of the Government Code, the 5-year plan is reviewed annually by the City Planning Commission for conformity with the adopted General Plan.
- C.** The City's budget will be adjusted annually to reflect actual program revenues and expenditures.
- D.** A Capital Improvement Project shall be established for all projects greater than \$30,000 that meet the definition of a public project per Section 22002 of the State Public Contract Code. These include projects involving construction, reconstruction, alteration, renovation, improvement, demolition, repair work, and painting (other than minor repainting) of any City-owned, leased or operated facility. This definition excludes maintenance work as defined in Section 22002 of the State Public Contract Code; for example, routine, recurring and usual work for the preservation of any publicly owned or operated facility; landscape maintenance; or minor repainting.
- E.** As part of the budget process, departments will submit CIP requests providing a detailed description of the proposed project or purchase. All requests will be reviewed by the City Manager. The City Council will approve projects based on need and availability of funding.
- F.** The City Manager will have the authority to revise the budget among projects with similar revenue sources so long as sufficient revenues are available to offset such revisions.
- G.** With Council approval, unexpended project appropriations will be carried forward as continuing appropriations to future fiscal years, as required to complete the intent of the original budget.
- H.** The City will actively pursue grant and other outside funding sources for all capital improvement projects.
- I.** In order to receive "local share" or "return to source" Measure C funds each year, the City will submit an updated 5-year CIP to the Contra Costa Transportation Authority demonstrating compliance with the Growth Management Program established by Measure C when it was adopted by voters in 1998. Measure C will be succeeded by Measure J, which has similar requirements.

**CITY OF MARTINEZ
FIXED ASSETS CAPITALIZATION AND INVENTORY CONTROL POLICY**

The Fixed Asset Capitalization and Inventory Control Policy has two major objectives:

1. **Accounting and Financial Reporting:** to accurately account for and report fixed assets in financial reports issued to external reporting agencies, granting agencies and the public.
2. **Safeguarding of City Assets:** to meet the City's fiduciary responsibility to establish systems and procedures to protect its fixed assets from loss or theft.

This policy provides specific guidelines to determine which fixed assets are subject to separate accounting, reporting and safeguarding.

The Finance Division of the Administrative Services Department is responsible for, and has established, systems and procedures through which both objectives are met. These systems and procedures are used to identify, process, control, track and report City fixed assets.

Capitalization Policy (Accounting and Financial Reporting)

In general, all fixed assets, including land, buildings, machinery and equipment, with an original cost of \$5,000 or more, is subject to accounting and reporting (capitalization). All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation, professional fees, and legal claims directly attributable to asset acquisition. Specific capitalization requirements are described below.

- The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order, each costing \$1,000, will not qualify for capitalization even though the total (\$10,000) exceeds the threshold of \$5,000.

- For purposes of capitalization, the threshold will generally not be applied to components of fixed assets. For example, a keyboard, monitor and central processing unit, purchased as components of a computer system, will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset.
- Repairs to existing fixed assets will generally not be subject to capitalization unless it extends the useful life of the asset. In this case, it represents an improvement and is subject to the requirements described below.
- Improvements to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the \$5,000 threshold. In theory, an improvement to a fixed asset that had an original cost of less than \$5,000, but now exceeds the threshold as a result of the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.
- Capital projects will be capitalized as “construction in progress” until completed. Costs to be capitalized include direct costs, such as labor and materials, as well as ancillary costs and any construction period interest costs as required by authoritative pronouncements from GASB.

Inventory Control (Safeguarding of City Assets)

Department heads are ultimately responsible for safeguarding their department’s fixed assets from theft or loss. The Finance Division is responsible for establishing and maintaining systems and procedures that enable departments and program managers to properly safeguard their assets.

In general, inventory control is applied only to movable fixed assets, such as machinery and equipment, and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one of the following criteria:

- Original cost of the fixed asset is equal to or greater than \$5,000.

- Any asset less than \$5,000 as requested by a department. This may include certain machinery and equipment that, due to their portability, value outside of the office, or character, are susceptible to theft or loss. It may also include any asset that has been requested by a department to be controlled in order to satisfy an internal (operational) or external requirement. For example, MIS may wish to track all computer hardware in order to establish replacement and upgrade schedules.
- Any asset that is required to be controlled and separately reported pursuant to grant conditions or other externally imposed requirements. For example, a grant program that has funded the acquisition of a fixed asset may impose requirements that the fixed asset be tracked and identified as a grant-funded asset.

CITY OF MARTINEZ INVESTMENT POLICY

I. Statement of Purpose

It shall be the Investment Policy of the City of Martinez that all funds not required for immediate budgeted expenditures be invested in compliance with this statement as well as applicable Federal and State legislation. The Investment Policy follows the provisions of California Government Code 53601 governing investments.

Safeguards will be set into place to ensure that adequate reserves are established and maintained to provide that cash in sufficient amounts will be available for those immediate expenditures as authorized by the City's budget. Funds so maintained will be deposited in a manner best serving the City.

It will be further recognized that the City has a responsibility to ensure the security of its assets and always maintain a level of quality so that the public at large will have the highest confidence that its best interests are being served.

The purpose of this document is to identify various policies and procedures that enhance opportunities for a systematic investment process. The initial step toward a prudent investment policy is to organize and formalize investment related activities. Related activities that comprise good cash management include accurate cash projection, the expeditious collection of revenue, the control of disbursements, cost effective banking relations, and a short-term borrowing program, which coordinates working capital requirements and investment opportunity. In concert with these requirements are the many facets of an appropriate and secure short-term investment program.

II. Scope

It is intended that this policy cover all short-term operating funds and investment activities under the direct authority of the City. These funds are described in the most current annual financial report and include General Fund, Capital Projects Fund, Special Revenue Fund, Enterprise Fund, Internal Service Funds and Fiduciary Funds.

This investment policy applies to all transactions involving the financial assets and related activities of the foregoing funds.

III. Objectives

- A. Safety: Safety of principal is the foremost objective of the City, followed by liquidity and yield. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.

- B. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. This need for investment liquidity may be tempered to the extent that the City is able to issue short-term notes to meet its operating requirements. Emphasis will be on marketable securities with low sensitivity to market risk.
- C. Yield: The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict the placement of short term funds.
- D. The investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institution.
- E. The City shall adhere to the guidance provided by the "prudent person rule," which obligates a fiduciary to ensure that:

"...Investment shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived." (Also see Section VI.)
- F. All participants in the investment process shall act reasonably as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public scrutiny and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. Nevertheless, in a diversified

portfolio, it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio investment return, provided that adequate diversification has been implemented.

- G. Investments are to be made that will bear in mind the responsibility of city government to its citizens. Investments that encourage the betterment of the human condition will be sought. Alternative investments that enhance the quality of life will be given full consideration. Investments that serve to only enrich a few to the detriment of the people will be strictly avoided.
- H. No investment is to be made in a company that receives revenues from the production or manufacturer or sale of tobacco products. No investment is to be made in an investment pool such as LAIF, County Treasury, CAMP, etc. that receives more than 15% of gross revenues from the production or manufacture or sale of tobacco products.

IV. Delegation of Authority

Section 53636 of the Government Code of the State of California provides that money on deposit is deemed to be in the treasury of the City.

Although the responsibility for conducting the City's investment program resides with the Treasurer, the day-to-day investment function is hereby delegated to the Assistant City Manager for Administrative Services.

V. Investment Instruments

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- C. Shares of beneficial interest issued by diversified management companies, that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking or

the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of \$500,000,000.

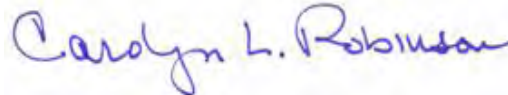
The purchase price of shares shall not exceed 20 percent of the investment portfolio of the City.

D. The State of California Local Agency Investment Fund. The LAIF portfolio should be reviewed periodically.

VI. Prudence

The standard of prudence to be used by investment officers shall be the "prudent person rule," and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence will be relieved of personal liability for an individual security credit risk or market price changes, provided that deviations from expectations are reported on a timely fashion, and appropriate action is taken to control adverse developments. (Also see Section III.E.)

Certified by:



City Treasurer

Amended: May 2005

RESOLUTION NO. 062-13

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARTINEZ
APPROVING A BUDGET AND AUTHORIZING EXPENDITURES FOR
FISCAL YEARS 2013-14 AND 2014-2015**

WHEREAS, the City Council has conducted a public session concerning the Proposed Budget for July 1, 2013 through June 30, 2015, at which time any and all members of the public had an opportunity to comment on said budget; and

WHEREAS, the City Council has reviewed the City Manager's Proposed Budget for the 2013-2014 and 2014-2015 fiscal years; and

WHEREAS, the City Council desires to adopt said budget for the 20013-2014 and 2014-2015 fiscal years;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez as follows:

1. The Budget, which is on file at the office of the Assistant City Manager and incorporated herein by this reference, is hereby adopted. The budget is attached to this resolution.
2. Recognizing that actual revenues and appropriations may vary from the estimates set forth in the budget, the Council wishes to authorize the budget with the understanding that it may require revisions as set forth in paragraph 3 below.
3. The City Manager is authorized in this biennial budget to revise the budget so long as the total revisions in any single budget year do not exceed 1% of the budget as set forth in the attached budget, and provided that sufficient revenues are available to offset such revisions.
4. All revenues subsequently received by City funds in excess of amounts appropriated by this resolution for fiscal years 2013-2014 and 2014-2015 are hereby appropriated to their respective reserve fund balances.
5. The City Manager is authorized to act on behalf of the City and to make expenditures and incur liabilities against all funds of the City as provided for in contracts that have been authorized by the City Council. The Council's authorization of such contracts shall automatically constitute an appropriation of the necessary amount.
6. The City Manager or his/her designee is authorized to make appropriation transfers from one account to another within a department and is also authorized to make appropriation transfers between funds, provided that total appropriations do not exceed the limitations set forth by this resolution.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 19th day of June, 2013, by the following vote:

AYES: Councilmembers AnaMarie Avila Farias, Michael Menesini, Mark Ross, Vice Mayor Lara DeLaney, and Mayor Rob Schroder

NOES: None

ABSENT: None



A handwritten signature in blue ink, which appears to read "Richard G. Hernandez". The signature is fluid and cursive.

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

APPROPRIATION LIMIT

Proposition 4, commonly known as the Gann Limit, was approved by the California electorate in November, 1979, and modified by Proposition 111 which passed in 1990, to limit the amount of tax proceeds state and local governments can spend each year. The Gann Limit now appears in Article XIII B of the California Constitution. Fundamentally, the purpose of the constitutional provisions and the implementing legislation is to restrict the growth of tax-funded programs and services by limiting the appropriations of proceeds of taxes to the 1978-79 base year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978/79 in each city and is adjusted for changes in inflation and population in each subsequent year. By law, inflationary adjustments are based on the California Department of Finance's official report on changes in the state's per capita income or in non-residential assessed valuation due to new construction. Population adjustments are based on changes in either city or county population levels.

Article XIII B of the California Constitution provides that the City's annual appropriations be subject to certain State limitations. This appropriations limit is calculated each year and is established by a resolution of the City Council. The Appropriation Limit for 2012-13 was calculated at \$153,873,743 for the City of Martinez. This amount was calculated by taking last year's limitation and adjusting it by the total change in California per capita personal income change and the percent increase in the County population. The City of Martinez's budgeted tax revenues subject to the Limit are \$15,352,151 or 9.42% of the Appropriations Limit. Therefore the City's tax revenues fall substantially below the appropriation limit.

Article XIII (B) Appropriations Limit for Fiscal Year 2013/14

Appropriations Limit for Fiscal Year 2012/13	<u>\$ 153,873,743</u>
Percentage Increase in Population - Contra Costa County	0.77
California Per Capita Personal Income	5.12
Calculation Factor for 2013/14 (1.0512 X 1.0077)	<u>1.0593</u>
Appropriations Limit for Fiscal Year 2013/14	<u>\$ 162,998,456</u>

RESOLUTION NO. 029-13

**RESOLUTION ADOPTING THE 2013-14 PROPOSITION 4
APPROPRIATIONS LIMITATION**

WHEREAS, there has been submitted to this meeting of the City Council of the City of Martinez the Fiscal Year 2013-14 Appropriations Limitation pursuant to Government Code Section 7910, et.seq.; and

WHEREAS, the computations necessary to determine said limit have also been submitted along with the recommended amount of \$162,998,456 utilizing the county population growth and the growth in personal income as the adjustment factors; and

WHEREAS, proceeds of taxes subject to the limit do not exceed the calculated Appropriations Limit for 2013-14.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez that Fiscal Year 2013-14 Appropriations Limitation is set at the amount of \$162,998,456.

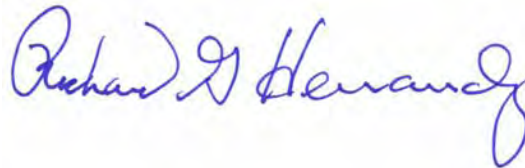
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I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 15th day of May, 2013 by the following vote:

AYES: Councilmembers Mark Ross, Vice Mayor Lara DeLaney, Mayor Rob Schroder

NOES: None

ABSENT: None Councilmembers AnaMarie Avila Farias and Michael Menesini



RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

CITY OF MARTINEZ BENEFITS BY REPRESENTED UNIT

Rep Unit	Medical Insurance	Dental Insurance	LT Disability	Life Insurance	PERS Retirement	Retirement Medical	Deferred Comp
Laborer's Local 324	City pays 100% of Premium for Kaiser for employee and dependents. For employees hired after 1/1/07, the City will pay 80% of each increase in Kaiser premium and the employee will pay 20% of the increase. Employees must pay difference in costs if they choose a plan other than Kaiser.	City pays 100% of premium which provides basic benefit of \$2,500 annually. This is an 80/20 co-payment plan with no annual deductible.	City pays premium for the plan that pays at a rate of 66.7% of employee's salary up to maximum benefit of \$3750/month. This insurance has a 60-day elimination period.	City pays the monthly premium costs for a policy which provides 2 times the employee's annual gross salary up to maximum of \$200,000.	City contributes: 6% January 1, 2013; 5% January 1, 2014; 4% January 1, 2015 toward employee's portion of the PERS contribution.	Medical Premium Reimbursement Benefits shall be paid on a percentage basis against the cost of the Kaiser health coverage based upon the number of years of service with the City.	City makes the ICMA Deferred Compensation Plan available to all employees.
Police Officers' Association	City pays 100% of January 1, 2004 Premium for Kaiser for employee and dependents (includes prepaid drug plan and optical); employees pay 15% of annual increase in 2005 and 20% of any subsequent annual increases thereafter on a cumulative basis. In January 2015, the employee percentage of increase will be 25%. Employees must pay difference in costs if they choose plan other than Kaiser.	City pays 100% of premium which provides basic benefit of \$2,500 annually. This is an 80/20 co-payment plan with a \$50 per person/\$150 per family deductible. The deductible is waived for diagnostic and preventive care.	City pays officers \$19.50 per month in lieu of LT disability plan. Officers are covered through an plan with PORAC.	City pays the monthly premium costs for a policy which provides 2 times the employee's annual gross salary up to maximum of \$125,000 and 100% of premiums for health and dental benefits to widow or widower and minor dependents of officers killed in the line of duty.	City contributes: 8% January 1, 2013; 7% January 1, 2014; 5% January 1, 2015 toward employee's portion of the PERS contribution.	For employees that retire after 1/1/04, City pays benefits at the rate paid for active employees.	City makes the ICMA Deferred Compensation Plan available to all employees.
Police Non-Sworn Employees' Association	City pays 100% of Premium for Kaiser for employee and dependents. For employees hired after 1/1/07, the City will pay 80% of each increase in Kaiser premium and the employee will pay 20% of the increase. Employees must pay difference in costs if they choose a plan other than Kaiser.	City pays 100% of premium which provides basic benefit of \$2,500 annually. This is an 80/20 co-payment plan with no annual deductible.	City pays premium for the plan that pays at a rate of 66.7% of employee's salary up to maximum benefit of \$3750/month. This insurance has a 30-day elimination period.	City pays the monthly premium costs for a policy which provides 2 times the employee's annual gross salary to a maximum of \$125,000 and 100% of premiums for health and dental benefits to widow or widower and minor dependents of members of the association killed in the line of duty.	City contributes: 6% January 1, 2013; 5% January 1, 2014; 4% January 1, 2015 toward employee's portion of the PERS contribution.	Medical Premium Reimbursement Benefits shall be paid on a percentage basis against the cost of the Kaiser health coverage based upon the number of years of service with the City.	City will contribute \$65 per month per employee into the ICMA Deferred Compensation Plan.

GUIDE TO FUNDS BY NUMBER

- 01 General Fund** - The General Fund is the City's primary reporting entity for current general government operations of the City of Martinez. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund.
- 20 Public Safety Grants** - These are Federal and State grants received by the Police Department for improvements in public safety technology and other special projects.
- 21 National Pollution Discharge Elimination System (NPDES)** - The City participates in the Contra Costa County Flood Control and Water Conservation District for the collection, administration, distribution, and expenditure of funds derived from stormwater utility assessments. The assessment is collected with property taxes received by the County Tax Collector and is used for pollution control improvements and drainage system maintenance.
- 22 Measure C/J** - This fund accounts for the local jurisdictions portion of the Local Street Maintenance Fund allocation. These monies can only be spent on local streets and roads, transit operations, growth management planning and compliance, bicycle and pedestrian trails, and parking facilities.
- 23 Gasoline Tax** – This fund accounts for monies received from the State of California under Street and Highway Code Section 2103, 2105, 2106, 2107 and 2107.5. The allocations must be spent for street maintenance, construction and a limited amount of engineering.
- 28 Proposition 1B** - This fund accounts for the 2006 voter approved Proposition 1B funds to be used for street improvements, including pavement rehabilitation projects.
- 29 Recycle Fund** - This fund accounts for the grants the City receives for the disposal of used oil and recycling. This fund also accounts for funds received from the solid waste hauler to cover costs to implement Assembly Bill 939 programs and Climate Action Plan initiatives.

- 31 Capital Improvement Program** - The Capital Improvement Program (CIP) budget is for expenditures on capital projects such as major street or park improvements, building construction, and major facility maintenance
- 33 Lighting and Landscaping** - This fund accounts for the installation, maintenance and improvements of subdivision lighting and landscaping within the various special assessment districts. Monies are collected through an annual levy on the property owners within each district.
- 34 Mitigation/Impact Fees** - This fund accounts for fees collected from developers to mitigate the impact of new development. The City established the following impact fees: traffic, park in-lieu, child care, drainage, cultural facilities, police facilities, and park and recreation.
- 36 PEG Access** - This fund accounts for the payments received by the City's cable provider to be used for public, educational and governmental capital support as provided by the City's franchise agreement.
- 41 City Hall Certificate of Participation** – This fund accounts for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs for the 2003 Certificate of Participation for City Hall.
- 44 General Obligation Bond, Election of 2008** – Accounts for the payment of debt service on the General Obligation Bonds issued in May 2009.
- 45 General Obligation Bond, Election of 2008** – Accounts for the payment of debt service on the General Obligation Bonds issued in March 2012.
- 71 Water System Fund** – This enterprise accounts for the operation, maintenance and treatment of the water system.
- 72 Water System Capital Improvement Fund** - The Water System Fund accounts for the funds received from customers receiving water service provided by the City and the related expenditures for administration, system improvements, maintenance and repair, and debt service issue related to the provision of water service to the customers.
- 73 Marina Fund** - The Marina Fund revenues include lease payments, sales and property taxes.

- 74 Marina Capital Improvement Fund** - The Marina Fund revenues include lease payments, sales and property taxes.
- 75 Parking Services Fund** - The Parking Services Fund accounts for the activities related to the various parking lots and parking meters in the City. Revenue is generated from parking meters and parking permits.
- 76 Parking Capital Improvement Fund** - The Parking Services Fund accounts for the activities related to the various parking lots and parking meters in the City. Revenue is generated from parking meters and parking permits.
- 81 Equipment Replacement** - The Equipment Replacement Fund accounts for the accumulation of funds for the maintenance and subsequent replacement of the equipment under City control. Costs are charged to departments by way of “rental charges” of City vehicles and equipment.
- 82 Information Systems** - The Information System Fund accounts for the services rendered to all City departments for management of the City’s hardware and software needs. Costs are charged to departments by percent based on the number of computer work stations and overall use of technology.

BUDGET GLOSSARY

The City's budget document contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the budget document in understanding the terms, this glossary has been included in the document.

Account	A subdivision within a fund for the purpose of classifying transactions.
Account Number	Numeric identification of the account.
Accounting System	The total set of records and procedures that are used to record, classify, and report information on an entity's financial status and operations.
Accrual Basis of Accounting	The method of accounting that recognizes transactions on the basis of when they are incurred or committed, rather than when they are made or received.
Accrued	Term to describe balances that have increased or accumulated over a period of time, as with a budget, fund, or benefit.
Activity	A function or a group of related functions for which the budgetary unit is responsible; for Martinez's budgeting purposes, an activity is the same as a program.
Ad Valorem	Latin for according to value. An ad valorem tax is assessed on the value of goods or property; not on the quantity, weight, extent, etc.
Adjusting Entry	A journal entry posted to the accounting records at the end of an accounting period to record a transaction or event which was not properly posted during the accounting period for various reasons.
Adopted Budget	Revenues and appropriations approved by the City Council in June for the next fiscal year.

Agency	The term for the highest organizational level, in most cases a City, department, or independent board.
Agency Funds	Funds that are used to account for assets held by the City on behalf of individuals, private organizations, other governments, and/or other funds.
Allocation	A distribution of funds or an expenditure limit established for an organizational unit.
Americans With Disabilities Act	Federal legislation that requires the accessibility of public facilities for disabled persons.
Appropriation	An authorization made by the City Council that permits the City to incur obligations and to expend resources. An appropriation is limited in the amount and the period of time in which it may be expended.
Appropriation Limit	As defined by Section 8 of Article XIII B of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979 General Election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another.
Appropriation Resolution	The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.
Arbitrage	The simultaneous purchase and sale of the same or an equivalent security in order to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of the proceeds from the sale of tax-exempt securities in a taxable money market instrument that yields a higher rate, resulting in interest revenue in excess of interest costs.
Assessed Valuation	An official value established for real estate or other property as a basis for levying property taxes.

Assessments	Charges made to parties for actual services or benefits received.
Assets	Government-owned property that has monetary value.
Assigned Fund Balance	Fund balance that has a limitation for an intended use.
Audit	A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's (City Council's) appropriations.
Audit Trail	Documentation which permits the sequence of financial transactions to be followed.
Authorized Positions	Those ongoing positions approved in the final budget of the preceding year.
Average Cost	Total of all costs for all units bought (or produced) divided by the number of units acquired (or purchased).
Balance Available	The amount of money available for appropriation or encumbrance. It is the excess of cash and near-cash assets of a fund over its liabilities and reserves, commonly called surplus available for appropriation. It is also the unobligated balance of an appropriation that may be encumbered for the purposes of the specific appropriation.
Balanced Budget	When there is neither a budget deficit nor a budget surplus; when revenues equal expenditures.
Balance Sheet	A financial statement listing a fund or organization's total assets, liabilities, and equity on a specific date.

Bond	A written promise from a local government to repay a sum of money on a specific date at a specified interest rate. Bonds are most frequently used to finance capital improvement projects such as buildings, streets, and bridges.
Budget	A financial plan for a specific period of time (fiscal year) that matches all planned revenue and expenditures with various municipal services.
Budget Amendment	A legal procedure utilized to revise a budget appropriation. City Staff has the prerogative to adjust expenditures within or between departmental budgets. The City Manager is authorized to revise the budget so long as the total revisions in any single budget year do not exceed 5% of the budget, and provided that sufficient revenues are available to offset such revisions. Council approval is required for additional appropriation from fund balances or new revenue sources.
Budget Calendar	The schedule of key dates which City departments follow in the preparation, revision, adoption, and administration of the budget.
Budget Detail	A support document to the published budget that details the line item expenditures.
Budget Document	The financial plan report reviewed and adopted by the City Council.
Budget Message	The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and presents recommendations made by the City Manager.
Budget Surplus	The Difference between operating revenues and operating expenditures. The Budget Surplus may be used for ongoing expenses (as opposed to year-end balance, which may be used only for one-time expenses).
Budget Year	Is the fiscal year for which the budget is being considered; i.e. the fiscal year following the current year.

Budgetary Unit	An organizational component budgeted separately, usually a department or division.
California Employers' Retiree Benefit Trust	An irrevocable trust established to fund OPEB.
California Society of Municipal Finance Officers	The purpose of this organization is to promote professional administration of municipal finance and to strive for the attainment of professional status of all those responsible for the conduct of the activities of the field.
Capital Improvement	Any project or physical public improvement that results in a permanent addition to the City's fixed assets, or a revitalization/improvement that extends a fixed asset's useful life or increases its usefulness or capacity. A capital improvement has an estimated service life of at least eight years and a value of at least \$25,000.
Capital Improvement Program	A plan for capital expenditures to provide for the acquisition, expansion, or rehabilitation of an element of the City's physical property to be incurred over a fixed period of several future years.
Capital Outlay	Expenditures relating to the purchase of equipment, land, or other fixed assets.
Carryover or Carry Forward	The process of carrying a budgeted and encumbered item from the current fiscal year to the next fiscal year.
Cash Basis or Cash Method	An accounting method that recognizes income and deductions when money is received or paid. The modified-accrual method is the preferred method for government organizations.
Certificate of Participation	Obligations of a public entity based on a lease or installment sale agreement.
Citizen Option for Public Safety	State law enforcement grant program which provides funding for front line law enforcement.
Committed Fund Balance	Fund balance that has limitations imposed at the highest level of decision making that requires formal action at the same level to remove.

Community Development Block Grant	CDBG – provides eligible metropolitan cities and urban counties with annual direct grants to revitalize neighborhoods; expand affordable housing and economic opportunities; and/or improve community facilities and services, principally to benefit low- and moderate-income persons. Funded by the Department of Housing and Urban Development of the Federal Government.
Compensation	Direct and indirect monetary and non-monetary rewards given to employees on the basis of the value of the job, their personal contributions and their performance. These rewards meet both the organization’s ability to pay and any governing legal regulations.
Comprehensive Annual Financial Report	An official annual financial report of a government.
Consumer Price Index	Also known as the Cost-of-Living Index, it is a measure of change as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Many pension and employment contracts are tied to changes in consumer prices as protection against inflation and reduced purchasing power. Among the CPI components are the costs of housing, food, transportation, and electricity.
Contingency	An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, Federal mandates, shortfalls in revenue, and similar events.
Contingency Fund	Amount reserved for a possible loss.
Controllable Costs	Costs that can be influenced by the department involved, unlike other fixed costs such as rent, which is contracted by lease in advance.
Cost	Amount of money that must be paid to acquire something; purchase price or expense.

Cost Accounting	The continuous process of analyzing, classifying, recording, and summarizing cost data within the confines and controls of a formal cost accounting system and reporting them to users on a regular basis.
Cost Allocation Plan	The documentation identifying, accumulating, and distributing allowable costs under grants and contracts together with the allocation method used.
Cost Approach	Method of appraising property based on adding the reproduction cost of improvements, less depreciation, to the market value of the site.
Cost Basis	Original price of an asset, used in determining depreciation and capital gains or losses.
Cost of Living Allowance	Adjustment of wages designed to offset changes in the cost of living, usually as measured by the consumer price index.
Cost Recovery	The establishment of user fees which are intended to cover the cost of providing services.
Current Fiscal Year	The fiscal year in progress.
Debt Margin	The difference between the debt limit and the total outstanding debt.
Debt Service	The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.
Debt Service Fund	A governmental fund used to account for the accumulation of resources for, and payment of, general obligation bond principal and interest from governmental resources, and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Deficit	A result of: (1) Insufficiency in the account or number, whether as the result of defaults and misappropriations, mistakes, or shrinkage in value. (2) Excess of the government's spending over its revenues.
Department	A major administrative segment of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area. An example is the Community Development Department within the General Fund.
Depreciation	The process of allocating the cost of a capital asset to the periods during which the asset is used.
Designated Fund Balance	A portion of unreserved fund balance designed by City policy for a specific future use.
Direct Cost	Costs changed easily by management decisions such as advertising, repairs and maintenance, and research and development; also called managed costs.
Direct Labor	Cost of personnel that can be identified in the product or service, such as the salary of the person who provides the direct service.
Discretionary Costs	Costs changed easily by management decisions such as advertising, repairs and maintenance and research and development. Also called managed costs.
Division	A unit of organization that reports to a department.
Downtown Specific Plan	The City's set of guidelines and policies to shape the future of downtown Martinez. This Plan will directly affect future initiatives associated with revitalizing the downtown area.
Educational Revenue Augmentation Fund	A state mandated property tax shift to schools.
Environmental Impact Report	EIR – a public document used by governmental agencies to analyze the significant environmental effects of a proposed project, to identify alternatives and disclose possible ways to

reduce or avoid potential environmental damage. The California Environmental Quality Act requires an EIR whenever the initial study or other evidence in the record has produced significant environmental effects.

Encumbrance

Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund

A proprietary fund used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the legislative body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The rate schedule for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

Equity

The difference between fund assets and fund liabilities.

Estimate

To approximate.

**Estimated Economic (Useful)
Life**

The period over which a property is expected to be usable, by one or more users, with normal repairs and maintenance, for the purpose(s) for which it is intended.

Expenditure

Utilization of fund resources. Expenditures include operating expenses, debt service, and capital outlays. Expenditures reduce the remaining budget authorization (appropriation) available.

Expenditure Category

A basis of distinguishing types of expenditures. The major expenditure categories used by the City of Martinez are Labor, Operating, Capital, and Direct and Indirect Costs.

Expenditure Object Code

Unique identification number and title for a minor expenditure category. Represents the most detailed level of budgeting and recording of expenditures, referred to as a “line item”.

Fee	The amount charged by the City to provide a specific service, tied directly to the cost to the City of providing that service.
Federal Emergency Management Agency	FEMA - The Governing agency for emergency services nationwide.
Fiduciary Funds	Also referred to as Trust and Agency Funds. These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.
Fiscal Year	A twelve-month time period signifying the beginning and ending period for recording financial transactions. The City of Martinez has specified July 1 through June 30 as its fiscal year.
Fixed Assets	Assets of significant value that have a useful life of several years such as land, buildings, machinery, equipment, and furniture.
Fixed Asset Management	Tagging and preparing asset ledgers for plant, facilities, and equipment; recording changes in asset status; and conducting periodic inventories of assets.
Fixed Cost	A cost that remains constant regardless of volume or demand. Fixed includes salaries, interest expense, rent, depreciation and insurance expenses.
Forecasts	Estimates of the future impact of current revenue and expenditure policies, based on specific assumptions about future conditions such as inflation or population growth. Forecasts are neither predictions about the future nor a statement of policy intentions.
Fringe Benefit	Compensation that an employer contributes to its employees such as retirement, life/health insurance, or training supplements. Fringe benefits can be either mandatory, such as PERS contributions, or voluntary, such as health insurance benefits.
Full-time Equivalent	Positions or fractions thereof based on full-time definition of forty hours of work per week.

Function	An activity or a group of related activities for which the budgetary unit is responsible; in Martinez, a function is the same as the program.
Fund	A separate accounting entity with a self-balancing set of accounts to record all financial transactions (revenues and expenditures) for specific activities or government functions. Funds are classified into three categories: governmental, proprietary, and fiduciary. Commonly used funds in governmental accounting are: General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, Agency Funds, and Special Assessment Funds.
Fund Accounting	System used by nonprofit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements. Financial reporting is directed at the public rather than investors.
Fund Balance	The excess of assets over liabilities; this term applies to governmental funds only.
Gas Tax Fund	A fund to account for receipts and expenditures of money apportioned under Streets and Highway Code section 2103, 2105, 2106, 2107 and 2107.5 of the State of California.
GDP	Gross domestic Product
General Fund	A fund used to account for the major operating revenues and expenditures of the City, excluding those financial resources that are required to be accounted for in another fund category. General Fund revenues are derived primarily from property and other taxes.
General Long Term Debt	All debt that has not matured except that of proprietary funds. Provides a way for governments to list all the long-term general obligation debt they have in an “off balance sheet” manner such that the debt has no negative effect on the fund balances of the governmental funds. If sufficient

assets are not available to cover the debt, it is covered by the full faith and credit of the government in the form of the amount provided.

General Obligation (GO) Bond

Bonds that are usually limited by state law as to the amount as well as the length of indebtedness that a government can have. These “Full Faith Credit” bonds are secured by all of the financial assets of the local government, including property tax.

General Plan

The master plan for the City which guides its physical, economic, and social development. It contains key elements such as land use, traffic/circulation, noise concerns, and recreational considerations.

Geographic Information System

A computer based Geographic Information System for the tracking and monitoring of development projects.

Goals

Broad mission statements which serve as guiding principles of the City Council.

Governmental Accounting

Principles and procedures in accounting for federal, state and local government units.

Governmental Accounting Standards Board

GASB – organized in 1984 by the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities (www.gasb.org).

Governmental Funds

These include general, special revenue, capital project, and debt service. They measure how government is doing in the short term and often in comparison to the budget.

Government Finance Officers Association

A non-profit professional association serving 9,500 government finance professionals throughout North America. Over 11,000 governments participate actively in the associations’ activities.

Grant	Contributions or gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant awarded by the Federal Government.
Historical Cost	Actual expenses incurred during the previous fiscal years. The basis for how trends are determined. Accounting principle requiring that all financial statement items be based on original cost or acquisition cost.
Indirect Cost	A cost not directly associated with a specific item or service that is allocated across a number of budget areas. Electricity and building insurance are examples of indirect costs. Also referred to as Overhead.
Inflation	Rise in the prices of goods and services, as happens when spending increases relative to the Supply of goods on the market.
Infrastructure	Refers to the major physical components of a jurisdiction including the streets, bridges, reservoirs, and sewers, all of which are generally immovable. Infrastructure is differentiated from fixed assets which include property and equipment such as buildings, vehicles, and machinery.
Inter-Fund Transfers	Payments from one fund to another fund, primarily for work or services provided.
Intergovernmental Fund	Used to account for activities primarily supported by taxes, grants, and similar revenue sources.
Intermodal Surface Transportation Efficiency Act	This fund was created to administer those monies the City has secured for various street and traffic signal projects from the federal government.
Internal Service Fund	A fund used to account for services provided by one department to other departments on a cost-reimbursement basis.

Jurisdiction	Geographic or political entity governed by a particular legal system or body of laws.
Levy	To impose taxes, special assessments or service charges for the support or governmental activities.
Liability	Debt or other legal obligations arising out of past transactions which much be liquidated, renewed, or refunded at some future date. Encumbrances are not considered to be liabilities.
Lighting and Landscaping Funds	Funds to account for the installation, maintenance, and improvement of subdivision landscape and lighting within the special districts. Monies are collected through an annual levy on the property owners within each district.
Local Agency Formation Commission	LAFCO – reviews proposals for the formation of new local governmental agencies and changes of organization in existing agencies.
Local Agency Investment Fund	LAIF – a voluntary program created by statute in 1977 in which participating agencies (local governments and special districts) invest public funds.
Long Term Debt	Debt with a maturity of more than one year after issuance.
Maintenance of Effort	A criterion that must be met in a street improvement as mandated by the State.
Major Fund	A fund that comprises more than 10% of total citywide budgeted revenues and transfers-in and/or 10% of total budgeted appropriations and transfers-out.
Measure H	Accounts for the \$25,000,000 of General Obligation Bonds issued May 2009 and March 2012. These funds are to finance the costs of acquiring and constructing park improvements.
Measure WW	East Bay Regional Park District issued a bond measure to fund Regional Park acquisition and capital projects with a portion of the proceeds to go to cities, special park and recreation districts, county service areas and the Oakland Zoo for much needed local Park and recreation projects.

Memorandum of Understanding	MOU – an agreement outlining the terms of employment entered into between the City and Employees of various bargaining units.
Millions of Gallons Per Day	Rating used in infrastructure water projects.
Mobile Data Terminal Modeling	A program set up for direct communication between the police officer and the dispatcher. Designing or manipulating a mathematical representation that simulates an economic system or corporate financial application so that the effect of changes can be studied and forecast.
Modified Accrual Basis or Method	A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of accrual and cash accounting since expenditures are immediately incurred as a liability when they are committed, while revenues are not recorded until they are actually received or are “measurable” and available for expenditure.
National Pollutant Discharge Elimination System	NPDES – a permit program authorized by the Clean Water Act that controls water pollution by regulating point sources that discharge pollutants into waters of the United States.
Nondepartmental	The department designation assigned to budgets that provide for performance of work or purchase of goods that cross or transcend departmental lines.
Nonspendable Fund Balance	Portion of net resources that cannot be spent because of their form or must remain intact.
Objectives	Specific plans, programs, or activities that departments and their divisions intend to accomplish in the upcoming fiscal years.
Operating Budget	A financial plan for the provision of direct service and support functions that provide basic governmental services. The operating budget contains appropriations for such expenditures as salaries and benefits, services, supplies, capital outlays, and debt service/other. It does not include Capital Improvement Program expenditures.

Ordinance	A law passed by the legislative authority (City Council) of a local jurisdiction.
Organization	Organized structure of roles and responsibilities functioning to accomplish predetermined objectives.
Organization Chart	A chart showing the interrelationships of positions within an organization in terms of authority and responsibilities.
Overhead	Indirect expenses of running an organization not directly associated with a particular item or service. Also referred to as Indirect Cost.
Overtime	Time worked in excess of an agreed upon time for normal working hours by an employee at the rate of one and one-half their normal hourly rate. Working on holidays or weekends may constitute overtime work, especially if not part of the normal work schedule.
Per Capita	By or for each individual. Anything figured per capita is calculated by the number of individuals involved and is divided equally among all.
PG&E Rule 20A Funding	Projects performed under Rule 20A are nominated by a city, county or municipal agency and discussed with Pacific Gas & Electric Company, as well as other utilities. The costs for undergrounding under Rule 20A are recovered through electric rates after the project is completed.
Prepaid	Expense paid in advance, such as a one-year insurance policy paid when purchased or rent paid in advance of the period covered.
Prior Year	The fiscal year preceding the current year.
Program	An organized, self-contained set of related work activities within a department or division which are directed toward common objectives and represent a well-defined expenditure of City resources.

Program Budget	A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.
Projection	Estimate of future performance made by economists, corporate planners and credit and securities analysts, typically using historic trends and other assumed input.
Property Tax	A tax levied on the assessed value of real property also known as ad valorem tax. In California, this tax is limited to 1% with the exception of pre-Proposition 13 approved bond debt service.
Proposition 13	On June 6, 1978, the California electorate approved Proposition 13, the “People’s Initiative to Limit Property Taxation,” which limited the tax rate for real estate as follows: the maximum amount of any tax on real property shall not exceed 1% of the full cash value of such property.
Proposition 218	On November 5, 1996, the California electorate approved Proposition 218, the self-titled “Right to Vote on Taxes Act.” Proposition 218 added articles XIIC and XIID to the California Constitution and made numerous changes to local government finance law. Public officials are required to conduct the public’s business in compliance with Proposition 218.
Proprietary Fund	A fund used to account for operations that are financed and operated in a manner similar to business enterprises. Such a fund is established as a self-supporting operation with revenues derived primarily from fees, charges, or contracts for services.
Public Employees’ Retirement System	PERS – provides retirement and health benefit services to members from the state, school districts and local public agencies (www.calpers.ca.gov).
Purchase Order	An order issued by the Purchasing Department which authorizes the delivery of specific goods or services and incurrence of a debt for them.
Recognized	The time at which an item is officially recorded and measurable, as with a financial transaction.

Reserve	An account used to designate a portion of the fund balance for a specific future use and is therefore not available for general appropriation.
Resolution	A legal order by a government entity.
Restricted Fund Balance	Fund balance that has limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
Retained Earnings	The accumulated earnings of an Enterprise or Internal Service Fund which have been retained in the fund and are not reserved for any specific purpose.
Revenues	Funds received from various sources and treated as income to the City to be used to finance expenditures. Revenues include such items as taxes, fees, user charges, grants, fines, forfeits, and interest income.
Right of Way	ROW – a strip of land occupied or intended to be occupied by a street, crosswalk, railroad, Electric transmission line, oil or gas pipeline, water main, sanitary or storm sewer main, shade Trees, or special use.
Section	A unit or organization which reports to a division.
Special Assessment	A tax or levy customarily imposed against only those specific parcels of real estate that will benefit from a proposed public improvement, as opposed to a general tax on the entire community. Because the proposed improvement will enhance the value of the affected homes, only those affected owners must pay this special lien. Common examples of special assessments are water, lighting and landscaping, sidewalk and sewer assessments, or other special improvements such as parks and recreational facilities.
Special District	A designated geographic area established to provide a specialized service (e.g. Landscape Maintenance District).

Specials Funds	The City's accounts are broken into distinct funds, each earmarked for a different purpose, with the principle and interest of the funds tracked separately. The City's main operating fund is its General Fund, while all other City funds are designated as Special Funds.
Transfers-In/Out	A transfer of resources between different City funds. A transfer of cash from the City's General Fund to a City Special Fund, for example, would be designated as a transfer-out in the General Fund, and then a transfer-in in the receiving Special Fund.
Transient Occupancy Tax	TOT – a 10% tax added to the cost of renting a hotel room within the City. Also known as the Hotel Tax
Trust Funds	
Unassigned Fund Balance	In the general fund, the balance of net financial resources that are available for appropriation.
Unreserved Fund Balance	In a governmental or expendable trust fund, the balance of net financial resources that are available for appropriation.
User Fees	Fees charged to users of a particular service provided by the City.

LIST OF ACRONYMS

AB	Assembly Bill
ABAG	Association of Bay Area Governments
AD	Assessment District
ADA	Americans with Disabilities Act
AQMD	Air Quality Management District
ARC	Annual Required Contribution
BAAQMD	Bay Area Air Quality Management District
BART	Bay Area Rapid Transit
BOE	Board of Equalization
CAFR	Comprehensive Annual Financial Report
CALBO	California Building Officials
CALPELRA	California Public Employers Labor Relations Association
CALTRANS	Transportation Department for the State of California
CCC	Contra Costa County
CCCFC	Contra Costa County Flood Control
CCCSD	Central Contra Costa Sanitary District
CCFPD	Contra Costa Fire Protection District
CCTA	Contra Costa Transportation Authority
CCWD	Contra Costa Water District
CDBG	Community Development Block Grant
CARBT	California Employers' Retiree Benefit Trust
CEQA	California Environmental Quality Act
CERBT	California Employers' Retirees Benefit Trust.
CERT	Community Emergency Response Team
CIP	Capital Improvements Program
COLA	Cost of Living Allowance
COP	Certificate of Participation
COPS	Citizens Option for Public Safety
CRM	Customer Relationship Management
CPI	Consumer Price Index
CSMFO	California Society of Municipal Finance Officers

CTC	California Transportation Commission
DBAW	Department of Boating and Waterways
DOF	California Department of Finance
EBRPD	East Bay Regional Park District
EIR	Environmental Impact Report
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
ERAF	Educational Revenue Augmentation Fund
ERU	Equivalent Runoff Unit
FASB	Financial Accounting Standards Board
FEMA	Federal Emergency Management Association
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GLTD	General Long Term Debt
GO BOND	General Obligation Bond
HES	Hazard Elimination System
HUD	U.S. Department of Housing and Urban Development
ICMA	International City Managers' Association
ISTEA	Intermodal Surface Transportation Efficiency Act
LAFCO	Local Agency Formation Commission
LAIF	Local Agency Investment Fund
LLD	Landscape and Lighting District
MOE	Maintenance of Effort
MPA	Municipal Pooling Authority
MTC	Metropolitan Transportation Commission
MUSD	Martinez Unified School District
NPDES	National Pollutant Discharge Elimination System
O & M	Operation & Maintenance
OPEB	Other Post Employment Benefits

PEG	Public Access, Educational, and Government Cable Channels
PEMHCA	Public Employees Medical and Hospital Care Act
PERS	Public Employees Retirement System
PMP	Pavement Management Program
POST	Peace Officer Standards and Training
PT	Part-Time
RFP	Request for Proposal
RWQCB	Regional Water Quality Control Board
SAS	Statement of Auditing Standards
SCADA	Supervisory Control and Data Acquisition
STIP	State Transportation Improvement Program
SWAT	Special Weapons and Tactics
TDA	Transportation Development Act
TEA	Transportation Equity Act
TEA 21	Transportation Equity Act for the 21 st Century
TFCA	Transportation Funds for Clean Air
TOT	Transient Occupancy Tax
VLF	Vehicle License Fee
WTP	Wastewater Treatment Plant

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